

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

**MINUTES
FEBRUARY 5, 2009**

MEMBERS PRESENT: R. Gordon, C. Groom, R. Foust (Chair), J. Lee, K. Matsumoto,
R. O'Mahony, J. Vreeland

MEMBERS ABSENT: None

STAFF PRESENT: G. Cameron, J. Cassman, V. Harrington, C. Harvey, R. Haskin, J. Hurley,
R. Lake, M. Martinez, I. McAvoy, N. McKenna, D. Miller, S. Murphy,
M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:06 p.m. Director Carole Groom led the Pledge of Allegiance.

The Authority Secretary administered the Oath of Office to Karyl Matsumoto (representing SamTrans).

CONSENT CALENDAR

- a. Approval of Minutes of January 8, 2009
- b. Acceptance of Statement of Revenues and Expenses for December 2008

A motion (O'Mahony/Gordon) to approve the Consent Calendar was passed.

PUBLIC COMMENT

Pat Giorni, Burlingame, attended the Congestion Management Program & Environmental Quality Committee (CMEQ) meeting last Monday and said the Metropolitan Transportation Commission (MTC) is presenting freeway enhancement proposals in San Mateo, which may include high-occupancy vehicle (HOV) and high-occupancy toll (HOT) lanes. She said that by putting more accommodation on the freeway for vehicles, people will not have a great incentive to get out of their cars.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon reported on the February 3, 2009 meeting:

- Received a presentation on Caltrain electrification from project manager Rick Schmedes.
- Treasury Manager Brian Lee presented the Quarterly Investment Report and Fixed Income Market Review and Outlook for the TA.
- Manager of Government Affairs Seamus Murphy reviewed the proposed 2009 TA State and Federal Legislative Programs and presented an update on current state and federal issues.
- Members reported on the High Speed Rail (HSR) scoping meeting held at the District administrative offices on January 22.
- The CAC expressed thanks to former TA Director Mark Church for the support and help he provided the CAC.
- The CAC thanked staff for acknowledging members on the back cover of the TA Strategic Plan.

Director John Lee asked if there were any vacancies on the CAC. Chair Dixon said there is one vacancy.

Chair Foust complimented Chair Dixon on her informative and succinct CAC reports. She said it was very important to include a list of CAC members in the Strategic Plan in appreciation for all their work for the TA.

Chair Dixon said a member of the public attended the January CAC meeting and was very impressed with members' involvement and attention to issues.

CHAIRPERSON'S REPORT – ROSANNE FOUST

1. Resolution of Appreciation

The Chair presented the Resolution of Appreciation to outgoing Director Mark Church. She thanked Supervisor Church for helping her out when she was elected to the TA Board and for his eight years of service to the transportation community and San Mateo County.

Supervisor Church said it was an absolute pleasure to serve with the hardworking, dedicated TA Board members. He said he had never worked with a citizens group more engaged or committed than the TA CAC. Supervisor Church said he was very proud to have been part of the TA for eight years and thanked everyone for the team effort.

A motion (Gordon/Lee) to approve a Resolution of Appreciation to outgoing Director Mark Church was passed.

2. Policy Discussion: South San Francisco Request for Funding of Ferry Service

Chief Development Officer Ian McAvoy said TA legal counsel has been working closely with legal counsels for South San Francisco and the Water Emergency Transportation Authority (WETA) to finalize agreements, which WETA is meeting on today. WETA Executive Director John Stanley resigned yesterday and staff is ready to meet with a new director. Staff is waiting for an update on the pending construction schedule and work on the ferry dock.

Director Lee asked if staff and WETA feel that all financing is in place. Mr. McAvoy said there have been some problems with funding associated with the project, especially Proposition 1B funds and issues with passage of the state budget. He said other funds the TA is dealing with are generally federal funds and local Measure A funds. Regional Measure 2 (RM2) funds are in good shape because they are controlled by and have been approved by MTC.

Director Rosalie O'Mahony asked if WETA and South San Francisco have put into their agreement the amount they are destined to receive from each of the other agencies. Mr. McAvoy said that information will be in the agreement.

Legal Counsel David Miller said the exhibit to the agreement identifies all of the funding sources that are expected requirements as a condition of release of TA funds. The project budget has been worked on by staff and confirmed by WETA as being what they anticipate to receive.

Director Lee asked if this would move the timelines that the TA had established.

Executive Director Michael Scanlon said this was a three-party agreement per the Board's direction. Staff had outstanding cooperation from the City of South San Francisco in putting the agreement together with the TA's conditions. The agreement is currently with WETA and being discussed at their meeting today.

WETA needs to advertise for the work so the project can proceed in the specific window of time that does not endanger marine animal activities in the spring. Funding is in place except for the same uncertainty everyone is experiencing with state money. There will be problems if the state budget is not approved before the construction window closes. WETA is concerned about putting the project out for bids given the uncertainty of the state budget. Staff will communicate developments to the Board.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

In addition to the report, Director Matsumoto reported on the January 14, 2009 meeting.

- The SamTrans Board is pleased with increased ridership and service improvements on the coastside.
- The Board is very impressed with the human capital investment project to train supervisors.
- Everyone is looking forward to the bus reinvention program.

JOINT POWERS BOARD REPORT (JPB)

Michael Scanlon reported on the February 5, 2009 meeting:

1. The January JPB meeting was cancelled so today's meeting was a two-month meeting.
2. The Oath of Office was administered to Mark Church (representing SamTrans) and Ash Kalra (representing VTA).
3. The Nominating Committee recommended Director Don Gage (Santa Clara County) for Chair and Director Sean Elsbernd (San Francisco) for Vice Chair. The Directors were elected and welcomed to the Board.
4. Approved the minutes of December 4, 2008 and accepted the Statement of Revenues and Expenses for November and December 2008.
5. Adopted the Amended Conflict of Interest Code.
6. Authorized Request of an Allocation of Fiscal Year 2009 Proposition 1B California Transit Security Grant Program Funds in the Amount of \$939,246.
7. Authorized Award of Contract to Joseph J. Albanese, Inc. for the Stockton Avenue Street Improvement Project for a Total Cost of \$107,934.
8. Authorized Award of Contract to Granite Construction, Inc. for the Signal Optimization Project for a Total Cost of \$4,731,250.
9. Authorized Award of Contract to Rail Surveyors and Engineers, Inc. (RSE) for On-call Railroad, Engineering, Construction Support and Surveying for a Total Not-to-Exceed Amount of \$9,000,000.
10. Accepted the Quarterly Investment Report and Fixed Income Market Review Outlook for the Quarter Ended December 31, 2008.
11. Adopted the 2009 Caltrain State and Federal Legislative Program.
12. Authorized the Exercise of the Second Year Option to Extend the Agreement for Operation of Commuter Rail Service and Provision of Capital/Third Party Construction Support Services with the National Railroad Passenger Corporation (Amtrak).
13. Authorized Award of Contract to Clayborn Contracting Group, Inc. for the Second ATCS Channel Project for a Total Cost of \$2,120,436.
14. A Certificate of Appreciation was presented to outgoing CAC Chair Bruce Jenkins.
15. A Resolution of Appreciation was presented to outgoing Chair Jim Hartnett.
16. Director Mark Church was appointed as the Representative to the Transbay Joint Powers Authority.
17. MTC Liaison Sue Lempert commented on the federal stimulus package, use of 511.org and Caltrain bicycle capacity.
18. Received a CAC report from Bruce Jenkins on behalf of newly elected Chair Gerald Graham on the January 21, 2009 meeting held at the Giant's Executive Offices in San Francisco.
19. Year-to-date Performance Statistics ending December 2009:
 - Total Ridership was 6,710,055, an increase of 14.3 percent.

- Average Weekday Ridership was 41,990, an increase of 13.2 percent.
 - Total Revenue was \$22,393,616, an increase of 13.9 percent.
 - On time Performance was 94.1 percent, an increase of 0.7 percent.
 - Caltrain Shuttle Ridership was 6,318, an increase of 24 percent.
20. The 25-cent fare increase was implemented on January 1, 2009 with minimal complaints.
 21. The new 8-ride ticket, which will replace the 10-ride ticket, will be implemented on March 2. The 8-ride ticket will be stamped rather than cut and will help with reliability issues on validators.
 22. Due to Caltrain's robust construction program there will be modest schedule changes beginning in March. Three evening southbound trains and all southbound weekend trains will be moved back 10 minutes with the exception of the last train on Saturday, which will be moved back 15 minutes.
 23. Winter special service included:
 - The Emerald Bowl on December 27 had ridership of 3,600.
 - The Holiday Train collected over 5,300 toys and books, which is 27 percent over 2007, and \$2,250.
 - The Martin Luther King Jr. Holiday Freedom Train carried a record of approximately 2,200 passengers on January 19.
 24. Caltrain annual counts have commenced and will continue through January and February. Data will be available in April.
 25. The November and December 2008 Safety and Security report was distributed.
 26. Caltrain and HSR executive and legal staffs met yesterday to craft a single contract, which will serve as a framework to approach HSR, Caltrain electrification, improvements associated with Caltrain 2015 and to share resources to create the synergy to meet the challenges and opportunities for HSR along the Caltrain corridor.
 27. California public transportation funding has decreased \$3 billion in the last two years and work is being done to hang on to \$150 million in State Transit Assistance (STA) funds.
 28. Chief Operating Officer Chuck Harvey presented an update on Caltrain bicycle capacity. Nineteen bicyclists commented on the report. The Board approved a proposal to increase bicycle capacity on Bombardier cars from 16 to 24 bike slots and on the gallery cars from 32 to 40 bike slots. The public's main concern was bicycle theft from the lower level Bombardier cars where seats would be removed for additional slots. Staff has dwell-time concerns and will continue dialogue with the bicycle community.

Director Lee asked about statistics on the number of bikes being bumped. Mr. Harvey said Caltrain carries 2,400 bicycles per day with 4,000 total bicycle slots through the system all day with most riders during peak hours. He said there are between 50 and 100 bikes bumped per day in the worst situations.

Mr. Scanlon said there were other Caltrain equipment problems with bolsters in 2008 resulting in decreased bike capacity and increased numbers of bumped bikes, which energized the bicycling community.

Director Lee asked about fuel costs and if Caltrain was still considering fuel futures. Mr. Scanlon said staff may consider a portion of fuel futures. SamTrans and Caltrain have amended budgets for fuel allowances. Caltrain is 31 weeks into the year and fuel is currently \$2.59 per gallon, which is 26 percent under the budgeted amount of \$3.50 per gallon. Fuel costs were approximately \$4.24 per gallon in July 2008 with a low of \$1.43 per gallon in December, which is a \$2.81 swing during the year.

Director O'Mahony asked if the JPB requested a given amount of money for the right of way that HSR would need. Mr. Scanlon said staff is nowhere near that point. In preliminary discussions staff has talked about the fact that all HSR money needs to be matched and Caltrain would have to come up with 50

percent. HSR staff was reminded that Caltrain had a considerable right of way, and they realize what Caltrain has in terms of match.

Director Jim Vreeland asked staff to update the Board on the impacts and effects of increasing bicycle capacity. Mr. Scanlon said Caltrain is creating approximately 650 additional bike slots in peak periods every day and about 1,200 to 1,500 slots all day long. Capacity changes will be completed in a May-to-June timeframe. Complete bike counts will probably be available mid-summer. Bombardier cars create a cascade of bumping because of lower capacity. The hope is that by increasing bike slots on the Bombardier cars, which are the most popular cars, incidents of bumping will decrease.

Chair Foust asked if increased bicycle capacity might create bumping of regular passengers. Mr. Scanlon said Caltrain wants a balance in ridership and wants to avoid this situation.

Chair Foust said she was encouraged that Caltrain and HSR are trying to venture into a joint agreement. She said the Redwood City city council will be meeting next week for a discussion on how HSR will affect the community.

REPORT OF THE EXECUTIVE DIRECTOR

- The CAC received a presentation on electrification and staff would like to bring this to a future Board meeting for general information purposes.
- Interviews will begin next week to select a program manager for the TA, which is an important position as the TA moves from banker to builder for some projects.

FINANCE

Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the San Mateo County Transportation Authority

Chief Financial Officer Gigi Harrington said the TA moved the first \$25 million from the San Mateo County Investment County Pool early in the quarter that ended in December. The second \$25 million has been moved for investment. She introduced Bill Osher, Chief Economist and Head of Fixed Income for Tamalpais Wealth Advisors.

Mr. Osher said the first quarter was challenging for the bond market. There were opportunities to purchase some good securities at fairly decent yields because the market started to normalize at the end of December and high quality safe securities were being traded. This was recognition that the market was starting to function properly. There are several corporate bonds in the portfolio, which are guaranteed by FDIC and have the full faith and credit of the U. S. Government behind them. The portfolio will be managed with lower rate safe securities.

A motion (Groom/Matsumoto) to accept the Quarterly Investment Report was passed.

PROGRAM – Adoption of the 2009 Transportation Authority State and Federal Legislative Program

Mr. Murphy said this is the first time the TA is being asked to adopt a legislative program. The program will be a guide that provides the TA with the flexibility and latitude to be able to react to issues as they come up at the federal and state level and will help the TA guide its critical advocacy efforts at both of those levels during 2009.

Mr. Murphy presented the federal and state legislative reports.

Federal

- The House passed an \$819 billion package that included almost \$40 billion for transportation.
- The Senate is debating a version of that bill, which includes about \$45 billion for transportation but amendments are coming up that threaten highway and transit funding.
- Staff is working with advocates in Washington D. C. to address those amendments and get the word out that TA projects submitted are shovel-ready when job creation and greenhouse gas reduction are considered.

State

- The state is facing a \$42 billion deficit over the next 18 months and every program at every level, including transit and transportation, is threatened from a funding standpoint.
- STA funding of \$150 million, which is down from \$306 million, may be capped or eliminated. The governor would like to shift some of the burden of operations funding to local governments.
- One component of the budget that was passed by the legislature in December is the Wolk bill, which would allow the TA to generate an additional $\frac{1}{4}$ sales tax at the local level with a two-thirds majority.
- Senator Diane Feinstein introduced the Troubled Assets Recovery Program (TARP) to allocate \$10 billion in funding to local governments that suffered losses as a result of investments with failed firms. The bill could potentially help with the \$25 million loss the TA incurred with the collapse of Lehman Brothers funds in the County Pool. Staff is attending a meeting with Congresswoman Jackie Speier to discuss strategies to recover a portion of the TA loss.

Mr. Scanlon said Mr. McAvoy is finalizing negotiations for short-term federal advocacy with the firm Holland & Knight, which advocates for the District. A request for long-term advocacy services will go out at a later date.

A motion (Gordon/O'Mahony) to adopt the state and federal legislative program was passed.

Director Vreeland asked about the greenhouse gas reduction policy implementation listed in the legislative report. He would like to see a motion on language that talks about ways to meet the mutual goals of transportation efficiency and environmental protection because the TA opposes unfunded mandates on public transportation. Mr. Scanlon said the TA can make that amendment. He said the District is developing a sustainability policy. Public transportation is part of the sustainability solution that relates to the three "E's:" Economy - because transportation creates jobs; environment - because public transportation keeps pollutants out of the air; and energy - in terms of ending the addiction to fossil fuel.

Chair Foust said the language concerning greenhouse gas reduction policy is within the Board's purview. Mr. Scanlon said TA forces would be against any bill that will have some huge financial unsustainable hardships on the TA. The objective is to support and promote transportation in greenhouse gas reduction policies. Mr. Scanlon said staff would work with the language and bring the issue back to the Board. He said this would help in lobbying efforts to show it is a clear objective.

Chair Foust said it is important that the TA has legislative advocacy. She said language changes and objectives for the greenhouse gas reduction policy would be proactive.

Mr. McAvoy said there will be many bills relating to public transportation in general and the TA's name will be showing up in support or opposition for certain things.

A motion (Gordon/O'Mahony) for staff to rework the language of the greenhouse gas reduction policy was passed.

REQUESTS FROM THE AUTHORITY

None

WRITTEN COMMUNICATIONS TO AUTHORITY

None

REPORT OF LEGAL COUNSEL

No report

DATE AND PLACE OF NEXT MEETING

The next meeting will be Thursday, March 5, 2009 at 5 p.m. at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos CA 94070.

The meeting adjourned at 6:17 p.m.