

BOARD OF DIRECTORS 2025



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MARINA FRASER  
RICO E. MEDINA  
JOSH POWELL  
PETER RATTO  
JACKIE SPEIER

APRIL CHAN  
GENERAL MANAGER/CEO

## REVISED AGENDA

### San Mateo County Transit District

Board of Directors Meeting

December 3, 2025, 2:00 pm

Bacciocco Auditorium, 2nd Floor

1250 San Carlos Avenue, San Carlos, CA 94070

Members of the public may attend in-person or participate remotely via Zoom at:

<https://us02web.zoom.us/j/81001317517?pwd=6LuOhomk1KpISW9X2CbpthZRGrealA.1> or by entering Webinar ID: **810 0131 7517**, Passcode: **792571** in the Zoom app for audio/visual capability or by calling 1-669-900-9128 (enter webinar ID and press # when prompted for participant ID) for audio only.

**Public Comments:** Written public comments may be emailed to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Board correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Board correspondence reading file, posted online at: <https://www.samtrans.com/meetings>.

Oral public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak and callers should dial \*6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes or less. The Board and Committee Chairs have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The video live stream will be available after the meeting at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>.

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

**Wednesday, December 3, 2025**

**2:00 pm**

1. Call to Order / Pledge of Allegiance
2. Roll Call
3. Consideration of any requests from Directors to participate remotely due to Emergency Circumstances
4. Report Out from Closed Session at November 5, 2025 Board Meeting
  - 4.a. Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation  
Title: General Manager/Chief Executive Officer
  - 4.b. Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation  
Title: General Counsel
5. Consent Calendar
  - 5.a. Approval of Minutes of the Board of Directors Meeting of November 5, 2025 Motion
  - 5.b. Accept Quarterly Fuel Hedge Update for Fiscal Year 2026 Quarter 1 Motion
  - 5.c. Authorizing the Purchase of up to 31 Non-Revenue Support Vehicles Through State of California, Department of General Services Contracts for a Total Not-To-Exceed Amount of \$1,338,500 and the Disposition of up to 25 Surplus Support Vehicles Resolution
6. Public Comment for Items Not on the Agenda  
*Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.*
7. Report of the Chair
  - 7.a. 2026 Chair and Vice Chair Nominating Committee Informational
8. Report of the General Manager/CEO
  - 8.a. Report of the General Manager/CEO | November 26, 2025 Informational

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

- 8.b. Monthly New Headquarters Construction Status Update and Headquarters Leasing Update Informational
  
- 9. Recess to Committee Meetings
  
- 10. Community Relations Committee / Committee of the Whole  
*D. Canepa (Chair), M. Fraser, J. Speier*

  - 10.a. Call to Order
  
  - 10.b. Approval of Minutes of the Community Relations Committee Meeting of November 5, 2025 Motion
  
  - 10.c. Accessible Services Updates Informational
  
  - 10.d. Citizens Advisory Committee Update Informational
  
  - 10.e. Paratransit Advisory Council Update Informational
  
  - 10.f. Monthly State of Service Report | October 2025 Informational
  
  - 10.g. State of Service Report | Fiscal Year 2026 Quarter 1 Informational
  
  - 10.h. Adjourn

  
- 11. Finance Committee / Committee of the Whole  
*B. Esser (Chair), D. Canepa, R. Medina*

  - 11.a. Call to Order
  
  - 11.b. Approval of Minutes of the Finance Committee Meeting of November 5, 2025 Motion
  
  - 11.c. Receive Quarterly Financial Report Fiscal Year 2026 Quarter 1 Results and Financial Outlook Informational
  
  - 11.d. Adjourn

  
- 12. Legislative Committee / Committee of the Whole  
*J. Powell (Chair), P. Ratto, J. Speier*

  - 12.a. Call to Order

- 12.b. Approval of Minutes of the Legislative Committee Meeting of November 5, 2025 Motion
- 12.c. Receive Legislative Update Informational
- 12.d. 2026 Legislative Program Informational
- 12.e. Adjourn
- 13. Strategic Planning, Development, and Sustainability Committee / Committee of the Whole  
*R. Medina (Chair), M. Chuang, P. Ratto*
  - 13.a. Call to Order
  - 13.b. Approval of Minutes of the Strategic Planning, Development, and Sustainability Committee Meeting of November 5, 2025 Motion
  - 13.c. 2025 Update to the SamTrans Service Policy Framework Motion Resolution
  - 13.d. Grand Boulevard Initiative (GBI) Action Plan Informational
  - 13.e. Adjourn
- 14. Reconvene Board of Directors Meeting
- 15. Matters for Board Consideration: Audit Committee Meeting of November 14, 2025
  - 15.a. Acceptance of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025 Motion
- 16. Matters for Board Consideration: Strategic Planning, Development, and Sustainability Committee
  - 16.a. 2025 Update to the SamTrans Service Policy Framework` Resolution
- 17. Communications to the Board of Directors
- 18. Board Members Requests
- 19. Date / Time of Next Regular Meeting: Wednesday, January 7, 2026, at 2:00 pm  
*The meeting will be accessible via Zoom teleconference and/or in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Please see the meeting agenda for more information.*

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

20. Report of the General Counsel

- 23.a. Closed Session: Conference with Legal Counsel – Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): One Potential Case

21. Reconvene Open Session

22. Report Out from Closed Session

23. Closed Session

- 23.a. Closed Session Pursuant to Government Code section 54957(a): Threat to Public Services/Facilities – Consultation with Mehul Kumar, Chief Information and Technology Officer and Steve Thomas, Director for Infrastructure and Cybersecurity
- 23.b. Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation  
Title: General Manager/Chief Executive Officer
- 23.c. Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation  
Title: General Counsel

24. Adjourn

## Information for the Public

If you have questions on the agenda, please contact the District Secretary at 650-551-6108. Agendas are available on the SamTrans website at: <https://www.samtrans.com/meetings>. Communications to the Board of Directors can be emailed to [board@samtrans.com](mailto:board@samtrans.com).

*Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

### **Date and Time of Board and Citizens Advisory Committee Meetings**

San Mateo County Transit District (SamTrans) Board and Committees: First Wednesday of the month, 2:00 pm; SamTrans Citizens Advisory Committee (CAC): Last Wednesday of the month, 6:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and CAC are available on the website.

### **Location of Meeting**

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

\*Should Zoom not be operational, please check online at: <https://www.samtrans.com/meetings> for any updates or further instruction.

### **Public Comment**

Members of the public may participate remotely or in person. Public comments may be submitted by comment card in person and given to the District Secretary. Written public comments may be emailed to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Board correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Board correspondence reading file, posted online at: <https://www.samtrans.com/meetings>.

Public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to two minutes and one per person PER AGENDA ITEM. Each online commenter will be automatically notified when they are unmuted to speak. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

### **Accessible Public Meetings/Translation**

Upon request, SamTrans will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070; or email [titlevi@samtrans.com](mailto:titlevi@samtrans.com); or request by phone at 650-622-7864 or TTY 650-508-6448.

### **Availability of Public Records**

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

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

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Board of Directors  
DRAFT Minutes of November 5, 2025**

**Members Present:** D. Canepa, B. Esser, M. Fraser, R. Medina, J. Powell, P. Ratto, J. Speier, M. Chuang (Vice Chair), J. Gee (Chair)

**Members Absent:** None

**Staff Present:** J. Cassman, A. Chan, T. Davenport, T. Dubost, J. Epstein, J. Jest, K. Jordan Steiner, N. Kramer, L. Lumina-Hsu, J. Mello, J. Nogales-DeGuzman, D. Olmeda, M. Tseng

**1. Call to Order / Pledge of Allegiance**

Chair Jeff Gee called the meeting to order at 2:00 pm and Vice Chair Chuang led the Pledge of Allegiance.

**2. Roll Call**

Margaret Tseng, District Secretary, called the roll and confirmed that a Board quorum was present.

**3. Consideration of any requests from Directors to participate remotely due to Emergency Circumstances – There were none.**

**4. Report from Closed Session at October 8, 2025 Board Meeting**

**4.a. Closed Session: Closed Session Pursuant to Government Code section 54957(a): Threat to Public Services/Facilities – Consultation with Mehul Kumar, Chief Information and Technology Officer and Steve Thomas, Director for Infrastructure and Cybersecurity**

**4.b. Closed Session: Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation Title: General Manager/Chief Executive Officer**

**4.c. Closed Session: Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation Title: General Counsel**

Joan Cassman, General Counsel, stated Item 4.a.was deferred to the December Board of Directors Meeting and no reportable action was taken for Items 4.b. and 4.c.

Chair Gee stated public comment will be 1 minute.

**5. Consent Calendar**

- 5.a. Approval of Minutes of the Board of Directors Meeting of October 8, 2025**
- 5.b. Approve the 2026 San Mateo County Transit District (SamTrans) Board of Directors and Board Committees Calendar**
- 5.c. Accept Statement of Revenues and Expenses for the Period Ending June 30, 2025**
- 5.d. Accept Statement of Sources and Uses for the Period Ending September 30, 2025**
- 5.e. Accept Quarterly Investment Report**
- 5.f. Accepting Contracts and Procurement Quarterly Report on Technology Purchases for Fiscal Year 2026 Quarter 1**
- 5.g. Authorizing the Filing of an Application with the Metropolitan Transportation Commission for Transportation Development Act, State Transit Assistance, Senate Bill 125 and Regional Measure 2 Funds for Fiscal Year 2026 – *Approved by Resolution No. 2025-46***
- 5.h. Awarding a Cooperative Purchasing Contract to Stertil-KONI USA, Inc. to Provide Eleven Sets of Four Mobile Column Bus Lifts for a Total Not-To-Exceed Amount of \$580,103 – *Approved by Resolution No. 2025-47***

Motion/Second: Ratto/Speier

Ayes: Canepa, Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: None

**6. Public Comment for Items Not on the Agenda**

Aleta Dupree, Team Folds, commented on Clipper 2.

**7. Report of the Chair**

Chair Gee stated there was no report.

**8. Report of the General Manager/CEO**

**8.a. Report of the General Manager/CEO | October 29, 2025**

April Chan, General Manager/CEO, stated the report was in the packet and provided the following highlights:

- Clipper 2.0 roll out on December 10. Approximately 10 – 12 weeks to transition from Clipper 1 to 2.0; Open payment available on all transit systems in Bay Area
- Held annual SamTrans Rodeo event on October 18; SamTrans will have four representatives at Salt Lake City International Rodeo in 2026
- Attended California Transit Works Conference hosted by Golden Gate Transit on November 1
- Día de los Muertos wrapped bus in operation through November

### **8.b. Monthly New Headquarters Construction Status Update**

Kris McGee, Managing Principal, Urban Hive Development, and Joshua Mello, Executive Officer of Planning and Development, provided the presentation that included the following:

- On-schedule tenant improvements with expected January 5 building handover to the District for “Day 2” work to start
- Installation; permit and material procurement; Artwork Program development; relocation planning

Staff provided further clarification in response to Board comments and questions regarding a post-move milestone calendar and leasing/building management plan.

### **8.c. Review San Mateo County Transit District and Peninsula Corridor Joint Powers Board Shared Services Agreement**

Ms. Chan and Ms. Cassman provided the presentation that included the following:

- SamTrans GM/CEO and Caltrain Executive Director roles and responsibilities, including direction and control of employees
- Shared Services Agreement (SSA) does not amend or supersede the terms of Memorandum of Understanding (MOU)
- Shared services workplan development to project costs for the biennial budget
- Peninsula Corridor Joint Powers Board (JPB) and SamTrans annual key performance indicators (KPI) reporting
- SSA conflict provisions through protocol establishment and a defined resolution process
- How to work together on recruitment and performance evaluations for key shared services staff
- Shared services reimbursement structure with monthly service fees paid by JPB

The Board Members had a robust discussion and staff provided further clarification in response to the Board comments and questions, which included the following:

- Internal cost allocation plan (ICAP) ensure appropriate charges are allocated to different agencies
- Conflict resolution section discussion
- Shared services and reporting structures for SamTrans and Caltrain
- Caltrain Directors’ job descriptions and role and responsibilities
- Shared services costs embedded in the financial reports

#### **8.d. SamTrans Safety Program Update - Reducing Preventable Accidents**

Tabby Davenport, Director, Safety and Security provided the presentation that included the following:

- Four priority workstreams: safety culture program, employee engagement, contract service provider partnership, and accident prevention
- Preventable or non-preventable accident classification
- Preventable Accident Frequency rate

The Board Members had a robust discussion and staff provided further clarification in response to the Board comments and questions, which included the following:

- Restraining order enforcement
- De-escalation training requirement
- Preventable accidents analysis using years of service, behavior modification, and heat maps
- SamTrans safety standards extension to contractors
- Risk and mitigation reviewal
- Collisions evaluation and detection systems
- Operator support and risk minimization to agency, riders, and the public
- Best-in-class accident frequency rates (e.g., American Public Transportation Association/APTA)
- Annual safety reports and Transit Police updates

#### **9. Recess to Committee Meetings**

The Board meeting recessed to Committee Meetings at 3:56 pm.

*Director Canepa left the meeting at 4:40pm.*

#### **14. Reconvene Board of Directors Meeting**

Chair Gee reconvened the Board meeting at 4:48 pm.

#### **15. Matters for Board Consideration: Finance Committee**

Director Esser led the Board in voting on the following items:

##### **15.a. Adopting a New Salary Ordinance and Tables of Position Classifications Including Staff Recommendations from Classification and Compensation Study –**

*Approved by Ordinance No. 111*

Motion/Second: Chuang/Ratto

Ayes: Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: Canepa

**15.b. Approving a Community Workforce Agreement with the San Mateo County Building and Construction Trades Council for Construction Work Performed Under Job Order Contracts and on Construction Projects Costing Over \$2 Million – Approved by Resolution No. 2025-48**

Motion/Second: Medina/Chuang

Ayes: Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: Canepa

**16. Communications to the Board of Directors – Available online.**

**17. Board Member Requests – There were none.**

**18. Date / Time of Next Regular Meeting: Wednesday, December 3, 2025 at 2:00 pm at via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.**

**19. General Counsel Report**

**19.a. Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation**

**Title: General Manager/Chief Executive Officer**

**19.b. Closed Session Pursuant to Government Code section 54957(b)(1): Public Employee Performance Evaluation**

**Title: General Counsel**

Ms. Cassman announced the closed sessions items and stated any action taken will be reported at the next regular meeting.

*The Board adjourned to closed session at 4:50 pm.*

*Director Canepa rejoined the meeting at 4:50 pm.*

**20. Adjourn – The meeting adjourned at 5:54 pm.**

**San Mateo County Transit District  
Staff Report**

To: Board of Directors

Through: April Chan, General Manager/Chief Executive Officer

From: Kate Jordan Steiner, Chief Financial Officer

Subject: **Accept Quarterly Fuel Hedge Update for Fiscal Year 2026 Quarter 1**

**Action**

Staff recommends the Board of Directors (Board) of the San Mateo County Transit District (SamTrans) accept the quarterly fuel hedge update for Fiscal Year 2026 Quarter 1.

**Background**

The Diesel Fuel Hedging Program was implemented in May 2020 for SamTrans and is designed to minimize large budget variances resulting from the volatility of diesel fuel prices. An effective hedging strategy can increase budget certainty and facilitate a more effective utilization of budgetary resources. The purpose of the Program is not to speculate on the price of fuel but to manage risk, particularly as it relates to SamTrans' annual budget.

**Significance**

The purpose of this report is to provide an update on the implementation and performance status of the Fuel Hedging Program (Program) established for San Mateo County Transit District (SamTrans). Staff are exploring options to shift part of the diesel fuel hedge toward hydrogen and electricity as SamTrans transitions to a zero-emission fleet.

Under this Program, staff will continue to work with Linwood Capital, LLC to:

- Secure new diesel fuel hedge contracts as market conditions permit.
- Evaluate timing and feasibility of implementing alternative hedge programs related to zero-emission vehicles.
- Modify the diesel hedge size to safeguard SamTrans' fuel budget from market volatility, while accounting for reduced diesel usage during the transition to a zero-emission fleet.

Diesel fuel consumption is expected to decline steadily in accordance with the diesel bus replacement schedule. As additional zero-emission buses (ZEBs) are delivered and placed into service in the upcoming fiscal years, our reliance on diesel fuel will continue to diminish.

#### FY26Q1 Fuel Hedge Performance

- In Fiscal Year 2026 Quarter 1 (FY26Q1), the fuel hedging program realized a net gain of \$24,348. This is approximately \$0.06 per gallon of realized gain on 395,126 consumed gallons for the quarter. The gain reflects the difference between the hedged price and the actual market price of fuel during the period, which can fluctuate based on market conditions. The approximate cost of fuel before taxes and fees and after the effect of the hedge is \$3.04 (Hedged Rate \$/Gallon).
- For Fiscal Year 2025 Quarter 4 (FY25Q4) there was a realized net loss of \$64,762 or \$0.16 per gallon on 412,764 gallons of consumption with a cost before taxes and fees and after hedging of \$3.32 (Hedged Rate \$/Gallon).

The FY26Q1 results reflect realized gains, which is in line with expectations as we anticipate incurring gains approximately half of the time, with losses anticipated in other periods. The primary purpose of the hedge is to manage financial risk, not speculate or make investment gains. Any loss or gain from the hedge offsets fluctuations in the fuel prices and helps SamTrans to smooth the impacts of market volatility.

#### FY26Q1 Hedge Program Asset Information

- The futures account value of \$2,365,337 as of September 30, 2025 consists of:
  - \$200,000 in net cash contributions by SamTrans since inception in May 2020
  - \$231,735 in cumulative net interest income (of which \$17,004 was earned in FY26Q1) since inception
  - \$1,720,359 in realized net gains (decreased fuel cost) since inception
  - \$213,242 in unrealized gain (contingent future decreased fuel cost), up by \$115,546 from \$97,696 on June 30, 2025
- As of June 30, 2025, the future account value was \$2,208,439. The value increased by \$156,898 during FY26Q1.

#### FY26 Prospective

- For Fiscal Year 2026 Quarter 2 (FY26Q2) there is an unrealized gain of \$32,273 which is \$0.11/gallon on all projected consumption. This assumes projected consumption of 301,870 gallons for FY26Q2 at an average price of 2.86 per gallon, net of fuel hedge. The actual consumption of diesel has been greater than the budgeted amount, due to delays in deploying Battery Electric Buses (BEBs) and Hydrogen Fuel Cell Electric Buses (FCEBs), resulting in continued reliance on diesel fleets.

- For FY26, approximately 86 percent of the remaining anticipated fuel usage of 895,766 gallons is hedged. Hedging at 86 percent allows SamTrans to balance budget certainty with operational flexibility in the case fuel consumption is lower than anticipated (rollout of ZEBs or service adjustments). The projected cost for FY26 excluding taxes and fees and including the hedge is \$2.78 (Hedged Rate \$/Gallon).

**Budget Impact**

There is no impact on the budget.

Prepared By: Adela Alicic

Manager, Debt and Investments

650-508-7981

**San Mateo County Transit District  
Staff Report**

To: Board of Directors

Through: April Chan, General Manager/CEO

From: Kate Jordan Steiner, Chief Financial Officer  
David Olmeda, Chief Operating Officer, Bus

Subject: **Authorizing the Purchase of up to 31 Non-Revenue Support Vehicles Through State of California, Department of General Services Contracts for a Total Not-To-Exceed Amount of \$1,338,500 and the Disposition of up to 25 Surplus Support Vehicles**

**Action**

Staff recommends that the Board of Directors (Board) of the San Mateo County Transit District (District):

1. Authorize the purchase of up to 31 non-revenue support vehicles (Support Vehicles) through competitively solicited State of California, Department of General Services contracts (DGS Contracts) for a total not-to-exceed amount of \$1,338,500, inclusive of fees, delivery, extended warranties, and taxes.
2. Authorize the General Manager/CEO or designee to execute contract(s) with one or more of the authorized dealers (Authorized Dealers) identified in the DGS Contracts for purchase and delivery of the above Support Vehicles, in full conformity with the terms and conditions of the DGS Contracts, as supplemented by District-required terms and conditions, if any, and in forms approved by legal counsel.
3. Authorize the General Manager/CEO or designee to dispose of up to 25 Surplus Support Vehicles, once the new Support Vehicles have been delivered and placed in service, in full conformity with District-approved surplus property disposition policy and procedures, as detailed in the District Procurement Manual.

**Significance**

The District owns and maintains a fleet of Support Vehicles used in a variety of work-related activities, such as deploying field supervisors to verify routes and monitor service levels, handling emergencies and accident investigations, and performing periodic site visits and other field inspections. The new Support Vehicles will reduce operating and maintenance costs by replacing older vehicles that have met or exceeded their useful life and are costly to maintain. District vehicles replaced by the Support Vehicles will become surplus property and, in

accordance with District surplus property disposition policy and procedures, will be disposed of via public auction through an auction firm identified through a prior competitive solicitation.

**Budget Impact**

The Non-Revenue Support Vehicles Replacement Project was approved by the Board in prior years to fund the replacement of aging non-revenue vehicles. Due to supply chain constraints and vendor backlog, fulfillment of scheduled replacements has been delayed in recent years.

The proposed purchase of up to 31 Support Vehicles will be funded from available project budgets approved by the Board from Fiscal Year 2024 through 2026, as well as project savings from earlier non-revenue vehicle replacements, with funding from District Sales Tax and prior years’ capital cost set-asides.

**Background**

The District’s enabling legislation, California Public Contract Code Section 10298, and Board-approved procurement policy allow it to use competitively solicited cooperative contracts, like those described herein, to save time and resources, leverage collective buying power, and secure favorable pricing through economies of scale.

Staff and legal counsel have determined that the above-referenced DGS solicitations and contracts satisfy the District’s competitive procurement requirements.

Access to the DGS Contracts benefits the District by allowing it to purchase vehicles of proven design and manufacturing standards that meet District specifications at highly competitive prices through Authorized Dealers.

Upon Board-approval, District staff will finalize pricing and delivery terms and dates, and will execute contracts with one or more of the Authorized Dealers, including to but not limited to: Downtown Ford of Sacramento, California; Freeway Toyota of Hanford, California; and Watsonville Fleet Group of Watsonville, California. Staff intends to purchase the following vehicles:

<u>Quantity</u>	<u>Vehicle Model/Type</u>	<u>Cost</u>
17	Toyota Rav4 Hybrid	\$792,664.61
3	Toyota Camry	\$84,011.91
6	Toyota Corolla Hybrid	\$175,979.04
3	Ford Transit F-250 EVs	\$197,633.42
1	Ford Maverick Hybrid	\$31,496.07
1	Ford F-150	\$56,714.84
<b>Total 31</b>		<b>\$1,338,499.89</b>

However, depending on supply chain challenges attributed to tariffs or other issues, staff may need to reassess the make, model, and quantity mix of Support Vehicles to meet its operational needs and budget. Nonetheless, the District will purchase only Support Vehicles that meet its operational needs and the aggregate cost will not exceed \$1,338,500.

The vehicles selected for purchase reflect the District's goals for investing in environmentally sustainable vehicles to the maximum extent possible. After considering available options, staff determined the District cannot at this time purchase all-battery electric Support Vehicles because the charging infrastructure at the District administrative offices and North and South Maintenance Bases is currently unable to meet charging requirements of all-battery electric vehicles.

Staff conducted a price analysis and determined the prices available under the DGS Contracts through June 30, 2026 are lower than those the District would be able to procure through its own efforts, and further determined the prices to be fair and reasonable.

Prepared By:	Stacey Routt	Procurement Administrator II	650-508-7727
	Adam Chavez	Deputy Director, Bus Maintenance	650-622-7831

**Resolution No. 2025-**

**Board of Directors, San Mateo County Transit District  
State Of California**

\* \* \*

**Authorizing the Purchase of up to 31 Non-Revenue Support Vehicles Through State of California, Department of General Services Contracts for a Total Not-To-Exceed Amount of \$1,338,500 and the Disposition of up to 25 Surplus Support Vehicles**

**Whereas**, the San Mateo County Transit District (District) needs to purchase up to 31 non-revenue support vehicles (Support Vehicles) to expand its fleet of Support Vehicles and to replace support vehicles that have reached or exceeded the end of their useful life (Surplus Support Vehicles), and which will need to be disposed of; and

**Whereas**, staff proposes to acquire seventeen Toyota Rav4 Hybrids, three Toyota Camrys, six Toyota Corolla Hybrids, three Ford Transit F-250 EVs, one Ford Maverick Hybrid, and one Ford F-150 as Support Vehicles to be used in a variety of work-related activities, such as deployment of field supervisors to verify routes and monitor service levels, handle emergencies and accident investigations, and perform periodic site visits and other field inspections; and

**Whereas**, due to supply chain challenges arising from recently implemented tariffs, material availability constraints, extended production lead times, or similar factors, staff may need to reassess the make, model, and quantity mix of Support Vehicles to be purchased in order to satisfy operational requirements while remaining within the approved budget; and

**Whereas**, all Support Vehicles acquired under this authority shall fully meet the District's operational needs and technical requirements, with the aggregate purchase cost not to exceed \$1,338,500; and

**Whereas**, California Public Contract Code Section 10298 allows local and state-chartered agencies and special districts, such as the District, to purchase vehicles, equipment, and other commodities through State of California, Department of General Services Contracts (DGS Contracts); and

**Whereas**, there are a number of dealerships (Authorized Dealers) identified under these DGS Contracts, which have been competitively solicited; and

**Whereas**, staff and legal counsel have determined the subject DGS solicitations and resulting contracts meet the District's competitive solicitation requirements; and

**Whereas**, funding for the proposed vehicle purchase is available in current and prior years' capital budgets; and

**Whereas**, staff conducted a price analysis and determined the prices under the DGS Contracts are fair and reasonable; and

**Whereas**, staff recommends that the Board of Directors (Board) authorize the purchase and delivery of up to 31 Support Vehicles from the Authorized Dealers through the DGS Contracts for a not-to-exceed total aggregate amount of \$1,338,500, inclusive of fees, delivery, extended warranties, and taxes; and

**Whereas**, staff further recommends that the Board authorize disposal of up to 25 Surplus Support Vehicles in accordance with the District's Procurement Policy, once the new Support Vehicles are delivered and placed in service.

**Now, Therefore, Be It Resolved** that the Board of Directors of the San Mateo County Transit District hereby authorizes the purchase of up to 31 non-revenue support vehicles from the authorized dealers identified in the State of California, Department of General Services

Contracts, which were competitively solicited, for a total not-to-exceed amount of \$1,338,500 inclusive of fees, delivery, extended warranties, and taxes; and

**Be It Further Resolved** that the Board authorizes the General Manager/CEO or designee to execute contract(s) with one or more of the Authorized Dealers for the purchase and delivery of the above Support Vehicles, in full conformity with the terms and conditions of the DGS Contracts, as supplemented by District-required terms and conditions, if any, and in forms approved by legal counsel; and

**Be It Further Resolved** that the Board authorizes the General Manager/CEO or designee to dispose of up to 25 Surplus Support Vehicles, once the new Support Vehicles have been delivered and placed in service, in full conformity with District-approved surplus property disposition policy and procedures, as detailed in the District Procurement Manual.

Regularly passed and adopted this 3<sup>rd</sup> day of December, 2025, by the following vote:

Ayes:

Noes:

Absent:

---

Chair, San Mateo County Transit District

Attest:

---

District Secretary

BOARD OF DIRECTORS 2025

JEFF GEE, CHAIR  
MARIE CHUANG, VICE CHAIR  
DAVID J. CANEPA  
BROOKS ESSER  
MARINA FRASER  
RICO E. MEDINA  
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PETER RATTO  
JACKIE SPEIER

APRIL CHAN  
GENERAL MANAGER/CEO



## Memorandum

**Date:** November 26, 2025  
**To:** SamTrans Board of Directors  
**From:** April Chan, General Manager/CEO  
**Subject:** Report of the General Manager/CEO

SamTrans fixed-route bus ridership achieved a 99.3 percent recovery rate for the 3 months ending September 2025 compared to the 3 months ending September 2019. The 99.3 percent is above the 83.2 percent experienced for bus service throughout the nation.

Ridership	3 Months Ending September 2019	3 Months Ending September 2025	Ridership Recovery Rate
SamTrans	2,757,673	2,737,092	99.3%
AC Transit	13,854,264	10,129,586	73.1%
SFMTA	52,576,538	43,821,297	83.3%
VTA	6,901,521	6,122,500	88.7%
Dallas	9,614,853	7,079,473	73.6%
Seattle - King	30,490,984	22,902,979	75.1%
Chicago	60,702,308	48,821,297	80.4%
Atlanta	12,994,162	9,032,125	69.5%
New York MTA	180,754,546	172,549,278	95.5%
National Bus	1,145,492,925	952,570,325	83.2%
Caltrain	4,987,520	3,591,515	72.0%
BART Extension	3,521,570	1,738,853	49.4%
BART System	32,873,881	16,501,599	50.2%
National Rail	1,230,426,068	954,026,805	77.5%
<b>Total NTD Trips</b>	<b>2,509,844,205</b>	<b>2,021,981,084</b>	<b>80.6%</b>

SamTrans will offer “free rides” on all transportation services New Year’s Eve 2025, which includes fixed-route bus, Ride Plus Microtransit, Redi-Wheels and RediCoast.

**Bus Operator Staffing**

	Approved FTEs	Trainees	No. Bus Operators*
Bus Operators	350	25	351

\* This number excludes the 25 Bus Operator Trainees.

**Miles Between Preventable Accidents**

The table below illustrates the miles between accidents performance by mode and location for the month of October 2025.

An *accident* is defined as an event that involves any of the following: fatality, serious injury, collision of a District vehicle, or major property damage. A *preventable accident* is one in which the driver failed to do everything reasonably to prevent it.

October 2025			
	Total Miles	Preventable Accidents	Miles Between Preventable Accidents
North Base	347,589	6	57,932
South Base	278,953	9	30,995
Trainee In-service	3,053	0	nm
CUB	236,878	7	33,840
<b>Fixed Route Total</b>	<b>866,473</b>	<b>22</b>	<b>39,385</b>
ADA	195,293	2	97,642
Micro Transit	18,860	1	18,860

**Safety Updates**

The Safety Campaign continues to focus on “Making Space to Keep You Safe.” Operators are reminded to slow down, not to rush for schedules, and to remain calm with aggressive drivers. Operators can help to avoid accidents by driving predictably, staying aware of their blind spots, signaling well in advance, and giving everyone enough space on the road to react safely.

**Regional/MTC Matters**

Senate Bill (SB) 63: Following the passage of SB 63, Metropolitan Transportation Commission (MTC) commissioned a poll of voters in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara Counties in October 2025 to test support and overall attitudes regarding a Bay Area transit revenue measure. The poll found that 56 percent of voters across the five counties supported the measure. Support is above a majority in each county but does not reach

two-thirds. 57 percent of San Mateo County voters are supportive, compared to 60 percent in Alameda, 59 percent in San Francisco, 55 percent in Contra Costa, and 50 percent in Santa Clara.

Clipper 2.0: The MTC region continues to be ready to rollout Clipper 2.0 starting on December 10, 2015. Rollout to all existing Clipper users will take approximately up to 12 weeks. For Clipper users on Samtrans, riders will be able to do the following with the new system:

- Use any contactless payment card or mobile wallet (Apple Pay, Google Pay, etc.) directly onboard — no need for a separate Clipper card.
- Manage everything online or in the Clipper app, including balance, payment methods, and autoload settings.
- Enjoy faster taps and instant updates when you reload or add passes.

#### **Clipper START Quarterly Ridership Update (July – September 2025)**

Clipper START is a fare-discount program for eligible low-income residents in the Bay Area, offering discounts on single-ride fares and transfers. The program provides a 50 percent discount for Clipper START customers. As of July 1, 2025, Clipper START has transitioned from a pilot program to a permanent fare program. In the first quarter of the fiscal year (July through September 2025), Clipper START ridership on SamTrans increased by 6.44 percent compared to the previous quarter, with a total of 51,862 trips. September 2025 saw the highest total ridership for the quarter with 18,225 trips. July and August 2025 recorded ridership levels of 16,116 and 17,521 trips, respectively. Data continues to indicate that Clipper START contributes positive ridership gains for SamTrans. Staff will continue monitoring the program and providing quarterly ridership updates to the Board of Directors.

#### **Employee of the Month (EOM) Recognitions, October 2025**

Bus Operator EOM for North Base is **Antonio Antonio**. This is Antonio's first EOM Award during his five years of service with the District.

Bus Operator EOM for South Base is **Weiming Yao**. This is Weiming's first EOM Award during his six years of service with the District.

Bus Maintenance EOM for North Base is **Utility Worker Alan Sisamout**. This is Alan's first EOM Award during 14 months of service with the District.

Bus Maintenance EOM for South Base is **Mechanic A Francisco Estrada**. This is Francisco's fourth EOM Award during his eight years of service with the District.

## SamTrans Millbrae Headquarters Project



## EXECUTIVE MONTHLY PROGRESS REPORT November 2025

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Project Introduction

On December 18, 2023, the Board approved the acquisition of a 180,000 square-foot headquarters (HQ), consisting of approximately 157,000 square feet of office space and 23,000 square feet of retail space, through a lease-to-purchase agreement. (The original developer has since sold its interest in the HQ building to a new owner/landlord.) The new HQ building is located at the Gateway at Millbrae Station, right next to the Millbrae BART and Caltrain Station, with SamTrans Routes ECR and 292 conveniently close-by. The first three floors of the building include a lobby, retail space, loading facilities, and parking, while the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> floors consist of office space. As part of this agreement, the District agreed to lease the entirety of the office space, after the landlord completes all necessary tenant improvements, for at least 8 months, with an option to purchase the entire building after 8 months, and before 30 months, for \$126M. The building is located on a 99-year ground lease from the Bay Area Rapid Transit District (BART), which requires that the prevailing wages be paid for all construction work on site, including tenant improvements.

Section 1: Cost and Budget

**Tenant Improvement**

The total budget for the tenant improvement is \$48,320,294. This is comprised of the Lease’s Tenant Improvement Allowance of \$36,850,820 (inclusive within the \$126 million purchase price) and \$11,469,474 approved by the Board on December 4, 2024. The total tenant improvement budget includes contingency, which amount will be determined after the Guaranteed Maximum Price (GMP) is executed in April 2025.

**Non-Tenant Improvement**

The total budget for the non – tenant improvement is \$26,116,619 inclusive of \$4,113,696 / 15.75% Contingency. This contingency will be reported monthly when used.

Category/Item	Budget (in 1000 of \$)		Expended + Committed %
	Approved	Expended + Committed	
Owner Allowance for TI	36,851	36,851	100%
HQ Tenant Improvement (TI)	11,469	11,469	100%
Non-TI, Furniture, Fixtures, & Equipment (FF&E), and Auxiliary Equipment	9,380	6,906	73.62%
Non-TI, Information, Communications, & Technology (ICT), Audio/Visual, and Security Systems	6,794	5,582	82.16%
Non-TI, Parking Garage Fencing, EV Charging, Ticket Booth, and Owner Paid Permit Fees	1,735	1,548	89.23%

Category/Item	Budget (in 1000 of \$)		Expended + Committed %
	Approved	Expended + Committed	
Non-TI, Moving Services, Move Management, Digitization, Equipment & Furniture Disposal, and Document Disposal	1,793	501	27.94%
Non-TI, Project Management, Construction Management, Change Management, Procurement, and Legal Services	3,790	1,828	48.24%
Non-TI, Architectural & Engineering Design	2,625	2,625	100%
<b>Total</b>	<b>74,437</b>	<b>67,310</b>	<b>90.43%</b>

Section 2: Progress and Schedule

Summary Activities	Baseline Start	Est/ Act. Start	Baseline Finish	Est/Act. Finish	Start Var. (Days)	Finish Var. (Days)
	(A)	(B)	(C)	(D)	A-B	C-D
TI, 100%CDs + Value Engineering Drawings			01/23/25	01/23/25	0	0
TI, Subcontractor Bidding and Pricing Schedule Review	01/24/25	01/24/25	04/02/25	04/02/25	0	0
TI, Execute GMP			04/02/25	04/02/25	0	0
TI, Submit for Permit / Permit Approval (2 rounds)	01/24/25	01/24/25	04/28/25	04/28/25	0	0
TI, Construction Mobilization and Buildout: Level 1, 5, 4, 6	04/18/25	04/18/25	01/02/26	01/02/26	0	0
TI, Final Inspections	10/07/25	10/07/25	01/05/26	01/05/26	0	0
TI, Substantial Completion / Lease Commencement			01/05/26	01/05/26	0	0
TI, Closeout	01/05/26	01/05/26	01/28/26	01/28/26	0	0
Non - TI FF&E, Design Approval			01/21/25	01/21/25	0	0
Non - TI FF&E, Contract Procurement	01/21/25	01/21/25	05/06/25	05/06/25	0	0
<b>Non - TI FF&amp;E, Contract for Board Approval</b>			05/07/25	05/07/25	0	0
Non - TI FF&E, Procurement	05/08/25	05/08/25	01/02/26	01/02/26	0	0
Non - TI FF&E, Installation	01/05/26	01/05/26	04/24/26	04/24/26	0	0
Non - TI GC, Design	01/24/25	01/24/25	03/31/25	03/31/25	0	0
Non - TI GC, Contract Procurement	04/01/25	04/01/25	10/01/25	10/01/25	0	0

# samTrans

Summary Activities	Baseline Start	Est/ Act. Start	Baseline Finish	Est/Act. Finish	Start Var. (Days)	Finish Var. (Days)
	(A)	(B)	(C)	(D)	A-B	C-D
<b>Non - TI GC, General Contract for Board Approval</b>			10/01/25	10/01/25	0	0
Non - TI GC, Permit Approval	10/02/25	10/02/25	01/05/26	01/05/26	0	0
Non - TI GC, GC Mobilization / Buildout	01/06/26	01/06/26	05/05/26	05/05/26	0	0
Non - TI Move, Complete Questionnaires and Name Ambassadors	03/03/25	03/03/25	04/07/25	04/07/25	0	0
Non - TI Move, Finalize RFP and Contract Procurement	04/08/25	04/08/25	10/31/25	10/31/25	0	0
<b>Non - TI Move, Move Services Contract for Board Approval</b>			11/05/25	11/05/25	0	0
Non - TI Move, Move Services Contract Award	11/17/25	11/17/25	11/21/25	11/21/25	0	0
Non - TI Move, Moving Process	12/01/25	12/01/25	05/30/26	05/30/26	0	0

Section 3: Accomplishments and Upcoming Work

<b>KEY ACTIVITIES - Current Reporting Month (top 5)</b>	
<b>Tenant Improvement</b>	<b>Move management</b>
In the field, floors are at various phases: Install floor and carpet tile, drop ceiling tile, fire alarm device trim out, lighting trim, continue installing doors and hardware, fire life safety and mechanical commissioning begins.	Coordinate Physical Mover Schedule
Process RFIs and conduct ongoing field coordination.	Faces to Space Coordination
Process shop drawings for remaining woodwork trim detailing	Continued Discussions with IT & Security
Prepare responses to Plan Check comments for Day 2 drawing resubmission.	Change Management Kick-off
Hold kick-off meeting with General Contractor (GC) for upcoming coordination of Day 2 GC activities.	Change Champions Coordination

<b>KEY ACTIVITIES - Next Reporting Month (top 5)</b>	
<b>Tenant Improvement</b>	<b>Move management</b>
In the field, the Project is wrapping up with final trimming, final clean, commissioning and coordination with upcoming Day 2 activities.	Activation Planning
Day 2 permit is pending Special Inspector onboarding only, prior to City issuance	Change Management Coordination
Day 2 submittal processing / material procurement is ongoing	Change Management Staff Survey
Artwork Program is being developed.	Master Move Matrix Updates.
Change Management coordination continues.	Security SOC Coordination

Section 4: Risk Register / Critical Issues

Risk	Mitigation
<p>Budget: Tariffs are imposed by the federal government.</p>	<p>SamTrans leadership has proactively secured volatile market pricing items and long-lead materials through early release. This approach includes potential storage solutions to expedite overseas procurement and mitigate cost risks. While tariffs remain a pricing threat, these measures help minimize exposure.</p>
<p>Schedule: Long lead items are delayed due to industry-wide and/or product-specific constraints.</p>	<p>The Project Team is actively processing submittals and coordinating with manufacturers to maintain schedule alignment. Where necessary, alternate products equal to or higher-quality equivalents are under review to reduce or eliminate delays.</p>
<p>Budget: With the subcontractors now onboard, detailed trade and field coordination with the design team and drawings is underway. If coordination conflicts arise, adjustments to the design or construction approach may be required, potentially resulting in a change order.</p>	<p>The Design Team and Trades are closely coordinating to address conflicts and adjacencies. Collaborative solutions are being implemented to resolve issues with minimal impact on the budget.</p>

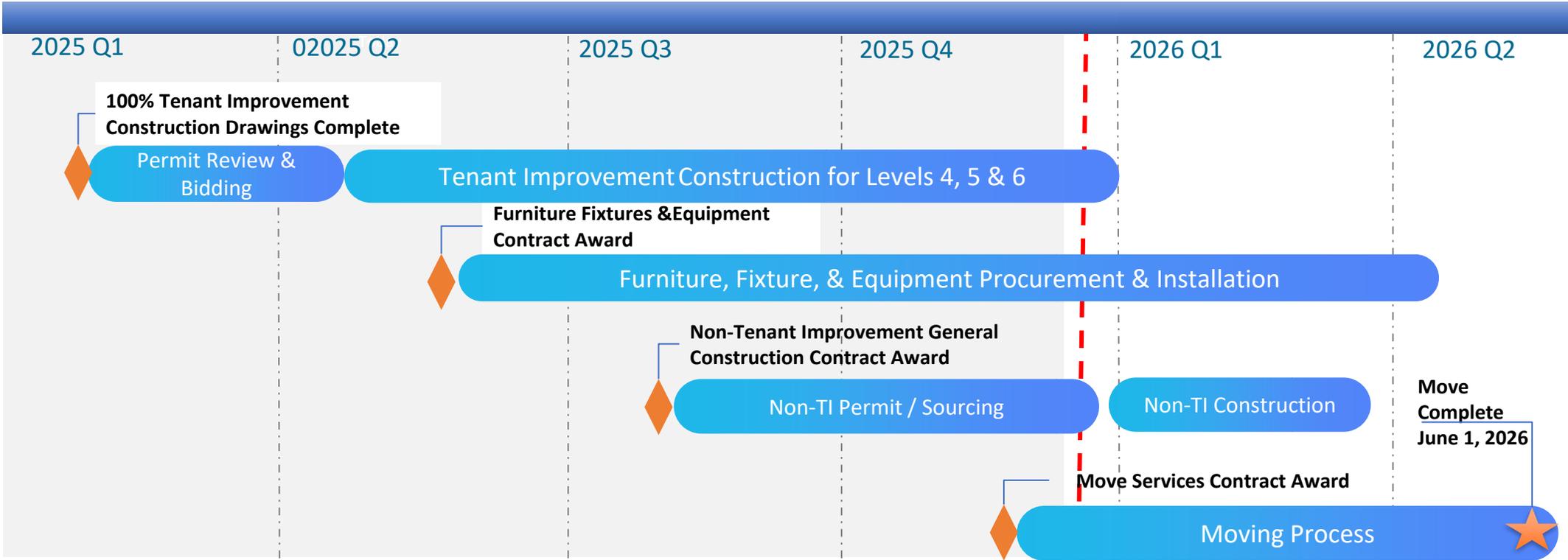
# SamTrans' HQ December Update



# Committed / Percent Complete

Category/Item	Budget (in 1000 of \$)		Expended + Committed %
	Approved	Expended + Committed	
Tenant Improvement (TI)	48,320	48,320	100.00%
Non-TI, Furniture, Fixtures, & Equipment (FF&E), and Auxiliary Equipment	9,380	6,906	73.62%
Non-TI, Information, Communications, & Technology (ICT), Audio Visual, and Security Systems	6,794	5,582	82.16%
Non-TI, Parking Garage Fencing, EV Charging, Ticket Booth, and Owner Paid Permit Fees	1,735	1,548	89.23%
Non-TI, Moving Services, Move Management, Digitization, Equipment & Furniture Disposal, and Document Disposal	1,793	501	27.94%
Non-TI, Project Management, Construction Management, Change Management, Procurement, and Legal Services	3,790	1,828	48.24%
Non-TI, Architectural & Engineering Design	2,625	2,625	100%
<b>Total</b>	<b>74,437</b>	<b>67,310</b>	<b>90.43%</b>

# Project Schedule



**LEGEND**

 Summary Tasks

 Milestones

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# Upcoming Activities in December 2025

In the field, the Project is wrapping up with final trimming, final clean, commissioning and coordination with upcoming Day 2 activities.

Day 2 permit is pending Special Inspector onboarding only, prior to City issuance

Day 2 submittal processing / material procurement is ongoing

Artwork Program is being developed.

Change Management coordination continues.

# In Progress Photos - Market Ready Suites



- The market ready suites are wrapping up with minor finish work in progress. Floor 4 hallway lighting is being installed.

# In Progress Photos - Public Hearing Room



Level 5's Public Hearing Room has evolved. The raised dais is now fully protected, with acoustical ceilings installed and drywall finish underway.

Paint and wall coverings will soon follow for final completion end of December.

# In Progress Photos – Level 6 Work Areas



Flooring, ceiling, storefront, and doors are all installed and final cleaning is underway.

Some of the ceiling tiles are left out for pending overhead inspections and will be placed back once commissioning and inspections have passed.

# Questions

**BOARD OF DIRECTORS 2025**

JEFF GEE, CHAIR  
MARIE CHUANG, VICE CHAIR  
DAVID J. CANEPA  
BROOKS ESSER  
MARINA FRASER  
RICO E. MEDINA  
JOSH POWELL  
PETER RATTO  
JACKIE SPEIER

APRIL CHAN  
GENERAL MANAGER/CEO



# AGENDA

## San Mateo County Transit District

Community Relations Committee Meeting  
Committee of the Whole

(Accessibility, Senior Services, and Community Issues)

December 3, 2025 – 2:30 pm

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

Committee Members: David J. Canepa (Chair), Marina Fraser, Jackie Speier

- 10.a. Call to Order
- 10.b. Approval of Minutes of the Community Relations Committee Meeting of November 5, 2025 Motion
- 10.c. Accessible Services Updates Informational
- 10.d. Citizens Advisory Committee Update Informational
- 10.e. Paratransit Advisory Council Update Informational
- 10.f. Monthly State of Service Report | October 2025 Informational
- 10.g. State of Service Report | Fiscal Year 2026 Quarter 1 Informational
- 10.h. Adjourn

Note:

- This Committee meeting may be attended by Board Members who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Community Relations Committee Meeting / Committee of the Whole  
DRAFT Minutes of November 5, 2025**

**Members Present (In Person):** M. Fraser, J. Speier, D. Canepa (Chair)

**Members Absent:** None

**Other Board Members Present Constituting Committee of the Whole:** M. Chuang, B. Esser, J. Gee, R. Medina, J. Powell, P. Ratto

**Other Board Members Absent:** None

**Staff Present:** J. Cassman, A. Chan, T. Dubost, J. Jest, L. Lumina-Hsu, M. Tseng, S. van Hoften

**10.a. Call to Order**

Committee Chair Canepa called the meeting to order at 3:56 pm.

**10.b. Approval of Minutes of the Community Relations Committee Meeting of October 8, 2025**

Motion/Second: Medina/Powell

Ayes: Canepa, Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: None

**10.c. Accessible Services Update**

Tina Dubost, Manager, Accessible Services, stated low-income fare assistance program review was completed.

**10.d. Citizens Advisory Committee Update – Deferred.**

**10.e. Paratransit Advisory Council Update**

Ben McMullan, PAC Chair, stated next meeting will finalize the work plan.

**10.f. Monthly State of Service Report | September 2025**

April Chan, General Manager/CEO, stated the report is in the packet.

### **10.g. Receive Update Regarding 2025 Customer Satisfaction Survey and Key Findings**

Julian Jest, Manager, Market Research and Development, provided the presentation, which included the following:

- Survey finding overall “very satisfied” level drop from 45 percent in 2024 to 36 percent in 2025
- Customer perception of service: 47 percent improved, 41 percent stayed the same, 4 percent became worse
- High performing areas for onboard rider experience: ticket usage, bus operator interactions, comfort of ride, total trip time, safety, announcements
- Areas for improvement: bus shelter cleanliness, bench conditions, real time bus arrival information, and service change communication
- Addressing areas of concern: bus stop amenities refresh, bus shelter improvements, and website improvements
- Upcoming initiatives: youth riders’ outreach, customer service call center survey, Reimagine SamTrans delivery evaluation, and rider panel surveys

The Committee Members had a robust discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Public transit usage promotion
- CAC member engagement; further student engagement
- Bus stations identified for cleanliness to address respondents concerns
- Reimagine SamTrans service changes and outreach efforts
- Promotional ticket usage; wayfinding; elevate Clipper usage and Clipper START

#### Public Comment

Adina Levin, Seamless Bay Area, commented on regional measure, free transfers in December, regional network management coordination, and real-time signage.

### **10.h. Adjourn** – The meeting adjourned at 4:19 pm.

**San Mateo County Transit District  
Staff Report**

To: Community Relations Committee  
Through: April Chan, General Manager/CEO  
From: David Olmeda, Chief Operating Officer, Bus  
Subject: **Accessible Services Update**

**Action**

This item is for information only. No action is required.

**Significance**

Several groups advise SamTrans on accessible service issues. The Paratransit Advisory Council (PAC) provides a forum for consumer input on paratransit issues. The Policy Advocacy and Legislative Committee (PAL-Committee) is the advocacy arm of the PAC.

The PAC and the PAL meet monthly (except for August).

In October 2025 the PAC held their biennial retreat. The PAC is developing a two-year work plan based on the retreat input. There are no minutes.

**Budget Impact**

There is no impact to the budget.

**Background**

No additional information.

Prepared By: Lynn Spicer      Accessibility Coordinator      650-508-6475

**San Mateo County Transit District  
Staff Report**

To: Community Relations Committee

Through: April Chan, General Manager/CEO

From: Josh Mello, Chief Planning Officer, Planning and Real Estate  
David Olmeda, Chief Operating Officer, Bus

Subject: **Monthly State of Service Report | October 2025**

**Action**

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

**Significance**

**SamTrans:** Average weekday ridership across all four modes (Bus, Paratransit, Shuttles, and Microtransit) increased by 1.0 percent in October 2025 compared to October 2024. The total monthly ridership increased by 0.3 percent in October 2025 compared to October 2024. Note October 2025 has the highest total monthly ridership since pre-pandemic levels, followed by October 2024.

**Microtransit:** Average weekday ridership on all microtransit services was 156, and total ridership was 4,378. The average weekday ridership increased 11.9 percent compared to October 2024, and the total ridership increased 13.3 percent compared to October 2024.

**Youth Unlimited Pass:** For October 2025, Youth Unlimited Pass usage decreased 2.7 percent compared to October 2024.

**Other SamTrans Key Performance Indicators (includes Contracted Urban Bus Service [CUBS]):**

- **Preventable Accidents** – There were 22 preventable accidents in October 2025 (15 from District and 7 from contracted services). The goal is to have one or fewer preventable accidents per 100,000 miles; SamTrans did not meet its goal with 2.5 accidents per 100,000 miles.
- **Miles Between Service Calls (MBSC)** – There were 29 service calls in October 2025 (20 from District and 9 from contracted services). The goal is to have one or fewer service calls per every 25,000 miles. Fixed-route service met its goal with 0.8 service calls per 25,000 miles.
- **On-Time-Performance (OTP)** – October 2025 systemwide OTP was 80.7 percent. The goal is to have 85 percent systemwide on-time performance. Fixed-route service did not

meet this goal; however, on-time performance improved by 1.3 percent compared to October 2024.

- **Did Not Operate (DNOs)** – In October 2025, there were 31 total DNOs (all from contracted services).

**RIDERSHIP (ALL MODES)**

SAMTRANS   Average Weekday Ridership								
Mode	Oct-23	Oct-24	Oct-25	%Δ <sup>1</sup>	YTD FY24	YTD FY25	YTD FY26	%Δ <sup>2</sup>
Bus	34,613	38,156	38,655	1.3%	31,115	34,452	35,450	2.9%
Paratransit	723	784	779	-0.6%	724	771	776	0.6%
Shuttles	1,816	2,027	1,939	-4.3%	1,829	1,858	1,911	2.8%
Ride Plus	135	139	156	11.9%	121	133	153	15.0%
<b>Total</b>	<b>37,287</b>	<b>41,106</b>	<b>41,529</b>	<b>1.0%</b>	<b>33,788</b>	<b>37,214</b>	<b>38,290</b>	<b>2.9%</b>

SAMTRANS   Total Ridership								
Mode	Oct-23	Oct-24	Oct-25	%Δ <sup>1</sup>	YTD FY24	YTD FY25	YTD FY26	%Δ <sup>2</sup>
Bus	926,121	1,043,540	1,048,755	0.5%	3,321,962	3,697,484	3,785,846	2.4%
Paratransit	19,036	20,965	20,974	0.0%	74,560	80,172	80,787	0.8%
Shuttles	40,185	46,541	44,043	-5.4%	154,927	160,474	164,915	2.8%
Ride Plus	3,796	3,865	4,378	13.3%	13,185	14,257	17,035	19.5%
<b>Total</b>	<b>989,138</b>	<b>1,114,911</b>	<b>1,118,150</b>	<b>0.3%</b>	<b>3,564,634</b>	<b>3,952,387</b>	<b>4,048,583</b>	<b>2.4%</b>

CALTRAIN   Average Weekday Ridership								
Mode	Oct-23	Oct-24	Oct-25	%Δ <sup>1</sup>	YTD FY24	YTD FY25	YTD FY26	%Δ <sup>2</sup>
Caltrain	19,939	27,583	39,900	44.7%	20,481	25,414	40,241	58.3%

CALTRAIN   Total Ridership								
Mode	Oct-23	Oct-24	Oct-25	%Δ <sup>1</sup>	YTD FY24	YTD FY25	YTD FY26	%Δ <sup>2</sup>
Caltrain	490,706	753,391	1,047,362	39.0%	1,997,246	2,686,618	4,247,713	58.1%

OTHER MODES in San Mateo County   Average Weekday Ridership								
Mode	Oct-23	Oct-24	Oct-25	%Δ <sup>1</sup>	YTD FY24	YTD FY25	YTD FY26	%Δ <sup>2</sup>
Dumbarton	106	99	92	-7.1%	103	101	95	-5.5%
BART (San Mateo County)	18,914	20,198	22,426	11.0%	19,002	19,685	21,495	9.2%

OTHER MODES in San Mateo County   Total Ridership								
Mode	Oct-23	Oct-24	Oct-25	%Δ <sup>1</sup>	YTD FY24	YTD FY25	YTD FY26	%Δ <sup>2</sup>
Dumbarton	2,328	2,274	2,115	-7.0%	8,753	8,767	8,303	-5.3%
BART (San Mateo County)	525,120	565,130	626,126	10.8%	2,075,885	2,156,591	2,364,979	9.7%

**IMPORTANT NOTES:**

Total row may not add up due to rounding.

SamTrans (Bus) ridership includes Fixed-Route service.

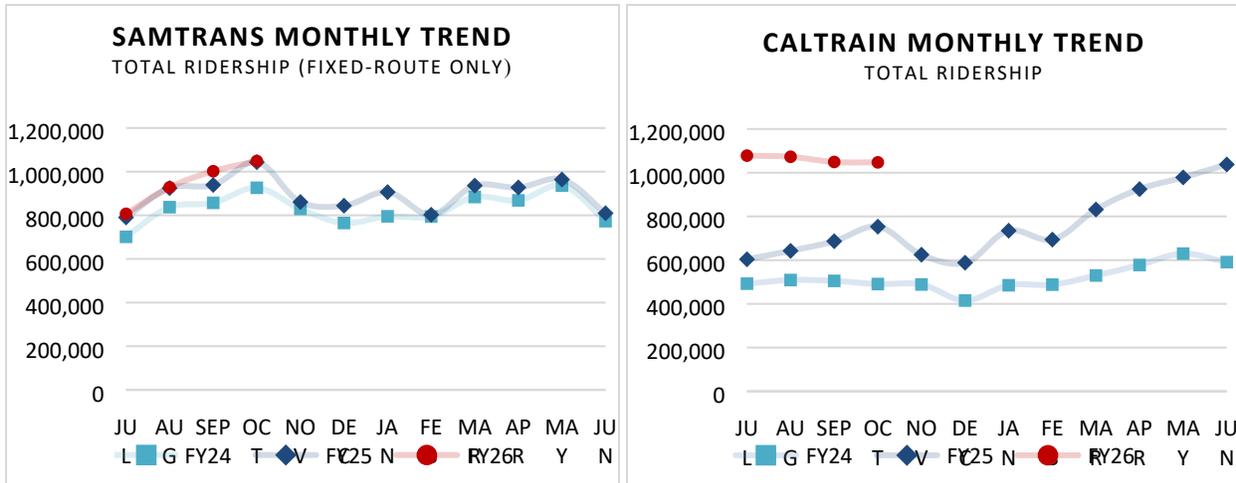
Microtransit ridership includes Ride Plus and SamCoast.

Shuttle ridership includes SamTrans, JPB Caltrain, and other Transportation Authority funded shuttles.

BART ridership in San Mateo County does not include Daly City BART Station.

%Δ<sup>1</sup> indicates the percentage change for the month, current year to previous year.

%Δ<sup>2</sup> indicates the percentage change current year to previous, Year to Date.



**FARES**

SAMTRANS (BUS)   Fare Usage			
Fare Type	Oct-23	Oct-24	Oct-25
Adult	565,136	642,582	657,279
Eligible Discount	192,900	207,923	210,960
Youth	168,085	193,035	180,516
--- Youth Unlimited Pass	81,417	108,253	105,283
<b>Total</b>	<b>926,121</b>	<b>1,043,540</b>	<b>1,048,755</b>

This table illustrates the number of riders by fare category (Dumbarton Express and rural demand-response service excluded).

The **Youth Unlimited Pass** number is a subset of the Youth Fare Type. The program started in January 2022.

**KEY PERFORMANCE INDICATORS**

<b>SAMTRANS (BUS)   Operations Key Performance Indicators</b>			
KPI	Oct-23	Oct-24	Oct-25
On-Time Performance	79.1%	79.4%	80.7%
Preventable Accidents	15	18	22
--- District	7	12	15
--- Contracted Services	8	6	7
Service Calls	29	39	29
--- District	19	23	20
--- Contracted Services	10	16	9
Trips Scheduled	40,764	50,454	50,778
Did Not Operate DNOs	1	24	31

<b>SAMTRANS (BUS)   Fleet Key Performance Indicators</b>			
KPI	Oct-23	Oct-24	Oct-25
Revenue Hours (Sched.)	50,410	61,914	60,816
Revenue Miles (Sched.)	512,782	610,778	609,007
Total Fleet Miles (Actual)	765,449	877,170	870,069

<b>SAMTRANS (BUS)   Ride Plus Key Performance Indicators</b>			
KPI	Oct-23	Oct-24	Oct-25
Total Ridership	3,455	3,355	4,378
--- East Palo Alto Trips	2,567	2,401	3,169
--- Half Moon Bay Trips	888	954	1,209
Active Users	416	382	432
New Registrations	329	176	86
Total Downloads	379	432	320
--- iOS Downloads	319	371	250
--- Android Downloads	60	61	70
Load Factor	1.32	1.34	1.16

<b>PARATRANSIT   Operations Key Performance Indicators</b>			
KPI	Oct-23	Oct-24	Oct-25
On-Time Performance (RW)	88.6%	87.4%	84.9%
On-Time Performance (RC)	93.5%	94.0%	69.9%
Preventable Accidents (RW)	4	0	1
Preventable Accidents (RC)	0	0	1
Service Calls (RW)	3	3	5
Service Calls (RC)	0	0	0

<b>PARATRANSIT   Fleet Key Performance Indicators</b>			
KPI	Oct-23	Oct-24	Oct-25
Revenue Miles (RW)	159,051	170,084	174,328
Revenue Miles (RC)	17,451	26,158	12,285
Fleet Miles (RW)	177,097	189,739	195,285
Fleet Miles (RC)	24,214	33,620	21,338

**SamTrans' OTP goal is 85.0 percent.** On-Time Performance (OTP) is calculated by evaluating time points within the route's schedules across the system for late, early, and on-time arrival and departure. A route is considered late if it exceeds 5 minutes. A route is considered early if it departs 59 seconds ahead of schedule.

**SamTrans' Miles between Preventable Accidents goal is 100,000 miles.** There were 39,549 miles between Preventable Accidents this month.

**SamTrans' Miles between Service Calls goal is 25,000 miles.** There were 30,002 miles between Service Calls this month.

Sched. = Scheduled, which includes in-service and layover.

**Note:** All KPIs include all SamTrans service operated directly and by contract.

Ride Plus started in June 2023.

The **load factor** represents the average number of passengers in a vehicle. It is calculated by dividing the total number of passengers by the number of trips in service.

RW = Redi-Wheels  
RC = RediCoast

**PRE-PANDEMIC RIDERSHIP COMPARISON**

SAMTRANS   Average Weekday Ridership					
Mode	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Bus	39,570	34,613	38,156	38,655	97.7%
Paratransit	1,146	723	784	779	68.0%
Shuttles	12,768	1,816	2,027	1,939	15.2%
Microtransit	15	135	139	156	1038.3%
<b>Total</b>	<b>53,499</b>	<b>37,287</b>	<b>41,106</b>	<b>41,529</b>	<b>77.6%</b>

SAMTRANS   Total Ridership					
Mode	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Bus	1,053,590	926,121	1,043,540	1,048,755	99.5%
Paratransit	29,914	19,036	20,965	20,974	70.1%
Shuttles	292,881	40,185	46,541	44,043	15.0%
Microtransit	382	3,796	3,865	4,378	1146.1%
<b>Total</b>	<b>1,376,767</b>	<b>989,138</b>	<b>1,114,911</b>	<b>1,118,150</b>	<b>81.2%</b>

CALTRAIN   Average Weekday Ridership					
Mode	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Caltrain	70,360	18,583	19,939	39,900	56.7%

CALTRAIN   Total Ridership					
Mode	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Caltrain	1,726,436	478,525	490,706	1,047,362	60.7%

OTHER MODES in San Mateo County   Average Weekday Ridership					
Mode	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Dumbarton	152	87	106	92	60.4%
BART (San Mateo County)	46,809	18,210	18,914	22,426	47.9%

OTHER MODES in San Mateo County   Total Ridership					
Mode	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Dumbarton	3,501	1,823	2,328	2,115	60.4%
BART (San Mateo County)	1,218,014	498,534	525,120	626,126	51.4%

**PRE-PANDEMIC FARES COMPARISON**

SAMTRANS (BUS)   Fare Usage					
Fare Type	Oct-19	Oct-23	Oct-24	Oct-25	% <sup>3</sup>
Adult	544,817	461,588	565,136	657,279	120.6%
Youth	245,634	143,045	168,085	180,516	73.5%
Eligible Discount	265,986	173,915	192,900	210,960	79.3%
<b>Total</b>	<b>1,056,437</b>	<b>778,548</b>	<b>926,121</b>	<b>1,048,755</b>	<b>99.3%</b>

The following tables show the change in ridership over the last four years to encompass changes due to the COVID-19 pandemic.

%<sup>3</sup> indicates the rate of ridership recovery, current year (FY2025) to pre-pandemic year (FY2020). For example, SamTrans Bus Average Weekday Ridership reached 97.7 percent of pre-pandemic levels (October 2019) for this month of October 2025.

%<sup>3</sup> indicates the rate of ridership recovery, current year (FY2025) to pre-pandemic year (FY2020).

Dumbarton and demand-response service are excluded.

**IMPORTANT NOTES:**

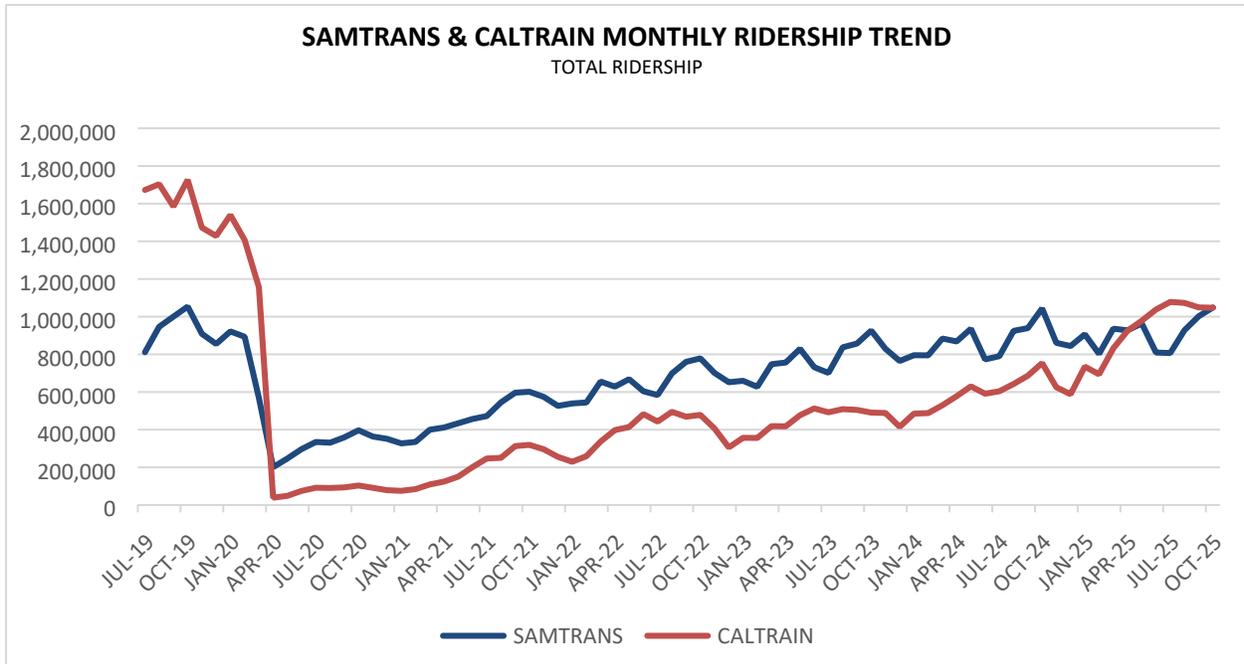
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BART ridership in San Mateo County does not include Daly City BART Station.



**CUSTOMER EXPERIENCE**

SAMTRANS (BUS)   Customer Experience			
KPI	Oct-23	Oct-24	Oct-25
Complaints	104	114	144
Accessibility	14	7	10
Compliments	13	13	15
Service Requests	35	59	34
<b>Reports Total</b>	<b>166</b>	<b>193</b>	<b>203</b>

The table is a detailed summary of SamTrans Consumer Reports received by the Customer Experience Department.

The total number of reports for SamTrans increased 5.2% from 193 reports in October 2024 to 203 reports in October 2025.

**COMMUNICATIONS & MARKETING**

The following is a list of the Communications Division’s marketing and promotional efforts in October 2025.

**SamTrans Monthly Press Releases and Earned Media**

**Press Releases and Blogs:**

- News:
  - SamTrans Board adopts Passenger Suspension Policy to strengthen rider and worker safety
  - Join the San Mateo County Transit District’s Citizens Oversight Committee and help ensure the transparent use of transportation funds
  - Mi Tienda Supermarket — the Dollar Taco Lives!

### **Article Mentions:**

- Newsom signs regional measure
  - KPIX, SF Chronicle, News for Chinese, Bond Buyer, Foreign Affairs (NZ)
- Passenger Suspension Policy
  - KCBS Radio, NewsBreak, Hoodline, San Mateo Daily Journal, Metro Magazine, Transit Unplugged
- Grand Boulevard Initiative
  - Citizen Portal AI, San Mateo Daily Journal
- BART service down (SamTrans helps out)
  - SF Gate, Yahoo! News, ABC 7, KRON4, KTVU
- New Sheriff
  - San Mateo Daily Journal
- Clipper NextGen
  - MTC

### **Social Media Activities**

### **Digital Marketing Report**

- SamTrans schedule changes occurred on October 6 to better improve morning departure times for school routes
- Another push for the Way2Go Pass was done with an emphasis on specific community college routes to help promote sales
- The SamTrans Roadeo was held in October and a photo gallery highlighting operators and mechanics was posted, celebrating the event
- SamTrans 2024 holiday sweaters returned to the online store for a discount and a push was done to market sales

**Other Digital Marketing Highlights**

- SamTrans Schedule Changes
- SamTrans Way2Go Community College Pass
- Halloween Content
- SamTrans Bus Roadeo
- SamTrans 2024 Holiday Sweater sales
- Drive With Us Bus Operator Recruitment Campaign
- Gear Up Mechanic Utility Worker Recruitment Campaign
- Ride Plus Microtransit Campaign

**Social Metrics: Year to Year**

An impression is anytime our content (post, webpage, IG photo) is seen in a user’s feed or browser. Engagement is any action taken, such as a click, like, retweet or comment.

OCTOBER 2025	OCTOBER 2024	% Change
Impressions: 1,425,123	Impressions: 338,083	+ 321.5%
Engagements: 5,384	Engagements: 4,686	+14.9%
Post Link Clicks: 961	Post Link Clicks: 1,479	-35.0%

*\*Please note this does not include any web metrics*

**Marketing Activity Highlights**

**Ride Plus Campaign**

*September Ride Plus Marketing Metrics*

Ride Plus web content views:

- Web views: 3,029
- Total Impressions: 219,639

- Total Ad/Post Clicks: 2,529
- Ad Spend: \$989.76

Ads ran in Coastside Magazine's annual Coastside Guide and monthly editions.

### **Effortless Travel Campaign**

*Bay Area Newsgroups Ad Network*

Running digital ads on Bay Area news websites, social media and other ad partners. Ads are continuing to perform within industry performance indicator standards.

- SamTrans ETEP Ads:
  - Web views: 30,752
  - Total Impressions: 1.4 million
  - Ad Clicks: 16,173
  - Ad Spend: \$9,000

### **Way2Go Pass Promotion**

Campaign to move free Way2Go passes for community college students.

- Web views: 1,610
- Total Impressions: 57,735
- Total Ad/Post Clicks: 1,591
- Ad Spend: \$369.57

### **Marketing Look Ahead**

TikTok series targeting teens/young adults, Holiday sweater promotion, Hometown Holidays and Online Store promotion.

Prepared By:	Emily Chen	Senior Planner, Operations Planning	650-551-6127
	Tasha Bartholomew	Director, Strategic Communications	650-508-7927

**San Mateo County Transit District  
Staff Report**

To: Community Relations Committee  
Through: April Chan, General Manager/CEO  
From: Josh Mello, Chief Planning Officer, Planning and Real Estate  
Subject: **State of Service Report | Fiscal Year 2026 Quarter 1**

**Action**

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

**Significance**

The quarterly report provides an overview of key performance indicators, including ridership, on-time performance, fares, workforce composition, safety, fleet, and customer experience for the period of July through September 2025 (Quarter 1, Fiscal Year 2026).

This quarter reflects service plans implemented on June 15, 2025 (Runbook 150) and on August 4, 2025 (Runbook 151). The June service change included minor timetable adjustments to routes 110 and 117 to improve connections in the morning at Linda Mar Park and Ride and the temporary suspension of School-Oriented service for the summer. August's service change brought back School-Oriented service with adjustments to respond to updated bell times at schools, adjusted weekday schedules on routes 110, 117, 121, and SKY to at Daly City Bay Area Rapid Transit (BART) and on routes 280 and 281 at Palo Alto Caltrain Station improve regional transfers, and updated a timepoint on route CSM.

**Fiscal Year 2026 Quarter 1 (FY26Q1) Summary (compared to FY25Q1):**

- 3.1 percent increase in total ridership
- 2.7 percent increase in ridership on equity priority routes
- 1.9 percent increase in on-time performance
- 14.4 percent increase in cost per passenger and 16.6 percent increase in subsidy per passenger on bus service
- 19.7 percent decrease in farebox recovery
- 39.2 percent increase in Clipper START usage
- 44.3 percent decrease in preventable accidents per 100,000 miles

- 19.5 percent decrease in service calls per 25,000 miles
- 10.1 percent increase in customer comments per 10,000 boardings

**Ridership**

Average weekday ridership on SamTrans was 33,086 in FY26Q1, which is an increase of 3.7 percent compared to FY25Q1. Total SamTrans ridership was 2,661,541, which is an increase of 3.1 percent compared to FY25Q1. The SamTrans network recovered 95.9 percent of total ridership compared to pre-pandemic ridership (FY20 Q1). Ridership details are included in **Table 1**.

**TABLE 1. AVERAGE WEEKDAY RIDERSHIP AND TOTAL RIDERSHIP**

Ridership Type	FY26Q1	FY25Q1	%Δ
Average Weekday Ridership	34,325	33,086	3.7%
Total Ridership	2,744,392	2,661,541	3.1%

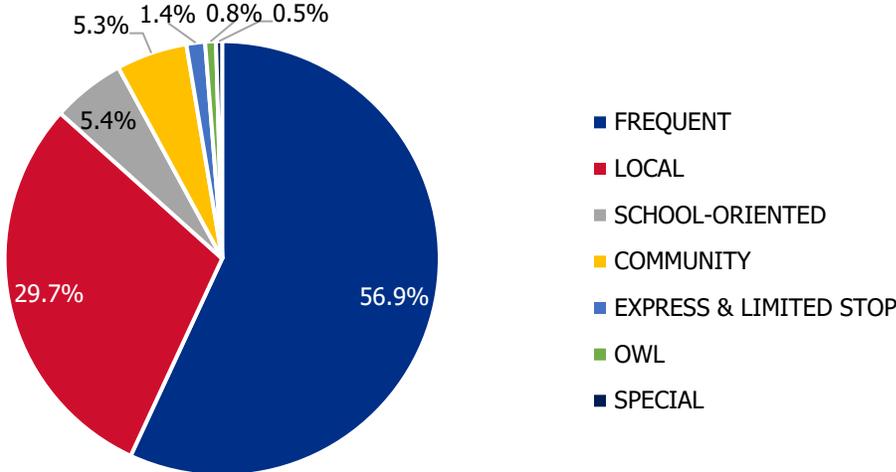
*Notes: Does not include Route 713 or Dumbarton Express.*

By service category, 56.9 percent of total ridership was on Frequent routes<sup>1</sup>, 29.7 percent was on Local routes<sup>2</sup>, 5.3 percent was on Community routes<sup>3</sup>, 5.4 percent was on School-Oriented routes<sup>4</sup>, 1.4 percent was on Express and Limited routes<sup>5</sup>, 0.8 percent was on Owl<sup>6</sup> routes, and 0.5 percent was on Special<sup>7</sup> routes (see **Figure 1**).

---

<sup>1</sup> Routes with 15 minutes or better frequency, seven days a week. Routes include 120, 130, 296, and ECR.  
<sup>2</sup> Routes with 30 minutes or better frequency, seven days a week. Routes include 110, 121, 122, 141, 250, 276, 278, 281, and 292.  
<sup>3</sup> Routes with 60 minutes or better frequency, five days a week. Routes include 112, 117, 142, 251, 260, 270, 280, 294, and 295.  
<sup>4</sup> Routes operating with very few trips a day and are scheduled to align with school schedules and bell times. All two-digit routes are School-Oriented routes.  
<sup>5</sup> Routes providing limited-stop service to or from major destinations and are typically longer in length. Routes include CSM, EPX, FCX, PCX, and SKY.  
<sup>6</sup> Routes operating overnight after regular transit service has ended. Routes include 296 Owl, 397, and ECR Owl.  
<sup>7</sup> Routes serving a unique purpose that do not fit into other categories but should still be monitored for their performance to ensure that they are effectively serving the purpose of the service. Routes include 138 and Ride Plus.

**FIGURE 1. TOTAL RIDERSHIP SHARE BY SERVICE CATEGORY**



Note: Does not include Route 713 or Dumbarton Express.

In Quarter 1, all service categories except Owl routes saw ridership increases compared to the same quarter last year. Express and Limited Stop routes likely saw a large increase due to continued ridership growth on two new routes (CSM and SKY) and the reintroduction of route PCX. Ridership details by service category are included in **Table 2**.

**TABLE 2. TOTAL RIDERSHIP BY SERVICE CATEGORY**

Service Category	FY26 Q1	FY25 Q1	%Δ
Frequent	1,561,801	1,528,952	2.1%
Local	816,287	812,063	0.5%
School-Oriented	149,059	132,307	12.7%
Community	144,871	128,768	12.5%
Express and Limited Stop	37,960	25,296	50.1%
Owl	22,026	24,791	-11.2%
Special	12,388	9,364	32.3%

Note: Does not include Route 713 or Dumbarton Express.

Standard productivity measures include boardings by vehicle revenue hour<sup>8</sup>, boardings by vehicle revenue mile<sup>9</sup>, and boardings by trip<sup>10</sup>.

<sup>8</sup> Boardings by vehicle revenue hour normalizes ridership to the amount of service being provided by calculating the number of customers that board the service per the revenue hours operated.

<sup>9</sup> Boardings per vehicle revenue mile normalizes ridership to the amount of service being provided by calculating the number of customers that board the service per the revenue miles operated.

<sup>10</sup> Boardings per trip normalizes ridership to the amount of service being provided by calculating the number of customers that board the service per trip operated by the service.

The fixed route bus network generated 15.0 boardings per vehicle revenue hour in Quarter 1, a 1.5 percent decrease over the previous year. School-oriented routes had the highest boardings per vehicle revenue hour with 54.1, and Express and Limited Stop routes had the lowest with 3.2.

SamTrans had 1.6 boardings per revenue mile in Quarter 1, a 0.8 percent decrease over the previous year. Again, School-Oriented routes had the highest boardings per vehicle revenue mile with 4.6, and Express and Limited routes had the lowest with 0.3.

SamTrans generated 18.9 boardings per revenue trip in Quarter 1, a 4.0 percent decrease over the previous year. Frequent routes had the highest with 33.3 boardings per trip. Express and Limited routes had the lowest with 3.2. Ridership productivity measures are included in **Table 3**.

**TABLE 3. SYSTEMWIDE RIDERSHIP PRODUCTIVITY MEASURES AND SERVICE CATEGORY BREAKDOWN**

Productivity Measure	FY26 Q1	FY25 Q1	%Δ
<b>Boardings per Vehicle Revenue Hour</b>	<b>15.0</b>	<b>15.3</b>	<b>-1.5%</b>
Frequent	21.0	21.3	-1.5%
Local	11.8	11.8	-0.5%
School-Oriented	54.1	49.9	8.3%
Community	7.3	7.1	3.0%
Express and Limited	3.2	2.9	9.7%
Owl	6.7	6.7	0.2%
<b>Boardings per Vehicle Revenue Mile</b>	<b>1.56</b>	<b>1.57</b>	<b>-0.8%</b>
Frequent	2.3	2.3	0.9%
Local	1.3	1.3	-3.8%
School-Oriented	4.6	4.2	9.4%
Community	0.7	0.7	9.2%
Express and Limited	0.3	0.2	24.7%
Owl	0.5	0.5	-6.4%
<b>Boardings per Trip</b>	<b>18.9</b>	<b>19.7</b>	<b>-4.0%</b>
Frequent	33.3	33.5	-0.6%
Local	14.7	15.5	-5.3%
School-Oriented	30.0	27.6	8.6%
Community	6.5	6.3	3.3%
Express and Limited	3.2	3.0	6.3%
Owl	9.5	9.8	-3.6%

*Note: Does not include Route 713 or Dumbarton Express.*

Compared to the previous year, Ride Plus service in Quarter 1 this year increased boardings per revenue hour by 33.3 percent to 2.1 boardings per revenue hour (**Table 4**).<sup>11</sup> Boardings per revenue mile decreased by 4.2 percent to 0.3 boarding per revenue mile. The percentage of pooled trips increased by 163.0 percent and the load factor increased by 2.1 percent. This is likely reflective of an improvement in the matching of trips in the new scheduling software and from increased marketing.

**TABLE 4. RIDE PLUS PRODUCTIVITY MEASURES**

Productivity Measure	FY26 Q1	FY25 Q1	%Δ
<b>Boardings per Vehicle Revenue Hour</b>	<b>2.1</b>	<b>1.6</b>	<b>33.1%</b>
East Palo Alto	2.1	1.5	36.9%
Half Moon Bay	2.0	1.6	24.0%
<b>Boardings per Vehicle Revenue Mile</b>	<b>0.28</b>	<b>0.30</b>	<b>-4.2%</b>
East Palo Alto	0.5	0.4	43.8%
Half Moon Bay	0.1	0.2	-37.8%
<b>Percent Pooled Trips</b>	<b>44.5%</b>	<b>16.9%</b>	<b>163.0%</b>
East Palo Alto	43.5%	12.4%	249.2%
Half Moon Bay	45.4%	21.4%	112.7%
<b>Load Factor</b>	<b>1.2</b>	<b>1.1</b>	<b>2.1%</b>
East Palo Alto	1.2	1.2	1.1%
Half Moon Bay	1.1	1.1	3.1%

Total ridership on Equity Priority Routes<sup>12</sup> was 2,051,437 in FY26Q1, accounting for 75.1 percent of total ridership (see **Table 5**). Equity Priority Routes are defined as routes where more than one-third of a route’s alignment is operated in an Equity Priority Area. Equity Priority Areas are neighborhoods where residents are more likely to not have access to a car, be part of a low-income household, and/or identify as people of racial or ethnic minority populations.

**TABLE 5. RIDERSHIP IN EQUITY PRIORITY AREAS**

Service Category	FY26 Q1	FY25 Q1	%Δ
Boardings on Equity Priority Routes	2,051,437	1,997,478	2.7%
% of Total Boardings	75.1%	75.0%	0.03%

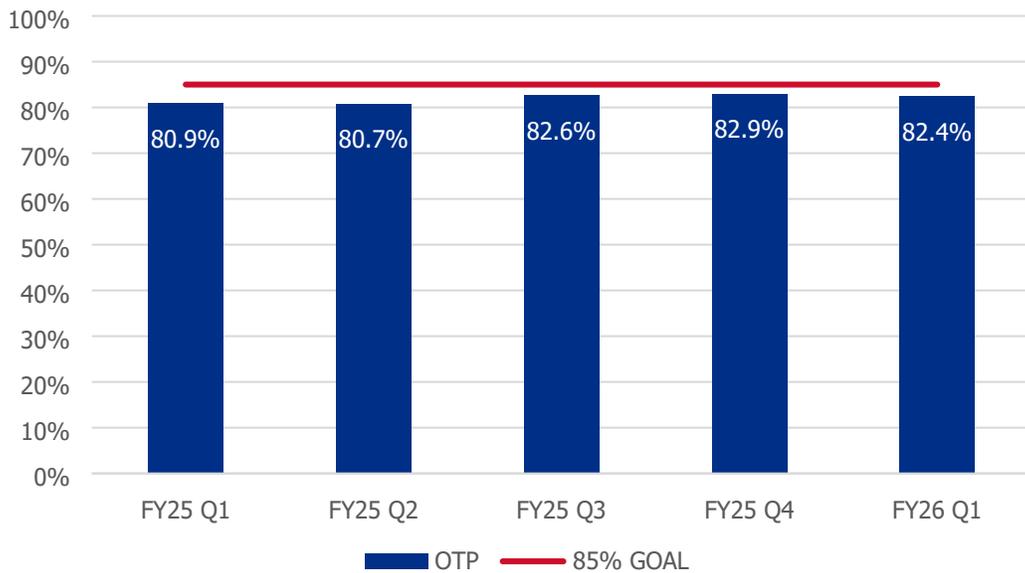
<sup>11</sup> For Ride Plus on-demand service, similar productivity measures are provided; however, the definitions used are different from fixed-route bus service. For boardings per revenue hour, revenue hour is defined as any time passengers have an opportunity to use the service (total hours minus time to/from the depot and time that the vehicle is out of service for breaks, etc.). For boardings per revenue mile, revenue miles are defined as distance traveled in the service area (total miles minus miles to/from the depot). Percent pooled trips and load factor show how many passengers are using the service per trip. Percent pooled trips is the share of total trips where multiple trips were taken simultaneously in the same vehicle. Load factor represents the average number of passengers in a vehicle. It is calculated by dividing the total number of passengers by the number of trips in service.

<sup>12</sup> Equity Priority Routes include 24, 25, 29, 30, 35, 37, 41, 46, 49, 62, 68, 79, 81, 120, 121, 122, 130, 138, 141, 142, 260, 270, 276, 280, 281, 294, 296, 296 Owl, ECR, ECR Owl, and SKY.

**On-Time-Performance**

Average systemwide on-time performance (OTP) for FY26Q1 was below SamTrans’ OTP goal of 85.0 percent at 82.4 percent (**Figure 2**); however, this represents a 1.9 percent increase from the same quarter in the previous year. OTP for the average weekday and average Saturday were below goal at 82.2 percent and 80.7 percent, respectively. The average Sunday and average holiday OTP were above goal at 85.2 percent and 85.5 percent, respectively. The average scheduled speed was 12.8 miles per hour, which is a 0.5 percent decrease compared to the previous year.

**FIGURE 2. ON-TIME PERFORMANCE BY QUARTER**



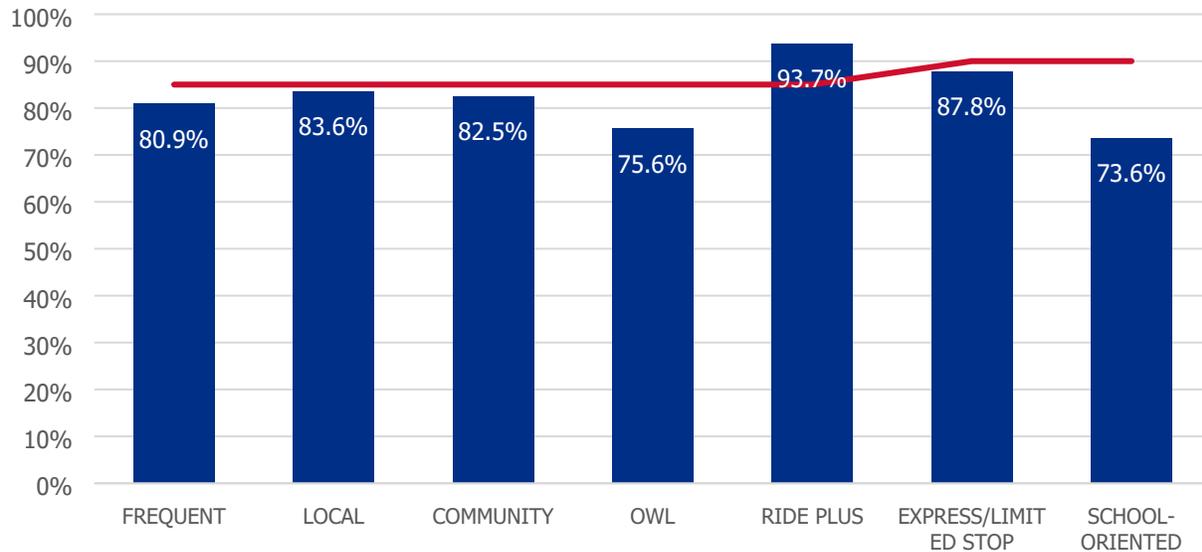
Broken down by category, Express and Limited and Ride Plus<sup>13</sup>, are above the 85 percent OTP goal. School-Oriented routes had the lowest average OTP of 73.6 percent. Details are included in **Table 6** and **Figure 3**.

**TABLE 6. ON-TIME PERFORMANCE BY SERVICE CATEGORY**

Service Category	FY26 Q1	FY25 Q1	%Δ
Frequent	80.9%	79.0%	2.4%
Local	83.6%	81.5%	2.6%
Community	82.5%	81.2%	1.6%
Owl	75.6%	70.9%	6.6%
Ride Plus	93.7%	90.3%	3.8%
Express and Limited	87.8%	80.1%	9.7%
School-Oriented	73.6%	76.0%	-3.2%

<sup>13</sup> Ride Plus is on time if a vehicle arrives up to five minutes from estimated pick-up time.

**FIGURE 3. ON-TIME PERFORMANCE BY SERVICE CATEGORY**



Note: Express and Limited and School-Oriented routes have a 90 percent OTP goal. The goal for all other categories is 85 percent.

**Fares**

In FY26Q1, total fixed route fare revenue was \$3,129,866, a 6.9 percent decrease from the previous year. Of the fares collected, 64.6 percent were Adult fares, 21.6 percent were Eligible Discount fares, and 13.8 percent were Youth fares. As for how passengers paid, 8.8 percent used one-way tickets (e.g., cash, free rides), 49.9 percent used Clipper, and 41.3 percent used a pass (e.g., day, month, Youth Unlimited). There is a decline in one-way fares and an increase in Clipper compared to last year due to SamTrans’ active promotion of Clipper and Clipper-based programs, like Clipper START. Details are included in **Table 7** and **Table 8**.

**TABLE 7. TOTAL FARES COLLECTED BY TYPE**

Fare Type	FY26 Q1	FY25 Q1	%Δ
Adult	1,775,786	1,707,015	4.0%
Eligible Discount	595,316	575,083	3.5%
Youth	378,281	376,524	0.5%

**TABLE 8. FARES BY PAYMENT METHOD**

Payment Method	FY26 Q1	FY25 Q1	%Δ
One-Way Ticket	241,105	312,484	-22.8%
Clipper	1,372,841	1,248,938	9.9%
<i>Clipper START</i>	50,918	36,573	39.2%
Pass	1,135,437	1,097,200	3.5%

Notes: Fares on Ride Plus were not integrated into the reporting system and therefore not included in this data.

Total operational cost in FY26Q1 was \$50,332,333, a 16.0 percent increase from the previous year due to the increased number of full-time operators needed to fully implement Reimagine SamTrans, higher costs associated with changes in the new Collective Bargaining Agreement, and increased fringe benefits rates. The cost per passenger was \$17.20, and the subsidy per passenger was \$16.06. Farebox recovery was 6.2 percent of operating costs, a 19.7 percent decrease compared to the previous year. Details are included in **Table 9**.

**TABLE 9. OPERATING COSTS AND FAREBOX RECOVERY METRICS**

Metric	FY26	FY25	%Δ
Farebox Revenue	\$3,129,866	\$3,361,000	-6.9%
Operational Costs	\$50,332,333	\$43,380,997	16.0%
Cost per Passenger	\$17.20	\$15.04	14.4%
Subsidy per Passenger	\$16.06	\$13.77	16.6%
Farebox Recovery Rate	6.2%	7.7%	-19.7%

*Notes: Cost figures use both accrual and cash-based accounting methods depending on expenditure.*

### Operator Count

During FY26Q1, the District and Contracted Services<sup>14</sup> employed a combined total of 481 full-time fixed route operators, a 4.1 percent increase compared to the previous year. The number of District operators decreased by 0.9 percent. Of the total full-time fixed route operators, 70.9 percent were District operators, 23.1 percent were CUBS operators, and 6.0 percent were Coastside operators. The District’s goal, as part of delivery of *Reimagine SamTrans*, is to increase District operator head count to 348. In Quarter 1, the District was at 98.0 percent of its goal. For details, see **Table 10**.

**TABLE 10. AVERAGE TOTAL OPERATORS**

Operators	FY26 Q1	FY25 Q1	%Δ
<b>Total</b>	<b>481</b>	<b>462</b>	<b>4.1%</b>
District	341	344	-0.9%
CUBS	111	93	19.4%
Coastside	29	25	16.0%

*Note: Quarterly employment statistics were provided by the District’s People and Culture team and MV Transportation for CUBS and Coastside services from the last week of the quarter.*

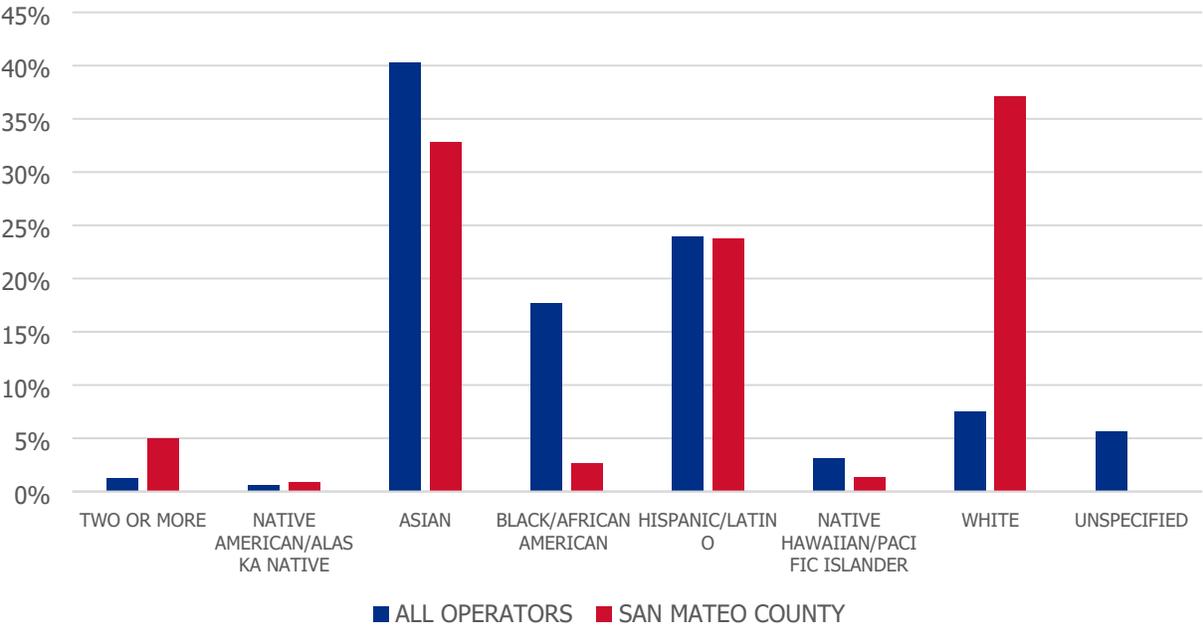
Of the District and Contracted Services operators, 12.7 percent identified as women and 87.3 percent identified as men. There was a 3.4 percent year-over-year increase in the number of women working as full-time operators and a 4.2 percent increase in the number of males.

<sup>14</sup> Contracted Urban Bus Service (CUBS) and Coastside

For race and ethnicity, 86.9 percent of operators identify as persons of color and/or Hispanic/Latino. Broken down, 40.3 percent identify as Asian, 23.9 percent identify as Hispanic/Latino, 17.7 percent identify as Black/African American, 1.2 percent identify as Two or More Races, 3.1 percent identify as Native Hawaiian/Pacific Islander, 0.6 percent identify as American Indian/Alaska Native. There were 7.5 percent of operators that identified as White, and 5.6 percent preferred not to specify. See **Figure 4** for details on operator race and ethnicity.

The District monitors this data to see how closely the SamTrans operators' demographics reflect the demographics of San Mateo County. Compared to San Mateo County Census demographics, operators identifying as Asian, Black/African American, or Native Hawaiian/Pacific Islander are overrepresented, while those identifying as White or Two or More Races are underrepresented. Operators identifying as Native American/Alaskan Native or Hispanic/Latino are at similar proportions of San Mateo County demographics.

**FIGURE 4. OPERATORS BY RACE AND ETHNICITY**



*Note: Demographic statistics may add up to more than 100 percent because people may identify as one race and one ethnicity (e.g., Black/ African American and Hispanic/Latino).*

**Preventable Accidents**

In FY26Q1, there were 28 preventable accidents, a 40.4 percent decrease compared to the previous year. The goal is to have one or fewer preventable accidents per 100,000 miles; this quarter, SamTrans did not meet its goal with 1.1 accidents per 100,000 miles. Preventable accidents per 100,000 miles decreased 44.3 percent when compared to the previous year. Details are included in **Table 11**.

**TABLE 11. PREVENTABLE ACCIDENTS**

	FY26 Q1	FY25 Q1	%Δ
<b>Preventable Accidents</b>	<b>28</b>	<b>47</b>	<b>-40.4%</b>
District	21	31	-32.3%
Contracted Services	7	16	-56.3%
<b>Accident Frequency Ratio (per 100,000 miles)</b>	<b>1.1</b>	<b>2.0</b>	<b>-44.3%</b>
District	1.2	1.9	-39.2%
Contracted Services	1.0	2.2	-54.7%

*Note: Of total revenue miles, the District operates approximately 70 percent and MV Transportation provides 30 percent.*

**Service Calls**

There were 86 service calls in FY26Q1, a 14.0 percent decrease from the previous year. The goal is to have one or fewer service calls per every 25,000 miles, and the goal was met with 0.9 service calls per 25,000 miles. For details, see **Table 12**.

**TABLE 12. SERVICE CALLS**

	FY26 Q1	FY25 Q1	%Δ
<b>Service Calls</b>	<b>86</b>	<b>100</b>	<b>-14.0%</b>
District	57	57	0.0%
Contracted Services	29	43	-32.6%
<b>Service Call Frequency Ratio (per 25,000 miles)</b>	<b>0.9</b>	<b>1.1</b>	<b>-19.5%</b>
District	0.8	0.9	-10.3%
Contracted Services	1.0	1.5	-30.2%

**Fleet in Operation**

In FY26Q1, 322 buses were in operation. Approximately 78.2 percent were diesel, 7.8 percent were diesel-hybrid, 10.9 percent were battery electric, and 3.0 percent were hydrogen fuel cell. For mileage operated by District buses, 83.0 percent were operated by diesel, 7.5 percent were operated by diesel-hybrid, 6.6 percent were operated by battery electric, and 2.9 percent were operated by hydrogen fuel cell. For details, see **Table 13**.

**TABLE 13. FLEET IN OPERATION**

	<b>FY26 Q1</b>	<b>FY25 Q1</b>	<b>%Δ</b>
<b>Total</b>	<b>322</b>	<b>311</b>	<b>3.5%</b>
Diesel	252	269	-6.3%
Diesel-Hybrid	25	25	0.0%
Battery Electric	35	17	105.9%
Hydrogen Fuel Cell	10	0	--

**Trips That Did Not Operate**

In FY26Q1 there were 21 trips that did not operate (DNO). The goal is to have 20 or fewer DNOs per every 100,000 trips. This quarter, SamTrans met its goal with 14.5 DNOs per 100,000 trips. For details, see **Table 14**.

**TABLE 14. TRIPS THAT DID NOT OPERATE**

	<b>FY26 Q1</b>	<b>FY25 Q1</b>	<b>%Δ</b>
<b>DNOs</b>	<b>21</b>	<b>695</b>	<b>-97.0%</b>
District	3	687	-99.6%
Contracted Services	18	8	125.0%
<b>DNOs Frequency Ratio (per 100,000 trips)</b>	<b>14.5</b>	<b>515.0</b>	<b>-97.2%</b>
District	2.6	640.4	-99.6%
Contracted Services	64.0	28.9	121.4%

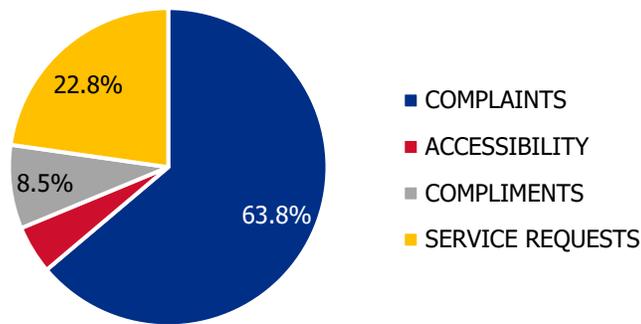
**Customer Experience**

In FY26Q1, SamTrans Customer Service received 611 public comments, which breaks down to 2.2 comments per 10,000 boardings. This is a 10.1 percent increase from the same period in the previous year. Of the public comments, 63.8 percent were complaints, 4.9 percent were about accessibility, 8.5 percent were compliments, and 22.8 percent were service requests. Details can be seen in **Table 15** and **Figure 5**.

**TABLE 15. CUSTOMER FEEDBACK DETAILS**

	FY26 Q1	FY25 Q1	%Δ
<b>Total</b>	<b>611</b>	<b>538</b>	<b>13.6%</b>
Complaints	390	307	27.0%
Accessibility	30	33	-9.1%
Compliments	52	39	33.3%
Service Requests	139	159	-12.6%
<b>Comments per 10,000 boardings</b>	<b>2.2</b>	<b>2.0</b>	<b>10.1%</b>

**FIGURE 5. CUSTOMER FEEDBACK BY TYPE**



Overall, the most common themes of public comments were operator feedback (27.0 percent), late (13.9 percent), and pass-up (13.4 percent). See **Table 16** for a comparison to the previous year.

**TABLE 16. MOST COMMON PUBLIC COMMENT THEMES**

FY26 Q1			FY25 Q1		
Category	Comment Type	% of Total Comments	Category	Comment Type	% of Total Comments
Operator	Complaint	27.0%	Operator	Complaint	25.5%
Late	Complaint	13.9%	Pass-Up	Complaint	13.4%
Pass-Up	Complaint	13.4%	Schedule Request	Service Request	9.7%

Most people continue to use phone and email to leave comments. 44.8 percent of comments were received by phone, 54.2 percent by email, 0.2 percent by comment card, 0.5 percent by letter, and 0.3 percent by walk-in. Details are included in **Table 17**.

**TABLE 17. REPORTING METHOD**

Method	FY26 Q1	FY25 Q1	%Δ
Phone	274	253	8.3%
Email	331	272	21.7%
Comment Card	1	3	-66.7%
Letter	0	1	-100.0%
Walk-In	3	4	-25.0%

*Data shown in this report is current as of November 17, 2025.*

Prepared By: Emily Chen      Senior Planner, Operations Planning      650-551-6127



# QUARTERLY DASHBOARD



July - September 2025 (FY26 Q1)

**RIDERSHIP, SERVICE & ON-TIME PERFORMANCE**

**Systemwide Overview**



**2,744,392**  
Boardings (+3.1%)

**74**  
Routes

**1.8M**  
Revenue Miles

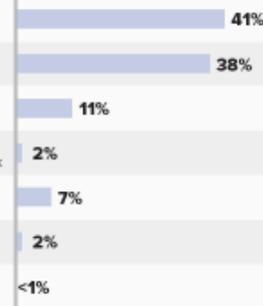
**Service Categories**

What types of service are available?

15 min	<b>Frequent</b> 15-minute or better frequency, 7 days/week	41%
30 min	<b>Local</b> 30-minute or better frequency, 7 days/week	38%
60 min	<b>Community</b> 60-minute or better frequency, 5-7 days/week	11%
	<b>School-Oriented</b> Routes aligned with school bell times, 5 days/week	2%
	<b>Express &amp; Limited Stop</b> Peak-only routes with few stops, 5 days/week	7%
Night	<b>Owl</b> Overnight routes, 7 days/week	2%
Special	<b>Special Routes</b> Unique purpose routes, 7 days/week	<1%

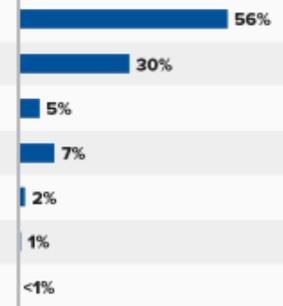
**Revenue Hours**

How much service is available?



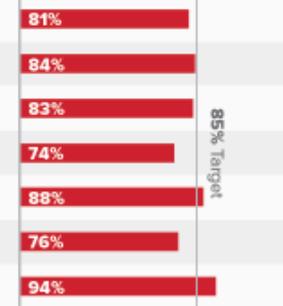
**Avg Weekday Ridership**

How many people ride?



**On-Time Performance<sup>2</sup>**

How often is the bus on time?



**182.0K** Total Revenue Hours

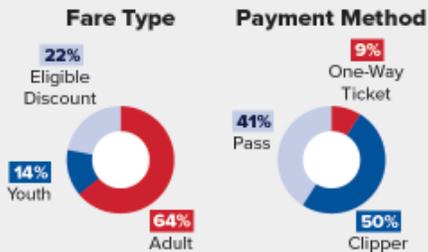
**34.3K** Systemwide Average

**82.4%** Systemwide Average

**FARES**

**\$3.13M** Fare Revenue

**\$16.06** Subsidy Per Passenger

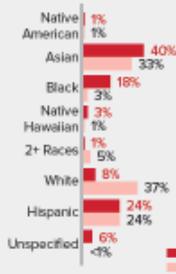


**OPERATORS**

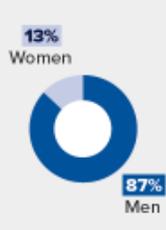
**481** Average Number of Operators

**341** SamTrans, **111** CUB, **29** Coastside

**Race & Ethnicity**



**Gender**



**ENVIRONMENT & SAFETY**

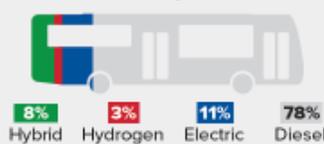
**Service Calls**



**Preventable Accidents**



**Fleet in Operation**

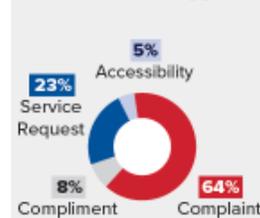


**RIDER EXPERIENCE**

**14.5** Trips Not Operated Per 100,000 Trips (-97.2%<sup>3</sup>)

**2.2** Comments Per 10,000 Boardings (+10.1%)

**Comment Type**



**Trending Themes**

**27%** Operators, **14%** Late, **13%** Pass-Up

Top 3 in FY25 Q1 Operators, Pass-Up and Schedule

<sup>1</sup> Percent change from the previous year (FY25 Q1).

<sup>2</sup> Buses are on-time if they depart a timepoint within 59 seconds before schedule or 4 minutes and 59 seconds after schedule.

<sup>3</sup> There were multiple days of unscheduled operator shift drops and lack of workforce availability in the previous year (FY25 Q1).

# Quarter 1 Dashboard (Jul-Sep) Highlights

## RIDERSHIP, SERVICE & ON-TIME PERFORMANCE

### Systemwide Overview



**2,744,392**

Boardings (+3.1%)

**74**  
Routes

**1.8M**  
Revenue Miles

### Service Categories

What types of service are available?

15 min	<b>Frequent</b> 15-minute or better frequency, 7 days/week
30 min	<b>Local</b> 30-minute or better frequency, 7 days/week
60 min	<b>Community</b> 60-minute or better frequency, 5-7 days/week
School	<b>School-Oriented</b> Routes aligned with school bell times, 5 days/week
Express	<b>Express &amp; Limited Stop</b> Peak-only routes with few stops, 5 days/week
Night	<b>Owl</b> Overnight routes, 7 days/week
Special	<b>Special Routes</b> Unique purpose routes, 7 days/week

### Revenue Hours

How much service is available?

<b>41%</b>
<b>38%</b>
<b>11%</b>
<b>2%</b>
<b>7%</b>
<b>2%</b>
<b>&lt;1%</b>

**182.0K** Total Revenue Hours

### Avg Weekday Ridership

How many people ride?

<b>56%</b>
<b>30%</b>
<b>5%</b>
<b>7%</b>
<b>2%</b>
<b>1%</b>
<b>&lt;1%</b>

**34.3K** Systemwide Average

### On-Time Performance<sup>2</sup>

How often is the bus on time?

<b>81%</b>	<b>85% Target</b>
<b>84%</b>	
<b>83%</b>	
<b>74%</b>	
<b>88%</b>	
<b>76%</b>	
<b>94%</b>	

**82.4%** Systemwide Average

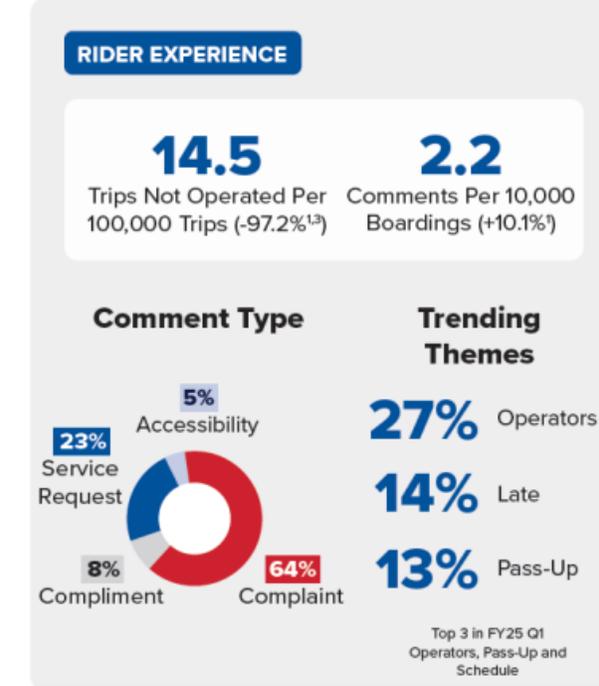
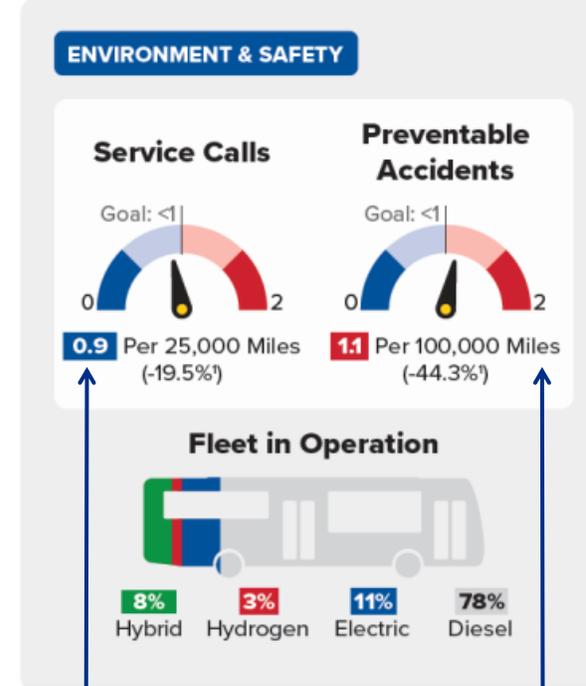
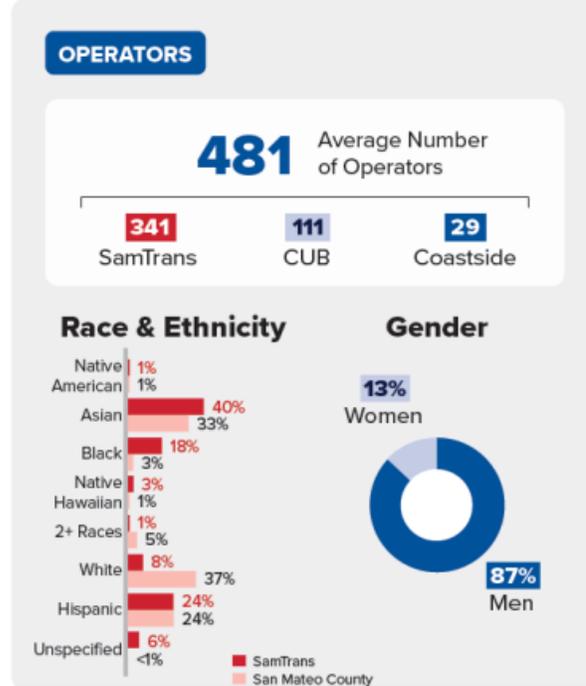
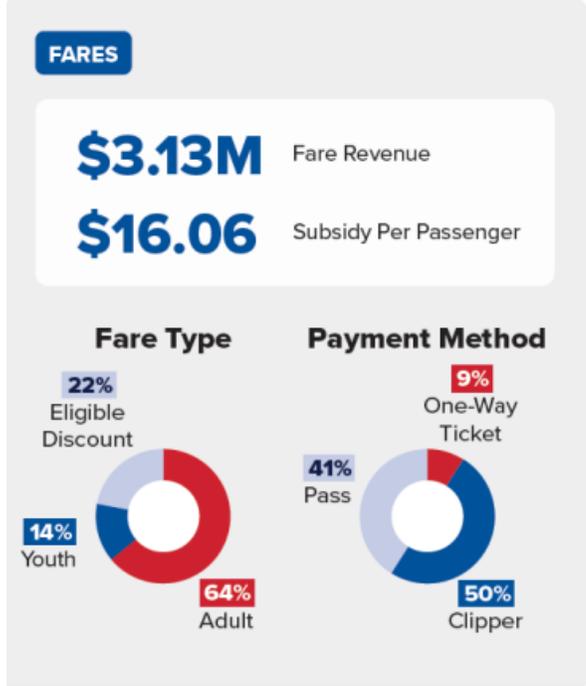
Ridership increased 3.1% YoY  
Ridership on Equity Priority Routes increased 2.7% YoY

On-time performance improved 1.9% YoY

<sup>1</sup> Percent change from the previous year (FY25 Q1)

<sup>2</sup> Buses are on-time if they depart a timepoints within 59 seconds before schedule or 4 minutes and 59 seconds after schedule.

# Quarter 1 Dashboard (Jul-Sep) Highlights



Service calls rate goal was met and decreased by 19.5% YoY

Preventable accidents rate decreased 44.3% YoY

<sup>1</sup> Percent change from the previous year (FY25 Q1)

<sup>3</sup> There were multiple days of unscheduled operator shift drops and lack of workforce availability in the previous year (FY25 Q1).



# Thank You!

# QUARTERLY DASHBOARD

July - September 2025 (FY26 Q1)



## RIDERSHIP, SERVICE & ON-TIME PERFORMANCE

### Systemwide Overview



# 2,744,392

Boardings (+3.1%<sup>1</sup>)

**74**  
Routes

**1.8M**  
Revenue Miles

### Service Categories

What types of service are available?

15 min	<b>Frequent</b> 15-minute or better frequency, 7 days/week
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Special	<b>Special Routes</b> Unique purpose routes, 7 days/week

### Revenue Hours

How much service is available?

<b>41%</b>
<b>38%</b>
<b>11%</b>
<b>2%</b>
<b>7%</b>
<b>2%</b>
<b>&lt;1%</b>

### Avg Weekday Ridership

How many people ride?

<b>56%</b>
<b>30%</b>
<b>5%</b>
<b>7%</b>
<b>2%</b>
<b>1%</b>
<b>&lt;1%</b>

### On-Time Performance<sup>2</sup>

How often is the bus on time?

<b>81%</b>	<b>85%</b> Target
<b>84%</b>	
<b>83%</b>	
<b>74%</b>	
<b>88%</b>	
<b>76%</b>	
<b>94%</b>	

**182.0K** Total Revenue Hours

**34.3K** Systemwide Average

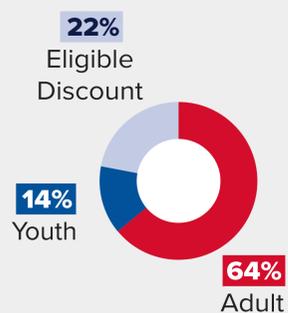
**82.4%** Systemwide Average

## FARES

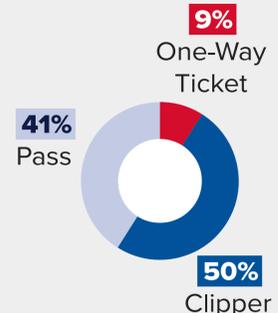
**\$3.13M** Fare Revenue

**\$16.06** Subsidy Per Passenger

### Fare Type



### Payment Method

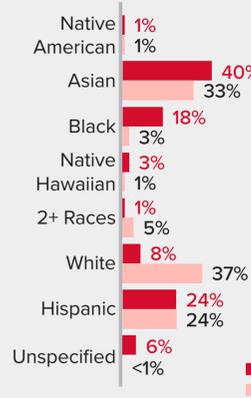


## OPERATORS

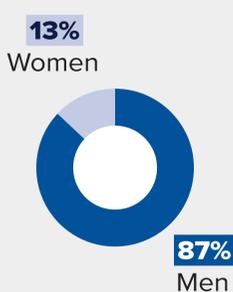
**481** Average Number of Operators



### Race & Ethnicity



### Gender



## ENVIRONMENT & SAFETY

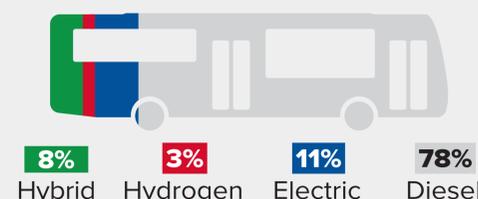
### Service Calls



### Preventable Accidents



### Fleet in Operation



## RIDER EXPERIENCE

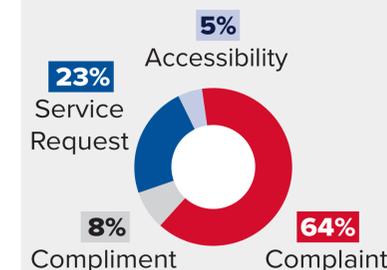
**14.5**

Trips Not Operated Per 100,000 Trips (-97.2%<sup>1,3</sup>)

**2.2**

Comments Per 10,000 Boardings (+10.1%)

### Comment Type



### Trending Themes

**27%** Operators  
**14%** Late  
**13%** Pass-Up

Top 3 in FY25 Q1 Operators, Pass-Up and Schedule

<sup>1</sup> Percent change from the previous year (FY25 Q1).

<sup>2</sup> Buses are on-time if they depart a timepoint within 59 seconds before schedule or 4 minutes and 59 seconds after schedule.

<sup>3</sup> There were multiple days of unscheduled operator shift drops and lack of workforce availability in the previous year (FY25 Q1).

**BOARD OF DIRECTORS 2025**

JEFF GEE, CHAIR  
MARIE CHUANG, VICE CHAIR  
DAVID J. CANEPA  
BROOKS ESSER  
MARINA FRASER  
RICO E. MEDINA  
JOSH POWELL  
PETER RATTO  
JACKIE SPEIER

APRIL CHAN  
GENERAL MANAGER/CEO



# AGENDA

## San Mateo County Transit District

### Finance Committee Meeting Committee of the Whole

December 3, 2025 – 2:45 pm

*or immediately following the Community Relations Committee meeting*

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

Committee Members: Brooks Esser (Chair), David J. Canepa, Rico E. Medina

- 11.a. Call to Order
- 11.b. Approval of Minutes of the Finance Committee Meeting of November 5, 2025 Motion
- 11.c. Receive Quarterly Financial Report Fiscal Year 2026 Quarter 1 Results and Financial Outlook Informational
- 11.d. Adjourn

**Note:**

- This Committee meeting may be attended by Board Members who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Finance Committee Meeting / Committee of the Whole  
DRAFT Minutes of November 5, 2025**

**Members Present (In Person):** D. Canepa, R. Medina, B. Esser (Chair)

**Members Absent:** None

**Other Board Members Present Constituting Committee of the Whole:** M. Chuang, M. Fraser, J. Gee, J. Powell, P. Ratto, J. Speier

**Other Board Members Absent:** None

**Staff Present:** J. Cassman, A. Chan, K. Jordan Steiner, N. Kramer, L. Lumina-Hsu, J. Nogales-DeGuzman, M. Tseng, S. van Hoften

**11.a. Call to Order**

Committee Chair Esser called the meeting to order at 4:19 pm.

**11.b. Approval of Minutes of the Finance Committee Meeting of October 8, 2025**

Motion/Second: Canepa/Powell

Ayes: Canepa, Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: None

**11.c. Adopting a New Salary Ordinance and Tables of Position Classifications Including Staff Recommendations from Classification and Compensation Study**

Nathaniel Kramer, Chief People Officer, and Juliet Nogales-DeGuzman, Director, Human Resources, provided the presentation, which included the following:

- Employer of Choice factors: attract, support growth and retention, and cost sensitive
- Gallagher did not capture location for hiring market; need to be competitive in a larger region; recruiting challenges are seasonal
- JPB Board feedback: general support of study; requested for flexibility to address unique recruitment challenges
- Governance Memorandum of Understanding (MOU) grants SamTrans GM and Board sole authority over the salary ordinance; JPB executive team was involved in the staff recommendation
- Adjustments to positions and classifications salary bands to increase recruitment potential

The Committee Members had a robust discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- One percent salary adjustment budget impact
- Total compensation considerations; explore staff housing, childcare, and health benefits to support recruitment and retention
- JPB's request for addressing unique challenges in the salary ordinance; ongoing discussions; limited number of positions specified

Motion/Second: Chuang/Powell

Ayes: Canepa, Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: None

**11.d. Approving a Community Workforce Agreement with the San Mateo County Building and Construction Trades Council for Construction Work Performed Under Job Order Contracts and on Construction Projects Costing Over \$2 Million**

Joan Cassman, General Counsel, provided the presentation, which included the following:

- Senate Bill (SB) 272 to take effect January 1 - on-call job order contract issuance for public works, maintenance, and construction and streamlining minor projects without repeated public bidding

Public Comment

Bart Pantoja, Building Trades, spoke in support of the Community Workforce Agreement and value brought to District and taxpayers.

Motion/Second: Speier/Canepa

Ayes: Canepa, Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: None

*Director Canepa left the meeting at 4:40pm.*

**11.e. Receive Quarterly Financial Report Fiscal Year 2025 Quarter 4 Results and Financial Outlook**

Kate Jordan Steiner, Chief Financial Officer, provided the presentation, which included the following:

- Fiscal Year 2025 (FY25) ended \$30 million favorable of the budget, aided by prior year carry-forwards
- Sales tax below budget; growth expected to resume in FY27
- Ongoing cost containment and new revenue opportunities

**11.f. Adjourn** – The meeting adjourned at 4:45 pm.

**San Mateo County Transit District  
Staff Report**

To: Finance Committee

Through: April Chan, General Manager/CEO

From: Kate Jordan Steiner, Chief Financial Officer

Subject: **Receive Quarterly Financial Report Fiscal Year 2026 Quarter 1 Results and Financial Outlook**

**Action**

This is an informational item.

**Discussion**

The San Mateo County Transit District (District) ended Fiscal Year 2026 (FY26) Quarter 1 with a deficit of \$8.6 million, which is \$5.5 million favorable compared to the budgeted deficit of \$14.1 million. This favorable variance was primarily driven by higher investment income, one-time income including insurance reimbursements and clean vehicle credits, and timing-related savings in non-labor expenses, and lower service hours in the Contracted American Disabilities Act (ADA) and Multi-Modal Transit Programs.

**Sources:**

As of September 30, 2025, total sources were \$67.0 million, compared to the adopted budget of \$65.0 million, resulting in a favorable variance of \$2.0 million (3.0 percent).

- **Operating Revenue** were \$21.0 million compared to a budget of \$18.9 million, reflecting a favorable variance of \$2.1 million (11.3 percent), primarily due to:
- **Investment Interest Income** was \$1.5 million (33.7 percent) favorable due to higher-than-expected interest rates and balances. Staff expect this favorability to remain.
  - **Other Income** was \$1.5 million (1,378.1 percent) favorable driven by a one-time \$0.7 million insurance reimbursement and \$0.7 million in Internal Revenue Service (IRS) clean vehicle credits.
  - **Agency Indirect Administrative Recovery** was \$1.0 million (9.6 percent) unfavorable, due to timing of recovery related to managing agency services.

- **Multi-Modal Transit Program Operating Assistance** reflected an unfavorable variance of \$0.4 million (20.1 percent), primarily due to lower-than-anticipated service hours which results in lower than budgeted reimbursements.

#### **Operating Uses:**

As of September 30, 2025, total operating uses were \$75.4 million, compared to the adopted budget of \$79.0 million, reflecting a favorable variance of \$3.6 million (4.6 percent).

- **Labor** expenses were \$42.8 million compared to a budget of \$41.4 million, reflecting an unfavorable variance of \$1.4 million (3.5 percent), due to:
  - **Wages and Benefits** were \$0.3 million (0.8 percent) unfavorable due to bus operator overtime related to increased service, as well as training for maintenance personnel associated with new fleet technologies. Staff will continue to monitor and will bring a budget amendment as necessary.
  - **Indirect Admin and Overhead Costs for Labor** ended the period with an unfavorable variance of \$1.1 million (33.6 percent) due to the use of the FY25 internal cost allocation plan (ICAP) rate until the FY26 ICAP plan is finalized, which staff expects to resolve the variance.
- **Purchased Transportation** expenses were \$15.1 million compared to a budget of \$16.5 million, reflecting a favorable variance of \$1.4 million (8.6 percent), driven by:
  - **Contracted American Disability Act (ADA) Programs** was \$0.7 million (14.1 percent) favorable reflecting lower service hours for ADA sedan and taxi services.
  - **Contracted Multi-Modal Transit Programs** was \$0.5 million (21.2 percent) favorable due to lower- than-anticipated service hours.
- **Contracted Services** expenses were \$5.9 million compared to a budget of \$7.7 million, reflecting a favorable variance of \$1.9 million (24.3 percent), driven by Professional Services, Property Maintenance, and Other Services due to timing of payments and utilization of service which staff expects to align closer to budget in later periods.
- **Other Non-Labor** expenses were \$7.1 million compared to a budget of \$8.5 million, reflecting a favorable variance of \$1.4 million (16.0 percent), primarily driven by lower insurance reserves and payments, Claims Reserves and Payments which were \$0.6 million favorable with lower claims activity.

#### **Outlook:**

The District's first-quarter results reflect stronger-than-expected investment income, one-time reimbursements, and timing-related savings in non-labor expenses. These factors have contributed to a favorable financial position early in the fiscal year. Staff continues to closely

monitor expenditures and coordinate with divisions to assess the status of budgeted initiatives and emerging needs. As activity levels normalize and additional information becomes available through the annual forecast, staff will evaluate whether a budget amendment is required. While many of the favorable results are temporary in nature, staff remains focused on prudent financial management and working toward achieving the budgeted \$4.9 million surplus by fiscal year-end.

**Budget Impact**

This is an informational item. There is no budget impact.

Prepared By: Kate Jordan Steiner

Chief Financial Officer

650-647-3504



# Quarterly Financial Report Fiscal Year 2026 Quarter 1 Result

Item #11.c.  
12/3/2025



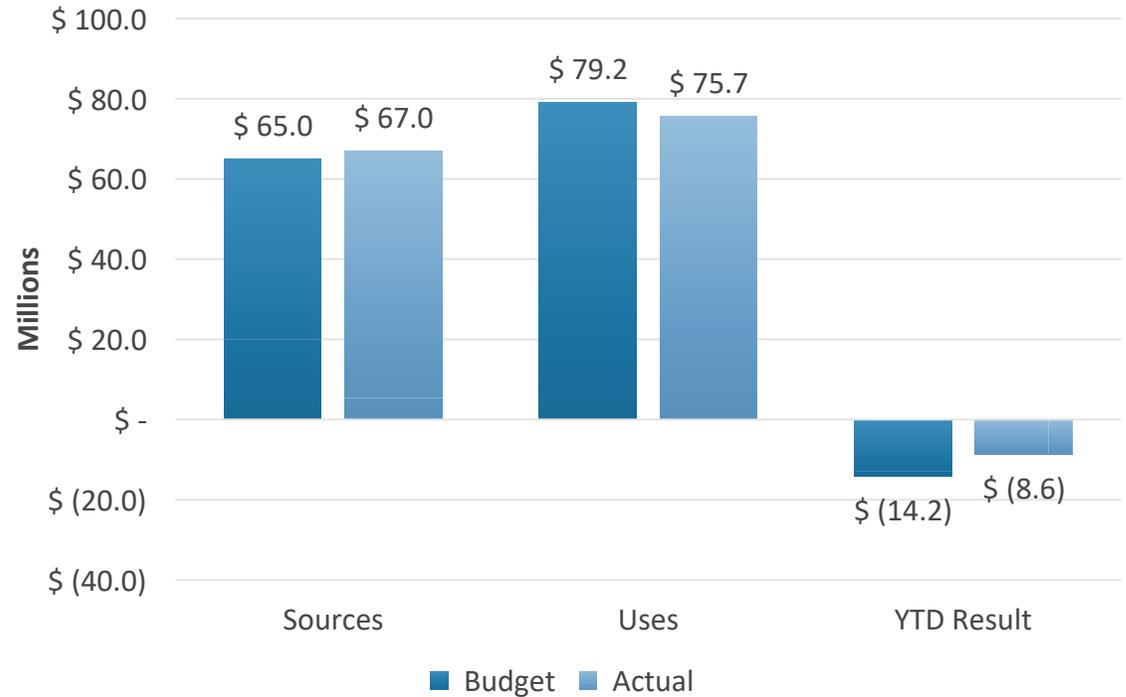
# Agenda

1. FY26 Quarter 1 Performance
2. Key Takeaways & Outlook
3. Next Steps

# FY26 Quarter 1 Performance

- **YTD Result:** \$8.6M deficit, favorable \$5.5M (38.9%) to budget
- **Sources:** \$67.0M, favorable \$2.0M (3.0%)
- **Uses:** \$75.7M, favorable \$3.6M (4.5%)
- **Risks:** Q1 favorable results mainly driven by timing, not ongoing savings. Additional clarity will come with the annual forecast. Staff will continue monitoring trends as service levels and spending progress.

FY26 Q1 Budget vs Actual



# Key Takeaways / Outlook

## Q1 Performance:

- Favorable non labor: investment income; one-time reimbursements, temporary timing-related savings.
- Unfavorable labor: higher overtime to support service levels and new fleet technology training

## Fiscal Outlook:

- Operating costs continue to outpace revenue growth
- Sales tax vulnerable to regional employment/ consumer spending trends
- Capital investments will put increasing pressure on the operating budget

## Long-Term Financial Stability:

- Explore new and sustainable revenue opportunities, including advertising, service partnerships, and other
- Continue efforts to minimize non-discretionary spending; maximize external funding; strategic financing for capital investments

# Next Steps

## Winter / Spring

- Budget Module Award & Implementation
- FY26/27 Revised Capital Budget Amendment
- Capital Reserve Policy
- Board Workshop
- FY26 Year End Forecast



**BOARD OF DIRECTORS 2025**

- JEFF GEE, CHAIR
- MARIE CHUANG, VICE CHAIR
- DAVID J. CANEPA
- BROOKS ESSER
- MARINA FRASER
- RICO E. MEDINA
- JOSH POWELL
- PETER RATTO
- JACKIE SPEIER

APRIL CHAN  
GENERAL MANAGER/CEO



# AGENDA

## San Mateo County Transit District

### Legislative Committee Meeting Committee of the Whole

December 3, 2025 – 3:00 pm

*or immediately following the Finance Committee meeting*

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

Committee Members: Josh Powell (Chair), Peter Ratto, Jackie Speier

- 12.a. Call to Order
- 12.b. Approval of Minutes of the Legislative Committee Meeting of November 5, 2025 Motion
- 12.c. Receive Legislative Update Informational
- 12.d. 2026 Legislative Program Informational
- 12.e. Adjourn

**Note:**

- This Committee meeting may be attended by Board Members who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Legislative Committee Meeting / Committee of the Whole  
DRAFT Minutes of November 5, 2025**

**Members Present (In Person):** P. Ratto, J. Speier, J. Powell (Chair)

**Members Absent:** None

**Other Board Members Present Constituting Committee of the Whole:** M. Chuang, B. Esser, M. Fraser, J. Gee, R. Medina

**Other Board Members Absent:** D. Canepa

**Staff Present:** J. Cassman, A. Chan, J. Epstein, L. Lumina-Hsu, M. Tseng, S. van Hoften

**12.a. Call to Order**

Committee Chair Powell called the meeting to order at 4:45 pm.

**12.b. Approval of Minutes of the Legislative Committee Meeting of October 8, 2025**

Motion/Second: Medina/Esser

Ayes: Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: Canepa

**12.c. Receive Legislative Update**

Jessica Epstein, Director, Government and Community Affairs, provided the presentation, which included the following:

- Federal government shutdown ongoing; 25 percent of FTA staff furloughed
- Federal Department of Transportation (DOT) issued new rules restricting commercial driver's licenses for non-citizens; assessing impact on SamTrans
- October 13 bills signed by Governor Gavin Newsom

**12.d. Adjourn** – The meeting adjourned at 4:47 pm.



**SamTrans  
Federal Report  
November 2025**

**Congressional Update**

Federal Government Shutdown Ends After Bipartisan Agreement Reached

- On November 12, Congress enacted legislation to end the longest federal government shutdown in U.S. history. For over a month, Congress was deadlocked as Senate Democrats demanded that any continuing resolution (CR) include enhanced premium tax credits (PTCs) for the Affordable Care Act (ACA) to prevent millions of Americans from experiencing price hikes in their healthcare premiums.
- Eight Democratic Senators joined all Republicans in voting for a continuing resolution that extends funding through January 30. They argued that the growing operational harm of the shutdown—particularly to federal workers, Supplemental Nutrition Assistance Program (SNAP) beneficiaries, and national transportation systems—outweighed the strategic value of continuing to hold out for a guaranteed extension of the enhanced PTCs at this stage. While the agreement does not include an extension of the enhanced PTCs, it does secure a commitment to hold a Senate vote in December on the measure.
- Included in the CR are three FY26 appropriations bills: Agriculture–FDA, Military Construction–VA, and the Legislative Branch. Bill language also requires the Trump Administration to reverse shutdown-related firings dating back to October 1 and prevents additional firings through January 30. In addition, along with a mid-December vote on the PTCs, the CR negotiations yielded the following political commitments:
  - A commitment to include language in future appropriations bills clarifying Congress’s funding intent to prevent administrative reprogramming of funds.
  - A commitment to process remaining FY 2026 funding bills to avoid a year-long CR.
- With Congress back to regular business, Senators are also discussing the possibility of a second funding package that could contain some of the following bills: Defense, Commerce-Justice-Science, Interior, Labor-Health and Human Services, and Transportation-Housing and Urban Development. SamTrans’ \$250,000 Bus Stop Amenity Improvements earmark request remains pending in the House’s Transportation-Housing and Urban Development bill.
- In addition to appropriations, the shutdown delayed House members planned work on the surface transportation reauthorization. While the House Transportation &

Infrastructure Committee planned to release a bill sometime this fall, that timeline is expected to be extended into early next year. In the Senate, the three authorizing committees have taken longer to collect member priorities. The Senate Banking Committee, which is responsible for transit policy, has begun drafting its section of the bill. However, committee leadership has not indicated that they are adhering to a rigid timeline, unlike the House.

### **Administration Update**

#### **APTA, T&I Committee Condemn Reported Trump Plan to Shift Highway Dollars from Transit**

- The American Public Transportation Association (APTA) condemned recent reporting asserting that the Trump Administration is considering new policy to eliminate the Mass Transit Account of the Highway Trust Fund and prohibit States from using their highway funds for public transit.
- The two proposals were sent to the White House Office of Management and Budget (OMB) for evaluation. The Trump Administration is also hoping Republicans on Capitol Hill consider the changes and include them in the upcoming Surface Transportation Reauthorization bill.
- Despite backing from the White House, some Republicans and all Democrats are expected to oppose this measure. If Republicans attempt to include these provisions or similar ones, bipartisan talks over the future reauthorization bill could stall. Rep. Sam Graves (R-MO), Chair of the House Transportation and Infrastructure Committee, insisted that the proposal would not be part of the bipartisan reauthorization. Rep. Rick Larsen (D-WA), Ranking Member of the House Transportation and Infrastructure Committee, also condemned the Trump Administration's policy.

#### **DOT Issues a FAQ Guidance Document for DBE**

- On October 3, the DOT published an Interim [Final Rule \(IFR\)](#) removing “race and sex-based presumptions of social and economic disadvantage that violate the U.S. Constitution.” The IFR was effective immediately on October 3.
- The new rule removes race and sex-based presumptions of social and economic disadvantage from Disadvantaged Business Enterprise (DBE) eligibility, and all individuals seeking DBE certification must now instead provide “individualized evidence” of both social and economic disadvantage based on their own circumstances and experiences.
- The Department's [FAQ document](#) provides context and information behind the IFR.

### DOT Secretary Accuses California of Illegally Issuing CDLs

- DOT Secretary Sean Duffy [asserted](#) that the California Department of Motor Vehicles had issued 17,000 non-domiciled Commercial Driver's Licenses (CDLs) to noncitizens. In a statement, Duffy claimed that his team would "continue to force California to prove they have removed every illegal immigrant from behind the wheel of semitrucks and school buses."
- 17,000 CDL holders were warned by the Federal Motor Carrier Safety Administration (FMCSA) that their credentials would expire in 60 days. DOT also withheld some federal funding from the state of California due to accusations that the state has failed to comply with the Department's English Language Proficiency (ELP) standards.
- In response to the cancellations, California officials said it has followed all federal laws regarding the issuance of CDLs. Officials responded that the state withdrew the licenses due to inconsistency with state law and that new federal requirements were not in effect at the time the licenses were issued.

### FTA Releases Finalized Guidance for CIG Program

- The Federal Transit Administration (FTA) released finalized [guidance](#) for its Capital Investment Grants (CIG) program, which included eliminating calculations for a 'social cost of carbon' criteria. The new guidance replaces FTA's December 2024 CIG Policy Guidance.
- FTA cited Trump Administration priorities and the feedback provided by 16 entities, including transit agencies, that guided its decision-making. FTA requested comments on its preliminary proposal in August and will begin implementing the guidance, starting with the CIG program's FY26 Annual Report ratings.
- For the comprehensive set of CIG guidance, click [here](#).



November 17, 2025

TO: Board of Directors  
San Mateo County Transit District

FM: Matt Robinson, Michael Pimentel and Brendan Repicky  
Shaw Yoder Antwih Schmelzer & Lange

RE: **STATE LEGISLATIVE UPDATE – December 2025**

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***General Update***

As we previously reported, the Legislature recessed the first year of the two-year 2025-26 Legislative Session on September 13, entering interim recess. Before recessing, the Legislature sent nearly 800 bills to the Governor for his consideration in the final weeks of the legislative session. This final raft of bills is a subset of the 2,350 bills introduced by legislators in 2025. The Governor had until October 13 to sign or veto the bills that comprise this final tranche.

The Legislature will reconvene on January 5, 2026 for the start of the second year of the two-year session. The deadline for bill introductions is February 20, 2026. For information about key legislative and budget deadlines for next year, please see the tentative 2026 Legislative Calendar [here](#).

***Update on Upcoming Senate Leadership Transition***

In mid-September, Senate President Pro Tempore Mike McGuire (D-North Coast) announced that he would step down as leader of the State Senate on an earlier timeline than initially anticipated. Effective November 17, 2025, Senator Monique Limón (D-Santa Barbara) officially began transitioning into the role of Senate Pro Tem; her official swearing-in ceremony is set for January 5 when the Legislature returns to Session in Sacramento.

We expect Senator Limón will announce changes in leadership and key committee roles over the next several weeks. While the scope of these changes are not yet known, they could include changes to committees with direct impact to SamTrans, including the Senate Budget and Fiscal Review Committee (and its subcommittees), Senate Transportation Committee, and Senate Environmental Quality Committee.

***Update on ARCHES Hydrogen Hub***

On October 1, the Trump Administration's Department of Energy (DOE) officially terminated promised federal funding for the ARCHES Hydrogen Hub. ARCHES was launched in 2024 as a \$12.6 billion public-private partnership in coordination with the Biden Administration and the California Governor's Office of Business and Economic Development (GO-Biz) to build out the infrastructure for a network of renewable hydrogen production sites – with the goal of significantly decarbonizing the public transportation, trucking, and port industries.

As Federal monies constituted the key seed funding for ARCHES, the ARCHES board announced in early November they were pausing all future actions, with a plan to operate as a special purpose entity should federal funds resume at some point in the future.

Under ARCHES, SamTrans was scheduled to receive \$33 million for hydrogen infrastructure from the state match to the initial \$550,000 federal investment. With ARCHES actions now paused, SamTrans faces uncertainty on when, or if, they will receive this committed funding, which was expected in the Fiscal Year 2026-27 state budget. SamTrans' state advocates have engaged GO-Biz to clarify its position on this funding and identify advocacy opportunities to support the appropriation and disbursement of this funding.

#### ***Zero-Emission Bus Sales and Use Tax Exemption Expiring***

In 2019, the Legislature enacted AB 784 (Mullin) [Chapter 684, Statutes of 2019], creating a sale and use tax exemption specifically for zero-emission buses (ZEBs) purchased by California's transit agencies. In 2022, the Legislature extended this exemption to January 1, 2026. At the start of 2025, the California Transit Association sponsored SB 752 (Richardson) to further extend the tax exemption to January 1, 2028. SamTrans supported this legislation. Unfortunately, SB 752 was held in the Senate Appropriations Committee due to cost concerns and will not be moving forward in 2026. This means the tax exemption will expire on December 31, 2025, leading to increased costs for transit agencies across California to purchase ZEBs. SamTrans staff calculate this will add approximately \$6 million in costs to the agency for ZEBs scheduled to be delivered in 2026 and 2027. The California Transit Association plans to mount another effort in 2026 to re-establish the tax exemption through the State Budget process.

#### ***Update on CalSTA Transit Transformation Task Force***

The California State Transportation Agency's (CalSTA) Transit Transformation Task Force held its last meeting in Sacramento on September 30, concluding a two-year process that brought together transit agencies, transit advocates, and state officials to discuss and develop recommendations for improving public transit in California.

In the month that followed the Task Force's last meeting, CalSTA worked to complete its final report of recommendations to the Legislature, which is required under state law to be submitted to the relevant policy and budget committees of the California State Legislature by October 31, 2025. As of the drafting of this report, CalSTA has not submitted its final report of recommendations to the Legislature. The holdup appears to be with the Governor's office, who – despite not being statutorily required to – wishes to do a final review and sign-off. We expect that CalSTA will submit the final report to the Legislature in the coming weeks.

To prepare for the transmittal of the report, the California Transit Association (the trade organization to which SamTrans belongs) convened its internal Transit Transformation Advisory Committee to consider its response to the final report (based on earlier drafts of the report) and draft a response letter, which will be submitted to the Legislature alongside the final report's transmittal. The letter supports the detailed analysis of transit's challenges and opportunities, but voices concerns that the Task Force process did not result in complete recommendations on transit funding or Transportation Development Act (TDA) reform.

#### ***2026 Ballot Measures to Watch***

Well-funded interest groups are beginning to file proposed ballot initiatives for the 2026 statewide ballot. Three proposed measures for 2026 would have implications for the SamTrans' work. Two are currently in circulation for signature gathering, while a third was placed on the ballot by the Legislature:

### *CEQA and Project Approval Timelines*

The "Building an Affordable California Act" was submitted for a title and summary on October 21 by a coalition of business interests led by the California Chamber of Commerce. The measure would impose new statutory timeframes for the environmental review and approval of a broad swath of proposed projects, including all road and highway projects, mass transit projects that include "fixed guideways" (i.e. rail and bus rapid transit), and electric vehicle charging projects. Qualifying transportation projects must have a project labor agreement or use a "skilled and trained workforce" as defined by the Public Contract Code. The measure would impose new, strict timelines for environmental review and project approval by public agencies.

### *Local Tax Measure Approval Thresholds*

Over the summer the Attorney General issued a title and summary for a measure proposed by the Howard Jarvis Taxpayers Association. Per the title, the initiative constitutional amendment "Limits ability of voters to raise revenues for local government services" by raising the vote approval threshold requirement for such ballot measures from a simple majority to two-thirds. The measure also limits real estate transfer taxes in charter cities and overturns existing voter-approved property-related taxes that do not comply with these requirements two years after the measure is enacted.

A related measure that the Legislature previously placed on the 2024 statewide ballot, but subsequently moved to 2026, is ACA 13 (Ward). This Assembly Constitutional Amendment would require measures that increase voter approval thresholds to be passed by the same threshold. For example, the Howard Jarvis measure would need to be approved by two-thirds of voters to take effect under ACA 13.

### ***Update on Senate Bill 1 Program Workshops***

On November 20, the California Transportation Commission will host its first workshop for the 2026 (Cycle 5) SB 1 programs, including the Local Partnership Program (LPP), the Solutions for Congested Corridors Program (SCCP), and the Trade Corridor Enhancement Program (TCEP). This will kick off a series of workshops related to developing the program guidelines. More information can be found [here](#).

**San Mateo County Transit District  
Staff Report**

To: Legislative Committee  
Through: April Chan, General Manager/CEO  
From: Emily Beach, Chief Communications Officer  
Subject: **2026 Legislative Program**

**Action**

Staff proposes the Committee recommend the Board receive the attached draft 2026 Legislative Program for the San Mateo County Transit District.

**Significance**

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transit District (Agency) programs and services. They also have the potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2026 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2026 calendar year, including the second half of the 2025-26 State Legislative Session and second session of the 119<sup>th</sup> Congress.

The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments. The program is in alignment with existing Board-adopted policies and procedures. Expansion of the program beyond those adopted policies and procedures would require Board approval.

**Objectives**

The 2026 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:

- Maintain and enhance funding opportunities to support transit in general as well as the Agency's specific projects, programs and services;
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands; and
- Reinforce and expand programs that build and incentivize public transportation ridership and improve safe and quality transportation choices.

## Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

- Budget and Transportation Funding Opportunities
- Transportation Project Requests and Needs
- Regulatory, Legislative, and Administrative Actions

Should other issues surface that require the Board's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Board for consideration.

## Advocacy Process

Staff will indicate on each monthly legislative update to the Board recommended positions for pending bills or policy initiatives. Once the Board has an opportunity to review the recommended position, staff will communicate the position to the relevant entities (such as the bill author, relevant legislative committees, agencies, or stakeholders). If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the Agency taking a position. In rare circumstances, should a position on a bill or legislation fall outside the scope of the Board's adopted Legislative Program and be needed in advance of a Board meeting, staff will confer with the Board Chair.

## Public Engagement Strategies

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2026 Legislative Program, including:

- Direct Engagement  
Engage policymakers, sponsor or support legislation, submit correspondence and provide public testimony that communicates and advances the agency's legislative priorities and positions.
- Coalition-based Engagement  
Engage stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the Legislative Program.
- Media Engagement  
Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and using social media.

**Budget Impact**

There is no impact on the budget.

Prepared By:	Jessica Epstein	Government and Community Affairs Director	650-400-6451
	Michaela Wright Petrik	Government and Community Affairs Officer	650-730-4951

## San Mateo County Transit District

### 2026 Legislative Program

#### Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transit District (Agency) programs and services. They also have the potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2026 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2026 calendar year, including the second half of the 2025-26 State Legislative Session and second session of the 119<sup>th</sup> Congress.

The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments. The program is in alignment with existing Board-adopted policies and procedures. Expansion of the program beyond those adopted policies and procedures would require Board approval.

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### **Public Engagement Strategies**

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2026 Legislative Program, including:

- Direct Engagement  
Engage policymakers, sponsor or support legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.
- Coalition-based Engagement  
Engage stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the Legislative Program.
- Media Engagement  
Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and using social media.

The adopted legislative program will guide the Agency's legislative advocacy efforts until approval of the next program.

## **State and Regional**

### **Budget and Transportation Funding Opportunities**

- Work with the Agency's state legislative delegation, state and regional agencies, transit systems and transit associations to identify and advance opportunities for funding supporting the Agency's transportation priorities and operations.
- Advocate for full funding of all state programs supporting the Agency's operations and capital initiatives.
- Champion efforts to secure additional funds for transit operations and capital projects.
- Work to ensure committed funds are appropriated and available in a timely manner and not withheld or diverted for other purposes.
- Advocate for flexible funding mechanisms that can adapt to changing transit demands.
- Support local and regional funding options that preserve and enhance funding for the Agency and sister agencies.
- Support efforts to reduce barriers to transit funding for voter-approved ballot measures, legislation, and other funding mechanisms.
- Assess and participate in the development of transit-related ballot measures relevant to the Agency's interests.
- Work to ensure the Agency is competitive for all applicable Cap-and-Invest programs, including discretionary funding.
- Advocate against efforts to impose unjustified and/or overly burdensome financial regulations and requirements on granting funding impacting Agency initiatives.
- Evaluate efforts to replace or supplement the gas tax with other funding mechanisms and advocate for maintaining current levels of funding dedicated to transportation operations, projects and programs.

### **Transportation Project Requests and Needs**

- Collaborate with regional transit agencies, business, community, transportation and other stakeholders to enhance, support and advocate for equitable transportation access and mobility in the Bay Area.

- Champion policies and projects to improve safety and encourage the use and development of public transit, first/last mile and other multimodal transportation options and infrastructure throughout San Mateo County and the region.
- Engage with legislators, government officials and stakeholders to build support for the efficient and cost-effective development of the Dumbarton Rail Corridor and related projects. Work to maintain all existing Agency rights to the corridor, enhance its development potential, and limit regulatory and other hurdles.
- Advocate for regional and state transit-supportive policies that improve bus stops, bus speed and reliability, bike and pedestrian safety and accessibility on streets in the SamTrans network, including El Camino Real.
- Advocate for the Agency to be able to develop its property in the manner most beneficial to Agency needs and goals.
- Engage with state or regional efforts that directly link transportation funding and/or policies to housing and provide for higher density housing projects near transit stations.
- Support partners in the development of grade separation projects in San Mateo County.
- Support policies that encourage the use of transportation demand management (TDM) and efforts that provide more TDM tools and funding opportunities.
- Work to ensure state and regional policies support the Agency's employee recruitment and retention goals.
- Work to ensure state and regional policies improve operator, employee, and passenger safety.
- Champion efforts to prioritize San Mateo County projects in regional plans such as Plan Bay Area.

#### **Legislative, Regulatory, and Administrative Actions**

- Advocate for regional and state policies that remove barriers and promote effective implementation and delivery of transportation projects.
- Engage with the Metropolitan Transportation Commission (MTC) and other regional bodies, the Legislature, sister agencies, and stakeholders on policies related to regional coordination to enhance the transit experience in the Bay Area.

- Ensure requirements for transit agencies do not result in tradeoffs with unintended consequences for transit riders and the community.
- Evaluate and engage in efforts to modernize the California Environmental Quality Act (CEQA) to expedite delivery of Agency projects.
- Advocate for funding for zero-emission buses and charging/refueling infrastructure to facilitate compliance with the Innovative Clean Transit (ICT) regulation.
- Advocate for the re-establishment of the partial sales and use tax exemption for zero-emission buses.
- Work to ensure state regulations related to greenhouse gas emissions (GHG) reduction and Climate Plan for Transportation Infrastructure (CAPTI) implementation align with the goals of the Agency.
- Evaluate and engage with legislation that makes additional changes to the Brown Act. Support changes that clarify application of Senate Bill 707 (2025) and promote government efficiency while continuing to provide flexibility for Board and non-elected advisory/oversight committee members participating in meetings remotely, and increase participation in public meetings.
- Monitor new litigation related to the Public Employees' Pension Reform Act (PEPRA) and participate in conversations to advance the Agency's interests.
- Evaluate state and regional efforts to update implementation of Sustainable Communities Strategies and work to ensure the Agency's projects remain eligible for funding.
- Advocate against efforts to impose unjustified and/or overly burdensome regulations or restrictions impacting Agency initiatives.

## **Federal**

### **Budget and Transportation Funding Opportunities**

- Work with the Agency's federal legislative delegation, members of the administration, federal departments, national organizations, other transit systems and associations to identify and advance opportunities for funding or legislative policies supporting the Agency's transportation priorities and operations.
- Identify, pursue and support federal funding opportunities, including but not limited to Community Project Funding/Congressionally Directed Spending requests and discretionary programs—for operations and capital projects.
- Work to ensure committed funds (discretionary and formula) are available in a timely manner and not withheld or diverted for other purposes.
- Advocate for flexible funding mechanisms that can adapt to changing transportation needs and demands in San Mateo County.
- Work to ensure the Agency remains competitive and eligible for all applicable federal discretionary funding programs.
- Advocate for the preservation of previously awarded funding for transportation projects in San Mateo County.
- Support efforts to ensure tax provisions that benefit Agency priorities are included in any tax or finance proposal.
- Advocate against efforts to impose unfunded mandates, unjustified and/or overly burdensome financial regulations and requirements on granting funding impacting Agency initiatives.

### **Legislative, Regulatory and Administrative Actions**

- Advocate for programs and policies in the Surface Transportation Reauthorization bill and any other applicable Federal policy or regulatory initiative that are beneficial to the Agency's goals.
- Support a regulatory environment that will help transportation projects in San Mateo County move through the different stages of planning, environmental, and construction phases.

- Support opportunities to improve the ability of the Agency to conduct safe and efficient transportation operations, administration, planning and project delivery.
- Work to ensure federal policies improve operator, employee, and passenger safety.
- Advocate for the Agency to be able to develop its property in the manner most beneficial to Agency needs and goals.
- Collaborate with transportation providers, transportation advocacy groups and other stakeholders to coordinate support for regulations that maximize benefits for transportation programs, services and users.
- Evaluate and engage in efforts to modernize the National Environmental Protection Act (NEPA) to expedite delivery of Agency projects.
- Advocate against efforts to impose unjustified and/or overly burdensome regulations or restrictions impacting Agency initiatives.
- Support policies that will allow for effective public private partnerships and alternative project delivery methods.

**BOARD OF DIRECTORS 2025**

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GENERAL MANAGER/CEO



# AGENDA

## San Mateo County Transit District

### Strategic Planning, Development, and Sustainability Committee Meeting Committee of the Whole

December 3, 2025 – 3:15 pm

*or immediately following the Legislative Committee meeting*

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

Committee Members: Rico E. Medina (Chair), Marie Chuang, Peter Ratto

- |  |               |
|--|---------------|
| 13.a. Call to Order  |               |
| 13.b. Approval of Minutes of the Strategic Planning, Development, and Sustainability Committee Meeting of November 5, 2025 | Motion        |
| 13.c. 2025 Update to the SamTrans Service Policy Framework   | Motion        |
| 13.d. Grand Boulevard Initiative (GBI) Action Plan   | Informational |
| 13.e. Adjourn  |               |

Note:

- This Committee meeting may be attended by Board Members who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Strategic Planning, Development, and Sustainability Committee Meeting /  
Committee of the Whole  
DRAFT Minutes of November 5, 2025**

**Members Present (In Person):** M. Chuang, P. Ratto, R. Medina (Chair)

**Members Absent:** None

**Other Board Members Present Constituting Committee of the Whole:** B. Esser, M. Fraser, J. Gee, J. Powell, J. Speier

**Other Board Members Absent:** D. Canepa

**Staff Present:** J. Cassman, A. Chan, L. Lumina-Hsu, M. Tseng, S. van Hoften

**13.a. Call to Order**

Committee Chair Medina called the meeting to order at 4:47 pm.

**13.b. Approval of Minutes of the Strategic Planning, Development, and Sustainability Committee Meeting of October 8, 2025**

Motion/Second: Esser/Powell

Ayes: Esser, Fraser, Medina, Powell, Ratto, Speier, Chuang, Gee

Noes: None

Absent: Canepa

**13.c. SamTrans Service Policy Framework Update**

Item deferred to the December 3, 2025, Board of Directors meeting.

**13.d. Adjourn** – The meeting adjourned at 4:48 pm.

**San Mateo County Transit District  
Staff Report**

To: Strategic Planning, Development, and Sustainability Committee  
Through: April Chan, General Manager/CEO  
From: Josh Mello, Executive Officer, Planning and Development  
Subject: **2025 Update to the SamTrans Service Policy Framework**

**Action**

Staff proposes the Committee recommend the Board of Directors (Board) adopt the 2025 update to the SamTrans Service Policy Framework.

**Significance**

In 2022, the Board of Directors (Board) approved the San Mateo County Transit District's (District) first SamTrans Service Policy Framework (SPF). The SPF guides how the District designs and evaluates both new and existing SamTrans bus service and other services. When initially approved, the SPF left several key performance indicators (KPIs) undefined as the long-term effects of COVID-19 on ridership were unknown. Staff recommend updating the SPF now because:

- More recent survey data supports the update of underlying analysis,
- Lessons learned since SPF development have revealed gaps in the document that should be incorporated, such as the methodology for bus stop siting, and
- SamTrans' fixed-route ridership has largely rebounded to 2019 levels and settled into new patterns since COVID-19.

Staff are proposing the following updates:

- Incorporate new data from the 2023 American Community Survey and update methodology for identifying Equity Priority Areas,
- Clarify the process to site and relocate bus stops, and
- Add criteria for currently undefined KPIs at the service category and network levels and clarify service evaluation processes.

If the Board adopts the proposed updated SPF, staff will use the updated KPIs in the upcoming *Reimagine SamTrans* fixed route evaluation and Quarterly State of Service reports, including more detailed route-level performance information.

**Update 1 – Equity Priority Areas:** Social Equity is one of the four guiding principles in the SPF, and Equity is one of the six core values in the District’s 2024 Strategic Plan. The District seeks to advance equity by identifying areas where communities need transit most.

These areas, called Equity Priority Areas, are neighborhoods where residents are less likely to have access to a private vehicle and more likely to work low-wage jobs, identify as people of color, or spend more than 30 percent of their income on housing. Mapping these areas helps staff understand and prioritize service in areas of highest transportation need and benefit.

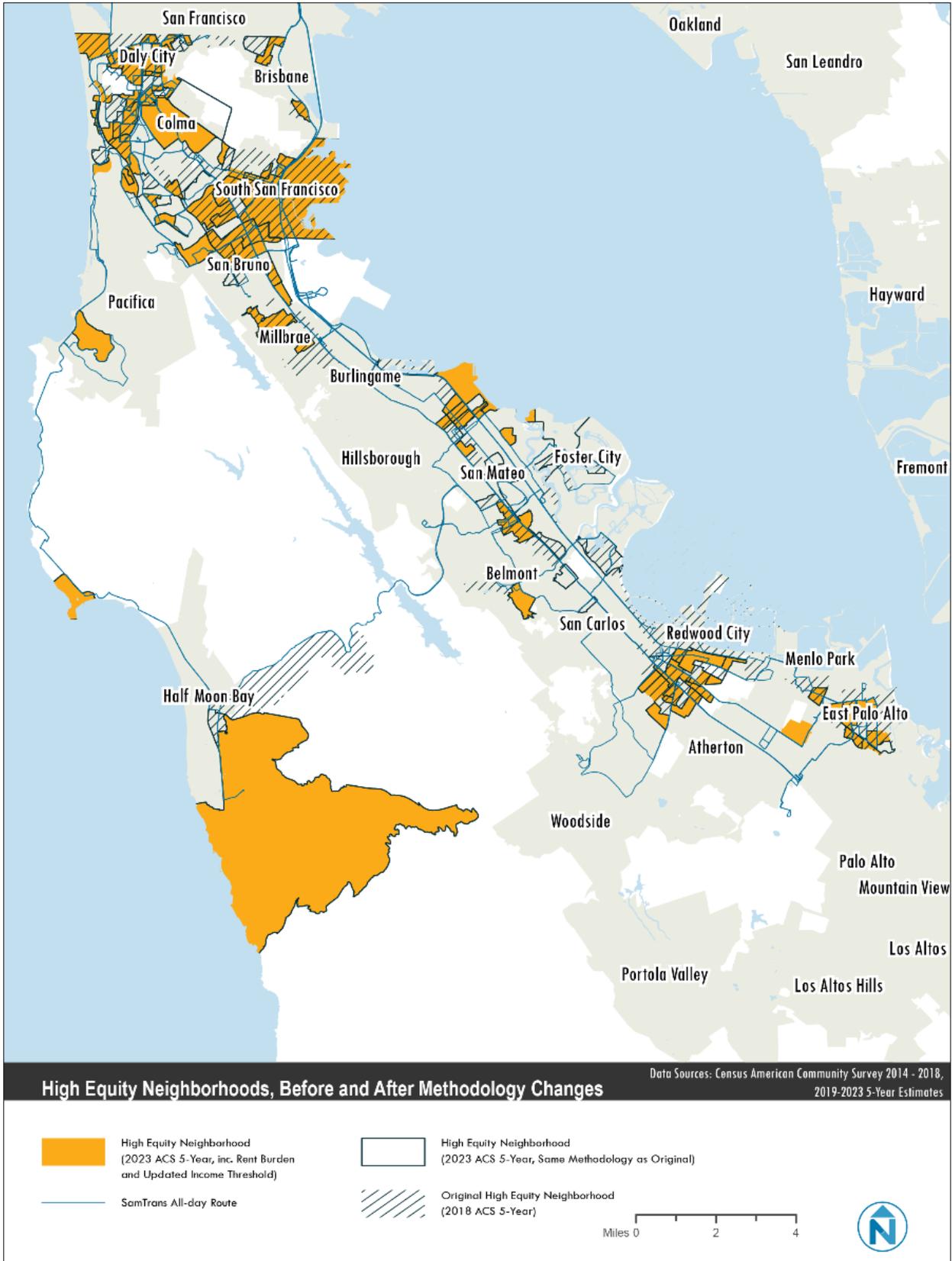
Proposed 2025 updates include:

- Incorporation of 2023 American Community Survey data
- Adjusted income thresholds to align with the County of San Mateo’s 2025 Affordable Housing eligibility thresholds<sup>1</sup>
- Addition of rent-burdened population to the list of included variables, reflecting that housing costs are disproportionately expensive compared to other costs of living in San Mateo County.

Communities containing Equity Priority Areas in the 2025 analysis include Belmont, Brisbane, Colma, Daly City, East Palo Alto, Half Moon Bay, Menlo Park, Millbrae, Moss Beach, Pacifica, Redwood City, San Bruno, San Mateo, and South San Francisco. A map comparing the current and proposed Equity Priority Areas is below.

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<sup>1</sup> County of San Mateo (2025). “Income Limits and Rent Payments,”  
<https://www.smcgov.org/media/154289/download?inline=>



**Update 2 – Guidance for Bus Stop Siting:** Since the SPF was adopted, staff have received numerous requests from the public and operators to add, relocate, or remove bus stops. The proposed SPF update adds clarity on when to approve or deny bus stop requests and offers transparency to the public on the District’s internal decision-making process for siting bus stops.

Add a bus stop when:	Relocate a bus stop when:	Remove a bus stop when:
<ul style="list-style-type: none"> <li>• <b>A new route is implemented</b></li> <li>• <b>There is a gap in bus stops and existing stop spacing exceeds the recommended distance</b></li> <li>• <b>New construction results in the creation of a new origin/destination (e.g. new housing, business, school, or medical facility)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Reported and confirmed safety incidents occur due to stop location</li> <li>• A change to the physical environment (e.g. installation of new driveway) creates a conflict</li> <li>• A stop cannot be made accessible or conform to other laws (e.g., distance from pedestrian crossing)</li> <li>• A stop is not compliant with recommended bus stop spacing or placement guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• A route serving the stop is discontinued</li> <li>• Reported and confirmed safety incidents occur due to stop location and there is no appropriate place to relocate</li> <li>• A change to the physical environment (e.g. installation of new driveway) creates a conflict, and there is no appropriate place to relocate</li> <li>• An existing stop is not compliant with recommended stop spacing (i.e., it is too close to the previous and/or next stop)</li> </ul>

**Update 3 – Service Evaluation Process and KPIs:** Currently, staff report systemwide and service category KPIs in quarterly reports. Minimum targets are missing for boardings per revenue hour and cost per passenger. Moving forward, staff will include reporting on individual route performance and include goals for the two missing KPIs.

The proposed updated systemwide KPIs, listed below, will give staff and stakeholders a sense of how the overall system is performing.

### Current and Proposed Systemwide Fixed-Route KPIs

Metric	Target
Passengers per Revenue Hour	<b><u>15 or more</u></b>
Cost per Passenger	<b><u>\$15 or less</u></b>
Farebox Recovery	<b><u>8.5%</u></b>
On-time Performance	85%
Complaints per 10,000 Boardings	<1
Missed Trips (Service Availability)	<0.1%
Mean Distance between Service Calls	>25,000 miles
Mean Distance between Preventable Accidents	>100,000 miles
Equity Priority Areas Served by All Day Service	85% or more within 0.25 miles of a SamTrans bus stop or Ride Plus zone

*Note: Bolded and underlined targets are proposed to be added as part of the 2025 SPF update.*

At the route level, the primary KPI will be boardings per revenue hour. This KPI is broken into three bands: meets standard, monitoring, and not meeting standard. Routes in the second band (“monitoring”) will be tracked more frequently and receive targeted marketing. Routes not meeting standard will have “action plans” created and receive targeted marketing, and will be considered for service changes, such as routing and scheduling adjustments, alternative service delivery methods (e.g. shuttle or microtransit), or discontinuation<sup>2</sup>.

The proposed updated route-level KPIs, listed below, will give staff and stakeholders a sense of how each route category is performing.

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<sup>2</sup> Equity priority and lifeline routes will not be discontinued unless a viable transportation alternative is provided.

### Current and Proposed Service Category KPIs

Metric	Frequent Routes	Local Routes	Community Routes	Express & Limited Stop Routes	School-Oriented Routes	Owl Service Routes
<b>Minimum Boardings per Revenue Hour</b>						
<i>Meets Standard</i>	<b><u>15 or above</u></b>	<b><u>10 or above</u></b>	<b><u>7 or above</u></b>	<b><u>16 or above</u></b>	<b><u>25 or above</u></b>	<b><u>5 or above</u></b>
<i>Monitoring</i>	<b><u>10-14</u></b>	<b><u>7-9</u></b>	<b><u>5-6</u></b>	<b><u>9-15</u></b>	<b><u>20-24</u></b>	<b><u>Below 5</u></b>
<i>Not Meeting Standard</i>	<b><u>Below 10</u></b>	<b><u>Below 7</u></b>	<b><u>Below 5</u></b>	<b><u>Below 9</u></b>	<b><u>Below 20</u></b>	<b><u>Below 5</u></b>
<b>Cost per Passenger</b>						
<i>Meets Standard</i>	<b><u>\$15</u></b>	<b><u>\$20</u></b>	<b><u>\$35</u></b>	<b><u>\$15</u></b>	<b><u>\$15</u></b>	<b><u>\$35</u></b>
<b>On-Time Performance</b>						
<i>Meets Standard</i>	85%	85%	85%	90% <sup>3</sup>	90%	85%
<b>Max Load</b>						
<i>Meets Standard</i>	150%	150%	150%	100%	150%	100%
<b>Missed Trips</b>						
<i>Meets Standard</i>	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%
<b>Complaints per 10,000 Boardings</b>						
<i>Meets Standard</i>	1	1	1	1	1	1

Note: Bolded and underlined targets are proposed to be added as part of the 2025 SPF update.

<sup>3</sup> Express and Limited Stop and School-Oriented routes should only track on-time performance based on arrival at the last bus stop (i.e., the employment center or school) in the morning and the departure from the first bus stop in the afternoon.

**Budget Impact**

There is no budget impact associated with the proposed action to adopt the 2025 update to the SamTrans Service Policy Framework.

**Background**

The SamTrans Service Policy Framework was initially developed and adopted as part of the *Reimagine SamTrans* comprehensive operational analysis completed in 2022. The current SPF, adopted in 2022, can be found at: <https://www.samtrans.com/projects/service-policy-framework>. The SPF does not supersede the Service Standards and Policies included in SamTrans' Title VI program.

Prepared By:	Kate Christopherson, AICP	Principal Planner, Operations Planning and Scheduling	650-622-7877
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**Resolution No. 2025-**

**Board of Directors, San Mateo County Transit District  
State of California**

\* \* \*

**2025 Update to the SamTrans Service Policy Framework**

**Whereas**, in March 2022, the Board of Directors (Board) of the San Mateo County Transit District (District) adopted the SamTrans Service Policy Framework to memorialize the principles and practices developed in the design of service during Reimagine SamTrans and to operationalize the guiding principles of equity, customer focus, efficiency and workforce for use in service planning on an ongoing basis; and

**Whereas**, the Service Policy Framework includes six components, including the guiding principles, service categories, route development guidelines, route communication guidelines, route evaluation guidelines, and the service planning process; and

**Whereas**, staff recommends the Board update the Service Policy Framework to include updated demographic data and methodology for Equity Priority Areas; new bus stop siting guidance for added clarity and transparency to the public, and new criteria for undefined key performance indicators at the service category and network levels for route evaluation; and

**Whereas**, the Board desires to update the Service Policy Framework, which is a living document and will continue to be updated from time to time to reflect changing priorities and best practices.

**Now, Therefore, Be It Resolved** that the Board of Directors of the San Mateo County Transit District hereby adopts the 2025 Update to the Service Policy Framework, attached as Exhibit A and described above.

Regularly passed and adopted this 3rd day of December, 2025 by the following vote:

Ayes:

Noes:

Absent:

---

Chair, San Mateo County Transit District

Attest:

---

District Secretary



# **SamTrans (San Mateo County Transit District) Service Policy Framework**

**Revised December 3, 2025**

## Note

The Service Policy Framework provides SamTrans staff, leaders, stakeholders, and the public with a clear and transparent vision and methodology for how SamTrans designs and evaluates its mobility services. This document was originally created as a product and a memorialization of the work done as a part of the 2019-2022 *Reimagine SamTrans* Comprehensive Operational Analysis.

Building on cornerstone principles from the SamTrans Strategic Plan (2015 – 2019) and the SamTrans Business Plan (2018), as a part of *Reimagine SamTrans* staff identified four **guiding principles** specifically for the ways in which SamTrans designs, evaluates, and communicates about its bus service and supportive infrastructure investments. Those guiding principles have been included in the Service Policy Framework and will continue to guide staff in the formation and evaluation of service.

The COVID-19 pandemic challenged the public transit industry, and the “new normal” ridership patterns emerging as a result are beginning to appear more stable. This 2025 update includes new key performance indicators that were initially left to be determined (TBD) during the COVID-19 period, updated Equity Priority Areas, and additional details regarding bus stop placement.

The Service Policy Framework is a living document and will be updated in the future to incorporate population and land use changes as well as travel and transportation trends in San Mateo County and the San Francisco Bay Area as a whole.

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# 1 PURPOSE AND INTRODUCTION

The role of public transportation is to provide people with mobility to access places they want to go: employment, school, medical services, community resources, and places of recreation. Public transit benefits those without access to a personal vehicle who rely on transit as a mobility service and customers who may have personal vehicles that want to use alternative transportation. Providing effective, efficient, and high-quality mobility options comes from designing services that are attractive to people, are useful, and are sustainable to operate and reflect the values and priorities of the communities it serves. It is SamTrans' mission to supply the public with high-quality, safe, and efficient transportation that should enhance quality of life by increasing access and mobility, reducing congestion, improving the environment, and promoting economic vitality.

## PURPOSE OF THIS SERVICE POLICY FRAMEWORK

With this document:

- SamTrans staff will have a guidebook to implement and refine new and existing SamTrans service when responding to requests and making service design choices in the future.
- The SamTrans Board of Directors (BOD), advisory, and stakeholders' groups will have weighed in and approved the framework.
- Stakeholders and the public will have access to the framework to better understand how SamTrans makes service planning and design decisions – balancing requests, resources, and needs.

SamTrans will also use this document in coordination with the BOD-approved Title VI Program to help monitor and ensure that programs and actions are not purposefully or accidentally discriminatory towards minority or low-income populations. Equity considerations will be interlaced with everything SamTrans does.

## COMPONENTS OF THIS FRAMEWORK

Chapter 2 provides an overview of the *guiding principles* staff developed as the baseline for the Reimagined Network and will be used for service planning and evaluation.

Chapter 3 establishes a *family of services* based on route purpose and characteristics and discusses the role equity has in service planning at SamTrans.

Chapter 4 details principles of effective *route design* employed by SamTrans.

Chapter 5 memorializes *customer communications guidelines* for service planning and changes.

Chapter 6 establishes *metrics* to evaluate SamTrans' fixed-route service.

Chapter 7 provides an overview of the *service planning process*.

## 2 GUIDING PRINCIPLES

**1. Employ customer-focused decision-making.** Prioritize improvements to the SamTrans rider experience. Enhance the experience of planning and making bus trips on SamTrans.

- Enhance customer safety, security, and comfort on the bus and when waiting for the bus.
- Design and operate routes that are simple and easy to understand.
- Conduct transparent and empowering community engagement.
- Adopt and promote available tools and new technologies that improve the customer experience.

**2. Be an effective mobility provider.** Service that is fast, frequent, reliable, and takes people where they want to go is important for growing new and more frequent riders.

- Build ridership through operating effective public transportation services.
- Provide fast or time-competitive bus transportation.
- Provide reliable bus transportation.
- Integrate SamTrans into the larger county and regional transportation network.
- Explore new and alternative transportation delivery models.
- Use public funds and resources responsibly and efficiently.

**3. Provide transportation that supports the principles of social equity.** Improve transportation for communities in San Mateo County with the most significant transportation and access disparities, designated as *SamTrans Equity Priority Areas*. SamTrans' service design and evaluation will be aligned with SamTrans' Title VI Program.

- Direct resources to provide high-quality service in communities with the greatest transportation disparities and mobility needs.
- Prioritize service, infrastructure, and pilot projects in SamTrans' Equity Priority Areas (described in Chapter 3).
- Support access to jobs and workforce development opportunities from Equity Priority Areas.
- Seek to accommodate the transportation needs of workers with non-traditional work hours.
- Minimize missed trips (Do Not Operate/DNOs) on routes serving Equity Priority Areas.

**4. Design service that can be reasonably delivered by our workforce.** SamTrans' ability to provide reliable, high-quality bus transportation is tied to the availability of its bus transportation workforce.

- Support the recruitment and retention of our workforce through route design and scheduling practices that consider the driving experience, realistic road conditions, and availability of restrooms on route.
- Provide a feedback loop with the workforce, letting them know the ways in which their feedback is used.

### 3 GUIDELINES FOR ALLOCATING SERVICE

Service allocation guidelines help assess the appropriate level of service for a sustainable system that meets the needs of customers. The guidelines in this chapter provide a structure to help SamTrans make planning decisions and communicate with the public about investments. Chapter 6 Service Evaluation will turn these concepts into metrics that can be monitored and help target appropriate changes to the transit system.

#### DEFINING SERVICE CHARACTERISTICS

Figure 1 Key Service Characteristics

Guideline	Description
Frequency	The number of trips operated in an hour by route and direction
Span of Service	The hours in the day that service operates
Days of Service	The days of the week a route operates
Stop Spacing	The distance between stops

#### Frequency

Frequency refers to how often a bus comes. A route that operates every 15 minutes provides a much higher level of service than a route that provides service once an hour. Routes with more demand should operate more frequently. Routes that exist to provide a basic level of coverage and connection to the network operate less frequently.

**Minimum Frequency:** For service that operates on regular headways, service should not be less frequent than every 60 minutes.

If a route cannot support 60 minute service, alternative service delivery methods, such as on-demand service or partnerships with local jurisdictions for shuttle service, should be considered.

## Span of Service

Span of service is the duration of time (hours) that vehicles are available for passenger service on a route. The service span is measured from the beginning time of the first trip on the route to the end time of the last trip on that route. A span of service that extends earlier or later enables riders to have more access, and clearly defined service spans can help simplify the system for riders. The earliest and latest trips of routes that operate throughout the day often have fewer riders than trips during the peak or midday. If this is not true, there is likely demand for earlier and/or later service. To simplify analyzing span of service, SamTrans has identified the following periods and what route categories should be operating in each period. Although the periods in Figure 2 extend from 4:00am to 3:59am the next day, service does not need to extend all the way to start of the first period it starts service or the last period it operates in (e.g., a route in a service category that should operate in the early morning does not need to start at 4:00am).

**Figure 2** Periods of Service

Early Morning	Morning	Midday	Afternoon	Evening	Late Evening	Owl
4:00am	6:00am	9:00am	3:00pm	6:00pm	9:00pm	12:00am
↓	↓	↓	↓	↓	↓	↓
5:59am	8:59am	2:59am	5:59pm	8:59pm	11:59pm	3:59am

**Weekday Span of Service:** The service span for Frequent, Local, and Community service categories should operate in the Morning, Midday, and Afternoon. Weekend service can vary slightly since ridership is lower but providing service span as close to weekday as possible makes the service useful and understandable for riders. Alternatively, School-oriented, Express & Limited Stop, Owl, and Special routes are targeted services that may have unique spans of service based on who and what destinations they serve.

## Days of Service

Days of service tells customers which days of the week a service operates. Service that is not based around commuter or school-oriented service should operate seven days per week. This not only improves access across the county but also makes the system more legible and improves the chances of people adopting transit as their mode of choice for a variety of trip purposes. Services that have specific purposes, serving school or commuter job access, may not be needed on weekends because schools and office buildings are most likely closed.

**Days of Service Goals:** Provide seven-day-a-week service on all or as many Local, Community, and Frequent routes as possible.

## Stop Spacing

The distance between stops is a key element in balancing transit access and service efficiency. Closely spaced stops provide customers with more convenient access, as they are likely to experience a shorter walk to the nearest bus stop. However, transit stops are also the major reason that transit service is slower than automobile trips, since each additional stop with activity requires the bus to decelerate, come to a complete stop, load and unload riders, and then accelerate and merge into traffic. Since most riders want service that balances convenience and speed, the number and location of stops is a key component of determining that balance.

**Stop Spacing Goals:** Provide stop spacing between stops that are consistent with each service category.

## SAMTRANS SERVICE CATEGORIES

SamTrans will use the following service categories to communicate, design, and evaluate routes and other mobility services it provides. The main components of each category are frequency, span of service, days of service, and stop spacing.

**Figure 3 SamTrans Service Categories**

Category	Frequency*	Span of Service**	Days of Service	Stop Spacing
Frequent	15 all-day	Early morning, morning, midday, afternoon, evening, late evening	All days	Up to ½ mile
Local	30 or better	Morning, midday, afternoon, evening	All days	¼ - ½ mile
Community	60	Morning, midday, afternoon	All days	¼ - ½ mile
Express & Limited Stop	Limited trips	Morning, afternoon	Weekdays	½ mile or more on streets between high-speed corridors
School-Oriented	Limited trips	Morning, afternoon	Weekdays (when school in session)	¼ - ½ mile
Owl	Varied	Owl	Varied	¼ - ½ mile

\* Frequency: maximum on weekdays (in minutes)

\*\* Span of Service: minimum on weekdays

## **Frequent Routes**

Frequent transit service connects people to places that can support higher levels of service – often areas of higher population or employment density with demand seven days a week from early morning to late in the evening. Routes in this category may warrant infrastructure improvements that prioritize transit, such as transit signal priority and bus lanes and may have specifically branded amenities and vehicles. Ideally, 15-minute service should be provided seven days a week on Frequent routes for much of the span of service, especially morning peak, midday and evening peak periods.

## **Local Routes**

Local service connects neighborhoods, downtowns, and major destinations. They also are likely to provide important connections to transit routes within the service area. Local transit service should operate throughout the day, every day of the week when possible.

## **Community Routes**

Community routes provide service to less densely populated areas and are considered a lifeline to the greater transit network and the community. Community routes may be more circuitous due to street network design and land uses. Community service should operate at least hourly on weekdays. The span of service can be less than Local or Frequent service based on demand, though later and/or earlier service hours may be a higher priority to a less densely populated community than high frequency.

## **Express & Limited-Stop Routes**

Express & Limited-stop routes provide limited-stop service to or from major destinations and are typically longer in length. Express routes often travel on higher-speed corridors making few or no intermediate stops, cover more distance, and may operate only during peak times on weekdays. These routes may also overlay existing service where demand is high enough between specific origin-destination pairs to provide an enhanced service and faster travel time.

## **School-Oriented Routes**

School-oriented routes operate very few trips a day (typically two) and are scheduled to align with school schedules and school bell times. The primary users of SamTrans' school-oriented service are students traveling to and from school, although these school-oriented routes are open to the public. School-oriented routes are meant to address a community mobility need, not to replace yellow school bus service where it does exist.

## **Owl Routes**

Owl services operate overnight, after regular transit service has ended. Owl routes provide coverage to key employment locations with non-traditional business hours, areas with limited mobility options, and neighboring transit agencies.

## **Special Routes**

Special routes serve a unique purpose that do not fit into other categories but should still be monitored for their performance to ensure that they are effectively serving the purpose of the service. Examples may include on-demand pilot programs, prolonged bus bridges for rail construction, and service to special events such as fairs or sporting events.

## EQUITY PRIORITY AREAS

SamTrans follows a federally approved Title VI Program to explicitly track measures that are meant to help analyze the quality and performance of transportation available. SamTrans has also identified equity as one of the four guiding principles within this Service Policy Framework.

To further identify areas with significant transportation and access disparities in San Mateo County, SamTrans used an Equity Index<sup>1</sup> that geographically identifies block groups with concentrations of households that meet the following four criteria:

- **Low-income households:** Households earning less than \$100,000 annually<sup>2</sup>
- **Racial and ethnic minorities:** Populations that identify as a race or ethnicity other than white
- **Zero-car households:** Households with no access to a personal vehicle
- **Rent-burdened households:** Households which spend more than 30% of their income on rent.<sup>3</sup>

The Equity Index produces a composite score of the above factors. The composite scores for each block group are mapped, allowing staff to spatially identify the areas of highest need, called *Equity Priority Areas*. These are neighborhoods where residents are less likely to have access to a private vehicle and are more likely to work low-wage jobs or identify as people of color. Mapping these areas helps staff understand and prioritize service in areas of highest transportation need.

The original analysis reflected in this framework was conducted using data from 2018. With this 2025 update, the analysis was re-run using 2023 Census American Community Survey data, revised income thresholds, and the addition of a rent burden criterion. SamTrans Equity Priority Areas (shown in Figure 4) are located throughout San Mateo County and, as of 2025, include portions of the following communities:

- Belmont
- Brisbane
- Colma
- Daly City
- East Palo Alto
- Half Moon Bay
- Menlo Park
- Millbrae
- Moss Beach
- Pacifica
- Redwood City
- San Bruno
- San Mateo
- South San Francisco

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1 The metrics are computed using quintiles compared to countywide averages, at the Census block group level.

2, 3 Threshold selected in attempt to match "Very Low" income thresholds for family of three to qualify for affordable housing in San Mateo County, while using federally available income thresholds used in the US Census and available in that data set.

<https://www.smcgov.org/housing/income-limits-and-rent-payments>

Figure 4 shows a systemwide view of the new Equity Priority Areas, along with the original geographic areas for reference purposes. Figure 5 through Figure 7 provide a closer look at the Equity Priority Areas by sub-region of the county. These maps, and the identification of Equity Priority Areas, will support SamTrans planning staff in conducting route planning in the future in the spirit of our guiding principles. Data used in the Neighborhood Equity Index should be updated at least every three years, allowing SamTrans to understand how Equity Priority Areas may have shifted. Criteria for defining Equity Priority Areas may be adjusted as best practices and our understanding of factors related to equity evolves in the future.

## **How This Analysis is Used**

The outputs of the equity analysis described above are used as one of many tools in planning and evaluating the performance of SamTrans service. These tools can be used to guide near-term and long-term decision-making to ensure SamTrans is meeting its goals around prioritizing service in Equity Priority Areas.

## **Equity Priority Areas**

Equity Priority Areas are spatially identified areas of highest need, determined using US Census block-group level data and mapping. Understanding these areas can be used in:

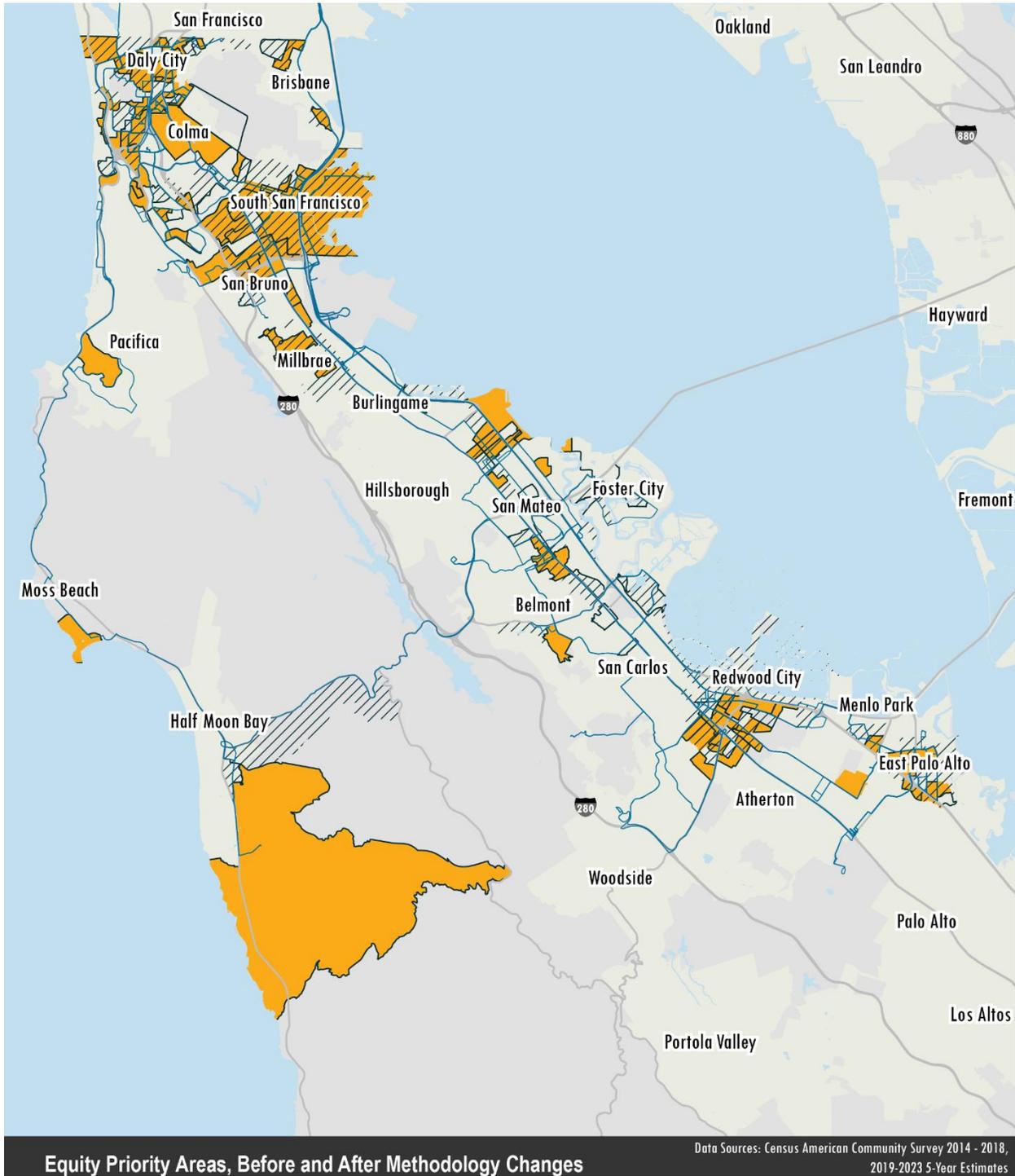
- Future visioning and investment exercises
- Route design and stop siting decisions
- Service enhancement or elimination decisions
- Identifying priority outreach locations
- Identifying priority infrastructure and demonstration project locations

## **Equity Priority: Route Rankings**

SamTrans routes have been sorted based on the percentage of route alignment within Equity Priority Areas to understand which routes predominantly serve areas of highest need. This sorting exercise does not supersede Title VI minority and low-income route designations but can be used in:

- Service enhancement or elimination decisions
- Performance evaluation
- Transfer hub identification
- Identifying priority outreach routes

Figure 4 SamTrans Equity Priority Areas (Systemwide)



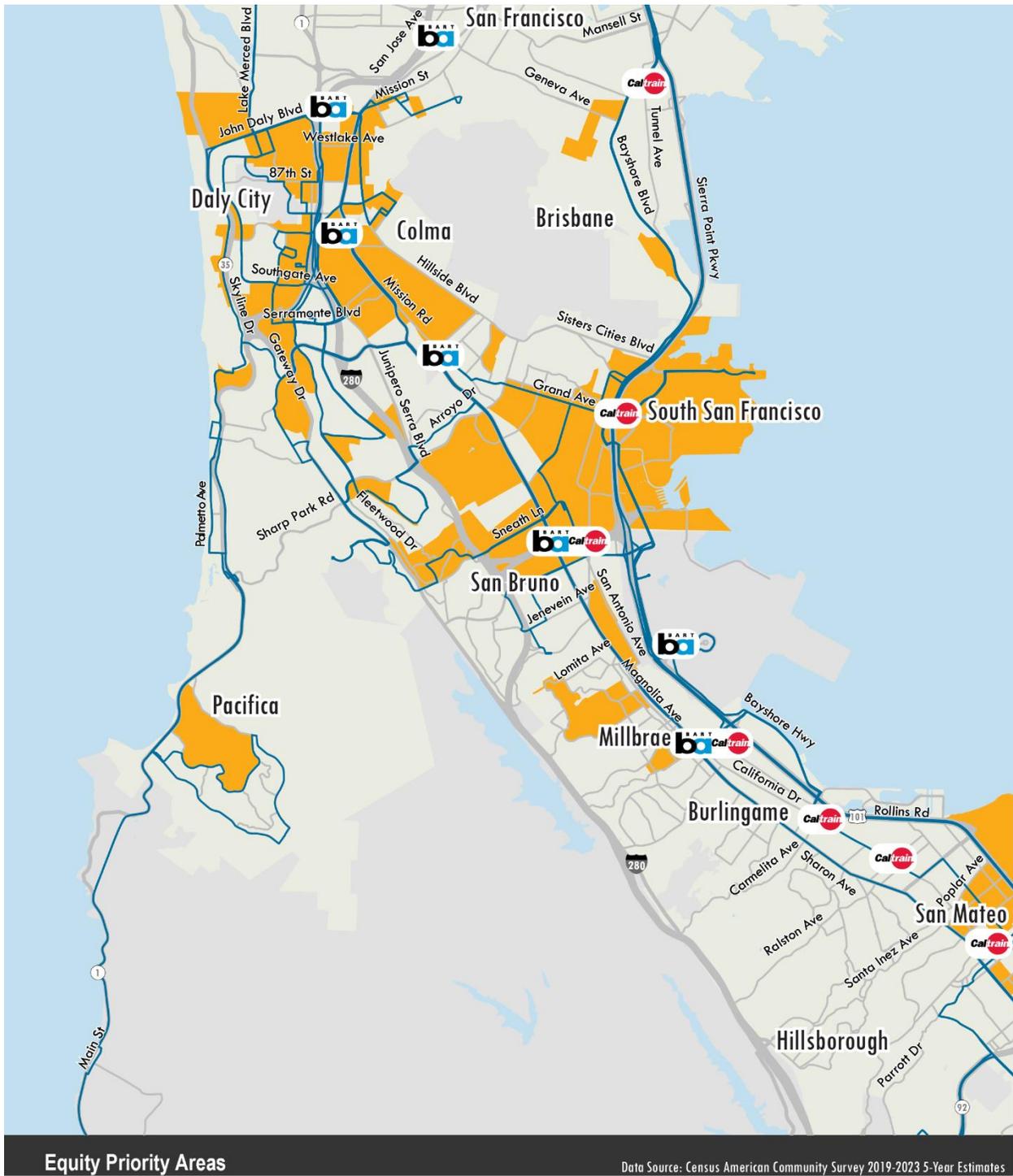
- Equity Priority Area (2023 ACS 5-Year, New Methodology)
- Original Equity Priority Area (2018 ACS 5-Year)
- SamTrans All-day Route

Miles 0 2 4



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Figure 5 SamTrans Equity Priority Areas (North County)



Equity Priority Area  
(2023 ACS 5-Year, New Methodology)

SamTrans All-day Route

Miles 0 1 2



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Figure 6 SamTrans Equity Priority Areas (South County)



Equity Priority Area  
(2023 ACS 5-Year, New Methodology)

SamTrans All-day Route

Miles 0 1 2



Figure 7 SamTrans Equity Priority Areas (Coastside)



**Equity Priority Areas**

Data Source: Census American Community Survey 2019-2023 5-Year Estimates

 Equity Priority Area  
(2023 ACS 5-Year, New Methodology)

 SamTrans All-day Route

Miles 0 1 2



## 4 ROUTE DEVELOPMENT GUIDELINES

Understanding where people want to travel and what levels of service can be supported is key to mobility and successful transit operations. At the route level, there are tradeoffs that must be made that balance service availability to as many people as possible with creating an attractive mode choice.

This chapter presents multiple key guidelines for SamTrans to strive for when considering new routes or changes to existing routes and is also reflective of the public and rider input on service trade-offs and preferences.

### ROUTE DESIGN

Route design focuses on the alignment of the route including the directness, deviations from the main arterials, and how it relates to the overall system of services. Direct routes typically operate at higher speeds than routes that make deviations but usually have a longer distance between stops.

#### Route Directness

Routes should be designed to operate as directly as possible to increase average speed for the route and minimize travel time for passengers while maintaining access to service. Fast and direct routes tend to be more useful to people than circuitous routes.

The different services SamTrans operates will have different ideal levels of directness. Frequent, Local, and Express & Limited Stop routes should be as direct as possible to efficiently serve the customers using those services. Community, School-Oriented, and Owl routes may require slower and less direct paths to adequately serve their respective market because they are coverage-based services.

Although not a perfect indicator of route directness, the one-way trip length (in miles) can be divided by the direct driving distance (in miles) between the route terminals. Frequent and Express & Limited Stop routes should be as close to one as possible. Community and School routes should be designed to be as close to one as possible, but due to the purpose and areas served it may be difficult to achieve that.

## Route Deviations

Routes should not deviate from the most direct alignment unless there is a compelling reason, such as the presence of a major shopping center, employment site, school, etc. In these cases, the benefits of operating the route off the main roadway must be weighed against the inconvenience caused to passengers already on board. Additional considerations include the impact on overall route productivity, the increased time added as a result of the deviation, and the schedule coordination with connecting services. If a deviation is made, service should be provided to that location as consistently as possible.

When ridership and vehicle load is available through actual data or modeled, SamTrans staff should compare the time lost to the customers not using the deviation to the ridership that use the deviation. This will help ensure that service to the location is justified compared to the impacts it may have on existing customers.

## Route Duplication

Routes are best designed to not compete for the same customers. In most environments, people are willing to walk  $\frac{1}{4}$  mile to access local transit service. Ideally, routes would therefore be at least  $\frac{1}{2}$  mile apart from each other. An exception is routes that converge near an activity center or transfer point. When possible, schedules for routes that operate on the same corridor should be offset to maximize frequency of service.

When designing new routes, a  $\frac{1}{4}$  mile buffer should be used to see how much overlap there is between the new service and the existing system, with consideration given to the local conditions, pedestrian environment, and topography. With any duplication, it is ideal to reduce the overlap while still serving the intended purpose of the route.

## ROUTE SCHEDULING

Efficient route scheduling is essential for a usable service. Route scheduling includes trip duration, timepoints along the route, trip start times, and transfers between services.

### Route Duration

Routes should be the appropriate duration to maximize ridership potential and minimize operational issues. Excessively long routes with one-way trip times greater than 60 minutes in the off-peak hours should be avoided to minimize potential schedule adherence issues. In some cases, this is unavoidable to continue to serve existing SamTrans customers and their travel needs, but SamTrans staff should strive to identify solutions that reduce the duration of the one-way trips while still serving the needs of the community.

### Route Timepoints

Route timepoints are points along the route that have established times when transit vehicles should arrive and depart. They are essential for communicating approximations to customers for when service will arrive and for schedulers to ensure the service is running efficiently and on time. Timepoints should be located at major transfer hubs, destinations, and cross streets and should be approximately 10 minutes apart.

### Trip Start Times

Trips for routes by direction should have consistent start times within the hour throughout the day, especially with routes that have lower frequency (30- and 60-minutes). If a trip operates every hour and the first trip starts at 6:10am the subsequent trips should start at :10 for the entirety of the span of service. If a trip operates every half hour and the first trip starts at 6:10am the subsequent trips should start :40 and :10 for the entirety of the span of service.

### Timed Transfers and Connections

SamTrans routes should be designed to work together to create a system that allows customers to easily travel throughout the county and not just to destinations along the route. Ideally, customers would be able to easily transfer from one route to another throughout the day, but due to multiple transfer points along routes and efficiency in using resources, it may not be possible. SamTrans should use the following framework when developing connections between routes, but it may not always be possible.

## SamTrans Connections

The time spent waiting for a connecting bus is important to customers and should be minimized wherever possible.

Connections between Frequent and Local/Community routes should have timed transfers, preferably at major transfer hubs such as transit centers, train stations, and park and rides and should be based on customer travel patterns throughout the day.

Timed connections between low-frequency services (Local/Community) should be established when appropriate at major transfer hubs and other key locations to allow safe and convenient transfers. Untimed transfers are expected for trips on, or between, more frequent services (Frequent).

All SamTrans routes should (connections along the route and operational capacity allowing) do the following at major transfer hubs:

- Run every 15 minutes or better, for relatively easy connections (Frequent)
- Arrive and depart at a hub at similar times twice an hour, if it runs every 30 minutes or better (Local)
- Arrive and depart at a hub at similar times once an hour, if it runs every 60 minutes (Community)
- Arrival and departure times would ideally be coordinated to allow reasonable transfers between routes. Additional timed transfers would also be available at other smaller transfer locations.

Major **transfer hubs** include regionally identified centers and areas where high transfer activity has been identified which include the following:

- Serramonte Center
- Hillsdale Shopping Center
- Linda Mar Park & Ride
- Daly City, Colma, Millbrae, South San Francisco, and San Bruno BART Stations
- San Carlos, Redwood City, and the Palo Alto Caltrain stations

## Regional Rail Connections

SamTrans will strive to connect lower frequency service as much as possible with regional rail connections. The connections will be based on travel patterns and factor in the feasibility of connecting with rail connections along with other established connections along the route.

## Coordination with Other Transit Partners

SamTrans will continue to coordinate with other transit partners such as MUNI and VTA to ensure reasonable transit connections, when possible, at the Daly City BART Station and at the Palo Alto Caltrain Station.

## BUS STOP SITING AND BALANCING

Many factors contribute to the speed at which a bus makes a trip along its route, including both internal and external factors. External factors include typical and acute traffic congestion events, street geometry and turning movements, and traffic signal timing. Internal factors include stop spacing and stop placement decisions.

### Stop Spacing

The distance between stops is a key element in balancing transit access and service efficiency. Closely spaced stops provide customers with more convenient access, as they are likely to experience a shorter walk to the nearest bus stop. However, transit stops are also the major reason that transit service is slower than automobile trips, since each additional stop with activity requires the bus to decelerate, come to a complete stop, load and unload riders, and then accelerate and merge into traffic. Since most riders want service that balances convenience and speed, the number and location of stops is a key component of determining that balance.

The average stop spacing on a Local or Community Route should be approximately ¼ mile to achieve an appropriate balance between speed and access. However, stop spacing on Express routes or overlay service can be longer to increase speeds. Stop spacing will vary along the length of a route, with shorter spacing in denser areas and longer spacing with less dense development. When selecting locations, stops should be located close to locations with significant numbers of potential riders, such as housing and employment locations, as well as major destinations for transit riders, such as shopping centers, and consider topography, which impacts access to the stops.

**Figure 8 Stop Spacing by Route Category**

Category	Bus Stop Spacing (typical distance in miles)	Bus Stop Spacing (typical walk in minutes)
Frequent	Up to ½ mile	Up to 10 minutes
Local	¼ - ½ mile	5-10 minutes
Community	¼ - ½ mile	5-10 minutes
Express & Limited Stop	½ mile or more on streets between high-speed corridors	10 minutes or more
School-Oriented	¼ - ½ mile	5-10 minutes
Owl	¼ - ½ mile	5-10 minutes
Special	Varies	Varies

## Stop Placement

Bus stop placement involves a balance of customer safety, accessibility, and operations. All stops should be fully accessible per the American with Disabilities Act of 1990 (ADA). Bus stops should be compatible with adjacent land use and the natural environment. Specific ridership generators may determine the placement of a bus stop. Infrastructure consideration for bus stop placement includes lighting, topography, and roadside constraints such as driveways, trees, poles, fire hydrants, etc.

Near-side and far-side stops allow passengers to board and alight closer to intersection crosswalks and are generally preferred over mid-block stops. The following situations are common determinants of bus stop placement:

- The preferred location for bus stop placement is far side of the intersection in most cases, especially in cases including:
  - The route turns left or right at an intersection
  - There is a high volume of vehicles turning right at an intersection
  - An intersection is complex, with multi-phased traffic signals or dual right- or left-turn lanes
  - A route utilizes transit signal priority (TSP) to receive priority crossings through a traffic signal
- When the route alignment requires the bus to make a left turn and it is not feasible or desirable to locate the bus stop on the far side of the intersection after the bus turns, a mid-block stop may be warranted.
- Mid-block bus stops prior to left turns should be located a safe distance from the intersection and allow the bus to easily maneuver into the proper lane to turn left.
- When connections between two bus routes show a strong directional pairing (e.g., passengers connecting from an eastbound route to a southbound route), placing one bus stop on the nearside and the other on the far-side can reduce pedestrian crossings at the intersection.

SamTrans Planning staff will coordinate and collaborate with Bus Transportation, Facilities, City/County staff, and Caltrans (where applicable) on all bus stop locations.

## Adding, Relocating, and Removing Stops

As the community and physical environment change over time, there may be community requests or operational need to add, relocate, or remove SamTrans bus stops. Below are guidelines on when it is appropriate to add, relocate, or remove bus stops.

Adding	Relocating	Removing
<ul style="list-style-type: none"> <li>▪ New route implemented</li> <li>▪ Existing stop spacing exceeds recommended distance</li> <li>▪ New construction resulting in the creation of an origin/ destination (e.g. new housing, business, school, or medical facility)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reported and confirmed safety incident due to stop location</li> <li>▪ Change to physical environment (e.g. installation of new driveway) that conflicts with the bus</li> <li>▪ Stop cannot be made accessible or conform to other laws (e.g. Daylight Law, AB 413)</li> <li>▪ Stop is not compliant with recommended bus stop spacing or placement guidelines</li> </ul>	<ul style="list-style-type: none"> <li>▪ Route serving the stop is discontinued</li> <li>▪ Reported and confirmed safety incident due to stop location and there is no other appropriate place to relocate</li> <li>▪ Change to physical environment (e.g. installation of new driveway) creates conflict with the bus and there is no appropriate place to relocate</li> <li>▪ Existing stop is not compliant with recommended stop spacing (i.e., it is too close to previous and next stop)</li> </ul>

Only requests that meet these guidelines will be considered. All other requests will likely be denied to maintain access to bus service consistent with the guidelines in this Service Policy Framework.

## ROUTE CROWDING

Passenger max load is a measure of crowding on the bus. It is used to determine when additional trips may be warranted on a bus route to meet demand and identify if there are any routes that may need trippers at specific times to alleviate overcrowding. Max load is determined by the number of passengers in a bus between stops divided by the seated capacity. Max load is expressed as a percentage where 100 percent represents all seats being used (100 percent seated capacity) and 150 percent represents a bus that can comfortably hold 150 percent of its seated capacity with standees. For example, with a max load of 150 percent, a bus with 40 seats could comfortably hold 60 passengers (40 passengers seated and 20 standees). The desired max load by route category is shown in Figure 9.

**Figure 9 Load Factor by Route Category**

Category	Maximum Load
Frequent	150%
Local	150%
Community	150%
Express & Limited Stop	100%
School-Oriented	150%
Owl	100%

Regardless of route category, route segments that operate on highways and freeways for a long length of time aim to have no standees for safety reasons. Routes that have a high turnover of passengers or carry passengers for short distances can tolerate more standees.

## ROUTE TERMINALS

When possible, routes should end at major anchor points or destinations to foster ridership. Route terminals should have restrooms available for operators during all hours of bus service.

Layover space should be available at route terminals. From an operating perspective, minimizing the time spent getting to or from layover areas will reduce operating costs, and potentially give operators more layover and/or recovery time. Layover space in residential neighborhoods should be avoided and at least one end of route terminals should have dedicated facilities.

## FREEWAY ROUTE PLANNING

Routes designated as Express routes should maximize travel time and distance traveled via a freeway by minimizing intermediate stops. It can take on average about 1,800 feet (or approximately one-third of a mile) to make one lane change in a bus. The necessity to transition to and from the far-left lane on a freeway should be considered when determining the appropriate proximity of intermediate stops.

## SCHOOL-ORIENTED ROUTE DESIGN AND SCHEDULING

School-oriented service is an important element of the SamTrans bus system. School-oriented service is open to all passengers but is timed to meet school start and end times (bell times) at the school(s) the route serves.

This service is very important to the community but is also resource-intensive during the most constrained times of day, the peak commute times, and requires a large proportion of travel time to and from the route start and end (deadhead) for only one revenue trip. As a result, school-oriented routes should have a higher passenger productivity than other route categories. SamTrans strives to provide a package of school-oriented service that is efficient while maintaining service for youth and parents who depend on or prefer to use public transit to get to school. School-oriented routes that serve *Equity Priority Areas* are the priority school services to be provided.

SamTrans works in partnership with school officials to design school-oriented routes on an annual basis. To maintain efficient operations of school-oriented service, the following processes and guidelines are utilized:

- School-oriented route schedules are based on bell times provided by the schools. SamTrans relies on that information to schedule the service. Schools must notify SamTrans of anticipated bell time changes in the spring; if a school does not notify SamTrans of a change to the bell times the school runs the risk of their service not being accurately timed with their bell schedule.
- Changes to schedules of school-oriented routes are typically made only three times a year. Changes are made during regular scheduled service changes for the SamTrans service. If changes to bell times occur and SamTrans is not notified in a timely manner, there are limited opportunities to adjust the schedule until the next service change.
- School-oriented service is designed to connect with the school schedules during the week. School-oriented routes may have trips with variable start and end time on different days of the week, but service accommodations are not made for inconsistent or irregular school schedules. For example, if a school has a minimum day that is not scheduled consistently every week, the route start time will not be altered to accommodate the one-off schedule, but if the school has a late start every Thursday, then a route would be able to have a trip with a later start time on Thursdays.
- School-oriented routes are typically established to serve schools with 6<sup>th</sup> grade passengers and up; however, there are rare cases where school-oriented routes will service lower elementary grades.
- School enrollment and school-oriented route usage is more dynamic than local routes. Because of that dynamic nature, school-oriented routes should be reviewed a minimum of once a year to ensure resources are utilized efficiently.
- School-oriented routes should be prioritized where local routes are not able to meet the mobility needs of the school. New or expanded school-oriented service should be prioritized in *Equity Priority Areas* if resources allow.

## 5 ROUTE COMMUNICATION GUIDELINES

The following guidelines support SamTrans in providing clear and effective communications to customers and the public about the family of services we provide and how to make use of our mobility services.

### CLEAR AND SIMPLE INFORMATION

SamTrans should adopt simple and clear route naming conventions, timetables, and other customer communications. On maps and timetables, SamTrans should embrace the use of universally understood symbols and icons to maximize legibility by all language speakers. Timepoints in published materials should be labeled consistently and align with on-board text/announcements. When possible, timepoints should reflect the place name if more common and well-known than the cross streets (i.e., BART station or school).

### TRANSPARENT AND EMPOWERING COMMUNITY ENGAGEMENT

All service change proposals or decisions should be communicated in language that is easy for riders and community members to understand. SamTrans should conduct empowering community engagement by holding events in our communities in locations where our riders and stakeholders already visit or attend events. Major service changes should be communicated proactively across all platforms and consistent with the SamTrans Title VI Program.

### TECHNOLOGY AND TOOLS

SamTrans should maintain and expand the availability of real-time bus arrival information, available across a variety of platforms, including 511, the SamTrans mobile app, other third-party transit apps, and real-time arrival screens at key bus stops and transit hubs in the County.

SamTrans should prioritize the expansion of bus stop-based arrival information screens at high ridership or high transfer stop locations and in SamTrans Equity Priority Areas.

### REGIONAL INTEGRATION

SamTrans should continue to participate in regional efforts to standardize customer-facing information. This includes the regional mapping and wayfinding project, as well as efforts to improve and standardize data/GTFS feeds. Duplication of route numbers with adjacent transit agencies should be avoided, when possible, to minimize passenger confusion.

## 6 SERVICE EVALUATION

Tracking the performance of routes helps agencies identify where transit services are meeting customer needs and where there are opportunities for improvement. Exceeding or failing to meet targets does not necessarily require an agency to act. It is meant as a tool to help guide assessment and adjustment of bus operating resources investment when needed. Over time, being able to understand trends can help SamTrans be more proactive with service changes and more efficiently use resources.

There are many metrics used in the transit industry. The key is to find metrics that tie the goals established by the agency into actionable measures for service improvement. The metrics identified below tie to the four established guiding principles of: delivering a customer-focused experience, being an effective mobility provider, providing transportation supporting social equity, and designing service that can be reasonably delivered by our workforce.

- **Boardings per revenue hour** is a standard productivity measure that normalizes the ridership to the amount of service being provided by calculating the number of customers that board the service per the revenue hours operated by the service.
- **Cost per passenger** is a standard that measures the financial effectiveness of the service and is the total operating cost to provide the service per the number of boardings on the service.
- **On-time performance** measures how often the service departs timepoints on time (within a certain threshold of the publicly posted time). Under this measurement, buses are on time if they depart a measured timepoint within 59 seconds before schedule or 4 minutes and 59 seconds after schedule.
- **Max load** is standard that measures crowding. It is the seated capacity utilization of a vehicle at the service's peak load point.
- **Missed Trips** is a measure of service reliability that identifies the number of missed trips and includes service that was not operated or not completed.
- **Complaints per boarding** is a standard that identifies the customer perception of the service and is a ratio of the complaints per number of boardings.

A detailed look at how the metrics listed above relate to the four guiding principles can be seen in Figure 10.

**Figure 10 Summary of Key Performance Indicators (KPIs) Aligned with Guiding Principles**

Performance Indicators	Customer	Effectiveness	Equity	Workforce
Boardings per revenue hour		x		
Cost per passenger		x		
On-time performance	x	x	x	x
Max Load	x	x	x	x
Missed trips	x	x	x	x
Complaints per boarding	x			x

## PERFORMANCE TARGETS

The performance of the SamTrans bus network is measured in the following two ways:

1. **Minimum targets.** For key performance indicators, targets establish a base level of productivity that should be expected for service to be successful and sustainable.
2. **Comparisons.** Comparing similar routes against each other within the same service category allows staff to identify routes that may need further analysis for improvement or modification.

Targets do not have to be static, but they should be based on industry standards for operating service that fits the demand and the identified guiding principles.

### Minimum Targets

Minimum targets set a baseline for which all routes should operate. Boardings per revenue hour is the primary metric for measuring route performance. This metric has a three-tier system of targets. Routes meeting or exceeding the standard are performing well and require no action. Routes performing below the minimum standard are identified for additional monitoring and corrective action, such as activating additional marketing and monitoring. In cases where a route is performing far below a minimum standard, the route will then be considered for service adjustments, such as route straightening or shortening, changes to frequency or span, alternative service delivery, or service discontinuation.

For boardings per revenue hour, the KPI targets are based on how existing SamTrans routes perform and generally accepted industry standards. KPI thresholds were set so that about 75 percent of routes meet standards, another 10 percent of routes require additional monitoring, and the lowest performing 15 percent of routes are identified for corrective action. These metrics were rounded to whole numbers and adjusted slightly to align with the industry's best practice. For school-oriented routes, ridership per trip is high and calculating a number based on the performance of 75% of routes would not be a realistic benchmark. The target was based on a reasonably full bus to justify the cost of operating school service. Express & Limited Stop standards were set based primarily on the industry's best practice.

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The other route-level metrics (cost per passenger, on-time performance, max load, missed trips, complaints per 10,000 boardings) should be used in conjunction with the productivity metrics to identify areas of potential improvement. When routes do not meet these minimum targets, additional monitoring should be implemented and corrective action taken if conditions do not improve.

If a route has a history of falling below minimum boardings per revenue hour (at least four straight quarters), SamTrans staff may develop an action plan to improve the route's performance. More information on developing an action plan is included in the next section (Route Comparisons).

Figure 11 Key Route-Level Performance Indicator Targets

Metric	Frequent	Local	Community	Express & Limited Stop	School-Oriented	Owl
Minimum Boardings per Revenue Hour						
<b>Meets Standard</b>	15 or above	10 or above	7 or above	16 or above	25 or above	5 or above
<b>Monitoring / Activate Additional Marketing or Other Corrective Actions</b>	10–14	7-9	5–6	9–15	20–24	—
<b>Possible Service Adjustments or discontinuation</b>	Below 10	Below 7	Below 5	Below 9	Below 20	Below 5
Cost per Passenger						
<b>Meets Standard</b>	\$15	\$20	\$35	\$15	\$15	\$35
On-Time Performance						
<b>Meets Standard</b>	85%	85%	85%	90% <sup>4</sup>	90% <sup>4</sup>	85%
Max Load						
<b>Meets Standard</b>	150%	150%	150%	100%	150%	100%
Missed Trips						
<b>Meets Standard</b>	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%
Complaints per 10,000 boardings						
<b>Meets Standard</b>	1	1	1	1	1	1

<sup>4</sup> Express & Limited Stop and School-Oriented routes should only track on-time performance at the arrival of the last bus stop (i.e., the employment center or school) in the morning and the departure from the first bus stop in the afternoon.

## Route Comparisons

Currently, SamTrans Planning staff report systemwide Key Performance Indicators (KPIs) in quarterly reports. To supplement these quarterly KPI reports, Planning staff will begin monitoring individual route performance using the targets listed in Figure 11 (see previous section) and will compile data on individual route performance in conjunction with the quarterly KPI reports to understand how routes are performing relative to each other within the same service category.

Additional monitoring may be conducted on routes that do not meet at least one of the minimum targets. This additional monitoring should be tailored to the metrics that are not being met. As an example, if customer complaints are an issue, additional monitoring could include pulling more frequent data (monthly instead of quarterly) and reading/investigating the customer complaint data. If conditions do not improve, corrective action should be taken, if feasible.

If any changes are implemented, the route should continue to be monitored to see if conditions improve. It is important to also consider whether the route serves an Equity Priority Area; routes that serve Equity Priority Areas may be deemed a "lifeline" or essential service and may be retained despite not meeting targets.

As mentioned in the Minimum Targets section, if a route has a history of falling below multiple metrics (at least four straight quarters), SamTrans staff may develop an action plan to improve the route's performance. This action plan should include:

- What metrics the route is not meeting and for how long
- What has been examined or tried, if applicable
- The proposed solution(s) for addressing the metrics that are not being met, including identification of specific people to help implement the solution(s)
- A timeline in which improvements should be implemented and route performance re-evaluated

## New Service

Any new service should be allowed to mature for at least 12 months before it is held to the same service standards as other routes in its category. SamTrans should do appropriate marketing and outreach to help any new service succeed.

## Network-Level Metrics

In addition to metrics by route, it is important to provide network level metrics that can quickly provide a snapshot of the overall system's performance. SamTrans has identified several metrics that are important to understanding and assessing systemwide performance which are shown in Figure 12, along with targets for them.

The following definitions are for the new metrics introduced that are specific to the network-level metrics and have not been defined in the route metrics:

**Farebox Recovery** is the percent of fare revenue divided by the total operating cost.

**Mean distance between failures** is the total miles divided by the number of mechanical failures.

**Mean distance between accidents** is the total miles divided by the number of accidents.

**Equity Priority Areas served by all day service** is the percent of Equity Priority Areas in the SamTrans service area that are within ¼ mile of all day service.

**Figure 12 Key Network-Level Performance Indicators**

Metric	Target
Passengers per revenue hour	15
Cost per passenger	\$15
Farebox recovery	8.5%
On-time Performance	85%
Complaints per boarding	<1 per 10,000
Missed trips (service availability)	<0.1%
Mean distance between failures	>25,000 miles
Mean distance between accidents	>100,000 miles
Equity Priority Areas served by all day service	85% or more within ¼ mile of a SamTrans bus stop or microtransit zone

## 7 SERVICE PLANNING PROCESS

### BALANCING SERVICE PRIORITIES

Transit agencies weigh tradeoffs about where service is located and how frequently service should be available. The distribution of transit service considers many factors, including:

- Community goals and needs
- Service and design best practices
- Budget and resource constraints
- Equity needs across the service area
- Land uses and the built and natural environments

SamTrans' priorities for the distribution of service will not be static because what exists today may be different tomorrow. The size, demographics, and travel patterns of communities in San Mateo County change over time, along with the funds and resources available to provide transit service. The ability to dynamically adjust service based off the potential changes listed above will allow SamTrans to provide mobility services as effectively as possible to customers traveling within and through San Mateo County.

Service distribution must balance operating constraints (number of operators and vehicles available), maximize ridership, and provide coverage to residents. The desire to serve all must be balanced with the fiscal responsibility of having passengers use the service and the objectives of providing high-quality service in Equity Priority Areas. Applying service standards that consider social equity, effectiveness, and productivity helps an agency achieve the right balance.

The service and design guidelines are tools to help support SamTrans make service decisions. The service planning process ensures SamTrans has the tools to monitor and evaluate service and community needs that lead to service change recommendations. It also allows SamTrans to be transparent with service planning priorities and standards, and when faced with competing demands for limited resources, helps and supports staff decision making. It provides a mechanism to constantly refine the system by targeting low- performers and reallocating service to more productive services or new service.

## PERFORMANCE EVALUATION

The process starts with an approved set of targets (the service standards) that should be reviewed annually. Using the performance targets, staff will measure each route's performance and the network's performance for productivity and equity considerations, targeting the lowest performers for improvement.

Operations Planning staff will create adjustments and alternatives to improve service and meet service level targets. Service change recommendations will be based on:

- Performance
- Financial obligations, resources, and funding availability
- Awareness of regional transportation infrastructure planning efforts and land use trends
- Promotion and development of high-quality service in identified Equity Priority Areas.

## SERVICE REQUESTS

On an ongoing basis, staff will evaluate requests from external sources and customers for new or modified service based on the same criteria. The service guidelines presented earlier in this document will help staff communicate the circumstances in which SamTrans will consider changes and the priorities and best practices for service design. Using the criteria followed for the Title VI Program for community engagement and outreach, SamTrans will share ideas and gather input from the community on proposed major service changes.

SamTrans will conduct three to four service changes annually (consistent with the current labor agreement) with two of those changes having more significant updates (changes to runtimes, trip times, frequency, span, etc.) and the other changes allowing for minor tweaks in service. Attempts will be made to align service change dates with regional operators.

### Major Service Changes

All major service changes should be consistent with and follow the guidelines identified in this document and consistent with the SamTrans Title VI Program.



# SamTrans Service Policy Framework Update

Item #13.c.  
12/3/2025



December 03, 2025

# What is the Service Policy Framework?

SamTrans' Service Policy Framework (SPF) outlines:

- How we categorize, design and plan our service
- How we use data to define the SamTrans Equity Priority Areas
- How we conduct effective route design, customer communications, and develop infrastructure to support effective and efficient bus service
- How we use Key performance indicators (KPIs) to evaluate our service and measure success

The current SPF was adopted by the Board of Directors in March 2022.



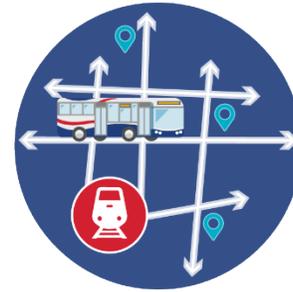
SamTrans (San Mateo County Transit District)

Service Policy Framework

Adopted March 2, 2022



# Our Service Planning Guiding Principles



## Customer Focus

Employ customer-focused decision-making

## Workforce Delivery

Design service that can be reasonably delivered by our workforce

## Effective Mobility

Be an effective mobility provider

## Social Equity

Support social equity and direct resources into *equity priority areas*

Aligning with 2024 Strategic Plan Core Values:

**Equity**

**Excellence**

**Innovation**

**Partnership**

**Safety**

**Sustainability**



# What's Been Updated Since 2022?

1. Incorporated new data set from 2023 American Community Survey and updated methodology for identifying Equity Priority Areas
2. Clarified process for siting and relocating bus stops
3. Added criteria for undefined Key Performance Indicators (KPIs) at the service category and network levels



# Why Now?

- More recent demographic data is available to update underlying data (2023 American Community Survey)
- Incorporate lessons learned since initial development to address gaps in bus stop siting guidance
- SamTrans fixed-route ridership has largely rebounded to 2019 levels
- Ridership and demand has mostly settled into new patterns since COVID-19



# Update 1: Equity Priority Areas

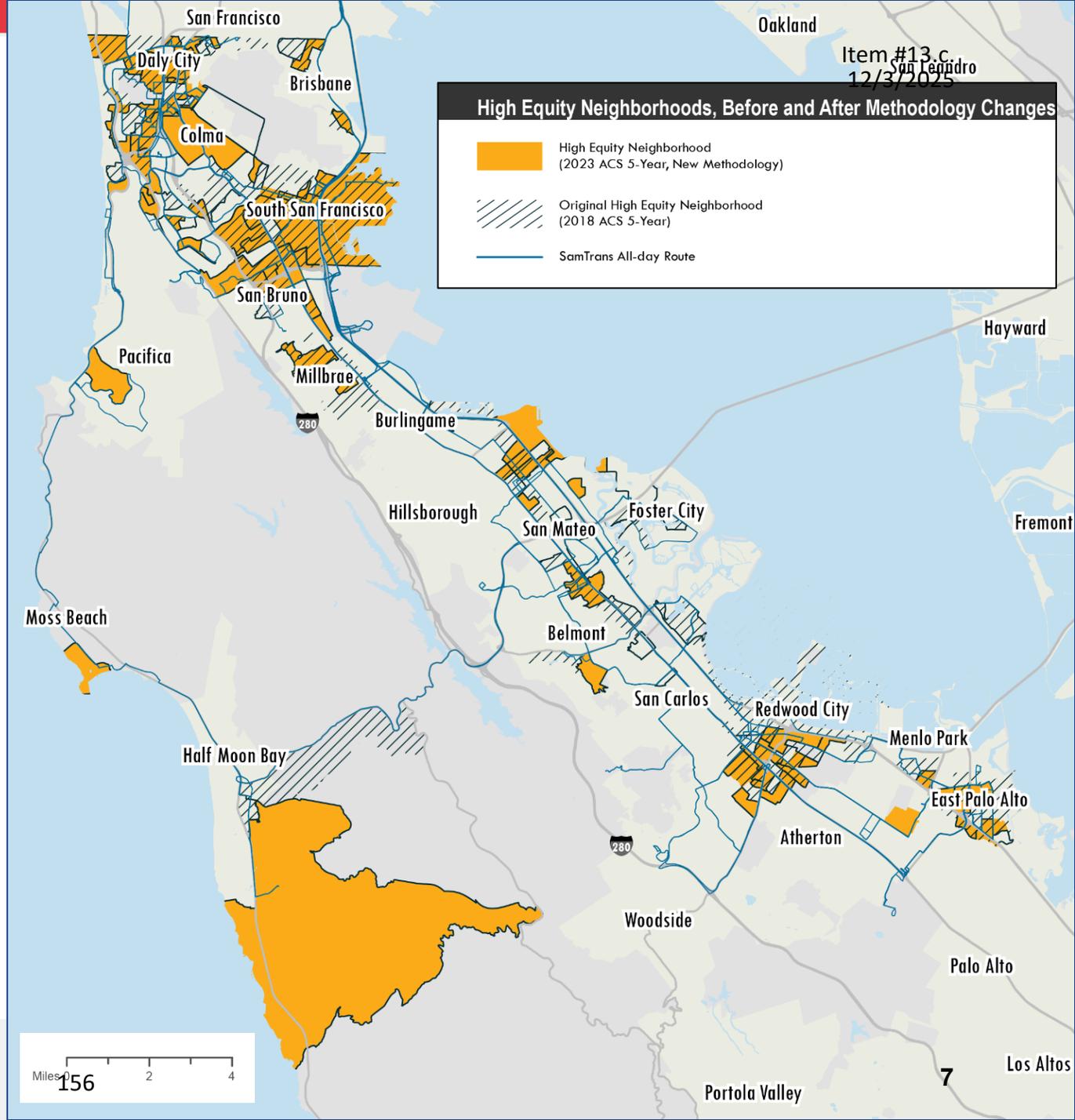
- **Equity Priority Areas** are neighborhoods where residents are less likely to have access to a private vehicle and more likely to work low-wage jobs, identify as people of color, or spend more than 30% of their income on housing.
- **Mapping these areas helps staff understand and prioritize service in areas of highest transportation need and benefit.**



# 2025 Equity Priority Areas

## Areas of:

- Belmont
- Brisbane
- Colma
- Daly City
- East Palo Alto
- Half Moon Bay
- Menlo Park
- Millbrae
- Moss Beach
- Pacifica
- Redwood City
- San Bruno
- San Mateo
- South San Francisco



# Update 2: Guidance for Bus Stop Siting

- Since the SPF was adopted, staff have received numerous requests from the public and operators to add/relocate/remove bus stops.
- SPF update **adds clarity** on when to approve or deny bus stop requests and **offers transparency to the public** on internal decision-making process for siting bus stops.



# How to Site and Change Bus Stops:

## Add a bus stop when:

- New route implemented
- There is a gap in bus stops and existing stop spacing exceeds recommended distance
- New construction results in the creation of a new origin/destination (e.g. new housing, senior center, business, school, or medical facility)

## Relocate a bus stop when:

- Reported and confirmed safety incidents occur due to stop location
- Change to physical environment (e.g. installation of new driveway) that conflicts with the bus
- Stop cannot be made accessible or conform to other laws (e.g., distance from pedestrian crossing)
- Stop is not compliant with recommended bus stop spacing or placement guidelines

## Remove a bus stop when:

- Route serving the stop is discontinued
- Reported and confirmed safety incidents occur due to stop location and there is no appropriate place to relocate
- Change to physical environment (e.g. installation of new driveway) creates conflict and there is no appropriate place to relocate
- Existing stop is not compliant with recommended stop spacing (i.e., it is too close to previous and next stop)



# Update 3: Service Evaluation Process & KPIs

## Today:

- Staff report systemwide and route category KPIs in quarterly reports.
- No minimum targets set for boardings per revenue hour or cost per passenger.

## Moving Forward:

- Reports will include individual route performance, as well as systemwide and categorical trends.
- Reports will include information on routes that are or are not meeting productivity targets.

### **This is the District's first update to KPIs post-pandemic.**

- Reached out to peers to see their updated KPIs targets and learned many have not updated theirs yet to post-pandemic service.
- With no peers with which to compare, we used minimum targets at the 85 percentile<sup>1</sup>



<sup>1</sup> Except for Express/Limited Stop and School-Oriented routes, which were set at the boardings/revenue hour needed to equate to \$15/passenger<sup>159</sup>

# Updated Systemwide Fixed-Route KPIs

These KPIs provide a snapshot on how the overall system is performing.

Metric	Target
Passengers per revenue hour	<b>15 or more</b>
Cost per passenger	<b>\$15 or less</b>
Farebox recovery	<b>8.5% or more</b>
On-time performance	85%
Complaints per 10,000 boardings	<1
Missed trips (service availability)	<0.1%
Mean distance between service calls	>25,000 miles
Mean distance between accidents	>100,000 miles
Equity Priority Areas served by all day service	85% or more within ¼ mile of a SamTrans bus stop or Ride Plus zone

Bolded targets are new and proposed.



# Updated Route Category Level KPIs

Metric	Frequent	Local	Community	Express & Limited Stop	School-Oriented	Owl
<b>Minimum boardings per revenue hour</b>						
<i>Meets standard</i>	15 or above	10 or above	7 or above	16 or above	25 or above	5 or above
<i>Monitoring</i>	10-14	7-9	5-6	9-15	20-24	--
<i>Not Meeting Standard</i>	Below 10	Below 7	Below 5	Below 9	Below 20	Below 5
<b>Cost per passenger</b>						
<i>Meets standard</i>	\$15	\$20	\$35	\$15	\$15	\$35

Highlighted figures are new and proposed.



# When a Route Falls into the Monitoring Category

Routes in this category will:

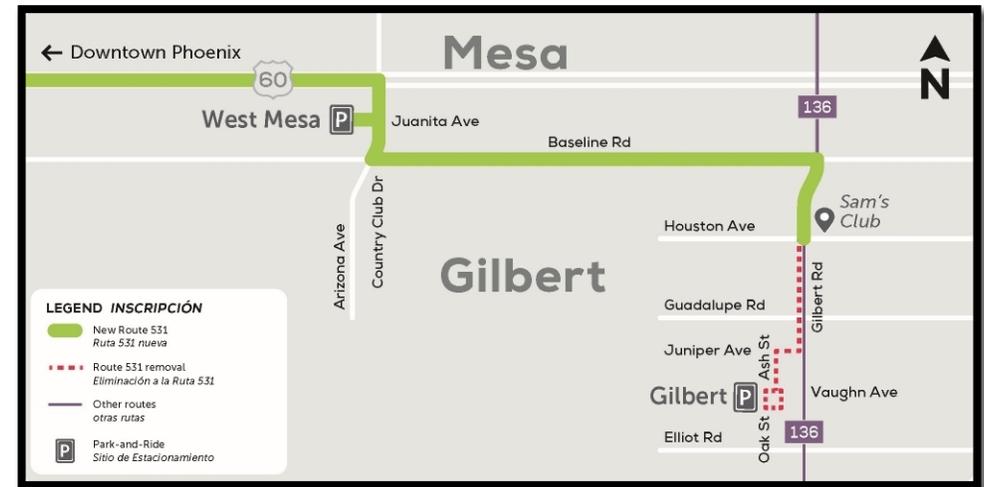
- Have performance tracked more closely
- Receive targeted marketing and outreach



# When a Route is Not Meeting Standard

## Routes in this category:

- Get an "action plan" to improve or adjust service
- In addition to marketing, the route could see:
  - Routing adjustments (e.g., straightening, shortening)
  - Scheduling adjustments (e.g., frequency, span)
  - Alternative service delivery model (e.g., shuttle, microtransit)
- Final option: Discontinuation<sup>3</sup>



*Example from Valley Metro*

<sup>3</sup> Equity priority and lifeline routes should not be discontinued unless a viable alternative is provided.

# Next Steps

- Board adopts updated SPF
- Use updated KPIs in upcoming *Reimagine SamTrans* fixed route evaluation
- Update Quarterly State of Service reports to include updated KPIs and more detailed route-level performance information

SPF is a living document and will be updated at least every three years with new data.





# Thank You!

Item #13.c.  
12/3/2025



Please email [ChristophersonK@samTrans.com](mailto:ChristophersonK@samTrans.com) with any questions.

**San Mateo County Transit District  
Staff Report**

To: Strategic Planning, Development, and Sustainability Committee  
Through: April Chan, General Manager/CEO  
From: Joshua Mello, Chief Planning Officer, Planning and Real Estate  
Subject: **Grand Boulevard Initiative (GBI) Action Plan**

**Action**

This report is for information only.

**Significance**

Grand Boulevard Initiative (GBI) is a multi-agency partnership led by the San Mateo County Transit District (District) that involves 15 local jurisdictions, the San Mateo County Transportation Authority (TA), City and County Association of Governments of San Mateo County (C/CAG), Metropolitan Transportation Commission (MTC), California Department of Transportation (Caltrans), advocates, and business groups. GBI's current focus is to establish a cohesive, countywide vision for modernizing transportation infrastructure on El Camino Real (Caltrans-owned State Route 82) to improve safety and mobility.

The GBI Action Plan is a planning document that builds on over a year of interagency coordination to evaluate corridor-wide needs, establish a vision for the future of El Camino Real, and build momentum toward implementation. The Action Plan also serves as the first step in the Caltrans project development process to implement corridor-wide changes on El Camino Real.

The accompanying presentation and this report provide background on GBI and how the Action Plan was developed in collaboration with stakeholders, as well as a summary of the draft GBI Action Plan, including the corridor-wide vision, problem statements, and goals.

Staff will incorporate Board feedback along with stakeholder input on the draft Action Plan until December 15, 2025. Staff will then seek adoption of the Action Plan at a meeting of the District and TA Board of Directors in early 2026.

For more information on GBI and to review the draft Action Plan in full, please go to the District webpage for the project: <https://www.samtrans.com/gbi>.

**Budget Impact**

There is no budget impact associated with this item. GBI work including the Action Plan and Project Initiation Document are funded by the District’s General Funds, as well as a \$2 million grant from MTC and \$250,000 grant of local transportation sales tax dollars from both the District and TA.

**Background**

El Camino Real serves as San Mateo County’s main street, connecting downtowns and key destinations, but its infrastructure still largely reflects its historic role as a highway catering to automobile travel along the Peninsula. This mismatch results in one of the highest rates of injury collisions among streets in San Mateo County and creates barriers and conflicts for people walking, biking, and riding transit. The District recently completed the El Camino Real Bus Speed and Reliability Study (which the District’s Board of Directors adopted in 2022), which investigates operational challenges and opportunities to improve reliability and operational efficiency for Route ECR.

Prepared By:	Cassie Halls	Major Corridors Manager, Planning	(650) 508-7766
	Millie Tolleson	Director, Planning	(650) 647-3044



# Grand Boulevard Initiative Action Plan

SamTrans Board of Directors

# A Brief History of El Camino Real (State Route 82)

**1940s-1970s**  
**101 and 280 freeways built**, shifting regional travel away from El Camino Real

**2024**  
**SamTrans reassembles GBI** focused on advancing transportation improvements in San Mateo County

**1920s**  
**El Camino Real paved** as the Peninsula's first highway

**2006**  
**The Grand Boulevard Initiative (GBI) launched** to transform the built environment on El Camino Real

# Background



# What is the Grand Boulevard Initiative?

**The Grand Boulevard Initiative (GBI) is a partnership between cities, countywide agencies, Caltrans, advocates, and business groups.**

The purpose of GBI is to establish a cohesive countywide vision for modernizing El Camino Real (SR 82) to improve safety and mobility.



# GBI Stakeholder Engagement

- Over the past year, SamTrans has convened a Task Force of 50+ participants
- GBI presented to Public Works and Planning directors in January 2025
- GBI conducted a road show of city councils in Fall 2025



# GBI builds upon local corridor studies



Every city in San Mateo County has been working on complete streets studies for El Camino.

In parallel, GBI serves as a forum for collaboration and continuity across these local studies.



*Outreach event for the Central El Camino Plan in San Mateo*



*Example of a completed corridor study from Redwood City*

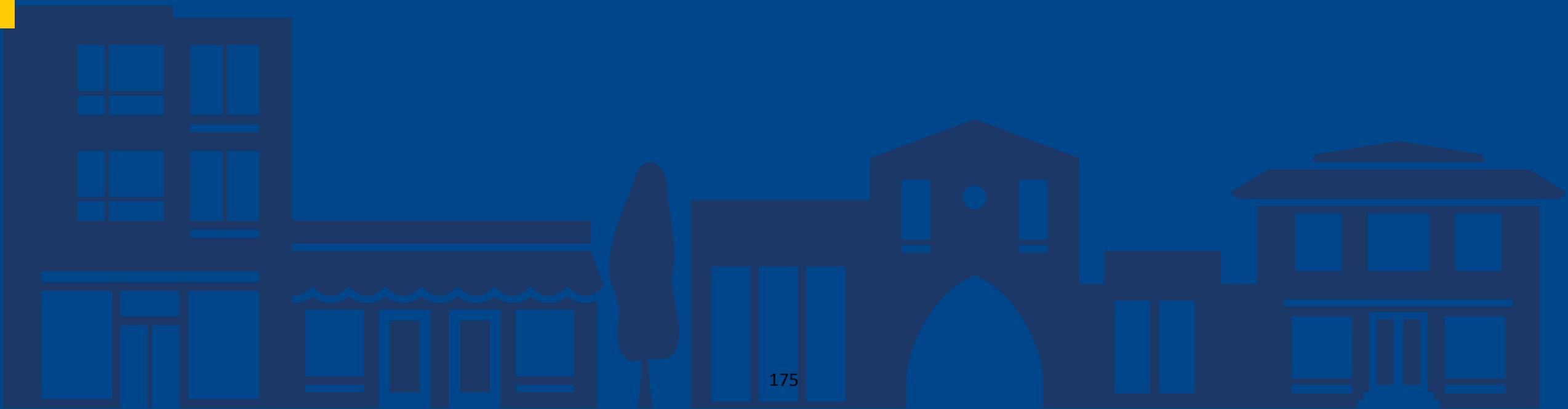


# Why this matters for SamTrans



- **Interagency Collaboration:** Advancing transportation improvements on El Camino Real requires extensive collaboration.
- **Faster, More Reliable Buses:** 25-mile streetscape redesign will align to 2022 *ECR Bus Speed and Reliability Study* recommendations.
- **Making Progress:** By adopting this Plan, SamTrans and the SMCTA will take the required action to start the coordinated Caltrans process.

# GBI Action Plan



# The GBI Action Plan advances a unified approach to improve mobility and safety

The GBI Action Plan is a planning study that synthesizes the past year of work by the Task Force:

- Evaluates **corridor-wide needs**
- Establishes a **cohesive vision**
- **Builds momentum** toward implementation.



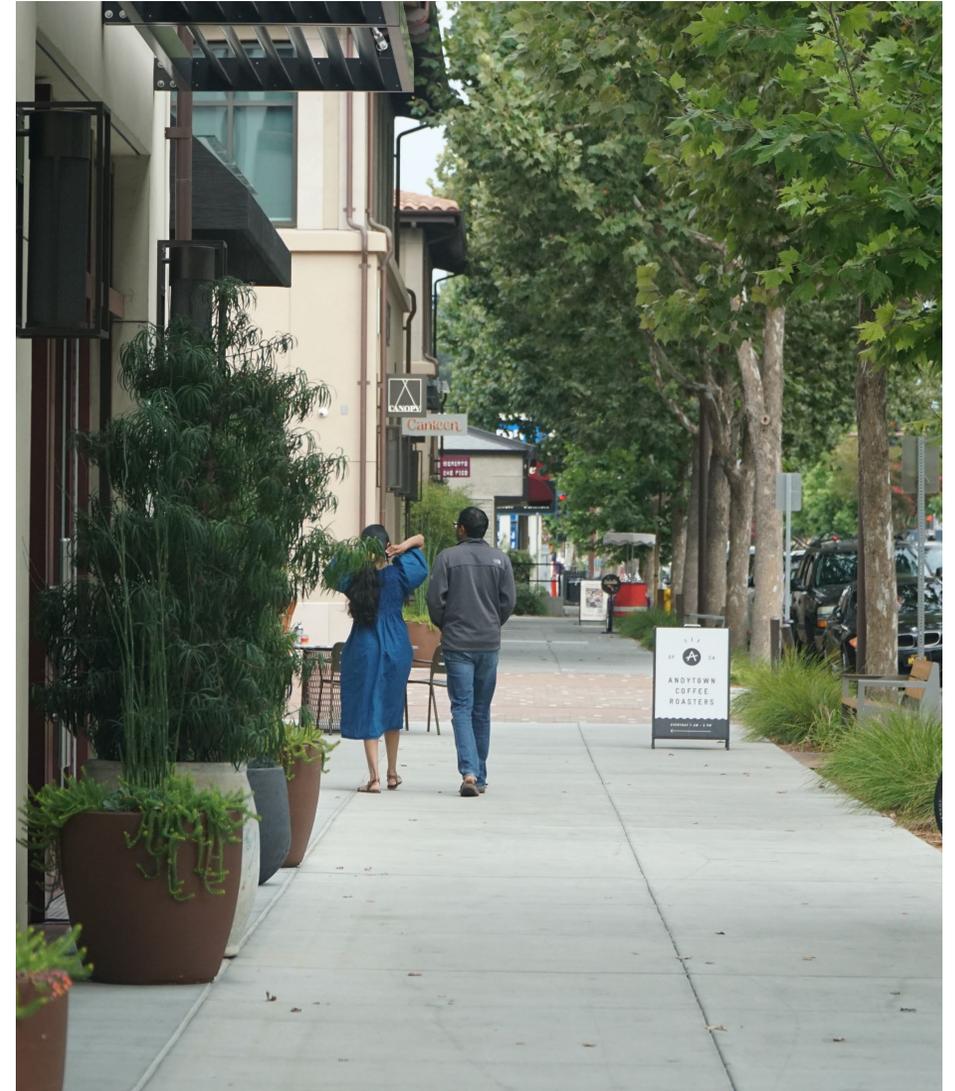
# Vision Statement

El Camino Real is a safe and vibrant street where people of all ages and abilities travel comfortably.

A **'safe street'** eliminates fatalities and serious injuries by managing speeds, conflicts, and travel behavior.

A **'vibrant street'** supports local businesses, strengthens sense of community, and is a place people want to spend time.

**'All ages and abilities'** means that everyone has the freedom to travel comfortably, including children, seniors, and people with disabilities.



# Problem Statements

## SAFETY

El Camino Real has an unusually high rate of **fatal or serious injury crashes**, particularly for people walking and biking.

## MOBILITY

El Camino Real's **highway-like design** discourages walking, biking, and transit use.

## PROCESS

It's **too challenging** for individual cities to develop, implement, and fund transportation projects on El Camino Real.

# Goals

## SAFETY

→ Adopt an **injury-prevention** mindset for El Camino Real

## MOBILITY

→ Transform El Camino Real into a **complete street**

## PROCESS

→ Create a **framework for change** aligning vision, process, and funding



# Goal 1: Safety

## Adopt an Injury-Prevention Mindset

### Action 1A



**Prioritize improvements for vulnerable roadway users** including people walking, biking, taking transit.

### Action 1B



**Manage conflicts** to reduce the likelihood of crashes.

### Action 1C



**Manage speeds** to reduce the severity of crashes.

# Goal 2: Mobility

## Transform El Camino Real into a Complete Street

### Action 2A



**Advance corridor-wide bike and transit improvements** to expand mobility choices

### Action 2B



**Enhance walkability** and amenities to support vibrant communities and a sense of place

### Action 2C

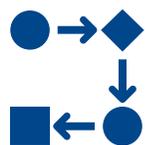


**Incorporate a context-sensitive approach** that adapts the countywide vision to local conditions



# Goal 3: Process Create a Framework for Change

## Action 3A



Pursue a **countywide project development process** in partnership with Caltrans

## Action 3B



**Align policies, processes, outreach and funding** around a unified vision

## Action 3C



**Maintain interagency collaboration** through construction

# Action Plan Priorities

Item #13.d.  
12/3/2025

## 2 An efficient and comfortable transit corridor

Transit improvements that reduce travel times and improve reliability, including bus lanes on congested segments of the corridor.

## 1 Elimination of fatalities and serious injuries

Manage speeds and conflicts while prioritizing vulnerable users

## 4 A walkable pedestrian environment

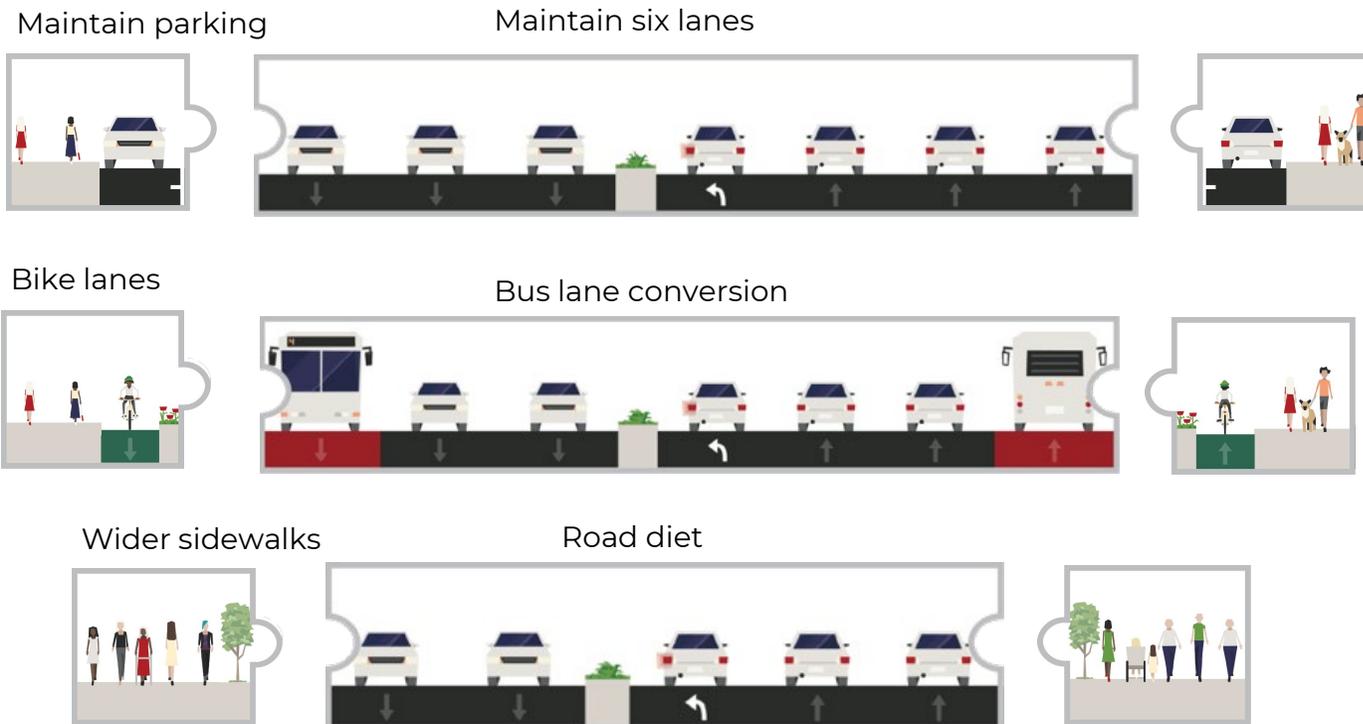
Sidewalk and crosswalk improvements throughout the corridor

## 3 A continuous bikeway for all ages and abilities

A corridor-wide backbone bikeway on El Camino Real or parallel streets

# Defining a Universe of Design Alternatives

- The Caltrans project development process requires looking at multiple alternatives
- All Action Plan alternatives maintain at least two travel lanes in each direction to provide space for new transportation uses
- Local planning processes will determine preferred designs in each jurisdiction
- GBI can help ensure consistency and cohesion



# Next Steps

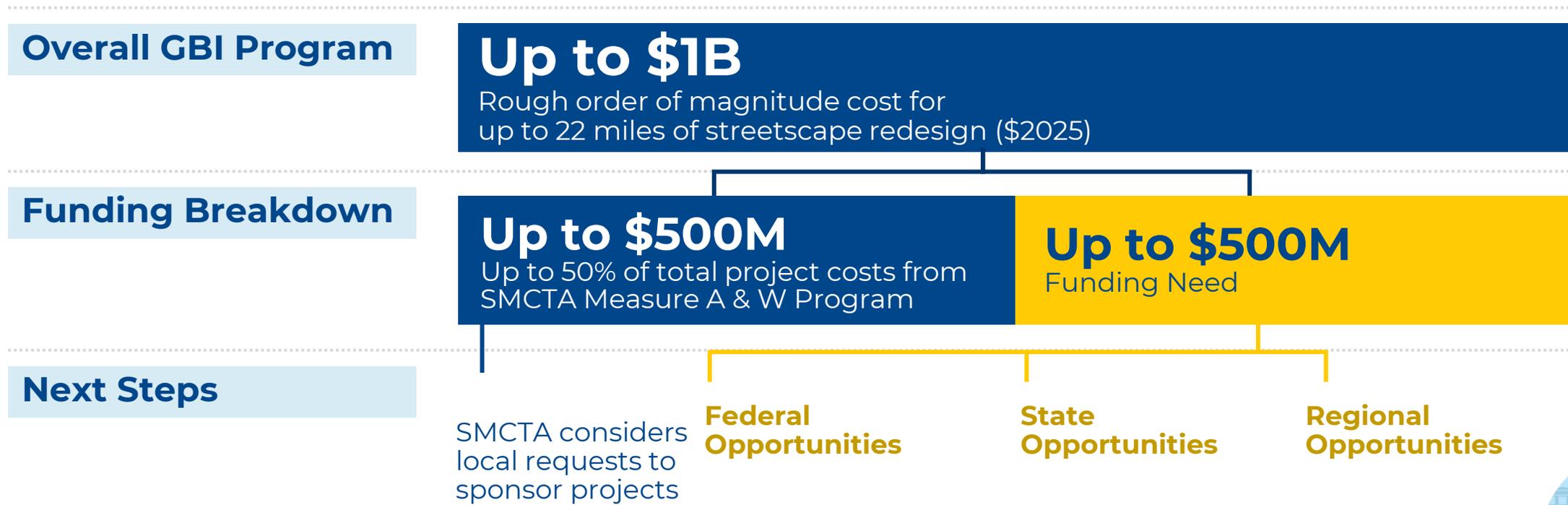


# GBI Roadmap



# GBI Funding Approach

Redesigning El Camino Real will be one of San Mateo County's largest transportation projects.



# Next Steps

- Draft Action Plan available for public review at: [samtrans.com/GBI](https://samtrans.com/GBI)
- Seek adoption of GBI Action Plan by SamTrans, SMCTA Boards in early 2026
- Local corridor studies concluding in 2026
- SamTrans to prepare Project Initiation Document in 2026 to begin Caltrans process





**Thank you!**

**For more information, please visit:**  
[www.samtrans.com/gbi](http://www.samtrans.com/gbi)

**For questions & comments,  
please email:**  
[grandboulevard@samtrans.com](mailto:grandboulevard@samtrans.com)

*The GBI Action Plan and Project Initiation Document are funded by SamTrans, a grant from the Metropolitan Transportation Commission, as well as a grant of local transportation sales tax dollars from the San Mateo County Transportation Authority*



**San Mateo County Transit District  
Staff Report**

To: Board of Directors

Through: April Chan, General Manager/CEO

From: Kate Steiner, Chief Financial Officer

Subject: **Acceptance of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025**

**Action**

Staff proposes that the Board of Directors (Board) accept the San Mateo County Transit District's (District) Fiscal Year 2025 (FY25) Annual Comprehensive Financial Report (ACFR). On November 14, 2025, the District's Audit Committee met and voted to recommend acceptance of the ACFR to the Board.

The Fiscal Year 2025 ACFR is attached.

**Significance**

Each year, District staff prepare a comprehensive report detailing the financial position and results of the organization. To ensure transparency and accountability, the District engages an independent auditor, Eide Bailly LLP, to conduct annual audits of the financial statements prepared by staff. These audits are performed in accordance with Generally Accepted Auditing Standards in the United States and the Government Auditing Standards issued by the Comptroller General of the United States. The independent auditor has issued an unmodified, or "clean" opinion on the Financial Statements.

The audited financial statements, along with the auditor's opinion, are published in the FY25 ACFR. This document serves as the District's primary vehicle for financial disclosure to the public and the financial community.

**Budget Impact**

There is no impact on the Budget.

**Background**

The FY25 ACFR is prepared in accordance with Government Accounting Standards Board (GASB) and is organized into three main sections:

- **Introductory Section:** Includes a Transmittal Letter and provides general information about the District's organizational structure, personnel, and economic outlook.

- **Financial Section:** Contains the audited financial statements and comparative financial data. It also includes the Management Discussion and Analysis (MD&A), which, alongside the Transmittal Letter, is especially valuable for those seeking a narrative overview of the District’s financial performance.
- **Statistical Section:** Offers a wide array of data on financial trends, revenue and debt capacity, operational metrics, economic and demographic indicators.

While the Introductory and Statistical Sections are not required by the California Government Code as part of the audited financial statements, they are essential components of the ACFR. The District’s FY25 ACFR includes these sections to provide stakeholders with a more complete and accessible understanding of the District’s financial condition.

Together, the three sections of the District’s FY25 ACFR offer both detailed data and contextual insight necessary to evaluate the District’s fiscal health.

The District’s FY25 ACFR will also be submitted to the Government Finance Officers Association (GFOA) for review and consideration for the Certificate of Achievement for Excellence in Financial Reporting. The District has earned this prestigious recognition every year the report has been submitted.

Prepared By:	Kyle Huie	Manager, Accounting	650-551-6180
	Annie To	Director, Accounting	650-622-7890

# San Mateo County Transit District

San Carlos, California



# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025  
With Comparative Totals for 2024



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**San Mateo County**  
**TRANSIT DISTRICT**

**San Carlos, California**

***Annual Comprehensive Financial Report***

**Fiscal Years Ended June 30, 2025 and 2024**

**Prepared by the Finance Division**

(DRAFT AS OF 10.24.25 6PM) 11.04.25 12PM

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## San Mateo County Transit District

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June 30, 2025 and June 30, 2024

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Board of Directors

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**MM DD, 2025 (DRAFT October 21, 2025)**

**To the Board of Directors of the  
San Mateo County Transit District and the  
Citizens of San Mateo County**

**San Carlos, California**

**Annual Comprehensive Financial Report  
Fiscal Year Ending June 30, 2025 (FY25)**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the San Mateo County Transit District (District) for the Fiscal Year ending June 30, 2025 (FY25). This transmittal letter 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 Management's Discussion and Analysis in the Financial Section.

Management assumes sole responsibility for all the information contained in this report, including its presentation and the adequacy of its disclosures. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect the District's assets from loss, identify and record transactions accurately, and compile the information necessary to produce financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed the likely benefits, the District's internal control system intends to provide reasonable (but not absolute) assurance that the financial statements are free from material misstatement.

To test the performance of the internal control system, the District contracted for independent auditing services from Eide Bailly LLP, a certified public accounting firm licensed to practice in the State of California. The auditor expressed an opinion that the District's financial statements are fairly stated in all material respects and in compliance with accounting principles generally accepted in the United States of America. This conclusion is the most favorable kind and is commonly known as an "unmodified" or "clean" opinion.

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**SECTION 1: PROFILE OF THE ORGANIZATION**

***Basic Information***

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. San Mateo County is located on the peninsula south of the City and County of San Francisco, bordered on the west by the Pacific Ocean, on the east by the San Francisco Bay and on the south by the counties of Santa Clara and Santa Cruz.

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. The District provides additional transit services including paratransit services along the coast extending south to Pescadero and in the rural areas of the county, and shuttle services contracted on behalf of partner agencies connecting rail stations to employment centers in San Mateo County. The District is a partner in a three-agency joint powers authority that owns and operates Caltrain, a commuter rail service between San Francisco and Silicon Valley. In addition, the District collaborates with other transportation and transit agencies in the San Francisco Bay Area to coordinate transit connections and services. No other organization within San Mateo County has a similar scope of responsibility for public transportation.

***History***

On January 1, 1975, the District began consolidating 11 separate municipal bus systems in San Mateo County to establish a countywide bus service where none had previously existed. By July 1976, the District had established a viable network of local bus service throughout a 446 square mile service area in the county. In 1977, the District added mainline service between Palo Alto and downtown San Francisco through a contract with Greyhound Lines, Inc. and inaugurated its Redi-Wheels demand response service for the mobility impaired. During its history of operations, the District has provided transportation to special events such as the Democratic National Convention, the Major League Baseball World Series and All-Star Games, the National Football League Super Bowl, World Cup Soccer, and the American Public Transportation Association's Commuter Rail Conference.

Since its inception, the District has fought to preserve the historic passenger rail service along the San Francisco Peninsula and led a successful campaign in the late 1970s to avert an impending decision sought by the Southern Pacific Transportation Company (SP) before state and federal regulatory agencies to discontinue this commuter rail service. In 1980, the California Department of Transportation (Caltrans) negotiated a purchase of service agreement with the SP to continue to operate the commuter rail service under the name "Caltrain" with the State subsidizing half of the costs of the continued commuter rail service and the three local transit agencies in the counties served by the rail service covering the balance of the costs. By the late 1980s, Caltrans advised the local agencies that it would no longer subsidize this regional commute service by the end of the decade and the local agencies would need to determine how they would assume control of the corridor and fund the rail service.

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By 1991, the Peninsula Corridor Joint Powers Board (JPB) was formed as a joint powers agency to control and manage the operation of Caltrain by its three member agencies: the City and County of San Francisco (CCSF), the District, and the Santa Clara County Transit District, now called the Santa Clara Valley Transportation Authority (VTA).

The SP right-of-way from San Francisco to San Jose was purchased using a combination of California State grant funds and local monies. The cost of the right-of-way was approximately \$210 million with SP granting a small credit off the price to be applied to the construction of CEMOF. State funding covered \$120 million, and the balance of the purchase price was then allocated amongst the three local agencies as follows: \$10.3 million for San Francisco, \$39.1 million for the District, and \$34.7 million for Santa Clara.

The District arranged to have San Mateo County Transportation Authority pay for the District's share out of 1998 Measure A funds programmed for "Caltrain Improvements." Neither San Francisco nor Santa Clara could meet their financial obligations, and as a result, the District advanced funds from its reserves to pay for its two partners' shares. This action led to execution of the 1991 Real Property Ownership Agreement ("1991 RPOA") to provide an orderly system of management, development and potential disposition of the right of way in light of the District's additional financial contribution on behalf of the District's two partner agencies. Per the 1991 RPOA, the other two agencies are to "use best efforts to reimburse the District with interest at the average rate of return that the District earns on its portfolio and compounded annually.

No payments were made by either San Francisco or Santa Clara for over 17 years. In 2008, the Metropolitan Transportation Commission (MTC) intervened and assisted in the negotiation with the three JPB Partner Agencies on how the two partner agencies would repay the District. As part of the negotiation, the parties agreed to execute an amendment to the 1991 RPOA, known as the 2008 Amendment. Purpose of the 2008 Amendment was to help with the repayment of the funds the District advanced on behalf of San Francisco and Santa Clara over a 10-year term, but most of the interest the District had earned on the advance of the shares for the other two partner agencies was to be forgiven. Because some of the State funds that San Francisco and Santa Clara were relying upon to repay the District were later no longer available several years after the execution of the 2008 Amendment, at the end of the 10-year term, in 2018, approximately \$20 million owed to the District was left unpaid.

The \$20 million still owed to the District was not discussed again until the three Partner Agencies began discussions on the governance of Caltrain around 2021. As part of the approved 2022 Caltrain Governance Memorandum of Understanding (MOU), San Francisco and Santa Clara along with the MTC repaid the District \$35 million, which included the \$20 million previously left unpaid plus another \$15 million to account only partially for the amount of time lapsed from when the District first advanced the funds in 1991 to when the funds due under the MOU were finally remitted to the District in late 2023.

With respect to the District's role in overseeing Caltrain, the District was selected as the Managing Agency for the locally controlled and operated Caltrain passenger service as described in the 1991 Joint Powers Agreement. Amtrak was retained by contract to serve as the JPB's rail operator until May 2012. After that,

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the contract to operate the rail passenger service was awarded by the JPB Board to Transit America Services Incorporated (TASI) after a competitive procurement process. The 2008 Amendment confirmed that the District is the Managing Agency, and it further designated that the District can hold that role for as long as the District desires it. The District was again confirmed as the Managing Agency in the 2022 Caltrain Governance MOU with some adjustments to the historic relationship by creating an Executive Director position reporting directly to the Caltrain Board and certain specified positions reporting directly to the Executive Director.

### ***Legal Status and Governance***

As a special district created by the state legislature with its own enabling legislation, the District is a legally separate and financially independent entity that is unrelated to San Mateo County or any other organization. The District administers all of the activities as well as the managing agency for the following:

1. The JPB which operates Caltrain, the history of which is described above, and
2. The San Mateo County Transportation Authority (TA), which administers the Expenditure Plan funded by a half-cent transportation sales tax approved by San Mateo County voters in 2004 which will continue in effect until January 2034, in addition to 50% of revenues generated by Measure W, a District initiated half-cent sales tax, which was approved by voters in November 2018.

The District also provides partial staffing to the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA), including Finance and Communications support. Other staffing needed by the SMCEL-JPA is provided by City/County of Association of Governments of San Mateo County (C/CAG).

These agencies have their own separate corporate identities and governance, and they are not component units of the District. Therefore, this ACFR and the financial statements contained within report solely on the activities, transactions and status of the District.

The District is governed by a nine-member Board of Directors consisting of two members appointed by the County Board of Supervisors and a public transportation expert appointed by the Board of Supervisors; three city councilmembers appointed by the City Selection Committee; and three members representing the general public, with one being a coastal resident, selected by the six appointed members. The Board meets monthly to set District policy. It has also established a 15-member Citizens Advisory Committee to represent transit users. This committee provides input to the Board on customer needs and helps inform the public about transit programs.

### ***Administration***

The District's organization includes all of the divisions described below:

The *Bus Division* is responsible for District fixed-route bus service, paratransit services, micro transit services, shuttle service contracts, and contracted urban bus services (CUB). The division is also responsible for quality assurance, non-revenue and revenue fleet maintenance, infrastructure improvements and construction, facilities maintenance, intelligent transportation systems (ITS), and bus

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stops, all in full accord with the requirements of the Americans with Disabilities Act (ADA). In its role as the managing agency for Caltrain and the TA, and in providing partial staffing to the Express Lanes JPA, the divisions of the District described below also provide shared services:

The *Communications Division* is responsible for customer service, marketing, advertising, distribution services, public information, media relations, legislative activities, and community outreach.

The *Executive Office* is responsible for providing support to the Board of Directors. This office also includes the Safety and Security, as well as the Board Secretary functions.

The *Finance Division* is responsible for financial accounting and reporting, capital and operating budgeting, payroll and vendor disbursements, investments and cash management, debt management, revenue control, purchasing, contract administration, grant administration, financial planning and analysis, and risk.

The *Division of Innovation and Technology (DoIT)* is tasked with overseeing and managing the District's innovation, information and technology functions. This includes critical areas such as Cybersecurity,

Technology Infrastructure, Data Center Management IT Applications and Software, Database Administration, Network Administration, Systems Administration, and IT Project Management Office (PMO and Artificial Intelligence initiatives).

The *People and Culture Division* is responsible for Office of Civil Rights (OCR), Employee and Labor Relations (ER), and Human Resources (HR) Services. OCR consists of Civil Rights and EEO, Diversity, Equity, Inclusion & Belonging (DEIB), Disadvantage and Small Business Enterprise (DBE/SBE) Administration, Contract (Labor) Compliance, and Title VI. ER consists of Employee and Labor Relations, Drugfree and Pull Notice Programs, and Performance Management. Human Resources consists of Total Rewards (Benefits, Employee Services, Leave Management, and HR Systems Application), Talent Management (Class and Comp, Recruitment, Training and Development), HR Policies and Strategies, and HR/Rail Shared Services.

The *Planning and Development Division* is responsible for the operations and strategic planning functions of the District system, as well as for the District's sustainability efforts which extend to Caltrain as well. In addition, the Division also oversees real estate leases and acquisition and disposal of properties for both the District and Caltrain, and transit-oriented development.

The *Transportation Authority Division* is responsible for operations of the TA, which is governed by its own independent Board of Directors, and for implementation and oversight of voter-approved Transportation Expenditure Plans adopted as Measure A in 1988 and renewed in 2004, as well as specified components of the Congestion Relief Plan adopted as part of the District's Measure W in 2018.

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***Budget***

The District implemented its first biennial budget with adoption of operating and capital budgets for FY24 and FY25. Instituting a biennial budget provides the agency with a more stable funding outlook, enabling more effective program and services management. This approach also allows the District to focus on its strategic priorities, increasing access and mobility, reducing congestion, and promoting economic vitality in San Mateo County. The Board of Directors monitors budget-to-actual performance through monthly staff reports. The Financial Section of this report includes a supplemental schedule that compares actual results on a budgetary basis of accounting to the final adopted budgets.

Once adopted, the Board of Directors has the authority to amend the budget. While the legal level of budgetary control is at the entity level, the District maintains stricter control at division, departmental, and line-item levels to serve various needs. Cost center managers monitor budget-to-actual performance on a monthly basis. The Board has delegated the authority to transfer budget amounts between divisions and departments to the General Manager/CEO or their designee. However, any increase to the expenditure budget as a whole requires the approval of the Board. In addition, the District uses the encumbrance system to reduce budget balances by issuing purchase orders to avoid over-commitment of resources.

The District employs the same basis of controls and accounting principles for both budgeted and actual revenues and expenditures. Proceeds from the sale of capital assets, unrealized investment gains and losses, and inter-fund transfers are not included in the budget. Pursuant to procedures established in its enabling legislation, the District establishes an appropriation limit for each annual budget cycle. The appropriation limit for Fiscal Year 2025 was \$308.5 million.

***SECTION 2: FINANCIAL OUTLOOK & INITIATIVES******Financial Stability and Strategic Planning***

From 1991 to 2003 the District funded significant amounts of the capital costs associated with the BART extension to San Francisco International Airport (SFO) and Millbrae as well as covered the extension operating cost deficits from 2003 to 2007. The District took on significant debt to do so. In 2007 the District entered into an agreement with BART and the Metropolitan Transportation Commission (MTC) whereby BART assumed responsibility for all future operations and capital costs with certain continuing contributions from the District in the form of diverted annual STA funding to BART and an annual 2% contribution of Measure A funding to BART that continues through 2033. The District continually looks at ways in which to responsibly administer the debt it has assumed. In 2015 issued bonds in the amount of \$250 million, which enabled the District to make payments to conclude the agreement for funding the extension of BART south to San Francisco International Airport (SFO), by refunding multiple prior issuances and restructuring them at lower rates. In March 2025, the District issued the 2025 Series A Bonds to refund the 2015 Bonds. The refunding lowered the District's overall debt service payments by \$13.4 million through 2034. Net present value (NPV) savings was \$11.6 million or 8.46% of the par amount of the refunded bonds. The gross fundings escrow resulted in \$1.47 million in earnings. In connection with the refunding, the District's bond credit rating was affirmed at 'AAA' with 'Stable' outlook by Standard & Poor's.

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In November 2018, voters in San Mateo County approved the 30-year Measure W half-cent sales tax that the District initiated with special state legislative authority. Starting in July 2019, the District began administering 50% of the funds received from Measure W, providing a supplemental resource to improve transit services and reduce travel times, and to fund several crucial capital projects, including the transition of the diesel to a zero-emission fleet. Measure W should materially improve the District's financial condition during its term through June 30, 2049. The remaining 50% of Measure W is administered by the TA.

Thanks to funding made available through Measure W, the District completed a Comprehensive Operational Analysis in March 2022, "Reimagine SamTrans," which included adoption of a new fixed-route bus network and associated service plan to be operationalized over the next several years. Implementation of the final network occurred over multiple phases between Summer 2022 and Summer 2024. The full Reimagine SamTrans network was implemented in full as of August 2024, completing a multi-year effort to bring new routes and services to more places, at more times, and with more convenience to transit riders throughout San Mateo County.

The District adopted its 10-year Strategic Plan, "Moving San Mateo County", in November 2024, to cover the horizon planning years between 2026 through 2035. This planning effort establishes agency-wide goals, values, and priority initiatives for the next 10 years. More details on the Strategic Plan are provided in the Major Initiatives section below.

***Local Economy***

The Bay Area continues to recover from the pandemic, with inflation slowing since its 2022 peak. From June 2024 to June 2025, Bay Area inflation was 1.5%, which was slower than the national average of 2.7%. This was largely due to a 3.7% drop in gasoline prices. Economists anticipate potential inflationary impacts from tariffs, though their scope and duration will determine the full extent.

In the first half of calendar year 2025 (CY25), the Bay Area experienced job losses, especially in professional and business services, information technology, and financial activities. Economic growth in the second half of CY25 may be hindered by factors such as Federal Reserve interest rate policies, labor market performance, and challenges in the commercial and residential real estate sectors across San Francisco, San Mateo, and Santa Clara counties.

According to the California Employment Development Department, San Francisco and San Mateo counties lost a combined 6,200 jobs, a 0.5% decline between June 2024 and June 2025. The sectors that were impacted the most were professional services, information technology, and financial activities, but were partially offset by gains in private education, health services, and construction. During this period, the unemployment rate in the San Francisco - San Mateo metropolitan division rose from 3.8% to 4.2%, even as the civilian labor force grew by 0.4% (4,000 people).

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The District's transition to zero-emission buses continues to move forward in 2025. The District is continuing its shift to a cleaner, more sustainable bus fleet with the development of a permanent hydrogen fueling station at its North Base facility in South San Francisco. The District Board of Directors approved two contracts with Trillium USA Company, LLC: a \$17.37 million contract for the design, construction and commission of the fueling facility, and up to a \$2.97 million contract for the maintenance service over a potential five-year term. This new permanent station will ensure the District has the infrastructure needed to power a large-scale Fuel Cell Battery Electric Buses (FCEB) fleet efficiently and safely. As of June 2025, there are 17 battery-electric buses (BEB), and 10 FCEBs operating in revenue service. 20 additional BEBs and 1 FCEB will be put into revenue service by the end of calendar year 2025.

The District's total fixed-route ridership continues to recover from the pandemic. The District's bus routes have seen an average weekday ridership growth from the second half of 2024 into the first half of 2025, starting at an average of 28,579 weekday riders in July of 2024, to an average of 31,404 weekday riders in June of 2025. The District's total fixed-route bus ridership recovery in June 2025 reached 95% of the pre-pandemic total bus ridership in June 2019.

Housing affordability in the entire Bay Area remains a constant concern moving forward into the second half of 2025. Concerning the housing market for existing single-family housing, according to the California Association of Realtors the median price for existing single-family detached homes for the state of California in June 2025 was \$899,560, down 0.13% from June 2024. Single-family home prices in all three counties continue to rise year-to-year; as of June 2025, Santa Clara County is leading the percent price increase in the Bay Area with a year-to-year gain of 7.8%, followed by San Francisco County at 3.3%, and San Mateo County at an increase of 1.9%. High interest rates, low inventory and zoning restrictions continue to limit new housing supplies which will limit affordability in the Bay Area.

San Mateo County's population has declined 4.22% since the 10-year peak in 2019 at 774,231 residents, to 741,565 residents in 2024. According to the latest San Mateo County Economic Forecast in 2023 published by Caltrans, the population for San Mateo County is expected to decline until 2031.

San Mateo, San Francisco, and Santa Clara counties per capita personal income continue to outpace the rest of California, seeing consecutive growth in income over the past three years. As per the San Mateo County 2024 annual comprehensive financial report, San Mateo County continues to be held as one of the most affluent regions in California, with the highest per capita income estimated at \$178,013 in 2024, which is a 3% increase from the counties' per capita income of \$172,828 in 2023.

***Major Initiatives***

The District plans to continue providing coordinated transit services including bus, paratransit, micro transit, and shuttle services. The District has begun the planning phase for a Dumbarton West Connector (also referred to as the Dumbarton Busway Feasibility Study), a proposed transitway and multimodal corridor project. This initiative will analyze the feasibility and viability of developing the underutilized Dumbarton Rail Corridor, spanning between Redwood City Transit Center and along the Peninsula, between East Palo Alto and Redwood City. Work for the Dumbarton West Connector project will launch in earnest in FY26 with funding from Regional Measure 3. The initial Dumbarton Busway Feasibility study will analyze several alternatives and develop preliminary designs for the transit corridor, including

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potential bicycle and pedestrian connections. Following comprehensive technical analysis and public outreach, the study will recommend a busway or other multimodal design concept to repurpose the corridor for passenger transportation.

In fall 2024, the District successfully concluded significant collective bargaining agreements (CBA) with both the Amalgamated Transit Union (ATU) Local 1574 and the International Brotherhood of Teamsters (IBT) Local 856. The four-year agreement with ATU Local 1574 for bus operators and maintenance personnel provides a 4% wage increase in the first year, followed by 3.5% increases in the second and third years, and another 4% increase in the final year. The three-year agreements with IBT Local 856 represent various supervisory and inspection roles. The latest CBA includes competitive wage increases and targeted equity adjustments. These new contracts, achieved following diligent negotiations, stabilize labor relations and affirm the District's commitment to its valued workforce, ensuring continued reliable transit service for the community while prudently managing the increased personnel costs within the District's fiscal framework for FY25 and beyond.

The District has resumed the Grand Boulevard Initiative (GBI) work in 2024 and took a leadership role in the creation of a true multi-modal El Camino Real corridor, with faster, more reliable bus service as a cornerstone of the available transportation options. The GBI Working Group, led by the District and the TA in partnership with all cities along the corridor, will produce a GBI Action Plan outlining the purpose & need of improvements on El Camino Real in fiscal year 2025, after which the group will begin the Project Initiation Document (PID) phase of the Caltrans project development process.

The District recently completed a Bus Stop Improvement Plan (BSIP) which calls for a major investment in amenities and customer experience improvements at bus stops throughout the District bus network. This plan was approved by the District Board of Directors in May 2024 and will move into implementation, seeking to deliver the first phase of priority bus stop improvements within 3-5 years. District staff have compiled a master listing of improvements along with their corresponding priorities to seven defined criteria. The lifecycle plan will include 330 new shelters, 650 shade structures, and 580 benches across 1800+ bus stop locations. District's "Phase 1" efforts will focus on 225 designated sites which carry the highest priority ratings. Staff have already completed six bench installations (Phase 0) from existing materials within the initial 60 days. The District has since engaged a design firm to prepare detailed plans for the construction of these improvements, as well as to engage internal/external stakeholders. Design plans for the initial group of Bus Stops, designated with the highest BSIP priority ratings, have been completed. Bidding and award of these initial improvements are expected by January 2026. Construction for this initial group of Bus Stops are expected to be completed by July 2026. Subsequent phases will proceed sequentially through June 2029.

The District awarded MV Transportation a five-year contract in early 2024 to operate just under a third of the agency's fixed-route bus service. The contract, which provides Contracted Urban Bus (CUB) Service, runs from the calendar year 2024 to 2029 and restricts expenses during those five years to \$151.2 million. The award of the contract provides The District with an experienced firm responsible for operating, dispatching, managing, and maintaining the District-provided buses for CUB Services in a safe, timely, and professional manner. Additionally, the contractor will provide appropriate vehicle storage and maintenance facilities.

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The District plans to design, procure, and construct permanent or semi-permanent operator restrooms. A \$11 million project from FY24 to FY32 for 20-40 sites. Benefits of these plans will include providing the District with the ability to meet operators' need to have a safe, clean facility to use while on the job, support talent acquisition by providing a desired amenity that is properly maintained, achieve parity with other services and departments that provide staff amenities, support overall efficiency of transit operations, and related operational needs. District's "Bus Operator Restrooms Phase 1" efforts are focused on four designated 'pilot sites' which were collaboratively selected by stakeholder departments. The District has since retained a design firm to assess pilot sites and to guide District staff in weighing options which vary across 20-40 locations. Staff/designers have jointly completed site visits and stakeholders have reviewed preliminary plans in August 2024. The District has engaged with property owners to secure easements and Right-of-Way agreements, which are still in ongoing negotiations. Tentative plans for the four pilot sites have design completion set for January 2026, with bidding and contract award in August 2026, and construction finalized by July 2027. The experience gained from these pilot projects will improve the District's efficiency and quality for all future bus operator restroom facilities.

In November 2024, the District adopted a new strategic plan, "Moving San Mateo County," designed to guide major agency decisions through 2035. This plan provides a comprehensive policy framework to shape the District's service priorities, operational strategies, and investments. It also outlines the District's roles as a workplace, an employer and a managing agency for other regional transportation entities, including Caltrain and the TA. The District's strategic goals are: Deliver better mobility services; provide outstanding customer experience; become an employer of choice; lead responsibly; ensure effective management; and exercise collective efforts. The planning process incorporated extensive input from both internal and external stakeholders, including District employees and the broader Peninsula community. Feedback was gathered through interviews, surveys, workshops, listening sessions, and community meetings. The plan also reflects insights from recent District initiatives, including Reimagine SamTrans, the Bus Stop Improvement Program, and multiple passenger surveys. In FY26, staff will begin implementation of the strategic plan, and report progress annually.

In FY25, District staff developed the draft 4-year capital improvement program (CIP) for FY26-29 and supporting 10-year capital program for FY26-35. The CIP established a framework for maintaining assets in a state of good repair, advancing zero-emission goals, and improving customer experience across the District's service area. The FY26–29 CIP recommends \$479 million in capital projects based on available District and external funding. The companion 10-Year Capital Program identifies an unconstrained list of longer-term capital needs totaling nearly \$2 billion through FY35. While adoption of the plan does not commit funds to individual projects, it provides a roadmap for how the District will prioritize and pursue capital investments. Projects were evaluated and ranked through a structured process, emphasizing factors such as operational effectiveness, customer experience, and safety. The resulting program is organized around six key investment areas: State of Good Repair, Zero Emission Bus Transition, Improving Customer Experience, Investing in Our Organization, Enhancing Service, and Striving for Innovation. The FY26-29 CIP and FY26-35 10-year Capital Program were adopted by the District Board of Directors in July 2025. The CIP and 10-year Capital Program will be updated every two years.

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The District has committed significant resources to supporting regional transportation options. These include sustainable transportation and interconnectivity over the next several years as local agencies are encouraged to implement Transportation Systems Management plans designed to reduce highway congestion and improve air quality. Continuing a long history of serving San Mateo County residents with mobility impairments, the District will also manage the demand for paratransit services.

As part of the State and Board mandate, the District has been investing in zero-emission bus technology to advance California's climate change and energy policy goals. In late FY22, the District purchased 37 battery electric buses (BEBs) and 10 fuel cell electric buses (FCEBs). Per the California Air Resource Board's (CARB) Innovative Clean Transit (ICT) regulation, The District submitted the District ICT Plan in May 2021. The plan, which was approved by CARB, reflects the District's commitment to accelerate compliance with the State's regulation by replacing its entire fleet with zero-emission technology and providing zero emission transportation in advance of the State's 2040 deadline. An updated ICT Plan was approved by the Board in December 2023 to adjust the types of technology the District will be investing in, as well as the timing, in order to achieve the zero emission goals. In late FY23, the first of (17) battery electric buses entered revenue service. In late FY24, the District issued a contract to purchase 108 FCEBs to replace diesel buses. These buses are anticipated to be delivered between late 2025 and mid-2027, which will make a significant impact towards reducing greenhouse gases in The District's service area.

The District has implemented all phases of "Reimagine SamTrans" providing fixed route bus service changes consistent with the plan's recommendations by Summer of 2024. In 2023, the District launched a micro transit service called "SamTrans Ride Plus" in two areas of San Mateo County. "Reimagine SamTrans" called for increased frequency and off-peak services, new limited stop routes, consolidated routes, and the new micro transit service. More information on "Reimagine SamTrans" can be found at <https://www.samtrans.com/planning/reimaginesamtrans>. In FY25, the District reached 105% of pre-pandemic bus ridership, demonstrating a strong ridership recovery compared to 2019-2020 ridership.

The District also began work to repair, modify, and/or replace its major facilities. The following work is underway:

1. North Base Bus Transportation Building 200: Field investigations and independent evaluations completed in 2010 and 2019 for North Base's Building 200 and the surrounding area have determined that extensive settlement has occurred and will likely continue. The resulting building assessment recommends the removal and replacement of the existing structure to ensure the safety, functionality, sustainability, durability, and cost-effectiveness for The District's bus operations, employees, and visitors. During the next two years, the District will complete engineering design studies and conduct the procurement process to begin construction of a new building.
2. North Base and South Base: A project is underway to assess the North Base and South Base structures and facilities to develop recommendations to repair, modify, and/or replace the buildings. The project will also fund work by an architectural and engineering firm to conduct a systematic field survey of both the facilities, establish reliable baseline civil data, and develop computer-aided design and drafting (CADD) files to allow effective planning and execution of construction projections.

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3. **West Base Colma Training Facility:** In support of the Innovative Clean Transit (ICT) capital projects taking place at the North Base and South Base, as well as adding bus operator training capacity to support Reimagine, the District invested \$550K to establish a new temporary training facility at the Colma-BART Park-n-Ride lot. The temporary trailers provide additional training capacity that enabled the District to execute monthly classes that included classroom instruction and behind-the-wheel training.
4. The District's Adaptation and Resilience Plan identifies the District's vulnerability to sea level rise, floods, and heat-related climate change impacts. It also provides potential action alternatives to improve resilience — a particular concern for the North Base and South Base operations and maintenance facilities, which are located adjacent to the San Francisco Bay. In the next two years the District will develop design plans and coordinate with neighboring partners to initiate the required environmental clearance process for the associated project(s).
5. **District Headquarters Building (San Carlos):** The District headquarters building was constructed in the mid-1970s to serve as the headquarters of Eureka Federal Savings and Loan. The District purchased the current facility in May 1990. Since the early 2000s, the District has been addressing the efficiency and functionality of the headquarters building. In 2019 the Board began to seriously evaluate options for the potential rehabilitation or reconstruction of the building on its current site. More recently, based on current real estate market dynamics, a third option, to acquire an office building in San Mateo County, became more feasible. In August 2023 the Board directed staff to pursue the acquisition of a new headquarters building in the County, subject to certain parameters. In December 2023 the Board authorized the General Manager to enter into a lease-to-purchase agreement for an approximately 180,000-square-foot office building located at the Gateway at Millbrae Station, adjacent to a transit center serving the District, Caltrain, BART, and commuter shuttles. Gateway at Millbrae Station is part of a transit-oriented development constructed by Republic Urban Properties in conjunction with The Core Companies, on a ground lease from BART.
6. The Division of Innovation and Technology has established three fundamental focus areas, each indispensable to technology metamorphosis:
  - I. **Technology Modernization:** Embracing cutting-edge technologies and leveraging cloud-based solutions, it will fortify our technology infrastructure, ensuring its agility, robustness, and adaptability for the challenges ahead. A few major initiatives include implementing a new Enterprise Asset Management, Enterprise Resource Planning modernization and Enterprise Performance Management systems and Enterprise Content Management Systems. Several existing Transportation Applications like Computer Aided Dispatch, Automatic Vehicle Location, and scheduling systems are also being upgraded to take advantage of new features and functionalities.

San Mateo County Transit District  
Letter of Transmittal  
Fiscal Year Ending June 30, 2025

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- II. **Cybersecurity Program:** Recognizing the sanctity of our organization's data and assets, IT will implement comprehensive security measures, including advanced threat detection, security audits, and employee awareness training, to reinforce our cybersecurity defenses.
- III. **Data-Driven Decision Making:** Utilizing data analytics and insights, Data and Analytics programs will be implemented that will allow strategic decision making that will propel our organization towards a brighter future, fostering a culture of unceasing growth and improvement.

Each of these focus areas has objectives and priorities assigned to actionable projects over the next 3 to 5 years.

### ***Motor Bus Operations***

The District designs its bus services to meet the needs of San Mateo County residents, workers, and visitors. Bus service is offered throughout San Mateo County and into select areas of San Francisco and Santa Clara counties. Many bus routes make connections to Caltrain, BART, and the SFO. Each bus has a bicycle rack, allowing for multimodal use. Starting in 2019, all fixed route buses provide on board Wi-Fi, and new buses will arrive with USB charging stations. The District provides transportation services from early morning until just past midnight. Fixed-route bus ridership peaked in San Mateo County at 20.9 million in 1982 but later declined to 12.4 million in 2013.

The implementation of the District Service Plan, adopted in May that same year, resulted in an initial increase in ridership, which grew 3.0% in FY14 and another 2.9% in FY15. However, ridership declined again by 2.7% in FY16, and the decline persisted through FY19. The District started to see an increase in ridership beginning in August 2019 with the launch of its new Foster City-San Francisco Commuter Express Bus service (Route FCX). The COVID-19 pandemic had a significant negative impact on ridership. Over the past four years, the District ridership has continued to recover, reaching 10.75 million trips in FY25, which is 97.9% of the 10.99 million trips during the 12 months prior to COVID-19 and compares to 4.5 million trips in FY21.

### ***Paratransit Services***

The District provides accessible transportation services throughout San Mateo County with fixed-route, Redi-Wheels, and RediCoast services. The entire fleet of fixed-route buses is equipped with wheelchair ramps and a kneeling feature. Redi-Wheels and RediCoast members and their Personal Care Attendants are allowed to ride all fixed-route The District buses for free at all times. For persons with disabilities who cannot use fixed-route buses, the District provides Redi-Wheels and RediCoast as alternatives. The COVID-19 pandemic had significant ridership implications for the paratransit riders and ridership recovered to 69% of FY19 (pre-COVID-19) levels in FY25.

San Mateo County Transit District  
Letter of Transmittal  
Fiscal Year Ending June 30, 2025

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***District's role as a Managing Agency: Caltrain***

Also as discussed above, the District has served as the managing agency of Caltrain since 1991. The District continues to provide shared services staff to support the operation of the commuter rail service on the 77-mile corridor between San Francisco and Gilroy. In September 2024, Caltrain completed a \$2.44 billion dollar Peninsula Corridor Electrification Project (PCEP), which includes the installation of electric infrastructure and the procurement of new, high-performance zero emission trains. The new electrified Caltrain service is expected to increase the ridership capacity of the system, decrease travel times, and enhance the overall customer experience. Electrified Caltrain mainline service began in September 2024. In August 2022, a Caltrain Governance Memorandum of Understanding (MOU) was signed between the Caltrain Board of Directors, VTA, the District, and the CCSF. The MOU affirmed that the District would remain the Managing Agency for Caltrain for so long as it desired this role, with some modifications laid out in the MOU. It also required the repayment of the outstanding balance of funds still owed to the

District by MTC, CCSF, and VTA as a result of the compromise repayment schedule established in the 2008 Amendment to the Real Property Ownership Agreement for funds the District put forth to purchase and preserve the Peninsula rail corridor. Furthermore, the parties to the MOU agreed to establish a new Caltrain Executive Director position that reports to the JPB Board of Directors, and to have certain functions within the Rail Division report directly to the Caltrain Executive Director.

These functions include Rail Operations and Maintenance, Rail Planning, Rail Contracts and Budgets, Rail Development, and Peninsula Corridor Electrification Program. The Caltrain Governance MOU also provided that upon repayment of the District's initial investment in the Caltrain Right of Way in the amount of \$35 million, the District is required to reconvey its tenancy in common interest in the Right of Way to the JPB. The repayment was completed in FY24, and the District is completing the reconveyance to the JPB.

District staff produce a separate ACFR for the JPB, which can be viewed online:

<https://www.caltrain.com/about-caltrain/statistics-reports/annual-comprehensive-financial-reports>

***District's role as a Managing Agency: San Mateo County Transportation Authority (TA)***

The District also provides staff and administrative support for the TA, which programs and appropriates funds from two half-cent county sales taxes, Measure A and Measure W. The voters first authorized Measure A in 1988 and then approved its reauthorization in November 2004. The current Measure A runs through December 2033.

San Mateo County Transit District  
Letter of Transmittal  
Fiscal Year Ending June 30, 2025

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The TA programs allocate sales tax revenues to designated project sponsors that are responsible for delivering a broad spectrum of transportation projects and programs pursuant to a Transportation Expenditure Plan (TEP). The TEP includes these six program categories: Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian and Bicycle, and Alternative Congestion Relief Programs. The TA is also a member of the SMCEL-JPA formed to own, manage, operate, and maintain Express Lanes along the US101 corridor in San Mateo County. The District and its JPA partner, the C/CAG both provide staff and administrative support for the SMCEL-JPA.

In November 2018, San Mateo County voters approved Measure W, a sales tax measure that provides an additional half-cent sales tax for 30 years to fund countywide transportation and traffic congestion solutions in San Mateo County. The District imposes the tax and administers the investments in the County Public Transportation Systems Program Category in the associated Measure W Congestion Relief Plan, which represents 50% of the proceeds.

Pursuant to Measure W, the District has designated the TA to administer the remaining 50% of Measure W sales tax proceeds in the following five categories:

1. Countywide Highway Congestion Improvements
2. Local Safety, Pothole and Congestion Relief Improvements
3. Grade Separations
4. Bicycle and Pedestrian Improvements
5. Regional Transit Connections

The TA is a co-sponsor of the San Mateo County 101 Express Lane Project and a member of the SMCEL-JPA formed to own, manage, operate, and maintain Express Lanes along the 101 Highway corridor in San Mateo. The District and its JPA partner, the C/CAG both provide staff and administrative support for the SMCEL-JPA.

In total, the TA programs and appropriates funds for a combined  $\frac{3}{4}$ -cent sales tax, including  $\frac{1}{2}$ -cent from the sales tax measure reauthorized in 2004, and  $\frac{1}{4}$ -cent from the Measure W sales tax enacted in 2018.

District staff produce a separate ACFR for the Transportation Authority, which can be viewed online:

<https://www.smcta.com/resources/finance/annual-comprehensive-financial-reports>

#### **ACKNOWLEDGMENTS AND AWARDS**

The District staff brings an effective combination of skill, experience, and dedication in carrying out the District's mission. Together, they plan, develop, and finance the creation of a modern, coordinated multimodal transportation system offering convenient access to the many attributes of the Bay Area and beyond.

San Mateo County Transit District

Letter of Transmittal

Fiscal Year Ending June 30, 2025

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In fall 2024, the District was honored with the Outstanding Public Transportation System Achievement Award from the American Public Transportation Association (APTA). This prestigious award recognizes The District for its superior achievement in efficiency and effectiveness. The accolade underscores our commitment to providing safe, reliable, and innovative transportation services to the communities of San Mateo County.

The Government Finance Officers Association (GFOA) recognized the District's FY24 Annual Comprehensive Financial Report for excellence in financial reporting and the Certificate of Achievement appears immediately following this transmittal letter. To be awarded a certificate, a report must be easy to read and efficiently organized, while satisfying both generally accepted accounting principles and applicable legal requirements. We believe our Fiscal Year 2025 ACFR also meets the requirements for a Certificate of Achievement, and we will submit it to the GFOA for evaluation. We would like to thank our independent audit firm, Eide Bailly LLP, for its timely and expert guidance in this matter.

An ACFR requires the dedicated effort of many individuals working together as a team. We extend our grateful recognition to all the individuals who assisted in both the preparation of this report and the processing of financial transactions throughout the Fiscal Year.

Finally, we wish to thank the Board of Directors for their interest and support in the development of a reliable financial management and reporting system.

Respectfully,

April Chan  
General Manager/CEO

Kate Jordan Steiner  
Chief Financial Officer

San Mateo County Transit District  
Government Finance Officers Association (GFOA) Certificate of Achievement  
June 30, 2025

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**San Mateo County Transit District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**JEFF GEE, Chair**

**MARIE CHUANG, Vice Chair**

**DAVID J. CANEPA**

**BROOKS ESSER**

**MARINA FRASER**

**RICO E. MEDINA**

**JOSH POWELL**

**PETER RATTO**

**JACKIE SPEIER**

**GENERAL MANAGER/CEO**

April Chan

**DEPUTY GENERAL MANAGER/CEO**

David Santoro

**EXECUTIVE OFFICERS**

Emily Beach - Chief Communications Officer

Nate Kramer - Chief People & Culture Officer

Mehul Kumar - Chief Information & Technology Officer

Josh Mello - Executive Officer, Planning & Development

David Olmeda - Chief Operating Officer, Bus

Margaret Tseng - Executive Officer, District Secretary

Peter Skinner - Executive Officer, Transportation Authority

Kate Jordan Steiner - Chief Financial Officer

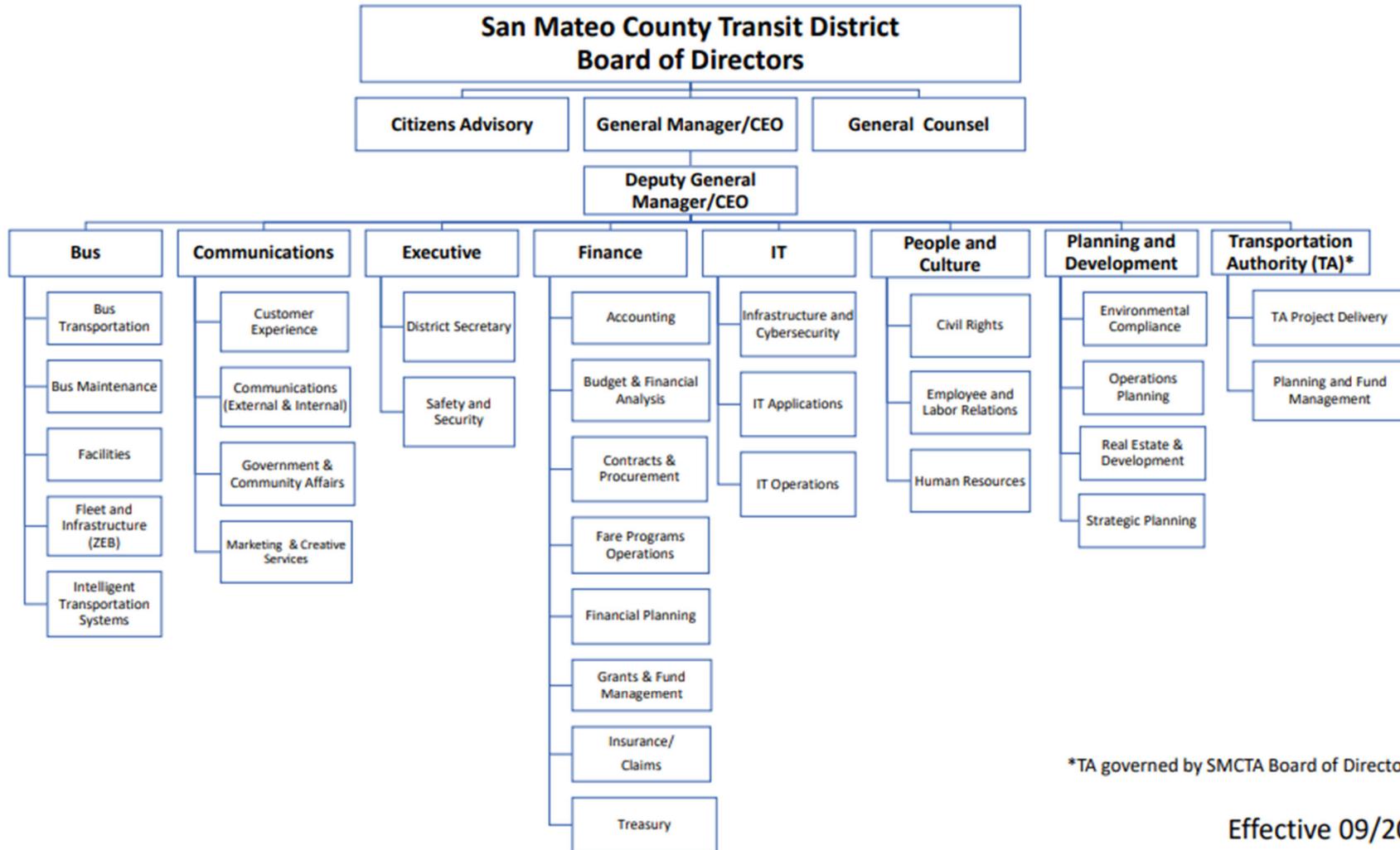
**GENERAL COUNSEL**

Hanson Bridgett LLP

Joan Cassman, Esq.

DRAFT

San Mateo County Transit District  
Organization Chart  
June 30, 2025



\*TA governed by SMCTA Board of Directors

Effective 09/2025

## SAN MATEO COUNTY, CALIFORNIA



San Mateo County Transit District

Maps  
June 30, 2025



San Mateo County Transit District

Table of Credits

June 30, 2025

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The following individuals contributed to the production of the Fiscal Year 2025 Annual Comprehensive Financial Report:

**Finance**

Chief Financial Officer	Kate Jordan Steiner
Director, Accounting	Annie To
Manager, Accounting	Kyle Huie
Manager, Treasury Debt & Investment	Adela Alicic

**Audit Firm**

Partner	Ahmad Gharaibeh, CPA
Senior Manager	Joe Escobar, CPA, CGFM

**Financial**

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

- Statement of Net Position
- Statement of Revenue, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

Required Supplementary Information

- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of OPEB Contributions
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Pension Contributions

Supplementary Information

- Schedule of Revenues, Expenses, Capital Outlay and Long-Term Debt Payment Comparison of Budget to Actual (Budgetary Basis)

Notes to Supplementary Information

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## Independent Auditor's Report

To the Board of Directors of the  
San Mateo County Transit District  
San Carlos, California

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the business-type activities of the San Mateo County Transit District (District) as of and for the years ended June 30, 2025 and June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2025 and June 30, 2024, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net OPEB liability and related ratios, schedule of OPEB contributions, schedule of changes in the net pension liability and related ratios and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated [date] on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Draft  
Menlo Park, California  
date

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Management's Discussion and Analysis  
June 30, 2025

## San Mateo County Transit District

San Mateo County Transit District  
Management's Discussion and Analysis  
June 30, 2025 and June 30, 2024

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**Management's Discussion and Analysis**

This discussion and analysis of the San Mateo County Transit District's (District) financial performance provides an overview of the District's activities for Fiscal Years ended June 30, 2025 and June 30, 2024, with comparisons to the prior two Fiscal Years. We encourage readers to consider the information presented here in conjunction with the transmittal letter contained in the Introductory Section and with the statements and related notes contained in the Financial Section.

**Financial Highlights**

- On June 30, 2025, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$632.9 million (*net position*). Of this amount, a surplus net position of \$411.9 million represents the unrestricted net position. On June 30, 2024, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$567.1 million. Of this amount, a surplus net position of \$366.7 million represents the unrestricted net position.
- The District's total net position increased by \$65.8 million in Fiscal Year 2025 and increased by \$110.5 million in Fiscal Year 2024. The increase in Fiscal Year 2025 was mainly due to the operating assistance (including transaction and use tax) exceeding the operating expenses, depreciation, and amortization by \$4.4 million, \$19.2 million in capital contributions, and higher investment income of \$35.4 million. The increase in Fiscal Year 2024 was mainly due to the operating assistance (including transaction and use tax) exceeding the operating expenses, depreciation, and amortization by \$35.3 million, \$24.0 million in capital contributions, and investment income of \$26.6 million.

**Overview of the Financial Statements**

The Financial Section of this report presents the District's financial statements as two components: basic financial statements and notes to the financial statements. It also includes other supplemental information in addition to the basic financial statements intended to furnish additional detail to support the basic financial statements themselves.

**Basic Financial Statements**

The *Statement of Net Position* presents information about assets, deferred outflows and liabilities and deferred inflows with the difference between the four reported as *net position*. The change in net position over time is an indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* reports how net position has changed during the year and presents a comparison between operating revenues and operating expenses. Operating revenues and expenses are related to the District's principal business of providing bus transit services. Operating expenses include the cost of direct services to passengers, administrative expenses, contracted services, and depreciation on capital assets. All other revenues and expenses not included in these categories are reported as nonoperating.

San Mateo County Transit District  
Management's Discussion and Analysis  
June 30, 2025 and June 30, 2024

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The *Statement of Cash Flows* reports inflows and outflows of cash and is classified into four major components:

- *Cash flows from operating activities* which includes transactions and events reported as components of operating income in the statement of revenues, expenses, and changes in net position.
- *Cash flows from non-capital financing activities* which includes operating grant proceeds as well as operating subsidy payments from third parties and other nonoperating items.
- *Cash flows from capital and related financing activities* which arise from the borrowing and repayment (principal and interest) of capital-related debt, the acquisition and construction of capital assets and the proceeds of capital grants and contributions.
- *Cash flows from investing activities* which includes the proceeds from the sale of investments and receipt of interest. Outflows in this category include the purchase of investments.

#### **Notes to the Financial Statements**

Various notes provide additional information that is essential to a full understanding of the information provided in the basic financial statements and are found immediately following the financial statements to which they refer.

#### **Other Information**

This report also presents certain required supplementary information in accordance with the requirements of generally accepted accounting principles providing information about the status of the District's pension liability for its public employee retirement system and information about its other post-employment benefits unfunded liability. Additional supplementary information and associated notes concerning compliance with the District's annual budget appear immediately following the required supplementary information.

#### **Analysis of Basic Financial Statements**

In Fiscal Year 2025, total assets and deferred outflows were \$1,043.2 million, an increase of \$50.5 million or 5.1% compared to June 30, 2024. In Fiscal Year 2024, total assets and deferred outflows were \$992.7 million, an increase of \$100.1 million or 11.2% compared to June 30, 2023. Total current assets increased by \$30.0 million or 6.5% to \$488.2 million on June 30, 2025, from \$458.2 million on June 30, 2024, and increased by \$5.0 million or 1.1% on June 30, 2024, compared to June 30, 2023. Capital assets net of accumulated depreciation and amortization increased by \$19.1 million or 10.9% to \$194.2 million on June 30, 2025, compared to 2024 and increased by \$21.5 million or 14.0% in 2024 compared to 2023. Land, buses, and related equipment and building and related improvements comprise most of the District's capital assets.

San Mateo County Transit District  
Management's Discussion and Analysis  
June 30, 2025 and June 30, 2024

**Condensed Statements of Net Position  
(in thousands)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
Current assets	\$ 488,161	\$ 458,187	\$ 453,143
Capital assets, net of depreciation and amortization	194,162	175,065	153,562
Other noncurrent assets	322,404	306,679	229,373
<b>Total Assets</b>	<u>1,004,727</u>	<u>939,931</u>	<u>836,078</u>
<b>Deferred Outflows of Resources</b>	<u>38,435</u>	<u>52,805</u>	<u>56,584</u>
<b>Liabilities</b>			
Current liabilities	82,476	76,608	66,264
Long-term debt	123,808	145,322	159,621
Other noncurrent liabilities	120,961	119,975	125,930
<b>Total Liabilities</b>	<u>327,245</u>	<u>341,905</u>	<u>351,815</u>
<b>Deferred Inflows of Resources</b>	<u>82,981</u>	<u>83,713</u>	<u>84,181</u>
<b>Net Position</b>			
Net investment in capital assets	192,809	173,842	151,793
Restricted	28,256	26,602	26,601
Unrestricted	411,871	366,674	278,272
<b>Total Net Position</b>	<u>\$ 632,936</u>	<u>\$ 567,118</u>	<u>\$ 456,666</u>

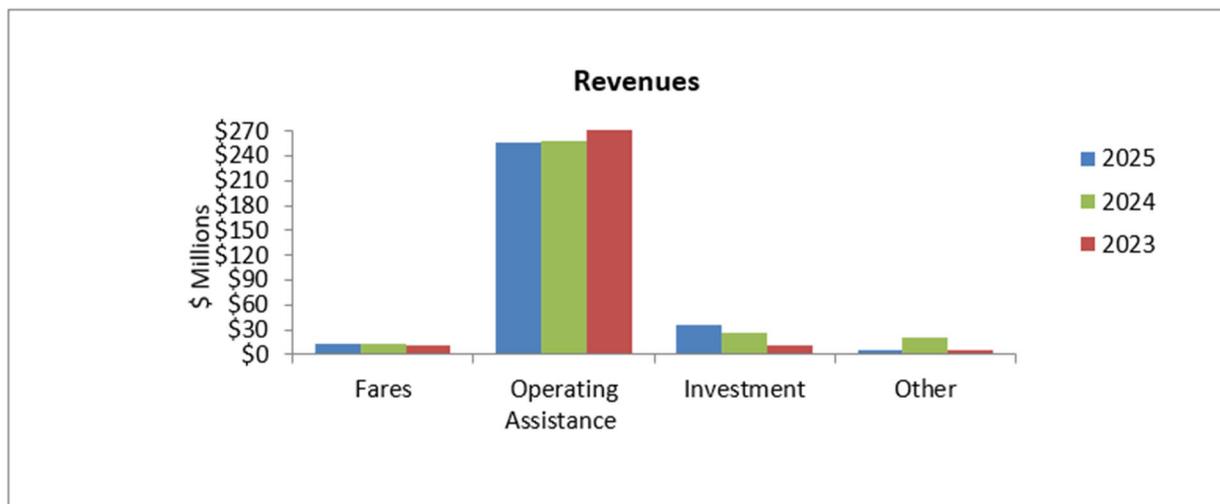
In Fiscal Year 2025, total liabilities and deferred inflows of resources were \$410.2 million, a decrease of \$15.4 million or 3.6% compared to Fiscal Year 2024. In Fiscal Year 2024, total liabilities and deferred inflows of resources were \$425.6 million, a decrease of \$10.4 million or 2.4% compared to 2023. The decrease for 2025 was primarily due to decreases of \$21.5 million in Long-term debt, less current portion, \$7.5 million in Net Other Post-Employment Benefits (OPEB) liability, and \$5.4 million Net pension liability, partially offset by increases in Accounts payable, Self-insurance liabilities, and Compensated absences. The decrease for 2024 was mostly due to decreases of \$3.4 million in other noncurrent liabilities, \$9.3 million in Net Other Post-Employment Benefits (OPEB) liability, and \$1.9 million in Deferred inflows related to pension, partially offset by increases in Accounts payable, accrued expenses and Deferred inflows related to OPEB.

**San Mateo County Transit District**  
Management’s Discussion and Analysis  
June 30, 2025 and June 30, 2024

- On June 30, 2025, net position was \$632.9 million, an increase of \$65.8 million or 11.6% compared to \$567.1 million on June 30, 2024. On June 30, 2024, net position was \$110.5 million or 24.2% higher than June 30, 2023. The net investment in capital assets was \$192.8 million on June 30, 2025. Total restricted net position on June 30, 2025 was \$28.3 million. The remaining \$411.9 million of total net position on June 30, 2025, was unrestricted net position. The District reported a positive unrestricted net position, mainly due to the operating assistance (including transaction and use tax) exceeding the operating expenses, depreciation and amortization by \$4.4 million, \$19.2 million in capital contributions, and higher investment income of \$35.4 million.

**Revenue Highlights**

Operating revenues generated from passenger fares of \$13.1 million increased by \$0.4 million or 3.2% during Fiscal Year 2025 compared to Fiscal Year 2024 and increased by \$1.5 million or 13.3% in Fiscal Year 2024 compared to Fiscal Year 2023. The modest growth of Fiscal Year 2025 reflects a stabilization in ridership levels following the strong rebound seen in Fiscal Year 2024, as ridership continued to recover from the impacts of the COVID-19 pandemic.

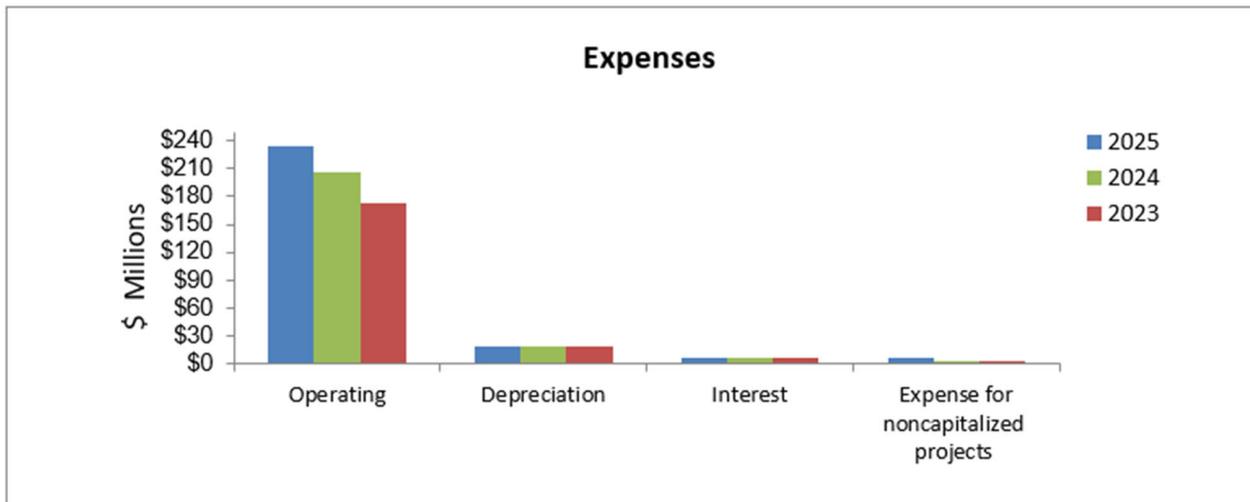


In Fiscal Year 2025, nonoperating revenues decreased by \$7.4 million or 2.4% to \$298.5 million. The decrease was mainly due to lower other income, partially offset by continued growth in investment income. Operating assistance of \$257.2 million accounted for the majority of Fiscal Year 2025 nonoperating revenues. This amount consisted of 66.7% from transaction and use tax, 23.5% from local transportation funds, and 9.8% from others. In Fiscal Year 2024, nonoperating revenues increased by \$15.5 million or 5.3% to \$306.0 million. The increase was mainly due to increases in investment income and other income. Operating assistance of \$258.5 million accounted for the majority of Fiscal Year 2024 nonoperating revenues. This amount consisted of 67.0% from transaction and use tax, 21.9% from local transportation funds, and 11.1% from others.

San Mateo County Transit District  
Management’s Discussion and Analysis  
June 30, 2025 and June 30, 2024

**Expense Highlights**

In Fiscal Year 2025, total operating expenses (excluding depreciation) were \$233.9 million, an increase of \$28.2 million or 13.7% compared to Fiscal Year 2024. The increase was primarily driven by increases in salaries and benefits and contract operations and maintenance services. The increases in salaries and benefits were mainly due to a reduction in employee vacancies, increased overtime resulting from higher service miles, and additional accrued compensated absence related to the implementation of GASB 101 this fiscal year. In addition, increases in contract operations and maintenance services reflected higher service levels and adjustment to contracted rates. In Fiscal Year 2024, total operating expenses (excluding depreciation) were \$205.7 million, an increase of \$31.9 million or 18.4% compared to Fiscal Year 2023. The increase was driven by increases in salaries and benefits, contract operations and maintenance services, and provisions for claims and claims adjustment. The increases in salaries and benefits were mainly due to a reduction in employee vacancies and adjustments related to GASB 68 pension reporting requirements. Additionally, the increases in contract operations and maintenance services were a result of higher service miles and adjustments to contracted rates. Depreciation and amortization expenses were \$18.9 million and \$17.5 million for Fiscal Year 2025 and Fiscal Year 2024 respectively, a \$1.4 million or 7.9% increase in Fiscal Year 2025 compared to Fiscal Year 2024 and \$0.9 million or 4.8% decrease in Fiscal Year 2024 compared to Fiscal Year 2023.



- In Fiscal Year 2025, nonoperating expenses were \$12.3 million, an increase of \$3.2 million or 35.6% compared to Fiscal Year 2024. The increase was due to higher legal and consulting expenses for noncapitalized projects. In Fiscal Year 2024, nonoperating expenses were \$9.1 million, an increase of \$0.8 million or 9.6% compared to Fiscal Year 2023. The increase reflects a slight increase in noncapitalized projects spending.

San Mateo County Transit District  
Management's Discussion and Analysis  
June 30, 2025 and June 30, 2024

**Condensed Statements of Changes in Net Position**  
(in thousands)

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Operating revenues-passenger fares	\$ 13,128	\$ 12,719	\$ 11,226
Operating expenses-transit services	233,884	205,664	173,746
Operating loss before depreciation and amortization	(220,756)	(192,945)	(162,520)
Depreciation and amortization	(18,905)	(17,514)	(18,394)
Operating loss	(239,661)	(210,459)	(180,914)
Nonoperating revenues			
Operating assistance	257,174	258,451	272,494
Investment income	35,396	26,587	11,671
Other income, net	5,975	20,934	6,321
Total Nonoperating revenues	298,545	305,972	290,486
Nonoperating expenses			
Interest expense	(6,772)	(6,289)	(6,644)
Expense for noncapitalized projects	(5,540)	(2,788)	(1,635)
Total Nonoperating expenses	(12,312)	(9,077)	(8,279)
Net gain before capital contributions	46,572	86,436	101,293
Capital contributions	19,246	24,016	4,076
Change in net position	65,818	110,452	105,369
Net position - beginning of year	567,118	456,666	351,297
<b>Net Position - end of year</b>	<b>\$ 632,936</b>	<b>\$ 567,118</b>	<b>\$ 456,666</b>

**Capital Program**

The District received capital contributions of \$19.2 million in Fiscal Year 2025 and \$24.0 million in Fiscal Year 2024, which was a decrease of \$4.8 million or 19.9% in Fiscal Year 2025 compared to Fiscal Year 2024 and an increase of \$19.9 million or 489.2% in Fiscal Year 2024 compared to Fiscal Year 2023.

The following is a summary of the District's major capital expenditures for Fiscal Year 2025.

- Purchase of revenue vehicles (\$23.3 million).
- Maintenance and administrative facilities and equipment (\$8.1 million).
- Communication information system (\$3.0 million).
- Replacement of bus parts in accordance with FTA guidelines (\$1.5 million).
- Capital project development, and others (\$10.0 million).

Additional information concerning the District's Capital Assets can be found in *Note #5 - Capital Assets* in the Notes to the Financial Statements.

San Mateo County Transit District  
Management's Discussion and Analysis  
June 30, 2025 and June 30, 2024

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## Debt

On June 30, 2025, the District had \$136.3 million in limited tax bonds outstanding, a decrease of \$21.4 million or 13.6 percent, compared to \$157.7 million in limited tax bonds outstanding at June 30, 2024. This decrease resulted from the District's issuance of \$122.3 million Limited Tax Bonds refunding the 2015 Series A Bonds. Upon issuance of the 2025 Series A Bonds, all outstanding 2015 Bonds was defeased and the 2015 Indenture was discharged. The District pledges sales tax revenues under the indenture to secure the Refunding 2025 Series A Bonds.

Interest payments on the 2025 Series A Bonds are due on June 1 and December 1 of each year, commencing June 1, 2025. Principal payments on the 2025 Series A Bonds are scheduled to begin June 1, 2026. The final maturity date for the 2025 Series A Bonds is June 1, 2034. Interest rates on the 2025 Series A Bonds are 5.0 percent. More information on the District's long-term debt activity appears in *Note #8 - Long-term Debt* in the *Notes to the Financial Statements*.

## Subscription-Based IT Arrangements (SBITAs)

In addition to bonded debt, the District recognizes long-term liabilities associated with Subscription-Based IT Arrangements (SBITAs) in accordance with GASB Statement No. 96. As of June 30, 2025, the District reported SBITA liabilities totaling \$22.5 million, representing the present value of future subscription payments for multi-year technology contracts that convey control of the right to use IT assets. SBITA liabilities increased by \$0.1 million, or 10.6%, from \$1.2 million at June 30, 2024, due to new subscription agreements and routine amortization of existing contracts. Additional information on SBITAs is presented in *Note #8 - Long-term Debt* in the *Notes to the Financial Statements*.

## Economic Factors and Next Year's Budget

The District's Board adopted the Fiscal Year 2026 Operating and Capital Budget on June 4, 2025. The District enters Fiscal Year 2026 on a strong financial footing, with ridership returning to near pre-pandemic levels and, in some areas, exceeding them, among the strongest recoveries in the Bay Area. This reflects the success of Reimagine SamTrans, which streamlined the network, expanded weekend and evening service, and strengthened connections to community colleges and equity-priority communities.

The Fiscal Year 2026 Operating Budget totals \$334.2 million in sources and \$323.7 million in uses. Key funding sources include \$172.3 million from Proposition A and Measure W sales taxes, \$13.3 million from Motor Bus and American Disability Act (ADA) passenger fares, and \$64.9 million from Transportation Development Act (TDA) and State Transit Assistance (STA) allocations. The remaining funding is derived from grants and other local revenues.

San Mateo County Transit District  
Management's Discussion and Analysis  
June 30, 2025 and June 30, 2024

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On the expenditure side, total uses of \$323.7 million include \$142.2 million for labor, \$66.2 million for purchased transportation (for contracted urban bus, ADA, and multi-modal services), \$38.1 million for contracted services, and \$77.2 million for other non-labor expenses. The Operating Budget continues to emphasize efficiency, cost control, and service reliability while supporting full implementation of Reimagine SamTrans, maintaining Redi-Wheels paratransit services, and extending the shuttle program to ensure uninterrupted multi-modal service delivery.

While the District begins Fiscal Year 2026 with strong ridership and fiscal recovery, several external and structural risks remain. These include slower growth in local sales tax revenues due to broader economic uncertainty and volatility in federal and state grant programs, particularly those supporting paratransit services and capital investments. In response, the District will focus on financial resilience and operational efficiency through actions such as conducting a fare analysis to evaluate revenue opportunities, completing a first-year evaluation of Reimagine SamTrans to identify cost-effective service improvements, and strengthening partnership development to expand and stabilize external funding.

The Fiscal Year 2026 Capital Budget totals \$4.7 million, developed from the prioritized list of projects identified in the draft Capital Improvement Plan (CIP). Fiscal Year 2026 represents the first year in which the Capital Budget does not include allocations from operating funds. Instead, projects will rely on external funding sources, unallocated funds, prior years' capital set aside and unrestricted resources. The Capital Budget will be implemented in two phases: Phase I, reflected in the adopted budget, focuses on maintaining District assets in a state of good repair, enhancing safety and security, and addressing critical facility improvements. Phase II, to be presented in the second half of the fiscal year, will incorporate major investments such as the zero-emission bus transition, in accordance with the board approved Capital Improvement Program (CIP).

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate accountability for the funds the District receives. If you have questions about this report or need additional financial information, please contact the San Mateo County Transit District, attention: Chief Financial Officer, 1250 San Carlos Ave., P.O. Box 3006, San Carlos, California 94070-1306.

**San Mateo County Transit District**  
Statements of Net Position  
June 30, 2025 and June 30, 2024 (in thousands)

	<b>2025</b>	<b>2024</b>
Assets		
Current Assets		
Cash and cash equivalents (Note 1E)	\$ 354,306	\$ 338,573
Restricted cash (Note 1G)	14,750	16,042
Subtotal, cash and cash equivalents (Note 2)	369,056	354,615
Investments (Notes 1F & 2)	16,093	17,921
Restricted investments (Notes 1G & 2)	3,256	1,602
Receivables		
Transaction and use tax	28,972	29,748
Receivable from Peninsula Corridor Joint Powers Board (Note 6)	24,556	5,816
Receivable from San Mateo County Transportation Authority (Note 6)	2,494	1,102
Federal grants (Note 4)	7,227	8,695
State and local grants	21,118	21,296
Leases receivables (Note 7)	1,117	1,071
Interest	1,249	1,536
Other	6,940	9,152
Allowance for doubtful accounts	(161)	(161)
Total Receivables - Net	93,512	78,255
Inventories (Note 1I)	2,364	2,253
Current prepaid items	3,880	3,541
Total Current Assets	488,161	458,187
Noncurrent Assets		
Noncurrent investments (Notes 1F & 2)	193,641	181,203
Restricted investments (Notes 1G & 2)	54,492	50,219
Noncurrent prepaid items	417	286
Leases receivables	73,833	74,950
Capital assets (Notes 1K & 5)		
Buses and bus equipment	228,154	216,482
Buildings and building improvements	77,842	77,434
Maintenance and other equipment	35,380	35,330
Furniture and fixtures	33,697	30,720
Shelters and bus stop signs	11,878	11,878
Right-to-use subscription asset	4,335	3,543
Other vehicles	3,034	3,034
Total capital assets	394,320	378,421
Less accumulated depreciation and amortization	(311,007)	(292,417)
Land (Note 5)	56,915	56,915
Construction in progress (Note 1L)	53,934	32,146
Capital assets - Net (Note 5)	194,162	175,065
Other assets	21	21
Total noncurrent assets	516,566	481,744
Total Assets	1,004,727	939,931

**San Mateo County Transit District**  
Statements of Net Position (Continued)  
June 30, 2025 and June 30, 2024 (in thousands)

	<b>2025</b>	<b>2024</b>
Deferred Outflows of Resources		
Deferred outflows related to hedging derivatives instruments (Note 13)	-	-
Deferred charges on refunding	-	3,193
Deferred outflows related to OPEB (Note 10)	9,618	11,906
Deferred outflows related to pension (Note 9)	28,817	37,706
Total Deferred Outflows of Resources	38,435	52,805
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	26,877	23,966
Current portion of compensated absences (Note 1P)	11,695	10,710
Current portion of self-insurance liabilities (Note 11)	8,303	7,207
Accrued interest	510	546
Unearned revenues	21,907	21,052
Subscription liability (Note 8)	704	737
Current portion of long-term debt (Note 8)	12,480	12,390
Total current liabilities	82,476	76,608
Noncurrent Liabilities		
Self-insurance liabilities, less current portion (Note 11)	14,238	11,422
Other noncurrent liabilities	8,934	89
Compensated absences, less current portion (Note 1P)	6,513	4,423
Subscription liability, less current portion (Note 8)	649	486
Long-term debt, less current portion (Note 8)	123,808	145,322
Net OPEB liability (Note 10)	1,451	8,994
Net pension liability (Note 9)	89,176	94,561
Total noncurrent liabilities	244,769	265,297
Total liabilities	327,245	341,905
Deferred Inflows of Resources		
Deferred inflows related to hedging derivatives instruments (Note 13)	98	103
Deferred inflows related to OPEB (Note 10)	5,065	6,879
Deferred inflows related to pension (Note 9)	696	2,318
Deferred inflows related to leases (Note 7)	72,924	74,413
Deferred inflows related to debt refunding (Note 8)	4,198	-
Total Deferred Inflows of Resources	82,981	83,713
Net Position		
Net investment in capital assets	192,809	173,842
Restricted for:		
Debt service	3,256	1,602
Paratransit fund (Note 1D)	25,000	25,000
Unrestricted	411,871	366,674
Total Net Position	<b>\$ 632,936</b>	<b>\$ 567,118</b>

**San Mateo County Transit District**  
Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended June 30, 2025 and June 30, 2024 (in thousands)

	<b>2025</b>	<b>2024</b>
Operating Revenues		
Passenger fares	\$ 13,128	\$ 12,719
<b>Total Operating Revenues</b>	<b>13,128</b>	<b>12,719</b>
Operating Expenses		
Salaries and benefits	115,399	97,642
Contract operations and maintenance services	59,106	52,198
Other services	12,829	13,715
Materials and supplies	13,186	12,100
Depreciation and amortization	18,905	17,514
Provisions for claims and claims adjustments	18,240	17,245
Miscellaneous	15,124	12,764
<b>Total operating expenses</b>	<b>252,789</b>	<b>223,178</b>
<b>Operating loss</b>	<b>(239,661)</b>	<b>(210,459)</b>
Nonoperating Revenues (Expenses)		
Operating assistance (Note 3)	257,174	258,451
Investment income (loss)	35,396	26,587
Interest expense	(6,772)	(6,289)
Expense for noncapitalized projects	(5,540)	(2,788)
Other income, net	5,975	20,934
<b>Total Nonoperating Revenues (Expenses)</b>	<b>286,233</b>	<b>296,895</b>
<b>Net income (loss) before capital contributions</b>	<b>46,572</b>	<b>86,436</b>
Capital grants (Note 1Q)	19,246	24,016
<b>Change in net position</b>	<b>65,818</b>	<b>110,452</b>
Net Position		
Beginning of year	567,118	456,666
<b>Net Position - end of year</b>	<b>\$ 632,936</b>	<b>\$ 567,118</b>

San Mateo County Transit District

Statements of Cash Flows

Years Ended June 30, 2025 and June 30, 2024 (in thousands)

	2025	2024
Cash Flows from Operating Activities		
Cash received from customers	\$ 12,710	\$ 12,262
Payments to vendors for goods and services	(128,665)	(102,847)
Payments to employees	(118,903)	(98,441)
Net cash (used for) operating activities	(234,858)	(189,026)
Cash Flows From Noncapital Financing Activities		
Expense for noncapitalized projects	(5,540)	(2,788)
Operating assistance received	266,137	286,689
Net cash provided by non-capital financing activities	260,597	283,901
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(38,002)	(39,017)
Capital contributions from grants	28,269	6,377
Lease and SBITA proceeds received	1,108	208
Leases and SBITAs principal paid	(978)	(754)
Bond principal paid	(149,983)	(12,579)
Refunding proceeds and premiums received	137,218	-
Interest and fees paid on capital debt	(8,076)	(6,791)
Net cash (used for) capital and related financing activities	(30,444)	(52,556)
Cash Flows From Investing Activities		
Proceeds from sale of investment securities	77,450	70,878
Purchases of investment securities	(156,258)	(126,508)
Investment income received (loss)	97,954	49,062
Net cash provided by (used for) investing activities	19,146	(6,568)
Net change in cash and cash equivalents	14,441	35,751
Cash and cash equivalents, beginning of year	354,615	318,864
Cash and Cash Equivalents, end of year	<b>\$ 369,056</b>	<b>\$ 354,615</b>

San Mateo County Transit District  
Statements of Cash Flows (Continued)  
Years Ended June 30, 2025 and 2024 (in thousands)

	2025	2024
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating loss	\$ (239,661)	\$ (210,459)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation and amortization expense	18,905	17,514
OPEB expense	(7,069)	(5,658)
Pension expense	1,882	4,357
Effect of changes in:		
Accounts receivable	(20,132)	(1,032)
Inventories	(111)	(199)
Prepaid items	(339)	(1,602)
Other assets	(136)	647
Accounts payable and accrued liabilities	6,351	1,308
Leases receivable	(46)	(40)
Deferred inflows of resources from leases	(1,489)	(1,534)
Compensated absences	3,075	1,314
Self-insurance liabilities	3,912	6,358
<b>Net Cash Used for Operating Activities</b>	<b>\$ (234,858)</b>	<b>\$ (189,026)</b>
<b>Noncash Capital, Investing, and Financing Activities</b>		
Capital contributions (payments)	\$ (9,023)	\$ 17,639
Change in fair value of investments	(7,947)	(6,225)
Change in the fair value of derivatives	(98)	(103)
Lease and SBITA proceeds received	1,108	208

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

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San Mateo County Transit District  
Notes to the Financial Statements  
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**Note 1 - Operations and Summary of Significant Accounting Policies**

**A. Operations**

The San Mateo County Transit District (District) was formed by the California State Legislature and approved by the electorate in 1974 to meet the public transit needs of San Mateo County. The District operates buses throughout San Mateo County and also provides, through purchased service with independent contractors, demand-response transportation services and certain other fixed route bus service. The District also shares in the costs of operating the Caltrain rail service. The District paid a “buy in” sum and provided the project costs incurred that were not covered by a federal grant, of extending the San Francisco Bay Area Rapid Transit District (BART) rail system into San Mateo County and once the extension opened, the District covered the net costs to operate the extension. On April 27, 2007, the District and BART entered into a Settlement Agreement and Release of Claims pursuant to which BART receives 2% of the revenue generated annually from the Measure A half-cent sales tax administered by the Transportation Authority, consistent with the Transportation Expenditure Plan adopted by the San Mateo County voters in 2004, as full and final settlement of the District’s obligations to cover San Mateo County’s share of BART’s past and future operating and capital costs.

**B. Financial Reporting Entity**

The District’s reporting entity includes only the San Mateo County Transit District.

**C. Basis of Accounting**

The District is a single enterprise fund and maintains its records using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**D. Net Position**

Net position is reported on the statement of net position in the following categories:

**Investment in capital assets** - This category includes all capital assets, net of accumulated depreciation, reduced by related debt.

**Restricted net position** - This category represents net position restricted by parties outside (such as creditors, grantors, contributors, and laws and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. Additionally, the District utilizes earnings on \$25 million corpus of paratransit trust funds as a component of restricted net position. The funds are to continue in perpetuity from Measure A sales tax revenues.

**Unrestricted net position** - This category represents net position of the District that is not restricted for any project or other purpose.

**E. Cash and Cash Equivalents**

For purpose of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of 90 days or less when purchased to be cash equivalents. Cash and cash equivalents also include amounts invested in the Local Agency Investment Fund (LAIF) pool.

**F. Investments**

Current investments represent securities which mature within the next 12 months. Noncurrent investments represent the portion of the District's investment portfolio that is not expected to be liquidated during the next 12 months. Investments in nonparticipating interest-earning investment contracts (guaranteed investment contracts) are reported at cost. Investment in money market accounts are also reported at net asset value. All other investments are at fair value. The fair value of investments is determined annually and is based on current market prices permitted. Investments are regulated by state statutes and could be further restricted by the grantors or enabling legislation.

**G. Restricted Cash and Investments**

Restricted cash and investments represent unused bond proceeds, bond reserves and other funds designated for financing the District's capital projects and related debt service. These funds are held as liquid investments or have been invested in U.S. Treasury notes, mutual funds or guaranteed investment contracts. The District also maintains restricted cash and investment accounts in the amount of \$25,000,000 for Paratransit operations.

**H. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for the same purpose (e.g. a construction project), the District's policy is to use all available restricted resources first before unrestricted resources are utilized.

**I. Inventories**

Inventories consist primarily of bus replacement parts and fuel and are stated at average cost which approximates market. Inventories are charged to expense at the time that individual items are withdrawn from inventory.

**J. Lessee and Subscription-Based Information Technology Arrangements (SBITA)**

At the commencement of a lease/SBITA, the District initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The lease/SBITA asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA is amortized on a straight-line basis over its useful life. The lease/SBITA term includes the noncancellable period of the lease. Payments included in the measurement of the liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

**San Mateo County Transit District**  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**K. Capital Assets**

Capital assets are stated at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation plus ancillary charges, if any. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Buses and bus equipment	2 to 12 Years
Other vehicles, shelters and bus stops, maintenance and other equipment, and furniture and fixtures	3 to 20 Years
Right-to-use ground leases	3 to 20 Years
Right-to-use subscriptions	3 to 10 Years
Building	30 Years
Building improvements	2 to 5 Years

The District’s policy is to capitalize all capital assets with a cost greater than \$5,000 and a useful life of more than one year.

**L. Construction in Progress**

Construction in progress consists of the following projects at June 30 (in thousands):

	<b>2025</b>	<b>2024</b>
Maintenance facility improvements	\$ 26,608	\$ 13,858
Bus fleet improvements	18,392	14,621
Shelter, fencing and bus stop improvements	3,270	366
Other	5,664	3,301
<b>Total Construction in Progress</b>	<b>\$ 53,934</b>	<b>\$ 32,146</b>

**M. State and Local Operating Assistance**

State and local operating assistance is recorded as revenue upon approval by the granting agencies. The District serves as the cash conduit for State Transit Assistance received on behalf of the Peninsula Corridor Joint Powers Board (see Note 6) and does not recognize revenues or expenses associated with this agency function.

**N. Bond Issuance Costs**

Bond issuance costs are expensed upon the issuance of related debt except for bond prepaid insurance. Bond discounts, prepaid insurance and premiums are amortized over the life of the bonds.

**O. Arbitrage**

Arbitrage is reviewed on an annual basis and the corresponding liability is accrued accordingly.

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**P. Compensated Absences**

Employees accrue compensated absence time by reason of tenure at annual rates ranging from 169 to 344.5 hours per year. Employees are allowed to accumulate from 800 hours up to 1,440 hours of compensated absence time, depending upon the number of years of service.

The changes in compensated absences were as follows for Fiscal Year ended June 30 (in thousands):

	<b>2025</b>	<b>2024</b>
Beginning Balance	\$ 15,133	\$ 13,819
Additions	13,947	10,631
Payments	(10,872)	(9,317)
Ending Balance	18,208	15,133
Current Portion	11,695	10,710
Non-current Portion	<b>\$ 6,513</b>	<b>\$ 4,423</b>

**Q. Capital Grants**

The District receives grants from the Federal Transit Administration (FTA), State, and local transportation funds for the acquisition of buses and other equipment and improvements. Capital contributions are recorded as revenues and the cost of the related assets are generally included as additions to property and equipment. Depreciation of assets acquired with capital grant funds is included in the depreciation expense in the statement of revenues, expenses, and changes in net position.

Capital contributions for the years ended June 30 were as follows (in thousands):

	<b>2025</b>	<b>2024</b>
Federal grants	\$ 12,155	\$ 12,888
State grant (Prop 1B)	6,957	8,660
Local assistance	134	2,468
<b>Total</b>	<b>\$ 19,246</b>	<b>\$ 24,016</b>

**R. Operating and Nonoperating Revenues and Expenses**

The District distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from directly providing services in connection with the District's principal operations of bus transit services. These revenues are primarily passenger fares. Operating expenses include cost of sales and services, administrative expenses, contracted services and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**S. Leases, as a lessor**

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**T. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**U. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**V. Use of Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements.

**W. Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position also reports deferred outflows of resources. This separate element represents a consumption of net assets that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources from pension, OPEB activities and bond refunding.

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources from pension, OPEB, hedging activities, and leases.

**X. Fair Value Measurement**

Generally Accepted Accounting Principles provide guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to a hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs include inputs that are directly observable for the investment including quoted price for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; Level 3 inputs are significant unobservable inputs.

**Y. New Accounting Pronouncements**

**Effective this Fiscal Year**

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the impact of this Statement on the financial statements.

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**Note 2 - Cash and Investments**

**Policies**

The District’s investments are generally carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each Fiscal Year end and includes the effects of these adjustments as a component of interest and investment income for that fiscal year. The District is in compliance with the Board approved Investment Policy and California Government Code requirements.

**Classification**

The District’s cash and investments as of June 30 are classified in the statement of net position as follows (in thousands):

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 369,056	\$ 354,615
Current investments	16,093	17,921
Current restricted investments	3,256	1,602
Noncurrent investments	193,641	181,203
Noncurrent restricted investments	54,492	50,219
<b>Total</b>	<b>\$ 636,538</b>	<b>\$ 605,560</b>

The District’s cash and investments consist of the following on June 30 (in thousands):

	<b>2025</b>	<b>2024</b>
Cash on hand	\$ 21	\$ 22
Deposits with financial institutions	116,158	163,234
Investments	520,359	442,304
<b>Total</b>	<b>\$ 636,538</b>	<b>\$ 605,560</b>

**San Mateo County Transit District**

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

**Investments Authorized by the California Government Code and the District’s Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code or the District’s investment policy, whichever is more restrictive, that addresses interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the District’s investment policy.

<b>Authorized Investment Type</b>	<b>Minimum Credit Rating</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
U.S. Treasury Obligations	None	15 years	100%	N/A
U.S. Agency Securities	None	15 years	100%	N/A
Banker's Acceptances	None	180 days	40%	30%
Commercial Paper (\$500 Mil. Min. Assets)	A1/P1/F1	270 days	40%	10%
Negotiable Certificates of Deposit	None	5 years	30%	N/A
Repurchase Agreements	None	1 year	100%	N/A
Reverse Repurchase Agreements	None	92 days	20%	N/A
Medium-term Notes	A	5 years	30%	10%
Shares of beneficial interest issued by diversified management companies	Highest rating by two NRSROs	N/A	20%	10%
Local Government Investment Pools	None	N/A	100%	N/A
Asset-backed and Mortgage-backed securities	AA	5 years	20%	N/A
Municipal Obligations	None	10 years	100%	N/A
Supranational Obligations	AA	5 years	30%	N/A
Local Agency Investment Fund (LAIF)	None		Up to the current state limit	
San Mateo County Investment Pool	None		Up to the current state limit	

For the District’s investment in California Employers’ Pension Prefunding Trust (CEPPT), the investment policy is consistent with the CalPERS for the CEPPT authorized investments in global equities, fixed income, treasury inflation-protected securities, real estate investment trusts, and liquidity assets.

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the debt covenants, rather than the general provisions of the California Government Code or the District’s investment policy. These provisions allow for the acquisition of investment agreements, repurchase agreements and U.S. Treasury Securities with maturities of up to 30 years.

**Interest Rate Risk**

Interest rate risk is the risk incurred when market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

San Mateo County Transit District

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

The District’s weighted average maturity of its investment portfolio at June 30, 2025 was as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (in years)
U.S. Agency Securities	\$ 51,972	4.76
Asset Backed Securities	41,734	3.84
U.S. Government Securities	81,749	2.26
Corporate Notes	40,297	2.76
Certificates of Deposit	3,312	0.33
Municipal Debt Securities	2,498	0.09
Supranationals	2,048	1.96
Money Market Mutual Funds	17,564	0.00
Local Agency Investment Fund (LAIF)	6,066	0.70
Hedge Treasury Bills	1,786	0.00
California Asset Management Program (CAMP)	246,811	0.11
California Employers' Prefunding Pension Trust	24,522	0.00
<b>Total</b>	<b>\$ 520,359</b>	
Portfolio Weighted Average Maturity		1.42

The District’s weighted average maturity of its investment portfolio at June 30, 2024 was as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (in years)
U.S. Agency Securities	\$ 54,585	3.31
Asset Backed Securities	26,069	1.69
U.S. Government Securities	59,233	2.72
Corporate Notes	51,585	2.18
Commercial Paper	6,137	0.19
Certificates of Deposit	3,319	1.33
Municipal Debt Securities	6,304	0.73
Supranationals	1,991	2.96
Money Market Mutual Funds	17,435	0.00
Local Agency Investment Fund (LAIF)	5,625	0.60
Hedge Treasury Bills	2,087	0.00
California Asset Management Program (CAMP)	185,735	0.00
California Employers' Prefunding Pension Trust	22,199	0.00
<b>Total</b>	<b>\$ 442,304</b>	
Portfolio Weighted Average Maturity		1.17

**San Mateo County Transit District**  
Notes to the Financial Statements  
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**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30 for each investment type.

Investment Type	Amount (in thousands)	Rating as of June 30, 2025				
		AAA	AA	A	BBB+	Not Rated
U.S. Agency Securities	\$ 51,972	\$ -	\$ 51,972	\$ -	\$ -	\$ -
Asset Backed Securities	41,734	20,813	-	-	-	20,921
U.S. Government Securities	81,749	-	81,749	-	-	-
Corporate Notes	40,297	-	15,100	25,197	-	-
Certificates of Deposit	3,312	-	3,312	-	-	-
Municipal Debt Securities	2,498	489	2,009	-	-	-
Supranationals	2,048	2,048	-	-	-	-
Money Market Mutual Funds	17,564	17,564	-	-	-	-
LAIF	6,066	-	-	-	-	6,066
Hedge Treasury Bills	1,786	-	-	-	-	1,786
CAMP	246,811	-	-	-	-	246,811
CEPPT	24,522	-	-	-	-	24,522
<b>Total</b>	<b>\$ 520,359</b>	<b>\$ 40,914</b>	<b>\$154,142</b>	<b>\$25,197</b>	<b>\$ -</b>	<b>\$300,106</b>

**San Mateo County Transit District**  
Notes to the Financial Statements  
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Investment Type	Amount (in thousands)	Rating as of June 30, 2024				Not Rated
		AAA	AA	A	BBB+*	
U.S. Agency Securities	\$ 54,585	\$ 54,585	\$ -	\$ -	\$ -	\$ -
Asset Backed Securities	26,069	-	-	-	-	26,069
U.S. Government Securities	59,233	59,233	-	-	-	-
Corporate Notes	51,585	2,871	17,809	29,758	1,147	-
Commercial Paper	6,137	-	-	6,137	-	-
Certificates of Deposit	3,319	-	3,319	-	-	-
Municipal Debt Securities	6,304	1,214	2,913	361	-	1,816
Supranationals	1,991	1,991	-	-	-	-
Money Market Mutual Funds	17,435	16,363	-	-	-	1,072
LAIF	5,625	-	-	-	-	5,625
Hedge Treasury Bills	2,087	-	-	-	-	2,087
CAMP	185,735	-	-	-	-	185,735
CEPPT	22199	-	-	-	-	22199
<b>Total</b>	<b>\$ 442,304</b>	<b>\$ 136,257</b>	<b>\$ 24,041</b>	<b>\$ 36,256</b>	<b>\$ 1,147</b>	<b>\$ 244,603</b>

\* Securities were acquired as A rated and adjusted later to BBB+ during fiscal year 2022.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. GASB Statement No. 40 requires disclosure of certain investments in any one issue that represents 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. Government, investments in mutual funds, external investment pools, and other pooled investments are exempt. As of June 30, 2025, the District exceeded the 5% limit of total investments in issuers with investment in Federal Home Loan Mortgage Corporation, U.S. Agency Bonds and FHLMC. One issuer exceeded 5% of the District's total investment portfolio for the year ended June 30, 2025.

Issuer (in thousands)	Investment Type	2025	Concentration
Federal Home Loan Mortgage Corporation	U.S. Agency Securities	\$ 33,920	7.37%
<b>Total</b>		<b>\$ 33,920</b>	

There was one issuer that exceeded 5% of the District's total investment portfolio for the year ended June 30, 2024.

Issuer (in thousands)	Investment Type	2024	Concentration
Federal Home Loan Mortgage Corporation	U.S. Agency Securities	\$ 36,759	9.28%
<b>Total</b>		<b>\$ 36,759</b>	

**San Mateo County Transit District**  
Notes to the Financial Statements  
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**Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs.

The District has the following recurring fair value measurements as of June 30, 2025:

- Debt classified as Level 2 inputs are valued using price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors.
- Certificates of deposit classified as Level 2 inputs are valued using quoted price for directly observable inputs.

Investments in the State Local Agency Investment Fund are not measured using the input levels above because the District’s transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The following is the District’s fair value hierarchy table as of June 30, 2025 (in thousands):

<b>Investment Type</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Uncategorized</b>
U.S. Agency Securities	\$ 51,972	\$ -	\$ 51,972	\$ -
Asset Backed Securities	41,734	-	41,734	-
U.S. Government Securities	81,749	81,749	-	-
Corporate Notes	40,297	-	40,297	-
Certificates of Deposit	3,312	-	3,312	-
Municipal Debt Securities	2,498	-	2,498	-
Supranationals	2,048	-	2,048	-
Money Market Mutual Funds	17,564	-	-	17,564
LAIF	6,066	-	-	6,066
Hedge Treasury Bills	1,786	-	-	1,786
CAMP	246,811	-	-	246,811
CEPPT	24,522	-	-	24,522
<b>Total investments by fair value type</b>	<b>\$ 520,359</b>	<b>\$ 81,749</b>	<b>\$ 141,861</b>	<b>\$ 296,749</b>

**San Mateo County Transit District**  
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The following is the District’s fair value hierarchy table as of June 30, 2024 (in thousands):

<u>Investment Type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Uncategorized</u>
U.S. Agency Securities	\$ 54,585	\$ -	\$ 54,585	\$ -
Asset Backed Securities	\$ 26,069			
U.S. Government Securities	59,233	26,069	-	-
Corporate Notes	51,585	59,233	-	-
Commercial Paper	6,137	-	51,585	-
Certificates of Deposit	3,319	-	6,137	-
Municipal Debt Securities	6,304	-	3,319	-
Supranationals	1,991	-	6,304	-
Money Market Mutual Funds	17,435	-	1,991	17,435
LAIF	5,625	-	-	5,625
Hedge Treasury Bills	2,087	-	-	2,087
CAMP	185,735	-	-	185,735
CEPPT	22,199	-	-	22,199
<b>Total investments by fair value type</b>	<b>\$ 442,304</b>	<b>\$ 85,302</b>	<b>\$ 123,921</b>	<b>\$ 233,081</b>

**Custodial Credit Risk**

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in possession of another party.

California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110 percent of the District’s cash on deposit, or first trust deed mortgage notes with a fair value of 150 percent of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the pool’s name and places the pool, which includes the District’s deposits, ahead of general creditors of the institution.

The District invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the District employs the Trust Department of a bank or trustee as the custodian of certain District managed investments, regardless of their form.

As of June 30, 2025 and 2024, the District had \$116,158,000 and \$163,234,000, respectively, in deposits with financial institutions recorded on the financial statements. Additionally, the District is required to hold certain capital fund amounts in interest bearing accounts. These balances are in excess of the federal depository insurance limits and are collateralized with securities held by the pledging financial institution. The amount of deposits exposed to custodial credit risk at June 30, 2025 and June 30, 2024 was \$115,908,000 and \$162,984,000, respectively. However, due to California State Law, the excess balances are collateralized with pledged securities by the financial institutions holding the District’s deposits.

**San Mateo County Transit District**  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission. As of June 30, 2025 and June 30, 2024, the District had a contractual withdrawal value in LAIF of \$5,909,000 and \$5,646,000, respectively. Investments in LAIF are not categorized because deposits and withdrawals are made on the basis of \$1 and not fair value.

**California Asset Management Program (CAMP):** The District holds an investment in CAMP that is subject to "fair value" adjustments. The District had a contractual withdrawal value of \$246,811,000 (which is reported using the amortized cost) after the adjustment for unrealized gains/losses for fiscal year 2025. The District had a contractual withdrawal value of \$185,735,000 in CAMP as of June 30, 2024. CAMP is a governmental investment pool managed and directed by the CAMP Treasurer and is not registered with the Securities and Exchange Commission.

**Note 3 - Operating Assistance**

The District receives operating assistance from various federal, state, and local sources. The District receives funds from two San Mateo County sales tax: a permanent half-cent transaction and use tax levied on all taxable sales in San Mateo County and a half-cent sales tax which will be levied through June 30, 2049 (and half of which is administered by the San Mateo County Transportation Authority (Transportation Authority), both of which are collected and administered by the California Department of Tax and Fee Administration. Transportation Development Act funds are received from San Mateo County to meet, in part, operating and capital requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission (MTC). Federal funds are distributed to the District by the Federal Transportation Administration (FTA) after approval by MTC. The District also receives Transportation Authority funds as a result of the approval and re-authorization of 2004 Measure A (half-cent county sales tax) for funding of certain transportation projects and programs.

Operating assistance is summarized as follows for the years ended June 30 (in thousands):

	<b>2025</b>	<b>2024</b>
Transaction and use tax	\$ 171,421	\$ 173,258
Local transportation funds	60,442	56,677
Federal operating and planning assistance	4,536	9,914
Federal Emergency Management Agency (FEMA)	-	22
State transit assistance	14,935	12,729
Measure A funds - local	4,720	4,651
Measure W funds - local	1,120	1,200
<b>Total</b>	<b>\$ 257,174</b>	<b>\$ 258,451</b>

San Mateo County Transit District

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

**Note 4 - Federal Capital Grants**

The District has a number of grant contracts with the FTA that provide federal funds for the acquisition of buses and other equipment and improvements. Capital additions on June 30, 2025 and 2024 applicable to these projects are \$43,505,000 and \$39,988,000, respectively. The related federal participation is \$12,155,000 and \$12,888,000 respectively.

The District has recorded receivables of \$867,000 and \$513,000, at June 30, 2025 and 2024, respectively, for qualifying capital project expenditures under FTA grant contracts in excess of reimbursements. The remaining federal receivable balance is related to federal operating grants.

Under the terms of the grants, contributions for equipment sold or retired during its useful life are refundable to the federal government in proportion to the related capital grant funds received, unless the net book value or proceeds from sale is under grant-prescribed limits.

**Note 5 - Capital Assets**

Capital asset activity for the Fiscal Year ended June 30, 2025, was as follows (in thousands):

	<b>Balance at July 01, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2025</b>
Capital Assets at Cost				
Buses and bus equipment	\$ 216,482	\$ 11,672	\$ -	\$ 228,154
Buildings and building improvements	77,434	408	-	77,842
Maintenance and other equipment	35,330	50	-	35,380
Furniture and fixtures	30,720	2,977	-	33,697
Shelters, fencing and bus stop signs	11,878	-	-	11,878
Right-to-use subscriptions	3,543	1,107	(315)	4,335
Other vehicles	3,034	-	-	3,034
<b>Total Capital Assets at Cost</b>	<b>378,421</b>	<b>16,214</b>	<b>(315)</b>	<b>394,320</b>
Less Accumulated Depreciation/Amortization for				
Buses and bus equipment	(151,729)	(13,327)	-	(165,056)
Buildings and building improvements	(67,756)	(1,482)	-	(69,238)
Maintenance and other equipment	(31,341)	(919)	-	(32,260)
Furniture and fixtures	(30,159)	(835)	-	(30,994)
Shelters, fencing and bus stop signs	(7,081)	(1,051)	-	(8,132)
Right-to-use subscriptions	(2,219)	(1,044)	315	(2,948)
Other vehicles	(2,132)	(247)	-	(2,379)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(292,417)</b>	<b>(18,905)</b>	<b>315</b>	<b>(311,007)</b>
Nondepreciable Capital Assets				
Land	56,915	-	-	56,915
Construction in progress	32,146	36,895	(15,107)	53,934
<b>Total Nondepreciable Capital Assets</b>	<b>89,061</b>	<b>36,895</b>	<b>(15,107)</b>	<b>110,849</b>
<b>Capital Assets, Net</b>	<b>\$ 175,065</b>	<b>\$ 34,204</b>	<b>\$ (15,107)</b>	<b>\$ 194,162</b>

**San Mateo County Transit District**  
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Capital asset activity for the Fiscal Year ended June 30, 2024, was as follows (in thousands):

	<b>Balance at July 01, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2024</b>
<b>Capital Assets at Cost</b>				
Buses and bus equipment	\$ 200,080	\$ 16,402	\$ -	\$ 216,482
Buildings and building improvements	76,803	631	-	77,434
Maintenance and other equipment	35,133	197	-	35,330
Furniture and fixtures	30,692	28	-	30,720
Shelters, fencing and bus stop signs	11,878	-	-	11,878
Right-to-use subscriptions	3,335	208	-	3,543
Right-to-use ground leases	-	-	-	-
Other vehicles	2,524	551	(41)	3,034
<b>Total Capital Assets at Cost</b>	<b>360,445</b>	<b>18,017</b>	<b>(41)</b>	<b>378,421</b>
<b>Less Accumulated Depreciation/Amortization for</b>				
Buses and bus equipment	(138,787)	(12,942)	-	(151,729)
Buildings and building improvements	(66,346)	(1,410)	-	(67,756)
Maintenance and other equipment	(30,397)	(944)	-	(31,341)
Furniture and fixtures	(30,055)	(104)	-	(30,159)
Shelters, fencing and bus stop signs	(6,026)	(1,055)	-	(7,081)
Right-to-use subscriptions	(1,374)	(845)	-	(2,219)
Right-to-use ground leases	-	-	-	-
Other vehicles	(1,918)	(255)	41	(2,132)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(274,903)</b>	<b>(17,555)</b>	<b>41</b>	<b>(292,417)</b>
<b>Nondepreciable Capital Assets</b>				
Land	56,915	-	-	56,915
Construction in progress	11,105	38,850	(17,809)	32,146
<b>Total Nondepreciable Capital Assets</b>	<b>68,020</b>	<b>38,850</b>	<b>(17,809)</b>	<b>89,061</b>
<b>Capital Assets, Net</b>	<b>\$ 153,562</b>	<b>\$ 39,312</b>	<b>\$ (17,809)</b>	<b>\$ 175,065</b>

**Note 6 - Related Parties**

**Peninsula Corridor Joint Powers Board (JPB)**

The District is a member of the Peninsula Corridor Joint Powers Board (JPB) along with the Santa Clara Valley Transportation Authority (VTA) and the City and County of San Francisco (CCSF). The JPB is governed by a separate board comprised of nine members—three appointed by each member agency.

On October 31, 2008, the three JPB member agencies, together with the Metropolitan Transportation Commission (MTC), executed a restated *Real Property Ownership Agreement* (RPOA) to fully resolve outstanding financial issues related to the acquisition of the Caltrain right-of-way (ROW), which had initially been funded by the District. Under the agreement, both CCSF and VTA agreed to reimburse the District using a combination of population-based and revenue-based gasoline “spillover” funds. These funds were to be paid directly to the District by MTC, SFMTA, and VTA.

San Mateo County Transit District  
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June 30, 2025 and June 30, 2024

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In recognition of the District’s reduction of the interest rate applied to its advance of funds for the ROW purchase, the RPOA further designated the District as Managing Agency of the JPB, to serve in that role “unless and until it no longer chooses to do so.” As of June 30, 2025, the District has received full reimbursement of \$53.3 million under the RPOA from spillover funds, Federal Transportation Improvement Program funds, and local contributions from VTA and SFMTA.

In August 2022, the District, JPB, CCSF, and VTA entered into a binding *Memorandum of Understanding* (MOU) to resolve remaining issues related to governance and reimbursement for the District’s initial advance of funds. In recognition of the delay in repayment and in exchange for the District’s assignment of certain Managing Agency rights to the JPB, CCSF and VTA agreed to make an additional \$15.2 million payment to the District. This payment was received in full during Fiscal Year 2024, completing all reimbursement obligations associated with the Caltrain right-of-way and the District subsequently reconveyed its tenancy-in-common interest in the right-of-way to the JPB.

Separate from cost reimbursement related to the purchase of the Caltrain right-of-way, The District also receives payment for service it provides to the JPB as the Managing Agency. The District had total receivables from the JPB of \$24,556,000 at June 30, 2025, up from \$5,816,000 at June 30, 2024, for advances of staff support and operating costs. Complete financial statements for the JPB can be found at <https://www.caltrain.com/about-caltrain/statistics-reports/annual-comprehensive-financial-reports>

**San Mateo County Transportation Authority (Transportation Authority)**

The Transportation Authority was formed in June 1988 as a result of the approval of Measure A (half-cent county sales tax and Transportation Expenditure Plan) by the voters of San Mateo County pursuant to the Bay Area County Traffic and Transportation Funding Act. The Transportation Authority was to be responsible for the administration of funds to be used for transportation projects collected over a period of 20 years by the half-cent county sales tax. The Transportation Authority designated the District as the entity responsible for overall management of the Transportation Authority. In November 2004, the voters reauthorized the sales tax to be collected for an additional 25 years (through 2033) and administered by the Transportation Authority in accordance with a new publicly developed Expenditure Plan.

In addition, the District’s Measure W sales tax ordinance authorizes the District to transfer one-half of the revenues from that half-cent sales tax to the Transportation Authority for administration. Accordingly, the Transportation Authority now administers the Measure W Congestion Relief Program elements related to highways, roadways, bicycle/pedestrian projects, and regional transportation connections.

Without further voter approval, the Transportation Authority is expected to exist for so long as it continues to administer and/or implement programs/projects funded by Measure A.

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The District acts as the Managing Agency, the District has total receivables from the Transportation Authority of \$2,494,000 and \$1,102,000 at June 30, 2025 and 2024 respectively, for advances of staff support and operating costs and reimbursement of the Caltrain subsidy. Complete financial statements for the Transportation Authority can be found at <https://www.smcta.com/resources/finance/annual-comprehensive-financial-reports>.

**San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA)**

In May of 2019, the Transportation Authority and City/County Association of Governments of San Mateo County (“C/CAG”) formed the San Mateo County Express Lanes Joint Powers Authority (“SMCEL-JPA”) through a Joint Exercise of Powers Agreement to exercise their shared rights to own, administer and manage the San Mateo County U.S. 101 Express Lanes Project. Under that agreement, the District (as Managing Agency for the Transportation Authority) and C/CAG both provide staff support to the SMCEL-JPA. The District’s staff supports the JPA’s financial activities (e.g., budgeting, accounting, audits, and treasury), marketing (including marketing use of the lanes and promoting the broader benefits of the lanes), and communications (including media and community relations, and the SMCEL-JPA’s website). The Transportation Authority compensates the District for staff time spent in support of the SMCEL-JPA; the SMCEL-JPA, in turn, reimburses the Transportation Authority such costs.

The District has total receivables from the SMCEL-JPA of \$219,000 and \$34,000 at June 30, 2025 and 2024 respectively, for advances of staff support and operating costs. Complete financial statements for the Transportation Authority can be obtained from the Transportation Authority at 1250 San Carlos Ave., San Carlos, California, 94070.

**Note 7 - Leases**

**Lease Receivable**

As the Lessor, the District entered into lease agreements for mainly commercial, rental, and parking transactions. The lease terms expire between 2027 and 2116, with some leases containing options to renew. The District, as lessor, has accrued receivables for mainly ground/commercial leases. Currently, there are four ground leases and five commercial leases, the leases receivable as of June 30, 2025 and June 30, 2024 were \$74,950,000 and \$76,021,000, respectively. Deferred inflows of resources related to leases were \$72,924,000 and \$74,413,000 as of June 30, 2025 and June 30, 2024, respectively. Lease revenue recognized on the leases were \$1,071,000 in fiscal year June 30, 2025 and \$1,077,000 in fiscal year June 30, 2024. Interest revenue recognized on the leases were \$1,083,000 in the fiscal year ended June 30, 2025 and \$1,112,000 in fiscal year ended June 30, 2024. Final receipts for commercial leases are through the current fiscal year, and through the fiscal year 2116 for ground leases.

The District’s variable payments are calculated using the annual consumer price index (CPI), a specific % increase or a specific dollar amount. If the CPI is not specified in the contract, the Applicable Federal Rate (AFR) is used. The District has no residual value grantees included in the measurement of lease assets, liabilities, or deferred inflows of resources and lease receivable for the year ended June 30, 2025. The District had no remeasurement during the fiscal year.

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**Note 8 - Long-Term Debt**

**Composition and Changes**

The District generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The District's debt issues and transactions are summarized below and discussed in detail thereafter.

Long-term debt activity for the year ended June 30, 2025 is as follows (in thousands):

	<b>Original Issue Amount</b>	<b>Balance at July 01, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2025</b>	<b>Current Balance at June 30, 2025</b>
Limited Tax Bonds						
2015 Series A Refunding Bonds 3.00%-5.00%, due 6/1/2034	\$ 210,280	\$ 149,005	\$ -	\$ (149,005)	\$ -	\$ -
2025 Series A Refunding Bonds 5.00%, due 6/1/2034	122,305	-	122,305	-	\$ 122,305	12,480
Subscription liability		1,223	1,108	(978)	1,353	704
Total debt		150,228	123,413	(149,983)	123,658	<u>\$ 13,184</u>
Unamortized bond premium						
2015 Series A Refunding Bonds		8,707	-	(8,707)	-	
2025 Series A Refunding Bonds		-	14,913	(930)	13,983	
<b>Total debt payable</b>		<u>\$ 158,935</u>	<u>\$ 138,326</u>	<u>\$ (159,620)</u>	<u>\$ 137,641</u>	

Long-term debt activity for the year ended June 30, 2024 is as follows (in thousands):

	<b>Original Issue Amount</b>	<b>Balance at July 01, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2024</b>	<b>Current Balance at June 30, 2024</b>
Limited Tax Bonds						
2015 Series A Refunding Bonds	\$ 210,280	\$ 160,830	\$ -	\$ (11,825)	\$ 149,005	\$ 12,390
Subscription liability		1,769	208	(754)	1,223	737
Total debt		162,599	208	(12,579)	150,228	<u>\$ 13,127</u>
Unamortized bond premium		10,616	-	(1,909)	8,707	
<b>Total debt payable</b>		<u>\$ 173,215</u>	<u>\$ 208</u>	<u>\$ (14,488)</u>	<u>\$ 158,935</u>	

**Description of the District's Long-Term Debt Issues**

**2025 Series A Refunding Bond** – In Fiscal Year 2025 the District issued \$122,305,000 in 2025 Series A Bonds, which refunded the 2015 Series Refunding Bonds original issue of \$210,280,000

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The District issued the 2025 Series Bonds in order to advance refund all of its prior debt secured by the Sales Tax, which refunded in the 2015 Series A Refunding Bond was comprised of \$56,420,000 aggregate principal amount of the 1993 Series A Bonds, \$218,990,000 aggregate principal amount of the 2005 Series A Bonds and \$10,505,000 aggregate principal amount of the 2009 Series A Bonds. The proceeds of the 2025 Series Bonds were used to refund and legally defease all outstanding 2015 Series A Refunding Bonds, which had originally been issued to advance refund all of the 1993 Series A Bonds, the 2005 Series A Bonds, and the 2009 Series A Bonds (hereinafter collectively referred to as the Prior Bonds).

**Economic Gain on Advance Refunding**

The net proceeds of \$136,615,000 (after payment of \$603,000 in underwriting fees and other issuance costs) in connection with the refunding and defeasance of the Prior Bonds, were deposited into Escrow per the Escrow Agreement, dated as of April 1, 2025 (the Escrow Agreement), with U.S. Bank National Association, as trustee and escrow agent (the Escrow Agent), pursuant to which the Escrow Agent established escrow funds (each, an Escrow Fund) to provide for the payment of the principal of and interest on the Prior Bonds to their date of redemption or maturity, as applicable. Amounts deposited in each Escrow Fund are expected to be invested in direct obligations of, or obligations which are unconditionally guaranteed by, the United States of America (the Escrow Securities), the principal of and interest on which, together with any cash held uninvested in such Escrow Fund, will be sufficient to pay the principal of and interest on the Prior Bonds secured by such Escrow Fund to the date of their redemption or maturity, as applicable. The net carrying amount of the old debt exceeded the reacquisition price by \$4,519,000. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunding debt, which had the same life as the refunded debt. The advance refunding reduced its total debt service payments by \$13,400,000 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$11,555,000.

**Pledged revenues and future debt service**

Amounts deposited in each Escrow Fund are pledged to the payment of the Prior Bonds secured by such Escrow Fund and will not be available for the payment of any bonds other than the Prior Bonds secured by such Escrow Fund. Interest on the 2025 Series Bonds is payable semiannually on June 1 and December 1 of each year. The 2025 Series Bonds are subject to optional redemption prior to their respective stated maturities. Principal on the 2025 Series A is payable on June 1, 2026, and annually thereafter on June 1 of each year through 2034.

The 2025 Series Bonds are special obligations of the District payable from the receipts of a sales tax to assist in the financing or refinancing of facilities necessary or convenient for the provision of transit services. The amount and terms of pledged revenue is the outstanding secured debt service as noted on the debt service requirement schedule in the following paragraph. The amount of pledged revenues recognized for the secured debt was \$171.4 million and the amount required for the debt service was \$20.6 million during Fiscal Year 2025. The pledged revenue coverage was 8.32 percent.

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**Debt Service Requirements to Maturity**

Future Debt Service requirements are as follows (in thousands):

Fiscal Year Ending June 30,	<b>2025 Series A</b>		
	Principal	Interest	Total
2026	\$ 12,480	\$ 6,115	\$ 18,595
2027	13,010	5,491	18,501
2028	13,275	4,841	18,116
2029	13,180	4,177	17,357
2030	13,835	3,518	17,353
2031-2034	56,525	6,800	63,325
<b>Total debt service</b>	<b>\$ 122,305</b>	<b>\$ 30,942</b>	<b>\$ 153,247</b>

**Subscription Liabilities**

The District has nine subscription arrangements as subscriber primarily for software as a service (SaaS) and platform as a service (PaaS) as of June 30, 2025. Two of which came to termination as of year-end and three new arrangements which were procured during the year. Most subscriptions have initial terms of up to three years. The District is required to make interest and principal payments through June 30, 2030. As the interest rate implicit in the District's subscriptions are not readily determinable, the District utilizes the Applicable Federal Rate (AFR) to discount the subscription payments.

During the Fiscal year, the District recorded \$1,044,000 in amortization expense and \$70,000 in interest expense for the right to use subscription software.

Future Subscription liability requirements are as follows (in thousands):

Fiscal year Ending June 30,	Principal	Interest
	2026	\$ 704
2027	364	27
2028	122	13
2029	129	6
2030	34	-
<b>Total</b>	<b>\$ 1,353</b>	<b>\$ 96</b>

**Note 9 - Pension Plan**

**Plan Description**

**General Information About the Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees, including those assigned to work for the Peninsula Corridor Joint Powers Board (JPB) and the San Mateo County Transportation Authority (Transportation Authority), are eligible to participate in the District’s defined benefit pension plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefits are established by contract with CalPERS in accordance with the provisions of the Public Employees’ Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of CalPERS credited service are eligible to retire at age 50 with statutorily reduced benefits. Effective January 1, 2013, new CalPERS members are subject to the Public Employees’ Pension Reform Act (PEPRA); to be eligible for retirement, a PEPRA employee must be at least 52 years of age. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

Hire date	<b>Prior to June 1, 2012</b>	<b>June 1, 2012 through December 31, 2012</b>	<b>On or after January 1, 2013</b>
Benefit formula	2.0% at 55	2.0% at 60	2.0% at 62
Minimum years of service to vest	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Earliest retirement age	50	50	52
Required employee contribution rates	7.000%	7.000%	7.000%
Required employer contribution rates*	9.480%	9.480%	9.480%

\*Excluding an additional UAL payment in the amount of \$7,216,869

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**Employees Covered** – At June 30, 2025, the following employees were covered by the plan:

Inactive employees (or their beneficiaries) currently receiving benefits	750
Inactive employees entitled to but not yet receiving benefits	260
Active employees	783
<b>Total number of employees covered by the benefit terms</b>	<b>1,793</b>

**Employees Covered** – At June 30, 2024, the following employees were covered by the plan:

Inactive employees (or their beneficiaries) currently receiving benefits	719
Inactive employees entitled to but not yet receiving benefits	251
Active employees	734
<b>Total number of employees covered by the benefit terms</b>	<b>1,704</b>

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Annually, in addition to funding the “normal cost” of the pension plan, the District is required to amortize a portion of the unfunded accrued liability through a payment into the plan. A portion of this cost is attributed to the JPB and the Transportation Authority. In Fiscal Year 2025, the JPB’s portion of this payment was \$1,088,000, and the Transportation Authority’s portion of this payment was \$423,000; In Fiscal Year 2024, the JPB’s portion of this payment was \$976,000, and the Transportation Authority’s portion of this payment was \$124,000.

On May 3, 2023, the District’s Board of Directors approved establishment of a California Employers’ Pension Prefunding Trust (CEPPT) Account for the District with the California Public Employees’ Retirement System (CalPERS) and directed the staff to open and fund the trust account over FY23 and FY24 with a \$21 million pension prepayment reserve fund contribution that was included in the District’s 2023 Operating Budget. The CalPERS CEPPT trust fund program allows state and local public employers to prefund their future pension costs through an investment vehicle designed to accumulate assets over time. By establishing a CEPPT trust fund account, the District can proactively manage its long-term pension costs and liabilities by using assets in the trust to manage growing pension liabilities, including future normal costs and Unfunded Accrued Liability (UAL) payments. The assets in the trust can be used to stabilize pension rates and offset unexpected contribution rate increases, as well as to act as a rainy-day fund to ensure resources are available for pension obligations when revenues are impaired, based on economic or other conditions. As of June 30, 2024, the District has contributed the entire \$21 million reserve in the Account.

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**Net Pension Liability**

The District’s net pension liability for Fiscal Year 2025 is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability for Fiscal Year 2025 is measured as of June 30, 2024, using an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District’s net pension liability for Fiscal Year 2024 is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability for Fiscal Year 2024 is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. Net pension liability includes all employees assigned to work for the JPB and the Transportation Authority. A summary of principal assumptions and methods used in the latest actuarial valuation to determine the net pension liability follows.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2024 and June 30, 2025 actuarial valuations were determined using the following actuarial assumptions:

	<u>2024</u>	<u>2025</u>
Valuation Date	June 30, 2022	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.50%	2.30%
Payroll Growth	2.75%	2.80%
Projected Salary Increase	Varies by Entry-Age and Service	Varies by Entry-Age and Service
Investment Rate of Return	7.00% (1)	6.80% (1)
Mortality	(2)	(2)

- (1) Net of pension plan investment and administrative expenses, including inflation.
- (2) The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

San Mateo County Transit District

Notes to the Financial Statements

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**Discount Rate** – The discount rate used to measure the total pension liability was 6.9% (7.15% in 2022) percent for each Plan for both Fiscal Years ended June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected 6.9% rate of return on pension plan investments, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class <sup>1</sup>	New Strategic Allocation	Real Returns <sup>1,2</sup>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
<b>Total</b>	<b>100%</b>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2022 Asset Liability Mangement study.

Source: CalPERS 2024 Annual Comprehensive Financial Report.

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**Changes in the Net Pension Liability**

The changes in the net pension liability recognized over the measurement period ended June 30, 2024 (Fiscal Year ended June 30, 2025) is as follow (in thousands):

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2024	\$ 456,323	\$ 361,762	\$ 94,561
Changes recognized for the measurement period			
Service cost	12,944	-	12,944
Interest on the total pension liability	31,547	-	31,547
Changes of benefit terms	-	-	-
Difference between expected and actual experience	5,704	-	5,704
Contributions from the employer	-	14,384	(14,384)
Contributions from employees	-	6,759	(6,759)
Net investment income	-	34,731	(34,731)
Benefit Payments, including refunds	(22,581)	(22,581)	-
Administrative Expense	-	(294)	294
Net changes	<u>27,614</u>	<u>32,999</u>	<u>(5,385)</u>
<b>Balance at June 30, 2025</b>	<b><u>\$ 483,937</u></b>	<b><u>\$ 394,761</u></b>	<b><u>\$ 89,176</u></b>

The changes in the Net Pension Liability recognized over the measurement period ended June 30, 2023 (Fiscal Year ended June 30, 2024) is as follow (in thousands):

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023	\$ 433,260	\$ 342,963	\$ 90,297
Changes recognized for the measurement period			
Service cost	11,456	-	11,456
Interest on the total pension liability	29,756	-	29,756
Changes of assumptions	499	-	499
Difference between expected and actual experience	2,157	-	2,157
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	13,146	(13,146)
Contributions from employees	-	5,348	(5,348)
Net investment income	-	21,362	(21,362)
Benefit Payments, including refunds	(20,805)	(20,805)	-
Administrative Expense	-	(252)	252
Net changes	<u>23,063</u>	<u>18,799</u>	<u>4,264</u>
<b>Balance at June 30, 2024</b>	<b><u>\$ 456,323</u></b>	<b><u>\$ 361,762</u></b>	<b><u>\$ 94,561</u></b>

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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability for the measurement period ended June 30, 2024 (Fiscal Year ended June 30, 2025) calculated using the plan discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (in thousands):

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Discount Rate	5.90%	6.90%	7.90%
Net Pension Liability	\$ 149,577	\$ 89,176	\$ 38,793

The following presents the net pension liability for the measurement period ended June 30, 2023 (Fiscal Year ended June 30, 2024) calculated using the plan discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (in thousands):

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Discount Rate	5.90%	6.90%	7.90%
Net Pension Liability	\$ 151,812	\$ 94,561	\$ 46,796

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions** – For the year ended June 30, 2025, the District recognized pension expense of \$18,400,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 16,513	\$ -
Changes of assumptions	1,823	-
Differences between expected and actual experiences	4,962	(696)
Net differences between projected and actual earnings on plan investments	5,519	-
<b>Total</b>	<b>\$ 28,817</b>	<b>\$ (696)</b>

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**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions** – For the year ended June 30, 2024, the District recognized pension expense of \$18,735,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 14,379	\$ -
Changes of assumptions	5,468	-
Differences between expected and actual experiences	1,522	(2,318)
Net differences between projected and actual earnings on plan investments	16,337	-
<b>Total</b>	<b>\$ 37,706</b>	<b>\$ (2,318)</b>

Deferred outflows of resources related to contributions subsequent to the measurement date is \$16,513,000, which will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a reduction to pension expense as follows (in thousands):

<b>Year Ended June 30</b>	
2026	3,131
2027	11,153
2028	(710)
2029	(1,966)
<b>Total</b>	<b>\$ 11,608</b>

**Note 10 - Post-Retirement Health Care Benefits**

**Plan Description and Benefits Provided**

In August 1993, the District’s Board of Directors adopted the San Mateo County Transit District Retiree Healthcare Plan (Plan). The Plan provides lifetime post-retirement CalPERS medical care insurance benefits to qualified retirees, those who have attained at least 50 years of age and have at least five years of service and who retire under CalPERS within 120 days of separation from District employment, and their eligible dependents and surviving spouses. Benefit allowance provisions are established, and may be amended, through agreements and memorandums of understanding (MOUs) between the District, its management employees and unions representing District employees. In April 2008, the District's Board of Directors adopted an Other Post Employment Benefit (OPEB) funding plan (Plan) and in April 2009, as authorized by that plan, adopted the California Employers’ Retiree Benefit Trust (CERBT), a tax-exempt Internal Revenue Code section 115 trust administered by CalPERS.

**San Mateo County Transit District**  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

The Plan provides qualified retirees for life with a cash subsidy in the form of a fixed-dollar District contribution directly to CalPERS for monthly medical insurance premiums of up to \$476 for employee-only coverage, \$953 for employee-plus-one coverage, or \$1,239 for employee-plus-two coverage. However, for Kaiser plans specifically, the rate is \$432 for employee coverage, \$864 for employee-plus-one coverage, or \$1,123 for employee-plus-family coverage. Retirees can select from various health plans offered by the District through CalPERS such as Blue Shield, Kaiser, Health Net, Anthem, Western Health Advantage, Sharp, and United Healthcare. If a qualified retiree waives coverage, the retiree will not receive the District’s contribution. These plans are subject to change based on CalPERS contractual agreements.

The District contributes to the CERBT, an agent multiple employer defined benefit other postemployment benefits plan that is an irrevocable trust established to fund postemployment healthcare benefits. This trust is not considered a component unit of the District and is excluded from these financial statements. The CERBT issues a publicly available annual financial report, which may be obtained from the CalPERS website. At the June 30, 2023 and June 30, 2024 measurement dates, the numbers of active and retired District employees covered by the Plan were as follows:

<b>Measurement date</b>	<b>2024</b>	<b>2023</b>
Retired employees receiving benefits	449	436
Retired employees entitled to but not receiving benefits	199	136
Active plan members	884	794
<b>Total</b>	<b>1,532</b>	<b>1,366</b>

**Funding Policy and Contribution**

The Plan also called for increasing amounts to be funded into the trust each year until the full Annual Determined Contribution (ADC) can be funded on an annual basis. The District contributes an amount that is actuarially determined that represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

In Fiscal Year ended June 30, 2025, the District contributed \$4,236,000 to the established trust fund through CERBT. In addition, the District contributed \$3,290,000 in pay-as-you-go amounts for the year ended June 30, 2025. Additional contributions were in the form of an implicit subsidy in the amount of \$605,000 were made.

In Fiscal Year ended June 30, 2024, the District contributed \$4,000,000 to the established trust fund through CERBT. In addition, the District contributed \$3,036,000 in pay-as-you-go amounts for the year ended June 30, 2024. Additional contributions in the form of an implicit subsidy in the amount of \$717,000 were made.

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

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Annually, in addition to funding the “normal cost” of the OPEB plan, the District is required to amortize a portion of the unfunded accrued liability through a payment into the plan. A portion of this cost is attributed to the JPB and the Transportation Authority. In Fiscal Year 2025, the JPB’s portion of this payment was \$456,000, and the Transportation Authority’s portion of this payment was \$268,000; In Fiscal Year 2024, the JPB’s portion of this payment was \$456,000, and the Transportation Authority’s portion of this payment was \$32,000.

**Net OPEB Liability**

The District’s net OPEB liability includes all employees assigned to work for the JPB and the Transportation Authority. It was measured as of June 30, 2024 for the Fiscal Year ended on June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Discount Rate	6.25%
Inflation	2.50%
Investment Rate of Return	6.25%
Mortality	Projected fully generational with Scale MP-2021
Healthcare Trend Rate	Non-Medicare – 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare – 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076

The District’s net OPEB liability was measured as of June 30, 2023 for the Fiscal Year ended on June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, that was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Discount Rate	6.25%
Inflation	2.50%
Investment Rate of Return	6.25%
Mortality	Projected fully generational with Scale MP-2021
Healthcare Trend Rate	Non-Medicare – 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare – 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Long-Term Expected Real Rate of Return <sup>(2)(3)</sup></b>
Global Equity	49.00%	4.56%
Fixed Income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
	<b>100.00%</b>	

(1) The long-term expected real rates of return are presented as geometric means.

(2) Includes 2.5% inflation.

(3) Expected Long-Term Net Rate of Return, Rounded = 6.25%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25 percent for the measurement date as of June 30, 2024 and 6.25 percent for the measurement date as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

San Mateo County Transit District

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

**Change in Net OPEB Liability**

The changes in the net OPEB liability for the District’s plan over the measurement period ended June 30, 2024 (Fiscal Year ended June 30, 2025) are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$ 51,546	\$ 42,552	\$ 8,994
Changes for the year:			
Service cost	1,666	-	1,666
Interest	3,209	-	3,209
Differences between actual and expected experience		-	-
Changes in assumptions		-	-
Contribution - employer	-	7,765	(7,765)
Net investment income	-	4,680	(4,680)
Benefit payments and refunds	(3,753)	(3,753)	-
Administrative expenses	-	(26)	26
Net changes	<u>1,122</u>	<u>8,665</u>	<u>(7,544)</u>
<b>Balance at June 30, 2025</b>	<b><u>\$ 52,668</u></b>	<b><u>\$ 51,217</u></b>	<b><u>\$ 1,451</u></b>

The changes in the net OPEB liability for the District’s plan over the measurement period ended June 30, 2023 (Fiscal Year ended June 30, 2024) are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 54,461	\$ 36,141	\$ 18,320
Changes for the year:			
Service cost	1,734	-	1,734
Interest	3,405	-	3,405
Changes in benefit terms		-	-
Differences between actual and expected experience	(3,424)	-	(3,424)
Changes in assumptions	(1,203)	-	(1,203)
Contribution - employer	-	7,438	(7,438)
Net investment income	-	2,422	(2,422)
Benefit payments and refunds	(3,427)	(3,427)	-
Administrative expenses	-	(22)	22
Net changes	<u>(2,915)</u>	<u>6,411</u>	<u>(9,326)</u>
<b>Balance at June 30, 2024</b>	<b><u>\$ 51,546</u></b>	<b><u>\$ 42,552</u></b>	<b><u>\$ 8,994</u></b>

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

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**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the year ended June 30, 2025 and 2024:

<b>Net OPEB Liability for the Fiscal Year Ended on June 30, 2025</b>		
Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
(5.25%)	(6.25%)	(7.25%)
\$ 6,403	\$ 1,451	\$ (2,825)

<b>Net OPEB Liability for the Fiscal Year Ended on June 30, 2025</b>		
Trend Rate - 1%	Current Trend	Trend Rate + 1%
\$ 108	\$ 1,451	\$ 3,271

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the year ended June 30, 2025 and 2024:

<b>Net OPEB Liability for the Fiscal Year Ended on June 30, 2024</b>		
Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
(5.25%)	(6.25%)	(7.25%)
\$ 13,879	\$ 8,994	\$ 4,778

<b>Net OPEB Liability for the Fiscal Year Ended on June 30, 2024</b>		
Trend Rate - 1%	Current Trend	Trend Rate + 1%
\$ 7,806	\$ 8,994	\$ 10,580

**OPEB Plan Fiduciary Net Position**

CalPERS issues a publicly available financial report that may be obtained from CalPERS website at <http://www.calpers.ca.gov>.

**San Mateo County Transit District**  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the Fiscal Year ended June 30, 2025, the District recognized an OPEB expense in the amount of \$1,072,000. As of Fiscal Year ended June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 8,141	\$ -
Changes of Assumptions	1,168	(1,079)
Differences between Expected and Actual Experiences	-	(3,986)
Net differences between projected and actual earnings on plan investments	309	-
	<b>\$ 9,618</b>	<b>\$ (5,065)</b>

For the Fiscal Year ended June 30, 2024, the District recognized an OPEB expense in the amount of \$2,107,000. As of Fiscal Year ended June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 7,765	\$ -
Changes of Assumptions	1,655	(1,455)
Differences between Expected and Actual Experiences	-	(5,424)
Net differences between projected and actual earnings on plan investments	2,486	-
	<b>\$ 11,906</b>	<b>\$ (6,879)</b>

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss. The contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other deferrals are amortized over the remaining 6 years from 2023 to 2029 and thereafter as follows:

<b>Year Ended June 30</b>		
2026	\$	(1,140)
2027		242
2028		(1,167)
2029		(1,102)
2030		(421)
<b>Total</b>	<b>\$</b>	<b>(3,588)</b>

**Note 11 - Insurance Programs**

The District is exposed to various risks of loss including but not limited to those related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District is self-insured for a portion of its public liability, property damage and workers' compensation liability. As of June 30, 2025, coverage provided by self-insurance and excess coverage (purchased by the District) is generally summarized as follows:

<u>Type of Coverage</u>	<u>Self-Insured Retention (in thousands)</u>	<u>Excess Insurance (in thousands)</u>
General Liability and Property of Others	\$3,000 per occurrence	\$99,000 per occurrence/ annual aggregate
Workers' Compensation	\$1,000 per occurrence	\$10,000 per occurrence
Employment Practices	\$500 per claim	\$5,000 aggregate
Bus Physical Damage	\$100 maximum per vehicle / \$150 maximum per occurrence	\$25,000 per occurrence \$164,000 Total Insurable Values (TIV)
Real and Personal Property	\$25 per occurrence	\$154,000 Total Insurable Values (TIV)
Environmental Liability	\$50 per occurrence	\$5,000 per occurrence / annual aggregate
Fiduciary Liability	\$10 per occurrence	\$2,000 aggregate
Cyber Liability	\$100 per occurrence	\$10,000 aggregate
Crime Insurance/Employee Dishonesty	\$50 per occurrence except for computer fraud and funds transfer	\$5,000 per loss
Kidnap & Ransom	\$0	\$1,000 aggregate

**San Mateo County Transit District**  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

With the exception of the older, 2009 Gillig buses insured at actual cash value (ACV), all rolling stock is insured at full replacement value for total insurable values (TIV) of \$164,066,000. Real and Personal Property is insured for total insurable values (TIV) of \$153,987,000 and is inclusive of \$25,000,000 in state and federally mandated flood insurance. General Liability is inclusive of Public Officials Liability up to \$50,000,000. Coverage extends to the Transportation Authority in excess of the Authority’s own \$11,000,000 in general liability coverage and \$3,000,000 public officials liability policy. Terrorism coverage applies to Liability and Property. Earthquake coverage remains cost prohibitive to procure. To date there have been no significant reductions in any of the District’s insurance coverage. Settlements have not exceeded excess coverages for each of the past three Fiscal Years.

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported and incremental claim expenses. Allocated and unallocated claims adjustment expenses are included in the claims liability balances. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

Annual expense is charged using various allocation methods that include actual costs, trends in claims experience, and number of participants. It is the District’s practice to obtain full actuarial studies annually.

Changes in the balances of claims liabilities for the three years ended June 30 for public liability, property damage and workers’ compensation are as follows (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Self-insurance liabilities, beginning of year	\$ 18,629	\$ 12,271	\$ 9,167
Incurred claims and changes in estimates	9,618	11,259	6,917
Claim payments and related costs	(5,706)	(4,901)	(3,813)
Total Self-insurance claims liabilities	<u>22,541</u>	<u>18,629</u>	<u>12,271</u>
Less current portion	<u>8,303</u>	<u>7,207</u>	<u>4,838</u>
<b>Noncurrent portion</b>	<b><u>\$ 14,238</u></b>	<b><u>\$ 11,422</u></b>	<b><u>\$ 7,433</u></b>

**Note 12 - Commitment and Contingent Liabilities**

**Legal**

The District is directly and indirectly involved in various litigation matters relating principally to claims alleging personal injury and property damage arising from incidents related to the provision of its transit service. In the opinion of District management and legal counsel, as of June 30, 2025, the ultimate resolution of these matters will not materially affect the District’s financial position.

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

**Grants**

The District’s grants are subject to review and audit. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grants. In the opinion of District management, such allowances, if any, will not materially affect the District’s financial position.

**Note 13 - Hedge Program**

In order to create more certain future diesel fuel costs and to manage the budget risk caused by uncertain future diesel fuel prices, the District established a diesel fuel hedging program. The hedging instruments used are New York Harbor Ultra Low Sulfur Diesel (NYHRBRULSD) futures contracts with a notional amount of 42,000 gallons each as listed on the New York Mercantile Exchange Clearinghouse (NYMEX).

As of June 30, 2025, the District had 31 futures contracts. As of June 30, 2025, the aggregate fuel hedge contracts covered a period from July 2024 through June 2025. As of June 30, 2024, The District had 35 futures contracts. As of June 30, 2023, the aggregate fuel hedge contracts covered a period from July 2023 through June 2024.

The District enters into futures contracts to hedge its price exposures to diesel fuel which is used in District vehicles to provide transportation. These contracts are derivative instruments. The effectiveness of the hedge is determined according to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which require a statistically strong relationship between the price of the futures contracts and the District’s cost of diesel fuel from suppliers in order to ensure that the futures contracts effectively hedge the expected cash flows associated with diesel fuel purchases/exposures. The District applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow on the statement of net position. For the reporting period, all of the District’s derivatives meet the effectiveness tests. Net gains/losses from completed hedges become an element of diesel fuel cost.

For diesel fuel futures contracts, the fair values are determined according to exchange settlement prices and the prices at which the futures contracts were purchased where each contract has a volume of 42,000 gallons. The following is a summary of the fair values and notional amounts of derivative instruments (diesel futures contracts) outstanding as of June 30, 2025 (in thousands):

(in thousands)	2025 Change in Fair Value		Fair Value, June 30, 2025		Notional
	Classification	Amount	Classification	Amount	
<b>Effective Cash Flow Hedges</b>					
Futures contracts	Deferred Inflow	\$ 5	Derivative Instruments	\$ (98)	1,890 Gallons

San Mateo County Transit District  
Notes to the Financial Statements  
June 30, 2025 and June 30, 2024

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For diesel fuel futures contracts, the fair values are determined according to exchange settlement prices and the prices at which the futures contracts were purchased where each contract has a volume of 42,000 gallons. The following is a summary of the fair values and notional amounts of derivative instruments (diesel futures contracts) outstanding as of June 30, 2024 (in thousands):

(in thousands)	<u>2024 Change in Fair Value</u>		<u>Fair Value, June 30, 2024</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Effective Cash Flow Hedges					
	Deferred		Derivative		
Futures contracts	Outflow	\$ (384)	Instruments	\$ (103)	1,302 Gallons

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Required Supplementary Information  
June 30, 2025

## San Mateo County Transit District

San Mateo County Transit District  
Schedule of Changes in the Net OPEB Liability and Related Ratios

(Amounts in thousands)	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018*
<b>Total OPEB Liability</b>								
Service cost	\$ 1,666	\$ 1,734	\$ 1,688	\$ 1,588	\$ 1,623	\$ 1,638	\$ 1,659	\$ 1,611
Interest on Total OPEB Liability	3,209	3,405	3,306	3,497	3,446	3,486	3,367	3,247
Changes of Assumptions	-	(1,203)	-	3,116	(931)	(330)	-	-
Difference Between Expected and Actual Experience	-	(3,424)	-	(3,838)	-	(2,076)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,753)	(3,427)	(3,459)	(3,340)	(3,318)	(3,281)	(3,199)	(3,032)
Net Change in Total OPEB Liability	1,122	(2,915)	1,535	1,023	820	(563)	1,827	1,826
Total OPEB Liability - Beginning	51,546	54,461	52,926	51,903	51,083	51,646	49,819	47,993
<b>Total OPEB Liability - Ending</b>	<b>\$ 52,668</b>	<b>\$ 51,546</b>	<b>\$ 54,461</b>	<b>\$ 52,926</b>	<b>\$ 51,903</b>	<b>\$ 51,083</b>	<b>\$ 51,646</b>	<b>\$ 49,819</b>
<b>Fiduciary Net Position</b>								
Contributions - Employer	\$ 7,765	\$ 7,438	\$ 7,467	\$ 6,586	\$ 6,565	\$ 6,327	\$ 6,746	\$ 5,032
Net Investment Income	4,680	2,422	(5,364)	7,469	725	1,219	1,143	1,174
Benefit Payments, Including Refunds of Employee Contributions	(3,753)	(3,427)	(3,459)	(3,340)	(3,318)	(3,281)	(3,199)	(3,032)
Administrative Expense	(26)	(22)	(18)	(18)	(20)	(12)	(36)	(6)
Net Change in Fiduciary Net Position	8,666	6,411	(1,374)	10,697	3,952	4,253	4,654	3,168
Plan Fiduciary Net Position - Beginning	42,552	36,141	37,515	26,818	22,866	18,613	13,959	10,791
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 51,218</b>	<b>\$ 42,552</b>	<b>\$ 36,141</b>	<b>\$ 37,515</b>	<b>\$ 26,818</b>	<b>\$ 22,866</b>	<b>\$ 18,613</b>	<b>\$ 13,959</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 1,450</b>	<b>\$ 8,994</b>	<b>\$ 18,320</b>	<b>\$ 15,411</b>	<b>\$ 25,085</b>	<b>\$ 28,217</b>	<b>\$ 33,033</b>	<b>\$ 35,860</b>
<b>Fiduciary Net Position as a Percentage of the</b>								
Total OPEB Liability	97.25%	82.55%	66.36%	70.88%	51.67%	44.76%	36.04%	28.02%
Covered Payroll	\$ 103,063	\$ 87,771	\$ 80,473	\$ 71,296	\$ 74,287	\$ 70,978	\$ 64,378	\$ 49,777
Net OPEB Liability as a Percentage of Covered Payroll	1.41%	10.25%	22.77%	21.62%	33.77%	39.75%	51.31%	72.04%
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

\*Historical information is not available prior to the implementation of the OPEB standards.

**San Mateo County Transit District**  
**Schedule of OPEB Contributions**

(Amounts in thousands)	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018*</u>
Actuarially Determined Contribution	\$ 8,141	\$ 7,765	\$ 7,438	\$ 7,467	\$ 6,585	\$ 6,565	\$ 6,326	\$ 6,080
Benefit Payments, Including Refunds of Employee Contributions	(8,141)	(7,765)	(7,438)	(7,467)	(6,585)	(6,565)	(6,326)	(6,080)
<b>Contribution Deficiency (Excess)</b>	<u>\$ -</u>							
Covered Payroll	119,415	103,063	87,771	80,473	71,296	74,287	70,978	64,378
Contributions as a Percentage of Covered Payroll	6.82%	7.53%	8.47%	9.28%	9.24%	8.84%	8.91%	10.83%
Actuarial Valuation Date	6/30/2024	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017

\* Historical information is not available prior to the implementation of the OPEB standards.

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San Mateo County Transit District

Schedule of Changes in the District's Net Pension Liability and Related Ratios

(Amounts in thousands)	2025	2024	2023 <sup>(2)</sup>	2022	2021	2020	2019	2018	2017 <sup>(1)</sup>	2016
<b>Total pension liability</b>										
Service cost	\$ 12,944	\$ 11,456	\$ 10,516	\$ 9,837	\$ 9,524	\$ 8,706	\$ 8,511	\$ 8,145	\$ 7,020	\$ 6,831
Interest on the total pension liability	31,547	29,756	28,240	27,333	26,145	24,887	23,524	22,342	21,338	20,157
Changes of assumptions	-	499	12,758	-	-	-	(2,738)	18,030	-	(4,780)
Difference between expected and actual experience	5,704	2,157	(4,875)	(1,601)	87	1,785	2,022	(1,390)	(903)	(894)
Benefit payments, including refunds of employee contributions	(22,581)	(20,805)	(19,040)	(17,746)	(17,477)	(15,487)	(14,227)	(12,618)	(11,410)	(10,095)
Net change in total pension liability	27,614	23,063	27,599	17,823	18,279	19,891	17,092	34,509	16,045	11,219
Total pension liability - beginning of year	456,323	433,260	405,661	387,838	369,559	349,668	332,576	298,067	282,023	270,804
Total pension liability - end of year	<u>\$ 483,937</u>	<u>\$ 456,323</u>	<u>\$ 433,260</u>	<u>\$ 405,661</u>	<u>\$ 387,838</u>	<u>\$ 369,559</u>	<u>\$ 349,668</u>	<u>\$ 332,576</u>	<u>\$ 298,068</u>	<u>\$ 282,023</u>
<b>Fiduciary net position</b>										
Net plan to plan resource movement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ -
Contributions from the employer	14,384	13,146	11,844	10,714	9,633	8,159	6,603	5,961	5,014	4,192
Contributions from employees	6,759	5,348	4,636	4,379	4,434	4,157	3,703	3,489	3,428	3,199
Net investment income	34,731	21,362	(28,268)	69,515	14,835	18,503	22,310	26,892	1,287	5,413
Benefit payments, including refunds of employee contributions	(22,581)	(20,805)	(19,040)	(17,746)	(17,477)	(15,487)	(14,227)	(12,618)	(11,410)	(10,095)
Administrative expense	(294)	(252)	(234)	(307)	(418)	(201)	(412)	(355)	(148)	(273)
Other miscellaneous income/(expense)	-	-	-	-	-	1	(782)	-	-	-
Net change in fiduciary net position	32,999	18,799	(31,062)	66,555	11,007	15,132	17,194	23,369	(1,829)	2,436
Fiduciary net position - beginning of year	361,762	342,963	374,025	307,470	296,463	281,331	264,137	240,768	242,596	240,160
Fiduciary net position - end of year	<u>\$ 394,761</u>	<u>\$ 361,762</u>	<u>\$ 342,963</u>	<u>\$ 374,025</u>	<u>\$ 307,470</u>	<u>\$ 296,463</u>	<u>\$ 281,331</u>	<u>\$ 264,137</u>	<u>\$ 240,767</u>	<u>\$ 242,596</u>
<b>Net pension liability</b>	<u>\$ 89,176</u>	<u>\$ 94,561</u>	<u>\$ 90,297</u>	<u>\$ 31,636</u>	<u>\$ 80,368</u>	<u>\$ 73,096</u>	<u>\$ 68,337</u>	<u>\$ 68,439</u>	<u>\$ 57,301</u>	<u>\$ 39,427</u>
<b>Fiduciary net position as a percentage of the total pension liability</b>	81.57%	79.28%	79.16%	79.28%	79.28%	80.22%	80.46%	79.42%	80.78%	86.02%
Covered payroll	\$ 63,387	\$ 63,387	\$ 64,630	\$ 64,932	\$ 64,630	\$ 64,498	\$ 61,004	\$ 56,133	\$ 49,777	\$ 47,112
Net pension liability as percentage	140.68%	149.18%	139.06%	124.61%	124.61%	119.82%	121.74%	137.49%	121.63%	83.59%
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015

<sup>(1)</sup> In 2017 the discount rate was changed to 7.15 percent from 7.65 percent.

<sup>(2)</sup> In 2023 the discount rate was changed to 6.90 percent from 7.15 percent.

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San Mateo County Transit District  
Schedule of District's Pension Contributions

(Amounts in thousands)	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 16,513	\$ 14,379	\$ 13,147	\$ 11,842	\$ 10,714	\$ 9,633	\$ 8,158	\$ 6,603	\$ 5,943	\$ 5,014
Contributions in relation to the actuarially determined contributions	(16,513)	(14,379)	(13,147)	(11,842)	(10,714)	(9,633)	(8,158)	(6,603)	(5,943)	(5,014)
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>									
Covered payroll	\$ 78,068	\$ 68,805	\$ 63,387	\$ 64,932	\$ 64,630	\$ 64,498	\$ 61,004	\$ 56,133	\$ 49,777	\$ 47,112
Contributions as a percentage of covered payroll	21.15%	20.90%	20.74%	18.24%	16.58%	14.94%	13.37%	11.76%	11.94%	10.64%
Actuarial Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

San Mateo County Transit District  
Notes to Required Supplementary Information  
June 30, 2025

**Note 1 – OPEB Methods and Assumptions used to Determine Contributions**

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry-Age Normal Cost Method
Asset Valuation Method	Fair Value of Assets
Amortization Method	Level Percent of Payroll
Actuarial Assumptions	
Discount Rate	6.25%
Inflation	2.50%
Aggregate Payroll Increase	2.75%
Salary Merit and Longevity Increases	CalPERS 2000-2019 Experience Study

**Note 2 – Pension Methods and Assumptions used to Determine Contributions**

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry-Age Normal Cost Method									
Asset Valuation Method	Fair Value of Assets									
Actuarial Assumptions										
Actuarial Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Discount Rate	6.800%	6.800%	7.000%	7.000%	7.250%	7.250%	7.375%	7.500%	7.500%	7.500%
Inflation	2.500%	2.500%	2.500%	2.500%	2.625%	2.625%	2.750%	2.750%	2.750%	2.750%
Payroll Growth	2.800%	2.800%	2.750%	2.750%	2.875%	2.875%	3.000%	3.000%	3.000%	3.000%
Projected Salary Increases	Varies by Entry-Age and Service									
Mortality	Rates Vary by Age, Type of Retirement and Gender									

Supplementary Information  
June 30, 2025

## San Mateo County Transit District

**San Mateo County Transit District**

Schedule of Revenues, Expenses, Capital Outlay, and Long-Term Debt Payment Comparison of Budget to  
Actual (Budgetary Basis)  
Year Ended June 30, 2025

(Amounts in thousands)

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Operating Revenues - Passenger Fares</b>	\$ 13,251	\$ 13,128	\$ (123)
<b>Operating Expenses:</b>			
Salaries and benefits	119,073	120,586	(1,513)
Contract operations and maintenance services	63,218	59,106	4,112
Other services	17,125	12,829	4,296
Materials and supplies	11,812	13,186	(1,374)
Insurance	14,811	18,240	(3,429)
Miscellaneous	21,395	15,124	6,271
Total operating expenses	247,434	239,071	8,363
Operating loss	(234,183)	(225,943)	8,240
<b>Nonoperating Revenues (Expenses)</b>			
Operating assistance	263,958	257,174	(6,784)
Investment income	14,335	24,170	9,835
Interest expense	(7,593)	(6,518)	1,075
Other income, net	3,401	5,975	2,574
Total nonoperating income (expenses)	274,101	280,801	6,700
Income (loss) before capital outlay and long-term debt principal payments	39,918	54,858	14,940
<b>Capital Outlay</b>			
Capital assistance	67,100	19,246	(47,854)
Capital expenditures	(67,100)	(19,246)	47,854
Net capital outlay	-	-	-
Long-term debt principal or interest payment	(149,983)	(149,983)	-
<b>Excess (Deficiency) Of Revenues and Nonoperating Income Over Expenses, Capital Outlay and Debt Principal Payments</b>	<b>\$ (110,065)</b>	<b>\$ (95,125)</b>	<b>\$ 14,940</b>

San Mateo County Transit District  
Notes to Supplementary Information  
June 30, 2025

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**Note 1 - Budgetary Basis of Accounting**

The District prepares its budget on a basis of accounting that differs from Generally Accepted Accounting Principles (GAAP). The actual results of operations are presented in the supplemental schedule on the budgetary basis to provide a meaningful comparison of actual results with budget. In addition, certain budget amounts have been reclassified to conform to the presentation of actual amounts in the supplemental schedule. Budgeted amounts presented are the final adopted budget. The primary difference between the budgetary basis of accounting and GAAP concerns capital assets. Depreciation and amortization expense per GAAP is not budgeted and budgeted capital expenditures are not recorded as an expense per GAAP. In addition, unrealized gains and losses under GASB Statement No. 31 are not recognized as well as some long-term expenses such as OPEB and bond related payments.

**Note 2 - Reconciliation of Budgetary Basis to GAAP Basis**

A reconciliation of the budgetary basis of accounting to GAAP is as follows (in thousands):

Excess of revenues and non-operating income over expenses,			
capital outlay and debt principal payment		\$	(95,125)
Capital expenditures	\$	19,246	
Depreciation and amortization		(18,905)	
Postemployment benefits accrual		7,069	
Pension Expense - GASB 68		(1,882)	
Long-term debt principal payments		149,983	
GASB 31 unrealized gain/loss		7,947	
Expense for noncapitalized projects		(5,540)	
Capital gain (losses) on investment		(6)	
Bond refunding costs amortization expense		(254)	
Interest Income Invest Premium/Discount		784	
Bond premium amortization		2,501	
Sub-total reconciling items		160,943	
<b>Change in net position, GAAP basis</b>		<b>\$ 65,818</b>	

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Statistical  
June 30, 2025

## San Mateo County Transit District

## **Statistical**

### Financial Trends

- Net Position and Change in Net Position

### Revenue Capacity

- Revenue Base and Revenue Rate
- Overlapping Revenue
- Principal Revenue Payers

### Debt Capacity

- Ratio of Outstanding Debts
- Bonded Debt
- Direct and Overlapping Debt and Limitations
- Pledged Revenue Coverage

### Demographics and Economic Information

- Population, Income, and Unemployment Rates
- Principal Employers

### Operating Information

- Ridership and Fares
- Farebox Recovery and Miles
- Employees (Full-time Equivalents)
- Capital Assets

### **Statistical Section**

The Statistical Section of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statement, notes disclosure, required supplementary information and other supplementary information for assessing the District's economic condition.

#### **Financial Trends**

These schedules contain trend information to assist readers in understanding and assessing how the District's financial position has changed over time.

#### **Revenue Capacity**

These schedules contain information to assist readers in understanding and assessing the factors affecting the District's ability to generate passenger fares.

#### **Debt Capacity**

These schedules assist readers in understanding and assessing the District's debt burden and its capacity to issue future debt.

#### **Demographics and Economic Information**

These schedules present socioeconomic indicators to assist readers in understanding the environment within which the District's financial activities take place.

#### **Operating Information**

These schedules contain contextual information about the District's operations and resources to assist readers in using financial statement information to understand and assess the District's economic condition.

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San Mateo County Transit District  
Net Position and Change in Net Position  
Fiscal Years 2016 Through 2025 (in thousands)

Fiscal Year	2025	2024	2023	2022 <sup>(1)</sup>	2021 <sup>(2)</sup>	2020	2019	2018 <sup>(3)</sup>	2017	2016
Operating Revenues - Passenger Fares	\$ 13,128	\$ 12,719	\$ 11,226	\$ 8,913	\$ 5,615	\$ 11,690	\$ 15,567	\$ 15,742	\$ 17,041	\$ 18,078
<b>Operating Expenses</b>										
Salaries and benefits	115,399	97,642	83,740	53,620	70,253	83,438	75,467	67,851	60,665	58,598
Contract operations and maintenance	59,106	52,198	41,632	36,678	38,177	39,625	40,507	35,694	34,621	33,326
Other services	12,829	13,715	11,234	11,484	10,932	10,750	9,770	9,312	8,856	8,388
Materials and supplies	13,186	12,100	11,418	9,259	7,737	7,448	7,604	7,300	6,588	6,626
Insurance	18,240	17,245	13,134	4,519	9,534	8,575	5,306	3,603	6,651	4,505
Miscellaneous	15,124	12,764	12,588	9,123	9,613	10,812	9,128	8,139	7,598	6,656
Total operating expenses	233,884	205,664	173,746	124,683	146,246	160,648	147,782	131,899	124,979	118,099
Operating loss before depreciation, amortization and administrative expenses capitalized	(220,756)	(192,945)	(162,520)	(115,770)	(140,631)	(148,958)	(132,215)	(116,157)	(107,938)	(100,021)
Depreciation and amortization	(18,905)	(17,514)	(18,394)	(18,719)	(20,491)	(25,842)	(21,492)	(23,078)	(22,252)	(21,550)
Operating Loss	(239,661)	(210,459)	(180,914)	(134,489)	(161,122)	(174,800)	(153,707)	(139,235)	(130,190)	(121,571)
<b>Nonoperating Revenues (Expenses)</b>										
Operating assistance	257,174	258,451	272,494	241,629	250,472	206,031	160,416	144,802	135,910	126,254
Investment income	35,396	26,587	11,671	(8,188)	288	7,442	10,036	3,859	3,536	5,580
Interest expense	(6,772)	(6,289)	(6,644)	(7,045)	(7,270)	(7,497)	(10,954)	(11,145)	(11,249)	(11,226)
Caltrain service subsidy	-	-	-	-	(8,877)	(9,239)	(7,634)	(6,170)	(6,480)	(6,080)
Expense for noncapitalized projects	(5,540)	(2,788)	(1,635)	(4,155) <sup>(4)</sup>	-	-	-	-	-	-
Other income, net	5,975	20,934	6,321	7,739	13,118	13,970	10,180	10,860	11,492	9,777
Total nonoperating revenues, net	286,233	296,895	282,207	229,980	247,731	210,707	162,044	142,206	133,209	124,305
Net income (loss) before capital contributions	46,572	86,436	101,293	95,491	86,609	35,907	8,337	2,971	3,019	2,734
Capital contributions	19,246	24,016	4,076	3,124	6,094	49,509	8,789	10,970	25,424	12,778
Change In Net Position	65,818	110,452	105,369	98,615	92,703	85,416	17,126	13,941	28,443	15,512
Restatement	-	-	-	145	364	-	-	(23,400)	-	-
Net Position Components										
Net investment in capital assets	192,809	173,842	151,793	159,345	171,967	184,402	156,626	165,481	171,022	167,850
Restricted	28,256	26,602	26,601	26,599	26,600	26,599	26,575	26,804	26,811	26,804
Unrestricted	411,871	366,674	278,272	165,353	53,970	(51,531)	(109,147)	(135,357)	(131,446)	(156,710)
<b>Net Position</b>	<b>\$ 632,936</b>	<b>\$ 567,118</b>	<b>\$ 456,666</b>	<b>\$ 351,297</b>	<b>\$ 252,537</b>	<b>\$ 159,470</b>	<b>\$ 74,054</b>	<b>\$ 56,928</b>	<b>\$ 66,387</b>	<b>\$ 37,944</b>

<sup>(1)</sup> 2022 restatement due to implementation of GASB 96.

<sup>(2)</sup> 2021 restatement due to implementation of GASB 87.

<sup>(3)</sup> 2018 restatement due to implementation of GASB 75.

<sup>(4)</sup> Expense for noncapitalized projects was not classified prior to 2022.

This table presents revenues and expenses, contributions, depreciation and amortization and net position components.

Source: Current and prior years' Annual Comprehensive Financial Reports.

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San Mateo County Transit District  
Revenue Base and Revenue Rate  
Fiscal Years 2016 Through 2025

Fiscal Year Ending	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Passenger fares (in thousands)	\$ 13,128	\$ 12,719	\$ 11,226	\$ 8,913	\$ 5,615	\$ 11,690	\$ 15,567	\$ 15,742	\$ 17,041	\$ 18,078
Revenue Base										
Number of passengers (in thousands)	10,753	10,007	8,529	8,529	6,957	8,734	10,671	11,133	11,817	12,794
Fare structure										
Adults local fare	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25
Senior citizen/disabled/ Medicare cardholder	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10
Youth	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10
Redi-Wheels (Paratransit)	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.75	\$ 3.75
Sales tax rate <sup>[2]</sup>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	0.50%
Sales tax revenue (in thousands)	\$ 171,421	\$ 173,258	\$ 176,626	\$ 169,030	\$ 140,411	\$ 135,835	\$ 100,729	\$ 87,797	\$ 84,353	\$ 79,705
Taxable sales in San Mateo County (in thousands) <sup>[1]</sup>	\$ 22,856,168	\$ 23,101,083	\$ 23,900,000	\$ 21,960,000	\$ 17,700,000	\$ 18,800,000	\$ 19,700,000	\$ 17,900,000	\$ 16,600,000	\$ 15,941,000

<sup>[1]</sup> 2025 taxable sales are estimates based on sales tax revenues received; 2023 taxable sales amount is the most current information available on the County of San Mateo Annual Comprehensive Financial Report.

This table presents passenger fares, number of passengers and revenue fare structure, the half-cent transaction and use tax received by the District and the total taxable sales in San Mateo County.

<sup>[2]</sup> Includes 0.25% Tax Rate for Measure W, effective on 7/1/2019.

Source: California State Board of Equalization.

County of San Mateo County FY2025 Annual Comprehensive Financial Report.

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San Mateo County Transit District  
Overlapping Revenue  
Fiscal Years 2016 Through 2025

Fiscal Year	State	City and County	Other Special Districts	San Mateo County Transit District <sup>[1]</sup>	City of San Mateo Transactions and Use Tax	City of Half Moon Bay Transactions and Use Tax	San Mateo County Transactions and Use Tax	City of South San Francisco Transactions and Use Tax	City of Belmont Transactions and Use Tax	City of East Palo Alto Transactions and Use Tax	City of Burlingame Transactions and Use Tax	City of Redwood City Transactions and Use Tax	City of San Bruno Transactions and Use Tax	City of Daly City Local Recovery and Relief Transactions and Use Tax	2020 Peninsula Corridor Joint Powers Board Retail Transactions and Use Tax	City of Brisbane Transactions and Use Tax	City of Pacifica Transactions and Use Tax	City of Half Moon Bay Transactions and Use Tax	Total
2025	6.00%	1.25%	0.50%	0.50%	0.25%	0.00%	1.00%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%	0.125%	0.50%	0.50%	0.50%	14.38%
2024	6.00%	1.25%	0.50%	0.50%	0.25%	0.00%	1.00%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%	0.125%	0.50%	0.50%	0.50%	13.88%
2023	6.00%	1.25%	0.50%	0.50%	0.25%	0.00%	1.00%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%	0.13%	0.50%	0.50%	0.50%	13.88%
2022	6.00%	1.25%	0.50%	0.50%	0.25%	0.00%	1.00%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%	0.13%				12.88%
2021	6.00%	1.25%	0.50%	0.50%	0.25%	0%	1.00%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%					12.75%
2020	6.00%	1.25%	0.50%	0.50%	0.25%	0%	1.00%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%					12.25%
2019	6.00%	1.25%	0.50%	0.50%	0.25%	0.00%	0.50%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%					11.25%
2018	6.00%	1.25%	0.50%	0.50%	0.25%	0.00%	0.50%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%					10.75%
2017	6.50%	1.25%	0.50%	0.50%	0.25%	0.00%	0.50%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%					11.00%
2016	6.50%	1.00%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%	0.50%	0.50%	0.25%	0.50%	0.50%	0.50%					10.25%

<sup>[1]</sup> State legislation requires the District to obtain the approval of a majority of the voters in a public election to approve any sales tax measure.

<sup>[2]</sup> State sales tax and local sales tax effective January 1, 2017.

<sup>[3]</sup> South San Francisco Fiscal Stability & Essential Services Transactions and Use Tax (SSFR), tax effective April 1, 2016

<sup>[4]</sup> City of Belmont Transactions and Use Tax (BMTG), tax rates effective on April 1, 2017

<sup>[5]</sup> City of East Palo Alto Transactions and Use Tax (EPAG), tax rates effective on April 1, 2017

<sup>[6]</sup> City of Burlingame Transactions and Use Tax (BUEG), tax rates effective on April 1, 2018

<sup>[7]</sup> City of Redwood City Transactions and Use Tax (REDG), tax rates effective on April 1, 2019

<sup>[8]</sup> Measure W, tax rates effective on July 1, 2019

<sup>[9]</sup> City of San Bruno Transactions and Use Tax, tax rates effective on April 1, 2020

<sup>[10]</sup> City of Daly City Local Recovery and Relief Transactions and Use Tax, tax rates effective on April 1, 2021

<sup>[11]</sup> 2020 Peninsula Corridor Joint Powers Board Retail Transactions and Use Tax (JPBM), tax rates effective July, 1, 2021

<sup>[12]</sup> City of Brisbane Transactions and Use Tax, tax rates effective April 1, 2023

<sup>[13]</sup> City of Pacifica Transactions and Use Tax, tax rates effective April 1, 2023

<sup>[14]</sup> City of Half Moon Bay Transaction and Use Tax, tax rates effective April 1, 2025

This table presents the tax rates for local authorities in San Mateo County. The District receives a half-cent county transaction and use tax.

Source: California State Board of Equalization.

District Taxes, Rates, & Effective Dates.

California City and County Sales & Use Tax Rates.

<https://www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates.htm>.

<https://www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates-history.htm#excludes>.

**SOURCES:**

<https://www.cdtfa.ca.gov/taxes-and-fees/sales-use> Go to District Taxes, Rates, and Effective Dates

<https://www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates-histo> Shows state and local tax rates

San Mateo County Transit District

Principal Revenue Payers  
Fiscal Years 2024 and 2015

Major Industry Group	FY 2024			FY 2015		
	Rank	Percent of Sales		Rank	Percent of Sales	
		Receipts	Amount		Receipts	Amount
County & State Pool	1	20.3%	\$ 44,882,343	3	14.2%	\$ 22,230,452
Autos And Transportation	2	18.0%	39,830,654	2	18.0%	28,150,959
General Consumer Goods	3	17.1%	37,875,393	1	21.3%	33,238,075
Business And Industry	4	13.9%	30,763,881	5	13.4%	20,899,280
Restaurants And Hotels	5	11.6%	25,603,698	4	10.7%	16,696,444
Building And Construction	6	7.7%	17,125,110	7	8.4%	13,170,777
Fuel And Service Stations	7	7.1%	15,756,155	6	8.7%	13,602,220
Food And Drugs	8	4.3%	9,428,744	8	5.1%	7,988,774
Transfers & Unidentified	9	0.2%	348,505	9	0.04%	63,468
<b>Total</b>			<b><u>\$ 221,614,483</u></b>			<b><u>\$ 156,040,449</u></b>

Source: County-wide sales tax receipts provided for the County of San Mateo by Major Industry Group by Hinderliter, de Llamas and associates (HDL).

**San Mateo County Transit District**  
Ratio of Outstanding Debts  
Fiscal Years 2016 Through 2025

Fiscal Year	2025 Series A	Subscription-	Total Debt for	Personal Income	As a Percent of
	Refunding Bond	Based Information	SamTrans	for San Mateo	
	(in thousands) <sup>[1]</sup>	Technology	(in thousands) <sup>[1]</sup>	County	Personal Income
		Arrangements		(in millions) <sup>[2]</sup>	
		(in thousands) <sup>[1]</sup>			
2025	\$ 136,288	\$ 1,353	\$ 137,641	\$ 133,179 *	0.10%
2024	157,712	1,223	158,935	129,401 *	0.12%
2023	171,446	1,769	173,215	125,632 *	0.15%
2022	183,230	1,642	184,872	121,973	0.16%
2021	198,036	-	198,036	118,420	0.18%
2020	210,996	-	210,996	108,470	0.19%
2019	224,052	-	224,052	100,799	0.21%
2018	239,243	-	239,243	96,226	0.23%
2017	254,291	-	254,291	89,149	0.26%
2016	269,235	-	269,235	81,488	0.30%

<sup>[1]</sup> Current and prior years' Annual Comprehensive Financial Reports.

<sup>[2]</sup> Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

\*Personal Income and Per Capital Personal Income data for 2023, 2024, and 2025 is based on an estimated three percent annual increase over 2022.

Source: County of San Mateo FY2024 Annual Comprehensive Financial Report.

This table presents the relationship between the revenue bonds and the total personal income of the residents.

San Mateo County Transit District

Bonded Debt

Fiscal Years 2016 Through 2025

<b>Fiscal Year</b>	<b>Debt for SamTrans (in thousands)</b>	<b>Total Taxable Sales in San Mateo County</b>	<b>As a Percent of Total Taxable Sales in San Mateo County</b>
2025	\$ 136,288	\$ 22,856,168 <sup>[1]</sup>	0.60%
2024	157,712	23,101,083	0.68%
2023	171,446	23,550,183	0.73%
2022	183,230	21,960,000	0.82%
2021	198,036	17,700,000	1.12%
2020	210,996	18,800,000	1.12%
2019	224,052	19,700,000	1.14%
2018	239,243	17,900,000	1.34%
2017	254,291	16,600,000	1.53%
2016	269,235	15,941,000	1.69%

<sup>[1]</sup>Taxable sales are estimates based on sales tax revenues received.

This table presents the capacity of the District to issue revenue bonds based on total taxable sales in San Mateo County.

Source: Annual Comprehensive Financial Reports and California Department of Tax and Fee Administration.

San Mateo County Transit District  
Direct and Overlapping Debt and Limitations  
June 30, 2025

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The District does not have direct and overlapping debt with other governmental agencies. Additionally, the District does not have a legal debt limit.

San Mateo County Transit District  
Pledge Revenue Coverage  
Fiscal Years 2016 Through 2025 (in thousands)

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Fiscal Year	Sales Tax Revenue	Principal	Interest	Total	Coverage
2025	\$ 171,421	\$ 12,390 <sup>[1]</sup>	\$ 8,207	20,597	8.32
2024	173,258	11,825	7,318	19,143	9.05
2023	176,626	11,290	7,855	19,145	9.23
2022	169,030	10,780	8,370	19,150	8.83
2021	140,411	10,320	8,829	19,149	7.33
2020	135,835	10,060	9,298	19,358	7.02
2019	100,729	11,930	9,661	21,591	4.67
2018	87,797	11,765	9,880	21,645	4.06
2017	84,353	11,660	9,988	21,648	3.90
2016	79,705	11,610	10,035	21,645	3.68

This table presents the relationship between total sales tax revenue, debt service payments and the capacity of the District to meet its debt obligations.

[1] The District's outstanding bonds were restructured in 2025 by refunding \$136,615 of outstanding debt.

Source: Current and prior years' Annual Comprehensive Financial Reports.

**San Mateo County Transit District**  
Population, Income and Unemployment Rates  
Fiscal Years 2016 Through 2025

<u>Year</u>	<u>Population</u> <sup>[1]</sup>	<u>Total Personal Income</u> <u>(in millions)</u> <sup>[2]</sup>	<u>Per Capita</u> <u>Personal Income</u> <sup>[2]</sup>	<u>Average</u> <u>Unemployment Rates</u> <sup>[3]</sup>
2025	737,847 *	\$ 133,179 *	\$ 183,353 *	4.1%
2024	741,565	129,300 *	178,013 *	3.5%
2023	745,302	125,534	172,828	3.1%
2022	740,821	118,716	162,863	2.1%
2021	751,596	128,260	173,524	5.0%
2020	771,061	107,772	141,348	10.8%
2019	774,231	99,157	129,043	2.2%
2018	772,372	96,226	124,705	2.5%
2017	770,256	89,149	115,556	2.9%
2016	765,895	81,488	106,115	3.3%

[1] Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

[2] Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

[3] Data include retroactive revisions by the State of California Employment Development Department.

Unemployment rates are non-seasonally adjusted for June.

\*2025 Population estimate is base on 0.50% decline from 2023 to 2024

\*Personal Income and Per Capital Personal Income data for 2023, 2024, and 2025 is based on an estimated three percent annual increase over 2022. Source data for table is FY25 San Mateo County Annual Comprehensive Financial Report.

This table highlights San Mateo County's total population, total personal and per capita income, and percentage of unemployed residents.

Source: County of San Mateo FY2024 Annual Comprehensive Financial Report.

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San Mateo County Transit District  
Principal Employers  
Fiscal Years 2023 and 2015

Employers in San Mateo County	Business Type	2023*			2015		
		Number of Employees	Rank	Percent of Total County Employment	Number of Employees	Rank	Percent of Total County Employment
Meta (Facebook Inc.)	Social Network	18,000	1	4.28%	6,068	4	1.40%
Genentech Inc.	Biotechnology	9,000	2	2.14%	10,000	2	2.30%
County of San Mateo	Government	5,959	3	1.42%	5,500	5	1.26%
Gilead Sciences Inc.	Biotechnology	4,307	4	1.02%	3,500	7	0.80%
Sutter Health	Health Care	3,347	5	0.80%			
Sony Interactive Entertainment	Interactive Entertainment	3,000	6	0.71%			
YouTube	Online Video-Streaming Platform	2,500	7	0.59%			
Safeway Inc.	Retail Grocer	2,117	8	0.50%	2,393	9	0.55%
Kaiser Permanente	Healthcare	2,100	9	0.50%			
Electronic Arts Inc.	Video Game Developer and Publisher	1,600	10	0.38%	2,367	10	0.54%
United Airlines	Airline				10,500	1	2.41%
Oracle Corp.	Hardware and Software				6,750	3	1.55%
Visa USA/Visa International	Global Payments Technology				3,500	6	0.80%
Mills-Peninsula Health Services	Healthcare				2,500	8	0.57%
<b>Total</b>		<b>51,930</b>		<b>12.34%</b>	<b>53,078</b>		<b>12.18%</b>

\* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Mateo County for 2023 and 2015.

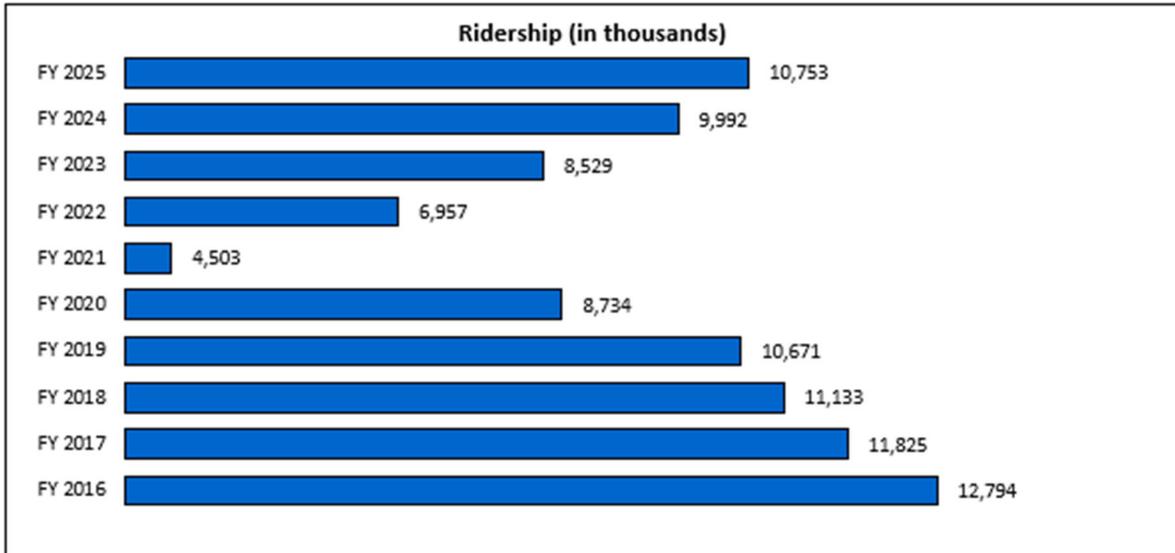
Source: San Francisco Business Times - 2024 Book of Lists; California Employment Development Department (provided by San Mateo County Controller's office) from the FY2024 County of San Mateo ACFR

San Mateo County Transit District

Ridership and Fares

Fiscal Years 2016 Through 2025

**Fixed-Route Ridership**



Ridership data presents total ridership for motor bus service and shuttle service.

**Fixed-Route Passenger Fares**



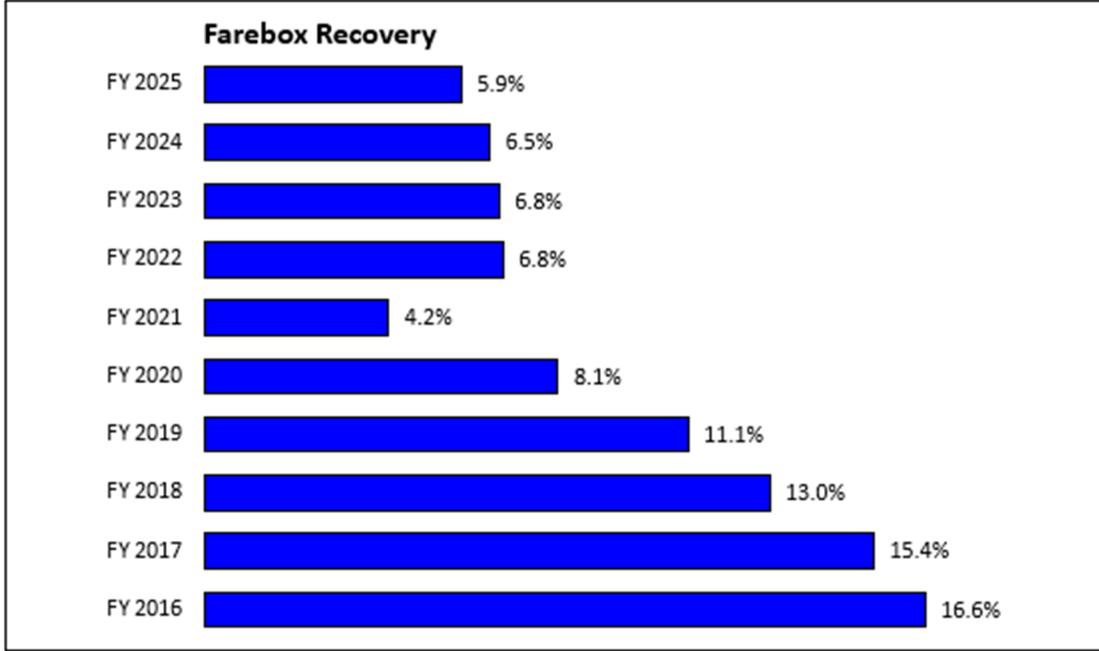
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Bus passenger fares data presents the total bus fare revenue for each year.

Source: National Transportation Database.

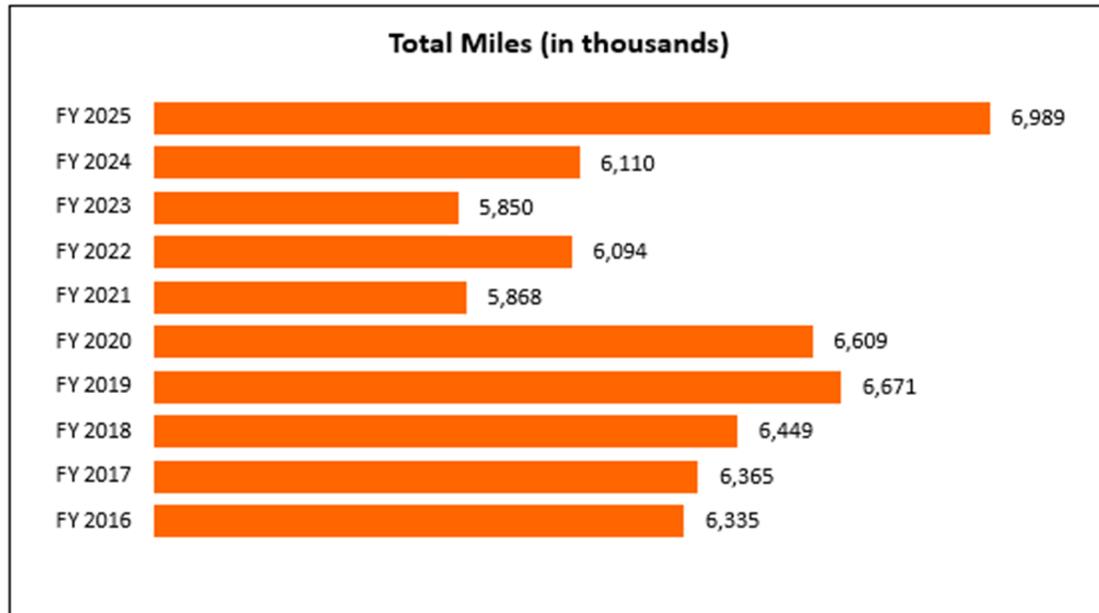
San Mateo County Transit District  
Farebox Recovery and Miles  
Fiscal Years 2016 Through 2025

**Fixed-Route Farebox Recovery**



Farebox recovery data presents the percentage of fixed-route fare revenue collected compared to fixed-route operating expenses.

Fixed-Route Revenue Miles\*



The revenue miles data present the total fixed-route miles traveled.

\*Fixed-route data includes La Honda and shuttle service, which makes up less than 5% of the total data.

Source: National Transportation Database.

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San Mateo County Transit District  
Employees (Full-Time Equivalents)  
Fiscal Years 2016 Through 2025

Division	Full-Time Equivalents									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Bus Operations	544.93	550.05	-	-	-	-	-	-	-	-
Communications	32.37	28.90	-	-	-	-	-	-	-	-
Finance	55.23	60.73	-	-	-	-	-	-	-	-
Innovation and Technology	25.34	42.00	-	-	-	-	-	-	-	-
People and Culture	26.12	32.88	-	-	-	-	-	-	-	-
Planning	19.27	20.09	-	-	-	-	-	-	-	-
Rail	0.08	0.14	-	-	-	-	-	-	-	-
Safety & Security	6.67	6.75	-	-	-	-	-	-	-	-
Caltrain Modernization Program	-	-	-	-	0.40	-	-	-	0.10	0.05
Customer Service and Marketing	-	-	26.4	29.38	28.49	29.15	34.36	31.39	28.46	23.95
Executive	6.30	4.95	3.95	3.75	3.50	3.5	3.59	3.99	5.12	3.60
Finance and Administration	-	-	118.2	106.83	96.23	95.64	83.07	82.39	79.02	64.12
Operations, Engineering, and Construction	-	-	533.57	493.11	541.70	506.65	472.90	465.40	471.88	453.82
Planning and Development	-	-	17.15	16.15	7.26	6.86	6.46	8.71	7.66	5.63
Public Affairs	-	-	-	-	-	-	-	-	-	5.15
<b>Total</b>	<b>716.31</b>	<b>746.49</b>	<b>699.27</b>	<b>649.22</b>	<b>677.58</b>	<b>641.80</b>	<b>600.38</b>	<b>591.88</b>	<b>592.24</b>	<b>556.32</b>

Note: The organization went through a reorganization in FY2024

Note: Historical years are presented using budgeted Full-Time Equivalent (FTE), whereas Fiscal Year 2025 reflects actual FTEs.

Source: Operating and capital budgets.

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San Mateo County Transit District

Capital Assets

Fiscal Years 2016 Through 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Depreciable capital assets										
Buses and bus equipment	\$ 228,154	\$ 216,482	\$ 200,080	\$ 200,000	\$ 222,823	\$ 220,442	\$ 176,969	\$ 164,038	\$ 157,353	\$ 153,955
Buildings and building improvements	77,842	77,434	76,803	75,517	75,127	72,961	73,303	70,212	69,031	64,868
Maintenance and other equipment	35,380	35,330	35,133	32,907	30,333	29,685	27,546	34,982	33,642	32,063
Furniture and fixtures	33,697	30,720	30,692	29,981	30,023	29,989	33,295	35,240	33,861	31,734
Shelters and bus stop signs	11,878	11,878	11,878	11,878	10,393	10,393	10,372	592	592	592
Right-to-use subscription assets	4,335	3,543	3,335	2,332	2,332	-	-	-	-	-
Right-to-use leased equipment	-	-	-	102	18	-	-	-	-	-
Other vehicles	3,034	3,034	2,524	2,483	3,000	2,518	2,467	2,496	2,273	2,159
Total depreciable capital assets	394,320	378,421	360,445	355,200	374,049	365,988	323,952	307,560	296,752	285,371
Accumulated Depreciation for										
Buses and bus equipment	(165,056)	(151,729)	(138,787)	(127,678)	(135,452)	(119,797)	(112,603)	(91,889)	(102,607)	(93,847)
Buildings and building improvements	(69,238)	(67,756)	(66,346)	(64,659)	(63,456)	(62,236)	(61,284)	(58,874)	(56,630)	(53,812)
Maintenance and other equipment	(32,260)	(31,341)	(30,397)	(29,438)	(28,409)	(27,487)	(22,406)	(16,810)	(16,770)	(10,599)
Furniture and fixtures	(30,994)	(30,159)	(30,055)	(29,944)	(29,993)	(29,946)	(27,008)	(35,036)	(24,619)	(20,782)
Shelters and bus stop signs	(8,132)	(7,081)	(6,026)	(4,938)	(3,783)	(2,845)	(1,299)	(590)	(585)	(580)
Right-to-use subscription assets	(2,948)	(2,219)	(1,374)	(545)	-	-	-	-	-	-
Right-to-use leased equipment	-	-	-	(23)	(7)	-	-	-	-	-
Other vehicles	(2,379)	(2,132)	(1,918)	(1,694)	(1,970)	(1,817)	(1,768)	(1,923)	(1,798)	(1,990)
Total accumulated depreciation and amortization	(311,007)	(292,417)	(274,903)	(258,919)	(263,070)	(244,128)	(226,368)	(205,122)	(203,009)	(181,610)
Nondepreciable Capital Assets										
Land	56,915	56,915	56,915	56,915	56,915	56,915	53,855	53,855	53,855	53,855
Construction in progress	53,934	32,146	11,105	7,870	6,416	5,627	5,187	9,188	23,424	10,234
Total nondepreciable capital assets	110,849	89,061	68,020	64,785	63,331	62,542	59,042	63,043	77,279	64,089
<b>Capital Assets, Net</b>	<b>\$ 194,162</b>	<b>\$ 175,065</b>	<b>\$ 153,562</b>	<b>\$ 161,066</b>	<b>\$ 174,310</b>	<b>\$ 184,402</b>	<b>\$ 156,626</b>	<b>\$ 165,481</b>	<b>\$ 171,022</b>	<b>\$ 167,850</b>

This table presents total nondepreciable capital assets, total depreciable capital assets and total accumulated depreciation.

Source: Current and prior years' Annual Comprehensive Financial Reports

# Acceptance of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

# Agenda

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- Overview of SamTrans Annual Comprehensive Financial Report (ACFR) for FY2024-25
- Auditor's Communication

# Auditor's Communication

# SAN MATEO COUNTY TRANSIT DISTRICT

Communication With Those Charged With Governance

Ahmad Gharaibeh, Partner  
[agharaibeh@eidebailly.com](mailto:agharaibeh@eidebailly.com)



# AUDIT SCOPE

Item #15.a.  
12/3/2025

- Audit of the San Mateo County Transit District (District) Annual Financial Report as of June 30, 2025, in accordance with Auditing Standards Generally Accepted in the USA
  - Report on internal control over financial reporting and on compliance in accordance with Government Auditing Standards including Transportation Development Act
  - Report on Federal Compliance in Accordance with the Uniform Guidance
- 313 • Measure W

# OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- We considered internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

# SUMMARY OF AUDIT RESULTS

## Financial Statements

- Unmodified opinion on the financial statements

## Government Auditing Standards

- No significant deficiencies
- No instances of noncompliance reported

# SUMMARY OF AUDIT RESULTS

## Uniform Guidance

- Unmodified opinion compliance with the Uniform Guidance
- No significant deficiencies

## Other reports

- Measure W

# AUDITOR COMMUNICATIONS

## Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

## Significant Estimates

- Self-Insurance, Net Pension Liability and Net OPEB Liabilities

# AUDITOR COMMUNICATIONS

## Sensitive Disclosures

- Net Pension Liability, Net Other Postemployment Benefits Liability, and Self-Insurance (Note 9, Note 10, and Note 11)

## Misstatements

- No items reported

## Consultations with Other Accountants

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

# AUDITOR COMMUNICATIONS

## Significant Difficulties

- We encountered no difficulties in dealing with management.

## Disagreements with Management

- No disagreements arose during the course of the audit

# Thank you

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