

San Mateo County Transit District
San Carlos, California



Popular Annual Financial Report

Fiscal Year Ended June 30, 2023



San Mateo County **TRANSIT DISTRICT**

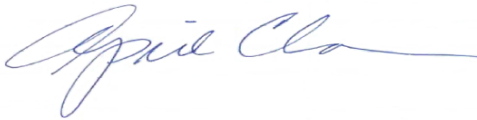
December 18, 2023

We are pleased to present the Popular Annual Financial Report (PAFR) of the San Mateo County Transit District (District) for the Fiscal Year ended June 30, 2023. 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.

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

The financial information in this report is derived from the District's Annual Comprehensive Report (ACFR) for FY 2022-23. The ACFR is prepared in conformity with generally accepted accounting principles (GAAP), and provides details and disclosures required for fair presentation in conformity with GAAP. Readers desiring a more detailed discussion of the District's financial results may refer to the [Annual Comprehensive Financial Report](#).

Sincerely,



April Chan
General Manager/
Chief Executive Officer



Kate Jordan Steiner
Chief Financial Officer

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

Social Media



[Facebook](#) - Service information, special events, photos, and general information.



[X](#) - Service updates, upcoming events, and general information.



[Instagram](#) - Sharing photos from around San Mateo County.



[Threads](#) - Join the conversation with the SamTrans community



[YouTube](#) - SamTrans channel



[TikTok](#) - SamTrans videos on TikTok



[Nextdoor](#) - Community notices for residents of San Mateo County.

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Award of Outstanding Achievement



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**San Mateo County Transit District
California**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for **Outstanding Achievement in Popular Annual Financial Reporting** to San Mateo County Transit District for its Financial Highlights publication for the fiscal year ended June 30, 2022. This Award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive this award, a government unit must publish a Popular Annual Financial Report, with contents that conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award of Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. The District has received this award for the second consecutive year.

We believe this report, for fiscal year ended June 30, 2023, continues to conform to the Popular Annual Financial Reporting requirements, and are submitting it to the GFOA for consideration for this reward.

What is The District?

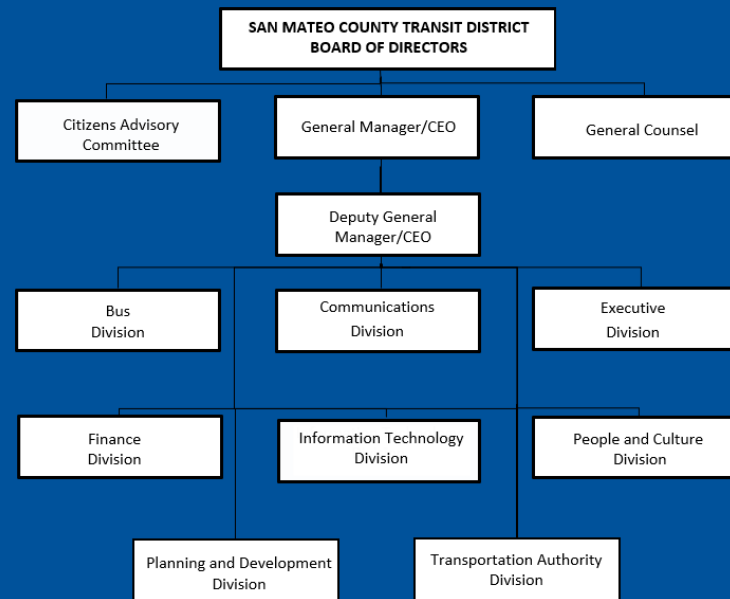


The District is an independent political subdivision of the State of California, formed by the California State Legislature on August 14, 1974 and approved by San Mateo county voters in the general election that followed.

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 San Mateo County Express Lane Joint Powers Authority (SMCELJPA) is a joint powers authority between the City/County Association of Governments (C/CAG) of San Mateo County 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 (as a managing agency for SMCTA), along with staff at C/CAG, provide the staff support to the SMCELJPA.

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

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

Who does the District serve?

We offer a wide array of services to reach the diverse transportation needs of our residents. Although the primary beneficiaries of our services are the residents of San Mateo County, our services reach and connect with other transit systems in the Bay Area. Customers range from school children to working professionals.

San Mateo County at a Glance

Year	Population	Per Capita Income	Avg. Unemployment Rates
2023	738,705	\$154,993	3.1%
2022	744,662	\$150,479	2.1%

Governance

2023 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, Josh Powell
Public Member



Vice Chair, Marina Fraser
Public Member – Coastside

- David J. Canepa – Board of Supervisors
- Marie Chuang – Central Judicial Cities
- Brooks Esser – Public Member
- Jeff Gee – Southern Judicial Cities
- Rico E. Medina – Northern Judicial Cities
- Ray Mueller – Board of Supervisors
- Peter Ratto – Transportation Expert



2023 Citizens Advisory Committee

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

- Alex Madrid (Chair)
- Mary Adler
- Steve Appenrodt
- John Baker
- Schott Johnston
- Nancy Lacsamana

- Christopher Carey (Vice Chair)
- Judith Lamarre
- Ben Mangiafico
- Arden Margulis
- Denise Seibert
- Vacant (5)

Services

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 operates over 70 routes spanning from San Francisco to Santa Clara.

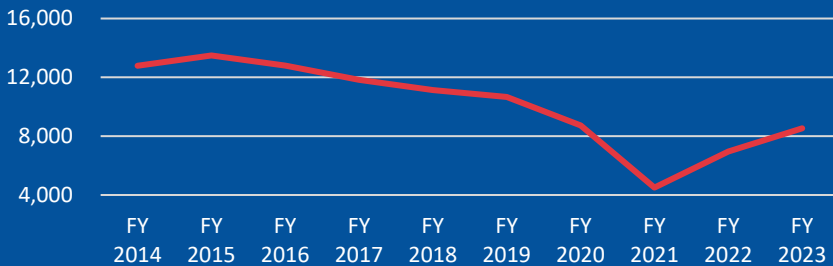


On Time Performance for the year was **77.0%**.



SamTrans experienced **8.5 million in bus ridership & 202,425** in paratransit ridership for the year ending June 30, 2023.

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**. San Mateo County is one of the three counties with membership on the Caltrain Board of Directors



Ridership increased from 3.8 million in 2022 to 5.1 million* in 2023 which equates to **148 million passenger miles**.



On Time Performance for the year averaged **92.6%**.



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

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

Major Initiatives



Reimagine SamTrans

In March 2022, the SamTrans Board of Directors approved a set of changes to the SamTrans bus network through a project known as Reimagine SamTrans. This new network was crafted after careful consideration of what we heard from the public, from over 200 outreach meetings and thousands of comments and survey responses over the course of two and a half years.

Reimagine SamTrans calls for more bus service in San Mateo County. Phase 1 of implementing Reimagine SamTrans occurred in August 2022 and Phase 2 in June 2023, and included only some of the changes approved in the full plan. Additional approved changes, including new routes, frequency enhancements, and expanded hours and days of service, will occur in future phases in early-mid 2024.

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

SamTrans Ride Plus

Ride Plus, which launched June 18 2023, is a brand-new service offering easy, affordable transportation for riders in Half Moon Bay, El Granada, East Palo Alto, and the Belle Haven neighborhood of Menlo Park.

This microtransit service uses an app to route transit vehicles to your requested pick-up and drop-off locations. No schedules, timetables, or bus stops required.

Visit [SamTrans Ride Plus](#) to learn how to book your ride.



Zero Emission Buses

SamTrans is investing in battery electric and hydrogen fuel cell buses to do its part to reduce greenhouse gas emissions, fight climate change, and keep our air clean. In late FY2022, SamTrans purchased 37 battery electric buses (BEB's) and 10 fuel cell electric buses (FCEBs)

Per the California Air Resource Board's (CARB) Innovative Clean Transit (ICT) regulation, SamTrans submitted its ICT Rollout Plan in May 2021, and it was approved by CARB. The plan 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. This plan may evolve as the District continues to investigate new technologies for the delivery of a zero-emission bus system.

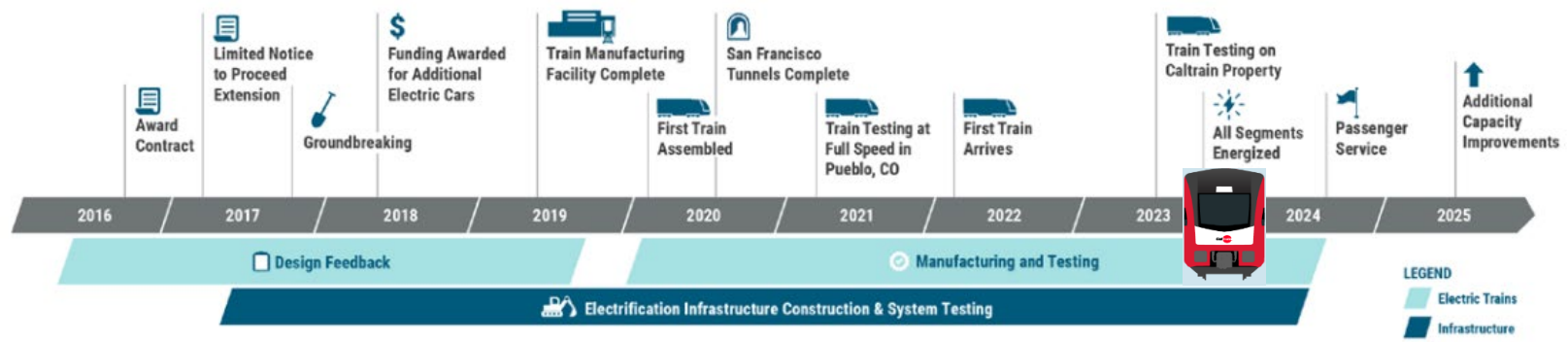
More information on SamTrans' sustainability initiatives can be found on the SamTrans [website](#).

Caltrain Electrification

Caltrain electrification is a key component of the Caltrain Modernization (CalMod) Program and will electrify the corridor from San Francisco's 4th and King Caltrain Station to the Tamien Caltrain Station in San Jose. The electrification project will provide faster, safer, more frequent service while mitigating climate change and enhancing equity and access for all communities.

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

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



101 Express Lane Project

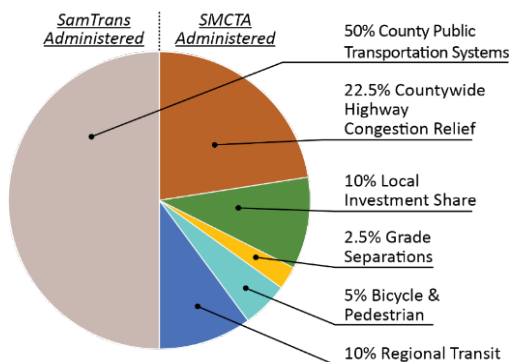
The San Mateo 101 Express Lanes Project was a multi-year, multi-agency project initiated to reduce traffic congestion and encourage carpooling and transit use on U.S. 101 in San Mateo County. The Project created 22 miles of Express Lanes in both directions on U.S. 101 from the San Mateo County/Santa Clara County line to I-380 in South San Francisco. The San Mateo 101 Express Lanes seamlessly connect to the Express Lanes in Santa Clara County.

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



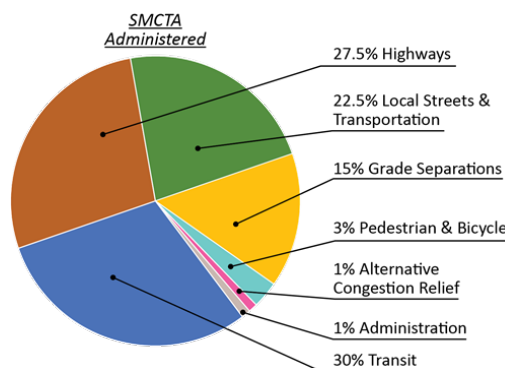
Measure W

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](#).

Repair, Modify, Replace Major Facilities



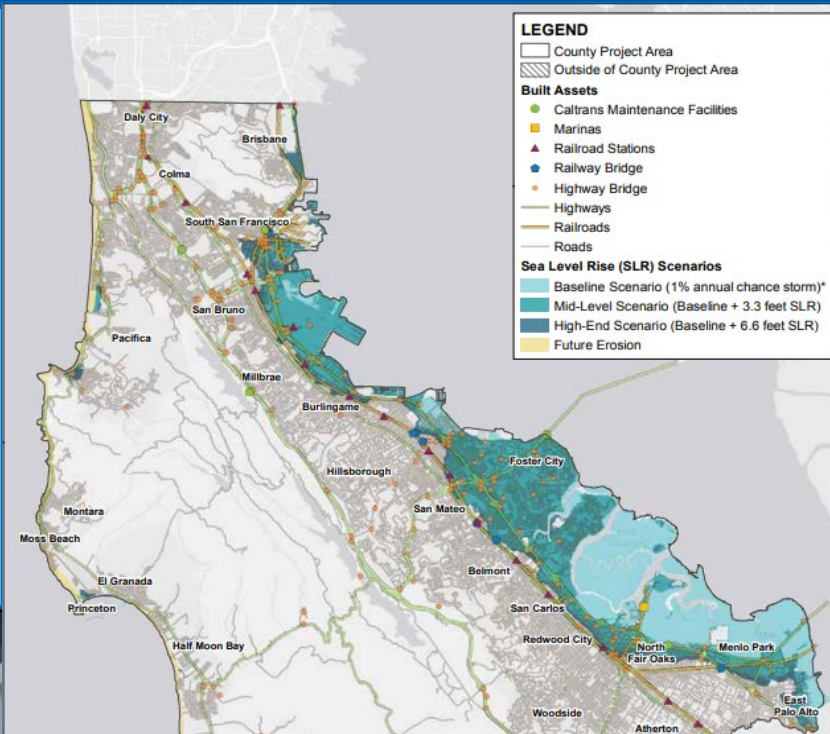
North Base Building 200 Replacement Project

Field investigations and independent evaluations completed for North Base's Building 200 and the surrounding area have determined that extensive settlement has occurred and will likely continue. During the next two years, 2024 and 2025, the District will complete engineering design studies and conduct the procurement process to provide temporary accommodation for building occupants, demolish Building 200, and begin construction of a new building.

Sea Level Rising Vulnerability

Sea levels are rising in the San Francisco Bay, with projections reaching up to 10 feet by the end of the century.

The District's Adaptation and Resilience Plan identifies the District's vulnerability to sea level rise, floods and heat-related climate change impacts and provides potential action alternatives to improve resilience. In the next two years the District will develop conceptual design plans and obtain the required environmental clearances for the project(s).



District Headquarters Building

The SanTrans headquarters building was constructed in the mid-1970s and purchased in May 1990. In 2019, the Board began to seriously evaluate options for the potential rehabilitation or reconstruction of the building on its current site.

In August 2023 the Board directed staff to pursue acquisition of a new headquarters building in the County, subject to certain parameters, and to report to the Board in January 2024 if a suitable building has not been found.

Financial Performance



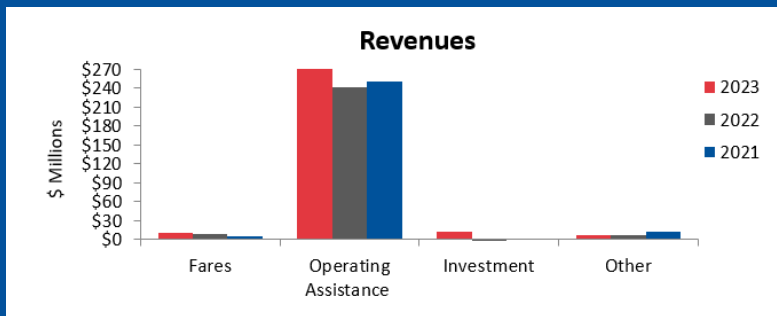
Revenues **Expenses**
20.6% **29.6%**

Percent Increases 2022 to 2023



Revenues

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



OPERATING REVENUES generated from passenger fares of \$11.2 million increased by 26.0% during Fiscal Year 2023 compared to Fiscal Year 2022.



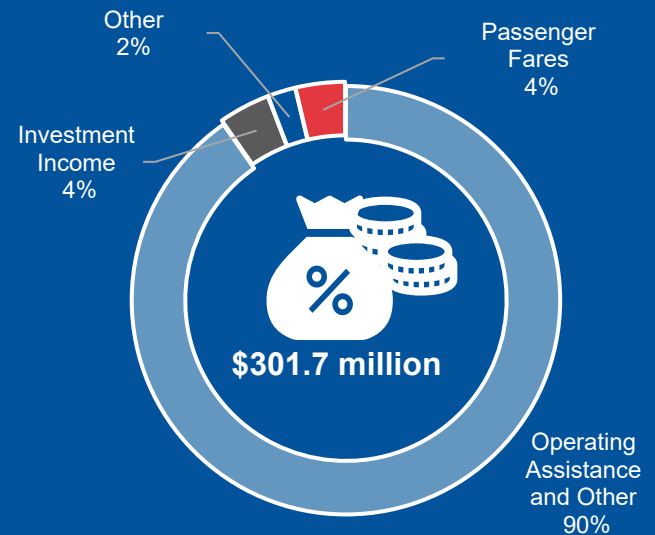
The increase was a result of continuing ridership recovery from the impact of the COVID-19 pandemic.

NONOPERATING REVENUES increased by 20.4% to \$290.5 million. The increase was mainly due to increases in operating assistance and investment income. Operating assistance of \$272.5 million accounted for the majority of Fiscal Year 2023 nonoperating revenues.

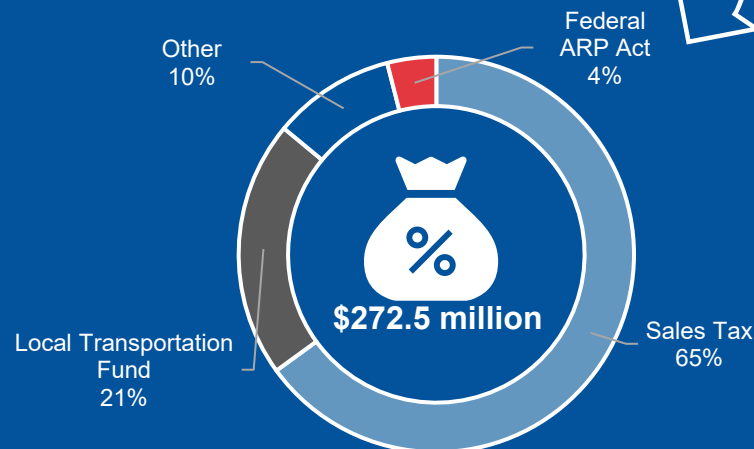


The largest portion of this increase is attributable to the increase in local transportation funds, Federal assistance, and State assistance.

2023 Revenues

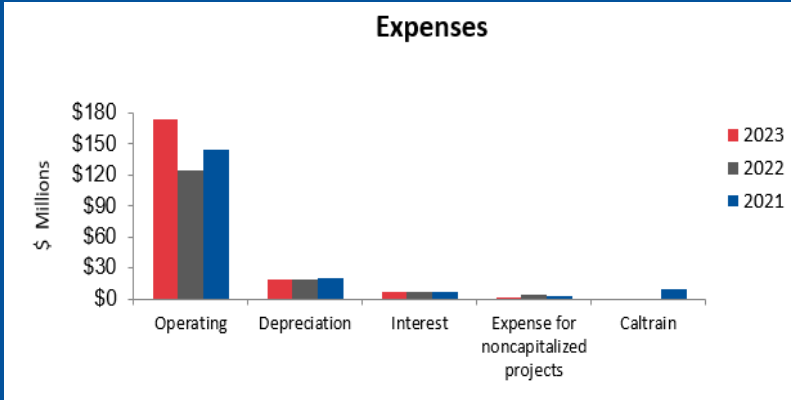


Operating Assistance by Source

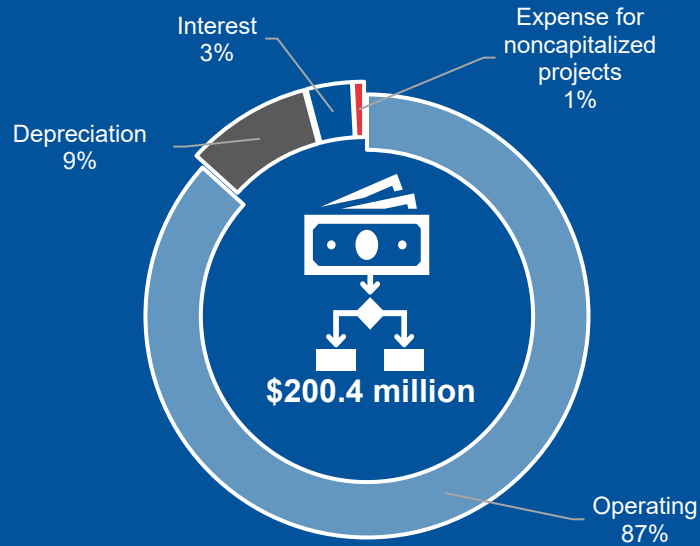


Expenses

Overall expenses for the District grew for Fiscal Year 2023.



2023 Expenses



NONOPERATING EXPENSES were \$8.3 million, a decrease of 26.1% compared to Fiscal Year 2022.



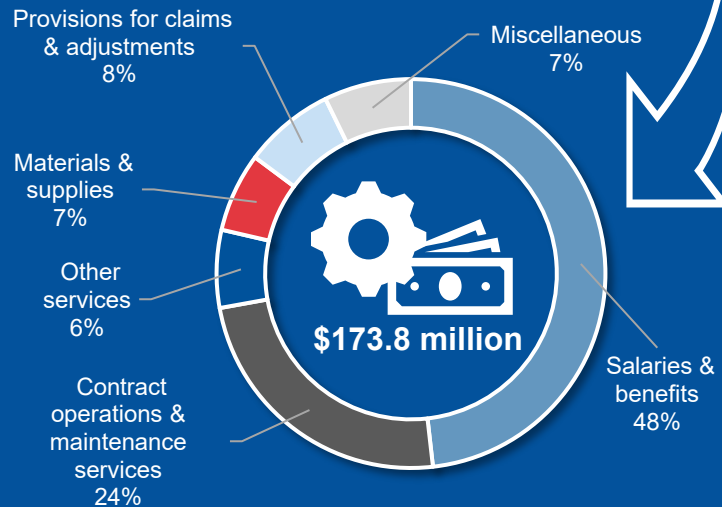
The decrease was mainly due to a decrease in expenses for noncapitalized projects.

OPERATING EXPENSES (excluding depreciation) were \$173.7 million, an increase of 39.3% compared to Fiscal Year 2022.



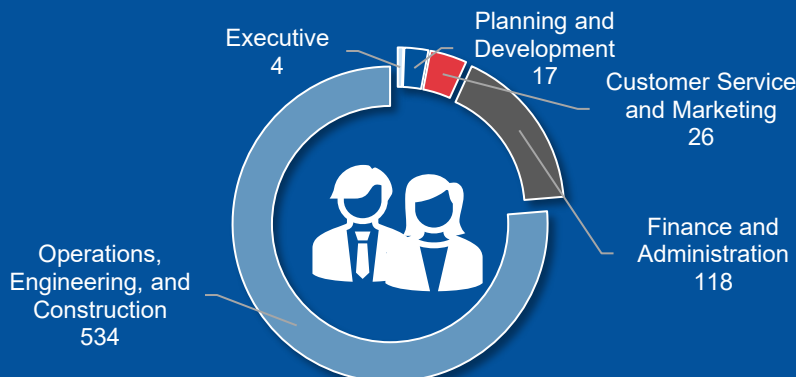
The increase was mainly due to an increase in salaries and benefit, contract operations & maintenance services, materials & supplies, and provisions for claims & adjustments. The increases are to support Reimagine SamTrans deployment, and also reflect increases in shared services staffing for Caltrain and the Transportation Authority.

Operating Expense Details



In Fiscal Year 2023, the District had 699.3 Full Time Equivalents.

Full Time Equivalents by Division



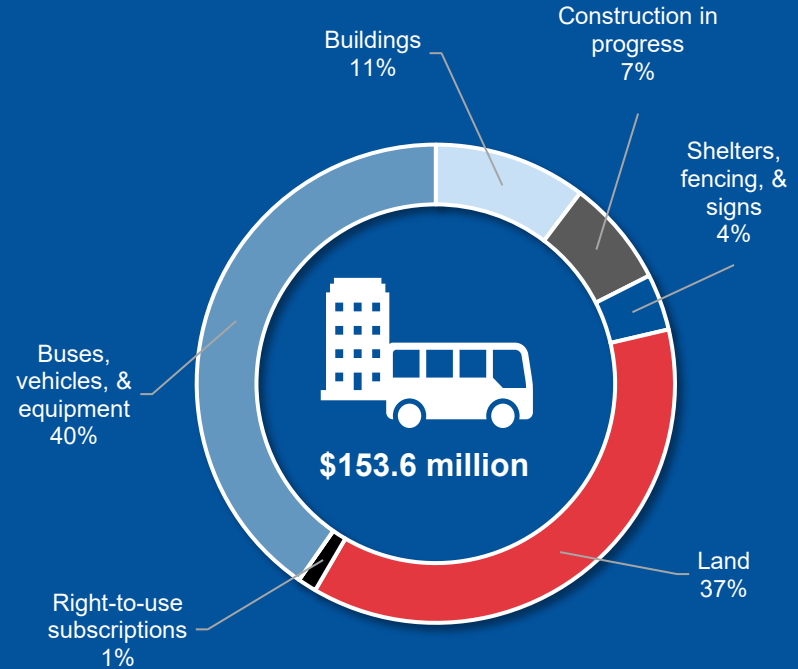
Capital Assets

The District received capital contributions of \$4.1 million in Fiscal Year 2023 and \$3.1 million in Fiscal Year 2022, which was an increase of \$1.0 million or 30.5% in Fiscal Year 2023 compared to Fiscal Year 2022.

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

- **\$4.5 million:** Purchase of revenue vehicles
- **\$3.0 million:** Maintenance and administrative facilities and equipment
- **\$1.8 million:** Replacement of bus parts in accordance with FTA guidelines
- **\$0.6 million:** Communication information system
- **\$1.8 million:** Capital project development, and others

2023 Capital Asset Balance

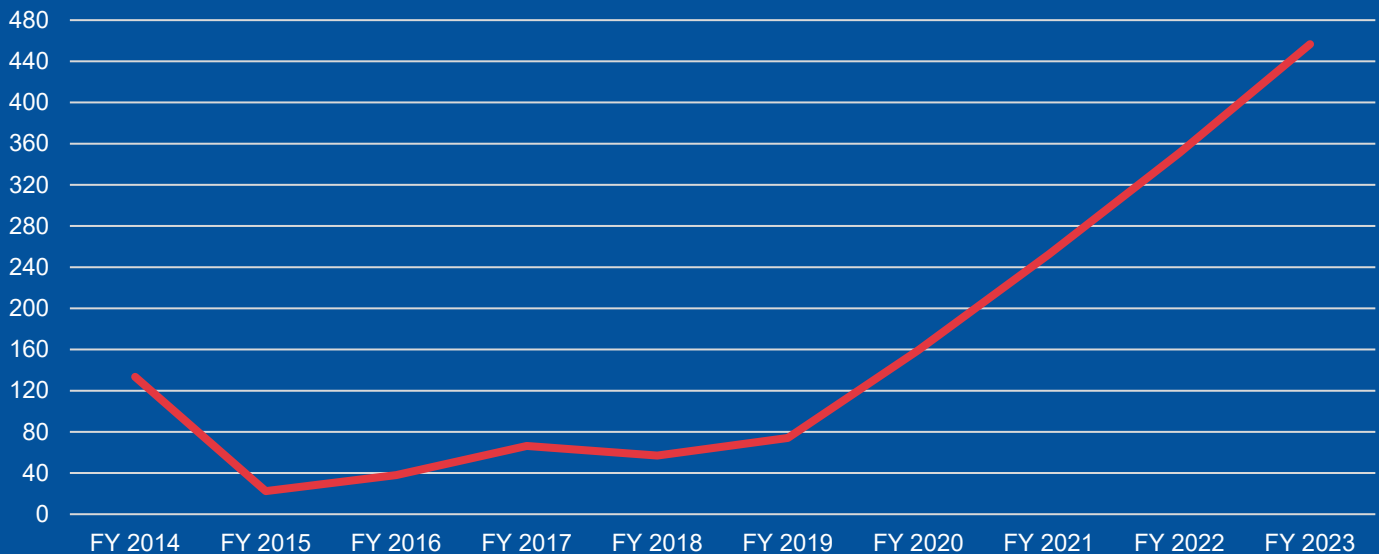


Net Position

The District's total net position increased by \$105.4 million in the Fiscal Year 2023. This increase is larger than any one-year increase over the past ten years and highlights the improving financial standing of the District.

The increase in the Fiscal Year 2023 was mainly due to the operating assistance (including transaction and use tax) exceeding the operating expenses by \$80.4 million and increases of \$19.9 million in investment income.

10-Year History of Net Position



Looking Ahead

The Fiscal Year 2024 Adopted Operating Budget is \$264.5 million. Passenger fares for both Motor Bus and ADA services are projected to be \$11.5 million and local, State, and Federal funds are projected at \$77.8 million. The District's half-cent sales tax receipts are projected to be \$116.3 million. Measure W sales tax receipts are projected to be \$58.1 million. Out of the \$264.5 million projected operating costs, \$182.0 million are budgeted for the Motor Bus program, \$20.7 million for the A.D.A. program, and \$6.5 million for the Multi-Modal program.

The \$188.0 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 2024 include replacing 2009 Gillig 40' heavy duty diesel buses (\$139.7 million), continuing the design work and starting construction procurement process for the North Base Transportation Building replacement (\$2.8 million) and adding

more restroom facilities as recommended in the SamTrans operator restroom facility and site assessment study (\$2.9 million). SamTrans is investing in the next phase of Emission Zero Bus program to do its part to reduce greenhouse gas emissions, fight climate change, and keep our air clean and communities healthy. This year, work will be done to complete final design, award a pre-construction services contract and procure battery electric bus (BEB) infrastructure equipment at South Base (\$9.1 million) and work will begin on the hydrogen fueling station at North Base (\$19.9 million). In addition, the capital budget includes Information Technology projects for enhancing Cybersecurity (\$1.2 million), and technology modernization (\$3.4 million). Capital funds have also been set aside for the El Camino Real Transit Capital Improvement Fund (\$2.2 million).

For complete details please see the [Adopted Fiscal Year 2024 Budget](#).

