

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

MINUTES OF FEBRUARY 7, 2013

MEMBERS PRESENT: R. Foust, D. Horsley, K. Matsumoto, T. Nagel, N. Patridge

MEMBERS ABSENT: C. Groom

STAFF PRESENT: J. Averill, J. Cassman, A. Chan, C. Chung, R. Haskin,
G. Harrington, C. Harvey, M. Martinez, N. McKenna, S. Murphy,
M. Scanlon, M. Simon

Vice Chair Karyl Matsumoto called the meeting to order at 5:04 p.m. and led the Pledge of Allegiance.

SWEARING IN ROSANNE FOUST (SOUTHERN JUDICIAL CITIES REPRESENTATIVE)

Authority Secretary Martha Martinez administered the oath of office to Rosanne Foust.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

CAC Chair Barbara Arietta reported on the February 5, 2013 meeting. The CAC:

- Supported the approval of all items on the TA agenda.
- Complimented staff on the clarity and preparation of the information in the Comprehensive Annual Financial Report.

Director Foust congratulated Jim Bigelow for being honored Person of the Year by the Redwood City/San Mateo County Chamber of Commerce.

CONSENT CALENDAR

- a. Approval of Minutes of January 3, 2013
- b. Acceptance of Statement of Revenues and Expenditures for December, 2012

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

PUBLIC COMMENT

Mary Keitelman, Pacificans for Highway 1 Alternatives, asked when the Calera Parkway widening project will come before the TA Board. Director, Transportation Authority Program Joe Hurley said the California Department of Transportation (Caltrans) is the lead agency and is tasked with approving the project and clearing it environmentally. He said the TA Board allocated the funds for the design phase of the project and after the design is complete, the project will come back to the TA for funding.

CHAIRPERSON'S REPORT – KARYL MATSUMOTO

Chair Matsumoto said the Resolution of Appreciation for outgoing Board member Sepi Richardson will be presented at her retirement party.

A motion (Horsley/Patridge) to approve the resolution of appreciation was approved.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

Director Terry Nagel asked what the Consumer Corps group of secret riders was. Deputy CEO Chuck Harvey said this is an independent group of volunteers who ride the system, grade SamTrans on cleanliness, reliability, if they were treated courteously and with compassion, and report this information back to staff. Staff uses this information to address performance issues and to pass along compliments.

JOINT POWERS BOARD (JPB) REPORT

Executive Director Michael Scanlon reported:

- Swore in Perry Woodward, representing Santa Clara County, to the Board.
- Presented a Certificate of Appreciation to outgoing CAC chair Paul Bendix.
- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – December 2012 compared to December 2011
 - Total Ridership was 1.13 million, an increase of 8.6 percent.
 - Average Weekday Ridership was 42,705, an increase of 11.2 percent.
 - Total Farebox Revenue was \$4.8 million, an increase of 12.3 percent.
 - On-time Performance was 91.5 percent, a decrease of 2.5 percent.
 - Average Caltrain Shuttle Ridership was 6,165, an increase of 6.8 percent.
 - Year-to-Date Performance Statistics – December 2012 compared to December 2011
 - Total Ridership was 7.7 million, an increase of 12 percent.
 - Average Weekday Ridership was 48,302, an increase of 12.3 percent.
 - Total Farebox Revenue was \$34.2, an increase of 17.8 percent.
 - On-time Performance was 89.7 percent, a decrease of 3.7 percent.
 - Average Caltrain Shuttle Ridership was 8,340, an increase of 22.4 percent.
- Executive Officer, Caltrain Modernization Program Marian Lee updated the Board on Caltrain Modernization and a draft of a new agreement between the JPB and the California High-speed Rail Authority.
- Fiscal Year (FY) 2013 surplus revenues will be moved forward to help balance the FY2014 budget.
- Approved an increase in contract authority and change order authority for the San Bruno Grade Separation Project.
- Received a presentation on Metropolitan Transportation Commission (MTC) Transit Sustainability Project requirement to reduce costs by 5 percent in one of three areas by 2017.
- Received update on Title VI.
- Authorized staff to enter into negotiations for transit-oriented development for the Hayward Park Caltrain Station.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- The JPB and the city of San Francisco have agreed to conduct a seven- to eight-month study, separate from the Caltrain Electrification Project Environmental Impact Report, to determine how to optimize the use of the San Francisco rail yard. While the fleet is being electrified, and while electric cars are being tested

and broken in, diesel cars will still be used, so all space available will be needed in order to store the mix of vehicles.

- The Broadway/U.S. Highway 101 Interchange Project in Burlingame is still underway. A design was submitted to Caltrans and is under review. Construction is scheduled to begin in spring of 2014. The Board will be asked to approve a funding application to the MTC, which will reduce the TA funding required for this project.
- The Alpine Road bicycle improvement design is almost complete and an encroachment permit application has been submitted.

FINANCE

Fiscal Year 2012 Comprehensive Annual Financial Report

Deputy CEO Gigi Harrington said the auditors issued a clean opinion on the financial statements. This report will be submitted for the Government Finance Officers Association award, which the TA has received every year.

Chair Matsumoto said on page 33 under Deposits and Investments, the county's investment pool does not have a rating in 2012, but in 2011 it had an AA+ rating. She asked how it could go from AA+ to nothing. Ms. Harrington said she would get back to her.

Chair Matsumoto said on page 69 under Full-time Equivalent, Operations, Engineering and Construction went from 1.1 to 4.7, and Planning and Development went from 6.8 to 1.97 and asked why that happened. Ms. Harrington said significant planning resources were applied to the preparation of Strategic Plan in 2010, and changes in operations happen when Mr. Hurley's group is managing a project and charging more time to the TA.

Director Foust said she sends out the link to this report and asked if the Board could get the transmittal letter in a separate file.

Authorize the Filing of an Application with Metropolitan Transportation Commission for \$3,613,000 in Surface Transportation Program/Congestion Mitigation and Air Quality Improvement Program Funds for the U.S. Highway 101/Broadway Interchange Reconstruction Project

Executive Officer, Planning and Development April Chan said this reduces the Measure A funding previously approved for this project.

Chair Matsumoto asked if the TA is responsible for providing matching funds above the \$32.3 million mentioned in the report. Mr. Scanlon said it is not above that amount.

A motion (Nagel/Foust) to approve the filing of the application with MTC was approved.

Authorize Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2012

Bill Osher, CSI Sun Trust, said the portfolio is very safe and earns about 1 percent a year. He said there is no credit risk in this portfolio and there is interest rate risk comparable to a one-year bond. He said a one-year treasury note currently yields about ¼ percent, and this portfolio has been producing about 1 percent.

He said the Federal Reserve is putting about \$250 million a quarter into the economy and there is fear that this could lead to inflation. He said the portfolio is well protected from inflation because the maturities are short. He said there's a debate about the debt ceiling, fiscal cliff, and sequestration. He said if the policymakers come to a compromise there is underlying strength in the economy, but the uncertainty has to be removed. If uncertainty is removed, though, interest rates will probably go up faster than they have been, but the portfolio is protected against that. If the uncertainty is not removed, then the low interest rates will stay in place.

Chair Matsumoto asked how the money in the TA checking account is replenished. Ms. Harrington said sales tax is remitted from the county treasurer and is used to pay bills, and then Mr. Osher and Manager of Finance Treasury Lori Snow decide if any excess funds should go into the County Pool, the Local Agency Investment Fund (LAIF), or be invested. She said only one person can wire funds out of the account, so it is tightly controlled and is moved when it needs to be moved.

Director Matsumoto asked if the TA has the capability to withdraw out of the LAIF or the County Pool. Ms. Harrington said it can be done with a couple days' notice.

A motion (Horsley/Foust) to approve the Quarterly Investment Report and Fixed Income Market Review and Outlook was approved.

PROGRAM

Program Report: Transit – Shuttles

Interim Manager of Programming and Monitoring Celia Chung presented:

- Four percent of Measure A funds is dedicated to shuttles, about \$2.5 million per year.
- Match requirement is 25 percent, but match target is about 50 percent.
- About \$2.7 million was allocated in the first Call for Project (CFP) cycle for FY2011 and FY2012. The leveraged match was 40 percent.
- During the second CFP for FY2013 and FY2014, \$4.5 million was programmed and the proposed allocation of matches was 49 percent. Actual results will be available at the end of FY2014.
- In FY2012, 18 shuttles were funded by Measure A.
 - Ten commuter shuttles (last-mile shuttles typically from a Caltrain station to an employer site)
 - Eight community, combination, or on-demand shuttles (local circulation and/or dedicated to non-commuter riders such as seniors or students)
- Sponsors who get funding for shuttles are required to provide ridership data, total operating cost, and total service hours provided. TA staff analyzes this data to

establish performance metrics consisting of ridership, boardings per service hour, and the operating cost per passenger so all shuttle routes can be compared.

- Performance Statistics FY2011 compared to FY2012
 - Ridership has improved from 464,000 to 492,000.
 - Boardings per service hour on the commuter shuttles have gone from 15 to 19, and community shuttles have gone from 11 to 9.
 - Operating cost per passenger on the commuter shuttle has gone from \$4.01 to \$3.39, and community shuttles from \$6.41 to \$8.51.

Approval of the 2013 Legislative Program

Director of Government and Community Affairs Seamus Murphy said this program guides staff's advocacy efforts in Sacramento and Washington D.C. He said it is flexible to cover unanticipated issues that come up in the year.

He said State issues under State and Budget Transportation Funding Opportunities encompasses Cap and Trade revenues and voter threshold reduction for the approval of local transportation funding. Transportation Operations and Project Delivery Regulation will include issues such as California Environmental Quality Act reform and the regulatory side of the Cap and Trade Program and how it might apply to public transportation services and agencies. The State has to take a number of actions to implement some of the changes that are called for in the new Federal surface transportation authorization called Moving Ahead for Progress in the 21st Century (MAP-21), and how the State chooses to implement the programs will have a big impact on how much funding will flow to urban and rural areas. Caltrain Modernization and High-speed Rail issues will be at the forefront of the program. There are many actions that need to occur regarding funding of the Caltrain Modernization Program.

Mr. Murphy said Federal issues under MAP-21 include a series of different rules that need to be made and implemented. Surface Transportation Reauthorization will probably get pushed to next year. The Federal issues also include 2014 appropriations to make sure the programs the TA depends on are well funded. Climate change and livability are likely to come up.

He said advocacy tactics to support the program are listed in the report. He said if anything outside this program comes up staff will bring them to the Board for consideration.

Director Nagel asked what kind of advocacy representation the TA has in Sacramento and at the Federal level. He said the TA uses Holland and Knight in Washington D.C., which is a global lobbying firm with a strong public policy practice with a big emphasis on transportation. He said the TA uses Shaw/Yoder/Antwih, Inc. locally under a month-to-month extension until the TA selects a lobbyist in the spring.

A motion (Patridge/Horsley) to approve the 2013 Legislative Program was approved.

Update on State and Federal Legislative Program

Mr. Murphy said there are a number of bills in the report. He said there will be a lot of additional transportation-related legislation introduced by the deadline of February 22.

In January, the governor released the budget for 2014 and there will not be a State deficit thanks to the sales tax increase. There is no indication transportation funds will be used to balance the General Fund. The State Transit Assistance Program is lower than last year by about 12 percent because that account is tied to the sale of diesel fuel. He said the budget includes a \$480 million appropriation for the Proposition 1B Program that supports public transit projects.

The State received \$55 million in revenue in the first Cap and Trade auction last year, another \$200 million is expected from auctions this year, and another \$400 million is expected next year. The TA will be participating in a process to determine how those revenues will be allocated and will join a coalition urging that 40 percent go to clean public transportation projects.

Director Foust asked how the potential yearly \$60 million from the county Measure A will be spent. Mr. Scanlon said SamTrans is focusing on providing support for the Paratransit service. It is expensive but the people who use it are in need of the service. Director Horsley said Paratransit service does fit the need for the use of Measure A.

Chair Matsumoto asked if the plan is to wait to see if Senate Constitutional Amendments 4 and 8 will be passed to look at putting a dedicated funding source for Caltrain on the ballot. She asked if the passage of Assembly Bill 160 is good or bad.

Legal counsel Joan Cassman said it might not have an effect on the TA or SamTrans, but what is at stake is a notion that one can statutorily mandate a change in the terms and conditions of employment of represented workers. Mr. Murphy said the California Transit Association has been asked by unions to support the bill and they have taken a neutral position. He said he recommends the TA also be neutral. He said there is some threat to Federal funding opportunities related to the legislation and the Pension Reform Act that need to play out. He said before staff can take an informed advocacy position, staff needs to see what the Federal Transit Administration does.

Chair Matsumoto asked if the funding Sacramento allocates to San Mateo County from Proposition 1B goes directly to the TA or if it goes to the MTC. Mr. Murphy said funding goes directly to the TA.

REQUESTS FROM THE AUTHORITY

Director Nagel said for the first time the City/County Association of Governments (C/CAG) Bicycle and Pedestrian Advisory Committee (BPAC) projects that came in did not come close to using the money allocated for bike and pedestrian projects in the county. BPAC thought it was because of the Priority Development Areas (PDA), which have to be close to dense housing transit corridors and it is a huge issue and she hopes the TA does not approve projects just because the money is available and she hopes there are tight standards and only put money into good projects.

Director Patridge said this is why she is adamant about MTC rules. She said she approached MTC about the fact that the MTC is getting into land management rather than staying in transportation and it is fouling up any projects that want to qualify for bike and pedestrian projects. She said this is not providing the kind of service needed for the communities. MTC is not accepting the expanded definition of PDA.

Director Horsley said people have been trying to get MTC to recognize rural community investments instead of the main corridors, but MTC would not do it.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT MEETING

March 7, 2013 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

Meeting adjourned in memory of Alexander Harvey, father of Deputy CEO Chuck Harvey, at 6:17 p.m.