

CFO Report

Finance and Audit Committee

10/21/2021



Topics

- YTD financial performance report
- Bond transactions status update

***August YTD 2021 Financial
Performance Report***

August YTD Tax Revenue Performance

Tax revenues 18% or \$208M over budget

- Sales tax revenue is 22% or \$181M higher than budget
- MVET 12% or \$26M higher than budget
- Rental car 84% or \$0.9M higher than budget
- Property tax at budget

August YTD Ridership Summary

- Ridership 39% or 5.8M under budget
- Ridership for all modes continue to trend upward
- Ridership decline from 2019 to 2021 August YTD
 - System total: -72%
 - Link: -70%
 - ST Express (all partners): -73%
 - Sounder: -86%
 - Tacoma Link: -68%

August YTD Fare Revenue and Farebox Recovery

Fare revenue 50% or \$14.6M under budget, year end forecast expected to be at 38% or \$33.8M under budget

Mode	Policy	2019 Actuals	2021 August YTD
Link	40%	34%	6%
Souder	23%	32%	4%
STX	20%	25%	7%

Non Fare Boardings				
Period	STX	Souder	Link	Total
8/31/2019	14%	0%	9%	10%
8/31/2021	24%	12%	36%	31%

August YTD Operating Expense

- Operating expense 6% or \$15.9M under budget, YE forecast expected to be at 3% or \$13.1M under budget
- Performance variance mainly due to timing of expenses, partnership reconciliation, higher FTE vacancies, and timing of DSTT transition

August YTD System Expansion Projects

System Expansion Projects 18% or \$247.7M under budget:

Link represents 84% of System Expansion Budget.

- **Link 14% or \$168.0M under budget.** FWLE delay in ROW property Acquisitions, and design development impacted early construction. Acceptance rate of new LRVs.
- **Souder 39% or \$16.3M under budget.** Certain expenditures were on hold prior to August realignment decisions.
- **Regional Express 94% or \$5.3M under budget.** Delayed spending on Pacific Ave SR 7 Bus Corridor, dependent upon third party progress.
- **Stride 62% or \$32.4M under budget.** Certain expenditures were on hold prior to August realignment decisions.
- **Tacoma Link 17% or \$6.4M under budget.** Hilltop Tacoma underspending to plan as LRV production has been adversely affected by COVID 19 impacts.

August YTD Non-System Expansion Projects

Non-System Expansion Projects 51% or \$24.6M under budget:

Enhancements 71% or \$14.8M under budget

Primarily due to underspending on Digital Passenger Info System, timing of Station Codes project, and revised accounting treatment of the Bus Maintenance Facility project.

State of good repair 36% or \$8.1M under budget

Primarily due to DSTT Capital Improvements (delayed task orders and Northbound rail replacement design costs lower than planned), resource constraints on Vertical Conveyance program (expected to be on budget by YE), and IT Tech Infrastructure driven by chip scarcity.

Administrative 39% or \$2.9M under budget

Primarily due to Information Technology Program and Admin Facilities.

TIFIA and Bond transactions

TIFIA Recap

On September 10th all TIFIA loans were refinanced and a new loan was approved for the Downtown Redmond Link Extension

- Total TIFIA of \$3.8B at 1.91%, significant reduction of previous average rate of 2.66%
- Projected reduction in borrowing cost of \$810M

Status update on September Board approved Debt actions

R2021-12

Update: Principal Amount of \$823.6M successfully defeased on 10/1/21

R2021-13

Update:

- Repriced \$75M existing variable rate debt on 10/5 with current rate at 0.25% (as of 10/19)
- Issued \$869M new debt at 2.31% interest rate on 10/19
- Refunded \$111 fixed rate bonds at 0.8% interest rate on 10/19
- Combined interest savings of \$168M
- More than half of the bonds were sold to “green” institutional investors

Thank you.



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