



# AGENDA

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Bacciocco Auditorium, 2<sup>nd</sup> Floor  
 1250 San Carlos Avenue, San Carlos, CA 94070

**December 4, 2014 – Thursday**

**5:00 p.m.**

1. Pledge of Allegiance
2. Call to Order/Roll Call
3. Report of the Citizens Advisory Committee
4. Consent Calendar MOTION  
 Members of the public or Board may request that an item under the Consent Calendar be considered separately
  - a. Approval of Minutes of November 6, 2014
  - b. Acceptance of Statement of Revenues and Expenditures for Fiscal Year Ending June 2014 (Unaudited)
  - c. Acceptance of Statement of Revenues and Expenditures for October 2014
5. Public Comment  
 Public comment by each individual speaker shall be limited to one minute
6. Chairperson’s Report RESOLUTION
  - a. Resolution of Appreciation for Legal Counsel David J. Miller
7. San Mateo County Transit District Liaison Report – Meeting of December 3, 2014 INFORMATIONAL
8. Joint Powers Board Report INFORMATIONAL
9. Report of the Executive Director INFORMATIONAL
10. Finance
  - a. Authorize Award of Contracts to PFM Asset Management LLC and U.S. Bank to Provide Investment Management and Custodial Services for a Three-Year Base Term RESOLUTION
  - b. Authorize Reallocation of \$500,000 Originally Allocated to the City of Menlo Park for the Environmental Phase of the Highway 101/Willow Interchange Project to Project Support During Subsequent Phases of Work RESOLUTION

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

San Mateo County Transportation Authority  
December 4, 2014 Agenda

11. Program
  - a. Authorize Approval of the Transportation Authority Strategic Plan 2014-2019 RESOLUTION
  - b. Update on State and Federal Legislative Program INFORMATIONAL
  - c. Capital Projects Quarterly Status Report – 1<sup>st</sup> Quarter Fiscal Year 2015 INFORMATIONAL
12. Requests from the Authority
13. Written Communications to the Authority
14. Date/Time of Next Meeting: Thursday, January 8, 2015, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070
15. Report of Legal Counsel
  - a. Closed Session: Conference with Legal Counsel – Existing Litigation (Government Code §54956.9(a)): San Mateo County v. Robert Wadell and Angela Bramble (San Mateo Superior Court Case No. 522021)
16. Adjournment

## **INFORMATION FOR THE PUBLIC**

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6242. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at [www.smcta.com](http://www.smcta.com).

### **Location, Date and Time of Regular Meetings**

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

### **Public Comment**

If you wish to address the Board, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the Authority Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

### **Accessibility for Individuals with Disabilities**

Upon request, the TA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306 or emailed to [board@smcta.com](mailto:board@smcta.com); or by phone at 650-508-6242, or TTY 650-508-6448.

### **Availability of Public Records**

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

MINUTES OF NOVEMBER 6, 2014

**MEMBERS PRESENT:** D. Canepa, C. Groom, D. Horsley, K. Matsumoto (Chair), T. Nagel, N. Patridge

**MEMBERS ABSENT:** R. Foust

**STAFF PRESENT:** J. Averill, J. Cassman, A. Chan, R. Haskin, G. Harrington, C. Harvey, S. van Hoften, J. Hurley, M. Lee, M. Martinez, N. McKenna, S. Murphy, M. Scanlon, M. Simon

Chair Karyl Matsumoto called the meeting to order at 5:04 p.m. and led the Pledge of Allegiance.

**CITIZENS ADVISORY COMMITTEE (CAC) REPORT**

Jim Bigelow, CAC member, said the Highway Program presentation is outstanding. He said the CAC supported all of the action items that will be presented to the Board. (See attached Chairperson's report on the meeting of November 4, 2014.)

Mr. Bigelow presented Michael Scanlon, Executive Director, with a gift from the CAC.

**APPROVAL OF CONSENT CALENDAR**

Motion/Second: Canepa/Nagel

Ayes: Canepa, Groom, Horsley, Matsumoto, Nagel, Patridge

Absent: Foust

**PUBLIC COMMENT**

Therese Dyer, Pacifica, asked to get an update on the highway widening project in Pacifica so she could inform her former constituents. Mr. Scanlon said the project sponsor is the city of Pacifica and the TA is the funding agency, but staff can give her some information.

**CHAIRPERSON'S REPORT – KARYL MATSUMOTO**

**Resolution of Appreciation to Outgoing Director Naomi Patridge**

Chair Matsumoto said Director Patridge will be stepping down from office in November. She has been an institutional mainstay at the TA, sitting on the Board for three terms, the first from 1996 to 1997 and the second from 1999 to 2001, before her latest stint from January 2012 to November 2014. She has earned the admiration and respect of her colleagues on the Board and the employees at the TA.

Motion/Second: Matsumoto/Horsley

Ayes: Canepa, Groom, Horsley, Matsumoto, Nagel, Patridge

Absent: Foust

Director Patridge said it is difficult to say goodbye because she enjoys this group, which worked well together and accomplished so much. She thanked the directors, Mr. Scanlon, staff, and Joe Hurley, Director, TA Program.

## **SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – KARYL MATSUMOTO**

The report is in the Reading File.

### **JOINT POWERS BOARD (JPB) REPORT**

Mr. Scanlon reported:

- Key Caltrain Performance Statistics September 2014 compared to September 2013.
  - Monthly Performance Statistics:
    - Total Ridership was 1,597,986, an increase of 14.5 percent.
    - Average Weekday Ridership (AWR) was 61,224, an increase of 12.7 percent.
    - Total Revenue was \$7,094,114, an increase of 12.9 percent.
    - On-time Performance (OTP) was 90.7 percent, a decrease of 0.2 percent.
    - Caltrain Shuttle Ridership was 8,757, an increase of 21 percent. This percentage increase is artificially high due to the previous problems with the counts on the Marguerite shuttle.
  - Year-to-Date Performance Statistics:
    - Total Ridership was 4,821,456, an increase of 10.7 percent.
    - AWR was 60,231, an increase of 10.8 percent.
    - Total Revenue was \$21,545,418, an increase of 10.8 percent.
    - OTP was 92.2 percent, an increase of 1.5 percent.
    - Caltrain Shuttle Ridership was 9,136, an increase of 30.6 percent. This percentage is also artificially high.
- For the eight post-season Giants games, average ridership was up 94,000, 27 percent more than 2012. Average per game was about 12,000. The victory parade had large crowds, but less than 2012. It was raining and there was a lot of transferring, which was not counted. There were about 18,400 extra rides.
- A Sunday service will run Thanksgiving Day. A Saturday service will run the Friday after Thanksgiving.
- Thanks to the generosity of the Silicon Valley Community Foundation, the Holiday Train is returning the weekend of December 6 and 7.
- The Baby Bullet 10-year Anniversary celebration was October 27 at the San Francisco Station. The launch of the Caltrain Commuter Coalition was announced at the event. Caltrain staff will be working with the Bay Area Council, Silicon Valley Leadership Group, the San Mateo County Economic Development Association, and many employers who will help advocate for enlightened policy, increased investment, and the need and wisdom of investing in transportation infrastructure.
- The Board:
  - Appointed two members to the CAC, one representing San Francisco and one representing San Mateo County.
  - Approved an amendment to the contract with Pinnacle Petroleum, Inc. for the provision of California Air Resources Board ultra-low sulfur diesel fuel and fueling services to extend the term and increase the estimated contract amount.

- o Authorized the reaffirmation of the Annual Investment Policy and the investment of monies with the Local Agency Investment Fund.

Marian Lee, Executive Officer, Caltrain Modernization (CalMod) Program, presented:

- The total cost for CalMod was approximately \$1.5 billion and included the advanced signal system project called Communications-based Overlay Signal System (CBOSS)/Positive Train Control (PTC), electrification infrastructure and the purchase of new Electric Multiple Units (EMUs) to replace about 75 percent of the existing diesel fleet. The electrification costs have increased since the original estimate in 2008. Costs are now estimated to increase \$250 million to \$300 million. Most of this is due to inflation, and some is due to increased industry costs. The next big challenge is to find additional funding.
- Staff has been preparing the Peninsula Corridor Electrification Project Request for Proposals (RFP).
- Staff is nearly done with the environmental document and will ask for the JPB's certification in January. Soon after that, the RFP will be released for the design-builders and the vehicle makers.
- Stakeholders have asked staff to look at a different type of vehicle than what was initially recommended. The cars that the JPB wants to purchase are bi-level EMUs, which help with capacity and have high performance. The floor height is 25 inches. These cars would help Caltrain increase station stops and reduce travel time. These cars are the most common type, which should result in good competition from the manufacturers. California High-speed Rail Authority (CHSRA) intends to buy single-level cars, which have a 50-inch floor height. Stakeholders want CHSRA and Caltrain to have the same floor height so at future intermodal stations, Caltrain and CHSRA can have shared platforms with level boarding. If Caltrain and CHSRA did not have the same floor heights, they would need separate, dedicated platforms to achieve level boarding. The tradeoffs impact all three counties in the corridor. There is potential for compromising car capacity and performance, which means not as many riders, not as many stops, and not maximizing travel-time reductions. There are also cost implications and varying levels of impacts to existing tenants. Staff has been meeting with CHSRA and they are making technical progress focusing on the alternative vehicle options and the tradeoffs. Staff will bring the analysis and findings back to the relevant agencies in all three counties. San Francisco may be intending to take resolutions on this topic to the relevant boards in November and December, but staff has been urging all agencies to postpone policy action until after the due diligence is complete so the policymakers have comprehensive information before addressing the issue.

Director David Canepa asked why San Francisco wants to move forward without waiting to get the technical information. Ms. Lee said it may have to do with the new downtown San Francisco station that is being built. It is in a confined space and has three platforms and six tracks. They want to maximize the flexibility and capacity of that station to serve both Caltrain and CHSRA.

Director Patridge said the TA should send a letter stating the TA would like San Francisco to wait until the partners can review the findings because it will affect San Mateo County more than San Francisco. She said all the parties need to work compatibly.

Chair Matsumoto said San Francisco is trying to split the JPB away from the San Mateo County Transit District. She said they are trying to direct what the three agencies are doing. They want to move the maintenance yard into Brisbane. She said it is too premature for policymakers to chime in now, because they need to know what the tradeoffs are and all agencies involved need to work in concert.

Director Terry Nagel said she would endorse the idea of sending a letter to San Francisco. She asked how this issue would affect capacity and performance. Ms. Lee said single-level cars have less capacity, and "electric locos" are a different type of vehicle than EMUs and they don't have the stop and start speeds that EMUs have, so they can't stop at as many stations.

Director Nagel asked if the new coalition could be helpful in this situation. Mr. Scanlon said yes. He said this item is not agendized so the Board can't take a policy action now, but staff is hearing the Board say it wants to express the sentiment. He said staff is working with CHSRA. He said good policy comes from fact-based information. Before policy can be set, the implications must be identified. The Transbay Terminal as designed is undersized. A fatal flaw analysis is being conducted.

Director Carole Groom said she is bothered by the possibility of having to expend taxpayer dollars and re-spend them later.

Mr. Scanlon said staff will find a way to follow up on the sentiment of the Board, perhaps in the form of a letter or possibly something less formal.

## **REPORT OF THE EXECUTIVE DIRECTOR**

Mr. Scanlon reported:

- Thanked Director Patridge for her service to the county.
- There were four recent public meetings for the TA Strategic Plan. The intent is to present the draft update and solicit input. Staff is continuing to accept comments through November 10, then will summarize and incorporate the comments into the plan and seek Board approval at the December meeting.
- On November 20, the city of Redwood City, the California State Department of Transportation (Caltrans) and the TA will host a scoping meeting as part of the environmental phase for the Highway 101/Woodside Interchange. This is a forum for public input. The project is to relieve existing congestion and improve safety. The TA allocated \$3.4 million for the environmental phase, which should be completed in early 2016.

## **FINANCE**

### **Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended September 30, 2014**

Bill Osher, CSI Group of Sun Trust, said the portfolio did fine in the quarter. The portfolio is now 50/50 U.S. Treasuries and U.S. Agency Government Securities. All are believed to

be guaranteed by the government. He said the markets have become increasingly influenced by global events. The recent volatility in interest rates and the stock market have been driven by events in other countries. Markets have become dismissive of what the Federal Reserve (Fed) is saying about raising short-term interest rates. The Fed posts where they think interest rates will be at the end of the next several years. Interest rates are much lower in the market today than what the Fed says they are going to be. He said he is keeping the portfolio safe.

Motion/Second: Patridge/Nagel

Ayes: Canepa, Groom, Horsley, Matsumoto, Nagel, Patridge

Absent: Foust

## PROGRAM

### Program Report: Highway Program

Mr. Hurley reported:

- The goals of the program are to:
  - Reduce commute corridor congestion
  - Make regional connections
  - Enhance safety
  - Meet local mobility needs
- Program overview
  - In the Original Measure A, the highway program was 29.3 percent of the revenues generated by the measure
  - In the New Measure A, highways are 27.5 percent: 17.3 percent for Key Congested Corridor Projects and 10.2 percent for Supplemental Roadway Projects
  - The total amount available over the life of the program is estimated to be \$412.5 million
- San Mateo County travel patterns and forecasts:
  - There are 698,105 registered vehicles
  - Vehicle miles traveled in 2010 was 6.5 billion; in 2040 it is projected to be 10 billion, 66 percent on the State Highway System (SHS)
  - There are 950 lane miles on the SHS in San Mateo County
  - Currently, 82.5 percent of the travel mode is in automobiles; in 2040 it is projected to be 79.2 percent.
- Project development costs range between \$6.9 million and \$173.6 million; development of a project takes between 96 to 138 months, and consists of the following phases:
  - Preliminary planning
  - Project initiation
  - Environmental
  - Design and right of way
  - Construction
- There are 24 projects in the pipeline, mostly consisting of interchange projects
- The biggest phase is construction
- Maps of where the projects are located were shown
- Stakeholders include:
  - Public

- Local jurisdictions
- Regulatory agencies
- Funding agencies
- TA Highway Program partner agencies include, but are not limited to:
  - Federal: U.S. Fish and Wildlife Service, Army Corps of Engineers
  - State: Caltrans, California Highway Patrol, California Transportation Commission
  - Regional: City/County Association of Governments
- Examples of leveraged funding include:
  - The Highway 101/Broadway Interchange Project: four sources
  - The Route 1 San Pedro Creek Bridge Project: five sources
  - The Highway 101 Auxiliary Lane Project: three sources
- Investment in the Highway Program yields returns. For example, the Highway 101 Auxiliary Lanes project resulted in:
  - A reduction by 7,100 hours of travel time per day
  - A yearly increase in productivity of \$40 million
  - Savings of 5,600 gallons a day in fuel
  - A 12 percent reduction in greenhouse gas emissions
  - A 20 percent reduction in accidents

### **Update on State and Federal Legislative Program**

Seamus Murphy, Director, Government and Community Affairs, said the Federal situation for transportation measures is dire because the Senate changed hands. Over the last several years there were some scary transportation funding proposals, but the Senate was always a good backstop to keep those proposals from being sent to the White House. Now the backstop is not there. There hasn't been a lot of opportunity to expand funding for Federal programs. The Surface Transportation Program is authorized through May of 2015. One opportunity to help find Federal funding is through earmarks if they come back.

### **REQUESTS FROM THE AUTHORITY**

None

### **WRITTEN COMMUNICATIONS TO THE AUTHORITY**

Chair Matsumoto said she encourages the Board to read the recruiting document for the Executive Director. The document is in the Reading File.

### **DATE AND PLACE OF NEXT MEETING**

December 4, 2014 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> floor, 1250 San Carlos Avenue, San Carlos CA 94070

### **REPORT OF LEGAL COUNSEL**

Joan Cassman, Legal Counsel, said the Board will meet in closed session on a matter of existing litigation regarding a condemnation action with one of the last remaining properties needed for the Highway 101/Burlingame Interchange Project. She said she does not expect any reportable action items; this is to seek Board authorization.

Meeting adjourned to closed session at 6:19 p.m.

Reconvened at 6:38 p.m.

Conference with Legal Counsel – Existing Litigation (Government Code §54956.9(a)):  
San Mateo County v. Robert Wadell and Angela Bramble (San Mateo Superior Court  
Case No. 522021)

Ms. Cassman said the Board has given instructions to the litigators and staff, and a report will be provided at a future meeting as to how this case is going.

The meeting was adjourned at 6:39 p.m. in memory of Al Teglia, an icon in the county and in transportation, former SamTrans Board member and Daly City councilmember and mayor.

# TA CAC Chair's Report

## November 6, 2014

I have the following to report from the November 4th meeting of the CAC:

(TA Item 4a) The CAC reviewed the TA Board's Minutes of October 2, 2014, without questions or comments.

(TA Item 4b) The CAC supported the Board's Approval of the 2015 Board of Directors Meeting Calendar.

(TA Item 4c) The CAC supported the Board's Acceptance of the Statement of Revenues and Expenditures for September 2014.

(TA Item 4d) The CAC supported the Board's Adoption of the Revised Conflict of Interest Code.

(TA Item 10a) After an in-depth financial presentation by Bill Osher, TA Investment Advisor, the CAC unanimously voted to support the Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended September 30, 2014.

(TA Item 11a) As part of a series of ongoing program reports presented to the Board on each of the Transportation Authority's program areas, we received a comprehensive report this month from Joe Hurley, Director, TA Program, covering the Measure A Highway Program, detailing its goals, travel patterns, project development phases, as well as its stakeholders, leveraging funding needs and program performances.

(TA Item 11b) In the absence of an in-person presentation from our Government Affairs Office representatives, Joe Hurley delivered a brief update that had been prepared by our Government Affairs personnel on the Affordable Housing Sustainable Communities Cap and Trade Program. Staff submitted comments to the Strategic Growth Council on the program guidelines and will review the revised guidelines scheduled to be released on December 1<sup>st</sup>.

In my own Chair's Report to the CAC, I advised the following:

1. Meters at 18 on-ramps in San Mateo County were activated on northbound U.S. 101 between State Route 92 in San Mateo and the San Mateo/San Francisco County line beginning Tuesday, November 4, 2014. The roll-out is scheduled to be done in 3 separate

stages and to be completely operational for both the morning and evening commute times by Wednesday, November 18th.

2. Paving repairs on State Route 92 to repave the roadway from Pilarcitos Creek to the Junction of State Route 92 and State Route 35 have temporarily been postponed due to Pumpkin Festival Events and the ensuing heavy traffic patterns caused by such and will be due to be started up again shortly

3. On Friday, October 24, 2014, the Dumbarton Rail Policy Advisory Committee, composed of elected officials in the communities that would be served by the project, including Menlo Park, East Palo Alto, Redwood City, Fremont, Union City and Newark, resolved to continue on the project, despite the fact that the MTC has recently repurposed the project's funding, largely for the Silicon Valley BART project. However, there is still a \$5 Million bridge toll fund stream paying to run AC Transit buses over the Dumbarton Bridge.

I advised the CAC that it was reported that at the MTC meeting, when the funds were being re-allocated, MTC board member and San Mateo County Supervisor Adrienne Tissier reassured concerned project supporters that after the Caltrain electrification EIR was completed this coming winter, that there would be renewed efforts to restart the project. Instead, the MTC decided to remove its representation from the committee.

Despite that action by the MTC, the Policy Committee members resolved to keep working on the project. Facebook, whose headquarters are at the base of the Dumbarton Bridge, has expressed strong continuing interest in the project, as well as other major employers who have expressed interest in keeping the project alive. The challenge is to find enough resources for staff to look for alternative sources of funds.

It was also reported that San Mateo County Transit District representative, April, Chan, advised that because her primary responsibilities lie with Caltrain and Sam Trans, it would be a conflict of interest to look for funds for a different transit project. Policy Committee members then discussed the possibility of creating a Joint Powers Authority to raise money to bootstrap the process of seeking implementation funding. However, with this week's November 4th passage of Alameda's Measure BB, Committee Chair, Carol Dutra-Vernaci, Mayor of Union City now believes that there will be, at least, enough money from that new potential source for staff to get started.

4. I advised the CAC that the City of San Mateo will host an Open House to review a Sustainable Streets Plan on Thursday, November 6 from 7-8:30 pm and a study session to review the plan on November 10 starting at 7:30 pm. Both meetings are at City Hall Council, 330 W. 20th Avenue in San Mateo.

5. I also announced that there will be a free Transportation Event put on by Sustainable San Mateo County on Wednesday, November 12th from 11:30 am-1:30 pm at the San Mateo Library.

The featured presentations include: The Future of Mass Transit, Shared Mobility and the Future of Personal Mobility. There will also be a networking lunch, a transportation expo and a chance to win prizes for attendees who take an alternative mode of transportation to the event.

RSVPs are required and, if interested, attendees should contact Sustainable San Mateo County to register for the event.

In Joe's report to the CAC, he went into greater detail concerning the roll out of the U.S. 101 metering lights expansion that I had briefly reported on to the CAC. Joe also updated the CAC on the San Pedro Creek Project and the ensuing traffic issues and that adjustments to the traffic signaling were now being put into place to help alleviate the traffic back-ups as best as possible.

Respectfully submitted,

Barbara Arietta

Chair, San Mateo County Transportation Authority, CAC

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT

TO: Transportation Authority

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE PERIOD ENDING JUNE 30, 2014 (UNAUDITED)**

**ACTION**

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of June 2014 and supplemental information.

**SIGNIFICANCE**

**Revenues:** Year-to-date *Total Revenue* (\$90,144,293 - line 7) is **better** than staff projections by \$10,354,453 or 13 percent. *Miscellaneous Income* (\$7,171,994 - line 3), is attributable to an unbudgeted recovery payout from the Lehman Brothers bankruptcy. The loss was recorded in Fiscal Year (FY) 2009. *Interest Income* (\$4,020,964 - line 2) is \$1,199,924 or 42.5 percent **better** than projections due to higher than budgeted returns and the interest on the U.S. Treasury Inflation Protected Security that matured on 4/15/14. *Rental Income* (\$1,203,816 - line 4) is \$35,516 or 3 percent **better** than staff projections.

*Total Revenue* (\$90,144,293 - line 7) is \$6,459,379 or 7.7 percent **better** than prior year performance. *Interest Income* (\$4,020,964 - line 2) is 370,380 or 10.1 **better** than prior year. *Grant Proceeds* (\$121,754 - line 5) is \$2,674,386 or 95.6 percent **worse** than prior year and is slightly offset by *Rental Income* (\$1,203,816 - line 4) which is \$62,040 or 5.4 percent **better**.

**Expenditures:** *Total Administrative Expenses* (\$837,043 - line 22) is **better** than staff projections by \$63,243 or 7 percent. Within total administrative expenses, *Staff Support* (\$531,403 - line 18) is \$33,749 or 6 percent **better** than staff projections.

**Budget Amendment:** There are no budget revisions for the month of June 2014.

**Final Year End Results:** Staff will update this report and distribute in conjunction with the FY2014 Comprehensive Annual Financial Report.

# Unaudited

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY STATEMENT OF REVENUES AND EXPENDITURES Fiscal Year 2014 June 2014

% OF YEAR ELAPSED: **100.0%**

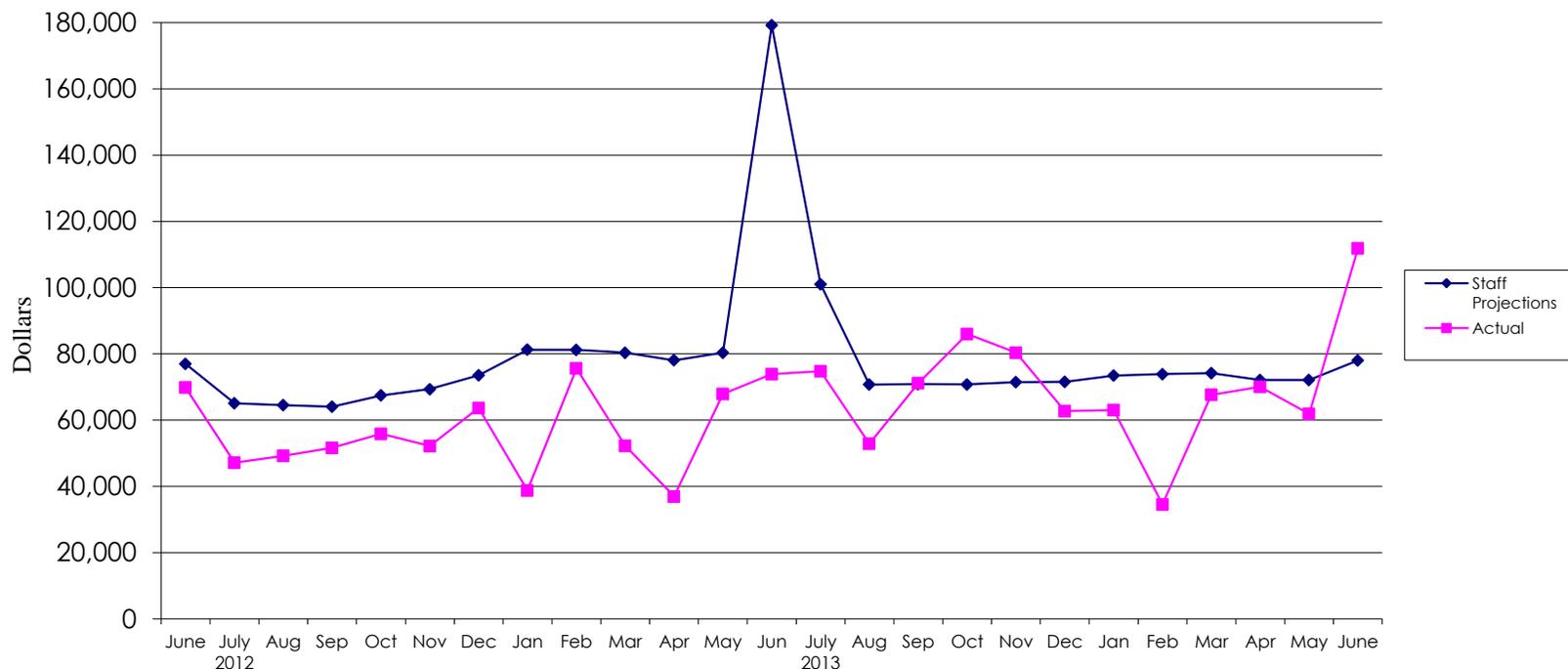
	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	STAFF PROJECTION	% OF PROJ	ADOPTED BUDGET*	STAFF PROJECTION**	% OF PROJ
<b>REVENUES:</b>								
1 Sales Tax	7,821,234	73,857,787	77,625,765	72,000,000	107.8%	68,000,000	72,000,000	100.0%
2 Interest Income	281,888	3,650,584	4,020,964	2,821,040	142.5%	2,821,040	2,821,040	100.0%
3 Miscellaneous Income	0	2,238,628	7,171,994	0	0.0%	0	0	0.0%
4 Rental Income	98,564	1,141,776	1,203,816	1,168,300	103.0%	1,168,300	1,168,300	103.0%
5 Grant Proceeds	26,131	2,796,140	121,754	3,800,500	3.2%	3,800,500	3,800,500	3.2%
6								
7 <b>TOTAL REVENUE</b>	<b>8,227,817</b>	<b>83,684,914</b>	<b>90,144,293</b>	<b>79,789,840</b>	<b>113.0%</b>	<b>75,789,840</b>	<b>79,789,840</b>	<b>113.0%</b>
8								
<b>EXPENDITURES:</b>								
11 Annual Allocations	2,854,750	26,958,092	28,333,404	26,280,000	107.8%	24,820,000	26,280,000	107.8%
12 Program Expenditures	15,290,006	54,647,863	45,799,236	94,045,000	48.7%	86,780,000	94,045,000	48.7%
14 Oversight	11,093	784,244	1,164,071	1,185,000	98.2%	485,000	1,185,000	98.2%
16 Administrative								
17 Staff Support	37,690	443,626	531,403	565,152	94.0%	565,152	565,152	94.0%
18 Measure A Info-Others	(1,279)	406	5,993	16,500	36.3%	16,500	16,500	36.3%
19 Other Admin Expenses	75,446	222,063	299,647	318,634	94.0%	318,634	318,634	94.0%
20								
21 Total Administrative	111,857	666,095	837,043	900,286	93.0%	900,286	900,286	93.0%
22								
23 <b>TOTAL EXPENDITURES</b>	<b>18,267,707</b>	<b>83,056,294</b>	<b>76,133,753 (1)</b>	<b>122,410,286</b>	<b>62.2%</b>	<b>112,985,286</b>	<b>122,410,286</b>	<b>62.2%</b>
24								
25 <b>EXCESS (DEFICIT)</b>	<b>-10,039,890</b>	<b>628,621</b>	<b>14,010,540</b>	<b>(42,620,446)</b>		<b>(37,195,446)</b>	<b>(42,620,446)</b>	
26								
27 <b>BEGINNING FUND BALANCE</b>	<b>Not Applicable</b>	<b>444,581,025</b>	<b>445,209,646</b>	<b>415,823,164</b>		<b>415,823,164</b>	<b>415,823,164</b>	
28								
29 <b>ENDING FUND BALANCE</b>	<b>Not Applicable</b>	<b>445,209,646</b>	<b>459,220,186 (2)</b>	<b>373,202,718</b>		<b>378,627,718</b>	<b>373,202,718</b>	
30								

Includes the following balances:			
Cash and Liquid Investments	1,135,219	FY 2013 Carryover of Commitments (Audited)	278,517,658
Current Committed Fund Balance	324,794,191 (3)	FY 2014 Additional Commitments (Budgeted)	112,985,286
Undesignated Cash & Net Receivable	<u>133,290,776</u>	Reso #2013-24	5,350,000
Total	<u><u>459,220,186 (2)</u></u>	Reso #2014-01	3,900,000
		Reso #2014-06	175,000
		Less: Current YTD expenditures	<u>(76,133,753) (1)</u>
		Current Committed Fund Balance	<u><u>324,794,191 (3)</u></u>

"% OF YEAR ELAPSED" provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% of PROJECT" column, please note that individual line items reflect variations due to seasonal activities during the year.

\* The TA Adopted Budget is the Board adopted budget effective June 5, 2013.  
 \*\* The TA Staff Projection is the adopted budget including year to date budget transfers.

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



**Current Year Data**

	Jul '13	Aug '13	Sep '13	Oct '13	Nov '13	Dec '13	Jan '14	Feb '14	Mar '14	Apr '14	May '14	Jun '14
<b>MONTHLY EXPENSES</b>												
<b>Staff Projections</b>	101,007	70,766	70,869	70,768	71,472	71,548	73,469	73,909	74,193	72,144	72,124	78,018
<b>Actual</b>	74,774	52,917	71,137	86,030	80,385	62,737	63,049	34,539	67,639	70,069	61,908	111,857
<b>CUMULATIVE EXPENSES</b>												
<b>Staff Projections</b>	101,007	171,773	242,642	313,410	384,882	456,430	529,899	603,808	678,001	750,145	822,268	900,286
<b>Actual</b>	74,774	127,691	198,829	284,859	365,244	427,981	491,030	525,569	593,208	663,277	725,186	837,043
<b>Variance-F(U)</b>	26,233	44,082	43,813	28,551	19,638	28,449	38,869	78,239	84,793	86,867	97,083	63,243
<b>Variance %</b>	25.97%	25.66%	18.06%	9.11%	5.10%	6.23%	7.34%	12.96%	12.51%	11.58%	11.81%	7.02%



SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF JUNE 30, 2014

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #3	*	Liquid Cash	0.560%	\$ 252,029,881	\$ 252,029,881
Local Agency Investment Fund	**	Liquid Cash	0.228%	\$ 24,322,044	\$ 24,322,044
Investment Portfolio	***	Liquid Cash	0.616%	\$ 170,794,810	\$ 170,827,062
Other		Liquid Cash	0.000%	\$ 1,135,219	\$ 1,135,219
				<u>\$ 448,281,954</u>	<u>\$ 448,314,206</u>

Accrued Earnings for June, 2014 \$ 241,968.34  
 Cumulative Earnings FY2014 \$ 4,079,870.42

\* County Pool average yield for the month ending June 30, 2014 was 0.750%. As of June, 2014 the amortized cost of the Total Pool was \$3,556,971,045.99 and the fair market value per San Mateo County Treasurer's Office was \$3,564,257,121.46

\*\* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

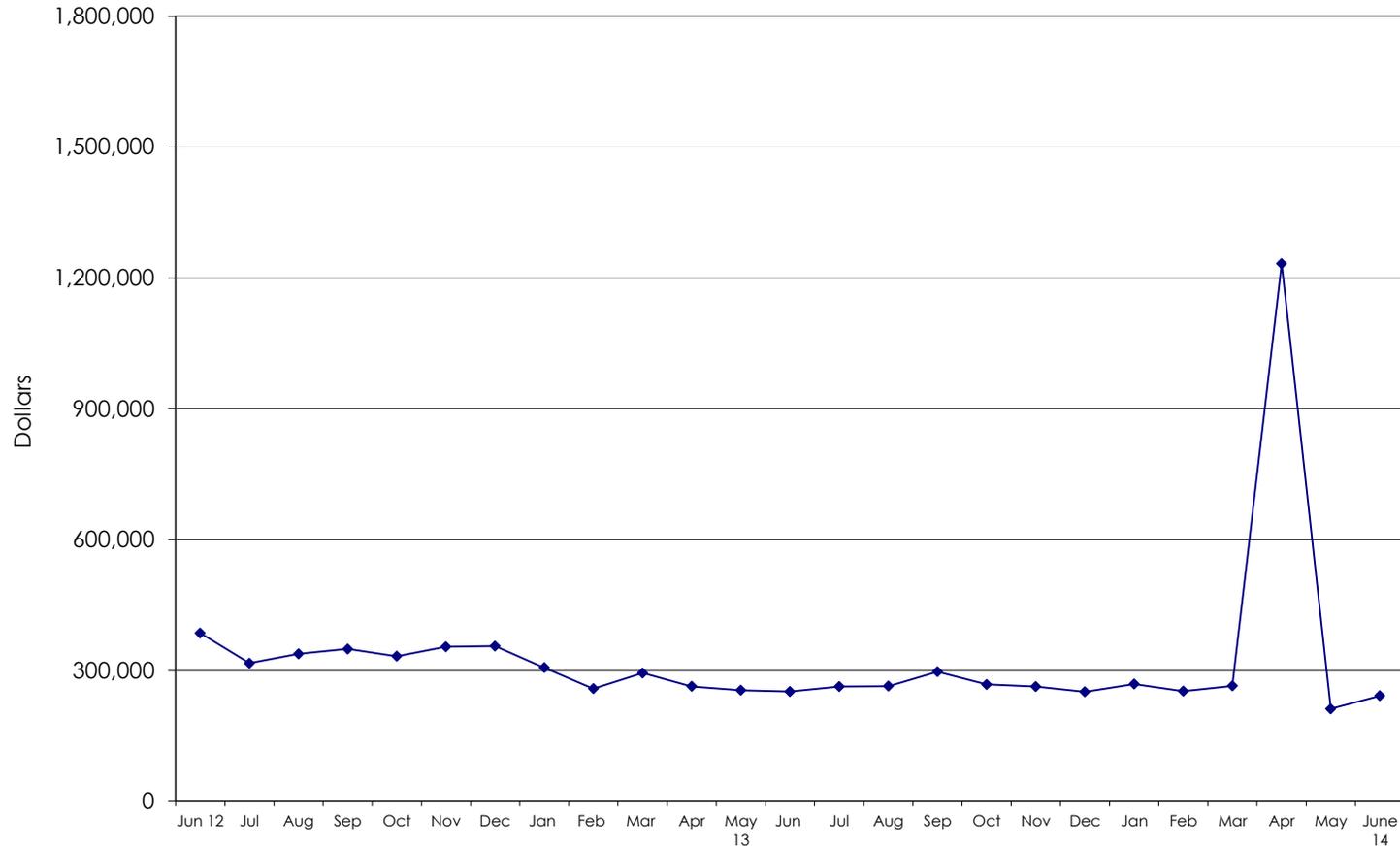
\*\*\* The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
INTEREST STATEMENT  
JUNE 2014**

FY2014	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	263,024.35	263,024.35
AUGUST	264,079.37	527,103.72
SEPTEMBER	297,053.11	824,156.83
OCTOBER	268,126.19	1,092,283.02
NOVEMBER	263,074.06	1,355,357.08
DECEMBER	251,328.79	1,606,685.87
JANUARY	269,050.43	1,875,736.30
FEBRUARY	252,699.56	2,128,435.86
MARCH	264,910.15	2,393,346.01
APRIL	1,232,600.92 *	3,625,946.93
MAY	211,954.99	3,837,901.92
JUNE	241,968.34	4,079,870.26

\* -Treasury Inflation Protected Security (TIPS) matured 4/15/2014  
Interest for the inflation component is paid at maturity.

## SMCTA Interest Income



NOTE: Treasury Inflation Protected Security (TIPS) matured 4/15/14. Interest for the inflation component is paid at maturity.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**INTEREST ON INVESTMENTS**  
**June 30, 2014**

DESCRIPTION	TOTAL INVESTMENT 06-30-14	INTEREST RECEIVABLE 05-31-14	PREPAID INT RECEIVABLE 05-31-14	INTEREST EARNED 06-30-14	INTEREST RECEIVED 06-30-14	ADJ.	INTEREST RECEIVABLE 06-30-14
LAIF	24,322,044.04	8,225.58	0.00	5,120.08	0.00		13,345.66
COUNTY POOL	252,029,881.18	223,443.56	0.00	154,614.55	0.00	(2,946.67)	375,111.44
BANK OF AMERICA	1,128,200.87	0.00	0.00	0.00	0.00		0.00
WELLS FARGO	7,018.00	0.00	0.00	0.00	0.00		0.00
INVESTMENT PORTFOLIO	170,794,810.01	191,498.08	29,884.61	85,298.96	0.00	(118.58)	306,563.07
	<u>448,281,954.10</u>	<u>286,745.83</u>	<u>29,884.61</u>	<u>245,033.59</u>	<u>0.00</u>	<u>(3,065.25)</u>	<u>695,020.17</u>

**JUNE 2014 -- SUMMARY OF INTEREST & CAPITAL GAIN**

Interest Earned Per Report	06/30/14	241,968.34
<b>Add:</b>		
<b>Less:</b>		
Management Fees		(7,925.99)
Amortized Premium/Discount		(12,423.04)
Capital Gain(Loss)		0.00
Total Interest & Capital Gain(Loss)		<u>221,619.31</u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	4,082,817.10
<b>Add:</b>	
<b>Less:</b>	
Management Fees	(93,920.46)
Amortized Premium/Discount	(328,073.46)
Capital Gain(Loss)	(12,832.50)
Total Interest	<u>3,647,990.68</u>

Balance Per Ledger as of	06/30/14	
Exp. Acct. 530011 - Amort Prem/Disc		(328,073.45)
Int Acct. 409100 - Co. Pool		1,574,682.63
Int Acct. 409100 - LAIF		33,948.17
Int Acct. 409101 - Portfolio Funds		2,380,265.83
Gain(Loss) Acct. 405210		(12,832.50)
		<u>3,647,990.68</u>

**Extraordinary one time items:**

Misc. Income - Lehman Brothers Recovery	7,170,494.44
---	--------------

**INVESTMENT PORTFOLIO**  
**June 30, 2014**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	GASB 31	MARKET	MATURITY DATE	INT	RATE/	APPL	INTEREST	PREPAID	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	INT REC'VBLE	PAR VALUE	
			PURCHASE PRICE	ADJUSTED	VALUE		RATE	DAY	DAYS	REC'VBLE	INT REC'VBLE	EARNED			REC'VBLE	LESS PREPAID		
<b>SECURITIES MANAGED BY INVESTMENT ADVISOR:</b>																		
<b>U.S. TREASURY NOTES AND BONDS</b>																		
US TREASURY NOTE	912828TX8	02-01-13	14,998,828.13	15,034,050.00	15,034,050.00	11-15-15	0.375%	156.2500	30	2,598.51		4,687.50		(101.91)	7,184.10	7,184.10	15,000,000	
US TREASURY NOTE	912828VL1	12-19-13	25,057,734.38	25,076,250.00	25,076,250.00	07-15-16	0.625%	434.0278	25	61,032.46	27,020.03	10,850.70		199.02	72,082.18	45,062.15	25,000,000	
US TREASURY NOTE	912828WA4	03-21-14	11,972,343.75	12,012,240.00	12,012,240.00	10-15-16	0.625%	208.3333	30	9,631.15		6,250.00		(102.46)	15,778.69	15,778.69	12,000,000	
US TREASURY NOTE	912828WF3	03-28-14	9,971,093.75	10,002,300.00	10,002,300.00	11-15-16	0.625%	173.6111	30	2,887.23		5,208.33		(113.22)	7,982.34	7,982.34	10,000,000	
																	29.97%	
<b>U.S. GOVERNMENT AGENCIES</b>																		
FHLMC	3134G4ER5	08-19-13	10,001,100.00	10,004,100.00	10,004,100.00	08-19-15	0.500%	138.89	30	14,166.67		4,166.67		(0.01)	18,333.33	18,333.33	10,000,000	
FNMA	31398A4M1	09-13-13	10,221,000.00	10,170,900.00	10,170,900.00	10-26-15	1.625%	451.39	30	15,798.61		13,541.67			29,340.28	29,340.28	10,000,000	
FHLMC	3134G4HZ4	10-28-13	9,999,500.00	10,009,100.00	10,009,100.00	10-28-15	0.500%	138.89	30	4,583.33		4,166.67			8,750.00	8,750.00	10,000,000	
FHLMC	3134G34B3	01-30-13	9,998,500.00	10,003,900.00	10,003,900.00	01-28-16	0.500%	138.8889	30	17,083.33		4,166.67			21,250.00	21,250.00	10,000,000	
FNMA	3135G0UM3	05-29-13	4,394,560.50	4,398,120.45	4,398,120.45	02-26-16	0.520%	63.4833	30	6,030.92		1,904.50			7,935.42	7,935.42	4,395,000	
FNMA	3135G0VH3	05-30-13	15,149,117.50	15,113,401.60	15,113,401.60	03-04-16	0.750%	313.9583	30	27,314.38		9,418.75			36,733.13	36,733.13	15,070,000	
FNMA	3135G0VA8	05-13-13	24,041,832.00	24,040,800.00	24,040,800.00	03-30-16	0.500%	333.3333	30	20,333.33		10,000.00			30,333.33	30,333.33	24,000,000	
FNMA	3135G0XP3	12-10-13	9,959,800.00	9,952,900.00	9,952,900.00	07-05-16	0.375%	104.1667	30	15,208.33		3,125.00			18,333.33	18,333.33	10,000,000	
FNMA	3135 G0YE7	03-07-14	15,029,400.00	15,009,000.00	15,009,000.00	08-26-16	0.625%	260.4167	30	24,739.58	2,864.58	7,812.50			32,552.08	29,687.50	15,000,000	
																	70.03%	
<b>MATURED/CALLED</b>																		
<b>TOTAL</b>			170,794,810.01	170,827,062.05	170,827,062.05					221,407.83	29,884.61	85,298.96	0.00	(118.58)	306,588.21	276,703.60	170,465,001.00	
					32,252.04													
							Weighted Average Interest Rate	0.6157%										

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
 FY2013 & FY2014  
 JUN 2014 FINAL

11/21/14 10:36 AM

Approved Budget		Receipts		Over/(Under)	Current
Date	Revised Amount	Date	Amount	Budget/Projection	Projection
<b>FY2013:</b>					
1st Quarter	16,181,800	1st Quarter	18,855,990	2,674,190	18,855,990
2nd Quarter	17,084,000	2nd Quarter	18,948,926	1,864,926	18,948,926
3rd Quarter	17,782,200	3rd Quarter	17,439,496	(342,704)	17,439,496
4th Quarter	16,952,000	4th Quarter	18,613,375	1,661,375	18,613,375
<b>FY2013 Total</b>	<b>68,000,000</b>	<b>FY2013 Total</b>	<b>73,857,787</b>	<b>5,857,787</b>	<b>73,857,787</b>
<b>FY2014:</b>					
Jul. 13	4,400,000	Sep. 13	5,504,500	1,104,500	5,504,500
Aug. 13	4,400,000	Oct. 13	5,504,500	1,104,500	5,504,500
Sep. 13	6,100,000	Nov. 13	7,339,400	1,239,400	7,339,400
1st Qtr. Adjustment	1,650,000	Dec. 13	735,085	(914,915)	735,085
3 Months Total	16,550,000		19,083,485	2,533,485	19,083,485
Oct. 13	4,700,000	Dec. 13	5,518,300	818,300	5,518,300
Nov. 13	4,700,000	Jan. 14	5,447,000	747,000	5,447,000
Dec. 13	6,330,000	Feb. 14	7,140,500	810,500	7,140,500
2nd Qtr. Adjustment	1,795,000	Mar. 14	2,495,146	700,146	2,495,146
6 Months Total	34,075,000		39,684,432	5,609,432	39,684,432
Jan. 14	5,580,000	Mar. 14	4,904,900	(675,100)	4,904,900
Feb. 14	5,500,000	Apr. 14	4,897,600	(602,400)	4,897,600
Mar. 14	6,500,000	May 14	6,530,100	30,100	6,530,100
3rd Qtr. Adjustment	1,672,500	Jun. 14	1,681,066	8,566	1,681,066
9 Months Total	53,327,500		57,698,098	4,370,598	57,698,098
Apr. 14	5,500,000	Jun. 14	5,261,200	(238,800)	5,261,200
May 14	5,500,000	Jul. 14	5,272,500	(227,500)	5,272,500
Jun. 14	6,000,000	Aug. 14	7,014,900	1,014,900	7,014,900
4th Qtr. Adjustment	1,672,500	Sep. 14	2,379,068	706,568	2,379,068
<b>FY2014 Total</b>	<b>72,000,000</b>	<b>FY2014 Total</b>	<b>77,625,765</b>	<b>5,625,765</b>	<b>77,625,765</b>
	19,083,485	1st Quarter			
	20,600,946	2nd Quarter			
	18,013,666	3rd Quarter			
	19,927,668	4th Quarter			
	<u>77,625,765</u>	YTD Actual Per Statement of Revenue & Expenses			

(1) Apr/May/June portion

(1) Accrued

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
CASH AND INVESTMENTS AS OF JUNE 30, 2014

	<u>6/30/2014</u>
Cash -- Bank of America Checking Account	1,128,200.87
Cash -- Wells Fargo Lockbox Account	7,018.00
LAIF	24,322,044.04
County Pool	252,029,881.18
Investment Portfolio	170,794,810.01
	<hr/>
Total	<u><u>448,281,954.10</u></u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**CHECKS WRITTEN**  
**JUNE 2014**

Unit	Ref	Name	Date	Amount	Method	Description
SMCTA	000939	PENINSULA CORRIDOR JOINT POWERS BOARD	6/9/2014	5,641.29	WIR	Capital Programs <sup>(1)</sup>
SMCTA	000940	PENINSULA CORRIDOR JOINT POWERS BOARD	6/16/2014	3,411,667.75	WIR	Capital Programs <sup>(2)</sup>
SMCTA	000941	SAN MATEO COUNTY TRANSIT DISTRICT	6/23/2014	465,628.73	WIR	Wages, Fringe, OH, AP, Caltrain, RW, etc
SMCTA	000942	MATSUMOTO, KARYL M.	6/23/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000943	GROOM, CAROLE	6/23/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000944	NAGEL, TERRY	6/23/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000945	CANEPA, DAVID	6/23/2014	100.00	WIR	Board of Directors Compensation
SMCTA	003744	DMJM HARRIS/MARK THOMAS JV	6/2/2014	475.96	CHK	Consultants
SMCTA	003744	DMJM HARRIS/MARK THOMAS JV	6/2/2014	16,010.28	CHK	Consultants
SMCTA	003745	BURLINGAME, CITY OF	6/9/2014	13,971.86	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003746	HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY	6/9/2014	35,787.83	CHK	Legal Services
SMCTA	003747	OFFICEMAX	6/9/2014	21.35	CHK	Office Supplies
SMCTA	003748	BURLINGAME, CITY OF	6/16/2014	14,765.40	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003749	DALY CITY, CITY OF	6/16/2014	23,746.20	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003750	DORE, KATHLEEN L. AKA DORE, KATHLEEN L.	6/16/2014	1,982.00	CHK	Capital Programs <sup>(8)</sup>
SMCTA	003751	HOLLAND & KNIGHT LLP	6/16/2014	3,500.00	CHK	Legislative Advocacy
SMCTA	003752	KHOURI CONSULTING	6/16/2014	3,500.00	CHK	Legislative Advocacy
SMCTA	003753	PENINSULA TRAFFIC CONGESTION RELIEF	6/16/2014	155,454.07	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003754	REDWOOD CITY, CITY OF	6/16/2014	83,883.70	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003755	ATKINS NORTH AMERICA, INC	6/23/2014	36,771.97	CHK	Consultants
SMCTA	003756	CITY OF DALY CITY	6/23/2014	5,269.60	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003757	CITY OF PACIFICA	6/23/2014	145,301.67	CHK	Capital Programs <sup>(5)</sup>
SMCTA	003758	DAILY JOURNAL CORPORATION	6/23/2014	381.18	CHK	Public Notice Printing
SMCTA	003759	FOUST, ROSANNE	6/23/2014	100.00	CHK	Board of Directors Compensation
SMCTA	003760	MILLER STARR REGALLIA	6/23/2014	7,374.60	CHK	Capital Programs <sup>(6)</sup>
SMCTA	003761	PATRICK IDIART AND ASSOCIATES	6/23/2014	11,250.00	CHK	Capital Programs <sup>(6)</sup>
SMCTA	003762	PATRICK IDIART AND ASSOCIATES	6/23/2014	7,000.00	CHK	Capital Programs <sup>(6)</sup>
SMCTA	003763	PATRIDGE, NAOMI	6/23/2014	100.00	CHK	Board of Directors Compensation
SMCTA	003764	REDWOOD CITY, CITY OF	6/23/2014	137,539.09	CHK	Capital Programs <sup>(7)</sup>
SMCTA	003765	SAN MATEO, CITY OF	6/23/2014	19,053.70	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003766	URS CORPORATION	6/23/2014	135,729.77	CHK	Consultants
				<u>4,742,308.00</u>		

- (1) Dumbarton Design  
(2) San Bruno Grade Separation \$3,111,670.82; Downtown Extension \$2,861.58; CBOSS/PTC \$78,029.29; Caltrain Electrification \$207,185.92; and Boarding Platform Improvement (Atherton) \$11,920.14  
(3) FY14 Call for Projects - Local Shuttle  
(4) FY13/14 Call for Projects - Ped & Bike  
(5) San Pedro Creek/Rte 1 Bridge R  
(6) 101 Interchange to Broadway  
(7) 84/101 Interchange

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT

TO: Transportation Authority

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE PERIOD ENDING OCTOBER 30, 2014**

**ACTION**

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of October 2014 and supplemental information.

**SIGNIFICANCE**

**Revenues:** Year-to-date *Total Revenue* (\$25,713,323 - line 7) is **better** than staff projections by \$1,674,843 or 7 percent. *Interest Income* (\$899,563 - line 2) is \$135,283 or 17.7 percent **better** than projections due to higher than budgeted returns. *Rental Income* (\$397,960 - line 4) is \$1,240 or 0.3 percent **worse**.

*Total Revenue* (\$25,713,323 - line 7) is \$4,697,029 or 15.4 percent **worse** than prior year performance mainly due to an unbudgeted recovery payout from the Lehman Brothers bankruptcy received in the prior year. *Interest Income* (\$899,563 - line 2) is \$162,640 or 15.3 percent **worse** than prior year. *Rental Income* (\$397,960 - line 4) which is \$22,503 or 5.4 percent **worse** than prior actual is offset by *Sales Tax* (\$24,415,800 - line 4) which is \$1,831,133 or 8.1 percent **better**.

**Expenditures:** *Total Administrative Expenses* (\$334,276 - line 22) is **better** than staff projections by \$27,868 or 7.7 percent. Within total administrative expenses, *Staff Support* (\$183,176 - line 18) is \$70,383 or 27.8 percent **better** than staff projections. *Other Admin Expense* (\$151,100 - line 20) is **worse** than staff projections by \$44,115 or 41.2 percent due to additional insurance expense. Staff will come back mid-year and request an adjustment to this line item in the budget.

**Budget Amendment:** There are no budget revisions for the month of October 2014.

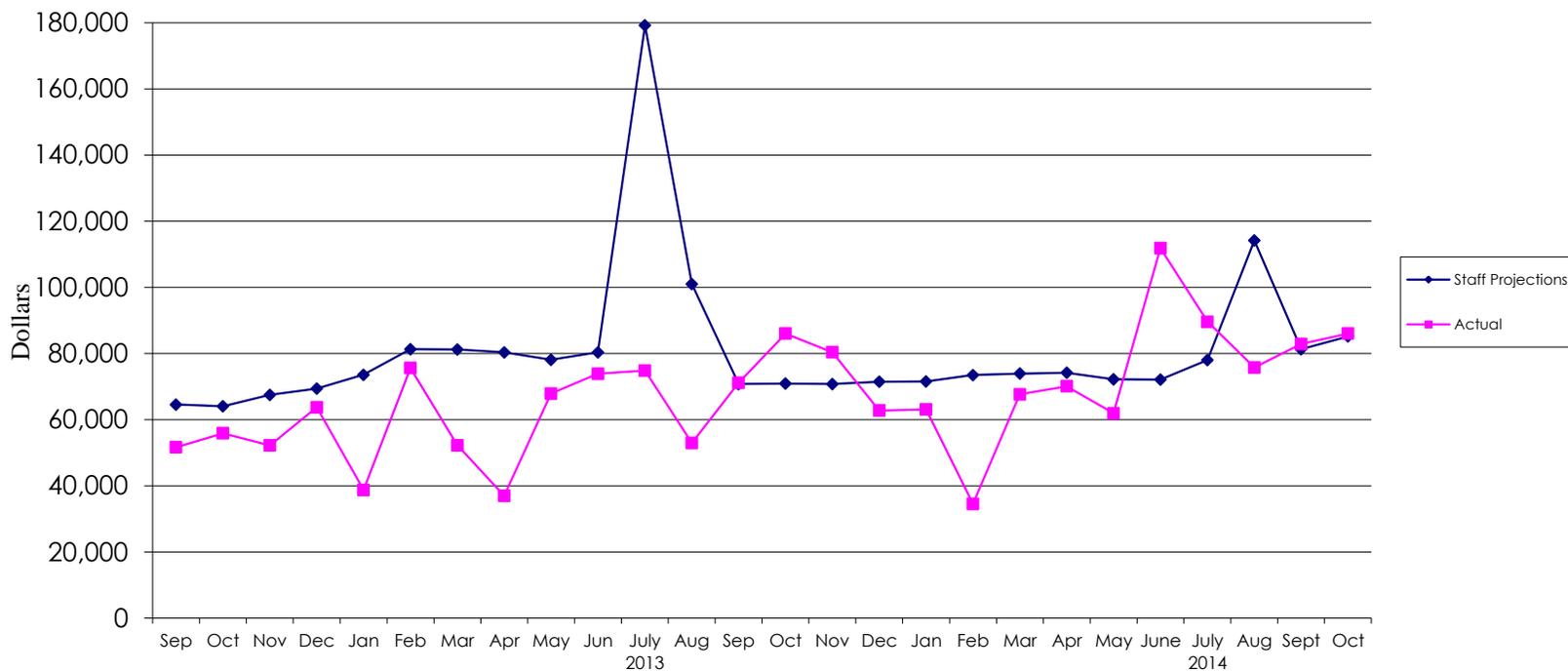
**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**Fiscal Year 2015**  
**October 2014**

% OF YEAR ELAPSED: 33.3%

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	STAFF PROJECTION	% OF PROJ	ADOPTED BUDGET*	STAFF PROJECTION**	% OF PROJ
<b>REVENUES:</b>								
1 Sales Tax	6,495,400	22,584,667	24,415,800	22,875,000	106.7%	72,000,000	72,000,000	31.8%
2 Interest Income	151,994	1,062,203	899,563	764,280	117.7%	2,284,610	2,284,610	33.5%
3 Miscellaneous Income	0	6,319,505	0	0	0.0%	0	0	0.0%
4 Rental Income	106,029	420,463	397,960	399,200	99.7%	1,203,300	1,203,300	33.1%
5 Grant Proceeds	0	23,514	0	0	0.0%	0	0	0.0%
6								
7 <b>TOTAL REVENUE</b>	<b>6,753,423</b>	<b>30,410,352</b>	<b>25,713,323</b>	<b>24,038,480</b>	<b>107.0%</b>	<b>75,487,910</b>	<b>75,487,910</b>	<b>34.1%</b>
8								
<b>EXPENDITURES:</b>								
11 Annual Allocations	2,370,821	8,139,828	8,911,767	8,349,375	106.7%	26,280,000	26,280,000	33.9%
12								
13 Program Expenditures	5,023,994	10,358,847	9,836,538	13,237,300	74.3%	39,712,000	39,712,000	24.8%
14								
15 Oversight	77,171	308,280	183,320	395,000	46.4%	1,185,000	1,185,000	15.5%
16								
17 Administrative								
18 Staff Support	40,630	182,760	183,176	253,559	72.2%	706,634	686,634	26.7%
19 Measure A Info-Others	(86)	-	-	1,600	0.0%	16,500	16,500	0.0%
20 Other Admin Expenses	45,480	102,098	151,100	106,985	141.2%	313,520	333,520	45.3%
21								
22 Total Administrative	86,024	284,859	334,276	362,144	92.3%	1,036,654	1,036,654	32.2%
23								
24 <b>TOTAL EXPENDITURES</b>	<b>7,558,010</b>	<b>19,091,814</b>	<b>19,265,901 (1)</b>	<b>22,343,819</b>	<b>86.2%</b>	<b>68,213,654</b>	<b>68,213,654</b>	<b>28.2%</b>
25								
26 <b>EXCESS (DEFICIT)</b>	<b>-804,587</b>	<b>11,318,537</b>	<b>6,447,422</b>	<b>1,694,661</b>		<b>7,274,256</b>	<b>7,274,256</b>	
27								
28 <b>BEGINNING FUND BALANCE</b>	<b>Not Applicable</b>	<b>445,209,646</b>	<b>459,220,186</b>	<b>401,849,379</b>		<b>401,849,379</b>	<b>401,849,379</b>	
29								
30 <b>ENDING FUND BALANCE</b>	<b>Not Applicable</b>	<b>456,528,183</b>	<b>465,667,608 (2)</b>	<b>403,544,040</b>		<b>409,123,635</b>	<b>409,123,635</b>	
31								
32								
33 Includes the following balances:								
34 Cash and Liquid Investments		234,541					286,900,375	
35 Current Committed Fund Balance		335,848,128 (3)					68,213,654	
36 Undesignated Cash & Net Receivable		<u>129,584,939</u>					<u>(19,265,901) (1)</u>	
37 Total		<u>465,667,608 (2)</u>					<u>335,848,128 (3)</u>	
38								
39								
40								
41 "% OF YEAR ELAPSED" provides a general measure for evaluating overall progress								
42 against the annual budget. When comparing it to the amounts shown in the								
43 "% of PROJ" column, please note that individual line items reflect variations								
44 due to seasonal activities during the year.								
45								
46 * The TA Adopted Budget is the Board adopted budget effective June 5, 2014.								
47 ** The TA Staff Projection is the adopted budget including year to date budget transfers.								
48								
49								
50								
51								
52								
53								
54								
55								

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## SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



**Current Year Data**

	Jul 14	Aug '14	Sep '14	Oct '14	Nov '14	Dec '14	Jan '15	Feb '15	Mar '15	Apr '15	May '15	Jun '15
<b>MONTHLY EXPENSES</b>												
Staff Projections	114,189	81,282	85,162	81,511								
Actual	89,611	75,787	82,854	86,024								
<b>CUMULATIVE EXPENSES</b>												
Staff Projections	114,189	195,471	280,633	362,144								
Actual	89,611	165,398	248,252	334,276								
Variance-F(U)	24,578	30,073	32,381	27,868								
Variance %	21.52%	15.38%	11.54%	7.70%								



SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF OCTOBER 31, 2014

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #3	*	Liquid Cash	0.680%	\$ 251,648,299	\$ 251,648,299
Local Agency Investment Fund	**	Liquid Cash	0.261%	\$ 23,346,735	\$ 23,346,735
Investment Portfolio	***	Liquid Cash	0.583%	\$ 168,792,804	\$ 168,886,819
Other		Liquid Cash	0.000%	\$ 234,541	\$ 234,541
				<u>\$ 444,022,379</u>	<u>\$ 444,116,394</u>

Accrued Earnings for September, 2014 \$ 159,455.01  
Cumulative Earnings FY2015 \$ 928,965.49

\* County Pool average yield for the month ending October 31, 2014 was 0.800%. As of October, 2014 the amortized cost of the Total Pool was \$3,495,773,288.23 and the fair market value per San Mateo County Treasurer's Office was \$3,499.023.666.82.

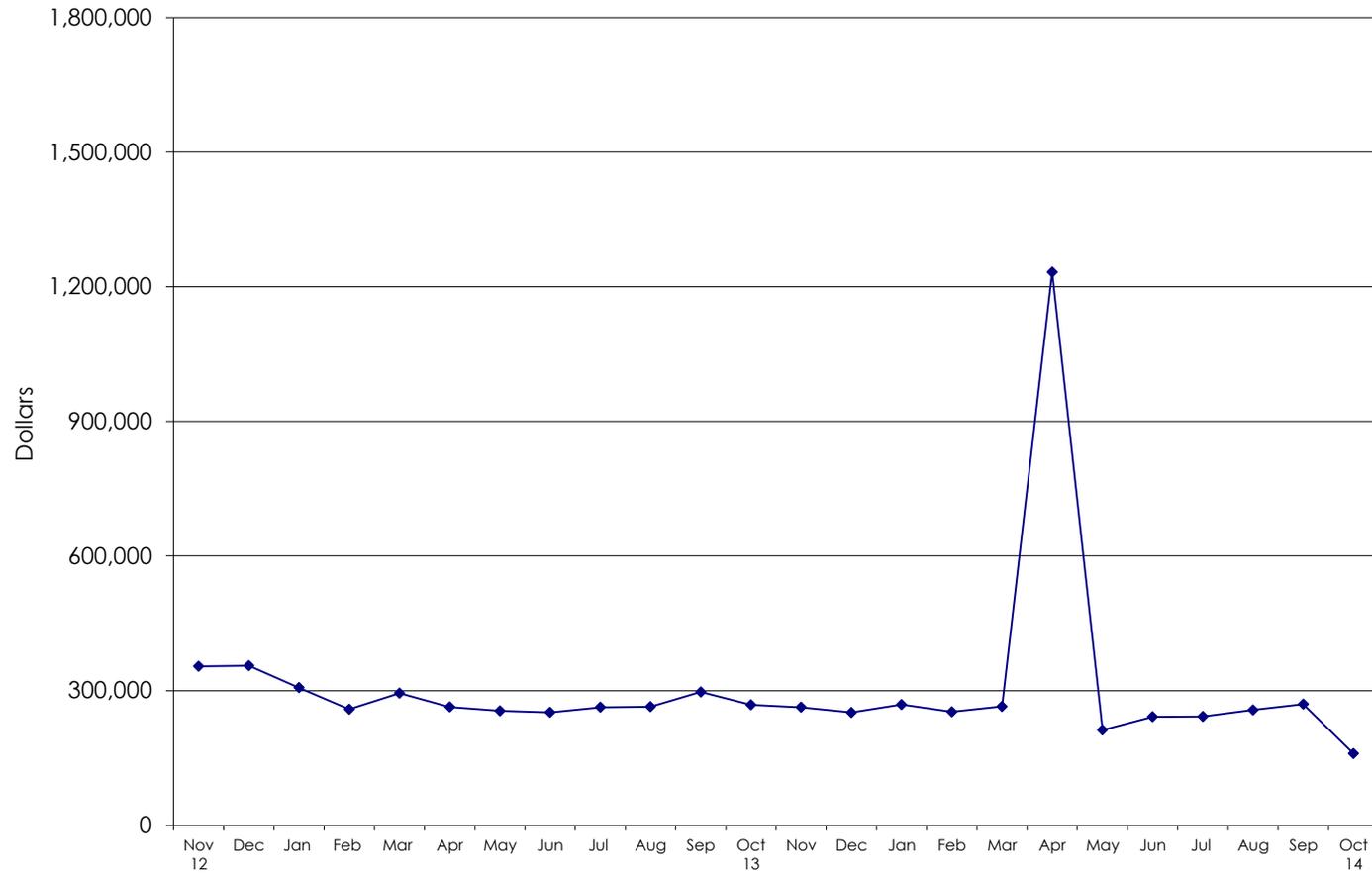
\*\* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

\*\*\* The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
INTEREST STATEMENT  
OCTOBER 2014**

FY2015	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	242,490.89	242,490.89
AUGUST	256,957.94	499,448.83
SEPTEMBER	270,061.65	769,510.48
OCTOBER	159,455.01	928,965.49
NOVEMBER		928,965.49
DECEMBER		928,965.49
JANUARY		928,965.49
FEBRUARY		928,965.49
MARCH		928,965.49
APRIL		928,965.49
MAY		928,965.49
JUNE		928,965.49

### SMCTA Interest Income



NOTE: Treasury Inflation Protected Security (TIPS) matured 4/15/14. Interest for the inflation component is paid at maturity.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
INTEREST ON INVESTMENTS  
October 31, 2014**

DESCRIPTION	TOTAL INVESTMENT 10-31-14	INTEREST RECEIVABLE 09-30-14	PREPAID INT RECEIVABLE 09-30-14	INTEREST EARNED 10-31-14	INTEREST RECEIVED 10-31-14	ADJ.	INTEREST RECEIVABLE 10-31-14
LAIF	23,346,735.16	25,202.68	0.00	3,098.99	24,691.12	(511.58)	3,098.97
COUNTY POOL	251,648,298.99	866,981.63	0.00	148,080.49	784,930.79	(82,050.84) *	148,080.49
BANK OF AMERICA	234,540.79	0.00	0.00				0.00
WELLS FARGO	0.00	0.00	0.00				0.00
INVESTMENT PORTFOLIO	168,792,803.76	250,233.42	6,603.26	90,594.08	143,750.00	243.87	203,924.63
	<u>444,022,378.70</u>	<u>1,142,417.73</u>	<u>6,603.26</u>	<u>241,773.56</u>	<u>953,371.91</u>	<u>(82,318.55)</u>	<u>355,104.09</u>

**OCTOBER 2014 -- SUMMARY OF INTEREST & CAPITAL GAIN**

Interest Earned Per Report	10/31/14	159,455.01
<b>Add:</b>		
<b>Less:</b>		
Management Fees		(7,460.80)
Amortized Premium/Discount		(12,194.87)
Capital Gain(Loss)		0.00
Total Interest & Capital Gain(Loss)		<u>139,799.34</u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	928,965.49
<b>Add:</b>	
<b>Less:</b>	
Management Fees	(28,852.50)
Amortized Premium/Discount	(49,466.06)
Capital Gain(Loss)	(550.04)
Total Interest	<u>850,096.89</u>

Balance Per Ledger as of	10/31/14	
Exp. Acct. 530011 - Amort Prem/Disc		(49,466.06)
Int Acct. 409100 - Co. Pool		557,899.84
Int Acct. 409100 - LAIF		14,892.99
Int Acct. 409101 - Portfolio Funds		327,320.16
Gain(Loss) Acct. 405210		(550.04)
		<u>850,096.89</u>

\* Interest adjustment due to misunderstanding of instructions from San Mateo County regarding rate to be used. Pools combined from 3 (FY14) to 1 (FY15)

**Extraordinary one time items:**

**INVESTMENT PORTFOLIO  
October 31, 2014**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	GASB 31	MARKET	MATURITY DATE	INT RATE	APPL DAY	INTEREST REC'VBLE	PREPAID	INTEREST	INTEREST REC'VBLE	INTEREST	ADJ.	INTEREST	INT REC'VBLE	PAR
			PURCHASE PRICE	ADJUSTED	VALUE					REC'VBLE	INT REC'VBLE		EARNED		RECEIVED	LESS PREPAID	VALUE
<b>SECURITIES MANAGED BY INVESTMENT ADVISOR:</b>																	
<b>U.S. TREASURY NOTES AND BONDS</b>																	
US TREASURY NOTE	912828TX8	02-01-13	14,998,828.13	14,967,150.00	15,031,650.00	11-15-15	0.375%	156.2500	30	21,246.60		4,687.50		50.96	25,985.06	25,985.06	15,000,000
US TREASURY NOTE	912828VL1	12-19-13	25,057,734.38	20,025,000.00	25,099,500.00	07-15-16	0.625%	434.0278	30	33,118.21		13,020.83		141.53	46,280.57	46,280.57	25,000,000
US TREASURY NOTE	912828WA4	03-21-14	11,972,343.75	11,980,320.00	12,027,240.00	10-15-16	0.625%	208.3333	31	34,631.15		6,458.33	37,500.00	(86.73)	3,502.75	3,502.75	12,000,000
US TREASURY NOTE	912828WX4	8/27/14	17,998,593.75		18,036,540.00	07-31-16	0.500%	250.0000	30	15,163.04	6,603.26	7,500.00		81.53	22,744.57	16,141.31	18,000,000
US TREASURY NOTE	912828WF3	03-28-14	9,971,093.75	9,971,900.00	10,016,400.00	11-15-16	0.625%	173.6111	30	23,607.34		5,208.33		56.61	28,872.28	28,872.28	10,000,000
				(22,968.75)													32.40%
<b>U.S. GOVERNMENT AGENCIES</b>																	
FNMA	31398A4M1	09-13-13	10,221,000.00	10,244,600.00	10,138,300.00	10-26-15	1.625%	451.39	30	69,965.28		13,541.67	81,250.00	(0.01)	2,256.94	2,256.94	10,000,000
FHLMC	3134G4HZ4	10-28-13	9,999,500.00	10,014,700.00	10,023,950.00	10-28-15	0.500%	138.89	27	21,250.00		3,750.00	25,000.00		0.00	0.00	10,000,000
FHLMC	3134G34B3	01-30-13	9,998,500.00	9,947,600.00	10,005,200.00	01-28-16	0.500%	138.8889	30	8,750.00		4,166.67			12,916.67	12,916.67	10,000,000
FNMA	3135G0UM3	05-29-13	4,394,560.50	4,374,255.60	4,395,835.05	02-26-16	0.520%	63.4833	30	2,221.92		1,904.50			4,126.42	4,126.42	4,395,000
FNMA	3135G0VH3	05-30-13	15,149,117.50	15,099,386.50	15,096,673.90	03-04-16	0.750%	313.9583	30	8,476.88		9,418.75			17,895.63	17,895.63	15,070,000
FNMA	3135G0VA8	05-13-13	24,041,832.00	23,865,600.00	24,043,680.00	03-30-16	0.500%	333.3333	30	333.35		10,000.00		(0.02)	10,333.33	10,333.33	24,000,000
FNMA	3135G0XP3	12-10-13	9,959,800.00	9,930,700.00	9,979,600.00	07-05-16	0.375%	104.1667	30	8,958.33		3,125.00			12,083.33	12,083.33	10,000,000
FNMA	3135 G0YE7	03-07-14	15,029,400.00	14,991,150.00	15,016,200.00	08-26-16	0.625%	260.4167	30	9,114.58		7,812.50			16,927.08	16,927.08	15,000,000
																	67.60%
<b>COLLATERIZED MORTGAGE OBLIGATIONS</b>																	
<b>CASH INVESTMENT</b>																	
FNMA	3135G0VA8																
<b>MATURED/CALLED</b>																	
FHLMC	3134G4HZ4	10-28-13	(9,999,500.00)	(10,014,700.00)	(10,023,950.00)												
<b>TOTAL</b>			<u>168,792,803.76</u>	<u>145,374,693.35</u>	<u>168,886,818.95</u>					<u>256,836.68</u>	<u>6,603.26</u>	<u>90,594.08</u>	<u>143,750.00</u>	<u>243.87</u>	<u>203,924.63</u>	<u>197,321.37</u>	<u>178,465,001.00</u>

21-Nov-14 Weighted Average Interest Rate 0.5825% 39,579.49

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
 FY2014 & FY2015  
 OCTOBER 2014

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Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
<b>FY2014:</b>						
1st Quarter	16,550,000	16,550,000	1st Quarter	19,083,485	2,533,485	19,083,485
2nd Quarter	17,525,000	17,525,000	2nd Quarter	20,600,946	3,075,946	20,600,946
3rd Quarter	17,380,000	19,252,500	3rd Quarter	18,013,666	(1,238,834)	18,013,666
4th Quarter	16,545,000	18,672,500	4th Quarter	19,927,668	1,255,168	19,927,668
<b>FY2014 Total</b>	<b>68,000,000</b>	<b>72,000,000</b>	<b>FY2014 Total</b>	<b>77,625,765</b>	<b>5,625,765</b>	<b>77,625,765</b>
<b>FY2015:</b>						
Jul. 14	5,250,000		Sep. 14	6,020,400	770,400	6,020,400 (1)
Aug. 14	5,250,000		Oct. 14	6,020,400	770,400	6,020,400 (1)
Sep. 14	6,650,000		Nov. 14			6,650,000 (1)
3 Months Total	17,150,000			12,040,800	1,540,800	18,690,800
Oct. 14	5,725,000		Dec. 14			5,725,000 (1)
Nov. 14	5,725,000		Jan. 15			5,725,000
Dec. 14	6,955,000		Feb. 15			6,955,000
6 Months Total	35,555,000			12,040,800	1,540,800	37,095,800
Jan. 15	5,400,000		Mar. 15			5,400,000
Feb. 15	5,400,000		Apr. 15			5,400,000
Mar. 15	6,700,000		May 15			6,700,000
9 Months Total	53,055,000			12,040,800	1,540,800	54,595,800
Apr. 15	6,115,000		Jun. 15			6,115,000
May 15	6,215,000		Jul. 15			6,215,000
Jun. 15	6,615,000		Aug. 15			6,615,000
<b>FY2015 Total</b>	<b>72,000,000</b>		<b>FY2015 Total</b>	<b>12,040,800</b>	<b>1,540,800</b>	<b>73,540,800</b>
	17,590,800		1st Quarter			
	5,725,000		2nd Quarter			
			3rd Quarter			
			4th Quarter			
	<u>23,315,800</u>		YTD Actual Per Statement of Revenue & Expenses			
			(1) Includes Accrual for Quarterly Adjustment			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
CASH AND INVESTMENTS AS OF OCTOBER 31, 2014

	<u>10/31/2014</u>
Cash -- Bank of America Checking Account	234,540.79
Cash -- Wells Fargo Lockbox Account	0.00
LAIF	23,346,735.16
County Pool	251,648,298.99
Investment Portfolio	168,792,803.76
	<hr/>
Total	<u><u>444,022,378.70</u></u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**CHECKS WRITTEN**  
**October 2014**

Unit	Ref	Name	Date	Amount	Method	Description
SMCTA	000962	MATSUMOTO, KARYL M.	10/6/2014	200.00	WIR	Board of Directors Compensation
SMCTA	000963	GROOM, CAROLE	10/6/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000964	NAGEL, TERRY	10/6/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000965	CANEPA, DAVID	10/6/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000966	PENINSULA CORRIDOR JOINT POWERS BOARD	10/13/2014	331,039.74	WIR	Capital Programs <sup>(1)</sup>
SMCTA	000967	PENINSULA CORRIDOR JOINT POWERS BOARD	10/20/2014	4,625,402.82	WIR	Capital Programs <sup>(2)</sup>
SMCTA	000968	SAN MATEO COUNTY TRANSIT DISTRICT	10/20/2014	2,633,393.09	WIR	Wages, Fringe, OH, AP, Caltrain, RW, etc
SMCTA	000969	DEPARTMENT OF TRANSPORTATION	10/31/2014	492,140.70	WIR	Capital Programs <sup>(3)</sup>
SMCTA	003828	ATKINS NORTH AMERICA, INC	10/6/2014	31,764.99	CHK	Consultant
SMCTA	003829	FOUST, ROSANNE	10/6/2014	200.00	CHK	Board of Directors Compensation
SMCTA	003830	HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY	10/6/2014	21,574.80	CHK	Legal Service
SMCTA	003831	HOLLAND & KNIGHT LLP	10/6/2014	3,500.00	CHK	Legislative Advocate
SMCTA	003832	KHOURI CONSULTING	10/6/2014	7,000.00	CHK	Legislative Advocate
SMCTA	003833	MILLER STARR REGALLIA	10/6/2014	95,724.31	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003834	PATRICK IDIART AND ASSOCIATES	10/6/2014	16,137.50	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003835	PATRIDGE, NAOMI	10/6/2014	100.00	CHK	Board of Directors Compensation
SMCTA	003836	SAN MATEO, COUNTY OF	10/6/2014	1,922.30	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003837	BKF ENGINEERS	10/13/2014	57,805.48	CHK	Consultant
SMCTA	003838	BURLINGAME, CITY OF	10/13/2014	14,146.39	CHK	Capital Programs <sup>(1)</sup>
SMCTA	003839	HNTB CORPORATION	10/13/2014	162.93	CHK	Consultant
SMCTA	003840	CARDONA, GARY A.	10/20/2014	10.42	CHK	Business Travel Meeting
SMCTA	003841	DMJM HARRIS/MARK THOMAS JV	10/20/2014	2,758.36	CHK	Consultant
SMCTA	003842	ENVIRONMENTAL CHEMICAL CORPORATION	10/20/2014	64,099.09	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003843	MCKIM, JAMES W.	10/20/2014	115.00	CHK	Dues & Subscription
SMCTA	003844	URS CORPORATION	10/20/2014	68,426.88	CHK	Consultant
SMCTA	003845	ATKINS NORTH AMERICA, INC	10/27/2014	20,743.92	CHK	Consultant
SMCTA	003846	DMJM HARRIS/MARK THOMAS JV	10/27/2014	93,081.17	CHK	Consultant
SMCTA	003847	GREEN CARPET LANDSCAPING	10/27/2014	990.00	CHK	Capital Programs <sup>(5)</sup>
SMCTA	003848	HOLLAND & KNIGHT LLP	10/27/2014	3,500.00	CHK	Legislative Advocate
SMCTA	003849	HURLEY, JOSEPH	10/27/2014	312.55	CHK	Business Travel Meeting
SMCTA	003850	SAN MATEO, CITY OF	10/27/2014	32,609.93	CHK	Capital Programs <sup>(6)</sup>
SMCTA	003851	TIETJEN, BRENT	10/27/2014	105.00	CHK	Miscellaneous - Strategic Plan Meeting
				<u>8,629,120.17</u>		

(1) FY14 Call fo Prj Local Shuttle

(2) Grade Sep - San Bruno JPB allocation \$4,447,327.07; Downtown Extension \$6,294.57; CBOSS/PTC Project \$46,132.80; Caltrain Electrification - JPB \$120,277.72; Boarding Platfrm Impr-Atherton \$4,031.29; 25th Ave Grade Separation \$1,339.37

(3) 101 Interchange to Broadway \$283,574.15; 101 Peninsula Ave/Poplar I/C \$2,125.75; 101 HOV Ln Whipple - San Bruno \$19,129.26; Marsh to SM/SC line \$59,786.16

(4) 101 Interchange to Broadway

(5) Dumbarton Maintenance of Way

(6) SR92 El Camino Real Ramp

**AGENDA ITEM # 7  
DECEMBER 4, 2014**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**

TO: Transportation Authority

FROM: Karyl Matsumoto  
SamTrans Board Liaison to the Transportation Authority

SUBJECT: **SAMTRANS LIAISON REPORT – MEETING OF DECEMBER 3, 2014**

The summary report will be made available at the Board meeting.

Prepared By: Josh Averill

650-508-6223

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **AUTHORIZE AWARD OF CONTRACTS TO PFM ASSET MANAGEMENT, LLC  
FOR INVESTMENT MANAGEMENT SERVICES AND TO U.S. BANK FOR  
CUSTODY SERVICES**

**ACTION**

Staff proposes the Board approve the following:

1. Award a contract to PFM Asset Management, LLC to provide investment management services for a three-year base term in accordance with fee structure described under Budget Impact below.
2. Award a contract to U.S. Bank to provide custody services for a three-year base term in accordance with fee structure described under Budget Impact below.
3. Authorize the Executive Director, or his designee, to execute contracts with PFM Asset Management, LLC and U.S. Bank in full conformity with the terms and conditions of the solicitation documents and negotiated agreements.
4. Authorize the Executive Director, or his designee, to exercise up to two one-year option terms to extend each of the contracts, which options are exercisable at the sole discretion of the San Mateo County Transportation Authority (TA).

**SIGNIFICANCE**

Approval of the above actions will provide the TA with continuing management assistance with respect to the TA's investment portfolio. Additionally, it will ensure all investments will be made in full accordance with applicable California law governing the investment of local agency funds and the TA's current Statement of Investment Policy.

**BUDGET IMPACT**

For investment management services, PFM Asset Management, LLC will be compensated in accordance with the following fee schedule:

- A flat annual fee of \$111,000.
- An additional annual fee of 0.05 percent (5 basis points) if the aggregate portfolio assets exceed \$190 million.

For custody services, U.S. Bank will charge an annual 0.5 basis points fee on all assets as well as an \$8 per transaction.

The fees incurred will be paid through revenues generated through investments.

**BACKGROUND**

Staff determined that a joint solicitation with the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board was a cost-effective approach to procure the required financial management and custody services. A joint Request for Proposals (RFP) to provide investment management and custody services was issued detailing the scope of services. The solicitation was advertised in a newspaper of general circulation and on the TA's website. Staff received a total of nine proposals, five for investment management services and four for custody services.

An Evaluation Committee (Committee) composed of qualified staff reviewed and ranked proposals for each service category according to the following weighted criteria set forth in the RFP:

- Approach to Scope of Services 30 points
- Qualifications and Experience of Firm 25 points
- Qualifications and Experience of Management Team and Key Personnel 25 points
- Cost Proposal 20 points

After the preliminary completion of the review and evaluation, interviews were conducted with the firms determined to be in the competitive range. Upon completion of the interviews, checking of references, financial review, and final scoring of the proposals, the Committee came to a consensus scoring. PFM Asset Management, LLC and U.S. Bank submitted a joint proposal and received the highest ranking in each of their respective service categories as described below.

The firms determined to be in the competitive range and accordingly that participated in interviews are listed below in order of their final consensus ranking:

- |                                 |                   |
|---------------------------------|-------------------|
| Investment Management Services: | Custody Services: |
| 1. PFM Asset Management, LLC.   | 1. U.S. Bank      |
| 2. Chandler Asset               | 2. Union Bank     |
| 3. High Mark                    | 3. Wells Fargo    |
| 4. SunTrust                     | 4. SunTrust       |
| 5. JP Morgan                    |                   |

Although there is no Disadvantaged Business Enterprise (DBE) participation on these contracts, the DBE Office reviewed the proposal documents submitted and determined that each firm was responsive to the solicitation's DBE requirements.

Prepared By: Alan Chan, Contract Officer 650-508-6256  
Project Manager: Rima Lobo, Director, Finance 650-508-6274

**RESOLUTION NO. 2014 –**

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA**

**\* \* \***

**AUTHORIZING AWARD OF CONTRACTS TO PFM ASSET MANAGEMENT, LLC FOR  
INVESTMENT MANAGEMENT SERVICES AND TO U.S. BANK FOR CUSTODY SERVICES**

**WHEREAS**, the San Mateo County Transportation Authority (TA) joined with the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board to solicit competitive proposals to provide investment management and custody services; and

**WHEREAS**, in response to the Agencies' advertised solicitation, the Agencies received nine proposals, five for investment management services and four for custody services; and

**WHEREAS**, an Evaluation/Selection Committee (Committee) composed of qualified staff reviewed the proposals and scored them in accordance with the evaluation criteria set forth in the Request for Proposals; and

**WHEREAS**, upon completion of proposal evaluation and negotiations, the Committee determined the joint proposal submitted by PFM Asset Management, LLC and U.S. Bank to provide investment management and custody services, respectively, was the highest ranked in each of the responsible service categories; and

**WHEREAS**, the firms will be compensated in accordance with the following fee schedules:

- a. For investment management services: the annual fee will be \$111,000 as well as 0.05 percent (5 basis points) on the additional assets if the aggregate portfolio assets exceed \$190 million;

- b. For custody services: the annual fee will be 0.5 basis points on all assets and there will be a \$8 per transaction fee; and

**WHEREAS**, the Executive Director recommends that a contract be awarded to PFM Asset Management, LLC for investment management services for a three-year base term with two additional one-year options and a contract be awarded to U.S. Bank for custody services for a three-year base term with two additional one-year options.

**NOW, THEREFORE, BE IT RESOLVED** the Board of Directors (Board) of the Transportation Authority hereby awards contracts to PFM Asset Management, LLC for the provision of investment management services and to U.S. Bank for the provision of custody services for three-year base terms in accordance with the following fee schedules:

- a. For investment management services: the annual fee will be \$111,000 and 0.05 percent (5 basis points) on the additional assets if the aggregate portfolio assets exceed \$190 million;
- b. For custody services: the annual fee will be 0.5 basis points on all assets and there will be a \$8 per transaction fee; and

**BE IT FURTHER RESOLVED** the Board authorizes the Executive Director or designee to execute contracts on behalf of the TA with PFM Asset Management, LLC and U.S. Bank in full conformity with all of the terms and conditions of the solicitation documents and negotiated agreements; and

**BE IT FURTHER RESOLVED** that the Executive Director or designee is authorized to exercise up to two additional one-year options terms with either or both of PFM Asset Management, LLC and U.S. Bank, at the same fee structures provided under the base

three-year contract terms, if deemed in the best interest of the TA.

Regularly passed and adopted this 4<sup>th</sup> day of December, 2014 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Chuck Harvey  
Deputy CEO

SUBJECT: **REALLOCATION OF MEASURE A FUNDS FOR U.S. 101/WILLOW ROAD  
INTERCHANGE PROJECT**

**ACTION**

Staff recommends the Board:

1. Accept the city of Menlo Park's request to reallocate \$500,000 in Measure A funds originally allocated for project support during the environmental phase of the U.S. 101/Willow Road Interchange Project (Project) and make this amount available to the city of Menlo Park (City) for project support during subsequent phases of work.
2. Authorize the Executive Director or his designee to execute a funding agreement and take any other actions necessary to reallocate the subject funding.

**SIGNIFICANCE**

The Project is now environmentally cleared and in the design phase. The proposed reallocation would support the City's procurement of technical support for design review services to ensure the Project is consistent with the City's goals and needs.

**BUDGET IMPACT**

There is no impact to the budget. Funding is available in the current budget.

**BACKGROUND**

During the last Highway Program Call for Projects, the Board of Directors authorized the programming and allocation of \$500,000 of Original Measure A funding to the city of Menlo Park for project support during the environmental phase of the Project through San Mateo County Transportation Authority (TA) Board Resolution No. 2012-17. The City was able to complete the environmental phase of the Project with other funding sources, primarily using State Transportation Improvement Program (STIP) funds. The City has secured environmental clearance for the Project and is now in the design phase. The City has requested that the \$500,000 previously programmed and allocated by the Board stay with the Project and be made available for project support during the subsequent phases of work.

The design phase also will be primarily funded through the STIP.

RESOLUTION NO. 2014 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

**REALLOCATING \$500,000 IN ORIGINAL MEASURE A FUNDS TO THE CITY OF MENLO  
PARK FOR THE U.S. 101/WILLOW ROAD INTERCHANGE PROJECT**

**WHEREAS**, on June 7, 1988, the voters of San Mateo County approved a ballot measure known as “Measure A,” which increased the local sales tax in San Mateo County by a half-percent with the new tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters; and

**WHEREAS**, the San Mateo County Transportation Authority (TA) issued a Call for Projects in May 2012 for the Highway Program Category; and

**WHEREAS**, the city of Menlo Park (City) submitted an application for \$500,000 for project support during the environmental phase of the U.S. 101/Willow Road Interchange Project (Project); and

**WHEREAS**, the TA Board of Directors, through Resolution No. 2012-17, programmed and allocated the requested \$500,000 of Original Measure A funding; and

**WHEREAS**, the City was able to secure enough non-Measure A funds to complete the environmental phase of the Project without having to utilize Measure A funds; and

**WHEREAS**, the City is advancing the Project through the design phase and has requested that the TA reallocate the Measure A funds allocated for the environmental phase so that the funds can be used for project support during the subsequent phases of the Project.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby reallocates \$500,000 in Original Measure A funding from the environmental phase to subsequent phases for project support associated with the U.S. 101/Willow Road Interchange Project; and

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to execute a funding agreement and take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 4<sup>th</sup> day of December, 2014 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon  
Executive Director

FROM: April Chan  
Executive Officer, Planning and Development

SUBJECT: **APPROVAL OF THE MEASURE A STRATEGIC PLAN 2014-2019**

**ACTION**

Staff proposes the Board approve the San Mateo County Transportation Authority's (TA) Measure A [Strategic Plan 2014-2019](#).

**SIGNIFICANCE**

The TA Board is required to approve a Measure A Strategic Plan to provide a policy framework for implementing the 2004 Transportation Expenditure Plan, and the Plan is to be updated at least once every five years.

At the October 2, 2014 Board meeting, staff presented a draft plan framework. Subsequent to the meeting, the Draft Measure A Strategic Plan 2014-2019 was released for a 30-day public comment period beginning October 10, 2014. TA staff hosted four public meetings in Menlo Park, Pacifica, San Carlos and South San Francisco during the comment period.

The final TA's Measure A Strategic Plan incorporates recommendations to further strengthen the policy framework that guides programming and allocation decisions. Board adoption of the Strategic Plan will enable key implementation elements, covering enhancements to project selection criteria, project delivery and performance monitoring to proceed.

Further detail on the process, including input received from public outreach on the draft Strategic Plan and the key implementation elements, will be presented at the Board meeting.

**BUDGET IMPACT**

None.

**BACKGROUND**

Measure A is a half-cent sales tax approved by San Mateo County voters for transportation programs that runs from January 1, 2009 through December 31, 2033. The timeframe for the previous Strategic Plan covered the period from 2009 through 2013 and the proposed update covers the timeframe from 2014 through 2019.

Prepared By: Joel Slavitt, Manager, Programming and Monitoring

650-508-6476

RESOLUTION NO. 2014 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

**ADOPTING MEASURE A STRATEGIC PLAN 2014-2019**

**WHEREAS**, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (TA) of the Measure A half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009; and

**WHEREAS**, implementation Guideline F of the 2004 Transportation Expenditure Plan states that the TA will prepare a Measure A Strategic Plan and that it be updated at least every five years during the term of the Measure; and

**WHEREAS**, the TA previously adopted the Measure A Strategic Plan 2009-2013 and a new Strategic Plan for the years 2014-2019 is now needed to comply with implementation of Guideline F of the 2004 Transportation Expenditure Plan; and

**WHEREAS**, following a 30-day public comment period that began on October 10, 2014, staff has developed the Measure A Strategic Plan 2014-2019 that serves as a policy framework to continue the implementation of the 2004 Transportation Expenditure Plan.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby adopts the Measure A Strategic Plan 2014-2019.

Regularly passed and adopted this 4<sup>th</sup> day of December, 2014 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Mark Simon  
Executive Officer, Public Affairs

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

**ACTION**

This report is for information only. No Board action is required.

**SIGNIFICANCE**

Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

**STATE ISSUES**

Nothing to report.

**FEDERAL ISSUES**

Nothing to report.

Prepared By: Seamus Murphy, Director, Government and Community Affairs 650-508-6388

