



BOARD OF DIRECTORS 2025

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REVISED AND AMENDED AGENDA

San Mateo County Transit District

Board of Directors Special Meeting

Board Workshop

April 9, 2025, 9:00 am

Bacciocco Auditorium, 2nd Floor

1250 San Carlos Avenue, San Carlos, CA 94070

Members of the public may attend in-person or participate remotely via Zoom at: <https://us02web.zoom.us/j/82441309487?pwd=pljFWe5RMVQ98K5RtHX7cwI2HUfmmt.1> or by entering Webinar ID: **824 4130 9487**, Passcode: **781549** in the Zoom app for audio/visual capability or by calling 1-669-900-9128 (enter webinar ID and press # when prompted for participant ID) for audio only.

Please Note the following COVID-19 Protocols for in-person attendance:

1. Visitors experiencing the following symptoms of COVID-19 may not enter the building:

- Cough
- Shortness of Breath
- Fever
- Chills
- Muscle Pain
- Sore Throat
- Loss of Taste or Smell

2. Wearing of masks is recommended but not required.

Public Comments: Public comments may be submitted to publiccomment@samtrans.com prior to the meeting’s call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board’s weekly correspondence and posted online at: <https://www.samtrans.com/meetings>.

Oral public comments will also be accepted during the meeting in person and through Zoom* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise Hand

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

feature for public comment. Each commenter will be recognized to speak and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes or less. The Board and Committee Chairs have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The video live stream will be available after the meeting at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>.

Wednesday, April 9, 2025

9:00 am

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1. Call to Order / Pledge of Allegiance
 2. Roll Call
 3. Discuss Purpose of the Workshop Informational
 4. **District 10 Year Financial Outlook** **Informational**
 5. District Capital Improvement Plan (CIP) (2026-2035) Informational
 6. Adjourn

Information for the Public

If you have questions on the agenda, please contact the District Secretary at 650-551-6108. Agendas are available on the SamTrans website at: <https://www.samtrans.com/meetings>. Communications to the Board of Directors can be emailed to board@samtrans.com.

Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287

Date and Time of Board and Citizens Advisory Committee Meetings

San Mateo County Transit District (SamTrans) Board and Committees: First Wednesday of the month, 2:00 pm; SamTrans Citizens Advisory Committee (CAC): Last Wednesday of the month, 6:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and CAC are available on the website.

Location of Meeting

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

*Should Zoom not be operational, please check online at: <https://www.samtrans.com/meetings> for any updates or further instruction.

Public Comment

Members of the public may participate remotely or in person. Public comments may be submitted by comment card in person and given to the District Secretary. Prior to the meeting's call to order, public comments may be submitted to publiccomment@samtrans.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.samtrans.com/meetings>.

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Accessible Public Meetings/Translation

Upon request, SamTrans will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda that are not exempt from disclosure pursuant to the California Public Records Act and that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070 at the same time that the public records are distributed or made available to the legislative body.

SamTrans April 2025 Board Workshop Finance

April 2025

Agenda

1. **10-Year Operating Financial Outlook**
2. **At Risk Funding**
 - Sales Tax Scenarios
 - Operating Grants
3. **Financial Strategy Discussion: Key Levers & Tradeoffs**
 - Placemat Exercise
 - Menti Poll

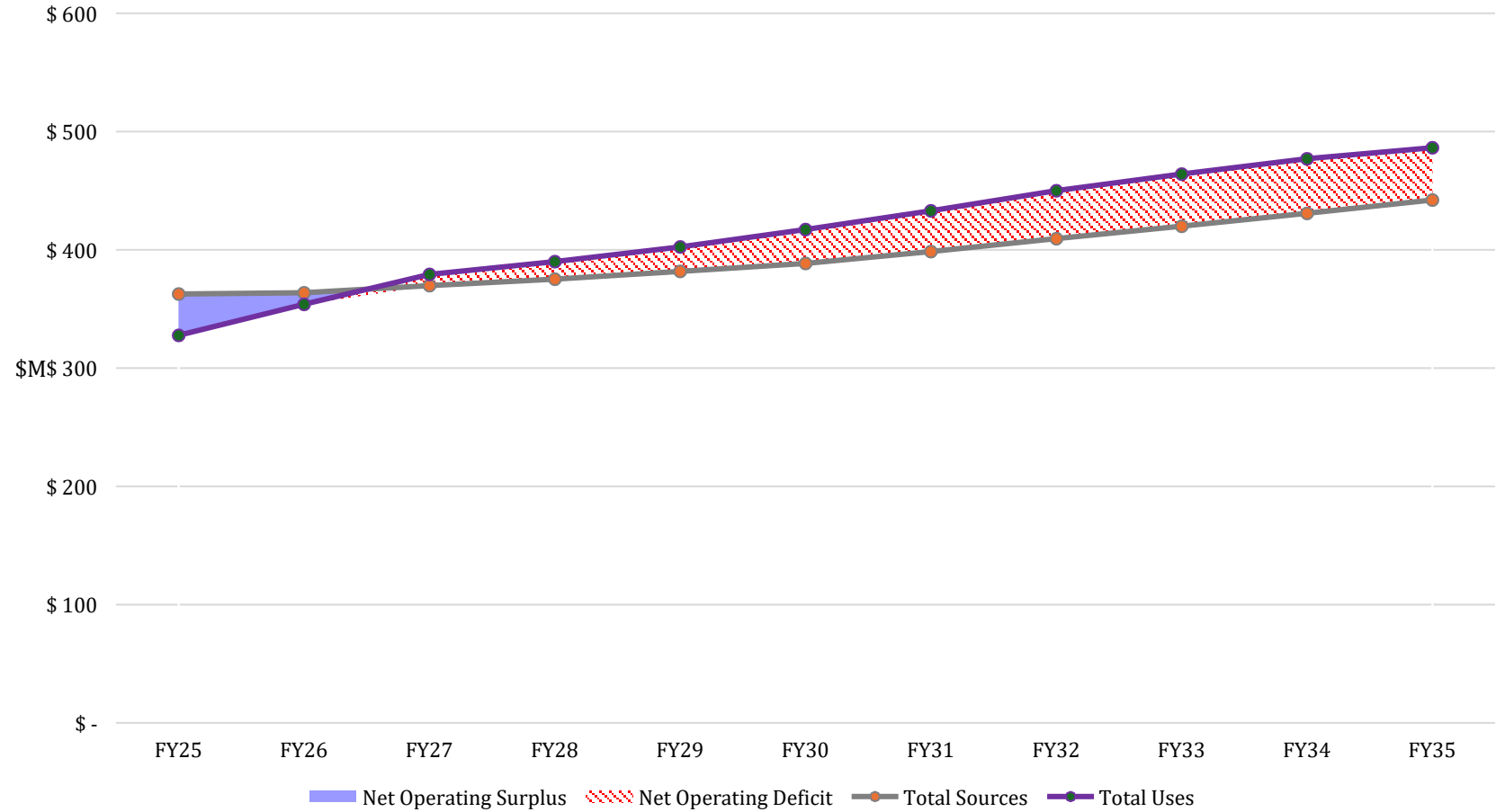
10-Year Operating Financial Outlook

Financial Outlook

FY25-FY35 Operating Outlook

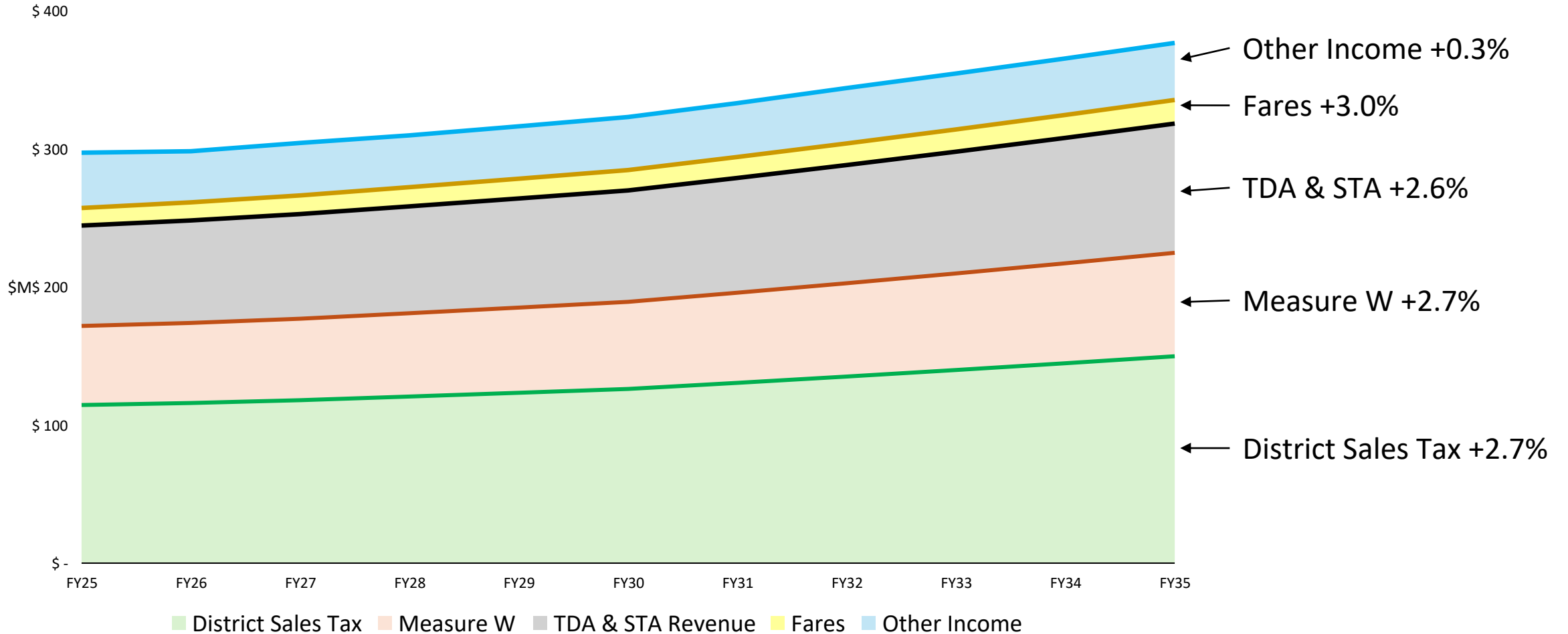
- Deficit projected to begin in **FY27**
- Labor, wage & benefit increases, and increased costs of contracted services contribute to **rising operating costs**
- Projection of **lower revenue growth** from historical actuals
- Need to **identify strategy to align revenues with operating costs**

Operating + Debt Service Only



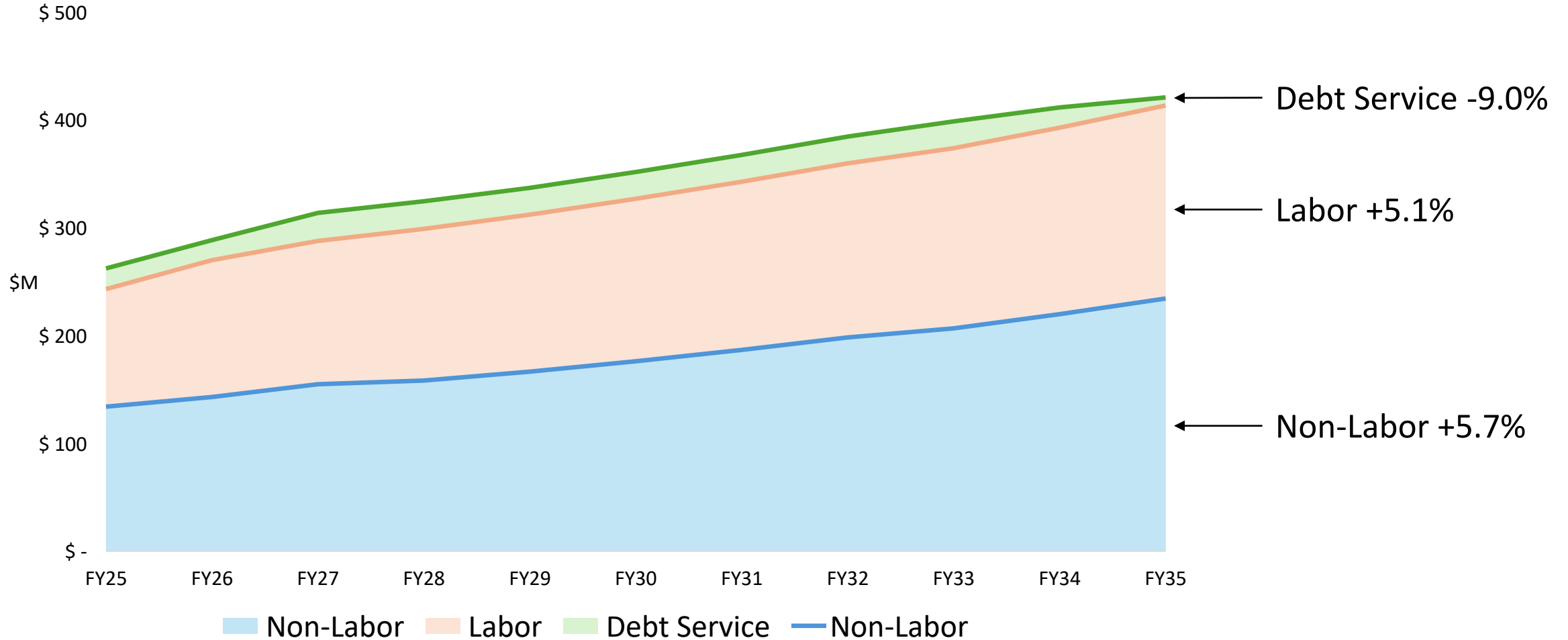
Financial Outlook

Operating Revenue average annual growth 2.4%



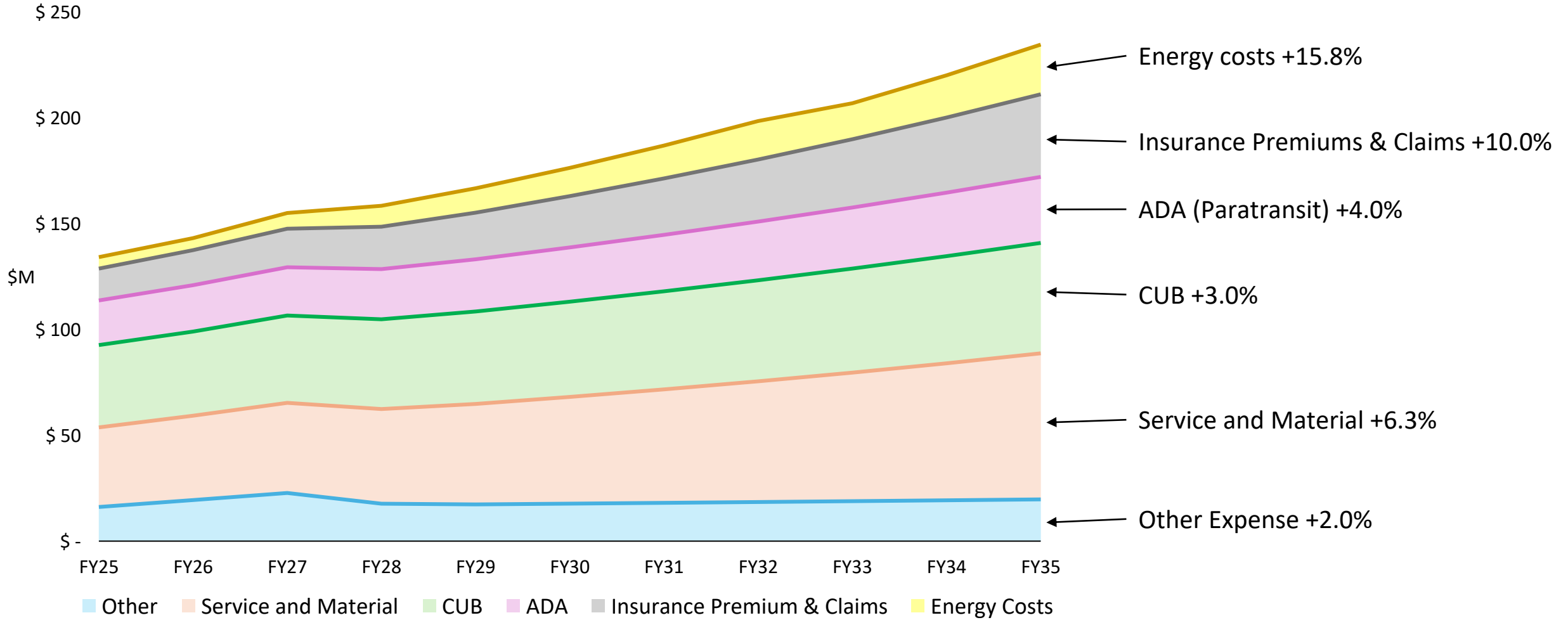
Financial Outlook

Operating Expenditure average annual growth 4.8%



Financial Outlook

Non-Labor average annual growth 5.7%



Financial Outlook

Elements for Non-Labor Operating Other Expense

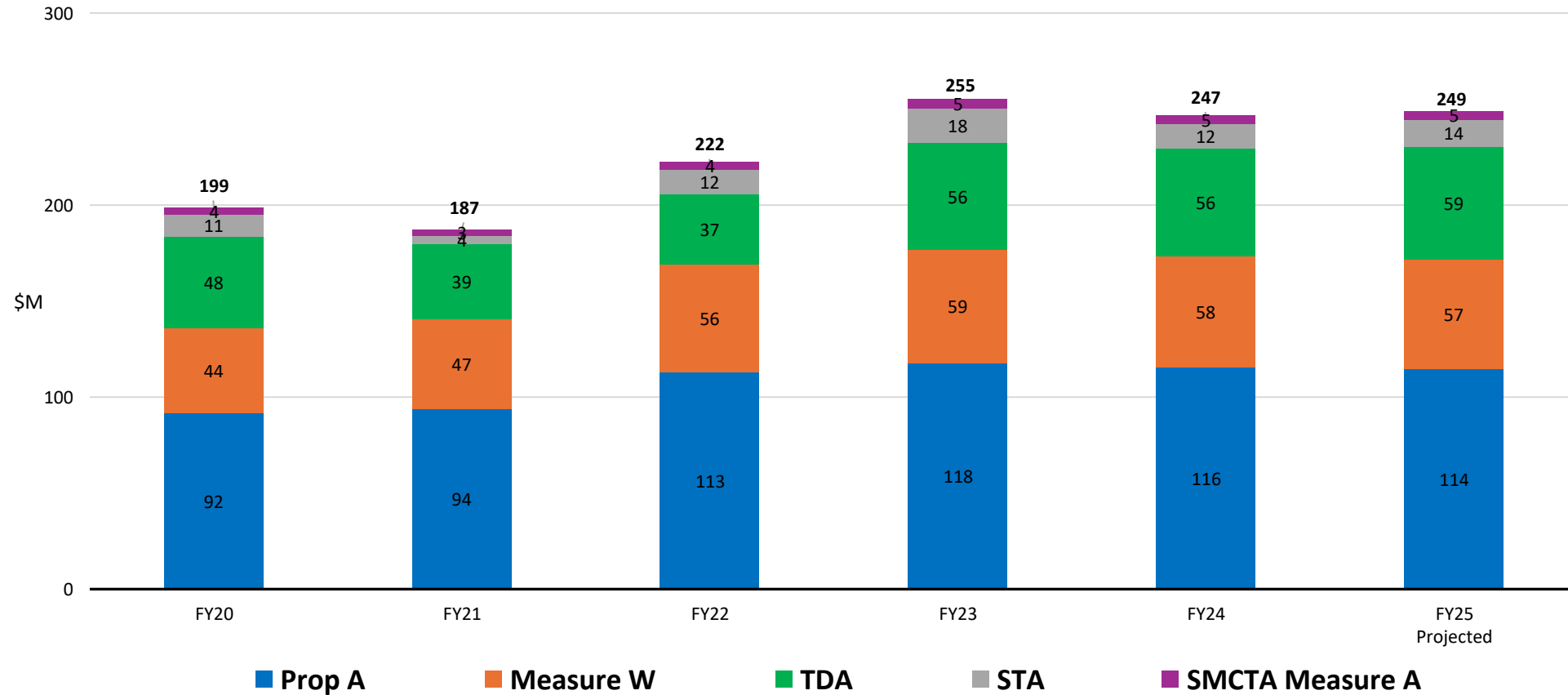
Operating Use	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	% Growth
Shared Services W&B Operating Expenses	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	0.0%
Other Multimodal	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0	0.0%
Utilities	\$ 2.9	\$ 3.1	\$ 3.6	\$ 3.8	\$ 3.9	\$ 4.0	\$ 4.2	\$ 4.3	\$ 4.5	\$ 4.6	\$ 4.8	5.2%
ZEB O&M	\$ -	\$ 0.9	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.1	14.0%
Training & Business Travel	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.8	\$ 1.8	3.5%
Leases and Rentals	\$ 1.3	\$ 3.4	\$ 5.7	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	-13.0%
Advertising	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	3.5%
Taxes and License Fees	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	3.5%
HQ Moving and Related Expenses	\$ 1.8	\$ 1.6	\$ 0.7	\$ 0.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Dues & Membership	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	3.5%
Postage & other	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	3.5%
Total Other Operating Expenses	\$ 81.6	\$ 84.9	\$ 88.2	\$ 83.1	\$ 82.8	\$ 83.2	\$ 83.5	\$ 83.9	\$ 84.3	\$ 84.8	\$ 85.2	0.4%

- Payments associated with District's managing agency role held flat through FY35 (offset in the operating revenue)
- Leases and Rentals: -13.0% average annual growth due to no HQ rent expense after FY27
- Total ZEB O&M: 14.0% average annual growth
- Utilities: 5.2% average annual growth
- Advertising, Training & Business Travel, Taxes & License Fees, Dues & Memberships and Postal & Other: 3.5% annual growth

At Risk Funding:

Sales Tax Scenarios Operating Grants

Composition of District Sales Tax, FY20-FY25

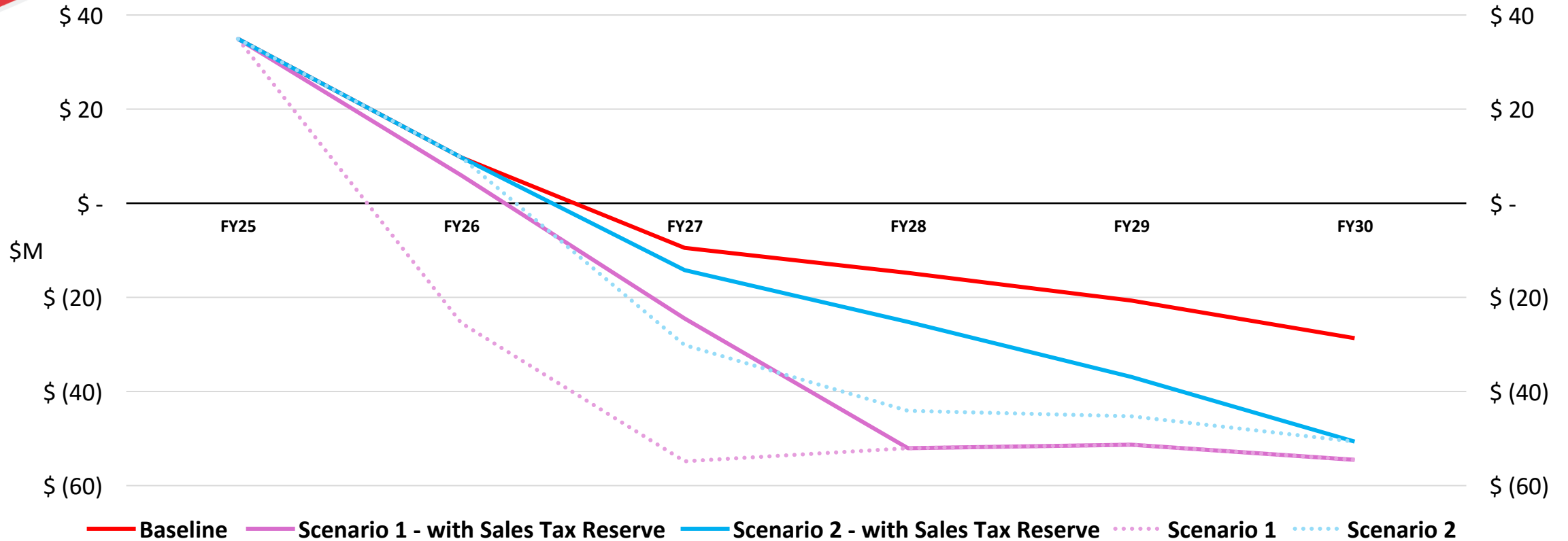


- Sales tax revenue historically accounts for approx. 70%~ of District source of funds
- Prop A and Measure W accounts for approx. 72% of District sales tax revenue or about half of District source of funds

District Sales Tax Scenario Analysis Overview

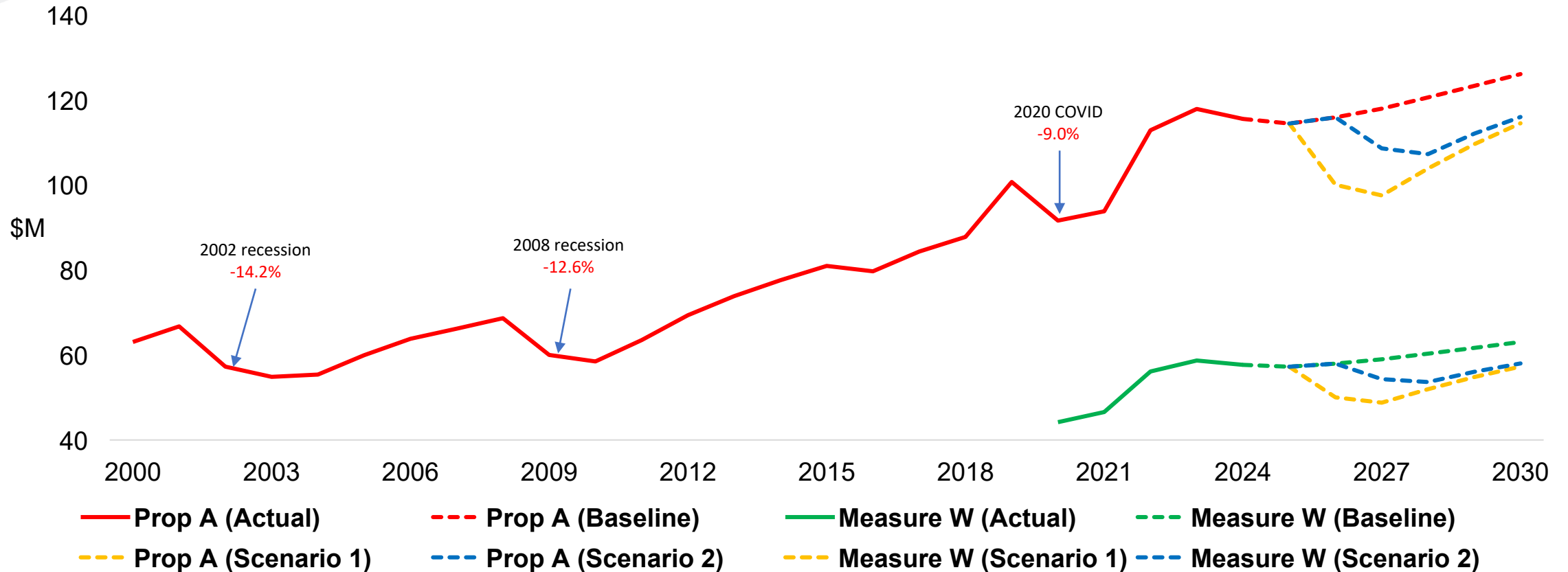
- **Scenario timeline:** FY26-FY30
- **Scenarios:**
 - **Baseline:** FY26-FY27 assumed 1.3%-1.8% annual sales tax revenue growth with no recession; 2.3% annual growth for FY28-FY30
 - **Scenario 1:** Replicate 2008 market downturns; assume 12.6% YoY sales tax revenue decline in FY26 and 2.5% YoY decline in FY27, avg. 5.5% recovery/year in FY28-FY30; fully recover in FY30
 - **Scenario 2:** Halve scenario 1 impact, assume 6.3% YoY decline in FY27 and 1.3% YoY decline in FY28, avg. 4.0% recovery/year in FY29-FY30; fully recover in FY30

Operating Net Position by Scenario



- Without sales tax reserve, Operating deficits projected to increase by \$174M in Scenario 1, and \$97M in Scenario 2, over 5 years from FY26 to FY30
- Using sales tax reserve reduces decline in sales tax revenue and operating deficit by \$62M and \$43M over FY26-30 in Scenarios 1 and 2, respectively

District Sales Tax Scenarios



- Assume sales tax reserve is not utilized to support declining sales tax revenue in Scenarios 1 and 2
- While sales tax reserves reduces potential revenue losses and operating deficits by \$62M (Scenario 1) and \$43M (Scenario 2) over FY26-30, reserves are projected to be exhausted in Scenario 1 by FY27

Overview of Grant Funding At Risk - Operating

Funding Source	Grant Definition	Risk Context	FY25	FY26	FY27	FY28	FY29	FY30
FTA 5307 – ADA Paratransit Operating Subsidy	<ul style="list-style-type: none"> - Subsidy offered through FTA formula funds - Requested as part of MTC TCP process 	Funds must be approved by Congress annually, not sure how this aligns with current administration priorities	\$3.8M	\$3.9M	\$4.0M	\$4.1M	\$4.2M	\$4.3M
CCAG Lifeline	<ul style="list-style-type: none"> - Made available through STA, distributed to CCAG - Usually funds Route 117 and SamCoast service 	Applied for and received Cycle 7 funds for 3 programs, no announcement of Cycle 8 or 9 yet but assume will be available	\$0.9M	\$0.9M	\$0.6M	\$0.6M	\$0.6M	\$0.6M
RM2	<ul style="list-style-type: none"> - Bridge toll - Funds OWL service 	Amount varies by year depending on bridge toll revenue	\$0.3M	\$0.3M	\$0.3M	\$0.3M	\$0.3M	\$0.3M
Measure M	<ul style="list-style-type: none"> - Funds generated from motor vehicle registration fee - Used for paratransit operations 	Need to sign 1-year extension for FY26 then a 5-year agreement for FY27-FY31	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M
Total			\$6.2M	\$6.3M	\$6.1M	\$6.2M	\$6.3M	\$6.4M

Green: Secured funding

Yellow: Anticipated funding, low risk

Orange: Possible risk

Financial Strategy Discussion: Key Levers and Tradeoffs

Summary of Options for Financial Sustainability

Category	Focus / Example Strategies	Key Trade-offs
Service / Operational Changes	<ul style="list-style-type: none"> • Optimize route frequency / schedules • Eliminate routes • Reduce service hours 	Cost savings vs. service availability & coverage
Fare Adjustments	<ul style="list-style-type: none"> • Increase fares (aggressively, incrementally, inflation based) • Eliminate Clipper discount 	Revenue vs. Equity, perception
Labor	<ul style="list-style-type: none"> • Limit hiring / Hiring freeze • Tech investment • Workforce reductions 	Cost vs. Morale, service level, workload
Non-Labor	<ul style="list-style-type: none"> • Eliminate / reduce non-mandated expenses <ul style="list-style-type: none"> • Travel • Consultants 	Savings vs. Lower flexibility, service levels (if consulting expenses)
Operating > Capital (via Debt Svc)	Reduce budgets and associated need for financing: <ul style="list-style-type: none"> • Headquarters • North Base 200 • Sea Level Rise mitigation 	Investing in infrastructure vs. minimizing operating deficit

Service / Operational Changes*

Category & Defined	Fiscal Impact	Community/ Rider Impact	Workforce Impact
Optimize Schedules (ex. reduce frequency)	Low to Mid <ul style="list-style-type: none"> Savings to fuel, maintenance, staff hours, contract expense 	<ul style="list-style-type: none"> Longer wait times Less reliable service Disproportionate impact on riders without alternatives Likely to reduce ridership 	<ul style="list-style-type: none"> Reduce shifts Less overtime
Reduce Service Hours (ex. Late Night, Evening, Midday)	Mid <ul style="list-style-type: none"> Moderate savings to fuel, maintenance, staff hours, contract expenses 	<ul style="list-style-type: none"> Limits access for evening/weekend riders Impacts low-income and shift workers Reduces overall system utility Likely to reduce ridership 	<ul style="list-style-type: none"> Reduced shifts Less opportunity for OT
Eliminate Routes (ex. Cut routes or Ride Plus)	Mid to High <ul style="list-style-type: none"> Increased savings to fuel, maintenance, staff hours, contract expenses 	<ul style="list-style-type: none"> Entire loss of access for affected areas Equity concerns for transit-dependent riders Risk of isolating vulnerable communities Likely to reduce ridership 	<ul style="list-style-type: none"> Reduce shifts Less opportunity for OT Risk of reduced FTE

**various options to reduce service hours / miles*

Fare Adjustments

Category & Defined	Fiscal Impact	Community/ Rider Impact	Workforce Impact
Increase Fares (Inflation Based \$0.05)	Low • Est ~\$0.2M/ year • Compounds over time	<ul style="list-style-type: none"> • Potential ridership impacts • Fare changes may have uneven effects, even with discounts. • Negative impact on low-income riders 	<ul style="list-style-type: none"> • Customer service increases • Communications workload • Fare change process - 3-6 months once decided
Increase Fares (Incrementally - \$0.25)	Mid • Est. ~\$1.5M/ year • Compounds over time	<ul style="list-style-type: none"> • Potential ridership impacts • Fare changes may have uneven effects, even with discounts. • Negative impact on low-income riders 	<ul style="list-style-type: none"> • Customer service increases • Communications workload • Fare change process - 3-6 months once decided
Increase Fares (Aggressive - \$0.50)	High • Est. ~\$2.5M/ year • Compounds over time	<ul style="list-style-type: none"> • Potential ridership impacts • Fare changes may have uneven effects, even with discounts. • Negative impact on low-income riders 	<ul style="list-style-type: none"> • Customer service increases • Communications workload • Fare change process - 3-6 months once decided
Eliminate Clipper Discount	Low • Est. ~\$0.7M • Compounds over time	<ul style="list-style-type: none"> • Increases equity for those who use different fare products • Makes fares easier to understand • Clipper adoption already mature • Negative impact on low-income riders 	<ul style="list-style-type: none"> • Customer service increases • Communications workload • Fare change process - 3-6 months once decided

Labor

Category & Defined	Fiscal Impact	Community/ Rider Risk / Impact	Workforce Impact
Tech to Supplement Workload (eg new ERP, cashless, etc.)	Low to Mid <ul style="list-style-type: none"> Investment ----> efficiency Potential FTE savings 	<ul style="list-style-type: none"> Streamlines internal processes Risk if any public facing tools cause frustration (cashless) 	<ul style="list-style-type: none"> Requires upfront investment Needs effective change management Multi-year implementation
Limit Backfills – Strategically don't hire vacated roles	Low to Mid <ul style="list-style-type: none"> Labor savings 	<ul style="list-style-type: none"> Delays in admin functions Slower public response times Reduced transparency and service support 	<ul style="list-style-type: none"> Difficult to ID roles not to refill Potential reduction in service / quality Increased workload in departments 6 months – 1 year to see impacts
Hiring Freeze – Pause on filling all positions	Mid <ul style="list-style-type: none"> Labor savings 	<ul style="list-style-type: none"> Staff become overextended Slower issue resolution Reduced responsiveness to rider needs 	<ul style="list-style-type: none"> Critical roles unfilled Increased workload Staff retention challenges Service level / quality impacts ~6 months to see impacts
Workforce Reductions	Mid to High <ul style="list-style-type: none"> FTE reductions / labor savings 	<ul style="list-style-type: none"> Reduces agency capacity provide services Negatively affects service quality and public trust 	<ul style="list-style-type: none"> Impacts staff morale May trigger union concerns, can moderate through attrition Likely reduction in service levels May take >6 months to implement and see impact

Non-Labor

Category & Defined	Fiscal Impact	Community/ Rider Impact	Workforce Impact
Professional Services	Mid <ul style="list-style-type: none"> Reduce consultant use Delay/ reduce expenses by delaying/reducing projects 	<ul style="list-style-type: none"> Projects delayed 	<ul style="list-style-type: none"> Increased workload, unless offset by mgmt. pushing out timelines Immediate to mid-term implementation
Travel / Training	Low <ul style="list-style-type: none"> Eliminate or reduce staff travel for nonessential business 	<ul style="list-style-type: none"> Reduced networking in region / industry May reduce knowledge of industry best practice 	<ul style="list-style-type: none"> Hindered training and networking opportunities, could be offset by virtual options Immediate impact if directed
Technology Investments	Mid <ul style="list-style-type: none"> Potential to reduce claims expense (safety) Streamlines processes to reduce prof svc exp. 	<ul style="list-style-type: none"> Increase safety of public 	<ul style="list-style-type: none"> Requires additional training Staff time to procure / implement Multi-year implementation
Streamline Utilities	Low to Mid <ul style="list-style-type: none"> Reduce / eliminate phone lines Eliminate unnecessary use of appliances in offices 	<ul style="list-style-type: none"> Promotes cleaner, greener communities 	<ul style="list-style-type: none"> Inconvenience to staff < 1 year to implement
Energy Procurement Strategy (Diesel to ZEB)	Low to Mid <ul style="list-style-type: none"> LCFS credits Optimize energy procurement (explore storage, timing, bulk purchase, PPA, etc.) 	<ul style="list-style-type: none"> Promotes cleaner, greener communities 	<ul style="list-style-type: none"> Mid increase in workload Multi-year implementation

Key Takeaways

- **Sales Tax downturn scenarios:**
 - Scenario 1: \$174M (11% reduction of operating revenue) in a severe recession (similar to 2008 Great Recession) or
 - Scenario 2: \$97M (6% reduction of operating revenue) in a moderate recession (similar to 2020 pandemic)
 - Sales Tax Stabilization reserve: Utilizing sales tax reserves would mitigate revenue loss and associated operating deficits by \$62M (Scenario 1) and \$43M (Scenario 2) over FY26-30.
- **Grant funding loss summary**
 - Minimal risk associated with current state and local grant funding
 - No news on federal funding priority changes around ADA paratransit funding, pending FY25 budget approved by Congress
- **Beyond Reserves:** Strategies for maintaining financial stability in economic slowdowns –
 - Diversify/ grow revenue
 - Strategic cost reductions
 - Service adjustments/modifications to streamline
 - Fare increases/adjustments
 - Labor and Non-Labor cost driver adjustments
 - Operating > Capital via debt

Questions?



**STRATEGIC
PLAN**

**District Capital Improvement Plan
(2026-2035)**

Board of Directors Workshop, April 9, 2025







Today's Agenda

- Introduction & Background
- Unconstrained 10-Year Needs
- Proposed Constrained 10-Year Program
- Next Steps
- Discussion



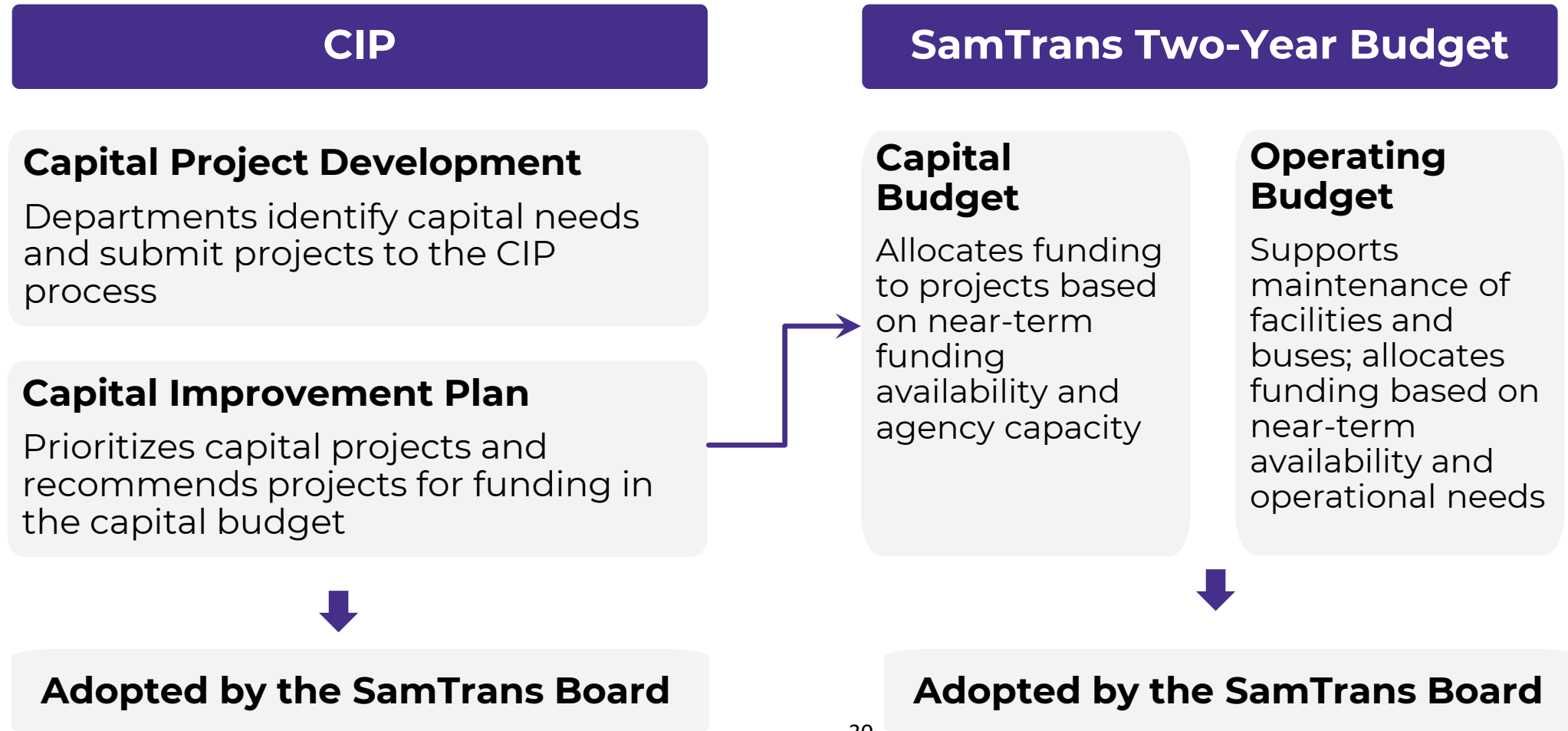
Introduction & Background

Project Components

		2023	2024	Q1 2025	Q3 2025
 Strategic Plan	Strategic roadmap for the next 10 years that identifies priority initiatives and investments to help achieve the District's goals	Complete			
 Financial Modeling	Financial modeling exercise to establish 10-year financial outlook and determine level of funding available for 10-year program	Complete			
 Measure W Budget Framework	Prioritization framework to allocate Measure W funding to appropriate capital and operations uses			Ongoing	
 Capital Improvement Plan	Inventory, prioritize and allocate funding to capital projects			Ongoing	



The CIP is a Long-Term Planning Tool that Informs Budget Process



Developing A Constrained 10-Year Program



Understand **agency financial outlook** for next **10 years** and funding available for capital program



Document capital needs and **prioritize projects**



Develop **intentional framework for spending Measure W funds** on both capital and operating projects



Fiscally constrain program and leverage external funding opportunities

Staff's Guiding Principles for Developing CIP

Key inputs for developing CIP included:

- Understanding of regulatory and legal requirements and mandates
- Understanding Board priorities through adopted projects, General Manager goals, and key resolutions, such as:
 - SamTrans Board Resolution 2023-55 (complete zero emission transition by 2034)
- Alignment with Strategic Plan goals & initiatives



Unconstrained 10-Year Program Needs

Projects Needs Submitted to 10-Year Program for Consideration



Internal call for Projects resulted in:

- 63 capital project submissions totaling \$1.95B
- 17 operating project submissions totaling \$355M*

*Measure W can be used to fund capital or operating projects









Projects were ranked based on combination of:

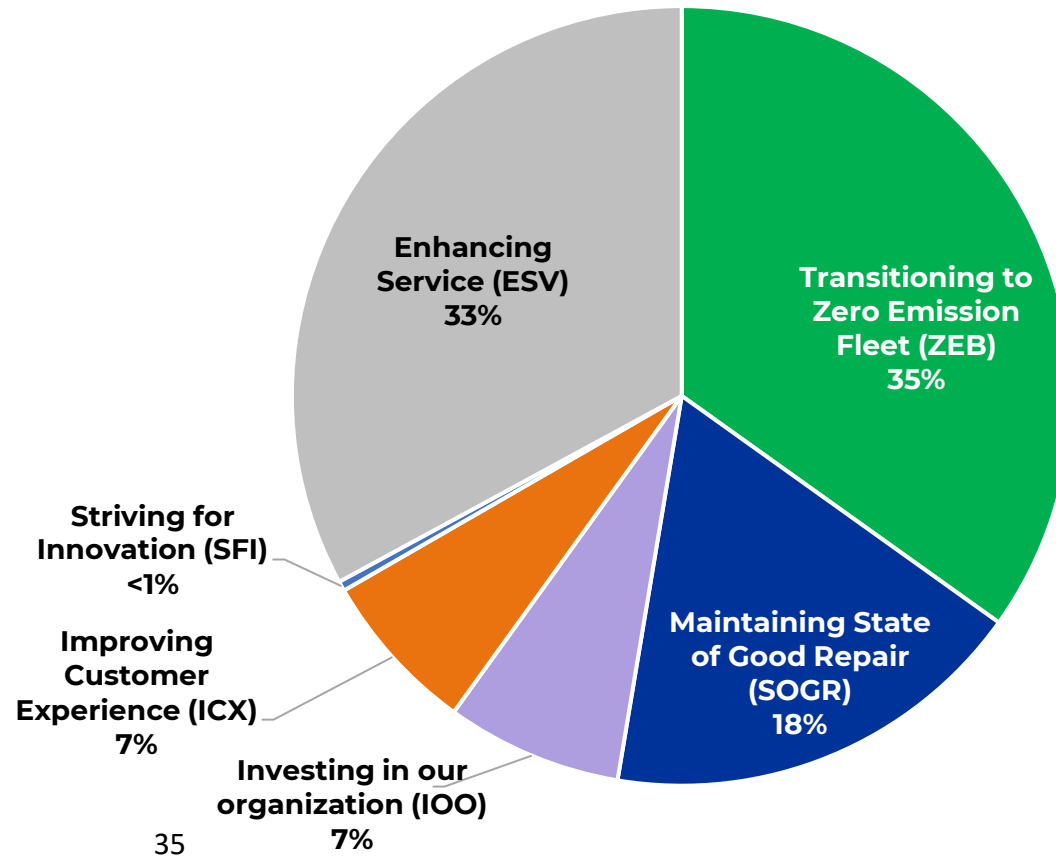
- Quantitative Scoring Exercise by Subject Matter Experts
- Project Classification (Mandate, Board Priority, Strategic Plan Initiatives)
- Qualitative Adjustments (GM Discretion)

Projects Grouped within 6 Programmatic Categories that Align with Agency Goals

Programmatic Categories

-  Transitioning to Zero Emission Fleet
-  Enhancing Service
-  Maintaining State of Good Repair
-  Investing in our Organization
-  Improving Customer Experience
-  Striving for Innovation

Projects Submitted to the CIP Process by Category (\$ Value)



Transitioning to Zero Emission Fleet (ZEB)

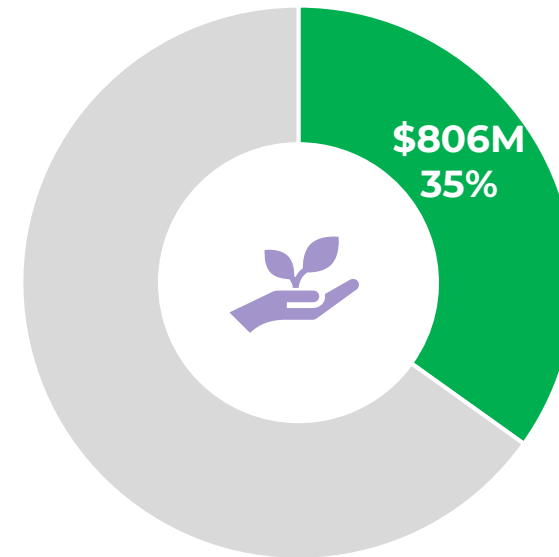
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Investments to transition vehicle fleet to zero emissions, and supporting infrastructure

Example Projects:

- Fleet Replacement
- Hydrogen Fuel Cell Bus Infrastructure
- BEB Charging Infrastructure

ZEB Projects Submitted to 10-Year Program (\$ Value)



Relevant Strategic Plan Goals

Deliver Better Mobility Services

Outstanding Customer Experience

Become an Employer of Choice

Lead Responsibly

Ensure Effective Management

Exercise Collective Efforts

Enhancing Service (ESV)

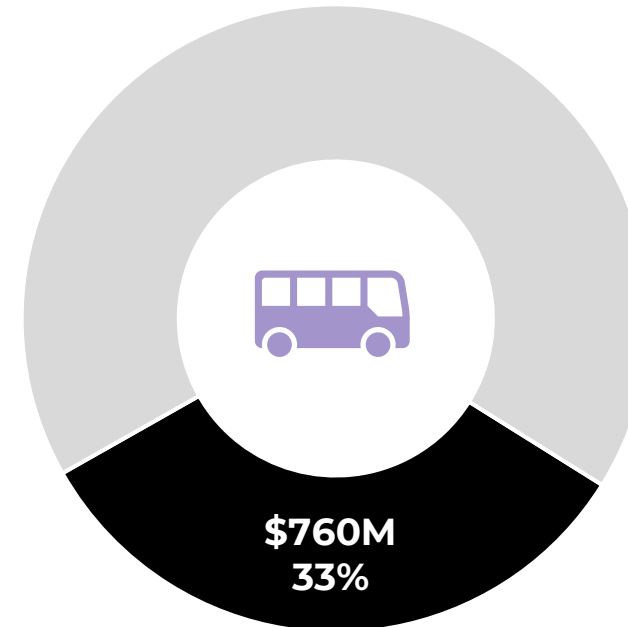
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Investments in service to increase mobility and access for SamTrans riders

Example Projects:

- Dumbarton Busway
- El Camino Real Transit Priority Improvements
- Transit Hub Study

ESV Projects Submitted to 10-Year Program
(\$ Value)



Relevant
Strategic
Plan Goals

Deliver Better
Mobility
Services

Outstanding
Customer
Experience

Become an
Employer of
Choice

Lead
Responsibly

Ensure
Effective
Management

Exercise
Collective
Efforts

Maintaining State of Good Repair (SOGR)

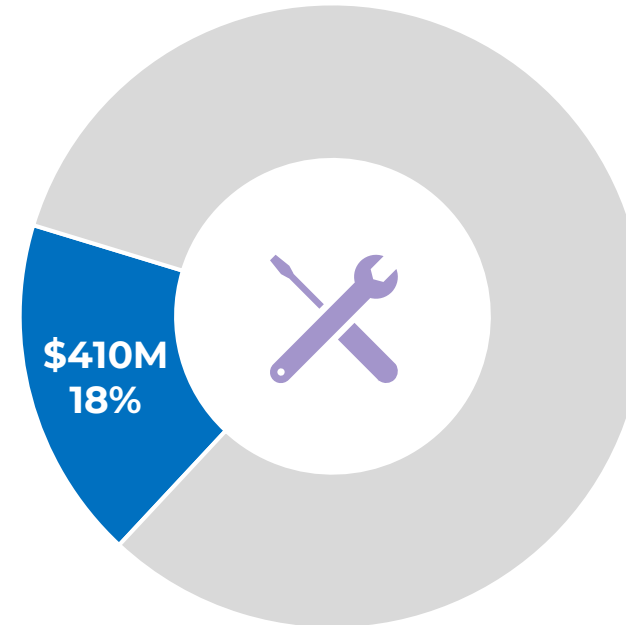
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Essential investments to maintain existing agency assets

Example Projects:

- Bus Stop ADA retrofits
- Building 200 Replacement
- North Base Sea Level Rise
- Concrete Replacement at NB, SB, and Sequoia Station

SOGR Projects Submitted to 10-Year Program (\$ Value)



Relevant Strategic Plan Goals

Deliver Better Mobility Services

Outstanding Customer Experience

Become an Employer of Choice

Lead Responsibly

Ensure Effective Management

Exercise Collective Efforts

Investing in our Organization (IOO)

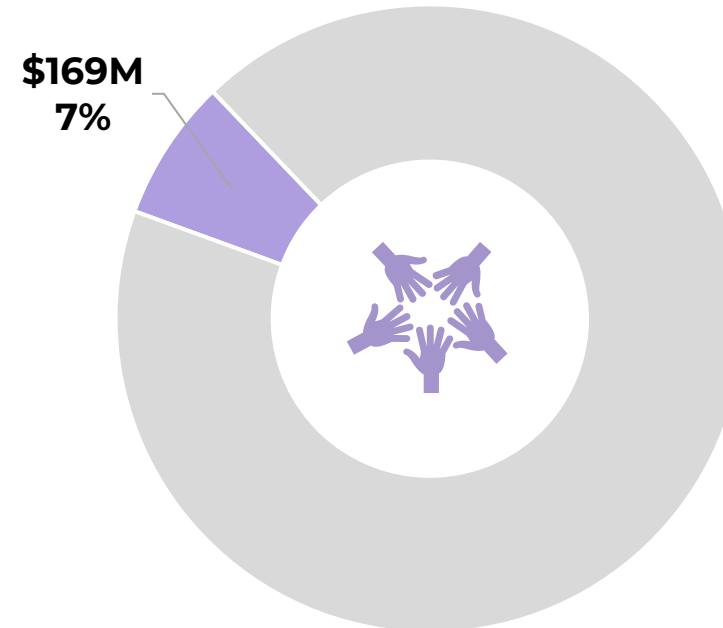
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Investments in the organization and workforce that enable us to provide exceptional mobility and customer service

Example Projects:

- Cybersecurity Program
- Bus Operator Restroom Project
- Base Security

IOO Projects Submitted to 10-Year Program (\$ Value)



Relevant
Strategic
Plan Goals

Deliver Better
Mobility
Services

Outstanding
Customer
Experience

Become an
Employer of
Choice

Lead
Responsibly

Ensure
Effective
Management

Exercise
Collective
Efforts

Improving Customer Experience (ICX)

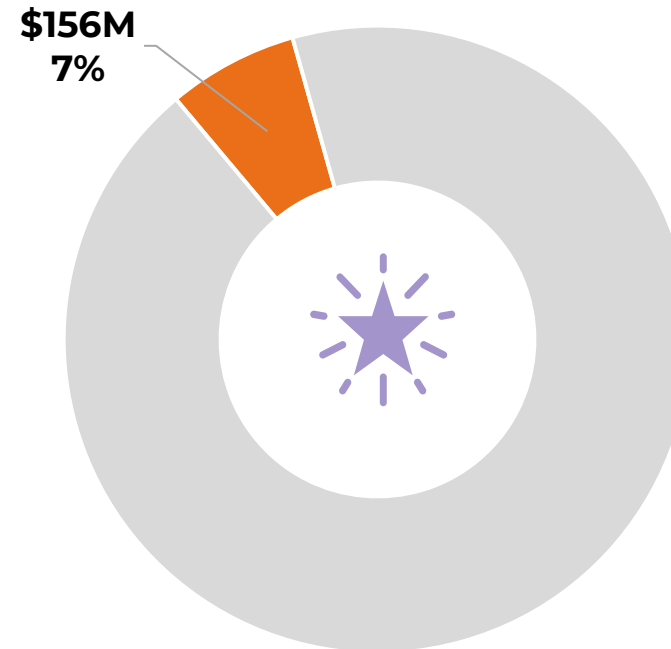
Unconstrained

Investments to improve all aspects of customer experience and acquire new customers

Example Projects:

- Bus Stop Improvement Program
- Customer Communication Improvements
- SamTrans Service Alerts

ICX Projects Submitted to 10-Year Program
(\$ Value)



Relevant
Strategic
Plan Goals

Deliver Better
Mobility
Services

Outstanding
Customer
Experience

Become an
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Striving for Innovation (SFI)

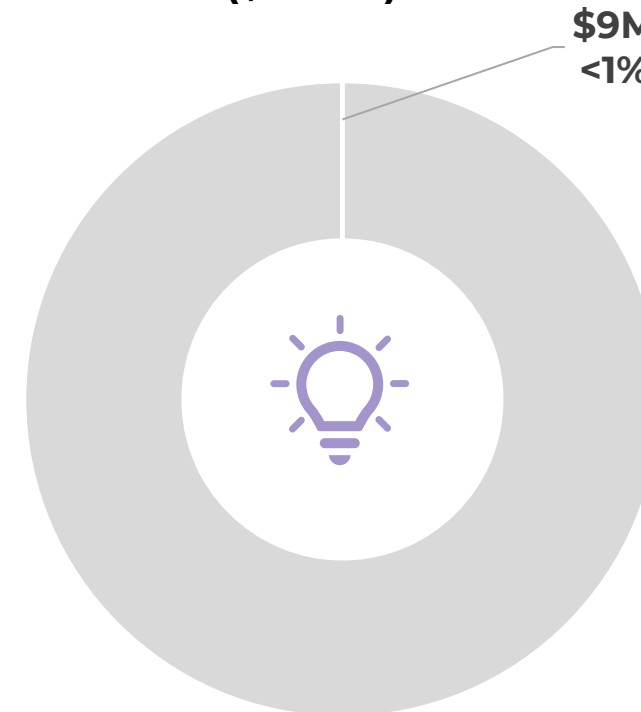
Unconstrained

Investments in innovative or pilot projects/programs

Example Projects:

- Artificial Intelligence
- Transit Oriented Development Program

SFI Projects Submitted to 10-Year Program (\$ Value)



Relevant Strategic Plan Goals

Deliver Better Mobility Services

Outstanding Customer Experience

Become an Employer of Choice

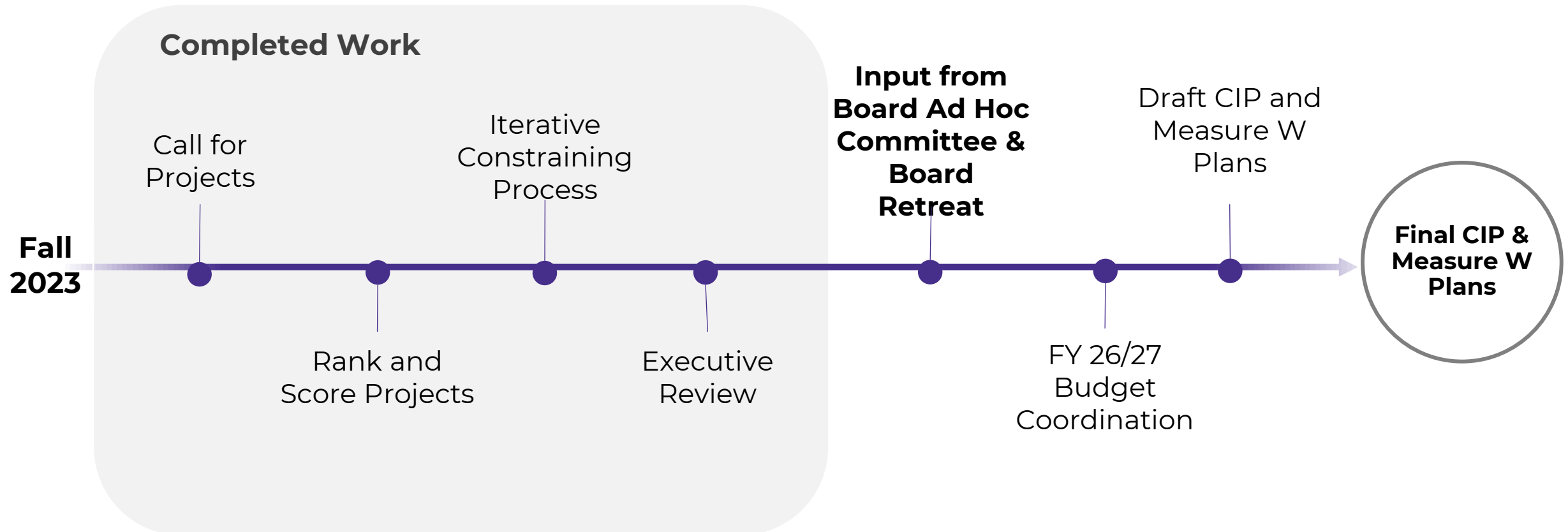
Lead Responsibly

Ensure Effective Management

Exercise Collective Efforts

Proposed Constrained 10- Year Program

Constrained 10-Year Program Development Process



Given the projected deficit, how does SamTrans propose to fund the 10-Year Program?

The Constrained 10-Year Program will utilize existing District unallocated and surplus balances:

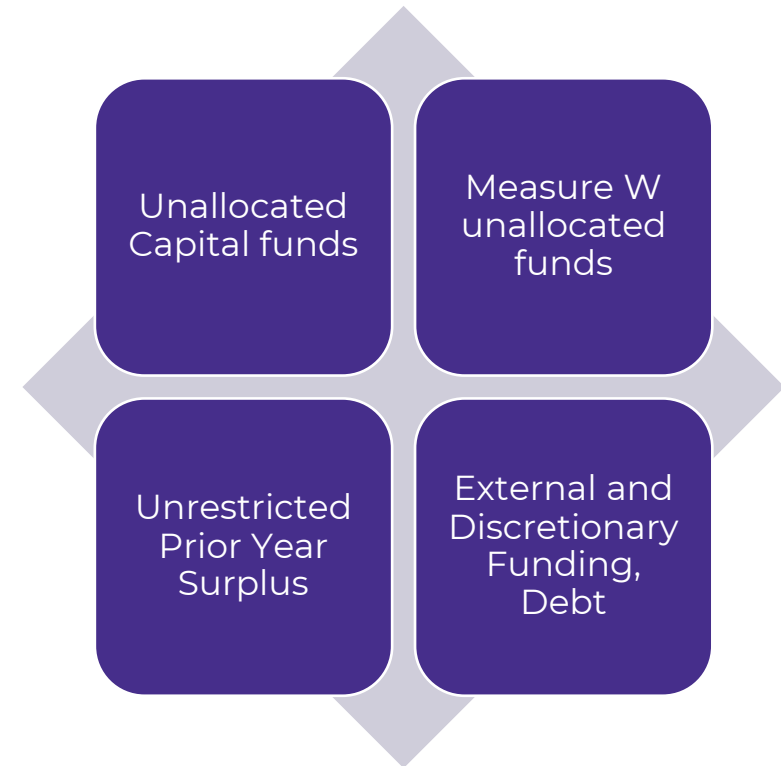
\$170 million in Measure W unallocated funds

\$24 million in Unrestricted Prior Year Surplus

\$49 million in unallocated Capital funds

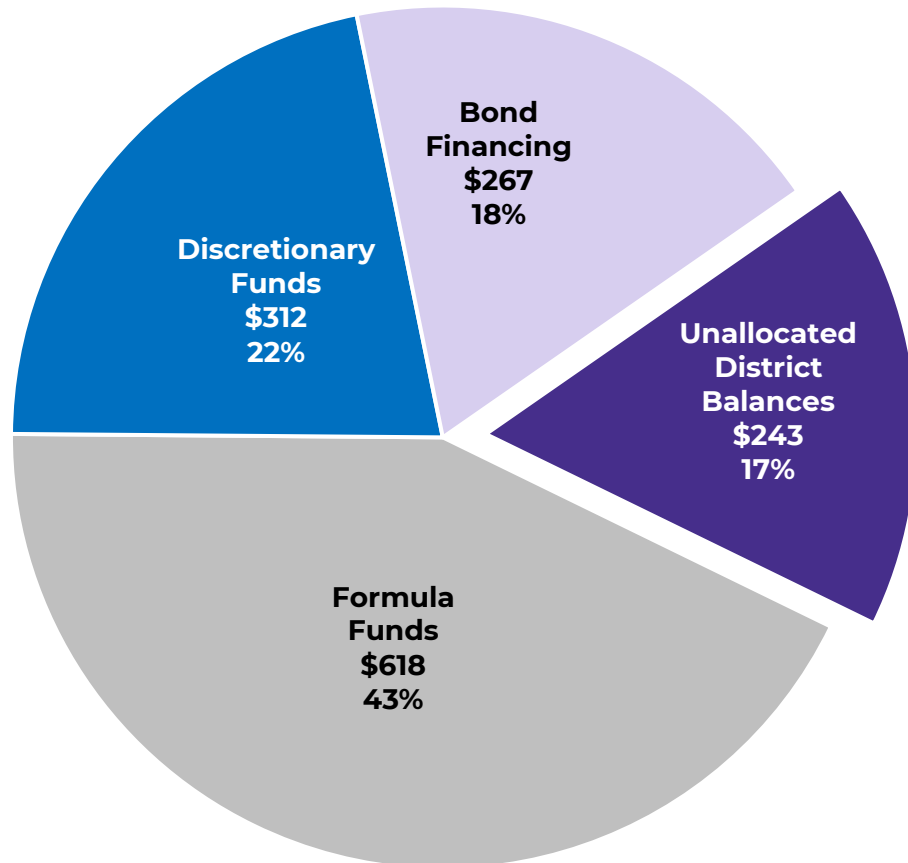
= ~**\$243 million (as of Dec 2024)**

- Operating reserves and sales tax stabilization fund are NOT used
- Program will leverage external funding and debt financing
- A capital reserve policy is being developed to replenish capital reserves over time

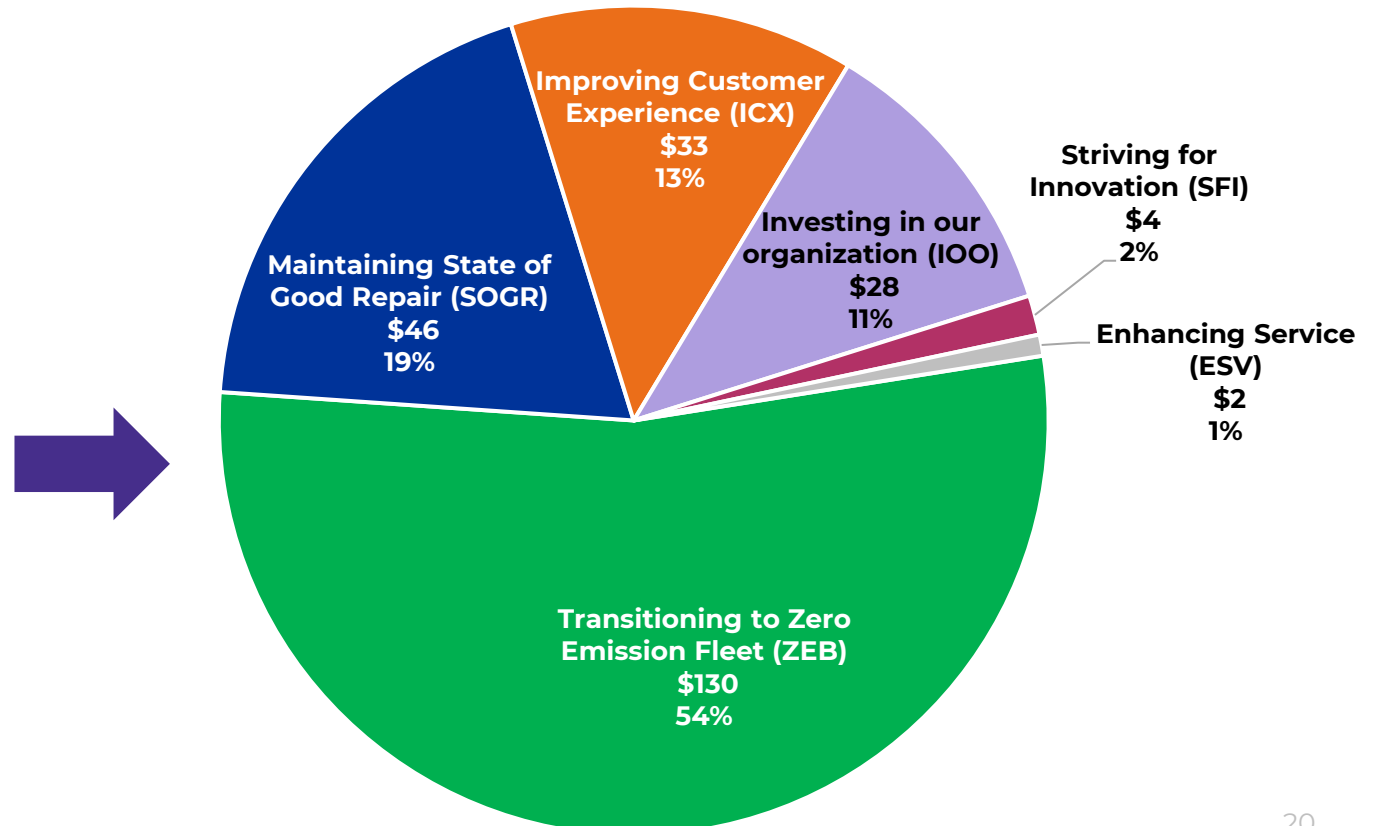


Constrained Program Leverages \$243M in District Funding for Total Program Value of \$1.4B

FY26-35 Funding Sources (\$M)



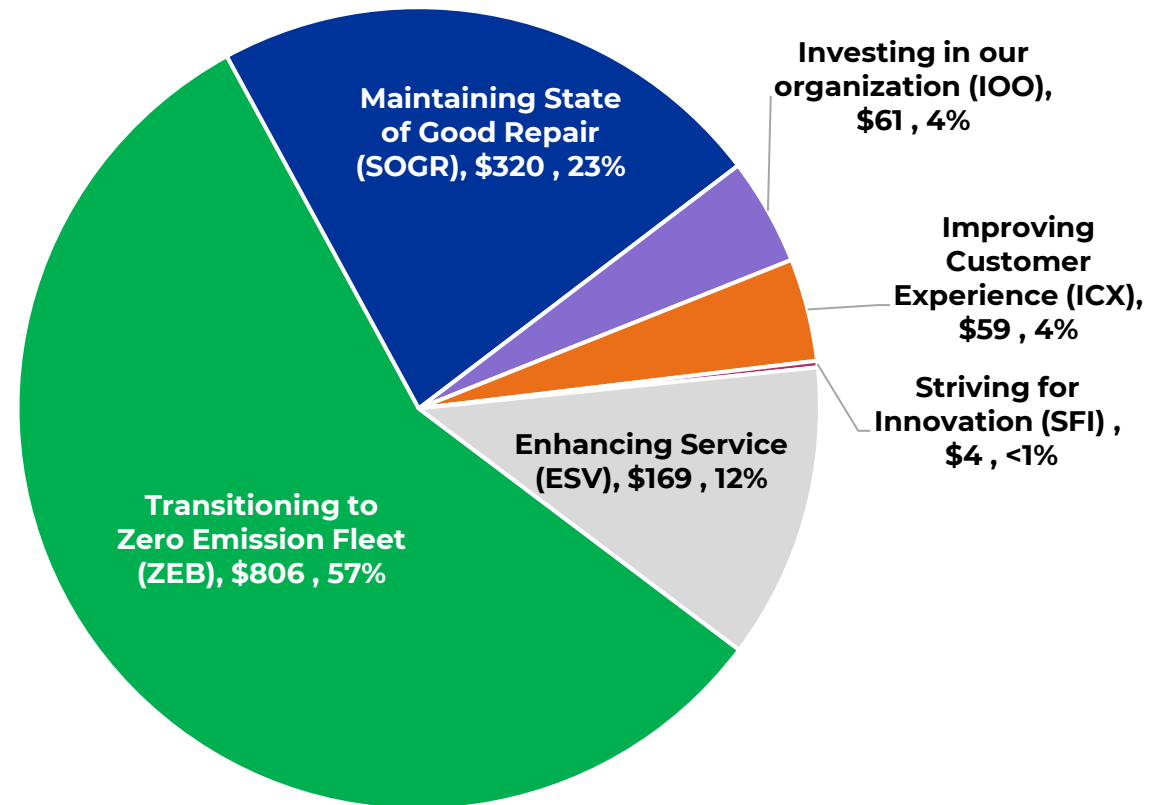
Allocation of \$243M in Unallocated District Balances by Project Category FY26-35 (\$M)



Proposed Constrained Program Balances ZEB, SOGR and Customer-Facing Improvements

- ZEB transition accounts for majority of program spending (57%), followed by SOGR (23%)
- Customer-focused improvements account for a total of 16%
- Internal improvements are less than 5% of total program value
- ZEB and IOO categories also support SOGR (fleet replacement, IT projects)

Total Value of Constrained Program by Project Category (\$M)



Focused Look: State of Good Repair

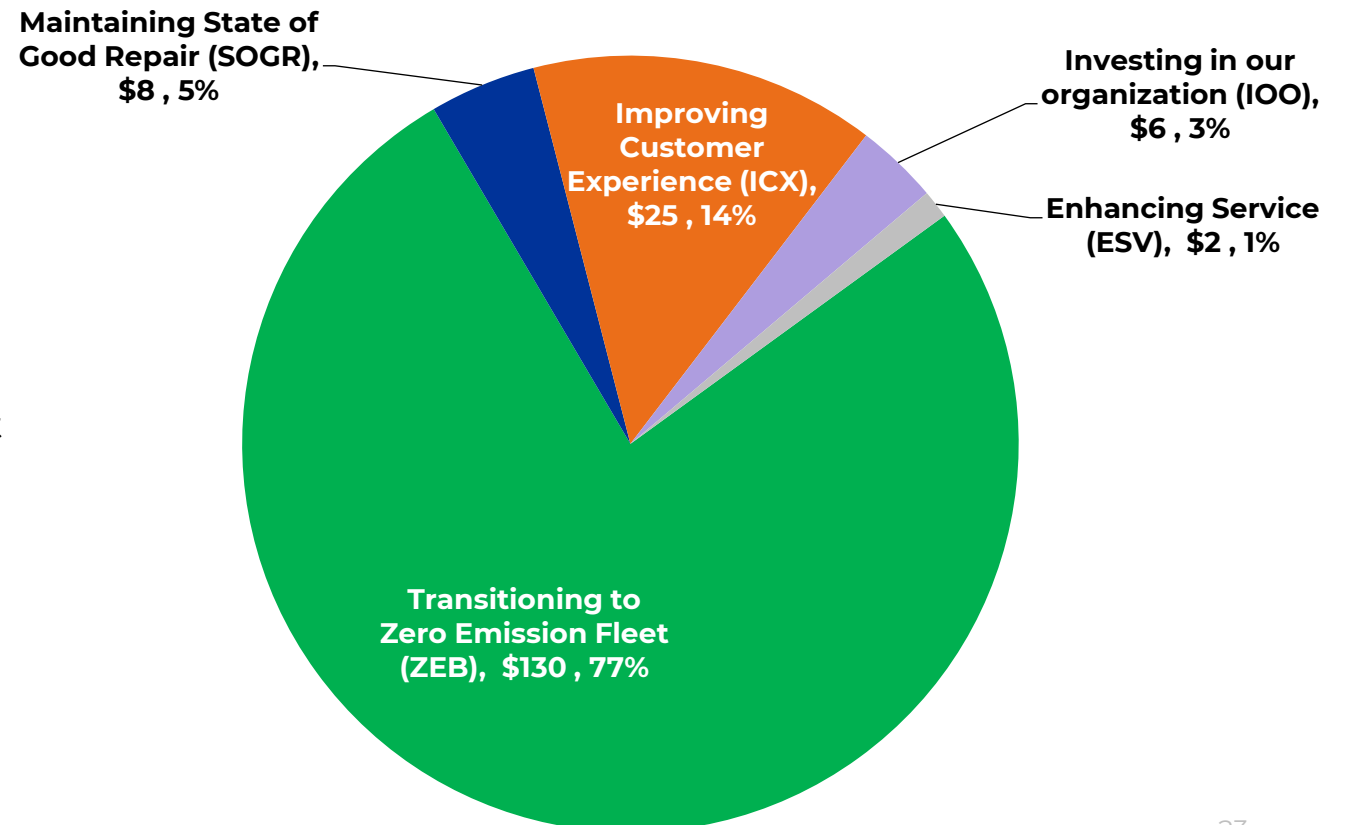
- **78% of submitted SOGR projects recommended for funding in CIP (in \$ value)**
 - All submitted deferred maintenance projects recommended for funding
 - Includes \$250M North Base Sea Level Rise Mitigation project
 - Unfunded portion is a placeholder for SOGR projects at North & South Bases
 - North Base & South Base Condition Assessment work is underway now
 - Anticipate capital projects to emerge from that assessment by end of 2025
 - Recommended projects / priorities emerging from that study will be incorporated into next CIP cycle starting 2026



Being Intentional about Spending Measure W

- Large share of unallocated funds are generated from Measure W (\$170M)
- Goal: use Measure W funds to directly support enhanced public-facing assets, service, and/or customer experience, e.g.:
 - ZEB Transition (Fleet and Infrastructure)
 - Bus Stop Improvement Program (partial funding of near-term priorities)
 - Dumbarton Busway
 - Customer communications improvement projects (service alerts, website)
- Measure W funds must be leveraged with external funding, including aggressive pursuit of competitive grant opportunities

Allocation of \$170M Measure W to Project Categories (\$M)



Assumes all new Measure W revenue starting in FY26 will be needed to support ongoing operations, including delivery of Reimagine SamTrans service expansion

Constrained Program Rests on Key Funding and Schedule Assumptions

- **Full ZEB transition is complete by 2034**
 - Assumes federal formula funding continues at current levels
 - District and formula funds will need to be supplemented with discretionary / competitive funding
- **Several major CIP projects would be funded (at least partially) with new debt**
 - Building 200, BEB Charging, North Base Sea Level Rise (SLR) Mitigation
 - Annual debt service estimated to be ~\$3-6M between FY 26-29, increasing to ~\$20M+ starting in FY 30 to finance NB SLR Mitigation project construction
- **Full Bus Stop Improvement Program delivery requires external funding**
 - Near-term priority stops (200+) assumes Measure W and external funding
 - Longer-term priority stops not funded at this time
- **10-Year Constrained Program is a long-term capital planning tool**
 - Strategically reserves District unallocated balances for priority projects in middle/outer years
 - Establishes a roadmap for pursuit of external funding opportunities

Constrained Program Establishes a Roadmap for the Next 10 Years



Responds to **legal and regulatory mandates** (e.g., Cybersecurity, ZEB transition)



Reflects **Board Priorities** and leverages external funding opportunities



Aligns with and advances **Strategic Plan goals**



Prioritizes and addresses **SOGR** needs



Next Steps

Board will be asked to consider and approve a CIP consisting of:

Overview of the **capital planning process**

10-Year Capital Program (FY26-35)

including unconstrained prioritized list of projects and constrained program for first 4 years

Process to update the CIP every two years



Next Steps for Completing the CIP



Discussion

**Discuss the
CIP's proposed
investment
across six
categories.**

Activity (Menti Poll) and
Facilitated Discussion:

Does the proposed balance
of investment in major
categories align with Board
priorities?



**Consider our
capital program
and operating
deficit together.**

Facilitated Discussion:

Consider earlier discussion of operating tradeoffs. Have your preferences changed?

Should we prioritize keeping investment of \$243M unallocated balance to capital?



San Mateo County
TRANSIT DISTRICT



**STRATEGIC
PLAN**

Thank you!

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Item #5.
4/9/2025

