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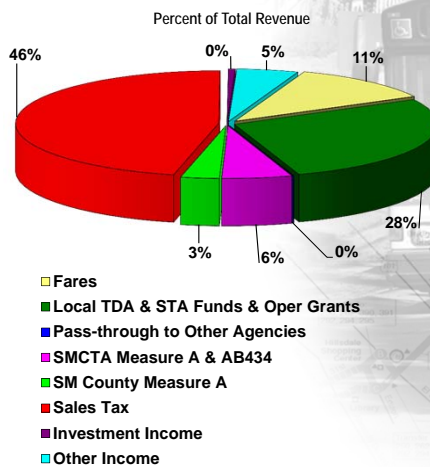
Preliminary FY2016 Operating Budget

Board of Directors
May 6, 2016
Finance Agenda Item #10

Revenues – FY2016 Preliminary Budget (in millions)

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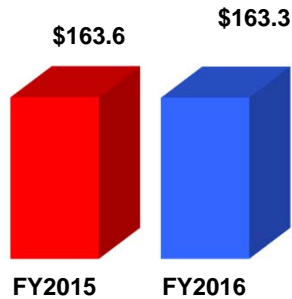
Fares	\$19.0
Local TDA & STA Funds, Operating Grants & AB434	45.2
Pass-through to Other Agencies	0.1
SMCTA Measure A	9.1
SM County Measure A	5.0
District Sales Tax	76.0
Investment Interest	0.9
Other Income	<u>8.0</u>
Total Revenues	\$163.3



Revenue Increase/(Decrease)

(in millions)

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Fares	\$0.6
Local TDA & STA Funds, Operating Grants & AB434	(2.6)
Pass-through	(0.3)
District Sales Tax	1.0
Other Income	<u>1.0</u>
Total	(\$0.3)

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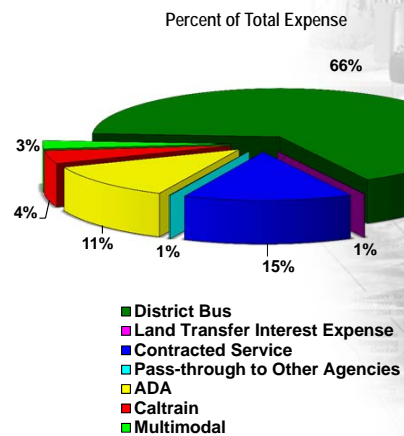
Preliminary Operating Expenses

(in millions)

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Motor Bus

District-operated	\$92.1
Contracted Service	20.2
ADA	16.7
Caltrain	6.1
Multimodal	3.8
Pass-through to Other Agencies	0.1
Land Transfer	<u>0.1</u>
Total	\$139.1

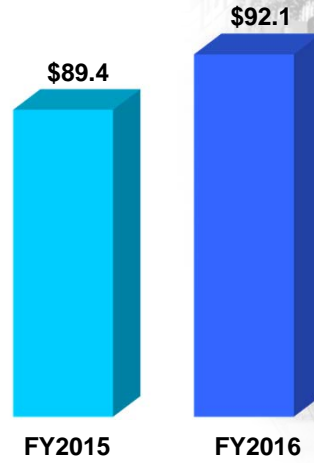


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District-operated Bus Expenses Increase/(Decrease) (in millions)



Wages & Benefits	\$1.6
Contracted Vehicle Maintenance	(0.1)
Professional Services	(0.4)
Technical Services	0.3
Other Services	0.5
Utilities	<u>0.8</u>
Total	\$2.7



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Contracted Service Expenses Increase / (Decrease) (in millions)



Contracted Urban Bus Service	\$1.2
Coastside Services	0.2
Other Related Costs	<u>0.1</u>
Total	\$1.5



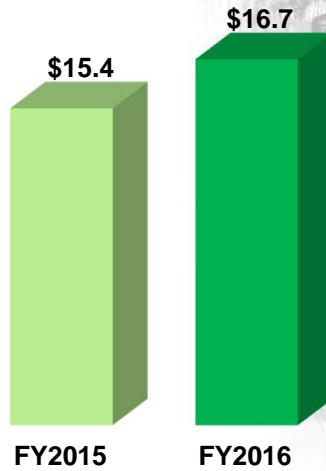
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ADA Program Expenses

Increase / (Decrease) (in millions)

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Elderly & Disabled/Redi-Wheel	\$0.5
Other Related Costs	0.1
ADA Accessibility Support	0.5
Coastside ADA Support	<u>0.2</u>
Total	\$1.3



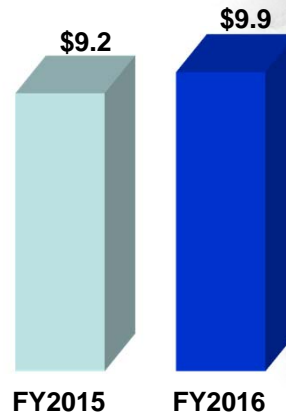
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Multimodal Transit Program Expenses

Increase / (Decrease) (in millions)

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Caltrain	\$(0.2)
Other Multimodal Programs	<u>0.9</u>
Total	\$0.7



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Preliminary FY2016 Operating Budget (in millions)

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Total Revenues	\$163.3
Total Expenses	(139.1)
Sales Tax Allocation – Capital	<u>(5.5)</u>
Operating Surplus	18.7
Debt Service Requirement*	<u>(21.7)</u>
Total Uses of Reserves	<u>(\$3.0)</u>

*(Debt Service for BART - \$12.7 million)

*(Refinanced the debt for an annual savings of \$2.8m)

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Strategic Plan Implementation

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Strategic Plan 2015-2019 adopted in December 2014

- Identified five goals for five years
- FY2016 budget has a number of items in it to further the goals of the Strategic Plan

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Increase weekday ridership by 15%

- Efforts to maintain service levels by filling vacant operator and mechanics positions
- Mechanics apprenticeship program
- Build on these activities to growth ridership through the continued implementation of the SSP

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Increase Fixed-Route Fare Revenue by 20%

- The efforts to increase ridership should lead to increased revenue as well
- Plan in FY2016 to seek public input on a major revision to fare policies and practices, with a goal of simplifying and and therefore increasing use
- Planned fare increases

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Reduce Annual Debt Service by \$1.5 million

- In April 2015, SamTrans finalized the reissuance of its debt, resulting in a savings of \$2.8 million annually

Improve Organizational Performance

- Support to improve internal communications
- New position focused on a wide range of employee professional development
- Funding to conduct a benchmark survey of employee satisfaction and attitudes

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Manage workforce change

- Efforts undertaken under improving organizational performance also support this
- Ongoing resources to support HR recruitments
- An employee compensation study to ensure that current and prospective employees compensation consistent with the market

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Issues and Opportunities

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- Significant steps have been taken in the past few years to reduce costs, undertake efficiencies and enhance services and revenues
- FY2016 budget builds upon this base with thoughtful expenses and prudent revenue assumptions
- The refinancing of the debt resulted in annual savings of \$2.8 million
- Use of \$3.0 million in reserves to balance the FY2016 budget – represents 1.8% of total budget

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Issues and Opportunities Cont.

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- Looking ahead five years, with the FY2016 preliminary budget as the base, SamTrans continues to face a structural deficit
- These range from \$3.0 million up to \$8.1 million back down to \$6 million in FY2020

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