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**JPB Citizens Advisory Committee
1250 San Carlos Avenue, San Carlos, CA 94070
Bacciocco Auditorium, 2nd Floor**

MICHAEL J. SCANLON
EXECUTIVE DIRECTOR

AGENDA

June 16, 2010 - Wednesday

6:00 p.m.

STAFF LIAISON: Michelle Bouchard, Director, Rail Transportation

1. Pledge of Allegiance
2. Roll Call
3. Approval of Meeting Minutes of May 19, 2010
4. Public Comment
Public testimony by each individual speaker shall be limited to three minutes
5. Chairperson's Report (J. Hronowski)
6. Staff Report (M. Bouchard)
7. Committee Comments
8. Date, Time and Place of Next Meeting
July 21, 2010 at 6:00 p.m., San Mateo County Transit District Administrative Building, 2nd Floor Bacciocco Auditorium, 1250 San Carlos Avenue, San Carlos, CA
9. Adjournment

All items on this agenda are subject to action

CAC MEMBERS: **San Mateo County:** Paul Bendix, Gerald Graham, Sepi Richardson
San Francisco City & County: François Granade, John Hronowski (Chair), Mona Tekchandani
Santa Clara County: Bruce Jenkins, Cat Tucker, Brian Wilfley (Vice-chair)

INFORMATION TO THE PUBLIC

If you have questions on the agenda, please contact the Assistant District Secretary at 650.508.6223 or cacsecretary@caltrain.com. Agendas are available on the Caltrain Web site at www.caltrain.com.

JPB and Citizens Advisory Committee (CAC) meeting schedules are available on the Caltrain Web site.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, CA, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The office is also accessible by SamTrans bus routes: 390, 391, 295, 260, and KX. [CLICK HERE FOR MAP.](#)

The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 6 p.m. at the same location. Date, time and place may change as necessary.

Public Comment

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

Members of the public may address the Committee on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to three minutes and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

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Availability of Public Records

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

**Peninsula Corridor Joint Powers Board (JPB) Citizens Advisory Committee (CAC)
San Mateo County Transit District Administrative Building
1250 San Carlos Avenue, San Carlos CA 94070**

MINUTES OF MAY 19, 2010

MEMBERS PRESENT: P. Bendix, F. Granade, J. Hronowski (Chair), B. Jenkins,
S. Richardson, M. Tekchandani, C. Tucker, B. Wilfley

MEMBERS ABSENT: G. Graham

STAFF PRESENT: T. Bartholomew, L. Bhuller, M. Bouchard, A. Chan, R. Lake

Chair John Hronowski called the meeting to order at 6:01 p.m. Mona Tekchandani led the Pledge of Allegiance.

Approval of Minutes

Chair Hronowski added the following to his chairperson's report at the bottom of page 1 of 6:
"There were three openings on the CAC."

Bruce Jenkins said he, not Brian Wilfley, made the comment about the Peninsula Conservation League on page 4 of 6.

The Committee (Richardson/Wilfley) approved the minutes of April 21, 2010 with these corrections.

Public Comment

Jeff Carter, Burlingame, said Bay to Breakers trains were standing room only at the Broadway and Millbrae Intermodal stations.

Andy Chow, Redwood City, said he hopes there will be weekend service next year for Bay to Breakers, baseball and Sharks games. There will be many more people and possible accidents on the roads with all these people in their cars.

Chairperson's Report – Mr. Hronowski

- Created an ad hoc committee of CAC members Sepi Richardson, Brian Wilfley and himself to draft a letter of support for certification of the final Environmental Impact Report for Caltrain electrification. This was reported at the May 6 Joint Powers Board (JPB) meeting.
- The Board approved a motion at the May 6 JPB meeting to call for a public hearing to declare a fiscal emergency at the June 3 JPB meeting.

Presentation: Preliminary FY2011 Caltrain Operating Budget

Rail Transportation Director Michelle Bouchard emphasized the operating and capital budgets are preliminary and staff will return to the CAC for an update at the June 16 meeting. There is a possibility that a balanced operating budget will not be finalized by July 1 and staff may need to enter into a form of continuance for a month or so.

Manager, Budgets Ladi Bhuller provided the following details:

- Current service levels remain unchanged at 90 trains per day.
- Total revenues of \$78.9 million include: farebox revenue \$43.4 million; parking \$2.3 million; shuttles – employer contribution \$1.5 million; rental income \$1.7 million; other income \$2.4 million; AB 434 and grants \$2.2 million (including a grant for the Caltrain shuttle program of \$1 million and American Recovery and Reinvestment Act funding of \$1.2 million); and member agency contributions \$25.4 million.
- Revenue increases include shuttles \$407,000, due to increased employer costs and addition of buses; and other income of \$943,000, due to the increase in the UP shared track maintenance.
- Decreased revenue includes fares by \$408,000; parking by \$327,000; AB 434 and grants by \$1.1 million (due to less preventative maintenance funding programmed in FY 2011); other sources by \$3.8 million; and member agency contributions by \$14 million. SamTrans has proposed a 2-year reduction to its member agency contribution and expects the other agencies to follow suit. Total revenues are expected to decrease by \$18.3 million.
- Total expenses are \$102.4 million. Major expenses include rail operator service and extra work \$59 million; fuel \$14.1 million and administrative costs \$10.3 million.
- Expense increases of \$5.2 million are primarily due to rail operator service and operator contract transition costs of \$4.1 million.
- Member contributions by counties have decreased from FY2010 as follows: San Francisco \$7 million to \$4.5 million; San Mateo \$16.5 million to \$10.6 million; and Santa Clara \$15.8 million to \$10.2 million for total FY2011 contributions of \$25.4 million.
- State Transit Assistance (STA) funding of \$5 million and savings of \$6 million from FY2010 will help close the funding gap.
- The preliminary Operating Budget has total revenues of \$78.9 million, total expenses of \$102.4 million for a deficit of \$23.5 million less \$11 million of STA and savings from FY2010 for a total deficit of \$12.5 million.
- Fare and service changes may include closing ticket offices, discontinuing the Holiday Train, Gilroy, midday, weekend and late night/early morning services.
- The deficit for FY2012 is projected at \$38.9 million.
- Caltrain is experiencing decreased ridership and severe cuts in state funding. Without an ability to expand capacity and attract new riders with improved service, the system's structural deficit will continue to increase and will eventually threaten the entire Caltrain system.

Ms. Richardson asked what is being done to reduce the deficit. Ms. Bouchard said there were fare increases and service changes, which resulted in the reduction of eight trains last year. The ridership counts will allow staff to make the best service decisions.

Ms. Richardson asked if golden handshake incentive retiree programs were being offered. Ms. Bouchard said staff is exploring things to figure out available options.

Ms. Richardson asked how bike ridership is counted in service scenarios. Ms. Bouchard said staff does a complete analysis on how the breadth of ridership will be impacted and how these things can be part of the solution. She said the structural issue is being driven this year by SamTrans' inability to commit to its full contribution; and the way Caltrain operates the business model with agency partners will not sustain itself. Electrification of Caltrain will help but partner contributions will continue to be a challenge every year.

Ms. Richardson asked about a ballot initiative to create funding. Ms. Bouchard is not aware of any but said every Bay Area transit operator is experiencing fiscal problems.

Chair Hronowski asked about the budget item for rail operation service and extra work expense. Ms. Bouchard said extra work involves things that come up and are not anticipated during the year and wouldn't necessarily be budgeted. This could be anything from portable toilets for Bay to Breakers to fixing a fleet defect on rail cars.

Cat Tucker asked if there was a formula used to determine service changes and will the public be able to offer input. Ms. Bouchard said there is no pat formula but staff does a complete analysis and once certain thresholds of ridership and revenue are reached, items are eliminated or added. There will be public meetings at the very least, robust outreach and likely a public hearing.

Francois Granade asked about the operator contract transition cost. Ms. Bhuller said this is a one-time mobilization expense for FY2011 for a potential new rail operator.

Ms. Bouchard said the existing rail operator contract ends at the end of FY2011. A Request for Proposals went out on May 5, 2010 for procurement of all operating and maintenance services as well as capital support for the railroad. A new operator would require costs associated with the one-time mobilization.

Mr. Granade asked if it would be a competitive process. Ms. Bouchard said, absolutely.

Mr. Granade said ridership has gone down but ridership and revenue are now increasing, which means the system has not reached the limit of elasticity. He said Caltrain can't be at maximum capacity because trains were removed in November 2009. He thinks the pessimistic impression of Caltrain's challenges is setting Caltrain up for failure. He said partner agency contributions are an enormous problem versus the fact that people want more trains and bicyclists want more bike cars. He sees an enormous business difference for financing the contribution versus revenue. He said if a business requires more financing, that has cash flow but has increased revenues, it is a business opportunity and there are clever ways to present things and find funding opportunities. A positive attitude and the feeling that there is potential are very important.

Ms. Richardson said transportation funding is basically flawed and it's not due to management or transit agencies looking at things unrealistically or pessimistically. She said it is not fair that everyone wants public transportation and to get people out of their cars, but funding is not available to accommodate these needs. There are a lot of clever people optimistically looking for solutions.

Mr. Granade said cleverness may not be the best word but there are multiple realities and ways to do more with less.

Ms. Tekchandani said she received a mailer with a coupon from Caltrain to receive two tickets. She said this is a good example of Caltrain exploring opportunities to increase ridership. She said the GO PASS program has been very successful and asked if there is a GO PASS lite program that could be an incentive to corporations to buy mass sums of tickets to encourage more ridership.

Mr. Wilfley said member contributions have decreased from about \$40 million in FY2010 to \$25 million in FY2011 and wonders about the rumor that it was, in fact, going to be reduced to \$12 million for FY2012, so the full whack wasn't taken this year. Ms. Bhuller said \$25 million is the amount showing in the preliminary FY2011 budget.

Mr. Wilfley asked if partner agencies are prepared for the level of \$25 million. Ms. Bouchard said the reaction at the May JPB meeting suggested partner agencies may be but this has not been confirmed. She said SamTrans is the agency putting up the white flag. She said the issue is whether SamTrans reduces the contribution all now or takes it away in two stages. She believes this reflects the two-stepped approach.

Mr. Wilfley asked about past one-time budget savings. Ms. Bhuller said there were \$6 million in savings in 2009 from the previous year and the majority of that amount was fuel because fuel was very volatile at that time.

Mr. Wilfley asked about capacity. He said some trains operate near to full and others considerably less and made the assumption that if Caltrain was going to try to increase ridership with the least cost, it would do so in high demand times. But, those are already the times that Caltrain is running all the trains it can handle so adding a train at 10 p.m. doesn't solve the problem. Ms. Bouchard said that is correct and reducing service in midday doesn't help either. She said there is capacity on the train and also track or system capacity and this example refers to system capacity.

Mr. Wilfley said system capacity is at its maximum precisely when Caltrain might get more ridership if it were able to add a train, but cannot. Ms. Bouchard said the caveat is in the manner in which Caltrain operates the service. Caltrain wants to provide Baby Bullet service because it is very attractive and also wants to provide other types of limited stop service to offer coverage to other stations. There is also basic service provided to stations that ordinarily wouldn't receive service at all. Ms. Bouchard said staff needs to take a hard look and question how Caltrain can provide that service. There is a possibility to free up some capacity but it would not be without tradeoffs.

Paul Bendix said the preliminary budget document is inherently dry and detailed-oriented and the big challenge, as he sees it, is explaining it to the public because Caltrain has a great story to tell; facing ridership problems and simultaneously wanting to expand capacity. He welcomes the stage when Caltrain can move beyond getting too bogged down on details and communicate the biggest challenge it has faced in years. He asked staff to talk through some narratives around this with the CAC in the near future and then to the outside world.

Mr. Wilfley asked about next steps in declaring a fiscal emergency. Ms. Bhuller said the JPB will take public comment next month and following that staff will propose to declare a fiscal emergency. Staff is looking at various options to balance the budget including service reductions. Staff's goal is to come to the JPB in July with an adopted budget, and if not, propose a continuing resolution to get Caltrain through the first couple of months of FY2011. Ms. Bouchard said she will get back to the CAC with something more concrete and for support and feedback.

Mr. Granade asked for a definition of fiscal emergency. Ms. Bouchard said it is a State requirement that involves a certain formula that results in being able to declare a fiscal emergency. It essentially relieves Caltrain from the requirement of performing an environmental process to reduce service if needed.

Public Comment

Jeff Carter, Burlingame, said cutting service in early morning could affect people's livelihood because they could not get to work and would lose their jobs. He said San Mateo County is blowing millions of dollars on ferry service and the Santa Clara Valley Transportation Authority (VTA) is blowing billions on the BART extension to San Jose. He said these projects should be put aside until Caltrain gets the money needed to maintain current service. Caltrain's farebox recovery is 45 percent compared to 15 percent for VTA, 30 percent for the San Francisco Municipal Transportation Agency, and 24 percent for SamTrans. Caltrain is more efficient than the bus system.

Presentation: Preliminary FY2011 Caltrain Capital Budget

Director of Budgets and Grants April Chan provided the following details:

- The total Capital Budget of \$37.3 million includes: \$9.5 million for the Peninsula Rail Program; \$12.5 million for rolling stock, \$10.8 million for right of way/signal communication; \$2.05 million for legal mandates and required infrastructure enhancements; \$500,000 for stations and intermodal access; and \$2 million for other items.
- Capital program/project highlights include: design efforts for the Los Gatos Creek Bridge Replacement Project; rehabilitation of track and related structures; rehabilitation of components of the current fleet of passenger cars and locomotives to ensure vehicles will operate through the end of their useful lives; procurement of radio equipment to meet Federal Communications Commission mandates; funding for the Caltrain Safety Fencing Program; program management and oversight for the PRP; and funding for Positive Train Control/Communications Based Overlay Signal System.
- Total funding sources of \$37.3 million include: \$11.2 million Federal grants; \$6.4 million State and regional grants; \$1.1 million other; and JPB member agency contributions to be determined.
- Staff will continue to work with the JPB member agencies on their contributions and bring recommendation to the Board at the June meeting for potential savings in the FY2011 Capital Budget.

Ms. Tucker asked if the funding was limited or restricted. She asked if agencies could donate to operating costs or if some things could be delayed or deferred. Ms. Chan said grants are generally restricted and available only for capital projects. She said member contributions from San Francisco County are generally from Proposition K and also dedicated for capital projects only. SamTrans' funding comes from a category from Caltrain and the amount that can be used for operating is maxed out so the balance in the Measure A Expenditure Plan is for capital. Santa Clara County's contribution comes from their general fund and if it isn't given to capital it could potentially go to operating. Ms. Chan said, however, despite the flexibility in some fund sources, when it comes to matching funds from the three partners, they would need to be considered collectively to determine how they can be used.

Mr. Wilfley said the top three Caltrain program costs relate to state of good repair items. He said, in many ways, these might be considered an operating expense because the railroad could not operate without these costs and they have to be spent every year.

Discussion and Possible Action on Changing the CAC Meeting Time

Chair Hronowski said this was agendized because some members must leave to catch a southbound train and miss important information or presentations.

Gerald Graham checked north and southbound timetables and suggested a meeting time of 5:30 p.m.

A motion (Richardson/Graham) to recommend changing the meeting time to 5:30 p.m. was unanimously approved.

Chair Hronowski said this item to amend the by-laws for a new meeting time will be on the July 1 JPB meeting agenda.

Staff Report – Ms. Bouchard

- In the interest of time, Ms. Bouchard said that rather than presenting the Annual Ridership Count report, she requested members contact her with any comments or questions.
- May ridership is down about 2 percent and continues to be a flattening of trends. Revenue is down roughly \$1 million from May 2009 but tracking upwards primarily due to special service on weekends.
- Special Service:
 1. Bay to Breakers carried a record 8,000 people on five trains with the assistance of engineers that had been furloughed.
 2. Baseball ridership is averaging 4,000 additional riders per game.
 3. The KaBoom concert was moved to Candlestick Point with little additional ridership.
 4. The Maker Faire on May 22 and 23 at the San Mateo County Event Center has advertised heavily for Caltrain bike access to the event. All the two bike car gallery consists are typically deployed on weekends and will be deployed to the extent possible for that event.
- The Request for Proposals for the Caltrain operating contract was released online on May 5. A pre-proposal and tour were scheduled for the week of May 11. There is a lot of national and international interest for this contract. The contract is going to be the interface with electrification and High Speed Rail and staff is looking to gain some efficiencies and bring additional expertise that will be required to deliver these projects. Proposals are due the end of August; the current Amtrak contract ends in June 2011.

Paul Bendix and Bruce Jenkins left at 7:09 p.m.

Ms. Tucker said ridership is down for Gilroy service and asked at what point service would be stopped. She would like to share this information with the community. Ms. Bouchard said it isn't a function of just ridership. She said staff would keep people informed.

Mr. Graham asked if Santa Clara County provided an extra contribution for Gilroy service. Ms. Bouchard replied no.

Public Comment

Andy Chow, Redwood City, suggested ideas to reduce costs:

1. Reduce three-member crews to two members in off peak times.
2. Eliminate service on Christmas and Thanksgiving days when there is much less travel than on July 4th or Labor Day.
3. Reduce service during the week between Christmas and New Years when many companies are closed or taking longer vacations by eliminating one Baby Bullet train that week to adjust the commuter level. The public could see that that their tax dollars are not being wasted.

Doug DeLong, Mountain View, congratulated Amtrak on Bay to Breakers service. He was impressed with the interactions between crews and dispatchers as they worked dynamically to deal with the numbers of passengers at each station while operating the train safely.

Committee Comments

Mr. Granade asked if the August meeting would be canceled as usual.

Chair Hronowski said this can be agendized for a vote at the June meeting.

Date, Time, and Place of Next Meeting

Wednesday, June 16, 2010, 6 p.m., San Mateo County Transit District Administrative Building, 2nd Floor Bacciocco Auditorium, 1250 San Carlos Avenue, San Carlos, CA

The meeting was adjourned at 7:17 p.m.