

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

MINUTES OF APRIL 29, 2014

MEMBERS PRESENT: B. Arietta (Chair), J. Baker, J. Bigelow, J. Fox, R. Hedges, R. Hees, J. Londer, D. Lujan, D. Maez, L. Shaine, A. Vargas, W. Warhurst, J. Whittemore

MEMBERS ABSENT: L. Simonson

STAFF PRESENT: J. Averill, S. Bhatnagar, A. Chan, E. Goode, C. Harvey, J. Hurley, J. Slavitt, L. Snow

Chair Barbara Arietta called the meeting to order at 4:32 p.m. and William Warhurst led the Pledge of Allegiance.

John Fox arrived at 4:35 p.m.

APPROVAL OF MINUTES

Doris Maez said on page 6 in the last sentence of the third paragraph, the word "if" should be removed.

A motion (Bigelow/Hees) to approve the April 1, 2014 minutes as amended was approved unanimously.

PUBLIC COMMENT

None

ITEMS FOR REVIEW – MAY 1, 2014 TA BOARD MEETING

Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2013 (TA Item 10a)

Bill Osher, CSI Group of Sun Trust, said it is his belief the economy is doing fine. He said there was a hiccup in the first quarter due to bad weather, but when the weather gets better there is typically a surge of economic activity. He said the impediment to economic growth that used to come from politics is absent now. He said he is very concerned about what the Federal Reserve (Fed) is doing when it comes to fixed-income markets. He said the Fed has pushed interest rates lower than they would be naturally, so their behavior is having more of an impact than the economic fundamentals. He said economic fundamentals would argue for higher interest rates. Removing some of the stimulus the Fed has put into place is going to affect the interest-rate markets. He said he feels interest rates are going to rise and it is appropriate to be defensive in the way he manages money and the level of interest-rate risk he takes. He said he will maintain his stance of less interest-rate risk than normal.

Jim Whittemore said there's a proposal by the Securities and Exchange Commission (SEC) to start floating the rates on institutional prime money market funds. Mr. Osher said it is rare to use a mutual fund at Sun Trust, but he wouldn't use prime fund, which is a money market fund that has credit risk in it. He only uses government securities. He said it might not make much of a difference.

Daina Lujan arrived at 4:39 p.m.

Mr. Osher said the Local Agency Investment Fund (LAIF) is bought and sold at a price of one, like a money market fund. LAIF is run more aggressively than a typical money market fund, which has restrictions on quality and maturity.

Mr. Whittemore asked if Mr. Osher sees any impacts on the short-term money market that pose challenges as the SEC goes forward with their proposal. He said there has already been a hemorrhage of dollars out of institutional prime funds. Mr. Osher said no. He said there is already a requirement in place that if the value drops below a certain point the fund has to disclose that. It is rare, but it happened in 2008 with a prime fund, which the TA is not invested in, but companies involved put money in the funds so it wasn't an issue. He said there are many other bigger things to worry about.

Mr. Whittemore asked if the portfolio no longer contains Treasury Inflation Protected Securities (TIPS). Mr. Osher said the TIPS that were in the fund have matured.

Rich Hedges said an online newsletter mentioned swap debt that is held by cities and agencies. He said some cities are heavily in debt on the swaps and asked if there is anything in the County Pools with swap debt. Mr. Osher said not that he is aware of.

A motion (Hees/Bigelow) to support the acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for quarter ended March 31, 2014 was approved unanimously.

Annual Reaffirmation of the Investment Policy and Reauthorization to Invest Monies with the Local Agency Investment Fund (TA Item 4c)

Lori Snow, Manager, Treasury, said there are no changes from last year.

A motion (Whittemore/Hedges) to support the reaffirmation of the Investment Policy and Reauthorization to Invest Monies with the Local Agency Investment Fund was approved unanimously.

Acceptance of Statement of Revenues and Expenditures for March 2014 (TA Item 4b)

No discussion.

A motion (Baker/Bigelow) to support the acceptance of the Statement of Revenues and Expenditures for March 2014 was approved unanimously.

Program Report: Railroad Grade Separations Program (San Bruno)

Chuck Harvey, Deputy CEO, presented:

- The project cost estimate totaled \$155 million.

- This project leveraged \$60 million from various sources including the State, the Public Utilities Commission, and the Federal Transit Administration.
- Project began with the environmental phase in 2009 and the station was open for service on April 1, 2014.
- Photos of the project were shown.
- A time-lapse video of the project was shown.

Ms. Maez said congratulations on the project after all the work. She asked what Mr. Harvey is happiest about and what he would do differently. She said elevators are subject to vandalism and maintenance and asked if there is a way to allow access to train riders only. Mr. Harvey said he is happiest about the perseverance of the team because it was a difficult project. He said rain and utilities put the project six months behind. He said from now on he will conduct more utility survey work. He said limiting access to elevators is logistically and legally difficult. The system is open and Caltrain does not have the luxury of restricting access.

Ms. Maez asked if there is a way to determine ahead of time when an elevator is out of service. Mr. Harvey said he will pass the suggestion to marketing and the contract operator to see if it can be considered.

Jim Bigelow asked if this is the first electrically plumbed grade separation. Mr. Harvey said the station is completely grounded and there are foundations for the support poles and catenary system required for the Caltrain electrification.

Larry Shaine asked if the elevator configuration is similar to the Belmont station. Mr. Harvey said yes but there are separate elevators for the northbound and southbound sides.

Jeff Londer said the project started out behind schedule and asked if it finished on schedule. Mr. Harvey said the project finished about 14 months later than originally planned, but it is on schedule for the baseline that was reset. He said workers don't get paid for rain delays but they do for utility delays.

Mr. Whittemore said construction costs went from \$77 million to \$92 million, but the overall project cost did not jump that much. He asked if the project could have been scoped down further. Mr. Whittemore said staff found something to buffer the large increase in construction costs, and asked if there is any opportunity to recover some money from the people who put the prior infrastructure in. Mr. Harvey said staff cannot apply that cost to anyone else. He said the reason the overall project cost didn't go up was because staff had built in a reasonable project contingency.

Chair Arietta asked if the arch that is being put in is just for cosmetics. Mr. Harvey said yes, it is a steel clad arch. He said it will not say anything but there will be panels on the bridge structure to see through it from the platform.

Preliminary Fiscal Year (FY) 2015 Budget (TA Item 10b)

Eva Goode, Manager, Budgets, presented:

- FY2015 revenues total \$75.5 million.

- Net decrease in revenue is \$4.3 million.
- Total annual allocations are \$26.3 million.
- Total program expenditures are projected to be \$39.7 million.
- Total FY2015 expenditures are projected to be \$68.2 million.
- Net decrease in expenditures is projected to be \$54.2 million.
- Ending fund balance is projected to be \$409.9 million.

Mr. Hedges asked what the entry was regarding the San Mateo Bridge. Ms. Goode said \$8 million is included for Caltrain projects to replace four railroad bridges in the city of San Mateo.

Randy Hees said the annual allocations are based on sales tax, not interest, and this budget is using the same number from last year. He asked if there will be a correction made later in the year. Ms. Goode said a revised budget comes out mid-year.

Mr. Shaine asked if there is any funding left from the Original Measure A, and if so how much and where. Ms. Goode said there is \$60 million left of undesignated funds: \$9 million in the Caltrain category, nearly \$50 million that was moved from the Grade Separation category to the Dumbarton category, and a small amount in other categories.

Mr. Whittemore said the budget makes an assumption of no growth in sales tax and a decrease of interest income, but those contradict material in the Board packet. He asked if that is to be conservative. He said every year administrative expenses are always below budget and are never rebaselined. Ms. Goode said staff is planning to be conservative in terms of sales tax revenues. She said the reason for the decrease in interest is because some of the higher-yield paper is maturing out and the TA is buying at lower rates.

Authorize Amendment of the Fiscal Year 2014 Budget by \$750,000 and Programming and Allocation of a Total of \$750,000 of Measure A Funds from the Grade Separation Program Category for the Ravenswood Avenue Grade Separation Project in Menlo Park (TA Item 10c)

Joel Slavit, Manager, Programming and Monitoring, said a solicitation for candidate grade separation projects was issued in August of 2013. The Board deferred funding the planning work for the Ravenswood Avenue Grade Separation Project pending a revised proposal that would include at least one alternative that would accommodate an overtake track consistent with the Caltrain high-speed rail (HSR) /blended system. He said Menlo Park has submitted a revised proposal as required.

Mr. Fox asked if this is binding because of the current city council or if different city council later can say to pull out the proposal. Mr. Slavit said at this point this is just the planning phase of work and they will look at alternatives, and that is as far as they are going for now.

Mr. Whittemore asked if it is normal for the city of Menlo Park to be the lead agency for planning. Mr. Slavit said in the later phases the Peninsula Corridor Joint Powers Board

(JPB) will be the lead, but in the initial phases the cities did have the option to be the lead.

Mr. Whittemore asked if Menlo Park has taken the lead on any other projects. Joe Hurley, Director, Transportation Authority Program, said yes.

A motion (Hedges/Baker) to support the Authorization of the Amendment of the Fiscal Year 2014 Budget by \$750,000 and Programming and Allocation of a Total of \$750,000 of Measure A Funds from the Grade Separation Program Category for the Ravenswood Avenue Grade Separation Project in Menlo Park was approved unanimously.

Authorize Approval of Shuttle Projects and Programming and Allocation of a Total of \$5,711,414 in Measure A Local Shuttle Program Category Funds for Fiscal Years 2015 and 2016 (TA Item 10d)

Mr. Slavitt said at the April TA Board meeting, the recommendation list was presented, and the final list remains unchanged. He said the City/County Association of Governments Technical Advisory Committee and Congestion Management and Environmental Quality Committee both recommended proceeding forward for approval. He said the Bayshore Technology Park Shuttle in Redwood Shores is being recommended to be deferred until it can better coordinate with existing JPB shuttles, and staff is recommending not to fund the proposed Colma Circulator Shuttle due to significant overlap with current SamTrans bus service.

John Baker asked what differentiates the new South San Francisco east/west community shuttle from the three other east/west shuttles that are already in operation. Mr. Slavitt said this shuttle is primarily on the west side and is a community serving shuttle, the other shuttles serve the ferry, Caltrain, Bay Area Rapid Transit (BART), and employers east of railroad, so they serve different areas and different functions.

Chair Arietta said the public works director in Pacifica is pleased because before the Devil's Slide Trail opened, the shuttle there was carrying about 20 people a day, and after the trail opened the shuttle carried 156 passengers a day.

Mr. Hedges said he suggests the shuttle schedules be sent to anyone on any interest list the cities have because these are dynamic ways to do east-to-west transportation.

A motion (Bigelow/Hees) Authorize Approval of Shuttle Projects and Programming and Allocation of a Total of \$5,711,414 in Measure A Local Shuttle Program Category Funds for Fiscal Years 2015 and 2016 was approved unanimously.

Update on State and Federal Legislative Program (TA Item 11b)

Shweta Bhatnagar, Government and Community Affairs Officer, said earlier this month, Senate President Pro Tem Darrell Steinberg (D-Sacramento) released a proposal for the long-term expenditure of Cap and Trade revenues that would offer significant benefits to transit agencies. His proposal sets aside annual appropriations to reduce emissions through clean vehicles and through environmental and energy efficiency programs. All remaining revenues would go towards transportation-related programs that support transit operations and connectivity, rail modernization, bike/pedestrian and road

improvements, and the housing opportunities near transit and job centers. She said under the plan, 40 percent of the revenues would be used to support regional affordable housing, transit-oriented development, land use planning, mixed use development and active transportation projects. Thirty percent would be guaranteed to support transit operations and construction. Twenty percent would be reserved for rail modernization, including funding for HSR. The remaining 10 percent would go to state highway and road rehabilitation, and for Complete Streets. There are still many questions that the Legislature and stakeholders are asking regarding details of this proposal.

Ms. Bhatnagar said the governor's May budget revision is expected to be released on May 14. It will be interesting to see how Steinberg's proposal will impact the governor's budget, if at all.

Chair Arietta asked what Governor Brown's budget states should be put into HSR or transit. Ms. Bhatnagar said \$850 million in proceeds for HSR, including \$400 repayment of the loan to the general fund.

Approval of Minutes of April 3, 2014 (TA Item 4a)

Mr. Whittemore said he recommends reading the section on funding the bicycle and pedestrian projects. He said the minutes state the TA received \$7 million from the Lehman Brothers settlement and that the money will be going back into each category. He asked when the money is allocated to those categories and asked where the \$7 million would show in the accounting documents. He said that money showed up months ago and he assumed it would have already been put back into the proper categories. Mr. Hurley said he will look into it.

Ms. Maez left at 5:45 pm

REPORT OF THE CHAIR – BARBARA ARIETTA

See attachment for Chair Arietta's complete report.

REPORT FROM STAFF – JOE HURLEY

Mr. Hurley said there were 10 candidates for six positions on the CAC. The recommendation, subject to the Board's approval, is to reappoint all CAC members who reapplied this year.

MEMBER COMMENTS/REQUESTS

Mr. Whittemore said he was impressed by the bicycle and pedestrian infrastructure he saw in Bluffton, South Carolina. He said no local highway or road is being put in that does not have a segregated bicycle and pedestrian path on at least one side separated by about 10 feet of woods. He said they do not allocate the money they spend on those trails to their bicycle programs; they are considered a cost of building the roads and highways.

Mr. Warhurst said he made a comment when the Bike Share Program was presented to the CAC that the locations in Redwood City and the 30-minute limitation would mean

no one would use the bikes there. He said it was obvious that was not a reasonable plan. Mr. Fox said with a different grid of destinations the idea is pretty sound.

Mr. Bigelow said there are two theories on the Dumbarton Rail. He said at a public hearing, one theory was to not forgive the loan from the Dumbarton Rail to the BART extension to Warm Springs, people are generally in agreement to take \$14.7 million to replace the Dumbarton buses with new equipment, and there were questions about the relativity of \$20 million going from Dumbarton to Caltrain electrification. He said the Metropolitan Transportation Commission (MTC) recommends replacing the buses, giving \$20 million for electrification, and forgiving the \$91 million for Warm Springs. He said MTC is the solution to the funding shortfalls to make this happen. He said the political will needs to be rekindled and the large employers and other stakeholders need to get involved after the Caltrain Environmental Impact Report is certified. He said there are a number of commissioners prepared to help starting in 2015 to turn this around.

Mr. Shaine said he suggests the CAC be more proactive on the Bay Area Bike Share Program. He said the CAC should influence the people who make the rules and decisions about the program to take another look. He said he would like to be more proactive in getting some issues resolved. He said he would like a presentation agendized.

Mr. Hees asked how much money the TA put into the program. Mr. Whittemore said \$80,000. Mr. Hees said the CAC then has the right to express concerns about how the program is organized and would like a presentation about what the managers perceive is going well and what isn't.

Mr. Fox said it would be interesting to receive a presentation about how they are doing their own market survey to understand expectations and growth.

Mr. Whittemore said the program will never work until it gets a corporate sponsor.

Ms. Lujan said MTC intends to apply for an Active Transportation Grant focused on the Bike Share Program. They have requested the nine Bay Area regions to submit any bike-related active transportation project to MTC by May 9, and MTC will review the projects and determine if those projects should be set separately or lumped in with existing MTC projects.

Mr. Baker said the South San Francisco city website states the new shuttle being proposed is 90 percent the same route as the former Route 132 that SamTrans eliminated. He said in the future when there will be a shuttle presentation he would prefer to see a cost comparison between a shuttle and a fixed-route bus on the same schedule to see if there is a way to save money. He said in this case it makes it free for commuters but it may not be the best use of Measure A money.

John Fox left at 6:11 pm.

Mr. Hedges said South San Francisco's Caltrain station had been left out of MTC's recommended TIGER grants. He said the recommendation of staff was overturned by commission and MTC's TIGER grant application will go forward.

Mr. Hedges said the \$91 million that went to BART was from Regional Measure 2 money, which was supposed to be cross bay.

Mr. Hedges said MTC's projections for the next three years of Cap and Trade funding show 80 percent of the money is going to three agencies and the other agencies are going to be funded whenever the money comes. He said those are the three agencies that carried most riders in the region.

Mr. Hedges said he knows someone who is interested in investing in HSR, and there are other people who are, too. He said HSR could be built if the objectors and lawsuits would get out of the way.

Mr. Hedges said the community is building a memorial for John Lee, a former TA Board member.

Chair Arietta said she was asked to adjourn the meeting in honor of Mr. Bigelow because he had a birthday last week. She said she would like to adjourn the meeting in John Lee's memory also.

DATE, TIME AND PLACE OF NEXT MEETING

Tuesday, June 3, 2014 at 4:30 p.m. at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA 94070

The meeting adjourned in memory of John Lee and in honor of Jim Bigelow at 6:19 p.m.

From: [Barbara Arietta](#)
To: [Averill, Joshua](#)
Cc: [Hurley, Joseph](#)
Subject: RE: **Chair's Report - April 29, 2014**
Date: Tuesday, April 29, 2014 2:08:13 PM

1. BIKE EXPANSION DELAY DUE TO MANUFACTURER'S BANKRUPTCY AND SALE:

An expansion of Bay Area Bike Share's existing program in San Francisco, San Jose, Mountain View, Palo Alto and Redwood City planned for this year has been delayed because the manufacturer of the bikes and docking stations filed for bankruptcy, according to a spokesman for the Bay Area Air Quality Management District, which has been overseeing the bike sharing program.

In a recent statement earlier this year, the Montreal-based Public Bike System Company, also known as Bixi, announced it was filing for bankruptcy because customers had withheld \$5.6 million in payments because of delays in rollouts of its technology.

However, Bay Area Air district spokesman Tom Flannigan said last week on April 23 that there haven't been any issues with the company's technology so far in the Bay Area, as those that have been reported in cities like New York and Chicago.

However, a planned program expansion from an existing 700 bikes to 1,000 later this year in San Francisco and down through through the Peninsula has so far made no progress as Bixi is no longer manufacturing bicycles. It's been reported that the company was recently sold, but it remains unclear if or when production will resume.

It is not anticipated that the company will fold entirely. The air district is monitoring the situation closely and still hopes to add 300 bikes to the system by the end of this year.

Presently, the air district is in the process of transitioning management of the bike share system to the MTC, which will oversee the proposed addition of about 750 bikes to the East Bay, which it currently considers a prime location for future expansion.

Existing established systems in New York and Minneapolis have about four rides per bike per day, and San Francisco, with more limited infrastructure so far, has averaged about two bike rides per bike per day and, thus far, is considered to have been a successful pilot launch, according to the MTC.

Other cities, particularly on our Peninsula, have significantly lagged behind, such as Redwood City, which has seen only 0.09 rides per bike per day, the MTC said. The MTC will be

conducting a more thorough analysis in those cities, reevaluating the location of the bike sharing stations and conducting outreach campaigns to pick up the pace.

2. PALO ALTO CITY COUNCIL OPPOSES PROPOSAL TO FORGIVE \$91M TO BART PROJECT:

The Palo Alto City Council is challenging a proposal by the Metropolitan Transportation Commission to forgive a \$91 million loan to a project that would extend BART to the South Bay.

The funds were borrowed from the languishing Dumbarton Rail project, which would link the East Bay and Peninsula via a rebuilt rail bridge just south of the Dumbarton Bridge.

The council voted unanimously on April 23 to send a letter to the MTC asking that part, if not all, of the loan be paid back. The Council believes that the funds should be spent on projects that directly benefit the Peninsula.

They stated that they know that they're probably not going to turn MTC around, but this lays the groundwork for next year's request and then to rally Peninsula cities around a common position."

Friends of Caltrain's Adina Levin said if funds are removed from one project they must be spent on another in same transit corridor.

"There is going to be more need for Dumbarton transit in the future," she said. "Having the cities in our region stand up and say we're going to need this ... will be helpful."

The MTC is scheduled to make a decision on the proposal in May.

3. CALTRAIN TO CELEBRATE SAN BRUNO GRADE SEPARATION MAY 10th

Reminder: Caltrain is celebrating the completion of the San Bruno Grade Separation Project with a special community event on Saturday, May 10. The event will feature speeches from Bay Area policymakers, display tables from local businesses and organizations, live music, food (for purchase) and light

refreshments, a children's face-painter and other attractions.

Community Celebration from 11 a.m. – 2 p.m., Saturday, May 10

Discovery Park—located on the Huntington Avenue side of San Bruno Caltrain Station

Who: Speakers for the program will include:

**San Bruno Mayor Jim Ruane
Caltrain Board Chair Tom Nolan
Transportation Authority Board Chair Karyl Matsumoto
Caltrain Deputy CEO Chuck Harvey**

Respectfully submitted,

Barbara Arietta

Chair, San Mateo County Transportation Authority, CAC