

**CITIZENS ADVISORY COMMITTEE
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 SAN CARLOS AVENUE, SAN CARLOS CA 94070
BACCIOCCO AUDITORIUM, 2ND FLOOR**

MINUTES OF FEBRUARY 5, 2008

MEMBERS PRESENT: B. Arietta, J. Bigelow, R. Hedges, R. Hees, A. Mader-Clark, D. Maez, L. Shaine, N. Stern, P. Young (Vice-Chair),

STAFF MEMBERS ABSENT: P. Dixon (Chair), R. Gomez, S. Krause, A. Vargas, G. Zimmerman

STAFF PRESENT: J. Hurley, R. Lake, T. Reavey

Vice-Chair Paul Young called the meeting to order at 4:37 p.m. and led the Pledge of Allegiance.

APPROVAL OF MINUTES

Barbara Arietta said that on page five, eighth paragraph, “lowered gas mileage” should read, “*increased gas mileage.*” Doris Maez said that on page five, second paragraph, “Highway 101 travel time” should read “*Caltrain time.*” With these revisions, a motion (Bigelow/Arietta) was passed to approve the minutes of January 2, 2008.

PUBLIC COMMENT

None

**ITEMS FOR REVIEW – TRANSPORTATION AUTHORITY BOARD MEETING
AGENDA OF FEBRUARY 7, 2008**

Item 11a) Authorization to Appoint an Investment Advisor to Extend Advice on Portfolio Investments for the Transportation Authority

Director of Finance Trish Reavey reported;

- The resolution would expand the San Mateo County Transit District’s (District) investment contract to include the TA.
- A limited amount of TA funds would be invested through Epic Wealth Management (EWM) but the bulk of TA funds would remain in the county pool.
- The authorization would open up another option for the TA for investments.
- EWM has consistently exceeded benchmarks for return on investments for the District.
- EWM keeps safety and equity the utmost importance and their fees are consistently lower than the county pool’s terms.
- EWM removed any potential risk from the District’s portfolio before the subprime mortgage problems hit the market.
- The EWM proposed fee structure includes a blended rate of approximately 0.07 percent.

Questions/Comments

Larry Shaine asked if the investment included paratransit funds. Ms. Reavey said the paratransit funds are segregated funds and wouldn’t be included in this initial investment.

Ms. Reavey said Mr. Bill Osher is the District's investment advisor and advises the District on what is the best way to maximize return keeping all governmental structure in mind. The District needs to make sure the safety and security of the taxpayers' dollars are protected. She said Chief Financial Officer Gigi Harrington reviews investment advice and ultimately makes any decisions on actual investments.

Randy Hees asked how long SamTrans has been working with EWM. Ms. Reavey said it's been well over ten years.

Nancy Stern asked, if the test period for investment is successful, how will the District grade criteria. Ms. Reavey said it isn't considered a test period but another investment option for a portion of TA funds. If the TA decided to move more funds due to the success of the investment, staff would have to go to the Board for approval. EWM provides written and verbal quarterly reports that include current fluctuations in the market, returns on investments, comparisons to our benchmarks and future projections.

Ms. Maez asked if there were additional administrative fees on top of the company rate. Ms. Reavey said no. The fees the TA will pay are a reduced blended rate because the District currently pays a rate of 0.09 percent on the first \$100,000, 0.07 percent on the next \$50,000 anything over that amount would be paid at 0.03 percent.

Director of TA Programs Joe Hurley said that he and Ms. Reavey work together to anticipate the cash flow needs of the TA program, which will mean a range of short-term, mid-term and long-term cash flow needs. The TA will be able to take advantage of cash flow needs through EWM. Ms. Reavey said funds would not be moved if quarterly report updates indicate the market is showing it is not a good time to move funds. Funds would only be moved if it is in the best interest of the TA to do so.

Ms. Reavey said county pool funds are always liquid to the District. Notification is given to the county as funds are needed for cash flow purposes to cover accounts payable checks. If there is a need to withdraw a large percentage of the portfolio, the county pool needs to be notified ahead of time per the contract.

A motion (Hees/Arietta) was passed to recommend authorization of an investment advisor per TA agenda item 11a.

REPORT OF THE CHAIR

Vice-Chair Paul Young asked Barbara Arietta to review details of a visit to the San Carlos transit oriented development (TOD).

Ms. Arietta said the development is in San Carlos, east of El Camino Real/Holly Street on the west side of the Caltrain tracks. The development includes a four-story residential building over parking garages including four buildings north of Holly Street and two buildings just south of Holly Street. 34,600 square feet of retail is planned in three buildings. The builder and developer have been approached to give renters a one-year Caltrain pass to encourage transit use. There is a San Carlos Planning Commission study session on February 19 and a community-wide open house on February 21 possibly at the San Carlos library. Additional information is on the San Carlos city Website.

TA CAC Meeting
February 5, 2008

CAC members discussed TOD parking issues, SamTrans bus and shuttle connections and plans for a plaza at the current San Carlos Caltrain station area.

Mr. Hurley said the CAC needs to stay focused on goals of the CAC: the task of advising the Board on issues and the Board's task of administrating the half cent sales tax. The TA has no monetary interest in the TOD since the land was transferred from the TA to the JPB. As far as TOD is concerned, the TA funds transportation projects and programs that facilitate TOD, but the TA has no financial interest in this particular project.

Mr. Hees said TA funding was used for the grade separation project and there is now leftover property that the JPB holds and asked if the TA has any interest in benefiting from the surplus property generated by a project funded by TA funds. Mr. Hurley said the title is currently being transferred. The TA will be compensated by the JPB for the cost of the property and the specific terms and conditions have to do with the lease agreement and associated district revenue. A portion of the property was transferred over to SamTrans and a portion to the JPB because of preservation of land for expansion of the Caltrain system and land development.

Ms. Arietta and Mr. Shaine asked about potential pedestrian crossings on Holly Street and San Carlos Avenue. Jim Bigelow said Legacy Partners is a developer working with SamTrans and San Carlos and they are developing conceptual presentations for the Planning Commission.

Vice-Chair Young asked what input the TA would be looking for from the CAC on TOD. Mr. Hurley said questions may be asked about how a subject project supports TOD when it comes before the TA for funding consideration.

Mr. Bigelow said the station would have to be moved south to make room for passenger boarding and funds would requested at that time for the relocation of the transit center.

Mr. Hees asked if it would be appropriate for the presenters at the San Carlos TOD open house to present the project to the CAC. Mr. Hurley said the enthusiasm of the CAC was great but there are current responsibilities the CAC must deal with first.

Public Comment

Pat Giorni, Burlingame, said that if buildings are going to be put on the land adjacent to current tracks, how will there be space to add more tracks for High Speed Rail. Mr. Hees said he understands that the project will not infringe on the core right of way. Mr. Hurley concurred with Mr. Hees.

Ms. Maez asked what sort of commitments are involved for occupancy of retail space and is it the profit dollar that is driving changes from less housing to more retail space. Mr. Hurley said it is important to make the distinction between TOD and transit adjacent development.

Mr. Hurley said an incentive program for TOD residents to buy a Caltrain monthly pass as part of a lease agreement is being considered at a number of TOD locations.

REPORT FROM STAFF

Mr. Hurley reported:

1. Attended a conference with a core group of directors from 19 self-help counties in California with discussions to include:
 - a) Self-help counties need to report the amount of dollars that they bring to the table compared to the state and federal government.
 - b) Issues with the \$14 billion budget shortfall.
 - c) Gas tax and bonding revenues.
 - d) Prop 1B \$20 million infrastructure bond.
 - e) Billion dollar program involving state and local partnerships.
 - f) How will funding be divided up: formula or competitive-based.
 - g) What constitutes a local partner considering half cent sales taxes, developer fees and voter approved bridge toll increases.

Vice-Chair Young asked which counties were included. Mr. Hurley said nine Bay Area counties excluding Napa and Solano as well as a number of central and southern California counties.

Ms. Stern asked if there was any discussion on activities of other CACs and their priorities and activities. Mr. Hurley said the discussions were focused on financial issues.

2. Third to Millbrae Auxiliary Lane Project status:
 - a) Mt. Diablo pedestrian overcrossing scheduled to open in late spring.
 - b) Scaffolding is up for work at the pedestrian crossing near the Broadway interchange.

Mr. Bigelow said there is no orange sign that says "Dore Exit" at the Dore exit on Highway 101. The sign says, "Coyote Point."

Mr. Hees said there was a pile of Eucalyptus limbs and debris particularly on the south side of Highway 101 near the SamTrans stop and asked who is responsible for getting rid of the debris. Mr. Hurley said the during construction activity the maintenance responsibilities become that of the contractor.

3. The TA and C/CAG are partnering in a traffic management plan to deal with major incidents such as the recent tanker spill on Highway 101.

Ms. Arietta asked who will be responsible for the repaving Highway 101 due to the tanker accident. Mr. Hurley said the State Highway Operations and Preservation Program (SHOPP).

Mr. Shaine asked if ramp metering lights are changed on holidays. Mr. Hurley said the metering light rate is determined by the mainline traffic volume.

MEMBER QUESTIONS/COMMENTS

Mr. Hees asked about the status of the strategic plan. Mr. Hurley said meetings are ongoing with the subcommittee. There is a plan to have a consultant brief the CAC in April and May. A report will ready when there is consensus on all issues.

TA CAC Meeting
February 5, 2008

Ms. Maez said lane markings are almost non-existent as you exit Highway 101 southbound to eastbound Highway 92.

Mr. Shaine is interested in getting a report on the governor's budget and project impact on transportation. Mr. Hurley said there is a \$14 billion shortfall, Prop 42 will not be suspended and budget discussions are ongoing. He said it was too early to speculate about spillover funds.

Ms. Arietta would like a Devil's Slide Tunnel tour. She asked if there was interest in organizing a Measure A workshop for the CAC. Mr. Hurley asked that CAC members submit ideas through the Chair to agendaize for a Measure A workshop so materials can be tailored to specific needs. The workshop could be scheduled for a Saturday in April.

Mr. Hurley said five current CAC terms expire May 31, 2008 and there is one vacancy.

NEXT MEETING

The next regular meeting of the TA CAC will be held on Tuesday, March 4, 2008, at 4:30 p.m. at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA 94070.

ADJOURNMENT

The meeting adjourned at 5:39 p.m.