



# AGENDA

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

### August 4, 2016 – Thursday

5:00 p.m.

1. Pledge of Allegiance
2. Call to Order/Roll Call
3. Report of the Citizens Advisory Committee
4. Consent Calendar  
Members of the public or Board may request that an item under the Consent Calendar be considered separately  
  - a. Approval of Minutes of June 2, 2016
  - b. Acceptance of Statement of Revenues and Expenditures for May 2016
  - c. Information on Statement of Revenues and Expenditures for June 2016
  - d. Authorize Approval and Ratification of the Fiscal Year 2017 Insurance Program with Wells Fargo Insurance Services at a Total Premium Cost of \$237,118
5. Public Comment  
Public comment by each individual speaker shall be limited to one minute
6. Chairperson's Report  
  - a. Resolution of Appreciation to Chuck Harvey, Deputy CEO
7. San Mateo County Transit District Liaison Report – K. Matsumoto
8. Joint Powers Board Report – J. Hartnett
9. Report of the Executive Director – J. Hartnett
10. Program Report: Alternative Congestion Relief
11. Finance  
  - a. Authorize Allocation of \$445,000 in New Measure A Alternative Congestion Relief Funds to the Peninsula Traffic Congestion Relief Alliance to Support the Countywide Congestion Relief Program for Fiscal Year 2017

RESOLUTION

RESOLUTION

INFORMATIONAL

INFORMATIONAL

INFORMATIONAL

INFORMATIONAL

RESOLUTION

- b. Authorize Programming and Allocation to Advance \$5.9 Million of Measure A Funding for the Route 92/El Camino Real Interchange Project and a Reimbursement Agreement with the California State Department of Transportation RESOLUTION
  - c. Authorize Programming and Allocation of \$10.4 Million of Measure A Funding for the Highway 101/Willow Road Interchange Project and a Reimbursement Agreement with the California State Department of Transportation RESOLUTION
  - d. Authorize Allocation of \$14,960,000 in New Measure A Funds to the San Mateo County Transit District for Application Towards the Caltrain Program Category and the Paratransit Program Category RESOLUTION
  - e. Authorize Amendment of the Investment Policy and Reauthorization to Invest Monies with the Local Agency Investment Fund RESOLUTIONS
  - f. Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended June 30, 2016 MOTION
12. Program
- a. Program Report: Grade Separation Program INFORMATIONAL
  - b. Update on State and Federal Legislative Program INFORMATIONAL
13. Requests from the Authority
14. Written Communications to the Authority
15. Date/Time of Next Meeting: Thursday, September 1, 2016, 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
16. Report of Legal Counsel
- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): 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. Case No. CIV 523973
17. 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). Communications to the Board of Directors can be e-mailed to [board@smcta.com](mailto:board@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 JUNE 2, 2016**

**MEMBERS PRESENT:** M. Freschet, C. Groom (Chair), D. Horsley, C. Johnson, M.A. Nihart, K. Matsumoto

**MEMBERS ABSENT:** K. Ibarra

**STAFF PRESENT:** J. Averill, M. Bouchard, J. Cassman, A. Chan, G. Harrington, J. Hartnett, J. Hurley, E. Kay, M. Martinez, N. McKenna, S. Murphy, M. Simon, S. van Hoften

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

**PUBLIC HEARING – FISCAL YEAR (FY) 2017 BUDGET**

**Authorize Adoption of the Fiscal Year 2017 Budget in the Amount of \$102,534,460**

Martha Martinez, Executive Officer, District Secretary/Executive Administration, reported Section 131265(a) of the California Public Utilities Code requires all county transportation authorities to adopt an annual budget. Section 131266 of the code requires a public hearing be held concerning the annual budget after notifying the public of the time and place of the public hearing.

Notice of public hearing appeared in the San Mateo Daily Journal on May 18 and was posted in the lobby of the San Mateo County Transit District building in San Carlos. No comments have been received.

Eli Kay, Chief Financial Officer, said no changes have been made since the preliminary budget was presented at the May Board meeting. Total revenues are projected to be \$87.2 million, a \$2.9 million increase from last year due to an increase in anticipated sales tax revenue of \$83 million. The total proposed expenditures are \$102.5 million, an increase of \$29 million from last year due to adjustments made to accounting records.

Director Don Horsley asked why the Caltrain budget in the other budget sheets in the agenda packet is different than the total Caltrain budget in the information for this item. Mr. Kay said the other items concern the FY2016 budget and this item is for the FY2017 budget.

There was no public comment.

Joan Cassman, Legal Counsel, said the Board completed the public hearing as required by law. The statute requires a noticed public hearing regarding the adoption of the budget. The Board may now close the hearing and take action.

Close the public hearing.

Motion/Second: Horsley/Matsumoto

Ayes: Freschet, Horsley, Johnson, Matsumoto, Groom

Absent: Ibarra, Nihart

Adopt the FY2017 Budget.  
Motion/Second: Horsley/Johnson  
Ayes: Freschet, Horsley, Johnson, Matsumoto, Groom  
Absent: Ibarra, Nihart

### **CITIZENS ADVISORY COMMITTEE (CAC) REPORT**

The May 31 report is in the reading file (attached).

### **APPROVAL OF CONSENT CALENDAR**

- a) Approval of Minutes of May 5, 2016
- b) Acceptance of Statement of Revenues and Expenditures for April 2016
- c) Authorize Adoption of the Appropriations Limit for FY2017 in the Amount of \$656,398,964
- d) Authorize Allocation of \$42,536 in Measure A Pedestrian and Bicycle Program Funds for the South San Francisco Sunshine Gardens Safety and Connectivity Improvements Project
- e) Authorize Amendment to Existing Funding Agreement for the Half Moon Bay Main Street Bridge Bike and Pedestrian Improvements Project

Motion/Second: Johnson/Horsley  
Ayes: Freschet, Horsley, Johnson, Matsumoto, Groom  
Absent: Ibarra, Nihart

### **PUBLIC COMMENT**

None

### **NOMINATING COMMITTEE REPORT FOR THE CAC – C. JOHNSON, K. MATSUMOTO**

#### **Appointment of Six Citizens Advisory Committee Members**

Director Cameron Johnson said Director Karyl Matsumoto and he interviewed candidates on May 27. The CAC is an important commission and is a liaison between the public, staff, and the Board. Several candidates who were well meaning did not have an understanding about what the TA or CAC was. Based on the applicants, not every seat could be filled. The nominating committee asked staff to re-recruit, keep the current membership as-is for 90 days, and then do another round of interviews. He encouraged members of the public who are interested in the CAC to apply and spread the word.

### **CHAIRPERSON'S REPORT**

None

### **SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT) LIAISON REPORT – K. MATSUMOTO**

The June 1 report is in the reading file.

### **PENINSULA CORRIDOR JOINT POWERS BOARD (JPB) REPORT – J. HARTNETT**

The June 2 report is in the reading file.

## REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, said:

- \$754 million of Statewide Transportation Improvement Program (STIP) funding was deprogrammed despite several appeals to not defund important projects that are ready to go to construction. The Highway 101/Willow Road interchange Project in Menlo Park and the Route 92/El Camino Real Project in San Mateo are affected. Staff is looking at alternatives to bridge the funding gap in some creative way.
- The Metropolitan Transportation Commission (MTC) has approved a program amendment to allow South San Francisco ferry service until 2019 to reach the 40 percent farebox recovery requirement. The service had demonstrated strong ridership growth and there were many letters of support, including one from the TA.
- The comment period associated with the environmental document for the Highway 101/Woodside Road Interchange Project closed on May 26. Twenty-one generally positive and supportive comments were received and included traffic concerns, alternative preference, pedestrian and bicycle access, construction duration, right-of-way acquisition, and sea level rise. Environmental clearance is targeted for this October.

## PROGRAM REPORT: TRANSIT – CALTRAIN MODERNIZATION (CALMOD) PROGRAM

Michelle Bouchard, Chief Operating Officer, Rail, presented:

- Advanced signal system
  - Communications-Based Overlay Signal System/Positive Train Control (PTC)
  - Fiber optic network
  - Project requirements
    - Includes Federal mandate (PTC)
    - Improves Caltrain performance
  - Project partners
    - Federal Railroad Administration
    - Union Pacific
    - California High-Speed Rail Authority
    - JPB
  - Needed for Blended System
- Peninsula Corridor Electrification Project (PCEP)
  - Fifty-one miles from San Francisco to San Jose Tamien Station
  - Overhead contact system and traction power facilities and Electric Multiple Units (EMUs) to replace 75 percent of the fleet
  - Up to 79 miles per hour, increased service, continue tenant service
  - Key regional benefits
    - Decreases in greenhouse gases, daily traffic congestion, engine noise
    - Improvements in clean air quality and increases in daily ridership, improved frequency and quicker trips
  - Electrification infrastructure contract
    - 2014: pre-qualification process
    - 2015: request for proposals (RFP) issued, three shortlisted firms, best and final offer issued

- 2016: apparent best value proposal
- EMU contract
  - 2014: request for information
  - 2015: compatible boarding heights discussion, RFP issued
  - 2016: proposal received
- Contract next steps
  - For both infrastructure and electric vehicles
  - Continue negotiations on price
  - Discuss and finalize policy decisions
  - Contract award
    - Limited notice to proceed for six months
    - Full notice to proceed in 2017

April Chan, Chief Officer, Planning, Grants, and the TA, said since the TA originally entered into the nine-party memorandum of understanding (MOU) as one of the funding partners for this project, the cost has increased. It was originally a \$1.225 billion project. Since that time the cost estimate, which was originally based on 2008 dollars, has been updated and additional contingency was included as a result of a Federal Transit Administration (FTA) Core Capacity grant staff is pursuing. The project cost is now \$1.98 billion.

- Costs
  - Electrification: \$704 million
  - EMUs: \$618 million
  - Separate contracts and support costs: \$373 million
  - Contingency costs: \$316 million

Director Mary Ann Nihart arrived at 5:27 p.m.

- Funding
  - Federal: \$978 million
  - State: \$751 million
  - Regional: 59 million
  - Local: \$202 million
- Funding update
  - Regional seven-party supplemental MOU (May/June)
  - State/CHSRA agreement (June/July)
  - Cap and Trade grant award (August)
  - FTA Core Capacity award (end of 2016)

Director Nihart asked if the Cap and Trade funding has been approved. Ms. Chan said grant awards will not be announced until August.

Ms. Bouchard presented:

- EMUs
  - Public feedback
    - Sources: rider surveys, public meetings, social media
    - Priority: more seats and more standing space
    - Support for bathroom dips when capacity tradeoffs are explained

- Majority desire at least one bathroom onboard
- Considerations
  - Onboard restrooms
  - Additional doors
  - Onboard bike space (Board commitment for more station parking)
- Additional doors are to not preclude the possibility of shared platform usage with high-speed rail service: initially the upper doors will be sealed with seats in front until both levels of doors will be needed

Director Matsumoto said she is a member of the CalMod Local Policy Makers Group and supported one bathroom per train, but it comes at a price. She asked how many seats it takes away. Ms. Bouchard said the cost for one bathroom per train is \$2.8 million, but the tradeoff is that one Americans with Disabilities Act bathroom takes up 12 seats or 24 standee spaces.

Director Maureen Freschet asked how many seats each car has. Ms. Bouchard said the configuration of the new cars is still being worked on so she does not have an exact number. The current diesel fleet has 130 seats per car, but EMUs will probably have slightly fewer than that. Capacity includes standees and seats.

## **FINANCE**

### **Authorize Approval of a Seven-Party Regional Funding Supplement to the 2012 Nine-Party MOU with the JPB and Approval of a Budget Amendment and Allocation to Provide an Additional \$20 Million in Original Measure A Funds for the PCEP**

Ms. Chan said staff is asking the Board to authorize entering into the MOU, which is a supplement to the 2012 MOU the TA entered into, to provide another \$20 million in Measure A funding for the project and to make the appropriate budget amendment.

Director Johnson asked if it has been anticipated that additional funding would be required. He asked where the \$20 million would have been otherwise spent, and what projects are not being done because of this allocation. Ms. Chan said the Caltrain category has been used to provide the annual local match for the Caltrain Capital Budget, station improvements, or system wide Caltrain improvements. Projects that could potentially take this program are access improvements. As JPB staff goes through the budget process they will come to the TA to request funding. Nothing is being pushed off by doing this.

Director Nihart said she wants to have assurance that staff has sense about the Cap and Trade funding and if it feels like it is moving in the right direction. Ms. Chan said staff is expecting \$20 million from Cap and Trade. The total amount requested from the Cap and Trade Program is \$225 million with MTC's support and regional acknowledgement. Staff won't really know if it will come through until August. Staff has been working closely with the California State Department of Transportation (Caltrans), which has shown extensive support. Staff has received positive feedback.

Chair Groom said the recent Cap and Trade auction did not go well. Ms. Chan said the funding from the last Call for Projects (CFP) is from proceeds already in the bank.

Mr. Hartnett said it is unclear what the marketplace will do next time, but there are some dynamics that were different this time than prior occasions. If the level stays the same as this auction it is not good for the whole State.

Director Nihart said there is not an extensive history to know what types of projects it funds, so it is a mystery what Cap and Trade will fund.

#### Public Comment

Rich Hedges, CAC member, said there are two types of Cap and Trade. One is on an auction and one is on gasoline. He can't find where the gasoline money is going. He thinks it is 10 cents per gallon. It would be good to look at where that money is going, whether the TA can use it, and how much it is generating.

Chair Groom asked for report on Cap and Trade in future.

Motion/Second: Horsley/Nihart

Ayes: Freschet, Horsley, Johnson, Matsumoto, Nihart, Groom

Absent: Ibarra

#### **Authorize Minor Amendment to the 2004 Measure A Transportation Expenditure Plan (TEP) to Include the TA as an Eligible Sponsor for Highway Program Supplemental Roadway Projects**

Ms. Chan said when the 2004 TEP was developed and approved by the voters, the TA was not listed as project sponsor. At that time Caltrans, the county and cities took a more active role in the development and sponsorship of roadway and highway projects. Since that time, Caltrans has taken a less active role and has allowed the local sponsors to take the lead on projects. This will allow the TA to take the role of advocating for projects, take the lead in planning and potentially constructing projects, and securing funding. Staff is specifically looking for the TA to be added as the sponsor to the 101 Corridor Managed Lanes Project.

Director Johnson asked if staff anticipates this will lead to additional staff resources to sponsor and manage projects. Ms. Chan said it could, but then staff would just make sure to budget sufficient resources in the project allocation. Staff would not be looking to do this often, just for projects that span multiple jurisdictions where it does not make sense for a particular city to take it on. The City/County Association of Governments (C/CAG) has asked for the TA's partnership in this type of situation.

Director Johnson said the TA takes an agnostic view of projects and does not have an overall point of view on which projects are the best. This puts the TA into a place where the public can lobby the TA. He suggested this could change the role of the TA. There is a potential conflict of interest. The Board will be asked to vote on projects that are initiated by the Board itself. Ms. Chan said to the extent there are county level and regional congestion issues where C/CAG and the TA can work together as sponsors, it would be appropriate for the TA to take a more proactive role at advancing projects. Staff would ensure there is no conflict of interest. The evaluation panel always has staff members from the TA and external parties such as congestion management agencies and Santa Clara Valley Transportation Authority to help score projects. If the TA is the

projects sponsor, TA staff would recuse themselves from evaluating that project so there would not be a conflict of interest.

Ms. Nihart said the complexity of the high-occupancy toll (HOT) lanes and issues related to multijurisdictional factors on Highway 101 need the county as a whole and the expertise that resides in the TA. The partnership between C/CAG and the TA is exactly why this issue came forward.

Director Johnson said there may be unintended consequences. He asked how impaired the HOT/high-occupancy vehicle (HOV) project would be if this was not approved today. Ms. Cassman said the next item on the agenda is a proposal that the TA enter into a funding agreement as a public/private partnership. She said she does not see how the TA could enter into a funding agreement if it did not have sponsorship position or role for this issue. She recognizes the conflict issue and in putting this proposal together, staff had a discussion about how procedures going forward will have to change. With Caltrans' lack of funding more and more over the years, they have been silent as a partner for transportation development relative to highways. The TA has been stepping up more and more. Up until now C/CAG has been looking to the TA to assume a sponsorship role. Staff felt it was time to recognize that role officially and make it possible to take on that role by making this amendment.

Director Matsumoto said she has faith and confidence because the projects that come to C/CAG, which consists of representatives of 20 cities and the county, are vetted by the technical advisory committee, which is made up of every planning or public works representative countywide.

Director Johnson said this amendment does not say the TA could only be a sponsor when it is a co-sponsor with C/CAG, it says the TA could be a sponsor on any project in the future. Ms. Chan said only for the Supplemental Highway Category.

Director Nihart said this project was very openly discussed by all 20 cities and the county. She feels strongly that this has a lot of input already. That is just for this project. This amendment is broader than that, and she understands the caution.

Director Horsley said the TA is a neutral third party. He said the Calera Parkway Project in Pacifica is an extremely controversial project. He tells people that the TA is not in a position to make a decision on that. This amendment does not do that for the TA. He would like to amend this action to limit it to a project that partners with specific agencies like C/CAG. He cannot support it as listed.

Director Johnson said there was not a clear answer on the impact to the HOT and HOV lanes project if this is opposed today. He asked if it would hurt the timeline or the ability to finish this project if the item is not approved. Ms. Cassman said the Board can qualify this amendment in any way the Board wants right now and could come back to tweak it in the future.

Director Horsley asked if the amendment could be limited to this particular project. Ms. Cassman said yes. The Board might consider approving this amendment and then

issuing a policy to make very specific how this sponsorship would play out in the future. It could be part of the amendment and it could be a policy understanding how and when the TA would serve as sponsor.

Director Freschet asked if there have been missed opportunities where if the TA had stepped in it would have been beneficial to the county. Ms. Chan said this has to do with projects that span multiple jurisdictions where one city did not want to step up and be the project sponsor. The TA can't be in a project leadership or sponsorship role.

Director Freschet asked if projects would be coming from staff if this was approved. Ms. Chan said TA staff would submit a proposal for funding and the project would be considered as part of the CFP process. TA staff would not be evaluating that project, the rest of the panel would.

Director Nihart said C/CAG needs the assistance from TA on this project. Cities are not always able to sponsor projects. The TA became the right agency to bring this forward due to the complexity of the project.

Director Horsley said letting cities kick projects to the TA is why this is problematic. He recommends sending this item back if there should be a policy statement as part of it. He said he would like to see the policy first.

Ms. Cassman said she could add to the resolution that the TA's role as sponsor for any particular project must first come before the Board for approval. The idea is that it would only apply to this project and that for any future project the TA's ability to serve as sponsor would not be applicable unless there was prior approval. Director Horsley said he does not like the second half of that statement. He said it should just be specifically for this project.

Ms. Cassman said the amendment could be just for this specific project.

Chair Groom said she would like to vote on something where the Board actually sees the language as opposed to voting tonight and having the language come at a later meeting.

Director Johnson said the second clause is moot because State law says the TA can add itself to sponsor projects. Ms. Cassman said State law allows TAs to serve as sponsors. Ten years ago that was not the case. These issues of conflict have been considered on a broader basis. She said the amendment can be to add the TA as a sponsor only for this project.

Mr. Hartnett said this would still allow the TA the opportunity to have a broader policy discussion separate from this project at a later time. If the Board is comfortable with this particular project, the action tonight can be confined to this project. In the future the Board could have a broader policy discussion for other future projects. Tonight's action could be confined to the project that is causing this issue.

Ms. Cassman said she could add to the resolution that this sponsorship will only apply to the Managed Lanes Project.

Chair Groom asked if this has to be approved at tonight's meeting. Ms. Chan said this has to do with a funding agreement the TA has to enter into with the San Mateo County Economic Development Association (SAMCEDA) to receive additional funding for the Managed Lanes Project. The cost of this phase of the project is \$11.5 million. The Board previously approved \$8.5 million, and the additional funding needs to be brought in to close the gap. Work is beginning on the project and staff would like to get an approval tonight. The Board is not meeting again until August, and staff would like to begin work on the project.

Ms. Cassman said the Board is hereby amending the 2004 Measure A TEP to add the TA as an eligible sponsor under supplemental roadway projects within the Highway Program with the understanding that the TA's role as a sponsor will only apply to the Highway 101 Managed Lane Project.

Motion/Second: Horsley/Johnson

Ayes: Freschet, Horsley, Johnson, Matsumoto, Nihart, Groom

Absent: Ibarra

**Authorize Funding Agreements with the SAMCEDA to Supplement Funding for the Project Approval/Environmental Document Phase of the 101 Corridor Managed Lanes Project, Adding the TA as a Co-Sponsor to the Project, and Increasing the FY2016 Budget by \$3 Million**

Ms. Chan said the additional funding is from a number of private employers and SAMCEDA will serve as the fiscal agent to receive the funds and reimburse the TA for the delivery of this project.

Motion/Second: Horsley/Johnson

Ayes: Freschet, Horsley, Johnson, Matsumoto, Nihart, Groom

Absent: Ibarra

**PROGRAM**

**Capital Projects Quarterly Status Report – 3<sup>rd</sup> Quarter Fiscal Year 2016**

Joe Hurley, Director, TA Program, said there was a three-month delay to the Route 92/El Camino Real Project. The issue has been addressed. Funding challenges are not reflected in the report, but staff anticipates those funding issues will have a schedule impact on this project as well as the Highway 101/Willow Road Interchange Project.

**Update on State and Federal Legislative Program**

Shweta Bhatnagar, Manager, Government Affairs, said the Federal update is in the reading file.

Gus Khouri, Khouri Consulting, said State tax receipts were down in April. Several factors contributed to a projected shortfall. The economy typically grows for five years before a slowdown. California has had a seven-year window of growth. Unemployment is at

5 percent. The higher minimum wage will result in a \$39 million increase but will cost \$3.4 billion in receipts to the State.

Mr. Khouri said the California Transportation Commission made about \$750 million in cuts to the STIP. This is a result of California's dependence on volatile sources of funding, such as the gas tax. Proposed alternatives rely on a vehicle registration fee, Cap and Trade revenue, and a new sales tax. There are discussions about assessing a mileage-based usage fee.

Mr. Khouri said Cap and Trade has various flaws. There is fear over the litigation because it was passed with a majority vote instead of a two-thirds vote, it only lasts until 2020, and 60 percent of the money is continuously appropriated. There is intent to exhaust the remaining portion of the resources for transportation. Too many agencies are getting funding from the Transit Capital and Intercity Rail Program, which means they each get a small amount of money and cannot do any projects of significance. The California High-Speed Rail Authority was anticipating \$150 million from the Cap and Trade auction last week, but received only \$10 million.

**REQUESTS FROM THE AUTHORITY**

None

**WRITTEN COMMUNICATIONS TO THE AUTHORITY**

No discussion.

**REPORT OF LEGAL COUNSEL**

No report.

**DATE AND PLACE OF NEXT REGULAR MEETING**

August 4, 2016 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 6:32 p.m.

**From:** [Barbara Arietta](#)  
**To:** [Averill, Joshua](#)  
**Subject:** \*\*\*\*\*CAC CHAIR'S REPORT - 5/31/2016\*\*\*\*\*  
**Date:** Saturday, June 11, 2016 3:18:58 PM

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**Good evening Madam Chair and members of the Board,**

**Here are the results from this past Tuesday's meeting of the CAC :**

**(TA Item 3a) The CAC supported the Adoption of the Fiscal Year 2017 Budget in the Amount of \$102,534,460.**

**(TA Item 5a) The CAC reviewed the Minutes of the Board's May 5, 2016, without questions or comments.**

**(TA Item 5b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for April 2016.**

**(TA Item 5c) The CAC supported the Adoption of the Appropriations Limit for Fiscal Year 2017 in the amount of \$656,398,964, without questions or comments.**

**(TA Item 5d) The CAC supported the Allocation of \$42,536 in Measure A Pedestrian and Bicycle Program Funds for the South San Francisco Sunshine Gardens Safety and Connectivity Improvements Project.**

**(TA Item 5e) The CAC authorized an Amendment to the Existing Funding Agreement for the Half Moon Bay Main Street Bridge Bike and Pedestrian Improvements Project.**

**(TA Item 12a) After receiving a detailed report from April Chan, Chief Officer of Planning, Grants and the Transportation Authority, the CAC supported the Approval of a Seven-Party Regional Supplement to the 2012 Nine-Party Memorandum of Understanding with the Peninsula Corridor Joint Powers Board and Approval of a Budget Amendment and Allocation to Provide an Additional \$20 Million in Original Measure A Funds for the Peninsula Corridor Electrification Project.**

**(TA Item 12b) Following a brief overview from April Chan, the CAC supported the Minor Amendment to the 2004 Measure A Transportation Expenditure Plan to Include the San Mateo County Transportation Authority as an Eligible Sponsor for Highway Program Supplemental Roadway Projects.**

**(TA Item 12c) The CAC supported the Funding Agreements with the San Mateo County**

**Economic Development Association to Supplement Funding for the Project Approval/Environmental Document Phase of the 101 Corridor Managed Lanes Project., adding the TA as a Co-Sponsor to the Project, and increasing the Fiscal Year 2016 Budget by \$3 Million.**

**(TA Item 13a) As part of a series of program reports focusing on the TA's six program areas - Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian & Bicycle, and Alternative Congestion Relief Programs, the CAC was given a comprehensive report on Transit this month, specifically the Caltrain Modernization Program, by Casey Fromsen, Government Affairs Manager. Ms. Fromsen's comprehensive presentation included information about the Communications Based Overlay Signal System (CBOSS) Positive Train Control (PTC) and the Peninsula Corridor Electrification Project, citing its key regional benefits, as well as an update on its major contracts and funding sources and the next steps to be taken to finalize policy decisions. The CAC was pleased to hear that recommendations and concerns have been voiced by staff for new train cars with dual doors, bathrooms on each train, along with more seats on each train and more room for standees.**

**(TA Item 13b) The CAC received a comprehensive update on the Capital Projects Quarterly Report - 3rd Quarter Fiscal Year 2016 from Joe Hurley, TA Program Manager, without questions or comments.**

**(TA Item 13c) Casey Fromsen gave the CAC a brief State Legislative Update on the Governor's May Revision to the FY 2016-17 State Budget, in which it was reported that the state's commitments will exceed expected revenues in the coming years and that by FY 2019-20, the annual shortfall between spending and revenues is forecast to be over \$4 billion. It was also reported that this shortfall does not take into account the likelihood of an economic slowdown or recession. In spite of all this, the CAC was pleased to hear that over the next ten years, the \$36 billion transportation package proposed by Governor Jerry Brown will provide \$16.2 billion for highway repairs and maintenance. The CAC was also pleased to learn that, in this time of dwindling transportation funding, the Governor's newly revised budget will give more than \$13.5 billion in new funding to local roads and that transit and intercity rail will receive over \$4 billion in additional funding.**

**However, the CAC was not pleased to hear that in the May Budget Revision, it was also acknowledged that the price-based portion of the gas tax, which is subject to volatility, needs to be stabilized, which has resulted in the California Transportation Commission's (CTC) recommendation to deprogram over \$750 million in State Transportation Improvement Program (STIP) projects.**

**(CAC Chair's Report to the CAC)**

In my own report to the CAC, I advised the CAC that the MTC reports that a Washington D.C. based national transportation organization named TRIP has reported that six of twenty transportation projects identified as the most needed in the San Francisco Bay Area have received a "red light" because they are unfunded and 11 of the projects have earned a "yellow" light because they are partially funded, jeopardizing this region's future quality of life due to an inadequate transportation system. In the SF Bay Area, only three of the region's 20 critical projects have a "green" light to signify that full funding is available or is anticipated to be available by 2020. Those three projects include the BART Transbay Tube Seismic Retrofit, the Replacement and Expansion of the Transbay Transit Center Terminal and the extension of the Third Street Light Rail in SF. The TRIP Report also found that California continues to experience significant growth, with the state's population increasing by 16 percent since 2000 to 39 million. Statewide vehicle miles of travel have increased by 5.3 percent from 2014 to 2015 and more than half (51%) of major urban roads in CA have pavements in poor condition.

I also shared with the CAC the following:

- 1) There will be a Bay Area Public Open House Scheduled for the Plan Bay Area 2040 Regional Transportation and Housing Plan in the City of Burlingame Recreation Center Auditorium on Wednesday, June 1st from 6:30 pm to 8:30 pm. Bay Area residents will learn about an update to the region's long range transportation and housing roadmap known as Plan Bay Area 2040.
- 2) The MTC has moved into its new regional government center headquarters at 375 Beal St in San Francisco on May 23, 2016. It will share the building with the Association of Bay Area Governments (ABAG) and the Bay Area Air Quality Management District (BAAQMD). The new Fast Track Customer Service Center will be housed on the second floor and people will also be able to purchase Clipper cards in the same building.

.  
(Staff Report to the CAC)

In Joe's report to the CAC, he advised the CAC that recruitment interviews for all six open positions on the CAC were held on Friday, May 27th, however final appointments have been delayed, pending further Executive Board discussion. Current members whose membership is up will be kept on from a month to month basis, pending final appointments to the CAC being made by the Executive Board.

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: Eli Kay  
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING  
MAY 31, 2016**

**ACTION**

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of May 2016 and supplemental information.

**SIGNIFICANCE**

**Revenues:** Year-to-date *Total Revenue* (\$76,780,688 - line 7) is **better** than budget by \$361,149 or 0.5 percent. *Sales Tax* (\$72,370,477 - line 1) is **worse** than budget by \$182,083 or 0.3 percent and *Interest Income* (\$3,345,837 - line 2) is \$608,961 or 22.3 percent **better** than budget due to higher than budgeted returns.

*Total Revenue* (\$76,780,688 - line 7) is \$713,855 or 0.9 percent **worse** than prior year actuals. *Sales Tax* (\$72,370,477 - line 1) is \$673,585 or 0.9 percent **worse** than prior year. *Interest Income* (\$3,345,837 - line 2) is \$678,378 or 25.4 percent **better**, slightly offset by *Rental Income* (\$1,064,374 - line 4) which is \$51,762 or 4.6 percent **worse** than prior year.

**Expenditures:** *Total Administrative Expenses* (\$1,019,875 - line 22) are **better** than budget by \$202,038 or 16.5 percent. Within total administrative expenses, *Staff Support* (\$496,114 - line 18) is \$170,289 or 25.6 percent **better** than budget and *Other Admin Expense* (\$523,654 - line 20) is **better** than budget by \$26,356 or 4.8 percent.

**Budget Amendment:**

There are no budget amendments for the month of May 2016.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**Fiscal Year 2016**  
**May 2016**

% OF YEAR ELAPSED: **91.7%**

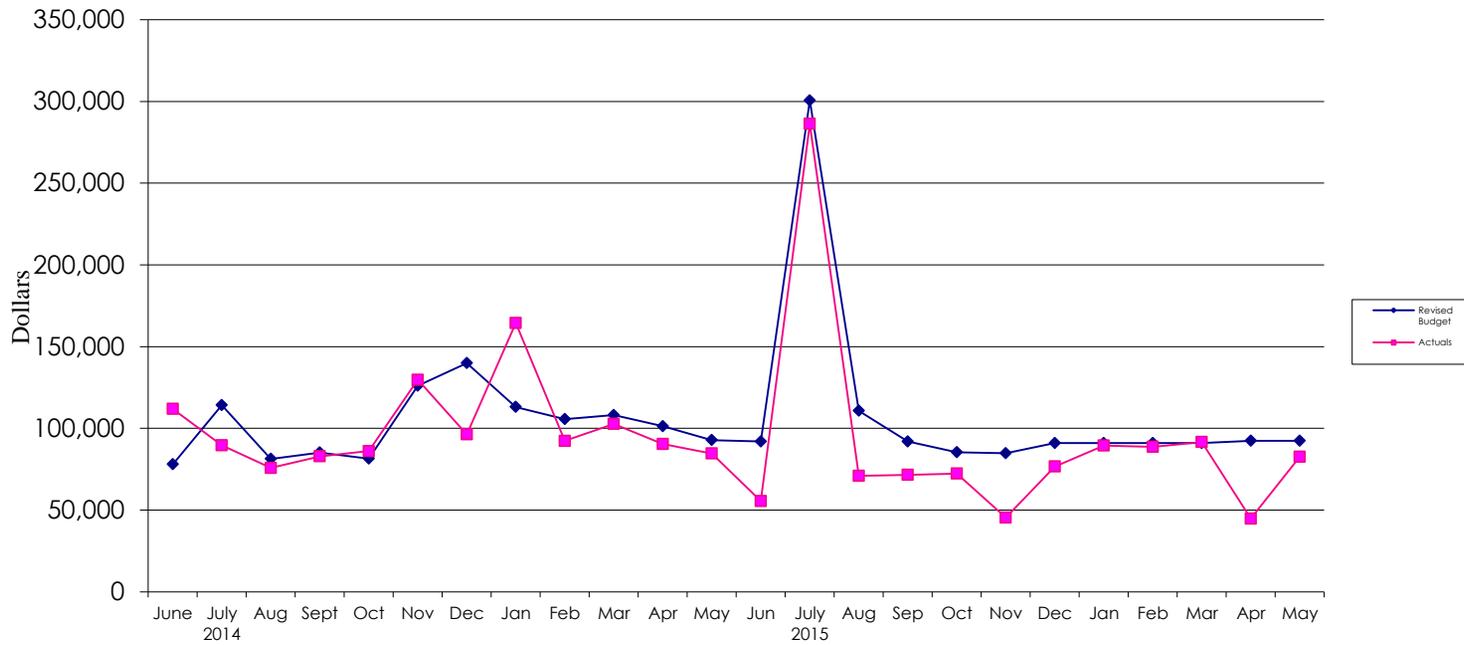
	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% OF PROJ	ADOPTED BUDGET*	REVISED BUDGET**	% OF PROJ
<b>REVENUES:</b>								
1 Sales Tax	6,165,840	73,044,062	72,370,477	72,552,560	99.7%	77,000,000	80,000,000	90.5%
2 Interest Income	476,405	2,667,459	3,345,837	2,736,876	122.3%	2,985,683	2,985,683	112.1%
3 Miscellaneous Income	0	666,886	0	0	0.0%	0	0	0.0%
4 Rental Income	93,504	1,116,136	1,064,374	1,130,103	94.2%	1,232,840	1,232,840	86.3%
5 Grant Proceeds	0	0	0	0	0.0%	0	0	0.0%
6								
7 <b>TOTAL REVENUE</b>	<b>6,735,748</b>	<b>77,494,543</b>	<b>76,780,688</b>	<b>76,419,539</b>	<b>100.5%</b>	<b>81,218,523</b>	<b>84,218,523</b>	<b>91.2%</b>
8								
<b>EXPENDITURES:</b>								
11 Annual Allocations	2,250,532	26,661,083	26,415,224	26,481,684	99.7%	28,105,000	29,200,000	90.5%
13 Program Expenditures	3,690,382	33,754,789	30,815,809	37,594,550	82.0%	33,895,000	41,792,555	73.7%
15 Oversight	48,594	786,083	878,036	1,086,250	80.8%	1,185,000	1,185,000	74.1%
17 Administrative								
18 Staff Support	45,613	488,539	496,114	666,403	74.4%	739,869	739,869	67.1%
19 Measure A Info-Others	20	540	107	5,500	1.9%	16,500	16,500	0.6%
20 Other Admin Expenses	36,909	605,645	523,654	550,010	95.2%	595,813	595,813	87.9%
21								
22 Total Administrative	82,542	1,094,724	1,019,875	1,221,913	83.5%	1,352,182	1,352,182	75.4%
23								
24 <b>TOTAL EXPENDITURES</b>	<b>6,072,050</b>	<b>62,296,678</b>	<b>59,128,944 (1)</b>	<b>66,384,397</b>	<b>89.1%</b>	<b>64,537,182</b>	<b>73,529,737</b>	<b>80.4%</b>
25								
26 <b>EXCESS (DEFICIT)</b>	<b>663,699</b>	<b>15,197,865</b>	<b>17,651,744</b>	<b>10,035,142</b>		<b>16,681,341</b>	<b>10,688,786</b>	
27								
28 <b>BEGINNING FUND BALANCE</b>	<b>Not Applicable</b>	<b>459,220,186</b>	<b>469,053,620</b>	<b>469,053,620</b>		<b>424,848,697</b>	<b>469,053,621</b>	
29								
30 <b>ENDING FUND BALANCE</b>	<b>Not Applicable</b>	<b>474,418,051</b>	<b>486,705,364 (2)</b>	<b>479,088,762</b>		<b>441,530,038</b>	<b>479,742,407</b>	
31								
32								

33 Includes the following balances:								
34 Cash and Liquid Investments		2,322,363			FY 2015 Carryover of Commitments (Audited)		331,485,040	
35 Current Committed Fund Balance		345,885,833 (3)			FY 2016 Additional Commitments (Budgeted)		64,537,182	
36 Undesignated Cash & Net Receivable		<u>138,497,168</u>			Reso#2015-21		5,000,000	
37 Total		<u><u>486,705,364</u></u> (2)			Reso#2016-03		2,400,000	
38					Reso#2015-05		1,592,555	
39					Less: Current YTD expenditures		<u>(59,128,944) (1)</u>	
40					Current Committed Fund Balance		<u><u>345,885,833</u></u> (3)	

44 "% OF YEAR ELAPSED" provides a general measure for evaluating overall progress  
45 against the annual budget. When comparing it to the amounts shown in the  
46 "% of PROJ" column, please note that individual line items reflect variations  
47 due to seasonal activities during the year.  
48

49 \* The TA Adopted Budget is the Board adopted budget effective June 4, 2015.  
50 \*\* The TA Revised Budget is the adopted budget including year to date budget transfers.  
51  
52  
53  
54  
55  
56  
57  
58

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



**Current Year Data**

	Jul '15	Aug '15	Sep '15	Oct '15	Nov '15	Dec '15	Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16
<b>MONTHLY EXPENSES</b>												
<b>Revised Budget</b>	300,582	110,756	91,961	85,348	84,679	90,973	90,973	90,973	90,973	92,347	92,348	
<b>Actual</b>	286,281	70,899	71,533	72,304	45,366	76,592	89,397	88,611	91,631	44,719	82,542	
<b>CUMULATIVE EXPENSES</b>												
<b>Staff Projections</b>	300,582	411,338	503,299	588,647	673,326	764,299	855,272	946,245	1,037,218	1,129,565	1,221,913	
<b>Actual</b>	286,281	357,180	428,713	501,017	546,383	622,975	712,372	800,983	892,614	937,333	1,019,875	
<b>Variance-F(U)</b>	14,301	54,158	74,586	87,630	126,943	141,324	142,900	145,262	144,604	192,232	202,038	
<b>Variance %</b>	4.76%	13.17%	14.82%	14.89%	18.85%	18.49%	16.71%	15.35%	13.94%	17.02%	16.53%	



SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF May 31, 2016

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #3	*	Liquid Cash	0.855%	\$ 312,035,226	\$ 312,035,226
Local Agency Investment Fund	**	Liquid Cash	0.552%	\$ 974,374	\$ 974,374
Investment Portfolio	***	Liquid Cash	1.155%	\$ 155,339,889	\$ 155,778,526
Other		Liquid Cash	0.000%	\$ 2,322,363	\$ 2,322,363
				<u>\$ 470,671,853</u>	<u>\$ 471,110,489</u>

Accrued Earnings for May 2016 \$ 356,056.41  
Cumulative Earnings FY2016 \$ 3,506,230.50

\* County Pool average yield for the month ending May 31, 2016 was 0.76%. As of May, 2016 the total cost of the Total Pool was \$4,727,615,431.97 and the fair market value per San Mateo County Treasurer's Office was \$4,737,241,173.95

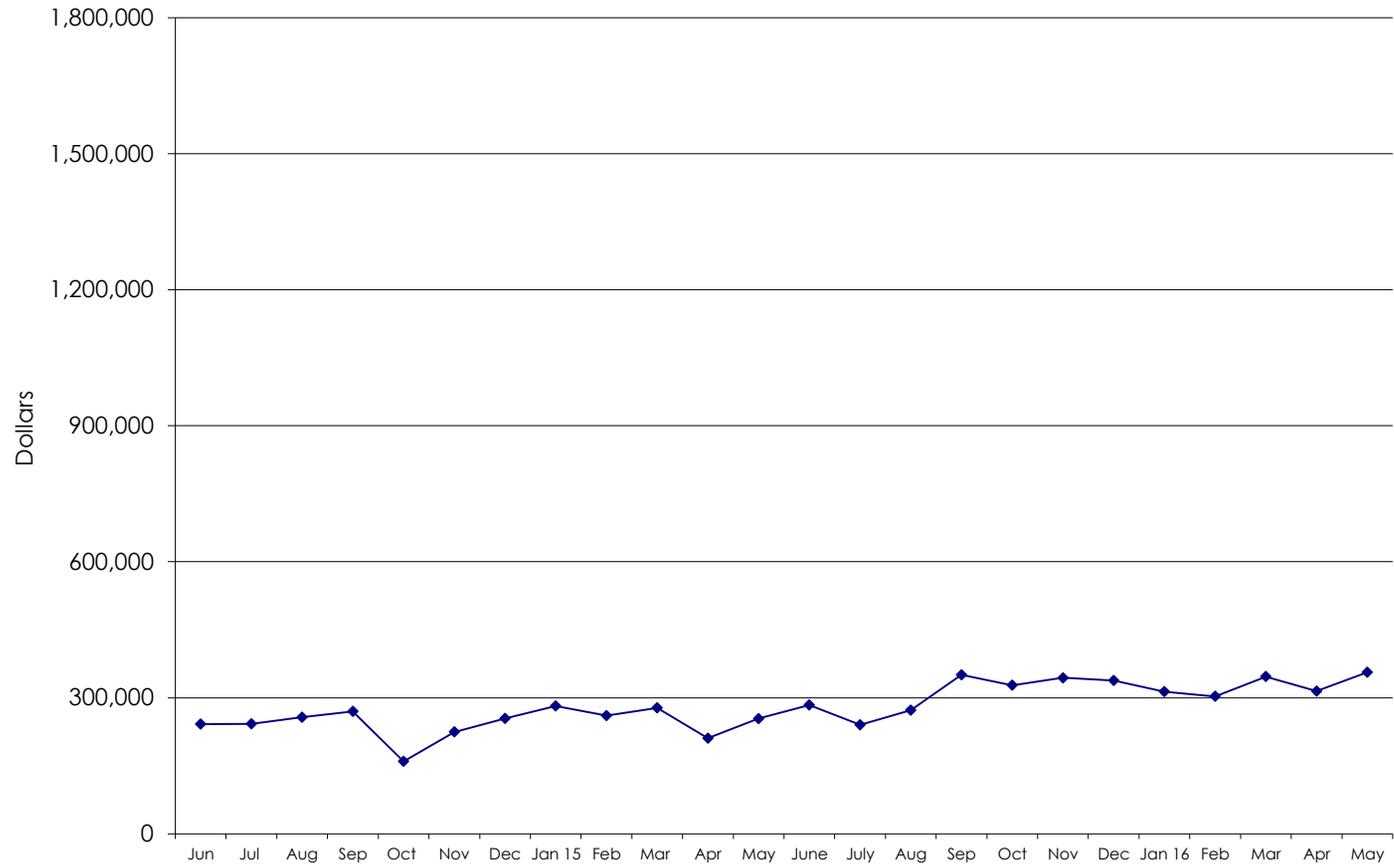
\*\* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

\*\*\* 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  
MAY 2016**

FY2015	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	240,138.26	240,138.26
AUGUST	272,436.08	512,574.34
SEPTEMBER	350,317.80	862,892.14
OCTOBER	327,647.79	1,190,539.93
NOVEMBER	343,943.91	1,534,483.84
DECEMBER	337,983.42	1,872,467.26
JANUARY	313,435.97	2,185,903.23
FEBRUARY	302,937.46	2,488,840.70
MARCH	346,617.62	2,835,458.32
APRIL	314,715.78	3,150,174.10
MAY	356,056.41	3,506,230.50
JUNE		3,506,230.50

## SMCTA Interest Income



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**INTEREST ON INVESTMENTS**  
**May 31, 2016**

DESCRIPTION	TOTAL INVESTMENT 05-31-16	INTEREST RECEIVABLE 04-30-16	PREPAID INT RECEIVABLE 05-31-16	INTEREST EARNED 05-31-16	INTEREST RECEIVED 05-31-16	ADJ.	INTEREST RECEIVABLE 05-31-16
LAIF	974,374.00	1,208.41	0.00	940.75	0.00		2,149.16
COUNTY POOL	312,035,226.48	104,401.48	0.00	225,374.13	0.00		329,775.61
BANK OF AMERICA	2,155,640.21	0.00	0.00				0.00
WELLS FARGO	0.00	0.00	0.00				0.00
US BANK (Cash on deposit)	166,722.60	0.00	0.00				0.00
INVESTMENT PORTFOLIO	155,778,526.17	513,980.88	86,043.96	129,741.52	426,402.67	0.00	303,363.69
	<u>471,110,489.46</u>	<u>619,590.77</u>	<u>86,043.96</u>	<u>356,056.41</u>	<u>426,402.67</u>	<u>0.00</u>	<u>635,288.47</u>

**MAY 2016 -- SUMMARY OF INTEREST & CAPITAL GAIN**

Interest Earned Per Report	05/31/16	356,056.41
<b>Add:</b>		
<b>Less:</b>		
Management Fees		(9,250.00)
Amortized Premium/Discount		(10,259.83)
Capital Gain(Loss)		0.00
Total Interest & Capital Gain(Loss)		<u>336,546.57</u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	3,506,230.50
<b>Add:</b>	
<b>Less:</b>	
Management Fees	(101,750.00)
Amortized Premium/Discount	(112,858.15)
Capital Gain(Loss)	0.00
Total Interest	<u>3,291,622.35</u>
Balance Per Ledger as of	05/31/16
Exp. Acct. 530011 - Amort Prem/Disc	(112,858.15)
Management Fees (530040)*	(101,750.00)
Int Acct. 409100 - Co. Pool	2,254,169.68
Int Acct. 409100 - LAIF	20,388.38
Int Acct. 409101 - Portfolio Funds	1,231,672.45
Gain(Loss) Acct. 405210	0.00
	<u>3,291,622.35</u>

## INVESTMENT PORTFOLIO

May 31, 2016

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL DAYS	INTEREST	PREPAID	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	INT REC'VBLE	PAR VALUE
			PURCHASE PRICE	VALUE 5/31/2016					REC'VBLE 4/30/2016	INT REC'VBLE 5/31/2016	EARNED 5/31/2016			REC'VBLE 5/31/2016	LESS PREPAID 5/31/2016	
<b><u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u></b>																
<b><u>U.S. TREASURY NOTES AND BONDS</u></b>																
US TREASURY NOTE	912828WX4	8/27/14	12,099,054.69	12,103,980.90	07-31-16	0.500%	168.0556	31	22,377.05		6,542.37	8,752.75	-	20,166.67	20,166.67	12,100,000
US TREASURY NOTE	912828WA4	03-21-14	11,972,343.75	12,004,572.00	10-15-16	0.625%	208.3333	31	3,278.69		6,352.46	-	-	9,631.15	9,631.15	12,000,000
US TREASURY NOTE	912828WF3	03-28-14	7,493,276.96	7,517,562.62	11-15-16	0.625%	130.4688	31	21,677.88		3,976.25	23,484.38	-	2,169.75	2,169.75	7,515,000
US TREASURY NOTE	912828UZ1	03-31-16	16,795,369.15	16,772,338.35	04-30-18	0.625%	292.5347	31	52,942.43		8,871.43	52,656.25	-	9,157.61	9,157.61	16,850,000
US TREASURY NOTE	912828WD8	10-13-15	14,415,070.31	14,402,216.40	10-31-18	1.25%	496.5278	31	89,863.39		15,140.03	89,375.00	-	15,628.42	15,628.42	14,300,000
US TREASURY NOTE	912828ST8	03-23-15	14,830,857.42	14,953,831.20	04-30-19	1.250%	515.6250	31	93,316.92		15,636.88	92,812.50	-	16,141.30	16,141.30	14,850,000
US TREASURY NOTE	912828F62	9-9-15	11,245,062.50	11,343,494.40	10-31-19	1.500%	466.6667	31	84,538.25		14,150.27	84,000.00	-	14,688.52	14,688.52	11,200,000
US TREASURY NOTE	912828UQ1	11-9-15	8,289,421.88	8,419,689.60	02-29-20	1.250%	291.6667	31	17,690.22		8,845.11	-	-	26,535.33	26,535.33	8,400,000
US TREASURY NOTE	912828VF4	12-7-15	7,403,027.34	7,539,547.50	05-31-20	1.375%	286.4583	31	43,109.63		8,734.63	51,562.50	-	281.76	281.76	7,500,000
US TREASURY NOTE	912828VP2	03-02-16	7,213,007.81	7,204,806.00	07-31-20	2.000%	388.8889	31	35,000.00		23,076.92	-	-	58,076.92	58,076.92	7,000,000
US TREASURY NOTE	912828VP2	05-18-16	14,988,808.59	14,924,241.00	07-31-20	2.000%	805.5556	31	0.00	86,043.96	0.00	-	-	0.00	(86,043.96)	14,500,000
<b><u>U.S. GOVERNMENT AGENCIES</u></b>																
73.72%																
FNMA	3135G0XP3	12-10-13	9,959,800.00	10,000,330.00	07-05-16	0.375%	104.17	31	12,083.33		3,125.00	-	-	15,208.33	15,208.33	10,000,000
FNMA	3135 G0YE7	03-07-14	15,029,400.00	15,005,295.00	08-26-16	0.625%	260.42	31	16,927.08		7,812.50	-	-	24,739.58	24,739.58	15,000,000
16.15%																
<b><u>COLLATERIZED MORTGAGE OBLIGATIONS</u></b>																
FNMA	3136ANJY4	04-30-15	1,075,646.17	1,069,103.34	04-25-18	1.550%	45.85	31	1,375.63		1,375.63	1,375.63	-	1,375.63	1,375.63	1,065,000
FHLMC	3137BNMZ4	04-28-16	1,095,522.98	1,091,240.75	03-25-19	1.738%	52.37	30	1,593.17		1,570.99	1,593.17	-	1,570.99	1,570.99	1,084,685
FNMA	3136AQDQ0	10-30-15	1,434,219.74	1,426,277.11	09-25-19	1.646%	64.93	31	1,947.77		1,947.77	1,947.77	-	1,947.77	1,947.77	1,420,000
<b><u>CASH INVESTMENT</u></b>																
2.31%																
MATURED/CALLED																
US TREASURY NOTE	912828VL1	12-19-13			07-15-16	0.625%	(153.65)		16,259.44		2,583.28	18,842.72	-			(8,850,000.00)
<b>TOTAL</b>			<b>155,339,889.29</b>	<b>155,778,526.17</b>					<b>513,980.88</b>	<b>86,043.96</b>	<b>129,741.52</b>	<b>426,402.67</b>	<b>0.00</b>	<b>217,319.73</b>	<b>131,275.77</b>	<b>154,784,684.81</b>

15-Jul-16

Weighted Average Interest Rate 1.0649%

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
 FY2016  
 May 2016

7/13/16 11:38 AM

Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
<b>FY2015:</b>						
1st Quarter	17,150,000	18,948,951	1st Quarter	19,884,600	935,649	19,884,600
2nd Quarter	18,405,000	19,606,049	2nd Quarter	22,629,401	3,023,352	22,629,401
3rd Quarter	17,500,000	17,500,000	3rd Quarter	18,200,061	700,061	18,200,061
4th Quarter	18,945,000	18,945,000	4th Quarter	20,260,116	1,315,116	20,260,116
<b>FY2015 Total</b>	<b>72,000,000</b>	<b>75,000,000</b>	<b>FY2015 Total</b>	<b>80,974,178</b>	<b>5,974,178</b>	<b>80,974,178</b>
<b>FY2016:</b>						
Jul. 15	5,390,000	5,390,000	Sep. 15	5,856,300	466,300	5,390,000
Aug. 15	5,390,000	5,390,000	Oct. 15	5,856,300	466,300	5,390,000
Sep. 15	6,827,333	6,827,333	Nov. 15	7,808,400	981,067	6,827,333
3 Months Total	17,607,333	17,607,333		19,521,000	1,913,667	17,607,333
Oct. 15	5,877,667	5,877,667	Dec. 15	6,635,955	758,288	5,877,667
Nov. 15	5,877,667	5,877,667	Jan. 16	6,064,400	186,733	5,877,667
Dec. 15	7,140,467	7,140,467	Feb. 16	8,085,800	945,333	7,140,467
6 Months Total	36,503,134	36,503,134		40,307,155	3,804,021	36,503,134
Jan. 16	5,544,000	5,544,000	Mar. 16	6,436,436	892,436	5,544,000
Feb. 16	6,079,920	9,079,920	Apr. 16	5,033,300	(4,046,620)	9,079,920
Mar. 16	7,542,920	7,542,920	May 16	6,711,000	(831,920)	7,542,920
9 Months Total	55,669,974	58,669,974		58,487,891	(182,083)	58,669,974
Apr. 16	6,884,826	6,884,826	Jun. 16			6,884,826
May 16	6,997,760	6,997,760	Jul. 16			6,997,760
Jun. 16	7,447,440	7,447,440	Aug. 16			7,447,440
<b>FY2016 Total</b>	<b>77,000,000</b>	<b>80,000,000</b>	<b>FY2016 Total</b>	<b>58,487,891</b>	<b>(182,083)</b>	<b>80,000,000</b>
	18,073,633		1st Quarter			
	21,101,456		2nd Quarter			
	24,191,342		3rd Quarter			
	9,004,046		4th Quarter			
	<u><b>72,370,477</b></u>		YTD Actual Per Statement of Revenue & Expenses			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
CASH AND INVESTMENTS AS OF MAY 31, 20165/31/2016

Cash -- Bank of America Checking Account	2,155,640.21
Cash -- Wells Fargo Lockbox Account	0.00
Cash - US Bank (on deposit)	166,722.60
LAIF	974,374.00
County Pool	312,035,226.48
Investment Portfolio	155,778,526.17
	<hr/>
Total	<u><u>471,110,489.46</u></u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**CHECKS WRITTEN**  
**May 2016**

Unit	Ref	Name	Date	Amount	Method	Description
SMCTA	000012	HORSLEY, DONALD	5/19/2016	100.00	ACH	Board Member Compensation
SMCTA	000013	JOHNSON, CAMERON	5/19/2016	100.00	ACH	Board Member Compensation
SMCTA	000014	FRESCHET, MAUREEN ANN	5/19/2016	100.00	ACH	Board Member Compensation
SMCTA	000015	IBARRA, KENNETH	5/19/2016	100.00	ACH	Board Member Compensation
SMCTA	000016	MATSUMOTO, KARYL M.	5/20/2016	100.00	ACH	Board Member Compensation
SMCTA	000017	GROOM, CAROLE	5/20/2016	100.00	ACH	Board Member Compensation
SMCTA	004229	PUBLIC FINANCIAL MANAGEMENT, INC.	5/5/2016	9,250.00	CHK	Investment Advisory Services
SMCTA	004230	HANSON BRIDGETT LLP	5/12/2016	21,686.00	CHK	Legal Services
SMCTA	004231	MACIAS GINI & O' CONNELL LLP	5/12/2016	6,614.02	CHK	Temporary Staff
SMCTA	004232	SAN MATEO, COUNTY OF	5/16/2016	52,631.88	CHK	Capital Programs <sup>(1)</sup>
SMCTA	004233	SAN MATEO, COUNTY OF	5/16/2016	45,100.76	CHK	Capital Programs <sup>(1)</sup>
SMCTA	004234	PENINSULA TRAFFIC CONGESTION RELIEF	5/19/2016	272,796.69	CHK	Capital Programs <sup>(2)</sup>
SMCTA	004235	SAN CARLOS CHAMBER OF COMMERCE	5/20/2016	494.00	CHK	Fees and Dues
SMCTA	004236	BURLINGAME, CITY OF	5/26/2016	138,267.08	CHK	Capital Programs <sup>(3)</sup>
SMCTA	004237	HOLLAND & KNIGHT LLP	5/26/2016	3,500.00	CHK	Legislative Advocate
SMCTA	004238	JACOBS ENGINEERING GROUP INC.	5/26/2016	3,292.05	CHK	Consultants
SMCTA	004239	KHOURI CONSULTING	5/26/2016	3,500.00	CHK	Legislative Advocate
SMCTA	004240	SAN CARLOS, CITY OF	5/26/2016	57,479.21	CHK	Capital Programs <sup>(4)</sup>
SMCTA	004241	SAN MATEO, CITY OF	5/26/2016	221,838.13	CHK	Capital Programs <sup>(5)</sup>
SMCTA	004242	SOUTH SAN FRANCISCO, CITY OF	5/26/2016	36,149.99	CHK	Capital Programs <sup>(2)</sup>
SMCTA	900071	PENINSULA CORRIDOR JOINT POWERS BOARD	5/5/2016	4,827,108.37	WIR	Capital Programs <sup>(6)</sup>
SMCTA	900072	PENINSULA CORRIDOR JOINT POWERS BOARD	5/16/2016	2,610,742.35	WIR	Capital Programs <sup>(7)</sup>
SMCTA	900073	PENINSULA CORRIDOR JOINT POWERS BOARD	5/19/2016	204,736.97	WIR	Capital Programs <sup>(2)</sup>
SMCTA	900074	SAN MATEO COUNTY TRANSIT DISTRICT	5/26/2016	7,283.38	WIR	Capital Programs <sup>(8)</sup>
				<u>8,523,070.88</u>		

(1) Call for Proj-Ped&Bike FY14/15

(2) FY15/16 Shuttles Call for Prj

(3) Broadway Grade Separation

(4) 101 Holly St Interchange

(5) SR92 El Camino Real Ramp

(6) San Mateo Local Share JPB CIP \$5,000,000 & FY 15/16 Shuttles Call for Prj -(\$172,891.63) adjustment

(7) CBOSS/PTC Project

(8) Last Mile Connection Pilot

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Eli Kay  
Chief Financial Officer

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD  
ENDING JUNE 30, 2016**

The Finance Division engages in many activities following the end of the June 30 fiscal year both to close out the old fiscal year and set up the new fiscal year. The demands of these activities require a longer time to produce a complete Statement of Revenues and Expenses than allowed by the normal board meeting cycle. The auditors, Vavrinek, Trine, Day & Co., expect to finish the audit in late October. Consequently, staff will present a Statement of Revenues and Expenses for June at the November 3 meeting of the Board of Directors. We expect to have the Comprehensive Annual Financial Report finalized by December 2016.

Prepared by: Sheila Tioyao, Manager, General Ledger

650-508-7752

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Gigi Harrington  
Deputy CEO/Chief Administrative Officer

SUBJECT: **APPROVAL AND RATIFICATION OF THE FISCAL YEAR 2017 TRANSPORTATION  
AUTHORITY INSURANCE PROGRAM**

**ACTION**

Staff proposes that the San Mateo County Transportation Authority (TA) approve and ratify the TA's Insurance Program obtained through the TA's insurance broker, Wells Fargo Insurance Services, for Fiscal Year (FY) 2017, at a total premium cost of \$237,118 inclusive of the following:

- Purchase \$11 million combined single limit bodily injury and property damage coverage under Primary and Excess Commercial General Liability policies; and
- Obtain Public Officials Liability insurance with policy limits of \$3 million.

**SIGNIFICANCE**

The TA's insurance program includes Primary and Excess Commercial General Liability and Public Officials Liability coverage, as detailed in the chart below. The TA has increased its General Liability self-insured retention from \$25,000 to \$50,000 for FY2017, which allowed the primary \$1 million limits premium to remain flat. The TA's exposure basis (associated with the TA's payroll) for rating the insurance increased 7 percent this year, resulting in an overall premium increase of 2.8 percent.

<b><u>Principal Program</u></b>	<b><u>Conditions</u></b>	<b><u>FY2016 Premium</u></b>	<b><u>FY2017 Premium</u></b>
Primary and Excess Commercial General Liability	\$11 million	\$ 191,269	\$193,570
Public Officials Liability	\$3 million limit	\$ <u>39,194</u>	\$ <u>43,546</u>
<b>TOTALS</b>		<b>\$ 230,463</b>	<b>\$ 237,118</b>

**BUDGET IMPACT**

Funds to underwrite the recommended program are included in the FY2017 Budget.

## **BACKGROUND**

### **Liability Program**

Three years ago, the TA's liability coverage was included under the San Mateo County Transit District's (District) insurance program and was subject to the District's \$1 million retention (or deductible) applying to all claims. Being part of the District's program also required the TA to share policy limits with the District. Because the TA's operations differ significantly from the District's and the TA was starting to see claims activity, it was recommended that the TA obtain its own insurance, which is available with a much lower retention.

The lower retention is in recognition that the TA is primarily a planning and funding entity and has no transit passenger operations. The policy obtained for the TA has only a \$50,000 retention/deductible. The recommended Primary and Excess Commercial General Liability program for the TA has a combined single limit for bodily injury and property damage of \$11 million. This figure is comprised of a \$1 million Primary Commercial General Liability insurance policy plus a \$10 million Excess Liability insurance policy. These limits are not shared with any other entity.

In past years under the District's program, the TA also had coverage under the District's Public Officials Liability insurance policy, which also had a \$1 million retention. By obtaining its own Public Officials Liability insurance policy, the TA's retention is only \$50,000 and the dedicated limit for the TA is \$3 million.

In excess of the TA's own insurance policies, the TA still remains a named insured, and is afforded coverage under, the District's insurance program.

### **Summary**

With its own insurance program the TA now takes advantage of much lower retentions and deductibles than when it was part of the District's program. In addition, coverage under the TA's insurance program is specifically designed to cover the TA's operations and is not shared with any other entity.

Prepared by: Marshall Rush, Claims Administrator

650-508-7742

**RESOLUTION NO. 2016 –**

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

**\* \* \***

**APPROVING AND RATIFYING THE INSURANCE PROGRAM FOR FISCAL YEAR 2017**

**WHEREAS**, the Executive Director of the San Mateo County Transportation Authority (TA) has approved an insurance program for Fiscal Year (FY) 2017 with premiums totaling \$237,118, the costs for which are included in the FY2017 budget; and

**WHEREAS**, in conjunction with the expiration of the TA's existing insurance program on June 30, 2016, TA staff renewed its insurance program for FY2017 based on the plan approved by the Executive Director, with the following significant elements:

1. Primary and Excess Commercial General Liability insurance with a total limit of \$11 million and a \$50,000 retention for an annual premium of \$193,570.
2. Public Officials Liability insurance with a total policy limit of \$3 million and a \$50,000 retention for an annual premium of \$43,546; and

**WHEREAS**, the TA also is a named insured and afforded coverage under the San Mateo County Transit District's insurance program, in excess of the TA's dedicated insurance policies; and

**WHEREAS**, staff recommends that the Board of Directors approve and ratify the renewal of the TA's insurance program for FY2017, as delineated above.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the San Mateo County Transportation Authority hereby approves and ratifies the renewal of the TA's insurance program for FY2017, including the types of coverage, limits and premiums recited above.

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**AGENDA ITEM # 7  
AUGUST 4, 2016**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**

TO: Transportation Authority

FROM: Karyl Matsumoto  
SamTrans Board Liaison to the Transportation Authority

SUBJECT: **SAMTRANS LIAISON REPORT – MEETING OF AUGUST 3, 2016**

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: April Chan  
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: **PROGRAM REPORT: ALTERNATIVE CONGESTION RELIEF**

**ACTION**

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

**SIGNIFICANCE**

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's (TA) six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian & Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year. This month features a report highlighting the Alternative Congestion Relief Program.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The TA has and continues to allocate Measure A funding to the Peninsula Traffic Congestion Relief Alliance (Commute.org) to support its operations. With this funding, Commute.org implements a Countywide Transportation Demand Management Plan to reduce traffic congestion in San Mateo County. Commute.org's work plan includes: employer and community outreach, shuttle marketing and management, van and carpool incentive programs to name a few.

This month's presentation will be presented via PowerPoint.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan  
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: **AUTHORIZE ALLOCATION OF \$445,000 IN NEW MEASURE A ALTERNATIVE CONGESTION RELIEF FUNDS TO THE PENINSULA TRAFFIC CONGESTION RELIEF ALLIANCE TO SUPPORT THE COUNTYWIDE CONGESTION RELIEF PROGRAM FOR FISCAL YEAR 2017**

**ACTION**

Staff proposes the Board:

1. Allocate \$445,000 in New Measure A Alternative Congestion Relief (ACR) Program funds to the Peninsula Traffic Congestion Relief Alliance (Commute.org) for the Countywide Congestion Relief Program.
2. Authorize the Executive Director or his designee to execute the funding agreement and take any other actions necessary to encumber the subject funding.

**SIGNIFICANCE**

Pursuant to the 2004 Transportation Expenditure Plan, 1 percent of the New Measure A sales tax funds is set aside annually for the ACR Program. Commute.org has historically received funding to help fund its commute alternative programs from the Original Measure A Program as well as the New Measure A ACR Program. The proposed action will enable Commute.org to continue to receive Measure A funds through Fiscal Year (FY) 2017.

**BUDGET**

The proposed allocation is consistent with the amount approved in the FY2017 budget. No additional funding is needed.

**BACKGROUND**

Commute.org is a joint powers authority with 18 member-agencies, including the county of San Mateo and 17 cities in the county, and serves as San Mateo County's Transportation Demand Management Agency. Commute.org's FY2017 Work Program consists of, but is not limited to: (1) employer outreach and support services that include a guaranteed emergency ride home program, bicycle parking incentives and

bicycle safety workshops; (2) an employer-based shuttle program; (3) commuter outreach and incentive programs that include direct marketing, vanpool/carpool/school pool/transit incentive programs and Bike to Work Day; and (4) the development of public/private partnerships in support of reducing traffic congestion in San Mateo County, including community based mobility services. The New Measure A ACR funds are not used for the operation of shuttles.

Prepared By: Joel Slavit, Manager, Programming and Monitoring

650-508-6476

**RESOLUTION NO. 2016 –**

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

**\* \* \***

**AUTHORIZING THE ALLOCATION OF TRANSPORTATION AUTHORITY  
NEW MEASURE A ALTERNATIVE CONGESTION RELIEF FUNDS TO THE  
PENINSULA TRAFFIC CONGESTION RELIEF ALLIANCE  
IN THE AMOUNT OF \$445,000 FOR FISCAL YEAR 2017**

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

**WHEREAS**, the 2004 TEP designates 1 percent of the New Measure A revenues to fund the Alternative Congestion Relief (ACR) Program; and

**WHEREAS**, the Peninsula Traffic Congestion Relief Alliance (Commute.org) has requested \$445,000 in Measure A ACR funds for the support of its Fiscal Year (FY) 2015-2016 Work Plan, which consists of, but is not limited to: (1) employer outreach and support services that include a guaranteed emergency ride home program, bicycle parking incentives and bicycle safety workshops; (2) an employer based shuttle program; (3) commuter outreach and incentive programs that include direct marketing, vanpool/carpool/school pool/transit incentive programs and Bike to Work Day; and (4) the development of public/private partnerships in support of reducing traffic congestion in San Mateo County, including community based mobility services; and

**WHEREAS**, staff has determined that these projects meet the intent of the 2004 TEP and TA Strategic Plan 2014-2019.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority allocates New Measure A ACR funds in the amount of \$445,000 to Commute.org for the support of its FY2016-2017 programs; and

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

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 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: April Chan  
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **PROGRAM AND ALLOCATE TO ADVANCE \$5.9 MILLION OF MEASURE A FUNDING FOR THE ROUTE 92/EL CAMINO REAL INTERCHANGE RECONSTRUCTION PROJECT AND AUTHORIZE A REIMBURSEMENT AGREEMENT WITH THE CALIFORNIA STATE DEPARTMENT OF TRANSPORTATION**

**ACTION**

Staff recommends the Board:

1. Program and allocate an additional \$5.9 million to advance Measure A funding from the Highway Program Category for the Route 92/El Camino Real Interchange Reconstruction Project.
2. Authorize the Executive Director or his designee to execute a loan agreement with the California State Department of Transportation (Caltrans) under which Caltrans will reimburse these Measure A funds.
3. Authorize the Executive Director or his designee to take all other actions necessary to advance the \$5.9 million of Measure A funding and be reimbursed with State funding at a future date.

**SIGNIFICANCE**

The Route 92/El Camino Real Interchange Project, sponsored by the city of San Mateo, will reconstruct and reconfigure the existing interchange (Project). The Project is regionally recognized as a priority and will provide safety and traffic improvements along the El Camino Real and Route 92 corridors by realigning the ramps, improving the weaving, and enhancing pedestrian and bicyclist facilities.

The environmental, design and right-of-way phases funded with State Transportation Improvement Program (STIP) and Measure A funds are now complete, and the Project is ready to list for construction advertisement. Funding for Project construction and construction management was programmed for Fiscal Year (FY) 2017 in the adopted 2014 STIP. On May 18, 2016, the California Transportation Commission (CTC), through the adoption of the 2016 STIP, was forced to defer this programmed funding until FY2018 because of a reduction in gas tax revenue.

A project cannot proceed to the construction phase until all funding has been secured for the project. Absent an advance of local funds, the CTC's deferral of STIP funds will delay the start of construction of this Project for a year or more, depending on the availability of STIP funding in the future.

A statutorily authorized process allows local agencies to use their own funds to advance projects programmed with STIP funds. Pursuant to this process, Caltrans enters into an agreement to reimburse the local agencies as the State funding becomes available, and amends the STIP accordingly. Local agencies that have advanced funds are given the highest priority for STIP fund allocations during the scheduled repayment year. The San Mateo County Transportation Authority (TA) has used this process in the past to advance funds for projects.

Depending on State transportation funding levels, the TA may not be reimbursed for the subject advance until the final years of the 2016 STIP (FY2020 or FY2021). Additionally, as with all agreements with the State, Caltrans does not guarantee payment of funds. The city is unable, and would not be obligated, to reimburse the TA for the advanced funds.

The advancement of Measure A funds will provide the full funding necessary for the Project to be advertised this summer and for construction to begin this fall. The advance will allow the TA and the city to avoid a year or more of delay, guard against potential additional construction inflation costs, and expedite much-needed congestion relief to this heavily used interchange.

### **BUDGET IMPACT**

There is no impact to the budget. There is sufficient budget capacity in the FY2017 Budget in the Highway Program Category.

### **BACKGROUND**

In October 2015, as part of the last Highway Program Call for Projects (Resolution 2015-19), the Board programmed and allocated \$16.2 million in Measure A funds to match the programmed STIP to fully fund the estimated \$22.1 million for the construction phase of the Project.

On May 18, 2016, the CTC adopted the 2016 STIP. In response to reduced gas tax revenue, which is the primary source of funding for the STIP, the 2016 STIP delayed or deprogrammed \$1.5 billion in funding, including a one-year delay (until FY2018) in funding for the Route 92/El Camino Real Interchange Project.

The city of San Mateo appealed to the TA to explore any means possible to allow this much-needed Project, with its strong local support, to begin construction this fall.

Prepared By: Joseph Hurley, Director, Transportation Authority Program 650-508-7942

**RESOLUTION NO. 2016 –**

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

**\* \* \***

**PROGRAMMING AND ALLOCATING TO ADVANCE \$5.9 MILLION OF MEASURE A FUNDING  
FOR THE ROUTE 92/EL CAMINO REAL INTERCHANGE PROJECT AND  
AUTHORIZING A REIMBURSEMENT AGREEMENT WITH THE  
CALIFORNIA STATE DEPARTMENT OF TRANSPORTATION**

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

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

**WHEREAS**, the Route 92/El Camino Real Interchange Project (Project), sponsored by the city of San Mateo, has completed the environmental, design and right-of-way phases funded with a combination of Measure A and State funding, and is ready to begin construction; and

**WHEREAS**, the Project is included and eligible to be funded under the 1988 and 2004 TEPs; and

**WHEREAS**, on October 1, 2015, the Board of Directors through Resolution 2015-19 programmed and allocated \$16.2 million of Measure A funding for the construction phase of the Project; and

**WHEREAS**, State funding was programmed in Fiscal Year (FY) 2017 to cover the balance of the construction cost of the Project; and

**WHEREAS**, on May 18, 2016, driven by the reduction of gas tax revenue, the California Transportation Commission (CTC) adopted the 2016 State Transportation Improvement Program (STIP), which delayed State funding for the Project for one year; and

**WHEREAS**, in an effort to advance the Project into the construction phase in summer 2016 and avoid a delay in the start of construction for a year or more, staff proposes to pursue and execute a California State Department of Transportation (Caltrans) advance reimbursement agreement; and

**WHEREAS**, this agreement allows a local agency to use its own funds to advance a project sooner than the state funding is programmed; and

**WHEREAS**, under this State process, the TA's advance of funds for the Project will be prioritized in the payment of programmed funds in the FY2016 STIP.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby programs and allocates an additional \$5.9 million to advance Measure A funding from the Highway Program Category for the Route 92/El Camino Interchange Reconstruction Project; and

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to execute a loan agreement with Caltrans under which Caltrans will reimburse these Measure A funds; and

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to take all other actions necessary to advance \$5.9 million of Measure A funding and be reimbursed with State funding at a future date.

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 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: April Chan  
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **PROGRAM AND ALLOCATE TO ADVANCE \$10.4 MILLION OF MEASURE A FUNDING FOR THE HIGHWAY 101/WILLOW ROAD INTERCHANGE PROJECT AND AUTHORIZE A REIMBURSEMENT AGREEMENT WITH THE CALIFORNIA STATE DEPARTMENT OF TRANSPORTATION**

**ACTION**

Staff recommends the Board:

1. Program and allocate an additional \$10.4 million to advance Measure A funding from the Highway Program Category for the Highway 101/Willow Road Interchange Project.
2. Authorize the Executive Director or his designee to execute a loan agreement with the California State Department of Transportation (Caltrans) under which Caltrans will reimburse these Measure A funds.
3. Authorize the Executive Director or his designee to take all other actions necessary to advance the \$10.4 million of Measure A funding and be reimbursed with State funding at a future date.

**SIGNIFICANCE**

The Highway 101/Willow Road Interchange Project, sponsored by the city of Menlo Park, will reconstruct and reconfigure the existing interchange (Project). The Project will address operational and safety deficiencies that exist both on Highway 101 and on Willow Road in the proximity of the interchange.

The environmental, design and right-of-way phases funded with State Transportation Improvement Program (STIP) and Measure A funds are now complete, and the Project is ready to list for construction advertisement. Funding programmed in the recently adopted 2016 STIP to cover the construction management component, estimated at \$10.4 million, will not become available for the Project until Fiscal Year (FY) 2018.

A project cannot proceed to the construction phase until all funding has been secured for the project. Absent an advance of local funds, the California Transportation

Commission's (CTC) deferral of STIP funds will delay the start of construction of this Project for a year or more, depending upon the availability of STIP funding in the future.

A statutorily authorized process allows local agencies to use their own funds to advance a project programmed with STIP funds. Pursuant to this process, Caltrans enters into an agreement to reimburse the local agencies as the State funding becomes available, and amends the STIP accordingly. Local agencies that have advanced funds are given the highest priority for STIP fund allocations during the scheduled repayment year. The San Mateo County Transportation Authority (TA) has used this process in the past to advance funds for projects.

Depending on State transportation funding levels, the TA may not be reimbursed for the subject advance until the final years of the 2016 STIP (FY2020 or FY 2021). Additionally, as with all agreements with the State, Caltrans does not guarantee payment of funds. The city is unable, and would not be obligated, to reimburse the TA for the advanced funds.

The advancement of Measure A funds will provide the full funding necessary for the Project to be advertised this summer and for construction to begin this fall. The advance will allow the TA and the city to avoid a year or more of delay, guard against potential additional construction inflation costs, and expedite much-needed congestion relief to this heavily used interchange.

### **BUDGET IMPACT**

There is no impact to the budget. There is sufficient budget capacity in the FY2017 Highway Program Category.

### **BACKGROUND**

In October 2015, as part of the last Highway Program Call for Projects, the Board programmed and allocated \$56.4 million in Measure A funds for the construction phase of the US 101/Willow Road Interchange Reconstruction Project (Resolution 2015-19). The Project depends upon the programmed STIP funding to cover the \$10.4 million construction management costs, which would fully fund the Project and allow it to advance to construction.

In December 2015, the City/County Association of Governments (C/CAG), as part of the 2016 STIP adoption process, submitted a request to advance the Project to FY2017 in an effort to bring the funding in line with the Project schedule as the Project is ready to list for construction advertisement. Due to diminishing gas tax revenues, which is the primary source of funding for the STIP, the CTC was unable to accommodate C/CAG's requested advancement for the Project, and STIP funding will not become available for the Project until FY2018.

In an additional effort to address this funding gap, TA staff in cooperation with C/CAG and Menlo Park submitted a FASTLANE Grant application through the US Department of Transportation. Staff was notified in early July that the application was unsuccessful.

Having exhausted these alternative options, Menlo Park appealed to the TA to explore any means possible that would allow this much-needed Project, with its strong local support, to begin construction this fall.

Prepared By: Joseph Hurley, Director, Transportation Authority Program 650-508-7942

**RESOLUTION NO. 2016 –**

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

**\* \* \***

**PROGRAMMING AND ALLOCATING TO ADVANCE \$10.4 MILLION OF MEASURE A FUNDING  
FOR THE HIGHWAY 101/WILLOW ROAD INTERCHANGE PROJECT AND  
AUTHORIZE A REIMBURSEMENT AGREEMENT WITH THE  
CALIFORNIA STATE DEPARTMENT OF TRANSPORTATION**

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

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

**WHEREAS**, the Highway 101/Willow Road Interchange Project (Project), sponsored by the city of Menlo Park, has completed the environmental, design and right-of-way phases funded with a combination of Measure A and State funding, and is ready to begin construction; and

**WHEREAS**, the Project is included and eligible to be funded under the 1988 and 2004 TEPs; and

**WHEREAS**, on October 1, 2015, the Board of Directors through Resolution 2015-19 programmed and allocated \$56.4 million of Measure A funding for the construction phase of the Project; and

**WHEREAS**, State funding was programmed in Fiscal Year (FY) 2018 to cover the balance of the construction cost of the Project; and

**WHEREAS**, in December 2015, in an effort to bring the funding in line with the project schedule and as part of the 2016 State Transportation Improvement Program (STIP) adoption process, the City/County Association of Governments (C/CAG) requested that the California Transportation Commission (CTC) advance the funding to FY2017; and

**WHEREAS**, due to diminishing gas tax revenue, the CTC was unable to accommodate C/CAG's request; and

**WHEREAS**, in an effort to advance the Project into the construction phase in summer 2016 and avoid a delay in the start of construction for a year or more, staff proposes to pursue and execute a California State Department of Transportation (Caltrans) advance reimbursement agreement; and

**WHEREAS**, this agreement allows a local agency to use its own funds to advance a project sooner than the State funding is programmed; and

**WHEREAS**, under this State process, the TA's advance of funds for the Project will be prioritized in the payment of programmed funds in the FY2016 STIP.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby programs and allocates an additional \$10.4 million to advance Measure A funding from the Highway Program Category for the Highway 101/Willow Road Interchange Project; and

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to execute a loan agreement with Caltrans under which Caltrans will reimburse these Measure A funds; and

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to take all other actions necessary to advance \$10.4 million of Measure A funding and be reimbursed with State funding at a future date.

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 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: Eli Kay  
Chief Financial Officer

SUBJECT: **ALLOCATION OF \$14,960,000 IN NEW MEASURE A FUNDS TO THE  
SAN MATEO COUNTY TRANSIT DISTRICT FOR APPLICATION TOWARDS THE  
CALTRAIN PROGRAM CATEGORY AND THE PARATRANSIT PROGRAM  
CATEGORY**

**ACTION**

Staff recommends the Board:

1. Allocate \$5 million in New Measure A funds from the Caltrain Program category to the San Mateo County Transit District (District) for San Mateo County's share of local match for Caltrain's Fiscal Year (FY) 2017 Capital Budget;
2. Allocate \$6,640,000 in New Measure A funds from the Caltrain Program category to the District for a portion of San Mateo County's share of Caltrain's FY2017 Operating Budget;
3. Allocate \$3,320,000 in New Measure A funds from the Paratransit Program category to the District for its Paratransit Program in FY2017; and
4. Authorize the Executive Director or his designee to execute any necessary documents or agreements to encumber the subject funding.

**SIGNIFICANCE**

The total local match required for Caltrain's Capital Program in FY2017 is \$15 million, of which San Mateo County's share is \$5 million. Responsibility for the local match needed for Caltrain's FY2017 Capital Budget is equally shared by the three Peninsula Corridor Joint Powers Board (JPB) member agencies. The proposed allocation of Measure A funds, combined with San Francisco and Santa Clara counties' share of local match, will be used to leverage Federal and State grants to fund capital improvements necessary to rebuild and upgrade Caltrain, and make other system-wide infrastructure improvements.

In accordance with the 2004 Transportation Expenditure Plan (2004 TEP), up to one-half of the available funding in the Caltrain Program category, or 8 percent of the annual

sales tax revenues, may be utilized by the District to support Caltrain operating costs; \$6,640,000 represents the 8 percent estimated for FY2017.

The 2004 TEP also provides that 4 percent of sales tax revenues, or \$3,320,000 in FY2017, will be allocated to support the operating and capital needs of providing paratransit or other accessible services to eligible seniors and people with disabilities in the county. The District will be using the \$3,320,000 to provide paratransit service for eligible seniors and people with disabilities through Redi-Wheels and other accessible services.

**BUDGET IMPACT**

The proposed allocation of \$5 million to the District for San Mateo County's share of local matching funds for the Caltrain Capital Budget is included in the San Mateo County Transportation Authority's (TA) FY2017 Adopted Budget as the San Mateo Local Share JPB Capital Improvement Program project (TA Project #605) under the Caltrain Program category.

The proposed allocations to the District of \$6,640,000 for the Caltrain Operating Budget for San Mateo County's share of local funds, and \$3,320,000 for the Paratransit Program, are included in the TA's FY2017 Adopted Budget under the Expenditures category under Annual Allocations.

**BACKGROUND**

The TA's 2004 TEP sets the program categories and percentage split of the sales tax revenues for each of six categories: Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian and Bicycle, and Alternative Congestion Relief. Within the Transit Program, funding is provided for multiple modes of transit including Caltrain, Local Shuttles, Accessible Services, Ferry, the Dumbarton Corridor and Bay Area Rapid Transit. The 2004 TEP also provides for allocation of funds remaining in the Original Measure A Program for projects outlined in the 1988 Measure A Transportation Expenditure Plan, including Caltrain improvements. The TA's Strategic Plan was approved by the Board to provide a policy framework for guiding programming and allocation decisions within the structure established by the 2004 TEP. The proposed allocations are consistent with the Strategic Plan.

Prepared By: Eileen Bettman, Manager, Budgets  
Connie Yee, Senior Budgets Analyst

650-508-6425  
650-508-6302

**RESOLUTION NO. 2016 –**

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

**\* \* \***

**ALLOCATING \$14,960,000 IN NEW MEASURE A FUNDS TO THE SAN MATEO COUNTY  
TRANSIT DISTRICT FOR APPLICATION TOWARDS THE CALTRAIN PROGRAM CATEGORY AND  
THE PARATRANSIT PROGRAM CATEGORY**

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

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

**WHEREAS**, the 2004 TEP approved by the voters of San Mateo County provides for New Measure A funding for various program categories and percentage split of the sales tax revenue for these program categories; and

**WHEREAS**, the TA designates New Measure A revenues to fund the San Mateo County Transit District's (District) share of the annual Caltrain Capital Program, which, when combined with San Francisco and Santa Clara Counties' equal shares, provides a portion of the annual Caltrain Capital Program, which funds are then leveraged to attain other Federal and State financial support; and

**WHEREAS**, the TA designates up to 8 percent of New Measure A revenues for Caltrain to support the operating costs for which the District is responsible; and

**WHEREAS**, the TA designates 4 percent of New Measure A revenues to support the operating and capital needs of providing paratransit or other accessible services to eligible seniors and people with disabilities in San Mateo County; and

**WHEREAS**, the Executive Director proposes that the TA allocate a total of \$14,960,000 in New Measure A funds, as follows:

1. \$5 million in New Measure A funds from the Caltrain Program category to the District for San Mateo County's share of local match for Caltrain's FY2017 Capital Budget;
2. \$6,640,000 in New Measure A funds from the Caltrain Program category to the District to fund a portion of San Mateo County's share of Caltrain's FY2017 Operating Budget; and
3. \$3,320,000 in New Measure A funds from the Paratransit Program category to the District for its Paratransit Program in FY2017; and

**WHEREAS**, the proposed allocations are consistent with amounts approved in current and prior year budgets and meet the intent of the 2004 TEP.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby allocates a total of \$14,960,000 in New Measure A funds to the San Mateo County Transit District as detailed above.

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to execute any necessary documents or agreements to encumber the subject funding.

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

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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: Eli Kay  
Chief Financial Officer

SUBJECT: **AMENDING THE SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
INVESTMENT POLICY AND REAUTHORIZING INVESTMENT OF MONIES WITH  
THE LOCAL AGENCY INVESTMENT FUND**

**ACTION**

Staff recommends the Board:

1. Amend the San Mateo County Transportation Authority (TA) Statement of Investment Policy to align with current State law, including California Government Code Section 35601. This Investment Policy provides guidelines for the investment of TA funds and includes delegations of authority to invest such funds.
2. Adopt an updated resolution authorizing monies to be invested in Local Agency Investment Funds (LAIF) in compliance with LAIF requirements

**SIGNIFICANCE**

The Executive Director or his designee serves as the TA's trustee for purposes of placing investments pursuant to the Investment Policies. The Board of Directors, in accordance with California Government Code Section 53646(a), may review the Investment Policies and also reauthorize the included delegations of authority on an annual basis at a public meeting. The proposed action will:

- Amend the Investment Policy benchmarks to reflect the TA's current portfolio and to be updated annually by the Executive Director or his designee, with advice from the TA's investment advisers;
- Update authorized investment descriptions to those used in California State Codes; and
- Update the authorized investments explicitly listed in policy to include bonds, notes, warrants, or other evidences of indebtedness of any local agency within this State.

**BUDGET IMPACT**

The amendment of the Investment Policy will have no impact on the TA budget.

## **BACKGROUND**

The TA's investments have always been in accordance with sound treasury management practices and complied with the objectives of safety, liquidity, and yield in that order of priority.

The policy for the investment of TA funds was presented and adopted by the Board of Directors on November 4, 1999. The Board has amended this from time to time, most recently on May 3, 2012, when the policy was revised to require (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.

Prepared by: Carl Cubba, Director, Treasury

650-508-6206

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 Statement of Investment Policy (Investment 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 Investment 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 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. (*California Government Code Section 53646(a)*). 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 the *Code Section* and this Investment 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. 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 performance will be compared to the performance benchmark selected by the Authority annually, which approximates the Authority's portfolio and the specific restrictions on the Authority's portfolio in accordance with applicable current legislation by the State of California

### **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 (including *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 of the Authority, or his designee, shall serve as the Authority's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis.

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 Investment 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 Investment 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 securities 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 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 Investment 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.
6. **Allowable Investment Instruments.** The Authority also may 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 but are not limited to:
  - a. United States Treasury notes, bonds, bills, or certificates of indebtedness, or

those for which the faith and credit of the United States are pledged for the payment of principal and interest.

- b. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises.
- c. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (*California Public Utilities Code Section 11501, et seq.*).
- d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO).
- e. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by *California Financial Code Section 5102*), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601*.
- f. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements as defined in *California Government Code Section 53601 (j)*.
- g. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, 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. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601(k)*.
- h. Shares of beneficial interest issued by diversified management companies

that invest in the securities and obligations as authorized by *California Government Code Section 53601 (l)*.

- i. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this *California Government Code Section 5360*.
  - j. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by department, board, agency, or authority of the local agency.
  - k. Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment 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 Investment Policy; or 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.
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>
(a)	U.S. Treasury Obligations	100	100	15 years
(b)	Obligations of U.S. Agencies or Government Sponsored Enterprises	100	100	15 years
(c)	Bankers Acceptances	A1/P1/F1		
	Domestic (\$500 million minimum assets)	15	5	180 days
	Foreign (\$500 million minimum assets)	15	5	180 days
(d)	Commercial Paper	A1/ P1/F1	15	10
	(\$500 million minimum assets)	Additional	10	10
	*Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days			
(e)	Negotiable Certificates of Deposit	10	5	5 years

<u>Instrument</u>	<u>Rating</u>	<u>Limitations</u>		
		<u>% Of Fund</u>	<u>% Of Fund Per Issuer</u>	<u>Maturity</u>
(f) 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
(g) Medium Term Notes	A	30	10	5 years
(h) Shares of beneficial interest issued by diversified management companies		10	5	30 days
(i) A mortgage pass through security No Inverse Floaters No Range Notes No Interest Only Strips Derived from a Pool of Mortgages	AA	20	5	5 Years
(j) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state (j)		50	50	10 years
Local Agency Investment Fund (LAIF)				Up to the current limit.
San Mateo County Investment Fund				Up to the current limit.

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 Investment 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 LAIF, 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 State Codes. 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 LAIF, FDIC-insured accounts in a bank or savings and loan association, or the SMCIF (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. 2016 –**

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

**\*\*\***

**AMENDING 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; 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 TA has amended its Statement of Investment Policy over the years, most recently in May 2014; and

**WHEREAS**, in presenting the Statement of Investment Policy to the Board of Directors for this year, the Executive Director recommends amendment of the Statement of Investment Policy to align with descriptions of investments contained in the California state codes and to more clearly reflect the TA's strategy for the investment of TA funds; and

**WHEREAS**, staff recommends reappointment of the Executive Director or his designee as trustee for purposes of placing investments pursuant to the aforementioned policy.

**NOW, THEREFORE BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority takes the following actions: 1) Approves and adopts the amended Statement of Investment Policy for the Investment of Transportation Authority Funds, attached hereto as Exhibit A; and 2) Appoints its Executive Director, or his designee, as trustee for purposes of placing investments pursuant to said policy.

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**RESOLUTION NO. 2016 –**

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

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**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 (LAIF) 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 LAIF in accordance with the provisions of Government Code Section 16429.1 is in the best interests of the San Mateo County Transportation Authority (TA).

**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 TA funds in the LAIF 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, is authorized to order the deposit or withdrawal of TA monies in the LAIF.

Regularly passed and adopted this 4<sup>th</sup> day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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Chair, San Mateo County Transportation Authority

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Eli Kay  
Chief Financial Officer

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 June 30, 2016.

**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 July 26, 2016 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 6 and 7. The schedule separates the investments into two groups: the Investment Portfolio, managed by PFM Asset Management LLC (PFM), 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**

Events in Europe dominated the headlines during the quarter. On June 23, the British public voted to leave the European Union (EU) – so-called “Brexit” referendum – after forty-three years of membership. This historic vote was the first of its kind, shocking markets and triggering outsized market reactions. Bond yields fell sharply, sending 10- and 30-year Treasury yields to all-time lows. Equity indexes saw a sharp pullback following the vote, but pared losses by month-end amid anticipated central bank accommodation. Meanwhile, the British pound fell to its lowest level since 1985 against the U.S. dollar.

Amid the uncertainty caused by Brexit, central banks around the world are expected to remain accommodative, keeping rates lower for longer and seemingly boosting equity prices – despite the potential slowdown of British and European economies.

As expected, the Federal Reserve (Fed) left policy rates unchanged at both its second-quarter meetings. In June, even before the Brexit vote, the Federal Open Market Committee (FOMC) once again lowered its expectation for rate hikes in 2016 via the so-called “dot plot.” By quarter-end, the market was pricing in a 0 percent chance of a rate hike in July, and less than a 10 percent chance for a hike this year.

Domestically, modest U.S. economic expansion continued during the quarter, and unemployment ended the quarter below 5 percent. However, measures of economic

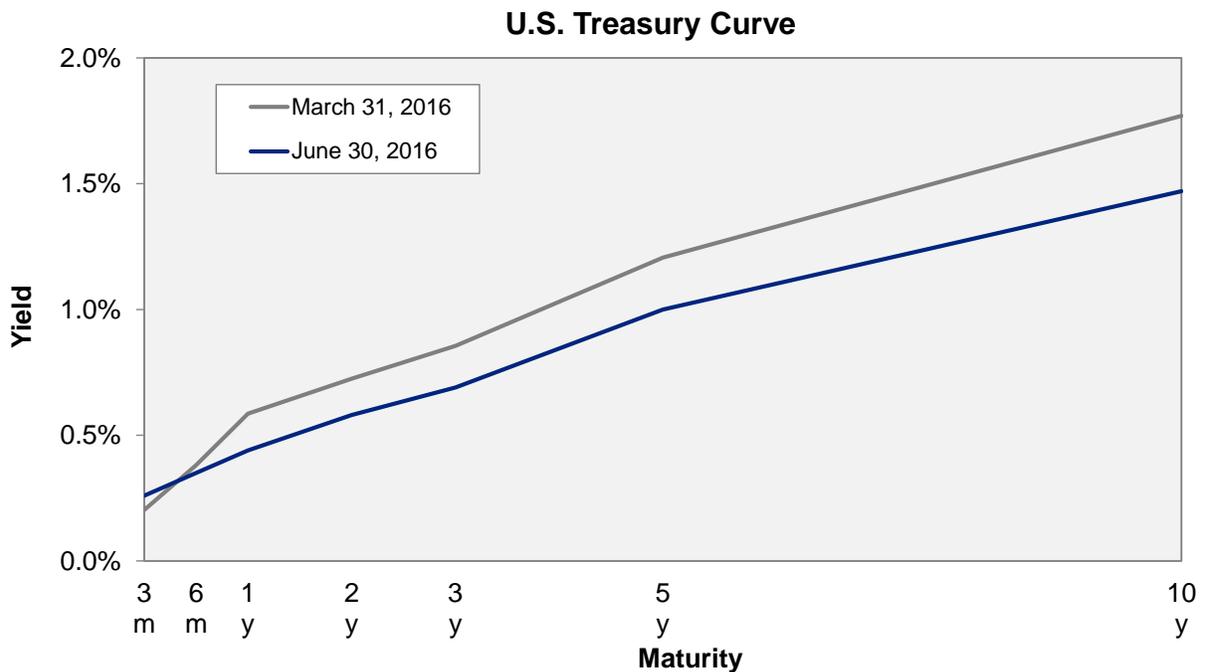
strength in the U.S. remained mixed.

U.S. gross domestic product (GDP) grew at a 1.1 percent rate in the first quarter of 2016, driven by improving trade and business investment, which more than compensated for weakness in consumer spending. Economic growth is expected to rebound in the second quarter to around 2.5 percent, with a preliminary reading to be released in late July.

Job growth decelerated for four straight months before a sharp rebound in June. The U.S. economy added 287,000 jobs in June, the largest gain since October 2015. Year-to-date, the economy added over 1 million jobs, but it is nearly 300,000 behind last year's pace. The unemployment rate ended the quarter at 4.9 percent.

Inflation pressures remained relatively unchanged in the second quarter as the personal consumption expenditure (PCE) price index, the Fed's favored metric of inflation, rose 1.6 percent for the year ended May. Oil prices settled into a \$40 to \$50 per barrel range, while home prices rose 5.4 percent year-over-year. Average hourly earnings, an important measure of wages, grew 2.6 percent over the past 12 months, matching a nearly seven-year high.

Bond yields ended the quarter significantly lower amid the Fed's dovish tone during the quarter and the flight to safety stimulated by the Brexit vote. Declines were led by longer maturity yields, flattening the yield curve. The spread between the two-year and ten-year Treasury yields fell to 89 basis points (0.89 percent) compared to 105 basis points (1.05 percent) at the end of the first quarter. The two-year Treasury yield fell 14 basis points (0.14 percent) during the quarter, while the yield on the ten-year Treasury fell 30 basis points (0.30 percent).



Source: Bloomberg

U.S. Treasury indexes posted another quarter of strong returns as rate declines boosted market values. Because the yield curve flattened, longer maturity issues performed best. Non-callable federal agency securities performed generally in line with comparable maturity Treasuries.

In the money market space, shorter Treasuries posted modest increases, while short-term credit instruments, like commercial paper and bank certificates of deposit (CDs), continued to offer unusually wide yield spreads.

Corporate yield spreads tightened throughout most of the second quarter as credit conditions stabilized from the first quarter's energy price-driven volatility. Post Brexit, corporates experienced a brief spike in spreads, but quickly recovered by quarter end. The sector generated strong outperformance relative to Treasuries, adding to its 2016 return advantage.

Mortgage-backed securities underperformed Treasuries for the second straight quarter. Declining interest rates, which drove accelerated prepayment expectations, continued to hurt the sector.

### **Strategy**

We expect the U.S. economy to expand at a moderate pace in the second half of 2016, but potential spillover from Brexit may be a marginal drag. Outside the U.S., economic prospects are less certain as Europe grapples with the economic and political repercussions of Brexit, emerging markets continue to slow, and global central banks remain a strong influence. We will be closely monitoring incoming economic data for any changes that affect our view.

The Brexit vote changed the prospects for expected Fed action. We now expect no rate hikes until December at the earliest, or even into 2017. This "lower for longer" landscape has implications for both expected returns and risks. Given the likelihood that rates will not move significantly higher in the near-term, we plan to keep durations neutral to benchmarks, avoiding any significant mismatches.

Given the higher degree of uncertainty about both the global economy and the direction of interest rates, we plan to keep the maturity distribution of portfolios generally in line with the distribution of their benchmarks, except where shifting to short-term credit securities offers better value.

Agency yield spreads widened modestly post-Brexit. New issues will likely continue to offer opportunities to capture incremental yield versus outstanding agency issues and comparable maturity Treasuries.

We will continue to evaluate MBS and ABS on an issue-by-issue basis, purchasing only those issues we believe are well structured, offer adequate yield spreads, and which have limited duration variability.

### **Budget Impact**

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending June 30, the total return of the portfolio was **0.65 percent**. This compares to the benchmark return of **0.81 percent**. The Performance graph on page 9 shows the relative performance of the TA over the last 12 months.

The yield 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 quarter, the portfolio's yield to maturity at cost was **1.01 percent**.

The yield at market 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 quarter ending June 30, the portfolio's market yield to maturity was **0.66 percent**. The benchmark's market yield to maturity was **0.89 percent**.

Prepared by: Carl Cubba, Treasury Director

650-508-6206

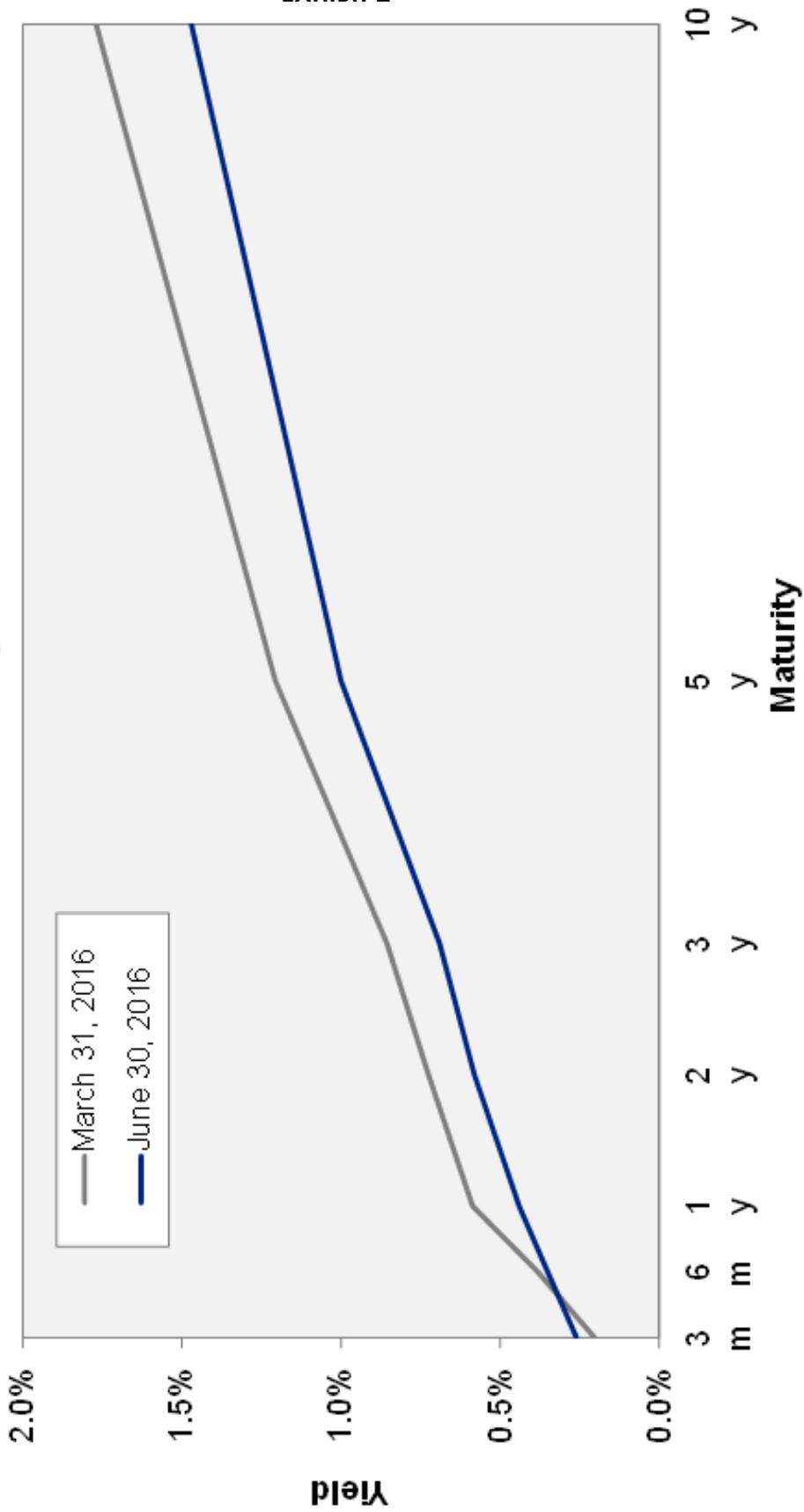


**EXHIBIT 1 (Cont.)**

SAN MATEO COUNTY TRANSPORTATION AUTHORITY						
REPORT OF INVESTMENTS (Continued)						
FOR QUARTER ENDED JUNE 30, 2016						
TYPE	ORIGINAL PURCHASE PRICE	MARKET VALUE	INT REC-VBLE	MARKET VALUE + ACCR. INT.		
<b>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</b>						
SAN MATEO COUNTY POOL	312,035,226	312,035,226	530,077	312,565,303		
LOCAL AGENCY INVESTMENT FUND (LAIF)	974,374	974,374	2,610	976,984		
U.S BANK (CASH ON DEPOSIT)	20,388	20,388		20,388		
BANK OF AMERICA CHECKING	1,744,653	1,744,653		1,744,653		
WELLS FARGO	0	0		0		
<b>TOTAL FUNDS MANAGED BY DISTRICT STAFF</b>	<b>314,774,642</b>	<b>314,774,642</b>	<b>532,687</b>	<b>315,307,329</b>		
<b>TOTAL AS OF JUNE 30, 2016</b>	<b>471,719,625</b>	<b>471,719,625</b>	<b>974,881</b>	<b>472,694,506</b>		

# San Mateo County Transportation Authority

## U.S. Treasury Curve

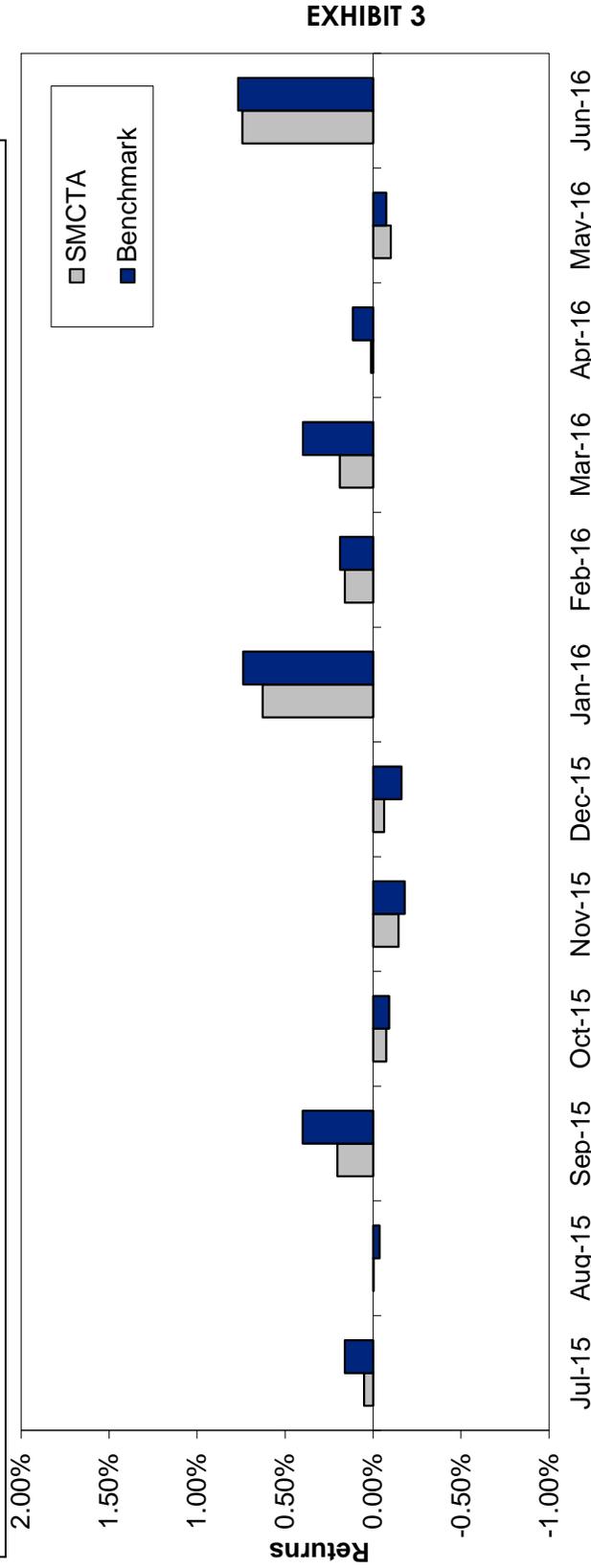


Source: Bloomberg.

The Authority's benchmark comprises of 15% Bank of America (BofA) Merrill Lynch 0-1 Year U.S. Treasury Index, 15% BofA Merrill Lynch 0-1 Year Agency Index, 20%, BofA Merrill Lynch 1-3 Year Government Index, 20% BofA Merrill Lynch 3-5 Year Government Index, 10% BofA Merrill Lynch 1-10 Year Government Index, and 20% BofA Merrill Lynch 1-5 Year Corporate Index.

# San Mateo County Transportation Authority

## Monthly Review Accounts vs. Benchmark



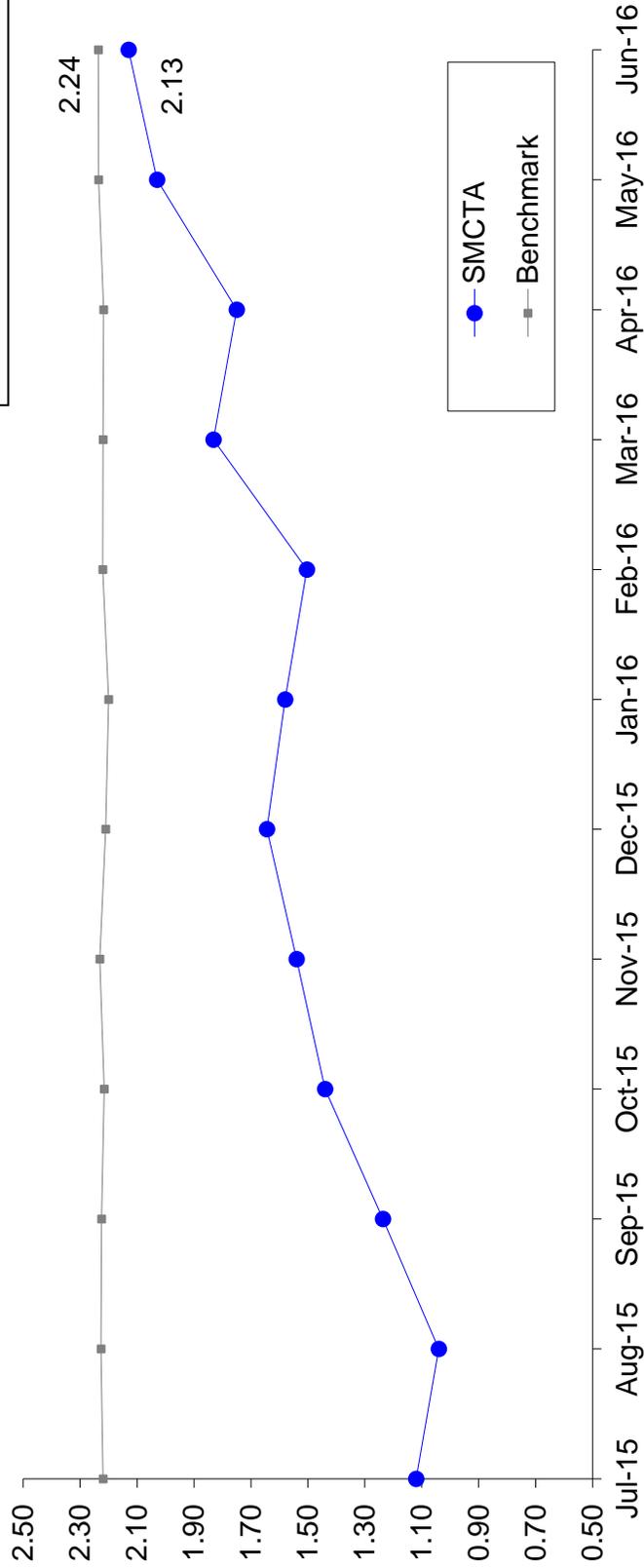
Trailing 12 Months	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Trailing 12
<b>MONTHLY PERFORMANCE DATA</b>													
SMCTA	0.05%	0.00%	0.20%	-0.08%	-0.15%	-0.06%	0.63%	0.16%	0.19%	0.01%	-0.10%	0.74%	1.60%
Benchmark	0.16%	-0.04%	0.40%	-0.09%	-0.18%	-0.16%	0.74%	0.19%	0.40%	0.11%	-0.07%	0.77%	2.24%

# 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%

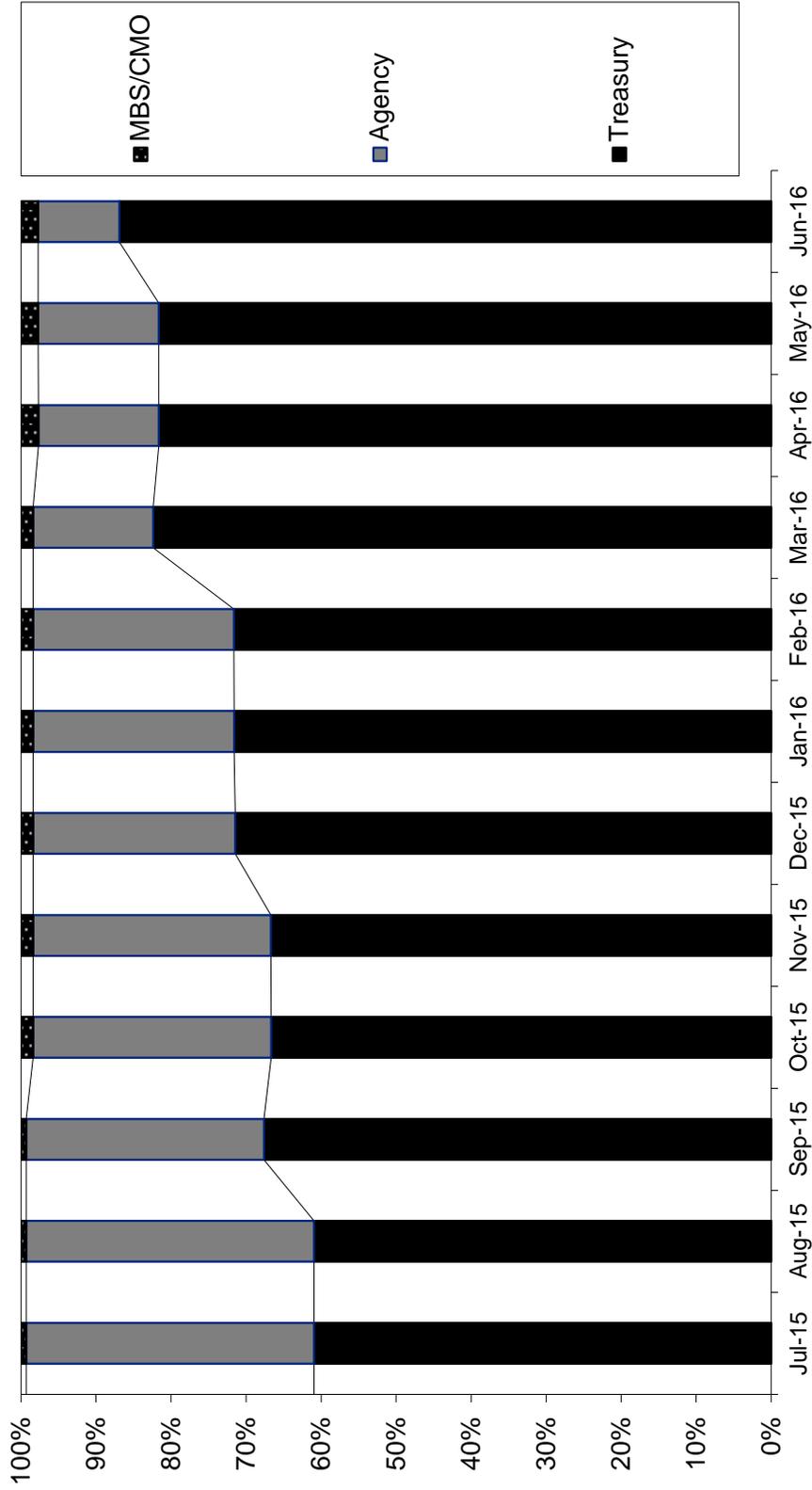
EXHIBIT 4



Source: Bloomberg.  
 The Authority's benchmark comprises of 15% Bank of America (BofA) Merrill Lynch 0-1 Year U.S. Treasury Index, 15% BofA Merrill Lynch 0-1 Year Agency Index, 20% BofA Merrill Lynch 1-3 Year Government Index, 20% BofA Merrill Lynch 3-5 Year Government Index, 10% BofA Merrill Lynch 1-10 Year Government Index, and 20% BofA Merrill Lynch 1-5 Year Corporate Index.

# San Mateo County Transportation Authority

## Percent of Assets Held by Type



MBS/CMO – Federal Agency mortgage-backed securities and collateralized mortgage obligations.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan  
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: **PROGRAM REPORT: GRADE SEPARATION PROGRAM**

**ACTION**

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

**SIGNIFICANCE**

At the November 2015 Board meeting, staff provided the board an update of the projects funded from the Grade Separation Program. This month's presentation will provide information on the prior planning work the TA staff had undertaken with regards to grade crossings in the County, and the fund programming policy the Board had previously endorsed for the Grade Separation Program. The presentation will also include alternatives for consideration regarding the project selection process moving forward. This information will be presented via PowerPoint.

**BUDGET**

There is no impact on the budget.

**BACKGROUND**

The TA's New Measure A Grade Separation Program provides funding for the elimination of at grade railroad crossings and the upgrade of existing grade separations to improve safety and relieve local traffic congestion. Fifteen percent of the New Measure A sales tax revenue is available to support the Grade Separation Program.

Prepared By: Joel Slavit, Manager, Programming and Monitoring

650-508-6476

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

**ACTION**

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

**SIGNIFICANCE**

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

**STATE ISSUES**

Nothing to report as the Legislature was on recess in July. They will reconvene on August 1.

**FEDERAL ISSUES**

We are still waiting for the House to schedule a floor vote on their Fiscal Year (FY) 2017 Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Act bill. The Senate approved their THUD bill on May 24, 2016.

The current House THUD bill contains \$100 million for the Caltrain Peninsula Corridor Electrification Project. The Senate approved THUD bill includes \$332 million for the overall Federal Transit Administration (FTA) Core Capacity Program and did not call out specific projects for funding. The Senate bill leaves that to the discretion of FTA.

Prepared By: Shweta Bhatnagar, Manager, Government and  
Community Relations

650-508-6385

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 516</b> <b>Mullin D</b></p> <p><b>Temporary License Plates</b></p>	<p>6/30/16</p> <p>Governor's Desk</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 form 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>Existing law requires the driver of a motor vehicle to present evidence of registration of a vehicle under the driver's immediate control upon demand by a peace officer. Existing law prohibits displaying or presenting to a peace officer specified indicia of vehicle registration that are not issued for that vehicle. Existing law authorizes the DMV to assess administrative fees on a processing agency for providing notices of delinquent parking violations or toll evasion violations to the offenders in connection with the collection of penalties for those violations, and authorizes the use of those administrative fees to support those collection procedures. Existing law requires license plates to be securely fastened to the vehicle for which they were issued for the period of validity of the license plates, and authorizes the use of a special permit in lieu of license plates for that purpose.</p> <p>The purpose of this bill is to require the DMV to create a process to issue temporary license plates (TLPs) by January 1, 2019; require dealers to attach TLPs to all unlicensed vehicles when they are sold beginning January 1, 2019; and makes the forging or altering of a temporary license plate a misdemeanor. <b>Last amended on 6/23/16</b></p>	<p><b>Support</b></p>
<p><b>AB 1550</b> <b>Gomez D</b></p> <p><b>Greenhouse gases: investment plan: disadvantaged communities</b></p>	<p>6/30/16</p> <p>Senate Appropriations 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 as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law 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. Existing law requires the investment plan to allocate a minimum of 25% of the available moneys in the fund to projects that provide benefits to disadvantaged communities and a minimum of 10% to projects located in disadvantaged communities. Existing law authorizes the allocation of 10% for projects located in disadvantaged communities to be used for projects included in the minimum allocation of 25% for projects that provide benefits to disadvantaged communities.</p> <p>This bill would instead require the investment plan to allocate a minimum of 25% of the available moneys in the fund to projects located within disadvantaged communities and a separate and a minimum of 20% to projects that benefit low-income households, with a fair share of those moneys targeting households with incomes at or below 200% of the federal poverty level. <b>Last amended on 5/31/16</b></p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 1591</b> <b>Frazier D</b></p> <p><b>Transportation Funding</b></p>	<p>2/1/16</p> <p>Referred to Assembly Committees on Transportation and Revenue and Taxation</p> <p>Died in Committee</p>	<p>Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.</p> <p>This bill would create a funding package of over \$7.8 billion for cities, counties, and Caltrans to address repairs and maintenance of local streets and roads, state highway system, and Trade Corridors by increasing gas and diesel excises taxes, vehicle registration fees, creating a new fee for electric vehicles. Proceeds from Cap and Trade auctions would be used to fund public transportation, including intercity rail. The bill would index the gas and diesel excise tax to keep up with the consumer price index. Aside from the restoration of price-based portion of the gas tax, there is no new funding for the State Transportation Improvement Program, which is a flexible program that allows local jurisdictions use to leverage local sales tax dollars or federal funding to address a wide range of needs for highway safety, congestion relief, commuter and intercity rail needs, or bicycle and pedestrian programs to name a few eligible expenditures.</p>	
<p><b>AB 1610/SB 838</b> <b>Committee on Budget</b></p> <p><b>Transportation Trailer Bills</b></p>	<p>6/16/16</p> <p>Concurrence</p>	<p>These bills are each house's version of the transportation trailer bill to the 2016-17 State Budget. They contain various provisions, some not germane to SMCTA, on funding for programs. Of note is the provision that would require the State Controller to distribute State Transit Assistance funding for fiscal years 2015-16, 2016-17, and 2017-18 to the same entities and according to the same ratios as calculated and published by the Controller for the fourth quarter of 2014-15. Provides that the remaining 2015-16 distributions shall include adjustments so that the 2015-16 amounts ultimately provided reflect the 2014-15 operator ratios.</p>	
<p><b>AB 1640</b> <b>Stone D</b></p> <p><b>Retirement: public employees</b></p>	<p>6/30/16</p> <p>Senate Appropriations Committee</p> <p>Set for 8/1/16</p>	<p>The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013. PEPRA exempts from its provisions certain public employees whose collective bargaining rights are subject to specified provisions of federal law until a specified federal district court decision on a certification by the United States Secretary of Labor, or until January 1, 2016, whichever is sooner.</p> <p>This bill would extend indefinitely that exemption for those public employees, whose collective bargaining rights are subject to specified provisions of federal law and who became a member of a state or local public retirement system prior to December 30, 2014. The bill would exempt these employees from PEPRA without regard to date of hire upon issuance of a specified federal district court decision. <b>Last amended on 6/20/16</b></p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 1780</b> <b>Medina D</b></p> <p><b>Greenhouse Gas Reduction Fund: trade corridors</b></p>	<p>4/20/16</p> <p>Assembly Appropriations Committee</p> <p>Suspense File-</p> <p>Held Under Submission</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. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for nes and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. 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>This bill, beginning in the 2016–17 fiscal year, would continuously appropriate 20% of the annual proceeds of the fund to the California Transportation Commission to be allocated to reduce greenhouse gas emissions in trade corridors consistent with specified guidelines, thereby making an appropriation. <b>Last amended on 3/28/16</b></p>	
<p><b>AB 1813</b> <b>Frazier D</b></p> <p><b>High-Speed Rail Authority: membership</b></p>	<p>6/30/16</p> <p>Governor's Desk</p>	<p>Existing law creates the High-Speed Rail Authority with specified powers and duties relative to development and implementation of a high-speed train system. The authority is composed of 9 members, including 5 members appointed by the Governor, and 2 members each appointed by the Senate Committee on Rules and the Speaker of the Assembly.</p> <p>This bill would additionally provide for appointment of one Member of the Senate by the Senate Committee on Rules and one Member of the Assembly by the Speaker of the Assembly to serve as ex officio members of the authority. The bill would provide that the ex officio members shall participate in the activities of the authority to the extent that participation is not incompatible with their positions as Members of the Legislature.</p>	
<p><b>AB 1833</b> <b>Linder D</b></p> <p><b>Transportation projects: environmental mitigation</b></p>	<p>5/27/16</p> <p>Assembly Appropriations Committee</p> <p>Suspense File-</p> <p>Held Under Submission</p>	<p>The California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect, subject to certain exceptions.</p> <p>The bill would create the Advanced Mitigation Program in the Department of Transportation to implement environmental mitigation measures in advance of future transportation projects. The bill, by February 1, 2017, would require the department to establish a steering committee to advise the department in that regard. <b>Last amended on 4/25/16</b></p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 1889</b> <b>Mullin D</b></p> <p><b>Transportation Funding: Caltrain</b></p>	<p>6/30/16</p> <p>Senate Appropriations Committee</p> <p style="color: red;">Set for Hearing on 8/1/16</p>	<p>Existing law creates the High-Speed Rail Authority (HSRA) with specified powers and duties relative to the development and implementation of a high-speed train system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, statewide general election, provides for the issuance of \$9.95 billion for high-speed train capital projects and other associated purposes. The bond act requires the authority to expend the proceeds of the bond act pursuant to certain planning and reporting requirements, which require the authority to approve that the corridor or usable segment would be suitable and ready for high-speed train operations.</p> <p>The Budget Act of 2012 made appropriations for the support of state government, including an appropriation for, among other things, state operations, local assistance, or capital outlay for high-speed rail projects, as specified.</p> <p>This bill would provide for the purposes of that appropriation that the approval by HSRA that a corridor or usable segment thereof would be suitable and ready for high-speed train operation is conclusive.</p> <p><b>Last amended on 6/21/16</b></p>	<p><b>Support</b></p>
<p><b>AB 1919</b> <b>Quirk D</b></p> <p><b>Local Transportation Authorities: bonds</b></p>	<p>6/30/16</p> <p>Senate Floor</p>	<p>The Local Transportation Authority and Improvement Act provides for the creation in any county of a local transportation authority and authorizes the imposition of a retail transactions and use tax by ordinance, subject to approval of the ordinance by 2/3 of the voters. Existing law authorizes the ballot proposition submitted to the voters to include a provision authorizing bonds to be issued that would be payable from the proceeds of the transactions and use tax. Existing law requires the bond proceeds to be placed in the treasury of the local transportation authority and to be used for allowable transportation purposes, except that accrued interest and premiums received on the sale of the bonds are required to be placed in a fund to be used for the payment of bond debt service.</p> <p>This bill would instead require the premiums received on the sale of the bonds to be placed in the treasury of the local transportation authority to be used for allowable transportation purposes. <b>Last amended on 4/4/16</b></p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 1964 Bloom</b></p> <p><b>High-occupancy vehicle lanes: vehicle exceptions</b></p>	<p>6/30/16</p> <p>Senate Appropriations Committee</p> <p>Set for Hearing on 8/1/16</p>	<p>Existing federal law authorizes, until September 30, 2019, a state to allow low emission and energy-efficient vehicles, as specified, to use lanes designated for high-occupancy vehicles (HOVs). Existing federal law also authorizes, until September 30, 2025, a state to allow alternative fuel vehicles, as defined, and new qualified plug-in electric drive motor vehicles, as defined, to use HOV lanes.</p> <p>Existing state law authorizes the Department of Transportation to designate certain lanes for the exclusive use of HOVs. Existing law also authorizes super ultra-low emission vehicles, ultra-low emission vehicles, partial zero-emission vehicles, or transitional zero-emission vehicles, as specified, that display a valid identifier issued by the Department of Motor Vehicles to use these HOV lanes until January 1, 2019, or until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. A violation of provisions relating to HOV lane use by vehicles without those identifiers is a crime. Existing law authorizes the Department of Motor Vehicles to issue those identifiers until January 1, 2019, or until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. Existing law prohibits the Department of Motor Vehicles from issuing more than 85,000 identifiers that clearly distinguish a partial or transitional zero-emission vehicle, as specified. Existing law requires the Department of Transportation to remove individual HOV lanes, or portions of those lanes, during peak periods of congestion from access by vehicles displaying the identifiers if the department makes specified findings.</p> <p>This bill would extend the operation of the provisions allowing specified vehicles to use HOV lanes until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. The bill would provide that identifiers issued for identified vehicles are valid until January 1, 2019. The bill would authorize the Department of Motor Vehicles to issue other identifiers until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. The bill would provide that identifiers issued on or after January 1, 2018, but before January 1, 2019, would be valid until January 1, 2021. The bill would provide that identifiers issued for partial or transitional zero-emission vehicles on or after January 1, 2019, would be valid until January 1 of the 4th year after the year of issuance. The bill would remove the limit of 85,000 identifiers for those vehicles, and would instead prohibit the Department of Motor Vehicles from issuing identifiers if the sale of new vehicles of that category reaches at least 9.2% of the total new car market share for 2 consecutive years, upon notification by the State Air Resources Board, as specified. The bill would make conforming changes allowing vehicles displaying specified identifiers to use HOV lanes. It requires Caltrans to remove HOV lanes or portions of those lanes from access by vehicles displaying identifiers upon the request of, and with the concurrence of, the regional transportation planning agency whose jurisdiction includes the HOV lanes if the department makes specified findings, as prescribed. <b>Last amended on 6/30/16</b></p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 2030</b> <b>Mullin D</b></p> <p><b>Transportation Districts: Contracts</b></p>	<p>6/30/16</p> <p>Assembly Floor</p> <p>Concurrence In Senate Amendments Pending</p>	<p>Existing law requires contracts of the San Mateo County Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district, to the extent practicable, to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000.</p> <p>Existing law requires contracts of the San Mateo County Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district, to the extent practicable, to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000.</p> <p>This bill would instead impose those bidding requirements if the amount of the contract exceeds \$150,000 and would require a minimum of 3 quotations for contracts between \$5,000 and \$150,000. The bill would also require, with respect to district contracts for the construction of facilities and works, a minimum of 3 quotations for those contracts between \$5,000 and \$10,000. Bidding requirements would also be imposed for contracts exceeding \$150,000. <b>Last amended on 6/1/16</b></p>	<p><b>Support</b></p>
<p><b>AB 2126</b> <b>Mullin D</b></p> <p><b>Construction Manager/General Contractor</b></p>	<p>6/30/16</p> <p>Senate Appropriations Committee</p> <p>Set for Hearing on 8/1/16</p>	<p>Existing law authorizes the Department of Transportation to use the Construction Manager/General Contractor method on no more than 6 projects, and requires 4 out of the 6 projects to use department employees or consultants under contract with the department to perform all project design and engineering services, as specified.</p> <p>This bill would authorize the department to use this method on 12 projects and would require 8 out of the 12 projects to use department employees or consultants under contract with the department to perform all project design and engineering services.</p>	<p><b>Support</b></p>
<p><b>AB 2411</b> <b>Frazier D</b></p> <p><b>Non-Article XIX Funds</b></p>	<p>6/13/16</p> <p>Senate Transportation &amp; Housing Committee</p> <p>Died In Committee</p>	<p>Existing law requires certain miscellaneous revenues deposited in the State Highway Account that are not restricted as to expenditure by Article XIX of the California Constitution to be transferred to the Transportation Debt Service Fund in the State Transportation Fund, as specified, and requires the Controller to transfer from the fund to the General Fund an amount of those revenues necessary to offset the current year debt service made from the General Fund on general obligation transportation bonds issued pursuant to Proposition 116 of 1990.</p> <p>This bill would delete the transfer of these miscellaneous revenues to the Transportation Debt Service Fund, thereby eliminating the offsetting transfer to the General Fund for debt service on general obligation transportation bonds issued pursuant to Proposition 116 of 1990. The bill would instead deposit funds in the State Highway Account.</p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>AB 2542</b> <b>Gatto D</b></p> <p><b>Streets and Highways: reversible lanes</b></p>	<p>6/30/16</p> <p>Senate Appropriations Committee</p> <p>Set for Hearing on 8/1/16</p>	<p>Existing law provides that the Department of Transportation is in full possession and control of the state highway system. Existing law generally provides for the California Transportation Commission to program available funding for transportation capital projects, other than state highway rehabilitation projects, through the State Transportation Improvement Program, which includes projects recommended by regional transportation planning agencies through the adoption of a regional transportation improvement program and projects recommended by the department through the adoption of an interregional transportation improvement program, as specified.</p> <p><i>This bill would require the department or a regional transportation planning agency, when submitting a capacity-increasing project or a major street or highway lane realignment project to the commission for approval, to demonstrate that reversible lanes were considered for the project.</i></p> <p><b>Last amended on 3/15/16</b></p>	
<p><b>AB 2847</b> <b>Patterson R</b></p> <p><b>High-Speed Rail Authority: reports</b></p>	<p>6/30/16</p> <p>Senate Appropriations Committee</p> <p>Set for Hearing on 8/1/16</p>	<p>Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority (Authority) to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law requires the authority, on a biennial basis, to prepare a business plan containing specified elements and also requires the preparation of various other reports.</p> <p>This bill would require the business plan to identify projected financing costs for each segment or combination of segments of the high-speed rail system, if financing is proposed by the authority. The bill, in the business plan and in another report, would require the authority to identify any significant changes in scope for segments of the high-speed rail system identified in the previous version of each report and to provide an explanation of adjustments in cost and schedule attributable to the changes. <b>Last amended on 5/23/16</b></p>	
<p><b>ACA 4</b> <b>Frazier D</b></p> <p><b>55% Threshold for Local Sales Tax Measures: transportation</b></p>	<p>8/27/15</p> <p>Assembly Appropriations Committee</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 sales and use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or a transactions and use tax imposed in accordance with the Transactions and Use Tax Law by a county, city, city and county, or special district 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 sales and use tax for local transportation projects submitted at the same election. <b>Last amended on 8/17/15</b></p>	<p><b>Support</b></p>
<p><b>ABx1 1</b> <b>Alejo D</b></p> <p><b>Transportation Funding</b></p>	<p>6/24/15</p> <p>Assembly Rules 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. The bill would also restore truck weight fees back to the State Highway Account.</p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<b>ABx1 3</b> <b>Frazier D</b>  <b>Transportation Funding</b>	2/28/16  Conference Committee	<p>Existing law requires the Department of Transportation to improve and maintain the state's highways, and establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to maintain and repair the state's highways, local roads, bridges, and other critical infrastructure.</p>	
<b>ABx1 4</b> <b>Frazier D</b>  <b>Transportation Funding</b>	7/10/15  Assembly Rules Committee	<p>Existing law establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to improve the state's key trade corridors and support efforts by local governments to repair and improve local transportation infrastructure.</p>	
<b>ABx1 6</b> <b>Hernandez D</b>  <b>Affordable Housing &amp; Sustainable Communities Program</b>	7/16/15  Assembly Rules Committee	<p>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 and to be available upon appropriation by the Legislature. Existing law continuously appropriates 20% of the annual proceeds of the fund to the Affordable Housing and Sustainable Communities Program, administered by the Strategic Growth Council, to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives.</p> <p>This bill would require 20% of moneys available for allocation under the program to be allocated to eligible projects in rural areas, as defined. The bill would further require at least 50% of those moneys to be allocated to eligible affordable housing projects. The bill would require the council to amend its guidelines and selection criteria consistent with these requirements and to consult with interested stakeholders in this regard.</p>	
<b>ABx1 7</b> <b>Nazarian D</b>  <b>Public Transit Funding</b>	7/17/15  Assembly Rules Committee	<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. Existing law continuously appropriates 10% of the annual proceeds of the fund to the Transit and Intercity Rail Capital Program and 5% of the annual proceeds of the fund to the Low Carbon Transit Operations Program.</p> <p>This bill would instead continuously appropriate 20% of those annual proceeds to the Transit and Intercity Rail Capital Program, and 10% of those annual proceeds to the Low Carbon Transit Operations Program, thereby making an appropriation.</p>	<b>Support</b>

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>ABx1 8</b> <b>Chiu D</b></p> <p><b>Diesel Sales and Use Tax</b></p>	<p>7/17/15</p> <p>Assembly Rules Committee</p>	<p>Existing law, beyond the sales and use tax rate generally applicable, imposes an additional sales and use tax on diesel fuel at the rate of 1.75%, subject to certain exemptions, and provides for the net revenues collected from the additional tax to be transferred to the Public Transportation Account. Existing law continuously appropriates these revenues to the Controller, for allocation by formula to transportation agencies for public transit purposes.</p> <p>This bill, effective July 1, 2016, would increase the additional sales and use tax rate on diesel fuel to 5.25%. By increasing the revenues deposited in a continuously appropriated fund, the bill would thereby make an appropriation.</p> <p>The bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature. This bill would take effect immediately as a tax levy.</p>	<p><b>Support</b></p>
<p><b>ABx1 13</b> <b>Grove R</b></p> <p><b>Greenhouse Gas Reduction Fund: streets and highways</b></p>	<p>8/31/15</p> <p>Introduced</p>	<p>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 and to be available upon appropriation. Existing law continuously appropriates 20% of the annual proceeds of the fund to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program, as provided.</p> <p>This bill would reduce the continuous appropriation to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program by half.</p> <p>Beginning in the 2016-17 fiscal year, it would continuously appropriate 50% of the annual proceeds of the Greenhouse Gas Reduction Fund, with 50% of that appropriation to Caltrans for maintenance of the state highway system or for projects that are part of the state highway operation and protection program, and 50% to cities and counties for local street and road purposes.</p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>ABx1 23</b> <b>Garcia D</b></p> <p><b>Transportation Funding</b></p>	<p>9/4/15</p> <p>Introduced</p>	<p>Existing law requires the Department of Transportation to prepare a State Highway Operation and Protection Program (SHOPP) every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. Existing law provides for the programming of transportation capital improvement funds for other objectives through the State Transportation Improvement Program (STIP) administered by the California Transportation Commission (CTC), which includes projects recommended by regional transportation planning agencies through adoption of a regional transportation improvement program and projects recommended by the department through adoption of an interregional transportation improvement program, as specified.</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 specified available funds to be awarded to eligible projects by the California Transportation Commission and regional transportation agencies, as specified.</p> <p>This bill, by January 1, 2017, would require the California Transportation Commission to establish a process whereby the department and local agencies receiving funding for highway capital improvements from the State Highway Operation and Protection Program or the State Transportation Improvement Program prioritize projects that provide meaningful benefits to the mobility and safety needs of disadvantaged community residents, as specified.</p> <p>This bill would specifically require \$125,000,000 to be appropriated annually from the State Highway Account to the Active Transportation Program, with these additional funds to be used for network grants that prioritize projects in underserved areas, as specified.</p>	
<p><b>ABx1 24</b> <b>Levine &amp; Ting D</b></p> <p><b>Bay Area Transportation Commission: election of Commissioners</b></p>	<p>9/11/15</p> <p>Introduced</p>	<p>Existing law designates the Metropolitan Transportation Commission as the regional transportation planning agency for the San Francisco Bay area, with various powers and duties with respect to transportation planning and programming, as specified, in the 9-county San Francisco Bay area region. Existing law creates the Bay Area Toll Authority, governed by the same board as the commission, but created as a separate entity, with specified powers and duties relative to the administration of certain toll revenues from state-owned toll bridges within the geographic jurisdiction of the commission. Under existing law, the commission is comprised of 21 appointed members, as specified.</p> <p>This bill, effective January 1, 2017, would redesignate the Metropolitan Transportation Commission as the Bay Area Transportation Commission. Commissioners are required to be elected by districts comprised of approximately 750,000 residents. The bill would require each district to elect one commissioner, except that a district with a toll bridge, as defined, within the boundaries of the district would elect 2 commissioners. The bill would require commissioner elections to occur in 2016, with new commissioners to take office on January 1, 2017. The bill would state the intent of the Legislature for district boundaries to be drawn by a citizens' redistricting commission and campaigns for commissioners to be publicly financed.</p> <p>This bill, effective January 1, 2017, would delete the Bay Area Toll Authority's status as a separate entity from the Metropolitan Transportation Commission and merge the authority into the Bay Area Transportation Commission.</p>	

## SMCTA Bill Matrix – July

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>6/30/16</p> <p>Senate Floor- Concurrence</p> <p>Inactive File</p> <p>Two-Year Bill</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 for each year, 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 adjusted rate to be effective during the state's next fiscal year.</p> <p>This bill for the 2016–17 fiscal year and each fiscal year thereafter, instead require the board, on 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 for each year. <b>Last amended on 8/18/15</b></p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>SB 824</b> <b>Beall D</b></p> <p><b>Low Carbon Transit Operations Program</b></p>	<p>6/28/16</p> <p>Senate Appropriations Committee</p>	<p>Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund.</p> <p>Existing law continuously appropriates specified portions of the annual proceeds in the Greenhouse Gas Reduction Fund to various programs, including 5% for the Low Carbon Transit Operations Program, for expenditures to provide transit operating or capital assistance consistent with specified criteria. Existing law provides for distribution of available funds under the program by a specified formula to recipient transit agencies by the Controller, upon approval of the recipient transit agency's proposed expenditures by the Department of Transportation.</p> <p>Existing law requires recipient transit agencies whose service areas include disadvantaged communities, as defined, to expend at least 50% of the funding received from the program on projects and services that benefit disadvantaged communities.</p> <p>This bill would require a recipient transit agency to demonstrate that each expenditure of program moneys allocated to the agency does not supplant another source of funds. The bill would authorize a recipient transit agency that does not submit a project for funding under the program in a particular fiscal year to retain its funding share for expenditure in a subsequent fiscal year for a maximum of four years. The bill would allow a recipient transit agency to loan or transfer its funding share in any particular fiscal year to another recipient transit agency within the same region, to pool its funding share with those of other recipient transit agencies, or to apply to the department to reassign, to other eligible expenditures under the program, any savings of surplus moneys from an approved and completed expenditure under the program or from an approved expenditure that is no longer a priority, as specified. The bill would also allow a recipient transit agency to apply to the department for a letter of no prejudice <i>any eligible expenditures under the program</i> for which the department has authorized a disbursement of funds, and, if granted, would allow the recipient transit agency to expend its own moneys and to be eligible for future reimbursement from the program, under specified conditions. The bill would also require a recipient transit agency to provide additional information to the department to the extent funding is sought for capital projects.</p> <p>This bill would require at least 50% of the total moneys available for the program to be expended on projects and services that benefit disadvantaged communities. The bill would require the department to ensure that investments benefiting disadvantaged communities are made within the jurisdiction of each regional transportation planning agency, and to report to the Legislature on the investments made in that regard by July 1, 2019, and at least every 3 years thereafter. <b>Last amended on 6/21/16</b></p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>SB 885</b> <b>Wolk D</b></p> <p><b>Contracts: Design professional indemnity</b></p>	<p>6/27/16</p> <p>Assembly Judiciary Committee</p> <p>Died in Committee</p>	<p>Existing law makes specified provisions in construction contracts void and unenforceable, including provisions that purport to indemnify the promisee against liability for damages for death or bodily injury to persons, injury to property, or any other loss arising from the sole negligence or willful misconduct of the promisee or the promisee's agents who are directly responsible to the promisee, or for defects in design furnished by those persons.</p> <p>This bill would specify, for contracts and amendments to them entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend claims that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. The bill would prohibit these provisions from being construed to affect any duty of a design professional to defend any claims brought against him or her on an ongoing basis during their pendency or the design professional's obligation to reimburse reasonable defense costs incurred by other persons or entities, limited to the design professional's degree of fault, as determined by a court, arbitration, or negotiated settlement. The bill would provide that contracts and solicitation documents are deemed to incorporate its provisions by reference and would de ne claim to include a demand for money or services, lawsuit, or demand for arbitration.</p> <p>The bill would prohibit waiver of these provisions and would provide that any clause, covenant, or agreement contained in, collateral to, or affecting a contract that requires a design professional to defend claims against other persons or entities is void and unenforceable. The bill would provide Legislative findings and declarations in support of these provisions. <b>Last amended on 6/16/16</b></p>	<p><b>Oppose</b></p>
<p><b>SB 998</b> <b>Wieckowski D</b></p> <p><b>Vehicles: mass transit guideways</b></p>	<p>6/28/16</p> <p>Assembly Appropriations Committee</p>	<p>Existing law makes it unlawful for a person to stop or park a motor vehicle in specified places, including an area designated as a fire lane by the fire department or fire district, as specified. A violation of these provisions is an infraction.</p> <p>This bill would prohibit a person from operating a motor vehicle, or stopping, parking, or leaving a vehicle standing, on a portion of the highway designated for the exclusive use of public transit buses, subject to specified exceptions. Because a violation of these provisions would be a crime, this bill would impose a state-mandated local program. <b>Last amended on 5/3/16</b></p>	
<p><b>SB 1128</b> <b>Glazer D</b></p> <p><b>Commuter Benefit Policies</b></p>	<p>6/29/16</p> <p>Assembly Floor</p>	<p>Existing law authorizes the Metropolitan Transportation Commission and the Bay Area Air Quality Management District to jointly adopt a commute benefit ordinance that requires covered employers operating within the common area of the 2 agencies with a specified number of covered employees to offer those employees certain commute benefits through a pilot program. Existing law requires that the ordinance specify certain matters, including any consequences for noncompliance, and imposes a specified reporting requirement. Existing law makes these provisions inoperative on January 1, 2017.</p> <p>This bill would extend these provisions indefinitely, thereby establishing the pilot program permanently. The bill would also delete bicycle commuting as a pretax option under the program and instead would authorize a covered employer, at its discretion, to offer commuting by bicycling as an employer-paid benefit in addition to commuting via public transit or by vanpool. The bill would also delete the reporting requirement.</p>	<p><b>Support</b></p>

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>SB 1259</b> <b>Runner R</b></p> <p><b>Vehicles: toll payment: veterans</b></p>	<p>6/23/16</p> <p>Assembly Veterans Affairs Committee</p> <p>Died in Committee</p>	<p>Under existing law, a vehicle that enters into or upon a vehicular crossing, as defined, is liable for tolls and other charges prescribed by the California Transportation Commission. Under existing law, it is unlawful to refuse to pay, or to evade or attempt to evade the payment of, tolls or other charges on any vehicular crossing, as defined, or toll highway. A violation of those provisions is subject to civil penalties. Existing law exempts authorized emergency vehicles, as defined, from payment of a toll and related fines under specified conditions.</p> <p>This bill would exempt vehicles registered to a veteran and displaying a specialized veterans license plate, as specified, from payment of a toll or related fines on a toll road, high-occupancy toll (HOT) lane, toll bridge, toll highway, a vehicular crossing, or any other toll facility. <b>Last amended on 4/21/16</b></p>	
<p><b>SBx1 1</b> <b>Beall (D)</b></p> <p><b>Transportation Funding</b></p>	<p>4/21/16</p> <p>Senate Appropriations Committee</p>	<p>Creates a \$6.5 billion package based on increases to the gas tax, sales on diesel tax, vehicle registration fee, and cap and Trade revenue to make investments towards local streets and roads rehabilitation, public transportation, and the State Highway Operation and Protection Program, and trade corridors. Gas taxes would be adjusted for inflation and the price-based portion of the gas tax would be restored to 2014 levels. The bill would also restore a portion of commercial truck weight fees, which have been diverted to pay for General fund obligations. The bill would also establish the California Transportation Commission as an independent body, create the Office of the Transportation Inspector General to audit spending, expand public-private partnerships, and streamline provisions of the California Environmental Quality Act, to allow for the inspection, maintenance, repair, restoration, reconditioning, relocation, replacement, or removal of existing transportation infrastructure within the existing right of way. While the bill would restore funding for the STIP through the restoration of the price-based gas tax, and potentially from restored truck weight fees, the amount of new funding (\$220 million) is nominal.</p> <p><b>Last amended on 4/21/15</b></p>	
<p><b>SBx1 2</b> <b>Huff (D)</b></p> <p><b>Greenhouse Gas Reduction Fund</b></p>	<p>9/1/15</p> <p>Senate Transportation &amp; Infrastructure Development Committee</p> <p>Failed Passage in Committee. Reconsideration granted.</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.</p> <p>Existing law continuously appropriates 60% of the annual proceeds of the fund to various purposes, including high-speed rail, transit and intercity rail capital, low-carbon transit operations, and affordable housing and sustainable communities.</p> <p>This bill would exclude from allocation under these provisions the annual proceeds of the fund generated from the transportation fuels sector. The bill would instead provide that those annual proceeds shall be appropriated by the Legislature for transportation infrastructure, including public streets and highways, but excluding high-speed rail.</p>	
<p><b>SBX1 4</b> <b>Beall (D)</b></p> <p><b>Transportation Funding</b></p>	<p>2/18/16</p> <p>Conference Committee</p>	<p>Existing law requires the Department of Transportation to improve and maintain the state's highways, and establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to maintain and repair the state's highways, local roads, bridges, and other critical transportation infrastructure. <b>Last amended on 9/4/15</b></p>	

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<b>SBX1 5</b> <b>Beall (D)</b>  <b>Transportation</b> <b>Funding</b>	9/1/15  Assembly Desk	Existing law establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.  This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to improve the state's key trade corridors and support efforts by local governments to repair and improve local transportation infrastructure.	
<b>SBx1 7</b> <b>Allen (D)</b>  <b>Diesel Sales</b> <b>and Use Tax</b>	9/3/15  Senate Appropriations Committee	Identical to ABx1 8 (Chiu). <b>Last amended on 9/3/15</b>	<b>Support</b>
<b>SBx1 8</b> <b>Hill (D)</b>  <b>Public Transit</b> <b>Funding</b>	9/2/15  Senate Appropriations Committee	Identical to ABx1 7 (Nazarian).	<b>Support</b>

## SMCTA Bill Matrix – July

Measure	Status	Bill Summary	Position
<p><b>SBX1 10</b> <b>Bates (R)</b></p> <p><b>STIP</b> <b>Program</b></p>	<p>8/20/15</p> <p>Senate Transportation &amp; Infrastructure Development Committee</p> <p>Testimony taken. Held in Committee</p>	<p>Existing law establishes the state transportation improvement program process, pursuant to which the California Transportation Commission (CTC) generally programs and allocates available state and federal funds for transportation capital improvement projects, other than state highway rehabilitation and repair projects, over a multiyear period based on estimates of funds expected to be available.</p> <p>Existing law provides funding for these interregional and regional transportation capital improvement projects through the state transportation improvement program (STIP) process, with 25% of funds available for interregional projects selected by the Department of Transportation (Caltrans) through preparation of an interregional transportation improvement (ITIP) program and 75% for regional projects selected by transportation planning agencies through preparation of a regional transportation improvement program (RTIP).</p> <p>Existing law requires funds available for regional projects to be programmed by the commission pursuant to the county shares formula, under which a certain amount of funding is available for programming in each county, based on population and miles of state highway. Existing law specifies the various types of projects that may be funded with the regional share of funds to include state highways, local roads, transit, and others.</p> <p>This bill would revise the process for programming and allocating the 75% share of state and federal funds available for RTIP projects. The bill would require the department to annually apportion, by the existing formula, the county share for each county to the applicable metropolitan planning organization, transportation planning agency, or county transportation commission, as a block grant.</p> <p>These transportation capital improvement funds, along with an appropriate amount of capital outlay support funds, would be appropriated annually through the annual Budget Act to regional transportation agencies. The bill would require the regional transportation agencies, in their regional transportation improvement programs, to identify the transportation capital improvement projects to be funded with these moneys, and would require the CTC to incorporate the RTIP into the STIP.</p> <p>The bill would eliminate the role of the CTC in programming and allocating funds to these regional projects, but would retain certain oversight roles of the CTC with respect to expenditure of the funds. The bill would repeal provisions governing computation of county shares over multiple years and make various other conforming changes.</p>	

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<p><b>SBx1 11</b> <b>Berryhill (R)</b></p> <p><b>CEQA exemptions for roadway improvements</b></p>	<p>9/4/15</p> <p>Senate Transportation &amp; Infrastructure Development Funding 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.</p> <p>CEQA, until January 1, 2016, exempts a project or an activity to repair, maintain, or make minor alterations to an existing roadway, as defined, other than a state roadway, if the project or activity is carried out by a city or county with a population of less than 100,000 persons to improve public safety and meets other specified requirements.</p> <p>This bill would extend the above-referenced exemption until January 1, 2025, and delete the limitation of the exemption to projects or activities in cities and counties with a population of less than 100,000 persons. The bill would also expand the exemption to include state roadways. <b>Last amended on 9/4/15</b></p>	
<p><b>SBx1 12</b> <b>Runner</b></p> <p><b>California Transportation Commission</b></p>	<p>8/20/15</p> <p>Senate Appropriations Committee</p>	<p>Existing law establishes in state government the Transportation Agency, which includes various departments and state entities, including the California Transportation Commission (CTC). Existing law vests the CTC 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>Existing law requires the Department of Transportation (Caltrans) to prepare a state highway operation and protection (SHOPP) program every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. The SHOPP is required to be based on an asset management plan, as specified. Existing law requires the Caltrans to specify, for each project in the program, the capital and support budget and projected delivery date for various components of the project. Existing law provides for the CTC to review and adopt the program, and authorizes the commission to decline to adopt the program if it determines that the program is not sufficiently consistent with the asset management plan.</p> <p>This bill would exclude the CTC from the Transportation Agency, establish it as an entity in state government, and require it to act in an independent oversight role.</p> <p>The bill would additionally require Caltrans to program capital outlay support resources for each project in the program. The bill would provide that the CTC is not required to approve the program in its entirety as submitted by Caltrans, and may approve or reject individual projects. The bill would require the Caltrans to submit any change in a programmed project's cost, scope, or schedule to the CTC for its approval. <b>Last amended on 8/20/15</b></p>	

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<p><b>SBx1 13</b> <b>Vidak (R)</b></p> <p><b>Office of The Transportation Inspector General</b></p>	<p>9/3/15</p> <p>Senate Appropriations Committee</p>	<p>Existing law creates various state transportation agencies, including the Department of Transportation and the High-Speed Rail Authority, with specified powers and duties. Existing law provides for the allocation of state transportation funds to various transportation purposes.</p> <p>This bill would create the Office of the Transportation Inspector General in state government as an independent office that would not be a subdivision of any other government entity, to build capacity for self-correction into the government itself and to ensure that all state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with federal and state laws.</p> <p>The bill would provide for the Governor to appoint the Transportation Inspector General (TIG) for a 6-year term, subject to confirmation by the Senate, and would provide that the TIG may not be removed from office during the term except for good cause. The bill would specify the duties and responsibilities of the TIG, would require an annual report to the Legislature and Governor, and would provide that funding for the office shall, to the extent possible, be from federal transportation funds, with other necessary funding to be made available from the State Highway Account and an account from which high-speed rail activities may be funded. <b>Last amended on 9/3/15</b></p>	
<p><b>SBx1 14</b> <b>Cannella (R)</b></p> <p><b>Public-Private Partnerships</b></p>	<p>8/19/15</p> <p>Senate Transportation &amp; Infrastructure Committee</p>	<p>Existing law authorizes the Department of Transportation and regional transportation agencies, as defined, to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. These arrangements are commonly known as public-private partnerships. Existing law provides that a lease agreement may not be entered into under these provisions on or after January 1, 2017.</p> <p>This bill would authorize public-private partnerships indefinitely.</p>	