



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Bacciocco Auditorium, 2nd Floor
 1250 San Carlos Avenue, San Carlos, CA 94070

February 5, 2015 – 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 RESOLUTION
 Members of the public or Board may request that an item under the Consent Calendar be considered separately
 - a. Approval of Minutes of January 8, 2015
 - b. Acceptance of Statement of Revenues and Expenditures for December 2014
 - c. Authorize Allocation of \$50,000 in Original Measure A Funds for the City/County Association of Governments Countywide Transportation Plan
5. Public Comment
 Public comment by each individual speaker shall be limited to one minute
6. Chairperson's Report
7. San Mateo County Transit District Liaison Report – Meeting of February 4, 2015 INFORMATIONAL
8. Joint Powers Board Report INFORMATIONAL
9. Report of the Executive Director INFORMATIONAL
10. Finance
 - a. Authorize Allocation and Programming of \$49.1 Million in Original Measure A Funds to the City of South San Francisco for Caltrain Station Improvements RESOLUTION
 - b. Authorize Amendment of Fiscal Year 2015 Budget to Increase Budget Expenditures by \$44,441,356 for a New Total of \$112,859,404 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
February 5, 2015 Agenda

- c. Authorize Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2014 MOTION
- d. Fiscal Year 2014 Comprehensive Annual Financial Report INFORMATIONAL
- 11. Program
 - a. Approval of the 2015 Legislative Program MOTION
 - b. Update on State and Federal Legislative Program INFORMATIONAL
- 12. Requests from the Authority
- 13. Written Communications to the Authority
- 14. Report of Legal Counsel
- 15. Date/Time of Next Meeting: Thursday, March 5, 2015, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070
- 16. Adjournment

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

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.

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; 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 JANUARY 8, 2015

MEMBERS PRESENT: D. Canepa, R. Foust, C. Groom, K. Matsumoto (Chair), T. Nagel, M.A. Nihart

MEMBERS ABSENT: D. Horsley

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

Chair Karyl Matsumoto called the meeting to order at 5:08 p.m. and led the Pledge of Allegiance.

SWEARING IN

Martha Martinez, Authority Secretary, administered the Oath of Office to Rosanne Foust representing City Selection Committee – Southern Judicial Cities, Carole Groom representing the San Mateo County Board of Supervisors, Karyl Matsumoto representing SamTrans, Terry Nagel representing City Selection Committee – Central Judicial Cities, and Mary Ann Nihart representing City Selection Committee – Cities-at-Large.

ELECTION OF 2015 OFFICERS

Director Foust nominated Chair Matsumoto as Chair.

Motion/Second: Foust/Groom

Ayes: Canepa, Foust, Groom, Matsumoto, Nagel, Nihart

Absent: Horsley

Director Foust nominated Director David Canepa as Vice Chair.

Motion/Second: Foust/Groom

Ayes: Canepa, Foust, Groom, Matsumoto, Nagel, Nihart

Absent: Horsley

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of January 6, 2014 (see attached).

APPROVAL OF CONSENT CALENDAR

a) Approval of Minutes of December 4, 2014

b) Acceptance of Statement of Revenues and Expenditures for November 2014

Motion/Second: Foust/Nagel

Ayes: Canepa, Foust, Groom, Matsumoto, Nagel

Absent: Horsley

Abstain: Nihart

PUBLIC COMMENT

None

CHAIRPERSON'S REPORT – KARYL MATSUMOTO

Chair Matsumoto thanked staff for their work in 2014.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – KARYL MATSUMOTO

The report is in the Reading File. Shirley Harris was elected Chair and Zoe Kersteen-Tucker was elected Vice Chair.

JOINT POWERS BOARD (JPB) REPORT

Michael Scanlon, Executive Director, reported:

- Jeff Gee, Mayor of Redwood City, was sworn-in as a new Board member.
- Adrienne Tissier is the new Chair and Perry Woodward is the new Vice Chair.
- Key Caltrain Performance Statistics November 2014 compared to November 2013
 - Monthly Performance Statistics:
 - Total Ridership was 1,418,781, an increase of 7 percent.
 - Average Weekday Ridership (AWR) was 56,899, an increase of 9.4 percent.
 - Total Revenue was \$6,447,824, an increase of 10.4 percent.
 - On-time Performance (OTP) was 92.5 percent, a decrease of 1.1 percent.
 - Caltrain Shuttle Ridership was 8,395, a decrease of 9 percent. This may be due to counting problems related to the Marguerite shuttle.
 - Year-to-Date Performance Statistics:
 - Total Ridership was 7,939,366, an increase of 11.6 percent.
 - AWR was 59,853, an increase of 12.1 percent.
 - Total Revenue was \$35,642,390, an increase of 13.4 percent.
 - OTP was 91.8 percent, an increase of 0.3 percent.
 - Caltrain Shuttle Ridership was 8,858, an increase of 19.3 percent. This may be due to counting problems related to the Marguerite shuttle.
- Special Service
 - New Year's Eve service was provided to an additional 10-11,000 riders. Trains were free after 8 p.m. in cooperation with other transit agencies in the area.
 - This will be the 30th year for the Freedom Train, but may be the last year due to sponsorship problems and other issues.
 - Holiday Train crowds were estimated in excess of 25,000 people. Toy collection went from 2,000 in 2013 to 3,000 in 2014.
- The JPB committed to bringing all trains close to parity in terms of the onboard bike capacity.
- The Quint Street Bridge inspections have increased from monthly to weekly and speed restrictions have been imposed. Staff is attempting to expedite a contract to replace the bridge.

- The Board:
 - Certified the Final Environmental Impact Report for the Peninsula Corridor Electrification Project and approved the project.
 - Approved revenue bond financing in the amount of \$11 million to cover the procurement and renovation of additional rail cars and modifications to the stations needed to run them.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Congratulated the directors who were reappointed and welcomed Director Nihart.
- The U.S. Highway 101/Broadway Interchange Project is underway. Crews are working on the stabilization of the soil and sewers and storm drains. This project should be complete in fall 2017.
- The U.S. Highway 101/Woodside Interchange scoping period for the environmental document closed December 20. Fifteen comments were received covering topics from provisions for sea level rise, the diamond lane alternative, bike improvements and alternative transportation, including street cars, car pools, park and ride, and ferries. Environmental and engineering studies should be completed in spring 2016.

FINANCE

Authorize Approval and Allocation of \$94,182 in New Measure A Local Shuttle Program Funds for Fiscal Year (FY) 2015 and FY2016 to the Peninsula Traffic Congestion Relief Alliance (Alliance) for the Bayshore Technology Park Shuttle

Joel Slavit, Manager, Programming and Monitoring, said in May 2014, the TA approved shuttle funds as a joint TA/City/County Association of Governments (C/CAG) Call for Projects (CFP). The TA deferred action on this shuttle pending coordination with the JPB's Bridge Park shuttle to address service overlap. The concerns have been addressed and the request has been revised. The TA will enter into an agreement with the Alliance and C/CAG. The TA contribution is 80 percent and C/CAG's is 14 percent of the available funding. The agreement between the TA and C/CAG will enable C/CAG to reimburse the TA to maintain its 14 percent funding contribution.

Motion/Second: Foust/Canepa

Ayes: Canepa, Foust, Groom, Matsumoto, Nagel, Nihart

Absent: Horsley

Authorize Execution of a Quitclaim Deed to Release TA's Interest of Property Located in Redwood City in Return for a Payment of \$1,795,000

Brian Fitzpatrick, Manager, Real Estate and Property Development, said this does not include closing costs.

Director Terry Nagel asked what the money could be used for. Joan Cassman, Legal Counsel, said this money was Original Measure A funding for Grade Separations and will be returned to that category.

Motion/Second: Foust/Nagel

Ayes: Canepa, Foust, Groom, Matsumoto, Nagel, Nihart

Absent: Horsley

Request by the City of South San Francisco for Measure A Funds for Caltrain Station Improvements

April Chan, Executive Officer, Planning and Development, presented:

- The scope is for construction of a longer center platform, track configuration improvements and a new pedestrian underpass.
- The project will cost \$59 million; \$4 million has been expended to date.
- The Measure A funding request is for \$49.1 million. South San Francisco matching funds are \$5.9 million.
- Photos of the location were shown.
- Special circumstance considerations:
 - Urgency
 - Needed safety improvement – This is one of the four remaining stations with a hold-out rule. A near miss occurred about two years ago and the platform configuration poses safety issues and concerns.
 - Loss of funds – South San Francisco is taking action to provide matching funds. This will help contribute to the financing of the project.
 - Significant cost savings – The Caltrain Modernization team is coordinating the projects that need to happen along the right of way. If this project is completed after the electrification poles go in, the poles would have to be removed, the safety improvements would be made, then the poles would have to be reinstalled.
 - Impact to the Measure A Program – Staff is attempting to secure other discretionary funding.
 - Measure A Funds for Transit – Caltrain
 - Sixteen percent available; up to one-half may be used for operations
 - Assuming \$72 million in annual receipts, \$5.76 million for capital and up to \$5.76 million for operations
 - Balance as of June 30, 2014 - \$49.8 million
- Next steps:
 - January 2015 – South San Francisco City Council action to commit matching funds
 - February 2015 – Proposed JPB release of RFP for electrification; TA action on funding request
 - Ongoing – negotiation with Union Pacific; Federal Transit Administration approval on platform configuration

Director Foust asked how long negotiations with Union Pacific would take, and if negotiations dragged on, how it would impact this project. Mr. Scanlon said staff has been in negotiations with them for years. He said the window of opportunity to do this project is now. Staff can show there is local funding. There is a pressing need to get this

done, it is funded, drawings are 100 percent complete, and staff can try to take it forward.

Director Nagel said there are four hold-out stations and asked if South San Francisco is the most dangerous. Mr. Scanlon said it is the most used. Two of the other three are not used during weekdays. He said any error by the existing signal technology or any human error could result in an accident.

Director Nagel said she would not want anything redone and asked if this area will be considered for grade separations or platform height issues. Mr. Scanlon said it is not a platform issue, it is a rolling stock issue. He said poles and wires can be relocated if they have to be. He said there is a reasonable chance to get a waiver from the Federal government.

Director Nihart asked what is going to be given up if this money is invested here. Mr. Scanlon said the Board is using its discretion, consistent with the Transportation Expenditure Plan. There are no other priorities.

Ms. Chan said this is consistent with the Caltrain Capital Improvement Program.

Director Canepa said this station needs a lot of help. He said this station can bring benefits in the revitalization of downtown South San Francisco.

PROGRAM

Program Report: Shuttle Program Status

Mr. Slavitt presented:

- New Measure A Local Shuttle Program
 - Shuttles: 4 percent of Measure A Program
 - Provides matching funds for operation of local shuttle service
 - Minimum 25 percent match required
- Measure A Allocations to date
 - FY2011: \$1,342,000
 - FY2012: \$1,430,000
 - FY2013: \$2,178,000
 - FY2014: \$2,542,000
 - FY2015: \$2,827,000
 - FY2016: \$2,884,000
 - Total is \$13,203,000
- Funding sources
 - Thirty shuttles were allocated Measure A funds for shuttle operation in FY2013 and FY2014
 - Operating cost: \$9.4 million
 - Measure A funds: \$4.7 million
 - Matching funds: \$4.7 million
- Types of shuttles
 - Twenty-three commuter shuttles
 - Five community shuttles
 - Two combination commuter/community shuttles

- Maps of shuttle routes were shown.
- FY2014 performance
 - Thirty different shuttles
 - Sponsor progress reports include ridership, total operating cost and total service hours
 - Program performance metrics include ridership, cost per passenger and passengers per service hour
- FY2014 monthly ridership – averaged approximately 73,000, a 7.3 percent increase over FY2013.
 - FY2014 average operating cost per passenger for commuter shuttles was \$5.47 and \$13.72 for community shuttles.
- FY2014 passengers per service hour for commuter shuttles averaged 17.65 and 7.73 for community shuttles.
- The TA will continue to participate in the SamTrans Mobility Management Plan (MMP) to determine entities best able to manage shuttle programs, guidance for updating performance benchmarks, better definition of service duplication.

Director Groom asked what the average national or regional cost for a shuttle ride is. Mr. Slavit said it is something the SamTrans MMP is reviewing.

Director Nagel asked what is meant by the description of entities best able to manage the shuttle programs. Mr. Slavit said sponsors could be cities, the Alliance, the JPB, etc.

Director Nagel asked if the MMP will discuss a regional approach to have cities think about connections across city borders. Mr. Slavit said there are a number of shuttles that cross city jurisdictions. Director Nagel said she would like shuttles to be based on studies of where people actually commute and not only on sponsors that request them.

Update on State and Federal Legislative Program

Seamus Murphy, Director, Government and Community Affairs, provided the following update:

State Update

A Legislative Program will be brought to the Board for approval next month. Cap and Trade will be a major issue even though about 60 percent of the funds have been allocated to different programs by the Legislature. There is still 40 percent that remains unallocated and the Legislature will budget that on a year-to-year basis. Efforts will be made to tweak existing programs approved by Legislature. The governor's budget will be released tomorrow and a report will be made on it.

Federal Update

Congress approved an appropriations bill that included a \$500 million line item for the TIGER Program, \$100 million less than last year. It is a very competitive program and transit and transportation agencies have not had much success with the program. It is worth looking at Cap and Trade programs as a more viable grant opportunity moving forward.

REQUESTS FROM THE AUTHORITY

None

WRITTEN COMMUNICATIONS TO THE AUTHORITY

None

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT MEETING

February 5, 2015 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070

The meeting recessed at 6:12 p.m.

TA CAC Chair's Report

January 8, 2015

Good afternoon Madam Chair and Board members,

Happy New Year to all!

Before I proceed to deliver my CAC report today, I would like to extend my congratulations to the four continuing Executive Board members who are being re-appointed this afternoon, as well as to the new Cities-At-Large representative who was appointed to the board for the first time.

Our CAC also had some leadership business to take care of Tuesday evening...As is customary at the beginning of our first meeting of the year, the CAC held its annual election for the 2015 leadership of the CAC. I am once again honored to report that the CAC has chosen to re-elect Laurie Simonson, from Burlingame, as continuing Vice Chair and myself, Barbara Arietta, from Pacifica, as continuing Chair of the 2015 CAC.

During that same evening, the CAC also had the unexpected honor and pleasure of having TA Chair Karyl Matsumoto join us as a member of our audience. Although Karyl was there on an agenda item pertaining to South San Francisco, of which she is a Councilmember, she stayed and observed us throughout the evening and witnessed the in-depth deliberations and due diligence that the CAC performs in the performance of its duties. I only hope that we didn't wear her out, as some of the discussions were quite lengthy.

As far as those discussions that evening I have the following to report from the January 6, 2015 meeting of the CAC:

(TA Item 6a) The CAC reviewed the TA Board's Minutes of December 4, 2014, without questions or comments.

(TA Item 6b) The CAC supported the Board's Acceptance of the Statement of Revenues and Expenditures for the period ending November 2014, without questions or comments.

(TA Item 12a) After a brief report on the Bayshore Technology Park shuttle funding allocations by Joel Slavitt, Manager, Programming and Monitoring, the CAC voted to support the Approval and Allocation of \$94,182 in New Measure A Local Shuttle Program Funds for Fiscal Years 2015 and 2016 to the Peninsula Traffic Congestion Relief Alliance for the Bayshore Technology Park Shuttle.

(TA Item 12b) Pursuant to a highly informative report by Brian Fitzpatrick, Manager, Real Estate and Property Development, the CAC voted to support the Execution of a Quitclaim Deed to Release the TA's Interest of Property located in Redwood City in Return for Payment of \$1,795,000.

(TA Item 12c) The CAC was very pleased to receive this advance information from April Chan, Executive Officer, Planning and Development, concerning a request from the City of South San Francisco for Measure A Funds for Caltrain Station Improvement. Discussion of this future action item generated many constructive comments and suggestions on Tuesday evening, not only from all of the members on the CAC, but also from South San Francisco's new City Manager. The CAC looks forward to reviewing the formal request when it is presented to the CAC next month.

(TA Item 13a) As part of an on-going series of reports on TA programs, Joel Slavit, gave the CAC a brief overview of the Measure A Local Shuttle Program Status, focusing on the New Measure A Local Shuttle Program, the Program Performance for FY 2014 and the next steps in the TA's participation in the SamTrans Mobility Plan, which will be looking at the best entities to manage the shuttle programs, as well as the guidance for updating performance benchmarks and developing a better definition of "service duplication". The CAC was very pleased with the next steps articulated by Mr. Slavit.

(TA Item 13b) Unfortunately, none of the TA's public affairs representatives were able to be at our meeting on Tuesday evening to deliver an update on the State and Federal Programs, but instead sent us a message that if we had any questions on the printed updates made available at our meeting, members of the CAC could pose their questions by email for response from them at a later time.

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

1. On December 13th, I attended the Memorial Service for our former CAC member, Daniel Mensing, who passed away on November 1st. Over 200 people attended the December services to attest that Daniel was a man of excellent character, high intelligence and strong fortitude. In addition to his military service as a member of the United States Air Force for over 26 years, Dan was an Instrument Technician and a Field Service Engineer until Multiple Sclerosis prevented him from continuing. But, one of the most important things that I found out about Dan that day was that the manner in which he grappled with the devastating challenge of battling MS for over 25 years was an inspiration to all that knew him. He truly was a leader in his groups and lived his life according to the philosophy of Winston Churchill...that is, he "never gave up".

2. I also advised the CAC that on Tuesday January 6, 2015, after a two-year delay, many legal wranglings and plenty of squabbles in Sacramento that have focused on the economic viability of the construction project, the High Speed Rail Authority (HSR) officially broke ground in Fresno, where the first phase of rail construction for the \$68 billion bullet train will begin connecting two parts of the Central Valley which are 29 miles apart...Fresno and Madera. That initial leg will be completed in 2018. The San Francisco to Los Angeles leg is expected to be completed by 2029.

However, there still remain many hurdles that are hampering the project including the need for acquiring more funding, as well as the need for acquiring more private land, and there's also the reported problem of potential construction delays that could put federal funds at risk. There's a mandate that some \$4 billion in state and federal matching funds must be spent by October 1, 2017, something which some experts think is unlikely to happen without work happening at an exceptional pace.

And, there are also the lawsuits still pending in Kern County and Bakersfield, in addition to those folks on our own peninsula, who have been vigorously fighting this thing.

But, the good news is that the fare for the expansion of the project from SF to LA, is projected to cost only \$97 for the one way trip that should take just under three hours. Eventually, more legs will connect Sacramento to San Diego.

3. Pursuant to a series of highly technical financial questions concerning the appointment of our new financial consultants posed by our CAC member Jim Whittemore at last month's TA Board's meeting, Gigi Harrington, Deputy CEO of the TA and members of the Board at the December 4, 2014 meeting, suggested that CAC member Jim Whittemore and myself, meet with members of the TA's financial administrative staff, as well as with the representatives from PFM Asset Management LLC and U. S. Bank, in order to obtain the correct technical answers to Jim's questions.

We met on December 18. After a highly informative Q and A session with all involved, Jim announced that all of his questions and concerns that could be answered by the consultants had been answered and that he was pleased with both their answers and the opportunity to have met them directly to ask those questions of them.

In Joe's report to the CAC, he kept it brief by wishing all a Happy New Year and extending his congratulations to both Laurie Simonson and me on our re-election to the leadership of the CAC for 2015.

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 DECEMBER 31, 2014**

ACTION

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

SIGNIFICANCE

Revenues: Year-to-date *Total Revenue* (\$42,218,866- line 7) is **better** than staff projections by \$4,920,546 or 13.2 percent. *Interest Income* (\$1,407,013 – line 2) is \$261,493 or 22.8 percent **better** than projections due to higher than budgeted returns.

Total Revenue (\$42,218,866 - line 7) is \$3,718,896 or 8.1 percent **worse** than prior year performance mainly due to an unbudgeted recovery payout from the Lehman Brothers bankruptcy received in the prior year. *Sales Tax* (\$40,211,601 - line 1) is \$2,784,816 or 7.4 percent **better**, offset by *Interest Income* (\$1,407,013 - line 2) which is \$143,817 or 9.3 percent **worse** than prior year and *Rental Income* (\$600,252- line 4) which is \$3,749 or 0.6 percent **worse**.

Expenditures: *Total Administrative Expenses* (\$560,314 - line 22) is **better** than staff projections by \$67,835 or 10.8 percent. Within total administrative expenses, *Staff Support* (\$286,542 - line 18) is \$60,757 or 17.5 percent **better** than staff projections. *Other Admin Expense* (\$273,772 – line 20) is **better** than staff projections by \$2,728 or 1 percent.

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

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

% OF YEAR ELAPSED: **50.0%**

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	STAFF PROJECTION	% OF PROJ	ADOPTED BUDGET*	STAFF PROJECTION**	% OF PROJ
REVENUES:								
1 Sales Tax	8,877,001	37,426,785	40,211,601	35,555,000	113.1%	72,000,000	72,000,000	49.4%
2 Interest Income	241,188	1,550,830	1,407,013	1,145,520	122.8%	2,284,610	2,284,610	50.1%
3 Miscellaneous Income	0	6,319,505	0	0	0.0%	0	0	0.0%
4 Rental Income	102,016	604,001	600,252	597,800	100.4%	1,203,300	1,203,300	49.9%
5 Grant Proceeds	0	36,640	0	0	0.0%	0	0	0.0%
TOTAL REVENUE	9,220,204	45,937,762	42,218,866	37,298,320	113.2%	75,487,910	75,487,910	55.9%
EXPENDITURES:								
11 Annual Allocations	3,240,105	13,660,777	14,677,234	12,977,575	113.1%	26,280,000	26,280,000	55.8%
13 Program Expenditures	1,484,541	18,659,937	13,565,388	19,855,950	68.3%	39,712,000	39,712,000	34.2%
15 Oversight	46,117	639,864	297,393	592,500	50.2%	1,185,000	1,185,000	25.1%
17 Administrative								
18 Staff Support	47,509	282,349	286,542	347,299	82.5%	706,634	604,914	47.4%
19 Measure A Info-Others	-	143	-	4,350	0.0%	16,500	16,500	0.0%
20 Other Admin Expenses	48,810	145,489	273,772	276,500	99.0%	313,520	619,634	44.2%
Total Administrative	96,320	427,981	560,314	628,149	89.2%	1,036,654	1,241,048	45.1%
TOTAL EXPENDITURES	4,867,083	33,388,558	29,100,330 (1)	34,054,174	85.5%	68,213,654	68,418,048	42.5%
EXCESS (DEFICIT)	4,353,121	12,549,204	13,118,536	3,244,146		7,274,256	7,069,862	
BEGINNING FUND BALANCE	Not Applicable	445,209,646	459,220,186	401,849,379		401,849,379	401,849,379	
ENDING FUND BALANCE	Not Applicable	457,758,850	472,338,722 (2)	405,093,525		409,123,635	408,919,241	
Includes the following balances:								
34 Cash and Liquid Investments		735,025		FY 2014 Carryover of Commitments (Audited)			286,900,375	
35 Current Committed Fund Balance		326,218,094 (3)		FY 2015 Additional Commitments (Budgeted)			68,213,654	
36 Undesignated Cash & Net Receivable		<u>145,385,603</u>		Reso #2014-14			204,394	
37 Total		<u>472,338,722 (2)</u>		Less: Current YTD expenditures			<u>(29,100,330) (1)</u>	
				Current Committed Fund Balance			<u>326,218,094 (3)</u>	

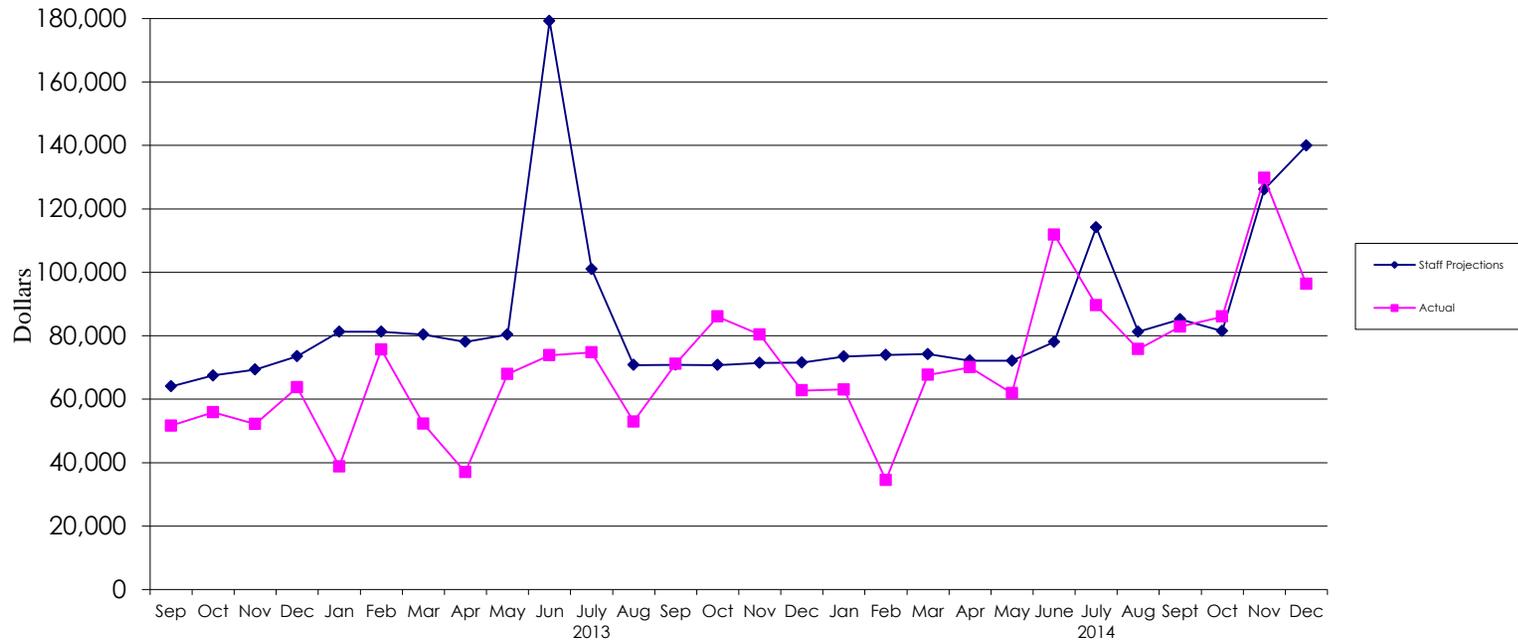
"% OF YEAR ELAPSED" provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% of PROJ" column, please note that individual line items reflect variations due to seasonal activities during the year.

* The TA Adopted Budget is the Board adopted budget effective June 5, 2014.

** The TA Staff Projection is the adopted budget including year to date budget transfers.

01/28/2015 11:27 AM

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
MONTHLY EXPENSES												
Staff Projections	114,189	81,282	85,162	81,511	126,094	139,911						
Actual	89,611	75,787	82,854	86,024	129,718	96,320						
CUMULATIVE EXPENSES												
Staff Projections	114,189	195,471	280,633	362,144	488,238	628,149						
Actual	89,611	165,398	248,252	334,276	463,994	560,314						
Variance-F(U)	24,578	30,073	32,381	27,868	24,244	67,835						
Variance %	21.52%	15.38%	11.54%	7.70%	4.97%	10.80%						



BOARD OF DIRECTORS 2014

KARYL MATSUMOTO, CHAIR
 DAVID CANEPA, VICE CHAIR
 ROSANNE FOUST
 CAROLE GROOM
 DON HORSLEY
 TERRY NAGEL
 NAOMI PATRIDGE

MICHAEL J. SCANLON
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF DECEMBER 31, 2014

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #3	*	Liquid Cash	0.710%	\$ 257,702,479	\$ 257,702,479
Local Agency Investment Fund	**	Liquid Cash	0.267%	\$ 23,346,735	\$ 23,346,735
Investment Portfolio	***	Liquid Cash	0.617%	\$ 168,792,804	\$ 168,999,443
Other		Liquid Cash	0.000%	\$ 735,025	\$ 735,025
				<u>\$ 450,577,043</u>	<u>\$ 450,783,682</u>

Accrued Earnings for December 2014 \$ 241,187.54
 Cumulative Earnings FY2015 \$ 1,407,562.50

* County Pool average yield for the month ending December 31, 2014 was 0.810%. As of December, 2014 the amortized cost of the Total Pool was \$4,115,825,737.92 and the fair market value per San Mateo County Treasurer's Office was \$4,115,076,914.68.

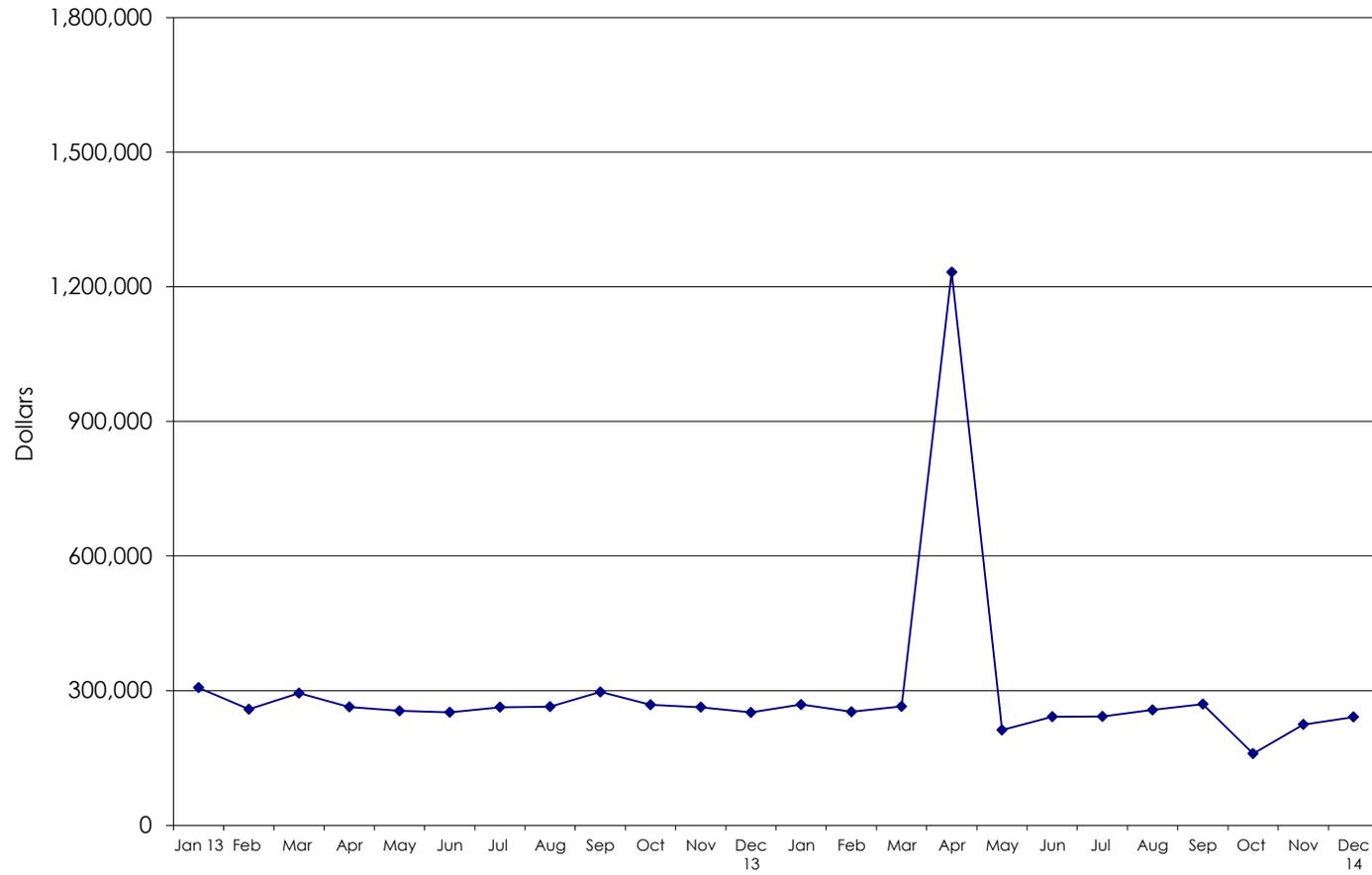
** The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

*** 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
DECEMBER 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	224,449.31	1,153,414.80
DECEMBER	241,187.54	1,394,602.34
JANUARY		1,394,602.34
FEBRUARY		1,394,602.34
MARCH		1,394,602.34
APRIL		1,394,602.34
MAY		1,394,602.34
JUNE		1,394,602.34

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
December 31, 2014

DESCRIPTION	TOTAL INVESTMENT 12-31-14	INTEREST RECEIVABLE 11-30-14	PREPAID INT RECEIVABLE 11-30-14	INTEREST EARNED 12-31-14	INTEREST RECEIVED 12-31-14	ADJ.	INTEREST RECEIVABLE 12-31-14
LAIF	23,346,735.16	(4,685.85)	0.00	5,127.32	0.00		441.47
COUNTY POOL	257,702,478.80	294,323.22	0.00	148,790.68			443,113.90
BANK OF AMERICA	715,903.62	0.00	0.00				0.00
WELLS FARGO	19,121.64	0.00	0.00				0.00
INVESTMENT PORTFOLIO	168,792,803.76	223,937.77	6,603.26	87,000.33	0.00	269.21	317,810.57
	<u>450,577,042.98</u>	<u>513,575.14</u>	<u>6,603.26</u>	<u>240,918.33</u>	<u>0.00</u>	<u>269.21</u>	<u>761,365.94</u>

DECEMBER 2014 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report	12/31/14	241,187.54
Add:		
Less:		
Management Fees		(7,460.82)
Amortized Premium/Discount		(12,444.91)
Capital Gain(Loss)		0.00
Total Interest & Capital Gain(Loss)		<u>221,281.81</u>

YEAR TO DATE -- SUMMARY

Interest Earned	1,407,562.50
Add:	
Less:	
Management Fees	(43,774.17)
Amortized Premium/Discount	(74,355.88)
Capital Gain(Loss)	(550.04)
Total Interest	<u>1,288,882.41</u>

Balance Per Ledger as of	12/31/14	
Exp. Acct. 530011 - Amort Prem/Disc		(74,355.88)
Management Fees (530040)		(43,774.17)
Int Acct. 409100 - Co. Pool		852,933.25
Int Acct. 409100 - LAIF		25,195.61
Int Acct. 409101 - Portfolio Funds		529,433.64
Gain(Loss) Acct. 405210		(550.04)
		<u>1,288,882.41</u>

Extraordinary one time items:

INVESTMENT PORTFOLIO
December 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 REC'VBLE	INT REC'VBLE	PAR
			PURCHASE PRICE	ADJUSTED	VALUE					RECEIVED	EARNED		LESS PREPAID		VALUE		
SECURITIES MANAGED BY INVESTMENT ADVISOR:																	
U.S. TREASURY NOTES AND BONDS																	
US TREASURY NOTE	912828TX8	02-01-13	14,998,828.13	14,967,150.00	15,014,100.00	11-15-15	0.375%	156.2500	31	2,486.19		4,843.75		(26.76)	7,303.18	7,303.18	15,000,000
US TREASURY NOTE	912828VL1	12-19-13	25,057,734.38	20,025,000.00	25,048,750.00	07-15-16	0.625%	434.0278	30	59,018.34		13,020.83		141.54	72,180.71	72,180.71	25,000,000
US TREASURY NOTE	912828WA4	03-21-14	11,972,343.75	11,980,320.00	12,003,720.00	10-15-16	0.625%	208.3333	31	9,684.07		6,458.33		(70.97)	16,071.43	16,071.43	12,000,000
US TREASURY NOTE	912828WX4	8/27/14	17,998,593.75		18,008,460.00	07-31-16	0.500%	250.0000	30	30,081.52	6,603.26	7,500.00		81.52	37,663.04	31,059.78	18,000,000
US TREASURY NOTE	912828WF3	03-28-14	9,971,093.75	9,971,900.00	10,000,800.00	11-15-16	0.625%	173.6111	30	2,762.43		5,208.33		143.88	8,114.64	8,114.64	10,000,000
				(22,968.75)													35.25%
U.S. GOVERNMENT AGENCIES																	
FNMA	31398A4M1	09-13-13	10,221,000.00	10,244,600.00	10,113,800.00	10-26-15	1.625%	451.39	30	15,798.61		13,541.67			29,340.28	29,340.28	10,000,000
FHLMC	3134G34B3	01-30-13	9,998,500.00	9,947,600.00	10,001,000.00	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	4,374,255.60	4,392,099.30	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	15,099,386.50	15,083,563.00	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	23,865,600.00	24,141,840.00	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	9,930,700.00	9,972,500.00	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	14,991,150.00	14,997,000.00	08-26-16	0.625%	260.4167	30	24,739.58		7,812.50			32,552.08	32,552.08	15,000,000
																	64.75%
COLLATERIZED MORTGAGE OBLIGATIONS																	
CASH INVESTMENT																	
MATURED/CALLED																	
TOTAL			<u>168,792,803.76</u>	<u>145,374,693.35</u>	<u>168,777,632.30</u>					<u>230,541.03</u>	<u>6,603.26</u>	<u>87,000.33</u>	<u>0.00</u>	<u>269.21</u>	<u>317,810.57</u>	<u>311,207.31</u>	<u>168,465,001.00</u>

23-Jan-15

Weighted Average Interest Rate 0.6171%

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

1/23/15 4:56 PM

Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
FY2014:						
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
FY2014 Total	68,000,000	72,000,000	FY2014 Total	77,625,765	5,625,765	77,625,765
FY2015:						
Jul. 14	5,250,000		Sep. 14	6,020,400	770,400	6,020,400
Aug. 14	5,250,000		Oct. 14	6,020,400	770,400	6,020,400
Sep. 14	6,650,000		Nov. 14	7,843,800	1,193,800	7,843,800
3 Months Total	17,150,000			19,884,600	2,734,600	19,884,600
Oct. 14	5,725,000		Dec. 14	7,647,001	1,922,001	7,647,001 (1)
Nov. 14	5,725,000		Jan. 15			5,725,000 (1)
Dec. 14	6,955,000		Feb. 15			6,955,000 (1)
6 Months Total	35,555,000			27,531,601	4,656,601	40,211,601
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			27,531,601	4,656,601	57,711,601
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
FY2015 Total	72,000,000		FY2015 Total	27,531,601	4,656,601	76,656,601
	19,884,600		1st Quarter			
	20,327,001		2nd Quarter			
			3rd Quarter			
			4th Quarter			
	<u>40,211,601</u>		YTD Actual Per Statement of Revenue & Expenses			
			(1) Includes Accrual for Quarterly Adjustment			

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

	<u>12/31/2014</u>
Cash -- Bank of America Checking Account	715,903.62
Cash -- Wells Fargo Lockbox Account	19,121.64
LAIF	23,346,735.16
County Pool	257,702,478.80
Investment Portfolio	168,792,803.76
	<hr/>
Total	<u><u>450,577,042.98</u></u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
December 2014

Unit	Ref	Name	Date	Amount	Method	Description
SMCTA	000976	PENINSULA CORRIDOR JOINT POWERS BOARD	12/8/2014	336,264.75	WIR	Capital Programs ⁽¹⁾
SMCTA	000977	SAN MATEO COUNTY TRANSIT DISTRICT	12/15/2014	1,979,571.90	WIR	Wages, Fringe, OH, AP, Caltrain, RW, etc
SMCTA	000978	MATSUMOTO, KARYL M.	12/15/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000979	GROOM, CAROLE	12/15/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000980	NAGEL, TERRY	12/15/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000981	HORSLEY, DONALD	12/15/2014	100.00	WIR	Board of Directors Compensation
SMCTA	000982	CANEPA, DAVID	12/15/2014	100.00	WIR	Board of Directors Compensation
SMCTA	003873	BKF ENGINEERS	12/1/2014	28,364.58	CHK	Capital Programs ⁽²⁾
SMCTA	003874	HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY	12/1/2014	3,996.00	CHK	Legal Services
SMCTA	003874	HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY	12/1/2014	29,641.65	CHK	Legal Services
SMCTA	003875	NEWARK, CITY OF	12/1/2014	1,133.00	CHK	Ground Maintenance Service
SMCTA	003876	SAN MATEO, CITY OF	12/1/2014	129,392.40	CHK	Capital Programs ⁽³⁾
SMCTA	003877	BKF ENGINEERS	12/8/2014	32,956.91	CHK	Capital Programs ⁽²⁾
SMCTA	003878	GREEN CARPET LANDSCAPING	12/8/2014	700.00	CHK	Ground Maintenance Service
SMCTA	003879	KHOURI CONSULTING	12/8/2014	3,500.00	CHK	Legislative Advocacy
SMCTA	003880	PLAZA FLORIST & GIFTS	12/8/2014	54.50	CHK	Miscellaneous
SMCTA	003881	REDWOOD CITY, CITY OF	12/8/2014	428,598.74	CHK	Capital Programs ⁽⁸⁾
SMCTA	003882	SAN CARLOS, CITY OF	12/8/2014	15,625.79	CHK	Capital Programs ⁽⁴⁾
SMCTA	003883	FOUST, ROSANNE	12/15/2014	100.00	CHK	Board of Directors Compensation
SMCTA	003884	HOLLAND & KNIGHT LLP	12/15/2014	3,500.00	CHK	Legislative Advocate
SMCTA	003885	MILLER STARR REGALLIA	12/15/2014	10,349.09	CHK	Capital Programs ⁽⁵⁾
SMCTA	003886	PENINSULA TRAFFIC CONGESTION RELIEF	12/15/2014	209,230.12	CHK	Capital Programs ⁽⁶⁾
SMCTA	003887	SAN MATEO, CITY OF	12/15/2014	164,505.05	CHK	Capital Programs ⁽⁷⁾
SMCTA	003888	URS CORPORATION	12/15/2014	21,637.83	CHK	Consultants
SMCTA	003889	WOODSIDE, TOWN OF	12/15/2014	17,783.00	CHK	Capital Programs ⁽⁷⁾
SMCTA	003890	DMJM HARRIS/MARK THOMAS JV	12/22/2014	3,038.71	CHK	Consultants
SMCTA	003891	GOVERNMENT FINANCE OFFICERS ASSN	12/22/2014	505.00	CHK	Dues & Subscription
SMCTA	003892	HNTB CORPORATION	12/22/2014	2,258.94	CHK	Consultants
SMCTA	003893	CDM SMITH, INC.	12/29/2014	10,023.16	CHK	Consultants
SMCTA	003894	WELLS FARGO INSURANCE SERVICES USA, INC	12/29/2014	1,005.00	CHK	Premium - Other Insurance - General
				<u>3,434,236.12</u>		

(1) Grade Sep - San Bruno \$98,302.04; Downtown Extension \$3,760.17; CBOSS/PTC Project \$25,519.44; Caltrain Electrification \$119,340.02; Boarding Platform Impr-Atherton \$4,701.15; 25th Ave Grade Separation \$4,018.85; SM Bridges Improvement Proj \$80,623.08

(2) 101 Aux Lane Oyster Pt. - SF

(3) SR92 El Camino Real Ramp

(4) 101 Holly St Interchange

(5) 101 Interchange to Broadway

(6) FY15/16 Shuttles Call for Project

(7) Call for Proj-Ped&Bike FY12/13

(8) 84/101 Interchange

**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: **ALLOCATION OF \$50,000 IN ORIGINAL MEASURE A FUNDS FOR THE
CITY/COUNTY ASSOCIATION OF GOVERNMENTS COUNTYWIDE
TRANSPORTATION PLAN**

ACTION

Staff recommends the Board:

1. Allocate \$50,000 in Original Measure A Oversight funds for the City/County Association of Governments of San Mateo County (C/CAG) for development of the Countywide Transportation Plan (CTP) in support of the San Mateo County Transportation Authority's (TA's) Measure A programs.
2. Authorize the Executive Director, or his designee, to execute any agreements and take other actions necessary to encumber the subject funding.

SIGNIFICANCE

C/CAG is initiating work on an update of the CTP, which will provide guidance and support for the implementation of the TA's Measure A programs. The requested Measure A funding contribution will help underwrite a portion of consultant costs for this effort.

BUDGET IMPACT

There is no impact to the budget. There is sufficient capacity in the Oversight Funding Category from prior year adopted budgets to accommodate this request.

BACKGROUND

C/CAG will be updating its CTP, which was last prepared in 2001. The purpose of the C/CAG CTP is to provide a long-range vision, promote policy and set priorities so that informed decisions can be made to optimize the transportation network in San Mateo County. CTPs in the Bay Area provide context for coordinated transportation planning and feed into the Metropolitan Transportation Commission's Regional Transportation Plan.

The TA and C/CAG historically have worked collaboratively on a variety of transportation programs and projects of mutual interest and the proposed allocation and subsequent funding agreement will facilitate continuation of this working relationship.

Prepared by: Joel Slavit, Manager, Programming and Monitoring

650-508-6476

RESOLUTION NO. 2015 –

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

*** * ***

**PROGRAMMING AND ALLOCATING \$50,000 IN ORIGINAL MEASURE A FUNDS
FOR THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
(C/CAG) FOR THE COUNTYWIDE TRANSPORTATION PLAN**

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 one half percent with the new tax revenue to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan (Expenditure Plan) presented to the voters; and

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

WHEREAS, C/CAG will be preparing a new Countywide Transportation Plan (CTP), which will provide guidance and support for the implementation of the TA's Measure A programs; and

WHEREAS, C/CAG has requested that the TA contribute \$50,000 to help underwrite consultant costs to prepare the CTP; and

WHEREAS, there is sufficient capacity from prior year adopted budgets in the Oversight Funding category to enable the TA to encumber these funds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby programs and allocates a total of \$50,000 in Original Measure A funds in Fiscal Year 2015 for development of the new CTP; and

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

Regularly passed and adopted this 5th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**AGENDA ITEM # 7
FEBRUARY 5, 2015**

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

TO: Transportation Authority

FROM: Karyl Matsumoto
SamTrans Board Liaison to the Transportation Authority

SUBJECT: **SAMTRANS LIAISON REPORT – MEETING OF FEBRUARY 4, 2015**

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: April Chan
Executive Officer, Planning and Development

SUBJECT: **PROGRAMMING AND ALLOCATION OF MEASURE A FUNDS, IN THE AMOUNT OF \$49.1 MILLION FOR SOUTH SAN FRANCISCO CALTRAIN STATION IMPROVEMENTS**

ACTION

Staff recommends the Board:

1. Program and allocate \$49.1 million of Measure A Caltrain Program funds to the South San Francisco Caltrain Station Improvement Project; and
2. Authorize the Executive Director or his designee to take any actions necessary to program and allocate the subject funding, including the execution of agreements with the city of South San Francisco (City) and Caltrain to provide the funding.

SIGNIFICANCE

The City submitted a request for \$49.1 million in Measure A funds for the South San Francisco Caltrain Station Improvement Project (Project). At its January 14, 2015 meeting, the South San Francisco City Council approved the allocation of \$5.9 million in matching funds for the Project. The Project will improve station safety and user accessibility, and is supported by the Peninsula Corridor Joint Powers Board (JPB). The Project is included in the Caltrain Short-Range Transit Plan (SRTP).

As reported at the January 8, 2015 San Mateo County Transportation Authority (TA) Board meeting, the Project will provide a wider center platform and track configuration to eliminate the hold-out rule at the station and will construct a pedestrian underpass connecting the west and east sides of the station. The Project's total cost is estimated at \$59 million, including \$4 million already expended to complete final design, and consists of the following components:

<u>Project Components</u>	<u>Cost (in millions)</u>
• Environmental and Design Refresh	\$ 0.5
• Center Platform, including a Signalized Pedestrian Crossing	\$18.0
• Track and Signal Work, including shifting of freight tracks	\$ 8.3
• Pedestrian and Bicycle Underpass	\$21.6
• East Side Station Improvements, including shuttle drop-off	\$ 6.9
• West Side Station Improvements, including plaza	\$ 1.7
• <u>Hazardous Waste Removal</u>	<u>\$ 2.0</u>
Total Project Cost	\$59.0

The Project is consistent with the City's Downtown Station Area plan, adopted by the City Council at its January 28, 2015 meeting. The South San Francisco station, with the addition of the pedestrian/bicycle underpass, will serve as an important component of the City's plans for downtown mixed-use development. In addition to the funds described in the total Project cost estimate, the City has invested \$3.3 million to purchase property and to remediate contaminated soil at the location.

Justification for the Special Circumstance Request

The Project request is outside the normal funding cycle of Measure A capital funds allocated to Caltrain. Staff has evaluated the request in accordance with the Special Circumstance criteria for advancing funds, as provided in the *Strategic Plan 2014-2019*. The criteria include: 1) urgency and 2) impact to the Measure A Program.

The Project would meet several elements of the urgency criteria, including needed safety improvements, possible loss of funds, and significant cost savings.

The South San Francisco station is one of four remaining Caltrain stations, along with Atherton, Broadway, and College Park, that is subject to a safety precaution and operational constraint known as the "hold-out rule." Because the platform configurations require passengers to cross train tracks to board their trains, a train approaching the station must "hold out" if another train is in the station, and cannot enter the station until it is clear. The hold-out rule at the South San Francisco station can be eliminated with the construction of a wider platform that meets current Caltrain standards, and construction of the underpass that would connect Caltrain users to the center platform without having to cross the tracks.

The Project can achieve significant cost savings if the construction can be coordinated and completed prior to the installation of the Peninsula Corridor Electrification Project (PCEP)'s Overhead Contact System (OCS).

The Project is at 100 percent design and can proceed to construction contingent upon Union Pacific Railroad agreement to allow the relocation of certain freight tracks, and receipt of a Federal waiver on level boarding requirements. Staff is continuing efforts to resolve these issues. Caltrain would construct the Project under a separate contract, prior to installation of the PCEP OCS around the Project area and in close coordination with the Caltrain Modernization project team to ensure schedule adherence.

Staff reviewed the Project's impact to the Measure A Program. This funding request would be allocated from the Caltrain category. In general, programming and allocation of funds from the Caltrain category are done during TA's annual budgeting process. The Caltrain category currently has a balance of \$50 million in Original and New Measure A funds, including approximately \$7.1 million in unexpended funds that had been previously budgeted for the Project. Accordingly, the funding request of \$49.1 million for the Project can be accommodated. With respect to funding impacts on other Caltrain capital projects, the Caltrain category generates approximately \$5.8 million annually for Caltrain capital projects, assuming \$72 million in total annual Measure A tax revenue receipts. Future Caltrain projects can be funded from future year revenues.

BUDGET IMPACT

This allocation requires an increase of approximately \$42 million to the TA's Fiscal Year 2015 Budget, after accounting for the approximate \$7.1 million in previously budgeted and unexpended funds for this Project, which is proposed to take place as part of the mid-year budget amendment agenda for consideration at this meeting. South San Francisco will provide \$5.9 million in local matching funds for the Project, and the remaining \$49.1 million is proposed to come from a combination of Original and New Measure A funds in the Caltrain Program category.

City and Caltrain staff will continue to work on pursuing discretionary funds for the Project, including but not limited to the U.S. Department of Transportation's Fiscal Year 2015 TIGER Grant Program and other State funding. The requirement from Measure A would be reduced to the extent other grant funds can be secured for the Project.

BACKGROUND

The JPB certified the Final Environmental Impact Report document for the PCEP at its January 8, 2015 Board meeting. If approved by the JPB at its Board meeting scheduled for February 5, prior to the TA Board meeting, Caltrain will be releasing the PCEP Design-Build Request for Proposal (RFP) in the coming weeks. In order for the PCEP Design-Build RFP to consider the schedules of other major Caltrain capital projects to be constructed during the same time period as the PCEP, the schedules of these other capital projects should be confirmed prior to the release of the RFP, hence the urgency of South San Francisco's request at this time.

Prepared by: April Chan, Executive Officer, Planning & Development

650-508-6228

RESOLUTION NO. 2015 –

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

* * *

**PROGRAMMING AND ALLOCATING \$49.1 MILLION IN ORIGINAL AND
NEW MEASURE A FUNDS FROM THE CALTRAIN PROGRAM CATEGORY TO THE
SOUTH SAN FRANCISCO CALTRAIN STATION IMPROVEMENT 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 one half percent with the new tax revenue to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan (Expenditure Plan) presented to the voters; and

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 New Measure A half-cent sales tax transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009; and

WHEREAS, Caltrain improvements are qualified expenditures and designated the number one priority under the 1988 Transportation Expenditure Plan and the 2004 Transportation Expenditure Plan designates 16 percent of the New Measure A revenues to fund Caltrain projects; and

WHEREAS, the City of South San Francisco (City) has submitted a Special Circumstance request for \$49.1 million, to supplement \$5.9 million in local matching funds, for the South San Francisco Caltrain Station Improvement Project (Project), which will reconstruct the station by replacing two existing narrow platforms with a longer and wider center platform, and include construction of a new pedestrian underpass to connect the east and west sides of the station; and

WHEREAS, the Project is supported by the Peninsula Corridor Joint Powers Board (JPB) and is part of the Caltrain Short-Range Transit Plan; and

WHEREAS, supported by the guidance outlined in the 2004 Expenditure Plan and the 2014-2019 Strategic Plan, TA staff evaluated the City's proposal based on the project's justification, urgency, and impacts to the Measure A program; and

WHEREAS, staff has determined that the Project will significantly improve safety, will result in significant cost savings if it can be completed prior to the installation of the Caltrain Electrification Project, can be accommodated within previously budgeted and existing available Original and New Measure A funds, and meets the intent of the 2004 Expenditure Plan and 2014-2019 Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby programs and allocates \$49.1 million in Original and New Measure A Caltrain Program Category funds to the JPB for the implementation of the Project; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute any necessary documents or agreements with the City and the JPB and take any additional actions necessary to give effect to this resolution.

Regularly passed and adopted this 5th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **AUTHORIZE AMENDMENT OF FISCAL YEAR 2015 BUDGET**

ACTION

Staff proposes the Board adopt a resolution amending the Fiscal Year (FY) 2015 Budget to increase expenditures by \$44,441,356 for a revised total of \$112,859,404 (Line 28 of Attachment A).

The proposed amendment primarily reflects an increase in funding for the South San Francisco Caltrain Station Improvement Project and an increase in projected sales tax income since adoption of the Budget, which triggers corresponding increases in pass-throughs and other expenditures consistent with the 2004 Transportation Expenditure Plan.

SIGNIFICANCE

OPERATING REVENUES:

Sales Tax (Line 1 of Attachment A): Increase of \$3 Million

FY2015 sales tax revenue projections have been increased by \$3 million to \$75 million based on current year's actuals.

EXPENDITURES:

The following expenditures have been adjusted:

Annual Allocations (Line 16 of Attachment A): Increase of \$1,095,000

The proposed revised budget reflects an increase in funding for categories that receive Measure A funds based on percentages of projected sales tax revenue. These categories include Allocation to Local Entities, Transfer to San Mateo County Transit District for Caltrain, Paratransit and San Francisco Airport Bay Area Rapid Transit Extension, as detailed in Attachment B.

Program Expenditures (Line 18 of Attachment A): Increase of \$43,346,356

The proposed revised budget for the various Program Expenditure Categories detailed in Attachment B will be increased by \$43,346,356, including approximately \$42 million for the South San Francisco Caltrain Station and additional funds that will be subject to future programming and allocation.

South San Francisco Caltrain Station (Line 17 of Attachment B)

As summarized above, the proposed budget provides for an increase for the South San Francisco Caltrain Station Improvement Project in the amount of \$42,041,356, for a total project budget allocation of \$49.1 million under the Caltrain category. The project will improve the South San Francisco Caltrain Station by providing a wider center platform and new track configuration, and by constructing a pedestrian underpass connecting the east and west sides of the station. The project is supported by the Peninsula Corridor Joint Powers Board and included in the Caltrain Short-Range Transit Plan.

BUDGET IMPACT

The overall impact to the FY2015 Budget is an increase of \$44,441,356 in total expenditures, from \$68,418,048 to \$112,859,404.

BACKGROUND

The TA annually adopts a budget. On June 5, 2014 the Board adopted the FY2015 budget in the amount of \$68,213,654 as per Board Resolution No. 2014-12. The Board amended the FY2015 budget on August 7, 2014, pursuant to Resolution No. 2014-14, increasing the amount to \$68,418,048.

Note that the transactions affected by the proposed amendment are highlighted in blue on the attached budget.

Prepared By: Ladi Millard, Director, Budgets

650-508-7755

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
FY2015 REVISED BUDGET

	FY2014 AUDITED <u>ACTUAL</u> A	FY2015 <u>ADOPTED</u> B	FY2015 <u>REVISED</u> C	FY15 REVISED TO FY15 ADOPTED Increase (Decrease) D = C-B	BUDGET PERCENT <u>CHANGE</u> E = D/B	
REVENUE:						
1 Sales Tax	77,625,765	72,000,000	75,000,000	3,000,000	4.2%	1
2						2
3 Interest Income	4,020,964	2,284,610	2,284,610	-	0.0%	3
4						4
5 Miscellaneous Income	7,171,994	-	-	-	#DIV/0!	5
6						6
7 Rental Income	1,203,816	1,203,300	1,203,300	-	0.0%	7
8						8
9 Grant Proceeds	121,754	-	-	-	#DIV/0!	9
10						10
11 TOTAL REVENUE	90,144,293	75,487,910	78,487,910	3,000,000	4.0%	11
12						12
13						13
EXPENDITURES:						
14						14
15						15
16 Annual Allocations	28,333,404	26,280,000 (1)	27,375,000	1,095,000	4.2%	16
17						17
18 Program Expenditures	45,799,236	39,712,000 (1)	83,058,356	43,346,356	109.2%	18
19						19
20 Oversight	1,164,071	1,185,000 (1)	1,185,000	-	0.0%	20
21						21
22 Administrative:						22
23 Staff Support	531,403	706,634	706,634	-	0.0%	23
24 Measure A Info-Others	5,993	16,500	16,500	-	0.0%	24
25 Other Admin Expenses	299,647	517,914	517,914	-	0.0%	25
26 Total Administrative	837,043	1,241,048	1,241,048	-	0.0%	26
27						27
28 TOTAL EXPENDITURES	76,133,754	68,418,048	112,859,404	44,441,356	65.0%	28
29						29
30 EXCESS/(DEFICIT)	14,010,539	7,069,862	(34,371,494)	(41,441,356)	-586.2%	30
31						31
32 BEGINNING FUND BALANCE	445,209,646	401,849,379	459,220,185	57,370,806		32
33						33
34 ESTIMATED ENDING FUND BALANCE	459,220,185	408,919,241	424,848,691	15,929,450	3.9%	34
35						35
36 (1) See Attachment B for details.						36
37						37
FUND BALANCE						
38						38
39						39
40 Beginning Fund Balance		1988 Measure 283,193,000	2004 Measure 176,027,185	Aggregate 459,220,185		40
41 Excess/(Deficit)		(31,187,603)	(3,183,891)	(34,371,494)		41
42 Ending Fund Balance		<u>252,005,397</u>	<u>172,843,294</u>	<u>424,848,691</u>		42
43						43
44 Capital Appropriation Carryover		199,793,689	125,696,688	325,490,377		44
45 Undesignated (2)		52,211,708	47,146,606	99,358,314		45
46 Total Ending Fund Balance		<u>252,005,397</u>	<u>172,843,294</u>	<u>424,848,691</u>		46
47						47
48 (2) Undesignated funds are funds collected but not budgeted or allocated. The 1988 Undesignated funds are projected to include about						48
49 \$52 million for Dumbarton. The 2004 Undesignated funds include about \$7 million for Dumbarton, \$7 million for Grade Separation						49
50 and \$25 million for Highways.						50

ATTACHMENT B

FY2015 ALLOCATIONS AND EXPENDITURES

				Prior Approved Budget	FY2015 Revised	Total Approved Budget	Budgeted Non-Measure A	Total Measure A Share
ANNUAL ALLOCATIONS:								
1	Allocation to Local Entities			N/A	16,875,000			N/A
2	Transfer to SMCTD for Caltrain			N/A	6,000,000			N/A
3	Paratransit			N/A	3,000,000			N/A
4	SFO BART Extension			N/A	1,500,000			N/A
5					27,375,000			
6								
7	PROGRAM EXPENDITURES:							
8								
9	ALTERNATIVE CONGESTION RELIEF							
10	00903	Call for Projects	(1)	1,013,794	325,000	1,338,794		1,338,794
11	TBD	Countywide TDM Program		1,616,206	425,000	2,041,206		2,041,206
12	DUMBARTON							
13	00745	Maintenance of Way		1,392,500	392,000	1,784,500		1,784,500
14	CALTRAIN							
15	00605	San Mateo Local Share JPB CIP		59,297,540	6,000,000	65,297,540	2,733,100	62,564,440
16	TBD	San Mateo Bridges			8,000,000	8,000,000		8,000,000
17	TBD	South San Francisco Caltrain Station (2)		7,058,644	42,041,356	49,100,000		49,100,000
18	PEDESTRIAN AND BICYCLE PROGRAM							
19	00748	Set-aside for Call for Projects	(3)	8,868,824	2,250,000	11,118,824	-	11,118,824
20	LOCAL SHUTTLE							
21	00902	Set-aside for Call for Projects	(4)	7,544,777	3,000,000	10,544,777	-	10,544,777
22	STREETS AND HIGHWAYS							
23	00900	Key Congested Corridors Program	(5)	48,486,000	12,975,000	61,461,000	-	61,461,000
24	00901	Supplemental Roadway Program	(5)	28,587,000	7,650,000	36,237,000	-	36,237,000
25								
26				163,865,285	83,058,356	246,923,641	2,733,100	244,190,541
27								
28								
29	OVERSIGHT:							
30								
31	00740	Program Planning and Management		3,625,000	1,185,000	4,810,000	-	3,625,000
32				3,625,000	1,185,000	4,810,000	-	3,625,000

(1) Funds proposed in FY2015 for the ACR Call For Projects represent 1% of sales tax revenues, less funds designated for the Alliance's Countywide TDM program (\$425K).

(2) The increase of \$42.1M in FY2015 revised budget of South San Francisco Station Improvement Project consists of \$25.6M from Original Measure and \$16.4M from New Measure.

(3) The Pedestrian and Bicycle Set-aside for Call for Projects (\$2.25M) represents the estimated funds to be collected in FY15, which will be reserved for the FY2015/16 Call for Projects.

(4) The Local Shuttle Set-aside for Call for Projects (\$3.0M) represents the estimated funds to be collected in FY15 to be used for the FY2015/16 Call for Projects.

(5) The Key Congested Corridors and Supplemental Roadway Programs represent 17.3% and 10.2% respectively of Measure A revenues projected to be collected in FY15 and are placeholders until specific projects are selected under these categories.

RESOLUTION NO. 2015 –

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

**AUTHORIZING AMENDMENT TO INCREASE THE FISCAL YEAR 2015 BUDGET BY
\$44,441,356 FOR A TOTAL BUDGET OF \$112,859,404**

WHEREAS, Section 131265(a) of the California Public Utilities Code requires the Board of Directors to adopt an annual budget for the San Mateo County Transportation Authority (Authority); and

WHEREAS, the Board adopted the Fiscal Year (FY) 2015 Budget on June 5, 2014, pursuant to Resolution No. 2014-12, in the amount of \$68,213,654; and

WHEREAS, the Board amended the FY2015 Budget on August 7, 2014, pursuant to Resolution No. 2014-14, increasing the amount to \$68,418,048; and

WHEREAS, staff seeks an additional amendment to the Budget to account for increased actual and projected sales tax revenues and increases in expenditures as set forth in the 2004 Transportation Expenditure Plan, and as more specifically described below:

- Since the adoption of the FY2015 Budget, the Authority's sales tax revenue projections have been increased by \$3 million , resulting in corresponding increases of \$1,095,000 in Annual Allocations; and
- Staff recommends a \$43,346,356 increase in Program Expenditures, primarily related to the South San Francisco Caltrain Station Improvement Project, for which staff recommends a proposed budget increase of \$42,041,356. That project will improve the South San Francisco Caltrain Station by providing a wider center platform

and changes to the track configuration, and by constructing a pedestrian underpass connecting the east and west sides of the station.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby approves an amendment increasing the FY2015 Budget by \$44,441,356 for a total amended Budget of \$112,859,404.

Regularly passed and adopted this 5th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **QUARTERLY INVESTMENT REPORT AND
FIXED INCOME MARKET REVIEW AND OUTLOOK**

ACTION

Staff recommends the Board accepts and enters into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2014.

SIGNIFICANCE

The San Mateo County Transportation Authority (TA) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on January 15, 2015 in order to meet the 30 day requirement.

BUDGET IMPACT

As this reports on the Quarterly Market Review and Outlook, there is no budget impact.

BACKGROUND

The TA is required by state law to submit quarterly reports within 30 days of the end of the quarter covered by the report to the Board of Directors. The report is required to include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,
5. Statement that the local agency has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on page 3 and 4. The schedule separates the investments into two groups: The Investment Portfolio, which is managed by SunTrust Banks, doing business as CSI Capital a SunTrust Group ("CSI"); and Liquidity funds, which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

CSI provides the TA a current market valuation of all the assets under its management for each quarter. The valuation is provided by FT Interactive Data, the major operating division of Interactive Data Corporation (IDC). IDC is a leading provider of global securities data. They offer one of the largest information databases with current and historical prices on securities traded in all major markets including daily evaluations for more than 2.5 million fixed income securities.

Due to the nature of securities which are bought and sold in a principal market, such as fixed income securities, multiple market values may exist for a given security at any given time. CSI has chosen IDC as an unbiased estimator of these prices based on their leading role as a provider of end of the day pricing, an evaluation of their methodology and the experience of their evaluation staff. Unfortunately, given the recent volatility in the markets, not every security is currently supported or accurately reflected by IDC. Therefore at the end of the quarter, CSI surveyed a number of Wall Street firms to get an accurate market value of the securities held in the TA's portfolio. These surveys reflect the levels at which someone is actually willing to purchase the securities held by the TA. In the case of money market instruments, which are not supported by IDC, CSI uses adjusted cost.

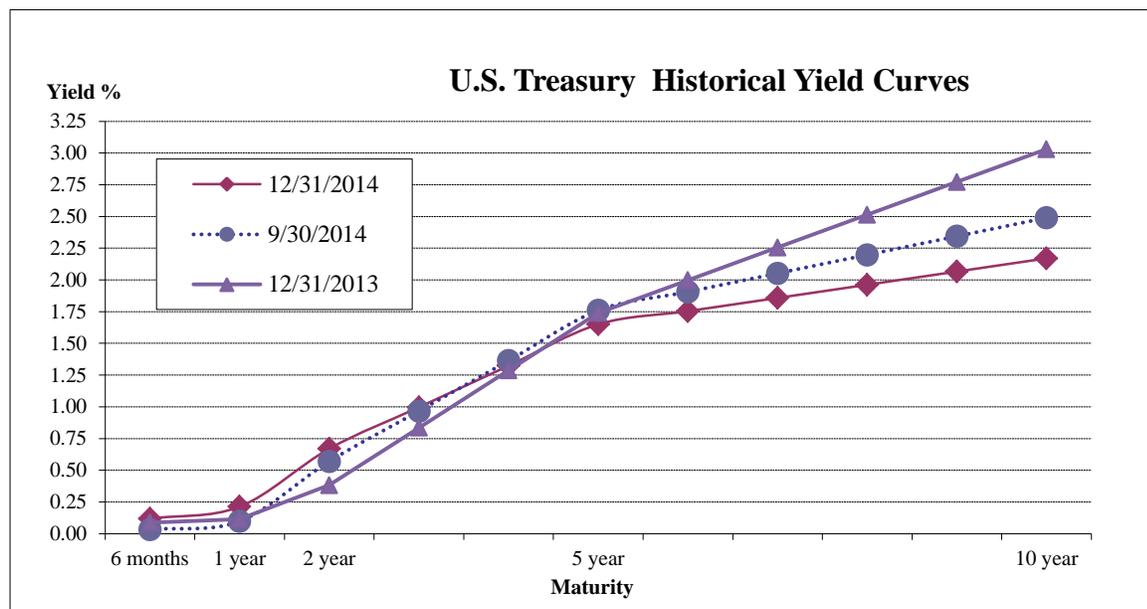
The Liquidity funds managed by TA staff are considered to be cash equivalents and therefore market value is considered to be equal to book value (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value per share, book and market value are equal and rate of income is recalculated on a daily basis.

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

DISCUSSION

Fixed Income Market Review and Outlook

Interest rates ended mixed in the fourth quarter of 2014 as the demand for U.S. Government bonds from foreign investors pulled longer-term rates lower while a stronger economy and robust labor market here in the United States pushed shorter-term rates higher. This dynamic of competing foreign and domestic influences is likely to be the dominant driver of interest rates as we move forward through 2015. Although CSI predilection remains towards interest rates moving higher by Q2 of 2015, there are factors in the U.S. and foreign economies that may delay the increases including a notable division among the ranks of the voting members of the FOMC and exceptionally low expectations for inflation.



Data Source: Bloomberg Finance L.P.

The economy and labor market has been quite strong; GDP growth in the third quarter of the year was revised to an exceptionally strong annualized pace of 5 percent. The outlook for the quarter just past and all of 2015 remains anchored well above a 3 percent pace of growth. In the labor markets, payroll growth has averaged roughly 250,000 new jobs for the past six months and the unemployment rate, as of this writing, had fallen to 5.8 percent. Of particular importance, recent measures of wage growth have begun to pick up.

There are other factors, however, that may delay a hike in rates. These include a notable division among the ranks of the voting members of the FOMC and exceptionally low expectations for inflation.

Given the recent strength in the economy, it is widely expected the Federal Reserve (Fed) will begin to raise the level of short-term interest rates shortly. Indeed, if the strength continues some believe the Fed could begin to hike interest rates as early as March 2015.

Strategy

Over the near future, we expect interest rates to move gradually higher. Currently the portfolio's sensitivity to a change in interest rates is below that of the benchmark. (See Exhibit 5.) The current low rate environment leaves the bond market without much of a yield cushion to avoid negative rates of returns should interest rates begin to rise more than already anticipated by the market. Given our outlook and the current level of uncertainty in the markets, we are comfortable keeping the portfolio's exposure to a change in interest rates below that of the benchmark.

As of the end of the quarter, the Transportation Authority's portfolio consisted of approximately 52.6 percent Agency Securities and 47.4 percent U.S. Treasury securities. (See Exhibit 6.)

Budget Impact

The portfolio's performance reported a total economic return basis. This method includes the coupon interest, amortization of discounts and premiums, capital gains and losses and price changes (i.e., unrealized gains and losses). For the quarter ending December 31, 2014, the portfolio returned **0.19 percent**. This compares to the benchmark return of **0.42 percent**.

The Performance graph in Exhibit 4 shows the relative performance of the Authority for the trailing 24-month period. The Growth of a Thousand Dollars graph in Exhibit 3 shows the cumulative performance over this same period for the Authority's portfolio.

The portfolio's yield to maturity is the return the portfolio will earn in the future if all securities are held to maturity is also reported. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, 2014, the portfolio's yield to maturity or call was **0.46 percent**. The benchmark's yield to maturity was **0.92 percent**.

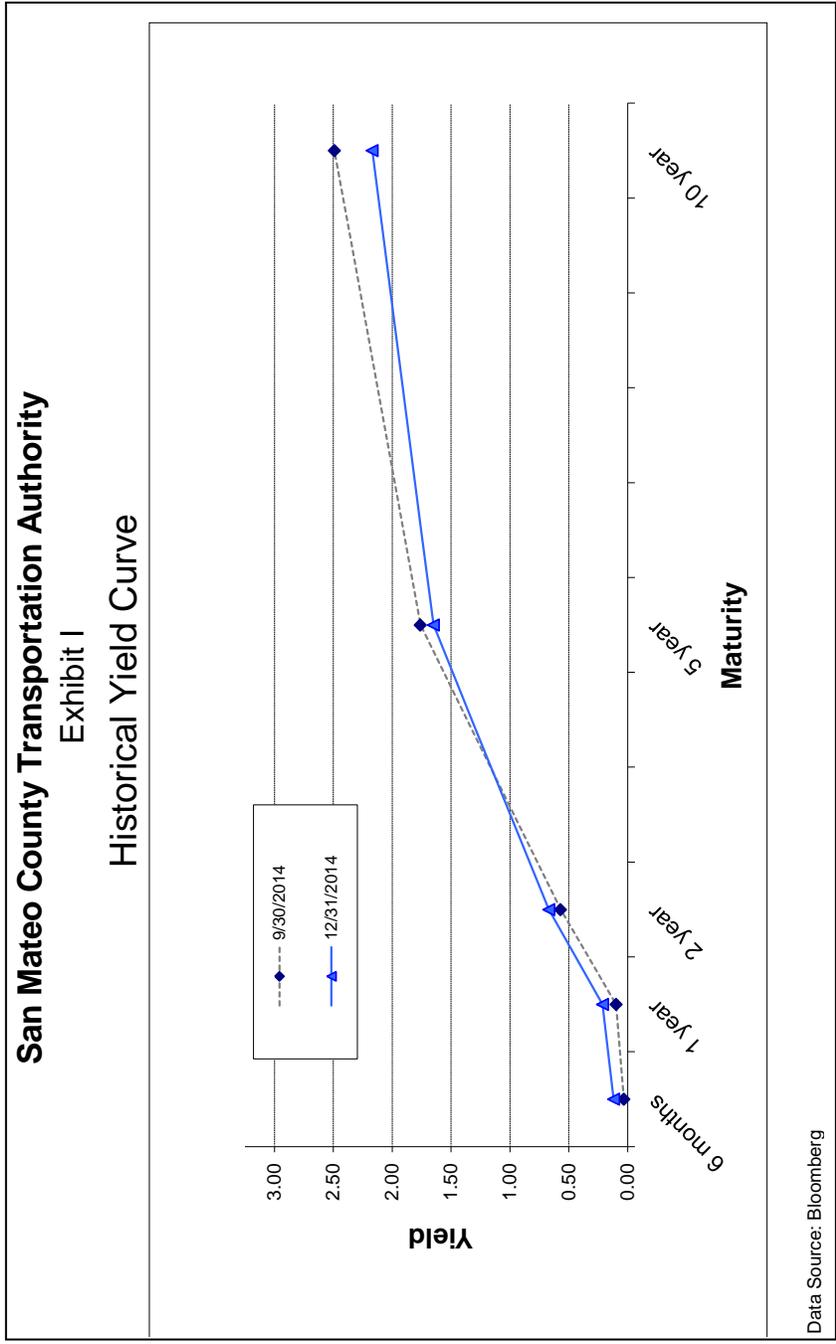
Another method of measuring the portfolio's yield to maturity is the yield of the portfolio at cost. This calculation is based on the value of the portfolio at cost and does not include any unrealized gains or losses as part of its computation. As of the end of the quarter the portfolio's rate of return on investments, at cost, was **0.53 percent**.

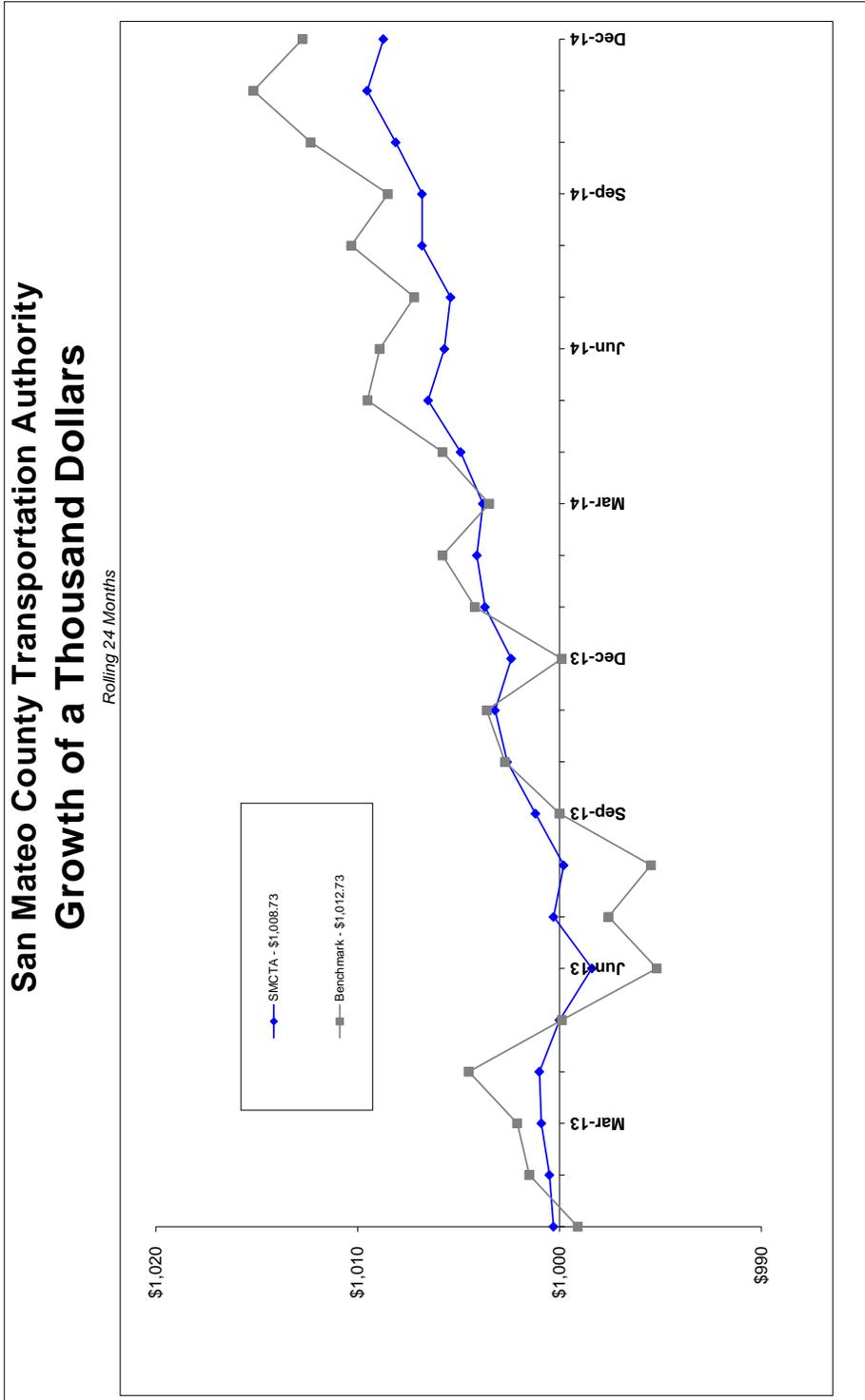
Prepared by: Kathryn Watson, Manager, Treasury

650-508-6425

SAN MATEO COUNTY TRANSPORTATION AUTHORITY REPORT OF INVESTMENTS FOR QUARTER ENDED DECEMBER 31, 2014									
TYPE	CUSIP NUMBER	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.		
<u>FUNDS MANAGED BY SUNTRUST BANK/CSI GROUP</u>									
<u>INVESTMENT PORTFOLIO:</u>									
CASH & EQUIVALENTS									
			0	0	0	0.00	0.00		
TREASURY SECURITIES									
	912828TX8	11-15-15	15,000,000	14,998,828	15,014,100	7,303	15,021,403		
	912828VL1	07-15-16	25,000,000	25,057,734	25,048,750	72,181	25,120,931		
	912828WX4	07-31-16	18,000,000	17,998,594	18,008,460	37,663	18,046,123		
	912828WA4	10-15-16	12,000,000	11,972,344	12,003,720	16,071	12,019,791		
	912828WF3	11-15-16	10,000,000	9,971,094	10,000,800	8,115	10,008,915		
GOVERNMENT BONDS									
	31398A4M7	10-26-15	10,000,000	10,221,000	10,113,800	29,340	10,143,140		
	3134G4HZ4	10-28-15	10,000,000	9,998,500	10,001,000	21,250	10,022,250		
	3135G0UM3	02-26-16	4,395,000	4,394,561	4,392,099	7,935	4,400,035		
	3135G0VH3	03-04-16	15,070,000	15,149,118	15,083,563	36,733	15,120,296		
	3135G0VA8	03-30-16	24,000,000	24,041,832	24,141,840	30,333	24,172,173		
	3135G0XP3	07-05-16	10,000,000	9,959,800	9,972,500	18,333	9,990,833		
	3135G0YE7	08-26-16	15,000,000	15,029,400	14,997,000	32,552	15,029,552		
TOTAL FUNDS MANAGED BY SUNTRUST BANK/CSI GROUP			168,465,000	168,792,804	168,777,632	317,811	169,095,443		

SAN MATEO COUNTY TRANSPORTATION AUTHORITY							
REPORT OF INVESTMENTS (Continued)							
FOR QUARTER ENDED DECEMBER 31, 2014							
TYPE	CUSIP NUMBER	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<u>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</u>							
BANK OF AMERICA CHECKING				715,904	715,904	0	715,904
LAIF				23,346,735	23,346,735	441	23,347,177
SAN MATEO COUNTY POOL				257,702,479	257,702,479	443,114	258,145,593
				281,765,118	281,765,118	443,555	282,208,673
<u>TOTAL FUNDS MANAGED BY DISTRICT STAFF</u>							
				452,462,295	452,412,772	758,388	453,171,160
<u>TOTAL AS OF DECEMBER 31, 2014</u>							



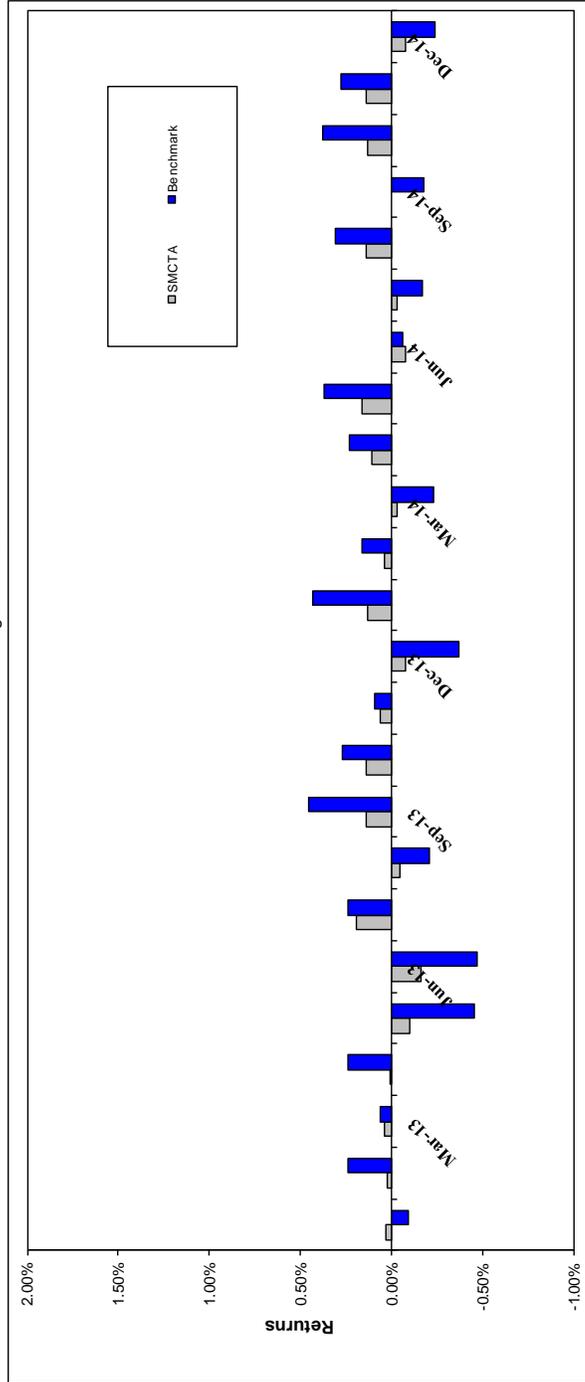


CSI Capital, a SunTrust Group

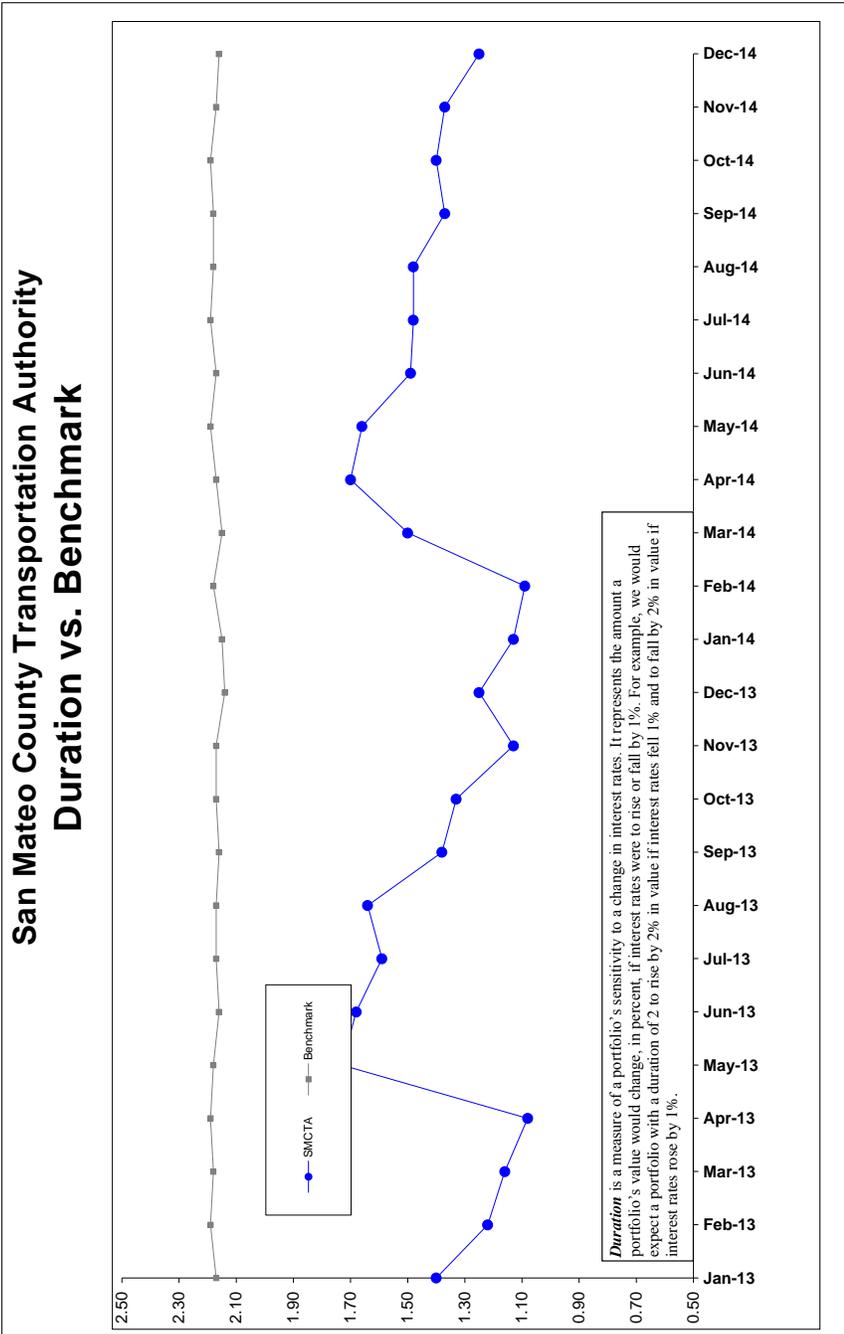
San Mateo County Transportation Authority

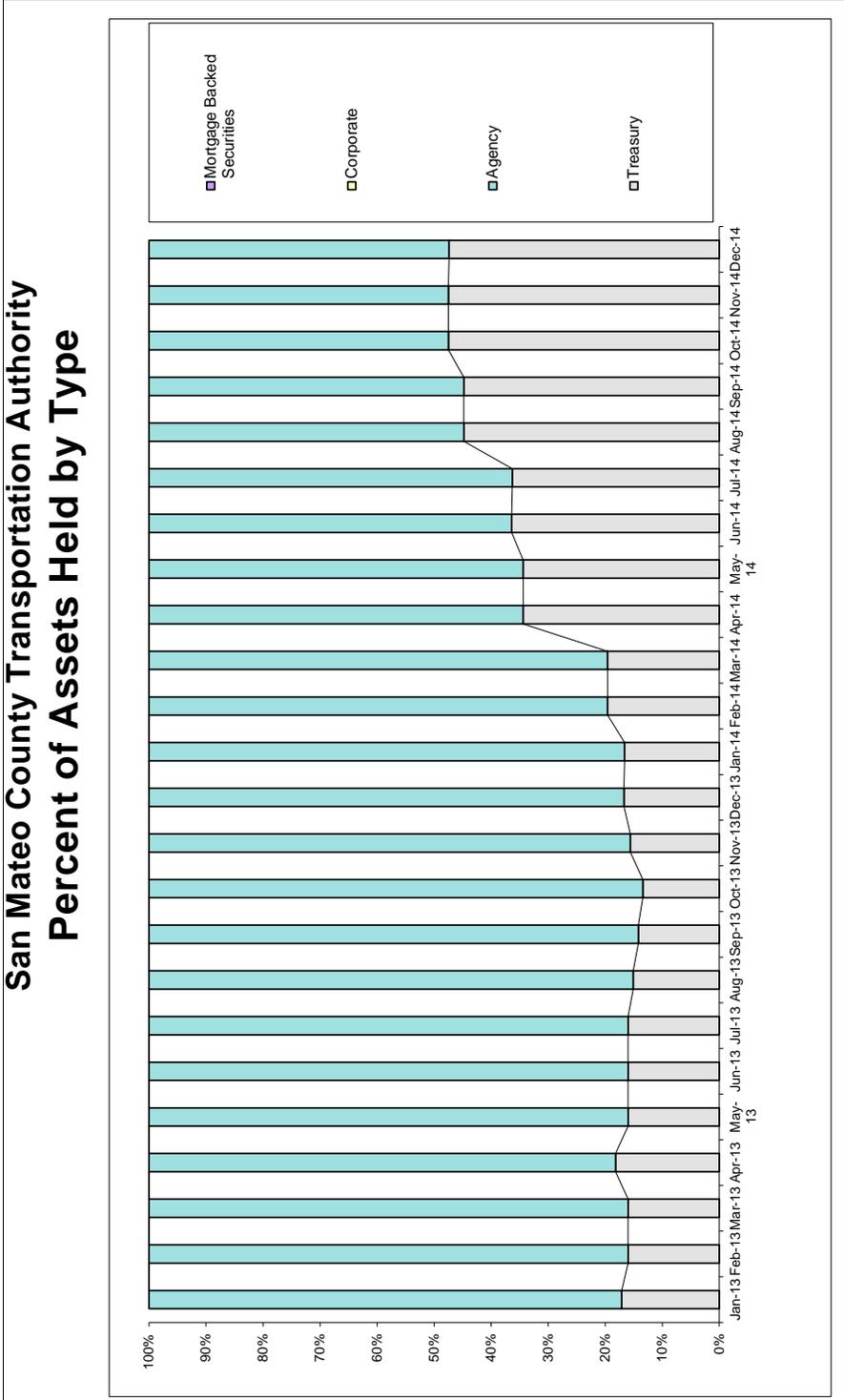
Monthly Review - Account vs. Benchmark

Rolling 24 Months



Trailing 12 Months	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Trailing 12
MONTHLY PERFORMANCE DATA													
SMCTA	0.13%	0.04%	-0.03%	0.11%	0.16%	-0.08%	-0.03%	0.14%	0.00%	0.13%	0.14%	-0.08%	0.63%
Benchmark	0.43%	0.16%	-0.23%	0.23%	0.37%	-0.06%	-0.17%	0.31%	-0.18%	0.38%	0.28%	-0.24%	1.28%





**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2014**

ACTION

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

SIGNIFICANCE

Maze and Associates conducted the annual audit of the financial statements for the year ended June 30, 2014 and determined that in their opinion the financial statements fairly represent the financial position for the period of July 1, 2013 to June 30, 2014.

The Fiscal Year 2014 Comprehensive Annual Financial Report is available online at <http://www.smcta.com/Finance/CAFR.html>.

The Comprehensive Annual Financial Report has three sections, the introductory, financial and statistical section. The financial section includes;

- 1) Independent Auditor's Report – this report was prepared by the independent auditors, who rendered an unqualified opinion, which is the most favorable opinion an agency can receive in an audit. An unqualified opinion means that the financial statements are presented fairly and in accordance with generally accepted accounting principles.
- 2) Management's Discussion and Analysis – this section provides management's overview of the financial activities.
- 3) Basic Financial Statements – the basic financial statements include a statement of net assets, statement of activities, governmental fund balance sheet, governmental fund statement of revenues, expenditures and changes in fund balance and notes to the statements which are essential to a full understanding of the data provided.

- 4) Required Supplementary Information – this includes the budgetary comparison for the Special Revenue Fund and the budgetary comparison for the Transportation System Management Fund.

Annually, the TA submits the Comprehensive Annual Financial Report to the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting. The TA has received an award for every year that the report was submitted.

Budget Impact

There is no impact on the budget.

Prepared by: Sheila Tiyoao, Manager, Financial Services

650-508-7752

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **2015 LEGISLATIVE PROGRAM**

ACTION

Staff proposes Board adoption of the attached Legislative Program (Program) to guide the Transportation Authority's (Authority) policy advocacy efforts over the course of the 2015 calendar year.

SIGNIFICANCE

The 2015 Program establishes the principles that will guide the Authority's legislative and regulatory advocacy efforts through the 2015 calendar year, including the first half of the 2015-2016 State legislative session and the 114th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Authority to respond swiftly and effectively to unanticipated developments. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of the Authority's priorities.

The 2015 Program is organized to guide the Authority's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the Authority's programs and services
2. Seek a regulatory environment that streamlines project delivery and maximizes the Authority's ability to meet public transportation service demands
3. Reinforce and expand programs that build and incentivize public transportation ridership

The Program is structured to apply these core objectives to a series of issues, resulting in a set of policy strategies for each.

State and Regional Issues:

1. State Budget and Transportation Funding Opportunities
2. Caltrain Modernization, Capacity Improvements and High-Speed Rail

3. Transportation Operations, Administration, Planning and Project Delivery Regulation

Federal Issues:

1. Surface Transportation and Rail Authorization
2. Regulatory Issues
3. Fiscal Year 2016 Appropriations and Tax Extenders

Should other issues surface that require the Authority's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Authority's Board of Directors for consideration.

The Authority and its legislative consultants will employ a variety of advocacy tactics to support the 2015 Legislative Program, including:

1. Direct Advocacy
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Authority's legislative priorities and positions.
2. Coalition-based Advocacy
Engage local and regional stakeholders to build awareness about specific issues and foster the creation of local coalitions that will advocate on the Authority's behalf. Coordinate with local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2015 Program.
3. Media Advocacy
Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and submitting op-ed pieces; engage the broader public in advocacy efforts through the use of social media and other electronic media that facilitate the public's ability to communicate on the Authority's behalf.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff actively monitors legislative and regulatory activity and will seek Board positions on selected bills as appropriate to further the Authority's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

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

San Mateo County Transportation Authority 2015 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transportation Authority (Authority) programs and services. They also have potential to present serious challenges that threaten the Authority's ability to meet San Mateo County's most critical transportation demands.

The 2015 Legislative Program establishes the principles that will guide the Authority's legislative and regulatory advocacy efforts through the 2015 calendar year, including the first half of the 2014-2015 State legislative session and the 114th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Authority to respond swiftly and effectively to unanticipated developments.

Objectives

The 2015 Legislative Program is organized to guide the Authority's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the Authority's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the Authority's ability to meet transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

Issues

The Legislative Program is structured to apply these core objectives to a series of issues, resulting in a set of policy strategies for each.

State and Regional Issues

1. State Budget and Transportation Funding Opportunities
2. Caltrain Modernization, Capacity Improvements and High-speed Rail
3. Transportation Operations, Administration, Planning and Project Delivery Regulation

Federal Issues:

1. Surface Transportation and Rail Authorization
2. Regulatory Issues
3. Fiscal Year 2016 Appropriations and Tax Extenders

Should other issues surface that require the Authority's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Authority's Board of Directors for consideration.

Advocacy Tactics

Authority staff, led by the Government and Community Affairs group and its legislative consultants, will employ a variety of advocacy tactics to support the 2015 Legislative Program, including:

1. Direct Advocacy
Engage policymakers directly and sponsor legislation, submit correspondence and provide testimony that communicates and advances The Authority's legislative priorities and positions.
2. Coalition-based Advocacy
Engage local and regional stakeholders to build awareness about specific issues and foster the creation of local coalitions that will advocate on the Authority's behalf. Coordinate with local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2015 Legislative Program.
3. Media Advocacy
Build awareness and communicate legislative priorities by issuing press releases, organizing media events, and submitting op-ed pieces; engage the broader in advocacy efforts through the use of social media and other electronic media that facilitate the public's ability to communicate on the Authority's behalf.

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Issues and Background	Strategies
<p>1. State Budget and Transportation Funding Opportunities</p> <p><u>General</u> State investment in transportation operations and infrastructure continues to be underfunded despite a rebounding economy and the stabilization of the State budget. While some existing revenues have been protected from diversion, other funds remain vulnerable, and although some State bond revenues are still available to fund specified transportation projects, over \$200 billion in new revenue will be required to meet the State's infrastructure needs over the next six years. Since the gas tax has not been increased or adjusted for inflation since 1993, its buying power has been diminished, further depleting resources available to maintain, let alone expand or improve the state highway system or transit needs. Recently enacted legislation (SB 1077) creates a statewide committee to assess the implementation of pilot program for a mileage-based user fee as an alternative to the gas tax.</p> <p><u>Existing Revenues</u> After years of diversion to support the State's General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, a small increment of STA funding remains vulnerable to diversion under current law. Legislation is needed to either extend or make permanent the exemption for the STA efficiency criteria to ensure that funding remains flexible for capital and operations.</p> <p>Infrastructure investments are achieved primarily through the</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Protect against the elimination or diversion of any State or regional funds that support San Mateo County transportation needs • Support State funding allocation requests for investments that benefit San Mateo County transportation programs and services • Work with statewide transit coalitions to identify and advance opportunities for funding that would support San Mateo County transportation priorities • Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CalSTA). <p><u>Existing Revenues</u></p> <ul style="list-style-type: none"> • Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation • Advocate for the regularly scheduled issuance of State infrastructure bonds and the equitable allocation of bond revenues to Proposition 1A and Proposition 1B programs that support San Mateo County's transportation services and programs • Support legislation to maintain exemption for STA efficiency criteria.

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Issues and Background	Strategies
<p>sale of voter-approved bonds. Revenues from the sale of Proposition 1A and Proposition 1B bonds will be needed to ensure that the State's transportation needs are addressed</p> <p><u>Ballot Measures and Voter Threshold</u> With over \$200 billion in unfunded transportation needs and funding from existing infrastructure bond measures waning, proposals for new local, regional and statewide transportation revenues are being discussed.</p> <p>Despite broad-based majority support for dedicating additional revenue to transportation services and programs, efforts to generate new revenues are often unsuccessful due to the requirement that certain measures receive two-thirds supermajority support from the Legislature and/or voters.</p> <p>In 2015, legislation may be considered that provides a framework for lowering the thresholds for the State or a city, county, special district or regional public agency to impose a special tax.</p> <p>Local jurisdictions will also need to consider whether an exemption to the State imposed two percent cap is needed to pursue a sales tax measure.</p>	<p><u>Ballot Measures and Voter Threshold</u></p> <ul style="list-style-type: none"> • Engage in efforts to generate new local, regional or statewide transportation funding and support proposals that adequately benefit San Mateo County transportation needs • Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs • Oppose efforts to add burdensome restrictions on the expenditure of these revenues, such as requiring payment for maintenance costs on the state highway system. • Partner with regional partners such as MTC or other transportation planning agencies to allow for the adoption of an ordinance proposing the imposition of a transactions and use tax that exceeds the two percent statutory limitation

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Issues and Background	Strategies
<p><u>High Occupancy Toll (HOT) Lanes</u> In 2014 legislation was enacted laying the groundwork for implementation of a mileage-based user fee in California. The fee would charge certain motorists based on how many miles they drive in a given year, in lieu of paying California-assessed fuel taxes. As vehicles are becoming more fuel efficient and fuel tax revenues continue to decline, the state is looking for alternatives to maintain the system and provide alternatives for travelers. The 2014 legislation establishes a limited mileage-based user fee demonstration program.</p> <p>At the same time, various local jurisdictions around the state are looking to expand the existing HOT lane program as a way of generating additional funding for highway maintenance and operations, and, possibly to support alternatives to the auto in those HOT lane corridors, such as public transit.</p> <p><u>Cap-and-Trade Revenues</u> In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). The State estimates that the system may yield billions of dollars per year in revenues that will be allocated to various emissions-reducing projects and programs. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process.</p> <p>The Transit and Intercity Rail Capital Program, an element of</p>	<p><u>HOT Lanes</u></p> <ul style="list-style-type: none"> • Monitor the demonstration program and support efforts to ensure transit operations and capital projects remain eligible uses for revenues collected through a mileage-based user-fee or HOT lane program. • Support legislation that supports local agencies' ability to implement HOT lane projects. • Support legislation that works to ensure revenues generated through HOT lane projects remain in the County of origin <p><u>Cap-and-Trade Revenues</u></p> <ul style="list-style-type: none"> • Work with the Administration and through like-minded transportation coalitions to secure the appropriation of cap-and-trade revenues in 2015 that are eligible to support San Mateo County transportation needs. • Support legislation and regional action that establishes a long-term framework for cap-and-trade expenditures and that makes a broad array of San Mateo County emissions-reducing transportation projects, programs and services eligible for investment • Protect existing cap-and-trade appropriations for

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES	
Issues and Background	Strategies
<p>the cap-and-trade expenditure plan, inadvertently precludes bus operators from applying for and securing funding from this program.</p> <p><u>Other State or Local Financing Options</u> With the State's recent dissolution of redevelopment agencies, local governments continue to seek methods for funding new infrastructure around transit.</p>	<p>transit operations and capital projects and sustainable communities strategy implementation</p> <ul style="list-style-type: none"> • Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project • Support legislation to make bus operators eligible to apply for funding from the Transit and Intercity Rail Capital Program <p><u>Other State or Local Financing Options</u></p> <ul style="list-style-type: none"> • Advocate for legislation that would create new local financing tools to support transportation infrastructure and services • Monitor and support efforts to study Vehicle Miles Traveled tax as a potential revenue source.
<p>2. Caltrain Modernization, Capacity Improvements and High Speed Rail</p> <p>In 2012, the State Legislature appropriated \$705 million in Proposition 1A high-speed rail funds to modernize the Caltrain corridor in preparation for eventual high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain's aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.</p>	<ul style="list-style-type: none"> • Advocate for the sale and allocation of Proposition 1A funding to meet the commitments specified in SB 1029 with respect to the Caltrain corridor. • Support the allocation of cap-and-trade funding to advance implementation of the Caltrain Modernization Program and future Caltrain capacity improvements. • Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local and regional

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES	
Issues and Background	Strategies
<p>In addition to planning these improvements, Caltrain is working to identify additional infrastructure that will provide additional capacity and service benefits and will also allow the corridor to accommodate high-speed-rail as part of a Blended System.</p>	<p>commitments to the Caltrain Modernization Program</p> <ul style="list-style-type: none"> • Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits. • Oppose actions or policies that negatively impact future capacity or service improvements.
<p>3. Transportation Operations, Administration, Planning and Project Delivery Regulation</p> <p><u>General</u> Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p> <p><u>Changes to the Penal Code</u> Efforts will be underway in 2015 to make changes to the Penal Code related to crimes committed on transit</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Support opportunities to remove barriers to, and improve the ability to conduct, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the Authority • Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Authority's ability to conduct efficient transportation operations, administration, planning and project delivery efforts <p><u>Changes to the Penal Code</u></p> <ul style="list-style-type: none"> • Support efforts to amend the Penal Code to decriminalize youth fare evasion and penalize

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Issues and Background	Strategies
<p>properties, to make them more applicable for transit agencies statewide, including the decriminalization of youth fare evasion, and, failure to yield seating to the elderly and disabled.</p> <p><u>Vehicle Weight Limits</u> Transit buses are subject to decades-old vehicle weight limits that do not reflect current operating realities. In 2012 and again in 2014, legislation was passed that permanently exempts buses that are currently in operation or procurement. Buses purchased after 2012 will be subject to weight limits again starting in 2016.</p> <p><u>Zero Emission Bus Purchase Requirement</u> Implementation of the State's zero emission bus purchase requirement has been delayed repeatedly, but will eventually be required to achieve the State's mandated greenhouse gas reduction goals.</p> <p><u>California Environmental Quality Act (CEQA)</u> Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p>	<p>individuals for failing to yield seating to elderly and disabled individuals</p> <p><u>Vehicle Weight Limits</u></p> <ul style="list-style-type: none"> • Partner with statewide transportation agencies and coalitions to develop and support a long term solution to the State's vehicle weight limit regulations that reflects current public transit operating realities and requirements <p><u>Zero Emission Bus Purchase Requirement</u></p> <ul style="list-style-type: none"> • Monitor California Air Resources Board action on the implementation of the State's zero emission bus purchase requirement and support strategies that recognize and address the financial challenges associated with mandating the procurement of zero emission buses <p><u>California Environmental Quality Act (CEQA)</u></p> <ul style="list-style-type: none"> • Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects, without compromising CEQA's effectiveness as an environmental protection policy

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Issues and Background	Strategies
<p><u>Sustainable Communities Strategies Implementation</u> In conjunction with AB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2013, regional authorities in the Bay Area approved Plan Bay Area, which includes the region's SCS.</p>	<p><u>Sustainable Communities Strategies Implementation</u></p> <ul style="list-style-type: none"> • Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on San Mateo County's transportation services associated with the implementation of SB 375 and Plan Bay Area

FEDERAL ISSUES

Issues and Background	Strategies
<p>1. Surface Transportation and Rail Authorization</p> <p>In 2012, Congress passed Moving Ahead for Progress in the 21st Century (MAP-21). While MAP-21 included significant benefits for transportation agencies, it did not address several critical issues including the long-term solvency of the Highway Trust Fund, the reauthorization of Federal rail programs or the need for a longer-term authorization bill that guarantees reliable funding for transportation programs and services.</p>	<ul style="list-style-type: none"> • Advocate for a dedicated source of revenue that ensures long-term solvency of the Highway Trust fund; allows for the expansion of Federal transportation funding to cover transit state-of-good-repair and other transportation expansion needs; and supports long-term surface transportation authorization • Support the reauthorization of Federal rail programs that includes significant funding eligible to support improvements associated with the Modernization of the Caltrain system, additional capacity and service improvements and the accommodation of blended high-speed rail service

2015 SAN MATEO COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE PROGRAM

F E D E R A L I S S U E S	
Issues and Background	Strategies
<p>2. Regulatory Issues</p> <p>Under MAP-21, the The United States Department of Transportation (USDOT) continues to issue guidance and conduct rulemaking to implement various regulatory changes.</p>	<ul style="list-style-type: none"> • Monitor and review guidance and rulemaking proposals affecting MAP-21 implementation and other transportation issues • Collaborate with local, regional, State and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulation that maximizes benefits for transportation programs, services and users
<p>3. 2016 Federal Appropriations and Tax Extenders</p> <p>Every year, Congress adopts at least 12 separate appropriations bills, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer. In recent years, Congress has essentially maintained existing funding levels.</p> <p>Congress also considers legislation that governs tax issues including benefits provided to transit commuters. In recent years, provisions that grant transit users with commute benefits equal to the benefit that drivers receive have been allowed to expire.</p>	<ul style="list-style-type: none"> • Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County transportation services and needs • Work with local and regional coalitions to support the Authority's requests for funding from discretionary programs • Advocate for the permanent extension of pre-tax transit commute benefits at a level equal to benefits that drivers receive.

**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

On January 9, Governor Brown released his proposed 2015-16 State Budget. The spending plan is a modest increase over last year's \$11 billion budget and includes a \$2.8 billion Rainy Day Fund set aside.

Notable transportation-related highlights include:

- The State Transit Assistance allocation is \$388 million, up slightly from the projected amount due to higher than expected diesel fuel consumption.
- Just over \$1 billion in projected revenue from the State's Cap and Trade Program, up from \$832 million in the current fiscal year.

The availability of cap and trade revenues for public transportation allows the administration to focus its attention on the growing problem of funding highway, road and bridge infrastructure, including an annual \$6 billion shortfall in highway maintenance funding.

To address this problem, the budget proposes moving forward with implementation of a Road User Charge Pilot Program that would generate revenue through a mileage-based system. The budget also proposes to generate funding through new high-occupancy toll lane projects that would be approved by the California Transportation Commission.

The Governor's May Budget Revision is expected on May 14. The Legislature has until June 15 to submit a budget to the Governor for his signature.

FEDERAL ISSUES

Nothing to report.

SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<p>AB 4 Linder R</p> <p>Truck Weight Fees: bond debt service</p>	<p>1/16/15</p> <p>Referred to Assembly Transportation Committee</p>	<p>Existing law imposes weight fees on the registration of commercial motor vehicles and provides for the deposit of net weight fee revenues into the State Highway Account. These fees, which total \$800 to \$900 million annually, have been diverted to pay for General Obligation bond debt service associated with Proposition 1B. Existing law also provides for loans of weight fee revenues to the General Fund to the extent the revenues are not needed for bond debt service purposes, with the loans to be repaid when the revenues are later needed for those purposes, as specified.</p> <p>This bill, notwithstanding these provisions or any other law, until January 1, 2020, would prohibit weight fee revenues from being transferred from the State Highway Account to the Transportation Debt Service Fund, the Transportation Bond Direct Payment Account, or any other fund or account for the purpose of payment of the debt service on transportation general obligation bonds, and would also prohibit loans of weight fee revenues to the General Fund.</p>	
<p>AB 21 Perea D</p> <p>California Global Warming Solutions Act of 2006: emissions limit: scoping plan.</p>	<p>1/16/15</p> <p>Referred to Assembly Natural Resources</p>	<p>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board (CARB) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires CARB to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. The act requires CARB to make recommendations to the Governor and the Legislature on how to continue the reduction of greenhouse gas emissions beyond 2020. The act also requires CARB to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions.</p> <p>This bill would require CARB, no later than January 1, 2018, to recommend to the Governor and the Legislature a specific target of statewide emissions reductions for 2030 to be accomplished in a cost-effective manner. The bill would also require CARB in preparing its scoping plan to consult with specified state agencies regarding matters involving energy efficiency and the facilitation of the electrification of the transportation sector.</p>	
<p>AB 28 Chu D</p> <p>Bicycle safety: rear lights</p>	<p>1/16/15</p> <p>Referred to Assembly Transportation Committee</p>	<p>Existing law requires that a bicycle operated during darkness upon a highway, a sidewalk where bicycle operation is not prohibited by the local jurisdiction, or a bikeway, as defined, be equipped with a red reflector on the rear that is visible from a distance of 500 feet to the rear when directly in front of lawful upper beams of headlamps on a motor vehicle. A violation of this requirement is an infraction.</p> <p>This bill would instead require that a bicycle operated under those circumstances be equipped with a white flashing light on the rear that is visible from a distance of 500 feet to the rear when directly in front of lawful upper beams of headlamps on a motor vehicle, or, in lieu of the white flashing light, reflective gear worn by the bicyclist.</p>	

SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<p>AB 33 Quirk D</p> <p>California Global Warming Solutions Act of 2006: scoping plan</p>	<p>1/22/15</p> <p>Referred to Assembly Natural Resources Committee</p>	<p>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020 equivalent to the statewide greenhouse gas emissions levels in 1990. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The act requires the scoping plan to be updated at least once every 5 years.</p> <p>This bill, until January 1, 2020, would require, for purposes of advising the update of the next scoping plan, the state board to develop specified information by July 1, 2016. The bill would require the state board on or before January 1, 2017, to submit a report to the appropriate committees of the Legislature on the specified information. The bill would provide that the specified information is intended to assist in establishing state policy and does not change any statute, regulation, or regulatory decision.</p>	
<p>AB 156 Perea D</p> <p>California Global Warming Solutions Act of 2006: investment plan.</p>	<p>1/21/15</p> <p>Introduced</p>	<p>Existing law requires the California Environmental Protection Agency to identify disadvantaged communities and requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.</p> <p>This bill would require the department to include in the 3-year investment plan an allocation to provide technical assistance to disadvantaged communities to assist them in proposing specified projects for inclusion in the 3-year investment plan.</p>	
<p>SB 1 Gaines R & SB 5 Vidak R</p> <p>California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption</p>	<p>1/15/15</p> <p>Referred to Senate Environmental Quality</p>	<p>The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open, public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing state board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to comply with that market-based compliance mechanism beginning January 1, 2015.</p> <p>This bill instead would exempt categories of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism. The bill would require all participating categories of persons or entities to have a compliance obligation beginning January 1, 2025.</p>	

SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<p>SB 9 Beall D</p> <p>Greenhouse Gas Reduction Fund: Transit and Intercity Rail Capital Program</p>	<p>1/15/15</p> <p>Referred to Senate Environmental Quality Committee</p>	<p>Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions, to be deposited in the Greenhouse Gas Reduction Fund (Fund). The Fund provides 10% of the annual proceeds to the Transit and Intercity Rail Capital Program as a continuous appropriation for purposes of providing resources for capital improvements and operational investments to modernize California's rail systems to achieve certain policy objectives, including the reduction of greenhouse gas emissions and the expansion and integration of rail services.</p> <p>This bill would modify the purpose of the program to delete references to operational investments and instead provide for the funding of large, transformative capital improvements with a total cost exceeding \$100,000,000. The bill would require the Transportation Agency, in prioritizing and selecting projects for funding, to consider the extent to which a project reduces greenhouse gas emissions, and would add additional factors to be considered in evaluating applications for funding. The bill would require the Transportation Agency to develop, by July 1, 2016, an initial 5-year estimate of revenues reasonably expected to be available for the program, with subsequent estimates to be made every other year for additional 5-year periods, and would require the agency to adopt 5-year programs of projects consistent with those estimates. The bill would require the agency to make a multiyear funding commitment for a project proposed to be funded over more than one fiscal year, and would authorize the California Transportation Commission to approve a letter of no prejudice that allow an applicant to expend its own funds on a project in the adopted program of projects, subject to future reimbursement from program funds for eligible expenditures.</p>	
<p>SB 18 Hill D</p> <p>Gas Corporations: fines and penalties</p>	<p>1/15/15</p> <p>Referred to Senate Energy, Utilities & Comm. Committee</p>	<p>The Public Utilities Act requires the commission to investigate the cause of all accidents occurring upon the property of any public utility or directly or indirectly arising from or connected with its maintenance or operation, resulting in loss of life or injury to person or property and requiring, in the judgment of the commission, investigation by it, and authorizes the commission to make any order or recommendation with respect to the investigation that it determines to be just and reasonable. The act provides that any public utility that violates any provision of the California Constitution or the act, or that fails or neglects to comply with any order, decision, decree, rule, direction, demand, or requirement of the commission, where a penalty has not otherwise been provided, is subject to a penalty of not less than \$500 and not more than \$50,000 for each offense. Existing law requires that any fine or penalty imposed by the commission and collected from a public utility be paid to the State Treasury to the credit of the General Fund. The act includes provisions that are specific to gas corporations that involve safety standards for pipeline facilities or the transportation of gas in the state.</p> <p>This bill would revise the provisions that are specific to gas corporations that involve safety standards for pipeline facilities or the transportation of gas in the state, to authorize the commission to order that all or a portion of a fine or penalty levied against a gas corporation in three specified proceedings be held in a separate account by the gas corporation to offset investments for pipeline replacement to be undertaken within the service territory of the corporation that would otherwise be recovered from the corporation's ratepayers. The bill would require that moneys ordered by the commission to be held in a separate account be used only for the purpose of offsetting investments by the gas corporation for pipeline replacement to be undertaken within the service territory of the corporation, and only if the investments would otherwise be recovered in rates from the utility's ratepayers. The bill would require that any moneys not used for these purposes be paid to the General Fund 5 years after the date of their deposit into the account. Revenue would be used to monitor pipeline safety.</p>	

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<p>SB 39 Pavley D</p> <p>Vehicles: High-occupancy vehicle lanes</p>	<p>1/15/15</p> <p>Referred to Senate Trans & Housing Committee</p>	<p>Existing law authorizes the Department of Transportation to designate certain lanes for the exclusive use of HOVs. Under existing law, until January 1, 2019, or until federal authorization expires, or until the Secretary of State receives a specified notice, those lanes may be used by certain vehicles not carrying the requisite number of passengers otherwise required for the use of an HOV lane, if the vehicle displays a valid identifier issued by the Department of Motor Vehicles (DMV). Until January 1, 2015, existing law authorizes the DMV to issue no more than 55,000 of those identifiers. On and after January 1, 2015, existing law authorizes the DMV to issue no more than 70,000 of those identifiers.</p> <p>This bill would increase the number of those identifiers that the DMV is authorized to issue to an unspecified amount.</p>	
<p>SB 122 Jackson D</p> <p>CEQA: Record of Proceedings</p>	<p>1/15/15</p> <p>Introduced</p>	<p>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA.</p> <p>This bill would require the lead agency, at the request of a project applicant and consent of the lead agency, to prepare a record of proceedings concurrently with the preparation of a negative declaration, mitigated negative declaration, EIR, or other environmental document for projects.</p> <p>The bill would state the intent of the Legislature to enact legislation establishing an electronic database clearinghouse of notices and environmental document prepared pursuant to CEQA, establishing a public review period for a final environmental impact report, and relating to the record of proceedings for a project for which an environmental impact report is prepared pursuant to CEQA.</p>	