



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

Controller's Office

**DATE:** May 22, 2009  
**BOARD MEETING DATE:** June 9, 2009  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** Tom Huening, Controller  
**SUBJECT:** Agreement Between the County of San Mateo and the San Mateo County Transportation Authority for Distribution of Measure A Funds for Local Transportation Purposes

**RECOMMENDATION:**

Adopt a resolution:

- A. Authorizing the President of the Board to execute an agreement between the County of San Mateo and the San Mateo County Transportation Authority for distribution of Measure A funds for local transportation purposes; and
- B. Authorizing the County Controller or the County Controller's designee to execute amendments to the agreement which modify the agreement term and/or services provided that such amendments and modifications do not decrease the payment amount to be received by the County by more than \$25,000.

**VISION ALIGNMENT:**

**Commitment:** Responsive, Effective, and Collaborative Government

**Goal 20:** Government decisions as based on careful consideration of future impact, rather than temporary relief or immediate gain.

This resolution serves the County's vision to provide responsive, effective and collaborative government with leaders working together across boundaries to preserve and enhance the quality of life, including regional solutions in transportation.

**BACKGROUND:**

In 1988, the voters of San Mateo County approved a ballot measure (Measure A) which increased the local transactions and use tax in San Mateo County by one-half of one percent, with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan, and which included a provision for the creation of the San Mateo County Transportation Authority. Measure A provided that the additional transactions and use tax would be imposed for a period not to exceed 20 years, ending December 31, 2008.

In 2004, the voters approved a ballot measure that continued the local transactions and use tax for an additional 25 years starting January 1, 2009 and ending December 31, 2033.

**DISCUSSION:**

In 1989, San Mateo County and the San Mateo County Transportation Authority executed a service and distribution agreement that set forth the process and terms and conditions governing the receipt and allocation of the transactions and use tax revenues. This agreement expired on December 31, 2008. Since the transactions and use tax has been extended for an additional 25 years, it is now necessary and desirable to enter into a new service and distribution agreement.

As was the case with the 1989 service agreement, the proposed service agreement now before the Board provides that the County receive Measure A transaction and use tax revenues and distribute them to the Transportation Authority, the cities and towns in the County, and the County for improvements and maintenance of local transportation, in accordance with the Transportation Expenditure Plan. The proposed agreement will commence upon receipt by the County, on behalf of the Transportation Authority, of the first transfer of Transactions and Use Tax Revenues under 2004 Measure A, which is anticipated to be in June 2009. The proposed agreement will terminate upon the County's last disbursement under the 2004 Measure A, which is expected no earlier than March 2034.

County Counsel has reviewed and approved the proposed agreement and a resolution has been approved as to form by County Counsel.

**FISCAL IMPACT:**

The proposed agreement provides that the Transportation Authority would pay an annual administration fee of \$5,000 to the County for 25 years starting in 2009-10. This annual amount would be subject to a percentage increase or decrease in accordance with the annual change in the County Labor Service Charge rate announced by the County Manager's Office in connection with the County's budgeting process each year. The Transportation Authority has paid \$3,000 per year for these same services in the past.