

San Mateo County Transportation Authority
1250 San Carlos Avenue, San Carlos, California
Minutes of February 2, 2023

Members Present: None

(In Person)

Members Present: E. Beach, N. Corzo, J. Mates, R. Medina (Chair), R. Mueller (joined at 5:04 pm and left at 5:54 pm), M. Nagales, C. Romero (Vice Chair)

(Via Teleconference)

Members Absent: None

Staff Present: A. Chan, J. Cassman, P. Skinner, C. Fromson, K. Kelly, H. El-Guindy, J. Brook, M. Tseng, D. Seamans

1. Call to Order

Chair Rico Medina called the meeting to order at 5:01 pm.

2. Roll Call/Pledge of Allegiance

Dora Seamans, Authority Secretary, confirmed that a quorum was present. Chair Medina led the Pledge of Allegiance.

3. Public Comment for Items Not on the Agenda

There were no comments.

4. Report from Closed Session at January 5 Board Meeting

**4.a. Closed Session: Public Employee Performance Evaluation – Annual Goal-setting Pursuant to Government Code Section 54957(b)
Title: Executive Director**

Joan Cassman, Legal Counsel, said the Board met with April Chan, Executive Director, to discuss performance goals for the coming year and no action was taken.

5. Report of the Citizens Advisory Committee

Chair Medina noted that the report was posted on the website.

6. Consent Calendar

6.a. Adoption of Resolution Making Findings that the Proclaimed State of Emergency for COVID-19 Continues to Impact the Board's and Committees' Ability to Meet Safely in Person, and Authorizing Remote Teleconference Board and Committee Meetings to Continue – Approved by Resolution No. 2023-5

6.b. Approval of Minutes of the Board of Directors Meeting of January 5, 2023

6.c. Acceptance of Statement of Revenues and Expenditures for the Period Ending December 31, 2022

6.d. Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook

Director Ray Mueller joined the meeting at 5:04 pm.

Regarding Item 6.c, Connie Mobley-Ritter, Director of Treasury, responded to investment-related questions from Vice Chair Carlos Romero.

Motion/Second: Romero/Mates

Ayes: Beach, Corzo, Mates, Medina, Mueller, Nagales, Romero

Noes: None

Absent: None

7. Report of the Chair

Chair Medina requested two directors to serve on the TA CAC Nominating Committee, who will interview prospective candidates for the Citizens Advisory Committee. He and Director Mark Nagales volunteered.

8. San Mateo County Transit District Liaison Report

Chair Medina said that the report was in the packet and posted on the website. He noted that the SamTrans Board had approved the new rail-specific position of Chief Safety Officer, who will report to the Peninsula Corridor Joint Powers Board (JPB) Executive Director.

9. Joint Powers Board Liaison Report

Ms. Chan said that the report was posted on the website. She congratulated Chair Medina's swearing in that morning to the JPB as SamTrans representative. She noted that Caltrain has secured the funding required to cover the cost increase for the electrification program. She commended the efforts of Michelle Bouchard, JPB Executive Director, and Casey Fromson, Chief Communications Officer.

Ms. Chan announced that there would be 31 weekends of partial or full shutdowns of Caltrain service while electrification work is performed. She said there would be extensive outreach to the riding public as well as ambassadors to direct passengers at the stations.

Vice Chair Romero asked if the receipt of the funds for the electrification removes the backfill obligation for the TA and the other funding partners. Ms. Chan said the obligation remains in place until the project is complete, but would only need to be considered if there are additional cost overruns.

10. Report of the Executive Director

Ms. Chan said the report was in the packet. She announced that Regional Measure 3 was upheld by the California Supreme Court last week and the funds from the escrow account would start flowing to the various capital projects. She noted there was \$50 million available for

the US 101/State Route 92 interchange and that the County of San Mateo is eligible for a portion of the \$130 million allotted to the Dumbarton Corridor.

11. Program

11.a. San Mateo 101 Express Lanes Quarterly Project Update

Leo Scott, Co-Project Manager, Gray-Bowen-Scott, provided the presentation, which included a discussion on pothole repair within the Express Lanes corridor, the project budget, and the tolling outreach campaign.

Director Julia Mates asked if the weather delays may impact project savings. Mr. Scott said weather delays could have an impact on the landscaping phase of the project as the recent rains could have damaged planting areas but the risk is relatively low.

Director Noelia Corzo asked if there was a media kit for the public awareness campaign. Amy Linehan, Government and Community Affairs Officer, said the Communications team was preparing a suite of materials to provide to public information officers in addition to the existing outreach efforts to cities and stakeholders. Ms. Fromson said she would provide information to the Board members to help spread the information.

Director Corzo asked about the program's capacity. Mr. Scott said there were three different groups using the lanes, including HOV 3+ (carpools and buses), who use the lane for free; HOV 2 (10-15 percent of vehicles in the corridor) who receive half price; and single-occupant vehicles who pay full price. Director Corzo clarified that she was asking about the capacity of the equity program. Ms. Chan said the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) had set aside funding for the equity program and there was still capacity for qualified applicants, and noted that SMCEL-JPA would distribute the campaign materials to the Board members.

Chair Medina asked if staff could provide information on the equity program to the new Board members. Director Emily Beach noted that there is a full media kit in multiple languages that SMCEL-JPA staff can send out. Director Beach also noted that while there is a backlog of getting eligible applicants signed up, the program has plenty of capacity. She noted that an overview of the program was presented at the January 13 SMCEL-JPA meeting and encouraged the directors to watch the meeting video for more information.

12. Finance

12.a Update on the Investment Portfolio and Environmental, Social, and Governance Investing Discussion by Public Trust Advisors

Connie Mobley-Ritter, Director of Treasury, introduced Tom Tight, Managing Director, and Mark Creger, Director and Senior Portfolio Manager, from Public Trust Advisors, who provided the presentation on the TA's financial portfolio.

Director Ray Mueller left the meeting at 5:54 pm.

Vice Chair Romero asked if the cash and fixed income summary yield number 4.423 that was noted in the agenda packet referred to the market yield, which Mr. Creger confirmed.

Mr. Creger continued with a presentation on the ESG (Environmental, Social, and Governance) and how it is integrated into the investment strategy. Director Beach asked if Mr. Creger could also share the ESG slides that were included in the Board packet.

At the conclusion of the presentation, Director Beach thanked Mr. Creger for the detailed presentation and noted the big picture policy discussion for the Board was to determine if and how much of the TA's investment portfolio could be moved to more socially conscious investments. She also asked if the investment yields are different for ESG and non-ESG investments. Mr. Creger said that there are not meaningful yield differences between ESG and non-ESG investments based on the TA's current strategy. Director Beach asked if Public Trust Advisors had served other clients with an ESG strategy and Mr. Creger said there were very few clients with an ESG-exclusive investment strategy and their solutions were customized to meet their clients' needs. She said she would like for the TA to continue exploring ESG investment strategies and determining the financial impact of a transition to this approach so the Board can make informed policy decisions.

Director Corzo said she agreed that the TA should explore more socially responsible investing and suggested an incremental approach to transitioning to ESG investing.

Vice Chair Romero noted that approximately 78 percent of the TA's holdings are in United States Treasuries, leaving a relatively small portion available to move to ESG investments. He also suggested the TA should take a more methodical approach and consider developing criteria for moving investments to ESG.

Director Mates said she does not support taking a hard stance on ESG investing at present and advocated having continued discussions. She also suggested scheduling a study session for the Board to have a more in-depth look at ESG investing.

13. State and Federal Legislative Update

Ms. Fromson provided an update of federal and state legislation.

She provided the federal and state committee assignments. She said the Governor released his budget on January 5, which included proposed cuts to transportation and transit.

Vice Chair Romero said he had heard from the Brookings Institution that earmarks were coming back for the next fiscal year, and asked if Ms. Fromson had heard why the Republican Party is vacillating on that topic. She said she would get back to him with more information.

14. Requests from the Authority

There were no requests.

15. Written Communications to the Authority

Chair Medina noted that the correspondence was available on the website.

16. Date/Time of Next Regular Meeting

Chair Medina announced the next meeting would be on Thursday, March 2, 2023, 5:00 pm in person at the SamTrans Auditorium and via Zoom teleconference.

17. Report of Legal Counsel

Ms. Cassman said she had nothing to report, and noted that they would provide the Board with the new teleconferencing guidelines summary in the coming weeks.

18. Adjourn

The meeting adjourned at 6:38 pm.

An audio/video recording of this meeting is available online at <https://www.smcta.com/about-us/board-directors/video-board-directors-cac-and-smcel-jpa>. Questions may be referred to the Authority Secretary's office by phone at 650.508.6242 or by email to board@smcta.com.