



BOARD OF DIRECTORS BUDGET PRESENTATION

Revised June 6, 2018

OVERVIEW

- NEW BUDGET FORMAT:
- Budget Includes Year-End Report Fiscal Year 2017-18 and Proposed Fiscal Year 2018-19
 - » Executive Summary:
 - Overview of Current Year-End and Proposed New Fiscal Year
 - » Budgets for Each Department, Current and New Fiscal Year
 - Administration
 - Capital
 - Operations
 - » Updated Position Authorizations

SUMMARY

First Year of Service Underway: Costs and revenues are better defined and generally consistent with Board-approved budget

- Fare Revenue receipts as expected, State Revenue significant
 - » Fare & parking revenue Fiscal Year 2018-19: \$3.6 million
 - » State SB-1 related funding: \$6.7 million in FY 2018-19
- Healthy Reserves Remain at the Close of Proposed FY 2018-19 Budget
 - » \$17 million: Agency Reserve
 - » \$4.99 million: Fund Balance for Capital Needs

SUMMARY

FISCAL YEAR-END 2017-18 : Sources and Uses of \$83.1 million

- Revenues:
 - » Overall increase of \$11.8 million
 - » No change In Sales Tax
 - » Increased State Grants for Operations
 - » Shift in Grant Funding Mix to match project
 - » One-time property-related revenue increases

- Expenses:
 - » Overall decrease of \$3 million
 - » Shift in payments to vehicle manufacturer
 - » Shift in Larkspur construction schedule
 - » Savings in professional services, fuel and other savings

SUMMARY

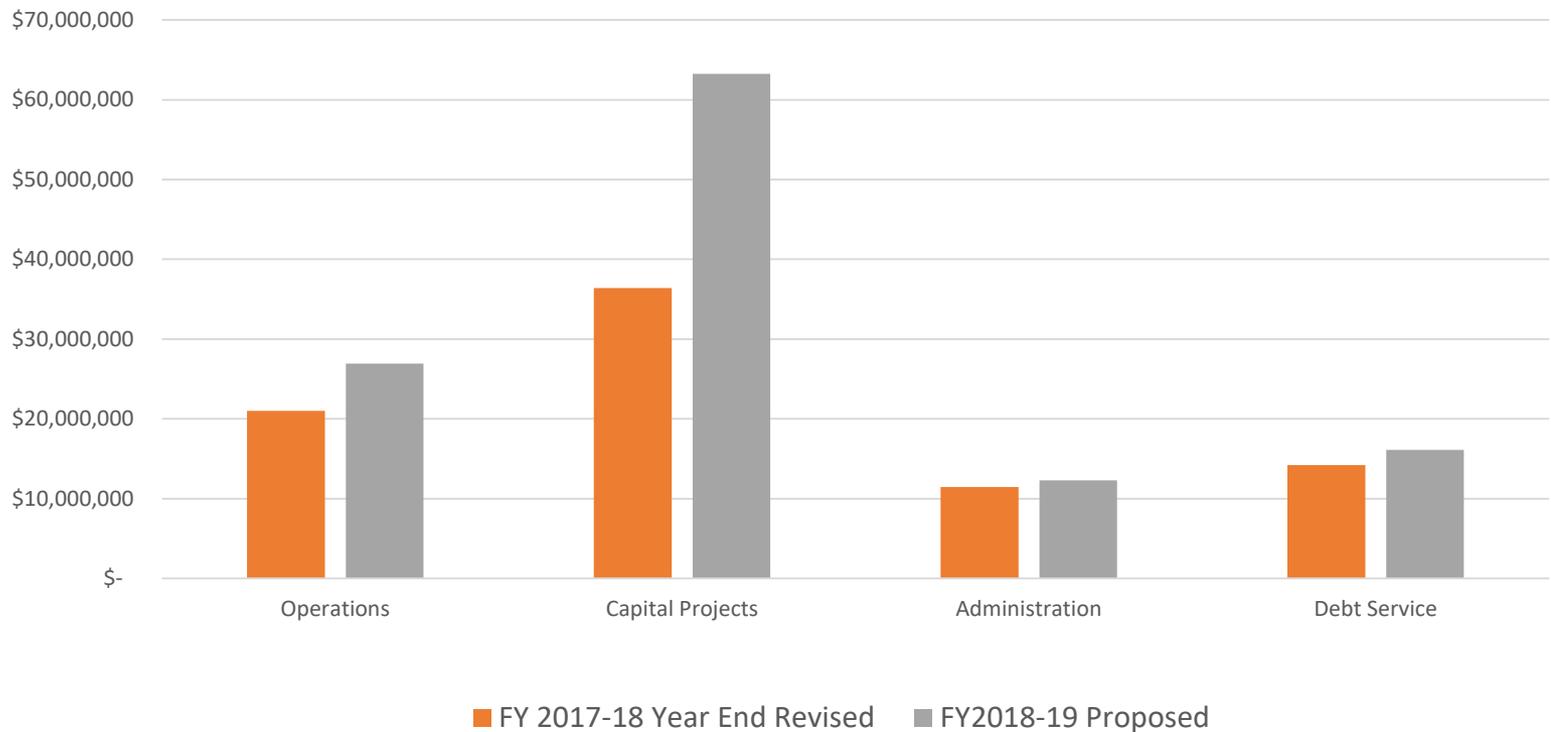
PROPOSED FISCAL YEAR 2018-19: Sources and Uses of \$113.7 million

- Revenues:
 - » Overall increase of \$23.2 million, primarily grant revenue
 - » Projecting 3% Sales Tax growth
 - » Increased State Grant funding tied to Operations of \$3 million
 - » Drawdown of \$24.2 million fund balance for Phase 1 (IOS), one-time operating equipment, operations staffing

- Expenses:
 - » Overall increase of \$35.5 million proposed
 - » Primarily tied to Capital Project activity
 - » Increased investment in equipment and operating staff

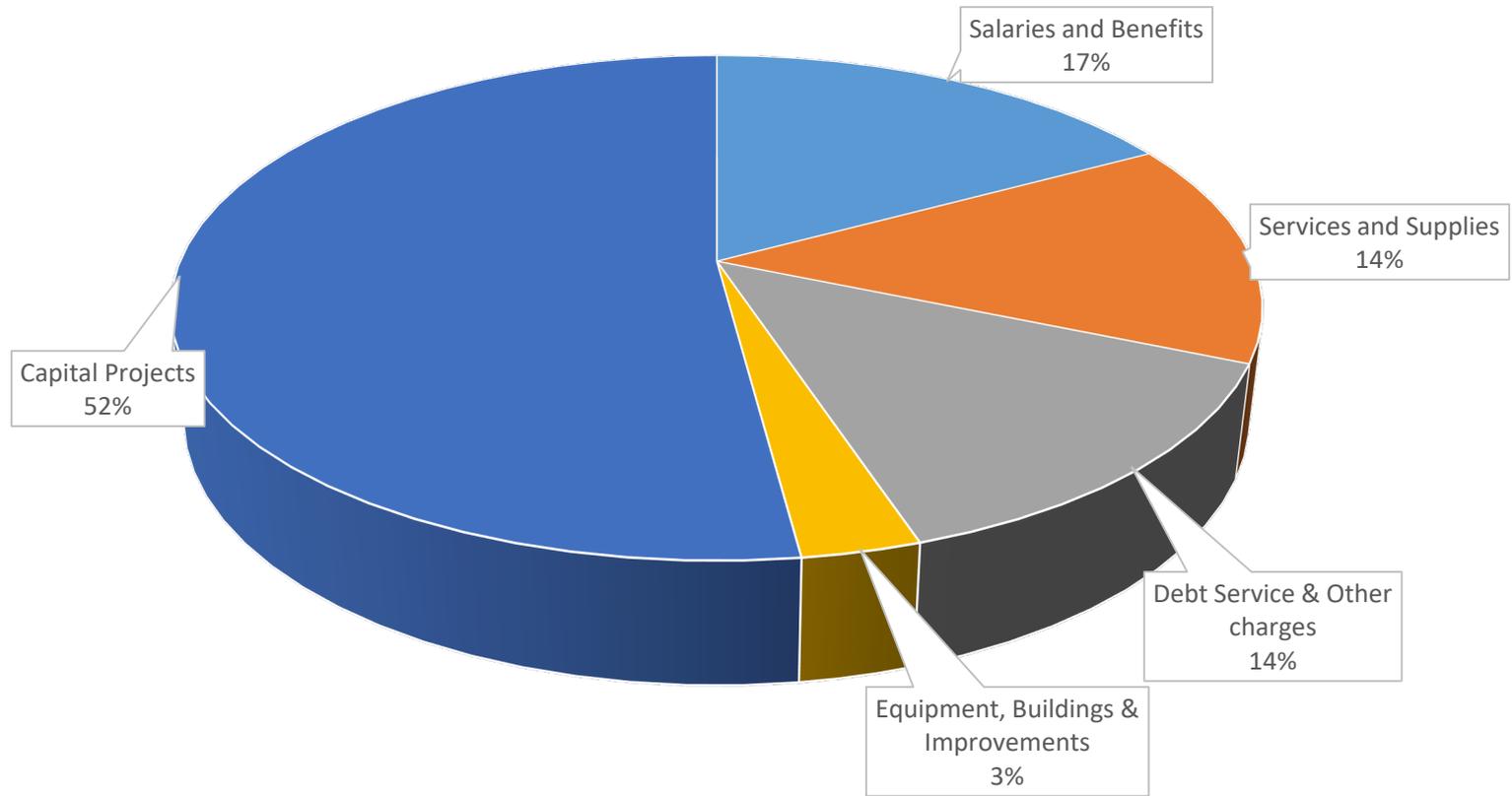
SUMMARY

Expenditures by Department:
FY 2017-18 Year-End FY 2018-19 Proposed



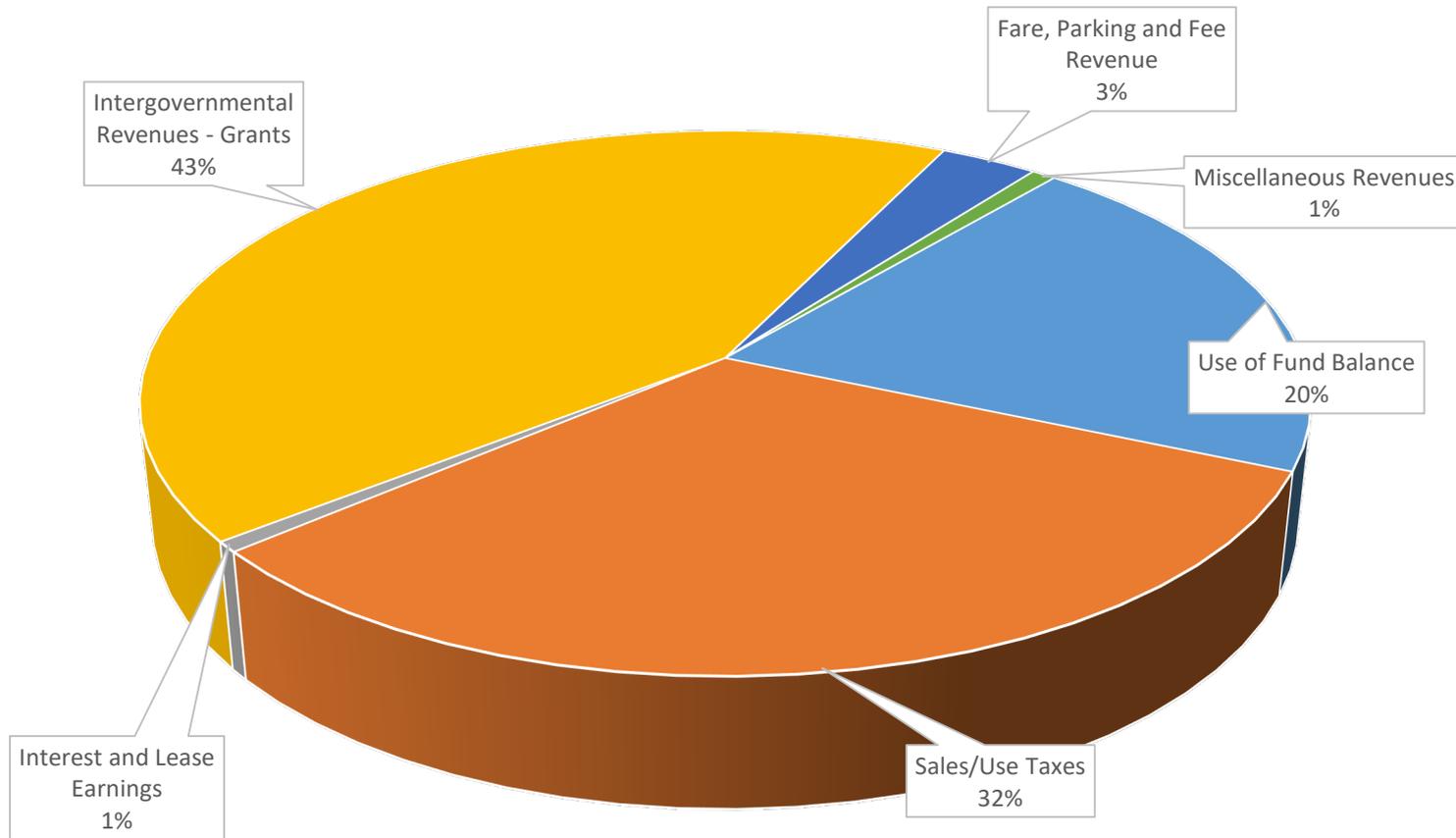
SUMMARY

Expenditures By Category
Fiscal Year 2018-19 Proposed
\$118.6 million



SUMMARY

Revenues By Category Fiscal Year 2018-19 Proposed \$118.6 million



ADMINISTRATION BUDGET

- **Fiscal Year 2017-18 Year-End**

- » Year End Expenses: Reduced by \$990,750 to \$25.7 million
 - No significant changes from Board approved items
- » Revenues: \$990,750 include one-time property sale revenues and reduced need for sales tax to fund Operations

- **Fiscal Year 2018-19 Proposed Budget**

- » Expenses: \$28.4 million
 - Includes debt service of \$16 million, increased \$1.9 million
 - Minimal increases in salary/benefits
- » Revenues: Funded with sales tax, revenues from property leases and sales

CAPITAL BUDGET

- **Fiscal Year 2017-18 Year-End**

- » Year End Expenses: Reduced by \$1.2 million to \$36.4 million
 - Shifts in Larkspur schedule and vehicle acceptance payments
- » Revenues: Increased \$8.6 million to \$24.3 million
 - Tied to reimbursable/grant funded work starting earlier

- **Fiscal Year 2018-19 Proposed Budget**

- » Expenses: \$63.3 million
 - Larkspur rail and path, 8 & 9th Vehicle sets, Payran pathway, closeout of Phase 1
- » Revenues: \$44.1 million
 - Funded with grants or cooperative agreements with other jurisdictions
 - Use of Sales tax fund balance of \$19 million as anticipated for final Phase 1 project costs, contingency funds for Larkspur

OPERATIONS BUDGET

- **Fiscal Year 2017-18 Year-End**

- » Year End Expenses: Reduced by \$877,567 to \$21 million
 - Fuel savings and contract savings due to startup date
 - Elimination of contingency
- » Revenues: Annual revenues \$21.2 million
 - Increased allocation of sales tax to operations, eliminated draw from fund balance
 - Increase in SB1-related operations funding to \$3.6 million
 - Slight increase in fare revenue to \$3.1 million

- **Fiscal Year 2018-19 Proposed Budget**

- » Expenses: \$26.9 million, \$5.9 million increase
 - Full year of services, fuel
 - Additions of staff annualized in the current year
 - Proposed addition of 11 new FTE
 - Significant capital equipment investments for wheel truing and equipment of \$2.8 million
 - Ballast restoration project of \$405,140
- » Revenues: \$21.9 million annual, \$5.1 million use of fund balance
 - Conservative increase of fare revenue to \$3.6 million
 - Significant increase in SB1-related revenue to \$6.7 million

POSITION AUTHORIZATION

Proposed Position Changes Fiscal Year 2018-19:

- » No new positions in Administration or Capital
- » Proposal to Add 11 Full-time employees to Operations:
 - One Administrative Assistant
 - Four Engineer Conductors
 - One Facilities Maintenance Technician
 - Three Laborers
 - Two Vehicle Maintenance Technician
- » Shift of One Safety Compliance Position from Operations to Administration
- » Minor changes as needed and detailed