

SEPTEMBER 6, 2017 SAMTRANS BOARD MEETING

- BOARD OF DIRECTORS PART 1 LINK
- COMMUNITY RELATIONS COMMITTEE LINK
- FINANCE COMMITTEE LINK
- STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE LINK
- BOARD OF DIRECTORS PART 2 LINK



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 HARNETT
GENERAL MANAGER/CEO

AGENDA

BOARD OF DIRECTORS

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

WEDNESDAY, SEPTEMBER 6, 2017 – 2:00 p.m.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. REPORT OF LEGAL COUNSEL

- a. Closed Session: Conference with Labor Negotiator – Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Pat Glenn and Bill Carson

Employee Organizations: Teamsters Union, Local 856 (Maintenance/Utility Supervisors; Bus Transportation Supervisors/Dispatchers/Radio Controllers; Transit Instructors; Bus Contract Inspectors) and Amalgamated Transit Union Local 1574 (Bus Operators/Mechanics/Storekeepers/Utility Workers; Customer Service Representatives)

- b. Approval of Collective Bargaining Agreements with Amalgamated Transit Union Local 1574

5. RECESS TO COMMITTEE MEETINGS



BOARD OF DIRECTORS 2017

ROSE GUILBAULT, CHAIR
CHARLES STONE, VICE CHAIR
JEFF GEE
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DAVE PINE
JOSH POWELL
PETER RATIO

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, SEPTEMBER 6, 2017 – 2:15 p.m.
(immediately after Board meeting closed session)

1. Call to Order

ACTION

2. Approval of Minutes of Community Relations Committee Meeting of August 2, 2017

INFORMATIONAL

3. Accessibility Update – Tina Dubost
4. Paratransit Coordinating Council Update – Mike Levinson
5. Citizens Advisory Committee Update – Juslyn Manalo
6. Mobility Management Report – End-of-Year Performance Report
7. Multimodal Ridership Report – July 2017
8. 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
AUGUST 2, 2017

Committee Members Present: Z. Kersteen-Tucker (Committee Chair), J. Powell, P. Ratto

Other Board Members Present, Constituting Committee of the Whole: J. Gee, C. Groom, R. Guilbault (Chair), K. Matsumoto, D. Pine, C. Stone

Staff Present: R. Arnold, M. Beveridge, J. Cassman, A. Chan, C. Gumpal, J. Hartnett, M. Martinez, N. McKenna, D. Olmeda, J. Sanderson, M. Simon

Committee Chair Zoe Kersteen-Tucker called the meeting to order at 2:12 p.m.

Approval of Minutes of July 5, 2017

Motion/Second: Stone/Gee

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

Accessibility Update

John Sanderson, Accessibility Coordinator, said he recently attended a Commission on Aging meeting on the Coastsides.

Paratransit Coordinating Council (PCC) Update

Mike Levinson, Chair, PCC, said Lorna Rodriguez-Wong has joined the PCC staff. He looks forward to working with the new manager at First Transit. The PCC will have tables at the Independence for Living event in October and the Seniors on the Move event in November.

Citizens Advisory Committee (CAC)

Written report was included in the Board's Reading File.

Mobility Management Report – Paratransit

David Olmeda, Chief Operating Officer, Bus, presented this informational item. Key highlights include:

- Monthly ridership is almost 31,000.
- There are 8,551 registrants.
- On-time performance remains above 90 percent goal.
- Redi-Wheels is exceeding passengers per hour standard.
- Fleet reliability continues to exceed the 30,000 miles.
- Complaints remain very low.
- There are zero denials.
- Types of customers include regular, lifeline, agency, agency lifeline, personal attendant and certification trips.

Director Jeff Gee asked if data for rider profile on trip length and purpose is available.

Director Dave Pine asked if staff has thought of converting some of these riders to Uber or Lyft as he believes this is an area that has a lot of promise. Mr. Olmeda said staff hopes to get more clarity on this issue from the Federal Transit Administration in 2018.

Marketing of New Routes and Service Adjustments

Russ Arnold, Director, Marketing and Communications, presented this informational item. Key highlights include:

- Goals include supporting the evolution of the service by promoting existing service and enhance customer service.
- Youth ridership promotion focused on partnerships with schools and parent teacher associations by providing information about existing services and the Summer Youth Pass.
- Marketed new routes 61, 56, 18, 81 and ridership increased from 4,200 to 11,000.
- New opportunities include on-line store, San Francisco International Airport late-night Route 399, real-time data exposure, mobile ticketing, Youth Mobility Plan recommendations, employer partnerships and webpage refresh.

Karyl Matsumoto requested a breakdown of ridership on the new routes, what is being done to market routes that have low ridership and will staff have goals to achieve on ridership. Mr. Arnold said he will email this information to Director Matsumoto.

Public Comment

Randall Shannon, San Bruno, said there is a need to get students to use Clipper Cards so that it doesn't delay the bus.

Recessed Committee Meeting at 2:44 p.m.

Reconvened Committee Meeting at 2:49 p.m.

Quarterly Dashboard Report – March-June 2017

No discussion.

Multimodal Ridership Report – June 2017

No discussion.

Adjourned: 2:50 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 SamTrans Accessibility Advisory Committee is a SamTrans committee that advises on accessibility issues, particularly related to fixed-route service. Each group has requested that the Board be informed of the issues discussed at meetings.

The PCC and the PAL (PCC AL-Com) meet monthly (except for August). The SamTrans Accessibility Advisory Committee meets every two months.

The minutes of July 11, 2017 PCC and PAL meetings are not yet available.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

No additional information.

Prepared by: John Sanderson, Accessibility Coordinator
Project Manager: Tina Dubost, Manager, Accessible Services

650-508-6475
650-508-6247

**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: **END-OF-YEAR PERFORMANCE REPORT**

ACTION

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

SIGNIFICANCE

This presentation is a year-end performance report on the District's four transportation modes: SamTrans, Americans with Disabilities Act Paratransit, Caltrain and Shuttles. The modes have been featured individually during the past fiscal year. This month features the annual performance of all the modes.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

This annual performance report will focus on overall trends, as well as highlights for each of the transportation modes, including ridership, fare collection, on-time performance, project updates, and other current developments.

This month's presentation will be presented via PowerPoint.

Prepared by: Donald G. Esse, Senior Operations Financial Analyst

650-508-6329

**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 – JULY 2017**

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) 2016, FY2017, and FY2018. Chart "B" has figures for total ridership year-to-date for FY2016, FY2017, and FY2018.

Tables "A" and "B" also provide the corresponding data for the Bay Area Rapid Transit (BART) 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.

Table "D" - Performance Standards, is a new table that we have been providing the Citizen Advisory Committee (CAC) that provides additional information regarding our performance standards, including on-time performance, the number of complaints received, and the number of schedules not operated due to unplanned circumstances (DNO).

AVERAGE WEEKDAY RIDERSHIP – JULY 2017 COMPARED TO JULY 2016

Grand Total – 158,600 a decrease of 2 percent

Bus – 32,480, a decrease of 6.4 percent

Paratransit – 1,230, no change

Shuttles – 12,040 a decrease of 1.9 percent

Rail – 63,070, an increase of 1.3 percent

**Table A
Average Weekday Ridership**

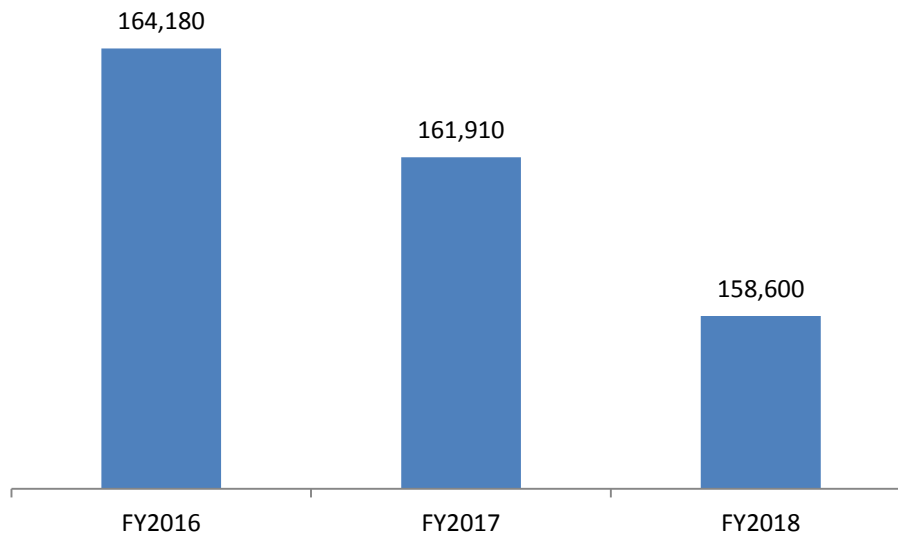
July 2017 Average Weekday Ridership				Percent Change FY2017/2018
Mode	FY2016	FY2017	FY2018	
Bus*	37,180	34,690	32,480	-6.4%
Paratransit*	1,170	1,230	1,230	0.0%
Shuttles	11,960	12,270	12,040	-1.9%
Rail**	62,630	62,290	63,070	1.3%
Total	112,930	110,480	108,820	-1.5%
BART Extension (No Daly City)	51,250	51,430	49,780	-3.2%
Grand Total	164,180	161,910	158,600	-2.0%
Weekdays	22	20	20	

July 2017 Year-to-date				Percent Change FY2017/2018
Mode	FY2016	FY2017	FY2018	
Bus*	37,180	34,690	32,480	-6.4%
Paratransit*	1,170	1,230	1,230	0.0%
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* Demand-Response ridership is now reported in the Bus Ridership Category instead of Paratransit

** Rail ridership has been updated for July 2016 and FY2017

**Chart A
Grand Total 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 July for the past three fiscal years.

MONTHLY TOTAL RIDERSHIP – JULY 2017 COMPARED TO JULY 2016

Grand Total – 3,940,940, a decrease of 3.3 percent

Bus – 840,600, a decrease of 6.6 percent

Paratransit – 29,380, an increase of 1.2 percent

Shuttles – 240,590, a decrease of 5 percent

Rail – 1,615,570, a decrease of 1 percent

Other Notes:

While the AWR for rail increased by 1.3 percent, the Total Ridership decreased by 1 percent. The decrease in the Rail Total Ridership may be due to the decrease of weekend service to accommodate construction activities related to the Peninsula Corridor Electrification Project.

**Table B
Total Monthly Ridership**

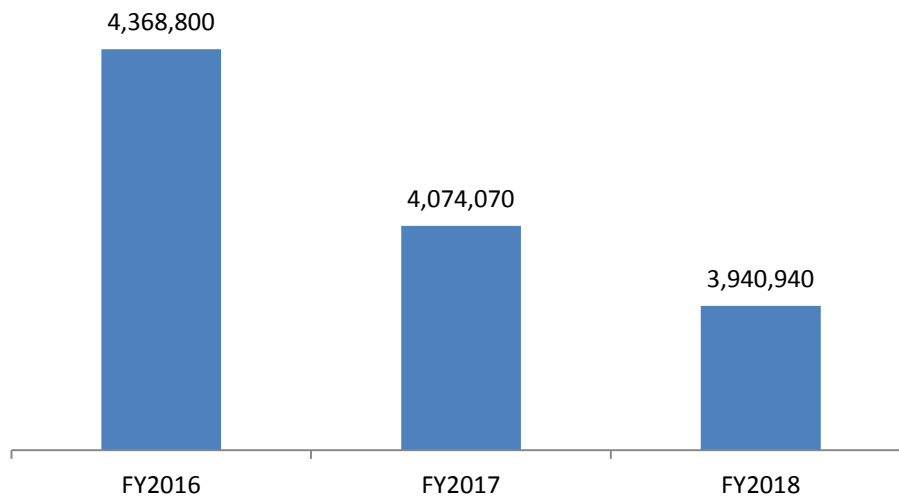
July 2017 Total Monthly Ridership				Percent Change FY2017/2018
Mode	FY2016	FY2017	FY2018	
Bus*	1,011,620	900,470	840,600	-6.6%
Paratransit*	29,770	29,040	29,380	1.2%
Shuttles	263,030	253,370	240,590	-5.0%
Rail**	1,729,240	1,632,080	1,615,570	-1.0%
Total	3,033,660	2,814,970	2,726,130	-3.2%
BART Extension (No Daly City)	1,335,150	1,259,100	1,214,810	-3.5%
Grand Total	4,368,800	4,074,070	3,940,940	-3.3%
Weekdays	22	20	20	

July 2017 Year-to-date				Percent Change FY2017/2018
Mode	FY2016	FY2017	FY2018	
Bus*	1,011,620	900,470	840,600	-6.6%
Paratransit*	29,770	29,040	29,380	1.2%
Shuttles	263,030	253,370	240,590	-5.0%
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Grand Total	4,368,800	4,074,070	3,940,940	-3.3%

* Demand-Response ridership is now reported in the Bus Ridership Category instead of Paratransit

** Rail ridership has been updated for July 2016 and FY2017

**Chart B
Grand Total Ridership (FYTD)**



The following summary illustrates the number of riders by fare category for the month of July 2017. SamTrans carried 836,795 passengers on its fixed-route service in July, and 6,567,674 for the 2017 Calendar Year-to-Date. These numbers do not include Dumbarton ridership and rural On-Demand service previously reflected under the Paratransit ridership.

Table C
Riders by Fare Category

	July 2015	July 2016	July 2017	2017 Calendar Year-to-Date
Adult Cash	261,431	191,128	160,740	1,128,199
Adult Pass	448,009	442,888	407,439	3,276,255
Youth Cash	89,547	82,347	82,178	853,974
Youth Pass	42,268	36,893	38,799	319,706
Eligible Discount	165,837	143,598	147,639	989,540
Total	1,007,093	896,853	836,795	6,567,674

Table D
Performance Standards

		AWR	OTP	Complaints	MBSC	Tokens		DNO
						Adult	Youth	
July	2016	34,650	85.05%	120	32,892	27,799	5,884	49
August	2016	38,500	83.50%	230	32,873	28,657	20,317	11
September	2016	44,590	81.48%	185	26,633	27,967	34,211	7
October	2016	42,500	82.23%	160	34,595	27,209	30,263	4
November	2016	41,520	83.46%	92	28,635	26,417	27,266	12
December	2016	36,140	82.51%	110	23,093	23,246	22,004	13
January	2017	35,720	83.81%	132	31,245	25,870	23,417	6
February	2017	37,150	83.22%	129	26,104	23,371	22,765	27
March	2017	40,500	82.21%	132	32,971	25,905	30,624	11
April	2017	36,672	82.83%	77	37,905	23,973	20,876	6
May	2017	40,439	81.94%	112	26,141	24,725	28,641	32
June	2017	34,596	81.07%	100	24,617	24,090	15,361	13
July	2017	32,293	83.50%	95	24,050	25,159	4,828	2

*AWR: Does not include Dumbarton ridership

PERFORMANCE CATEGORY DESCRIPTION

AWR (Average Weekday Ridership) - measures average ridership on a weekday basis for the month

OTP (On Time Performance) - sampling thousands of schedules in the system for lates, earlies, and on-times

Complaints - total complaints received for the month on SamTrans services and facilities

MBSC (Miles Between Service Calls) - measures miles between roadcalls

Tokens - total of Adult and Youth token usage for the month

DNO (Did Not Operate) - number of schedules not operated due to unplanned circumstances, such as accidents, street construction or mechanical issues

SamTrans Promotions – July 2017

Summer Youth Pass –The Summer Youth Pass wrapped up sales on July 14. Total front desk sales were 599 and 549 online for a total of 1,148 passes generating \$45,920 in gross revenue. This shows an increase of 12.8 percent in sales from online and fronts desk. Passes purchases through the online store increased 27 percent showing the customers are quickly adopting the convenience of online fare media sales. These numbers do not include the direct school sales, which will be available in late September after passes are returned and reconciled.

Menlo Summer Fest – SamTrans Marketing partnered with the Menlo Summer Fest held in downtown Menlo Park on July 15 and 16. As a way to promote public transit to fun destinations, the Menlo Summer Fest was a great opportunity to partner up with the street fest that attracts over 35,000 attendees. As part of the agreement SamTrans promoted the summer fest on the go.samtrans.com main page, PeninsulaMoves Blog, printed ad cards on train and organic social media. The SamTrans logo appeared on Menlo Summer Fest produced print, online, social marketing communications.

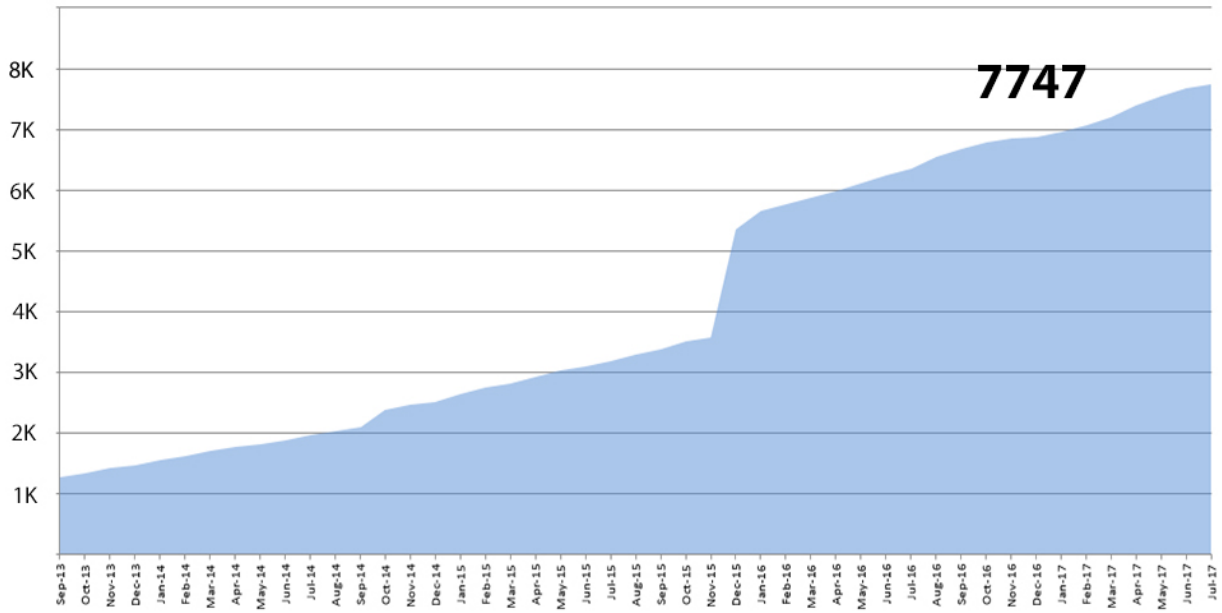
SamTrans July 2017 Key Activities – In July, SamTrans social media helped spread the word about our 4th of July service, San Jose Earthquakes vs Los Angeles Galaxy at Stanford, an operator profile video (Oneika Lamar), the 101 Express Bus Study outreach events, Route 399 service, as well as our weekly features of Instagram of the Week and Tweets of the week. We also promoted service to several events like the Bacon and Brewfest. We also did one paid campaign for the Summer Youth Pass through an ad agency (AdTaxi).

Social Media Analytics - Top 3 Tracked SamTrans Issues on Social Media

1. Operator Compliment - 6
2. Agency Complaint – 3
3. Operator Complaint, Colma Parking, Early Departure – 1 each



Total Followers - All Networks



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

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

samTrans



AGENDA

FINANCE COMMITTEE COMMITTEE OF THE WHOLE

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

WEDNESDAY, SEPTEMBER 6, 2017 – 2:45 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 August 2, 2017
3. Acceptance of Statement of Revenue and Expenses for July 2017
4. Authorize Reaffirmation of the District Investment Policy and the Paratransit Trust Fund Investment Policy and Reauthorize Investment of Monies with the Local Agency Investment Fund
5. Authorize Amendment of the Fiscal Year 2018 Operating Budget to Increase Total Operating Revenues by \$857,447 for a New Total of \$172,591,153 and Increase Total Operating Expenses by \$641,041 for a New Total of \$147,301,110
6. Authorize Execution of a Grant Agreement with the County of San Mateo to Receive \$265,000 for Public Outreach and Engagement Activities to Inform 2018 Transportation Revenue Opportunities
7. 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
AUGUST 2, 2017

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

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

Staff Present: M. Beveridge, J. Cassman, A. Chan, C. Gumpal, D. Hansel, J. Hartnett, M. Martinez, N. McKenna, D. Olmeda, M. Simon

Committee Chair Carole Groom called the meeting to order at 2:50 p.m.

Approval of Minutes of July 5, 2017

Motion/Second: Gee/Stone

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

Acceptance of Quarterly Investment Review and Fixed Income Market Review and Outlook for the Period Ending June 30, 2017

Motion/Second: Gee/Stone

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

Authorize Filing Annual Claim with the Metropolitan Transportation Commission for Transportation Development Act, State Transit Assistance and Regional Measure 2 Funds for Fiscal Year (FY) 2018

Motion/Second: Gee/Stone

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

Authorize Award of Contract to Ideal Landscape and Concrete, Inc. for Concrete Replacement Project for a Total Estimated Cost of \$640,000 for a Two-Year Term

Motion/Second: Stone/Guilbault

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

Authorize Execution of Contracts Over \$150,000 for Information Technology License Renewals, Maintenance Services and Professional Services for FY2018 for an Aggregate Not-to-Exceed Amount of \$2,750,000

Motion/Second: Stone/Guilbault

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

Authorize Execution of Contracts for Technology Related Products and Services to Vendors Under Cooperative Purchasing Agreements for an Aggregate Not-to-Exceed Amount of \$1.5 Million for FY2018

Motion/Second: Stone/Guilbault

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

SamTrans Business Plan

Mark Simon, Chief of Staff, presented this informational item. Key highlights include:

- The District role needs to evolve and be redefined from a bus and paratransit agency to a mobility provider.
- Financial – Immediate
 - Balance budget using reserves
 - Additional expenditures for service, organizational benefits
 - Began program of ongoing service evaluation including cuts to allow financial flexibility
- Financial – Near-Term
 - New base budgeting processes
 - Continue service changes provide financial flexibility
 - Identify additional new revenue sources
 - Increased contribution to Caltrain
 - San Mateo County half-cent sales tax measure
- Organization – Immediate
 - Hiring continues to keep pace with attrition rate
 - Filled critical vacancies in FY2017
- Organization – Near-Term
 - Evaluate recommendations of compensation and benefits study
- Service – Immediate
 - Ongoing comprehensive review of service and pilots
 - Reconfigure to redeploy assets from underutilized service
 - Combine overlapping services
 - Revamp ridership maps
 - Update schedules: simplification
 - New service routes
 - Route eliminations
 - Dumbarton Corridor Study
 - Caltrain Electrification
- Service – Near-Term
 - Transportation Network Company partnership
 - Fare Study
 - Express Bus Study
 - 101 Managed Lanes Project
- SamTrans Business Plan
 - External existing and evolving condition
 - Organizational initiatives
 - Financial initiatives
- Next Steps
 - Work plan and schedule
 - Fall Board retreat
 - Progress report at January Board meeting

Director Charles Stone asked about the concept of 50 percent SamTrans/Caltrain and 50 percent local/regional measure, who will be paying for the consultant for the education campaign and a formation of an Ad Hoc Committee for the ballot measure.

Jim Hartnett, General Manager/CEO, said for a full educational campaign allocation of a substantial amount of money would have to come from reserves.

Director Dave Pine asked if private partners help fund the consultant.

Director Karyl Matsumoto asked if the voters will have input on the Measure A funding breakdown and will revenue that comes in be shared with the County.

Director Zoe Kersteen-Tucker asked for a calendar for the next 14 months of how things are being done and when.

Director Josh Powell said the voters want accountability of where the money is going, but doesn't lock the exact percentages.

Director Kersteen-Tucker asked if the numbers have been run that the 50 percent will be enough funding. She requested to see the breakdown of the numbers.

Public Comment

Adina Levin, Friends of Caltrain, said she is glad to hear about the ballot measure and outreach that will be done.

Rosanne Foust, San Mateo County Economic Development Association (SAMCEDA), said SAMCEDA supports the ballot measure and looks to SamTrans as a partner for the education campaign.

Chair Rose Guilbault said she will appoint an ad hoc committee to work on the upcoming ballot measure by next week.

Information on Statement of Revenues and Expenses for the Period Ending June 30, 2017

No discussion.

Adjourned: 3:37 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett
General Manager/CEO

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
JULY 2017**

ACTION

Staff proposes the Committee recommend that the Board accept and enter into the record the Statement of Revenues and Expenses for the month of July 2017 and supplemental information.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through July 31, 2017. The statement has been designed to follow the Agency wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year to date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year (FY) 2018.

SIGNIFICANCE

Annual Forecast: The Forecast column reflects the proposed amendment to the FY2018 budget that will be presented to the Board for approval. The forecast for the fiscal year reflects a deficit of \$5.2 million (page 1, line 35). This is \$0.2 million lower than the adopted budget. This is primarily driven by increased revenues in Operating Grants (page 1, line 4) due to new funding from California State Department of Transportation (Caltrans) and Federal Transportation Administration (FTA), and Assembly Bill 434, TA & Other revenues (page 1, line 7) to reflect an increase in shuttle funding and new funding for the Bay Area Bike Share pilot program, partially offset by increased expenses in Motorbus (page 1, line 19) which reflects the Executive position of Deputy Chief Executive Officer and increase in professional services to reflect new costs associated with the preparations for a potential ballot measure for a new District sales tax, and Other Multi-Modal Programs (page 1, line 22).

Year to Date Revenues: As of July year-to-date actual, the Total Sources of Funds (page 1) of the Statement of Revenues and Expenses, line 15) are \$28,415 higher than the prior year. This is primarily driven by the District ½ cent Sales Tax (page 1, line 10) and Other Interest, Rent, and Other Income (page 1, line 12), offset by decline in revenues from Passenger Fares (page 1, line 1), Operating Grants (page 1, line 4), and SM County Measure A and Other (page 1, line 6) due to a reduction in paratransit funding for FY2018.

Year to Date Expenses: As of July year-to-date actual, the Total Uses of Funds (page 1, line 33) are \$3.4 million higher than the prior year-to-date actual. This is primarily due to Total Motorbus expenses which are higher by \$2.5 million (page 1 line 19) due to inclusion of unfunded California Public Employees' Retirement System (CalPERS) and Other Post-Employment Benefits (OPEB) liability (this expense, which was incurred in July, will not recur throughout the year), and Sales Tax Allocation for Capital Programs (page 1, line 29)

BUDGET IMPACT

There are no budget amendments for the month of July 2017.

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**SAN MATEO COUNTY TRANSIT DISTRICT
SUMMARY OF REVENUES AND EXPENSES
FISCAL YEAR 2018
July 2017**

% OF YEAR ELAPSED: 8.3%

	YEAR-TO-DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET*	FORECAST	\$ VARIANCE	% VARIANCE
SOURCES OF FUNDS								
Operating Revenues								
1 Passenger Fares	1,326,602	1,219,182	(107,420)	-8.1%	16,977,116	16,977,116	0	0.0%
2 Local TDA and STA Funds	3,506,760	3,501,122	(5,637)	-0.2%	42,013,473	42,013,473	0	0.0%
3 Pass through to Other Agencies	5,750	69,211	63,461	1103.7%	836,536	836,536	0	0.0%
4 Operating Grants	132,020	0	(132,020)	-100.0%	4,941,320	5,309,973	368,653	7.5%
5 SMCTA Measure A	776,798	761,077	(15,721)	-2.0%	9,577,753	9,577,753	0	0.0%
6 SM County Measure A & Other	416,667	312,500	(104,167)	-25.0%	3,750,000	3,750,000	0	0.0%
7 AB434 Funds, TA Funded Shuttle & Other	9,083	26,154	17,071	187.9%	100,000	532,794	432,794	432.8%
8 Subtotal - Operating Revenues	6,173,680	5,889,246	(284,433)	-4.6%	78,196,198	78,997,645	801,447	1.0%
Other Revenue Sources								
10 District 1/2 Cent Sales Tax	5,919,931	6,173,245	253,314	4.3%	84,660,000	84,660,000	0	0.0%
11 Investment Interest	251,920	164,736	(87,184)	-34.6%	1,100,312	1,100,312	0	0.0%
12 Other Interest, Rent & Other Income	541,956	688,673	146,717	27.1%	7,777,196	7,833,196	56,000	0.7%
13 Subtotal - Other Revenues	6,713,807	7,026,655	312,848	4.7%	93,537,508	93,593,508	56,000	0.1%
14								
15 Total Sources of Funds	12,887,487	12,915,901	28,415	0.2%	171,733,706	172,591,153	857,447	0.5%
USES OF FUNDS								
Operating Expenses								
19 Motor Bus	9,023,605	11,560,304	2,536,699	28.1%	118,930,788	119,499,048	568,260	0.5%
20 A. D. A. Programs	1,322,352	1,429,022	106,670	8.1%	18,407,911	18,407,911	0	0.0%
21 Caltrain	540,000	514,147	(25,853)	-4.8%	6,191,353	6,191,353	0	0.0%
22 Other Multi-modal Programs	168,677	194,208	25,531	15.1%	2,247,765	2,320,546	72,781	3.2%
23 Pass through to Other Agencies	5,750	69,211	63,461	1103.7%	836,536	836,536	0	0.0%
24 Land Transfer Interest Expense	0	0	0	0.0%	45,716	45,716	0	0.0%
25 Total Operating Expense	11,060,384	13,766,892	2,706,509	24.5%	146,660,069	147,301,110	641,041	0.4%
26								
27 Total Operating Surplus / (Deficit)	1,827,103	(850,991)	(2,678,094)	-146.6%	25,073,637	25,290,042	216,405	0.9%
28								
29 Sales Tax Allocation - Capital Program	0	732,451	732,451	0.0%	8,789,413	8,789,413	0	0.0%
30								
31 Total Debt Service	832,337	823,359	(8,978)	-1.1%	21,684,044	21,684,044	0	0.0%
32								
33 Total Uses of Funds	11,892,721	15,322,702	3,429,982	28.8%	177,133,526	177,774,567	641,041	0.4%
34								
35 PROJECTED SURPLUS / (DEFICIT)	994,766	(2,406,801)	(3,401,567)	-341.9%	(5,399,821)	(5,183,415)	216,406	-4.0%

This report represents actuals and budgets on budgetary basis.

* Reflects Adopted Budget approved by the Board on June 7, 2017

**SAN MATEO COUNTY TRANSIT DISTRICT
STATEMENT OF REVENUES
FISCAL YEAR 2018
July 2017**

% OF YEAR ELAPSED: **8.3%**

	YEAR-TO-DATE				ANNUAL			
	PRIOR	CURRENT	\$	%	BUDGET*	FORECAST	\$	%
	ACTUAL	ACTUAL	VARIANCE	VARIANCE			VARIANCE	VARIANCE
OPERATING REVENUES - MOTOR BUS								
1 TOTAL MOTOR BUS FARES	1,274,984	1,168,590	(106,394)	-8.3%	16,235,675	16,235,675	0	0.0%
2 LOCAL (TDA) TRANSIT FUND:								
3 General Operating Assistance	3,128,384	3,036,729	(91,655)	-2.9%	36,440,749	36,440,749	0	0.0%
4 STATE TRANSIT ASSISTANCE:								
5 Local STA Operating Assistance	198,744	275,845	77,101	38.8%	3,310,138	3,310,138	0	0.0%
6 OPERATING GRANTS								
7 TOTAL OPERATING GRANTS	0	0	0	0.0%	1,112,367	1,481,020	368,653	33.1%
8								
9 DISTRICT 1/2 CENT SALES TAX:								
10 General Operating Assistance	3,824,684	6,398,143	2,573,459	67.3%	55,224,175	55,158,783	(65,393)	-0.1%
11 Accessibility Fixed Route	84,245	90,563	6,318	7.5%	1,092,576	1,092,576	0	0.0%
12 TOTAL 1/2 CENT SALES TAX	3,908,929	6,488,706	2,579,777	66.0%	56,316,751	56,251,359	(65,393)	-0.1%
13 INVESTMENT INTEREST INCOME:								
14 Investment Interest Income	196,037	133,296	(62,741)	-32.0%	861,312	861,312	0	0.0%
15								
16 OTHER REVENUE SOURCES:								
17 Overnight Deposits Interest Income	18	0	(18)	-100.0%	608	608	0	0.0%
18 Rental Income	125,285	125,327	42	0.0%	1,400,000	1,400,000	0	0.0%
19 Advertising Income	62,717	220,546	157,830	251.7%	1,210,700	1,210,700	0	0.0%
20 Other Income	128,506	111,264	(17,242)	-13.4%	2,042,488	2,307,488	265,000	13.0%
21 TOTAL OTHER REVENUES	316,527	457,138	140,611	44.4%	4,653,796	4,918,796	265,000	5.7%
22								
23 TOTAL MOTOR BUS	9,023,605	11,560,304	2,536,699	28.1%	118,930,788	119,499,048	568,260	0.5%
24								
25 AMERICAN DISABILITIES ACT:								
26 Passenger Fares Redi-Wheels	51,618	50,592	(1,026)	-2.0%	741,441	741,441	0	0.0%
27 Local TDA 4.5 Redi-Wheels	153,687	159,828	6,141	4.0%	1,917,935	1,917,935	0	0.0%
28 Local STA - Paratransit	25,945	28,721	2,776	10.7%	344,651	344,651	0	0.0%
29 Operating Grants	132,020	0	(132,020)	-100.0%	3,828,953	3,828,953	0	0.0%
30 Sales Tax - District ADA Programs	16,803	353,437	336,634	2003.4%	957,431	957,431	0	0.0%
31 Sales Tax - Paratransit Suppl. Coastside	139,348	143,966	4,618	3.3%	1,842,100	1,842,100	0	0.0%
32 Interest Income - Paratransit Fund	55,883	31,440	(24,443)	-43.7%	239,000	239,000	0	0.0%
33 SMCTA Measure A Redi-Wheels	236,797	246,930	10,133	4.3%	3,386,400	3,386,400	0	0.0%
34 SM County Measure A & Other	416,667	312,500	(104,167)	-25.0%	3,750,000	3,750,000	0	0.0%
35 Measure M Paratransit	93,584	101,608	8,024	8.6%	1,400,000	1,400,000	0	0.0%
36 TOTAL ADA PROGRAMS	1,322,352	1,429,022	106,670	8.1%	18,407,911	18,407,911	0	0.0%
37								
38 MULTI-MODAL TRANSIT PROGRAMS:								
39 Transfer from SMCTA for Caltrain	540,000	514,147	(25,854)	-4.8%	6,191,353	6,191,353	0	0.0%
40 AB434 Funds, TA Funded Shuttle & Other	9,083	26,154	17,071	187.9%	100,000	460,013	360,013	360.0%
41 Employer SamTrans Shuttle Funds	131,846	129,928	(1,918)	-1.5%	1,723,400	1,514,400	(209,000)	-12.1%
42 Sales Tax - SamTrans Shuttle Program	16,586	26,421	9,835	59.3%	254,365	103,352	(151,013)	-59.4%
43 Bay Area Bike Share Pilot Program	0	0	0	0.0%	0	72,781	72,781	0.0%
44 Sales Tax - Gen. Operating Asst.	11,162	11,705	543	4.9%	170,000	170,000	0	0.0%
45								
46 TOTAL MULTIMODAL	708,678	708,355	(323)	0.0%	8,439,118	8,511,899	72,781	0.9%
47								
48 TOTAL REVENUES	11,054,634	13,697,681	2,643,047	23.9%	145,777,817	146,418,858	641,041	0.4%

**SAN MATEO COUNTY TRANSIT DISTRICT
OPERATING EXPENSES
FISCAL YEAR 2018
July 2017**

% OF YEAR ELAPSED: **8.3%**

EXPENSES	YEAR-TO-DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET*	FORECAST	\$ VARIANCE	% VARIANCE
DISTRICT OPERATED BUSES								
1 Wages & Benefits	5,618,945	7,973,677	2,354,732	41.9%	59,032,712	59,362,712	330,000	0.6%
2								
3 Services:								
4 Board of Directors	3,603	3,200	(403)	-11.2%	86,000	86,000	0	0.0%
5 Contracted Vehicle Maintenance	62,531	67,136	4,604	7.4%	1,335,850	1,335,850	0	0.0%
6 Property Maintenance	68,391	58,919	(9,471)	-13.8%	1,055,500	1,055,500	0	0.0%
7 Professional Services	215,499	185,603	(29,896)	-13.9%	4,612,204	5,257,204	645,000	14.0%
8 Technical Services	369,058	419,038	49,980	13.5%	7,565,480	7,565,480	0	0.0%
9 Other Services	66,031	208,959	142,928	216.5%	3,210,668	3,210,668	0	0.0%
10								
11 Materials & Supply:								
12 Fuel and Lubricants	236,862	190,160	(46,702)	-19.7%	4,156,448	3,783,600	(372,848)	-9.0%
13 Bus Parts and Materials	118,253	107,458	(10,795)	-9.1%	2,043,233	2,043,233	0	0.0%
14 Uniforms and Driver Expense	9,726	8,157	(1,569)	-16.1%	533,731	533,731	0	0.0%
15 Timetables and Tickets	5,992	5,000	(992)	-16.6%	326,500	326,500	0	0.0%
16 Office Supplies / Printing	20,195	6,664	(13,531)	-67.0%	484,412	484,412	0	0.0%
17 Other Materials and Supply	8,564	6,460	(2,104)	-24.6%	160,000	160,000	0	0.0%
18								
19 Utilities:								
20 Telecommunications	40,885	30,234	(10,651)	-26.1%	745,491	745,491	0	0.0%
21 Other Utilities	104,420	106,304	1,884	1.8%	1,140,000	1,140,000	0	0.0%
22 Insurance Costs	91,238	96,671	5,434	6.0%	3,042,164	3,042,164	0	0.0%
23 Workers' Compensation	255,633	260,961	5,328	2.1%	3,666,068	3,666,068	0	0.0%
24 Taxes and License Fees	33,606	48,126	14,520	43.2%	813,715	779,823	(33,892)	-4.2%
25 Fixed Route Accessibility	84,245	90,563	6,318	7.5%	1,092,576	1,092,576	0	0.0%
26 Leases and Rentals	13,278	10,598	(2,681)	-20.2%	182,670	182,670	0	0.0%
27 Promotional and Legal Advertising	6,806	2,124	(4,681)	-68.8%	869,000	869,000	0	0.0%
28 Training and Business Travel	9,106	495	(8,611)	-94.6%	878,513	878,513	0	0.0%
29 Dues and Membership	8,064	7,474	(590)	-7.3%	159,043	159,043	0	0.0%
30 Postage and Other	2,941	1,427	(1,514)	-51.5%	94,792	94,792	0	0.0%
31								
32 Total District Operated Buses	7,453,872	9,895,408	2,441,536	32.8%	97,286,770	97,855,030	568,260	0.6%
33								
34 CONTRACTED BUS SERVICES								
35 Contracted Urban Bus Service	1,296,444	1,360,006	63,562	4.9%	17,987,300	17,987,300	0	0.0%
36 Other Related Costs	52,336	27,704	(24,632)	-47.1%	358,694	358,694	0	0.0%
37 Insurance Costs	38,013	95,877	57,864	152.2%	773,422	773,422	0	0.0%
38 Coastside Services	132,269	125,838	(6,430)	-4.9%	1,954,500	1,954,500	0	0.0%
39 Redi Coast Non-ADA	21,363	19,324	(2,038)	-9.5%	253,100	253,100	0	0.0%
40 Other Related Costs	10,966	8,369	(2,596)	-23.7%	116,884	116,884	0	0.0%
41 La Honda - Pescadero	4,000	4,988	988	24.7%	55,130	55,130	0	0.0%
42 SamCoast - Pescadero	13,848	22,022	8,175	59.0%	138,350	138,350	0	0.0%
43 Other Related Cost - SamCoast	494	766	272	54.9%	6,638	6,638	0	0.0%
44 Total Contracted Bus Service	1,569,732	1,664,896	95,163	6.1%	21,644,018	21,644,018	0	0.0%
45								
46 TOTAL MOTOR BUS	9,023,605	11,560,304	2,536,699	28.1%	118,930,788	119,499,048	568,260	0.5%

**SAN MATEO COUNTY TRANSIT DISTRICT
OPERATING EXPENSES
FISCAL YEAR 2018
July 2017**

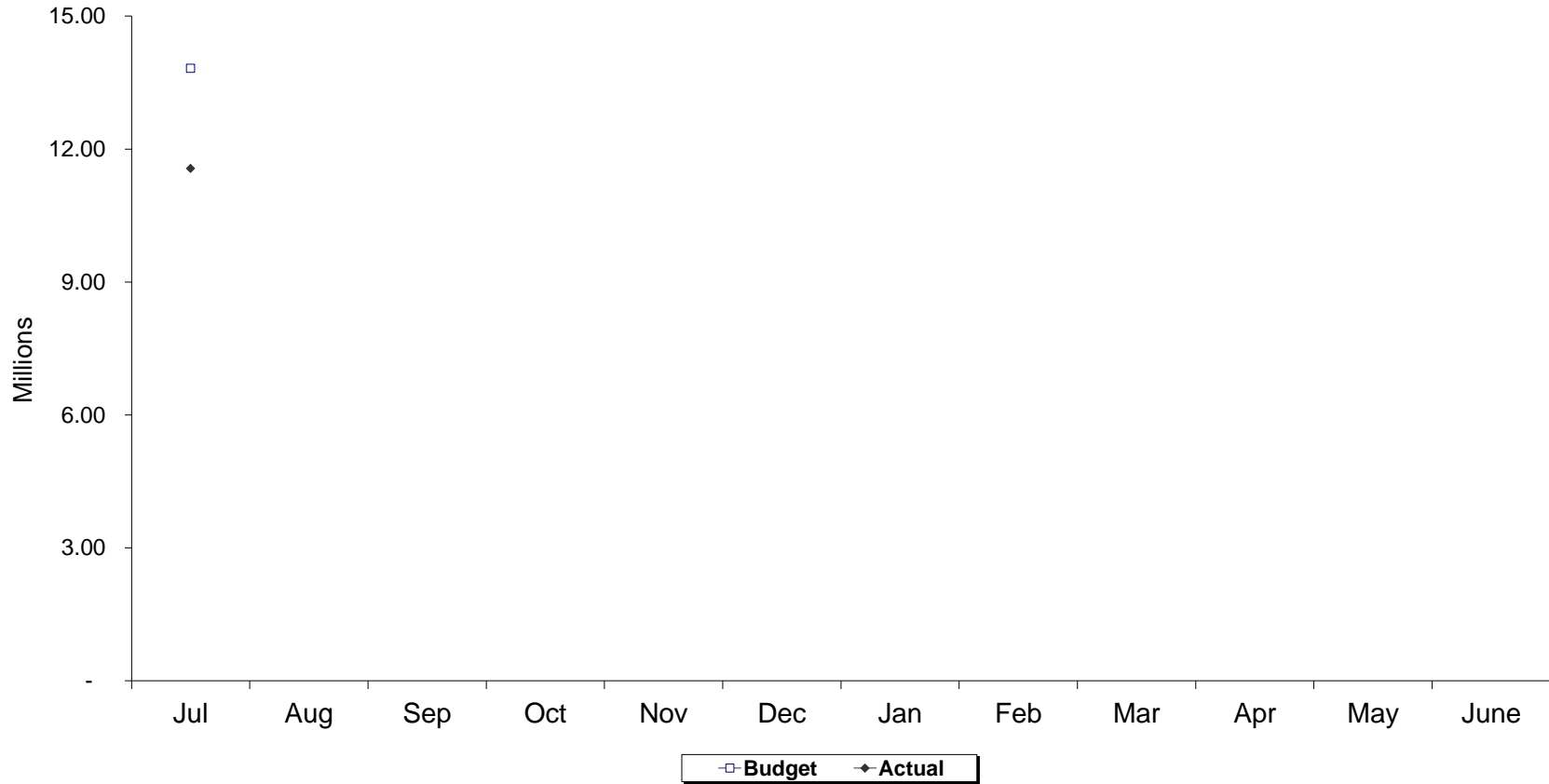
% OF YEAR ELAPSED: **8.3%**

EXPENSES	YEAR-TO-DATE				ANNUAL				
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET*	FORECAST	\$ VARIANCE	% VARIANCE	
47 AMERICAN DISABILITY ACT PROGRAMS									47
48									48
49 Elderly & Disabled/Redi-Wheels	412,597	325,417	(87,180)	-21.1%	7,716,600	7,716,600	0	0.0%	49
50 Other Related Costs	247,545	232,220	(15,325)	-6.2%	3,030,191	3,030,191	0	0.0%	50
51 ADA Sedans / Taxi Service	396,162	347,883	(48,279)	-12.2%	3,704,208	3,704,208	0	0.0%	51
52 ADA Accessibility Support	98,939	97,628	(1,311)	-1.3%	1,505,855	1,505,855	0	0.0%	52
53 Coastside ADA Support	139,348	143,966	4,618	3.3%	1,842,100	1,842,100	0	0.0%	53
54 Insurance Costs	27,760	281,909	254,149	915.5%	608,957	608,957	0	0.0%	54
55 TOTAL ADA PROGRAMS	1,322,352	1,429,022	106,670	8.1%	18,407,911	18,407,911	0	0.0%	55
56									56
57									57
58 MULTI-MODAL TRANSIT PROGRAMS									58
59									59
60 CALTRAIN SERVICE									60
61 Peninsula Rail Service	540,000	514,147	(25,853)	-4.8%	6,191,353	6,191,353	0	0.0%	61
62 Total Caltrain Service	540,000	514,147	(25,853)	-4.8%	6,191,353	6,191,353	0	0.0%	62
63									63
64 OTHER SUPPORT									64
65 SamTrans Shuttle Service	157,515	182,503	24,988	15.9%	2,077,765	2,077,765	0	0.0%	65
66 Bicycle Coordinating Activities	0	0	-	0.0%	0	72,781	72,781	0.0%	66
66 Maintenance Multimodal Facilities	11,162	11,705	543	4.9%	170,000	170,000	0	0.0%	66
67 Total Other Support	168,677	194,208	25,531	15.1%	2,247,765	2,320,546	72,781	3.2%	67
68									68
69 TOTAL MULTI-MODAL PROGRAMS	708,677	708,355	(322)	0.0%	8,439,118	8,511,899	72,781	0.9%	69
70									70
71 TOTAL OPERATING EXPENSES	11,054,634	13,697,681	2,643,047	23.9%	145,777,817	146,418,858	641,041	0.4%	71

SAN MATEO COUNTY TRANSIT DISTRICT

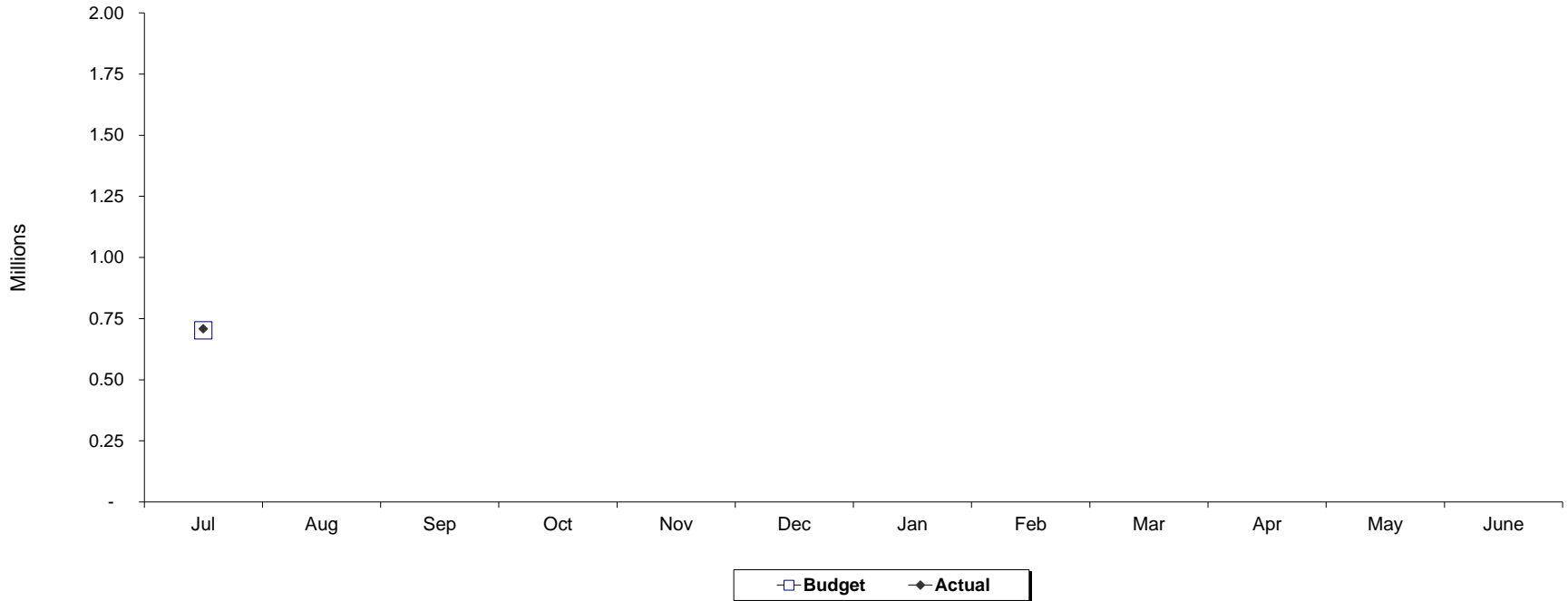
MOTOR BUS MONTHLY EXPENSES - BUDGET VS ACTUAL

FISCAL YEAR 2018



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
MONTHLY EXPENSES													
Budget	13,819,983												
Actual	11,560,304												
CUMULATIVE EXPENSES													
Budget	13,819,983												
Actual	11,560,304												
Variance - F(U)	2,259,679												
Variance %	16.35%												

SAN MATEO COUNTY TRANSIT DISTRICT
MULTIMODAL MONTHLY EXPENSES - BUDGET VS ACTUAL
FISCAL YEAR 2018



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
MONTHLY EXPENSES												
Budget	701,977											
Actual	708,355											
CUMULATIVE EXPENSES												
Budget	701,977											
Actual	708,355											
Variance - F(U)	(6,378)											
Variance %	-0.91%											

SAN MATEO COUNTY TRANSIT DISTRICT

INTEREST ON INVESTMENTS

July 31, 2017

DESCRIPTION	TOTAL INVESTMENT 7-31-17	INTEREST RECEIVABLE 6-30-17	PREPAID INT RECEIVABLE 7-31-17	INTEREST EARNED 7-31-17	INTEREST RECEIVED 7-31-17	ADJ.	INTEREST RECEIVABLE 7-31-17
RESERVE FOR CAPITAL PROJ	60,000.00	1,977.00	0.00	395.40	0.00	0.00	2,372.40
LAIF -- CAPITAL PROJ	77,758.01	179.63	0.00	69.34	178.65	(0.98)	69.34
REIMB SECURITIES -- L76R	89,385,699.77	407,321.29	15,902.17	147,184.73	273,075.92	(206.55)	297,125.72
LAIF -- REIMB FUNDS L76R	11,023.54	25.46	0.00	9.83	25.33	(0.13)	9.83
PARATRANSIT FUNDS	25,300,860.61	113,762.70	3,794.84	33,670.95	72,500.88	62.19	78,789.80
LAIF -- PARATRANSIT	1,041,632.87	2,406.33	0.00	928.90	2,393.23	(13.10)	928.90
BANK OF AMERICA	33,729,080.36	0.00	0.00	4,006.38	4,006.38	0.00	0.00
WELLS FARGO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Bank - Custodian account	8,676,684.93	2,889.73	0.00	3,664.59	2,889.73	0.00	3,664.59
Debt Service Reserves							
Held by Trustee:	3,607,898.27	0.00	0.00	0.00	0.00	0.00	0.00
	<u>161,890,638.36</u>	<u>528,562.14</u>	<u>19,697.01</u>	<u>189,930.12</u>	<u>355,070.12</u>	<u>(158.57)</u>	<u>382,960.58</u>

JULY 2017 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned 7/31/17	189,771.55
Add:	
CEO Interest	0.00
Less:	
Trust Fees	(616.31)
Capital Gain(Loss)	<u>(21,210.06)</u>
Total Interest & Capital Gain(Loss)	<u>167,945.18</u>

YEAR TO DATE -- SUMMARY

Interest Earned	189,771.55
Add:	
CEO Interest	
Less:	
Trust Fees	(616.31)
Capital Gain(Loss)	<u>(21,210.06)</u>
Total Interest & Capital Gain(Loss)	<u>167,945.18</u>
 Balance Per Ledger as of 7/31/17	
Deferred Int Acct. 210852/3	4,006.38
Interest Acct. 409101	185,765.17
Less Trust Fees 530045	(616.31)
Gain(Loss) Acct. 405210	<u>(21,210.06)</u>
	<u>167,945.18</u>

**SAN MATEO COUNTY TRANSIT DISTRICT
BOND REIMBURSED FUNDS -- INTEREST ON SECURITIES -- L76R
July 31, 2017**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 7-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST RECV'BLE 6-30-17	PREPAID INT RECV'BLE 7-31-17	INTEREST EARNED 7-31-17	INTEREST RECEIVED 7-31-17	PP INTEREST RECEIVED DATE	INTEREST RECV'BLE 7-31-17	INT REC'VBLE LESS PREPAID 7-31-17	PAR VALUE	
U.S. TREASURY NOTES AND BONDS																
US TREASURY NOTE	912828ST8	03-25-15	64,987.30	64,898.47	04-30-19	1.250%	2.2569	136.89		69.96			(1.52)	205.33	205.33	65,000.00
US TREASURY NOTE	912828VF4	12-7-15	4,343,109.38	4,387,627.20	05-31-20	1.375%	168.0556	5,124.32		5,209.72			(85.41)	10,248.63	10,248.63	4,400,000.00
US TREASURY NOTE	912828VP2	05-18-16	3,824,730.47	3,752,318.00	07-31-20	2.000%	205.5556	30,867.40		6,372.22			(38.53)	201.09	201.09	3,700,000.00
US TREASURY NOTE	912828L32	6-29-16	1,527,421.88	1,492,968.00	08-31-20	1.375%	57.2917	6,969.44		1,776.04			(19.52)	8,725.96	8,725.96	1,500,000.00
US TREASURY NOTE	912828Q78	01-05-17	1,960,312.50	1,978,828.00	04-30-21	1.375%	76.3889	4,633.15		2,368.06			(51.48)	6,949.73	6,949.73	2,000,000.00
US TREASURY NOTE	912828R77	03-17-17	1,363,632.81	1,384,031.60	05-31-21	1.375%	53.4722	1,630.46		1,657.64			(27.17)	3,260.93	3,260.93	1,400,000.00
US TREASURY NOTE	912828D72	04-05-17	1,007,734.38	1,010,938.00	08-31-21	2.000%	55.5556	6,961.78		1,722.22			(207.13)	8,476.87	8,476.87	1,000,000.00
US TREASURY NOTE	912828D72	06-29-17	1,516,347.66	1,516,407.00	08-31-21	2.000%	83.3333	10,027.17		2,583.33			(56.15)	12,554.35	12,554.35	1,500,000.00
																19.95%
GOVERNMENT BONDS																
FHMA GLOBAL NOTES	3137EADP1	08-08-16	150,193.50	149,631.00	07-11-17	0.875%	3.6458	415.63		36.46			(0.01)	(0.00)	(0.00)	150,000.00
FHLMC	3130A9AE1	08-26-16	1,399,048.00	1,391,600.00	07-11-17	0.875%	34.0278	3,062.50		340.28				0.00	0.00	1,400,000.00
FHLMC	3137EAD7	09-16-16	794,658.15	790,831.82	10-12-18	0.875%	19.3229	1,526.51		579.69				2,106.20	2,106.20	795,000.00
FHLMC	3137EAD7	09-16-16	599,742.00	596,238.00	07-11-17	0.875%	14.5833	1,152.08		145.83			0.01	0.00	0.00	600,000.00
FHBL NOTES AGENCY	313376BR5	08-11-16	255,055.00	251,340.25	12-14-18	1.750%	12.1528	206.60		364.58				571.18	571.18	250,000.00
FEDERAL HOME LOAN BANK AGI	3130AAX1	03-10-17	2,050,232.40	2,055,711.03	03-18-19	1.375%	78.4896	8,712.34		2,354.69				11,067.03	11,067.03	2,055,000.00
FHLMC	3137EAE11	07-20-16	2,693,466.00	2,672,373.60	07-19-19	0.875%	65.6250	10,631.26		1,968.75				787.51	787.51	2,700,000.00
FNMA	3135GON33	08-02-16	1,597,312.00	1,582,744.00	08-02-19	0.875%	38.8889	5,794.44		1,166.67				6,961.11	6,961.11	1,600,000.00
FNMA	3135GON33	08-02-16	598,992.00	593,184.00	07-18-17	0.875%	14.5833	2,172.92		247.92			(0.01)	0.00	0.00	600,000.00
FHBL GLOBAL NOTE	3130A8V72	08-04-16	449,136.00	445,207.95	08-05-19	0.875%	10.9375	1,596.88		328.13			(0.01)	1,925.00	1,925.00	450,000.00
FHMA NOTES	3135GOP49	09-02-16	2,695,788.00	2,676,240.00	08-28-19	1.000%	75.0000	9,225.00		2,250.00				11,475.00	11,475.00	2,700,000.00
FHBL GLOBAL NOTE	3130A9EP2	09-08-16	2,697,651.00	2,675,565.00	09-26-16	1.000%	75.0000	7,125.00		2,250.00				9,375.00	9,375.00	2,700,000.00
FHMA NOTES	3135GOT29	02-28-17	1,299,168.00	1,298,940.50	02-28-20	1.500%	54.1667	6,662.50		1,625.00				8,287.50	8,287.50	1,300,000.00
FHLMC AGENCY	3137EAE72	04-20-17	1,295,554.00	1,294,131.80	04-20-20	1.375%	49.6528	3,525.35		1,489.58				5,014.93	5,014.93	1,300,000.00
FHBL GLOBAL NOTE	3130A8Q55	07-15-16	2,683,581.30	2,639,471.40	07-14-21	1.125%	84.3750	14,090.63		2,531.25				1,434.38	1,434.38	2,700,000.00
FNMA NOTES	3135GON82	08-19-16	473,375.03	465,774.55	08-17-21	1.250%	16.4931	2,210.07		494.79				2,704.86	2,704.86	475,000.00
FNMA NOTES	3135GON82	08-19-16	1,518,823.75	1,495,381.45	08-17-21	1.250%	52.9514	7,095.49		1,588.54				8,684.03	8,684.03	1,525,000.00
																23.08%
CORPORATE NOTE																
WALT DISNEY CORP NOTE	25468PCB0	11-23-16	1,050,210.00	1,016,037.00	12-15-17	5.875%	163.1944	2,611.11		4,895.83				7,506.94	7,506.94	1,000,000.00
JOHN DEERE CAPITAL CORP	24422ESR1	11-22-16	1,557,207.50	1,550,759.50	12-15-17	1.550%	66.7361	1,067.78		2,002.08				3,069.86	3,069.86	1,550,000.00
JOHN DEERE CAPITAL CORP	24422ETM1	01-06-17	799,480.00	800,856.00	10-15-18	1.650%	36.6667	2,786.67		1,100.00				3,886.67	3,886.67	800,000.00
TOYOTA MOTOR CORP	89236TDM4	01-09-17	1,099,615.00	1,102,109.80	01-09-19	1.700%	51.9444	8,934.44		1,558.33			0.01	1,142.78	1,142.78	1,100,000.00
BERKSHIRE HATHWAY GLOBAL N	084670BL1	12-23-16	1,810,188.00	1,817,571.60	08-14-19	2.100%	105.0000	14,385.00		3,150.00				17,535.00	17,535.00	1,800,000.00
AMERICAN HONDA FINANCE GU	02665WH44	12-20-16	1,808,946.00	1,817,676.00	08-15-19	2.250%	112.5000	15,300.00		3,375.00				18,675.00	18,675.00	1,800,000.00
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-16	669,665.00	667,082.15	10-18-19	1.550%	28.8472	2,105.85		865.42			(0.01)	2,971.26	2,971.26	670,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	499,405.00	498,014.50	10-30-19	1.700%	23.6111	1,440.28		708.33				2,148.61	2,148.61	500,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	1,100,209.00	1,095,631.90	10-30-19	1.700%	51.9444	3,168.61		1,558.33			0.01	4,726.95	4,726.95	1,100,000.00
PEIZER INC CORP NOTE	717081EB5	11-21-16	1,184,146.80	1,187,124.71	12-15-19	1.700%	55.9583	895.33		1,678.75				2,574.08	2,574.08	1,185,000.00
CITIGROUP INC	172967LF6	01-10-17	899,640.00	908,373.60	01-10-20	2.450%	61.2500	10,473.75		1,837.50				1,286.25	1,286.25	900,000.00
MICROSOFT CORP	594918BV5	02-06-17	899,397.00	903,906.00	02-06-20	1.850%	46.2500	6,706.25		1,387.50				8,093.75	8,093.75	900,000.00
WALT DISNEY CO CORP NOTES	25468PDP8	03-06-17	379,901.20	381,681.12	03-04-20	1.950%	20.5833	2,367.08		617.50				2,984.58	2,984.58	380,000.00
APPLE INC BONDS	037833CS7	05-11-17	819,163.60	821,988.50	05-11-20	1.800%	41.0000	2,050.00		1,230.00				3,280.00	3,280.00	820,000.00
HOME DEPOT INC CORP NOTES	437076BQ4	06-05-17	449,739.00	451,881.00	06-05-20	1.800%	22.5000	585.00		675.00				1,260.00	1,260.00	450,000.00
MORGAN STANLEY CORP NOTE	6174467P8	11-10-16	2,009,250.00	1,965,749.40	07-24-20	5.500%	275.0000	43,175.00		8,250.00				49,500.00	49,500.00	1,800,000.00
GOLDMAN SACHS GROUP CORP	3814GGQ1	11-28-16	1,765,872.00	1,762,617.60	07-27-21	5.250%	233.3333	35,933.33		7,000.00				933.33	933.33	1,600,000.00
JOHN DEERE CAPITAL CORP	2442ETL3	03-15-17	448,015.50	458,906.85	01-06-22	2.650%	33.1250	5,796.88		993.75				828.13	828.13	450,000.00
JPMORGAN CHASES & CO CORP	46625HDJ3	05-26-17	973,638.00	979,105.50	01-24-22	4.500%	112.5000	17,662.50		3,375.00				787.50	787.50	900,000.00
																23.37%
COMMERCIAL PAPER																
Bank of Montreal Chicago	0636GWF2	12-22-16	1,781,763.65	1,797,084.00	09-15-17	0.000%		0.00		0.00				0.00	0.00	1,800,000.00
CANADIAN IMPERIAL HLDING	13607EXD6	01-19-17	1,781,510.25	1,795,509.00	10-13-17	0.000%		0.00		0.00				0.00	0.00	1,800,000.00
BANK OF TOKYO MITSUBISHI UF	06538BXP3	04-21-17	993,011.11	997,060.00	10-23-17	0.000%		0.00		0.00				0.00	0.00	1,000,000.00
CREDIT AGRICOLE CIB NY	22533TYL4	05-23-17	1,788,144.50	1,792,585.80	11-20-17	0.000%		0.00		0.00				0.00	0.00	1,800,000.00
BANK OF TOKYO MITSUBISHI U	06538CBG5	05-23-17	791,212.67	793,666.40	05-23-17	0.000%		0.00		0.00				0.00	0.00	800,000.00
BNP PARIBAS NY BRANCH COM	09659CC71	07-07-17	1,781,775.00	1,783,837.80	03-07-18	0.000%		0.00		0.00				0.00	0.00	1,800,000.00
																10.11%
CERTIFICATION OF DEPOSIT																
CANADIAN IMPERIAL BANK NY C	13606ASZ7	12-05-16	1,798,596.00	1,806,012.00	11-30-18	1.760%	88.0000	2,816.00		2,640.00			88.00	5,544.00	5,544.00	1,800,000.00
NORDEA BANK FINLAND NY	65558LWA6	12-05-16	1,800,000.00	1,806,012.00	11-30-18	1.760%	88.0000	2,728.00		2,640.00				5,368.00	5,368.00	1,800,000.00

**SAN MATEO COUNTY TRANSIT DISTRICT
BOND REIMBURSED FUNDS -- INTEREST ON SECURITIES -- L76R
July 31, 2017**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 7-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'VBLE 6-30-17	PREPAID INT REC'VBLE 7-31-17	INTEREST EARNED 7-31-17	INTEREST RECEIVED 7-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'VBLE 7-31-17	INT REC'VBLE LESS PREPAID 7-31-17	PAR VALUE
BANK OF NOVA SCOTIA HOUSTC	06417GUE6	04-06-17	1,800,000.00	1,798,527.60	04-05-19	1.910%	95.5000	8,213.00		2,865.00			95.50	11,173.50	11,173.50	1,800,000.00
SUMITOMO MITSUI BANK NY CT	86563YVNO	05-04-17	1,500,000.00	1,504,897.50	05-03-19	2.050%	85.4167	4,868.75		2,562.50				7,431.25	7,431.25	1,500,000.00
9.77%																
ASSET-BACKED SECURITY/COLLATERALIZED MORTGAGE OBLIGATION																
CCCT 2017-A2 A2	17305EGA7	01-26-17	1,549,703.18	1,552,769.08	01-17-21	1.740%	74.9167	11,612.08		2,247.50	12,810.75			1,048.83	1,048.83	1,550,000.00
TOYOTA ABS 2017-A A3	89238MAD0	03-15-17	449,947.04	450,730.17	02-15-21	1.730%	21.6250	346.00		648.75	648.75			346.00	346.00	450,000.00
FORD ABS 2017-A A3	34531EAD8	01-25-17	1,199,995.56	1,199,835.24	06-25-21	1.670%	55.6667	890.67		1,670.00	1,670.00			890.67	890.67	1,200,000.00
TOYOTA ABS 2017-B A3	89190BAD0	05-17-17	1,799,861.94	1,800,896.76	07-15-21	1.760%	88.0000	1,408.00		2,640.00	2,640.00			1,408.00	1,408.00	1,800,000.00
ALLY ABS 2017-2 A3	02007HAC5	03-29-17	1,444,829.63	1,445,845.61	08-15-21	1.780%	71.4472	1,143.16		2,143.42	2,143.42			1,143.16	1,143.16	1,445,000.00
JOHN DEERE ABS 2017-B A3	47788BAD6	07-18-17	599,956.08	600,495.60	10-15-21	1.820%	30.3333	0.00		394.33				394.33	394.33	600,000.00
AMXCA 2017-4 A	02582JHG8	05-30-17	679,891.06	679,678.16	12-15-21	1.640%	30.9778	498.67		929.33	929.33			498.67	498.67	680,000.00
CCCT 2017-A3 A3	17305EGB5	05-22-17	902,403.00	902,844.99	04-07-22	1.920%	48.0000	3,840.00		1,440.00				5,280.00	5,280.00	900,000.00
10.14%																
FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION																
FNMA	3136ANJY4	4-30-15	506,430.40	500,869.58	04-01-18	1.550%	21.5888	732.64		647.66	735.00		2.36	647.66	647.66	501,418.03
FANNIE MEA	3136AQDQ0	10-30-15	685,838.33	678,950.50	09-01-19	1.646%	31.0471	984.02		931.41	1,674.13			241.30	241.30	679,038.50
FANNIE MEA	3136AQDQ0	10-30-15	38,739.17	38,355.09	07-25-17	1.646%	1.7537	0.00		0.00	0.00			0.00	0.00	38,355.09
FNA 2014-M6 A2	3136AJ7G5	12-15-16	2,040,468.75	2,046,758.40	05-25-21	2.679%	148.8333	4,464.18		4,464.18	4,464.18			4,464.18	4,464.18	2,000,000.00
3.57%																
CASH AND CASH EQUIVALENTS																
MONEY MARKET FUND	31846V534		479,796.27	479,796.26				144.96		96.05	144.96			96.05	96.05	0
LAIF			11,023.54	11,023.54				25.46		9.83	25.33		(0.13)	9.83	9.83	11,023.54
MATURED/CALLED																
FHMA GLOBAL NOTES	3137EADP1	08-08-16	(150,193.50)	(149,631.00)	07-11-17											(150,000.00)
FHLMC	3130A9AE1	08-26-16	(1,399,048.00)	(1,391,600.00)	07-11-17											(1,400,000.00)
FHLMC	3137EAD7	09-16-16	(599,742.00)	(596,238.00)	07-11-17											(600,000.00)
FNMA	3135GON33	08-02-16	(598,992.00)	(593,184.00)	07-18-17											(600,000.00)
BNP PARIBAS NY BRANCH COM	09659BUH1	10-20-16	(1,881,190.00)	(1,799,400.00)	07-17-17											(1,900,000.00)
FNMA	3136ANJY4	4-30-15	(66,443.22)	(65,785.60)	07-25-17											(65,785.60)
FANNIE MEA	3136AQDQ0	10-30-15	(38,739.17)	(38,355.09)	07-25-17											(38,355.09)
TOTAL LAIF			11,023.54	11,023.54												
TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)			<u>89,576,479.67</u>	<u>89,385,699.77</u>				<u>407,321.30</u>	<u>15,902.17</u>	<u>147,184.73</u>	<u>273,075.92</u>		<u>(206.56)</u>	<u>297,125.72</u>	<u>281,223.55</u>	<u>89,030,456.53</u>

SAN MATEO COUNTY TRANSIT DISTRICT
RESERVE FOR CAPITAL PROJECTS -- INTEREST ON SECURITIES
July 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 7-31-17	MATURITY/CALL DATE	INT RATE	RATE/ DAY	APPL. DAYS	INTEREST REC'VBLE 6-30-17	PREPAID INT REC'VBLE 7-31-17	INTEREST EARNED 7-31-17	INTEREST RECEIVED 7-31-17	ADJ.	INTEREST REC'VBLE 7-31-17	INT REC'VBLE LESS PREPAID 7-31-17	PAR VALUE
<u>GOVERNMENT BONDS</u>																
HOUSING URBAN DEVEL	911759E80	12-23-08	62,205.20	60,000.00	08-01-17	7.908%	13.1800	30	1,977.00		395.40			2,372.40	2,372.40	60,000
<u>CASH AND CASH EQUIVALENTS</u>																
FIRST AMER US TREASURY MM	31846V534		8,072,992.31	8,072,992.31					2,723.87		3,544.53	2,723.87		3,544.53	3,544.53	
LAIF			77,758.01	77,758.01					179.63		69.34	178.65	(0.98)	69.34	69.34	77,758
TOTAL LAIF			77,758.01	77,758.01												
TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)			<u>62,205.20</u>	<u>60,000.00</u>					<u>1,977.00</u>	<u>0.00</u>	<u>395.40</u>	<u>0.00</u>	<u>0.00</u>	<u>2,372.40</u>	<u>2,372.40</u>	<u>60,000.00</u>

SAN MATEO COUNTY TRANSIT DISTRICT
PARATRANSIT FUNDS – INTEREST ON SECURITIES
July 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 7-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'BLE 6-30-17	PP INTEREST REC'BLE 7-31-17	INTEREST EARNED 7-31-17	INTEREST RECEIVED 7-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'BLE 7-31-17	INT REC'BLE LESS PREPAID 7-31-17	PAR VALUE
U.S. TREASURY NOTES AND BONDS																
US TREASURY NOTE	912828TG5	06-2-16	99,683.59	99,980.47	07-11-17	0.500%	1.3889	208.56		13.89	222.38		(0.07)	(0.00)	(0.00)	100,000.00
US TREASURY NOTE	912828U21	03-31-16	284,075.98	283,586.13	07-11-17	0.625%	4.9479	300.10		49.48	348.51		(1.07)	(0.00)	(0.00)	285,000.00
US TREASURY NOTE	912828VF4	12-7-15	1,332,544.92	1,346,203.80	5-31-20	1.375%	51.5625	1,572.23		1,598.44			(26.20)	3,144.47	3,144.47	1,350,000.00
US TREASURY NOTE	912828VP2	5-18-16	1,395,509.76	1,369,089.00	7-31-20	2.000%	75.0000	11,262.43		2,325.00	13,500.00		(14.06)	73.37	73.37	1,350,000.00
US TREASURY NOTE	912828B90	10-5-16	181,323.24	177,276.40	02-28-21	2.000%	9.7222	1,169.84		301.39			(6.57)	1,464.67	1,464.67	175,000.00
US TREASURY NOTE	912828L32	6-29-16	356,398.44	348,359.20	8-31-20	1.375%	13.3681	1,626.20		414.41			(4.55)	2,036.06	2,036.06	350,000.00
US TREASURY NOTE	912828Q78	01-05-17	573,391.41	578,807.19	04-30-21	1.375%	22.3438	1,355.20		692.66			(15.06)	2,032.80	2,032.80	585,000.00
US TREASURY NOTE	912828D72	04-05-17	251,933.59	252,734.50	08-31-21	2.000%	13.8889	1,748.76		430.56			52.84	2,232.16	2,232.16	250,000.00
US TREASURY NOTE	912828D72	06-29-17	454,904.30	454,922.10	08-31-21	2.000%	25.0000	3,008.15		775.00				3,783.15	3,783.15	450,000.00
																19.98%
FEDERAL AGENCY COLLETERIALIZED MORTGAGE OBLIGATION																
FNMA	3136ANJY4	4-30-15	141,136.34	139,586.60	04-01-18	1.550%	6.0166	204.18		180.50	204.84			179.84	179.84	139,739.45
FNMA	3136ANJY4	4-30-15	18,516.96	18,333.69	07-25-17	1.550%	0.7894	0.00		0.00	0.00			0.00	0.00	18,333.69
FANIE MAE	3136AQDQ0	10-30-15	197,178.53	195,198.27	09-01-19	1.646%	8.9261	282.91		267.78	481.32			69.37	69.37	195,223.57
FANIE MAE	3136AQDQ0	10-30-15	11,137.51	13,923.91	07-25-17	1.646%	0.5042	0.00		0.00	0.00			0.00	0.00	11,027.09
																3.51%
CORPORATE NOTE																
JOHN DEERE CAPITALCORP	24422ETM1	01-06-17	199,870.00	200,214.00	10-15-18	1.650%	9.1667	696.67		275.00				971.67	971.67	200,000.00
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-17	299,895.00	300,575.40	01-09-19	1.700%	14.1667	2,436.67		425.00	2,550.00			311.67	311.67	300,000.00
BERKSHIRE HATHAWAY INC.	084670B11	12-23-16	502,830.00	504,881.00	08-14-19	2.100%	29.1667	3,995.83		875.00				4,870.83	4,870.83	500,000.00
AMERICAN HONDA FINANCE GLOBAL N	02665WAH4	12-20-16	502,485.00	504,910.00	08-15-19	2.250%	31.2500	4,250.00		937.50				5,187.50	5,187.50	500,000.00
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-16	199,900.00	199,129.00	10-18-19	1.550%	8.6111	628.61		258.33				886.94	886.94	200,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	149,821.50	149,404.35	10-30-19	1.700%	7.0833	432.08		212.50				644.58	644.58	150,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	350,066.50	348,610.15	10-30-19	1.700%	16.5278	1,008.20		495.83				1,504.03	1,504.03	350,000.00
PEIZER INC CORP NOTE	717081EB5	11-21-16	329,762.40	330,591.69	12-15-19	1.700%	15.5833	249.33		467.50				716.83	716.83	330,000.00
CITIGROUP INC	172967LF6	01-10-17	249,900.00	252,326.00	01-10-20	2.450%	17.0139	2,909.38		510.42	3,062.50		(0.01)	357.29	357.29	250,000.00
MICROSOFT CORP	594918BV5	02-06-17	251,832.50	251,085.00	02-06-20	1.850%	12.8472	1,862.85		385.42			(0.01)	2,248.26	2,248.26	250,000.00
WALT DISNEY CO CORP NOTES	25468DP8	03-06-17	99,974.00	100,442.40	03-04-20	1.950%	5.4167	622.92		162.50				785.42	785.42	100,000.00
APPLE INC BONDS	037833CS7	05-11-17	224,770.50	225,545.63	05-11-20	1.800%	11.2500	562.50		337.50				900.00	900.00	225,000.00
HOME DEPOT INC CORP NOTES	43707BQ4	06-05-17	124,927.50	125,522.50	06-05-20	1.800%	6.2500	162.50		187.50				350.00	350.00	125,000.00
MORGAN STANLEY CORP NOTE	6174467P8	11-10-16	558,125.00	546,041.50	07-24-20	5.500%	76.3889	11,993.06		2,291.67	13,750.00		(0.01)	534.72	534.72	500,000.00
GOLDMAN SACHS GROUP CORP	3814GGQ1	11-28-16	496,651.50	495,736.20	07-27-21	5.250%	65.6250	10,106.25		1,968.75	11,812.50			262.50	262.50	450,000.00
JPMORGAN CHASE & CO CORP NOTES	46625HUD3	05-26-17	270,455.00	271,973.75	01-24-22	4.500%	31.2500	4,906.25		937.50	5,625.00			218.75	218.75	250,000.00
																19.03%
COMMERCIAL PAPER																
BANK OF MONTREAL CHICAGO	06366GWF2	12-22-16	544,427.78	549,109.00	09-15-17	0.000%		0.00		0.00				0.00	0.00	550,000.00
CANADIAN IMPERIAL HLDING COMM P	13607EXD6	01-19-17	494,863.96	498,752.50	10-13-17	0.000%		0.00		0.00				0.00	0.00	500,000.00
COOPERATIVE RABOANK UA COMM P	21687YAT4	03-03-17	495,329.86	497,820.00	03-02-17	0.000%		0.00		0.00				0.00	0.00	500,000.00
BNP PARIBAS NY BRANCH COMM PAPE	09659BZ11	03-06-17	544,513.75	547,453.50	12-01-17	0.000%		0.00		0.00				0.00	0.00	550,000.00
																9.33%
CERTIFICATE OF DEPOSIT																
CANADIAN IMPERIAL BANK NY CD	13606ASZ7	12-05-16	499,610.00	501,670.00	11-30-18	1.7600%	24.4444	782.22		733.33			24.45	1,540.00	1,540.00	500,000.00
NORDEA BANK FINLAND NY	65558LWA6	12-05-16	500,000.00	501,670.00	11-30-18	1.7600%	24.4444	757.78		733.33				1,491.11	1,491.11	500,000.00
SVENSKA HANDELSBANKEN NY LT CD	86958JH88	01-12-17	500,000.00	498,453.50	01-10-19	1.8900%	26.2500	4,462.50		787.50	4,698.75		26.25	577.50	577.50	500,000.00
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-06-17	500,000.00	499,591.00	04-05-19	1.9100%	26.5278	2,281.39		795.83			26.53	3,103.75	3,103.75	500,000.00
																9.92%
FEDERAL AGENCY BOND/NOTE																
FNMA GLOBAL NOTES	3137EADP1	08-08-16	675,870.75	673,730.33	03-07-18	0.8750%	16.4063	1,870.36		492.19			(0.05)	2,362.50	2,362.50	675,000.00
FNMA GLOBAL NOTES	3137EADP1	08-08-16	150,193.50	149,631.00	07-11-17	0.8750%	3.6458	415.58		36.46	452.08		0.04	(0.00)	(0.00)	150,000.00
FHLB GLOBAL NOTES	3130A9AE1	08-26-16	599,592.00	596,688.00	10-01-18	0.8750%	14.5833	1,312.50		437.50				1,750.00	1,750.00	600,000.00
FHLB GLOBAL NOTES	3137EAE7	09-16-16	384,834.45	382,981.45	10-12-18	0.8750%	9.3576	739.25		280.73				1,019.98	1,019.98	385,000.00
FEDERAL HOME LOAN BANK AGENCY	3130AAX1	03-10-17	598,608.00	600,207.60	03-18-19	1.3750%	22.9167	2,543.75		687.50				3,231.25	3,231.25	600,000.00
FHLMC	3137EAE81	7-20-16	748,185.00	742,326.00	07-19-16	0.8750%	18.2292	2,953.13		546.88	3,281.25		(0.01)	218.75	218.75	750,000.00

SAN MATEO COUNTY TRANSIT DISTRICT
PARATRANSIT FUNDS – INTEREST ON SECURITIES
 July 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 7-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'VBLE 6-30-17	PP INTEREST REC'VBLE 7-31-17	INTEREST EARNED 7-31-17	INTEREST RECEIVED 7-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'VBLE 7-31-17	INT REC'VBLE LESS PREPAID 7-31-17	PAR VALUE
FNMA	3135G0N33	08-02-16	479,193.60	474,823.20	08-02-19	0.8750%	11.6667	1,738.33		350.00				2,088.33	2,088.33	480,000.00
FNMA	3135G0N33	08-02-16	169,714.40	168,252.65	07-18-17	0.8750%	4.1319	615.66		70.24	685.90			(0.00)	(0.00)	170,000.00
FHLB GLOBAL NOTES	3130A8Y72	08-04-16	174,664.00	173,136.43	08-05-19	0.8750%	4.2535	621.01		127.61			(0.01)	748.61	748.61	175,000.00
FNMA NOTES	3135G0P49	09-02-16	798,752.00	792,960.00	08-28-19	1.0000%	22.2222	2,733.34		666.67				3,400.01	3,400.01	800,000.00
FNMA NOTES	3130A9EP2	09-09-16	799,304.00	792,760.00	09-26-19	1.0000%	22.2222	2,111.11		666.67				2,777.78	2,777.78	800,000.00
FNMA NOTES	3135G0T29	02-28-17	339,782.40	339,722.90	02-28-20	1.5000%	14.1667	1,742.50		425.00				2,167.50	2,167.50	340,000.00
FHLMC AGENCY	3137EAEF2	04-20-17	348,803.00	348,420.10	04-20-20	1.3750%	13.3681	949.13		401.04				1,350.17	1,350.17	350,000.00
FHLB GLOBAL NOTE	3130A8Q55	7-15-16	516,837.88	508,342.64	07-14-21	1.1250%	16.2500	2,713.75		487.50	2,925.00			276.25	276.25	520,000.00
FNMA NOTES	3135G0N82	8-19-16	597,658.06	588,346.80	08-17-21	1.2500%	20.8333	2,791.67		625.00				3,416.67	3,416.67	600,000.00
																28.08%
CCCIT 2017-A2 A2	17305EGA7	01-26-17	449,913.83	450,803.93	01-17-21	1.7400%	21.7500	3,371.25		652.50	3,719.25			304.50	304.50	450,000.00
TOYOTA ABS 2017-A A3	89238MADO	03-15-17	124,985.29	125,202.83	02-15-21	1.7300%	6.0069	96.11		180.21	180.21			96.11	96.11	125,000.00
ALLY ABS 2017-1 A3	02007PAC7	01-31-17	114,989.95	114,921.64	06-15-21	1.7000%	5.4306	86.89		162.92	162.92			86.89	86.89	115,000.00
FORD ABS 2017-A A3	34531EAD8	01-25-17	349,998.71	349,951.95	06-25-21	1.6700%	16.2361	259.78		487.08	487.08			259.78	259.78	350,000.00
TOYOTA ABS 2017-B A3	89190BADO	05-17-17	499,961.65	500,249.10	07-15-21	1.7600%	24.4444	391.11		733.33	733.33			391.11	391.11	500,000.00
ALLY ABS 2017-2 A3	02007HAC5	03-29-17	399,952.84	400,234.08	08-15-21	1.7800%	19.7778	316.44		593.33	593.33			316.44	316.44	400,000.00
JOHN DEERE ABS 2017-B A3	47788BAD6	07-18-17	169,987.56	170,140.42	10-15-21	1.8200%	8.5944	0.00		111.73				111.73	111.73	170,000.00
AMXCA 2017-4 A	02582HIG8	05-30-17	199,967.96	199,905.34	12-15-21	1.6400%	9.1111	145.84		273.33	273.33			145.84	145.84	200,000.00
CCCIT 2017-A3 A3	170305EG85	05-22-17	250,667.50	250,790.28	04-07-22	1.9200%	13.3333	1,066.67		400.00				1,466.67	1,466.67	250,000.00
																10.16%
CASH AND CASH EQUIVALENTS																
MONEY MARKET FUND	31846V534		123,896.36	123,896.36				20.90		24.01	20.90			24.01	24.01	0
LAIF			1,041,632.87	1,041,632.87				2,406.33	0.00	928.90	2,393.23		(13.10)	928.90	928.90	1,041,633
US TREASURY NOTE	912828TG5	06-2-16	(99,683.59)	(99,980.47)	07-11-17											(100,000.00)
US TREASURY NOTE	912828UZ1	03-31-16	(284,075.98)	(283,586.13)	07-11-17											(285,000.00)
FNMA	3136ANJY4	04-30-15	(18,516.96)	(18,333.69)	07-25-17											(18,333.69)
FANIE MAE	3136AQDQ0	10-30-15	(11,137.51)	(13,923.91)	07-25-17											(11,027.09)
FNMA GLOBAL NOTES	3137EADP1	08-08-16	(150,193.50)	(149,631.00)	07-11-17											(150,000.00)
FNMA	3135G0N33	08-02-16	(169,714.40)	(168,252.65)	07-18-17											(170,000.00)
TOTAL LAIF			1,041,632.87	1,041,632.87												
TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)			25,345,897.14	25,300,860.61				113,762.69	3,794.84	33,670.95	72,500.88	0.00	62.19	78,789.80	74,994.96	24,224,963.02
TOTAL LAIF			1,039,239.64	1,034,150.89				1,039,239.64								
TOTAL A/C 122010			25,336,980.80	25,398,234.43				25,290,099.22								
TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)			25,336,980.80	25,398,234.43				25,290,099.22	75,169.75	4,359.17	31,295.69	20,070.23	0.00	(157.03)	90,597.36	86,238.19

SAN MATEO COUNTY TRANSIT DISTRICT
SUMMARY OF BUDGET ACTIVITY FOR JULY 2017

BUDGET AMENDMENTS

	Amount	Line Item		Description
Jul-17				No Budget Revisions in July 2017.
	<u>\$ -</u>	Total	<u>\$ -</u>	Total

BUDGET REVISIONS

	Amount	Line Item		Description
Jul-17				No Budget Revisions in July 2017.
	<u>\$ -</u>	Total	<u>\$ -</u>	Total

SAN MATEO COUNTY TRANSIT DISTRICT
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY2018
 July 2017

8/28/17 4:16 PM

Approved Budget		Receipts		Over/(Under)	Current																														
Date	Amount	Date	Amount	Budget/Projection	Projection																														
FY2017:																																			
1st Quarter	19,338,441	1st Quarter	18,526,400	(812,041)	18,526,400																														
2nd Quarter	20,753,590	2nd Quarter	22,306,576	1,552,986	22,306,576																														
3rd Quarter	21,051,276	3rd Quarter	19,175,737	(1,875,539)	19,175,737																														
4th Quarter	21,856,693	4th Quarter			0																														
FY2017 Total	83,000,000	FY2016 Total	60,008,713	(1,134,594)	60,008,713																														
FY2018:																																			
Jul. 17	6,173,245	Sep. 17			6,173,245																														
Aug. 17	6,173,245	Oct. 17			6,173,245																														
Sep. 17	9,148,973	Nov. 17			9,148,973																														
3 Months Total	21,495,463		0	0	21,495,463																														
Oct. 17	6,484,778	Dec. 17			6,484,778																														
Nov. 17	6,279,663	Jan. 18			6,279,663																														
Dec. 17	9,645,126	Feb. 18			9,645,126																														
6 Months Total	43,905,030		0	0	43,905,030																														
Jan. 18	5,525,697	Mar. 18			5,525,697																														
Feb. 18	5,504,678	Apr. 18			5,504,678																														
Mar. 18	7,882,317	May 18			7,882,317																														
9 Months Total	62,817,722		0	0	62,817,722																														
Apr. 18	6,117,920	Jun. 18			6,117,920																														
May 18	6,103,123	Jul. 18			6,103,123																														
Jun. 18	9,621,235	Aug. 18			9,621,235																														
FY2018 Total	84,660,000	FY2018 Total	0	0	84,660,000																														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 15%; text-align: right;">6,173,245</td> <td style="width: 15%;">1st Quarter</td> <td colspan="3"></td> </tr> <tr> <td></td> <td></td> <td>2nd Quarter</td> <td colspan="3"></td> </tr> <tr> <td></td> <td></td> <td>3rd Quarter</td> <td colspan="3"></td> </tr> <tr> <td></td> <td></td> <td>4th Quarter</td> <td colspan="3"></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>6,173,245</u></td> <td colspan="4">YTD Actual Per Statement of Revenue & Expenses</td> </tr> </table>							6,173,245	1st Quarter						2nd Quarter						3rd Quarter						4th Quarter					<u>6,173,245</u>	YTD Actual Per Statement of Revenue & Expenses			
	6,173,245	1st Quarter																																	
		2nd Quarter																																	
		3rd Quarter																																	
		4th Quarter																																	
	<u>6,173,245</u>	YTD Actual Per Statement of Revenue & Expenses																																	

**SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett
General Manager/CEO

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AUTHORIZE REAFFIRMATION OF THE DISTRICT INVESTMENT POLICY AND THE PARATRANSIT TRUST FUND INVESTMENT POLICY, AND REAUTHORIZE INVESTMENT OF MONIES WITH THE LOCAL AGENCY INVESTMENT FUND**

ACTION

Staff proposes the Committee recommend the Board:

1. Reaffirm the San Mateo County Transit District (District) Statement of Investment Policy (Exhibit A) and the Paratransit Trust Fund (Paratransit) Statement of Investment Policy (Exhibit B) (together, "Investment Policies"). These Investment Policies provide guidelines for the investment of District and Paratransit Trust funds and include delegations of authority to invest such funds; and
2. Reauthorize the investment of District monies to be invested in Local Agency Investment Funds (LAIF) in compliance with LAIF requirements.

SIGNIFICANCE

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

Staff, in conjunction with legal counsel, has reviewed the attached Investment Policies and recommends reaffirmation of the current Investment Policies.

BUDGET IMPACT

The reaffirmation of the Investment Policies and reauthorization of investments in LAIF will have no impact on the District's capital or operating budgets.

BACKGROUND

The District originally adopted its Statement of Investment Policy in October 1985 and has, from time to time, amended this policy. Most recently, in August 2016, the District amended its policy with the following revisions:

- Amended the Investment Policies' benchmarks to be more consistent with each other, to reflect the District's and the Paratransit Trust Fund's current portfolios and to be updated annually by the General Manager/CEO or his designee with advice from the District's investment advisers;
- Updated authorized investment descriptions to those used in California State Codes; and
- Updated the authorized investments explicitly listed in the Investment Policies to include bonds, notes, warrants, or other evidences of indebtedness of any local agency within the state.

In addition, the District adopted a separate Statement of Investment Policy for the Paratransit Trust Fund in March 2009. This Policy was adopted to manage funds transferred to the District from the San Mateo County Transportation Authority after the expiration of the original Measure A.

Prepared by: Connie Mobley-Ritter, Director Treasury

650-508-7765

August 5, 1999
Reaffirmed August 3, 2000
Amended August 2, 2001
Reaffirmed September 2002
Amended October 2003

Reaffirmed September 2004
Reaffirmed October 2005
Reaffirmed November 2006
Amended November 2007
Amended December 2008

Reaffirmed December 2009
Amended November 2010
Reaffirmed November 2011
Amended November 2012
Reaffirmed November 2013

Reaffirmed November 2014
Amended August 2016

EXHIBIT A

SAN MATEO COUNTY TRANSIT DISTRICT

STATEMENT OF INVESTMENT POLICY

I. PURPOSE

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

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the DISTRICT's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*). Irrespective of these policy provisions, should the provisions of the Code be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

II. OBJECTIVE

The DISTRICT's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the DISTRICT to invest funds to the fullest extent possible. Idle funds of the DISTRICT shall be invested in accordance with sound treasury management and in accordance with the provisions of the Code and this Investment Policy.

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

The DISTRICT's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the DISTRICT. The third objective is to achieve a return on its invested funds.

III. POLICY

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

use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (*California Government Code Section 53600.3*).

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

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:
 - a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The DISTRICT shall invest only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, Diversification; Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund & San Mateo County Investment Fund, are deemed to constitute safe investment within the meaning of this Investment Policy.
 - b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months' operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term, and fixed income securities maturing in less than one year are considered short-term cash equivalents.
 - c. **Return on Investment.** The DISTRICT's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio's benchmark as described in Section IV - Benchmarks. This benchmark takes into account

the DISTRICT's investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification.** The DISTRICT will limit its investments to securities as defined by *California Government Code Section 53601 (k)*. The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6 and 7 so as to minimize the risk of loss and maximize the rate of return when prudent to do so.
3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements will be executed on a Delivery versus Pay Basis (DVP). The assets of the DISTRICT shall be held in safekeeping by the DISTRICT's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.
4. **Investment Maturities and Average Life.** The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in Section 10 "Summary of Instruments & Limitations" of this Investment Policy.

The maximum dollar weighted average maturity of the fund is five years. This policy limitation leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment. The imposed maximum dollar weighted five year average maturity limits the market risk to levels appropriate for an intermediate income fund. For the purposes of calculating the "average life" of the fund, callable and asset backed securities will be run to their stated final maturity.

5. **Deposit of Funds.** As far as possible, all money belonging to or in the custody of the DISTRICT including money paid to the DISTRICT to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by *California Government Code Section 53630*). Pursuant to *California Government Code Sections 53635, 53637 and 53638*, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.
6. **Allowable Investment Instruments.** The DISTRICT also may invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. These investment instruments include but are not limited to:
 - a. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

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

- i. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this *California Government Code Section 5360*.
- j. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- k. Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; or Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A1/P1/F1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poors.

7. **Local Agency Investment Fund & San Mateo County Investment Fund.** The Board of Directors also authorizes the DISTRICT to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).

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

9. Portfolio Transactions. The DISTRICT is expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. The DISTRICT is to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.5*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The DISTRICT will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the DISTRICT. Realized capital losses may be incurred in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time.

10. Summary of Instruments & Limitations. Subject to the limitations set forth in *California Government Code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above:

<u>Instrument</u>	<u>Rating</u>	<u>Limitations</u>		
		<u>% of Fund</u>	<u>% of Fund Per Issuer</u>	<u>Maturity</u>
(a) U.S. Treasury Obligations		100	100	15 years
(b) Obligations of U.S. Agencies or Government Sponsored Enterprises		100	100	15 years
(c) Bankers Acceptances	A1/P1/F1			
Domestic (\$500 million minimum assets)		15	5	180 days
Foreign (\$500 million minimum assets)		15	5	180 days
(d) Commercial Paper (\$500 million minimum assets)	A1/ P1/F1	15	10	270 days
	Additional	10	10	31 days*
*Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days				
(e) Negotiable Certificates of Deposit		10	5	5 years
(f) Repurchase Agreements Secured by U.S. Treasury or Agency Obligation Max 5 yr. maturity (102% collateral)		100	50	1 year
Reverse Repurchase Agreements & Security Lending		20	20	92 days
(g) Medium Term Notes	A	30	10	5 years

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

11. Oversight.

- a. On a quarterly basis the DISTRICT staff shall submit an investment report which provides a market review, the outlook for the market and strategy for investing DISTRICT funds. The report will also compare the portfolio against the benchmark established by the Investment Policy in terms of duration and yield.
- b. Quarterly, the Executive Director shall submit an investment report to the Board of Directors within 30 days of the end of the quarter. The report shall include the following information:
 1. type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the DISTRICT;
 2. description of any of the DISTRICT's funds, investments or programs that are under the management of contracted parties, including lending programs;
 3. for all securities held by the DISTRICT or under management by any outside party that is not a local agency or the State of California LAIF, a current market value as of the date of the report and the source of this valuation;

4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and
 5. statement that the DISTRICT has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.
- c. Annually, the Executive Director shall perform, or cause to be performed, an independent audit of the DISTRICT's assets as reported for the investment program's activities. It is to be conducted in such a way as to determine compliance with the DISTRICT's Investment Policy and State Codes. Such independent auditors will express an opinion whether the statement of assets is presented fairly and in accordance with generally accepted accounting principles.
 - d. If the DISTRICT places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings and loan association, or the SMCIF (or any combination of these three), the Executive Director can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (*California Government Code Section 53646(b)-(e)*).

IV. BENCHMARKS

Investment performance will be compared to the performance benchmark selected by the DISTRICT annually, which approximates the DISTRICT's portfolio and the specific restrictions on the DISTRICT's portfolio in accordance with applicable current legislation by the State of California.

March 2009
Reaffirmed March 2010
Amended April 2011
Reaffirmed April 2012
Reaffirmed April 2013

Reaffirmed April 2014
Amended August 2016

EXHIBIT B

SAN MATEO COUNTY TRANSIT DISTRICT

STATEMENT OF INVESTMENT POLICY FOR THE INVESTMENT OF PARATRANIST TRUST FUND

I. PURPOSE

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

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the DISTRICT's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*). Irrespective of these policy provisions, should the provisions of the *Code* be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

II. OBJECTIVE

The DISTRICT's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the DISTRICT to invest funds to the fullest extent possible. Idle funds of the DISTRICT shall be invested in accordance with sound treasury management and in accordance with the provisions of the *Code* and this Investment Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio. DISTRICT officials shall act in

accordance with written procedures and the Investment Policy, and should report deviations from expectations in a timely fashion and take appropriate action to control adverse developments. The DISTRICT's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the DISTRICT. The third objective is to achieve a return on its invested funds.

III. POLICY

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

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

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:
 - a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The DISTRICT shall invest only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, Diversification; Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund & San Mateo County Investment Fund, are deemed to constitute safe investment within the meaning of this Investment Policy.
 - b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months' operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term, and fixed income securities maturing in less than one year are considered short-term cash equivalents.
 - c. **Return on Investment.** The DISTRICT's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary

and economic cycles, consistent with the portfolio's benchmark as described in Section IV - Benchmarks. This benchmark takes into account the DISTRICT's investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification.** The DISTRICT will limit its investments to securities as defined by *California Government Code Section 53601 (k)*. The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6 and 7 so as to minimize the risk of loss and maximize the rate of return when prudent to do so.
3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements will be executed on a Delivery versus Pay Basis (DVP). The assets of the DISTRICT shall be held in safekeeping by the DISTRICT's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.
4. **Investment Maturities and Average Life.** The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in Section 10 "Summary of Instruments & Limitations" of this Investment Policy.

The maximum dollar weighted average maturity of the fund is five years. This policy limitation leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment. The imposed maximum dollar weighted five year average maturity limits the market risk to levels appropriate for an intermediate income fund. For the purposes of calculating the "average life" of the fund, callable and asset backed securities will be run to their stated final maturity.

5. **Deposit of Funds.** As far as possible, all money belonging to or in the custody of the DISTRICT including money paid to the DISTRICT to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by *California Government Code Section 53630*). Pursuant to *California Government Code Sections 53635, 53637 and 53638*, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.
6. **Allowable Investment Instruments.** The DISTRICT also may invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. These investment instruments include but are not limited to:

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

- h. Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by *California Government Code Section 53601 (l)*.
 - i. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this *California Government Code Section 5360*.
 - j. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
 - k. Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; or Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A1/P1/F1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poors.
7. **Local Agency Investment Fund & San Mateo County Investment Fund.** The Board of Directors also authorizes the DISTRICT to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).
8. **Prohibited Investments.** The DISTRICT shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The DISTRICT shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the DISTRICT may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of

beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.

- 9. Portfolio Transactions.** The DISTRICT is expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. The DISTRICT is to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.5*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The DISTRICT will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the DISTRICT. Realized capital losses may be incurred in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time.
- 10. Summary of Instruments & Limitations.** Subject to the limitations set forth in *California Government Code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above:

<u>Instrument</u>	<u>Rating</u>	<u>Limitations</u>		
		<u>% of Fund</u>	<u>% of Fund Per Issuer</u>	<u>Maturity</u>
(a) U.S. Treasury Obligations		100	100	15 years
(b) Obligations of U.S. Agencies or Government Sponsored Enterprises		100	100	15 years
(c) Bankers Acceptances	A1/P1/F1			
Domestic (\$500 million minimum assets)		15	5	180 days
Foreign (\$500 million minimum assets)		15	5	180 days
(d) Commercial Paper	A1/ P1/F1	15	10	270 days
(\$500 million minimum assets)	Additional	10	10	31 days*
*Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days				
(e) Negotiable Certificates of Deposit		10	5	5 years
(f) Repurchase Agreements Secured by U.S. Treasury or Agency Obligation Max 5 yr. maturity (102% collateral)		100	50	1 year
Reverse Repurchase Agreements &		20	20	92 days

any outside party that is not a local agency or the State of California LAIF, a current market value as of the date of the report and the source of this valuation;

4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and
 5. statement that the DISTRICT has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.
- c. Annually, the Executive Director shall perform, or cause to be performed, an independent audit of the DISTRICT's assets as reported for the investment program's activities. It is to be conducted in such a way as to determine compliance with the DISTRICT's Investment Policy and State Codes. Such independent auditors will express an opinion whether the statement of assets is presented fairly and in accordance with generally accepted accounting principles.
- d. If the DISTRICT places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings and loan association, or the SMCIF (or any combination of these three), the Executive Director can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (*California Government Code Section 53646(b)-(e)*).

**SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett
General Manager/CEO

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AUTHORIZE AMENDMENT OF THE FISCAL YEAR 2018 OPERATING BUDGET TO INCREASE TOTAL OPERATING REVENUES BY \$857,447 FOR A NEW TOTAL OF \$172,591,153 AND INCREASE TOTAL OPERATING EXPENSES BY \$641,041 FOR A NEW TOTAL OF \$147,301,110**

ACTION

Staff proposes the Finance Committee recommend that the Board amend the Fiscal Year (FY) 2018 Operating Budget to:

- Increase Operating Revenues by \$857,447 for a new total of \$172,591,153
- Increase Operating Expenses by \$641,041 for a new total of \$147,301,110
- Decrease use of reserves for the Fiscal Year (FY) 18 Operating Budget by \$216,406, from \$5,399,821 to \$5,183,415

These recommended budget amendments are shown in Attachment A.

SIGNIFICANCE

It is a common practice industry-wide and at the San Mateo County Transit District (District) to amend operating budgets periodically to reflect current information regarding revenues and expenditures.

Staff recommends the following changes to:

- Sources of Funds:
 - Operating Grants increases by \$0.4 million to reflect new funding in the amount of \$0.3 million from the California State Department of Transportation (Caltrans) for the Grand Boulevard Initiative and an additional \$0.1 million from Federal Transportation Administration (FTA) Grant Funding for Route 122,
 - Assembly Bill (AB) 434, San Mateo Transportation Authority (TA) and Other increases by \$0.4 million to reflect an increase in shuttle funding in the amount of \$0.2 million for the San Mateo commuter shuttle, Connect

San Mateo serving the downtown San Mateo area, new funding for the Bay Area Bike Share pilot program in the amount of \$0.1 million and realignment of \$0.2 million of shuttle funding previously budgeted under Other Interest, Rent & Other Income, and

- Other Interest, Rent and Other Income increases by \$0.1 million to reflect an increase in the amount of \$0.3 million for San Mateo County's share of funding for new costs associated with the preparations for a potential ballot measure for a new District sales tax, and a decrease in the amount of \$0.2 million for the realignment of shuttle funding to AB434, TA and Other, addressed above.
- Expenses:
 - Wages and Benefits increases by \$0.3 million to include the new Executive position of Deputy Chief Executive Officer,
 - Fuel and Lubricants and Taxes and License Fees decrease by a combined \$0.4 million to reflect a downward trend in the cost of crude oil,
 - Professional Services increases by \$0.6 million to reflect new costs associated with the preparations for a potential ballot measure for a new District sales tax, and
 - Bay Area Bike Share Pilot Program is added in the amount of \$0.1 million to reflect costs associated with the implementation of the bike share program.

BUDGET IMPACT

OPERATING REVENUES:

Operating Grants: Increase of \$0.4 million (Attachment A, Page 1 – Line 4)

This includes a Sustainable Transportation Planning Grant from Caltrans in the amount of \$0.3 million to fund the Grand Boulevard Initiative: Creating Safe and Healthy Corridor Communities Project. The grant funding will be used to offset operating costs which were already included in the adopted budget.

This also includes an FTA Operating Grant in the amount of \$0.1 million associated with the expansion of Route 122 service. The expansion provides Stonestown Shopping Center employees with public transportation services after store hours. Previously, Route 122 service ended before the Center closed and this expansion enables employees of the Shopping Center to take public transportation home after work. This grant funding will be used to offset operating costs which were already included in the adopted budget.

AB434, TA & OTHER : Increase of \$0.4 million (Attachment A, Page 1 – Line 7)

This line item reflects funding for the Connect San Mateo shuttle in the amounts of \$121,013 from the TA \$30,000 from the city of San Mateo. This funding was awarded as part of the TA Shuttle Program's Call for Projects in May 2016. This line item also includes funding in the amount of \$0.1 million from the Bay Area Air Quality Management District (BAAQMD) from the close out of the Bay Area Bike Share pilot program in 2016. This money will now be redirected to the next phase of the Bike Share program in San Mateo County. In addition, this line item includes \$0.2 million in shuttle funding previously budgeted under Other Interest, Rent and Other income.

Other Interest, Rent and Other Income: Increase of \$0.1 million (Attachment A, Page 1 line 12)

This line item reflects funding from San Mateo County in the amount of \$0.3 million for costs associated with the education campaign leading up to a potential 2018 ballot measure. This joint effort between San Mateo County and the District aims to study voters' tolerance for raising sales taxes by a half cent in an effort to alleviate traffic. The related expense in the amount of \$0.6 million is referenced below in Operating Expenditures.

This line item also includes a reduction in the amount of \$0.2 million for the realignment of shuttle funding that was previously included in the FY2018 Adopted Budget. This shuttle funding, related to three Bay Area Rapid Transit shuttles (Sierra Point - Balboa Park, Bayhill – San Bruno and Seton Medical Daly City), has been shifted to line 7 as noted above. This budget structure will better align shuttle funding from the TA on the financial statement.

OPERATING EXPENDITURES:

MOTORBUS: Increase of \$0.6 million comprised of the following:

Wages & Benefits: Increase of \$0.3 million (Attachment A, Page 3 – Line 1):

This request is to fund the position of the Deputy CEO. This position is responsible for internal health of the District, the TA and the Peninsula Corridor Joint Powers Board (JPB). The Deputy CEO will confer with the GM/CEO on policy matters and strategies to accomplish organizational goals and assist with day-to-day management of the three agencies. The requested amount reflects the total wages and benefits with an assumed start date of October 1, 2017. This position was included in Salary Ordinance 100, which was presented and approved by the Board at its June 7, 2017 meeting.

As this position serves all three agencies, time will be charged to the District Indirect Administration Cost pool. Associated costs will be shared equitably between the three agencies through the internal cost allocation plan (ICAP). However, pursuant to the cost allocation methodology, prescribed by the FTA, this cost sharing with the other agencies, and recovery by the District, will not go into effect for another 2 years.

Professional Services: Increase of \$0.6 million (Attachment A, Page 3 – Line 6):

This increase reflects costs associated with professional services for preparatory work related to a potential new District sales tax ballot measure. San Mateo County is funding \$265,000 and the District is funding \$380,000.

Fuel & Lubricants: Decrease of \$0.4 million (Attachment A, Page 3 – Line 11):

This decrease reflects a change in the assumed fuel price from \$2.20 per gallon to \$2 per gallon, following a downward trend in the cost of crude oil.

Taxes and License Fees: Decrease of \$33,892 (Attachment A, Page 3 – Line 23):

This decrease reflects lower fuel taxes resulting from a change in the assumed fuel price as referenced above.

Multi-Modal Transit Programs: Increase of \$0.1 million comprised of the following:

Bicycle Coordinating Activities (Attachment A, Page 4 – Line 63):

This increase of \$0.1 million is related to the close out of the Bay Area Bike Share pilot program and funded by BAAQMD as addressed above.

TOTAL USES OF RESERVES

These changes result in a decreased use of reserves for the FY2018 Operating Budget in the amount of \$216,406, from \$5,399,821 to \$5,183,415.

BACKGROUND

The District annually adopts an Operating Budget. On June 7, 2017, the Board adopted the FY2018 Operating Budget in the amount of \$146,660,069 as per Board Resolution No. 2017-34, with Operating Revenues totaling \$171,733,706 and Operating Expenses totaling \$146,660,069.

Lines that have been changed in the revised budget are highlighted in bold, blue font as presented in Attachment A.

Prepared By:	Virginia Baum, Senior Budget Analyst	650-508-7963
	Jeannie Chen, Manager, Budgets	650-508-6259

**SAN MATEO COUNTY TRANSIT DISTRICT
FY2018 REVISED OPERATING BUDGET**

Attachment A

	FY2018 ADOPTED BUDGET A	FY2018 REVISED BUDGET B	FY18 REVISED Compared to FY18 ADOPTED BUDGET C = B-A	BUDGET PERCENT CHANGE D = C/A	
SOURCES OF FUNDS:					
Operating Revenues					
1 Passenger Fares	16,977,116	16,977,116	0	0.0%	1
2 Local TDA and STA Funds	42,013,473	42,013,473	0	0.0%	2
3 Pass through to Other Agencies	836,536	836,536	0	0.0%	3
4 Operating Grants	4,941,320	5,309,973	368,653	7.5%	4
5 SMCTA Measure A	9,577,753	9,577,753	0	0.0%	5
6 SM County Measure A & Other	3,750,000	3,750,000	0	0.0%	6
7 AB434, TA & Other	100,000	532,794	432,794	432.8%	7
8 Subtotal - Operating Revenues	78,196,198	78,997,645	801,447	1.0%	8
Other Revenue Sources					
9 District 1/2 Cent Sales Tax	84,660,000	84,660,000	0	0.0%	10
10 Investment Interest	1,100,312	1,100,312	0	0.0%	11
11 Other Interest, Rent & Other Income	7,777,196	7,833,196	56,000	0.7%	12
12 Subtotal - Other Revenues	93,537,508	93,593,508	56,000	0.1%	13
13					14
14					15
15 Total Sources of Funds	171,733,706	172,591,153	857,447	0.5%	16
16					17
USES OF FUNDS:					
17 Motor Bus	118,930,788	119,499,048	568,260	0.5%	18
18 A.D.A. Programs	18,407,911	18,407,911	0	0.0%	19
19 Caltrain	6,191,353	6,191,353	0	0.0%	20
20 Other Multi-Modal Programs	2,247,765	2,320,546	72,781	3.2%	21
21 Pass through to Other Agencies	836,536	836,536	0	0.0%	22
22 Land Transfer Interest Expense	45,716	45,716	0	0.0%	23
23 Total Operating Expense	146,660,069	147,301,110	641,041	0.4%	24
24					25
25 Total Operating Surplus/(Deficit)	25,073,637	25,290,042	216,406	0.9%	26
26					27
27 Sales Tax Allocation - Capital Programs	8,789,413	8,789,413	0	0.0%	28
28					29
29 Total Debt Service	21,684,044	21,684,044	0	0.0%	30
30					31
31 Total Uses of Funds	177,133,526	177,774,567	641,041	0.4%	32
32					33
33 PROJECTED SURPLUS/(DEFICIT)	(5,399,821)	(5,183,415)	216,406		34
34					
UNRESTRICTED CASH					
Projected Beginning Balance of Unrestricted Cash	105,303,782	105,303,782	0		
Projected Surplus/(Deficit)	(5,399,821)	(5,183,415)	216,406	-4.0%	
Projected Ending Balance of Unrestricted Cash	99,903,961	100,120,366	216,406	0.22%	

**SAN MATEO COUNTY TRANSIT DISTRICT
FY2018 REVISED OPERATING BUDGET**

	FY2018 ADOPTED A	FY2018 REVISED BUDGET B	FY18 REVISED Compared to FY18 ADOPTED BUDGET C = B-A	BUDGET PERCENT CHANGE D = C/A
OPERATING REVENUES - MOTOR BUS:				
1 TOTAL MOTOR BUS FARES	16,235,675	16,235,675	0	0.0%
2				
3 LOCAL (TDA) TRANSIT FUND:				
4 General Operating Assistance	36,440,749	36,440,749	0	0.0%
5				
6 STATE TRANSIT ASSISTANCE:				
8 STA TOTAL	3,310,138	3,310,138	0	0.0%
9				
10 OPERATING GRANTS:				
11 Operating Grants	1,112,367	1,481,020	368,653	33.1%
12				
13 DISTRICT 1/2 CENT SALES TAX:				
14 General Operating Assistance	55,224,175	55,158,783	(65,393)	-0.1%
15 Accessibility Fixed Route	1,092,576	1,092,576	0	0.0%
16 TOTAL 1/2 CENT SALES TAX	56,316,751	56,251,359	(65,393)	-0.1%
17				
18 INVESTMENT INTEREST INCOME				
19 Investment Interest Income	861,312	861,312	0	0.0%
20				
21 OTHER REVENUE SOURCES:				
22 Overnight Deposit Interest Income	608	608	0	n/a
22 Rental Income	1,400,000	1,400,000	0	0.0%
23 Advertising Income	1,210,700	1,210,700	0	0.0%
24 Other Income	2,042,488	2,307,488	265,000	13.0%
25 TOTAL OTHER REVENUES	4,653,796	4,918,796	265,000	5.7%
26				
27 TOTAL MOTOR BUS	118,930,788	119,499,048	568,260	0.5%
28				
29 AMERICAN DISABILITIES ACT:				
30 Passenger Fares-Redi Wheels	741,441	741,441	0	0.0%
31 Local TDA 4.5 Redi Wheels	1,917,935	1,917,935	0	0.0%
32 Local STA - Paratransit	344,651	344,651	0	0.0%
33 Operating Grants	3,828,953	3,828,953	0	0.0%
34 Sales Tax - Paratransit District	957,431	957,431	0	0.0%
35 Sales Tax - Paratransit Suppl. Coastside	1,842,100	1,842,100	0	0.0%
36 Interest Income-Paratransit Fund	239,000	239,000	0	0.0%
37 SMCTA Measure A Redi-Wheels	3,386,400	3,386,400	0	0.0%
38 SM County Measure A & Other	3,750,000	3,750,000	0	0.0%
39 Measure M Paratransit	1,400,000	1,400,000	0	0.0%
40 TOTAL ADA PROGRAMS	18,407,911	18,407,911	0	0.0%
41				
42 MULTI-MODAL TRANSIT PROGRAMS:				
43 Transfer from SMCTA for Caltrain	6,191,353	6,191,353	0	0.0%
44 AB434, TA & Other	100,000	460,013	360,013	360.0%
45 Employer SamTrans Shuttle Funds	1,723,400	1,514,400	(209,000)	-12.1%
46 Sales Tax - SamTrans Shuttle Program	254,365	103,352	(151,013)	-59.4%
47 Bay Area Bike Share Pilot Program	0	72,781	72,781	n/a
48 Sales Tax - Gen. Operating Asst.	170,000	170,000	0	0.0%
49 TOTAL MULTI-MODAL	8,439,118	8,511,899	72,781	0.9%
50				
51 TOTAL REVENUES	145,777,817	146,418,858	641,041	0.4%

**SAN MATEO COUNTY TRANSIT DISTRICT
FY2018 REVISED OPERATING BUDGET**

	FY2018 ADOPTED A	FY2018 REVISED BUDGET B	FY18 REVISED Compared to FY18 ADOPTED BUDGET C = B-A	BUDGET PERCENT CHANGE D = C/A	
DISTRICT OPERATED BUSES					
1 Wages and Benefits	59,032,712	59,362,712	330,000	0.6%	1
2 Services:					2
3 Board of Directors	86,000	86,000	0	0.0%	3
4 Contracted Vehicle Maintenance	1,335,850	1,335,850	0	0.0%	4
5 Property Maintenance	1,055,500	1,055,500	0	0.0%	5
6 Professional Services	4,612,204	5,257,204	645,000	14.0%	6
7 Technical Services	7,565,480	7,565,480	0	0.0%	7
8 Other Services	3,210,668	3,210,668	0	0.0%	8
9					9
10 Materials & Supply:					10
11 Fuel and Lubricants	4,156,448	3,783,600	(372,848)	-9.0%	11
12 Bus Parts and Materials	2,043,233	2,043,233	0	0.0%	12
13 Uniform and Drivers Expense	533,731	533,731	0	0.0%	13
14 Timetables and Tickets	326,500	326,500	0	0.0%	14
15 Office Supplies/Printing	484,412	484,412	0	0.0%	15
16 Other Materials and Supply	160,000	160,000	0	0.0%	16
17					17
18 Utilities:					18
19 Telecommunications	745,491	745,491	0	0.0%	19
20 Other Utilities	1,140,000	1,140,000	0	0.0%	20
21 Insurance Costs	3,042,164	3,042,164	0	0.0%	21
22 Workers' Compensation	3,666,068	3,666,068	0	0.0%	22
23 Taxes and License Fees	813,715	779,823	(33,892)	-4.2%	23
24 Fixed Route Accessibility	1,092,576	1,092,576	0	0.0%	24
25 Leases and Rentals	182,670	182,670	0	0.0%	25
26 Prmtnl and Legal Advertising	869,000	869,000	0	0.0%	26
27 Training & Business Travel	878,513	878,513	0	0.0%	27
28 Dues and Membership	159,043	159,043	0	0.0%	28
29 Postage and other	94,792	94,792	0	0.0%	29
30					30
31 Total District Operated Buses	97,286,770	97,855,030	568,260	0.6%	31
32					32
33 CONTRACTED BUS SERVICES					33
34 Contracted Urban Bus Service	17,987,300	17,987,300	0	0.0%	34
35 Other Related Costs	358,694	358,694	0	0.0%	35
36 Insurance Costs	773,422	773,422	0	0.0%	36
37 Coastside Services	1,954,500	1,954,500	0	0.0%	37
38 Redi Coast Non-ADA	253,100	253,100	0	0.0%	38
39 Other Related Costs	116,884	116,884	0	0.0%	39
40 La Honda Pescadero	55,130	55,130	0	0.0%	40
41 Southcoast - Pescadero	138,350	138,350	0	0.0%	41
42 Other Related Costs-SamCoast	6,638	6,638	0	0.0%	42
43 Total Contracted Bus Service	21,644,018	21,644,018	0	0.0%	43
44					44
45 TOTAL MOTOR BUS	118,930,788	119,499,048	568,260	0.5%	45

**SAN MATEO COUNTY TRANSIT DISTRICT
FY2018 REVISED OPERATING BUDGET**

	<u>FY2018 ADOPTED</u>	<u>FY2018 REVISED BUDGET</u>	<u>FY18 REVISED Compared to FY18 ADOPTED BUDGET</u>	<u>BUDGET PERCENT CHANGE D = C/A</u>		
	A	B	C = B-A			
AMERICAN DISABILITY ACT PROGRAMS						
46	Elderly & Disabled/Redi-Wheels	7,716,600	7,716,600	0	0.0%	46
47	Other Related Cost	3,030,191	3,030,191	0	0.0%	47
48	ADA Sedan/Taxi Service	3,704,208	3,704,208	0	0.0%	48
49	ADA Accessibility Support	1,505,855	1,505,855	0	0.0%	49
50	Coastside ADA Support	1,842,100	1,842,100	0	0.0%	50
51	Insurance Costs	608,957	608,957	0	0.0%	51
52	TOTAL ADA PROGRAMS	18,407,911	18,407,911	0	0.0%	52
53						53
MULTI-MODAL TRANSIT PROGRAMS						
54						54
55						55
56	CALTRAIN SERVICE					56
57	Peninsula Rail Service	6,191,353	6,191,353	0	0.0%	57
58	Total Caltrain Service	6,191,353	6,191,353	0	0.0%	58
59						59
60	OTHER SUPPORT					60
62	SamTrans Shuttle	2,077,765	2,077,765	0	0.0%	62
63	Bicycle Coordinating Activities	0	72,781	72,781	n/a	63
64	Maintenance Multimodal Fac	170,000	170,000	0	0.0%	64
65	Total Other Support	2,247,765	2,320,546	72,781	3.2%	65
66						66
67	TOTAL MULTI-MODAL PROGRAMS	8,439,118	8,511,899	72,781	0.9%	67
68						68
69	TOTAL OPERATING EXPENSES	145,777,817	146,418,858	641,041	0.4%	69

**SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett
General Manager/CEO

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **AUTHORIZATION TO RECEIVE A GRANT FROM COUNTY OF SAN MATEO FOR
PUBLIC OUTREACH AND ENGAGEMENT ACTIVITIES TO INFORM 2018
TRANSPORTATION REVENUE OPPORTUNITIES**

ACTION

Staff proposes the Finance Committee recommend Board approval of the following:

1. Authorize the General Manager/CEO, or his designee, to enter into an agreement with the County of San Mateo (County) to receive up to \$265,000 of County Measure K funds for the San Mateo County Transit District (District) to conduct public outreach and receive public input regarding transportation issues to inform 2018 transportation revenue opportunities.
2. Take such further actions as may be necessary to give effect to the resolution.

SIGNIFICANCE

The public outreach and engagement program will increase community awareness of current transportation conditions, programs and services; and will provide the public and key stakeholders with an opportunity to help inform the creation of an expenditure plan that the Board will consider placing before voters in 2018 as part of a countywide transportation funding measure.

BUDGET IMPACT

There is no budget impact associated with this action. As a separate item on this agenda, the Board will consider a proposed amendment to the Fiscal Year (FY) 2018 Operating Budget, which includes the addition of \$265,000 in revenues from the County and \$380,000 in new expenditures for this project. A contribution of \$100,000 in current District sales tax revenues from the previously-adopted FY2018 Operating Budget will complete the funding plan for this project.

BACKGROUND

As the regional and local economies continue to thrive, traffic congestion throughout the County has intensified. In addition, the District has a documented long-term structural deficit and shrinking operating reserves that hamper its ability to meet the County's mobility needs.

Assembly Bill (AB) 1613 would exempt a new 0.5 percent retail transactions and use tax from the existing 2 percent local limit as long as the tax is used for countywide transportation purposes and is authorized by the Board, with concurrence from the San Mateo County Board of Supervisors, and approved by County voters in accordance with State law.

This outreach effort will educate the community about the County's transportation problems, needs, and potential solutions, and will seek input on the prioritization of those solutions. If AB 1613 becomes law, the outreach effort will inform the expenditure plan for the 0.5 percent transactions and use tax that the Board will be authorized to place on the ballot for voter approval. This project also will inform the District's decision on whether to seek such a tax.

STRATEGIC INITIATIVE

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

Prepared by:	Shayna van Hoften, Legal Counsel	415-995-5880
Project Manager:	Seamus Murphy, Chief Communications Officer	650-508-6388

RESOLUTION NO. 2017 –

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

* * *

**AUTHORIZING EXECUTION OF A GRANT AGREEMENT WITH THE
COUNTY OF SAN MATEO FOR PUBLIC OUTREACH AND ENGAGEMENT
ACTIVITIES TO INFORM 2018 TRANSPORTATION REVENUE OPPORTUNITIES**

WHEREAS, as the regional and local economies continue to thrive, traffic congestion throughout San Mateo County (County) has intensified; and

WHEREAS, the San Mateo County Transit District (District), the County's mobility manager, has a documented long-term structural deficit and shrinking operating reserves that hamper its ability to meet the County's mobility needs; and

WHEREAS, the District and the County have a shared interest in clearly defining the County's transportation problems and in identifying and prioritizing potential solutions that could be pursued with additional financial resources; and

WHEREAS, Assembly Bill 1613, currently pending in the State legislature, would authorize the District to seek voter approval of a new 0.5 percent retail transactions and use tax to better meet the County's transportation needs; and

WHEREAS, the County of San Mateo has awarded \$350,000 to the District to conduct public outreach and receive public input regarding transportation issues, solutions and priorities in the County (Project), which funding must be matched by the District; and

WHEREAS, the District is prepared to accept \$265,000 of the County's funding award for the Project at this time; and

WHEREAS, the General Manager/CEO recommends and the Finance Committee concurs that the Board authorize the General Manager/CEO, or his designee, to enter into an agreement with the County to receive up to \$265,000 with which to conduct public outreach and receive public input regarding transportation issues to inform 2018 transportation revenue opportunities, and to take such further actions as may be necessary to give effect to this Resolution.

NOW, THEREFORE, BE IT RESOLVED that the San Mateo County Transit District Board authorizes the General Manager/CEO or his designee, to enter into an agreement with the County to receive up to \$265,000 with which to conduct public outreach and receive public input regarding transportation issues to inform 2018 transportation revenue opportunities, and to take such further actions as may be necessary to give effect to this Resolution.

Regularly passed and adopted this 6th day of September, 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

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, SEPTEMBER 6, 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 August 2, 2017

INFORMATIONAL

3. Capital Projects Quarterly Status Report – 4th Quarter Fiscal Year 2017
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.

Draft

**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
AUGUST 2, 2017**

Committee Members Present: D. Pine (Committee Chair), J. Gee, C. Stone

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

Staff Present: M. Beveridge, J. Cassman, A. Chan, C. Gumpal, J. Hartnett, M. Martinez,
N. McKenna, D. Olmeda, M. Reggiardo, M. Simon

Committee Chair Dave Pine called the meeting to order at 3:43 p.m.

**Approval of Minutes of Planning, Development and Sustainability Committee Meeting of
July 5, 2017**

Motion/Second: Stone/Kersteen-Tucker

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

Authorize Adoption of the SamTrans Youth Mobility Plan

April Chan, Chief Officer, Planning and Transportation Authority, said ridership data for the Coastsides was updated. She said projects in Fiscal Year 2018 include:

- Youth sensitivity training for bus operators
- Hire a youth mobility coordinator
- Social media follower campaign and parent engagement on NextDoor
- On-time reporting for school-related routes
- Clipper Card awareness campaign

Ms. Chan said the Plan will be a living document.

Director Carole Groom said San Mateo County has a Youth Commission and suggested staff should make a presentation to them.

Director Jeff Gee said staff needs to communicate to elected officials about this document and get youth in the local cities involved.

Motion/Second: Kersteen-Tucker/Gee

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

Dumbarton Transportation Corridor Study Update

Melissa Reggiardo, Principal Planner, presented this informational item. Key highlights include:

- Corridor requires phased improvements
- Funding challenges and opportunities
- Recommendations for 2020
 - Expand Dumbarton Express Bus service including new routes to Menlo Park/Redwood City and Sunnyvale/Mountain View
 - Not recommending bike/pedestrian multi-use path due to rail right-of-way limitations
- Recommendations for 2025-2030
 - Bus and approach improvements on highway bridge
 - Express lanes on highway bridge
 - Rail shuttle on rail bridge
 - Busway on rail bridge
- Recommendation for 2035 is a double-track rail on the rail bridge.
- There are funding challenges and opportunities for these recommendations.
- Next steps include stakeholder and public outreach in August and finalize the report for Board adoption in October.

Public Comment

Jane Mark, Mid-Peninsula Regional Open Space District, said as a stakeholder in the study they are involved with the Bay Trail in the Ravenswood area in East Palo Alto and Menlo Park. She said their concerns include multi-use bike trail and the significant implications with exclusion of the bike/pedestrian alternatives with critical east west connectivity. Ms. Mark asked that staff extend the public review period.

Rachel Lopes, Peninsula Open Space Trust, said they concerned the study doesn't fully evaluate the bike/pedestrian trail. She asked that staff extend the public engagement period.

Adina Levin, Friends of Caltrain, thanked staff for releasing the study and is glad to see it moving ahead.

Juan Salazar, Facebook, thanked the Board for making the Dumbarton Corridor a priority. He said mobility is critical and needs to be addressed in the corridor.

Hana Beach, Greenbelt Alliance, said Greenbelt urges SamTrans to provide a safe bike and pedestrian network and create educational and healthy destinations for those that are not served by transportation.

Kirsten Keith, Menlo Park, thanked staff for conducting the study. She said there are many jobs on this side of the bay and less housing. Ms. Keith said she hopes things can move faster than the 2020 goal and Regional Measure 3 funding is crucial for this project.

Diane Bailey, Director, Menlo Spark, thanked SamTrans for working on the corridor and wants to see it developed as soon as possible. She said staff needs to get creative on what can fit on the corridor. Ms. Bailey said she would like to see more public outreach to those that are in and along the corridor.

Emma Shlaes, Silicon Valley Bike Coalition, thanked staff for looking at the corridor and bike/pedestrian trails. She said separate bike lanes are safer and have high usage.

Mark Roest, Design Earth, said with expected technology the bridge could be upgraded to accommodate a monorail.

Justin Murphy, city of Menlo Park, thanked staff for investing in the study and looks forward to the release of the Plan and the multi-plan use of the bike/pedestrian path. He said one of the outreach meetings is scheduled at a citywide block party in Menlo Park.

Director Zoe Kersteen-Tucker asked if any of these improvements are being considered as part of the Business Plan or the ballot measure.

Director Charles Stone asked why the operations cost for the bike/pedestrian path are so high.

Board comments included the possibility for additional outreach and the extension of the 30-day comment period.

Jim Hartnett, General Manager/CEO, said the report will be provided to the Board upon its release.

Adjourned: 5:00 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT
STAFF REPORT**

TO: Strategic Planning, Development and Sustainability Committee

THROUGH: Jim Hartnett
General Manager/CEO

FROM: David Olmeda
Chief Operating Officer, Bus

SUBJECT: **CAPITAL PROJECTS QUARTERLY STATUS REPORT –
4th QUARTER FISCAL YEAR 2017**

ACTION

No action required. The [Capital Projects Quarterly Status Summary Report](#) is submitted to the Board for information only.

SIGNIFICANCE

The attached report will be submitted quarterly to keep the Committee advised as to the status of active capital projects.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff will be preparing the Capital Projects Quarterly Status Report for the Committee on a quarterly basis. The report is a summary of the scope, budget and progress of capital projects. It is being presented to the Committee for informational purposes and is intended to better inform the Committee of the capital project status.

Prepared by: Gordon Hail, Senior Project Controls Engineer

650-508-7795



AGENDA

BOARD OF DIRECTORS

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

WEDNESDAY, SEPTEMBER 6, 2017 – 3:15 p.m.

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 HARNETT
GENERAL MANAGER/CEO

6. RECONVENE FROM COMMITTEE MEETINGS

7. CONSENT CALENDAR

MOTION

- a. Approval of Minutes of Board of Directors Meeting of August 2, 2017
- b. Acceptance of Statement of Revenues and Expenses for July 2017

8. PUBLIC COMMENT

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

9. REPORT OF THE CHAIR

10. REPORT OF THE GENERAL MANAGER/CEO

11. 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 – End-of-Year Performance Report
- e. Multimodal Ridership Report – July 2017

12. FINANCE COMMITTEE – C. GROOM

RESOLUTIONS

- a. Reaffirmation of the District Investment Policy and the Paratransit Trust Fund Investment Policy and Reauthorize Investment of Monies with the Local Agency Investment Fund
- b. Authorize Amendment of the Fiscal Year 2018 Operating Budget to Increase Total Operating Revenues by \$857,447 for a New Total of \$172,591,153 and Increase Total Operating Expenses by \$641,041 for a New Total of \$147,301,110

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

- c. Authorize Execution of a Grant Agreement with the County of San Mateo to Receive \$265,000 for Public Outreach and Engagement Activities to Inform 2018 Transportation Revenue Opportunities

13. STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE- D. PINE
SUBJECT DISCUSSED

- a) Capital Projects Quarterly Status Report – 4th Quarter Fiscal Year 2017

14. WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

15. BOARD MEMBER REQUESTS/COMMENTS

16. DATE, TIME AND PLACE OF NEXT REGULAR MEETING – October 4, 2017 at 2 p.m.,
San Mateo County Transit District, Administrative Building, Bacciocco Auditorium,
2nd Floor, 1250 Carlos Ave., San Carlos 94070

17. REPORT OF LEGAL COUNSEL

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Gipson v. Lorenzo, et al., Case No. CIV537859

18. 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.

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; 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
AUGUST 2, 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: M. Beveridge, J. Cassman, A. Chan, B. Fitzpatrick, C. Gumpal, J. Hartnett, M. Martinez, N. McKenna, D. Olmeda, M. Simon

Chair Rose Guilbault called the meeting to order at 2:01 p.m. and Director Josh Powell led the Pledge of Allegiance.

PUBLIC HEARINGS/CONSIDERATION OF RESOLUTIONS OF NECESSITY

- a. Public Hearing/Consideration of Resolution of Necessity –
Property Location: 150 Charter Street Ave., Redwood City, CA 94063
APN: 054-112-160; Parcel: JPB-SM2-0134
Property Owner: Ideal Charter Properties, LLC

Director David Pine arrived at 2:04 p.m.

Motion to close public hearing: Kersteen-Tucker/Pine

Approved by Resolution No. 2017-53

Motion/Second: Ratto/Groom

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

Recess to Committee Meetings at 2:12p.m.

Reconvene Board Meeting at 5:01 p.m.

CONSENT CALENDAR

- a. Approval of Minutes of Board of Directors Meeting of July 5, 2017
- b. Acceptance of Quarterly Investment Review and Fixed Income Market Review and Outlook for the Period Ending June 30, 2017
- c. Acceptance of Report of Contracts Between \$100,000 and \$150,000

Motion/Second: Stone/Gee

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

Public comment

Randle Shannon, San Bruno, said on the Gillig 100 and 300 series buses the seats are locked up. The 600 series seats don't face forward but have a panel for the wheelchairs which makes it hard to get out.

REPORT OF CHAIR

Chair Guilbault said dates for the fall Board retreat will be sent out shortly.

REPORT OF THE GENERAL MANAGER/CEO – J. Hartnett

Jim Hartnett, General Manager/CEO said his written report is in the Board's reading file.

Resolution of Appreciation to Nancy McKenna

Mr. Hartnett said after 15 years at the District, Ms. McKenna is retiring.

Approved by Resolution No. 2017-52

Motion/Second: Gee/Guilbault

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

COMMUNITY RELATIONS COMMITTEE – Z. Kersteen-Tucker

SUBJECTS DISCUSSED

- a. Accessibility Update
- b. Paratransit Coordinating Council
- c. Citizens Advisory Committee Update
- d. Mobility Management Report – Paratransit
- e. Marketing of New Routes and Service Adjustment
- f. Quarterly Dashboard Report – March-June 2017
- g. Multimodal Ridership Report – June 2017

FINANCE COMMITTEE – C. Groom

RESOLUTIONS

- a. Filing Annual Claim with the Metropolitan transportation Commission for Transportation Development Act, State Transit Assistance and Regional Measure 2 Funds for Fiscal Year 2018 Approved by Resolution No. 2017-54
- b. Approve Contract to Ideal Landscape and Concrete, Inc. for Concrete Replacement Project for a Total Estimated Cost of \$640,000 for a Two-Year Term Approved by Resolution No. 2017-55
- c. Approve Execution of Contracts Over \$150,000 for Information Technology License Renewals, Maintenance Services and Professional Services for Fiscal Year 2018 for an Aggregate Not-to-Exceed Amount of \$2,750,000 Approved by Resolution No. 2017-56
- d. Approve Execution of Contracts for Technology Related Products and Services to Vendors Under Cooperative Purchasing Agreements for an Aggregate Not-to-Exceed Amount of \$1.5 Million for Fiscal Year 2018 Approved by Resolution No. 2017-57

Motion/Second: Groom/Stone

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

INFORMATIONAL

- e. SamTrans Business Plan
- f. Statement of Revenues and Expenses for the Period Ending June 30, 2017

LEGISLATIVE COMMITTEE – K. Matsumoto

SUBJECT DISCUSSED

- a. State and Federal Legislative Update

STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE – D. PINE

RESOLUTION

- a. Adoption of the SamTrans Youth Mobility Plan

Approved by Resolution No. 2017-58

Motion/Second: Stone/Guilbault

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

INFORMATIONAL

- b. Dumbarton Transportation Corridor Study Update

BOARD MEMBER REQUESTS/COMMENTS

Director Peter Ratto said he and Director Powell attended the American Public Transportation Association Transit Board Conference in Chicago and attended some very informative sessions.

Director Powell said the conference was very educational and informative.

REPORT OF LEGAL COUNSEL

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): *Silva v. San Mateo County, et al.*, Case No. CIV5363263
- b. Closed Session: Conference with Labor Negotiator – Pursuant to Government Code Section 54957.6
Agency designated representatives: Pat Glenn and Bill Carson
Employee organizations: Teamsters Union, Local 856 (Maintenance/Utility Supervisors; Bus Transportation Supervisors/Dispatchers/Radio Controllers; Transit Instructors; Bus Contract Inspectors) and Amalgamated Transit Union Local 1574 (Bus Operators/Mechanics/Storekeepers/Utility Workers; Customer Service Representatives)

Public Comment

Billy Lane said he is a bus operator at North Base and is concerned about morale at SamTrans. He said it is very down and has never been so low. Mr. Lane said the contract offer for bus operators is not acceptable compared to the contracts given to other Bay Area transit agencies. He said he makes a point to thank every passenger for boarding his bus and paying their fares. Mr. Lane said the annual bus rodeo has been postponed because of the union. He said the new bid was this past weekend and four new Route ECR runs were added and an operator can only drive for 10 hours.

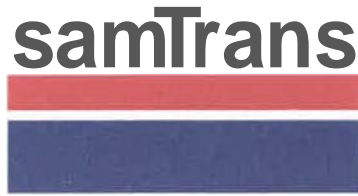
Recessed to closed session at 5:26 p.m.

Reconvened to open session at 6:20 p.m.

Ms. Cassman said the Board met in closed session to receive an update on existing litigation and discuss labor negotiations. No action was taken.

DATE AND TIME OF NEXT REGULAR MEETING –September 6, 2017, at 2 p.m., San Mateo County Transit District, Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070.

Adjourned at 6:23 p.m.



MEMORANDUM

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

**BOD ITEM # 10
SEPTEMBER 6, 2017**

Date: August 30, 2017
To: SamTrans Board of Directors
From: Jim Hartnett, Executive Director
Subject: September 6, 2017 SamTrans Board Meeting Executive Directors Report,

Annual Summary

Fiscal Year 2017 was an important transitional year for the multiple services provided by this agency. In the face of fiscal concerns and declining ridership in some areas, staff began the effort to redefine the agency to reflect its multi-modal role as a regional mobility provider that provides a wide range of transportation services. Associated changes in service accompanied redefinition as a foundation was laid for further assessment of services and improved efficiencies. This report summarizes key metrics in place during FY17 for the bus and paratransit services. The accompanying power point provides parallel metrics for the other services provided by this, the Peninsula transit agency.

The range of activities is broad and includes significant attention to setting the stage for changes in our services to reflect the evolving needs of the communities we serve.

Maintenance Department

The Maintenance goal for average Miles Between Service Calls (MBSC) is **20,000** miles with a stretch goal of **25,000** MBSC.

<u>12 months</u>	<u>FY 2017</u>	<u>FY 2016</u>
	<u>MBSC</u>	<u>MBSC</u>
Motor Bus	29,224	27,620
Paratransit	54,211	55,012

Fixed-route fleet:

- Fifty 40-foot clean-diesel Gillig replacement buses were received and are operating in revenue service.
- Efforts have started to replace 55 NABI 60-foot articulated buses in 2019. A contract piggy-back option with another transit property is being explored to speed up the production schedule.

Paratransit fleet:

- Nine El Dorado replacement cutaway coaches were received and placed into service.
- Ten El Dorado Amerivans replacement mini-vans were received and placed into service.

Human Capital Investment

<u>Activity</u>	<u>FY 2017</u>	<u>FY 2016</u>
New Bus Operator Trainees	8,811	8,786
Part to Full-time Bus Operator*	880	0
DMV mandated training	3,350	2,920
Bus Operator retraining	2,010	1,939
Maintenance training	4,876	4,441
Professional Development**	<u>2,188</u>	<u>1,963</u>
Total Hours	22,115	20,049
 Bus Operators Graduated	 26	 27

* Existing part-time operators are an important resource for hiring full-time operators. Additional training provides them with the background they need to step into the expanded role.

** This includes both technical training and expanded training in such areas as working with Excel spreadsheets and conflict resolution.

Paratransit Services

- Paratransit registrations reached an historic peak in January 2017 with 8,831 registrants, but by the end of FY 2017, there was a slight decrease of 280 registrants or 3.2%. FY17's total number of registrants remains 12.1% higher than three years ago (July 2014). This performance reflects the 2010 U.S. Census projections that in this decade there will be double digit increases among San Mateo County residents over the age of 65 years.
- IVR
Interactive Voice Response (IVR) is a computerized predictive arrival system and was implemented in FY 2017 with mixed results. Although the IVR system/software estimates the expected arrival of a paratransit vehicle it is not as accurate as desired nor does it include taxi vehicles. This program is being reevaluated and a recommendation will be made whether to invest in improving the current system or replacing it. In addition, funding sources for the next steps are being identified.

Paratransit Ridership

SamTrans provided approximately 370,000 paratransit trips in FY17:

- ✓ 248,000 trips were medical related
- ✓ 37,000 trips were for shopping/banking
- ✓ 7,500 trips were to/from work
- ✓ 7,500 trips were to/from school
- ✓ 244,000 trips were for people with a walking device:
75,000 wheelchairs; 75,000 walkers; and 94,000 cane/crutches.
- ✓ 163,000 trips were for customers on Lifeline Fares

Service Planning

US-101 Express Bus Feasibility Study

- The study was launched April 2017 and will evaluate the role express buses can play in providing mobility options and reduce traffic congestion on US-101. A final report is expected by mid-to-late 2018.

Service Changes

- A pilot program for Cañada Cove Mobile Home Park in Half Moon Bay started January 2017. Service had been discontinued here following noise complaints from residents. Subsequently, residents asked that service be restored to this location and it was done so on a pilot basis. Service is being considered for elimination in January 2018 due to low ridership (less than two passengers per bus).
- Eliminated low performing Routes 11, 43, and 89 in August 2017
- Two pilot routes commenced service in August 2017:
 - Route 399 “Owl Service” through SFO Airport
 - Route 78 – serves Woodside High School
- “Sliding Seats” provides relief for a Bus Operator along a service route (i.e. ECR). At a specific location a new Bus Operator is brought to the bus and a transfer is made. The regular Bus Operator is transported in a service support vehicle to a designated area for a rest or meal break and then returned back to the designated exchange point. This improves efficiency by maximizing vehicle utilization, reducing deadhead miles, and allowing Bus Operator’s more consistent meal breaks. It allows the regular Bus Operator to take a rest or meal break while the bus continues to be used in revenue service with another bus operator. Otherwise, the driver takes the bus to their rest stop, hence the excessive deadhead miles. The “Sliding Seats” was implemented with the contractor in August 2017 and will be implemented with SamTrans operated routes in January 2018. The program was deployed on a small scale initially to work out the details and to train the affected employees.

Fixed-route Bus Ridership

SamTrans provided approximately 12 million bus trips in FY17:

- ✓ 5.2 million trips were to/from work
- ✓ 3.3 million trips were to/from school
- ✓ 1.6 million trips were for shopping
- ✓ 240,000 trips were medical related
- ✓ 78% of SamTrans bus riders do not have a car/do not drive
- ✓ The annual mean income is \$40,000. Over 71% have an annual average household income under \$50,000.
- ✓ SamTrans provides late night routes for service employees at shopping centers and 24-hour “owl service” at SFO Airport
- ✓ Local Bus Routes adjust their schedule to accommodate school start and end times

Traffic Relief Activities

- **Dumbarton Transportation Corridor**
The Dumbarton Transportation Corridor Study draft recommendations were presented to the Board at the August 2, 2017 meeting. Since the meeting, staff presented the draft study recommendations at two public meetings, one in Union City and the other in East Palo Alto in mid-August, as well as a number of meetings with cities and other stakeholders. In light of the input received from the Board, two additional public meetings have been scheduled on September 13 in Union City, and on September 25, 2017 in Menlo Park. The public comment period also has been extended to 45 days, and will close at the end of September 2017.

Since the presentation to the Board, attention has focused on bicycle/pedestrian services on the corridor. The correct annual operating and maintenance cost for the bicycle/pedestrian multi-use path is \$53,000, and the costs include maintenance activities such as vegetation management and removal, drainable system upkeep, lighting system upkeep, pavement upkeep and repair, striping/signage upkeep, and maintenance of any trailhead facilities or signs, etc.