



# AGENDA

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

**May 7, 2015 – Thursday**

**5:00 p.m.**

1. Pledge of Allegiance
2. Swearing-in of Cameron Johnson (South County Representative)
3. Call to Order/Roll Call
4. Report of the Citizens Advisory Committee
5. Consent Calendar  
Members of the public or Board may request that an item under the Consent Calendar be considered separately
  - a. Approval of Minutes of April 2, 2015
  - b. Acceptance of Statement of Revenues and Expenditures for March 2015
  - c. Annual Reaffirmation of the Investment Policy and Reauthorization to Invest Monies with the Local Agency Investment Fund
  - d. Call for Public Hearing for Preliminary Fiscal Year 2016 Budget on June 4, 2015
6. Public Comment  
Public comment by each individual speaker shall be limited to one minute
7. Nominating Committee Report for the Citizens Advisory Committee (Canepa, Horsley)
  - a. Appointment of Six Citizens Advisory Committee Members
    - Barbara Arietta - Incumbent
    - Diana Bautista – Incumbent
    - Philip Rosenblatt
    - Shaunda Scruggs
    - Laurie Simonson – Incumbent
    - Paul Young
8. Chairperson's Report
  - a. Certificate of Appreciation to Former CAC Member Doris Maez

RESOLUTION

MOTION

- |  |               |
|--|---------------|
| 9. San Mateo County Transit District Liaison Report  | INFORMATIONAL |
| 10. Joint Powers Board Report  | INFORMATIONAL |
| a. Presentation on Annual Caltrain Passenger Counts  | INFORMATIONAL |
| 11. Report of the Executive Director   | INFORMATIONAL |
| 12. Finance  |               |
| a. Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2015   | MOTION        |
| b. Authorize Award of Contract to Vavrinek, Trine, Day & Co., LLP to Provide Financial Audit Services for a Firm-Fixed Price of \$164,860 Over a Five-Year Term, and Requested Additional Financial Auditing Services at the Not-to-Exceed Amount of \$100,000 | RESOLUTION    |
| c. Authorize Reallocation of \$700,000 of Measure A Funding from Preparation of a Project Initiation Document to Fund Further Technical Studies Associated with the Highway 101 High Occupancy Vehicle Lanes Project   | RESOLUTION    |
| d. Preliminary Fiscal Year 2016 Budget   | INFORMATIONAL |
| 13. Program  |               |
| a. Program Report: Transit – Dumbarton Corridor  | INFORMATIONAL |
| b. Presentation on the Highway Program Call for Projects   | INFORMATIONAL |
| c. Update on State and Federal Legislative Program   | INFORMATIONAL |
| 14. Requests from the Authority  |               |
| 15. Written Communications to the Authority  |               |
| 16. Report of Legal Counsel  |               |
| 17. Date/Time of Next Meeting: Thursday, June 4, 2015, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2 <sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070  |               |
| 18. Adjournment  |               |

## **INFORMATION FOR THE PUBLIC**

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

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

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

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

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

### **Public Comment**

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

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

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

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

### **Availability of Public Records**

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

**MINUTES OF APRIL 2, 2015**

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

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

Chair Karyl Matsumoto called the meeting to order at 5:05 p.m. and Rosanne Foust led the Pledge of Allegiance.

**CITIZENS ADVISORY COMMITTEE (CAC) REPORT**

Barbara Arietta, CAC Chair, reported on the meeting of March 31, 2015 (see attached).

**APPROVAL OF CONSENT CALENDAR**

- a) Approval of Minutes of February 5, 2015
- b) Acceptance of Statement of Revenues and Expenditures for January 2015

Motion/Second: Horsley/Canepa

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

**PUBLIC COMMENT**

Rich Hedges, San Mateo, said every city should be looking at enhanced infrastructure financing districts. There is a lot of creativity in putting funding together, including private and public partnerships. The threshold for public financing is 55 percent. He suggested the funding that is set aside for infrastructure for biotech be used for Caltrain stations, if the TA enters into a public/private partnership with a local biotech company.

**CHAIRPERSON'S REPORT – KARYL MATSUMOTO**

**Resolution of Appreciation to Director Rosanne Foust**

Chair Matsumoto presented a resolution of appreciation to Rosanne Foust, who resigned from the TA Board of Directors in March after more than 10 years of service.

Public Comment

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said the resolution has very accurate information. He said it has been a pleasure to work with Ms. Foust, and said she has come up with nice alternatives to a number of problems with transportation and other issues, and brings coalitions together for problem solving.

Motion/Second: Horsley/Nihart

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

Ms. Foust said this Board is extremely special and she has enjoyed working on it. She thanked the CAC and the staff for everything they do to make transportation better.

## **SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORTS**

The March 11 and April 1 reports are in the reading file.

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

Jim Hartnett, Executive Director, said a summary of the JPB meeting of April 2 is in the reading file. He said there was a wonderful presentation on rail service that emphasized enforcement, engineering and education on the use and safety of the railway. It was a demonstration of staff's commitment to safety and passion about involvement in the community. There was press coverage, and the public and Board appreciated the presentation.

## **REPORT OF THE EXECUTIVE DIRECTOR**

### **Proclamation Declaring April 9, 2015 Stand Up for Transportation Day**

Jayme Ackemann, Manager, Communications, said a nine Bay Area county coalition, along with the Metropolitan Transportation Commission (MTC), will be going to the Transbay Terminal in San Francisco at 1 p.m. April 9 to talk about the critical need for a long-term transportation funding bill and the investments needed now to modernize and improve the infrastructure.

Motion/Second: Nagel/Nihart

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

Mr. Hartnett reported:

- His theme to start his new position is communication. He will be communicating with and hearing from employees in the organizations, and internal and external stakeholders. The TA is a star in the county as a self-help agency.
- Staff is looking at the possibility of live streaming the meetings. It is clear that engagement and transparency with the public is an important value.

## **PROGRAM**

### **Program Report: Transit Ferry Program – South San Francisco**

April Chan, Executive Officer, Planning and Development, said the Board last received a presentation on the South San Francisco ferry in June 2014.

Kevin Connolly, Manager, Planning and Development, Water Emergency Transportation Authority (WETA), presented:

- WETA Board ridership development actions included adding evening departures and increasing marketing focus in April 2013.
- In summer 2013, there were two Bay Area Rapid Transit (BART) strikes and a bridge closure, which increased ferry service usage.
- 2014 Customer Survey
  - Twenty-five percent have household incomes of \$200,000 or more
  - Twenty-one percent of riders have been riding in the last six months
  - To get to the ferry, 26 percent use a bike and 15 percent walk
- Of the 84 Genentech employees who live in Oakland and Alameda, 42 percent take the ferry.
- Average ridership out of South San Francisco for March was 518.

- The Harbor Bay service hit its 40 percent mark in year 14. Ridership level trends for the South San Francisco ferry mirror Harbor Bay's trends in the same year. Harbor Bay service increased as local development increased. Today, Harbor Bay has a 60 percent farebox recovery. There is a long list of approved development projects in South San Francisco. This will drive ridership growth of the South San Francisco ferry service.
- Marketing Plan
  - Sixty-eight percent of the riders learned about the service through their employer, 35 percent from a co-worker
  - This service is a destination service for South San Francisco and an origin service for East Bay, so the marketing approach is for East Bay residents.
- A fare increase was passed in the fall, including a 6 percent increase for South San Francisco service and a 3 percent increase for all services.
- Status Report
  - Positive trends
    - Increasing ridership
    - Increased exposure to potential customers
    - Efficient crew sharing, scheduling
    - Cost recovery improving
  - Service is still underutilized compared to level of operating cost
  - Foster ridership growth, explore cost efficiencies
- MTC has a 40 percent farebox recovery performance standard that should be achieved in three years. WETA believes three years is not a reasonable timeframe; many ferry services take five to 10 years to reach a stable state of ridership. Eliminating the South San Francisco service would impact the other services because the ferry service is a network system. A system-wide farebox recovery target is more appropriate.

Chair Matsumoto said Water Transportation Advocates (WTA), a stakeholder group, was told WETA is purchasing new ferries. If a ferry breaks down there are no spares. South San Francisco is working on way-finding signs, public service signs with reminders to take the ferry and other measures. She said if WETA wrote a letter to MTC requesting an extension and provided a plan, she has been told there would not be an issue with extending the timeframe. Mr. Connolly said WETA has met with MTC staff about the schedule and is asking for an extension with more certainty.

Chair Matsumoto asked if there is standing room only on the ferry. Mr. Connolly said the ferry only allows as many riders as there are seats.

Director Don Horsley said having three different transfers makes it difficult to increase ridership. He asked how close the service is to reaching 40 percent farebox recovery. Mr. Connolly said it is at 22 percent now.

Director Mary Ann Nihart asked what Harbor Bay ridership is into San Francisco. Mr. Connolly said it hit a record in March of about 600 one-way riders, and is reaching 94 percent of capacity. Sometimes with the Harbor Bay Ferry, people are not able to get on because the boat is at capacity. Part of the solution is using the South San Francisco crew to make extra trips.

Director Terry Nagel asked what the cost per passenger and the fare for the South San Francisco and Harbor Bay ferries. Mr. Connolly said the fare is \$7 for South San Francisco and \$4.75 for Harbor Bay. He said he does not know the cost per passenger.

Director Nagel asked when MTC's deadline is for reaching 40 percent farebox recovery. Mr. Connolly said it was this July, but MTC extended it to next July.

Director Nagel said it would be great to have a professional outreach plan with specific deliverables in the East Bay and in the South San Francisco region. She said this is an expensive service and she would think twice about funding another ferry if it does not get a good record of farebox recovery. Mr. Connolly said farebox recovery for the rest of the ferry system and the other lines is excellent and the second best in the Bay Area behind BART.

Director Nihart asked what the schedule reliability is. Mr. Connolly said it is about 99 percent, subject to mechanical breakdowns. WETA has a commitment to transport people by bus if the boat is not working.

Director David Canepa asked how seriously shuttle providers are considering providing ferries. He asked how it would affect the way WETA does business. Mr. Connolly said two years ago Google did a pilot ferry program to Redwood City, but thought it was too expensive. There is a model that could work with these companies and WETA continues to work with Google on it.

Director Carole Groom asked about plans to add capacity. Mr. Connolly said all boats need to get bigger, and there is a cycle to replace them over the next 10 years.

Director Groom asked if the tipping point of marketing has been reached. Mr. Connolly said Genentech's rate of hire tracks with the ferry ridership. As the commercial office space is developed, ridership will grow.

Director Nagel asked if there has ever been a breakdown where a trip was canceled, and what would happen if it did. Mr. Connolly said yes. WETA can deploy a charter bus to make the trip, or people can wait for the next boat.

Director Nagel said the county should have a strike force and work with private shuttles because of the uncertainty with Caltrain, and WETA should consider something like that as well. Mr. Connolly said the Vallejo service has a regular charter service to provide backup when the boat sells out.

Chair Matsumoto asked if there would be a greater demand west of Highway 101 where a shuttle service should be provided to get people to the ferry. Mr. Connolly said there are two shuttles, one that goes to BART and one to Caltrain.

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

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

#### State

The Caltrain Commuter Coalition is planning to travel to Sacramento to talk to policy makers about the need to advance capacity improvements on the Caltrain system.

Mr. Murphy said the Strategic Growth Council accepted the concept proposal for South San Francisco Caltrain Station improvements and the JPB was invited to submit a full application. Staff will encourage the third-party stakeholders to support the application.

#### Federal

No update.

Director Nihart said the City/County Associate of Governments (C/CAG) is taking a delegation to Sacramento to talk to members of the transportation committees about Cap and Trade issues and topics related to infrastructure. The undersecretary for transportation will be coming to the C/CAG retreat April 9.

### **REQUESTS FROM THE AUTHORITY**

None

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

Director Nihart said there is a need to address the stigma and the resources to increase integrated mental healthcare, so when a person goes to a primary care provider's office, mental health services are available. She said she commends everything that is being done and the JPB and others involved, but suicide is a bigger societal issue.

### **REPORT OF LEGAL COUNSEL**

Recessed to closed session at 6:11 p.m.

Reconvened at 6:29 p.m.

### **Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a): Pacificans for a Scenic Coast vs. California Department of Transportation, Respondents and Defendants, and San Mateo County Transportation Authority and City of Pacifica, Real Parties in Interest and Defendants**

Joan Cassman, Legal Counsel, said the Board met in closed session to hear a report on a matter of litigation as noted. No action was taken.

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

May 7, 2015 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> floor, 1250 San Carlos Avenue, San Carlos CA 94070

The meeting adjourned at 6:29 p.m.

# **TA CAC Chair's Report**

**April 2, 2015**

**(TA Item 4a)** The CAC reviewed the TA Board's Minutes of March 5, 2015, without questions or comments.

**(TA Item 4b)** After a brief Q and A session with Kathryn Watson, Treasury Manager, the CAC supported the action before the Board to accept of the Statement of Revenues and Expenditures for the period ending January 2015.

**(TA Item 6a)** Again, as in last month, this particular item was not on our CAC Agenda on Tuesday evening, but I would like to take a moment out at this time, on behalf of the entire CAC, to both extend our farewells and to also acknowledge the professionalism that our departing Director Rosanne Foust has brought to the table during her tenure on the TA Board for these past several years. During this time, Director Foust has proven herself to be a strong, effective leader, as well as a woman of substance, not only on our Board, but also in our community. Her caring, integrity and concern for the transportation needs of the residents of San Mateo County have contributed to making this TA Board one of the best public boards in this county, if not the best. And, it hasn't gone unnoticed that she has also never failed to acknowledge and express her appreciation vocally for the job that others have performed in carrying out their duties for the San Mateo County Transportation Authority , especially the TA-CAC, and, for that alone, the TA-CAC is extremely grateful.

So, let this be our turn to vocalize and express our great appreciation for the job that Director Foust has performed on the TA Board. She is truly one of a kind. We shall miss her deeply. And, it is with this sentiment that the CAC, wholeheartedly, supports the Resolution of Appreciation that will be given to Director Foust this evening. We wish her well in her future endeavors and compliment her on a job well done in her past endeavors.

Thank you so much, Rosanne, for all that you have contributed to the San Mateo County Transportation Authority!

**(TA Item 9a)** Pursuant to a brief overview by Shweta Bhatnagar, Government Affairs Officer, and with an in-depth understanding of the critical need to invest in our nation's transportation infrastructure, the members of the CAC unanimously supported the Proclamation Declaring April 9, 2015 Stand Up for Transportation Day, as well as additionally expressing their hopes that this display of public support, which will be joined by public transportation agencies throughout our country, will encourage greater Federal investment in public transportation infrastructure.

**(TA Item 10a)** Kevin Connelly, Manager of Planning and Development, for the Water Emergency Transportation Authority (WETA) gave the CAC a comprehensive presentation on the South San Francisco Ferry Transit Program which included information on: average daily ridership, feedback from customer surveys, current and proposed crew and vessel deployment between South San Francisco and Harbor Bay, fare box recovery statistics, upcoming South San Francisco Development and the WETA South San Francisco Marketing Plan.

While the CAC was pleased to hear that ridership is increasing and the cost recovery is improving they did express concerns regarding the amount of time now expected to achieve the targeted fare box recovery rate. We felt that WETA need to step up their marketing campaign to attract more riders and hopeful that the new planned development in SSF will be tapped as a source for additional riders.

**(TA Item 10b)** The CAC was given a thorough update on State and Federal Legislative Programs by Shweta Bhatnagar, who also advised the CAC about the \$5 million grant that the City of South San Francisco is applying for in regards to its renovation of its South San Francisco Caltrain station. After learning of this, the CAC voted to express their unanimous support of South San Francisco's application for grant funding for the renovation. We also proposed, if the Board thought it appropriate to work with staff to send a letter expressing the CAC's support that the grant be given to this project.

In my own report to the CAC, I advised the following:

1. Our new Executive Director, Jim Hartnett, had recently called me to both initially introduce himself and to also express his thanks and appreciation to the CAC for the work that it has done and continues to do, as well as the diligence that it has displayed in its role as an advisory body to the Board of the San Mateo County Transportation Authority. He looks forward to working with us. The CAC was very pleased to hear the Executive Director's compliments and wishes him well in his new position.
2. On April 15, 2015 CALTRANS will resume construction activities to complete the remaining bridge and roadwork for the San Pedro Bridge Replacement Project on State Route 1 in Pacifica. The work will install a longer and higher bridge over the creek to provide capacity for the 100 year flood event. In addition, a class 1 multi-purpose path will be added along its eastern side. Literally thousands of the coastside's business and pleasure drivers that travel State Route 1 will be extremely happy to hear that this new bridge will be completed by this fall, with the temporary detour expecting to return to State Route 1 in the same month.

3. On Saturday, April 4, 2015, a ceremony honoring Ollie Mayer and her contributions to preserve the San Mateo County coast will begin at 1pm at the Northern Overlook of Devil's Slide.

Ollie Mayer helped voice concerns with the proposal of a by-pass over Montara Mountain and was involved in the effort to create a tunnel through the mountain itself. The Devil's Slide Trail exists today, in part, because of her work to preserve the environment and quality of life along San Mateo County's coastline. Due to extremely limited parking, transportation to the event will be handled by shuttles and regular SamTrans bus service to that area.

4. The Metropolitan Transportation Commission (MTC) has recently released its first freeway congestion report since 2009. It has now ranked U.S. Highway 101 northbound from Woodside Road to Hillsdale Boulevard as the tenth most congested area in the Bay Area, reflecting the peninsula's economic resurgence. The MTC defines "congested delay" as the time spent in traffic moving at speeds of 35 mph or less.

The local Bay Area congested delay has risen 18 percent in 2013 from the results in 2012. This marks the Bay Area's highest level of congested delay in at least 15 years and a 37 percent increase over commuter delays in 2010, at the nadir of the region's recession fueled traffic break.

And, speaking to the anticipated increase of local congested delay in San Mateo County alone, last week our County Supervisor and former CAC member, Dave Pine, was quoted as saying, "Think our roads in San Mateo County are crowded now? Wait until approximately 17.2 million square feet of commercial/office development that is in the pipeline over the next four years is completed in this county!"

5. The most recent statewide Field Poll probed voter attitudes on transportation problems and solutions, in particular. Specifically, it asked voters whether the state should be spending more on road maintenance, and, if so, how should it go about paying for it?

There was some encouraging news for our region. Bay Area voters showed 68% support and 29% opposition, which is above the 2/3rds constitutional threshold required for passage of a special tax. The MTC has long possessed the authority to ask Bay Area voters to consider imposing a regional gas tax for transportation purposes, but it hasn't done so yet because the polling results were always so unfavorable. Steve Heminger, Executive Director of the MTC has recently stated that in light of such polling results, the MTC should reconsider the possibility of imposing such a tax...perhaps, a "Pennies for Potholes" ballot measure is in our near future.

6. On May 14, 2015, the Bay Area will celebrate the 21st anniversary of Bike to Work Day with a nine-county wide party on wheels. Held during National Bike Month, Bike to Work Day is one of the region's premier bicycling events.

In Joe's report to the CAC, he advised that he is participating in a series of meetings with Caltrain, the VTA, and the MTC about the various strategies to address congestion on the 101 corridor. He also gave the CAC an update on the Ithe Calera Parkway Project. In concluding his remarks, Joe thanked our outgoing CAC member Doris Maez, who is leaving the CAC after 17 years of service to the TA She will be relocating to Santa Clara County. Doris has both served faithfully and brought to the CAC her particular brand of expertise, based on her unique scientific background. She contributed greatly to the CAC and we shall miss her.

**Respectfully submitted,**

**BARBARA ARIETTA**

**Chair, San Mateo County Transportation Authority, CAC**

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE PERIOD ENDING MARCH 31, 2015**

**ACTION**

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of March 2015 and supplemental information.

**SIGNIFICANCE**

**Revenues:** Year-to-date *Total Revenue* (\$63,113,294- line 7) is **better** than staff projections by \$4,441,634 or 7.6 percent. *Interest Income* (\$2,200,764 – line 2) is \$485,184 or 28.3 percent **better** than projections due to higher than budgeted returns.

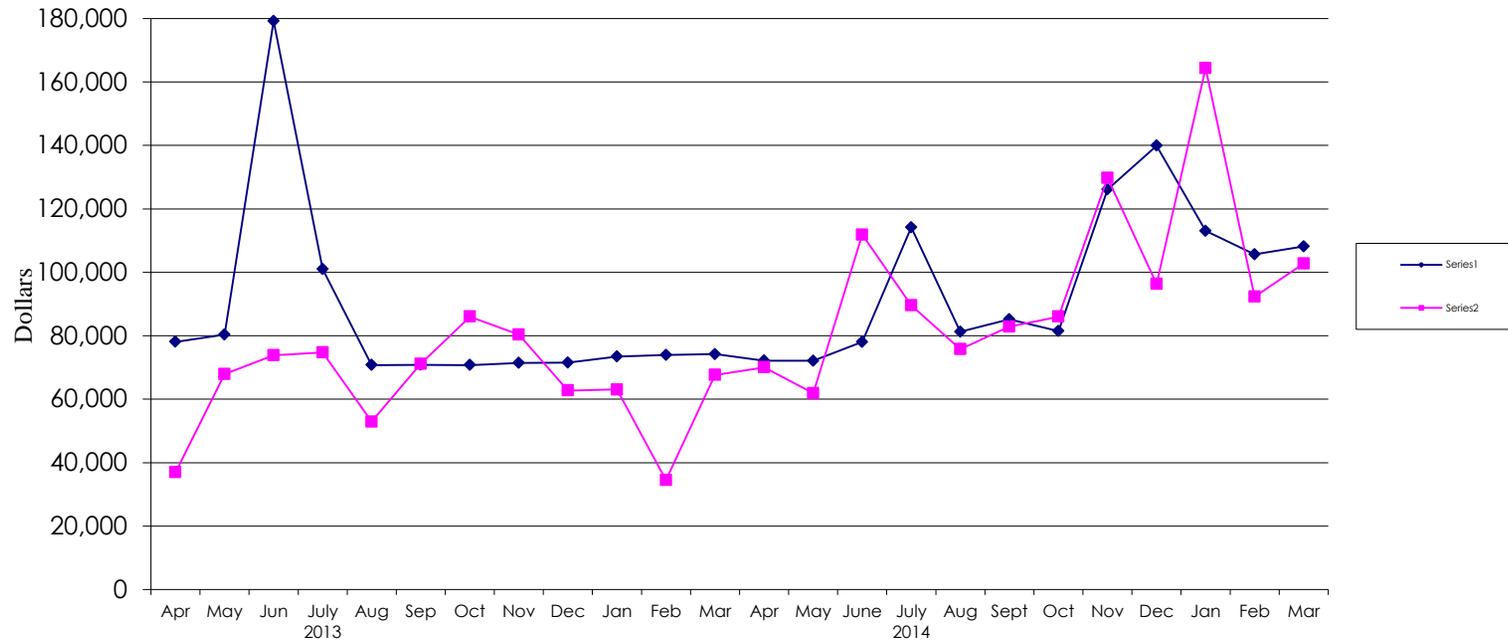
*Total Revenue* (\$63,113,294 - line 7) is \$5,559,771 or 8.1 percent **worse** than prior year performance mainly due to an unbudgeted recovery payout from the Lehman Brothers bankruptcy received in the prior year. *Sales Tax* (\$60,003,662 - line 1) is \$1,741,831 or 3 percent **better**, slightly offset by *Interest Income* (\$2,200,764 - line 2) which is \$109,607 or 4.7 percent **worse** than prior year.

**Expenditures:** *Total Administrative Expenses* (\$919,706 - line 22) is **better** than staff projections by \$35,356 or 3.7 percent. Within total administrative expenses, *Staff Support* (\$407,472 - line 18) is \$6,437 or 1.6 percent **better** than staff projections. *Other Admin Expense* (\$511,694 – line 20) is **better** than staff projections by \$20,984 or 3.9 percent.

**Budget Amendment:** There are no budget revisions for the month of March 2015.



## SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



**Current Year Data**

	Jul 14	Aug '14	Sep '14	Oct '14	Nov '14	Dec '14	Jan '15	Feb '15	Mar '15	Apr '15	May '15	Jun '15
<b>MONTHLY EXPENSES</b>												
Staff Projections	114,189	81,282	85,162	81,511	126,094	139,911	113,065	105,674	108,174			
Actual	89,611	75,787	82,854	86,024	129,718	96,320	164,355	92,299	102,738			
<b>CUMULATIVE EXPENSES</b>												
Staff Projections	114,189	195,471	280,633	362,144	488,238	628,149	741,214	846,888	955,062			
Actual	89,611	165,398	248,252	334,276	463,994	560,314	724,669	816,968	919,706			
Variance-F(U)	24,578	30,073	32,381	27,868	24,244	67,835	16,545	29,920	35,356			
Variance %	21.52%	15.38%	11.54%	7.70%	4.97%	10.80%	2.23%	3.53%	3.70%			



BOARD OF DIRECTORS 2015  
 KARYL MATSUMOTO, CHAIR  
 DAVID CANEPA, VICE CHAIR  
 CAROLE GROOM  
 DON HORSLEY  
 TERRY NAGEL  
 MARY ANN NIHART  
  
 JIM HARTNETT  
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF MARCH 31, 2015

<u>TYPE OF SECURITY</u>		<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>PURCHASE PRICE</u>	<u>MARKET VALUE</u>
County Pool #3	*	Liquid Cash	0.861%	\$ 267,712,366	\$ 267,712,366
Local Agency Investment Fund	**	Liquid Cash	0.278%	\$ 31,847,675	\$ 31,847,675
Investment Portfolio	***	Liquid Cash	0.628%	\$ 154,223,725	\$ 154,203,497
Other		Liquid Cash	0.000%	\$ 1,190,170	\$ 1,190,170
				<u>\$ 454,973,936</u>	<u>\$ 454,953,708</u>

Accrued Earnings for March, 2015 \$ 277,727.27  
 Cumulative Earnings FY2015 \$ 2,227,522.05

\* County Pool average yield for the month ending March 31, 2015 was 0.861%. As of March, 2015 the amortized cost of the Total Pool was \$4,064,374,355.51 and the fair market value per San Mateo County Treasurer's Office was \$4,076,750,971.04.

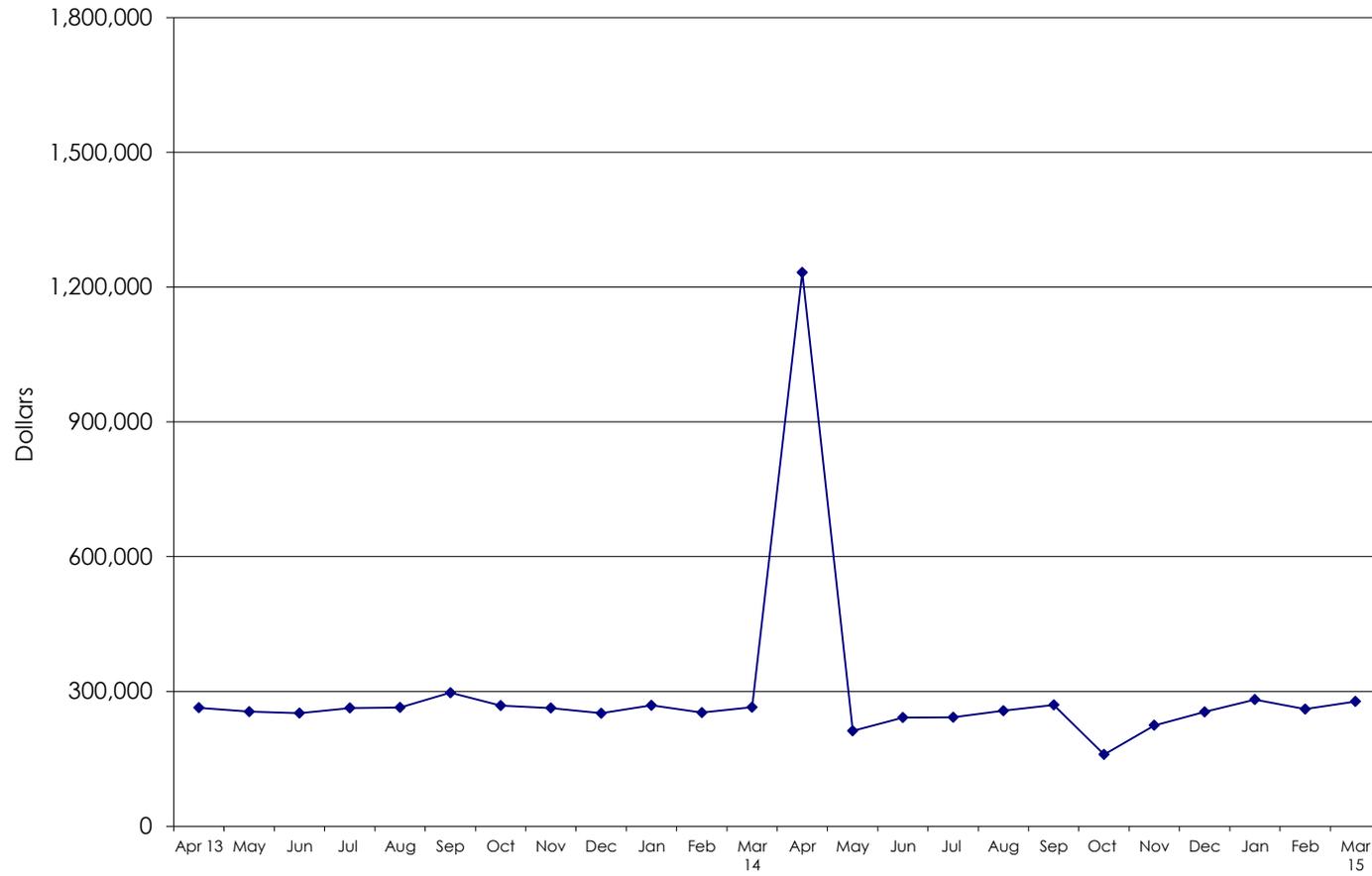
\*\* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

\*\*\* 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  
MARCH 2015**

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	254,147.71	1,407,562.51
JANUARY	281,855.13	1,689,417.64
FEBRUARY	260,377.14	1,949,794.78
MARCH	277,727.27	2,227,522.05
APRIL		2,227,522.05
MAY		2,227,522.05
JUNE		2,227,522.05

## 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**  
**March 31, 2015**

DESCRIPTION	TOTAL INVESTMENT 03-31-15	INTEREST RECEIVABLE 02-28-15	PREPAID INT RECEIVABLE 02-28-15	INTEREST EARNED 03-31-15	INTEREST RECEIVED 03-31-15	ADJ.	INTEREST RECEIVABLE 03-31-15
LAIF	31,847,674.95	12,374.32	0.00	7,620.93			19,995.25
COUNTY POOL	267,712,366.47	362,380.76	0.00	192,426.03			554,806.79
BANK OF AMERICA	897,729.48	-	0.00				0.00
WELLS FARGO	10,112.50	-	0.00				0.00
US BANK (Cash on deposit)	282,328.08	-	0.00				0.00
INVESTMENT PORTFOLIO	154,223,725.01	259,096.37	73,327.00 <sup>1</sup>	77,008.68	116,512.50	671.63	293,591.18
	<u>454,973,936.49</u>	<u>633,851.45</u>	<u>73,327.00</u>	<u>277,055.64</u>	<u>116,512.50</u>	<u>671.63</u>	<u>868,393.22</u>

**MARCH 2015 -- SUMMARY OF INTEREST & CAPITAL GAIN**

Interest Earned Per Report	03/31/15	277,727.27
<b>Add:</b>		
<b>Less:</b>		
Management Fees		(7,045.64)
Amortized Premium/Discount		(10,635.21)
Capital Gain(Loss)		<u>(26,372.50)</u>
Total Interest & Capital Gain(Loss)		<u><u>233,673.92</u></u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	2,227,522.05
<b>Add:</b>	
<b>Less:</b>	
Management Fees	(64,911.09)
Amortized Premium/Discount	(109,509.01)
Capital Gain(Loss)	<u>(26,757.64)</u>
Total Interest	<u><u>2,026,344.31</u></u>

Balance Per Ledger as of	03/31/15	
Exp. Acct. 530011 - Amort Prem/Disc		(109,509.01)
Management Fees (530040)		(64,911.09)
Int Acct. 409100 - Co. Pool		1,409,153.22
Int Acct. 409100 - LAIF		44,792.08
Int Acct. 409101 - Portfolio Funds		773,576.75
Gain(Loss) Acct. 405210		<u>(26,757.64)</u>
		<u><u>2,026,344.31</u></u>

**Extraordinary one time items:**

<sup>1</sup> Purchased interest on investment (CUSIP 912828ST8) buy date 3/23/15

**INVESTMENT PORTFOLIO**  
**March 31, 2015**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	GASB 31	MARKET	MATURITY DATE	INT	RATE/	APPL.	INTEREST	PREPAID	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	INT REC'VBLE	PAR
			PURCHASE PRICE	ADJUSTED	VALUE		RATE	DAY	DAYS	REC'VBLE	INT REC'VBLE	EARNED			REC'VBLE	LESS PREPAID	VALUE
<b>SECURITIES MANAGED BY INVESTMENT ADVISOR:</b>																	
<b>U.S. TREASURY NOTES AND BONDS</b>																	
US TREASURY NOTE	912828TX8	02-01-13	14,998,828.13	14,967,150.00	15,015,240.00	11-15-15	0.375%	156.2500	31	16,470.99		4,843.75		(26.76)	21,287.98	21,287.98	15,000,000
US TREASURY NOTE	912828VL1	12-19-13	25,057,734.38	20,025,000.00	25,076,175.00	07-15-16	0.625%	434.0278	31	19,423.34		13,454.86		(74.33)	32,803.87	32,803.87	25,000,000
US TREASURY NOTE	912828WA4	03-21-14	12,114,585.58	11,980,320.00	12,031,872.00	10-15-16	0.625%	208.3333	31	28,228.02		6,458.33		(70.97)	34,615.38	34,615.38	12,000,000
US TREASURY NOTE	912828WX4	8/27/14	17,998,593.75	18,047,880.00	18,029,538.00	07-31-16	0.500%	250.0000	31	7,209.94		7,750.00		(42.81)	14,917.13	14,917.13	18,000,000
US TREASURY NOTE	912828WF3	03-28-14	9,971,093.75	9,971,900.00	10,025,780.00	11-15-16	0.625%	173.6111	31	18,301.10		5,381.94		(29.73)	23,653.31	23,653.31	10,000,000
US TREASURY NOTE	912828ST8	03-23-15	14,830,857.42		14,868,562.50	04-30-19	1.250%	515.6250	9	0.00	73,327.00	4,640.63		(25.64)	77,941.99	4,614.99	14,850,000
																	56.15%
<b>U.S. GOVERNMENT AGENCIES</b>																	
FNMA	31398A4M1	09-13-13	10,221,000.00	10,244,600.00	10,079,950.00	10-26-15	1.625%	451.39	30	56,423.61		13,541.67			69,965.28	69,965.28	10,000,000
FNMA	3135GOVH3	05-30-13	15,149,117.50	15,099,386.50	15,070,452.10	03-04-16	0.750%	313.96	30	55,570.63		0.00	56,512.50	941.87	(0.00)	(0.00)	15,070,000
FNMA	3135GOVA8	05-13-13	24,041,832.00	23,865,600.00	24,042,624.00	03-30-16	0.500%	333.33	30	50,333.33		10,000.00	60,000.00		333.33	333.33	24,000,000
FNMA	3135G0XP3	12-10-13	9,959,800.00	9,930,700.00	9,993,930.00	07-05-16	0.375%	104.17	30	5,833.33		3,125.00			8,958.33	8,958.33	10,000,000
FNMA	3135 G0YE7	03-07-14	15,029,400.00	14,991,150.00	15,039,825.00	08-26-16	0.625%	260.42	30	1,302.08		7,812.50			9,114.58	9,114.58	15,000,000
																	48.08%
<b>COLLATERIZED MORTGAGE OBLIGATIONS</b>																	
<b>CASH INVESTMENT</b>																	
<b>MATURED/CALLED</b>																	
FNMA	3135GOVH3	05-30-13	(15,149,117.50)	(15,099,386.50)	(15,070,452.10)												(15,070,000.00)
<b>TOTAL</b>			<u>154,223,725.01</u>	<u>134,024,300.00</u>	<u>154,203,496.50</u>					<u>259,096.37</u>	<u>73,327.00</u>	<u>77,008.68</u>	<u>116,512.50</u>	<u>671.63</u>	<u>293,591.18</u>	<u>220,264.18</u>	<u>153,850,001.04</u>

27-Apr-15

Weighted Average Interest Rate 0.6284%

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
 FY2014 & FY2015  
 MARCH 2015

4/16/15 10:00 AM

Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
<b>FY2014:</b>						
1st Quarter	16,550,000	16,550,000	1st Quarter	19,083,485	2,533,485	19,083,485
2nd Quarter	17,525,000	17,525,000	2nd Quarter	20,600,946	3,075,946	20,600,946
3rd Quarter	17,380,000	19,252,500	3rd Quarter	18,013,666	(1,238,834)	18,013,666
4th Quarter	16,545,000	18,672,500	4th Quarter	19,927,668	1,255,168	19,927,668
<b>FY2014 Total</b>	<b>68,000,000</b>	<b>72,000,000</b>	<b>FY2014 Total</b>	<b>77,625,765</b>	<b>5,625,765</b>	<b>77,625,765</b>
<b>FY2015:</b>						
Jul. 14	5,250,000	5,800,699	Sep. 14	6,020,400	219,701	6,020,400
Aug. 14	5,250,000	5,800,699	Oct. 14	6,020,400	219,701	6,020,400
Sep. 14	6,650,000	7,347,552	Nov. 14	7,843,800	496,248	7,843,800
3 Months Total	17,150,000	18,948,951		19,884,600	935,649	19,884,600
Oct. 14	5,725,000	6,325,524	Dec. 14	7,647,001	1,321,477	7,647,001
Nov. 14	5,725,000	6,325,524	Jan. 15	6,510,300	184,776	6,510,300
Dec. 14	6,955,000	6,955,000	Feb. 15	8,472,100	1,517,100	8,472,100
6 Months Total	35,555,000	38,555,000		42,514,001	3,959,001	42,514,001
Jan. 15	5,400,000	5,400,000	Mar. 15	5,389,661	(10,339)	5,389,661 (1)
Feb. 15	5,400,000	5,400,000	Apr. 15			5,400,000 (1)
Mar. 15	6,700,000	6,700,000	May 15			6,700,000 (1)
9 Months Total	53,055,000	56,055,000		47,903,662	3,948,662	60,003,662
Apr. 15	6,115,000	6,115,000	Jun. 15			6,115,000
May 15	6,215,000	6,215,000	Jul. 15			6,215,000
Jun. 15	6,615,000	6,615,000	Aug. 15			6,615,000
<b>FY2015 Total</b>	<b>72,000,000</b>	<b>75,000,000</b>	<b>FY2015 Total</b>	<b>47,903,662</b>	<b>3,948,662</b>	<b>78,948,662</b>
	19,884,600		1st Quarter			
	22,629,401		2nd Quarter			
	17,489,661		3rd Quarter			
	<u>60,003,662</u>		4th Quarter			
			YTD Actual Per Statement of Revenue & Expenses			

(1) Includes Accrual for Quarterly Adjustment

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
CASH AND INVESTMENTS AS OF MARCH 31, 2015

	<u>3/31/2015</u>
Cash -- Bank of America Checking Account	897,729.48
Cash -- Wells Fargo Lockbox Account	10,112.50
Cash - US Bank (on deposit)	282,328.08
LAIF	31,847,674.95
County Pool	267,712,366.47
Investment Portfolio	154,223,725.01
	<hr/>
Total	<u><u>454,973,936.49</u></u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
CHECKS WRITTEN  
March 2015**

Unit	Ref	Name	Date	Amount	Method	Description
SMCTA	000999	DEPARTMENT OF TRANSPORTATION	3/16/2015	2,005,735.31	WIR	Capital Programs <sup>(1)</sup>
SMCTA	001000	MATSUMOTO, KARYL M.	3/16/2015	100.00	WIR	Board of Directors Compensation
SMCTA	001001	GROOM, CAROLE	3/16/2015	100.00	WIR	Board of Directors Compensation
SMCTA	001002	NAGEL, TERRY	3/16/2015	100.00	WIR	Board of Directors Compensation
SMCTA	001003	HORSLEY, DONALD	3/16/2015	100.00	WIR	Board of Directors Compensation
SMCTA	001004	CANEPA, DAVID	3/16/2015	100.00	WIR	Board of Directors Compensation
SMCTA	001005	NIHART, MARY ANN	3/16/2015	100.00	WIR	Board of Directors Compensation
SMCTA	001006	PENINSULA CORRIDOR JOINT POWERS BOARD	3/23/2015	592,389.91	WIR	Capital Programs <sup>(2)</sup>
SMCTA	001007	PENINSULA CORRIDOR JOINT POWERS BOARD	3/30/2015	74,449.80	WIR	Capital Programs <sup>(3)</sup>
SMCTA	003940	BKF ENGINEERS	3/2/2015	27,922.87	CHK	Consultants
SMCTA	003941	GREEN CARPET LANDSCAPING	3/2/2015	2,450.00	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003942	VOID	3/2/2015	-	CHK	
SMCTA	003943	PENINSULA TRAFFIC CONGESTION RELIEF	3/2/2015	215,010.63	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003944	ATKINS NORTH AMERICA, INC	3/9/2015	45,248.60	CHK	Capital Programs <sup>(5)</sup>
SMCTA	003945	BRISBANE, CITY OF	3/9/2015	243,410.00	CHK	Capital Programs <sup>(6)</sup>
SMCTA	003946	DMJM HARRIS/MARK THOMAS JV	3/9/2015	36,790.02	CHK	Consultants
SMCTA	003947	JACOBS ENGINEERING GROUP INC.	3/9/2015	9,288.65	CHK	Consultants
SMCTA	003948	REDWOOD CITY, CITY OF	3/9/2015	453,437.60	CHK	Capital Programs <sup>(7)</sup>
SMCTA	003949	BKF ENGINEERS	3/16/2015	10,884.94	CHK	Consultants
SMCTA	003950	BKF ENGINEERS	3/16/2015	40,021.54	CHK	Consultants
SMCTA	003951	FOUST, ROSANNE	3/16/2015	100.00	CHK	Board of Directors Compensation
SMCTA	003952	HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY	3/16/2015	17,952.00	CHK	Legal Services
SMCTA	003953	HNTB CORPORATION	3/16/2015	591.89	CHK	Consultants
SMCTA	003954	WELLS FARGO INSURANCE SERVICES USA, INC	3/16/2015	1,005.00	CHK	Insurance - General
SMCTA	003955	BANK OF NEW YORK MELLON, THE	3/17/2015	1,500.00	CHK	Admin Fees
SMCTA	003956	URS CORPORATION	3/23/2015	16,627.00	CHK	Consultants
SMCTA	003957	CITY OF DALY CITY	3/30/2015	5,032.35	CHK	Capital Programs <sup>(8)</sup>
SMCTA	003958	DMJM HARRIS/MARK THOMAS JV	3/30/2015	18,960.89	CHK	Consultants
SMCTA	003959	HARRIS ELECTRIC	3/30/2015	9,947.00	CHK	Capital Programs <sup>(4)</sup>
SMCTA	003960	HURLEY, JOSEPH	3/30/2015	88.20	CHK	Business Travel and Meeting
SMCTA	003961	LEVIN SALES COMPANY	3/30/2015	540.01	CHK	Promotional Supplies
SMCTA	003962	OFFICEMAX	3/30/2015	18.54	CHK	Office supplies
SMCTA	003963	RASMUSSEN, PETE	3/30/2015	67.30	CHK	Business Travel and Meeting
SMCTA	003964	SOUTH SAN FRANCISCO, CITY OF	3/30/2015	29,339.57	CHK	Capital Programs <sup>(3)</sup>
SMCTA	003965	URS CORPORATION	3/30/2015	36,429.87	CHK	Consultants
				<u>3,895,839.49</u>		

- (1) 101 Aux Lane Oyster Pt. - SF \$2,594.51; 101 Interchange to Broadway \$1,874,394.09; 101 Peninsula Ave/Poplar I/C \$11,570.37; 101 HOV Ln Whipple - San Bruno \$10,727.42; Marsh to SM/SC line \$16,171.99; US 101 Aux 3rd-Millbrae \$90,276.93
- (2) Grade Sep - San Bruno \$5,439.32; Downtown Extension \$5,263.63; CBOSS/PTC Project \$33,884.99; Caltrain Electrification \$360,917.10; Boarding Platform Impr-Atherton \$6,886.40; 25th Ave Grade Separation \$57,995.86; SM Bridges Improvement Proj \$122,002.61
- (3) FY15/16 Shuttles Call for Proj
- (4) Dumbarton Maintenance of Way
- (5) Hwy 1 Grey Whale Cove-Miramar \$1,009.07; 101 Peninsula Ave/Poplar I/C \$6,168.83; SR 35 Widen I-280 Sneath \$151.31; I-380 SSF San Bruno Imprvmts \$302.64; Highway Oversight \$30,219.49; 101 HOV Ln Whipple - San Bruno \$3,996.69; 101 Aux Lane Oyster Pt. - SF \$3,148.85; 101 Interchange to Broadway \$251.72
- (6) 101 Interchange - Candlestick
- (7) 84/101 Interchange
- (8) FY14 Call fo Prj Local Shuttle

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **REAUTHORIZATION OF THE INVESTMENT POLICY, AND THE INVESTMENT OF MONIES WITH THE LOCAL AGENCY INVESTMENT FUND**

**ACTION**

Staff recommends the Board authorize the attached resolutions affirming the Statement of Investment Policy for the investment of San Mateo County Transportation Authority (TA) funds and the delegation of authority as stated therein and reauthorizing the investment of TA funds in the Local Agency Investment Fund (LAIF).

**SIGNIFICANCE**

The Executive Director (or his designee) serves as the TA's trustee for purposes of placing investments pursuant to the attached investment policy. The Board of Directors, in accordance with *California Government Code Section 53646(a)*, may review and reauthorize this delegation of authority on an annual basis at a public meeting. The Board of Directors, in compliance with LAIF requirements, must also adopt a separate resolution authorizing monies to be invested in LAIF.

Staff, in conjunction with legal counsel has reviewed the attached investment policy and recommends no changes.

**BUDGET IMPACT**

There is no budget impact.

**BACKGROUND**

The first formal investment policy for the investment of general funds was presented and adopted by the Board on November 4, 1999.

On May 21, 2009, the TA eliminated the separate Statement of Investment Policy for the Paratransit Trust Funds which were transferred to the San Mateo County Transit District upon the expiration of the Original Measure A.

Most recently on May 3, 2012 the TA amended the investment policy by requiring 1) an annual independent audit of the TA's assets as reported for the investment program's

activities and 2) an independent auditor's opinion regarding compliance with the TA's investment policy and the California Government Code.

Two other minor changes were also incorporated into this amendment. The citation on page 3, Section 2 *Diversification*, changed from (j) to (k) due to a change in the California Government code; and page 5, section 6, item j was reworded for clarity.

Prepared by: Kathryn Watson, Manager, Finance Treasury

650-508-6425

Adopted November 1999	Reaffirmed May 2005	Amended May 2010
Amended April 2001	Reaffirmed May 2006	Reaffirmed June 2011
Reaffirmed May 2002	Amended August 2007	Amended May 2012
Amended May 2003	Reaffirmed August 2008	Reaffirmed May 2013
Reaffirmed May 2004	Amended May 2009	Reaffirmed May 2014

## **EXHIBIT A**

# **SAN MATEO COUNTY TRANSPORTATION AUTHORITY**

## **Statement of Investment Policy For The Investment of Transportation Authority Funds**

### **I. PURPOSE**

This Policy sets forth the investment guidelines for the prudent management of the general funds of the San Mateo County Transportation Authority, (the Authority). It is the goal of this Policy to establish investment objectives in accordance with the provisions of the *California Government Code, Section 53600 et seq.* (hereafter “Code”), and investment guidelines, to ensure that the funds under its purview are prudently invested to preserve capital, provide necessary liquidity, and to achieve a market-average rate of return over an economic cycle consistent with the Authority’s goals of preserving principal and minimizing the risk of diminishing the principal.

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the Authority’s Board of Directors at a public meeting. Irrespective of these policy provisions, should the provisions of the *Code* be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

### **II. OBJECTIVES**

The Authority’s cash management system is designed to monitor and forecast accurately expenditures and revenues, thus enabling the Authority to invest funds to the fullest extent possible. Idle funds of the Authority shall be invested in accordance with sound treasury management and in accordance with the provisions of *California Government Code Section 53600 et seq.* and this Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio. The Authority officials shall act in accordance with written procedures and the Investment Policy and should report deviations from expectations in a timely fashion and take appropriate action to control adverse developments.

The Authority's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the Authority. The third objective is to achieve a return on its invested funds.

### **III. BENCHMARKS**

Investment results are compared quarterly to the following composite index:

- 30% BofA Merrill Lynch 0-1 Year U.S. Governments
- 20% BofA Merrill Lynch 1-3 Year U.S. Governments
- 20% BofA Merrill Lynch 3-5 Year U.S. Governments
- 10% BofA Merrill Lynch 1-10 Year U.S. Governments
- 20% BofA Merrill Lynch 1-5 Year Corporate Bonds

### **IV. POLICY**

At all times, the Authority shall invest its funds in accordance with the rules and restrictions established by the law of the State of California (*Government Code Section 53600 et seq.*). In addition, the Authority shall conduct its investments under the "prudent investor standard": "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (*California Government Code Section 53600.3*).

The Executive Director or his designee of the Authority shall serve as the Authority's trustee for purposes of placing investments pursuant to this policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis. The policy may also be reviewed annually by the Authority's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*).

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:
  - a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The Authority shall invest only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund & San Mateo County Investment Fund, are deemed to constitute safe investments within the meaning of this Policy.
  - b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Policy, fixed income securities maturing in one year or more are considered investment term and fixed income securities

maturing in less than one year are considered short-term cash equivalents.

- c. **Return on Investment.** The Authority's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles consistent with the portfolio's benchmark as described in Section III. This benchmark takes into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio.
  
2. **Diversification.** The Authority will limit its investments to the safest types of securities which include those backed by the U.S. Government or its agencies, those which have federal insurance on principal by the Federal Deposit Insurance Corporation (FDIC), or those having collateral backing of the invested principal as defined by this Policy and/or the California Codes, and medium term notes as defined by *California Government Code Section 53601 (k)*.

The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6 and 7 so as to minimize the risk of loss and to maximize the rate of return when prudent to do so.

3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements will be executed on a Delivery versus Pay Basis (DVP). The assets of the Authority shall be held in safekeeping by the Authority's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.
  
4. **Investment Maturities and Average Life.** The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in Section 10 "Summary of Instruments & Limitations" of this policy.

The maximum dollar weighted average maturity of the fund is five years. This policy limitation leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment. The imposed maximum dollar weighted five year average maturity limits the market risk to levels appropriate for an intermediate income fund. For the purposes of calculating the "average life" of the fund, callable and asset backed securities will be run to their stated final maturity.

5. **Deposit of Funds.** As far as possible, all money belonging to or in the custody of the Authority including money paid to the Authority to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by *California Government Code Section 53630*). Pursuant to *California Government Code Sections 53635, 53637 and 53638*, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

The Authority's funds may also be invested in the instruments set forth below and in Sections 6 and 7 of this Policy:

- a. Time Deposits with Banks. The Authority may invest in time deposits. In so doing, the following rules will be followed subject to the applicable statutory requirements:
    - (1) No more than 5 percent of the total portfolio will be placed in any one financial institution.
    - (2) The issuing bank must carry short-term ratings of A1/P1/F1 or better whose long-term rating is A or better by two of the three nationally recognized rating services (Standard & Poor's, Moody's Investor Services and Fitch's Ratings).
    - (3) Prior to placing each deposit, the Executive Director or his designee will survey the market in order to determine which stable financial institution offers the highest rate of interest.
  - b. U.S. Treasury Obligations. The investment of Authority funds in U.S. Treasury Obligations may be undertaken in lieu of time deposits. Guaranteed by the U.S. Government, treasury obligations are considered one of the safest instruments, but the yield generally is lower than that of time deposits.
6. Allowable Investment Instruments. The Authority may also invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. These investment instruments may include:
- a. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States Government are pledged for the timely payment of principal and interest.
  - b. Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks or obligations, participations or other instruments of or issued by, a federal agency or a United States government-sponsored enterprise.
  - c. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances, which are eligible for purchase by the Federal Reserve System.
  - d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., Standard and Poor's Corporation, or Fitch's Ratings.

- e. Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by *California Financial Code Section 5102*) or by a state-licensed branch of a foreign bank.
- f. Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section only under specific statutory conditions.
- g. Medium-term notes/corporate bonds of a maximum of five years' maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- h. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by subdivisions (a) to (g), inclusive, of this section and that comply with specific statutory restrictions.
- i. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond of a maximum of five years maturity.
- j. Other securities having first mortgages or government securities as collateral backing of the invested principal as defined by this Policy and/or the California Government Code.

Collateral is defined in this Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Policy; Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A1/P1/F1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poors.

7. **Local Agency Investment Fund & San Mateo County Investment Fund.** The Board of Directors also authorizes the Authority to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).

8. **Prohibited Investments.** The Authority shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The Authority shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the Authority may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.
  
9. **Portfolio Transactions.** The Authority’s investment advisors are expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. Investment advisors are to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in California Government Code Section 53601.5, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The investment advisors, at their sole discretion and authority, will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the Authority. Investment advisors may incur realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time subject, however, to the prior approval of the Executive Director or his designee.
  
10. **Summary of Instruments & Limitations.** Subject to the limitations set forth in *California Government Code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above:

<u>Instrument</u>	<u>Limitations</u>			
	<u>Rating</u>	<u>% Of Fund</u>	<u>% Of Fund Per Issuer</u>	<u>Maturity</u>
U.S. Treasury Obligations		100	100	15 years
Obligations of U.S. Agencies or Government Sponsored Enterprises		100	100	15 years
Bankers Acceptances	A1/P1/F1			
Domestic (\$500 million minimum assets)		15	10	180 days
Foreign (\$500 million minimum assets)		15	10	180 days

<u>Instrument</u>	<u>Limitations</u>			
	<u>Rating</u>	<u>% Of Fund</u>	<u>% Of Fund Per Issuer</u>	<u>Maturity</u>
Collateralized Time Deposits Within the State of California		30	10	1 year
Negotiable Certificates of Deposit		10	5	5 years
Commercial Paper (\$500 million minimum assets)	A1/ P1/F1	15	10	270 days
	Additional	10	0	31 days*
*Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days				
Repurchase Agreements Secured by U.S. Treasury or Agency Obligation Max 5 yr maturity (102% collateral)		100	50	1 year
Reverse Repurchase Agreements & Security Lending		20	20	92 days
Corporate Bonds and Medium Term Notes Including Asset-Backed Bonds (two agencies)	A	30	10	5 years
Local Agency Investment Fund (LAIF)		Up to the current limit.		
San Mateo County Investment Fund		Up to the current limit.		
Shares of Beneficial Interest Issued by Diversified Management Companies as Defined in Government Code Section 53601		10	5	30 days
Mortgage Backed Securities No Inverse Floaters No Range Notes No Interest Only Strips Derived from a Pool of Mortgages	A	20	5	5 years

11. **Oversight.**

- a. On a monthly basis the Investment Advisor shall submit an investment report which provides a market review, the Advisor’s outlook for the market and strategy for investing Authority funds. The report will also compare the portfolio against the benchmark established by the Policy in terms of duration and yield.
- b. Quarterly, the Executive Director shall submit an investment report to the Board of Directors within 30 days of the end of the quarter. The report shall 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 Authority;

2. description of any of the Authority's funds, investments or programs that are under the management of contracted parties, including lending programs;
  3. for all securities held by the Authority or under management by any outside party that is not a local agency or the State of California Local Agency Investment Funds, a current market value as of the date of the report and the source of this valuation;
  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 Authority 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.
- c. Annually, the Executive Director shall perform, or cause to be performed an independent audit of the Authority's assets as reported for the investment program's activities. It is to be conducted in such a way as to determine compliance with the Authority's investment policy and the Government Code. Such independent auditors will express an opinion whether the statement of assets is presented fairly and in accordance with generally accepted accounting principles.
- d. If the Authority places all of its investments in the Local Agency Investment Funds, Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association or the San Mateo County Investment Fund (or any combination of these three), the Executive Director can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (*California Government Code Section 53646(b)-(e)*).

**RESOLUTION NO. 2015 –**

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

**\*\*\***

**AFFIRMING THE INVESTMENT POLICY FOR THE INVESTMENT OF  
TRANSPORTATION AUTHORITY FUNDS**

**WHEREAS**, in accordance with applicable State law, the San Mateo County Transportation Authority (TA) is required to adopt an investment policy; and

**WHEREAS**, in November 1999, the TA adopted a Statement of Investment Policy for the Investment of General Funds, which was amended in April 2001, May 2003, August 2007, May 2009, May 2010 and most recently in May 2012; and

**WHEREAS**, the TA may annually render a statement of said investment policy to the Board of Directors for review and approval pursuant to Section 53646 of the State of California Government Code; and

**WHEREAS**, the Executive Director is proposing affirmation of the Statement of Investment Policy for the Investment of TA Funds; and

**WHEREAS**, staff recommends reappointment of the Executive Director (or his designee) as trustee for the aforementioned purposes.

**NOW, THEREFORE BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority takes the following actions: 1) approves the reaffirmation of the Statement of Investment Policy for the Investment of TA funds, attached hereto as Exhibit A and incorporated by this reference; and 2) hereby appoints its Executive Director (or his designee) as the trustee for purposes of placing investments pursuant to said policy.

Regularly passed and adopted this 7<sup>th</sup> day of May, 2015 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, San Mateo County Transportation Authority

ATTEST:

---

Authority Secretary

**RESOLUTION NO. 2015 –**

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

\*\*\*

**AUTHORIZING INVESTMENT OF SAN MATEO COUNTY TRANSPORTATION AUTHORITY FUNDS  
IN THE LOCAL AGENCY INVESTMENT FUND**

**WHEREAS**, pursuant to Government Code Section 16429.1, a Local Agency Investment Fund was created in the State Treasury for the deposit of local agency monies for purposes of investment by the State Treasurer; and

**WHEREAS**, staff recommends that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Government Code Section 16429.1 is in the best interests of the San Mateo County Transportation Authority.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority does hereby authorize the deposit and withdrawal of San Mateo County Transportation Authority's Funds in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1, for the purpose of investment; and

**BE IT FURTHER RESOLVED** that the Executive Director (or his designee) shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment fund.

Regularly passed and adopted this 7<sup>th</sup> day of May, 2015 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, San Mateo County Transportation Authority

ATTEST:

---

Authority Secretary

**AGENDA ITEM # 5 (d)**  
**MAY 7, 2015**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **CALL FOR A PUBLIC HEARING AT THE JUNE 4, 2015 MEETING ON THE  
PRELIMINARY BUDGET FOR FISCAL YEAR 2016**

**ACTION**

Staff requests the San Mateo County Transportation Authority establish a public hearing on June 4, 2015, to consider adoption of the Fiscal Year 2016 Budget.

Prepared By: Ladi Millard, Director, Budgets

650-508-7755

**AGENDA ITEM # 9**  
**MAY 7, 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 MAY 6, 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: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

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

**ACTION**

Staff recommends the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended March 31, 2015.

**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 April 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 pages 3 and 4. The schedule separates the investments into two groups: The Investment Portfolio, previously managed by Suntrust Bank and transitioned to new investment management, The Public Financial Management Group (PFM), on February 28, 2014, and Liquidity funds, which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

PFM provides the TA a current market valuation of all the assets under its management for each quarter. Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

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 Senate Bill 564 (1995). The TA has the ability to meet its expenditure requirements for the next six months.

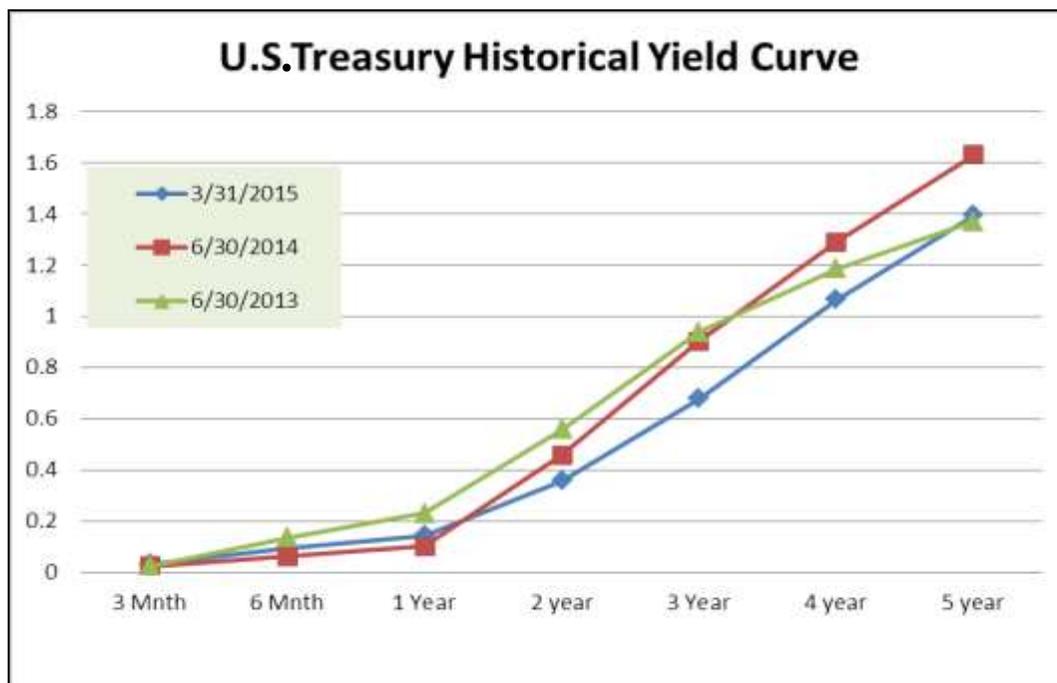
## DISCUSSION

### Fixed Income Market Review and Outlook

U.S. economic growth remains modest but is expected to return to trend as winter weather breaks across the northeast and the backlog caused by the west coast port strike clears. With a strong dollar and weak commodities prices led by oil, headline inflation is moving farther away from the Fed's inflation target. Nevertheless, the markets still remain central bank policy driven, as investors continue to follow both Federal Reserve (Fed) and European Central Bank policies and statements very closely.

The Federal Open Market Committee's (FOMC) March statement saw the committee replace "patient" for a data dependent driven interest rate outlook and saw that "economic growth had moderated somewhat." According to the FOMC's March statement, the door was not closed on a mid-year interest rate increase. However, the expectation of a rate increase midyear declined as the FOMC removed "patient" from their March statement replacing it with data dependency such that they "anticipate" that the appropriate time to raise the "target range for the Federal Funds rate" is when the labor market further improves. The rate increase will also depend when the committee gains confidence that inflation will move back to their 2 percent objective.

The committee also stated that an interest rate increase at the April meeting "remains unlikely" and the change in forward guidance "does not" mean the committee has decided on the timing of the first rate hike. Additionally, the committee stated that data since their January meeting "suggests that economic growth has moderated somewhat," a change from their January statement in which they saw economic activity "expanding at a solid pace."



Source: Federal Reserve

As a result of the above statements, Interest rates fell sharply as the FOMC presented a dovish tone after its meeting. The yield curve flattened as rates declined following the release of the FOMC's March policy statement, which reduced expectations for a mid-year rate hike. A recent Reuter's poll that was released showed that 17 of the 21 primary dealers expect the Fed's first rate hike to come in September 2015 or later, with only four dealers expecting the first hike to come in June 2015.

The updated Federal forecast showed a median Fed Fund rate for 2015 and 2016 lower than December's forecast indicating that the pace of future rate increases after lift-off will likely be slower than previously thought. This will result in a slight impact on rates in the intermediate-term range, particularly the five-year Treasury. Some investors in the market have been arguing that the initial rate hike is less important than the projected path of interest rates after lift-off occurs; a slow and gradual pace of rate increases should be less bearish for short coupons than a hike of 0.25 percent per meeting. Overall, the Fed's latest forecast indicates lowered expectations for the Federal Funds rate. The officials' median projection is a rate of 0.625 percent by the end of 2015 compared to the December 2014 prediction of 1.125 percent.

### **Strategy**

PFM expects U.S. interest rates to trend modestly higher in coming months with the pace of increase contained by the weak outlook for inflation and central banks' desire to avoid market disruptions. This is likely to tighten as the year progresses with the impact felt mostly in short and intermediate maturities.

PFM believes that the key driver of fixed-income returns will be the incremental income earned in sectors other than Treasuries. PFM will look to position portfolio durations and yield curve placements in a way that supports maximizing non-Treasury assets while carefully managing duration.

The opportunity for incremental returns in Agencies is modest; intermediate maturities can offer a few basis points of incremental yield and some specific callable structures hold modest value. An option to increase returns is to enter into the Mortgage backed securities (MBS sector), which offers another opportunity to add to returns through diversification. However, the use of MBS requires diligent analysis of security-specific collateral and cash-flow characteristics to identify securities that hold value and have manageable prepayment risks.

As of the end of the quarter, the Transportation Authority's portfolio consisted of approximately 40.5 percent Agency Securities and 59.5 percent U.S. Treasury securities. (See Exhibit 6)

### **Budget Impact**

Total return calculation is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance of an investment. The total return calculation reports the actual return on investment during a specific time interval. For the month ending March 31, 2015, the total return of the portfolio was **0.10 percent**. This compares to the benchmark return of **0.31 percent**. The Performance graph (Exhibit 4) shows the relative performance of the portfolio since inception. The

Growth of a Thousand Dollars graph (Exhibit 3) shows the cumulative performance over this same period for the Authority's portfolio.

The market rate of return is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the month ending March 31, the portfolio's market yield to maturity was **0.45 percent**. The benchmark's yield to maturity was **0.8 percent**. (Exhibit 5)

The yield to maturity at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the month the portfolio's yield to maturity at cost was **0.57 percent**.

Prepared by: Kathryn Watson, Manager Treasury

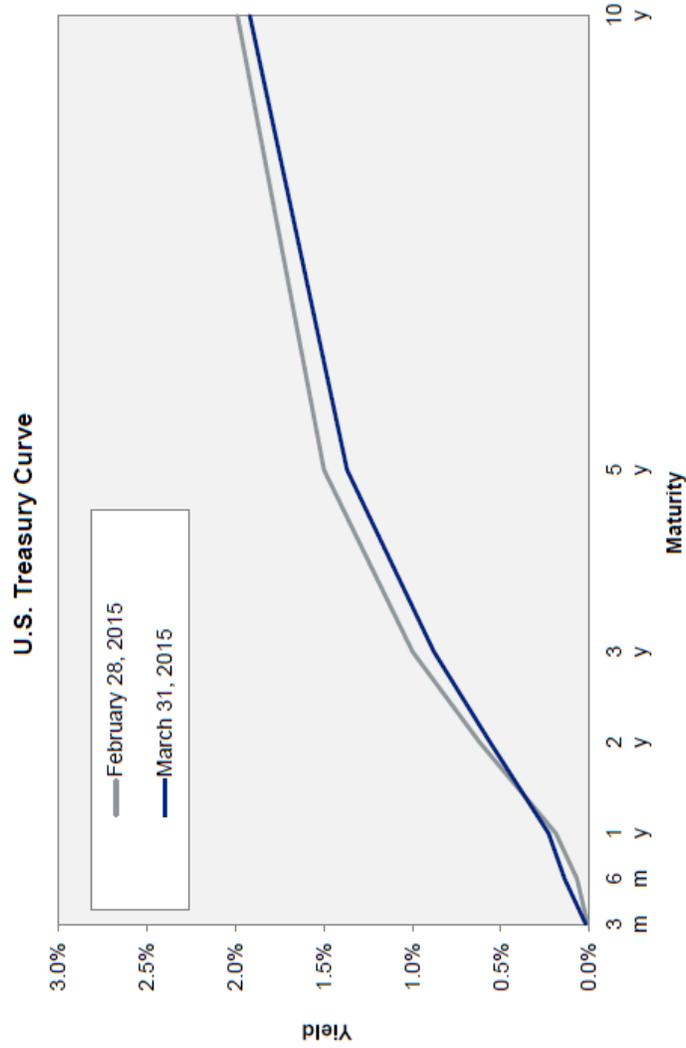
650-508-6425

SAN MATEO COUNTY TRANSPORTATION AUTHORITY REPORT OF INVESTMENTS FOR QUARTER ENDED MARCH 31, 2015									
TYPE	CUSIP NUMBER	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.		
<b>FUNDS MANAGED BY SUNTRUST BANK/CSI GROUP</b>									
<b>INVESTMENT PORTFOLIO:</b>									
<b>CASH &amp; EQUIVALENTS</b>									
U.S. Treasury Money Market Fund			0	0	0	0	0		
<b>TREASURY SECURITIES</b>									
U.S. Treasury Note	912828TX8	11-15-15	15,000,000	14,998,828	15,015,240	21,288	15,036,528		
U.S. Treasury Note	912828VL1	07-15-16	25,000,000	25,057,734	25,076,175	32,804	25,108,979		
U.S. Treasury Note	912828WA4	10-15-16	12,000,000	12,114,586	12,031,872	34,615	12,066,487		
U.S. Treasury Note	912828WX4	07-31-16	18,000,000	17,998,594	18,029,538	14,917	18,044,455		
U.S. Treasury Note	912828WF3	11-15-16	10,000,000	9,971,094	10,025,780	23,653	10,049,433		
U.S. Treasury Note	912828ST8	04-30-19	14,850,000	14,830,857	14,868,563	77,942	14,946,504		
<b>GOVERNMENT BONDS</b>									
FNMA	31398A4M1	10-26-15	10,000,000	10,221,000	10,079,950	69,965	10,149,915		
FNMA	3135G0VA8	03-30-16	24,000,000	24,041,832	24,042,624	333	24,042,957		
FNMA	3135G0XP3	07-05-16	10,000,000	9,959,800	9,993,930	8,958	10,002,888		
FNMA	3135 G0YE7	08-26-16	15,000,000	15,029,400	15,039,825	9,115	15,048,940		
<b>TOTAL FUNDS MANAGED BY</b>			<b>153,850,000</b>	<b>154,223,725</b>	<b>154,203,497</b>	<b>293,591</b>	<b>154,497,088</b>		
<b>PFM</b>									

SAN MATEO COUNTY TRANSPORTATION AUTHORITY									
REPORT OF INVESTMENTS (Continued)									
FOR QUARTER ENDED MARCH 31, 2015									
TYPE	CUSIP NUMBER	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.
<u>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</u>									
BANK OF AMERICA CHECKING				897,729	897,729	0	897,729	0	897,729
US BANK (CASH ON DEPOSIT)				282,328	282,328	0	282,328	0	282,328
LAIF				31,847,675	31,847,675	19,995	31,867,670	19,995	31,867,670
SAN MATEO COUNTY POOL				267,712,366	267,712,366	554,807	268,267,173	554,807	268,267,173
<b>TOTAL FUNDS MANAGED BY DISTRICT STAFF</b>				<b>300,740,099</b>	<b>300,740,099</b>	<b>574,802</b>	<b>301,314,901</b>	<b>574,802</b>	<b>301,314,901</b>
<b>TOTAL AS OF MARCH 31, 2015</b>				<b>454,963,824</b>	<b>454,943,595</b>	<b>868,393</b>	<b>455,811,989</b>	<b>868,393</b>	<b>455,811,989</b>

# San Mateo County Transportation Authority

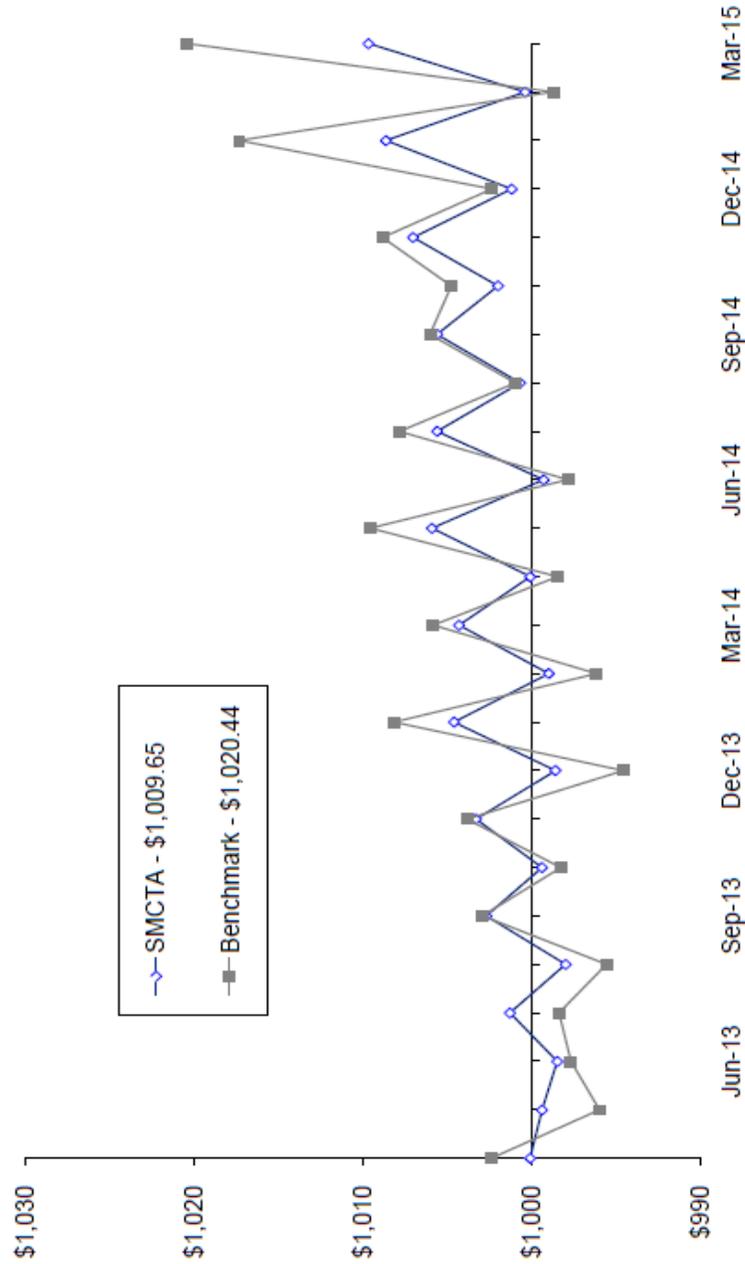
## Historical Yield Curve



Source: Bloomberg

# San Mateo County Transportation Authority

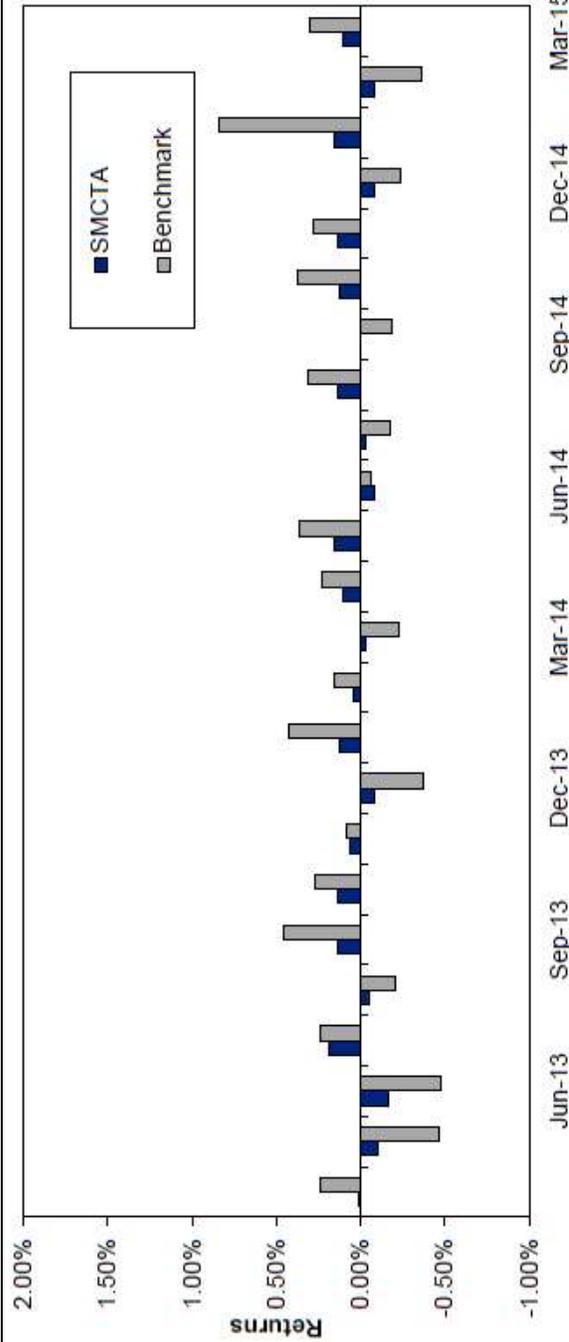
## Growth of a Thousand Dollars



• Source: Bloomberg.  
 • Benchmark reflects 30% Merrill Lynch 0-1 Year U.S. Treasury Index, 20% Merrill Lynch 1-3 Year Government Index, 20% Merrill Lynch 3-5 Year Government Index, 10% Merrill Lynch 1-10 Year Government Index, and 10% Merrill Lynch 1-5 Year AAA-A Corporate Index.

# San Mateo County Transportation Authority

## Monthly Review Accounts vs. Benchmark Rolling 24 months

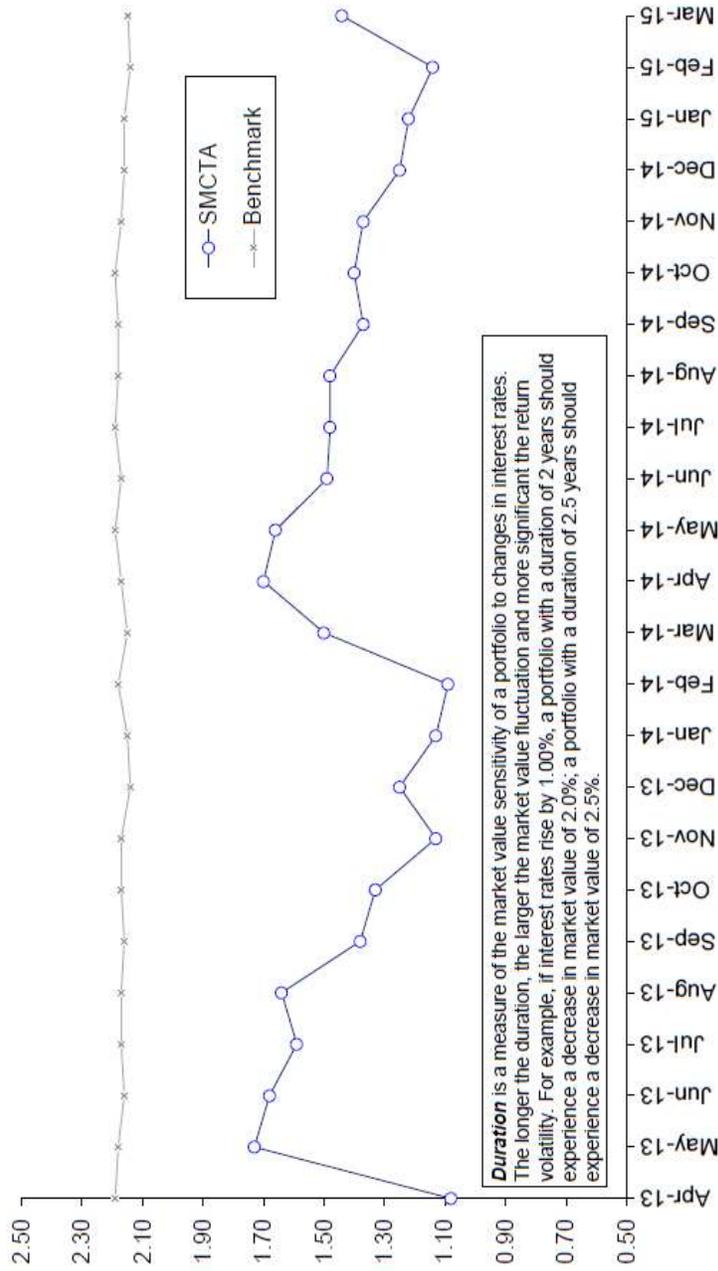


Trailing 12 Months	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Trailing 12
<b>MONTHLY PERFORMANCE DATA</b>													
SMCTA	0.11%	0.16%	-0.06%	-0.03%	0.14%	0.00%	0.13%	0.14%	-0.08%	0.16%	-0.08%	0.10%	0.67%
Benchmark	0.23%	0.37%	-0.06%	-0.17%	0.31%	-0.18%	0.38%	0.28%	-0.24%	0.84%	-0.36%	0.31%	1.71%

Source: Bloomberg  
 Benchmark reflects 30% Merrill Lynch 0-1 Year U.S. Treasury Index, 20% Merrill Lynch 1-3 Year Government Index, 20% Merrill Lynch 3-5 Year Government Index, 10% Merrill Lynch 1-10 Year Government Index, and 10% Merrill Lynch 1-5 Year AAA-A Corporate Index.

# San Mateo County Transportation Authority

## Duration vs. Benchmark

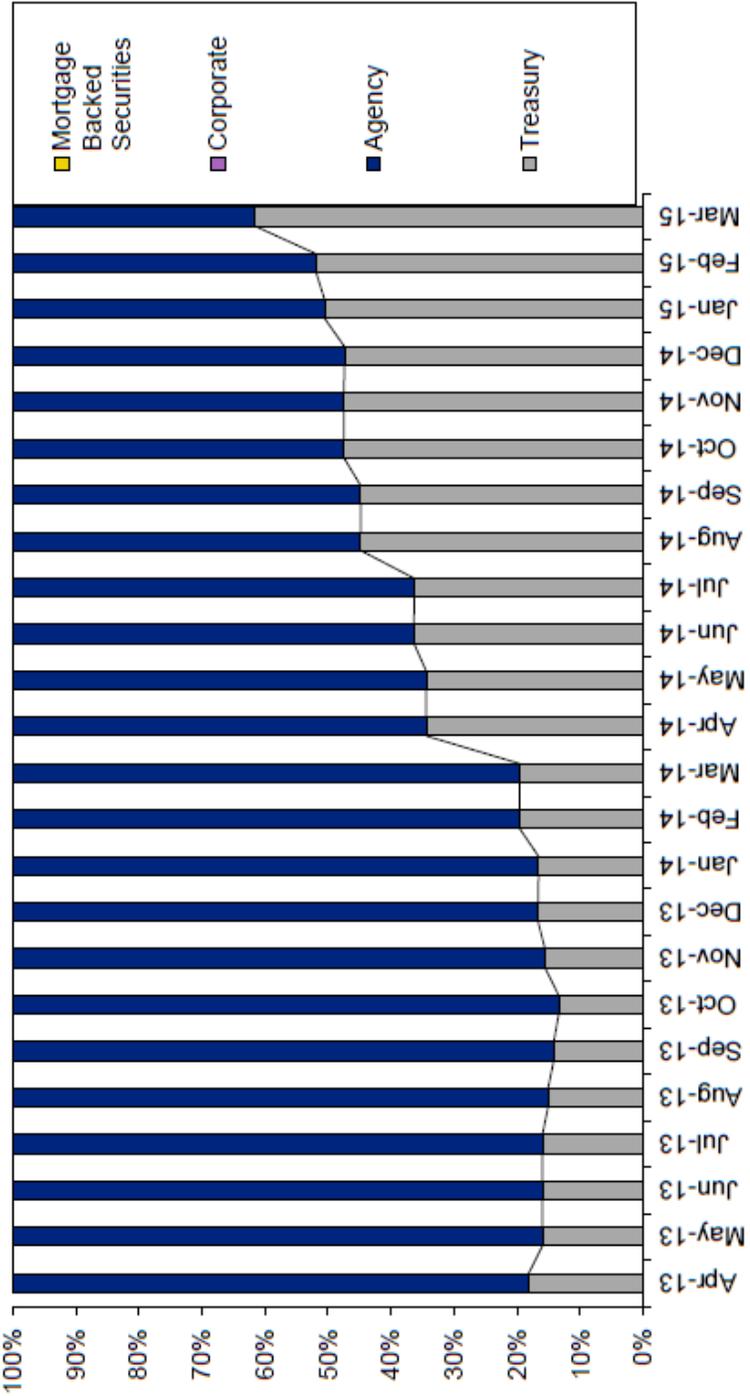


**Duration** is a measure of the market value sensitivity of a portfolio to changes in interest rates. The longer the duration, the larger the market value fluctuation and more significant the return volatility. For example, if interest rates rise by 1.00%, a portfolio with a duration of 2 years should experience a decrease in market value of 2.0%; a portfolio with a duration of 2.5 years should experience a decrease in market value of 2.5%.

Source: Bloomberg.  
 • Benchmark reflects 30% Merrill Lynch 0-1 Year U.S. Treasury Index, 20% Merrill Lynch 1-3 Year Government Index, 20% Merrill Lynch 3-5 Year Government Index, 10% Merrill Lynch 1-10 Year Government Index, and 10% Merrill Lynch 1-5 Year AAA-A Corporate Index.

San Mateo County Transportation Authority

Percent of Assets Held by Type



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **AUTHORIZE AWARD OF CONTRACT TO PROVIDE FINANCIAL AUDIT SERVICES**

**ACTION**

Staff recommends the Board:

1. Award a contract to Vavrinek, Trine, Day & Co., LLP (VTD) to provide annual financial audit services for a firm-fixed price of \$164,860, over a five-year term. Additional financial auditing services, to supplement the annual audit services, may be requested by the San Mateo County Transportation Authority (TA), and will be provided at the hourly rates quoted in VTD's proposal. Supplemental annual audit services will not exceed a total amount of \$100,000.
2. Authorize the Executive Director or designee to execute a contract for a five-year term with VTD in full conformity with the terms and conditions of the solicitation documents and negotiated agreement.

**SIGNIFICANCE**

Approval of the above actions will ensure continuation of professional, independent financial audit services as required by Measure A, the TA's enabling legislation, and California's Public Utilities Code Section 131265.

**BUDGET IMPACT**

Funding for financial audit services will be available under approved and projected operating budgets.

**BACKGROUND**

Staff determined that a joint solicitation with the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board was a cost-effective approach to procure the required financial audit services. A joint Request for Proposals (RFP) to provide financial audit services was issued detailing the scope of services. The solicitation was advertised in a newspaper of general circulation and on the TA's website. Solicitation notices also were sent to Disadvantaged Business Enterprises (DBE) that were registered in the procurement database. Staff received proposals from three firms, none of which was a DBE firm.

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

- Approach to Scope of Services 15 points
- Qualifications and Experience of Firm 25 points
- Qualifications and Experience of Management Team and Key Personnel 35 points
- Cost Proposal 25 points

After the initial evaluation and scoring, two firms were invited to interview. After conducting interviews and performing reference checks, the Committee completed the final evaluation and scoring of the firms. The firms are listed below in order of their final consensus ranking:

- Vavrinek, Trine, Day & Co., LLP, Palo Alto, California
- The Pun Group, LLP, Walnut Creek, California

Negotiations were conducted successfully with VTD. The firm possesses the requisite transit financial audit experience to oversee the complex financial audit process of the required by the TA and is fully capable of providing the specified services at a fair and reasonable price. The management team assigned to the TA's contract has in-depth knowledge of public transit audit requirements and procedures, and extensive experience preparing comprehensive financial statements and reports for public transit and other government clients.

Maze & Associates Accountancy Corporation currently provides financial audit services for the TA at the firm-fixed price of \$131,000.

Contract Officer: Adwoa Oni 650-508-6411  
Project Manager: Sheila Tioyao, Manager, General Ledger 650-508-7752

**RESOLUTION NO. 2015 –**

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

\* \* \*

**AUTHORIZING AWARD OF CONTRACT TO VAVRINEK, TRINE, DAY & CO., LLP TO PROVIDE  
FINANCIAL AUDIT SERVICES FOR A FIRM-FIXED PRICE OF \$164,860 FOR A FIVE-YEAR TERM  
AND ADDITIONAL AUDIT SERVICES NOT TO EXCEED \$100,000**

**WHEREAS**, the San Mateo County Transportation Authority (TA) jointly with the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board solicited competitive proposals to provide financial audit services; and

**WHEREAS**, in response to the joint solicitation, three firms submitted proposals, none of which was a Disadvantaged Business Enterprise firm; and

**WHEREAS**, the Evaluation Committee (Committee) has reviewed the proposals, ranked proposals according to the evaluation criteria set forth in the Request for Proposals (RFP), conducted interviews for the two highest-ranked firms, and determined that Vavrinek, Trine, Day & Co., LLP, (VTD) of Palo Alto, California, received the highest consensus ranking; and

**WHEREAS**, staff and legal counsel have reviewed VTD's proposal and determined that it complied with the requirements of the solicitation documents; and

**WHEREAS**, the Executive Director recommends that a five-year contract for financial audit services be awarded to Vavrinek, Trine, Day & Co., LLP, of Palo Alto, California for a firm-fixed price of \$164,860; and

**WHEREAS**, the contract will also require VTD to provide, at the TA's request, additional financial audit services, at the hourly rates quoted in the proposal and at a total cost not to exceed \$100,000.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors (Board) of the TA hereby awards a contract for financial audit services to Vavrinek, Trine, Day & Co., LLP, of Palo Alto, California, for a five-year term at costs of \$31,700 for Fiscal Year (FY) 2015 audit services, \$32,330 for FY2016 audit services, \$32,960 for FY2017 audit services, \$33,590 for FY2018 audit services, and \$34,280 for FY2019 audit services, for a total amount of \$164,860, inclusive of all costs, out of pocket expenses, overhead, and profit, in accordance with the terms of the RFP; and

**BE IT FURTHER RESOLVED** that the contract will also allow for additional financial auditing services, as requested by the TA, provided at the hourly rates quoted in the proposal, at a total cost not to exceed \$100,000, and in full conformity with all the terms and conditions of the RFP; and

**BE IT FURTHER RESOLVED** that the Board authorizes the Executive Director or his designee to execute a contract on behalf of the TA with Vavrinek, Trine, Day & Co., LLP, of Palo Alto, California for financial audit services in full conformity with all the terms and conditions of the contract documents, and in a form approved by legal counsel.

Regularly passed and adopted this 7<sup>th</sup> day of May, 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: Jim Hartnett  
Executive Director

FROM: Chuck Harvey  
Deputy CEO

SUBJECT: **REALLOCATION OF MEASURE A FUNDS ASSOCIATED WITH THE HIGHWAY 101  
HOV LANES (WHIPPLE AVENUE TO SAN BRUNO) PROJECT**

**ACTION**

Staff recommends the Board:

1. Accept the City/County Association of Governments of San Mateo County's (C/CAG) request to reallocate \$700,000 of the \$2 million in Measure A funds originally allocated for preparation of a project initiation document to fund further technical studies to assess the alternatives associated with the Highway 101 High Occupancy Vehicle (HOV) Lanes (Whipple Avenue to San Bruno) Project (Project).
2. Authorize the Executive Director or his designee to execute and/or amend any agreement, and take any other actions necessary, to reallocate the subject funding and undertake further technical studies associated with the subject project.

**SIGNIFICANCE**

The project initiation document associated with the subject project was recently completed and approved by the California State Department of Transportation. The total amount of Measure A funds expended to complete this document was less than the \$2 million authorized by the Board. The remaining funds would be reallocated for the same Project and made available for further technical work such as the collection and analysis of traffic data and mapping. The results of this additional work will be used to inform the Sponsor, Implementing Agency and other key stakeholders on the merits of implementing various strategies. This action would allow the remaining funds to be made available and utilized to collect the essential information now, which is a half year sooner than would possible if the request was handled through the next Highway Program Call for Projects (CFP).

**BUDGET IMPACT**

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

## **BACKGROUND**

During the last Highway Program CFP, the Board authorized the programming of \$2 million of Measure A funding for the preparation of a project initiation document for the Highway 101 HOV Lane Project between Whipple and San Bruno (Board Resolution No. 2012-17). The allocation was conditioned on securing a resolution of support from C/CAG, the project sponsor. C/CAG issued a resolution of support and the San Mateo County Transportation Authority (TA) Board authorized the allocation of funding for this project in January 2013 (Board Resolution No. 2013-3).

The project initiation document established consensus from the key stakeholders on the purpose and need of the project, set parameters for a range of alternatives, and identified technical studies necessary to appropriately assess the benefits and environmental impacts of the potential project. The preliminary project cost estimates are from \$120 million to \$215 million for the range of alternatives identified.

Congestion on the Highway 101 Corridor has been steadily growing worse. A recent report released by the Metropolitan Transportation Commission now ranks the Highway 101 Corridor within San Mateo County as the 10<sup>th</sup> most congested roadway in the Bay Area. Pressure has been mounting to develop and expedite the implementation of an effective and sustainable strategy to help alleviate congestion. The problem prompted the introduction of legislation by Assemblymember Kevin Mullin (Assembly Bill 378) to work toward a solution.

Prepared By: Joseph Hurley, Director, TA Program

650-508-7942

**RESOLUTION NO. 2015 –**

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

\*\*\*

**REALLOCATING \$700,000 IN NEW MEASURE A FUNDS FROM THE HIGHWAY  
PROGRAM CATEGORY FOR FURTHER TECHNICAL STUDIES ASSOCIATED WITH THE  
US 101 HOV LANES (WHIPPLE TO SAN BRUNO) PROJECT**

**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**, the 2004 Transportation Expenditure Plan designates 10.2 percent of the New Measure A revenues to fund supplemental roadway projects under the Highway Program; and

**WHEREAS**, the TA issued a Call for Projects in May 2012 for the Highway Program Category; and

**WHEREAS**, the City/County Association of Governments of San Mateo County (C/CAG) submitted an application for \$2 million for the Staged US 101 High Occupancy Vehicle (HOV) Lanes (Whipple to San Bruno) Project Study Report; and

**WHEREAS**, the TA Board of Directors authorized the programming of \$2 million in New Measure A funding from the category for Highway Program -Supplemental Roadway Projects for the Staged US 101 HOV Lanes (Whipple to San Bruno) Project Study Report (Resolution No. 2012-17); and

**WHEREAS**, the C/CAG Board of Directors passed a resolution to accept the funding for the Staged US 101 HOV Lanes (Whipple to San Bruno) project, thereby meeting the TA's conditions for allocation of funds; and

**WHEREAS**, the TA Board of Directors authorized the allocation of \$2 million in New Measure A funding from the category for Highway Program - Supplemental Roadway Projects - for the Staged US 101 HOV Lanes (Whipple to San Bruno) Project Study Report (Resolution No. 2013-3); and

**WHEREAS**, the Project Study Report is now complete; and

**WHEREAS**, the Project Study Report required less TA funding than was allocated and C/CAG has requested that \$700,000 of the remaining Measure A funding be reallocated and made available to the Project for further technical studies and analysis; and

**WHEREAS**, the further technical studies and analysis will be used to inform C/CAG, the TA, and other key stakeholders on the merits of the implementation of various strategies.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby approves the reallocation of \$700,000 in Measure A funding remaining from the \$2 million already allocated for the Staged US 101 HOV Lanes (Whipple to San Bruno) Project Study Report to fund further technical studies; and

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

Regularly passed and adopted this 7<sup>th</sup> day of May, 2015 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **PRELIMINARY BUDGET FOR FISCAL YEAR 2016**

**ACTION**

This report is submitted for informational purposes only. At the June 4, 2015, meeting, staff will present a final Fiscal Year (FY) 2016 budget proposal for Board consideration and adoption.

**SIGNIFICANCE**

The San Mateo County Transportation Authority (TA) FY2016 Preliminary Budget is presented in Attachment A. The total proposed budget is \$63.7 million, a **decrease** of \$49.1 million or 43.4 percent compared to the FY2015 revised budget. The FY2016 Preliminary Budget is composed of \$27.7 million in Annual Allocations, \$33.5 million in projected Program Expenditures, \$1.2 million in Oversight, and \$1.3 million in Administrative expenses. Details of the FY2016 preliminary budgets are provided below.

San Mateo County Ordinance No. 04223, which authorized the TA to extend the one-half of 1 percent Retail Transactions and Use Tax for an additional 25 years beginning January 1, 2009 and ending December 31, 2033, was approved by the voters in November 2004.

**Revenues**

For FY2016, total revenue for the TA is projected to be \$80.2 million, an **increase** of \$1.7 million or 2.2 percent greater than the FY2015 revised budget. Sales tax receipts are projected to be \$76 million, reflecting an **increase** of \$1 million from the FY2015 revised budget.

The projected revenue increase is also composed of the following:

- Interest Income is projected to **increase** by \$0.7 million or 30.7 percent due to a projected increase in interest rates.

## Expenditures

Preliminary expenditures for FY2016 fall into four categories:

### **Annual Allocations (line 16)**

In accordance with the 2004 Transportation Expenditure Plan (2004 TEP) approved by the voters, annual allocations have been budgeted to four plan categories according to percentages of projected sales tax revenue as listed below.

Local Streets/Transportation - 22.5%	\$17.1 million
Caltrain Improvements – Operating - 8.0%	\$6.1 million
Accessible Services/Paratransit - 4.0%	\$3.0 million
San Francisco International Airport Bay Area Rapid Transit Extension - 2.0%	\$1.5 million

Total annual allocations are projected at \$27.7 million, an increase of \$0.4 million (1.3 percent) from FY2015 revised budget.

### **Program Expenditures (line 18)**

Program expenditures include projects with FY2016 funding requirements as detailed in Attachment B.

Program Expenditures include the following categories:

- **Alternative Congestion Relief** –The \$760,000 budgeted for FY2016 is the full 1 percent of projected sales tax outlined in the 2004 TEP. Of the \$760,000, \$435,000 is proposed to be set aside for the Peninsula Traffic Congestion Relief Alliance's Transportation Demand Management (TDM) Program.
- **Dumbarton** –The Dumbarton Maintenance of Way project (TA project #745) is budgeted at \$400,000, based on projected needs for FY2016.
- **Caltrain** –The San Mateo County Local Share (TA project #605) for the system-wide improvement program for FY2016 is budgeted at \$6.1 million, subject to potential changes to the final FY2016 Caltrain Capital Budget. System-wide capital improvements anticipated to be undertaken in FY2016 for the Caltrain system include: State of Good Repair rolling stock, signal, track and station work. These funds will be matched with monies from Caltrain partners, the Santa Clara Valley Transportation Authority and the City and County of San Francisco.
- **Pedestrian and Bicycle** – The Pedestrian and Bicycle line item for \$2.2 million represents the projected 3 percent of sales tax revenues designated for this category in the 2004 TEP. These funds will be used for projects selected through future calls for projects.

- **Local Shuttle** – The \$3.1 million for this line item represents the funds available for shuttles receiving allocations through the FY2015/16 Shuttle Program call-for-projects.
- **Streets and Highways** – In accordance with the 2004 TEP and the TA's Strategic Plan 2014-2019, the Streets and Highways Program expenditures include funding for key congested corridors in the amount of \$13.1 million, and for supplemental roadway projects in the amount of \$7.8 million. The budgeted amounts for these two programs are based on projected revenues for FY2015; actual revenues will be used for projects selected through future calls-for-projects.

### **Oversight (line 20)**

The oversight category contains \$1.2 million for TA costs associated with implementing the various TEP categories of the original and new Measure A programs. Oversight includes programming and monitoring of projects, calls for projects and administration of the policies and procedures from the 2004 Measure. These expenditures will be funded from interest earned on the investment of fund balances.

### **Administrative (line 26)**

Total administrative expenditures are projected to **increase** by \$111,134 or 9 percent from the FY2015 revised budgets. The increase is mainly due to the new Commercial General Liability and Public Office Liability insurance policies. For FY2016, it is proposed that \$739,869 be used for staff support, which is below 1 percent of the projected sales tax revenues as allowed for such expenditures in the TEP.

### **BACKGROUND**

The TA was formed in 1988 with voter passage of Measure A, the half-cent sales tax for countywide transportation projects and programs. The Original Measure A expired December 31, 2008. In 2004, county voters overwhelmingly approved a reauthorization of Measure A through 2033. The TA's role is to administer the proceeds from Measure A to fund a broad spectrum of transportation-related projects and programs.

Prepared By: Ladi Millard, Director, Budgets  
Stephen Franke, Senior Budget Analyst

650-508-7755  
650-508-6206

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
FY2016 PRELIMINARY BUDGET

	<u>FY2014 ACTUAL</u> A	<u>FY2015 ADOPTED</u> B	<u>FY2015 REVISED</u> C	<u>FY2016 PRELIMINARY</u> D	<u>FY16 PRELIMINARY TO FY15 REVISED Increase (Decrease) E = D-C</u>	<u>BUDGET PERCENT CHANGE F = E/C</u>	
<b>REVENUE:</b>							
1 Sales Tax	77,625,765	72,000,000	75,000,000	76,000,000	1,000,000	1.3%	1
2							2
3 Interest Income	4,020,964	2,284,610	2,284,610	2,985,683	701,073	30.7%	3
4							4
5 Miscellaneous Income	7,171,994	-	-	-	-		5
6							6
7 Rental Income	1,203,816	1,203,300	1,203,300	1,232,840	29,540	2.5%	7
8							8
9 Grant Proceeds	121,754	-	-	-	-		9
10							10
11 <b>TOTAL REVENUE</b>	<b>90,144,293</b>	<b>75,487,910</b>	<b>78,487,910</b>	<b>80,218,523</b>	<b>1,730,613</b>	<b>2.2%</b>	11
12							12
13							13
14 <b>EXPENDITURES:</b>							14
15							15
16 Annual Allocations	28,333,404	26,280,000	27,375,000	27,740,000 (1)	365,000	1.3%	16
17							17
18 Program Expenditures	45,799,236	39,712,000	83,058,350	33,460,000 (1)	(49,598,350)	-59.7%	18
19							19
20 Oversight	1,164,071	1,185,000	1,185,000	1,185,000 (1)	-	0.0%	20
21							21
22 Administrative:							22
23 Staff Support	531,403	706,634	706,634	739,869	33,235	4.7%	23
24 Measure A Info-Others	5,993	16,500	16,500	16,500	-	0.0%	24
25 Other Admin Expenses	299,647	313,520	517,914	595,813	77,899	15.0%	25
26 Total Administrative	837,043	1,036,654	1,241,048	1,352,182	111,134	9.0%	26
27							27
28 <b>TOTAL EXPENDITURES</b>	<b>76,133,754</b>	<b>68,213,654</b>	<b>112,859,398</b>	<b>63,737,182</b>	<b>(49,122,216)</b>	<b>-43.5%</b>	28
29							29
30 <b>EXCESS/(DEFICIT)</b>	<b>14,010,539</b>	<b>7,274,256</b>	<b>(34,371,488)</b>	<b>16,481,341</b>	<b>50,852,829</b>	<b>-148.0%</b>	30
31							31
32 <b>BEGINNING FUND BALANCE</b>	<b>445,209,646</b>	<b>459,220,185</b>	<b>459,220,185</b>	<b>424,848,697</b>	<b>(34,371,488)</b>		32
33							33
34 <b>ESTIMATED ENDING FUND BALANCE</b>	<b>459,220,185</b>	<b>466,494,441</b>	<b>424,848,697</b>	<b>441,330,038</b>	<b>16,481,341</b>	<b>3.9%</b>	34
35							35
36 (1) See Attachment B for details.							36
37							37
38 <b>FUND BALANCE (2)</b>							38
39							39
40 <b>Beginning Fund Balance</b>		<u>1988 Measure</u>	<u>2004 Measure</u>	<u>Aggregate</u>			40
41 Excess/(Deficit)		227,241,785	197,606,912	424,848,697			41
42 <b>Ending Fund Balance</b>		<u>805,429</u>	<u>15,675,912</u>	<u>16,481,341</u>			42
43		<u>228,047,214</u>	<u>213,282,824</u>	<u>441,330,038</u>			43
44 Capital Appropriation Carryover		112,534,435	129,359,912	241,894,347			44
45 Undesignated (3)		115,512,779	83,922,912	199,435,691			45
46 <b>Total Ending Fund Balance</b>		<u>228,047,214</u>	<u>213,282,824</u>	<u>441,330,038</u>			46
47							47

48 (2) Fund Balance is based on actuals for FY2014 and budgeted figures for FY2015.

49 (3) Undesignated funds are funds collected but not budgeted or allocated. The 1988 Undesignated funds are projected to include \$69 million for Caltrain, \$40 million for Dumbarton and  
50 \$3 million for Highways. The 2004 Undesignated funds include \$76.1 million for Highways, \$4 million for Ped&Bike, and \$2.3 million for Shuttles.

**ATTACHMENT B**

**FY2016 ALLOCATIONS AND EXPENDITURES**

			Prior Approved Budget	FY2016 Preliminary	Total Approved Budget	Budgeted Non-Measure A	Total Measure A Share
<b>ANNUAL ALLOCATIONS:</b>							
1	Allocation to Local Entities		N/A	17,100,000			N/A
2	Transfer to SMCTD for Caltrain		N/A	6,080,000			N/A
3	Paratransit		N/A	3,040,000			N/A
4	SFO BART Extension		N/A	1,520,000			N/A
5				<u>27,740,000</u>			
6							
7	<b>PROGRAM EXPENDITURES:</b>						
8							
9	<b>ALTERNATIVE CONGESTION RELIEF</b>						
10	00903	Alternative Congestion Relief Program (1)	3,380,000	760,000	4,140,000		4,140,000
11	<b>DUMBARTON</b>						
12	00745	Maintenance of Way	1,784,500	400,000	2,184,500		2,184,500
13	<b>CALTRAIN</b>						
14	00605	San Mateo Local Share JPB CIP	65,297,540	6,080,000	71,377,540	2,733,100	68,644,440
15	<b>PEDESTRIAN AND BICYCLE PROGRAM</b>						
16	00816	Set-aside for Call for Projects (2)	11,118,824	2,280,000	13,398,824	-	13,398,824
17	<b>LOCAL SHUTTLE</b>						
18	00902	Set-aside for Call for Projects (3)	10,544,777	3,040,000	13,584,777	-	13,584,777
19	<b>STREETS AND HIGHWAYS</b>						
20	00900	Key Congested Corridors Program (4)	61,461,000	13,148,000	74,609,000	-	74,609,000
21	00901	Supplemental Roadway Program (4)	36,237,000	7,752,000	43,989,000	-	43,989,000
22							
23			<u>189,823,641</u>	<u>33,460,000</u>	<u>223,283,641</u>	<u>2,733,100</u>	<u>220,550,541</u>
24							
25							
26	<b>OVERSIGHT:</b>						
27							
28	00740	Program Planning and Management	4,810,000	1,185,000	5,995,000	-	5,995,000
29			<u>4,810,000</u>	<u>1,185,000</u>	<u>5,995,000</u>	<u>-</u>	<u>5,995,000</u>
30							
31							

(1) Funds proposed in FY2016 for the Alternative Congestion Relief Program represent 1% of sales tax revenues, and include funds proposed for the Alliance's Countywide TDM program (\$435K).

(2) The Pedestrian and Bicycle Set-aside for Call for Projects (\$2.28M) represents the estimated funds to be collected in FY16, which will be reserved for the FY2016/17 Call for Projects.

(3) The Local Shuttle Set-aside for Call for Projects (\$3.0M) represents the estimated funds to be collected in FY16 which will be reserved for future Call for Projects.

(4) The Key Congested Corridors and Supplemental Roadway Programs represent 17.3% and 10.2% respectively of Measure A revenues projected to be collected in FY16 and are placeholders until specific projects are selected under these categories.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan,  
Executive Officer, Planning and Development

SUBJECT: **PROGRAM REPORT: TRANSIT - DUMBARTON CORRIDOR**

**ACTION**

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

**SIGNIFICANCE**

Staff previously reported at the April 3, 2014 Board meeting that the Dumbarton Corridor Rail Project was placed on hold until the project partners can secure a funding plan that can advance the project further.

A number of the members of the Dumbarton Policy Advisory Committee (DPAC), originally formed to inform the completion of the environmental review process for the Dumbarton Corridor Rail Project, had continued to discuss steps to move the project, or other viable alternatives, forward in the future. These members include representatives from cities of East Palo Alto, Fremont, Menlo Park, Newark, Redwood City, and Union City. These representatives have now requested San Mateo County Transportation Authority (TA) and the Alameda County Transportation Commission (ACTC) to provide some funding to continue staff support to the efforts. These representatives were originally appointed to serve on the DPAC by the TA and ACTC.

Staff will be meeting with ACTC staff to discuss the funding request, and will report to the Board at the May 7, 2015 meeting those discussion results, and to discuss next steps.

**BUDGET IMPACT**

This informational item has no impact to the budget at this time.

**BACKGROUND**

The TA Board previously transferred \$50 million of Original Measure A funds from the Grade Separation line item to the Caltrain category for Dumbarton Rail Project at its December 1998 meeting. The completion of the Administrative Draft Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Dumbarton Corridor Rail Project was placed on hold due to a deficient funding plan for the project. Various project alternatives studied during the environmental review process range in costs from \$700 million to \$800 million in 2011 dollars, and the amount of funding available

was less than \$300 million. The Federal Transit Administration (FTA) has indicated that if reasonable funding sources cannot be included in the Administrative Draft EIS/EIR to fully fund the project, it is unlikely that it would issue a Record of Decision for the project.

Since the project was placed on hold, the Metropolitan Transportation Commission has since re-directed the Regional Measure 2 funds originally set aside for the Dumbarton Rail project to other projects, including \$20 million for Caltrain Electrification, and \$14.7 million for the replacement of the Dumbarton Express Bus fleet.

The remaining Original Measure A funds, approximately \$49.2 million, which includes interest earned on the balance, remain in the Caltrain category. Staff is currently reviewing what projects the funds may be re-directed to, and will report back at subsequent meetings.

Prepared by: April Chan, Executive Officer, Planning & Development      650-508-6228

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan  
Executive Officer, Planning and Development

SUBJECT: **HIGHWAY PROGRAM 2015 CALL FOR PROJECTS**

**ACTION**

No action is required. This item is being presented to the Board for information only.

**SIGNIFICANCE**

The first New Measure A Highway Call for Projects (CFP) was released three years ago in May 2012 with the Board approved programming and allocation of funds in October 2012. Staff is planning to release the second New Measure A Highway CFP following the May Board meeting with up to \$125 million available to fund projects that best meet the highway selection and evaluation criteria contained in the Measure A Strategic Plan 2014-2019.

A PowerPoint presentation will be made at the May 7, 2015 meeting that provides further information regarding the process and program evaluation criteria.

**BUDGET IMPACT**

There is no impact to the budget.

**BACKGROUND**

In accordance with the voter-approved Transportation Expenditure Plan (TEP), a total of 27.5 percent of the New Measure A sales tax receipts are dedicated to the Highway Program for capital projects that reduce congestion and improve throughput and safety. The Highway program is composed of two components: 1) Key Congested Areas (KCA) with 17.3 percent of the sales tax receipts, and 2) Supplemental Roadways (SR) with 10.2 percent of the sales tax receipts. The TEP contains a list of the candidate KCA highway projects and a partial list of candidate SR projects. Additional candidate SR projects may be submitted to the TA for consideration to account for changing needs during the 25 year life of the program. SR projects can include highway as well as other types of congestion reducing roadway projects in the county.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
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**

Legislation

Staff continues to monitor and take positions on newly amended bills including:

Assembly Bill (AB) 194 (Frazier) - Support

This bill authorizes a regional transportation agency to apply for high-occupancy toll lanes under the California Transportation Commission's guidance. The regional transportation agency (RTA) must give a local transportation agency the option of entering into an agreement for project development, engineering, financial studies and environmental documentation. The Governor's budget trailer bill also includes similar language regarding toll lanes but does not specifically state that the RTA must consult with local transportation agencies when pursuing a toll lane.

AB 516 (Mullin) - Support

This bill requires a temporary license plate to be issued for new and used cars immediately upon the sale of the vehicle. The Bay Area Toll Authority estimates that \$7 million per year in toll revenue is lost due to vehicles with no license plates.

Senate Bill (SB) 16 (Beall) – Support

Senator Jim Beall introduced legislation that would address the State's \$59 billion backlog in deferred road maintenance through a five-year funding plan that would raise more than \$3 billion per year. The bill would:

- Increase the excise tax on gasoline by 10 cents
- Increase the vehicle license fee by .07 percent per year

- Increase the vehicle registration fee by \$35
- Subject zero emission vehicles to an annual \$100 fee
- Redirect \$1 billion in truck weight fees from the general fund to pay for road maintenance

The proposal is more aggressive than alternative legislation introduced by Assembly Speaker Toni Atkins that would raise \$2 billion per year through a new \$52 per car road user fee.

#### Caltrain Commuter Coalition Sacramento Advocacy Day

On April 15, staff joined the Caltrain Commuter Coalition (C3) for the group's first C3 Sacramento Advocacy Day.

Several C3 member companies including Facebook, Google, Intuit, Lucile Packard Stanford Children's Hospital, Lyft, MVGo, and Stanford University met with key transportation policy makers to reinforce their support for upgrading Caltrain to support greater capacity and increasing ridership demand. They emphasized how improvements planned for the system will play a meaningful role in larger efforts to reduce congestion and improve mobility along the Highway 101 corridor.

C3 members detailed how Caltrain has helped propel the Bay Area's economy by supporting some of the fastest growing companies in the region, and how the system has become a vital commute option for thousands of their employees who ride the trains daily.

#### **FEDERAL ISSUES**

##### Reauthorization

Senators Barbara Boxer and Rand Paul announced plans to introduce a bill that would fund long term surface transportation reauthorization through a voluntary 6.5 percent tax rate on offshore earnings.

The current law authorizing federal highway and mass transit programs expires May 31. Senate Republicans are working on a short-term funding patch for the highway bill.

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

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>AB 4</b> <b>Linder R</b></p> <p><b>Truck Weight Fees: bond debt service</b></p>	<p>4/23/15</p> <p>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><b>AB 21</b> <b>Perea D</b></p> <p><b>California Global Warming Solutions Act of 2006: emissions limit: scoping plan.</b></p>	<p>4/23/15</p> <p>Assembly Natural Resources Committee</p> <p>Set for Hearing on 4/27/15</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><b>AB 28</b> <b>Chu D</b></p> <p><b>Bicycle safety: rear lights</b></p>	<p>4/22/15</p> <p>Assembly Transportation Committee</p> <p>Set for Hearing on 4/27/15</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 red reflector, a solid red light, or a flashing red 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. <b>Last amended on 4/22/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>AB 33</b> <b>Quirk D</b></p> <p><b>California Global Warming Solutions Act of 2006: Climate Change Advisory Council</b></p>	<p>4/22/15</p> <p>Assembly Natural Resources Committee</p> <p>Set for Hearing on 4/27/15</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 would establish the Climate Change Advisory Council in state government and would assign the council specified duties, including, among others, developing an analysis of various strategies to achieve the statewide greenhouse gas emissions limit. The bill also would require the state board to establish consistent metrics to accurately quantify reductions in greenhouse gas emissions, quantify public health benefits, and measure the cost-effectiveness of the various strategies identified by the council. <b>Last amended on 4/6/15</b></p>	
<p><b>AB 156</b> <b>Perea D</b></p> <p><b>California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund:</b></p>	<p>4/20/15</p> <p>Assembly Natural Resources Committee</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 the state board to provide technical assistance to disadvantaged communities and other communities with median incomes at or below 80 percent of the statewide median income. The state board would determine which communities require technical assistance and would assist them in proposing specified projects for inclusion in the 3-year investment plan. <b>Last amended 4/16/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>AB 194</b> <b>Frazier D</b></p> <p><b>HOT Lanes</b></p>	<p>4/15/15</p> <p>Assembly Appropriations Committee</p>	<p>Existing law authorizes a regional transportation agency, as defined, in cooperation with the department to apply to the California Transportation Commission (CTC) to develop and operate high-occupancy toll (HOT) lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit, consistent with established standards, requirements, and limitations that apply to specified facilities. Existing law limits the number of approved facilities to not more than 4, 2 in northern California and 2 in southern California, and provides that no applications may be approved on or after January 1, 2012.</p> <p>This bill would delete the requirement that the above-described facilities are consistent with the established standards, requirements, and limitations that apply to specified facilities and would instead require the CTC to establish guidelines for the development and operation of the facilities approved by the commission on or after January 1, 2016, subject to specified minimum requirements. It would provide that these provisions do not authorize the conversion of any existing non-toll or nonuser-fee lanes into tolled or user-fee lanes, except that a high-occupancy vehicle lane may be converted into a high-occupancy toll lane pursuant to its provisions. The bill would authorize a regional transportation agency to issue bonds, refunding bonds, or bond anticipation notes backed by revenues generated from the facilities. Before submitting an application to the commission, the bill would require a regional transportation agency to consult with a local transportation authority whose jurisdiction includes the facility that the regional transportation agency proposes to develop and operate pursuant to the above-described provisions.</p> <p>Additionally, the bill would require the regional transportation agency to give a local transportation authority, as specified, the option of entering into agreements for project development, engineering, financial studies, and environmental documentation for each construction project or segment, and would authorize the local transportation authority to be the lead agency for those construction projects or segments.</p> <p>Finally, this bill would authorize the department to apply to the commission to develop and operate HOT lanes and associated facilities pursuant to similar provisions. <b>Last amended on 4/7/15</b></p>	
<p><b>AB 227</b> <b>Alejo D</b></p> <p><b>Transportation Funding</b></p>	<p>4/16/15</p> <p>Assembly Budget Committee</p>	<p>Existing law provides for loans of revenues from various transportation funds and accounts, including commercial truck weight fees, to the General Fund, with various repayment dates specified.</p> <p>This bill, with respect to any loans made to the General Fund from specified transportation funds and accounts with a repayment date of January 1, 2019, or later, would require the loans to be repaid by December 31, 2018. <b>Last amended on 4/15/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<b>AB 323</b> <b>Olsen D</b>  <b>CEQA Exemption: Roadway improvement</b>	4/23/15  Assembly Floor-Consent Calendar	<p>The California Environmental Quality Act (CEQA) 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.</p> <p>This bill would extend the above exemption until January 1, 2020. <b>Last amended on 4/6/15</b></p>	
<b>AB 378</b> <b>Mullin D</b>  <b>State Highway 101 Corridor</b>	2/18/15  Introduced	<p>Existing law provides that the Department of Transportation has full possession and control of the state highway system.</p> <p>This bill would declare the intent of the Legislature to enact legislation that will enable responsible local, regional, and state agencies to substantially improve mobility in the State Highway 101 corridor. The bill would make findings and declarations in that regard.</p>	<b>Support in Concept</b>
<b>AB 400</b> <b>Alejo D</b>  <b>Changeable Message Signs</b>	4/20/15  Senate Rules Committee	<p>Existing law provides that the Department of Transportation has full possession and control of all state highways. Existing law, the Outdoor Advertising Act, provides for the regulation by the department of advertising displays, as defined, within view of public highways. Existing law also authorizes the department to install and maintain information signs along state highways.</p> <p>This bill would require the department, by June 30, 2016, to update its internal policies to allow displays of safety, transportation-related, and voting-relating messages on changeable message signs, as defined.</p> <p><b>Last amended on 3/26/15</b></p>	
<b>AB 464</b> <b>Mullin D</b>  <b>Local Sales Tax Cap</b>	4/23/15  Assembly Local Government Committee  Set for hearing on 4/29/15	<p>Existing law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes imposed in accordance with that law in the county not exceed 2%.</p> <p>This bill would increase the maximum combined rate to 3%. <b>Last amended on 4/6/15.</b></p>	<b>Support</b>

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>AB 516</b> <b>Mullin D</b></p> <p><b>Temporary License Plates</b></p>	<p>4/23/15</p> <p>Assembly Transportation Committee</p> <p>Set for Hearing on 4/27/15</p>	<p>Existing law requires the Department of Motor Vehicles (DMV), upon registering a vehicle, to issue to the owner 2 license plates, as specified. Existing law also requires vehicle dealers and lessor-retailers to attach numbered report-of-sale forms issued by the DMV to a vehicle at the time of sale, and to submit to the DMV an application for registration of the vehicle, and the applicable fees, within a specified period after the date of sale. A violation of the Vehicle Code an infraction, but makes counterfeiting a license plate a felony.</p> <p>This bill would require the DMV to develop a temporary license plate system to enable vehicle dealers that are private industry partners, and first-line service providers, <i>as defined</i>, to provide temporary license plates, and would require the system to begin operation on or before January 1, 2017. The bill would also require, commencing January 1, 2017, a motor vehicle dealer that is a private-industry partner to affix a temporary license plate, at the time of sale, to a vehicle sold without a permanent license plate. <b>Last amended on 4/20/15</b></p>	<p><b>Support</b></p>
<p><b>AB 869</b> <b>Cooper D</b></p> <p><b>Public Transportation Fare Evasion</b></p>	<p>4/14/15</p> <p>Assembly Appropriations Committee</p>	<p>Existing law authorizes a public transportation agency to adopt and enforce an ordinance to impose and enforce civil administrative penalties for fare evasion or other passenger misconduct, other than by minors, on or in a transit facility or vehicle in lieu of the criminal penalties otherwise applicable, with specified administrative procedures for the imposition and enforcement of the administrative penalties, including an initial review and opportunity for a subsequent administrative hearing.</p> <p>This bill would provide that a person who fails to pay the administrative penalty when due or successfully complete the administrative process to dismiss the notice of fare evasion or passenger misconduct may be subject to those criminal penalties. The bill would require the notice of fare evasion or passenger misconduct to contain a printed statement that the person may be charged with an infraction or misdemeanor if the administrative penalty is not paid when due or dismissed pursuant to these provisions.</p> <p>The bill would also require the processing agency to dismiss the original notice of fare evasion and make no further attempts to collect the administrative penalty if the person is charged with an infraction or misdemeanor after failing to pay the administrative penalty or successfully complete the civil administrative process. The bill would require the processing agency to personally serve the person charged with an infraction or misdemeanor with a new notice of fare evasion that sets forth the criminal violation. <b>Last amended on 4/13/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>AB 1068</b> <b>Allen R</b></p> <p><b>CEQA:</b> <b>Priority Projects</b></p>	<p>4/6/15</p> <p>Assembly Natural Resources Committee</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 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 procedures by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA and the judicial remedies available.</p> <p>This bill would authorize each Member of the Legislature to nominate one project within his or her respective district each year, and the Governor to designate those projects as priority projects if the projects meet specified requirements. The bill would require the Governor to provide a notice of the designation to the appropriate lead agency and to the Office of Planning and Research. The bill would require the lead agency to notify the public and interested stakeholders of the designation, as specified, thereby imposing a state-mandated local program. The bill would require that an environmental impact report be prepared for each priority project, but would authorize tiering from previously prepared reports, as specified. The bill would prohibit the court from staying or enjoining the implementation of a priority project unless the court makes specified findings and would limit any stay or injunction, as provided.</p>	
<p><b>AB 1098</b> <b>Bloom D</b></p> <p><b>Traffic Congestion Management</b></p>	<p>4/14/15</p> <p>Assembly Transportation Committee</p>	<p>This bill would delete the traffic level of service standards as an element of a congestion management program and would delete related requirements, including the requirement that a city or county prepare a deficiency plan when highway or roadway level of service standards are not maintained. It would revise and recast the requirements for other elements of a congestion management program by, among other things, requiring performance measures to include vehicle miles traveled, air emissions, and bicycle, transit, and pedestrian mode share and requiring the designated agency, for roadway capacity expansion projects, to include in the 7-year capital improvement program an analysis of the potential for induced vehicle travel.</p> <p>The bill would require the regional agency to evaluate how the congestion management program contributes to achieving a specified greenhouse gas reduction target for the region established by the State Air Resources Board. <b>Last amended 3/26/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<b>AB 1171</b> <b>Linder R</b>  <b>Construction Manager/General Contractor Method</b>	4/22/15  Assembly Transportation Committee  <b>Set for hearing on 4/27/15</b>	<p>Existing law generally sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by local agencies for public works contracts. Existing law authorizes the Department of Transportation, the Santa Clara County Valley Transportation Authority, and the San Diego Association of Governments to use the Construction Manager/General Contractor project delivery method for transit projects within their respective jurisdictions, subject to certain conditions and requirements.</p> <p>This bill would authorize regional transportation agencies, as defined, to use the Construction Manager/General Contractor project delivery method, as specified, to design and construct certain projects on expressways that are not on the state highway system if the expressways are developed in accordance with an expenditure plan approved by voters as of January 1, 2014. <b>Last amended on 4/21/15</b></p>	
<b>AB 1250</b> <b>Bloom D</b>  <b>Bus Axle Weights</b>	4/20/15  Senate Rules Committee	<p>Existing law, operative January 1, 2016, and subject to exception for certain transit buses, provides that the gross weight on any one axle of a bus shall not exceed 20,500 pounds.</p> <p>Exempts transit buses procured through a solicitation process that was issued before January 1, 2016, from the statutory weight limit of 20,500 pounds on any one axle of a bus. <b>Last amended on 3/19/15</b></p>	
<b>AB 1265</b> <b>Perea D</b>  <b>Public-Private Partnerships</b>	4/14/15  Assembly Appropriations Committee	<p>Deletes the sunset date on provisions that authorize public-private partnership (P3s) agreements for transportation, thereby extending the authority indefinitely.</p>	
<b>AB 1288</b> <b>Atkins D</b>  <b>California Global Warming Solutions Act of 2006: regulations.</b>	4/22/15  Assembly Natural Resources Committee  <b>Set for Hearing on 4/27/15</b>	<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.</p> <p>The act authorizes the state board to include the use of market-based compliance mechanisms and to adopt a regulation that establishes a system of market-based declining annual aggregate emissions limits for sources or categories of sources that emit greenhouse gases, applicable from January 1, 2012, to December 31, 2020, inclusive, as specified.</p> <p>This bill would no longer limit the applicability of a regulation that establishes a system of market-based declining annual aggregate emissions limits for sources or categories of sources that emit greenhouse gases from January 1, 2012, to December 31, 2020.</p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>AB 1364</b> <b>Linder R</b></p> <p><b>California Transportation Commission</b></p>	<p>3/23/15</p> <p>Assembly Transportation Committee</p>	<p>Existing law establishes in the state government the Transportation Agency, which includes various departments and state entities, including the California Transportation Commission. Existing law vests the California Transportation Commission with specified powers, duties, and functions relative to transportation matters. Existing law requires the commission to retain independent authority to perform the duties and functions prescribed to it under any provision of law.</p> <p>This bill would exclude the California Transportation Commission from the Transportation Agency and establish it as an entity in the state government.</p>	
<p><b>AB 1384</b> <b>Baker R</b></p> <p><b>Toll Facilities: MTC</b></p>	<p>3/2/15</p> <p>Introduced</p>	<p>Existing law designates the Metropolitan Transportation Commission as the regional transportation planning agency for the San Francisco Bay Area. Existing law creates the Bay Area Toll Authority, governed by the same board as the commission, with specified powers and duties relative to the administration of toll revenues from state-owned toll bridges within the geographic jurisdiction of the commission. Existing law authorizes the authority to make direct contributions to the commission in furtherance of the exercise of the authority's powers, including contributions in the form of personnel services, office space, overhead, and other funding necessary to carry out the function of the authority, with those contributions not to exceed 1% of the gross annual bridge revenues.</p> <p>This bill would make a technical, non-substantive change to this limitation on contributions.</p>	
<p><b>ACA 4</b> <b>Frazier D</b></p> <p><b>55% Threshold for Local Sales Tax Measures: transportation</b></p>	<p>4/22/15</p> <p>Assembly Transportation Committee</p> <p>Set for Hearing on 4/27/15</p>	<p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities.</p> <p>This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects, as defined, requires the approval of 55% of its voters voting on the proposition. The measure would also make conforming and technical, non-substantive changes. This measure would also provide that it shall become effective immediately upon approval by the voters and shall apply to any local measure imposing, extending, or increasing a special tax for local transportation projects submitted at the same election.</p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 1</b>  <b>Gaines R &amp;</b>  <b>SB 5</b>  <b>Vidak R</b></p> <p><b>California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption</b></p>	<p>4/22/15</p> <p>Senate Environmental Quality Committee</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 – April

Measure	Status	Bill Summary	Position
<p><b>SB 9</b> <b>Beall D</b></p> <p><b>Greenhouse Gas Reduction Fund: Transit and Intercity Rail Capital Program</b></p>	<p>4/23/15</p> <p>Senate Transportation &amp; Housing Committee</p> <p>Set for Hearing on 4/28/15</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 that will modernize California's intercity, commuter, and urban rail systems and bus transit systems to achieve certain policy objectives, including reducing emissions of greenhouse gases, the expansion of transit services to increase ridership, and to improve transit safety. The bill would instead require that the Transportation Agency adopt a multiyear program of projects for funding, and require the California Transportation Commission to allocate funding to applicants pursuant to the program of projects. The bill would require that 90% of available funds be programmed and allocated to projects with a total cost of \$100,000,000 or more, and 10% to projects with a total cost of less than \$100,000,000.</p> <p>The bill would require the Transportation Agency, in selecting projects for funding, to consider the extent to which a project reduces greenhouse gas emissions, would add additional factors to be considered in evaluating applications for funding, and would expand certain factors considered to include bus transit service. The bill would require the Transportation Agency, in cooperation with the California Transportation Commission, to develop, by July 1, 2016, a 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. <b>Last amended on 4/15/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 16</b> <b>Beall D</b></p> <p><b>Transportation Funding</b></p>	<p>4/15/15</p> <p>Senate Transportation &amp; Housing Committee</p> <p>Set for Hearing on 4/28/15</p>	<p>This bill would create a five-year funding plan (FY 15-16 to 19-20) for addressing highway and local streets and roads maintenance by increasing the gas and diesel tax by .10 cent and .12 cents, respectively, increases the annual motor vehicle registration fee by \$35, and imposes a new \$100 annual motor vehicle registration fee for zero-emission vehicles. Of the amount generated, 5% would be allocated to counties that approve a local sales tax measure on or after July 1, 2015, with the remaining funds being split 50/50 between the SHOPP and local streets and roads. The amount directed to LSR, would go out based on the current formula. Of the 12-cent increase on diesel, .2 cents would be used to fund the Trade Corridor Investment Fund. The bill would also redirect the use of truck weight fees back to transportation, over a five-year period, rather than paying down bond debt service and require that outstanding loans made to the General Fund be repaid over a period of three years. The bill would increase the vehicle license fee from .65% to 1% for a five-year period and have those funds be used to pay down transportation bond-debt service. If the package is not reauthorized by the legislature at the end of the five-year period, the gas tax increases and \$35 vehicle registration fee would expire, but the \$100 vehicle registration fee on zero-emission vehicles and truck weight fees would be used for maintenance of the state highway system or SHOPP. The CTC would make allocations for the program. Finally, the bill would require Caltrans to present a plan to the CTC, which would find 30% efficiency within the department over the subsequent 3 years, with the ongoing savings to result in increased capital expenditures for highway maintenance and the SHOPP.</p> <p><b>Last amended on 4/15/15</b></p>	
<p><b>SB 32</b> <b>Pavley D</b></p> <p><b>Greenhouse Gas Emissions Limits</b></p>	<p>4/22/15</p> <p>Senate Environmental Quality Committee</p> <p>Set for Hearing on 4/29/15</p>	<p>This bill would require the state board to approve a statewide greenhouse gas emission <i>emissions</i> limit that is equivalent to 80% below the 1990 level to be achieved by 2050, as specified. The bill would authorize the state board to adopt interim greenhouse gas emissions level targets to be achieved by 2030 and 2040. The bill also would state the intent of the Legislature for the Legislature and appropriate agencies to adopt complementary policies that ensure <i>the</i> long-term emissions reductions advance specified criteria. <b>Last amended on 3/16/15</b></p>	
<p><b>SB 39</b> <b>Pavley D</b></p> <p><b>Vehicles: High-occupancy vehicle lanes</b></p>	<p>4/22/15</p> <p>Senate Appropriations 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). In addition, 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 85,000.</p> <p><b>Last amended on 4/8/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 122</b> <b>Jackson D</b></p> <p><b>CEQA:</b> <b>Record of</b> <b>Proceedings</b></p>	<p>4/20/15</p> <p>Senate Appropriations Committee</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>This bill would require a lead agency to submit to the State Clearinghouse <i>those</i> environmental documents in <i>either a hard-copy or electronic form</i> as prescribed by the office. The bill would instead require the office to establish and maintain a database for the collection, storage, retrieval, and dissemination of environmental documents and notices prepared pursuant to CEQA and to make the database available online to the public. The bill would eliminate the requirement to provide copies of documents to the California State Library. The bill would require the office to submit to the Legislature a report, by July 1, 2016, describing the implementation of this requirement and a status report, by July 1, 2018. <b>Last amended on 4/20/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 321</b> <b>Beall D</b></p> <p><b>Motor Vehicle Fuel Rate Adjustments</b></p>	<p>4/22/15</p> <p>Senate Appropriations Committee</p>	<p>Existing law requires the State Board of Equalization, for the 2011–12 fiscal year and each fiscal year thereafter, on or before March 1 of the fiscal year immediately preceding the applicable fiscal year, to adjust the motor vehicle fuel tax rate in a manner as to generate an amount of revenue equal to the amount of revenue loss attributable to the sales and use tax exemption on motor vehicle fuel, based on estimates made by the board. Existing law also requires, in order to maintain revenue neutrality, the board to take into account actual net revenue gain or loss for the fiscal year ending prior to the rate adjustment date. Existing law requires this determined rate to be effective during the state's next fiscal year.</p> <p>This bill would, for the 2015–16 fiscal year and each fiscal year thereafter, instead require the board, on or before July 1, 2015, or March 1 of the fiscal year immediately preceding the applicable fiscal year, as specified, to adjust the rate in a manner as to generate an amount of revenue equal to the amount of revenue loss attributable to the exemption, based on estimates made by the board that reflect the combined average of the actual fuel price over the previous 4 fiscal years and the estimated fuel price for the current fiscal year, and continuing to take into account adjustments required by existing law to maintain revenue neutrality. This bill would authorize, for rate adjustments made after January 1, 2015, in order to reduce the potential volatility of the revenues generated by the motor vehicle fuel tax, the board to make partial adjustments over up to 3 consecutive years to take into account the net revenue gain or loss of any fiscal year.</p> <p>This bill would also authorize, if, due to clear changes in either fuel prices or consumption in the state, the board makes a determination that the amount of revenue being generated by the motor vehicle fuel tax will be significantly different than the estimates made by the board, the board to adjust the rate more frequently than annually, but no more frequently than every six months in order to reduce the potential volatility of the revenues.</p> <p><b>Last amended on 3/26/15</b></p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 348</b> <b>Galgiani D</b></p> <p><b>CEQA Exemptions For Grade Crossings</b></p>	<p>4/21/15</p> <p>Senate Appropriations Committee</p> <p>Set for hearing on 4/27/15</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 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 exempts from its requirements railroad grade separation projects that eliminate existing grade crossings or that reconstruct existing grade separations. CEQA authorizes a lead agency, if it determines that a project is exempt from the requirements of CEQA, to file a notice of exemption with specific public entities.</p> <p>This bill would require a lead agency, if it determines that the above exemption applies to a project that the agency approves or determines to carry out, to file a notice of exemption with the Office of Planning and Research and, in the case of a local agency, with the county clerk in each affected county.</p> <p>Existing law grants to the Public Utilities Commission (PUC) the authority to regulate railroad crossings, as prescribed. Existing law, until January 1, 2016, exempts from CEQA the closure of a railroad grade crossing by order of the PUC under that authority if the PUC finds the crossing to present a threat to public safety. Existing law requires a state or local agency that determines that this exemption applies to a project that the agency approves or determines to carry out to file a specified notice with the Office of Planning and Research and, in the case of a local agency, with the county clerk in each affected county.</p> <p>This bill would extend to January 1, 2019 the repeal date for those provisions. <b>Last amended on 4/6/15</b></p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 391</b> <b>Huff R</b></p> <p><b>Assault and Battery: transit employees</b></p>	<p>4/22/15</p> <p>Senate Public Safety Committee</p> <p>Set for Hearing on 4/28/15</p>	<p>Existing law defines an assault as an unlawful attempt, coupled with present ability, to commit a violent injury on the person of another. Under existing law, an assault committed against specified individuals, such as a peace officer or a lifeguard, is punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment.</p> <p>Existing law defines a battery as any willful and unlawful use of force or violence upon the person of another. Under existing law a battery committed against specified individuals, such as a peace officer or a lifeguard, is punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment. Under existing law, if an injury is inflicted the battery is punishable by imprisonment in a county jail not exceeding one year, by a fine of \$2,000, or by both that fine and imprisonment, or by imprisonment in a county jail for 16 months, or 2 or 3 years.</p> <p>This bill would also make an assault committed against a transit employee punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment. By expanding the scope of a crime, this bill would impose a state-mandated local program.</p> <p>This bill would also make a battery committed against a transit employee punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment. The bill would, if the battery results in an injury, make the battery punishable by imprisonment in a county jail not exceeding one year, by a fine of \$2,000, or by both that fine and imprisonment, or by imprisonment in a county jail for 16 months, or 2 or 3 years. By expanding the scope of a crime, this bill would impose a state-mandated local program.</p> <p><b>Last amended on 4/21/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 413</b> <b>Wieckowski D</b></p> <p><b>Public Transit: prohibited conduct</b></p>	<p>4/22/15</p> <p>Senate Transportation and Housing Committee</p> <p>Set for Hearing on 4/28/15</p>	<p>Existing law makes it a crime, punishable as an infraction, for a person to commit certain acts on or in a facility or vehicle of a public transportation system, including disturbing another person by loud or unreasonable noise or selling or peddling any goods, merchandise, property, or services of any kind whatsoever on the facilities, vehicles, or property of the public transportation system, in specified circumstances.</p> <p>Existing law also authorizes a public transportation agency to adopt an ordinance to impose and enforce civil administrative penalties for certain passenger misconduct, other than by minors, on or in a transit facility or vehicle in lieu of the criminal penalties otherwise applicable, with specified administrative procedures for the imposition and enforcement of the administrative penalties, including an initial review and opportunity for a subsequent administrative hearing. Existing law requires the ordinance to include the statutory provisions governing the administrative penalties.</p> <p>This bill would revise the unreasonable noise provision so that it would apply to a person failing to comply with the warning of a transit official related to disturbing another person by loud and unreasonable noise, and also to a person playing sound equipment on or in a public transportation system facility or vehicle. The bill would also make it an infraction for a person on or in a facility or vehicle of a public transportation system to fail to yield seating reserved for an elderly or disabled person. The bill would make a 3rd or subsequent violation of the prohibition against selling or peddling goods, merchandise, property, or services, as specified, punishable as a misdemeanor.</p> <p>This bill would authorize these administrative penalties to also apply to a person failing to comply with the warning of a transit official related to disturbing another person by loud and unreasonable noise, and to a person failing to yield seating reserved for an elderly or disabled person. The bill would authorize the administrative penalties to be applied to minors and would delete the requirement for the ordinance to include the statutory provisions.</p> <p><b>Last amended on 4/16/15</b></p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 508</b> <b>Beall D</b></p> <p><b>Transit Operations: financial requirements</b></p>	<p>4/20/15</p> <p>Senate Transportation &amp; Housing Committee</p> <p>Set for Hearing on 5/5/15</p>	<p>Existing law provides various sources of funding to public transit operators. Under the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, revenues from a 1/4% sales tax in each county are available, among other things, for allocation by the transportation planning agency to transit operators, subject to certain financial requirements for an operator to meet in order to be eligible to receive funds. Existing law sets forth alternative ways an operator may qualify for funding, including a standard under which the allocated funds do not exceed 50% of the operator's total operating costs, as specified, or the maintenance by the operator of a specified farebox ratio of fare revenues to operating costs. Existing law generally establishes the required farebox ratio as 20% in urbanized areas and 10% in non-urbanized areas, except that an operator that exceeded those percentages in the 1978-79 fiscal year is required to maintain the higher farebox ratios in order to remain eligible for funding. Existing law provides various exceptions to the definition of "operating cost" for these purposes.</p> <p>Existing law also creates the State Transit Assistance program, under which certain revenues in the Public Transportation Account are allocated by formula for public transportation purposes. Under that program, funds may not be allocated to a transit operator for operating purposes unless the operator meets certain efficiency standards. Compliance with the efficiency standards is based on whether the operator's total operating cost per revenue vehicle hour is increasing by no more than the Consumer Price Index, as specified. Existing law imposes no restrictions on allocations of funds for capital purposes. Existing law provides for funds withheld from an operator to be retained by the allocating transportation planning agency for allocation in a later year if the operator can subsequently meet the efficiency standards, and in certain cases, provides for the funds to be reallocated to other transit purposes, or to revert to the Controller.</p> <p>This bill would delete the requirement for transit operators to maintain higher farebox requirements based on the 1978-79 fiscal year. The bill would exempt additional categories of expenditures from the definition of "operating cost" used to determine compliance with required farebox ratios, including, among others, certain health coverage, pension, fuel, insurance, and claims settlement costs. The bill would also exempt startup costs for new transit services for up to 2 years. The bill would revise the definition of "operating cost" for performance audit and certain other purposes to exclude principal and interest payments on capital projects funded with certificates of participation or other lease financing mechanisms.</p> <p>This bill, rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified. The bill would exclude certain health coverage and pension costs from the definition of operating costs used to calculate compliance with the efficiency standards. The bill would delete provisions related to funds withheld, reallocated, or reverted by the transportation planning agency.</p>	

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SB 516</b> <b>Fuller R</b></p> <p><b>Motorist Aid Program</b></p>	<p>4/22/15</p> <p>Senate Transportation &amp; Housing Committee</p> <p>Set for Hearing on 4/28/15</p>	<p>Existing law authorizes the establishment of a service authority for freeway emergencies in any county if the board of supervisors of the county and the city councils of a majority of the cities within the county adopt resolutions providing for the establishment of the service authority. Existing law authorizes a service authority to impose a fee of \$1 per year on vehicles registered in the counties served by the service authority. Existing law requires moneys received by a service authority to be used for the implementation, maintenance, and operation of a motorist aid system of call boxes and authorizes moneys received by a service authority in excess of what is needed for that system to be used for additional motorist aid services, including, among other things, changeable message signs and lighting for call boxes. Existing law requires the Department of Transportation and the Department of the California Highway Patrol to review and approve plans, and amendments to plans, for implementation of a motorist system of call boxes.</p> <p>This bill would instead require that those moneys be used for service expenses associated with the implementation, maintenance, and operations of a motorist aid system, including the installation of call boxes. The bill would additionally authorize the use of those moneys for traveler information systems and other transportation demand management services, litter and debris removal, and Intelligent Transportation System architecture and infrastructure. The bill would require the Department of Transportation and the Department of the California Highway Patrol to review and approve plans, and amendments to plans, for installation of a motorist aid system of call boxes and any call box removal plan. <b>Last amended on 4/21/15</b></p>	
<p><b>SB 698</b> <b>Cannella R</b></p> <p><b>Active Transportation Program; school safety zone funding</b></p>	<p>4/16/15</p> <p>Senate Environmental Quality Committee</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 act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Existing law continuously appropriates 60% of the annual proceeds of the fund for transit, affordable housing, sustainable communities, and high-speed rail purposes.</p> <p>Existing law creates the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, with available funds to be allocated to eligible projects by the California Transportation Commission, as specified.</p> <p>This bill would continuously appropriate an unspecified amount from the Greenhouse Gas Reduction Fund to the State Highway Account in the State Transportation Fund for purposes of funding school zone safety projects within the Active Transportation Program.</p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – April

Measure	Status	Bill Summary	Position
<p><b>SCA 7</b> <b>Huff R</b></p> <p><b>Motor Vehicle Fees &amp; Taxes</b></p>	<p>4/21/15</p> <p>Senate Transportation &amp; Housing Committee</p> <p>Set for Hearing on 5/5/15</p>	<p>Prohibits the use of truck weight fees from being used to pay down bond debt service. It also requires require that revenues derived from that portion of the vehicle license fee rate that exceeds 0.65% of the market value of a vehicle to be used for street and highway purposes.</p>	