

San Mateo County Transit District
San Carlos, California



Popular Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2024



San Mateo County **TRANSIT DISTRICT**

December 30, 2024

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, 2024 (FY 2024). 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 can view and download the PAFR on the District's [website](#).

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 Financial Report (ACFR) for Fiscal Year 2023-24. 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,



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

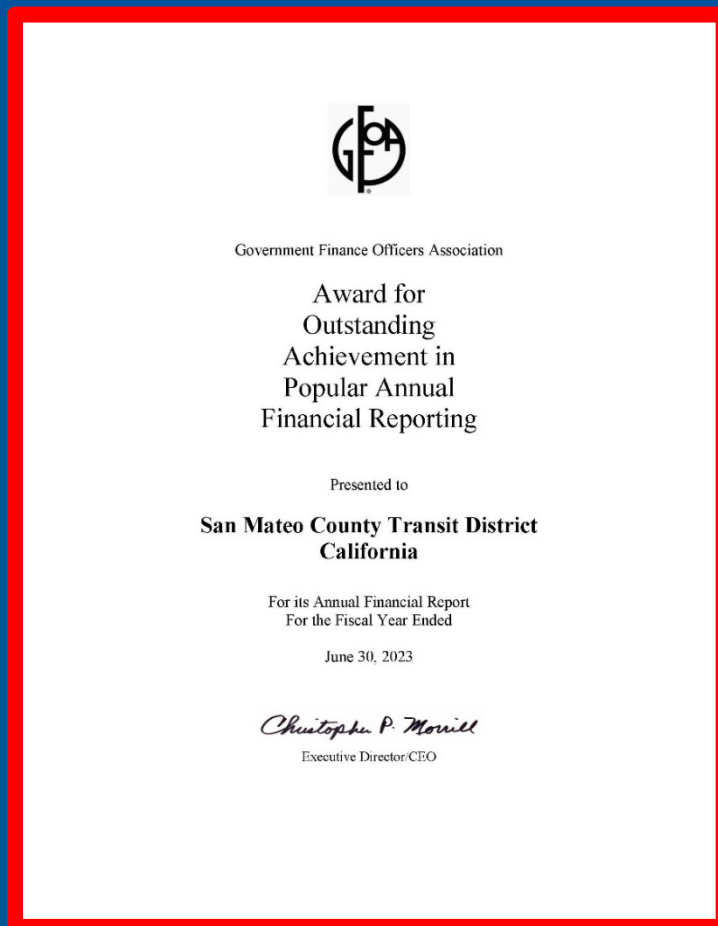


[Nextdoor](#) - Community notices for residents of San Mateo County.

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Award of Outstanding Achievement



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, 2023. 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 third consecutive year.

We believe this report, for Fiscal Year ended June 30, 2024, continues to conform to the Popular Annual Financial Reporting requirements, and are submitting it to the GFOA for consideration for this award.

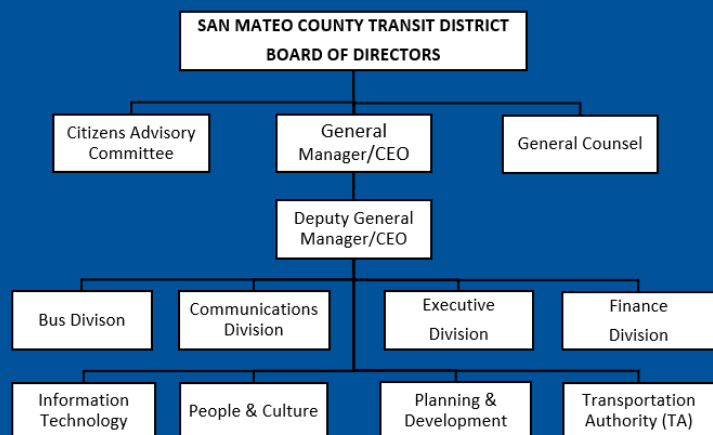
What is the District?



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 the 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 Lanes 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. The District (as a managing agency for SMCTA), along with staff at C/CAG, provides 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 schoolchildren to working professionals.

San Mateo County at a Glance

| Year | Population | Per Capita Income | Avg. Unemployment Rates |
|------|------------|-------------------|-------------------------|
| 2024 | 734,481 | \$175,366 | 3.5% |
| 2023 | 737,644 | \$170,259 | 3.1% |

Governance

2024 Board of Directors

The nine members of the Board of Directors meet monthly to determine overall policy for the District. The Board of Directors consists 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.



Marina Fraser
(Chair)
Public Member



Jeff Gee
(Vice Chair)
Southern Judicial
Cities



David J. Canepa
Board of
Supervisors



Marie Chuang
Central Judicial
Cities



Brooks Esser
Public Member



Rico E. Medina
Northern Judicial
Cities



Ray Mueller
Board of
Supervisors



Josh Powell
Public Member



Peter Ratto
Board of
Supervisors

2024 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
Dylan Finch
Scott Johnston
Ben Mangiafico

John Baker (Vice Chair)
Max Mautner
Natasha Opfell
Denise Seibert
Vacant (5)

Services

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 operates over **71** routes spanning from San Francisco to Santa Clara.

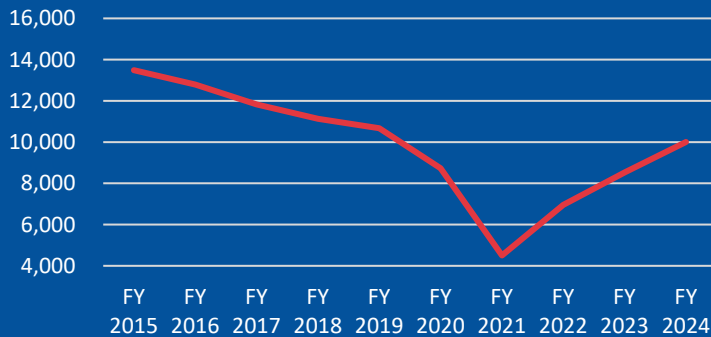


On Time Performance for the year was **80.5%**.



In Fiscal Year 2024, total ridership was 10 million, which was an increase of 16.8% compared to Fiscal Year 2023.

Ridership
(in thousands)



10,012,186

Boardings (+16.8%)

SAN MATEO COUNTY, CALIFORNIA



Major Initiatives

Reimagine SamTrans

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. The first three phases of implementation for “Reimagine SamTrans” took place in August 2022, June 2023, and February 2024. The final phase of implementation will take place in August 2024, culminating 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.



Improve the experience for existing SamTrans customers



Grow new and more frequent ridership on SamTrans



Build SamTrans' efficiency and effectiveness as a mobility provider

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

SamTrans Ride Plus

Launched in June 2023, Ride Plus is a new shared-ride service that can take you anywhere within Half Moon Bay, 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 in reducing greenhouse gas emissions, fight climate change, and keep our air clean and communities healthy.

In late Fiscal Year 2022, the District purchased 37 battery electric buses (BEB) and 10 fuel cell electric buses (FCEBs). At the end of Calendar Year 2023, the first of 17 battery electric buses entered revenue service. In late Fiscal Year 2024, the District issued a contract to purchase 108 FCEBs to replace diesel buses. These buses are anticipated to be delivered by late 2027.

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



Repair, Modify, Replace Major Facilities

District Headquarters Building

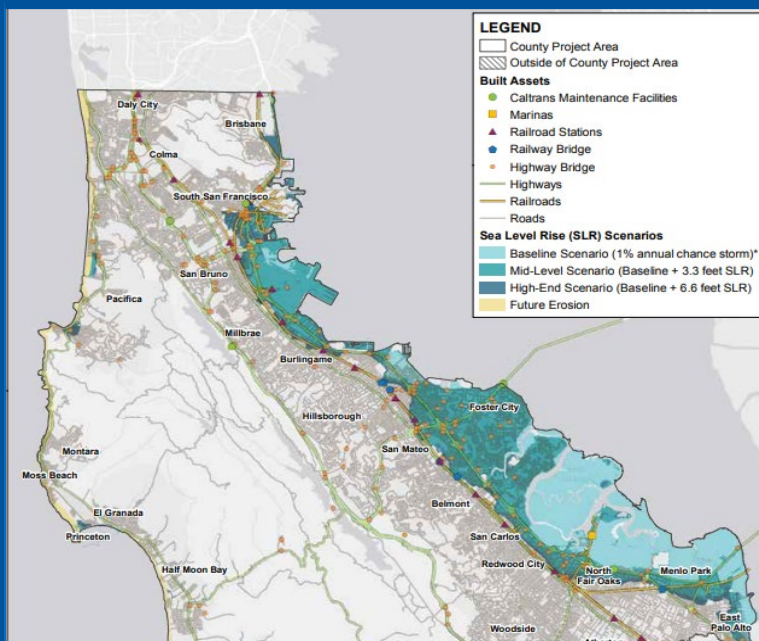
The Board directed staff to pursue acquisition of a new headquarters building in the County, subject to certain parameters, in August 2023.

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 SamTrans, 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.



North Base Bus Transportation Building 200

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, 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

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, a particular concern for the North Base and South Base operations and maintenance facilities, which are located near the San Francisco Bay. In the next two years, the District will develop conceptual design plans and obtain the required environmental clearances for the associated project(s).

Financial Performance



Revenues **Expenses**

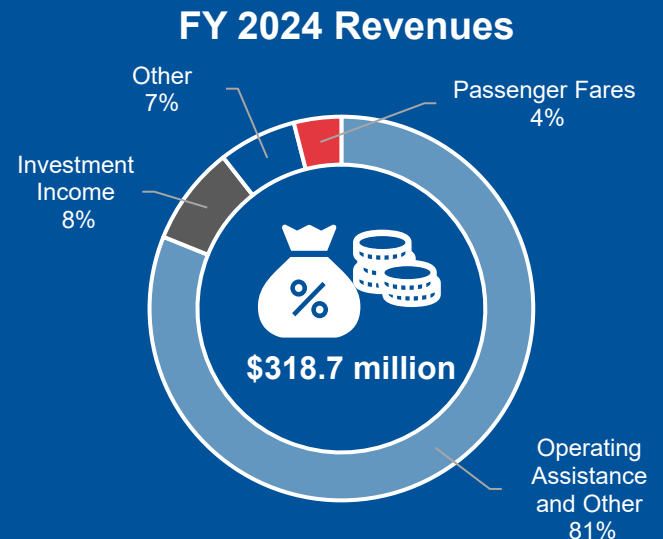
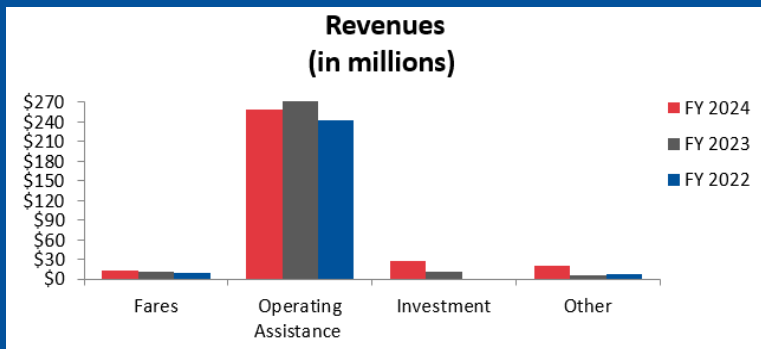
5.6% **15.9%**

Percent Increases in Fiscal Year 2024



Revenues

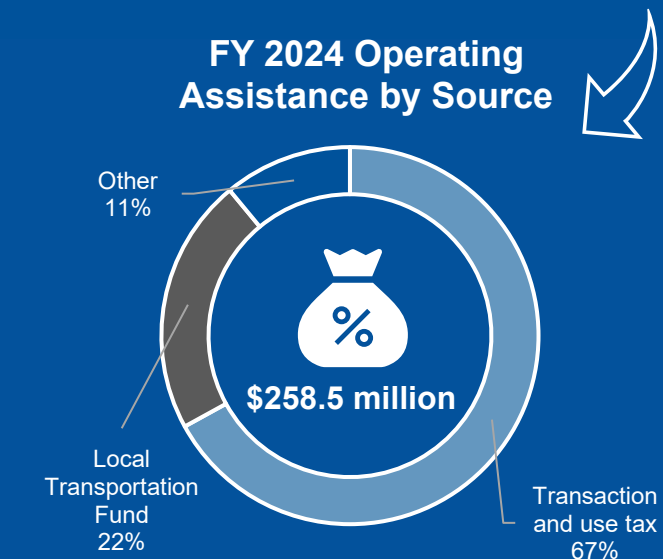
The District recorded an increase in revenues from the prior year, fueled mainly by changes in nonoperating revenues described below.



OPERATING REVENUES generated from passenger fares of \$12.7 million increased by 13.3% during Fiscal Year 2024 compared to Fiscal Year 2023. The increase was a result of strong fixed route ridership recovery.

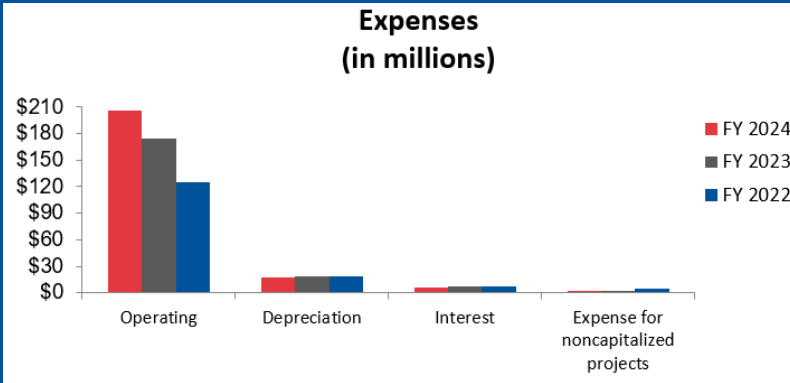


NONOPERATING REVENUES increased by 5.3% to \$306.0 million. The increase was mainly due to increases in investment income and other income. Operating assistance of \$258.5 million accounted for the majority of Fiscal Year 2024 nonoperating revenues.



Expenses

Overall expenses grew for Fiscal Year 2024 compared to Fiscal Year 2023.



NONOPERATING EXPENSES were \$9.1 million, an increase of 9.6% compared to Fiscal Year 2023.



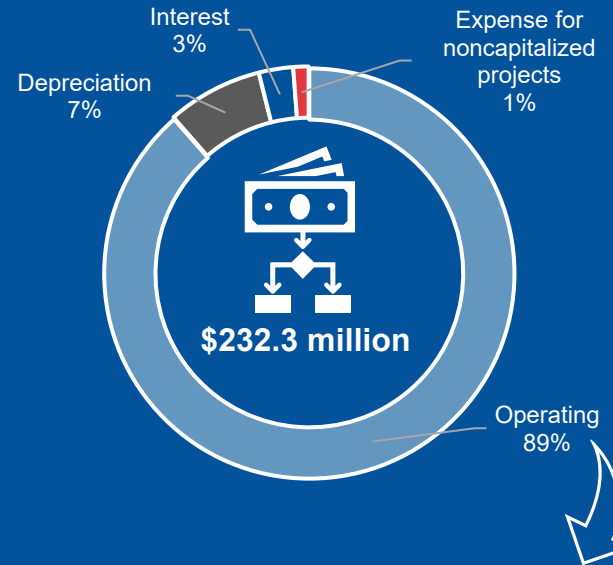
The increase was primarily due to higher expenses for noncapitalized projects.

OPERATING EXPENSES (excluding depreciation) were \$205.7 million, an increase of 18.4% compared to Fiscal Year 2023.

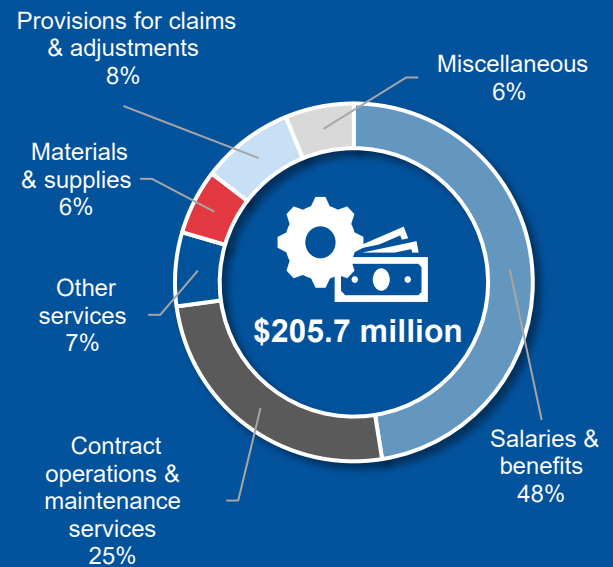


The increase was driven by increases in salaries and benefits, contract operations and maintenance services, and provisions for claims and claims adjustment. Additionally, the increases in contract operations and maintenance services were a result of higher service miles and adjustments to contracted rates.

FY 2024 Expenses

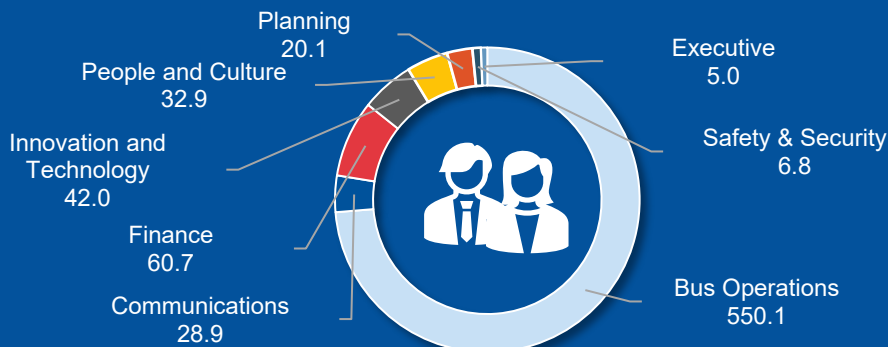


FY 2024 Operating Expense Details



In Fiscal Year 2024, the District had 746.5 Budgeted Full Time Equivalents.

Full Time Equivalents by Division



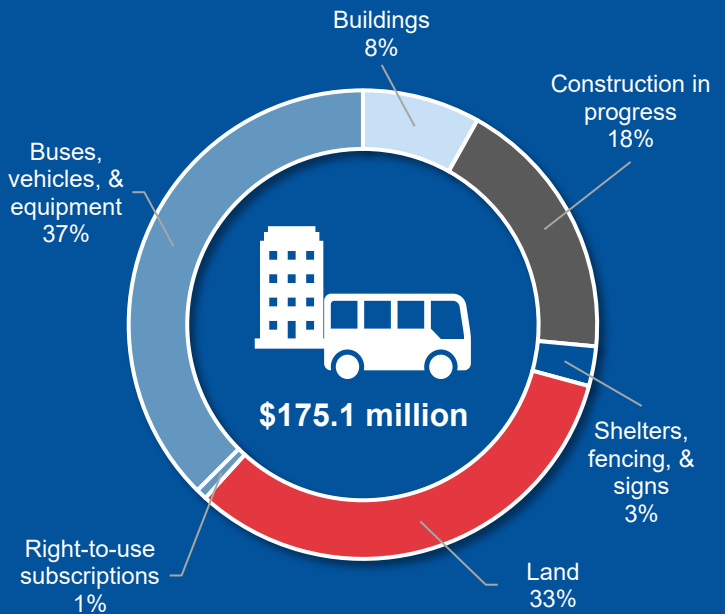
Capital Assets

The District received capital contributions of \$24.0 million in Fiscal Year 2024 and \$4.1 million in Fiscal Year 2023, which was 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 2024.

- **\$26.8 million:** Purchase of revenue vehicles
- **\$5.7 million:** Maintenance and administrative facilities and equipment
- **\$1.2 million:** Communication information system
- **\$0.5 million:** Replacement of bus parts in accordance with FTA guidelines
- **\$5.7 million:** Capital project development, and others

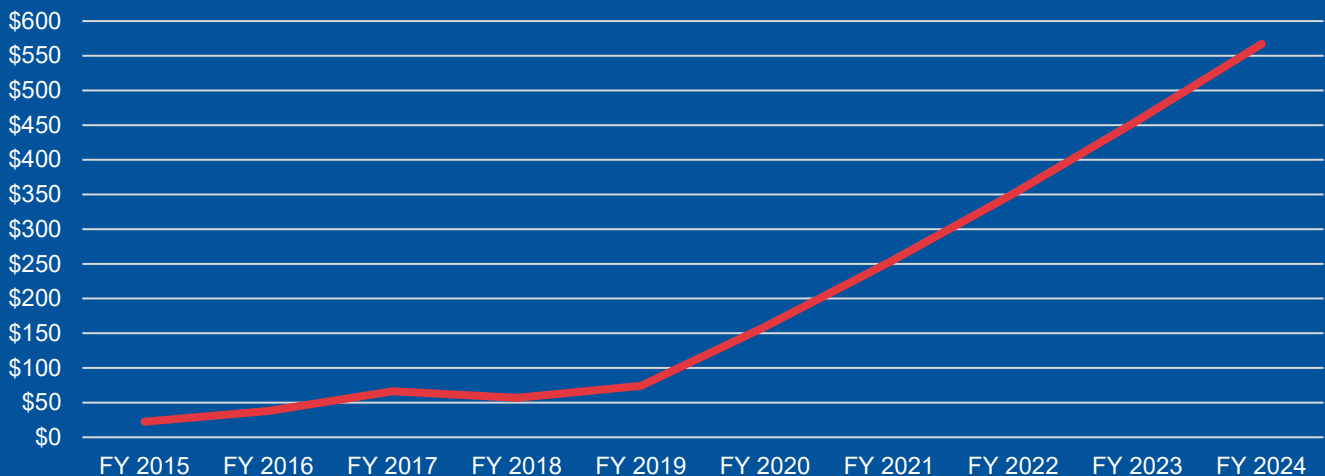
FY 2024 Capital Asset Balance



Net Position

The District's total net position increased by \$110.5 million in the Fiscal Year 2024. This was largely due to a one-time \$22.0 M payment from Caltrain for the Right of Way, operating assistance (including transaction and use tax) exceeding the operating expenses including depreciation and amortization by \$35.3 million, increases of \$20.0 million from capital contributions, and increases of \$15.0 million in investment income. Net Position represents the difference between an entity's assets and liabilities, including non-liquid items such as capital assets and restricted resources. It is not a measure of cash or immediately available funds.

10-Year History of Net Position (in millions)



Looking Ahead

The Fiscal Year 2025 (FY 2025) Operating Budget consists of \$347.7 million and \$273.3 million in revenues and expenditures, respectively. Passenger fares for both Motor Bus and ADA services are projected to be \$12.3 million. Local, State, and Federal funds are projected to be \$78.0 million. The District's half-cent sales tax receipts are projected to be \$117.6 million. Measure W sales tax receipts are projected to be \$58.8 million. Out of the \$273.3 million projected operating costs, \$181.8 million is budgeted for the Motor Bus program, \$21.8 million for the A.D.A. program, and \$6.7 million for the Multi-Modal program.

The \$67.1 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 FY 2025 include replacing (12) 2017-2018 Paratransit Cutaway buses (\$3.1 million), continuing the construction procurement process for the North Base Transportation Building replacement (\$29.0 million), award construction services contract to a selected Construction Manager General Contractor and procure long lead battery electric

bus (BEB) infrastructure equipment at South Base (\$14.0 million), developing a cost estimate for the required facility modification to determine the cost for the remainder of the permanent hydrogen fueling station at North Base (\$11.1 million), develop a conceptual design and obtain the required environmental clearance for the North Base Sea Level Rise and Erosion Mitigation project (\$1.3 million), redesign the enterprise network to enhance security and reliability on the District's outdated infrastructure (\$3.9 million), and implementing the capital improvement plan recommendations of the El Camino Real Bus Speed & Reliability Study (\$1.1 million).

Total expenses in the FY 2025 budget, in addition to \$19.1 million for debt service, exceed revenues. Funding gaps are covered from prior years' surpluses. However, the District may be at an inflection point with growth in expenses continuing to outpace growth in revenues and sources.

For complete details, please see the [Adopted Fiscal Year 2025 Budget](#).

