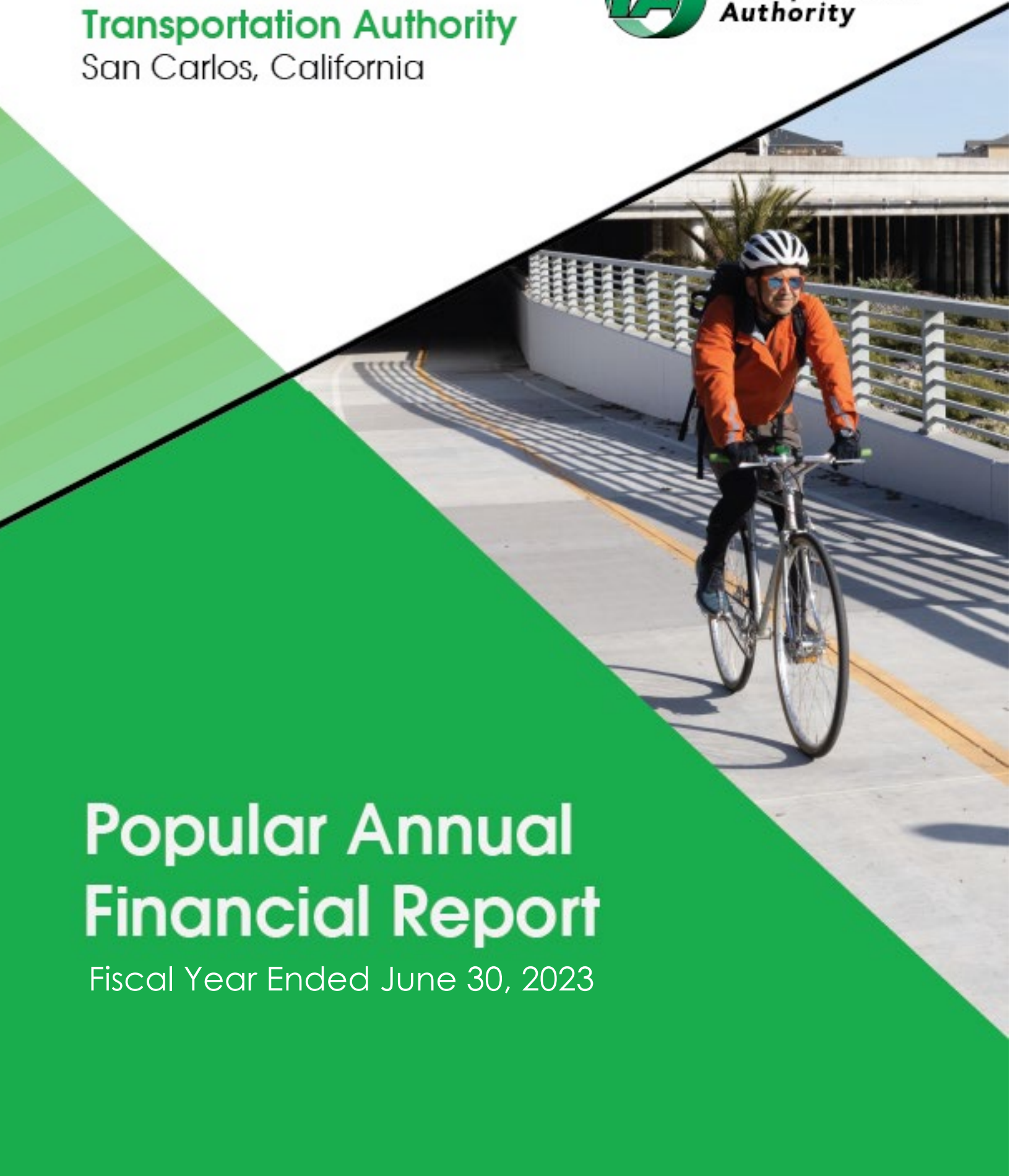


**San Mateo County
Transportation Authority**
San Carlos, California



Popular Annual Financial Report

Fiscal Year Ended June 30, 2023





December 31, 2023

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

The PAFR provides a summary of the TA's organization and governance, an overview of Measure A & W, a highlight of the TA's programs, financial performance, and the following year's budget in an easy-to-understand manner that is transparent to our readers.

The financial information in this report is derived from the TA's FY 2023 Annual Comprehensive Financial Report (ACFR). The ACFR is prepared in conformity with generally accepted accounting principals (GAAP), and provides details and disclosures required for fair presentation in conformity with GAAP. Readers desiring a more detailed discussion of the TA's financial results may refer to the TA's [FY 2023 Annual Comprehensive Financial Report](#).

Please visit our website at <https://www.smcta.com/resources/finance/popular-annual-financial-reports> to view or download copies of the TA's PAFR, and other reports.

Sincerely,

A handwritten signature in black ink, appearing to read 'April Chan', written over a faint background image of a highway with traffic.

April Chan
Executive Director

A handwritten signature in black ink, appearing to read 'Kate Jordan Steiner', written over a faint background image of a highway with traffic.

Kate Jordan Steiner
Chief Financial Officer

Questions about the San Mateo County District can be directed to the Administrative Offices :

1250 San Carlos Ave.
P.O. Box 3006
San Carlos, CA 94070-1306
650-508-6200

info@smcta.com



<https://www.facebook.com/TransportationAuthority/>

Content

Award of Outstanding Achievement.....1
Who We Are.....2
Governance.....4
Measure A & W Overview.....5
Program Highlights.....8
Financial Performance.....12
Looking Ahead.....16

Award of Outstanding Achievement



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**San Mateo County Transportation Authority
California**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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

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

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

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

Who We Are



The San Mateo County Transportation Authority (TA) plans, funds and delivers transportation programs and projects throughout San Mateo County.

The TA was formed in 1988 with the passage of the voter-approved half-cent sales tax for countywide transportation projects and programs, known as Measure A.

The original Measure A ran through 2008. In 2004, county voters overwhelmingly voted to reauthorize Measure for an additional 25 years beyond the original expire date of December 31, 2008. In 2018, county voters passed Measure W, which provided an additional revenue stream to improve transit and relieve traffic congestion. The TA's role is to administer the proceeds from Measure A and Measure W to fund a broad spectrum of transportation-related projects and programs.

The TA is a legally separate and financially independent governmental agency similar to a specific district that is not a component unit of the County of San Mateo or any other entity. The TA is an independent agency governed by an appointed board of seven directors, who are elected officials, representing the county, cities and the San Mateo County Transit District.

The work of the San Mateo County Transportation Authority (TA) is staffed by its managing agency San Mateo County Transit District (District). The TA Executive Director is responsible for overseeing the operations of the Transportation Authority, who is also the District Chief Executive Officer/General Manager (CEO/GM). Day-to-day business is conducted by various divisions within the District. The various divisions are further described below, and this organizational structure described here reflects changes made as a result of the 2022 Memorandum of Understanding between Caltrain and its member agencies, including the District. Highlighted below are divisions within the District that also support the work of the TA.

Who We Are

The *Transportation Authority Division* is responsible for oversight of voter-approved Transportation Expenditure Plans and strategic planning as well as project delivery and project oversight.

The *Communications Division* is responsible for customer service, marketing, advertising, public information, media relations, legislative activities, and community outreach.

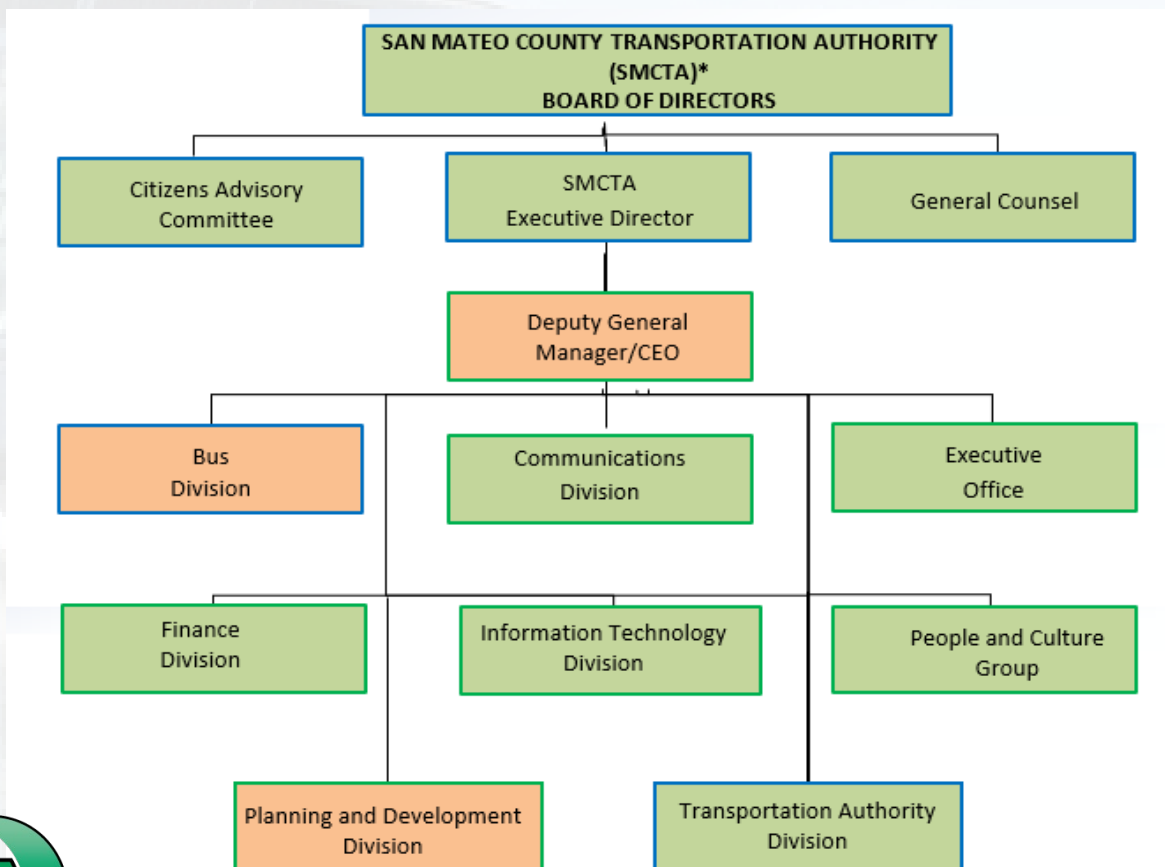
The *Executive Office* is responsible for directing and overseeing all agency activities and for providing support to the Board of Directors. This office also includes the Safety and Security function.

The *Finance Division* is responsible for financial accounting and reporting, capital and operational budgeting, payroll and vendor disbursements, investments and cash management, debt management, revenue control, purchasing, contract administration, grant administration, financial planning and analysis, and risk management.

The *Information Technology (IT) Division* is responsible for the innovation and technology of the District.

The *People and Culture Group* is responsible for all human resource functions and employee and labor relations. The Civil Rights office is also part of this division.

The *Planning and Development Division* is responsible for the operations and strategic planning functions of the SamTrans system and oversees real estate transactions and property management.



*SMCTA Staff is provided by the managing agency San Mateo County Transit District

Effective 08/2023

Governance

The TA is governed by a seven-member Board of Directors with input from a 15-member volunteer Citizens’ Advisory Committee (CAC).

2023 Board of Directors

The Board of Directors includes two Board members appointed by the publicly elected County Board of Supervisors, four Board members appointed by local governments who participate in a Cities Selection Committee and one Board member appointed by the San Mateo County Transit District (District).



Rico E. Medina (Chair)
Representing SamTrans



Carlos Romero (Vice Chair)
Representing South County

- Emily Beach – Representing Cities at Large
- Noelia Corzo – Representing Board of Supervisors
- Julia Mates – Representing Central County
- Ray Mueller – Representing Board of Supervisors
- Mark Nagales – Representing North County

2023 Citizens Advisory Committee

The 15-member volunteer Citizens Advisory Committee (CAC) acts as a liaison between the public and the Board of Directors, providing valuable input to the board on the projects and programs.

Barbara Arietta (Chair)	Nheeda Enriquez	Peter Ohtaki
John Fox (Vice Chair)	Karen Kuklin	Allie Paul
Doug Bojack	Sandra Lang	Mike Swire
Ivan Bucio	Jeff Londer	Vacant
Giuliano Carlini	Gus Mattammal	Vacant

Measure A & W Overview

The TA administers the proceeds from the voter approved Measure A and Measure W sales tax revenues to fund a broad spectrum of projects and programs to meet San Mateo County's growing transportation needs.

The current plan, Strategic Plan 2020-2024, which was adopted in December 2019 by the TA Board of Directors, establishes a framework of policies to guide the decision-making process of prioritizing transportation projects and programs consistent with the goals and objectives of the Transportation Expenditure Plan and Countywide Transportation Plan.

The 2004 Measure A Transportation Expenditure Plan (TEP) requires the TA to develop and adopt a Strategic Plan and updates the Strategic Plan at least once every five years.

The Measure W TEP, otherwise known as the San Mateo County Congestion Relief Plan, also requires the TA to prepare a Strategic Plan with broad-based public outreach.

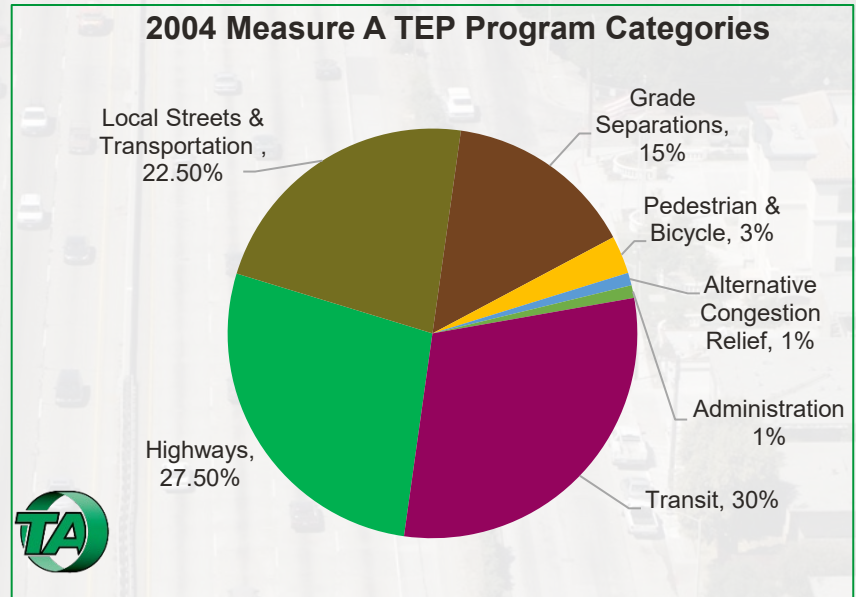
For full detail please see <https://www.smcta.com/about-us/funding-overview/strategic-plan-2020-2024>.



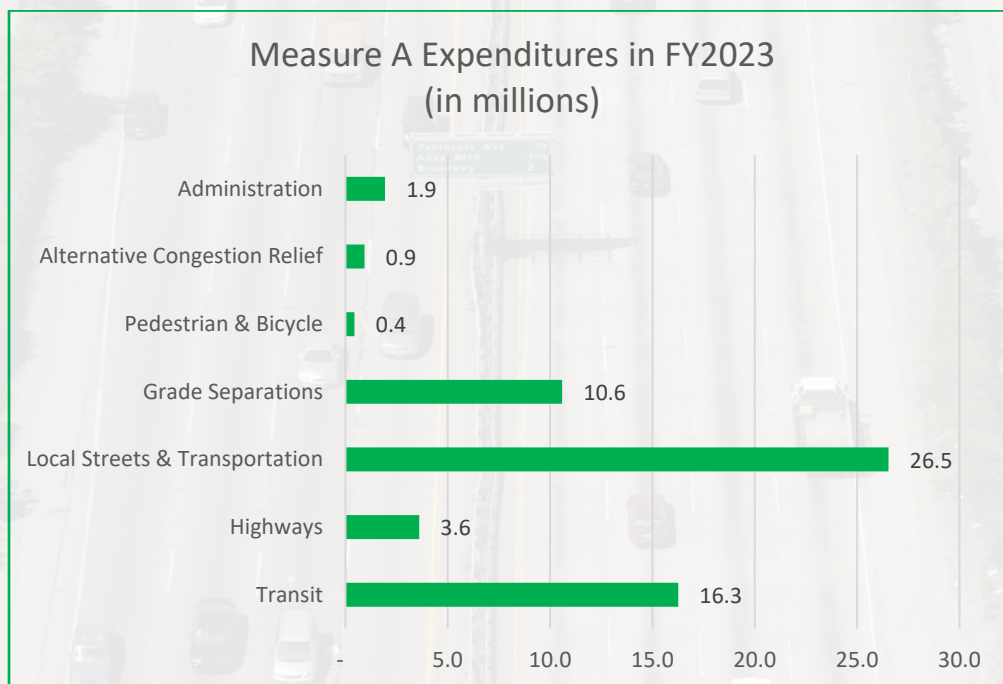
Measure A & W Overview

Measure A

Measure A is a half-cent sales tax dedicated towards transportation facilities, services, and programs. San Mateo County voters first approved Measure A in 1988. The 1988 sales tax expired on December 31, 2008. In 2004, the San Mateo County voters reauthorized the Measure A half-cent sales tax and a new Transportation Expenditure Plan (TEP) for an additional 25 years running between January 1, 2009 and December 31, 2033.



The TEP sets the specific program categories and the mandated percentage allocation of the sales tax revenues to each of six primary program categories: Transit, Highways, Local Streets & Transportation, Grade Separations, Pedestrian & Bicycle, and Alternative Congestion Relief Programs.



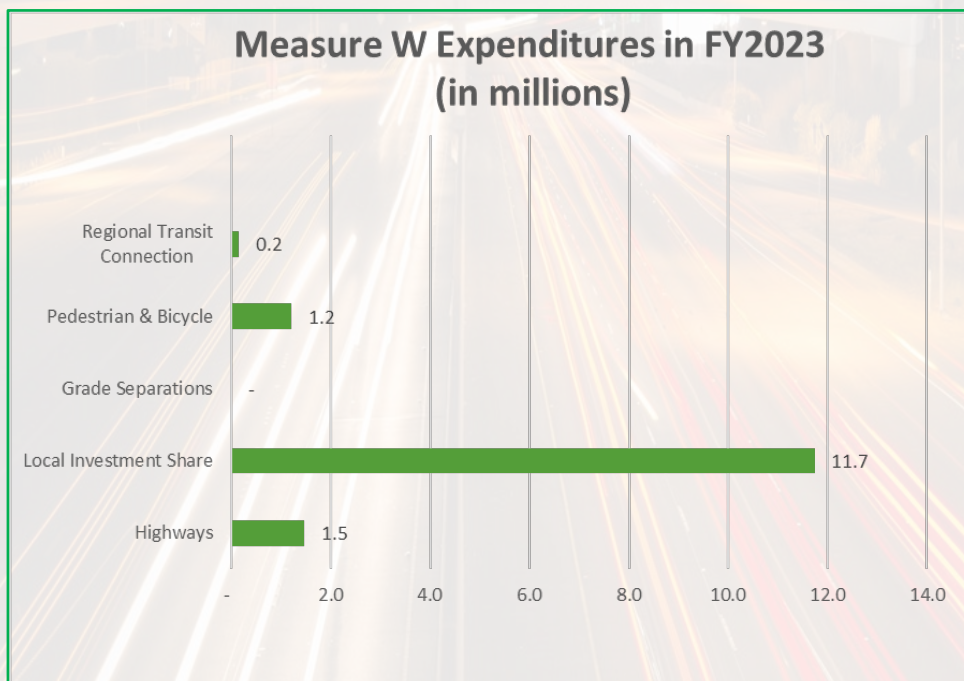
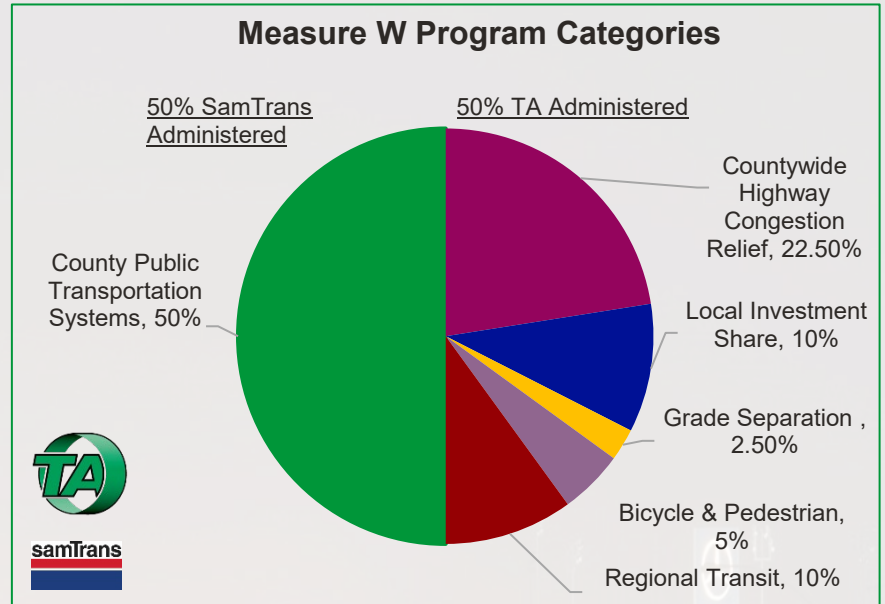
Measure A & W Overview

Measure W

In 2018, the San Mateo County voters approved Measure W, a 30-year half cent sales tax, from July 1, 2019 through June 30, 2049, to provide additional funding for transportation projects and programs that address the San Mateo County Congestion Relief Plan.

San Mateo County Transit District (SamTrans) administers 50% of the Measure W sales tax proceeds.

The TA administers the remaining 50% of sales tax proceeds to invest in the following five categories: Countywide Highway Congestion Improvements, Local Safety, Pothole and Congestion Relief Improvements, Grade Separations, Bicycle & Pedestrian Improvements, and Regional Transit Connections.



More information about Measure A & W can be found on the Transportation Authority [website](#).

Program Highlights

Local Streets and Transportation

The purpose of this program is to provide directly distributed funds to local cities and San Mateo County for various transportation-related improvements according to a formula based on population and number of road-miles. The recipients primarily use the fund for street rehabilitation projects.



Highway Program

The purpose of this program is to reduce congestion and improve safety on highways in San Mateo County. The following are examples of the types of projects funded under the highway program:

- Roadway safety improvements.
- Highway throughput enhancements.
- Interchange reconstruction.
- Highway ramp modification.
- Travel pattern forecasts.
- Travel time information system.
- Applying technology to help better manage traffic.

Notable street and highway projects milestones include:

- Opening northern segment of the U.S. 101 Express Lanes Project from Whipple Avenue to I-380.
- Ongoing design for the U.S. 101/SR92 Area Improvement Project.
- Ongoing final design for the U.S. 101/Woodside Road Interchange Project.
- Ongoing environmental clearance for U.S. 101 managed lanes north of I-380.

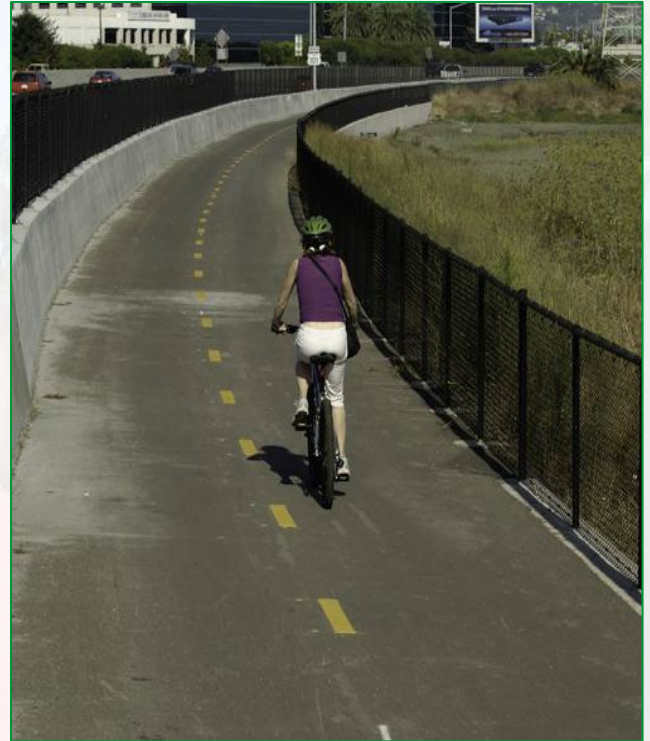


Program Highlights

Pedestrian and Bicycle Programs

The purpose of this program is to fund specific projects to encourage and improve walking and bicycling conditions. Notable milestones include:

- Completed construction of the City of Belmont Ralston Avenue Corridor improvement Project – Segment 3.
- Ongoing support for feasibility studies for the South San Francisco Junipero Serra/Westborough Boulevard and Atherton El Camino Real projects, Half Moon Bay's Pacific Coast Bikeway Project, the construction of the Redwood Avenue Pedestrian improvements project in Redwood City, the planning and design phases of the East Bayshore Road Pedestrian Improvements project in East Palo Alto, and planning and promotions Vision Zero safety efforts in Daly City and Redwood City.

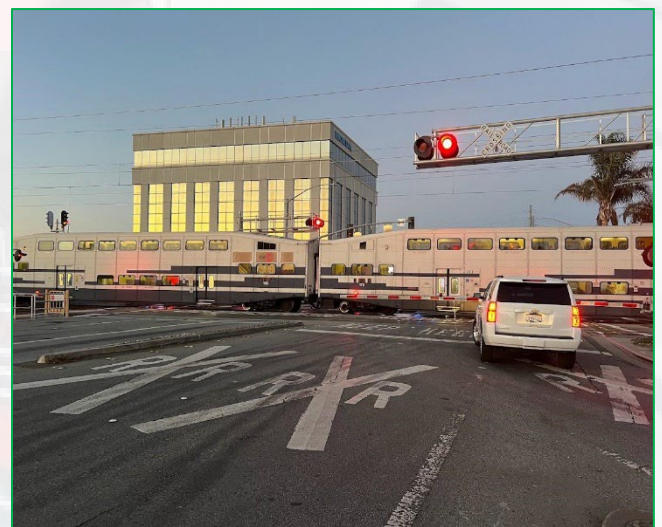


Grade Separations

The purpose of the Grade Separations program is to reduce the number of at-grade (street-level) crossings on the Caltrain railroad.

Notable recent projects supported by Measure A include:

- Completion of Redwood City Caltrain grade separations study.
- Ongoing final design of the Broadway Grade Separation Project in the City of Burlingame.
- Ongoing preliminary engineering and environmental clearance of the South Linden Street and Scott Avenue Grade Separation Project in the City of South San Francisco and City of San Bruno.



Accessible Services

Accessible Services provide mobility options for county residents.

Program Highlights

Transit

Caltrain

The 2004 Measure A TEP established a category to help subsidize San Mateo County's share of the Peninsula Corridor Joint Powers Board (JPB) annual operating and capital funding needs.

Projects funded include:

- Safety improvements
- Planning studies to support new capital projects and operations
- State of good repair projects for: Rail and associated civil structures, Bridges, Signal and communications, Facilities, and Vehicles.

Notable recent projects include:

- Completion of a new South San Francisco Caltrain Station.
- Successful decommissioning of the Atherton Station.
- Ongoing construction for the Peninsula Corridor Electrification project.



Shuttles

The purpose of the program is to support commuter and community shuttle programs in San Mateo County. The TA extended the current 2-year shuttle funding cycle by an additional year through FY2023 to provide ongoing support to a combination of 28 commuter and community shuttles .



Ferry

The purpose of the program is to fund specific projects related to capital projects that support ferry service in South San Francisco and Redwood City.

Notable recent projects supported by Measure A:

- Ongoing feasibility study for a second ferry terminal in South San Francisco.
- Ongoing preliminary engineering and environmental clearance for the Redwood City Ferry Terminal.



Program Highlights

Regional Transit Connections

The purpose of the program is to invest in infrastructure and services that are designed to improve transit connectivity between the County and the rest of the nine-county Bay Area region.

Investments from this category will be prioritized based on a project's ability to reduce congestion and enhance mobility options by connecting the County to the rest of the region, and a project's support through public-private partnership.

Alternative Congestion Relief (ACR)

The purpose of this program is to reduce single occupancy vehicles (SOV) trips on congested freeways and busy city streets. ACR programs have an incremental but discernible impact on reducing traffic congestion and improving air quality in San Mateo County and the San Francisco Bay region. The TA allocates funds to support the Commute.org's Fiscal Year 2023 work plan. Commute.org's work plan concentrates on four primary activities:

- Employer outreach and support services.
- Employer-based shuttle program administration.
- Commuter outreach and incentive programs.
- Development of public/private partnerships to reduce congestion.

In August 2022, the Board of Directors allocated \$4.4 million for 19 projects, Commute.Org FY23 & FY24 operations, and the Countywide Transportation Demand Management (TDM) Monitoring program.



Financial Performance



REVENUES **EXPENDITURES**

10.2% **45.9%**

Percent Decrease in FY2023



Revenues

The TA recorded a decrease in revenues from the prior year primarily due to a decrease in program revenues (one time grant/bond revenues related to the U.S. 101 Express Lanes). The decrease was offset by an increase in sales tax revenue.



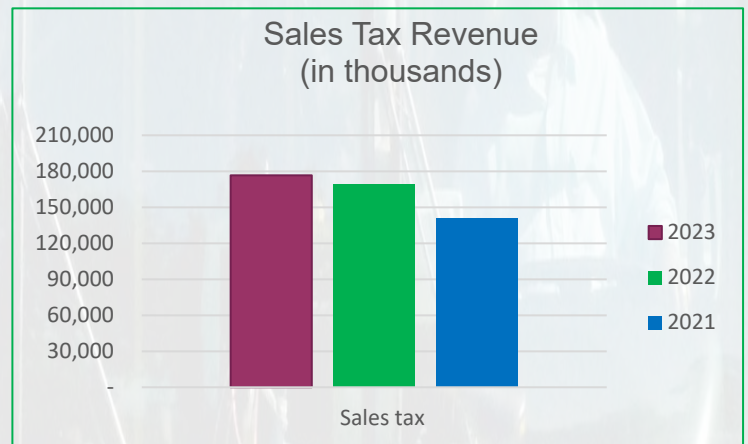
SALES TAX REVENUE increased by \$7.6 million or 4.5% to \$176.6 million in 2023 from 2022.



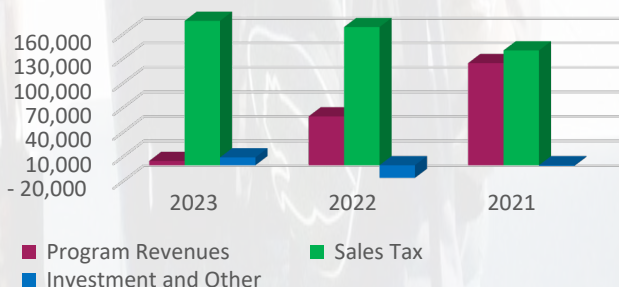
PROGRAM REVENUE (Grant/Bond) decreased by \$54.5 million or 91.2% to \$5.2 million in 2023 from 2022.



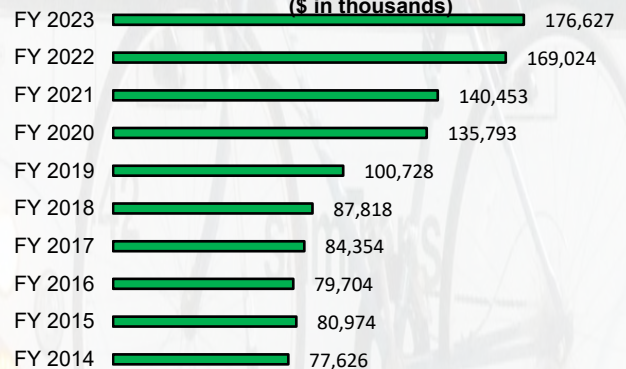
INVESTMENT INCOME AND OTHER REVENUES had a net income of \$9.6 million in 2023, compared to \$15.5 million net loss in 2022.



3-Year Trend of Revenues (\$ in thousands)



10-Year History of Total Sales Tax Revenue (\$ in thousands)



Financial Performance

Expenditures

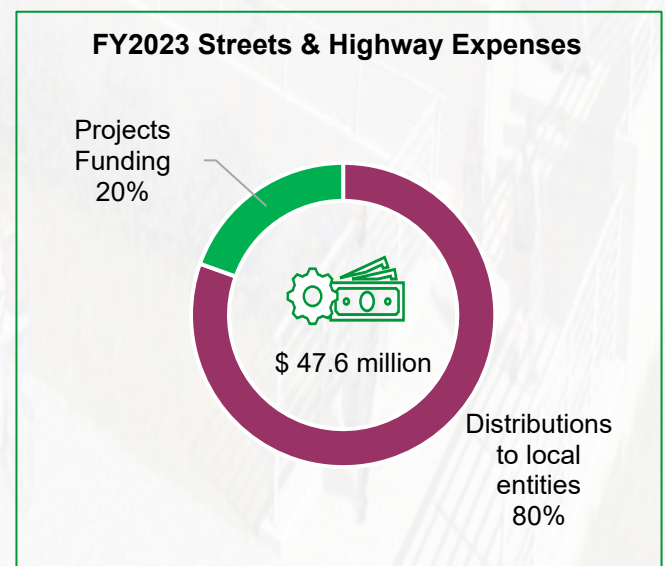
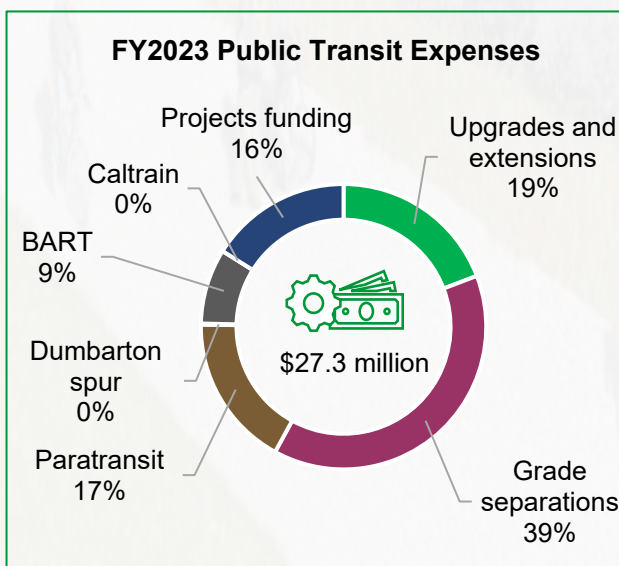
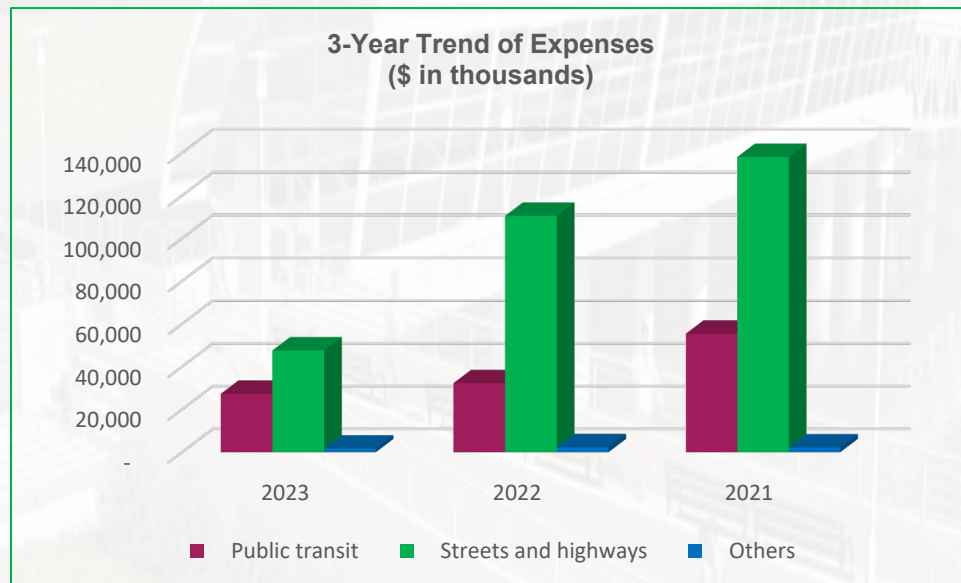
Total expenditures for governmental activities were \$78.5 million in FY2023, a decrease of \$66.6 million or 45.9% compared to FY2022. The functional components of total expenses are Public Transit, Streets and Highways, and Others programs (administrative overhead/debt services).



PUBLIC TRANSIT expenses decreased by \$5.0 million or 15.4% to \$27.3 million compared to 2022. The decrease was mainly due to the South San Francisco Station project completion in 2022.



STREETS AND HIGHWAYS expenses decreased by \$62.9 million or 56.9% to \$47.6 million compared to 2022 mainly due to Express Lanes on U.S. 101 from the San Mateo/Santa Clara County line to I-380 project completion in March 2023.



Financial Performance

Capital Projects

The Transportation Authority spent \$31.3 million on capital projects in 2023, a decrease of \$68.1 million or 68.5% compared to 2022. Following are the major capital expenditures:

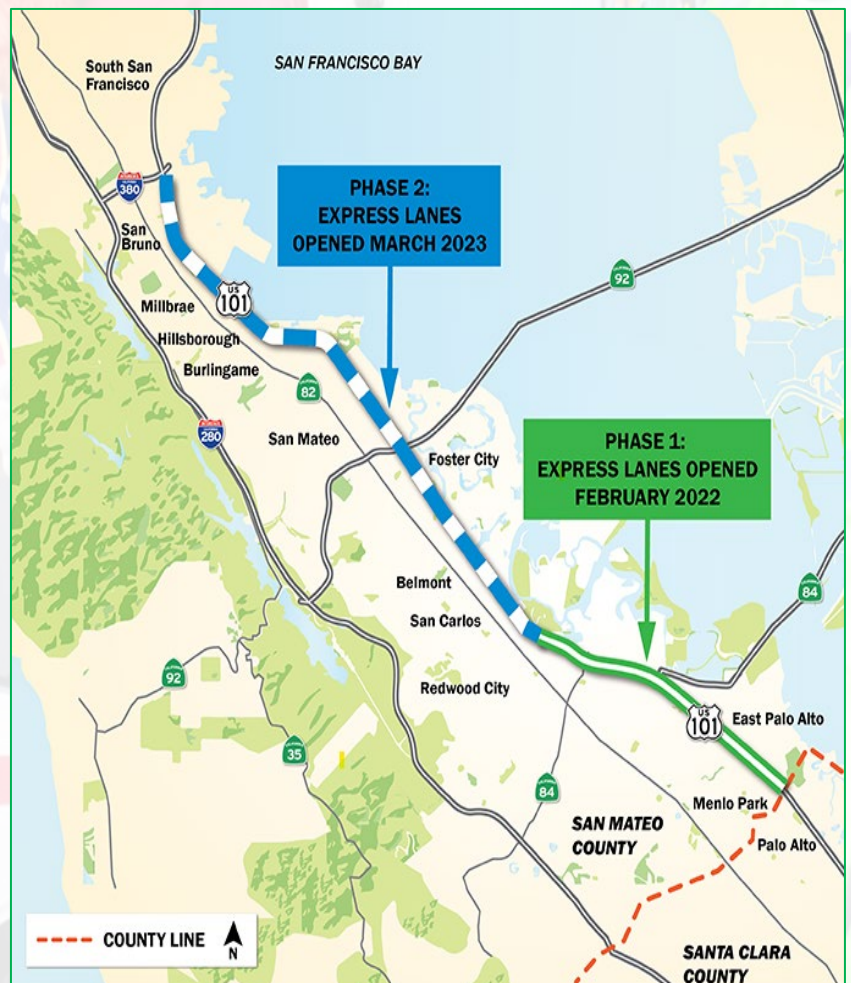
- 25th Avenue Grade Separation project (\$6.4 million).
- Suttles FY21-FY23 Funding project (\$4.2 million).
- Caltrain Electrification project (\$4.3 million).
- 2020 Bike Ped Call for Project (\$0.8 million).
- Broadway Grade Separation project (\$3.8 million).
- U.S. 101 Managed Lanes (North I-380) project (\$1.1 million).

San Mateo 101 Express Lanes

In 2019, the TA and the City/County Association of Governments of San Mateo County (C/CAG) jointly created the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) to administer and manage the operations of the San Mateo 101 Express Lanes Project.

The Project was delivered in two phases. The Phase 1 Southern segment (green line) began operation on February 11, 2022 and the Phase 2 Northern segment (blue line) began operation on March 3, 2023.

Now completed, Phase 1 and 2 of the Express Lanes project provides 22 miles of express lanes in each direction on U.S. 101 from the San Mateo County/Santa Clara County Line to I-380 in South San Francisco.



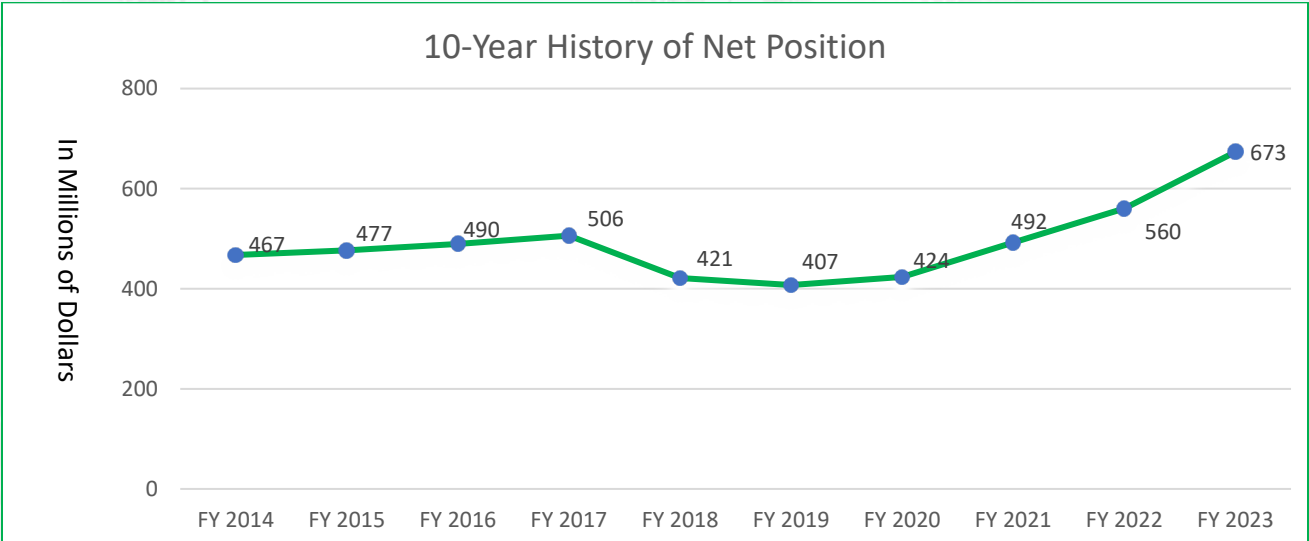
Financial Performance

Net Position

At June 30, 2023, total assets increased by \$105.0 million or 15.1% to \$799.3 million. Total liabilities decreased by \$7.8 million or 5.8% to \$125.6 million. Deferred inflows of resources decreased by \$0.2 million or 46.8% to \$0.3 million.

With \$125.6 million in total liabilities and \$0.3 million in deferred inflows of resources, the TA is in an excellent position to meet its obligations for current construction projects. As of the end of Fiscal Year 2023, existing encumbrances and expected future costs combined for current construction projects are estimated to total \$255.1 million.

Net position increased by \$113.0 million or 20.2% to \$673.5 million, at June 30, 2023, as a result of total revenues exceeding total expenses in FY2023.



Looking Ahead

Fiscal Year 2024 Budget

The TA's Board adopted the Fiscal Year 2024 Budget of \$190.2 million on June 1, 2023. For full detail please see the [Adopted Fiscal Year 2024 Budget](#).

- Annual allocations of approximately \$44.8 million have been budgeted to plan categories based on a percentage of projected sales tax revenues, according to the 2004 TEP.
- Projected program expenditures are approximately \$127.8 million, which includes \$82 million for Measure A funding and \$45.8 million for Measure W funding.
- Under Measure A, a budget of \$1.2 million has been set aside to fund the Alternative Congestion Relief program, \$18.6 million to fund system-wide capital improvements for the Caltrain system, which include State of Good Repair rolling stock, signal, track and station work. The Streets and Highways program includes a budget of \$20.1 million for key congested corridors and \$11.9 million for the supplemental roadway projects. The budget also includes \$17.4 million for Grade Separation program, \$2.3 million for Dumbarton, \$3.5 million for Pedestrian and Bicycle and \$4.7 million for Local Shuttle.
- Under Measure W, the Countywide Highway Congestion Improvement program has a budget of \$25.8 million and the Regional Transit Connections program has a budget of \$11.5 million.

