

**SAN MATEO COUNTY TRANSIT DISTRICT
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF BOARD OF DIRECTORS MEETING
AUGUST 12, 2009**

Members Present: J. Deal, R. Guilbault, S. Harris, J. Hartnett, Z. Kersteen-Tucker (Chair), A. Lloyd, K. Matsumoto, A. Tissier

Members Absent: M. Church

Staff Present: J. Cassman, G. Harrington, C. Harvey, R. Haskin, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Zoe Kersteen-Tucker called the meeting to order at 2:05 p.m.

PUBLIC HEARING FOR PROPOSED FIXED-ROUTE SERVICE CHANGES AND REDUCTIONS, CORRESPONDING REDUCED SERVICES AVAILABLE FOR PARATRANSIT, FARE INCREASES AND CODIFIED LANGUAGE SERVICES

Deputy CEO Chuck Harvey made a presentation with the following information:

- SamTrans has a \$28.4 million operating budget deficit for FY2010.
- State Transit Assistance (STA) has been eliminated for the next four years, sales tax revenue is declining, interest income is lower and ridership is declining.
- Over the last several years the agency undertook cost savings and revenue enhancing measures, including a reduction in workforce, the reauthorization of Measure A, the restructuring of the long-term debt was restructured, additional funding from the Transportation Authority (TA) to fund SamTrans' member share of Caltrain, the dissolution of the BART partnership and an agreement with the Joint Powers Board (JPB) partners to repay SamTrans for the Caltrain right of way.
- Cost savings for FY2009-2010 include mid-year budget reductions of \$700,000, position freezes and vacancies of \$1.75 million, the freezing of merit increases for administrative employees, four mandatory furlough days for administrative employees, institution of a fuel hedging program, a reorganization of the District executive staff with a savings of \$250,000 and the postponement of employee events.
- Based on the final service and fare changes adopted by the Board, additional actions may include layoffs of direct operating personnel and reductions in administrative expenses, including staffing levels.
- Proposals under consideration include: fixed-route bus service reductions up to 15 percent; paratransit service reductions to correspond with fixed-route bus service reductions; increases in adult, youth and eligible discount base fares by 25 cents and increases in other fare media, including 75 cents on the paratransit service fare; elimination the Muni discount; and modifying the codified tariff.
- Four performance measures were used to calculate route efficiency including farebox recovery ratio, net cost per passenger, passengers per revenue hour and passengers per revenue mile.

- Proposed service reductions focus on least efficient routes, however, other considerations include maintaining service coverage and network, available alternate transit options, geographic and socio-economic equity. Adopted changes must comply with Federal Title VI requirements.
- The earliest a service change can occur is December 2009 so only half of the annualized savings will occur in FY2010.
- Routes KX, 390, 391, 292, 280, 141 and 281 would have frequency and/or hours reduced with a 7.5 percent reduction and Routes 397, 297, 342, MX, NX, PX/RX and DX would be eliminated. All these changes would save SamTrans \$6.2 million and impact 2.9 percent of ridership.
- A 10 percent cut would include all the routes above and end service at 10 p.m. for Routes 292, 390 and 391, eliminate Routes 270, 141 and 280 and the San Francisco segment of Route 391. All these changes would save SamTrans \$8.3 million and affect 5.8 percent of ridership.
- A 15 percent elimination would include all the previous items and the elimination of Routes 281, 262, CX, FX, 295, 14 and 17. These changes would save SamTrans \$12.9 million and affect 13 percent of ridership.
- Adult, paratransit and 5311 Coastside on-demand non-ADA fares were increased on February 1, 2009 and the proposed fare increase would become effective February 1, 2010.
- Youth and eligible discount fares have not been increased since September 1, 2005 and would be effective February 1, 2010.
- Increasing fares will not close the budget gap sufficiently to avoid service reductions.
- A total of 1,436 comments have been received and comments will be taken until September 2.
- A final service reduction proposal will be presented at the September 9 Board meeting.

Director Adrienne Tissier arrived at 2:14 p.m.

District Secretary Martha Martinez said public hearing notices appeared in El Observador, San Mateo County Times and Half Moon Bay Review. She said an e-mail was sent to all local elected officials, city managers, Chambers of Commerce and mayors. Ms. Martinez said community meetings were held in South San Francisco, San Carlos, Menlo Park and Half Moon Bay. A news release was sent to all local daily and weekly newspapers, television and radio stations. She said the hearing information was posted on the District's Website and a "Notice to Patrons" was placed on SamTrans buses.

Chair Kersteen-Tucker said these service changes come at a time when economic pressures are great and people are more transit dependent. She said SamTrans is facing a very significant, crushing structural budget deficit. The Board needs to think creatively and seriously to redefine SamTrans service. Chair Kersteen-Tucker thanked those Board members who were able to attend community meetings and thanked staff for all the hard work they put into these meetings.

Director Jim Hartnett said he has received many e-mails on his Redwood City Council e-mail, read each one and forwarded to staff.

Director Adrienne Tissier said the County has also received e-mails from concerned passengers and will make sure they get forwarded to staff.

Public Comment

Christine Blue asked that the cost of the eligible discount pass not be raised. Ms. Blue takes Route 391 to work in San Francisco everyday and doesn't want the San Francisco portion of the route eliminated. She said please don't eliminate Route KX. She said SamTrans is the best part of her life.

Carol Grant, Belmont, said the cuts to service will hinder her ability to get out of the residence center. She said Route 260 is imperative to San Carlos; Route 262 to Hillsdale is important to connect to other routes; and Route 295 is very important too. Ms. Grant has been a Redi-Wheels subscriber since 1998, but if the fare is changed it would make it impossible for her to ride because of her limited finances. She said she prefers the bus with her Redi-Wheels card for local service.

Laura Loranger, Redwood Shores, said she has been riding SamTrans since 1977. She takes Route 292 to Old Bayshore to get to her day program. Her concern about Route 292 and the reduction of the route is that it would eliminate the disabled passengers who use wheelchairs, walkers or canes being able to cross the overpass. Ms. Loranger asked that the disabled fare not be increased because not everyone can afford this increase. She asked the Board to do the right thing for the disabled community.

Sandra Aviles, Redwood City, works for the Redwood City School District. She said SamTrans has always been her means of transportation. Ms. Aviles said if Route 270 is cut she has no way to get to work. She lives in San Jose and commutes on Caltrain, Valley Transportation Authority (VTA) and SamTrans.

Mike Dolder, City Manager of Half Moon Bay, said a letter has been submitted to the Board stating the California Environmental Quality Act (CEQA) document does not provide sufficient factual data to support a negative declaration for this project. Mr. Dolder said AB32 requires the effects of climate change be addressed in the current analysis and it was not and the Congestion Management Plan adopted in 2009 was not used in the CEQA document. He said the CEQA document goes back to 1998 and hasn't been updated. Mr. Dolder said to say the proposed SamTrans changes have no effect, is simply not true. He said unlike the east side of San Mateo County, Half Moon Bay and the surrounding communities do not have any alternatives. Mr. Dolder said the City of Half Moon Bay requests the Board address the inadequacies in the CEQA analysis and maintain Route 17. He said if fares are raised don't wait until February, do them now.

Jim McKeown, Redwood City, said he uses Route KX quite often. He is concerned because we are supposed to live in a green world and emphasize the use of public transportation and if service is reduced to hourly people will get in their cars. Mr. McKeown said he doesn't believe Route KX is a duplication of Caltrain. Often when there is a Giants game you can't find a seat on Caltrain and the alternate is Route KX. He said there was an article in the Daily Post about the SamTrans salary structure and salaries seem to be on the high end. Mr. McKeown said the

Board should consider some salary reductions to help out with this problem.

Dan Dobbins, San Mateo Union High School District, said SamTrans is the most environmentally friendly manner of transportation and it relieves neighborhood congestion.

Mike Levinson, Daly City, said he is concerned about the time service will be ending and when the proposed cuts are made the routes won't come back. He said when it is feasible, please consider bringing back the routes that are cut.

Jim Lianides, Sequoia Union High School District, said students that reside in East Palo Alto, Bellehaven and Fair Oaks areas have very little other means to get to school and need SamTrans. He said please protect routes of students who have no other means and work with the school districts so the times the routes are running coordinate with the school day.

Lucy Martin, Redwood City, said please save Route 295. She said this is the only bus that runs along Woodside Road in Redwood City.

Don Kennedy, Menlo Park, said please keep Routes KX and 390. He said staff should consider consolidating some routes that overlap and coordinate buses with train times. Mr. Kennedy would rather have a fare increase to keep service.

Howard Cohen, Superintendent of the South San Francisco School District, said as a public official he is advocating for the youth riders. He asked that when the Board is making their decision to keep in mind the rights and needs of students.

Wayne Kingsford-Smith, Chair, SamTrans Citizens Advisory Committee (CAC), said at the last meeting there were four public speakers and all spoke of the need to keep Route 295. He said during the CAC discussion there was a consensus to keep Routes 295 and 270, raise fares but don't raise the price of tokens, keep the reductions at the 7.5 percent level and don't end service at 10 p.m.

David Taylor, Newark, said he represents labor and working class people. He said the seniors and disabled will be most affected by these changes. Mr. Taylor said people who work late night shifts will be stuck out in the cold because of service ending at 10 p.m. He said he knows some of the fare increases are needed, but he would like the Board to keep them to the lowest possible level.

Joanne Ricketts, Cordilleras Mental Health and Rehabilitation Center, said Route 295 needs to be saved. She said Route 295 is the only bus that comes to facility once in morning and once in the afternoon. Ms. Ricketts said residents use the bus to reconnect with family and get more integrated into society.

Steve Paape, South San Francisco, said he submitted a petition on behalf of the riders of Routes 292 and 390. He said the first language for many riders on these routes is Mandarin or Cantonese and the material needs to be in other languages and the flyer was not on all the buses. Mr. Paape said people feel the Board is going to do what they want and don't care about

the riders.

Jim Shanhan, City of San Bruno, said Route 141 needs to be saved as it is the only east/west connector for the citizens of San Bruno. He said this route serves three schools, two parks, the BART and Caltrain stations, downtown and the San Bruno Senior Center and if this route is eliminated there are no alternatives. Mr. Shanhan said this route serves densely populated and low-income areas.

Susan Alvaro, Half Moon Bay, said Route 17 is great, always full and serves a very needy population. She said Route 294 is not an alternate route.

Rosa Barajas, Redwood City, said please don't eliminate Routes 17 and 292. The routes are needed to go to work, the doctor and for the children to go to school.

Maria Elvia Plancarte, Half Moon Bay, said Routes 17 and 294 are very important for the Hispanic community who live in Half Moon Bay.

Arturo Padilla, Half Moon Bay, said please don't take the buses away as we need Routes 17, 292 and 294 so we can go to work and the kids can go to school.

Martina Carrillo, Half Moon Bay, said Routes 17 and 294 very important for us. This is the only way get to work, the doctor and for our children to get to school. She said increase fares, but don't take away service.

Brenda Walker, South San Francisco, said she takes Redi-Wheels and didn't know about the community meetings.

Maria Guadalupe Benavidez, Half Moon Bay, said please keep Routes 17, 292 and 294. She said these routes are needed by everyone.

Maria el Duran, Half Moon Bay, said please keep Routes 17 and 294. She said the bus route to the high school was taken away and the only thing left is Route 17. Ms. Duran said if we don't have the bus how are we going to get to school or work.

Director Rose Guilbault, speaking in Spanish, thanked the speakers for being part of the process. It is difficult to come when English is not your first language, but it is very important to have your voice heard.

William Farrell, Menlo Park, said he depends on Routes 295 and 390 to get to work.

Ruben Abrica, Mayor of East Palo Alto, presented a resolution to the Board on behalf of the East Palo Alto City Council stating service is needed for the area.

Kent Mickelson, representing the PCC, said the PCC empathizes with the Board and staff on the difficult decisions that need to be made. He said the PCC members are concerned about the fare increase to paratransit.

Molly Barton, San Mateo Foster City School District, thanked the Board for having the public hearings and allowing those in public education to give voice to the needs of the students. She strongly advocates for not decreasing or eliminating routes that affect the ability to get to school and for not increasing youth fares.

Amir Fanai, Redwood Shores, said he takes Route NX and the Bay Area Air Quality District (BAAQD) states express service saves air quality. He said he is willing to pay a higher fare to keep service.

Nicolas Ibarra, East Palo Alto, said he uses Routes 280, 281, 296, 390, 391 and KX to get to school, see family and hang out with friends and is concerned about the elimination of routes.

Andy Cohen, Menlo Park City Council, said he identifies with Half Moon Bay as Menlo Park is on the border of Santa Clara County and service is not adequately provided to this area.

Stan More, San Mateo, said the Board should consider other ideas such as combining routes before eliminating them.

Shirley Newman, Belmont, asked the Board to not eliminate Routes 391, 390 and 292. She said this is the only way she can get to work. Ms. Newman asked that the eligible discount fares not be raised.

Monica Garcia, San Carlos, said she takes Route 292 and 295 to work. Please do not eliminate these routes.

April Vargas, Montara, thanked the Board for having a Coastside public meeting. She presented a petition from a group of seniors who live on Bloom Lane requesting Route 17 not be eliminated.

Marlo Simmons, Redwood City, said she is dependent on SamTrans to get to San Francisco on Route NX. She asked that fares be raised, but keep at least one Route NX in each direction. She said minor service adjustments should be made, not eliminations.

Jerry Grace, San Lorenzo, said he doesn't want a fare increase, but understands the need. He said please don't cut service.

Jesse Melendrez, Coast Employees and Citizens in Half Moon Bay, said this is a large community who have doesn't have a whole lot and depend on Route 17 for their livelihood. He said Nurseryman's Exchange is the largest employer on the coast and they subsidize half of the employees' yearly SamTrans cost.

Jim Fink, Monterey, said what is happening is horrendous. He said the real culprit is inflation. Mr. Fink said instead of cutting service make fares match inflation.

Vi Huynh, San Mateo, said she relies heavily on Routes 292, 390 and 391 to get to San Francisco. She asked that service not end at 10 p.m.

Lillian Blaine, Redwood City, said SamTrans is her main transportation and she relies on Routes 295 and 270. She said if routes are cut her independence will be taken away. Ms. Blaine asked that eligible discount fares not be raised.

Matthew Dobrow-Cacci, Pacifica, said he takes Route CX to get to college. He said Route 14 is the heart of Pacifica and a driver on Route 14 has become one of his good friends.

David Hirsch, San Mateo, said El Camino Real and KX routes need to be maintained. He said service on Route 250 between 2:00 p.m. – 5:00 p.m. should be eliminated.

Barbara Garrett, San Carlos, said please keep Route 295. She said it is the only route between El Camino Real and the west side.

Stacey Walters, Belmont, said she works in a nursing home and her shifts start or end at 10 p.m. She said if the routes are eliminated or reduced SamTrans will lose riders and never get them back.

Pamela Ward, San Carlos, said she takes Route 295 to work. Ms. Ward is disabled and if the bus wasn't there she doesn't know what she would do.

Pamela Harden, Belmont, said she takes Route 260 and currently there is no service on Sundays for this route. She is concerned about night service being eliminated after 10 p.m. from San Francisco on the Route 397 and 292. Ms. Harden does not object to a fare increase.

Jean Holbrook, San Mateo County Office of Education, said the Board needs to keep in the forefront the neediest and vulnerable in our society, the youth. She said these youths have no other means of transportation except for SamTrans.

Senserith Connelly, East Palo Alto, said she is an advocate for Ravenswood Family Health Clinic in East Palo Alto and is concerned about the patients who depend on Routes 280 and 281 to get to the clinic.

Patrick Ketcham, Belmont, said he is a driver for SamTrans and his bus is always packed. He said everyone saw the Daily Post article about SamTrans salaries. Mr. Ketcham said the drivers are open, they understand reason and are not close-minded.

Ingrid Mullan, San Mateo, said people need Routes 292, 390 and 391 and stopping service at 10 p.m. is ridiculous. She said please take care of the people in San Mateo County. General Counsel David Miller said all legal requirements been fulfilled and the record will remain open until September 2 to receive additional public comment. He said staff will consider all comments received and will prepare their recommendations and present them at the September 9 Board meeting.

Chair Kersteen-Tucker thanked everyone for taking the time to attend the public hearing and provide comments. She said the Board will be working closely with staff over the next month.

A motion (Hartnett/Lloyd) to close the public hearing was approved unanimously.

Adjourned to Committee Meetings at 4:19 p.m.

Board Reconvened at 5:02 p.m.

CONSENT CALENDAR

The Board unanimously approved the consent calendar (Hartnett/Lloyd).

- a. Approval of Minutes of Board of Directors Meeting of July 8, 2009
- b. Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended June 30, 2009

PUBLIC COMMENT

Jerry Grace, San Lorenzo, said too much stuff is happening and more buses are getting cut.

REPORT OF CHAIR

Chair Zoe Kersteen-Tucker asked if the Board should have a study session prior to the next Board meeting to discuss the service scenarios.

REPORT OF THE GENERAL MANAGER/CEO

General Manager/CEO Michael Scanlon thanked the Board for what they have done and for their patience during this process. He said what the Board and staff heard today are real life stories and how the service affects them. Mr. Scanlon said the Board needs to make some hard decisions about the fiscal future of agency, an issue that has been accelerated because of the economy and the zeroing out of the STA funds. Mr. Scanlon said if these changes are going to be effective in December, action needs to be taken at the September meeting.

Director Jim Hartnett said a study session may raise false hopes on what the Board's flexibility is. He said when staff analyzes comments received today along with comments already received, the Board will find it's not what choices, but what level of cuts are made. Director Hartnett said once a level is picked the Board is not going to have flexibility and will have to make changes within that level. He said from a financial point of view the Board and staff can easily justify a 15 percent cut or more, but a structural change has to happen. Director Harnett said there is not enough money to fund the service levels.

Director Karyl Matsumoto said if there is not a study session she would like to sit with staff for more detail.

Mr. Scanlon said if the least cuts are taken, \$6 million will be annualized. He said these are not the best of times and people will be upset with these changes, but this is a permanent problem.

Director Shirley Harris said a recurring comment heard at the public hearing today was raise fares, but keep the routes. She understands the disadvantage of phasing in changes, but hopes staff will look at Half Moon Bay and El Camino Real service.

Mr. Scanlon said a 25-cent increase gets \$1 million annually.

Chair Kersteen-Tucker said as a Board they were overwhelmed with the comments received and wants to be able to discuss the options being put forward for their review.

Mr. Scanlon said staff can meet individually with Board members.

Director Jerry Deal said he would like the service reduction recommendations at least one week prior to the meeting to review. He said he is very concerned about the elimination of Route 17 as these people have no alternate route and people will end up walking on Highway 1. He would like see leniency on Route 17 and the East Palo Alto and Menlo Park areas where people rely on the system more than anywhere else.

Director Adrienne Tissier said it may be helpful to know the alternatives for routes being cut. If someone had to take Sam Trans, BART and Caltrain staff should look at the fares and raise more than 25-cents to keep the route and the passengers.

Mr. Scanlon said the Coastside has no options. He said to make the express routes work the fare would have to be \$16 one-way.

Director Deal said express passengers don't mind a large increase to their fare to keep their route.

Mr. Miller said another hearing would have to occur to increase the express fares above what is currently being recommended.

Mr. Scanlon said the express routes appeal to people as a single seat ride to get to their destination.

Director Hartnett said there are people who can afford to be on the road and who can afford Caltrain and he is most worried about those who do not have other options.

Director Guilbault agrees with Director Hartnett in saying the Board's mission is to serve those who have no other options without SamTrans.

Mr. Scanlon said he told the JPB partners that we can't stay in the partnership for many more years. Caltrain provides a very valuable service and none of the three partners have the money to support the system. He said if a designated funding source is found it would save SamTrans \$11 million to \$12 million a year.

Chair Kersteen-Tucker thanked staff for all the work they did for the community meetings and today's public hearing.

COMMUNITY RELATIONS COMMITTEE

(Accessibility, Senior Services, and Community Issues)

SUBJECTS DISCUSSED

- a. Accessibility Update
- b. Paratransit Coordinating Council (PCC) Update
- c. Citizens Advisory Committee Liaison Report
- d. Performance Report – End-of-the-Year Performance Report – Postponed
- e. Multimodal Ridership Report – June 2009

FINANCE COMMITTEE

RESOLUTIONS

- a. Authorize Award of Contract to Neopart LLC to Furnish Factory-Remanufactured Wheelchair Life Assemblies for a Not-to-Exceed Total Estimated Cost of \$346,470
- b. Authorize Rejection of Protest Award of Contract to Clean Innovation, Inc. for Bus Stop Maintenance Services for a Total Amount of \$570,755

The motion (Tissier/Lloyd) to approve the resolutions was approved unanimously by roll call.

INFORMATIONAL

- c. Information on Statement of Revenues and Expenses for June 30, 2009
- d. Update on the Execution of the Fuel Hedging Program

LEGISLATIVE COMMITTEE

SUBJECTS DISCUSSED

- a. Verbal Update on State Legislative Program
- b. Verbal Update on Federal Legislative Program

WRITTEN COMMUNICATIONS

In reading file.

BOARD MEMBER COMMENTS

No comments.

DATE AND TIME OF NEXT MEETING – September 9, 2009 at 2 p.m., San Mateo County Transit District, Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070.

GENERAL COUNSEL PROPOSAL

- a. Closed Session: Conference with Labor Negotiator – Pursuant to Government Code Section 54957.6, Teamsters Union, Local 856 (Bus Transportation Supervisors, Dispatchers and Radio Controllers)

General Counsel David Miller said the closed session matter was being postponed until the September meeting.

ADJOURNED: 5:30 p.m.