

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

MINUTES OF MAY 5, 2011

MEMBERS PRESENT: R. Foust (Chair), C. Groom, D. Horsley, J. Lee, K. Matsumoto, T. Nagel

MEMBERS ABSENT: J. Vreeland

STAFF PRESENT: L. Bhuller, G. Harrington, C. Harvey, R. Haskin, J. Hurley, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:02 p.m. Director Don Horsley led the Pledge of Allegiance.

CONSENT CALENDAR

- a. Approval of Minutes of April 7, 2011
- b. Acceptance of Statement of Revenues and Expenditures for March 2011

The Board unanimously approved the consent calendar (Nagel/Horsley).

PUBLIC COMMENT

None

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Barbara Arietta said that at its May 3, 2011 meeting the CAC:

- Received a presentation on the New Measure A Highway Plan Update.
- Supported acceptance of the March 2011 Statement of Revenues and Expenditures.
- Reviewed the Quarterly Investment Report and Fixed Income Market Review Outlook for the TA for the quarter ended March 31, 2011.
- Supported assignment of the contract from CSI Capital Management, Inc. to SunTrust Bank for providing investment management services.
- Received a presentation on the Preliminary Fiscal Year (FY) 2012 Budget.
- Heard a report by the chair on funding for Caltrain, the tour of the Contra Costa Transit Center, and the Envision Bay Area planning workshop. She thanked staff for their stellar performance in reporting and responding to CAC requests and acknowledged their efficiency and skills in helping the CAC do its job.
- Received updates from staff on the South San Francisco Ferry Project, Highway 101 Auxiliary Lane Project and the Highway 101/Broadway Interchange Project.

Chair Foust acknowledged the great working relationship with the CAC.

NOMINATING COMMITTEE FOR CITIZENS ADVISORY COMMITTEE MEMBERS

The Nominating Committee (Chair Foust and Director Carole Groom) recommended the following five incumbents to terms ending May 31, 2014: Jim Bigelow, Rich Hedges,

Randy Hees, Larry Shaine and Paul Young. New member Laurie Simonson was recommended for appointment to a partial term ending May 31, 2012.

Chair Foust said there was an excellent candidate pool and applications will be kept on file for any vacancies.

Director Groom said she wished the CAC could expand its membership in order to include some of the excellent applicants.

A motion (Horsley/Nagel) was passed to appoint the six applicants to the CAC.

CHAIRPERSON'S REPORT – ROSANNE FOUST

The TA Strategic Plan subcommittee (Chair Foust and Directors John Lee and Terry Nagel) met prior to this meeting and received a presentation on the New Measure A Highway Plan Update. This item will be brought to the Board for additional discussion at its June meeting.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The March 24 and April 13 SamTrans reports are included in the agenda packet.

JOINT POWERS BOARD REPORT (JPB)

Executive Director Michael Scanlon reported on the meeting of May 5, 2011:

- Received a report from the JPB CAC.
- Performance statistics March 2011 compared to March 2010:
 - a. Total ridership was 1,048,134, an increase of 4.9 percent.
 - b. Average weekday ridership was 37,503, an increase of 4 percent.
 - c. Total revenue was \$4,135,784, an increase of 18.1 percent.
 - d. On-time performance was 93.6 percent, a decrease of 3.1 percent.
 - e. Caltrain shuttle ridership was 5,791, an increase of 6 percent.

Statistics for total and average weekday ridership may be slightly understated due to continuing data problems relative to the rollout of Clipper.

- Year-to-date performance statistics March 2011 compared to March 2010:
 - f. Total ridership was 9,255,793, an increase of 4.5 percent.
 - g. Average weekday ridership was 38,982, an increase of 4.5 percent.
 - h. Total revenue was \$35,150,769, an increase of 12.3 percent.
 - i. On-time performance was 93.9 percent, a decrease of 0.4 percent.
 - j. Caltrain shuttle ridership was 5,366, a decrease of 1.7 percent.
- The next scheduled meeting for the Bicycle Advisory Committee is May 19.
- Ten additional Gallery cars will be converted to bike cars, which will provide two bike cars on every consist. The first converted car entered service on April 29, two more will enter service the first week of May and all remaining cars will be converted by the end of June.
- Special service:
 - a. There were 388 additional riders during the Sharks four playoff games in April, an increase of 69 percent from last year's first four playoff games. Regular season ridership averaged an additional 264 riders per game, an increase of 19.5 percent from 2010.
 - b. The Giants averaged 6,284 additional riders per game through 11 games, including the exhibition games, an increase of 16 percent from the same period in 2010.

- c. Caltrain will operate four early morning trains for the Bay to Breakers on Sunday, May 15. Extra southbound service will operate in the afternoon.
- Staff is preparing to implement fare and parking increases on July 1 approved at the April 21 special meeting.
- Four Baby Bullet trains were added for limited-stop, weekend service in January 2011. Due to continued strong ridership, the service will be retained under the conceptual operating plan.
- The California High Speed Rail Authority (CHSRA) met today and discussed phased implementation along the Peninsula, which has been urged by Congresswoman Anna Eshoo, State Senator Joe Simitian and Assemblyman Rich Gordon. Caltrain staff is conducting an independent capacity analysis to determine what level of High Speed Rail (HSR) through service to San Francisco might be accommodated if Caltrain is to implement electrification and the Communications Based Overlay Signal System, which includes a Positive Train Control component.
- The reading file includes the Safety and Security Report.
- Received a legislative report from Executive Officer Public Affairs, Mark Simon.
- Legal Counsel reported a possible closed session in June regarding negotiations with the Union Pacific Railroad.
- The Board:
 - a. Accepted the Statement of Revenues and Expenditures for March 2011.
 - b. Received a Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2011.
 - c. Received the preliminary FY2012 Operating and Capital budgets.
 - d. Authorized amending and increasing the FY2011 Caltrain Capital Budget in the amount of \$2,750,000 for bike racks, signal optimization and narrowbanding radio improvements for a total budget of \$39,375,669.
 - e. Awarded a contract for public liability claims administration, investigation and adjustment services to Carl Warren & Company for an estimated cost of \$183,000 for a five-year term.
 - f. Amended the contract with Carter & Burgess, Inc. for a not-to-exceed amount of \$3,441,000 to provide on-call program management oversight services for a total five-year, not-to-exceed amount of \$13,441,000.

Director Nagel asked if the initial independent capacity analysis includes six trains per hour, could more be accommodated. Mr. Scanlon said the independent analysis, which has no involvement by CHSRA, is headed by Director, Rail Transportation Michelle Bouchard. Once Caltrain is electrified, it would like to initially run six trains per hour in the peak. He said the trick would be finding out what can be operated in addition to this with a new computerized signal system, which may be able to increase throughput.

Director Nagel asked if the other JPB partners are matching Caltrain's \$100,000 allotment to HSR. Mr. Scanlon said that would be matched.

Director Horsley asked if Caltrain trains would have to go off to a siding when HSR trains ran on the corridor. Mr. Scanlon said Caltrain is a two-track railroad except at the approximate quarter points, which are four-track passing tracks and about two miles long. The capacity analysis will examine what can be run through the corridor if the existing infrastructure is electrified and has a

new signal system. That may lead to other iterations about choke points, lengthening quarter points, installation of a third track, overtakes, etc.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Thanked CAC chair Ms. Arietta for her recognition of staff's efforts.
- Congratulated five CAC members reappointed to the committee and the newly appointed member.
- Caltrans opened bids on April 13 for the Highway 101 Auxiliary Lane Project from Marsh Road to University Avenue. Ten bids were received and ranged from \$15.3 million to \$19 million and all were under the engineer's estimate of \$24.3 million. Construction is to begin in June with completion expected in a year.
- Caltrans has approved the environmental document on the Highway 101/Broadway Interchange Project. There are \$4 million of State funds programmed for the project to be matched by TA funds for a total of \$8 million. Staff does not expect the allocation of the State funds agenda for next week's California Transportation Commission (CTC) meeting until the next round of bond sales. Staff has received pre-spending authorization, which will allow the TA to advance the project and spend its own money, which would be reimbursed when funding is available.

Chair Foust thanked Assistant District Secretary Rosemary Lake for coordination and management of all details for the CAC interview process.

FINANCE

Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the San Mateo County Transportation Authority for the Quarter Ended March 31, 2011

CSI Capital Management, Inc. Investment Advisor Bill Osher said people will feel better about the economy if oil stays below \$100 per barrel and it will make the economy healthier. He said patterns of the last few years indicate the economy is on the mend in employment numbers and companies expect to hire 20 percent more graduating students. Seasonal activities and delivery issues with Japan will work themselves out and unless there is some major negative event, he expects the economy to do well. Interest rates will be increasing and the portfolio is being managed to be safe and protected from any significant increase in interest rates.

A motion (Horsley/Matsumoto) to accept the report was approved.

Assignment of Contract from CSI Capital Management, Inc. to SunTrust Bank for Providing Investment Management Services

Deputy CEO Gigi Harrington said this is a request to assign the contract for investment advisory services from CSI to SunTrust. CSI has been acquired by SunTrust and this will assign the existing contract to that entity. The TA is near the end of a three-year initial contract that has two one-year options. Staff will continue to monitor performance to ensure there is the level of support that is currently received.

A motion (Groom/Horsley) to accept the assignment of the contract was approved.

Preliminary Fiscal Year (FY) 2012 Budget

Manager of Budgets Ladi Bhuller reported:

- FY2012 revenues of \$68 million include: \$61.5 million sales tax, \$5.4 million interest income, and \$1.1 million rental income.
- Sales tax revenues are expected to increase by \$1.5 million. Interest income is projected to decrease by \$136,000 due to a slight decrease in interest rate projections and grant proceeds are projected to decrease by \$4.2 million because there are no projected grant revenues. The net change in revenue is expected to be a decrease by \$2.8 million.
- Annual allocations of \$23.8 million include: \$13.8 million for local streets/transportation, \$4.9 million for Caltrain improvements-operating that are the funds provided to San Mateo County Transit District for its JPB member share, \$2.5 million for accessible services/Paratransit, \$1.4 million for local shuttle service, and \$1.2 million for the SFO BART extension.
- Program expenditures of \$58.1 million include: \$615,000 for alternative congestion relief, \$4 million for Caltrain for San Mateo County's local share for the Systemwide Improvement Program, \$1.3 million for pedestrian and bicycle, \$971,000 for shuttles, and \$51 million for streets and highways.
- FY2012 expenditures of \$83.4 million include: \$23.8 million for annual allocations, \$58.1 million for program expenditures, \$485,000 for oversight, and \$947,000 for administrative costs, which is less than 1 percent allowed for such expenditures.
- TA expenditure changes from the previous year include: an increase in annual allocations of \$530,000 due to the projected 2.5 percent increase in the one-half cent sales tax, programmed expenditures are expected to increase \$32.7 million, oversight and administration costs are expected to decrease by \$489,000 for a net change in expenditures to increase by \$32.7 million.

Director Groom asked if grant proceeds are down because agencies that give grants do not have funds or are there not enough projects that qualify for grants. Deputy CEO Chuck Harvey said STIP funds are allocated by the CTC when they sell bonds but this has been suspended at the moment, which is why nothing is shown in the projected budget. If the CTC begins to sell bonds, staff would do a budget amendment to reflect the funds.

Chair Foust said this item will be brought back for approval at the June 2 Board meeting.

Public Comment

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, suggested on the Annual Allocations slide of the budget presentation line item that "Caltrain Improvements-Operating" be called "Caltrain-Operating," and suggested on the Program Expenditures slide that the "Caltrain" item be called "Caltrain Capital."

PROGRAM: Update on State and Federal Legislative Program

Mr. Simon reported:

State

Tax receipts are reported to be up an additional \$2 billion, which should ease the \$15 billion deficit but may hinder efforts by the governor to get approval of a ballot measure for a tax increase. The Legislature is taking action on transportation-related legislation items including

AB 147, which would allow cities and counties to impose developer impact fees for transit and bike and pedestrian improvements. The TA joined a number of other transit agencies in calling for the State to conduct a bond sale as soon as possible in order to keep transportation projects moving. TA legislative advocates testified before Assembly and Senate budget subcommittees last week stressing the need to pursue the bond sale so a fair share of proceeds can be directed to Proposition 1A and 1B programs.

Federal

There hasn't been much movement in transportation issues since Congress approved its final spending bill for FY2011 last month. The administration offered a blue print for reauthorization of the Federal transportation program but it hasn't been sent to Congress yet as a bill; both chambers have expressed interest in completing a bill this year.

The Silicon Valley Leadership Group completed the last of eight town hall meetings held to gather public input on a long-term funding solution for Caltrain. Within the relatively near future, this may move into the legislative realm in some fashion, whether it's a bill that seeks to be a placeholder or take some other form.

REQUESTS FROM THE AUTHORITY

None

Public Comment

Greg Conlon, Atherton, spoke last month on the safety issue in Atherton and wanted to mention Atherton pays \$500,000 a year in sales tax but has no trains that stop during the week. He said the Watkins intersection is just as dangerous as the Fair Oaks intersection and it would cost approximately \$300,000 to fix the Watkins intersection with quad gates.

Chair Foust said this should be directed to the Joint Powers Board.

REPORT OF LEGAL COUNSEL

No report

Director Karyl Matsumoto said the South San Francisco Ferry Project is moving along well. She said the pavement project at the South San Francisco Caltrain stop is well underway. She participated with the City/County Association of Government's (C/CAG) Bicycle Pedestrian Advisory Committee (BPAC) in the joint TA-C/CAG Bike/Pedestrian Call For Projects. Forty-one applications were received and have been scored by BPAC and will be merged with the TA and agendized for approval at the July Board meeting.

DATE AND PLACE OF NEXT MEETING

Thursday, June 2, 2011 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 was adjourned in honor of Mr. Scanlon's sister, Joyce Wentz.

Adjourned 5:54 p.m.