

CFO Report

Finance and Audit Committee

12/16/2021



Why we are here

- YTD Financial Performance Report
- Asset Liability Management (ALM) Recap

***October YTD 2021 Financial
Performance Report***

October YTD Tax Revenue Performance

Tax revenues 19% or \$273M over budget

- Sales tax revenue 23% or \$241M over budget
- MVET 11% or \$30M over budget
- Rental car 91% or \$1.3M over budget
- Property tax at budget

October YTD Ridership Summary

- Ridership 35% or 7.4M under forecast*
- Ridership for all modes continue to trend upward despite being under forecast*
- Ridership decline from 2019 to 2021 October YTD*
 - System Total: -67%
 - Link: -60%
 - ST Express (all partners): -71%
 - Sounder: -85%
 - Tacoma Link: -63%

YTD Fare Revenue / Recovery

Fare revenue 51% or \$21.2M under budget, year end forecast expected to be at 54% or \$29.4M under budget

Mode	Policy	2019 Actuals	2021 October YTD
Link	40%	34%	7%
Sounder	23%	32%	4%
STX	20%	25%	7%

Non Fare Boardings				
Period	STX	Sounder	Link	Total
10/31/2019	12%	1%	8%	9%
10/31/2021	21%	6%	31%	28%

October YTD Modal Operating Expense

- Modal operating expense 6% or \$20.5M under budget, YE forecast expected to be at 6% or \$22.5M under budget
- Performance variance mainly due to partner reconciliation credits, higher than planned vacancies, and timing of DSTT transition

October YTD System Expansion Projects

System Expansion Projects 21% or \$372.2M under budget:

Link represents 84% of System Expansion Budget.

- **Link 15% or \$235.4M under budget.** Delayed and deferred construction on FWLE. DRLE ROW pushed to 2022 and slower ramp up of construction. Slower LRV Fleet Expansion's schedule recovery due to commission issues leading to slower milestone payments.
- **Sounder 42% or \$27.2M under budget.** Sounder Fleet Expansion supply chain issues and Sounder So. Capacity Expansion's delayed ROW activities and project pauses for realignment.
- **Regional Express 86% or \$9.9M under budget.** Delayed spending on Pacific Ave SR 7 Bus Corridor, dependent upon third party progress.
- **Stride 73% or \$68.7M under budget.** ROW activities were on hold prior to August realignment decisions. Construction progress at some locations slower than anticipated.
- **Tacoma Link 17% or \$8.5M under budget.** Hilltop Tacoma underspending to plan as LRV production has been adversely affected by COVID 19 impacts.

October YTD Non-System Expansion Projects

Non-System Expansion Projects 52% or \$33.6M under budget:

- **Enhancements 71% or \$19.4M under budget.** Primarily due to delayed progress from Digital Passenger Info System due to vendor staffing, delay of Station Codes project to 2023, and revised accounting treatment for the Bus Maintenance Facility project.
- **State of good repair 38% or \$10.8M under budget.** Primarily due to IT Tech Infrastructure driven by chip scarcity, delays in issuance of various task orders within the DSTT Capital Improvements project, and Wheel Truing Machine project deferral to 2022 due to procurement negotiation delays.
- **Administrative 40% or \$3.5M under budget.** Primarily due to limited resources and longer than anticipated time taken to issue request for proposals (RFP) in the Information Technology Program. Delay in HVAC replacement under the Admin Facilities program.

Asset Liability Management Recap

- The Agency continues to monitor investments given market volatility related to tapering and inflation concerns.
- Given available capacity on the TIFIA loans, the Agency does not anticipate accessing the debt markets in the near-term future.
- The Q3 report does not reflect the Q4 debt transactions, they will be reflected in the materials at the next FAC meeting.

Thank you.



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