

San Mateo County **TRANSIT DISTRICT**



Popular Annual Financial Report Fiscal Year Ended June 30, 2020



San Mateo County **TRANSIT DISTRICT**

May 24, 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, 2019 through June 30, 2020. 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 [Comprehensive Annual 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 2020 on improved financial standing, compared to the end of Fiscal Year 2019. This accomplishment was made possible due to the increased tax revenue generated by the voter approved Measure W as well as state and federal assistance programs. These increases in revenue outpaced increases in 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,



Derek Hansel
Chief Financial Officer/
Acting Chief Administrative Officer



Carter Mau
Acting General Manager/
Chief Executive Officer

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What is The District?

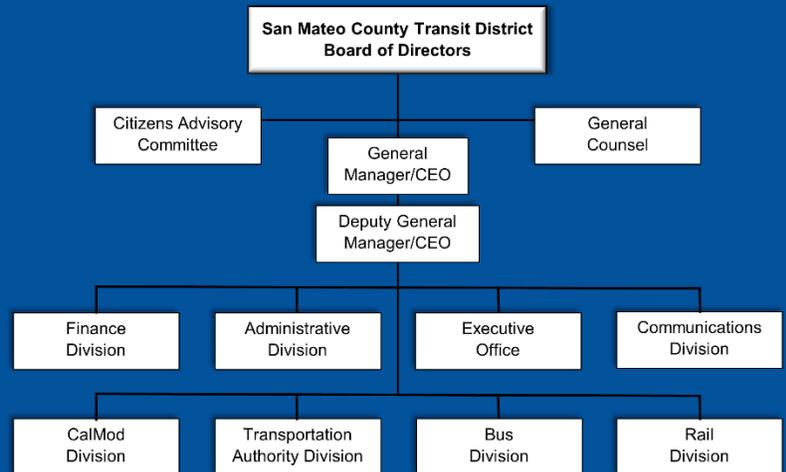


The District is an independent political subdivision of the State of California, formed by the California State Legislature on August 14, 1974 and approved by San Mateo county voters in the general election that followed.

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 is a partner 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 Rate
2020	773,244	\$123,926	10.8%
2019	774,485	\$120,317	2.2%

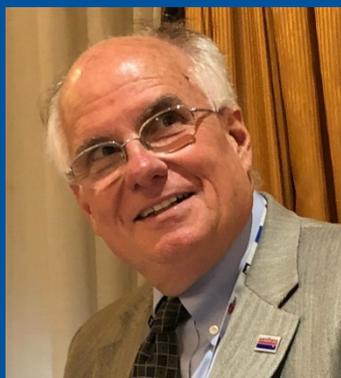
Governance

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



2020 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
Iris Chan

Scott Johnston (Vice Chair)
Andrew Barnes
Scott Johnston
Nancy Lacsamana
Alex Madrid

Services

COVID-19 disrupted daily life, but we kept moving people. The District quickly implemented health and safety measures for riders and staff such as installing safety barriers on all buses for the bus operators, instituted rear door boarding and eliminated fare collection for several months, enhancing cleaning procedures providing hand sanitizers to Bus Operators and field personnel, and distributed masks to riders as needed.

SamTrans



SamTrans operated **77 routes** spanning from San Francisco to Santa Clara.

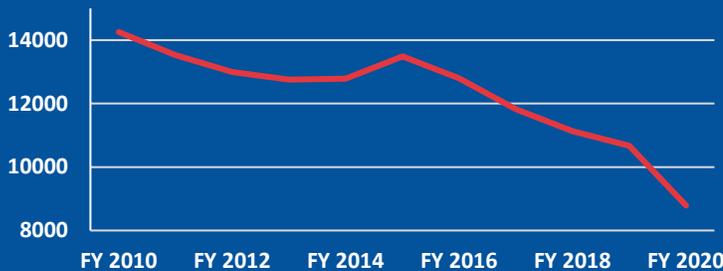


On Time Performance for the year was 86.2%, **surpassing the goal of 85%.**



Sam Trams experienced **8.8 million in bus ridership** & 256,730 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 **77.3 miles** and includes **32 stations**.



Ridership declined from 17.8 million in 2019 to 13.7 million* which equates to **302 million passenger miles**.



On Time Performance for the year reached **94.2%**.

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

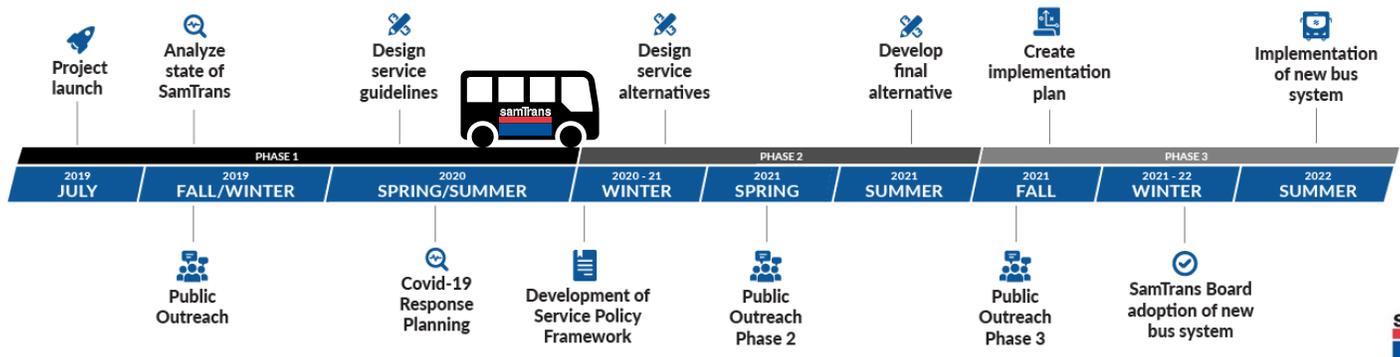
Reimagine SamTrans

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 electric battery-powered buses started service. The buses, whose batteries were manufactured by Burlingame's Proterra, have USB charging ports, Wi-Fi capability, and a low floor design allowing more efficient ramps instead of lifts for disabled passengers.

Today we have five electric buses, with another five awaiting delivery. **By 2038, 100% of the fleet will be converted to battery operated buses.**

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



Financial Performance



Revenues Expenses

21.9% 8.2%

Percent Increase 2019 to 2020



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 \$11.7 million decreased by 24.9% during Fiscal Year 2020 compared to Fiscal Year 2019.



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

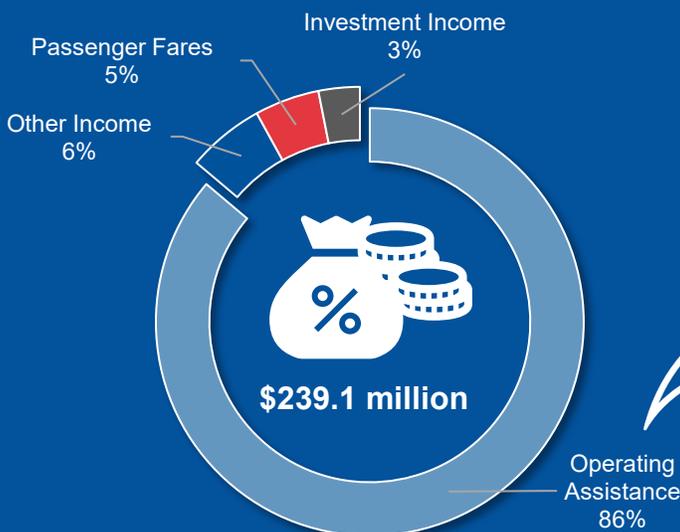


NONOPERATING REVENUES increased by 25.9% to \$227.4 million. The increase was mainly due to increases in operating assistance and other income. Operating assistance of \$206.0 million accounted for the majority of Fiscal Year 2020 nonoperating revenues.

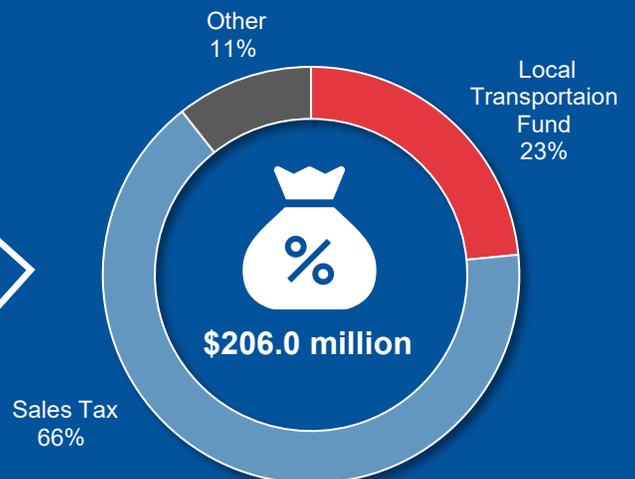


The largest portion of this increase is attributable to the implementation of the Measure W sales tax, effective July 1, 2020.

2020 Revenues



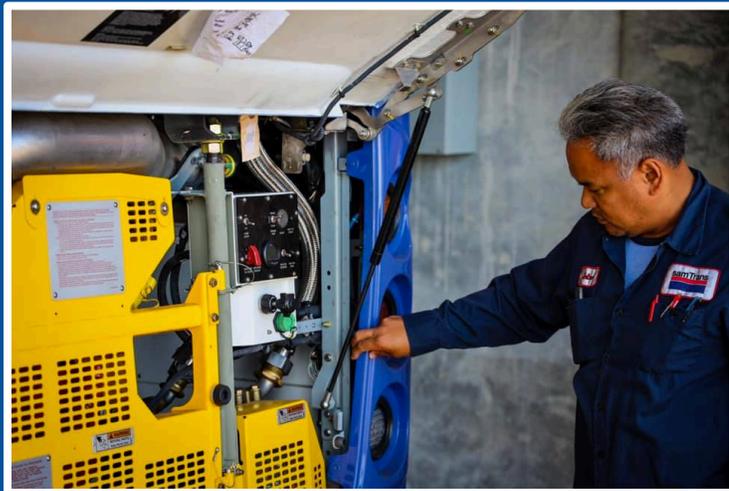
Operating Assistance by Source



Expenses

Overall expenses for the District fell for Fiscal Year 2020, although this trend was not uniformly distributed between Nonoperating and Operating expenses.

NONOPERATING EXPENSES were \$16.7 million, a decrease of 10.0% compared to Fiscal Year 2019. The District paid the Joint Powers Board \$9.2 million for its contribution toward the Caltrain rail service operation.

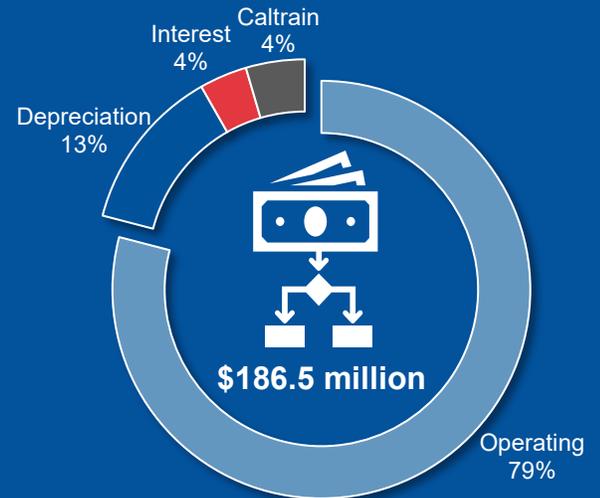


OPERATING EXPENSES (excluding depreciation) were \$160.6 million, an increase of 8.7% compared to Fiscal Year 2019.

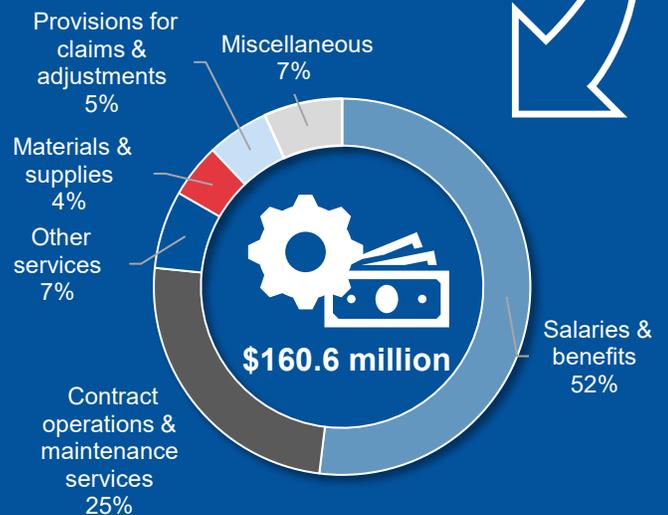


The increase was mainly due to an increase in salaries and benefits and Others. In Fiscal Year 2020 The district had 641.8 Full Time Equivalents.

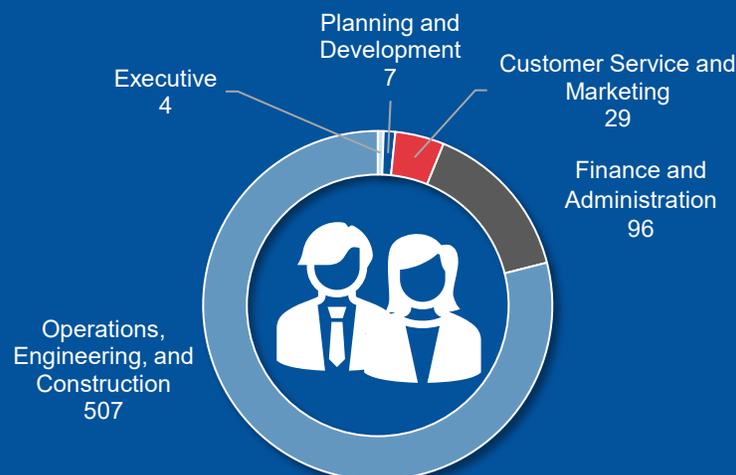
2020 Expenses



Operating Expense Detail



Full Time Equivalents by Division



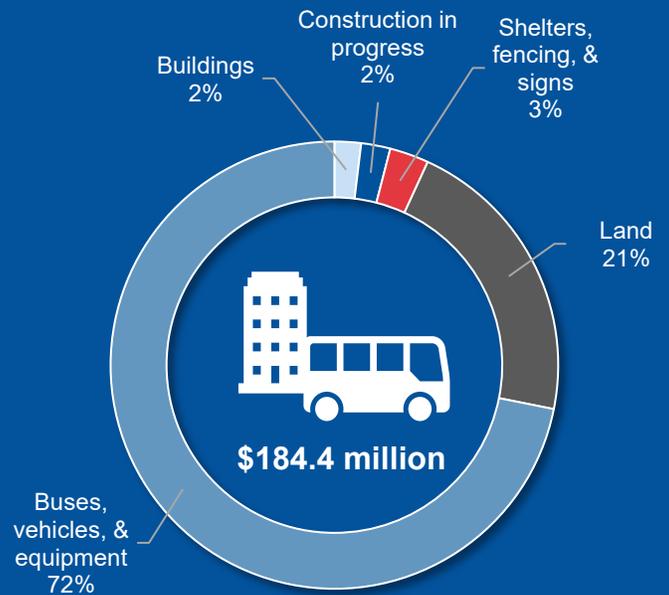
Capital Assets

The District received capital contributions of \$49.5 million in Fiscal Year 2020, which was an increase of \$40.7 million or 463.3% in Fiscal Year 2020 compared to Fiscal Year 2019.

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

- **\$45.1 million:** Purchase of revenue vehicles
- **\$3.7 million:** Maintenance and administrative facilities and equipment
- **\$1.5 million:** Replacement of bus parts in accordance with FTA guidelines
- **\$1.3 million:** Communication information system
- **\$0.7 million:** Safety and security
- **\$4.2 million:** Capital project development, and others

2020 Capital Asset Balance

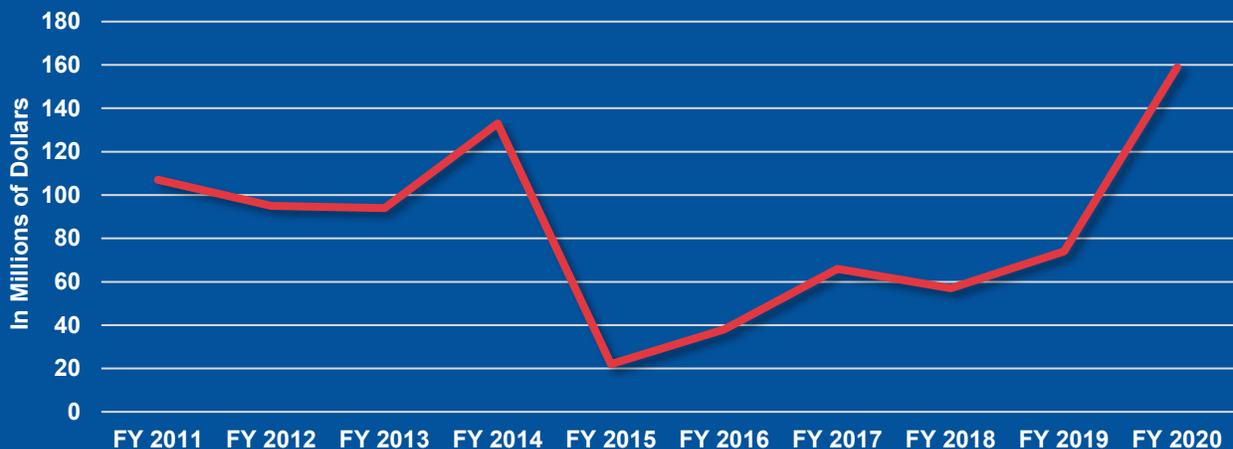


Net Position

The District's total net position increased by \$85.4 million in the Fiscal Year 2020. This increase is larger than any one-year increase over the past ten years.

The increase in the Fiscal Year 2020 was mainly due to increases of \$35.1 million in sales tax revenues, \$10.2 million in the State and local transportation funds, \$27.8 million in Capital Assets, and \$11.4 million decrease in Current liabilities.

10-Year History of Net Position



Looking Ahead

The Fiscal Year 2021 Operating Budget consists of \$253.4 million and \$209.4 million in revenues and expenditures, respectively. Passenger fares for both Motor Bus and ADA services are projected to be \$5.3 million. Local, State, and Federal funds are projected to increase to \$85.1 million due to CARES ACT Funds, and partially offset by anticipated decreases in Transportation Development Act and State Transportation Assistance. The District's half-cent sales tax receipts are budgeted to be \$80.0 million. Measure W sales tax receipts are budgeted to be \$40.0 million. Out of the \$209.4 million projected operating costs, \$146.1 million are budgeted for the Motor Bus program, \$19.1 million for the ADA program, \$8.9 million for the Caltrain program, and \$2.7 million for the Multi-Modal program.

The \$11.9 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 2021 include purchases of major bus components (\$0.7 million), purchase and installation of a computer aided dispatching (CAD) system (\$1.8 million), purchases and installation of Wi-Fi equipment on 225 buses (\$1.6 million), routine maintenance or replacement (\$1.4 million), purchases and replacement of the South Based Switchgear (\$1.0 million), engineering and final design studies for North Base Building 200 replacement (\$1.0 million) and purchase of Pico Blvd, San Carlos property (\$3.1 million).

The global COVID-19 pandemic will impact subsequent periods of the District's financial conditions. The impact on the district's future revenues, operating costs and any recovery from emergency funding either federal or state, cannot be estimated.

For full detail please see the [Adopted Fiscal Year 2021 Budget](#).

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

