

2022 Proposed Budget

Rider Experience and Operations Committee

11/04/2021



Why we are here

Today we are here to provide information

- **Summary of the 2022 proposed agency budget**
- **Briefing on budget sections within Committee purview:**
 - Transit operations budget
 - State of good repair (SOGR) projects
 - Enhancement projects
 - Administrative projects

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, Stride, and ST Express
Executive	<ul style="list-style-type: none">• System expansion projects – other (programs)• Debt service and other costs
Finance and Audit Committee	Other committees recommend budget to FAC; FAC recommends to Board

2022 Proposed Budget

2022 revenue and other financing sources: \$3.4 billion

<i>In \$Million</i>	2021 Forecast	2022 Proposed	% Change
Taxes	2,124	2,258	6%
Federal Grants	793	498	(37)%
Fare Revenues	20	36	79%
Investment / Misc. Revenues	27	31	18%
Subtotal	\$2,964M	\$2,823M	(5)%
TIFIA	87	615	NA
Total	\$3,051M	\$3,438M	13%

- Primarily higher retail sales and use tax
- 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

Note: Numbers may not add correctly due to rounding.

2022 proposed expenditures: \$3.0 billion

<i>In \$million</i>	2021 Forecast	2022 Proposed
Projects	2,204	2,365
Transit Operating	368	444
Debt Service & Other	199	220
Total	\$2,770	\$3,029

Other includes debt service, tax collection & fees, contributions to partner agencies, operating leases, and operating contingency

Note: Numbers may not add correctly due to rounding.

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

REO budget review

- ***Transit operations budget***
- ***Project budgets***

Transit operations budget

Transit operating cost growth breakdown

\$M	2021 Forecast	2022 Proposed	Increase (\$)	Increase (%)
Transit Operating	\$368	\$444	\$77	21%

2022 budget is 21% growth over 2021 forecast

- Growth to support service expansion, 11%
- Service increase to accommodate 2022 ridership demand and cost escalation due to inflation, 7%
- State of good repair and other maintenance, 2%
- Insurance, 1%

Service expansion related growth

11% or \$39M increase from 2021 forecast

- Full year of Northgate and Tacoma Hilltop (beginning service 2Q 2022) represent about 70% of \$39M increase
- Agency support costs for service expansion and preparation for East Link represent about 18% of \$39M increase
- ORCA inter-local costs represents about 8% of \$39M increase
- Maintenance for an additional 11 Sounder vehicles expected to arrive in 2022, represents about 5% of \$39M increase

Inflation and increase in service

7% or \$26M increase from 2021 forecast

- ST Express: assumed an increase of 23,600 platform hours in 2022
- Sounder: increase Southbound trips from 9 to 13 daily weekday roundtrips
- Link: maintain Northgate Link service levels of 8 min rush hour, 10 min midday, 15 min early morning/late evening with longer trains
- Cost escalation due to inflation

SOGR and other costs

3% or \$12M increase from 2021 forecast

- State of Good Repair and Maintenance
 - Facilities maintenance – i.e. pressure washing, re-painting stripes in garages, paint and wall maintenance, etc.
 - Full year of OMFE facility maintenance costs
- Insurance
 - Increase in value of ST's property assets
 - Rising insurance costs in rail industry

Summary by mode

<i>In \$Million</i>	2021 Forecast	2022 Proposed
Link	163	201
ST Express	136	151
Sounder	63	81
Tacoma Link	6	11
Total	\$368	\$444

- Link: full year of Northgate service
- ST Express: increase in platform hours to accommodate ridership demand
- Sounder: recovery of South trips, maintenance, and vehicle overhaul
- Tacoma Link: Tacoma Hilltop service begins
- All modes: cost escalation due to inflation and agency support costs

Note: Numbers may not add correctly due to rounding.

Project budgets

2022 projects budget: \$2.4 billion

Reflects Board realignment resolution

<i>In \$million</i>	2021 Forecast	2022 Proposed
System Expansion	2,057	2,135
Enhancements	22	48
State of Good Repair	28	70
Administrative	112	132
<i>Less charges to Transit Operating</i>	<i>(15)</i>	<i>(21)</i>
Total	\$2,204	\$2,365

Note: Numbers may not add correctly due to rounding.

OPS managed projects

In \$Millions	2021 Forecast	2022 Proposed
Enhancements	6.1	20.1
SOGR	23.7	58.0
Administrative	1.6	2.6
Total	\$31.3	\$80.7

Note: Numbers may not add correctly due to rounding.

Major 2022 Projects

Enhancement Portfolio:

- \$3.9M SeaTac Second Elevator
- \$3.5M HVAC Corrections
- \$2.8M DT Seattle & Regional Mobility Improvements

SOGR Portfolio:

- \$13.3M DSTT Capital Improvements
- \$10.5M Sounder Vehicle Overhaul Program
- \$5.9M Vertical Conveyance Program

Administrative:

- \$2.6M Admin Facilities

IT managed projects

In \$Millions	2021 Forecast	2022 Proposed
Enhancements	8.5	12.3
SOGR	2.6	11.8
Administrative	3.5	5.4
Total	\$14.6	\$29.4

Note: Numbers may not add correctly due to rounding.

Major 2022 Projects

Enhancements:

- \$9.4M Digital Passenger Info System
- \$2.9M Database Management Program (New)

SOGR:

- \$5.0M Network Redesign Program (New)
- \$4.7M IT Tech Infrastructure
- \$0.9M Info Sec Mitigation Program (New)
- \$0.9M ERP Research (New)
- \$0.4M Hub Intranet Replacement

Administrative:

- \$5.4M IT Tech Program

Portfolio Services Office managed projects

In \$Millions	2021 Forecast	2022 Proposed
Enhancements	2.0	8.4

Major 2022 Projects

- \$2.8M Link At Grade
- \$2.5M Central Link Fiber Upgrade (New)
- \$2.3M Engineering Standards Update
- \$0.8M Noise Abatement

Note: Numbers may not add correctly due to rounding.

Passenger Experience managed projects

In \$Millions	2021 Forecast	2022 Proposed
Enhancements	2.9	2.2
SOGR	0.0	0.1
Total	\$2.9	\$2.3

Major 2022 Projects

Enhancements:

- \$0.4M Signage Improvements
- \$1.0M Fare Paid Zone
- \$0.5M Link Line Renaming
- \$0.4M Station Codes

SOGR:

- \$0.1M PXO Opex SOGR Program (New)

Note: Numbers may not add correctly due to rounding.

Other managed projects

In \$Millions	2021 Forecast	2022 Proposed
Administrative	106.5	123.8
Enhancements	1.8	4.9
SOGR	2.1	0.6
Total	\$110.4	\$129.3

Note: Numbers may not add correctly due to rounding.

Major 2022 Projects

Administrative:

- \$122.8M Agency Admin Operating

Enhancements:

- \$1.7M Bike Parking Program
- \$0.5M Parking Management Prog
- \$1.0M Video Mgmt System Upgrade
- \$0.8M SODO MLK Hazard Mitigation
- \$0.3M Pine Street Stub Security (New)
- \$0.5M Sounder At Grade

SOGR:

- \$0.4M Bellevue Rider Service Center

***Budget timeline
and next steps***

Potential budget adjustment needed in 2022

Mid year budget adjustment may be requested from the Board:

- Increased service to meet higher ridership demand
- Continued COVID-related cost increases
- Adjustment to projects resulting from Annual Program Review

Timeline

October – budget and Financial Plan kickoff

- **10/28** – Board Meeting – Overview of Long-Range Financial Plan projections and budget

November – budget overview and property tax levy approval

- **11/4** – Executive Committee – budget overview
- ➔ **11/4** – Rider Experience and Operations Committee – budget overview
- **11/4** – Public hearing – budget and property taxes
- **11/10** – System Expansion Committee – budget overview
- **11/18** – Board Meeting – request for approval of the property tax levy

Timeline continued

December – budget recommendation and approval

- **12/2** – Rider Experience and Operations Committee – recommends to FAC
- **12/9** – Executive Committee – recommends to FAC
- **12/9** – System Expansion Committee – recommends to FAC
- **12/16** – Finance and Audit Committee – recommends to Board
- **12/16** – Board – adoption of the Proposed 2021 Budget and Transit Improvement Plan

Thank you.



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