

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

**Minutes
January 5, 2012**

MEMBERS PRESENT: J. Cisneros, M. Cohen, J. Deal, A. Kalra, L. Kniss, A. Lloyd, T. Nolan, A. Tissier, K. Yeager

MEMBERS ABSENT: None

STAFF PRESENT: M. Bouchard, J. Cassman, G. Harrington, C. Harvey, R. Haskin, A. Hughes, M. Lee, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Vice Chair Adrienne Tissier called the meeting to order at 10:06 a.m. and led the Pledge of Allegiance.

SWEARING IN OF MALIA COHEN (REPRESENTING SAN FRANCISCO BOARD OF SUPERVISORS)

JPB Secretary Martha Martinez administered the Oath of Office to Director Malia Cohen.

REPORT FROM NOMINATING COMMITTEE (KNISS, LLOYD, NOLAN) – ELECTION OF 2012 OFFICERS

Director Tom Nolan said a committee of Directors Liz Kniss, Art Lloyd and himself recommends Director Tissier as chair and Director Ken Yeager as vice chair for 2012.

A motion (Lloyd/Nolan) to close the nominations was approved by all.

A motion (Lloyd/Nolan) to elect Director Tissier as chair and Director Yeager as vice chair was approved by all.

Director Liz Kniss arrived at 10:10 a.m.

PUBLIC COMMENT

Vaughn Wolffe, Pleasanton, asked that the Board push for electrification this year since the JPB is spending over \$14 million a year on diesel fuel.

Roland LeBrun, San Jose, congratulated Director of Caltrain Modernization Program Marian Lee and her team on the Capacity Analysis. He said every model is only as good as it is run.

Doug DeLong, Mountain View, said he was disappointed this morning to learn that the coffee cart at the Mountain View station has closed. The cart has been there for over eight years and will be missed by the passengers.

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said there are some significant things occurring with Dumbarton Rail. The idea is to take the \$5.5 million subsidy

for the rail operations of the Dumbarton Rail and allow that to be used for expanding the current Dumbarton Bus to build ridership for a rail option. This money is not going away but coming to a project that will stay on the corridor.

CONSENT CALENDAR

- a. Approval of Minutes of December 1, 2011

The Board approved the Consent Calendar (Kniss/Lloyd).

CHAIRPERSON'S REPORT

Resolution of Appreciation to Outgoing Chair and Director Sean Elsbernd

Chair Tissier said the Board has been delighted to serve with outgoing Chair and Director Sean Elsbernd for the last four years. He helped guide the Board through the initial fiscal crisis, helped with the negotiations with the other partners so there would be no cut in service and worked with staff for a new rail operator contract.

A motion (Kniss/Lloyd) to approve the Resolution of Appreciation to outgoing Chair and Director Sean Elsbernd was approved by all.

Director Elsbernd said he enjoyed his time and getting to know the Board and the staff was great to work with.

Certificate of Appreciation to Outgoing Citizens Advisory Committee (CAC) Chair, Bruce Jenkins

Chair Tissier presented a Certificate of Appreciation to outgoing CAC Chair Bruce Jenkins. Mr. Jenkins thanked Assistant District Secretary Nancy McKenna, Budgets and Grants Administrative Specialist Rosemary Lake and Director of Rail Operations Michelle Bouchard for their assistance.

REPORT OF THE CITIZENS ADVISORY COMMITTEE

CAC Chair Jenkins reported:

- Welcomed Director Cohen to the Board.
- Ms. Bouchard gave a year-end performance report including service highlights, capital projects, bicycle capacity and update on new rail operator contract.
- Elections for 2012 officers were held and Paul Bendix was elected chair and Scott Klemmer vice chair.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Michael Scanlon reported:

- On behalf of staff thanked Director Elsbernd for his service and welcomed Director Cohen.
- Congratulated Chair Tissier and Director Yeager on their election.
- Thanked the entire Board for their hard work over the past year to avoid Draconian service cuts and for their work at their partner agencies to keep this service healthy and going.
- Thanked Mr. Jenkins for his dedicated service.
- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – November 2011 compared to November 2010

- Total Ridership was 1,100,515, an increase of 9.8 percent.
- Average Weekday Ridership was 42,265, an increase of 8.3 percent.
- Total Revenue was \$4,605,686, an increase of 23.7 percent.
- On-time Performance was 93.7 percent, a decrease of 0.2 percent.
- Caltrain Shuttle Ridership was 7,300, an increase of 29 percent.
- Year-to-Date Performance Statistics – November 2011 compared to November 2010
 - Total Ridership was 5,861,493, an increase of 8.8 percent.
 - Average Weekday Ridership was 43,917, an increase of 7.4 percent.
 - Total Revenue was \$24,720,506, an increase of 23.9 percent.
 - On-time Performance was 93.3, a decrease of 0.1 percent.
 - Caltrain Shuttle Ridership was 7,027, an increase of 28.9 percent.
- 2011 was a difficult year with 16 fatalities and the vast majority are ruled suicide. Caltrain had the first fatality of the year this week, north of Menlo Park. Staff will continue efforts on all fronts to make the system as safe as possible.
- The Bicycle Advisory Committee did not meet in December but will meet on January 19. A representative from Warm Planet will make a presentation on the bike facility. Staff is continuing to negotiate with the current provider to find a short-term solution while a long-term solution is identified.
- Rail operator transition is proving to be difficult and is taking more time than staff hoped and will cost a bit more.
- Special service:
 - On New Year's Eve extra trains were provided. There was an additional 4,000 riders, up 55 percent over last year. There was some bunching and real demand for the last train. The last train was so full it departed nine minutes early because of the crowds. There were some people left behind and staff will come up with a contingency plan for next year.
 - Sharks played 10 games in December and ridership is up 36 percent with an average of 335 additional riders per game.
 - The Kraft Fight Hunger Bowl had an increase of 1 percent in ridership.
 - The Freedom Train will run again on January 16 with stops at San Jose Diridon, Sunnyvale, Palo Alto and San Mateo stations.
- Significant progress is being made on a number of projects including the completion of the new Jerrold Avenue Bridge.
- The annual Holiday Train will return in 2012 in partnership with the Silicon Valley Community Foundation who has made a grant of \$50,000 a year for the next few years.
- This year over 500 toys were collected through special events here at the District offices and at the Redwood City Hometown event.
- The reading file contains correspondence, the Safety and Security Report and the latest issue of *Track the Fun*.

Director of Caltrain Modernization Marian Lee said there is a lot of public attention on the High Speed Rail (HSR) Business Plan that was recently released. The comments range from continuing the process to stopping the program. Staff is trying to not get too distracted and focus on the needs of Caltrain and electrification of the system. Staff is continuing with the local planning process to electrify the corridor. Key efforts for the upcoming month include finalizing the Capacity Analysis on the blended system. Comments on Caltrain's document are due January 16. Staff will also complete their due diligence of the review of the HSR Business Plan. The focus will be on making sure the details of the Business Plan are supportive and consistent

with the local planning process and the blended system concept that is trying to be advanced for the Peninsula corridor. Staff is starting the planning efforts on a traffic impact study and some additional service that stakeholders had asked staff to evaluate. Staff has met with local, county and transit agency partner stakeholders to share the scope of work. Everyone is supportive of advancing the studies and engaged in helping staff prepare them.

Director Jerry Deal said he looked for the Capacity Analysis on the website and was unable to find it. Ms. Lee said it is under the Caltrain Modernization Program link. Ms. Martinez said she will provide the link to the Board.

Public Comment

Shirley Johnson, San Francisco Bicycle Coalition, thanked staff for working with Warm Planet to keep the facility open. Thanked Directors Nolan and Yeager for asking staff to look for funding for the facility.

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said the chamber has reviewed the HSR Business Plan and is supporting the improved data costs and particularly the blended approach from San Francisco to San Jose. In a letter of support the Chamber is encouraging the \$900 million that is in the Proposition 1A bond be distributed. Caltrain is on a short fuse for Fiscal Years (FY) 2012 and 2013 and need to get money from different places to get electrification funded sooner than later.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR NOVEMBER 2011

Deputy CEO Gigi Harrington said operating revenue is above budget by \$3.7 million and the vast majority of that is in fare revenue and reflects the higher ridership levels being seen. Expenses are under budget by \$1.6 million and most of that is in the contract operating line item. Last week fuel was \$3.02 per gallon and year-to-date is \$3.10 per gallon. Year-to-date have received \$92,000 from the fuel hedge.

A motion (Cisneros/Lloyd) to accept the November 2011 statement was approved unanimously.

AUTHORIZE INCREASING AND AMENDING THE FISCAL YEAR 2012 OPERATING BUDGET BY \$2,574,385 FROM \$103,779,904 TO \$106,354,289

Ms. Harrington said this is to address the things that have occurred since the FY2012 budget was adopted. Staff is recognizing the actual receipts to-date and increasing farebox revenue by \$3.4 million and parking by \$200,000. The other revenue adjustment is a request to roll forward a transit security grant that was not used in FY2011.

On the expense side staff is asking to:

- Increase the security budget by \$117,000 due to the contract with the San Mateo County Sheriff's Office for Transit Police and for some security services at the Centralized Equipment Maintenance Operations Facility where the level of service has been increased.
- The rail operator transition budget needs to be increased by \$1.5 million for a combination of both internal contractor costs.
- The fuel budget needs to be increased by \$500,000 because staff has found the locomotives are not as quite as efficient in their use of fuel due to their age.

- Professional services needs to be increased for the Transit Security Grant, which is a neutral transaction. The JPB also is being asked to pay for its share of the cost of the SamTrans PeopleSoft upgrade project from which Caltrain benefits.

Director Ash Kalra said the fare revenue increase is a great sign and glad the Board decided to stick to the 80-train schedule. He asked if staff has thought about using some of the excess funds for maintenance since there has been a scaling back of those expenditures.

Mr. Scanlon said as good as the revenue picture is, it is not that good. The partner agencies and MTC still have to deliver. The rail operator transition costs have to be done and will have many long-term benefits. These transition costs involve taking an agency that has been running a rail with full 13(c) implications and rolling over front line employees to a new employer.

Director Deal said he has a little discomfort and understands transitions costs are higher than they were before but these costs are very high when a lot of money is needed to run the system. Mr. Scanlon said these are all investments that will yield long-term savings.

Ms. Bouchard reported on the rail operator transition expenses:

- The Board awarded a contract to TransitAmerica (TASI) in September with the Notice to Proceed in October.
- This process is transitioning a 19-year relationship with Amtrak and establishing a new relationship with TASI with a safe and seamless transition for customers.
- The largest activity is the transition of the workforce.
- There is a high level of cooperation between Amtrak and TASI.
- The Federal Railroad Administration is actively engaged and several deliverables have been completed and submitted.
- Union leadership is being responsive with concurrent negotiations with 11 unions. So far several side agreements are in place, but national union activities have impacted the schedule.
- Hiring activities for employees are underway including town hall TASI information sessions held for all management and represented employees. Employment offers were made to management employees and represented employees negotiations are pending.
- A comprehensive TASI mobilization and transition plan and schedule have been finalized.
- The planned date for contract service is now set for end of May 2012.
- The original budget assumed a completed transition by March 3, 2012 and was \$3.2 million. The revised budget has a deadline of May 26, 2012 and a budget of \$4.7 million.
- Next steps include notifying Amtrak concerning the schedule for providing Caltrain service through May 2012 and managing and coordinating transition activities to complete transition as planned and budgeted.

Chair Tissier said any time there is a new operator and a merger there is a need to ensure that staff has the tools needed to do it right. Is the \$1.5 million a conservative estimate or will staff need to come back at a later date for additional funds.

Ms. Bouchard said staff is in discussion with TASI for a not-to-exceed amount and meeting milestones to hit the May 26 date.

Director Nolan asked what is “burn rate” as mentioned in the PowerPoint. Ms. Bouchard said it is the cost of the human resources being allocated to the project.

Director Deal said he is comfortable with the cost but not happy.

Director Kniss said she is concerned the \$1.5 million is such a large amount and wants to be sure that no additional funds will be needed. Ms. Bouchard said staff is pretty sure they can get to May with this amount of money. Over the last few months staff has gotten a better understanding of the complexity of coordinating these two schedules of activities and that staff now has accounted for all the anticipated costs.

Director Kniss said she will be disappointed if this item comes back to the Board for additional funds.

Mr. Scanlon said he feels very comfortable with this number. It is time and money running in parallel. Currently Amtrak is running the business and TASI is on site to learn. Staff has gotten assurances from TASI that this will happen, but the biggest uncertainty is the employees.

Chair Tissier appreciates staff’s efforts on this item.

Public Comment

Roland LeBrun, San Jose, said he echoes the comments from the Board. He has a real problem with the \$1.5 million increase and would like some clarification on the rail infrastructure.

A motion (Nolan/Cisneros) to authorize increasing and amending the Fiscal Year 2012 Operating Budget by \$2,574,385 from \$103,779,904 to \$106,354,289 was approved unanimously by roll call.

LEGISLATIVE UPDATE

Government Affairs Manager Seamus Murphy reported:

State

- The Legislature convened this week and bills are being introduced with a bill deadline of February 24.
- On January 10 the governor released his budget for the 2012 fiscal year and staff is looking for two things; the appropriation of Caltrain’s share of the Proposition 1A connectivity funding and some assurance that the diesel sales tax revenue won’t be diverted away from transit operations.

Federal

- In Congress the big news last month was the expiration of the pre-tax transit commuter benefits. Congress was negotiating over a tax extenders package and pre-tax transit commuter benefits were not included in the two month extension that ultimately passed. This is not a good thing for transit riders who take advantage of that benefit. Senator Charles Schumer announced plans to introduce legislation that would put these tax benefits back on par with the benefits that people who drive to work receive.

CORRESPONDENCE

No discussion.

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

The next meeting will be Thursday, February 2, 2012, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

GENERAL COUNSEL REPORT

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a) to Discuss Pending Litigation: San Mateo County Transit District v. City and County of San Francisco et al, San Mateo County Superior Court Case No. CIV 494013
Real Estate Negotiations – Pursuant to Government Code Section 54956.8
Agency Negotiators: David J. Miller and Brian Fitzpatrick
Under Negotiation: Price and terms of Purchase

<u>Property and Negotiating Parties:</u>	<u>Owner Address/Location APN:</u>
Artichoke Joes	659 Huntington Avenue 020-131-570
	205 Angus Avenue 020-131-410
City and County of San Francisco	Angus and Huntington Avenue
	SBE 845-41-5
	San Mateo and Huntington Avenues
	SBE 846-41-5

- b. Closed Session: Conference with Legal Counsel – Existing Litigation – Pursuant to Government Code Section 54956.9(a): Robert Lightfoot v. City and County of San Francisco, et al.
- c. Closed Session: Conference with Legal Counsel – Potential Litigation Pursuant to Government Code Section 54956.9(c) (One Potential Case)

Legal Counsel David Miller said the Board will convene in closed session to discuss three items that qualify for discussion in closed session under the Brown Act.

Adjourned to closed session at 11:18 a.m.

Reconvened to open session at 11:45 a.m.

Mr. Miller said the Board met in closed session as permitted by the Brown Act.

Mr. Miller said in regards to the proposed resolution of imminent domain action brought by SamTrans on behalf of the JPB for the San Bruno Grade Separation Project is being recommended for consideration.

A motion (Kalra/Nolan) to accept the imminent domain action brought forward by SamTrans on behalf of the JPB was passed unanimously.

Mr. Miller said in regards to pending litigation of Robert Lightfoot v. the Joint Powers Board and the City and County of San Francisco, et al, a report has been provided by counsel and will continue to keep the Board apprised of developments and no action is required today.

Mr. Miller said in regards to a matter of potential litigation, a report was provided by counsel and staff with regard to a claim that is pending and could result in litigation and there is no action to be taken now, but will report back as developments take place based on instructions given by the Board.

ADJOURNED

Adjourned at 11:46 a.m.