

The logo for samTrans, featuring the text "samTrans" in a bold, sans-serif font. Below the text are two horizontal bars: a red one on top and a blue one on the bottom. The logo is set against a white background within a thin black border.

# Preliminary FY2018 Operating Budget

Board of Directors  
May 3, 2017  
Finance Agenda Item # 5

## FY18 Preliminary Budget

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### Discussion

- Key Assumptions
- Overview
- Revenues
- Expenses
- New FTE Request
- Potential Additional Expense Items
- Projected Unrestricted Fund Balance
- Next Steps

## FY18 Preliminary Budget – Key Assumptions

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- FY18 Projections reflect a fiscally constrained budget.
- Includes projected increases for both revenues and expenses related to Senate Bill 1 (SB1) and pro-rated effective Nov. 1, 2017.
- Diesel fuel costs per gallon includes increase from SB1 effective Nov. 1, 2017.
- Includes 5 new FTE positions necessary to meet existing needs.
- Does not include salary and wage increases

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## FY18 Preliminary Budget – Overview (in millions)

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	<u>FY2018 Preliminary Budget</u>	<u>Incr / (Decr) vs FY2017 Adopted Budget</u>
Sources of Funds – Total	\$172.5	\$0.1
Uses of Funds – Total	\$178.7*	\$5.9
Operating	147.3	2.2
Sales Tax for Capital	9.8	3.7
Debt Service	<u>21.7</u>	<u>0.0</u>
Project Surplus / (Deficit)	<u>(\$6.2)**</u>	<u>(\$5.9)</u>

\* Does not include any increases to salaries or wages

\*\*Deficit to be covered by Reserves

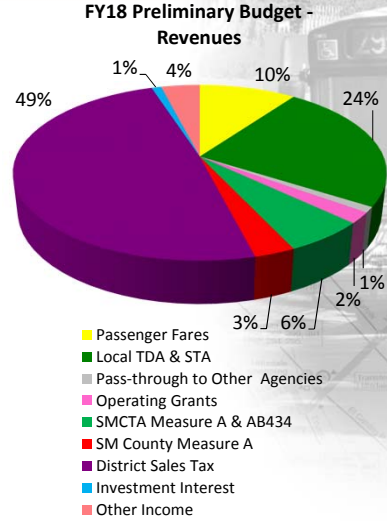
Note: Numbers may not foot throughout presentation due to rounding

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## FY18 Preliminary Budget – Revenues (in millions)

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	<u>FY18 Preliminary Budget</u>	<u>Incr / (Decr) vs FY17 Adopted Budget</u>
Passenger Fares	\$17.0	(\$2.5)
Local TDA & STA	42.0	(0.3)
Pass-through to Other Agencies	0.8	0.8
Operating Grants	4.4	0.4
SMCTA Measure A & AB434	9.7	(0.4)
SM County Measure A	5.0	0.0
District Sales Tax	84.7	1.7
Investment Interest	1.1	0.0
Other Income	<u>7.8</u>	<u>0.5</u>
<b>Total</b>	<b><u>\$172.5</u></b>	<b><u>(\$0.1)</u></b>

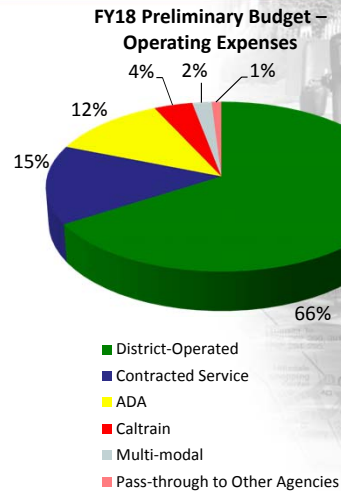


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## FY18 Preliminary Budget – Operating Expenses (in millions)

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	<u>FY18 Preliminary Budget</u>	<u>Incr / (Decr) vs FY17 Adopted Budget</u>
<b>Motor Bus</b>		
District-operated	\$97.9	\$0.9
Contracted Service	<u>21.6</u>	<u>0.7</u>
<b>Total Motor Bus</b>	<b>119.5</b>	<b>1.6</b>
ADA	18.4	0.2
Caltrain	6.2	(0.4)
Multi-Modal	2.2	0.1
Pass-through to Other Agencies	<u>0.8</u>	<u>0.7</u>
<b>Total</b>	<b><u>\$147.3</u></b>	<b><u>\$2.2</u></b>



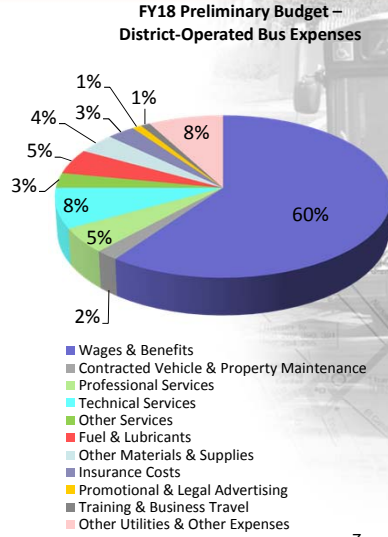
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## FY18 Preliminary Budget – District-Operated Buses Expenses

(in millions)



	<u>FY18 Preliminary Budget</u>	<u>Incr / (Decr) vs FY17 Adopted Budget</u>
Wages & Benefits *	\$58.7	\$0.5
Contracted Vehicle & Property Maintenance	2.4	(0.4)
Professional Services	4.6	(0.3)
Technical Services	7.6	0.5
Other Services	3.2	0.0
Fuel & Lubricants	5.1	(0.4)
Other Materials & Supplies	3.5	0.1
Insurance Costs	3.0	0.1
Promotional & Legal Advertising	0.9	0.4
Training & Business Travel	0.9	0.3
Other Utilities & Other Expenses	7.9	0.1
<b>Total</b>	<b><u>\$97.9</u></b>	<b><u>\$0.9</u></b>



\* Includes portions of 5 new positions

## FY18 Preliminary Budget – New FTE Requests



Includes 5 new FTE positions necessary to meet existing needs.

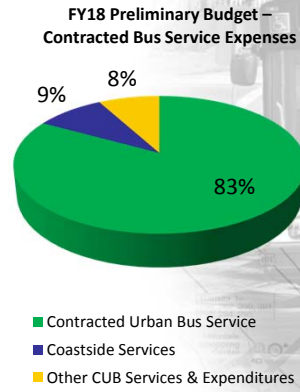
New Position Requests	Annualized Cost	FY18 Cost of SamTrans Operating
Market Development Contract Administrator	\$ 170,510	\$ 49,732
Associate Contract Officer	\$ 136,158	\$ 40,847
HR Specialist	\$ 120,447	\$ 120,447
ADA Coordinator	\$ 159,305	\$ 79,652
Human Resources Assistant	\$ 102,947	\$ 102,947
<b>TOTAL</b>	<b>\$ 689,367</b>	<b>\$ 393,625</b>

## FY18 Preliminary Budget – Contracted Bus Service Expenses



(in millions)

	<u>FY18 Preliminary Budget</u>	<u>Incr / (Decr) vs FY17 Adopted Budget</u>
Contracted Urban Bus Service	\$18.0	\$0.7
Coastside Services	2.0	(0.0)
Other CUB Services & Expenditures	<u>1.6</u>	<u>0.0</u>
<b>Total</b>	<b><u>\$21.6</u></b>	<b><u>\$0.7</u></b>



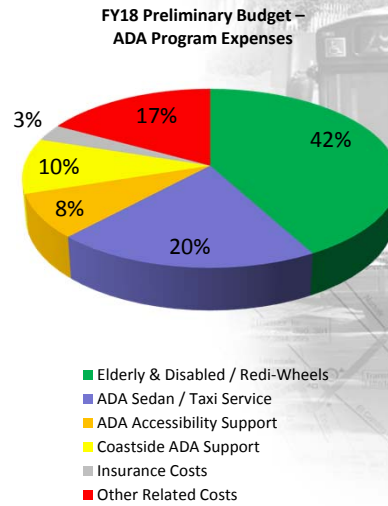
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## FY18 Preliminary Budget – ADA Program Expenses



(in millions)

	<u>FY18 Preliminary Budget</u>	<u>Incr / (Decr) vs FY17 Adopted Budget</u>
Elderly & Disabled / Redi-Wheels	\$7.7	\$0.4
ADA Sedan / Taxi Service	3.7	0.1
ADA Accessibility Support	1.5	(0.1)
Coastside ADA Support	1.9	0.2
Insurance Costs	0.6	0.0
Other Related Costs	<u>3.0</u>	<u>(0.4)</u>
<b>Total</b>	<b><u>\$18.4</u></b>	<b><u>\$0.2</u></b>



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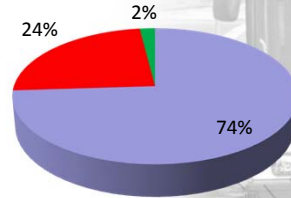
## FY18 Preliminary Budget – Multi-modal Transit Program Expenses



(in millions)

	<u>FY18 Preliminary Budget</u>	<u>Incr / (Decr) vs FY17 Adopted Budget</u>
Caltrain	\$6.2	\$(0.4)
SamTrans Shuttle	2.0	0.1
Maintenance Multi-modal	<u>0.2</u>	<u>0.0</u>
<b>Total</b>	<b><u>\$8.4</u></b>	<b><u>(\$0.3)</u></b>

FY18 Preliminary Budget – Multi-modal Transit Program Expenses



- Caltrain
- SamTrans Shuttle
- Maintenance Multi-Modal

## FY18 Preliminary Budget – Potential Additional Expense Items



### Potential Positions to meet District initiatives

- Multimedia and Video Specialist \$100K (50% SamTrans, 50% JPB)
- Mobility Outreach Coordinator \$100k (50% SamTrans, 50% JPB)

### Additional Contracted Service Expense

- Expanded service to address future service requests

### Office of Innovation

- Initiatives being developed by staff

## FY18 Preliminary Budget – Projected Unrestricted Fund Balance

(in millions)



FY18 Projected Unrestricted Fund Balance	<u>FY2018 Preliminary Budget</u>
Projected Beginning Fund Balance	\$100.3
Projected Surplus / (Deficit)	<u>(6.2)</u>
Projected Ending Unrestricted Fund Balance *	<u>\$94.1</u>

\* Debt Service Principal balance as of 6/30/17 is \$227 million

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## FY18 Preliminary Budget - Summary



- FY18 Preliminary Budget requires \$6.2M in Reserves
- Even with Healthy Reserves, Financial Position is not Sustainable
- Reserves projected to be exhausted around 2023 (see Attachment C)
- The SamTrans Business Plan will develop a comprehensive blueprint to help the Agency

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## Next Steps

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### Near Term

- Still refining new position requests
- Still refining revenue and expense projections
- June Board meeting, June 7th, 2017 Adopt Budget
- Staff developing a Reserve Policy

### Long Term

- SamTrans Business Plan