



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

May 3, 2018 – Thursday

5:00 p.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Report of the Citizens Advisory Committee
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately
 - a. Approval of Minutes of April 5, 2018
 - b. Acceptance of Statement of Revenues and Expenses for March 2018
 - c. Acceptance of Quarterly Investment Report
5. Public Comment
Public comment by each individual speaker shall be limited two (2) minutes. If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the TA Secretary.
6. Chairperson's Report
7. San Mateo County Transit District Liaison Report – K. Matsumoto
8. Joint Powers Board Report – J. Hartnett
9. Report of the Executive Director – J. Hartnett
10. Authorizing Amendment of the FY 2018 Budget to Increase Total Operating Expenses from \$87,101,864 to a New FY 2018 Total Budget of \$88,848,158
11. Call for Public Hearing on June 7, 2018: Fiscal Year 2019 Operating and Capital Budgets
12. Review of Preliminary 2019 Operating and Capital Budgets
13. Program
 - a. State and Federal Legislative Update
 - b. Approval of Shuttle Applications and Programming and Allocation of Measure A Local Shuttle Program Funds for 33 Shuttles for Fiscal Years 2019 and 2020
 - c. Program Report: Ferry Service
 - d. Request by the City of Redwood City for Measure A Funds to Prepare a Feasibility Study and Cost/Benefit Analysis for a Proposed Ferry Terminal in Redwood City

14. Request from the Authority

15. Written Communications to the Authority

16. Date/Time of Next Regular Meeting: Thursday, June 7, 2018, 5:00 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA 94070

17. 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 v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973
- b. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast, et al. v. California Department of Transportation, et al.; U.S. District Court, Northern District of California Civil Case No. 3:15-cv-02090-VC

18. Adjourn

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. Communications to the Board of Directors can be e-mailed to 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; 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.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA)
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

MINUTES OF APRIL 5, 2018

MEMBERS PRESENT: D. Horsley (Chair), E. Beach, C. Johnson, K. Matsumoto, R. Medina

MEMBERS ABSENT: C. Groom, M. Freschet

STAFF PRESENT: J. Hartnett, C. Mau, J. Cassman, S. van Hoften, A. Chan, C. Fromson, C. Gumpal, J. Hurley, J. Slavit

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Horsley called the meeting to order at 5:03 p.m. and led the Pledge of Allegiance.

ROLL CALL

Assistant District Secretary Gumpal called the roll. A quorum was present.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, Chair, Citizens Advisory Committee, provided a detailed report of a Transportation Authority Citizens Advisory Committee meeting held recently.

CONSENT CALENDAR

Director Matsumoto requested to discuss Consent Calendar item b separately.

- a. Approval of Minutes of March 1, 2018.

Motion/Second: (Johnson/Medina) moved approval of Consent Calendar item a.

Ayes: Beach, Johnson, Matsumoto, Medina, Horsley

Absent: Freschet, Groom

- b. Acceptance of Statement of Revenues and Expenses for February 2018.

Director Matsumoto inquired about a financial statement sales tax issue.

Motion/Second: (Matsumoto/Beach) moved approval of Consent Calendar item b.

Ayes: Beach, Johnson, Matsumoto, Medina, Horsley

Absent: Freschet, Groom

PUBLIC COMMENT

None

CHAIRPERSON'S REPORT

Chair Horsley announced upcoming vacancies on the Citizens Advisory Committee and

highly encouraged the public to apply for the positions.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

Director Matsumoto referred to the monthly liaison report in the reading file. She highlighted CEO Hartnett’s annual review and praised him for a job very well done over the past year.

JOINT POWERS BOARD REPORT – J. HARTNETT

Jim Hartnett, Executive Director referred to his written report to the Authority. He also highlighted the Caltrain budget workshop held earlier in the day, reviewing challenges and opportunities, including potential increase in member agency contributions to fund Caltrain’s operations.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Mr. Hartnett referred to his written report to the Authority.

DELEGATE AUTHORITY TO EXECUTIVE DIRECTOR ON CERTAIN REAL ESTATE OFFERS, TRANSACTIONS AND PROPERTY RIGHTS CONVEYANCES

April Chan, Chief Officer, Planning/Grants/Transportation Authority, presented the staff report outlining the proposal to delegate the authority to the Executive Director, or his designee, regarding certain real estate offers, transactions and property rights conveyances, in consultation with the chair of the Board of Directors. The process would allow the streamlining of real estate processes. Ms. Chan noted that property under this provision would have to already have been budgeted. Staff would be required to report back quarterly on all transactions. Ms. Chan answered questions of the board members.

RESOLUTION:

Motion/Second (Beach/Medina) moved approval of Resolution 2018-08, Authorizing the Executive Director to Convey Certain Property Rights to Cities, Utility Companies and Other Third Parties to Support San Mateo County Transportation Authority, and Authority-Funded, Capital Projects.

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

RESOLUTION:

Motion/Second (Beach/Medina) moved approval of Resolution 2018-09, Authorizing the Executive Director, In Consultation with the Chairperson of the Board of Directors, to Approve Certain Real Estate Transactions in Connection with San Mateo County Transportation Authority, and Authority-Funded, Capital Projects.

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

PROGRAM

- a. San Mateo County Shuttle Program Draft Funding Recommendations

Joel Slavitt, Manager of Programming and Monitoring, provided a detailed presentation on the San Mateo County Shuttle Program; a joint Transportation

Authority and City/County Association of Governments project. Mr. Slavitt reviewed the shuttle program itself, the process of how the program is administered, evaluation criteria used in the program and how applications are evaluated.

He provided the draft recommendations of which 35 applications achieved all of the requirements, noting that two applications failed minimum program requirements. He displayed a map showing the 35 shuttle locations and the subsequent communities served. Mr. Slavitt noted the growing trend for shuttles but that the program is constrained to \$10m. Finally, Mr. Slavitt reviewed the schedule and considerations for future call for projects and stated he would return in May for the final Transportation Authority board approval.

Board members provided commentary on the presentation regarding marketing of the services, performance and viability of new shuttle applications.

Public Comment

Rich Hedges, San Mateo, commented on the recommendations.

b. Program Report: Transit – Caltrain Modernization Program

Mr. Hartnett introduced John Fungji, Caltrain Modernization Chief Officer, formerly of San Francisco Municipal Transportation Agency (SFMTA).

Mr. Fungji, provided a brief history of Caltrain, followed by an extensive overview of the modernization program, including the key service benefits of electrification (vs. diesel fleet), construction phasing, project and catenary design, tracks and power system and interconnection design. Mr. Fungji mentioned that 35 catenary poles have been erected in San Bruno and that the first electric multiple unit (“EMU”) vehicles would be arriving in July 2019 for testing prior to being placed into revenue service. Finally, Mr. Fungji discussed the budget and expenditures of the program, contingency and draw down of the funding.

Mr. Fungji answered numerous of board members.

c. State and Federal Legislative Update

Casey Fromson, Director of Government and Community Affairs, provided the monthly legislative report, highlighting relevant legislation pertinent to the Authority.

REQUEST FROM THE AUTHORITY

Director Matsumoto noticed that public comment section was restricted to one minute, but should be amended to reflect two. Mr. Hartnett noted the request.

DATE/TIME OF NEXT REGULAR MEETING: Thursday, May 3, 2018, 5:00 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Ave., San Carlos, CA.

REPORT OF LEGAL COUNSEL

Legal Counsel van Hoften announced that closed sessions were not necessary at that time.

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973
- b. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast, et al. v. California Department of Transportation, et al.; U.S. District Court, Northern District of California Civil Case No. 3:15-cv-02090-VC

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, May 3, 2018 at 5:00 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos CA 94070

ADJOURN

The meeting adjourned at 6:16 p.m.

**TA CAC Chair's Report
March 1, 2018**

Good evening Chairman Horsley and Members of the Board,

I have the following to report from Tuesday's meeting of the CAC:

(TA Item 4a) The CAC reviewed the Board's Minutes of March 1, 2018, without questions or comments.

(TA Item 4b) The CAC supported the Acceptance of the Statement of Revenues and Expenses for February 2018, without questions or comments.

(TA Item 10) After a brief presentation by Brian Fitzpatrick, the CAC supported the Board's Delegation of Authority to the Executive Director on Certain Real Estate Offers, Transactions, and Property Rights conveyances. The CAC thought that it was a good idea and that the elimination of time consuming trips back and forth to the Board for approval of every little item, would afford District staff the ability to conduct business more efficiently which will benefit both the property owners and the District.

(TA Item 11a) Joel Slavit, Manager of Programming and Monitoring, gave the CAC a comprehensive report on the San Mateo County Shuttle Program Draft Funding Recommendations. The CAC was pleased to see that 35 out of 37 applicants were approved. There were a few questions on why the SFOX shuttle was not recommended, but the CAC understood the reasons for the refusal after learning that the service for this shuttle would actually be a duplication of service with other modes of transportation. Members of the CAC questioned if there might be the ability to increase funding for the shuttles, in the absence of the sales tax on this year's ballot passing. Joel explained that there is some capacity, but increased levels of funding would not be sustainable. Some members of the CAC also expressed concern about going to employers for private funding too much, less they be overburdened and that source of funding subsequently be "dried up".

A member of the public in attendance at our meeting asked if shuttles that are underperformers can be cut in their first year of performance and the monies for that shuttle be given to some other shuttle. Joel advised that the District works with underperformers and gives them the full two years to bring the performance up to par. He advised the member of the public that he monitors both progress and annual reports with the sponsor, in an effort to help make them successful. The CAC was pleased to learn that.

(TA Item 11b) As part of an ongoing series about the various programs of the Transportation Authority (TA), this month the CAC received a report on Transit: Caltrain Modernization Program from Lori Low, Government and Community Affairs Officer. The CAC was pleased with the progress thus far and questioned where the test work is being done on the vehicles and learned that it was Switzerland before being sent to Utah for final assembly. The CAC commented that it will be very important to be pro-active in making the Caltrain Modernization visible and that a very active outreach program should be employed. There was a strong sentiment that all the jobs being created as a result of this project should be included in the outreach.

The CAC also questioned how the 25% diesel fleet will be utilized and what will happen to them after their usefulness is over. The CAC was pleased to hear that the remaining 25% diesel fleet will be replaced by electric cars and the goal is to have a 100% electric fleet in the future. Some members brought up questions about the multiplicity of new massive housing developments that have been approved by various cities on the peninsula and if the anticipated 30% Caltrain capacity growth will be enough to handle the new influx of residents that would take the train. Others question how many station stops might there be per hour in areas of high density developments (South San Francisco, Millbrae and Hayward Park).

(TA Item 11c) The CAC received a brief Federal and State Legislative update from Lori Low. She advised the CAC that the District supports SB 1262, a bill regarding the construction manager/general contractor (CM/GC), an alternate project delivery method. The CAC agreed with supporting this alternate delivery method. The CAC also agreed with supporting the June 5th Proposition 69 Ballot Measure, the Transportation Taxes and Fees Lockbox Bill, which protects SB1 funds from being used for anything else but transportation. Laurie also advised the CAC that a \$1.3 Trillion Omnibus Bill was signed on March 23 and that the Speaker of the House is working on five separate Infrastructure Bills at the present time. The CAC looks forward to receiving more money for the infrastructure projects that this country so sorely needs.

CAC CHAIR'S REPORT:

In my own report to the CAC, I advised the CAC that there were two upcoming Caltrain Modernization presentations. The first will be held at the Redwood City Council meeting on Monday April 9, 2018 from 7pm to 8pm and the second will be held at the Belmont City Council on Tuesday, April 10, 2018 between 7pm and 8pm.

I also advised the CAC that the MTC is inviting comments on its Draft 2018 Public Participation Plan which highlights opportunities for Bay Area residents to engage in the range of MTC's planning work and funding allocations. It is slated for adoption in June 2018 and the public

can go to the MTC website for information on how to make comments. All comments must be received by 4pm, Monday, May 7, 2018.

STAFF REPORT TO CAC:

Joe Hurley, Transportation Authority Program Manager, advised the CAC that Began Satrapy, long time Regional Director of CALTRANS retired at the end of March and will be greatly missed by all those who have worked with him these past 36 years.

Joe also informed the CAC that we are rapidly approaching the end of the Hwy 92/ El Camino Real Project and that a celebration of this is being planned for either late April or early May.

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: Derek Hansel
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
MARCH 31, 2018**

ACTION

Staff proposes that the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of March 2018 and supplemental information.

The statement columns have been designed to provide easy comparison of year to date prior to current actuals for the current fiscal year including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of March year-to-date, the Total Revenues (page 1, line 7) is \$3.2 million higher than prior year. This is primarily driven by higher Sales Tax revenue (page 1, line 1) and Interest Income (page 1, line 2).

Year to Date Expenses: As of March year-to-date, the Total Expenditures (page 1, line 26) are \$98.1 million higher than prior year. This is primarily driven by Measure A Categories (page 1, line 15) with \$49.1 million spent for Caltrain Electrification project, \$13.1 million spent for 25th Grade Separation, \$23.5 million spent for 101 Interchange to Willow project, and \$11.1 million spent for SR92 El Camino Real Ramp.

Budget Amendment:

At the March 1, 2018 board meeting, as per resolution no. 2018 – 07, the Pedestrian and Bicycle Program Category was amended by \$35,600, to include anticipated revenues from Fiscal year 2019 to provide sufficient budget authority for the projects selected through the call for projects.

Prepared By: Melanie Hartanto, Accountant
Jeannie Chen, Manager, General Ledger

650-508-6478
650-508-6259

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES**

Fiscal Year 2018

March 2018

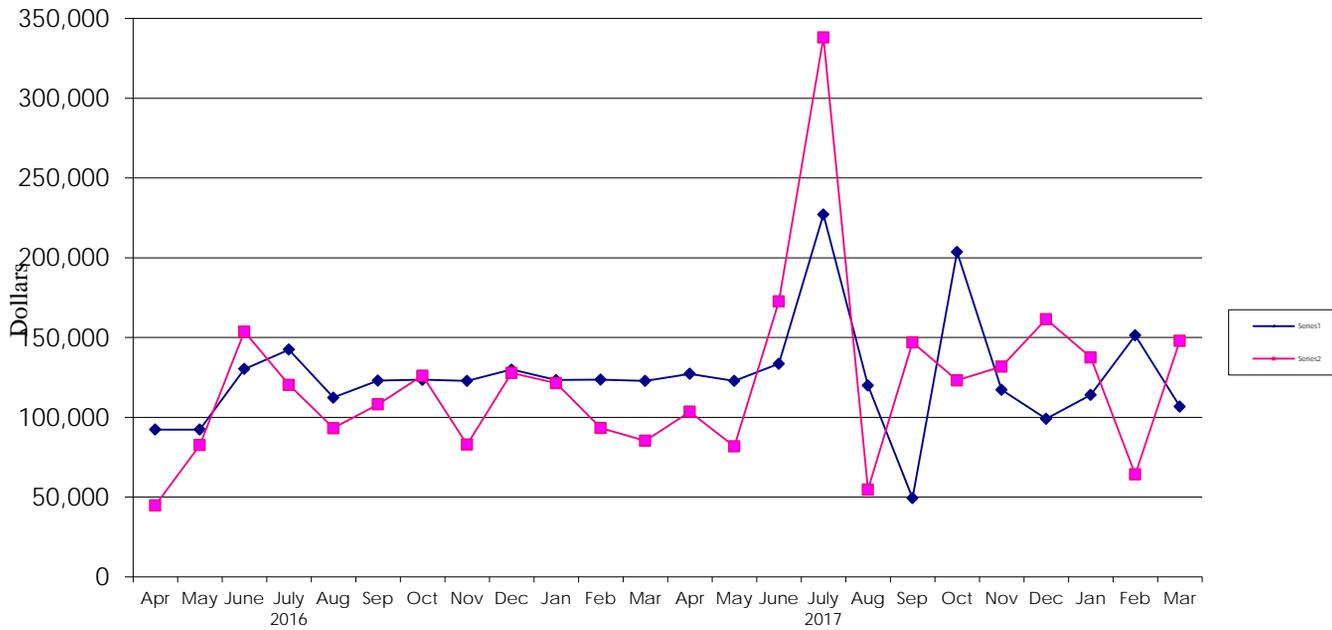
% OF YEAR ELAPSED: 75.0%

	YEAR TO DATE				ANNUAL
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET*
REVENUES:					
1 Sales Tax	63,315,044	65,815,610	2,500,566	3.9%	84,660,000
2 Interest Income	3,773,661	4,539,092	765,431	20.3%	3,700,000
3 Miscellaneous Income	0	1,500	1,500	0.0%	0
4 Rental Income	911,754	822,972	(88,782)	(9.7%)	792,930
5 Grant Proceeds	0	2,079	2,079	0.0%	222,000
6					
7 TOTAL REVENUE	68,000,459	71,181,254	3,180,795	4.7%	89,374,930
8					
9 EXPENDITURES:					
10					
11 Annual Allocations	23,109,991	23,336,692	226,701	1.0%	30,900,900
12					
13 Dumbarton Maintenance of Way	116,259	160,817	44,559	38.3%	260,000
14					
15 Measure A Categories	15,834,632	112,599,465	96,764,833	611.1%	53,155,100
16					
17 Oversight	598,500	1,286,563	688,062	115.0%	1,200,000
18					
19 Administrative					
20 Staff Support	462,325	816,585	354,260	76.6%	867,563
21 Measure A Info-Others	80	1,010	930	1162.0%	15,000
22 Other Admin Expenses	476,293	488,117	11,824	2.5%	703,301
23					
24 Total Administrative	938,698	1,305,712	367,014	39.1%	1,585,864
25					
26 TOTAL EXPENDITURES	40,598,080	138,689,249	98,091,169	241.6%	87,101,864
27					
28 EXCESS (DEFICIT)	27,402,379	(67,507,995)	(94,910,374)	(346.4%)	2,273,066
29					
30 BEGINNING FUND BALANCE	481,434,137	506,053,648			398,162,346
31					
32 ENDING FUND BALANCE	508,836,516	438,545,653			400,435,412

* The TA Adopted Budget is the Board adopted budget effective June 1, 2017.

** Year-to-date expenditures include the use of the carryover of budget appropriation from prior years

SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18
MONTHLY EXPENSES												
Revised Budget	227,128	120,007	49,331	203,568	117,181	99,000	114,107	151,401	106,760			
Actual	338,084	54,648	146,873	123,195	131,821	161,530	137,477	64,215	147,869			
CUMULATIVE EXPENSES												
Staff Projections	227,128	347,135	396,466	600,034	717,215	816,215	930,322	1,081,723	1,188,483			
Actual	338,084	392,732	539,605	662,800	794,621	956,151	1,093,628	1,157,843	1,305,712			
Variance-F(U)	(110,956)	(45,597)	(143,139)	(62,766)	(77,406)	(139,936)	(163,306)	(76,120)	(117,229)			
Variance %	-48.85%	-13.14%	-36.10%	-10.46%	-10.79%	-17.14%	-17.55%	-7.04%	-9.86%			



BOARD OF DIRECTORS 2018

DON HORSLEY, CHAIR
CAMERON JOHNSON, VICE CHAIR
CAROLE GROOM
MAUREEN FRESCHET
EMILY BEACH
RICO E. MEDINA
KARYL MATSUMOTO

JIM HARTNETT
EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF MARCH 31, 2018

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #2	*	Liquid Cash	1.528%	\$ 252,743,068	\$ 252,743,068
Local Agency Investment Fund	**	Liquid Cash	1.524%	\$ 990,024	\$ 990,024
Investment Portfolio	***	Liquid Cash	1.724%	\$ 158,338,976	\$ 155,992,957
Other		Liquid Cash	0.000%	\$ 3,000,260	\$ 3,000,260
	****			<u>\$ 415,072,328</u>	<u>\$ 412,726,308</u>

Accrued Earnings for March 2018 \$ 545,710
Cumulative Earnings FY2018 \$ 4,943,057

* County Pool average yield for the month ending March 31, 2018 was 1.528%. As of March 2018, the total cost of the Total Pool was \$4,983,162,961 and the fair market value per San Mateo County Treasurer's Office was \$4,970,065,501.

** 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.

**** May not foot due to rounding.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
March 31, 2018**

DESCRIPTION	TOTAL INVESTMENT 03-31-18	INTEREST RECEIVABLE 02-28-18	PREPAID INT RECEIVABLE 02-28-18	INTEREST EARNED 03-31-18	INTEREST RECEIVED 03-31-18	ADJ.	INTEREST RECEIVABLE 03-31-18
LAIF	990,023.68	2,207.51	0.00	1,281.44	0.00		3,488.95
COUNTY POOL	252,743,067.84	607,450.49	0.00	323,379.57	0.00		930,830.06
BANK OF AMERICA	2,126,371.07	0.00	0.00				0.00
WELLS FARGO	0.00	0.00	0.00				0.00
US BANK (Cash on deposit)	873,888.70	0.00	0.00				0.00
INVESTMENT PORTFOLIO	155,992,956.80	459,772.59	0.00	221,048.65	88,128.15		592,693.09
	<u>412,726,308.09</u>	<u>840,131.91</u>	<u>0.00</u>	<u>506,158.52</u>	<u>276,859.83</u>	<u>0.00</u>	<u>1,527,012.10</u>

FEBRUARY 2018 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report	03/31/18	545,709.66
Add:		
Less:		
Management Fees		(10,398.19)
Amortized Premium/Discount		69,658.95
Capital Gain(Loss)		<u>(49,009.99)</u>
Total Interest & Capital Gain(Loss)		<u>555,960.43</u>

YEAR TO DATE -- SUMMARY

Interest Earned	4,943,056.83
Add:	
Less:	
Management Fees	93,473.66
Amortized Premium/Discount	(149,894.92)
Capital Gain(Loss)	<u>(254,069.45)</u>
Total Interest	<u>4,632,566.12</u>

Balance Per Ledger as 02/28/18	
Amortization of Premium/Discount	(149,894.92)
Management/Bank Fees	93,473.66
Interest- County Pool	2,850,778.19
Interest - LAIF	9,149.77
Interest - Portfolio Funds	2,083,128.87
Gain(Loss)	<u>(254,069.45)</u>
	<u>4,632,566.12</u>

INVESTMENT PORTFOLIO
March 31, 2018

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL DAYS	INTEREST	PREPAID	INTEREST	INTEREST	INTEREST	PAR VALUE
			PURCHASE PRICE	VALUE 3/31/2018					REC'VBLE 2/28/2018	INT REC'VBLE 2/28/2018	EARNED 3/31/2018	RECEIVED	REC'VBLE 3/31/2018	
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>														
<u>U.S. TREASURY NOTES AND BONDS</u>														
US TREASURY NOTE	912828Q78	01-05-17	3,136,500.00	3,101,875.20	04-30-21	1.375%	122.2222	31	14,707.18		3,767.96		18,475.14	3,200,000
US TREASURY NOTE	912828F62	09-09-15	602,414.06	592,992.00	10-31-19	1.500%	25.0000	31	3,016.48		766.49		3,782.97	600,000
US TREASURY NOTE	912828VF4	12-07-15	1,362,157.03	1,352,238.54	05-31-20	1.375%	52.7083	31	8,868.75		2,567.92	5,076.92	6,359.75	1,380,000
US TREASURY NOTE	912828VP2	08-01-17	1,638,431.83	1,572,927.06	07-31-20	2.000%	88.0556	31	2,539.50		2,714.64	-	5,254.14	1,585,000
US TREASURY NOTE	912828x47	05-01-17	5,336,400.39	5,266,474.20	04-30-22	1.875%	281.2500	31	33,843.23		8,670.58		42,513.81	5,400,000
US TREASURY NOTE	912828L32	06-29-16	341,124.22	327,331.52	08-31-20	1.375%	12.7951	31	12.65		392.30	-	404.95	335,000
US TREASURY NOTE	912828R77	03-17-17	3,409,082.03	3,387,618.50	05-31-21	1.375%	133.6806	31	12,031.25		4,098.56		16,129.81	3,500,000
US TREASURY NOTE	912828D72	04-05-17	8,472,773.45	8,273,672.40	08-31-21	2.000%	466.6667	31	464.09		14,386.74	-	14,850.83	8,400,000
US TREASURY NOTE	912828T67	08-03-17	9,862,746.09	9,631,899.90	10-31-21	1.250%	348.9583	31	42,105.08		10,698.83		52,803.91	10,050,000
														21.80%
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>														
FNMA	3136ANJY4	04-30-15	6,199.50	6,126.95	04-01-18	1.550%	0.26	31	26.64		7.93	26.64	7.93	6,138
FNA 2014-M6 A2	3136AJ7G5	12-15-16	3,407,423.36	3,321,835.61	05-25-21	2.679%	248.54	31	773.13		7,454.84	7,545.54	682.43	3,339,844
FANNIE MAE	3136AQDQ0	10-30-15	550,501.37	541,659.62	09-01-19	1.646%	24.92	31	698.47		747.62	1,047.06	399.03	545,043
														2.46%
<u>FEDERAL AGENCY NOTES AND BONDS</u>														
FHLMC	3137EAEB1	07-20-16	2,045,039.00	2,014,791.25	07-19-19	0.875%	49.83	31	4,746.88		2,758.67	3,918.05	3,587.50	2,050,000
FNMA	3135G0N33	08-02-16	3,194,624.00	3,142,451.20	08-02-19	0.875%	77.78	31	2,255.56		2,333.33	-	4,588.89	3,200,000
FHLB	3130A8Q55	07-15-16	3,180,540.80	3,065,868.80	07-14-21	1.125%	100.00	31	4,700.00		3,000.00		7,700.00	3,200,000
FHLB	3130A8Y72	08-04-16	798,464.00	785,620.00	08-05-19	0.875%	19.44	31	505.56		583.33	-	1,088.89	800,000
FNMA	3135G0N82	08-19-16	822,177.68	791,370.53	08-17-21	1.250%	28.65	31	0.00				0.00	825,000
FNMA	3135G0N82	08-19-16	2,664,166.25	2,565,958.98	08-17-21	1.250%	92.88	31	1,701.38		3,645.83	-	5,347.21	2,675,000
FNMA	3135G0P49	09-02-16	3,993,760.00	3,933,632.00	08-28-19	1.000%	111.11	31	333.31		3,333.33	-	3,666.64	4,000,000
FHLB	3130A9EP2	09-09-16	4,695,911.00	4,614,840.70	09-26-19	1.000%	130.56	31	20,236.11		3,916.67	23,500.00	652.78	4,700,000
FHLMC	3137EAEJ4	09-29-17	988,208.10	971,452.35	09-29-20	1.625%	44.69	31	6,792.50		1,340.63	8,043.75	89.38	990,000
FNMA	3135G0T29	02-28-17	1,953,748.80	1,925,491.23	02-28-20	1.500%	81.46	31	244.37		2,443.75	-	2,688.12	1,955,000
FNMS	3135G0T60	08-01-2017	897,273.00	881,957.70	07-30-20	1.250%	31.25	31	1,162.50		1,125.00		2,287.50	900,000
FHLB	3130ACE26	09-08-17	363,828.35	356,050.93	09-28-20	1.375%	13.94	31	2,132.97		418.23	2,509.38	41.82	365,000
FHLMC	3137EAEF2	04-20-17	2,690,766.00	2,648,508.30	04-20-20	1.375%	103.13	31	13,509.38		3,093.75		16,603.13	2,700,000
														17.95%
<u>CORPORATE NOTES</u>														
TOYOTA MOTOR	89236TDH5	10-18-16	1,149,425.00	1,129,285.05	10-18-19	1.550%	49.51	31	6,585.35		1,485.41		8,070.76	1,150,000
TOYOTA MOTOR CREDIT C	89236TDM4	01-09-17	1,999,300.00	1,986,206.00	01-09-19	1.700%	94.44	31	4,911.11		2,833.33		7,744.44	2,000,000
UNILEVER CAPITAL	904764A20	03-22-18	1,193,868.00	1,197,038.40	03-22-21	2.750%	91.67	31	0.00		825.00		825.00	1,200,000
AMERICAN EXPRESS	0258M0EC9	10-31-16	2,799,321.80	2,751,646.80	10-30-19	1.700%	132.22	31	15,998.89		3,966.67		19,965.56	2,800,000
MORGAN STANLEY	6174467P8	11-10-16	3,516,187.50	3,308,785.20	07-24-20	5.500%	481.25	31	17,806.25		14,437.50		32,243.75	3,150,000
PFIZER INC	717081EB5	11-21-16	2,078,502.40	2,052,375.52	12-15-19	1.700%	98.22	31	7,464.89		2,946.67		10,411.56	2,080,000
JOHN DEERE CAPITAL CO	24422ETM1	01-06-17	1,199,220.00	1,194,460.80	10-15-18	1.650%	55.00	31	7,480.00		1,650.00		9,130.00	1,200,000
JOHN DEERE CAPITAL CO	24422ETL3	03-15-17	681,979.15	674,733.22	01-06-22	2.650%	50.42	31	2,773.30		1,512.71		4,286.01	685,000
CATERPILLAR FINL	14913Q2A6	09-07-17	1,099,076.00	1,073,911.30	09-04-20	1.850%	56.53	31	9,835.83		1,695.84	10,005.42	1,526.25	1,100,000
GOLDMAN SACHS	38141GGQ1	11-28-16	3,035,092.50	2,912,615.75	07-27-21	5.250%	401.04	31	13,635.42		12,031.25		25,666.67	2,750,000
AMERICAN HONDA	02665WAH4	12-20-16	3,165,655.50	3,133,030.95	08-15-19	2.250%	196.88	31	3,150.00		5,906.25		9,056.25	3,150,000
BANK OF AMERICA	06051GGS2	09-18-17	965,000.00	943,657.10	10-01-21	2.328%	62.40	31	10,171.74		1,872.10		12,043.84	965,000
BANK OF AMERICA	06051GFW4	04-19-16	579,462.00	566,400.88	04-19-21	2.625%	41.93	31	5,534.38		1,257.81		6,792.19	575,000
CITIGROUP INC	172967LF6	01-10-17	1,574,370.00	1,560,363.53	01-10-20	2.450%	107.19	31	5,466.56		3,215.63		8,682.19	1,575,000

**INVESTMENT PORTFOLIO
March 31, 2018**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL DAYS	INTEREST	PREPAID	INTEREST	INTEREST	PAR VALUE	
			PURCHASE PRICE	VALUE 3/31/2018					REC'VBLE 2/28/2018	INT REC'VBLE 2/28/2018	EARNED 3/31/2018	INTEREST RECEIVED		REC'VBLE 3/31/2018
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>														
MICROSOFT CORP	594918BV5	02-06-17	1,518,981.60	1,504,842.56	02-06-20	1.850%	78.11	31	1,952.78		2,343.33		4,296.11	1,520,000
BERKSHIRE HATHAWAY	084670BL1	12-23-16	3,167,829.00	3,139,548.30	08-14-19	2.100%	183.75	31	3,123.75		5,512.50		8,636.25	3,150,000
WALT DISNEY	25468PDP8	03-06-17	659,828.40	650,688.06	03-04-20	1.950%	35.75	31	6,327.75		1,072.50	6,435.00	965.25	660,000
APPLE INC BONDS	037833CS7	05-11-17	1,323,648.50	1,303,674.13	05-11-20	1.800%	66.25	31	7,287.50		1,987.50		9,275.00	1,325,000
JP MORGAN CHASE & CC	46625HJD3	05-26-17	1,622,730.00	1,560,595.50	01-24-22	4.500%	187.50	31	6,937.50		5,625.00		12,562.50	1,500,000
HOME DEPOT INC	437076BQ4	06-05-17	749,565.00	736,751.25	06-05-20	1.800%	37.50	31	3,225.00		1,125.00		4,350.00	750,000
IBM CORP CORP NOTES	44932HAG8	02-06-18	1,499,265.00	1,492,138.50	02-05-21	2.650%	110.42	31	2,760.42		3,312.50		6,072.92	1,500,000
NATIONAL RURAL UTIL CO	63743HER9	02-26-18	624,306.25	623,276.88	03-15-21	2.900%	50.35	31	251.74		1,510.41		1,762.15	625,000
PEPSICO INC	713448DX3	10-10-17	1,014,797.00	989,788.42	04-15-21	2.000%	56.39	31	7,950.83		1,691.67		9,642.50	1,015,000
WALMART STORES INC	931142EA7	10-20-17	1,547,752.50	1,519,788.95	12-15-20	1.900%	81.81	31	10,716.53		2,454.16		13,170.69	1,550,000
BRANCH BANKING & TRU	05531FAZ6	10-26-17	749,655.00	731,037.00	02-01-21	2.150%	44.79	31	1,343.75		1,343.75		2,687.50	750,000
														24.51%
<u>COMMERCIAL PAPERS</u>														
BANK OF TOKYO MITSUBI	06538CGL9	10-24-17	2,963,236.67	2,977,938.00	07-20-18	0.000%	0.00	31	0.00		0.00	0.00	0.00	3,000,000
JP MORGAN	46640OQJ5	5-23-17	3,062,937.78	3,084,097.00	09-21-17	0.000%	0.00	31	0.00		0.00	-	0.00	3,100,000
CREDIT AGRICOLE	22533UF16	12-01-17	3,073,827.39	3,089,258.50	06-01-18	0.000%	0.00	31	0.00		0.00	-	0.00	3,100,000
BNP PARIBAS NY BRANCH	09659CKK3	01-22-2018	3,151,221.33	3,154,921.60	10-19-18	0.000%	0.00	31	0.00		0.00	-	0.00	3,200,000
ING (US) FUNDING LLC	4497W1G26	10-13-17	3,063,902.22	3,081,756.50	07-02-18	0.000%	0.00	31	0.00		0.00	-	0.00	3,100,000
														9.81%
<u>CERTIFICATE OF DEPOSIT</u>														
CANADIAN IMPERIAL BAN	13606A5Z7	12-05-16	3,097,582.00	3,091,351.00	11-30-18	1.760%	151.56	31	13,791.56		4,698.22		18,489.78	3,100,000
SVENSKA HANDELSBANKEI	86958JH88	01-12-17	3,100,000.00	3,084,760.40	01-10-19	1.890%	162.75	31	8,137.50		5,045.25		13,182.75	3,100,000
BANK OF NOVA SCOTIA F	06417GU66	04-06-17	3,100,000.00	3,082,652.40	04-05-19	1.910%	164.47	31	24,177.42		5.10		24,182.52	3,100,000
SWEDBANK	87019U6D6	11-17-17	3,100,000.00	3,049,873.00	11-16-20	2.270%	195.47	31	20,329.11		6,059.64		26,388.75	3,100,000
SUMITOMO MITSUI BANK I	86563YVNO	05-04-17	3,100,000.00	3,089,779.30	05-03-19	2.050%	176.53	31	20,830.28		5,295.83		26,126.11	3,100,000
														9.81%
<u>ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS</u>														
CCCIT 2017-A2 A2	17305EGA7	01-26-17	2,649,492.53	2,634,927.60	01-17-21	1.740%	128.08	31	5,635.67		3,842.50		9,478.17	2,650,000
ALLYA 2017-1 A3	02007PAC7	01-31-17	704,938.38	697,976.16	06-15-21	1.700%	33.29	31	532.68		998.75	998.75	532.68	705,000
FORDO 2017-A A3	34531EAD8	01-25-17	2,199,991.86	2,176,229.88	06-25-21	1.670%	102.06	31	1,632.89		3,061.67	3,061.67	1,632.89	2,200,000
TAOT 2017-A A3	89238MAD0	03-07-17	779,908.19	771,817.88	02-15-21	1.730%	37.48	31	599.73		1,124.50	1,124.50	599.73	780,000
ALLYA 2017-2 A3	02007HAC5	03-29-17	2,484,707.02	2,460,852.01	08-15-21	1.780%	122.87	31	1,965.90		3,686.08	3,686.08	1,965.90	2,485,000
TAOT 2017-B A3	89190BAD0	05-17-17	3,099,762.23	3,061,028.04	07-15-21	1.760%	151.56	31	2,424.89		4,546.67	4,546.67	2,424.89	3,100,000
HAROT 2017-3 A3	43814PAC4	09-29-2017	579,937.19	571,370.18	09-18-21	1.790%	28.84	31	374.91		865.17	865.17	374.91	580,000
CCCIT 2017-A3 A3	17305EB5	05-22-17	1,604,272.00	1,575,690.56	04-07-22	1.920%	85.33	31	12,288.00		2,560.00		14,848.00	1,600,000
TAOT 2018-A1 A1	89238BAD4	01-31-18	699,991.95	695,046.73	05-16-22	2.350%	45.69	31	1,416.53		1,370.83	2,056.25	731.11	700,000
CCCIT 2018-A1 A1	17305EGK5	01-31-18	1,499,792.40	1,487,211.90	01-20-23	2.490%	103.75	31	3,216.25		3,112.50		6,328.75	1,500,000
JDOT 2018-A A3	47788CAC6	02-28-18	484,965.13	484,230.79	04-15-22	2.660%	35.84	31	107.51		1,075.08		1,182.59	485,000
JOHN DEERE ABS	47788BAD6	07-18-17	999,926.80	984,856.90	10-15-21	1.820%	50.56	31	808.89		1,516.67	1,516.67	808.89	1,000,000
AMXCA 2018-1 A	02582JH06	3-21-18	2,609,696.98	2,605,716.99	10-17-22	2.670%	193.58	31	0.00		1,935.75	-	1,935.75	2,610,000
AMXCA 2017-4 A	02582JHG8	05-30-17	1,199,807.76	1,188,327.96	12-15-21	1.640%	54.67	31	880.00		1,640.00	1,640.00	880.00	1,200,000
														13.67%
<u>SALE/PAYDOWN/MATURITY:</u>														
FHLB	3130AAXX1	03-10-17			03-18-19	1.375%	0.00	31	0.00				0.00	
BNP PARIBAS NY BRANCH	09659CC71	07-07-17			03-07-18	0.000%	0.00	31	0.00				0.00	
CASH AND CASH EQU 31846V534														
									524.63		727.02	524.63	727.02	

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY 2018
 MARCH 2018

Approved Budget		Receipts		Over/(Under)	Current
Date	Amount	Date	Amount	Budget/Projection	Projection
FY 2017:					
1st Quarter	19,338,441	1st Quarter	18,526,300	(812,141)	18,526,300
2nd Quarter	20,753,590	2nd Quarter	22,307,178	1,553,588	22,307,178
3rd Quarter	21,051,276	3rd Quarter	19,175,362	(1,875,914)	19,175,362
4th Quarter	21,856,693	4th Quarter	24,345,230	2,488,537	24,345,230
FY 2017 Total	83,000,000	FY 2017 Total	84,354,070	1,354,070	84,354,070
FY 2018:					
Jul. 17	6,173,245	Sep. 17	5,760,900	(412,345)	6,173,245
Aug. 17	6,173,245	Oct. 17	5,760,900	(412,345)	6,173,245
Sep. 17	9,148,973	Nov. 17	7,681,200	(1,467,773)	9,148,973
1st Qtr. Adjustment		Dec. 17	3,472,138	3,472,138	
3 Months Total	21,495,463		22,675,138	1,179,675	21,495,463
Oct. 17	6,484,778	Dec. 17	6,251,900	(232,878)	6,484,778
Nov. 17	6,279,663	Jan. 18	6,251,900	(27,763)	6,279,663
Dec. 17	9,645,126	Feb. 18	8,335,800	(1,309,326)	9,645,126
2nd Qtr. Adjustment		Mar. 18	3,537,277	3,537,277	
6 Months Total	43,905,030		47,052,015	3,146,985	43,905,030
Jan. 18	5,525,697	Mar. 18	5,376,600	(149,097)	5,525,697
Feb. 18	5,504,678	Apr. 18			5,504,678
Mar. 18	7,882,317	May 18			7,882,317
3rd Qtr. Adjustment		Jun. 18			
9 Months Total	62,817,722		52,428,615	2,997,888	62,817,722
Apr. 18	6,117,920	Jun. 18			6,117,920
May 18	6,103,123	Jul. 18			6,103,123
Jun. 18	9,621,235	Aug. 18			9,621,235
4th Qtr. Adjustment		Sep. 18			
FY 2018 Total	84,660,000	FY 2018 Total	52,428,615	2,997,888	84,660,000
	22,675,138	1st Quarter			
	22,176,689	2nd Quarter			
	20,963,783	3rd Quarter			
	<u>65,815,610</u>	4th Quarter			
		YTD Actual Per Statement of Revenue & Expenses			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF MARCH 31, 2018

3/31/2018

Cash -- Bank of America Checking Account	2,126,371.07
Cash -- Wells Fargo Lockbox Account	0.00
Cash - US Bank (on deposit)	873,888.70
LAIF	990,023.68
County Pool	252,743,067.84
Investment Portfolio	155,992,956.80
Total	<u>412,726,308.09</u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
MARCH 2018

Unit	Ref	Name	Amount	Method	Description
SMCTA	000142	OFFICE DEPOT	52.20	ACH	Office supplies
SMCTA	000143	URS CORPORATION	64,219.86	ACH	Consultants
SMCTA	000144	OFFICE DEPOT	78.45	ACH	Office supplies
SMCTA	000145	MATSUMOTO, KARYL M.	100.00	ACH	Board Member Compensation
SMCTA	000146	GROOM, CAROLE	100.00	ACH	Board Member Compensation
SMCTA	000147	HORSLEY, DONALD	100.00	ACH	Board Member Compensation
SMCTA	000148	JOHNSON, CAMERON	100.00	ACH	Board Member Compensation
SMCTA	000149	BEACH, EMILY RANDOLPH	100.00	ACH	Board Member Compensation
SMCTA	000151	GROOM, CAROLE	100.00	ACH	Board Member Compensation
SMCTA	000152	FRESCHET, MAUREEN ANN	100.00	ACH	Board Member Compensation
SMCTA	000153	BEACH, EMILY RANDOLPH	100.00	ACH	Board Member Compensation
SMCTA	000154	URS CORPORATION	19,382.15	ACH	Consultants
SMCTA	004613	DMJM HARRIS/MARK THOMAS JV	43,937.42	CHK	Consultants
SMCTA	004614	PENINSULA TRAFFIC CONGESTION RELIEF	338,884.13	CHK	Capital Programs (1)
SMCTA	004615	PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA	004616	CDM SMITH, INC.	5,308.92	CHK	Consultants
SMCTA	004617	COLLIERS PARRISH INTERNATIONAL, INC.	2,500.00	CHK	Consulting fee
SMCTA	004618	HANSON BRIDGETT LLP	5,536.00	CHK	Legal Services
SMCTA	004619	JACOBS ENGINEERING GROUP INC.	18,389.59	CHK	Consultants
SMCTA	004620	PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA	004621	DEPARTMENT OF TRANSPORTATION	6,659,415.96	CHK	Capital Programs (2)
SMCTA	004622	HANSON BRIDGETT LLP	13,794.00	CHK	Legal Services
SMCTA	004623	MEDINA, RICO E.	100.00	CHK	Board Member Compensation
SMCTA	004624	REDWOOD CITY, CITY OF	346,609.49	CHK	Capital Programs (3)
SMCTA	004625	ATKINS NORTH AMERICA, INC	109,583.53	CHK	Consultants
SMCTA	004626	CDM SMITH, INC.	2,849.04	CHK	Consultants
SMCTA	004627	DMJM HARRIS/MARK THOMAS JV	38,859.80	CHK	Consultants
SMCTA	004628	KHOURI CONSULTING	3,859.00	CHK	Legislative Advocate
SMCTA	004629	SLAVIT, JOEL A	88.06	CHK	Business Meetings
SMCTA	004630	VAVRINEK, TRINE, DAY & CO., LLP	8,590.00	CHK	Annual Audit Services
SMCTA	004631	EAST PALO ALTO, CITY OF	300,000.00	CHK	Capital Programs (4)
SMCTA	004632	MARK THOMAS & COMPANY AND AECOM JV	818.84	CHK	Consultants
SMCTA	004633	PACIFIC GAS & ELECTRIC COMPANY	21,266.76	CHK	Capital Programs (5)
SMCTA	004634	PACIFIC GAS & ELECTRIC COMPANY	9,920.15	CHK	Capital Programs (5)
SMCTA	004635	PACIFIC GAS & ELECTRIC COMPANY	54,387.58	CHK	Capital Programs (5)
SMCTA	004636	PACIFIC GAS & ELECTRIC COMPANY	1,291,086.32	CHK	Capital Programs (5)
SMCTA	004637	PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA	900115	PENINSULA CORRIDOR JOINT POWERS BOARD	10,997,117.13	WIR	Capital Programs (6)
SMCTA	900116	PENINSULA CORRIDOR JOINT POWERS BOARD	8,085,124.50	WIR	Capital Programs (7)
			28,470,308.88		
(1)		FY17/FY18 Local Shuttles			
(2)		101 Interchange to Broadway \$55,937.58; 101 Interchange to Willow \$5,476,450.17 101 HOV Ln Whipple \$145,208.02; SR92 El Camino Real Ramp \$981,820.19			
(3)		84/101 Interchange			
(4)		Calls for Proj-Ped&Bike FY12/13			
(5)		101 Interchange to Broadway			
(6)		Caltrain Electrification \$2,097,352.59; 25th Ave Grade \$8,532,001.53 SSF Caltrain Station \$367,763.01			
(7)		Caltrain Electrification \$1,443,175.32; CBOSS/PTC \$6,641,949.18			

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
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 March 31, 2018.

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 May 3, 2018 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, and date of maturity, par and dollar amount invested in all securities, investments and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,
5. Statement that the local agency has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 8,9,10 and 11. 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.

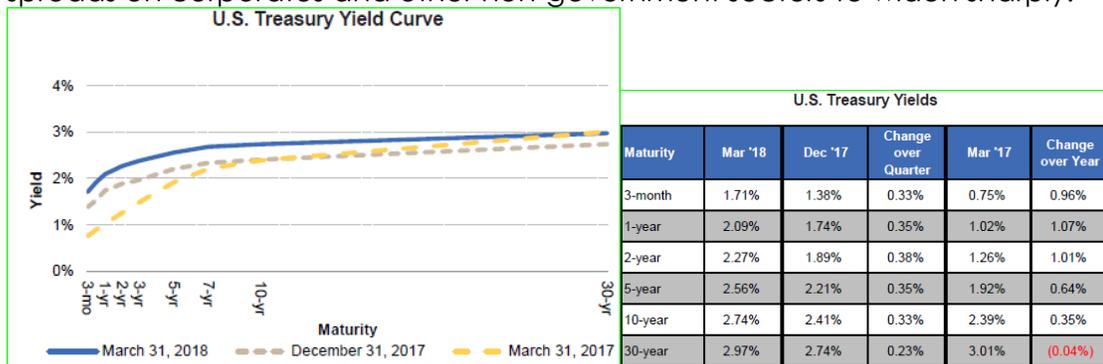
DISCUSSION

ECONOMIC SNAPSHOT

- Economic data continues to support growth and optimism (both business and consumer) as a myriad of indicators reached or remained at multi-year bests during the quarter, including the unemployment rate, consumer confidence, productivity, and manufacturing.
- The U.S. economy posted solid results last year, as the Gross Domestic Product (GDP) for the fourth quarter was revised up to show a real growth rate of 2.9% after back-to-back readings in excess of 3.0% the prior two quarters. In the midst of eight straight years of domestic economic expansion, global growth is now in synchrony with nearly every advanced economy around the globe, including the Eurozone, Japan, and China, showing positive growth rates.
- The U.S. labor market remained strong as the unemployment rate hovered at a 17-year low of 4.1%. The economy also posted positive net job gains for consecutive months dating back to the fourth quarter of 2010. Meanwhile, wages are beginning to gain some traction, as average hourly earnings—an important measure of wage growth—increased 2.7% over the past year.

INTEREST RATES

- U.S. Treasury yields rose across the yield curve, as the yield on the 2-year increased 38 basis points (bps) from 1.88 to 2.26%, while the yield on a 10-year increased 33 bps from 2.40 to 2.73%. Although the yield curve initially steepened early in the quarter, as longer-term rates moved up in response to a modest uptick in inflation expectations, the flattening trend ultimately resumed, retreating to post-recession tight levels by quarter-end.
- Money market investors have reaped the benefits of the Fed's rate increases as yields on securities with maturities less than one year continued to reflect rising short-term rates. In addition, a huge surge in the supply of U.S. Treasury bills pushed shorter-term yields higher still.
- After years of tightening yield spreads, the spike in market volatility caused spreads on corporates and other non-government sectors to widen sharply.



PORTFOLIO RECAP

- A long list of positive economic data remains a key driver of economic growth, consumer confidence, and business optimism.
 - GDP posted an upward revision of fourth-quarter GDP to 2.9%.
 - Estimates for 2018 GDP call for growth in the range of 2.7% to 2.8%.
 - Jobs growth continued to strengthen, averaging over 200,000 per month in the first quarter.
 - The unemployment rate remained at 4.1%—a 17-year low.
 - Productivity hit a 2-year high.
 - Manufacturing reached a 3-year high.
 - Consumer confidence rebounded after a dampened fourth quarter and now sits at a 14-year high.
 - Inflation, while below the Fed's target of 2%, inched higher by most measures.
- New Fed Chair Jerome Powell made his first public address at February's semi-annual monetary policy report to Congress. His maiden testimony hinted at a continuance of gradual rate hikes while acknowledging that "the economic outlook remains strong" and the expectation for inflation to increase and closely approach the FOMC's 2% objective remains intact.
- The Fed remained true to its stated course, raising short-term rates by ¼ percent in March, and interest rates continued their ascent over the quarter. As a result, we strategically positioned portfolios with a defensive duration bias relative to benchmark to help insulate market values in the well-choreographed interest

rate environment. However, with rates at or near multi-year highs, there were also opportunities to capture higher yields selectively in some parts of the yield curve when rebalancing portfolios.

- The combined effects of less predictable U.S. politics and policy (e.g., tariffs, trade wars, Facebook, global relations, budget deficits, etc.) created an environment of heightened volatility. The “risk off” sentiment triggered wider credit spreads.
- Wider spreads caused corporate-related investments to underperform for the quarter. While portfolios typically benefit from increased credit allocations, returns in the first quarter were negatively affected.
- Federal agency yield spreads remained very narrow throughout the quarter. New issue agencies continued to be our preferred—in some cases only—outlet to add exposure at relatively attractive yields. Generally, the agency sector added modest positive excess returns in the first quarter (returns in excess of similar-duration Treasuries) across much of the yield curve, benefiting portfolio performance.
- Supranational seasonal supply increased as expected in the first quarter, and we utilized the opportunity to increase allocations in the sector at attractive yield spreads. This incremental income helped boost sector returns.
- Following a flurry of 2017 year-end issuance ahead of tax reform and notable underperformance, the municipal sector bounced back in the first quarter as short- to intermediate-term municipal indexes generated strong relative performance for the quarter. However, the temporary nature of the outperformance was not a compelling reason to jump into the sector in full force.
- After yield spreads in the corporate sector reached another new post-recession low in January, we shifted our generally constructive view of the corporate sector to a slightly more defensive posture by holding current positions (and letting them drift shorter over time) rather than adding to allocations. In the latter half of the quarter, the story shifted abruptly as market volatility pushed credit spreads markedly wider through quarter-end. As a result, we began to add corporate exposure (including negotiable CDs) more aggressively again in March.
- Asset-backed securities (ABS) were also impacted by adverse spread widening during the quarter but prompted no change in our fundamental view of the sector. We continued to select ABS issues we found attractively priced during the quarter.
- Rising rates and wider yield spreads hurt agency mortgage-backed security (MBS) returns in the quarter. We continued our cautious approach to the MBS sector, adding only shorter duration, less interest-rate-sensitive issues like commercial MBS (CMBS)—those backed by loans on commercial properties.

INVESTMENT STRATEGY OUTLOOK

- The economic themes of the previous quarter have carried over into 2018: healthy job production, consistent GDP growth, positive corporate guidance, and heightened consumer confidence. However, where complacency had characterized the global markets quarter after quarter, volatility roared back in the first quarter. While rising volatility increases some market risks, it can also create investment opportunities.
- Our outlook for each of the major investment-grade fixed income sectors is as follows:
 - In the corporate sector, our view is that recent yield spread widening represents a modest normalization of spreads off of post-recession lows as opposed to a weakening in fundamentals. As such, wider spreads present an opportunity to selectively add to allocations that have become less expensive. While corporate fundamentals remain healthy and the outlook for the sector is still positive, careful issuer due diligence will drive selection. In particular, we are closely watching the supply/demand impacts of corporate profit repatriation (prompted by the December 2017 tax cuts) and signs of excessive balance sheet leverage in companies in certain industries.
 - Negotiable CDs and asset-backed securities remain attractively priced credit sectors, and we will continue to source new exposure.
 - Federal agency securities remain expensive, as spreads are in the low single digits across much of the yield curve; however, by quarter end, specific agency maturities (2- and 5-year) were more attractively priced, representing an opportunity to potentially increase allocations.
 - The expected spike in supranational issuance is approaching its seasonal slowdown. Over the next few months, this supply dynamic may nudge spreads temporarily wider and offer additional investment opportunities. Our current strategy calls for continuing to add to allocations of supranational as an attractive alternative to Treasuries and agencies.
 - With municipal market issuance down significantly year-to-date, opportunities to add to the sector remain limited. However, municipals provide positive diversification prospects to portfolios, and we will continue to seek out attractive issues in both the secondary and new issue markets.
 - The increasing pace of Fed balance sheet run-off in the MBS sector, coupled with an anticipated increase in seasonal supply, warrants a cautious approach to the sector. Portfolio additions will be based on specific collateral, coupon, and overall sensitivity to rising rates.
 - The short-term credit curve (under one year) steepened noticeably heading into the March Fed meeting and remained elevated through quarter end. With 6-month prime commercial paper and negotiable certificates of deposit spreads at 50 to 60 basis points over comparable Treasury securities, the sector appears very attractive and compensates investors for at least two more fed rate hikes in 2018.

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 March 31, the total return of the portfolio was **-0.30 percent**. This compares to the benchmark return of **-0.23 percent**. The Performance graph on page 12 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 **1.81 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 March 31, the portfolio's market yield to maturity was **2.47 percent**.

Prepared by: *Connie Mobley-Ritter, Director - Treasury*

650-508-7765

Investment Glossary:

Asset Backed Securities - An asset-backed security (ABS) is a financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

Certificate of Deposit - A certificate of deposit (CD) is a savings certificate with a fixed maturity date, specified fixed interest rate and can be issued in any denomination aside from minimum investment requirements. A CD restricts access to the funds until the maturity date of the investment. CDs are generally issued by commercial banks and are insured by the FDIC up to \$250,000 per individual.

Collateralized Mortgage Obligation - Collateralized mortgage obligation (CMO) refers to a type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities. In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

Commercial Paper - Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any

longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates.

Credit Spreads - The spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Duration - The term duration has a special meaning in the context of bonds. It is a measurement of how long, in years, it takes for the price of a bond to be repaid by its internal cash flows. It is an important measure for investors to consider, as bonds with higher durations carry more risk and have higher price volatility than bonds with lower durations.

Net Asset Value - Net asset value (NAV) is value per share of a mutual fund or an exchange-traded fund (ETF) on a specific date or time. With both security types, the per-share dollar amount of the fund is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

Roll-down - A roll-down return is a form of return that arises when the value of a bond converges to par as maturity is approached. The size of the roll-down return varies greatly between long and short-dated bonds. Roll-down is smaller for long-dated bonds that are trading away from par compared to bonds that are short-dated.

Roll-down return works two ways in respect to bonds. The direction depends on if the bond is trading at a premium or at a discount. If the bond is trading at a discount the roll-down effect will be positive. This means the roll-down will pull the price up towards par. If the bond is trading at a premium the opposite will occur. The roll-down return will be negative and pull the price of the bond down back to par.

Volatility - Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

Yield Curve - A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt. This yield curve is used as a benchmark for other debt in the market, such as mortgage rates or bank lending rates, and it is also used to predict changes in economic output and growth.

Yield to Maturity - Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate. In other words, it is the internal rate of return of an investment in a bond if the investor holds the bond until maturity and if all payments are made as scheduled.

Source: Investopedia.com

EXHIBIT 1
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED MARCH 31, 2018

<u>TYPE OF SECURITY</u>	<u>CUSIP #</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	ORIGINAL	<u>MARKET VALUE</u>	<u>INTEREST REC'VBLE</u>	<u>MARKET VALUE + ACCR INT.</u>
				<u>PURCHASE PRICE</u>			
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>U.S. TREASURY NOTES AND BONDS</u>							
US TREASURY NOTE	912828Q78	04-30-21	3,200,000	3,136,500.00	3,101,875.20	18,475.14	3,120,350.34
US TREASURY NOTE	912828F62	10-31-19	600,000	602,414.06	592,992.00	3,782.97	596,774.97
US TREASURY NOTE	912828VF4	05-31-20	1,380,000	1,362,157.03	1,352,238.54	6,359.75	1,358,598.29
US TREASURY NOTE	912828VP2	07-31-20	1,585,000	1,638,431.83	1,572,927.06	5,254.14	1,578,181.20
US TREASURY NOTE	912828x47	04-30-22	5,400,000	5,336,400.39	5,266,474.20	42,513.81	5,308,988.01
US TREASURY NOTE	912828L32	08-31-20	335,000	341,124.22	327,331.52	404.95	327,736.47
US TREASURY NOTE	912828R77	05-31-21	3,500,000	3,409,082.03	3,387,618.50	16,129.81	3,403,748.31
US TREASURY NOTE	912828D72	08-31-21	8,400,000	8,472,773.45	8,273,672.40	14,850.83	8,288,523.23
US TREASURY NOTE	912828T67	10-31-21	10,050,000	9,862,746.09	9,631,899.90	52,803.91	9,684,703.81
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>							
FNMA	3136ANJY4	04-01-18	6,138	6,199.50	6,126.95	7.93	6,134.88
FNA 2014-M6 A2	3136AJ7G5	05-25-21	3,339,844	3,407,423.36	3,321,835.61	682.43	3,322,518.04
FANNIE MAE	3136AQDQ0	09-01-19	545,043	550,501.37	541,659.62	399.03	542,058.65
<u>FEDERAL AGENCY NOTES AND BONDS</u>							
FHLMC	3137EAEB1	07-19-19	2,050,000	2,045,039.00	2,014,791.25	3,587.50	2,018,378.75
FNMA	3135G0N33	08-02-19	3,200,000	3,194,624.00	3,142,451.20	4,588.89	3,147,040.09
FHLB	3130A8QS5	07-14-21	3,200,000	3,180,540.80	3,065,868.80	7,700.00	3,073,568.80
FHLB	3130A8Y72	08-05-19	800,000	798,464.00	785,620.00	1,088.89	786,708.89
FNMA	3135G0N82	08-17-21	825,000	822,177.68	791,370.53	0.00	791,370.53
FNMA	3135G0N82	08-17-21	2,675,000	2,664,166.25	2,565,958.98	5,347.21	2,571,306.19
FNMA	3135G0P49	08-28-19	4,000,000	3,993,760.00	3,933,632.00	3,666.64	3,937,298.64
FNMS	3135G0T60	07-30-20	900,000	897,273.00	881,957.70	2,287.50	884,245.20
FHLB	3130A9EP2	09-26-19	4,700,000	4,695,911.00	4,614,840.70	652.78	4,615,493.48
FHLMC	3137EAEJ4	09-29-20	990,000	988,208.10	971,452.35	89.38	971,541.73
FNMA	3135G0T29	02-28-20	1,955,000	1,953,748.80	1,925,491.23	2,688.12	1,928,179.35
FHLB	3130ACE26	09-28-20	365,000	363,828.35	356,050.93	41.82	356,092.75
FHLMC	3137EAEF2	04-20-20	2,700,000	2,690,766.00	2,648,508.30	16,603.13	2,665,111.43

EXHIBIT 1
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED MARCH 31, 2018

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL	MARKET VALUE	INTEREST REC'VBLE	MARKET
				PURCHASE PRICE			VALUE + ACCR INT.
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>CORPORATE NOTES</u>							
TOYOTA MOTOR	89236TDH5	10-18-19	1,150,000	1,149,425.00	1,129,285.05	8,070.76	1,137,355.81
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-19	2,000,000	1,999,300.00	1,986,206.00	7,744.44	1,993,950.44
UNILEVER CAPITAL	904764AZ0	03-22-21	1,200,000	1,193,868.00	1,197,038.40	825.00	1,197,863.40
AMERICAN EXPRESS	0258M0EC9	10-30-19	2,800,000	2,799,321.80	2,751,646.80	19,965.56	2,771,612.36
MORGAN STANLEY	6174467P8	07-24-20	3,150,000	3,516,187.50	3,308,785.20	32,243.75	3,341,028.95
PFIZER INC	717081EB5	12-15-19	2,080,000	2,078,502.40	2,052,375.52	10,411.56	2,062,787.08
JOHN DEERE CAPITAL CORP.	24422ETM1	10-15-18	1,200,000	1,199,220.00	1,194,460.80	9,130.00	1,203,590.80
JOHN DEERE CAPITAL CORP.	24422ETL3	01-06-22	685,000	681,979.15	674,733.22	4,286.01	679,019.23
CATERPILLAR FINL	14913Q2A6	09-04-20	1,100,000	1,099,076.00	1,073,911.30	1,526.25	1,075,437.55
GOLDMAN SACHS	38141GGQ1	07-27-21	2,750,000	3,035,092.50	2,912,615.75	25,666.67	2,938,282.42
AMERICAN HONDA	02665WAH4	08-15-19	3,150,000	3,165,655.50	3,133,030.95	9,056.25	3,142,087.20
BANK OF AMERICA	06051GGS2	10-01-21	965,000	965,000.00	943,657.10	12,043.84	955,700.94
BANK OF AMERICA	06051GFW4	04-19-21	575,000	579,462.00	566,400.88	6,792.19	573,193.07
CITIGROUP INC	172967LF6	01-10-20	1,575,000	1,574,370.00	1,560,363.53	8,682.19	1,569,045.72
MICROSOFT CORP	594918BV5	02-06-20	1,520,000	1,518,981.60	1,504,842.56	4,296.11	1,509,138.67
BERKSHIRE HATHAWAY	084670BL1	08-14-19	3,150,000	3,167,829.00	3,139,548.30	8,636.25	3,148,184.55
WALT DISNEY	25468PDP8	03-04-20	660,000	659,828.40	650,688.06	965.25	651,653.31
APPLE INC BONDS	037833CS7	05-11-20	1,325,000	1,323,648.50	1,303,674.13	9,275.00	1,312,949.13
JP MORGAN CHASE & CO	46625HJD3	01-24-22	1,500,000	1,622,730.00	1,560,595.50	12,562.50	1,573,158.00
<u>COMMERCIAL PAPERS</u>							
BNP PARIBAS NY BRANCH	09659CC71	03-07-18	3,200,000	3,151,221.33	3,154,921.60	0.00	3,154,921.60
BANK OF TOKYO MITSUBISHI	06538CGL9	07-20-18	3,000,000	2,963,236.67	2,977,938.00	0.00	2,977,938.00
JP MORGAN	46640OQFJ5	09-21-17	3,100,000	3,062,937.78	3,084,097.00	0.00	3,084,097.00
CREDIT AGRICOLE	22533UF16	06-01-18	3,100,000	3,073,827.39	3,089,258.50	0.00	3,089,258.50
ING (US) FUNDING LLC	4497W1G26	07-02-18	3,100,000	3,063,902.22	3,081,756.50	0.00	3,081,756.50

EXHIBIT 1

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED MARCH 31, 2018**

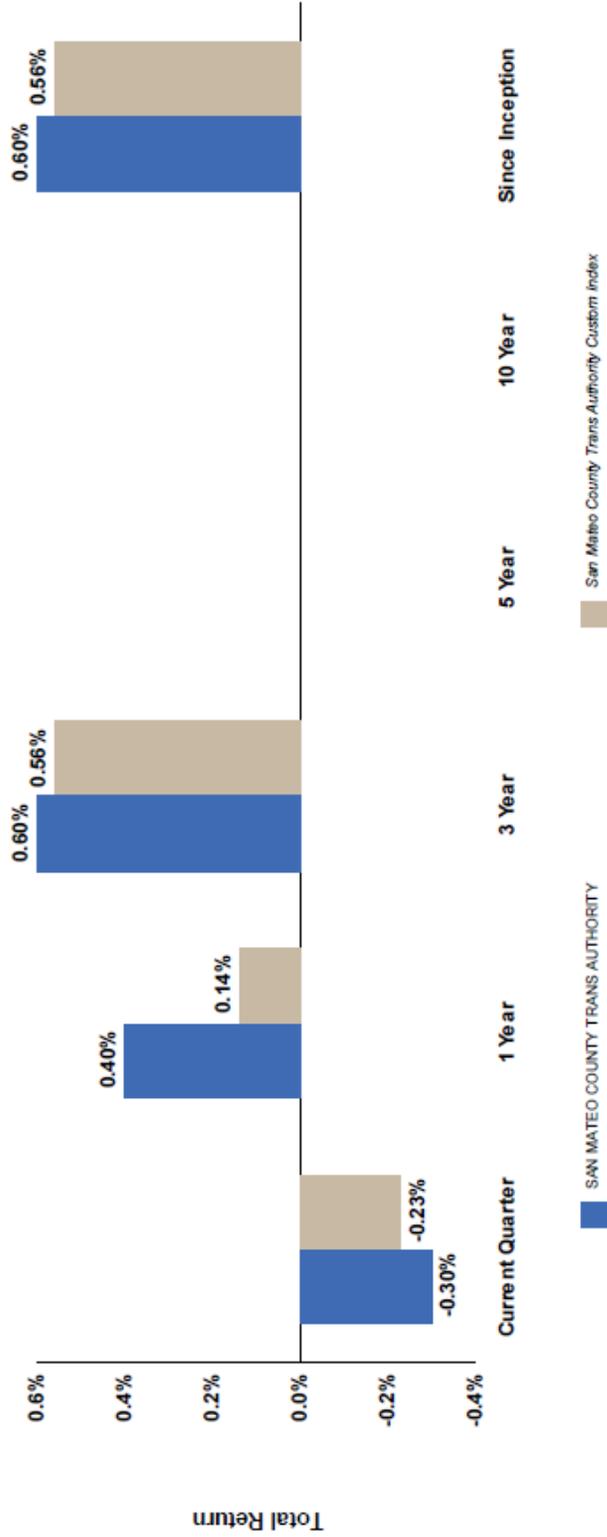
<u>TYPE OF SECURITY</u>	<u>CUSIP #</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>ORIGINAL PURCHASE PRICE</u>	<u>MARKET VALUE</u>	<u>INTEREST REC'VBLE</u>	<u>MARKET VALUE + ACCR INT.</u>
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>CERTIFICATE OF DEPOSIT</u>							
CANADIAN IMPERIAL BANK NY	13606A5Z7	11-30-18	3,100,000	3,097,582.00	3,091,351.00	18,489.78	3,109,840.78
SVENSKA HANDELSBANKEN NY	86958JHB8	01-10-19	3,100,000	3,100,000.00	3,084,760.40	13,182.75	3,097,943.15
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-05-19	3,100,000	3,100,000.00	3,082,652.40	24,182.52	3,106,834.92
SWEDBANK	87019U6D6	11-16-20	3,100,000	3,100,000.00	3,049,873.00	26,388.75	3,076,261.75
SUMITOMO MITSUI BANK NY	86563YVNO	05-03-19	3,100,000	3,100,000.00	3,089,779.30	26,126.11	3,115,905.41
<u>ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS</u>							
CCCIT 2017-A2 A2	17305EGA7	01-17-21	2,650,000	2,649,492.53	2,634,927.60	9,478.17	2,644,405.77
ALLYA 2017-1 A3	02007PAC7	06-15-21	705,000	704,938.38	697,976.16	532.68	698,508.84
FORDO 2017-A A3	34531EAD8	06-25-21	2,200,000	2,199,991.86	2,176,229.88	1,632.89	2,177,862.77
TAOT 2017-A A3	89238MAD0	02-15-21	780,000	779,908.19	771,817.88	599.73	772,417.61
ALLYA 2017-2 A3	02007HAC5	08-15-21	2,485,000	2,484,707.02	2,460,852.01	1,965.90	2,462,817.91
TAOT 2017-B A3	89190BAD0	07-15-21	3,100,000	3,099,762.23	3,061,028.04	2,424.89	3,063,452.93
HAROT 2017-3 A3	43814PAC4	09-18-21	580,000	579,937.19	571,370.18	374.91	571,745.09
CCCIT 2017-A3 A3	17305EGB5	04-07-22	1,600,000	1,604,272.00	1,575,690.56	14,848.00	1,590,538.56
TAOT 2018-A1 A1	89238BAD4	05-16-22	700,000	699,991.95	695,046.73	731.11	695,777.84
CCCIT 2018-A1 A1	17305EGK5	01-20-23	1,500,000	1,499,792.40	1,487,211.90	6,328.75	1,493,540.65
JDOT 2018-A A3	47788CAC6	04-15-22	485,000	484,965.13	484,230.79	1,182.59	485,413.38
<u>CASH AND CASH EQUIVALENT</u>							
	31846V534					727.02	727.02
TOTAL			158,021,026.21	158,338,976.22	155,992,956.80	592,693.09	156,585,649.89

LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:

SAN MATEO COUNTY POOL	252,743,068	252,743,068	930,830	253,673,898
LOCAL AGENCY INVESTMENT FUND	984,363	990,024	990,024	3,489
U.S. BANK (CASH ON DEPOSIT)	873,889	873,889	0	873,889
BANK OF AMERICA CHECKING	2,126,371	2,126,371	0	2,126,371
WELLS FARGO	0	0	0	0
	<hr/>			
TOTAL FUNDS MANAGED BY DISTRICT STAFF	256,733,351	256,733,351	934,319	257,667,670
	<hr/>			
TOTAL AS OF MARCH 31, 2018	412,726,308	412,726,308	1,527,012	414,253,320
	<hr/> <hr/>			

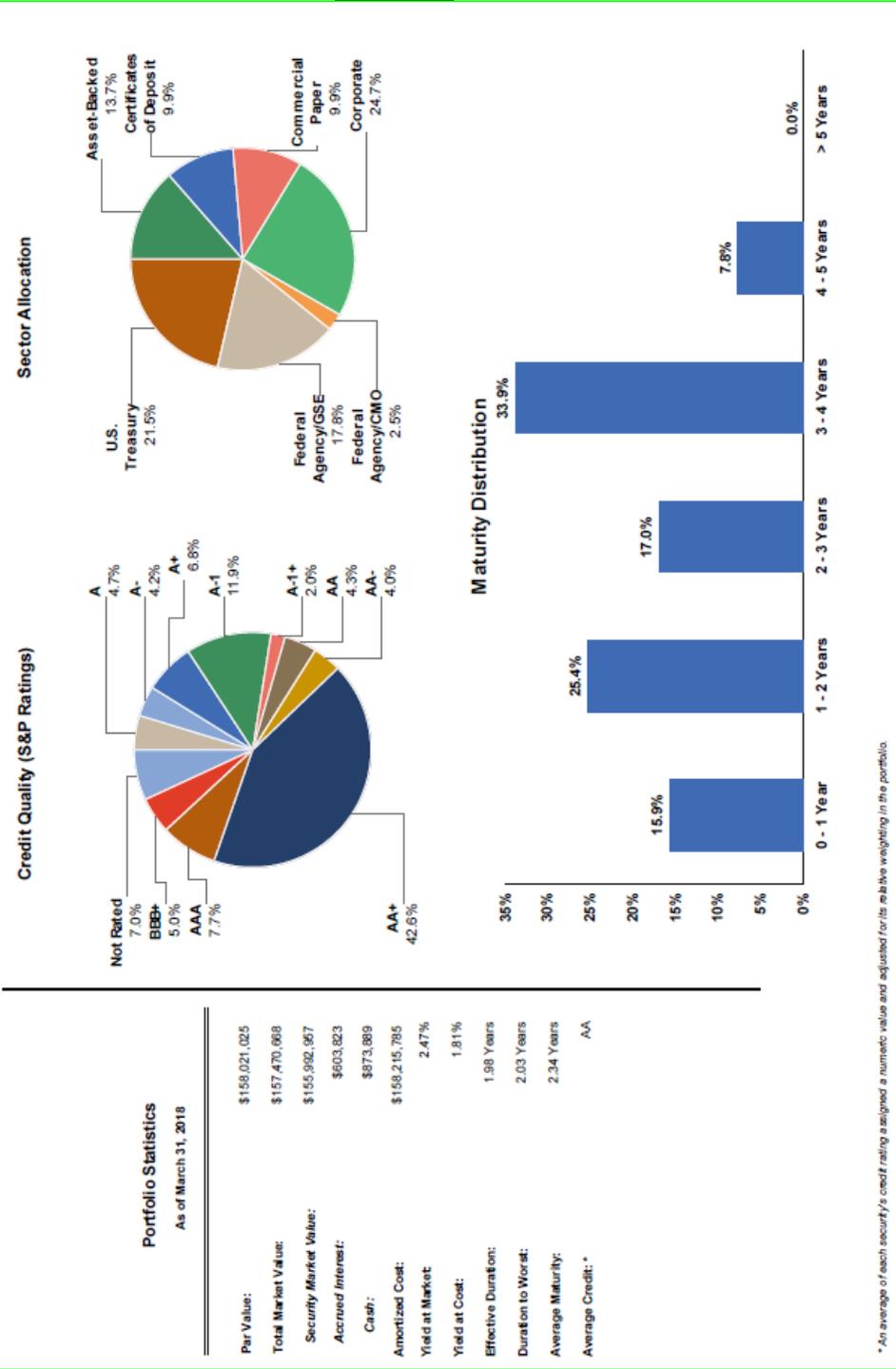
Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15) *
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANS AUTHORITY	1.98	-0.30%	0.40%	0.60%	-	-	0.60%
San Mateo County Trans Authority Custom Index	2.11	-0.23%	0.14%	0.56%	-	-	0.56%
Difference		-0.07%	0.26%	0.04%	-	-	0.04%



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

EXHIBIT 3



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

EXHIBIT 4

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

For the Quarter Ended March 31, 2018

Portfolio Review

Sector Allocation and Compliance

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

Security Type	Market Value as of March 31, 2018	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$33,507,029	21.4%	100%	✓
Federal Agency/GSE	\$27,697,994	24.1%	100%	✓
Federal Agency/CMO	\$3,869,622	2.5%	20%	✓
Corporate Notes	\$38,736,640	24.7%	30%	✓
Negotiable CDs	\$15,398,416	9.8%	10%	✓
Asset-Backed Securities	\$21,395,284	13.6%	30%	✓
Commercial Paper	\$15,387,972	9.8%	15%	✓
Securities Sub-Total	\$155,992,957	100.0%		
Accrued Interest	\$603,823			
Securities Total	\$156,596,780			
Money Market Fund	\$873,889	<1%	10%	✓
Total Investments	\$157,470,668	100.0%		

As of 3/31/2018. Detail may not add to total due to rounding.

PFM Asset Management LLC



San Mateo County Transportation Authority

Investment Performance Review
For the Quarter Ended March 31, 2018

April 2018



Compliance and Allocation

Security Type	Market Value as of March 31, 2018	% of Portfolio	Permitted by Policy	In Compliance	Average Credit Rating
U.S. Treasury	\$33,507,029	21.4%	100%	✓	AA+
Federal Agency/GSE	\$27,697,994	24.1%	100%	✓	AA+
Federal Agency/CMO	\$3,869,622	2.5%	20%	✓	AA+
Corporate Notes	\$38,736,640	24.8%	30%	✓	A+
Negotiable CDs	\$15,398,416	9.9%	10%	✓	A-
Asset-Backed Securities	\$21,395,284	13.7%	30%	✓	A
Commercial Paper	\$15,387,972	9.8%	15%	✓	A-1
Money Market Fund	\$873,889	<1%	10%	✓	AAAm
Total Investments*	\$156,866,846	100.0%			

As of March 31, 2018.

*Total market values exclude accrued interest.



Earnings and Total Return

- Year-over-year, the portfolio yield has increased from 1.41% to 1.98%.

	Yield-at-Cost 2018	Yield-at-Cost 2017	Difference
SMCTA	1.98%	1.41%	0.57%

- Generating quarterly earnings of \$526,099



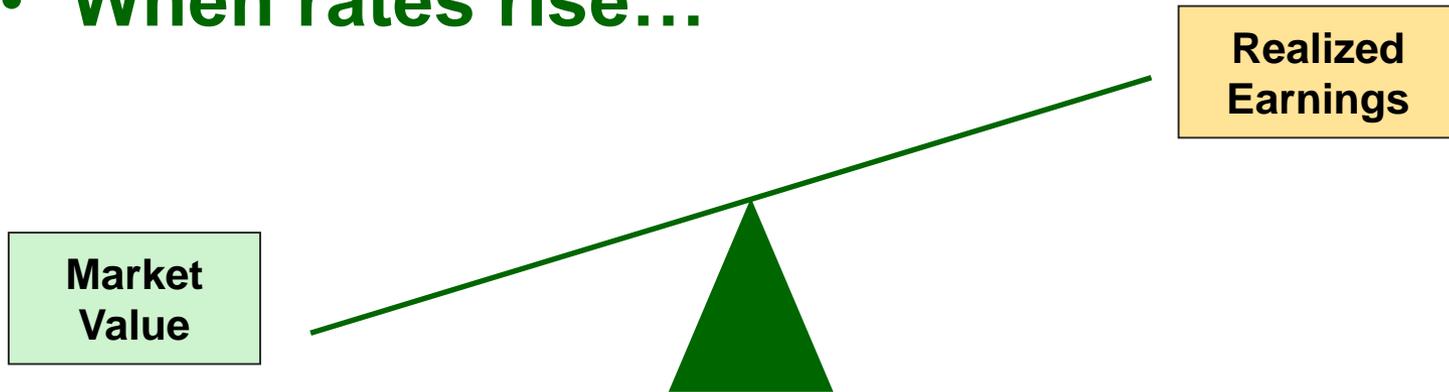
Market Themes

- **Market volatility rose amid increased inflationary risks.**
 - Tax Cuts
 - Government spending
 - Pro-growth deregulation
 - Potential trade wars
 - Low unemployment levels
- **Fed likely to continue to raise rates.**
- **Yield curve remains flat.**



Impact of Rising Rates

- When rates rise...



	<u>Duration</u>	<u>Total Return As of March 31, 2018</u>		
	(Years)	1Q18	1 Yr	Since Inception ¹
SMCTA	1.98	-0.30%	0.40%	0.60%
Performance Benchmark²	2.11	-0.23%	0.14%	0.56%

1. Since March 31, 2015.

2. Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 15% 0-1 Government Index, 15% 0-1 Year Federal Agency Index, 20% 1-3 Year U.S. Government Index, 20% 3-5 Year U.S. Government Index, 10% 1-10 Year U.S. Government Index, and 20% 1-5 Year Corporate Index.



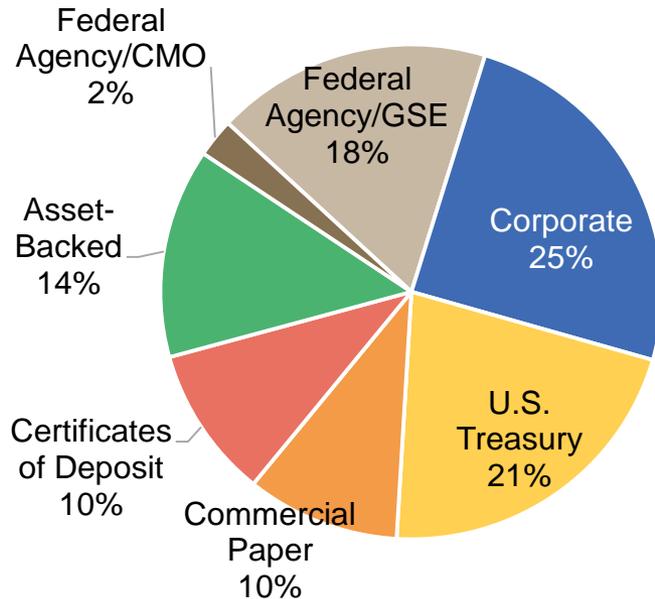
Portfolio Recap

- **We managed the portfolio with a shorter duration posture to minimize risk.**
- **We maintained portfolio diversification.**

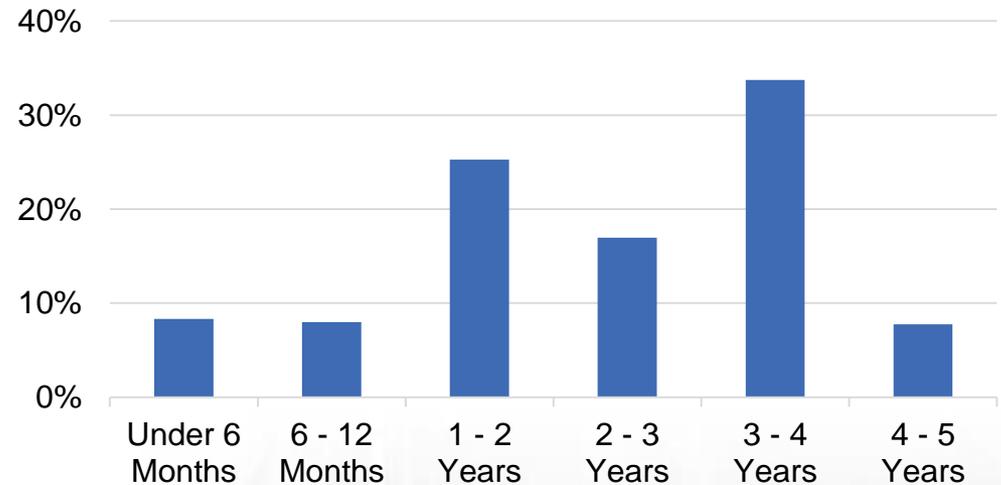


Portfolio Characteristics

Sector Allocation
March 31, 2018



Maturity Distribution
March 31, 2018



*Totals may not add due to rounding.



Outlook and Strategy

- **Interest rate hikes are likely to continue.**
- **Flat yield curve emphasizes importance of maturity and relative value selection.**
- **Sector allocation requires broad diversification.**
 - **Continue to emphasize use of credit instruments**



BOARD OF DIRECTORS 2018

DON HORSLEY, CHAIR
CAMERON JOHNSON, VICE CHAIR
EMILY BEACH
CAROLE GROOM
MAUREEN FRESCHET
KARYL MATSUMOTO
RICO E. MEDINA

JIM HARTNETT
EXECUTIVE DIRECTOR

May 3, 2018
ITEM #9

Memorandum

Date: April 25, 2018
To: TA Board of Directors
From: Jim Hartnett, Executive Director
Subject: May 3, 2018 TA Board Meeting Executive Director's Report

Transportation Permitting Task Force

On April 24, the Transportation Permitting Task Force kicked off its first meeting that was jointly hosted by the State Secretary of Transportation and Secretary of Natural Resources in Sacramento. The TA is one of a number of participants in this statewide effort along with representatives from the Department of Transportation (Caltrans), the California Transportation Commission (CTC), state environmental permitting agencies, and other transportation planning entities to develop a process for early engagement of all parties to improve timeliness and reliability of environmental permit approval. Assemblymember Kevin Mullin sponsored the legislation (AB 1282) that created this task force.

On or before December 1, 2019, the Secretary of Transportation shall prepare and submit to the appropriate policy and fiscal committees of the Legislature, a report of findings based on the efforts of the taskforce. The report shall include, but is not limited to, a detailed analysis of the following issues:

- The existing permitting process for transportation projects in California, including a discussion of the points in the process where delays are most likely to occur.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 San Carlos Ave. – P.O. Box 3006
San Carlos, CA 94070-1306 (650)508-6269

- The benefits of supporting positions in various state resource agencies with transportation funds, and dedicating these positions to focus on the permitting processes.
- Identify appropriate staffing levels at the resource agencies to implement the process developed.

SR 92/El Camino Real

To celebrate the completion of 92/El Camino Interchange Project and the much-needed safety and operational improvements it has brought to the area, the City of San Mateo City Council is planning a celebration on May 7 at their council meeting. This \$26.6 million interchange reconstruction project, including \$18.4 million in Measure A funding, began construction in April 2017 and will be completed in early May 2018.

Final Landscaping Work

With the completion or near completion of the infrastructure construction component of three interchanges (101/Broadway in Burlingame, 92/El Camino Real in San Mateo, and 101/Willow in Menlo Park and East Palo Alto), the project development team is turning their attention to the final phase of these projects: landscaping. The TA staff is working with each of the jurisdictions in coordination with Caltrans on the scope of the landscape work. The TA will also be exploring various funding sources, which may include Measure A funding. Agreements will be executed between Caltrans and local jurisdictions regarding post-construction maintenance responsibilities.

101 Managed Lanes Project

Allocation decisions are scheduled for two SB-1 programs, Solution for Congested Corridors and the Local Partnership Program, at the CTC's May 16-17 meeting in San Diego. The TA has submitted applications for both of these programs for the 101 Managed Lanes Project: for \$200 million and \$20 million, respectively. On April 25, CTC staff released their recommendation to fully fund the requested amount from both programs.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AMENDMENT OF THE FISCAL YEAR 2018 BUDGET TO INCREASE TOTAL OPERATING EXPENSES FROM \$87,101,864 TO A NEW FY2018 TOTAL BUDGET OF \$88,848,158**

ACTION

Staff recommends the Board amend the Fiscal Year (FY) 2018 Budget to increase Measure A Category expenditures by \$1,746,294 for a revised total budget of \$88,848,158 (Line 28 of Attachment A).

The proposed amendment reflects a "true up" in certain expenditure categories to reflect the actual amount of FY2017 sales tax revenue collected, rather than the budgeted amount. As the actuals were higher than the budgeted amount, this represents an increase, consistent with the 2004 Transportation Expenditure Plan. Also reflected is an increase of \$900,000 to the Oversight and Staff Support categories of \$600,000 and \$300,000, respectively.

SIGNIFICANCE

EXPENDITURES:

Measure A Category expenses are increasing by \$846,294 to reflect the actual amount of FY2017 Sales Tax collected:

Measure A Categories (Line 16 of Attachment A): Increase of \$846,294

The proposed revised budget reflects an amendment to increase FY2018 expenditures in certain categories to reflect FY2017 actual sales tax receipts. Expenditure categories, which are a "pass-through" to direct recipients such as the cities and the County, are based upon the actual FY17 revenues received. These actual amounts have already been directly allocated to the recipients in FY17, and do not need to be reflected in the revised FY18 Budget. Other categories reflect funds that are pooled for later distribution. In the FY2017 Budget, these amounts were budgeted based on estimates, and it is necessary to "true" them up based upon actual receipts once the figures are available. These categories include Alternative Congestion Relief, Dumbarton, Caltrain, Pedestrian and Bicycle Program, Local Shuttle, Streets and

Highways, Grade Separation, and the San Mateo County Ferry Service in Attachment B.

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

Oversight (Attachment A, line 20): Increase of \$600,000

The proposed increase of \$600,000 reflects an amendment to increase the Oversight budget to reflect year end projections of \$1,800,000 based on current actuals. There has been an increase in oversight due to increase of projects requiring more monitoring and calls for projects. The oversight category currently contains \$1.2 million for TA costs associated with implementing the various Transportation Expenditure Plan categories of the Original and New Measure A programs. Oversight includes programming and monitoring of projects, calls for projects and administration of the policies and procedures from the 2004 Measure. These expenditures will be funded from interest earned on the investment of fund balances.

Staff Support (Attachment A, line 23): Increase of \$300,000

Staff Support is projected to increase by \$300,000. A majority of this amount would be funded by previous years' surplus in this category.

BUDGET IMPACT

The overall impact to the FY2018 Budget is an increase of \$1,746,294 in total expenditures, from \$87,101,864 to \$88,848,158.

BACKGROUND

The San Mateo County Transportation Authority annually adopts a budget. On June 1, 2017, the Board adopted the FY2018 Budget in the amount of \$86,844,264 as per Board Resolution No. 2017-10. On November 2, 2017, the Board approved a budget amendment increase for \$15,000 for a Benefit cost analysis for 101 managed lanes project cost shared with C/CAG for a total approved budget of \$86,859,264. On February 1st 2018, the Board approved a budget amendment increase of \$207,000 to program Local Partnership Program funds for the US-101/SR-92 Direct Connector project and the US-101 managed lane project for a total FY2018 approved budget of \$87,066,264. On March 1st 2018, the Board approved a budget amendment increase of \$35,600 to program future funds in advance for the Pedestrian and Bicycle Program to fund the call for projects for a total FY2018 approved budget of \$87,101,864.

Prepared by: Tina Medeiros, Senior Budget Analyst
Ryan Hinchman, Manager, Budgets

650-508-6302
650-508-7733

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
FY2018 REVISED BUDGET

	FY2017 <u>ACTUAL</u> A	FY2018 <u>ADOPTED</u> B	FY2018 <u>AMENDMENTS</u> C	FY2017 <u>TRUE UP</u> D	FY2018 <u>REVISED</u> E	FY18 ADOPTED TO FY18 REVISED INCREASE/ (DECREASE) F = E-B	BUDGET PERCENT CHANGE G = F/B	
REVENUE:								
1 Sales Tax	84,354,070	84,660,000	-	-	84,660,000	-	0.0%	1
2								2
3 Interest Income	1,446,698	3,700,000	-	-	3,700,000	-	0.0%	3
4								4
5 Rental Income	1,223,663	792,930	-	-	792,930	-	0.0%	5
6								6
7 Grant Proceeds	1,210,306	222,000	-	-	222,000	-	0.0%	7
8								8
9 TOTAL REVENUE	88,234,737	89,374,930			89,374,930	-	0.0%	9
10								10
11								11
EXPENDITURES:								
12								12
13								13
14 Annual Allocations	30,789,235	30,900,900	-	-	30,900,900	-	0.0%	14
15								15
16 Measure A Categories	38,281,849	53,155,100	-	846,294	54,001,394	846,294	1.6%	16
17								17
18 Maintenance of Way	137,812	260,000	-	-	260,000	-		18
19								19
20 Oversight	1,220,649	1,200,000	600,000	-	1,800,000	600,000	50.0%	20
21								21
22 Administrative:								22
23 Staff Support	654,582	867,563	286,459	13,541	1,167,563	300,000	34.6%	23
24 Measure A Info-Others	120	15,000	-	-	15,000	-	0.0%	24
25 Other Admin Expenses	661,603	703,301	-	-	703,301	-	0.0%	25
26 Total Administrative	1,316,305	1,585,864	286,459	13,541	1,885,864	300,000	18.9%	26
27								27
28 TOTAL EXPENDITURES	71,745,850	87,101,864	886,459	859,835	88,848,158	1,746,294	2.0%	28
29								29
30 EXCESS/(DEFICIT)	16,488,887	2,273,066	(886,459)	(859,835)	526,772	(1,746,294)	-76.8%	30
31								31
32 BEGINNING FUND BALANCE	472,689,403	398,162,346	-	-	489,178,290			32
33								33
34 ESTIMATED ENDING FUND BALANCE	489,178,290	400,435,412	-	-	489,705,062			34
35								35
36 (1) See Attachment B for details.								36
37 (2) FY2018 beginning projected fund balance adopted by the board.								37

ATTACHMENT B

FY2018 ALLOCATIONS AND EXPENDITURES

		New Measure TEP % Share	FY 2018 Adopted Budget	FY18 Ammendments	FY17 True Up	FY18 Revised
ANNUAL ALLOCATIONS:						
1	ALLOCATION TO LOCAL ENTITIES	22.50%	19,048,500			19,048,500
2	SFO BART EXTENSION	2.00%	1,693,200			1,693,200
3		Total Pass-Thru	20,741,700			20,741,700
4						
5	PARATRANSIT	4.00%	3,386,400			3,386,400
6	SUPPORT FOR CALTRAIN OPERATIONS	8.00%	6,772,800			6,772,800
7						
8	TOTAL ANNUAL ALLOCATIONS		30,900,900			30,900,900
9						
10	MEASURE A CATEGORIES:	PROJECT				
11	ALTERNATIVE CONGESTION RELIEF	1.00%				
12	Available for future ACR projects	000903	388,100		13,541	401,641
13	Commuter.org TDM Program	000807	458,500			458,500.00
14						
15	DUMBARTON	100263	2.00%	1,693,200	27,081	1,720,281
16						
17	CALTRAIN	000605	8.00%	6,772,800	108,326	6,881,126
18						
19	PEDESTRIAN AND BICYCLE PROGRAM	000816	3.00%	2,575,400.00	40,622	2,616,022
20						
21	LOCAL SHUTTLE	000902	4.00%	3,386,400.00	54,163	3,440,563
22						
23	STREETS AND HIGHWAYS					
24	Key congested corridors program	000900	17.30%	14,853,180	234,254	15,087,434
25	Supplemental roadway projects	000901	10.20%	8,635,320	138,115	8,773,435
26						
27	GRADE SEPARATION	100258	15.00%	12,699,000	203,111	12,902,111
28						
29	SAN MATEO COUNTY FERRY SERVICE	100264	2.00%	1,693,200	27,081	1,720,281
30						
31	TOTAL MEASURE A CATEGORIES	99.00%	53,155,100	-	846,294	54,001,394
	Staff Support	1.00%	867,563	286,459	13,541	1,167,563
		100.00%	84,923,563	286,459	859,835	86,069,857

**AGENDA ITEM # 11
MAY 3, 2018**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **CALL FOR A PUBLIC HEARING AT THE JUNE 7, 2018 MEETING ON THE
PRELIMINARY BUDGET FOR FISCAL YEAR 2019**

ACTION

Staff requests the San Mateo County Transportation Authority establish a public hearing on June 7, 2018, to consider adoption of the Fiscal Year 2018 Budget. In accordance with Section 131266 of the California Public Utilities Code, a public hearing is required for the adoption of the annual budget of a county transportation authority and shall be published not later than the 15th day prior to the date of the hearing, pursuant to Section 6061 of the Government Code.

Prepared By: Ryan Hinchman, Manager, Financial Planning &
Analysis

650-508-7733

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

FROM: Derek Hansel April Chan
Chief Financial Officer Chief Officer, Planning, Grants, and
the Transportation Authority

Jim Hartnett
Executive Director

SUBJECT: **PRELIMINARY BUDGET FOR FISCAL YEAR (FY) 2019**

ACTION

This report is submitted for informational purposes only. No action is requested at this time. Staff will present a final FY2019 budget proposal for Board adoption at the June 7, 2018 Board meeting.

SIGNIFICANCE

The FY2019 preliminary budget for the San Mateo County Transportation Authority (TA) is presented in Attachment A. Attachment B shows more detail for the Annual Allocations and the Measure A Categories. Separate Board actions are required to program and allocate funds for specific purposes.

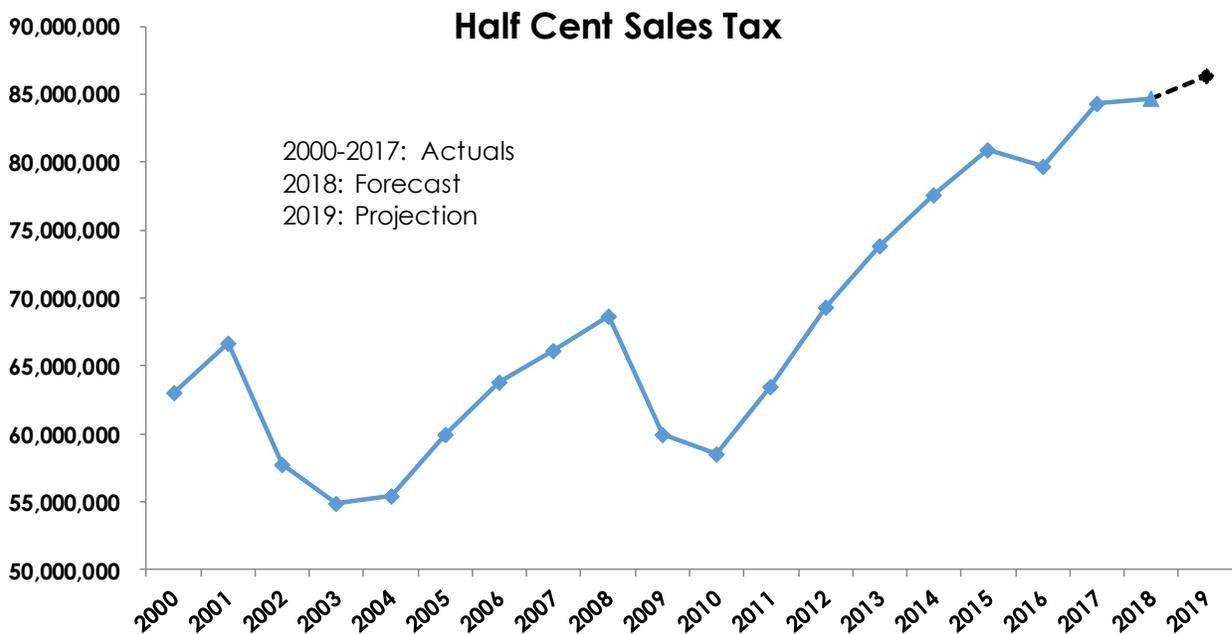
BACKGROUND

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

Revenues

For FY2019, total revenue for the TA is projected to be \$93.1 million, an **increase** of \$3.7 million or 4.2 percent greater than the FY2018 revised proposed budget. The Revenue includes the following significant components:

Sales Tax (Attachment A, line 1) San Mateo County Ordinance No. 04223, which authorized the TA to extend the one-half of 1 percent Retail Transactions and Use Tax for an additional 25 years beginning January 1, 2009 and ending December 31, 2033, was approved by the voters in November 2004. Sales Tax is cyclical and subject to changes in the economy. The following graph shows historical Sales Tax receipts not adjusted for inflation.



Sales Tax receipts are projected to total \$86.4 million in FY2019, which is an **increase** of \$1.7 million, or 2.0 percent, from the FY2018 revised proposed budget. The estimated increase is based on historical trends and is in line with Metropolitan Transportation Commission's (MTC) fund estimate, which includes projections from the San Mateo County auditor. The economic indicators of high employment in diverse industries, increased wages, and economic growth signal continued growth of sales tax in San Mateo County for FY19.

Interest Income (Attachment A, line 3) is income revenue generated from fund balances in the Old and New Measure County Pools, the TA's Investment Portfolio, and Local Agency Investment Fund (LAIF). Interest Income for FY2019 is \$5.9 million, an **increase** of \$2.2 million or 60.2 percent higher than the FY18 revised proposed budget. This increase is due to average interest rates being higher than anticipated in 2018; higher interest rates are expected to continue in FY2019. FY2018 had improved investment performance as the TA's Investment Advisor has been given the authority to actively manage the portfolio within the constraints of TA investment policies. The FY19 preliminary budget assumes interest rates of 1.2% on LAIF and Old Measure and New Measure pools and 1.5% on the remaining portfolio.

Rental Income (Attachment A, line 7) is generated from properties the TA owns and leases. Rental Income for FY2019 is \$0.8 million, an **increase** of \$43,754 or 5.5 percent due to lower vacancy and a CPI rent increase.

Expenditures

Budget expenditures by the six primary program categories are as follows:

<u>Category</u>	<u>% of Tax</u>
Transit	30.0%
Highways	27.5%
Local Streets & Transportation	22.5%
Grade Separation	15.0%
Pedestrian & Bicycle	3.0%
Alternative Congestion Relief	1.0%
Administration	1.0%
Total	100.0%

The total proposed expenditures (Attachment A, line 30) are \$89.4 million, an **increase** of \$0.6 million or 0.6 percent compared to the FY2018 revised proposed budget. The FY2019 preliminary budget expenditures are composed primarily of \$31.5 million in Annual Allocations (Attachment A, line 16), \$54.0 million in Measure A Categories (Attachment A, line 18), \$1.8 million in Oversight (Attachment A, line 22), and \$1.9 million in Total Administrative Expenses (Attachment A, line 28).

Preliminary expenditures for FY2019 fall into four major categories:

Annual Allocations (Attachment A, line 16)

Annual Allocations are considered as “pass-through,” and are based on the actual revenues received which are then transferred to the Annual Allocations categories. Total annual allocations are projected at \$31.5 million, an increase of \$0.6 million or 2.0 percent from the FY2018 revised proposed budget. Annual Allocations include projects with FY2019 funding requirements as detailed in Attachment B.

- **Allocation to Local Entities** – The FY2019 preliminary budget of \$19.4 million is for the improvement and maintenance of local transportation, including streets and roads for the 20 Cities and the County.
- **SFO Bart Extension** – The FY2019 preliminary budget of \$1.7 million is a direct allocation to BART, and it represents SamTrans' share of financial assistance associated with the existing San Mateo County / SFO Bart extension.
- **Paratransit** – The FY2019 preliminary budget of \$3.5 million is to meet the paratransit needs of the county.
- **Transfer to SMCTD for Caltrain** – The FY2019 preliminary budget of \$6.9 million is for the San Mateo County local share for the Caltrain operational expenditures.

Measure A Categories (Attachment A, line 18)

Measure A Categories include programs as detailed in Attachment B. These categories include Alternative Congestion Relief, Dumbarton, Caltrain, Pedestrian and Bicycle Program, Local Shuttle, Streets and Highways, Grade Separation, and the San Mateo County Ferry Service.

- **Alternative Congestion Relief** – The \$863,532 in the FY2019 preliminary budget is the full 1 percent of projected sales tax outlined in the 2004 TEP. Of the total, \$326,972 is proposed to be set aside for future alternative congestion relief projects. The remainder \$536,560 is budgeted for Commute.org's Transportation Demand Management Program.
- **Dumbarton** – The FY 2019 preliminary budget of \$1.7 million is for the station facilities and enhancement for the Dumbarton rail corridor through East Palo Alto, Menlo Park, and Redwood City.
- **Caltrain** – The San Mateo County local share for the system-wide improvement program in the FY2019 preliminary budget is \$6.9 million. System-wide capital improvements anticipated to be undertaken in FY2019 for the Caltrain system include: State of Good Repair rolling stock, signal, track and station work. These funds will be matched with monies from Caltrain partners, the Santa Clara Valley Transportation Authority and the city and county of San Francisco.
- **Pedestrian and Bicycle** – The Pedestrian and Bicycle line item for \$2.6 million represents the full 3 percent of sales tax revenues designated for this category in the 2004 TEP. These funds will be used for projects selected through future calls for projects.
- **Local Shuttle** – The \$3.5 million for this line item represents the funds set aside for shuttles receiving allocations in the FY2019 Shuttle Program call for projects.
- **Streets and Highways** – In accordance with the 2004 TEP, the Streets and Highways Program expenditures include funding for key congested corridors in the amount of \$14.9 million, and for supplemental roadway projects in the amount of \$8.8 million. These funds will be used for projects selected through future calls for projects.
- **Grade Separation** – The \$13.0 million for this line item represents the funds available for Grade Separation projects. The TA Board previously allocated \$74.0 million to the 25th Avenue Grade Separation project. The funds budgeted in FY2019 help meet that commitment as well as other more recent allocations.
- **San Mateo County Ferry Service** - The FY2019 preliminary budget in the amount of \$1.7 million is the financial assistance that is available under the Measure for the ferry service to South San Francisco and Redwood City.

Oversight (Attachment A, line 22)

Oversight includes programming and monitoring of projects, calls for projects and administration of the policies and procedures from the 2004 Measure. These expenditures will be funded from interest earned on the investment of fund balances. The oversight category contains \$1.8 million for TA costs associated with implementing the various TEP categories of the Original and New Measure A programs. This number

will remain the same as compared to the FY2018 revised proposed budget, as staff estimates the same level of staff oversight work in FY2019, as compared to FY2018.

Other Admin Expenses (Attachment A, line 27)

Other Admin Expenses represent administrative expenses other than Staff Support and Measure A Info-Other. Other Admin Expenses is \$726,687 and primarily consists of \$262,355 of insurance expense, \$183,000 of legal expenses, and \$170,296 of bank and audit fees.

Total Administrative (Attachment A, line 28)

Total administrative expenditures are projected to **decrease** by \$46,257 or 4.0 percent from the FY2018 revised proposed budget. Of the total costs for Administrative expenses in FY2019, it is proposed that \$1.1 million be used for staff support. A majority of this amount or \$863,532 would be funded by the FY19 sales tax and the remainder would be funded from previous years' surplus in this category.

Prepared By: Ryan Hinchman, Manager, Budgets
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SAN MATEO COUNTY TRANSPORTATION AUTHORITY
FY2019 PRELIMINARY BUDGET

	FY2017	FY2018	FY2018 REVISED	FY2019	FY19 PRELIMINARY TO FY18 REVISED Increase	BUDGET PERCENT	
	<u>ACTUAL</u>	<u>ADOPTED</u>	<u>PROPOSED</u>	<u>PRELIMINARY</u>	<u>(Decrease)</u>	<u>CHANGE</u>	
	A	B	C	D	E = D-C	F = E/C	
REVENUE:							
1 Sales Tax	84,354,070	84,660,000	84,660,000	86,353,200	1,693,200	2.0%	1
2							2
3 Interest Income	1,446,698	3,700,000	3,700,000	5,927,618	2,227,618	60.2%	3
4							4
5 Miscellaneous Income	-	-	-	-	-		5
6							6
7 Rental Income	1,223,663	792,930	792,930	836,684	43,754	5.5%	7
8							8
9 Grant Proceeds	1,210,306	222,000	222,000	-	(222,000)	-100.0%	9
10							10
11 TOTAL REVENUE	88,234,737	89,374,930	89,374,930	93,117,502	3,742,572	4.2%	11
12							12
13							13
EXPENDITURES:							
14							14
15							15
16 Annual Allocations	30,789,235	30,900,900	30,900,900	31,518,918 (1)	618,018	2.0%	16
17							17
18 Measure A Categories	38,281,849	53,155,100	54,001,394	53,970,750 (1)	(30,644)	-0.1%	18
19							19
20 Maintenance of Way	137,812	260,000	260,000	260,000	-	0.0%	20
21							21
22 Oversight	1,220,649	1,200,000	1,800,000	1,800,000	-	0.0%	22
23							23
24 Administrative:							24
25 Staff Support	654,582	867,563	1,167,563	1,121,306	(46,257)	-4.0%	25
26 Measure A Info-Others	120	15,000	15,000	15,000	-	0.0%	26
27 Other Admin Expenses	661,603	703,301	703,301	726,687	23,386	3.3%	27
28 Total Administrative	1,316,306	1,585,864	1,885,864	1,862,993	(22,871)	-1.2%	28
29							29
30 TOTAL EXPENDITURES	71,745,851	87,101,864	88,848,158	89,412,661	564,503	0.6%	30
31							31
32 EXCESS/(DEFICIT)	16,488,886	2,273,066	526,772	3,704,841	3,178,069	603.3%	32
33							33
34 BEGINNING FUND BALANCE	472,689,403	398,162,346	489,178,289	489,705,061			34
35							35
36 ESTIMATED ENDING FUND BALANCE	489,178,289	400,435,412	489,705,061	493,409,902			36
37							37
38 (1) See Attachment B for details.							38
39							39

ATTACHMENT B

FY2019 ALLOCATIONS AND EXPENDITURES

		New Measure TEP % Share	FY 2019 Preliminary Budget		
ANNUAL ALLOCATIONS:					
1	ALLOCATION TO LOCAL ENTITIES	22.50%	19,429,470	1	
2	SFO BART EXTENSION	2.00%	1,727,064	2	
3		Total Pass-Thru	21,156,534	3	
4				4	
5	PARATRANSIT	4.00%	3,454,128	5	
6	TRANSFER TO SMCTD FOR CALTRAIN	8.00%	6,908,256	6	
7				7	
8	TOTAL ANNUAL ALLOCATIONS		31,518,918	8	
9				9	
10	MEASURE A CATEGORIES:	PROJECT		10	
11	ALTERNATIVE CONGESTION RELIEF	1.00%		11	
12	Available for future ACR projects 000903		326,972	12	
13	Commute.org TDM program 000807		536,560	13	
14				14	
15	DUMBARTON	100263	2.00%	1,727,064	15
16					16
17	CALTRAIN	000605	8.00%	6,908,256	17
18					18
19	PEDESTRIAN AND BICYCLE PROGRAM	000816	3.00%	2,590,596	19
20					20
21	LOCAL SHUTTLE	000902	4.00%	3,454,128	21
22					22
23	STREETS AND HIGHWAYS				23
24	Key congested corridors program 000900		17.30%	14,939,104	24
25	Supplemental roadway projects 000901		10.20%	8,808,026	25
26					26
27	GRADE SEPARATION	100258	15.00%	12,952,980	27
28				-	28
29	SAN MATEO COUNTY FERRY SERVICE	100264	2.00%	1,727,064	29
30					30
31	TOTAL MEASURE A CATEGORIES		53,970,750	31	
	Staff Support		1.00%	863,532	
				86,353,200	

**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

The 2018 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Prepared By: Casey Fromson, Government and
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San Mateo County Transportation Authority April 2018

FY 2018 Omnibus Passes, Funding Government Through September: On March 23, Congress passed a [\\$1.3 trillion FY 2018 omnibus spending bill](#), narrowly avoiding a government shutdown. The measure boosts funding for defense and domestic programs, and is consistent with the two-year budget caps deal reached earlier in February, which allowed for a \$80 billion increase in defense spending, and a \$63 billion increase for nondefense programs.

The bill also includes \$10 billion for infrastructure which funds programs at the Army Corps of Engineers, Environmental Protection Agency (EPA), Bureau of Reclamation, and the Department of Transportation (DOT). This funding was based on the two-year bipartisan budget deal that included \$20 billion, split between 2018 and 2019, for infrastructure defined as “to invest in infrastructure, including programs related to rural water and wastewater, clean and safe drinking water, rural broadband, energy, innovative capital projects, and surface transportation.”

The bill provides funding for all of the federal agencies for fiscal year 2018 (which ends on September 30, 2018). The bill passed with bipartisan support with a vote of [256-17](#) in the House and [65-32](#) in the Senate. Below is a summary of the funding for DOT departments and programs.

The FY 2018 Omnibus Appropriations bill includes \$86,854,866,000 for the [Department of Transportation](#), a \$8.257 billion increase over FY 2017 funding.

Highways: \$47.5 billion for the Federal Highway Administration (FHWA), a \$2.18 billion increase over FY 2017 funding.

- Does not rescind any federal-aid highway contract authority.
- \$44.234 billion from the Highway Trust Fund for the **Federal-Aid Highways Program**, consistent with the FAST Act authorization and a \$968 million increase over FY 2017 funding.
 - Appropriates an additional \$2.525 billion for FHWA programs from the Treasury General Fund, in addition to the contract authority programs:
 - \$1.98 billion for **Surface Transportation Block Grant Program (STBG)**-- Apportioned to states in the ratio that states receive obligation limitation distribution under the omnibus. Funding is available for obligation for FY 2018-2021. Money can be spent on construction of highways, bridges, tunnels, including designated routes of the Appalachian development highway system and

local access roads under section 14501 of title 40.” Cannot spending money on the transportation alternative projects.

- \$225 million for a **competitive highway bridge program** for states that have a population density of less than 100 individuals per square mile
- Allows states to reprogram “dead earmarks” (at least 10 years old and have had no more than 10 percent of its available funding obligated) and transfer the money to other STBGP-eligible purposes located within 50 miles of the original earmark.

TIGER: \$1.5 billion for TIGER grants, which is \$1 billion more than the FY 2017 funding.

- Provides up to \$15 million for **planning grants**, with no minimum grant size.
- Maximum grant size remains \$25 million, and minimum grant size remains \$5 million.
- Maximum TIGER share of a project cost is still 80 percent.
- 30 percent of the money for rural areas with a minimum grant size of \$1 million and the maximum federal share is 100 percent.
- The maximum amount given to any one state is still 10 percent of the total, which is \$147.5 million.
- “the Secretary shall not use the federal share as a selection criteria in awarding projects.”
- DOT will be required to issue the NOFA by May 22. All grant applications will be received by August 20. DOT will have to announce grant recipients by December 18, 2018.

Federal Transit Administration (FTA): \$13.5 billion for the FTA, a \$1 billion increase from the FY 2017 level.

- \$2.64 billion for **Capital Investment Grants**, a \$232 million increase from the FY 2017 funding.
 - \$1.5 billion for **New Starts** projects-- limits federal match for New Starts Full Funding Grant Agreements to 51%.
 - \$716 million for **Core Capacity** projects
 - \$400 million for **Small Starts** projects
 - Orders the DOT Secretary to “continue to administer the capital investment grant program in accordance with the procedural and substantive requirements of section 5309.”
 - Orders the FTA to obligate at least 85 percent of the FY 2018 money by December 31, 2019.
- The bill provides the FAST Act authorized \$9.733 billion for **transit formula grants** from the Highway Trust Fund plus an additional \$834 million from the General Treasury Fund for transit infrastructure grants.
 - \$400,000,000 for **State of Good Repair Formula**
 - \$209,104,000 for **Buses – Formula**
 - \$161,446,000 for **Buses – Discretionary**

- \$29,450,000 for **Buses – Low/No Emission**
- \$30,000,000 for High Density State Formula

Federal Railroad Administration (FRA): \$3,091,445,000 for the FRA, \$1.24 billion increase over FY 2017 funding.

- \$1.94 billion for **Amtrak**, a \$446 million increase over the FY 2017 enacted funding.
 - \$650 million for Northeast Corridor grants
 - \$1.3 billion to support the national network including \$50 million for “the development, installation and operation of **railroad safety technology**, including the implementation of a **positive train control system**, on State-supported routes as defined under section 24102(13) of title 49, United States Code, on which positive train control systems are not required by law or regulation.”
- \$863 million for three new rail grant programs established by the FAST Act:
 - \$593 million for **Consolidated Rail Infrastructure and Safety Improvements (CRISI)**, a \$525 million increase over the FY 2017 funding, and includes \$250 million for positive train control implementation. Commuter railroads are eligible for this money which is new.
 - \$250 million for the **Federal State Partnership for State of Good Repair** grants program, which is \$225 million more than the FY 2017 funding.
 - \$20 million for **Restoration and Enhancement Grants**, a \$15 million increase over FY 2017 funding.
- \$25 million for **Railroad Rehabilitation & Improvement Financing (RRIF)** credit subsidy authority and orders the Office of Management and Budget (OMB) to start rating RRIF loans by annual cohort.
- Drops the House provision that projects funding for the California High Speed Rail.

Federal Aviation Administration (FAA): \$18 billion for the FAA, a \$1.59 billion increase over the FY 2017 funding.

- **Six month extension** of the FAA authorization bill.
- Includes full funding for all air traffic control personnel.
- \$3.35 billion from the FAA for the **Airport Improvement Program (AIP)** plus an additional \$1 billion from the Treasury General Fund. This funding will be distributed by discretionary grants, and FAA will give priority to nonprimary, nonhub, and small hub airports, and the federal cost share of projects at the nonprimary airports shall be 100 percent.

Federal Motor Carrier Safety Administration (FMCSA): \$845 million for FMCSA, \$201 million increase over FY 2017.

- \$100 million for a new program, **Highly Automated Vehicles research and development**.
 - \$38 million to establish a joint research program between NHTSA, FMCSA, FTA and FHWA, of which no more than \$5 million is for R&D for advanced driver assistance systems (ADAS – the SAE Level 1 and 2 vehicles) and the remainder for R&D for highly autonomous vehicles (HAV – Levels 3, 4 and 5). The research program “advances DOT’s understanding of HAV and ADAS technologies to the benefit of both commercial motor vehicle and light duty vehicle safety and is consistent with the comprehensive plan developed pursuant to GAO’s recommendation. The research should leverage the expertise of the private sector to identify methods and criteria for measuring the cyber security assurance levels deployed in autonomous vehicles. The Secretary is expected to prioritize research topics that fill gaps in research being conducted by the private sector, have the strongest potential to advance the safe deployment of HAV and ADAS technologies, and deliver the highest net benefits to road safety.”
 - \$60 million for demonstration grants to public sector entities to test HAV and ADAS deployment. The maximum grant size is \$10 million, and no more than \$15 million in grants can go to a single state. DOT is expected to “include as eligible activities the following: technologies associated with autonomous vehicles and other collision avoidance technologies, including systems using cellular technology; advanced safety systems, including vehicle-to-vehicle and vehicle-to-infrastructure communications; advanced mobility and access technologies, such as dynamic ridesharing and information systems to support human services for elderly and disabled individuals; dynamic road network mapping; roadway marking and signage; community education and outreach; and transportation data collection and analysis.”
 - \$1.5 million for a joint DOT-Department of Labor study to provide “a comprehensive analysis of the impact ADAS and HAV technologies on drivers and operators of commercial motor vehicles, including labor displacement.”
 - \$500,000 for DOT to develop a comprehensive plan to manage its AV activities to address recent GAO recommendations.

Congress May Complete FAA Reauthorization Bill Before August: With the current authorization for the Federal Aviation Administration (FAA) set to expire at the end of the month, the FY18 omnibus spending deal contained a provision to extend the authorization of the through September 2018. However, House and Senate authorizing committees have said a full reauthorization of the agency may receive a vote prior to August congressional recess. House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) and Senate Commerce Committee Chairman John Thune (R-SD) met last week to discuss the next steps in reconciling the chambers’ authorization bills – [H.R. 2997](#) and [S. 1405](#). Since Chairman Shuster

is no longer pursuing privatization of air traffic control and Chairman Thune dropped a controversial provision on pilot training, lawmakers believe they can quickly reconcile the bills and provide a full authorization for the agency before in the next deadline in September.

Infrastructure Adviser Departs White House: The White House's top infrastructure adviser, DJ Gribbin, announced he would be leaving the Administration to pursue other opportunities. Gribbin was a key drafter of the Administration's infrastructure plan, which released in February. However, given that Congress is still considering the plan through committee hearings, and midterm elections are approaching in November, an infrastructure proposal is unlikely to come through Congress in 2018.

Secretary Chao Testifies Before THUD Appropriations Subcommittees: On April 11 and April 12 respectively, Senate and House Transportation-HUD (THUD) Appropriations Subcommittees questioned Transportation Secretary Elaine Chao on the budget for the DOT. During the Senate hearing, Democrats questioned the Secretary over funding for the major Gateway project, a controversial infrastructure project that would provide money to build a tunnel under the Hudson River, connecting New Jersey and New York City. The Secretary also fielded questions about the Administration's infrastructure plan, which would be funded partially through cuts to programs in the DOT FY 2019 budget – cuts would come from discretionary grant programs favored by appropriators, such as TIGER. Congress has shown reluctance in approving these cuts, most recently providing full funding to TIGER in the FY 2018 omnibus.

In the House hearing, members stated their concern to Secretary Chao over the reduction in funding for several critical grant programs, including TIGER and cuts to the Capital Investment Grants (CIG) program. Several members raised the \$2.6 billion appropriation for the CIG program in the recently enacted FY 2018 omnibus appropriations bill. House THUD Chairman Mario Diaz-Balart (R-FL) emphasized to the Secretary that the bill requires her to obligate at least 80 percent of the CIG money by December 31, 2019, which the Secretary said would be a tight timeline. She promised House THUD Ranking Member David Price (D-NC) that she would submit a list of timetables for projects that are moving from phase to phase of the CIG program, but would not commit to any timeline for signing full funding grant agreements (FFGAs). In response to criticism of cuts to TIGER, Secretary Chao mentioned that the President recommended redirecting funding from the grant to a more comprehensive program that highlighted rural investment. She also stated that she hopes to announce INFRA grants awards by the end of May.

Members also questioned the Administration's infrastructure plan. Rep. Charlie Dent (R-PA) expressed concerns of the lookback provision for the "incentive grants". He said that the state of Pennsylvania enacted a massive revenue increase for transportation, but the law was passed in 2013. The Secretary responded that the Administration had tried to be "fair and compromised" with a three-year lookback provision to give credit for revenues raised prior to enactment of the infrastructure legislation.

When members criticized her for not introducing a plan to extend the solvency of the Highway Trust Fund past 2020, the Secretary said that all revenue sources "are on the table" and mentioned that the trucking industry and other are support a gas tax increase.

FTA Nomination Hearing in April: The Senate Committee on Banking, Housing, and Urban Affairs is scheduled to meet on April 17 to conduct a hearing on the nomination of former Rep. Thelma Drake to serve as FTA Administrator. Drake previously served in Congress, representing Virginia. Most recently, she served as the city of Norfolk, VA's assistant director of transportation.



April 16, 2018

TO: Board Members, San Mateo County Transportation Authority
FROM: Gus Khouri, Principal
Khoury Consulting

RE: **STATE LEGISLATIVE UPDATE – MAY**

SB 1 Competitive Grants Update

Our primary focus in the immediate future will be on continuing to coordinate with C/CAG, Caltrans, Santa Clara VTA, and MTC on the submission of a \$233 million request from the Solutions for Congested Corridors Program (SCCP) for the Peninsula US 101 Managed Lanes Project, which will deliver a 41-mile High-Occupancy Toll Lane from Santa Clara County to the I-380 connector along US 101.

The SCCP creates this new \$250 million per year program, administered by the California Transportation Commission (CTC), beginning in FY 2017-18. The initial tranche will be a four-year program (through FY 20-21) for \$1 billion.

While Highway 101 and Caltrain are cited in the legislative declarations and findings of SB 1 as an example of where resources from the program should be dedicated, the CTC is sympathetic to medium to smaller-sized metropolitan planning organizations and their assessment of how they construe traffic (tourism, goods movement) in those areas. Furthermore, despite the emphasis on multi-modal solutions, applicants may be allowed to submit projects that focus only on one-mode as long as they have a multi-modal “corridor plan” (undefined at this point) or a local expenditure plan that contains multi-modal elements. We do have a compelling case to make, particularly with our partnership with Caltrans and MTC, to help improve the Corridor.

The California State Transportation Agency (CalSTA) and Caltrans have identified this project as the number one priority in the state. The \$514 million project is also fully funded thanks to SAMCEDA and MTC stepping up their commitment by providing \$50 million (up from \$20 million) and \$95 million (\$75 million), respectively, while \$20 million in cost savings were identified by Caltrans. The \$50 million investment provided by SAMCEDA is an unprecedented level of commitment by the private sector.

There is also roughly \$3.8 million for San Mateo properties - SMCTA (\$1.75M), SamTrans (\$1.75M) C/CAG (\$270K) – through the CTC’s adoption of the Local Partnership Program (LPP) on January 31. SMCTA is also applying for \$20 million from the competitive portion of LPP.

We have been coordinating on strategy with pointC consulting and SMCTA staff and are in the process of arranging multiple meetings with CTC Commissioners to educate them on the 101 Managed Lanes project and our continued efforts to provide multi-modal options (bus, rail, and ferry service) throughout the corridor. C/CAG, MTC, Santa Clara VTA, and Caltrans District 4 have also been active participants in our meetings to help tell the story that the infrastructure and mobility needs in San Mateo serve a statewide and regional benefit.

Caltrans has submitted the application on our behalf. February 16 was the deadline for the application submission. Staff recommendations will be published on April 25. The CTC will vote on allocations at its May 16 meeting.

2018 State Transportation Improvement Program (STIP)

On March 21, we traveled to Orange County to attend the California Transportation Commission’s (CTC) monthly meeting in order to ensure that the 2018 STIP program was adopted. The STIP, a five-year program which is amended every two years, is the only source of flexible state funding that can be used for multi-modal purposes. Of particular interest for San Mateo was the \$17.5 million request in STIP funds for Phase 1 of the 101 Managed Lanes project. This funding is critical to maintain a fully funded plan for the project.

There has been some growing concern about the recent surprising inaction by the Board of Equalization (BOE) earlier this month to adjust the price-based portion of the gas tax by 4 cents. This amount was assumed by the CTC in its Fund Estimate. The BOE’s inaction could prove to be problematic later this fall when it contemplates the 2020 Fund Estimate, as it would place a \$271 million deficit in the 2018 STIP, potentially impacting projects for FY 18-19. While our STIP request will not be needed until at least FY 19-20, there could be some carry over impacts from the FY 18-19 requests not being funded. Thankfully, per SB 1, this is the last year that the BOE will have to make adjustments and the hope is that revenues can rebound and mitigate the loss after the price-based portion of the gas tax is set to a floor of 17.3 cents on July 1, 2019 and is adjusted annually going forward, eliminating volatility and unpredictability of funds. The hope is that the CTC can avoid an allocation plan for select projects, which would create competition for securing funds, unless an entity was to front its resources and be reimbursed by the CTC at a future date.

Deputy Directive 90-R1

Given the statewide emergence of managed lanes, Caltrans has issued a regulation, DD-90 R1, that would require a portion of toll proceeds be used by Caltrans for oversight purposes. Caltrans contends that since it is the owner/operator of the state highway system, and that the current 500-mile High-Occupancy Vehicle Lane network is building on state assets, that a conversion to managed lanes should account for Caltrans oversight.

The Self-Help Counties Coalition (SHCC) is currently negotiating with Caltrans so that it adopts a project level agreement given that jurisdictions, such as SMCTA, are spending local sales tax revenue to make improvements to the state highway system, including filling gap closures, or providing connections to connector routes, such as I-380. SHCC argues that if additional proceeds for oversight are required, that it should be used to help expedite project delivery, which would save money.

Bill of Interest

AB 2919 (Frazier) Transportation Permits – Recommendation: Support in Concept

This bill attempts to streamline and expedite the permitting process between departments within the Natural Resources Agency (Fish and Game, State Water Control Board, and Coastal Commission) and Caltrans. The author states that this could save substantial time and money in project delivery. AB 2919 could compliment efforts that are currently underway through the task force established by AB 1282 (Mullin), which was enacted to address this exact purpose. SMCTA is a participant on the task force per CalSTA Secretary Brian Annis' request. The author has asked for our feedback and assistance with AB 2919 based on input derived from the task force.

SMCTA Bill Matrix – May

Measure	Status	Bill Summary	Recommended Position
AB 1405 Mulin (D) Digital Billboard Advertisements	2/26/18 Senate Transportation Committee	This bill would allow Caltrans, with federal approval, to enter into agreements with local jurisdictions to install and operate digital signs displaying commercial advertisements and public service announcements within the right of way of the state highway system. The signs could be used to display emergency messages, traveler information, motorist safety campaigns, and other messaging desired by the state, without providing compensation to the contracting entity. Last amended on 2/26/18	Watch
AB 1756 Brough (R) Repeal of Transportation Funding	1/16/18 Assembly Transportation Committee	This bill would repeal SB 1, which provides \$5.2 billion annually in transportation funding for repairing local streets and roads, public transportation and repairing and providing congestion relief on highways.	Opposed 2/1/18
AB 2418 Mullin (D) Transportation: Advanced Technologies Grant Program	4/16/18 Assembly Transportation Committee Set for hearing on 4/16	This bill would establish the California Smart City Challenge Grant Program to enable municipalities to compete for grant funding for emerging transportation technologies to serve their transportation system needs, and would specify certain program goals. The bill would require the California Transportation Commission (CTC) to form the California Smart City Challenge Workgroup, on or before July 1, 2019, to provide the CTC with guidance on program matters, as specified. The bill would require the CTC, in consultation with the workgroup, to develop guidelines for the program on or before March 1, 2020, which would not be subject to the Administrative Procedure Act, and to revise them as necessary. The bill would make the implementation of the program contingent upon an appropriation in the annual budget act. Last amended on 4/9/18	Watch
AB 2535 Oberholte (R) Toll Evasion	4/12/18 Assembly Floor Consent Calendar	This bill would require a notice of toll evasion violation to include a copy of all photographic evidence on which the toll evasion determination was based if the vehicle was found, by automated devices, to have evaded the toll through failure to meet occupancy requirements in a high-occupancy toll lane. Amended on 3/19/18	Watch
AB 2865 Chiu (D) HOT lanes: Santa Clara Valley Transportation Authority	3/20/18 Assembly Transportation Committee Set for hearing on 4/23/18	This bill would authorize the Santa Clara Valley Transportation Authority (VTA) to conduct, administer, and operate a value pricing high-occupancy toll lane program on State Highway Route 101 and a specified portion of State Highway Route 280 in the City and County of San Francisco in coordination with the San Francisco County Transportation Authority, as prescribed. Amended on 3/19/18	Watch

SMCTA Bill Matrix – May

Measure	Status	Bill Summary	Recommended Position
AB 2919 Frazier (D) Transportation: permits	4/16/18 Assembly Transportation Committee Set for hearing on 4/16/18	This bill would require the Department of Fish and Wildlife, the State Water Resources Control Board, and the California Coastal Commission, upon receipt of a completed request from the Department of Transportation for a permit for a project, to complete its review of the request no later than two years after receipt. If a resource agency does not complete the review of the request for a permit within this timeframe, the bill would provide that the permit is deemed approved for purposes of the project. SMCTA is currently participating in a Task Force established by the California State Transportation Agency, pursuant to AB 1282 (Mullin), Chapter 643, Statutes of 2017, for the same purpose. Amended on 3/19/18	Recommend Support in Concept
AB 3059 Bloom (D) Congestion pricing demonstration projects	4/16/18 Assembly Transportation Committee Set for hearing on 4/23/18	This bill would authorize 2 congestion pricing demonstration projects in northern California and 2 in southern California. The bill would define "congestion pricing" to mean the assessment of a charge on motor vehicles using local streets and roads in a participating jurisdiction, which charge could vary based on the time of day or the day of the week. The bill would require the governing body of an eligible participating jurisdiction, as defined, to adopt a congestion pricing ordinance containing various elements, and would require the proposed ordinance to be approved by the applicable congestion management agency subject to a finding that the proposed demonstration project is likely to be successful. The bill would require a charge by a congestion pricing ordinance to be imposed consistent with the California Constitution and federal law. The bill would enact other related provisions.	Watch
SB 760 Wiener (D) Urban street design: guidance	1/30/18 Assembly Rules Committee	This bill would authorize a city, county, regional, or other local agency, when using the alternative minimum safety design criteria, to consider additional design guides, including the Urban Street Design Guide of the National Association of City Transportation Officials. The bill would authorize a state entity that is responsible for the planning and construction of roadways to consider additional design guides, including the Urban Street Design Guide of the National Association of City Transportation Officials. Last amended 1/23/18	Watch
SB 1262 Newman (D) CM/GC	2/15/18 Senate Transportation & Housing Committee Set for hearing on 4/24/18	This bill would remove the cap on the number of projects for which Caltrans is authorized to use the construction manager/ general contractor CM/GC method (currently 24), eliminate the minimum construction costs limitation (\$10 million), and make conforming changes to existing provisions. The bill would require the department to submit a report to the Legislature by July 1, 2022, that includes, among other requirements, a comprehensive assessment on the effectiveness of the Construction Manager/General Contractor project delivery method relative to project cost and time savings for all projects approved under these provisions as of January 1, 2022. Last amended on 4/10/18	Supported 4/5/18

SMCTA Bill Matrix – May

Measure	Status	Bill Summary	Recommended Position
Ballot Measures			
Proposition 69 Transportation Taxes & Fees Lockbox	Placed on June 5, 2018 statewide ballot by the State Legislature through the enactment of ACA 5 (Frazier), Chapter 30, Statutes of 2017	<p>Proposition 69, was placed on the ballot by the State Legislature as part of a legislative package that included SB 1. SB 1, which was also known as the Road Repair and Accountability Act of 2017 enacted an estimated \$5.2 billion annual increase in transportation-related taxes and fees, including a \$0.12 cents per gallon increase of the gasoline excise tax, a \$0.20 cents per gallon increase of the diesel excise tax, a 4 percentage points increase of the diesel sales tax, an annual \$25 to \$100 Transportation Improvement Fee, and an annual \$100 zero-emission vehicles fee. The state constitution already prohibits the diversion of gasoline or diesel excise tax revenues for general non-transportation purposes.</p> <p>The main feature of Proposition 69 is that it also protects proceeds derived from the Transportation improvement Fee (\$1.6 billion in vehicle registration fees, which funds competitive programs) and the sales tax on diesel, which funds the Public Transportation Account. The zero-emission fee is left unprotected.</p>	Supported 4/5/18

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: **APPROVAL OF SHUTTLE APPLICATIONS AND PROGRAMMING AND ALLOCATION OF MEASURE A LOCAL SHUTTLE PROGRAM FUNDS FOR 33 SHUTTLES FOR FISCAL YEARS 2019 AND 2020**

ACTION

Staff proposes the Board:

1. Approve the list of 35 shuttles to receive Transportation Authority (TA) and City/County Association of Governments (C/CAG) funds in Fiscal Year (FY) 2019 and FY 2020 as listed in Exhibit A.
2. Program and allocate a total of \$8,995,865 of Measure A Local Shuttle Program Category funds to 33 shuttles as listed in Exhibit A.
3. Authorize the Executive Director or his designee to take any actions necessary to allocate the subject funding.

SIGNIFICANCE

The TA and C/CAG issued a joint Call for Projects (CFP) for the San Mateo County Shuttle Program in December, 2017 with up to \$10 million available for the operation of shuttle service for FY 2019 and FY 2020. A total of 37 applications met the program guidelines and were considered for funding by the shuttle project review committee. The recommendations developed by this committee were presented as an information item at the TA's April 5, 2018 meeting and are presented for approval, unchanged, in Exhibit A. This list will also be presented to the C/CAG Board for approval at its May 10, 2018 meeting.

A total of 35 shuttles are recommended for funding from the TA and C/CAG with the \$10 million made available for this CFP. While all of the shuttles sponsored by Commute.org are recommended for funding, their proposed staff administrative costs of approximately \$150,000 are not recommended for funding from the Measure A Shuttle Program. Commute.org has historically received Measure A funds to support these costs through the Alternative Congestion Relief (ACR) Program for their

transportation demand management (TDM) work efforts. Unlike the Shuttle Program, the ACR Program is not currently oversubscribed.

There isn't sufficient funding with this CFP to fully fund the City of Menlo Park's M1 Crosstown Shuttle, which is a proposed reconfiguration and expansion of an existing service currently referred to as the Midday Shuttle. Due to concerns regarding the performance of the Midday Shuttle with service to the west side of Menlo Park, staff is not recommending funding for a proposed expansion of the west side service and is only recommending funding to support existing service levels.

The SamTrans SFOX, a proposed new shuttle service from the Millbrae Caltrain Station to San Francisco International Airport and the existing Menlo Park Shopper, a door to door service, did not score high enough to be recommended for funding.

The TA and C/CAG Boards are each being asked to program and allocate only those funds controlled by their respective agencies, as designated in Exhibit A and within the maximum levels and proportions set forth in the CFP. The TA would program and allocate \$8,995,865 in Measure A Local Shuttle Program funds for 33 shuttles. C/CAG would program and allocate \$1,004,135 of its Local Transportation Services Program funds for the remaining two recommended shuttles.

BUDGET IMPACT

Funding for the recommended allocation of \$8,995,865 from the Measure A Local Shuttle Program Category will come from current and prior year budgeted funds as well as projected revenue for FY 2019. The FY 2019 projected revenue will be included as part of the adoption of the FY 2019 Budget.

BACKGROUND

The San Mateo County Shuttle Program provides matching funds for the operation of local shuttle services that provide access to regional transit and/or meet local mobility needs. As defined in the 2004 Measure A Transportation Expenditure Plan, the Local Shuttle program receives 4 percent of Measure A sales tax revenues. Funding for this CFP is composed of up to \$9 million in TA Measure A Local Shuttle Program funds and up to \$1 million in C/CAG Local Transportation Services Program funds. Funded shuttles must be open to the public. A minimum 25 percent local match is required, except for shuttles that miss their respective operating cost per passenger benchmark by 50 percent or more after two years of operation, in which case a 50 percent match is required.

A total of 9 sponsors submitted 38 applications requesting approximately \$11.4 million. The project review/evaluation committee was composed of staff from the TA, C/CAG, SamTrans, San Francisco Municipal Transportation Agency (SFMTA) and Stanford. After the TA and C/CAG program and allocate funds for the recommended list of projects, staff will coordinate with sponsors to enter into funding agreements so that the shuttles can become operational during FY 2019 and FY 2020.

Exhibit A: San Mateo County Shuttle Program Final Funding Recommendations for FY2019 and FY2020

Score	Sponsor	Shuttle Name	Primary Service Area	New or Existing	Service Type	Total Submitted Cost	Requested Funding	Total Matching Funds	Percent Matching Funds	Private Sector Match	Recommended Allocation	Proposed Fund Source
84	San Mateo Community College District	Skyline College Express	San Bruno	Existing	Commuter	\$597,222	\$298,611	\$298,611	50%	none	\$298,611	Measure A
83	Commute.org ¹	Redwood City Midpoint Caltrain	Redwood City	Existing	Commuter	\$420,632	\$270,796	\$149,836	36%	36%	\$257,999	Measure A
82	Commute.org ¹	Seaport Centre Caltrain	Redwood City	Existing	Commuter	\$276,846	\$138,423	\$138,423	50%	50%	\$131,908	Measure A
81	Commute.org ¹	North Burlingame	Burlingame	Existing	Commuter	\$287,300	\$143,650	\$143,650	50%	50%	\$136,886	Measure A
80	Commute.org ¹	North Foster City	Foster City	Existing	Commuter	\$550,491	\$336,868	\$213,623	39%	25%	\$320,920	Measure A
79	Commute.org ¹	Bayshore Technology Park	Redwood Shores	Existing	Commuter	\$287,370	\$143,685	\$143,685	50%	50%	\$136,919	Measure A
78	Commute.org ¹	Brisbane/Crocker Park	Brisbane/Daly City	Existing	Commuter	\$838,354	\$552,766	\$285,588	34%	25%	\$526,544	Measure A
78	Peninsula Corridor Joint Power Board	Burlingame Bayside BART/Caltrain	Burlingame	Existing	Commuter	\$456,300	\$342,300	\$114,000	25%	24%	\$342,300	Measure A
78	Peninsula Corridor Joint Power Board	Pacific Shores	Redwood City	Existing	Commuter	\$674,100	\$505,700	\$168,400	25%	24%	\$505,700	Measure A
78	SamTrans	Sierra Point - Balboa Park BART	Brisbane	Existing	Commuter	\$615,200	\$190,000	\$425,200	69%	69%	\$190,000	Measure A
77	Commute.org ¹	South San Francisco BART	South San Francisco	Existing	Commuter	\$1,131,967	\$756,975	\$374,992	33%	25%	\$721,030	Measure A
77	South San Francisco	South City	South San Francisco	Existing	Community	\$1,115,300	\$836,000	\$279,000	25%	none	\$836,000	Measure A
76	Peninsula Corridor Joint Power Board	Broadway/Millbrae	Burlingame	Existing	Commuter	\$306,900	\$230,200	\$76,700	25%	none	\$230,200	Measure A
75	Peninsula Corridor Joint Power Board	Mariners Island	San Mateo/Foster City	Existing	Commuter	\$302,700	\$227,100	\$75,600	25%	24%	\$227,100	Measure A
75	Menlo Park	Willow Road	Menlo Park	Existing	Commuter	\$306,622	\$229,967	\$76,655	25%	21%	\$229,967	C/CAG
74	Commute.org ¹	South San Francisco Caltrain	South San Francisco	Existing	Commuter	\$586,574	\$439,930	\$146,644	25%	25%	\$419,095	Measure A
74	Peninsula Corridor Joint Power Board	Lincoln Centre	San Mateo/Foster City	Existing	Commuter	\$298,300	\$223,800	\$74,500	25%	24%	\$223,800	Measure A
74	SamTrans	Bayhill - San Bruno BART	San Bruno	Existing	Commuter	\$237,600	\$178,200	\$59,400	25%	25%	\$178,200	Measure A
73	Peninsula Corridor Joint Power Board	Electronic Arts (EA)	Redwood Shores	Existing	Commuter	\$508,000	\$150,000	\$358,000	70%	70%	\$150,000	Measure A
72	SamTrans	Seton Medical - BART Daly City	Daly City	Existing	Commuter	\$231,400	\$150,000	\$81,400	35%	35%	\$150,000	Measure A
71	Commute.org ¹	South San Francisco Ferry	South San Francisco	Existing	Commuter	\$456,112	\$273,667	\$182,445	40%	15%	\$260,727	Measure A
71	Peninsula Corridor Joint Power Board	Bayshore/Brisbane Commute	Brisbane/Daly City	Existing	Commuter	\$225,000	\$168,800	\$56,200	25%	none	\$168,800	Measure A
71	Peninsula Corridor Joint Power Board	Oracle	Redwood Shores	Existing	Commuter	\$888,400	\$160,000	\$728,400	82%	82%	\$160,000	Measure A
71	Menlo Park	Marsh Road	Menlo Park	Existing	Commuter	\$552,480	\$414,360	\$138,120	25%	12%	\$414,360	Measure A
71	SamTrans	San Carlos Community	San Carlos	Existing	Community	\$338,126	\$169,063	\$169,063	50%	50%	\$169,063	Measure A
70	Commute.org ¹	Genesis Towers	South San Francisco	Existing	Commuter	\$270,830	\$135,415	\$135,415	50%	50%	\$129,043	Measure A
70	Peninsula Corridor Joint Power Board	Campus Drive	San Mateo	Existing	Commuter	\$240,400	\$180,400	\$60,000	25%	24%	\$180,400	Measure A
70	Peninsula Corridor Joint Power Board	Norfolk	San Mateo	Existing	Commuter	\$240,400	\$180,400	\$60,000	25%	24%	\$180,400	Measure A
68	Daly City	Daly City Bayshore	Daly City	Existing	Commuter/Community	\$545,000	\$245,000	\$300,000	55%	none	\$245,000	Measure A
68	Peninsula Corridor Joint Power Board	Sierra Point Millbrae	South San Francisco/Brisbane	Existing	Commuter	\$362,000	\$100,000	\$262,000	72%	72%	\$100,000	Measure A
66	San Carlos	San Carlos Commuter	San Carlos	Existing	Commuter	\$249,415	\$187,061	\$62,354	25%	20%	\$187,061	Measure A
64	Peninsula Corridor Joint Power Board	Twin Dolphin	Redwood Shores	Existing	Commuter	\$592,500	\$444,500	\$148,000	25%	24%	\$444,500	Measure A
63	SamTrans	Bayshore Brisbane Senior	Brisbane/Daly City	Existing	Door to door	\$255,200	\$191,400	\$63,800	25%	none	\$191,400	Measure A
58	Peninsula Corridor Joint Power Board	Belmont/Hillsdale	Belmont	Existing	Commuter	\$242,500	\$181,900	\$60,600	25%	none	\$181,900	Measure A
58	Menlo Park ²	M1 Crosstown	Menlo Park	Existing	Community	\$1,167,708	\$875,781	\$291,927	25%	none	\$774,168	C/CAG
55	SamTrans	SFOX	Millbrae	New	Commuter/Community	\$1,100,901	\$825,676	\$275,225	25%	none	not recommended	NA
43	Menlo Park	Shoppers	Menlo Park	Existing	Door to door	\$119,223	\$59,612	\$59,611	50%	none	not recommended	NA
NA	Burlingame ³	Burlingame East-West	Burlingame	New	Community	\$340,000	\$255,000	\$85,000	25%	none	not recommended	NA
Subtotals:						\$18,215,373	\$11,393,006	\$6,822,067	37%		\$10,000,000	

TA Measure A Local Shuttle Program Allocation: \$8,995,865
C/CAG Local Transportation Services Shuttle Program Allocation: \$1,004,135
Total TA-C/CAG Shuttle Funding Allocation: \$10,000,000
Total Funding Available for FY2019 & FY2020 Shuttle Call for Projects: \$10,000,000
Total Sponsor Funding Requests: \$11,393,006

Footnotes:

1) The funding request for Commute.org's 10 shuttles include \$151,105 of administrative costs, which are not recommended for funding from the Measure A Shuttle Program. Commute.org has historically received Measure A support to help fund its administrative costs through annual allocations from the Alternative Congestion Relief (ACR) Program. Commute.org's proposed administrative costs to support their shuttle program will be considered as part of their annual ACR funding request.

2) The original proposal for the Menlo Park Crosstown Shuttle combines existing mid-day shuttle service, west of El Camino Real, with existing all-day service, east of El Camino Real, and expands existing west side service from mid-day to all-day service. The draft recommendation is to help underwrite a revised request from Menlo Park for the continuation of existing mid-day service, west of El Camino Real, and existing all-day service, east of El Camino Real. Total cost of the revised request is \$1,037,963.

3) The Burlingame East-West Community Shuttle did not meet the following program screening criteria: It didn't receive a Letter of Concurrence from SamTrans due to concerns regarding duplication of SamTrans fixed route service, and it didn't participate in the required shuttle technical assistance program, which is a requirement for all new shuttle sponsors.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

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

SUBJECT: **PROGRAM REPORT: TRANSIT – FERRY PROGRAM**

ACTION

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

SIGNIFICANCE

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's (TA) six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian and Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year. This item features a presentation highlighting the status of the Transit – Ferry Program, with an update via PowerPoint, on activity with the South San Francisco Ferry Service and information on the Water Emergency Transportation Authority's (WETA's) service expansion policy.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Two percent of the New Measure A sales tax revenue is to be made available to support cost-effective ferry service to South San Francisco and Redwood City. In December 2008, the Board allocated up to 15 million of Measure A funds from the Ferry Service Program Category to South San Francisco and WETA for the construction of the South San Francisco Ferry Terminal. The ferry terminal was completed in May 2012, expending approximately 8.1 million of Measure A funds, with service initiating between South San Francisco and Alameda/Oakland in June 2012. Operating funding for the South San Francisco ferry service comes from farebox revenue and Regional Measure 2 (RM2) bridge toll funds.

Productivity of the South San Francisco Ferry service has been on an overall upward trajectory since its inception. The service achieved an approximate 36 percent farebox recovery ratio for Fiscal Year 2017, and was approaching the 40 percent farebox recovery ratio performance target set by the Metropolitan Transportation Commission (MTC).

Prepared By: Joel Slavitt, Manager of Programming and Monitoring 650-508-6476

EXHIBIT A



March 23, 2018

April Chan
Executive Officer, Planning and Development
San Mateo County Transit District
1250 San Carlos Avenue
San Carlos, CA 94070-1306

RE: City of Redwood City Ferry Project

Dear Ms. Chan:

The City of Redwood City (City) requests \$450,000 in Measure A funds to prepare the following report and plan for Redwood City Ferry Terminal Construction and Service:

- Financial Feasibility Study
- Cost-Benefit Analysis Report

The City is the project sponsor and will lead an effort with the Port of Redwood City (Port) and the Water Emergency Transportation Authority (WETA) to construct a ferry terminal and bring public ferry transit service to Redwood City.

Background

The 2009-2033 Measure A Expenditure Plan identified \$30 million in funds available for cost effective ferry service to South San Francisco and Redwood City. The City and the Port intend to construct a ferry terminal that will serve as the south bay hub for the San Francisco Bay Ferry System. This will include eventual service to both San Francisco and the East Bay. The project consists of:

- Terminal construction – a ferry terminal, approximately 300 parking spaces, long-term bike storage, short-term bike racks, and the infrastructure for public transit and shuttle transfers

The Port has performed an evaluation of terminal sites and is working with WETA to identify the preferred waterfront location for the ferry terminal.

Funding Request

The City seeks \$450,000 in Measure A funds administered by the San Mateo County Transportation Authority (SMCTA) to conduct a Financial Feasibility and Cost Benefit Analysis study and to prepare a report on its findings.

Proposals for new transit services or for service expansions often rely on financial feasibility studies to identify if a proposed service is viable. These studies typically identify potential revenue sources and compare them to estimated costs. While such a study is essential before initiating a project of this scale, the City also believes it is important to examine, describe and understand the economic and social value of ferry service to the community.

For this reason, the City intends to conduct a cost-benefit analysis in addition to the financial feasibility study. The City anticipates that the findings of the cost-benefit analysis will bolster the project’s competitiveness for future funding. The U.S. Department of Transportation and MTC rely on benefit-cost analyses for evaluating projects as outlined in the Plan Bay Area 2040 Performance Assessment Report. Additionally, the analysis will inform future community development and transportation improvements.

The financial feasibility and cost-benefit analysis study will address the following areas:

Financial Feasibility Study	Cost-Benefit Analysis
<ul style="list-style-type: none">- Explore potential near-term and long-term ferry routes- Estimate capital costs and funding sources- Estimate operating costs and funding sources, including non farebox revenues- Evaluate implications of WETA route expansions to funding availability for a Redwood City ferry service- Conduct market analysis to quantify potential ridership, travel times relative to alternative modes, potential fare levels, and estimated farebox revenue- Identify potential private partnership opportunities	<ul style="list-style-type: none">- Identify and quantify local and regional benefits- Quantify years to return on investment- Assess ferry service and terminal’s potential to induce development

Upon study completion, it will be presented to the City Council and the Port Commission for their direction on next steps. Assuming a favorable review, staff would develop a 10-year business plan. Should City Council and the Port Commission direct staff to pursue the Redwood City Ferry Project, the City will pursue additional Measure A Funds to fund the business plan. At that point, Redwood City would work with WETA to outline how the partnership would achieve cost-effective ferry service.

Project Benefits

Congestion Relief & Environmental Sustainability

The project will provide an additional transportation choice to and from Redwood City, relieving congestion along the US 101 and Dumbarton corridors. Ferry service has strong potential to entice drivers out of cars due to competitive commute travel-times compared to vehicular travel and to Caltrain (using MTC’s Trip Planner). Based on WETA’s experience with new ferry service routes, it is reasonable to expect that a Redwood City ferry service could achieve 2,000 riders per day by the tenth year of service.

Economic Development

Coupled with changes in land use, the terminal could anchor a small scale, transit-oriented development for the Seaport area of Redwood City. For example, the City of Alameda used a new ferry terminal at Seaplane Lagoon as the centerpiece of a mixed-use residential development.

Additionally, the City is conducting a Broadway Streetcar Study to consider a new transit alternatives to connect riders in Redwood City between Caltrain, Downtown Redwood City and the Stanford administrative campus in Redwood City. Another route could extend from Broadway along Seaport Boulevard and to the proposed ferry. This service would expand the reach of the ferry service, connecting riders between different modes and increasing economic activity between Redwood City neighborhoods.

Project Timeline and Budget

The City, in partnership with WETA, would start work on these studies once a funding agreement with SMCTA is executed. Work is anticipated to begin in Summer 2018 and the development of the feasibility study and cost-benefit analysis would take approximately 12 months including community engagement.

Task	Estimated Date
Agreement with SMCTA and Expenditure Appropriation by City Council	June 2018
Community Engagement	Fall 2018
Draft Study and Analysis	Spring 2019
Final Study and Analysis	June 2019

Staff is asking City Council to consider programming funds for the project in its FY2018-19 Capital Improvement Program. The request for \$60,000 in City funds would be coupled with \$450,000 for a total budget of \$510,000.

Thank you for your consideration of the City’s request. Your funding commitment would enable the City, Port, and WETA to engage our community in exploring the feasibility and benefits of a new terminal and ferry service, as anticipated by Measure A.

We look forward to continuing our efforts with the SMCTA to increase mobility throughout the County. If you have any questions or need additional information, please feel free to contact Christopher Dacumos, Management Analyst II, at 650.780.5957.

Sincerely,



Melissa Stevenson Diaz
City Manager, City of Redwood City

Enc: WETA Letter of Support

Cc: City Council of Redwood City
Aaron Aknin, Assistant City Manager / Community Development Director
Jessica Manzi, Senior Transportation Coordinator
Christopher Dacumos, Management Analyst II
Mike Giari, Executive Director, Port of Redwood City
Kevin Connolly, Planning & Development Manager, WETA

EXHIBIT B



PORT OF REDWOOD CITY
Serving Silicon Valley

675 Seaport Boulevard
Redwood City, California 94063-5568
650 306 4150 FAX 650 369 7636
E-mail: portofrc@redwoodcityport.com

March 30, 2018

April Chan, Executive Officer
San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, CA 94070

Re: Support for the City of Redwood City request to study ferry terminal feasibility

Dear April:

This letter is to express support for the request submitted by the City of Redwood City for \$450,000 in Measure A funding to conduct a feasibility study and cost/benefit analysis for a planned Redwood City ferry terminal.

The Port of Redwood City for a number of years has supported the expansion of ferry service to the South Bay to help relieve congestion on the roads and provide a transit alternative for commuters in Silicon Valley. The Water Emergency Transportation Authority (WETA) identified the Redwood City ferry terminal as a key priority in its 2016 Strategic Plan. WETA's ridership studies forecast 1,400 daily passenger trips between Redwood City and San Francisco; and at service maturity, it is projected that this could increase to 1,950 daily passenger trips. Those shifting from cars to transit account for the highest percentage of projected ridership.

The San Mateo County draft Transportation Plan 2040 states that the combination of a robust economy and limited housing supply has resulted in a significant volume of commuting across county lines for San Mateo County residents and employers. The number of work trips into and out of the county is forecast to increase by 24 percent by 2040. Significant increases in roadway capacity are not feasible in San Mateo County because of funding limitations, constrained right of ways, and environmental concerns. These facts underscore the importance of making ferry service a reality at the Port of Redwood City.

The Port of Redwood City is strategically located in the South Bay between two bridges, the San Mateo/Hayward Bridge and the Dumbarton Bridge. In a disaster or other emergencies, when freeways, bridges, and rail transit systems might not be available, the Redwood City ferry terminal would help move emergency responders, supplies and people. The Port of Redwood City Wharves 1&2 are designated as Federal Staging Area for fuel, equipment, and supplies by FEMA and CalOES in the event of an emergency affecting the San Francisco Bay Area.

Port Commissioners
Richard S. Claire
Richard "Dick" Dodge
Simms Duncan
Ralph A. Garcia, Jr.
Lorianna Kastrop



PORT OF REDWOOD CITY
Serving Silicon Valley

The Port of Redwood City looks forward to developing a feasibility study and cost-benefit analysis in partnership with the City of Redwood City and WETA.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Giari".

Michael J. Giari
Executive Director

EXHIBIT C



March 22, 2018

April Chan
San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, CA 94070

Re: Support for City of Redwood City request to study ferry terminal feasibility

Dear April:

This letter expresses support for the request submitted by the City of Redwood City for sufficient Measure A funding to conduct a feasibility study and cost-benefit analysis for a proposed Redwood City ferry terminal.

The Redwood City ferry terminal is a key priority of the Water Emergency Transportation Authority's (WETA) new Strategic Plan, adopted in 2016 by the WETA Board. The plan envisions new terminals throughout San Francisco Bay with up to 44 vessels in an expanded fleet. Redwood City would be a critical southern terminal in this network, serving both as an origin and destination for Bay Area commuters. The project concept also allows for an expedited introduction of service with private operators serving the facility prior to WETA service being introduced.

Ferry ridership has grown significantly since 2012 when WETA began operating the service, increasing 84 percent. After a slow start, the South San Francisco service has demonstrated strong performance for the past four years, carrying almost 700 passengers per day. Ferry service in locations such as South San Francisco or Redwood City provides another choice for commuters to leave their car at home and take transit during congested commute hours. In addition, cities have leveraged new ferry terminals as catalysts for economic development. Ferry service opens employment markets to a larger, regional pool of potential workers who have the choice of commuting via transit. We would hope that any evaluation of the Redwood City ferry terminal's feasibility study would consider these public policy objectives.

WETA looks forward to developing a feasibility study and cost-benefit analysis in partnership with City of Redwood City and San Mateo Transportation Authority staff. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Connolly", is written over a light blue horizontal line.

Kevin Connolly
Manager, Planning & Development

South San Francisco Ferry Service

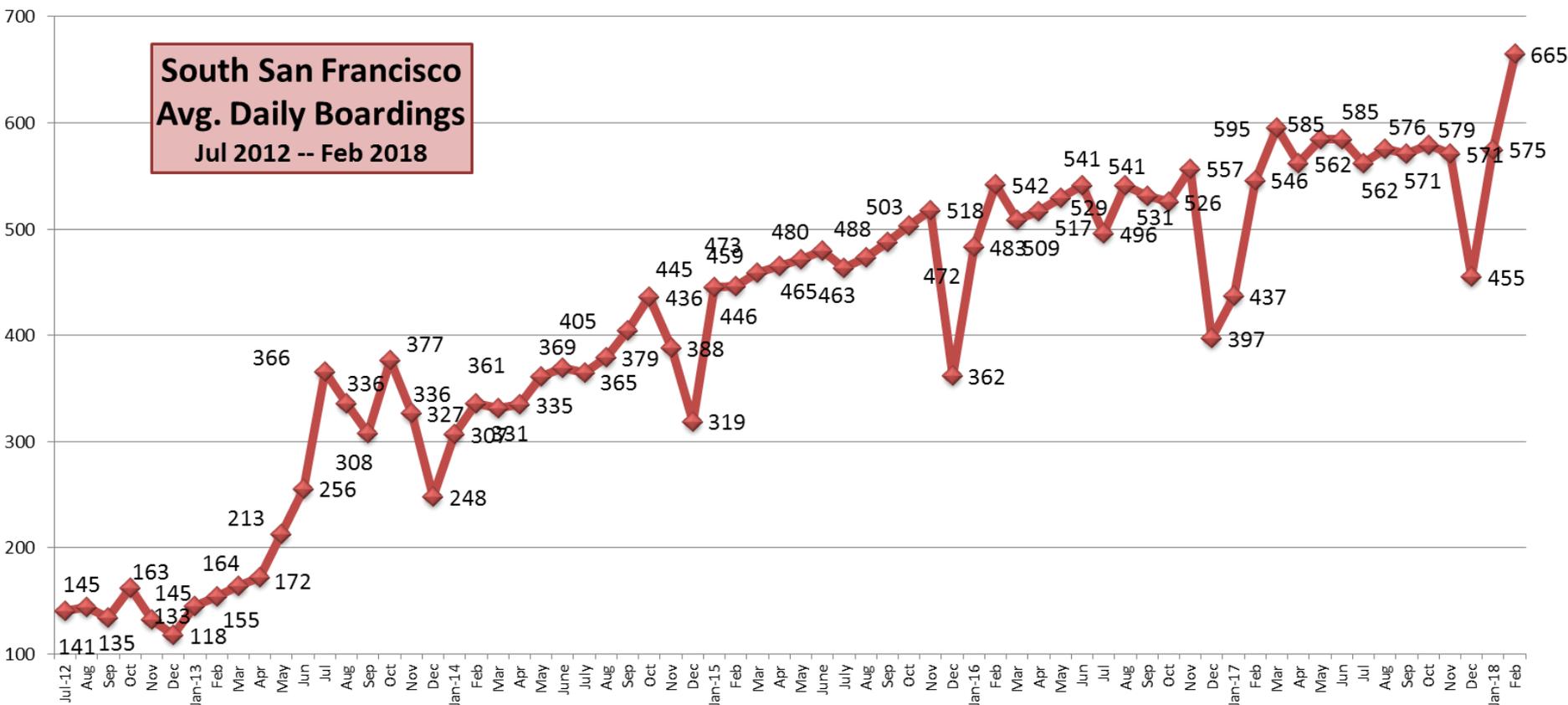
Status Report

May 2018

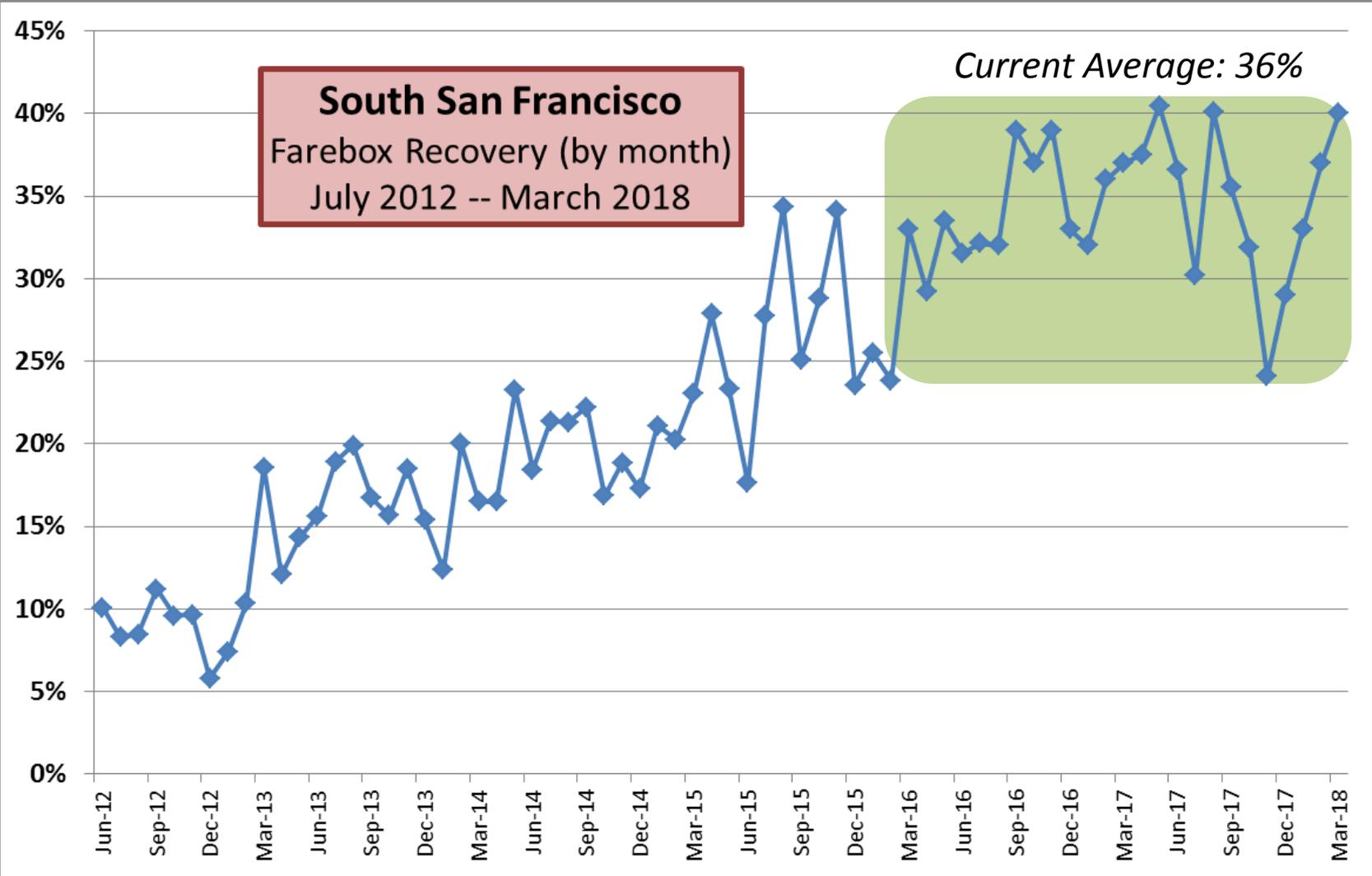


**WATER EMERGENCY
TRANSPORTATION AUTHORITY**

Average Daily Ridership, South San Francisco Ferry Service



Average Monthly Farebox Recovery



Regional Measure 2 Program: Performance Criteria

- Project has two years of ramp up and must reach threshold farebox recovery by the third year

Service Type	Ferry	Rail	Bus
Peak Service	40%	35%	30%
All Day Service	30%	25%	20%
Owl Service	N/A	N/A	10%

- Services that do not meet above thresholds in Year 3 must complete a Corrective Action Plan and submit to MTC for approval
- Ferry services are evaluated as individual routes, and not part of a larger system or program of services

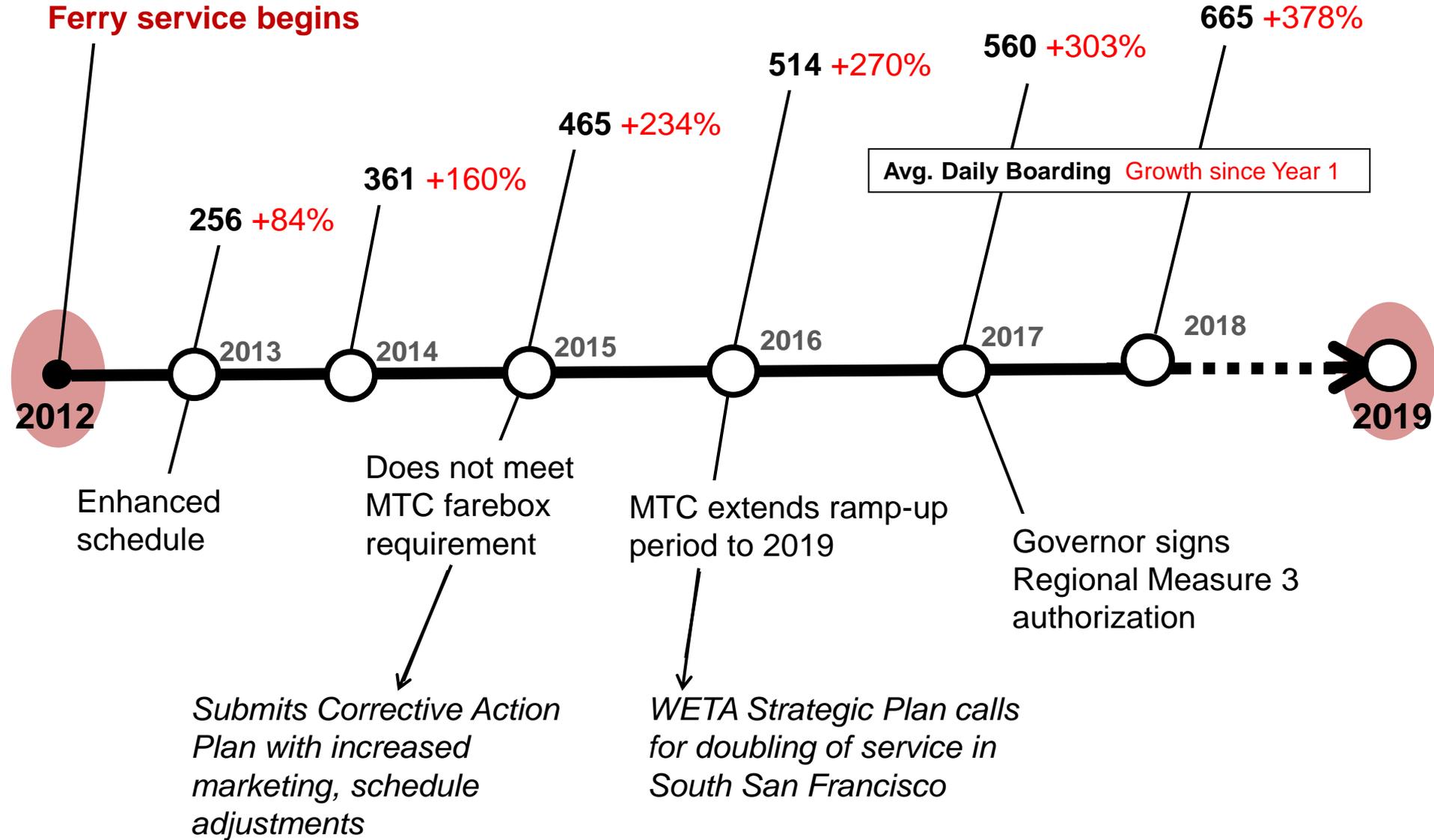
WETA made an appeal in the Fall of 2015 to extend the deadline for Regional Measure 2 funding for South San Francisco Ferry

- Letters of support from South San Francisco ferry stakeholders
 - San Mateo Transportation Authority
 - SAMCEDA, Bay Area Council
 - Commute.org
 - City of South San Francisco
 - City of Alameda
 - Master's Mate's & Pilots
 - Supervisor Pine



South San Francisco Ferry Service Timeline

Ferry service begins



South San Francisco Development Pipeline

UNDER CONSTRUCTION

<i>Project</i>	<i>Description</i>	<i>Developer</i>
The Cove at Oyster Point	884,300 s.f. R&D, Office 220-room Hotel 20,000 s.f. Retail	HCP Oyster Point III LLC
Genentech B-40	160,000 s.f. Office	
Gateway of the Pacific	451,485 s.f. Office, R&D	
Genesis South San Francisco North Tower	400,000 s.f. Office, R&D	
Merck Campus	281,670 s.f. Office, R&D	Alexandria
475 Eccles Blvd. Campus	262,287 s.f. Office, R&D	Biomed Realty Trust, Blackstone Group

2.5 million square feet of Office, R&D space currently under construction

Source: SF Business Times, October 2017

APPROVED

<i>Project</i>	<i>Description</i>	<i>Developer</i>
Genentech Master Plan	2,600,000 s.f. Office, R&D	
Landing at Oyster Point, Phases 1 & 2	1,600,000 s.f. Office, R&D	
Balance of Gateway of the Pacific	1,200,000 s.f. Office, R&D	
249-279 East Grand Avenue	540,000 s.f. Office, R&D	Alexandria
494 Forbes Blvd.	326,000 Office, R&D	HCP Campuses

6.3 million square feet of Office, R&D space approved for development

Source: SF Business Times, October 2017

May 2018

San Francisco Bay Area
Water Emergency
Transportation Authority

Strategic Plan

12 Vessels
7 Terminals
4 Routes
Peak Capacity
of 1,802
7,583 Daily Riders
5 Peak Hour Landings
at SF Ferry Building
\$33 Million
Operating Budget



2016

2035



44 Vessels
16 Terminals
12 Routes
740% Increase in
Peak Capacity
5x the Daily Riders
25 Peak Hour Landings
\$144 Million
Operating Budget

Project Origin



Feasibility Studies



Project MOU



**Environmental &
Preliminary Design**



Permitting/Design



**Vessel
Procurement**



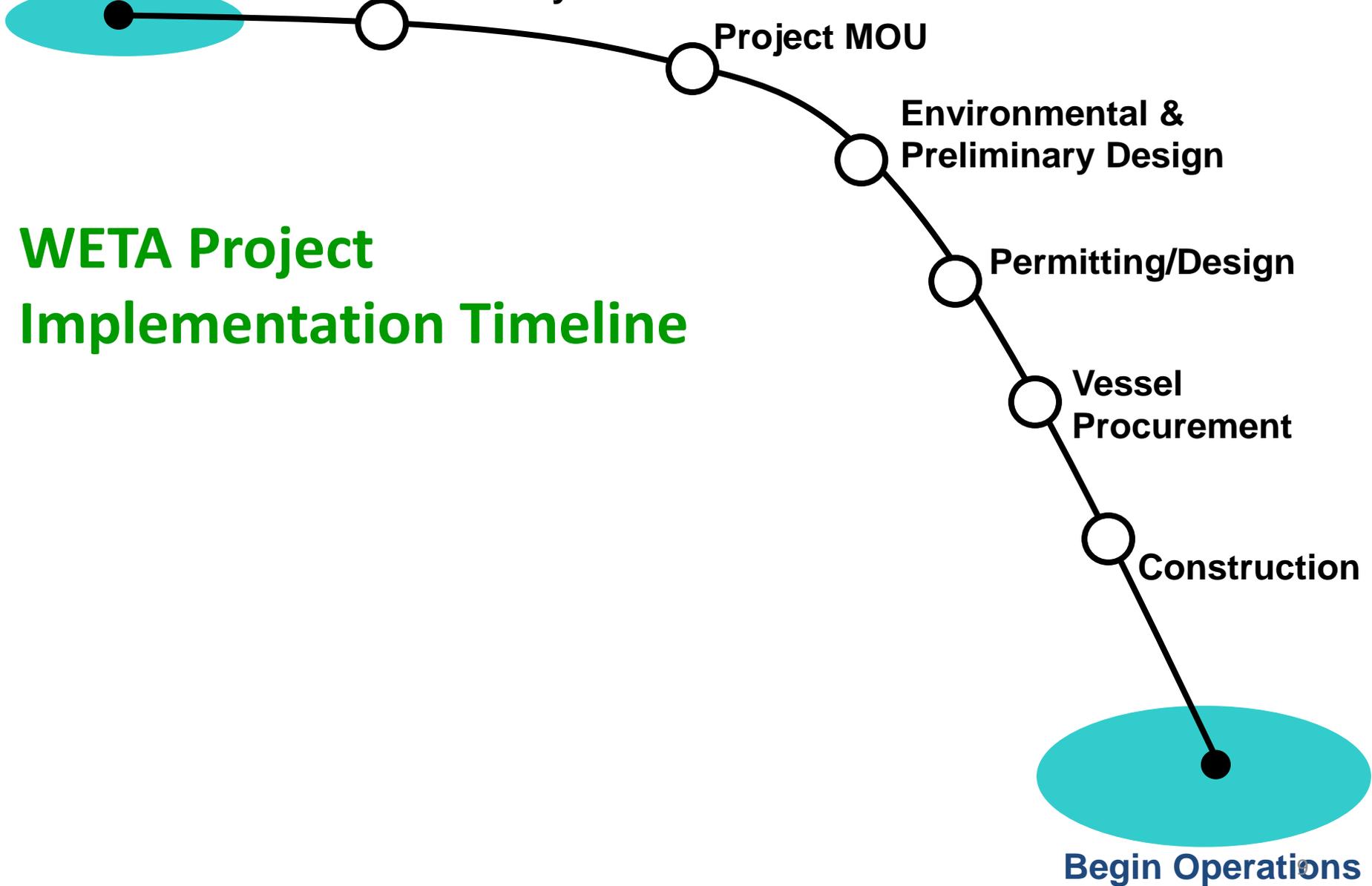
Construction



Begin Operations



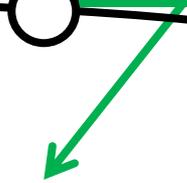
**WETA Project
Implementation Timeline**



Project Origin



Feasibility Studies



Demand

- Ridership & Fare Revenue estimates

Capital

- Waterside, Landside facilities
- Environmental, permitting evaluation
- Conceptual Design

Cost Estimates

- Capital costs: terminal & vessels
- 10-year operating costs

Project MOU

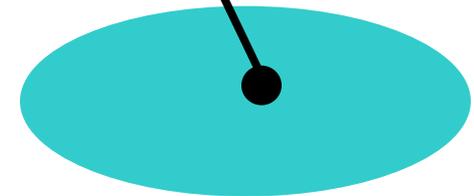
Environmental &
Preliminary Design

Permitting/Design

Vessel
Procurement

Construction

Begin Operations



System Expansion Components (2015)

Policy Statements

- Defines WETA service
- Establishes minimum requirements
- Maintains service quality

Evaluation Measures

- Creates quantitative standards
- Range of measures
- No passing/failing grade!

Terminal Access Policies & Guidelines

- Parking, Pedestrian, Bicycle, Land Use
- Area of local partner jurisdiction
- No magic formula

Expansion Policy – Quantitative Metrics (2015)

3) Farebox Recovery

Minimum

40%

Target

50% - 70%

Maximum

100%

4) Peak Hour Occupancy

Minimum

50%

Target

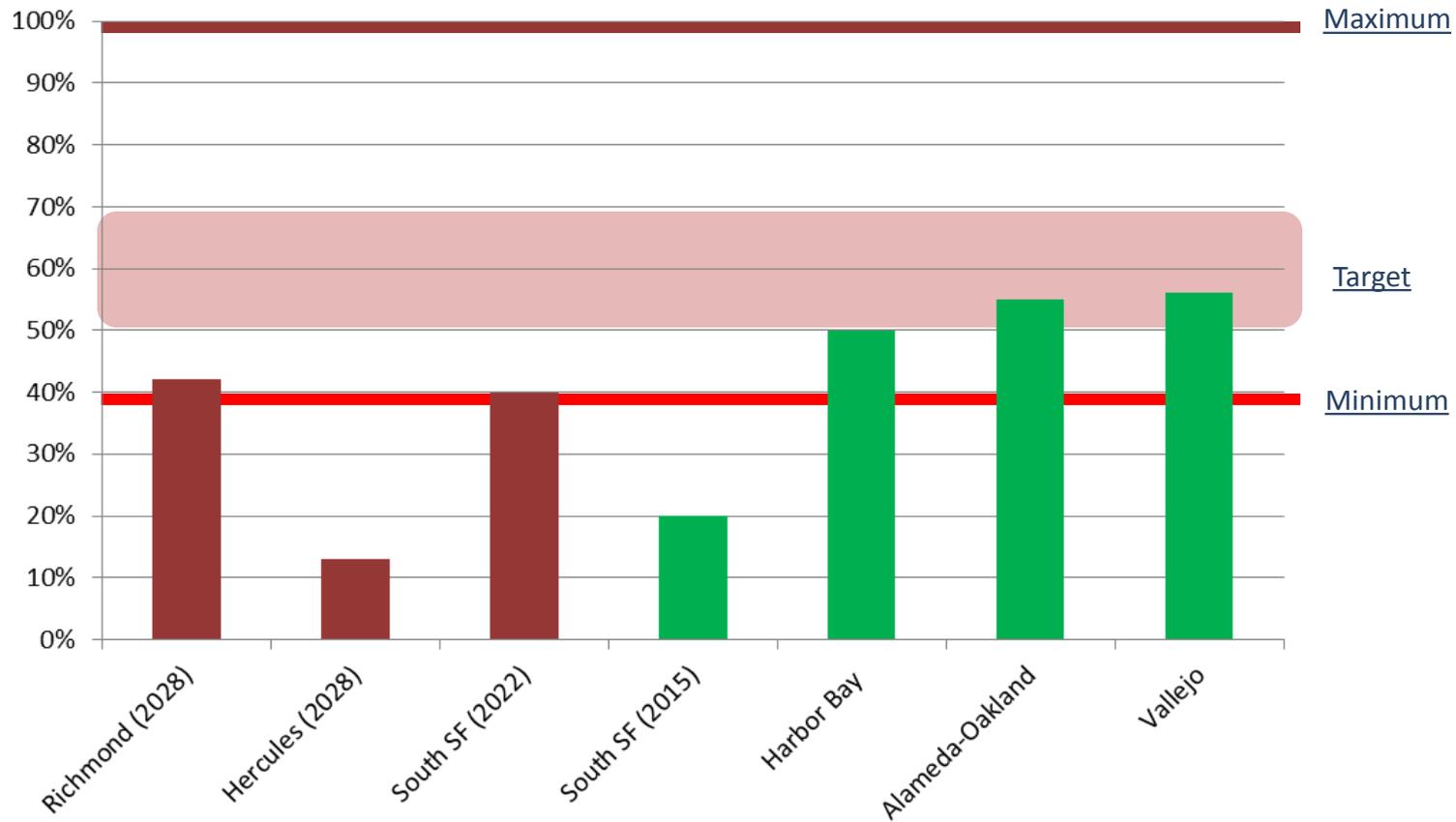
60% - 75%

Maximum

80%

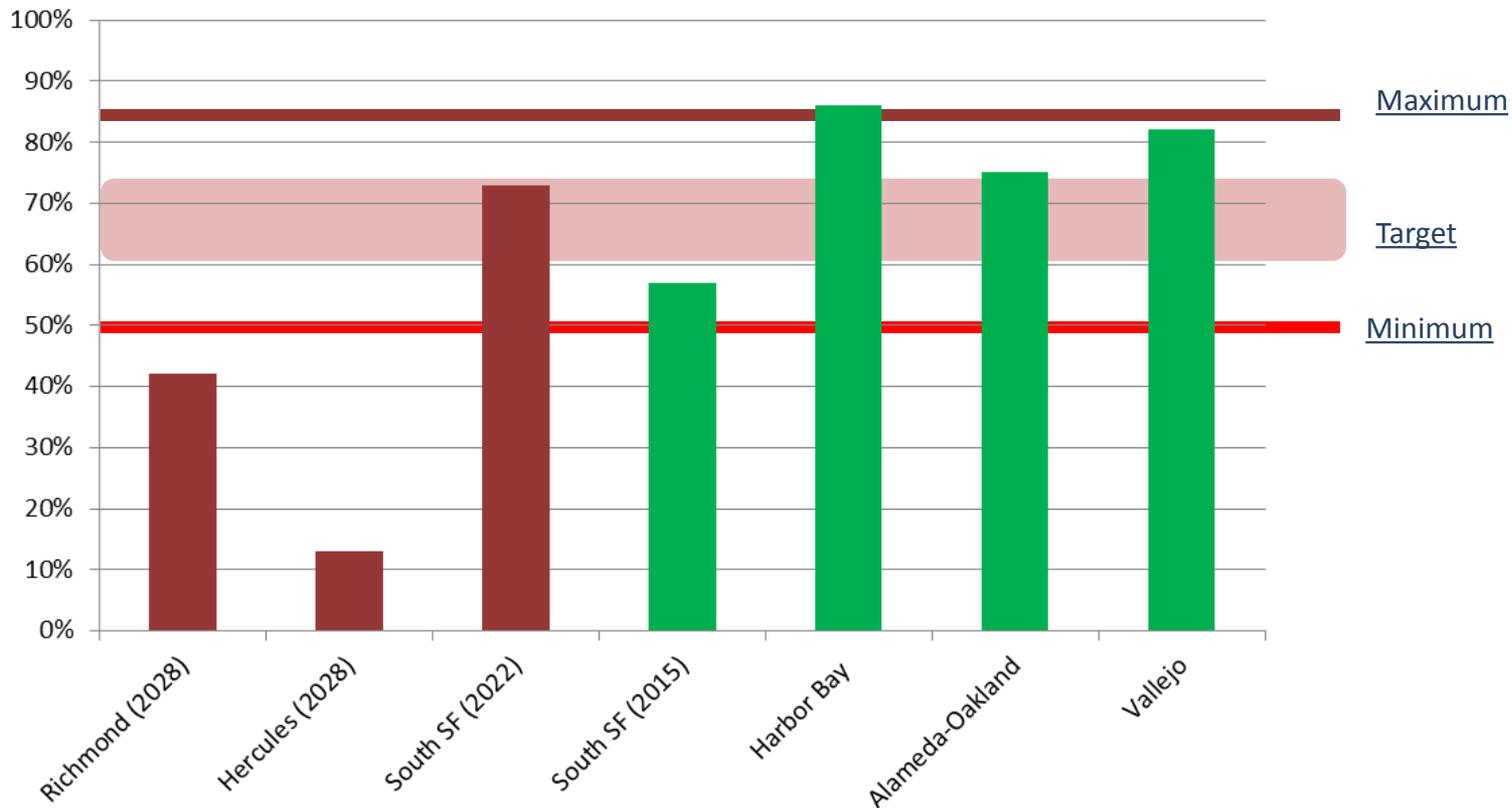
Farebox Recovery

Farebox recovery is defined as the portion of operating expenses covered by fare revenues. Farebox recovery measures ridership, operating expense and financial sustainability.



Peak Hour Occupancy

Defined as the combined peak direction occupancy level during the highest ridership hour of a commute service – indicates ridership demand and provides guidance for vessel deployment and service planning. High levels of peak hour occupancy indicate the possibility of leave-behinds or standees and would require corrective action.



South San Francisco Ferry Service Status Report

May 2018



**WATER EMERGENCY
TRANSPORTATION AUTHORITY**

**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: **REQUEST BY THE CITY OF REDWOOD CITY FOR MEASURE A FUNDS TO PREPARE
A FEASIBILITY STUDY AND COST/BENEFIT ANALYSIS FOR A PROPOSED FERRY
TERMINAL IN REDWOOD CITY**

ACTION

Staff recommends the Board:

1. Program and allocate \$450,000 of Measure A Ferry Program Category funds to complete a financial feasibility study and cost benefit analysis (CBA) for a new ferry terminal in Redwood City with the operation of public service; and
2. Authorize the Executive Director, or his designee, to take any actions necessary to program and allocate the subject funding, including the execution of agreements with the City of Redwood City (City) to provide funding to complete the work described above, contingent upon the City securing \$60,000 in local matching funds.

SIGNIFICANCE

The City submitted a letter to the TA (Exhibit A) on March 23, 2018 requesting \$450,000 of Measure A Transit - Ferry Program Category funds to prepare a financial feasibility study and cost-benefit analysis (CBA) for the development of a new ferry terminal and to explore the viability of bringing public ferry service to Redwood City. The total cost of the proposed work scope is \$510,000. The balance of funds will come from a proposed \$60,000 match that is programmed in the City's Capital Improvement Program for Fiscal Year (FY) 2018-2019 and subject to the adoption of the City's FY 2018-2019 Budget. The City will be the lead for the proposed work effort, which will be conducted in conjunction with the Port of Redwood City and the Water Transportation Emergency Authority (WETA). Both of these entities have provided letters in support of the City's funding request, which are enclosed as Exhibits B and C respectively.

Consistent with WETA policy, the City acknowledges that the proposed financial feasibility study is essential before work is initiated toward the development of a new ferry terminal with the operation of public ferry service. In addition, the proposed CBA

could help bolster the City's competitiveness in seeking other funding sources to better leverage potential Measure A investment, should a decision be made to proceed with future project development phases. Further detail on the proposed financial feasibility study and CBA is provided in Exhibit A. The study will further existing City initiatives to improve mobility to and from its economic activity centers with critical "last mile" transportation links, involving routes between a potential new terminal and the origin/destination points beyond.

The Metropolitan Transportation Commission (MTC) has historically helped subsidize the operation of WETA's existing ferry services with bridge toll funds. The outcome of Regional Measure 3 (RM3), to be placed on the June 2018 ballot, will play a critical role in determining the availability of public subsidy to help support the operation of new ferry services in the San Francisco Bay Area. The City will in a better position to be selected by WETA to receive new ferry service, pending a favorable outcome of RM3 and the City's proposed financial feasibility study and CBA.

BUDGET IMPACT

There is no impact to the budget. Funding for this request will come from the FY 2018 and prior year adopted budgets from the Transit-Ferry category.

BACKGROUND

Two percent funding share of Measure A sales tax receipts are to be made available for financial assistance as local match for cost-effective ferry service to South San Francisco and Redwood City. These cities previously have approved a 50/50 funding share split of this revenue, which was estimated to be a total of \$30 million at the time the Expenditure Plan was approved (2004).

Prepared By: Joel Slavitt, Manager, Programming and Monitoring

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