

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

**MINUTES
AUGUST 7, 2008**

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

MEMBERS ABSENT: None

STAFF PRESENT: G. Cameron, V. Harrington, R. Haskin, R. Lake, M. Martinez,
I. McAvoy, D. Miller, M. Scanlon, M. Simon

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

CONSENT CALENDAR

- a. Approval of Minutes of June 5, 2008
- b. Acceptance of Statement of Revenues and Expenses for May 2008
- c. Information on Statement of Revenues and Expenses for the Period Ending June 30, 2008
- d. Annual Approval and Reaffirmation of Investment Policies

A motion (O'Mahony/Church) was passed to approve the consent calendar.

PUBLIC COMMENT

Rich Hedges, San Mateo:

- Recognized former TA Board member and South San Francisco Mayor Joe Fernekes upon the occasion of his death for his service to the community.
- Urged the governor to sign the High Speed Rail (HSR) bill.

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce reported:

- Proposition 1 is the HSR bond measure for \$9.95 million on the November ballot.
- AB3034 will clean up some language of the current HSR Proposition 1 and is important because it includes a federal partnership for private investors and specifies that there be no station between Merced and Gilroy.
- HSR Proposition 1 is polling more than 50 percent support in the state.
- Menlo Park and Atherton have joined a lawsuit with four other groups questioning the adequacy of the Environmental Impact Report (EIR) and Environmental Impact Statement (EIS) prepared by the HSR Authority.

Chair Foust said the Board has been supportive of HSR because it directly impacts the electrification of Caltrain.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon reported on the meeting of June 3, July 7 and August 5, 2008:

- June 3: Reviewed the June 5 TA Board agenda.

July 7: Held a special meeting for a presentation on the TA Strategic Plan outreach strategy.
August 5: Reviewed the August 7 TA Board agenda.

- Jim Bigelow reported on current issues with HSR and Dumbarton Rail.
- Rick Gomez retired from the CAC in July and thanked staff and the CAC for their support and community involvement.

CHAIRPERSON'S REPORT

Rosanne Foust thanked the CAC for their involvement, which makes the Board more effective.

- a. Certificate of Appreciation for Outgoing CAC member Rick Gomez:
Mr. Gomez said Joe Fernekes taught him a few of life's lessons. He said it was an honor and pleasure to serve on the TA CAC for the last four years. He thanked the CAC members for their depth of experience and commitment and the TA Board for appointing him to the CAC.
- b. Update on Strategic Plan Outreach:
The Strategic Plan subcommittee (Foust, Church and Lee) met prior to this meeting to discuss outreach. There have been presentations of the Strategic Plan to various stakeholder groups. Meetings in the next few weeks will be held with the Menlo Park Shuttle Program, the joint Caltrain and SamTrans Accessibility Advisory Committees, Caltrain CAC, C/CAG Bike and Pedestrian Committee and the Committee for Green Foothills. The Strategic Plan will be reviewed again with city managers. Four countywide community meetings will be held in August and September in the cities of Pacifica, Burlingame, Daly City and Redwood City. Information collected from all meetings will be refined for the Strategic Plan for the reauthorized Measure A, which takes effect on January 1, 2009. A final draft of the plan will be presented to the Board for consideration later this year.
- c. Policy Discussion: South San Francisco Request for Funding of Ferry Service:
Concerning ongoing policy discussions regarding the South San Francisco request for funding of ferry service, the Board reading file has a letter from South San Francisco Mayor Pro Tem/ TA Director Matsumoto and a detailed response from Chair Foust concerning the issues facing the Authority in providing funds for the ferry service, as described in the new Measure A. TA staff met with Water Emergency Transportation Authority (WETA) Executive Director John Stanley regarding the potential allocation of funding for the ferry service. Information will be exchanged.

Public Comment

Pedro Gonzalez, Mayor of South San Francisco, spoke on behalf of South San Francisco's request for ferry service. Mr. Gonzalez said the experience in the 1989 earthquake and the terrorist attack on the Twin Towers in New York City created the realization that South San Francisco needed to support the expansion of the water transit public transportation service in the Bay Area. He thanked WETA for the opportunity to accomplish the service and to support continued economic growth in South San Francisco and the county, which will improve the quality of life for thousands of long-distance commuters to and from jobs in San Mateo County. Ferry service will provide another transit option for more than 10,000 Oyster Point employees, of which more than half are employees of Genentech.

Vice Mayor of Redwood City Diane Howard, a member of Water Transit Advocates, expressed her sympathy to the family of Joe Fernekes.

Ms. Howard said Water Transit Advocates is a coalition of elected officials and leaders of the San Mateo County business, labor and environmental communities formed to establish successful water transit service in the county. She said the Advocates work primarily to build support for Measure A funding for ferry service with the initial focus on ferry service from South San Francisco to Oakland and ultimately into Redwood City. Ferry service would help relieve traffic congestion and be available in the event of an emergency in the county. She offered her services in any way possible.

Dan Crucey, President/CEO of Samceda, acknowledged the loss of Joe Fernekes.

Mr. Crucey said he was attending the meeting as part of the Water Transit Advocates for San Mateo County. He expressed great interest and support in seeing ferry service brought to the county. More importantly, a serious incident in the Bay Area would leave the county with some serious issues with first responders, many of whom live away from the Peninsula.

Executive Director Michael Scanlon reported on the meeting this week with WETA Director John Stanley. Mr. Scanlon said the TA made a commitment to be as creative as possible to move this project forward and find a way to come up with the cash flow. County voters reauthorized Measure A, which takes effect on January 1, 2009. Two percent of Measure A funding will be devoted to ferry service with South San Francisco and Redwood City as the two primary project sponsors. The challenge is advancing the funding from a 25-year drawdown into real cash in today's markets. Meeting participants agreed to look at different types of monies that are funding portions of the project including docks, vessels, etc. Funding sources include federal and Regional Measure 2 (RM2) funds. Mr. Scanlon said TA legal counsel will be working to match needs with cash flow. Chief Financial Officer Gigi Harrington said within the first few years of the new Measure A, TA accounts may reach a level of cash flow within six or seven quarters sufficient to begin providing funds to ferry projects. Mr. Scanlon said he is cautiously optimistic that the TA will find a way to be supportive at the earliest possible time.

Chair Foust said ongoing reports on ferry service will come back to the Board because it fits in with the strategic planning process for the reauthorized Measure A.

Mr. Scanlon said ferry service reporting will continue to be an agendaized Chair report item, which will enable the TA maximum flexibility to meet on critical issues and actions.

Chair Foust thanked members of the audience for their encouragement and ongoing dialogue on ferry service in the county.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

Available in the agenda packet.

JOINT POWERS BOARD REPORT (JPB)

Executive Director Michael Scanlon reported on the August 7 JPB meeting:

- a. The Board
 - Approved the minutes of June 5, 2008, and accepted of the Statement of Revenue and Expenses, May 2008, and Information on the Statement of Revenue and Expenses, June 2008.
 - Approved and Ratified the FY 2009 Insurance Program.

- Authorized Filing of a Transportation Fund for Clean Air (TFCA) Regional Discretionary Grant Application in Support of the Caltrain Shuttle Program in the Amount of \$1,000,000.
 - Authorized and Amended the Use, Operating, and Maintenance (UOM) Agreement with Bay Area Rapid Transit District for the Millbrae Intermodal Station.
 - Authorized Second Amendment to the Bylaws of the Caltrain Centralized Equipment Maintenance and Operations Facility (CEMOF) Monitoring Committee.
 - Awarded Contracts to Ross Financial-Robert Kuo Consulting, LLC and PFM Group to Provide On-call Financial Advisory Services for an Aggregate Not-to-Exceed Cost of \$500,000 for a Three-year Term.
 - Awarded Contracts to Ross Financial-Robert Kuo Consulting, LLC, the PFM Group and AECOM Consult, Inc. to Provide On-call Financial Analysis Services for an Aggregate Not-to-Exceed Cost of \$250,000 for a Three-year Term.
 - Awarded a Purchase Order to Safetran Systems for the Purchase of DTX Consoles and Associated Equipment in the Not-to-Exceed Amount of \$70,000.
 - Authorized Issuance of Information Technology Related Purchase Orders to Vendors Under Cooperative Purchasing Agreements for FY 2009 for an Aggregate Not-to-Exceed Amount of \$900,000.
 - Authorized Execution of Purchase Orders of Over \$50,000 for Payment of Recurring Information Technology Maintenance and License Renewals for FY 2009 for an Aggregate Not-to-Exceed Amount of \$700,000.
- b. Heard a report from Metropolitan Transportation Commission (MTC) liaison Sue Lempert.
- c. Received a report from Chair Bruce Jenkins on the June CAC meeting.
- d. Performance Statistics:
June 2008 compared to June 2007:
- Total Ridership was 1,146,194, an increase of 16.9 percent.
 - Average Weekday Ridership was 44,079, an increase of 16.6 percent.
 - Total Revenue was \$3,928,321, an increase of 17 percent.
 - On-time Performance was 87.8 percent, a decrease of 5.9 percent.
 - Caltrain Shuttle Ridership was 6,537, an increase of 23.9 percent.

On-time performance decreased primarily because of a problem with the bolster, which resulted in having to pull cars out of service for repair. These cars have automatic lifts for persons in wheelchairs and needing assistance and staff must use a hand-crank for assistance, which increased station dwell times. Cars are coming back into service under the repair program. Chief Operating Officer Chuck Harvey brought the Board up-to-date on the bolster repair efforts.

Year-to-Date Ending June 30, 2008:

- Total Ridership was 11,961,717, an increase of 8.9 percent.
 - Average Weekday Ridership was 37,849, an increase of 8.6 percent.
 - Total Revenue was \$40,112,604, an increase of 15.1 percent.
 - On-time Performance was 92.9 percent, a decrease of 2.2 percent.
 - Caltrain Shuttle Program was 5,457, an increase of 9.1 percent.
- e. Board heard an update on the Caltrain Bicycle Access and Parking Plan. Eighteen audience members spoke on the Plan. Caltrain is collaborating with the Mineta Transportation Institute

- at San Jose State University to study onboard bicycle access.
- f. Presentations on Caltrain electrification and the 2015 model were tabled to the September meeting due to time restrictions.
 - g. A public hearing was called for the consideration of a fare increase to help offset higher fuel costs.
 - h. The VTA is voting tonight to possibly put a special tax on the November ballot to support the BART operation.
 - i. Adopted a Farebox Recovery Goal for FY 2009 of 39 to 50 percent.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon introduced Manager of Capital Projects Planning Melanie Choy who will be working with Director of TA Programs Joe Hurley.

FINANCE

Authorize Award of Contracts to Ross Financial-Robert Kuo consulting, LLC of San Francisco and PFM Group of San Francisco to Provide On-call Financial Advisory Services for a Total Not-to-Exceed Cost of \$200,000 Over a Three-year Period

Ms. Harrington said these services would be utilized in the event the Board decided it would like to advance funding, issue any debt or go into the marketplace for capital.

Director Rosalie O'Mahony said this is a worthwhile tool for the TA. She asked if payment for services would be made by the hour. Ms. Harrington said if the Board approves this action, staff will negotiate with the two companies to have them provide a price for the scope of work. It would be a fixed-price for the transaction, generally subject to the transaction closing successfully. Ms. Harrington would come to the Board with a request to proceed on a process in advance of incurring any fees and would authorize the financial advisors and counsel at that time.

A motion (O'Mahony/Church) to award the contracts was approved.

Authorize Award of Contracts to Ross Financial-Robert Kuo Consulting, LLC of San Francisco, PFM Group of San Francisco and AECOM Consult, Inc. of Arlington, VA to Provide On-call Financial Analysis Services for a Total Aggregate Not-to-Exceed Cost of \$250,000 Over a Three-year Period

A motion (Gordon/Church) to award the contracts was approved.

Chair Foust called for a single roll vote on the following three allocations to the PCJPB, C/CAG, Menlo Park and the Peninsula Traffic Congestion and Relief Alliance (Alliance):

a. Allocation of \$3,555,900 to the Peninsula Corridor Joint Powers Board (PCJPB) for San Mateo County's Local Share for the Caltrain Systemwide Capital Improvement Program for FY 2009

In response to a question from Director O'Mahony, Chief Development Director Ian McAvoy said that the \$10.7 million in matching funds comes from federal and state sources and the three Joint Powers member agencies.

Director O'Mahony asked what other contributions might be included. Mr. McAvoy said mostly funds from the RM2 program through the Metropolitan Transportation Commission (MTC) and programs like the Inter-regional Transportation Improvement Program (ITIP).

b. Allocation of \$500,000 to the City and County Association of Governments (C/CAG) Funding Agreement Amendment for Various Services and Programs

Director Karyl Matsumoto asked if money being put forth for shuttles is for Caltrain shuttles only. Mr. McAvoy said this is correct.

Director Matsumoto asked if the hydrogen shuttle funding was in addition to funding for year one and two. Mr. McAvoy said the second increment extends the contract through June 30, 2009.

Director Jim Vreeland asked how long the commitment was for the hydrogen shuttle. Mr. McAvoy said this is the last year of the commitment. Staff will monitor the program going forward and if it is a success, the TA will work with C/CAG to decide what TA involvement will be in the future.

Director Vreeland asked about ridership and cost per mile. Mr. McAvoy said ridership has been integrated in the core shuttle program. He will provide him cost per mile information.

c. Allocation of Measure A Transportation Systems Management (TSM) Funds in the Amount of \$59,487 to the City of Menlo Park and \$398,103 to the Peninsula Traffic Congestion Relief Alliance for TSM Program Funding for FY 2009

Public Comment

Jim Bigelow commented on the allocation to the PCJPB. He said it is important to continue work in getting the Caltrain railroad in shape in the event the HSR bond passes in November.

Mr. Bigelow asked that the meeting be adjourned in honor of Joe Fernekes. Chair Foust said the meeting will be closed in his honor by Director Matsumoto.

A motion (Church/Lee) to approve the three allocations (a, b and c) to the PCJPB, C/CAG and Menlo Park/Alliance was passed.

Approve an Amended and Restated Agreement for State Administration of District Sales and Use Taxes with the State Board of Equalization (BOE) and to Enter into and Execute an Agreement with a Third-party Collection Agent for the Collection and Distribution of the New Measure A Funds

Ms. Harrington said the Board approved an agreement with the BOE in 2006 but at that time the TA did not have in place the arrangement to pay the 2 percent remittance to BART. The BOE will move the funds to a trustee who will take care of remittance to BART. There will be a procurement process to select a trustee.

Director O'Mahony said she hoped the BOE would not give BART the 2 percent on January 1 of each year. Ms. Harrington said the funds are remitted on a monthly basis in arrears so the TA will receive its first remittance of funds in March 2009. There is a true-up of funds every month and every quarter, which can be positive or negative.

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

Authorization to Appoint Tamalpais Wealth Advisors as Investment Advisors for Three Years and Two One-year Options

Ms. Harrington said this item would provide investment advice for up to \$100 million of TA funds currently held with the San Mateo County Treasurer. If approved, this would give the TA Board some diversification of its investments and also allow funds to be more readily available to the Board, should it need to accelerate funding of projects under the old Measure A or should the Board approve a project that will require a sizable allocation. A TA Board subcommittee of Chair Foust, Director Rich Gordon has met extensively with staff and has gone through a review process since last February that has resulted in this recommendation.

Director Matsumoto said she liked the transparency involved in the progress of the issue. She said it was good that only \$25 million of TA funds would be moved at a time so as to not impact the county's budget.

Director Gordon said he expressed caution in the past because of the potential sole source rather than a bid process for the activity. He said he is satisfied having talked to legal counsel and the county treasurer, particularly because the firm in question has had a long history with SamTrans.

Director O'Mahony said she is pleased with the approach taken to bring this proposal to the Board. She asked if the agreement is for one year because it wasn't clear if it will be \$25 million per quarter per year after the first year. Ms. Harrington said the intent was to move no more than \$100 million. There will be a dialogue with the Board should there be any recommendations for any adjustments.

Director O'Mahony said she had previously thought she should withdraw from voting on the authorization to appoint an investment advisor but legal counsel assured her that there was no conflict of interest. She thanked Ms. Harrington and staff for the preparation and work involved.

Director Mark Church said he had initial concerns with the proposal but the TA subcommittee addressed those concerns to his satisfaction.

Chair Foust said, as a member of the TA subcommittee with Director Gordon, board support is appreciated. The subcommittee had the same questions and feels this is a solid proposal.

A motion (O'Mahony/Lee) to authorize Tamalpais Wealth Advisors as investment advisor was approved.

REQUESTS FROM THE AUTHORITY

None.

WRITTEN COMMUNICATIONS TO AUTHORITY

No additional communications.

REPORT OF LEGAL COUNSEL

None.

DATE AND PLACE OF NEXT MEETING

The next meeting will be Thursday, September 4, 2008 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.

Director Matsumoto requested the meeting be adjourned in the memory of Joe Fernekes. He was a member of the TA Board representing North County cities. She said he was a long proponent of public transportation. Joe Fernekes' shoes will be hard to fill but he has left his footprints here and all can carry on in them.

The meeting adjourned at 6:02 p.m.