

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

**Minutes  
February 2, 2012**

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

**MEMBERS ABSENT:** T. Nolan

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

Chair Adrienne Tissier called the meeting to order at 10:07 a.m. and led the Pledge of Allegiance.

**PUBLIC HEARING FOR PROPOSED CHANGES TO THE CODIFIED TARIFF**

JPB Secretary Martha Martinez said today's public hearing was called for at the December 1, 2011 JPB meeting. The public hearing notice announced the date, time, location and subject of the meeting. The notice included alternate methods via mail, email, phone for the public to submit their comments and noted there would be community meetings held prior to the hearing. The notice appeared in the *San Francisco Daily Journal*, *San Mateo Daily Journal*, *San Jose Post Record*, *Gilroy Dispatch* and in Spanish in *El Reportero*. The public hearing was publicized through the JPB's printed agendas, TakeOnes placed on trains, flyers posted at stations, electronic message sign at stations, Tweets, Facebook postings, *Caltrain Connection* newsletter, message to GO Pass companies and the Caltrain website. A news release announcing the proposed changes was distributed to local media. Community meetings were held on January 24 in Gilroy and San Francisco and on January 25 in Mountain View and San Carlos. To-date 131 comments have been received.

Executive Officer Customer Service and Marketing Rita Haskin said this was called a Codified Tariff change as opposed to a fare increase because 92 percent of customers can avoid any change to their fare.

The proposal:

- Increase the GO Pass by \$10 to \$165 and set the minimum level of participation at \$13,750.
- Lengthen the sales period for the monthly pass from the 9<sup>th</sup> of the month to the 15<sup>th</sup> of the month.
- Additional regional Clipper implementation measures include:
  - Increase the cost of paper one-way and zone upgrade tickets by up to 25-cents per zone.
  - Increase the cost of Day passes by up to 50-cents per zone.

- Eliminate the 8-ride ticket because it can't be transitioned over to the Clipper card.

Director Malia Cohen arrived at 10:16 a.m.

- If a one-way and Day Pass is purchased via Clipper there will be no change only if they are purchased from the ticket vending machines (TVMs).
- Staff anticipates Board action at the March 1 meeting with implementation July 1.

Chair Tissier reiterated to the audience the Board will not be taking any action today on this proposal.

#### Public Comment

Melanie Crotty, Metropolitan Transportation Commission (MTC), said MTC supports the proposed eliminations, in particular, the 8-ride ticket, and increasing the cost of the paper one-way tickets. MTC feels the proposed changes will improve the customer experience of the Clipper program. Since the launch of the Clipper program transactions have increased from 60,000 to 600,000 daily transactions. Clipper represents about 40 percent of all transactions for transit boardings in the region. Approximately 11,000 monthly Caltrain passes are sold and 15,000 daily riders and this is about 65 percent of the Caltrain market. She encourages the Board to adopt staff's proposal.

Michael Drury, San Francisco, said he is against the elimination of the 8-ride ticket. Information provided at the community meeting causes him concern and raises some questions. It has been claimed that use of the 8-ride ticket has declined, but Clipper problems have presented barriers and any decline in the underlying demand has absolutely not been proven. He said it has been claimed that the 8-ride discount is too high for insufficient commitment. That may be so, but what would be a sufficient commitment, 10 rides, 16 rides or more. To the 8-ride ticket users this represents a greater than 17 percent fare increase. This singles out one group of travelers with no practical alternatives other than to pay higher fares. If the goal is to raise revenue then why not use a broader base of customers against which to apply a fare increase. Finally, the elimination of the 8-ride ticket will generate an annual windfall in excess of \$500,000 in additional fare revenue with no extra costs. There has been no indication of how this extra windfall would be spent and hope it would not be dissipated on unplanned cost overruns on projects and instead applied to actual service improvements. He requests that a decision be delayed on the elimination of the 8-ride ticket unless or until adequate alternatives are considered.

Gerald Graham, Burlingame, said he has been a rider, commuter and passenger for over 55 years. It is getting increasingly difficult to sell the train to the public and this Draconian increase makes it even harder. Caltrain should be bringing passengers to the system and not driving them away. This is very discriminatory to a single group.

Director Ash Kalra arrived at 10:27 a.m.

Karen Sparks, Burlingame, said she commutes daily with her daughter on Caltrain. The Board needs to consider not eliminating the 8-ride ticket for people who do not live in the region. She said she doesn't understand why a rate increase is necessary on the two categories. It is not clear

to her if the whole issue with dedicated funding has been solved by Caltrain and it is not clear what the budget for Caltrain really is and why these increases are necessary. If the increase has to do with operational costs then there should be some transparency on Caltrain's side with respect to the ridership. The public needs to know what is happening with the funds, how are they being distributed, how are salaries happening at the higher end and are these increases really necessary for the ridership to actually bear.

Jeff Carter, Burlingame, said he is opposed to the elimination of the 8-ride ticket and asked if the monthly pass will be next. The 8-ride ticket is a casualty of Clipper. A family of four can purchase an 8-ride ticket for a round trip and there is a savings. Point-to-point pricing needs to be considered. Please keep the 8-ride ticket.

Jim Fink, Monterey, said he is against paper only fare increases. All increases should be across the board and include Clipper and paper tickets. Monterey-Salinas Transit does not accept Clipper. This recommendation is punishing those who prefer paper ticket and paper records. Please keep the 8-ride tickets.

Andrew Johnson, San Mateo, said he teaches at Santa Clara University and uses the 8-ride ticket. He will be forced to purchase a Day Pass because the monthly pass is not beneficial to him.

Pat Giorni, Burlingame, asked where the social justice is for those passengers who do not make \$100,000 a year and who want to purchase a paper ticket at the station. There should not be an extra tariff burden on a person who does not have the extra funds in order to use Caltrain.

Andy Chow, Redwood City, said this proposal is premature and should coincide with a general fare increase. Eliminating the 8-ride ticket is unfair to passengers who do not travel enough during the month to use a monthly pass. MTC does not have an alternative to the 8-ride ticket.

Brinton Williams, San Francisco, said he rides Caltrain two to three days a week for work. The elimination of the 8-ride ticket doesn't solve anything. If the discount doesn't match the commitment then make the commitment larger. There is no alternative between those who ride a lot and the 8-ride passenger. Communication on the Codified Tariff was not clear at all to the public.

Adina Levin, Friends of Caltrain, said increasing the price of the GO Pass is a good thing but she is against the 8-ride and single ride ticket increase. The single ride passenger eventually will turn into a regular rider and should not penalize riders to increase ridership.

Paul Jones, Atherton, said he is a regular rider to the airport. He makes 10-12 trips annually to the airport a year and would like to see a round trip ticket that is valid for 30 days.

A motion (Kniss/Yeager) to close public hearing was approved.

Director Ken Yeager said one of the advantages of the Clipper Card is a person only uses the money on the card that is needed. The hope is anyone who uses public transportation would have a Clipper Card with e-cash on it.

Executive Director Michael Scanlon said there are instances where Clipper would work fine. In a perfect world a discount would be given to the people who use the service. Caltrain's financial situation is such that a discount cannot be given. Clipper does not have an application for an 8-ride ticket, but the card does bring convenience.

Director Liz Kniss said the real difficulty is getting the Clipper card loaded.

Chair Tissier said the discussion is occurring at MTC that there needs to be more locations to get a Clipper Card loaded. Change is difficult and Clipper is supposed to be easier and more convenient. The long-term goal is to have one card for regional transit.

### **PUBLIC COMMENT**

Jim Fink, Monterey, said Clipper should be an option. It is a great idea but not everyone is in a practical position to use it. The paper ticket option should always be available.

Jeff Carter, Burlingame, said he took the train on New Year's Eve and the service was very well run. A lot of people got off at Bayshore Station for the Forty Niner game. He asked how much money has MTC expended on Clipper and TransLink over the years and the problem is still not solved.

Pat Giorni, Burlingame, said last month there were 17 bike bumps all on Train 324. This month's bike bumps are up and maybe a third car should be added to the Bombardier consists. Would hate to see any Warm Planet customers have to bring their bikes on Caltrain simply for bicycle security purposes rather than their actual need, the first or last mile transportation when using Caltrain.

Doug DeLong, Mountain View, said the TVM is a metal box with a computer in it. If other transit agency machines that use to be a credit card mag stripe reader magically became a device that can read and write Clipper cards in the same physical envelope in the bezel why can't Caltrain's TVMs be swapped for a peripheral that can talk to Clipper cards.

### **CONSENT CALENDAR**

- a. Approval of Minutes of January 5, 2012
- b. Authorize Award of Contract to Day Wireless Systems for the Voice Radio Channel Base Station Improvements for the Narrowbanding Project for a Total Cost of \$50,834
- d. Authorize Approval of an Updated Policy Pertaining to Lost and Unclaimed Property

Item C was severed from the Consent Calendar because of public comment.

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

- c. Authorize the Seventh Amendment to Extend the Term of the Contract with Cypress Security, LLC for Provisions of Security Guard Services and to Increase the Estimated Contract Amount by \$115,400

### Public Comment

Jim Fink, Monterey, said there is a problem with Cypress Security. The problem is the security guard that works late at Diridon Station harasses people who are at the station. In Mr. Fink's case the security guard called the San Jose Police while he was waiting for the Monterey Salinas Transit bus.

The Board approved Item C on the Consent Calendar (Yeager/Cisneros).

### **CHAIRPERSON'S REPORT**

No report.

### **REPORT OF THE CITIZENS ADVISORY COMMITTEE**

CAC Chair Paul Bendix reported on their January 18 meeting:

- Received a presentation on the Codified Tariff and had a general discussion on the Clipper card.
- Director, Rail Transportation Michelle Bouchard gave an update on the parking at 22<sup>nd</sup> Street.

### **REPORT OF THE EXECUTIVE DIRECTOR**

Executive Director Michael Scanlon reported:

- Key Caltrain Performance Statistics
  - Monthly Performance Statistics – December 2011 compared to December 2010
    - Total Ridership was 1,036,826, an increase of 11.6 percent.
    - Average Weekday Ridership was 38,387, an increase of 10.1 percent.
    - Total Revenue was \$4,305,083, an increase of 27.1 percent.
    - On-time Performance was 94 percent, a decrease of 1.8 percent.
    - Caltrain Shuttle Ridership was 5,771, an increase of 38.9 percent.
  - Year-to-Date Performance Statistics – December 2011 compared to December 2010
    - Total Ridership was 6,898,319, an increase of 9.2 percent.
    - Average Weekday Ridership was 42,996, an increase of 7.8 percent.
    - Total Revenue was \$29,025,589, an increase of 24.3 percent.
    - On-time Performance was 93.4, a decrease of 0.4 percent.
    - Caltrain Shuttle Ridership was 6,818, an increase of 30.2 percent.
- Annual passenger counts started on January 18 and continue through February. Actual counts are avoided on certain days and final results will be presented at the earliest at the April Board meeting.
- Rail operator transition continues with negotiations with TransitAmerica. They are working closely with the unions and finalizing the demobilization process with Amtrak. Staff is drafting key contractual and regulatory submittals to the Federal Railroad Administration.
- Problems were experienced with the first Forty Niner playoff game with many extra riders. During the regular season ridership was insignificant. An extra southbound train was put into service for the championship game and an estimated 2,000 additional riders were carried between the special train and normal service.

- Special service:
  - Sharks have played four home games in 2012 with an additional 1,300 riders. Season to-date ridership has increased 34 percent over the same number of games last year.
  - The Annual Freedom Train, chartered by the Dr. Martin Luther King, Jr. Association of Santa Clara County, was operated on January 16. The train carried 975 celebrants which was a slight decrease of about 3 percent over last year.
  - Giants will hold their annual Fan Fest at AT&T Park on Saturday, February 4 from 10 a.m. to 3 p.m. Extra service will be provided before and after the event to accommodate the heavy crowds.
  - A modified Saturday schedule will operate on President's Day, Monday, February 20.
- San Bruno Grade Separation shoofly was completed and the cutover to the main shoofly was performed the same weekend without any problems.
- Santa Clara and South Terminal projects are going well with final punch lists items being done.
- Staff has been engaged on San Francisco Municipal Transportation Agency's (SFMTA) proposal to have metered parking in the area at 22<sup>nd</sup> Street and 4<sup>th</sup> and King. Bevin Dufty represented Caltrain at a meeting on January 30 on the issue. There has been quite a pushback on the proposal of adding meters in this area.
- The Bicycle Advisory Committee met on January 19. Carlos Babcock was elected chair and Shirley Johnson elected vice chair. A presentation was given on Warm Planet bike facility which led to a robust discussion of the priorities for a bike facility. The current operator gave the presentation and welcomed the opportunity to negotiate with Caltrain. It is and always has been staff's goal to keep the facility open.
- The reading file contains the President's Day timetable, flyer for SAP Open, most recent *Caltrain Connection* and Safety & Security Report.

Director of Caltrain Modernization Marian Lee said for the past month the Draft Capacity Analysis was available for public comment. A total of 15 comments were received and there were no comments questioning the viability of the blended system. The comments focused more on understanding the details behind the simulation model. Staff will be addressing the comments and responding to those that submitted comments. It is staff's goal to finalize the document by mid-February.

Ms. Lee said the comment period for the High Speed Rail (HSR) Business Plan is over and HSR hopes to have a final Business Plan in March. Caltrain submitted a letter to HSR and it highlighted the following:

- Appreciation for many of the policies that were in the Business Plan that supported local planning efforts.
- Staff also listed their ongoing concerns. The highlights of the good points are they included the Blended System concept in the Business Plan which is the project staff is trying to study locally. It identified in pursuing an environmental clearance approach for the HSR document that they would only study the blended system in their environmental clearance and if there were to be any expansions beyond that it would entail a separate

environmental process. This is important because staff has a lot of local concerns about clearing a larger project that would not have support.

- The Business Plan discusses early investment in the book ends. Looking at the phasing of the project you start at the center and move out. But in one of the key chapters of the Business Plan it states it does not necessarily need to be done sequentially and there is an understanding that early investment in existing rail systems, including Caltrain, makes sense and HSR wants to partner with the local agencies in doing so.

Staff said they appreciated the policies imbedded in the Plan. Staff has made it clear in the letter that this is not a design option being pursued locally. There is some leading text in the Business Plan that potentially makes a case that after the center is finished they will move south. Staff has expressed they need to come out with a very comprehensive criteria making the determination if they will go north or south after completion of the central segment. Most importantly there were ridership numbers in the Business Plan and staff did not focus on dissecting the integrity of the model, but did focus on trying to understand the impact of the HSR riders on the Caltrain system for each phase of their project. As high speed riders transfer to Caltrain staff needs to understand what the impacts are so a meaningful dialogue about mitigation can occur.

Ms. Lee said HSR is looking to finalize their Business Plan in March and they have been reaching out to the existing regional agencies that will be connecting to their system and having the dialogue about early investments in the book ends. HSR has reached out to Los Angeles and the Bay Area talking about what those early investments will be. Staff has been continuing to advocate for the two projects that this Board has asked staff to prioritize, the advanced signal system and the electrification of the Caltrain system. Staff is also thinking if there are other projects that might be able to advance like a San Bruno type of grade separation project or if there is any other critical infrastructure upgrades that need to be prioritized. Examples might include bridge upgrades or tunnel upgrades. This must all be done without compromising the blended system planning that is in place with the local cities and county.

Ms. Lee said in addition to the Business Plan HSR has also released a revised programmatic environmental document. This is in response to a lawsuit from Atherton. Comments are due February 21 so staff will be reviewing and reporting back if there are any pertinent issues.

#### Public Comment

Pat Giorni, Burlingame, said now that the blended two track system has been committed for HSR and Caltrain has spent a fortune redesigning the platforms to get rid of the hold out rule is HSR going to bring back a hold out rule.

Director Kniss asked if staff has looked at Silicon Valley employment for the past 15 years and is this a good indication of an improvement in the job market.

Mr. Scanlon said staff looks at shuttle ridership because those are mostly employer supported and is the best indicator on overall ridership. It is too early to see the effects on the tax free transit benefit.

Mr. Scanlon said the platform height issue will not be driven by HSR but by notice of proposed rulemaking that has to do with common platform heights and level boarding for new stations.

**ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR DECEMBER 2011**

Deputy CEO Gigi Harrington said revenue is up \$4.2 million and the majority is farebox. On the expense side there are savings of \$2.2 million. A budget amendment was done in January and that is not reflected in this report. Next month's statement will reflect the increase for fare revenue by \$3.5 million and the increase on the expense side by \$2 million. Last week fuel was \$3.05 per gallon last week and year-to-date fuel is \$3.10 per gallon.

A motion (Cisneros/Yeager) to accept the December 2011 statement was approved unanimously.

**ACCEPTANCE OF QUARTERLY INVESTMENT REPORT AND FIXED INCOME MARKET REVIEW AND OUTLOOK FOR THE QUARTER ENDED DECEMBER 31, 2011**

Bill Osher from CSI Group SunTrust Bank, said the portfolio is getting smaller as securities achieve and move into a more liquid form. The portfolio is very safe and there are no credit issues. The only issue is the portfolio doesn't yield much. Last year was a very unusual year with sequential growth in the economy. Contrast with what is going on in Europe the issue is confidence. In our markets today the financial markets have a lot of confidence that our country will make good on all its debts.

A motion (Lloyd/Yeager) to accept the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2011 was approved unanimously.

**AUTHORIZE AN AMENDMENT TO INCREASE THE FISCAL YEAR 2012 CAPITAL BUDGET IN THE AMOUNT OF \$610,863 FOR TRAFFIC PREEMPTION IMPROVEMENTS FOR A NEW CAPITAL BUDGET OF \$62,087,679**

Manager of Budgets Eva Goode said Staff Coordinating Council (SCC) recommends the Board amend the Fiscal Year 2012 Capital Budget by \$610,863 for existing traffic preemption projects in Santa Clara and San Mateo counties. Over a year ago \$3.1 was received for these projects and the California Department of Transportation has approved some additional Federal Highway Administration funding for these projects. There is no member agency match required.

A motion (Yeager/Kniss) to authorize amending and increasing the Fiscal Year 2012 Capital Budget by \$610,863 for a new Capital Budget of \$62,087,679 was approved unanimously by roll call.

**AUTHORIZE REVISION TO THE JPB'S DISADVANTAGED ENTERPRISE PROGRAM TO INCLUDE A SMALL BUSINESS ENTERPRISE (SBE) PROGRAM**

Disadvantaged Business Enterprise (DBE) Officer Raymond Lee reported:

- The small business element, required by U.S. Department of Transportation, is to be race-neutral and ensures a level playing field.
- This plan must be submitted to the Department of Transportation by the end of February.
- The SBE Evaluation Committee evaluated more than 15 options as well as those offered by the California Department of General Services, Santa Clara Valley Transportation Authority and SFMTA.
- A preference program is most beneficial for the agency. It is consistent with AB116 and will apply to all contracts.

- Committee recommended a comprehensive SBE program to include:
  - One of three price quotations from a small business for informal procurements.
  - SBE/DBE database for sourcing needs.
  - Facilitate interaction between prime contractors and subcontractors.
  - Applying a 5 percent SBE bid or point preference when small businesses are utilized.
- There is no budgetary impact on the first three elements. A 5 percent SBE bid preference may have a budget impact.
- The SBE implementation schedule includes plan submission to the Federal Transit Administration by February 28 and roll out in April. Staff will have a vendor and contractor outreach event.

Chair Tissier asked on Invitation for Bids (IFB) would there be a list of companies that staff would only reach out to. Mr. Lee said no it would go out to the general public.

Chair Tissier asked if there is a geographic area for the general public. Mr. Lee said the bid is advertised on the website and solicitation notices are sent to companies within the nine Bay Area counties and to firms who have previously expressed interest.

Chair Tissier asked if local preference is given. Mr. Lee said no, but a vast majority of SBE companies are local.

Director Malia Cohen asked how large the database is. Mr. Lee said there are approximately 22,500 firms in the database.

Director Cohen asked what was previously in place and what model is this structured after. Mr. Lee there was no SBE previously and it is structured after the State of California's model which has been used quite often. Recently the Bay Area Rapid Transit District implemented a preference program similar to this one, but their cap is not \$50,000.

Director Cohen asked where the \$50,000 cap came from. Mr. Lee said the State has a cap of \$50,000.

Director Kalra said this will have more impact in small businesses and not minority or women owned companies. Mr. Lee said if a company meets the goal they are given the preference.

A motion (Cisneros/Kalra) to authorize the revision to the JPB's DBE program to include a SBE program was approved unanimously by roll call.

**AUTHORIZE AWARD OF CONTRACT TO BECI ELECTRIC, INC FOR THE  
ADVANCED TRAVELER INFORMATION SYSTEM II – PUBLIC ADDRESS SYSTEM  
UPGRADE SAN FRANCISCO CALTRAIN STATION PROJECT FOR A TOTAL COST  
OF \$199,000**

Cheryl Cavitt said SCC is recommending the Board award a contract to BECI Electric, Inc. for an upgrade to the public address system at the San Francisco Station for a total cost of \$199,000.

A motion (Yeager/Cisneros) to award a contract to BECI Electric, Inc. for the public address system upgrade at the San Francisco Caltrain Station for a total cost of \$199,000 was approved unanimously by roll call.

Director Kniss left at 11:54 a.m.

### **APPROVAL OF THE 2012 LEGISLATIVE PROGRAM**

Government Affairs Manager Seamus Murphy said SCC is recommending approval of the 2012 State and Federal Legislative Program. Every year the Board adopts a legislative program that helps achieve two primary goals. The first is a document to share with key stakeholders, including legislative delegation, that gives them a better understanding of what our goals and priorities are throughout the year and what kind of strategies and tactics we may pursue to achieve those goals. The second purpose is to provide a framework to staff that is broad enough to include all the issues that we expect to face throughout the year and flexible enough to allow staff to respond quickly and effectively as different legislative proposals emerge. Last year the program led staff to support five bills in the legislature. All five of the bills passed including the gas tax swap legislation which maintains funding for the State Transit Assistance Program.

At the Federal level the program helped guide our efforts to work with national coalitions and advocacy groups to maintain appropriated and authorized funding for existing transportation programs in the face of proposals from the House that wanted to cut those programs by up to 30 percent.

This year the program has been updated to reflect some change in conditions. Major revisions are the inclusion of the gas tax swap which changed the way transit operating funds are allocated to transit operators and also has limited the availability of capital dollars to the program. Focuses on efforts to restore capital funds and ensure the sale of infrastructure bonds happens and the proceeds of those sales are directed to transportation and infrastructure programs. The other change has to do with AB32 cap and trade. This is the first year the cap and trade revenues will be available for different programs and it ensures a portion of cap and trade revenues are allocated to transportation needs throughout the state. The third main revision has to do with the HSR program. It reflects the State's new approach to HSR on the Caltrain corridor and ensures staff remains focus on identifying and supporting policies that will advance Caltrain study of a blended system with integrated Caltrain and HSR service on the Peninsula.

A motion (Lloyd/Yeager) to approve the 2012 Legislative Program was approved unanimously.

### **LEGISLATIVE UPDATE**

Government Affairs Manager Seamus Murphy reported:

#### State

- The deadline for submitting bills in the legislature is February 24 and there are a couple of spot bills staff is focusing on.
  - AB1444 would extend some of the California Environmental Quality Act (CEQA) streamlining provisions that were authorized by legislation last year for residential and clean energy projects. It would extend those same CEQA streamlining provisions to rail and transit projects that meet the specified conditions of the bill.

- AB1532 is another key piece of legislation that would specify how cap and trade revenues are allocated so staff will be paying close attention to this to make sure transportation needs are addressed as this bill is written.
- Assemblyman Jerry Hill is introducing a bill that would allow Caltrain to ask voters to approve a sales tax increase for transportation improvements across all three counties. The bill is a result of polling conducted by the Silicon Valley Leadership Group that showed this option is a politically viable one. It would not be eligible for the 2012 election cycle and it may not make sense to pursue the approach at, but staff felt it was important as a number of options are being considered to address this situation.

### Federal

- Significant progress has been made on reauthorization of the Surface Transportation Program. There have been a number of bill mark-ups. The House Transportation and Infrastructure Committee is marking up their bill today. It does not propose to cut transportation programs by over 30 percent this time. There are issues with the bill. It depends on oil drilling revenues from expanded oil drilling operations and those aren't revenues that are guaranteed. The biggest problem is the Mass Transit Account which is where Caltrain formula funds come from is severed from the Highway Trust Fund. If the Mass Transit Account is severed from the Highway Trust Fund that means there is no firewall guaranteeing that the gas tax funds will flow to Mass Transit Account programs. The Mass Transit Account would be fully dependent on the Federal General Fund and that means offsets would have to be identified from existing General Fund programs in order for transit programs to be funded at all.
- The Rail and Transit Title bill is being marked up today. This is a short-term, two-year bill that still maintains existing programs, but the revenue solution for this bill is going to be slightly different from the House revenue solution using oil revenues. Staff doesn't know what it will be yet. The Finance Committee marks up their title for the bill next week.

### **FISCAL YEAR 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

No discussion.

### **CORRESPONDENCE**

No discussion.

### **BOARD MEMBER REQUESTS**

None

### **DATE/TIME/PLACE OF NEXT MEETING**

The next meeting will be Thursday, March 1, 2012, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

**GENERAL COUNSEL REPORT**

Legal Counsel David Miller said there is no need for a closed session today and this item will be continued until next month.

**ADJOURNED**

Adjourned at 12:03 p.m.