

San Mateo County Transit District
San Carlos, California



Popular Annual Financial Report

Fiscal Year Ended June 30, 2022



San Mateo County **TRANSIT DISTRICT**

December 30, 2022

We are pleased to present the Popular Annual Financial Report (PAFR) of the San Mateo County Transit District (District) for the Fiscal Year July 1, 2021 through June 30, 2022. The PAFR provides a summary of the District's finances, services, achievements, and economic prospects for readers without a technical background in accounting or finance. Readers desiring a more detailed discussion of the District's financial results may refer to the [Annual Comprehensive Financial Report](#).

It is important to note that the District administers various activities on behalf of other agencies: the Peninsula Corridor Joint Powers Board (which operates Caltrain), the San Mateo County Transportation Authority (which administers the Expenditure Plan funded by a half-cent transportation sales tax), and the San Mateo County Express Lanes Joint Powers Authority. These agencies have their own separate corporate identity and governance, and they are not component units of the District. Therefore, this report represents solely the activities, transactions, and status of the District.

The District continues to make substantial progress over the past few years in improving its financial standing, although the COVID-19 Pandemic disrupted many of the trends established in prior years. Despite these challenges the District ended Fiscal Year 2022 on improved financial standing. This accomplishment was made possible due to ridership recovering from continuing the rebound from the pandemic, and operating assistance (including transaction and use tax). These increases in revenue outpaced the expenses.

Revenues have made an expansive list of projects and programs possible. This report highlights what we have accomplished and where we hope to go in the coming years.

Sincerely,



April Chan
General Manager/
Chief Executive Officer



Grace Martinez, CPA
Acting Chief Financial Officer

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Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**San Mateo County Transit District
California**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

What is The District?



The District is an independent political subdivision of the State of California, formed by the California State Legislature on August 14, 1974 and approved by San Mateo county voters in the general election that followed.

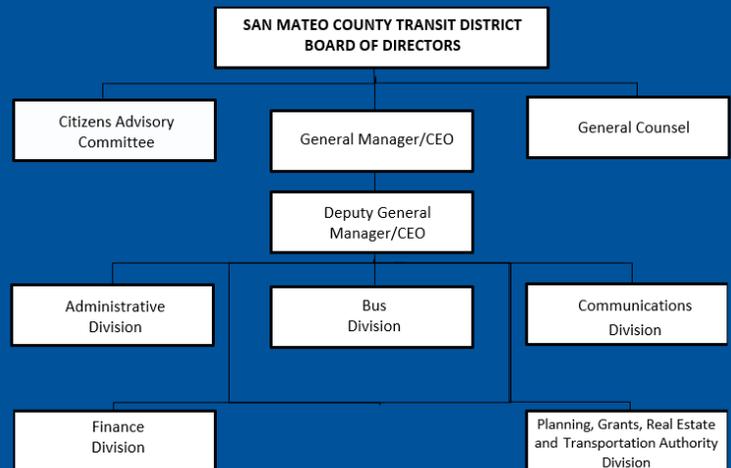
The overall purpose of the District is to plan, develop, finance and operate a modern, coordinated system of transportation that meets local mobility demands and promotes sound growth and economic development for the region.

The District provides bus transit services throughout San Mateo County, north into downtown San Francisco, and south to Palo Alto in Santa Clara County. It also operates a paratransit service and funds shuttles, connecting rail stations to employment centers.

The District provides administrative and staff services for San Mateo County Transportation Authority (SMCTA) and serves as a managing agency for SMCTA. District staff manages the funds collected through Measures A and W ordinances, and allocates the funds according to the Measure A and W Transportation Expenditure plans.

The District (as a managing agency for SMCTA) also provides staff support to the San Mateo County Express Lane Joint Powers Authority (SMCELJPA). The SMCELJPA is a joint powers authority between the City/County Association of Governments of San Mateo County (C/CAG) and SMCTA. The SMCELJPA was formed to own, manage, and operate the San Mateo County U.S. 101 Express Lanes Project. This project includes (i) the conversion of the existing High Occupancy Vehicle ("HOV") lanes into express lanes from the northern terminus of the Santa Clara County express lanes to the Whipple Road Interchange and (ii) the construction of new express lanes from Whipple Road to north of I-380 in San Mateo County.

The District partners in a three-agency joint powers authority that owns and operates Caltrain, a highly successful commuter rail service between San Francisco and Silicon Valley. The District serves as a managing agency for Caltrain.



In addition, this system works cohesively with other transportation services in the San Francisco Bay Area. No other organization within San Mateo County has a similar scope of responsibility for public transportation.

Who does the District serve?

We offer a wide array of services to reach the diverse transportation needs of our residents. Although the primary beneficiaries of our services are the residents of San Mateo County, our services reach residents as far north as San Francisco and as far south as Gilroy. Customers range from school children to working professionals.

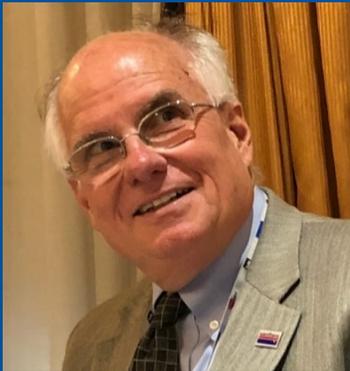
San Mateo County at a Glance

Year	Population	Per Capita Income	Avg. Unemployment Rates
2022	765,551	\$146,542	2.0%
2021	765,245	\$142,274	5.0%

Governance

2022 Board of Directors

The nine members of the Board of Directors meet monthly to determine overall policy for the District. The Board of Directors consist of a publicly-elected County Board of Supervisors who appoints two of its own members and an individual with transportation expertise to the District Board. The mayors of the cities throughout the county appoint three elected city officials. These six members then select the remaining three board members from the general public.



- Marina Fraser – Public Member - Coastside
- Jeff Gee – Southern Judicial Cities
- Carole Groom – Board of Supervisors
- Rose Guilbault – Public Member
- Rico E. Medina – Northern Judicial Cities
- Dave Pine – Board of Supervisors
- Charles Stone – Public Member

Chair, Peter Ratto
Board of Supervisors –
Transportation Expert

Vice Chair, Josh Powell
Public Member



2022 Citizens Advisory Committee

A 15-member Citizens Advisory Committee supports the board by articulating the interests and needs of current and future customers.

- Meredith Park (Chair)
- Mary Adler
- Steve Appenrodt
- John Baker
- Christopher Carey
- Bob Gomez

- Alex Madrid (Vice Chair)
- Scott Johnson
- Allie Juarez
- Nancy Lacsamana
- Michelle Lewis
- Denise Seibert
- Vacant (3)

Services

COVID-19 continues to disrupt daily life, but we kept moving people. The District designs its bus services to meet the needs of San Mateo County residents, workers and visitors. Many bus routes make connections to Caltrain, BART, and the San Francisco International Airport. The district also provides accessible transportation services throughout San Mateo County with fixed-route, Redi-Wheels and RediCoast Services.

SamTrans



SamTrans operated 70 routes spanning from San Francisco to Santa Clara.

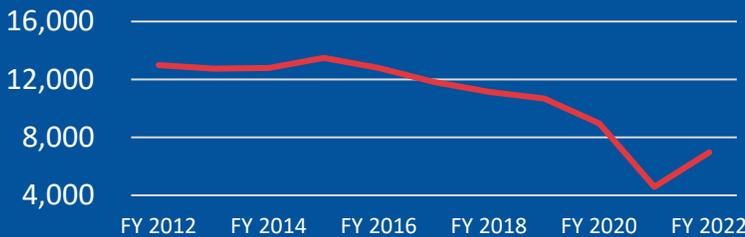


On Time Performance for the year was **81.6%**.



SamTrans experienced **7.0 million in bus ridership & 171,130** in paratransit ridership.

Ridership in Thousands



Caltrain



Caltrain is a fixed guideway commuter rail system serving San Francisco, San Mateo and Santa Clara counties that spans **77 miles** and includes **31 stations**.

Ridership increased from 1.3 million in 2021 to 3.8 million* which equates to **78 million passenger miles**.

On Time Performance for the year reached **91.0%**.

More information about Caltrain can be found at their [website](#).

* Ridership is derived from a combination of ticket sales and periodic boarding counts.

Major Initiatives



Reimagine SamTrans

In July 2019, SamTrans launched Reimagine SamTrans, a Comprehensive Operational Analysis (COA). COAs are in-depth studies that analyze transit agency services. Reimagine SamTrans will pinpoint the strengths and challenges in the current system while using data and public input to identify ways to improve SamTrans service.

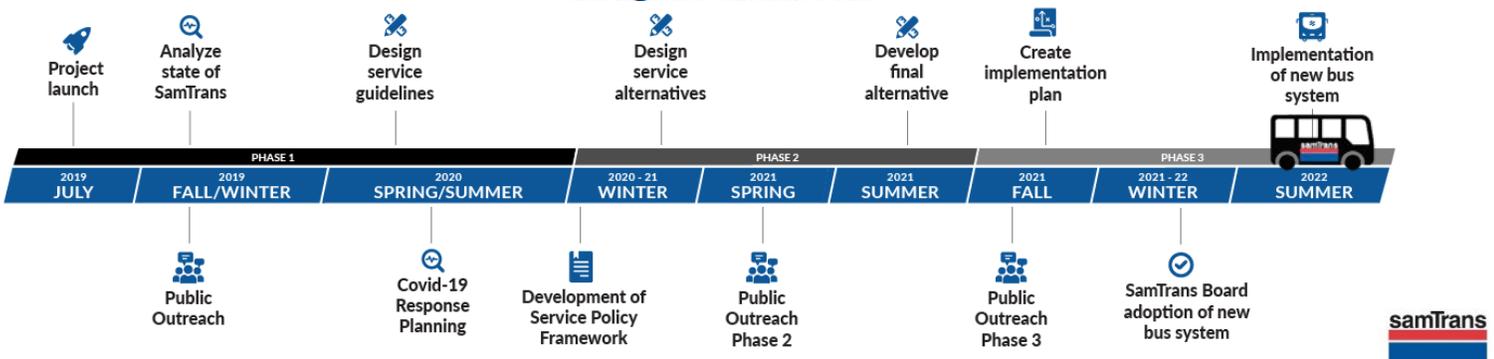
Reimagine SamTrans Goals:

1. Improve the experience for existing SamTrans customers
2. Grow new and more frequent ridership on SamTrans
3. Build SamTrans' efficiency and effectiveness as a mobility provider

The SamTrans Board of Directors adopted the study recommendations in March 2022. SamTrans began implementing the changes from Reimagine SamTrans in August 2022.

Visit [Reimagine SamTrans](#) to learn more.

Project Timeline



Zero Emission Buses

SamTrans is investing in battery electric and hydrogen fuel cell buses to do its part to reduce greenhouse gas emissions, fight climate change, and keep our air clean. In 2020, the SamTrans Board of Directors approved a plan to convert the fleet to 100% zero emissions. Since then, the Board has approved the purchase of 37 battery electric buses (BEB's) and 10 hydrogen fuel cell buses (FCEB's).

Having a fleet made up of both electric and hydrogen buses will help the SamTrans bus system be more flexible, resilient, and adapt to changes in technology.

More information on SamTrans' sustainability initiatives can be found on the SamTrans [website](#).



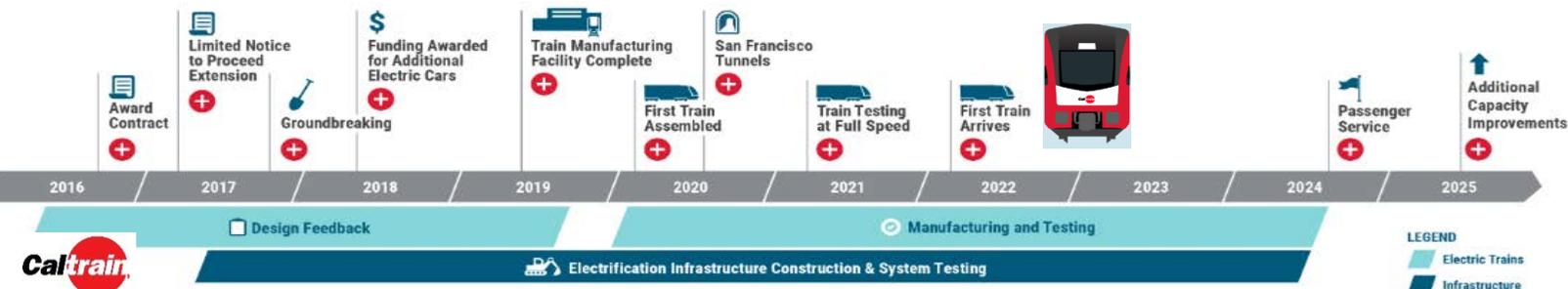
Caltrain Electrification

Caltrain electrification is a key component of the Caltrain Modernization (CalMod) Program and will electrify the corridor from San Francisco's 4th and King Caltrain Station to the Tamien Caltrain Station. Electrification improvements will better address Peninsula commuters' vision of increased service and improved travel times in an environmentally friendly and reliable way.

The \$2.44 billion project will replace 75% of the existing aging diesel fleet with 19 state-of-the-art **electric trains**, increasing service to six trains per peak hour per direction while maintaining operating speed of up to 79 mph.

More information on this project can be found on the Caltrain [website](#).

Project Timeline



101 Express Lane Project

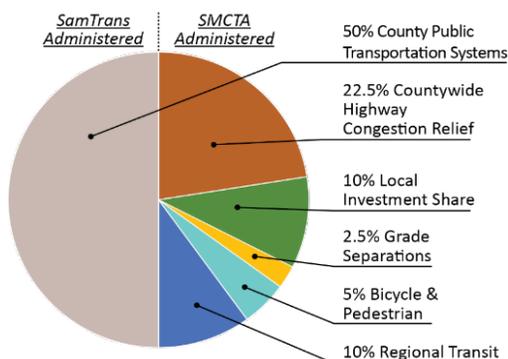
The project is creating 22 Miles of Express Lanes in both directions on US 101 design to reduce traffic congestion and encourage carpooling and transit use.

The express lanes between the San Mateo/Santa Clara County line to Whipple Avenue in Redwood City (green solid line) is completed and open for use. The express lanes from Whipple Avenue in Redwood City to I-380 in South San Francisco (blue striped line) has completed construction and has begun the toll equipment testing phase. The lanes will be fully operational in early 2023.

More information about this project can be found on the Caltrans [website](#).

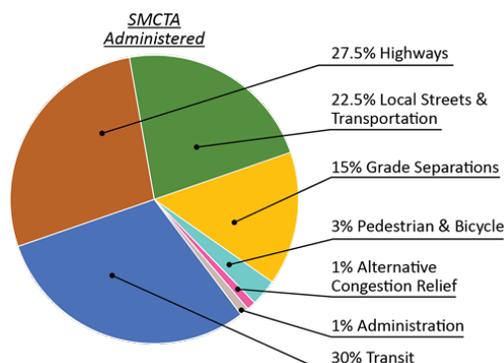
Measure W

Approved by voters in 2018, Measure W generates additional funds from another half-cent sales tax authorized for a period of 30 years beginning July 2019. **50% of revenues support SamTrans** with the remaining 50% directed to the 5 investment categories of the SMTA Congestion Relief Plan:



Measure A

First approved in 1988, Measure A is a half-cent sales tax dedicated towards transportation facilities, services, and programs. In 2004, voters reauthorized Measure A to run until December 31, 2033. The Measure A Transportation Expenditure Plan identifies six primary categories for investment:



More information about Measure W & A can be found on the Transportation Authority [website](#).

Financial Performance



Revenues **Expenses**

7.2% **15.5%**

Percent Decreases 2021 to 2022



Revenues

The District recorded a decrease in revenues from the prior year, fueled mainly by changes in nonoperating revenues described below.

OPERATING REVENUES generated from passenger fares of \$8.9 million increased by 58.7% during Fiscal Year 2022 compared to Fiscal Year 2021.



The increase was a result of recovering ridership from the impact of the COVID-19 pandemic.

NONOPERATING REVENUES decreased by 8.6% to \$241.2 million. The decrease was mainly due to decreases in operating assistance, other income, and investment income. Operating assistance of \$241.6 million accounted for the majority of Fiscal Year 2022 nonoperating revenues.

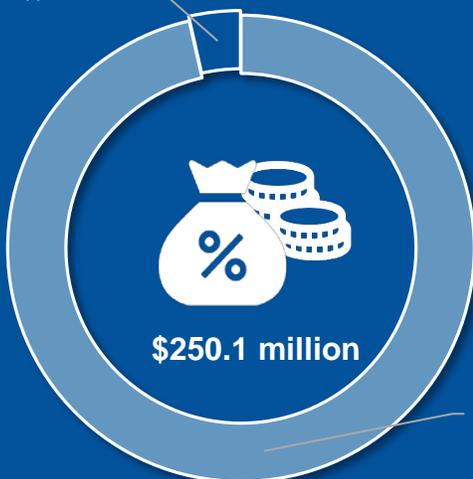


The largest portion of this decrease is attributable to the decrease in the Federal assistances related to the COVID-19 pandemic.



2022 Revenues

Passenger Fares
4%

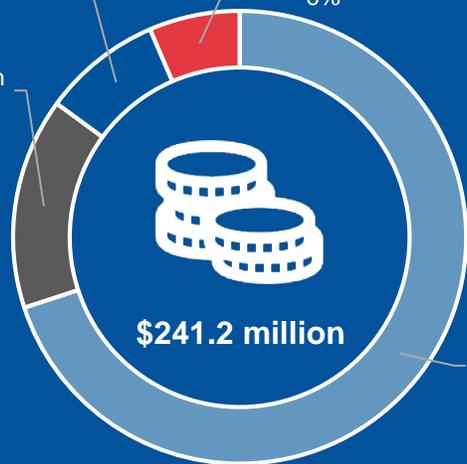


Operating Assistance by Source

Other
8%

Federal ARP Act
6%

Local Transportation Fund
15%



Expenses

Overall expenses for the District fell for Fiscal Year 2022.

NONOPERATING EXPENSES were \$7.0 million, a decrease of 56.4% compared to Fiscal Year 2021.



In Fiscal Year 2022, the District and other Caltrain member agencies were not required to make contributions toward the Caltrain rail service operating.



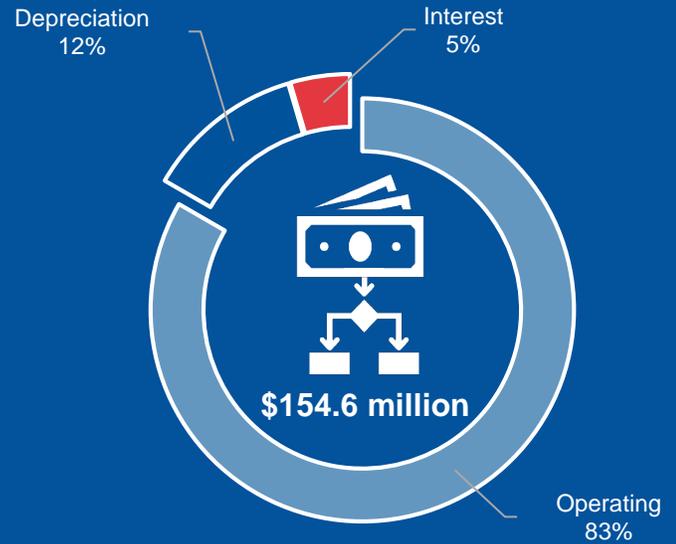
OPERATING EXPENSES (excluding depreciation) were \$128.8 million, a decrease of 11.9% compared to Fiscal Year 2021.



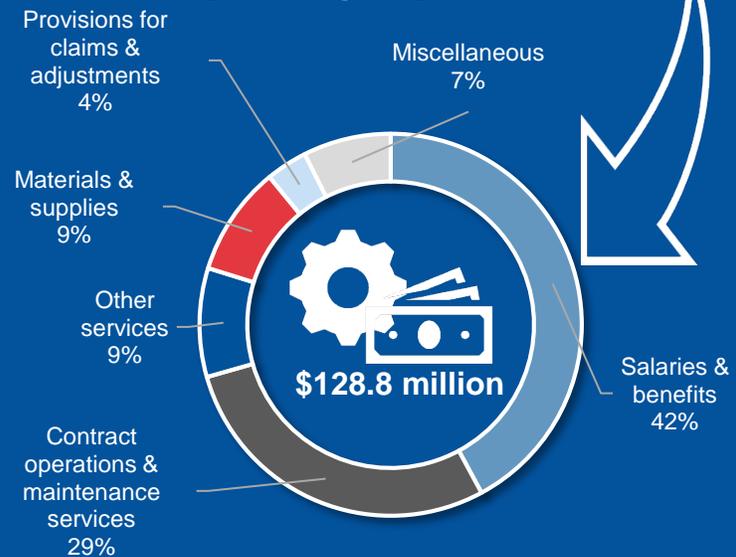
The decrease was mainly due to a decrease in salaries and benefit.

In Fiscal Year 2022, the District had 649.2 Full Time Equivalents.

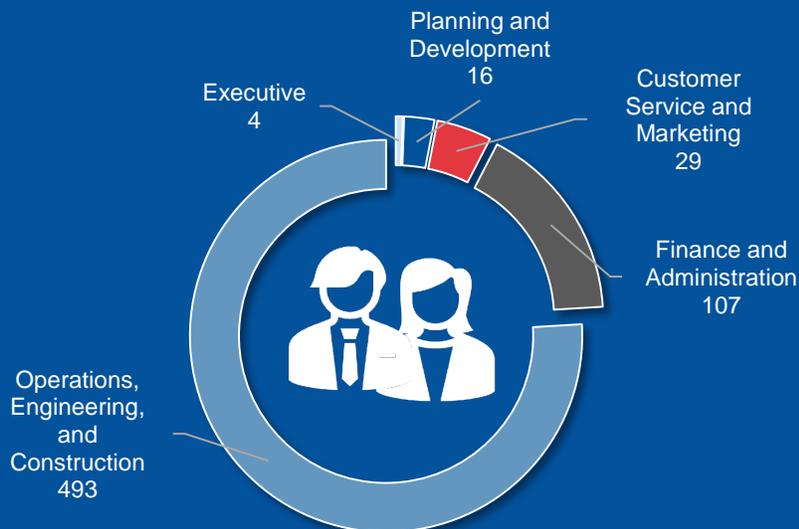
2022 Expenses



Operating Expense Detail



Full Time Equivalents by Division



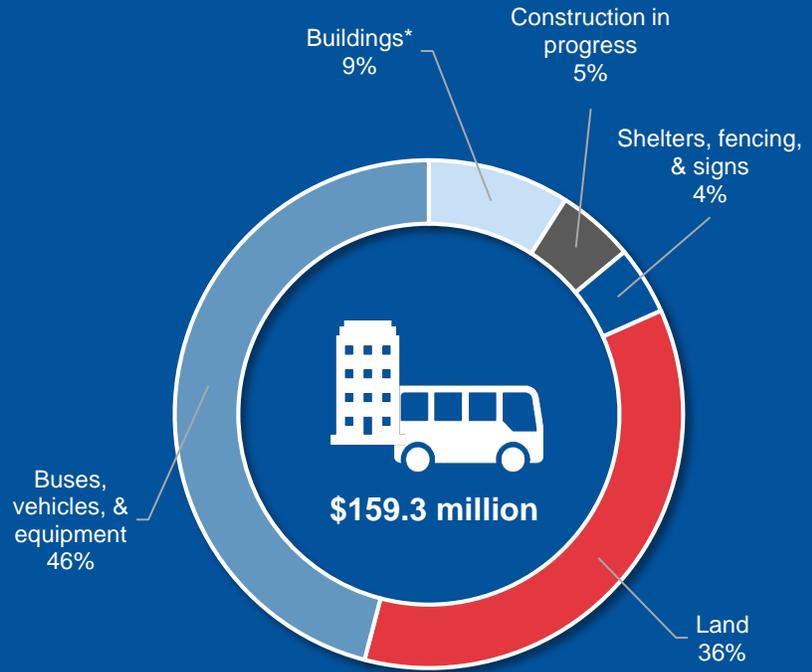
Capital Assets

The District received capital contributions of \$3.1 million in Fiscal Year 2022, which was a decrease of \$3.1 million or 48.7% in Fiscal Year 2022 compared to Fiscal Year 2021.

The following is a summary of the District's major capital expenditures for Fiscal Year.

- **\$4.1 million:** Purchase of revenue vehicles
- **\$2.1 million:** Maintenance and administrative facilities and equipment
- **\$0.9 million:** Replacement of bus parts in accordance with FTA guidelines
- **\$0.7 million:** Communication information system
- **\$1.3 million:** Capital project development, and others

2022 Capital Asset Balance

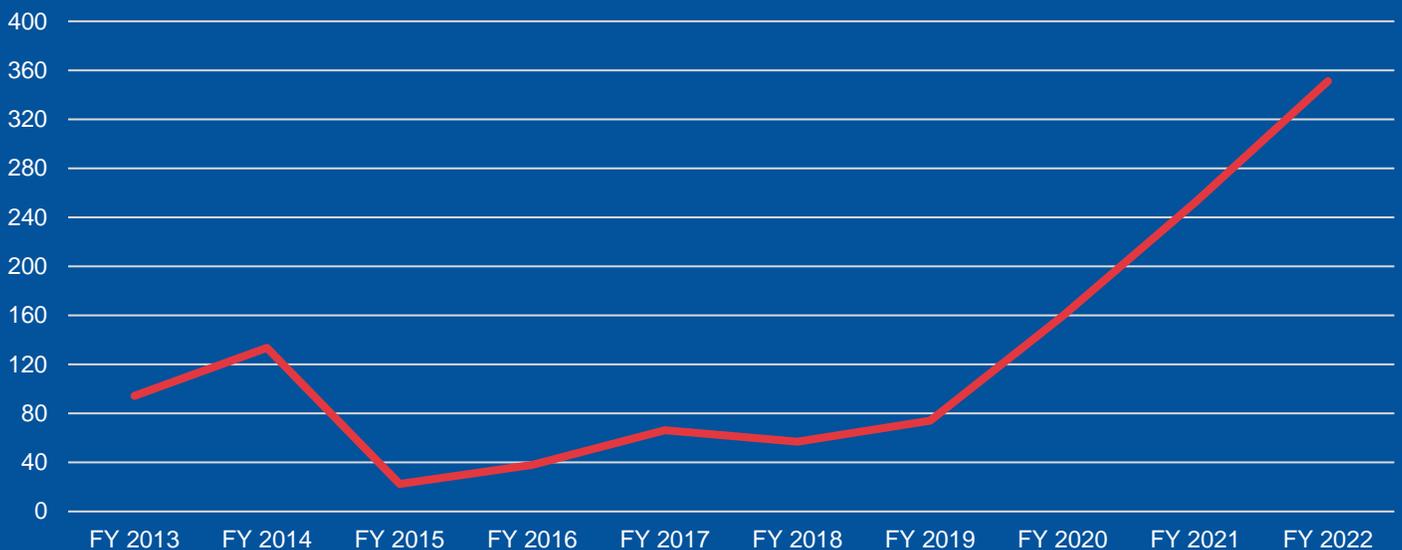


Net Position

The District's total net position increased by \$98.6 million in the Fiscal Year 2022. This increase is larger than any one-year increase over the past ten years.

The increase in the Fiscal Year 2022 was mainly due to the operating assistance (including transaction and use tax) exceeding the operating expenses by \$94.1 million.

10-Year History of Net Position



Looking Ahead

The Fiscal Year 2023 Operating Budget consists of \$270.4 million and \$231.9 million in revenues and expenditures, respectively. Passenger fares for both Motor Bus and ADA services are projected to be \$9.7 million. Local, State, and Federal funds are projected to decrease to \$86.1 million due to CARES ACT Funds, Transportation Development Act and State Transportation Assistance (STA) and Transportation Authority Measure A and partially offset by anticipated increase in Operating grants. The District's half-cent sales tax receipts are projected to be \$108.3 million. Measure W sales tax receipts are projected to be \$54.1 million. Investment and other incomes are projected to be \$12.2 million. Out of the \$231.9 million projected operating costs, \$159.5 million are budgeted for the Motor Bus program, \$18.7 million for the ADA program, and \$5.9 million for the Multi-Modal program.

The \$30.6 million Capital Budget contains projects that were reviewed and prioritized consistent with District policy directives and key Strategic Plan Initiatives. Major projects being undertaken in Fiscal Year 2023 includes

purchasing and installation of a new Enterprise Asset Management (EAM) System to replace the existing SPEAR system (\$5.5 million), funding for the needs for assessment, evaluation, planning and implementation of several aging IT systems throughout the district (\$3.1 million), acquisition and implementation of cybersecurity tools including hardware, software, and professional services (\$1.1 million), purchasing and installation of new paratransit scheduling software (\$0.6 million), replacing existing water utility lines at South Base (\$3.0 million), funding for upgrading and replacement of bus stop shelters to compliant with current ADA standards (\$2.9 million), implementation and development of facility power infrastructure upgrade (ZEB) (\$8.0 million), assessment and development of a conceptual design to replace North Base Bus Transportation Building 200 (\$2.1 million), funding the implementation of recommendations from the SamTrans Adaptation and Resilience Plan and the North Base Erosion Plan (\$1.5 million).

For full detail please see the [Adopted Fiscal Year 2023 Budget](#).

Questions about the San Mateo County Transit District can be directed to the Administrative Offices at 650-508-6200

