



RESOLUTION APPROVING THE REVISED RULES OF ORDER; THE REVISED DEBT, EQUAL BENEFITS, FISCAL, INVESTMENT, AND TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICIES; AND ADOPTING THE TITLE VI PROGRAM

WHEREAS, The Transportation Authority develops and implements policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and Transportation Authority objectives; and

WHEREAS, It is Transportation Authority direction to review its Debt Policy annually, to maintain prudent debt management principles and to maximize the Transportation Authority's debt capacity, and its Investment Policy annually, to ensure policy language remains consistent with its governing code, while continuing to meet the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of the Transportation Authority's portfolio; and

WHEREAS, While the Transportation Authority is not required to annually review its Rules of Order, Equal Benefits, Fiscal, and Travel, Conference, Training and Business Expense Reimbursement Policies, it is good management practice to do so on a regular basis, and

WHEREAS, The Rules of Order establishes procedures to ensure that Board and Committee meetings are conducted in a clear and efficient manner, while in compliance with current statutes and Transportation Authority policies and objectives; and

WHEREAS, The Debt Policy's purpose is to organize and formalize debt issuance-related policies and procedures; and

WHEREAS, The purpose of the Equal Benefits Policy is to enforce nondiscrimination provisions in all Transportation Authority contracts and to prohibit the Transportation Authority



from contracting with vendors that discriminate in the provisions of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees; and

WHEREAS, The Fiscal Policy guides decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements; and

WHEREAS, The Investment Policy reflects the requirements in state and federal law regarding the administration of investments by public agencies, and establishes rules for the investment of all funds directly administered by the Transportation Authority; and

WHEREAS, The Travel, Conference, Training and Business Expense Reimbursement Policy establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of commissioners and employees; and

WHEREAS, Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination by recipients of Federal financial assistance and Title VI and U.S. Department of Transportation regulations prohibit recipients from intentionally discriminating against people, therefore as a recipient and subrecipient of Federal funds, the Transportation Authority is recommending the adoption of the Title VI Program to ensure services are provided in a non-discriminatory manner; and

WHEREAS, With assistance and guidance from the Transportation Authority's bond counsel, financial advisors and legal counsel, Transportation Authority staff are updating policies to conform to applicable law and consistent with state and local government codes; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee considered the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, At its June 14, 2016 meeting, the Finance Committee considered the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it



RESOLVED, That the Transportation Authority hereby adopts the Rules of Order as presented in Attachment 1; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Debt Policy as presented in Attachment 2; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Equal Benefits Policy as presented in Attachment 3; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Fiscal Policy as presented in Attachment 4; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Investment Policy as presented in Attachment 5; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Travel, Conference, Training and Business Expense Reimbursement Policy as presented in Attachment 6; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Title VI Program as presented in Attachment 7; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate the policies to all relevant parties.

Attachments (7):

1. Proposed Rules of Order
2. Proposed Debt Policy
3. Proposed Equal Benefits Policy
4. Proposed Fiscal Policy
5. Proposed Investment Policy
6. Proposed Travel, Conference, Training and Business Expense Reimbursement Policy
7. Proposed Title VI Program



The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 28<sup>th</sup> day of June, 2016, by the following votes:

- Ayes:** Commissioners Avalos, Breed, Cohen, Kim, Mar, Peskin, Tang, Wiener and Yee (9)
- Nays:** (0)
- Absent:** Commissioners Campos and Farrell (2)

Scott Wiener  
Scott Wiener      6/29/16      Date  
Chair

ATTEST: Tilly Chang      6/30/16  
Tilly Chang      Date  
Executive Director



## RULES OF ORDER: CHAPTER 1. DEFINITIONS

- Rule 1.1** As used in these Rules, the following words and phrases shall have the meanings respectively ascribed to them by Rules 1.2 through 1.18.
- Rule 1.2** “Administrative Code” shall mean the San Francisco County Transportation Authority’s Administrative Code.
- Rule 1.3** “Adopted” in connection with proposed resolutions or ordinances, shall mean and include adoption of such proposed resolutions or ordinances by the San Francisco County Transportation Authority.
- Rule 1.4** “Transportation Authority” shall mean the San Francisco County Transportation Authority.
- Rule 1.5** “Board” shall mean the Board of Commissioners of the San Francisco County Transportation Authority.
- Rule 1.6** “Chair” shall mean the Chair of the ~~Transportation Authority~~Board or in the absence of the Chair, the Vice-Chair acting as Chair.
- Rule 1.7** “Code” shall mean the California Public Utilities Code, Section 131000 et seq., under which the Transportation Authority was created.
- Rule 1.8** “Clerk” shall mean the Clerk of the Transportation Authority.
- Rule 1.9** “Committee” shall mean a committee of ~~Transportation Authority~~Board, including select as well as standing committees.
- Rule 1.10** “Communication” shall mean any matter, other than the measure, in whatsoever form addressed to the Board for consideration or action by the Board or its committees.
- Rule 1.11** “Measure” shall mean and include a proposal, in whatsoever form presented, fulfillment of the purpose of which requires action of the Transportation Authority by ~~Code~~, amendment, ordinance, resolution or motion, other than a motion designed to accomplish an action strictly parliamentary in character.
- Rule 1.12** “Member” shall mean a member of the Board of Commissioners.
- Rule 1.13** “Ordinances” shall mean procedures for establishing all rules of conduct affecting third parties under the jurisdiction of the Transportation Authority and of a permanent nature and shall include but not be limited to the Administrative Code and employment rules.
- Rule 1.14** “Précis” shall mean a summary of a measure prepared by staff and presented as a part of the Board or committee folder.
- Rule 1.15** “Presiding Officer” shall mean the Chair or acting chair.
- Rule 1.16** “Previous Question” shall be a call to end debate on a matter.
- Rule 1.17** “Resolution” shall mean the procedures for establishing all expressions of opinion of the ~~Transportation Authority~~Board which may or may not be of a permanent nature or affect third parties under the Transportation Authority’s jurisdiction.
- Rule 1.18** “Rules” shall mean the Rules of Order of the San Francisco County Transportation Authority.



## CHAPTER 2. ORGANIZATION AND MEETINGS

- Rule 2.1 Adoption of Rules of Order.** The Rules of Order (Rules) shall be adopted by motion carried by an affirmative recorded vote of a majority of the members of the Board. When adopted, such Rules shall remain in effect unless suspended or amended as provided herein. The Chair or committee chair may adopt temporary rules to address a specific situation or point of order in the Board meeting.
- Rule 2.2 Suspension of Rules.** Except this rule and Rules which are restatements of other applicable laws and which are designated in these Rules by an asterisk, any rule may be suspended by the affirmative vote of eight (8) members unless there be less than eight (8) members present, in which case the unanimous consent of the members present, but not less than six (6) shall be required. A motion to suspend the rules is not debatable.
- Rule 2.3 Amendment to Rules.** All proposed amendments to the Rules shall be referred to the Finance Committee for consideration and recommendation to the Board for adoption.
- Rule 2.4 Parliamentary Authority.** On any question or point of order not contained in these Rules, the Chair shall issue a ruling.
- Rule 2.5 Organization and Election of Chair.** Annually at the first meeting of the Board in January, the newly elected and continuing members of the Board of Commissioners shall elect the Chair and Vice-Chair of the ~~Transportation Authority Board~~. The newly appointed Chair shall immediately preside following his or her election at the same meeting (Section 131260 of the Code).
- Rule 2.6 Meetings and Rules of Procedures.** \*All proceedings of the ~~Transportation Authority Board~~ shall be in conformance with the provisions of the Bay Area Traffic and Transportation Funding Act [Sections 131000 et seq. of Division 12.5 of the California Public Utilities Code], the San Francisco County Transportation Reauthorization Authority Ordinance, as amended by Resolution 486-03 (Article 14, commencing with Section 1401 of the San Francisco Business and Tax Regulations Code), the Transportation Authority's Administrative Code, and the New Transportation Expenditure Plan for San Francisco adopted together with Board of Supervisors Resolution 485-03 by the voters on November 4, 2003 as Proposition K.
- Except as otherwise determined by the Board, regular meetings of the Board shall be held at 11:00 a.m. on the fourth Tuesday of each month in the Legislative Chamber of City Hall. However, when that day is a holiday, the meeting shall be held on the following business day. Committee meetings shall be held in Room 263 of City Hall.
- \*The acts of the Board shall be expressed by motion, resolution or ordinance (Section 131263 of the Code).
- \*All meetings of the Board shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) and the Transportation Authority's adopted Sunshine Policy.
- Rule 2.7 Temporary Meeting Place.** In the event of the regular meeting place is unavailable, the Chair shall designate some other appropriate place as its temporary meeting place.



**Rule 2.8 Special Meetings of the Board.** A special meeting of the Board of Commissioners may be called, subject to the Ralph M. Brown Act, by the Chair.

**Rule 2.9 Attendance at Meetings.** All members of the ~~Transportation Authority Board~~ shall be in their respective seats at the hour appointed for each regular, special or recessed meeting of the Board or one of its committees. The Clerk shall keep a record of the attendance of the members and shall report such record in the minutes.

**Rule 2.10 \*Quorum.** A majority of the members of the Board constitutes a quorum for the transaction of business, and all official acts of the Transportation Authority require the affirmative vote of a majority of the members of the Board (Section 131262 of the Code).

**Rule 2.11 Rights of the Members Less Than Quorum.** In the absence of a quorum no information may be presented and no official action shall be taken by the members present except to order a call of the Board or committee, to reschedule the same meeting, to recess or to adjourn.

**Rule 2.12 Call of the Board or Committee.** Whether there be a quorum or not, upon a call of the Board or one of its committees, those absent members shall be sent for by the Board or committee chair and be brought to the Legislative Chamber or to Room 263 for committee meetings by special messengers appointed for the purpose.

When the Board or one of its committees is under call, no member shall leave the Chamber or Room 263 without an announcement from the Chair or committee Chair that the member is excused.

During a call of the Board or one of its committees, when there is a quorum present, business may be transacted as usual, except that no action shall be taken with respect to the matter in connection with which the call was made.

**Rule 2.13 Permission to Leave Meeting.** No member shall leave the Board or committee meeting while in session if the departure would cause the loss of a quorum.

**Rule 2.14 \*Power and Duties of Chair and Vice-Chair of the Board.** The Chair shall possess the following powers and duties:

To preside at all meetings;

To appoint the membership and the chair and vice-chair of the committees of the ~~Transportation Authority Board~~, except for the Citizens Advisory Committee;

To decide the agenda of Board meetings;

To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and

To perform such additional duties as may be designated by the ~~Transportation Authority Board~~.

The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair (Section 3 of the Administrative Code).

**Rule 2.15 Permission to Remove Disruptive Persons.** The Board or committee Chair shall possess the power and duty to order removed from the meeting room any person who commits the



following acts in respect to a regular or special meeting of the Board or a standing or select committee:

Disorderly, contemptuous or insolent behavior toward the Board or committee or any member thereof, tending to interrupt the due and orderly course of said meeting.

A breach of the peace, boisterous conduct or violent disturbance tending to interrupt the due and orderly course of said meeting;

Disobedience of any lawful order of the presiding officer, which shall include an order to be seated or to refrain from addressing the Board or committee, and

Any other unlawful interference with the due and orderly course of said meeting.

Any person so removed shall be excluded from further attendance at the meeting from which removed, unless permission to attend be granted upon motion adopted by a majority vote of the Board or committee, and such exclusion shall be effected by attendant law enforcement officer or officers upon being so requested by the presiding officer.

Any law enforcement officer or officers on duty and in attendance at the meeting or whose services are requested by the presiding officer shall carry out all orders and instructions given by the presiding officer for the purpose of maintain order and decorum at the Board or committee meeting.

In addition to effecting removal of any person who, in the opinion of the presiding officer, has violated the order and decorum of any meeting, such presiding officer may request any law enforcement officer or officers to place such person under arrest for violation of Section 403 or Section 415 of the California Penal Code, or any other applicable law, and shall cause such person to be prosecuted therefore, the complaint to be signed by such presiding officer.





### CHAPTER 3. BOARD RULES AND PROCEDURES

- Rule 3.1 Call to Order and Roll Call.** The Chair shall preside at all Board meetings, and shall call each regular, adjourned, recessed or special meeting to order at the appointed hour. Immediately after the call to order, the Clerk shall call the roll of the members of the ~~Transportation Authority Board~~ and shall record those members present and shall enter in the minutes the names of those members present as well as those members who arrive subsequent to the first roll call and those absent. In the absence of the Chair, the Vice-Chair shall preside and in the absence of both the Chair and the Vice-Chair, the members present after waiting fifteen (15) minutes from the scheduled onset of the meeting, by an order entered in the minutes, shall elect one of their members to act as Chair pro tempore, who, while so acting, shall have the authority of the Chair. The presiding officer shall proceed with the Order of Business.
- Rule 3.2 Order of Business.** The normal Order of Business for the Board shall be as follows:
1. Roll Call
  2. Approval of Minutes
  3. Chair's Report
  4. Executive Director's Report
  5. Consent Agenda
  6. Old Business
  7. Introduction of New Items
  8. Public Comment
  9. Adjournment
- Rule 3.3 Addressing the Board.** When a member desires to address the Board, the member shall either rise in place or raise his or her microphone, address the presiding officer, and when recognized shall proceed to speak, confining discussion to the question before the Board. Members shall not be recognized when away from their seats.
- Rule 3.4 Member Entitled to Floor.** When two (2) or more members arise at the same time to address the Board, the presiding officer shall designate the member who is entitled to the floor.
- The committee chair, or in his or her absence or forbearance another member of the committee, shall be accorded priority in addressing the Board for the purpose of making a presentation concerning any matter submitted to the Board by the committee.
- Rule 3.5 Agenda.** Prior to preparation of the agenda, the Executive Director shall review and finalize with the Chair all matters to be considered at the meeting. Any member may request of the Chair in writing ten (10) business days prior to the scheduled Board or committee meeting that an item be included on the agenda. The Chair shall either refer the issue to committee within a reasonable time or advise the member why it will not be scheduled.
- Rule 3.6 Calling of Items.** The Chair shall decide whether items may be acted upon individually (or grouped) when the question is called, unless a member requests that they be separate.



- Rule 3.7 Reading Titles.** The Clerk may read abbreviated titles of measures on the agenda when the abbreviated working will clearly express to the members and to the listening public the nature of the measure.
- Rule 3.8 Introduction of Measures.** Unless provided for by the Administrative Code, the Chair shall decide which items shall be referred to which committee or to the Board. The Executive Director shall prepare a précis of each item to be considered by the Board.
- Rule 3.9 \*Measures Not on the Agenda.** Before considering an item of business not on the agenda, the Board shall adopt a motion (i) by majority vote of the full membership of the Board that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by a two-thirds vote of the full membership, or if less than two-thirds of the members are present, a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the agenda was posted (Section 54954.2 of the Government Code).
- Rule 3.10 Action by Motion.** All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directives to the staff of the Transportation Authority to perform some specific act in the line of the official duty, adoption of the annual report, inquires, actions of a ceremonial or commemorative nature, and such other actions as may be approved by the Transportation Authority's legal counsel, may be accomplished by motion.
- Unless otherwise provided by these Rules, a motion of a parliamentary nature shall require for adoption the affirmative vote of at least a majority of the members of the Board or committee, there being present not less than a quorum.
- \*All other motions shall require for adoption the affirmative vote of a majority of all the members of the ~~Transportation Authority Board~~, except as otherwise provided by these Rules, the Code, or other applicable law (Section 131262 of the Code).
- Rule 3.11 Motions to be Stated and Seconded.** The Clerk shall state all motions prior to debate. All motions are to be seconded unless provided for otherwise in these Rules. The Chair shall acknowledge members as they make motions and seconds.
- Rule 3.12 Motion Not Required.** The Board shall consider, without the necessity for a motion and a second, all measure recommended to the Board by the Committee.
- Rule 3.13 Division of the Question.** On the demand of any member, the Chair shall order a question divided if it includes propositions so distinct in substance that one being taken away, one of more substantive proposition shall remain for the decisions of the Board. When divided, each proposition shall then be considered and voted upon separately as if it has been offered alone.
- Rule 3.14 Seriatim Consideration.** When a measure under debate includes points which are ultimately connected, any member may have the matter considered by section or paragraphs. Each section or paragraph may be amended while being considered, and the proposition as a whole shall then be voted upon.
- Rule 3.15 The Previous Question.** The previous question shall only be admitted when called for by three (3) members, and if the motion carries, its effect shall be to terminate all debate on the matter pending, except that the author or mover of the measure, motion or amendment



shall have the right to close and the question under discussion shall thereupon be immediately put to a vote.

It shall require a two-thirds vote of the members present to adopt a motion calling for the previous question.

The previous question shall be put in the following form: "Shall the previous question be now put?"

**Rule 3.16** **Withdrawal of Motion.** After the motion has been stated, it shall be in the possession of the Board. Before it is acted upon, a motion may be withdrawn by the mover only with the consent of a majority of the members present.

**Rule 3.17** **Reconsideration.** When a motion has been made and carried or lost, it shall be in order for any member voting with the prevailing side to move to reconsider the vote on that question.

To be recorded as having voted with the prevailing side, in order to move to reconsider the vote on any question, a member may change a vote before the result of the roll call has been announced.

**Rule 3.18** **Rescind.** When a vote has been taken by the Board and carried or lost, it shall be in order at the same meeting for any member to move to rescind that vote unless something has been done as a result of the vote which is impossible to undo.

**Rule 3.19** **\*Voting Requirements and Procedure.** \*Every member present when a measure is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Section 1090 et seq. of the Government Code, Section 87100 et seq. of the Government Code, and all other relevant laws or regulations).

No member shall be permitted to vote upon a question until the roll is called or before the vote is announced.

\*A tie vote on any matter before the Board shall be deemed to be a disapproval (Section 131262 of the Code).

**Rule 3.20** **Vote to be Entered in the Minutes.** After the Board has voted upon any matter, the name of the members who voted for and those who voted against the question shall be entered in the Minutes, and the votes by ayes and noes shall be recorded in the minutes.

**Rule 3.21** **Identification, Filing and Indexing.** The Clerk shall assign to all measures appropriate identification. Thereafter, the Clerk shall maintain a legislative record and index of all measures.

**Rule 3.22** **Disposition of Communications.** Communications shall be time-stamped and shall be deemed received by the Clerk when presented to the Transportation Authority's office.

Communications received prior to the printing of the agenda shall be noted on the agenda for the next following Board meeting.

Communications received after the printing of the agenda shall be summarized by the Clerk at the Board meeting.

**Rule 3.23** **\*Posting of the Agenda.** The Clerk shall post the agenda and send a copy of the agenda to all persons known or presumed to be interested in the particular measure to be considered, and



such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before any regularly scheduled Board meeting and twenty-four (24) hours before any special meeting is scheduled (Sections 59454.2, 54956 of the Government Code).

In the case of a rescheduled meeting, notice of the rescheduled new meeting shall be posted outside Room 244 in City Hall.

- Rule 3.24** **Minutes.** Minutes will be kept of each Regular and Special meeting by the Clerk.
- Rule 3.25** **\*Meetings to Be Public.** Every Board meeting shall be open to the public except that the Chair may order a meeting to be held in the closed session for consideration of matters permitted to be discussed in closed session by State law (Section 54957 et seq. of the Government Code).
- Rule 3.26** **\*Public Comment.** Any member of the public is entitled to comment on any matter on the agenda before it is acted on by the Board. In addition, the last item at each Board meeting shall provide an opportunity for members of the public to directly address the Board on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the Board for up to three (3) minutes or for such number of minutes as set by the Chair. The Chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of the Government Code).



## CHAPTER 4. COMMITTEE RULES AND PROCEDURES

- Rule 4.1 Call to Order and Roll Call.** The committee chair shall preside at all committee meetings, and shall call each regular, adjourned, recesses or special meeting to order at the appointed hour. Immediately after the call to order, the Clerk shall call the roll of the committee members and shall record those members present and shall enter in the minutes the names of those members present as well as those members who arrive subsequent to the first roll call and those absent. In the absence of the committee chair, the vice-chair shall preside. The presiding officer shall proceed with the Order of Business.
- Rule 4.2 Order of Business.** The normal Order of Business for committees shall be as follows:
1. Roll call
  2. Approval of Minutes
  3. Consent Agenda
  4. Old Business
  5. Introduction of New Items
  6. Public Comment
  7. Adjournment
- Rule 4.3 Standing Committees, General Rules.** The standing committees of the ~~Transportation Authority Board~~ and the matters to be referred to each are set forth in the Administrative Code. Select committees may be established as provided in Section 5.2 of the Administrative Code.
- Any member of the Board who is not a member of an assigned committee may join with the members of the said committee in its deliberations provided such participation does not result in a quorum of the Board membership being present, however, only members of said committee shall be entitled to vote, except that the Chair may vote as provided in Section 5.2 of the Administrative Code and Rule 4.5 below, on such matters in committee. Except with respect to the Chair, the participation of a non-member of the committee shall not be counted for purposes of determining whether a quorum of the committee is present.
- In the event that the scope of committee assignments may be conflicting, overlapping, ambiguous, or not stated, the Chair shall determine and designate which committee shall have jurisdiction over a particular matter.
- Rule 4.4 \*Committee Chair.** The committee chair will be appointed by the Chair at the beginning of each year (Section 3 (b) of the Administrative Code).
- Rule 4.5 \*Chair as Non-Voting, Ex-Officio Member.** In addition to the regular members of each committee, the Chair shall serve on each committee as a non-voting, ex-officio member, except that the Chair shall serve as a voting member when his or her presence is necessary in order to constitute a quorum. In the case of a tie vote in any committee, the Chair who is present but not acting as a voting member, may cast the deciding vote. A majority of the members of the committee shall constitute a quorum for the transaction of business and all official



acts of the committee shall require the affirmative vote of a majority of the members of the committee (Section 5.2 of the Administrative Code).

- Rule 4.6 Time of Meeting.** Every committee shall meet at the time set by the Chair, committee chair at the beginning of his or her appointment, or a majority of the committee, in that order of priority. Whenever a meeting falls on a holiday or a quorum does not result, the meeting shall be rescheduled at the discretion of the committee chair.
- Rule 4.7 Meeting Frequency.** The regular schedule of the standing committee meetings shall provide for meeting at least once a month for each of the committees, except for the Personnel Committee which shall meet only at the call of the Chair.
- Rule 4.8 Agenda.** Prior to preparation of an agenda, the Executive Director shall review and finalize with the committee chair all matters to be considered at the meeting.
- Rule 4.9 Calling of Items.** The committee chair shall decide whether items may be acted upon individually (or grouped) when the question is called, unless a member requests that they be separate.
- Rule 4.10 Reading the Titles.** The Clerk may read abbreviated titles of measure on the agenda when the abbreviated wording will clearly express to the members and to the listening public the nature of the measure.
- Rule 4.11 Introduction of Measures.** The Executive Director shall prepare a précis of each item to be considered by the committee.
- Rule 4.12 \*Measures Not on the Agenda.** Before considering an item of business not on the agenda, the committee shall adopt a motion (i) by majority vote of the full membership of the committee that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by the two-thirds vote of its members, or if less than two-thirds of the members are present, by a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the agenda was posted (Section 54954.2 of the Government Code).
- Rule 4.13 Action by Motion.** All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directive to the staff of the Transportation Authority to perform some specific act in the line of official duty, adoption of the annual report, inquiries, actions of ceremonial or commemorative nature, and such other actions as may be approved by Transportation Authority's legal counsel, may be accomplished by motion.
- Rule 4.14 Motion to be Stated.** The Clerk shall state all motions prior to debate. No motion in the committee shall require a second. The committee chair shall acknowledge members as they make motions.
- Rule 4.15 Division of the Question.** On the demand of any member, the committee chair shall order a question divided if it includes propositions so distinct in substance that one being taken away, one or more substantive propositions shall remain for the decision of the committee. When divided, each proposition shall then be considered and voted upon separately as if it has been offered alone.



- Rule 4.16** **Seriatim Consideration.** When a measure under debate includes points which are ultimately connected, any member may have the matter considered by sections or paragraphs. Each section or paragraph may be amended while being considered, and the proposition as a whole shall then be voted upon.
- Rule 4.17** **Withdrawal of Motion.** After the motion has been stated it shall be in the possession of the committee. Before it is acted upon, a motion may be withdrawn by the mover only with the consent of a majority of the members present.
- Rule 4.18** **Reconsideration.** When a motion has been made and carried or lost, it shall be in order for any member voting with the prevailing side to move to reconsider the vote on that question.
- To be recorded as having voted with the prevailing side, in order to move to reconsider the vote on any question, any member may change a vote before the result of the roll call has been announced.
- Rule 4.19** **Rescind.** When a vote has been taken by a committee and carried or lost, it shall be in order at the same meeting for any member to move to rescind that vote unless something has been done as a result of the vote which is impossible to undo.
- Rule 4.20** **\*Voting Requirements and Procedure.** Every member present when a motion is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Government Code Section 1090 et seq., Government Code Section 87100 et seq. and all other relevant laws and regulations).
- No member shall be permitted to vote upon a question until the roll is called or before the vote is announced.
- A tie vote on any matter before the committee shall be deemed to be a disapproval except that the Chair may break a tie vote as provided in Rule 4.5.
- Rule 4.21** **Vote to be Entered in the Minutes.** After the committee has voted upon any matter, the names of the members who voted for and those who voted against the question shall be entered in the Minutes, and the votes by ayes and noes shall be recorded in the Minutes.
- Rule 4.22** **Identification, Filing and Indexing.** The Clerk shall assign to all measures appropriate identification. Thereafter, the Clerk shall maintain a legislative record and index of all measure.
- Rule 4.23** **Minutes.** Minutes will be kept of each Regular and Special meeting by the Clerk.
- Rule 4.24** **\*Posting of Agenda.** The Clerk shall post the agenda and send a copy of the agenda to all persons known or presumed to be interested in the particular measure to be considered, and such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before a regularly scheduled committee meeting or twenty-four (24) hours before a special meeting is scheduled (Sections 54954.2, 54956 of the Government Code).
- Rule 4.25** **\*Public Comment.** Any member of the public is entitled to comment on any matter on the agenda which is within the subject matter jurisdiction of the Transportation Authority before it is acted on by the committee. In addition, the last item at each committee meeting prior to adjournment shall provide an opportunity for members of the public to directly



address the committee on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the committee for up to three (3) minutes or for such number of minutes as set by the chair. The committee chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of Government Code).





## CHAPTER 5. MISCELLANEOUS

**Rule 5.1 Conduct of Members.** No member in debate shall, directly or indirectly, by any form of words impute to another member or to other members any conduct or motive unworthy or unbecoming to a member.

~~**Rule 5.2 Smoking Prohibited.** Smoking during Board or committee meetings is prohibited.~~

~~**Rule 5.3**~~ **Rule 5.2 Honors issued by the Board of Commissioners.** The Board may issues honors in the following categories for transportation-related activities:

1. Engrossed Resolutions. Such resolutions shall be prepared for members leaving office; Transportation Authority staff leaving the service after at least ten (10) years of service with the Transportation Authority; and Mayors, members of Congress, and members of the State Legislature upon leaving office.
2. Certificate of Honor. Each member of the Board is authorized to be issued up to five (5) Certificates of Honor a year on behalf of the Board without further Board action in accordance with the following procedure.
  - a) No certificates shall be issued to a person or entity which has received a certificate within the previous twelve (12) months.
  - b) Each member desiring to issue a Certificate of Honor shall provide the name of the proposed recipient to the Clerk who will advise other members of the request.
  - c) During the two (2) business days following the provision of the name, other members may indicate their desire to join in on sponsoring the certificate. The primary sponsor shall then permit the additional members to sign the certificate.
3. Letters of Recommendation. Each member of the Board is authorized to issue Letters of Recommendation in the name of the Board without limit as to number.
4. The Executive Director shall, after consultation with the Chair, prescribe the form for each of these honors, and shall facilitate the preparation of such certificates and letters by the staffs of individual members.
5. The Board shall be advised at its regularly scheduled meeting on any engrossed resolutions, certificates of honor or letters of recommendation awarded since the last Board meeting.



## DEBT POLICY

### I. INTRODUCTION

The purpose of this Policy is to organize and formalize debt issuance-related policies and procedures for the San Francisco County Transportation Authority (Transportation Authority) and to establish a systematic debt policy (Debt Policy). The Debt Policy is, in every case, subject to and limited by applicable provisions of state and federal law and to prudent debt management principles.

### II. DEBT POLICY OBJECTIVE

The primary objectives of the Transportation Authority's debt and financing related activities are to

- Maintain cost-effective access to the capital markets through prudent yet flexible policies;
- Moderate debt principal and debt service payments through effective planning and project cash management in coordination with Transportation Authority project sponsors; and
- Achieve the highest practical credit ratings that also allow the Transportation Authority to meet its objectives.

### III. SCOPE AND DELEGATION OF AUTHORITY

This Debt Policy shall govern, except as otherwise covered by the Transportation Authority's adopted Investment Policy and the Transportation Authority's adopted Fiscal Policy, the issuance and management of all debt funded through the capital markets, including the selection and management of related financial and advisory services and products.

This Policy shall be reviewed and updated at least annually and more frequently as required. Any changes to the policy are subject to approval by the Transportation Authority Board of Commissioners (Board) at a legally noticed and conducted public meeting. Overall policy direction of this Debt Policy shall be provided by the Board. Responsibility for implementation of the Debt Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's debt and finance program, shall lie with the Executive Director. The Board's adoption of the Annual Budget does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board specifically authorize each debt financing. Each financing shall be presented to the Board in the context of and consistent with the Annual Budget.

While adherence to this Policy is required in applicable circumstances, the Transportation Authority recognizes that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board is obtained.

### IV. ETHICS AND CONFLICTS OF INTEREST

Officers, employees or agents of the Transportation Authority involved in the debt management program will not engage in any personal business activities or investments that would conflict with proper and lawful execution of the debt management program, or which could impair their ability to make impartial decisions.



## V. STRATEGIC PLAN INTEGRATION

The Transportation Authority's multi-year Strategic Plan, which programs the Proposition K Sales Tax (Prop K) Expenditure Plan (Expenditure Plan), shall be used in combination with this Debt Policy and the Fiscal Policy to ensure proper allocation and financing of Prop K eligible projects. The Strategic Plan sets priorities and strategies for allocating Prop K funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financing and the Fiscal Policy provides guidance on decisions pertaining to internal fiscal management. Debt issuance for capital projects shall not be recommended for Board approval unless such issuance has been incorporated into the Strategic Plan.

## VI. STANDARDS FOR USE OF DEBT FINANCING

The Transportation Authority's debt management program will promote debt issuance only in those cases where public policy, equity and economic efficiency favor debt over cash (pay-as-you-go) financing.

### A. Credit Quality.

Credit quality is an important consideration and will be balanced with the Transportation Authority's objectives and the associated size, structure and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.

### B. Long-Term Capital Projects.

The Transportation Authority will issue long-term debt only to finance and refinance long-term capital projects. When the Transportation Authority finances capital projects by issuing bonds, the average principal amortization should not exceed 120% of the weighted average useful life of the project being financed if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earliest of the following: (1) 120% of the useful life of the project being financed, (2) the end of the term sunset date of the current sales tax Expenditure Plan or (23) forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs qualify as capital expenditures under federal tax principles.

### C. Debt Financing Mechanism.

The Transportation Authority will evaluate the use of available financial alternatives including, but not limited to, tax-exempt and taxable debt, long-term debt (both fixed and variable), short-term debt, commercial paper, lines of credit, sales tax revenue and grant anticipation notes, private placement and inter-fund borrowing. The Transportation Authority will utilize the most advantageous financing alternative that effectively balances the cost of the financing with the risk of the financing structure to the Transportation Authority.

### D. Ongoing Debt Administration and Internal Controls.

The Transportation Authority shall maintain all debt-related records for a period for no less than the term of the debt plus three years. At a minimum, this repository will include all official



statements, bid documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter and other agreements, etc. for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be hard copy or stored on CD-ROM). The Transportation Authority will develop a standard procedure for archiving transcripts for any new debt. The Transportation Authority will establish internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.

**E. Tax Law Compliance, Rebate Policy and System.**

Debt issued by the Transportation Authority, the interest on which is intended to be federally tax-exempt, is subject to requirements and limitations in order that such debt initially qualify for tax-exemption and on an ongoing basis until such debt is fully repaid in order that such debt remain tax-exempt. Failure to comply with such requirements and limitations could cause an issue of the Transportation Authority's debt to be determined to fail to qualify for tax-exemption, retroactive to the date of issuance. The Transportation Authority designates the Executive Director with designee to periodically undertake procedures to confirm compliance with such requirements and limitations. In furtherance thereof, the Executive Director with designee will consult with the Transportation Authority's bond counsel or others as deemed necessary regarding such periodic procedures or in the event that it is discovered that noncompliance has or may have occurred.

TheIn addition, in furtherance of the above, the Transportation Authority will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the Transportation Authority is in compliance with all debt covenants, and with applicable laws. The Transportation Authority will maximize the interest earnings on all funds within the investment parameters set forth in each respective indenture, consistent with consideration of applicable yield limits and arbitrage requirements and as permitted by the Investment Policy. The Transportation Authority will develop a system of reporting interest earnings that relates to and complies with any tax certificates relating to its outstanding debt and Internal Revenue Code rebate, yield limits and arbitrage, and making any required filings with State and Federal agencies. The Transportation Authority will retain records as required by its tax certificates. The Transportation Authority shall have the authority to retain the services of an Arbitrage Rebate Consultant.

**VII. FINANCING CRITERIA**

**A. Purpose of Debt.**

When the Transportation Authority determines the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

**1. NEW MONEY FINANCING.**

New money issues are financings that generate funding for capital projects. Eligible capital projects for allocation of Transportation Authority funds include the acquisition, construction or major rehabilitation of capital assets. In accordance with the philosophy of the Debt Policy, debt proceeds generally may not be used for operating expenses. Capital project funding requirements are outlined in the annual budget, the Strategic Plan and the Expenditure Plan.



## 2. REFUNDING FINANCING.

Refunding ~~debt is bonds are~~ issued to retire all or a portion of an outstanding bond issue or other debt. Refunding issuances can be used to achieve present-value savings on debt service, to modify interest rate risk, or to restructure the payment schedule, type of debt instrument used, or covenants of existing debt. The Transportation Authority must analyze each refunding issue on a present-value basis to identify economic effects before approval. Policies on the administration of refunding financings are detailed further in Section X: Refinancing Outstanding Debt.

### B. Types of Debt.

When the Transportation Authority determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

#### 1. LONG-TERM DEBT.

The Transportation Authority may issue long-term debt (e.g. fixed or variable rate revenue bonds) when funding allocations cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that ~~the obligations average principal amortization~~ do not exceed ~~the earliest of the following: (a) 120% of the expected weighted average useful life of the project(s) being financed, (b) if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the earliest of the following: (a) the sunset date of the current sales tax Expenditure Plan or (b) forty (40) years from the date of issuance.~~

#### Fixed Rate

- a) *Current Coupon Bonds* are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Bond features may be adjusted to accommodate the market conditions at the time of sale, including changing dollar amounts for principal maturities, offering discount and premium bond pricing, modifying call provisions, utilizing bond insurance, and determining how to fund the debt service reserve fund and costs of issuance.
- b) *Zero Coupon and Capital Appreciation Bonds* pay interest that is compounded and paid only when principal matures. Interest continues to accrue on the unpaid interest, and these types of bonds typically bear interest at rates that are higher than those on current-coupon bonds, therefore representing a more expensive funding option. In the case of zero-coupon bonds, principal paid at maturity is discounted back to the initial investment amount received at issuance. In the case of capital appreciation bonds, interest on the bond accretes until maturity.
- c) *Special Government Obligations (both tax-exempt and taxable)*, such as the Build America Bond program authorized for calendar years 2009 and 2010 or any other type of new municipal security, structure or tax credit authorized by the Federal Government to assist local governments in accessing the capital markets. So long as the new program's requirements allow the Transportation Authority to adhere to its Debt Policy, the Transportation Authority will evaluate it along with traditional financing structures in order to determine which is the most appropriate for a particular issuance.



### **Variable Rate**

- a) *Variable Rate Demand Notes (VRDBs)* are long-term bonds with a fixed principle amortization but the interest rate resets at certain established periods such as daily, weekly, monthly, or such other period as the Transportation Authority deems advisable given current market conditions. VRDBs often require credit enhancement and third party liquidity in the forms of Letters or Lines of Credit and/or bond insurance. VRDBs generally allow bondholders to “put” their bonds back to the Transportation Authority on any rate reset date, given certain notice. The Transportation Authority will need to retain an investment bank to remarket bonds that are “put.”
- b) *Indexed Notes* are forms of variable rate debt that do not require Letters or Lines of Credit. These forms of variable rate debt have a fixed spread to a certain identified index such as SIFMA. The rate will reset either on a weekly, monthly, or other basis.

## **2. SHORT-TERM DEBT.**

Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. In the case of the Transportation Authority’s revolving credit facility or any future commercial paper program, short-term borrowings may also be utilized for funding of the Transportation Authority’s capital projects. The Transportation Authority will determine and utilize the least costly method for short-term borrowing. The Transportation Authority may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:

- a) *Commercial Paper Notes* may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. The Transportation Authority may maintain an ongoing commercial paper program to ensure flexibility and immediate access to capital funding when needed. ~~In March 2004, the Board approved a \$200 million tax-exempt commercial paper program. Periodic issuances or a retirement of commercial paper notes within the \$200 million Board approved program do not require further Board action. The retirement of commercial paper is most commonly a result of the issuance of long term bonds or the repaying of principal from cash on hand.~~
- b) *Grant Anticipation Notes (GANs)* are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The Transportation Authority shall generally issue GANs only when there is no other viable source of funding for the project.
- c) *Sales Tax and Revenue Anticipation Notes* shall be issued only to meet sales tax revenue cash flow needs consistent with a finding by bond counsel that that the sizing of the issue fully conforms to Federal tax requirements and limitations for tax-exempt borrowings.
- d) *Letters or Lines of Credit* shall be considered as an alternative to or credit support for other short-term borrowing options. In 2015, the Transportation Authority replaced its prior commercial paper program with a \$140 million revolving credit facility. Amounts can be repaid and reborrowed without further Board action. The average amortization of amounts drawn under the revolving credit facility may not exceed 120% of the weighted average useful life of the project being financed if the borrowing is intended to be federally tax-exempt and the borrowing must be full repaid by the earliest of the following: (a) the



sunset date of the current Expenditure Plan or (b) forty (40) years from the date of issuance. The repayment of loans under a revolving credit facility is often facilitated by the issuance of long-term bonds or the repaying of principal from cash on hand. If proceeds of long-term bonds are used to repay loans under the revolving credit facility, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.

- e) *Transportation Infrastructure Finance Innovation Act (TIFIA) Loan* is a loan provided by the United States Department of Transportation for certain transportation projects of regional importance. The Transportation Authority may elect to apply for a TIFIA loan if it is determined that it is the most cost effective debt financing option available.
  - f) *Grant Anticipation Revenue Vehicle Financing (GARVEE)* are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants. The Transportation Authority may consider the issuance of GARVEEs to meet cash flow shortfalls of grant revenues.
- 3. VARIABLE RATE DEBT.**

To maintain a predictable debt service burden, the Transportation Authority may give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is floating or variable rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the Transportation Authority's debt portfolio, reduce interest costs, provide interim funding for capital projects and improve the match of assets to liabilities. Variable rate debt typically has a lower initial cost of borrowing than fixed rate financing and shorter maturities but carries both interest rate and liquidity risk. Under no circumstances will the Transportation Authority issue variable rate debt solely for the purpose of earning arbitrage. The Transportation Authority, however, may consider variable rate debt in certain instances.

- a) *Variable Rate Debt Capacity.* Except for the existing \$~~140200~~ million ~~commercial paper program (which is not covered by revolving credit facility (to which~~ the following requirements of variable rate debt do not apply), the Transportation Authority will maintain a conservative level of outstanding variable rate debt in consideration of general rating agency guidelines recommending a maximum of a 20-30% variable rate exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below:
  - (1) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate swaps, interest rate caps and the matching of assets and liabilities.
  - (2) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
  - (3) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt, subject to other provisions of the Debt Policy regarding Financial Derivative Products.



#### 4. FINANCIAL DERIVATIVE PRODUCTS.

Financial Derivative Products such as interest rate swaps will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces the risk of fluctuations in expense or revenue, or alternatively where the derivative product will significantly reduce total project cost. Financial Derivative Products shall be considered only: (1) after a thorough evaluation of risks associated therewith, including counterparty credit risk, basis risk, tax risk, termination risk and liquidity risk, (2) after consideration of the potential impact on the Transportation Authority's ability to refinance bonds at a future date and (3) after the Board has adopted separate policy guidelines for the use of interest rate swaps and other Financial Derivative Products. Derivative products will only be utilized with prior approval from the Board.

### VIII. TERMS AND CONDITIONS OF BONDS

The Transportation Authority shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the Transportation Authority, the following shall serve as bond requirements:

#### A. Term.

All capital improvements financed through the issuance of debt will be financed for a period such that average principal amortization of the debt does not to exceed 120% of the expected-weighted average useful life of the assets-project being financed, and in no event should if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the lesser of forty (40) years or the period earliest of time until the following: (a) the sunset date of the current sales tax Expenditure Plan or (b) forty (40) years from the date of issuance.

#### B. Capitalized Interest.

The nature of the Transportation Authority's revenue stream is such that funds are generally continuously available and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the project sponsor has constructive use of the financed project. Unless otherwise required, the Transportation Authority will avoid the use of capitalized interest to obviate unnecessarily increasing the bond issuance size. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period if further restricted by statute. The Transportation Authority may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the Transportation Authority's discretion and, if permitted under applicable federal tax law, be applied to extend the term of capitalized interest but in no event beyond the authorized term.

#### C. Lien Levels.

Senior and Junior Liens for each revenue source will be utilized in a manner that will maximize the most critical constraint, typically either cost or capacity, thus allowing for the most beneficial use of the revenue source securing the bond.

#### D. Additional Bonds Test.

Any new senior lien debt issuance must not cause the Transportation Authority's debt service, net of any Federal subsidy or credit, to exceed the level at which the incoming revenues are less than





one and a half times (1.5x) the maximum annual principal, interest and debt service, net of any Federal subsidy or credit, for the aggregate outstanding senior lien bonds including the debt service for the new issuance.

**E. Debt Service Structure.**

Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The Transportation Authority will amortize its debt within each lien to achieve overall level debt service (though principal may be deferred in the early years of a bond issue to maximize the availability of pay-as-you-go dollars during that time) or may utilize more accelerated repayment schedules after giving consideration to bonding capacity constraints. The Transportation Authority shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to level existing debt service.

**F. Call Provisions.**

In general, the Transportation Authority's securities will include a call feature, based on market conventions, which is typically no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. The Transportation Authority may determine that no call feature or a different call feature is appropriate in some circumstances.

**G. Original Issue Discount.**

An original issue discount or original issue premium will be permitted only if the Transportation Authority determines that such discount or premium results in a lower true interest cost on the bonds and that the use of an original issue discount or original issue premium will not adversely affect the project identified by the bond documents.

**H. Deep Discount Bonds.**

Deep discount bonds may provide a lower cost of borrowing in certain markets though they may also limit opportunities to refinance at lower rates in the future. The Transportation Authority will carefully consider their value and the effect on any future refinancings as a result of the lower-than-market coupon.

**I. Derivative Products.**

The Transportation Authority will consider the use of derivative products only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where the derivative product will reduce the total project cost. If interest rate swaps are considered, the Transportation Authority shall develop and maintain an Interest Rate Swap Policy governing the use and terms of these derivative products. For derivatives other than interest rate swaps, the Transportation Authority will undertake an analysis of early termination costs and other conditional terms given certain financing and marketing assumptions. Such analysis will document the risks and benefits associated with the use of a particular derivative product. Derivative products will only be utilized with prior approval from the Board.

**J. Multiple Series.**

In instances where multiple series of bonds are to be issued, the Transportation Authority shall make a final determination as to which allocations are of the highest priority. Projects chosen for



priority financing, based on funding availability and proposed timing, will generally be subject to the earliest or most senior of the bond series.

## **IX. CREDIT ENHANCEMENTS**

The Transportation Authority will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or positive impact on overall debt capacity can be shown shall enhancement be considered. The Transportation Authority will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

### **A. Bond Insurance.**

The Transportation Authority shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest expense on insured bonds versus uninsured bonds.

### **B. Debt Service Reserves.**

When required, a reserve fund equal to not more than the lesser of ten percent (10%) of the original principal amount of the bonds, maximum annual debt service or one-hundred-and-twenty-five (125%) percent of average annual debt service (Reserve Requirement) shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers, rating agencies and/or other investors requirements.

The Transportation Authority shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

### **C. Liquidity Facilities and Letters of Credit.**

The Transportation Authority shall have the authority to enter into liquidity facilities and letter-of-credit agreements when such agreements are deemed prudent and advantageous. Only those financial institutions with short-term ratings of not less than VMIG 1/P1, A-1 and F1, by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively, and with ratings from at least two of the three aforementioned ratings agencies, may participate in Transportation Authority liquidity facilities and letter of credit agreements.

## **X. REFINANCING OUTSTANDING DEBT**

The Transportation Authority shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The Transportation Authority will consider the following issues when analyzing possible refunding opportunities:

### **A. Debt Service Savings.**

The Transportation Authority has established a minimum present value savings threshold goal of three (3) percent of the refunded bond principal amount unless there are other compelling reasons for undertaking the refunding. Additionally, the Transportation Authority has established a



minimum present value savings threshold goal of five (5) percent of the refunded bond principal amount for refinancings involving derivative products such as the issuance of synthetic fixed rate refunding debt service unless there are other compelling reasons for undertaking the refunding. For this purpose, the present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board.

**B. Restructuring.**

The Transportation Authority will refund debt when in its best interest to do so. Refundings will include restructuring to meet unanticipated revenue expectations, terminate swaps, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

**C. Term of Refunding Issues.**

~~The~~ Except for commercial paper and loans under a line of credit (including the current revolving credit facility), the Transportation Authority will refund bonds within the term of the originally issued debt. However, the Transportation Authority may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Transportation Authority may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

**D. Escrow Structuring.**

The Transportation Authority shall utilize the least costly securities available in structuring refunding escrows. The Transportation Authority will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate from a third party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Such certificate shall not be required in the case of SLGs purchased directly from the U.S. Treasury. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Transportation Authority from its own account.

**E. Arbitrage.**

The Transportation Authority shall take all necessary steps ~~(permitted under federal tax law when tax-exempt debt is involved)~~ to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

**F. Commercial Paper Program, Revolving Credit Facility.**

The requirements of this Section X shall not apply to or restrict the issuance of commercial paper notes for the purpose of refunding maturing commercial paper notes ~~or of borrowing under a revolving credit facility for the purpose of repaying prior loans under the facility, nor shall this Section X apply to long term take out of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.~~



## XI. METHODS OF ISSUANCE

The Transportation Authority will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

### A. Competitive Sale

In a competitive sale, the Transportation Authority's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- a) Bond prices are stable and/or demand is strong
- b) Market timing and interest rate sensitivity are not critical to the pricing
- c) Participation from ~~Disadvantaged Business Enterprise (DBE)~~ firms is best effort and not required for winning bid
- d) There are no complex explanations required during marketing regarding issuer's projects, media coverage, political structure, political support, funding or credit quality
- e) The bond type and structure are conventional
- f) Bond insurance is included or pre-qualified (available)
- g) Manageable transaction size
- h) Issuer has strong credit rating
- i) Issuer is well known to investors

### B. Negotiated Sale.

The Transportation Authority recognizes that some securities are best sold through negotiation. Conditions under which a negotiated sale would be preferred are as follows:

- a) Bond prices are volatile
- b) Demand is weak or supply or competing bonds is high
- c) Market timing is important, such as for refundings
- d) Issuer has lower or weakening credit rating
- e) Issuer is not well known to investors
- f) Sale and marketing of the bonds will require complex explanations about the issuer's projects, media coverage, political structure, political support, funding, or credit quality
- g) The bond type and/or structural features are non-standard, such as for a forward delivery bond sale, issuance of variable rate bonds, or where there is the use of derivative products
- h) Bond insurance is not available or not offered
- i) Early structuring and market participation by underwriters are desired
- j) The par amount for the transaction is significantly larger than normal
- k) Demand for the bonds by retail investors is expected to be high
- l) Participation from DBE firms is required

**C. Private Placement.**

From time to time the Transportation Authority may elect to privately place its debt or borrow directly from a bank or other financial institution. Such placement or borrowing shall only be considered if this method is likely to result in a cost savings to the Transportation Authority relative to other methods of debt issuance on a net present value basis, using the Transportation Authority's investment rate as the appropriate measure of the discount rate.

**D. Issuance Method Analysis.**

The Transportation Authority shall evaluate each method of issuance based on the factors set forth above.

**E. Investor Outreach.**

The Transportation Authority shall participate in informational meetings or conference calls with institutional investors in advance of bond or note sales to the extent such meetings are advantageous to the sale of such bonds or notes.

**F. Feasibility Analysis.**

Issuance of revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.

**XII. MARKET RELATIONSHIPS****A. Rating Agencies and Investors.**

The Executive Director shall be responsible for maintaining the Transportation Authority's relationships with Moody's Investors Service, Standard & Poor's and Fitch Ratings. The Transportation Authority may, from time-to-time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the Executive Director shall: (1) meet with credit analysts prior to each sale (competitive or negotiated) to the extent as advantageous, and (2) prior to each competitive or negotiated sale, offer conference calls or meetings with agency analysts in connection with the planned sale.

**B. Transportation Authority Communication.**

The Executive Director shall include in the annual report to the Board feedback from rating agencies and/or investors regarding the Transportation Authority's financial strengths and weaknesses and recommendations for addressing any weaknesses.

**C. Continuing Disclosure.**

After entering into a Continuing Disclosure undertaking, the Transportation Authority shall comply with the terms of such undertaking. The failure to make timely filings must be disclosed and reflects negatively on the Transportation Authority. The Executive Director will take all reasonable steps to ensure that the Transportation Authority's files timely annual reports and event notices with the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system.

**D. Rebate Reporting.**

The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates related to any bond issues, with rebate paid every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. Therefore, the Executive Director shall take all reasonable steps to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculation, and timely rebates, if necessary.

**E. Other Jurisdictions.**

From time to time, the Transportation Authority may issue bonds on behalf of other public entities. While the Transportation Authority will make every effort to facilitate the desires of these entities, the Executive Director will take all reasonable steps to ensure that only the highest quality financings are done and that the Transportation Authority is insulated from all risks. The Transportation Authority shall require that all conduit financings achieve a rating at least equal to the Transportation Authority's ratings (including, where necessary, through the use of credit enhancement).

**F. Fees.**

The Transportation Authority will charge recipients of debt issuance proceeds an administrative fee equal to the recipient's pro rata share of administrative costs incurred by the Transportation Authority by issuing debt.

**XIII. CONSULTANTS**

The Transportation Authority shall select its primary consultant(s) by competitive qualifications-based process through Request for Proposals.

**A. Selection of Financing Team Members.**

The Executive Director will make recommendations for all financing team members, with the Board providing final approval.

**B. Financial Advisor.**

The Transportation Authority shall utilize a financial advisor to assist in its debt issuance and debt administration processes as prudent. Selection of the Transportation Authority's financial advisor(s) shall be based on, but not limited to, the following criteria:

- a) Experience in providing consulting services to complex issuers
- b) Knowledge and experience in structuring and analyzing complex issues
- c) Experience and reputation of assigned personnel
- d) Fees and expenses

Financial advisory services provided to the Transportation Authority shall include, but shall not be limited to the following:

- a) Evaluation of risks and opportunities associated with debt issuance
- b) Monitoring marketing opportunities
- c) Evaluation of proposals submitted to the Transportation Authority by investment banking firms



- d) Structuring and pricing
- e) Preparation of request for proposals for other financial services such as trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.
- f) Advice, assistance and preparation for presentations with rating agencies and investors
- g) Assisting in preparation of official statements

The Transportation Authority also expects that its financial advisor will provide the Transportation Authority with objective advice and analysis, maintain the confidentiality of Transportation Authority financial plans, and be free from any conflicts of interest.

### **C. Bond Counsel.**

Transportation Authority debt will include a written opinion by legal counsel affirming that the Transportation Authority is authorized to issue the proposed debt, that the Transportation Authority has met all constitutional and statutory requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by nationally-recognized counsel with extensive experience in public finance and tax issues. Counsel will be selected by the Transportation Authority through its request for proposal process.

The services of bond counsel may include , but are not limited to:

- a) Rendering a legal opinion with respect to authorization and valid issuance of debt obligations including whether the interest paid on the debt is tax exempt under federal and State of California law;
- b) Preparing all necessary legal documents in connection with authorization, sale, issuance and delivery of bonds and other obligations;
- c) Assisting in the preparation of the preliminary and final official statements and commercial paper memorandum;
- d) Participating in discussions with potential investors, insurers and credit rating agencies, if requested; and
- e) Providing continuing advice, as requested, on the proper use and administration of bond proceeds under applicable laws and the indenture, particularly arbitrage tracking and rebate requirements.

## **XIV. UNDERWRITER SELECTION**

### **A. Senior Manager Selection.**

The Transportation Authority shall have the right to select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to the following:

- a) The firm's ability and experience in managing complex transactions
- b) Demonstrated ability to structure debt issues efficiently and effectively
- c) Prior knowledge and experience with the Transportation Authority
- d) The firm's willingness to risk capital and demonstration of such risk
- e) The firm's ability to sell bonds



- f) Quality and experience of personnel assigned to the Transportation Authority's engagement
- g) Financing plan presented

**B. Co-Manager Selection.**

Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Transportation Authority's bonds.

**C. Selling Groups.**

The Transportation Authority may establish selling groups in certain transactions. To the extent that selling groups are used, the Transportation Authority may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

**D. Underwriter's Counsel.**

In any negotiated sale of Transportation Authority debt in which legal counsel is required to represent the underwriter, the lead underwriter will make the appointment, subject to Transportation Authority consent.

**E. Underwriter's Discount.**

- a) The Transportation Authority will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Transportation Authority will determine the allocation of fees with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.
- b) All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Transportation Authority. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

**F. Evaluation of Financing Team Performance.**

The Transportation Authority will evaluate each bond sale after its completion to assess the following: costs of issuance, including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Transportation Authority shall provide a post-sale evaluation on the results of the sale to the Board.

**G. Syndicate Policies.**

For each negotiated transaction, the Executive Director will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Executive Director shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.





#### **H. Designation Policies.**

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the Transportation Authority's bonds will be net designated, unless otherwise expressly stated. The Transportation Authority shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group
- b) Comply with MSRB regulations governing the priority of orders and allocations
- c) Within 10 working days after the sale date, submit to the Executive Director a detail of orders, allocations and other relevant information pertaining to the Transportation Authority's sale.

#### **I. Disclosure by Financing Team Members.**

All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, under no circumstances will agreements be permitted which could compromise the firm's ability to provide independent advice which is solely in the Transportation Authority's best interests or which could reasonably be perceived as a conflict of interest.



## GLOSSARY

*Arbitrage.* The difference between the interest paid on an issue of tax exempt debt and the interest earned by investing the debt proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage earned pursuant to the investment of the proceeds of tax-exempt municipal securities.

*Balloon Maturity.* A maturity within an issue of bonds that contains a disproportionately large percentage of the principal amount of the original issue.

*Bullet Maturity.* Maturity for which there are no sinking fund payments prior to the stated maturity date.

*Call Provisions.* The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

*Capitalized Interest.* A portion of the proceeds of an issue that is set aside to pay interest on the securities for a specific period of time. Interest is ~~commonly~~sometimes capitalized for the construction period of the project.

*Commercial Paper.* Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank that, upon the maturity thereof, successively rolls into other short term promissory notes until the principal thereof is paid by the Transportation Authority.

*Competitive Sale.* A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

*Continuing Disclosure.* The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

*Credit Enhancement.* Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

*DBE.* Disadvantaged Business Enterprises as defined by the Transportation Authority's current DBE policy.

*Debt Service Reserve Fund.* The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

*Deep Discount Bonds.* Bonds that are priced for sale at a substantial discount from their face or par value.

*Derivatives.* (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

*Designation Policies.* Outline as to how an investor's order is filled when a maturity in an underwriting syndicate is oversubscribed. The senior managing underwriter and issuer decide show the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy. The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

*Escrow.* A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.



*Expenses.* Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

*Grant Anticipation Notes (GANs).* Short-term notes issued by the government unit, usually for capital projects, which are paid from the proceeds of State or Federal grants of any type.

*Grant Anticipation Revenue Vehicle Financing (GARVEE)* are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants.

*Letters of Credit.* A bank credit facility supporting the payment of bonds wherein the bank agrees to lend a specified amount of funds for a limited term.

*Management Fee.* The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

*Members.* Underwriters in a syndicate other than the senior underwriter.

*Negotiated Sale.* A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

*Original Issue Discount.* The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

*Original Issue Premium.* The amount by which the public offering price of an issue exceeds its original par amount at the time it is originally offered to an investor.

*Pay-As-You-Go.* An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

*Present Value.* The current value of a future cash flow.

*Private Placement.* The original placement of an issue with one or a limited number of investors as opposed to being publicly offered or sold.

*Rebate.* A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment subject to certain exceptions.

*Sales Tax and Revenue Anticipation Notes (TRANs).* Short-term notes issued by a government unit, usually for operating purposes, which are paid from the proceeds of sales tax or other anticipated revenue sources.

*Selling Groups.* The group of securities dealers who participate in an offering not as underwriters but rather as those who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

*Syndicate Policies.* The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

*Transportation Infrastructure Finance Innovation Act (TIFIA).* Loans and loan guaranty program provided by the United States Department of Transportation for transportation projects of regional importance.

*Underwriter.* A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.



*Underwriter's Discount.* The difference between the price at which the Underwriter buys bonds from the Issuer and the price at which they are reoffered to investors.

*Variable Rate Debt.* An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement as, stated in the bond contract.



## EQUAL BENEFITS POLICY

### SECTION 1. ALL CONTRACTS TO INCLUDE NONDISCRIMINATION PROVISIONS; DEFINITIONS.

(a) The San Francisco County Transportation Authority (Transportation Authority) shall include in all contracts hereinafter executed or amended in any manner or as to any portion thereof, a provision obligating the contractor not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome, HIV status (AIDS/HIV status), weight, height, association with members of classes protected under this policy or in retaliation for opposition to any practices forbidden under this policy against any employee of, any Transportation Authority employee working with, or applicant for employment with such contractor and shall require such contractor to include a similar provision in all subcontracts executed or amended thereunder.

(b) The Transportation Authority shall not execute or amend any contract with any contractor that discriminates in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits as well as any benefits other than bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to State or local law authorizing such registration, subject to the following conditions. In the event that the contractor's actual cost of providing a certain benefit for the domestic partner of an employee exceeds that of providing it for the spouse of an employee, or the contractor's actual cost of providing a certain benefit for the spouse of an employee exceeds that of providing it for the domestic partner of an employee, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor conditions providing such benefit upon the employee agreeing to pay the excess costs. In addition, in the event a contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor proves the employee with a cash equivalent.

(c) Definitions. As used in this policy the following words and phrases shall have the meanings indicated herein:

“Age” shall mean the age of any employee or applicant for employment who has attained the age of 40 years and has not attained the age of 65 years. For the purposes of this policy, discrimination because of age shall mean dismissal from employment of, or refusal to employ or rehire any person because of his or her age, if such person has attained the age of 40 years and has not attained the age of 65 years, if the person is physically able and mentally competent to perform the services required. Age limitations of apprenticeship programs in which the State or its political subdivisions participate shall not be considered discriminatory within the meaning of this policy.

“Amend” shall mean to substantively change the terms of a pre-existing contract, and shall not include amendments to decrease the scope of work or the amount to be paid under a contract. Construction change orders shall not be construed as contract amendments for the purposes of this policy.

“Board” shall mean the Board of Commissioners of the San Francisco County Transportation Authority.



“Contract” shall mean an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the Transportation Authority or to be paid out of moneys deposited in the treasury or out of trust moneys under the control or collected by the Transportation Authority, and does not include agreements entered into after June 28, 2016 pursuant to settlement of legal proceedings, contracts for urgent litigation expenses, or contracts for a cumulative amount of \$5,000 or less per vendor in each fiscal year.

“Contractor” means any person or persons, firm, partnership, corporation, or combination thereof, who enters into a contract with the Executive Director or designee empowered by law to enter into contracts on the part of the Transportation Authority.

“Executive Director” shall mean the Executive Director of the Transportation Authority.

“Disability” shall mean a physical or mental impairment which substantially limits one or more major life activities, or a record of such an impairment.

“Domestic partner” shall mean any person who has a currently registered domestic partnership with a governmental body pursuant to State or local law authorizing such registration.

“Gender identity” shall mean a person’s various individual attributes as they are understood to be masculine and/or feminine.

“Qualified disabled employee” shall mean a person able to perform the essential functions of a job with reasonable accommodation.

“Sex” shall mean the character of being male or female.

“Sexual orientation” shall mean the status of being lesbian, gay, bisexual or heterosexual.

“Subcontract” shall mean an agreement to provide goods and/or services, including construction labor, materials or equipment, to a contractor, if such goods or services are procured or used in the fulfillment of the contractor’s obligations arising from a contract with the Transportation Authority.

“Subcontractor” means any person or persons, firm, partnership, corporation or any combination thereof, who enters into a subcontract with a contractor. Such term shall include any person or entity who enters into an agreement with any subcontractor for the performance of 10 percent or more of any subcontract.

“Transportation Authority” shall mean the San Francisco County Transportation Authority.

(d) The requirements of this policy shall apply to any of a contractor’s operations within San Francisco.

## **SECTION 2. NONDISCRIMINATION PROVISIONS.**

Every contract for or on behalf of the Transportation Authority shall incorporate by reference and require the contractor to comply with the provisions of Section 2. In addition, all contractors must incorporate by reference in all subcontracts and require subcontractors to comply with the requirements set forth in Sections 2(a) and 2(c) through 2(h), and failure to do so shall constitute a material breach of contract.

In the performance of a contract the contractor agrees as follows:

(a) The contractor or subcontractor will not discriminate against any employee, Transportation Authority employee working with such contractor or subcontractor, or applicant for employment with



such contractor or subcontractor on the basis of the fact or perception of that person's race, color, religion, ancestry, national origin, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height, AIDS/HIV status, or association with members of classes protected under this policy or in retaliation for opposition to any practices forbidden under this policy. Discrimination on the basis of sex includes sexual harassment as defined in Section 16.9-25(b) of the San Francisco Administrative Code. The contractor or subcontractor will take action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to the fact or perception of their race, color, creed, religion, ancestry, national origin, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or AIDS/HIV status. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. Nothing in this policy shall require or prohibit the establishment of new classifications of employees in any given craft. The provisions of this Section with respect to age shall not apply to (1) termination of employment because of the terms or conditions of any bona fide retirement or pension plan, (2) operation of the terms or conditions of any bona fide retirement or pension plan which has the effect of a minimum service requirement, and (3) operation of the terms or conditions of any bona fide group or insurance plan.

(b) The prime contractor shall state that the prime contractor does not, and will not during the term of the contract discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits as well as any benefits other than bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to State or local law authorizing such registration, subject to the following conditions. In the event that the contractor's actual cost of providing a certain benefit for the domestic partner of an employee exceeds that of providing it for the spouse of an employee, or the contractor's actual cost of providing a certain benefit for the spouse of an employee exceeds that of providing it for the domestic partner of an employee, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor conditions providing such benefit upon the employee agreeing to pay the excess costs. In addition, in the event a contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor provides the employee with a cash equivalent. The Executive Director shall be the final arbiter of a contractor's compliance or substantial compliance with this policy and the Executive Director's determination shall not be appealable to the Board. Contractors shall treat as confidential to the maximum extent allowed by law or the requirements of contractor's insurance provider any request by an employee or applicant for employment for domestic partner or spousal benefits or any documentation of eligibility for domestic partner or spousal benefits submitted by an employee or applicant for employment.

In adopting this Section 2(b), the intent of the Board is to equalize to the maximum extent legally permitted the total compensation between similarly situated employees with spouses and employees with domestic partners.

In particular, consistent with the severability clause set forth in Section 5 below, the Board intends that if a court or agency of competent jurisdiction finds that a State or federal law, rule or regulation invalidates (1) the application of this Section to any business, person, type of compensation or benefit, or location;



or (2) any other requirement of this Section, then the court or agency should sever the invalid clause and leave in effect the remainder of this Section.

(c) The contractor or subcontractor shall provide reasonable accommodation for qualified disabled applicants for employment and for qualified disabled employees. Said contractor or subcontractor need not provide reasonable accommodation if such would present an undue hardship. An undue hardship may include but not be limited to more than a de minimis cost, violation of the seniority rights of other co-workers as established by a bona fide seniority system, or a health or safety risk to the employee or co-employees. The burden of establishing an undue hardship rests on the employer.

(d) The contractor or subcontractor will in all solicitations or advertisements for employees placed by or on his or her behalf, state that qualified applicants will receive consideration for employment without regard to the fact or perception of their race, creed, religion, color, ancestry, national origin, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or AIDS/HIV status.

(e) The contractor or subcontractor will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other agreement or understanding, a notice advising the said labor union or workers' representative of the contractor's or subcontractor's commitments under this Section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(f) The contractor or subcontractor shall permit access to its records of employment, employment advertisements, application forms, and other pertinent data and records by the Transportation Authority, for the purposes of investigation to ascertain compliance with the nondiscrimination provisions of this policy, and upon request shall provide evidence that the contractor has complied or will comply with the nondiscrimination provisions of this policy.

(g) A breach of the nondiscrimination provisions in the performance of a contract or subcontract shall be deemed by the Transportation Authority to be material breach of contract and the basis for determination by the Transportation Authority that the contractor or subcontractor is an irresponsible bidder as to all future contracts for which such contractor or subcontractor may submit bids. Such contractor or subcontractor shall not for a period of up to two years thereafter, or until it shall establish and carry out a program in conformity with the nondiscrimination provisions of this policy, be allowed to act as a contractor or subcontractor under any contract.

(h) If a finding of discrimination is made by the Executive Director, the Transportation Authority shall submit a report to the Board that provides details of what actions, if any, the Transportation Authority undertook under this policy.

(i) Nothing contained in this policy shall be construed in any manner so as to prevent the Transportation Authority from pursuing any other remedies that may be available at law, equity or under any contract.

(j) The contractor or subcontractor will meet the following standards for compliance:

(1) If the contractor or subcontractor has been held to be an irresponsible bidder under Section 2(g) hereof, the contractor or subcontractor shall furnish evidence that it has established and is carrying out a program in conformity with the nondiscrimination provisions of this policy.

(2) The contractor or subcontractor may be required to file with the Transportation Authority a





basic compliance report, which may be a copy of the federal EEO-1, or a more detailed report as determined by the Transportation Authority. Willful false statements made in such reports shall be punishable as provided by law. No contractor or subcontractor shall be held in noncompliance for not filing such a report with the Transportation Authority unless it has been specifically required to do so in writing by the Transportation Authority.

(3) Personally, or through its representatives, the contractor or subcontractor shall, through negotiations with the unions with whom it has collective bargaining or other agreements requiring the contractor or subcontractor to obtain or clear its employees through the union, or when the contractor or subcontractor otherwise uses a union as an employment resource, attempt to develop an agreement which will:

- (A) Define and outline responsibilities for nondiscrimination in hiring, referral, upgrading and training;
- (B) Otherwise implement a nondiscrimination program in terms of the unions' specific areas of skill and geography, such as an apprenticeship program, to the end that minority workers will be available and given an equal opportunity for employment.

(4) The contractor or subcontractor shall notify the awarding authority of opposition to the nondiscrimination provisions of a contract by individuals, firms or organizations during the term of the contract.

### **SECTION 3. POLICY APPLIES ONLY TO DISCRIMINATORY EMPLOYMENT PRACTICES.**

(a) This policy shall not confer upon the Transportation Authority or Board thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or subcontractors engaged in the performance of Transportation Authority contracts.

### **SECTION 4. NONAPPLICABILITY, EXCEPTIONS AND WAIVERS.**

(a) The Executive Director shall waive the requirements of this policy under the following circumstances:

(1) That there is only one prospective contractor willing to enter into a contract with the Transportation Authority, or that the needed goods, services, construction services for a public work or improvement, or interest in or right to use real property are available only from a sole source and the prospective contractor is not currently disqualified from doing business with the Transportation Authority, or from doing business with any governmental agency based on any contract compliance requirements;

(2) The contract is necessary to respond to an emergency which endangers the public health or safety and no entity which complies with the requirements of this policy capable of responding to the emergency is immediately available;

(3) Where the Transportation Authority's legal counsel certifies in writing to the Transportation Authority that the contract involves specialized litigation requirements such that it would be in the best interests of the Transportation Authority to waive the requirements of this policy.

(b) This policy shall not apply where the prospective contractor is a public entity and the Transportation Authority finds that goods, services, construction services for a public work or



improvement or interest in or right to use real property of comparable quality or accessibility as are available under the proposed contract are not available from another source, or that the proposed contract is necessary to serve a substantial public interest.

(c) This policy shall not apply where the Transportation Authority finds that the requirements of this policy will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement, provided that the contracting officer has made a good faith attempt to change the terms or conditions of any such grant, subvention or agreement to authorize application of this policy.

(d) Upon the request of a potential contractor or upon the Transportation Authority own initiative, after taking all reasonable measures to find an entity that complies with the law, the Transportation Authority may waive any or all of the requirements of this policy for any contract, property contract or bid package advertised and made available to the public, or any competitive or sealed bids received by the Transportation Authority as of the date of the enactment of this ordinance under the following circumstances:

(1) Where the Transportation Authority determines that there are no qualified responsive bidders or prospective contractors who could be certified by the Transportation Authority as being in compliance with the requirements of this policy and that the contract is for goods, a service or a project that is essential to the Transportation Authority; or

(2) Where the Transportation Authority determines that transactions entered into pursuant to bulk purchasing arrangements through federal, State or regional entities which actually reduce the Transportation Authority's purchasing costs would be in the best interests of the Transportation Authority; or

(3) Where the Transportation Authority determines that the requirements of this policy would result in the Transportation Authority's entering into a contract with an entity that was set up, or is being used, for the purpose of evading the intent of this policy, which is to prohibit the Transportation Authority from entering into contracts with entities that discriminate based on the criteria set forth in this policy;

(4) Nothing in this Section 4(d) shall limit the right of the Board to waive the provisions of this policy.

(e) This policy shall not apply to (i) the investment of trust moneys or agreements relating to the management of trust assets, (ii) Transportation Authority moneys invested in U.S. government securities or under pre-existing investment agreements, or (iii) the investment of Transportation Authority moneys where the Executive Director finds that:

(1) No person, entity or financial institution doing business in the City and County of San Francisco which is in compliance with this policy is capable of performing the desired transactions(s); or

(2) The Transportation Authority will incur a financial loss which in the opinion of the Executive Director would violate his or her fiduciary duties.



This subparagraph (e) shall be subject to the requirement that Transportation Authority moneys shall be withdrawn or divested at the earliest possible maturity date if deposited or invested with a person, entity or financial institution other than the U.S. government which does not comply with this policy.

(f) Sections 1(b) and 2(b) shall not apply to any contracts executed or amended prior to June 28, 2016, or to bid packages advertised and made available to the public, or any competitive or sealed bids received by the Transportation Authority, prior to June 28, 2016, unless and until such contracts or property contracts are amended after Transportation Authority, and would otherwise be subject to this policy.

#### **SECTION 5. SEVERABILITY.**

This policy shall be construed so as not to conflict with applicable federal or State laws, rules or regulations. Nothing in this policy shall authorize the Transportation Authority to impose any duties or obligations in conflict with limitations on municipal authority established by federal law at the time such agency action is taken.

In the event that a court or agency of competent jurisdiction holds that the State or federal law, rule or regulation invalidates any clause, sentence, paragraph or section of this policy or the application thereof to any person or circumstances, it is the intent of the Board that the court or agency sever such clause, sentence, paragraph or section so that the remainder of this policy shall remain in effect.



## FISCAL POLICY

### I. INTRODUCTION

The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the San Francisco County Transportation Authority (Transportation Authority). It is intended to be consistent with the Transportation Authority's adopted Administrative Code, the current Proposition K Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.

### II. SCOPE AND AUTHORITY

The Fiscal Policy applies only to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless specifically provided. The Fiscal Policy is separate from, but should be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Debt Policy, and adopted Investment Policy. Overall policy direction shall be the responsibility of the Transportation Authority Board of Commissioners (Board). Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Transportation Authority Executive Director (Executive Director). This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

### III. ANNUAL BUDGET PROCESS

The Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of the Transportation Authority's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies including, but not limited to, the Transportation Authority's investment, debt, procurement and disadvantaged business enterprise policies. The Transportation Authority's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.

#### A. PREPARATION AND REVIEW OF A DRAFT BUDGET

The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority's capital expenditure programming roles as Proposition K Sales Tax (Prop K) Administrator; San Francisco Congestion Management Agency (CMA); ~~and~~ San Francisco Program Manager for the Transportation Fund for Clear Air (TFCA); and Proposition AA Vehicle Registration Fee (Prop AA) administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.

**B. PUBLIC REVIEW OF DRAFT BUDGET**

The draft budget shall be presented at a public hearing at a publicly noticed Transportation Authority meeting prior to being approved by the Board. Notice of the time and place of the public meeting shall be published pursuant to Sections 6060 and 6061 of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.

**C. ADOPTION OF A FINAL BUDGET**

As established by the Administrative Code, the Transportation Authority Finance Committee shall be responsible for review of the proposed overall operating and capital budget of the Transportation Authority. The Finance Committee shall set the budget parameters (spending limits) by budget line item as detailed in Section III.A. Preparation and Review of a Draft Budget, and shall recommend adoption of the draft budget to the Board.

The final budget for a given fiscal year shall be approved and adopted by resolution of the Board by June 30 of the prior fiscal year. If the Transportation Authority is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses, including debt service. The continuing resolution shall include a date certain by which the annual budget will be adopted.

**D. AMENDMENTS TO THE ADOPTED BUDGET**

Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopener after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. Amendments to the budget will be presented at a publicly noticed Transportation Authority meeting prior to being approved by the Board. The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Finance Committee shall be responsible for review of the proposed amended adopted final budget, and for making a recommendation regarding the amended final budget to the Board. The amended final budget shall be adopted by Board resolution.

**IV. BUDGET REQUIREMENTS****A. ADMINISTRATIVE OPERATING EXPENSES**

Administrative operating expenses include all expenses related to the operations and maintenance of the Transportation Authority, including, among others, staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. Specific requirements with respect to certain budgeted expenses are set forth below.

**1. SALARIES AND BENEFITS**

The Board shall budget annually for the compensation (salaries and benefits) of its staff. Pursuant to the Transportation Authority's enabling legislation (Sections 131100 et seq of the California Public Utilities Code), the Transportation Authority will observe the statutory limit of one percent (1%) of the annual net amount of Prop K revenues for the salaries and benefits of Prop K program administrative personnel, and will follow applicable statutes for all other staff expenses.



## 2. EMERGENCY EXPENDITURES

The Executive Director is authorized to exceed the overall administrative operating expense line items by up to seventy-five thousand dollars (\$75,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Finance Committee within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.

## 3. PETTY CASH

A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include ~~but not be limited to~~, outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary ~~and or~~ convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.

## B. DEBT SERVICE

Proposed debt service includes debt service of outstanding debt as well as of anticipated financings within the fiscal year. Decisions to fund capital expenditures through debt issuance must adhere to the policies outlined in the Transportation Authority's most current adopted Strategic Plan and Debt Policy.

## C. CAPITAL EXPENDITURES

Capital Expenditures shall be listed as a single line item for each of the Transportation Authority's capital expenditure programming roles, which currently are Prop K Administrator, Proposition AA Administrator, and CMA and TFCA local administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items.

## D. PROGRAM AND OPERATING RESERVE

The Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of the estimated net annual sales tax revenue as a hedge against an emergency occurring during the budgeted fiscal year. The adopted final budget, as it may be amended as provided in this Policy, will demonstrate the percentage and amount set aside in the reserve as a separate budget line item.

## E. OTHER FUNCTIONAL CATEGORIES

The Executive Director may designate other functional categories as deemed appropriate or necessary.

## V. CAPITAL EXPENDITURE ALLOCATIONS

As provided by the Administrative Code, the Plans & Programs Committee shall be responsible for recommending allocation of funding for those capital expenditure programs and projects in



the adopted final budget. The Board shall be responsible for reviewing the Plans & Programs Committee's recommendation and allocating project funds by resolution. The Transportation Authority will adopt, maintain and periodically update a multi-year strategic plan that derives from the provisions of the Expenditure Plan and outlines the categories, funding and delivery priority of projects to be funded. The Strategic Plan shall encompass the period remaining on the Expenditure Plan and shall be updated periodically as necessary. The Strategic Plan and its governing policies shall be used in combination with the Fiscal and Debt Policies to ensure the proper allocation of funds for and timely financing of eligible programs and projects. No allocations shall be approved that are inconsistent with the adopted Strategic Plan in force at the time of the allocation.

Changes in the capital expenditure supplemental budget documentation do not constitute a budget revision unless such changes exceed authorization for the respective budget line item. Any changes that exceed the amount of the budget line item will require an amendment to the approved final budget to be recommended by the Finance Committee and adopted by the Board. The total allocated capital funding for each Transportation Authority role should be no greater than the respective Capital Expenditures budget line item for the fiscal year.

For allocations with multi-year cash distributions, the allocation resolution shall spell out the maximum reimbursement level per fiscal year, and only the reimbursement amount authorized in the year of allocation shall count against the Capital Expenditures line item for that budget year. The Capital Expenditures line item for subsequent year annual budgets shall reflect the maximum reimbursement schedule amounts committed through the original and any subsequent allocation actions. The Transportation Authority will not guarantee reimbursement levels higher than those adopted in the original and any subsequent allocation actions.

## **VI. DEBT ISSUANCE**

As defined by the Administrative Code and the Debt Policy, the Finance Committee shall be responsible for oversight of the debt issuance program for the Transportation Authority. Please refer to the current version of the Debt Policy maintained by the Transportation Authority, for guidelines regarding the issuance and management of debt for financing eligible programs and projects.

## **VII. INVESTMENTS**

As defined by the Administrative Code and the Investment Policy, the Finance Committee shall be responsible for oversight of the investment program for Transportation Authority funds. Please refer to the current version of the Investment Policy maintained by the Transportation Authority, for the investment program guidelines regarding all funds and investment-related activities of the Transportation Authority.

## **VIII. REPORTING REQUIREMENTS**

The Executive Director shall report to the Finance Committee at least on a quarterly basis on the Transportation Authority's actual expenditures, budgetary performance, authorized variances that have been implemented pursuant to this Fiscal Policy, the Transportation Authority debt program and the Transportation Authority investment program. The Finance Committee shall cause the Transportation Authority's financial transactions and records to be audited by an independent,



certified public accountant firm at least annually and a report to be submitted to the Board on the results of the audit.

## **IX. PROCUREMENT OF GOODS AND SERVICES**

It shall be the policy of the Transportation Authority to competitively bid the procurement of goods and services. Procurements in amounts greater than seventy-five thousand dollars (\$75,000) shall require a formal bid process including advertising requests for bids and/or proposals in appropriate local newspapers or other media outlets. Pursuant to California Public Utilities Code Sections 131285 and 131286, formal procurement of supplies, equipment, and materials in excess of \$75,000 shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the Transportation Authority, or, if after rejecting bids received, the Transportation Authority determines and declares by a two-thirds vote of all of its voting members that, in its opinion the supplies, equipment or materials may be purchased at a lower price in the open market.

Procurements of supplies, equipment, and materials in amounts equal to or less than \$75,000 shall be awarded to the lowest responsive bidder following an informal competitive bid process.

The selection of providers of professional services, such as legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with the Transportation Authority's Procurement Policy.

All procurement transactions, regardless of dollar value and regardless of whether by sealed bid, informal quote, or by negotiation, shall be conducted in a manner that promotes free and open competition.

### **A. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENT**

Any procurement whether formal or informal shall comply with the Transportation Authority's applicable non-discrimination, minority/local/women-owned business and other applicable contracting policies in place at the time of procurement.

### **B. CONFLICT OF INTEREST**

No employee, officer or agent of the Transportation Authority shall participate in the selection or in the award or administration of a contract if such participation would result in a conflict of interest, real or apparent, as defined by state statute and applicable case law. No employee, officer, or agent shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.

### **C. CONTRACTS**

Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with the adopted final budget, as amended in accordance with this Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend





contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000 and so long as the amendment is consistent with the adopted final budget.

The foregoing notwithstanding, the Executive Director is authorized to execute, without prior Board approval, all standard grant agreements based upon a grant award to a sponsoring agency for programs and projects defined in the adopted final budget supplemental documentation, or as approved by specific Board action.

No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in excess of its ability to pay, as defined by the adopted final budget and the Strategic Plan. All expenditures shall comply with all federal, state, and local statutory and other legal restrictions placed on the use of said funds.

The Transportation Authority shall establish contracts for banking, investment and standard accounting services. Said contracts shall include provisions for the receipt, maintenance, investment and disbursement of funds, payroll functions, and ongoing financial data reports as required by the Transportation Authority.



## INVESTMENT POLICY

### I. INTRODUCTION

The purpose of this document is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related procedures.

The investment policies and procedures of the San Francisco County Transportation Authority (Transportation Authority) are, in every case, subject to and limited by applicable provisions of state law and to prudent money management principles. All funds will be invested in accordance with the Transportation Authority's Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). The investment of bond proceeds will be further restricted by the provisions of relevant bond documents.

### II. SCOPE

This policy covers all funds and investment activities under the jurisdiction of the Transportation Authority.

Bond proceeds shall be invested in the securities permitted pursuant to bond documents approved by the Transportation Authority Board ~~approved of Commissioners~~ (Board) ~~bond documents~~. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. In addition to the securities listed in Section IX below, bond proceeds may also be invested in investment and forward delivery agreements. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.

### III. PRUDENT INVESTOR STANDARD

In managing its investment program, the Transportation Authority will observe the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments will be made with care, skill, prudence and diligence, taking into account the prevailing circumstances, including, but not limited to general economic conditions, the anticipated needs of the Transportation Authority and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the stewardship of funds of a like character and purpose.

### IV. OBJECTIVES

The primary objectives, in priority order, for the Transportation Authority's investment activities are:

- 1) **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
- 2) **Liquidity.** The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.



- 3) **Return on Investment.** The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

## V. DELEGATION OF AUTHORITY

Management's responsibility for the investment program is derived from the Board and is hereby delegated to the Executive Director acting as Transportation Authority Treasurer. Pursuant to the requirements of the California Government Code, the Board may renew the delegation pursuant to this section each year. No person may engage in an investment transaction except as provided under the limits of this policy. The Transportation Authority may retain the services of an investment advisor to advise it with respect to investment decision-making and to execute investment transactions for the Transportation Authority. The advisor will follow the policy and such other written instructions as are provided by the Executive Director.

## VI. ETHICS AND CONFLICT OF INTEREST

Officers, employees and agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.

## VII. INTERNAL CONTROLS

The Transportation Authority will establish internal controls to ensure compliance with the Investment Policy and with the applicable requirements of the California Government Code.

## VIII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will establish and maintain a list of financial institutions and other financial services providers authorized to provide investment services. In addition, the Transportation Authority will establish and maintain a list of approved security broker/dealers, selected on the basis of credit worthiness, that are authorized to provide investment services in the State of California. These include primary dealers or regional dealers that meet the net capital and other requirements under Securities and Exchange Commission Rule 15c3-1. No public deposit will be made except in a qualified public depository as established by state law.

## IX. PERMITTED INVESTMENT INSTRUMENTS

California Government Code Section 53601 governs and limits the investments permitted for purchase by the Transportation Authority. Within those investment limitations, the Transportation Authority seeks to further restrict eligible investment to the investments listed below. The portfolio will be diversified by security type and institution, to avoid incurring unreasonable and avoidable concentration risks regarding specific security types or individual financial institutions.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason



for the rating reduction, prognosis for recovery or further rating reductions and the current market price of the security.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Repurchase Agreements not to exceed one year duration. There is no limitation as to the percentage of the portfolio that may be invested in this category. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the Transportation Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The market value of securities that underlay a repurchase agreement will be valued at 102 percent or greater of the funds borrowed against those securities and the value will be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency; provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
5. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
6. Bankers' Acceptances issued by domestic or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a NRSRO. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Transportation Authority's portfolio. No more than 30 percent of the Transportation Authority's portfolio may be invested in the Banker's Acceptances of any one commercial bank.
7. Commercial paper of "prime" quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will



meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States as a general corporation, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is rated “A” or higher by a NRSRO; or (2) the corporation will be organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated “A-1” or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days’ maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority’s portfolio.

8. Medium-term corporate notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes will be rated in a rating category “A” or better by a NRSRO. Purchases of medium-term notes will not exceed 30 percent of the Transportation Authority’s portfolio.
9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Purchases of time certificates of deposit may not exceed 1 year in maturity or 10 percent of the Transportation Authority’s portfolio.

To be eligible to receive local agency money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. The FFIEC provides an overall assessment of the insured depositories’ ability to meet the credit needs of their communities, consistent with safe and sound operations.

10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the Transportation Authority’s portfolio.
11. State of California’s Local Agency Investment Fund (LAIF). The LAIF portfolio should be reviewed periodically. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.
12. The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by subdivisions (a) to (o) and (q) of Section 53601 of the Government Code of California, as it may be amended.
13. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating



for meeting the credit needs of California communities in its most recent evaluation. There is no limitation as to the percentage of the portfolio that may be invested in this category. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The collateralization requirements may be waived for any portion that is covered by federal deposit insurance. The Transportation Authority shall have a signed agreement with any depository accepting Transportation Authority funds per Government Code Section 53649.

14. Placement Service Certificates of Deposit (CDs). Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The combined maximum portfolio exposure to Placement Service CDs and Negotiable CDs is limited to 30%. The maximum investment maturity will be restricted to five years.
15. The San Francisco City and County Treasury Pool. There is no limitation as to the percentage of the portfolio that may be invested in this category. Any loans or investments of Transportation Authority funds invested in the San Francisco City and County Treasury Pool to agencies of the City and County of San Francisco will specifically require the approval of the Board prior to purchase or acceptance.
16. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall have meet either of the following criteria:
  - Attain the highest ranking or highest letter and numerical rating provided by not less than two NRSROs.
  - Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased will not include any commission that these companies may charge and will not exceed 20 percent of the Transportation Authority's portfolio.

## **X. INELIGIBLE INVESTMENTS**

The Transportation Authority will not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

## **XI. MAXIMUM MATURITY**

Investment maturities will be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Transportation Authority to meet all projected obligations.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment will be made in any security, other than a security underlying a repurchase



agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

## **XII. REPORTING REQUIREMENTS**

The Executive Director will submit a quarterly list of transactions to the Board. In addition, the Executive Director will submit to the Board an investment report each quarter, which will include, at a minimum, the following information for each individual investment:

- Type of investment instrument
- Issuer name
- Purchase date
- Maturity date
- Purchase price
- Par value
- Amortized cost
- Current market value and the source of the valuation
- Credit rating
- Overall portfolio yield based on cost
- Sale Date of any investment sold prior to maturity

The quarterly report also will (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Transportation Authority's funds, investments or programs that are under the management of contracted parties, and (iii) include a statement denoting the ability of the Transportation Authority to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may, or may, not be available. For all of the Transportation Authority's investments held in the City and County of San Francisco's Treasury Pool the Executive Director will provide the Board with the most recent investment report furnished by the Office of the Treasurer and Tax Collector.

## **XIII. SAFEKEEPING AND CUSTODY**

All security transactions entered into by the Transportation Authority will be conducted on a delivery-versus-payment basis. Securities will be held by an independent third-party custodian selected by the Transportation Authority. The securities will be held directly in the name of the Transportation Authority as beneficiary.

## **XIV. INVESTMENT POLICY REVIEW**

The Executive Director will annually render to the Board a statement of investment policy, which the Board will consider at a public meeting. Any changes to the policy will also be considered by the Board at a public meeting.



## GLOSSARY

*AGENCIES.* Federal agency securities and/or Government-sponsored enterprises.

*ASKED.* The price at which securities are offered.

*BANKERS' ACCEPTANCE (BA).* 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 issuer.

*BENCHMARK.* A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

*BID.* The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

*BROKER.* A broker brings buyers and sellers together for a commission.

*CERTIFICATE OF DEPOSIT (CD).* A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

*COLLATERAL.* Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

*COUPON.* (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

*DEALER.* A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

*DEBENTURE.* A bond secured only by the general credit of the issuer.

*DELIVERY VERSUS PAYMENT.* There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

*DERIVATIVES.* (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

*DISCOUNT.* The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

*DISCOUNT SECURITIES.* Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, *e.g.*, U.S. Treasury Bills.

*DIVERSIFICATION.* Dividing investment funds among a variety of securities offering independent returns.

*FEDERAL CREDIT AGENCIES.* Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.





*FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)*. A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

*FEDERAL FUNDS RATE*. The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

*FEDERAL HOME LOAN BANKS (FHLB)*. Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

*FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA)*. FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

*FEDERAL OPEN MARKET COMMITTEE (FOMC)*. Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

*FEDERAL RESERVE SYSTEM*. The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

*FINANCIAL STATEMENTS*. Financial statements are an overview of the agency's finances and shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant.

*GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae)*. Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

*LIQUIDITY*. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

*LOCAL GOVERNMENT INVESTMENT POOL (LGIP)*. The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

*MARKET VALUE*. The price at which a security is trading and could presumably be purchased or sold.

*MASTER REPURCHASE AGREEMENT*. A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the



transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

*MATURITY.* The date upon which the principal or stated value of an investment becomes due and payable.

*MONEY MARKET.* The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

*OFFER.* The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

*OPEN MARKET OPERATIONS.* Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

*PORTFOLIO.* Collection of securities held by an investor.

*PRIMARY DEALER.* A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

*PRUDENT PERSON RULE.* An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

*QUALIFIED PUBLIC DEPOSITORY.* A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

*RATE OF RETURN.* The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

*REPURCHASE AGREEMENT (RP OR REPO).* A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

*SAFEKEEPING.* A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

*SECONDARY MARKET.* A market made for the purchase and sale of outstanding issues following the initial distribution.

*SECURITIES AND EXCHANGE COMMISSION (SEC).* Agency created by Congress to protect investors in securities transactions by administering securities legislation.



*SEC RULE 15C3-1.* See Uniform Net Capital Rule.

*STRUCTURED NOTES.* Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

*TREASURY BILLS.* A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

*TREASURY BONDS.* Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

*TREASURY NOTES.* Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

*UNIFORM NET CAPITAL RULE.* Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

*YIELD.* The rate of annual income return on an investment, expressed as a percentage. (a) *INCOME YIELD* is obtained by dividing the current dollar income by the current market price for the security. (b) *NET YIELD* or *YIELD TO MATURITY* is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



## TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY

### I. PURPOSE AND GENERAL POLICY

- A. Purpose.** This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of eligible San Francisco County Transportation Authority (Transportation Authority) Commissioners and employees, herein referred to as Transportation Authority personnel, for such expenses. These rules and guidelines are designed to safeguard public funds and to ensure the Transportation Authority and its personnel are using the most economical and well-documented procedures in a consistent manner.
- B. General Policy.** The Transportation Authority recognizes that in some instances it is necessary and/or convenient for authorized Transportation Authority personnel to incur expenses for travel, training and other business purposes in connection with the official business of the Transportation Authority. Additionally, the Transportation Authority recognizes the benefit of attendance at meetings, conferences and other functions which advance professional knowledge and provide opportunities to exchange information related to transportation, government operations and issues. The policy of the Transportation Authority is to pay or reimburse Transportation Authority personnel for such expenses, travel and fees that a reasonable and prudent person would incur when traveling on official business and which serve a Transportation Authority purpose and are deemed necessary and/or advantageous to the Transportation Authority.
- C. Limitations.** Travel and meeting expenditures shall not exceed the approved budget, except with justification and documentation, and shall be consistent with associated policies established by the Transportation Authority. Eligible Transportation Authority personnel are entitled to claim reimbursement for actual, reasonable and necessary expenses for eligible expenses incurred in the discharge of their official duties, subject to the limitations set forth herein.

### II. ELIGIBILITY

- A. Eligible Personnel.** Expenses are authorized for Transportation Authority Commissioners and employees (Transportation Authority personnel). Travel expenses may be authorized for the purpose of conducting business on behalf of the Transportation Authority, including employment interviews.
- B. Eligible Travel Expenses.** The following expenses are eligible for reimbursement in connection with authorized Transportation Authority business, travel, conferences, meetings, and training, subject to the restrictions identified in this policy. Travel expenses are subject to review by the Deputy Director for Finance and Administration and will only be approved if deemed reasonable and proper. Reimbursements shall be for actual expenditures (receipts required for expenses greater than \$25) for amounts not to exceed the per diem rates and allowances established by the



General Services Administration (GSA) and/or United States Department of Defense (USDOD) as appropriate<sup>1</sup>:

1. Meals;
2. Lodging;
3. Transportation charges (including commercial carrier fares, rental car charges, private car mileage allowances, parking, bridge and road tolls, and necessary taxi, transportation network company or public transit fares); and
4. Miscellaneous expenses:
  - a. Local and long distance business telephone calls, faxes and internet access by the most economical practicable commercial service, ~~subject to review by the Deputy Director for Finance and Administration and only approved if deemed reasonable and proper;~~
  - b. Registration fees for attending conferences, seminars, conventions, meetings, or other training of professional societies or community organizations;
  - c. Tips to porters, baggage carriers, bellhops, hotel staff, and stewards or stewardesses ~~not to exceed \$2 per bag;~~
  - d. Purchase of necessary training or conference materials or supplies;
  - e. Business expenses in connection with the preparation of clerical or official reports while on training or travel status; and
  - f. Unforeseen or unusual expenses which are justified, necessary and substantiated.

**C. Non-Eligible Travel Expenses.** Transportation Authority personnel are not eligible to claim reimbursement for the following items:

1. Personal telephone calls;
2. Alcoholic beverages and entertainment expenses;
- ~~2.3.~~ 3. Constructive expenses, which are those which might have been incurred for Transportation Authority business but were not; such as:
  - a. if two individuals traveled together to a meeting in one car and each claimed full transportation costs, then one would be making a “constructive” claim; or
  - b. if an individual on a trip stayed with friends or relatives, it would be “constructive” to claim a lodging expense.
- ~~3.4.~~ 4. Expenses which are excessive or unreasonable as determined by the Deputy Director for Finance and Administration ~~Transportation Authority.~~

**D. Expense Limitations.** Reimbursement of costs shall be based on the minimum number of days and hours required to transact Transportation Authority business. Costs incurred due to early or late arrival shall be at the traveler’s expense unless it is shown that the savings in airfare outweighs other costs. In that event, it is up to the traveler’s discretion as to whether he or she wishes to take advantage of the reduced airfare by traveling at an earlier/later date.

<sup>1</sup> Per diem is an allowance for lodging (excluding taxes), meals and incidental expenses. The GSA establishes per diem rates for destinations within the Continental United States. The United States Department of State establishes the foreign rates.



- E. Cash Advance.** Cash advances may be requested to cover anticipated travel expenses for out-of-area or overnight travel if requested a minimum of ten working days before departure. Cash advances shall not be less than \$100 nor more than the estimated expenses listed on the approved travel authorization form. Advances must be refunded immediately when an authorized trip is canceled or indefinitely postponed.

### III. TRAVEL AUTHORIZATION

- A. Approval.** Before any Transportation Authority paid or reimbursed overnight or out-of-area travel may take place, Transportation Authority personnel must first submit a travel authorization form to their supervisor for approval, who will forward the approved form to the Deputy Director for Finance and Administration to verify that sufficient funds are available in the Transportation Authority's budget for the travel. The Deputy Director for Finance and Administration will forward the approved form to the Executive Director for final approval. Transportation Authority Commissioners must submit the travel authorization form to the Executive Director for pre-approval. The Executive Director is authorized to approve travel requests for Transportation Authority personnel consistent with this policy. The Executive Director will inform the Chairperson of the Finance Committee and the Chairperson of the Transportation Authority of all Commissioner travel requests in excess of \$5,000. All travel requests must be approved in advance, prior to incurring any reimbursable expenses.
- B. Local Travel.** Local travel, which does not involve overnight travel, can be reimbursed by the Transportation Authority without pre-verification of travel funds availability but staff shall obtain verbal approval from their respective supervisor and the Executive Director. If overnight travel is necessary, a travel authorization form shall be submitted prior to incurring reimbursable expenses.
- C. Out-of-Area Travel.** Out-of-area travel is defined as 50 miles or more beyond the San Francisco city limits.
- D. Travel Authorization Form.** The travel authorization form shall list the destination, purpose and justification for the trip, departure and return dates, and the estimated costs for transportation, meals, lodging, registration, and other expenses.

### IV. PROCEDURES FOR CLAIMING EXPENSE REIMBURSEMENT

- A. Expense Report.** Any reimbursement for expenses incurred on behalf of the Transportation Authority shall be claimed on an expense report. Expense reports shall be submitted within 45 days of incurring the expenses, and the reports shall be accompanied by adequate documentation supporting the expenses.

The total amount of all expenses pertaining to a particular trip should be accounted for the traveler on an expense report form. If the total actual cost of a trip exceeds the amount listed on the travel authorization form, justification and documentation of the excess cost must be provided. In the absence of a satisfactory explanation, any amount in excess of the estimated cost approved on the travel authorization form shall not be allowed. If the cash advance exceeds the actual reimbursable expense, then the traveler shall immediately return the excess amount with the expense report.



- B. Nature of Claim.** Claims must be for actual and necessary expenses consistent with this document; not for “constructive” expenses.
- C. Per Diem Adjustments.** Per diem claims will be adjusted, using the appropriate per meal rate, in those instances where meals are provided gratis or as part of a registration or any other fee claimed on the expense report.
- D. Required Information.** Each claim must clearly indicate the date, nature of expense and amount for which reimbursement is being claimed.
- E. Receipts.** Receipts or proof of payment must be submitted with the claim to substantiate expenditures for public carrier fares, rental cars, lodging (indicating the single rate), meals, conference or seminar registration fees, and for any unusual items or items not specifically related to travel. Claims must be recorded and certified on an expense report. For any official business in-transit travel destination, Transportation Authority personnel must provide a receipt and narrative to substantiate claimed travel expenses for lodging and a receipt for any authorized expenses incurred costing over \$25. Itemized receipts shall be obtained and submitted with the expense report. If a receipt cannot be obtained or has been lost for expenses greater than \$25, a statement to that effect shall be made on the expense report and the reason given. In absence of a satisfactory explanation, the amount involved shall not be allowed.
- F. Commissioner Reports.** Transportation Authority Commissioners attending a meeting, conference, or training at the expense of the Transportation Authority shall provide a brief **written and oral** report of such at the next regular Board meeting of the Transportation Authority. The report must include a statement of how the Commissioner’s attendance has an impact on, or was associated with, Transportation Authority business, and include any materials distributed at the meeting, conference, or training that could be helpful to other Commissioners.
- G. Expenses Not Covered by Transportation Authority Policy.** In the event where an expense does not qualify for reimbursement under this policy, to be reimbursable, the expense shall be approved by the Transportation Authority Board, in a public meeting before the expense is incurred, unless the expense is related to lodging in connection with a conference or organized educational activity conducted in compliance with California Government Code s. 54952.2(c), including but not limited to ethics training required by Article 2.4 (commencing with §. 53234) of the Government Code. ~~Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of this policy.~~

## V. PREPAYMENT OF CONFERENCE/SEMINAR/TRAINING FEES

All requests for prepayment of conference/seminar/training will be submitted for approval a minimum of ten working days in advance of the conference/seminar/training, unless reasonable justification is provided. If the ten-day requirement cannot be met, Transportation Authority personnel may personally pay registration fees and other expenses at their own risk and seek reimbursement on the expense report.



## VI. MEAL EXPENSE

- A. General.** Transportation Authority personnel may incur expenses for the purchase of meals for persons not employed by the Transportation Authority, with whom the Transportation Authority is transacting business. The name and business affiliation of the person, as well as the purpose of the business meeting, must be included in the expense report. The maximum per-person expenditure shall not exceed a reasonable amount under the particular circumstances and shall not exceed the set per diem amount established by the GSA or USDOD as appropriate. Actual costs shall include reasonable and customary gratuities, but not the cost of alcoholic beverages. All such expenditures for personnel must be approved in advance by the Executive Director.
- B. Restrictions.** The purchase of non-travel-related meals is authorized only when Transportation Authority personnel are required, and where approved in advance by the Executive Director in the following circumstances:
1. to attend a breakfast, lunch or dinner meeting concerning Transportation Authority business affairs because of the official position or duties of the individual;
  2. to attend a meeting between Commissioners and staff when required to conduct Transportation Authority business outside of normal business hours;
  3. to attend consecutive or continuing morning and afternoon and night sessions of a Transportation Authority, Board of Supervisors, city council, commission, district or other public agency meeting to cover an agenda;
  4. to act as host for official guests of the Transportation Authority, such as members of examining boards, official visitors, and speakers or honored guests at banquets or other official functions; and
  5. to attend off-site training events (training workshops, seminars, and retreats) and ready access to reasonably priced meals is not available. The Executive Director may elect to either provide meals to the attendees or authorize individuals to purchase their own meals and claim reimbursement in accordance with provisions of this document.
- C. Local Area Meals.** Reimbursement for employee meals in the local area must be associated with Transportation Authority business and must be approved in advance by the Executive Director. Meal expenses incurred prior to authorization will be at the risk of the employee. Meals should not exceed the per diem rates and allowances established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.
- D. Out-of-Area Meals.** Reimbursement for employee meals during periods of approved trips out-of-area must be approved on the travel authorization form. Reimbursement for out-of-area meals will be based on either actual costs, for which receipts must be provided for expenditures exceeding \$25, and in accordance with the per diem of the federal standard meal allowance, including single day and total trip meal rates, as established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.
- E. Special Functions.** Reimbursement for meals at special functions, such as banquet meals at authorized conferences, professional meetings, or special events or functions, may be eligible for reimbursement at rates different than the per diem allowances. Eligibility for such reimbursements is based on pre-approval by the Executive Director, or the Transportation Authority Board in accordance with this policy.





## VII. LODGING EXPENSES

Reimbursement is allowable for single-room lodging expenses associated with attendance at out-of-area conferences or meetings. The cost of a single room will be reimbursed when travel exceeds the day's duration. Where available, government and group rates must be requested. No reimbursement is authorized for overnight accommodations within the nine Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma unless prior authorization is granted.

Transportation Authority personnel will be expected to be prudent in the choice of lodging and will submit proper documentation to justify the expense. The Executive Director will approve the lodging as part of the approval of the travel request, and reserves the right to determine which lodging is prudent, based on economic, comfort, safety, and reasonability considerations. ~~If lodging is required in connection with a conference or activity, the lodging costs shall not exceed the maximum group rate published by the sponsor of the conference. Lodging shall be at the location where the conference or activity is being held. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available at the time of booking. If the group rate is not available and the hotel has no remaining vacancies, comparable lodging that is consistent with the requirements of this policy shall be used. No lodging shall be reimbursed on the final day of a conference or activity unless reasonable justification is provided or unless authorized by the Executive Director. If no group rate is available at the time of booking, the Transportation Authority will reimburse its personnel for lodging up to the rates established by the GSA or USDOD as appropriate.~~

## VIII. MEANS OF TRANSPORTATION

**A. General.** All travel must utilize the most efficient, direct and economical mode of available transportation. Transportation Authority personnel shall use government and group rates offered by providers of transport where available. If for personal convenience, Transportation Authority personnel travel an indirect route and travel is interrupted, any resulting extra expense will be borne by the individual except for reasons beyond the control of the individual. For employees, any resulting excess travel time, except where beyond the control of the employee, will not be considered work time, but will be charged the appropriate type of leave.

Charges or loss of refunds resulting from failure to cancel reservations in accordance with the carrier's rules and time limits will not be reimbursed, unless it can be shown that such failure resulted from circumstances beyond the control of Transportation Authority personnel.

Unused portions of transportation tickets are subject to refund and, when purchased by the Transportation Authority, the individual traveler is responsible to see that they are turned in promptly to secure such a refund.

**B. Local Travel.** Transportation Authority personnel are encouraged to make optimum use of available public transit services and carpooling for local area travel. The following modes of transportation are to be used in the following priority:



1. public transportation;
2. privately-owned motor vehicles; and
3. taxis, cabs, or transportation network companies; and
- ~~3.4.~~ rental cars, after exhausting all other available options.

**C. Air and Rail Travel.** ~~Transportation Authority personnel shall use Air coach-class (or similar reduced fare equivalent accommodations) shall be used for air and rail travel if it is available whenever possible. Any additional fees for seat location upgrades, seat spacing upgrades, or preferential boarding will not be reimbursed unless documentation is provided that there were no other reasonable options available and unless authorized by the Executive Director for special circumstances (e.g. physical or medical conditions). All reasonable fare reductions or reduced fare flights as appropriate shall be utilized.~~

#### **D. Automobiles**

1. Privately-owned Automobile for Official Business
  - a. In instances where Transportation Authority personnel use their private automobiles for transportation between their normal work location and other designated work locations (e.g., the site of a meeting), Transportation Authority personnel may be reimbursed for such mileage based upon the standard mileage rate as established by the GSA. When actual mileage exceeds by 10% the reasonable distance between points, Transportation Authority personnel must justify such excess. Inability to do so will result in the reimbursement being based on mileage for the most direct route. Mileage rate of reimbursement will be adjusted as required. Mileage reimbursement for out-of-area trips shall not exceed the cost of the most efficient and economical direct air rate. Transportation Authority personnel who use their privately-owned motor vehicles for transportation while on official Transportation Authority business must carry at least the minimum automobile liability insurance for privately-owned motor vehicles as required by the State of California. Reimbursement for this minimum automobile liability insurance coverage shall not be allowed. When using privately-owned motor vehicles, Transportation Authority personnel will not be reimbursed for any damages that may occur.
  - b. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.
  - c. Property damage to the automobile owned by Transportation Authority personnel incurred without fault or cause of the traveler shall be reimbursed in an amount up to \$250 or the amount of the deductible on the traveler's auto insurance policy, whichever is the lesser amount, for each accident. The Transportation Authority will assume an assignment of subrogation rights up to the amount expended, for recovery of such sums from third parties, known or unknown at the time of such payment.
  - d. In order to be paid mileage for travel which originates other than at the normal work location, the mileage must be in excess of that normally driven from the traveler's residence to and from the normal work location. The requesting traveler will include justification in attach an explanation to the expense report. In the absence of a satisfactory ~~explanation~~ justification, the mileage expense shall not be allowed.



## 2. Rental Automobiles

- a. Rental automobiles may be used when such rental is considered to be more advantageous to the Transportation Authority than the use of other means of transportation. Advance reservations should be made whenever possible and Transportation Authority personnel are expected to be prudent in the selection of an automobile model.
- b. The traveler must obtain full collision coverage. Any additional charge for this coverage will be allowed for reimbursement.
- c. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.

**E. Other Modes of Transportation.** Limousine ~~and~~, taxi and transportation network company fares will be allowed for travel where public transportation is not practical or available. Examples may include, but are not limited to, travel between transportation terminal and hotel, between hotel and place of business, and between places of business.

**F. Reimbursement.** Unless otherwise provided above, the Transportation Authority will reimburse its personnel for transportation at the rates established by the GSA or USDOD as appropriate.

## IX. BAGGAGE

Charges incurred for excess baggage will be reimbursed if justified as necessary for the purpose of the trip. An explanation of the circumstances and payment receipts must accompany the claim for reimbursement. Charges for checking and handling of baggage, including reasonable and customary gratuities (~~\$2 per bag/package~~) will be allowed.



## TITLE VI PROGRAM

### I. INTRODUCTION

Created in 1989, the San Francisco County Transportation Authority (Transportation Authority) is responsible for long-range transportation planning for the City, and it analyzes, designs and funds improvements for San Francisco's roadway and public transportation networks. The Transportation Authority administers and oversees the delivery of the Prop K half-cent local transportation sales tax program. It also serves as the designated Congestion Management Agency for San Francisco under state law, and acts as the San Francisco Program Manager for grants from the Transportation Fund for Clean Air. In 2010, the Transportation Authority began serving as the administrator of Prop AA, a \$10 annual vehicle registration fee on motor vehicles registered in San Francisco, and allocates funds to street repair and reconstruction, pedestrian safety, and transit reliability and mobility improvement projects. The Transportation Authority was designated as the Treasure Island Mobility Management Agency in 2014, and thereby charged with planning for sustainable mobility on Treasure Island, including coordinating new ferry and regional bus service, on-island shuttles, and bike share and car share opportunities, projected to begin in 2019.

Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination by recipients of Federal financial assistance on the basis of race, color, and national origin, including the denial of meaningful access for limited English proficient (LEP) persons. In addition, Title VI and U.S. Department of Transportation (DOT) regulations prohibit recipients from intentionally discriminating against people on the basis of race, color, and national origin.

It is the policy of the Transportation Authority that the Transportation Authority shall not execute or amend any contract with any contractor that discriminates on the basis of race, color, or national origin. The Transportation Authority has several measures in place to ensure language accessibility to its programs and services for its limited-English proficient customers.

The Transportation Authority's Title VI Program (Program) describes general requirements that must be fulfilled under the Federal Title VI program as a subrecipient to the San Francisco Municipal Transportation Agency (SFMTA), who is a direct recipient of Federal Transit Administration (FTA) funds. Responsibility for implementation of the Title VI Program, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Executive Director. This Program will be reviewed and updated as required or deemed advisable at least once every three years.

### II. TITLE VI NOTICE TO THE PUBLIC

As required, the Transportation Authority shall post multilingual Title VI notices informing the public of the Transportation Authority's compliance with Title VI, where to find further information and how to file a Title VI complaint form.

### III. TITLE VI COMPLAINT PROCEDURES AND COMPLAINT FORM

As a recipient of federal dollars, the Transportation Authority is required to comply with Title IV and ensure that services are provided in a non-discriminatory manner. As part of this requirement,



the Transportation Authority is required to develop and post a Title VI complaint form and complaint procedures that instruct the public on how to file a Title VI discrimination complaint. Any person who believes that he or she has been discriminated against on the basis of race, color, or national origin by the Transportation Authority may file a Title VI complaint by completing and submitting the Transportation Authority Title VI Complaint form.

The Transportation Authority has the following Title VI Complaint Procedure in place, which outlines a process for local disposition of Title VI complaints.

The complaint procedures are outlined below:

1. **Submission of Complaint:** Any person (Complainant) who feels that he or she, individually, or as a member of any class of persons, on the basis of race, color or national origin status has been excluded from or denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance through the Transportation Authority may file a written complaint with the Deputy Director of Finance and Administration. Such Complaint must be filed within 180 calendar days after the date the person believes the discrimination occurred. The Transportation Authority's Title VI Complaint Form is provided in Appendix A, and is also available at the link below.
  - o [Transportation Authority's Title VI Complaint Form](#) (PDF)
2. **Referral to Review Officer:** Upon receipt of a Complaint, the Transportation Authority's Executive Director, shall appoint one or more staff review officers, as appropriate, to evaluate and investigate the Complaint, in consultation with the Transportation Authority's General Counsel. The staff review officer(s) shall complete the review and issue a written response to the Complainant no later than 60 calendar days after the date the Transportation Authority received the Complaint. If more time is required, the review officer(s) shall notify the Complainant of the estimated time-frame for completing the review. Upon completion of the review, the staff review officer(s) shall make a recommendation regarding the merit of the Complaint and whether remedial actions are available to provide redress. Additionally, the staff review officer(s) may recommend improvements to Transportation Authority's processes relative to Title VI and environmental justice, as appropriate. The staff review officer(s) shall forward their recommendations to the Deputy Director of Finance and Administration, for concurrence. If s/he concurs, s/he shall issue Transportation Authority's written response to the Complainant.
3. **Request for Reconsideration:** If the Complainant disagrees with the response, he or she may request reconsideration by submitting a request, in writing, to the Executive Director within 10 calendar days after receipt of the written response. The request for reconsideration shall be sufficiently detailed to explain why the Complainant feels the response was inadequate or incorrect, and/or the Deputy Director of Finance and Administration did not fully understand the basis of the Complaint. The Executive Director will notify the Complainant of his or her decision either to accept or reject the request for reconsideration within 10 calendar days. If the Executive Director accepts the reconsideration request, the matter shall be returned to the review officer(s) for reevaluation in accordance with Paragraph 2 above.
4. **Appeal:** If the request for reconsideration is denied, or if the Complainant disagrees with a response after the matter is reconsidered, the Complainant may submit a further written



appeal to the Transportation Authority Board no later than 10 calendar days after receipt of the Executive Director's written decision rejecting reconsideration or after receipt of a further response following a reconsideration. The Board will then set a hearing at the next available Board meeting at which time the Complainant and staff may make brief presentations prior to the Board's consideration of the matter.

5. **Submission of Complaint to the applicable federal funding agency:** The Complainant may also file a complaint directly with the FTA, Federal Highway Administration, or other applicable federal funding agency.
6. **Tracking Title VI Complaints:** The Transportation Authority will keep track of all Complaints filed concerning Title VI and related matters, including the disposition of such Complaints and any actions related to such Complaints. A report of all such Complaints (if any) will be made annually to the Board and to the SFMTA.

Title VI Complaint Forms and information on how to file a Title VI complaint are currently available in English, Spanish and Chinese on the Transportation Authority's website at <http://www.sfcta.org/doing-business-us/title-vi-complaint-procedure>. The Title VI Complaint Form will soon be also available in Russian, Tagalog, Vietnamese, Korean, Japanese, French and Thai. (Please see Appendix A for Transportation Authority's Title VI Complaint Forms)

Title VI Complaint Forms can be submitted as follows:

San Francisco County Transportation Authority  
Clerk of the Board  
1455 Market Street, 22<sup>nd</sup> Floor  
San Francisco, CA 94103  
**Fax:** 415.522.4829  
**Email:** clerk@sfcta.org

Complaints can also be submitted directly to the FTA at the following address:

Federal Transit Administration  
Office of Civil Rights  
1200 New Jersey Avenue SE  
Washington, D.C. 20590

Customers can contact San Francisco's Telephone Customer Service Center for more information and free language assistance:

Voice within San Francisco: 311  
Voice, outside San Francisco: 415.701.2311  
TTY: 415.701.2323

To obtain a disability-related modification or accommodation, including auxiliary aids or services, customers can contact the Transportation Authority at 415.522.4800 or via email at clerk@sfcta.org.

#### **IV. SUMMARY OF TITLE VI INVESTIGATIONS, COMPLAINTS, AND LAWSUITS**

To date, the Transportation Authority has not received any Title VI lawsuits or investigations. Pursuant to FTA guidance, the Transportation Authority shall maintain written complaints



received during the timeframe and include the date the complaint was received, a summary of the allegation(s), the status of the complaint and action taken.

## **V. PUBLIC PARTICIPATION PLAN**

As part of its overall Title VI Program, the Transportation Authority is required to have an established public participation plan (or process) that explicitly describes the proactive strategies, procedures and desired outcomes of its public participation activities. As a subrecipient to the SFMTA, the Transportation Authority has reviewed the SFMTA's Public Participation Plan (PPP) and has agreed to adopt certain sections of the PPP (highlighted in Appendix B) as it relates to activities that the Transportation Authority performs to solicit public participation, including public outreach and involvement strategies. Since the Transportation Authority is not a transit operator, public participation activities related to fare and service changes are not applicable. Please see Appendix C for a summary of major public participation activities conducted in 2015.

## **VI. LANGUAGE ASSISTANCE PLAN**

Pursuant to FTA guidance, the Transportation Authority must take reasonable steps to ensure meaningful access to benefits, services, information and other important portions of their programs and activities for individuals who are limited-English proficient (LEP). The Transportation Authority has reviewed SFMTA's Language Assistance Plan (LAP) and will rely on its survey results and analysis that identified LEP individuals who need language assistance. The goal of the LAP is to provide language assistance to persons with limited English proficiency in a competent and effective manner to help ensure that its services are safe, reliable, convenient and accessible to its LEP customers.

## **VII. MEMBERSHIP OF NON-ELECTED COMMITTEES AND COUNCILS**

As part of its Title VI Program, the Transportation Authority must provide a table depicting the racial breakdown of the membership of any transit-related, non-elected planning boards, advisory councils or committees. The Transportation Authority has two non-elected citizen committee for which it selects the full membership – the Citizens Advisory Committee (CAC) and the Geary Corridor Bus Rapid Transit CAC (GCAC).

The CAC and GCAC each strive for ethnic diversity and geographic representation, but accept applications for all districts on a rolling basis. The CAC has traditionally had one member from each supervisorial district represented on the CAC, though this is not a requirement. The GCAC requires that 8 of the 13 seats be occupied by residents of certain neighborhoods, such as the Richmond, Japantown/Fillmore, and Tenderloin/Downtown areas, while the remaining 5 seats are considered at-large and can be occupied by all residents along the Geary Corridor.

CAC and GCAC applications are distributed and accepted on a continuous basis. Applications are solicited through the Transportation Authority's website, Commissioners' offices, and email notifications to community-based organizations, advocacy groups, business organizations, as well as at public meetings attended by Transportation Authority staff or hosted by the Transportation Authority. In addition, announcements for GCAC vacant positions are broadly targeted to the entire corridor. If members of the public are interested in participating in the CAC or GCAC, they are asked to submit an application and attend an upcoming Plans and Programs Committee meeting to speak to their interests and qualifications. The Plans and Programs Committee will then make recommendations for appointments to the full Transportation Authority Board, which



makes the final decision. Once an application is received, it will remain active for two years and will be considered for any openings, unless the applicant submits in writing a withdrawal of his/her candidacy.

### **CAC**

The Transportation Authority has appointed a CAC consisting of eleven members representing a broad spectrum of transportation and community concerns. The CAC's mission is to assist the Transportation Authority by reflecting community values in the development of the mission and programs of the Transportation Authority; and communicating information about the Transportation Authority's mission and programs back to the community. The CAC accomplishes this by providing the Commissioners and staff of the Transportation Authority with input on nearly all matters that go before the Transportation Authority Board and its standing committees. This includes providing comments on transportation plans, programs and studies; the Prop K (half-cent sales tax) and Prop AA (\$10 vehicle registration fee) Strategic Plans; funding priorities; transportation-related legislation; and community transportation concerns. The CAC also assists in publicizing transportation projects and plans to neighborhoods, and solicits community input for feedback to the Transportation Authority.

Per the CAC's By-Laws, the CAC shall include representatives from various segments of the community, such as public policy organizations, labor, business, senior citizens, the disabled, environmentalists, and the neighborhoods, and reflect broad transportation interests. The committee members shall be residents of San Francisco and shall serve without compensation. Committee members are appointed by the Transportation Authority Board to serve two-year terms and can be reappointed upon term expiration.

### **GCAC**

Geary Bus Rapid Transit (BRT) is one of the signature projects included in the Prop K Expenditure Plan. The Transportation Authority is currently leading environmental analysis for Geary Corridor BRT, in partnership with the SFMTA. The environmental analysis will identify the benefits and impacts of BRT alternatives, a preferred alternative, and strategies to mitigate any environmental impacts. Engineering work for this phase will entail preparation of designs for project alternatives as needed to clarify potential impacts and support identification of a preferred alternative, as well as development of design solutions for complex sections of the corridor. Because of the detailed nature and significance of the study, the Geary Corridor BRT Citizens Advisory Committee (GCAC) is distinct from the Transportation Authority CAC. The role of the GCAC is to advise Transportation Authority staff throughout the environmental analysis of the Geary BRT project by providing input representative of varying interests along the corridor, as well as broader, citywide interests related to the project. The GCAC currently meets approximately bi-monthly.

The GCAC consists of 13 members, representing corridor and at-large interests. Members are appointed by the Transportation Authority Board to serve two-year terms and can be reappointed upon term expiration.

The following table illustrates the current membership of the CAC and GCAC. Ethnicity information is optional to provide on the applications. Any responses are self-selected on applications.





**Table 1: Membership of Committees, Broken Down by Race**

Committee	Asian	Caucasian	Hispanic	Not Provided	Total
CAC	1 out of 11 members or 9%	4 out of 11 members or 36%	1 out of 11 members or 9%	5 out of 11 members or 46%	11 members
GCAC	4 out of 13 members or 31%	3 out of 13 members or 23%	0 out of 13 members or 0%	6 out of 13 members or 46%	13 members

**VIII. SUBRECIPIENT ASSISTANCE AND MONITORING**

As the Transportation Authority is not a direct recipient of FTA funds, it is not required to perform subrecipient monitoring procedures.

**IX. TITLE VI EQUITY ANALYSIS FOR FACILITY CONSTRUCTION**

As the Transportation Authority has not constructed a facility, it is not required to perform a Title VI equity analysis for facility construction.

**X. DOCUMENTATION OF TITLE VI PROGRAM APPROVAL BY TRANSPORTATION AUTHORITY BOARD OF COMMISSIONERS**

The Transportation Authority submitted a draft Title VI Program to the SFMTA for review and comment in January 2016, prior to seeking approval from the Transportation Authority Board. The Title VI Program is anticipated to be approved by the Board by June 2016. A copy of the approved resolution will be forwarded to the SFMTA.

# APPENDIX A: TITLE VI COMPLAINT FORM

San Francisco County Transportation Authority

1455 Market Street, 22nd Floor  
San Francisco, California 94103  
415.522.4800 FAX 415.522.4829  
info@sfcta.org www.sfcta.org



## San Francisco County Transportation Authority Title VI Complaint Form

### Complaints must be filed within 180 days of the alleged act of discrimination

COMPLETE FORM, PRINT, SIGN, AND SUBMIT BY MAIL, FAX, OR EMAIL.

IF USING ADOBE ACROBAT, SAVE TO A NEW FILE NAME BEFORE BEGINNING.  
IF USING ADOBE ACROBAT READER, YOU CAN ONLY PRINT, NOT SAVE.

### SECTION I

NAME: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

HOME PHONE: \_\_\_\_\_ WORK PHONE: \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

Accessible format requirements? (CHECK ALL THAT APPLY)

Large print  Audio tape  TDD  Other: \_\_\_\_\_

### SECTION II

Are you filing this complaint on your own behalf?  YES  NO

If you answered YES to this question, go to Section III

If you answered NO to this question, please supply the name of the person for whom you are filing this complaint and your relationship to him/her:

Please explain why you are filing for this person:

Please confirm that you have obtained permission from the complaining person if you are filing on their behalf:

YES  NO

### SECTION III

(CHECK ALL THAT APPLY)

I believe the discrimination I experienced was based on:  Race  Color  National Origin

Date of alleged discrimination (Month, Day, Year): \_\_\_\_\_

Please turn over the page and continue on the back. 

**San Francisco County Transportation Authority Title VI Complaint Form** (continued)

Explain as clearly as possible what happened and why you believe you were discriminated against. Describe all persons who were involved. Include the name and contact information of the person(s) who discriminated against you (if known) as well as the names and contact information of any witnesses. Attach additional page(s) if necessary.

Have you filed a lawsuit regarding this complaint? If yes, please specify:

**SECTION IV**

Have you previously filed a Title VI complaint with this agency?  YES  NO

**SECTION V**

Have you filed a complaint with any other Federal, State, or Local agency, or with any Federal or State court?

YES  NO

If yes, check all that apply:  Federal Agency  Federal Court  
 State Agency  State Court  Local Agency

DATE(S) FILED: \_\_\_\_\_

Provide contact information for the additional agency or court:

NAME: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

WORK PHONE: \_\_\_\_\_ EMAIL ADDRESS: \_\_\_\_\_

**SECTION VI**

**Please attach any additional written material or other information that you think is relevant to your complaint.**

**SIGN HERE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**NOTE: The Transportation Authority cannot accept your complaint without a signature.**

Submit the signed complaint form by mail, fax, or email to:

San Francisco County Transportation Authority  
Clerk of the Board  
1455 Market Street, 22nd Floor  
San Francisco, CA 94103  
FAX: 415.522.4829  
EMAIL: clerk@sfcta.org



# SFMTA

Municipal Transportation Agency



## PUBLIC PARTICIPATION PLAN

June 2013

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## A. INTRODUCTION

The purpose of the San Francisco Municipal Transportation Agency's (SFMTA) Public Participation Plan ("Plan") is to provide a framework of options and strategies from which to guide a customized, systematic and strategic public involvement approach that seeks out and considers the viewpoints of the general public and other stakeholders in the course of conducting public outreach and involvement activities. Of particular importance are those methodologies that specifically address linguistic, institutional, cultural, economic, historical or other barriers that may be preventing minority, low-income and limited English proficient (LEP) populations from participating effectively in the SFMTA's decision-making process.

The Plan also reflects and reinforces the primary goal of the SFMTA's public involvement activities: to offer early and continuous opportunities for the public to learn about a particular project or initiative while meeting the particular needs of the groups being presented to, such as language, schedule or location accommodations, in order to maximize their involvement in the identification of social, economic and environmental impacts of proposed transportation decisions.

The concerns, issues, creative ideas and needs of community members that are gathered through the public involvement process will inform the outreach efforts throughout the course of the project or Agency activity and allow Agency staff and decision-makers to make better informed decisions.

As stated in Federal Transit Administration (FTA) Circular 4702.1A, the SFMTA has "wide latitude to determine how, when and how often specific public involvement measures should take place and what specific measures are most appropriate." (FTA C 4702.1A, Section IV-5) The SFMTA makes these determinations based on a variety of factors, including the composition of the population affected by its actions, the type of public involvement process planned for the particular project or initiative and the resources available to the agency.

In further response to the FTA guidance and the recommendation regarding implementing the Department of Transportation's LEP policy guidance as an effective practice to help overcome barriers to public participation, this Plan also integrates findings from primary research (focus groups, surveys and interviews) conducted during the 2012 update of the SFMTA's Language Assistance Plan (LAP), which focused on receiving feedback from minority, low-income and LEP populations through a series of focus groups.

## **B. AGENCY OVERVIEW**

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Established by voter proposition in 1999, the SFMTA, a department of the City and County of San Francisco, oversees the Municipal Railway (Muni), parking and traffic, bicycling, walking and taxis within the City and County of San Francisco. With five modes of transit, Muni has approximately 700,000 passenger boardings each day. Founded in 1912, Muni is one of the oldest transit systems in the world. It is the largest transit system in the Bay Area and seventh largest in the nation, serving more than 200 million customers a year. The Muni fleet is unique and includes: historic streetcars, biodiesel and electric hybrid buses and electric trolley coaches, light rail vehicles, paratransit cabs and vans, and the world-famous cable cars. Muni has 80 routes throughout the City and County San Francisco with stops within two blocks of 90 percent of all residences in the City. Muni provides service 24 hours a day, seven days a week.

### **Demographic Overview of San Francisco**

The SFMTA service area comprises the City and County of San Francisco. According to the 2010 U.S. Census, San Francisco is diverse both with regards to ethnicity and income levels, as can be seen in the following table:

### ***Race/Ethnicity***

<b>Category</b>	<b>Percentage</b>
African American/Black	6.1%
American Indian/Alaskan Native	0.5%
Asian/Asian American	33.3%
Native Hawaiian/Other Pacific Islander	0.4%
Hispanic	15.1%
White (not Hispanic)	41.9%
Multiracial	4.7%

### ***Income Per Household***

Median Household Income (2006-2010)	\$71,304
Per Capita Income (2006-2010)	\$45,478
Persons Below Federal Poverty Level (2006-2010)	11.9%

Source: 2010 U.S. Census and 2006-2010 American Community Survey

**Limited English Proficiency Populations:** With regard to LEP populations, data is gathered from the 2008-2010 ACS Three-Year Estimate, as the 2010 Census data did not address language proficiency. ACS data shows a total population of 764,274 for San Francisco City and County. Of this population, an estimated 182,745 people, or 23.91% of San Francisco's population, speak English less than "very well". Of these persons: 95,079 (or 52.03% of the LEP population) speak Chinese; 39,609 (21.67%) speak Spanish; 10,844 (5.93%) speak Tagalog; 8,814 (4.82%) speak Russian; 6,893 (3.77%) speak Vietnamese; 3,969 (2.17%) speak Korean; 2,797 (1.53%) speak Japanese; 1,421 (0.78%) speak French; and 1,130 (0.62%) speak Thai. Maps included in the Factor One LAP analysis show concentrations of LEP groups by language within the City and County of San Francisco and will be utilized for targeted customer outreach in those languages.



## C. PUBLIC OUTREACH AND INVOLVEMENT STRATEGIES

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This Plan details numerous communication strategies and tactics that offer early and continuous opportunities for the public to be involved in the identification of social, economic and environmental impacts of proposed transportation decisions.

One of the first steps before commencing any public involvement effort is the identification of stakeholders. Stakeholders are those who are either directly or indirectly affected by a proposed plan, project or initiative or the resulting recommendations. Those who may be adversely affected, or who may be denied the benefits of a plan's recommendations, are of particular interest in this initial identification process. Stakeholders can include many different individuals, populations, groups or entities, including general citizens, SFMTA/Muni customers, minority and low-income persons, public agencies, and private organizations and businesses.

Once the stakeholders have been identified, project managers and other SFMTA staff can consult the available public involvement and outreach methods to customize a plan to maximize public outreach and involvement opportunities for a particular project or initiative.

The following table summarizes existing public involvement and outreach methods used by the SFMTA; detailed descriptions of each method used are included below. It's important to note that not every method listed will be used on every project or initiative; the project manager, along with the community outreach team, will establish a customized approach for each public involvement/ outreach process, choosing from the options discussed below, that will best meet the needs of the target audience and best accomplish the goals of the particular project or activity. Note that indications of additional steps needed are specific plan enhancements resulting from the LAP research process.

### AVAILABLE PUBLIC INVOLVEMENT METHODS

	Method	Description	Status
1	Community Meetings	Community briefings that allow interested stakeholders, customers and the general public to receive current information and provide feedback at key decision points.	In use. Additional relationships with CBOs will increase effectiveness.
2	Website Support	Contains information in Chinese, Spanish, Russian, French, Japanese, Korean, Tagalog, Thai and Vietnamese	In use.
3	Ethnic Media Relations	Press Releases and media events are employed to disseminate project and Agency activity information and accomplishments to local, national and trade media outlets.	In use. Media outreach is conducted to varying degrees in the following languages: English, Chinese, Spanish, and Russian.
4	Community Events	Information booths at community events, fairs and street festivals	In use.
5	Community Organizations	Coordination with individuals, institutions, community and faith-based organizations, and groups to reach out to members in affected minority, low-income and/or LEP communities	In use and efforts increasing.
6	Accessibility (locations, times)	Utilization of locations, facilities, and meeting times that are convenient and accessible to the targeted audiences, including minority and low-income communities	In use. Decisions made in coordination with CBOs.
7	Flexible Public Participation Opportunities	Utilization of different meeting sizes and formats, times of day and other accessibility factors, as well as the type and number of news media used to announce public participation opportunities, so that communications are tailored to the particular community or population	In use. Decisions made in coordination with CBOs.
8	Translation Assistance	Free in-person language assistance is available at SFMTA's multilingual Customer Service Center or via telephone through the City's multilingual 311 Customer Call Center, which has access to a language line with over 175 languages. Translation assistance at community meetings and workshops is available via bilingual SFMTA staff and through outside translators.	In use.

	Method	Description	Status
9	Multilingual Materials	Development and publication of collateral material, including information sheets and newsletters, in multiple languages	In use.
10	Street Level Outreach	Street level outreach informs customers, residents and businesses of on-going outreach activities, and to engage the public at a personal level.	In use.
11	Social Media	Use of social media, such as project blogs, Facebook, Twitter, Flickr, and YouTube	In use and increasing.
12	Community Advisory Groups	A Community Advisory Group (CAG) is comprised of members representing various communities, backgrounds, professions and interests	Used when appropriate; examples include the Central Subway Project and the Transit Effectiveness Project
13	Public Noticing	A public information strategy publicizes various aspects of the project, including construction updates and service impacts.	In use now in English, Chinese, Spanish; depending on LEP concentration in particular area, the SFMTA may produce materials in additional languages.
c14	Community-based Organization Outreach	Outreach to contractors and community-based organizations regarding the SFMTA's Small Business Enterprise (SBE) and employment training programs	In use.
15	Email Communications	Use of project-specific email addresses and blast e-mails to facilitate communication to, and feedback from, the public.	In use.
16	SFMTA Board of Directors Meetings	Board meetings, which are open to the public, are held on the first and third Tuesday of every month.	Language assistance available upon request.
17	Citizens Advisory Council Meetings	The SFMTA also includes a Citizens Advisory Council (CAC), which draws from a broad set of stakeholders and represents the diversity of San Francisco residents.	In use.

	Method	Description	Status
18	Metropolitan Transit Commission/Public Participation Plan	For additional outreach and public participation opportunities with regard to long-term regional planning efforts, the SFMTA relies on its metropolitan planning organization, the Metropolitan Transportation Commission (MTC), and their efforts via their Public Participation Plan.	In use.

Detailed descriptions of the methodologies summarized in the previous table are included below. As technology advances, and depending on particular situations, other methods may be incorporated. As mentioned above, very few Agency activities or initiatives will require utilization of all of the listed methods. The intention of the list is to provide a comprehensive menu of approaches that are at SFMTA staff's disposal. It is up to the project team and the SFMTA's Corporate Communications team to determine the appropriate mix on a case-by-case basis, once the stakeholders for a particular project or initiative have been identified.

### 1) Project Open Houses and Community Briefings:

Publicly noticed project open houses and community briefings allow interested stakeholders to receive the most current information in an interactive setting, direct from SFMTA staff. Project open houses and community briefings range from full presentations with full proposal review to small informational sessions. Comment cards, letters of support and written statements are compiled to document the reception and the reaction of the public. Attendees are further directed to other sources of information (e.g., SFMTA website, project website, project emails and phone numbers, social media, etc.) to continue interaction and dialogue. The SFMTA works with community partners to leverage already-scheduled meetings in low-income, minority and LEP communities in order to maximize outreach and participation. Using locations, facilities and meeting times that are convenient and accessible to these populations encourages attendance and further promotes public involvement. In addition, rather than asking the public to attend additional meetings to gather information, SFMTA staff seeks to integrate public participation efforts into existing community and neighborhood activities.

Meetings that are scheduled by SFMTA staff are accessible by Muni and scheduled at various times of the day and on weekends to accommodate working families, individuals, and seniors. For example, input from the LAP focus groups tended to indicate that meetings held during the day, whether during the week or on weekends, were ideal for seniors, who felt safer meeting at community centers during the daytime. SFMTA staff will continue working with community-based organizations and other community partners when scheduling these events in order to meet the needs of the particular communities and maximize participation.

## **2) Website Support:**

Creation, branding and maintenance of an interactive project website is a critical public information tool. By visiting a project website, the general public learns about the purpose of the project, the communities it will serve, construction schedules, community engagement, project history and more. As circumstances allow, the project website may contain dedicated landing pages for each project element. A Google Translate widget could also be added to allow visitors to translate the site into any of the 53 languages Google Translate supports.

## **3) Media Outlets:**

Press Releases and media events are used to disseminate project and Agency activity information and accomplishments to local, national and trade media outlets. A variety of available resources, including media contact lists and website and social media, are used to communicate with the general public. The media strategy incorporates written press releases, press conferences, interviews, roundtables, site tours, events, and, as appropriate, television and radio talk and call-in shows, online chats, editorial boards and op-ed pieces. Media outreach is ongoing. Press releases and media events are coordinated with SFMTA Corporate Communications, and the appropriate SFMTA staff. Multilingual print media, such as El Mensajero, Sing Tao and Kstati and local neighborhood newspapers are included in the media strategy. Based on LAP-related focus group feedback, multilingual broadcast media (radio, TV) and ethnic newspapers

were highly favored methods for outreach and providing notice and they should be utilized to the extent possible, as circumstances and resources allow.

#### **4) Community Events:**

SFMTA staff participate in community events throughout the city to establish a presence and publicize achievements and milestones. Outreach includes information booths and tables at festivals, job fairs, street parades and other community events. At these events, updated collateral material (fact sheets, meeting notices, project design renderings, etc.) and other pertinent project information is disseminated to the general public in multiple languages. Interested members of the public are further directed to online resources and the City's multilingual 311 call center.

#### **5) Community Organizations:**

SFMTA staff identifies and engages with individuals, institutions, community and faith-based organizations with low-income, minority and/or LEP constituents to ensure they understand the latest proposals and to listen and respond to their concerns. Appendix A contains a list of individuals, institutions, organizations and groups to be considered for outreach efforts depending on project, location, etc.; Appendix B lists the CBOs and other community organizations and leaders involved in the focus group and LAP revision effort and with whom relationships will be sustained and utilized in both future LAP and PPP initiatives.

#### **6) Flexible Public Participation Opportunities:**

SFMTA staff varies the size and format of meetings depending on the community's needs. A town hall meeting with the local member of the San Francisco Board of Supervisors, for example, will differ in size and format from a gathering of a neighborhood group in the impacted area.

**7) Translation Assistance:**

As appropriate, SFMTA will host community meetings with translation assistance provided by bilingual SFMTA staff, external translators or by community members. Comment cards are provided and follow-up is conducted by the SFMTA's Community Outreach staff post-meeting.

**8) Multilingual Materials:**

Multilingual collateral material is used to give the public useful information about current and upcoming activities. Collateral material can include fact sheets, FAQs, newsletters, media/press packets and flyers. Fact sheets are revised and updated as needed. FAQs are updated as feedback and questions from the general public are received either through email, written or social media correspondence. As appropriate, collateral material is translated and posted on the project website and [www.sfmta.com](http://www.sfmta.com) disseminated at public events and distributed via postings inside transit vehicles, transit stations and shelters and on transit platforms and station kiosks. Information is also distributed via direct mail to affected customers, residents and business owners and via email blast to community outreach partners and interested individuals. Primary languages for translation are Spanish and Chinese; depending on the document, the scope of the project and the concentrations of relevant LEP populations, materials may also be translated into Russian, Vietnamese and other languages, as required.

**9) Presentations and Visual Aids:**

In an effort to overcome language barriers and enhance communication with the public, the SFMTA project staff will use various illustrative visual aids, such as design renderings and drawings, charts, graphs, photos, maps and the Internet, as appropriate and as circumstances allow. PowerPoint presentations are often used and can be translated as necessary, for example, with the Central Subway Project and its presentations in Chinatown, which were produced in Chinese and given in Cantonese.

**10) Street Level Outreach:**

Many SFMTA customers and San Francisco residents may have no interest or ability to participate in a meeting or review a website. Street level outreach attempts to capture the opinions and needs of these stakeholders. This includes knowledgeable staff and ambassadors engaging in conversations, recording comments via written notes or via mobile applications that allows transit users to comment while talking with an ambassador out in the field. For corridor-level outreach, project staff engages residents, businesses and customers that live and conduct business along the route to articulate the potential impact of a proposed project or initiative, build support and address in-person concerns or ideas. Local neighborhood and merchant group meetings are leveraged and, where appropriate, staff can go door-to-door. This outreach corresponds with ongoing public meetings and offers an additional opportunity to extend invitations for attendance.

**11) Social Media:**

By creating and maintaining an online and social media presence through project blogs, Facebook, Twitter and YouTube to engage stakeholders and encourage maximum participation in the outreach process, the SFMTA reaches out to and hears from those who are unable to attend, or do not regularly participate in, traditional public meetings and board hearings. For those who can participate in person, an online and social media presence allows two-way communication between meetings, strengthening the dialogue and reinforcing process transparency.

**12) Community Advisory Groups (CAGs):**

The mission of a CAG is to accomplish the following: (1) to discuss and study the planning, design and implementation of the project; (2) to examine the primary issues surrounding the project, such as construction approaches and operations; and (3) to develop a community consensus and benefits strategy for all levels of activity associated with the project. CAG meetings should be scheduled during times and in locations that maximize participation by CAG members as well as low-income, minority



and LEP populations. An example of a current project that utilizes a CAG is the Central Subway Project.

**13) Public Noticing:**

In addition to the collateral materials listed above, project staff may also distribute leaflets door-to-door and use other forms of public advertisement to notify the public of crucial project information (e.g., billboards, bus shelters, bus ads, AT&T Baseball Park ads, etc.).

**14) CBO and Contractor Outreach:**

Outreach to contractors and community-based organizations regarding the SFMTA's Small Business Enterprise (SBE) and employment training programs provides businesses with information about opportunities to bid and compete for upcoming contracts. These outreach events inform the contracting community of upcoming bid packages, assist small contractors in developing relationships with prime contractors and examine ways to increase diversity in workforce participation.

**15) Email Communication:**

Project-specific email addresses are created in order to facilitate communication and feedback from the public. Email blasts to Community Based Organizations (CBOs), stakeholders, advocacy groups, faith-based organizations, merchants' organizations, neighborhood groups and other interested individuals are also used.

**16) SFMTA Board of Directors' (SFMTAB) Meetings:**

Agendas are available 72 hours prior to the Board meetings and are posted at City Hall, the Main Library and on [www.sfmta.com](http://www.sfmta.com). Additional Board information is available at SFMTA headquarters in San Francisco and at the San Francisco 311 Customer Service Center, which provides language assistance through trained bilingual staff and a multilingual Language Line. Board meetings that involve fare and service changes are advertised on a broader scale: meeting times are communicated via multilingual notices posted in revenue vehicles, transit stations and faxed to distribution lists. Radio ads

and media placements in English, Spanish, Chinese newspapers and other ethnic media outlets are utilized as circumstances dictate and resources allow. All Board meetings have a public comment period and translators are available upon 72-hour request. The meetings are held in City Hall, which is easily accessible by transit. Regular SFMTA Board meetings and select other meetings are broadcast on cable via SFGTV and streamed on the Internet. Board Agendas and Meetings Minutes are available to the public at [www.sfmta.com](http://www.sfmta.com).

**17) Citizens' Advisory Council Meetings:**

The CAC meets monthly in a public setting and provides recommendations to the SFMTA Board of Directors on key policy issues facing the Agency. CAC meetings are posted at the library and on SFMTA website. Meetings are recorded and minutes are created and posted at [www.sfmta.com](http://www.sfmta.com).

**18) Metropolitan Transportation Commission (MTC) / Public Participation Plan:**

This plan details a comprehensive outreach program that includes outreach to minority and low-income communities throughout the region. Components of the plan include telephone surveys and focus groups comprising the demographic composition of the individual Bay Area communities, including San Francisco. MTC conducts limited outreach to San Francisco-based CBOs in minority/low-income areas and provides grants to CBOs throughout the region to help fund individual outreach efforts, recruitment efforts for meeting participation and help meet language assistance needs via translators and production of multilingual collateral. The SFMTA is part of a regional working group, led by MTC that is working on collaborating on public outreach and involvement strategies, piggybacking on translation contracts and production of shared multilingual materials.

## D. FARE AND MAJOR SERVICE CHANGES

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This section details the San Francisco Charter and local law requirements for soliciting and considering public input before changing any fare or implementing a major service change. The SFMTA is strongly committed to the right and need for participation by riders and other members of the public in the decision making process concerning fares and major service changes.

### Fare Changes

SFMTA has a locally-developed process for soliciting and considering public comment prior to implementing any fare change. SFMTA's procedures exceed the requirements of the Federal Transit Administration (FTA), which requires that federally funded transit agencies only provide an opportunity for a public hearing to obtain the views of the public regarding a proposed fare change.<sup>1</sup> SFMTA's practice is to publish its intention to change fares in the City's official newspaper for five days and to hold a public hearing not less than 15 days after publication in compliance with both San Francisco Charter section 16.112 and the SFMTA Board of Directors' Rules of Order.

With respect to the City Charter, Section 16.112 requires published notice in the City's official newspaper prior to any public hearing to consider instituting or changing any fee, schedule of rates, charges or fares which affects the public. This section states:

“The publication of and full public access to public documents, except for those subject to confidentiality, shall be as required by law. Notice shall be published in a timely manner before any public hearing, and shall include a general description of said hearing. Notice shall be given, and public hearings held before: ... (c) Any fee, schedule of rates, charges or fares which affects the public is instituted or changed; should any such notice be approved, the result shall also be noticed; ...”

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<sup>1</sup> 49 U.S.C. §5307

Although Charter section 16.112 does not specify how far in advance the City must publish notice of the public hearing, most City departments publish notice at least thirty-six hours prior to a public meeting.

In addition, the governing board of the SFMTA, the Municipal Transportation Agency Board (MTAB), has promulgated an additional requirement regarding how far in advance the SFMTA must publish notice for changes involving rates, charges, fares, fees and fines. SFMTA Board Rules of Order, Article 4, §10 provides:

“Before adopting or revising any schedule of rates, charges, fares, fees or fines, the Board shall publish in the official newspaper of the City and County for five days notice of its intention to do so and shall fix the time for a public hearing or hearings thereon, which shall be not less than fifteen days after the last publication of said notice, and at which any person may present his or her objection to or views on the proposed schedule of rates, fare or charges.”

In compliance with state and local law, the SFMTA posts its meeting agenda in a location accessible to the public, the San Francisco Public Library, and on the SFMTA’s website, [www.sfmuni.com](http://www.sfmuni.com), at least seventy-two hours prior to an MTAB meeting. Minutes from the meeting are kept and are available to the public via the SFMTA’s website. Letters from the public are placed in a public review file accessible to members of the public, and provided to the members of the MTAB. With respect to public comment, members of the public have the right to speak at all meetings of the MTAB. Typically, the public is permitted to speak for up to three minutes on each item considered by the MTAB although the body has the discretion to limit public comment to less than three minutes if circumstances warrant. Language assistance, such as oral interpreters, is provided if 48 hours advance notice is given, pursuant to S. F. Administrative Code, Section 91.6. The MTAB may respond to comments made by the public and take other actions, such as amending the item or delaying a decision, as it deems appropriate.

Once the MTAB approves the proposed fare change, it is sent to the San Francisco Board of Supervisors pursuant to Section 8A.108 of the Charter. Section 8A.108(a) provides that: “Except as otherwise provided in this Section, any proposed change in fares or route abandonments shall be submitted to the Board of Supervisors as part of the Agency’s budget or as a budget amendment under 8A.106, and may be rejected at that time by a seven-elevenths vote of the Board on the budget or budget amendment. Any changes in fares or route abandonments proposed by the Agency specifically to implement a program of service changes identified in a system-wide strategic route and service evaluation such as the Transit Effectiveness Project may only be rejected by a single seven-elevenths’ vote of the Board of Supervisors on the budget or budget amendment.”

In compliance with state and local law, the public is provided an opportunity to comment on the proposed fare change at any scheduled committee meeting of the Board of Supervisors considering the fare change, and during general public comment before the full Board of Supervisors. Minutes of Board of Supervisors meetings are kept and available to members of the public via the Board of Supervisors’ website. Letters from the public sent to the Board of Supervisors concerning the proposed fare change are placed in a public review file, and made available to the Members of the Board of Supervisors.

Depending on whether circumstances warrant, the SFMTA may supplement the procedures described above with one or more of the public outreach and involvement strategies discussed in Section C of this document, some of which are listed below in the discussion of Major Service Changes. As is the SFMTA’s standard practice, the needs of our limited English proficient customers are taken into account in any public outreach efforts concerning proposed fare changes.

### Major Service Changes

SFMTA also has a locally-developed process for soliciting and considering public comment prior to implementing a major service change. SFMTA defines “a major service change” as a change in transit service that would be in effect for more than a 12-month period, and that would consist of any of the following criteria:

- A schedule change (or series of changes) resulting in a system-wide change in annual revenue hours of five percent or more proposed at one time or over a rolling 24 month period;
- A schedule change on a route with 25 or more one-way trips per day resulting in:
  - Adding or eliminating a route;
  - A change in annual revenue hours on the route of 25 percent or more;
  - A change in the daily span of service on the route of three hours or more; or
  - A change in route-miles of 25 percent or more, where the route moves more than a quarter mile.

Corridors served by multiple routes will be evaluated based on combined revenue hours, daily span of service, and/or route-miles.

- The implementation of a New Start, Small Start, or other new fixed guideway capital project, regardless of whether the proposed changes to existing service meet any of the criteria for a service change described above.

Charter section 16.112 requires published notice in the City’s official newspaper prior to any public hearing in which the MTAB considers a significant change in the operating schedule or route of a street railway, bus line, trolley bus line or cable car line. Although Charter section 16.112 does not specify how far in advance the City must publish notice of the public hearing, the SFMTA’s practice is to publish its intention to consider any significant transit service change in the City’s official newspaper for five days and to hold a public hearing not less than 15 days after publication.

In situations where the SFMTA is proposing a “route abandonment” for a particular line or service corridor, the SFMTA must seek approval from both the MTAB, and the Board of Supervisors pursuant to Charter section 8A.108. Under the Charter, a “route abandonment” means the permanent termination of service along a particular line or service corridor where no reasonably comparable substitute service is offered.

If the SFMTA proposes a route abandonment at any time other than as part of its budget process, the agency must first submit the proposal to the Board of Supervisors. The Board of Supervisors may, after a noticed public hearing, reject the proposed route abandonment by a seven-elevenths vote taken within 30 days after the proposal is submitted by the SFMTA.

If the proposed route abandonment is submitted as part of the SFMTA’s budget, it must be rejected by a seven-elevenths vote of the Board on the budget or budget amendment.

As with the public process for fare changes, SFMTA’s procedures exceed the requirements of the FTA. Language assistance, such as oral interpreters, is provided if 48 hours advance notice is given. Once published notice has been provided and a meeting agenda posted as described above, the major service change can be considered by the MTAB at a regular or special meeting. Minutes from the meeting are kept, and are available to the public via SFMTA’s website. Letters from the public are placed in a public review file accessible to members of the public, and provided to members of the MTAB. With respect to public comment, members of the public have the right to speak at all meetings of the MTAB. Typically, the public is permitted to speak for up to three minutes on each item considered although the body has the discretion to limit public comment to less than three minutes if circumstances warrant. The MTAB may respond to comments made by the public and take other actions, such as amending the item or delaying a decision, as it deems appropriate.

In circumstances involving a route abandonment, the public is provided an opportunity to comment on the proposed service change at any scheduled committee meeting of the Board of Supervisors considering the service change, and during general public comment before the full Board of Supervisors. Minutes of Board of Supervisors meetings are kept and available to members of the public via the Board of Supervisors' website. Letters from the public sent to the Board of Supervisors concerning the proposed service change are placed in a public review file, and made available to the Members of the Board of Supervisors.

Once SFMTA has proposed a major service change or fare change, the SFMTA may provide additional notification to any affected neighborhood(s) and riders regarding the proposed changes and the time and location of any public meeting where public comment will be solicited. SFMTA will also provide information about proposed fare or major service changes on its website. The SFMTA provides such notification in one or more of the following ways, depending on the circumstances:

- Posting meeting notices on transit vehicles used by affected riders;
- Posting meeting notices at transit stops and/or on utility poles;
- Mailing or e-mailing a form letter and/or meeting announcements to neighborhood organizations and to residents and businesses on affected streets and/or mass-distributed to addresses in affected areas;
- Publishing meeting notices in neighborhood papers or multilingual or alternative language newspapers;
- Sending meeting notices to identifiable affected groups (for example, Caltrain riders if Caltrain feeder routes are affected);
- Circulating an attendance sheet at the meeting to create a contact list;
- Sending letters to names on contact lists including revised versions of the original proposal, and information regarding upcoming MTA Board meeting;
- Using public service announcements for radio and TV (for issues of citywide impact, when circumstances dictate and resources allow);
- Issuing a press release (for issues with citywide impact).



## D. COMMUNITY OUTREACH AND COMMENT

To ensure that the outreach tools indicated in SFMTA's Public Participation Plan (PPP) hit the mark, community input was sought through presentations and surveys at five meetings with community-based organizations. Five separate neighborhoods were chosen throughout the City and County of San Francisco in order to represent a cross-section of the City's diverse communities:

1. Bayview Hunters Point
2. Fillmore/Western Edition
3. Mission
4. Chinatown
5. Sunset District

Within these neighborhoods a total of 40 community organizations were identified, including those that had participated in SFMTA's Language Assistance Plan community-based organization (CBO) focus group effort. Out of the 40, five were selected for community meetings based on the diversity of the neighborhoods they represent. The meetings included a presentation, a question and answer session and a survey to be completed on-site by meeting attendees concerning their preferences for receiving agency information and keeping in touch with the SFMTA.

In order to keep the conversation focused during the presentation, the stakeholders were told that the purpose of the presentation was to seek their input not on Muni

services specifically but on how best to communicate with them and how they prefer to offer their input back to the SFMTA.

Presentations included a description of the PPP,



including an overview of the current communication tools used by SFMTA to reach its stakeholders. Copies of the plan were made available and stakeholders were also told they could obtain copies by calling the 311 information line, which was stressed as a good way to register questions and receive information in both English and multiple other languages. Presenters stressed the variety of outreach methods available to the public. Staff worked with the leadership of the CBOs to determine in advance any language needs of the participants and translation services were provided for Chinese and Spanish-language participants. The survey was translated into Spanish and Chinese. Presentations were made to the following five groups in October and November 2012:

	<b>Neighborhood</b>	<b>Organization</b>	<b># of Surveys</b>
1	Chinatown	Chinatown Community Development Center	19
2	Western Addition	Ida B. Wells Senior Center	59
3	Bayview	True Hope Baptists Church	14
4	Mission District	Mission Neighborhood Center	23
5	Sunset District	Sunset Neighborhood Beacon Center	35
6	CBO Leadership	12 community-based organizations	12
<b>Total Surveys</b>			<b>162</b>

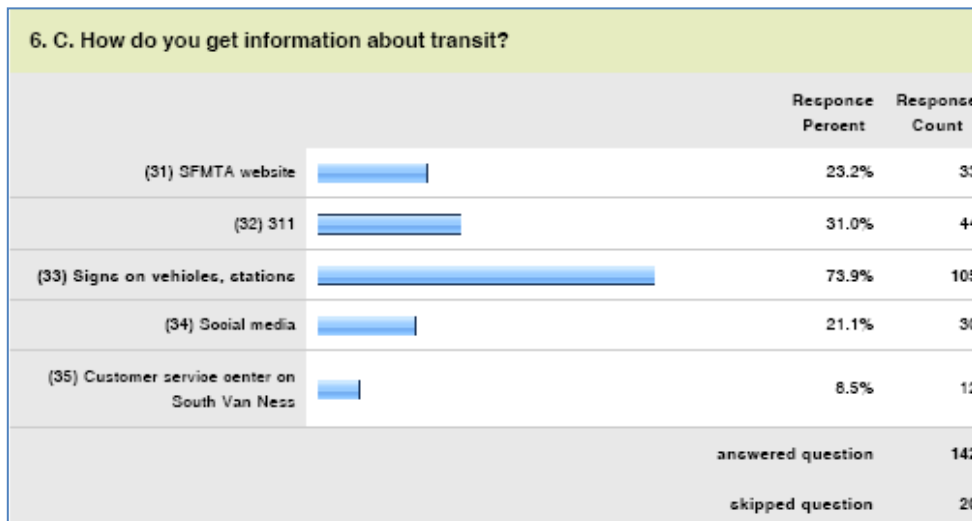
An SFMTA community outreach professional was on hand at all meetings to answer specific questions about Muni services, and those questions were also logged and included in the survey report. All audiences were attentive and responsive and expressed appreciation for the presentations.

### ***Survey Highlights***

#### How do you get information about transit?

Overwhelmingly, respondents (73.9%), get information from signs on vehicle and in stations, with this option also ranking as one of the top three preferred methods by

which to get transit-related information. The City’s 311 information line serves more than 30% of respondents, with the customer service line also placing in the top three preferences in terms of sources of information for nearly 44% of respondents. About 23% obtain information from the SFMTA website and nearly 48% place that source in their top three.



Survey Comment Card Response (Accessible Diagram)

**6.C. How do you get information about transit?**

Source	Number of Responses Received	Response Percentage	Response Count
SFMTA website	31	23.2%	33
311	32	31.0%	44
Signs on vehicles, stations	33	73.9%	105
Social media	34	21.1%	30
Customer service center on South Van Ness	35	5.5%	12

<b>Total of answered questions</b>	<b>142</b>
<b>Total of skipped questions</b>	<b>20</b>

These same sources were cited by respondents in relatively similar percentages when respondents were asked to select *three options that you think are the best ways to reach community members*.

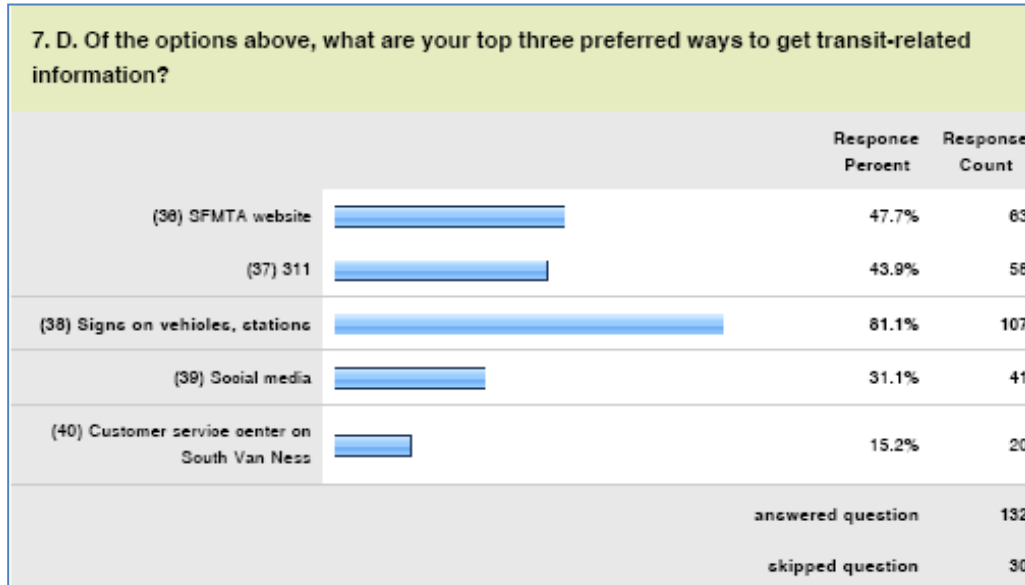
These findings underscore the importance of these information sources and reaffirm the SFMTA’s focus on these methods in terms of ongoing community outreach while keeping an eye on the organization’s flexible list of outreach tools. All of these notification methods are included in the PPP.

Preferences for receiving information and sharing comments

When respondents are in direct contact with SFMTA staff (at community meetings, for example), they favor information via handouts (62.4%) and prefer recording their questions and comments in writing on comment cards. The CBOs also tend to be willing to display SFMTA service bulletins or fliers in their offices and are on SFMTA email blasts and contact lists. The topics of most importance reported in the meetings and surveys were, in top three order, *fare and service changes, safety and transit services in general*.

How do you get information about SFMTA meetings?

Results are very diverse, with literally all forms of notification receiving answers. Importantly, nearly half of respondents indicated *information cards* on Muni vehicles. *Radio, TV, Ethnic media* and information via *community-based organizations* were also recognized as significant information sources.



Survey Comment Card Response (Accessible Diagram)

**7.D. Of the options above, what are your top three preferred ways to get transit-related information?**

Source	Number of Responses Received	Response Percentage	Response Count
SFMTA website	36	47.7%	63
311	37	43.9%	58
Signs on vehicles, stations	38	81.1%	107
Social media	39	31.1%	41
Customer service center on South Van Ness	40	15.2%	20
<b>Total of answered questions</b>			<b>132</b>
<b>Total of skipped questions</b>			<b>30</b>

Attending Public Meetings

While most respondents (71%) have never attended a public meeting on transit-related issues, when asked what factors would enable them to come, two topped the list: location (71.4%) and time of day (53.6%). A variety of other factors were considered and recorded. While time of day is seen as important, respondents were fairly equally divided about the best time of day, although weekdays were favored over weekends. Another factor that registered to many was the availability of language assistance.



### A Variety of Comments

When offered an opportunity to comment on topics of interest, those comments dealt universally with Muni services (complaints and observations), rather than communication topics. This variety of comments is included in the survey response document in the appendix.

### **Community-based Organization Leadership Surveys**

Because SFMTA’s relationship with community-based organizations is a vital link to its stakeholders, the feedback from those leaders, who were instrumental in setting up meetings and focus groups throughout the project, is equally important. Twelve CBO leaders were surveyed for their feedback on the Public Participation Plan, including the five leaders who facilitated presentations to their groups:

Name	Title	Organization
LaShon A. Walker	Vice President	Bayview Merchants Association
Cathy Davis	Executive Director	Bayview Hunters Point Multipurpose Senior Services

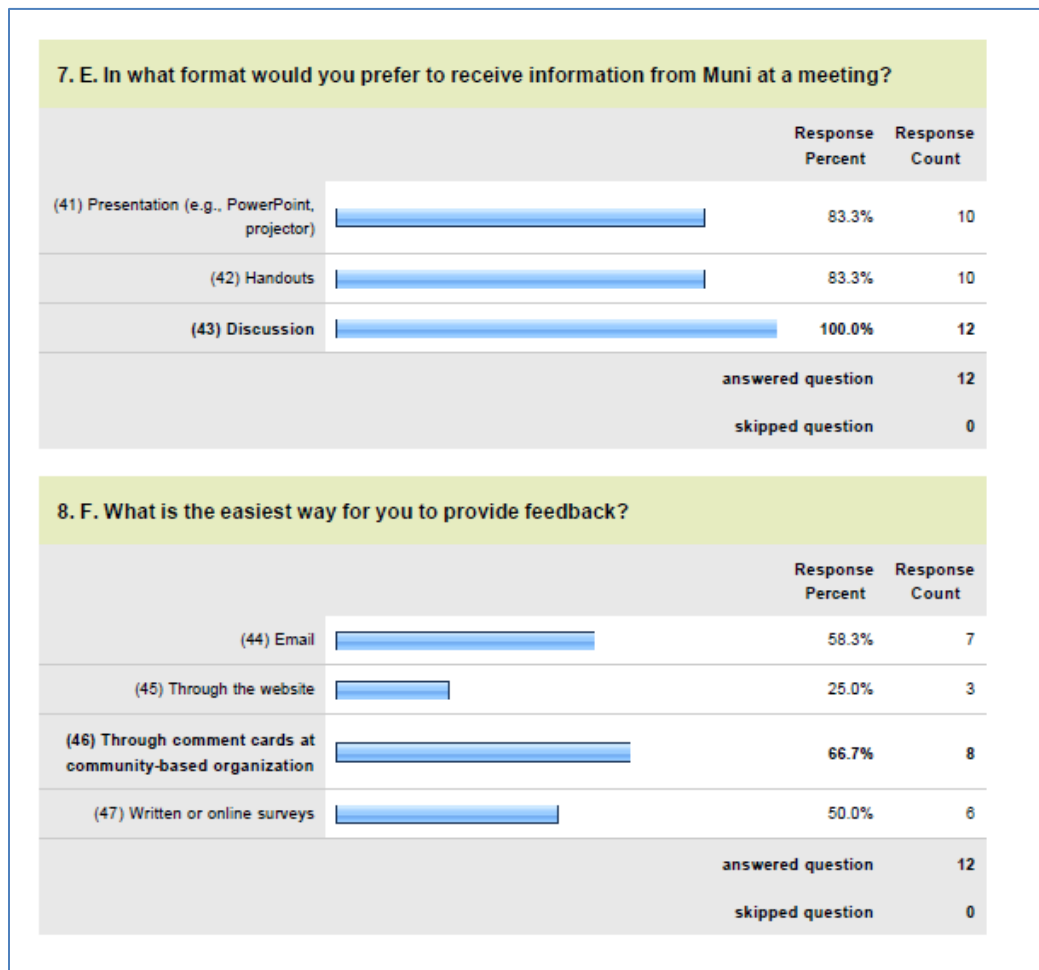
Neal Hatten	Associate Executive Director	Bayview Hunters Point YMCA
Cathie Lam	Senior Community Organizer	Chinatown Community Development Center
Michael Hamman	President	India Basin Neighborhood Association
Martha Ehrenfeld	Board Member	Inner Sunset Park Neighbors
Mariana Romero	Family and Community Partnerships Manager	Mission Neighborhood Center
Sarah Huck	Neighborhood and Family Services Program Manager	Richmond Village Beacon
Patrick Montgomery	Evening Program Coordinator	Sunset Neighborhood Beacon Center
Reverend Allen	Reverend	Third Baptist Church
Tachina Alexander	Community Liaison	True Hope COGIC
Mike Stancil	Senior Director	YMCA, Richmond District

The leaders know their stakeholders well and represent them fully when it comes to SFMTA services and information. In terms of their preference for methods of contact, the leaders favored emails from SFMTA staff. They also stated that they gather SFMTA information through community meetings and information placed on Muni vehicles. They, like their stakeholders, cite public notices – including through their CBOs – as a good method of getting information distributed.

In addition to these standard methods, CBO leaders are far more likely (45.5% vs. 23.2% for their stakeholders) to go to the SFMTA website for information. Even more telling, about 78% of CBO leaders rank the website, along with signage at stations and vehicles, as a “top three” preferred method of receiving updates. This supports SFMTA efforts to reach through CBO leaders to their stakeholders by distributing emails to leaders and encouraging website visitation as a means of keeping abreast of information they can share with their own communities. The fact that nearly half of survey respondents see the website as a good source is encouraging.

Also reflecting the expected preferences of leaders, 100% of these 12 individuals indicated that they would rather receive information from SFMTA via discussion than through presentations or handouts. They support email, surveys and comment cards as good ways to provide their input to SFTMA.

Finally, these CBO leaders are far more likely to attend meetings on transit related issues, given the fact that more than 83% of them have done so in the past. To them, location is far and away the most important factor for attendance.



Survey Comment Card Response (Accessible Diagram)

**7.E. In what format would you prefer to receive information from Muni at a meeting?**



Source	Number of Responses Received	Response Percentage	Response Count
Presentation (e.g., PowerPoint, projector)	41	83.3%	10
Handouts	42	83.3%	10
Discussion	43	100.0%	12
<b>Total of answered questions</b>			<b>12</b>
<b>Total of skipped questions</b>			<b>0</b>

#### 8.F. What is the easiest way for you to provide feedback?

Source	Number of Responses Received	Response Percentage	Response Count
Email	44	58.3%	7
Through the website	45	25.0%	3
Through comment cards at community-based organization	46	66.7%	8
Written or online surveys	47	50.0%	6
<b>Total of answered questions</b>			<b>12</b>
<b>Total of skipped questions</b>			<b>0</b>

#### Comparisons Between Respondents in the Five Meetings

Survey tabulations include a breakout of results from the five different neighborhood meetings. In general, it is considered more useful to use the combined totals because the varying numbers of respondents from meeting-to-meeting make those results less projectable over the entire population, as is always the case with relatively limited distribution. Averaging results from among 150 respondents is seen as more conclusive and useful in determining public outreach preferences.

## Comparisons with LEP Focus Groups and PPP Surveys

Comparing several critical areas of community outreach reveals similar thinking between respondents from the PPP Public Meetings, CBO leadership and those from the LEP focus groups.

<b>Responses from:</b>	<b>PPP Public Meetings</b>	<b>LEP Focus Group</b>	<b>CBO Leadership</b>
<b>Where do you get your Muni information?</b>			
Signs in stations	X	X	X
Radio/TV/Ethnic Media	X		
Information in vehicles	X	X	X
311 Information Line		X	
<b>Importance of/Preference for Information Source</b>			
Signage	X	X	X
Brochures	X		
311	X	X	X
Website	X	X	X
<b>Information/services most important to respondents</b>			
Fare and service changes (schedules)	X	X	X
Safety	X	X	X
Transit services in general		X	X
Information at bus shelters	X		

This finding informs SFMTA that its efforts in these particular delivery methods and key information are relatively universal over the organization's entire stakeholder population.

## Conclusion

Input from the public meetings and the accompanying surveys confirms that the SFMTA Public Participation Plan outreach tools provide ample opportunities for public input and are inclusive of the preferences of the community. There are varied community opinions on important questions such as the best way to reach individuals in various communities and



what is most useful in attracting individuals to transit information meetings. Because attendance at traditional transit meetings (e.g., board meetings) are of minimal importance to these groups (and, research would likely show, to SFMTA's other stakeholders as well), consultation with community-based organizations when the need arises to communicate with their particular stakeholders can ensure the best outreach approach.

In correlating these results from findings in the Language Assistance Plan, it is clear that regardless of language, customers find information about fares and service changes (schedules) – the survey language used above -- most important, as reflected in the routes-schedules-fares priorities below, from the LAP. Similarly, findings in both the LAP and the PPP indicate that on-site information is relied on the most regardless of language, indicating a priority for providing signage and on-board information in more than one language.

The importance indicated in the research in both plans also supports SFMTA's investment in the 311 system and its website. While respondents reported less use of these two media, when both were discussed, respondents saw the value in them, leading to the conclusion that more promotion to the website and 311 may lead to greater acceptance and use.

The results of both studies provide guidelines for what works best not only for language-proficiency outreach but also for connecting with low-income and underserved populations. With the variety of outreach tools available to SFMTA, it is possible to select them on a case-by-case basis, depending on the stakeholder audience, when planning an outreach effort.

## **E. REVIEW AND MONITORING OF THE PUBLIC PARTICIPATION PLAN**

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The Public Participation Plan will be reviewed, at a minimum, every three years for its effectiveness and relevance based on changing demographics, new technologies, updated guidance and the requirements and needs of particular projects, among other factors. The Plan will also be considered a “living document” that requires the SFMTA to continue its commitment to involve minority and low-income communities by sharing this Plan with those populations, asking for feedback and new ideas and staying connected with stakeholders who represent those populations as an ongoing activity.

## APPENDIX 1: COMMUNITY OUTREACH DATABASE

18th Street Merchants Association  
 28th Ave. Neighbors  
 40th Ave. Neighbors  
 45th Ave. Neighbors  
 7th Ave. Presbyterian Church  
 Advisory Council to the Commission on Aging and Adult Services  
 Asian Family Support Center  
 Asian Inc.  
 Asian Neighborhood Design  
 Asian Pacific American Community Center  
 Asian Pacific Chamber of Commerce  
 Bartol Alley Neighborhood Group  
 Bayview Hill Neighborhood Association  
 Bayview Merchants Association  
 Bayview PAC Transportation and Land Use Committee  
 Bayview YMCA  
 Bayview Hunters Point Multipurpose Senior Center  
 Bayview Hunters Point PAC  
 Bernal Heights Neighborhood Center  
 Buena Vista Neighborhood Association  
 Castro/Eureka Valley Neighborhood Association  
 Catholic Charities/OMI Senior Center  
 Cayuga Improvement Association  
 Charity Cultural Service Center  
 Chinatown Beacon Center  
 Chinatown Community Development Center  
 Chinatown Merchants Association  
 Chinatown Public Health Center  
 Chinatown TRIP  
 Chinatown Youth Center  
 Chinatown/North Beach Childcare Center  
 Chinese Chamber of Commerce  
 Chinese Education Center  
 Chinese for Affirmative Action  
 Chinese Hospital  
 Chinese Newcomers Service Center  
 ClementinaSF  
 Coalition for San Francisco Neighborhoods  
 Coalition for Transit Justice  
 Coit Depression Preservationists  
 Cole Valley Improvement Association  
 College Hill Neighborhood Association  
 Community Design Center  
 Community Learning Center  
 Community Youth Center  
 Corbett Heights Neighbors  
 Country Acres Country Club  
 Cow Hollow Association  
 Crestlake Property Owners Association  
 Diamond Heights Community Meeting  
 Dogpatch Neighborhood Association  
 Dolores Heights Improvement Club  
 Donaldina Cameron House  
 Downtown Association of San Francisco  
 East Mission Improvement Association  
 Edgewood Neighborhood Association  
 Edgewood Park Center  
 Ella Hill Hutch  
 Excelsior District Improvement Association  
 Fisherman's Wharf Community Benefit District  
 Fisherman's Wharf Merchants Association  
 Fook Chong Hong Friendly Society  
 Francis Scott Key School  
 Friends of Noe Valley  
 Glen Park Association Town Hall  
 Golden Gate Breakfast Club  
 Golden Gate National Recreation Area  
 Golden Gate Valley Neighborhood Association  
 Goodwill Industry One Stop  
 Grace Evangelical Free Church  
 Grace Local Organizing Committee of the San Francisco Organizing Project (San FranciscoOP)  
 Green Street Neighbors  
 Growth & Learning Opportunities  
 Haight Ashbury Improvement Association  
 Haight Ashbury Neighborhood Council  
 Hayes Valley Neighborhood Association  
 Hip Sen Benevolent Association  
 Holy Name Church and School  
 Hoy Ping Benevolent Association  
 Inner Sunset Merchants Association  
 Inner Sunset Neighborhood Association  
 Irving Street Merchants  
 Japanese Chamber of Commerce  
 Japantown Taskforce  
 Judah Street/Ocean Beach Merchants and Professional Association  
 Ka Yin Benevolent Association  
 Kinship Support Network  
 La Playa Park  
 La Playa/SAFE  
 Laurel Village Merchants Association  
 L'Chaim Senior Center  
 LGBT Community Center  
 Liberty Hill Neighborhood Association  
 Lincoln Park Homeowners Association Incorporated (LPHA)  
 Lincoln Park Presbyterian Church Senior Center  
 Lombard Hill Improvement Association  
 Lower 24th Street Merchant and Neighborhood Association  
 Lower Polk Neighborhood Association  
 Lyon-Martin Women's Health Services  
 Maiden Lane Association  
 Marina Civic Improvement & Property Owners

- Marina Cove Tenants Association
- Marina Merchants Association
- Marina Neighborhood Association
- Market Street Railway
- Mayor's Office of Neighborhood Services
- Mayor's Office on Disability
- Mayor's Disability Council
- Mid Polk Neighborhood Association
- Mid-Sunset Neighborhood Association
- Mission Bay CAC
- Mission Dolores Neighborhood Association
- Mission Hiring Hall
- Mission Merchants Association
- Mission Small Business Association
- Moscone Temple
- Mount Olympus Neighbors Association
- Neighbors of Ardenwood
- New Mission Terrace Improvement Association
- Ninth Avenue Neighbors
- Nob Hill Association
- Nob Hill Neighbors
- Noriega-Lawton Street Merchants Association
- North Beach Chamber of Commerce
- North Beach Neighbors
- North East Medical Services (NEMS)
- North of Panhandle Neighborhood Association (NOPA)
- North Point Neighborhood Association
- Ocean Beach Neighbors
- OMI Neighbors In Action
- On Lok Senior Health Services
- Outer Mission Merchants and Residents Association
- Pacific Avenue Neighborhood Association (PANA)
- Pedestrian Safety Advisory Committee
- Ping Yuen Residents Improvement Association
- Planning Association for the Richmond (PAR)
- Polk Street Merchants Association
- Portola Neighborhood Steering Committee
- Positive Resource Center
- Potrero Hill Boosters
- POWER
- Presidio Trust
- Presidio YMCA
- Renew SF
- Rescue Muni
- Richmond Democratic Club
- Richmond District Advisory Council
- Richmond District Afterschool Collaborative
- Richmond District Neighborhood Center
- Richmond District YMCA
- Richmond Neighborhood Center
- Richmond Village Beacon Center
- Russian Hill Neighbors
- Safety Network
- Sam Yup Benevolent Association
- San Francisco African American Chamber of Commerce
- San Francisco Beautiful
- San Francisco Bicycle Coalition
- San Francisco Conservation Corps
- San Francisco Food Bank
- San Francisco Hispanic Chamber of Commerce
- San Francisco Neighborhood Network
- San Francisco Neighbors Association (San FranciscoNA)
- San Francisco Organizing Project (SFOP)
- San Francisco Surf Riders Foundation
- San Francisco Tenants Union
- San Jose/Guerrero Coalition
- SanchezProsper Community Association
- Senior Action Network
- San Francisco Chamber of Commerce
- San Francisco League of Conservation Voters
- San Francisco Transit Riders Union
- San Francisco Young Democrats
- SFCTA Citizens Advisory Committee
- Sierra Club
- Small Business Commission
- South of Market Employment Center
- South Sunset Senior Center
- Southeast Community Facility
- Southwestern Neighborhood Improvement Group
- SPUR
- St. Anne of Sunset
- St. Cecilia's Sewing and Art Club/Collins Center
- St. Francis Lutheran Church Senior Center
- Stonestown YMCA
- Sunnydale Boys and Girls Club
- Sunnydale Residents' Association
- Sunnyside Neighborhood Association
- Sunset District Neighborhood Coalition
- Sunset Heights Association of Responsible People (SHARP)
- Sunset Neighborhood Beacon Center
- Sunset Recreation Center
- Sunset Senior Center
- Sunset Youth Services
- Sunset-Parkside Education and Action Committee (SPEAK)
- Telegraph Hill Dwellers
- Tenderloin Housing Clinic
- Third Baptist Church
- Tzu Chi Foundation
- Union Square Merchants Association
- Upper Noe Neighbors
- Valencia Corridor Merchants Association
- Vicente Square Park Neighborhood Association
- Visitacion Valley Beacon Center
- Visitacion Valley Boys and Girls Club
- Visitacion Valley Community Center

Visitacion Valley Community Development Corporation  
Visitacion Valley Merchants Association  
Visitacion Valley Planning Alliance  
Visitacion Valley Task Force  
Walk SF  
West Portal Avenue Association  
West Sunset Playground  
Western Addition Beacon Center

Western Addition CAC  
Western SoMa Citizens Task Force  
Westside Neighbors to End Homelessness  
Westwood Highlands Association  
Young Community Developers  
Young Ladies Institute  
Youth Commission

## APPENDIX 2: CBO LEP FOCUS GROUPS/LEADERSHIP SURVEYS

Agency	Address
<b>Leadership Interview – Focus Group CBOs</b>	
Cameron House (Chinese)	920 Sacramento St (Yulanda Kwong)
Chinatown Community Development Center (CCDC) (Chinese)	Bayside Elderly Housing 777 Broadway (Cathie Lam, Director)
Russian-American Community Services (Russian)	300 Anza St. (Olga Medvedko, Director)
Asian Pacific American Community Center (Chinese)	2442 Bayshore Blvd (Selina Lee, Executive Director)
Vietnamese Community Center	766 Geary (Thuy Doan)
Mission Neighborhood Center (Spanish – 2 sessions)	362 Capp Street (Maria Bermudez, Director)
Veterans Equity Center (Filipino)	1010 Mission Street (Luisa M. Antonio Executive Director)
Jewish Family and Children’s Services (Russian)	2150 Post Street (Masha Gutkin)
<b>Leadership Interviews – Additional CBOs</b>	
Korean Community Center	765 Buchanan St. (Mi Kim)
San Francisco Institute of English	3301 Balboa St. (Anna Toth Mulway)
Bayview Multi-Purpose Senior Center	1250 La Salle Ave. (Kathy Davis)
South of Market Health Center	229 7 <sup>th</sup> St. (Charles Range, Director)
Southeast Asian Community Center	875 O’Farrell St. (Philip Nguyen)
Renaissance Entrepreneurship Center	275 5th St.
Hunters Point Family	1800 Oakdale Ave. (Lena Miller)
Neighborhood Jobs Initiative	1323 Evans (Angelo King)
Chinese for Affirmative Action	17 Walter U. Lum Place (Jenny Lam, Director)





## APPENDIX C: SUMMARY OF MAJOR PUBLIC PARTICIPATION ACTIVITIES

The Transportation Authority employs various methods to encourage public participation and to inform and include low-income, minority and LEP communities in major transportation decisions. Below are examples of some of the major public outreach and public involvement activities that have occurred in 2015.

**Potrero Hill Neighborhood Transportation Plan (NTP):** The Transportation Authority is leading this community-based transportation plan funded by grants from the Metropolitan Transportation Commission (MTC) and the California Department of Transportation (Caltrans) intended to fund planning efforts in Communities of Concern. In March 2015, the project team conducted a final round of outreach, gathering input on potential designs for pedestrian safety improvements at five intersections throughout the Potrero Terrace and Annex housing sites. The final report was approved by the Board in June 2015. In addition, funding for the two sets of pedestrian improvement projects (those mentioned above as well as a lighting project along the back of the Potrero Hill Recreation Center) has been fully identified. The San Francisco Planning Department – through the SFMTA – will deliver the intersection parklet/stoplet treatments, and the San Francisco Recreation and Parks Department will implement the lighting project. For more information, please visit [www.sfcta.org/potrero](http://www.sfcta.org/potrero).

**Geneva-Harney Bus Rapid Transit Feasibility Study:** The Geneva-Harney BRT team has been tabling at farmers markets, presenting at neighborhood association meetings, and holding community workshops in San Francisco and San Mateo Counties to share planning updates and recommendations. This outreach round responded to feedback heard in previous rounds and included direct mail, multi-lingual gatherings, and on-foot outreach to corridor businesses, as well as some new outreach tools, including event postings on NextDoor. Along with study partners at the SFMTA and Daly City Department of Public Works, the Geneva BRT team finalized the study report and obtained Board approval in July 2015. More information is available on the project's website at <http://www.sfcta.org/geneva-harney-bus-rapid-transit-feasibility-study>.

**Plan Bay Area 2040:** In May 2015, the MTC and the Association of Bay Area Governments hosted an open house in San Francisco as part of an initial round of outreach to kick off the update of Plan Bay Area, the regional transportation plan/sustainable communities' strategy. Staff used this opportunity to share with the public the relationship between the San Francisco Transportation Plan and Plan Bay Area, and discussed the process for updating San Francisco's Plan Bay Area 2040 project list. During 2015, staff worked closely with partner agencies to update existing projects and select new ones to include in the plan, and members of the public submitted project ideas through the web form at [www.sfcta.org/rtp](http://www.sfcta.org/rtp) or by phone. Plan Bay Area 2040 was presented at the June 2015 Plans and Programs Committee and Citizens Advisory Committee meetings and the final project list was approved by the Board in October 2015.

**Chinatown Neighborhood Transportation Plan (NTP):** The Chinatown NTP final report was approved by the Board in July 2015. The report provides pedestrian safety improvement concepts for two high pedestrian injury corridors in Chinatown: Broadway and Kearny Street. The recommendations for Kearny Street will be further refined and developed by the SFMTA and the Planning Department as part of a larger study expected to begin in summer 2016. To support that work, the Transportation Authority and SFMTA held meetings with community members representing key stakeholder organizations in Chinatown, including the Chinatown Transportation Research and Improvement Project, the Chinese Newcomer's Service



Center, the Chinatown Neighborhood Association, and others. The interviews focused on identifying community perspectives and concerns to be addressed during the next phase of study.

**Treasure Island Mobility Management Program:** In November 2015, the Transportation Authority partnered with the Treasure Island Development Authority (TIDA) on a series of community outreach events in support of the Treasure Island transportation improvement program. The events included several resident focus groups organized by the Treasure Island Homeless Development Initiative; focus groups with Treasure Island businesses; and open houses. The purpose of the outreach was to share ideas for transportation policy adjustments based on feedback from the summer's stakeholder and Board outreach. Information on the time and location of outreach events is posted to [www.timma.org](http://www.timma.org).

**Geary Corridor Bus Rapid Transit Project:** The November 5 public comment meeting was a productive event, with over 120 attendees submitting more than 90 comments via written card or court-reporter dictation service. The public comment period on the Geary Draft Environmental Impact Statement /Environmental Impact Report concluded on November 30, closing an extensive outreach effort to solicit comments that began with release of the document on October 2. Over 300 comment submissions were received, and the project team has begun the process of reviewing and responding to them. The project team has also reached out to community groups and stakeholders that submitted comments regarding location-specific project design and implementation details in order to better understand all perspectives and seek potential solutions to issues identified. Members of the joint Transportation Authority/SFMTA project team held a meeting in Japantown to discuss concerns related to project proposals in that neighborhood, and are scheduling meetings with the business community as well. In addition, nearly 6,000 people have used the digital viewfinder devices known as OWLs at 17th Avenue and Webster Street to view images of the proposed improvements. Over 1,000 responses were received to a survey administered through the devices, approximately 75% of which expressed positive views about the proposed project. The Final Environmental Document, including all comments received and responses, is scheduled to be released in summer 2016, after which there will be a publicly noticed action item to the Transportation Authority and SFMTA Boards to complete the environmental and approval and project selection process. For more information please visit the Geary BRT website at [www.sfcta.org/gearybrt](http://www.sfcta.org/gearybrt).