

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

**MINUTES OF MAY 5, 2016**

**MEMBERS PRESENT:** M. Freschet, C. Groom (Chair), D. Horsley, K. Ibarra, C. Johnson, K. Matsumoto

**MEMBERS ABSENT:** M.A. Nihart

**STAFF PRESENT:** J. Averill, S. Bhatnagar, M. Bouchard, J. Cassman, A. Chan, G. Harrington, J. Hartnett, J. Hurley, E. Kay, M. Martinez, N. McKenna, S. Murphy, M. Simon, J. Slavitt, S. van Hoften

Chair Carole Groom called the meeting to order at 5:03 p.m. and led the Pledge of Allegiance.

**CITIZENS ADVISORY COMMITTEE (CAC) REPORT**

Barbara Arietta, CAC Chair, reported on the meeting of May 3, 2016 (see attached).

**APPROVAL OF CONSENT CALENDAR**

- a) Approval of Minutes of April 7, 2016
- b) Acceptance of Statement of Revenues and Expenditures for March 2016
- c) Call for Public Hearing for Preliminary Fiscal Year (FY) 2017 Budget on June 2, 2016

Motion/Second: Horsley/Ibarra

Ayes: Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Nihart

**PUBLIC COMMENT**

None

**CHAIRPERSON'S REPORT**

Chair Groom said applications for the TA CAC are available on the website and back table. Applications are due on May 6 and appointments will be made at the June 2 meeting.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT) LIAISON REPORT – K. MATSUMOTO**

The May 4 report is in the reading file.

**PENINSULA CORRIDOR JOINT POWERS BOARD (JPB) REPORT – J. HARTNETT**

The May 5 report is in the reading file.

**Presentation on Annual Caltrain Passenger Counts**

Michelle Bouchard, Chief Operating Officer, Rail, presented:

- Purpose
  - Provide a measurement relative to previous years
  - Data for evaluating service changes
  - Allocate resources to address capacity issues

- Validate revenue-based ridership estimates
- Data Collection Methodology
  - Headcount on every weekday train averaged over five weekdays
  - Headcount on every weekend train for one weekend
  - Differs from monthly revenue-based average weekday ridership calculations
  - Fifth year for “bikes denied boarding” count
- Challenges
  - Surveys suspended during special events and construction activities
  - Surveys extended into mid-March
  - More rain in 2016 than in past several years
- AWR is 62,416, a 7.2 percent increase from last year
- Riders by Time Period 2015 versus 2016
  - Traditional peak difference is 2,805 riders or 9.6 percent increase
  - Midday is 556 riders or 8 percent increase
  - Reverse peak is 722 or 3.8 percent increase
  - Night is 88 riders or 2.7 percent increase
- Most stations are seeing ridership growth
- County-by-County 2015 versus 2016
  - San Francisco: 1,283 additional riders or 8.3 percent increase
  - San Mateo: 1,208 additional riders or 6.7 percent increase
  - Santa Clara: 1,679 additional riders or 6.8 percent increase

Director Cameron Johnson asked at what point the trains will be crowded enough that people decide to stop using Caltrain. Ms. Bouchard said this information is something the surveys that are being conducted should be able to answer, but staff looks at about 200 people per car, 1,000 customers on a five-car train and 1,200 on a six-car train.

Director Johnson asked if the 1,000 customers for a five-car train is the maximum number the train can be operated at safely. Ms. Bouchard said it is a rule of thumb that Caltrain uses.

Director Ken Ibarra asked if staff knows when the trains are the longest saturated between stops. Ms. Bouchard said she would have to look closely at the data, but her read on it is that it is only this saturated for three or so stops, about 10 or 15 minutes.

Ms. Bouchard continued:

- Average Weekday Bike Ridership decreased 11.1 percent to 5,520 bikes per day, which may be a reflection of the rainy counting season
- Summary
  - Passenger ridership is at an all-time height: 83 percent increase since 2010
  - Caltrain has a strong reverse-peak ridership
  - The majority of stations saw growth
  - All three counties saw increases
  - Overall weekend ridership increased
- Next Steps
  - Review allocation of six-car trains

- FY2017 Operating and Capital budgets must support the required resources to meet demand
- Increasing capacity FY2017 – FY2020 is essential to continue ridership/revenue growth
- Future service planning requires use of ridership data to develop potential service scenarios to improve capacity pre-/post-electrification

Director Ibarra said the San Bruno Caltrain Station parking lots are fairly empty. He asked if there is a strategy to increase ridership by doing something with the parking. Parking is avoided because of the cost. Ms. Bouchard said a fare study is coming up and all cost elements will be reviewed including parking. Some people say \$5.50 is very low for parking on the peninsula and some people say demand can be increased by lowering the cost of parking. She said she is hoping the fare study will help understand this issue.

#### **REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT**

Jim Hartnett, Executive Director, said:

- On April 22, the California Transportation Commission released their proposed draft funding recommendation for 2016. Two San Mateo County projects are directly affected: the Highway 101/ Willow Road Interchange Project in Menlo Park and the Highway 92/ El Camino Real Interchange Project in San Mateo. State Transportation Improvement Program funding for both of those projects would not be available until FY2017-FY2018. TA staff is continuing to explore alternative funding mechanisms and sources with City/County Association of Governments, the California State Department of Transportation (Caltrans), the Metropolitan Transportation Commission (MTC), and local jurisdictions to advance the projects to construction.
- The South San Francisco ferry receives Regional Measure 2 bridge toll funds from MTC to subsidize its service. One of the requirements for the Water Emergency Transportation Authority (WETA), which provides the service, is to reach a 40 percent farebox recovery ratio by July 1, 2016. They are at about 30 percent. WETA has reached out to entities, including the TA, for support asking that letters be sent to the MTC for the continuation of funding. The TA is submitting such a letter while WETA continues its efforts to build up ridership and reach the 40 percent recovery.
- The Highway 101/Woodside Road Interchange Project draft environmental document was released on April 11. The final document is scheduled for approval on October 15. The TA funded the environmental phase of the project.

#### **FINANCE**

##### **Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2016**

Leslie Murphy, PFM Asset Management, said the U.S. Gross Domestic Product grew 1.4 percent in the fourth quarter and 2.4 percent for the year. Economic growth continues to be fueled by consumer spending while business and investment exports continue to be a drag. The job market continues to perform well with unemployment around 5 percent and job growth continuing. The economy added 215,000 jobs in March, which marked 73 consecutive months of job growth. The first few months of

2016 were marked with some significant volatility mostly attributed to plunging oil prices and a slowdown in the Chinese economy. This uncertainty caused a flight to quality. This means investors became concerned about the financial markets and decided to sell off riskier assets like corporate stocks and bonds and buy up U.S. treasuries and Federal agencies instead. This was good for the TA's portfolio because the treasuries and agencies in the portfolio increased in value. For the first quarter, the portfolio generated an unannualized return of 0.98 percent compared to a return of 1.33 percent for the benchmark. The composition of the portfolio does not align well with the benchmark, so she has been working with staff to select a more appropriate benchmark, which will be presented in the coming months. During the quarter, she continued to see strong value in the treasury sector. At the end of the quarter, the TA portfolio had an 82 percent allocation to U.S. treasuries. This is a quarter-over-quarter increase of 11 percent.

Ms. Murphy said in December, the Federal Reserve indicated they expected to see four rate increases in 2016, but in March downgraded that expectation to two rate hikes, so it looks like low rates will continue to for some time. Ms. Murphy said she will continue to look for opportunities to increase the interest earnings in the portfolio. In mid-April she purchased about \$1.1 million worth of a new issue Freddie Mac mortgage backed security at a yield of 0.99 percent. This represents about double the earnings on a comparable maturity U.S. treasury.

Ms. Murphy said she has been working with staff to update the TA's investment strategy and investment policy, which would give the TA the opportunity to invest in other non-government sectors as authorized by the California Government Code. This will be presented to the Board at a future time.

Motion/Second: Horsley/Johnson

Ayes: Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Nihart

**Authorize Approval of Shuttle Applications and Programming and Allocation of \$8,059,795 of Measure A Local Shuttle Program Funds for FY2017 and FY2018**

Joel Slavit, Manager, Programming and Monitoring, said the TA and the City/County Association of Governments (C/CAG) issued a joint Call for Projects (CFP) with up to \$10 million available for the shuttle program in December 2015. The project review committee developed a list of recommended projects for funding, which was presented at the April Board and CAC meetings. The recommendation has not changed. A total of 38 shuttles are recommended for funding, two of which will be funded by C/CAG. The Coastside beach shuttle is receiving a deferment at the request of the sponsor to further coordinate the logistics of the service plan. When the sponsor submits a concurrence letter from SamTrans, staff will bring a recommendation back to the Board. Staff recommends the new Millbrae service not be funded as it has extensive overlap with SamTrans service and did not meet program requirements.

Motion/Second: Horsley/Ibarra

Ayes: Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Nihart

### **Preliminary FY2017 Budget**

Eli Kay, Chief Financial Officer, presented:

- FY2017 total revenues is projected to be \$87.2 million, a \$3 million increase over FY2016
  - Sales tax: \$83 million
  - Interest income: \$3 million
  - Rental income: \$1.2 million
- Total annual allocations: \$30.3 million
  - Local streets/transportation: \$18.7 million
  - Caltrain improvements – operating: \$6.6 million
  - Accessible services/paratransit: \$3.3 million
  - San Francisco International Airport Bay Area Rapid Transit extension: \$1.7 million
- Total program expenditures: \$69.5 million
  - Alternative congestion relief: \$0.8 million
  - Dumbarton: \$0.3 million
  - Caltrain: \$6.6 million
  - Pedestrian and bicycle: \$2.5 million
  - Local shuttle: \$10.5 million
  - Streets and highways: \$48.8 million
- Total FY2017 expenditures: \$102.5 million
  - Annual allocations: \$30.3 million
  - Program expenditures: \$69.5 million
  - Oversight: \$1.2 million
  - Administration cost: \$1.5 million
- Total expenditures increase: \$29 million
  - Annual allocations increased \$1.1 million
  - Program expenditures increased \$27.7 million
  - Administrative increased \$0.2 million
- FY2017 projected ending fund balance: \$464.4 million
  - Projected beginning fund balance: \$479.7 million
  - Projected deficit: \$15.3 million

Director Maureen Freschet asked why there is an increase in the deficit. Mr. Kay said more money is being spent this year.

### Public Comment

Adina Levin, Friends of Caltrain, said this is a good time to observe how sales tax is serving the county. There are some elements of the allocations that have been serving the county well. There was an allocation for grade separations of the Caltrain corridor that helped to create the San Bruno grade separation and the upcoming San Mateo grade separation. There are couple of other cities that have projects in the works, but that amount is about to be nearly used up. The bicycle and pedestrian spending is 3 percent and some of the larger cities have higher bike commute share today, and Caltrans has a goal to triple the bicycle and pedestrian commute by 2020. This is an item that might need to be changed soon. This is a time to reflect on the needs going forward.

## **PROGRAM**

### **Program Report: Highways – Highway 101 Corridor Managed Lanes**

Leo Scott, Consultant, presented:

- Highway 101 corridor profile
  - 26 miles from county line to county line
  - 230,000 trips per day makes it very congested
- Highway 101 corridor deficiencies
  - Congestion doubles travel time during the peak periods
  - Demand is projected to grow 10 to 15 percent by 2020
- Background
  - The original project study report approved in May 2015 was for a high-occupancy vehicle (HOV) lane extension from Whipple Avenue up to the Interstate 380 interchange
  - In October 2015, the TA Board approved \$8.5 million for an environmental analysis and clearance of that project
  - In May 2016 a supplemental project study report was prepared to expand the scope of the project to include express lanes and the document is with Caltrans for approval
- General purpose lane versus managed lane
  - General purpose lane: uncontrolled operation of the lane
  - Managed lane: HOV, hours of operation, occupancy requirements, points of access, enforcement
  - Express lane: High occupancy toll (HOT), hours of operation, occupancy requirements, points of access, enforcement, toll charged to non-HOV drivers, operations and maintenance cost toll administration
- Purpose
  - Provide a continuous managed lane in each direction on Highway 101 from the terminus of the Santa Clara County express lanes to Interstate 380 to:
    - Provide more reliable travel time for the managed lanes
    - Minimize operational degradation of the general purpose lanes
    - Allow travel mode choice
    - Increase overall person throughput
    - Apply technology and/or design feature to help manage traffic
- Need
  - Highway 101 is heavily congested resulting in an overall degradation of operations throughout the corridor
  - All users, whether they are in single or multiple passenger vehicles traveling on Highway 101, experience delays
- Alternatives
  - Convert general purpose lane to HOT three plus
  - Add an HOV two plus lane
  - Add an HOT three plus lane
- Preferred alternative selection criteria
  - Operation
  - Cost
  - Ease and speed of implementation

- Compatibility with adjoining segments
- Anticipated environmental documents
  - California Environmental Quality Act initial study
  - National Environmental Policy Act environmental assessment
  - Technical studies
- Highway 101 managed lane environmental schedule
  - 28 months to complete starting in June 2016 and ending in September 2018
  - April 2018 draft environmental document and public circulation of preferred alternative
- Environmental phase cost estimate is \$11.5 million
- Integrated project delivery team is a combination of Caltrans staff, TA consultant staff and led by the TA, C/CAG, Caltrans, and an executive steering committee

Director Johnson said he would be interested in seeing how well HOT lanes in the region are performing. Mr. Scott said there are three facilities. One opened in 2010 and was implemented on Interstate 680 over Sunol Grade between Pleasanton and Fremont, one was implemented on the southbound Highway 237 and westbound Interstate 880 interchange and is operating as expected, and one just opened on the Interstate 580 corridor through Livermore Valley. He will come back with specific statistics from each facility.

Director Karyl Matsumoto asked why this is only going to Interstate 380 and not directly into San Francisco. Mr. Scott said the right of way limits that exist north of Interstate 380 are very tight. There is not a very easy or inexpensive way to add a lane. The only way to get north of Interstate 380 would be to convert an existing lane. At the moment the project is ending at Interstate 380, but San Francisco is interested in doing something north of Interstate 380 and there are ongoing discussions about it.

Ms. Chan said when the TA approved the funding in October for the Highway CFP, funding was included to look at north of Interstate 380. The primary focus right now is to get this project going. There is something in the works but it is separate from this project.

Director Matsumoto said the switchover from Interstate 280, Interstate 380, and Highway 101 going north in the evening is backing up and it will get to the point where there will be accidents.

Director Don Horsley asked if there is a way to fast track any of the studies. Mr. Scott said he is working on fast track possibilities. The first task was to find the work and determine the cost and the second step is delivery.

Director Ibarra asked how it would work since he does not drive a clean car and drives alone. Mr. Scott said it helps to start with a continuous access design approach. Drivers using the current HOV lane can go in or out anywhere they want. In some areas it becomes helpful to have a buffer to restrict the access to the lane, which limits where people can get in and out of the lane. There is a benefit to the overall operation of the corridor when those buffers are correctly placed. Drivers would have to have a transponder in order to be registered in the future as a carpool user in order to use it for

free. If the driver did not have a transponder and used the lane, the driver would be charged as a single occupant or non-HOV user. The driver would be charged by the tag or the license plate. Mr. Scott said on the Interstate 680 corridor it costs about 50 cents per mile for the peak period. The Highway 101 corridor is a 22-mile corridor.

Director Matsumoto said she would be concerned if the lane started as an HOV lane and then morphed into something else later. Changing the lane to an HOT at a later point would be problematic. Mr. Scott said it could be staged or sequenced, but that has not been the practice in the Bay Area.

#### Public Comment

Adina Levin, Friends of Caltrain, said she did not see vehicle miles traveled and greenhouse gas emissions or equity on the selection criteria list, and these may be policy concerns. There is an ongoing change to look at roadway projects in terms of vehicle miles traveled and whether a capacity increase would induce driving and create additional greenhouse gas. A community concern about toll lanes is that it might harm lower-income people. The money could be put into transportation alternatives to help people without a car and could be an overall benefit for equity.

Mr. Scott said a community impact assessment is on the list of studies, and includes the addressing of the social aspect of the issue, and there is an air quality study that addresses the greenhouse gas issue.

Chair Groom asked if there is any truth to roads that have express or toll lanes free up space in other lanes creating a clearer passage. Mr. Scott said it improves the flow of traffic because some of the vehicles that would otherwise be in the express lanes are moved into the general purpose lanes.

Chair Groom asked if traffic studies are done on a regular basis throughout the State where there are HOV lanes. Mr. Scott said all HOV lanes are well monitored. All express lanes are operated by a body similar to the TA and they get regular annual reports.

Director Ibarra asked when the best or worst time is to look at an HOT lane. Mr. Scott suggested Director Ibarra drive the Highway 237 express lane in the morning commute.

Director Johnson asked if the new HOT lane works with the existing Fastrak. Mr. Scott said yes, however for a carpool, the Fastrak does not give the driver the ability to indicate that it is a carpool, so it would treat the car as a single occupant.

#### **Update on State and Federal Legislative Program**

Shweta Bhatnagar, Acting Manager, Government Affairs, gave the following update:

#### State

Senator Jim Beall recently amended his transportation funding bill, Senate Bill X 1-1. This bill provides \$6.5 billion in improving the State's highways, streets and roads, public transit, and commuter and intercity rail systems. The amended bill also doubles the allocation of Cap and Trade funding to the Transit and Intercity Rail Program from 10 percent to 20 percent, and also doubles the allocation to the Low Carbon Transit

Operations Program from 5 percent to 10 percent. This equates to roughly \$300 million in additional funding, which would be available to public transit projects. The bill also redirects \$550 million from High-speed Rail's Cap and Trade allocation to intercity commuter rail projects for which Caltrain would be eligible.

### Federal

The Senate Appropriations Committee approved a \$56.6 billion FY2017 Transportation, Housing and Urban Development appropriations bill. This bill provides \$16.9 billion for the U.S. Department of Transportation, \$525 million for the TIGER Grant Program, \$44 billion for Federal Aid Highways and \$1.7 billion to the Federal Railroad Administration. The bill also includes \$333 million for the Core Capacity Program, which is the program staff is looking to seek funds from for the electrification project. The House is expected to mark up their FY2017 appropriations bill starting the second week of May.

TA staff participated in several meetings regarding the Federal Aviation Administration's (FAA) sales tax diversion issue. In December 2014, the FAA claimed that any State or local sales tax revenue generated from the sale of aviation fuel must be spent only on airport uses. This suggests that local governments that have a voter-approved sales tax measure for a specific purpose like San Mateo County does for transportation would have to figure out how much of that revenue was generated from the sale of aviation fuel and would have to divert that amount to the airport even though the local voters did not authorize the use for airport purposes. Staff has been working with the Self-Help Counties Coalition to come up with options to prevent the diversion of these funds, including a possible Congressional amendment or litigation.

### **REQUESTS FROM THE AUTHORITY**

Director Matsumoto said she went to the Women in Transportation Scholarship and Awards Gala and Ms. Chan was awarded the Rosa Parks Diversity Leadership Award. Everyone spoke volumes of her leadership. The Peninsula Corridor Electrification Project received the Innovative Transportation Solutions Award. She congratulated Ms. Chan.

### **WRITTEN COMMUNICATIONS TO THE AUTHORITY**

No discussion.

### **REPORT OF LEGAL COUNSEL**

No report.

### **DATE AND PLACE OF NEXT REGULAR MEETING**

June 2, 2016 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> floor, 1250 San Carlos Avenue, San Carlos CA 94070

The meeting adjourned at 6:21 p.m.

# TA CAC Chair's Report

May 5, 2016

Good evening Madam Chair and members of the Board,

Here are the results from this past Tuesday's meeting of the CAC :

(TA Item 4a) The CAC reviewed the Minutes of the Board's April 7, 2016, without questions or comments.

(TA Item 4b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for the period ending March 2016, without questions or comments.

(TA Item 8a) The CAC received a highly informative presentation on Annual Caltrain Passenger Counts from Catherine David, Senior Planner, outlining the purpose of ridership counts, data collection methodology, the challenges faced in the 2016 count, the 2016 count results and next steps to be taken to continuing ridership/revenue growth. The CAC was pleased to learn that passenger ridership, which has increased 83% since 2010, is at an all-time high. However, the CAC expressed interest in learning how future service planning will be done in order to improve capacity pre and post electrification.

(TA Item 10a) The CAC supported the Board's Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2016.

(TA Item 10b) The CAC supported the approval of the list of 38 shuttles to receive Transportation Authority (TA) and City/County Association of Governments (C/CAG) funds in Fiscal Year (FY) 2017 and FY2018. It also supported the programming and allocation of a total of \$8,059,795 of Measure A Local Shuttle Program Category funds by the TA for 36 of the shuttles on that list, with the understanding that C/CAG would program and allocate \$921,528 of its Local Transportation Services Program funds for the remaining two recommended shuttles.

(TA Item 10c) The CAC received a detailed report from Leslie Murphy, PFM Consultant, on the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2016, illustrating FY 2017 TA Revenue increases and decreases, annual allocations and program expenditures, as well as TA expenditure increases and decreases.

After Ms. Murphy's presentation, the CAC voted to support the acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2016.

(TA Item 11a) The CAC was given a comprehensive report on the Highway 101 Managed Lanes Corridor Project under the Highway Program category this month by Leo Scott, TA and C/CAG Project Consultant. Mr. Scott's comprehensive presentation included information about the 101 Corridor profile, system deficiencies, background of managed lanes, the purpose and need for such, as well as a number of alternatives that are under consideration, along with the schedule employed and the environmental phase cost estimates and the make-up of the integrated project delivery team and organization needed to implement this project. After hearing Mr. Scott's presentation, a robust Q and A session followed with members of the CAC. The CAC, as a whole, expressed interest in the project and looks forward to additional information as it becomes available.

(TA Item 11b) The CAC received a comprehensive legislative update from Shweta Bhatnagar, Government Affairs Officer highlighting a transportation proposal update on Senator Jim Beall's amendment to his SBx1 1 bill to increase transportation funding.

The CAC was also pleased to hear that the SMCTA staff is currently working with the Self-Help Counties Coalition (SHCCC) to assess our options and discuss a strategy to protect against attempts by the federal government to divert millions of dollars in voter-approved transportation funds to airport improvement projects.

(CAC Chair's Report to the CAC)

In my own report to the CAC, I advised the CAC that our CAC member of the past three years, Daina Lujan, having recently received a promotion in the field of education, has now developed too many demands and time commitments on her schedule to consistently attend our CAC meetings and has, thus, tendered her resignation to make way for someone who can be engaged in the business of the CAC and attend our meetings on a regular basis. It is expected that Daina's recent vacancy will be filled shortly by our current recruitment call, which closes on May 6th, with interviews being conducted on May 27th.

I also shared with the CAC that our former CAC member, Jim Bigelow, had contacted me to let everyone know that on Wednesday, May 4th, the SamTrans "Planning, Development and Sustainability Committee of the Whole" was holding a presentation on the Dumbarton Transportation Corridor Study Update, in this auditorium.

**(Staff Report to the CAC)**

**In Joe's report to the CAC, he advised the CAC that recruitment for all six open positions on the CAC will close on Friday, May 6th, with interviews being conducted on Friday, May 27th and final CAC appointments announced on June 2nd at the next Executive Board meeting.**

**Respectfully submitted,**

**BARBARA ARIETTA**

**Chair, San Mateo County Transportation Authority Citizen Advisory Committee**