

**Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

**Minutes
February 7, 2008**

MEMBERS PRESENT: J. Cisneros, D. Gage, J. Hartnett (Chair), J. Hill, A. Lloyd,
F. Williams, K. Yeager

MEMBERS ABSENT: N. Ford

MTC LIAISON: S. Lempert

STAFF PRESENT: G. Cameron, C. Cavitt, B. Doty, V. Harrington, C. Harvey,
R. Haskin, R. Lake, G. Lambert, M. Lee-Skowronek, M. Martinez,
I. McAvoy, N. McKenna, D. Miller, M. Rush, M. Scanlon,
J. Siino, M. Simon

Chair Jim Hartnett called the meeting to order at 10:05 a.m. and Director Don Gage led the Pledge of Allegiance.

PUBLIC COMMENT

Jeff Carter, Burlingame, reported that KCBS radio does not give updates on Caltrain during the traffic updates. The transit oriented developments (TODs) in San Carlos and Millbrae have been in the paper recently. Mr. Carter said he hopes these developments don't prohibit the possibility of four tracks through the area.

CONSENT CALENDAR

The Board approved the items under the Consent Calendar as follows:

- a) Approval of Minutes of January 3, 2008
- b) Acceptance of the Statement of Revenues and Expenses, December 2007
- c) Authorization to File Applications to MTC to Program FTA Section 5307 and 5309 Funds in FY09

CHAIRPERSON'S REPORT

Chair Harnett reported that Director Sophie Maxwell has resigned from the Board and that she will be missed. The Board has a resolution that will be presented to her at a future meeting.

MTC LIAISON REPORT

Sue Lempert, MTC Liaison, reported that MTC is moving ahead and getting a lot of input on its 2035 plan. MTC will be meeting with Santa Clara, City/County Association of Governments of San Mateo County (C/CAG), the San Mateo County Transportation Authority, San Francisco and Marin counties to continue to get input. The policy committee, comprised of representatives from San Francisco Bay Conservation and Development Commission (BCDC), Association of Bay Area Governments (ABAG), MTC and the California Air Resources Board, is meeting to discuss property developments.

Forrest Williams arrived at 10:11 a.m.

Director Gage asked about the TODs and land use with the cities. Director Gage said the cities need to prove they are willing to build the densities and if not, then TOD projects should be proposed at cities that are willing to do so.

Ms. Lempert said there is a planning grants program and seed money is given depending on the thresholds that are met.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported the following:

- San Francisco Supervisor Sean Elsbernd will be replacing Director Maxwell on the JPB Board.
- Performance Statistics for December 2007 compared to December 2006:
 - a. Total Ridership was 853,402, an increase of 6.5 percent.
 - b. Average Weekday Ridership was 32,646, an increase of 6.3 percent.
 - c. Total Revenue was \$2,826,081, an increase of 14.8 percent.
 - d. On-time Performance was 95.1 percent, a decrease of 2.5 percent.
 - e. Caltrain Shuttle Ridership was 4,102, an increase of 8.0 percent.
- Year-to-Date Statistics:
 - a. Total Ridership was 5,868,492, an increase of 7.8 percent.
 - b. Average Weekday Ridership was 37,097, an increase of 7.5 percent.
 - c. Total Revenue was \$19,652,683, an increase of 15.8 percent.
 - d. On-time Performance was 93.5 percent, a decrease of 1.5 percent.
 - e. Caltrain Shuttle Ridership was 5,094, an increase of 7.8 percent.
- At last month's meeting, the possibility of an Amtrak strike was discussed. Nine of the unions have reached an agreement, but the retroactive pay and delayed wage increases could have a significant impact on the budget.
- Staff is starting to prepare the budget for FY09, which will have another structural deficit. There has been a significant increase in the cost of fuel and the impact of wage increases for Amtrak will be substantial.
- Fuel continues to be a problem. Year-to-date fuel is at \$2.59 per gallon, approximately 8 percent over the budgeted amount of \$2.40. Gigi Harrington, Chief Financial Officer, will be presenting the Board with a budget amendment based on increased revenue to help fund the fuel expense.
- On March 3 the 98-train schedule begins.
- A pilot shuttle program between the Belmont and Hillsdale stations begins on March 3. Parking will be free at the Belmont station. The pilot program will run through June 2009.
- The Caltrain SRTP is on the agenda for approval today. There remains a need for creative dialogue between the partner agencies and the MTC. An electrified railroad will work well with TODs.
- Chair Hartnett sent a letter and a T-shirt to the presidential candidates inviting them to ride Caltrain when they are in California campaigning.
- The Safety and Security report is in the reading file. A contract was awarded for more fencing in December. VTA is working on fencing in Santa Clara County.

**APPOINTMENT OF NEW JPB CAC MEMBER, FRANCOIS GRANADE,
REPRESENTING SAN FRANCISCO COUNTY**

Director José Cisneros reported that 14 applications were received and Francois Granade was chosen to represent San Francisco County on the JPB CAC. Mr. Granade commutes daily from San Francisco to San Carlos.

The appointment (Cisneros/Gage) of Francois Granade to the JPB CAC representing San Francisco County was approved.

ADOPTION OF CALTRAIN SHORT RANGE TRANSIT PLAN (FY2008-2017)

Marian Lee-Skowronek, Director of Planning and Development, said staff is requesting the approval of the 10-year SRTP. The draft document was presented to the CAC and posted to the Web. Two key messages in the draft document presented last month were the need to address the structural deficit and solidifying the funding for the capital plan. Staff sought comments and spent time reviewing the SRTP with the JPB partners. Balancing Caltrain's budget over the next six years is the most pressing challenge to be addressed. The ridership forecast, which is one of the driving factors, will need to be updated. Staff will be working closely with the partner agencies to update the travel forecast for the electrification ridership and to prioritize capital projects and strive for longer-term commitments to specific projects. On the capital plan, all the partners agree the overall funding proposed from the partners and other sources is reasonable, but timing and commitment to specific projects will need further coordination. With board adoption, staff will be able to finalize the document and submit it to MTC for its planning and programming purposes.

Ms. Lempert asked about electrification and how it is being dealt with in the report since there is a substantial shortfall and it is a concern at MTC. MTC wants to keep this project in the top priority of 3434 projects.

Mr. Scanlon said there is commitment to capitalization and VTA already said they are committed to one-third and are in as long as the other agencies are in for their third of the share. Staff is crunching the latest numbers and hope to have them within the next 60 days. We are working as a partnership to find traditional pay-as-you-go type funds that we've had and other types of monies that we can get.

Director Ken Yeager said he had not seen the draft plan. Director Yeager hoped there still would be an electrification workshop and some of these items could be sorted out, especially the operating costs.

Mr. Scanlon said there are some big hurdles, but if we get past these hurdles there are some great opportunities ahead.

Public Comment

Jeff Carter, Burlingame, thanked staff for getting his comments out to everyone for this meeting. Mr. Carter said there is a need to get a dedicated source of funding for Caltrain as soon as possible. He said it is good to see planned improvements to the signals and service. If possible, electrification should be accelerated.

The motion (Lloyd/Hill) to adopt the Caltrain Short Range Transit Plan was approved unanimously by roll call.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

Bruce Jenkins, CAC Chair, reported the January meeting was held at AT&T Park. At the January meeting the committee received a presentation on the Caltrain Short Range Transit Plan (SRTP) and Michelle Bouchard gave a performance report. CAC members are getting a lot of comments on a limited-stop schedule on weekends and the BART shuttle at Millbrae.

AUTHORIZATION TO AMEND THE FISCAL YEAR 2008 OPERATING BUDGET BY \$1,878,491 FOR A NEW TOTAL OF \$89,956,069

Gigi Harrington, Chief Financial Officer, said staff is requesting that the increased fare revenue through December be moved into key budget categories to help offset the fuel costs. Staff also is proposing to recognize some received operating grants not included in the adopted FY08 budget to fund the shuttle program, add a small amount of money for security programs and to fund the debt service for eight Bombardier cars.

Public Comment

Pat Giorni, Burlingame, said that on page two of the staff report, there is a budget notation for the Caltrain Bicycle Master Plan costing \$250,000. It states the focus is on increasing ridership by retaining the existing and attracting additional bicyclists. What is not stated is that the plan's principal purpose is to not find alternatives to having bicyclists bring their bikes on Caltrain. Ms. Giorni stated an ad hoc committee has been developed to add more bikes on the train. She asked for data on how many bicyclists are bumped from the trains on a daily basis.

Jeff Carter, Burlingame, spoke about the bike capacity issue. Mr. Carter was not able to get on train 230 and 332 this morning as the bike capacity was full and was almost bumped off of train 134 at Millbrae as the bike capacity was at maximum capacity.

Director Cisneros said that money is in the budget to help fund the bike study. Director Cisneros requested an update on the progress of the Bike Master Plan in the not-too-distant future.

Director Forrest Williams said the money being moved is from the revenues through the end of December. He asked for the projections for the remaining six months and whether we will be within budget.

Ms. Harrington said she is always hopeful that we make budget and that for January we will make or slightly exceed budget.

The motion (Hill/Cisneros) to amend the FY08 operating budget was approved unanimously by roll call.

AUTHORIZATION TO APPOINT AN INVESTMENT ADVISOR TO EXTEND ADVICE ON PORTFOLIO INVESTMENTS FOR THE JPB

Gigi Harrington, Chief Financial Officer, said this recommendation is to append onto the contract with Epic Wealth Management (EWM) that is going to the San Mateo County Transit District Board next week. This recommendation would enable staff to place some of the Caltrain funds into another investment portfolio where, historically we have been able to earn slightly

more than what the San Mateo County pool of invested funds is earning for us and also at a lower fee structure. The JPB funds are primarily for capital programs, about \$30 million-\$35 million. About \$29 million is invested in the county pool; the remainder is in the Local Agency Investment Fund. Both the county pool and the LAIF are liquid. Staff is not proposing to place all of the funds in a portfolio with a longer duration because we use about \$16 million a month when we are in a construction phase to run both our operations and construction. We are suggesting over time to move up to \$10 million from the county pool to a longer duration portfolio.

Director Jerry Hill asked if the JPB has an investment policy. Ms. Harrington said yes and it is approved annually by the Board.

Director Hill asked if the investment policy allows for the types of investments that Bill Osher of EWM recommends. Ms. Harrington said that none of the JPB funds would be placed into any instrument that is not allowed by the investment policy. Ms. Harrington said the focus of the SamTrans investment advisor is always safety first and liquidity second. She said that there are corporate instruments in the portfolio and they are all AA and AAA. Ms. Harrington said staff will make sure that the JPB investments follow the investment policy.

Director Hill suggests that staff speak with the county treasurer as he thinks he would be willing to renegotiate the fees so that we can save money.

Director Cisneros said that as a county treasurer it would be difficult for him to vote for moving money out of the county fund, but it is done in San Francisco. He also said that he couldn't dispute anything that's in the staff report.

The motion (Hill/Lloyd) to appoint an investment advisor to extend advice on portfolio investments for the JPB was approved (6/1) by roll call with Director Cisneros voting no.

AUTHORIZATION TO USE THE COMPETITIVE NEGOTIATION PROCUREMENT PROCESS TO PROCURE A PREDICTIVE ARRIVAL/DEPARTURE SYSTEM

Cheryl Cavitt, Director of Contracts and Procurement, said Staff Coordinating Council recommends that the Board authorize the use of a competitive negotiation procurement process in accordance with the California Public Contract Code in lieu of using a sealed bid method of bidding to procure a predictive arrival and departure system. Approval of this method will allow staff to consider other factors in selecting the proposal that would be the best value to the JPB. The purpose of this procurement is to enhance the existing predictive arrival/departure system. This real-time information will be provided to the passengers and transmitted to MTC for 511.org. This project is going to be funded from Regional Measure 2 funds that were generated from increase of tolls on the Bay Area bridges.

The motion (Lloyd/Williams) to use the competitive negotiation procurement process to procure predictive arrival/departure system was approved unanimously by roll call.

CALTRAIN CUSTOMER SURVEY KEY FINDINGS

Rita Haskin, Chief Communications Officer, reported the key findings from the Caltrain on-board survey conducted October 2-17, 2007. The objective of the survey was to find out who are our passengers, their trip purpose, how frequently they ride and their level of satisfaction.

- 66 percent of our passengers ride four or more days per week.
- 75 percent of our passengers are weekday peak customers who ride four or more days per week.
- 63 percent of our passengers have cars.
- 74 percent of our passengers use Caltrain to get to work.
- The top reason our passengers use Caltrain is to avoid traffic.
- 50 percent of our weekday passengers use a monthly pass; on weekends 47 percent are purchasing one-way tickets.
- The top means our passengers use to get to a station is by car.
- Overall our weekday passengers had a favorable experience with a 4.02 out of 5.0 rating. Weekend riders scored Caltrain higher.
- The majority of our passengers receive their information on the train.
- The top sources of local news were Channel 2, San Francisco Chronicle and KQED radio.
- The average age of our passenger is 37.
- The majority of our weekday peak riders are employed full time.
- From 2003 to 2007, the largest growth in reasons for riding the train was to help the environment, which more than doubled.

Director Gage asked about how much of the survey was on parking. Ms. Haskin said there was one question asking if the passenger parked at the station, but not the ease of parking. Director Gage said the Diridon station has parking machine issues.

Director Yeager asked about the type of questions that are asked. Ms. Haskin said this survey is supplemental to the annual Amtrak survey which asks about customer satisfaction. The next Amtrak customer satisfaction survey will be in June.

Director Yeager said that the proposed marketing plans do not tie to the environment for attracting new customers as the main reason for riding. Ms. Haskin said that in April, Marketing will be running “Carbon Footprints” and “Dump the Pump” ads, both of which send environmental messages.

Ms. Lempert said passengers should receive some type of recognition or reward for taking the train and saving the environment, possibly just with a sign saying that by taking this train you are saving the environment. Ms. Lempert also said that there needs to be bigger directional and destination signage. Ms. Lempert said that there was nothing in the survey that showed the percentage of cyclists. Ms. Haskin said 7 percent access the station via bicycling.

Ms. Lempert said there are really two categories, those who ride their bikes to the station and those who take their bikes on the trains. Mr. Scanlon said there are about 2,300 bikes on the train daily. Mr. Scanlon said there is bicycle parking for about 1,200 bikes and we are using about 800, not including San Francisco’s new station.

Director Williams asked if passengers can purchase tickets on-line. Ms. Haskin said not at this time, but it’s something staff is looking into.

Public Comment

Pat Giorni, Burlingame, said the survey does not reflect any information on bicyclists on-board and the number that are not allowed to board.

Jeff Carter, Burlingame, said it would be good to know how many bicyclists are bumped. The confusion on the platform is seen all the time, especially at Burlingame. Mr. Carter would like to see more detailed statistics and the monthly pass should be priced differently since more of the passengers ride only four days a week. Customers need to be aware of the monthly pass and the amount of money they can save.

Ed DeLanoy, San Carlos, said that Caltrain doesn't act like a transit system.

CORRESPONDENCE

Provided in the reading file.

BOARD MEMBER REQUESTS

None.

DATE/TIME OF NEXT MEETING

Thursday, March 6, 2008, 10 a.m. at San Mateo County Transit District Administrative Building, 1250 San Carlos Avenue, San Carlos CA 94070.

REPORT OF LEGAL COUNSEL

David Miller, Legal Counsel, said that he is recommending that the Board adjourn into a short closed session to discuss two matters that are listed on the agenda. One is a matter of pending litigation, Jimenez vs. JPB, and the other is a matter of anticipated litigation. The Ralph M. Brown Act permits closed session discussion of these items.

The meeting adjourned to closed session at 11:30 a.m.

The meeting reopened at 11:45 a.m.

Following the closed session, the Board reconvened in open session and Mr. Miller reported (1) as to the Jimenez lawsuit, instructions have been given to counsel relative to settlement of the case; and (2) as to the matter of anticipated litigation, a supplemental report will be provided to the Board at a future date following due diligence investigation and negotiations by Legal Counsel.

ADJOURNED

The meeting adjourned at 11:50 a.m.