

CITIZENS ADVISORY COMMITTEE (CAC)
SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA)
1250 San Carlos Avenue, San Carlos CA 94070
Bacciocco Auditorium, 2nd Floor

MINUTES OF NOVEMBER 1, 2011

MEMBERS PRESENT: B. Arietta (Chair), J. Bigelow, J. Fox, R. Hedges, R. Hees, E. Lasensky, J. Londer, D. Maez, D. Mensing, L. Shaine, L. Simonson, A. Vargas, J. Whittemore, B. Warhurst, G. Zimmerman

MEMBERS ABSENT: None

STAFF PRESENT: J. Ackemann, M. Bouchard, R. Haskin, J. Hurley, L. Larano, N. McKenna, L. Snow

Chair Barbara Arietta called the meeting to order at 4:30 p.m. and Rich Hedges led the Pledge of Allegiance.

INTRODUCTION OF NEW MEMBER BILL WARHURST

Chair Arietta welcomed Bill Warhurst to the committee.

APPROVAL OF MINUTES

A motion (Hees/Londer) to approve the October 4, 2011 minutes was passed; (Londer /Simonson abstained).

Jim Whittemore and Larry Shaine asked if staff had followed-up with Legal Counsel on their Brown Act questions. Director, Transportation Authority Programs Joe Hurley said he will follow-up with legal.

PUBLIC COMMENT

None

CERTIFICATE OF APPRECIATION TO ROSEMARY LAKE

Chair Arietta presented a Certificate of Appreciation to outgoing TA CAC Secretary Rosemary Lake.

TA WEBSITE UPDATE

Executive Officer Customer Service and Marketing Rita Haskin said staff is in the process of redesigning the TA website. The Caltrain and SamTrans websites recently were updated. There will be an online survey between November 9-28 to see what users would like to see on the website and how they currently use the website.

ITEMS FOR REVIEW – NOVEMBER 3, 2011 TA BOARD MEETING

Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended September 30, 2011 (TA Item 11a)

Bill Osher of CSI Group said there have been no realized losses in the portfolio. When bonds are purchased they are purchased at a premium and are amortized.

George Zimmerman said many times, in recent quarterly reports, staff has over estimated interest revenue and should estimates be more conservative in the future.

Mr. Whittemore said in this month's summary of interests and capital gains there is another realized loss of \$127,000 which brings the year-to-date total of almost half of last year's fiscal year. He asked where the losses are coming from. Mr. Osher said there have been no realized losses in the portfolio. When bonds are purchased they are purchased at a premium and they are amortized. The interest income on the bonds is being over stated.

Mr. Whittemore said in the market overview for the quarter it states that the portfolio could be in a negative return very quickly in a rapidly rising interest rate environment. Mr. Osher said this is one of the reasons the return on the portfolio is as low as it is and why staff is being conservative. In the investment objectives, given to him by the Board, they are in order of priority which is safety, liquidity and return. This isn't something that was made up, but is written in the California Code of how surplus funds must be treated. What this means to him is to not subject the portfolio to a position where it could lose money in a rapidly rising interest rate environment. Mr. Osher said the Federal Reserve Bank recently released a report saying that never in history have interest rates been as expensive as they are today. The Board has instructed him to not have any corporate exposure so he is keeping the portfolio short and when interest rates start to rise he will have the opportunity to lock in higher interest rates for a longer period.

Mr. Whittemore said a little less than half of the TA portfolio is with Mr. Osher and was told with the yield environment there wasn't much more he could do with much more money. Mr. Osher said before he buys anything he uses the Local Agency Investment Fund (LAIF) as a comparison and today it is well managed and provides a certain novel return. He has been encouraging staff to use LAIF as a holding ground until he sees an opportunity.

Mr. Shaine asked what the exposure is to the banking system and as it relates to Europe. Mr. Osher said there is a bond that has not matured but is FDIC insured. The banking system is literally the heart of an economy and when the banking system is not working the system is lethargic.

Mr. Hedges asked why there have been no investments in California bonds. Mr. Osher said the Investment Policy does not provide for municipal bonds, however the California Code does allow them.

A motion (Hedges/Zimmerman) to support acceptance of the report was approved.

Mr. Whittemore left at 5:12 p.m.

PROGRAM REPORT: TRANSIT: CALTRAIN (TA Item 4a)

Director of Rail Transportation Michelle Bouchard made the following points:

- The Caltrain corridor is 77 miles and runs between San Francisco and San Jose with weekday commute service to Gilroy.
- Caltrain joins the Union Pacific main track south of Santa Clara and is responsible for dispatching Union Pacific, Amtrak's Coast Starlight, the Capitol Corridor and ACE.
- Control of the tracks transitions south of Tamien to Union Pacific.
- Currently operate 86 weekday trains with a growth in ridership in all markets served.

- Giants service had an increase of over 7 percent over last year.
- Bike capacity has increased and staff established a Bicycle Advisory Committee.
- A new rail operations contract was awarded to TransitAmerica, a subsidiary of Herzog Construction.
- The Fiscal Year (FY) 2012 Caltrain adopted budget was \$103.8 million.
- Total member contributions for FY2012 were \$25.3 million.
- Fare revenue in August was in excess of \$5.3 million and average weekday ridership is above 45,000.

Director of Engineering and Construction Liria Larano made the following points:

- Santa Clara County has the South Terminal (San Jose) Station Improvement Project which will provide operational flexibility and allow for future expansion of service. Construction included two 1,200-foot platforms, stair and ramp access to existing underpass and a new signal system. The total project is \$35 million and expected to be completed by the end of the year.
- In San Mateo County bridge improvements are being done at Popular, Santa Inez, Monte Diablo and Tilton avenues. The total project is \$11.6 million.
- The Jerrold Avenue Bridge in San Francisco was replaced at a cost of \$13.6 million.

Mr. Hedges asked if the height at the Mount Diablo Avenue bridge was raised. Ms. Larano replied no.

Mr. Zimmerman asked where the South Terminal station is. Ms. Larano said it is the San Jose Diridon Station.

Mr. Shaine asked about a contract being awarded for a signal system. Ms. Larano said the Positive Train Control/Communication Based Overlay Signal System (PTC/CBOSS) is the project and it needs to be installed by December 2015 by Federal mandate. CBOSS allows for communication between the train, wayside and control center to allow trains to operate closer together. It will also provide auto-train stop and will prevent trains from entering a work zone.

Mr. Shaine asked how this system fits with High Speed Rail (HSR). Ms. Bouchard said since this program is mandated and must be functioning revenue ready by December 2015 it must be started now. When HSR comes with their requirements for the system staff will be able to integrate with the Caltrain system.

Mr. Shaine asked if this contract is funded up front. Ms. Bouchard said the project team defined three phases of the project that would support a funding strategy.

Elizabeth Lasensky said San Jose Diridon has multiple tracks and there is no signage informing passengers which tracks to use. Ms. Larano said new signage is part of the project.

Ms. Lasensky asked if any part of the budget takes into account new trains or repairs.

Ms. Bouchard said state of good repair is very important. Over the last few years funding has been dedicated to state of good repair and staff is doing a robust fleet planning effort to see what is needed to carry the current rolling stock through electrification.

Doris Maez said ridership going north and south is about split, but San Francisco's share is half of the other counties. Does the ridership reflect the morning boardings and partner shares?

Ms. Bouchard said staff is looking at longer-term funding efforts including the agreement among the partners.

Randy Hees said with the current farebox return and if a new passenger is added how much of that passenger's fare goes to contributing to the bottom line and how much has to go to an increase in operating costs. Ms. Bouchard said it is a step function and about 75-80 percent of fares is for labor.

Jeff Londer said he doesn't understand why San Francisco doesn't pay their share along the lines of the other partners. He asked what the other sources of revenue are. Mr. Hurley said it is multiple state and federal sources.

Mr. Londer asked if WiFi has been considered for revenue. Ms. Bouchard said WiFi is a very active topic among staff but there is no timeframe of when this project will occur.

Laurie Simonson said Caltrain now has two bike cars and has there been an increase in bike ridership and any impact on non-bike riders. Ms. Bouchard said currently there are about 3,200 bikes and the previous year was 2,200. Caltrain has gone through a very visible process in increasing the bike capacity. There is a lot of demand for bike capacity in the peak hours.

Mr. Zimmerman asked about the maintenance problems of the trains and is there any timeframe for looking at these problems. Ms. Bouchard said staff can provide a list of projects that will be looked at this year.

Chair Arietta said that at a recent San Mateo County Transit District Board (District) retreat the FY2013 budget fiscal outlook included a tentative balancing plan for Caltrain. The Santa Clara Valley Transportation Authority and San Francisco Municipal Transportation Authority plan to reimburse \$5.2 million and \$1.8 million, respectively, for the repayment of the original purchase of the Caltrain right of way. The \$7 million will be used as San Mateo County's share of the FY2013 Caltrain Operating Budget. The Peninsula Corridor Joint Powers Board partners will also update operating cost sharing formulas and payment for the Gilroy service.

Mr. Hurley said Caltrain is a big program under Measure A and identified as the number one priority under the Original Measure A program. The new measure has provided almost \$17.4 million for Caltrain operating to date.

Approval of Minutes (TA Item 4a)

No discussion

Acceptance of Statement of Revenues and Expenditures for June 2011 (TA Item 4b)

A motion (Shaine/Zimmerman) to support acceptance of the Statement of Revenues and Expenditures for June 2011 was approved.

Acceptance of Statement of Revenues and Expenditures for September 2011 (TA Item 4c)

A motion (Hees/Lasensky) to support acceptance of the Statement of Revenues and Expenditures for September 2011 was approved.

Approval of 2012 Board of Directors Meeting Calendar (TA Item 4d)

Committee members noted the date of the July meeting being so close to the Fourth of July holiday.

Resolution of Appreciation to Outgoing Director John Lee (TA Item 6a)

Mr. Hurley said Director Lee is being termed out on the City Council of San Mateo and the requirement to sit on the TA Board is to be an elected official.

Mr. Hees asked that the Chair extend the CAC's best wishes and thank him for his work

Mr. Bigelow said when looking at the coalition of cities Director Lee is tough and he does deliver and sticks to his guns on his beliefs and highly commend him.

Mr. Hedges said Director Lee is a passionate advocate on transit oriented development and the Grand Boulevard.

Mr. Fox left at 6:07 p.m.

A motion (Hees/Shaine) to support the Resolution of Appreciation to Director Lee was approved. The committee also agreed to present a Certificate of Appreciation to Director Lee.

Ms. Maez left at 6:08 p.m.

Sam Trans Liaison Report – September 26, 2011 and October 12, 2011 (TA Items 7a and 7b)

No comment

Update on State and Federal Legislative Program (TA Item 12b)

Government Affairs Officer Jayme Ackemann said Government Affairs Manager Seamus Murphy will be focusing his attention at the Federal and State level trying to identify legislation and grant funding that would infuse the District with more money so she will be working at the local level. In the legislative report it notes the \$1.8 billion bond sale happening in the State of California but staff doesn't know what public transportation projects on the Peninsula can expect to see a new infusion of cash coming from the bond sale, but will be receiving some funds. Some of our projects are considered priority projects in need of additional cash flow.

Mr. Mensing left at 6:11 p.m.

Congress is continuing to struggle with the reauthorization of the Surface Transportation Bill. Today the Senate voted on a minibus that would sustain existing spending levels for critical transportation programs. This will go to the House which is less inclined to support the bill. The California High Speed Rail Authority released its Business Plan today and what is most critical for the Peninsula is that they did acknowledge the blended option as one of the viable alternatives. Staff doesn't know if the Legislature will accept the Business Plan until they return from recess in January.

Mr. Zimmerman said AB650 calls for developing a Blue Ribbon Task Force. What type of people would be likely candidates? Chair Arietta said nobody because it was vetoed on September 26.

Mr. Zimmerman left at 6:14 p.m.

REPORT OF THE CHAIR – BARBARA ARIETTA

- Provided a status on the legislative matrix in the packet. AB320, AB348, AB427, AB551, AB892, AB957, AB1097, AB1164, SB126 and SB310 were all chaptered and AB952 was vetoed.
- Public comment period for the State Highway 1 closed on October 22 and now in the hands of Caltrans to issue the Final Environmental Impact Report.
- The Belmont Bicycle Pedestrian Overpass ribbon cutting ceremony will be on November 19.

REPORT FROM STAFF – JOE HURLEY

- Public comment for the Calera Parkway Project closed on October 22 and about 209 comments were received.
- The Highway 101 Auxiliary Lane Project between University Avenue and Embarcadero Road received \$3.8 million from the recent bond sales.
- On Monday, November 7 the Burlingame City Council will dedicate the pedestrian overcrossing in Burlingame as the Rosalie O'Mahony Pedestrian Overcrossing.
- San Pedro Creek Bridge Replacement Project secured environmental clearance and will move forward to the design phase.

Mr. Shaine asked why it is necessary to close northbound Highway 101 in Belmont to install the fencing. Mr. Hurley said it is a safety issue and Caltrans will not allow work over live traffic.

COMMITTEE COMMENTS

Mr. Bigelow asked that the Dumbarton outreach meetings be distributed to the CAC. Assistant District Secretary Nancy McKenna said she would email the information to the committee.

Mr. Hedges said the California Transportation Commission just approved the Metropolitan Transportation Commission's application to begin the high occupancy toll lanes. He has been struggling to find E85 fuel and finally found a location in Redwood City.

Date and Time of Next Meeting

Tuesday, November 29, 2011 at 4:30 p.m. at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA 94070.

The meeting adjourned at 6:30 p.m.