

2021 Proposed Budget

Executive Committee

11/5/2020

Why we are here

Today we are here to provide information

- Summary of the 2021 proposed agency budget
- Briefing on budget section within Committee purview:
 - System Expansion – Other
(Finance, TOD, System Access, ST3 Planning, Sustainability, Start)

Budgets within Committee purview

| Committee | Budget/TIP Sections |
|---------------------------------|--|
| Rider Experience and Operations | <ul style="list-style-type: none">• Transit operations• Non-system expansion projects |
| System Expansion | System expansion projects – Link, Sounder, Regional Express, Stride |
| Executive | System expansion projects – Other |
| Finance and Audit Committee | Other committees recommend budget to FAC; FAC recommends to Board |

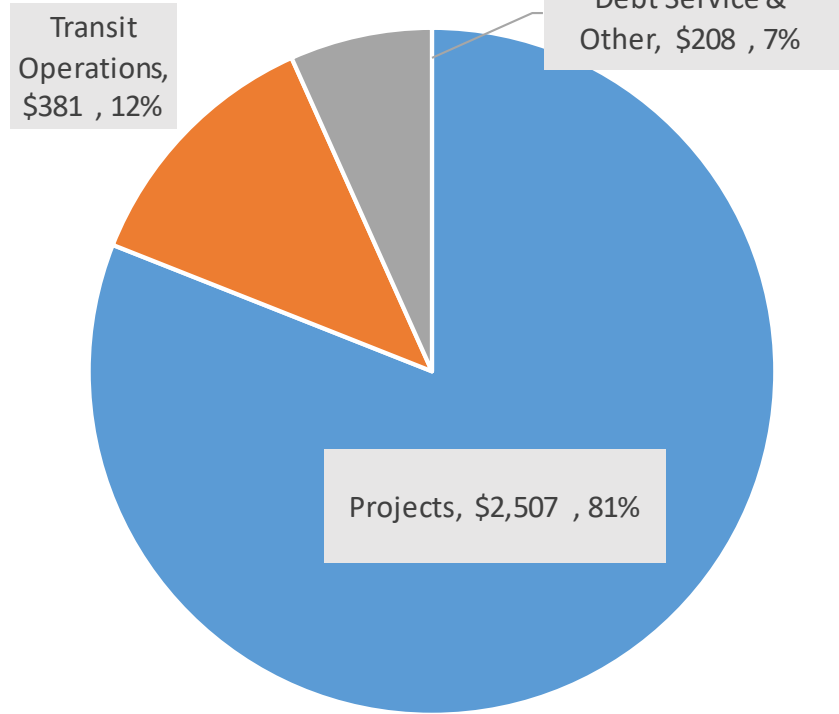
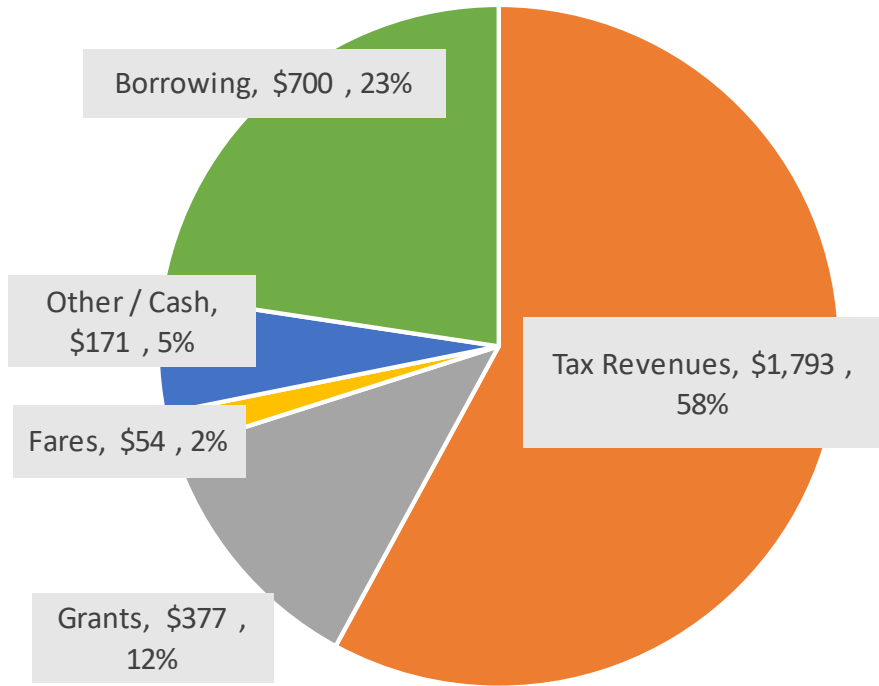
2021 Proposed Budget

2021 Proposed Sources and Uses of Funds

Sources (\$3.1B)

(in Millions)

Uses (\$3.1B)



Key assumptions in 2021 Budget target and process

- Resource allocation consistent with early realignment guidance and agency priorities.
- Achieve efficiencies and fiscal discipline by tightly managing expenses.
- Service levels/budget reflect moderate ridership growth from current levels.
- Reduce spending on operating budget to maintain 2020 spending levels, with only additional dollars to support new services and assets.

2021 projects budget: \$2.5 billion

2021 reflects early Board guidance on realignment

| In \$million | 2020 Forecast | 2021 Proposed |
|----------------------|----------------|----------------|
| System Expansion | 2,242 | 2,306 |
| Enhancements | 23 | 36 |
| State of Good Repair | 56 | 46 |
| Administrative | 114 | 119 |
| Total | \$2,435 | \$2,507 |

*Numbers may not add correctly due to rounding. 2020 forecast is as of September.

2021 system expansion projects: \$2.3B

| <i>In \$Million</i> | 2020 Forecast | 2021 Proposed |
|-------------------------------|-----------------|-----------------|
| Link | 2,119 | 1,973 |
| Sounder | 46 | 96 |
| Regional Express | 15 | 18 |
| Stride | 43 | 175 |
| Other | 19 | 45 |
| Total System Expansion | \$2,242M | \$2,306M |

*Numbers may not add correctly due to rounding.

System Expansion - Other

Finance managed projects

| In \$Millions | 2020 Forecast | 2021 Proposed |
|----------------------|------------------|------------------|
| Next Generation ORCA | 3.7 | 18.3 |
| Fare Administration | 1.0 | 1.5 |
| Total | \$4.6 | \$19.8 |

- **Next Generation ORCA:** system integration testing; transition from Legacy ORCA to Next Gen ORCA, including delivery and installation of new fare collection equipment.
- **Fare Administration:** Subsidized Annual Pass Program for very low income riders.

Note: Numbers may not add correctly due to rounding.

PEPD Managed Programs

| In \$Millions | 2020 Forecast | 2021 Proposed |
|-----------------------------|---------------|---------------|
| Transit System Access | 1.9 | 10.4 |
| ST3 Planning | 2.0 | 2.5 |
| TOD Property Disposition | 1.7 | 2.1 |
| Efficiency & Sustainability | 0.1 | 1.3 |
| Other | 1.2 | 1.6 |
| Total | \$6.9 | \$17.9 |

- **System Access:** Third-party awards
- **ST3 Planning:** Link ops analysis, rider forecasting & environment mitigation
- **TOD:** Support development of ST surplus property near stations
- **Efficiency & Sustainability:** Improve resource conservation and sustainability for the existing system

Note: Numbers may not add correctly due to rounding.

DECM Managed Programs

| In \$Millions | 2020 Forecast | 2021 Proposed |
|-----------------------------------|------------------|------------------|
| STart | 5.0 | 3.4 |
| STart Operations & Maintenance | 0.3 | 0.4 |
| Total | \$5.3 | \$3.8 |

Note: Numbers may not add correctly due to rounding.

STart:

- Artwork fabrication and installation
- Artwork design underway
- Temporary artwork construction mitigation continues

STart O&M:

- State of good repair maintenance continues
- Existing artwork lighting replacement
- Souder Kent Station mosaic refurbishment complete

***Budget timeline
and next steps***

Potential budget adjustment needed in 2021

- 2021 mid-year budget will be updated based upon Board realignment decisions
- Budget adjustments may be requested from the Board to meet incremental realignment decisions and unforeseeable needs such as increased ridership demand, and COVID-related cost increases.

Timeline

October – budget and Financial Plan kickoff

- **10/22** – Board Meeting – Overview of Long-Range Financial Plan projections and budget

November – budget overview and property tax levy approval

- ➔ **11/5** – Executive Committee – budget overview.
- **11/5** – Rider Experience and Operations Committee – budget overview.
- **11/12** – Public hearing – budget and property taxes.
- **11/12** – System Expansion Committee – budget overview.
- **11/19** – Board Meeting – request for approval of the property tax levy.

Timeline continued

December – budget recommendation and approval

- **12/3 – Executive Committee – recommends to FAC.**
- **12/3 – Rider Experience and Operations Committee – recommends to FAC.**
- **12/10 – System Expansion Committee – recommends to FAC.**
- **12/17 – Finance and Audit Committee – recommends to Board.**
- **12/17 – Board – adoption of the Proposed 2021 Budget and Transit Improvement Plan.**

Thank you.



 [soundtransit.org](https://www.soundtransit.org)

