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AGENDA

SAN MATEO COUNTY TRANSIT DISTRICT MEASURE W CITIZENS' OVERSIGHT COMMITTEE (COC) MEETING

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to [Assembly Bill 361](#) (Government Code Section 54953).

Committee members, staff and the public may participate remotely via Zoom at <https://samtrans.zoom.us/j/93661314354?pwd=VCtYNERzb3lEdFZlYj21RQ0g1czY0Zz09> or by entering Webinar ID: **936 6131 4354**; Passcode: **714083** 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.

The video live stream will be available after the meeting at
<http://www.samtrans.com/about/boardofdirectors/video.html>.

Public Comments: Members of the public are encouraged to participate remotely. 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:
http://www.samtrans.com/about/boardofdirectors/Board_of_Directors_Calendar.html

Oral public comments will also be accepted during the meeting through *Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. 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 feature for public comment and press *6 to accept being unmuted when recognized to speak. Each commenter will be automatically notified when they are unmuted to speak for three minutes or less. The Committee Chair shall 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.

TUESDAY, OCTOBER 12, 2021 – 3:00 PM

1. Call to Order/Pledge of Allegiance
2. Roll Call

San Mateo County Transit District Measure W Citizens' Oversight Committee Members 2021: Rosanne Foust (Chair), Julie Lind Rupp (Vice Chair), Mary Adler, Lauren Bennett, Adrian Brandt, Eduardo Gonzalez, Rich Hedges, Sandra Lang, Adina Levin, Jeff Londer, Alex Madrid, Ethan Mizzi, Liza Normandy, Mario Rendon, Malcolm Robinson

Staff Liaisons: April Chan, Chief Officer, Planning, Grants/
Transportation Authority
Amy Linehan, Public Affairs Specialist

COC Secretary: MaryAnn Johnston

3. Public Comment for Items Not on the Agenda

At this time, persons in the audience may speak on any matter within the jurisdiction of the Committee. The Brown Act (the State local agency open meeting law) prohibits the Committee from acting on any matter that is not on the agenda. The Chair may limit speakers to three minutes each.

4. Approval of Meeting Minutes from July 22, 2021

5. Amendment of Committee Bylaws to Hear Public Comment on Items Not on the Agenda at the Beginning of Committee Meetings

6. Consideration and Approval of Annual Committee Report on Use of Measure W Tax Revenues and Expenditures for Fiscal Year 2020

7. Discuss Work Plan for Fiscal Year 2021 Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with Congestion Relief Plan

8. Update on Measure W Citizens' Oversight Committee Recruitment for those terms ending in 2021

9. Committee Member Comments/Communications Regarding Transportation Matters

10. Next Meeting: Date To Be Announced

11. Adjournment

INFORMATION FOR THE PUBLIC

If you have questions about the agenda, please contact Amy Linehan at linehana@samtrans.com. Agendas are available on the SamTrans website at https://www.samtrans.com/about/boardofdirectors/Board_of_Directors_Calendar.html. 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 Measure W Citizens' Oversight Committee Meetings

San Mateo County Transit District Committees and Board: First Wednesday of the month, 2:00 pm; SamTrans Measure W Citizens' Oversight Committee (COC): Frequency of meetings to be determined. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and COC are available on the website.

Location of Meeting

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person.

Public Comment

Members of the public are encouraged to participate remotely. 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: http://www.samtrans.com/about/boardofdirectors/Board_of_Directors_Calendar.html.

Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM and each commenter will be automatically notified when they are unmuted to speak for three minutes or less. The Committee Chair shall 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.

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 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 94070-1306; 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.

Draft

**SAN MATEO COUNTY TRANSIT DISTRICT
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF MEASURE W CITIZENS OVERSIGHT COMMITTEE (COC) MEETING
JULY 22, 2021**

MEMBERS PRESENT (Via Teleconference): M. Adler, L. Bennett, A. Brandt, R. Foust, R. Hedges, S. Lang, A. Levin, J. Lind Rupp, J. Londer, A. Madrid, E. Mizzi, L. Normandy, M. Rendon, M. Robinson

MEMBERS ABSENT: E. Gonzalez

STAFF PRESENT: A. Linehan, A. Chan, D. Hansel, J. Cassman, S. van Hoften, G. Martinez, M. Salazar, A. Mohammed, J. Ye, D. Seamans, P. Skinner, P. Ledezma, J. Brook, M. Johnston

1. Call to Order/Pledge of Allegiance

Chair Rosanne Foust called the meeting to order at 10:01 am and Vice Chair Julie Lind Rupp led the Pledge of Allegiance.

2. Roll Call

Amy Linehan, Public Affairs Specialist, called the roll. A quorum was present.

Joan Cassman, Legal Counsel, shared that the Governor's order to relax Brown Act requirements to allow remote meetings will continue through the end of September and that starting in October, public agencies and cities will be expected to resume meeting in the normal course. She added that there are laws being considered to allow and continue hybrid means by which members of the public can continue to comment remotely.

The public comment item which had been moved to the end of the agenda was by consensus of committee members moved to the beginning of the agenda to allow members of the public share their comments without having to stay for the entire meeting.

3. Public Comment for Items Not on the Agenda (previously item 6)

Roland requested that closed captioning be enabled during meetings for those who may have hearing deficiencies.

4. Approval of Meeting Minutes from April 19, 2021 (previously item 3)

Sandra Lang requested the inclusion of a clarifying sentence regarding the general cadence of the proceedings of the committee to distinguish between the cadence of the first year and subsequent years.

Motion/Second: Lind Rupp/Hedges

Ayes: Adler, Bennett, Brandt, Foust, Hedges, Lang, Levin, Lind Rupp, Londer, Mizzi, Normandy, Rendon

Abstentions: Robinson

Absent: Gonzalez, Madrid

5. Public Hearing on Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with Congestion Relief Plan (previously item 4)

Chair Foust opened the Public Hearing at 3:22 pm.

Derek Hansel, Chief Financial Officer, provided an overview of Measure W and how proceeds are to be spent by the District and the Transportation Authority, and the role of the COC in providing information on how the tax proceeds are being spent through their receipt of the District's annual audit report, including the holding of an annual public hearing on the audit report, and issuance of an annual COC report on the audit results themselves. The Committee- approved audit work plan included the following1) a financial statement review confirming receipts and auditing disbursements under Measure W to ensure the segregation of funding was appropriate; 2) an audit of the District's compliance with laws and regulations relevant to Measure W, applying government auditing standards; and 3) sampling transactions as an audit of actual expenditures to ensure compliance with the Measure.

a. Independent Auditor's Presentation

Joe Escobar, Manager, Eide Bailey LLP, explained that the audit is a clean, unqualified opinion in terms of the District's financial statements, affirming the financial statements as being fair and reasonably stated, that compliance and other matters as they affect San Mateo County Transit District Measure W fund did not have any sort of exceptions, meaning that nothing was found and that the appropriate governmental auditing standards were applied.

b. Committee Questions

Ms. Lang asked for clarification of what was showing as unspent of the bicycle segment under the TA report. April Chan, Chief Officer, Planning, Grants/Transportation Authority, explained that what has been allocated to a category by the TA may not yet have been spent, since funds are held in a number of the categories and are then programmed to recipients in call-for-projects cycles. When those funds are allocated and then spent by the grant recipients of the funds, that's when the funds are actually spent.

Rich Hedges asked if the number of projects that might be planned on in the future might increase, given that the amount of funds available in Measure W is significantly greater. Ms. Chan agreed that collection of Measure W funds in addition to Measure A would likely mean more money available for projects. Ethan Mizzi asked what counts as an Active Transportation project. Ms. Chan

explained it as anything that allows and encourages more activity, including bicycling, walking, scooters, and possibly some micro-mobility projects.

Adrian Brandt added the additional definition of “the active transportation of people or goods through non-motorized means based around human physical activity”.

Mr. Hedges asked about jurisdictions cutting deals with large entities that sell online to take all of the tax money that they get, such as eBay’s agreement with San Jose. Mr. Hansel said that we do not yet have a comprehensive analysis on that and how that may impact the sales tax receipts. He noted that he will be reviewing with the District’s sales tax consultant.

Ethan Mizzi asked that the Committee be given access to Mr. Hansel’s presentation. Staff will make the presentation available.

c. Public Comment
There was no public comment.

d. Close Public Hearing

Motion/Second: Lind Rupp/Robinson

Ayes: Adler, Bennett, Brandt, Foust, Hedges, Lang, Levin, Lind Rupp, Londer, Madrid, Mizzi, Normandy, Rendon, Robinson

Absent: Gonzalez

Alex Madrid joined the meeting at 3:36 p.m.

e. Committee Discussion on Drafting of Committee Report

Chair Foust and Vice Chair Lind Rupp in preparation for this discussion reviewed the District’s “popular annual financial report,” a high-quality, transparent, accessible and graphics-filled 10-page version of SamTrans’ 150-page document which contains their audit report, their financial report, etc. The Committee directed staff to draft the report and make it available to the Committee before the next meeting to provide time for thoughts and comments.

Ms. Lang requested that the truncated, accessible document refer to the lengthy reports from the District and TA in a more summarized form with links to the full documents available. She asked for inclusion of the thought process to the original justification and the quality of the audit process itself, and an overview of how the audit was prepared as part of the shorter truncated document.

Mr. Hansel presented these questions to members to help guide the report:

- 1) Does this audit provide you the information you need in order to report out how Measure W funds were spent in Fiscal Year 2020? (Provide a history and purpose of Measure W to make it clear to the San Mateo County citizens);
- 2) How would you like to present the information in the report to San Mateo County citizens? (Make very clear what the charge of the committee is; identify the ballot in Resolution language; outline who the committee members are);
- 3) How should the initial draft of the report be produced? (Outline the responsibilities of the independent auditor making clear what they did);

The Committee member decided that included will be the front part of the report and, as an appendix, the independent auditors report; hyperlinks will be included to both of the much longer annual financial reports of the District, and of the Transportation Authority.

Malcolm Robinson asked if it would be possible to add in what part of the County the money is spent, to look at whether some cities get more funding than others, looking to level it out to ensure that disadvantaged communities get their fair share. Mr. Hansel said it is not part of the scope for Fiscal Year 2020 and it could be looked at for Fiscal Year 2021, and that the information is more likely available from the TA than from the District. Ms. Chan said that hyperlinks can be included to TA reports that show allocation for the majority of programs, such as highway or bicycle/pedestrian.

Mr. Hedges stated that it is incumbent on jurisdictions to claim their fair share, and the COC needs to work with those localities as all cities need safe routes to school.

Adina Levin said that an element of the report should be including the principals at a summary level, as the principals are in the language of the ordinance itself, and this is the auditing process to confirm that the funds were expended in line with the ordinance in addition to the categories or buckets. Mr. Hansel added a line to include expenditure consistent with the principles of the ordinance.

Ms. Lang stressed that the type of criteria used in observing these findings should be included and included in the framework, and made very clear.

Chair Foust suggested that any member with things they would like to see included in the report pre-drafting should forward them to Ms. Chan.

Alex Madrid asked if additional information could be included relating to the expenditures. Ms. Chan said the report could include a link to the expenditure plans associated with Measures A and W.

Ms. Levin commented on reporting on spending by geography, saying that there are equity concerns in the principals of the Measure. She suggested having technical support for those jurisdictions and areas that do not have the highest level of capability to help them to pursue funding, and that a report that shows some deficiencies geographically potentially shows more opportunity. She asked if there had been an implementation strategy developed to address it.

Ms. Chan affirmed that as part of the 2020-2024 TA strategic plan, it is noted that assistance is required by some jurisdictions. The TA will be assisting with workshops for providing technical help; these workshops will be built into the way projects are selected and evaluated. Ms. Levin stated that while these criteria that are being taken into account in evaluating the projects are beneficial, they do not take into account the projects that never reach the agency. She added that there are some jurisdictions that are so time-strapped out of resource constraints that they do not get the projects in to begin with, or they do not submit a quality application due to lack of resources. She said that this is how an audit showing geographic information and unevenness could make the process more equitable for everyone.

6. Other Business (previously item 5)

a. COC Handbook Review

1. Information on Rosenberg's Rules of Order <https://vimeo.com/25152753>
Chair Foust encouraged watching the user-friendly video related to Rosenberg's Rules of Order.

b. Motion to move the public comment item from the end of the meeting to the beginning of the meeting.

Motion/Second: Hedges/Brandt

Ayes: Adler, Bennett, Brandt, Foust, Hedges, Lang, Levin, Lind Rupp, Londer, Madrid, Mizzi, Rendon, Robinson

Absent: Gonzalez, Normandy

7. Committee Member Comments/Communications Regarding Transportation Matters

Ms. Levin asked if this body would allow members of the public continue to have the ability to submit questions remotely to the COC meetings. Ms. Cassman said that it is being discussed by the District for all agencies, and will be added to the agenda for discussion at the next meeting.

Mr. Brandt remarked that there are a lot of gaps in safe bicycle transport in San Mateo County, and that he is chagrined by the fact that only 5 percent of the Measure W budget goes to bicycle-related activities.

8. Next Meeting: Date To Be Announced

9. Adjournment

The meeting adjourned at 4:45 pm.

**SAN MATEO COUNTY TRANSIT DISTRICT
MEASURE W COC
STAFF REPORT**

TO: Measure W Citizens' Oversight Committee

FROM: Joan Cassman
General Counsel

SUBJECT: **AMENDMENT OF BYLAWS TO HEAR PUBLIC COMMENT ON MATTERS NOT ON
THE AGENDA NEAR THE BEGINNING OF EACH MEETING RATHER THAN AT THE
END**

ACTION

Staff recommends the San Mateo County Transit District Measure W Citizens' Oversight Committee (COC) amend its Bylaws to change the order of business on meeting agendas to hear public comment on matters not on the agenda near the beginning of each meeting rather than at the end.

SIGNIFICANCE

The COC adopted its Bylaws on April 19, 2021. Those Bylaws provide for public comment on matters not on the agenda to be heard towards the end of each meeting. At its July 12, 2021 meeting, members of the COC requested that public comments be heard towards the beginning of the meeting. The chair granted that request. Later at the same July 12 meeting, the COC approved a motion requesting that staff prepare an amendment to the Bylaws to move the public comment period up on the order of business for future meetings as well.

The proposed revisions to the Bylaws, attached in redline form, respond to the COC's request and are proposed for adoption at this time.

SAN MATEO COUNTY TRANSIT DISTRICT MEASURE W

CITIZENS' OVERSIGHT COMMITTEE

BYLAWS

ARTICLE I – ROLE

1.1 On November 6, 2018, the voters of San Mateo County ("County") approved a half-cent transactions and use tax for 30 years with the tax revenues to be used to fund investment for transportation and public transit in accordance with the San Mateo County Congestion Relief Plan (Measure W). As specified in Measure W, administration of the Congestion Relief Plan is subject to review by this fifteen-member independent citizens' oversight committee ("Committee") to ensure tax proceeds are invested as provided in the Congestion Relief Plan.

1.2 As prescribed in Measure W, the San Mateo County Transit District ("District") will have an annual audit conducted by an independent auditor. Annually, the Committee will receive the audit findings report, hold a public hearing and issue a report to provide County residents with information regarding how the tax proceeds are being spent ("Annual Report").

ARTICLE II – MEMBERSHIP AND TERMS

2.1 Measure W established that the Committee has 15 members, with specific membership representation requirements, and three-year staggered terms established by the District's Board of Directors ("Board").

2.2 Pursuant to the Measure W Citizens' Oversight Committee Appointment Process adopted by the Board pursuant to Resolution 2020-2, the Board's Community Relations Committee recommends candidates for ratification by the full Board.

2.3 Committee Member attendance is required at all meetings as full attendance is of prime importance to fulfilling the role of the Committee. Should a member be unable to attend a meeting, they should notify the Committee Clerk before the meeting.

ARTICLE III – OFFICERS

3.1 The officers of the Committee will be the Chairperson, Vice-Chairperson, and Committee Clerk. Their duties shall be as follows:

3.1.1 Chairperson: Presides over Committee meetings, works with the Clerk to schedule meetings and develop meeting agendas; is responsible for issuing the Annual Report, as approved by the Committee; is available to present the Annual Report to the Board; and may create and appoint members to ad hoc advisory committees of the Committee as provided in the Ralph M. Brown Act.

3.1.2 Vice-Chairperson: Conducts the Chairperson's duties in his/her absence.

3.1.3 Committee Clerk: The Clerk is a District staff member appointed by the District's General Manager/CEO. The Clerk to the Committee prepares agenda in consultation with the Chairperson, and posts meeting and public hearing notices. In addition, the Clerk

attends the meetings of the Committee, prepares meeting minutes for the Committee, assists in the preparation of the Annual Report, and accepts communications to the Committee.

3.2 The Chairperson and Vice-Chairperson serve one-year terms based on a fiscal year annual audit and report cycle. In the event of a vacancy in the office of Chairperson or Vice-Chairperson, the vacancy will be filled by an election at the first Committee meeting after the occurrence of the vacancy to select a member to serve out the remainder of the officer's term.

ARTICLE IV – MEETINGS

4.1 The Committee generally will hold regular meetings quarterly, to coincide with the annual audit and Committee report cycle.

4.2 Committee meetings are normally held at the District's headquarters and are open to the public. Meetings of the Committee will be held in compliance with the Ralph M. Brown Act (Government Code Section 54950, *et seq.*). Tele-conferencing and remote/video participation will be available when and as provided under application State or local law, regulation or order.

4.3 The conduct of the Committee's meetings will be informed by Rosenberg's Rules of Order but the Commission will not be obligated to strictly comply with Rosenberg's Rules of Order.

4.4 Nine members constitute a quorum of the Committee authorized to transact business duly presented at a meeting of the Committee. When two or three Committee positions are vacant (leaving 12 or 13 members), the quorum requirement is reduced to eight members. When four or more Committee positions are vacant (leaving 11 or fewer members), the quorum is reduced to seven members.

4.5 Each member of the Committee will have one vote. Members must be present to vote. Adoption of the annual Committee report and amendment of these Bylaws requires nine votes to pass. All other action items must have at least a simple majority vote of the quorum of the Committee to pass.

4.6 The Committee Clerk will endeavor to send the proposed agenda to the Chairperson for approval 72 hours prior to the final agenda being posted. The Committee Clerk will endeavor to provide the complete agenda packet, including a complete correspondence file compiled up to the date of distribution, to each Committee member and post the same to the District's website at least one week prior to the meeting date.

4.7 When documents are distributed to the Committee after posting of the agenda meeting, including during a Committee meeting, the Committee Clerk will endeavor to post such documents to the District's website on the same business day that the materials are provided to the Committee.

4.8 Each member of the public speaking before the Committee shall be limited to three minutes, unless the Chairperson, at his or her discretion, permits additional time. Any person addressing the Committee may submit written statements, petitions, or other documents to complement his or her presentation.

4.9 The order of business for Committee meetings generally will be as follows:

- a) CALL TO ORDER/PLEDGE OF ALLEGIANCE
- b) ROLL CALL
- c) ELECTION OF OFFICERS – *When appropriate and at least once each year*
- d) PUBLIC COMMENTS – At this time, persons in the audience may speak on any matter within the jurisdiction of the Committee. The Brown Act (the State local agency open meeting law) prohibits the Committee from acting on any matter that is not on the agenda. The Chair may limit speakers to three minutes each.
- de) APPROVAL OF MEETING MINUTES
- ef) DISCUSS WORK PLAN FOR ANNUAL AUDIT OF MEASURE W TAX REVENUES AND EXPENDITURES IN ACCORDANCE WITH CONGESTION RELIEF PLAN – *When appropriate and at least once each year*

OR

PUBLIC HEARING ON ANNUAL AUDIT OF MEASURE W TAX REVENUES AND EXPENDITURES IN ACCORDANCE WITH CONGESTION RELIEF PLAN
– *When appropriate and at least once each year*

- 1. Independent Auditor's Presentation
- 2. Committee Questions
- 3. Public Comment
- 4. Close Public Hearing
- 5. Committee Comments
- 6. Committee Discussion on Drafting of Committee Report

OR

CONSIDERATION AND APPROVAL OF ANNUAL COMMITTEE REPORT ON USE OF MEASURE W TAX REVENUES AND EXPENDITURES – *When appropriate and at least once each year*

g) OTHER BUSINESS

~~h) PUBLIC COMMENTS – At this time, persons in the audience may speak on any matter within the jurisdiction of the Committee. The Brown Act (the State local agency open meeting law) prohibits the Committee from acting on any matter that is not on the agenda. The Chair may limit speakers to three minutes each.~~

ih) COMMITTEE MEMBER COMMENTS / COMMUNICATIONS REGARDING TRANSPORTATION MATTERS

j) ADJOURNMENT



San Mateo County Transit District

Report of the Measure W Citizens' Oversight Committee

Fiscal Year 2020 (July 2019 – June 2020)

Introduction

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:

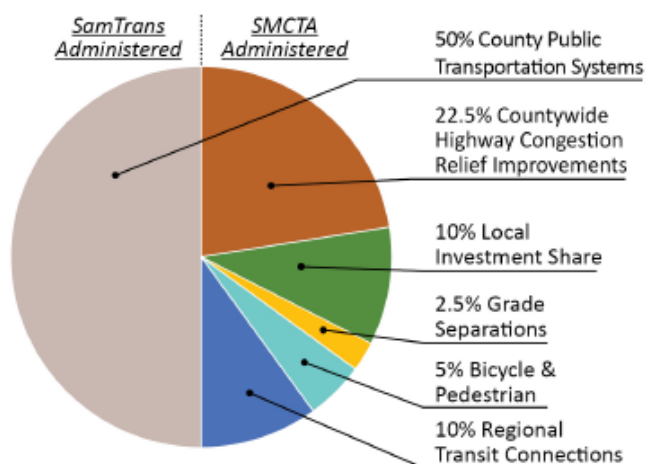
- Receive the District's annual audit report on receipt and expenditures of Measure W tax proceeds and expenditures under the Congestion Relief Plan
- Hold an annual public hearing on the audit report
- Issue an annual report of the COC on the audit results

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.

Purpose of Measure W

Measure W levies a one half-cent sales tax on retail sales tax 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



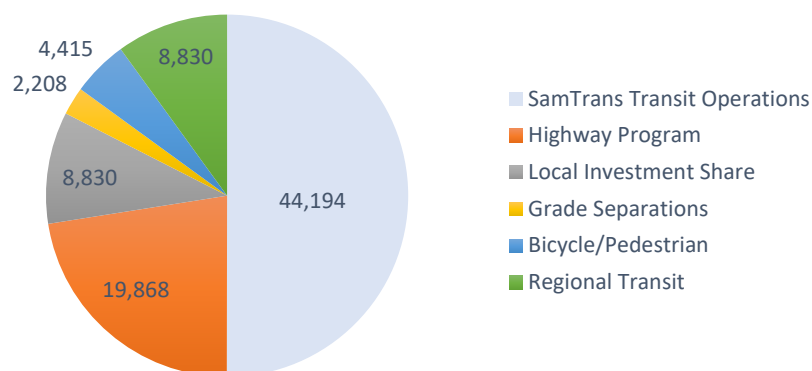
Audit Findings

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".

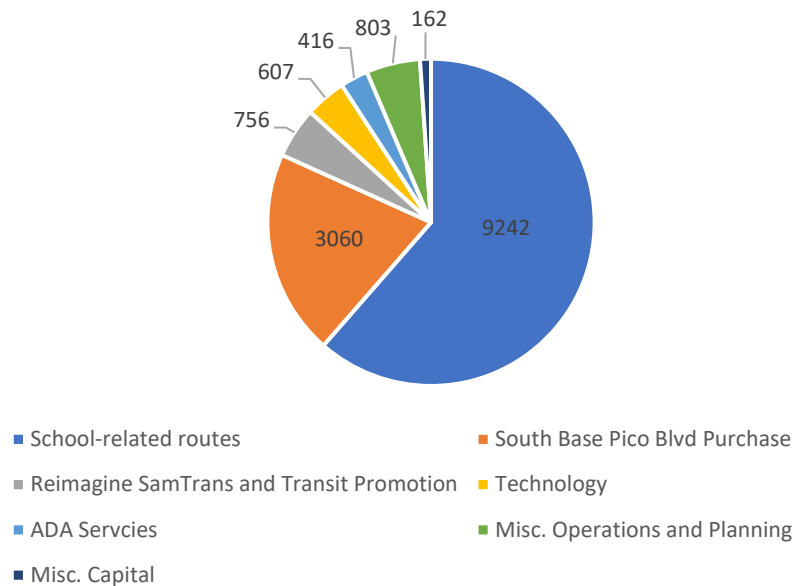
Table 2: Measure W Distribution (in Millions)



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 \$44.29 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 Millions)

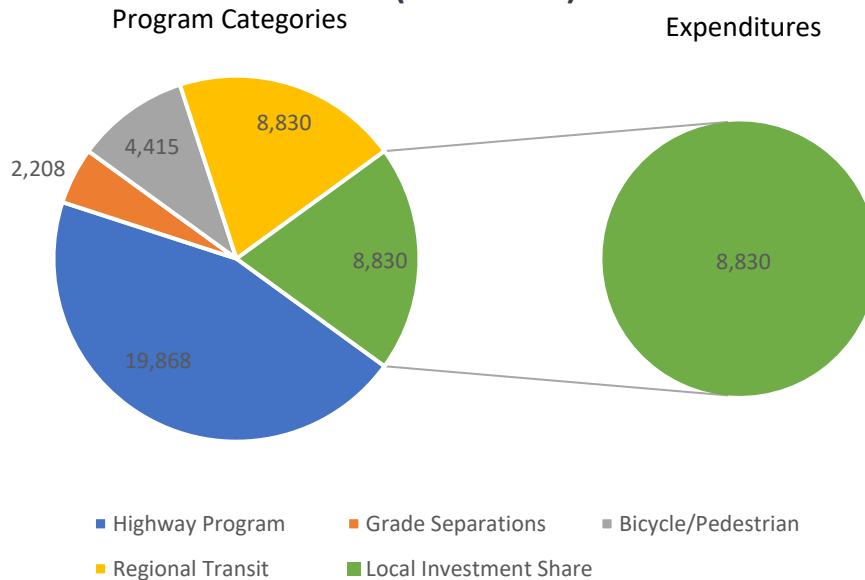


TA Expenditures of Measure W

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 millions)



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

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

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

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

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

Additional Information

1. FY2020 Measure W audit (attached)
2. [District FY2020 CAFR \(click on link\)](#)
3. [TA FY2020 CAFR \(click on link\)](#)



Financial Statements
Measure W Fund
June 30, 2020

San Mateo County Transit District

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Independent Auditor's Report

Governing Board and
Citizens Oversight Committee
San Mateo County Transit District
San Carlos, California

Report on the Financial Statements

We have audited the accompanying financial statements of the San Mateo County Transit District's (the District), Measure W Fund, as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure W Fund of San Mateo County Transit District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure W Fund are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of San Mateo County Transit District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of San Mateo County Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of San Mateo County Transit District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Mateo County Transit District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California
June 30, 2021

San Mateo County Transit District
Measure W Fund
Statement of Net Position
June 30, 2020 (In thousands)

Assets

Current Assets

Deposits and investments	\$ 22,564
Accounts receivable	<u>6,701</u>

Total assets	<u>29,265</u>
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Liabilities

Current Liabilities

Accounts payable	<u>117</u>
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Total liabilities	<u>117</u>
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Net Position

Restricted for Measure W projects	<u>29,148</u>
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Total net position	<u><u>\$ 29,148</u></u>
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San Mateo County Transit District
Measure W Fund
Statement of Revenues, Expenditures, and Changes in Net Position
Year Ended June 30, 2020 (In thousands)

Revenues	
Measure W sales tax	\$ 88,345
	<u>88,345</u>
Total revenues	<u>88,345</u>
Expenses	
District	
Transit Operations	15,046
Transportation Authority	
Highway	19,868
Major arterial and local roadway improvements	11,038
Bicycle, pedestrian, and active transportation projects	4,415
Infrastructure and services designed to improve transit connectivity	8,830
	<u>59,197</u>
Total expenses	<u>59,197</u>
Change in net position	29,148
Net position - beginning	\$ -
Net position - ending	<u><u>\$ 29,148</u></u>

San Mateo County Transit District
Measure W Fund
Statement of Cash Flows
Year Ended June 30, 2020 (In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from California Department of Tax and Fee Administration	\$ 81,644 *
Payments to vendors for goods and services	(58,627)
Payments to employees	(453)
Net cash provided by operating activities	<u>22,564</u>
Net increase in cash and cash equivalents	22,564
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 22,564</u>

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
IN OPERATING ACTIVITIES**

Operating income	\$ 29,148
Adjustments to reconcile operating income to net cash provided by operating activities	
Accounts receivable	(6,701)
Accounts payable and accrued liabilities	117
Net cash provided by operating activities	<u>\$ 22,564</u>

* Does not include tax receivables of \$6,701 thousand.

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

Under Measure W approved by the voters of San Mateo County in November 2018, San Mateo County Transit District (District) receives a share of the one-half percent sales tax to be used for local transportation-related expenses. The duration of the sales tax is for a period of 30 years, beginning on July 1, 2019 and ending June 30, 2049.

The financial statements of the Fund do not purport to, and do not, present the financial position of the District as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. The activities of the Fund are reported within the District's enterprise fund. The projects funded by Measure W represent a portion of the activities of the District and, as such, are included in the District's financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 2 - Cash and Investments

All of the Measure W programs' cash and investments are deposited in the District's Treasury pool. The pool is unrated. Investments in the pool are made in accordance with the District's investment policy as approved by the governing board. Investments are stated at fair value. The Measure W programs' proportionate share of investments in the District's Treasury pool at June 30, 2020 is \$22.6 million, which is not subject to the fair value hierarchy.

Note 3 - Accounts Receivable

Accounts receivable consist primarily of Measure W Fund from sales tax revenues collected by the State of California on all taxable sales within the County of San Mateo, California through June 30, 2020.

Note 4 - Measure W Allocations and Expenses

The following table shows the total Measure W allocations and amount reported as expended by the District and the San Mateo County Transportation Authority (Transportation Authority) from inception to June 30, 2020.

(In thousands)

	Inception to date as of June 30, 2020		
	Measure W Allocations	Measure W Expenses	Unexpended Amounts
District			
Transit operation	\$ 44,194	\$ 15,046	\$ 29,148
Transportation Authority			
Highway projects	19,868	7	19,861
Major arterial and local roadway improvements	11,038	8,830	2,208
Bicycle, pedestrian, and active transportation projects	4,415	-	4,415
Infrastructure and services for transit connectivity	8,830	7	8,823
Total	<u>\$ 88,345</u>	<u>\$ 23,890</u>	<u>\$ 64,455</u>

Note 5 - Current Year Measure W Projects

The tables below show the current year Measure W project expenses for the District and the Transportation Authority, respectively.

District's Measure W Projects	Amount (In thousands)
Transit Operation	
School Bus Services	\$ 9,242
South Base Pico Blvd Property	3,060
FY20 Comprehensive Operation Analysis	534
Business Intelligence Solution	517
FY2020 ADA Subsidy	416
Route 280 Expansion	276
Marketing-Transit Promotion & Reimagine Outreach	210
Route 122 Expansion	202
FY20 Shuttle Study	94
SB Gas Line Replacement	75
ZEB Program Management	70
60' Aerial Lift Apparatus	66
Energy Procurement Plan	59
Upgrade District Website	50
Zero Emission Bus Plan	28
Smart Traveler Plus /STP upgrade	26
US 101 Mobility Action Plan	26
UC Davis ITS Study	25
Bike Rack	21
SamTrans Visioning	12
MobileView (WiFi) Enhancement	12
Belle-Aire Island Erosion Study	11
Climate Adaptation Planning	7
Pacifica Microtransit Pilot	4
ADA Scheduling Software	2
Promoting Senior Mobility	1
Total Transit Operation	\$ 15,046

Note 5 - Current Year Measure W Projects, Continued

Transportation Authority's Measure W Projects	Amount expended (In thousands)
Highway Projects	
FP&A Services-W-Highway	\$ 7
Major Arterial and Local Roadway Improvements	
Local Investment Share	8,830
Bicycle, Pedestrian, and Active Transportation Projects	-
Infrastructure and Services for Transit Connectivity	
FP&A Services-W-RTC	7
Total	<u>\$ 8,844</u>



Independent Auditor's Report
June 30, 2020

San Mateo County Transit District



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Governing Board and
Citizens Oversight Committee
San Mateo County Transit District
San Carlos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the San Mateo County Transit District (the District) Measure W Fund as of and for the year ended June 30, 2020, and the related notes of the financial statements, and have issued our report thereon dated June 30, 2021.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure W Fund are intended to present the financial position and the changes in financial position attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the San Mateo County Transit District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fund's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Measure W Fund financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Mateo County Transit District's Measure W Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including compliance with the requirements of Measure W ballot language, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Menlo Park, California
June 30, 2021



CPAs & BUSINESS ADVISORS

SAN MATEO COUNTY TRANSIT DISTRICT

Measure W, June 30, 2021, Financial Statement Audit Results

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SCOPE OF THE AUDIT



Auditor's responsibilities

Forming and expressing an opinion on if the Measure W financial statements comply with GAAP



Management's Responsibilities

Completeness and accuracy of the financial statements, maintenance of internal control over financial reporting, and compliance with Measure W.

1 **OPINION ON THE FINANCIAL STATEMENTS**

“...the financial statements referred to above present fairly, in all material respects, the financial position of the Measure W Funds...”

2 **EMPHASIS OF MATTER**

Statements are extracted from, but do not present the financial position of the District

Statements do not include an “MD&A” section.

3 **GAGAS OPINION, CONTROL**

“...we did not identify any deficiencies in internal control that we consider to be material weaknesses...”

4 **GAGAS OPINION, COMPLIANCE**

“...no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards...”





QUESTIONS?

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