

2023 Proposed Budget

Executive Committee

12/08/22

Why we are here

Request that the committee:

Recommend the portions of the proposed 2023 budget and Transit Improvement Plan (TIP) under purview to advance to the Finance and Audit Committee

- System Expansion – Other (i.e. systemwide projects)
- Debt Service and Other

2023 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 2028

- Board-approved costs for active projects through 2028

Budget 2023

- Annual revenue, financing sources and expenditures for 2023

2023 Proposed Budget

<i>In \$million</i>	<i>2022 Forecast</i>	<i>2022 Budget*</i>	<i>2023 Proposed</i>
PROJECTS			
System Expansion	1,950	2,154	2,099
Non System Expansion	184	205	270
<i>Enhancement</i>	31	44	62
<i>State of Good Repair</i>	32	46	77
<i>Administrative</i>	132	133	159
<i>Less Charges to Transit Modes</i>	(12)	(18)	(27)
TRANSIT OPERATING & OTHER			
Transit Operating	384	433	500
Other**	198	230	205
Total	2,717	3,022	3,075

*2022 budget includes budget adjustments via Board actions and R2020-24 Budget Policy Section 3.4.2.

**Other includes debt service, tax collection & fees, contributions to partner agencies, operating leases, non-operating expenses, and operating contingency.

Note: Numbers may not add correctly due to rounding.

Annual budget for system expansion – other

In \$million	2022 Forecast	2022 Budget	2023 Proposed
Other System Expansion	44	47	37

- **Transit System Access:** Continued execution of awarded projects by local jurisdictions.
- **STart Programs:** Fabrication/Installation for Lynnwood and East Link artwork along with fabrication of FWLE artwork.
- **Innovation and Technology Program:** Continue development of passenger facing technologies.
- **Transit Oriented Development (TOD) Planning Program:** Planning and implementation at TOD sites, such as those in Seattle, Federal Way, Kent, Redmond, Lynnwood, and Bellevue.

Annual budget for debt service and other

<i>In \$million</i>	<i>2022 Forecast</i>	<i>2022 Budget</i>	<i>2023 Proposed</i>
Debt Service	134	157	144
Tax Collection & Fees	22	29	24
Leases	17	17	17
Contributions to Other Governments	5	5	5
Agency Contingency*	21	21	14
Lakewood to Dupont	(0)	1	1
Total	198	230	205

Note: Numbers may not add correctly due to rounding.

**Operating Contingency budget is equivalent to 2.0% of proposed operating budget.*

- Debt service includes principal repayment, interest expense and financing expenses
- Tax collection fees to WA DOR for rental car and sales & use taxes; DOL for MVET collection
- Sales & use tax offset fee based on 3.25% of eligible construction costs for FWLE and DRLE
- Partner contributions: First Hill Street Car payment to the City of Seattle

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TIP: System Expansion – Other

<i>In \$million</i>	2022 TIP	Changes	2023 TIP
Existing project without changes	605	-	605
Existing project with changes	4	0	4
New Projects	-	-	-
Proposed Total	609	0	609

*Numbers may not add correctly due to rounding.

Change:

- Environmental Remediation

Timeline

October – budget and Financial Plan kickoff

- **10/27** – Board Meeting – Overview of Long-Range Financial Plan projections and budget

November – budget overview and property tax levy approval

- **11/3** – Public hearing – budget and property taxes.
- **11/3** – Executive Committee – budget overview and property tax levy
- **11/3** – Rider Experience and Operations Committee – budget overview
- **11/10** – System Expansion Committee – budget overview
- **11/17** – Board Meeting – request for approval of the property tax levy

Timeline continued

December – budget recommendation and approval

- **12/1** – Rider Experience and Operations Committee – recommends to FAC
- ➔ **12/8** – **Executive Committee** – recommends to FAC
- **12/8** – System Expansion Committee – recommends to FAC
- **12/15** – Finance and Audit Committee – recommends to Board
- **12/15** – Board – adoption of the Proposed 2022 Budget and Transit Improvement Plan

Thank you.



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