

Proposed 2020 Budget

Finance and Audit Committee | 10/24/19

Why we are here

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

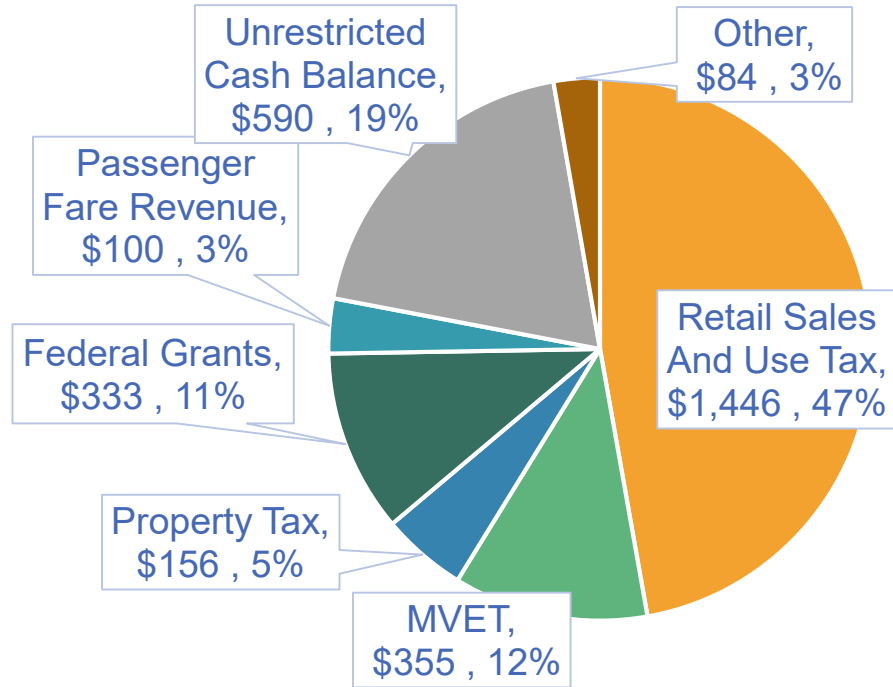
Today we will review:

- Operating budget methodology
- Proposed 2020 budget

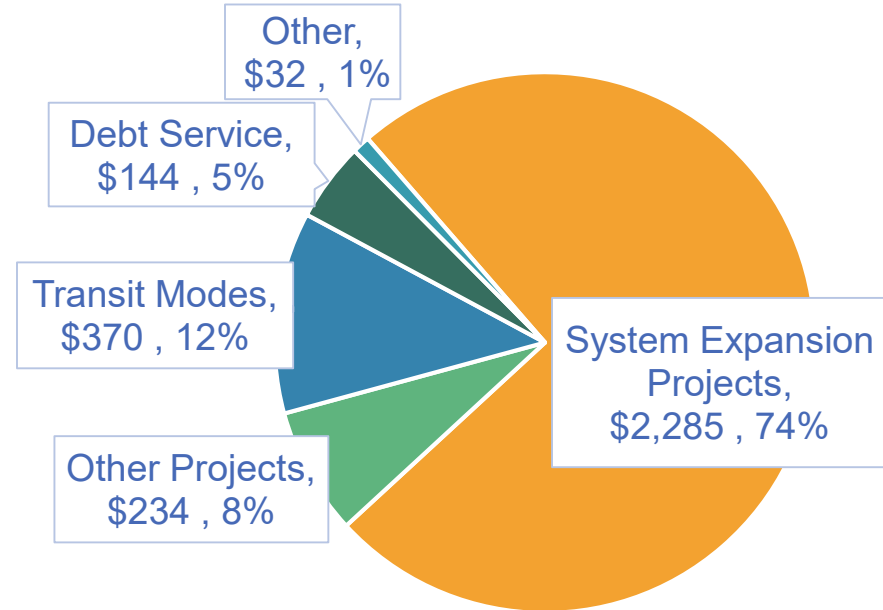
Proposed 2020 budget

2020 sources and uses of funds: \$3.1B

Sources of Funds (in \$M)



Uses of Funds (in \$M)



Revenues & funding sources

2020 revenues and funding sources: \$2.5B

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

- 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

| In \$Million | 2019 Forecast | 2020 Proposed |
|----------------------|-----------------|-----------------|
| System Expansion | 1,987 | 2,285 |
| Enhancements | 24 | 38 |
| State of Good Repair | 17 | 76 |
| Administrative | 106 | 127 |
| Less: Modal Expenses | (4) | (9) |
| Total | \$2,129M | \$2,517M |

Non-system expansion \$232M

- DSTT Improvements
- ST Express buses
- Passenger info management system
- OMF Renovations
- Vertical Conveyance Modernization
- Info Tech Program

*Numbers may not add correctly due to rounding.

System expansion in all corridors \$2.3B

| <i>In \$Million</i> | 2019 Forecast | 2020 Proposed |
|-----------------------------------|------------------|------------------|
| Link | 1,836 | 2,063 |
| Sounder | 27 | 57 |
| Regional Express | 11 | 43 |
| Stride | 97 | 93 |
| Other | 16 | 29 |
| Total System Expansion | \$1,987M | \$2,285M |

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

*Numbers may not add correctly due to rounding.

Transit operations budget

2020 transit operations: \$370M

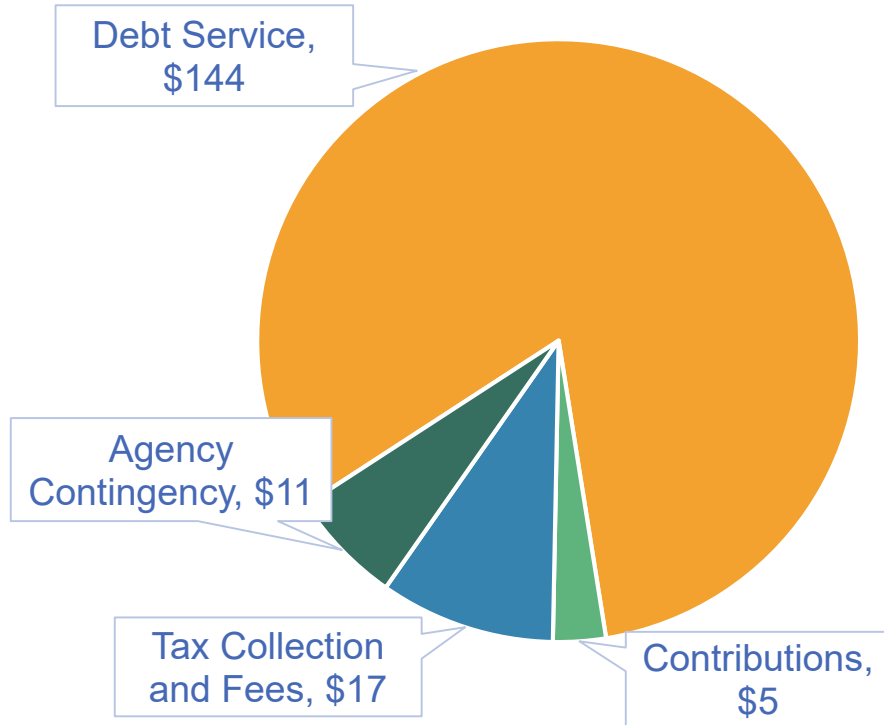
| <i>In \$Million</i> | 2019 Forecast | 2020 Proposed | % Change |
|---------------------|------------------|------------------|-------------|
| Link | 138 | 148 | 7% |
| ST Express | 144 | 151 | 4% |
| Souder | 56 | 66 | 16% |
| Tacoma Link | 5 | 6 | 9% |
| Total | \$345M | \$370M | 7% |

- 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 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.



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