



SPECIAL MEETING PENINSULA CORRIDOR JOINT POWERS BOARD

AGENDA

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

April 21, 2011 – Thursday

10:00 a.m.

1. Pledge of Allegiance
2. Call to Order/Roll Call
3. Approval of Base Fare and Daily and Monthly Parking Fee Increases and Approval of Conceptual Operating Budget Balancing Plan for Fiscal Year 2012
4. Date/Time of Next Meeting: Thursday, May 5, 2011, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070
5. Adjourn

RESOLUTION

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus Routes: 260, 295, 390, 391, and KX.

The JPB meets regularly on the first Thursday of the month at 10 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

Public Comment

If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board only in respect to the items that are the subject of this Special Meeting of the Board.

Accessibility for Individuals with Disabilities

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@caltrain.com; or by phone at 650.508.6242, or TDD 650.508.6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

At the April 7, 2011, Board meeting, staff presented a preliminary FY2012 Operating Budget based on operating expenses related to a 76-train weekday schedule. Under this proposal, the preliminary budget was balanced using a number of strategies, including fare and fee increases, service reductions from 86 to 76 trains a day and one-time funding sources. Specifically, it included the following:

- Additional farebox revenue of \$2 million resulting from a 25 cent increase in the base fare;
- An increase in daily parking from \$3 to \$4, and a monthly parking increase from \$30 to \$40, resulting in \$500,000 in additional parking revenue;
- An additional \$1.5 million in funds transferred from MTC capital programs to preventative maintenance;
- An increase in Member Agency Contributions to \$25.3 million, assuming an increase in the SamTrans share made available through 2.0 million in funds received from the Santa Clara Valley Transportation Authority as partial repayment of the funds advanced by SamTrans for the purchase of the Caltrain right of way and \$3.7 million through a swap of capital funds for operating funds; and
- Savings of \$7.5 million achieved in the Caltrain FY2011 operating budget rolled forward to the FY2012 budget

The 76-train service plan developed under this budget proposal attempted to balance competing objectives, including reduced costs by minimizing running time of each train while maximizing station stops, servicing peak commute customers without compromising the needs of the non-peak customers, and balancing local community needs with the needs for the overall transit system.

The preliminary budget and operating schedule also showed that if an additional \$3.5 million in funding were identified and obtained, no cuts would be necessary to the current 86-train schedule.

After receiving staff's presentation on the preliminary budget and accepting public comment on the proposal, the Board directed staff to schedule a special Board meeting for April 21, 2011 and to use the intervening two weeks to work with partner agencies and MTC to determine if it was possible to identify an additional \$3.5 million in funding that would allow for continuation of the current 86-train schedule and eliminate the need for service cuts in FY2012.

If MTC and the JPB partner agencies are unable to successfully conclude current discussions regarding the additional \$3.5 million to fund the 86 train weekday schedule, the board will need to reconsider action to effect savings with less than the full twelve months of the fiscal year remaining to close the funding gap.

BUDGET IMPACT

The preliminary FY2012 operating budget is proposed to be balanced utilizing one-time sources. Going forward, Caltrain will continue discussions with MTC and the JPB partner agencies in an effort to identify funding sources to provide a balanced budget proposal for FY2013. This will be challenging. JPB's reserves are below reasonable levels and JPB partners continue to experience reductions in their own sources of revenues largely attributable to the ongoing global recession.

The lack of a dedicated source of funding for Caltrain requires a substantial percentage of operating costs to be funded out of general funds from each partner. Caltrain will continue to work with its partner agencies, MTC, as well as other stakeholders, including the Silicon Valley Leadership Group and Friends of Caltrain, in an attempt to identify and secure a permanent, dedicated funding source for future operations.

Prepared by: Michelle Bouchard, Director, Rail Transportation

650.508.6420

RESOLUTION NO. 2011 –

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

* * *

**APPROVAL OF BASE FARE AND DAILY AND MONTHLY PARKING FEE
INCREASES AND APPROVAL OF CONCEPTUAL OPERATING BUDGET
BALANCING PLAN FOR FISCAL YEAR 2012**

WHEREAS, unlike other providers of public transportation services in the San Francisco Bay region that receive dedicated tax or toll revenues to cover operating costs, the Peninsula Corridor Joint Powers Board (“JPB”) relies instead upon its three partner agencies to provide annual contributions out of their own operating budgets to support Caltrain rail service operating costs; and

WHEREAS, commencing in Fiscal Year 2011, the San Mateo County Transit District (“SamTrans”) had to initiate a decrease in its contribution for operations to the JPB due to its own serious structural deficit problem; and

WHEREAS, due to the ongoing general decline in the economy and attendant continuing uncertainty of state subsidies and local tax revenues, in early 2011 SamTrans advised that its projected operating contribution to the JPB for Fiscal Year 2012 would have to be reduced to \$4,920,000, which, in turn, based on the formula contained in the JPB’s Joint Powers Agreement governing member agency contributions, would cause an overall reduction of operating support by the three partner agencies from \$35,090,130 in Fiscal Year 2011 to \$11,738,000 in Fiscal Year 2012, resulting in a projected JPB operating deficit of approximately \$30 million; and

WHEREAS, as a consequence of the foregoing, the JPB faced a financial crisis of significant proportions, necessitating consideration of a possible reduction in service from the current 86 weekday trains to 48 weekday trains, together with elimination of midday, evening,

weekend, holiday and special services, elimination of service south of San Jose, and closure of up to seven stations; and

WHEREAS, the JPB held a series of public meetings followed by a duly noticed public hearing on March 3, 2011, to enable members of the public to comment upon the possible reductions in services referenced above, together with increases in fare and parking revenues; and

WHEREAS, the JPB held a separate duly noticed public hearing on March 3, 2011, to enable members of the public to comment upon the declaration of “fiscal emergency,” after which the JPB declared a “fiscal emergency” as that term is defined in Section 21080.32 of the California Environmental Quality Act (“CEQA”); and

WHEREAS, concurrently, with strong support from the business community, public officials, and concerned citizens, a comprehensive effort has been initiated to find a permanent solution to the JPB’s ongoing financial crises with specific focus on consideration of options for creation of a dedicated funding source for the JPB; and

WHEREAS, recognizing that a long-term funding solution for the JPB will require an extended and concerted effort, the Metropolitan Transportation Commission (“MTC”) and the partner agencies of the JPB formulated a short-term funding plan to enable the JPB to operate a reduced weekday schedule that includes the temporary suspension of service at three rather than up to seven stations and presented that plan to the Board during its April 7, 2011 meeting; and

WHEREAS, the reduced-service weekday schedule was accompanied by a recommendation to increase the base fare by 25 cents, as well as an adjustment of parking fees at Caltrain stations; and

WHEREAS, following receipt of public testimony, the Board voted unanimously to defer action for two weeks and requested staff to devote efforts in pursuit of (a) additional funds in the approximate amount of \$3.5 million from a variety of potential sources to enable the Board to consider retention of the existing levels of services during Fiscal Year 2012, and (b) a funding plan to continue to maintain this same level of service for FY 2013; and

WHEREAS, with the assistance of MTC and the partner agencies of the JPB, additional funds have been tentatively identified that would enable the Board to find that it is in the best interest of the JPB and its customers to forego any reductions in service at this time; and

WHEREAS, any plan to retain service that will result in a balanced Fiscal Year 2012 budget will also require an increase in the base fare of 25 cents and an adjustment to parking fees; and

WHEREAS, modification of fares and fees necessary to meet the operating expenses of the JPB are exempt from CEQA pursuant to Section 21080(b)(8); and

WHEREAS, pursuant to Title VI of the Civil Rights Act of 1964 and implementing regulations thereunder, JPB staff has reviewed the proposed base fare and parking fee increases and has determined they will have no unmitigated disparate impacts in the delivery of Caltrain service to minority or low-income communities.

NOW, THEREFORE, BE IT RESOLVED that the JPB, having explored and considered alternative funding scenarios for operation of Caltrain service, with public input having been taken and considered, and following staff presentations and recommendations concerning the need for fare and parking fee increases, implements the following action:

Increase the Caltrain base fare by 25 cents and corresponding increases to other fare media as reflected in Attachment A to this Resolution, increase parking fees at all stations,

except Tamien, to \$4 per day and \$40 per month, effective July 1, 2011, and amend the Codified Tariff accordingly; and

BE IT FURTHER RESOLVED that the proposed Fiscal Year 2012 conceptual operating budget balancing plan to enable continued operation of the current 86 weekday Caltrain service level, as well as current levels of weekend and special services, as reflected in Attachment B to this Resolution, hereby is approved contingent upon favorable conclusion of discussions among MTC and the JPB partner agencies; and

BE IT FURTHER RESOLVED that the Board of Directors, having declared that a fiscal emergency exists within the definition of Section 21080.32 of the California Public Resources Code, has taken the above-described actions in order to reasonably ensure adequate funding for Caltrain operations during Fiscal Year 2012; and

BE IT FURTHER RESOLVED that the Board of Directors finds that the proposed fare and fee increases that have been approved are necessary to meet the operating expenses of the JPB; and

BE IT FURTHER RESOLVED that the Board of Directors directs staff to make any required filings under CEQA with the relevant county officers to support the above-described actions; and

BE IT FURTHER RESOLVED that the foregoing actions are taken with the understanding that partner agencies of the JPB, together with the Metropolitan Transportation Commission, will make every effort to complete negotiations by fall of 2011 regarding a funding plan for Fiscal Year 2013 that would enable the JPB to adopt a balanced operating budget for that fiscal year while continuing to retain current levels of evening, weekday, weekend and special services; and

BE IT FURTHER RESOLVED that with regard to the longer term, it is the intention of the Board to continue discussions with partner agencies and funding partners, and with various stakeholders, including the Silicon Valley Leadership Group and the Metropolitan Transportation Commission, to develop a dedicated, permanent funding source for the JPB.

Regularly passed and adopted this 21st day of April, 2011 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

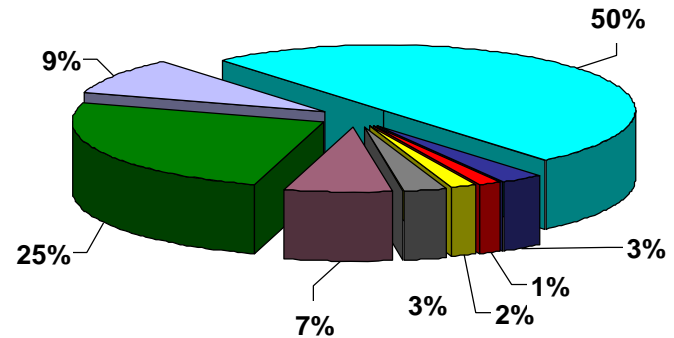
JPB Secretary

Proposed Fare Increase (25 cents on base)
Effective July 1, 2011

Zone	Stations	Travel Within Any	TICKET	Current Fare	25-cent Fare Increase
1	San Francisco 22 nd Street Bayshore So. San Francisco San Bruno	One Zone	Full Fare:		
			One-way	\$2.50	\$2.75
			Day Pass	\$5.00	\$5.50
			8-ride	\$17.00	\$18.75
			Monthly Pass	\$66.25	\$73.00
			Eligible Discount:		
			One-way	\$1.25	\$1.25
			Day Pass	\$2.50	\$2.75
			8-ride	\$8.50	\$9.25
			Monthly Pass	\$33.00	\$36.50
2	Millbrae Broadway Burlingame San Mateo Hayward Park Hillsdale Belmont San Carlos Redwood City	Two Zones	Full Fare:		
			One-way	\$4.50	\$4.75
			Day Pass	\$9.00	\$9.50
			8-ride	\$30.50	\$32.25
			Monthly Pass	\$119.25	\$126.00
			Eligible Discount:		
			One-way	\$2.25	\$2.25
			Day Pass	\$4.50	\$4.75
			8-ride	\$15.25	\$16.00
			Monthly Pass	\$59.50	\$63.00
3	Atherton Menlo Park Palo Alto Stanford California Ave. San Antonio Mountain View Sunnyvale	Three Zones	Full Fare:		
			One-way	\$6.50	\$6.75
			Day Pass	\$13.00	\$13.50
			8-ride	\$44.25	\$46.00
			Monthly Pass	\$172.25	\$179.00
			Eligible Discount:		
			One-way	\$3.25	\$3.25
			Day Pass	\$6.50	\$6.75
			8-ride	\$22.00	\$23.00
			Monthly Pass	\$86.00	\$89.50
4	Lawrence Santa Clara College Park San Jose Diridon Tamien	Four Zones	Full Fare:		
			One-way	\$8.50	\$8.75
			Day Pass	\$17.00	\$17.50
			8-ride	\$57.75	\$59.50
			Monthly Pass	\$225.25	\$232.00
			Eligible Discount:		
			One-way	\$4.25	\$4.25
			Day Pass	\$8.50	\$8.75
			8-ride	\$28.75	\$29.75
			Monthly Pass	\$112.50	\$116.00
5	Capitol Blossom Hill	Five Zones	Full Fare:		
			One-way	\$10.50	\$10.75
			Day Pass	\$21.00	\$21.50
			8-ride	\$71.50	\$73.00
			Monthly Pass	\$278.25	\$285.00
			Eligible Discount:		
			One-way	\$5.25	\$5.25
			Day Pass	\$10.50	\$10.75
			8-ride	\$35.75	\$36.50
			Monthly Pass	\$139.00	\$142.50
6	Morgan Hill San Martin Gilroy	Six Zones	Full Fare:		
			One-way	\$12.50	\$12.75
			Day Pass	\$25.00	\$25.50
			8-ride	\$85.00	\$86.75
			Monthly Pass	\$331.25	\$338.00
			Eligible Discount:		
			One-way	\$6.25	\$6.25
			Day Pass	\$12.50	\$12.75
			8-ride	\$42.50	\$43.25
			Monthly Pass	\$165.50	\$169.00

86 Train - Total Preliminary Revenues (in millions)

Fares	\$49.7
Parking	2.8
Shuttles	1.2
Rental Income	1.7
Other Income	2.9
AB434 & Grants	6.7
Member Agencies	25.3
Other Sources	<u>9.0</u>
Total Revenue	\$99.3

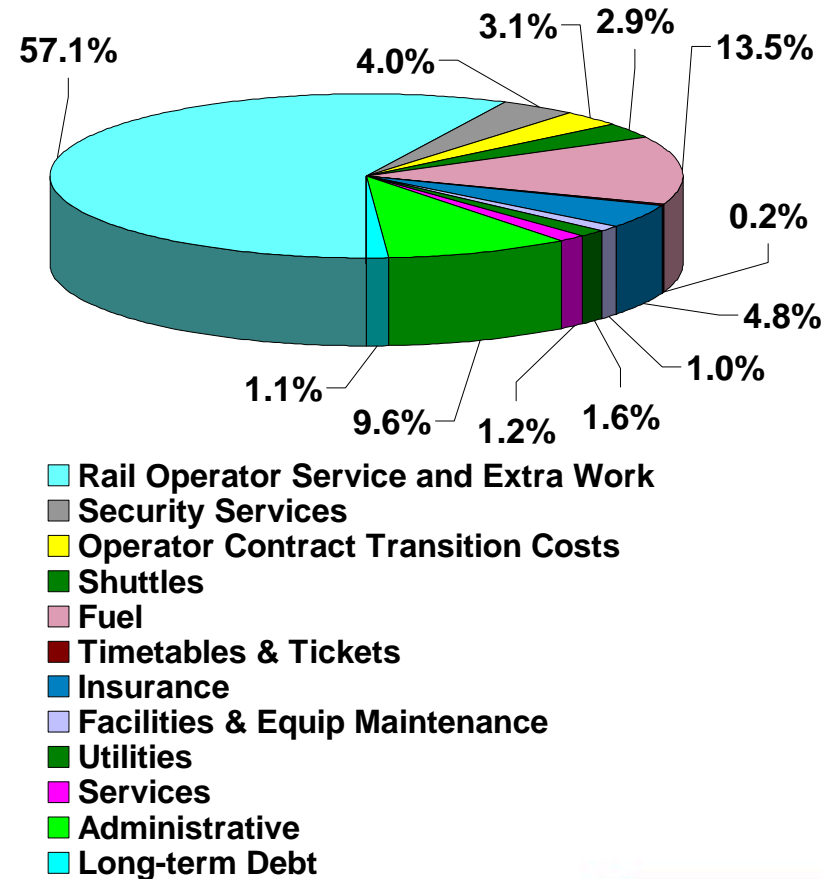




86 Trains - Total Preliminary

Expenses (in millions)

Rail Op Service and Extra Work	\$58.8
Security Services	4.1
Operator Contract Transition Costs	3.2
Shuttles	3.0
Fuel	13.9
Timetables & Tickets	0.1
Insurance	4.9
Facilities and Equip Maint.	1.0
Utilities	1.6
Services	1.2
Administrative	9.9
Long-term Debt	<u>1.1</u>
Total Expenses	\$102.8





86 Weekday Trains

FY2012 Preliminary Projection (in millions)

Beginning Deficit – 86 Trains	(\$30.2)
Fare Increase eff. July 1	2.0
Parking Increase eff. July 1 (\$3 to \$4/day)	0.5
Preventative Maintenance Funding	1.5
FY11 Savings	9.0
Other efficiencies	0.06
SamTrans Capital Funds	3.7
VTA	3.6
Muni	1.6
SamTrans Repayment of the ROW from VTA	2.0
VTA	1.9
Muni	<u>0.9</u>
Total	26.7
Surplus/(Deficit)	(3.5)
Ongoing discussions	<u>3.5</u>
Net	0.0



86 Weekday Trains FY2012 Preliminary Projection

(in millions)

FY2012

Revenue	\$99.3
Expenses	<u>(102.8)</u>
Surplus/(Deficit)	(3.5)
Requested funding from MTC	<u>3.5</u>
Surplus/(Deficit)	0