Proposed 2020 Budget

Finance and Audit Committee | 10/24/19
Why we are here

No action requested today, we are here to provide information.

Today we will review:

• Operating budget methodology
• Proposed 2020 budget
Proposed 2020 budget
2020 sources and uses of funds: $3.1B

Sources of Funds (in $M)
- MVET, $355, 12%
- Passenger Fare Revenue, $100, 3%
- Federal Grants, $333, 11%
- Property Tax, $156, 5%
- Other, $84, 3%
- Retail Sales And Use Tax, $1,446, 47%

Uses of Funds (in $M)
- System Expansion Projects, $2,285, 74%
- Transit Modes, $370, 12%
- Other Projects, $234, 8%
- Debt Service, $144, 5%
- Other, $32, 1%
Revenues & funding sources
## 2020 revenues and funding sources: $2.5B

<table>
<thead>
<tr>
<th>In $Million</th>
<th>2019 Forecast</th>
<th>2020 Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales tax</td>
<td>1,392</td>
<td>1,446</td>
<td>4%</td>
</tr>
<tr>
<td>MVET</td>
<td>340</td>
<td>355</td>
<td>4%</td>
</tr>
<tr>
<td>Federal grants</td>
<td>318</td>
<td>333</td>
<td>5%</td>
</tr>
<tr>
<td>Property tax</td>
<td>149</td>
<td>156</td>
<td>4%</td>
</tr>
<tr>
<td>Fares</td>
<td>98</td>
<td>100</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>182</td>
<td>84</td>
<td>(54)%</td>
</tr>
<tr>
<td>Total</td>
<td>$2,480M</td>
<td>$2,474M</td>
<td>(0.2)%</td>
</tr>
</tbody>
</table>

- Tax revenues up 4% due to strong local economy
- Sales and use tax = 58% of revenues and funding sources
- Fares up due to Link ridership
- No borrowing planned for 2020
Project budgets
### 2020 projects $2.5B with non-system expansion $232M

<table>
<thead>
<tr>
<th>In $Million</th>
<th>2019 Forecast</th>
<th>2020 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Expansion</td>
<td>1,987</td>
<td>2,285</td>
</tr>
<tr>
<td>Enhancements</td>
<td>24</td>
<td>38</td>
</tr>
<tr>
<td>State of Good Repair</td>
<td>17</td>
<td>76</td>
</tr>
<tr>
<td>Administrative</td>
<td>106</td>
<td>127</td>
</tr>
<tr>
<td>Less: Modal Expenses</td>
<td>(4)</td>
<td>(9)</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$2,129M</strong></td>
<td><strong>$2,517M</strong></td>
</tr>
</tbody>
</table>

*Numbers may not add correctly due to rounding.*

Non-system expansion $232M
- DSTT Improvements
- ST Express buses
- Passenger info management system
- OMF Renovations
- Vertical Conveyance Modernization
- Info Tech Program
# System expansion in all corridors $2.3B

<table>
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<tr>
<th>In $Million</th>
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<th>2020 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link</td>
<td>1,836</td>
<td>2,063</td>
</tr>
<tr>
<td>Sounder</td>
<td>27</td>
<td>57</td>
</tr>
<tr>
<td>Regional Express</td>
<td>11</td>
<td>43</td>
</tr>
<tr>
<td>Stride</td>
<td>97</td>
<td>93</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total System Expansion</strong></td>
<td><strong>$1,987M</strong></td>
<td><strong>$2,285M</strong></td>
</tr>
</tbody>
</table>

*Numbers may not add correctly due to rounding.*

- **Link**
  - Substantially complete 2020
  - Design and construction
  - Early stage and new projects

- **Sounder**
  - Access projects
  - Sounder Maintenance Base

- **Regional Express & Stride**
  - Bus system expansion
  - Bus Rapid Transit
  - Bus Base North
Transit operations budget
2020 transit operations: $370M

<table>
<thead>
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<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link</td>
<td>138</td>
<td>148</td>
<td>7%</td>
</tr>
<tr>
<td>ST Express</td>
<td>144</td>
<td>151</td>
<td>4%</td>
</tr>
<tr>
<td>Sounder</td>
<td>56</td>
<td>66</td>
<td>16%</td>
</tr>
<tr>
<td>Tacoma Link</td>
<td>5</td>
<td>6</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$345M</strong></td>
<td><strong>$370M</strong></td>
<td><strong>7%</strong></td>
</tr>
</tbody>
</table>

- Purchased Transportation up 4.9% or $9.4M
- Personnel and administration up $7.2M
- Insurance up $3.5M
- Safety and security up $2.6M
- Elevator and escalator maintenance up $1.9M

*Numbers may not add correctly due to rounding.*
2020 other
**2020 debt service and other: $177M**

- **Debt Service**, $144
- **Tax Collection and Fees**, $17
- **Agency Contingency**, $11
- **Contributions**, $5

- Debt service includes principal payments on bonds, interest, and fees
- Tax collection fees to DOR/DOL and sales tax off-set fees
- Agency contingency for unforeseeable expenses
Next steps
Timeline

October

• 10/24 – Board Meeting – Overview of long-range financial plan projections and budget
• 10/31 – Citizen Oversight Panel – Budget presentation

November

• 11/14 – Public Hearing – Budget and property taxes
Timeline continued

December

• 12/5 – Rider Experience and Operations Committee – Final budget recommendation
• 12/12 – Executive Committee – Overview of budget and final budget recommendation
• 12/12 – System Expansion Committee – Final budget recommendation
• 12/19 – Finance and Audit Committee – Final budget recommendation
• 12/19 – Board Meeting – Proposed 2020 Budget and Transit Improvement Plan approval
Thank you.