

San Mateo County Express Lanes Joint Powers Authority
(SMCEL-JPA)
Board of Directors Meeting Notice

Meeting No. 8

DATE: Friday, February 21, 2020
TIME: 9:00 a.m.
PLACE: San Mateo County Transit District Office
1250 San Carlos Avenue, Second Floor Auditorium
San Carlos, CA

Board of Directors: Alicia Aguirre (Chair), Don Horsley (Vice Chair), Emily Beach, Maryann Moise Derwin, Diane Papan, and Rico Medina

1.0 CALL TO ORDER/ ROLL CALL

2.0 PLEDGE OF ALLEGIANCE

3.0 PUBLIC COMMENT

Note: Public comment is limited to two minutes per speaker. Public comment permitted on both items on the agenda and items not on the agenda.

4.0 APPROVAL OF CONSENT AGENDA

This item is to set the final consent and regular agenda, and to approve the items listed on the consent agenda. All items on the consent agenda are approved by one action. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

4.1 Approval of the minutes of Board of Directors regular business meeting No. 7 dated January 10, 2020. ACTION p. 1

5.0 REGULAR AGENDA

5.1 Accept the Statement of Revenues and Expenditures for the period ending December 31, 2019. ACTION p. 5

5.2 Review and approval of Resolution SMCEL20-04 authorizing the award of contract with Eide Bailly, LLP for Financial Audit Services. ACTION p. 7

5.3 Receive an informational item regarding financial projections for the SM 101
Express Lanes Project.

INFORMATION p. 11

6.0 REPORTS

- a) Chairperson Report.
- b) Member Communication.
- c) Executive Council Report.
- d) Policy/Program Manager Report.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

March 13, 2020

ADJOURN

PUBLIC NOTICING: All notices of San Mateo County Express Lanes Joint Powers Authority regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the location of 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection.

PUBLIC PARTICIPATION: Public comment is limited to two minutes per speaker. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at (650) 599-1406, five working days prior to the meeting date.

If you have any questions about this agenda, please contact:

Mima Guilles, Secretary - (650) 599-1406

San Mateo County Express Lanes Joint Powers Authority Board of Directors Meeting Minutes

Meeting No. 7

DATE: Friday, January 10, 2020
TIME: 9:00 A.M.
PLACE: San Mateo County Transit District Office
1250 San Carlos Avenue, Second Floor Auditorium
San Carlos, CA

Board of Directors: Alicia Aguirre (Chair), Don Horsley (Vice Chair), Emily Beach, Maryann Moise Derwin, Diane Papan, and Rico Medina

1.0 CALL TO ORDER/ ROLL CALL

Chair Aguirre called the meeting to order at 9:03 a.m. Roll call was taken.

Members Present:

C/CAG Members:

Alicia Aguirre, Maryann Moise Derwin, Diane Papan (arrived at 9:06 a.m.)

SMCTA Members:

Don Horsley, Emily Beach, Rico Medina

Members Absent:

C/CAG Member: None

SMCTA Member: None

Staff Present:

Sandy Wong – Executive Council

Jim Hartnett – Executive Council

Mima Guilles – Secretary

Tim Fox – Legal Counsel

Matthew Click – Program/Policy Manager

Van Ocampo – C/CAG staff supporting SMCEL JPA

April Chan, Derek Hansel, Joe Hurley, Jennifer Williams – TA staff supporting SMCEL JPA

Other members of the public were in attendance.

2.0 PLEDGE OF ALLEGIANCE

3.0 PUBLIC COMMENT

None.

4.0 APPROVAL OF CONSENT AGENDA

This item is to set the final consent and regular agenda, and to approve the items listed on the consent agenda. All items on the consent agenda are approved by one action. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

- 4.1 Approval of the minutes of Board of Directors regular business meeting No. 6 dated December 13, 2019. APPROVED

Director Horsley **MOVED** to approve the CONSENT AGENDA. Director Medina **SECONDED. MOTION CARRIED 5-0-0**

5.0 REGULAR AGENDA

- 5.1 Accept the Statement of Revenues and Expenditures for the period ending November 30, 2019. APPROVED

Chief Financial Officer Derek Hansel stated the statement of revenues and expenditures is as shown in the staff report. There was no question from the Board.

Director Derwin **MOVED** to accept the Statement of Revenues and Expenditures for the period ending November 30, 2019. Director Medina **SECONDED. MOTION CARRIED 5-0-0.**

- 5.2 Review and approval of Resolution SMCEL20-01 authorizing the SMCEL-JPA Fiscal Year 2020 Insurance Program and authorizing the binding of Public Officials' insurance. APPROVED

Chief Financial Officer Derek Hansel provided updated information. After the meeting packet was distributed, he received a quote on January 9th from Chubb/Ace who provides the public official liability insurance for the Transportation Authority. In the staff report it says the estimated annualized premium is about \$50K. The updated estimated annual premium is under \$18K for a period covering thru June 30, 2021.

Director Horsley **MOVED** to approve Resolution SMCEL 20-01 authorizing the SMCEL-JPA Fiscal Year 2020 Insurance Program and authorizing the binding of Public Officials' insurance. Director Derwin **SECONDED. MOTION CARRIED 6-0-0.**

- 5.3 Review and approval of Resolutions SMCEL20-02 and SMCEL-JPA 20-03 authorizing the SMCEL-JPA Chair to execute the agreements with Nixon Peabody, LLP for Financial Legal services in an amount of \$55,000 and with PFM Financial

Advisors LLC for Municipal (Financial) Advisory services in an amount of \$30,000, respectively. APPROVED

Staff Van Ocampo presented the process used to select the firms for financial legal services and financial advisory services. He also shared a message from a perspective bidder who cited potential conflict of interest as a reason for not submitting a proposal. Chair Aguirre asked for clarification regarding such conflict. Legal Counsel Tim Fox responded that he does not see a legal conflict of interest. Rather, it may be the firm's desire to preserve its relationships with its existing clients.

Director Derwin asked about the time frame. Staff Ocampo responded the tentative schedule is March or April.

Director Beach **MOVED** to approve Resolutions SMCEL20-02 and SMCEL-JPA 20-03 authorizing the SMCEL-JPA Chair to execute the agreements with Nixon Peabody, LLP for Financial Legal services in an amount of \$55,000 and with PFM Financial Advisors LLC for Municipal (Financial) Advisory services in an amount of \$30,000, respectively. Director Medina **SECONDED. MOTION CARRIED 6-0-0.**

6.0 REPORTS

a) Chairperson Report.

None.

b) Member Communication.

c) Executive Council Report.

Sandy Wong, Executive Council, reported that Caltrans has awarded the construction contract for the second segment of express lanes project (between Whipple Ave and I-380). Formal construction for the segment will officially begin in February but vegetation removal work will begin momentarily. Public outreach is currently on-going, as this Board received a presentation at the last meeting.

d) Policy/Program Manager Report.

Matthew Click, Program/Policy Manager, reported on the steps taken thus far to solicit consultant services to perform the equity study. The RFP will be released soon. A consultant service contract is targeted to be approved by this Board in March. Representing the SMCEL JPA, he also participated in a regional discussion regarding express lanes equity issues with staff from the Alameda County Transportation Commission, VTA, MTC and SFCTA.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

February 21, 2020

ADJOURNMENT – 9:29 a.m.

San Mateo County Express Lanes Joint Powers Authority
AGENDA REPORT

Date: February 21, 2020

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Executive Council

Subject: Accept the Statement of Revenues and Expenditures for the period ending December 31, 2019

(For further information, contact Soe Aung, Senior Accountant 650-622-8020 and/or Jennifer Ye, Manager 650-622-7890)

RECOMMENDATION

Staff proposes that the SMCEL-JPA Board accept and enter into the record the Statement of Revenues and Expenditures for the month of December 2019.

The statement columns have been designed to provide year to date current actuals for the current fiscal year and the actuals since inception.

BACKGROUND

Year to Date Revenues: As of December year-to-date, the Total Revenue (page 1, line 2) is \$0, because there have not been advances under the two operating loan agreements between the SMCEL-JPA, the San Mateo County Transportation Authority and the City/County Association of Governments.

Year to Date Expenditures: As of December year-to-date, the Total Expenditures (Page 1, line 11) are \$161,012. Major expenses are in Staff Support \$81,196, Administrative Overhead \$26,818 and Consultant \$30,414.

Budget Amendment:

There are no budget amendments for the month of December 2019.

Prepared By:

Soe Aung, Senior Accountant – General Ledger
Jennifer Ye, Manager – General Ledger

650-622-8020
650-622-7890

ATTACHMENT

- Statement of Revenues and Expenditures for the month of December 2019.

**SAN MATEO COUNTY EXPRESS LANE JPA
STATEMENT OF REVENUES AND EXPENDITURES**

Fiscal Year 2020

December 2019

	ACTUAL		ANNUAL BUDGET
	7/1/2019 To 12/31/2019	TOTAL SINCE INCEPTION	ADOPTED BUDGET
REVENUES:			
1	Advance from San Mateo County Transportation Authority and City/County Association of Governments of San Mateo County		1,744,911
2	TOTAL REVENUE		1,744,911
EXPENDITURES:			
3	Staff Support	81,196	610,276
4	Administrative Overhead	26,818	53,635
5	Business Travel	81	3,000
6	Office Supplies	297	3,000
7	Printing and Information Svcs	-	5,000
8	Legal Services	9,366	50,000
9	Consultant	30,414	880,000
10	Miscellaneous	12,840	140,000
11	TOTAL EXPENDITURES	161,012	1,744,911
12	EXCESS (DEFICIT)	(161,012)	-
13	BEGINNING FUND BALANCE	-	-
14	ENDING FUND BALANCE	(161,012)	-

**San Mateo County Express Lanes Joint Powers Authority
AGENDA REPORT**

Date: February 21, 2020

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Derek Hansel, Chief Financial Officer

Subject: Review and approval of Resolution SMCEL20-04 authorizing the award of Contract with Eide Bailly, LLP for Financial Audit Services

(For further information, contact Derek Hansel, at 650-508-6228)

RECOMMENDATION

That the SMCEL-JPA Board review and approve Resolutions SMCEL20-04 authorizing the Chief Financial Officer, or his designee, to execute a contract with Eide Bailly, LLP (Eide Bailly) for Financial Audit Services for a firm-fixed price of \$16,160 over a two-year term through May 31, 2022.

SIGNIFICANCE

Approval of the above action will ensure professional, independent financial audit services as required by the enabling legislation of the SMCEL-JPA, and the United States Office of Management and Budget.

SOURCE OF FUNDS

Funding for financial audit services will be available under approved and projected operating budgets.

BACKGROUND

Staff determined that a joint contract with the San Mateo County Transportation Authority, the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board was a cost-effective approach to procure the required financial audit services.

In May 2015, the San Mateo County Transportation Authority, the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board authorized awards of a five-year contract with Vavrinek, Trine, Day & Co., LLP (VTD) to provide financial audit services. The contract will expire on May 31, 2020.

VTD was merged effective July 22, 2019 with Eide Bailly, LLP. The San Mateo County Transportation Authority, the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board and Eide Bailly executed a Consent to Assignment and Assumption of Services Agreement, and a first amendment to the Agreement to change the consultant's name.

In February 2020, the San Mateo County Transportation Authority, the San Mateo County Transit

District and the Peninsula Corridor Joint Powers Board authorized a two-year extension of the existing contract which will allow time for the Finance Division to further assess and streamline accounting processes and internal controls while leveraging the current team of auditors' familiarity and experience with the agencies' accounting and financial reporting processes. Staff believes it will be cost efficient and effective for the SMCEL-JPA to work with the same audit firm as the other three agencies.

The performance of Eide Bailly to date has been satisfactory and in accordance with the requirements of the contract with the other three agencies. Staff intends to conduct a competitive procurement of audit services, requiring at a minimum, rotation of audit Consultant, for services beginning with the fiscal year 2022 audit.

Project Manager: Grace Martinez, Director, Accounting 650-508-6274

Contract Administrator: Shruti Ladani 650-622-7857

ATTACHMENT

- Resolution SMCEL20-04

RESOLUTION SMCEL 20-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) AUTHORIZING AWARD OF CONTRACT TO EIDE BAILLY, LLP TO PROVIDE FINANCIAL AUDIT SERVICES FOR A FIRM-FIXED PRICE OF \$16,160 OVER A TWO-YEAR TERM

WHEREAS, Staff of the Transportation Authority (TA), in their capacity of serving as finance staff of the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) have considered options for obtaining financial audit service as required by the enabling legislation of the SMCEL-JPA, and the United States Office of Management and Budget; and

WHEREAS, Staff determined that a joint contract with the San Mateo County Transportation Authority, the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board was a cost-effective approach to procure the required financial audit services; and

WHEREAS, In February 2020, the San Mateo County Transportation Authority, the San Mateo County Transit District and the Peninsula Corridor Joint Powers Board authorized a two-year extension of their existing audit contract with Eide Bailly, LLP (Eide Bailly) which will allow time for the Finance division to further assess and streamline accounting processes and internal controls while leveraging the current team of auditors' familiarity and experience with the agencies' accounting and financial reporting processes; and

WHEREAS, The performance of Eide Bailly to date has been satisfactory and in accordance with the requirements of the contract with the other three agencies. Staff intends to conduct a competitive procurement of audit services, requiring at a minimum, rotation of audit team, for services beginning with the fiscal year 2022 audit; and

;

WHEREAS, Staff recommends that a two-year contract for financial audit services be awarded to Eide Bailly for a firm-fixed price of \$16,160; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the SMCEL-JPA hereby awards a contract for financial audit services to Eide Bailly for a two-year term at costs of \$8,000 for Fiscal Year (FY) 2020 audit services, and \$8,160 for FY 2021 audit services, for a total amount of \$16,160, inclusive of all costs; and

BE IT FURTHER RESOLVED that the Board authorizes the Chief Financial Officer or his designee to execute a contract on behalf of the SMCEL-JPA with Eide Bailly for financial audit services in full conformity with all the terms and conditions of the contract documents, and in a form approved by legal counsel.

PASSED, APPROVED, AND ADOPTED, THIS 21ST DAY OF FEBRUARY, 2020.

Alicia Aguirre, Chair

**San Mateo County Express Lanes Joint Powers Authority
AGENDA REPORT**

Date: February 21, 2020

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: SMCEL-JPA Executive Council

Subject: Receive an informational item regarding financial projections for the SM 101 Express Lanes Project

(For further information, contact April Chan, at 650-508-6228)

RECOMMENDATION

No action is required. This is an informational item.

FISCAL IMPACT

This informational report does not have a fiscal impact on the adopted FY 2020 Budget.

BACKGROUND

As staff has been reporting on the status of the project’s construction progress, the portion of the express lanes south of Whipple Avenue is scheduled for completion and operation as early as late 2021. And the express lanes north of Whipple Avenue is scheduled for operation and completion in late 2022.

At the February 21, 2020 JPA meeting, staff will present via powerpoint updated financial revenue and cost projections for the 101 express lanes once the lanes are ready for operation. Staff will present the projections to determine if it is appropriate to have a two-phase opening, one scheduled for late 2021, and for the entire facility to open late 2022.

ATTACHMENT

Powerpoint presentation – to be available at: <https://www.ccag.ca.gov/express-lane-jpa/> before the meeting.