

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

MINUTES OF JANUARY 6, 2011

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

MEMBERS ABSENT: C. Groom, J. Vreeland

STAFF PRESENT: J. Cassman, M. Espinosa, G. Harrington, C. Harvey, R. Haskin, J. Hurley, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:04 p.m. and led the Pledge of Allegiance.

CONSENT CALENDAR

- a. Approval of Minutes of December 2, 2010
- b. Acceptance of Statement of Revenues and Expenditures for November 2010

The Board approved the consent calendar (Nagel/Lee).

PUBLIC COMMENT

None

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon presented details of the January 4, 2011 meeting:

- Received a presentation on and supported the allocation of \$80,000 of Measure A funds for the Bicycle Sharing Demonstration Program.
- Supported the adoption of the 2011 State and Federal Legislative Program.
- Barbara Arietta was elected chair and April Vargas vice chair for 2011.
- Thanked staff and the Board for their help and support.

Director Karyl Matsumoto complimented Ms. Dixon for representing the TA at various events and for being so efficient in running CAC meetings.

Director John Lee said Ms. Dixon is the epitome of an advisory committee representative. He said she has been there, she is not afraid of anybody, she does her homework, has been an outstanding leader for years and he fully expects her to continue to be involved.

Director Terry Nagel said Ms. Dixon shows a lot of common sense and digs to get answers the Board needs.

Ms. Dixon said she has lived locally for many years and a lot of issues affect her community.

Chair Foust said she has known Ms. Dixon for 12 years through community and city involvement and the CAC. She said Ms. Dixon is a great community activist.

Chair Foust said even though they may not agree on all issues, she has the upmost admiration and respect for Ms. Dixon and for all she has done for the community and for the things she has taught her. She emphasized Ms. Dixon is a great lady.

Ms. Dixon thanked everyone for their kind words.

Chair Foust congratulated Ms. Arietta and Ms. Vargas and said the TA CAC is the best CAC.

CHAIRPERSON'S REPORT – ROSANNE FOUST

- The December City Selection Committee meeting was canceled. TA representatives for South and Central County seats will be determined at the January 28 meeting in Millbrae. The SamTrans representative will be selected by the SamTrans Board of Directors. She said she has applied for reappointment, as have Directors Nagel and Matsumoto. New Board members are to be sworn in and 2011 officers elected at the February 3 Board meeting.
- Complimented Director Nagel for the presentation on the City of Burlingame to the Burlingame Chambers Annual Meeting.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The report for December 8, 2010 is in the agenda packet.

JOINT POWERS BOARD REPORT

Executive Director Michael Scanlon reported on the meeting of January 6, 2011:

- Santa Clara Supervisor Liz Kniss was sworn in to represent the Santa Clara Valley Transportation Authority (VTA).
- Public comments were received on bicycle capacity on trains, a change to three-car trains, connections using the Clipper automated fare card, and from the Friends of Caltrain.
- The chair appointed a nominating committee including Director Nat Ford of San Francisco County, Director Art Lloyd of San Mateo County and Director Kniss for election of 2011 officers.
- Received a Metropolitan Transportation Commission (MTC) liaison report noting that the Association of Bay Area Governments (ABAG) will be celebrating its 50th anniversary and the MTC its 40th anniversary.
- The CAC chair reported the election of Bruce Jenkins from Santa Clara County as chair and Paul Bendix from San Mateo County as vice chair for 2011 officers.
- Performance statistics November 2010 compared to November 2009:
 - a. Total ridership was 1,002,283, an increase of 5.7 percent.
 - b. Average weekday ridership was 39,036, an increase of 4.4 percent.
 - c. Total revenue was \$3,723,097, an increase of 12.3 percent.
 - d. On-time performance was 93.9 percent, an increase of 1.9 percent.
 - e. Shuttle ridership was 5,714, an increase of 13.6 percent.
- Year-to-date performance statistics November 2010 compared to November 2009
 - f. Total ridership was 5,389,703, an increase of 4 percent.
 - g. Average weekday ridership was 40,884, an increase of 4.1 percent.
 - h. Total revenue was \$19,957,189, an increase of 9.1 percent.
 - i. On-time performance was 93.4 percent, a decrease of 0.3 percent.
 - j. Shuttle ridership was 5,485, a decrease of 1.5 percent.
- A budget subcommittee of the Board is meeting to address the deficit.

- The Silicon Valley Leadership Group is spearheading a summit on the future of Caltrain on January 21 at Stanford University and the Friends of Caltrain are holding their own public summit a week later on January 29 at the San Mateo County Transit District (District) offices.
- Staff is developing best- and worst-case scenarios for future Caltrain service. The budget cannot be balanced even if service is reduced to less than half of what it is now and confined to weekdays without weekend, midday, special or extra service and with the elimination of stations.
- Staff is engaged in a procurement of a Caltrain operator for service, conductors, and maintenance of the right of way and vehicles. The JPB is continuing to conduct evaluations of five proposals. The current timeline calls for negotiations to be concluded in late spring and a recommendation of contract award to be presented to the Board by early summer.
- Special service:
 - a. Sharks ridership is down about 11 percent with about 223 extra riders after each game.
 - b. The Kraft Fight Hunger Bowl with Nevada and Boston College is scheduled for January 9 at AT&T Park.
- Fare and service changes are going well. Customers are encouraged to use the 8-ride and Monthly Pass for savings.
- Weekend Baby Bullet express service began on January 1.
- The first fatality for 2011 occurred on January 6 on the right of way north of the California Avenue Caltrain Station.
- Distributed the monthly Safety and Security Report.
- Reported Bob Doty, Director of the Peninsula Rail Program (PRP), has been recruited to the private sector with HNTB to continue High-speed Rail (HSR) work at the national level. Mr. Doty started in operations eight years ago and was instrumental in reinventing Caltrain.
- Received a report on the PRP that talked about HSR focusing on the Central Valley amid expectations of new staff, and board and schedule changes. This is an opportunity for the Peninsula to discuss what it wants from a rail passenger service on the right of way.
- All Board members expressed their sincere appreciation for the work Mr. Doty has done.
- The Board:
 - a. Approved the Consent Calendar including authorization to approve an amended Conflict of Interest Code.
 - b. Authorized an amendment to the FY2011 Operating Budget to increase total revenues and total expenses each by \$1,342,325. This formalized the actions approved relative to fare increases and service reductions and other expense reductions approved in October 2010 and brings the budget to \$102,211,940.
 - c. Authorized a contract to install a closed-circuit television, security video system to improve surveillance at the Centralized Equipment and Maintenance Operations Facility in San Jose.
 - d. Received an update on the Clipper fare payment system.
 - e. Adopted the 2011 State and Federal Legislative Program.
 - f. Received a State and Federal legislative update.
 - g. Amtrak will be celebrating its 40th anniversary in May.
 - h. Legal Counsel gave high praise for the work Bob Doty has done.

Director Lee asked when Mr. Doty was leaving. Mr. Scanlon said his last day would be January 21. Director Lee, on behalf of the Board, extended best wishes and congratulations to Mr. Doty.

Director Karyl Matsumoto asked for clarification on the grim Caltrain financial picture of FY2011 and the current stated good shape of Caltrain. Mr. Scanlon said Caltrain's current monies must be rolled forward for FY2011. Mr. Scanlon said staff is looking at a best/worst case scenario of a \$30 million to a \$5 million deficit. A \$5 million deficit level may be able to be reached with a 48 train weekday schedule. He said Caltrain is also involved with HSR, rebuilding the railroad and trying to reinvent Caltrain with electrification while trying to stay in business. Through electrification and speeding up trains, Caltrain would be able to increase revenue and decrease operating costs by about half as much and have a quiet, modern electrified railroad.

Director Matsumoto asked if some of this was tied to HSR. Mr. Scanlon said this corridor must be electrified for Caltrain to construct anything that would put more people on Caltrain and it is a question of funding. He said electrification and an improved, robust signaling system must be done before anything else can be done and will create a system that provides a much higher quality of service.

Director Nagel asked about a recent newspaper article on escalating staff compensation based on Amtrak rates. Mr. Scanlon said the article was not exact and focused in on a period of time between 2007 and 2010. The story didn't mention there was a negotiation for seven years during which period the workers received no increase. Mr. Scanlon said in order to be accurate, one must go back to 2003 or 2004 and that was the escalation but it wasn't even negotiated. The wage rates were set by a presidential commission when President Bush finally stepped in due to threatened strikes. In terms of the retroactivity portion of what was involved, Caltrain settled for about \$500,000 and it could have been many millions. There was an escalation from 2007 to 2010 but the true story would have included the addition of about four more years onto the timeframe. Mr. Scanlon said wage rates that are negotiated nationally tend to lag this market, which can make it difficult to employ people who can't afford to live in this area.

Director Nagel asked if staff has received feedback on the weekend Baby Bullet express service. Mr. Scanlon said it is a bit early to tell. Executive Officer Customer Service and Marketing Rita Haskin said marketing efforts include newspaper and radio ads and Caltrain's first Twitter and Facebook account. The goal is to get 1,000 new riders a day rather than shifting people from the local service. There were about 500 new riders on the first weekend.

Director Nagel asked for the Twitter name. Ms. Haskin said there are links to Twitter and Facebook on the Caltrain website on the Baby Bullet weekend page.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Gave special thanks to outgoing CAC Chair Pat Dixon and congratulations to Ms. Arietta and Ms. Vargas.
- There was discussion last month that the State was shutting down all the corridor mobility improvement accounts and project study reports. There was a recent sale of State bonds and

the understanding is that the California Transportation Commission, at its January meeting, will consider prioritizing some funds and there is a chance that the TA's Highway 101-Marsh to San Mateo/Santa Clara County line (Auxiliary Lanes) could come away with some funding.

Executive Officer Planning and Development Marian Lee briefed the Board on the recent meeting of the Dumbarton Rail Policy Advisory Committee.

- The Dumbarton Rail Project is a three-county project to provide new rail service on existing rail transbay infrastructure.
- At the November meeting, the project team was tasked with improving project ridership and coming up with a full funding plan.
- By providing more service, the travel forecast projections have nearly doubled.
- Alameda County is gearing up for a new sales tax measure and Policy Advisory Committee Chair Mark Green said he wants the Dumbarton Rail Project to be a key transit project in that new measure. This would help close the funding gap.
- Next steps involve completing the environmental document.
- Updates will be provided at a future TA Board meeting.

Director Lee asked about the timeframe for the environmental document. Ms. Lee said if all goes well, it is anticipated to take a year and one-half. She said overcoming the significant funding gap will be crucial in meeting the timeframe.

FINANCE

Authorize Allocation of \$80,000 of Measure A Funds to the San Mateo County Transit District for the Regional Bicycle Sharing Demonstration Program

Manager, Planning and Research Marisa Espinosa presented an update on the presentation given at the December 2 Board meeting. She introduced project partners Beth Ross from Redwood City, Doug Alfaro from San Mateo County and Karen Schkolnick from the Bay Area Air Quality Management District (BAAQMD).

Ms. Espinosa reported:

- The MTC Climate Initiative Project Context mandates AB 32 greenhouse gas emissions (GHG) to 1990 levels by 2020 and mandates SB 375 aggressive response by MTC and the Association of Bay Area Governments to GHG reduction targets.
- The Climate Initiative Program is for short-term investments to reduce transportation-related emissions and Vehicle Miles Traveled (VMT). The MTC has invested \$80 million in Federal funds, solicited ideas in spring 2010 and requested a regional strategy to test bike sharing.
- Bike sharing works by renting, riding and returning a bike with smart-card technology available. There would be a hub station at the Redwood City Caltrain Station and pods located at various activity centers throughout Redwood City.
- Bike sharing provides options to supplement transit services and a needed first- and last-mile connection to transit, expands areas served by bus and train to reduce VMT, is an innovative wayside enhancement in Caltrain's adopted Bicycle Access and Parking Plan, and makes commuting more flexible.
- The pilot project calls for 500 bikes in San Francisco, 100 bikes in San Mateo County and 400 bikes in Santa Clara County.

- Major project elements to consider include facilities and maintenance, administration and operations, marketing and outreach and evaluation.
- The TA would be appropriately protected by a number of memoranda with the different project partners and funding agencies in order to ensure that risk is mitigated for the agency.
- The MTC is providing 62 percent or \$4.2 million funding and BAAQMD is providing 20 percent or \$1,400,000. The TA's allocation would be about 1 percent of the project budget for local match.
- Project costs over three years include program development and implementation, staffing, auditing, integration with MTC 511, evaluation and contingency.
- The project costs' program categories come to an overhead amount of about 13.7 percent or less than the total amount of match of all local partners. The project provides a good opportunity to leverage funds and program components are mostly focused on direct costs such as purchasing of bicycles and facilities and the technology to run, operate and maintain the program for a cost effective and successful demonstration project.

Director Nagel asked what would happen if the TA did not approve the allocation of \$80,000. Ms. Espinosa said the project would only be in areas outside San Mateo County.

Director Nagel asked how this model might transition after three years to a self-sufficient model of private funding. Ms. Espinosa said there will be a technical advisory committee that would evaluate elements that could be imported to make it sustainable for the long term.

Director Nagel asked what precautions will be in place to prevent theft of bikes. Ms. Espinosa said the bikes will be embedded with a radio frequency chip or some sort of Global Positioning System (GPS). The bikes purchased will be very sturdy to prevent vandalism.

Chair Foust asked if the pods in Redwood City would be located at work sites or community centers. Ms. Espinosa said the pods would be located at work sites and various businesses in consultation with local partners and employers.

Chair Foust asked what happens if a bike is not available for the return trip to the station. Ms. Espinosa said the program will have a smart card system and the rider could check online which pods have availability before the bike is checked out.

Chair Foust asked if there has been outreach to folks who would use pods. Ms. Espinosa said outreach will be developed through the program and will include user studies conducted by other agencies.

Chair Foust said communication about the project will be key to success and maintaining the integrity of the bikes and the system, especially to work sites. Chair Foust said bikes must be left at pods. Ms. Espinosa said bikes could be taken to different sites because the pods will have additional bikes to check out or it's a place to return a bike if checked out at a different location. She said the TA also has the benefit of MTC wanting to market, support and brand all of its Climate Initiative grant programs and they are planning to do additional advertising and things that will help support getting the word out about these new programs.

Director Lee suggested putting the information about this on Facebook or Twitter.

Public Comment

Shirley Johnson, San Francisco, is a bicycle advocate and supports programs to get people out of their cars onto bikes. She said this bike program is outrageously expensive and risky at a cost of \$8,000 per bike. She said this project is robbing funding from very worthy and proven bicycle projects. Caltrain needs \$300,000 to increase additional bike capacity and can't find the money but \$7.9 million is being spent on bike sharing.

Carlos Babcock, Silicon Valley Bike Coalition (SVBC), welcomes the chance that MTC has in the last-mile program as far as bringing a variety of ways to combat or to reduce VMT in the Bay Area with this regional program. He said bikes onboard was once a pilot program and there is always risk with any new venture. He said the SVBC welcomes the program and said it would be sad to see San Francisco and Santa Clara counties take the project on and have San Mateo County bypassed if the allocation is not approved. He said Redwood City has a small footprint and will offer people the opportunity to take bikes from pods to work sites and other activity centers. He urged support of the project.

Director Matsumoto supports the concept but is concerned about building the density to make it practical, bike safety, and sufficient bike lanes.

Chair Foust said the preliminary analysis for Redwood City revealed 1,258 businesses within a half-mile radius of the Redwood City Caltrain Station and 1,700 households within the average bicycling distance of downtown Redwood City. She is also concerned about density and is reticent but she doesn't want to be left behind and will support the project.

Director Lee said this is a demonstration project, the color of money is here and can only be used in this area. Bike sharing works around the world. The TA has some climate initiative money and businesses have been tasked with changing the climate in this State.

Director Nagel understands the frustration of the cyclists who want money to do more things but she will support the project because the TA needs to explore other ways to get people around the county. The project will go forward without the TA's allocation and will not change the fact that there will be a demonstration project. She said she would rather have MTC spend money on things like a transportation plan that might save Caltrain and incorporate HSR in a way that would not ruin communities, but this is what MTC has decided to do. She said the project must be monitored carefully in order for it to be a success and it is important to have a transition program to make it self sufficient at the end of three years.

A motion (Lee/Nagel) to allocate Measure A funds to the San Mateo County Transit District for the Regional Bicycle Sharing Demonstration Program was approved.

Chair Foust thanked staff for addressing and clarifying issues of concern to the Board. She said the TA Board is very conscious about spending the public money generated by the one-half cent sales tax.

PROGRAM

Adoption of the 2011 State and Federal Legislative Program

Executive Officer Public Affairs Mark Simon said the Board adopts a program every year to guide advocacy efforts for the calendar year. It is written broadly to allow staff and our legislative advocates in Sacramento and Washington D.C. to respond quickly to any issues that may arise. Engagement on any issues outside the scope of this document will be brought back to this Board for action. Many of the objectives listed in the staff report are carried over from 2010, but there are some new issues.

The State program reflects new efforts to preserve transit funding following voter approval of Proposition 26. It also includes a focus on preserving the flexibility of Proposition 1A HSR connectivity funding allocated to transit agencies.

The Federal program adds the new Federal transit safety regulations being considered at the Department of Transportation. It is possible that those proposals will impact how commuter rail safety is regulated.

Director Lee asked if changes in the House will impact transportation funding. Mr. Simon said there will be increased pressure to cut budgets and spending and will be led in the House by the Republicans. This means staff must focus more attention on the Senate and the administration to the extent that they still have some discretionary authority left for funding. Transit issues are really non-partisan issues and the hope is to build new alliances. The incoming chair of the Transportation Infrastructure Committee is a long-time friend and advocate for transportation. Mr. Simon said the main issue at the Federal level is authorization of a new national transportation plan.

Director Lee asked about State issues with a new governor and several initiatives. Mr. Simon said the biggest problem is the fee-based gas tax swap agreement that allocated funding for our programs. Proposition 26 calls into question whether that gas tax swap still exists. Staff is working closely with the California Transit Association (CTA), the California State Association of Counties and the cities to work on funding for State transit.

A motion (Nagel/Lee) to adopt the 2011 State and Federal Legislative Program was approved.

UPDATE ON STATE AND FEDERAL LEGISLATIVE PROGRAM

Mr. Simon reported:

Federal

- The president signed a bill that included both the full pre-tax transit commuter benefits and the alternative fuel tax credits.
- The SAFETEA-LU and 2010 Appropriations were both extended through March 4. Staff doesn't expect any discretionary grant programs to proceed until Congress authorizes and appropriates funding for the remainder of FY2011.
- The Republican majority is proposing new rules. Currently all funds collected through the gas tax and deposited in the Highway Trust Fund (HTF) are required to be spent on transportation projects. Prior to the establishment of this rule, it was common practice for Congress to reduce HTF spending in order to increase spending on other government programs. The result was an accumulation of unallocated gas tax funds in the HTF that were

never spent on transportation programs. By not allocating the full level of gas tax collected from consumers, Republicans would, in effect, be cutting transportation spending and give the appearance of a budget deficit reduction.

State

- The governor's budget will be announced on January 10 and staff will be looking to see how the administration proposes to allocate the diesel fuel sales tax revenues from that gas tax swap.
- AB 32 – California Air Resources Board-approved proposed cap and trade regulation is a big portion of AB 32 going forward. Ten percent of the revenues will go towards funding emission-reducing projects including transportation and land use projects consistent with SB 375 emission-reduction targets, which is good news for the Grand Boulevard Initiative efforts.

REQUESTS FROM THE AUTHORITY

None

WRITTEN COMMUNICATIONS TO THE AUTHORITY

The correspondence file includes a letter from Bike San Mateo County and letters to our Senators and Representatives regarding the \$230 a month pre-tax commuter benefit and the 50-cents a gallon alternative fuel tax credit for transit operators.

REPORT OF LEGAL COUNSEL

No report

DATE AND PLACE OF NEXT MEETING

The next meeting is scheduled for Thursday, February 3, 5 p.m. at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070.

Adjourned 6:15 p.m.