A G E N D A

COMMUNITY RELATIONS COMMITTEE
COMMITTEE OF THE WHOLE
(Accessibility, Senior Services, and Community Issues)

San Mateo County Transit District Administrative Building
Bacciocco Auditorium - Second Floor
1250 San Carlos Ave., San Carlos, CA

TUESDAY, MARCH 9, 2010 – 2:00 p.m.

1. Pledge of Allegiance

ACTION

2. Approval of Minutes of Community Relations Committee Meeting of February 10, 2010

INFORMATIONAL

3. Accessibility Update – Bill Welch
4. Paratransit Coordinating Council (PCC) Update – Kent Mickelson

Committee Members: Shirley Harris, Omar Ahmad, Jerry Deal

NOTE:
• This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
• All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.
Committee Members Present:  S. Harris (Committee Chair), J. Deal

Committee Members Absent:  O. Ahmad

Other Board Members Present: M. Church, R. Guilbault (Chair), Z. Kersteen-Tucker, A. Lloyd, K. Matsumoto, A. Tissier


Committee Chair Shirley Harris called the meeting to order at 2:06 p.m.

Approval of Minutes of Community Relations Committee Meeting of January 13, 2010
The committee approved the minutes (Lloyd/Deal).

Accessibility Update
Accessibility Coordinator Tina DuBost said the new policy to reduce late cancellations and improve operating efficiencies will be effective February 22.

Paratransit Coordinating Council (PCC) Update
No report.

Citizens Advisory Committee (CAC) Liaison Report
CAC Chair John Baker reported on the February meeting:
- The CAC received a presentation on Route 17 from Associate Bus Contracts Administrator Henry Silvas.
- CAC members held an extensive discussion on their role and how to be more involved with the Board.
- Kudos were given to the Planning Department for listening to CAC concerns. Staff reviewed and accepted CAC recommended route changes and will implement them in the April runbook.
- A couple of CAC members stated the electronic signs at Millbrae Intermodal Station are not working.

Committee Chair Harris said CAC recruitment opened February 8 and closes on March 5 at 5 p.m. for five openings: one bus rider, one community rider and three multimodal riders, Applications are on the SamTrans Web site.
Deputy CEO Chuck Harvey said staff is working on the signage at Millbrae Intermodal Station. A contract has been awarded for predictive arrival signage at this location.

**Performance Report – Shuttles**

Mr. Harvey provided the following information:

- There are 31 Caltrain shuttles operating out of 19 stations and eight shuttle routes linking to BART stations.
- Some of the shuttle partners are Genentech, Pacific Shores, Stanford University, Oracle, the Bay Area Air Quality Management District (BAAQMD), City/County Association of Governments (C/CAG), the Peninsula Congestion and Traffic Relief Alliance and the San Mateo County Transportation Authority (TA).
- The FY2010 shuttle program is approximately $5.9 million.
- SamTrans funds 15.2 percent of the BART shuttle program.
- The Joint Powers Board funds 36.7 percent of the Caltrain shuttle program.
- The TA funds 77.7 percent of the community shuttle program.
- Average weekday Caltrain shuttle ridership is more than 5,000. If these 5,000 riders did not take Caltrain it would result in a loss of more than $2 million in total annual net revenue. The average daily ridership reflects a reduction in 44 million vehicle miles traveled in the region in one year.
- The four community shuttles are Brisbane/Bayshore, East Palo Alto, Broadway/Millbrae and Belmont/Hillsdale.
- The contract with Parking Company of America, which operates 22 shuttles, expires in September.
- BAAQMD awarded SamTrans a one year grant in January for $1 million.
- The C/CAG grant fluctuates based on license plate fees and is down from $631,000 to $540,000.
- The shuttle program provides a vital link for patrons between Caltrain, BART, businesses and communities.

Committee Chair Harris asked if the shuttle ridership is down because of the number of shuttle partners or trips. Mr. Harvey said ridership is down because employment levels are down.

Director Zoe Kersteen-Tucker asked if there is an unfunded demand for shuttles. Mr. Harvey said there is an unmet demand for community shuttles and some additional demand response shuttles that feed into neighborhoods and out to trunk lines.

**Public Comment**

Jerry Grace, San Lorenzo, asked what is the average daily ridership on BART. Mr. Harvey said there are nine BART shuttle routes carrying about 2,200 people.

**Multimodal Ridership Report – December 2009**

Mr. Harvey said average weekday ridership for the month of December 2009 compared to December 2008 was as follows:

- Ridership for all modes was 83,525, a decrease of 8.8 percent.
• Bus ridership was 43,160, a decrease of 9.4 percent.
• Paratransit ridership was 1,013, a decrease of 6.6 percent.
• Caltrain ridership was 32,600, a decrease of 8.7 percent.
• Caltrain shuttle ridership was 5,171, a decrease of 5.4 percent.
• BART shuttle ridership was 1,581, a decrease of 4.6 percent.

Adjourned: 2:32 p.m.
TO: Community Relations Committee

THROUGH: Michael J. Scanlon  
General Manager/CEO

FROM: C. H. (Chuck) Harvey  
Deputy CEO

SUBJECT: ACCESSIBILITY REPORT

ACTION
This report is for information only. No policy action is required.

SIGNIFICANCE
Several groups advise SamTrans on accessible service issues. The Paratransit Coordinating Council (PCC) provides a forum for consumer input on paratransit issues. The Advocacy and Legislative Committee (AL-Com) is the advocacy arm of the PCC. The SamTrans Accessibility Advisory Committee (formerly the Americans with Disabilities Act Technical Advisory Committee or ATAC) is a SamTrans committee that advises on accessibility issues, particularly related to fixed-route service. Each group has requested that the Board be informed of the issues discussed at meetings.

The PCC meets monthly (except for August). The SamTrans Accessibility Advisory Committee (SAAC) meets every two months. The PCC Advocacy meetings are now being held on a quarterly basis.

The minutes from the January 5 AL-Com meeting and the January 12 PCC meeting are attached. The minutes from the most recent SAAC meeting are not yet available.

Prepared by: Tina Dubost, Accessibility Coordinator 650-508-6247
Project Manager: Bill Welch, Manager, Accessible Transit Services 650-508-6475
MEETING MINUTES

ATTENDANCE
Members Present: Dale Edwards, AL-Com Chair; Bill Welch, SamTrans; Dr. Aki Eejima, Consumer; Mike Levinson, Consumer; Dan Mensing, Consumer.

Guests: John Murphy, MV Transportation; Linda Rhine, PCC Consultant, Nelson\Nygaard; Tina Dubost, SamTrans; Elly Colwell, SamTrans; Rose Berta, PCC Staff.

(Total Attendance: 10)
Quorum: No

WELCOME/INTRODUCTION
Dale Edwards, AL-Com Chair, welcomed everyone to the January AL-Com meeting.

LEGISLATIVE UPDATE
Dale has no report for this year.

Mike shared that the Governor claims he is not raising taxes so there is a good chance of more cuts next fiscal year, given the large amount of the State budget deficit.

Bill stated there has been talk of a constitutional convention sometime in the future to get to the root of California’s funding problems. It would be structured to involve members of the public on a selection basis. This is in the early phases of development with more information to be provided at a future date.

LOCAL ADVOCACY ISSUES—OPEN DISCUSSION
Dale commented that he has been receiving wonderful service from Redi-Wheels and RediCoast. He complimented both Redi-Wheels and RediCoast and expressed his appreciation for the excellent quality provided by both services.

Aki said that he has observed that “hold times” have gone down when calling to request service. John confirmed that this is indeed the case as the hold time has been cut in half. John said they have added a third person on Sundays, and that hold time for reservations is less than one minute. He also mentioned that it might be valuable to keep a record of hold time when calling dispatch.

Aki asked John about pick-up and drop-off locations at San Francisco Airport. John explained that drivers are allowed to drop off at multiple locations; however, customers can only be picked up at one paratransit stop, located behind the SamTrans bus stop at the arrivals level of United Airlines terminal 3. This information will be included in the Winter PCC Newsletter.
Dan prompted a discussion on courtesy calls. Tina explained that the driver calls the dispatcher if the passenger is not at the designated pickup site. The dispatcher will attempt to place a call as a courtesy to notify the passenger before the driver leaves. The dispatcher will wait five minutes after the scheduled time. There is no courtesy call when they arrive. The passenger is expected to be ready and waiting for the vehicle. The point of the call is to alert dispatch if they have not seen the passenger. The dispatcher calls the passenger to avoid a “no show.” The rule is for the passenger to be at the curb when the vehicle is scheduled to arrive. John mentioned that Redi-Wheels would be pleased to receive a call stating that the passenger is waiting for the pick up, especially if it is difficult to locate the pick up site.

Aki asked about traveling to the coast from the bay side. John explained that RediCoast vehicles pick up passengers rather than Redi-Wheels vehicles for easier scheduling.

**COMPLAINT REVIEW COMMITTEE—OPEN DISCUSSION**

Dale shared that before MV became the operator, the Complaint Review Committee (CRC) had meetings every month. The meetings are now scheduled on a quarterly basis due to very few complaints.

Tina distributed the statistics for September to November 2009 period with comparisons to prior quarters. All statistics are taken from the customer reports via comment cards, 800 number, and Redi-Wheels/RediCoast emails. Complaints per 1,000 rides of 0.73 are better than the standard of 2.5; compliments remain high and are passed on to both the supervisors and employees. Tina encouraged members to continue submitting compliments. Complaints on late vehicles have increased from the last quarter; on-time performance was lower. There was only one missed trip, which is very positive; over 72,000 trips were provided for this quarter. “Late vehicles” are the largest category except for “customer error”. SamTrans has thoroughly reviewed and determined these are not valid and takes all comments seriously. Dale mentioned that when the customer provides information on date and approximate time, SamTrans can and does track down the driver. John shared that drivers receive additional training for passenger safety which includes practice on how to tie down wheelchairs.

There was a discussion about taxi service. John explained that taxis are used primarily for trips after 6:00 pm. John commented that he will look into the possibility of incorporating the Interactive Voice Response (IVR) system with the taxis GPS system, but it will be a challenge.

Dale mentioned that he has invited speakers to future AL-Com meetings who have traveled to New Zealand, Australia, and Africa to share their traveling experiences in these countries. We are fortunate to have our paratransit services in San Mateo County.

**OTHER BUSINESS**

The newly printed mini tri-fold brochure was distributed to PCC members.

Dale thanked everyone for their attendance and input.

**MEETING ADJOURNED: 2:15 PM**
ATTENDANCE
Members Present: Nancy Keegan, Vice Chair; Dale Edwards, AL-Com Chair; Bill Welch, SamTrans; Maureen Dunn, Senior Focus; Mike Levinson, Consumer; Dr. Aki Eejima, Consumer; Dr. Michal Settles, Coastside; May Nichols, COA; Myria Barnes-Jackson, DOR; Stephanie Hill, Consumer; Dan Mensing, Consumer; Sammi Riley, Consumer; Diane Griffith, Consumer.

Absentees: Kent Mickelson, PCC Chair; Barbara Kalt, Rosener House; Craig McCulloh, Aging & Adult Services; Ben McMullan, CID; Joe Monsor, Caregiver; Judy Garcia, Consumer; Paula Kathryn Petropoulos, Consumer.

Guests: John Murphy, MV Transportation; Linda Rhine, PCC Consultant, Nelson\Nygaard; Tina Dubost, SamTrans; Elly Colwell, SamTrans; Rose Berta, PCC Staff; Nancy Ng, Guest; Pearl Tseng, Guest.

(Total Attendance: 20) Quorum--Yes

WELCOME/INTRODUCTION
In Kent Mickelson’s absence, Nancy Keegan, Vice Chair, welcomed all to the January PCC meeting and wished everyone a happy new year.

APPROVAL OF OCTOBER PCC MINUTES
Nancy asked for a vote of approval for the December minutes. May moved the minutes be approved and Dale seconded the motion. The minutes were approved by all with Nancy and Myria abstaining because of their absence from the December meeting.

COMMITTEE REPORTS
A. AL-COM REPORT
Dale Edwards, Chair, reported that the AL-Com meeting on January 5 had a good turnout but no riders were present to offer comments. Dale shared that everything is going smoothly with the service. There was a discussion on the general advocacy and on finer points in the Rider’s Guide. The next AL-Com meeting is scheduled for April 6 with a guest speaker sharing his traveling experience in New Zealand and Australia. All are invited to attend.

B. GRANT/BUDGET REVIEW
Linda reported that there is still no decision on the 5310 applications.

EDUCATION COMMITTEE
Nancy announced that the next meeting is January 26 from 2:00-3:30 pm at SamTrans. Rose will send an email reminder with the location of the meeting. Dale said the Education Committee performs outreach at fairs. He attended the Daly City “Access” meeting and learned about a program called HART (Healthy Aging Response Team). There were 50 attendees representing
over 50 agencies. Dale distributed a handout on the highlights on HART. “The Healthy Aging Response Team (HART) Project is an innovative non-emergency, volunteer-based community initiative that promotes and supports the health and well being of underserved older adults and persons with disabilities in Daly City; it strengthens the safety net of community-based care and contributes to crisis prevention.” Nancy thanked Dale for representing the PCC and reporting on the meeting.

Nancy distributed the mini tri-fold brochure to be distributed directly to consumers. Its purpose is to give basic information about the PCC and the meeting dates.

Linda announced the winter newsletter is scheduled for publication at the end of January, and to send articles and photos to Rose or Linda by Friday, January 15th.

**D. EXECUTIVE COMMITTEE**

1. **EXE-Com**

Nancy reported no meeting this month. An application from Diane Griffith was approved for her membership and would like the full Board approval. **May nominated Diane’s membership for approval and Maureen seconded the motion.** All approved her membership. Diane commented that she appreciates the support and looks forward to sub-committees she can serve on. She is committed to promoting the PCC to everyone and is proud to be a member of the PCC. **Dale moved and May seconded for Joey, Diane’s Seeing Eye dog, to be an honorary member of the PCC.**

**SAM TRANS/REDI-WHEELS REPORT**

**A. Operational Report**

Bill reported and updated members on four items.

- **The SamTrans Redi-Wheels accident reported in the Daily News.** Bill read the article and gave an update on the status of the driver involved and the accident. There was no other information to report outside of the newspaper article except there is an on-going investigation.

- **Interactive Voice Response (IVR) update.** The procurement of the IVR system will call riders to let them know the vehicle will arrive in approximately ten minutes. The system also calls the night before and reminds the rider of their scheduled ride. The end of 2010 is the scheduled implementation date with the recommendation to go to the Board of Directors at their March meeting. The best vendor of the three interviewed has been recommended. All were competent. Bill thanked Mike Levinson for contributing his time and knowledge during the selection process.

- **Late Cancel Policy.** Bill gave a progress report and reviewed the schedule for implementing the revised Late Cancel Policy. A copy of a draft letter that will be sent to all Redi-Wheels and RediCoast members was distributed and read by Bill. The letter will be sent at the end of January. Mike commented that the letter should clarify that the suspension policy remains the same. May said she will review the letter with the people in her program that use Redi-Wheels service to get the word out earlier. Bill will take other suggestions and comments under consideration. The avenues for informing all customers of the change in policy include: Flyers on all vehicles; article in the PCC newsletter; instructing Redi-Wheels drivers about the change; letter to all current
customers of Redi-Wheels and RediCoast; stickers on Rider’s Guide; new phone message in February (first message, then random message); announcement to the SamTrans Accessibility Advisory Committee, the Customer Service Center, and the Eligibility office; inform all staff and dispatchers; making personal calls to frequent cancellers.

- **Mobility Ambassadors Program.** Mobility Ambassadors will be receiving their diplomas for their training. They will be introduced to the Board of Directors for recognition.

**B. Performance Summary**

Tina gave her report stating that the same day and late cancels are down in December 2009; total ridership is similar to November 2008. Average weekday ridership is down from November 2008. Complaints per 1,000 trips remain at a good level; on-time performance was down but productivity was up, serving more passengers per hour. Nancy noted that the 90% standard for on-time performance was not met. John said that the problem can be attributed to taxi trips, combined with the goal of increasing productivity. He is now trying to bring balance to productivity and on-time performance and meet the on-time performance standard in January 2010.

**C. Customer Comments**

Elly gave her report stating that overall comments have decreased in December. All categories have gone down; the average response time increased a bit but is still within the 7-day turnaround limit. Compliments have gone down as well as customer error. Complaints about driver performance have increased, but there is no particular pattern. Stephanie shared that drivers want to help passengers but customers sometimes are not receptive to the help. Elly clarified that totals in this report include both Redi-Wheels and RediCoast statistics.

**D. Safety Report**

John reported that RediCoast had one chargeable accident in December and Redi-Wheels had three minor accidents, with one being chargeable.

**LIAISON REPORTS**

**A. MTC REPORT**

There was no report from Marshall due to his absence to attend an MTC meeting. Nancy shared a notice to the group advertising that MTC is seeking policy advisors. May applied for one of the advisor positions.

**B. AGENCY**

No date has been scheduled for the next meeting on fares for agency trips. Nancy noted that they had carolers at the agencies. John shared a collage of photos from the wonderful event showing everyone having a good time. Nancy thanked Bill, John, Dale and others for their contributions and for spreading holiday cheer.

**C. COASTSIDE TRANSPORTATION COMMITTEE (CTC)**

Michal Settles discussed the agenda for their established quarterly meeting beginning January 13th of this year. Agenda items include the no show policy changes, the Interactive Voice Response (IVR) system, and the Big Wave organization project. Michal explained that the Big Wave project is a live/work facility for people with disabilities to live independently. The 19.4
acres on the coast is near a trailer park where environmental concerns are being reviewed by the San Mateo County Planning Commission.

Michal also shared the most recent newsletter article from Access Exchange International. It was mentioned that Tom Rickert may be a good guest speaker at a future PCC meeting.

D. EFFICIENCY REVIEW COMMITTEE (ERC)
Mike reported that the eligibility numbers look good. He explained that the Efficiency Review Committee (ERC) discussed the change in the Late Cancel Policy and the Interactive Voice Response (IVR) update. Nancy thanked Mike for giving of his time and working on the committee.

E. COMMISSION ON AGING (COA) REPORT
May announced that the agency is cutting down their involvement to five fairs a year due to the difficulty of staffing booths. The new Chair is Dennis O’ Sullivan with May as immediate Past Chair on the Executive Board.

COMMISSION ON DISABILITY (COD) REPORT
No report due to Pat Dixon’s absence.

OTHER BUSINESS
Aki asked about PCC membership and recruitment; there are currently 20 members. Nancy commented that the Education Committee can discuss recruitment at their meeting.

Dale asked about the Millbrae Fair on January 23rd, from 10:00 am to 2:00 pm at the Millbrae Senior Center. A notice will be sent out to all committee members.

Dale notes that we all express a speedy recovery for Kent who injured his back. MV, SamTrans, Dale Edwards, John Murphy and Bill Welch provided holiday cheer with caroling at four different agencies in December.

Nancy thanked everyone for their input.

MEETING ADJOURNED: 3:00 pm.
TO: Community Relations Committee

THROUGH: Michael J. Scanlon  
General Manager/CEO

FROM: C. H. (Chuck) Harvey  
Deputy CEO

SUBJECT: SAMTRANS PERFORMANCE REPORT – FIXED-ROUTE BUS SERVICE

ACTION
This report is for information only. No policy action is required.

SIGNIFICANCE
This presentation is part of this fiscal year’s series of detailed performance reports presented to the Board. Each of the District’s four transportation modes – SamTrans motor bus, ADA Paratransit, Caltrain and Shuttles – are featured individually each month. This month features a report on the SamTrans fixed-route bus service.

BUDGET IMPACT
There is no impact on the budget.

BACKGROUND
This is the second SamTrans motor bus report to be presented this fiscal year. Staff will report on ridership, on-time performance, token usage, and other developments.

This month’s presentation will be presented via PowerPoint. A handout will be provided at the meeting.

Prepared by: Donald G. Esse, Senior Operations Financial Analyst 650-508-6329
TO: Community Relations Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: C.H. (Chuck) Harvey
Deputy CEO

SUBJECT: MULTIMODAL RIDERSHIP REPORT—JANUARY 2010

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

SIGNIFICANCE
Table “A” summarizes the average weekday ridership (AWR) statistics for all modes of transportation for which SamTrans is responsible. Chart “A” compares AWR for Fiscal Year 2008, FY2009, FY2010; and year-to-date comparisons of FY2009 vs. FY2010.

Table “A” also provides the average weekday ridership of the BART SFO Extension as a separate line.

MONTHLY RIDERSHIP HIGHLIGHTS—JANUARY 2010 COMPARED TO JANUARY 2009

All Modes – AWR of 88,748, a decrease of 6.8 percent.

Bus – AWR of 43,700, a decrease of 10.8 percent. January 2010, is first full month of the December 20 service changes, including elimination of six express routes serving San Francisco and one local route and reduction in frequency of service on six routes.

Heavy rain impacts ridership. January 2010 was wet with 5.97 inches, 1.52 inches above normal. January 2009 had 0.69 inches of rain, 3.76 inches below normal.

Paratransit - AWR of 1,032, a decrease of 6.3 percent.

Caltrain - AWR of 35,580, a decrease of 5.2 percent.

Caltrain Shuttles - AWR of 6,551, an increase of 14.7 percent. Stanford Marguerite shuttles continue to experience reporting issues, as they transition back to manual counting and change management. All other shuttles rolled up into this category are down approximately 13 percent.

BART Shuttles - AWR of 1,885, a decrease of 0.6 percent.
**SamTrans Activities and Promotions:**

The SamTrans Marketing Department continues to implement a number of programs and activities to attract customers. The activities for the month included:

- **Coastside Bus Introduction** – The citizens of the San Mateo County coast celebrated the introduction of the new SamTrans buses for Route 17 with a festive ribbon cutting held at the New Leaf Shopping Center in Half Moon Bay. In addition to SamTrans, the event was co-sponsored by the City of Half Moon Bay, the Chamber of Commerce, the Cabrillo Unified School District, the Peninsula Traffic Congestion Relief Alliance, New Leaf Market and Peet’s Coffee. The new buses are quieter, more comfortable, release fewer emissions and best of all - carry more passengers than the current buses. This is important as Route 17 has experienced an increase in ridership. More than 100 people attended the event, which featured local dignitaries and entertainment by the Half Moon Bay marching band. The ribbon cutting was promoted with ads in the *Half Moon Bay Review*, a news release and notice in the *News to Note* section of the SamTrans Web site.

- **New Pass Outlets** - SamTrans expanded its network of pass sales outlets in January to 73 with the addition of two vendors. Donut Delite in San Mateo and El Rancho Super Market in Menlo Park joined the SamTrans sales force and will sell the full line of SamTrans Monthly passes. As the name suggests, Donut Delite sells a full complement of morning-time bakery goods and is located at 57 B South Street in San Mateo. Donut Delite is the seventh SamTrans sales outlet in San Mateo. The El Rancho Market is located at 812 Willow Road in Menlo Park, which is opposite the Veterans Affairs Palo Alto Health Care Systems’ Menlo Park Building, and is the fourth Menlo Park SamTrans pass sales location.

- **Fare Change** - To close the gap on the budget deficit, a fare increase is being implemented Feb. 1. The process to execute the fare increase involved a number of departments and an extensive public notice plan. The following elements were employed to get the word out about the increase: a news release, notice to schools and pass sales vendors, updating of the SamTrans Web site, insert to mail order customers, insert to customers requesting information, recorded information on the incoming phone message to the Customer Service Center, notice on the onboard digital message boards, and updated versions of the System Map, pocket timetables and *Rider Information Guide*.

Prepared by: James De Hart, Senior Planner  
Patrick Boland, Manager, Marketing

650-508-6227
650-508-6245
### Table A

#### Average Weekday Ridership

**January 2010**

<table>
<thead>
<tr>
<th>Mode</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010^</th>
<th>%Change</th>
</tr>
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<tbody>
<tr>
<td>Bus +</td>
<td>43,850</td>
<td>49,010</td>
<td>43,700</td>
<td>-10.8%</td>
</tr>
<tr>
<td>Paratransit</td>
<td>1,047</td>
<td>1,101</td>
<td>1,032</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Caltrain # +</td>
<td>34,700</td>
<td>37,520</td>
<td>35,580</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Caltrain Shuttle #</td>
<td>4,990</td>
<td>5,713</td>
<td>6,551</td>
<td>14.7%</td>
</tr>
<tr>
<td>BART Shuttle</td>
<td>2,077</td>
<td>1,896</td>
<td>1,885</td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>86,664</td>
<td>95,240</td>
<td>88,748</td>
<td>-6.8%</td>
</tr>
<tr>
<td>BART (Extension Only)*</td>
<td>30,973</td>
<td>34,495</td>
<td>33,160</td>
<td>-3.9%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>117,637</td>
<td>129,735</td>
<td>121,908</td>
<td>-6.0%</td>
</tr>
</tbody>
</table>

**Year to Date**

<table>
<thead>
<tr>
<th>Mode</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010^</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus +</td>
<td>47,620</td>
<td>50,960</td>
<td>47,300</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Paratransit</td>
<td>1,105</td>
<td>1,153</td>
<td>1,106</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Caltrain # +</td>
<td>36,760</td>
<td>41,350</td>
<td>37,700</td>
<td>-8.8%</td>
</tr>
<tr>
<td>Caltrain Shuttle #</td>
<td>5,079</td>
<td>6,232</td>
<td>5,649</td>
<td>-9.4%</td>
</tr>
<tr>
<td>BART Shuttle</td>
<td>1,977</td>
<td>2,071</td>
<td>1,904</td>
<td>-8.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>92,541</td>
<td>101,766</td>
<td>93,659</td>
<td>-8.0%</td>
</tr>
<tr>
<td>BART (Extension Only)*</td>
<td>33,219</td>
<td>38,485</td>
<td>36,065</td>
<td>-6.3%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>125,760</td>
<td>140,251</td>
<td>129,724</td>
<td>-7.5%</td>
</tr>
</tbody>
</table>

# System
* Extension Only (No Daly City)
+ Rounded to nearest tens
^ Service cuts/reduced (12/09)

### Chart A

Average Weekday Ridership
AGENDA
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE

San Mateo County Transit District Administrative Building
Bacciocco Auditorium - Second Floor
1250 San Carlos Ave., San Carlos, CA

TUESDAY, MARCH 9, 2010 – 2:20 p.m.,
or immediately following previous Committee meeting

ACTION
1. Approval of Minutes of Finance Committee Meeting of February 10, 2010
2. Approval of Revenues and Expenses for January 2010
3. Authorize Assignment of Contract to CSI Capital Management, Inc. to Provide Investment Management Services
4. Annual Adoption of Investment Policies and Authorization to Invest Monies with the Local Agency Investment Fund
5. Assessment of the Fiscal Year 2010 Fuel Hedge Program and Authorize Adoption of a Fuel Hedging Policy
6. Authorize the Disposal of 137 Surplus Gillig Buses
7. Authorize Filing an Application with Caltrans for a Community-Based Transportation Grant Application in the Amount of $300,000 for the Economic and Housing Opportunity Assessment for the Grand Boulevard Initiative
8. Authorize Receiving an Allocation of $196,867 of Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Funds Through the Lifeline Transportation Program for the Improvement of Bus Stops in Lifeline Areas Within San Mateo County
9. Authorize Entering into Memoranda of Understanding, File Applications and Pass Through Funds to Lifeline Transportation Project Sponsors in San Mateo County

CONTRACT
10. Authorize Award of Contract to GFI Genfare (GFI) to Provide Automatic Fare Collection System for a Total Cost of $7,654,475

Committee Members: Mark Church, Shirley Harris, Art Lloyd

NOTE:
• This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
• All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.
Committee Members Present: M. Church (Committee Chair), S. Harris, A. Lloyd

Other Board Members Present, Constituting Committee of the Whole: J. Deal, R. Guilbault, Z. Kersteen-Tucker, K. Matsumoto, A. Tissier

Other Board Members Absent, Constituting Committee of the Whole: O. Ahmad


Committee Chair Mark Church called the meeting to order at 2:32 p.m.

Approval of Minutes of Finance Committee Meeting of January 13, 2010
The committee approved the minutes (Tissier/Lloyd).

Approval of Revenues and Expenses for December 2009
Deputy CEO Gigi Harrington said sales tax revenues are under budget. The budget was lowered to $62 million for sales tax and that is a highly optimistic number. Staff will be analyzing the sales tax number and will come back with recommended changes. Ms. Harrington said while there looks like significant savings on the expense side, the budget was lowered in January to reflect the service adjustments and this will show up in next month’s report. Fuel was $1.98 per gallon last week. The fuel hedge was tripped in January and SamTrans will be receiving approximately $4,000 from the bank.

The committee (Deal/Matsumoto) unanimously recommended Board acceptance of the report.

Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2009
Bill Osher of Tamalpais Wealth Management said last year was a good year for the portfolio. There was a big increase in the price of corporate bonds, but a high quality portfolio provided the ability to outperform the market. He is concerned about the giant deficit creating tremendous demands on the bond market and the uncertainty of debt funding by foreign trading partners. He said he is going to be very safe with the portfolio by keeping maturities quite short.

The committee (Tissier/Lloyd) unanimously recommended Board acceptance of the report.

Authorize the Filing of Federal Transit Administration (FTA) Applications
No discussion on this item.
The committee (Tissier/Lloyd) unanimously recommended Board acceptance of the motion.

Director of Contracts and Procurement Cheryl Cavitt said staff is requesting approval of the five contracts.

1. **Authorize Award of Contract to Giro, Inc. for a Maintenance Contract to Continue Maintenance and Support Services for Hastus Software for a Not-to-Exceed Amount of $523,417**

2. **Authorize Award of Contract to Wilbur Smith Associates to Provide On-call Transportation Planning and Program Support for up to $4,000,000 Over a Three Year Period**

3. **Authorize Award of Contract to Gannett Fleming, Inc. for On-call Engineering Consulting Services for a Total Aggregate Amount of $1,750,000 for a Five Year Period**

4. **Authorize Rejection of the Lowest Monetary Bid from RL Controls as Non-responsive and Award of Contract to Kimball Midwest for Furnishing and Servicing Bolts, Nuts, Fasteners and Related Items for a Total Estimated Cost of $143,912**

5. **Authorize Rejection of the Lowest Monetary Bid from WWC Services as Non-responsive and Award of Contract to Universal Building Services and Supply Company for Bus Stop Cleaning Services for a Total Estimated Cost of $503,216**

Director Karyl Matsumoto said the Transportation Authority recently approved a $1.5 million contract for Wilbur Smith Associates for on-call transportation planning. She would like to have some examples of this work.

Executive Director Planning and Development Marian Lee said the Planning Department has been using engineering firms for planning work and staff is trying to use the right type of consultants to do planning work. Ms. Lee said the $4 million cap will mostly be used for the Comprehensive Operations Analysis Plan.

The committee (Tissier/Harris) unanimously recommended Board acceptance of the motion.

**Adjourned:** 2:41 p.m.
SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT

TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING JANUARY 31, 2010 AND SUPPLEMENTAL INFORMATION

ACTION
Staff proposes the Committee recommend that the Board accept and enter into the record the Statement of Revenues and Expenses for the month of January 2010 and supplemental information.

SIGNIFICANCE
Revenues: Total Revenues (page 1, line 12) are $2,079,675 or 2.7 percent worse than revised budget. Passenger Fares (page 1, line 1) are worse than budget by $661,204 or 6.3 percent. Measure A contribution and AB434 funds (page 1, line 5) are worse than budget by $365,974 or 6.6 percent and District ½ Cent Sales Tax (page 1, line 8) are worse than budget by $1,500,236 or 4.1 percent offset by Investment Interest (page 1, line 9) which is better than budget by $324,388 or 9.5 percent and Other Interest, Rent & Other Income (page 1, line 10) which is better than budget by $123,351 or 3.8 percent.

Expenses: Total Expenses (page 4, line 75) are $3,852,381 or 4.9 percent better than budget. Within Total Expenses, Total Motor Bus (page 3, line 48) is better than budget by $3,384,422 or 5.9 percent, Total ADA Programs (page 4, line 57) are better than budget by $418,526 or 5.2 percent and Total Multimodal (page 4, line 73) is better than budget by $49,433 or 0.4 percent.

Budget Amendments: The budget was amended at the January 13th board meeting to reflect the service changes approved in September.

Prepared by: Rima Lobo, Manager, Financial Services 650-508-6274
Jeannie Chen, Senior Accountant 650-508-6259
### SOURCES OF FUNDS

**Operating Revenues**

1. **Passenger Fares**
   - CURRENT ACTUAL: 1,231,875
   - PRIOR ACTUAL: 10,080,634
   - CURRENT ACTUAL: 9,807,546
   - REVISED BUDGET: 10,468,750
   - % REV BUDGET: 93.7
   - BUDGET: 18,375,000
   - BUDGET: 53.4

2. **TDA and STA Funds**
   - CURRENT ACTUAL: 2,578,464
   - PRIOR ACTUAL: 21,123,062
   - CURRENT ACTUAL: 17,566,416
   - REVISED BUDGET: 17,566,416
   - % REV BUDGET: 100.0
   - BUDGET: 30,458,724
   - BUDGET: 57.7

3. **STA Pass through to Other Agencies**
   - CURRENT ACTUAL: 8,111
   - PRIOR ACTUAL: 102,284
   - CURRENT ACTUAL: 56,778
   - REVISED BUDGET: 56,778
   - % REV BUDGET: 100.0
   - BUDGET: 1,864,661
   - BUDGET: 3.0

4. **Operating Grants**
   - CURRENT ACTUAL: 37,229
   - PRIOR ACTUAL: 937,533
   - CURRENT ACTUAL: 318,598
   - REVISED BUDGET: 318,598
   - % REV BUDGET: 100.0
   - BUDGET: 4,429,071
   - BUDGET: 7.2

5. **Measure A Contribution and AB434 Funds**
   - CURRENT ACTUAL: 787,667
   - PRIOR ACTUAL: 1,577,840
   - CURRENT ACTUAL: 5,216,737
   - REVISED BUDGET: 5,582,711
   - % REV BUDGET: 93.4
   - BUDGET: 9,167,724
   - BUDGET: 56.9

**Subtotal - Operating Revenues**
- CURRENT ACTUAL: 4,643,346
- PRIOR ACTUAL: 33,821,353
- CURRENT ACTUAL: 32,966,075
- REVISED BUDGET: 33,993,253
- % REV BUDGET: 97.0
- BUDGET: 64,295,180
- BUDGET: 51.3

**Other Revenue Sources**

6. **District 1/2 Cent Sales Tax**
   - CURRENT ACTUAL: 5,026,836
   - PRIOR ACTUAL: 38,797,965
   - CURRENT ACTUAL: 36,458,667
   - REVISED BUDGET: 95.9
   - % REV BUDGET: 95.9
   - BUDGET: 62,216,300
   - BUDGET: 56.2

7. **Investment Interest**
   - CURRENT ACTUAL: 475,771
   - PRIOR ACTUAL: 3,435,304
   - CURRENT ACTUAL: 3,423,404
   - REVISED BUDGET: 103.5
   - % REV BUDGET: 109.5
   - BUDGET: 5,917,820
   - BUDGET: 63.3

8. **Other Interest, Rent & Other Income**
   - CURRENT ACTUAL: 597,762
   - PRIOR ACTUAL: 3,345,035
   - CURRENT ACTUAL: 3,243,583
   - REVISED BUDGET: 103.8
   - % REV BUDGET: 103.8
   - BUDGET: 5,832,029
   - BUDGET: 57.7

**Subtotal - Other Revenues**
- CURRENT ACTUAL: 6,100,369
- PRIOR ACTUAL: 45,578,304
- CURRENT ACTUAL: 43,125,654
- REVISED BUDGET: 97.6
- % REV BUDGET: 97.6
- BUDGET: 73,966,149
- BUDGET: 56.9

**Total Revenues - All Sources**
- CURRENT ACTUAL: 10,743,715
- PRIOR ACTUAL: 79,399,657
- CURRENT ACTUAL: 77,118,907
- REVISED BUDGET: 98.1
- % REV BUDGET: 98.1
- BUDGET: 152,806,842
- BUDGET: 54.3

### USES OF FUNDS

**Operations**

9. **District Motor Bus**
   - CURRENT ACTUAL: 7,313,072
   - PRIOR ACTUAL: 55,512,206
   - CURRENT ACTUAL: 53,986,081
   - REVISED BUDGET: 94.1
   - % REV BUDGET: 94.1
   - BUDGET: 97,648,125
   - BUDGET: 55.3

10. **A. D. A. Programs**
    - CURRENT ACTUAL: 1,032,171
    - PRIOR ACTUAL: 7,912,789
    - CURRENT ACTUAL: 7,604,935
    - REVISED BUDGET: 94.8
    - % REV BUDGET: 94.8
    - BUDGET: 13,675,342
    - BUDGET: 55.6

11. **Caltrain**
    - CURRENT ACTUAL: 1,239,703
    - PRIOR ACTUAL: 10,322,775
    - CURRENT ACTUAL: 10,322,775
    - REVISED BUDGET: 100.0
    - % REV BUDGET: 100.0
    - BUDGET: 16,521,290
    - BUDGET: 62.5

12. **Other Multimodal Programs**
    - CURRENT ACTUAL: 476,010
    - PRIOR ACTUAL: 2,205,577
    - CURRENT ACTUAL: 2,396,136
    - REVISED BUDGET: 98.0
    - % REV BUDGET: 98.0
    - BUDGET: 4,564,205
    - BUDGET: 52.5

**Subtotal - Operating Costs**
- CURRENT ACTUAL: 10,060,956
- PRIOR ACTUAL: 75,953,347
- CURRENT ACTUAL: 74,309,927
- REVISED BUDGET: 95.1
- % REV BUDGET: 95.1
- BUDGET: 132,408,962
- BUDGET: 56.1

**Other Uses of Funds**

13. **STA Pass through to Other Agencies**
    - CURRENT ACTUAL: 8,111
    - PRIOR ACTUAL: 102,284
    - CURRENT ACTUAL: 56,778
    - REVISED BUDGET: 56,778
    - % REV BUDGET: 100.0
    - BUDGET: 1,864,661
    - BUDGET: 3.0

14. **Transfer Out to Debt Service**
    - CURRENT ACTUAL: 2,037,529
    - PRIOR ACTUAL: 13,818,037
    - CURRENT ACTUAL: 14,262,703
    - REVISED BUDGET: 100.0
    - % REV BUDGET: 100.0
    - BUDGET: 24,450,342
    - BUDGET: 58.3

15. **Fiscal Agent Fees**
    - CURRENT ACTUAL: 0
    - PRIOR ACTUAL: 55,229
    - CURRENT ACTUAL: 6,625
    - REVISED BUDGET: 38.9
    - % REV BUDGET: 38.9
    - BUDGET: 27,500
    - BUDGET: 24.1

**Subtotal - Other Uses**
- CURRENT ACTUAL: 2,045,640
- PRIOR ACTUAL: 13,975,550
- CURRENT ACTUAL: 14,336,531
- REVISED BUDGET: 99.9
- % REV BUDGET: 99.9
- BUDGET: 26,342,503
- BUDGET: 54.4

**Capital Programs**
- CURRENT ACTUAL: 11,168,331
- PRIOR ACTUAL: 4,531,863
- CURRENT ACTUAL: 31,218,227
- REVISED BUDGET: 100.0
- % REV BUDGET: 100.0
- BUDGET: 18,731,316
- BUDGET: 33.4

**Total Uses of Funds**
- CURRENT ACTUAL: 23,275,427
- PRIOR ACTUAL: 94,460,760
- CURRENT ACTUAL: 119,854,259
- REVISED BUDGET: 96.9
- % REV BUDGET: 96.9
- BUDGET: 252,288,293
- BUDGET: 47.5

**SURPLUS/(DEFICIT) FOR PERIOD**
- CURRENT ACTUAL: (1,546,918)
- PRIOR ACTUAL: (11,246,193)
- CURRENT ACTUAL: (14,282,860)
- REVISED BUDGET: (16,065,992)
- % REV BUDGET: 88.9
- BUDGET: (24,675,939)
- BUDGET: 57.9

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**Note A** - The Revised Budget includes the year end rollover of existing capital projects.
## Statement of Revenues and Expenses

**SAN MATEO COUNTY TRANSIT DISTRICT**

**STATEMENT OF REVENUES**

**FISCAL YEAR 2010**

**JANUARY 2010**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>CURRENT</th>
<th>PRIOR</th>
<th>REVISED</th>
<th>% REV</th>
<th>APPROVED</th>
<th>REVISED</th>
<th>% REV</th>
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<td>OPERATING REVENUES - MOTOR BUS</td>
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<td>TOTAL MOTOR BUS FARES</td>
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<td>General Operating Asst.</td>
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<td>Overnight Deposits Interest Income</td>
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<td>419,417</td>
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<td>Sales Tax - Caltrain</td>
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<td>7,494,808</td>
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<td>642,287</td>
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<td>Employer Share SM/Caltrain Shuttles</td>
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<td>209,632</td>
<td>222,490</td>
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<td>103.9</td>
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% OF YEAR ELAPSED provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% REV BUDGET" column, please note that individual line items reflect variations due to seasonal activities during the year.
## SAN MATEO COUNTY TRANSIT DISTRICT
### OPERATING EXPENSES
#### FISCAL YEAR 2010
##### JANUARY 2010

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<tr>
<th>MONTH</th>
<th>YEAR-TO-DATE</th>
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<th>PRIOR CURRENT ACTUAL</th>
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<td></td>
<td></td>
<td>54.9</td>
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</table>

### CONTRACTED BUS SERVICES
#### 1,327,620
| TOTAL CONTRACTED BUS SERVICE | 9,693,515 | 9,592,086 | 9,780,999 | 98.1 | 16,763,217 | 16,763,217 | 57.2 |
| TOTAL MOTOR BUS | 7,313,076 | 55,512,206 | 53,986,081 | 57,370,503 | 94.1 | 97,648,125 | 97,648,125 | 55.3 |

% OF YEAR ELAPSED provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the “% REV BUDGET” column, please note that individual line items reflect variations due to seasonal activities during the year.
### SAN MATEO COUNTY TRANSIT DISTRICT
### OPERATING EXPENSES
### FISCAL YEAR 2010
### JANUARY 2010

**% OF YEAR ELAPSED:** 58.3%

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<td><strong>ACTUAL</strong></td>
<td><strong>ACTUAL</strong></td>
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<td>53</td>
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<tr>
<td>56</td>
<td>TOTAL ADA PROGRAMS</td>
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<tr>
<td>57</td>
<td>CALTRAIN SERVICE</td>
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<td>Peninsula Rail Service</td>
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<td>59</td>
<td>Total Caltrain Service</td>
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<td>Dumbarton Express Service</td>
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<td>63</td>
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<td>64</td>
<td>Maintenance Multimodal Facilities</td>
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<td>Total Other Support</td>
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<td>66</td>
<td>TOTAL MULTI-MODAL PROGRAMS</td>
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<td>67</td>
<td>TOTAL EXPENSES</td>
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% OF YEAR ELAPSED provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% REV BUDGET" column, please note that individual line items reflect variations due to seasonal activities during the year.
SAN MATEO COUNTY TRANSIT DISTRICT

ADA PROGRAM MONTHLY EXPENSES - BUDGET VS ACTUAL
FISCAL YEAR 2010

MONTLY EXPENSES

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<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
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<tbody>
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<td>1,172,596</td>
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<td>1,102,328</td>
<td>1,114,317</td>
<td>1,163,566</td>
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Variance - FU

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<tr>
<td>Aug</td>
<td>147,933</td>
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<tr>
<td>Sept</td>
<td>206,212</td>
<td>5.85%</td>
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<tr>
<td>Oct</td>
<td>231,403</td>
<td>4.91%</td>
</tr>
<tr>
<td>Nov</td>
<td>336,113</td>
<td>5.70%</td>
</tr>
<tr>
<td>Dec</td>
<td>501,880</td>
<td>7.09%</td>
</tr>
<tr>
<td>Jan</td>
<td>418,526</td>
<td>5.22%</td>
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<tr>
<td>Feb</td>
<td>501,880</td>
<td>7.09%</td>
</tr>
<tr>
<td>Mar</td>
<td>418,526</td>
<td>5.22%</td>
</tr>
<tr>
<td>Apr</td>
<td>501,880</td>
<td>7.09%</td>
</tr>
<tr>
<td>May</td>
<td>418,526</td>
<td>5.22%</td>
</tr>
<tr>
<td>June</td>
<td>501,880</td>
<td>7.09%</td>
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CUMULATIVE EXPENSES

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<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
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Variance - FU

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<td>6.57%</td>
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<tr>
<td>Aug</td>
<td>147,933</td>
<td>6.28%</td>
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<td>Sept</td>
<td>206,212</td>
<td>5.85%</td>
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<td>4.91%</td>
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<td>336,113</td>
<td>5.70%</td>
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<tr>
<td>Dec</td>
<td>501,880</td>
<td>7.09%</td>
</tr>
<tr>
<td>Jan</td>
<td>418,526</td>
<td>5.22%</td>
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<td>418,526</td>
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<td>7.09%</td>
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<tr>
<td>May</td>
<td>418,526</td>
<td>5.22%</td>
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<tr>
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<td>7.09%</td>
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SAN MATEO COUNTY TRANSIT DISTRICT
MULTIMODAL MONTHLY EXPENSES - BUDGET VS ACTUAL
FISCAL YEAR 2010

MONTHLY EXPENSES

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<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
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CUMULATIVE EXPENSES

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<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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<td>0.17%</td>
<td>0.31%</td>
<td>-1.27%</td>
<td>-0.95%</td>
<td>-0.74%</td>
<td>0.39%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## SAN MATEO COUNTY TRANSIT DISTRICT
### SUMMARY OF BUDGET ACTIVITY FOR JANUARY 2010

#### BUDGET AMENDMENT

<table>
<thead>
<tr>
<th>Amount</th>
<th>Line Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td><strong>SOURCES OF FUNDS</strong></td>
<td></td>
</tr>
<tr>
<td>$ (600,000)</td>
<td>Passenger Fares</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 482,825</td>
<td>Local TDA and STA Funds</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 1,767,327</td>
<td>Pass thru to Other Agencies</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (330,000)</td>
<td>Measure A &amp; AB434 Funds</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (4,297,984)</td>
<td>Reserves</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 726,380</td>
<td>Other Interest, Rent &amp; Other Income</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (2,251,452)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ (600,000)</td>
<td><strong>USES OF FUNDS</strong></td>
<td></td>
</tr>
<tr>
<td>$ 271,510</td>
<td>STA Gen Operating Assistance</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (258,545)</td>
<td>Operating Grants</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (3,941,399)</td>
<td>1/2 Cent Sales Tax - General Operating Assistance</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (6,900)</td>
<td>Accessibility Fixed Route</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 100,000</td>
<td>Advertising Income</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (2,251,452)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 211,315</td>
<td><strong>AMERICAN DISABILITIES ACT:</strong></td>
<td></td>
</tr>
<tr>
<td>$ (575,015)</td>
<td>Local STA - Paratransit</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (2,870)</td>
<td>Sales Tax - District ADA Programs</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (100,000)</td>
<td>Sales Tax - Paratransit Supp. Coastside</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (466,570)</td>
<td>Measure A Contribution - R/W</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 200,000</td>
<td><strong>MULTI-MODAL TRANSIT PROGRAMS:</strong></td>
<td></td>
</tr>
<tr>
<td>$ (200,000)</td>
<td>Transfer from TA for Caltrain</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 260,980</td>
<td>Employer Share SM/Caltrain Shuttles</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (30,000)</td>
<td>AB434 Funds - Samtrans Shuttle</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 365,400</td>
<td>Employer Share - Samtrans Shuttle</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 28,320</td>
<td>Sales Tax - Samtrans Shuttle Program</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 258,545</td>
<td>Operating Grants</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (120)</td>
<td>Sales Tax - General Operating Assistance</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 883,125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 4,018,779</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Revenues**
### BUDGET AMENDMENT

<table>
<thead>
<tr>
<th>Amount</th>
<th>Line Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (2,458,761)</td>
<td>Wages &amp; Benefits</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 150,000</td>
<td>Contracted Vehicle Maintenance</td>
<td></td>
</tr>
<tr>
<td>$ (124,153)</td>
<td>Professional Services</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ 45,000</td>
<td>Technical Services</td>
<td></td>
</tr>
<tr>
<td>$ (1,544,350)</td>
<td>Fuel &amp; Lubricants</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (34,905)</td>
<td>Bus Parts &amp; Materials</td>
<td></td>
</tr>
<tr>
<td>$ (21,500)</td>
<td>Uniform &amp; Driver Expense</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (48,995)</td>
<td>Fixed Route Accessibility</td>
<td></td>
</tr>
<tr>
<td>$ (124,153)</td>
<td>Professional Services</td>
<td>Board Resolution No. 2010-3 Authorizing to decrease the FY2010 Operating Budget.</td>
</tr>
<tr>
<td>$ (3,500)</td>
<td>Leases &amp; Rental</td>
<td></td>
</tr>
<tr>
<td>$ (4,018,779)</td>
<td>Total Expenses</td>
<td></td>
</tr>
</tbody>
</table>

**SAN MATEO COUNTY TRANSIT DISTRICT**

**SUMMARY OF BUDGET ACTIVITY FOR JANUARY 2010**
<table>
<thead>
<tr>
<th>Approved Budget</th>
<th>Over/(Under) Budget/Projection</th>
<th>Current Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Amount</td>
<td>Date</td>
</tr>
<tr>
<td>FY2009:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Quarter</td>
<td>16,383,000</td>
<td>1st Quarter</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>17,387,000</td>
<td>2nd Quarter</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>15,217,000</td>
<td>3rd Quarter</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>16,383,000</td>
<td>4th Quarter</td>
</tr>
<tr>
<td>FY2009 Total</td>
<td>65,370,000</td>
<td>FY2009 Total</td>
</tr>
<tr>
<td>FY2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul. 09</td>
<td>4,260,000</td>
<td>Sep. 09</td>
</tr>
<tr>
<td>Aug. 09</td>
<td>4,260,000</td>
<td>Oct. 09</td>
</tr>
<tr>
<td>Sep. 09</td>
<td>5,721,000</td>
<td>Nov. 09</td>
</tr>
<tr>
<td>1st Qtr. Adjustment</td>
<td>1,314,000</td>
<td>Dec. 09</td>
</tr>
<tr>
<td>3 Months Total</td>
<td>15,555,000</td>
<td></td>
</tr>
<tr>
<td>Oct. 09</td>
<td>4,560,000</td>
<td>Dec. 09</td>
</tr>
<tr>
<td>Nov. 09</td>
<td>4,560,000</td>
<td>Jan. 10</td>
</tr>
<tr>
<td>Dec. 09</td>
<td>5,967,000</td>
<td>Feb. 10</td>
</tr>
<tr>
<td>2nd Qtr. Adjustment</td>
<td>1,405,000</td>
<td>Mar. 10</td>
</tr>
<tr>
<td>6 Months Total</td>
<td>32,047,000</td>
<td></td>
</tr>
<tr>
<td>Jan. 10</td>
<td>3,970,000</td>
<td>Mar. 10</td>
</tr>
<tr>
<td>Feb. 10</td>
<td>3,970,000</td>
<td>Apr. 10</td>
</tr>
<tr>
<td>Mar. 10</td>
<td>5,207,000</td>
<td>May 10</td>
</tr>
<tr>
<td>3rd Qtr. Adjustment</td>
<td>1,325,000</td>
<td>Jun. 10</td>
</tr>
<tr>
<td>9 Months Total</td>
<td>46,519,000</td>
<td></td>
</tr>
<tr>
<td>Apr. 10</td>
<td>4,297,000</td>
<td>Jun. 10</td>
</tr>
<tr>
<td>May 10</td>
<td>4,297,000</td>
<td>Jul. 10</td>
</tr>
<tr>
<td>Jun. 10</td>
<td>5,650,000</td>
<td>Aug. 10</td>
</tr>
<tr>
<td>4th Qtr. Adjustment</td>
<td>1,453,300</td>
<td>Sep. 10</td>
</tr>
<tr>
<td>FY2010 Total</td>
<td>62,216,300</td>
<td>FY2010 Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14,554,695 1st Quarter
15,692,022 2nd Quarter
4,711,714 3rd Quarter
4th Quarter

34,958,431 YTD Actual Per Statement of Revenues & Expenses (1) Accrued
FINANCE ITEM # 3
MARCH 9, 2010

SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT

TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: ASSIGNMENT OF CONTRACT FOR PROVIDING INVESTMENT MANAGEMENT SERVICES

ACTION
Staff recommends that the Committee approve the assignment of the remainder of the current investment management services agreement (Agreement) between the San Mateo County Transit District (District) and Tamalpais Wealth Advisors (TWA) from TWA to CSI Capital Management, Inc. (CSI) on the same terms and conditions contained in the Agreement.

SIGNIFICANCE
Approval of the above action will provide the District with uninterrupted investment management services in accordance with the Agreement; with William Osher as the primary representative for the District and the same transparent reporting requirements including a quarterly written report and an oral economic forecast presentation by Mr. Osher.

BUDGET IMPACT
The current operating budget includes the cost for this service.

BACKGROUND
Mr. Osher has provided investment management services to the District since 1987, originally through Harris Bretall Sullivan & Smith, L.L.C. and currently through TWA. There are approximately one and one half years remaining on the current Agreement. The District’s portfolio is held in the Bank of New York, as the custodial bank, on behalf of the District. The District’s funds are not held by TWA as they are solely a financial advisory firm and not an investment house.

A sister company to TWA, Tamalpais Bank, has recently experienced liquidity issues, which led Mr. Osher to seek out a new parent company to provide better resources and support for his institutional clients. Consequently, TWA has entered into an agreement with CSI, a San Francisco-based wealth management firm established in 1978. CSI is an employee-owned, SEC-registered investment advisory firm with approximately $1.5 billion dollars under management,
when combined with TWA. The agreement brings the entire TWA team under the CSI name providing the desired resources and support for institutional clients.

To ensure that the District continues to receive uninterrupted professional investment portfolio management services, TWA has requested the assignment of the remaining term of the Agreement to CSI. CSI has agreed to continue providing all investment management services under the terms of the Agreement and has furnished the District with information demonstrating its qualifications to assume such investment management services. Mr. Osher, as Director Fixed Income Investments/Chief Economist for CSI, will continue to be responsible for the daily management of the District’s portfolio as well as the preparation of monthly reports and a quarterly economic forecast presentation to the Board.

The District will issue a Request for Proposals for future investment advisory services toward the end of the Agreement.

Prepared By: Lori Snow, Manager, Finance Treasury 650-508-6425
RESOLUTION NO. 2010 –
BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

* * *

CONSENTING TO ASSIGNMENT OF
INVESTMENT MANAGEMENT SERVICES AGREEMENT BY
TAMALPAIS WEALTH ADVISORS TO
CSI CAPITAL MANAGEMENT, INC.

WHEREAS, by Resolution No. 2008-34 enacted on August 13, 2008 the San Mateo County Transit District (District) authorized the amendment and extension of an Investment Management Services Agreement (Agreement) with Tamalpais Wealth Advisors (TWA), for a base three-year term, with two one-year options, with the understanding that William Osher would serve as the primary representative to undertake, render and oversee all contractual services; and

WHEREAS, a sister company to TWA, Tamalpais Bank, has recently experienced liquidity issues, which has led Mr. Osher to seek out a new parent company in order to provide better resources and support for his institutional clients; and

WHEREAS, TWA recently entered into an agreement with CSI Capital Management, Inc. (CSI), a San Francisco-based, employee-owned, SEC-registered wealth management firm established in 1978 that, when combined with TWA, will have approximately $1.5 billion dollars under its management and is able to provide the desired resources and support for TWA’s institutional clients; and

WHEREAS, the Agreement permits the assignment of TWA’s rights and the transfer of its obligations under the Agreement to another firm upon the prior written consent of the District; and
WHEREAS, CSI has agreed to continue providing all investment management services under the terms of the Agreement and has furnished the JPB with information demonstrating its qualifications to assume such investment management services; and

WHEREAS, staff recommends that the Board of Directors consent to the assignment of the remainder of the term of the Investment Management Services Agreement from Tamalpais Wealth Advisors to CSI Capital Management, Inc.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transit District hereby consents to the assignment of the remainder of the term of the Investment Management Services Agreement from Tamalpais Wealth Advisors to CSI Capital Management, Inc. on the same terms and conditions contained in the Agreement; and

BE IT FURTHER RESOLVED that the General Manager/CEO is authorized to execute appropriate documents as approved by General Counsel to give effect to this assignment.

Passed and adopted this 9th day of March, 2010, by the following vote:

AYES:

NOES:

ABSENT:

____________________________________
Chair, San Mateo County Transit District

ATTEST:

____________________________________
District Secretary
TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: ANNUAL ADOPTION OF INVESTMENT POLICIES AND AUTHORIZATION TO INVEST MONIES WITH THE LOCAL AGENCY INVESTMENT FUND

ACTION
Staff proposes that the Committee recommend Board adoption of the attached resolutions reaffirming the Statement of Investment Policies for the investment of San Mateo County Transit District (District) funds, including the Paratransit Trust Fund, and the delegations of authority as stated therein, and reauthorizing the investment of District monies in the Local Agency Investment Fund (LAIF).

SIGNIFICANCE
The District’s General Manager/CEO or his designee serves as the District’s trustee for purposes of placing investments pursuant to the Statement of Investment Policies (Investment Policies). The Board of Directors, in accordance with California Government Code Section 53646(a), may review the Investment Policies and also reauthorize the included delegations of authority on an annual basis at a public meeting.

Staff, in conjunction with Legal Counsel, has reviewed the attached Investment Policies. There are no changes recommended this year.

BUDGET IMPACT
Adoption of the Investment Policy will have no impact on the District’s capital or operating budgets.

BACKGROUND
The District originally adopted its Investment Policy in October 1985 and has, from time to time, revised/amended this policy, most recently in March 2009, when it adopted an additional Statement of Investment Policy for the investment of the Paratransit Trust funds which were transferred to the District for management from the Transportation Authority after the expiration of the original Measure A. The Investment Policies were adopted and amended in accordance with sound treasury management and in compliance with the provisions of California
Government Code Section 53600 et seq. The Investment Policies provide guidelines for the prudent investment and cash management of the District’s funds and Paratransit Trust funds. The policies’ primary objective with respect to invested funds is to safeguard the principal of the funds; the second objective is to meet the liquidity needs of the District; and the third objective is to achieve a return on invested funds.

The Board of Directors, in compliance with LAIF requirements, must adopt a separate resolution authorizing monies to be invested in LAIF.

Prepared By: Lori Snow, Treasury Manager 650-508-6425
RESOLUTION NO. 2010 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

***

REAFFIRMING THE STATEMENT OF INVESTMENT POLICIES FOR THE SAN MATEO COUNTY TRANSIT DISTRICT AND THE PARATRANSIT TRUST FUND

WHEREAS, in accordance with applicable State law, the San Mateo County Transit District (District) is required to adopt an investment policy; and

WHEREAS, in October 1985, pursuant to Resolution No. 1985-67, the District adopted a Statement of Investment Policy, most recently amended in March 2009; and

WHEREAS, in March 2009, pursuant to Resolution No. 2009-11, the District adopted for inclusion in the District’s Statement of Investment Policy, a Statement of Investment Policy for the investment of the Paratransit Trust Fund; and

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

WHEREAS, the General Manager/CEO has presented the Statement of Investment Policies for the investment of District funds and the Paratransit Trust Fund to the Board of Directors for approval; and

WHEREAS, staff recommends the affirmation of the aforementioned Statement of Investment Policies for the investment of District funds and the Paratransit Trust Fund and the appointment of the General Manager/CEO (or his designee) as trustee for purposes of placing investments pursuant to the aforementioned policy.
NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the San Mateo County Transit District approves, reaffirms and adopts the Statement of Investment Policies attached hereto as EXHIBITS A and B, incorporated by this reference, and hereby appoints its General Manager/CEO (or his designee) as the trustee for purposes of placing investments pursuant to said policies.

Regularly passed and adopted this 9th day of March 2010 by the following vote:

AYES:

NOES:

ABSENT:

________________________________
Chair, San Mateo County Transit District

ATTEST:

_______________________
District Secretary
SAN MATEO COUNTY TRANSIT DISTRICT

STATEMENT OF INVESTMENT POLICY

PURPOSE

This Statement of Investment Policy (Investment Policy) provides guidelines for the prudent investment and cash management of the San Mateo County Transit District's (District) funds.

OBJECTIVE

The District's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible.

Idle funds of the District shall be invested in accordance with sound treasury management and in accordance with the provisions of California Government Code Section 53600 et seq. and this Policy.

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

The District's primary objective with respect to its invested funds is to safeguard the principal of the funds; the second objective is to meet the liquidity needs of the District; and the third objective is to achieve a return on its invested funds. In evaluating the market rate of return, the specific goal is to out perform the following composite benchmark:

- 40 percent Merrill Lynch 1 - 3 year Treasury Index
- 10 percent Merrill Lynch 1 - 3 year High Grade Corporate Bond Index
- 40 percent Merrill Lynch 3 - 5 year Treasury Index
- 10 percent Merrill Lynch 3 - 5 year High Grade Corporate Bond Index
POLICY

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

The General Manager/ CEO or his designee of the District shall serve as the District's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis. The Investment Policy may be reviewed annually by the District's Board of Directors at a public meeting. (California Government Code Section 53646(a)).

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:

   a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The District shall operate only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, Diversification, Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund, are deemed to constitute safe investments within the meaning of this Investment Policy.

   b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term and fixed income securities maturing in less than one year are considered short-term cash equivalents. All funds available for investment shall be directed to the managers of the District's investment portfolio.

   c. **Return on Investment.** The District's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio’s benchmark as described in the section entitled “Objective” (see above). This benchmark takes into
takes into account the District's investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification.** The District will limit its investments to the safest types of securities which include those backed by the U.S. Government or its agencies, those which have federal insurance on principal by the Federal Deposit Insurance Corporation (FDIC), or those having collateral backing of the invested principal as defined by this Investment Policy and/or the California Codes, and medium term notes as defined by *California Government Code Section 53601(j)*. Only first mortgages or government securities may be used for collateral on District deposits.

Collateral is defined in this Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A-1/P-1/F-1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody’s Investor Service and Standard & Poor’s.

The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6, 7 and 8.

3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements, will be executed on a Delivery versus Pay Basis (DVP). The assets of the District shall be held in safekeeping by the District’s safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitutions will not be acceptable.

4. **Maturity of Investments.** The remaining maturity of a callable security shall be determined by its actual final stated maturity. The maturity of asset backed securities shall be considered the estimated maturity date of the tranche. Investments may be made in securities exceeding 5 years but with a remaining life of no more than 11 years, no more than 25 percent of the portfolio shall be invested in securities with a remaining life of 5 to 11 years, and the weighted average maturity of the portfolio shall not exceed 5 years. The policy of maintaining a maximum dollar weighted maturity of 5 years leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve...
differences to maximize the return on investment as well as coinciding with the expected use of the funds. The imposed maximum dollar weighted 5 year average maturity also limits the market risk to levels comparable to an intermediate income fund.

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

The District's funds may also be invested in the instruments set forth below and in Sections 6, 7 and 8 of this Investment Policy:

a. **Time Deposits with Banks**. The District may invest in time deposits. In so doing, the following rules will be followed subject to the applicable statutory requirements:

(1) No more than 5 percent of the total portfolio will be placed in any one financial institution.

(2) The issuing bank must carry a short term rating of at least A-1/P-1/F-I whose long-term rating is A or better by two of the three nationally recognized rating services (Standard & Poor’s, Moody’s Investor Service and Fitch’s Ratings).

(3) Prior to placing each deposit, the General Manager/CEO or his designee will survey the market in order to determine which stable financial institution offers the highest rate of interest.

b. **U.S. Treasury Obligations**. The investment of District funds in U.S. Treasury obligations may be undertaken in lieu of time deposits. Guaranteed by the U.S. Government, treasury obligations are considered one of the safest instruments, but the yield generally is lower than that of time deposits.

6. **Allowable Investment Instruments**. The District may also invest in any investment instrument as authorized by the California Government Code, as it may be amended from time to time, and subject to any conditions set forth in the California Government Code. These investment instruments may include:
a. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States Government are pledged for the timely payment of principal and interest.

b. Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks or obligations, participations or other instruments of or issued by, a federal agency or a United States government-sponsored enterprise.

c. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker’s acceptances, which are eligible for purchase by the Federal Reserve System.

d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Standard & Poor’s, or Fitch’s Ratings.

e. Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by California Financial Code Section 5102) or by a state-licensed branch of a foreign bank.

f. Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section only under specific statutory conditions.

g. Medium-term notes/corporate bonds of a maximum of five years' maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

h. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by subdivisions (a) to (g), inclusive, of this section and that comply with specific statutory restrictions.

i. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond of a maximum of five years maturity.

j. Securities having collateral backing of the invested principal as defined by this Policy and/or the California Government Code. Only first mortgages or government securities may be used for collateral on the District’s deposits.
7. **Local Agency Investment Fund.** The Board of Directors also authorizes the District to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1.*

8. **Investment Trust of California.** The Board of Directors also authorizes the District to invest in the Investment Trust of California (*Ca/TRUST*).

9. **Prohibited Investments.** The District shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The District shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the District may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6.*

10. **Portfolio Transactions.** Managers of the District's investment portfolio are expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. Managers may incur realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time subject, however, to the prior approval of the General Manager/CEO or his designee.

**REPORTING**

On a monthly basis the Investment Manager shall submit an investment report which provides a market review, the Manager's outlook for the market and strategy for investing District funds. The report will also compare the portfolio against the benchmark established by this policy in terms of duration and yield.

Quarterly, the General Manager/CEO shall submit an investment report to the Board of Directors within 30 days of the end of the quarter. The report shall include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the District;

2. Description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs;

3. For all securities held by the District or under management by any outside party that is not a local agency, the State of California Local Agency Investment Funds or the Investment Trust of California, a current market value as of the date of the report and the source of this valuation;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and

5. Statement that the District 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.

If the District places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings and loan association or county investment pool (or any combination of these three), the General Manager/CEO can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. *(California Government Code Section 53646(b)-(e)).*
SAN MATEO COUNTY TRANSIT DISTRICT

Statement of Investment Policy for the Investment of the Paratransit Trust Fund

I. PURPOSE

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

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

II. OBJECTIVES

The District shall invest the Paratransit Trust Fund while striving to limit undue risk. When assessing potential risk, both the assets and liabilities of the District shall be taken into consideration. These funds shall be invested in accordance with sound treasury management practices and in accordance with the Code and this Policy.

When investing, reinvesting, purchasing, acquiring, selling, and managing the District’s Paratransit Trust Fund:

1. The primary objective shall be to safeguard the principal of the funds under its control. The District shall invest only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section VI, Investment Guidelines, are deemed to constitute safe investments within the meaning of this policy.

2. The secondary objective shall be to meet the liquidity needs of the Paratransit Trust Fund. It is important that the portfolio contain investments for which
there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.

3. The third objective shall be to achieve a return on the Paratransit Trust Fund portfolio. The District’s investment portfolio shall be designed with the objective of attaining the safety and liquidity of principal first, and then attaining a market average rate of return over an economic cycle consistent with the portfolio’s benchmark, as described in Section V.

III. PRUDENCE

Members of the Board of Directors of the District, the General Manager/CEO or his designee, as well as any other person authorized to make investment decisions on behalf of the District, are Trustees and therefore fiduciaries, subject to the Prudent Investor Standard. When investing, reinvesting, purchasing, acquiring, selling, and managing the District’s funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, such that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal, minimize the risk of diminishing the funding increment, and to maintain the liquidity needs of the District. (California Government Code, Section 53600.3) The Prudent Investor Standard shall be applied in the context of managing the Paratransit Trust Fund.

IV. DELEGATION OF AUTHORITY

Authorization to manage the District’s investment program is derived from the Board of Directors. Management’s responsibility for the investments of the Paratransit Trust Fund is hereby delegated to the General Manager/CEO or his designee. No person may engage in an investment transaction, except as provided under the terms of this Investment Policy Statement and the procedures established by the General Manager/CEO or his designee. This authorization may be renewed annually.

V. BENCHMARKS

In order to establish a basis for evaluating investment results, the District shall establish the following customized Fixed Income Security Benchmark for its Paratransit Trust Fund:

- 50% Merrill Lynch 3 - 5 Year Treasury Index
- 30% Merrill Lynch 5 – 7 Year Treasury Index
- 20% Merrill Lynch 7 – 10 Year Treasury Index

This benchmark takes into consideration the primary objectives of: capital preservation and liquidity; the requirements of the Code; the term structure of the District’s stipulated Paratransit funding obligations as prescribed by Measure “A” passed in 1988; and the reinvestment rate risks associated with shorter benchmarks, to allow the District to invest its
Paratransit Trust Fund to the fullest extent possible. The benchmark may be reviewed annually.

VI. INVESTMENT GUIDELINES

A. Investments are to be made only in high quality securities or instruments, as permitted by the Code and subject to the limitations of this Investment Policy.

B. Eligible securities for investment shall be limited to:

1. U.S. Treasury Securities and Obligations of U.S. Agencies or government sponsored enterprises:

   Definition: **U.S. Treasury Securities:** United States Treasury notes, bonds, strips, bills or certificates of indebtedness, or obligations for which the full faith and credit of the United States Government are pledged, for the timely payment of principal and interest.

   **Obligations Of U.S. Agencies or government sponsored enterprises:** Debt instruments issued by a federal agency carrying a high credit rating because it is government sponsored.

2. Or the District may invest all or a portion of its investments as described in Section II.2 of this Policy, up to the state mandated maximum in the Local Agency Investment Fund (LAIF) pursuant to California Government Code, Section 16429.1.

C. The District shall not invest any funds in any securities not specifically authorized by this policy, or in inverse floaters, range notes or interest only strips that are derived from a pool of mortgages. Additionally, no funds may be invested in any security that could result in zero rate of return if held to maturity.

D. Diversification and Maturity Guidelines:

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Maximum % of Portfolio</th>
<th>Maximum % of One Issuer</th>
<th>Maximum Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. Securities</td>
<td>100</td>
<td>100</td>
<td>15 Years</td>
</tr>
<tr>
<td>Obligations of U. S. Agencies or government sponsored enterprises</td>
<td>100</td>
<td>100</td>
<td>15 Years</td>
</tr>
<tr>
<td>Local Agency Investment Fund(LAIF)</td>
<td>Up to the Current Limit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E. Interest earned on the District’s investments for the Paratransit Trust Fund are to be placed in the District’s general bank account or pool of investments with
LAIF and become governed by the District’s investment policy for the Investment of General Funds.

VII. REPORTING

At least on a quarterly basis, the General Manager/CEO shall render a report to the Board of Directors. The report shall include the following information:

1. A portfolio appraisal including the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments, and moneys held by the District, and shall additionally include a description of the District’s funds, investments, or program, including lending programs, that are under management of any outside parties.

2. The current market value, as of the date of the report, of all investments, as well as the source of this same valuation.

3. A statement of compliance of the portfolio to this investment policy statement, or the manner in which the portfolio is not in compliance.

For investments in LAIF, a bank, or a savings and loan association, the most recent statement(s) received by the District from these institutions may suffice in lieu of the requirements above.

VIII. SAFEKEEPING AND DELIVERY OF SECURITIES

All transactions shall be executed on a Deliver versus Payment basis, (DVP). Free deliveries, a due bill or other substitution will not be acceptable.

To protect against potential fraud or embezzlement, the assets of the District shall be held in safekeeping, or secured through third-party custody pursuant to the limitations set forth in the Government code, Section 53608. These procedures will be annually reviewed by an external auditor. All investments are to be held in the name of the District.

IX. DEFINITION OF TERMS

Investment Instruments:

- **U.S. Treasuries** - Obligations of the U.S. Government including: Treasury Bills – 3 month, 6 month, and 1 year securities issued and traded at a discount; Treasury Notes and Bonds – interest-bearing instruments issued with maturities of 2 to 30 years; Treasury Strips – U.S. Treasury securities that have been separated into their component parts of principal and interest payments, and recorded as such in the federal Reserve book-entry record-keeping system.

- **Obligations of U.S. Agencies** - Obligations of U.S. Agencies are debt instruments issued by a federal agency carrying a high credit rating because it is government sponsored.
Broker – A broker brings buyers and sellers together for a commission paid by the initiator of the transaction, or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money, and in inter-dealer markets.

Collateral – Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

Coupon – (A) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value; (B) a certificate attached to a bond evidencing interest due on a payment date.

Dealer – A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture – A bond secured only by the general credit of the issuer.

Delivery versus Payment (DVP) – There are two methods of delivery of securities; delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount – The difference between the cost price of a security, and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities – Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification – Dividing investment funds among a variety of securities offering independent returns.

Local Agency Investment Fund (LAIF) – The aggregate of all funds from political subdivisions of the State of California, that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value – The price at which a security is trading and could presumably be purchased or sold.

Maturity – The date upon which the principal or stated value of an investment becomes due and payable.

Portfolio – Collection of securities held by an investor.

Prudent Person Rule – An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, the so-called legal list. In other states, the trustee may invest in a security if it is
one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

- **Primary Dealer** – A group of government securities dealers that submit daily reports of market activity, positions, ad monthly financial statements of the Federal Reserve Bank of New York, and are subject to its informal oversight. Primary Dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

- **Qualified Public Depositories** – A financial institution which does not claim exemption from the payment of any sales or compensating use, or ad valorem taxes under the laws of this state, which has segregated for the benefit of the Commission eligible collateral having a value of not less than its maximum liability, and which has been approved by the Public Deposit protection Commission to hold public deposits.

- **Rate of Return** – The yield obtainable on a security, based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond, or the current income.

- **Safekeeping** – A service to customers rendered by banks for a fee, whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

- **Secondary Market** – A market made for the purchase and sale of outstanding issues following the initial distribution.

- **Securities & Exchange Commission** – Agency created by Congress to protect investors in securities transactions by administering securities legislation.

- **Uniform Net Capital Rule** – Securities and Exchange Commission requires that member firms as well as non-member broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called Net Capital Rule and Net Capital Ratio. Indebtedness covers all money owed to a firm, including margin loans, and commitments to purchase securities, which is one reason new public issues are spread among members of underwriting syndicates. Liquid Capital includes cash and assets easily converted into cash.

- **Yield** – The rate of annual income return on an investment, expressed as a percentage. (A) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (B) Net Yield or Yield to Maturity is the current income yield minus any premium above par, or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.
RESOLUTION NO. 2010 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

***

AUTHORIZING INVESTMENT OF SAN MATEO COUNTY TRANSIT MONIES IN LOCAL AGENCY INVESTMENT FUND

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

WHEREAS, staff hereby recommends that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Government Code Section 16429.1 for the purposes of investment as stated therein is in the best interests of the San Mateo County Transit District.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transit District does hereby authorize the deposit and withdrawal of San Mateo County Transit District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein; and

BE IT FURTHER RESOLVED that the General Manager/CEO (or his designee) shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

Regularly passed and adopted this 9th day of March 2010 by the following vote:

AYES:

NOES:

ABSENT:

______________________________
Chair, San Mateo County Transit District

______________________________
District Secretary
SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT

TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: ASSESSMENT OF THE FISCAL YEAR 2010 FUEL HEDGING PROGRAM AND ADOPTION OF A FUEL HEDGING POLICY

ACTION
Staff proposes that the Finance Committee recommend that the Board adopt the attached Fuel Hedging Policy (Policy).

SIGNIFICANCE
A fuel hedging program was instituted for FY2010 to cover 50 percent of the District’s projected diesel fuel usage, which was approximately 1 million gallons. The primary goal of the program was to reduce volatility and uncertainty in the fuel budget. After reviewing several available options for the program, the District went forward with a price cap of $2.00 per gallon based on the Gulf Coast Ultra Low Sulfur Diesel (ULSD) index. The estimated budget savings from the diesel fuel price cap for the District was $1.0 million over the fuel cost the District otherwise would have needed to assume for its fuel budget. The fuel hedging program allowed the District not only to reduce uncertainty in the fuel budget for FY2010, but also to take advantage of the relatively low market prices at the time of execution of the fuel hedging transaction.

The counterparty on the FY2010 transaction was Deutsche Bank AG. The District received its first payment from Deutsche Bank in February as the average price in January on the Gulf Coast USLD index was over the $2.00 cap price. The District has also realized the primary purpose of the cap, which was to provide budget certainty. The statistics on the current program are represented in the following table.

<table>
<thead>
<tr>
<th>Month</th>
<th>Gulf Coast Ultra Low Sulfur Average Price</th>
<th>SamTrans Average Price Before USLD Fee*</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>1.9016</td>
<td>2.0674</td>
<td>(0.1658)</td>
</tr>
<tr>
<td>September</td>
<td>1.7750</td>
<td>1.9334</td>
<td>(0.1584)</td>
</tr>
<tr>
<td>October</td>
<td>1.9426</td>
<td>2.0058</td>
<td>(0.0632)</td>
</tr>
<tr>
<td>November</td>
<td>1.9807</td>
<td>2.0436</td>
<td>(0.0629)</td>
</tr>
<tr>
<td>December</td>
<td>1.9610</td>
<td>1.9970</td>
<td>(0.0360)</td>
</tr>
<tr>
<td>January</td>
<td>2.0376</td>
<td>2.0816</td>
<td>(0.0440)</td>
</tr>
</tbody>
</table>

* A $0.043 ultra low sulfur fee is added to the SamTrans price per gallon.
Based on the success of this initial fuel hedging program, staff recommends continuing the program utilizing the same strategy of purchasing diesel fuel price caps when it is in the best interest of the District to do so, by adopting the attached Policy. No cap option transactions will be off shore transactions. To hedge using any mechanism other than a strategy involving the purchase of diesel fuel price caps would be a change to this Policy and would require returning to the Board for authorization. The hedging Policy will allow fuel hedging transactions to hedge up to 75 percent of projected fuel usage for a fiscal year; however, it is expected that no more than 50 percent of projected usage will be hedged in a normal fiscal year. Transactions would be based on the Gulf Coast ULSD index, which was highly correlated at a rate of 0.971 between 2001 and 2009 with the Oil Price Information Service (OPIS) index on which the price that the District pays for fuel is based, indicating a very close relationship between the two indices. Stated another way, the average price difference per gallon between the two indexes was 2.9 cents.

Pursuant to the Policy, Staff shall return to the Board annually to obtain approval on the award of a financial contract for fuel hedging services, provide details concerning the terms of the fuel hedge, and provide an assessment of the current year’s program.

**BUDGET IMPACT**
There is no impact to the Budget.

**BACKGROUND**
The District currently purchases fuel from Pinnacle Petroleum based on the weekly spot price for diesel fuel, exposing the District to market price fluctuation. Over the past year, the price of diesel fuel has ranged from a high of $2.22 per gallon in the first week of January 2010 to a low of $1.14 in the third week of February 2009.

The FY2010 fuel hedging program utilized a price cap. The diesel fuel price cap was determined to be the most appropriate hedging strategy for the District as it mirrors the District’s other practices for reducing risk (e.g. purchasing insurance). The approach provides budget reliability and allows the District to limit its exposure when fuel prices rise, while continuing to receive the benefit when prices fall.

Prepared by: Trish Reavey, Director of Finance       650-508-6434
San Mateo County Transit District
Fuel Hedging Policy

**Goal:** The primary goal for the District’s fuel hedging program is to reduce volatility in the fuel budget.

**Mechanism:** There are several mechanisms available to hedge fuel in the market today including cap options, futures contracts, commodity swaps and physical hedging. This Policy authorizes an on shore cap option mechanism.

**Index:** The index to be utilized in the cap option is the Gulf Coast Ultra Low Sulfur Diesel (ULSD) index which was correlated at a rate of 0.971 between 2001 and 2009 with the Oil Price Information Service (OPIS) index. The price that the District pays for fuel is based on the OPIS index.

**Duration:** Each transaction will be implemented for no more than 12 months at a time and will not extend beyond one fiscal year.

**Transaction Amount:** Each transaction will be implemented for no more than 75 percent of District’s projected fuel usage for a fiscal year.

**Counterparty Credit Criteria:** As a condition for bidding a financial institution must be rated in the “Aa” or “AA” category by at least one national rating agency. If the counterparty is downgraded to or below A3 from Moody’s or A- from S&P or Fitch, the counterparty must post collateral to secure its performance. The District retains the right to terminate the contract with the counterparty if their ratings are downgraded below Baa1 in the case of Moody’s or BBB+ in the case of S&P or Fitch.

**Monitoring:** Monthly monitoring of the Gulf Coast ULSD average price must be calculated to ensure payments are received from the counterparty if and when due. Hedging practices should also be monitored to ensure this Policy remains up to date with current best practices.

**Board Approval:** Staff shall return to the Board annually to obtain approval on the award of a financial contract for fuel hedging services and the authorization of the General Manager/CEO or designee to execute such a contract for the current fiscal year.

**Reporting:** Annual reports will be presented to the Board in the form of an informational staff report, which will provide details concerning the terms of the fuel hedge and provide an assessment of the current year’s program.

**Risks:** Some of the risks associated with a price cap include:

- **Counterparty Risk** – The risk that the counterparty fails to make required payments or otherwise comply with the terms of the agreement. This risk is
mitigated by requiring the financial institution to have a double-A category rating by at least one of the national rating agencies as a condition for bidding.

**Termination Risk** – The risk that there will be a mandatory early termination of the transaction. This risk is mitigated by the collateral posting provision, requiring the posting of collateral should the counterparty’s credit rating fall below A3 in the case of Moody’s or A- in the case of S&P or Fitch.

**Basis Risk** – The risk that there is a mismatch between the cap option rate and the cost paid for fuel. This risk is mitigated by selecting the Gulf Coast ULSD index which is highly correlated to the rates the District pays for fuel.
RESOLUTION NO. 2010-

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA
* * *

ADOPTING A FUEL HEDGING POLICY

WHEREAS, over the last several years, the San Mateo County Transit District (District) has consistently purchased over two million gallons of diesel fuel each year to conduct bus operations; and

WHEREAS, staff has studied a variety of complex fuel hedging products available for reducing volatility in the price to be paid for diesel fuel and recommends adoption of a policy authorizing a strategy involving the purchase of diesel fuel price caps; and

WHEREAS, staff recommends adoption of the attached Fuel Hedging Policy (Policy) as an appropriate method of decreasing the volatility in the price to be paid for diesel fuel in future fiscal years; and

WHEREAS, pursuant to the Policy, each fuel hedging transaction will be implemented for no more than 12 months at a time and for no more than 75 percent of the District’s projected fuel usage for each fiscal year; and

WHEREAS, in order to mitigate risk, the Policy will require the counterparty of each fuel hedging transaction to have a credit rating in the Aa/AA category from at least one nationally recognized rating agency (i.e., Moody’s, S&P or Fitch) at the time of execution of the fuel hedging transaction and to post collateral should the counterparty’s credit rating fall below A3 in the case of Moody’s or A- in the case of S&P or Fitch; and

WHEREAS, in order to maximize the precision and effectiveness of its hedging transactions, the Policy also provides that the District will use Gulf Coast Ultra Low Sulfur
Diesel (ULSD) as the reference index based on its high correlation rate (0.971) with the index upon which the District’s fuel price is based (the Oil Price Information Service (OPIS) index); and

WHEREAS, the Policy provides that Staff shall return to the Board annually to obtain approval on the award of a financial contract for fuel hedging services, provide details concerning the terms of the fuel hedge and provide an assessment of the current year’s program.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transit District hereby approves and adopts the attached Fuel Hedging Policy and authorizes the General Manager/CEO or designee to negotiate with financial institutions, as appropriate, and execute and deliver agreements as deemed necessary and advisable in connection therewith.

Regularly passed and adopted this 9th day of March, 2010 by the following vote:

AYES:

NOES:

ABSENT:

___________________________________
Chair, San Mateo County Transit District

ATTEST:

___________________________________
District Secretary
FINANCE ITEM # 6
MARCH 9, 2010

SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT

TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington  C. H. (Chuck) Harvey
Deputy CEO   Deputy CEO

SUBJECT: AUTHORIZING THE DISPOSITION OF 137 SURPLUS GILLIG BUSES

ACTION
Staff proposes that the Committee recommend that the Board:
1. Approve the disposition of the following 1993 Gillig buses:
   - 73 forty-foot buses
   - 64 thirty-five-foot buses
2. Authorize the General Manager/CEO to dispose of the 137 surplus buses in accordance with District Procurement Policy

SIGNIFICANCE
The District routinely disposes of rolling stock, equipment and other property that has reached the end of its useful life. Disposition of the buses listed above is in keeping with this practice and will be carried out in full compliance with District procurement policy and applicable Federal Transit Administration (FTA) regulations. District-approved methods of disposition are by sealed bid, public auction, sale, negotiation, transfer to another public agency, or by discarding as scrap.

BUDGET IMPACT
The Gillig buses originally were purchased with a mix of Federal and State funds. Any proceeds gained from the disposition of these buses, less auctioneer’s fees and any proceeds due to the Federal Transit Administration, if applicable, will be deposited to the District’s General Fund.

BACKGROUND
In Fiscal Year 2002, the District entered into two Japanese Operating Lease (JOL) transactions for 199 buses. These transactions covered the financing of one hundred thirty-seven 1993 and sixty-two 1998 Gillig buses. With each JOL transaction, the District transferred title of these buses to a Japanese entity and it simultaneously leased back these buses from an investor for the District’s operating use pursuant to an equipment lease agreement (Agreement). The first Agreement expires on March 17, 2010 and the second expires on August 26, 2010.
At the close of the JOL transactions in 2002, the District put in place mechanisms to automatically implement the District’s option to purchase the leased buses for a specified price at the end of the Agreements and, at that time, it also set aside and invested funds with American International Group (AIG) for these future purchases. When the purchase payments are made on March 17 and August 26, AIG will transfer title to the buses originally covered by the Agreements back to the District and the District will then promptly dispose of the 137 surplus buses. The remaining 72 forty-foot 1998 Gillig buses in service, 10 of which are not encumbered by the Agreements, will remain in service until such time as they reach the end of their useful life.

In October 2008, pursuant to the District’s successful completion of a solicitation for competitive bids, the District Board authorized the award of a contract to Gillig for the purchase and delivery of 132 new heavy-duty buses to replace the 1993 Gillig buses being retired.

Contract Officer: Luis F. Velásquez  650-622-8099
Project Manager: Greg Moyer, Superintendent Maintenance Technical Services  650-508-7987
RESOLUTION NO. 2010-

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

* * *

AUTHORIZING DISPOSITION OF 137 SURPLUS GILLIG BUSES

WHEREAS, the San Mateo County Transit District (District) has a policy to routinely dispose of used, surplus rolling stock; and

WHEREAS, District staff has identified for disposition the following 1993 Gillig buses which have reached the end of their useful life:

- 73 forty-foot buses
- 64 thirty-five-foot buses; and

WHEREAS, the General Manager/CEO recommends, and the Committee concurs, that the District’s Board of Directors (Board) authorizes the disposition of the surplus buses identified above by any means permitted by the District’s procurement policy, including through sealed bid procedure, auction, sale or transfer to another public agency, negotiation, or by discarding items as scrap; and

WHEREAS, the net proceeds from the disposition of these buses will be deposited in the District’s General Fund, less auctioneer’s fees and any proceeds due to the Federal Transit Administration, if applicable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transit District hereby authorizes the disposition of 137 surplus buses identified above in accordance with the District’s procurement policy; and
BE IT FURTHER RESOLVED that the Board authorizes the General Manager/CEO or his designee to determine, in a manner consistent with the District’s procurement policy, the appropriate method and terms for disposition of these surplus buses.

Regularly passed and adopted this 9th day of March, 2010, by the following vote:

AYES:

NOES:

ABSENT:

__________________________________
Chair, San Mateo County Transit District Board

ATTEST:

__________________________________
District Secretary
TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: AUTHORIZATION TO FILE AN APPLICATION WITH CALTRANS FOR A COMMUNITY-BASED TRANSPORTATION GRANT APPLICATION IN THE AMOUNT OF $300,000 FOR THE ECONOMIC AND HOUSING OPPORTUNITY ASSESSMENT FOR THE GRAND BOULEVARD INITIATIVE

ACTION
Staff proposes that the Committee recommend the Board authorize the General Manager/CEO, or his designee, to submit an application, and enter into a funding agreement, for $300,000 in discretionary State funding for a Community-Based Transportation Planning grant from the California Department of Transportation (Caltrans) for the Economic and Housing Opportunity Assessment (ECHO) for the Grand Boulevard Initiative.

SIGNIFICANCE
If awarded funding, the proposed grant will help underwrite ongoing efforts as part of the Grand Boulevard Initiative to better link transportation with land use along the El Camino Real Corridor in San Mateo and Santa Clara counties. The proposed assessment will conduct up to four community-level case studies and make recommendations to promote transit-oriented development, improve multimodal access and apply streetscape design guidelines.

BUDGET IMPACT
The total cost of this next phase of the planning assessment is $405,000. In addition to the proposed grant request for $300,000 in State funds, the City/County Association of Governments of San Mateo County (C/CAG) has committed $75,000 of matching funds toward this work effort. A total of $30,000 of District in-kind staff support is also proposed. If the grant funding is awarded, this project will be proposed for inclusion as part of the Fiscal Year 2011 Operating Budget.
BACKGROUND
Caltrans administers the Community-Based Transportation Planning program and awards discretionary grants to projects that fund coordinated transportation and land use planning efforts that promote public engagement, livable communities, and a sustainable transportation system. Eligible applicants include metropolitan planning organizations, cities and counties and transit agencies. All applicants are required to include board adopted resolutions with the grant application package that name the titles of persons authorized to enter into funding agreements with Caltrans, should they be awarded funding from Caltrans. The maximum application amount is $300,000 and there is a 10 percent local match requirement. A total of $3,000,000 is available for grant awards and the application deadline is April 1, 2010. Grant award announcements are made following the approval of the State budget, which is anticipated to occur in the summer of 2010.

Prepared by: Suna Mullins, Senior Grants Analyst
Project Manager: Corinne Goodrich, Strategic Development Manager
RESOLUTION NO. 2010-

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

***

AUTHORIZING THE FILING OF AN APPLICATION WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR A COMMUNITY-BASED TRANSPORTATION PLANNING GRANT IN THE AMOUNT OF $300,000 FOR THE ECONOMIC AND HOUSING OPPORTUNITY ASSESSMENT FOR THE GRAND BOULEVARD INITIATIVE

WHEREAS, the California Department of Transportation (Caltrans) awards State funding under the discretionary Community-Based Transportation Planning grant program to fund coordinated transportation and land use planning efforts that promote public engagement, livable communities, and a sustainable transportation system; and

WHEREAS, metropolitan planning organizations, cities, counties, transit agencies, and federally-recognized Native American tribal governments are eligible applicants for this funding; and

WHEREAS, the San Mateo County Transit District (District) is proposing to file an application in the amount of $300,000 for the Economic and Housing Opportunity Assessment (ECHO) for the Grand Boulevard Initiative (GBI) that will help underwrite ongoing efforts to better link transportation with land use along the El Camino Real Corridor in San Mateo and Santa Clara counties; and

WHEREAS, the proposed $300,000 in State funds, supplemented by $75,000 in funding from the City/County Association of Governments of San Mateo County (C/CAG) and $30,000 of in-kind District staff support, would fund and enable the District to undertake the next phase of the ECHO; and

WHEREAS, Caltrans requires that each applicant under the Community-Based Transportation Planning grant program obtain a resolution from its Board stating the title of the person authorized to enter into a funding agreement with Caltrans, should it be awarded discretionary grant funding, for inclusion in the grant application package.
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transit District hereby:

1) Authorizes the General Manager/CEO, or his designee, to submit a discretionary Community-Based Transportation Planning grant application for State funds on behalf of the District, in an aggregate amount of $300,000 for the ECHO project; and

2) Authorizes the General Manager/CEO or a Deputy CEO to execute and file a funding agreement with Caltrans, should the District be awarded State grant funding for the ECHO project; and

3) Authorizes the General Manager/CEO, or his designee, to file any other required documentation and to take any other actions necessary for the purpose of obtaining State grant funding through Caltrans for the ECHO project.

Regularly passed and adopted this 9th day of March, 2010 by the following vote:

AYES:

NOES:

ABSENT:

____________________________________
Chair, San Mateo County Transit District

ATTEST:

___________________________________
District Secretary
TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: AUTHORIZATION TO RECEIVE AN ALLOCATION OF $196,867 OF PROPOSITION 1B PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT FUNDS THROUGH THE LIFELINE TRANSPORTATION PROGRAM

ACTION
Staff proposes that the Committee recommend the Board authorize the General Manager/CEO, or his designee, to receive an allocation of Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds, in a total amount of $196,867 through the Lifeline Transportation Program (LTP) for the improvement of bus stops in Lifeline areas within San Mateo County.

SIGNIFICANCE
Staff is proposing to receive an allocation of PTMISEA funds from the California Department of Transportation (Caltrans), as stated above, for bus stop improvements located in areas of San Mateo County with relatively high concentrations of low-income populations, as designated on the Metropolitan Transportation Commission’s (MTC’s) map of “Communities of Concern” and along Lifeline Route 17 in Half Moon Bay.

BUDGET IMPACT
The total project cost is $246,084, which includes $196,867 of PTMISEA funds and a required 20 percent match, in the amount of $49,217. This project will be proposed for inclusion as part of the Fiscal Year 2011 and future year Capital Budget deliberations.

BACKGROUND
The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, otherwise known as Proposition 1B, was approved by California voters on November 7, 2006. Proposition 1B includes a program of funding specifically for capital transit projects, known as the PTMISEA.
The State appropriates PTMISEA funds to both transit operators and regional transportation planning agencies (RTPAs). The MTC is the RTPA for the San Francisco Bay Area and the MTC has programmed a portion of its appropriated PTMISEA funds to the LTP for projects that are targeted to serve people with lower incomes by improving their mobility. The LTP funds in San Mateo County are administered by the City/County Association of Governments of San Mateo County (C/CAG). C/CAG has awarded PTMISEA funds for the improvement of San Mateo County Transit District bus stops in areas predominantly serving people with low incomes.

Prepared by:  Rebecca Arthur, Senior Grants Analyst       650-508-6368
     Joel Slavit, Manager, Grants and Fund Programming        650-508-6476
RESOLUTION NO. 2010 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

***

AUTHORIZING RECEIVING AN ALLOCATION OF FISCAL YEAR 2010
PROPOSITION 1B CALIFORNIA PUBLIC TRANSPORTATION MODERNIZATION,
IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT FUNDS

WHEREAS, the Public Transportation Modernization, Improvement, and Service
Enhancement Account (PTMISEA) is a State funding program for transit capital projects that is
part of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006,
otherwise known as Proposition 1B, approved by California voters on November 7, 2006; and

WHEREAS, the State has appropriated PTMISEA funds to transit operators through the
regional transportation planning agencies; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional
transportation planning agency for the San Francisco Bay Area; and

WHEREAS, the MTC has programmed a portion of its appropriated PTMISEA fund to
the Lifeline Transportation Program (LTP), to improve mobility for people with lower incomes; and

WHEREAS, the LTP in San Mateo County is administered by the City/County
Association of Governments of San Mateo County (C/CAG); and

WHEREAS, the C/CAG has awarded PTMISEA funds to the District for the
improvement of bus stops in Lifeline areas within San Mateo County.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San
Mateo County Transit District hereby authorizes the General Manager/CEO, or his designee, to
accept an allocation of funding from the LTP in a total amount of $196,867, with a required 20% local match in the amount of $49,217, to fund the improvement of bus stops in Lifeline areas within San Mateo County; and

    **BE IT FURTHER RESOLVED** that the General Manager/CEO, or his designee, is authorized to take such actions as may be necessary to give effect to this Resolution.

    Regularly passed and adopted this 9th day of March 2010, by the following vote:

    AYES:

    NOES:

    ABSENT:

    __________________________
    Chair, San Mateo County Transit District

    ATTEST:

    __________________________
    District Secretary
TO: Finance Committee

THROUGH: Michael J. Seanlon
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: AUTHORIZATION TO EXECUTE MEMORANDAS OF UNDERSTANDING, FILE APPLICATIONS AND PASS THROUGH FUNDS TO LIFELINE TRANSPORTATION PROJECT SPONSORS IN SAN MATEO COUNTY

ACTION
Staff proposes the Committee recommend the Board authorize the General Manager/CEO, or his designee, to take the following actions:

1. File applications to receive a total of $187,181 in Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) funds and $219,040 in State Transit Assistance (STA) funds for three Lifeline Transportation Program (LTP) projects in San Mateo County and to disburse funds to the three project sponsors which are the City of Daly City, the San Mateo County Human Services Agency, and the Family Services Agency of San Mateo County.

2. Enter into Memoranda of Understanding (MOUs) with three project sponsors to pass through funding to implement the three LTP projects.

SIGNIFICANCE
The City/County Association of Governments (C/CAG) is requesting the San Mateo County Transit District (District), as the only eligible recipient of these funds in San Mateo County, to file applications and pass through PTMISEA and STA funds that have been programmed for the following LTP projects:
<table>
<thead>
<tr>
<th>Project Sponsor</th>
<th>Project</th>
<th>PTMISEA</th>
<th>STA</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Daly City</td>
<td>Bayshore Bus Stop Improvements</td>
<td>$187,181</td>
<td>$0</td>
</tr>
<tr>
<td>San Mateo County Human Services Agency</td>
<td>Bus Tickets and Passes for People with Low Incomes</td>
<td>$0</td>
<td>$103,520</td>
</tr>
<tr>
<td>Family Services Agency of San Mateo County</td>
<td>Transportation for Low Income Seniors</td>
<td>$0</td>
<td>$103,520</td>
</tr>
<tr>
<td>District</td>
<td>Administrative Fee</td>
<td></td>
<td>$12,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$187,181</strong></td>
<td><strong>$219,040</strong></td>
</tr>
</tbody>
</table>

In addition to the programming of funds to the LTP project sponsors, C/CAG has programmed funds to cover a portion of the District’s administrative costs. Also, the City of Daly City has allocated $6,000 in local funds to reimburse the District’s remaining administrative costs. The execution of the MOUs will allow for the pass through of funds from the District to the LTP project sponsors.

**BUDGET IMPACT**
The Fiscal Year 2010 Operating Budget will be amended to reflect the additional revenue and expenses associated with the LTP projects as part of a separate item before the Board.

**BACKGROUND**
The LTP was established by the Metropolitan Transportation Commission (MTC) to fund both operating and capital projects that result in improved mobility for low-income residents in the San Francisco Bay Area. The program is administered by the congestion management agencies (CMAs) in each county. In San Mateo County, the program is administered by C/CAG. The District has previously entered into MOUs and filed funding applications to disburse funding for San Mateo County LTP project sponsors in prior LTP funding cycles. The Board has already authorized the District to pass through approximately $1.9 million in funds to agencies throughout San Mateo County. The current request is to pass through LTP funds for the fourth round of the second cycle of funds that were awarded by C/CAG on January 14, 2010.

Prepared by:  Rebecca Arthur, Senior Grants Analyst  
650-508-6368
RESOLUTION NO. 2010 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

***

AUTHORIZING EXECUTION OF MEMORANDA OF UNDERSTANDING, FILING APPLICATIONS AND PASSING THROUGH FUNDS TO LIFELINE TRANSPORTATION PROJECT SPONSORS IN SAN MATEO COUNTY

WHEREAS, the Lifeline Transportation Program (LTP) was established by the Metropolitan Transportation Commission (MTC) to fund operating and capital projects that result in improved mobility for low income residents in the San Francisco Bay Area; and

WHEREAS, the City/County Association of Governments (C/CAG) is responsible for the administration of the LTP in San Mateo County; and

WHEREAS, the City of Daly City, the San Mateo County Human Services Agency, and the Family Services Agency of San Mateo County applied to C/CAG for funding under the LTP in San Mateo County and were programmed LTP funds; and

WHEREAS, the C/CAG has requested that the San Mateo County Transit District (District), as the only eligible recipient of LTP funds in San Mateo County, file applications on behalf of the respective project sponsors and pass through $187,181 in Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) funds and $219,040 in State Transit Assistance (STA) funds to facilitate for the implementation of the LTP projects; and

WHEREAS, the $219,040 in STA funds includes $12,000 to reimburse the District for a portion of its administrative costs and the City of Daly City has allocated $6,000 in local funds to reimburse the District for the remaining portion of the District’s administrative costs; and

WHEREAS, staff recommends that the Board authorize the execution of memoranda of understanding (MOUs) with the LTP project sponsors to establish the terms and conditions for the pass through of funds to support the LTP projects.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Mateo County Transit District hereby authorizes the General Manager/CEO or his designee as follows:
1. To file grant applications to receive PTMISEA and STA funds and disburse such funds to the implementing agencies as follows:

<table>
<thead>
<tr>
<th>Project Sponsor</th>
<th>Project</th>
<th>PTMISEA</th>
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<td></td>
<td><strong>$187,181</strong></td>
<td><strong>$219,040</strong></td>
</tr>
</tbody>
</table>

2. To execute MOUs on behalf of the District with the City of Daly City, the San Mateo County Human Services Agency, and the Family Services Agency of San Mateo County to establish the terms and conditions for the pass through of funds for the implementation of the aforementioned LTP projects.

3. To take such actions as may be necessary to give effect to this Resolution.

Regularly passed and adopted this 9th day of March 2010, by the following vote:

AYES:

NOES:

ABSENT:

______________________________
Chair, San Mateo County Transit District

ATTEST:

______________________________
District Secretary
SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT

TO: Finance Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Gigi Harrington     C. H. (Chuck) Harvey
Deputy CEO       Deputy CEO

SUBJECT: AWARD OF CONTRACT FOR PROVIDING AUTOMATIC FARE COLLECTION SYSTEM

ACTION
Staff proposes that the Committee recommend that the Board:
1. Award a contract to GFI Genfare (GFI), a division of SPX Corporation, of Elk Grove, IL, for providing an automatic fare collection system for a grand total cost of $7,654,475.05, including sales tax, installation, training, spare parts, warranty, fare media, software license, software maintenance, hardware maintenance, and system support for a period of 15 years.
2. Authorize the General Manager/CEO to execute a contract with GFI in full conformity with the terms and conditions of the solicitation documents and negotiated agreement.

SIGNIFICANCE
Award of a contract to GFI will provide the District with a new state-of-the-art Automatic Fare Collection System (farebox) on the District’s bus fleet. This will include the replacement of all non-registering fareboxes with new automatic fully registering fareboxes that are capable of managing fare media such as magnetic stripe (Day Pass), smart card, token and multiple denominations of cash and coins. It will validate all U.S. coins and bills, eliminating foreign currency and slugs. The fareboxes will be able to register all fares collected, transfer all transaction and operational data to the Central Computer System daily, and remotely receive current fare tables and operational updates from the Central Computer System. The fareboxes will interface with the existing on-board communications/automatic vehicle location (AVL) system to allow for reduced operator load and increased detail for fare data analysis. This contract includes new cash receivers, new vaults and the implementation of an electronic data collection system increasing revenue accountability, security and analysis. GFI will be responsible for providing maintenance and support of the system and fareboxes for a period of up to 15 years after completion of the warranty.
**BUDGET IMPACT**
Funding for the procurement of the farebox system has previously been budgeted in the Fiscal Year 2009 and prior year Capital budgets. No additional funding is expected to be required. The maintenance and software support for the system will be funded from future operating budgets.

**BACKGROUND**
The District’s current revenue collection system is approaching 23 years of service, far exceeding its projected lifespan. Prolonged usage of such components as vault receivers, bill transporters and farebox vaults have contributed to high maintenance costs and low reliability. The District goal was to provide a suitable replacement for the existing, obsolete revenue collection system. Improvements in fare collection technology and equipment have resulted in increased functionality allowing the District to increase its efficiency and effectiveness.

Board Resolution 2007-55, approved on December 12, 2007, authorized use of the competitive negotiation procurement process, in accordance with California Public Code Sections 20216-20217, in lieu of a sealed competitive bidding process, to purchase the automatic fare collection system. This process provides the District with the flexibility to hold discussions with proposers, and permits staff to evaluate important matters such as technical expertise, experience, past performance, vendor stability, production schedules, after market support, and other factors, in addition to price.

A Request for Proposals (RFP) was issued detailing the District’s scope of services to solicit proposals from firms interested in providing automatic fare collection systems. The solicitation information was advertised in a local newspaper and solicitation notices were sent to small and disadvantaged firms.

The District received four proposals. An Evaluation Committee (Committee) evaluated the proposals according to the following weighted criteria:

- Financial Viability and Capacity 0 – 10-points
- Project Plan and Approach, Project Understanding, and TOC* 0 – 20 points
- Experience of Personnel and Firm 0 – 20 points
- Proposed Equipment and Software Interface 0 – 20 points
- Warranty and Support Services 0 – 10 points
- Cost Proposal 0 – 20 points

*Table of Conformance is used to verify that a proposed system conforms to the specified requirements.

After review, evaluation, and initial ranking of all proposals, three firms were found to be within the competitive range. ACS, Scheidt & Bachmann, and GFI were invited to participate in interviews. Upon completion of interviews and final scoring, the Committee determined that the GFI proposal met the requirements of the RFP and was the highest ranked. GFI was also the lowest priced proposer. The firms are listed below in order of their consensus ranking:

- GFI, Elk Grove, IL
- ACS (formerly Orbital), Columbia, MD
- Scheidt & Bachmann, Burlington, MA
The Disadvantaged Business Enterprise (DBE) Program Office reviewed the RFP prior to release and did not identify any areas of subcontracting opportunities for small businesses, including DBEs, because of the specialized nature of this procurement. Nevertheless, GFI identified and intends to utilize a number of DBE firms for various peripheral tasks, including sheet metal fabrication and installation support. Its voluntary efforts to engage DBEs lend support to the District’s DBE program objectives.

Contract Officer:  Brian Geiger     650-508-7973
Project Manager:  Roi Kingon, Operations Technology Administrator  650-508-7998
RESOLUTION NO. 2010-

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

* * *

AUTHORIZING AWARD OF A CONTRACT TO GFI GENFARE FOR PROVIDING AN AUTOMATIC FARE COLLECTION SYSTEM FOR A GRAND TOTAL COST OF $7,654,475.05

WHEREAS, in accordance with California Public Contract Code Sections 20216-20217, San Mateo County Transit District (District) Board Resolution 2007-55, passed December 12, 2007, authorized use of the competitive negotiation procurement process in lieu of a sealed competitive bidding process to purchase an automatic fare collection system; and

WHEREAS, the (District) issued a Request for Proposal (RFP) for a new automatic fare collection system; and

WHEREAS, in response to the District's RFP, four firms submitted proposals; and

WHEREAS, an evaluation committee reviewed and evaluated the proposals in accordance with the criteria set forth in the RFP; and conducted interviews with three firms found to be within the competitive range; and

WHEREAS, subsequent to the interviews and final scoring, the evaluation committee found that the proposal submitted by GFI Genfare (GFI), of Elk Grove, IL met all the solicitation requirements and was the highest ranked proposal; and

WHEREAS, General Counsel has reviewed the GFI proposal and has determined that it is responsive to the RFP; and

WHEREAS, the General Manager/CEO recommends, and the Finance Committee concurs, that a contract be awarded to GFI for a total cost to the District of $7,654,475.05, including sales tax, installation, training, spare parts, extended warranty, fare media, software
license, software maintenance, hardware maintenance, and system support for a 15 year term following completion of the warranty.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the District awards a contract to GFI to provide an automatic fare collection system, for a total cost of $7,654,475.05, including sales tax, installation, training, spare parts, extended warranty, fare media, software license, software maintenance, hardware maintenance, and system support for up to 15 years following completion of the warranty; and

**BE IT FURTHER RESOLVED** that the General Manager/CEO or his designee is authorized to execute a contract on behalf of the District with GFI in full conformity with all the terms and conditions of the solicitation documents.

Regularly passed and adopted this 9th day of March, 2010 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transit District

ATTEST:

District Secretary
A G E N D A

LEGISLATIVE COMMITTEE
COMMITTEE OF THE WHOLE

San Mateo County Transit District Administrative Building
Bacciocco Auditorium - Second Floor
1250 San Carlos Ave., San Carlos, CA

TUESDAY, MARCH 9, 2010 – 2:40 p.m.
or immediately following previous Committee meeting

ACTION

1. Approval of Minutes of Legislative Committee Meeting of February 10, 2010

2. Authorize Support of the Local Taxpayer, Public Safety and Transportation Protection Act for California’s November 2010 Statewide Ballot

INFORMATIONAL

3. State and Federal Legislative Update

Committee Members: Zoe Kersteen-Tucker, Omar Ahmad, Adrienne Tissier

NOTE:

• This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

• All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.
Committee Members Present: Z. Kersteen-Tucker (Committee Chair), A. Tissier

Committee Members Absent: O. Ahmad

Other Board Members Present, Constituting Committee of the Whole: M. Church, J. Deal, R. Guilbault, S. Harris, A. Lloyd, K. Matsumoto

Staff Present: J. Cassman, G. Harrington, C. Harvey, R. Haskin, M. Lee, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Committee Chair Zoe Kersteen-Tucker called the meeting to order at 2:42 p.m.

Approval of Minutes of Legislative Committee Meeting of January 13, 2010
The committee approved the minutes (Lloyd/Tissier).

Update on the State Legislative Program
Government Affairs Manager Seamus Murphy provided the following report:

- There is a lot of movement on the State budget. The Assembly Budget Committee meets today to discuss the governor’s proposal. The Senate held hearings over the last several weeks to consider this plan and staff conveyed strong opposition because of the substantial impact it would have on transit.

- The Senate has announced they will present a counter-proposal included in the $27 billion package being called a Jobs Agenda. The press release claims the proposal would create more than 140,000 new jobs without raising taxes. Mr. Murphy said 50,000 of these jobs are attributed to a bill that would simply authorize the State to spend the Federal High Speed Rail (HSR) funds that were awarded last month. Another 54,000 are attributed to the federal Jobs for Main Street Act.

The alternatives to the governor’s gas tax proposal still involve eliminating the sales tax on gasoline and increasing the excise tax by a larger amount than the governor is proposing so no budget or revenue capacity is left on the table. The alternatives include a commitment to some type of fee, based on local authority, to raise revenue for transit on a county-by-county basis. Staff has told the delegation they are opposed to any solution that eliminates the sales tax on gasoline and have a lot of questions, including how it would be imposed, what the process is at the local level, how it would be protected from future raids by the State and if it is legally vulnerable. In order for it to be legal there needs to be a clear nexus between the proposed fee and transit operations. Mr. Murphy said until then staff is sticking with the California Transit Association’s (CTA) position which would maintain some sort of base line
transit funding from the Public Transportation Account (PTA). The CTA is proposing a baseline $350 million State Transit Assistance program as a way to pay for General Fund obligations. The proposal also includes an additional $350 million for next year with the remainder of the PTA balance going to bond service debt and other General Fund obligations that the State is working to mitigate. The special session ends February 22 so the Senate wants to move quickly on this.

**Update on the Federal Legislative Program**

- The Jobs Bill in the Senate is on hold this week because of the weather. The Senate is doing a multi-bill approach. The first bill includes an extension of SAFETEA-LU through December 31, 2010, which is three months longer than the bill passed in the House. Staff expects supplemental transportation spending to come in a future bill at the levels close to those included in the American Reinvestment Recovery Act. These levels brought about $495 million to the region and it would be up to the Metropolitan Transportation Commission to allocate the funds.

- The other announcement last week was that California would get $2.25 billion for the State’s HSR project. This is very good news for the Peninsula Rail Program. There is still the issue of how the funds will be allocated within the State. Job creation is going to be a priority when the funds are awarded. Staff was successful in getting the Caltrain projects included in the original application. This is a huge boost to every section since it increases total funding available to the entire statewide system. Last year, Congress approved another $2.5 billion for HSR and the president’s budget announced last month included another $1 billion. Staff is looking forward to a Surface Transportation that has at least $50 billion.

Director Karyl Matsumoto asked if the monies for HSR are for surface tracking or underground. Mr. Murphy said all designs are being considered. Staff’s position has always been the more funding that can be directed to this section the better and more design alternatives are available. Mr. Murphy said all the Proposition 1A funding that has been appropriated at the State level has been for planning. The Federal funding is for construction.

Board Chair Rose Guilbault thanked Mr. Murphy for organizing CTA lobby day in Sacramento on March 10. She said many members of the Board will be attending and this is the first step to show Sacramento that SamTrans is becoming an advocate for transit funding. Chair Guilbault said since the Board will be in Sacramento on March 10, the SamTrans meeting will be moved to March 18.

Adjourned: 2:52 p.m.
TO: Legislative Committee

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: RESOLUTION IN SUPPORT OF THE LOCAL TAXPAYER, PUBLIC SAFETY AND TRANSPORTATION PROTECTION ACT OF 2010 FOR CALIFORNIA'S NOVEMBER 2010 STATEWIDE BALLOT

ACTION
Staff proposes that the Committee recommend the Board adopt a resolution in support of the Local Taxpayer, Public Safety, and Transportation Protection Act of 2010.

SIGNIFICANCE
This resolution supports a statewide ballot measure sponsored by the California Transit Association (CTA), the League of California Cities and the California Alliance for Jobs that would protect local government revenues including historic sources of public transportation funding.

BUDGET IMPACT
This action would result in no immediate budget impact. If the ballot measure is approved by the voters, it would potentially result in significant revenue benefits.

BACKGROUND
In collaboration with the League of California Cities and the California Alliance for Jobs, the CTA is sponsoring the Local Taxpayer, Public Safety and Transportation Protection Act of 2010 which has been filed with the California Secretary of State for inclusion on the November 2010 ballot. The measure would protect local government revenues, including public transportation funding, from cuts or diversions by the State.

The measure has received a Title and Summary from the California Attorney General and the sponsoring coalition’s committee, Californians to Protect Local Taxpayers and Vital Services, has launched a statewide signature gathering effort. The sponsors will need to collect approximately 700,000 signatures in order to qualify the measure for the ballot.

The transportation component of this measure would protect against the diversion of State transportation funding sources including:
• The state sales tax on gasoline and diesel fuel, including Proposition 42 and spillover
• The state excise taxes on gasoline and diesel fuel
• The sales tax on nine cents of the excise tax
• The quarter-cent sales tax specified by the Transportation Development Act
• Local transportation sales tax generated by self-help counties

The measure would also preserve the traditional uses of these revenues for:
• The Public Transportation Account, including the State Transit Assistance program
• The State Transportation Improvement Program
• Local transportation needs funded through the Transportation Development Act
• The Highway Users Tax Account

Over the past several years, the Governor and the Legislature have consistently diverted voter-approved public transportation funding in order to balance the State’s General Fund deficit. Since 2007, the State has diverted approximately $2.8 billion from the State Transit Assistance program. According to the Metropolitan Transportation Commission, had this funding been made available, the District would have received an additional $36 million and the Peninsula Corridor Joint Powers Board would have received an additional $37 million.

Prepared By: Seamus Murphy, Manager, Government Affairs 650-508-6388
RESOLUTION NO. 2010 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT
STATE OF CALIFORNIA

***

SUPPORTING THE LOCAL TAXPAYER, PUBLIC SAFETY, AND
TRANSPORTATION PROTECTION ACT OF 2010, TO BE PLACED BEFORE THE
VOTERS OF THE STATE OF CALIFORNIA FOR THEIR CONSIDERATION

WHEREAS, the San Mateo County Transit District (District) was formed to provide
reliable and efficient public transportation to all of the citizens of San Mateo County including
fixed-route bus service (SamTrans), paratransit services for the disabled, and senior-focused
mobility services; and

WHEREAS, the District is also a regional funding partner for the Caltrain commuter rail
service, governed by the Peninsula Corridor Joint Powers Board (JPB); and

WHEREAS, the voters of the State of California have passed several statewide ballot
measures designed to provide guaranteed funding for public transportation services; and

WHEREAS, since 2007, the Governor of California and the California State Legislature
have diverted approximately $2.8 billion from the State Transit Assistance program to the State
General Fund resulting in the diversion of more than $36 million from the District and SamTrans
bus service and more than $37 million from the JPB and Caltrain commuter rail service; and

WHEREAS, the California State Budget signed into law by the Governor on February
20, 2009 eliminates 100 percent of funding for the State Transit Assistance Program through
2013; and

WHEREAS, following the diversion of State Transit Assistance funding, the District and
the JPB have cut SamTrans and Caltrain service, respectively, raised fares and laid off
administrative and service employees; and

WHEREAS, the California Transit Association, as part of a coalition of taxpayers and
public safety, local government, transportation, business and labor interests, seeks to place the
Local Taxpayer, Public Safety, and Transportation Protection Act of 2010 before the voters of the
State of California; and

Page 1 of 2

2257459.1
WHEREAS, the District’s Board of Directors, in its 2009-2013 Strategic Plan, defined Financial Integrity as among its high-priority focus areas and adopted initiatives to address this focus area, including, “Maximize funding for transit, transportation, infrastructure, transit-oriented development and sustainability programs at the state and federal levels of government”; and

WHEREAS, this measure, if approved by a majority of voters, will require that existing sources of State public transportation funding be used to fund public transportation programs and will prevent the State from diverting these funds in the future.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Mateo County Transit District does hereby support the Local Taxpayer, Public Safety, and Transportation Protection Act of 2010, which would preserve and protect funding for public transit investments and does urge that it be placed before the voters of California for their consideration and approval; and

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to the California Transit Association.

Regularly passed and adopted this 9th day of March 2010, by the following vote:

AYES:

NOES:

ABSENT:

_________________________________________
Chair, San Mateo County Transit District

ATTEST:

_________________________________________
District Secretary
STATE AND FEDERAL LEGISLATIVE UPDATE

STATE ISSUES

State Budget
The California Legislature is expected to approve a revised version of the governor’s proposal for a so-called gas tax swap. The governor’s proposal would eliminate virtually all Public Transportation Account (PTA) revenues by eliminating the sales tax on gasoline and diesel fuel and replacing it with an increase in the State fuel excise tax.

The proposal allows for State General Fund savings since excise tax revenues can be used to fund State transportation bond debt service, whereas gasoline sales tax revenues are required to fund public transportation according to the court’s ruling in Shaw v. Chiang last year.

The Legislature’s compromise proposal would still create State General Fund savings through the gas tax swap, but it would retain the sales tax on diesel fuel, increase the tax rate from 4.75 percent to 6.75 percent and direct these revenues toward the State Transit Assistance (STA) program and other PTA programs including intercity passenger rail. The excise tax on diesel fuel would be concurrently reduced to maintain current fuel prices.

The compromise proposal also includes a $400 million STA appropriation covering the remainder of the current year and Fiscal Year 2010-11.

The proposal would provide a minimum of $350 million for the STA program in FY 2011-12, and FY 2012-13. STA revenues would grow to approximately $511 million by FY 2020-21.

The package also contains a provision permitting local metropolitan planning organizations, subject to voter approval, to impose a regional fee on motor vehicle fuels to supplement transit...
funding. Details on how this fee would be implemented and imposed are currently being discussed by legislators and the Administration.

Other transportation programs, including local streets and roads and highway programs, traditionally funded through the sales tax on gasoline, would see their funding replaced by revenues generated through the increased excise tax. Funding for these programs would be increased by approximately $200 million. Because of the source, this funding is less reliable, more prone to diversion and would increase at a slower rate compared to the gasoline sales tax allocations through Proposition 42.

FEDERAL ISSUES
Jobs for Main Street Act of 2010 – (H.R. 2847)
The Senate is expected to approve the Hiring Incentives to Restore Employment Act (S.A. 3310), also known as the HIRE Act, which is the first component of a multi-bill jobs package.

The HIRE Act includes an extension of SAFETEA-LU authorization through the end of the year and also includes the transfer of $19.5 billion to the Highway Trust Fund, including $4.8 billion to the Mass Transit Account (MTA). This transfer is expected to ensure the solvency of the MTA through the end of FY 2011. The Senate Finance Committee based the transfer on restoring interest payments to the Highway Trust Fund. The HIRE Act would also expand the Build America Bonds program, allowing states and local governments to borrow at lower costs to finance more infrastructure projects.

The HIRE Act will need to be approved by the House prior to the expiration of SAFETEA-LU authorization on February 28 in order to ensure continued surface transportation expenditures.

Staff is working with the American Public Transportation Association (APTA) to ensure that future components of the Senate’s jobs package will include supplemental transportation funding and an extension of the alternative fuels tax credit. APTA members have identified more than $15 billion in public transportation projects that could provide much needed American jobs and crucial funding for financially strapped public transportation systems that have been affected by the recession.

Like the HIRE Act, future jobs-related legislation approved by the Senate will need to be approved by the House, or reconciled with the Jobs for Main Street Act of 2010, which the House approved last year. This bill would authorize and appropriate supplemental transportation funding including:

- $8.4 billion for Federal Transit Administration (FTA) programs
- $27.5 billion in Federal Highway Administration (FHWA) programs

The bill would also allow agencies to reserve 10 percent of their allocation for emergency operating expenses.

Prepared By: Seamus Murphy, Manager, Government Affairs 650-508-6388
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<tr>
<th>Bill ID/Topic</th>
<th>Location</th>
<th>Summary</th>
<th>Position</th>
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<tbody>
<tr>
<td>AB 153 Ma (D)</td>
<td>SENATE T. &amp; H. 07/02/2009-In committee: Set, first hearing. Hearing canceled at the request of author.</td>
<td>Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law authorizes the authority to prepare a plan for the construction and operation of that system and to enter into contracts, acquire rights-of-way through purchase or eminent domain, and take other actions, subject to specified contingencies. Under existing law, a public entity may not commence an eminent domain proceeding until its governing body has adopted a resolution of necessity that meets certain requirements. Existing law generally prohibits a state agency from employing legal counsel other than the Attorney General unless there is a specific statute authorizing that employment. This bill would eliminate those contingencies to the exercise of the authority's authority and would specify that the authority constitutes a &quot;governing body&quot; for the purpose of adopting a resolution of necessity. The bill would authorize the authority to employ its own legal staff or contract with other state agencies for legal services, or both. This bill contains other related provisions and other existing laws.</td>
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<td>AB 231 Huffman (D)</td>
<td>SENATE E.Q. 06/18/2009-</td>
<td>Requires that revenues collected pursuant to the California Global Warming Solutions Act of 2006 be deposited into a Climate Protection Trust Fund, and establishes parameters by which those funds can be distributed for the reduction of GHG and mitigation of climate change impacts.</td>
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<td>AB 266 Carter (D)</td>
<td>SENATE RLS. 06/11/2009-Referred to Com. on RLS.</td>
<td>Requires the California Transportation Commission (CTC) to, on an every-5-year basis, to develop an assessment of the unfunded costs of programmed state projects and federally earmarked projects in the state, as well as an assessment of available funding for transportation purposes and unmet transportation needs on a statewide basis. Last Amended on 04/20/2009</td>
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<td>AB 289 Galgiani (D)</td>
<td>SENATE T. &amp; H. 02/11/2010-Re-referred to Com. on T. &amp; H.</td>
<td>Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes. Existing law provides for appointment of an executive director by the authority, who is exempt from civil service and serves at the pleasure of the authority. This bill would authorize the Governor to appoint up to 5 deputy directors exempt from civil service who would serve at the pleasure of the executive director. This bill contains other related provisions and other existing laws. Last Amended on 01/25/2010</td>
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<td><strong>AB 497</strong></td>
<td>SENATE T. &amp; H. 06/23/2009-From T. &amp; H.: Failed passage Reconsideration granted.</td>
<td>Existing law authorizes a physician when traveling in response to an emergency call to be exempt from certain speed limit requirements, as specified if the vehicle being used by the physician displays an insignia approved by the Department of the California Highway Patrol indicating that the vehicle is owned by a licensed physician. This bill would authorize the Department of Transportation and local authorities to also permit exclusive or preferential use of high-occupancy vehicle lanes by a vehicle driven by a physician if the vehicle is driven by a physician in response to an emergency call and the vehicle displays the insignia approved by the Department of the California Highway Patrol. The exemption from certain speed limit requirements would not apply to the use of an HOV lane by a physician under this provision. This bill contains other related provisions and other existing laws. <strong>Last Amended on 05/14/2009</strong></td>
<td><strong>Position</strong></td>
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<td><strong>AB 569</strong></td>
<td>SENATE L. &amp; I.R. 02/04/2010-Re-referred to Com. on L. &amp; I.R.</td>
<td>Existing law prohibits, subject to certain exceptions, an employer from requiring an employee to work more than 5 hours per day without providing a meal period and, notwithstanding that provision, authorizes the Industrial Welfare Commission to adopt a working condition order permitting a meal period to commence after 6 hours of work if the order is consistent with the health and welfare of affected employees. This bill would exempt from these provisions employees in a construction occupation, commercial drivers in the transportation industry, and employees in the security services industry employed as security officers if those employees are covered by a valid collective bargaining agreement containing specified terms, including meal period provisions. It would specify that its provisions do not affect the requirements for meal periods for certain other employees or employers. <strong>Last Amended on 09/11/2009</strong></td>
<td><strong>Position</strong></td>
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<tr>
<td><strong>AB 619</strong></td>
<td>SENATE T. &amp; H. 06/17/2009-In committee: Set, first hearing. Hearing canceled at the request of author.</td>
<td>Existing law provides that the Department of Transportation has full possession and control of the state highway system. Existing law provides for allocation of federal transportation funds made available to the state. This bill would require the department to notify the Legislature within 30 days of making a determination that a project, including a project designated in the National Corridor Infrastructure Improvement Program, will be delayed beyond its scheduled completion date due to state cashflow or other funding issues, if the delay places at risk federal funds, including funds earmarked for the project.</td>
<td><strong>Position</strong></td>
</tr>
<tr>
<td><strong>AB 726</strong></td>
<td>SENATE T. &amp; H. 06/16/2009-In committee: Set, first hearing. Hearing canceled at the request of author.</td>
<td>Existing law generally provides for allocation of transportation capital improvement funds pursuant to the State Transportation Improvement Program process. Existing law provides for 75% of funds available for transportation capital improvement projects to be made available for regional projects, and 25% for interregional projects. Existing law describes the types of projects that may be funded with the regional share of funds, and includes local road projects as a category of eligible projects. This bill would state that local road rehabilitation projects are eligible for these funds.</td>
<td><strong>Position</strong></td>
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## San Mateo County Transit District

### State Legislative Matrix as of 2/16/2010

<table>
<thead>
<tr>
<th>Bill ID/Topic</th>
<th>Location</th>
<th>Summary</th>
<th>Position</th>
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</table>
| **AB 732**  
Jeffries (R)  
Transportation projects: design-sequencing contracts. | SENATE APPR. SUSPENSE FILE 08/27/2009-In committee: Held under submission. | Existing law authorizes the Department of Transportation, until January 1, 2010, to conduct phase 2 of a pilot project through the utilization of design-sequencing contracts, as defined, for the design and construction of not more than 12 transportation projects, which are selected by the Director of Transportation taking into consideration specified geographical considerations. This bill would extend the operative date of those provisions until July 1, 2010 thereby extending the authority of the department to conduct phase 2 of the pilot project. The bill would instead specify that the pilot project consist of not more than nine transportation projects. Last Amended on 06/16/2009 | |
| **AB 744**  
Torrico (D)  
Transportation: toll lanes: Express Lane Network. | SENATE APPR. SUSPENSE FILE 12/10/2009-(Corrected December 10.) In committee: Held under submission. | Authorize development of a comprehensive network of high-occupancy toll — or HOT — lanes on Bay Area freeways, and allows solo drivers to pay a toll to use these lanes. Last Amended on 07/15/2009 | |
| **AB 1375**  
Galgiani (D)  
High-speed rail. | SENATE T. & H. 02/11/2010-Referral to Coms. on T. & H. and RLS. | Existing law, the California High-Speed Train Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes. This bill would revise and recast these provisions by repealing and reenacting the California High-Speed Train Act. The bill would continue the High-Speed Rail Authority in existence to make policy decisions relative to implementation of high-speed rail consistent with Proposition 1A. The bill would create the Department of High-Speed Trains within the Business, Transportation and Housing Agency, which would implement those policies. The bill would transfer certain of the existing powers and responsibilities of the authority to the department and would specify additional powers and duties of the authority and department relative to implementation of the high-speed rail project, including the annual submission of a 6-year high-speed train capital improvement program and progress report to the Legislature. The director of the department would be appointed by the Governor, who would serve at the pleasure of the authority, and the Governor would be authorized to appoint up to 10 executive employees of the department who would be exempt from civil service and serve at the pleasure of the director. The bill would provide for acquisition and disposition by the department of rights-of-way for the high-speed rail project. The bill would enact other related provisions. Last Amended on 01/15/2010 | |
## Existing Law

Existing law sets forth procedures pursuant to which work being done by contract on county highways may be done. Existing law specifies that in any county that has appointed a road commissioner, or in any county that has abolished the office of road commissioner, as prescribed, the board of supervisors of the county may authorize the road commissioner, or a registered civil engineer under the direction of the county director of transportation, to have any work upon county highways done under his or her supervision and direction. In this connection, existing law provides that the work on those contracts may be done by: (1) letting a contract covering both work and material, as provided; (2) purchasing the material and letting a contract for the performance of the work, as provided; or (3) purchasing the material and having the work done by day labor, in which case advertising for bids is not required. This bill would revise that provision authorizing the work on those county highway contracts to be done by (1) purchasing the material and having the work done by day labor, as defined, only after advertising and requesting bids, as provided, and the board passing a resolution making a specified finding; or (2) purchasing the material and having the work done by specified employees, as defined.

### Last Amended on 06/02/2009

This bill would make appropriations for support of state government for the 2010-11 fiscal year. This bill contains other related provisions.

### Existing Law

Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, authorizes $9.95 billion in general obligation bonds for high-speed rail development and other related purposes.

This bill would authorize the authority to consider, to the extent permitted by federal and state law, the creation of jobs in California when awarding major contracts or purchasing high-speed trains, as specified.

### Emissions of greenhouse gases: California Global Warming Solutions Act of 2006

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. The act requires the state board, on or before January 1, 2011, to adopt greenhouse gas emission limits and emission reduction measures, as defined, by regulation to achieve the maximum technologically feasible and cost-effective reductions in emissions of greenhouse gases, in furtherance of achieving the statewide greenhouse gas emissions limit, with the regulations to become operative beginning January 1, 2012.

This bill would make technical and nonsubstantive revisions to the above requirements.
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<th>Bill ID/Topic</th>
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<tbody>
<tr>
<td>ABX8 37 Calderon, Charles (D)</td>
<td>ASSEMBLY PRINT 02/11/2010-From printer.</td>
<td>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA provides for the judicial review of a lead agency's decision to certify an EIR.</td>
<td>Environment: California Environmental Quality Act (CEQA). The bill would enact the CEQA Litigation Protection Pilot Program of 2010 and would require the Business, Transportation and Housing Agency to select projects that meet specified requirements from specified regions for each calendar year between 2010 and 2014. The bill would exempt from judicial review, pursuant to CEQA, a lead agency's decision to certify the EIR of, or to adopt a mitigated negative declaration based on an initial study for, the selected projects, a lead agency's and responsible agency's approval of the selected project, and the Business, Transportation and Housing Agency's selection of the projects. The bill would require the Business, Transportation and Housing Agency, by December 31 of each year, to submit an annual report to the Governor and to the Legislature summarizing the designation of projects, and the job creation and investment attributable to the designated projects. This bill contains other related provisions and other existing laws.</td>
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<td>ACR 14 Niello (R)</td>
<td>ASSEMBLY NAT. RES. 04/27/2009-In committee: Refused adoption.</td>
<td>This measure would call upon the State Air Resources Board, prior to any regulatory action being taken consistent with the scoping plan for the implementation of the California Global Warming Solutions Act of 2006, to perform an economic analysis that will give the State of California a more complete and accurate picture of the costs and benefits of the act's implementation. The measure would also call upon the Governor to use the authority granted by the act to adjust any applicable deadlines for regulations.</td>
<td>California Global Warming Solutions Act of 2006. Last Amended on 03/27/2009</td>
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<td>Bill ID/Topic</td>
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<td>SB 409</td>
<td>ASSEMBLY TRANS. 02/11/2010-To Com. on TRANS.</td>
<td>Passenger rail programs: strategic planning.</td>
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<td>SB 454</td>
<td>ASSEMBLY DESK 01/25/2010-In Assembly. Read first time. Held at Desk.</td>
<td>Land use: zoning regulations.</td>
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<tr>
<td>SB 686</td>
<td>ASSEMBLY NAT. RES. 05/11/2009-To Com. on NAT. RES.</td>
<td>Environment: CEQA exemption: addition and deletion.</td>
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**SB 409 Ducheny (D)**

Existing law creates the Department of Transportation in the Business, Transportation and Housing Agency, with various powers and duties relative to the intercity passenger rail program, among other transportation programs. Existing law creates in state government the High-Speed Rail Authority, with various powers and duties relative to development and implementation of a high-speed passenger train system. The authority has 9 members, 5 appointed by the Governor and 4 appointed by the Legislature. Existing law also creates in state government the California Transportation Commission, with various powers and duties relative to programming of transportation capital projects and assisting the Secretary of Business, Transportation and Housing in formulating state transportation policies.

This bill would place the High-Speed Rail Authority within the Business, Transportation and Housing Agency. The bill would require the 5 members of the authority appointed by the Governor to be appointed with the advice and consent of the Senate. The bill would require the authority to annually submit a funding plan to the California Transportation Commission for approval, identifying the need for investments during the fiscal year and the amount of bond sales necessary to accommodate those investments. This bill contains other related provisions. **Last Amended on 01/26/2010**

**SB 454 Lowenthal (D)**

The Planning and Zoning Law authorizes the legislative body of a city or county to adopt zoning ordinances regulating, among other things, the use of buildings, structures, and land as between industry, business, residences, open space, and other uses. This bill would delete the repeal of these provisions, thereby extending their operation indefinitely. This bill contains other existing laws. **Last Amended on 12/17/2009**

**SB 686 DeSaulnier (D)**

The California Environmental Quality Act requires the Office of Planning and Research to adopt guidelines that include criteria for public agencies to follow in determining whether or not a proposed project may have a significant effect on the environment and a list of classes of projects that are exempted from the act’s requirements. The act establishes procedures for the certification and adoption of the guidelines. The act authorizes a public agency to request, in writing, the addition or deletion of a class of projects to the list. The office is required to review each request and, as soon as possible, submit its recommendation to the Secretary of Natural Resources Agency.

This bill would make technical, nonsubstantive changes to the provision regarding the addition or deletion of a class of projects.
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<tr>
<td><strong>SB 1010</strong></td>
<td>SENATE PRINT 02/11/2010-From print. May be acted upon on or after March 13.</td>
<td>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA provides for the judicial review of a lead agency's decision to certify an EIR.</td>
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<td><strong>SB 1012</strong></td>
<td>SENATE PRINT 02/11/2010-From print. May be acted upon on or after March 13.</td>
<td>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect.</td>
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<td><strong>SBX8 1</strong></td>
<td>ASSEMBLY THIRD READING</td>
<td>This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2009. The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 8, 2010. This bill contains other related provisions.</td>
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The bill would enact the CEQA Litigation Protection Pilot Program of 2010 and would require the Business, Transportation and Housing Agency to select projects that meet specified requirements from specified regions for each calendar year between 2010 and 2014. The bill would exempt from judicial review, pursuant to CEQA, a lead agency's decision to certify the EIR of, or to adopt a mitigated negative declaration based on an initial study for, the selected projects, a lead agency's and responsible agency's approval of the selected project, and the Business, Transportation and Housing Agency's selection of the projects. The bill would require the Business, Transportation and Housing Agency, by December 31 of each year, to submit an annual report to the Governor and to the Legislature summarizing the designation of projects, and the job creation and investment attributable to the designated projects. This bill contains other related provisions.
<table>
<thead>
<tr>
<th>Bill ID/Topic</th>
<th>Location</th>
<th>Summary</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SCA 3</strong></td>
<td><strong>Wyland</strong> (R)</td>
<td>Article XIX B of the California Constitution requires, commencing with the 2003-04 fiscal year, that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund (TIF) for allocation to various transportation purposes. Article XIX B authorizes this transfer to be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation by the Governor and the enactment of a statute by a 2/3 vote in each house of the Legislature, subject to various restrictions. This measure would delete the provisions authorizing the transfer of revenues to the TIF to be suspended during a fiscal emergency. The measure would also prohibit a loan of TIF revenues under any circumstances, and would prohibit any statute that would reduce the extent to which these tax revenues are deposited into the General Fund for transfer to the TIF for transportation purposes.</td>
<td></td>
</tr>
<tr>
<td><strong>SCA 5</strong></td>
<td><strong>Hancock</strong> (D)</td>
<td>The California Constitution requires the Governor to submit to the Legislature by January 10 of each year a budget for the ensuing fiscal year, accompanied by a Budget Bill itemizing recommended expenditures. The Constitution requires specified bills, including a bill making a change in state taxes for the purpose of raising revenue, a bill containing an urgency clause, and a bill, including the Budget Bill, that makes certain appropriations from the General Fund, to be passed in each house of the Legislature by a 2/3 vote. This measure would exempt General Fund appropriations in the Budget Bill from the 2/3 vote requirement. This bill contains other related provisions and other existing laws.</td>
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</tr>
<tr>
<td><strong>SCA 9</strong></td>
<td><strong>Ducheny</strong> (D)</td>
<td>Existing constitutional provisions require each house of the Legislature to pass a bill appropriating money from the General Fund, except appropriations for the public schools, by a 2/3 vote. This measure would also exempt from this 2/3-vote requirement appropriations made in a Budget Bill, and appropriations made in a bill identified in the Budget Bill as containing only changes in law necessary to implement the Budget Bill. Instead, this measure would require that a Budget Bill, and any bill identified in the Budget Bill as containing only changes in law necessary to implement the Budget Bill, be passed by a 55% vote in each house. This bill contains other related provisions and other existing laws.</td>
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<tr>
<td>Bill ID/Topic</td>
<td>Location</td>
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<tr>
<td><strong>SCA 10</strong>  Ducheny (D)</td>
<td>SENATE THIRD READING</td>
<td>Existing provisions of the California Constitution provide that the initiative is the power of the electors to propose statutes and amendments to the Constitution and to adopt or reject those proposals. Those provisions require the Secretary of State to submit the measure at the next general election held at least 131 days after it qualifies or at any special statewide election held prior to that general election. The Governor may also call a special statewide election on the measure. This measure would require the Secretary of State to transmit a copy of an initiative measure certified for the ballot to each house of the Legislature no later than 176 days prior to the election at which the measure is to be voted upon. Within 30 days, the Legislature may propose an amended form of the initiative measure by adopting a concurrent resolution. If the Legislature proposes an amended form of the initiative measure, the measure would provide that if the proponent, or a majority of the proponents if there is more than one proponent, of the initiative measure accepts the proposed amendments, the Legislature's proposal would appear on the ballot in place of the certified initiative measure. The measure would require that, if the amended form proposed by the Legislature is not accepted, information regarding the proposed amended form be included in the ballot materials relating to the initiative measure, as prescribed by statute. This bill contains other existing laws. <strong>Last Amended on 08/17/2009</strong></td>
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<tr>
<td><strong>SCA 14</strong>  Ducheny (D)</td>
<td>SENATE THIRD READING</td>
<td>The California Constitution provides that the electors may propose statutes or amendments to the state constitution through the initiative process by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by a certain number of electors. This measure would prohibit an initiative measure that would result in a net increase in state or local government costs other than costs attributable to the issuance, sale, or repayment of bonds, from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs. <strong>Last Amended on 08/17/2009</strong></td>
<td></td>
</tr>
<tr>
<td><strong>SCA 15</strong>  Calderon (D)</td>
<td>SENATE B. &amp; F. 04/13/2009-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on B. &amp; F.R.</td>
<td>The California Constitution requires the Governor to submit to the Legislature by January 10 of each year a budget for the ensuing fiscal year, accompanied by a Budget Bill itemizing recommended expenditures. The Constitution requires specified bills, including a bill making a change in state taxes for the purpose of raising revenue, a bill containing an urgency clause, and a bill, including the Budget Bill, that makes certain appropriations from the General Fund, to be passed in each house of the Legislature by a 2/3 vote. This measure would exempt General Fund appropriations in the Budget Bill for the ensuing fiscal year from the 2/3 -vote requirement if the total amount of General Fund revenues estimated by the Legislative Analyst, on or after May 15, for the current fiscal year is at least 5% below the estimate of General Fund revenues set forth in the Budget Bill enacted for the current fiscal year . This bill contains other related provisions and other existing laws. <strong>Last Amended on 04/13/2009</strong></td>
<td></td>
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<tr>
<td>Bill ID/Topic</td>
<td>Location</td>
<td>Summary</td>
<td>Position</td>
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<td>SCA 16</td>
<td>SENATE THIRD READING</td>
<td>The measure would alternatively authorize the electors to propose, and to adopt or reject, statutes and amendments to the Constitution pursuant to a process of initial review by the Legislature. The measure would require that the petition presented to the Secretary of State be certified as signed by electors equal in number to 3% in the case of a statute, or 6% in the case of an amendment to the Constitution, of the votes for all candidates for Governor at the last gubernatorial election. The measure would require the Secretary of State to transmit that petition to the Legislature within 10 days. This bill contains other existing laws.</td>
<td></td>
</tr>
</tbody>
</table>

Initiatives: indirect initiatives.
AGENDA

PLANNING, DEVELOPMENT & SUSTAINABILITY COMMITTEE
COMMITTEE OF THE WHOLE

San Mateo County Transit District Administrative Building
Bacciocco Auditorium - Second Floor
1250 San Carlos Ave., San Carlos, CA

TUESDAY, MARCH 9, 2010– 2:50 p.m.
or immediately following previous Committee meeting

ACTION

1. Approval of Minutes of Planning, Development and Sustainability Committee Meeting of
   December 9, 2009

2. Proclamation in Support of the 2010 Census

Committee Members: Adrienne Tissier, Jerry Deal, Art Lloyd

NOTE:
• This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum
  of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by
  the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a
  prerequisite to its legal enactment.
• All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the
  Board.
Committee Members Present: A. Tissier (Committee Chair), R. Guilbault

Other Board Members Present, Constituting Committee of the Whole: M. Church, J. Deal, S. Harris, Z. Kersteen-Tucker, A. Lloyd, K. Matsumoto


Committee Chair Adrienne Tissier called the meeting to order at 2:42 p.m.

Approval of Minutes of Planning, Development and Sustainability Committee Meeting of November 12, 2009
The Committee approved the minutes (Guilbault/Lloyd).

Authorize Adoption of Fiscal Year 2009-2018 Short-Range Transit Plan (SRTP)
Manager Planning and Research Marisa Espinosa said staff is requesting adoption of the SRTP. Three comments were received during the two-week public comment process. There were two small errors from the draft plan that have been corrected and the final version was mailed to the Board.

Director Jerry Deal agrees with the focus areas and asked if the Board will seek input for the comprehensive assessment of the delivery, design and productivity of SamTrans services.

Ms. Espinosa said the process will be initiated in 2010 and there will be extensive community outreach.

Director Deal said he is totally in favor of doing some type of gasoline tax. He is concerned with the fixed-route statement that assumes SamTrans will continue to operate the same level of service through FY2018 and accommodate future capacity needs by reallocating resources.

General Manager/CEO Michael Scanlon said the SRTP is just a snapshot with baseline assumptions required to obtain Federal money that passes through the Metropolitan Transportation Commission (MTC).

Director Deal asked why SamTrans contributes $16.5 million to the operation of Caltrain as a member of the Joint Powers Board (JPB). This is a very large chunk to be giving to the JPB with the SamTrans budget deficit.
Ms. Espinosa said SamTrans is one of the three members of the JPB and each partner contributes to the operating budget.

Mr. Scanlon said SamTrans was the agency that took the lead in saving the train. In the initial Joint Powers Board Agreement it is spelled out how much each party will contribute. One of the fundamental issues in the business plan, under the financial capacity, is how many business units SamTrans can support. SamTrans made the decision to get into the Bay Area Rapid Transit (BART) business, for which we are paying continuing debt service for our contribution to the extension of the BART system down the Peninsula. This continues, even though BART and Caltrain no longer have an operating agreement.

Mr. Scanlon said the number cited by Director Deal is because when the new Measure A contains funds for the operation of the BART system, which was about $4 million this past fiscal year allocated to SamTrans for its JPB contribution.

Committee Chair Tissier said the table on page five shows ridership is expected to grow next year, but staff estimates a decline. She said in the section on the 10-year capital improvement requirements, one sections states no money was projected for fixed-route bus and shuttle service, yet the table shows adding more than 300 fixed-route buses.

Ms. Espinosa said the 2 percent assumption in ridership does include some level of rebounding in the economy.

Mr. Scanlon said there is a difference between replacement and expansion. Replacement has to do with keeping modern and within the 12- to 14-year replacement cycle, while expansion is buying more buses for a larger fleet.

Committee Chair Tissier asked when staff talks about the change from year-to-year is it possible to explain the percentages; i.e., the percentage increase in operating costs or expenses and decreases.

Ms. Espinosa said staff can add this to the chart.

Committee Chair Tissier asked if staffing levels are included in the plan as it relates to the service.

Ms. Espinosa said the required components of the plan are the operating costs and expenses, revenues, the capital expenses, and projected revenues. When the full SRTP update is done every four years staff goes into more detail about certain indicators such as staffing and performance metrics.

Mr. Scanlon said in an indirect way this SRTP does take into consideration the service reductions that are going into effect December 20. Embedded in those aggregate numbers are reductions in staffing. Costs are reduced in wages and salaries.

The committee (Harris/Church) unanimously recommended Board acceptance of the motion.
Authorize General Manager/CEO to Execute a Cooperative Agreement with the Peninsula Corridor Joint Powers Board to Provide Right-of-Way Certification and Related Services in Connection with the San Bruno Grade Separation Project

No discussion on this item.

The committee (Guilbault/Matsumoto) unanimously recommended Board acceptance of the motion.

Adjourned: 2:56 p.m.
AGENDA ITEM # 2  
MARCH 9, 2010  

SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT  

TO: Planning, Development and Sustainability Committee  

THROUGH: Michael J. Scanlon  
General Manager/CEO  

FROM: Mark Simon  
Executive Officer, Public Affairs  

SUBJECT: PROCLAMATION IN SUPPORT OF THE 2010 CENSUS  

ACTION  
Staff proposes that the Committee recommend the Board adopt a proclamation stating support for the 2010 Census.  

SIGNIFICANCE  
The San Mateo County Transit District is a 2010 Census partner and supports the goals and ideals of the census. As a partner, the District is committed to communicating the importance of the 2010 Census to its employees and customers to help ensure a full and accurate count in 2010.  

BUDGET IMPACT  
None.  

BACKGROUND  
Since 1790, the Census Bureau has counted every resident of the United States once every 10 years. This process involves questionnaires that are mailed to every household to count all who reside there and collect important demographic data. This data is critical in determining Congressional representation and deciding how more than $400 billion per year is allocated for local services, such as new hospitals, schools and public works projects.  

Lack of awareness and misinformation are key issues the Census Bureau contends with every time the census comes up. For these reasons, District staff has been working in support of the Census Complete Count Committee, which has been put in place to make sure all persons are counted in this year’s census.  

Prepared By: Kelly Green, Community Relations Specialist  
650-508-7934
Proclamation

Support of 2010 Census

WHEREAS the Board of Directors of the San Mateo County Transit District is a 2010 Census partner and supports the goals and ideals of the census; and

WHEREAS achieving an accurate and complete count of the nation’s growing and changing population is vital to the well-being of those that we serve by helping planners determine where to locate schools, day care centers, roads and public transportation, hospitals and other facilities; and

WHEREAS more than $400 billion per year in federal and state funding is allocated to states and communities based, in part, on census data; and

WHEREAS census data help determine how many seats each state will have in the U.S. House of Representatives and often is used for the redistricting of state legislatures, county and city councils and voting districts; and

WHEREAS the 2010 Census creates jobs that stimulate economic growth and increase employment; and

WHEREAS the information collected by the census is confidential and protected by law.

NOW, THEREFORE, WE PROCLAIM that the San Mateo County Transit District is committed to communicating the importance of the 2010 Census to its employees and customers to help ensure a full and accurate count in 2010.

Regularly passed and adopted this 9th day of March 2010.

Chair, San Mateo County Transit District
AGENDA

BOARD OF DIRECTORS

San Mateo County Transit District Administrative Building
Bacciocco Auditorium - Second Floor
1250 San Carlos Ave., San Carlos, CA

TUESDAY, MARCH 9, 2010 – 3:00 p.m.
or immediately following Committee meetings

1. CALL TO ORDER/ROLL CALL

2. GENERAL COUNSEL PROPOSAL – 3:00 P.M. TIME CERTAIN

   a. Closed Session: Real Estate Negotiations – Pursuant to Government Code 54956.8:
      Agency Negotiators: David J. Miller and Brian Fitzpatrick
      Under Negotiation: Price and Terms of Purchase

      Property and Negotiating Parties:  Owner Address/Location APN:
      Usman and Fatima Shaikh            111 San Bruno Avenue 020-121-360
      Lester and Rhoda Kaplan, Paul and Rita Kaplan 222 San Bruno Avenue 020-193-360
      Artichoke Joes                   659 Huntington Avenue 020-131-570
      City and County of San Francisco 205 Angus Avenue 020-131-410
      Artichoke Joes 659 Huntington Avenue SBE 845-41-5
      City and County of San Francisco 205 Angus Avenue SBE 846-41-5

   b. Public Hearing/Consideration of Resolution of Necessity – Property Owner and Location/APN:
      Usman and Fatima Shaikh, 111 San Bruno Avenue 020-121-360

   c. Public Hearing/Consideration of Resolution of Necessity – Property Owner and Location/APN:
      Lester and Rhoda Kaplan, Paul and Rita Kaplan, 222 San Bruno Avenue 020-193-360

   d. Public Hearing/Consideration of Resolution of Necessity – Property Owner and Location/APN:
      Artichoke Joes, 659 Huntington Avenue 020-131-570
      Artichoke Joes, 205 Angus Avenue 020-131-410

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.
e. Public Hearing/Consideration of Resolution of Necessity – Property Owner and Location/APN:
   City and County of San Francisco, Angus and Huntington Avenue SBE 845-41-5,
   San Mateo and Huntington Avenues SBE 846-41-5

3. CONSENT CALENDAR
   MOTION
   a. Approval of Minutes of Board of Directors Meeting of February 10, 2010
   b. Acceptance of Statement of Revenues and Expenses for January 2010

4. PUBLIC COMMENT
   Public comment by each individual speaker shall be limited to one minute

5. REPORT OF THE CHAIR

6. REPORT OF THE GENERAL MANAGER/CEO
   a. Annual Operations and Maintenance Base Safety Awards
   b. Maintenance and Operator Employees of the Year Awards

7. COMMUNITY RELATIONS COMMITTEE
   (Accessibility, Senior Services, and Community Issues)
   SUBJECTS DISCUSSED
   a. Accessibility Update
   b. Paratransit Coordinating Council (PCC) Update
   c. Citizens Advisory Committee Liaison Report
   d. Performance Report – Fixed-route Bus Service
   e. Multimodal Ridership Report – January 2010

8. FINANCE COMMITTEE
   RESOLUTIONS
   a. Authorize Assignment of Contract to CSI Capital Management, Inc. to Provide
      Investment Management Services
   b. Annual Adoption of Investment Policies and Authorization to Invest Monies with the
      Local Agency Investment Fund
   c. Assessment of the Fiscal Year 2010 Fuel Hedge Program and Authorize Adoption of a
      Fuel Hedging Program
   d. Authorize the Disposal of 137 Surplus Gillig Buses
   e. Authorize Filing an Application with Caltrans for a Community-Based Transportation
      Grant Application in the Amount of $300,000 for the Economic and Housing Assessment
      for the Grand Boulevard Initiative
   f. Authorize Receiving an Allocation of $196,867 of Proposition 1B Public Transportation
      Modernization, Improvement and Service Enhancement Account Funds Through the
      Lifeline Transportation Program for the Improvement of Bus Stops in Lifeline Areas
      Within San Mateo County
   g. Authorize Entering into Memoranda of Understandings, File Applications and Pass
      Through Funds to Lifeline Transportation Project Sponsors in San Mateo County

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.
h. Authorize Award of Contract to GFI Genfare (GFI) to Provide Automatic Fare Collection System for a Total Cost of $7,654,475

9. LEGISLATIVE COMMITTEE RESOLUTIONS
   a. Authorize Support of the Local Taxpayer, Public Safety and Transportation Act for California’s November 2010 Statewide Ballot

SUBJECTS DISCUSSED
   b. State and Federal Legislative Update

10. PLANNING, DEVELOPMENT & SUSTAINABILITY COMMITTEE
    PROCLAMATION
    a. Support of the 2010 Census

11. WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

12. BOARD MEMBER REQUESTS/COMMENTS

13. DATE, TIME AND PLACE OF NEXT MEETING – April 14, 2010 at 2 p.m., San Mateo County Transit District, Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 Carlos Ave., San Carlos 94070

14. GENERAL COUNSEL PROPOSAL
    a. Closed Session: Conference with Labor Negotiator – Pursuant to Government Code Section 54957.6, Teamsters Union, Local 856 (Bus Transportation Supervisors, Dispatchers and Radio Controllers)
    b. Closed Session: Conference with Labor Negotiator – Pursuant to Government Code Section 54957.6, Amalgamated Transit Union, Local 1574 (Customer Service Center Employees)

15. ADJOURNMENT
INFORMATION TO THE PUBLIC

If you have questions on the agenda, please contact the District Secretary at 650-508-6242. Agendas are available on the SamTrans Website at www.samtrans.com.

The San Mateo County Transit District Board and Citizens Advisory Committee (CAC) meeting schedules are available on the Web site.

**Date and Time of Board and Advisory Committee Meetings**
San Mateo County Transit District Committees and Board: Second Wednesday of the month, 2 p.m.; SamTrans Citizens Advisory Committee: First Wednesday of the month, 6:30 p.m. Date, time and location of meetings may be change as necessary.

**Location of Meeting**
The San Mateo County Transit District Administrative Building is located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real and accessible by SamTrans bus Routes 260, 295, 390, 391, KX. Map link Additional transit information can be obtained by calling 1-800-660-4287 or 511.

**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 District 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 Transit District 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 District Secretary at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@samtrans.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.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.
SAN MATEO COUNTY TRANSIT DISTRICT
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA

MINUTES OF BOARD OF DIRECTORS MEETING
FEBRUARY 10, 2009

Members Present: M. Church, J. Deal, R. Guilbault (Chair), S. Harris, Z. Kersteen-Tucker, A. Lloyd, K. Matsumoto, A. Tissier

Members Absent: O. Ahmad


Chair Rose Guilbault called the meeting to order at 2:52 p.m.

CONSENT CALENDAR
The Board unanimously approved the consent calendar (Lloyd/Tissier).
   a. Approval of Minutes of Board of Directors Meeting of January 13, 2010
   b. Acceptance of Statement of Revenues and Expenses for December 2009
   c. Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2009

PUBLIC COMMENT
Jerry Grace, San Lorenzo, said the Golden Gate Regional Center (GGRC) is having a meeting in September at Fort Mason.

Ellen Alberstat, Redwood Shores, takes bus Route 260 in the morning and said the schedule needs to be adjusted because it misses the connection to Route KX when it reaches El Camino Real. Ms. Alberstat said drivers are not asking people to move from the disabled seats so she can sit down with her service animal. She said she got off Route KX at the San Carlos Caltrain Station and the driver for Route 260 did not stop to let her on as she was approaching the bus stop.

General Manager/CEO Michael Scanlon asked Ms. Alberstat to provide Deputy CEO Chuck Harvey with the details for investigation.

REPORT OF CHAIR
Resolution of Appreciation to Outgoing Board Member, Jim Hartnett
Chair Guilbault presented outgoing Director Harnett with a Resolution of Appreciation for his years of service on the SamTrans Board along with a hand-sketched portrait.

The motion (Tissier/Matsumoto) to approve the resolution of appreciation was approved by roll call.

Mr. Hartnett said it has been a tremendous privilege to serve on this Board. Mr. Hartnett recognized the organization’s extraordinary staff and leadership, starting with Mr. Scanlon. He said the District is blessed with a great Citizens Advisory Committee that takes its role very
seriously and recognizes the importance of its views and comments to the Board. Mr. Hartnett said these are extraordinary times with great opportunity.

Director Tissier, Director Church, and Chair Guilbault thanked Mr. Hartnett for his great work on the Board, his leadership and commitment to public service, and for providing a positive influence as a mentor and coach.

Public Comment
Jerry Grace, San Lorenzo, said Mr. Hartnett was a great Board member and did a dynamic job.

REPORT OF THE GENERAL MANAGER/CEO
Mr. Scanlon reported:
  • On behalf of himself and staff thanked Mr. Hartnett for being a great mentor.
  • Service was cut 7.5 percent on December 20 and fares were increased on February 1.
  • Thanked the Board for their willingness to travel to Sacramento on March 10 for Transit Lobby Day.
  • Participated in the Chief Executive Officer workshop sponsored by the America Public Transportation Association. The financial problems are severe and universal at all transit agencies in this country.
  • Employees continue to do great work, which was in evidence yesterday as he and Mr. Harvey attended the quarterly Employee of the Month luncheon.
  • Two MV Transportation employees were recognized for their outstanding service over the past month.
  • Thirty-one of the 73 new buses already received are in service and three are on Route 17.
  • The Route 17 event for the new buses in Half Moon Bay was a huge success.
  • As mentioned earlier by CAC Chair John Baker, CAC member Andy Chow suggested a routing change on Route 292 in San Francisco and this change was adopted by the planning department. CAC member Matey Matev’s suggestions for Routes 43 and 53 have been provisionally approved.
  • The maintenance department went 20,200 miles and Redi-Wheels went 25,400 miles between services calls. Both of these exceeded the District’s goal of 19,000 miles.
  • The marketing department is promoting the new Route 359, which goes from Foster City to the Millbrae Intermodal Station. The average weekday ridership for January was 120.
  • Caltrain is experiencing the same ridership and revenue issues as SamTrans. The real future of Caltrain is vested in electrification. Staff will be working with the Metropolitan Transportation Commission in an effort to get a portion of the $4.5 billion.

COMMUNITY RELATIONS COMMITTEE
(Accessibility, Senior Services, and Community Issues)
SUBJECTS DISCUSSED
  a. Accessibility Update
  b. Citizens Advisory Committee Liaison Report
  c. Performance Report – Shuttles
FINANCE COMMITTEE
RESOLUTIONS
a. Authorize the Filing of Federal Transit Administration Applications
b. Authorize Award of Contract to Giro, Inc. for a Maintenance Contract to Continue
   Maintenance and Support Services for Hastus Software for a Not-to-Exceed Amount of
   $523,417
c. Authorize Award of Contract to Wilbur Smith Associates to Provide On-call
   Transportation Planning and Program Support for up to $4,000,000 Over a Three-Year
   Period
d. Authorize Award of Contract to Gannett Fleming, Inc. for On-call Engineering
   Consulting Services for a Total Aggregate Amount of $1,750,000 for a Five-Year Period
e. Authorize Rejection of the Lowest Monetary Bid from RL Controls as Non-responsive
   and Award a Contract to Kimball Midwest for Furnishing and Servicing Bolts, Nuts,
   Fasteners and Related Items for a Total Estimated Cost of $143,912
f. Authorize Rejection of the Lowest Monetary Bid from WWC Services as Non-responsive
   and Award a Contract to Universal Building Services and Supply Company for Bus Stop
   Cleaning Services for a Total Estimated Cost of $503,216

The motion (Church/Tissier) to approve the resolutions was approved unanimously by roll call.

LEGISLATIVE COMMITTEE
SUBJECTS DISCUSSED
a. State and Federal Legislative Update

WRITTEN COMMUNICATIONS
In reading file.

BOARD MEMBER COMMENTS
None.

DATE AND TIME OF NEXT MEETING – March 18, 2010, at 2 p.m., San Mateo County
Transit District, Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070.

GENERAL COUNSEL PROPOSAL
   Section 54957.6, Teamsters Union, Local 856 (Bus Transportation Supervisors,
   Dispatchers and Radio Controllers)
b. Closed Session: Conference with Labor Negotiator – Pursuant to Government Code
   Section 54957.6, Amalgamated Transit Union, Local 1574 (Customer Service Center
   Employees)
c. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to
   Government Code Section 54956 (a), Kim-Jian Huo v. San Mateo County Transit
   District
d. Closed Session: Real Estate Negotiations – Pursuant to Government Code 54956.8:
   Agency Negotiators: David J. Miller and Brian Fitzpatrick
   Under Negotiation: Price and Terms of Purchase
   Property and Negotiating Parties:
<table>
<thead>
<tr>
<th>Owner</th>
<th>Address/Location</th>
<th>APN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welch Family Partnership</td>
<td>104 San Bruno Avenue</td>
<td>020-111-150</td>
</tr>
<tr>
<td>Usman and Fatima Shaikh</td>
<td>111 San Bruno Avenue</td>
<td>020-121-360</td>
</tr>
<tr>
<td>Federick J.Firpo Trust</td>
<td>Huntington Avenue</td>
<td>020-111-140</td>
</tr>
<tr>
<td>Lester and Rhoda Kaplan</td>
<td>222 San Bruno Avenue</td>
<td>020-193-360</td>
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<td>Paul and Rita Kaplan</td>
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<td>Artichoke Joes</td>
<td>659 Huntington Avenue</td>
<td>020-131-570</td>
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<td>Artichoke Joes</td>
<td>205 Angus Avenue</td>
<td>020-131-410</td>
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<td>City and County of San</td>
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<td>Francisco</td>
<td>San Mateo and Huntington Avenues</td>
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Legal Counsel David Miller said there have been ongoing discussions with the representatives of the ATU representing the Customer Service Center employees and there is no need to seek the Board’s review or approval of any particular proposals. Similarly, the Teamsters, who represent bus transportation supervisors, dispatchers and radio controllers have been involved in business in the Midwest so meetings have not taken place. These two items will be carried forward to the March agenda.

A report will be given on a pending litigation matter, Huo v. SamTrans. Also the Board has been requested by the Joint Powers Board (JPB) to take particular actions on real estate matters that may result in imminent domain actions.

Adjourned to closed session at 3:26 p.m.

Reconvened to open session at 3:45 p.m.

Mr. Miller said the Board convened in closed session to hear two matters. The first was a litigation matter involving the case of Kim-Jian Huo v. San Mateo County Transit District. Mr. Miller said instructions have been given to staff and special counsel with regards to the disposition of this case. The second matter has to do with the San Bruno Grade Separation Project real estate acquisition program. Mr. Miller said a report was provided to the Board with regards to the status of notices to property owners and ongoing negotiations. This matter will be heard, with respect to some of these parcels, at the March 18 meeting, where property owners have been given notice of an opportunity to appear before the Board on potential resolutions of necessity to acquire those properties.

Adjourned at 3:48 p.m.