

# **FEBRUARY 1, 2017**

## **SAMTRANS BOARD MEETING**

- [COMMUNITY RELATIONS COMMITTEE LINK](#)
- [FINANCE COMMITTEE LINK](#)
- [LEGISLATIVE COMMITTEE LINK](#)
- [STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE LINK](#)
- [BOARD OF DIRECTORS](#)



BOARD OF DIRECTORS 2017

ROSE GUILBAULT, CHAIR  
CHARLES STONE, VICE CHAIR  
JEFF GEE  
CAROLE GROOM  
ZOE KERSTEEN-TUCKER  
KARYL MATSUMOTO  
DAVE PINE  
JOSH POWELL  
PETER RAITO

JIM HARTNETT  
GENERAL MANAGER/CEO

## AGENDA

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

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

**WEDNESDAY, FEBRUARY 1, 2017 – 2:00 P.M.**

1. Call to Order
2. Swearing-in:
  - a. Carole Groom (Representing Board of Supervisors)

### **ACTION**

3. Approval of Minutes of Community Relations Committee Meeting of January 4, 2017

### **INFORMATIONAL**

4. Accessibility Update – Tina Dubost
5. Paratransit Coordinating Council Update – Mike Levinson
6. Citizens Advisory Committee Update – Juslyn Manalo
7. Mobility Management Report - Dashboard
8. Multimodal Ridership Report – December 2016
9. Adjourn

Committee Members: Zoe Kersteen-Tucker, Josh Powell, Peter Ratto

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.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

Draft

**MINUTES OF COMMUNITY RELATIONS COMMITTEE (CRC) MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 4, 2017**

Committee Members Present: J. Gee (Committee Chair), C. Groom

Other Board Members Present, Constituting Committee of the Whole: R. Guilbault, Z. Kersteen-Tucker (Chair), K. Matsumoto, D. Pine, J. Powell, P. Ratto, C. Stone

Staff Present: J. Cassman, A. Chan, T. Dubost, S. Gaffney, J. Hartnett, M. Martinez, N. McKenna, S. Murphy, M. Ross, M. Simon, S. van Hoften

**Swearing in of Jeff Gee (Representing City Selection Committee-South), Rose Guilbault (Representing Public Member), Dave Pine (Representing Board of Supervisors) and Josh Powell (Representing Public Member)**

Martha Martinez, Executive Officer, District Secretary, administered the Oath of Office.

Committee Chair Jeff Gee called the meeting to order at 2:07 p.m.

**Approval of Minutes of December 7, 2016**

Motion/Second: Stone/Guilbault

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Stone, Ratto

**Accessibility Update**

Tina Dubost, Manager, Accessible Transit Services, said as part of the District's commitment to provide high-quality paratransit service, the cutaway vehicles and minivans are being replaced in 2017. Staff is soliciting comments from the Paratransit Coordinating Council (PCC) on the new vehicles.

Director Karyl Matsumoto asked that the dates of the PCC stakeholder meetings be shared with the Board.

Director Gee asked how the attendance was at the meeting. Ms. Dubost said it was well attended with representatives from other counties.

**PCC Update**

Mike Levinson, Chair, PCC, said in April there will be an education event in Half Moon Bay. The Regional Conference date will be decided at the next PCC meeting and participation has been confirmed from five other counties.

### **Multimodal Ridership Report – November 2016**

Margo Ross, Director, Bus Transportation, reported:

- Compared to November 2015
  - Average Weekday Ridership
    - Bus ridership was 41,520, a decrease of 3.9 percent.
    - Paratransit ridership was 1,270, an increase of 2.4 percent.
    - Caltrain ridership was 57,050, a decrease of 1.8 percent.
    - Shuttle ridership was 12,770, an increase of 10.1 percent.
    - Total weekday ridership was 162,330, a decrease of 1.6 percent.
  - Total Monthly Ridership
    - Bus ridership was 1,024,040, a decrease of 2.9 percent.
    - Paratransit ridership was 30,280, an increase of 5 percent.
    - Caltrain ridership was 1,468,820, a decrease of 0.6 percent.
    - Shuttle ridership was 258,400, an increase of 15.3 percent.
    - Total weekday ridership was 3,978,840, a decrease of 0.4 percent.

Mr. Hartnett said staff is not happy with the ridership numbers, but November did have a lower decline than previous months.

Adjourned: 2:18 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Community Relations Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **ACCESSIBILITY REPORT**

**ACTION**

This item is for information only. No 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 PCC and the PAL (PCC AL-Com) meet monthly (except for August).

The minutes of the December 13, 2016 PCC and PAL meetings are attached to this report.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

No additional Information.

Prepared By: John Sanderson, Accessibility Coordinator 650-508-6475  
Project Manager: Tina Dubost, Manager, Accessible Transit Services 650-508-6247

**SAN MATEO COUNTY  
PARATRANSIT COORDINATING COUNCIL (PCC)**

**MEETING MINUTES  
December 13, 2016**

**ATTENDANCE:** Members Present: Mike Levinson, Chair; Vincent Merola, Vice-Chair; Tina Dubost, SamTrans; Dinae Cruise, Consumer; Dale Edwards, Consumer; Sammi (Wilhelmina) Riley, Consumer; Barbara Kalt, Rosener House; Aki Eejima, Consumer; Ka'ili Crabbe, DOR; Michal Settles, Coastside; Judy Garcia, Consumer; Maureen Dunn, Senior Focus; and Sandra Lang, COA.

**GUESTS:** Richard Weiner, Nelson-Nygaard; Erin Swartz, PCC Staff; John Sanderson, SamTrans; Ashish John, SamTrans; Talib Salamin, Serra Taxicab; and Dave Daley, First Transit.

**ABSENTEES:** Maria Kozak, Consumer; Marie Violet, Sequoia Hospital, Monica Colondres, Community Resident; Patty Clement-Cihak, Catholic Charities.

(Member Attendance 14; Quorum—Yes)

**WELCOME/INTRODUCTION**

Vice-Chair Vincent Merola called the meeting to order at 1:30 p.m. and welcomed all to the December PCC meeting.

**APPROVAL OF THE NOVEMBER PCC MINUTES**

Barbara motioned to approve the November PCC meeting minutes and Michal seconded the motion. None of the PCC members abstained from voting and no corrections were noted.

**PRESENTATION BY RICHARD WEINER: THE FUTURE OF MOBILITY IS NOW**

The first possible use for Transportation Network Companies (TNC's) is to reduce the cost of ADA paratransit. TNC's have been proposed for use as a non-dedicated service provider for ADA paratransit but have not yet been implemented. Richard discussed scheduling and dispatching issues, along with driver training, vehicle, and insurance issues. Possible solutions to the issues were also discussed.

Using TNC's as a "non-ADA" alternative for ADA customers could enable cost-reduction. Issues and obstacles include drug and alcohol testing, equal access, Title VI requirements. Current and proposed on-demand paratransit pilot programs and projects across the United States were highlighted.

The second possible use for TNC's is to minimize the cost of serving customer trips within or between areas unsuitable for fixed-route transit. The TNC's may be able to fill key gaps in fixed-route network, along with service to lower-density areas. Issues and obstacles include pricing, dispatching, accessibility, and payment. Examples for possible solutions were given from demonstration programs like Direct Connect, TD Late Shift, Wheels on Demand and Ride KC: Bridj.

Vincent expressed concern that Uber might be artificially deflating the cost of their services in an attempt to drive out competition, including taxis. He provided evidence of this in a recent report that the company lost nearly \$2B in the first half of 2016. With competition eliminated, Uber would then control the market and likely drive up their prices. With this in mind, he expressed concern that the SamTrans Board might be looking at replacing in-house vehicles with TNCs as a cost-saving measure. The PCC members discussed Uber's current profitability and future cost structure, once venture capital funding has been exhausted. Ongoing cost to consumers is an issue. Talib added that Uber's current fare prices do not accurately reflect the cost of operating a vehicle. The PCC members discussed insurance costs, indemnification, and training for drivers who transport passengers with disabilities.

Recent developments since Richard's first presentation included an update from Anthony Foxx, the Secretary for the U.S. Department of Transportation (DOT). The DOT has encouraged transit agencies partnerships with TNC's, while reminding them of the need to comply with Title VI and ADA guidelines. Federal funding requirements were also noted. The issue of equivalent service for individuals with disabilities was highlighted. The six service criteria required for ADA paratransit service were reviewed in the context of using TNCs to meet ADA compliance.

Richard added that autonomous vehicles are now also being considered as a component to fill services needs in ADA paratransit. Uber is piloting a program in Pittsburgh, Pennsylvania to use pilotless vehicles to provide transportation. Implications for serving individuals with disabilities and seniors were explored.

John spoke about confirmed reservations vs. on-demand ride requests. Richard and Aki discussed opportunities for use of space-available same-day service to fill gaps created by trip cancellations. John said that there are some trips added to the driver's schedule on the day of the ride, although they do not fall in the category of "same day service." Tina said that there are few usable gaps.

## **COMMITTEE REPORTS**

### **A. POLICY ADVOCACY- LEGISLATIVE COMMITTEE (PAL)**

Vincent reported that the PAL Committee met today and discussed funding issues for paratransit during most of the hour.

### **B. GRANT/BUDGET REVIEW**

Barbara reported that she received an email recently about the 5310 Grant Program. Tina was not able to confirm whether SamTrans has completed an application for this round of funding.

### **C. EDUCATION COMMITTEE**

Sammi reported the Education Committee will have a conference call on Friday, December 16, 2016 at 1:00 p.m. The schedule for next year is on the agenda.

### **D. EXECUTIVE COMMITTEE**

Mike reported that the Executive Committee has not met since November. Another meeting will be scheduled before the January PCC Meeting.

The PCC Regional Conference Planning Committee met today between the PAL and PCC meetings and will meet again on January 10, during the same time slot. The PCC Regional Conference will be held on either Tuesday, February 7, 2017 or Tuesday, February 21, 2017. The PCC Regional Conference Planning Committee voted to recommend holding the event at the Silicon Valley Community Foundation site in San Mateo. The PCC members voted to approve the use of the Silicon Valley Community Foundation site for the event, pending availability of this location.

## **SAMTRANS/REDI-WHEELS REPORT**

### **A. Operational Report**

Tina thanked everyone for taking the time to review the vehicles SamTrans is considering purchasing. She reported that there will be another vehicle review opportunity at 10:30 a.m. (before the PAL Committee) on January 10, 2017. SamTrans will be purchasing 10 cutaway buses, instead of the low-floor buses that were reviewed by the PCC members in November. These vehicles will replace minivans and cutaways currently in service.

SamTrans is working to update the Senior Mobility Plan, after holding a stakeholder meeting for community members to give their input. The study is documenting existing transportation services in San Mateo County, along with demographic information, stakeholder interviews, capital improvements, pedestrian issues, funding, and other topics. Three more stakeholder meetings are planned, but the dates have not been determined.

Tina reported that a Redi-Wheels customer passed away from a medical condition while on a taxi trip. Tina thanked the driver for giving CPR assistance to the passenger during an unexpected medical emergency.

### **B. Performance Measures Report**

Tina reported that Total trips requested were slightly higher in October 2015 when compared to October 2016. During the same period, Total trips served reflected a similar trend. Average weekday riders show few changes over the last year.

Aki asked for clarification about average phone wait times for dispatchers and reservationists and for any updates about paratransit service in Santa Clara County. Barbara reported that reservation and customer service calls to Santa Clara County paratransit service are quite long. Tina and John commented on their experience since the transition between paratransit providers for Santa Clara County in which there has been a major improvement in service delivery since the first few days after the transition.

On-time performance was 92.6% and Productivity was 1.90 psgrs/rvh in October 2016, which exceeded the standard in both categories.

### **C. Monthly Redi-Wheels Comment Statistics Report**

John reported that year-to-date trends in Customer Comments and valid complaints are continuing to be consistent. Overall, 0.6 complaints per thousand rides provided are received by Redi-Wheels. Improvements in Average Response Time to Customer from September to October have been encouraging. John acknowledged that the customer service team for Redi-Wheels works to coordinate on completing customer responses.

Aki asked about the high number of taxi rides provided as a percentage of total trips. Dave commented that it is a challenge during the holiday season.

### **Safety Report**

Dave reported that there were three preventable incidents on cutaway buses. Taxicabs had two preventable incidents and two non-preventable incidents. Each of the drivers involved in preventable incidents have completed re-training. Aki, John, Talib, and Dave discussed random drug testing of drivers, along with daily check-ins with each driver.

### **LIAISON REPORTS**

#### **A. COASTSIDE TRANSPORTATION COMMITTEE (CTC)**

Michal reported that the CTC will meet on Thursday, December 15 from 9:30-11:00 a.m. SamTrans will not be able to participate in caroling this year. The 2017 meeting dates will be set at this week's meeting.

Michal also reported on developments at City College of San Francisco, where she teaches part-time. She will forward updates to the PCC as they develop.

#### **B. AGENCY**

Barbara reported that there are no updates available. Barbara circulated an email with information about the Meals-on-Wheels service expansion to northern San Mateo County. Interested volunteer drivers are encouraged to follow up with Barbara or the Human Resources Department. Short shifts based out of San Bruno are available.

#### **C. EFFICIENCY REVIEW COMMITTEE (ERC)**

The next ERC meeting date has not been set.

#### **D. COMMISSION ON AGING (COA)**

Sandra reported that the last meeting was on November 14. Pedestrian Safety Tool Kits have been sent to 15 municipalities, with a request for feedback about safety issues. The Transportation Sub-Committee will analyze the feedback and make a recommendation for an Action Plan for the COA to consider.

#### **E. COMMISSION ON DISABILITIES (COD)**

Vincent reported that parking at 225-37<sup>th</sup> Avenue in San Mateo has been re-designed for increased ADA accessibility. The support poles for the solar panels in the parking lot were blocking the passageway for pedestrians and individuals using wheelchairs. The parking lot has been restriped and now functions well for all visitors and employees accessing the building.

#### **F. CENTER FOR THE INDEPENDENCE OF INDIVIDUALS WITH DISABILITIES (CiD)**

Vincent reported that "My Left Foot" will be screened from 3-5 p.m. at 900 Stanton Road tomorrow.

Mike announced that Kent Mickelson passed away last week. The PCC members commented on Kent's tremendous effort to work as a team member and advocate for individuals with disabilities.

#### **G. DEPARTMENT OF REHABILITATION (DOR)**

Ka'ili said that there are no updates to report.

#### **OTHER BUSINESS**

Sandra commented on the great number of auto accidents on our local roads.

Tina and Aki discussed the implementation of a pilot Redi-Wheels identification card with magnetic striping on the back. Tina clarified that the magnetic stripe was for informational purposes only and not designed to hold ride payment information for the passenger.

Mike announced that the next PCC meeting is scheduled for Tuesday, January 10, 2017 at 1:30 p.m.

**MEETING ADJOURNED** 3:10 in the memory of a Redi-Wheels dispatcher's spouse who passed away recently.

**SAN MATEO COUNTY  
PCC POLICY-ADVOCACY-LEGISLATIVE (PAL) COMMITTEE**

**MEETING MINUTES  
11:30 a.m. - 12:30 p.m.  
December 13, 2016**

**MEMBERS PRESENT:** Mike Levinson, PAL Co-Chair; Vincent Merola, PAL Co-Chair; Dinae Cruise, Consumer; Tina Dubost, SamTrans; Dale Edwards, Consumer; Sammi (Wilhelmina) Riley, Consumer; Marie Violet, Sequoia Hospital; Maria Kozak, Consumer; and Aki Ejima, Consumer.

**GUESTS:** John Sanderson, SamTrans; Henry Silvas, SamTrans; Richard Weiner, Nelson-Nygaard; Erin Swartz, PCC Staff; and Dave Daley, First Transit.

**ABSENT:** Sandra Lang, COA and Judy Garcia, Consumer.

**APPROVAL OF NOVEMBER PAL MINUTES**

Mike motioned to approve the November PAL meeting minutes and Sammi seconded the motion. No abstentions or corrections were noted.

**LEGISLATIVE UPDATES**

Tina reported that a member of the Legislative Affairs Department will be attending an upcoming PAL Committee meeting to provide a legislative update.

**LOCAL ADVOCACY ISSUES—OPEN DISCUSSION**

Vincent followed up on a discussion from November about advocating on how the TA (Transit Authority) administers funding for paratransit. The TA administers San Mateo County Measure A. When it was passed, the Measure contained specific language noting that 4% of the total would be dedicated for paratransit service. Tina confirmed that the money has been spent for Redi-Wheels and RediCoast. Tina added that money dedicated for other transit and transportation projects would require a change in the law to be shifted toward another purpose. John clarified the difference between San Mateo County Measure A and the San Mateo County Transportation Authority Measure A. Tina and Richard agreed to follow up at the January PAL Committee meeting to explore the types of projects funded by the San Mateo County Transit District Measure A. Tina agreed to share a link for the San Mateo County Measure A data sheet for expenditures.

Tina and Vincent discussed sales-tax funding differences and similarities for paratransit in Alameda County and San Mateo County. Richard said that the Alameda County Measure B and BB funding overseen by ACTC is administered differently. He suggested highlighting a few key differences in sales-tax funding for paratransit between Alameda and San Mateo County. John described how funding is allocated for East Bay Paratransit through BART and AC Transit, with sales tax funding as a separate revenue stream. Vincent discussed the process of forming a San Mateo County Transportation Commission. Richard said that understanding the roles of the stakeholders in San

Mateo County would be helpful, as well. Henry added that Redi-Wheels/RediCoast have been unfunded mandates and have been greatly helped through the various Measure A's and the new Measure K. Tina said that within the existing funding, Redi-Wheels and Redi-Coast provide a Lifeline transportation service, which includes extended routes and timetables beyond fixed-route service.

Tina reported on the SamTrans budget reserves that were discussed at the November PAL Committee meeting. Tina shared the SamTrans Long Term Financial Planning PowerPoint presentation. Strategic Plan Priorities show strengthening fiscal health. Goals include increasing weekday fixed-route ridership by 15% and increasing fixed-route fare box revenue by 20%. Strategic Plan Goals worked to make progress toward financial goals. Initiatives were launched to increase ridership and fare box revenue. A fare increase was passed by the Board, effective January 2016. SamTrans refinanced their debt in 2015, reducing the debt payment by \$3.0 million annually. District Financial Challenges persist, even with progress made toward accomplishing the five-year goals. Limited time preventive maintenance grants have ended, with a value of approximately \$5 million dollars. Ridership is declining and expenses are increasing. District sales tax and Transit Development Act (TDA) sales tax revenue are flattening (TDA is a statewide transportation sales tax). Debt service payments are still significant. The volatility of other sources of revenue also continues to be an issue.

The Historical Sales Tax Receipts and Year over Year Percent Change in Sales Tax slides show a fluctuating trend. Tina said that reserves assist in budgeting during down cycles. Tina pointed out that Deficit Reduction Efforts for FY2009 – FY2014 only impact fixed route service. Annual changes to reserves were also shown to fluctuate year-to-year. District Reserves were projected in two different scenarios, both of which showed a steady decline over time. Expenditures have also increased each year when compared to Revenues. Financial Capacity Modeling utilized three scenarios, all of which show the SamTrans Cumulative Deficit increasing over time. With an increasing cumulative deficit effect, SamTrans provided Potential Actions and Outcomes. Tina also shared a summary of Outcomes by Actions. Other Opportunities for funding and Next Steps were also highlighted in Tina's presentation.

Sandra and the PAL Committee discussed assumptions made when creating the Case Scenarios in the SamTrans Long Term Financial Planning presentation. Tina said that the Case Scenarios were created with the intention of supporting further discussion for planning transit.

### **POLICY ISSUES**

No policy issues were reported or discussed by the PAL Committee.

### **OTHER BUSINESS**

Maria expressed that she was glad to be back and able to participate in the Vehicle Review prior to today's PAL Committee meeting. She and John discussed the similarities and differences between regular and cutaway buses.

Mike reported that the PCC Regional Conference is planned for February 2017. The PCC Regional Conference Planning Committee is meeting today between the PAL Committee and PCC meetings.

Mike reported that the PCC will meet today from 1:30 to 3:30 p.m.

The next PAL meeting is scheduled for Tuesday, January 10, 2017 from 11:30 a.m. to 12:30 p.m.

**MEETING ADJOURNED** 12:40 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Community Relations Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **MOBILITY MANAGEMENT REPORT: DASHBOARD**

**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 mobility management reports presented to the Board. Each of the District's four transportation modes – SamTrans fixed-route bus service, ADA Paratransit, Caltrain and Shuttles – are featured individually each month. This month features a quarterly Dashboard report that will be presented for the first time.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

Staff will report on ridership, on-time performance, and fixed-route service operational statistics.

**STRATEGIC INITIATIVE**

- Priority 1: Expand Mobility Options  
Goal 1: Increase weekday fixed-route ridership by 15 percent

Prepared by: Donald G. Esse, Senior Operations Financial Analyst  
Ryan Cruz, Scheduler Planner

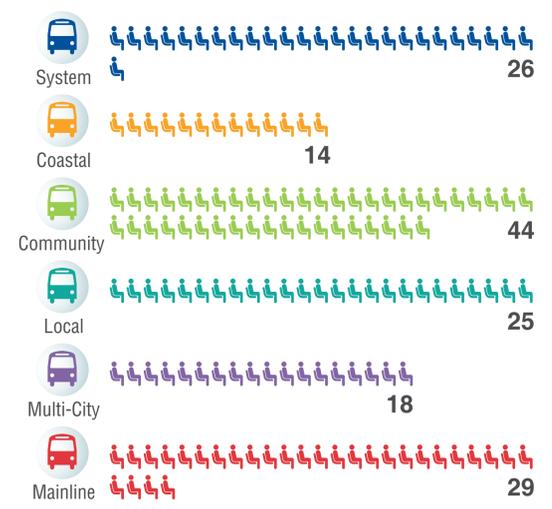
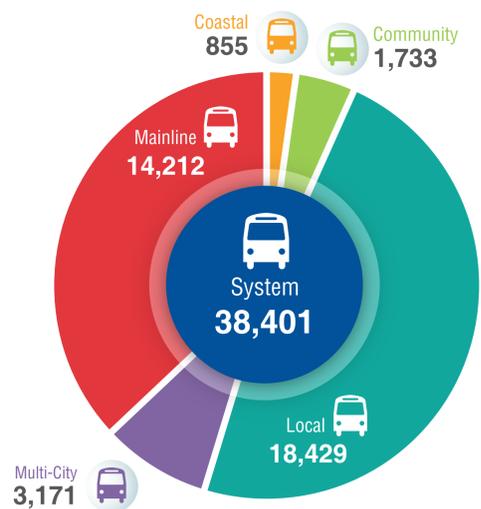
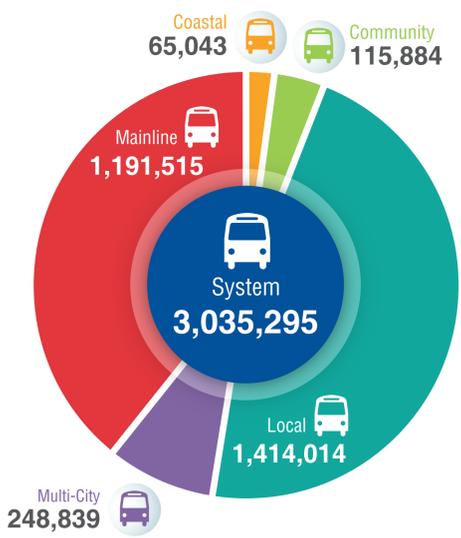
650-508-6329  
650-508-6479



# 2016 SamTrans Service Statistics

## Quarterly Report (Jul-Sept)

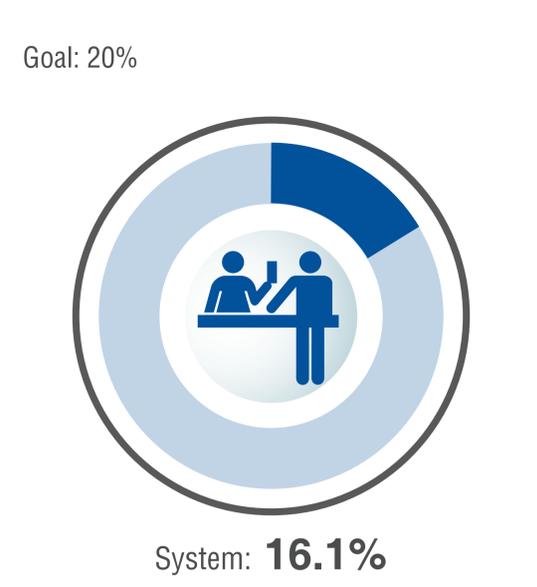
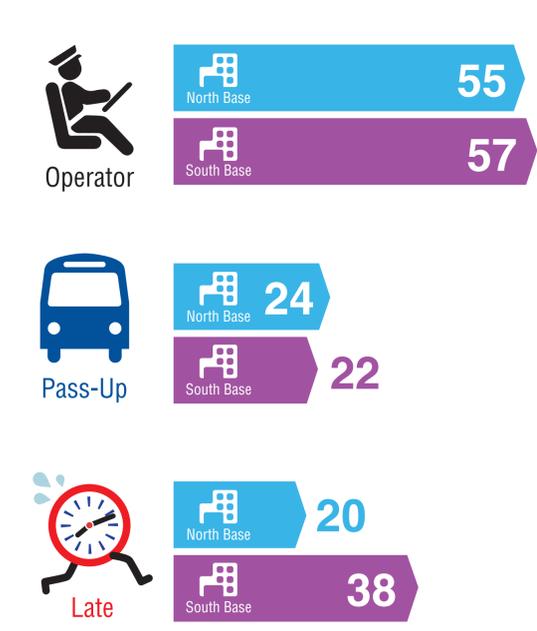
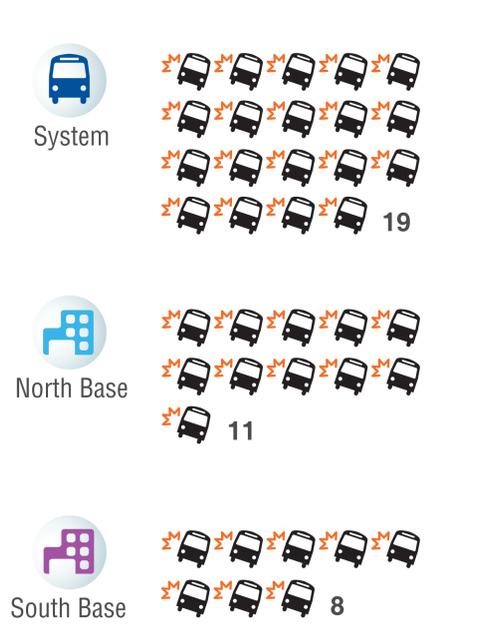
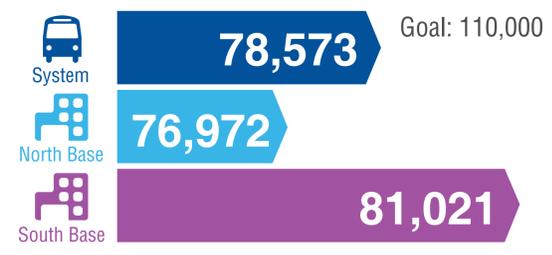
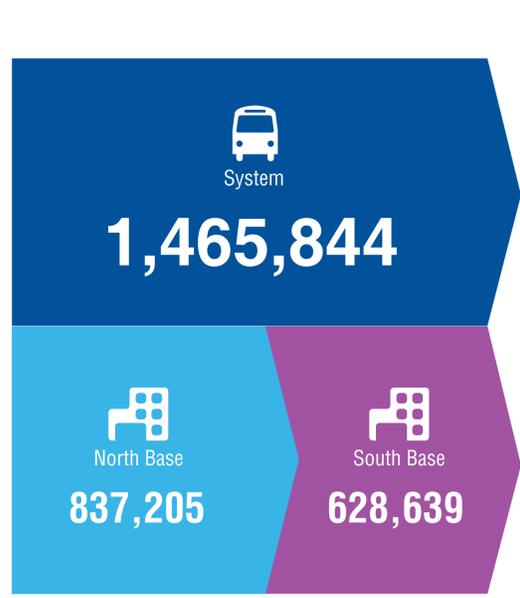
### TOTAL PASSENGERS      AVERAGE WEEKDAY RIDERSHIP      WEEKDAY PASSENGERS/HOUR      WEEKDAY COST/PASSENGER      WEEKDAY ON-TIME PERFORMANCE



**Coastal:** Routes serving the coast community – from Half Moon Bay to Pacifica. (Routes 16, 17, FLXP...)  
**Community:** Infrequent, community-specific routes which do not operate during off-peak hours. (Routes 11, 43, 58 etc...)  
**Local:** Routes designed to carry passengers between major passenger hubs, employment centers, and residential neighborhoods. (Routes 110, 120, 250, 280, etc...)

**Multi-City:** Routes serving multiple cities, including some offering express or late-night service. (Routes 295, 398, KX, etc...)  
**Mainline:** Long-distance routes serving significant portions of the county, generally at higher frequency. (Routes 292 & ECR)

### TOTAL MILES TRAVELED      MILES BETWEEN PREVENTABLE ACCIDENTS      PREVENTABLE ACCIDENTS      TOP 3 COMPLAINTS      FAREBOX RECOVERY RATIO



**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Community Relations Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **MULTIMODAL RIDERSHIP REPORT – DECEMBER 2016**

**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 and Table "B" summarizes the total monthly ridership figures for all SamTrans transportation modes. Chart "A" features year-to-date comparisons of AWR for Fiscal Year (FY) 2015, FY2016, and FY2017. Chart "B" has figures for total ridership year-to-date for FY2015, FY2016, and FY2017.

Tables "A" and "B" also provide the corresponding data for the Bay Area Rapid Transit San Francisco International Airport Extension as a separate line.

Table "C" details the number of riders for each fare category for SamTrans fixed route for the month and calendar year-to-date.

**AVERAGE WEEKDAY RIDERSHIP – DECEMBER 2016 COMPARED TO DECEMBER 2015**

**Grand Total All District Modes** – 146,800, a decrease of 0.9 percent.

**Bus** – 36,140, a decrease of 5.4 percent.

**Paratransit** – 1,120, a decrease of 3.4 percent.

**Caltrain** – 52,400, an increase of 1.4 percent.

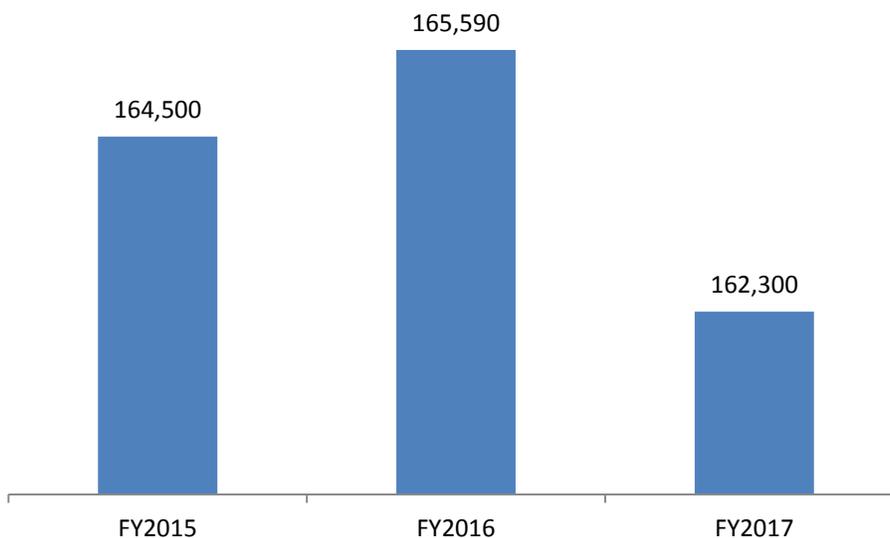
**Shuttles** – 9,900, an increase of 17.6 percent

**Table A  
Average Weekday Ridership**

December 2016 Average Weekday Ridership				Percent Change FY2016/2017
Mode	FY2015	FY2016	FY2017	
Bus	37,860	38,190	36,140	-5.4%
Paratransit	1,030	1,160	1,120	-3.4%
Caltrain	51,570	51,660	52,400	1.4%
Shuttles	9,610	8,420	9,900	17.6%
<b>Total</b>	100,070	99,420	99,560	0.1%
BART Extension (No Daly City)	47,740	48,700	47,230	-3.0%
<b>Grand Total</b>	147,810	148,120	146,800	-0.9%
<b>Weekdays</b>	22	22	21	

December 2016 Year-to-date				Percent Change FY2016/2017
Mode	FY2015	FY2016	FY2017	
Bus	42,800	42,450	39,650	-6.6%
Paratransit	1,120	1,230	1,260	2.4%
Caltrain	58,350	59,840	59,070	-1.3%
Shuttles	11,620	10,850	12,100	11.5%
<b>Total</b>	113,890	114,370	112,070	-2.0%
BART Extension (No Daly City)	50,610	51,220	50,220	-2.0%
<b>Grand Total</b>	164,500	165,590	162,300	-2.0%

**Chart A  
Average Weekday Ridership (FYTD)**



The following summary and figures include total ridership for all modes of transportation for which SamTrans is responsible. These numbers are a gross count of each boarding across all modes and all service days for the month of December for the past three fiscal years.

**MONTHLY TOTAL RIDERSHIP – DECEMBER 2016 COMPARED TO DECEMBER 2015**

**Grand Total All District Modes** – 3,742,700, a decrease of 3.3 percent.

**Bus** – 923,320, a decrease of 7.4 percent.

**Paratransit** – 28,810, an increase of 0.2 percent.

**Caltrain** – 1,401,300, a decrease of 0.5 percent.

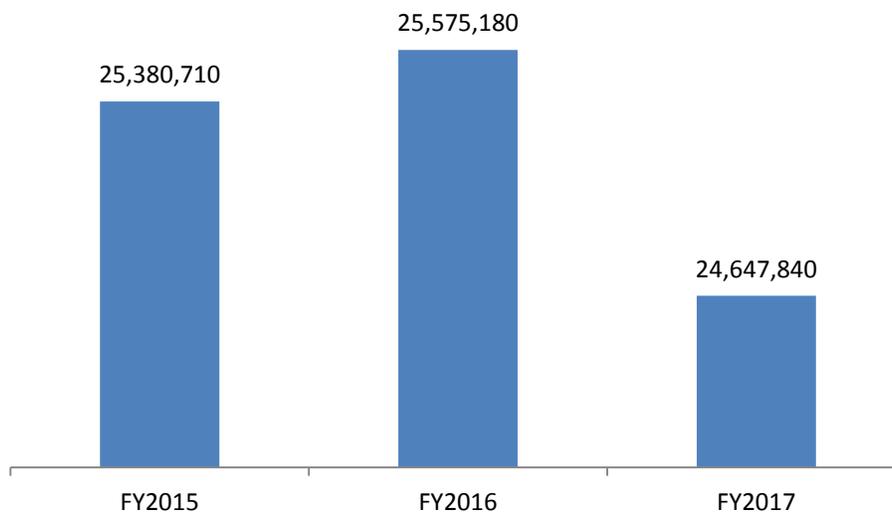
**Shuttles** – 211,710, an increase of 13.2 percent.

**Table B  
Total Monthly Ridership**

<b>December 2016 Total Monthly Ridership</b>				<b>Percent Change FY2016/2017</b>
<b>Mode</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	
Bus	1,007,040	997,190	923,320	-7.4%
Paratransit	24,750	28,740	28,810	0.2%
Caltrain	1,401,540	1,408,820	1,401,300	-0.5%
Shuttles	206,880	186,980	211,710	13.2%
<b>Total</b>	<b>2,640,210</b>	<b>2,621,720</b>	<b>2,565,140</b>	<b>-2.2%</b>
BART Extension (No Daly City)	1,234,800	1,246,900	1,177,570	-5.6%
<b>Grand Total</b>	<b>3,875,020</b>	<b>3,868,630</b>	<b>3,742,700</b>	<b>-3.3%</b>
<b>Weekdays</b>	<b>22</b>	<b>22</b>	<b>21</b>	

<b>December 2016 Year-to-date</b>				<b>Percent Change FY2016/2017</b>
<b>Mode</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	
Bus	6,614,950	6,553,770	6,069,330	-7.4%
Paratransit	163,650	180,070	185,820	3.2%
Caltrain	9,318,400	9,595,460	9,400,140	-2.0%
Shuttles	1,503,190	1,419,290	1,534,800	8.1%
<b>Total</b>	<b>17,600,180</b>	<b>17,748,590</b>	<b>17,190,090</b>	<b>-3.1%</b>
BART Extension (No Daly City)	7,780,520	7,826,590	7,457,760	-4.7%
<b>Grand Total</b>	<b>25,380,710</b>	<b>25,575,180</b>	<b>24,647,840</b>	<b>-3.6%</b>

**Chart B  
Total Ridership (FYTD)**



The following summary illustrates the number of riders by fare category for the month of December 2016. SamTrans carried 921,019 passengers on its fixed-route service in December, and 12,275,588 for the 2016 Calendar Year-to-Date. These numbers do not include Dumbarton ridership.

**Table C**  
**Riders by Fare Category**

	December 2014	December 2015	December 2016	2016 Calendar Year-to-Date
Adult Cash	251,927	232,953	167,443	2,328,467
Adult Pass	445,598	441,241	457,956	6,005,427
Youth Cash	119,561	116,778	119,518	1,598,967
Youth Pass	47,024	49,004	40,733	633,165
Eligible Discount	139,968	154,794	135,369	1,709,552
<b>Total</b>	<b>1,004,079</b>	<b>994,771</b>	<b>921,019</b>	<b>12,275,588</b>

## **SamTrans Promotions – December 2016**

**Redwood City Hometown Holiday Parade** – For the sixth consecutive year, the SamTrans Holiday Bus and family helped kick-off the holiday season by participating in the annual Hometown Holiday Parade on Saturday, December 3. The maintenance team decked out a newer SamTrans hybrid bus with hundreds of interior and exterior lights, decorations and festive holiday graphics, which wowed the parade spectators. The Hometown Holidays runs in conjunction with the Holiday Train and Promotional Communication Channels included, SamTimes newsletter, Transit Fun Guide, SamTrans website, Peninsula moves blog/organic social media and news release.

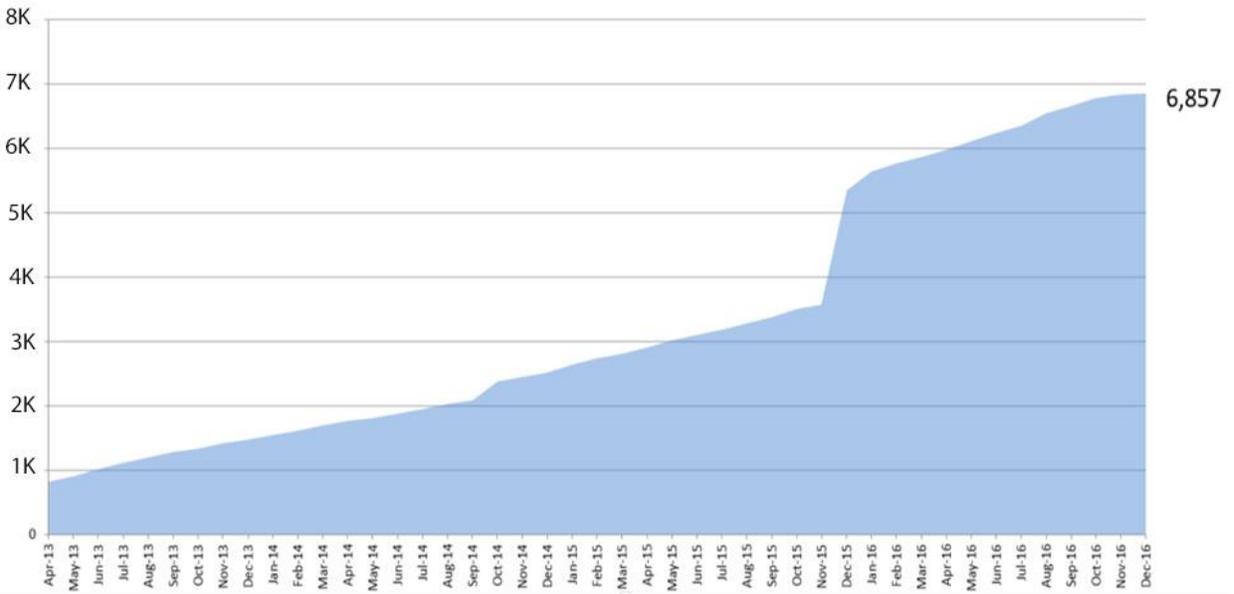
### **SamTrans Social Media**

In December, we got our new Social Media Specialist Haroon Malek up and running. This allows us to be much more aggressive on messaging while covering the daily 12-hour social media commitment without the issue of a single 8-hour employee covering it. In addition, Customer Service expanded their trained social media staff from two customer service representatives (CSRs) to six CSRs. With these two personnel moves, we are now ALMOST an operational social media company, weekend coverage outstanding.

The big messages in December were the Holiday Bus, free New Year's Eve service and the opening of an operator campaign on behalf of human resources. We messaged aggressively leading up to and on New Year's Eve to ensure that, our riders and community were aware of the free and safe service. The persistent challenge for SamTrans is the low engagement. The additional personnel will help to attack that challenge, which we have already begun with a big item contest (held contest to give out five hooded sweatshirts). Due to losing almost 50 followers with the demise of the Vine Network, our overall growth of 19 is a bit misleading. SamTrans has 6857 followers across all platforms.



### Total Followers - All Networks



Prepared by: Alex Lam, Scheduler/Planner  
James Namba, Marketing Specialist  
Jeremy Lipps, Social Media Officer

650-508-6227  
650-508-7924  
650-508-7934



## AGENDA

### **FINANCE COMMITTEE COMMITTEE OF THE WHOLE**

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

**WEDNESDAY, FEBRUARY 1, 2017 – 2:30 p.m.**

or immediately following previous Committee meeting

BOARD OF DIRECTORS 2017

ROSE GUILBAULT, CHAIR  
CHARLES STONE, VICE CHAIR  
JEFF GEE  
CAROLE GROOM  
ZOE KERSTEEN-TUCKER  
KARYL MATSUMOTO  
DAVE PINE  
JOSH POWELL  
PETER RATTO

JIM HARTNETT  
GENERAL MANAGER/CEO

1. Call to Order

#### **ACTION**

2. Approval of Minutes of Finance Committee Meeting of January 4, 2017
3. Acceptance of Statement of Revenues and Expenses for December 2016
4. Acceptance of Quarterly Investment Review and Fixed Income Market for the Period Ending December 31, 2016
5. Authorize Execution of Cooperative Agreements with the City/County Association of Governments to Receive Transportation Fund for Clean Air Funds for Eligible SamTrans Operating and Capital Projects
6. Authorize Execution of Cooperative Agreements with the Bay Area Air Quality Management District to Receive Transportation Fund for Clean Air Funds for Eligible SamTrans Operating and Capital Projects

#### **CONTRACTS**

7. Authorize up to \$1 Million in Additional Contracting Authority for Informational Technology Licenses, Maintenance Services and Professional Services for an Aggregate Not-to-Exceed Amount of \$1.85 Million for Fiscal Year 2017

8. Adjourn

Committee Members: Carole Groom, Karyl Matsumoto, Peter Ratto

#### 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.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF FINANCE COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 4, 2017**

Committee Members Present: C. Stone (Committee Chair), C. Groom, P. Ratto

Other Board Members Present, Constituting Committee of the Whole: J. Gee, R. Guilbault, Z. Kersteen-Tucker (Chair), K. Matsumoto, D. Pine, J. Powell

Staff Present: J. Cassman, A. Chan, D. Esse, S. Gaffney, J. Hartnett, M. Martinez, N. McKenna, S. Murphy, M. Simon, S. van Hoften, N. Vigil

Committee Chair Charles Stone called the meeting to order at 2:18 p.m.

**Approval of Minutes of December 7, 2016**

Motion/Second: Ratto/Gee

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

**Acceptance of Statement of Revenue and Expenses for November 2016**

Shannon Gaffney, Interim Chief Financial Officer, said total revenues and operating costs are trending a little under. Staff is doing an analysis on revenues and costs and looking at historical expenditures and revenues as well as current.

Director Karyl Matsumoto said she is concerned about the drop in passenger fares and asked if these fares are just motorbus or include paratransit. Ms. Gaffney said both.

Director Matsumoto said one-way fares on paratransit are \$40 per person, but SamTrans can't charge that and she is gravely concerned.

Jim Hartnett, General Manager/CEO, said staff is concerned and expects to come back in February with a mid-year budget report, trends being seen and the effect on the Fiscal Year 2018 Operating Budget.

Director Josh Powell asked if ridership has cyclical patterns. Mr. Hartnett said yes. Mark Simon, Chief of Staff, said summer has lower ridership and weather can cause a drop in ridership, too.

Director Jeff Gee said sales tax revenue shows up two to three months later so there is a catch-up, which means the mid-year budget report will be helpful.

Chair Zoe Kersteen-Tucker asked if the ridership numbers are actual projections or if they are divided by 12 months. Mr. Simon said the actual year-to-date number on the budget sheet is a straight division by months. Don Esse, Senior Operations Financial Analyst, said the revised budget column reflects five-twelfths of the year and is not seasonally adjusted.

Director Powell asked if this is five-twelfths of the ridership for the year. Mr. Esse said the ridership is lower in July and part of August, but picks up when school starts. There is maybe a less than a 1 percent seasonal drop-off in ridership.

Motion/Second: Gee/Kersteen-Tucker

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

**Authorize Award of Contract to Battalion One Fire Protection for Fire Safety Systems Inspections, Certification and Maintenance Services for a Total Amount of \$337,065 for a Five-Year Term**

Nita Vigil, Acting Director, Contracts and Procurement, said this was an Invitation for Bids based on price. Five bids were received and lowest bid was awarded the contract.

Director Carole Groom asked if any firm from San Mateo County bid. Ms. Vigil said no.

Director Groom asked if staff reaches out to firms in San Mateo County. Ms. Vigil said yes.

Committee Chair Stone said these services seem to be offered by other cities or municipalities. He said in Belmont these services were outsourced and are contracted through the city of San Mateo. Ms. Vigil said she researched other cities and fire departments for these inspections. She was told by three different cities, including the city of Belmont, that they offer inspection services on new installations and construction only. These services require a licensed contractor with a C16 license. She reached out to Belmont, Redwood City and Menlo Park and they each gave the same response in terms of new construction.

Motion/Second: Guilbault/Kersteen-Tucker

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

**Authorize Rejection of All Bids for Rental, Purchase and Laundering of Work Clothing, Shop Towels and Related Items**

Ms. Vigil said a single bid was received by the incumbent, Aramark Uniform and Career Apparel, LLC, but they failed to comply with the instructions on the bid form. Staff will be going out soon for rebid.

Motion/Second: Kersteen-Tuycker/Gee

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

Adjourned: 2:39 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Shannon Gaffney  
Interim Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
DECEMBER 31, 2016 AND SUPPLEMENTAL INFORMATION**

**ACTION**

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

**SIGNIFICANCE**

**Revenues:** *Total Revenues* (page 1, line 14) are \$797,281 or 0.9 percent **better** than revised budget. *Passenger Fares* (page 1, line 1) are **worse** than budget by \$910,394 or 9.3 percent offset by *Sales Tax* (page 1, line 9) which is **better** by \$1,104,990 or 2.8 percent, *Investment Interest* (page 1, line 10) is **better** than budget by \$271,779 or 49.8 percent and *Other Interest, Rent & Other Income* (page 1, line 12) is **better** than budget by \$383,812 or 10.5 percent.

**Expenses:** *Total Expenses* (page 4, line 71) are \$5,664,715 or 7.8 percent **better** than revised budget. Within Total Expenses, *Total Motor Bus* (page 3, line 46) is **better** than budget by \$5,029,601 or 8.5 percent, *Total ADA Programs* (page 4, line 55) is **better** than budget by \$559,591 or 6.1 percent and *Total Multi-Modal Programs* (page 4, line 69) is **better** than budget by \$75,522 or 1.7 percent.

**BUDGET IMPACT**

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

Prepared By: Jeannie Chen, Senior Accountant 650-508-6259  
Sheila Tioyao, Manager, General Ledger 650-508-7752

**SAN MATEO COUNTY TRANSIT DISTRICT  
SUMMARY OF REVENUES AND EXPENSES  
FISCAL YEAR 2017  
DECEMBER 2016**

% OF YEAR ELAPSED: **50.0%**

	MONTH	YEAR-TO-DATE				ANNUAL			
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET	PROJECTION	% REV BUDGET
<b>SOURCES OF FUNDS</b>									
<b>Operating Revenues</b>									
1 Passenger Fares	1,500,932	8,912,653	8,848,106	9,758,500	90.7	19,517,000	19,517,000	19,517,000	45.3
2 Local TDA and STA Funds	3,530,120	19,189,541	21,180,719	21,180,718	100.0	42,361,438	42,361,438	42,361,438	50.0
3 Operating Grants	230,624	3,539,126	1,839,621	1,839,621	100.0	4,010,671	4,010,671	4,010,671	45.9
4 SMCTA Measure A	912,405	5,487,496	4,887,907	4,941,239	98.9	9,960,000	9,960,000	9,960,000	49.1
5 SM County Measure A	416,667	2,567,142	2,500,000	2,500,000	100.0	5,000,000	5,000,000	5,000,000	50.0
6 AB434 Funds & TA Funded Shuttle	9,083	300,500	54,500	54,076	100.8	109,000	109,000	109,001	50.0
7 <b>Subtotal - Operating Revenues</b>	<b>6,599,831</b>	<b>39,996,458</b>	<b>39,310,854</b>	<b>40,274,154</b>	<b>97.6</b>	<b>80,958,110</b>	<b>80,958,110</b>	<b>80,958,110</b>	<b>48.6</b>
<b>Other Revenue Sources</b>									
9 District 1/2 Cent Sales Tax	9,759,531	31,275,934	41,197,021	40,092,031	102.8	83,000,000	83,000,000	83,000,000	49.6
10 Investment Interest	23,074	543,891	817,039	545,260	149.8	1,090,519	1,090,519	1,090,519	74.9
11 Pass through to Other Agencies	14,822	55,026	39,145	39,145	100.0	69,000	69,000	69,000	56.7
12 Other Interest, Rent & Other Income	575,909	3,478,557	4,052,833	3,669,021	110.5	7,308,988	7,308,988	7,308,987	55.4
13 <b>Subtotal - Other Revenues</b>	<b>10,373,336</b>	<b>35,353,408</b>	<b>46,106,038</b>	<b>44,345,457</b>	<b>104.0</b>	<b>91,468,507</b>	<b>91,468,506</b>	<b>91,468,506</b>	<b>50.4</b>
14 <b>Total Revenues</b>	<b>16,973,167</b>	<b>75,349,866</b>	<b>85,416,892</b>	<b>84,619,611</b>	<b>100.9</b>	<b>172,426,616</b>	<b>172,426,616</b>	<b>172,426,616</b>	<b>49.5</b>
15 <b>Capital Assistance</b>	<b>23,996</b>	<b>1,761,633</b>	<b>530,804</b>	<b>530,804</b>	<b>100.0</b>	<b>10,255,906</b>	<b>109,896,959</b>	<b>109,896,959</b>	<b>0.5</b>
16 <b>Reserves Programmed for Capital</b>	<b>587,712</b>	<b>2,254,005</b>	<b>1,894,720</b>	<b>1,894,720</b>	<b>100.0</b>	<b>0</b>	<b>6,637,249</b>	<b>6,637,249</b>	<b>28.5</b>
17 <b>Total Sources of Funds</b>	<b>17,584,876</b>	<b>79,365,504</b>	<b>87,842,416</b>	<b>87,045,135</b>	<b>100.9</b>	<b>182,682,522</b>	<b>288,960,824</b>	<b>288,960,824</b>	<b>30.4</b>
<b>USES OF FUNDS</b>									
<b>Operations</b>									
21 Motor Bus	8,808,317	47,855,971	54,196,515	59,226,116	91.5	117,968,986	117,968,986	117,968,986	45.9
22 A. D. A. Programs	1,466,845	8,161,573	8,549,626	9,109,217	93.9	18,157,910	18,157,910	18,157,910	47.1
23 Caltrain	540,000	3,920,492	3,240,002	3,293,334	98.4	6,640,000	6,640,000	6,640,000	48.8
24 Other Multi-modal Programs	189,905	1,051,928	1,046,406	1,068,596	97.9	2,161,708	2,161,708	2,161,707	48.4
25 <b>Subtotal - Operating Costs</b>	<b>11,005,067</b>	<b>60,989,963</b>	<b>67,032,549</b>	<b>72,697,264</b>	<b>92.2</b>	<b>144,928,604</b>	<b>144,928,604</b>	<b>144,928,603</b>	<b>46.3</b>
<b>Other Uses of Funds</b>									
27 Pass through to Other Agencies	14,822	68,125	39,145	39,145	100.0	79,780	79,780	79,780	49.1
28 Debt Service	832,337	4,181,519	4,994,022	4,994,022	100.0	21,648,044	21,648,044	21,648,044	23.1
29 Fiscal Agent Fees	1,525	8,150	9,893	14,201	69.7	28,401	28,401	28,401	34.8
30 Land Transfer Interest Expense	0	0	0	0	0	45,716	45,716	45,716	0.0
31 <b>Subtotal - Other Uses of Funds</b>	<b>848,684</b>	<b>4,257,794</b>	<b>5,043,061</b>	<b>5,047,368</b>	<b>99.9</b>	<b>21,801,941</b>	<b>21,801,941</b>	<b>21,801,941</b>	<b>23.1</b>
32 <b>Capital Programs</b>	<b>611,708</b>	<b>4,069,425</b>	<b>2,425,524</b>	<b>2,425,524</b>	<b>100.0</b>	<b>16,327,874</b>	<b>122,606,176</b>	<b>122,606,176</b>	<b>2.0</b>
33 <b>Total Uses of Funds</b>	<b>12,465,460</b>	<b>69,317,183</b>	<b>74,501,134</b>	<b>80,170,156</b>	<b>92.9</b>	<b>183,058,419</b>	<b>289,336,721</b>	<b>289,336,721</b>	<b>25.7</b>
34									
35 <b>NET SURPLUS / (DEFICIT)</b>	<b>5,119,416</b>	<b>10,048,321</b>	<b>13,341,282</b>	<b>6,874,979</b>	<b>194.1</b>	<b>(375,897)</b>	<b>(375,897)</b>	<b>(375,897)</b>	<b>(3549.2)</b>

% 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.

(A) - The Revised Budget includes the year end rollover of existing capital projects (Unaudited).

**SAN MATEO COUNTY TRANSIT DISTRICT  
STATEMENT OF REVENUES  
FISCAL YEAR 2017  
DECEMBER 2016**

% OF YEAR ELAPSED: **50.0%**

	MONTH	YEAR-TO-DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET	% REV BUDGET
<b>OPERATING REVENUES - MOTOR BUS</b>								
1 TOTAL MOTOR BUS FARES	1,442,793	8,489,577	8,478,167	9,319,000	91.0	18,638,000	18,638,000	45.5
2 LOCAL (TDA) TRANSIT FUND:								
3 General Operating Assistance	3,128,384	16,071,861	18,770,304	18,770,304	100.0	37,540,609	37,540,609	50.0
4 STATE TRANSIT ASSISTANCE:								
5 Local STA Operating Assistance	217,426	2,030,778	1,304,553	1,304,553	100.0	2,609,106	2,609,106	50.0
6 OPERATING GRANTS								
7 TOTAL OPERATING GRANTS	(247,896)	3,195,557	818,232	818,232	100.0	1,666,278	1,666,278	49.1
8 DISTRICT 1/2 CENT SALES TAX:								
9 General Operating Assistance	3,840,291	14,922,535	21,195,256	25,898,215	81.8	51,283,370	51,283,370	41.3
10 Accessibility Fixed Route	88,619	429,843	473,651	566,609	83.6	1,133,217	1,133,217	41.8
11 TOTAL 1/2 CENT SALES TAX	3,928,910	15,352,378	21,668,907	26,464,823	81.9	52,416,587	52,416,587	41.3
12 INVESTMENT INTEREST INCOME:								
13 Investment Interest Income	18,793	440,583	636,637	441,260	144.3	882,519	882,519	72.1
14 OTHER REVENUE SOURCES:								
15 Rental Income	126,689	662,133	777,008	680,000	114.3	1,360,000	1,360,000	57.1
16 Advertising Income	56,560	469,688	368,526	574,500	64.1	1,149,000	1,149,000	32.1
17 Other Income	136,659	1,143,308	1,374,179	853,444	161.0	1,706,888	1,706,888	78.1
18 TOTAL OTHER REVENUES	319,908	2,275,129	2,519,714	2,107,944	119.5	4,215,888	4,215,888	59.8
19 TOTAL MOTOR BUS	8,808,317	47,855,864	54,196,515	59,226,116	91.5	117,968,986	117,968,986	45.9
21								
22 AMERICAN DISABILITIES ACT:								
23 Passenger Fares Redi-Wheels	58,139	423,077	369,939	439,500	84.2	879,000	879,000	42.1
24 Local TDA 4.5 Redi-Wheels	153,687	851,277	922,122	922,122	100.0	1,844,243	1,844,243	50.0
25 Local STA - Paratransit	30,623	235,624	183,740	183,739	100.0	367,480	367,480	50.0
26 Operating Grants	478,520	343,569	1,021,389	1,021,389	100.0	2,344,393	2,344,393	43.6
27 Sales Tax - District ADA Programs	(303,509)	695,996	102,878	669,312	15.4	1,124,994	1,124,994	9.1
28 Sales Tax - Paratransit Suppl. Coastside	136,458	774,710	894,890	894,890	100.0	1,669,800	1,669,800	53.6
29 Interest Income - Paratransit Fund	4,282	103,362	180,402	104,000	173.5	208,000	208,000	86.7
30 SMCTA Measure A Redi-Wheels	372,405	1,567,004	1,647,905	1,647,905	100.0	3,320,000	3,320,000	49.6
31 SM County Measure A	416,667	2,567,142	2,500,000	2,500,000	100.0	5,000,000	5,000,000	50.0
32 Measure M Paratransit	119,573	599,919	726,361	726,361	100.0	1,400,000	1,400,000	51.9
33 TOTAL ADA PROGRAMS	1,466,844	8,161,680	8,549,626	9,109,217	93.9	18,157,910	18,157,910	47.1
34								
35 MULTI-MODAL TRANSIT PROGRAMS:								
36 Transfer from SMCTA for Caltrain	540,000	3,920,492	3,240,002	3,293,334	98.4	6,640,000	6,640,000	48.8
37 AB434 Funds & TA Funded Shuttle	9,083	300,500	54,500	54,076	100.8	109,000	109,000	50.0
38 Employer SamTrans Shuttle Funds	136,428	603,456	806,758	834,716	96.7	1,693,100	1,693,100	47.6
39 Sales Tax - SamTrans Shuttle Program	34,667	72,724	109,775	94,804	115.8	189,608	189,608	57.9
40 Sales Tax - Gen. Operating Asst.	9,727	75,248	75,373	85,000	88.7	170,000	170,000	44.3
41								
42 TOTAL MULTIMODAL	729,905	4,972,420	4,286,408	4,361,930	98.3	8,801,708	8,801,708	48.7
43								
44 TOTAL REVENUES	11,005,067	60,989,964	67,032,549	72,697,264	92.2	144,928,604	144,928,604	46.3

% 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 2017  
DECEMBER 2016**

**% OF YEAR ELAPSED: 50.0%**

<u>EXPENSES</u>	MONTH	YEAR-TO-DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET	% REV BUDGET
<b>DISTRICT OPERATED BUSES</b>								
1 Wages & Benefits	4,659,309	24,446,138	30,176,597	29,134,119	103.6	58,214,650	57,701,942	52.3
2								
3 Services:								
4 Board of Directors	6,785	20,043	26,734	51,960	51.5	86,000	86,000	31.1
5 Contracted Vehicle Maintenance	124,918	540,767	551,524	752,250	73.3	1,508,154	1,508,154	36.6
6 Property Maintenance	81,199	625,407	432,230	601,706	71.8	1,238,000	1,234,364	35.0
7 Professional Services	207,374	1,506,407	1,872,787	2,594,994	72.2	4,956,711	5,338,029	35.1
8 Technical Services	600,162	2,905,220	2,975,432	3,711,877	80.2	7,065,517	7,155,189	41.6
9 Other Services	125,644	1,270,842	1,161,441	1,696,721	68.5	3,206,540	3,480,039	33.4
10								
11 Materials & Supply:								
12 Fuel & Lubricants	199,889	1,469,397	1,361,293	2,701,972	50.4	5,525,612	5,365,612	25.4
13 Bus Parts & Materials	182,838	915,498	960,766	983,704	97.7	2,042,508	2,042,508	47.0
14 Uniforms & Driver Expense	10,048	129,261	132,417	153,064	86.5	479,129	479,829	27.6
15 Timetables & Tickets	4,477	32,873	32,015	131,823	24.3	263,645	263,645	12.1
16 Office Supplies / Printing	28,249	93,716	155,138	258,511	60.0	485,062	485,062	32.0
17 Other Materials & Supply	15,701	50,636	86,433	79,546	108.7	159,500	159,500	54.2
18								
19 Utilities:								
20 Telecommunications	41,978	181,300	217,325	365,996	59.4	731,991	731,991	29.7
21 Other Utilities	85,039	518,339	585,455	570,000	102.7	1,140,000	1,140,000	51.4
22 Insurance Costs	377,096	1,212,516	1,394,797	1,448,649	96.3	2,897,298	2,897,298	48.1
23 Workers' Compensation	294,986	1,719,132	1,704,201	1,834,080	92.9	3,668,160	3,668,160	46.5
24 Taxes & License Fees	41,974	264,355	254,352	367,568	69.2	735,136	735,136	34.6
25 Fixed Route Accessibility	88,619	429,843	473,651	566,609	83.6	1,133,217	1,133,217	41.8
26 Leases & Rentals	14,580	76,451	78,675	87,800	89.6	175,740	175,740	44.8
27 Promotional & Legal Advertising	2,630	56,624	125,266	242,850	51.6	484,700	484,700	25.8
28 Training & Business Travel	17,524	89,498	82,455	314,563	26.2	610,463	610,463	13.5
29 Dues & Membership	8,872	48,513	51,648	60,766	85.0	118,620	118,620	43.5
30 Postage & Other	2,710	30,263	21,021	64,356	32.7	103,000	113,338	18.5
31								
32 <b>Total District Operated Buses</b>	<b>7,222,602</b>	<b>38,633,039</b>	<b>44,913,653</b>	<b>48,775,483</b>	<b>92.1</b>	<b>97,029,352</b>	<b>97,108,536</b>	<b>46.3</b>
33								
34 <b>CONTRACTED BUS SERVICES</b>								
35 Contracted Urban Bus Service	1,332,140	7,405,609	7,864,927	8,603,150	91.4	17,246,300	17,166,300	45.8
36 Other Related Costs	36,390	227,912	233,485	196,891	118.6	392,150	392,966	59.4
37 Insurance Costs	50,284	439,689	136,854	368,297	37.2	736,593	736,593	18.6
38 Coastside Services	122,597	879,656	755,527	984,000	76.8	1,968,000	1,968,000	38.4
39 Redi Coast Non-ADA	21,919	108,909	134,325	116,500	115.3	233,000	233,000	57.7
40 Other Related Costs	11,247	43,753	58,520	62,263	94.0	124,525	124,525	47.0
41 La Honda - Pescadero	3,150	27,038	27,825	27,565	100.9	55,130	55,130	50.5
42 SamCoast - Pescadero	6,701	87,286	60,896	88,550	68.8	177,100	177,100	34.4
43 Other Related Cost - SamCoast	1,287	3,081	10,504	3,418	307.3	6,836	6,836	153.7
44 <b>Total Contracted Bus Service</b>	<b>1,585,715</b>	<b>9,222,931</b>	<b>9,282,862</b>	<b>10,450,633</b>	<b>88.8</b>	<b>20,939,634</b>	<b>20,860,450</b>	<b>44.5</b>
45								
46 <b>TOTAL MOTOR BUS</b>	<b>8,808,317</b>	<b>47,855,971</b>	<b>54,196,515</b>	<b>59,226,116</b>	<b>91.5</b>	<b>117,968,986</b>	<b>117,968,986</b>	<b>45.9</b>

"% 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 2017  
DECEMBER 2016**

% OF YEAR ELAPSED: 50.0%

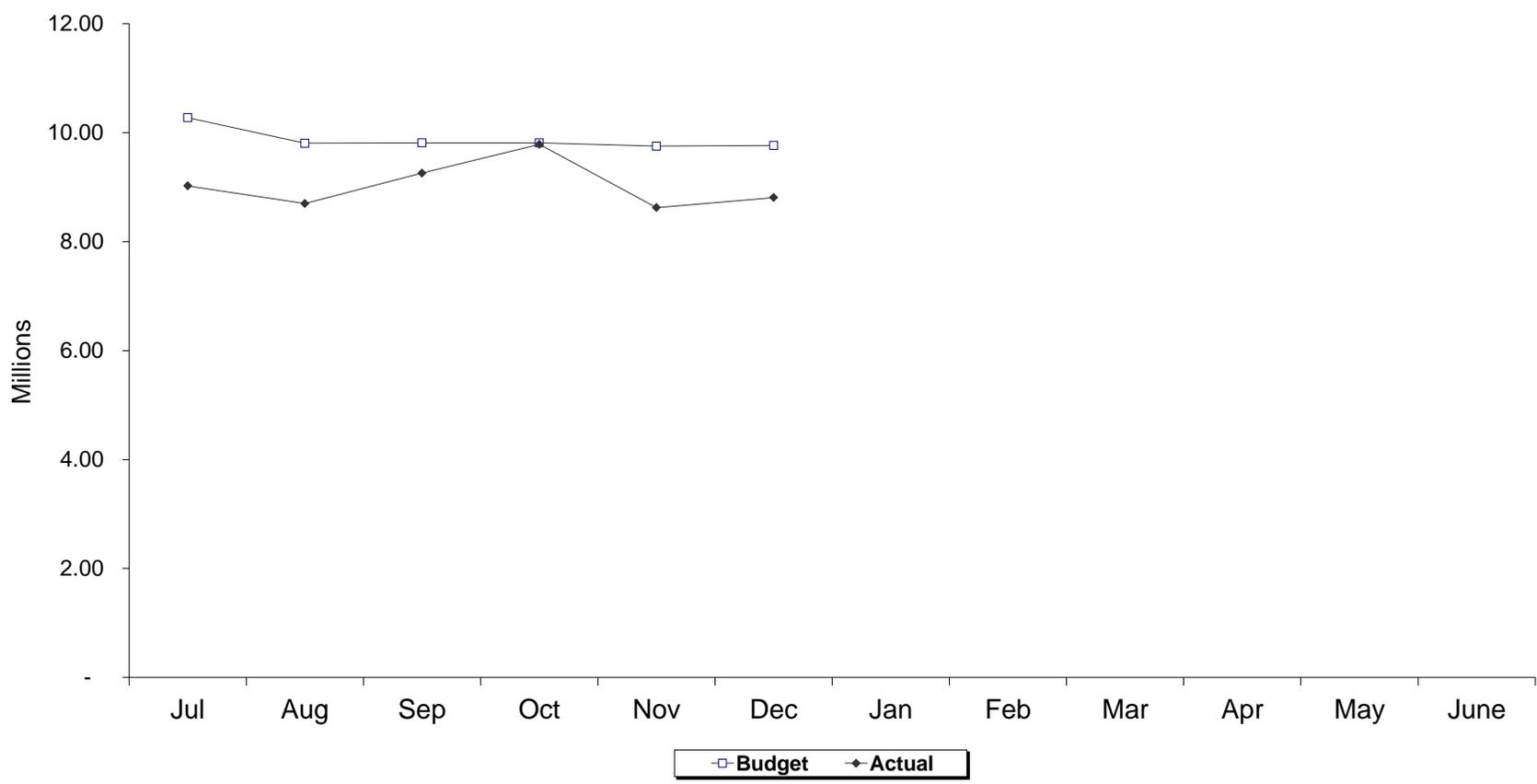
EXPENSES	MONTH	YEAR-TO-DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET	% REV BUDGET
<b>AMERICAN DISABILITY ACT PROGRAMS</b>								
Elderly & Disabled/Redi-Wheels	436,731	2,654,773	2,668,664	3,599,246	74.1	7,322,052	7,322,052	36.4
Other Related Costs	212,861	1,786,712	1,385,891	1,776,611	78.0	3,386,207	3,386,207	40.9
ADA Sedan/Taxi Service	406,037	2,182,295	2,591,607	1,814,164	142.9	3,628,328	3,628,328	71.4
ADA Accessibility Support	136,693	545,018	683,123	786,614	86.8	1,571,564	1,571,564	43.5
Coastside ADA Support	136,458	774,710	894,890	894,890	100.0	1,669,800	1,669,800	53.6
Insurance Costs	138,065	218,066	325,451	237,693	136.9	579,959	579,959	56.1
<b>TOTAL ADA PROGRAMS</b>	<b>1,466,845</b>	<b>8,161,573</b>	<b>8,549,626</b>	<b>9,109,217</b>	<b>93.9</b>	<b>18,157,910</b>	<b>18,157,910</b>	<b>47.1</b>
<b>MULTIMODAL TRANSIT PROGRAMS</b>								
<b>CALTRAIN SERVICE</b>								
Peninsula Rail Service	540,000	3,920,492	3,240,002	3,293,334	98.4	6,640,000	6,640,000	48.8
<b>Total Caltrain Service</b>	<b>540,000</b>	<b>3,920,492</b>	<b>3,240,002</b>	<b>3,293,334</b>	<b>98.4</b>	<b>6,640,000</b>	<b>6,640,000</b>	<b>48.8</b>
<b>OTHER SUPPORT</b>								
SamTrans Shuttle Service	180,178	976,680	971,033	983,596	98.7	1,991,708	1,991,708	48.8
Maintenance Multimodal Facilities	9,727	75,248	75,373	85,000	88.7	170,000	170,000	44.3
<b>Total Other Support</b>	<b>189,905</b>	<b>1,051,928</b>	<b>1,046,406</b>	<b>1,068,596</b>	<b>97.9</b>	<b>2,161,708</b>	<b>2,161,708</b>	<b>48.4</b>
<b>TOTAL MULTI-MODAL PROGRAMS</b>	<b>729,906</b>	<b>4,972,420</b>	<b>4,286,408</b>	<b>4,361,930</b>	<b>98.3</b>	<b>8,801,708</b>	<b>8,801,708</b>	<b>48.7</b>
<b>TOTAL EXPENSES</b>	<b>11,005,067</b>	<b>60,989,964</b>	<b>67,032,549</b>	<b>72,697,264</b>	<b>92.2</b>	<b>144,928,604</b>	<b>144,928,604</b>	<b>46.3</b>

% 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

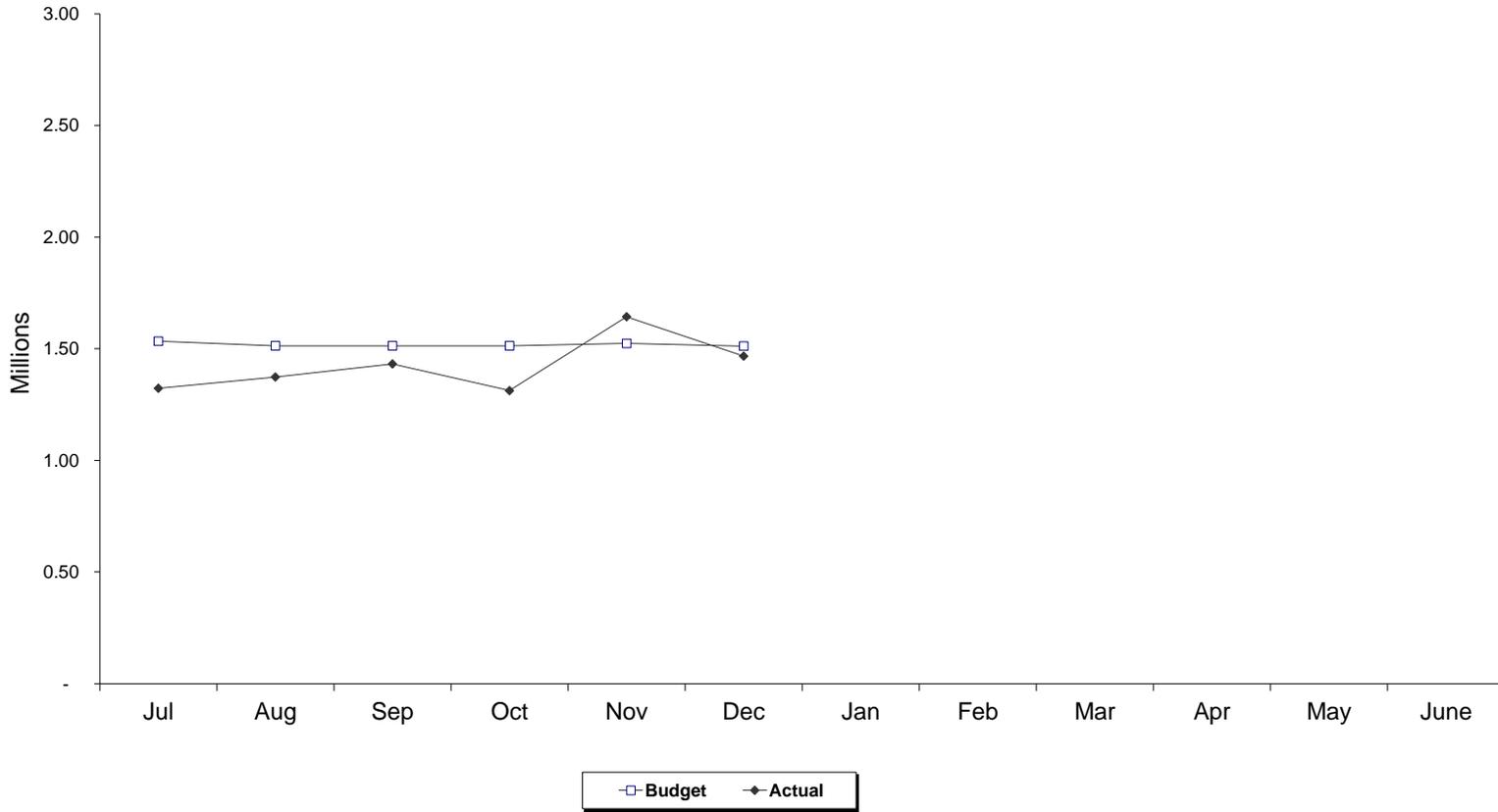
### MOTOR BUS MONTHLY EXPENSES - BUDGET VS ACTUAL

### FISCAL YEAR 2017



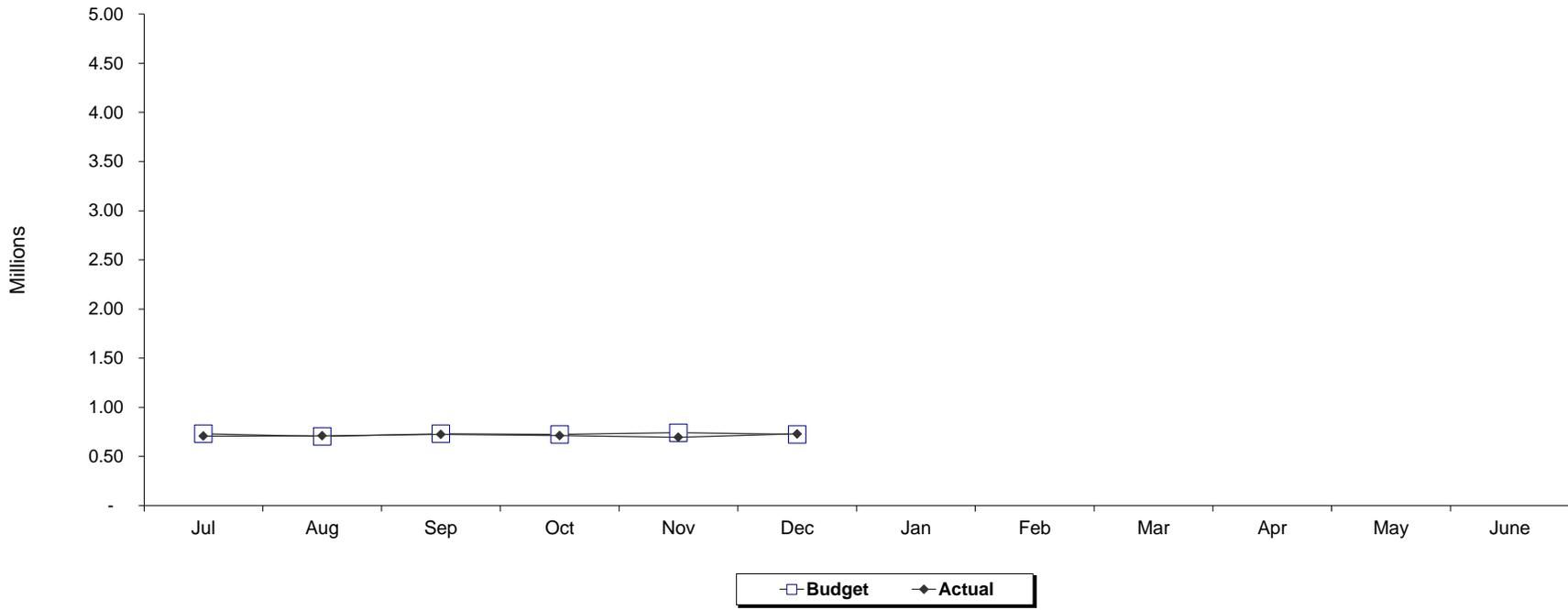
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
<b>MONTHLY EXPENSES</b>													
<b>Budget</b>	10,275,750	9,806,266	9,812,859	9,813,021	9,753,031	9,765,188							
<b>Actual</b>	9,023,605	8,698,427	9,255,952	9,784,949	8,625,265	8,808,317							
<b>CUMULATIVE EXPENSES</b>													
<b>Budget</b>	10,275,750	20,082,017	29,894,875	39,707,897	49,460,928	59,226,116							
<b>Actual</b>	9,023,605	17,722,032	26,977,984	36,762,933	45,388,198	54,196,515							
<b>Variance - F(U)</b>	1,252,146	2,359,985	2,916,892	2,944,964	4,072,730	5,029,601							
<b>Variance %</b>	12.19%	11.75%	9.76%	7.42%	8.23%	8.49%							

**SAN MATEO COUNTY TRANSIT DISTRICT**  
**ADA PROGRAM MONTHLY EXPENSES - BUDGET VS ACTUAL**  
**FISCAL YEAR 2017**



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
<b>MONTHLY EXPENSES</b>													
<b>Budget</b>	1,533,790	1,513,267	1,513,267	1,513,436	1,523,831	1,511,625							
<b>Actual</b>	1,322,352	1,373,403	1,431,552	1,312,368	1,643,108	1,466,845							
<b>CUMULATIVE EXPENSES</b>													
<b>Budget</b>	1,533,790	3,047,058	4,560,325	6,073,761	7,597,593	9,109,217							
<b>Actual</b>	1,322,352	2,695,754	4,127,306	5,439,674	7,082,782	8,549,626							
<b>Variance - F(U)</b>	211,439	351,303	433,019	634,087	514,811	559,591							
<b>Variance %</b>	13.79%	11.53%	9.50%	10.44%	6.78%	6.14%							

**SAN MATEO COUNTY TRANSIT DISTRICT**  
**MULTIMODAL MONTHLY EXPENSES - BUDGET VS ACTUAL**  
**FISCAL YEAR 2017**



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>MONTHLY EXPENSES</b>												
<b>Budget</b>	732,134	705,468	732,134	725,668	742,134	724,392						
<b>Actual</b>	708,677	711,565	725,582	713,657	697,021	729,906						
<b>CUMULATIVE EXPENSES</b>												
<b>Budget</b>	732,134	1,437,602	2,169,736	2,895,404	3,637,538	4,361,930						
<b>Actual</b>	708,677	1,420,242	2,145,825	2,859,481	3,556,502	4,286,408						
<b>Variance - F(U)</b>	23,456	17,360	23,911	35,923	81,036	75,522						
<b>Variance %</b>	3.20%	1.21%	1.10%	1.24%	2.23%	1.73%						

**SAN MATEO COUNTY TRANSIT DISTRICT**

**INTEREST ON INVESTMENTS**

**December 31, 2016**

DESCRIPTION	TOTAL INVESTMENT 12-31-16	INTEREST RECEIVABLE 11-30-16	PREPAID INT RECEIVABLE 12-31-16	INTEREST EARNED 12-31-16	INTEREST RECEIVED 12-31-16	ADJ.	INTEREST RECEIVABLE 12-31-16
RESERVE FOR CAPITAL PROJ	70,164.50	1,845.20	0.00	461.30	0.00	0.00	2,306.50
LAIF -- CAPITAL PROJ	77,199.49	84.47	0.00	47.14	0.00	0.00	131.61
REIMB SECURITIES -- L76R	88,497,442.23	322,169.56	29,690.79	107,234.46	114,038.25	(471.86)	344,584.68
LAIF -- REIMB FUNDS L76R	10,944.35	475.08	0.00	6.68	0.00	0.00	481.76
PARATRANSIT FUNDS	25,016,481.57	86,370.40	8,241.65	27,518.08	22,207.33	(208.22)	99,714.58
LAIF -- PARATRANSIT	1,034,150.89	2,079.10	0.00	631.51	0.00	0.00	2,710.61
BANK OF AMERICA	29,928,059.26	0.00	0.00	3,732.33	3,732.33	0.00	0.00
WELLS FARGO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Bank - Custodian account	8,398,008.01	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service Reserves							
Held by Trustee:	7,634,088.56	0.00	0.00	0.00	0.00	0.00	0.00
	<u>160,666,538.86</u>	<u>413,023.81</u>	<u>37,932.44</u>	<u>139,631.50</u>	<u>139,977.91</u>	<u>(680.08)</u>	<u>449,929.74</u>

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

Interest Earned 12/31/16	138,951.42
<b>Add:</b>	
CEO Interest	0.00
<b>Less:</b>	
Trust Fees	(699.04)
Capital Gain(Loss)	<u>(111,377.54)</u>
Total Interest & Capital Gain(Loss)	<u>26,874.84</u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	705,004.07
<b>Add:</b>	
CEO Interest	
<b>Less:</b>	
Trust Fees	(3,247.50)
Capital Gain(Loss)	<u>134,446.11</u>
Total Interest & Capital Gain(Loss)	<u>836,202.68</u>

**Balance Per Ledger as of 12/31/16**

Deferred Int Acct. 210852/3	21,211.82
Interest Acct. 409101	683,792.25
Less Trust Fees 530045	(3,247.50)
Gain(Loss) Acct. 405210	<u>134,446.11</u>
	<u>836,202.68</u>



SAN MATEO COUNTY TRANSIT DISTRICT  
 RESERVE FOR CAPITAL PROJECTS -- INTEREST ON SECURITIES  
 December 31, 2016

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	GASB 31 ADJUSTED 06-30-16	MARKET VALUE 12-31-16	MATURITY DATE	INT RATE	APPL. DAYS	INTEREST REC'VBLE 11-30-16	PREPAID INT REC'VBLE 12-31-16	INTEREST EARNED 12-31-16	INTEREST RECEIVED 12-31-16	ADJ.	INTEREST REC'VBLE 12-31-16	INT REC'VBLE LESS PREPAID 12-31-16	PAR VALUE
<b>GOVERNMENT BONDS</b>																
HOUSING URBAN DEVEL	911759EB0	12-23-08	72,572.73	70,045.50	70,164.50	08-01-17	7.908%	30	1,845.20		461.30			2,306.50	2,306.50	70,000
<b>CASH AND CASH EQUIVALENTS</b>																
FIRST AMER US TREASURY MM	31846V534		8,050,951.84	8,050,951.84	8,050,951.84									0.00	0.00	
LAIF			77,199.49	77,008.90	77,199.49				84.47		47.14			131.61	131.61	77,199
TOTAL LAIF			77,199.49	77,008.90	77,199.49											
TOTAL A/C 121100 & 112010			72,572.73	70,045.50	70,164.50											
<b>TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)</b>			<u>72,572.73</u>	<u>70,045.50</u>	<u>70,164.50</u>				<u>1,845.20</u>	<u>0.00</u>	<u>461.30</u>	<u>0.00</u>	<u>0.00</u>	<u>2,306.50</u>	<u>2,306.50</u>	<u>70,000</u>

**SAN MATEO COUNTY TRANSIT DISTRICT**  
**PARATRANSIT FUNDS -- INTEREST ON SECURITIES**  
**December 31, 2016**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	GASB 31 ADJUSTED 06-30-16	MARKET VALUE 12-31-16	MATURITY/CALL DATE	INT RATE	APPL DAYS	INTEREST REC'VBLE 11-30-16	PP INTEREST REC'VBLE 12-31-16	INTEREST EARNED 12-31-16	INTEREST RECEIVED 12-31-16	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'VBLE 12-31-16	INT REC'VBLE LESS PREPAID 12-31-16	PAR VALUE
<b>U.S. TREASURY NOTES AND BONDS</b>																	
US TREASURY NOTE	912828SC5	03-19-14	1,000,040.72	1,005,547.00	1,000,742.19	12-5-16	0.875%	4	2,924.59		97.22	3,019.70		(2.11)	0.00	0.00	1,000,000
US TREASURY NOTE	912828SC5	03-19-14	556,685.18	553,050.40	550,236.33	12-22-16	0.875%	21	1,607.94		280.83	1,883.15		(5.62)	(0.00)	(0.00)	550,000
US TREASURY NOTE	912828SC5	03-19-14	2,661,499.10	2,664,700.00	2,651,054.70	01-31-17	0.875%	31	7,750.76		1,996.70			(44.00)	9,703.46	9,703.46	2,650,000
US TREASURY NOTE	912828TG5	06-2-16	1,993,671.87	1,999,376.00	1,997,968.00	07-31-17	0.5000%	31	3,342.39		861.11			(18.72)	4,184.78	4,184.78	2,000,000
US TREASURY NOTE	912828U21	03-31-16	782,454.89	786,798.69	781,166.85	04-30-18	0.625%	31	420.15		422.48			(2.33)	840.30	840.30	785,000
US TREASURY NOTE	912828UQ1	11-09-15	1,159,532.22	1,192,533.35	1,165,636.43	02-29-20	1.250%	31	3,732.73		1,264.76			(6.99)	4,990.50	4,990.50	1,175,000
US TREASURY NOTE	912828VF4	12-7-15	1,332,544.92	1,374,784.65	1,341,457.20	5-31-20	1.375%	31	51.00		1,598.44			(17.57)	1,631.87	1,631.87	1,350,000
US TREASURY NOTE	912828VP2	5-18-16	599,552.34	605,307.14	587,884.38	12-15-16	2.000%	14	3,877.17		451.11	4,318.48		(9.80)	0.00	0.00	580,000
US TREASURY NOTE	912828VP2	5-18-16	1,395,509.76	1,408,904.55	1,367,455.50	7-31-20	2.000%	31	9,024.46		2,325.00			(50.55)	11,298.91	11,298.91	1,350,000
US TREASURY NOTE	912828B90	10-5-16	181,323.24	180,373.03	176,394.58	02-28-12	2.000%	31	899.51		301.39			(11.68)	1,189.23	1,189.23	175,000
US TREASURY NOTE	912828L32	6-29-16	356,398.44	357,430.32	346,363.15	8-31-20	1.375%	31	1,223.07		414.41			(2.29)	1,635.19	1,635.19	350,000
																	42.51%
<b>SMALL BUSINESS ADMINISTRATION</b>																	
FNA 2014-M6 A2	3136A7G5	12-15-16	561,128.91	556,608.09	556,608.09	5-25-21	2.679%	16	0.00	572.90	654.87			(0.12)	1,227.65	654.75	550,000
																	1.95%
<b>FEDERAL AGENCY COLLETERIALIZED MORTGAGE OBLIGATION</b>																	
FNMA	3136ANV4	4-30-15	171,699.39	171,377.90	170,097.48	04-01-18	1.550%	30	219.58		219.58	219.58			219.58	219.58	170,000
FHLMC	3137BNM24	4-28-16	2,499.79	2,541.70	2,475.06	12-25-16	1.738%	0	0.00		0.00	0.00			0.00	0.00	2,475
FHLMC	3137BNM24	4-28-16	129,142.58	131,232.04	128,050.42	03-01-19	1.738%	30	188.78		185.19	188.78			185.19	185.19	127,865
FANIE MAE	3136AQDQ0	10-30-15	232,303.20	232,474.73	229,723.56	09-01-19	1.646%	30	315.48		315.48	315.48			315.48	315.48	230,000
																	1.88%
<b>CORPORATE NOTE</b>																	
BERKSHIRE HATHAWAY INC.	084670B1	12-23-16	502,830.00	504,499.50	504,499.50	08-14-19	2.100%	8		3,762.50	233.33				3,995.83	233.33	500,000
AMERICAN HONDA FINANCE GLOBAL	02665WAH4	12-20-16	502,485.00	504,868.50	504,868.50	08-15-19	2.250%	11		3,906.25	343.75				4,250.00	343.75	500,000
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-16	199,900.00	200,014.20	197,579.20	10-18-19	1.550%	30	370.28		258.33				628.61	628.61	200,000
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	149,821.50	150,096.45	148,535.70	10-30-19	1.700%	30	219.58		212.50				432.08	432.08	150,000
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	350,066.50	350,225.05	346,583.30	10-30-19	1.700%	30	512.36		495.83				1,008.19	1,008.19	350,000
PEIZER INC CORP NOTE	717081EB5	11-21-16	329,762.40	329,297.10	329,688.81	12-15-19	1.700%	30	155.83		467.50				623.33	623.33	330,000
MORGAN STANLEY CORP NOTE	6174467P8	11-10-16	558,125.00	548,015.50	547,604.50	07-24-20	5.500%	30	9,701.39		2,291.67				11,993.06	11,993.06	500,000
GOLDMAN SACHS GROUP CORP	3814GGQ1	11-28-16	496,651.50	495,358.20	493,195.50	07-27-21	5.250%	30	8,137.50		1,968.75				10,106.25	10,106.25	450,000
																	10.59%
<b>COMMERCIAL PAPER</b>																	
BANK OF TOKYO MITSUBISHI	065388SF1	11-16-16	298,125.00	298,334.40	298,726.20	05-15-17	0.000%		0.00		0.00				0.00	0.00	300,000
BANK OF MONTREAL CHICAGO	06366GVF2	12-22-16	544,427.78	544,519.00	544,519.80	09-15-17	0.000%		0.00		0.00				0.00	0.00	550,000
																	3.02%
<b>CERTIFICATE OF DEPOSIT</b>																	
CANADIAN IMPERIAL BANK NY CD	13606ASZ7	12-5-16	499,610.00	504,035.00	504,035.00	11-30-18	1.7600%	27			660.00				660.00	660.00	500,000
																	3.55%
<b>FEDERAL AGENCY BOND/NOTE</b>																	
FNMA GLOBAL NOTES	3137EADP1	08-08-16	2,002,580.00	2,000,002.00	1,997,406.00	03-07-18	0.8750%	30	4,083.33		1,458.33			0.01	5,541.67	5,541.67	2,000,000
FHBL GLOBAL NOTES	3130A9AE1	08-26-16	1,099,252.00	1,098,688.80	1,093,946.70	10-01-18	0.8750%	30	1,604.17		802.08				2,406.25	2,406.25	1,100,000
FHBL GLOBAL NOTES	3137EAD7	09-16-16	499,785.00	499,770.00	497,282.50	10-12-18	0.8750%	30	911.46		364.58				1,276.04	1,276.04	500,000
FHBL NOTES AGENCY	313376BR5	08-11-16	1,020,220.00	1,017,476.00	1,010,469.00	12-14-18	1.7500%	30	8,118.06		1,458.33	8,750.00			826.39	826.39	1,000,000
FHLMC	3137EAE1	7-20-16	498,790.00	499,429.50	492,915.00	12-23-16	0.8750%	22	1,592.01		267.36	1,859.38		0.01	(0.00)	(0.00)	500,000
FHLMC	3137EAE1	7-20-16	748,185.00	749,144.25	740,093.25	07-19-16	0.8750%	30	2,388.02		546.88				2,934.90	2,934.90	750,000
FNMA	3135GON33	7-29-16	648,908.00	648,908.00	640,970.85	08-02-19	0.8750%	30	1,880.03		473.96				2,353.99	2,353.99	650,000
FHBL GLOBAL NOTES	3130A8Y72	08-04-16	499,040.00	497,758.75	492,075.00	12-23-16	0.8750%	22	1,421.87		267.36	1,652.78		(36.45)	0.00	0.00	500,000
FHBL GLOBAL NOTES	3130A8Y72	08-04-16	299,424.00	298,655.25	295,754.10	08-05-19	0.8750%	30	853.13		218.75				1,071.88	1,071.88	300,000
FNMA NOTES	3135GOP49	09-02-16	798,752.00	798,705.60	791,112.80	08-28-19	1.0000%	30	1,977.78		666.67			(0.01)	2,644.44	2,644.44	800,000
FNMA NOTES	3130A9EP2	09-09-16	799,304.00	799,299.20	790,467.20	09-26-19	1.0000%	30	1,444.44		666.67				2,111.11	2,111.11	800,000
FHBL	3130A8Q55	7-15-16	765,317.63	767,192.58	743,250.20	07-14-21	1.1250%	30	3,296.56		721.88				4,018.44	4,018.44	770,000
FNMA NOTES	3135GON82	8-19-16	597,658.06	597,202.20	579,882.00	08-17-21	1.2500%	30	2,125.00		625.00				2,750.00	2,750.00	600,000
																	36.49%
<b>CASH AND CASH EQUIVALENTS</b>																	
			93,608.20	93,608.20	93,608.20				0.00					0.00	0.00	0.00	0.00
<b>CASH INVESTMENT</b>																	
LAIF			1,034,150.89	1,034,150.89	1,034,150.89				2,079.10	0.00	631.51				2,710.61	2,710.61	1,034,151
<b>MATURED/CALLED</b>																	
US TREASURY NOTE	912828SC5	03-19-14	(1,000,040.72)	(1,005,547.00)	(1,000,742.19)	12-5-16											(1,000,000)
US TREASURY NOTE	912828SC5	03-19-14	(556,685.18)	(553,050.40)	(550,236.33)	12-22-16											(550,000)
US TREASURY NOTE	912828VP2	5-18-16	(599,552.34)	(605,307.14)	(587,884.38)	12-15-16											(580,000)
FHLMC	3137BNM24	4-28-16	(2,499.79)	(2,541.70)	(2,475.06)	12-25-16											(2,475)
FHLMC	3137EAE1	7-20-16	(498,790.00)	(499,429.50)	(492,915.00)	12-23-16											(500,000)
FHBL GLOBAL NOTES	3130A8Y72	08-04-16	(499,040.00)	(497,758.75)	(492,075.00)	12-23-16											(500,000)
TOTAL LAIF			1,034,150.89	1,034,150.89	1,034,150.89				86,370.40	8,241.65	27,518.08	22,207.33	0.00	(208.22)	99,714.59	91,472.94	25,012,864.96
TOTAL A/C 1222010			25,168,398.89	25,264,935.13	25,016,481.57												
<b>TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)</b>			25,168,398.89	25,264,935.13	25,016,481.57				86,370.40	8,241.65	27,518.08	22,207.33	0.00	(208.22)	99,714.59	91,472.94	25,012,864.96

SAN MATEO COUNTY TRANSIT DISTRICT  
SUMMARY OF BUDGET ACTIVITY FOR DECEMBER 2016

BUDGET AMENDMENTS

	Amount	Line Item		Description
Dec-16				No Budget Revisions in December 2016.
	<u>\$ -</u>	Total	<u>\$ -</u>	Total

BUDGET REVISIONS

	Amount	Line Item		Description
Dec-16				No Budget Revisions in December 2016.
	<u>\$ -</u>	Total	<u>\$ -</u>	Total

SAN MATEO COUNTY TRANSIT DISTRICT  
1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
FY2017  
December 2016

1/23/17 2:15 PM

Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
<b>FY2016:</b>						
1st Quarter	17,607,333	17,607,333	1st Quarter	19,520,600	1,913,267	19,520,600
2nd Quarter	18,895,801	18,895,801	2nd Quarter	20,786,477	1,890,676	20,786,477
3rd Quarter	19,166,840	23,166,840	3rd Quarter	18,179,711	(4,987,129)	18,179,711
4th Quarter	21,330,026	21,330,026	4th Quarter	21,218,285	(111,741)	21,218,285
<b>FY2016 Total</b>	<b>77,000,000</b>	<b>81,000,000</b>	<b>FY2016 Total</b>	<b>79,705,073</b>	<b>(1,294,927)</b>	<b>79,705,073</b>
<b>FY2017:</b>						
Jul. 16	5,919,931		Sep. 16	5,557,900	(362,031)	5,919,931
Aug. 16	5,919,931		Oct. 16	5,557,900	(362,031)	5,919,931
Sep. 16	7,498,579		Nov. 16	7,410,600	(87,979)	7,498,579
3 Months Total	19,338,441	-		18,526,400	(812,041)	19,338,441
Oct. 16	6,455,545		Dec. 16	8,372,576	1,917,031	6,455,545
Nov. 16	6,455,545		Jan. 17			6,455,545
Dec. 16	7,842,500		Feb. 17			7,842,500
6 Months Total	40,092,031	-		26,898,976	1,104,990	40,092,031
Jan. 17	6,089,072		Mar. 17			6,089,072
Feb. 17	6,677,683		Apr. 17			6,677,683
Mar. 17	8,284,521		May 17			8,284,521
9 Months Total	61,143,307	-		26,898,976	1,104,990	61,143,307
Apr. 17	7,054,822		Jun. 17			7,054,822
May 17	7,170,544		Jul. 17			7,170,544
Jun. 17	7,631,327		Aug. 17			7,631,327
<b>FY2017 Total</b>	<b>83,000,000</b>	<b>-</b>	<b>FY2017 Total</b>	<b>26,898,976</b>	<b>1,104,990</b>	<b>83,000,000</b>
	18,976,410		1st Quarter			
	22,220,611		2nd Quarter			
			3rd Quarter			
			4th Quarter			
	<b>41,197,021</b>		YTD Actual Per Statement of Revenue & Expenses			

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Shannon Gaffney  
Interim Chief Financial Officer

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

**ACTION**

Staff proposes the Finance Committee recommend the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2016.

**SIGNIFICANCE**

The San Mateo County Transit District (District) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on January 24, 2017, in order to meet the 30-day requirement.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The District is required by State law to submit quarterly reports within 30 days of the end of the quarter covered by the report. The report is required to include the following information:

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

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 6, 7 and 8. The schedule separates the investments into three groups: the investments managed by PFM Asset Management LLC (PFM), liquidity funds which are managed by District staff, and trust funds which are managed by a third party trustee. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds, while the bond covenants govern the management and reporting of the trust funds.

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

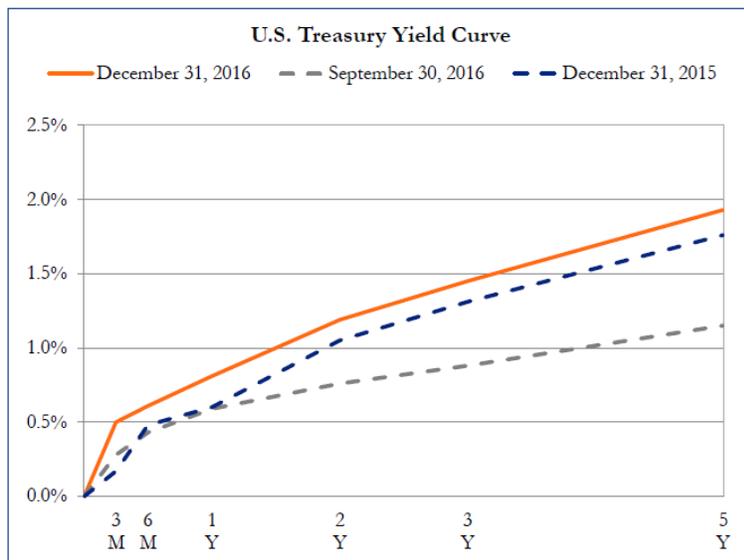
The liquidity funds managed by District staff are considered to be cash equivalents and therefore market value is considered to be equal to book value, (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value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

The portfolio and this Quarterly Investment Report comply with the Investment Policy and the provisions of Senate Bill 564 (1995). The District has the ability to meet its expenditure requirements for the next six months.

## **DISCUSSION**

### **Yields Increase Across the Board**

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



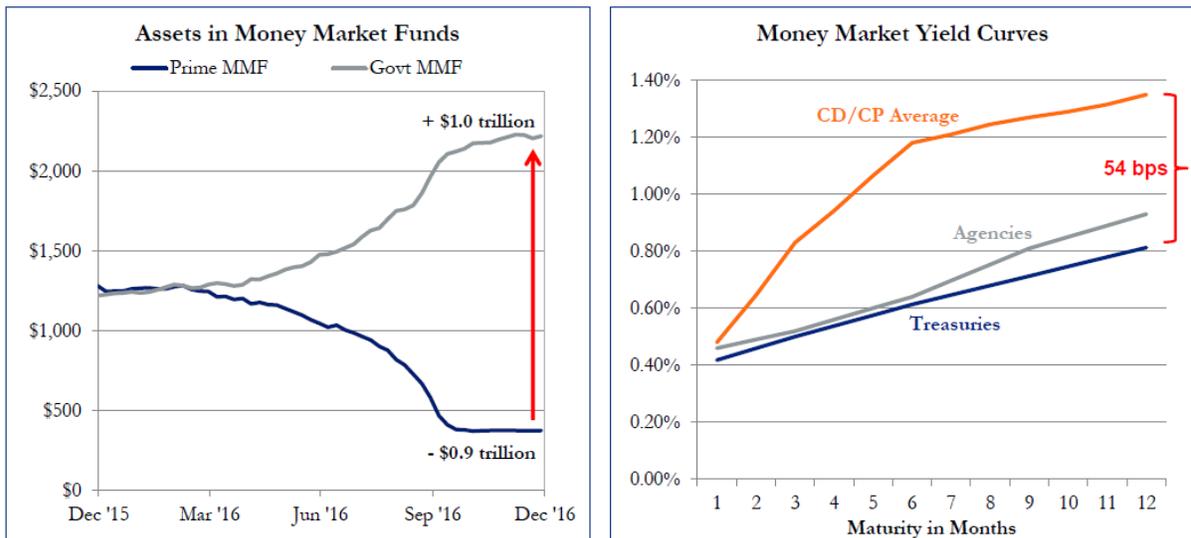
Source: Bloomberg

Yield Curve History

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

## Money Market Reform Takes Hold

- SEC-imposed money market reforms, which became effective in October 2016, caused a significant shift in assets from prime funds (which typically purchase short credit instruments) to government-only funds.
- As a result, yield spreads widened sharply, especially in the 6-12 month area of the curve, making commercial paper and negotiable bank CDs attractive alternatives to Treasury bills and short-term agencies.



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

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

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

## Strategy

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

### **Budget Impact**

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending December 31, the total return of the General Funds portfolio was -0.65 percent. The Paratransit Fund portfolio returned -0.67 percent. This compares to the benchmark return of - 0.83 percent. The Performance graph on page 9 shows the relative performance of the District's portfolio over the last 12 months.

The yield at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the quarter, the yield to maturity at cost for the General Fund's portfolio was 1.24 percent. The yield to maturity at cost for the Paratransit Fund's portfolio was 1.19 percent.

The yield at market is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, the General Fund's portfolio market yield to maturity was 1.43 percent. The Paratransit Fund's portfolio market yield to maturity was 1.34 percent.

Prepared by: Connie Mobley-Ritter, Treasury Manager

650-508-7765

## EXHIBIT I

### SAN MATEO COUNTY TRANSIT DISTRICT REPORT OF INVESTMENTS FOR QUARTER ENDED DECEMBER 31, 2016

TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<b>FUNDS MANAGED BY PFM</b>							
<b>RESERVE FUND PORTFOLIO</b>							
<b>U.S. TREASURY NOTES AND BONDS</b>							
US TREASURY NOTE	912828SM3	03-31-17	1,235,000.00	1,244,503.71	1,236,528.93	3,155.36	1,239,684.29
US TREASURY NOTE	912828TG5	7-31-17	4,330,000.00	4,316,299.61	4,325,600.72	9,060.05	4,334,660.77
US TREASURY NOTE	912828UZ1	4-30-18	4,850,000.00	4,834,275.40	4,826,317.45	5,191.64	4,831,509.09
US TREASURY NOTE	912828ST8	04-30-19	1,265,000.00	1,264,752.93	1,264,258.71	2,708.22	1,266,966.93
US TREASURY NOTE	912828UQ1	02-29-20	4,400,000.00	4,342,078.13	4,364,936.40	18,687.85	4,383,624.25
US TREASURY NOTE	912828VF4	05-31-20	4,400,000.00	4,343,109.38	4,372,156.80	5,318.68	4,377,475.48
US TREASURY NOTE	912828VP2	07-31-20	3,700,000.00	3,824,730.47	3,747,841.00	30,967.39	3,778,808.39
US TREASURY NOTE	912828L32	08-31-20	1,500,000.00	1,527,421.88	1,484,413.50	7,007.94	1,491,421.44
<b>GOVERNMENT BONDS</b>							
FHLMC NOTES	3137EADN6	01-12-18	1,700,000.00	1,697,994.00	1,696,535.40	5,985.42	1,702,520.82
FHMA GLOBAL NOTES	3137EADP1	03-07-18	5,000,000.00	5,006,450.00	4,993,515.00	13,854.17	5,007,369.17
FHLMC	3130A9AE1	10-01-18	4,100,000.00	4,097,212.00	4,077,437.70	8,968.75	4,086,406.45
FHLMC	3137EAD7	10-12-18	1,800,000.00	1,799,226.00	1,790,217.00	4,593.75	1,794,810.75
FHLB NOTES AGENCY	313376BR5	12-14-18	3,600,000.00	3,672,792.00	3,637,688.40	2,975.00	3,640,663.40
FHLMC	3137EAE1	07-19-19	2,700,000.00	2,693,466.00	2,664,335.70	10,565.63	2,674,901.33
FNMA	3135GON33	08-02-19	2,200,000.00	2,195,304.00	2,169,439.80	7,967.36	2,177,407.16
FHLB GLOBAL NOTE	3130A8Y72	08-05-19	900,000.00	898,272.00	887,262.30	3,215.63	890,477.93
FHMA NOTES	3135GOP49	08-28-19	2,700,000.00	2,695,788.00	2,670,005.70	8,925.00	2,678,930.70
FHLB GLOBAL NOTE	3130A9EP2	09-26-16	2,700,000.00	2,697,651.00	2,667,826.80	7,125.00	2,674,951.80
FHLB GLOBAL NOTE	3130A8QS5	07-14-21	2,700,000.00	2,683,581.30	2,606,202.00	14,090.63	2,620,292.63
FNMA NOTES	3135GON82	08-17-21	475,000.00	473,375.03	459,073.25	2,177.08	461,250.33
FNMA NOTES	3135GON82	08-17-21	1,525,000.00	1,518,823.75	1,473,866.75	6,989.58	1,480,856.33
<b>FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION</b>							
FNA 2014-M6 A2	3136AJ7G5	05-25-21	2,000,000.00	2,040,468.75	2,024,029.40	4,464.18	2,028,493.58
FNMA	3136ANJY4	04-01-18	610,000.00	616,097.80	610,349.77	787.92	611,137.69
FHLMC	3137BNMZ4	03-01-19	456,660.55	461,223.52	457,322.90	661.40	457,984.30
FANNIE MEA	3136AQDQ0	09-01-19	800,000.00	808,011.12	799,038.48	1,097.33	800,135.81
<b>CORPORATE NOTE</b>							
BEAR STEARNS CO INC. NOTE	073902PR3	10-02-17	2,000,000.00	2,085,620.00	2,071,892.00	31,644.44	2,103,536.44
WALT DISNEY CORP NOTE	25468PC80	12-15-17	1,000,000.00	1,050,210.00	1,043,519.00	2,611.11	1,046,130.11
JOHN DEERE CAPITAL CORP NOTE	24422ESR1	12-15-17	2,000,000.00	2,009,300.00	2,005,070.00	1,377.78	2,006,447.78
BERKSHIRE HATHWAY GLOBAL NOTE	084670BL1	08-14-19	1,800,000.00	1,810,188.00	1,816,198.20	14,385.00	1,830,583.20
AMERICAN HONDA FINANCE GLOBAL NOTES	02665WHA4	08-15-19	1,800,000.00	1,808,945.00	1,817,526.60	15,300.00	1,832,826.60
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-19	670,000.00	669,665.00	661,890.32	2,105.85	663,996.17
AMERICAN EXP CREDIT CORP	0258MOEC9	10-30-19	500,000.00	499,405.00	495,119.00	1,440.28	496,559.28
AMERICAN EXP CREDIT CORP	0258MOEC9	10-30-19	1,100,000.00	1,100,209.00	1,089,261.80	3,168.61	1,092,430.41
PEIZER INC CORP NOTE	717081EB5	12-15-19	1,185,000.00	1,184,146.80	1,183,882.55	2,238.33	1,186,120.88
MORGAN STANLEY CORP NOTE	6174467P8	07-24-20	1,800,000.00	2,009,250.00	1,971,376.20	43,175.00	2,014,551.20
GOLDMAN SACHS GROUP CORP	3814GGQ1	07-27-21	1,600,000.00	1,765,872.00	1,753,584.00	35,933.33	1,789,517.33
<b>COMMERCIAL PAPER</b>							
BANK OF TOKYO MITSUBISHI	06538BRJ4	04-18-17	1,000,000.00	993,735.00	996,912.00	0.00	996,912.00
BANK OF TOKYO MITSUBISHI	06538BSF1	05-15-17	1,000,000.00	993,750.00	995,754.00	0.00	995,754.00
CREDIT AGRICOLE CIB NY	22533TSF4	05-15-17	2,000,000.00	1,988,800.00	1,991,552.00	0.00	1,991,552.00
BNP PARIBAS NY BRANCH COMM PAPER	09659BUH1	07-17-17	1,900,000.00	1,881,190.00	1,886,587.90	0.00	1,886,587.90
Bank of Montreal Chicago	0636GWF2	09-15-17	1,800,000.00	1,781,763.65	1,782,064.80	0.00	1,782,064.80
<b>CERTIFICATION OF DEPOSIT</b>							
Canadian Imperial Bank NY CD	13606A4Z7	11-30-18	1,800,000.00	1,798,596.00	1,814,526.00	2,376.00	1,816,902.00
Nordea Bank Finland NY	65558LWA6	11-30-18	1,800,000.00	1,800,000.00	1,814,526.00	2,288.00	1,816,814.00
<b>CASH AND CASH EQUIVALENTS</b>							
US TREASURY MM FUND			253,447.97	253,447.97	253,447.97	0.00	253,447.97
<b>TOTAL RESERVE PORTFOLIO MANAGED BY PFM</b>			<b>88,655,108.53</b>	<b>89,238,002.20</b>	<b>88,750,890.20</b>	<b>344,584.68</b>	<b>89,095,474.88</b>

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

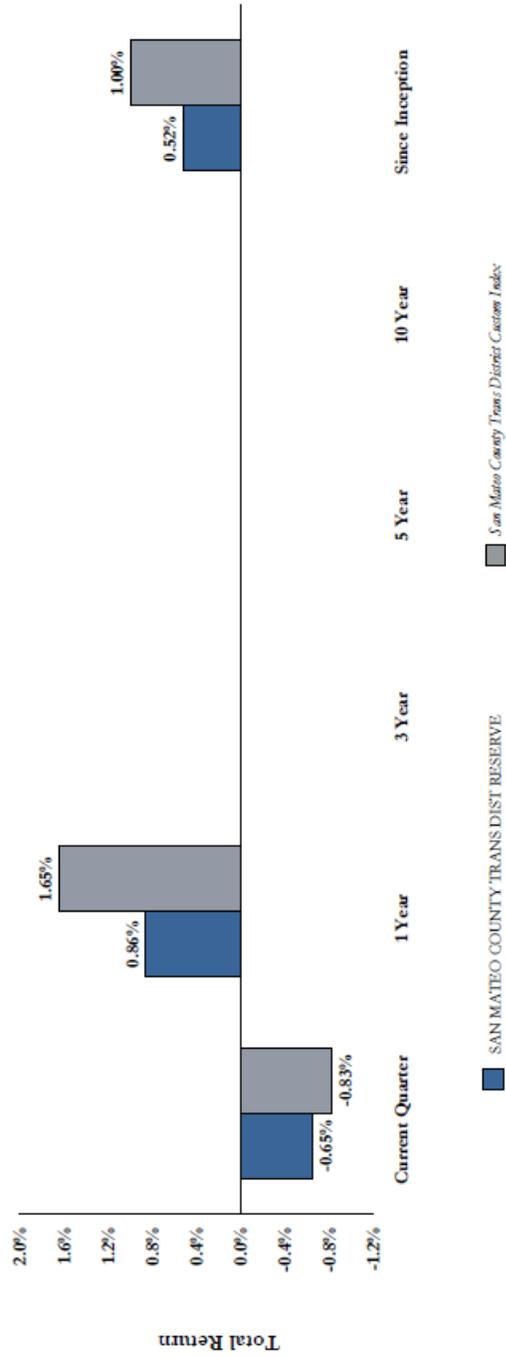
TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<b>PARATRANSIT FUNDS PORTFOLIO:</b>							
<b>U.S. TREASURY NOTES AND BONDS</b>							
US TREASURY NOTE	912828SC5	01-31-17	2,650,000.00	2,661,499.10	2,651,054.70	9,703.46	2,660,758.16
US TREASURY NOTE	912828TG5	07-31-17	2,000,000.00	1,993,671.87	1,997,968.00	4,184.78	2,002,152.78
US TREASURY NOTE	912828LU1	04-30-18	785,000.00	784,454.89	781,166.85	840.30	782,007.15
US TREASURY NOTE	912828LU1	02-29-20	1,175,000.00	1,159,532.22	1,165,636.43	4,990.50	1,170,626.93
US TREASURY NOTE	912828VFA	05-31-20	1,350,000.00	1,332,544.92	1,341,457.20	1,631.87	1,343,089.07
US TREASURY NOTE	912828WP2	07-31-20	1,350,000.00	1,395,509.76	1,367,455.50	11,298.91	1,378,754.41
US TREASURY NOTE	912828B90	02-28-12	175,000.00	181,323.24	176,394.58	1,189.23	177,583.81
US TREASURY NOTE	912828L32	08-31-20	350,000.00	356,398.44	346,363.15	1,635.19	347,998.34
<b>FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION</b>							
FHA 2014-MG A2	3136AJ7G5	05-25-21	550,000.00	561,128.91	556,608.09	1,227.65	557,835.74
FNMA	3136ANJY4	04-01-18	170,000.00	171,699.39	170,097.48	219.58	170,317.06
FHLMC	3137BNM24	03-01-19	127,864.96	129,142.58	128,050.42	185.19	128,235.61
FANIE MAE	3136AQDQ0	09-01-19	230,000.00	232,303.20	229,723.56	315.48	230,039.04
<b>FEDERAL AGENCY BOND/NOTE</b>							
FNMA GLOBAL NOTES	3137EADP1	03-07-18	2,000,000.00	2,002,580.00	1,997,406.00	5,541.67	2,002,947.67
FHLS GLOBAL NOTES	3130A9AE1	10-01-18	1,100,000.00	1,099,252.00	1,093,946.70	2,406.25	1,096,352.95
FHLS GLOBAL NOTES	3137EAE07	10-12-18	500,000.00	499,785.00	497,282.50	1,276.04	498,558.54
FHLS NOTES AGENCY	313376885	12-31-18	1,000,000.00	1,020,210.00	1,010,469.00	826.39	1,011,295.39
FHLMC	3137EAE81	07-19-16	750,000.00	748,185.00	740,093.25	2,934.90	743,028.15
FNMA	3135G0N83	08-02-19	650,000.00	648,508.00	640,370.85	2,353.99	643,324.84
FHLS GLOBAL NOTES	3130A8Y72	08-05-19	300,000.00	299,424.00	295,754.10	1,071.88	296,825.98
FNMA NOTES	3135G0P49	08-28-19	800,000.00	798,752.00	791,112.80	2,644.44	793,757.24
FNMA NOTES	3130A9EP2	09-26-19	800,000.00	799,304.00	790,467.20	2,111.11	792,578.31
FHLS	3130A8C35	07-14-21	770,000.00	765,317.63	743,250.20	4,018.44	747,268.64
FNMA NOTES	3135G0N82	08-17-21	600,000.00	597,658.06	579,882.00	2,750.00	582,632.00
<b>CORPORATE NOTE</b>							
BERKSHIRE HATHAWAY INC.	084670B11	08-14-19	500,000.00	502,830.00	504,499.50	3,995.83	508,495.33
AMERICAN HONDA FINANCE GLOBAL NOTES	02665WAH4	08-15-19	500,000.00	502,485.00	504,868.50	4,250.00	509,118.50
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-19	200,000.00	199,500.00	197,579.20	628.61	198,207.81
AMERICAN EXP CREDIT CORP	0258MDEC9	10-30-19	150,000.00	149,821.50	148,535.70	432.08	148,967.78
AMERICAN EXP CREDIT CORP	0258MDEC9	10-30-19	350,000.00	350,066.50	346,583.30	1,008.19	347,591.49
PEIZER INC CORP NOTE	717081E85	12-15-19	330,000.00	329,762.40	329,888.81	623.33	330,512.14
MORGAN STANLEY CORP NOTE	6174467P8	07-14-20	500,000.00	558,125.00	547,604.50	11,993.06	559,597.56
GOLDMAN SACHS GROUP CORP	3814GGQ1	07-27-21	450,000.00	486,651.50	493,195.50	10,106.25	503,301.75
<b>COMMERCIAL PAPER</b>							
BANK OF TOKYO MITSUBISHI	0653885F1	05-15-17	300,000.00	298,125.00	298,726.20	0.00	298,726.20
BANK OF MONTREAL CHICAGO	06366GW2	09-15-17	550,000.00	544,427.78	544,519.80	0.00	544,519.80
<b>CERTIFICATE OF DEPOSIT</b>							
CANADIAN IMPERIAL BANK NY CD	13606ASZ7	11-30-18	500,000.00	499,610.00	504,035.00	660.00	504,695.00
NORDEA BANK FINLAND NY	65558LW46	11-30-18	500,000.00	500,000.00	504,035.00	660.00	504,695.00
<b>CASH AND CASH EQUIVALENTS</b>							
US TREASURY MM FUND			93,608.20	93,608.20	93,608.20	0.00	93,608.20
<b>TOTAL PARATRANSIT PORTFOLIO MANAGED BY PFM</b>			<b>25,106,473.16</b>	<b>25,262,007.09</b>	<b>25,110,089.77</b>	<b>99,714.59</b>	<b>25,209,804.36</b>
<b>TOTAL DISTRICT PORTFOLIO MANAGED BY PFM</b>			<b>113,761,581.69</b>	<b>114,500,009.29</b>	<b>113,860,979.97</b>	<b>444,299.27</b>	<b>114,305,279.24</b>

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

TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<b>FUNDS NOT MANAGED BY PFM</b>							
<b>GOVERNMENT BONDS</b>							
HOUSING URBAN DEVEL	911759F80	08-01-17	70,000.00	72,572.73	70,164.50	2,306.50	72,471.00
<b>CASH AND CASH EQUIVALENTS</b>							
US TREASURY MM	31846V534		8,050,951.84	8,050,951.84	8,050,951.84		8,050,951.84
<b>TOTAL INVESTMENT FUNDS PORTFOLIO NOT MANAGED BY PFM</b>			<b>8,120,951.84</b>	<b>8,123,524.57</b>	<b>8,121,116.34</b>	<b>2,306.50</b>	<b>8,123,422.84</b>
<b>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</b>							
BANK OF AMERICA CHECKING			29,928,059.26	29,928,059.26	29,928,059.26		29,928,059.26
LAIF			1,122,294.73	1,122,294.73	1,122,294.73		1,122,294.73
WELLS FARGO			-	-	-		0.00
<b>TOTAL FUNDS MANAGED BY DISTRICT STAFF</b>			<b>31,050,353.99</b>	<b>31,050,353.99</b>	<b>31,050,353.99</b>		<b>31,050,353.99</b>
<b>TRUST FUNDS MANAGED BY THIRD PARTY TRUSTEE:</b>							
First American Govt Obligation C/D			7,634,088.56	7,634,088.56	7,634,088.56		7,634,088.56
Chesham Finance Ltd.			-	-	-		-
<b>TOTAL AS OF DECEMBER 31, 2016</b>			<b>152,932,887.52</b>	<b>153,673,887.85</b>	<b>153,032,450.30</b>		<b>153,479,056.07</b>

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15) *
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSIT DIST RESERVE	2.14	-0.65%	0.86%	-	-	-	0.52%
San Mateo County Trans District Custom Index	2.16	-0.83%	1.65%	-	-	-	1.00%
Difference		0.18%	-0.79%	-	-	-	-0.48%



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

# EXHIBIT 3

For the Quarter Ended December 31, 2016

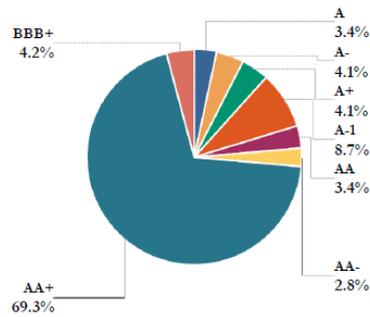
SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

Portfolio Snapshot

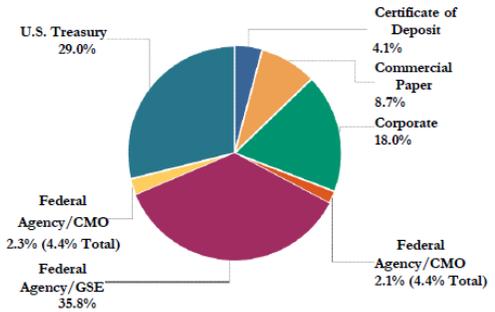
### Portfolio Statistics As of December 31, 2016

Par Value:	88,401,661
Total Market Value:	89,101,888
Security Market Value:	88,497,442
Accrued Interest:	350,998
Cash:	253,448
PFM	-
Amortized Cost:	88,964,887
Yield at Market:	1.43%
Yield at Cost:	1.24%
Effective Duration:	2.14 Years
Average Maturity:	2.23 Years
Average Credit: *	AA

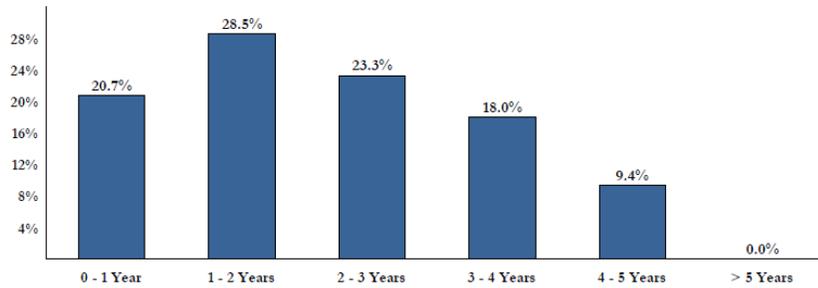
### Credit Quality (S&P Ratings)



### Sector Allocation



### Maturity Distribution



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

For the Quarter Ended December 31, 2016

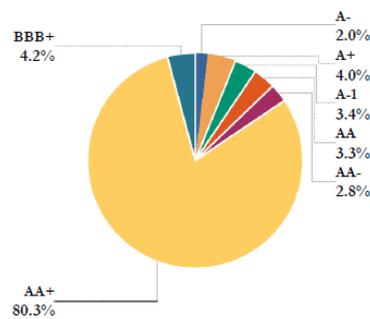
SAN MATEO COUNTY TRANSIT DISTRICT - PAR-TRANSIT

Portfolio Snapshot

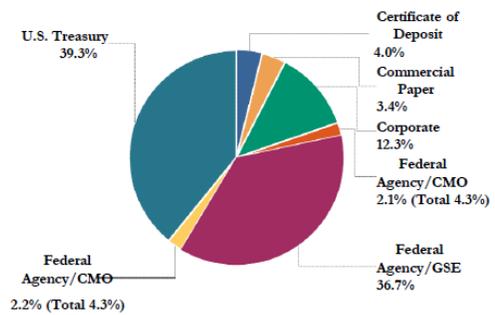
### Portfolio Statistics As of December 31, 2016

Par Value:	25,012,865
Total Market Value:	25,211,561
Security Market Value:	25,016,482
Accrued Interest:	101,472
Cash:	93,608
PFM	-
Amortized Cost:	25,154,556
Yield at Market:	1.34%
Effective Duration:	2.11 Years
Duration to Worst:	2.08 Years
Average Maturity:	2.20 Years
Average Credit: *	AA

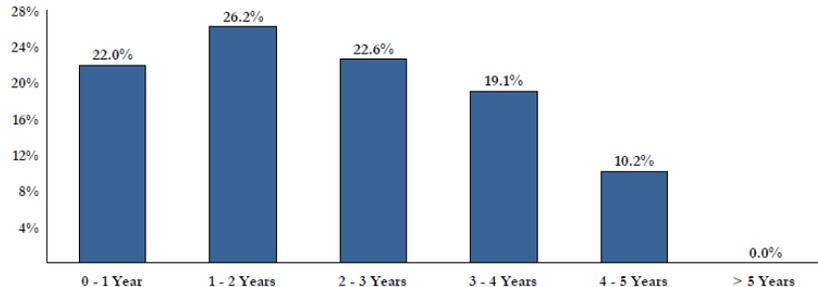
### Credit Quality (S&P Ratings)



### Sector Allocation



### Maturity Distribution



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

## Exhibit 4

For the Quarter Ended December 31, 2016  
*Portfolio Compliance*

SAN MATEO COUNTY TRANSIT DISTRICT

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

<u>Security Type<sup>1</sup></u>	<u>General Fund</u>	<u>Paratransit Fund</u>	<u>Total Funds</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasury	\$25,622,054	\$9,827,496	\$35,449,550	31.1%	100%
Federal Agency/GSE	\$31,793,406	\$9,180,635	\$40,974,040	36.0%	100%
Federal Agency/CMO	\$3,890,741	\$1,084,480	\$4,975,220	4.4%	20%
Corporate Notes	\$15,909,320	\$3,072,555	\$18,981,875	16.7%	30%
Negotiable CDs	\$3,629,052	\$1,008,070	\$4,637,122	4.1%	10%
Commercial Paper	\$7,652,871	\$843,246	\$8,496,117	7.5%	15%
Money Market Fund	\$253,448	\$93,608	\$347,056	0.3%	10%
<b>Total</b>	<b>\$88,750,890</b>	<b>\$25,110,090</b>	<b>\$113,860,980</b>	<b>100.0%</b>	

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

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

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

SUBJECT: **EXECUTION OF COOPERATIVE AGREEMENTS WITH THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY TO RECEIVE TRANSPORTATION FUND FOR CLEAN AIR FUNDS FOR ELIGIBLE SAMTRANS OPERATING AND CAPITAL PROJECTS**

**ACTION**

Staff proposes that the Committee recommend the Board authorize the General Manager/CEO or his designee to execute cooperative agreements with the City/County Association of Governments of San Mateo county (C/CAG) for Transportation Fund for Clean Air (TFCA) funds to support eligible SamTrans projects.

**SIGNIFICANCE**

In 2011, the San Mateo County Transit District (District) adopted a resolution (Resolution No. 2011-06) allowing the General Manager/CEO, or his designee, to execute annual cooperative agreements with C/CAG so the District can receive financial assistance on an ongoing basis from the TFCA grant program. However, the delegation of authority set forth in the resolution was limited to funding for SamTrans shuttle projects and does not allow the execution of cooperative agreements with C/CAG for other TFCA-eligible SamTrans projects. The District recently received a C/CAG TFCA grant for \$160,128 to fund the installation of triple bike racks on buses. To facilitate execution agreements required for the District to receive this and future such assistance, staff is recommending the scope of the original 2011 resolution be expanded to allow the General Manager/CEO, or his designee, to execute cooperative agreements with C/CAG for all eligible TFCA funded projects, including the grant to fund the installation of triple bike racks on SamTrans buses. This resolution is consistent with District procedures for other funding programs that provide ongoing financial assistance, such as Federal Transit Administration Formula Funds.

**BUDGET IMPACT**

There is no budget impact associated with this action. Projects funded with TFCA funds are included in the District's annual operating and/or capital budgets. Funds for the triple bike racks were included in the Fiscal Year 2017 Capital Budget.

**BACKGROUND**

The TFCFA Program funds cost-effective transportation projects and programs to reduce motor vehicle travel and vehicle emissions. TFCFA projects are funded through a \$4 per vehicle surcharge on motor vehicles that are registered in the Bay Area. Sixty percent of the TFCFA revenues are allocated by the Bay Area Air Quality Management District (BAAQMD). The remaining forty percent is distributed by BAAQMD to designated Program Managers throughout the Bay Area through a separate competitive grant process. C/CAG is the designated Program Manager for San Mateo County.

**STRATEGIC INITIATIVE**

- Priority 2: Strengthen Fiscal Health
- Goal 3: Implement existing and new best practices

Prepared By: Rebecca Arthur, Senior Grants Analyst

650-508-6368

**RESOLUTION NO. 2017 –**

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

**\* \* \***

**AUTHORIZING THE EXECUTION OF COOPERATIVE AGREEMENTS WITH THE  
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY  
TO RECEIVE TRANSPORTATION FUND FOR CLEAN AIR FUNDS FOR ELIGIBLE  
SAMTRANS OPERATING AND CAPITAL PROJECTS**

**WHEREAS**, pursuant to California Health and Safety Code Sections 44241 and 44242, the Bay Area Air Quality Management District (BAAQMD) administers the Transportation Fund for Clean Air Program (TFCA) which provides funding to public agencies for the implementation of projects that reduce air pollution from motor vehicles; and

**WHEREAS**, BAAQMD is required to fund eligible projects from counties where a program manager has been designated and an acceptable work plan for the projects recommended by the program manager has been received; and

**WHEREAS**, the City/County Association of Governments of San Mateo County (C/CAG) has been designated as the overall program manager for San Mateo County, and allocates funding for transportation projects that are proven to decrease emissions from motor vehicles; and

**WHEREAS**, C/CAG annually allocates TFCA funding to the San Mateo County Transit District (District) to help fund various projects, including SamTrans shuttle projects; and

**WHEREAS**, in 2011 the District adopted a resolution (Resolution No. 2011-06) allowing the General Manager/CEO, or his designee, to execute annual cooperative agreements with C/CAG for TFCA funding for SamTrans shuttle projects; and

**WHEREAS**, C/CAG recently awarded the District TFCA funding to install triple bike racks on buses, the receipt of which requires execution of a cooperative agreement not encompassed by Resolution 2011-06; and

**WHEREAS**, staff recommends the Board authorize the General Manager/CEO, or his designee, to execute cooperative agreements with C/CAG to receive allocations of TFCA funding for any TFCA-eligible project, including for the triple bike rack project described above .

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District authorizes the General Manager/CEO or his designee to:

1. Execute cooperative agreements with C/CAG and any other necessary documents to receive allocations of TFCA funds for any TFCA-eligible District project, including the triple bike rack project described above; and
2. Take further actions as may be necessary to give effect to this resolution.

Regularly passed and adopted this 1<sup>st</sup> day of February, 2017 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: Jim Hartnett  
General Manager/CEO

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

SUBJECT: **EXECUTION OF COOPERATIVE AGREEMENTS WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT TO RECEIVE TRANSPORTATION FUND FOR CLEAN AIR FUNDS FOR ELIGIBLE SAMTRANS OPERATING AND CAPITAL PROJECTS**

**ACTION**

Staff proposes that the Committee recommend the Board authorize the General Manager/CEO, or his designee, to execute cooperative agreements with the Bay Area Air Quality Management District (BAAQMD) to receive Transportation Fund for Clean Air (TFCA) funds to support eligible SamTrans projects.

**SIGNIFICANCE**

Recently, the San Mateo County Transit District (District) was awarded \$473,990 in TFCA funds to replace 10 model-year 2003 diesel buses with electric buses, the receipt of which requires execution of a cooperative agreement. This proposed action would allow the General Manager/CEO, or his designee, to execute cooperative agreements with the BAAQMD for the District to receive TFCA funds for all eligible projects in the future, including for the electric buses project. This resolution is consistent with District procedures for other funding programs that provide ongoing financial assistance for SamTrans projects, such as Federal Transit Administration Formula Funds.

**BUDGET IMPACT**

There is no budget impact associated with this action. Projects funded with TFCA funds are included in the District's annual operating and/or capital budgets. The recent award of \$473,990 for electric buses will be included in the upcoming Fiscal Year 2018 Capital Budget.

**BACKGROUND**

The TFCA Program funds cost-effective transportation projects and programs to reduce motor vehicle travel and vehicle emissions. TFCA projects are funded through a \$4 per vehicle surcharge on motor vehicles that are registered in the Bay Area. Sixty percent of TFCA funds are awarded by the BAAQMD to eligible projects and programs through a program referred to as the TFCA Regional Fund.

**STRATEGIC INITIATIVE**

- Priority 2: Strengthen Fiscal Health
- Goal 3: Implement existing and new best practices

**RESOLUTION NO. 2017 –**

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

**\* \* \***

**AUTHORIZING THE EXECUTION OF COOPERATIVE AGREEMENTS WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT TO RECEIVE TRANSPORTATION FUND FOR CLEAN AIR FUNDS FOR ELIGIBLE SAMTRANS OPERATING AND CAPITAL PROJECTS**

**WHEREAS**, pursuant to California Health and Safety Code Sections 44241 and 44242, the Bay Area Air Quality Management District (BAAQMD) administers the Transportation Fund for Clean Air Program (TFCA) which provides funding to public agencies for the implementation of projects that reduce air pollution from motor vehicles; and

**WHEREAS**, 60 percent of TFCA funds are committed to a Regional Fund for projects selected by BAAQMD; and

**WHEREAS**, the San Mateo County Transit District (District) is eligible to receive TFCA funds from the Regional Fund; and

**WHEREAS**, the District was recently awarded TFCA funding to replace ten diesel buses with electric buses, the receipt of which requires execution of a cooperative agreement; and

**WHEREAS**, staff recommends the Board authorize the General Manager/CEO, or his designee, to execute cooperative agreements with the BAAQMD to receive allocations of TFCA funding for any TFCA-eligible District project, including for the electric bus purchase described above.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District authorizes the General Manager/CEO or his designee to:

1. Execute cooperative agreements with the BAAQMD and any other necessary documents to receive allocations of TFCA funds for any TFCA-eligible District project, including the electric bus purchase described above; and

2. Take further actions as may be necessary to give effect to this resolution.

Regularly passed and adopted this 1<sup>st</sup> day of February, 2017 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 Jim Hartnett  
General Manager/CEO

FROM: Mark Simon  
Chief of Staff

SUBJECT: **AUTHORIZE UP TO \$1 MILLION IN ADDITIONAL CONTRACTING AUTHORITY FOR INFORMATIONAL TECHNOLOGY LICENSES, MAINTENANCE SERVICES AND PROFESSIONAL SERVICES FOR AN AGGREGATE NOT-TO-EXCEED AMOUNT OF \$1.85 MILLION FOR FISCAL YEAR 2017**

**ACTION**

Staff proposes the Committee recommend the Board authorize an increase of \$1 million to the expenditures authorized under Resolution No. 2016-34 for information technology licenses, maintenance services and professional services. With this action, expenditures with manufacturers, vendors and consultants will be increased to a not-to-exceed amount of \$1.85 million throughout Fiscal Year (FY) 2017.

**SIGNIFICANCE**

Resolution No. 2016-34 delegated an aggregate amount not-to-exceed \$850,000 in contract approval authority to the General Manager/CEO or his designee to enter into contracts of more than \$100,000 with original equipment manufacturers, product licensors and maintainers, and their distributors or consultants for (1) reoccurring product support, additional software licenses, and license renewals, and (2) the provision of sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services. Due to the unanticipated expenses of PeopleSoft data cleanup, additional contracting authority is desired. Approval of the proposed \$1 million increase in contracting authority, for a total of \$1.85 million, will provide the San Mateo County Transit District (District) with a continued cost effective means to upkeep information technology assets owned by the District, such as renewing the Microsoft Enterprise Agreement, executing business process analysis and re-engineering, creating a stable work processing environment, and generating PeopleSoft grants billing invoices for the District.

**BUDGET IMPACT**

Funding is included in the adopted FY2017 Operating and Capital budgets.

## **BACKGROUND**

On June 1, 2016 under Resolution No. 2016-34, the Board authorized the General Manager/CEO or his designee to enter into contracts of more than \$100,000 with original equipment manufacturers, product licensors and maintainers and their distributors or consultants, directly and without the utilization of cooperative purchasing agreements or competitive procurement, to procure recurring maintenance services and license renewals. This delegation of contracting authority was necessary to permit continued effective use and upkeep of District-owned computer and telecommunications hardware and software. The original authority was for an aggregate not-to-exceed amount of \$850,000 throughout FY2017. Staff has estimated the need for an additional \$1 million in contract authority, bringing the total aggregate authorization to \$1.85 million for FY2017. As previously requested by the Board, a quarterly handout is provided detailing purchases made to date under the existing authority.

Prepared by: Pete Salazar, Acting Director, Information Technology

650-508-7749

**RESOLUTION NO. 2017-  
BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT  
STATE OF CALIFORNIA**

\*\*\*

**AUTHORIZING UP TO \$1 MILLION IN ADDITIONAL CONTRACTING AUTHORITY FOR  
INFORMATION TECHNOLOGY LICENSES, MAINTENANCE SERVICES AND PROFESSIONAL  
SERVICES FOR AN AGGREGATE NOT-TO-EXCEED AMOUNT OF  
\$1.85 MILLION FOR FISCAL YEAR 2017**

**WHEREAS**, pursuant to Resolution No. 2016-34, the Board of Directors (Board) of the San Mateo County Transit District (District) authorized the General Manager/CEO or his designee to execute contracts that exceed \$100,000 with original equipment manufacturers, product licensors, and their authorized distributors and consultants for reoccurring product support, additional licenses, and license renewals and for the provision of sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services, pursuant to the District's statutory procurement authority and policy, up to an aggregate, not-to-exceed amount of \$850,000 throughout Fiscal Year (FY) 2017; and

**WHEREAS**, due to the unanticipated expenses of PeopleSoft data cleanup, additional procurement authority is desired; and

**WHEREAS**, staff proposes to increase the total aggregate not-to-exceed amount authorized under Resolution No. 2016-34 by \$1 million to meet the District's business needs for continued cost effective means to upkeep information technology assets owned by the District; and

**WHEREAS**, the General Manager/CEO recommends, and the Finance Committee concurs, that the General Manager/CEO or his designee be authorized to

execute up to \$1.85 million in contracts in FY2017 over \$100,000 with original equipment manufacturers, product licensors, and their authorized distributors and consultants pursuant to the District's statutory procurement authority and policy.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District authorizes the General Manager/CEO, or his designee, to execute contracts that exceed \$100,000 with original equipment manufacturers, product licensors, or their authorized consultants for reoccurring product support, additional licenses, and license renewals and for the provision of sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services, up to an aggregate, not-to-exceed amount of \$1.85 million throughout FY2017.

Regularly passed and adopted this 1<sup>st</sup> day of February, 2017 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, San Mateo County Transit District

ATTEST:

\_\_\_\_\_  
District Secretary



BOARD OF DIRECTORS 2017

ROSE GUILBAULT, CHAIR  
CHARLES STONE, VICE CHAIR  
JEFF GEE  
CAROLE GROOM  
ZOE KERSTEEN-TUCKER  
KARYL MATSUMOTO  
DAVE PINE  
JOSH POWELL  
PETER RAITO

JIM HARTNETT  
GENERAL MANAGER/CEO

**A G E N D A**  
**LEGISLATIVE COMMITTEE**  
**COMMITTEE OF THE WHOLE**

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

**WEDNESDAY, FEBRUARY 1, 2017 – 2:45 p.m.**  
or immediately following previous Committee meeting

1. Call to Order

**ACTION**

2. Approval of Minutes of Legislative Committee Meeting of January 4, 2017

**INFORMATIONAL**

3. State and Federal Legislative Update
4. Adjourn

Committee Members: Karyl Matsumoto, Josh Powell, Charles Stone

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.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF LEGISLATIVE COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 4, 2017**

Committee Members Present: P. Ratto (Committee Chair), K. Matsumoto

Other Board Members Present, Constituting Committee of the Whole: J. Gee, C. Groom, R. Guilbault, Z. Kersteen-Tucker (Chair), D. Pine, J. Powell, C. Stone

Staff Present: J. Cassman, A. Chan, C. Fromson, S. Gaffney, J. Hartnett, M. Martinez, N. McKenna, S. Murphy, M. Simon, S. van Hoften

Committee Chair Peter Ratto called the meeting to order at 2:39 p.m.

**Approval of Minutes of December 7, 2016**

Motion/Second: Stone/Gee

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

**2017 Legislative Program**

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

Director Charles Stone said SamTrans and Caltrain are distinct agencies and the lobbying costs come out of the appropriate agencies budget. Ms. Fromson said yes.

Chair Zoe Kersteen-Tucker asked what percentage is allocated to each effort. Ms. Fromson said a lot of effort was spent at the Federal level for the reauthorization of the Transportation Program. At the State level there will likely be a transportation funding package this year so staff will be spending a lot of time making sure the funding mechanism set up at the State level reflects issues and programs that will benefit the District.

Chair Kersteen-Tucker asked if the year in retrospect is looked at and how effective the Program was and what worked and what didn't. Ms. Fromson said staff has an internal record and could present to the Board.

Motion/Second: Kersteen-Tucker/Guilbault

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

## Update on the State and Federal Legislative Program

Ms. Fromson reported:

State:

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

Federal:

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

Adjourned: 2:46 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Legislative Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

**ACTION**

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

**SIGNIFICANCE**

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

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

**STATE ISSUES**

As of 1/12/17:

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

Consequently, the Budget projects a \$1.6 billion deficit in the coming year – the first deficit in four years – without “corrective action.” In a recurring theme, Governor Jerry Brown’s 2017-2018 Proposed Budget emphasizes preparation for an inevitable recession. As such, the Governor is proposing to deposit an additional \$1.15 billion to the state’s Rainy Day Fund, bringing the total to \$7.9 billion by the end of Fiscal Year 2017-18, reaching 63 percent of the constitutional target.

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

*Transportation Highlights:*

The Budget once again states the need to find a solution to our state's deteriorating transportation infrastructure, and lays out a proposal to invest \$43 billion in transportation over the next decade (an increase of approximately \$600 million from his 2016-2017 proposal).

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

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

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

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

The Governor's Budget projects the State Transit Assistance (STA) Program will be \$293.8 million in 2017-2018. This represents an increase of \$31.3 million over the current year 2016-2017 projection of \$262.5 million.

More details about the Budget can be found in the reading file and a link to the summary of the Governor's proposed budget can be found here:

<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

## **FEDERAL ISSUES**

As of 1/12/17:

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

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

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

Prepared By: Casey Fromson, Government and Community  
Relations Manger

650-508-6493

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 1</a> <a href="#">Frazier D</a></p> <p>Transportation funding.</p>	<p>12/5/2016-A. PRINT 12/6/2016-From printer. May be heard in committee January 5.</p>	<p>Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.</p> <p>This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund, including revenues attributable to a \$0.012 per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill with an inflation adjustment, as provided, an increase of \$38 in the annual vehicle registration fee with an inflation adjustment, as provided, a new \$165 annual vehicle registration fee with an inflation adjustment, as provided, applicable to zero-emission motor vehicles, as defined, and certain miscellaneous revenues described in (7) below that are not restricted as to expenditure by Article XIX of the California Constitution. This bill contains other related provisions and other existing laws.</p>	

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 17</a> <a href="#">Holden</a> D</p> <p>Transit Pass Program: free or reduced-fare transit passes.</p>	<p>12/5/2016-A. PRINT 12/6/2016-From printer. May be heard in committee January 5.</p>	<p>Existing law declares that the fostering, continuance, and development of public transportation systems are a matter of statewide concern. Existing law authorizes the Department of Transportation to administer various programs and allocates moneys for various public transportation purposes.</p> <p>This bill would create the Transit Pass Program to be administered by the department. The bill would require the Controller of the State of California to allocate moneys made available for the program, upon appropriation by the Legislature, to support transit pass programs that provide free or reduced-fare transit passes to specified pupils and students. The bill would require the department to develop guidelines that describe the criteria that eligible transit providers, as defined, are required to use to make available free or reduced-fare transit passes to eligible participants, as defined, and to ensure that moneys from the program are used to expand eligibility or further reduce the cost of a transit pass under existing programs. The bill would exempt the development of those guidelines from the Administrative Procedure Act. The bill would require eligible transit providers and eligible participants to enter into agreements for the distribution of free or reduced-fare transit passes to students. This bill contains other related provisions.</p>	
<p><a href="#">AB 28</a> <a href="#">Frazier</a> D</p> <p>Department of Transportation: environmental review process: federal pilot program.</p>	<p>12/5/2016-A. PRINT 12/6/2016-From printer. May be heard in committee January 5.</p>	<p>Existing law gives the Department of Transportation full possession and control of the state highway system. Existing federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery pilot program, under which the participating states assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Existing law, until January 1, 2017, provided that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the pilot program.</p> <p>This bill would reinstate the operation of the latter provision. This bill contains other related provisions.</p>	Support

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 46</a> <a href="#">Cooper D</a></p> <p>Employers: wage discrimination.</p>	<p>12/5/2016-A. PRINT 12/6/2016-From printer. May be heard in committee January 5.</p>	<p>Existing law prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions, unless the employer demonstrates that one or more specific factors, reasonably applied, account for the entire wage differential. Existing law also similarly prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of another race or ethnicity for substantially similar work.</p> <p>This bill would define “employer” for those purposes to include public and private employers. The bill would specify that a public employer is not subject to the misdemeanor provision. This bill contains other existing laws.</p>	
<p><a href="#">AB 52</a> <a href="#">Cooper D</a></p> <p>Public employees: orientation and informational programs: exclusive representatives.</p>	<p>12/5/2016-A. PRINT 12/6/2016-From printer. May be heard in committee January 5.</p>	<p>Existing law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, as well as provisions commonly referred to as the Educational Employment Relations Act and the Higher Education Employer-Employee Relations Act, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Existing law establishes the Public Employment Relations Board and prescribes its powers and duties, in relation to these acts. These acts grant specified public employees of these entities the right to form, join, and participate in the activities of employee organizations of their choosing and require public agency employers, among other things, to meet and confer with representatives of recognized employee organizations and exclusive representatives on terms and conditions of employment.</p> <p>This bill would require the public employers regulated by the acts described above to provide all employees an orientation. The bill would also require these public employers to permit the exclusive representative, if applicable, to participate. By creating new duties for various local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p>	

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 65</a> <a href="#">Patterson</a> R</p> <p>Transportation bond debt service.</p>	<p>12/13/2016-A. PRINT 1/4/2017-Read first time.</p>	<p>Existing law provides for transfer of certain vehicle weight fee revenues to the Transportation Debt Service Fund to reimburse the General Fund for payment of current year debt service on general obligation bonds issued for transportation purposes, including bonds issued for high-speed rail and associated purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A of 2008).</p> <p>This bill would specifically exclude from payment under these provisions the debt service for Proposition 1A bonds.</p>	
<p><a href="#">AB 66</a> <a href="#">Patterson</a> R</p> <p>High-Speed Rail Authority: reports.</p>	<p>12/13/2016-A. PRINT 1/4/2017-Read first time.</p>	<p>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 requires the authority, on a biennial basis, to prepare a business plan containing specified elements and also requires the preparation of various other reports.</p> <p>This bill would require the business plan to identify projected financing costs for each segment or combination of segments of the high-speed rail system, if financing is proposed by the authority. The bill would require the authority to identify in the business plan and in another report any significant changes in scope for segments of the high-speed rail system identified in the previous version of each report and to provide an explanation of adjustments in cost and schedule attributable to the changes.</p>	
<p><a href="#">AB 69</a> <a href="#">Allen, Travis</a> R</p> <p>State highways: roadside rests.</p>	<p>12/16/2016-A. PRINT 1/4/2017-Read first time.</p>	<p>Existing law provides that the Department of Transportation has full possession and control of the state highway system and associated property. Existing law authorizes the department to plan, design, and construct a system of safety roadside rests along state highways. Existing law requires the department to design only those safety roadside rests that are reasonably economical and that will provide the motorist a place where he or she may stop for a short time during daytime and nighttime hours.</p> <p>This bill would make nonsubstantive changes to these provisions.</p>	

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 73</a> <a href="#">Chiu D</a></p> <p>Planning and zoning: housing sustainability districts.</p>	<p>12/16/2016-A. PRINT 1/4/2017-Read first time.</p>	<p>The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. Existing law provides for various reforms and incentives intended to facilitate and expedite the construction of affordable housing.</p> <p>This bill would authorize a city, county, or city and county, including a charter city, charter county, or charter city and county, to establish by ordinance a housing sustainability district that meets specified requirements, including authorizing residential use within the district through the ministerial issuance of a permit. The bill would authorize the city, county, or city and county to apply to the Office of Planning and Research for approval for a zoning incentive payment and require the city, county, or city and county to provide specified information about the proposed housing sustainability district ordinance. The bill would require the office to approve a zoning incentive payment if the ordinance meets the above-described requirements. The bill would also require the Department of Housing and Community Development, each October 1 following the approval of the housing sustainability district, to issue a certificate of compliance if the city, county, or city and county meets specified criteria pertaining to the continued compliance with these provisions or to deny certification, as provided. The bill would provide that a city, county, or city and county with a housing sustainability district would be entitled to a zoning incentive payment, subject to appropriation of funds for that purpose, and require that 1/2 the amount be provided upon zone approval by the office and 1/2 the amount upon verification by the department of the issuance of permits for the projected units of residential construction within the zone, provided that the city, county, or city and county has received a certificate of compliance for the applicable year. The bill, if no construction has started in a housing sustainability district within 3 years of the date that the first 1/2 of the incentive payment has been made, would require the city, county, or city and county to return the full amount of zoning incentive payments it has received to the department. This bill contains other related provisions and other existing laws.</p>	

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 151</a> <a href="#">Burke</a> D</p> <p>California Global Warming Solutions Act of 2006: market-based compliance mechanisms.</p>	<p>1/11/2017-A. PRINT 1/12/2017-From printer. May be heard in committee February 11.</p>	<p>The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.</p> <p>This bill would state the intent of the Legislature to enact legislation that authorizes the state board to utilize a market-based compliance mechanism after December 31, 2020, in furtherance of the statewide greenhouse gas emissions limit of at least 40% below the 1990 level by 2030. This bill contains other existing laws.</p>	
<p><a href="#">AB 174</a> <a href="#">Bigelow</a> R</p> <p>California Transportation Commission: membership.</p>	<p>1/17/2017-A. PRINT 1/17/2017-Read first time. To print.</p>	<p>Existing law creates the California Transportation Commission, with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to the state transportation improvement program and various other transportation funding programs.</p> <p>This bill would require that at least one voting member reside in a rural county with a population of less than 100,000 individuals. This bill contains other existing laws.</p>	

## San Mateo County Transit District State Legislative Matrix 1/18/17

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 1</a> <a href="#">Beall</a> D</p> <p>Transportation funding.</p>	<p>SENATE RLS. 12/6/2016 - From printer. May be acted upon on or after January 5.</p>	<p>Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.</p> <p>This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund, including revenues attributable to a \$0.12 per gallon increase, phased in over 3 years, in the motor vehicle fuel (gasoline) tax imposed by the bill with an inflation adjustment, as provided, an increase of \$38 in the annual vehicle registration fee with an inflation adjustment, as provided, a new \$100 annual vehicle registration fee with an inflation adjustment, as provided, applicable to zero-emission motor vehicles, as defined, and certain miscellaneous revenues described in (7) below that are not restricted as to expenditure by Article XIX of the California Constitution. This bill contains other related provisions and other existing laws.</p>	

**San Mateo County Transit District  
State Legislative Matrix 1/18/17**

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 20</a> <a href="#">Hill</a> D</p> <p>Vehicles: buses: seatbelts.</p>	<p>1/12/2017-S. T. &amp; H. 1/12/2017-Referred to Com. on T. &amp; H.</p>	<p>Existing law prohibits a person from operating a motor vehicle on a highway unless that person and all passengers 16 years of age or over are properly restrained by a safety belt. Existing law makes the violation of this provision an infraction.</p> <p>This bill would also require a passenger in a bus that is equipped with safety belts to be properly restrained by a safety belt. The bill would also require a bus operator to inform passengers of the requirement to wear a seatbelt and would authorize a bus driver to post, or allow to be posted, signs or placards informing passengers of the requirement to wear a seatbelt, as specified. The bill would make a violation of this provision an infraction punishable by a fine of not more than \$20 for a first offense and a fine of not more than \$50 for each subsequent offense. By creating a new crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p>	
<p><a href="#">SB 53</a> <a href="#">Hueso</a> D</p> <p>Natural gas vehicles.</p>	<p>1/12/2017-S. T. &amp; H. 1/12/2017-Referred to Com. on T. &amp; H.</p>	<p>Existing state and federal law sets specified limits on the total gross weight imposed on the highway by any group of 2 or more consecutive axles. Existing federal law authorizes a vehicle operated by an engine fueled primarily by natural gas to exceed these weight limits, up to a specified maximum, by an amount equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system.</p> <p>This bill would authorize a vehicle operated by an engine fueled primarily by natural gas to exceed these weight limits, up to a specified maximum, by an amount equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system.</p>	



BOARD OF DIRECTORS 2017

ROSE GUILBAULT, CHAIR  
CHARLES STONE, VICE CHAIR  
JEFF GEE  
CAROLE GROOM  
ZOE KERSTEEN-TUCKER  
KARYL MATSUMOTO  
DAVE PINE  
JOSH POWELL  
PETER RAITO

JIM HARTNETT  
GENERAL MANAGER/CEO

## AGENDA

### **STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE COMMITTEE OF THE WHOLE**

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

**WEDNESDAY, FEBRUARY 1, 2017 – 3:00 p.m.**  
or immediately following previous Committee meeting

1. Call to Order

#### **ACTION**

2. Approval of Minutes of Strategic Planning, Development and Sustainability Committee Meeting of January 4, 2017

#### **INFORMATIONAL**

3. Update on Community Choice Energy and SamTrans Electricity Service
4. Adjourn

Committee Members: Dave Pine, Jeff Gee, Charles Stone

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.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY  
COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 4, 2017**

Committee Members Present: R. Guilbault (Committee Chair), J. Gee

Other Board Members Present, Constituting Committee of the Whole: C. Groom, Z. Kersteen-Tucker, K. Matsumoto, D. Pine, J. Powell, P. Ratto, C. Stone

Staff Present: J. Cassman, A. Chan, S. Gaffney, J. Hartnett, D. Kim, M. Martinez, N. McKenna, S. Murphy, M. Simon, M. Ross, S. van Hoften

Committee Chair Rose Guilbault called the meeting to order at 2:47 p.m.

**Approval of Minutes of Planning, Development and Sustainability Committee Meeting of December 7, 2016**

Motion/Second: Stone/Ratto

Ayes: Gee, Groom, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone

**Update on San Mateo County Transit District's Strategic Plan**

Doug Kim, Director, Planning, reported:

- Five goals in five years
- Goal 1: Increase Ridership 15 Percent
  - Fiscal Year (FY) 2014 – 3 percent when SamTrans Service Plan (SSP) implemented
  - FY2015 – 2.9 percent increase
  - FY2016 – 2.8 percent reduction, which tracked with transit agencies nationwide
  - FY2017 – first five months had a 6.8 percent decrease
  - Initiatives to build off SSP to increase ridership:
    - Youth Plan
    - Senior mobility strategy
    - Innovative partnership
- Goal 2: Increase Revenue 20 Percent
  - Target based on increasing ridership and fare updates in 2016 and 2019
  - FY2014 and 2015 revenue increased
  - FY2016 and year-to-date 2017 revenues have decreased
  - Staff will be conducting a comprehensive fare study in 2017
- Goal 3: Reduce Annual Debt Service by \$1.5 Million
  - Board approved debt refinancing, which has saved about \$3 million between 2016-2019 and
- Goal 4: Improve Organizational Performance
  - 2016 employee survey yielded new initiatives

- Compensation and benefits study
- Rewards and recognition program
- Inter-departmental collaboration
- Career and professional development
- Employee communication plan
- Communication training for management
- Goal 5: Manage Workforce Change
  - New human resources positions to increase recruitment capacity, develop a business continuity plan for agency and departments
    - Retained recruitment for senior positions
    - Talent manager has been hired
    - Human Resources reports to Chief of Staff
  - Just conducted an employee survey regarding workforce housing
- Response to Board direction
  - Engage private sector to improve transportation
  - Mobile application will be developed and go-live in 2018
  - Staff is evaluating new initiatives

Mr. Kim said staff is looking at a Strategic Vision for the next 20 years and will work with a subcommittee of the Board.

Director Dave Pine asked what staff believes is the cause of the declining ridership in FY2016 and FY2017. Mr. Kim said gas prices have declined over this period. Staff knew when the SSP was done ridership would hit a peak and that is why new initiatives are being looked at.

Jim Hartnett, General Manager/CEO, said staff provided a national ridership comparison from 2012 previously and it showed gas prices and the local trend. SamTrans has done better than the national trend and gas prices have dropped over 40 percent since 2012.

Director Carole Groom asked what the fare study will encompass. Mr. Kim said staff will look at innovative service models and how to get discretionary riders on the bus. All types of fare media will be looked at from monthly passes, day passes and one-way rides.

Director Groom said it would be interesting to know what kind of ridership Santa Clara and Alameda counties have versus their fares and how close SamTrans is.

Director Charles Stone asked if the fare increase has been in place long enough to see if it had any effect. Mr. Kim said the average fare is flat and has not increased as much as staff had hoped.

Director Karyl Matsumoto asked if staff can narrow fare media and ridership by routes and cities. Mr. Kim said yes.

Director Matsumoto said when she rode Route 292 a lot of people walked the three or four blocks so they didn't have to spend the additional fare.

Director Peter Ratto said when the Day Pass was implemented there was a lot of usage and asked if that would impact the other fare medias. Margo Ross, Director, Bus Transportation, said there has been a reduction in adult cash fares and an increase in adult Day Passes.

Chair Zoe Kersteen-Tucker said goals 1 through 3 have metrics, but nothing for goals 4 and 5. Mr. Kim said the idea for the five goals was to keep it simple. Staff could create some type of index for 4 and 5, but it could create a quantitative threshold for them.

Chair Kersteen-Tucker said she would like to see hard numbers on vacancies and where things are going. Mr. Hartnett said at the February Board meeting staff will provide a quarterly report on vacancies. For Goal 4 the idea was to figure out what areas needed change or improvement and that is where the employee survey came in. There are identifiable items for this goal that staff is working on.

Chair Kersteen-Tucker wondered if people are happy with the organization, their work environment and their job. She asked if the five goals are appropriate for the District moving forward. Mr. Kim said they were identified at a super high level.

Chair Kersten-Tucker said the financial issue of the District is a concern and there are no goals to tackle them.

Director Jeff Gee said the quarterly report will be very helpful on the organization and hiring. The longevity of employees is a good index on how the workforce is doing.

Director Gee asked if the adult Day Pass counts as one ride or multiple rides. Mr. Kim said the operator counts each ride as the passenger gets on.

Committee Chair Guilbault asked for a timeline for updates to the Board. Mr. Kim said twice a year so the next one will be around budget time.

Adjourned: 3:26 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Strategic Planning, Development and Sustainability Committee

THROUGH: Jim Hartnett  
General Manager/CEO

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

SUBJECT: **COMMUNITY CHOICE ENERGY AND ELECTRICITY SERVICE UPDATE**

**ACTION**

Staff will provide an update on the technical evaluation of the Peninsula Clean Energy (PCE) Community Choice Energy (CCE) Program, and impacts on the San Mateo County Transit District (District). Staff will also present recommendations for action at the March 1, 2017 meeting. No Board action is required at this time.

**SIGNIFICANCE**

By April 2017, 100 percent of the District's electricity will be supplied by PCE, the San Mateo County CCE Program, unless the District chooses to opt-out of the program back to the incumbent utility, Pacific Gas & Electric (PG&E). PCE began serving some District electricity meters in October 2016. PCE offers the promise of "greener" electricity that comes from sources that emit less criteria pollutant and greenhouse gas emissions, resulting in fewer environmental impacts. Electricity transmission and distribution infrastructure, repairs, billing, and most customer service will continue to be administered by PG&E. Reliable electricity service is essential to the District's bus fleet operations, facilities, and administrative operations.

The District has several options available for securing its electricity:

1. Stay enrolled in PCE at the default service offering (50 percent renewable energy)
2. Stay enrolled in PCE and choose the voluntary service offering (100 percent renewable energy)
3. Opt-out of PCE and go back to PG&E, at PG&E's default service offering (currently 30 percent renewable energy)
4. Opt-out of PCE and go back to PG&E, and choose a voluntary service offering (50 or 100 percent solar energy)

In June 2016, the District Board of Directors took action (Resolution No. 2016-36) to approve Option 1, and staff began a technical evaluation of PCE as compared to PG&E, based on the following criteria: supply and infrastructure reliability, rates and cost, environmental benefits, administrative procedures, and compatibility with future District operations (i.e., electric bus fleet). The results of the technical evaluation will be

presented at this meeting. Based on the results of the technical evaluation, staff recommends Option 2, which with a modest financial investment would achieve significantly higher renewable energy content and lower greenhouse gas emissions associated with the use of electricity in District operations. This recommendation supports the District's 2015-2019 Strategic Plan commitment to "provide public transportation in the most environmentally and economically sustainable manner possible." Staff will return to the Board in March with formalized recommendations for Board action.

### **BUDGET IMPACT**

There is no impact on the budget.

### **BACKGROUND**

CCE programs enable local municipalities to aggregate the electricity demand of their communities and procure power separate from the incumbent investor owned utility (PG&E, in the case of San Mateo County). The CCE model allows for more local control over the cost and source of electricity supply, and in the case of existing CCE programs, has resulted in customer options for higher renewable energy content at competitive rates. The electricity continues to be delivered over the existing electricity lines by the incumbent utility.

PCE is a CCE program administered by a Joint Powers Authority seated in March 2016, and is composed of all 20 municipalities located within San Mateo County as well as the unincorporated areas of the County. All members have elected to allow PCE to provide electric service within their jurisdictions and all electricity customers in San Mateo County, including the District, will be automatically enrolled in the PCE program unless the customer submits an opt-out request.

There are several other CCE programs currently operating in California: Marin Clean Energy in Marin County since 2010, Sonoma Clean Power in Sonoma County since 2014, and Lancaster Choice Energy in the city of Lancaster since 2015. In addition, CleanPowerSF in San Francisco is being phased in beginning in May 2016, and Silicon Valley Clean Energy will operate in portions of Santa Clara County beginning in April 2017. These two CCE programs will impact Caltrain but not the District.

### **STRATEGIC INITIATIVE**

- Priority 2: Strengthen Fiscal Health
  - Goal 3: Implement existing and new best practices
- Priority 3: Become a More Effective Organization
  - Goal 1: Improve organizational performance

Prepared By: Michelle Senatore, Principal Planner, Sustainability 650-508-6384



## AGENDA

### BOARD OF DIRECTORS

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

**WEDNESDAY, FEBRUARY 1, 2017 – 3:15 p.m.**  
or immediately following Committee meetings

BOARD OF DIRECTORS 2017

ROSE GUILBAULT, CHAIR  
CHARLES STONE, VICE CHAIR  
JEFF GEE  
CAROLE GROOM  
ZOE KERSTEEN-TUCKER  
KARYL MATSUMOTO  
DAVE PINE  
JOSH POWELL  
PETER RATO

JIM HARTNETT  
GENERAL MANAGER/CEO

#### **1. CALL TO ORDER/ROLL CALL**

#### **2. CONSENT CALENDAR**

##### MOTION

- a. Approval of Minutes of Board of Directors Meeting of January 4, 2017
- b. Acceptance of Statement of Revenues and Expenses for December 2016
- c. Acceptance of Quarterly Investment Review and Fixed Income Market for the Period Ending December 31, 2016

#### **3. PUBLIC COMMENT**

Public comment by each individual speaker shall be limited to one minute

#### **4. REPORT OF THE CHAIR**

- a. Resolution of Appreciation to Past Chair Zoe Kersteen-Tucker

#### **5. REPORT OF THE GENERAL MANAGER/CEO**

- a. Update on 2016 Employee Survey District Actions

#### **6. RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

#### **7. COMMUNITY RELATIONS COMMITTEE – Z. KERSTEEN-TUCKER**

##### SUBJECTS DISCUSSED

- a. Accessibility Update
- b. Paratransit Coordinating Council Update
- c. Citizens Advisory Committee Update
- d. Mobility Management Report - Dashboard
- e. Multimodal Ridership Report – December 2016

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

**8. FINANCE COMMITTEE – C. GROOM**

RESOLUTIONS

- a. Authorize Execution of Cooperative Agreements with the City/County Association of Governments to Receive Transportation Fund for Clean Air Funds for Eligible SamTrans Operating and Capital Projects
- b. Authorize Execution of Cooperative Agreements with the Bay Area Air Quality Management District to Receive Transportation Fund for Clean Air Funds for Eligible SamTrans Operating and Capital Projects
- c. Authorize up to \$1 Million in Additional Contracting Authority for Informational Technology Licenses, Maintenance Services and Professional Services for an Aggregate Not-to-Exceed Amount of \$1.85 Million for Fiscal Year 2017

**9. LEGISLATIVE COMMITTEE – K. MATSUMOTO**

SUBJECT DISCUSSED

- a. State and Federal Legislative Update

**10. STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE – D. PINE**

SUBJECT DISCUSSED

- a. Update on Community Choice Energy and SamTrans Electricity Service

**11. WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**

**12. BOARD MEMBER REQUESTS/COMMENTS**

**13. REPORT OF LEGAL COUNSEL**

**14. DATE, TIME AND PLACE OF NEXT REGULAR MEETING** – March 1, 2017 at 2 p.m.,  
San Mateo County Transit District, Administrative Building, Bacciocco Auditorium,  
2<sup>nd</sup> Floor, 1250 Carlos Ave., San Carlos 94070

**15. ADJOURN**

## **INFORMATION FOR 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](http://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: First Wednesday of the month, 2 p.m.; SamTrans Citizens Advisory Committee: Last 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, accessible by SamTrans bus Routes ECR, FLX, 260, 295 and 398. [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](mailto: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 (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF BOARD OF DIRECTORS MEETING  
JANUARY 4, 2017**

Board Members Present: J. Gee, C. Groom, R. Guilbault (Chair), Z. Kersteen-Tucker, K. Matsumoto, D. Pine, J. Powell, P. Ratto, C. Stone

Staff Present: J. Cassman, A. Chan, S. Gaffney, J. Hartnett, M. Martinez, N. McKenna, S. Murphy, M. Simon, S. van Hoften

Chair Zoe Kersteen-Tucker called the meeting to order at 3:26 p.m.

**REPORT OF THE NOMINATING COMMITTEE (RATTO, MATSUMOTO, GROOM)**

Director Karyl Matsumoto said the committee is recommending Director Rose Guilbault for Chair and Director Charles Stone for Vice Chair.

Motion/Second: Matsumoto/Ratto

Ayes: Gee, Groom, Guilbault, Matsumoto, Pine, Powell, Ratto, Stone, Kersteen-Tucker

Chair Guilbault thanked Director Kersteen-Tucker for her dedication and leadership over the past year. Director Kersteen-Tucker gave the Board an activist direction and set new expectations that raised involvement by the Board and influenced new policy direction.

**CONSENT CALENDAR**

- a. Approval of Minutes of Board of Directors Meeting of December 7, 2016
- b. Acceptance of Statement of Revenues and Expenses for November 2016
- c. Receive and File Executed Contracts Up to \$100,000 (Non-Contracts and Procurement) Quarterly Report

Motion/Second: Stone/Groom

Ayes: Gee, Groom, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone, Guilbault

**PUBLIC COMMENT**

None

**REPORT OF CHAIR**

Chair Guilbault said:

*"Last year SamTrans celebrated its 40-year anniversary of providing safe and reliable transportation for San Mateo County. We had the opportunity to celebrate our past and begin to envision the future. As we begin a new year, one thing is abundantly clear, we are at a critical juncture. We are experiencing unprecedented challenges brought on by demographic, economic, technology and transit habit changes. How do we stay relevant in the mobility space amidst unsolvable traffic congestion,*

*competition with new companies like Uber, Lyft, corporate shuttles and autonomous cars?*

*This is our opportunity to re-think and re-invent SamTrans. For 40 years we've had the same business model, and while we want to honor what we've done, we now need to think about what it means to be a modern transportation company that reflects the ways our community is changing.*

*She see this year being the year of asking tough questions--what's working, what's not working, where we invest our money. We know we need to strengthen our fiscal health. We will look at developing a shared long-term vision and funding strategy, a dedicated funding source for Caltrain.*

*But we have to do more to justify for asking for more. And we can't lose sight of our moral obligation to serve the people with least means who need SamTrans to live, work and get around.*

*She expects that this year we will expand our public/private partnerships, have a deeper understanding of our ridership, and develop potential markets in growing communities, like Latinos, seniors, and youth as well as increasing our technology capabilities and offering to our riders.*

*To the staff, we will support you as you create the vision for the future, be willing to take risks, but thoughtful risks.*

*She knows we have many challenges ahead of us, but is excited by the possibilities of innovation and transformation. Let this be the year that determines how we remain sustainable for the next 40 years.*

#### **REPORT OF THE GENERAL MANAGER/CEO – J. Hartnett**

Mr. Hartnett reported:

- Last month a paratransit taxi driver made life saving efforts on a customer and was presented with an "I Made a Difference" award.
- Fixed-route buses averaged 29,000 miles between service calls and paratransit averaged 42,000 miles between service calls, both exceeding the goal of 20,000 miles.
- Investment in human capital continued with over 1,000 hours of training in November.
- SamTrans provided a bus bridge during the Bay Area Rapid Transit's weekend shutdown of two stations. Payment was received for these services in the amount of \$430,000.
- A pilot program will be starting at the end of January to provide 27 weekday trips to Cañada Cove in Half Moon Bay. This location was previously served with four weekday trips and was discontinued. The property managers and residents requested the service return.
- The contract for the third party inspection for Route 17 service expires at end of April and staff will be going out to bid for a new contract.

**COMMUNITY RELATIONS COMMITTEE – J. Gee**

SUBJECTS DISCUSSED

- a. Accessibility Update
- b. Paratransit Coordinating Council (PCC)
- c. Multimodal Ridership Report - September 2016

**FINANCE COMMITTEE – C. Stone**

RESOLUTION

- a. Award of Contract to Battalion One Fire Protection for Fire Safety Systems Inspections, Certification and Maintenance Services for a Total Amount of \$337,065 for a Five-Year Term

MOTION

- b. Reject All Bids for Rental, Purchase and Laundering of Work Clothing, Shop Towels and Related Items

Motion/Second: Stone/Ratto

Ayes: Gee, Groom, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone, Guilbault

**LEGISLATIVE COMMITTEE – P. Ratto**

MOTION

- a. Approval of 2017 Legislative Program

Motion/Second: Ratto/Kersteen-Tucker

Ayes: Gee, Groom, Kersteen-Tucker, Matsumoto, Pine, Powell, Ratto, Stone, Guilbault

SUBJECT DISCUSSED

- b. State and Federal Legislative Update

**PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE – R. Guilbault**

SUBJECTS DISCUSSED

- a. Update on San Mateo County Transit District's Strategic Plan

**WRITTEN COMMUNICATIONS**

No discussion.

**BOARD MEMBER REQUESTS/COMMENTS**

Director Karyl Matsumoto requested that the meeting be adjourned in memory of Director Ratto's mother.

Director Matsumoto said at the January 5 San Mateo County Transportation Authority's (TA) meeting the TA Board will be asked to approve \$100 million for the electrification project.

Mr. Hartnett said it is now \$135 million. There already is an 18 percent contingency. The Federal Transit Administration (FTA) said the addition to the normal contingency is being

required because of issues outside of California. Up until yesterday the FTA was okay with the Metropolitan Transportation Commission (MTC) using Statewide Transportation Improvement Program (STIP) funds. The FTA informed staff on Tuesday that they are not allowing the use of STIP funds, but do consider the Santa Clara Valley Transportation Authority (VTA) and the TA's source of funds as an acceptable source of funds and suggested VTA and the TA up their capacity. Staff has been in constant touch with the California State Transportation Secretary Brian Kelly's office on this issue, with MTC and regional partners. If the electrification project is going to move forward staff has to comply with the requirement or the project will not move forward.

Director Gee said the 10 percent is above and beyond the current electrification budget and there is appropriate contingencies already built into the budget. The whole issue comes down to the acceptable color of money. If the TA does approve there are concurrent side letters with the other agencies in proportion to what needs to be spent.

Mr. Hartnett said the San Francisco Transportation Authority has a resolution pledging their \$50 million on their January 5 Board meeting agenda. MTC has a special meeting on January 11 to pass a similar resolution. The legal obligation is San Mateo doesn't have to expend more than their share and hope to never have to use the funds. The approved budget for the project has a fully approved contingency in it.

Director Gee said in his role on the Peninsula Corridor Joint Powers Board he has asked staff to include a budget forecast of completion in the monthly electrification report.

Director Kersteen-Tucker said the Coastside representative to the PCC, Dr. Michael Settles has had to step down and asked if staff could send a letter thanking her for her contributions over the years.

**DATE AND TIME OF NEXT REGULAR MEETING** – February 1, 2017, at 2 p.m., San Mateo County Transit District, Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070.

Recessed to closed session at 3:51 p.m.

Reconvened to open session at 3:56 p.m.

#### **GENERAL COUNSEL PROPOSAL**

##### **Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): D'Arcy v. San Mateo County, et al., Case No. 16-CIV-02234**

Joan Cassman, Legal Counsel, said the Board received a report on a potential settlement. The Board has approved the settlement in the amount of \$60,000 and the matter will be closed and all claims released.

Adjourned at 3:59 p.m.



# Employee Survey District Actions

San Mateo County Transit District  
February 1, 2017  
Agenda Item #5a

## Employee Survey



**Employee Survey**

- Conducted February 29-April 1, 2016
- Follow-up meetings to determine what actions should be taken and set priorities

**Selected Five District Actions and Two HR Actions**

- Assigned Executive Sponsor, Staff Owner

<i>Employee Location</i>	<i>Eligible employees</i>	<i>Completed responses</i>	<i>Response Rate</i>
<b>All employees</b>	712	384	54%
Central employees	254	201	79%
Base employees	458	183	40%
<i>North Base</i>	260	96	37%
<i>South Base</i>	198	86	43%

2

District Actions


**District Action #1:**

**Conduct Compensation and Benefits Study**

Sponsor: David Olmeda; Owner: Bill Carson

- Hired Segal-Waters, updated job descriptions, interviewed key stakeholders, conducting a market study, report to employees in February

**District Action #2:**

**Create Rewards and Recognition Program**

Sponsor: Mark Simon; Owner: Juliet Nogales-Deguzman

- Put together internal team, conducted initial focus groups, researched other agencies, conduct company-wide focus groups in February, implement in FY18

3

District Actions


**District Action #3:**

**Strengthen Inter-Departmental Collaboration**

Sponsor: April Chan; Owner: Doug Kim

- Improve Intranet information and phone directory, develop consistent procedures within departments, start training sessions to introduce departments

**District Action #4:**

**Increase Employee Development Opportunities**

Sponsor: Michelle Bouchard; Owner: Bob Greenleaf

- Provide nearly 100 employees additional training Dec-March, develop training budget process, assess training and development needs Feb-March

4

**District Actions** 

**District Action #5:**  
**Improve Employee Communications and Feedback**  
Sponsor: Seamus Murphy

- Hired ROI Communications to develop Internal Communications Strategies, created eTownHall tool, Leadership training, redesign Intranet, develop employee training

5

**HR Actions** 

**HR Action #1:**  
**Develop a Robust Onboarding Program**

- Assess current practices by Feb, create materials for one-day Transit 101 March, pilot onboarding program in Spring

**HR Action #2:**  
**Develop a SamTrans Leaders Program (HR)**

- Hosting upcoming programs, survey on leadership competencies and curriculum March, pilot leadership program Summer

6

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Board of Directors

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Carole Groom  
Chair, Audit Committee

Shannon Gaffney  
Interim Chief Financial Officer

SUBJECT: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR  
ENDING JUNE 30, 2016**

**ACTION**

Staff recommends and the Audit Committee concurs that the Board receive and file the San Mateo County Transit District's (District) Fiscal Year (FY) 2016 Comprehensive Annual Financial Report (CAFR).

The FY2016 CAFR is available online at  
[http://www.samtrans.com/Assets/ Finance/CAFR/ST/SAMTR+CAFR+2016.pdf](http://www.samtrans.com/Assets/Finance/CAFR/ST/SAMTR+CAFR+2016.pdf)

**SIGNIFICANCE**

The CAFR is prepared annually in accordance with the guidelines set forth by the Government Accounting Standards Board and state law. The CAFR being presented to the Board is the final draft of the audited financial report for FY 2016. The Audit Committee met January 25 to receive the CAFR and will provide an oral report on that meeting.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The District contracts with an independent auditor to conduct annual reviews of the agency's Financial Statements and produce the CAFR. As required by Section 16.B.5 of the Rules of Procedure of the Board of Directors, the Audit Committee, created by the Board in April 2016, has met with the District's auditors throughout this year's financial review process and has received the audit findings in advance of presentation of the final audit report to the full Board.

Prepared by: Jeannie Chen, Senior Accountant  
Sheila Tioyao, Manager, General Ledger

650-508-6259  
650-508-7752