

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

MINUTES OF SEPTEMBER 2, 2010

MEMBERS PRESENT: R. Foust (Chair), C. Groom, J. Lee, K. Matsumoto,
T. Nagel, J. Vreeland

MEMBERS ABSENT: R. Gordon

STAFF PRESENT: J. Cassman, S. Cocke, B. Fitzpatrick, E. Goode, G. Harrington,
R. Haskin, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller,
S. Murphy, M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:03 p.m. Director Jim Vreeland led the Pledge of Allegiance.

CONSENT CALENDAR

- a. Approval of Minutes of July 1, 2010
- b. Information on Statement of Revenues and Expenses for the Period Ending June 30, 2010
- c. Acceptance of Statement of Revenues and Expenses for the Period Ending July 2010

A motion (Lee/Groom) to approve the Consent Calendar was passed.

Call for a Public Hearing on October 7, 2010 for Adoption of an Updated Property Conveyance Policy and Fee Schedule

Manager, Real Estate and Property Development Brian Fitzpatrick said the current fee schedule has not been updated since 2000.

A motion (Groom/Vreeland) to call for a public hearing on October 7, 2010 was approved.

FINANCE

Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended June 30, 2010

CSI, Inc. Investment Advisor, Bill Osher reported:

- Fiscal and monetary policies can fight a weak economy but this cannot happen with the weak global bond market. The global market hasn't recovered enough to stand on its own two feet and the country is seeing terrible economic numbers for housing and employment and is now dependent on monetary policy to provide stimulus.
- The only way out of the economic problems is with additional quantitative easing and it will take a while before the Feds really step up and do anything, which will probably be after November elections. Until then, it will be a period of low interest rates and weak economies.
- The good news is preconditions for growth exist in the economy and the country has made enormous adjustments in savings, production and inventories. The country needs to have a

policy that removes the tremendous amount of uncertainties surrounding tax policy, health care costs and regulatory reform and a monetary policy to give a kick start.

Director John Lee asked if TA investments are safe. Mr. Osher said they are exceptionally safe with no corporate credit risk in the event interest rates start to increase. Capital preservation is the primary objective of the TA investment fund.

A motion (Lee/Matsumoto) to accept the investment report was approved.

Authorize Allocation to the Peninsula Corridor Joint Powers Board (JPB) in the Amount of \$3,000,000 for San Mateo County's Local Share for the Caltrain Systemwide Capital Improvement Program for Fiscal Year 2011

Manager of Budgets Eva Goode said the local matching funds needed for the programs are equally shared by the San Mateo County Transit District (SamTrans), the Santa Clara Valley Transportation Authority (VTA), and the San Francisco Municipal Transportation Agency (SFMTA).

Director Carole Groom asked if all counties are paying their share at this time. Ms. Goode said each is contributing \$3 million.

Chair Foust asked if any of the counties owed money from the past. Executive Director Michael Scanlon said the TA isn't owed money. SamTrans remains out some money but negotiated a settlement, which was dependent on State funds. SamTrans has received a little money from Santa Clara and San Francisco counties and a considerable amount of money from the Metropolitan Transportation Commission (MTC). The MTC has agreed to move some of that money forward in time to SamTrans but it's still out there a few years.

A motion (Groom/Vreeland) to authorize the \$3 million allocation was approved.

Authorize Allocation to the Peninsula Congestion Relief Alliance (Alliance) up to an Amount of \$398,103 for the Alternative Congestion Relief (ACR) Program Funding Request for Fiscal Year 2011

Director, TA Program Joe Hurley said the Alliance is San Mateo County's demand management agency. He recognized Alliance Executive Director Christine Maley-Grubl. The Alliance works with employers to reduce peak period commute trips and explores opportunities to utilize alternative modes of transportation. The Alliance is also supported by the City/County Association of Governments of San Mateo County (C/CAG), the Bay Area Quality Management District and the MTC.

Director Lee said this is a great, well-managed program.

Chair Foust said the program fits with the TA Strategic Plan.

A motion (Vreeland/Lee) to support the allocation to the Alliance was approved.

Authorize Allocation to C/CAG in the Amount of \$650,000 to Fund Implementation of Traffic Congestion Relief Programs Through Fiscal Year 2011

Mr. Hurley said C/CAG continues to partner with the TA on a number of transportation projects and programs. Funding will support the traffic congestion relief program through the shuttle program, the ramp metering project and maintenance, and updating of the countywide travel forecasting model. Staff also proposes to support the update of the San Mateo County Comprehensive Bike Route Plan.

A motion (Groom/Matsumoto) to support the allocation to C/CAG was approved.

Authorize Allocation to the MTC in the Amount of \$150,000 to Fund the US 101/SR 92 Interchange Study

Mr. Hurley said the MTC is undertaking an effort to analyze key corridors and major interchanges in the Bay Area and one of these is the Highway 101/92 interchange. The new TA Expenditure Plan identifies this particular project as a key congestion area. The study will collect data, analyze existing conditions, define future conditions, identify deficiencies, and develop congestion and safety mitigation strategies. The results of this study will be used to influence the investment decision in the Highway Program. The cost of the study is \$450,000 and C/CAG and the MTC have each committed \$150,000.

Public Comment

Pat Giorni, Burlingame, said it would be shortsighted not to include High Speed Rail (HSR) because there is still a possibility that the route might be shifted from the Caltrain corridor to Highway 101. Caltrain's Footprint Study did not include consideration for HSR. Cities are coalescing to protect their interests on the Caltrain corridor. There should be discussion with the Board of Supervisors, C/CAG, the MTC and State representatives to consider other alignments.

A motion (Lee/Groom) to authorize the allocation for the Interchange Study was approved.

Chair Foust said she appreciates members of the public and TA Citizen Advisory Committee members attending meetings and engaging in discussion whether they agree or disagree with Board issues; and thanked them for their civility towards the Board.

Director Terry Nagel arrived at 5:26 p.m.

Authorize Allocation of \$170,625 of New Measure A Funds: Local Shuttle Program (Part 2 of 2)

Senior Planner Stacy Cocke said five applications were resubmitted and staff recommends approval of the following revised applications: East Palo Alto Shopper Shuttle, East Palo Alto Youth Shuttle, Menlo Park Senior Shopper Shuttle, and Millbrae On-demand Shuttle. The fifth application is for the South San Francisco Ferry Shuttle, which requested funding for FY2012. Staff will be back once the budget is approved to ask for allocation for all shuttles under the local shuttle program.

Director Karyl Matsumoto said the South San Francisco Ferry Shuttle will provide service to and from the ferry terminal to employment areas in Oyster Point and Grand Avenue areas. She asked if the shuttle will link up to other train stations. Ms. Cocke said this is the initial plan and multiple transit modes are outlined in an attachment to the funding agreement. Once service begins, staff will revisit the route to explore opportunities for route consolidation.

Director Matsumoto said she is uncomfortable with the lack of specifics on ridership and wants to make sure there is some flexibility because the success of this shuttle is going to mean the success of the ferry service. Ms. Cocke said the application includes flexibility for outreach to employers for route modification.

Director Matsumoto asked why the Menlo Park Senior Shuttle runs on Saturdays when people that work during the week do most of their shopping. Ms. Cocke said current users of the shuttle requested a Saturday shuttle.

Director Vreeland asked if these shuttles were in Measure A or were these competitive grants after the fact. Ms. Cocke said TA funding was available, there was a call for projects and these were the applications submitted. There were eight new TA shuttles and 12 existing shuttles that were funded under the original Measure A. It was an open call and these were the applications received. There were no rejections. The program is undersubscribed by about \$1 million.

Director Vreeland asked if there would be another call for projects in a year or two. Ms. Cocke said there would be a call for projects in two years.

Director Nagel asked if there has been a study completed for on-demand shuttles to see if people would pay a little something instead of riding free, which might enable the TA to offer more shuttles. Ms. Cocke didn't know if this was considered but said it's not something that is precluded in the new Measure A.

Mr. Scanlon said even a nominal fee can raise revenue but introduces a whole series of fare collection and protection issues.

Director Matsumoto asked if there is minimum funding requirement by the city. Ms. Cocke said the target is a 50 percent match but it is not so hard and fast with this program. Staff will be looking at this in the future, and it will be part of the evaluation in the calls for projects moving forward in order to maximize the effectiveness of Measure A.

A motion (Nagel/Vreeland) to support the allocation for local shuttle service was approved.

PUBLIC COMMENT

Jim Bigelow, Redwood City/San Mateo County Chamber, distributed a handout on HSR. The rail authority has twice certified the Bay Area to the Central Valley program level Environmental Impact Review/Environmental Impact Statement (EIR/EIS). A lawsuit by Atherton et al. wanted to decertify the EIR. The rail authority recertified the EIR today, which was in compliance with

Judge Michael Kenny's ruling in 2009. The route is Merced via Pacheco Pass to Gilroy, Gilroy to San Jose and the Caltrain corridor.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon said, at its August 31, 2010 meeting, the CAC received information on the following:

- Quarterly Investment Report and Fixed Income Market Review
- Allocation of \$3 million to the JPB for San Mateo County's local share
- Allocation to the Alliance for ACR
- Allocation to the MTC for the US 101/SR92 Interchange Study
- Local Shuttle Program (Part 2 of 2)
- State/Federal Legislative update
- Capital Projects Quarterly Status Report – 4th Quarter FY2010
- Broadway Interchange public hearing from 6 p.m. to 8 p.m. on September 15 at the Burlingame Library

CHAIRPERSON'S REPORT – ROSANNE FOUST

- Offered her seat as the TA representative on the C/CAG Board to the other Board members and asked that they let her know.
- There was an excellent completion celebration for the Highway 101 Auxiliary Lane Project: Millbrae Avenue to Third Avenue at Coyote Point on July 22. A video of the completion celebration was shown. Attendees included CAC Chair Dixon, Assemblyman Jerry Hill, and C/CAG Director Rich Napier.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The July 14, 2010 report is in the agenda packet.

Chair Foust asked Director Matsumoto what her impressions were of the SamTrans CAC in terms of Board support. Director Matsumoto said the SamTrans Board holds the CAC in the same high esteem as the TA CAC. They volunteer when they can and offer good input.

Director Vreeland left at 5: 45 p.m.

JOINT POWERS BOARD (JPB) REPORT

Executive Director Michael Scanlon reported on the meeting of September 2, 2010:

- The JPB approved the FY2011 operating budget on July 1 with a \$2.3 million deficit. A combination of service adjustments and fare increases are proposed to close the deficit. Extensive outreach has resulted in 1,500 comments. The Board and staff will present recommendations for service/fare changes at the October 7 meeting to be effective January 1, 2011. This would provide six months in FY2011 to get \$2.3 million savings. Caltrain will be facing a \$30 million deficit in FY2012, which could take the railroad to a service level of peak hours only with little or no other service. Caltrain has a high farebox recovery rate of 43 percent but doesn't have a dedicated funding source and depends heavily on contributions from the three partner agencies that have their own financial challenges.
- Peninsula Rail Program Director Bob Doty reported on the recertification of the HSR program level EIR/EIS.

- Caltrain will be changing some external optics to be more visible in the media and public about its involvement with HSR. From the outset, Caltrain has been very concerned about not only the integrity of the corridor but the well-being of the cities through which this system passes.
- Received a note from an outstanding Caltrain conductor that August 18 was the 150th anniversary of the San Francisco and San Jose Railroad, a project that only took three years and five months to complete on January 16, 1864.
- The Board:
 - a. Approved the Consent Calendar.
 - b. Designated September as “Railroad Safety Month.”
 - c. Accepted the Statement of Revenues and Expenses for July 2010.
 - d. Reappointed two CAC incumbent representatives: Current chair John Hronowski for San Francisco County and Sepi Richardson for San Mateo County.
 - e. Accepted the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended June 30, 2010.
 - f. Received an update on the Fuel Hedging Program.
 - g. Received a State Legislative update.
 - h. Accepted the Quarterly Capital Progress Report.
 - i. Authorized Legal Counsel and Mr. Scanlon, in consultation with the chair, to resolve a lawsuit. Should the lawsuit be resolved within the parameters set forth, a budget amendment would be presented for just under \$1 million to effectuate the funds needed for the settlement.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Thanked staff for their participation in the July 22 completion celebration of the Highway 101 Auxiliary Lane Project: Millbrae Avenue to Third Avenue.
- Caltrans signed off last week on the Highway 101 Broadway Interchange draft environmental document and draft project report, which allows release of the draft environmental document. The document was made available for public review and comment on August 30. A public meeting to solicit public comment is scheduled on September 15 from 6 p.m. to 8 p.m. at the Burlingame Library. Comments on the project will be accepted until September 29.
- There was a groundbreaking ceremony on August 11 for the Transbay Transit Center Project in the city and county of San Francisco. The project received \$400 million in American Recovery and Reinvestment Act funding to construct a trainbox underneath the development. The TA allocated Measure A funds to acquire a piece of the right of way and will probably be requesting additional funding for this acquisition. Staff is meeting with Transbay Transit Center staff about obtaining security interests that will be of sufficient value that, if the project were not to be built, funds could be recovered for residents of San Mateo County.

Program

Verbal Update on the State Legislative Program

Government Affairs Manager Seamus Murphy reported:

- The legislative session in Sacramento closed on Tuesday, August 31. Two bills passed that are significant for the TA and legislative staff will be asking the governor to sign them.

1. SB 1371 allows Proposition 1A connectivity funding recipients to advance their programmed share and be reimbursed through a Letter of No Prejudice process that is allowed under Proposition 1B projects. Caltrain is one of these recipients and has \$41 million programmed towards the electrification project through that program.
2. AB 987 recasts the area that is considered to be a transit village development district to include all land within a half-mile of a transit station instead of a quarter-mile. This is the second time this bill has passed. The governor didn't sign it because of budget delays two years ago and staff is hopeful he will sign this time.

Capital Projects Quarterly Status Report – 4th Quarter Fiscal Year 2010

Director Groom said the graphics make the report easy to read.

Chair Foust said she believes the report is available on the Web site separate from the agenda packet because she has sent links from the Web page to others.

Director Nagel asked about the schedule for the Broadway Interchange. Mr. Hurley said there was a concern associated with scheduling in the 3rd quarter. The project was rebaselined and is on a new baseline schedule.

REQUESTS FROM THE AUTHORITY

Chair Foust received an email from someone who wanted to give a presentation on sustainability. Authority Secretary Martha Martinez will follow up with the request and determine if it is applicable for the TA.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

Chair Foust received compliments about solicitor Joan Cassman from several members on the Council of Cities where Ms. Cassman presented information on the State propositions.

DATE AND PLACE OF NEXT MEETING

The next meeting is scheduled for Thursday, October 7, 2010, at 5 p.m. at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070.

Chair Foust said Mr. Scanlon will miss the October meeting because he will be in San Antonio, Texas to be installed as chair of the American Public Transportation Association.

Adjourned 6:08 p.m.