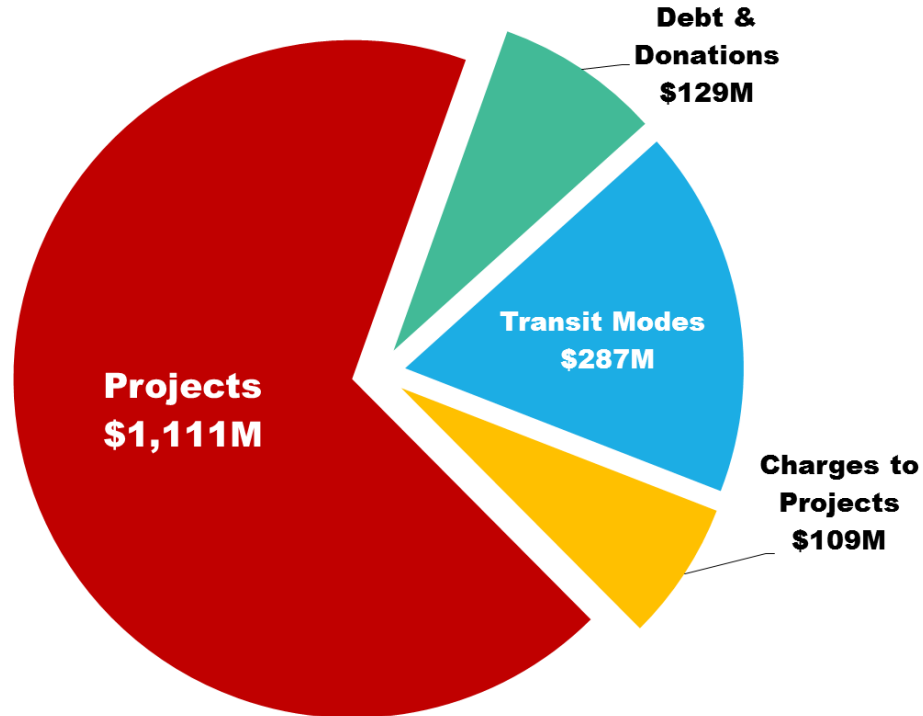




# Proposed 2017 Budget

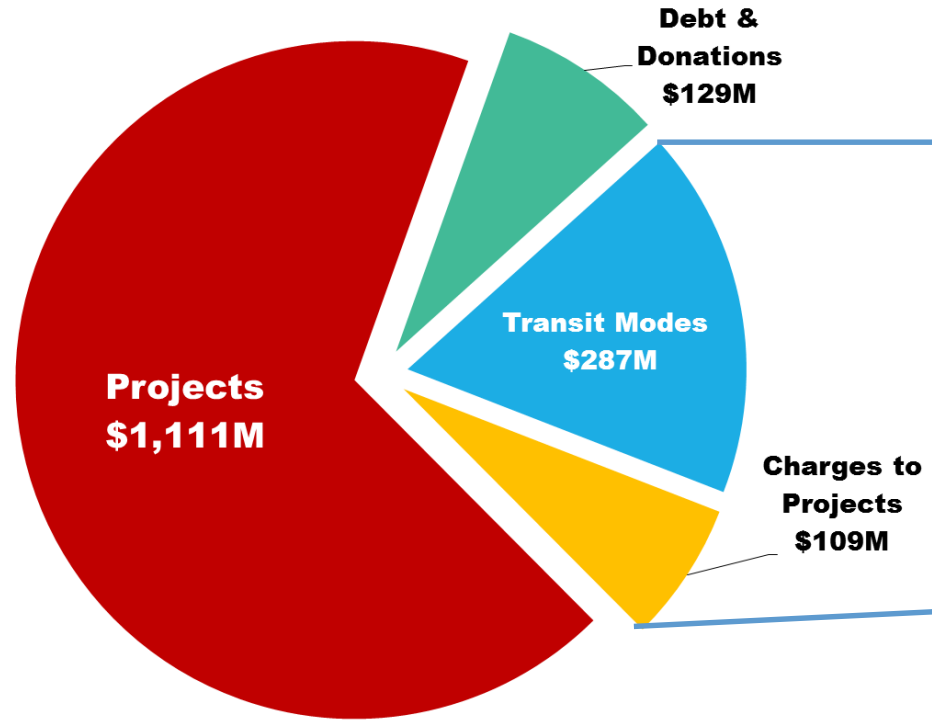
Operations & Administration Committee – October 6, 2016

# \$1.6 Billion 2017 Proposed Budget

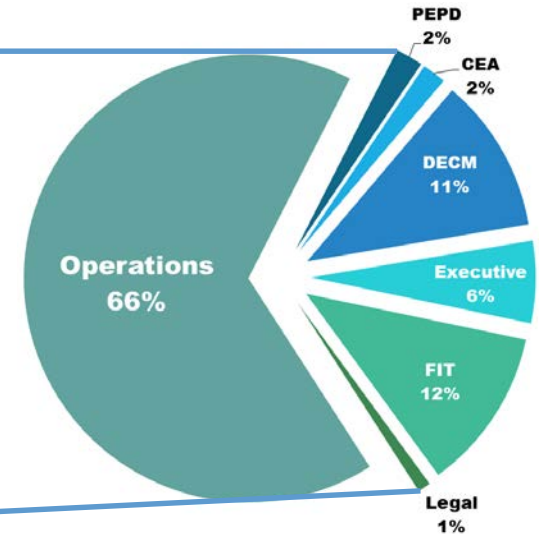


# Operating Budget Organized by Department

Total Budget \$1.6B



7 Departments: Budget \$0.4B



# Six Strategic Objectives Shape 2017 Budget

**Increase ridership and deliver a safe, high-quality customer experience.**

**Successfully deliver voter-approved capital projects.**

**Promote a safe and secure culture.**

**Maintain fiscal integrity, accountability, and transparency.**

**Foster an inclusive, sustainable agency.**

**Enhance talent management and organizational vibrancy.**

# Increase ridership and deliver a safe, high quality customer experience

- 47 million boardings forecast.
- \$25 m. higher costs related to delivering transit services
  - 7% higher service levels in 2017
    - 32,000 additional ST Express hours.
    - Two Sounder roundtrips: Q4 2017.
    - Full year of U Link and S 200th.
  - Results in increases in costs for:
    - Purchased Transportation
    - 16 new ST FTEs
    - Operating insurance
    - Utilities, space parts
    - Facility/vehicle maintenance
    - Security
    - Downtown Seattle Transit Tunnel



# Successfully deliver voter-approved capital projects

- **\$7m higher department costs related to implementing ST2 capital program**
  - **30 new FTE related to capital program, primarily in DECM and SQA.**
  - **Higher costs for property under management.**



# Promote a safe and secure culture

- **Increased staffing and investment in IT security, including information security awareness training.**
- **\$ for ST University providing agency-wide safety training.**
- **\$ for Safety orientation for staff.**



# Maintain fiscal integrity, accountability, and transparency

- **2017 Budget funds:**
  - **Comprehensive Operational Analysis** – identify and implement operational efficiencies.
  - **Enterprise asset management system.**
  - **Sustainability studies on waste reduction and facility energy conservation.**





## Foster an inclusive, sustainable agency

- **APTA Platinum recognition for sustainability.**
- **Integration of sustainability into our projects.**
- **HOV Parking Permit Program to 10 stations.**
- **Carbon emission/fuel reduction strategies.**
- **Small business and DBE goals and non-discrimination compliance.**
- **Transit Oriented Development agreements – Capitol Hill and Link OMF East.**



# Enhance talent management and organizational vibrancy

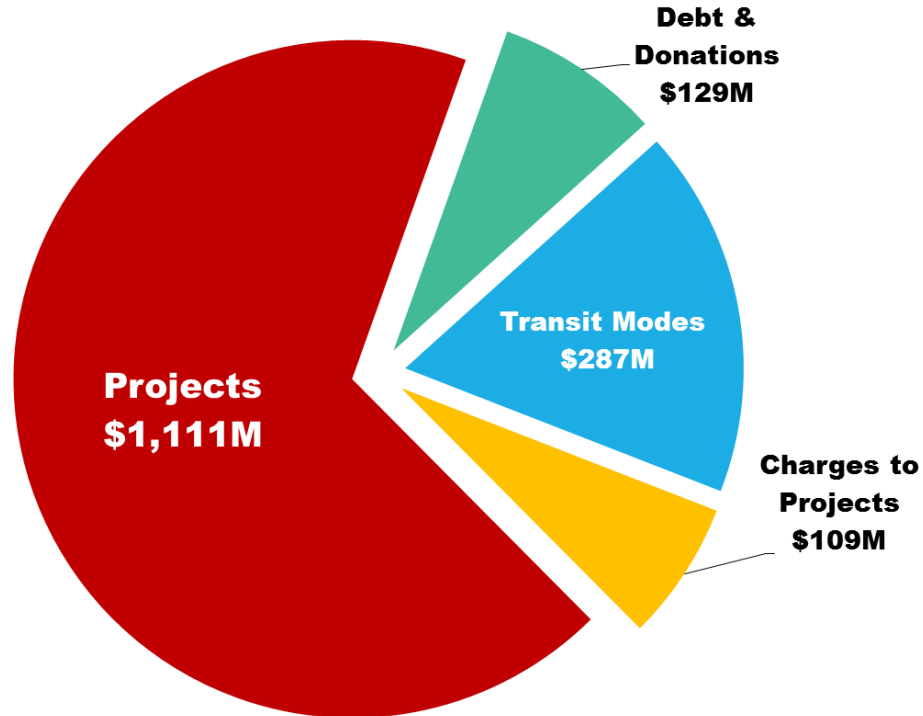
- **Employee Engagement.**
- **Knowledge Transfer.**
- **ST University grows its offerings:**
  - **Management Excellence Program**
  - **Project Management**
  - **Technology**
  - **Safety**



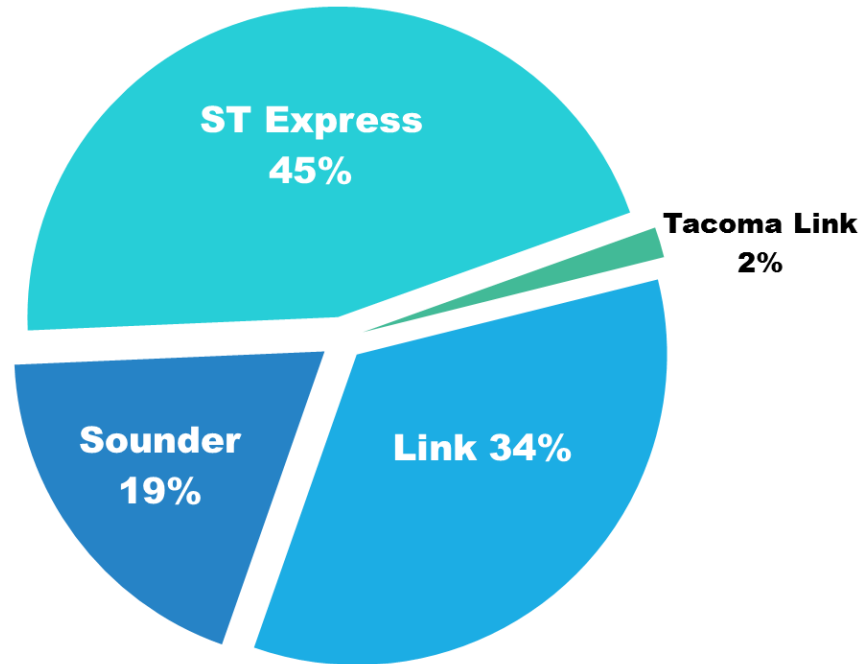
# CHANGES TO DEPARTMENT BUDGETS

<b>Department</b>	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>Budget \$ Change</b>	<b>Budget % Change</b>
Communications & External Affairs	\$8,014	\$6,848	(\$1,166)	(14.5%)
Design, Engineering & Construction Management	40,639	44,333	3,694	9.1
Executive	19,091	23,489	4,398	23.0
Finance & Information Technology	42,728	46,362	3,634	8.5
Legal	3,368	3,660	292	8.7
Operations	241,345	263,701	22,356	9.3
Planning, Environment & Project Development	7,329	7,843	514	7.0
<b>Total Department Budgets</b>	<b>\$362,514</b>	<b>\$396,236</b>	<b>\$33,721</b>	<b>9.3%</b>

# \$1.6 Billion 2017 Proposed Budget



# Proposed 2017 Transit Mode Budgets – \$287.5M



# Proposed 2017 Link Budget

\$000s	2015 Actuals	2016 Budget	Proposed 2017 Budget	Budget % Change
Vehicle Hours	172,153	177,911	201,100	13.0%
Operating Expenses (excl. paratransit)	\$58,500	\$85,948	\$96,845	12.7%
Passenger Revenues	\$18,152	\$24,424	\$36,415	49.1%

# Proposed 2017 Sounder Budget

<u>Before Depreciation</u> \$000s	2015 Actuals	2016 Budget	Proposed 2017 Budget	Budget % Change
<b>Vehicle Hours</b>	<b>53,054</b>	<b>56,150</b>	<b>64,500</b>	<b>14.9%</b>
<b>Operating Expenses</b>	<b>\$40,617</b>	<b>\$45,726</b>	<b>\$54,486</b>	<b>19.2%</b>
<b>Passenger Revenues</b>	<b>\$11,038</b>	<b>\$11,563</b>	<b>\$14,560</b>	<b>25.9%</b>

# Proposed 2017 ST Express Budget

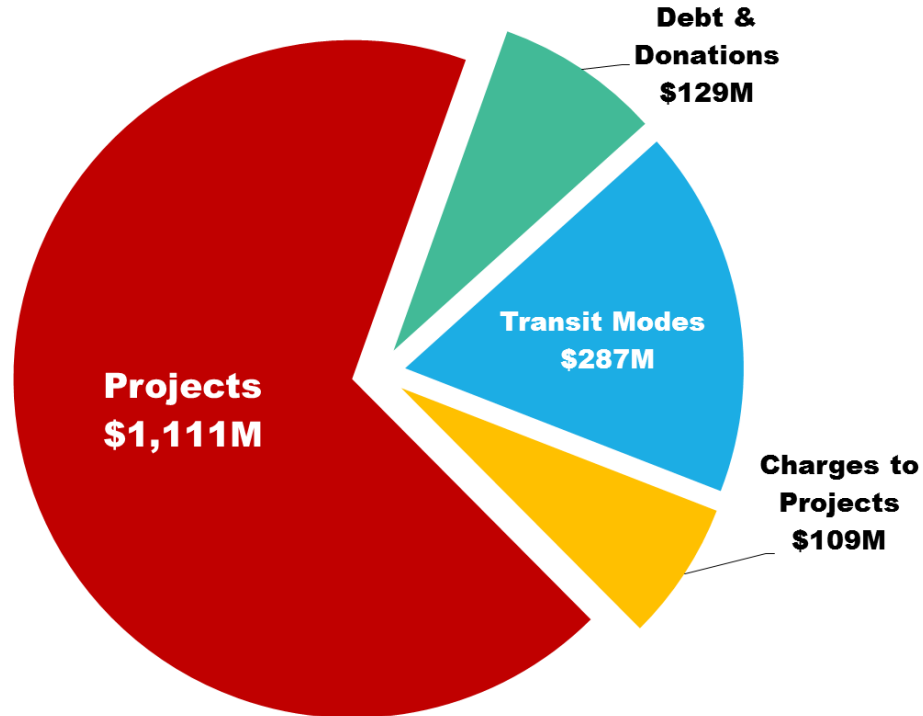
<u>Before Depreciation</u> \$000s	2015 Actuals	2016 Budget	2017 Proposed	Budget % Change
<b>Platform Hours</b>	<b>722,937</b>	<b>745,000</b>	<b>777,448</b>	<b>4.4%</b>
<b>Operating Expenses</b>	<b>\$108,063</b>	<b>\$124,085</b>	<b>\$129,975</b>	<b>4.7%</b>
<b>Passenger Revenues</b>	<b>\$34,666</b>	<b>\$35,779</b>	<b>\$36,986</b>	<b>3.3%</b>



# Proposed 2017 Tacoma Link Budget

<u>Before Depreciation</u> \$000s	2015 Actuals	2016 Budget	2017 Proposed	Budget % Change
Vehicle Hours	9,857	9,844	9,900	0.6%
Operating Expenses	\$4,244	\$5,133	\$4,550	-11.4%
Passenger Revenues	\$0	\$0	\$0	n/a

# \$1.6 Billion 2017 Proposed Budget



# Proposed 2017 Debt & Donations = \$129M

## Debt Service of \$124M

- \$33.2M for principal repayment
- \$89.4M for capitalized interest
- \$1.3M for financing expenses

## Donations of \$5M for First Hill Streetcar maintenance

- \$5M annual contribution until 2023

# 2017 Budget Review Calendar

## Operations & Administration Committee: October — December

- **Proposed 2017 Operating Budget.**
- **Service Implementation Plan (SIP).**

## Capital Committee: October — December

- **2017 Projects Budget.**
- **2017 – 2023 Transit Improvement Plan (TIP).**

## Executive Committee: October — December

- **Financial Plan.**

## Board Consideration of Budget & TIP — December 15, 2016

*SOUND TRANSIT*

