

# *2022 Proposed Budget*

*Finance and Audit Committee*

*12/16/2021*

# *Why we are here*

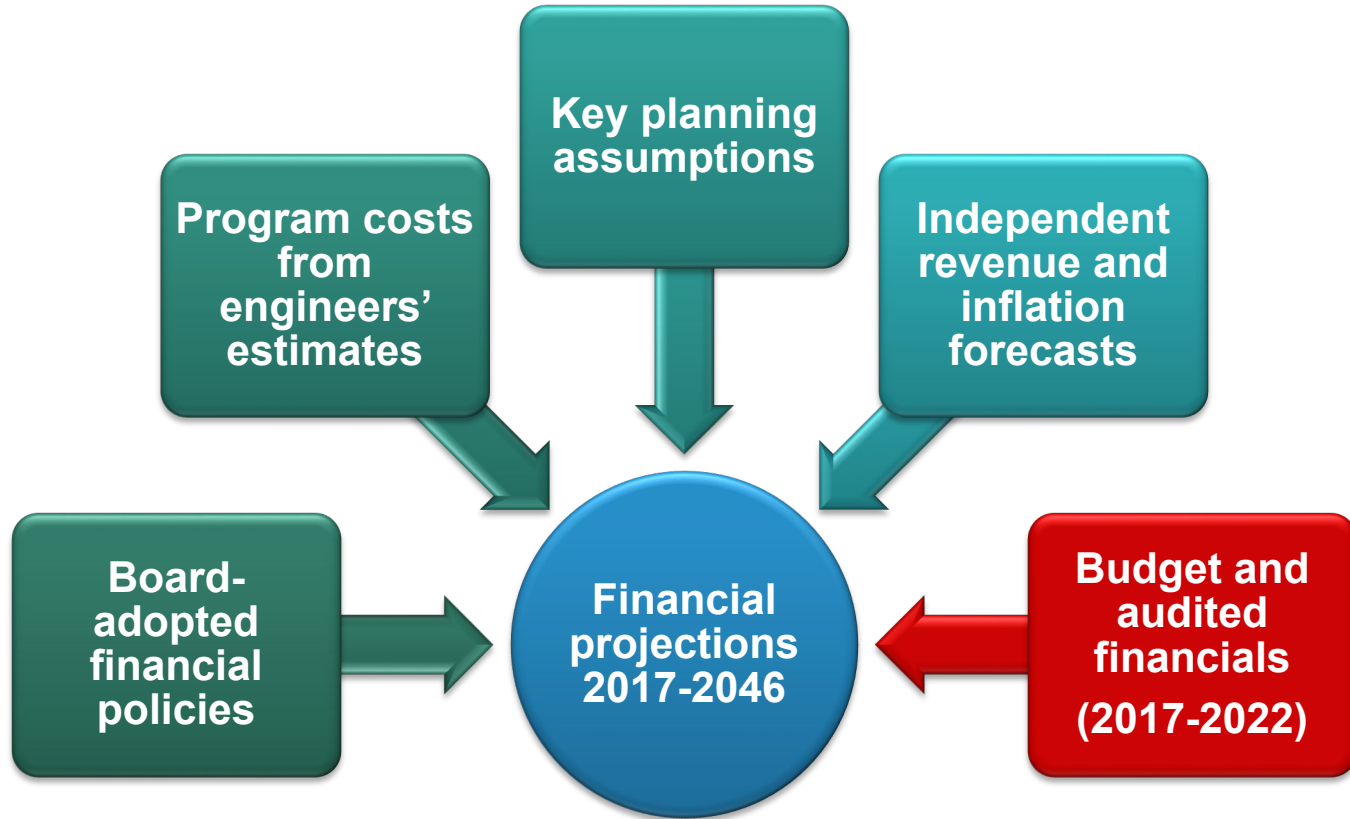
## *Request that the Finance and Audit Committee:*

- Advance Resolution No. R2021-21, recommended by other Committees, to the Board for adoption of the 2022 Budget and Transit Improvement Plan.

# *2022 budget priorities*

- Maintain long term financial sustainability
- Resource allocation consistent with realignment resolution and agency priorities
- Adequate resources to support new services and assets
- Service levels/budget reflect current ridership demand

# Long-Range Financial Plan projections

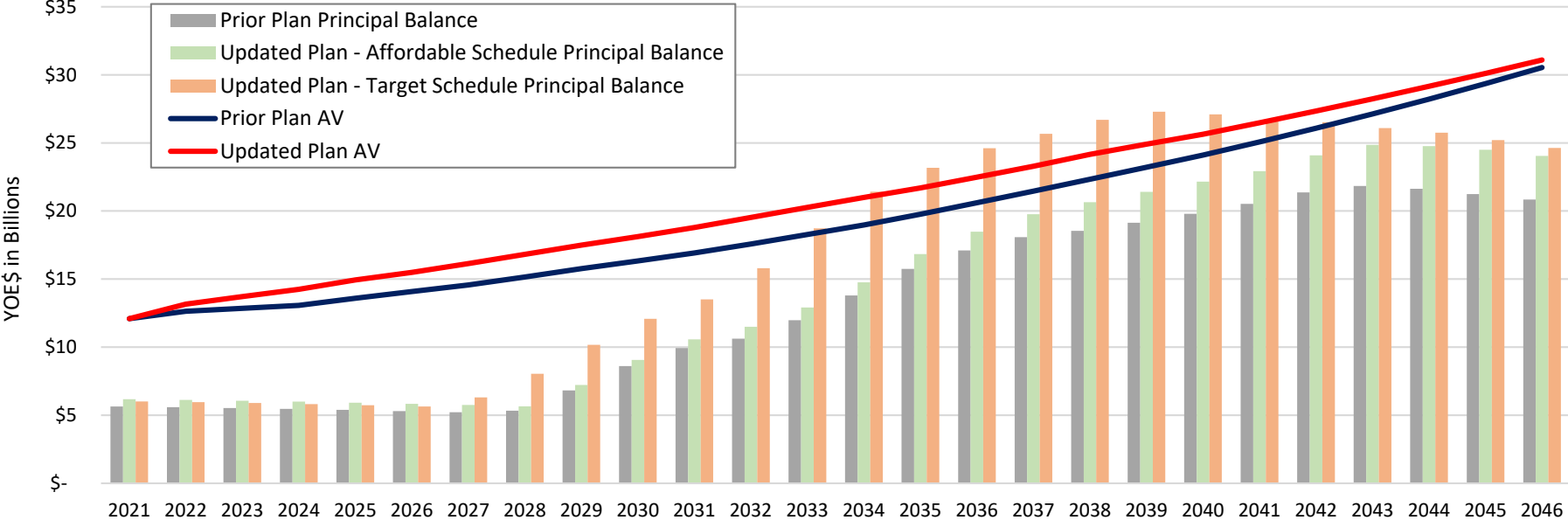


# *Basis for the Financial Plan*

1. Financial Plan projections are based on affordable schedules approved in realignment
  - Staff continue to manage projects with focus on achieving target schedules
2. October updates include tax revenue, fare revenue, project inflation, operating expenditures, and debt issuance
3. Next steps in early 2022: Annual Program Review and continuing work to meet target schedules

***Realigned Financial Plan (affordable schedule) remains affordable.  
2022 Proposed Budget incorporated into Realigned Financial Plan.***

**Debt Capacity – Prior Plan to Updated Plan**



***Committee  
Recommendations***

# 2022 revenues and other financing sources: \$3.4 billion

<i>In \$Million</i>	2022 Proposed
Tax Revenues	2,258
Federal Grants	498
Fare Revenues	36
Investment / Misc.	31
TIFIA	615
<b>Total</b>	<b>\$3,438</b>

- Federal grants lower in 2022 due to CRRSAA /ARP funding in 2021
- Fare revenues assumed up with Northgate and as we begin to regain ridership
- Higher ORCA regional reimbursement
- TIFIA draws for OMFE in 2021 & Northgate in 2022

\*Numbers may not sum due to rounding.



# 2022 proposed expenditures: \$3.0 billion

Committee	Operations Budget (\$M)	Projects Budget (\$M)	Proposed 2022 Budget (\$M)
<b>Rider Experience &amp; Operations</b>			
Transit Operations	444		444
Non-System Expansion Projects		250	250
<b>System Expansion</b>			
System Expansion Projects (excl. Sys Exp - Other)*		2,095	2,095
<b>Executive</b>			
System Expansion - Other (i.e. Systemwide projects)		47	47
Leases	17		17
Debt Service on Bonds, TIFIA	157		157
Tax Fees, Contributions, Contingency	46		46
<b>Total</b>	<b>664</b>	<b>2,392</b>	<b>3,057</b>
Charges to transit modes		(21)	(21)
<b>Total Expenses &amp; Outlays</b>	<b>\$ 664</b>	<b>\$ 2,372</b>	<b>\$ 3,036</b>

Note: Numbers may not sum due to rounding.

\*Includes budget revision recommended by the System Expansion Committee on 9 Dec 2021 for NE 130<sup>th</sup> Infill Station.

# 2022 system expansion projects: \$2.1 billion

<i>In \$Million</i>	2022 Proposed
Link*	1,767
Souder	56
Regional Express	24
Stride	212
Tacoma Link	36
Other	47
<b>Total</b>	<b>\$2,142</b>

## Link

- East Link reaches substantial completion
- Four projects in full construction
- LRV Fleet Expansion

## Souder

- Puyallup Station reach substantial completion
- Souder Fleet Expansion

## Stride

- SR522 final design & ROW acquisitions
- I-405 prelim engineering & final design

## Tacoma Link

- Hilltop Tacoma commences service

Note: Numbers may not sum due to rounding.

\*Includes budget revision recommended by the System Expansion Committee on 9 Dec 2021 for NE 130<sup>th</sup> Infill Station.

# Non-system expansion projects: \$250 million

<i>In \$Million</i>	2022 Proposed
Enhancements	48
State of Good Repair	70
Administrative	132
<b>Total</b>	<b>\$250M</b>

\*Numbers may not add correctly due to rounding.

- **ENH:** 11 new projects added; increase driven by SeaTac Airport 2<sup>nd</sup> Elevator beginning construction; HVAC Corrections planning and design for new system; Link At Grade feasibility study contract
- **SOGR:** 14 new projects added; increase driven by Sounder Overhaul; DSTT Capital Improvements beginning construction activities upon receipt of ownership; Vertical Conveyance Program beginning design for Auburn, Kent and Everett Stations
- **ADMIN:** Increase driven by IT program continuing to make progress on existing scope and initiating new requests for 2022; Agency Administration Operating

# 2022 transit operations by mode: \$444 million

<i>In \$Million</i>	<b>2022 Proposed</b>
Link	201
ST Express	151
Souder	81
Tacoma Link	11
<b>Total</b>	<b>\$444</b>

- Link: full year of Northgate service
- ST Express: increase in platform hours to accommodate ridership demand and increase in fuel rate
- Souder: recovery of South trips, increase in fuel rate, maintenance, and vehicle overhaul
- Tacoma Link: Tacoma Hilltop service begins

\*Numbers may not sum due to rounding.

# 2022 budget and Transit Improvement Plan recommendations

## Long-Range Financial Plan Projections 2017 - 2046

- Including Sound Move, ST2, and ST3 sources and uses through 2046

## Transit Improvement Plan to 2027

- Board-approved costs for active projects through 2027

## Budget 2022



- Annual revenue, financing sources and expenditures for 2022

# 2022 Transit Improvement Plan: \$22.2 billion

## Board-approved costs for active projects

Committee (in millions)	2021 TIP**	Changes	Proposed 2022 TIP
<b>Rider Experience &amp; Operations</b>			
Non-System Expansion Projects	2,380	317	2,696
<b>System Expansion</b>			
System Expansion*	18,492	438	18,930
<b>Executive</b>			
System Expansion - Other	597	12	609
<b>Total</b>	<b>\$21,469</b>	<b>\$767</b>	<b>\$22,235</b>

Note: Numbers may not sum due to rounding.

\*Excludes System Expansion – Other (i.e. systemwide projects)

\*\* 2021 TIP includes approved Oct 2021 Board action on NE 130<sup>th</sup> Infill Station.

*Thank you.*



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