



# **MINUTES**

## ***Board of Directors' Meeting***

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### **Call to Order**

The August 21, 2017 Board of Directors (Board) meeting of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) was called to order by Chairman Kranz at 12:41 p.m., at the Los Angeles County Metropolitan Transportation Authority, Board Room – Third Floor, One Gateway Plaza, Los Angeles, California.

Chairman Kranz announced that several of the Directors would participate in today's meeting via teleconferencing, and all votes would be taken by roll call.

Directors Present:     Tony Kranz, Chairman  
                              Bryan MacDonald, Vice Chairman (teleconference)  
                              Fred Strong, SLOCOG  
                              Michael T. Bennett, SBCAG  
                              John Fasana, Metro  
                              David Perry, Metro  
                              Al Murray, OCTA (teleconference)  
                              Tim Shaw, OCTA (teleconference)  
                              Greg Pettis, RCTC (teleconference)  
                              Jeff Snowden, Amtrak, Ex-Officio  
                              Art Brown, SCAG, Ex-Officio

Directors Absent:     Helene Schneider, SBCAG  
                              Lorie Bragg, SDMTS  
                              Terry Sinnott, SANDAG  
                              Michelle Boehm, CHSRA, Ex-Officio

Staff Present:        Jennifer L. Bergener, Managing Director  
                              Michael Litschi, Deputy Managing Director  
                              Olga Prado, LOSSAN Agency Clerk of the Board  
                              James Donich, General Counsel

## **Pledge of Allegiance**

The pledge of allegiance was led by Chairman Kranz.

### **1. Public Comments**

Paul Dyson, President of RailPAC and Chairman of the Burbank Transportation Commission, reported that the latest edition of Steel Wheels magazine has been released, and copies were available at the meeting. Mr. Dyson also reported that the Central Coast Railroad Festival will be taking place October 13-14, 2017. The event will provide an opportunity for rail fans to ride the train to San Luis Obispo and enjoy the festival.

Mr. Dyson added that the Coast Rail Coordinating Council will meet on Friday, October 13, 2017, and following the meeting, a RailPAC-hosted reception will be held at the San Luis Obispo Railroad Museum for elected officials, staff, and interested individuals.

## **Special Calendar**

There were no Special Calendar matters.

## **Consent Calendar (Items 2 through 6)**

### **2. Approval of Minutes**

A motion was made by Director Murray, seconded by Director Fasana, and following a roll call vote, declared passed 7-0, to approve the minutes of the LOSSAN Agency's regular Board of Directors meeting of June 19, 2017.

Directors Bennett and Perry abstained as they were not in attendance at the June 19, 2017 Board of Directors meeting.

### **3. Minor Capital Improvement Projects - Fiscal Year 2015-16 Priority Projects List**

This item was pulled by Director Murray, who inquired about the priority projects list as it relates to security and surveillance, and the possibility of prioritizing some projects to advance more quickly.

Roger Lopez, Principal Transportation Analyst, responded that the safety and security projects are in progress, including video surveillance, and must be completed before June 30, 2018.

**3. (Continued)**

A motion was made by Director Murray, seconded by Director Strong, and following a roll call vote, declared passed 9-0, to:

- A. Review and approve the proposed projects for the fiscal year 2015-16 minor capital improvement projects program.
- B. Authorize the Managing Director to negotiate and execute a cooperative agreement between the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency and Amtrak to implement the minor capital improvement projects program.

**4. Agreements for Pacific Surfliner Marketing Services**

A motion was made by Director Murray, seconded by Director Fasana, and following a roll call vote, declared passed 9-0, to:

- A. Approve the selection of Webb & Duffy's, doing business as Truth and Advertising, to provide consultant services for the Pacific Surfliner marketing program.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-7-0003 between the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency and Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$300,000, to provide consulting services for brand development and outreach services for the Pacific Surfliner marketing program for a one-year initial term with two, one-year option terms.
- C. Authorize the Managing Director to negotiate and execute Agreement No. L-7-0004 between the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency and Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$250,000, to provide consulting services for integrated advertising and direct response marketing for the Pacific Surfliner marketing program for a one-year initial term with two, one-year option terms.

### 5. Technical Advisory Committee Membership Update

A motion was made by Director Murray, seconded by Director Fasana, and following a roll call vote, declared passed 9-0, to confirm the revised Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Technical Advisory Committee membership roster.

### 6. Los Angeles - San Diego - San Luis Obispo Rail Corridor Trends for the Second Quarter of Federal Fiscal Year 2016-17

This item was pulled for a public comment. Paul Dyson, President of RailPAC and Chairman of the Burbank Transportation Commission expressed his concerns regarding the punctuality of the Pacific Surfliner service north of Los Angeles.

A motion was made by Director Murray, seconded by Director Fasana, and following a roll call vote, declared passed 9-0, to receive and file as an information item.

## Regular Calendar

### 7. Fare Policy Restructuring - Implementation

Roger Lopez, Principal Transportation Analyst, provided background information on the LOSSAN Agency's efforts related to the Pacific Surfliner fare restructuring, and reported on the following:

- Current fare structure has not changed since 2013.
- In 2016, the LOSSAN Board approved the guiding principles for the fare restructuring analysis.
- In 2017, the LOSSAN Board approved the basic fare assumptions.
- Base fare assumptions were developed on a consistent, distance-based formula.
- Discounts for 10-trip tickets will be consistent across all station pairs at a 40 percent discount level.
- Monthly pass fares continue to be calculated based on the current zone-based fare structure, with minor modifications.
- Partnering with Amtrak to ensure consistency with Amtrak's national tariff policy and fare structuring practices.
- The process undertaken is a normalization effort, not a fare change, and includes adjustment to the methodology of calculations and reflects some increases/decreases in fares.
- Impacts to three different fare types, percentage changes, and aggregate comparison between the proposed and current station pairs.
- Fares are calculated by and rounding up to the nearest nickel.

### 7. (Continued)

- 10-trip tickets account for less than one percent of Pacific Surfliner ridership.
- 10-trip ticket use will be limited to a single-named passenger, while the ticket use-period will be extended from 45 days to 60 days.
- Approximate 1.5 percent aggregate decrease in monthly pass fares.
- Efforts to incentivize the use of monthly passes for underutilized portions of the corridor.
- Worked cooperatively with Amtrak to model impacts of ridership and revenue.
- Proposed modifications to group discount program.
- Planned outreach efforts and implementation schedule for fare restructuring campaign.
- Staff will return to the Board with any significant findings.

A discussion ensued regarding:

- With the 10-trip ticket program, passengers are permitted to use any station pair within the limits of the valid 10-trip ticket.
- The system is very appealing to millennials (saving wear-and-tear to vehicles, gasoline costs, and personal time while traveling).
- Age group ridership demographics.
- Expressed appreciation to LOSSAN staff for this important outreach efforts.
- Fare recovery percentages.
- Proposed increases to travel from Los Angeles to the San Luis Obispo area.
- The LOSSAN Agency is not obligated to utilize the Amtrak national discounts.

Chairman Kranz proposed that Recommendation B be amended to “Direct staff to begin a 60-day public outreach campaign... and return to the Board of Directors with a summary of comments received for feedback.”

A motion was made by Director Strong, seconded by Director Fasana, and following a roll call vote, declared passed 9-0, to:

- A. Review and approve the proposed fare tables developed as part of the 2017 Pacific Surfliner fare restructuring effort.
- B. Direct staff to begin a 60-day public outreach campaign regarding the proposed fare restructuring, and to return to the Board of Directors with a summary of comments received for feedback.

### **8. Federal Fiscal Year 2017-18 and 2018-19 Operating Agreement with Amtrak for Pacific Surfliner Intercity Rail Service**

Jennifer Bergener, Managing Director, provided background information on staff's efforts related to the negotiation of the Federal Fiscal Year 2017-18 and 2018-19 Operating Agreement with Amtrak for Pacific Surfliner Intercity Rail Service.

Ms. Bergener noted a correction to the dollar amount in the proposed recommendation to read: "Authorize the Managing Director to negotiate and execute an agreement with Amtrak ... in an amount not to exceed \$32,539,762, for federal fiscal year 2017-18, and ..."

Ms. Bergener also reported that there are no significant changes to the base terms of the agreement, with the exception of the addition of a second year to the term of the agreement. Additional changes include implementation of a 13<sup>th</sup> roundtrip in 2018-19, addition of provisions for special trains, and minor modifications to the LOSSAN Agency's fleet.

A short discussion ensued regarding the premise for a reduction from 2017-18 of nearly half a million dollars in an inflationary economy. Mr. Bergener explained that Amtrak-based projections are utilized, which would result in that number.

A motion was made by Director Strong, seconded by Director Bennett, and following a roll call vote, declared passed 9-0, to authorize the Managing Director to negotiate and execute an agreement with Amtrak to provide for the continued operation of the Pacific Surfliner intercity passenger rail service for a term of two years, in an amount not to exceed \$32,539,762, for federal fiscal year 2017-18, and in an amount not to exceed \$32,325,567, for federal fiscal year 2018-19, subject to future funding approvals by the State of California.

## **Discussion Items**

### **9. Peak Period Retiming Effort Update**

Jennifer Bergener, Managing Director, provided an update on the efforts to develop an operating plan to provide peak period service to Ventura and Santa Barbara Counties, as well as presented a PowerPoint as follows:

- Peak Period Service Goal;
- Peak Period Service: Efforts to Date;
- Train "Meets;"
- Camarillo Station;
- Santa Barba Subdivision;
- Current Efforts; and
- Necessary Actions for Retiming.

### 9. (Continued)

Public comments were heard from:

- Pete Rodgers, Deputy Director, San Luis Obispo Council of Governments (SLOCOG), who reported that SLOCOG supports peak-hour service in the San Luis Obispo area of the corridor; however, expressed his concerns with the retiming efforts. Mr. Rodgers urged the Board to direct staff to double its efforts to obtain a new train slot.
- Paul Dyson, President of RailPAC and Chairman of the Burbank Transportation Commission. Mr. Dyson reported that RailPAC is a strong supporter of peak-hour passenger rail service between Ventura County and Santa Barbara County; however, echoed Mr. Rodgers comments and expressed his concerns.

A discussion ensued regarding:

- Today's presentation was intended to provide a refresher on the retiming efforts.
- Staff will return to the Board with a comprehensive report on the retiming efforts.
- Funding has been an issue in the past to obtain a new operating slot; however, are new funding opportunities available now that will help with that regard.
- Numerous discussions have been held over the last few years related to funding for single or multiple operating slots.
- Staff is working Union Pacific to look at an increased cost per track mile traveled.
- Ridership information on retimed train between the Los Angeles Union Station and Goleta is currently unavailable; however, it will be available soon and will be brought to the Board and provide the overall retiming plan.
- The Board expressed concerns regarding retiming efforts, and said staff should consider other solutions.

Director Strong provided a handout with language regarding a proposed resolution related to rail passenger service. He reported that the resolution will be presented to the National League of Cities on Wednesday, August 21, 2017.

No action was taken on this discussion item, and it was received and filed as an information item.

### 10. Marketing Update

Jennifer Bergener, Managing Director, introduced Kriss Garbowski, Senior Marketing Specialist, who provided a PowerPoint presentation as follows:

- Performance Summary;
- Promotional Opportunities;
- Great Dome Car;
- Comic-Con & Del Mar Racing;
- Web Presence;
- Partner Activation;
- Comment Trends;
- Facebook;
- Twitter; and
- Promotional Video (shown).

Director Murray commended staff on the video and marketing campaign efforts, mentioning the awards recently received by LOSSAN Agency staff, including the Silver Telly Award for videos promoting the Pacific Surfliner.

A short discussion ensued regarding the upcoming agreements for marketing services and how those contracts will enhance staff's efforts.

No action was taken on this discussion item, and it was received and filed as an information item.

### 11. Managing Director's Update

Jennifer Bergener, Managing Director, reported that:

- The State has released the State Rail Assistance Program guidelines, as well as the Transit and Intercity Rail Capital Program guidelines. Staff attended a workshop this past Friday and will offer comments to the State and return to the Board with a comprehensive list of projects and operating strategies that staff would like to pursue with those funding sources.
- At the June 19, 2017 Board meeting, the Board approved the continuation of the Rail 2 Rail (R2R) Program with North County Transit District (NCTD). At that time, the elimination of two of the existing R2R station stops, including Carlsbad Poinsettia and Sorrento Valley, was approved. Upon further review, the approach has been revised, now eliminating the station stop in Encinitas instead of Sorrento Valley.



### **11. (Continued)**

- Staff has completed negotiations on the LOSSAN Agency's first emergency bus service agreement between the Orange County Transportation Authority (OCTA), the LOSSAN Agency, and Amtrak. This agreement allows for OCTA, as a public agency, to provide emergency bus service on behalf of the Pacific Surfliner in the event of a service disruption.

Staff is currently working with NCTD on a similar agreement.

- Staff expected to have an update on the State's purchase of equipment as part of today's agenda items. However, the State was not in a position to share that information prior to the release of today's agenda. Ms. Bergener will send a memorandum to the Board at the end of the month with an update. In addition, a representative from the State is expected to participate in the September Board meeting to provide a thorough update on the efforts to secure new equipment on behalf of the three intercity corridors.

### **12. Board Members' Report**

Chairman Kranz reported that the conversation regarding R2R in San Diego County was very difficult as he is a Councilmember in the City of Encinitas; however, the data indicated that the Encinitas stop needed to be removed.

### **13. Closed Session**

There was no Closed Session scheduled.



# **MINUTES**

## ***Board of Directors' Meeting***

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### **12. Adjournment**

The meeting of the LOSSAN Board adjourned at 2:07 p.m. The next regularly scheduled meeting of this Board will be held:

**Monday, September 18, 2017**

**12:30 p.m. to 2:30 p.m.**

Los Angeles County Metropolitan Transportation Authority

Board Room – Third Floor

One Gateway Plaza

Los Angeles, California

ATTEST

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Tony Kranz  
LOSSAN Chairman

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Olga Prado  
Clerk of the Board