

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

MINUTES OF MAY 4, 2017

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

STAFF PRESENT: J. Cassman, A. Chan, T. Dubost, J. Hartnett, J. Hurley, K. Kelly, N. McKenna, M. Simon, J. Slavitt, S. van Hoften

Chair Carole Groom called the meeting to order at 5:02 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of May 2, 2017 (see attached).

APPROVAL OF CONSENT CALENDAR

- a) Approval of Minutes of April 6, 2017
- b) Acceptance of Statement of Revenues and Expenditures for March 2017
- c) Call for Public Hearing for Preliminary Fiscal Year 2018 Budget on June 1, 2017

Motion/Second: Horsley/Ibarra

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

PUBLIC COMMENT

Rich Hedges, San Mateo, said tonight at 6:30 p.m. at Sequoia High School there will be a presentation on the 2040 Plan by the Metropolitan Transportation Commission (MTC).

CHAIRPERSON'S REPORT

Director Don Horsley said he and Directors Cameron Johnson and Karyl Matsumoto met with staff on the Capital Improvement Program. He said they looked at the potential of borrowing from other Measure A programs, but discovered there is not enough funding to make much of a difference. There is about \$33 million that could be borrowed from other funds. Director Horsley said the committee then considered borrowing approximately \$500 million, but the problem is nothing else could be done in the future with Measure A. This would essentially spend all the money upfront now. He said the difficulty with this program is the upfront fees are very considerable and once the money is borrowed the TA cannot count on an annual contribution to Measure A because it would end up having to pay off the bonds that were borrowed. Director Horsley said the committee decided to not make any decisions at this point. He said there needs to be more information before a decision is made on whether it is worth borrowing, the amount of money that will come out of Senate Bill 1 (SB1) and the upcoming Regional Measure 3 (RM3). Director Horsley said the committee looked at geographic equity to make sure projects have been evenly distributed to date. He said they looked at projects that had no activity over the past five years and are recommending letters be sent asking the project sponsors to make a decision by October if they are going forward or not. If they are not going forward it would be up

to the Board to decide whether to reprogram the money. Director Horsley said the committee asked staff to look at whether a Call for Projects should happen this year. Director Ken Ibarra asked how many non-activity projects there are and the approximate money. Director Horsley said it is approximately five projects totaling \$16.3 million.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

The May 3 report is in the reading file.

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

The May 4 report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Update on SamTrans and Caltrain Business Plans

Mark Simon, Chief of Staff, said in March and April staff presented the effort underway to prepare Business Plans for both of the agencies. He said the immediate goal is to seek something on the ballot in 2018 that would serve to stabilize the funding of one or both of the organizations. Mr. Simon said there are some critical budget challenges facing both agencies. The relevance to the TA is the TA maybe the vehicle by which to address these issues has been done in the past in 1998 and 2004. Mr. Simon said the TA's spending plan has been a significant way to tackle both the budget issues facing SamTrans and Caltrain and some of the needs of both of the agencies going forward. He said SamTrans has a budget shortfall including \$290 million that is owed for the Bay Area Rapid Transit extension to Millbrae and San Francisco International Airport. This costs SamTrans about \$20 million a year in debt service. Mr. Simon said this means there is no flexibility to do other things that should be done as the community changes. Caltrain does not have a dedicated source of funding and relies on its farebox. He said the farebox is 70 percent of the funding, but it leaves a 30 percent gap, most of which is financed by the three partner agencies.

Mr. Simon said staff is working closely with Directors Horsley, Groom and Supervisor Warren Slocum on a ballot measure. The expectation of what is put on the ballot may be the first of a number of ballot measures.

Mr. Simon said the economics of the county are changing. In South San Francisco the bio-technology area are predicting over 10,000 new jobs over the next five years and Facebook is predicting similar numbers. Staff is looking at a changing economy and a changing pattern of commute patterns and quality of life patterns.

Mr. Simon said SamTrans needs to be reinvented as less of a transit company and more of a mobility company that provides a wide range of options, not just buses, but partnerships with Uber and Lyft. He said we need to be agile enough to begin changing and meeting the needs in a wider range of ways. Mr. Simon said the other thing that needs to be done is stabilize SamTrans and Caltrain funding. He said as staff gets closer to something more concrete detail reports will be brought to the TA.

Director Ibarra said there needs to be more outreach and publicity and show the public what has been accomplished and the improvements being made.

Jim Hartnett, Executive Director, reported:

- At the last meeting he reported on a major pending traffic shift scheduled in mid-April for the 101/Broadway Interchange Reconstruction Project which would open new northbound and southbound on-ramps. The traffic shift was completed the evening of April 20. The project completion date is earlier than the original fall target. TA staff, the California State Department of Transportation (Caltrans), Burlingame and the contractor are looking to advance the ribbon cutting to July.
- TA staff, Caltrans, Menlo Park and East Palo Alto are planning a groundbreaking ceremony to commemorate the start of construction of the 101/Willow Interchange Reconstruction Project. Staff will work with the Board to identify the specific date of the ceremony in Mid-May. This project was made possible by a \$56.4 million Measure A allocation and a \$10.4 million loan from the TA. Construction is expected to take approximately 2 ½ years.
- Community meetings have been scheduled to discuss the proposed 101/Peninsula Avenue Interchange Project. The project, sponsored by the city of San Mateo, proposes to add southbound on- and off-ramps at Peninsula Avenue. Because of the proximity of the project and the strong interest from Burlingame, there will be a meeting in each jurisdiction to solicit input from the communities regarding issues and concerns that should be explored and addressed during the environmental process. The meetings will be held in San Mateo on May 17 and in Burlingame on May 16.
- Two community meetings are scheduled for the 101 Managed Lanes Project on May 31 at San Mateo City Hall and on June 5 at Redwood City City Hall. Further information will be available soon on the Caltrans, City/County Association of Governments and TA websites.

FINANCE

Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2017

Monique Spyke, PFM Asset Management, provided a quarterly update.

Motion/Second: Johnson/Beach

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

Preliminary Fiscal Year 2018 Budget

Kathleen Kelly, Interim Chief Financial Officer, reported:

- Revenues are \$89.2 million, an increase of \$2 million.
- Total expenses are \$86.8 million.
- Total annual allocations are \$30.9.
- Total Measure A expenditures are \$52.9 million

Director Beach said administrative costs are being kept within the parameters used last year and how does that bode for the TA going forward. Ms. Kelly said it will be a consideration. She said there are two ways that staff costs can be over the 1 percent, by using prior funds or the use of proceeds from the investment income.

PROGRAM

Paratransit

Tina Dubost, Manager, Accessible Transit Services, presented:

- Paratransit is the most expensive service the San Mateo County Transit District (District) provides, but one of the most important. Redi-Wheels on Bay side and RediCoast on the Coast.
- It is a Federal mandated passed in 1990.
- Comparable paratransit service for those unable to ride fixed-route transit.
- Americans with Disability Act paratransit characteristics/requirements:
 - Service must be provide with ¼ mile zone of fixed route service
 - Service day/time parallel to fixed route service
 - Shared ride
 - Advance reservation
 - Zero denial for service
- Paratransit service provides equal opportunity for mobility to people with disabilities who can't use conventional fixed-route transit. All Redi-Wheels and RediCoast users must be certified.
- Total registrants is almost 8,700.
 - 64 percent are 70 years or older.
 - 20 percent are non-ambulatory.
 - 23 percent have cognitive disabilities.
 - 12 percent have visual disabilities.
 - 26 percent receive fare assistance.
- Trips
 - Dialysis centers
 - Adult day care centers
 - Hospitals, doctors appointments, senior centers, colleges, senior housing and shopping
- Average cost per trip is \$43.32.
- Service is funded by the TA Original Measure A and New Measure A.
- FY2017 paratransit budget is \$18.16 million.
- Service is contracted with First Transit for Redi-Wheels and MV Transportation for RediCoast service.
- The District owns and maintains fleet of vehicles for these services.
- Average weekday ridership is over 1,150, up three percent from last year
- Pickups within 20 minutes of scheduled time are considered on-time.
- Complaints are very low.
- Eligible customers are offered a trip within one hour of the requested time.

Director Maureen Freschet asked if riders have to be mobile to get to the vehicle or can the driver assist. Ms. Dubost said the driver can assist people if they can keep the door of the vehicle in view at all times and the distance is no more than 50 feet. The driver can offer an arm for stability and help down a few stairs, but they cannot lift or carry wheelchairs or people up or down stairs.

Director Johnson said last year's costs were over \$15 million and this year's budget is \$18 million. He asked what the reasoning for the large increase. Ms. Dubost said it is due to increase in ridership and a new contractor operating the service.

Director Johnson asked if staff strives to lower the price per ride or is the cost what it is for a very specialized service. Ms. Dubost said staff looks at ways to reduce costs, but part of the problem is this service is a Federal mandate and there are some expensive things that need to be done. She said a trip on Sunday afternoon to go one mile is pretty inexpensive to provide, but a trip at 11 p.m. going from one of the county to the other is an expensive trip. Mr. Hartnett said staff looks to be as efficient as possible and manage the service to be efficient. He said in the industry some people are experimenting with the private ride sharing agencies and are on the edge of non-complying with legal requirements.

Director Emily Beach asked if there is a restriction on the number of rides per week a person can take. Ms. Dubost said no.

Director Beach asked if staff tracks the number of rides an individual takes to look at trends and who uses the service. Ms. Dubost said there are a small number of super riders who ride multiple times a day every day and then there are those who ride one day a month.

Director Matsumoto said the South San Francisco Shuttle is free and can handle two wheelchairs.

Director Ibarra asked what is the soonest customer can get a ride. Ms. Dubost said if someone called at 4:59 p.m. tonight they could get a ride tomorrow. She said there is no same day service.

Director Freschet asked how people pay for the service. Ms. Dubost said by cash or prepaid tickets.

Public Comment

Rich Hedges, San Mateo, said he was the writer of the Grand Jury study a number of years ago and regularly attends the Paratransit Coordinating Council meetings. He said the drivers are great and there are a number of issues using the private partnerships of Uber and Lyft.

Update on State and Federal Legislative Program

Gus Khouri, Principal, Khouri Consulting, provided an update on SB1.

Update on RM3

Seamus Murphy, Chief Communications Officer, said RM3 would increase bridge tolls by \$1 to \$3. He said this is a measure that would be enacted through State legislation and goes to the voters in June 2018. Mr. Murphy said the Bay Area delegation is working with transit agencies to put an Expenditure Plan together that would be included in the legislation. The Metropolitan Transportation Commission (MTC) is also helping to guide the process as the administrative body for the bridge tolls. Mr. Murphy said there are several projects of critical importance to this agency and Caltrain as the funding partner. He said the the operations at the San Francisco Transbay Terminal and CalMod 2.0 which is the full conversion of the fleet to electric, procurement of additional electric trains to operate longer trains to increase capacity, extend platforms

to accommodate longer trains, raised platforms to achieve level boarding and the downtown extension to the Transbay Terminal are all included on the list.

Director Beach asked what the process was for prioritizing the projects. Mr. Murphy said the plan was to not prioritize the projects on the list, but submit it as a list. The plan is to submit it as a complete list of priorities and there are a lot of projects not included, but hope some of the major efforts on the list are included in the Expenditure Plan. Mr. Murphy said he will come back to the Board when the Plan is in place and included in the bill to discuss whether it is a bill to support given the priorities being asked for.

Director Beach said grade separations are part of Caltrain, but it would be good to consider listing some of those that are in the pipeline because that is a huge part of making Caltrain operational and safe as well as taking congestion off the road.

Director Horsley said if this passes who ends up making the decisions on projects. Mr. Murphy said it is the MTC that administers the funds in the same way that the TA administers the half-cent sales tax in the county.

REQUESTS FROM THE AUTHORITY

Director Matsumoto said South San Francisco city staff had a meeting with the Water Emergency Transportation Authority and were told they are now at 39 percent farebox recovery and growing, but MTC is requiring 40 percent. She said they are at capacity and the only way the service can grow is to have a larger ferry. Director Matsumoto asked if Measure A funding can be used to create a breakwater to accommodate a larger ferry.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

REPORT OF LEGAL COUNSEL

Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast vs. California Department of Transportation, Respondents and Defendants, and San Mateo County Transportation Authority and City of Pacifica, Real Parties in Interest and Defendants. Case No. CIV 523973

Recessed to closed session at 6:31 p.m.

Reconvened to open session at 6:42 p.m.

Joan Cassman, Legal Counsel, said the Board received an update and no action was taken.

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, June 1, 2017 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 6:43 p.m.

TA CAC Chair's Report May 4, 2017

Good evening, Madame Chair and Members of the Board.

I have the following to report from Tuesday's meeting of the CAC

(TA Item 4a) The CAC reviewed the Board's Minutes of April 6, 2017, without questions or comments.

(TA Item 4b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for March 2017, without questions or comments.

(TA Item 9a) Following a detailed update on SamTrans and Caltrain Business Plans by Mark Simon, Chief of Staff, the CAC had a number of questions, including the amount of public outreach planned to solicit the public's opinions on supporting a potential transportation funding measure for the 2018 ballot. Compliments were made on the recent Op-Ed piece in the San Mateo Daily Journal, co-authored by TA Board Chair Carole Groom and SMC Board of Supervisors Vice President Dave Pine, as well as the written newspaper reports issued by our District's CEO Jim Hartnett. The CAC agreed that more of this type of information should be delivered to the public on a regular basis.

However, the CAC was concerned to hear about the future depletion of financial reserves by 2023 for SamTrans and understands the need for a revised version of Measure A. In view of the \$270 million in debt that SamTrans incurred from helping to pay for the BART extension into San Mateo County a number of years ago, and the \$20 million per year cost of debt service because of this, there were also questions on the historical perspective concerning the mechanism for dealing with debt service in the Transit District, as well as questions on potential changes in modes of transportation such as the potential utilization of autonomous vehicles in the future, as well as the potential utilization of ride sharing companies such as UBER and LYFT, in helping to possibly lower the District's future public transportation expenses.

Because the CAC fully understands the need to create more sources for transportation funding, the CAC supports the efforts being done on behalf of a potential ballot measure for the 2018 ballot. However, there were some concerns expressed about the other potential transportation ballot measure (Regional Measure 3) that may be on the 2018 ballot coupled with the voters questionable appetite for additional transportation taxes in light of the recent passage of the State Transportation Budget Package.

(TA Item 10a) The CAC supported the Acceptance of the Quarterly Investment Report and fixed Income Market Review and Outlook for the Quarter Ended March 31, 2017, without any notable questions or comments.

(TA Item 10b) Pursuant to a brief presentation by Kathleen Kelly, Acting CFO, the CAC supported the Preliminary Fiscal Year 2018 Budget, without any notable questions or comments.

(TA Item 11a) As part of an ongoing series of program reports on the Transportation Authority's (TA) six various program areas, this month Tina Dubost, Manager of Accessible Transit Services for SamTrans gave the CAC a comprehensive report highlighting the Paratransit Program. Questions and comments posed by the CAC included asking if utilizing rideshare services could be done to bring costs down, to what degree does the federal government get involved with local mandates, if any, what is the protocol for picking people up...Can drivers go to the door and not just wait in the car for passengers when they pick up passengers?

There were also questions concerning the current status of the "travel training program" for potential passengers and if the highly popular Clipper card could be utilized in any way in the future for fare payment. Additionally, suggestions were also given about re-starting up a possible "volunteer driver" program to help defray transportation expenses for this program.

(TA Item 11b) The CAC did not receive an "in person" Update on the State and Federal Legislative Program this month, but, instead, received a written State Legislative Update, along with a notice of a May 3rd Hearing being conducted by the Assembly Committee on Local Government on Assembly Bill AB 1613 (Mullin), which authorizes the San Mateo County Transit District (SamTrans), subject to voter approval, to impose a retail tax that exceeds the 2% retail transactions and use tax (TUT) limit at a rate of no more than 0.5%. The CAC was asked to review the material, at their convenience, and get back to Joe Hurley, Director of the Transportation Authority program with any questions or comments that they might have, therefore I have nothing to report on the CAC's reaction to this at this time.

(TA Item 11c) The CAC received an Update on Regional Measure 3, without any notable questions or comments.

In my own Chair's Report to the CAC, I advised the following:

1. At the local level, consideration of a ballot measure for 2018 for local transportation measures is being led by the Peninsula Mobility Group, a broad coalition of public and private sector stakeholders convened by the San Mateo County Economic Development Association (SAMCEDA). SAMCEDA is focused on reducing bottlenecks and congestion along Highway 101 and up and down El Camino Real Corridor, on revitalizing the Dumbarton Corridor and on

unclogging State Route 92. They are looking for the public's help in getting the word out to all voters in this county to help pass this much needed transportation funding measure in 2018.

2. The Metropolitan Transportation Commission (MTC), is recruiting 27 individuals for its Policy Advisory Council. The mission of the Council is to advise MTC on transportation-related policies in the nine-county San Francisco Bay Area. MTC Commissioners will make appointments for the four-year term currently scheduled to begin in September 2017. The application deadline is June 12, 2017 and all application information may be obtained by going to the MTC website.

In Joe's staff report, he advised the CAC of up-coming of community meetings associated with the 101/Peninsula and 101 Managed Lanes Projects which you will hear more about later at this meeting. Joe also announced that applications for the CAC are due by this Friday, May 5th for five positions. Interviews will be conducted the last week of May and the first week of June. At the time of the CAC meeting 18 applications had been submitted.

Respectfully submitted,

BARBARA ARIETTA
Chair, San Mateo County Transportation Authority CAC