



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

February 3, 2011 - Thursday

5:00 p.m.

1. Pledge of Allegiance
2. Swearing in Don Horsley (Representing the Board of Supervisors),
Central County Representative and South County Representative
3. Call to Order/Roll Call
4. Election of 2011 Officers MOTION
5. Consent Calendar MOTION
Members of the public or Board may request that an item under the Consent Calendar be considered separately
 - a) Approval of Minutes of January 6, 2011
 - b) Acceptance of Statement of Revenues and Expenditures for
December 2010
6. Public Comment
Public testimony by each individual speaker shall be limited to one minute
7. Citizens Advisory Committee (CAC) Report
8. Chairperson's Report MOTION
 - a) Certificate of Appreciation to Outgoing CAC Chair, Pat Dixon
9. SamTrans Liaison Report – January 12, 2011
10. Joint Powers Board Report
11. Report of Executive Director
12. Finance MOTION
 - a) Acceptance of Quarterly Investment Report and Fixed Income Market
Review and Outlook for the San Mateo County Transportation
Authority
 - b) Fiscal Year 2010 Comprehensive Annual Financial Report INFORMATIONAL

- c) Allocation of Original Measure A Funds in an Amount up to \$55,000 to the City of Brisbane's Route 101/Candlestick Interchange Modification Project Study Report RESOLUTION

- 13. Program
 - a) Program Report: Transit – Dumbarton Corridor INFORMATIONAL
 - b) Update on State and Federal Legislative Program INFORMATIONAL

- 14. Requests from the Authority

- 15. Written Communications to the Authority

- 16. Report of Legal Counsel

- 17. Date, Time and Place of Next Meeting
Thursday, March 3, 2011 at 5:00 p.m., at San Mateo Country Transit District Administrative Building, Bacciocco Auditorium, Second Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

- 18. Adjournment

INFORMATION FOR THE PUBLIC

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

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6242. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at www.smcta.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus Routes 260, 295, 390, 391, and KX.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

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 Authority 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 TA 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 Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@smcta.com; or by phone at 650-508-6242, or TDD 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.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA)
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

MINUTES OF JANUARY 6, 2011

MEMBERS PRESENT: R. Foust (Chair), J. Lee, K. Matsumoto, T. Nagel

MEMBERS ABSENT: C. Groom, J. Vreeland

STAFF PRESENT: J. Cassman, M. Espinosa, G. Harrington, C. Harvey, R. Haskin, J. Hurley, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:04 p.m. and led the Pledge of Allegiance.

CONSENT CALENDAR

- a. Approval of Minutes of December 2, 2010
- b. Acceptance of Statement of Revenues and Expenditures for November 2010

The Board approved the consent calendar (Nagel/Lee).

PUBLIC COMMENT

None

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon presented details of the January 4, 2011 meeting:

- Received a presentation on and supported the allocation of \$80,000 of Measure A funds for the Bicycle Sharing Demonstration Program.
- Supported the adoption of the 2011 State and Federal Legislative Program.
- Barbara Arietta was elected chair and April Vargas vice chair for 2011.
- Thanked staff and the Board for their help and support.

Director Karyl Matsumoto complimented Ms. Dixon for representing the TA at various events and for being so efficient in running CAC meetings.

Director John Lee said Ms. Dixon is the epitome of an advisory committee representative. He said she has been there, she is not afraid of anybody, she does her homework, has been an outstanding leader for years and he fully expects her to continue to be involved.

Director Terry Nagel said Ms. Dixon shows a lot of common sense and digs to get answers the Board needs.

Ms. Dixon said she has lived locally for many years and a lot of issues affect her community.

Chair Foust said she has known Ms. Dixon for 12 years through community and city involvement and the CAC. She said Ms. Dixon is a great community activist.

Chair Foust said even though they may not agree on all issues, she has the upmost admiration and respect for Ms. Dixon and for all she has done for the community and for the things she has taught her. She emphasized Ms. Dixon is a great lady.

Ms. Dixon thanked everyone for their kind words.

Chair Foust congratulated Ms. Arietta and Ms. Vargas and said the TA CAC is the best CAC.

CHAIRPERSON'S REPORT – ROSANNE FOUST

- The December City Selection Committee meeting was canceled. TA representatives for South and Central County seats will be determined at the January 28 meeting in Millbrae. The SamTrans representative will be selected by the SamTrans Board of Directors. She said she has applied for reappointment, as have Directors Nagel and Matsumoto. New Board members are to be sworn in and 2011 officers elected at the February 3 Board meeting.
- Complimented Director Nagel for the presentation on the City of Burlingame to the Burlingame Chambers Annual Meeting.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The report for December 8, 2010 is in the agenda packet.

JOINT POWERS BOARD REPORT

Executive Director Michael Scanlon reported on the meeting of January 6, 2011:

- Santa Clara Supervisor Liz Kniss was sworn in to represent the Santa Clara Valley Transportation Authority (VTA).
- Public comments were received on bicycle capacity on trains, a change to three-car trains, connections using the Clipper automated fare card, and from the Friends of Caltrain.
- The chair appointed a nominating committee including Director Nat Ford of San Francisco County, Director Art Lloyd of San Mateo County and Director Kniss for election of 2011 officers.
- Received a Metropolitan Transportation Commission (MTC) liaison report noting that the Association of Bay Area Governments (ABAG) will be celebrating its 50th anniversary and the MTC its 40th anniversary.
- The CAC chair reported the election of Bruce Jenkins from Santa Clara County as chair and Paul Bendix from San Mateo County as vice chair for 2011 officers.
- Performance statistics November 2010 compared to November 2009:
 - a. Total ridership was 1,002,283, an increase of 5.7 percent.
 - b. Average weekday ridership was 39,036, an increase of 4.4 percent.
 - c. Total revenue was \$3,723,097, an increase of 12.3 percent.
 - d. On-time performance was 93.9 percent, an increase of 1.9 percent.
 - e. Shuttle ridership was 5,714, an increase of 13.6 percent.
- Year-to-date performance statistics November 2010 compared to November 2009
 - f. Total ridership was 5,389,703, an increase of 4 percent.
 - g. Average weekday ridership was 40,884, an increase of 4.1 percent.
 - h. Total revenue was \$19,957,189, an increase of 9.1 percent.
 - i. On-time performance was 93.4 percent, a decrease of 0.3 percent.
 - j. Shuttle ridership was 5,485, a decrease of 1.5 percent.
- A budget subcommittee of the Board is meeting to address the deficit.

- The Silicon Valley Leadership Group is spearheading a summit on the future of Caltrain on January 21 at Stanford University and the Friends of Caltrain are holding their own public summit a week later on January 29 at the San Mateo County Transit District (District) offices.
- Staff is developing best- and worst-case scenarios for future Caltrain service. The budget cannot be balanced even if service is reduced to less than half of what it is now and confined to weekdays without weekend, midday, special or extra service and with the elimination of stations.
- Staff is engaged in a procurement of a Caltrain operator for service, conductors, and maintenance of the right of way and vehicles. The JPB is continuing to conduct evaluations of five proposals. The current timeline calls for negotiations to be concluded in late spring and a recommendation of contract award to be presented to the Board by early summer.
- Special service:
 - a. Sharks ridership is down about 11 percent with about 223 extra riders after each game.
 - b. The Kraft Fight Hunger Bowl with Nevada and Boston College is scheduled for January 9 at AT&T Park.
- Fare and service changes are going well. Customers are encouraged to use the 8-ride and Monthly Pass for savings.
- Weekend Baby Bullet express service began on January 1.
- The first fatality for 2011 occurred on January 6 on the right of way north of the California Avenue Caltrain Station.
- Distributed the monthly Safety and Security Report.
- Reported Bob Doty, Director of the Peninsula Rail Program (PRP), has been recruited to the private sector with HNTB to continue High-speed Rail (HSR) work at the national level. Mr. Doty started in operations eight years ago and was instrumental in reinventing Caltrain.
- Received a report on the PRP that talked about HSR focusing on the Central Valley amid expectations of new staff, and board and schedule changes. This is an opportunity for the Peninsula to discuss what it wants from a rail passenger service on the right of way.
- All Board members expressed their sincere appreciation for the work Mr. Doty has done.
- The Board:
 - a. Approved the Consent Calendar including authorization to approve an amended Conflict of Interest Code.
 - b. Authorized an amendment to the FY2011 Operating Budget to increase total revenues and total expenses each by \$1,342,325. This formalized the actions approved relative to fare increases and service reductions and other expense reductions approved in October 2010 and brings the budget to \$102,211,940.
 - c. Authorized a contract to install a closed-circuit television, security video system to improve surveillance at the Centralized Equipment and Maintenance Operations Facility in San Jose.
 - d. Received an update on the Clipper fare payment system.
 - e. Adopted the 2011 State and Federal Legislative Program.
 - f. Received a State and Federal legislative update.
 - g. Amtrak will be celebrating its 40th anniversary in May.
 - h. Legal Counsel gave high praise for the work Bob Doty has done.

Director Lee asked when Mr. Doty was leaving. Mr. Scanlon said his last day would be January 21. Director Lee, on behalf of the Board, extended best wishes and congratulations to Mr. Doty.

Director Karyl Matsumoto asked for clarification on the grim Caltrain financial picture of FY2011 and the current stated good shape of Caltrain. Mr. Scanlon said Caltrain's current monies must be rolled forward for FY2011. Mr. Scanlon said staff is looking at a best/worst case scenario of a \$30 million to a \$5 million deficit. A \$5 million deficit level may be able to be reached with a 48 train weekday schedule. He said Caltrain is also involved with HSR, rebuilding the railroad and trying to reinvent Caltrain with electrification while trying to stay in business. Through electrification and speeding up trains, Caltrain would be able to increase revenue and decrease operating costs by about half as much and have a quiet, modern electrified railroad.

Director Matsumoto asked if some of this was tied to HSR. Mr. Scanlon said this corridor must be electrified for Caltrain to construct anything that would put more people on Caltrain and it is a question of funding. He said electrification and an improved, robust signaling system must be done before anything else can be done and will create a system that provides a much higher quality of service.

Director Nagel asked about a recent newspaper article on escalating staff compensation based on Amtrak rates. Mr. Scanlon said the article was not exact and focused in on a period of time between 2007 and 2010. The story didn't mention there was a negotiation for seven years during which period the workers received no increase. Mr. Scanlon said in order to be accurate, one must go back to 2003 or 2004 and that was the escalation but it wasn't even negotiated. The wage rates were set by a presidential commission when President Bush finally stepped in due to threatened strikes. In terms of the retroactivity portion of what was involved, Caltrain settled for about \$500,000 and it could have been many millions. There was an escalation from 2007 to 2010 but the true story would have included the addition of about four more years onto the timeframe. Mr. Scanlon said wage rates that are negotiated nationally tend to lag this market, which can make it difficult to employ people who can't afford to live in this area.

Director Nagel asked if staff has received feedback on the weekend Baby Bullet express service. Mr. Scanlon said it is a bit early to tell. Executive Officer Customer Service and Marketing Rita Haskin said marketing efforts include newspaper and radio ads and Caltrain's first Twitter and Facebook account. The goal is to get 1,000 new riders a day rather than shifting people from the local service. There were about 500 new riders on the first weekend.

Director Nagel asked for the Twitter name. Ms. Haskin said there are links to Twitter and Facebook on the Caltrain website on the Baby Bullet weekend page.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Gave special thanks to outgoing CAC Chair Pat Dixon and congratulations to Ms. Arietta and Ms. Vargas.
- There was discussion last month that the State was shutting down all the corridor mobility improvement accounts and project study reports. There was a recent sale of State bonds and

the understanding is that the California Transportation Commission, at its January meeting, will consider prioritizing some funds and there is a chance that the TA's Highway 101-Marsh to San Mateo/Santa Clara County line (Auxiliary Lanes) could come away with some funding.

Executive Officer Planning and Development Marian Lee briefed the Board on the recent meeting of the Dumbarton Rail Policy Advisory Committee.

- The Dumbarton Rail Project is a three-county project to provide new rail service on existing rail transbay infrastructure.
- At the November meeting, the project team was tasked with improving project ridership and coming up with a full funding plan.
- By providing more service, the travel forecast projections have nearly doubled.
- Alameda County is gearing up for a new sales tax measure and Policy Advisory Committee Chair Mark Green said he wants the Dumbarton Rail Project to be a key transit project in that new measure. This would help close the funding gap.
- Next steps involve completing the environmental document.
- Updates will be provided at a future TA Board meeting.

Director Lee asked about the timeframe for the environmental document. Ms. Lee said if all goes well, it is anticipated to take a year and one-half. She said overcoming the significant funding gap will be crucial in meeting the timeframe.

FINANCE

Authorize Allocation of \$80,000 of Measure A Funds to the San Mateo County Transit District for the Regional Bicycle Sharing Demonstration Program

Manager, Planning and Research Marisa Espinosa presented an update on the presentation given at the December 2 Board meeting. She introduced project partners Beth Ross from Redwood City, Doug Alfaro from San Mateo County and Karen Schkolnick from the Bay Area Air Quality Management District (BAAQMD).

Ms. Espinosa reported:

- The MTC Climate Initiative Project Context mandates AB 32 greenhouse gas emissions (GHG) to 1990 levels by 2020 and mandates SB 375 aggressive response by MTC and the Association of Bay Area Governments to GHG reduction targets.
- The Climate Initiative Program is for short-term investments to reduce transportation-related emissions and Vehicle Miles Traveled (VMT). The MTC has invested \$80 million in Federal funds, solicited ideas in spring 2010 and requested a regional strategy to test bike sharing.
- Bike sharing works by renting, riding and returning a bike with smart-card technology available. There would be a hub station at the Redwood City Caltrain Station and pods located at various activity centers throughout Redwood City.
- Bike sharing provides options to supplement transit services and a needed first- and last-mile connection to transit, expands areas served by bus and train to reduce VMT, is an innovative wayside enhancement in Caltrain's adopted Bicycle Access and Parking Plan, and makes commuting more flexible.
- The pilot project calls for 500 bikes in San Francisco, 100 bikes in San Mateo County and 400 bikes in Santa Clara County.

- Major project elements to consider include facilities and maintenance, administration and operations, marketing and outreach and evaluation.
- The TA would be appropriately protected by a number of memoranda with the different project partners and funding agencies in order to ensure that risk is mitigated for the agency.
- The MTC is providing 62 percent or \$4.2 million funding and BAAQMD is providing 20 percent or \$1,400,000. The TA's allocation would be about 1 percent of the project budget for local match.
- Project costs over three years include program development and implementation, staffing, auditing, integration with MTC 511, evaluation and contingency.
- The project costs' program categories come to an overhead amount of about 13.7 percent or less than the total amount of match of all local partners. The project provides a good opportunity to leverage funds and program components are mostly focused on direct costs such as purchasing of bicycles and facilities and the technology to run, operate and maintain the program for a cost effective and successful demonstration project.

Director Nagel asked what would happen if the TA did not approve the allocation of \$80,000. Ms. Espinosa said the project would only be in areas outside San Mateo County.

Director Nagel asked how this model might transition after three years to a self-sufficient model of private funding. Ms. Espinosa said there will be a technical advisory committee that would evaluate elements that could be imported to make it sustainable for the long term.

Director Nagel asked what precautions will be in place to prevent theft of bikes. Ms. Espinosa said the bikes will be embedded with a radio frequency chip or some sort of Global Positioning System (GPS). The bikes purchased will be very sturdy to prevent vandalism.

Chair Foust asked if the pods in Redwood City would be located at work sites or community centers. Ms. Espinosa said the pods would be located at work sites and various businesses in consultation with local partners and employers.

Chair Foust asked what happens if a bike is not available for the return trip to the station. Ms. Espinosa said the program will have a smart card system and the rider could check online which pods have availability before the bike is checked out.

Chair Foust asked if there has been outreach to folks who would use pods. Ms. Espinosa said outreach will be developed through the program and will include user studies conducted by other agencies.

Chair Foust said communication about the project will be key to success and maintaining the integrity of the bikes and the system, especially to work sites. Chair Foust said bikes must be left at pods. Ms. Espinosa said bikes could be taken to different sites because the pods will have additional bikes to check out or it's a place to return a bike if checked out at a different location. She said the TA also has the benefit of MTC wanting to market, support and brand all of its Climate Initiative grant programs and they are planning to do additional advertising and things that will help support getting the word out about these new programs.

Director Lee suggested putting the information about this on Facebook or Twitter.

Public Comment

Shirley Johnson, San Francisco, is a bicycle advocate and supports programs to get people out of their cars onto bikes. She said this bike program is outrageously expensive and risky at a cost of \$8,000 per bike. She said this project is robbing funding from very worthy and proven bicycle projects. Caltrain needs \$300,000 to increase additional bike capacity and can't find the money but \$7.9 million is being spent on bike sharing.

Carlos Babcock, Silicon Valley Bike Coalition (SVBC), welcomes the chance that MTC has in the last-mile program as far as bringing a variety of ways to combat or to reduce VMT in the Bay Area with this regional program. He said bikes onboard was once a pilot program and there is always risk with any new venture. He said the SVBC welcomes the program and said it would be sad to see San Francisco and Santa Clara counties take the project on and have San Mateo County bypassed if the allocation is not approved. He said Redwood City has a small footprint and will offer people the opportunity to take bikes from pods to work sites and other activity centers. He urged support of the project.

Director Matsumoto supports the concept but is concerned about building the density to make it practical, bike safety, and sufficient bike lanes.

Chair Foust said the preliminary analysis for Redwood City revealed 1,258 businesses within a half-mile radius of the Redwood City Caltrain Station and 1,700 households within the average bicycling distance of downtown Redwood City. She is also concerned about density and is reticent but she doesn't want to be left behind and will support the project.

Director Lee said this is a demonstration project, the color of money is here and can only be used in this area. Bike sharing works around the world. The TA has some climate initiative money and businesses have been tasked with changing the climate in this State.

Director Nagel understands the frustration of the cyclists who want money to do more things but she will support the project because the TA needs to explore other ways to get people around the county. The project will go forward without the TA's allocation and will not change the fact that there will be a demonstration project. She said she would rather have MTC spend money on things like a transportation plan that might save Caltrain and incorporate HSR in a way that would not ruin communities, but this is what MTC has decided to do. She said the project must be monitored carefully in order for it to be a success and it is important to have a transition program to make it self sufficient at the end of three years.

A motion (Lee/Nagel) to allocate Measure A funds to the San Mateo County Transit District for the Regional Bicycle Sharing Demonstration Program was approved.

Chair Foust thanked staff for addressing and clarifying issues of concern to the Board. She said the TA Board is very conscious about spending the public money generated by the one-half cent sales tax.

PROGRAM

Adoption of the 2011 State and Federal Legislative Program

Executive Officer Public Affairs Mark Simon said the Board adopts a program every year to guide advocacy efforts for the calendar year. It is written broadly to allow staff and our legislative advocates in Sacramento and Washington D.C. to respond quickly to any issues that may arise. Engagement on any issues outside the scope of this document will be brought back to this Board for action. Many of the objectives listed in the staff report are carried over from 2010, but there are some new issues.

The State program reflects new efforts to preserve transit funding following voter approval of Proposition 26. It also includes a focus on preserving the flexibility of Proposition 1A HSR connectivity funding allocated to transit agencies.

The Federal program adds the new Federal transit safety regulations being considered at the Department of Transportation. It is possible that those proposals will impact how commuter rail safety is regulated.

Director Lee asked if changes in the House will impact transportation funding. Mr. Simon said there will be increased pressure to cut budgets and spending and will be led in the House by the Republicans. This means staff must focus more attention on the Senate and the administration to the extent that they still have some discretionary authority left for funding. Transit issues are really non-partisan issues and the hope is to build new alliances. The incoming chair of the Transportation Infrastructure Committee is a long-time friend and advocate for transportation. Mr. Simon said the main issue at the Federal level is authorization of a new national transportation plan.

Director Lee asked about State issues with a new governor and several initiatives. Mr. Simon said the biggest problem is the fee-based gas tax swap agreement that allocated funding for our programs. Proposition 26 calls into question whether that gas tax swap still exists. Staff is working closely with the California Transit Association (CTA), the California State Association of Counties and the cities to work on funding for State transit.

A motion (Nagel/Lee) to adopt the 2011 State and Federal Legislative Program was approved.

UPDATE ON STATE AND FEDERAL LEGISLATIVE PROGRAM

Mr. Simon reported:

Federal

- The president signed a bill that included both the full pre-tax transit commuter benefits and the alternative fuel tax credits.
- The SAFETEA-LU and 2010 Appropriations were both extended through March 4. Staff doesn't expect any discretionary grant programs to proceed until Congress authorizes and appropriates funding for the remainder of FY2011.
- The Republican majority is proposing new rules. Currently all funds collected through the gas tax and deposited in the Highway Trust Fund (HTF) are required to be spent on transportation projects. Prior to the establishment of this rule, it was common practice for Congress to reduce HTF spending in order to increase spending on other government programs. The result was an accumulation of unallocated gas tax funds in the HTF that were

never spent on transportation programs. By not allocating the full level of gas tax collected from consumers, Republicans would, in effect, be cutting transportation spending and give the appearance of a budget deficit reduction.

State

- The governor's budget will be announced on January 10 and staff will be looking to see how the administration proposes to allocate the diesel fuel sales tax revenues from that gas tax swap.
- AB 32 – California Air Resources Board-approved proposed cap and trade regulation is a big portion of AB 32 going forward. Ten percent of the revenues will go towards funding emission-reducing projects including transportation and land use projects consistent with SB 375 emission-reduction targets, which is good news for the Grand Boulevard Initiative efforts.

REQUESTS FROM THE AUTHORITY

None

WRITTEN COMMUNICATIONS TO THE AUTHORITY

The correspondence file includes a letter from Bike San Mateo County and letters to our Senators and Representatives regarding the \$230 a month pre-tax commuter benefit and the 50-cents a gallon alternative fuel tax credit for transit operators.

REPORT OF LEGAL COUNSEL

No report

DATE AND PLACE OF NEXT MEETING

The next meeting is scheduled for Thursday, February 3, 5 p.m. at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070.

Adjourned 6:15 p.m.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: San Mateo County Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Virginia Harrington
Deputy CEO

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDING DECEMBER 31, 2010**

ACTION

Staff proposes that the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of December 2010 and supplemental information.

SIGNIFICANCE

Revenues: Year-to-date *Total Revenue* (\$34,994,624 - line 6) is *worse* than staff projections by \$545,532 or 1.5 percent. Within total revenue, *Interest Income* (\$2,575,862 - line 2) is \$383,408 or 13.0 percent *worse* than projections due to lower than budgeted returns. *Grant Proceeds* (\$269,375 - line 4) are \$633,491 or 70.1 percent *worse* than staff projections.

Total Revenue (\$34,994,624 - line 6) is \$729,933 or 2.1 percent *better* than prior year performance, mainly driven by *Sales Tax* (\$31,624,480 – line 1) which is \$1,691,665 or 5.7 percent *better*.

Expenditures: *Total Administrative* (\$377,707 - line 21) is *better* than the year-to-date staff projections by \$105,513 or 21.8 percent. Within total administrative, *Staff Support* (\$255,200 – line 17) and *Other Admin Expenses* (\$122,507 - line 19) are \$99,517 or 20.9 percent *better* than staff projections.

Budget Amendment: There are no budget revisions for the month of December 2010.

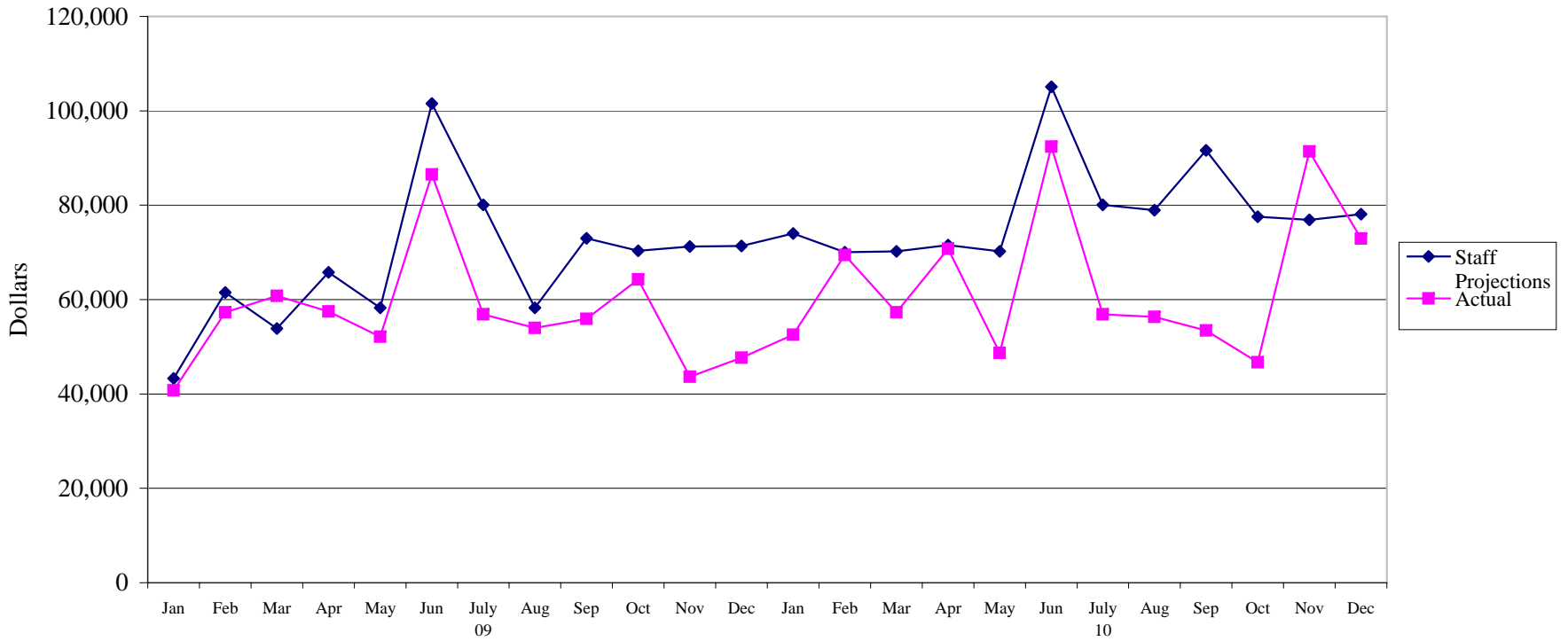
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2011
December 2010

% OF YEAR ELAPSED: **50.0%**

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	STAFF PROJECTION	% OF PROJ	ADOPTED BUDGET*	STAFF PROJECTION**	% OF PROJ
REVENUES:								
1 Sales Tax	6,747,547	29,932,815	31,624,480	31,135,200	101.6%	60,000,000	60,000,000	51.9%
2 Interest Income	383,129	2,622,386	2,575,862	2,959,270	87.0%	5,557,240	5,557,240	53.3%
3 Rental Income	89,675	534,627	524,906	542,820	96.7%	1,085,640	1,085,640	48.3%
4 Grant Proceeds	69,318	1,174,803	269,375	902,866	29.8%	4,218,000	4,218,000	6.4%
5								
6 TOTAL REVENUE	7,289,669	34,264,631	34,994,624	35,540,156	98.5%	70,860,880	70,860,880	49.4%
7								
EXPENDITURES:								
8								
9								
10 Annual Allocations	2,577,550	11,627,611	12,232,255	12,093,792	101.1%	23,358,888	23,358,888	52.4%
11								
12 Program Expenditures	3,023,052	18,603,948	11,668,612	8,678,380	134.5%	12,979,612	25,486,612	45.8%
13								
14 Oversight	13,685	141,979	139,287	484,980	28.7%	970,000	970,000	14.4%
15								
16 Administrative								
17 Staff Support	49,854	227,590	255,200	311,098	82.0%	606,390	606,390	42.1%
18 Measure A Info-Others	-	-	-	5,996	0.0%	12,000	12,000	0.0%
19 Other Admin Expenses	23,099	85,050	122,507	166,126	73.7%	333,109	333,109	36.8%
20								
21 Total Administrative	72,953	312,640	377,707	483,220	78.2%	951,499	951,499	39.7%
22								
23 TOTAL EXPENDITURES	5,687,239	30,686,178	24,417,862 (1)	21,740,372	112.3%	38,259,999	50,766,999	48.1%
24								
25 EXCESS (DEFICIT)	1,602,430	3,578,452	10,576,763	13,799,784		32,600,881	20,093,881	
26								
27 BEGINNING FUND BALANCE	Not Applicable	423,098,841	413,096,727	413,096,727		298,820,434	413,096,727	
28								
29 ENDING FUND BALANCE	Not Applicable	426,677,293	423,673,490 (2)	426,896,511		331,421,315	433,190,608	
30								
31								
32 Includes the following balances:								
33 Cash and Liquid Investments		2,365,997		FY 2010 Carryover of Commitments (Unaudited)			281,239,724	
34 Current Committed Fund Balance		307,588,861 (3)		FY 2011 Additional Commitments (Budgeted)			38,259,999	
35 Undesignated Cash & Net Receivable		113,718,631		Reso # 2010-24			45,000	
36 Total		<u>423,673,490 (2)</u>		Reso # 2010-25			12,462,000	
37				Less: Current YTD expenditures			<u>(24,417,862) (1)</u>	
38				Current Committed Fund Balance			<u>307,588,861 (3)</u>	
39								
40 "% OF YEAR ELAPSED" provides a general measure for evaluating overall progress								
41 against the annual budget. When comparing it to the amounts shown in the								
42 "% of PROJECT" column, please note that individual line items reflect variation:								
43 due to seasonal activities during the year.								
44								
45 * The TA Adopted Budget is the Board adopted budget effective June 3, 2010								
46 ** The TA Staff Projection is the adopted budget including year to date budget transfers								
47								

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SMCTA Administrative Expenses



Current Year Data

	Jul '10	Aug '10	Sep '10	Oct '10	Nov '10	Dec '10	Jan '11	Feb '11	Mar '11	Apr '11	May '11	Jun '11
MONTHLY EXPENSES												
Staff Projections	80,076	78,947	91,647	77,583	76,864	78,103						
Actual	56,893	56,343	53,444	50,319	91,368	72,953						
CUMULATIVE EXPENSES												
Staff Projections	80,076	159,023	250,670	328,253	405,117	483,220						
Actual	56,893	113,236	163,068	213,387	304,755	377,707						
Variance-F(U)	23,183	45,787	87,602	114,866	100,363	105,513						
Variance %	28.95%	28.79%	34.95%	34.99%	24.77%	21.84%						



BOARD OF DIRECTORS 2010

ROSANNE FOUST, CHAIR
 JOHN LEE, VICE CHAIR
 RICH GORDON
 CAROLE GROOM
 KARYL MATSUMOTO
 TERRY NAGEL
 JIM VREELAND

MICHAEL J. SCANLON
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF DECEMBER, 2010

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #3	Liquid Cash	0.930%	\$ 211,411,113	\$ 211,501,151
Local Agency Investment Fund	Liquid Cash	0.462%	\$ 9,576,493	\$ 9,590,487
Investment Portfolio	Liquid Cash	1.690%	\$ 187,898,045	\$ 188,326,247
Other	Liquid Cash	0.050%	\$ 2,365,997	\$ 2,365,997
			<u>\$ 411,251,647</u>	<u>\$ 411,783,882</u>

Accrued Earnings for December 2010 \$ 418,343.88 (1)
 Cumulative Earnings FY2011 \$ 2,966,631.16

(1) Earnings do not include prior period adjustments

* County Pool average yield for the month ending December 31, 2010 was 0.930%. As of December 31, 2010, the amortized cost of the Total Pool was \$2,603,370,465.40 and the fair market value per San Mateo County Treasurer's Office was \$2,604,479,222.36.

** The market value of Local Agency Investment Fund (LAIF) was derived from the fair value factor of 1.001461323 as reported by LAIF for quarter ending December 31, 2010.

*** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.



BOARD OF DIRECTORS 2010

ROSANNE FOUST, CHAIR
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 JIM VREELAND

MICHAEL J. SCANLON
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

TSM RESERVE ACCOUNT

AS OF DECEMBER, 2010

<u>TYPE OF SECURITY</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>PURCHASE PRICE</u>	<u>MARKET VALUE</u>
2004 Measure A Funds: County Pool #3 (Restr)	Liquid Cash	0.930%	\$ 723,841	\$ 724,150
			<u>\$ 723,841</u>	<u>\$ 724,150</u>

Interest Income:

Accrued Earnings for December 2010	\$	-
Cumulative Earnings FY2011	\$	-

* Per Board Resolution 1999-20 approved October 7, 1999, Resolution 1989-12, enacted on July 6, 1989, is amended to clarify the intent of the Authority to cease making annual allocations for TSM activities from the interest proceeds of the Restricted Reserve Account.

** County Pool average yield for the month ending December 31, 2010 was 0.930%. As of December 31, 2010, the amortized cost of the Total Pool was \$2,603,370,465.40 and the fair market value per San Mateo County Treasurer's Office was \$2,604,479,222.36.

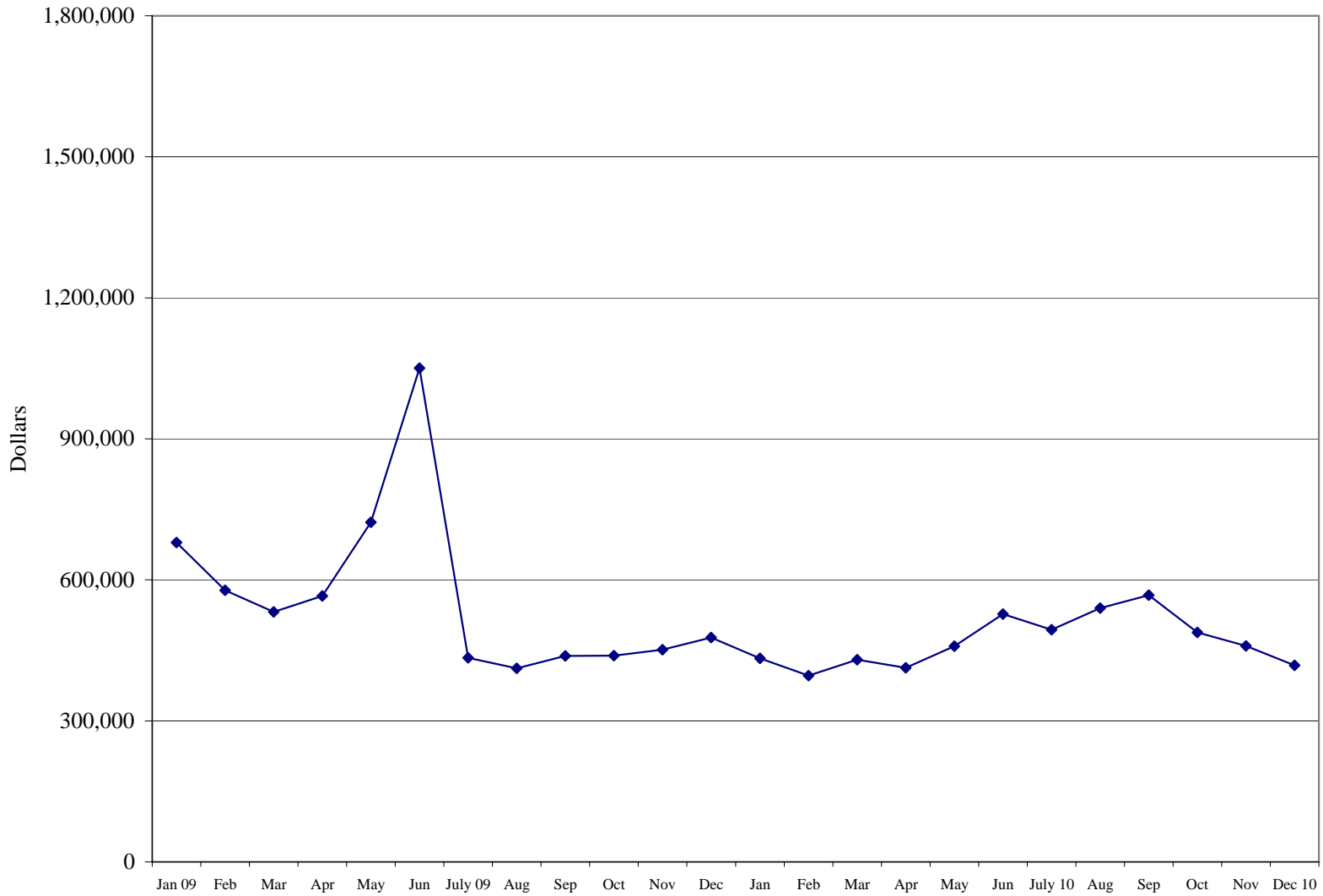
*** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST STATEMENT
DECEMBER 2010**

FY2011	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	493,670.18	493,670.18
AUGUST	539,654.96	1,033,325.14
SEPTEMBER	567,277.49	1,600,602.63
OCTOBER (1)	488,039.11	2,088,641.74
NOVEMBER	459,645.54	2,548,287.28
DECEMBER	418,343.88	2,966,631.16
JANUARY		
FEBRUARY		
MARCH		
APRIL		
MAY		
JUNE		

(1) Includes prior period adjustments

SMCTA Interest Income



* Paratransit interest no longer displayed as corpus has been transferred to SamTrans.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
DECEMBER 31, 2010

DESCRIPTION	TOTAL INVESTMENT 12-31-10	INTEREST RECEIVABLE 11-30-10	INTEREST EARNED 12-31-10	INTEREST RECEIVED 12-31-10	ADJ.	INTEREST RECEIVABLE 12-31-10
LAIF	9,576,492.70	17,617.86	5,133.72	0.00	0.00	22,751.58
COUNTY POOL	212,134,953.97	456,279.21	172,495.01	0.00	0.00	628,774.22
BANK OF AMERICA	2,365,997.26	0.00	95.89	95.89	0.00	0.00
INVESTMENT PORTFOLIO	<u>187,898,044.60</u>	<u>748,768.02</u>	<u>240,798.88</u>	<u>263,887.51</u>	<u>(179.62)</u>	<u>725,499.77</u>
	<u>411,975,488.53</u>	<u>1,222,665.09</u>	<u>418,523.50</u>	<u>263,983.40</u>	<u>(179.62)</u>	<u>1,377,025.57</u>

DECEMBER 2010 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report 12/31/10	418,343.88
Add:	
County Pool Adj.	
Misc. Income	
GASB 31	
Less:	
Management Fees	(5,605.00)
Securities Transaction Activity Fees	(35.76)
Capital Gain(Loss)	<u>(29,574.13)</u>
Total Interest & Capital Gain(Loss)	<u>383,128.99</u>

YEAR TO DATE -- SUMMARY

Interest Earned	2,966,631.16
Add:	
County Pool Adj.	
Misc. Income	
GASB 31	
Less:	
Management Fees	(33,624.42)
Securities Transaction Activity Fees	(35.76)
Capital Gain(Loss)	<u>(357,108.71)</u>
Total Interest	<u>2,575,862.27</u>
Balance Per Ledger as of 12/31/10	
Int Acct. 409100 - Co. Pool	1,485,548.03
Int Acct. 409100 - LAIF	35,613.32
Int Acct. 409100 - B of A	307.05
Int Acct. 409100 - Misc. Income	0.00
Int Acct. 409101 - Portfolio Funds	1,411,502.58
Gain(Loss) Acct. 405210	<u>(357,108.71)</u>
GASB31 Acct. 405220	<u>0.00</u>
	<u>2,575,862.27</u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INVESTMENT PORTFOLIO
DECEMBER 31, 2010**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	GASB 31	MARKET	MATURITY DATE	INT RATE	RATE/ DAY	APPL. DAYS	INTEREST	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	PAR VALUE
			PURCHASE PRICE	ADJUSTED 6-30-10	VALUE 12-31-10					REC'VBLE 11-30-10	EARNED 12-31-10			REC'VBLE 12-31-10	
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>															
<u>CORPORATE BONDS</u>															
* JP MORGAN CHASE	481247AD6	12-16-08	2,028,000.00	2,018,418.00	0.00	12-01-10	2.625%	145.8333	0	26,250.00	0.00	26,250.00		0.00	2,000,000
* BANK OF AMERICA	06052AAA9	12-23-08	2,000,000.00	2,012,478.00	0.00	12-23-10	1.700%	94.4444	22	14,922.21	2,077.78	17,000.00	0.01	(0.00)	2,000,000
GENERAL ELECTRIC	36967HAL1	04-24-09	2,014,900.00	2,019,360.00	2,005,858.00	03-11-11	1.800%	100.0000	30	8,000.00	3,000.00			11,000.00	2,000,000
BANK OF AMERICA	06050BAG6	12-28-09	2,032,960.00	2,048,120.00	2,041,528.00	04-30-12	2.100%	116.6667	30	3,616.67	3,500.00			7,116.67	2,000,000
GENERAL ELECTRIC	36967HAH0	03-24-10	1,530,600.00	1,539,582.00	1,533,582.00	06-08-12	2.200%	91.6667	30	15,858.34	2,750.00	16,500.00		2,108.34	1,500,000
GOLDMAN SACHS	38146FAA9	05-29-09	3,124,650.00	3,141,387.00	3,114,285.00	06-15-12	3.250%	270.8333	30	44,958.33	8,125.00	48,750.00		4,333.33	3,000,000
WELLS FARGO & CO	949744AC0	03-16-10	3,058,440.00	3,080,598.00	3,068,967.00	06-15-12	2.125%	177.0833	30	29,395.83	5,312.50	31,875.00		2,833.33	3,000,000
JOHN DEERE CAPITAL	24424DAA7	03-16-10	3,107,970.00	3,119,658.00	3,099,717.00	06-19-12	2.875%	239.5833	30	38,812.50	7,187.50	43,125.00		2,875.00	3,000,000
															9.73%
<u>U.S. TREASURY NOTES AND BONDS</u>															
US TREASURY NOTE	912828KB5	04-30-09	2,789,062.50	2,826,578.08	2,822,422.68	01-15-12	1.125%	87.5000	30	11,898.10	2,625.00		28.53	14,551.63	2,800,000
US TREASURY NOTE	912828KX7	03-22-10	1,525,312.50	1,537,032.13	1,531,582.69	06-15-12	1.875%	78.1250	30	12,986.68	2,343.75	14,062.50	45.60	1,313.53	1,500,000
US TREASURY NOTE	912828LH1	03-12-10	2,028,125.00	2,046,406.22	2,041,094.32	08-15-12	1.750%	97.2222	30	10,271.74	2,916.67		31.70	13,220.11	2,000,000
US TREASURY NOTE	912828HQ6	07-29-09	15,462,500.00	15,801,571.35	15,712,502.10	01-31-13	2.875%	1,197.9167	30	144,140.62	35,937.50		390.63	180,468.75	15,000,000
															11.20%
<u>U.S. GOVERNMENT AGENCIES</u>															
FNMA	31398AVQ2	03-23-09	3,512,845.00	3,533,906.25	3,512,031.25	03-23-11	1.750%	170.1389	30	11,569.46	5,104.17			16,673.63	3,500,000
FHLB	3133XRY46	06-10-10	5,191,000.00	5,192,187.50	5,115,625.00	09-09-11	3.750%	520.8333	30	42,708.33	15,625.00			58,333.33	5,000,000
FNMA	31359MLS0	11-18-08	2,131,400.00	2,131,250.00	2,086,250.00	11-15-11	5.375%	298.6111	30	4,777.76	8,958.33			13,736.09	2,000,000
FANNIE MAE	31398AUU4	01-23-09	4,014,560.00	4,081,250.00	4,065,000.00	01-09-12	2.000%	222.2222	30	31,555.57	6,666.67			38,222.24	4,000,000
FHLB	3133XSWM6	01-23-09	3,000,000.00	3,067,500.00	3,052,500.00	01-23-12	2.100%	175.0000	30	22,400.00	5,250.00			27,650.00	3,000,000
FHLM	3128X9TY6	01-26-10	4,006,000.00	4,015,212.00	4,001,740.00	01-26-12	1.250%	138.8889	30	17,361.14	4,166.67			21,527.81	4,000,000
FNMA	3136FHEV3	04-24-09	5,035,200.00	5,053,125.00	5,017,187.50	03-23-12	2.375%	329.8611	30	22,430.54	9,895.83			32,326.37	5,000,000
FHLB	3133XR5T3	03-12-10	2,105,000.00	2,111,250.00	2,089,375.00	06-08-12	3.625%	201.3889	30	34,840.29	6,041.67	36,250.00		4,631.96	2,000,000
FHLM	3137EACC1	05-27-09	1,995,080.00	2,039,375.00	2,035,000.00	06-15-12	1.750%	97.2222	30	16,138.91	2,916.67	17,500.00		1,555.58	2,000,000
FHLB	3133XUD91	03-15-10	6,065,625.00	6,084,375.00	6,056,250.00	08-10-12	2.050%	341.6667	30	37,925.00	10,250.00			48,175.00	6,000,000
FNMA	31398AYM8	07-10-09	4,996,300.00	5,096,875.00	5,093,750.00	08-10-12	1.750%	243.0556	30	26,979.18	7,291.67			34,270.85	5,000,000
FHLM	3128X93T5	06-14-10	7,544,225.00	7,567,755.00	7,528,342.50	01-15-13	1.750%	364.5833	30	49,583.34	10,937.50			60,520.84	7,500,000
FHLM - STEP UP	3134G1HD9	06-28-10	5,995,800.00	6,005,064.00	6,003,300.00	03-28-13	0.750%	125.0000	30	7,875.00	3,750.00			11,625.00	6,000,000
FNMA - STEP UP	31398AL59	03-29-10	7,996,900.00	8,015,000.00	8,007,500.00	03-29-13	1.000%	222.2222	30	13,777.79	6,666.67			20,444.46	8,000,000
FNMA - STEP UP	3136FMJN5	04-12-10	3,993,200.00	4,018,750.00	4,007,500.00	04-12-13	1.100%	122.2222	30	5,988.91	3,666.67			9,655.58	4,000,000
FNMA	31398AM25	04-15-10	2,796,920.00	2,828,000.00	2,811,375.00	04-15-13	2.000%	155.5556	30	7,155.57	4,666.67			11,822.24	2,800,000
FNMA	31398AW32	12-10-10	3,360,861.33	3,360,861.33	3,360,468.75	07-19-13	1.375%	127.9514	21	0.00	2,686.98			2,686.98	3,350,000
FHLM	3134G1VS0	10-27-10	5,010,400.00	5,010,400.00	4,967,155.00	10-21-13	1.125%	156.2500	30	5,312.50	4,687.50			10,000.00	5,000,000
FNMA	3136FPRL3	11-15-10	14,977,500.00	14,977,500.00	14,854,687.50	10-28-13	0.625%	260.4167	30	4,166.67	7,812.50			11,979.17	15,000,000
FHLM - STEP UP	3134G1XT6	11-04-10	2,245,725.00	2,245,725.00	2,236,047.75	11-04-13	0.500%	31.2500	30	843.75	937.50			1,781.25	2,250,000

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INVESTMENT PORTFOLIO
NOVEMBER 30, 2010**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	GASB 31	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL. DAYS	INTEREST	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	PAR VALUE
			PURCHASE PRICE	ADJUSTED 6-30-10	VALUE 11-30-10					REC'VBLE 10-31-10	EARNED 11-30-10			REC'VBLE 11-30-10	
FHLB - STEP UP NT	313371RV0	12-02-10	19,936,000.00	19,936,000.00	19,918,750.00	12-02-13	0.500%	277.7778	29	0.00	8,055.56			8,055.56	20,000,000
FNMA	3136FPW60	12-30-10	10,000,000.00	10,000,000.00	10,012,500.00	12-30-13	1.500%	416.6667	1	0.00	416.67			416.67	10,000,000
FNMA - STEP UP	3136FPX85	12-30-10	5,093,625.00	5,093,625.00	5,103,187.50	12-30-13	0.750%	106.2500	1	0.00	106.25			106.25	5,100,000
FNMA - STEP UP	3136FMV50	11-01-10	2,502,350.00	2,502,350.00	2,502,343.75	07-28-15	1.500%	104.1667	30	3,125.00	3,125.00			6,250.00	2,500,000
FHLM - STEP UP	3134G1VQ4	11-01-10	2,554,998.00	2,554,998.00	2,515,320.00	10-15-15	1.250%	88.5417	30	2,656.25	2,656.25			5,312.50	2,550,000 71.28%
<u>U.S. TREASURY INFLATION PROTECTED SECURITIES</u>															
US INFLATION INDEXED	912828KM1	01-21-10	10,122,021.25	10,216,079.74	10,324,275.86	04-15-14	1.250%	337.1326	30	15,816.25	10,113.98		(483.80)	25,446.43	9,817,300 5.16%
<u>COLLATERIZED MORTGAGE OBLIGATIONS</u>															
FHLM SERIES 1832 - F	3133T65S6	11-26-08	16,883.22	15,184.84	16,552.10	03-15-11	6.500%	4.5404	30	136.21	136.21	136.21	(46.53)	89.68	16,557
FHLB SERIES 00-0606 Y	3133XE5D7	11-21-08	1,144,261.99	1,209,307.87	1,184,463.38	12-28-12	5.270%	170.3995	30	511.20	5,111.99	5,111.99	(19.59)	491.61	1,119,425 0.60%
<u>FEDERAL HOME LOAN MORTGAGE CORPORATION BONDS</u>															
FHLM GOLD POOL	31282SAC6	12-22-08	573,631.61	575,619.31	571,017.82	03-01-11	4.000%	67.4127	30	2,022.38	2,022.38	2,022.38	(130.38)	1,892.00	567,601 0.30%
* MATURED			(4,028,000.00)	(4,030,896.00)											(4,000,000.00)
SUBTOTAL			<u>184,592,832.40</u>	<u>185,698,818.62</u>	<u>185,021,034.45</u>					<u>748,768.02</u>	<u>235,498.66</u>	<u>258,583.08</u>	<u>(183.83)</u>	<u>725,499.77</u>	<u>182,870,882.97</u>
<u>CERTIFICATE OF DEPOSITS</u>															
CDARS	(N/A)	04-02-09	2,067,281.29	2,067,281.29	2,067,281.29	03-31-11	1.890%	106.8738	31	0.00	3,313.09	3,315.71	2.62	0.00	2,067,281
CDARS	(N/A)	04-09-09	1,237,930.91	1,237,930.91	1,237,930.91	04-07-11	1.890%	64.1011	31	0.00	1,987.13	1,988.72	1.59	0.00	1,239,920 1.74%
SOLD / MATURED			-	-											-
TOTAL			<u>187,898,044.60</u>	<u>189,004,030.82</u>	<u>188,326,246.65</u>					<u>748,768.02</u>	<u>240,798.88</u>	<u>263,887.51</u>	<u>(179.62)</u>	<u>725,499.77</u>	<u>186,178,083.89</u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY2010 & FY2011
 DECEMBER 2010

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Approved Budget		Receipts		Over/(Under) Budget/Projection	Current Projection
Date	Amount	Date	Amount		
FY2010:					
1st Quarter	16,177,000	1st Quarter	14,555,215	(1,621,785)	14,555,215
2nd Quarter	17,154,000	2nd Quarter	15,241,445	(1,912,555)	15,241,445
3rd Quarter	11,022,500	3rd Quarter	13,642,315	2,619,815	13,642,315
4th Quarter	15,646,500	4th Quarter	15,046,049	(600,451)	15,046,049
FY2010 Total	60,000,000	FY2010 Total	58,485,023	(1,514,977)	58,485,023
FY2011:					
Jul. 10	4,110,600	Sep. 10	4,008,600	(102,000)	4,008,600
Aug. 10	4,110,600	Oct. 10	4,232,000	121,400	4,232,000
Sep. 10	5,480,800	Nov. 10	5,344,800	(136,000)	5,344,800
1st Qtr. Adjustment	1,522,400	Dec. 10	1,780,623	258,223	1,780,623
3 Months Total	15,224,400		15,366,023	141,623	15,366,023
Oct. 10	4,295,900	Dec. 10	4,473,600	177,700	4,473,600
Nov. 10	4,295,900	Jan. 11		177,700	4,473,600 (1)
Dec. 10	5,727,900	Feb. 11		236,900	5,964,800 (1)
2nd Qtr. Adjustment	1,591,100	Mar. 11		(244,643)	1,346,457 (1)
6 Months Total	31,135,200		19,839,623	489,280	31,624,480
Jan. 11	3,741,000	Mar. 11		0	3,741,000
Feb. 11	3,741,000	Apr. 11		0	3,741,000
Mar. 11	4,987,900	May 11		0	4,987,900
3rd Qtr. Adjustment	1,385,500	Jun. 11		(244,640)	1,140,860
9 Months Total	44,990,600		19,839,623	244,640	45,235,240
Apr. 11	4,052,500	Jun. 11		0	4,052,500
May 11	4,052,500	Jul. 11		0	4,052,500
Jun. 11	5,403,400	Aug. 11		0	5,403,400
4th Qtr. Adjustment	1,501,000	Sep. 11		(244,640)	1,256,360
FY2011 Total	60,000,000	FY2011 Total	19,839,623	0	60,000,000
	15,366,023	1st Quarter			
	16,258,457	2nd Quarter			
		3rd Quarter			
		4th Quarter			
	<u>31,624,480</u>	YTD Actual Per Statement of Revenue & Expenses			

(1) Accrued

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF DECEMBER 31, 2010

	<u>12/31/2010</u>
Cash -- Bank of America Checking Account	2,365,997.26
LAIF	9,576,492.70
County Pool	212,134,953.97
Investment Portfolio	187,898,044.60
Total	<u><u>411,975,488.53</u></u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN -- DECEMBER 2010

Unit	Reference	Name	Date	Sum Amount	Method	Description
SMCTA	000642	SAN MATEO COUNTY TRANSIT DISTRICT	12/6/2010	117,949.41	WIR	Capital Programs
SMCTA	000643	MATSUMOTO, KARYL M.	12/6/2010	100.00	WIR	Board of Directors Compensation
SMCTA	000644	GROOM, CAROLE	12/6/2010	100.00	WIR	Board of Directors Compensation
SMCTA	000645	NAGEL, TERRY	12/6/2010	100.00	WIR	Board of Directors Compensation
SMCTA	000646	PENINSULA CORRIDOR JOINT POWERS BOARD	12/13/2010	2,228,323.68	WIR	Capital Programs
SMCTA	000647	PENINSULA CORRIDOR JOINT POWERS BOARD	12/27/2010	72,432.22	WIR	Capital Programs
SMCTA	002848	DMJM HARRIS/MARK THOMAS JV	12/6/2010	10,401.87	CHK	Consultant
SMCTA	002849	FOUST, ROSANNE	12/6/2010	100.00	CHK	Board of Directors Compensation
SMCTA	002850	GORDON, RICHARD S.	12/6/2010	100.00	CHK	Board of Directors Compensation
SMCTA	002851	GOVERNMENT FINANCE OFFICERS ASSN	12/6/2010	505.00	CHK	Dues & Subscription
SMCTA	002852	LEE, JOHN	12/6/2010	100.00	CHK	Board of Directors Compensation
SMCTA	002853	SF BAY AREA WATER EMERGENCY TRANS AUTH	12/6/2010	136,399.78	CHK	Capital Programs
SMCTA	002854	DMJM HARRIS/MARK THOMAS JV	12/13/2010	203,762.58	CHK	Capital Programs
SMCTA	002855	PARKING COMPANY OF AMERICA	12/13/2010	86,778.67	CHK	SMCTA Caltrain Shuttles
SMCTA	002856	HOFBRAU CATERING	12/20/2010	297.00	CHK	Miscellaneous
SMCTA	002857	HOLLAND & KNIGHT LLP	12/20/2010	5,000.00	CHK	Legislative Advocate
SMCTA	002858	PENINSULA TRAFFIC CONGESTION RELIEF	12/20/2010	24,247.61	CHK	Capital Programs
SMCTA	002859	RAJAPPAN & MEYER CONSULTING	12/20/2010	3,134.54	CHK	Capital Programs
SMCTA	002860	SHAW/YODER & ANTWIH, INC.	12/20/2010	3,612.00	CHK	Legislative Advocate
SMCTA	002861	WILBUR SMITH ASSOCIATES	12/20/2010	33,523.44	CHK	Consultant
SMCTA	002862	BKF ENGINEERS	12/27/2010	3,424.35	CHK	Capital Programs
SMCTA	002863	SAN MATEO, COUNTY OF	12/27/2010	2,083.50	CHK	Other Contract Services
SMCTA	002864	SF BAY AREA WATER EMERGENCY TRANS AUTH	12/27/2010	148,199.06	CHK	Capital Programs
				<u>3,080,674.71</u>		

**Summary of San Mateo County Transit District's
Committee and Board of Directors Meeting of
January 12, 2011**

Public Member Zoe Kersteen-Tucker was sworn in representing the Coastsides.

The Community Relations Committee and Board

Accessibility Coordinator Tina DuBost provided the latest Paratransit Coordinating Council (PCC) newsletter. The Redi-Wheels singers performed last month at five facilities throughout the county.

PCC Chair Nancy Keegan welcomed new Coastsides member Jim Ash of the Office of Emergency Services from San Mateo County.

Citizens Advisory Committee Chair Peter Ratto reported on the January meeting:

- Received a presentation on the relocation of bus stops at the Hillsdale Shopping Center adjacent to the former Mervyn's store.
- Two members will be termed out in April including the only member from North County and it was requested outreach be made to recruit members from that area.

Director of Bus Transportation Chester Patton presented the Performance Report: Fixed-route Bus Service (attached).

Average weekday ridership for all modes for November 2010 compared to November 2009 was 94,302, a decrease of 1.7 percent.

The Finance Committee and Board

Accepted the Statement of Revenues and Expenses for November 2010. Revenues are slightly under budget. There are savings on the expense side in the motor bus area due to operator vacancies. Year-to-date fuel is \$2.33 per gallon and was \$2.57 per gallon the week of January 3. The fuel hedge was tripped in December and a check for \$16,000 was received from the bank.

Approved Salary Ordinance No. 93. The Ordinance includes changes made to positions, position classifications and titles that have occurred since January 2010, and reflect the adjustment to the salary ranges.

Authorized submittal of grant applications to the California Department of Transportation (Caltrans) to receive Federal Transit Administration (FTA) Section 5311 Non-Urbanized Formula Program Funds and executed the Standard Agreements with Caltrans to receive funds. Section 5311 program funds help support mobility needs of rural transit users and can be used for capital or operating assistance. SamTrans has historically received funding from this source to support its demand response service on the Coastsides.

**Summary of San Mateo County Transit District's
Committee and Board of Directors Meeting of
January 12, 2011**

Authorized award of a contract to Wipro, Inc. for PeopleSoft System Integration Services for a base cost of \$5,629,370. The San Mateo County Transit District (District) uses PeopleSoft applications as its core business application. Business processes that support administration were evaluated and identified the potential productivity benefits from automating common processes. The assessment revealed the current system is unsupported, outdated and inefficient in light of the District's current needs. This led to the decision of re-implementing the PeopleSoft applications.

Rejected the sole bid from SimplexGrinnell LP to provide inspection, repair and maintenance services of Fire Suppression Equipment and System and authorized research in the marketplace for the purpose of negotiating an acceptable contract. The subject solicitation for these services resulted in a sole bid that was non-responsive.

The Legislative Committee and Board

Adopted the 2011 State and Federal Legislative Program.

The State Legislative Program is organized around four primary issues:

1. State Budget and Transportation Funding
2. Transportation Program Structure and Project Delivery
3. Climate Change and Air Quality Regulation
4. Peninsula Rail Program

The Federal Legislative Program is organized around five primary issues:

1. Surface Transportation Authorization
2. Fiscal Year 2012 Appropriations
3. Climate Change
4. High-speed Intercity Passenger Rail
5. Transit Safety and Security

Update on the Federal Legislative Program.

- The tax extenders package was signed and passed by the president and included the full pre-tax transit commuter benefit from the alternative fuel tax credit that staff was advocating.
- Congress approved an extension of SAFETEA-LU and a continuing resolution for 2010 appropriations. These are extended through March 4 and additional action will have to be taken prior to this date in order for Federal spending to continue.
- The majority in the House approved new rules that encompass a number of different issues. Transportation programs will be subject to the year-to-year appropriations for the first time in a long time. This is part of the House Republicans attempt to reduce Federal spending.

**Summary of San Mateo County Transit District's
Committee and Board of Directors Meeting of
January 12, 2011**

Planning, Development and Sustainability Committee

Received a presentation on the SamTrans Greenhouse Gas Emissions (GHG) Inventory, which fulfills part of the American Public Transportation Association's sustainability commitment, communicates transit's role in reducing GHG and positions the District for new funding opportunities.

Board of Directors

Report of Deputy CEO Chuck Harvey:

- A rare fatal bus accident occurred on December 30 on Route 281.
- The "Art Takes a Bus Ride" bus was on display at the San Mateo County Office of Education.
- SamTrans provided a bus to transport victims of the January 11 fire in Belmont.
- Ten bus operators who were laid off in December 2010 were recalled and another 10 operators will be recalled in April.
- A revised runbook was implemented on December 19 and includes changes to Routes 260 and 250.
- Staff is working on bus stop changes near Menlo-Atherton High School to address overcrowding and community concerns.
- Fixed-route averaged nearly 27,000 miles between road calls in December. The impact of the new Gillig buses is beginning to be reflected with these numbers. Redi-Wheels averaged more than 22,000 miles between service calls.
- Clipper was activated on December 22.
- The Silicon Valley Leadership Group will hold a summit at Stanford on January 21 to address Caltrain's financial situation and possible solutions. Friends of Caltrain, a grassroots coalition, will have a community summit on Caltrain funding at the District on January 29.
- A call for a public hearing is scheduled for the February 3 Peninsula Corridor Joint Powers Board meeting to address potential reduction of Caltrain service.
- Director of Peninsula Rail Service Bob Doty is leaving the agency to take a position with HNTB to lead their national high-speed rail service.

The board met in closed session on the following:

1. Teamsters Union, Local 856 (Bus Transportation Supervisors, Dispatchers and Radio Controllers)
2. Amalgamated Transit Union, Local 1574 (Customer Service Center Employees)

The next meeting of the Board is scheduled for Wednesday, February 9, 2011.

The logo for samTrans, featuring the text "samTrans" in a bold, sans-serif font. The text is white and set against a blue rectangular background with a red horizontal stripe above and below the text.

Mobility Management: Fixed-route Bus Service

January 12, 2011

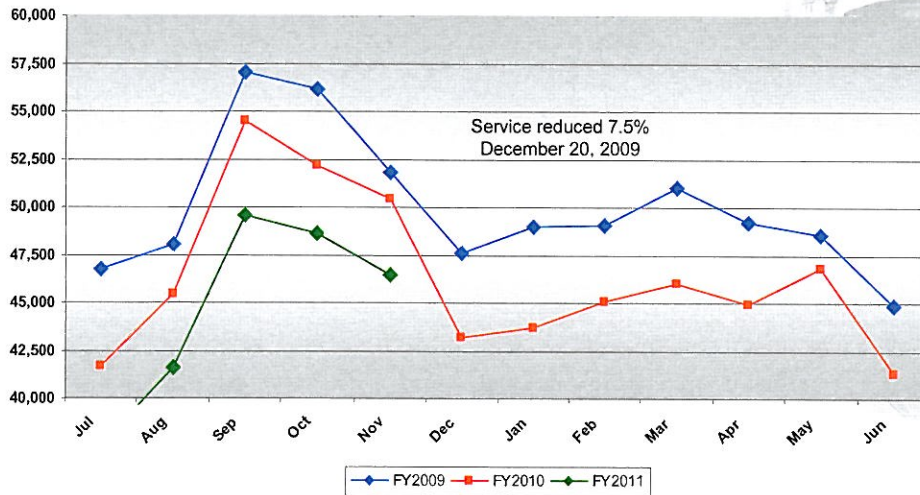
Fixed-route Bus Service

The logo for samTrans, featuring the text "samTrans" in a bold, sans-serif font. The text is white and set against a blue rectangular background with a red horizontal stripe above and below the text.

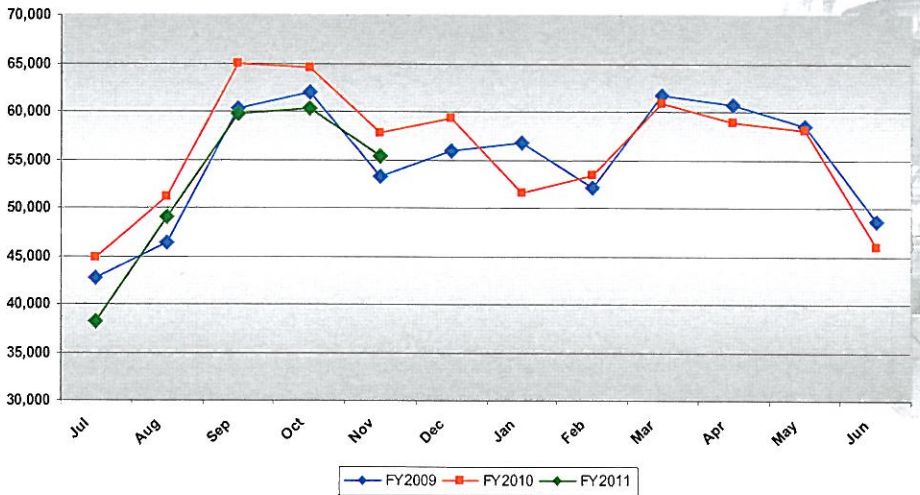
- Performance Statistics
- Human Capital Investment
- Projects Update
- Bus Service Contracts
- Route 17
- Sustainability
- Summary



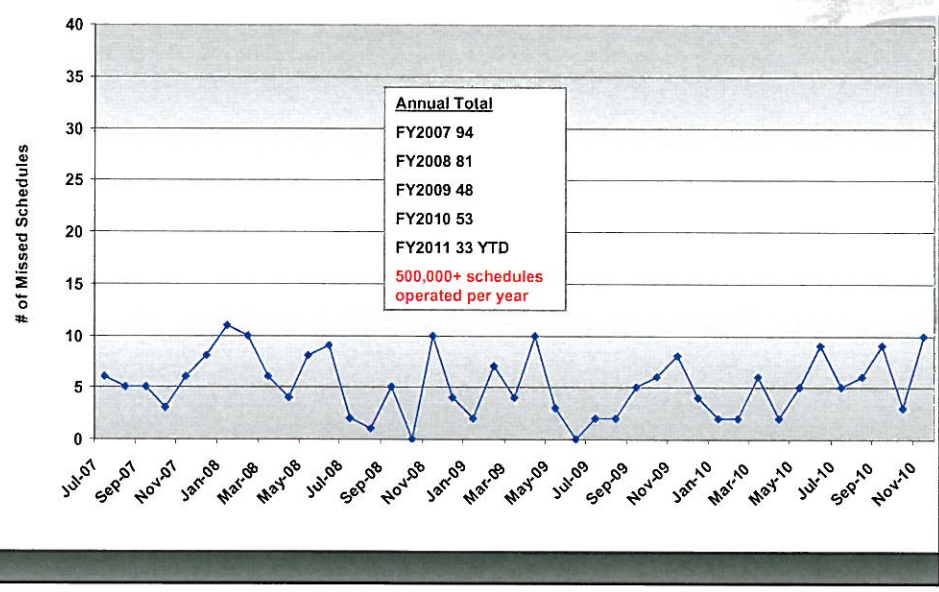
Average Weekday Ridership



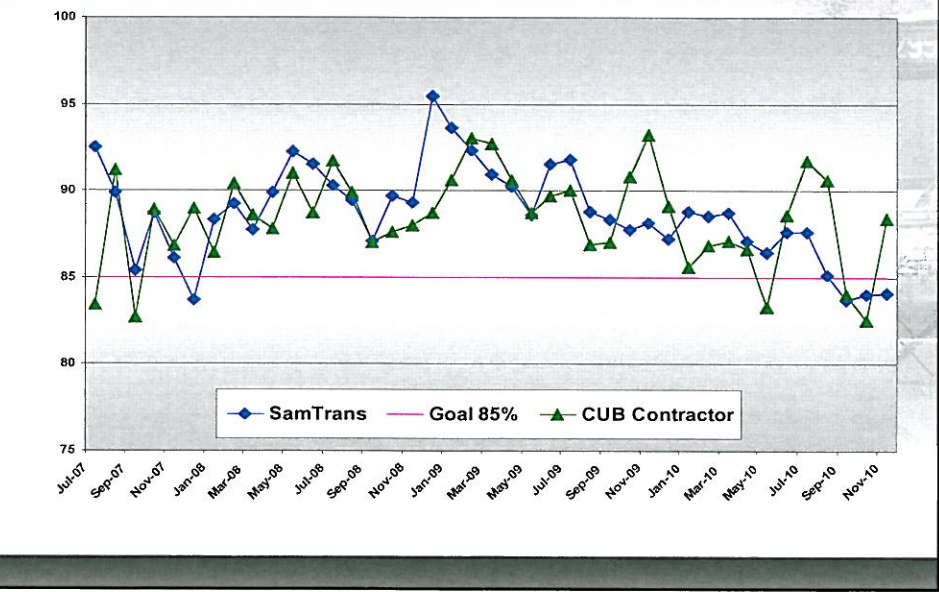
Token Usage



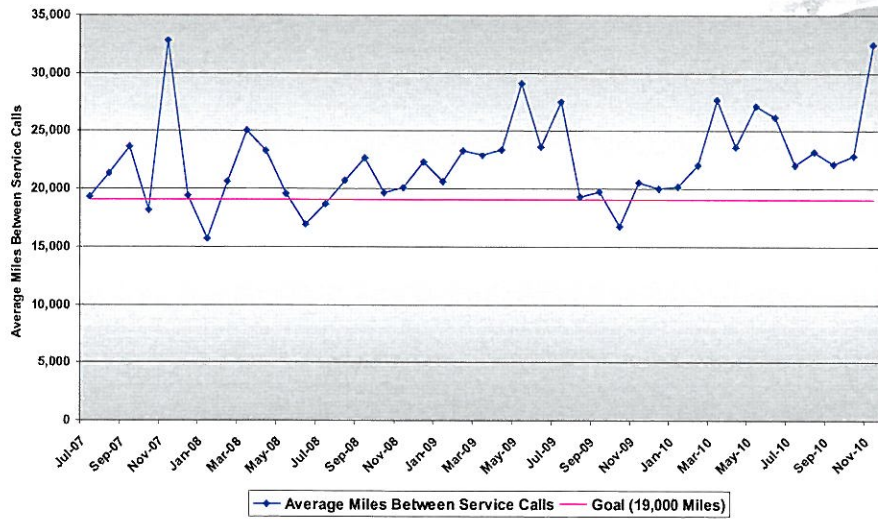
Missed Schedules



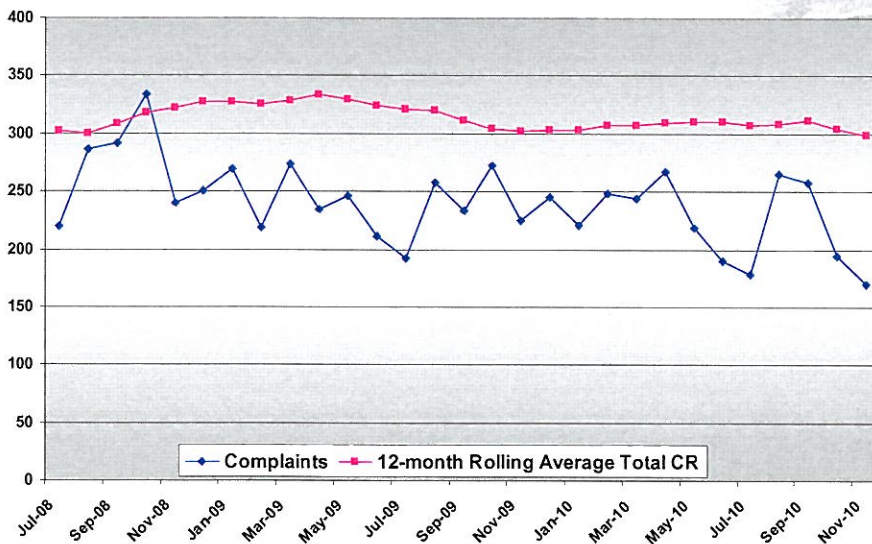
On-time Performance



Fleet Reliability



Consumer Reports



Human Capital Investment

samTrans

Strategic Plan goals include:

- Attract and retain quality employees
- Encourage excellence and innovative thinking
- Invest in employees' professional development

Leadership Program

- Next program in Spring 2011
- Interest from San Joaquin Regional Transit District
- Continual learning and development culture



Human Capital Investment

samTrans

Operations Training CY2010

<u>Hours</u>	<u>Description</u>
640	New Hire
4,036	DMV Mandated
3,421	Retraining
371	Clipper
6,681	Maintenance
<u>3,014</u>	Professional Development
18,163	Total



Projects Update

samTrans

135 New Buses

- 40-foot, all 91 in service
- 35-foot, all 40 in service
- 29-foot, all 4 in service



New Ad Bus Shelters

- 61 installed in the service area
- 20 installations scheduled this year
- Locations being determined



Predictive Arrival System

- Dec. – Installation at Millbrae
- Jan. – Installation at Daly City, Colma and Redwood City and begin testing
- Feb. – Final acceptance

Projects Update

samTrans

Clipper

- Soft launch December 2010
- Hard launch February 2011



Farebox Revenue Collection System

- Receipt of equipment – Dec. 2010
- Testing and training – 1st quarter 2011
- AVL integration – 1st quarter 2011
- Implementation – 2nd quarter 2011



Bus Service Contracts

samTrans

Dumbarton Express

- RFP in development on behalf of consortium

CUB Service

- In our 5th and final option year of the agreement
- Evaluating contract renewal options beyond September 2011

Coastside Service – Route 17

- In 1st of 2 option years (ending June 2011)
- Weekend service changes (merge of Routes 17 and 294)

SamCoast Service – Pescadero (demand-response)

- Working on renewal of MOU Agreement

Route 17

samTrans

New 29-foot buses in service Feb. 17; ridership up.

Total monthly trips:	<u>2009</u>	<u>2010</u>
• September up 14.9%	9,565	10,988
• October up 11.5%	9,923	11,067
• November up 12.3%	8,831	9,921



Sustainability Program

samTrans

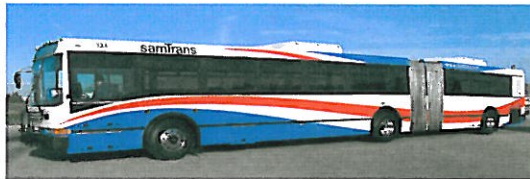
- Greenhouse Gas Emissions Inventory Presentation Today
- Submission of APTA Bronze Level Recognition
- PG&E Comprehensive Audit
- Environmentally Preferred Procurement Policy



Summary

samTrans

- Bus ridership decline a continuing concern
- Strategic investment in Human Capital, infrastructure, technology and rolling stock
- Sustainability remains a growing priority
- Fiscal challenges continue into New Year



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Virginia Harrington
Deputy CEO

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

ACTION

Staff recommends that the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2010.

SIGNIFICANCE

The Transportation Authority's Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on January 24, 2011 in order to meet the 30 day requirement.

BUDGET IMPACT

As this reports on the Quarterly Market Review and Outlook, there is no budget impact.

BACKGROUND

The Transportation Authority is required by state law to submit quarterly reports within 30 days of the end of the quarter covered by the report to the Board of Directors. The report is required to 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 local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;

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

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on page 6 & 7. The schedule separates the investments into two groups: The Investment Portfolio which is managed by CSI Capital Management, Inc. (CSI) and Liquidity funds which are managed by Transportation Authority staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

CSI provides the Transportation Authority a current market valuation of all the assets under its management for each quarter. The valuation is provided by FT Interactive Data, the major operating division of Interactive Data Corporation (IDC). IDC is a leading provider of global securities data. They offer one of the largest information databases with current and historical prices on securities traded in all major markets including daily evaluations for more than 2.5 million fixed income securities.

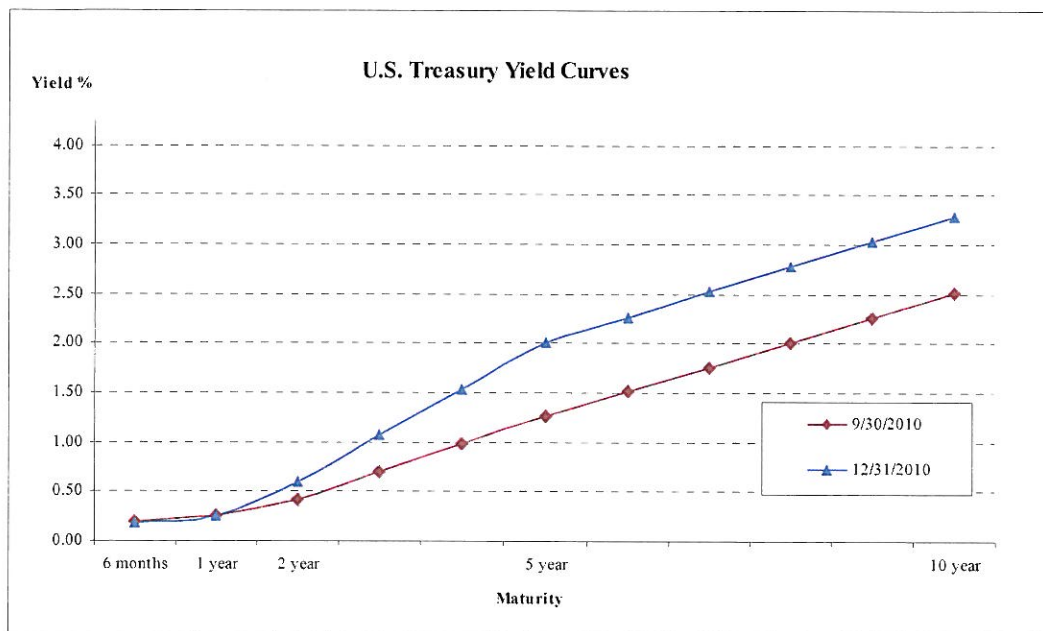
Due to the nature of securities which are bought and sold in a principal market, such as fixed income securities, multiple market values may exist for a given security at any given time. CSI has chosen IDC as an unbiased estimator of these prices based on their leading role as a provider of end of the day pricing, an evaluation of their methodology and the experience of their evaluation staff. Unfortunately, given the recent volatility in the markets, not every security is currently supported or accurately reflected by IDC. Therefore at the end of the quarter, CSI surveyed a number of Wall Street firms to get an accurate market value of the securities held in the Transportation Authority's portfolio. These surveys reflect the levels at which someone is actually willing to purchase the securities held by the Transportation Authority. In the case of money market instruments, which are not supported by IDC, CSI uses adjusted cost.

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

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

DISCUSSION

Market Review and Outlook



Data Source: Bloomberg

A steady stream of improving news on the economy, in combination with renewed efforts to provide both monetary and fiscal stimulus, resulted in rising interest rates during the last quarter of the year. The increase in interest rates was most pronounced in longer maturity bonds where rates rose as much as 0.8 percent. This was in stark contrast to shorter termed securities where the rate increases were quite modest. This pattern, known as a steepening yield curve, is consistent with the prevailing notion that although the economy may be improving, it will be quite some time before the Fed begins to raise the level of short-term interest rates.

As we look forward to 2011, investors have reason to be both optimistic and apprehensive. Perhaps the biggest reason for optimism is the level of corporate profits. Operating profits for the companies that constitute the S&P 500, for example, are widely expected to reach all time record levels in 2011. Profits are critical because they are one of the best leading indicators we have for both employment and investment. As employment and investment pick up, we can expect to see a host of other economic variables, such as confidence and consumption, follow suit.

As comforting as the observations above may be, there are still many reasons to remain cautious. For starters, as a country we have actually done remarkably little to address the important structural problems we are currently facing. Since the early 1980's, our economy's main engine of growth has been the increase in debt. Recent reductions in the level of individual and corporate debt have been more than offset by increases in government debt. In fact, some would argue, our recent efforts to stimulate the economy have accomplished nothing more than to borrow from future growth. As a county, we still face the burden of finding a way to grow while simultaneously reducing our over-reliance on debt.

Global concerns remain as well. Chief among these are the sovereign debt problems in Europe. As we entered the New Year, concerns of a default among the most problematic countries, namely Greece, Ireland, Portugal and Spain (as measured by the cost to insure against an incident of default) reached record levels. An escalation in these anxieties could lead to sharply rising interest rates and potentially result in a significant negative shock to the global economy.

Beyond the more tangible threat of a sovereign debt default, there are also growing imbalances in global markets as countries compete for their share of global growth. While a discussion in and of itself, these imbalances are growing and are more likely to resolve themselves with a bang than a whimper.

As we move forward, we must weigh the good with the bad and consider both the obvious and the unexpected. We must also consider how we will respond as a country to the challenges we face, either because we are forced to by the markets, or because our policymakers have the insight and leadership to create a more favorable path. As much as we may wish to just embrace the positives, the way forward remains a challenge and will not be smooth. In such an environment, prudence still requires an eye towards safety first.

Strategy

Over the foreseeable future we expect interest rates to move gradually higher. Currently the portfolio's sensitivity to a change in interest rates is below that of the benchmark. The current low rate environment leaves the bond market without much of a yield cushion to avoid negative rates of returns should interest rates begin to rise more than already anticipated by the market.

Given our outlook and the current level of uncertainty in the markets, we are comfortable keeping the portfolio's exposure to a change in interest rates below that of the benchmark.

As of the end of the quarter, the Transportation Authority's portfolio consisted of approximately 8.0 percent Government Guaranteed Corporate Bonds, 73.4 percent Agency Securities, 17.6 percent US Treasury securities, 1.0 percent Agency MBS and 0 percent Cash Equivalents; see Exhibit 6.

Budget Impact

The portfolio's performance is reported on a total economic return basis. This method includes the coupon interest, amortization of discounts and premiums, capital gains and losses and price changes (i.e., unrealized gains and losses). For the quarter ending December 31, the portfolio returned 0.03 percent. This compares to the benchmark return of -0.61 percent. The Performance graph in Exhibit 3 shows the relative performance of the Authority since inception. The Growth of a Thousand Dollars graph in Exhibit 4 shows the cumulative performance over this same time frame for the Authority's portfolio.

The portfolio's yield to maturity, the return the portfolio will earn in the future if all securities are held to maturity is also reported. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, the

portfolio's yield to maturity or call was 0.84 percent. The benchmark's yield to maturity was 1.08 percent.

Another method of measuring the portfolio's yield to maturity is the yield of the portfolio at cost. This calculation is based on the value of the portfolio at cost and does not include any unrealized gains or losses as part of its computation. As of the end of the quarter the portfolio's rate of return on investments, at cost, was 1.48 percent.

Prepared by: Lori Snow, Manager Finance Treasury

650-508-6425

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2010**

EXHIBIT 1

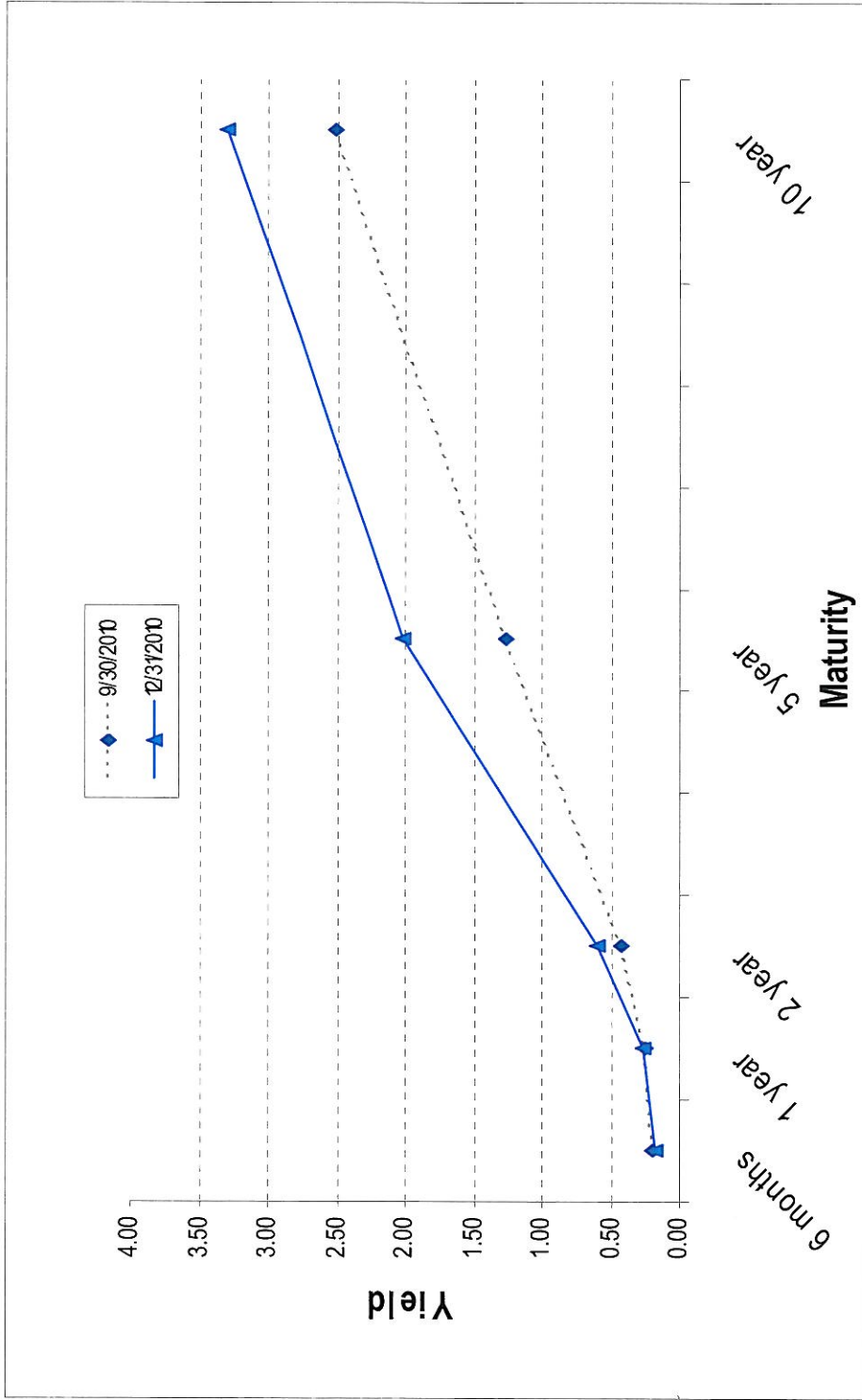
	TYPE	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.
<u>FUNDS MANAGED BY CSI CAPITAL MANAGEMENT, INC.</u>							
<u>INVESTMENT PORTFOLIO:</u>							
CORPORATE BONDS							
	General Electric Capital Corp	03-11-11	2,000,000	2,019,360	2,005,858	11,000	2,016,858
	Bank of America Corp.	04-30-12	2,000,000	2,048,120	2,041,528	7,117	2,048,645
	General Electric Capital Corp	06-08-12	1,500,000	1,539,582	1,533,582	2,108	1,535,690
	Goldman Sachs	06-15-12	3,000,000	3,141,387	3,114,285	4,333	3,118,618
	Wells Fargo & Co.	06-15-12	3,000,000	3,080,598	3,068,967	2,833	3,071,800
	John Deere Capital	06-19-12	3,000,000	3,119,658	3,099,717	2,875	3,102,592
TREASURY SECURITIES							
	U.S. Treasury Note	01-15-12	2,800,000	2,826,578	2,822,423	14,552	2,836,975
	U.S. Treasury Note	06-15-12	1,500,000	1,537,032	1,531,583	1,314	1,532,897
	U.S. Treasury Note	08-15-12	2,000,000	2,046,406	2,041,094	13,220	2,054,314
	U.S. Treasury Note	01-31-13	15,000,000	15,801,571	15,712,502	180,469	15,892,971
GOVERNMENT BONDS							
	FNMA	03-23-11	3,500,000	3,533,906	3,512,031	16,674	3,528,705
	FHLB	09-09-11	5,000,000	5,192,188	5,115,625	58,333	5,173,958
	FNMA	11-15-11	2,000,000	2,131,250	2,086,250	13,736	2,099,986
	FNMA	01-09-12	4,000,000	4,081,250	4,065,000	38,222	4,103,222
	FHLB	01-23-12	3,000,000	3,067,500	3,052,500	27,650	3,080,150
	FHLM	01-26-12	4,000,000	4,015,212	4,001,740	21,528	4,023,268
	FNMA	03-23-12	5,000,000	5,053,125	5,017,187	32,326	5,049,513
	FHLB	06-08-12	2,000,000	2,111,250	2,089,375	4,632	2,094,007
	FHLM	06-15-12	2,000,000	2,039,375	2,035,000	1,556	2,036,556
	FHLB	08-10-12	6,000,000	6,084,375	6,056,250	48,175	6,104,425
	FNMA	08-10-12	5,000,000	5,096,875	5,093,750	34,271	5,128,021
	FHLM	01-15-13	7,500,000	7,567,755	7,528,342	60,521	7,588,863
	FHLM - Step Up	03-28-13	6,000,000	6,005,064	6,003,300	11,625	6,014,925
	FNMA - Step Up	03-29-13	8,000,000	8,015,000	8,007,500	20,444	8,027,944
	FNMA - Step Up	04-12-13	4,000,000	4,018,750	4,007,500	9,656	4,017,156
	FNMA	04-15-13	2,800,000	2,828,000	2,811,375	11,822	2,823,197
	FNMA	07-19-13	3,350,000	3,360,861	3,360,469	20,728	3,381,197
	FHLM	10-21-13	5,000,000	5,010,400	4,967,155	10,937	4,978,092
	FNMA	10-28-13	15,000,000	14,977,500	14,854,687	16,406	14,871,093

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS (Continued)
FOR QUARTER ENDED DECEMBER 31, 2010**

TYPE	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.
FHLM - Step Up	11-04-13	2,250,000	2,245,725	2,236,048	1,781	2,237,829
FHLM - Step Up	12-02-13	20,000,000	19,936,000	19,918,750	8,056	19,926,806
FNMA	12-30-13	10,000,000	10,000,000	10,012,500	417	10,012,917
FNMA - Step Up	12-30-13	5,100,000	5,093,625	5,103,187	106	5,103,293
FNMA - Step Up	07-28-15	2,500,000	2,502,350	2,502,344	15,937	2,518,281
FHLM - Step Up	10-15-15	2,550,000	2,554,998	2,515,320	6,729	2,522,049
TREASURY INFLATION PROTECTED SECURITIES						
US Inflation Indexed Note	04-15-14	9,817,300	10,216,080	10,324,276	25,446	10,349,722
COLLATERIZED MORTGAGE OBLIGATIONS						
FHLMC Series 1832 Class F	03-15-11	16,557	15,185	16,552	90	16,642
FHLB Series 00-0606 Class Y	12-28-12	1,119,425	1,209,308	1,184,463	492	1,184,955
FEDERAL HOME LOAN MORTGAGE CORPORATION BONDS						
FHLM Gold Pool	40,603.00	567,601.00	575,619.31	571,018.00	1,892.00	572,910.00
TOTAL FUNDS MANAGED BY CSICAPITAL MANAGEMENT, INC.						
		182,870,883	185,698,818	185,021,033	760,009	185,781,042
LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:						
BANK OF AMERICA CHECKING						
LAIF			2,365,997	2,365,997	0	2,365,997
SAN MATEO COUNTY POOL			9,576,492.70	9,576,492.70	22,751.00	9,599,243.70
CD ACCT REGISTRY SERVICE ("CDARS")	40,633.00		212,134,953.97	212,134,953.97	628,774.22	212,763,728.19
CD ACCT REGISTRY SERVICE ("CDARS")	40,640.00		2,067,281	2,067,281	0	2,067,281
			1,237,931	1,237,931	0	1,237,931
TOTAL FUNDS MANAGED BY DISTRICT STAFF						
			227,382,656	227,382,656	651,525	228,034,181
TOTAL AS OF DECEMBER 31, 2010						
			413,081,474	412,403,689	1,411,534	413,815,223
TOTAL AS OF DECEMBER 31, 2010						
			413,081,474	412,403,689	1,411,534	413,815,223

EXHIBIT 1 (Cont.)

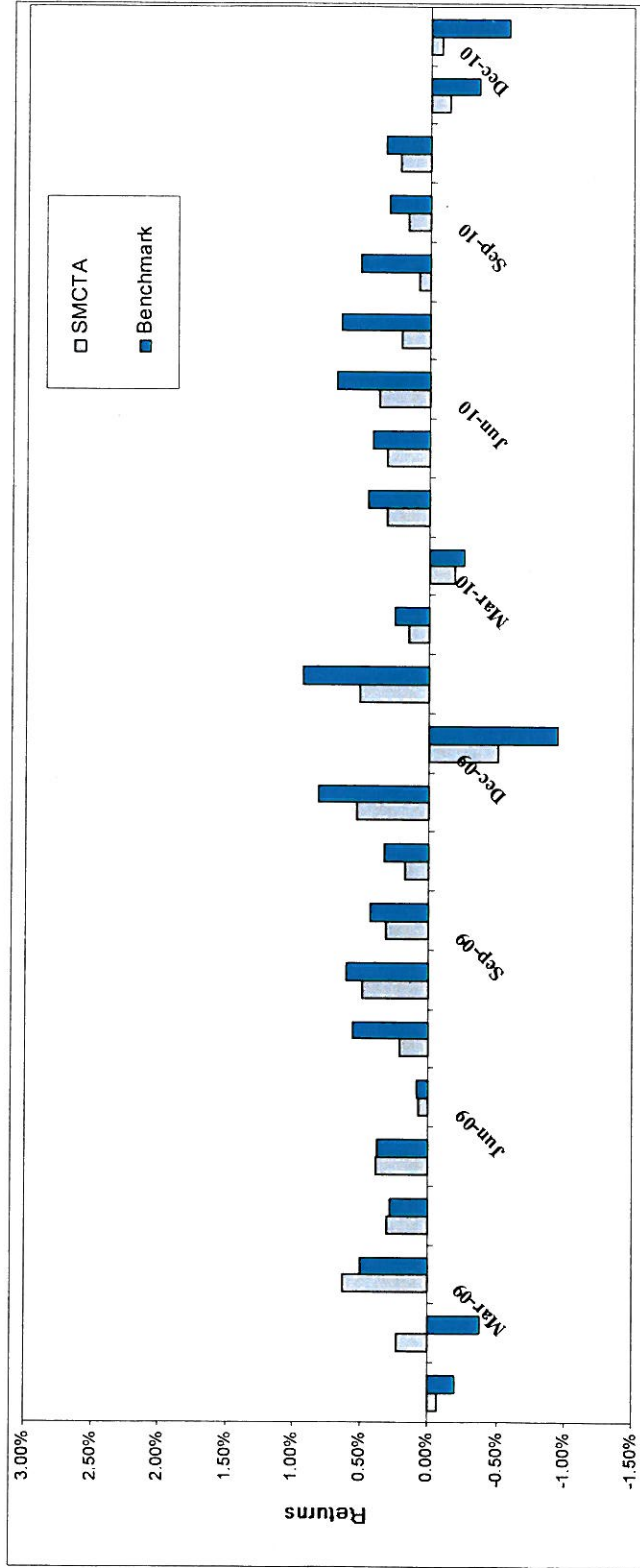
San Mateo County Transportation Authority
Historical Yield Curve



Data Source: Bloomberg

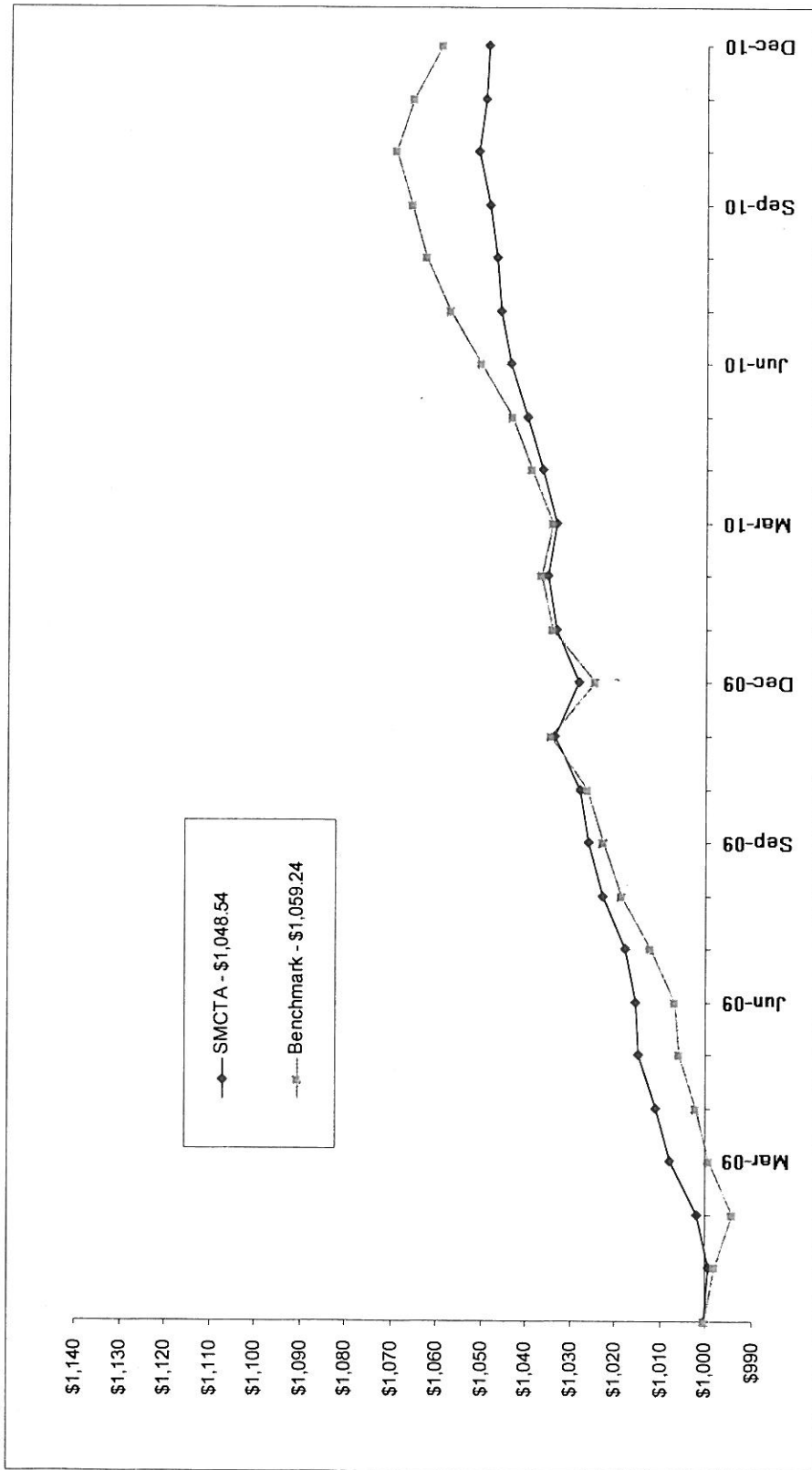
CSI Capital Management, Inc.

San Mateo County Transportation Authority
 Monthly Review – Account vs. Benchmark
 Rolling 24 Months



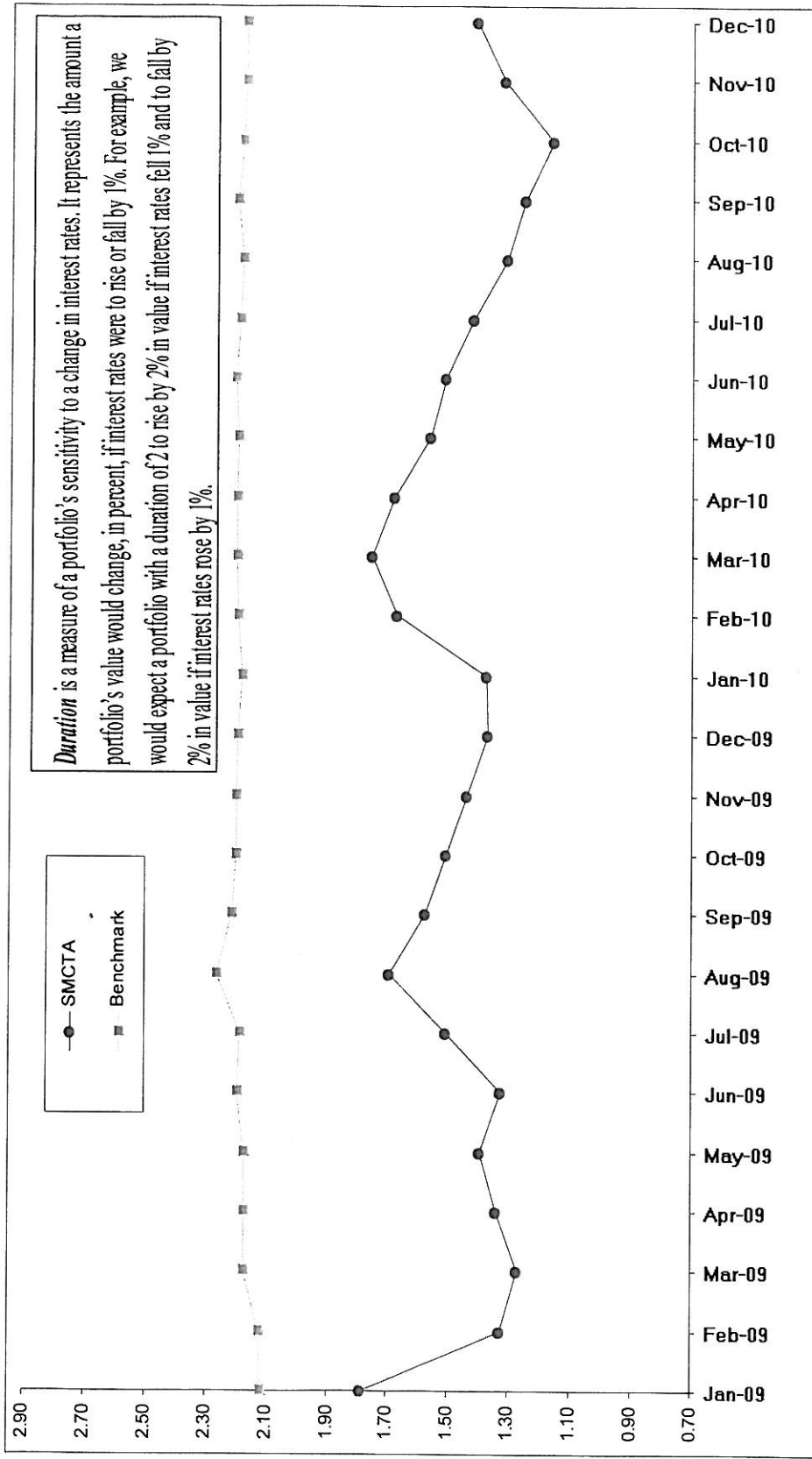
Trailing 12 Months	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Trailing 12
MONTHLY PERFORMANCE DATA													
SMCTA	0.51%	0.16%	-0.18%	0.32%	0.32%	0.37%	0.21%	0.09%	0.17%	0.22%	-0.13%	-0.08%	2.00%
Benchmark	0.93%	0.26%	-0.25%	0.45%	0.42%	0.69%	0.65%	0.51%	0.30%	0.33%	-0.36%	-0.58%	3.38%

San Mateo County Transportation Authority
 Growth of a Thousand Dollars
Rolling 24 Months



CSI Capital Management, Inc.

San Mateo County Transportation Authority Duration vs. Benchmark



CSI Capital Management, Inc.

San Mateo County Transportation Authority
 Percent of Assets Held by Type

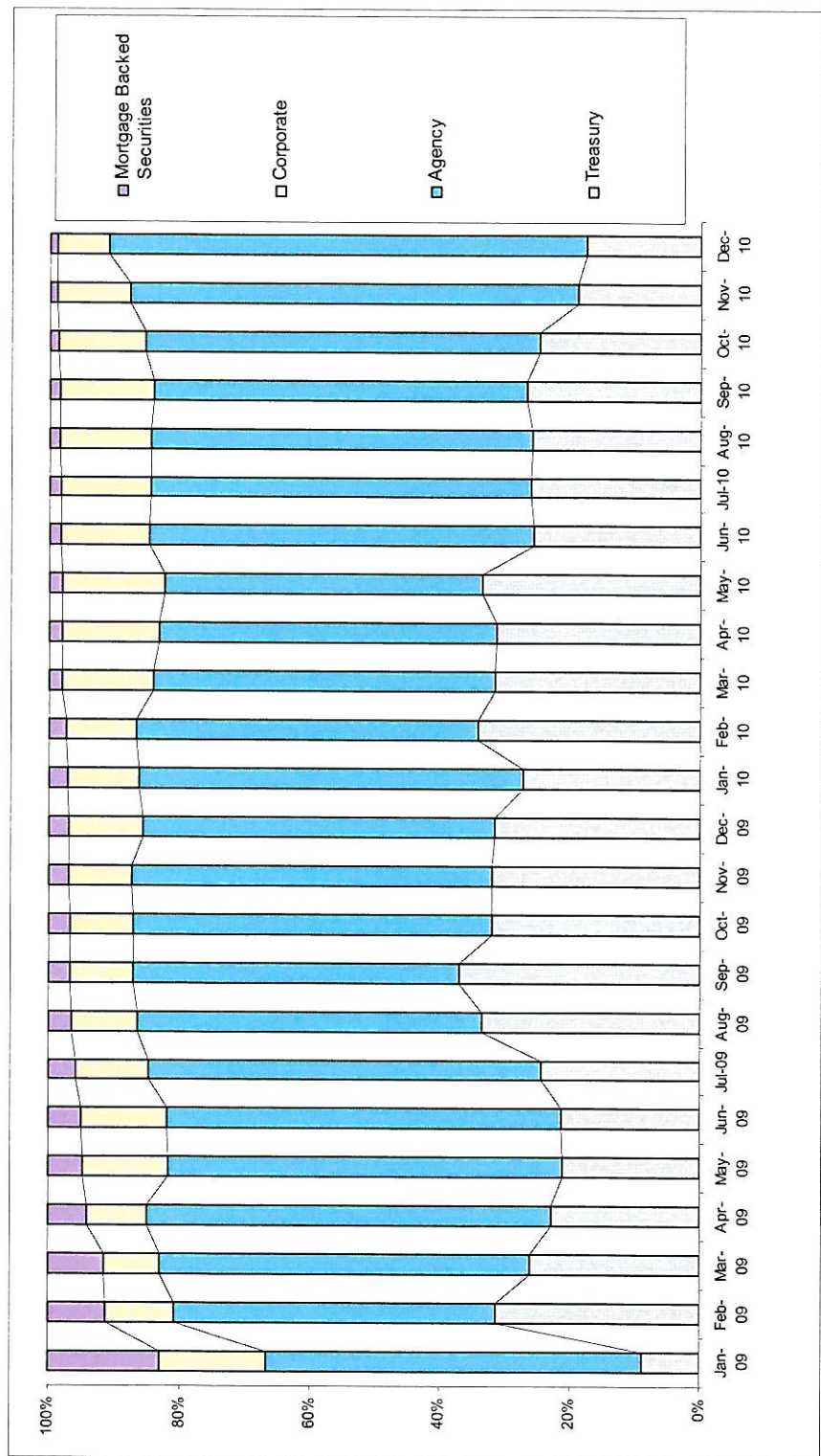


EXHIBIT 6

CSI Capital Management, Inc.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: San Mateo County Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Virginia Harrington
Deputy CEO

SUBJECT : **PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010 – INFORMATIONAL ONLY**

ACTION

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

SIGNIFICANCE

Maze and Associates conducted the annual audit of the financial statements for the year ended June 30, 2010 and determined that in their opinion the financial statements fairly represent the financial position for the period of July 1, 2009 to June 30, 2010.

The Comprehensive Annual Financial Report has three sections, the introductory, financial and statistical section. The financial section includes;

- 1) Independent Auditor's Report – this report was prepared by the independent auditors, who rendered an unqualified opinion, which is the most favorable opinion an agency can receive in an audit. An unqualified opinion means that the financial statements are presented fairly and in accordance with generally accepted accounting principles.
- 2) Management's Discussion and Analysis – this section provides management's overview of the financial activities.
- 3) Basic Financial Statements – the basic financial statements include a statement of net assets, statement of activities, governmental fund balance sheet, governmental fund statement of revenues, expenditures and changes in fund balance and notes to the statements which are essential to a full understanding of the data provided.
- 4) Required Supplementary Information – this includes the budgetary comparison for the Special Revenue Fund and the budgetary comparison for the Transportation System Management Fund.

Annually, the TA submits the Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. The TA has received an award for every year that the report was submitted.

Budget Impact

There is no impact on the budget.

The Fiscal Year 2010 Comprehensive Annual Financial Report is available for review at the following link:

http://www.smcta.com/pdf/CAFR/TA_CAFR2010.pdf

**AGENDA ITEM # 12(c)
FEBRUARY 3, 2011**

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: San Mateo County Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Marian Lee
Executive Officer,
Planning & Development

Gigi Harrington
Deputy CEO

**SUBJECT: ALLOCATION OF ORIGINAL MEASURE A FUNDS TO CITY OF
BRISBANE'S ROUTE 101/CANDLESTICK INTERCHANGE
MODIFICATION PROJECT STUDY REPORT**

ACTION

Staff recommends Board approval of the following actions related to the City of Brisbane's Route 101/Candlestick Interchange Modification Project Study Report (PSR):

1. Allocate up to \$55,000 in Original Measure A Highway Program Category funds to City of Brisbane conditioned on San Francisco County Transportation Authority's (SFCTA) contribution of \$55,000 to the project; and
2. Authorize the Executive Director or his designee to execute any necessary documents or agreements to allocate the subject funding.

SIGNIFICANCE

The Route 101/Candlestick Interchange Modification project is included in the Original Measure A Highway Program. The purpose of the project is to meet Caltrans standards, improve traffic operations along US 101, accommodate increases in future traffic demand, improve regional access and circulation, and enhance the mobility of bicycles, pedestrians, and transit through and around the interchange. This project has direct local benefits to the City of Brisbane, City of San Francisco and planned developments in the area.

The PSR, fully funded by a combination of city and developer funds, is now 80 percent complete. The next step is Caltrans review and approval to complete the PSR and advance the project to environmental review.

The City of Brisbane is requesting \$55,000 in Measure A funds with an equal match from the San Francisco County Transportation Authority totaling \$110,000 to fund Caltrans' review of the Candlestick Interchange Modification PSR. Previously, project sponsors did not need to fund

Caltrans' review. Currently, due to state budget cuts, Caltrans requires funding from project sponsors to review and provide oversight for PSR projects.

BUDGET IMPACT

There is no impact on the budget. Funding for this allocation will come from already budgeted funds for TA Project #625 Candlestick under the Highway Category. The available funding in the budget is \$1,006,634.

BACKGROUND

Caltrans has special authority to review a select number of PSRs. This is the only Original Measure A project included in the list.

TA's commitment to this project is limited to pre-construction activities for up to approximately \$1 million.

Prepared by: Melanie Choy, Manager Programming and Monitoring

650-508-6382

RESOLUTION NO. 2011 –

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA**

*** * ***

**AUTHORIZE AN ALLOCATION OF ORIGINAL MEASURE A FUNDS UP TO \$55,000
FROM THE HIGHWAY CATEGORY TO THE CITY OF BRISBANE
FOR THE ROUTE 101/CANDLESTICK PARK INTERCHANGE
MODIFICATION PROJECT STUDY REPORT**

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure known as “Measure A,” (and now referred to as Original Measure A to distinguish it from New Measure A which took effect upon Original Measure A’s expiration in 2009) which increased the local sales tax in San Mateo County by one-half percent with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters; and

WHEREAS, the 1988 Transportation Expenditure Plan included funding for the Candlestick Interchange Project; and

WHEREAS, the City of Brisbane has requested that the TA consider an application for funding of \$55,000 for the Route 101/ Candlestick Park Interchange Modification Project Study Report; and

WHEREAS, the San Mateo County Transportation Authority (Authority) has Original Measure A funds budgeted and available for this project; and

WHEREAS, staff recommends that the Authority allocate \$55,000 of Original Measure A funds (TA Project #625) to the City of Brisbane for the Route 101/ Candlestick Park Interchange Modification Project Study Report, conditioned on the San Francisco County Transportation Authority’s (SFCTA) contribution of \$55,000 to the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby authorizes the following actions:

1. Allocate up to \$55,000 in Original Measure A Highway Program funds to the City of Brisbane for the Route 101/ Candlestick Park Interchange Modification Project Study Report, which allocation is conditioned on the San Francisco County Transportation Authority (SFCTA) also taking action to contribute \$55,000 to the project; and
2. Authorize the Executive Director or his designee to execute any necessary documents or agreements, and take any additional actions necessary to allocate the subject funding and give effect to this resolution.

Regularly passed and adopted this 3rd day of February 2011, by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: San Mateo County Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Marian Lee
Executive Officer, Planning & Development

SUBJECT: **PROGRAM REPORT: TRANSIT - DUMBARTON CORRIDOR**

ACTION

No action is required. This item is being presented to the board for information only.

SIGNIFICANCE

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, pedestrian & Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year.

This month features a presentation that will provide an update on the Dumbarton Rail project.

BUDGET IMPACT

There is no impact to the budget.

BACKGROUND

In preparation for the submittal of the administrative draft environmental document, during 2010, the project team was tasked with developing alternative service plans to maximize ridership projections and defining a funding strategy that meets federal environmental guidance.

The work was completed in the fall of 2010 and presented to the project Policy Advisory Committee on November 5, 2010. The committee took action approving staff recommendations. The project team is now focused on finalizing the administrative draft environmental document and moving forward with the draft and final plan.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

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

SIGNIFICANCE

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

STATE ISSUES

Legislation

January 21 was the deadline for submitting bill requests to the Office of the Legislative Counsel and the deadline for introducing legislation is February 18. A number of transportation or transit-related bills have already been introduced and are included in the attached matrix. Staff will monitor legislation throughout the 2011-2012 Legislative Session and take action pursuant to the Board's adopted 2011 Legislative Program.

FEDERAL ISSUES

2011 Appropriations

It is likely that Congress will approve another Continuing Resolution (CR), extending Fiscal Year 2010 funding levels before the current CR expires on March 4.

The House Republican Study Committee is proposing to cut funding for domestic programs back to their 2008 levels through the Spending Reduction Act of 2011. Transportation programs would be affected by this reduction under newly adopted House rules that allow Congress to appropriate less funding than is available through the Highway Trust Fund.

Surface Transportation Authorization

House Transportation and Infrastructure Committee Chairman, Rep. John Mica (R-Fla), plans to introduce legislation that authorizes spending levels that are close to those specified in the last authorization bill, which was approved in 2005 and authorized \$286.5 billion. In contrast, the authorization proposal introduced by Mica's predecessor included more than \$500 billion. Mica plans to conduct a nationwide listening tour to help shape the legislation.

The Senate Environment and Public Works Committee, Chaired by Senator Barbara Boxer (D-Ca), will conduct hearings this week to discuss the economic benefits of long-term surface transportation authorization.

Prepared by: Seamus Murphy, Government Affairs Manager

650-508-6388

San Mateo County Transportation Authority State Legislative Matrix 1/20/2011

Bill ID/Topic	Location	Summary	Position
<p><u>AB 16</u> <u>Perea D</u></p> <p>High-Speed Rail Authority.</p>	<p>ASSEMBLY PRINT 12/7/2010 - From printer. May be heard in committee January 6.</p>	<p>Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, authorizes \$9.95 billion in general obligation bonds for high-speed rail development and other related purposes. The federal American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for allocation nationally to high-speed rail projects.</p> <p>This bill would require the authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws.</p>	
<p><u>AB 31</u> <u>Beall D</u></p> <p>Land use: high-speed rail: local master plan.</p>	<p>ASSEMBLY PRINT 12/7/2010 - From printer. May be heard in committee January 6.</p>	<p>The California High-Speed Rail Act establishes the High-Speed Rail Authority to develop and implement an intercity high-speed rail system in the state, exclusively grants to the authority the responsibility for planning, construction, and operation of that system, and confers upon the authority specified powers and duties relating to that system. This bill would establish the High-Speed Rail Local Master Plan Pilot Program, applicable to specified cities and counties, and would require each of those jurisdictions to prepare and adopt, by ordinance, a master plan for development in the areas surrounding the high-speed rail system in each jurisdiction. The bill would require the master plan to include incentives for encouraging investment and coherent growth in the areas surrounding the high-speed rail system in each participating jurisdiction. The bill would also require the participating jurisdictions to collaborate with the State Air Resources Board to develop incentives to encourage development while concurrently reducing greenhouse gas emissions, consistent with or pursuant to the California Global Warming Solutions Act of 2006. The bill would require the master plan to be consistent with the jurisdiction's general plan and the regional sustainable communities strategy. By adding to the duties of local government officials, this bill would impose a state-mandated local program.</p> <p>This bill contains other related provisions and other existing laws.</p>	
<p><u>AB 41</u> <u>Hill D</u></p> <p>Conflicts of interest: disqualification.</p>	<p>ASSEMBLY PRINT 12/7/2010 - From printer. May be heard in committee January 6.</p>	<p>Existing provisions of the Political Reform Act of 1974 prohibit a public official at any level of state or local government from making, participating in making, or attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest, as defined. Existing law also requires specified elected and appointed officers at the state and local level of government to disclose specified financial interests by filing periodic statements of economic interests. Existing law further requires public officials who hold specified offices and who have a financial interest in a decision within the meaning of the Political Reform Act of 1974 to publicly identify the financial interest giving rise to the conflict of interest or potential conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote, and other disposition of the matter is concluded, except as specified. This bill would add members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.</p> <p>This bill contains other related provisions and other existing laws.</p>	

San Mateo County Transportation Authority State Legislative Matrix 1/20/2011

<p><u>AB 57</u> <u>Beall D</u></p> <p>Transportation planning.</p>	<p>ASSEMBLY PRINT 12/7/2010 - From printer. May be heard in committee January 6.</p>	<p>Existing law requires the Department of Transportation to engage in various transportation planning activities, including long-term state highway system planning to identify future highway improvements in consultation with transportation planning agencies, county transportation commissions, counties, and cities.</p> <p>This bill would also require those activities to be done in consultation with metropolitan planning organizations.</p>	
<p><u>AB 58</u> <u>Galgiani D</u></p> <p>High-speed rail.</p>	<p>ASSEMBLY PRINT 12/7/2010 - From printer. May be heard in committee January 6.</p>	<p>Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. Existing law provides for appointment of an executive director by the authority, who is exempt from civil service and serves at the pleasure of the authority. This bill would authorize the Governor to appoint up to 5 deputy directors exempt from civil service who would serve at the pleasure of the executive director.</p> <p>This bill contains other related provisions and other existing laws.</p>	
<p><u>AB 76</u> <u>Harkey R</u></p> <p>High-speed rail.</p>	<p>ASSEMBLY PRINT 1/3/2011 - Read first time.</p>	<p>Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. Article XVI of the California Constitution authorizes the Legislature, at any time after the approval of a general obligation bond act by the people, to reduce the amount of the indebtedness authorized by the act to an amount not less than the amount contracted at the time of the reduction or to repeal the act if no debt has been contracted.</p> <p>This bill would reduce the amount of general obligation debt authorized pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the amount contracted as of January 1, 2012.</p>	
<p><u>SB 22</u> <u>La Malfa R</u></p> <p>High-speed rail.</p>	<p>SENATE PRINT 12/7/2010 - From printer. May be acted upon on or after January 6.</p>	<p>Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes.</p> <p>This bill would state the intent of the Legislature to reexamine the bond funding mechanism of the authority relative to the authority's high-speed rail project.</p>	

San Mateo County Transportation Authority State Legislative Matrix 1/20/2011

<p>SB 46 Correa (D)</p>	<p>SENATE PRINT 12/10/10-From printer. May be acted upon on or after January 9.</p>	<p>Existing law provides for the compensation of local government officers and employees, as specified. This bill would require filers, as defined, to annually file a compensation disclosure form, as specified. This bill would require the Secretary of State to develop the form, which would provide for the disclosure of, among other things, salaries and stipends, automobile and equipment allowances, and incentive and bonus payments. This bill would also require a county, city, city and county, school district, special district, or joint powers agency that maintains an Internet Web site to post the information contained on the filed form on that Internet Web site, as specified. The bill would authorize a district attorney or any interested person to commence an action by mandamus to enforce the provisions of the bill, as specified. The duties imposed on local departmental agencies by the bill would create a state-mandated local program. The bill would express a legislative finding and declaration that, to ensure the statewide integrity of local government, disclosure of compensation paid filers is an issue of statewide concern and not a municipal affair and that, therefore, all cities, including charter cities, would be subject to the provisions of the bill. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.</p> <p>This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.</p>	
<p>SB 50 Correa (D)</p>	<p>SENATE PRINT 12/16/10- From printer. May be acted upon on or after January 15.</p>	<p>Existing provisions of the Political Reform Act of 1974 prohibit a public official at any level of state or local government from making, participating in making, or attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest, as defined. Existing law also requires specified elected and appointed officers at the state and local level of government to disclose specified financial interests by filing periodic statements of economic interests. Existing law further requires public officials who hold specified offices and who have a financial interest in a decision within the meaning of the Political Reform Act of 1974 to publicly identify the financial interest giving rise to the conflict of interest or potential conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote, and other disposition of the matter is concluded, except as specified. This bill would add members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly. Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties. This bill would impose a state-mandated local program by exposing these members to potential criminal penalties for failing to make the disclosures and recuse themselves where required by this bill. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason. The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a 2/3 vote of each house and compliance with specified procedural requirements.</p> <p>This bill would declare that it furthers the purposes of the act.</p>	