

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of April 3, 2009

Item 5.1: Minutes of February 6, 2009

The regular meeting of the San Joaquin Regional Rail Commission was held at 8:00 a.m. February 6, 2009 at the Robert J. Cabral Station, 949 East Channel Street Stockton, CA 95202

1. Call to Order/Pledge of Allegiance/Roll Call

Chairman Harris called the meeting to order at 8:00 a.m. and Honorable Jose Alva led the audience in the pledge of allegiance.

Commissioners Present: Ives, Bestolarides, Vice-Chair Sayles, Chairman Harris

Commissioners Haggerty and Blalock arrived at 8:30 a.m.

Ex-Officio Members Present: None

Stacy Mortensen advised no representatives from Caltrans were present due to mandatory furlough of the first and third Friday of each month.

Tom Dumas contacted Stacey Mortensen to advise the New District 10 representative will be Tony Tavares as Komi Ajise has received a promotion and will be located in Sacramento.

Ex-Officio Chesley arrived at 8:10 a.m.

2. Oath of Office for Incoming Commission Bob Johnson

The Honorable Jose Alva administered the oath of office for the new commissioner Bob Johnson

3. Public Comments

None

4. Presentations and Recognitions

None

5. Consent Calendar:

All items listed immediately below will be acted upon under one vote unless specifically requested to be removed from the Consent Calendar by a member of the Commission, a member of the staff, or a member of the public.

5.1	Minutes of February 6, 2009	ACTION
5.2	Rail Commission/ACE Monthly Expenditure Report	INFORMATION
5.3	Monthly ACE Fare Revenue	INFORMATION
5.4	ACE Ridership	INFORMATION
5.5	ACE On-Time Performance	INFORMATION

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of February 6, 2009

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| 5.6 | ACE PAC Minutes | INFORMATION |
| 5.7 | Approve Resolution Authorizing and Directing the Executive Director to Submit and Execute Grant Applications, Agreements, and Certifications and Assurances Associated with Obtaining Federal Department of Homeland Security Transit Security Grant Program Funds Sub-Granted through the State of California, Not to Exceed \$314,000 | ACTION |

M/S/C (Bestalarides/Sayles) to approve the Consent Calendar. Passed and Adopted by the San Joaquin Regional Rail Commission on the 6th day of February 2009 by the following vote to wit:

Ayes: 5 Johnson, Bestalarides, Ives, Vice-Chair Sayles, Chairman Harris

Noes: 0

Abstain: 0

6. SJRRC/ACE Mid-Year Report

INFORMATION

Ms. Stacey Mortensen, Executive Director, provided a mid year update of the work report. Reviewing our yearly goals what works well and what needs improvement always remembering the customer. With the new budget being prepared, two main areas that are being taken into consideration for the new budget year is economic conditions that are likely to effect our revenues and expense side until we see what happens with the fuel prices. Currently fuel prices are down and with them inching up in cost we will be within our budget at the end of the fiscal year. The economic environment is not good there is a pipeline of federal money available but projects can not be started until all funds are available and we are at that point with our capital project for the capital corridor acquisitions.

Mr. Gregg Baxter, Director of Operations, reviewed the on time performance (OTP) and ridership for the past six months. With the decrease in Union Pacific traffic on the tracks and the signal project investment on the corridor has helped to increase performance time. With OTP exceeding 90% and the decrease in gas prices passengers continue to use ACE. With the new schedule that was implemented in January it has also contributed to increase OTP. November and December were slower months and many employers have done shut downs and mandatory vacations during this time.

Mr. Thomas Reeves, Strategic Development and Communications Coordinator, reviewed the marketing efforts with the history of where ACE has been and the future plans. ACE has been working with many employers in the Tri Valley and Santa Clara areas to bring our service to their employees and participated in 19 transit events. ACE is also doing a test pilot program with San Jose State.

WebEx is used to broadcast monthly board meeting, and is also being used for in house meetings; and will be used in the future for public forums. In March we will review our annual customer survey. Partnerships with Stockton Ports, Doctors Hospital in Manteca, University of Phoenix.

Commissioner Johnson asked if we can further our partnership with University of Phoenix.

Ms. Mortensen added that University of Phoenix has offered to continue a financial partnership once a WI-FI service is developed.

Commissioner Ives requested that the Goals and Objectives section in terms of service expansion needs to be broadened to reflect our long term goal for expansion plans in the valley. Regarding OTP it mentioned that UP traffic has decreased, is this an enduring situation or is it the economy or

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of February 6, 2009

something at the port, and is this being discussed at the quarterly capital corridor meetings. Commissioner Ives asked if we have ridership data for January and if it is trending down.

Mr. Baxter responded that port traffic is down and it is just a matter of time before traffic is back and it is being discussed on an on going basis at the quarterly meetings. January 09 ridership is down by 14% from January 08 but is up from December 08. February is up by 8% from 08.

Ms. Mortensen added that from experience in the .com bust in 2001 that we look at employers that are more anchored and focus our marketing and money in this area.

Commissioner Ives asked if the shuttle from Pleasanton goes directly to BART and how long it takes to get to BART from the ACE platform.

Mr. Baxter responded that it does make stops in between and takes 7 minutes to get to BART.

Ms. Mortensen advised that Mr. John Giovannoni, Transportation Specialist, is looking at the new BART Station that will be located at Stoneridge in Pleasanton. The 53 shuttle route is being revised to become an express route. With this revision it will allow riders to make an earlier BART connection.

Commissioner Bestolarides suggested that when we are budgeting for fuel that we create a reserve so as fuel prices increase we have a reserve to prevent immediate fare increases to passengers.

Mr. Brain Schmidt, Director of Planning and Programming, reviewed the Capital Budget and when the budget was set we looked at the projects and when they would be started and completed. With this being done a request to amend the Capital Budget was done, this has worked well and we are at 48% of our budget. Mr. Schmidt reviewed the list of Capital Projects in progress, and on hold.

Commissioner Ives asked for clarification of the locomotive mid life overhaul.

Mr. Schmidt advised that it is a mid life overhaul and is usually done at eight years. The first set of locomotives are being done at eleven years old.

Ms. Mortensen clarified with Doug Warner, General Manager of Herzog Transit Services Inc., if a mid life overhaul can be done a second time. Mr. Warner advised that the next overhaul would be a remanufacture.

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of February 6, 2009

7. Approve Task Order with STV Engineering for Engineering and Design Services to Complete Design on the Altamont Commuter Express Maintenance Facility and Prepare Bid Documents for Construction of the Project in an Amount not to exceed \$2,741,045 and Authorize and Direct the Executive Director to Execute Any and All Related Documents **ACTION**

Mr. Baxter reviewed the status of the plans and request approval so plans can come to 100% and a request for bid can be put out to the public.

Commissioner Bestolarides requested a cost breakdown going forward to develop history and see at what status we are on funding of the project.

M/S/C (Sayles/Ives) to approve the Consent Calendar. Passed and Adopted by the San Joaquin Regional Rail Commission on the 6th day of February 2009 by the following vote to wit:

Ayes: 7 Haggerty, Blalock, Johnson, Bestolarides, Ives, Vice-Chair Sayles, Chairman Harris
Noes: 0
Abstain: 0

8. Approve Task Order to the Professional Planning, Consulting and Engineering Services Agreement with HDR Engineering for the Final Engineering and Contract Documents for the Extension of the Station Track from the Robert Cabral Station to the ACE Equipment Maintenance Facility in an amount Not-To-Exceed \$650,000 **ACTION**

Mr. Baxter reviewed the request and that the extension would allow the track to go directly into the new proposed maintenance facility. HDR Engineering is a UP approved engineer. The cost for the track extension has been amended and is not to exceed \$585,000.

Chairman Harris asked what the distance of the track extension would be.

Mr. Baxter advised it is $\frac{3}{4}$ of a mile extension.

M/S/C (Ives/Sayles) to approve the Consent Calendar. Passed and Adopted by the San Joaquin Regional Rail Commission on the 6th day of February 2009 by the following vote to wit:

Ayes: 7 Haggerty, Blalock, Johnson, Bestolarides, Ives, Vice-Chair Sayles, Chairman Harris
Noes: 0
Abstain: 0

9. Resolution Approving SJRRC/ACE Fiscal Year 2008/2009 Budget Amendment #3 **ACTION**

Mr. Schmidt summarized the request for the increase in the Capital and Operating Budgets. The increase in the Capital Budget is attributable to the Maintenance Facility as discussed above. Additionally, Metropolitan Transportation Commission (MTC) has notified SJRRC Staff that there is funding available under section 5311 for short range transit plan development which is a requirement every 2 years and every other year a mini update.

Commissioner Haggerty asked how much of the Measure K Alameda County money is put towards to capital every year, and what is the amount we have drawn down on these funds, who collects the

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of February 6, 2009

interest on the funds, and what is the plan for the funds. Commissioner Haggerty wants to get investment and improvements made in Alameda County.

Mr. Schmidt advised we have drawn less than one million.

Ms. Mortensen advised we have to develop a CIP and our baseline document that we share with our partners and advise CMA Staff of what our Capital projects are on the horizon and what can be funded. Ms. Mortensen advised that the interest accrues to the fund and increases the amount available. The same is done with the funds available through SCOG.

M/S/C (Ives/Sayles) to approve the Consent Calendar. Passed and Adopted by the San Joaquin Regional Rail Commission on the 6th day of February 2009 by the following vote to wit:

Ayes: 6 Haggerty, Blalock, Johnson, Ives, Vice-Chair Sayles, Chairman Harris

Noes: 0

Abstain: 0

10. Initial Recommendations for the 2009 Special Trains

INFORMATION

Ms. Mortensen, reviewed our past special train event history and our budgeted funds. With the current economy status, other agencies laying off employees, making drastic fiscal cuts and would people have discretionary income to participate in purchasing tickets for these trains. Ms. Mortensen turned over the subject to Mr. Reeves to present further information on the event trains and plans. Discussions have been started with representatives from Great America, San Jose Jazz Festival and Stockton Ports for the 2009 Special Trains. Three additional trains have been discussed as a possibility from recommendations from the board, and passengers.

Vice Chair Sayles asked to see data for the costs versus the revenue for the 2008 year, and if any of the 2008 event trains drew revenue or was money lost across the board.

Mr. Hubert Hanrahan, Business Development, reviewed the 2008 Jazz Festival, this event had 2 train conceis that ran. The total operating with staff was \$16,554.88 and the revenue was \$6,302.00 with the net train expenses being \$10,252.88.

Ms. Mortensen advised that there were not any of the event trains that made a profit. As the direct cost of the train is not significant but the cost of advertising and outreach to the public is costly. For 2009 the staff has proposed a calendar to be made with all events listed, this would decrease the advertising cost significantly. The 2007 A's event with a packed train was close to a money making event, but in 2008 we requested the Ports not to provide alcohol or a bar-b-q. With these changes it decreased the attendance.

Commissioner Ives asked what's the intention of the event trains is it to be good neighbors and provide fun or is it to market our system. If it is to market our system how are we able to reconcile the cost to new riders gained from the event.

Ms. Mortensen advised that some years ago the board adopted a special train policy, it allowed people that would otherwise not be commuting to take a ride on the ACE train and experience it as something in their community. So when an issue comes to vote, such as Measure K renewal or recommend it to their school. It may not attract commuters but everyone that rides the train would take it again.

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of February 6, 2009

Commissioner Haggerty asked if a Raider Train had ever been run before. The Raiders could advertise the train at the games and with the Raiders advertising would be a huge cost savings to SJRRC.

Mr. Reeves summarized the per person cost of the Raider Train and what the price includes.

Commissioner Haggerty suggests the train leave at an early time to allow time for tail gating, and feels this would be a successful train. With trains that have not been a success in the past that these be eliminated to minimize the impact on the budget.

Commissioner Johnson suggests that no alcohol be provided on the Raider train.

Mr. Baxter advised we have been successful in getting one train per year to the Coliseum on the Capital Corridor and may not be able to get two years

Vice Chair Sayles questioned the Holiday Train and suggested possibly changing it to a New Years Eve Train with a set destination.

Chairman Harris suggests that if we can get close to revenue on the Raider train and move forward on this, and to make sure the game is with is with a competitive team and not just any game.

Ms. Mortensen advised that we will do further research on the event trains and bring it back to the next board meeting.

11. Commissioner Comments

Commissioner Ives discussed the one voice trip approaching one major San Joaquin items is the acquisition of an alignment for ACE. That the commission acquires property and builds on the property or we partner with High Speed Rail Authority. While in Washington we take a different approach in terms of what, and look to the COG to be an advocate for an Altamont Transit Corridor.

12. Ex-Officio Comments

Andy Chesley, SJCOG discussed the budget shortfalls in revenue and reallocation of funds and the economic stimulus projects. Mr. Chesley thanks SJRRC for their work and cooperation.

13 Executive Director Report

Ms. Mortensen reviewed a list of stimulus projects that were submitted and that we have many projects that can be approved and ready to move forward when and if they are approved through the stimulus project.

Ms. Mortensen reviewed the APTA Audit that was performed and is an audit that is to take place within the first three years of operation. The required fee was to be the same as large transit agencies. It was delayed until the fees were reduced. The prime goal is to review the system safety plan and emergency response plan and see how compliant the agency is. Usually in a first audit there are many recommendations. In the Audit there were a total of eight commendable activities industry leading practices. Ms. Mortensen thanked Doug Warner and Herzog for their policies and procedures they have in place. When the draft report is available it will be brought for review.

Commissioner Ruhstaller has resigned and leaves one vacancy to be filled by the March board meeting.

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of February 6, 2009

Vice Chair Sayles asked that in the past we looked at adding one public member to the board. Is this something the board is still looking at adding.

Ms. Mortensen responded that it had been discussed at adding a member from the general public (i.e. passenger, or community member) and a leading business industry leader (i.e. similar natured to our goals) to the board, and is something that can be discussed at the next board meeting.

Chairman Harris adjourned the meeting and entered into Closed Session at 9:23 a.m.

14. Closed Session

Conference with Legal Counsel---Anticipated Litigation
California Government Code Section 54956.9(b)
1 potential case

15. Adjournment

The commission returned to open session at 9:54 a.m. Counsel advised there was no action taken on item 14.

The next regular meeting is scheduled for: **Friday March 6, 2009 @ 8:00 a.m.**

Robert J. Cabral Station
949 E. Channel Street
Stockton, CA 95202