

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070
MINUTES OF MAY 7, 2020**

MEMBERS PRESENT: E. Beach (Chair), C. Groom, D. Horsley, J. Mates, K. Matsumoto,
R. Medina (Vice Chair), C. Romero
Via
Teleconference

MEMBERS ABSENT: None

STAFF PRESENT: J. Hartnett, C. Mau, A. Chan, J. Hurley, J. Cassman, S. van Hoffen,
D. Hansel, C. Mobley-Ritter, P. Skinner, C. Fromson, J. Brook, S. Wong,
D. Seamans

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Emily Beach called the meeting to order at 5:02 pm and led the Pledge of Allegiance.

2. ROLL CALL

Authority Secretary Dora Seamans called the roll and confirmed a quorum was present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None.

4. REPORT OF THE CITIZENS ADVISORY COMMITTEE

Chair Beach noted that the report was in the packet.

5. CONSENT CALENDAR

- a) Approval of Minutes of the Board of Directors Meeting of April 2, 2020**
- b) Acceptance of Statement of Revenues and Expenses for March 2020**
- c) Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Period Ending March 31, 2020**

Director Carlos Romero requested the removal of Item #5 (c) from Consent for separate discussion and consideration.

The Board voted to approve Items #5 (a) and #5 (b):

Motion/Second: Horsley/Medina

Ayes: Beach, Groom, Horsley, Mates, Matsumoto, Medina, Romero

Absent: None

Director Romero said it would be helpful at the next Board meeting to review the activity and be updated on the TA's investment position.

Jim Hartnett, Executive Director, requested that the item be agendaized and that the agency's investment advisor attend.

The Board voted to approve Item #5 (c):

Motion/Second: Medina/Romero

Ayes: Beach, Horsley, Mates, Matsumoto, Medina, Romero

Absent: Groom (*Director Groom was disconnected from the meeting from 5:12 to 5:16 pm*)

6. REPORT OF THE CHAIR

Chair Beach asked for two volunteers to be on the Citizens Advisory Committee (CAC) interview Committee. She commended TA staff for putting together a report on SamTrans.

Director Karyl Matsumoto noted points made by Mr. Hartnett in his COVID-19 update to the SamTrans Board.

7. SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT

Chair Beach said that the report was in the packet.

8. JOINT POWERS BOARD LIAISON REPORT

Chair Beach said that the report was in the packet.

9. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Hartnett gave an update on the latest COVID-19 updates from County and regional health officers. He said that both SamTrans and Caltrain would receive \$28.5 and \$49 million respectively from the CARES (Coronavirus Aid, Relief, and Economic Security) Act. He said that the Metropolitan Transportation Commission (MTC) has established a blue ribbon transit recovery task force to make recommendations on the distribution of the second round of funding. He said that he has been selected as one of the members of the blue ribbon task force, which would have their first meeting later in May.

Director Julia Mates noted that a lot of the restrictions from the shelter in place order involve transportation. Mr. Hartnett talked about the limited mention of transportation concerns in the County's draft strategic planning report.

Chair Beach asked if the funding package for the rest of Caltrain electrification project is still in place, since the financial landscape for some federal grants may change that paradigm. Mr. Hartnett said they did not anticipate discontinuation of the Caltrain electrification project's funding sources.

Director Romero asked if it would be possible to do a few scenarios as to what the TA's budget would look like with certain reductions in revenues. Mr. Hartnett said they would be able to do so at an upcoming meeting.

10. FINANCE

a) Call for a Public Hearing at the June 4, 2020 Meeting on the Preliminary Budget for Fiscal Year 2021

Motion/Second: Romero/Medina

Ayes: Beach, Groom, Horsley, Mates, Matsumoto, Medina, Romero

Absent: None

11. PROGRAM

a) Approval of Shuttle Applications and Programming and Allocation of Measure A Local Shuttle Program Funds for 28 Shuttles for Fiscal Years 2021 and 2022

Peter Skinner, Director, Grants and Fund Programming, presented a staff report. He noted that the TA had asked shuttle sponsors to ask their operators if they had a COVID-19 response plan. He said that shuttle operator MV Transportation and several of the community shuttles had such plans, and that they were waiting to hear from Electronic Arts and Sierra Point.

Approved by Resolution No. 2020-8:

Motion/Second: Horsley/Mates

Ayes: Beach, Groom, Horsley, Mates, Matsumoto, Medina, Romero

Absent: None

b) State and Federal Legislative Update

Casey Fromson, Director, Government and Community Affairs, briefly summarized highlights of recent federal and state legislation that had changed since the agenda packet was publicly posted and distributed. She said they would need resources in addition to funding from CARES for transit to move forward in the future. She also noted that the State has not yet provided direct assistance to transit agencies.

c) San Mateo County US 101 Express Lanes Project Quarterly Update

April Chan, Chief Officer, Planning, Grants/Transportation Authority, introduced Leo Scott, Co-Project Manager, Gray-Bowen-Scott, who provided the presentation.

Director Carole Groom said she appreciated receiving information from the Caltrans newsletter.

Director Romero asked if the accelerated schedule would affect the cost of the project. Mr. Scott said it would not.

d) Update on Financing of 101 Express Lanes Project – Proposed Terms for Loan Agreement

Mr. Hartnett gave a detailed background on the loan and outlined the proposed terms.

Derek Hansel, Chief Financial Officer, provided a presentation outlining the flow of funds, what needed to be paid first, and how the toll net revenue would be applied.

Chair Beach said that the JPA (San Mateo County Express Lanes Joint Powers Authority) Finance Committee had concerns regarding the justification for the set-aside premium. She said that they also asked why the TA grant funding is being handled differently.

Mr. Hartnett said it would be paid by toll revenues by people from around the region as opposed to just within San Mateo County. He said that payment on interest and payment on principal were not given priority, which creates a risk factor. He also outlined a constraint factor on the TA.

Director Mates asked about the pros and cons of each proposed alternative. Mr. Hansel said he thought that economically, both alternatives were about the same over a period of years.

Chair Beach noted that three alternatives had been proposed.

Director Romero said he thought that the set-aside premium should be called a fee. Mr. Hansel said the TA was not locking up \$100 million of money.

Director Groom expressed her concern that it was hard to discuss such a complex subject over a teleconference.

Public Comment:

Rich Hedges suggested that the TA try to obtain a fixed rate.

Mr. Hansel said the interest rate mode would need to be decided by the JPA.

Director Romero asked if there was a collar or cap on rates. Mr. Hansel said they have not intended to purchase a collar again and that the rates are very low at present.

Director Matsumoto said that she would take direction from the Board as a whole when it came time to take action.

Chair Beach asked the Board if they agreed on the 0.6 percent risk premium, or "set-aside."

Director Horsley said he acknowledged that the TA was last in line in terms of risk. He said he thought the fee was reasonable and that the adjustable rate would allow the TA to pay the loan down faster. He said he supported the option with \$1 million in equity up front, with an adjustable rate.

Director Mates said she thought the set-aside amount was reasonable. Chair Beach said it would be considered reasonable on the open market.

Vice Chair Rico Medina said due to the current difficult times, people are feeling more cautious and cannot predict what will happen in the future. He agreed that the TA is taking a risk and said that he was in favor of the \$1 million in equity and the 0.6 percent variable interest rate.

Director Romero noted that the Express Lanes was a revenue-generating project, likely different from any other project sponsored by the TA, and he concluded that a fee for putting the loan together is justified.

Director Matsumoto said that the money would go back to the people and not just to the project.

Mr. Hartnett said that staff would follow up with answers for the Board.

Vice Chair Medina suggested that staff reach out to each member, to which Mr. Hansel and Mr. Hartnett agreed.

e) Approval to Make an Initial Deposit to Caltrans of \$12 Million for Construction of the North Segment of the San Mateo 101 Express Lanes Project (Whipple – I-380)

Joe Hurley, TA Director, presented a staff report.

Approved by Resolution No. 2020-9:

Motion/Second: Romero/Horsley

Ayes: Beach, Groom, Horsley, Mates, Matsumoto, Medina, Romero

Absent: None

12. REQUESTS FROM THE AUTHORITY

There were no requests.

13. WRITTEN COMMUNICATIONS TO THE AUTHORITY

The correspondence was available on the website.

14. DATE/TIME OF NEXT REGULAR MEETING

Chair Beach announced that the next meeting would be on Thursday, June 4, 2020, 5:00 pm, either via Zoom teleconference or at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA 94070.

15. REPORT OF LEGAL COUNSEL

Joan Cassman, Legal Counsel, said she had nothing to report.

16. ADJOURN

The meeting adjourned at 7:23 pm.

An audio/video recording of this meeting is available online at www.smcta.com. Questions may be referred to the Authority Secretary's office by phone at 650.508.6242 or by email to board@smcta.com.