

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

MINUTES OF DECEMBER 3, 2015

MEMBERS PRESENT: J. Cisneros, M. Cohen, J. Gee, R. Guilbault, T. Nolan,
A. Tissier (Chair)

MEMBERS ABSENT: P. Woodward, K. Yeager

STAFF PRESENT: J. Ackemann, J. Averill, M. Bouchard, J. Cassman, C. Fromson,
G. Harrington, J. Hartnett, C. Harvey, M. Lee, M. Martinez,
N. McKenna, S. Murphy, M. Simon, S. van Hoften

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

PUBLIC COMMENT

Jeff Carter, Millbrae, said people did not know a Saturday schedule would be run on Black Friday, so customers were upset. A Saturday schedule is inadequate for Black Friday. A modified weekday schedule should be run if not a regular weekday schedule.

Bharath Baiju, San Bruno, said he is a student and the lack of a student discount is troubling. Traveling across four zones costs him nearly \$3,000 per year. Many college students would like to use Caltrain but don't because of the expense.

CONSENT CALENDAR

- a) Approval of Minutes of November 5, 2015
- b) Acceptance of Statement of Revenues and Expenditures for Fiscal Year (FY) Ending June 2015 (Unaudited)
- c) Acceptance of Statement of Revenues and Expenses for October 2015

Public Comment

Roland Lebrun, San Jose, asked why FY2015 is still unaudited and why the Board is being asked to approved an unaudited statement. He asked for an update on the Chief Financial Officer recruitment.

Motion/Second: Nolan/Gee

Ayes: Cisneros, Gee, Guilbault, Nolan, Tissier

Absent: Cohen, Woodward, Yeager

CHAIRPERSON'S REPORT

Resolution of Appreciation for Outgoing Director Tom Nolan

Chair Tissier presented a resolution of appreciation to Director Nolan for his most recent four-year tenure on the Board as a representative of the San Francisco Municipal Transportation Agency (SFMTA).

Public Comment

Jeff Carter, Millbrae, said Director Nolan has been a great leader. He thanked Director Nolan for his service.

Andy Chow, Bay Rail Alliance, said he appreciates Director Nolan's hard work.

Motion/Second: Cisneros/Guilbault
Ayes: Cisneros, Gee, Guilbault, Nolan, Tissier
Absent: Cohen, Woodward, Yeager

Director Malia Cohen arrived at 10:17 a.m.

Appointment of Director Jeff Gee to the Transbay Joint Powers Authority

Motion/Second: Cisneros/Guilbault
Ayes: Cisneros, Cohen, Gee, Guilbault, Nolan, Tissier
Absent: Woodward, Yeager

Appointment of Nominating Committee for 2016 Officers

Director Tissier appointed Directors Cohen, Gee, and Ken Yeager to the nominating committee for 2016 officers.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

Adina Levin, CAC Member, said at its November 18 meeting, the CAC discussed the proposed fare changes. The CAC is happy that the JPB will be conducting a comprehensive analysis of the fare structure. The CAC felt they did not have enough information to support staff's recommendations on this fare change. They did not understand why this change would be appropriate, why there should be a change to the base versus the zone, and why there is not a bigger increase to parking. The CAC questioned if congestion pricing would be appropriate and if there are equity concerns or opportunities. The CAC also have budget questions about the cost increases and if they justify the change.

Public Comment

Roland Lebrun, San Jose, said the CAC does not often get an action item to support. In this case they voted against the recommendation and were vocal about why. Customers feel the same way that the CAC does.

REPORT OF THE EXECUTIVE DIRECTOR

Jim Hartnett, Executive Director, said:

- Special event service includes:
 - San Francisco 49ers games at Levi's Stadium, ridership is not as high as last year
 - Stanford football, ridership is higher than last year
 - San Jose Sharks
 - Pac-12 championship football game at Levi's Stadium
 - The Holiday Train on December 5 and 6, sponsored by the Silicon Valley Community Foundation, will feature costumed characters and thousands of decorated lights, and toys will be collected
 - Regular weekday service will run on service on Christmas eve

- Sunday service will run on Christmas day
- Regular weekday service will run on New Year's Eve along with four additional post-fireworks trains departing San Francisco late at night and fares will be free after 8 p.m.
- Staff is continuing work with the Santa Clara Valley Transportation Authority (VTA) on the light-rail efficiency project to be up and running by end of the year to serve the Super Bowl crowds.

Director Cohen asked how much outreach the Super Bowl Host Committee has done with the JPB concerning coordinating transportation. Mr. Hartnett said there has been a tremendous amount of coordination with regional partners in transportation including SFMTA, VTA, and Bay Area Rapid Transit (BART). The JPB also has extensive security cooperation from the national level downward with highly coordinated security plans and substantial training. She invited staff to a public hearing of the Land Use Committee on December 7 where the committee will discuss transportation for the Super Bowl events.

KEY CALTRAIN PERFORMANCE STATISTICS – OCTOBER 2015

Michelle Bouchard, Chief Operating Officer, Rail, said:

- There has been a decrease in month-over-month ridership; however, last year in October, Caltrain carried more than 100,000 additional riders for Giants games and the Giants victory parade. When the numbers are calibrated to take out those additional riders, which did not exist this October, ridership is still up 4.6 percent.
- For the year ridership is up 3.2 percent. Ridership will decrease as a natural trend in winter. Since rain is expected this year staff is emphasizing with Transit America Services, Inc. to focus on the safety of riders to prevent slips, trips, and falls.
- Staff got important work done in Burlingame at the Broadway and Bayswater crossings to advise vehicles to keep clear of the right of way and staff will monitor how well the signage works.

Public Comment

Roland Lebrun, San Jose, said ridership increases have petered out over the last few months because the system is at maximum capacity. Ridership went up 3.2 percent but total farebox revenue went up 5.4 percent. He said this means Caltrain does not know how to count passengers. He said he has made multiple suggestions about how to address capacity. The Gallery cars have fewer seats than Bombardier cars, and the Bombardier trainsets now have six cars while the Gallery sets only have five. This problem has to be fixed immediately. Nothing is being done to increase capacity.

Jeff Carter, Millbrae, said he made a suggestion to the CAC to explore the possibility of using cameras at the grade crossing intersections including Broadway and Bayswater in Burlingame to explore the feasibility of enforcement through cameras. He thinks it would be worth it for Caltrain.

AUTHORIZE ADOPTION OF REVISED CODIFIED TARIFF, ADOPTION OF FINDINGS FOR A STATUTORY EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), AND APPROVAL OF ASSOCIATED TITLE VI EQUITY ANALYSIS

Seamus Murphy, Chief Communications Officer, said staff is recommending the Board approve the fare proposal that includes a 50-cent increase on base and 50-cent increase on parking and associated CEQA and Title VI analysis.

Mr. Murphy presented:

- Objectives
 - Generate revenue to support increased operating and maintenance needs
 - Support strategic plan focus area
 - Caltrain will establish financial stability, minimize its operating subsidy and fund system improvements
 - Develop strategies to increase returns from existing revenue streams
- Fare Products
 - Adult One-way: \$3.75 base plus \$2 per zone
 - Day Pass: two times one-way fare
 - Clipper: 15 percent discount
 - Go Pass: three-zone monthly pass
- Staff Recommendation
 - Increase base fare by 50 cents (effective February 28)
 - Maintain 15 percent Clipper discount
 - Maintain 50 percent Eligible Discount fare
 - Increase parking fees (effective July 1)
 - Title VI analysis confirms changes will have no disparate impact on minority riders or disproportionate burden on low-income riders
- Public Input
 - 54 comments received
 - Revenue needed to support increasing costs
 - Go Pass increases to \$190 in January 2016
 - Metropolitan Transportation Commission (MTC) fare equity analysis
 - Comprehensive fare study
- November 5 Public Hearing
 - Two-year incremental increase option
 - One-time increase: \$10.6 million
 - Incremental increase: \$6.8 million
 - Discounted fares: 50 percent of full fare
 - Senior: 65 years old or older
 - Disabled
 - Youth: 18 years old or younger (one child under five years old travelling with an adult is free)
- Fare History
 - 2011: Base fare increased from \$2.50 to \$2.75
 - 2011: Zone fare increased from \$1.75 to \$2
 - 2012: Base fare for paper tickets increased to \$3; Clipper base fare remained at \$2.75

- 2014: Base fare for paper tickets increased to \$3.25; Clipper base fare remained at \$2.75
- Parking Fee History
 - 2011: Daily fees increased from \$3 to \$4; monthly fees increased from \$30 to \$40
 - 2013: Daily fees increased from \$4 to \$5; monthly fees increased from \$40 to \$50
- Fare Comparison to Nine Other Rail Transit Agencies
 - Per mile
 - Caltrain today is at the average for the cash fare, with increases would be one cent above the average
 - One-way cash fare
 - Caltrain is 31 cents below the average today, would be 19 cents above the average with the increase
 - Maximum travel for all zones, with increases Caltrain would be below the average, with the Gilroy extension Caltrain would be above the average
 - Monthly Pass
 - Today and with increase Caltrain is below the average
- Ridership has increased 2.3 times since FY2004
- Farebox revenues have increased 4.03 times since FY2004
- Farebox recovery ratios have increased 30 percent since FY2008
- Operating Costs
 - Increased due to aging fleet, which leads to increased maintenance, and increased demand for special service
 - New costs projected for the Communications-based Overlay Signal System (CBOSS)/Positive Train Control (PTC) and electrification projects and Electric Multiple Unit (EMU) procurement
- Operating expenses continue to increase
- Operations and maintenance is forecasted to increase
- New Revenues
 - 50-cent base fare increase = \$7.9 million
 - Parking fee increase = \$400,000
- Outreach
 - Community meetings
 - Presentation to CAC
 - Public hearing
 - Social media
 - Website
 - Newspaper notices
 - News release
 - Onboard flyers
 - Visual messages at stations
 - 35 comments received

Public Comment

Roland Lebrun, San Jose, said there is nothing that talks about reducing expenses or increasing ridership. More service equals more passengers, which equals more revenue. There should be an immediate moratorium on Go Passes. The farebox

recovery is going to drop in FY2016 because trains are shot and operations and maintenance will take away \$50 million a year from the budget. Over the next five years, \$250 million will be wasted. Caltrain should have EMUs right now that can run on diesel while waiting for electrification.

Andrew Boone, East Palo Alto, said he does not understand why the budget is going up. He asked why the JPB needs this set of increases that excludes the consideration of raising the cost of Go Passes. There was no analysis of how much revenue could be raised with a Go Pass increase. Fares are going up on passengers, and this is a problem because people who don't make a lot of money can't use the train. Low-income people are being excluded. There is no sufficient analysis of alternatives.

Jeff Carter, Millbrae, said Caltrain needs dedicated funding so it does not have to rely on fares and one-time funds. He said he looks forward to seeing the fare study because the zones should be changed to station-to-station pricing to make fare increases less burdensome. There should be a student discount and there should not be peak period pricing because it makes things more complex. Caltrain riders pay more than BART.

Director Cohen asked if Mr. Carter thinks a ballot measure resulting in a tax is an appropriate way to find dedicated funding. Mr. Carter said yes, some tax measure would create dedicated funding.

Dora Tello said she might consider transportation alternatives with this increase. She said corporations that use Go Passes will pay \$190 a year when the price increases in January, but regular commuters pay \$296.80 per month. That is a \$3,000 difference.

Doug DeLong, Mountain View, said there should be a discount for low-income riders. Service is underpriced since it is being crushed by the amount of customers. He said there are elements of this proposal and the Codified Tariff that are not up to Caltrain's standards.

Adina Levin, Friends of Caltrain, asked when the fare structure study will be available. She said there should be a stable source of funding. The MTC study may be helpful, but the study may not look at rail service because low-income riders tend to use bus services instead of rail service.

Andy Chow, Redwood City, said customers traveling within San Jose but south of Tamien have to pay an extra zone charge from Capitol and Blossom Hill stations, and there are only three trains in the morning and three trains in the afternoon at those stations. He asked for a pilot program to waive the extra zone charge to encourage people to park at and use those stations instead of parking at Tamien and Diridon. SamTrans is adjusting fares on Route KX, which runs to and from San Francisco. Because of the fare differential coming from San Francisco, there will be an extra charge to take Route KX. He asked to allow Caltrain users who have the Monthly Pass with two or more zones to take Route KX without an extra fee, which may alleviate the capacity crunch on Caltrain.

Director Jose Cisneros said he is going to support the increase because during his time on the Board the JPB has had to come too often to the budget discussion where it had to consider cutting service because there was not enough revenue. He is constantly reminded of that concern and the vital need for this revenue to maintain the level of service customers want. He is consoled by the comparison analysis that shows Caltrain is not out of line with costs compared to peer transit agencies. He said he is mindful of what he has heard from the public. He is looking forward to the comprehensive fare study. In that study he hopes to see all the recommendations from the CAC, what congestion pricing can do, the Go Pass pricing, discounts for low-income riders, which universities are using the Go Pass and what the cost would be to the system if the standard discount was offered to any student not covered by the Go Pass option, station-to-station pricing and the zone structure, and a comparison of what peer agencies charge for parking. He appreciates the feedback. This matter will never go away until a dedicated revenue source is implemented. Until then, this funding option is what the JPB is left with.

Director Nolan said in San Francisco, Muni Transit is free for low-income students, seniors, and persons with disabilities. Part of the rationale was to get young people used to riding the system so they would be supporters in the future. About 10 percent of the ridership is riding for free. He would like the JPB to look at that possibility. Muni also indexes fares, which allows the agency to build on expectations that it is going to happen, and he would like Caltrain to consider that as well.

Director Cohen said she has mixed feelings about supporting this. She said the free Muni for youth was incredibly difficult to get done. The 54 comments from the public are not very much. She said the concerns from the CAC do not jive well with the public input that was reported to the Board. She said it is good to hear translation services were offered at the public meetings. She said she is intrigued by stop-by-stop pricing, and congestion pricing may be an opportunity. She said she will be voting no on the proposal but will continue to work with staff to look at other revenue options. The dedicated revenue source is a great idea and more time and energy should be spent to make that happen. She said this is a system that should not be excluding people from participating in, and increasing the prices would lead to that exclusion.

Chair Tissier said years ago she had to fight to keep the train service from being cut in half. The JPB can't keep the existing service without increasing fares. Ridership is increasing, and it is an old system that costs money to maintain. She likes some of the ideas that were brought up for the future. Some of the changes can't be made right at this very moment, but many can be studied. She said she can't say Caltrain should not have these increases because the only way to keep service is to raise fares since there is no dedicated funding. Everyone wants the train service but no one wants to pay for it. She said the Board must pass this increase today.

Director Rose Guilbault said she is persuaded by the desperate budget needs Caltrain has and she doesn't see another way to support the budget needs at this time without these increases. She agrees with her colleagues about the need for a dedicated source of income. She likes the suggestion for the public to help find dedicated funding. She is also persuaded by the comparisons of other systems because Caltrain is right on par. She is concerned about students, and she is empathetic about the cost to

students and seniors to ride the train. She would like the study to consider pricing for students and seniors and Go Passes.

Director Gee said as Caltrain benchmarks its cost per mile against peer agencies, those agencies at least have some form of funding source. The entire budget is discretionary based on customers riding Caltrain and the JPB partners making a contribution every year. He asked how the JPB could not look at balancing the budget and planning for costs going forward based on a discretionary revenue stream. Every year in a down economy, the budget conversation is about balancing the budget without cutting service because the service is needed. This proposal is based on operating expenses. If Caltrain budgeted properly, it would budget for operations and capital replacement. No one does that or uses that asset management strategy in this country. When people talk about Go Pass pricing, the assumption is that 100 percent of the employees of a company are using the Go Pass. The terms of the Go Pass is if there are 1,000 employees at a company, that company has to purchase 1,000 Go Passes even though not all employees use the train. The number of employees is less than 50 percent. Even if 500 employees used the Go Pass, that would turn out to \$320 per Go Pass, not the \$160 that people claim. He said the survey should have included a question about supporting a dedicated funding source. Without a dedicated funding source, the only way to fund Caltrain is through fares and the partners. Without a dedicated funding source and an adequate funding stream, when Caltrain goes to borrow money, the borrower will look at where the money will be coming from and may not say yes.

Motion/Second: Nolan/Cisneros
Ayes: Cisneros, Gee, Guilbault, Nolan, Tissier
Noes: Cohen
Absent: Woodward, Yeager

Mr. Hartnett said staff heard what elements the Board feels are important for the fare study. The comments suggest a fundamental shift in how the fare policy is applied, and it deserves a full and complete study. A dedicated source of funds is an internal priority for staff and the reorganization of the management team frees up personnel for a focus on that topic. It is a multi-year effort and would likely require something on the ballot. He said the organization acknowledges the time has come to find a revenue source.

Joan Cassman, Legal Counsel, said the Codified Tariff is very clear of what the changes will be, and attached to it is a chart that explains the fares per zone and ticket type.

AUTHORIZE AWARD OF CONTRACT TO SOUTHWEST CONSTRUCTION AND PROPERTY MANAGEMENT FOR UPGRADES TO THE SAN FRANCISCO CREW FACILITY FOR A TOTAL COST OF \$579,181

Gig Harrington, Deputy CEO, said the condition of the San Francisco crew quarters is appalling. Some employees have long layovers and need a place to rest.

Public Comment

Roland Lebrun, San Jose, said staff should be well rested to provide good and safe service, but asked why sleeping rooms are needed and how much time people will be

staying there. He asked why the employees can't just use a regular rest area with sofas and coffee.

Motion/Second: Cisneros/Nolan

Ayes: Cisneros, Cohen, Gee, Guilbault, Nolan, Tissier

Absent: Woodward, Yeager

SAN MATEO BRIDGES PROJECT UPDATE

Ms. Bouchard presented:

- Project Scope
 - Replacing four existing 112-year-old bridges in San Mateo
 - Bridge design requires construction of berm supported by new retaining walls
 - Track lift through project area to improve roadway clearances
- Project Schedule and Budget
 - Project contract awarded August 2014
 - Contract authority is \$22.9 million
 - Construction began December 2014
 - Anticipated completion summer 2016
 - Project preceded by site preparation in the extremely constrained right of way
- Project Challenges and Complexity
 - Extremely complex site conditions and project requirements (dense vegetation, homes encroaching on right of way, utility relocation/ installation of PTC, Caltrain service continuity, temporary road closures)
 - Project adapts design and schedule as required to respond to unanticipated conditions (retaining wall modifications, project acceleration to mitigate delays)
 - Utility relocation and installation minimizes additional efforts required by the Union Pacific and PTC project
 - Major milestone achieved with the Tilton Bridge replacement
- Tilton Bridge Replacement
 - Bridge replacement completed after revenue service on November 6 through November 7
 - Bus bridge between Burlingame and San Mateo accommodates passengers during shutdown
 - Train 422 operated as scheduled across the new bridge on November 8
 - Debriefing held to determine lessons learned for the next bridge replacement at Monte Diablo
- Next Steps
 - Replacement of Monte Diablo Bridge on December 19

Director Cohen asked for an update on the Quint Street Bridge. Ms. Bouchard said there is a slow order on the bridge and complex utility relocation is being done. That bridge will not be replaced; staff will be building up the berm, and it should be completed by summer 2016.

Director Cohen left at 11:46 a.m.

Public Comment

Jeff Carter, Millbrae, said some people did not know there was going to be a bus bridge and a different schedule and that the northbound platform would not be in use. There were announcements and the Predictive Arrival/Departure System was used and there were flyers, but not everyone saw them. More signage should be used next time.

OVERVIEW OF SOCIAL MEDIA PROPERTIES AND PROGRAM GROWTH

Jayme Ackemann, Communications Manager, presented:

- Social Properties
 - Caltrain has a presence on numerous social media sites, including Facebook, Twitter, LinkedIn, YouTube, Instagram, and others
 - Caltrain has 52,009 followers across the primary networks
 - Total monthly impressions in October: 3,425,610
 - Total monthly clicks to website in October: 8,000
- Other Platforms
 - Constant Contact – 2,280 subscribers
 - WordPress – 2,749 monthly visitors
- Expected Growth:
 - More than 100 percent
- #CaltrainSafe Campaign Results
 - Total spent: \$200
 - Total impressions: 12,650
 - Total engagement: 259
 - Cost per engagement: \$0.77
- Cutting Through the Noise
 - Tone is important and the social media officer has a warm way of engaging with customers
- Next Steps
 - Program expansion
 - Hire Social Media Specialist
 - Purchase social media monitoring and response software
 - Increased use of social media to support marketing and service goals
 - Customer service support
 - For every one call to Caltrain's customer service line, nearly 17 customers interact with the agency using social media
 - Customer service social monitoring and one-on-one response/customer support

Public Comment

Roland Lebrun, San Jose, said the Board just approved a \$10 million fare increase, and now the JPB is going to hire a social media specialist for \$100,000 to \$200,000 per year. This does not improve the system in any way. A way to improve the system is to use the private sector. The private sector would create a world class web experience. The private sector would also pay to run their trains on Caltrain tracks, they would pay for trains, and would provide a 30 percent discount on what customers pay for Caltrain.

Adina Levin, Friends of Caltrain, expressed appreciation for the Caltrain social media team for their presence and communicating with riders to address issues. There may be

an opportunity to integrate social media with customer management software to log issues so customers could see the results of those interactions.

LEGISLATIVE UPDATE

Casey Fromson, Government Affairs Officer, said the House and Senate Conference Committee released the Fixing America's Surface Transportation Act. The House passed the bill and the Senate is expected to follow. This is a five-year, \$281 billion authorizing bill for highway, rail and transit programs. Transit and state of good repair programs are expected to receive an 18 to 20 percent increase over current funding levels. It raises the domestic share of components for rolling stock from 60 percent to 70 percent by FY2020 as well as increases the liability cap on passenger rail accidents from \$20 million to \$295 million. It provides \$200 million to help railroads implement the PTC program.

CAPITAL PROJECTS QUARTERLY STATUS REPORT – 1ST QUARTER FY2016

Ms. Harrington said the stoplight page is provided. The agency is in the middle of a system conversion and when it is finished, staff will produce the remainder of report and provide it at a later date.

Public Comment

Roland Lebrun, San Jose, said this is just a bunch of flags. This is the report where he found the Disadvantaged Business Enterprise participation scandal. He said the Board should defer approval of this report.

Chair Tissier said this report is for information only.

CORRESPONDENCE

No discussion.

BOARD MEMBER REQUESTS

Director Gee said he went to China and used the train extensively. The EMUs in China go 193 kilometers per hour and high-speed rail goes 308 kilometers per hour and were a great ride. When they plan for new cities, they plan around public transit including train stations and bus depots. The problem in California is trying to fix development because the land-use cannot be changed.

GENERAL COUNSEL REPORT

No report.

DATE/TIME/PLACE OF NEXT REGULAR MEETING

The next meeting will be Thursday, January 7, 2016, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

Adjourned at 12:05 p.m.