FY 2022/2023 Draft Budget
May 18, 2022
FY 23 Budget Components

- SMART Overview
- Budget Overview
- Revenues
- Expenditures
- Freight
- Carryforward
- Reserves
- Next Steps
SMART Overview

• Board adopted Vision, Mission, Objectives, and Values

• Held 4 Listening Sessions
  • 193 participants on Zoom
  • 1,004 took a survey
  • 60 sent emails

• Will assist in developing goals, strategies, and measurements

• Will direct future budgets
Budget Overview

Funding

• Sales Tax – Almost 10% higher than FY 22

• Federal Funds - $8.7 million
  • ARP Discretionary
  • 5307

• Grant Funds for Construction
  • Sonoma County Pathway Gap projects
  • Payran to Lakeville – Quick Strike funds
Budget Overview

Expenditures

- Salaries
  - Changed methodology
- Added 4 ½ positions
- Upgraded Assistant Engineer to Senior Engineer

Operating Budgets

- $1.1 million less than FY 22 (6%)
Budget Overview

Projects/ Programs

• $1.425 million planning projects
• $0.883 million for environmental projects
• $4.5 million for State of Good Repair
• $15.4 million for new capital
• $2 million for match

Reserves

• $0.500 million for OPEB/ Pension Liability
• $2 million capital asset replacement
Budget Overview - Freight

Revenues
• $5.5 million

Expenditures
• Salaries & Benefits - $0.786 million
• Operations - $0.979 million
• Capital Repair & Replacement - $2.2 million
Revenue

Fiscal Year 23 Revenues

- Sales Tax: 58%
- State: 24%
- Federal: 14%
- Fares: 3%
- Other: 1%
Revenues

Sales Tax

• Largest funding source (58%)
• Estimated to generate $51.6 million in FY 23
  • MuniServices most recent forecast
• Expires in FY 29

State Grants

• 2\textsuperscript{nd} largest funding source (24%)
• 4 programs are reoccurring formula funds
• Other funds available on application / project specific basis
• Includes $11.5 million for pathway construction
Revenues

Federal Funds
- 3rd largest funding source (14%)
- 5307 funds, ARP Discretionary, and Quick Strike grant

Fare Revenues
- Estimated at $2.3 million
- Assumes current fare structure continues through FY 2023
- Dependent on ridership and fare revenue policy

Parking
- Assumed no fees for parking through FY 23
Expenditures

Operations

• Includes funding and personnel for 36 weekday trips and 12 trips on Saturday and 12 trips on Sunday

• Salaries & Benefits is largest percentage of cost (73%)

• Service & Supplies is 23% of cost

• Largest cost line item is fuel – increased due to cost of fuel not necessarily quantity
Expenditures

Administration

• Includes Human Resources, Information Systems, Finance, Accounting, Procurement, Legal, Real Estate, Planning, and Communications & Marketing
  • Addition of 4 FTEs
• Opposite of Operations - Salaries & Benefits is 34% and Service & Supplies is 66%
• Largest line item is Insurance 26% of total service & supplies

Debt Service (not included in pie chart):
  • $15.6 million in FY 22
Expenditures

Engineering/ Capital Programs

- Largest expense is salaries & benefits (79%)
  - Upgrade an Assistant Engineer to Senior Engineer
- 80% of salaries & benefits charged to projects
FY 23 Non-Capital Expenditures

Planning Projects

- Onboard Survey
- Pathway Wayfinding
- Corridor Level Service Planning Study (Grant Funded)

Environmental Projects

- Mira Monte Mitigation
- Riparian Mitigation
- San Rafael Creek
- Las Gallinas Riparian Enhancement & Monitoring
FY 23 Capital Expenditures

Pathways

- Sonoma County Gap Pathway Project (Grant Funded)
- Payran to Lakeville (Grant Funded)
- Design & Permitting Pathways in Marin and Sonoma Counties

Expansion

- Windsor project on hold
  - Pending resolution of RM3 court case
  - Currently seeking other funding sources to complete
FY 23 Capital Expenditures

State of Good Repair (SOGR)
  • Track, MOW, & Facilities
  • Safety & Security
  • DMUs
  • Bridges
  • Other Construction
  • Information Technology
  • Non-Revenue Vehicles
  • Equipment

Match
  • Match for grants that are being pursued
Freight - Revenues

State Grants
• $4 million for operations/maintenance/repairs
• $206,000 for Blackpoint Bridge

Freight Fees
• $1.1 million freight movement fees
• $0.092 million freight storage fees

Leases
• $0.146 million
Freight - Expenditures

Salaries
- $0.786 million
- 6 FTE

Service and Supplies:
- $0.979 million
- Largest issue is condition of assets

Capital and State of Good Repair:
- $2.2 million
- Blackpoint Bridge
- SH 37 Grade Crossing
- Brazos Branch Bridges
- Brakes
- PTC
Carryforward Funds/ Expenditures

Carryforward

• Projects or programs not completed or spent in FY 22

• Working on projected carryforward

• Will change once year end information is known

• Will be updated in FY 23 amended budget after the financial audit is completed and actual numbers are known
Reserves and Estimated Fund Balance

Reserves

- **Pension Liability Reserve** – Contributing $500,000 in FY 23. Balance will be $4,074,676

- **Equipment Reserve** – Contributing $2 million in FY 23. Balance will be $9,625,000

- **Corridor Completion Reserve** – Not contributing anything additional in FY 23. Balance is $7,000,000

- **Operating Reserve** – Current policy is 25% of operations or minimum of $10 million
Next Steps

• Draft Budget out for public review and comment
  • Comments due Friday, June 3rd

• Final Budget presented at June 15th Board meeting
  • List of comments will be provided to the Board
  • Any changes from draft budget will be noted

• Board approved budget effective July 1, 2022
QUESTIONS?
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