

San Mateo County
TRANSIT DISTRICT



Popular Annual Financial Report
Fiscal Year Ended June 30, 2021



San Mateo County **TRANSIT DISTRICT**

November 22, 2021

We are pleased to present the Popular Annual Financial Report (PAFR) of the San Mateo County Transit District (District) for the Fiscal Year July 1, 2020 through June 30, 2021. The PAFR provides a summary of the District's finances, services, achievements, and economic prospects for readers without a technical background in accounting or finance. Readers desiring a more detailed discussion of the District's financial results may refer to the [Annual Comprehensive Financial Report](#).

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

While the District has made substantial progress over the past few years in improving its financial standing, the COVID-19 Pandemic disrupted many of the trends established in prior years. Despite these challenges the District ended Fiscal Year 2021 on improved financial standing, compared to the end of Fiscal Year 2020. This accomplishment was made possible due to increases in federal assistance programs and sales tax revenue. These increases in revenue outpaced the expenses.

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

Sincerely,



Carter Mau
Acting General Manager/
Chief Executive Officer



Derek Hansel
Chief Financial Officer/
Acting Chief Administrative Officer

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What is The District?



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

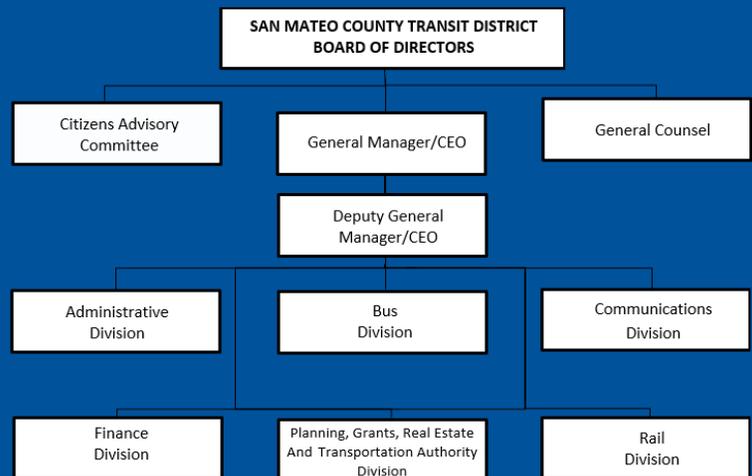
The overall purpose of the District is to plan, develop, finance and operate a modern, coordinated system of transportation that meets local mobility demands and promotes sound growth and economic development for the region.

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

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

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

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



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

Who does the District serve?

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

San Mateo County at a Glance

Year	Population	Per Capita Income	Avg. Unemployment Rates
2021	776,337	\$142,274	5.0%
2020	773,244	\$138,130	10.8%

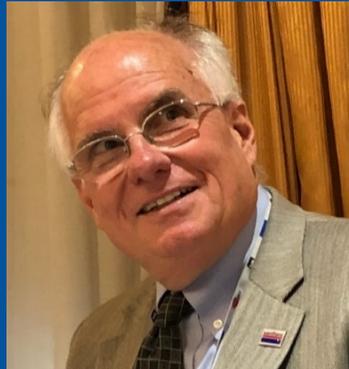
Governance

2021 Board of Directors

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



Chair, Charles Stone
Central Judicial Cities



Vice Chair, Peter Ratto
Board of Supervisors –
Transportation Expert

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



2021 Citizens Advisory Committee

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

- John Baker (Chair)
- Mary Adler
- Steve Appenrodt
- Allie Juarez
- Michelle Lewis
- Iris Chan

- Scott Johnston (Vice Chair)
- Bob Gomez
- Alex Madrid
- Nancy Lacsamana
- Meredith Park
- Bianca Randall

Services

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

SamTrans



SamTrans operated 71 routes spanning from San Francisco to Santa Clara.

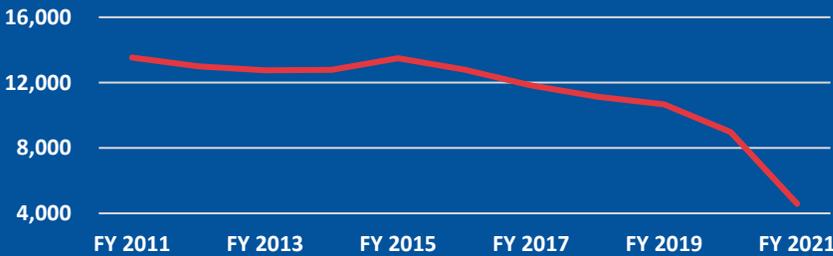


On Time Performance for the year was **85.7%**, surpassing the goal of **85%**.



Sam Trams experienced **4.6 million in bus ridership & 121,394** in paratransit ridership.

Ridership in Thousands



Caltrain



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



Ridership declined from 13.8 million in 2020 to 1.3 million* which equates to **29 million passenger miles**.



On Time Performance for the year reached **93.5%**.

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

*The Caltrain 2020 annual count was postponed due to impacts from COVID. Ridership is derived from a combination of ticket sales and periodic boarding counts.



Major Initiatives

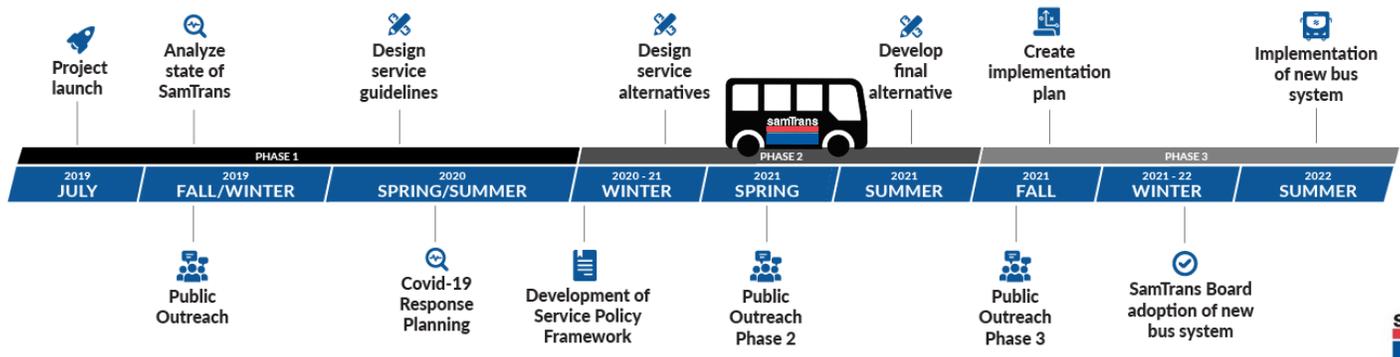
Reimagine SamTrans

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

Reimagine SamTrans Goals:

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

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



Zero Emission Buses

2019 marked the beginning of SamTrans' zero emissions future, as two battery electric buses (BEB) started service. The Board of Directors approved the Innovative Clean Transit Plan (ICT) that outlines the agency's strategy for zero emission transportation for 2038. The ICT plan achieves advance compliance with the State's intended 2040 goal through infrastructure investments and a full fleet replacement.

All new buses have a low floor design that allows ramps instead of lifts for disabled passengers and provides USB charging ports and Wi-Fi on-board.

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

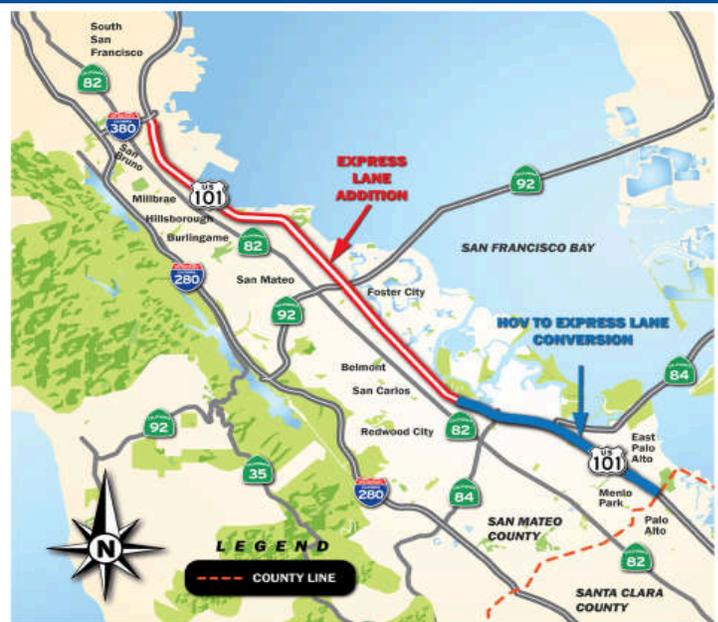


Caltrain Electrification

Caltrain electrification is a key component of the Caltrain Modernization (CalMod) Program and will electrify the corridor from San Francisco's 4th and King Caltrain Station to the Tamien Caltrain Station.

Electrification improvements include converting diesel-hauled trains to **electric trains**, increase service to six trains per peak hour per direction, and maintain operating speed up to 79 mph.

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



101 Express Lane Project

Existing carpool lanes will be converted to express lanes between the San Mateo/Santa Clara County line and Whipple Avenue (blue solid line) and new express lanes will be constructed between Whipple Avenue and I-380 (red striped line).

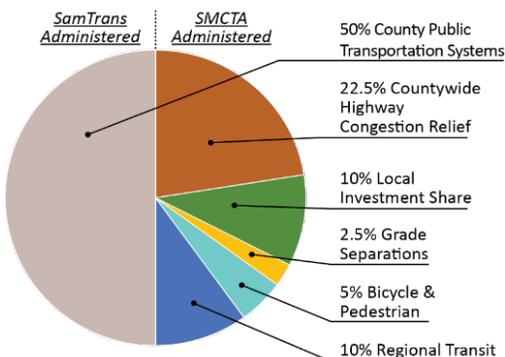
This will result in **22 miles of express lanes** in each direction of U.S. 101.

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



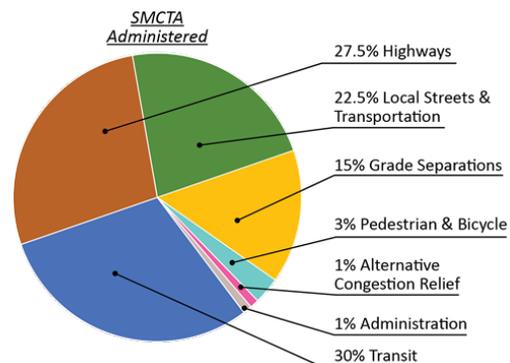
Measure W

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



Measure A

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



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

Financial Performance



Revenues Expenses

12.7% 10.0%

Percent Increase 2020 to 2021



Revenues

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

OPERATING REVENUES generated from passenger fares of \$5.6 million decreased by 52.0% during Fiscal Year 2021 compared to Fiscal Year 2020.



The decrease was a result of decline in ridership due to the impact of COVID-19 pandemic.

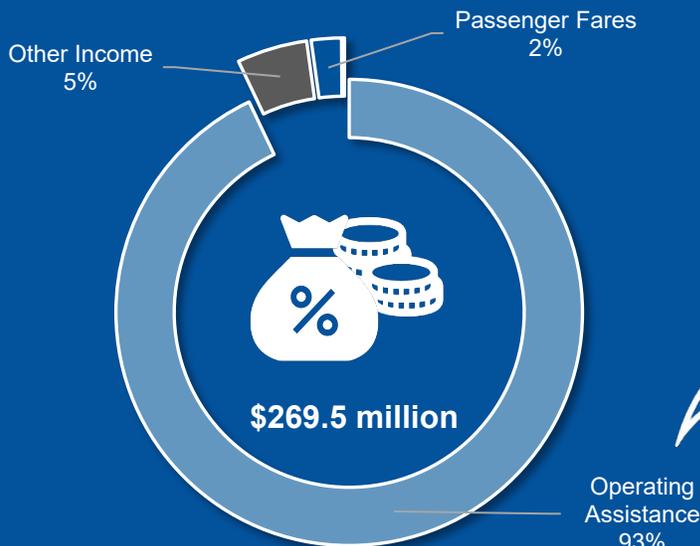


NONOPERATING REVENUES increased by 16.0% to \$263.9 million. The increase was mainly due to increases in operating assistance. Operating assistance of \$250.5 million accounted for the majority of Fiscal Year 2021 nonoperating revenues.

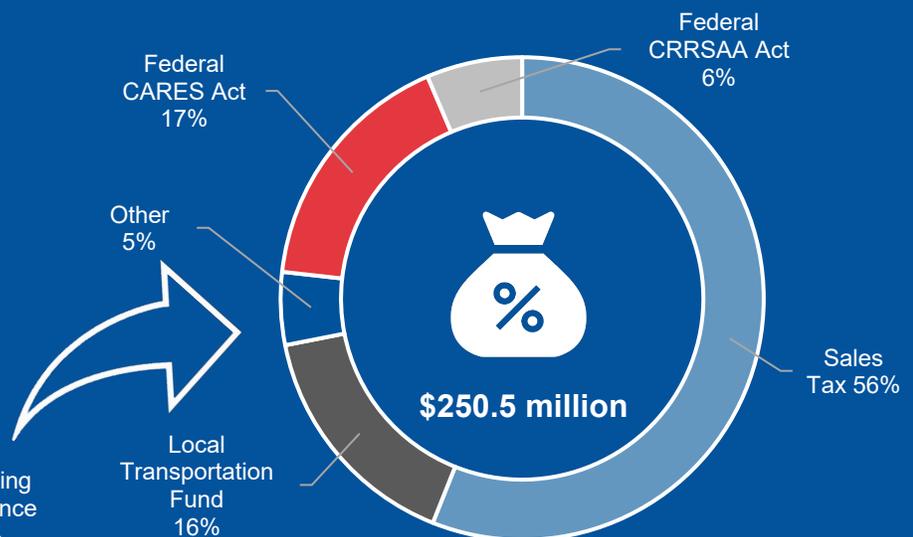


The largest portion of this increase is attributable to operating assistance from Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA).

2021 Revenues



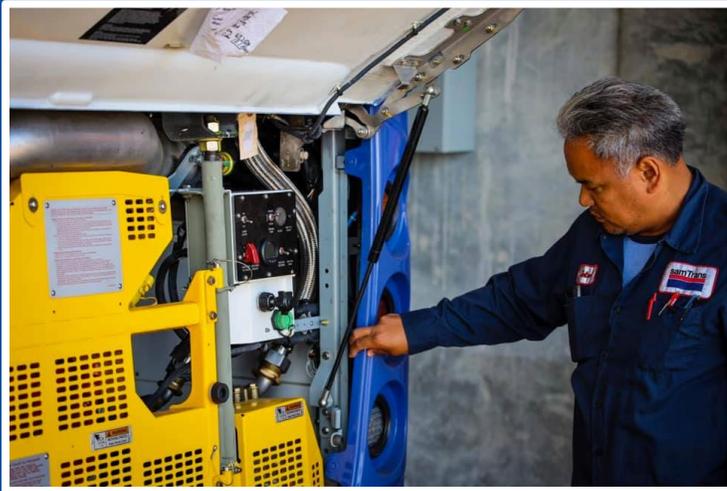
Operating Assistance by Source



Expenses

Overall expenses for the District fell for Fiscal Year 2021.

NONOPERATING EXPENSES were \$16.1 million, a decrease of 3.5% compared to Fiscal Year 2020. The District paid the Joint Powers Board \$8.8 million for its contribution toward the Caltrain rail service operation.

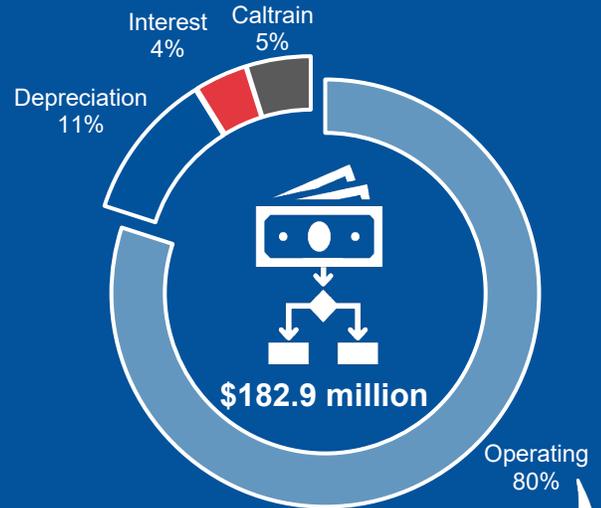


OPERATING EXPENSES (excluding depreciation) were \$146.2 million, a decrease of 9.0% compared to Fiscal Year 2020.

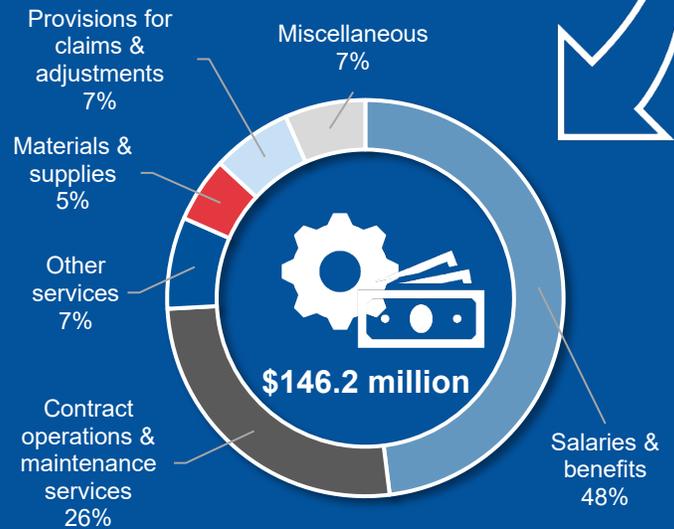


The increase was mainly due to a decrease in salaries and benefits and contract operation and other services. In Fiscal Year 2021 The district had 677.6 Full Time Equivalents.

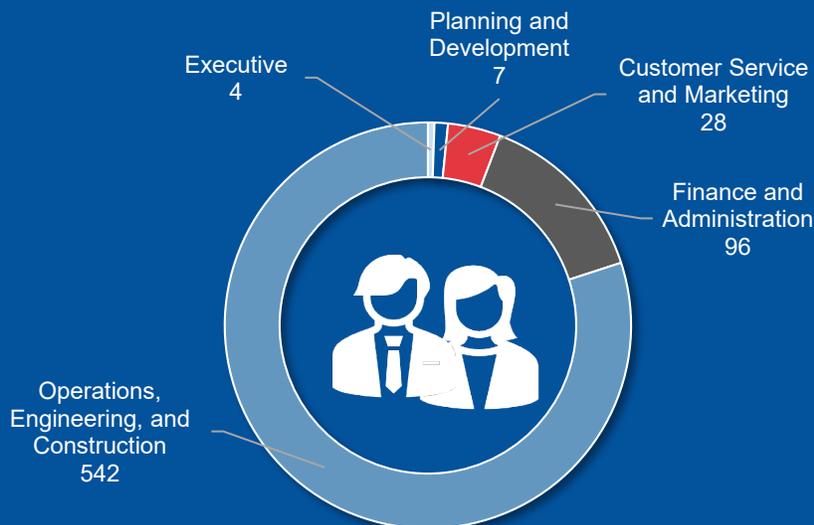
2021 Expenses



Operating Expense Detail



Full Time Equivalents by Division



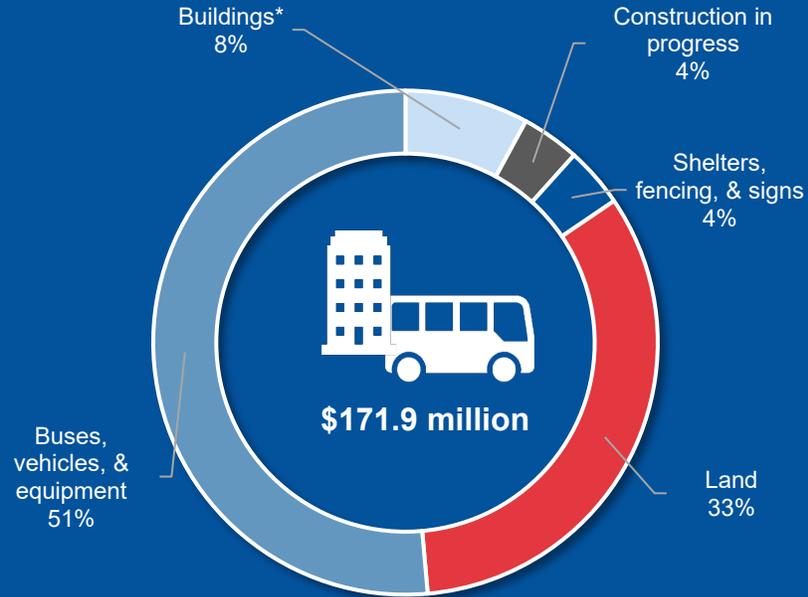
Capital Assets

The District received capital contributions of \$6.1 million in Fiscal Year 2021, which was a decrease of \$43.4 million or 87.7% in Fiscal Year 2021 compared to Fiscal Year 2020.

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

- **\$3.2 million:** Purchase of revenue vehicles
- **\$4.2 million:** Maintenance and administrative facilities and equipment
- **\$0.8 million:** Replacement of bus parts in accordance with FTA guidelines
- **\$0.4 million:** Communication information system
- **\$2.2 million:** Capital project development, and others

2021 Capital Asset Balance

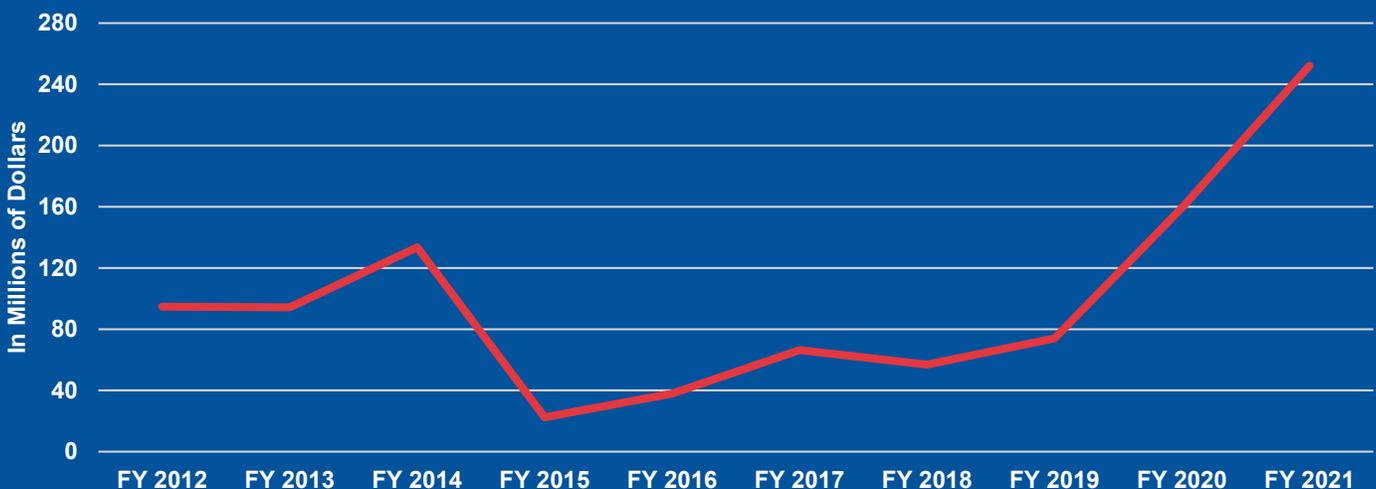


Net Position

The District's total net position increased by \$92.7 million in the Fiscal Year 2021. This increase is larger than any one-year increase over the past ten years.

The increase in the Fiscal Year 2021 was mainly due to increases of \$55.1 million in federal operating assistance and \$4.6 million in sales tax revenues.

10-Year History of Net Position



Looking Ahead

The Fiscal Year 2022 Operating Budget consists of \$263.1 million and \$199.4 million in revenues and expenditures, respectively. Passenger fares for both Motor Bus and ADA services are projected to be \$8.2 million. Local, State, and Federal funds are projected to decrease to \$67.0 million due to CARES ACT Funds, Transportation Development Act and State Transportation Assistance and Transportation Authority Measure A and partially offset by anticipated increase in Operating grants. The District's half-cent sales tax receipts are budgeted to be \$96.5 million. Measure W sales tax receipts are budgeted to be \$48.2 million. Out of the \$199.4 million projected operating costs, \$144.2 million are budgeted for the Motor Bus program, \$17.9 million for the ADA program, and \$2.8 million for the Multi-Modal program.

The \$41.1 million Capital Budget contains projects that were reviewed and prioritized

consistent with District policy directives and key Strategic Plan Initiatives. Major projects being undertaken in Fiscal Year 2022 include replacement of the following revenue vehicles: twenty one (21) Paratransit Vehicles (\$3.5 million), ten (10) 2017 Redi-Wheels Minivans (\$0.9 million), and one hundred thirty five (135) 2009 heavy duty diesel buses (\$29.2 million). In addition, SamTrans is maintaining state of good repair for District's facilities (\$0.9 million), initiating Engineering and Design for North Base Building 200 (\$0.6 million), installing LED lighting and fixtures at North Base and South Base Facilities (\$1.8 million), installing charging stations for electric Non-Revenue Vehicles (\$0.6 million), and initiating Engineering and Design for Facility Infrastructure Upgrades for ICT (\$2.0 million).

For full detail please see the [Adopted Fiscal Year 2022 Budget](#).

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

