



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

February 1, 2018 – Thursday

5:00 p.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Report of the Citizens Advisory Committee
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately
 - a. Approval of Minutes of January 4, 2018
 - b. Acceptance of Statement of Revenues and Expenses for December 2017
5. Public Comment
Public comment by each individual speaker shall be limited to one minute. If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the TA Secretary.
6. Chairperson's Report
 - a. Resolution of Appreciation to Outgoing Chair Carole Groom
7. San Mateo County Transit District Liaison Report – K. Matsumoto
8. Joint Powers Board Report – J. Hartnett
9. Report of the Executive Director – J. Hartnett
10. Finance
 - a. Quarterly Investment Report
11. Program
 - a. Pedestrian and Bicycle Call For Projects Update
 - b. Programming and Allocation of Measure A Funds for Seven Highway Projects
 - c. Authorization to Request and Receive Local Partnership Program Formula Funds for the US-101/SR-92 Direct Connector Project and the US-101 Managed Lanes Project, and Increase the Fiscal Year 2018 Budget from \$86,859,624 to \$87,066,264
 - d. State and Federal Legislative Update
12. Request from the Authority
13. Written Communications to the Authority

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

14. Date/Time of Next Regular Meeting: Thursday, March 1, 2018, 5:00 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA 94070

15. Report of Legal Counsel

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973
- b. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast, et al. v. California Department of Transportation, et al.; U.S. District Court, Northern District of California Civil Case No. 3:15-cv-02090-VC

16. Adjourn

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. Communications to the Board of Directors can be e-mailed to board@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 ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

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 TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

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

Draft

MINUTES OF JANUARY 4, 2018

MEMBERS PRESENT: E. Beach, M. Freschet, D. Horsley, K. Matsumoto, R. Medina

MEMBERS ABSENT: C. Johnson, C. Groom

STAFF PRESENT: J. Cassman, A. Chan, C. Fromson, C. Gumpal, J. Hartnett,
J. Hurley, M. Martinez, C. Mau, Rima Lobos,

Vice Chair Horsley called the meeting to order at 5:00 p.m. and led the Pledge of Allegiance.

SWEARING IN OF DON HORSLEY (BOARD OF SUPERVISOR REPRESENTATIVE), EMILY BEACH (CITIES-AT-LARGE REPRESENTATIVE), RICO MEDINA (NORTHERN REPRESENTATIVE)
Martha Martinez, Authority Secretary, administered the Oath of Office.

ELECTION OF 2018 OFFICERS

Vice Chair Don Horsley was elected chair.

Motion/Second: Matsumoto/Freschet

Ayes: Beach, Freschet, Horsley, Matsumoto, Medina

Absent: Johnson, Groom

Director Cameron Johnson was elected vice chair.

Motion/Second: Matsumoto/Freschet

Ayes: Beach, Freschet, Horsley, Matsumoto, Medina

Absent: Johnson, Groom

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

The CAC Committee did not meet. No report.

CONSENT CALENDAR

- a. Approval of Minutes of December 7, 2017
- b. Acceptance of Statement of Revenues and Expenses for November 2017
- c. Receive Comprehensive Annual Financial Report

For item 2b, Director Beach asked staff to provide clarification on the increased actual expenditures in the Administrative Support line for the current period as compared to prior period. April Chan, Chief Officer of Planning, Grants, Real Estate and Transportation Authority, said the increased amount in the current period is for additional staff time spent to support a number of call for projects, including highway, bicycle and pedestrian and shuttle.

Motion/Second: Beach/Freschet
Ayes: Beach, Freschet, Horsley, Matsumoto, Medina
Absent: Johnson, Groom

CHAIRPERSON'S REPORT

No report.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

The written report is in the reading file.

PENINSULA CORRIDOR JOINT POWERS BOARD (JPB) REPORT – J. HARTNETT

The written report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, said his written report is in the reading file.

Get Us Moving San Mateo County

Seamus Murphy, Chief Communication Officer shared the following regarding the Get Us Moving San Mateo County: goals of the measure, funding options, expert input and community-led process and public outreach to decide where to start.

Adina Levin, Friends of Caltrain, said she has been participating in the stakeholder group with other organizations; thanked staff for engaging with the community and encouraging mobility improvement.

Mr. Hartnett, reported on the efforts of submitting the grant application for the Transit Intercity Rail Capital Program (TIRCP) that supports Caltrain as a regional provider that includes the benefits of electrification that is beyond the Peninsula Corridor Electrification Project (PCEP).

He also reported there has been preliminary discussion with Facebook for potential delivery of the rail corridor part of the Dumbarton Bridge project as a public/private partnership.

Adina Levin, Friends of Caltrain, said she is thrilled to hear that the Dumbarton project may move forward with as a private/public partnership. She said there are many places in the world that have done public/private partnership and suggested to research and learn from other local agencies.

DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS WITH VALUES UP TO \$100,000

Ms. Chan, Chief Officer of Planning, Grants, Real Estate and Transportation Authority, provided a report, highlights of the report include that this request would apply to agreements for the receipt of grants and various other funding agreements, memoranda of understanding, interagency agreements and cooperative agreements. It would not apply to procurement contracts, real property transactions or agreements for the award of Measure A funds.

She said a summary will be provided on a quarterly basis as part of the Board reading file to ensure transparency and inform the Board of new agreements and amendments executed pursuant to the new delegation.

Approved by Resolution No. 2018-01
Motion/Second: Matsumoto/Beach
Ayes: Beach, Freschet, Horsley, Matsumoto, Medina
Absent: Johnson, Groom

REALLOCATION OF \$1 MILLION OF PREVIOUSLY ALLOCATED MEASURE A FUNDS FROM THE 101 AUXILIARY LANES PROJECT (OYSTER POINT- THE SAN FRANCISCO COUNTY LINE) TO THE 101-280 MANAGED LANES (I-380-5TH AND KING STREETS) PROJECT

Joseph Hurley, Director Transportation Authority Program, provided a report, highlights of the report include a background and the significance of the project, he said that the request is to reallocate Measure A funds that were previously allocated for the environmental phase of the 101 Auxiliary Lane Project (Oyster Point to San Francisco County Line) to fund a joint study with San Francisco County Transportation Authority (SFCTA) that will explore and develop a new project which extends the northern limit of the proposed 101 Managed Lanes from I-380 into San Francisco. He said this request is to execute and/or amend any agreement, and take any other action necessary, to re-allocate the subject funding.

Approved by Resolution No. 2018-02
Motion/Second: Freschet/Medina
Ayes: Beach, Freschet, Horsley, Matsumoto, Medina
Absent: Johnson, Groom

PROGRAM REPORT: HIGHWAY PROGRAM: CALL FOR PROJECTS UPDATE

Ms. Chan, Chief Officer of Planning, Grants, Real Estate and Transportation Authority, provided a report, highlights of the report include an overview of the program, process, evaluation criteria, review of key policy changes, project proposals and draft funding recommendations.

Public Comment

Adina Levin, Friends of Caltrain, asked for clarification on the policy that is guiding these investments, the presentation stated the focus is to improve throughput, she asked if this means improvement of vehicle throughput or people.

Paul Krupka, San Mateo, said he is the project manager for the 101 Woodside Road interchange project for the City of Redwood City project and supports the staff on their effort with this project.

ADOPT 2018 LEGISLATIVE PROGRAM

Casey Fromson, Government and Community Affairs Director provided a report, highlights of the report includes that this program would guide the Board's legislative and regulatory advocacy efforts through the 2018.

Approved by Resolution No. 2018-02

Motion/Second: Beach/Freschet

Ayes: Beach, Freschet, Horsley, Matsumoto, Medina

Absent: Johnson, Groom

STATE AND FEDERAL LEGISLATIVE UPDATE

Ms. Fromson, Government and Community Affairs Director provided a report, highlights of the report included highlights of the recent issues and actions that are relevant to the Board.

REQUEST FROM THE AUTHORITY

None.

REPORT OF LEGAL COUNSEL

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973

- b. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast, et al. v. California Department of Transportation, et al.; U.S. District Court, Northern District of California Civil Case No. 3:15-cv-02090-VC

Recessed to closed session at 6:18 p.m.

Reconvened to open session at 6:36

Joan Cassman, Legal Counsel, said the Board met in closed session and received an update on potential litigation. No action was taken.

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, February 1, 2018 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070

The meeting adjourned at 6:37 p.m.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
DECEMBER 31, 2017**

ACTION

Staff proposes that the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of December 2017 and supplemental information.

The statement columns have been designed to provide easy comparison of year to date prior to current actuals for the current fiscal year including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of December year-to-date, the Total Revenues (page 1, line 7) is \$4.3 million higher than prior year. This is primarily driven by higher Sales Tax revenue (page 1, line 1) and Interest Income (page 1, line 2).

Year to Date Expenses: As of December year-to-date, the Total Expenditures (page 1, line 26) are \$33.4 million higher than prior year. This is primarily driven by Measure A Categories (page 1, line 15) with \$22.4 million spent for Caltrain Electrification project, and \$11.9 million spent for 101 Interchange to Willow project.

Budget Amendment:

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

Prepared By: Ray Galindo, Accountant
Jeannie Chen, Manager, General Ledger

650-508-7757
650-508-6259

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES

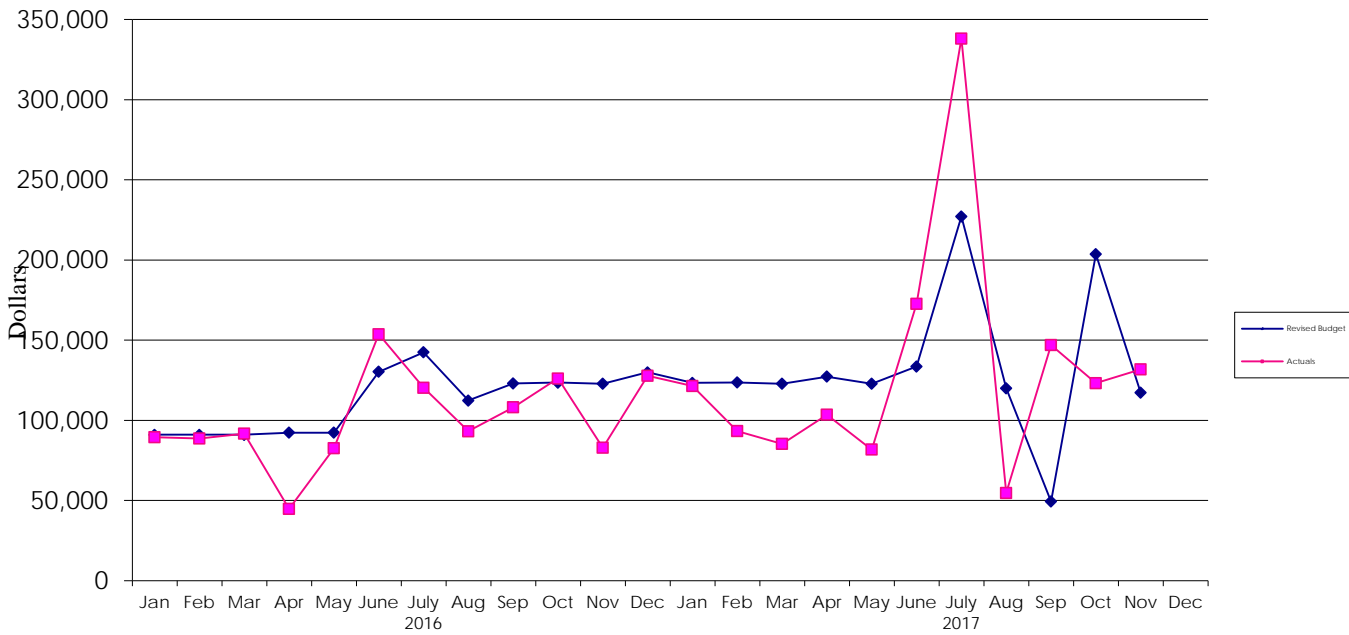
Fiscal Year 2018

December 2017

% OF YEAR ELAPSED: 50.0%

	YEAR TO DATE				ANNUAL
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANC E	BUDGET*
REVENUES:					
1 Sales Tax	41,197,623	44,851,827	3,654,204	8.9%	84,660,000
2 Interest Income	2,539,998	3,232,087	692,090	27.2%	3,700,000
3 Miscellaneous Income	-	1,500	1,500	0.0%	-
4 Rental Income	614,188	565,472	(48,716)	-7.9%	792,930
5 Grant Proceeds					15,000
6					
7 TOTAL REVENUE	44,351,809	48,650,886	4,299,078	9.7%	89,167,930
8					
9 EXPENDITURES:					
10					
11 Annual Allocations	15,037,132	16,370,917	1,333,785	8.9%	30,900,900
12					
13 Dumbarton Maintenance of Way	112,078	58,549	(53,529)	-47.8%	260,000
14					
15 Measure A Categories	18,374,185	49,800,173	31,425,988	171.0%	52,912,500
16					
17 Oversight	456,515	845,021	388,506	85.1%	1,200,000
18					
19 Administrative					
20 Staff Support	325,570	611,551	285,981	87.8%	867,563
21 Measure A Info-Others	40	49	9	21.5%	15,000
22 Other Admin Expenses	332,840	344,551	11,711	3.5%	703,301
23					
24 Total Administrative	658,450	956,151	297,701	45.2%	1,585,864
25					
26 TOTAL EXPENDITURES	34,638,360	68,030,811	33,392,451	96.4%	86,859,264
27					
28 EXCESS (DEFICIT)	9,713,449	(19,379,924)	(29,093,373)	-299.5%	2,308,667
29					
30 BEGINNING FUND BALANCE	481,434,137	506,053,648			398,162,346
31					
32 ENDING FUND BALANCE	506,053,648	486,673,724			400,471,013
33					
34					
35					
40					
41					
43					
44					
45					

SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18
MONTHLY EXPENSES												
Revised Budget	227,128	120,007	49,331	203,568	117,181	99,000						
Actual	338,084	54,648	146,873	123,195	131,821	161,530						
CUMULATIVE EXPENSES												
Staff Projections	227,128	347,135	396,466	600,034	717,215	816,215						
Actual	338,084	392,732	539,605	662,800	794,621	956,151						
Variance-F(U)	(110,956)	(45,597)	(143,139)	(62,766)	(77,406)	(139,936)						
Variance %	-48.85%	-13.14%	-36.10%	-10.46%	-10.79%	-17.14%						



CAROLE GROOM, CHAIR
 DON HORSLEY, VICE CHAIR
 EMILY BEACH
 MAUREEN FRESCHET
 KEN IBARRA
 CAMERON JOHNSON
 KARYL MATSUMOTO

JIM HARTNETT
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF DECEMBER 31, 2017

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #2	*	Liquid Cash	1.216%	\$ 295,070,875	\$ 295,070,875
Local Agency Investment Fund**		Liquid Cash	1.239%	\$ 987,027	\$ 987,027
Investment Portfolio	***	Liquid Cash	0.000%	\$ 158,270,435	\$ 156,921,373
Other		Liquid Cash	0.000%	\$ 4,677,135	\$ 4,677,135
				<u>\$ 459,005,472</u>	<u>\$ 457,656,410</u>

Accrued Earnings for December 2017 \$ 514,524
 Cumulative Earnings FY2018 \$ 3,329,665

* County Pool average yield for the month ending December 31, 2017 was 1.216%. As of December 2017, the total cost of the Total Pool was \$5,111,503,764 and the fair market value per San Mateo County Treasurer's Office was \$5,107,553,624.

** The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

*** 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 ON INVESTMENTS
December 31, 2017**

DESCRIPTION	TOTAL INVESTMENT 12-31-17	INTEREST RECEIVABLE 11-30-17	PREPAID INT RECEIVABLE 11-30-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	ADJ.	INTEREST RECEIVABLE 12-31-17
LAIF	987,027.10	1,908.05	0.00	1,038.65	0.00		2,946.70
COUNTY POOL	295,070,874.92	627,351.14	0.00	300,083.06			927,434.20
BANK OF AMERICA	4,374,425.88	0.00	0.00				0.00
WELLS FARGO	0.00	0.00	0.00				0.00
US BANK (Cash on deposit)	302,709.50	0.00	0.00				0.00
INVESTMENT PORTFOLIO	156,921,372.85	556,444.62	0.00	213,402.62	58,649.00		711,198.24
							0.00
	<u>457,656,410.25</u>	<u>1,185,703.81</u>	<u>0.00</u>	<u>514,524.33</u>	<u>58,649.00</u>	<u>0.00</u>	<u>1,641,579.14</u>

DECEMBER 2017 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report	12/31/17	514,524.33
Add:		
Less:		
Management Fees		(10,474.90)
Amortized Premium/Discount		(28,021.24)
Capital Gain(Loss)		<u>(3,889.80)</u>
Total Interest & Capital Gain(Loss)		<u><u>472,138.39</u></u>

YEAR TO DATE -- SUMMARY

Interest Earned	3,329,665.33
Add:	
Less:	
Management Fees	(62,336.32)
Amortized Premium/Discount	28,021.24
Capital Gain(Loss)	<u>(97,578.77)</u>
Total Interest	<u><u>3,197,771.48</u></u>

Balance Per Ledger 12/31/17	
Amortization of Premium/Discount	28,021.24
Management/Bank Fees	(62,336.32)
Interest- County Pool	1,924,034.21
Interest - LAIF	5,610.94
Interest - Portfolio Funds	1,400,020.18
Gain(Loss)	<u>(97,578.77)</u>
	<u><u>3,197,771.48</u></u>

INVESTMENT PORTFOLIO
December 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/ DAY	APPL. DAYS	INTEREST REC'VBLE 11/30/2017	PREPAID	INTEREST	INTEREST	INTEREST	PAR VALUE
			PURCHASE PRICE	VALUE 12/31/2017						INT REC'VBLE 11/30/2017	EARNED 12/31/2017	RECEIVED ADJ. 12/31/2017		
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>														
<u>U.S. TREASURY NOTES AND BONDS</u>														
US TREASURY NOTE	912828Q78	01-05-17	3,136,500.00	3,130,748.80	04-30-21	1.375%	122.2222	31	3,767.96		3,767.95		7,535.91	3,200,000
US TREASURY NOTE	912828F62	09-09-15	602,414.06	595,875.00	10-31-19	1.500%	25.0000	31	791.21		766.48		1,557.69	600,000
US TREASURY NOTE	912828VF4	12-07-15	3,163,560.35	3,163,937.54	05-31-20	1.375%	122.4132	31	121.07		3,753.11		3,874.18	3,205,000
US TREASURY NOTE	912828VP2	08/01/2017	3,188,998.24	3,090,062.49	07-31-20	2.000%	171.3889	31	20,622.55		5,197.56		25,820.11	3,085,000
US TREASURY NOTE	912828x47	05/01/2017	2,127,660.16	2,124,301.05	04-30-22	1.875%	111.9792	31	0.00		2,895.37	(4,008.98)	6,904.35	2,150,000
US TREASURY NOTE	912828L32	06-29-16	341,124.22	330,105.99	08-31-20	1.375%	12.7951	31	1,183.03		390.14		1,573.17	335,000
US TREASURY NOTE	912828R77	03-17-17	3,409,082.03	3,421,250.00	05-31-21	1.375%	133.6806	31	132.21		4,098.56		4,230.77	3,500,000
US TREASURY NOTE	912828D72	04-05-17	8,472,773.45	8,372,439.60	08-31-21	2.000%	466.6667	31	43,369.57		14,152.17		57,521.74	8,400,000
US TREASURY NOTE	912828T67	08-03-17	9,862,746.09	9,735,937.50	10-31-21	1.250%	348.9583	31	11,043.96		10,698.83		21,742.79	10,050,000
														21.87%
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>														
FNMA	3136ANJY4	04-30-15	392,976.63	388,581.39	04-01-18	1.550%	16.75	31	533.34		502.57	533.34	502.57	389,087
FNA 2014-M6 A2	3136AJ7G5	12-15-16	3,493,928.85	3,454,155.58	05-25-21	2.679%	254.85	31	7,700.72		1,530.00	7,913.75	1,316.97	3,424,634
FANNIE MAE	3136AQDQ0	10-30-15	714,118.91	704,683.84	09-01-19	1.646%	32.33	31	532.43		2,367.10	1,929.71	969.82	707,039
														2.86%
<u>FEDERAL AGENCY NOTES AND BONDS</u>														
FHLMC	3137EAEB1	07-20-16	4,638,747.00	4,577,292.60	07-19-19	0.875%	113.02	31	14,918.75		3,390.63		18,309.38	4,650,000
FNMA	3135GON33	08-02-16	3,194,624.00	3,148,713.60	08-02-19	0.875%	77.78	31	9,255.56		2,333.33		11,588.89	3,200,000
FHLB	3130A8Q55	07-15-16	3,180,540.80	3,093,686.40	07-14-21	1.125%	100.00	31	13,700.00		3,000.00		16,700.00	3,200,000
FHLB	3130A8Y72	08-04-16	798,464.00	786,991.20	08-05-19	0.875%	19.44	31	2,255.56		583.33		2,838.89	800,000
FNMA	3135GON82	08-19-16	822,177.68	799,446.45	08-17-21	1.250%	28.65	31	0.00			0.00		825,000
FNMA	3135GON82	08-19-16	2,664,166.25	2,592,144.55	08-17-21	1.250%	92.88	31	12,638.88		3,645.83		16,284.71	2,675,000
FNMA	3135G0P49	09-02-16	3,993,760.00	3,940,996.00	08-28-19	1.000%	111.11	31	10,333.32		3,333.33		13,666.65	4,000,000
FNMS	3135G0T60	08-01-2017	2,392,728.00	2,370,312.00	07-30-20	1.250%	83.33	31	12,000.00		3,000.00		15,000.00	2,400,000
FHLB	3130A9EP2	09-09-16	4,695,911.00	4,627,996.00	09-26-19	1.000%	130.56	31	8,486.11		3,916.67		12,402.78	4,700,000
FHLMC	3137EAEJ4	09-29-17	988,208.10	978,690.24	09-29-20	1.625%	44.69	31	2,770.63		1,340.62		4,111.25	990,000
FNMA	3135G0T29	02-28-17	2,653,300.80	2,627,449.07	02-28-20	1.500%	110.63	31	10,288.12		3,318.75		13,606.87	2,655,000
FHLB	3130AAXX1	03-10-17	2,958,121.20	2,947,850.44	03-18-19	1.375%	113.25	31	11,055.19		3,588.36	2,979.16	11,664.39	2,965,000
FHLB	3130ACE26	09-08-17	363,828.35	358,639.51	09-28-20	1.375%	13.94	31	878.28		418.23		1,296.51	365,000
FHLMC	3137EAEF2	04-20-17	2,690,766.00	2,661,835.50	04-20-20	1.375%	103.13	31	4,228.13		3,093.75		7,321.88	2,700,000
														22.88%
<u>CORPORATE NOTES</u>														
TOYOTA MOTOR	89236TDH5	10-18-16	1,149,425.00	1,139,789.15	10-18-19	1.550%	49.51	31	2,129.10		1,485.41		3,614.51	1,150,000
TOYOTA MOTOR CREDIT CORP	89236TDM4	-01-09-17	1,999,300.00	1,995,862.00	01-09-19	1.700%	94.44	31	13,411.11		2,833.33		16,244.44	2,000,000
AMERICAN EXPRESS	0258MOEC9	10-31-16	2,799,321.80	2,771,098.40	10-30-19	1.700%	132.22	31	4,098.89		3,966.67		8,065.56	2,800,000
MORGAN STANLEY	6174467P8	11-10-16	3,516,187.50	3,377,370.15	07-24-20	5.500%	481.25	31	61,118.75		14,437.50		75,556.25	3,150,000
PFIZER INC	717081EB5	11-21-16	2,078,502.40	2,066,918.88	12-15-19	1.700%	98.22	31	16,304.89		2,946.67	17,680.00	1,571.56	2,080,000
JOHN DEERE CAPITAL CORP.	24422ETM1	01-06-17	1,199,220.00	1,197,332.40	10-15-18	1.650%	55.00	31	2,530.00		1,650.00		4,180.00	1,200,000
JOHN DEERE CAPITAL CORP.	24422ETL3	03-15-17	681,979.15	688,988.76	01-06-22	2.650%	50.42	31	7,311.42		1,512.71		8,824.13	685,000
CATERPILLAR FINL	14913Q2A6	09-07-17	1,099,076.00	1,087,158.60	09-04-20	1.850%	56.53	31	4,748.33		1,695.84		6,444.17	1,100,000
GOLDMAN SACHS	38141GGQ1	11-28-16	3,035,092.50	2,980,425.25	07-27-21	5.250%	401.04	31	49,729.17		12,031.25		61,760.42	2,750,000
AMERICAN HONDA	02665WAH4	12-20-16	3,165,655.50	3,154,709.25	08-15-19	2.250%	196.88	31	20,868.75		5,906.25		26,775.00	3,150,000
BANK OF AMERICA	06051GGS2	09-18-2017	965,000.00	962,279.67	10-01-21	2.328%	62.40	31	4,555.44		1,872.10		6,427.54	965,000
BANK OF AMERICA	06051GFW4	04-19-2016	579,462.00	577,933.65	04-19-21	2.625%	41.93	31	1,760.94		1,257.81		3,018.75	575,000
CITIGROUP INC	172967LF6	01-10-17	1,574,370.00	1,575,726.08	01-10-20	2.450%	107.19	31	15,113.44		3,215.62		18,329.06	1,575,000
MICROSOFT CORP	594918BV5	02-06-17	1,518,981.60	1,515,505.36	02-06-20	1.850%	78.11	31	8,982.78		2,343.33		11,326.11	1,520,000
BERKSHIRE HATHAWAY	084670BL1	12-23-16	3,167,829.00	3,151,499.40	08-14-19	2.100%	183.75	31	19,661.25		5,512.50		25,173.75	3,150,000
WALT DISNEY	25468PDP8	03-06-17	659,828.40	657,855.00	03-04-20	1.950%	35.75	31	3,110.25		1,072.50		4,182.75	660,000
APPLE INC BONDS	037833CS7	05-11-17	1,323,648.50	1,313,778.58	05-11-20	1.800%	66.25	31	1,325.00		1,987.50		3,312.50	1,325,000
JP MORGAN CHASE & CO	46625HJD3	05-26-17	1,622,730.00	1,605,078.00	01-24-22	4.500%	187.50	31	23,812.50		5,625.00		29,437.50	1,500,000

INVESTMENT PORTFOLIO
December 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/ DAY	APPL. DAYS	INTEREST	PREPAID	INTEREST	INTEREST	PAR VALUE		
			PURCHASE PRICE	VALUE 12/31/2017					REC'VBLE 11/30/2017	INT REC'VBLE 11/30/2017	EARNED 12/31/2017	RECEIVED		ADJ.	REC'VBLE 12/31/2017
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>															
HOME DEPOT INC	437076BQ4	06-05-17	749,565.00	744,036.00	06-05-20	1.800%	37.50	31	6,600.00		1,125.00	6,750.00	975.00	750,000	
PEPSICO INC	713448DX3	10-10-17	1,014,797.00	1,003,454.38	04-15-21	2.000%	56.39	31	2,875.83		1,691.67		4,567.50	1,015,000	
WALMART STORES INC	931142EA7	10-20-17	1,547,752.50	1,540,016.45	12-15-20	1.900%	81.81	31	3,354.03		2,454.16		5,808.19	1,550,000	
BRANCH BANKING & TRUST CORP	05531FAZ6	10-26-17	749,655.00	742,905.00	02-01-21	2.150%	44.79	31	1,567.71		1,343.75		2,911.46	750,000	
														22.42%	
<u>COMMERCIAL PAPERS</u>															
BNP PARIBAS NY BRANCH	09659CC71	07-07-17	3,167,600.00	3,190,608.00	03-07-18	0.000%	0.00	31	0.00				0.00	3,200,000	
BANK OF TOKYO MITSUBISHI	06538CGL9	10-24-17	2,963,236.67	2,969,109.00	07-20-18	0.000%	0.00	31	0.00				0.00	3,000,000	
JP MORGAN	46640OQFJ5	5-23-17	3,062,937.78	3,074,245.20	09-21-17	0.000%	0.00	31	0.00				0.00	3,100,000	
CREDIT AGRICOLE	22533UF16	12-01-17	3,073,827.39	3,076,461.70	06-01-18	0.000%	0.00	31	0.00				0.00	3,100,000	
ING (US) FUNDING LLC	4497W1G26	10-13-17	3,063,902.22	3,071,817.90	07-02-18	0.000%	0.00	31	0.00				0.00	3,100,000	
														9.82%	
<u>CERTIFICATE OF DEPOSIT</u>															
CANADIAN IMPERIAL BANK NY	13606A5Z7	12-05-16	3,097,582.00	3,093,455.90	11-30-18	1.760%	151.56	31	151.56		4,698.22		4,849.78	3,100,000	
SVENSKA HANDELSBANKEN NY	86958JHB8	01-12-17	3,100,000.00	3,086,294.90	01-10-19	1.890%	162.75	31	23,436.00		5,045.25		28,481.25	3,100,000	
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-06-17	3,100,000.00	3,088,778.00	04-05-19	1.910%	164.47	31	9,374.92		5,098.64		14,473.56	3,100,000	
SWEDBANK	87019U6D6	11-17-2017	3,100,000.00	3,083,253.80	11-16-20	2.270%	195.47	31	2,736.61		6,059.64		8,796.25	3,100,000	
SUMITOMO MITSUI BANK NY	86563YVN0	05-04-17	3,100,000.00	3,097,879.60	05-03-19	2.050%	176.53	31	4,942.78		5,295.83		10,238.61	3,100,000	
														9.82%	
<u>ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS</u>															
CCCI 2017-A2 A2	17305EGA7	01-26-17	2,649,492.53	2,644,088.12	01-17-21	1.740%	128.08	31	17,163.17		3,842.50		21,005.67	2,650,000	
ALLYA 2017-1 A3	02007PAC7	01-31-17	704,938.38	701,714.14	06-15-21	1.700%	33.29	31	532.68		998.75	998.75	532.68	705,000	
FORDO 2017-A A3	34531EAD8	01-25-17	2,199,991.86	2,186,235.04	06-25-21	1.670%	102.06	31	1,632.89		3,061.67	3,061.67	1,632.89	2,200,000	
TAOT 2017-A A3	89238MAD0	03-07-17	779,908.19	776,138.61	02-15-21	1.730%	37.48	31	599.73		1,124.50	1,124.50	599.73	780,000	
ALLYA 2017-2 A3	02007HAC5	03-29-17	2,484,707.02	2,475,881.04	08-15-21	1.780%	122.87	31	1,965.90		3,686.08	3,686.08	1,965.90	2,485,000	
TAOT 2017-B A3	89190BAD0	05-17-17	3,099,762.23	3,079,566.35	07-15-21	1.760%	151.56	31	2,424.89		4,546.67	4,546.67	2,424.89	3,100,000	
HAROT 2017-3 A3	43814PAC4	09-29-2017	579,937.19	575,652.38	09-18-21	1.790%	28.84	31	374.91		865.17	865.17	374.91	580,000	
CCCI 2017-A3 A3	17305EGB5	05-22-17	1,604,272.00	1,590,019.04	04-07-22	1.920%	85.33	31	4,608.00		2,560.00		7,168.00	1,600,000	
JOHN DEERE ABS	47788BAD6	07-18-17	999,926.80	992,537.90	10-15-21	1.820%	50.56	31	808.89		1,516.67	1,516.67	808.89	1,000,000	
AMXCA 2017-4 A	02582JHG8	05-30-17	1,199,807.76	1,193,793.48	12-15-21	1.640%	54.67	31	880.00		1,640.00	1,640.00	880.00	1,200,000	
														10.32%	
<u>SALE/PAYDOWN/MATURITY:</u>															
US TREASURY NOTE	912828S18	03-23-15			04-30-19	1.250%	0.0000	31	(0.00)				(0.00)		
NORDEA BANK FINLAND NY	65558LWA6	12-05-16			11-30-18	1.760%	0.00	31	0.00				0.00		
CREDIT AGRICOLE CIB NY	22533TYL4	05-23-17			11-20-17	0.000%	0.00	31	0.00				0.00		
JOHN DEERE	24422ESR1	11-22-16			12-15-17	1.550%	0.00	31	6,539.71		196.98	6,736.69	(0.00)		
CASH AND CASH EQUIVALENT	31846V534								695.82		116.81	695.82	116.81		
TOTAL			158,270,435.04	156,921,372.85					556,444.62	0.00	213,402.62	58,649.00	0.00	711,198.24	157,870,759.39

24-Jan-18 Weighted Average Interest Rate 1.6432%

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY 2018
 DECEMBER 2017

Approved Budget		Receipts		Over/(Under)	Current
Date	Amount	Date	Amount	Budget/Projection	Projection
FY 2017:					
1st Quarter	19,338,441	1st Quarter	18,526,300	(812,141)	18,526,300
2nd Quarter	20,753,590	2nd Quarter	22,307,178	1,553,588	22,307,178
3rd Quarter	21,051,276	3rd Quarter	19,175,362	(1,875,914)	19,175,362
4th Quarter	21,856,693	4th Quarter	24,345,230	2,488,537	24,345,230
FY 2017 Total	83,000,000	FY 2017 Total	84,354,070	1,354,070	84,354,070
FY 2018:					
Jul. 17	6,173,245	Sep. 17	5,760,900	(412,345)	6,173,245
Aug. 17	6,173,245	Oct. 17	5,760,900	(412,345)	6,173,245
Sep. 17	9,148,973	Nov. 17	7,681,200	(1,467,773)	9,148,973
1st Qtr. Adjustment		Dec. 17	3,472,138	3,472,138	
3 Months Total	21,495,463		22,675,138	1,179,675	21,495,463
Oct. 17	6,484,778	Dec. 17	6,251,900	(232,878)	6,484,778
Nov. 17	6,279,663	Jan. 18			6,279,663
Dec. 17	9,645,126	Feb. 18			9,645,126
2nd Qtr. Adjustment		Mar. 18			
6 Months Total	43,905,030		28,927,038	946,797	43,905,030
Jan. 18	5,525,697	Mar. 18			5,525,697
Feb. 18	5,504,678	Apr. 18			5,504,678
Mar. 18	7,882,317	May 18			7,882,317
3rd Qtr. Adjustment		Jun. 18			
9 Months Total	62,817,722		28,927,038	946,797	62,817,722
Apr. 18	6,117,920	Jun. 18			6,117,920
May 18	6,103,123	Jul. 18			6,103,123
Jun. 18	9,621,235	Aug. 18			9,621,235
4th Qtr. Adjustment		Sep. 18			
FY 2018 Total	84,660,000	FY 2018 Total	28,927,038	946,797	84,660,000
	22,675,138	1st Quarter			
	22,176,689	2nd Quarter			
		3rd Quarter			
		4th Quarter			
	44,851,827	YTD Actual Per Statement of Revenue & Expenses			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF DECEMBER 31, 2017

12/31/2017

Cash -- Bank of America Checking Account	4,374,425.88
Cash -- Wells Fargo Lockbox Account	0.00
Cash - US Bank (on deposit)	302,709.50
LAIF	987,027.10
County Pool	295,070,874.92
Investment Portfolio	156,921,372.85
Total	<u>457,656,410.25</u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
DECEMBER 2017

Unit	Ref	Name	Amount	Method	Description
SMCTA 000128		MATSUMOTO, KARYL M.	100.00	ACH	Board Member Compensation
SMCTA 000129		GROOM, CAROLE	100.00	ACH	Board Member Compensation
SMCTA 000130		HORSLEY, DONALD	100.00	ACH	Board Member Compensation
SMCTA 000131		JOHNSON, CAMERON	100.00	ACH	Board Member Compensation
SMCTA 000132		IBARRA, KENNETH	100.00	ACH	Board Member Compensation
SMCTA 000133		BEACH, EMILY RANDOLPH	100.00	ACH	Board Member Compensation
SMCTA 004554		HANSON BRIDGETT LLP	342.00	CHK	Legal Services
SMCTA 004555		HOLLAND & KNIGHT LLP	3,500.00	CHK	Legislative Advocate
SMCTA 004556		PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA 004557		SAN MATEO, COUNTY OF	106,777.58	CHK	Capital Programs (1)
SMCTA 004558		SAN MATEO, COUNTY OF	15,700.48	CHK	Capital Programs (2)
SMCTA 004559		SAN MATEO, COUNTY OF	17,748.37	CHK	Capital Programs (2)
SMCTA 004560		SLAVIT, JOEL A	30.70	CHK	Business Meetings
SMCTA 004561		CDM SMITH, INC.	22,897.14	CHK	Consultants
SMCTA 004562		HANSON BRIDGETT LLP	15,277.00	CHK	Legal Services
SMCTA 004563		HOLLAND & KNIGHT LLP	7,000.00	CHK	Legislative Advocate
SMCTA 004564		SLAVIT, JOEL A	72.63	CHK	Business Meetings
SMCTA 004565		VAVRINEK, TRINE, DAY & CO., LLP	10,000.00	CHK	Annual Audit Services
SMCTA 004566		WOODSIDE, TOWN OF	16,454.23	CHK	Capital Programs (3)
SMCTA 004567		WOODSIDE, TOWN OF	23,788.45	CHK	Capital Programs (3)
SMCTA 004568		WOODSIDE, TOWN OF	5,200.85	CHK	Capital Programs (3)
SMCTA 004569		WOODSIDE, TOWN OF	210,181.73	CHK	Capital Programs (3)
SMCTA 004570		DMJM HARRIS/MARK THOMAS JV	42,936.04	CHK	Consultants
SMCTA 004571		FEDERAL EXPRESS CORPORATION	79.78	CHK	Overnight Courier Service
SMCTA 004572		HANSON BRIDGETT LLP	17,371.00	CHK	Legal Services
SMCTA 004573		NEWARK, CITY OF	1,008.00	CHK	Capital Programs (4)
SMCTA 004574		PACIFIC GAS & ELECTRIC COMPANY	453,030.08	CHK	Capital Programs (5)
SMCTA 004575		SAN MATEO, CITY OF	1,045,907.38	CHK	Capital Programs (6)
SMCTA 004576		HANSON BRIDGETT LLP	76.00	CHK	Legal Services
SMCTA 004577		KHOURI CONSULTING	3,859.00	CHK	Legislative Advocate
SMCTA 004578		PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA 004579		SAN CARLOS, CITY OF	21,334.31	CHK	Capital Programs (2)
SMCTA 004580		SOUTH SAN FRANCISCO, CITY OF	50,715.90	CHK	Capital Programs (2)
SMCTA 004581		DEPARTMENT OF TRANSPORTATION	2,416,769.78	CHK	Capital Programs (7)
SMCTA 004582		GOVERNMENT FINANCE OFFICERS ASSN	505.00	CHK	Dues & Subscription
SMCTA 900108		PENINSULA CORRIDOR JOINT POWERS BOAR	5,245,319.99	WIR	Capital Programs (8)
			9,772,983.42		

- (1) Call for Proj-Ped&Bike FY14/15
- (2) FY17/FY18 Local Shuttles
- (3) 2015 Call for Proj-Ped&Bike
- (4) Dumbarton Maintenance of Way
- (5) 101 Interchange to Broadway
- (6) Poplar Corridor Safety Impr
- (7) 101 Interchange to Willow
- (8) Caltrain Electrification

Resolution No. 2018-03
Resolution of Appreciation
Presented to
CAROLE GROOM

WHEREAS, throughout 2017, **CAROLE GROOM** has served as chair of the San Mateo County Transportation Authority; and

WHEREAS, as a representative of the San Mateo County Board of Supervisors on the TA Board, **MS. GROOM** has been an advocate for important transportation issues and improvements throughout the county; and

WHEREAS, **MS. GROOM** led the effort to invest in the creation of six new shuttle routes to better serve important high-traffic corridors around the county including the Skyline College Express, the County Park Explorer, serving East Palo Alto, East Menlo Park and North Fair Oaks, and the Coastside Beach Shuttle; and

WHEREAS, during **MS. GROOM's** tenure, the Board, in partnership with Caltrans, the City of Burlingame, and the City/County Association of Governments of San Mateo County celebrated the completion of the Broadway Interchange Reconstruction Project on U.S. Highway 101, improving and traffic congestion and enhancing access and safety for motorists, bicyclists and pedestrians; and

WHEREAS, in 2017, **MS. GROOM** helped kick-off the U.S. 101/Willow Interchange Reconstruction Project and the HWY 92/El Camino Real Interchange Project, which will deliver critical traffic flow and safety improvements to the cities of San Mateo, East Palo Alto and Menlo Park ; and

WHEREAS, during **MS. GROOM's** time on the board, the TA Board of Directors made great strides toward expanding public access to the Board's decision-making process and emphasizing a commitment to transparency by launching live video streaming functionality to its public meetings; and

WHEREAS, during **MS. GROOM's** tenure, the TA, along with Caltrans and the City/County Association of Governments of San Mateo County, released a Draft Environmental Impact Report for the U.S. 101 Managed Lanes Project, an effort to improve traffic congestion and travel times on the County's busiest commute corridor; and;

WHEREAS, **MS. GROOM** brought experience, insight, thoughtful discussion and leadership to her role as a transportation advocate; and

NOW, THEREFORE, BE IT RESOLVED that the San Mateo County Transportation Authority does thank and commend **CAROLE GROOM** for her leadership, her thoughtful and considerate collegiality, and her enthusiastic support for investment in transportation improvements that will enhance the quality of life of all San Mateo County residents.

UNANIMOUSLY ADOPTED by the San Mateo County Transportation Authority this 1st day of February, 2018.



Chair, San Mateo County Transportation Authority



BOARD OF DIRECTORS 2018

DON HORSLEY, CHAIR
CAMERON JOHNSON, VICE CHAIR
EMILY BEACH
CAROLE GROOM
MAUREEN FRESCHET
KARYL MATSUMOTO
RICO E. MEDINA

JIM HARTNETT
EXECUTIVE DIRECTOR

Memorandum

Date: January 25, 2018
To: TA Board of Directors
From: Jim Hartnett, Executive Director
Subject: February 1, 2018 TA Board Meeting Executive Director's Report

101 Managed Lanes Project

The 101 Managed Lanes Draft Environmental Document (DED) was released for public circulation and comment on November 21. The DED was available for review online and hard copies were available for review at local libraries. Three public meetings were held, two in December and one in January. The comment period closed on January 19. The comment period (nearly 60 days) exceeded the minimum review period for an EIR (45 days minimum) to ensure that adequate time was available to receive comments. Public media notification of the DED release included news advertisements in major Bay Area papers run (in November and December 2017), social media notification, and mailings to organizations, public officials, and individuals (the mailing list was included in the EIR/EA).

Approximately 20 letters and 40 comment cards/e-mails were received. These comments are being reviewed and responses are being prepared by the team. The types of comments received are briefly characterized as:

Congestion related comments:

- Enforcement should be increased regarding carpooling violations
- Frustration with extremely congested conditions, noting the level and period of existing traffic delays extended beyond the typical peak hour periods
- Support for the project, with recognition that the express lanes provide an option/choice for drivers such as transit, and carpooling

Support for Express Lanes/HOV, but with no additional lanes:

- Concern that the additional lanes may attract more users resulting in an increase in vehicle miles traveled and number of cars on US 101
- Utilizing toll revenues for local services and programs which improve person throughput (technology, better bus service, funding for free or discounted transit, etc.)

Design/construction related comments:

- Concern with noise during construction
- Elaborate on impacts to local jurisdictions

Rail and bus related comments:

- Better integration of the 101 managed lanes project and Express Bus Study to allow enhanced bus service

Equity Issues:

- Concern that low income drivers will be at a disadvantage, or that the lanes favor higher income drivers

In addition, the project team is in the process of putting together a full funding plan for the construction phase of the project, which includes securing a grant with the California Transportation Commission (CTC) for SB1 Solutions for Congested Corridors funding in the amount of \$200 Million. The SB1 grant will be matched with various funding sources, including State funds, regional tolls, and private sector funds. The SB1 grant application is due to the CTC by February 16, 2018.

Shuttle Program Call for Projects

In December the TA and C/CAG released a joint Call for Projects (CFP) for the San Mateo County Shuttle Program, with up to \$10 million (\$9 M TA and \$1 M C/CAG) available in funds over the next two fiscal years. A workshop was held on December 18 to respond to questions and to provide guidance to prospective applicants. Applications for this call are due on February 9.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

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

ACTION

Staff recommends 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, 2017.

SIGNIFICANCE

The San Mateo County Transportation Authority (TA) 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 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 TA 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, and 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 pages 7, 8 and 9. The schedule separates the investments into two groups: the Investment Portfolio managed by PFM Asset Management LLC (PFM), and Liquidity funds, which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

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

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

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

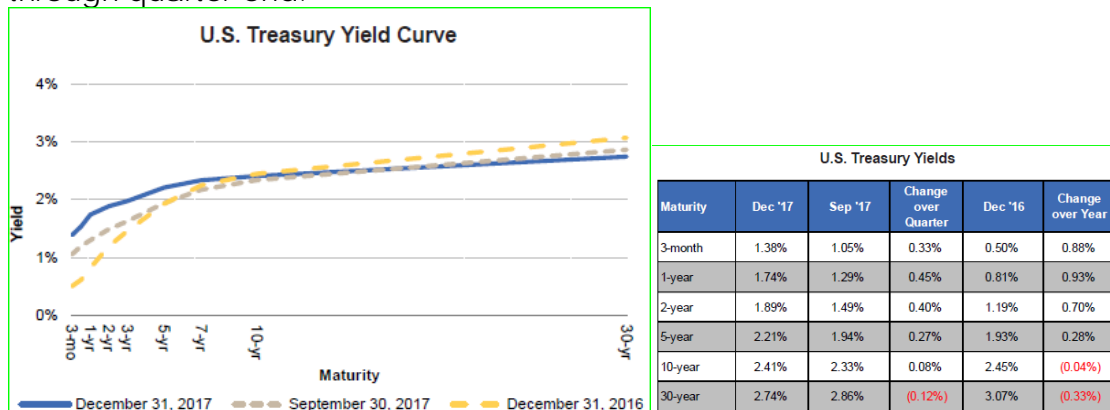
DISCUSSION

ECONOMIC SNAPSHOT

- The U.S. economy notched back-to-back quarters of solid growth with GDP increasing at a 3.2 percent real rate for the third quarter, following a second quarter tally of 3.1 percent. 2017 capped the 8th straight year of recovery from the 2008-09 Great Recession—the third longest expansion of the past century. Initial fourth quarter estimates are for growth in the 2.5 percent to 3 percent range, with consumer spending and business investment fueling the growth.
- The U.S. labor market remained strong, with the unemployment rate holding at a 15-year low of 4.1 percent during the quarter. Although job gains in December were disappointing, the economy added over 2 million net new jobs in 2017. At the same time, the labor force participation rate improved modestly, while wage growth over the past year was modest.
- Prices remained well contained, running below the Fed's desired 2 percent target for core inflation. But, oil and other commodities like copper rebounded in the second half of the year.
- Outside of inflation, economic indicators have been strong: manufacturing, services and consumer confidence indexes reached multi-year highs, housing markets strengthened further, and positive real GDP growth across the globe serve as positive backdrop for the New Year.

INTEREST RATES

- Shorter-term Treasury yields (5 years and under) increased in the fourth quarter, largely on the run-up to the December FOMC rate hike. Long-term Treasury yields (10 years and longer) moved in the opposite direction, with the yield on a 30-year Treasury actually declining 12 basis points. This resulted in a much flatter yield curve.
- In the cash and money market segment, yields on Treasury maturities less than one year increased 30 to 45 basis points in lockstep with the Fed's expected rate hike trajectory. The increase of shorter Treasury yields led the market; yield increases on short credit (commercial paper and certificates of deposit) did not initially keep up. The result was tighter short-term credit spreads that persisted through quarter-end.



PORTFOLIO RECAP

- Yields continued to climb, with some short- and intermediate-term yields reaching highs not seen since 2008. However, in this era of gradually increasing interest rates, new purchases were weighed against the probability for further rate increases and their potential to diminish the market value of portfolio investments. In this flat yield curve environment, we emphasized maturity selection.
- Strong investor appetite for high-quality alternatives to U.S. Treasuries caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in positive relative performance for non-Treasury sectors.
 - The yield spreads on federal agency securities vs. comparable-maturity Treasuries remained near historic lows, in some case near zero, leading to diminished value of the agency sector.
 - Corporate yield spreads also remained near multi-year lows, as investors reaching for yield piled into a limited market supply of investment-grade securities, leading the corporate sector to deliver its ninth straight quarter of outperformance relative to U.S. Treasuries.
 - Short-term commercial paper (CP) and negotiable bank certificates of deposit (CDs) continued to offer value during the quarter. Although the Fed's December meeting caused CP/CD spreads to narrow, issuance has picked up and CP/CD yields have risen, widening the spread over similar-dated Treasuries.

Outlook and Strategy

- The U.S. economy is generally on strong footing heading into the New Year, bolstered by expanding economic activity, a strong jobs market, and gains in housing. However, the continued rise of the domestic stock market, coupled with low volatility, may point to investor complacency.
- The Federal Reserve recently reiterated its intentions to continue to gradually increase rates into 2018. However, persistently low inflation readings may derail these plans. In this uncertain environment, we plan to adopt a duration-neutral stance but will continue to carefully monitor the portfolio's duration relative to the benchmark's duration, making adjustments as appropriate.
- Federal Agency issuance is expected to resume in the New Year, but the overall level is expected to be slower than 2017. Given the flatness of the yield curve and narrow bullet agency spreads, we may seek value in callable agency securities where we find them advantageous.
- We will continue to focus on exposure to the corporate sector as well as other spread products to add value to the portfolio.
- The mortgage-backed securities (MBS) sector may experience some turbulence once the pace of tapering increases in future months. For that reason, we are generally avoiding additional MBS allocations at this time.
- Broad diversification across all investment-grade sectors remains a key component of our portfolio strategy. However, as always, while we continue to seek opportunities to enhance the earnings, our priority will always be to maintain the safety and liquidity of portfolio investments.

Budget Impact

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending December 31, the total return of the portfolio was **-0.19 percent**. This compares to the benchmark return of **-0.25 percent**. The Performance graph on page 10 shows the relative performance of the TA over the last 12 months.

The yield at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the quarter, the portfolio's yield to maturity at cost was **1.71 percent**.

The yield at market is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, the portfolio's market yield to maturity was **2.02 percent**.

Prepared by: Connie Mobley-Ritter, Director - Treasury

650-508-7765

Investment Glossary:

Asset Backed Securities - An asset-backed security (ABS) is a financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

Certificate of Deposit - A certificate of deposit (CD) is a savings certificate with a fixed maturity date, specified fixed interest rate and can be issued in any denomination aside from minimum investment requirements. A CD restricts access to the funds until the maturity date of the investment. CDs are generally issued by commercial banks and are insured by the FDIC up to \$250,000 per individual.

Collateralized Mortgage Obligation - Collateralized mortgage obligation (CMO) refers to a type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities. In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

Commercial Paper - Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates.

Credit Spreads - The spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Duration - The term duration has a special meaning in the context of bonds. It is a measurement of how long, in years, it takes for the price of a bond to be repaid by its internal cash flows. It is an important measure for investors to consider, as bonds with higher durations carry more risk and have higher price volatility than bonds with lower durations.

Net Asset Value - Net asset value (NAV) is value per share of a mutual fund or an exchange-traded fund (ETF) on a specific date or time. With both security types, the per-share dollar amount of the fund is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

Roll-down - A roll-down return is a form of return that arises when the value of a bond converges to par as maturity is approached. The size of the roll-down return varies greatly between long and short-dated bonds. Roll-down is smaller for long-dated bonds that are trading away from par compared to bonds that are short-dated.

Roll-down return works two ways in respect to bonds. The direction depends on if the bond is trading at a premium or at a discount. If the bond is trading at a discount the roll-down effect will be positive. This means the roll-down will pull the price up towards par. If the bond is trading at a premium the opposite will occur. The roll-down return will be negative and pull the price of the bond down back to par.

Volatility - Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

Yield Curve - A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt. This yield curve is used as a benchmark for other debt in the market, such as mortgage rates or bank lending rates, and it is also used to predict changes in economic output and growth.

Yield to Maturity - Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate. In other words, it is the internal rate of return of an investment in a bond if the investor holds the bond until maturity and if all payments are made as scheduled.

Source: Investopedia.com

EXHIBIT 1
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2017

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL	MARKET VALUE	INTEREST REC'VBLE	MARKET VALUE + ACCR INT.
				PURCHASE PRICE			
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>U.S. TREASURY NOTES AND BONDS</u>							
US TREASURY NOTE	912828Q78	04-30-21	3,200,000	3,136,500.00	3,130,748.80	7,535.91	3,138,284.71
US TREASURY NOTE	912828F62	10-31-19	600,000	602,414.06	595,875.00	1,557.69	597,432.69
US TREASURY NOTE	912828VF4	05-31-20	3,205,000	3,163,560.35	3,163,937.54	3,874.18	3,167,811.72
US TREASURY NOTE	912828VP2	07-31-20	3,085,000	3,188,998.24	3,090,062.49	25,820.11	3,115,882.60
US TREASURY NOTE	912828x47	04-30-22	2,150,000	2,127,660.16	2,124,301.05	6,904.35	2,131,205.40
US TREASURY NOTE	912828L32	08-31-20	335,000	341,124.22	330,105.99	1,573.17	331,679.16
US TREASURY NOTE	912828R77	05-31-21	3,500,000	3,409,082.03	3,421,250.00	4,230.77	3,425,480.77
US TREASURY NOTE	912828D72	08-31-21	8,400,000	8,472,773.45	8,372,439.60	57,521.74	8,429,961.34
US TREASURY NOTE	912828T67	10-31-21	10,050,000	9,862,746.09	9,735,937.50	21,742.79	9,757,680.29
21.87%							
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>							
FNMA	3136ANJY4	04-01-18	389,087	392,976.63	388,581.39	502.57	389,083.96
FNA 2014-M6 A2	3136AJ7G5	05-25-21	3,424,634	3,493,928.85	3,454,155.58	1,316.97	3,455,472.55
FANNIE MAE	3136AQDQ0	09-01-19	707,039	714,118.91	704,683.84	969.82	705,653.66
2.86%							
<u>FEDERAL AGENCY NOTES AND BONDS</u>							
FHLMC	3137EAEB1	07-19-19	4,650,000	4,638,747.00	4,577,292.60	18,309.38	4,595,601.98
FNMA	3135G0N33	08-02-19	3,200,000	3,194,624.00	3,148,713.60	11,588.89	3,160,302.49
FHLB	3130A8QS5	07-14-21	3,200,000	3,180,540.80	3,093,686.40	16,700.00	3,110,386.40
FHLB	3130A8Y72	08-05-19	800,000	798,464.00	786,991.20	2,838.89	789,830.09
FNMA	3135G0N82	08-17-21	825,000	822,177.68	799,446.45	0.00	799,446.45
FNMA	3135G0N82	08-17-21	2,675,000	2,664,166.25	2,592,144.55	16,284.71	2,608,429.26
FNMA	3135G0P49	08-28-19	4,000,000	3,993,760.00	3,940,996.00	13,666.65	3,954,662.65
FNMS	3135GOT60	07-30-20	2,400,000	2,392,728.00	2,370,312.00	15,000.00	2,385,312.00
FHLB	3130A9EP2	09-26-19	4,700,000	4,695,911.00	4,627,996.00	12,402.78	4,640,398.78
FHLMC	3137EAEJ4	09-29-20	990,000	988,208.10	978,690.24	4,111.25	982,801.49
FNMA	3135G0T29	02-28-20	2,655,000	2,653,300.80	2,627,449.07	13,606.87	2,641,055.94
FHLB	3130AAXX1	03-18-19	2,965,000	2,958,121.20	2,947,850.44	11,664.39	2,959,514.83
FHLB	3130ACE26	09-28-20	365,000	363,828.35	358,639.51	1,296.51	359,936.02
FHLMC	3137EAEF2	04-20-20	2,700,000	2,690,766.00	2,661,835.50	7,321.88	2,669,157.38
22.88%							

EXHIBIT 1
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2017

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL		INTEREST REC'VBLE	MARKET VALUE +
				PURCHASE PRICE	MARKET VALUE		ACCR INT.
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>CORPORATE NOTES</u>							
PFIZER INC	717081EB5	12-15-19	2,080,000	2,078,502.40	2,066,918.88	1,571.56	2,068,490.44
JOHN DEERE CAPITAL CORP.	24422ETM1	10-15-18	1,200,000	1,199,220.00	1,197,332.40	4,180.00	1,201,512.40
JOHN DEERE CAPITAL CORP.	24422ETL3	01-06-22	685,000	681,979.15	688,988.76	8,824.13	697,812.89
CATERPILLAR FINL	14913Q2A6	09-04-20	1,100,000	1,099,076.00	1,087,158.60	6,444.17	1,093,602.77
GOLDMAN SACHS	38141GGQ1	07-27-21	2,750,000	3,035,092.50	2,980,425.25	61,760.42	3,042,185.67
AMERICAN HONDA	02665WAH4	08-15-19	3,150,000	3,165,655.50	3,154,709.25	26,775.00	3,181,484.25
BANK OF AMERICA	06051GGS2	10-01-21	965,000	965,000.00	962,279.67	6,427.54	968,707.21
BANK OF AMERICA	06051GFW4	04-19-21	575,000	579,462.00	577,933.65	3,018.75	580,952.40
CITIGROUP INC	172967LF6	01-10-20	1,575,000	1,574,370.00	1,575,726.08	18,329.06	1,594,055.14
MICROSOFT CORP	594918BV5	02-06-20	1,520,000	1,518,981.60	1,515,505.36	11,326.11	1,526,831.47
BERKSHIRE HATHAWAY	084670BL1	08-14-19	3,150,000	3,167,829.00	3,151,499.40	25,173.75	3,176,673.15
WALT DISNEY	25468PDP8	03-04-20	660,000	659,828.40	657,855.00	4,182.75	662,037.75
APPLE INC BONDS	037833CS7	05-11-20	1,325,000	1,323,648.50	1,313,778.58	3,312.50	1,317,091.08
JP MORGAN CHASE & CO	46625HJD3	01-24-22	1,500,000	1,622,730.00	1,605,078.00	29,437.50	1,634,515.50
HOME DEPOT INC	437076BQ4	06-05-20	750,000	749,565.00	744,036.00	975.00	745,011.00
PEPSICO INC	713448DX3	04-15-21	1,015,000	1,014,797.00	1,003,454.38	4,567.50	1,008,021.88
WALMART STORES INC BRANCH BANKING & TRUST CORP	931142EA7 05531FAZ6	12-15-20 02-01-21	1,550,000 750,000	1,547,752.50 749,655.00	1,540,016.45 742,905.00	5,808.19 2,911.46	1,545,824.64 745,816.46
				22.42%			
<u>COMMERCIAL PAPERS</u>							
BNP PARIBAS NY BRANCH	09659CC71	03-07-18	3,200,000	3,167,600.00	3,190,608.00	0.00	3,190,608.00
BANK OF TOKYO MITSUBISHI	06538CGL9	07-20-18	3,000,000	2,963,236.67	2,969,109.00	0.00	2,969,109.00
JP MORGAN	46640OQFJ5	09-21-17	3,100,000	3,062,937.78	3,074,245.20	0.00	3,074,245.20
CREDIT AGRICOLE	22533UF16	06-01-18	3,100,000	3,073,827.39	3,076,461.70	0.00	3,076,461.70
ING (US) FUNDING LLC	4497W1G26	07-02-18	3,100,000	3,063,902.22	3,071,817.90	0.00	3,071,817.90
				9.82%			
<u>CERTIFICATE OF DEPOSIT</u>							
CANADIAN IMPERIAL BANK NY	13606A5Z7	11-30-18	3,100,000	3,097,582.00	3,093,455.90	4,849.78	3,098,305.68
SVENSKA HANDELSBANKEN NY BANK OF NOVA SCOTIA HOUSTON	86958JHB8 06417GUE6	01-10-19 04-05-19	3,100,000 3,100,000	3,100,000.00 3,100,000.00	3,086,294.90 3,088,778.00	28,481.25 14,473.56	3,114,776.15 3,103,251.56
SWEDBANK	87019U6D6	11-16-20	3,100,000	3,100,000.00	3,083,253.80	8,796.25	3,092,050.05
SUMITOMO MITSUI BANK NY	86563YVNO	05-03-19	3,100,000	3,100,000.00	3,097,879.60	10,238.61	3,108,118.21
				9.82%			

EXHIBIT 1

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2017**

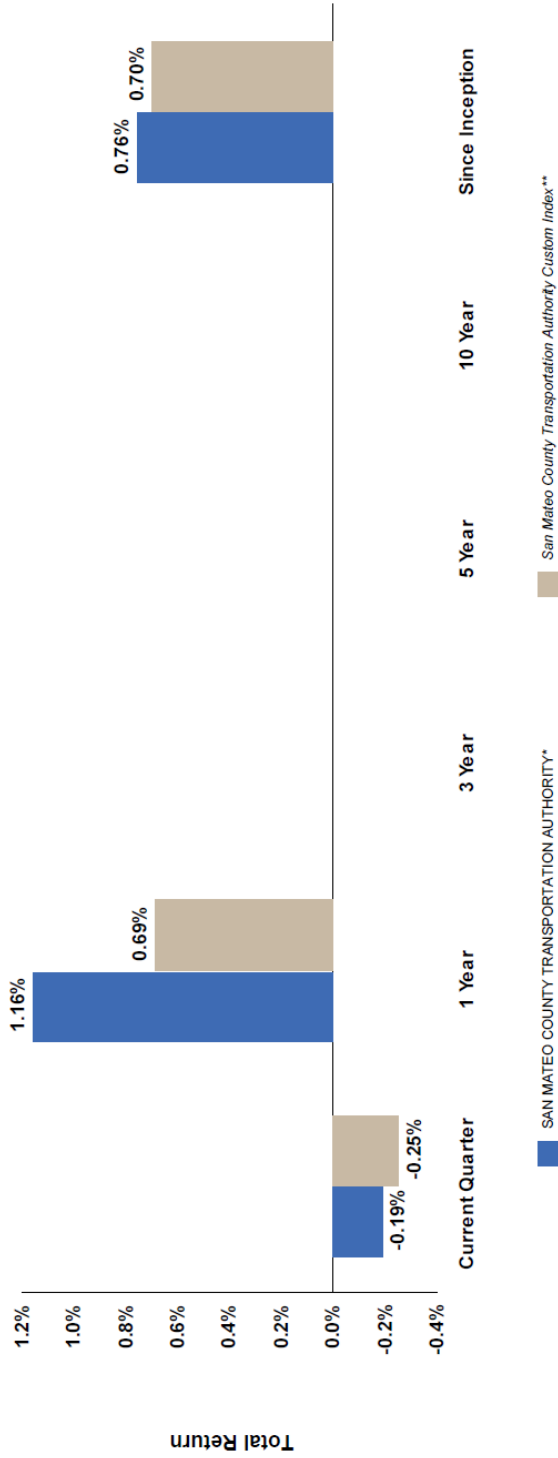
TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL	MARKET VALUE	INTEREST REC'VBLE	MARKET VALUE + ACCR INT.	
				PURCHASE PRICE				
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>								
<u>ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS</u>								
CCCIT 2017-A2 A2	17305EGA7	01-17-21	2,650,000	2,649,492.53	2,644,088.12	21,005.67	2,665,093.79	
ALLYA 2017-1 A3	02007PAC7	06-15-21	705,000	704,938.38	701,714.14	532.68	702,246.82	
FORDO 2017-A A3	34531EAD8	06-25-21	2,200,000	2,199,991.86	2,186,235.04	1,632.89	2,187,867.93	
TAOT 2017-A A3	89238MAD0	02-15-21	780,000	779,908.19	776,138.61	599.73	776,738.34	
ALLYA 2017-2 A3	02007HAC5	08-15-21	2,485,000	2,484,707.02	2,475,881.04	1,965.90	2,477,846.94	
TAOT 2017-B A3	89190BAD0	07-15-21	3,100,000	3,099,762.23	3,079,566.35	2,424.89	3,081,991.24	
HAROT 2017-3 A3	43814PAC4	09-18-21	580,000	579,937.19	575,652.38	374.91	576,027.29	
CCCIT 2017-A3 A3	17305EGB5	04-07-22	1,600,000	1,604,272.00	1,590,019.04	7,168.00	1,597,187.04	
JOHN DEERE ABS	47788BAD6	10-15-21	1,000,000	999,926.80	992,537.90	808.89	993,346.79	
AMXCA 2017-4 A	02582JHG8	12-15-21	1,200,000	1,199,807.76	1,193,793.48	880.00	1,194,673.48	
			10.32%					
<u>CASH AND CASH EQUIVALENT</u>								
	31846V534					116.81	116.81	
	TOTAL			157,870,759.39	158,270,435.04	156,921,372.85	711,198.24	157,632,571.09

LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:

SAN MATEO COUNTY POOL	295,070,875	295,070,875	927,434	295,998,309
LOCAL AGENCY INVESTMENT FUND	984,363	987,027	987,027	2,947
U,S, BANK (CASH ON DEPOSIT)	302,710	302,710	0	302,710
BANK OF AMERICA CHECKING	4,374,426	4,374,426	0	4,374,426
WELLS FARGO	0	0	0	0
TOTAL FUNDS MANAGED BY DISTRICT STAFF	300,735,037	300,735,037	930,381	301,665,418
TOTAL AS OF DECEMBER 31, 2017	459,005,472	457,656,410	1,641,579	459,297,989

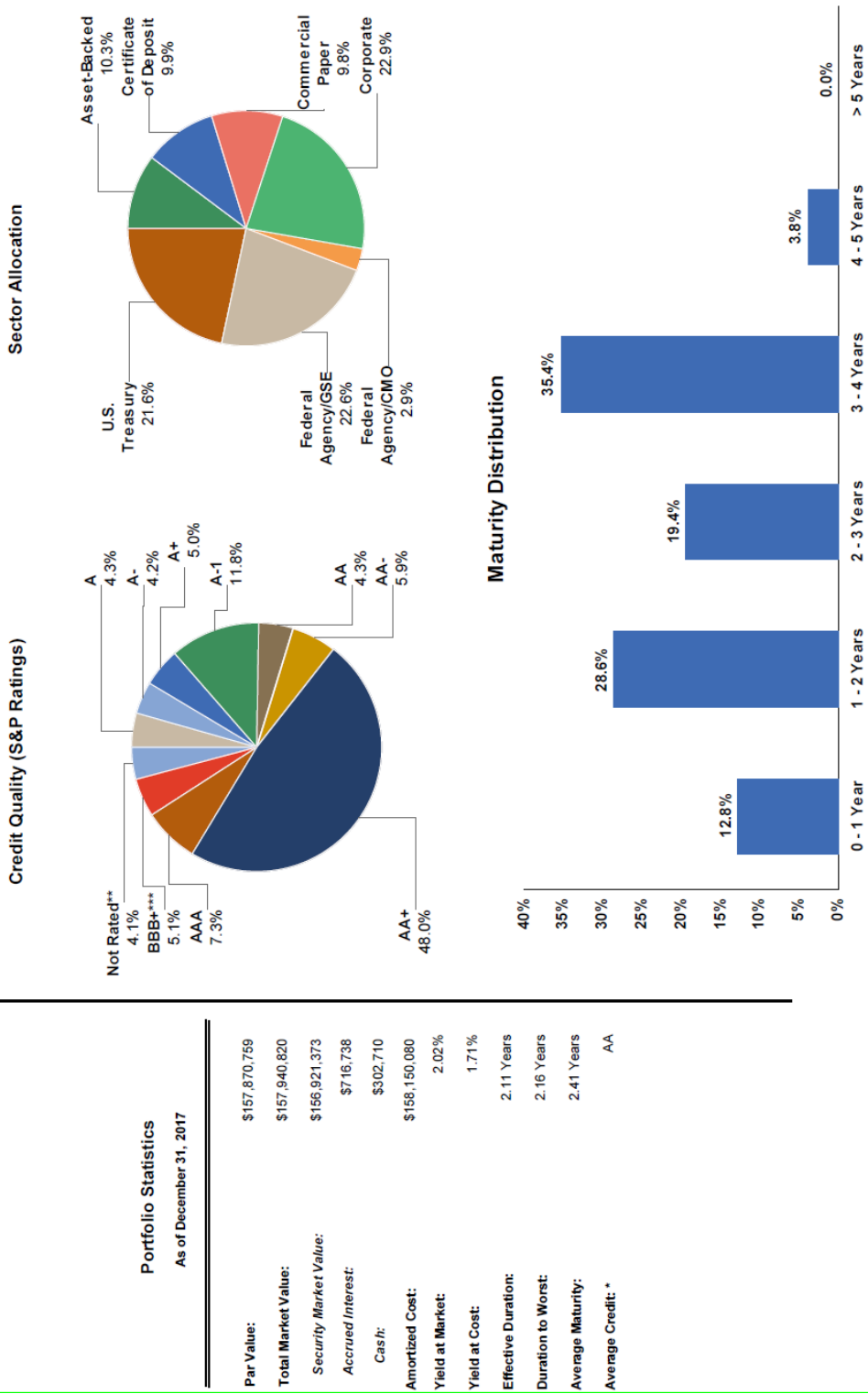
Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15)
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSPORTATION AUTHORITY*	2.11	-0.19%	1.16%	-	-	-	0.76%
San Mateo County Transportation Authority Custom Index**	2.12	-0.25%	0.69%	-	-	-	0.70%
Difference		0.06%	0.47%	-	-	-	0.06%



* Portfolio performance is gross of fees unless otherwise indicated.
 ** Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 15% 0-1 Year Government Index, 15% 0-1 Year Federal Agency Index, 20% 1-3 Year U.S. Government Index, 20% 3-5 Year U.S. Government Index, 10% 1-10 Year U.S. Government Index, and 20% 1-5 Year Corporate Index.

EXHIBIT 3



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.
 ** The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.
 *** The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

EXHIBIT 4

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

For the Quarter Ended December 31, 2017

Portfolio Review

Sector Allocation and Compliance

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

<u>Security Type</u>	<u>Market Value as of December 31, 2017</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>	<u>In Compliance</u>
U.S. Treasury	\$33,964,658	21.6%	100%	✓
Federal Agency/GSE	\$35,512,044	24.1%	100%	✓
Federal Agency/CMO	\$4,547,421	2.9%	20%	✓
Corporate Notes	\$35,849,720	22.8%	30%	✓
Negotiable CDs	\$15,449,662	9.8%	10%	✓
Asset-Backed Securities	\$16,215,626	10.3%	30%	✓
Commercial Paper	\$15,382,242	9.8%	15%	✓
Securities Sub-Total	\$156,921,373	100.0%		
Accrued Interest	\$716,738			
Securities Total	\$157,638,111			
Money Market Fund	\$302,710	<1%	10%	✓
Total Investments	\$157,940,820	100.0%		

As of 12/31/2017. Detail may not add to total due to rounding.



SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Investment Performance Review For the Quarter Ended December 31, 2017

Client Management Team

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Market Update

QUARTERLY MARKET SUMMARY

SUMMARY

- The fourth quarter came to a close with an exclamation point from Washington as lawmakers agreed on an historic tax cut bill. The tax overhaul is projected to provide an economic boost, for at least the near term, as the top corporate tax rate was slashed from 35% to 21% and personal tax levels were reduced across the board. While the long-term impact is yet to be determined, immediate market reaction has been positive.
- True to their “dot plot” forecasts, the Federal Open Market Committee (FOMC or Fed) raised the federal funds target rate by a quarter of a percent to a range of 1.25% to 1.50% at its December meeting. This marked the third time in calendar year 2017 that the Fed raised rates. The FOMC also provided projections that include three more expected hikes in 2018. Across the pond, the United Kingdom bumped its overnight rate back up to 0.50%, following a temporary cut to 0.25% following the 2016 Brexit vote.
- Early 2018 will see a changeover at the Fed as Chair Janet Yellen will be replaced by Jerome Powell. As an existing Federal Reserve board member, Mr. Powell is viewed as a “Republican version of Yellen” and someone who is likely to follow a similar path for modest tightening of monetary policy amid stubbornly low inflation. Perhaps in contrast, he has voiced a preference for tailoring regulations to relieve the burden on smaller community banks.
- While bond yields generally increased over the quarter, so did equity prices. The S&P 500 Index returned 6.6% for the quarter, setting multiple new record highs. The Dow Jones Industrial Average crossed both 23,000 and 24,000, levels never before breached, while the NASDAQ finished the year up over 30%.

ECONOMIC SNAPSHOT

- The U.S. economy notched back-to-back quarters of solid growth with GDP increasing at a 3.2% real rate for the third quarter, following a second quarter tally of 3.1%. 2017 capped the 8th straight year of recovery from the 2008–09 Great Recession—the third longest expansion of the past century. Initial fourth quarter estimates are for growth in the 2.5% to 3% range, with consumer spending and business investment fueling the growth.
- The U.S. labor market remained strong, with the unemployment rate holding at a 15-year low of 4.1% during the quarter. Although job gains in December were disappointing, the economy added over 2 million net new jobs in 2017. At the same time, the labor force participation rate improved modestly, while wage growth over the past year was modest.
- Prices remained well contained, running below the Fed’s desired 2% target for core inflation. But, oil and other commodities like copper rebounded in the second half of the year.
- Outside of inflation, economic indicators have been strong: manufacturing,

services and consumer confidence indexes reached multi-year highs, housing markets strengthened further, and positive real GDP growth across the globe serve as positive backdrop for the new year.

INTEREST RATES

- Shorter-term Treasury yields (5 years and under) increased in the fourth quarter, largely on the run-up to the December FOMC rate hike. Long-term Treasury yields (10 years and longer) moved in the opposite direction, with the yield on a 30-year Treasury actually declining 12 basis points. This resulted in a much flatter yield curve.
- In the cash and money market segment, yields on Treasury maturities less than one year increased 30 to 45 basis points in lockstep with the Fed’s expected rate hike trajectory. The increase of shorter Treasury yields led the market; yield increases on short credit (commercial paper and certificates of deposit) did not initially keep up. The result was tighter short-term credit spreads that persisted through quarter-end.

SECTOR PERFORMANCE

- U.S. Treasury benchmark returns, with the exception of the longest maturity benchmarks, were negative for the fourth quarter as investment income was not able to fully offset the adverse impact of increasing interest rates on fixed income prices.
- Federal agency securities performed in line with similar maturity Treasuries, as the sector’s narrow yield spreads provided little to no incremental income benefit, and relatively unchanged spreads over the quarter muted any additional excess return.
- Corporate yield spreads tightened further, as spreads in the sector reached new post-recession tightness. As a result, the corporate sector performed well in the quarter. Despite narrow spreads, corporate securities still offer risk-adjusted income pick-up. The sector is supported with a positive economic landscape and corporate fundamentals and is poised for additional excess return potential over the near term.
- The mortgage backed securities (MBS) sector performed well in the fourth quarter, generally outperforming Treasury and federal agency benchmarks; but, excess returns varied based on specific security structure.
- High-quality asset-backed securities (ABS) also performed positively relative to Treasuries, as their yield spreads narrowed, and were near the top of the best performers for the quarter.
- Short-term commercial paper and bank CDs continued to offer incremental value relative to both short- and intermediate-term government securities. The incremental yield advantage offered in these sectors is a valuable return attribute in the face of rising rates.

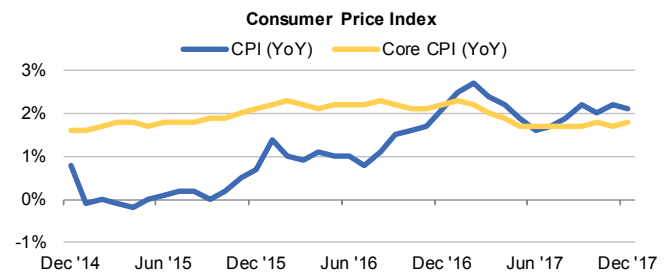
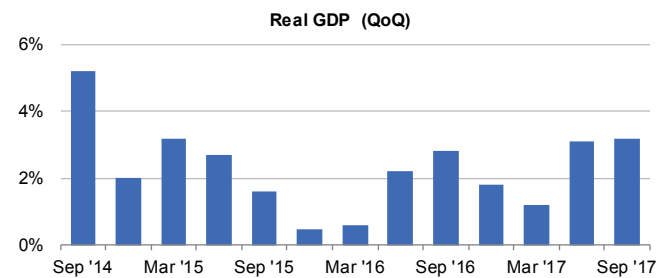
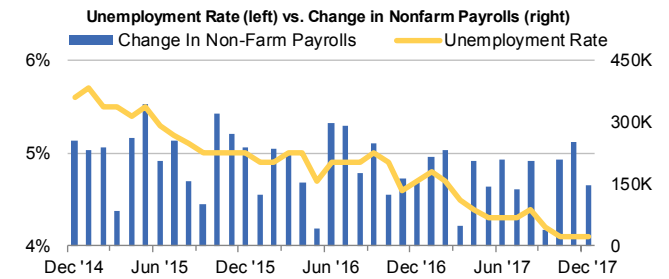
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market		Latest	Sep '17	Dec '16
Unemployment Rate	Dec'17	4.1%	4.2%	4.7%
Change In Non-Farm Payrolls	Dec'17	148,000	38,000	155,000
Average Hourly Earnings (YoY)	Dec'17	2.5%	2.8%	2.9%
Personal Income (YoY)	Nov'17	3.8%	2.9%	1.6%
Initial Jobless Claims (week)	1/6/18	261,000	258,000	241,000

Growth		Latest	Sep '17	Dec '16
Real GDP (QoQ SAAR)	2017Q3	3.2%	3.1% ¹	2.8% ²
GDP Personal Consumption (QoQ SAAR)	2017Q3	2.2%	3.3% ¹	2.8% ²
Retail Sales (YoY)	Dec'17	5.4%	5.0%	3.8%
ISM Manufacturing Survey (month)	Dec'17	59.7	60.8	54.5
Existing Home Sales SAAR (month)	Nov'17	5.81 mil.	5.37 mil.	5.51 mil.

Inflation / Prices		Latest	Sep '17	Dec '16
Personal Consumption Expenditures (YoY)	Nov'17	1.8%	1.7%	1.8%
Consumer Price Index (YoY)	Dec'17	2.1%	2.2%	2.1%
Consumer Price Index Core (YoY)	Dec'17	1.8%	1.7%	2.2%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$60.42	\$51.67	\$53.72
Gold Futures (oz.)	Dec 31	\$1,309	\$1,282	\$1,152



1. Data as of Second Quarter 2017.

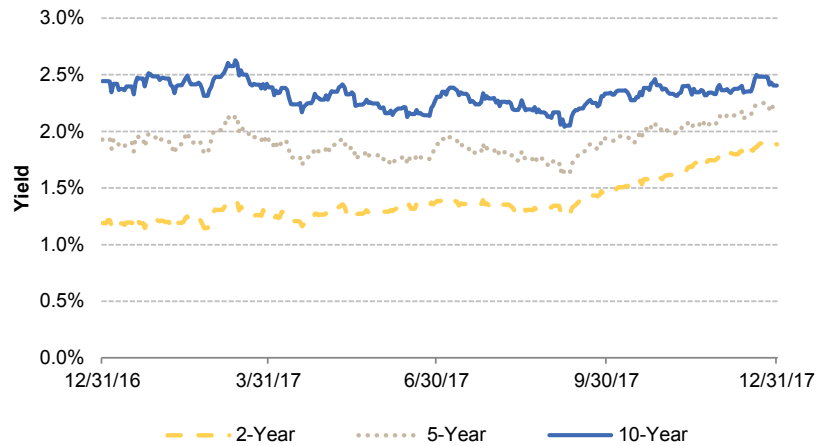
2. Data as of Third Quarter 2016.

Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

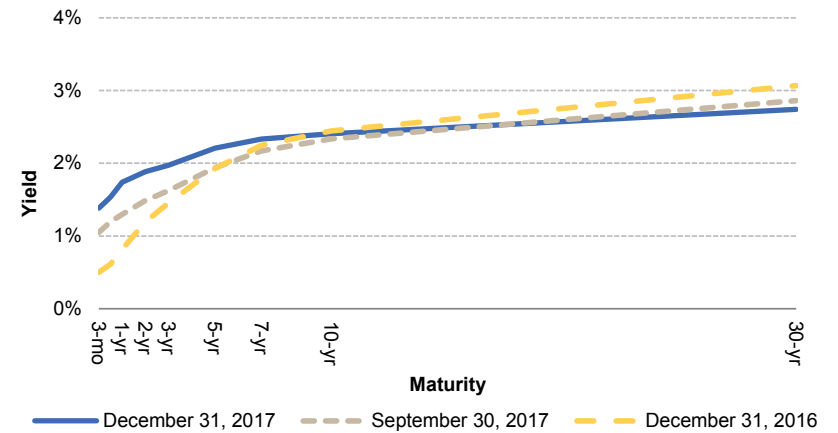
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



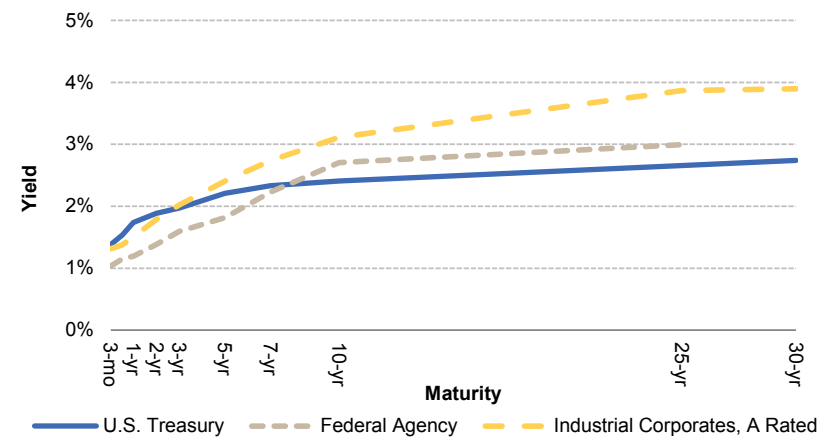
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '17	Sep '17	Change over Quarter	Dec '16	Change over Year
3-month	1.38%	1.05%	0.33%	0.50%	0.88%
1-year	1.74%	1.29%	0.45%	0.81%	0.93%
2-year	1.89%	1.49%	0.40%	1.19%	0.70%
5-year	2.21%	1.94%	0.27%	1.93%	0.28%
10-year	2.41%	2.33%	0.08%	2.45%	(0.04%)
30-year	2.74%	2.86%	(0.12%)	3.07%	(0.33%)

Yield Curves as of 9/30/17



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

BofA Merrill Lynch Index Returns

December 31, 2017	As of 12/31/17		Returns for Periods ended 12/31/17		
	Duration	Yield	3 Month	1 Year	3 Years
1–3 Year Indices					
U.S. Treasury	1.80	1.88%	(0.25%)	0.42%	0.62%
Federal Agency	1.73	1.96%	(0.19%)	0.65%	0.77%
U.S. Corporates, A-AAA rated	1.84	2.29%	(0.05%)	1.67%	1.54%
Agency MBS (0 to 3 years)	2.27	2.21%	0.03%	1.37%	1.19%
Taxable Municipals	1.55	2.45%	0.06%	2.15%	1.99%
1–5 Year Indices					
U.S. Treasury	2.60	1.97%	(0.38%)	0.65%	0.90%
Federal Agency	2.14	2.01%	(0.25%)	0.86%	0.98%
U.S. Corporates, A-AAA rated	2.64	2.44%	(0.10%)	2.24%	1.98%
Agency MBS (0 to 5 years)	3.22	2.51%	(0.11%)	1.74%	1.40%
Taxable Municipals	2.24	2.53%	0.05%	2.10%	2.40%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.34	2.20%	0.11%	2.43%	1.46%
Federal Agency	3.90	2.19%	0.00%	2.15%	1.54%
U.S. Corporates, A-AAA rated	7.19	2.98%	1.07%	5.68%	3.50%
Agency MBS (0 to 30 years)	4.41	2.83%	0.14%	2.45%	1.86%
Taxable Municipals	10.87	3.63%	2.34%	10.12%	5.17%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices.

QUARTERLY MARKET SUMMARY

DISCLOSURES

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Investment Strategy & Portfolio Review

Portfolio Recap

- ◆ Yields continued to climb during the fourth quarter, with some short- and intermediate-term yields reaching highs not seen since 2008. However, in this era of gradually increasing interest rates, new purchases were weighed against the probability for further rate increases and their potential to diminish the market value of portfolio investments. In this flat yield curve environment, we emphasized maturity selection.
- ◆ We continued to maintain the portfolio's duration in line with the benchmark's duration to minimize return volatility.
- ◆ Strong investor appetite for high-quality alternatives to U.S. Treasuries caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in positive relative performance for non-Treasury sectors.
 - The yield spreads on federal agency securities vs. comparable-maturity Treasuries remained near historic lows, in some cases near zero, leading to diminished value of the agency sector.
 - Corporate yield spreads also remained near multi-year lows, as investors reaching for yield piled into a limited market supply of investment-grade securities, leading the corporate sector to deliver its ninth straight quarter of outperformance relative to U.S. Treasuries.
 - Short-term commercial paper (CP) and negotiable bank certificates of deposit (CDs) continued to offer value during the quarter. Although the Fed's December meeting caused CP/CD spreads to narrow, issuance has picked up and CP/CD yields have risen, widening the spread over similar-dated Treasuries.
 - Asset-backed securities (ABS) performed positively relative to Treasuries. Further spread compression in the ABS sector is likely to be limited given that current level spreads sit at historically tight levels.

2018 Investment Outlook and Strategy

- The U.S. economy is generally on strong footing heading into the new year, bolstered by expanding economic activity, a strong jobs market, and gains in housing. However, the continued rise of the domestic stock market, coupled with low volatility, may point to investor complacency.
- The Federal Reserve recently reiterated its intentions to continue to gradually increase rates into 2018. However, persistently low inflation readings may derail these plans. In this uncertain environment, we plan to adopt a duration-neutral stance but will continue to carefully monitor the portfolio's duration relative to the benchmark's duration, making adjustments as appropriate.
- Federal Agency issuance is expected to resume in the new year, but the overall level is expected to be slower than 2017. Given the flatness of the yield curve and narrow bullet agency spreads, we may seek value in callable agency securities where we find them advantageous.
- We will continue to focus on exposure to the corporate sector as well as other spread products to add value to the portfolio.
- The mortgage-backed securities (MBS) sector may experience some turbulence once the pace of tapering increases in future months. For that reason, we are generally avoiding additional MBS allocations at this time.
- Broad diversification across all investment-grade sectors remains a key component of our portfolio strategy. We will continue to monitor the markets and will make relative-value trades as appropriate in order to safely enhance portfolio earnings. However, as always, while we continue to seek opportunities to enhance the earnings, our priority will always be to maintain the safety and liquidity of portfolio investments.

Sector Allocation and Compliance

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

Security Type	Market Value as of December 31, 2017	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$33,964,658	21.6%	100%	✓
Federal Agency/GSE	\$35,512,044	24.1%	100%	✓
Federal Agency/CMO	\$4,547,421	2.9%	20%	✓
Corporate Notes	\$35,849,720	22.8%	30%	✓
Negotiable CDs	\$15,449,662	9.8%	10%	✓
Asset-Backed Securities	\$16,215,626	10.3%	30%	✓
Commercial Paper	\$15,382,242	9.8%	15%	✓
Securities Sub-Total	\$156,921,373	100.0%		
Accrued Interest	\$716,738			
Securities Total	\$157,638,111			
Money Market Fund	\$302,710	<1%	10%	✓
Total Investments	\$157,940,820	100.0%		

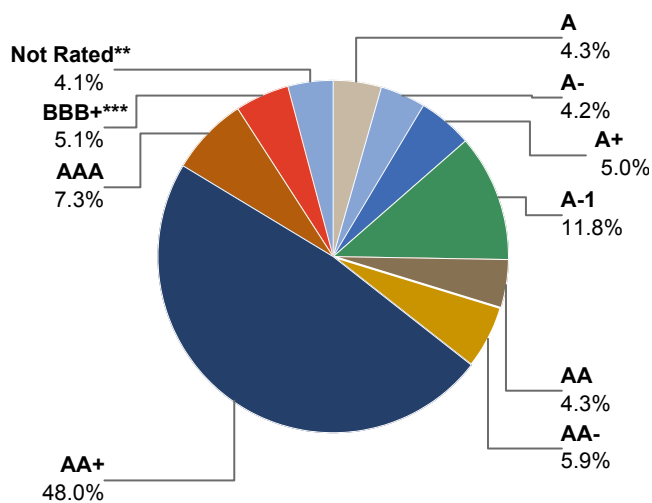
As of 12/31/2017. Detail may not add to total due to rounding.

Portfolio Statistics

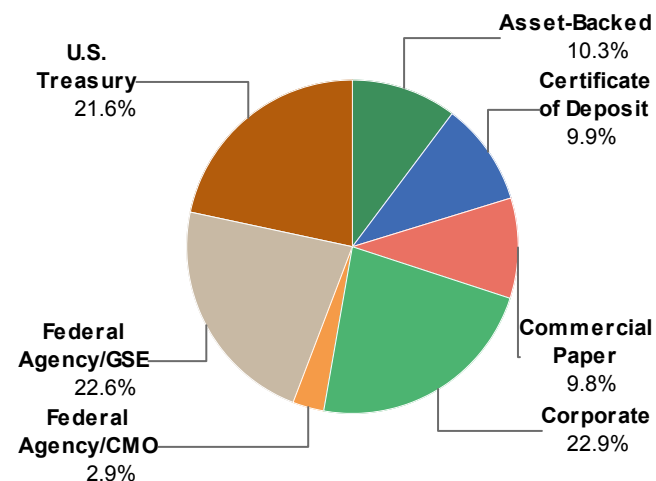
As of December 31, 2017

Par Value:	\$157,870,759
Total Market Value:	\$157,940,820
Security Market Value:	\$156,921,373
Accrued Interest:	\$716,738
Cash:	\$302,710
Amortized Cost:	\$158,150,080
Yield at Market:	2.02%
Yield at Cost:	1.71%
Effective Duration:	2.11 Years
Duration to Worst:	2.16 Years
Average Maturity:	2.41 Years
Average Credit: *	AA

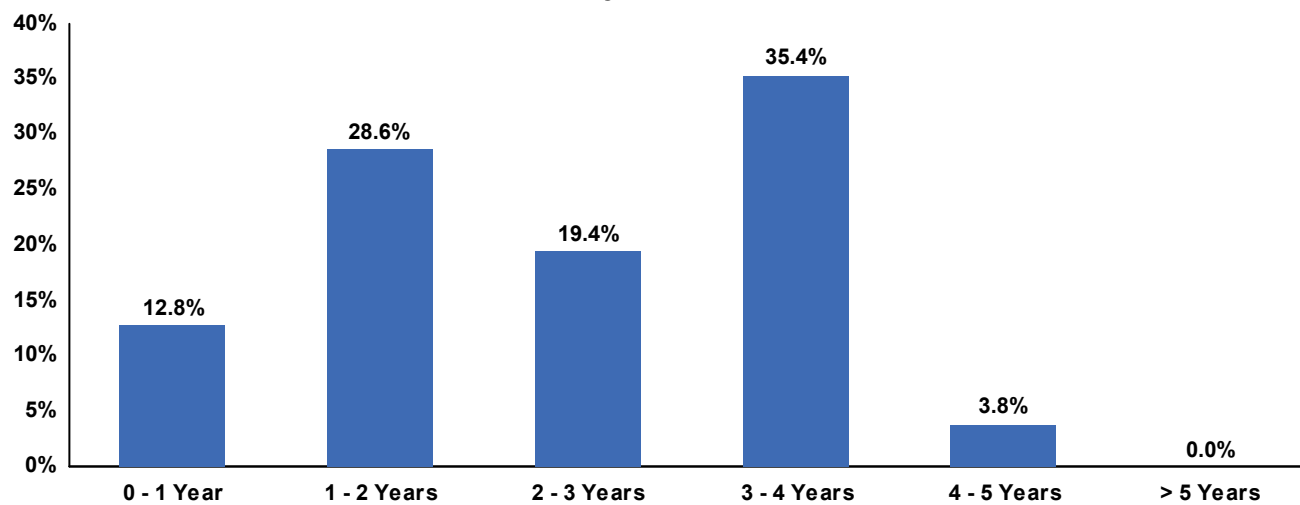
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



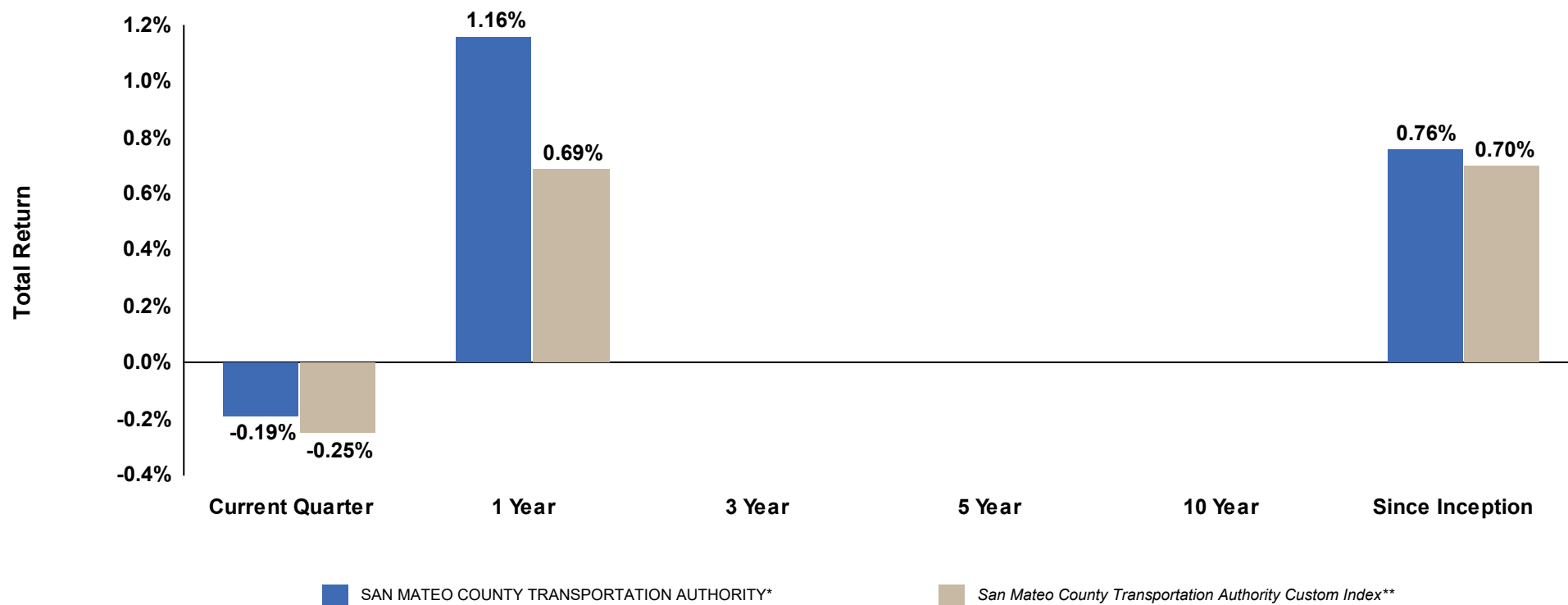
* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

** The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.

*** The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15)
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSPORTATION AUTHORITY*	2.11	-0.19%	1.16%	-	-	-	0.76%
San Mateo County Transportation Authority Custom Index**	2.12	-0.25%	0.69%	-	-	-	0.70%
Difference		0.06%	0.47%	-	-	-	0.06%



* Portfolio performance is gross of fees unless otherwise indicated.

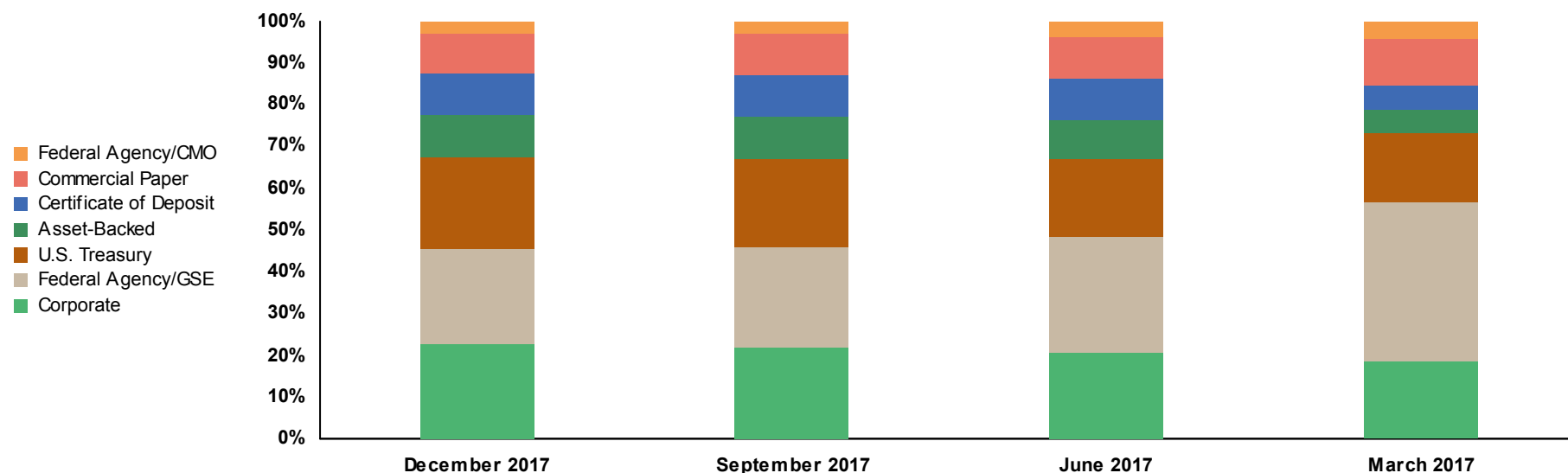
** Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 15% 0-1 Government Index, 15% 0-1 Year Federal Agency Index, 20% 1-3 Year U.S. Government Index, 20% 3-5 Year U.S. Government Index, 10% 1-10 Year U.S. Government Index, and 20% 1-5 Year Corporate Index.

Portfolio Earnings*Quarter-Ended December 31, 2017*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2017)	\$157,644,370.77	\$157,901,416.82
Net Purchases/Sales	\$234,123.20	\$234,123.20
Change in Value	(\$957,121.12)	\$14,539.49
Ending Value (12/31/2017)	\$156,921,372.85	\$158,150,079.51
Interest Earned	\$650,217.65	\$650,217.65
Portfolio Earnings	(\$306,903.47)	\$664,757.14

Sector Allocation

Sector	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Corporate	35.8	22.9%	34.6	21.9%	32.5	20.7%	28.8	18.4%
Federal Agency/GSE	35.5	22.6%	37.8	24.1%	43.3	27.7%	59.8	38.2%
U.S. Treasury	34.0	21.6%	33.1	21.0%	28.9	18.4%	25.7	16.5%
Asset-Backed	16.2	10.3%	16.3	10.3%	14.7	9.4%	8.8	5.7%
Certificate of Deposit	15.4	9.9%	15.5	9.8%	15.5	9.9%	9.3	6.0%
Commercial Paper	15.4	9.8%	15.3	9.7%	16.0	10.2%	17.1	10.9%
Federal Agency/CMO	4.5	2.9%	5.0	3.2%	5.8	3.7%	6.7	4.3%
Total	\$156.9	100.0%	\$157.6	100.0%	\$156.8	100.0%	\$156.3	100.0%

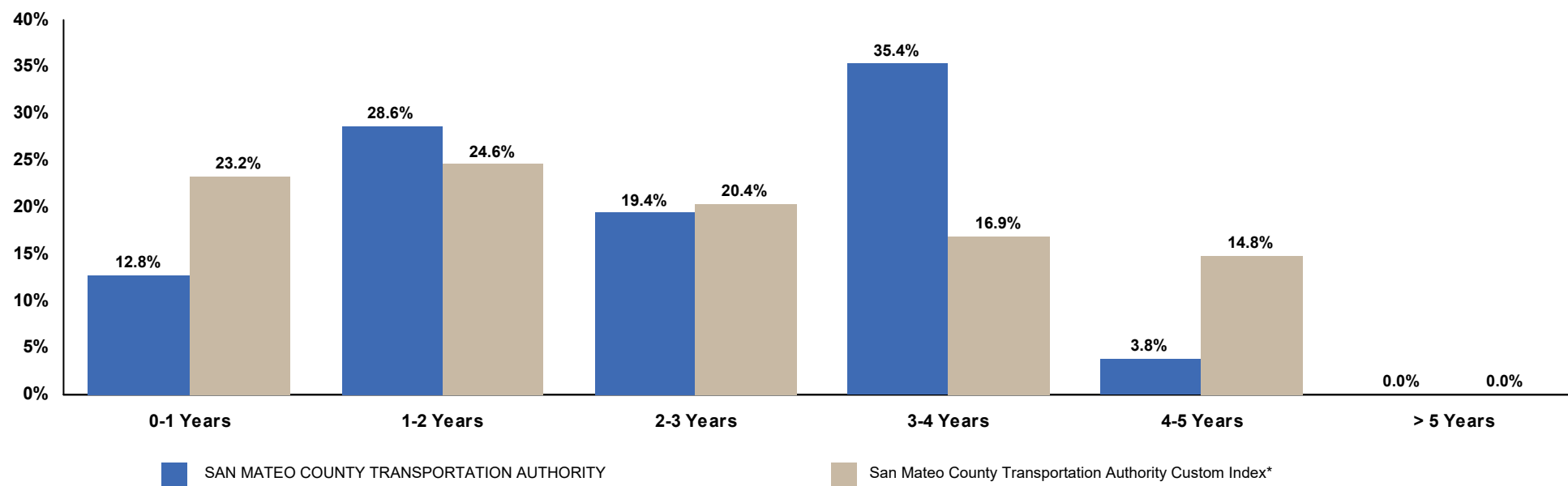


Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SAN MATEO COUNTY TRANSPORTATION AUTHORITY	2.02%	2.41 yrs	12.8%	28.6%	19.4%	35.4%	3.8%	0.0%
San Mateo County Transportation Authority Custom Index*	1.89%	2.28 yrs	23.2%	24.6%	20.4%	16.9%	14.8%	0.0%



* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 15% 0-1 Government Index, 15% 0-1 Year Federal Agency Index, 20% 1-3 Year U.S. Government Index, 20% 3-5 Year U.S. Government Index, 10% 1-10 Year U.S. Government Index, and 20% 1-5 Year Corporate Index.

Transactions & Account Holdings

Sector/Issuer Distribution

As of December 31, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	3,177,595	19.6%	2.0%
AMERICAN EXPRESS CO	1,193,793	7.4%	0.8%
CITIGROUP INC	4,234,107	26.1%	2.7%
FORD CREDIT AUTO OWNER TRUST	2,186,235	13.5%	1.4%
HONDA AUTO RECEIVABLES	575,652	3.5%	0.4%
JOHN DEERE OWNER TRUST	992,538	6.1%	0.6%
TOYOTA MOTOR CORP	3,855,705	23.8%	2.5%
Sector Total	16,215,626	100.0%	10.3%
Certificate of Deposit			
BANK OF NOVA SCOTIA	3,088,778	20.0%	2.0%
CANADIAN IMPERIAL BANK OF COMMERCE	3,093,456	20.0%	2.0%
SUMITOMO MITSUI FINANCIAL GROUP INC	3,097,880	20.1%	2.0%
SVENSKA HANDELSBANKEN AB	3,086,295	20.0%	2.0%
SWEDBANK AB	3,083,254	20.0%	2.0%
Sector Total	15,449,662	100.0%	9.8%
Commercial Paper			
BNP PARIBAS	3,190,608	20.7%	2.0%
CREDIT AGRICOLE SA	3,076,462	20.0%	2.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
ING GROUP NV	3,071,818	20.0%	2.0%
JP MORGAN CHASE & CO	3,074,245	20.0%	2.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,969,109	19.3%	1.9%
Sector Total	15,382,242	100.0%	9.8%
Corporate			
AMERICAN EXPRESS CO	2,771,098	7.7%	1.8%
AMERICAN HONDA FINANCE	3,154,709	8.8%	2.0%
APPLE INC	1,313,779	3.7%	0.8%
BANK OF AMERICA CO	1,540,213	4.3%	1.0%
BB&T CORPORATION	742,905	2.1%	0.5%
BERKSHIRE HATHAWAY INC	3,151,499	8.8%	2.0%
CATERPILLAR INC	1,087,159	3.0%	0.7%
CITIGROUP INC	1,575,726	4.4%	1.0%
DEERE & COMPANY	1,886,321	5.3%	1.2%
GOLDMAN SACHS GROUP INC	2,980,425	8.3%	1.9%
HOME DEPOT INC	744,036	2.1%	0.5%
JP MORGAN CHASE & CO	1,605,078	4.5%	1.0%
MICROSOFT CORP	1,515,505	4.2%	1.0%
MORGAN STANLEY	3,377,370	9.4%	2.2%
PEPSICO INC	1,003,454	2.8%	0.6%
PFIZER INC	2,066,919	5.8%	1.3%
THE WALT DISNEY CORPORATION	657,855	1.8%	0.4%
TOYOTA MOTOR CORP	3,135,651	8.7%	2.0%
WAL-MART STORES INC	1,540,016	4.3%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	35,849,720	100.0%	22.8%
Federal Agency/CMO			
FANNIE MAE	4,547,421	100.0%	2.9%
Sector Total	4,547,421	100.0%	2.9%
Federal Agency/GSE			
FANNIE MAE	15,479,062	43.6%	9.9%
FEDERAL HOME LOAN BANKS	11,815,164	33.3%	7.5%
FREDDIE MAC	8,217,818	23.1%	5.2%
Sector Total	35,512,044	100.0%	22.6%
U.S. Treasury			
UNITED STATES TREASURY	33,964,658	100.0%	21.6%
Sector Total	33,964,658	100.0%	21.6%
Portfolio Total	156,921,373	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/5/17	10/10/17	1,015,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	1,014,797.00	2.01%	
10/5/17	10/10/17	2,500,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	2,455,931.55	1.85%	
10/11/17	10/20/17	1,550,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	1,547,752.50	1.95%	
10/13/17	10/13/17	3,100,000	4497W1G26	ING (US) FUNDING LLC COMM PAPER	0.00%	7/2/18	3,063,902.22	1.62%	
10/23/17	10/24/17	3,000,000	06538CGL9	BANK OF TOKYO MITS UFJ LTD COMM PAPER	0.00%	7/20/18	2,963,236.67	1.66%	
10/23/17	10/26/17	750,000	05531FAZ6	BRANCH BANKING & TRUST (CALLABLE) NOTES	2.15%	2/1/21	749,655.00	2.17%	
11/1/17	11/3/17	575,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	580,048.98	2.39%	
11/16/17	11/17/17	3,100,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	3,100,000.00	2.30%	
12/1/17	12/1/17	3,100,000	22533UF16	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	6/1/18	3,073,827.39	1.68%	
12/4/17	12/6/17	2,150,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	2,131,669.14	2.12%	
Total BUY		20,840,000					20,680,820.45		
INTEREST									
10/1/17	10/25/17	1,054,716	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,844.67		
10/1/17	10/25/17	475,055	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	613.61		
10/1/17	10/25/17	3,450,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	7,700.72		
10/2/17	10/2/17	0	MONEY0002	MONEY MARKET FUND			178.13		
10/5/17	10/5/17	3,100,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON LT CD	1.91%	4/5/19	29,933.94		
10/7/17	10/7/17	1,600,000	17305EGB5	CITIBANK ABS 2017-A3 A3	1.92%	4/7/22	15,018.67		
10/15/17	10/15/17	1,200,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	1,640.00		
10/15/17	10/15/17	705,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	998.75		
10/15/17	10/15/17	1,200,000	24422ETM1	JOHN DEERE CAPITAL CORP	1.65%	10/15/18	9,900.00		
10/15/17	10/15/17	2,200,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	3,061.67		
10/15/17	10/15/17	3,100,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	4,546.67		

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/15/17	10/15/17	1,000,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	1,516.67		
10/15/17	10/15/17	780,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	1,124.50		
10/15/17	10/15/17	2,485,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	3,686.08		
10/18/17	10/18/17	1,150,000	89236TDH5	TOYOTA MOTOR CORP NOTES	1.55%	10/18/19	8,912.50		
10/18/17	10/18/17	580,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	547.94		
10/20/17	10/20/17	2,700,000	3137EAEF2	FHLMC AGENCY NOTES	1.37%	4/20/20	18,562.50		
10/30/17	10/30/17	1,500,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	12,750.00		
10/30/17	10/30/17	420,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	3,570.00		
10/30/17	10/30/17	880,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	7,480.00		
10/31/17	10/31/17	120,000	912828ST8	US TREASURY NOTES	1.25%	4/30/19	750.00		
10/31/17	10/31/17	600,000	912828F62	US TREASURY NOTES	1.50%	10/31/19	4,500.00		
10/31/17	10/31/17	2,500,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	15,625.00		
10/31/17	10/31/17	3,200,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	22,000.00		
10/31/17	10/31/17	3,000,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	18,750.00		
10/31/17	10/31/17	4,550,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	28,437.50		
11/1/17	11/1/17	0	MONEY0002	MONEY MARKET FUND			306.54		
11/1/17	11/25/17	455,825	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	588.77		
11/1/17	11/25/17	983,237	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,538.49		
11/1/17	11/25/17	3,450,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	7,700.72		
11/3/17	11/3/17	3,100,000	86563YVN0	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	32,304.58		
11/11/17	11/11/17	1,325,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	11,925.00		
11/15/17	11/15/17	1,200,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	1,640.00		
11/15/17	11/15/17	2,485,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	3,686.08		
11/15/17	11/15/17	1,000,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	1,516.67		
11/15/17	11/15/17	705,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	998.75		
11/15/17	11/15/17	2,200,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	3,061.67		
11/15/17	11/15/17	3,100,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	4,546.67		
11/15/17	11/15/17	780,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	1,124.50		
11/18/17	11/18/17	580,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	865.17		
11/30/17	11/30/17	3,100,000	13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1.76%	11/30/18	27,280.00		

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/30/17	11/30/17	3,205,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	22,034.38		
11/30/17	11/30/17	3,500,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	24,062.50		
12/1/17	12/1/17	0	MONEY0002	MONEY MARKET FUND			695.82		
12/1/17	12/25/17	412,907	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	533.34		
12/1/17	12/25/17	816,675	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,929.71		
12/1/17	12/25/17	3,450,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	7,913.75		
12/5/17	12/5/17	750,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	6,750.00		
12/15/17	12/15/17	1,200,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	1,640.00		
12/15/17	12/15/17	2,485,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	3,686.08		
12/15/17	12/15/17	705,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	998.75		
12/15/17	12/15/17	2,200,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	3,061.67		
12/15/17	12/15/17	1,000,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	1,516.67		
12/15/17	12/15/17	3,100,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	4,546.67		
12/15/17	12/15/17	780,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	1,124.50		
12/15/17	12/15/17	2,080,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	17,680.00		
12/18/17	12/18/17	580,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	865.17		

Total INTEREST		94,278,414					421,772.14		
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MATURITY

10/13/17	10/13/17	3,100,000	13607EXD6	CANADIAN IMPERIAL HLDING COMM PAPER	0.00%	10/13/17	3,100,000.00		0.00
10/23/17	10/23/17	3,000,000	06538BXP3	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	0.00%	10/23/17	3,000,000.00		0.00
11/20/17	11/20/17	3,000,000	22533TYL4	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	11/20/17	3,000,000.00		0.00

Total MATURITY		9,100,000					9,100,000.00		0.00
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PAYDOWNS

10/1/17	10/25/17	71,480	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	71,479.70		0.00
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SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/1/17	10/25/17	19,230	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	19,230.21		0.00
11/1/17	11/25/17	166,562	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	166,561.66		0.00
11/1/17	11/25/17	42,918	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	42,918.23		0.00
12/1/17	12/25/17	109,636	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	109,636.27		0.00
12/1/17	12/25/17	25,366	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	25,366.47		0.00
12/1/17	12/25/17	23,819	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	23,819.40		0.00
Total PAYDOWNS		459,012					459,011.94		0.00

SELL

10/5/17	10/10/17	1,015,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	1,014,363.67	1.59%	2,177.04
10/5/17	10/10/17	295,000	3137EAED7	FHLMC REFERENCE NOTES	0.87%	10/12/18	294,698.03	1.41%	(1,516.23)
10/5/17	10/10/17	1,400,000	24422ESR1	JOHN DEERE CAPITAL CORP NOTE	1.55%	12/15/17	1,407,519.94	1.31%	(520.84)
10/5/17	10/10/17	750,000	313376BR5	FHLB NOTES AGENCY	1.75%	12/14/18	756,764.17	1.46%	(5,131.20)
10/11/17	10/20/17	1,550,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	1,548,884.01	1.61%	2,476.87
10/23/17	10/26/17	750,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	748,750.16	1.66%	284.41
11/1/17	11/3/17	120,000	912828ST8	US TREASURY NOTES	1.25%	4/30/19	119,482.74	1.55%	(472.69)
11/16/17	11/17/17	3,100,000	65558LWA6	NORDEA BANK FINLAND NY CD	1.76%	11/30/18	3,124,893.00	0.92%	(1,023.00)
12/4/17	12/6/17	915,000	24422ESR1	JOHN DEERE CAPITAL CORP NOTE	1.55%	12/15/17	921,736.69	1.54%	(100.35)
12/4/17	12/6/17	1,000,000	3130AAXX1	FHLB NOTES	1.37%	3/18/19	997,709.17	1.79%	(3,789.45)
Total SELL		10,895,000					10,934,801.58		-7,615.44

IMPORTANT DISCLOSURES

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

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

SUBJECT: **PEDESTRIAN AND BICYCLE CALL FOR PROJECTS UPDATE**

ACTION

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

SIGNIFICANCE

In November 2017, the San Mateo County Transportation Authority (TA) issued its fourth Pedestrian and Bicycle Program Call for Projects (CFP), announcing the availability of up to \$5.0 million in Measure A funds.

Seventeen applications were received from 13 jurisdictions at the close of the CFP. The total project sponsor funding request exceeded \$8.8 million, resulting in a CFP oversubscribed by approximately \$3.8 million from the original sales tax projection.

The TA project review committee met on January 11, 2018 to evaluate and score the submitted applications. The TA project review committee, composed of staff, a representative from the City/County Association of Governments (C/CAG) Bicycle and Pedestrian Advisory Committee, a San Mateo County staff member, and a staff member from C/CAG.

Draft recommendations from the TA project review committee, along with a brief description of the applications, will be provided at the February 1, 2018 Board meeting. Staff will also be making a presentation via PowerPoint on the proposed recommendations. Final TA action on the final list of projects is anticipated at the March 1, 2018 Board meeting.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

A schedule is provided below that outlines the key dates and milestones for this process:

Event	Date
CFP Issued	November 6, 2017
Workshop for Potential Applicants	November 8, 2017
Project Applications Due	December 15, 2017
TA Project Review Committee Scoring Meeting	January 11, 2018
TA Board Information Update	February 1, 2018
TA Board Action	March 1, 2018

The purpose of the Measure A Pedestrian and Bicycle Program is to fund specific projects to encourage and improve bicycling and walking conditions. Funding can be used for project development and construction of pedestrian and bicycle facilities within San Mateo County. As defined in the 2004 Transportation Expenditure Plan, this category receives a three percent share of the sales tax revenues collected. The TA holds its Measure A Pedestrian and Bicycle CFP biennially.

Prepared By: Jennifer Williams, Analyst for Programming and Monitoring 650-508-6343

**San Mateo County Transportation Authority
Measure A 2017 Pedestrian Bicycle Program Call for Projects - Draft Recommendations**

TA Rank	Score	Sponsor	Project	Measure A Funds Requested	Measure A Recommended Award Amount ²	Proposed Work Phases(s) ¹	Matching Funds	Match Percent	Total (Measure A request + match)
1	70.0	Daly City	Mission Street Streetscape Project	\$810,000	\$810,000	PS&E, CONST	90,000	10%	\$900,000
2	70.0	Redwood City	Jefferson/Cleveland SRTS & Peninsula Bikeway Project	\$375,000	\$375,000	PS&E, CONST	125,000	25%	\$500,000
3	68.6	San Carlos	Pedestrian Safety Improvement Plan for San Carlos Avenue	\$1,000,000	\$1,000,000	CONST	1,700,000	63%	\$2,700,000
4	68.5	Atherton	Middlefield Road Class II Bike Lanes	\$733,000	\$733,000	CONST	607,000	45%	\$1,340,000
5	67.8	San Mateo County	Complete the Gap Trail	\$750,000	\$750,000	CONST	750,000	50%	\$1,500,000
6	65.2	East Palo Alto	Bike Transportation Plan Implementation Class II & Class III Bike Facilities	\$300,000	\$300,000	PS&E, CONST	40,000	12%	\$340,000
7	64.7	San Mateo	28th Avenue Bike Boulevard Implementation	\$380,000	\$380,000	PS&E, CONST	310,000	45%	\$690,000
8	64.0	Menlo Park	Menlo Park Bicycle & Pedestrian Enhancement Project	\$805,600	\$805,600	PS&E, CONST	201,400	20%	\$1,007,000
9	63.8	Millbrae	Magnolia Avenue & Richmond Drive Bicycle & Pedestrian Improvements Project ³	\$360,000	\$260,000	PE/ENV, PS&E, CONST	40,000	10%	\$400,000
10	61.3	Half Moon Bay	Half Moon Bay Pacific Coast Bikeway Connectivity Project: North	\$315,000	\$315,000	PLAN, PE/ENV, PS&E, CONST	35,000	10%	\$350,000
11	61.1	Half Moon Bay	Half Moon Bay Pacific Coast Bikeway Connectivity Project: South	\$297,000		PLAN, PE/ENV, PS&E, CONST	33,000	10%	\$330,000
12	61.0	Burlingame	School Area Pedestrian Enhancement	\$500,000		CONST	98,000	16%	\$598,000
13	60.2	South San Francisco	Hickey/Junipero Serra Boulevard Safety & Connectivity Improvement Project	\$400,000		PLAN, PE/ENV, PS&E	80,000	17%	\$480,000
14	60.2	Half Moon Bay	Half Moon Bay Main Street Pedestrian & Bicycle Improvement Project	\$288,000		PLAN, PE/ENV, PS&E, CONST	32,000	10%	\$320,000
15	60.0	Burlingame	California Drive Complete Streets Phase II ⁴	\$500,000		CONST	600,000	55%	\$1,100,000
16	57.4	Foster City	O'Neill Slough Trail Gap Closure Project	\$396,000		PE/ENV, PS&E, CONST	44,000	10%	\$440,000
17	55.7	South San Francisco	Regional Bike Network Connectivity Project	\$600,000		PLAN, PE/ENV, PS&E, CONST	120,000	17%	\$720,000
Total Measure A Funds Requested				\$8,809,600			\$4,905,400		\$13,715,000
Total Measure A Recommended Award Amount²					\$5,728,600				

Footnotes

- Proposed Phase for Measure A funds: PLAN - planning, PE/ENV - preliminary engineering/environmental review, PS&E - final design, ROW - right of way, CONST - construction
- The Total Measure A recommended award amount of \$5,793,600 is based on the following:
 - \$5,021,000 from FY 2018 and prior year budgeted funds that have yet to be programmed
 - \$172,000 of cost savings from previously funded completed projects
 - \$500,000 proposed for re-programming and re-allocation from the inactive 2012 Half Moon Bay Main Streets Bridge Bike Pedestrian Improvements Project
 - \$35,000 estimated amount that may be needed from future budgeted Pedestrian/Bicycle Program funds
- The application for the Millbrae Avenue & Richmond Drive Bicycle & Pedestrian Improvements Project was for \$360,000 and the total cost was \$400,000, however it included \$100,000 of ineligible roadway rehabilitation work. The actual total eligible cost is \$300,000 (without the roadway rehabilitation work) and the recommended funding award is \$260,000 after accounting for the sponsor's \$40,000 of matching funds.
- The Burlingame California Drive Complete Streets Phase II proposal included approx. \$862k of ineligible roadway rehabilitation work. The total eligible project cost was approx. \$238,000

Measure A 2017 Pedestrian and Bicycle Call for Projects Application Submittals
Summary List of Project Descriptions by Rank

- 1. Mission Street Streetscape Project** Requested Funding: \$810,000
Sponsor: Daly City
Final design and construction work to widen an existing 3-foot wide concrete median on Mission Street to a 7 to 8-foot wide median with drought tolerant landscaping between Crocker and Templeton Avenues. Median noses will be extended further into the intersections at Goethe Street, Evergreen Avenue and Rice Street. A new pedestrian bulb-out will be provided at the intersection of Mission and Goethe Streets and high visibility crosswalks and improved pedestrian crossing signage will be provided in the project area. Existing inside vehicular travel lanes on Mission Street will be narrowed from 12 to 11 feet.
- 2. Jefferson/Cleveland SRTS and Peninsula Bikeway Project** Requested Funding: \$375,000
Sponsor: Redwood City
Final design and construction of pedestrian/bicycle improvements at the intersection of Jefferson Avenue and Cleveland Street consisting of a pedestrian hybrid beacon or full traffic signal, marked crosswalks, bulb-outs at the north and southwest corners with accessible curb ramps, and a diverter and partial road closure that limits motor vehicle movements to right-turns only onto Jefferson while allowing bicyclists to continue straight.
- 3. Pedestrian Safety Improvement Plan for San Carlos Avenue** Requested Funding: \$1,000,000
Sponsor: San Carlos
Construction of new sidewalks on the north side of San Carlos Avenue from Devonshire Boulevard to Prospect Street with accessible curb ramps at intersections. A new traffic signal is also proposed at San Carlos Avenue and Phelps Road. Upgrade existing Class II bike lanes to high visibility green bike lanes in transition zones at Upland Avenue and near the Alameda De Las Pulgas.
- 4. Middlefield Road Class II Bike Lanes** Requested Funding: \$733,000
Sponsor: Atherton
Construction of wider Class II bike lanes on both sides of Middlefield Road from Ravenswood Avenue to Jennings Lane (approximate 1.5 mile segment) as well as pedestrian crossing improvements. Bikeway improvements include roadway widening in select locations to accommodate wider bike lanes and the addition of high visibility green bike lane markings at conflict zones. This project also includes the installation of a flashing LED beacon at the intersection of Middlefield and Glenwood Avenues and improved high visibility pedestrian crossings on Middlefield Road at the intersections of Marsh Road, Watkins Avenue, and Encinal Avenue.
- 5. Complete the Gap Trail** Requested Funding: \$750,000
Sponsor: San Mateo County
Construction of an 800-foot long multi-use trail on the west side of Skyline Boulevard between the Lower Crystal Springs Reservoir Dam and the existing South of Dam Trail segment.

Measure A 2017 Pedestrian and Bicycle Call for Projects Application Submittals
Summary List of Projects Descriptions

- 6. Bike Transportation Plan Implementation Class II & Class III Bike Facilities** Requested Funding: \$300,000
Sponsor: East Palo Alto
Construction of Class II bike lanes and Class III bike routes designated in the City's Bike Plan. Bike lanes are proposed on Newbridge Street, Bay Road, and Pulgas and Clark Avenues (total of 2.3 miles). Sharrows are proposed on 15 different local streets (total of 6.9 miles).
- 7. 28th Avenue Bike Boulevard Implementation** Requested Funding: \$380,000
Sponsor: San Mateo
Final design and construction of traffic calming improvements and bicycle/pedestrian enhancements on 28th Avenue from Mason Lane to El Camino Real that include bicycle striping and signage, speed humps, bulb-outs at Hacienda, Garfield and Edison Streets, and high visibility crosswalks.
- 8. Menlo Park Bicycle and Pedestrian Enhancement Project** Requested Funding: \$805,600
Sponsor: Menlo Park
Final design, and construction of the following pedestrian and bicycle enhancements: 1) installation of sidewalks and accessible curb ramps at the intersection of Coleman and Santa Monica Avenues and on Pierce Road from the Ringwood Avenue/101 Pedestrian-bicycle overcrossing to an alleyway east of Carlton Avenue, 2) crosswalks enhancements on Middle Avenue at Blake Street and San Mateo Drive including rapid rectangular flashing beacons, bicycle markings and accessible curb ramps, and 3) installation of sharrows and signage on San Mateo/Wallea Drive.
- 9. Magnolia Avenue and Richmond Drive Bicycle and Pedestrian Improvement Project**
Sponsor Request: \$360,000
Sponsor: Millbrae
Preliminary engineering/environmental review, final design, and construction of Class III bike routes on Park Place between El Camino Real and Magnolia Avenue, Magnolia Avenue from Park Place to Murchison Drive and on Richmond Drive between Magnolia and the Millbrae Spur Trail (total of approx. 2.5 miles). Existing crosswalks on Magnolia Avenue will be upgraded to high visibility ladder crosswalks and rectangular rapid flashing beacons will be installed at the intersections of Magnolia Avenue and Green Hills and Helen Drives. While the sponsor request was for \$360,000 with \$40,000 of matching funds for a total cost of \$400,000, the application included \$100,000 of ineligible pavement rehabilitation.
- 10. Half Moon Bay Pacific Coast Bikeway Connectivity Project: North** Requested Funding: \$315,000
Sponsor: Half Moon Bay (sponsor's second priority of three proposals)
Preliminary engineering/environmental review, final design, and construction of a Class I pedestrian/bike path on the east side of Highway 1 between Roosevelt Boulevard and Mirada Road (0.26 mile segment).

- 11. Half Moon Bay Pacific Coast Bikeway Connectivity Project: South** Requested Funding: \$297,000
Sponsor: Half Moon Bay (sponsor's third priority of three proposals)
Planning, preliminary engineering and environmental review, final design and construction of a Class I pedestrian/bike path on the east side of Highway 1 between Spindrift Way and Frenchman's Creek (0.26 mile segment).
- 12. School Area Pedestrian Enhancement Project** Requested Funding: \$500,000
Sponsor: Burlingame (sponsor's second priority of two proposals)
Construction of pedestrian enhancements that include the installation of landscaped bulb-outs with accessible curb ramps, detectable warning surfaces and storm water drainage systems at the following locations: 1) Washington Elementary School at the intersections of Howard Avenue with Anita and Arundel Roads, and 2) Franklin Elementary School at the intersections of Trousdale Drive with Martinez Drive and Quesada Way. Construction of accessible curb ramps on Balboa Way and Balboa Avenue at Lincoln Elementary School, the re-alignment of an existing walkway at Ray Park to avoid pedestrian/parking conflicts and the installation of updated high visibility signing and school zone striping is included.
- 13. Hickey/Junipero Serra Boulevard Safety and Connectivity Improvement Project**
Requested Funding: \$400,000 (sponsor's second priority of two proposals)
Sponsor: South San Francisco
Planning, preliminary engineering/environmental review, final design, and construction for pedestrian and bicycle improvements at the Hickey/Junipero Serra Boulevard intersection consisting of: realignment of crosswalks, installation of curb extensions, modification of pedestrian pushbuttons and the installation of advanced crosswalk markings and signage.
- 14. Half Moon Bay Main Street Pedestrian and Bicycle Improvement Project** Requested Funding: \$288,000
Sponsor: Half Moon Bay (sponsor's first priority of three proposals)
Preliminary engineering and environmental review, final design and construction of a Class IV protected or Class II buffered bicycle lane on Main Street between Highway 1 and Stone Pine Road (total of 0.36 miles) and pedestrian and bicycle improvements at the intersection of Highway 92 and Main Street. A planning study is also proposed for a 0.2 mile extension of an existing pedestrian/bike path along Pilarcitos Creek leading to downtown Half Moon Bay.
- 15. California Drive Complete Streets Phase II** Requested Funding: \$500,000
Sponsor: Burlingame (sponsor's first priority of two proposals)
Construction of Class II bike lanes on both sides of California Drive from Broadway to Oak Grove (approximate 0.75 mile segment). Existing bike sharrows will be replaced with bike lanes by shifting and adjusting existing vehicle travel lanes and parking. Signing and striping for pedestrian crossings is included. While the sponsor request was for \$500,000 with \$600,000 of matching funds for a total construction cost of \$1,100,000, the application included approximately \$862,000 of ineligible pavement rehabilitation.

16. O'Neill Slough Trail Gap Closure Project

Requested Funding: \$396,000

Sponsor: Foster City

Preliminary engineering and environmental review, final design and construction to pave an approximate 200-foot section of the O'Neill Slough Trail in Foster City to the Belmont City limit line. Bicycle signage and striping on the City's 8-mile segment of the Bay Trail is also included.

17. South San Francisco Regional Bike Network Connectivity Project

Requested Funding: \$600,000

Sponsor: South San Francisco (sponsor's first priority of two proposals)

Planning, preliminary engineering/environmental review, final design, and construction of Class II bike lanes on Airport Boulevard between Mitchell Avenue and Access Road (0.78 mile segment) and Harbor Way between Mitchell Avenue and Littlefield Avenue (0.42 mile segment) and Class III bike routes on Mitchell Avenue between Airport Boulevard and Harbor Way (0.30 mile segment).

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

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

SUBJECT: **PROGRAMMING AND ALLOCATION OF MEASURE A FUNDS FOR SEVEN
HIGHWAY PROJECTS**

ACTION

Staff recommends the Board:

1. Program \$45,819,250 and allocate \$25,674,250 in New Measure A Highway Program funds to projects as listed in Exhibit A.
2. Authorize the Executive Director or his designee to take any actions necessary to allocate the subject funding.

SIGNIFICANCE

The San Mateo County Transportation Authority (TA) issued a Highway Call for Projects (CFP) in October 2017 announcing the availability of up to \$75 million in Measure A funds for projects ready to start work within one year of receiving a funding award (February 2019).

Seven applications were received from eight jurisdictions by the close of the CFP on November 20, 2017, and a total of \$46.7 million was requested. The 2017 Highway CFP was likely undersubscribed due to the following factors: 1) the next unfunded phase of work for many projects was not ready to proceed by February 2019, and 2) the majority of the funding requests were for pre-construction, which is less expensive than construction.

The TA Project Selection Committee met on December 12, 2017 to evaluate and score the submitted applications. Staff presented draft programming and allocation amounts to the Board of Directors (Board) at its January 2018.

Since that time, TA staff, in cooperation with the City/County Association of Governments of San Mateo County (C/CAG), have been working to secure full funding for the 101 Managed Lanes (ML) Project, including for the construction phase. The final design phase of the 101 ML Project will be fully funded once the proposed Measure A funds are programmed, but the TA and C/CAG are seeking other state funding sources to fully fund the ML Project.

When the sponsors secure other state funding sources, the requested \$22 million of Measure A funds may need to be shifted between the final design, right of way and construction phases to best adapt to the external funding situation and maximize the leveraging of Measure A Highway Program investments. As a result, TA and C/CAG staff are requesting flexibility to shift the requested \$22 million of Measure A funds between the final design, right of way and construction phases, if needed.

In a separate but related agenda item for this February meeting, staff also is recommending the TA apply a portion of its Fiscal Year 2018 and 2019 share of formula funding from the State Local Partnership Program (LPP) as the sponsors' required matching funds for the US 101/92 Direct Connector Project and the remaining amount for the US 101 Managed Lanes Project.

BUDGET IMPACT

There is sufficient capacity in the Fiscal Year 2018 budget to fully fund the recommended projects from the Measure A Highway Program.

BACKGROUND

In accordance with the voter-approved Transportation Expenditure Plan (TEP), a total of 27.5 percent of the New Measure A sales tax receipts are dedicated to the Highway Program for capital projects that reduce congestion and improve throughput and safety. The Highway Program consists of two components: 1) Key Congested Areas (KCA) which receives 17.3 percent of the sales tax receipts, and 2) Supplemental Roadways (SR) which receive 10.2 percent of the sales tax receipts. The TEP contains a list of the candidate KCA highway projects and a partial list of candidate SR projects. Additional candidate SR projects may be submitted to the TA for consideration to account for changing needs during the 25-year life of the program. SR projects can include highway projects as well as other types of congestion reducing roadway projects in the county.

After the Board programs and allocates funds for the projects as further described in Exhibit A, staff will coordinate with sponsors to enter into funding agreements and memoranda of understanding so that work can proceed.

Prepared By: Joel Slavitt, Manager of Programming and Monitoring

650-508-6476

**San Mateo County Transportation Authority
Measure A Highway Program Call for Projects - Final Recommendations**

Project Rank	Project	Sponsor	Sponsor Request ¹	Matching Funds	Match Percent	Request & Match	TA Program Support ²	Funding Recommendation	Funding Track ³	Pipeline Project ⁴	Est. Phase Completion	Remaining Funds Needed to Complete Project ⁵
1	US 101 Managed Lanes Project	C/CAG-TA	PS&E, ROW & CONST: \$22,000,000	\$491,000,000	96%	\$513,000,000	Included	Program & allocate: \$22,000,000 for PS&E, ROW & CONST. Allocation for CONST conditioned on completion of PS&E & ROW. ⁶	SR	Yes	PS&E: Apr-2019 ROW: Jun-2019 CONST: Sep-2022	Construction: \$457,000,000 - sources proposed from combination of federal, state, regional & local sources, including private sector contributions.
2	US 101/Woodside Road (SR 84) Interchange Improvements Project	Redwood City	ROW: \$20,000,000	\$17,000,000	46%	\$37,000,000	\$145,000	Program \$20,145,000 for ROW. Defer allocation until: 1) final ROW maps approved by Caltrans, 2) acquisition cost estimates are updated with appraisals in accordance with industry standards, & 3) construction funding is secured. ⁷	KCA	Yes	Dec-2019, contingent on allocation conditions	Construction: \$91,800,000 Proposed from combination of federal, state, regional & local sources, including private sector contributions. \$1.1M committed.
3	US 101/SR 92 Direct Connector Project	Foster City/San Mateo	PID: \$2,000,000	\$230,000	10%	\$2,230,000	Included	Program & allocate \$2,000,000 for PID.	KCA	Yes	Feb-2020	PID: Sponsors have secured \$23,000 of the required match. The remaining \$207,000 of the required \$230,000 match is proposed to be funded with the TA's share of SB 1 Local Partnership Program (LPP) funds. Remaining work phases TBD, project in early phases of development.
4	US 101/SR 92 Interchange Area Improvements Project	Foster City/San Mateo	PID: \$630,000	\$70,000	10%	\$700,000	Included	Program & allocate \$630,000 for PID	KCA	Yes	Feb-2019	Match for requested phase committed. Remaining work phases TBD, project in early phases of development
5	Bayfront Expressway, Willow Road, and Marsh Road Adaptive Signal Timing Project	Menlo Park	Planning: \$173,250	\$19,250	10%	\$192,500	\$20,000	Program & allocate \$193,250 for Planning	SR	No	Sep-2018	Match for requested phase committed, deployment is fully funded by sponsor
6	Route 1/Manor Drive Overcrossing Project	Pacifica	Planning: \$610,000 PID: \$610,000 Total: \$1,220,000	Planning: \$70,000 PID: \$70,000 Total: \$140,000	10%	Planning: \$680,000 PID: \$680,000 Total: \$1,360,000	\$35,000	Program & allocate \$645,000 for Planning only	KCA	No	Oct-2019 for Planning	Match for requested phases committed Remaining work phases TBD, project in early phases of development
7	Railroad Avenue Extension Project	South San Francisco	Planning: \$180,000 PID: \$450,000 Total: \$630,000	Planning: \$20,000 PID: \$50,000 Total: \$70,000	10%	Planning: \$200,000 PID: \$500,000 Total: \$700,000	\$26,000	Program & allocate \$206,000 for Planning only. Study will coordinate with UPRR. Significant alignment and profile issues for the roadway will be assessed.	SR	No	Dec-2018 for Planning	Match for requested phases committed Remaining work phases TBD, project in early phases of development
Totals:			\$46,653,250	\$51,529,250	52%	\$98,182,500		Program: \$45,819,250 Allocate: \$25,674,250				

Footnotes
 1) Work Phase acronyms: PID - project initiation document, PS&E - plans, specifications and estimates, ROW - right of way, CONST - construction
 2) TA program support costs have been added to recommended project program and allocation awards where the TA is not the lead but will be providing support to the project sponsor and implementing agency.
 3) Funding Tracks - KCA: Key Congested Areas, SR: Supplemental Roadways. Recommended programmed funds for KCA Projects = \$23,420,000. Recommended programmed funds for SR Projects = \$22,399,250.
 4) Pipeline Projects are those that are currently going through the project delivery process that have previously been awarded Measure A funds.
 5) Projected remaining funds needed are current estimates to complete project after the recommended funding awards are made.
 6) US 101 Managed Lanes Project: The recommendation allows for the possibility of moving Measure A funds to the CONST phase if needed to secure other external funding sources.
 7) US 101/Woodside Road Interchange: An exception to the allocation condition for ROW, with regard to securing construction funding first, may be considered if property acquisition is needed for right of way protection. If a parcel is at risk with increased development, the TA will consider City's request to purchase said parcel and may allocate funds for the acquisition of the affected property if circumstances warrant an early acquisition.

RESOLUTION NO. 2018 –

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

**PROGRAMMING \$45,819,250 AND ALLOCATING \$25,674,250 IN
NEW MEASURE A HIGHWAY FUNDS FOR SEVEN PROJECTS**

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure to allow for the collection and distribution by the San Mateo County Transportation Authority (TA) of a half-cent transactions and use tax in San Mateo County for 20 years with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters (Original Measure A); and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA of the New Measure A half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009 (New Measure A); and

WHEREAS, the 2004 Transportation Expenditure Plan designates 17.3 percent of the New Measure A revenue to fund Highway Program projects in Key Congested Areas and 10.2 percent of the New Measure A revenue to fund Supplemental Roadway projects under the Highway Program; and

WHEREAS, the TA issued a competitive Call for Projects for Highway Program projects ready to start work within one year of receiving a funding award, which is projected to be February 2019; and

WHEREAS, a project selection committee evaluated and scored the projects; and

WHEREAS, staff recommends the Board program \$45,819,250 and allocate \$25,674,250 in New Measure A Highway Program category funds as described in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby approves the projects as listed in Exhibit A; and

BE IT FURTHER RESOLVED THAT the Board of Directors hereby programs \$45,819,250 and allocates \$25,674,250 in New Measure A Highway Program category funds as listed in Exhibit A; and

BE IT FURTHER RESOLVED THAT the Executive Director, or his designee, is authorized to execute any necessary documents or agreements, and to take any additional actions necessary, to give effect to this resolution.

Regularly passed and adopted this 1st day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

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

SUBJECT: **AUTHORIZATION TO REQUEST AND RECEIVE LOCAL PARTNERSHIP PROGRAM FORMULA FUNDS FOR THE US-101/SR-92 DIRECT CONNECTOR PROJECT AND THE US-101 MANAGED LANES PROJECT, AND INCREASE THE FISCAL YEAR 2018 BUDGET FROM \$86,859,264 TO \$87,066,264**

ACTION

Staff recommends the Board:

1. Authorize the Executive Director, or his designee, to submit an allocation request to the California Transportation Commission (CTC) for Local Partnership Program (LPP) Formula Funds in the Amount of \$207,000 to support the US-101/SR-92 Direct Connector Project; and
2. Increase the Fiscal Year (FY) 2018 Budget by \$207,000 in the Streets and Highway Program expenditures category to reflect receipt and expenditure of LPP formula funds for the US101/SR-92 Direct Connector Project, as shown in Attachments A (Lines 9 and 18) and B (Line 24); and
3. Authorize the Executive Director, or his designee, to submit an allocation request to the CTC for the remainder of the TA's FY 2018 and FY 2019 LPP formula funds, estimated at \$1,550,000, to support the US-101 Managed Lanes Project, with the understanding that the funds will be included in an appropriate budget action for Board consideration at that time; and
4. Authorize the Executive Director, or his designee, to take any other actions that may be required to apply for and receive the LPP funds addressed above.

SIGNIFICANCE

The LPP was created as part of Senate Bill 1 (SB1) in 2017 and provides both formula and competitive grants to agencies with voter-imposed taxes and fees, such as the TA. The TA is anticipated to receive approximately \$880,000 annually from the LPP formula program over the next 10 years to fund transportation improvement projects, such as the US-101/SR-92 Direct Connector Project and the US-101 Managed Lanes Project.

US-101/SR-92 DIRECT CONNECTOR PROJECT

The Board of Directors (Board), per Resolution No. 2012-17, previously allocated \$500,000 in Measure A funds to the City/County Association of Governments of San Mateo County (C/CAG) to prepare a preliminary planning study to develop and evaluate various alternatives that would result in improved operation and safety of the US-101/SR-92 Interchange.

The cities of San Mateo and Foster City (Cities) were involved as stakeholders as modifications to the interchange could result in impacts to one or both Cities.

Since the completion of the study, C/CAG and the Cities have agreed to move forward with two stages of operational and safety improvements at the US-101/SR-92 interchange. One would provide near-term solutions that could be implemented sooner and at a more modest cost, such as ramp widening and lane reconfiguration. The other solutions will be long-term but will require more significant investment of time and money, such as new direct connector ramps between SR-92 and the proposed US-101 managed lanes.

Through the TA's Highway Program Call for Projects addressed in a separate agenda item for this meeting, the Cities have requested \$2 million in Measure A funds for completion of Caltrans-required Project Initiation Documents to move these approaches forward. The Cities have committed to provide the matching funds for the near-term approach because of the lower cost and local benefits that would be realized. However, the Cities are seeking other sources to provide the local match to Measure A funds for the long-term approach due to the cost and regional needs and benefits. The TA staff concurs with the Cities' assessment and supports a request from the Cities for the TA to secure \$207,000 of State LPP formula funds as matching funds for the project.

US-101 MANAGED LANES

The TA is a co-sponsor of the US-101 Managed Lanes project. The construction phase of the 101 Managed Lanes project, which includes right of way and utility relocation work, is estimated at \$473 million. It is proposed to be funded through a combination of State and local funding sources as outlined in the table below.

Though the project is not ready to receive LPP formula funds, TA staff recommends the Board take action now to authorize the Executive Director to request the remainder of the TA's LPP formula funding for FY 2018, and all of the TA's LPP formula funding for FY 2019, totaling an estimated \$1,550,000, for this project.

State		Local	
Source	Amount	Source	Amount*
SB 1 Solutions for Congested Corridors	\$200 million	Region Tolls	\$228 million
Regional Improvement Program	\$33.5 million	Private Contribution	
SB 1 LLP (Competitive)	\$10 million	Express Lanes Toll	
SB 1 LLP (Formula)	\$1.5 million	Sales Tax	
Total	\$245 million	Total	\$228 million

**Specific amount from local sources is yet to be determined*

BUDGET IMPACT

The proposed budget amendment would increase Grant Proceeds by \$207,000, from \$15,000 to \$222,000 (Line 9 of Attachment A) and also increase the TA Measure A Categories by \$207,000, from \$52,912,500 to \$53,119,500 (Line 18 of Attachment A). Specifically, it would increase the Streets and Highways portion of the Measure A Categories under Key Congested Corridors from \$14,646,180 to 14,853,180 (Line 24 of Attachment B). Total Revenues would increase from \$89,167,930 to \$89,374,930, and Total Expenditures would increase from \$86,859,264 to \$87,066,264.

This increase would provide budget capacity for the LPP funds for the US-101/SR-92 Direct Connector Project. Staff will request Board action at a later time to reflect and accept the actual amount of LLP funds made available by the CTC for the 101 Managed Lanes Project.

BACKGROUND

The LPP provides local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees with a continuous appropriation of \$200 million annually to fund transportation rehabilitation and improvement projects. Program funds will be distributed through a 50 percent statewide competitive component and a 50 percent formula component.

Prepared By: Peter Skinner, Manager, Grants and Fund Programming

650-622-7818

RESOLUTION NO. 2018 –

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

AUTHORIZING REQUESTS FOR AND RECEIPT OF LOCAL PARTNERSHIP PROGRAM FORMULA FUNDS FOR THE US-101/SR-92 DIRECT CONNECTOR PROJECT AND THE US-101 MANAGED LANES PROJECT, AND AMENDING TO INCREASE THE FISCAL YEAR 2018 BUDGET FROM \$86,859,264 TO \$87,066,264

WHEREAS, the San Mateo County Transportation Authority (TA) is entitled to a total of \$1,757,000 in formula funds in Fiscal Year (FY) 2018 and FY 2019 through the State Local Partnership Program (LPP), created by Senate Bill 1 in 2017; and

WHEREAS, the TA issued a competitive Call for Projects (CFP) for Highway Program projects ready to start work within one year of receiving a funding award, which is projected to be February 2019; and

WHEREAS, TA staff has recommended the Board of Directors (Board) program \$45,819,250 and allocate \$25,674,250 in New Measure A Highway Program category funds for projects identified through the CFP; and

WHEREAS, one of the projects proposed for funding is the US-101/SR-92 Direct Connector project (Project) sponsored by the City of San Mateo and the City of Foster City (Cities); and

WHEREAS, in response to a request from the Cities, the TA desires to use \$207,000 of its available LPP formula funds to match TA Measure A funds for the Project, and to amend the TA's FY 2018 Budget to reflect the receipt and allocation of these LPP funds; and

WHEREAS, the TA is co-sponsor of the US-101 Managed Lanes Project and desires to use the remainder of its LPP formula funds for FY 2018 and FY 2019 to support that project; and

WHEREAS, the Executive Director recommends the Board:

1. Authorize the Executive Director, or his designee, to submit an allocation request to the California Transportation Commission (CTC) for LPP Formula Funds in the Amount of \$207,000 to support the US-101/SR-92 Direct Connector Project; and
2. Increase the FY 2018 Budget by \$207,000 in the Streets and Highway Program expenditures category to reflect receipt and expenditure of LPP formula funds for the US-101/SR-92 Direct Connector Project, as shown in Attachments A (Lines 9 and 18) and B (Line 24); and
3. Authorize the Executive Director, or his designee, to submit an allocation request to the CTC for the remainder of the TA's FY 2018 and FY 2019 LPP formula funds, estimated at \$1,550,000, to support the US-101 Managed Lanes Project when the project is ready to seek funds, with the understanding that the funds will be included in an appropriate budget action for Board consideration at that time; and
4. Authorize the Executive Director, or his designee, to take any other actions that may be necessary to give effect to this resolution.

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

1. Authorizes the Executive Director, or his designee, to submit an allocation request to the California Transportation Commission for Local Partnership Program Formula Funds in the Amount of \$207,000 to support the US-101/SR-92 Direct Connector Project; and
2. Increases the Fiscal Year 2018 Budget by \$207,000 in the Streets and Highway Program expenditures category to reflect receipt and expenditure of LPP formula funds for the US-101/SR-92 Direct Connector Project, as shown in Attachments A (Lines 9 and 18) and B (Line 24); and
3. Authorizes the Executive Director, or his designee, to submit an allocation request to the CTC for the remainder of the TA's FY 2018 and FY 2019 LPP formula funds, estimated at \$1,550,000, to support the US-101 Managed Lanes Project when the project is ready to seek funds, with the understanding that the funds will be included in an appropriate budget action for Board consideration at that time; and
4. Authorizes the Executive Director, or his designee, to take any other actions that may be necessary to give effect to this resolution.

Regularly passed and adopted this 1st day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

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

SIGNIFICANCE

The 2018 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

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SMCTA Federal Update January 2018

CONGRESS

Federal Government Expected to Reopen After Three Day Shutdown: On January 19, a four-week short-term Continuing Resolution (CR) to fund the government failed to gain the necessary 60 votes to pass the Senate, and a government shutdown began at midnight on January 20. The House had passed the CR by a vote of 226-194 the day before.

During debate in the Senate, Sen. Debbie Stabenow (D-MI) proposed an amendment to permanently reauthorize the Children's Health Insurance Program (CHIP); Sen. Benjamin Cardin (D-MD) sought a guarantee paychecks would be distributed to all furloughed federal employees following the reopening of the government; and Senate Majority Leader Mitch McConnell (R-KY) sought an amendment to fully fund military spending in the FY 2018 defense authorization law, at \$700 billion. All three amendments were rejected.

Since then, Congress has remained in session to continue working on spending negotiations. Senate Majority Leader Mitch McConnell called a vote at noon on Monday, January 22 on a new deal that would enact a CR until February 8. Sen. McConnell said he is committed to taking up a bill on border security and DACA even if a broader agreement on immigration and long-term spending is not reached by February 8, as long as the government remains open during this time. On Monday afternoon, Senate Minority Leader Chuck Schumer (D-NY) indicated he would agree to advance the bill after Republican leadership agreed to immediately consider immigration legislation on the floor if no deal is reached by February 8. Sen. Schumer said he expects a bipartisan DACA bill will receive fair consideration and an up-or-down vote on the Senate floor. The Senate voted to pass a procedural motion to advance the three-week CR, [H.R. 195](#), by a vote of 81-18. The CR also includes a six year reauthorization of CHIP and delays several ACA health insurance taxes. The Senate will now have to vote on final passage before sending it back to the House for them to pass it with the new CR deadline. House Speaker Paul Ryan (R-WI) said earlier on Monday that if the Senate successfully sent the House a three-week CR, the lower chamber would pass it quickly.

Senators Introduce Private Activity Bonds Legislation: On January 18, Senators John Cornyn (R-TX) and Mark Warner (D-VA) [introduced legislation](#) to increase the current \$15 billion limit on private activity bonds (PABs) to \$20.8 billion. The "Building United States Infrastructure and Leveraging Development (BUILD) Act" seeks to increase investment in infrastructure projects by allowing state and local governments to establish public-private partnerships (P3s) to finance surface transportation projects. Sen. Cornyn said the bill will help the administration finance additional highway and freight improvement projects through P3s, minimizing the cost to taxpayers. Sen. Warner said the legislation, in conjunction with his [BRIDGE Act \(S. 1168\)](#)

would attract additional investment to renew infrastructure, and emphasize the importance of PABs in leveraging private investment.

House Republicans Consider Lifting Earmark Ban: In 2010, the House banned the practice of members of Congress requesting earmarks in the annual appropriations bill. The Senate followed the House's lead on the issue and also voted to ban them. However, since the 2016 elections, several members of Congress have been seeking ways to bring earmarks back. Speaker Paul Ryan (R-WI) finally has allowed the issue to be more thoroughly discussed. The House Rules Committee will hold hearings to debate the issue of 'returning the power of the purse' to Congress. The first hearings were on [January 17](#) and [January 18](#). President Trump has also stated that Congress should consider bringing back earmarks, to ease the passage of legislation. The president made this comment during a meeting with a bipartisan group of lawmakers to discuss immigration reform earlier this month.

Conservative groups, such as Club for Growth, have condemned the suggestion to revive earmarks. Club for Growth President David McIntosh said in a statement that earmarks benefit special interests at "the expense of working men and women." Jason Grumet, president of the Bipartisan Policy Center, said restoring earmarks would be "one of the most important steps Congress can take to strengthen this institution." House Rules Committee Chairman Pete Sessions (R-TX) assured colleagues that the hearings are not meant to rush into a new earmark policy. Another GOP member of the Rules Committee, Rep. Tom Cole (R-OK), identified an interest among both Democrats and Republicans to reclaim earmark power, but acknowledged that a new system would be necessary. Several House members have argued that banning earmarks caused the unfavorable effect of Congress' power of the purse being relinquished to federal agencies. Chairman Pete Sessions stated that he plans to make recommendations on earmarks to the House Republican conference later this year, but no timeline has been set.

House Transportation Committee Chairman Retiring: House Transportation and Infrastructure (T&I) Committee Chairman Bill Shuster (R-PA) announced on January 2 that he plans to retire at the end of his current term, joining a growing wave of GOP members announcing their exit. Rep. Shuster would otherwise be term-limited out of committee chairmanship, after serving three terms at the helm, and it was widely speculated that he would announce his departure. Aviation Subcommittee Chairman Frank LoBiondo (R-NJ) and T&I Vice Chairman John Duncan (R-TN) had also announced their retirement. Rep. Shuster has said that in his final year he intends to focus on pushing for an infrastructure bill in conjunction with President Trump and the administration. Two confirmed candidates to replace Rep. Shuster as head of the committee are Reps. Jeff Denham (R-CA) and Sam Graves (R-MO), both of whom lead subcommittees under Shuster.

ADMINISTRATION

New Interim FAA Administrator Takes Over: Former FAA Administrator Michael Huerta's last day in the position was January 5. Interim Administrator Dan Elwell – who served as Huerta's deputy – will take over as Administrator until a new one is approved. The new administrator may be Elwell himself, though this has not been confirmed. Elwell previously worked at Airlines for

America, the Aerospace Industries Association, and American Airlines. He also served as Assistant FAA Administrator during President George W. Bush's administration.

White House Infrastructure Plan Update: During the week of January 8, the administration began briefing Senate Environment and Public Works (EPW) Committee members and Democratic leadership on the contents of its infrastructure proposal. White House infrastructure adviser DJ Gribbin also met with Senate EPW Ranking Member Tom Carper (D-DE) on January 11 to discuss the plan. Sen. Carper asked how the administration would seek to leverage \$200 billion of the \$1 trillion package, and Gribbin said that state and local governments would supply the additional \$800 billion. The pair additionally discussed pay-fors for the package, and streamlining regulations. Sen. Carper sought to examine implementation issues with the streamlining provisions that have already been laid out by the administration. Sen. Carper had requested the meeting following Gribbin's discussion last week with Republican and Democratic members of the EPW Committee. The administration may release a detailed infrastructure principles before the State of the Union on January 30.

DOT Seeks AV Comments: Following an announcement from Transportation Secretary Elaine Chao, the Department of Transportation (DOT) published notices in the Federal Register on January 10, requesting information for the [Federal Highway Administration \(FHWA\)](#) on integrating automated driving systems (ADS) – autonomous vehicles (AVs) – into the national highway transportation system. The [Federal Transit Administration \(FTA\)](#) is also seeking comments on research programs for autonomous transit buses, and removing barriers to autonomous buses. The [National Highway Traffic Safety Administration \(NHTSA\)](#) will also seek comments on how to remove regulatory barriers for AVs, and how manufacturers can certify systems are meeting safety thresholds. Comments for NHTSA will inform guidance in the agency's third draft of AVs guidance, titled Federal Automated Vehicle Policy 3.0. In an address at the recent Consumer Electronics Show, Secretary Chao expressed her support for advancing innovation in AVs, and particularly, the societal impact AV technology will have in terms of safety, mobility, and security.

Senate Committee Re-Approves Nominees: After the nominations of Diana Furchtgott-Roth and former Rep. Lynn Westmoreland were sent back to the Senate Commerce Committee following opposition to their selections, the Committee re-approved them along party lines on January 18. Furchtgott-Roth's nomination to serve as Assistant Secretary of Transportation was complicated following questioning over comments she had made about climate change and sexual harassment in the workplace. Westmoreland's nomination was sent back to the White House due to a polarizing debate over his qualifications. Separately, the nominations of Ron Batory to lead the Federal Railroad Administration and Adam Sullivan to serve as Assistant Transportation Secretary for Government Affairs are currently locked in a Democratic hold. Democrats have held up these nominations as they demand action on funding for the Gateway tunnel project in New York.



January 22, 2018

TO: Board Members, San Mateo County Transportation Authority
FROM: Gus Khouri, Principal
Khouri Consulting

RE: STATE LEGISLATIVE UPDATE – JANUARY

On January 3, legislators reconvened from the Winter Recess. Many changes have occurred given the resignation of three Assembly Democrats (Raul Bocanegra, D-San Fernando; Matt Dababneh, D-Encino; Sebastian Ridley-Thomas, D-Los Angeles), while Senator Tony Mendoza has been placed on leave. While the three vacancies occurred in safe Democrat-controlled seats, and the Senate action may be undefined, the party has temporarily lost its supermajority in both houses.

On January 9, the Senate Democratic Caucus selected Senator Toni Atkins, D- San Diego, to succeed Kevin de Leon as its' new President pro Tempore. She will be formally elected on the Senate Floor and take office on March 21. Atkins had previously served as Speaker during her tenure in the Assembly. A reshuffling of committee assignments will most certainly follow.

2018 Outlook for Transportation

In 2017, the legislature was highly productive on addressing transportation issues as it enacted SB 1, extended the Cap and Trade program, authorized the placement on ballot of Regional Measure 3, and provided SamTrans Caltrain the ability place ballot measures to address priorities. As a result, the main focus of 2018 will be for SMCTA to try and acquire as much funding as possible made available through the various SB 1 competitive programs.

Our primary focus in the immediate future will be on continuing to coordinate with C/CAG, Caltrans and MTC on the submission of a \$200 million request for the Peninsula US 101 Managed Lanes Project from the SB 1 Solutions for Congested Corridors (SCC) Program.

The SCC creates this new \$250 million per year program, administered by the California Transportation Commission (CTC), beginning in FY 2017-18. The initial tranche will be a four-year program (through FY 20-21) for \$1 billion.

While Highway 101 and Caltrain are cited in the legislative declarations and findings of SB 1 as an example of where resources from the program should be dedicated, the CTC is sympathetic to medium to smaller-sized metropolitan planning organizations and their assessment of how they construe traffic (tourism, goods movement) in those areas. Furthermore, despite the emphasis on multi-modal solutions, applicants may be allowed to submit projects that focus only on one-mode as long as they have a multi-modal "corridor plan" (undefined at this point) or a local expenditure plan that contains multi-modal elements. As a result, we may encounter additional competition from this program, but we do have a compelling case to make, particularly with our partnership with Caltrans and MTC, to help improve the Corridor. Caltrans is eligible to propose projects up to half the amount of the program (\$125 million annually), and SB 1 encourages that coordination, which further helps our cause.

We were successful in advocating for the CTC to allow for the use of STIP funds to qualify for funding a project, as well as the removal of the 30% local match requirement, which would otherwise make it difficult for SMCTA to submit a qualifying application. We are also pursuing the allowance of Regional Measure 3 funds to be considered should they materialize.

We have also been arranging multiple meetings with CTC Commissioners and staff to educate them on the 101 Managed Lanes project and our continued efforts to provide multi-modal options (bus, rail, and ferry service) throughout the corridor. MTC, Santa Clara VTA, and Caltrans District 4 have also been active participants in our meetings to help tell the story that the infrastructure and mobility needs in San Mateo serve a statewide and regional benefit.

Our current activities include coordination with pointC to ensure that the project has a full funding plan and the support of all key stakeholders. Through SAMCEDA, the private sector has committed \$20 million towards construction of the project. Additional resources may be necessary in order to ensure delivery of the project from Whipple Avenue to the I-380 connector. Caltrans will be submitting the program application on our behalf. February 16 is the deadline for the application submission.

Bills of Interest

While we will continue to use the bill matrix as a reference for SMCTA priority bills of interest, we wanted to bring your attention to a few items that warrant the board attention:

1. **AB 1756 (Brough)** would repeal SB 1. A potential repeal of SB 1 will be a prominent issue this year. This bill is unlikely to be heard, let alone pass in policy committee, but it still warrants attention since it will keep the conversation alive.

Status: Assembly Transportation Committee

2. **AB 1759 (McCarty)** would withhold transportation revenue for a city or county's failure to meet housing production goals. This proposal is similar to last year's MTC proposal tying STIP funding to RHNA numbers.

Status: Assembly Rules Committee

3. **AB 1866 (Fong)** is a reintroduction of the Assembly Republican Caucus' attempt (AB 496) to use General Fund revenue to pay for transportation. This bill is not expected to progress and may not receive a hearing.

Status: Assembly Rules Committee

4. **SB 760 (Wiener)** would, on or before January 1, 2019, require Caltrans to adopt the Guidance for Urban Street Design of the National Association of City Transportation Officials as the standard for roadway facilities that carry local traffic in urbanized areas. The purpose of the bill is to account for the planning and development bicycles near roadways where bicycles are permitted.

Status: Assembly Appropriations Committee- Suspense File

5. **AB 1405 (Mullin)** would allow Caltrans, with federal approval, to enter into agreements with local jurisdictions to install and operate digital signs displaying commercial advertisements and public service announcements within the right of way of the state highway system. The signs could be used to display emergency messages, traveler information, motorist safety campaigns, and other messaging desired by the state, without providing compensation to the contracting entity.

Status: Senate Rules Committee