



# AGENDA

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

**February 2, 2017 – Thursday**

**5:00 p.m.**

1. Pledge of Allegiance
2. Call to Order
3. Swearing-in:
  - a. Carole Groom (Board of Supervisors)
4. Roll Call
5. Report of the Citizens Advisory Committee
6. Consent Calendar MOTION

Members of the public or Board may request that an item under the Consent Calendar be considered separately

  - a. Approval of Minutes of January 5, 2017
  - b. Acceptance of Statement of Revenues and Expenditures for December 2016
7. Public Comment 

Public comment by each individual speaker shall be limited to one minute
8. Chairperson's Report
9. San Mateo County Transit District Liaison Report – K. Matsumoto INFORMATIONAL
10. Joint Powers Board Report – J. Hartnett INFORMATIONAL
11. Report of the Executive Director – J. Hartnett INFORMATIONAL

12. Acceptance of the 2016-2025 Highway Program Capital Improvement Program MOTION
13. Finance
- a. Programming and Allocation of up to an Additional \$7.5 Million of Measure A Funding for the 101/Broadway Interchange Reconstruction Project in Burlingame RESOLUTION
- b. Amendment to the Fiscal Year 2017 Budget to Increase Total Operating Revenues by \$128,000 for a New Total of \$87,296,166 and Decrease Total Operating Expenses by \$128,781 for a New Total of \$167,705,679 RESOLUTION
- c. Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2016 MOTION
14. Program
- a. Update on State and Federal Legislative Program INFORMATIONAL
15. Requests from the Authority
16. Written Communications to the Authority
17. Date/Time of Next Regular Meeting: Thursday, March 2, 2017, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070
18. 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
19. 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 JANUARY 5, 2017**

**MEMBERS PRESENT:** E. Beach, M. Freschet, C. Groom, D. Horsley (Chair) K. Ibarra, C. Johnson, K. Matsumoto

**STAFF PRESENT:** J. Cassman, A. Chan, C. Fromson, J. Hartnett, M. Martinez, N. McKenna, M. Simon, J. Slavitt, S. van Hoften

Chair Carole Groom called the meeting to order at 5:01 p.m. and led the Pledge of Allegiance.

**SWEARING IN OF EMILY BEACH (CITIES-AT-LARGE), MAUREEN FRESCHET (CENTRAL COUNTY), CAMERON JOHNSON (SOUTH COUNTY), KARYL MATSUMOTO (SAMTRANS)**  
Martha Martinez, Authority Secretary, administered the Oath of Office.

**ELECTION OF 2017 OFFICERS**

Chair Groom was elected chair.

Motion/Second: Matsumoto/Beach

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Ibarra

Director Don Horsley was elected vice chair.

Motion/Second: Matsumoto/Johnson

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Ibarra

**CITIZENS ADVISORY COMMITTEE (CAC) REPORT**

Barbara Arietta, CAC Chair, reported on the meeting of January 3, 2017 (see attached).

**APPROVAL OF CONSENT CALENDAR**

a) Approval of Minutes of December 1, 2016

b) Acceptance of Statement of Revenues and Expenditures for November 2016

Motion/Second: Johnson/Matsumoto

Ayes: Groom, Freschet, Johnson, Matsumoto, Horsley

Absent: Ibarra

Abstain: Beach

Director Ken Ibarra arrived at 5:14 p.m.

**PUBLIC COMMENT**

None.

### **CHAIRPERSON'S REPORT**

No report.

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

The January 4 report is in the reading file.

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

The January 5 report is in the reading file.

### **REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT**

Jim Hartnett, Executive Director, reported:

- On December 6 the Highway 92/El Camino Real project had a bid opening. The engineer's estimate for the project was \$16 million. Eight bids were submitted and the low bid from Ghilotti Construction was below the engineer's estimate. Construction will begin in March and will last one year.
- On December 14 the Highway 101/Willow Exchange Project bids were opened. The engineer's estimate was \$45 million. Eight proposals were received and the low bid received by a joint venture, Disney Construction and O.C. Jones, was 8.7 percent below the engineer's estimate.
- The Highway 101/Peninsula Avenue Interchange Project is sponsored by the city of San Mateo. There is an exploration of modification to the interchange that would add southbound on and off ramps. The completed project initiation document and environmental document currently underway are funded by Measure A. The project is within the city of San Mateo, but borders on the Burlingame/San Mateo city limits. On December 5 the city of San Mateo staff presented the project to the Burlingame City Council. Concerns from the council and public were expressed regarding the potential right of way impacts and the diversion of traffic onto local streets in Burlingame. San Mateo staff is committed to working with Burlingame to make sure these issues are studied during the environmental process.

### **FINANCE**

#### **Allocation of \$5.49 Million in Measure A Funds from the Highway Program Category to the City of Redwood City for the U.S. 101/Woodside Road Interchange Project**

Joel Slavit, Manager, Programming and Monitoring, said the Board previously approved the programming of the funds, but it was conditioned upon the approval of the project report and environmental document. The condition has been met so the Board can now make the allocation.

Director Horsley asked if the utilities in the area have been addressed. Paul Krupka, Krupka Consulting, said the question is about comments county staff made on the environmental document related to a piece of property the county owns in the Fair Oaks area. The city had two meetings with staff and Supervisor Warren Slocum and follow-up meetings with county civil engineering staff.

Motion/Second: Ibarra/Matsumoto

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

### **Committing to Fund up to \$135 Million in Additional Funds to Secure the Full Funding Grant Agreement for the Peninsula Corridor Electrification Project**

April Chan, Chief Officer, Planning, Grants and the Transportation Authority, said the Caltrain electrification project is \$1.98 billion and has been in development for a number of years and includes \$316 million in contingency funds. A number of funding sources have been secured and committed to fund this project including the California High-Speed Rail Authority (CHSRA) bond funds over \$640 million, the CHSRA did commit another \$113 million, the Metropolitan Transportation Commission (MTC) programmed Federal Transit Administration (FTA) Formula Funds to replace the diesel fleet and each of the JPB funding partners committed \$80 million. The FTA application has been approved and staff is trying to get a Full Funding Grant Agreement (FFGA) to fill the gap to fully fund the \$1.98 billion. The Limited Notice to Proceed (LNTP) has been issued by the JPB. A Full Notice to Proceed cannot be issued until March 2017. The last remaining requirement from FTA is that on top of the \$316 million contingency, funds up to 10 percent of the total project costs are available in the event more funding is needed. Staff has been working extensively with the funding partners, San Francisco County Transportation Authority (SFCTA), Santa Clara Valley Transportation Authority (VTA), the MTC and SMCTA. Originally the heads of each of the agencies provided a letter to FTA committing \$50 million each. FTA said the letters weren't good enough and wanted the Boards to take action. The original request in the agenda included a resolution committing \$50 million. Each agency was going to supply this resolution to the FTA for a total of \$200 million. San Mateo County is in control of the Measure A sales tax money and VTA has their own sales tax money. The San Francisco and MTC source of money is the State Transportation Improvement Program (STIP) funds. STIP is money allocated by the State, but goes to each of the counties who decides what to do with it. Staff just heard from FTA that they are not happy with the San Francisco or MTC pledge of STIP funding.

At the time the item was presented to the TA CAC, staff was hoping the SMCTA and VTA could share the costs equally, but VTA's maximum contribution was \$65 million. In order to continue to meet the requirement of the 10 percent, staff is proposing the SMCTA pledge \$135 million. Should this funding ever be needed staff is preparing a separate agreement amongst the partners. If the \$200 million needs to be tapped into, staff will meet with MTC, SFCTA, VTA and the SMCTA to decide how the \$200 million will be funded. In the funding agreements with the funding partners, the Nine-Party Agreement in 2012 and 2016, there are very restrictive project control oversight responsibilities.

In the SMCTA Expenditure Plan, funding is allocated on a percentage as approved by the voters. The amount is coming from the Caltrain category. Currently there is \$50 million that has not been allocated or assigned to any projects in the Caltrain category. Caltrain gets 16 percent from the sales tax receipts from Measure A on an annual basis, which is equivalent to \$13.5 million.

Director Matsumoto said originally the contingency was \$200 million and now it is \$300 million. Ms. Chan said FTA will only count the sales tax money. It is \$135 million from SMCTA, \$65 million from VTA and \$50 million each from SFCTA and MTC.

Director Johnson thanked staff for all their efforts. He asked why staff is going through the \$50 million backfills from SFCTA and MTC since FTA doesn't recognize it. Ms. Chan said staff feels the money is real and wants them at the table.

Mr. Hartnett said the Seven-Party Agreement is in place. The STIP funds are meaningful because they demonstrate that by actions being taken by the two agencies, funds can be accessed and are identifiable sources of funds. Secondly, FTA said they wouldn't proceed if they didn't produce the \$50 million. CHSRA recognizes this project cannot fail and realizes they will have to contribute if need be. This project cannot be scaled back and needs to be built all at once.

Director Johnson said the \$50 million from the other two agencies is essentially for identifying the source of where the money comes through, but if money is needed it goes back to the Seven-Party Agreement.

Director Horsley said this is an important project and he supports it, but if the costs are overrun the SMCTA is committed to \$135 million.

Mr. Harnett said there is a funding contingency in the budget of \$300 million. If there is a cost overrun over that amount staff would go to the Seven-Party Agreement to get the funds. Among the four parties passing resolutions, no party will be required to provide a disproportionate share and another agreement will be prepared, not relating to just the four parties, but all parties involved.

Director Beach appreciates all staff hard work. She asked if needed, if the money in the Caltrain bucket is available now. Ms. Chan said it is unassigned money and only for Caltrain projects.

Joan Cassman, Legal Counsel, said this is a Caltrain project and the three counties are responsible for funding the project. If there is an overrun the three parties that form the JPB are responsible, MTC is stepping in and there is the Seven-Party Memorandum of Understanding.

Director Beach asked if the FTA doesn't think STIP funds are good enough for them, how reliable STIP funds are for the SMCTA's funding partners. Ms. Chan said the last cycle of STIP had struggled recently and that is why FTA came back and didn't like this funding source. She noted there is positive movement on STIP in the next two cycles.

Director Beach asked if there are any stipulations with FTA about side agreements. Ms. Chan said FTA indicated side agreements are okay with them.

#### Public Comment

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said it has been 20 years of advocating for getting the trains out of a diesel emission to no emission electric. There is Bay Area Rapid Transit to San Mateo County and other large projects the Federal government is involved with. The Federal funding agreement is a commitment by not only the local people, but the Federal government over the years of construction to pay up. Tonight is a very key point to lock in the Federal government

into the funding agreement. Also want to have full funding agreement by March 31 so construction can begin in July. Mr. Bigelow urged the Board to pass this resolution

Rosanne Foust, Executive Director, San Mateo County Economic Development Association (SAMCEDA), said she and the SAMCEDA Board of Directors urges the Board to pass this resolution. It was this Board and the passage of Measure A in 1988 that assisted in buying the right of way that Caltrain sits on today. San Mateo County is truly a self-help County and this project is something the residents, communities and employers need.

Anthony Lazaurus, San Mateo County High-Speed Rail Working Group, said he advocates for the Board to pass this item.

Motion/Second: Horsley/Freschet

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Director Freschet appreciates staff reaching out to the Board and the hard work in turning this around and making sure the SMCTA is protected.

Director Ibarra said he is surprised how much money the SMCTA Board allocates.

Director Ibarra left at 6 p.m.

Director Harnett thanked Ms. Chan and staff for the hard work and said he is proud of the team. This is an important decision for the Board and will allow the electrification project to move forward. This is one of the most important decisions the SMCTA Board has made.

Chair Groom said the people in the county know how important electrification is and it is needed.

## **PROGRAM**

### **Program Report: Transit – Shuttles**

Mr. Slavitt presented:

- 4 percent of Measure A goes to shuttles with a minimum 25 percent match required.
- There have been three shuttle Calls for Projects (CFP) under the New Measure A with a total allocation of \$13.3 million.
- 29 shuttles were allocated \$5.8 million in Measure A funds for operation in Fiscal Year (FY) 2015 and FY2016.
- There are 24 commuter and community shuttles. Commuter shuttles provide the first- and last- mile commute link. Community shuttles provide all, mid-day or weekend service for basic needs and often serve the transit-dependent.
- In the FY2015 and FY2016 funding call Measure A funds were allocated to 25 existing shuttles and four new shuttles.
- Maps of shuttle routes were shown.
- FY2016 performance:
  - Sponsor progress reports

- Ridership
- Total operating cost
- Total service hours
- Program performance
  - Ridership
  - Cost per passenger
  - Passengers per service hour
- Total monthly ridership on Measure A funded shuttles was around 70,000-90,000 per month.
- Total annual ridership was 974,000, a 9 percent increase, but does include two new shuttles.
- FY2016 operating cost per passenger for commuter shuttles were \$6.17 per person, below the benchmark of \$7 and community shuttles were \$13.88 per person, above the benchmark of \$9 per person.
- Passengers per service hour on commuter shuttles were was 17.1, above the benchmark of 15, and 6.6 for community shuttles, below the benchmark of 10.
- Related activities:
  - Next joint SMCTA/City/County Association of Governments CFP tentatively to be released December 2017 for shuttles funding in FY2019 and FY2020.
  - For next CFP, consider increasing match requirement, up to a maximum of 50 percent, for existing shuttles that don't meet the operating cost/passenger benchmark to help pay for cost above the benchmark.

Director Johnson said last Shuttle Program CFP was under subscribed and all shuttles were funded. Mr. Slavitt said historically the Program was under subscribed and only one was denied funding as it duplicated SamTrans service.

Director Beach said shuttles serve a critical role. She asked if cost per passenger is similar to operating cost per passenger for SamTrans. Mr. Slavitt said it's \$8 per passenger for SamTrans.

### **2017 Legislative Program**

Casey Fromson, Manager, Government and Community Affairs, said the Program establishes the principles that will guide the SMCTA's legislative and regulatory advocacy efforts through the 2017 calendar year, including the second half of the State legislative session and the first session of the 115<sup>th</sup> Congress. The Program has three primary objectives: Direct Engagement, Coalition-based Engagement and Media Engagement.

Motion/Second: Johnson/Horsley

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

Absent: Ibarra

## Update on State and Federal Legislative Program

Ms. Fromson provided the following update:

State:

- On January 4, the Legislature reconvened in Sacramento to begin the work of the 2017-18 Legislative Session. There will be a number of new faces in Sacramento, including one new delegate representing San Mateo County, Assembly Member Marc Berman (D-Menlo Park). Assembly Members Kevin Mullin (D-South San Francisco) and Phil Ting (D-San Francisco), along with Senator Jerry Hill (D-San Mateo), also continue to represent the county.
- Senator Jim Beall (D-San Jose) will continue to chair the Senate Transportation and Housing Committee and Senator Bob Wieckowski (D-Fremont) will chair the Senate Budget Subcommittee #2 on Resources and Transportation. In the Assembly, Assembly Member Jim Frazier (D-Oakley) will continue to chair the Assembly Transportation Committee and Assembly Member Richard Bloom (D-Santa Monica) will also retain his post as chair of the Assembly Budget Subcommittee #3 on Resources and Transportation.
- On November 30, the Legislature officially adjourned the Special Session on Transportation and Infrastructure without passing a transportation funding package. Just before adjournment, Governor Jerry Brown and legislative leadership announced that a deal could not be reached in the special session, but committed to tackling transportation funding in the next session, possibly early in 2017. The Governor has indicated a renewed interest in transportation funding, so we could see a revised funding plan with the release of his proposed 2017-2018 State budget on January 10. Both transportation committee chairs introduced bills on December 5, representing a \$6 billion funding package for local streets and roads, State highways, goods movement, and transit.

Federal:

- On December 9, with less than an hour until the deadline, the Senate voted 63 to 36 to pass a continuing resolution (CR) (H.R. 2028) funding the Federal agencies at current funding levels until April 28. Since the CR is funded at Fiscal Year 2016 funding levels, programs will not see the funding increases for highways and transit that were included in the Fixing America's Surface Transportation Act.
- During the campaign session, Donald Trump promised a \$1 trillion infrastructure bill, but in recent weeks he has publically said that his administration will not make infrastructure a priority. We will continue to follow this closely.
- The 115<sup>th</sup> Congress was sworn in on January 3 and the inauguration of the next president will be on January 20.
- Senator Kamala Harris, who replaced retiring Senator Barbara Boxer, received her committee assignments. She will be on the Environment and Public Works Committee. The Environment and Public Works Committee is an important transportation related committee in the Senate.

## REQUESTS FROM THE AUTHORITY

None.

**WRITTEN COMMUNICATIONS TO THE AUTHORITY**

No discussion.

**REPORT OF LEGAL COUNSEL**

None

**DATE AND PLACE OF NEXT REGULAR MEETING**

Thursday, February 2, 2017 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 6:20 p.m.

# TA CAC Chair's Report

## January 5, 2017

Good evening, Madame Chair and Members of the Board.

The CAC was pleasantly surprised and delighted to be visited by Director Karyl Matsumoto at our meeting on Tuesday. Members of the CAC were equally pleased and delighted to both hear what she had to say to us and to also share in the box of delicious chocolates that she gave to us to start off our New Year. On behalf of the CAC, I would once again like to extend our thanks to Director Matsumoto for her generous gift.

We began our meeting by selecting the new officers for 2017. This year's Nominating Committee consisted of Rich Hedges, Jeff Londer and Olma O'Neill. The CAC agreed with the nominations presented by the Committee's spokesperson, Jeff Londer, and unanimously voted for both John Fox from Menlo Park to be the new Vice Chair and for myself, Barbara Arietta from Pacifica, to serve as the continuing Chair of the CAC.

In reference to the details of Tuesday's meeting of the CAC, I have the following to report:

(TA Item 7a) The CAC reviewed the Board's Minutes of December 1, 2016 without questions or comments.

(TA Item 7b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for November 2016, without questions or comments.

(TA Item 13a) Following a brief update by Joel Slavit, Manager, Programming and Monitoring, the CAC supported the Allocation of \$5.49 Million in Measure A Funds from the Highway Program Category to the City of Redwood City for the U.S. 101/Woodside Road Interchange Project.

(TA Item 13b) The CAC participated in a robust Q and A session after having received a detailed update from April Chan, Chief Officer, Planning, Grants and the Transportation Authority on the reasons for the need to increase the TA's monetary commitment for an additional amount of Measure A funding which at the time of the CAC Meeting was up to \$100 Million to the Peninsula Corridor Electrification Project. Various concerns were expressed by CAC members: Do we actually have adequate funds available to make this commitment? Would this commitment "freeze" or "lock out" any other projects that we have in the pipeline for other purposes? Would it impact other categories in the Measure A program? How will the TA be assured of the commitment from San Francisco and the MTC being paid back to us, if the need for using this extra money should actually be realized? What type of written legal assurances will we have? After hearing Ms. Chan's detailed

answers to these questions, the CAC unanimously voted to support the Commitment by the TA to Fund up to \$100 Million in Additional Funds to the Peninsula Corridor Electrification Project.

(TA Item 14a) Joel Slavit gave the CAC a comprehensive report highlighting the Measure A Local Shuttle Program Status. After reviewing the FY2016 Performance Charts, the monthly Ridership Reports and the Operating Cost Per Passenger Reports, the CAC appeared to fully understand the potential future need to increase the match requirements for the next Call for Projects up to a maximum of 50% for existing shuttles that don't meet the operating cost per passenger benchmark in order to help pay for costs above the benchmark. Members of the CAC, however, did question whether a 2-3% increase in ridership was considered to be a healthy increase in ridership and were satisfied to hear from Joel that such an increase rate was considered adequate, if not positive, when comparing ridership increases with other means of transportation, such as SamTrans, whose ridership numbers appeared to have decreased a little bit this past year. Positive comments for increased ridership were also expressed by CAC members about a Trip Planning app that now includes the shuttle times and was being reported to actually be helping in building ridership on the shuttles.

(TA Item 14b) The CAC received a highly informative presentation overview from Casey Fromson, Manager Government and Community Affairs, on the 2017 Legislative Program, which included not only information on the purpose and core objectives of the program, but also information on the public engagement strategies, State and Federal issues, as well as regulatory and administrative issues. The CAC unanimously voted to support the Board's acceptance of the 2017 Legislative Program.

(TA Item 14c) The CAC received a brief Legislative update from Casey Fromson, covering both State and Federal issues. She also advised the CAC of the recent elections of local politicians to the California State Assembly and United States Senate. The CAC was pleased to learn that our new U. S. Senator, Kamala Harris, was been appointed to the Environment and Public Works Committee, which is a very important committee in relation to transportation issues, and of which our former U.S. Senator Barbara Boxer was the Chair.

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

1. I informed the CAC about the upcoming Caltrain schedule changes beginning in April to facilitate the electrification project and asked that they help get out the word on the public outreach efforts associated with these changes.
2. I informed the CAC that work has begun on the new San Carlos Transit Center. Once completed, the Transit Center will better serve the community by enhancing connectivity between commuters using SamTrans buses, riding Caltrain, taking local shuttles, as well as biking or walking. Construction is due to be complete by the summer of 2018.

In Joe's staff report, he advised the CAC about the Route 92/El Camino and 101/Willow

Interchange Projects bid opening results. He also advised us that Jeannette Ward has resigned from the CAC and we have a new opening.

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: Shannon Gaffney  
Interim Chief Financial Officer

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

**ACTION**

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

**SIGNIFICANCE**

**Revenues:** Year-to-date *Total Revenue* (\$44,351,809 - line 7) is **better** than budget by \$2,175,695 or 5.2 percent. *Sales Tax* (\$41,197,623 - line 1) is **better** than budget by \$1,105,592 or 2.8 percent and *Interest Income* (\$2,539,998 - line 2) is \$1,052,758 or 70.8 percent **better** than budget due to the sale of bonds in the portfolio for a premium.

*Total Revenue* (\$44,351,809 - line 7) is \$2,797,215 or 6.7 percent **better** than prior year actuals. *Sales Tax* (\$41,197,623 - line 1) is \$2,022,534 or 5.2 percent **better** than prior year. *Interest Income* (\$2,539,998 - line 2) is \$736,443 or 40.8 percent **better** than prior year.

**Expenditures:** *Total Administrative Expenses* (\$658,450 - line 22) are **better** than budget by \$100,607 or 13.3 percent. Within total administrative expenses, *Staff Support* (\$325,570 - line 18) is \$71,830 or 18.1 percent **better** than budget and *Other Admin Expense* (\$332,840 - line 20) is **better** than budget by \$23,818 or 6.7 percent.

**Budget Amendment:**

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

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**Fiscal Year 2017**  
**December 2016**

% OF YEAR ELAPSED: 50.0%

	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	9,760,233	39,175,089	41,197,623	40,092,031	102.8%	83,000,000	83,000,000	49.6%
2 Interest Income	262,609	1,803,555	2,539,998	1,487,240	170.8%	2,974,480	2,974,480	85.4%
3 Miscellaneous Income	0	0	0	0	0.0%	0	0	0.0%
4 Rental Income	98,526	575,950	614,188	596,843	102.9%	1,193,686	1,193,686	51.5%
5 Grant Proceeds	0	0	0	0	0.0%	0	0	0.0%
6								
7 <b>TOTAL REVENUE</b>	<b>10,121,368</b>	<b>41,554,594</b>	<b>44,351,809</b>	<b>42,176,114</b>	<b>105.2%</b>	<b>87,168,166</b>	<b>87,168,166</b>	<b>50.9%</b>
8								
<b>EXPENDITURES:</b>								
9								
10								
11 Annual Allocations	3,562,485	14,298,907	15,037,132	14,630,157	102.8%	30,295,000	30,295,000	49.6%
12								
13 Program Expenditures	7,035,631	12,986,405	18,486,263	34,761,000	53.2%	69,522,015	69,522,015	26.6%
14								
15 Oversight	58,036	456,515	361,675	592,500	61.0%	1,185,000	1,185,000	30.5%
16								
17 Administrative								
18 Staff Support	45,196	267,718	325,570	397,400	81.9%	827,084	767,442	42.4%
19 Measure A Info-Others	20	13	40	5,000	0.8%	15,000	15,000	0.3%
20 Other Admin Expenses	82,565	371,415	332,840	356,658	93.3%	690,361	750,004	44.4%
21								
22 Total Administrative	127,781	639,146	658,450	759,057	86.7%	1,532,445	1,532,445	43.0%
23								
24 <b>TOTAL EXPENDITURES</b>	<b>10,783,933</b>	<b>28,380,973</b>	<b>34,543,520 (1)</b>	<b>50,742,714</b>	<b>68.1%</b>	<b>102,534,460</b>	<b>102,534,460</b>	<b>33.7%</b>
25								
26 <b>EXCESS (DEFICIT)</b>	<b>(662,565)</b>	<b>13,173,620</b>	<b>9,808,289</b>	<b>(8,566,600)</b>		<b>(15,366,294)</b>	<b>(15,366,294)</b>	
27								
28 <b>BEGINNING FUND BALANCE</b>	<b>Not Applicable</b>	<b>469,005,891</b>	<b>481,434,137</b>	<b>481,434,137</b>		<b>479,742,406</b>	<b>481,434,137</b>	
29								
30 <b>ENDING FUND BALANCE</b>	<b>Not Applicable</b>	<b>482,179,511</b>	<b>491,242,426 (2)</b>	<b>472,867,537</b>		<b>464,376,112</b>	<b>466,067,843</b>	
31								
32								

Includes the following balances:

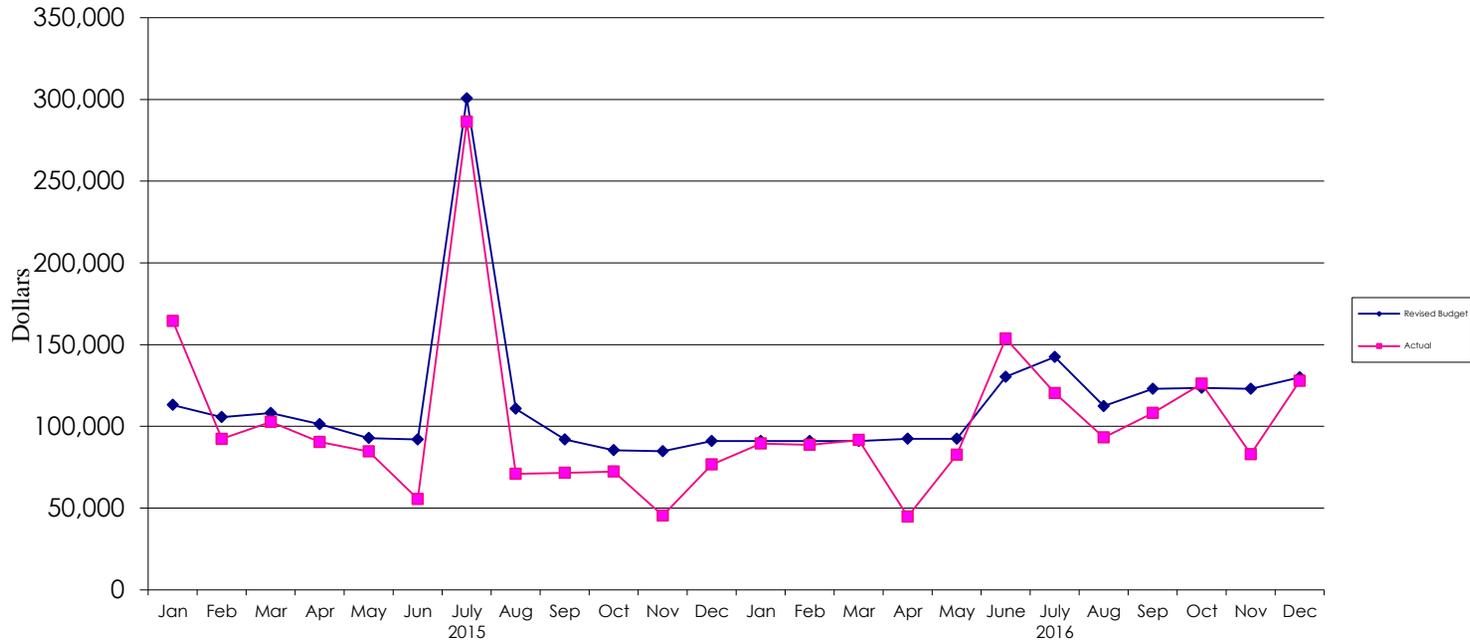
Cash and Liquid Investments	1,079,080			FY 2016 Carryover of Commitments (Unaudited)	324,762,553
Current Committed Fund Balance	392,753,493 (3)			FY 2017 Additional Commitments (Budgeted)	102,534,460
Undesignated Cash & Net Receivable	<u>97,409,853</u>			Less: Current YTD expenditures	<u>(34,543,520) (1)</u>
Total	<u>491,242,426 (2)</u>			Current Committed Fund Balance	<u>392,753,493 (3)</u>

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

\* The TA Adopted Budget is the Board adopted budget effective June 2, 2016.

\*\* The TA Revised Budget is the adopted budget including year to date budget transfers.

## SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



**Current Year Data**

	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17
<b>MONTHLY EXPENSES</b>												
<b>Revised Budget</b>	142,412	112,375	122,997	123,506	122,881	129,886						
<b>Actual</b>	120,361	93,168	108,088	126,101	82,951	127,781						
<b>CUMULATIVE EXPENSES</b>												
<b>Staff Projections</b>	147,412	259,787	382,784	506,290	629,171	759,057						
<b>Actual</b>	120,361	213,529	321,617	447,718	530,669	658,450						
<b>Variance-F(U)</b>	27,051	46,258	61,167	58,572	98,502	100,607						
<b>Variance %</b>	18.35%	17.81%	15.98%	11.57%	15.66%	13.25%						



CAROLE GROOM, CHAIR  
DON HORSLEY, VICE CHAIR  
EMILY BEACH  
MAUREEN FRESCHET  
KEN IBARRA  
CAMERON JOHNSON  
KARYL MATSUMOTO

JIM HARTNETT  
EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF DECEMBER, 2016

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #2	*	Liquid Cash	0.937%	\$ 320,710,059	\$ 320,710,059
Local Agency Investment Fund	**	Liquid Cash	0.719%	\$ 978,559	\$ 978,559
Investment Portfolio	***	Liquid Cash	1.321%	\$ 156,025,248	\$ 155,247,751
Other		Liquid Cash	0.000%	\$ 1,079,080	\$ 1,079,080
				<u>\$ 478,792,946</u>	<u>\$ 478,015,449</u>

Accrued Earnings for December 2016 \$ 413,776  
Cumulative Earnings FY2017 \$ 2,249,083

\* County Pool average yield for the month ending December 31, 2016 was .937%. As of December 2016, the total cost of the Total Pool was \$5,022,823,045 and the fair market value per San Mateo County Treasurer's Office was \$5,018,436,588.

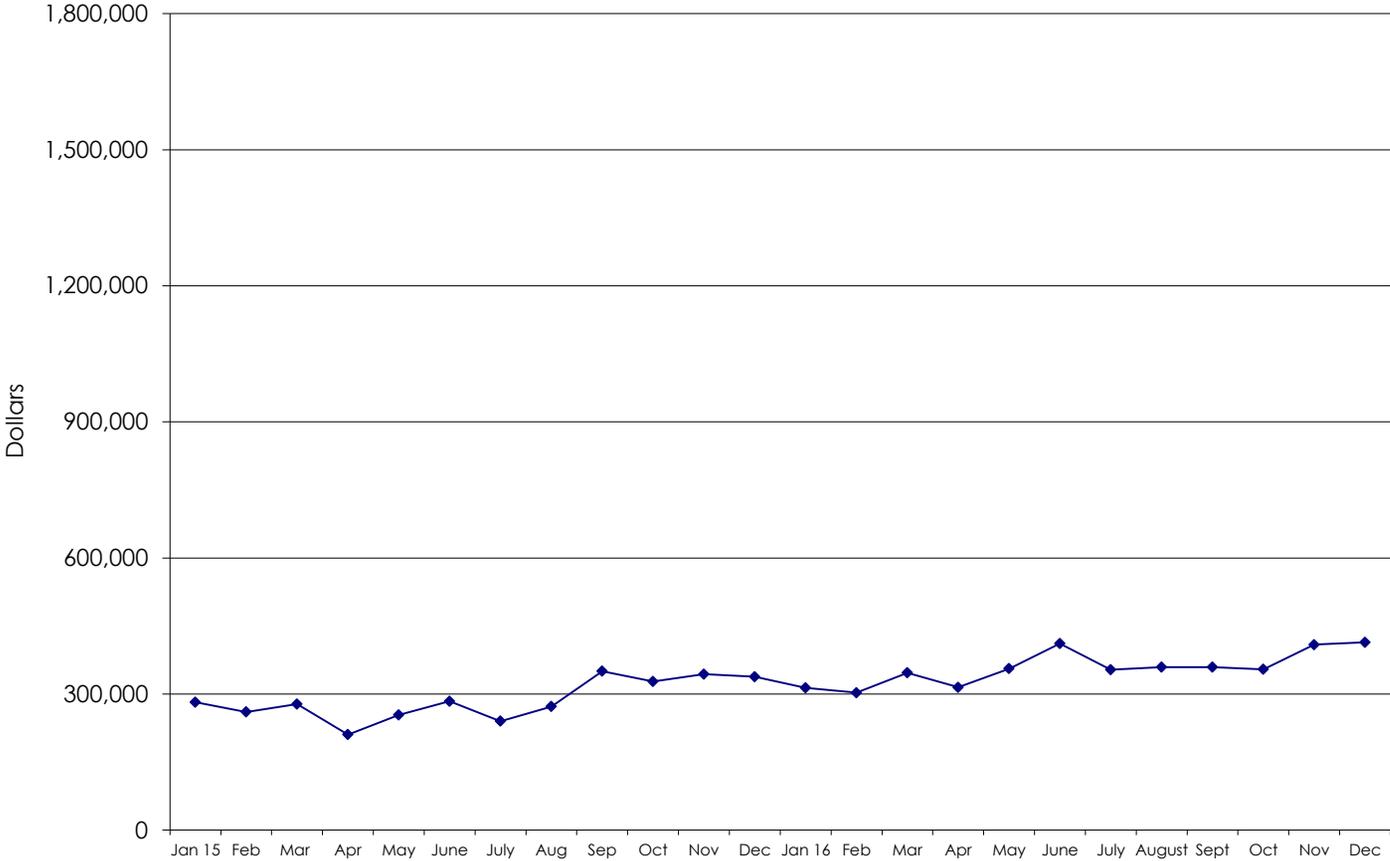
\*\* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

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

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
INTEREST STATEMENT  
DECEMBER 2016**

FY2017	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	353,654.57	353,654.57
AUGUST	359,138.35	712,792.92
SEPTEMBER	359,211.30	1,072,004.22
OCTOBER	354,480.28	1,426,484.50
NOVEMBER	408,822.31	1,835,306.81
DECEMBER	413,775.91	2,249,082.72
JANUARY		
FEBRUARY		
MARCH		
APRIL		
MAY		
JUNE		

# SMCTA Interest Income



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

DESCRIPTION	TOTAL INVESTMENT 12-31-16	INTEREST RECEIVABLE 11-30-16	PREPAID INT RECEIVABLE 12-31-16	INTEREST EARNED 12-31-16	INTEREST RECEIVED 12-31-16	ADJ.	INTEREST RECEIVABLE 12-31-16
LAIF	978,559.10	1,088.53	0.00	597.56			1,686.09
COUNTY POOL	320,710,059.47	487,439.20	0.00	252,898.62			740,337.82
BANK OF AMERICA	673,609.57	0.00	0.00				0.00
WELLS FARGO	1,778.00	0.00	0.00				0.00
US BANK (Cash on deposit)	403,692.08	0.00	0.00				0.00
INVESTMENT PORTFOLIO	155,247,750.54	341,897.74	163,842.22	160,279.72	103,268.15		562,751.53
		0.00					0.00
	<u>478,015,448.76</u>	<u>830,425.47</u>	<u>163,842.22</u>	<u>413,775.91</u>	<u>103,268.15</u>	<u>0.00</u>	<u>1,304,775.45</u>

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

Interest Earned Per Report	12/31/16	413,775.91
<b>Add:</b>		
<b>Less:</b>		
Management Fees		(9,250.00)
Amortized Premium/Discount		(84,283.38)
Capital Gain(Loss)		<u>(151,166.76)</u>
Total Interest & Capital Gain(Loss)		<u><u>169,075.76</u></u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	2,249,082.72
<b>Add:</b>	
<b>Less:</b>	
Management Fees	(55,500.00)
Amortized Premium/Discount	(107,986.38)
Capital Gain(Loss)	<u>290,914.92</u>
Total Interest	<u><u>2,376,511.26</u></u>

Balance Per Ledger as of	12/31/16	
Amort Prem/Disc-acct 409104		(107,986.38)
Management Fees (530040)		(55,500.00)
Int Acct. 409100 - Co. Pool		1,398,188.95
Int Acct. 409100 - LAIF		3,170.38
Int Acct. 409101 - Portfolio Funds		847,723.39
Gain(Loss) Acct. 405210		<u>290,914.92</u>
		<u><u>2,376,511.26</u></u>

**INVESTMENT PORTFOLIO**  
**December 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	PAR VALUE
			PURCHASE PRICE	VALUE 12/31/2016					REC'VBLE 11/30/2016	INT REC'VBLE 12/31/2016	EARNED 12/31/2016			REC'VBLE 12/31/2016	
<b><u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u></b>															
<b><u>U.S. TREASURY NOTES AND BONDS</u></b>															
US TREASURY NOTE	912828TG5	06-02-16	5,781,648.44	5,794,107.20	07-31-17	0.500%	80.5556	31	16,711.96		2,671.19	7,247.28		12,135.87	5,800,000
US TREASURY NOTE	912828UZ1	03-31-16	9,818,064.46	9,801,902.45	04-30-18	0.625%	171.0069	31	5,271.93		5,271.92			10,543.85	9,850,000
US TREASURY NOTE	912828ST8	03-23-15	2,217,138.28	2,218,699.08	04-30-19	1.250%	77.0833	31	2,376.38		2,376.38			4,752.76	2,220,000
US TREASURY NOTE	912828F62	09-09-15	602,414.06	601,453.20	10-31-19	1.500%	25.0000	31	786.89		762.29			1,549.18	600,000
US TREASURY NOTE	912828UQ1	11-09-15	8,289,421.88	8,333,060.40	02-29-20	1.250%	291.6667	31	26,685.08		8,991.72			35,676.80	8,400,000
US TREASURY NOTE	912828VF4	12-07-15	7,403,027.34	7,452,540.00	05-31-20	1.375%	286.4583	31	283.31		8,782.62			9,065.93	7,500,000
US TREASURY NOTE	912828VP2	05-18-16	6,667,435.54	6,533,398.50	07-31-20	2.000%	358.3333	31	67,850.54		13,682.07	27,548.91		53,983.70	6,450,000
US TREASURY NOTE	912828L32	06-29-16	1,832,906.25	1,781,296.20	08-31-20	1.375%	68.7500	31	6,356.56		2,096.31			8,452.87	1,800,000
															27.45%
<b><u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u></b>															
FNMA	3136ANJY4	04-30-15	1,075,646.17	1,065,610.57	04-01-18	1.550%	45.85	31	1,375.63		1,375.63	1,375.63		1,375.63	1,065,000
FHLMC	3137BNMZ4	04-28-16	811,753.39	804,888.31	03-01-19	1.738%	38.80	31	1,186.61		1,164.06	1,186.59		1,164.08	803,723
FANNIE MAE	3136AQDQO	10-30-15	1,434,219.74	1,418,293.30	09-01-19	1.646%	64.93	31	1,947.77		1,947.77	1,947.77		1,947.77	1,420,000
															2.12%
<b><u>FEDERAL AGENCY NOTES AND BONDS</u></b>															
FHLMC	3137EAEB1	07-20-16	4,638,747.00	4,588,578.15	07-19-19	0.875%	113.02	31	24,835.42		5,074.99	11,714.06		18,196.35	4,650,000
FNMA	3135GON33	08-02-16	4,192,944.00	4,141,657.80	08-02-19	0.875%	102.08	31	12,147.92		3,062.50			15,210.42	4,200,000
FHLB	3130A8QS5	07-15-16	4,671,419.30	4,536,722.00	07-14-21	1.125%	146.88	31	19,975.00	146.88	4,406.25			24,528.13	4,700,000
FHLMC	3137EADN6	08-30-16	11,985,840.00	11,975,544.00	01-12-18	0.750%	250.00	31	22,500.00	12,250.00	7,500.00			42,250.00	12,000,000
FREDDIE MAC	3137EADP1	08-08-16	8,010,320.00	7,989,624.00	03-07-18	0.875%	194.44	31	16,333.33		5,833.34			22,166.67	8,000,000
FHLB	3130A9AE1	08-26-16	7,694,764.00	7,657,626.90	10-01-18	0.875%	187.15	31	11,229.18		5,614.58			16,843.76	7,700,000
FHLB	313376BR5	08-11-16	6,631,430.00	6,568,048.50	12-14-18	1.750%	315.97	31	34,756.94		9,479.17	38,864.58		5,371.53	6,500,000
FHLB	3130A8Y72	08-04-16	1,547,024.00	1,528,062.85	08-05-19	0.875%	37.67	31	13,365.63		2,584.89	10,412.50		5,538.02	1,550,000
FNMA	3135GON82	08-19-16	822,177.68	797,337.75	08-17-21	1.250%	28.65	31	0.00					0.00	825,000
FNMA	3135GON82	08-19-16	2,664,166.25	2,585,307.25	08-17-21	1.250%	92.88	31	12,395.83		3,645.84			16,041.67	2,675,000
FNMA	3135GOP49	09-02-16	3,993,760.00	3,955,564.00	08-28-19	1.000%	111.11	31	9,888.88		3,333.33			13,222.21	4,000,000
FHLB	3130A9EP2	09-09-16	4,695,911.00	4,643,994.80	09-26-19	1.000%	130.56	31	8,486.11		3,916.67			12,402.78	4,700,000
FHLMC	3137EAED7	09-16-16	2,998,710.00	2,983,695.00	10-12-18	0.875%	72.92	31	5,468.75		2,187.50			7,656.25	3,000,000
															41.54%
<b><u>CORPORATE NOTES</u></b>															
TOYOTA MOTOR	89236TDH5	10-18-16	1,149,425.00	1,136,080.40	10-18-19	1.550%	49.51	31	2,129.10		1,485.41			3,614.51	1,150,000
AMERICAN EXPRESS	0258MDEC9	10-31-16	2,799,321.80	2,772,666.40	10-30-19	1.700%	132.22	31	4,098.89		3,966.67			8,065.56	2,800,000
MORGAN STANLEY	6174467P8	11-10-16	3,516,187.50	3,449,908.35	07-24-20	5.500%	481.25	31	10,106.25	51,012.50	14,437.50			75,556.25	3,150,000
PFIZER INC	717081EB5	11-21-16	2,078,502.40	2,078,038.56	12-15-19	1.700%	98.22	31	982.22		2,946.67			3,928.89	2,080,000
JOHN DEERE	24422ESR1	11-22-16	3,013,950.00	3,007,605.00	12-15-17	1.550%	129.17	31	1,162.50		3,875.00	2,970.83		2,066.67	3,000,000
GOLDMAN SACHS	38141GGO1	11-28-16	3,035,092.50	3,013,972.50	07-27-21	5.250%	401.04	31	1,203.13	48,526.04	12,031.25			61,760.42	2,750,000
AMERICAN HONDA	02665WAH4	12-20-16	3,165,655.50	3,180,671.55	08-15-19	4.250%	371.88	31		24,609.38	2,165.62			26,775.00	3,150,000
BERKSHIRE HATHAWAY	084670BL1	12-23-16	3,167,829.00	3,178,346.85	08-14-19	2.100%	183.75	31		23,703.75	1,470.00			25,173.75	3,150,000
															13.67%
<b><u>COMMERCIAL PAPERS</u></b>															
BANK OF TOKYO MITSUBI	06538BRJ4	10-21-16	2,981,205.00	2,990,736.00	04-18-17	0.000%	0.00	31	0.00					0.00	3,000,000
JP MORGAN SECURITIES	46640PSH7	10-19-16	3,976,200.00	3,982,136.00	05-17-17	0.000%	0.00	31	0.00					0.00	4,000,000
BNP PARIBAS NY BRANCH	09659BUH1	10-20-16	3,960,400.00	3,971,764.00	07-17-17	0.000%	0.00	31	0.00					0.00	4,000,000

**INVESTMENT PORTFOLIO**  
**December 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	PAR VALUE
			PURCHASE PRICE	VALUE 12/31/2016					REC'VBLE 11/30/2016	INT REC'VBLE 12/31/2016	EARNED 12/31/2016			REC'VBLE 12/31/2016	
CREDIT AGRICOLE CIB N° 22533TSF4		11-16-16	2,983,200.00	2,987,328.00	05-15-17	0.000%	0.00	31	0.00					0.00	3,000,000 9.02%
<b><u>CERTIFICATE OF DEPOSIT</u></b>															
CANADIAN IMPERIAL BA° 13606A5Z7		12-05-16	3,097,582.00	3,125,017.00	11-30-18	1.760%	151.56	31			4,092.00			4,092.00	3,100,000
NORDEA BANK FINLAND I 65558LWA6		12-05-16	3,100,000.00	3,125,017.00	11-30-18	1.760%	151.56	31			3,940.44			3,940.44	3,100,000 3.99%
<b><u>SMALL BUSINESS ADMINISTRATION</u></b>															
FNA 2014-M6 A2	3136AJ7G5	12-15-16	3,519,808.59	3,491,450.72	05-25-21	2.679%	256.74	31		3,593.67	4,107.05			7,700.72	3,450,000 2.22%
<b><u>MATURED/CALLED/PAYDOWNS</u></b>															
FHLMC	3137BNMZ4	04-28-16	15,557.51		03-01-19	1.738%	9.30	0							192,735
<b><u>CASH AND CASH EQUIVALENT</u></b>															
1.09															
1.09															
<b>TOTAL</b>			<b>156,025,248.07</b>	<b>155,247,750.54</b>					<b>341,897.74</b>	<b>163,842.22</b>	<b>160,279.72</b>	<b>103,268.15</b>	<b>0.00</b>	<b>562,751.53</b>	<b>155,288,722.59</b>
19-Jan-17	Weighted Average Interest Rate					1.3211%									

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
 FY2017  
 DECEMBER 2016

1/19/17 4:05 PM

Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
<b>FY2016:</b>						
1st Quarter	17,607,333	17,607,333	1st Quarter	19,521,000	1,913,667	19,521,000
2nd Quarter	18,895,801	18,895,801	2nd Quarter	20,786,155	1,890,354	20,786,155
3rd Quarter	19,166,840	22,166,840	3rd Quarter	18,180,736	(3,986,104)	18,180,736
4th Quarter	21,330,026	21,330,026	4th Quarter	21,216,060	(113,966)	21,216,060
<b>FY2016 Total</b>	<b>77,000,000</b>	<b>80,000,000</b>	<b>FY2016 Total</b>	<b>79,703,951</b>	<b>(296,049)</b>	<b>79,703,951</b>
<b>FY2017:</b>						
Jul. 16	5,919,931	5,919,931	Sep. 16	5,557,900	(362,031)	5,919,931
Aug. 16	5,919,931	5,919,931	Oct. 16	5,557,900	(362,031)	5,919,931
Sep. 16	7,498,579	7,498,579	Nov. 16	7,410,500	(88,079)	7,498,579
3 Months Total	19,338,441	19,338,441		18,526,300	(812,141)	19,338,441
Oct. 16	6,455,545	6,455,545	Dec. 16	8,373,278	1,917,733	6,455,545
Nov. 16	6,455,545	6,455,545	Jan. 17			6,455,545
Dec. 16	7,842,500	7,842,500	Feb. 17			7,842,500
6 Months Total	40,092,031	40,092,031		26,899,578	1,105,592	40,092,031
Jan. 17	6,089,072	6,089,072	Mar. 17			6,089,072
Feb. 17	6,677,683	6,677,683	Apr. 17			6,677,683
Mar. 17	8,284,521	8,284,521	May 17			8,284,521
9 Months Total	61,143,307	61,143,307		26,899,578	1,105,592	61,143,307
Apr. 17	7,054,822	7,054,822	Jun. 17			7,054,822
May 17	7,170,544	7,170,544	Jul. 17			7,170,544
Jun. 17	7,631,327	7,631,327	Aug. 17			7,631,327
<b>FY2017 Total</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>FY2017 Total</b>	<b>26,899,578</b>	<b>1,105,592</b>	<b>83,000,000</b>
	18,976,410		1st Quarter			
	22,221,213		2nd Quarter			
			3rd Quarter			
			4th Quarter			
	<b>41,197,623</b>		YTD Actual Per Statement of Revenue & Expenses			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
CASH AND INVESTMENTS AS OF DECEMBER 31, 2016

	<u>12/31/2016</u>
Cash -- Bank of America Checking Account	673,609.57
Cash -- Wells Fargo Lockbox Account	1,778.00
Cash - US Bank (on deposit)	403,692.08
LAIF	978,559.10
County Pool	320,710,059.47
Investment Portfolio	155,247,750.54
	<hr/>
Total	<u><u>478,015,448.76</u></u>

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

Unit	Ref	Name	Amount	Method	Description
SMCTA	000049	MATSUMOTO, KARYL M.	100.00	ACH	Board Member Compensation
SMCTA	000050	NIHART, MARY ANN	100.00	ACH	Board Member Compensation
SMCTA	000051	JOHNSON, CAMERON	100.00	ACH	Board Member Compensation
SMCTA	000052	FRESCHET, MAUREEN ANN	100.00	ACH	Board Member Compensation
SMCTA	000053	IBARRA, KENNETH	100.00	ACH	Board Member Compensation
SMCTA	004347	PENINSULA TRAFFIC CONGESTION RELIEF	332,208.37	CHK	Capital Programs <sup>(1)</sup>
SMCTA	004348	PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA	004349	SAN MATEO, CITY OF	300,680.50	CHK	Capital Programs <sup>(2)</sup>
SMCTA	004350	SAN MATEO, CITY OF	118,026.44	CHK	Capital Programs <sup>(3)</sup>
SMCTA	004351	BIANCHINI'S CATERING	391.04	CHK	TA CAC Holiday Dinner
SMCTA	004352	HOLLAND & KNIGHT LLP	3,500.00	CHK	Legislative Advocate
SMCTA	004353	OFFICEMAX	48.58	CHK	Office supplies
SMCTA	004354	WOLLBORG/MICHELSON PERSONNEL SERVICE	32,410.36	CHK	Temp Budget Analyst
SMCTA	004355	HANSON BRIDGETT LLP	12,223.00	CHK	Legal Services
SMCTA	004356	HOLLAND & KNIGHT LLP	3,500.00	CHK	Legislative Advocate
SMCTA	004357	PLAZA FLORIST & GIFTS	54.50	CHK	Flowers for TA Director
SMCTA	004358	ATKINS NORTH AMERICA, INC	57,602.41	CHK	Consultants
SMCTA	004359	CDM SMITH, INC.	33,261.11	CHK	Consultants
SMCTA	004360	DMJM HARRIS/MARK THOMAS JV	41,363.67	CHK	Consultants
SMCTA	004361	SAN CARLOS, CITY OF	6,099.89	CHK	Capital Programs <sup>(1)</sup>
SMCTA	004362	CHAN, APRIL	1,343.10	CHK	Business Travel & Meeting
SMCTA	004363	KHOURI CONSULTING	3,675.00	CHK	Legislative Advocate
SMCTA	004364	REDWOOD CITY, CITY OF	658,000.00	CHK	Capital Programs <sup>(4)</sup>
SMCTA	004365	SAN MATEO, CITY OF	78,931.88	CHK	Capital Programs <sup>(4)</sup>
SMCTA	004366	SAN MATEO, COUNTY OF	98,249.51	CHK	Capital Programs <sup>(5)</sup>
SMCTA	004367	SAN MATEO, COUNTY OF	5,000.00	CHK	Administration Fee
SMCTA	004368	WOLLBORG/MICHELSON PERSONNEL SERVICE	8,218.97	CHK	Temporary staff
SMCTA	900084	PENINSULA CORRIDOR JOINT POWERS BOARD	255,479.15	WIR	Capital Programs <sup>(6)</sup>
SMCTA	900085	DEPARTMENT OF TRANSPORTATION	5,467,394.18	WIR	Capital Programs <sup>(7)</sup>
			7,527,411.66		

(1) FY17/FY18 Local Shuttles

(2) SR92 El Camino Real Ramp

(3) Poplar Corridor Safety Improvement

(4) Call for Project-Ped&Bike FY12/13

(5) Call for Project-Ped&Bike FY14/15

(6) FY15/16 Shuttles Call for Project

(7) 101 Interchange to Broadway \$4,467,394.18 and 101 HOV Ln Whipple - San Bruno \$1,000,000

**AGENDA ITEM # 9  
FEBRUARY 2, 2017**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**

TO: Transportation Authority

FROM: Karyl Matsumoto  
SamTrans Board Liaison to the Transportation Authority

SUBJECT: **SAMTRANS LIAISON REPORT – MEETING OF FEBRUARY 1, 2017**

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 the Transportation Authority

SUBJECT: **ACCEPT THE HIGHWAY CAPITAL IMPROVEMENT PROGRAM FISCAL  
YEAR 2016-2025**

**ACTION**

Staff recommends the Board accept the Fiscal Year (FY) 2016-2025 San Mateo County Measure A Highway Program Capital Improvement Program (CIP). The CIP will be made available prior to the meeting.

**SIGNIFICANCE**

At its August 2015 meeting, staff presented findings from a financially unconstrained 10-year Highway CIP, from FY2016 through FY2025. The Highway CIP reflected high-level project costs, weighed against the amount of potential funding projected to be available, based on a snapshot in time. Policy options were presented for further consideration given the long-term funding shortfall of the highway program. An ad-hoc Highway CIP subcommittee of the Board was established, which further discussed issues raised at the August 2015 meeting and associated implications with the 2015 Highway Call for Projects (CFP).

With the direction staff received from the ad-hoc Highway CIP subcommittee, staff has completed the following:

1. The Highway CIP was updated with information from the outcome of the 2015 Highway CFP;
2. A congestion and safety performance assessment of the State highway system within the county was prepared assessing conditions pertaining to speed, delay, travel time reliability and traffic collisions.

The updated Highway CIP will be presented for acceptance and the findings from the assessment will be shared to help provide context for the next Highway CFP, which is tentatively planned for release at the beginning of FY2018.

A PowerPoint presentation will be provided that summarizes recent staff efforts, identifies key issues and re-initiates discussion on different policy approaches for consideration with the upcoming and future funding calls.

**BUDGET IMPACT**

There is no impact to the budget.

**BACKGROUND**

Both the 2011 Short Range Highway Plan and the 2014 Measure A Strategic Plan acknowledge that the Highway Program is oversubscribed and called for the development of a Highway CIP to better manage funding needs with projected revenues. The Highway CIP has quantified the magnitude of the shortfall and can be used to inform key decisions the Board will be making with the award of projects as part of future Measure A funding cycles as well as an advocacy planning tool to better leverage external funding.

The Highway CIP subcommittee convened three times between August and October 2015 and agreed to reconvene after additional information became available to better identify key "hot spots" on the highway network.

Prepared by: Joel Slavitt, Manager, Programming and Monitoring

650-508-6476

**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: **PROGRAMMING AND ALLOCATION OF \$7.5 MILLION OF ADDITIONAL  
MEASURE A FUNDING FOR THE 101/BROADWAY INTERCHANGE  
RECONSTRUCTION PROJECT IN BURLINGAME**

**ACTION**

Staff recommends the Board:

1. Program and allocate \$7.5 million of additional Measure A funding for the 101/Broadway Interchange Reconstruction Project; and
2. Authorize the Executive Director or his designee to execute any necessary documents or agreements to allocate the subject funding.

**SIGNIFICANCE**

The 101/Broadway Interchange Reconstruction Project (Project) is a \$91 million project in Burlingame that replaces one of the oldest interchanges in the county. The Project replaces the overcrossing and all the ramps within the interchange to improve operational performance and safety, and to accommodate future traffic growth both on 101 and Broadway in the proximity of the interchange.

Project construction, administered by the California State Department of Transportation (Caltrans), began in September 2014 and includes complex staging, right of way transactions, and utility relocation work. Costs to complete the Project have outpaced associated estimates developed in 2014. Approximately \$5.5 million of additional costs can be attributed to right of way condemnation procedures, utility relocation work, and additional construction management and design support during construction. In addition, the Caltrans Project Report included a subsequent State landscape construction contract as a Project obligation currently estimated at \$2 million.

San Mateo County Transportation Authority (TA) staff has explored other funding options to address the \$7.5 million funding shortfall, including local, State and Federal sources, but no other credible funding source is available.

The proposed allocation will protect the Project from construction delays resulting from the suspension of work by utility companies, and will provide the additional budget capacity necessary to fulfill outstanding Project obligations and complete the Project.

Staff will continue to closely monitor and manage Measure A allocations to the Project. Any Measure A funds that are allocated but not expended will be returned to the Highway Program category and made available to other highway projects.

**BUDGET IMPACT**

There is sufficient budget capacity within the Measure A Highway Program category to fund the subject programming and allocation.

**BACKGROUND**

The 101/Broadway Interchange Reconstruction Project, sponsored by Burlingame, is funded by a combination of Measure A, city of Burlingame, State, and Federal funding. The TA has made a number of prior Measure A allocations to the Project, totaling \$51.7 million to date. The environmental and design phases of the Project began in 2008 and 2011, respectively. There has been significant progress on the construction contract, which is being administered by Caltrans and is expected to be completed this fall.

Prepared by: Joseph Hurley, Director, TA Program

650-508-7942

**RESOLUTION NO. 2017 –**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA**

\* \* \*

**PROGRAMMING AND ALLOCATING \$7.5 MILLION OF ADDITIONAL MEASURE A FUNDING  
TO THE 101/BROADWAY INTERCHANGE RECONSTRUCTION PROJECT TO PROVIDE THE  
BALANCE OF FUNDING NECESSARY TO COMPLETE THE PROJECT**

**WHEREAS**, on June 7, 1988, the voters of San Mateo County approved a ballot measure known as “Measure A,” which increased the local sales tax in San Mateo County by ½ 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 101/Broadway Interchange Project (Project) is a Highway Program category project sponsored by the city of Burlingame, with construction administered by the California State Department of Transportation (Caltrans); and

**WHEREAS**, the environmental and design phases of the Project have been completed and construction began in September 2014; and

**WHEREAS**, the projected costs to complete the Project have outpaced the estimates that were developed in 2014 by approximately \$7.5 million, which can be attributed to a combination of approximately \$5.5 million for right of way condemnation procedures, additional utility relocation and higher-than-anticipated construction management and design support during construction, as well as a \$2 million State

landscape construction contract included as a Project obligation in the Caltrans Project Report; and

**WHEREAS**, TA staff pursued other funding including local, State and Federal sources to address this funding shortfall, but no other credible funding source is available; and

**WHEREAS**, the programming and allocation of \$7.5 million of Measure A Highway Program funds to the Project will supplement previous Measure A allocations totaling \$51.7 million and will provide the additional budget capacity necessary to fulfill outstanding Project obligations and complete the Project.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby programs and allocates \$7.5 million of additional Measure A funding to the 101/Broadway Interchange Project; 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 additional actions necessary, to give effect to this resolution.

Regularly passed and adopted this 2<sup>nd</sup> day of February, 2017 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: Shannon Gaffney  
Interim Chief Financial Officer

SUBJECT: **AMENDMENT OF THE FISCAL YEAR 2017 BUDGET TO INCREASE TOTAL OPERATING REVENUES BY \$128,000 FOR A NEW TOTAL OF \$87,296,166 AND DECREASE TOTAL OPERATING EXPENSES BY \$128,781 FOR A NEW TOTAL OF \$167,705,679**

**ACTION**

Staff recommends the Board amend the Fiscal Year (FY) 2017 Budget to increase revenues by \$128,000 for revised revenues of \$87,296,166, (Line 10 of Attachment A) and to decrease expenditures by \$128,781 for a revised total budget of \$167,705,679 (Line 27 of Attachment A).

In addition, the proposed amendment reflects a "true up" in certain expenditure categories to reflect the actual amount of FY2016 sales tax revenue collected, rather than the budgeted amount. As the actuals were slightly lower than the budgeted amount, this represents a decrease, consistent with the 2004 Transportation Expenditure Plan.

**SIGNIFICANCE**

**OPERATING REVENUES:**

Overall, operating revenues are increasing by \$128,000 due to:

**Miscellaneous Income to date (Line 5 of Attachment A): Increase of \$128,000**

New Items:

- 1) **\$18,000** City/County Association of Governments (CCAG) funding reimbursement to be received for a highway needs assessment.
- 2) **\$110,000** to be received from CCAG for the update of the Countywide Transportation Plan (CTP).

**EXPENDITURES:**

Overall, expenses are decreasing by \$128,781 to reflect the actual amount of FY2016 Sales Tax collected:

**Program Expenditures (Line 17 of Attachment A): Decrease of \$128,781**

The proposed revised budget reflects an amendment to decrease FY2016 expenditures in certain categories to reflect actual sales tax receipts. Expenditure categories, which are a “pass-through,” are based upon the actual revenues received, and therefore always accurately reflect the true revenue amounts. Other categories reflect funds that are pooled for later distribution, and are based on budgeted, not actual amounts. Therefore, it is necessary to “true” them up annually based upon actual receipts. These categories include Alternative Congestion Relief, Dumbarton, San Mateo County Transit District for Caltrain, Pedestrian and Bicycle Program, Local Shuttle, Streets and Highways, and Grade Separation in Attachment B.

This action is recommended so as to make more fully transparent the funds available in certain categories.

**BUDGET IMPACT**

The overall impact to the FY2017 Budget is an increase of \$128,000 in total revenue from \$87,168,166 to \$87,296,166 and a decrease of \$128,781 in total expenditures, from \$167,834,460 to \$167,705,679.

**BACKGROUND**

The San Mateo County Transportation Authority annually adopts a budget. On June 2, 2016, the Board adopted the FY2017 Budget in the amount of \$102,534,460 as per Board Resolution No. 2016-07. On October 6, 2016, the Board approved a budget amendment for \$65.3 million for 25<sup>th</sup> Avenue Grade Separation for a total approved budget of \$167,834,460.

Prepared by: Tina Medeiros, Senior Budget Analyst  
Eileen Bettman, Manager, Budgets

650-508-6302  
650-508-6425

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
FY2017 REVISED BUDGET**

	FY2016 AUDITED ACTUAL A	FY2017 ADOPTED B	FY2017 REVISED C	FY17 REVISED TO FY17 ADOPTED Increase (Decrease) D = C-B	BUDGET PERCENT CHANGE E = D/C	
<b>REVENUE:</b>						
1 Sales Tax	79,703,951	83,000,000	83,000,000	-	0.0%	1
2						2
3 Interest Income	3,799,176	2,974,480	2,974,480	-	0.0%	3
4						4
5 Miscellaneous Income	-	-	128,000	128,000	-	5
6						6
7 Rental Income	1,167,384	1,193,686	1,193,686	-	0.0%	7
8						8
9 Grant Proceeds	5,838	-	-	-	-	9
9						9
10 <b>TOTAL REVENUE</b>	<b>84,676,350</b>	<b>87,168,166</b>	<b>87,296,166</b>	<b>128,000</b>	<b>0.1%</b>	10
11						11
12						12
<b>EXPENDITURES:</b>						
13						13
14						14
15 Annual Allocations	29,091,942	30,295,000 (1)	30,295,000 (1)	-	0.0%	15
16						16
17 Program Expenditures	43,428,109	134,822,015 (1)	134,693,234 (1)	(128,781)	-0.1%	17
18						18
19 Oversight	978,549	1,185,000 (1)	1,185,000 (1)	-	0.0%	19
20						20
21 Administrative:						21
22 Staff Support	609,710	827,084	827,084	-	0.0%	22
23 Measure A Info-Others	167	15,000	15,000	-	0.0%	23
24 Other Admin Expenses	600,170	690,361	690,361	-	0.0%	24
25 Total Administrative	1,210,047	1,532,445	1,532,445	-	0.0%	25
26						26
27 <b>TOTAL EXPENDITURES</b>	<b>74,708,647</b>	<b>167,834,460</b>	<b>167,705,679</b>	<b>(128,781)</b>	<b>-0.1%</b>	27
28						28
29 <b>EXCESS/(DEFICIT)</b>	<b>9,967,703</b>	<b>(80,666,294)</b>	<b>(80,409,513)</b>	<b>256,781</b>	<b>-0.3%</b>	29
30						30
31 <b>BEGINNING FUND BALANCE</b>	<b>469,053,620</b>	<b>489,710,109</b>	<b>479,021,323</b>	<b>(10,688,786)</b>		31
32						32
33 <b>ESTIMATED ENDING FUND BALANCE</b>	<b>479,021,323</b>	<b>409,043,815</b>	<b>398,611,810</b>	<b>(10,432,005)</b>	<b>-2.6%</b>	33
34						34
35						35
36 <b>FUND BALANCE (2)</b>						36
37		Aggregate				37
38 <b>Beginning Fund Balance</b>		479,021,323				38
39 <b>Excess/(Deficit)</b>		(80,409,513)				39
40 <b>Ending Fund Balance</b>		398,611,810				40
41						41
42 (1) See Attachment B for details.						42
43 (2) Fund Balance is based on FY2016 audited figures, and revised budgeted figures for FY2017.						43

**RESOLUTION NO. 2017 –**

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

**\*\*\***

**AMENDMENT OF THE FISCAL YEAR 2017 BUDGET TO INCREASE TOTAL OPERATING REVENUES BY \$128,000 FOR A NEW TOTAL OF \$87,296,166 AND DECREASE TOTAL OPERATING EXPENSES BY \$128,781 FOR A NEW TOTAL OF \$167,705,679**

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

**WHEREAS**, the Board adopted the Fiscal Year (FY) 2017 Budget on June 2, 2016, pursuant to Resolution No. 2016-07, in the amount of \$102,534,460; and

**WHEREAS**, the Board adopted an amendment on October 6, 2016, for \$65,300,000 to fund the city of San Mateo's 25<sup>th</sup> Avenue Grade Separation; and

**WHEREAS**, there was a true up of the FY2016 budget to reflect actual Sales Tax collected, resulting in an overall reduction of \$128,781; and

**WHEREAS**, staff recommends the Board amend the FY2017 Operating Revenue Budget in the amount of \$128,000 that includes an increase in Miscellaneous Income projections of \$128,000, for a total FY2017 Budget of \$87,296,166

**WHEREAS**, staff recommends the Board amend the FY2017 Operating Expenditures Budget in the amount of \$128,781 to account for true up of actuals for FY2016 sales tax revenues and associated decreases in expenditures for certain categories and a decrease in funding for a total FY2017 Budget of \$167,705,679.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby approves an amendment of increasing the FY2017 Operating Revenue Budget by \$128,000 for a total amended Budget of

\$87,296,166 and decreasing the FY2017 Budget by \$128,781 for a total amended Budget of \$167,705,679.

Regularly passed and adopted this 2<sup>nd</sup> day of February, 2017 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: Shannon Gaffney  
Interim 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 December 31, 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 January 23, 2017 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 value 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.

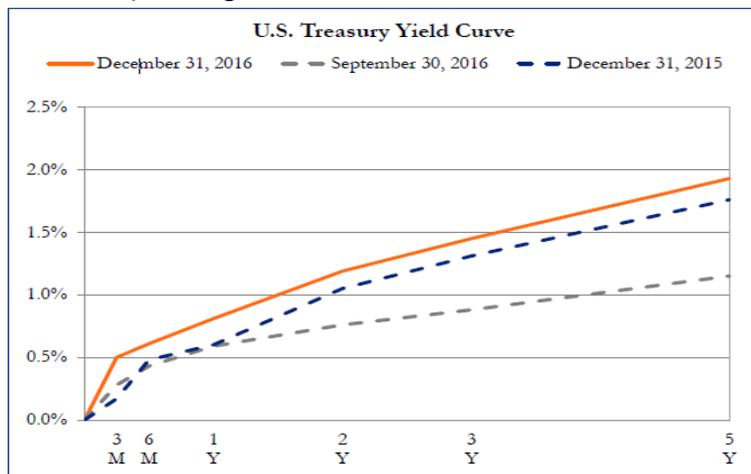
The Liquidity funds managed by TA staff are considered to be cash equivalents and therefore market value is considered to be equal to book value (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value per share,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

### Yields Increase Across the Board

- Treasury rates have surged following the U.S. elections, with the longer end rising substantially over higher inflation expectations from the President-elect's proposed fiscal policies.
- As a result, the yield curve has steepened significantly, even when compared to a year ago.



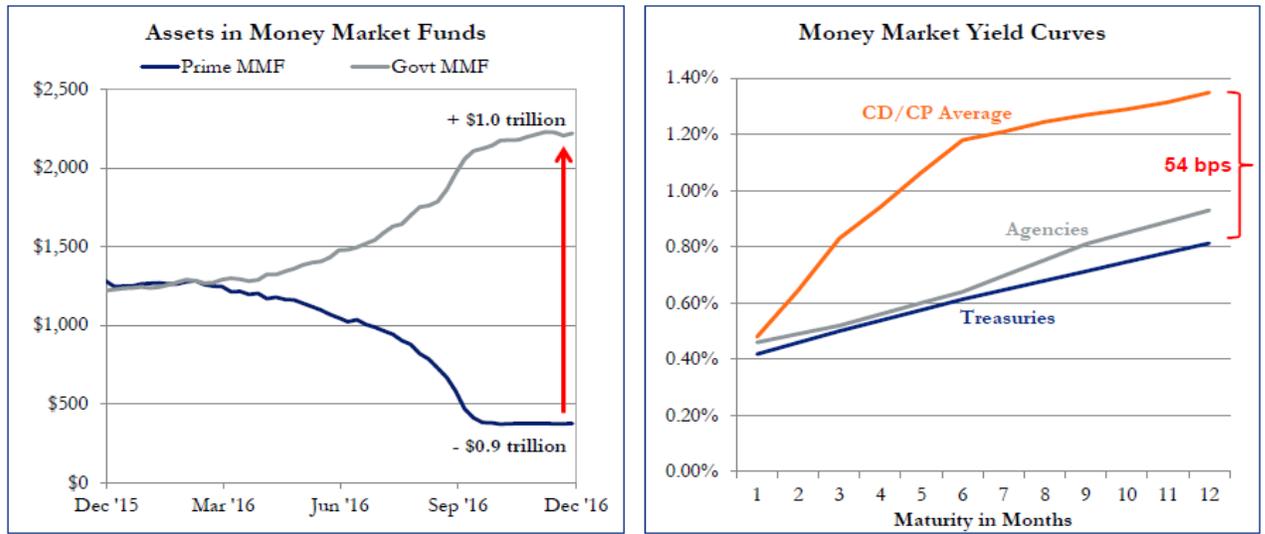
Source: Bloomberg

Yield Curve History

	12/31/15	09/30/16	12/31/16
1-Mo.	0.13%	0.19%	0.42%
3-Mo.	0.17%	0.28%	0.50%
6-Mo.	0.48%	0.43%	0.61%
1-Yr.	0.60%	0.59%	0.81%
2-Yr.	1.05%	0.76%	1.19%
3-Yr.	1.31%	0.88%	1.45%
5-Yr.	1.76%	1.15%	1.93%

## **Money Market Reform Takes Hold**

- SEC-imposed money market reforms, which became effective in October 2016, caused a significant shift in assets from prime funds (which typically purchase short credit instruments) to government-only funds.
- As a result, yield spreads widened sharply, especially in the six to 12 month area of the curve, making commercial paper and negotiable bank CDs attractive alternatives to Treasury bills and short-term agencies.



Source: Bloomberg and PFMAM Trading Desk. As of 12/31/16.

## **Federal Open Market Committee (FOMC) Increase Target Rate**

- Information received since the FOMC met in November indicates that the labor market has continued to strengthen and that economic activity has been expanding at a moderate pace since mid-year.
- Job gains have been solid in recent months and the unemployment rate has declined.
- Inflation has increased somewhat since earlier this year but is still below the Committee's two percent longer-run objective, partly reflecting earlier declines in energy prices and in prices of non-energy imports.
- In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate to 0.50 percent – 0.75 percent (50-75 Basis Points).
- The stance of monetary policy remains accommodative, thereby supporting further strengthening in labor market conditions and a return to 2 percent inflation.
- All 10 voting members of the FOMC supported the monetary policy action.

## **Strategy**

- Yields surged in the post-election period as expectations for U.S. economic growth and inflationary expectations rose and in anticipation of a December rate hike.
- Federal agency yield spreads continued to tighten over the quarter, erasing much of the value seen off and on during the year.
- We increased existing holdings of Agency mortgage-backed securities (MBS). Given the rise in interest rates during the quarter, the MBS sector as a whole underperformed Treasuries.
- We purchased high-quality corporate securities throughout the quarter. Valuations remained fair-to-modestly expensive amid tight yield spread levels.
- Significant money market reforms took effect in the fourth quarter. The result was increased demand for short-term government securities and reduced demand for short-term credit instruments, like commercial paper and bank certificates of deposit.
- This created excellent investment opportunities in short-term credit instruments which we purchased on behalf of the Authority and were attractive alternatives to longer Treasuries and Agencies.
- We maintained a duration position generally neutral to the specified mandate and market benchmark.
- Although we enter 2017 with a high degree of political uncertainty, our expectations are for a modest uptick in economic growth in the U.S., a trend toward higher inflation, and a gradual upward trajectory of interest rates.
- As 2017 starts with the highest yields in several years, we plan to initially position the portfolio's duration to be aligned with the benchmark.
- Agency yield spreads over Treasuries remain narrow. As a result, our strategy will generally favor U.S. Treasuries over Agencies, unless specific issues offer identifiable value.
- We will continue to evaluate opportunities in the Agency mortgage-backed security sector, purchasing those issues we believe are well structured, offer adequate yield spreads, and have limited duration variability.
- Our strategy continues to favor broad allocation to various credit sectors, including corporate notes, commercial paper, and negotiable bank CDs.
  - Yield spreads on corporate securities also remain narrow. Improving corporate profits, as well as anticipated pro-business tax reform from the

incoming Trump administration, support favorable fundamentals of the credit sector.

- Yields on commercial paper and negotiable CDs continue to offer significant yield pickup relative to short-term government securities

### **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 December 31, the total return of the portfolio was **-0.65 percent**. This compares to the benchmark return of **-0.83 percent**. The Performance graph on page 8 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 **1.22 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 September 30, the portfolio's market yield to maturity was **1.41 percent**.

Prepared by: Connie Mobley-Ritter, Treasury Manager

650-508-7765

**EXHIBIT 1**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
REPORT OF INVESTMENTS  
FOR QUARTER ENDED DECEMBER 31, 2016**

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL PURCHASE PRICE	MARKET VALUE	INTEREST RECV'BLE	MARKET VALUE + ACCR INT.
<b>U.S. TREASURY NOTES AND BONDS</b>							
US TREASURY NOTE	912828TG5	07-31-17	5,800,000	5,781,648	5,779,107	12,135.87	5,806,243
US TREASURY NOTE	912828UJ1	04-30-18	9,850,000	9,818,064	9,801,902	10,543.85	9,812,446
US TREASURY NOTE	912828ST8	04-30-19	2,220,000	2,217,138	2,218,699	4,752.76	2,223,452
US TREASURY NOTE	912828F62	10-31-19	600,000	602,414	601,453	1,549.18	603,002
US TREASURY NOTE	912828UQ1	02-29-20	8,400,000	8,289,422	8,333,060	35,676.80	8,368,737
US TREASURY NOTE	912828VF4	05-31-20	7,500,000	7,403,027	7,452,540	9,065.93	7,461,606
US TREASURY NOTE	912828VP2	07-31-20	6,450,000	6,667,436	6,533,399	53,983.70	6,587,382
US TREASURY NOTE	912828L32	08-31-20	1,800,000	1,832,906	1,781,296	8,452.87	1,789,749
			27.45%				
<b>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</b>							
FNMA	3136ANJY4	04-01-18	1,065,000	1,075,646	1,065,611	1,375.63	1,066,986
PHLMC	31378NMZ4	03-01-19	803,723	811,753	804,888	1,164.08	806,052
FANNIE MAE	3136AQDQ0	09-01-19	1,420,000	1,434,220	1,418,293	1,947.77	1,420,241
			2.12%				
<b>FEDERAL AGENCY NOTES AND BONDS</b>							
PHLMC	3137EAE81	07-19-19	4,650,000	4,638,747	4,588,578	18,196.35	4,606,775
FNMA	3135GON33	08-02-19	4,200,000	4,192,944	4,141,658	15,210.42	4,156,868
PHLB	3130A9Q85	07-14-21	4,700,000	4,671,419	4,536,722	24,528.13	4,561,250
PHLMC	3137EADN6	01-12-18	12,000,000	11,985,840	11,975,544	42,250.00	12,017,794
FREDDIE MAC	3137EADP1	03-07-18	8,000,000	8,010,320	7,989,624	22,166.67	8,011,791
PHLB	3130A9AE1	10-01-18	7,700,000	7,694,764	7,657,627	16,843.76	7,674,471
PHLB	313376BR5	12-14-18	6,500,000	6,631,430	6,568,049	5,371.53	6,573,420
PHLB	3130A8Y72	08-05-19	1,550,000	1,547,024	1,528,063	5,538.02	1,533,601
FNMA	3135GON82	06-17-21	825,000	822,178	797,338	0.00	797,338
FNMA	3135GON82	08-17-21	2,675,000	2,664,166	2,585,307	16,041.67	2,601,349
FNMA	3135G0P49	08-28-19	4,000,000	3,993,760	3,955,564	13,222.21	3,968,786
PHLB	3130A9FP2	09-26-19	4,700,000	4,695,911	4,643,995	12,402.78	4,656,398
PHLMC	3137EAE87	10-12-18	3,000,000	2,998,710	2,983,695	7,656.25	2,991,351
			41.54%				
<b>CORPORATE NOTES</b>							
TOYOTA MOTOR	89236TDH5	10-18-19	1,150,000	1,149,425	1,136,080	3,614.51	1,139,695
AMERICAN EXPRESS	0258MDEC9	10-30-19	2,800,000	2,799,322	2,772,666	8,065.56	2,780,732

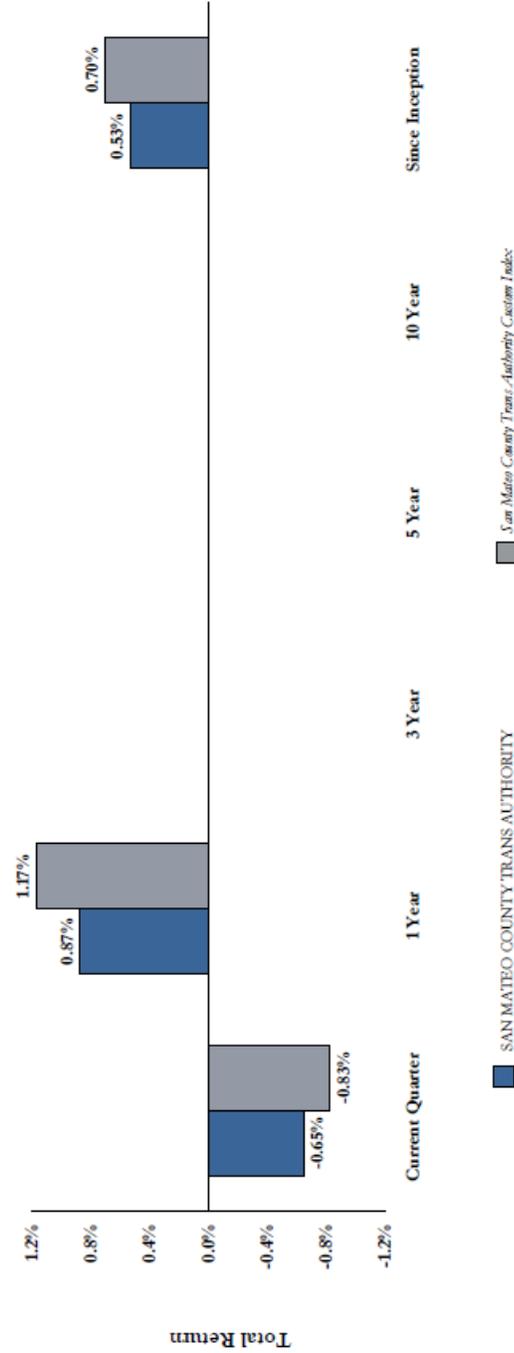
**EXHIBIT 1 (Cont.)**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
REPORT OF INVESTMENTS (continued)  
FOR QUARTER ENDED DECEMBER 31, 2016**

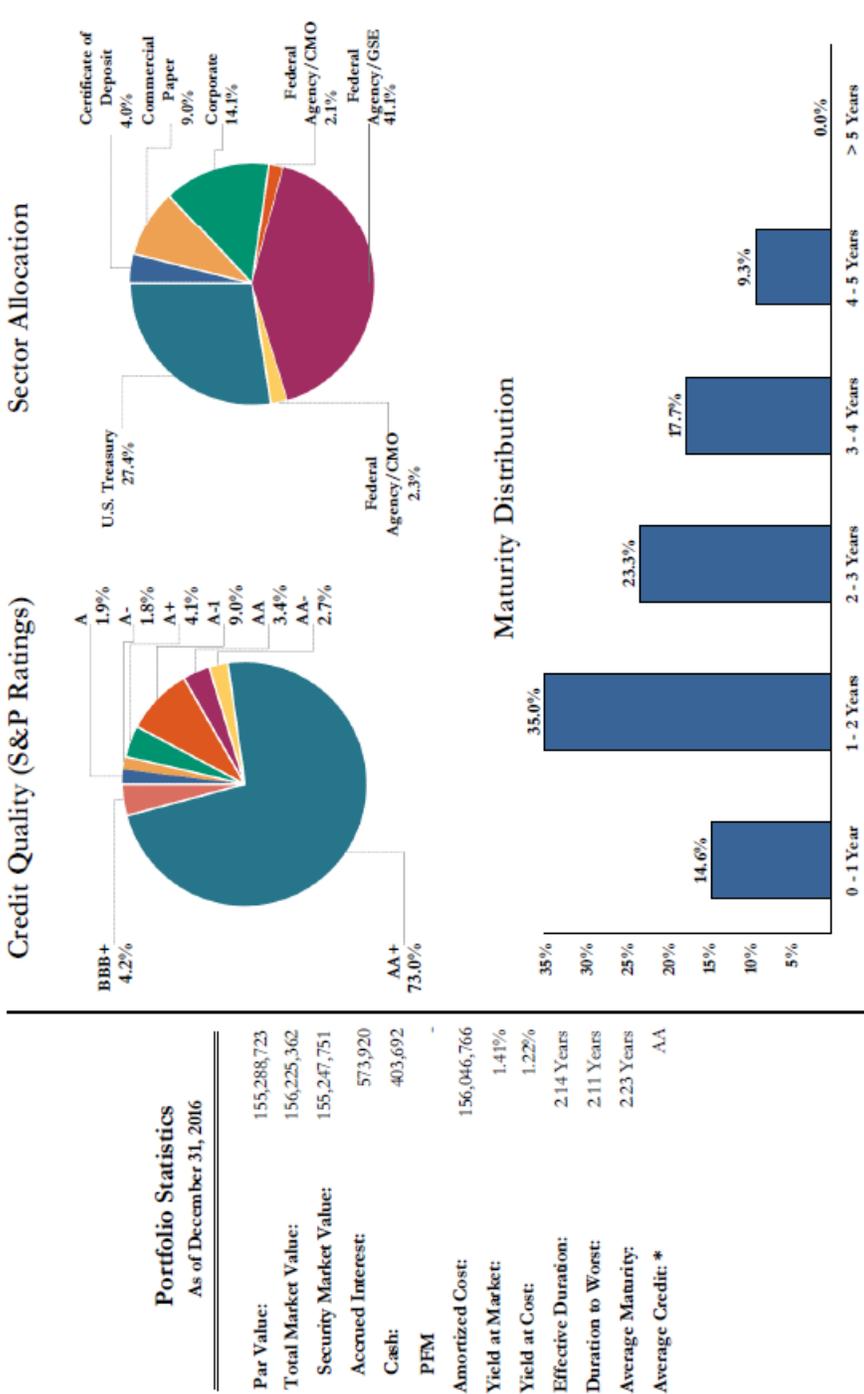
TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL PURCHASE		MARKET VALUE	INTEREST REC'VBLE	MARKET VALUE + ACCR INT.	
				PRICE	VALUE			INTEREST REC'VBLE	ACCR INT.
MORGAN STANLEY	6174467P8	07-24-20	3,150,000	3,516,188	3,449,908	75,556	3,525,465		
PFIZER INC	717081EB5	12-15-19	2,080,000	2,078,502	2,078,039	3,929	2,081,967		
JOHN DEERE	2442ZESR1	12-15-17	3,000,000	3,013,950	3,007,605	2,067	3,009,672		
GOLDMAN SACHS	38141GG01	07-27-21	2,750,000	3,035,093	3,013,973	61,760	3,075,733		
AMERICAN HONDA	02665WAH4	08-15-19	3,150,000	3,165,656	3,180,672	26,775	3,207,447		
BERKSHIRE HATHAWAY	084670BL1	08-14-19	3,150,000	3,167,829	3,178,347	25,174	3,203,521		
			13.67%						
<b>COMMERCIAL PAPERS</b>									
BANK OF TOKYO MITSUBISHI	065388RJ4	04-18-17	3,000,000	2,981,205	2,990,736	0	2,990,736		
JP MORGAN SECURITIES	46640PSH7	05-17-17	4,000,000	3,976,200	3,982,136	0	3,982,136		
BNP PARIBAS NY BRANCH	09659BUH1	07-17-17	4,000,000	3,960,400	3,971,764	0	3,971,764		
CREDIT AGRICOLE CIB NY	22533TSF4	05-15-17	3,000,000	2,983,200	2,987,328	0	2,987,328		
			9.02%						
<b>CERTIFICATE OF DEPOSIT</b>									
CANADIAN IMPERIAL BANK	1346AA5Z7	11-30-18	3,100,000	3,097,582	3,125,017	4,092	3,129,109		
NORDEA BANK FINLAND NY	65558LWA6	11-30-18	3,100,000	3,100,000	3,125,017	3,940	3,128,957		
			3.99%						
<b>SMALL BUSINESS ADMINISTRATION</b>									
FNA 2014-M6 A2	3136AJ7G5	05-25-21	3,450,000	3,519,809	3,491,451	7,701	3,499,151		
			2.22%						
<b>TOTAL FUNDS MANAGED BY INVESTMENT ADVISOR</b>				<b>155,288,723</b>	<b>156,025,248</b>	<b>155,247,751</b>	<b>562,750</b>	<b>155,810,501</b>	
<b>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF</b>									
<b>SAN MATEO COUNTY POOL</b>									
LOCAL AGENCY INVESTMENT FUND				320,710,059	320,710,059	740,328	321,450,397		
U.S. BANK (CASH ON DEPOSIT)				978,559	978,559	1,686	980,245		
BANK OF AMERICA CHECKING				403,692	403,692	0	403,692		
WELLS FARGO				673,610	673,610	0	673,610		
				1,778	1,778	0	1,778		
<b>TOTAL FUNDS MANAGED BY DISTRICT STAFF</b>				<b>322,767,698</b>	<b>322,767,698</b>	<b>742,024</b>	<b>323,509,722</b>		
<b>TOTAL AS OF DECEMBER 31, 2016</b>				<b>478,792,946</b>	<b>478,015,449</b>	<b>1,304,774</b>	<b>479,320,223</b>		

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception (03/31/15) *
SAN MATEO COUNTY TRANS AUTHORITY	2.14	-0.65%	0.87%	-	-	-	0.53%
San Mateo County Trans Authority Custom Index	2.16	-0.83%	1.17%	-	-	-	0.70%
Difference		0.18%	-0.30%	-	-	-	-0.17%



Portfolio performance is gross of fees unless otherwise indicated. \*Since Inception performance is not shown for periods less than one year.



**Portfolio Statistics**

As of December 31, 2016

Par Value:	155,288,725
Total Market Value:	156,225,362
Security Market Value:	155,247,751
Accrued Interest:	573,920
Cash:	403,692
PFM	-
Amortized Cost:	156,046,766
Yield at Market:	1.41%
Yield at Cost:	1.22%
Effective Duration:	2.14 Years
Duration to Worst:	2.11 Years
Average Maturity:	2.23 Years
Average Credit: *	AA

\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

## EXHIBIT 4

For the Quarter Ended December 31, 2016

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Portfolio Compliance

- The portfolio is in compliance with the Authority's Investment Policy and California Government Code.

<u>Security Type</u> <sup>1</sup>	<u>December 31, 2016</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasury	\$42,516,457	27.3%	100%
Federal Agency/GSE	\$63,951,763	41.1%	100%
Federal Agency/CMO	\$6,780,243	4.4%	20%
Corporate Notes	\$21,817,290	14.0%	30%
Negotiable CDs	\$6,250,034	4.0%	10%
Commercial Paper	\$13,931,964	9.0%	15%
Money Market Fund	\$403,692	0.3%	10%
<b>Totals</b>	<b>\$155,651,443</b>	<b>100.0%</b>	

1. End of quarter trade-date market values of portfolio holdings, excluding accrued interest

**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**

As of 1/12/17:

On January 10, 2017, the Governor released the 2017-18 Proposed Budget. In the Budget, the Department of Finance expects General Fund State Revenues to be about \$125 billion, and the Governor proposes to spend about \$122.5 billion from the General Fund. General Fund spending remains flat this year compared to 2016-17, while overall budget spending grows by \$8.5 billion over last year in special funds.

Consequently, the Budget projects a \$1.6 billion deficit in the coming year – the first deficit in four years – without “corrective action.” In a recurring theme, Governor Jerry Brown’s 2017-18 Proposed Budget emphasizes preparation for an inevitable recession. As such, the Governor is proposing to deposit an additional \$1.15 billion to the State’s Rainy Day Fund, bringing the total to \$7.9 billion by the end of Fiscal Year 2017-18, reaching 63 percent of the constitutional target.

The Governor is also proposing two-thirds urgency legislation to confirm the continuation of the Cap and Trade program beyond 2020. Based on this approval, the budget proposes \$2.2 billion in expenditures from auction proceeds.

*Transportation Highlights:*

The Budget once again states the need to find a solution to our state's deteriorating transportation infrastructure, and lays out a proposal to invest \$43 billion in transportation over the next decade (an increase of approximately \$600 million from his 2016-17 proposal).

The Budget "includes a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies and streamlined project delivery, accountability measures, and constitutional protections for the new revenues" and revenues would be split evenly between state and local priorities.

**Governor's Transportation Package**  
(Dollars in Millions)

<i>Investment Category</i>	<i>Program</i>	<i>2017-18 Amount</i>	<i>Annualized Amount<sup>1/</sup></i>
Local Streets and Roads / Partnership Programs	Active Transportation Program	\$100	\$100
	Local Road Maintenance & Repairs	\$206	\$1,163
	Local Partnership Grants <sup>2/</sup>	\$0	\$250
	SB 375 Local Planning Grants	\$25	\$25
	Corridor Mobility Program	\$275	\$275
Transit	Transit Capital <sup>3/</sup>	\$485	\$400
State Highway Repair and Maintenance <sup>4/</sup>	Pavement <sup>3/</sup>	\$129	\$997
	Bridges and Culverts	\$91	\$554
	Traffic Management Systems	\$12	\$100
	Maintenance	\$120	\$120
Trade Corridors	Improved Goods Movement <sup>3/</sup>	\$358	\$250
<b>Total</b>		<b>\$1,801</b>	<b>\$4,234</b>

<sup>1/</sup> Excludes one-time loan repayments totaling \$706 million.  
<sup>2/</sup> Provides up to \$250 million per year beginning in 2018-19.  
<sup>3/</sup> The 2017-18 totals include anticipated loan repayments.  
<sup>4/</sup> Annualized amounts include \$100 million per year in Caltrans efficiency savings.

The Governor's Budget projects the State Transit Assistance Program will be \$293.8 million in 2017-18. This represents an increase of \$31.3 million over the current year 2016-17 projection of \$262.5 million.

More details about the Budget can be found in the reading file and a link to the summary of the Governor's proposed budget can be found here:  
<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>.

## **FEDERAL ISSUES**

As of 1/12/17:

On January 11, 2017, Elaine Chao, the choice to be the next Transportation Secretary, had her confirmation hearing in front of the Senate Commerce, Science and Transportation Committee. When questioned on whether there would be direct Federal spending as part of the \$1 trillion infrastructure vision that was proposed by President Elect Trump during the campaign, Chao answer that yes, it would contain some direct Federal spending. Other notable items from the confirmation hearing:

- Seeking a way to patch the Highway Trust Fund will be a "top priority" for Trump's Department of Transportation.
- One of her first orders of business will be to create an infrastructure taskforce.
- Promise to make sure railroads that railroads implement positive train control before the 2018 deadline.
- Support for Buy America (which is a reversal from her previous position)

Senate Majority Leader Mitch McConnell has pledged that he wants to confirm a substantial number of nominees on the first day of the Trump Administration. Chao would likely be one of the first ones confirmed because there is little opposition expected.

Prepared by: Casey Fromson, Manager Government and  
Community Relations

650-508-6493

## SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<p><b>AB 1</b> <b>Frazier (D)</b></p> <p><b>Transportation Funding</b></p>	<p>12/5/16</p> <p>Introduced</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 proposes a \$6 billion funding package, through a variation of gas and diesel taxes increases, Cap and trade revenues, restoring commercial truck weight fees, repaying outstanding loans, and other miscellaneous fees to repair and maintain our state and local roads, improve our trade corridors, and support public transit and active transportation. The breakdown of funding would be as follows: \$1.9 billion for maintenance and rehabilitation of the state highway system; \$2.4 billion for maintenance and rehabilitation of local streets and roads; \$577 million for the State Transportation improvement Program, which provides funding for regions; \$563 million for public transportation capital and operations funding; \$600 million for freight goods movement; and up to \$150 million for active transportation. Additional reforms such as a provision for lowering the vote threshold for local sales tax measures from 2/3 to 55%, permanently extending the California Environmental Quality Act (CEQA) exemption for projects within an existing right of way, permanently expanding the National Environmental Policy Act (NEPA) delegation for Caltrans, and creating an advanced mitigation program to expedite project delivery are also included. A constitutional amendment to protect against diversion of funding for non-transportation purposes is also contained.</p>	<p><b>Support</b></p>
<p><b>AB 28</b> <b>Frazier (D)</b></p> <p><b>NEPA Delegation</b></p>	<p>12/5/16</p> <p>Introduced</p>	<p>Existing law gives the Department of Transportation (Caltrans) full possession and control of the state highway system. Existing federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery pilot program, under which the participating states assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Until January 1, 2017, existing law provides that the State of California, through Caltrans, consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the pilot program.</p> <p>This bill would remove the sunset date allowing for California to participate in the program indefinitely. The bill contains an urgency clause.</p>	<p><b>Support</b></p>
<p><b>AB 33</b> <b>Quirk (D)</b></p> <p><b>Greenhouse Gases: Reduction From Transportation</b></p>	<p>12/5/16</p> <p>Introduced</p>	<p>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.</p> <p>States the intent of the Legislature to enact legislation to reduce net emissions from greenhouse gases from transportation by imposing fees and granting rebates on sales of new automobiles and light trucks.</p>	

## SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<b>AB 65</b> <b>Patterson (R)</b>  <b>High-Speed Rail Bond Debt Service</b>	12/13/16  Introduced	<p>Existing law provides for transfer of certain vehicle weight fee revenues to the Transportation Debt Service Fund to reimburse the General Fund for payment of current year debt service on general obligation bonds issued for transportation purposes, including bonds issued for high-speed rail and associated purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A of 2008).</p> <p>This bill would specifically exclude from payment under these provisions the debt service for Proposition 1A bonds.</p>	<b>Oppose</b>
<b>AB 87</b> <b>Ting (D)</b>  <b>Autonomous Vehicles</b>	1/5/16  Introduced	<p>Existing law prohibits an autonomous vehicle from being operated on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. Existing law requires the Department of Motor Vehicles (DMV) to adopt regulations no later than January 1, 2015, setting forth requirements for the submission of evidence of insurance, surety bond, or self-insurance, and for the submission and approval of an application to operate an autonomous vehicle. Under existing law, it is unlawful and constitutes an infraction for any person to violate, or fail to comply with any provision of the Vehicle Code, unless otherwise specified.</p> <p>This bill would require the DMV to revoke the vehicle registration of any autonomous vehicle operating in violation of their Autonomous Vehicle Tester Program and authorizes law enforcement to impound such vehicles. It also gives DMV the discretion to fine companies (up to \$25,000 per day) for illegally operating autonomous and prohibits those companies from applying to receive a permit from DMV to legally test self-driving technology on California road for two years.</p>	
<b>AB 91</b> <b>Cervantes (D)</b>  <b>HOV Lanes</b>	1/9/17  Introduced	<p>Existing law authorizes the Department of Transportation (Caltrans) to designate certain lanes for the exclusive or preferential use of high-occupancy vehicles (HOV). When those exclusive or preferential use lanes are established and double parallel solid lines are in place to the right thereof, existing law prohibits any person driving a vehicle from crossing over those double lines to enter into or exit from the lanes, and entrance or exit from those lanes is authorized only in areas designated for these purposes or where a single broken line is in place to the right of the lanes, except as specified.</p> <p>This bill would prohibit, commencing July 1, 2018, a HOV lane from being established in the County of Riverside, unless that lane is established as a HOV lane only during the hours of heavy commuter traffic, as determined by Caltrans. The bill would require any existing HOV lane in the County of Riverside that is not a toll lane to be modified to operate as a HOV lane under those same conditions. The bill would authorize Caltrans, on or after May 1, 2019, to reinstate 24-hour HOV lanes in the County of Riverside if Caltrans makes a specified determination, and would require Caltrans to report to the Legislature on the impact on traffic of limiting the use of HOV lanes only during the hours of heavy commuter traffic, as provided in the bill.</p>	

## SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<p><b>AB 151</b> <b>Burke (D)</b></p> <p><b>Cap and Trade Program Extension</b></p>	<p>1/11/17</p> <p>Introduced</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 approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act authorizes the state board to include the use of market-based compliance mechanisms and to adopt a regulation that establishes a system of market-based declining annual aggregate emissions limits for sources or categories of sources that emit greenhouse gases, applicable from January 1, 2012, to December 31, 2020, inclusive, as specified.</p> <p>This bill would state the intent of the Legislature to enact legislation that authorizes the state board to utilize a market-based compliance mechanism after December 31, 2020, in furtherance of the statewide greenhouse gas emissions limit of at least 40% below the 1990 level by 2030.</p>	
<p><b>AB 174</b> <b>Bigelow (R)</b></p> <p><b>California Transportation Commission Membership</b></p>	<p>Introduced</p> <p>1/17/17</p>	<p>Existing law provides that the CTC consists of 13 members, 11 voting members, of which 9 are appointed by the Governor, subject to Senate confirmation, one is appointed by the Senate Committee on Rules, 1 is appointed by the Speaker of the Assembly, and 2 Members of the Legislature who are appointed as nonvoting ex officio members.</p> <p>This bill would require that at least one voting member reside in a rural county with a population of less than 100,000 individuals.</p>	
<p><b>AB 179</b> <b>Cervantes (D)</b></p> <p><b>California Transportation Commission Membership</b></p>	<p>1/18/17</p> <p>Introduced</p>	<p>Existing law provides that the commission consists of 13 members: 11 voting members, of which 9 are appointed by the Governor subject to Senate confirmation, one is appointed by the Senate Committee on Rules, 1 is appointed by the Speaker of the Assembly, and 2 Members of the Legislature who are appointed as nonvoting ex officio members.</p> <p>This bill would require that 6 of those voting members have specified qualifications (two from disadvantaged communities, one with experience in addressing bicycle and pedestrian issues, one with transit experience, one with experience with air pollution, and one with or be an authority on, climate change mitigation, including the role of transportation projects on that mitigation).</p> <p>This bill would also require the CTC to create an Environmental Justice Advisory Committee, comprised of at least 5 members, to advise the CTC in its allocation and programming of transportation moneys and any other pertinent transportation policy matters. The bill would require that the members of the committee represent communities disproportionately burdened by, and vulnerable to, high levels of pollution and other environmental justice issues, and would require that the CTC appoint only individuals nominated by environmental justice organizations and community groups to that committee.</p> <p>Lastly, this bill would require the CTC and the State Air Resources Board to hold at least 2 joint meetings per calendar year to coordinate their implementation of transportation policies.</p>	

## SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<b>SB 1</b> <b>Beall (D)</b>  <b>Transportation Funding</b>	12/5/16  Introduced	Nearly identical to AB 1 (Frazier) with some exceptions such as SB1 phasing in the 12 cent increase over three years, proposing a percentage of truck weight fees being returned while AB1 specifies an amount (SB 1 caps weight fee transfer at 50% in FY 2020-21, while AB 1 caps transfer at \$500 million) (being more prescriptive on trade corridor funding, containing a dedicated pot of funding for commuter and intercity rail (.5%, of sales tax which would generate \$0 million annually, and the discrepancy on the zero-emission vehicle fee (\$100 vs. \$165 in AB 1), among other things.	<b>Support</b>
<b>SB 4</b> <b>Mendoza (D)</b>  <b>Goods Movement and Clean Trucks Act</b>	1/12/17  Referred to the Senate Committees on Transportation & Housing, Environmental Quality, and Governance & Finance	<p>The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement, and specified categories of projects eligible to receive these funds. Existing law continues the Trade Corridors Improvement Fund in existence in order to receive revenues from sources other than the bond act for these purposes. Proposition 1B also provided for the allocation of \$1 billion in bond funds to the State Air Resources Board for emission reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors, which was allocated by the state board pursuant to the Goods Movement Emission Reduction Program.</p> <p>This bill, subject to voter approval at the June 5, 2018, statewide primary election, would authorize \$600 million in state general obligation bonds for projects and programs eligible for funding from the Trade Corridors Improvement Fund (\$200 million), for projects and programs consistent with the Goods Movement Emission Reduction Program (\$200 million) and programs to expand the use of zero- and near-zero emission trucks in areas designated as severe or extreme nonattainment areas for ozone and particulate matter. (\$200 million) Provides for rail landside access improvements and landside freight access improvements to airports.</p>	
<b>SB 30</b> <b>Lara (D)</b>  <b>California-Mexico Border</b>	1/12/17  Senate Rules Committee	<p>Existing law establishes the border between the United States and Mexico, which includes the southern border of California.</p> <p>This bill would requires any federally funded infrastructure project along California's southern border that exceeds a cost of \$1 billion to first be approved by a majority of the voters voting on the issue at a statewide general election.</p>	

## SMCTA Bill Matrix – January

Measure	Status	Bill Summary	Position
<p><b>SCA 2 Newman (D)</b></p> <p><b>Motor Vehicle Fee and Taxes: Restrictions on Expenditures</b></p>	<p>1/18/17 Introduced</p>	<p>Article XIX of the California Constitution restricts the expenditure of revenues from taxes imposed by the state on fuels used in motor vehicles upon public streets and highways to street and highway and certain mass transit purposes, and restricts the expenditure of revenues from fees and taxes imposed by the state upon vehicles or their use or operation to state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways, as well as to street and highway and certain mass transit purposes. These restrictions do not apply to revenues from taxes or fees imposed under the Sales and Use Tax Law or the Vehicle License Fee Law.</p> <p>Article XIX prohibits the Legislature from borrowing revenues from taxes imposed by the state on fuels used in motor vehicles upon public streets and highways, and from using those revenues other than as specifically permitted by Article XIX. Article XIX provides that up to 25% of fuel tax revenues allocated to the state may be pledged or used for the payment of principal and interest on voter-approved transportation bonds issued for street and highway purposes on and after November 2, 2010, upon voter approval and appropriation by the Legislature. Article XIX provides that up to 25% of fuel tax revenues allocated to cities and counties may be pledged or used for the payment of principal and interest on voter-approved transportation bonds issued for street and highway purposes. However, in counties where voters have approved the use of fuel tax revenues for certain mass transit purposes, Article XIX provides that the Legislature may authorize any fuel tax revenues allocated to mass transit purposes to be pledged or used for payment of principal and interest on voter-approved bonds issued for those mass transit purposes.</p> <p>This measure would also prohibit the Legislature from borrowing revenues from fees and taxes imposed by the state on vehicles or their use or operation, and from using those revenues other than as specifically permitted by Article XIX. The measure would prohibit those vehicle revenues and fuel tax revenues from being pledged or used for the payment of principal and interest on general obligation bonds issued by the state, except that vehicle weight fee revenues would be authorized to be pledged or used for the payment of principal and interest on general obligation transportation bonds approved prior to January 1, 2017.</p> <p>The measure would also repeal the authorization for fuel tax revenues allocated to mass transit purposes to be pledged or used for payment of principal and interest on voter-approved bonds issued for those mass transit purposes, and would instead subject those expenditures to the same restrictions applicable to the use of fuel tax revenues for street and highway bond purposes.</p>	