

SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA

MINUTES OF BOARD OF DIRECTORS MEETING
APRIL 1, 2020

MEMBERS PRESENT: R. Collins, M. Fraser, R. Guilbault, K. Matsumoto (Chair), D. Pine,
(Via Teleconference) J. Powell, P. Ratto (Vice Chair), C. Stone (arrived at 2:16 pm)

MEMBERS ABSENT: C. Groom

STAFF PRESENT: J. Hartnett, C. Mau, J. Cassman, D. Olmeda, D. Hansel, A. Chan,
S. Wong, D. Seamans

1. CALL TO ORDER

Chair Karyl Matsumoto called the meeting to order at 2:14 pm.

2. ROLL CALL

Dora Seamans, District Secretary, called the roll and confirmed a quorum was present.

3. CONSENT CALENDAR

- a. Approval of Minutes of the Board of Directors Meeting of March 4, 2020**
- b. Acceptance of Statement of Revenues and Expenses for February 2020**

Motion/Second: Guilbault/Fraser

Ayes: Collins, Fraser, Guilbault, Matsumoto, Pine, Powell, Ratto

Noes: None

Absent: Groom, Stone

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Adina Levin, Friends of Caltrain, commented on Caltrain funding.

5. REPORT OF THE CHAIR

Chair Matsumoto proposed that the meeting adjourn in memory of those who have passed from COVID-19 who were not able to have their families by their bedside.

Director Charles Stone arrived at 2:16 pm.

6. REPORT OF THE GENERAL MANAGER/CEO

Jim Hartnett, General Manager/CEO, noted that his written report was in the packet.

a. COVID-19 Status Update

Mr. Hartnett reviewed the latest COVID- 19 guidelines based on Governor Gavin Newsom's revised order to shelter in place until May 3, 2020. He clarified protocols for staff that are working on site, including posting guidelines in conspicuous locations.

David Olmeda, Chief Operating Officer, Bus, reviewed the adjustments to service as a result of the latest orders, including eliminating school service.

Derek Hansel, Chief Financial Officer, said that the fare revenue loss is \$1.3 million per month. He said that sales tax income is positive, but will not be good for the last quarter of the fiscal year. He said recovery would depend on the length of the problem.

Mr. Hartnett noted that the federal funding package of \$1.3 billion was granted to transit agencies in Bay Area, to be administered by MTC (Metropolitan Transportation Commission), which will decide how the funds are allocated. He said the District is working with the FTA (Federal Transit Administration) to determine how quickly the money can be distributed.

Director Dave Pine asked about the health and safety of District employees, particularly bus operators. Mr. Hartnett noted changes such as rear-door boarding and that social distancing was manageable on both buses and trains due to reduced ridership. He said there are now fewer DNOs (did not operate), with operators consistently showing up for work.

7. BOARD MEMBER REQUESTS/COMMENTS

Director Charles Stone expressed appreciation to the District employees for their flexibility and exemplary performance during the restrictions imposed by the pandemic.

8. RECESS TO COMMITTEE MEETINGS

The Board meeting recessed to committee meetings at 2:45 pm.

9. RECONVENE BOARD OF DIRECTORS MEETING

Chair Matsumoto reconvened the Board meeting at 4:09 pm.

10. MATTERS FOR BOARD CONSIDERATION: COMMUNITY RELATIONS COMMITTEE

Director Fraser reported on the following items:

MOTION:

- a. Proclamation in Honor of Senior Mobility Ambassador Kevin Poyntz

Motion/Second: Ratto/Guilbault

Ayes: Collins, Fraser, Guilbault, Matsumoto, Pine, Powell, Ratto, Stone

Noes: None

Absent: Groom

SUBJECTS DISCUSSED:

- b. Accessibility Update
- c. Paratransit Coordinating Council Update
- d. Multimodal Ridership Report – February 2020

11. MATTERS FOR BOARD CONSIDERATION: FINANCE COMMITTEE

Director Powell led the Board in voting on the following items:

RESOLUTIONS:

- a. Approving the Peninsula Corridor Joint Powers Board's Placement of a Three-County Measure to Impose a One-Eighth of One Percent Retail Transactions and Use Tax to be Used for Operating and Capital Purposes of the Caltrain Rail Service on the November 3, 2020 Election Ballot – *Approved by Resolution No. 2020-12*
- b. Authorizing the Filing and Execution of a Funding Application for the US-101 Express Bus Project in the Amount of \$1,703,010 – *Approved by Resolution No. 2020-13*
- c. Authorizing Application for and Receipt of San Mateo County Shuttle Program Funds – *Approved by Resolution No. 2020-14*
- d. Adopting a Debt Policy – *Approved by Resolution No. 2020-15*
- e. Repealing Fuel Hedging Policy and Adopting New Diesel Fuel Hedging Program and Associated Statement of Policy and Strategy to Maintain a Futures Account to Acquire, Hold and Dispose of Diesel Futures Contracts and Authorizing Execution of Commodity Futures Accounts – *Approved by Resolution No. 2020-16*
- f. Authorizing Examination of Transactions (Sales) and Use Tax Records – *Approved by Resolution No. 2020-17*

Motion/Second: Powell/Ratto

Ayes: Collins, Fraser, Guilbault, Matsumoto, Pine, Powell, Ratto, Stone

Noes: None

Absent: Groom

12. MATTERS FOR BOARD CONSIDERATION: LEGISLATIVE COMMITTEE

Director Collins led the Board on voting on the following item:

MOTION:

- a. State and Federal Legislative Update and Approval of Legislative Proposals

Motion/Second: Powell/Collins

Ayes: Collins, Fraser, Guilbault, Matsumoto, Pine, Powell, Ratto, Stone

Noes: None

Absent: Groom

13. GENERAL COUNSEL REPORT

- a. **Closed Session: Public Employee Performance Evaluation Pursuant to Government Code Section 54957(b)(1), Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
Agency designated representative: Board Chair
Title/Unrepresented Employee: General Manager/CEO Jim Hartnett
- b. **Closed Session: Conference with Labor Negotiator – Pursuant to Government Code Section 54957.6**
Agency-designated Representatives: Pat Glenn and David Olmeda

Employee Organizations: Amalgamated Transit Union Local 1574 (Bus Operators and Maintenance and Customer Service Employees); International Brotherhood of Teamsters Local 856 (Transit Supervisors, Bus Contract Inspectors, Maintenance and Utility Supervisors, Transit Instructors, Maintenance Instructors and Facility Technicians)

Director Marina Fraser left the meeting at 4:15 pm

The Board recessed to closed session at 4:16 pm

The Board meeting reconvened into open session at 5:30 pm

Joan Cassman, Legal Counsel, advised that the Board has just convened in two closed sessions.

The first closed session, Item #13 (b), pertained to labor negotiations. The Board heard a report from its Labor Negotiator, Pat Glenn, supported by the District's Human Resources team, as to the state of discussions at this time with the ATU (Amalgamated Transit Union) and other unions representing District employees. No action was taken with respect to that session.

The Board then held a closed session, Item #13 (a), to undertake and complete the annual performance evaluation of the General Manager/CEO. This is the completion of a process that began earlier this year in February when the Board Chair appointed an ad hoc evaluation committee of three Board members to meet with Mr. Hartnett to review in detail his performance over the past year as well as the achievement of his goals and the development of performance goals for the coming year, and to discuss adjustments as may be appropriate to his Employment Agreement. The ad hoc committee met on four occasions and brought recommendations to the Board for consideration. After a very thorough and thoughtful discussion during this closed session, the Board is ready to consider on the record certain findings and actions described below.

First, the Board declares that it has completed to its satisfaction the annual performance evaluation of the General Manager/CEO for his performance last year. The unanimous findings of the Board is that Mr. Hartnett's performance exceeded expectations and deserves an excellent rating; that he is an extraordinary leader; and that he achieved and exceeded the goals that the Board had established for his performance for last year.

Second, based on these findings, the Board has determined that (a) Mr. Hartnett is entitled to a 3 percent adjustment in his salary, and this 3 percent represents the 3 percent salary and wage adjustment that was granted to all employees at the District last July 1, 2019; and (b) Mr. Hartnett is entitled to and has earned performance pay of \$50,000 as set forth in Section 3.1 of his Employment Agreement.

Third, the Board finds that since the commencement of this annual performance evaluation in February of this year, the coronavirus pandemic has developed bringing

with its unique and significant uncertainties as to future financial conditions affecting the District, the community and the world. In light of these circumstances, the Board has determined to defer the timing of the payment of the two elements of Mr. Hartnett's compensation referenced above. Mr. Hartnett fully supports this deferral. Accordingly, the 3 percent adjustment, which will require an amendment of the Employment Agreement, will be deferred and reconsidered by the Board at a later time at which point the Board will evaluate both the amount and the timing of the salary adjustment, taking into account the financial effects of the coronavirus, the financial stability of the organization, and potential subsequent salary adjustments for employees in the organization. As to the performance pay which has been earned and to which Mr. Hartnett is entitled, the Board has determined to defer this payment, with the timing of payment authorized by the Board at a later date, but no later than March 15, 2021.

If it was the will of the Board, Ms. Cassman asked the Board to take action to approve the findings and determinations as set forth above.

It was moved by Director Powell and seconded by Director Stone to approve the foregoing findings and determinations as outlined by Ms. Cassman. The motion was unanimously passed.

RESOLUTION:

Approving the Fifth Amendment to the Employment Agreement with General Manager/CEO Jim Hartnett – *Approved by Resolution No. 2020-40*

Motion/Second: Powell/Stone

Ayes: Collins, Guilbault, Matsumoto, Pine, Powell, Ratto, Stone

Noes: None

Absent: Fraser, Groom

Mr. Hartnett expressed his appreciation for the Board performance ad hoc committee and the entire Board, executive team and organization.

Chair Matsumoto thanked Mr. Hartnett on behalf of the Board.

14. COMMUNICATIONS TO THE BOARD OF DIRECTORS

Chair Matsumoto noted that the correspondence was in the packet.

15. DATE, TIME AND PLACE OF NEXT REGULAR MEETING

Chair Matsumoto announced the time and location of the next meeting as Wednesday, May 6, 2020 at 2:00 pm, with teleconference details to be provided prior to the meeting.

16. ADJOURN

The Board meeting adjourned at 5:39 pm.

An audio/video recording of this meeting is available online at www.samtrans.com. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to board@samtrans.com.