



DRAFT MINUTES

FINANCE COMMITTEE

Tuesday, February 9, 2016

1. Roll Call

Chair Mar called the meeting to order at 11:35 a.m.

Present at Roll Call: Commissioners Breed, Mar and Yee (3)

Absent at Roll Call: Commissioners Campos and Kim (entered during Item 4) (2)

Chair Mar called Item 4 before the Consent Calendar.

Consent Calendar

2. Approve the Minutes of the January 12, 2016 Meeting – ACTION

3. Internal Accounting and Investment Report for the Six Months Ended December 31, 2015 – INFORMATION

There was no public comment.

The Consent Calendar was approved without objection by the following vote:

Ayes: Commissioners Campos, Kim, Mar and Yee (4)

Abstain: Commissioner Breed (1)

End of Consent Calendar

4. State and Federal Legislative Update – ACTION

Mark Watts, State Legislative Advocate for the Transportation Authority, and Amber Crabbe, Assistant Deputy Director for Policy and Programming, presented the item per the legislation matrix.

Commissioner Breed asked why the staff recommendation was to support Assembly Bill First Extraordinary Session (ABX1) 18 when there was still bond debt to be paid, and asked if the state would need to find a new source to pay the bond debt. Mr. Watts responded that this was consistent with previous positions taken. Ms. Crabbe added that the intent was always to pay for the debt service out of the General Fund, similar to how schools paid off their debt service.

Commissioner Breed said that there were concerns with a potential deficit in the state budget and said that it seemed irresponsible to change the intended revenue to pay off this debt service if no other source had been identified as a replacement.

With respect to the staff position on AB 1550 (Gomez), Chair Mar commented that if the bill helped low-income communities of color across the state, supporting it to help those communities was the principled thing to do, even if it didn't necessarily help the city. He said that he would prefer to not take an oppose position but instead a more neutral position, since there was still work being done toward defining communities of concern to include the Bay

Area's low-income communities. Mr. Watts responded that the committee could recommend a watch with concern position.

Chair Mar asked for an explanation of the political context for the different budget proposals. Mr. Watts responded that the special legislative session on transportation started last summer and held hearings in the fall. He said Senator Beall was co-chair and was able to move his bill from the transportation committee, which was now pending a hearing at the appropriation special session committee. He said that Senator Beall was drafting amendments to add significant new funding for transit to supplement cap and trade and other programs, which went beyond roadway projects. He added that Senator Beall could technically amend the bill and use it as a tool for swift action. Mr. Watts said that Governor Brown's bill and Assemblymember Frazier's bill were both on longer time-periods, and that staff was waiting to see what Senator Beall's bill would be able to achieve.

During public comment, Bob Planthold urged the committee to change the staff recommendation on two bills, Assembly Bill (AB) 1641 and ABX1 25. He said that staff was recommending a watch position on these bills but he thought the committee should recommend an oppose position instead. He said the bills would make it "open season" for shuttles to operate in transit bus facilities and that small bus companies wouldn't have the power or ability to negotiate with the private shuttle operators. He said the city's pilot program had recently concluded and that there should be lessons learned from San Francisco for these other operators and for the legislature. Mr. Planthold said it would be better to oppose these bills now or else the city would be giving a blank check to the private shuttle operators, and that he was particularly thinking of the smaller operators and implications statewide. He said the California Public Utilities Commission (CPUC) would be licensing the shuttles and that the city had to take into account the neglect seen with CPUC, which was under-responsive to the needs of disabled peoples.

Sue Vaughan urged an oppose position instead of the watch positions for AB 1641 and ABX1 25. She said that the city was now aware that private shuttles blocked access to bus stops for seniors and people with disabilities and slowed down the public service. She said that evidence indicated that the availability of tech shuttles drives up rent and increases displacement in adjacent communities, and that with tech sector growth in Silicon Valley, this problem would only exacerbate in years to come. She noted that there were other bills discussed about generating revenue for public transportation, and that expanding local and regional public transportation accessible to everyone should be pursued. She concluded that these bills gave no leverage to the disabled and low-income communities to advocate for their needs.

Ed Mason commented that the bills as currently written would transfer public space for private use and that unintended consequences would come between the stops, including wide turns, noise, Muni delays and fuel consumption from buses returning empty. He estimated that there were 1.2 million gallons of diesel fuel used by these buses, half of which was wasted due to the return trips. He said that the buses created safety issues for people using the public bus stops, and that there was no legislation that prohibited the buses from operating without a license. Mr. Mason said that last month, the San Francisco International Airport operated shuttles for a whole month without a California license plate and without decals in the Muni stops. He recommended that a regional express system be set up for efficient and publically available use.

Ms. Crabbe stated that the staff recommendation was in response to a policy conversation that was happening elsewhere in the city. She said the legislation allowed the city to make the decision

to allow private shuttles to use these public transit facilities. She said that was why staff felt comfortable with a recommendation to watch the legislation but that it was up to the Board to amend that if desired.

Chair Mar commented that the bills seemed to go against the California motor vehicle code.

Commissioner Campos moved to amend the item to change the positions on AB 1641 and ABX1 25 from watch to oppose, seconded by Commissioner Yee.

The amendment to the item was approved without objection by the following vote:

Ayes: Commissioners Breed, Campos, Kim, Mar and Yee (5)

Commissioner Breed moved to amend the item to change the position on ABX1 18 from support to oppose, seconded by Commissioner Campos.

Ayes: Commissioners Breed, Campos, Kim, Mar and Yee (5)

The amended item was approved without objection by the following vote:

Ayes: Commissioners Breed, Campos, Kim, Mar and Yee (5)

5. Update on the California Road Charge Pilot Program – INFORMATION*

Michelle Beaulieu, Transportation Planner, presented the item per the staff memorandum.

Commissioner Kim asked how the program would impact drivers' incentives to purchase hybrid and electric vehicles if it put the fee on miles traveled rather than on gasoline purchased, and asked if it would discourage purchase of electric vehicles. Ms. Beaulieu responded that the technical advisory committee recommended to incentivize hybrid and electric vehicles at the time of purchase rather than as an on-going subsidy, and said that the biggest incentive was the fact that they would not have to purchase gas at all.

Commissioner Kim stated that it felt like this would penalize people for good behavior. Ms. Beaulieu responded that the gas tax was not intended to be a penalty on those who purchased gas, but was intended as a proxy for a road use fee, and that when it was created it made sense because every vehicle was using gasoline. She added that all vehicles were incurring wear on the roads today, but that electric vehicles were not paying into the system, so this was intended to be a more "fair" user fee.

Commissioner Kim questioned whether the gas tax was in fact a penalty and a fee on the inefficiencies in the market. Tilly Chang, Executive Director, commented that this was a complex topic and noted that many people saw it as a simple fee and a way to pay for our roads in the belief that the gas tax covered all road maintenance, when it actually did not. She said the fee could be thought of as covering three distinct goals, one to pay for maintenance, second to encourage people to travel in ways consistent with an environmental policy focus, and third would to manage congestion. She said that one of the more controversial questions in this area, for example, was whether the state should give electric vehicles access to high-occupancy vehicle lanes, but that this was an important area where a fee could be interpreted in several ways.

Commissioner Kim commented that she was open to the conversation, but remained skeptical.

Commissioner Mar commented that he appreciated the focus on equity in the fee, and estimated that people who could afford electric vehicles and hybrids earned more money than those who were driving gas guzzlers, but noted that it was a complicated topic and that the slide showing

how the gas tax value had decreased was helpful. He said the program made sense for the future of improving streets and roads in California.

There was no public comment.

6. Introduction of New Items – INFORMATION

There was no public comment.

7. Public Comment

During public comment, Andrew Yip commented on foundations.

8. Adjournment

The meeting was adjourned at 12:24 p.m.