Proposed 2024 Budget and Transit Improvement Plan

Finance and Audit Committee Meeting
12/15/23

Sound Transit
Why we are here

Request that the Finance and Audit Committee:

• Advance Resolution No. R2023-40, recommended by other Committees, to the Board for adoption of the 2024 Budget and Transit Improvement Plan.
**Budgets within Committee purview**

<table>
<thead>
<tr>
<th>Committee</th>
<th>Budget/TIP Sections</th>
</tr>
</thead>
</table>
| Rider Experience and Operations                | • Modal operating  
• Non-system expansion projects                                                  |
| System Expansion                               | System expansion projects – Link, Sounder, Regional Express, Stride                 |
| Executive                                      | • System expansion projects – systemwide  
• Debt service and other expenditures                                                 |
| Finance and Audit Committee                    | Other committees recommend budgets to FAC; FAC recommends overall budget to Board    |
Proposed 2024 Budget and Transit Improvement Plan (TIP)
Proposed 2024 Budget

Sources lower than expenditures, gap will be covered by existing cash balance.

Sources: $2.9B

- Tax Revenues, $2,397.6, 82.7%
- Passenger Fare Revenues, $59.4, 2.1%
- Grants & Local Contributions, $216.7, 7.5%
- Investment Income, $115.0, 4.0%
- Miscellaneous Revenues, $16.7, 0.6%
- Bond & TIFIA Loan Proceeds, $93.3, 3.2%

Expenses: $3.0B

- System Expansion Projects, $1,850.7, 61.2%
- Non-System Expansion Projects, $306.7, 10.1%
- Debt Service, $179.7, 5.9%
- Modal Operating Expenses, $634.2, 21.0%
- Leases, $12.9, 0.4%
- Agency Contingency, $19.0, 0.6%
- Other Non-Operating Expenses, $0.6, 0.02%
2024 Transit Improvement Plan by mode: $25B

- LINK, $17.9, 71%
- SYSTEMWIDE, $3.0, 12%
- STRIDE, $2.4, 9%
- REGIONAL EXPRESS, $0.6, 2%
- TACOMA LINK, $0.3, 1%
- SOUNDER, $1.2, 5%
Updates to authorized allocation

TRANSIT IMPROVEMENT PLAN EXPENSES (in millions)

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Authorized Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024 PROPOSED TRANSIT IMPROVEMENT PLAN</td>
<td>25,253.2</td>
</tr>
<tr>
<td>BOARD APPROVED CHANGE: SERIES 2 LRV FLEET EXPANSION</td>
<td>96.2</td>
</tr>
<tr>
<td>REVISIONS: WEST SEATTLE AND BALLARD LINK EXTENSIONS</td>
<td>2.6</td>
</tr>
<tr>
<td>2024 Proposed Transit Improvement Plan</td>
<td>25,352.0</td>
</tr>
</tbody>
</table>

- Increase to previously-shared TIP of $98.8 million.
- $96.2M due to board-approved budget amendment to Series 2 LRV Fleet Exp.
- Revisions approved by System Exp Committee:
  - $850K Preliminary Engineering increase to Ballard Link for additional studies
  - $1.74M Construction Management increase shared between West Seattle Link and Ballard Link to accommodate negotiated PMSS contract
Budget timeline and next steps
Timeline

**October – budget and Financial Plan kickoff**

- **10/19** – Finance and Audit Committee – Overview of Long-Range Financial Plan projections and Proposed 2024 budget and TIP
- **10/26** – Board Meeting – Overview of Long-Range Financial Plan projections and Proposed 2024 budget and TIP

**November – budget overview and property tax levy approval**

- **11/2** – Public hearing – budget and property taxes.
- **11/2** – Executive Committee – budget overview and property tax levy
- **11/2** – Rider Experience and Operations Committee – budget overview
- **11/9** – System Expansion Committee – budget overview
- **11/22** – Board Meeting – request for approval of the property tax levy
December – budget recommendation and approval

- 12/7 – Rider Experience and Operations Committee – recommends to FAC
- 12/7 – Executive Committee – recommends to FAC
- 12/14 – System Expansion Committee – recommends to FAC
- 12/15 – Finance and Audit Committee – recommends to Board
- 12/15 – Board – adoption of the Proposed 2024 Budget and Transit Improvement Plan
Thank you.