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Deputy Executive Director, Policy

*Andrew B. Fremier*  
Deputy Executive Director, Operations

## Joint Meeting of the Select Committee and Project Steering Committee of the Transit Sustainability Project February 22, 2012 Minutes

### 1. Call to Order

Chair Bill Dodd called the meeting to order at approximately 1:12 p.m.

### 2. Minutes of October 26, 2011 and January 25, 2012 meetings

Minutes of the October 26, 2011 and January 25, 2012 meetings were approved after a motion by Commission Jake Mackenzie and a second by Commissioner Jim Spering.

### 3. Draft Financial, Service, and Institutional Recommendations

Kenneth Folan, MTC Programming and Allocations Section, presented an update on the Transit Sustainability Project work completed to date, including the proposed draft financial, service, and institutional recommendations of the project.

Michael Scanlon, General Manager of SamTrans, commented that his biggest concern is the financial measurement, noting that a 10% reduction in cost per revenue hour over the next five years is unrealistic. He added that an achievable standard for cost containment is something that everyone should be focused on and one option is to identify metrics for each of the seven large systems.

Mary King, Interim General Manager of AC Transit, agreed with the comments made by Mr. Scanlon and stated that large and small operators cannot be measured by the same standards. Ms. King further commented that additional time should be allowed for the seven large operators to develop the metrics.

MTC Commissioner Steve Kinsey commented that the \$25 billion combined capital and operating shortfall over twenty-five years is not sustainable and a strategy that addresses the whole problem must be developed. Mr. Kinsey asked if the intent is to make an airtight commitment to the efficiencies in order to get the voters to believe in putting more money into the system today. He said a vision is needed for how to solve the whole problem over a twenty-five year period.

Mr. Heminger responded that improved efficiency and new revenue are likely to be linked and specific questions surrounding these items were included in the regional gas tax poll questions, to hear directly from potential Bay Area voters. With regards to a full plan to address the twenty-five year deficit, he noted that it is not likely that this can be developed now but should be addressed as the TSP recommendations move forward.

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Jim Wunderman, President and CEO of Bay Area Council, commented that a lot has been learned from the various transit agencies regarding the different challenges that they face and that a one-size fits all would not be the best approach. He further stated that it would be better to set a higher standard than to set the bar low and have everyone achieve the bar but not accomplish tangible improvement as a result

MTC Commissioner Jim Spering agreed that it is better to establish a higher standard and asked for clarification on savings with regards to the negotiations with the unions and organized labor and if there has been a discussion about how to maintain or sustain cost savings.

Anthony Withington, Amalgamated Transit Union, commented that a ten percent reduction across the board is not a realistic approach and should be left to the collective bargaining process.

Stuart Cohen, Executive Director of TransForm, commented that he would like to see the process end with targets for greater efficiency and a per/passenger approach to bring in external factors such as demographics and the economy. He further commented that he would like to see an incentive that rewards operators for getting close to the targeted ten percent which will give an incentive for attempting to achieve the target. He would like to see an examination of legacy costs and that these might be considered outside of the performance measure calculations.

Scott Haywood, Santa Clara Valley Transportation Authority (VTA), commented that VTA has implemented a new cost effective Express Bus and an EcoPass to build ridership, but noted that progress takes time.

Denis Mulligan, General Manager and CEO of Golden Gate Bridge, Highway and Transportation District (GGBHTD) commented that having an aggressive cost goal is a worthy pursuit but there should be a couple of other measurements to account for the diverse nature of the systems.

Grace Crunican, General Manager of Bay Area Rapid Transit (BART) District, commented that in adopting four or five measures it is not likely that all of the operators will reach the ten percent on all of those measures. Over time, the performance against those measures will draw a complete picture of how and why certain operators perform the way that they do.

Commissioner Tom Bates commented that if the intent is to ask the public to support new investment in transit service the performance measures will have to be simple. Having one goal, even if it is difficult to achieve, rather than four or five measures would be easier for the public to understand. He further commented that having the Transit Sustainability Project (TSP) in place increases the likelihood that the various transit operators will work together to build efficiencies.

Mary King commented that AC Transit, as well as some of the other transit operators, were working to build efficiencies prior to the start of the TSP. Through the TSP the transit operators have gained a better understanding of how each operates, what challenges they face, and how to

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work together. She further commented that improved service to the customer base is something that is being closely looked at.

Mr. Heminger commented that he agreed with Commissioner Bates' comment that a measurement system that the public will understand is important.

Michael Scanlon commented that it will be difficult to make the ten percent reduction and suggested a no cost growth beyond inflation, as an aggressive goal.

Mr. Heminger commented that the transit operators should feel that they are fully invested in the outcome of the TSP but a consensus recommendation will need to go before the TSP Select Committee for a vote at their next meeting. He further commented that the intent is to bring the outcome of the TSP together with the OneBayArea Grant and the Sustainable Community Strategy by May.

Commissioner Sperring commented that if the decision is to go in the direction of an improved financial position he would like more clarity of the measurement process. He further commented that he would like to see some strong recommendations for the smaller operators at the end of the TSP process.

Commissioner Dodd commented that a one size fits all approach could be a problem and while five performance measures may be a lot for the public to embrace, three would likely be acceptable.

The Committee directed staff to work with the large seven operators to return with a proposed set of performance measures.

#### **4. Public Comment/ Information/ Next Meeting**

Ms. Pat Piras, commented on ways of cutting and containing costs, including in the area of paratransit services, as well as maintaining service efficiencies.

Ms. Jane Kramer, commented that consolidation is a good thing but cautioned to be careful not to issue too many constraints on the transit operators. She further commented that the public is very capable of understanding policy making except in situations where the process is not transparent.

The meeting was adjourned at approximately 2:35 p.m. The next meeting of the Transit Sustainability Project Select Committee is TBA.