

sanTrans



San Mateo County Transit District

Report of the Measure W Citizens' Oversight Committee

Fiscal Year 2020 (July 2019 – June 2020)

Introduction and Findings of the Citizens' Oversight Committee

The Measure W Citizens' Oversight Committee (COC) is pleased to provide its annual report on the expenditure of proceeds from the San Mateo County Transit District's (District) 2018 Measure W. This report covers the 2019-2020 fiscal year, from July 1, 2019, through June 30, 2020. Principal duties of the COC are to ensure that the proceeds have been expended for the purposes set forth in the Measure W ballot language and to provide a report on the independent audit conducted pursuant to the ballot language and the District Ordinance (Ordinance) which placed Measure W on the ballot.

Measure W tasks the COC with providing information to the taxpayers of San Mateo County in the following ways:

- Receive the District's annual audit report on receipt and expenditures of Measure W tax proceeds and expenditures under the Congestion Relief Plan
- Hold an annual public hearing on the audit report
- Issue an annual report of the COC on the audit results

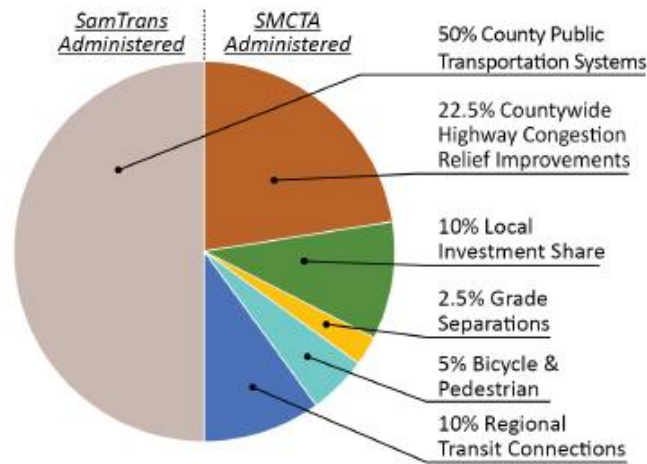
The Board of Directors of the District and the Board of Directors of the San Mateo County Transportation Authority (TA) are responsible for the prioritization and distribution of funds received pursuant to the provisions of Measure W. The independent audit conducted by the District and the COC's report are intended to provide additional accountability with respect to the expenditure of these proceeds by both the District and the TA.

The COC finds the Independent Auditor's report appropriately presents the Measure W revenues and expenditures, as contemplated by the ballot language, for the period ending June 30, 2020. The COC also is pleased with the process by which the audit was conducted and with the outcomes. The COC has asked that its report reflect the findings of the report of the Independent Auditor but in a more graphic, "user-friendly" manner. This more graphic approach is followed in this report, and links to key documents are provided at the request of the COC at the end of this report.

Purpose of Measure W

Measure W levies a one half-cent sales tax on retail sales in San Mateo County. The purpose of Measure W is to provide funding to address transportation and transit needs in San Mateo County, pursuant to a [Congestion Relief Plan](#) adopted by the District as part of the Ordinance. The funding provisions of the Congestion Relief Plan provide for investment in the following transportation related categories.

Table 1: Measure W Funding Categories



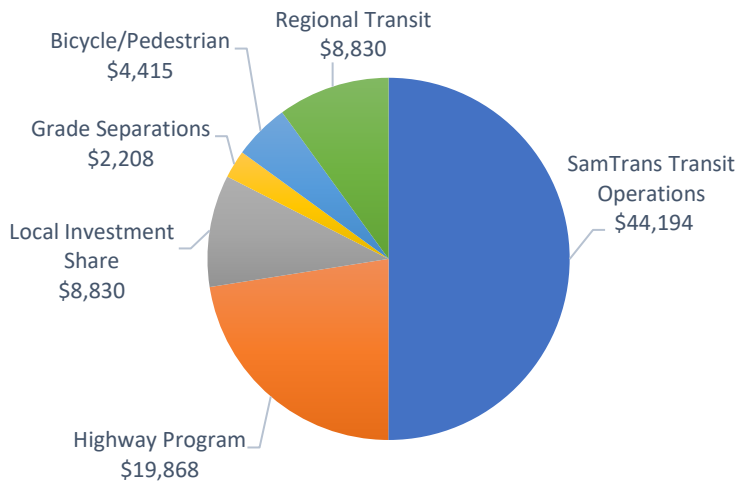
Audit Findings

The District’s annual audit report on receipt and expenditures of Measure W tax proceeds for the Fiscal Year ended June 30, 2020, was provided on June 30, 2021, by Eide Bailly, LLP, an independent accounting firm. This firm has several years of experience in conducting independent audits of the financial results of both the District and the TA. In its audit, Eide Bailly, LLP provided what is known as an unmodified opinion (what is often referred to as a “clean” opinion) on the Measure W financial statements as prepared by District staff. The COC held a [public hearing](#) on the audit report on July 22, 2021 and a copy is attached as Appendix A.

Receipt and Distribution of Funding

A total of \$88.345 million in Measure W sales tax was realized and received in Fiscal Year 2020. It is important to note the distribution of funding to District and TA programs, while technically an “expense” as noted in the audit, do not represent actual expenditures of the funds. Program expenditures are addressed in the following sections. Also, while this report breaks out the local investment share and grade separation program, these categories are combined in Measure W, and the Audit Report as “major arterials and local roadway investments”.

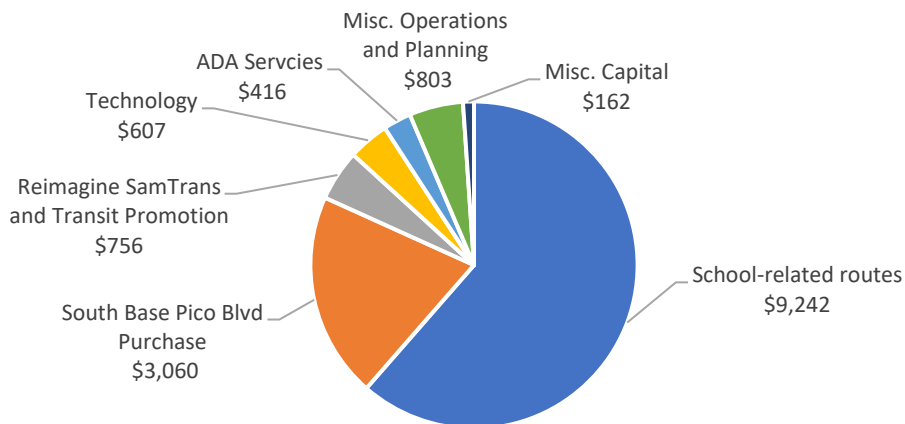
Table 2: Measure W Distribution (in thousands)



District Expenditures of Measure W

District Measure W revenues were spent on supporting SamTrans transit services in several operating areas and on several capital projects. While Measure W contributed \$44.19 million to the District, expenditures totaled \$15.05 million were spent in Fiscal Year 2020. The remaining balance of \$29.15 million has been retained for future uses. Of the funds expended, the largest share was for SamTrans routes and services adjacent to schools that are timed to match school bell schedules, referred to in the graph below as "school-related routes". Table 3 below outlines the expenditures of the District's share of Measure W funds.

Table 3: SamTrans Expenditures (in thousands)

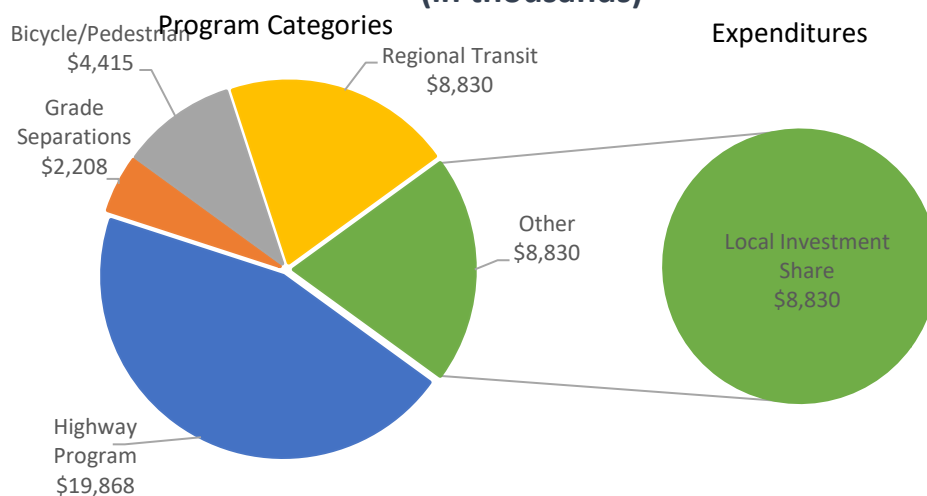


TA Expenditures of Measure W

Unlike SamTrans, which expends Measure W funds on projects and programs directly, the TA serves primarily as a granting agency and provides funds to cities and other local agencies throughout San Mateo County. The TA's investments in each category are guided by the TA's [Strategic Plan 2020-2024](#), which was adopted in December 2019 by the TA Board of Directors. Adoption of a Strategic Plan every 5 years is a requirement of both the TA's [Measure A Transportation Expenditure Plan](#) and the [Measure W Congestion Relief Plan \(CFP\)](#).

With the notable exception of the local investment share, which is allocated directly to cities and the county, most of the Measure W funding is programmed and allocated through competitive calls of projects (CFP) for each of the Measure W program categories. The TA's CFPs for each of the program categories typically occur on biennial cycles. While funds are awarded to projects in each CFP cycle by the TA Board of Directors, the expenditure of funds is based on actual reimbursements to project sponsors for eligible project expenses. In Fiscal Year 2020, ending in June 30, 2020, the TA did not conduct any CFPs to award Measure W funding. As a result, only actual expenditures for Fiscal Year 2020 are reported in the local investment share, which totals 10 percent of the Measure W funding that is directly allocated to the cities and the County (Expenditures in Table 4).

Table 4: TA Program Category Funding and Actual Expenditures (in thousands)



Equity Considerations for the Distribution of TA Funding

As part of the TA Strategic Plan 2020-2024, equity is a core evaluation principal in TA CFP processes. Projects are evaluated holistically in terms of geographic and socioeconomic equity. As funds are awarded to projects in future fiscal years, allocations will be displayed in maps in associated Measure W annual reports. These maps will show where and how these awards are distributed across San Mateo County, as well as in the various MTC Priority Equity Communities (formerly known as "communities of concern") and SamTrans Equity Zones. SamTrans Equity Zones are being established as part of the Reimagine SamTrans comprehensive route analysis study.

TA Funding Allocations and Consistency with Measure W Core Principals

The TA allocates funds to projects based on the application of the Measure W Core principles¹, as well as the Goals of Measure A², as part of the evaluation of project proposals. The Strategic Plan 2020-2024 establishes scoring criteria³ based on these principles for the following program categories: Highways, Grade Separations, Pedestrian and Bicycle, and Regional Transit Connections. Future annual COC reports will include more specific information on the application of the Measure W Core Principals and Measure A Goals to the various CFP processes so the recipients of this report will have a better understanding and appreciation of adherence to the intents of these voter-approved tax measures.

Findings of the Citizens' Oversight Committee and Future Requests

The COC finds the Independent Auditor's report appropriately presents the Measure W revenues and expenditures, as contemplated by the ballot language, for the period ending June 30, 2020. The COC also is pleased with the process by which the audit was conducted and with the outcomes. The COC has asked that its report reflect the findings of the report of the Independent Auditor but in a more graphic, "user-friendly" manner. This more graphic approach is followed in this report, and links to key documents are provided at the request of the COC (see Additional Information section below).

For future audit reports, the COC requests the following to be included:

- Geographic and Socioeconomic Distribution of funds throughout San Mateo County (both TA and the District allocation and distribution of funds)
- Discussion of how the TA provides technical assistance to jurisdictions to assist in accessing the funds
- Alignment of allocation and expenditure of funds with Measure W Core Principals
- Embedded links to tables/plans that provide guidance for expenditures and allocations by the Transportation Authority or the District

¹ [Strategic Plan 2020-2024](#), Table 3-2

² [Strategic Plan 2020-2024](#), Page 3

³ [Strategic Plan 2020-2024](#), Appendix E

Additional Information

1. FY2020 Measure W audit (attached)
2. [District FY2020 CAFR \(click on link\)](#)
3. [District FY2020 PAFR \(click on link\)](#)
4. [TA FY2020 CAFR \(click on link\)](#)
5. [Short Range Highway Plan: 2021-2030 \(click on link\)](#)