

SAN JOAQUIN REGIONAL RAIL COMMISSION
Meeting of January 9, 2009

STAFF REPORT

Item 4.1: Minutes of December 1, 2008

The regular meeting of the San Joaquin Regional Rail Commission was held at 8:00 a.m. December 1, 2008 at the Robert J. Cabral Station, 949 East Channel Street Stockton, CA 95202

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

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

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

Commissioners Blalock and Haggerty entered the meeting at 8:06 a.m.

Ex-Officio Members Present: Dana Cowell for Andrew Chesley, Kome Ajise

Ex-Officio Andrew Kelsay entered the meeting at 8:11 a.m.

2. Public Comments

None

3. Presentations and Recognitions Ms. Stacey Mortensen Executive Director recognized and awarded Sountha Key and Suzie Wilson for their efforts and customer service in keeping Amtrak Bus Passengers informed when their connection was delayed on four hours.

4. 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.

4.1	Minutes of December 1, 2008	ACTION
4.2	Rail Commission/ACE Monthly Expenditure Report	INFORMATION
4.3	Monthly ACE Fare Revenue	INFORMATION
4.4	ACE Ridership	INFORMATION
4.5	ACE On-Time Performance	INFORMATION
4.6	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	ACTION

Program Funds Sub-Granted Through the State of California,
Not-To-Exceed \$198,030

- 4.7 Approve Resolution Amending SJRRC Personnel Manual Sections ACTION
For Family Medical Leave Act and Military Spouse Leave to comply
With Recent Changes in the Law

M/S/C (Sayles/Vice-Chair Harris) to approve the Consent Calendar. Passed and Adopted by the San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 4 Sayles, Bestolarides, Vice-Chair Harris, Chairman Restuccia

Noes: 0

Abstain: 0

5. Approve a Contract with Arrow Sign Company for the Robert J. Cabral ACE Station Clock Tower and Entry Features Not-To-Exceed \$408,869, and Authorize and Direct the Executive Director to Execute any and all Related Documents.

Mr. Brian Schmidt, Director of Planning and Programming, requested approval of a contract with Arrow Sign Company for the Clock tower that will distinguish the Cabral Station.

Vice-Chair Harris had questions if the tower would have any other functions. Mr. Schmidt responded that there would also be storage at the bottom of the tower and will also have security cameras on the top.

M/S/C (Sayles/Bestolarides) Approve a Contract with Arrow Sign Company for the Robert J. Cabral ACE Station Clock Tower and Entry Features Not-To-Exceed \$408,869, and Authorize and Direct the Executive Director to Execute any and all Related Documents. Passed and Adopted by the San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 4 Sayles, Bestolarides, Vice-Chair Harris, Chairman Restuccia

Noes: 0

Abstain: 0

6. Resolution Approving the ACE Equipment Maintenance Facility Project Scope and Authorize and Direct the Executive Director to Submit a Federal Railroad Administration, Railroad Infrastructure Fund Loan Request for the Project.

Mr. Gregg Baxter, Director of Operations, summarized the history, status and the need for the maintenance facility. Mr. Baxter reviewed the highlights on what the facility will include and how it will allow for additional maintenance to be done that is currently being contracted out. The facility will be environmentally friendly with a silver certification. Mr. Baxter showed a preliminary drawing of what the facility will look like

and where it will be fit on the property. There will be some relocation of the Union Pacific (UP) main line to the west by approximately 150 feet.

Commissioner Sayles asked where the new line will be located.

Chairman Restuccia asked how long it will take for the new track to be built and if this will cause a shut down for UP.

Mr. Baxter reviewed where the new line will be located, and that the new track would take approximately two (2) weeks to be built. Once the track is built UP will tie in the lines which will take a weekend to complete.

Mr. Baxter reviewed the timeline of the maintenance facility, with a projected completion date of September 2011. The overall cost of the project factoring in the escalation of material and labor and excluding the cost of the land the project is at the same cost as our projected facility in 2001. The facility is projected to cost approximately \$63 million.

Chairman Restuccia commented that we will have additional land to offset the cost of the new maintenance facility.

Mr. Baxter confirmed the site is 65 acres and we will have an approximate 30 acres remaining once the building is completed. Mr. Baxter reviewed the funds that have been secured and the agencies they have been secured through.

Chairman Restuccia asked for clarification of secured funds. That by saying secured funds these are funds that are not going anywhere and if there is a date these funds must be used by and if so that the date is after our projected date of September 2011.

Ms. Mortensen confirmed that these funds are secured and that the expiration date of the availability of these funds will be after September 2011.

Mr. Baxter requests the board approve the commission to apply for a low interest rate loan for the balance with Federal Railroad Administration with the Railroad Rehabilitation Improvement Financing Program for the balance of the funds needed to build the maintenance facility.

Chairman Restuccia questioned the index that the loan is tied to as he thought this was tied to life t-bill maturities.

Chairman Restuccia asked how long it will take to get the funding, and that the applications would not be sent back requesting for additional information delaying the loan process.

Mr. Baxter clarified that when the application is sent in it would take 90 days to approve the loan.

Ms. Mortensen advised the Board that meetings with the Federal Railroad Administration for a potential loan have been on going for the last three years.

Commissioner Bestolarides asked if the property is located in an enterprise or redevelopment area, and how many acres will be left after the maintenance facility is completed. It may be a good offset if we put out an RFP for a master developer to come in and do a proposal for the remaining 30 acres with industrial land at approximately \$5.00 per square foot.

Mr. Baxter advised that part of the RIF Loan process is the environmental document and that a modified version of the environmental document used for the Federal Transit Administration will need to be prepared for the Federal Railroad Administration. Mr. Baxter also advised that timing of some of the FTA funds is of the essence so we will be purchasing items that will be needed for construction with these funds.

Chairman Restuccia clarified that we will be asking SJCOG to increase our line of credit to \$9.7M and the rate would be cost of funds plus 1.0 percent.

Ex Officio Cowell advised the rate is consistent with the loan policy.

Mr. Schmidt reported that at the COG Board Meeting Steve Dial CFO from the COG advised the rate would be 3.8375%.

Mr. Baxter went over some of the immediate fund issues with a need of 9.45M for the land and once we get the approval for the loan we can close on the land using the line of credit as a bridge loan. With potential Proposition 1B funds, FTA funds that are allocated and acquisitioned. These funds can be paid to the COG to pay down the line of credit and when the RIF Loan is received to pay down the balance of the line of credit.

Ms. Mortensen reviewed some possible residual Measure K funds that may be available.

Commissioner Restuccia clarified if a motion to approve is needed.

Mr. Baxter reviewed the items that would be included in the motion and vote. The items included are the approval of the scope of the Maintenance Facility, RIF application, and short term loan with the COG.

M/S/C (Sayles/Bestolarides) to Approve Resolution Approving the ACE Equipment Maintenance Facility Project Scope and Authorize and Direct the Executive Director to Submit a Federal Railroad Administration, Railroad Infrastructure Fund Loan Request for the Project. Passed and Adopted by the San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 6 Sayles, Bestolarides, Harris, Haggerty, Blalock, Chairman Restuccia
Noes: 0
Abstain: 0

7. Resolution Approving SJRRC/ACE Fiscal Year 2008/2009 Budget Amending #2, increasing the Capital Budget by \$9,475,000 to \$34,605,438 for Property Acquisition of the ACE Equipment Maintenance and increasing the Operating Budget by \$198,030 to \$11,637,359 to include Department of Homeland Security funds for Security/Safety Programs and Supplies.

Mr. Schmidt summarized the request for the increase in the Capital and Operating Budgets. The increase in the Capital Budget would be for the Maintenance Facility. Funds in the amount of \$8,675,000 coming from Measure K Revenue; and \$800,000 from Section 5309. Upon closing the property acquisition for the Maintenance Facility we would use the Section 5309 funds to decrease the balance of our credit line until we receive the RIF Loan Proceeds. Award from Home Land Security has been received in the amount of \$198,030 for Security/Safety Programs and Supplies for training programs and materials, this amendment would also add these funds to the budget.

M/S/C (Sayles/Blalock) to approve Resolution Approving SJRRC/ACE Fiscal Year 2008/2009 Budget Amending #2, increasing the Capital Budget by \$9,475,000 to \$34,605,438 for Property Acquisition of the ACE Equipment Maintenance and increasing the Operating Budget by \$198,030 to \$11,637,359 to include Department of Homeland Security funds for Security/Safety Programs and Supplies. Passed and Adopted by the San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 6 Sayles, Bestolarides, Harris, Haggerty, Blalock, Chairman Restuccia
Noes: 0
Abstain: 0

8 Approve Resolution Adopting SJRRC 2009 Federal Legislative Priorities and Submission for the SJCOG One Voice Process.

Ms. Mortensen gave a brief history of two projects that were taken back to Washington DC as part of the COG One Voice Trip. They are the analysis and development of pollution control and emissions reduction strategy for ACE fleet locomotives and the development of a separate corridor for the ACE service between Stockton and Lathrop. The commission reviewed the projects with CJ Strategies in November and they suggest we stay consistent with our project request. With BART efforts to expand to Livermore, our efforts to connect with BART and the high speed rail initiative passing. There is an element underway on how to get higher speed trains through the Altamont Pass. The best project to put forward would be the segment that would be the routing through the Altamont Pass. The commission is allowed two projects through the COG One Voice Submittal. Ms. Mortensen suggests that we keep the central valley rail corridor project that would operate from Merced to Sacramento; the commission is not limited to have an entire series of priorities. The commission has discussed this project in Washington D.C. and the State Level with more meetings after the first of the year. For the purpose of the COG One Voice Trip two projects need to be adopted.

Chairman Restuccia asked for clarification if there is a priority one and a priority two.

Ms. Mortensen responded there are two priority levels but there must be flexibility.

Chairman Restuccia asked if it is most likely the analysis would be the number one priority.

Ms. Mortensen responded that it would be the most likely to be funded but the corridor must be pushed. The allocations of funds are a year behind of the current year.

Mr. Schmidt advised that the 2008 allocations have not been set and are anticipating some decisions being made after the new administration has been put into place in February or March.

Commissioner Blalock asked if on the pollution control emission reduction if we are able to use these funds to pursue the rebuild of our engines to be up to date on environmental emissions similar to the Capital Corridor

Ms. Mortensen responded yes these funds can be used for this. There is a series of criteria the study needs to look at the corridor characteristics in terms of the grade so the traction power to accommodate the Altamont Pass and the availability of the fuel source. We certainly do not want to find a product that is located in a far distance as that would defeat the purpose. We will certainly work with Gene and David from the Capital Corridor.

Vice Chair Harris asked if the commission has any congressional support on these two measures.

Ms. Mortensen responded we do have support, on the independent corridor especially if we broaden it to look at what does high speed rail need and how does it interface with BART. What might Amtrak need over time; there is really a sense that there are not a lot of access points into the bay area from the valley. With developing one with a multitude of uses would be very beneficial. Congressmen Cardoza and McNerney expressed the more benefit you make for people that make sense they would be very supportive of that. There has even been some talk about a truck lane with some sort of priority if it is a straight shot.

Commissioner Restuccia confirmed these will be the COG priorities to take back to Washington DC.

Ms. Mortensen asked what are the boards thoughts of keeping the Central Valley Rail outside of the COG process.

Commissioner Restuccia stated he feels the Central Valley Rail discussion needs to continue.

M/S/C (Harris/Sayles) to Approve Resolution Adopting SJRRC 2009 Federal Legislative Priorities and Submission for the SJCOG One Voice Process. Passed and Adopted by the

San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 6 Sayles, Bestolarides, Harris, Haggerty, Blalock, Chairman Restuccia

Noes: 0

Abstain: 0

9. Presentation to Out-Going Chairman Michael Restuccia.

Ms. Mortensen presented an award to Chairman Restuccia thanking him for his years and loyal service for working with the staff on several issues and projects. Ms. Mortensen turned it over to other members of the board for comments.

Vice Chair Harris and Commissioner Sayles thanked Chairman Restuccia for his knowledge and assistance he has provided them.

Chairman Restuccia commented he has decided not to run for City Council and that he will miss the board and the staff and will be around for any questions.

Commissioner Haggerty commented that as a member of the Alameda County Delegation, that he has been fare and a great asset.

10. Election of Chair and Vice-Chair to Begin in January 2009

Chairman Restuccia as one of his last duties of office he has nominated Vice Chair Harris for Chairman.

M/S/C (Restuccia/Bestolarides) to Approve Election of Chair to Begin on December 2, 2008. Passed and Adopted by the San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 6 Sayles, Bestolarides, Harris, Haggerty, Blalock, Chairman Restuccia

Noes: 0

Abstain: 0

Vice Chair Harris nominated Commissioner for Vice Chairman.

M/S/C (Harris/Haggerty) to Approve Election of Chair and Vice-Chair to Begin on December 2, 2008. Passed and Adopted by the San Joaquin Regional Rail Commission on the 1st day of December, 2008 by the following vote to wit:

Ayes: 6 Sayles, Bestolarides, Harris, Haggerty, Blalock, Chairman Restuccia

Noes: 0

Abstain: 0

11. Commissioner Comments: Commissioner Bestolarides apologized for missing the last meeting and asked that for the property acquisition a copy of the settlement statement be obtained from the title company and be forwarded by email to the members of the board.

Commissioner Haggerty asked if anything has been done regarding the property located next to the Cabral Station.

Ms. Mortensen advised that the agency had pulled away from the deal and that it is a closed session item with no further comment. Property negotiations are closed session items.

12. Ex-Officio Comments: Dana Cowell of the SJCOG congratulates the new appointed Chairman and Vice Chair, and on behalf of the COG Staff appreciates the pleasure of working with Chairman Restuccia.

Kome Ajise of Caltrans thanked Chairman Restuccia for his work and efforts.

Chairman Restuccia adjourned the meeting and entered into Closed Session at 8:45 am.

Executive Director Reports: Nothing to Report

14. Closed Session

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

15. Closed Session

Government Code Section 54957 – Public Employee Performance Evaluation
Title: Executive Director

16. Return to Open Session; Report on Closed Session

The Commission returned to open session at 9:30 am. Counsel advised there is nothing to report on item 14; and there is no change on item 15.

Adjournment

The next regular meeting is scheduled for: **Friday February 6, 2009 @ 8:00 a.m.**
Robert J. Cabral Station
949 E. Channel Street
Stockton, CA 95202.