

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

MINUTES OF FEBRUARY 2, 2012

MEMBERS PRESENT: C. Groom (Chair), D. Horsley, K. Matsumoto, T. Nagel,
N. Patridge, S. Richardson

MEMBERS ABSENT: R. Foust

STAFF PRESENT: J. Cassman, G. Harrington, C. Harvey, R. Haskin, A. Hughes,
M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon

Chair Carole Groom called the meeting to order at 5:01 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

CAC Chair Barbara Arietta reported on their January 31 meeting:

- Deputy CEO Chuck Harvey gave a presentation on paratransit.
- Interim Executive Officer Planning and Development Aidan Hughes gave an update on the shuttles call for projects. Some suggestions from the CAC included wording in priorities, under the need criteria section of the Strategic Plan prioritization category and have strong outreach to all cities, especially to those who have not been part of the program.
- Supported acceptance of Statement of Revenues and Expenses for December 2011, the Quarterly Investment Report and Fixed Income Market Review Outlook for the quarter ended December 31, 2011 and the 2012 Legislative Program.
- Government Affairs Officer Jayme Ackemann gave a legislative update.
- In her report she advised the CAC that Assemblyman Jerry Hill will be holding a meeting at 7 p.m. on February 2 on Caltrain funding and the Caltrain Modernization Program. She and CAC member Randy Hees attended the Association of Bay Area Governments/ Metropolitan Transportation Commission (MTC) Plan Bay Area Workshop.
- TA Program Director Joe Hurley encouraged the CAC to get the word out on the shuttle call for projects.

CONSENT CALENDAR

Director Terry Nagel asked that Item A be severed from the Consent Calendar as she was not at the meeting and cannot vote on this item.

- a) Approval of Minutes of January 5, 2012

A motion (Richardson/Patridge) to approve the minutes was unanimously approved; Nagel abstained.

- b) Acceptance of Statement of Revenues and Expenditures for December 2011

A motion (Richardson/Patridge) to approve the Consent Calendar was unanimously approved.

PUBLIC COMMENT

Jim Bigelow, Redwood City/San Mateo County Chamber and Menlo Park Chamber, said he attend the MTC meeting on January 25. The request to take \$5.5 million a year out of Regional Measure 2 funds for the rail operation on Dumbarton and make those funds available for the current Dumbarton Bus service and expansion was approved.

CHAIRPERSON'S REPORT – CAROLE GROOM

No report.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The January 11, 2012 SamTrans report is included in the agenda packet.

JOINT POWERS BOARD (JPB) REPORT

Executive Director Michael Scanlon reported on the meeting of February 2, 2012:

- A public hearing was held on proposed changes to the Codified Tariff including elimination of 8-ride tickets and increase in GO Pass pricing. No action was taken.
- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – December 2011 compared to December 2010
 - Total Ridership was 1,036,826, an increase of 11.6 percent.
 - Average Weekday Ridership was 38,387, an increase of 10.1 percent.
 - Total Revenue was \$4,305,083, an increase of 27.1 percent.
 - On-time Performance was 94 percent, a decrease of 1.8 percent.
 - Caltrain Shuttle Ridership was 5,771, an increase of 38.9 percent.
 - Year-to-Date Performance Statistics – December 2011 compared to December 2010
 - Total Ridership was 6,898,319, an increase of 9.2 percent.
 - Average Weekday Ridership was 42,996, an increase of 7.8 percent.
 - Total Revenue was \$29,025,589, an increase of 24.3 percent.
 - On-time Performance was 93.4, a decrease of 0.4 percent.
 - Caltrain Shuttle Ridership was 6,818, an increase of 30.2 percent.
- Annual passenger counts began on January 18 to validate the methodology used to make ridership counts for the remainder of the year.
- Rail operator transition continues to go fairly well.
- The Forty Niner championship game carried an additional 2,000 passengers from the Bayshore Station.
- Special service:
 - The Freedom Train operated on Martin Luther King, Jr. Day carried 1,000 celebrants and was down about 3 percent from last year.
 - Shark ridership for four home games in 2012 averaged 328 per game and for the season is up 34 percent.
 - Extra service will be provided on February 4 for the Giants Fan Fest at AT&T Park.

- A modified Saturday schedule will be operated on President's Day.
- Work continues at San Bruno and the cutover from the main lines to a shoofly was done on January 14-15.
- Santa Clara and San Jose South Terminal projects are wrapping up.
- Staff has been involved in a parking proposal that the San Francisco Municipal Transportation Agency is recommending around the 22nd Street and 4th and King stations.
- The Bicycle Advisory Committee met on January 19 and Carlos Babcock was elected chair and Shirley Johnson was elected vice chair. A presentation was made by the current operator of Warm Planet bike facility. Staff is working with the current provider of the service to negotiate a subsidy in the interim basis while options are explored.
- Director of Caltrain Modernization Marian Lee gave a report on the capacity analysis and California High Speed Rail Authority Business Plan.
- The Board:
 - Approved the Consent Calendar.
 - Approved the Statement of Revenues and Expenses for December.
 - Received a report on the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2011.
 - Authorized amendment to Fiscal Year 2012 Capital Budget in the amount of \$610,863.
 - Authorized revisions to the Disadvantaged Business Enterprise Program to include a Small Business Enterprise Program.
 - Authorized award of contract for an improved public address system at 4th and King Station.
 - Approved the 2012 Legislative Program.
 - Received a State and Federal legislative update.
 - Received the Fiscal Year 2011 Comprehensive Annual Financial Report.

Mr. Horsley asked if Caltrain is electrified, does it have to be grade separated. Mr. Scanlon said the system envisions using an overhead wire. Grade separations are not required but highly desirable.

Director Nagel asked about the high Forty Niner ridership. Mr. Scanlon said the Bayshore Station is not convenient to the park so staff was caught off guard with the extra ridership.

Deputy CEO Chuck Harvey said what caught staff off guard were 400 passengers got off to go to the game and there was a large increase going back.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon:

- Staff is continuing to monitor the construction bidding environment and at this time it is very favorable. A statewide sampling of California Department of Transportation's highway projects in January ranged from \$2.5 million up to \$100 million, had seven bids per contract and on average came in 25 percent below the engineers' estimate.
- The construction for the Highway 101 Auxiliary Project from University Avenue to Embarcadero will be advertised next month.

- The South San Francisco Ferry Terminal construction is expected to be completed in the next four to five weeks. The Board allocated \$15 million for this project.

FINANCE

Acceptance of Quarterly Investment Report and Fixed Income Market Review Outlook for the Quarter Ended December 31, 2011

Bill Osher, CSI Group of SunTrust Bank, said the portfolio performed exactly as it should. The fixed income market did not behave the way it should. Typically when you have an improving economy and inflation is higher than normal interest rates usually rise, but last year they fell. In Europe interest rates are rising even though their economies are falling into recession. The portfolio remains very safe.

Director Terry Nagel said the County Pool is at \$240.6 million and the investment portfolio is at \$158.4 million and asked if this is correct. Mr. Osher said yes. If he doesn't feel he can safely invest the money and earn an adjusted rate of return higher than the Local Agency Investment Fund (LAIF), he has asked staff to divert the money which he feels is a better investment. LAIF presents a nice diversification technique, has no interest rate risk at all and yields almost twice as much as a two-year treasury. His benchmark is if he can beat LAIF then he feels comfortable taking the maturing investments and reinvesting and keeping the portfolio up around \$200 million.

Director Nagel asked if there is anything else that can be done to get the interest up. Mr. Osher said he is subject to the California Government Code. He said more could be moved to corporate bonds, but this Board has traditionally been very reluctant to take credit risk. He wouldn't advocate this today because over the next six months there needs to be some resolution in Europe and it is likely to be messy. The County Pool and LAIF have significant corporate exposure, but this portfolio has none.

Director Sepi Richardson said the county treasurer is thinking about making some changes to the investment strategies and policies so how will this impact the TA. Chair Groom said the county treasurer is suggesting a couple of new investment opportunities be available to the county. One is municipal debt but it doesn't necessarily mean she will use them but would like another tool or two to consider. This has not been approved yet by the full Board of Supervisors.

Mr. Osher said the California Code does allow the TA to purchase municipal debt and historically that is cheap. Municipal debt from an investment perspective is much like corporate bonds. It does carry credit risk.

A motion (Matsumoto/Patridge) to accept the Quarterly Investment Report and Fixed Income Market Review Outlook was unanimously approved.

Fiscal Year 2011 Comprehensive Annual Financial Report

Deputy CEO Gigi Harrington said this is an informational item. She is available to go through the report if anyone has any questions.

Director Karyl Matsumoto said the TA expended \$35 million and is below what is normally done. Ms. Harrington said actual expenditures versus the amount programmed and allocated are two different numbers. The Board gets a quarterly or bi-annual report that shows what has been programmed and allocated, which is significantly more than what has been spent in this year.

Director Matsumoto asked on page 55, on Revenue Under Special Reserve Fund, what is reserve and designated. Ms. Harrington said this is the amount that has been designated into various line items of the Expenditure Program.

Director Nagel said on page 50, the 2009 Paratransit Fund was \$26 million and all the other years are in the \$2 million range. Ms. Harrington said 2009 was the beginning of the new Measure A and with the expiration of the old Measure A, the Paratransit Trust Fund was transferred, by action of this Board, from the TA to the San Mateo County Transit District.

Director Nagel said on page 52, Expenditures Administrative Staff Support and Legal Expenses are up. Ms. Harrington said staff only charges to this when they are working on projects specifically related to work for the TA and also benefits have gone up.

Director Nagel asked what the total full time employees are for the TA for the last 10 years.

Director Nagel said she is surprised on the sales tax number and how the economy has been stagnant and are back down to 2005 levels.

Director Richardson asked if the salaries reflect any increase. Ms. Harrington said there have been no salary adjustments for administrative employees for three years.

PROGRAM

Approval of the 2012 Legislative Program

Government Affairs Manager Seamus Murphy said staff is recommending the approval of the 2012 State and Federal Legislative Program. Every year the Board adopts a legislative program to achieve two primary goals. The first is to provide a document that can be shared with key stakeholders, legislative delegation and the public to give them a better understanding of our regulatory and legislative issues that staff will be focused on in the coming year. It also provides a framework that's broad enough to include all the issues that we are likely to face throughout the year and also flexible enough to allow staff to respond quickly as different legislative proposals emerge. Last year's the program led staff to support five bills. All five bills passed including the gas tax swap legislation which provides funding for the State Transit Assistance program. The Federal level program helped guide staff's efforts to successfully support the maintenance of authorized and appropriated funding even though the House was proposing cuts of over 30 percent to both appropriated and authorized funds.

This year the program has been updated to reflect some changing conditions. The gas tax swap changes the flow of diesel sales tax funds significantly to transit operations and the program reflects that change and also the limited funds the gas tax swap results in for capital projects. This is a consequence of the gas tax swap that needs to be corrected so the program identifies the need to advocate for more capital funds and specifically to advocate for the sale of infrastructure

bonds and the direction of the revenues produced from the sale of those bonds to transportation programs. The second major revision has to do with Assembly Bill 32 and the cap and trade program. This is the first year the cap and trade regulations will be in place and revenues will be created. As a result of that regulation the program specifies staff will work to ensure a portion of those revenues are sent to transportation programs that help meet transportation investment needs. The third provision has to do with High Speed Rail (HSR) and it reflects the State's new approach to HSR on the Caltrain corridor and ensures staff remains focused on identifying and supporting policies that will advance Caltrain's study of the blended system with integrated HSR and Caltrain service on the Peninsula.

Director Nagel asked about the item on enhanced funding for public transportation infrastructure and capital programs. She said the second paragraph speaks about connectivity funding that she feels is critical on the Peninsula, but feels the third bullet in the chart is weak for this item. Mr. Murphy said there is some indication the California High Speed Rail Authority (CHSRA) and the State might be looking to make better use of the Proposition 1A connectivity funds. Staff has a good indication from the State, the Department of Finance and the CHSRA that they are going to successfully sell those bonds and won't be vetoed once the legislature appropriates the funds.

Mr. Scanlon said the allocation is in the statute, but there are some current efforts that would change the distribution.

Director Nagel asked about item 3B - the California Environmental Quality Act (CEQA) reform. Everyone is sensitive to the expedited judicial review and fast tracking when it affects the cities. Mr. Murphy said there was legislation that passed last session that streamlines the judicial review process for certain projects. Rail and transit projects were not included. This bill was introduced this session as a spot bill that would provide rail and transit projects with the same streamlining benefits that those other projects receive.

Director Nagel said on the HSR item, cities are very conflicted on this issue and asked that the first bullet on item 4 be pulled and just support the efforts that encourage the thorough study of project alternatives that support integrated Caltrain and HSR operations. Mr. Murphy said the current plan is the blended system integrated HSR and Caltrain plan that staff has been studying.

Mr. Murphy said the words "along the Caltrain corridor" that is consistent with the blended system and could be added at the end of the first bullet. There was consensus among the Board to add this wording to the 2012 Legislative Program.

Chair Groom asked on page 6 are there any thoughts on action that may occur in Congress on increasing transportation funds before November. Mr. Murphy said Congress is working on extending authorization for existing transportation programs. Nobody has proposed to increase the funding levels associated with those programs, but they have to increase authorization by the end of March and the proposals on the table so far, both in the House and Senate, would maintain existing program funding levels. The Senate is basically keeping the same structure. Both the House and Senate are looking for additional funds to bolster the Highway Trust Fund since there is not enough funding to maintain current investment levels as it exists today. The problem with

the House version is that they sever the Mass Transit Account from the Highway Trust Fund and use the funds that use to go to the Mass Transit Account to bolster the Highway Trust Fund and make it whole. The Mass Transit Account, which is where our transit agencies receive the bulk of their formula funds, would be dependent on the General Fund at the Federal level. That means they would have to compete with all the other programs that draw from the General Fund and in today's world in order to be funded on a year-to-year basis identify offsets from other programs in order to receive funding.

Mr. Scanlon said this was attempted by the House Ways and Means Committee today. The general bill, as it came out of Transportation and Infrastructure, is a five-year bill that keeps the same level. It doesn't have the funding identified. The House Ways and Means Committee have now tried to attack something that was put in under the Reagan Administration in 1983, specifically the firewalls.

Director Richardson said the next phase of aircrafts that are going to be flying is exempt from CEQA and is this something the Board should send a letter voicing objection to. Legal Counsel David Miller said this is in a different area than the Transportation Expenditure Plan that this Board manages.

A motion (Horsley/Patridge) to accept the amended 2012 Legislative Program was unanimously approved.

Legislative Update

Mr. Murphy said staff is working with Assemblyman Jerry Hill and his staff to identify the full range of options that might exist for creating a permanent source of funding for the Caltrain system. One of the options that was spurred by a poll the Silicon Valley Leadership Group did last summer is an option that requires legislation. Staff has been talking with Assemblyman Hill about introducing a bill that would allow Caltrain to put a measure on the ballot that would authorize a sales tax across all three counties Caltrain serves. This is not something we are guaranteed to use and are exploring a number of different of options and not all of them require legislation.

Chair Groom said there is no timetable when this item could appear. Mr. Murphy said no because it is not an urgency bill.

New Measure A Shuttle Program Fiscal Year 2013-Fiscal Year 2014 Call for Projects

Interim Executive Officer Planning & Development Aidan Hughes said the item before the Board is the proposal to go forward with a single call for projects (CFP) with the City/County Association of Governments (C/CAG). Staff has been working to ensure the CFP is consistent with the TA's Expenditure Plan and Strategic Plan. The projected total available for shuttles in this call is \$7 million - \$6 million from the TA and \$1 million from C/CAG. Some of the features for the CFP are the performance metrics so staff can robustly monitor the performance of the shuttles and take appropriate action if the shuttles aren't performing. Community shuttles will focus on mobility needs, especially for the transit dependent, low income and other populations. There will be community shuttle applicants and there will be applicants who are primarily catering to the employer market. The shuttle applicants will be judged on the quality

of their applications, not only in terms of funding and operations, but also in terms of how they propose to market the shuttles. Staff, along with C/CAG, will conduct outreach to existing shuttle operators, cities and potential shuttle operators to generate greater interest in the shuttle call.

In this CFP, staff is proposing applicants provide a 25 percent match. Currently there is a 50 percent target, but that has been loosely applied and staff feels a 25 percent requirement is more rigorous. Staff understands there will be cases when those applying for community shuttles may not be able to meet the 25 percent match and in those cases there needs to be a robust case made that they are meeting other aspects of the requirements such as mobility needs.

Director Richardson said last month there was a discussion of the Brisbane Shuttle not having any funding but there is no other service in Brisbane. How is this going to impact cities that might be on the chopping block versus a city that has no local match or service? Mr. Hughes said there are no proposals to cut shuttles but are asking all current shuttles to reapply and they will be rated on new criteria. Staff expects many of the applicants will be able to meet the 25 percent match, but also expects those who don't meet other criteria.

Director Richardson asked who is developing the criteria and is input from cities being sought. Mr. Hughes said staff and C/CAG are developing the criteria and there is an advisory committee of this Board that has been established and the same advisory committee will be part of developing the criteria for the shuttle CFP.

Director Horsley said on the coastside there is a clinic for low income and farm workers and there is no transportation for them. Has there ever been a shuttle that works with a county clinic? He said in the State budget the governor has cut rural transportation for schools.

Deputy CEO Chuck Harvey said SamTrans does have a specialized service in Pescadero called SamCoast operated by the Pescadero Foundation. SamTrans funds and provides all the operating revenues required to operate the service. It is a demand-responsive shuttle. At LaHonda/Pescadero school system, it is a very well-kept secret that many years ago SamTrans eliminated the 90C fixed-route because it was way too expensive to operate fixed-route service in a rural area. At that time staff negotiated an agreement with LaHonda/Pescadero and SamTrans provides them an annual subsidy to help pay for their school transportation. Staff is aware they potentially are going to lose all of their state funds and Mr. Harvey has initiated a discussion with the superintendent to explore options.

Director Nagel asked if the \$7 million is the largest CFP for shuttles. Mr. Hughes said last year there was \$6 million for over two years, but the number of applicants didn't match the amount of money available so not all the money was allocated.

Authority Secretary Martha Martinez said she will coordinate with the Chair the appointment of members to a CFP Advisory Committee.

Director Nagel hoped the CACs of the TA and C/CAG are being used to help get the word out on this CFP.

Chair Groom said she wants to make sure the CAC's comments are incorporated. Mr. Scanlon said there was a specific recommendation with the wording to make it or instead of and in regard to the low income and transit dependent and he personally supports this recommendation.

Mr. Scanlon said the budget probably can stand it, but not sure if the timeline can. In order to be able to do the CFP in March and receive applications in April is a pretty tight timeframe. We can put a placeholder in the budget for an amount or do a budget amendment. If this represents a way to get more people engaged and really make sure we are hearing from a widespread community what might be needed, it's better if it takes a bit longer.

Mr. Hughes said as staff developed the Shuttle Business Practices, it was clear it was not the lack of wanting shuttles or need for shuttles, but the lack of understanding of how someone goes through the process in order to get into the program. In making this a single combined call helps initially, but there is an opportunity for staff to do more outreach.

Director Nagel said she likes the idea of monitoring the success of the programs. Is it possible to calculate the per person cost. Mr. Hughes said that would be very difficult to do.

Director Naomi Patridge said one of the keys the advisory committee is really going to help is by changing it to low income or transit dependent.

Director Nagel asked if this money can be used for employer shuttles and can outreach be done to the Peninsula Traffic Congestion Relief Alliance. Mr. Hughes said money cannot be allocated to a private employer they need to have a sponsor.

Director Richardson asked if anything can be done as a shuttle for the school children from Brisbane to Jefferson High. Mr. Harvey said it is very difficult and this is not something we normally do.

Program Report: Transit: Paratransit

Mr. Harvey reported:

- Paratransit is an unfunded mandated program that must mirror fixed-route service.
- The service is contracted and operated by MV Transportation.
- Vehicles used are cutaway buses, minivans, sedans and subcontract taxis.
- The service is a shared-ride service with a reservation system that requires reservations be made in advance and no same-day service.
- Average weekday combined Redi-Wheels and RediCoast ridership is 1,100.
- Average cost per ride is \$40.13.
- Redi-Wheels accounts for 88 percent of service and RediCoast accounts for 12 percent of service.
- The Fiscal Year (FY) 2012 paratransit budget is \$14.1 million.
- Trip denials are zero.
- Eligibility process includes an in-person assessment conducted by a third-party eligibility assessment expert in a dedicated facility in Foster City.
- Certification denials are 2 percent.

- There are a total of 6,800 registrants down from a high of 7,400.
- Interactive Voice Recognition implementation provides next day reminder calls and imminent arrival calls.
- Optimal vehicle mix allows for fleet flexibility depending on ridership trends.
- MTC is conducting an ADA paratransit “Best Practices”.
- New Measure A funds \$2,460,000 to the service.

REQUESTS FROM THE AUTHORITY

Director Nagel said she participated in a webinar on “Governing on the iPad” and there is a growing trend to move to paperless meeting packets. The webinar said the average agency saves \$2,000 to \$10,000 a year in paper and staff time when moved to the iPad.

Ms. Martinez said the agenda is on the website. The TA website will be updated shortly and will provide a subscription service for the public to be able sign up and the agenda would automatically be emailed to them once it gets posted. There have been different feelings about this because some people don’t want to move away from paper. The opportunity for the Board to download the agenda is there and the number of copies made is minimal.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

None

REPORT OF LEGAL COUNSEL

No report

DATE AND PLACE OF NEXT MEETING

March 1, 2012 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070.

The meeting adjourned at 6:56 p.m.