

San Mateo County Transit District (District)

Foster City Community Center
1000 E. Hillsdale Blvd., Wind Room, Foster City, California

Minutes of Board of Directors Special Meeting / Board Study Session

November 9, 2023

Members Present: (In Person)	D. Canepa, M. Chuang, B. Esser, M. Fraser (Vice Chair), J. Gee (arrived at 12:27 pm), R. Medina, J. Powell (Chair), P. Ratto
Members Present: (Via Teleconference)	None
Members Absent:	R. Mueller
Staff Present:	A. Chan, D. Olmeda, K. Jordan Steiner, J. Cassman, S. van Hoften, J. Brook, D. Seamans, Josh Mello, Millie Tolleson, Chelsea Schultz, Wendy Lau, Nate Kramer

1. Call to Order/Roll Call

Chair Josh Powell called the meeting to order at 9:30 am and confirmed that a quorum of the Board was present.

2. Discuss Purpose of the Workshop

April Chan, General Manager/CEO, thanked the Board who came to Foster City and provided a brief introduction of the items to be discussed. She said staff would like to receive feedback from the Board on the mission, goals, and vision of the District to help set the stage for the next District Strategic Plan and also to develop a plan for expending Measure W funds for the District. She said that along with the expenditure plan, the District will also be developing an updated financial forecast and a Capital Improvement Program.

Ms. Chan introduced Joshua Schank, Managing Principal, InfraStrategies and Nate Conable, Principal, Fehr & Peers to provide the presentation and lead the Board's discussion.

3. District Strategic Plan and Capital Improvement Program

District Strategic Plan: Context Setting

Mr. Conable provided the first part of the presentation on the Strategic Plan components. He presented the revenue and expense assumptions from the March 2023 Board Workshop and noted the assumptions will be updated. He noted that the operating side, as presented to the Board at its March 2023 workshop, showed surpluses over the next 10 years. However, when capital expenditures are added over the same period, a cumulative deficit will result over time.

As part of the strategic planning process, the team will be updating the District's revenue forecasts and financial model, and he said they will update the Board with the latest financial forecasts in spring 2024. He emphasized that the District was in a favorable position after coming out of the pandemic and having an updated financial forecast allows the District to think big in regard to future opportunities.

Mr. Schank next presented the purpose and scope of the Strategic Plan and the proposed framework. This will include establishing a mission, vision, goals, objectives and initiatives, all informed by core values. Mr. Schank outlined the Strategic Plan development milestones that will result from the strategic planning progress. He said the goal is to have a final Strategic Plan by the summer of 2024.

Next, Mr. Schank presented key findings from the scoping and engagement efforts completed as part of the strategic planning process, including: travel trends; customer expectations; interviews with partner agencies, peer agencies and thought leaders (see presentation for list of interviewees), department interview, and the employee survey.

He pointed out that findings related to travel trends findings indicate there are more trips happening during off-peak periods, that telecommuting remains prevalent post-pandemic for a certain segment of the population, and rents are rising faster than incomes impacting current and future ridership. He said that bus ridership in general is recovering quickly and is now closer to pre-pandemic levels compared to other transit modes (consistent with national trends); however, pre-pandemic, transit as a share of overall trips was declining.

He said that SamTrans ridership has steadily recovered but remains below pre-pandemic levels. Regarding the SamTrans customer profile and expectations, he said that post-pandemic riders are more likely to be youth or riders of color, more likely to be low income, and less likely to speak English very well. He also said they are seeing fewer SamTrans riders who have access to a vehicle compared to pre-pandemic. 2019 Market Research found that SamTrans riders wanted to see improved connections, real-time information, faster service with fewer stops, bus priority infrastructure, and improved stop amenities, and MTC's Transit Transformation Action Plan found customer expectations in 2021 were consistent with those expressed in 2019 by SamTrans riders.

Mr. Schank said that they talked to peer agencies, partner agencies, and thought leaders. He noted that key takeaways from these conversations include: Transit agencies need to clearly articulate their purpose and goals beyond a Covid-19 recovery; auto-centricity and other land use patterns (zoning, economic development) are at odds with transit; travel patterns in San Mateo County are *perceived* as not in line with current transit network; customer preferences for frequency and reliability, safety/security, and cleanliness remain consistent; there is inherent tension between regionalism and localism across Bay Area operators, with varying views on how to address funding and governance issues; the role of transportation in climate change is recognized with an increasing sense of urgency to get more people on transit; and a focus on El Camino Real and Dumbarton corridors was recommended by partners.

Mr. Schank summarized the key takeaways from the employee survey, which received 326 responses, or about 40 percent of employees. 82 percent of respondents agree that their jobs are interesting and challenging and 81 percent agree that people they work with treat each

other with respect. 25 percent of survey respondents disagree with the statement that there is open and honest communication throughout the District; 18 percent disagree that they have received the training they need to do their job well, and 18 percent disagree that the Executive Team values them as their most important resource.

He said that interviews with internal departments (including the TA and Caltrain) revealed that it is difficult to attract and retain talent due to factors such as affordability of nearby housing, that current work facilities are inadequate for current and future needs, that there is confusion around the idea of shared services, processes such as procurement and updating legacy technology systems need to be streamlined, improved cross-departmental collaboration and is overwhelmingly desired. He said that people generally feel safety should be a top priority. Also, team camaraderie and the people have been described as the most successful and rewarding part of working at the District.

Director Marie Chuang asked if “safety” referred to the operators themselves, or the buses. Mr. Schank said this is a finding from department interviews, and participants were referring to the need to have a stronger safety culture. She also asked for more clarity surrounding shared services. Mr. Schank said that refers to having more clarity on how staff is supposed to conduct those shared services and prioritize requests.

Director Rico Medina concurred that "safety" is a broad term and said it would be better to have more context. He also asked for a better definition of “facilities” and had questions about procurement. Mr. Schank said that he could check to see if there was more detailed discussion in the department interviews about safety and get back to him. Regarding facilities, Mr. Schank said that the term refers to the headquarters, north and south bases, and whether employees felt comfortable in their work environment. Regarding procurement, he relayed that the rules are rather cumbersome, and the procurement process can be difficult.

Director Brooks Esser said under the employee survey, the percentages were confusing: the survey indicates that 82 percent of the respondents strongly agree or agree their jobs are interesting, and then on the downside, that 18 percent disagree or strongly disagree they have the training they need and that the executive team values them. He requested a breakdown of the poorly rated survey questions, and Mr. Schank said he would get that data.

Director Chuang asked for clarification on the statement that travel patterns in San Mateo County are not aligned with the current transit network. Mr. Schank said traffic patterns are perceived as not being aligned with transit; the perception is that there are many trips occurring in the County that are challenging to serve or not being served by transit. He said there are plans in the works to continue to align transit with traffic patterns. He said that most trips in major urban areas occur outside of the peak period and do not necessarily consist of downtown commutes. He said that post pandemic, efforts are being made to have transit serve a great portion of the travel happening the region. He said although SamTrans is working to align its services with changing travel needs, the perception by peer agencies and thought leaders is that SamTrans is not doing so.

Director Marina Fraser asked for clarification on “Consumer preferences for frequency, reliability, safety, security, and cleanliness remain consistent.” Mr. Schank explained that this reflects consumer preferences, which have been consistent over time, and are independent of

how well the District is meeting those expectations. Mr. Schank replied that the Bay Area Council has asked questions related to transit safety and COVID safety perceptions (as part of employer surveys), and he can see if those survey results provide more insight.

Director David Canepa asked if SamTrans customer profiles and expectations align with other geographic areas. Mr. Schank said it depends on the area because some areas are more transit-heavy or transit-dependent than others. He said that in low-income areas where many people do not have cars, safety and security becomes a bigger priority. He added that frequency and reliability are always important to riders. Director Canepa asked if SamTrans should be thinking about Regional Network Management and how they are integrated into the regional network, especially around Clipper. Mr. Schank said that it is critical not to work in isolation and to think in terms of the region. Director Canepa said he supported SamTrans finding and leveraging opportunities for growth regionally.

Director Esser asked if the employee survey responses were distributed equally amongst the various District locations such as administrative, operators, maintenance bases. Mr. Schank conceded that generally the people who are often the hardest to reach are those on the front lines. He said that efforts to reach non-administrative employees in the SamTrans survey were successful. Director Esser asked if operators were disproportionately represented in the “strongly disagree or disagree” group. Mr. Schank said he would get back to him with the information.

Chair Josh Powell commented that it was difficult to increase frequency while at the same time increasing coverage and lowering costs.

Director Chuang also requested more granular data on the 40 percent of employees who responded to the survey. She asked what the average participation rate was for employee surveys in general. Mr. Schank said transit agencies are historically difficult to survey and a 40 percent response rate is significant, with 50 to 60 percent representing a huge win. Director Chuang asked how the statement that most trips in larger urban areas occur during off-peak hours compared with the post-pandemic trend of workers using transit during peak hours to commute to and from their jobs. Mr. Schank said before the pandemic, travel was particularly bad during the peak but now there is a lot more congestion and travel during off-peak times. He said this travel is not confined to just transit but includes all travel modes. He noted that many transit-riding workers work shifts other than the traditional 9-to-5 hours compared to white-collar workers, who are now commuting less and telecommuting more.

The Board meeting recessed from 10:21 to 10:26 am.

Strategic Assessment - Mr. Schank proceeded with the presentation and there was an interactive strategic assessment exercise for Board Members using sticky notes. Board Members wrote down what they each identified as District strengths, weaknesses, opportunities, and threats on sticky notes and placed them under their respective categories on large sheets posted around the room:

Strategic Assessment - Strengths: What attributes, resources, or capabilities are positive or advantageous at the District?

- Confidence in Staff
- Finances
- Measure W
- Buses are safe and clean; good cleaning protocols during COVID
- Effective plan to transition to zero-emission fleet
- Pilot programs for on-demand services
- *Reimagine* is working
- Regional cooperation
- Reliability of service

Mr. Schank said it was encouraging to see the greatest number of post-it notes under the Strengths category.

Strategic Assessment- Opportunities: What factors or circumstances can be leveraged for positive outcomes?

- New headquarters
- Strategic planning
- Lead the way in use of climate-friendly fuels
- Great staff
- Improve infrastructure
- More public awareness of fare programs

Strategic Assessment - Weaknesses: What attributes, resources, or deficiencies hinder the District?

- East-to-west connection
- Poorly run agencies can often taint public opinion of other well-run agencies
- Building and facilities condition
- Lack of workforce housing at affordable pricing
- Employee retention
- Lots of capital projects upcoming, some of which are not visible to customers
- Headquarters and bases

Strategic Assessment - Threats: What factors pose a challenge to success?

- Recession and potential loss of sales tax revenue
- Cybersecurity
- Recruitment
- One of 26 transit agencies
- Post-COVID ridership recovery
- Regional challenges and conflicts
- Fiscal cliff that would affect all agencies in region unless 2026 ballot measure passes
- Overcrowding of buses
- Other transit agencies fiscally challenged

Cross-Analysis Exercise - Strengths: the Board regrouped and Mr. Schank led them through the exercise and asked what District attributes, resources, or capabilities are positive or advantageous, and how the District's strengths can be leveraged to address some of the upcoming threats.

Director Chuang commended the positive relationships that the Board and staff members have with leadership at other transit operators, which have contributed to leveraging the District's strengths and achieving its goals.

Mr. Schank asked where the workforce would be most powerful in addressing the identified weaknesses.

Director Canepa said strengths include the District's resources and strong management. For example, how the District allocated its resources, being in a good financial position, Measure W, having minimal bureaucracy to allow for efficient decision-making and flexibility, and having the opportunity to have a headquarters and new building at North Base where the employees feel valued and which encourages collaboration.

Mr. Schank said that perhaps having a high-performing workforce that has a place where they can establish a solid foundation would be a priority for the Strategic Plan. He asked how to leverage regional cooperation to achieve some of the larger goals.

Chair Powell noted that the District's cooperation with the JPB (Joint Powers Board)/Caltrain to be one of its strengths. He said regional connectivity could be improved and agencies could be consolidated. Mr. Schank concurred that regional cooperation is a big issue.

Director Peter Ratto said regional services are important yet are not relevant to SamTrans' primary customers' needs and should not be at the expense of existing services.

Director Chuang said the customer and public perception of convenience is important. She said if the riders do not feel the service is viable in their daily trips, the District is going to lose customers. She said riders should be able to view transit service beyond commuting and use it for leisure activities as well.

Mr. Schank said that one of the things he's seen on a national level is that the recovery of transit ridership has been greater on weekends than during the week and traffic congestion is worse at off-peak times compared to pre-pandemic.

Millie Tolleson said that this trend is true for SamTrans and weekend ridership recovery is strong. *Reimagine* includes mid-day and weekend service expansion. A lot of our routes don't run on Sunday, but many people use it as their primary mode of transportation. That's something we're really excited about delivering next year to help drive more frequent ridership.

Cross-Analysis Exercise – Weaknesses: Mr. Schank asked what factors or circumstances can be capitalized and leveraged for positive outcomes, and how the District's weaknesses can be addressed.

Regarding his note that SamTrans had capital projects that were not visible to customers, Director Esser said the District's marketing campaign should emphasize how green the District is and focus on things the riders see every day like bus stop amenities.

Chair Powell commented that Reimagine SamTrans has prioritized riders.

Director Medina commented that the central headquarters building needed to be taken care of 5 years ago. Ridership is our first priority but our employees also need to be taken care of.

Mr. Schank asked how the District's strengths could be applied to improve east-west connections.

Director Canepa said he was supportive of the District's efforts in on-demand microtransit and wanted to see that expanded into other areas throughout the County such as Pacifica.

Mr. Schank asked about employee retention being perceived as a weakness.

Director Chuang said with housing demand going up, traffic congestion will increase and public transit will become even more important. She suggested that the District increase its visibility with the cities in discussions on housing to promote SamTrans as a viable transportation alternative.

Ms. Chan said their planning team is looking at a transit-oriented community policy. She said where SamTrans places its services goes hand in hand with where the County's cities are building housing. Director Esser said they could identify parcels where there is going to be extra demand before the building begins in each city's Housing Element.

Mr. Schank asked if there is a need for more regional leadership to accomplish some of those goals related to the connection between housing and transit.

Director Canepa said the County already is well positioned to convene these conversations. SamTrans is in the transit business and can be a partner but shouldn't reinvent the wheel. He suggested the Strategic Plan could explore employee retention, workforce housing or bonuses.

David Olmeda, Chief Operating Officer, Bus, said the District has multiple incentive programs aimed at employee retention. He said the programs need to be meaningful to the employees. He said the investment in headquarters, while not necessarily meaningful to the public, has a great impact on the needs of the employees, which will in turn positively impact the services offered. Mr. Olmeda said in addition to addressing employee retention, they will be investing in improving the bus stops, which directly impacts our customers.

Chair Powell said the District should act in an advisory capacity regarding transit in housing discussions but not advise on housing itself, and Director Chuang agreed.

Director Medina asked how can we improve transit speed along El Camino? SamTrans has an opportunity to provide templates, strategies, ways of doing this. City staff are not experts in how to incorporate transit. SamTrans can fill that gap.

Mr. Schank commented that focusing on Dumbarton and El Camino corridors is something that came up during the interviews with peer agencies.

Mr. Schank asked what the District could do to prepare for the fallout from poorly run agencies.

Director Fraser said communicating to the public the positive things the District is accomplishing.

Director Canepa said at the regional level, there needs to be better defined accountability for transit agencies that are missing the mark. He said that while collaboration with other transit properties is important, the District should not have to use its resources to make up for other agencies' inadequacies.

Mr. Conable reviewed the next steps in the planning process, saying that they would be finalizing a draft of the mission, vision, core values, goals and objectives, and initiatives and bring a draft Strategic Plan to the Board in the spring of 2024.

Capital Improvement Program

Chelsea Schultz, Planning Administrator, continued with the CIP portion of the presentation. She noted that there is a pressing need to have a comprehensive and up-to-date Capital Improvement Program to inform the District's decision-making for capital investments. She said that the Strategic Plan's prioritization and evaluation criteria will help the District drive the priorities and the programming for the CIP and the Measure W expenditure plan. She said the planning team will be updating the financial forecast for the CIP. She said they would also be coordinating with Caltrain's CIP development efforts. She elaborated that they would be undertaking a process to prioritize projects based on the ten-year financial outlook for capital funds and ensure that the capital investments align with the Strategic Plan framework.

Ms. Schultz said the program would address the District's mandates such as Innovative Clean Transit, zero-emission buses, and state of good repair projects that mandated by the Board or are from the District's regulatory requirements. She said the project team will engage key stakeholders and the executive team throughout the process, and provide updates to and seek input from the Board. She noted some of the major capital projects such as, Emission Zero Program, North Base Building 200, sea-level rise and erosion mitigation at North Base, North and South Base facility assessments, modernizing the IT network, headquarters, bus stop improvements and amenities, restroom access for bus operators, opportunities on the El Camino Real and Dumbarton corridors, and transit priority infrastructure treatments. She noted the ten-year CIP would cover Fiscal Years 2025 to 2035 and contain a narrative of the District's capital priorities and various funding sources. The final CIP would be in a user-friendly format that is easy for the public to understand and be a replicable process that staff can undertake on their own for future CIP updates or amendments. She concluded by presenting a timeline for the program.

The Board meeting recessed from 11:45 am to 12:19 pm.

4. District's Diversity, Equity, Inclusion, and Belonging (DEIB) Focus

Ms. Chan introduced Nate Kramer, Chief People Officer, and Wendy Lau, Deputy Director, Office of Civil Rights to share information on the District's work in its diversity, equity, inclusion, and belonging (DEIB) efforts. Ms. Chan said the District is engaged with APTA (American Public Transportation Association), who is working with many transit operators across the country on their DEIB efforts.

Ms. Lau provided a timeline of the District's DEIB efforts to improve workplace culture and retention. She explained that these efforts began in 2020 with the participation in GARE (Government Accountability on Race and Equity), creation of the Employee Resource Group Program, and annual Diversity days.

She shared that Dr. Sacha Joseph Mathews, Vice President of Diversity, Equity, and Inclusion (DEI) at Stanislaus State University, had conducted four trainings in 2023 for chiefs, executives, and directors on the basics of DEI, the necessity of DEI and incorporating DEI into the workplace.

She said that Dr. Mathews team also helped to facilitate ten focus groups with District staff, which explored the following topics:

1. What does DEI Mean
2. DEI and the Workplace
3. DEI and Organization Accountability
4. Inclusion and Belonging at SamTrans
5. Employee Empowerment

Director Jeff Gee arrived at 12:27 pm.

Ms. Lau detailed each of the topics and their next steps. She said the key takeaways from the trainings and groups were:

- Need for Ongoing and Open Communication
- Commitment and Intentionality
- Importance of Ongoing Efforts to Address DEIB Challenges

Ms. Lau said there would be presentations virtually and at the bases on the focus group findings on December 13 and 20.

Director Chuang asked about using the San Mateo County Equity Consortium and APTA as collaborators. Ms. Lau said working with the Consortium has informed SamTrans how other agencies are implementing equity programs and it also provides a helpful writing guide to implement person-first language. She said that APTA provides guides and templates on how to create goals and strategies, which they will need to tailor for District employees.

Director Jeff Gee asked about the challenges of reaching out to operators and base employees who work different shifts. Ms. Lau said they had different means of reaching those workers, including providing paper surveys that could be dropped off. She said the operators appreciated the person-to-person contact, so her team is ensuring that their schedule aligns with being able to do that.

Director Canepa asked if they were seeking additional staffing besides a manager of social equity. Ms. Lau said the work started in the Office of Civil Rights and they are aware that they need to move their baseline for equity beyond compliance. She said they would need additional staff to adapt to changing needs regarding equity best practices in transportation. She noted that their consultant found the upper leadership less diverse and male dominant.

Director Fraser expressed her support for the Office of Civil Rights' DEIB efforts.

Director Esser said he observed a disparity between the 81 percent of employees who said that the people they work with treat each other with respect and the 90 percent of respondents who believe employee morale is affected by the prevalence of work-related inequities. Ms. Lau said the disparity may be due to how those certain definitions are being used and different modes of gathering that information. She said that she had noticed a contrast between responses that operators submitted on paper and what they said during interviews where they admitted they did not read the survey in detail.

Director Chuang asked if cultural references or language barriers influenced responses within the focus groups. Ms. Lau said that the consultants who conducted the groups inquired if an interpreter was needed to translate slides and reported that participants were forthcoming with any cultural biases they were experiencing with any of the questions. Director Chuang said feedback was important to refining the existing mission statement.

Chair Powell noted that the benefits of DEIB include not only fairness within the organization but also concrete benefits such as employee retention.

Director Gee said the District could expect top-down requirements for DEIB metrics from potential grantors such as the federal government. He remarked that in the private sector, ESG (environment and social governance) are becoming the pillars of company culture. He said he would be curious to see how ESG plays inside SamTrans so that it can frame what the District is doing more comprehensively so that these concepts permeate throughout the organization.

Ms. Chan thanked the presenters and DEIB next steps would be how they put the ideas into action and that the results would be shared with the employees. She said that they want to ensure that the internal concept of DEIB will also manifest in the services SamTrans provides to the community.

5. Adjourn

The meeting adjourned at 1:07 pm.

An audio/video recording of this meeting is available online at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to board@samtrans.com.