

The logo for samTrans, featuring the word "samTrans" in a bold, black, sans-serif font. Below the text are two horizontal bars: a red one on top and a blue one on the bottom. The entire logo is enclosed in a white rectangular box with a thin black border.

**samTrans**

The background of the slide is a blue-tinted photograph of a bus. The bus is viewed from a front-quarter angle. The number "295" is visible on the top right of the windshield, and "644" is on the front bumper area. The "samTrans" logo is partially visible on the side of the bus. The overall scene is slightly blurred, giving it a sense of motion or a candid shot.

# Preliminary FY 2022 Operating and Capital Budgets

**Board of Directors**

**May 5, 2021**

**Finance Item #5**

# FY2022 Budget Development Begins with FY2021 Rebaseline

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The development of the FY2022 Budget includes the results of an in-depth analysis of baseline expenses to ensure a sound and reasonable budget for FY2022 and beyond.

## Process:

- Detailed analysis of FY2018 – FY2020 Budget vs Actual
- Isolate expense lines where budget inconsistent with spend.

## Findings:

- Identified where budget consistently / significantly exceeded actual expense.
- Identified expense lines that could be converted to one-time budget requests requiring annual justification.
- Findings reviewed and vetted with Managers and Executive Team Members

## Trends:

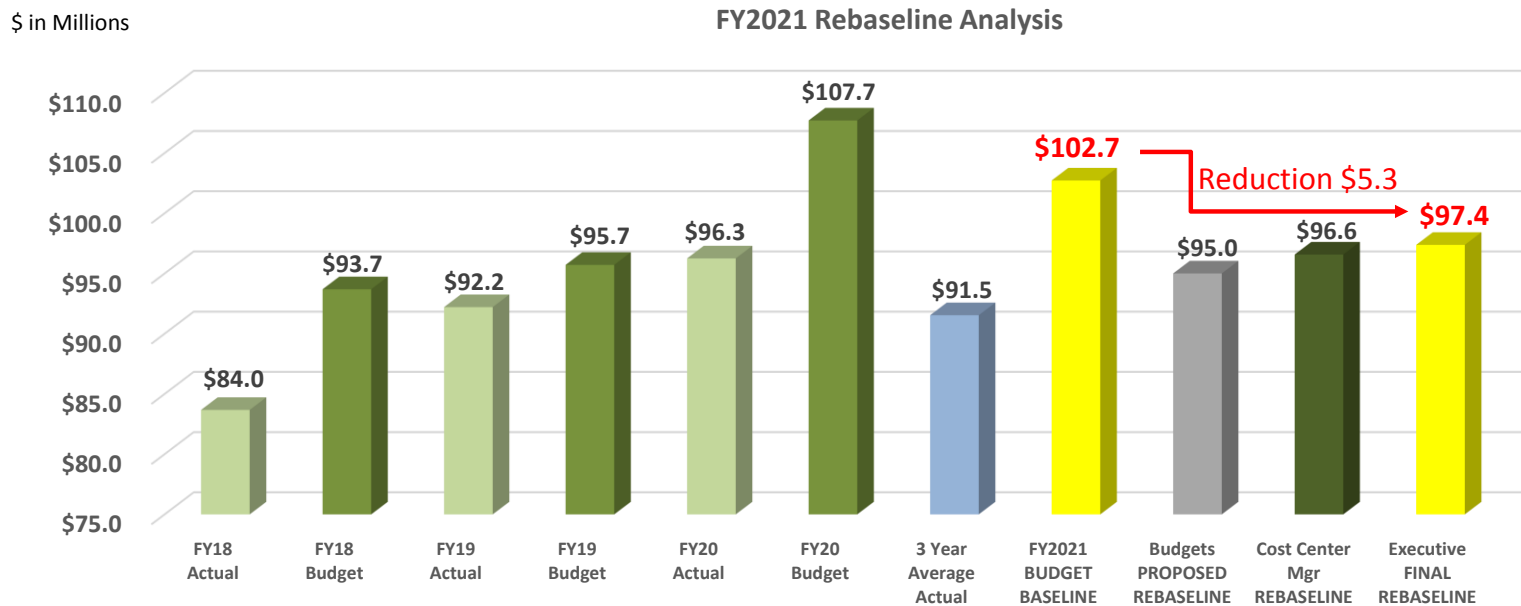
- A “Baseline Trend Ratio” was developed and used to calculate a suggested Rebaseline for all FY2021 non labor baseline expenses to refine roll forward to the FY2022 Budget. Note: COVID 19 pandemic impact in the 4th quarter of FY2020 was factored into the analysis.

# FY2021 Baseline Reduction



## Reviewed and Vetted:

- Budgets provided an initial version of the Baseline and provided a feedback mechanism for Cost Center Managers to justify requested modifications.
- Results were reviewed with Division Chiefs for final a Rebaseline based on their approval. Note: the final Rebaseline did not change the FY2021 Adopted Budget, however, it was used in the development of the FY2021 Forecast.



Note: Actuals and Budget FY2018 to FY2020 included One Time Project Expense

# FY2022 Preliminary Budget Assumptions



## Other FY2022 Budget Assumptions:

With the current rate of vaccine distribution and reopening of local businesses across San Mateo county, the FY2022 Budget assumes the significant negative impacts to the District from the COVID-19 pandemic will be substantially reduced in Fiscal Year 2022.

- Schools are re-opening in classroom instruction
- Reopening of all local area businesses
- End of pandemic is on the horizon; however safety will remain an important feature of operations going forward.

# Key Assumptions

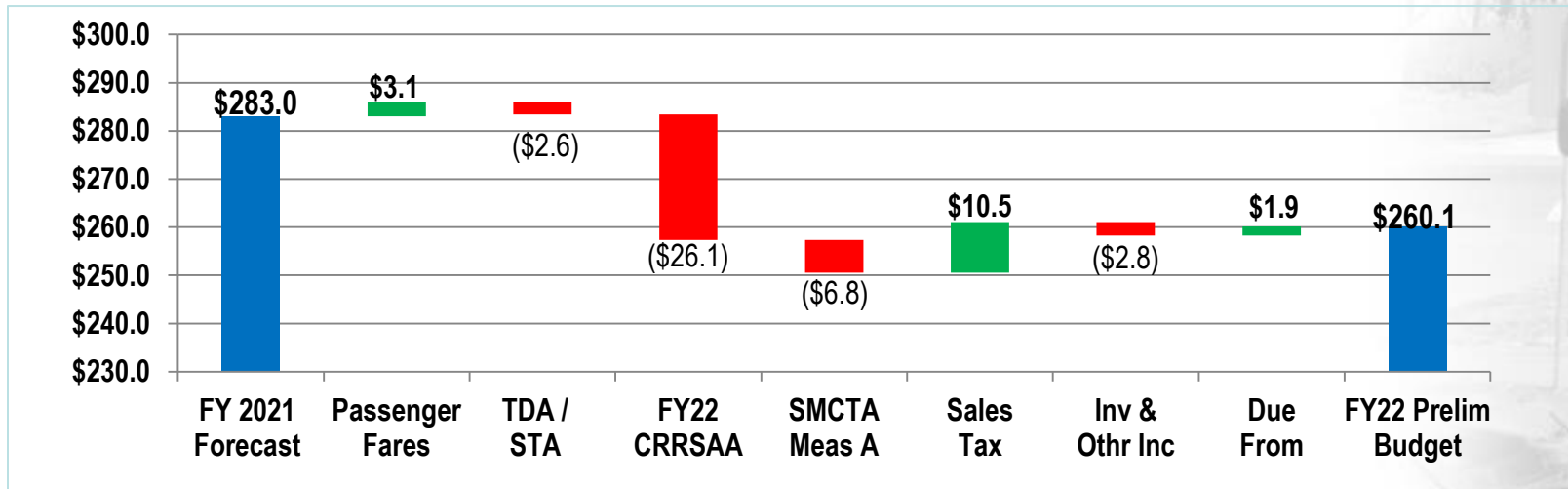
- **The FY2022 Budget assumes ridership is 50% of COVID levels vs FY2021 Forecast with recovery levels of 38% and 35% for Motor Bus and ADA respectively. Fare collection was resumed in Q2 FY2021.**
- **No Bus Operator hiring freeze assumed in FY2022, bus operator FTEs reflect current filled positions plus expected graduates from bus operator training classes offset by natural attrition throughout FY2022.**
- **No Hiring freeze on current open administrative positions; vacancy assumptions are based on expected hiring dates throughout FY2022.**
- **Diesel fuel costs assumes 64% hedged pricing and starting February 2022, conversion to RDB5 fuel from Ultra low Sulfur Fuel. The blended cost per gallon rate is \$1.98**
- **Various other expense increases as a result of operations trending back to Pre-COVID levels.**

# FY2022 Sources of Funds

\$ in Millions

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## Change in Sources of Funds FY2021 Forecast to FY2022 Preliminary Budget



| Sources of Funds             | FY2021 Forecast | FY2022 Prelim Budget | Chg              | % Chg        |
|------------------------------|-----------------|----------------------|------------------|--------------|
| Passenger Fares              | 5.1             | 8.2                  | 3.1              | 60.0%        |
| TDA and STA                  | 45.1            | 42.5                 | (2.6)            | -5.8%        |
| FY22 CRRSAA (FY21 CARES ACT) | 42.1            | 16.0                 | (26.1)           | -61.9%       |
| SMCTA Meas A                 | 10.6            | 3.8                  | (6.8)            | -64.3%       |
| Sales Tax                    | 131.6           | 142.1                | 10.5             | 8.0%         |
| <sup>1</sup> All Other       | 16.5            | 13.7                 | (2.8)            | -16.8%       |
| <sup>2</sup> Due From        | 32.0            | 33.8                 | 1.9              | 5.9%         |
| <b>Total Revenues</b>        | <b>\$ 283.0</b> | <b>\$ 260.1</b>      | <b>\$ (22.9)</b> | <b>-8.1%</b> |

<sup>1</sup> Includes Operating Grants, AB434, Shuttles, Investment & Rental, Advertising and Other Income

<sup>2</sup> Includes Due From JPB, TA, JPA, and SamTrans Capital W&B

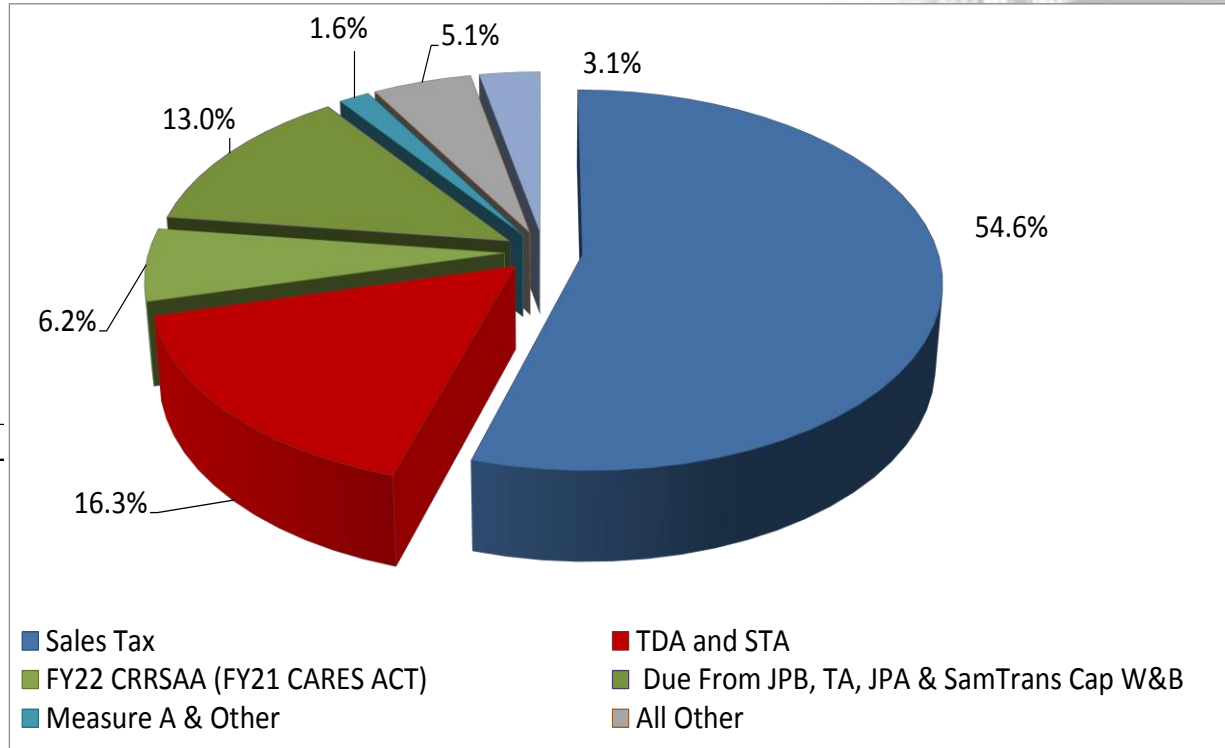
# FY2022 Sources of Funds

\$ in Millions



## FY2022 Sources of Funds

|  |        |
|--|--------|
| Passenger Fares                          | \$ 8.2 |
| Local TDA and STA Funds                  | 42.5   |
| Pass through to Other Agencies           | 0.4    |
| FY22 CRRSAA (FY21 CARES ACT)             | 16.0   |
| Operating Grants                         | 4.1    |
| SMCTA Measure A                          | 3.8    |
| AB434, TA Funded Shuttles & Other        | 0.3    |
| District Sales Tax                       | 94.7   |
| Measure W Sales Tax                      | 47.4   |
| Investment Income, Interest, & Other     | 8.9    |
| Due From JPB, TA, JPA & SamTrans Cap W&B | 33.8   |
| <b>\$ 260.1</b>                          |        |



### Sales Tax Receipts \*

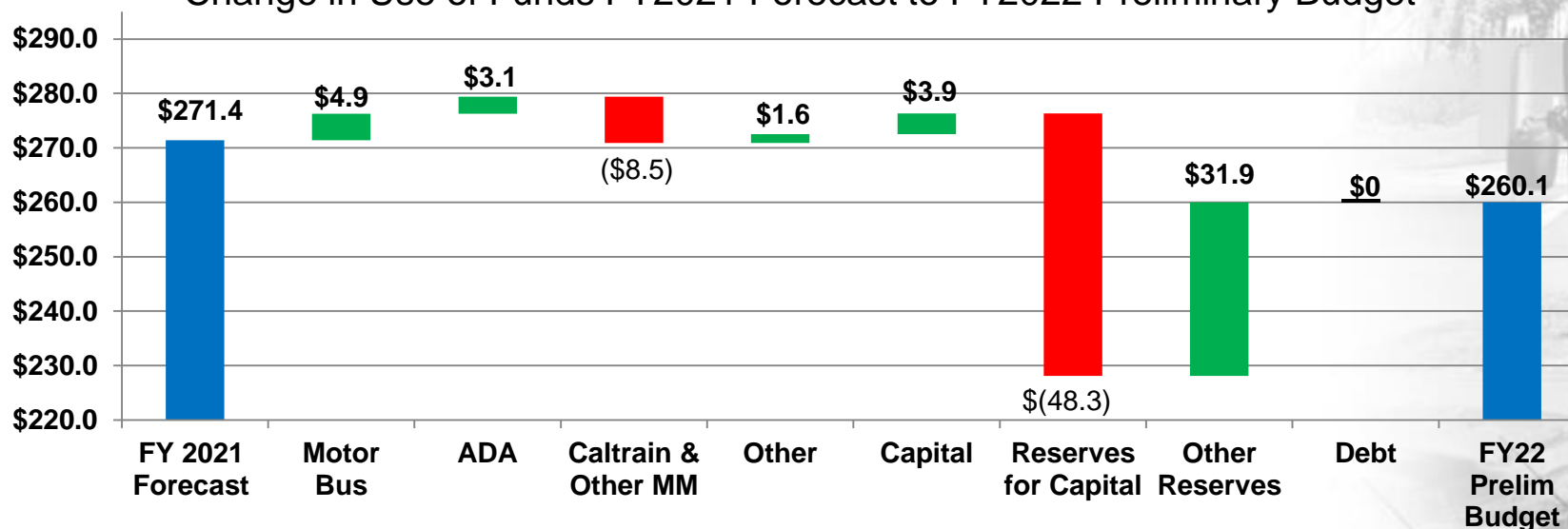
|                           | FY2011          | FY2020 |
|---------------------------|-----------------|--------|
| Autos And Transportation  | 18.5            | 26.5   |
| Building And Construction | 9.8             | 15.1   |
| Business And Industry     | 18.1            | 19.3   |
| Food And Drugs            | 7.0             | 9.3    |
| Fuel And Service Stations | 14.1            | 11.4   |
| General Consumer Goods    | 29.0            | 29.2   |
| Restaurants And Hotels    | 15.2            | 21.6   |
| Transfers & Unidentified  | 0.0             | 0.2    |
| County & State Pool       | 14.2            | 39.2   |
| <b>\$ 125.9</b>           | <b>\$ 171.9</b> |        |

\* San Mateo County sales tax receipts, data provided by HDL

# FY2022 USES OF FUNDS

\$ in Millions

Change in Use of Funds FY2021 Forecast to FY2022 Preliminary Budget



| Uses of Funds                   | FY2021 Forecast | FY2022 Prelim Budget | Chg              | % Chg        |
|---------------------------------|-----------------|----------------------|------------------|--------------|
| Motor Bus                       | \$ 138.8        | \$ 143.6             | \$ 4.9           | 3.5%         |
| ADA                             | 14.7            | 17.9                 | 3.1              | 21.2%        |
| Multit-Modal                    | 11.3            | 2.8                  | (8.5)            | -75.3%       |
| Other                           | 32.6            | 34.2                 | 1.6              | 4.8%         |
| Capital                         | 6.6             | 10.5                 | 3.9              | 58.5%        |
| Reserves for Capital Allocation | 48.3            | -                    | (48.3)           | -100.0%      |
| Other Reserves                  | -               | 31.9                 | 31.9             | n/a          |
| Debt                            | 19.1            | 19.1                 | 0.0              | 0.0%         |
| <b>Total</b>                    | <b>\$ 271.4</b> | <b>\$ 260.1</b>      | <b>\$ (11.4)</b> | <b>-4.2%</b> |

Note: Other Reserves includes: 1) Operating Reserve Fund, 2) Sales Tax Stabilization fund, 3) Draw from prior year surplus



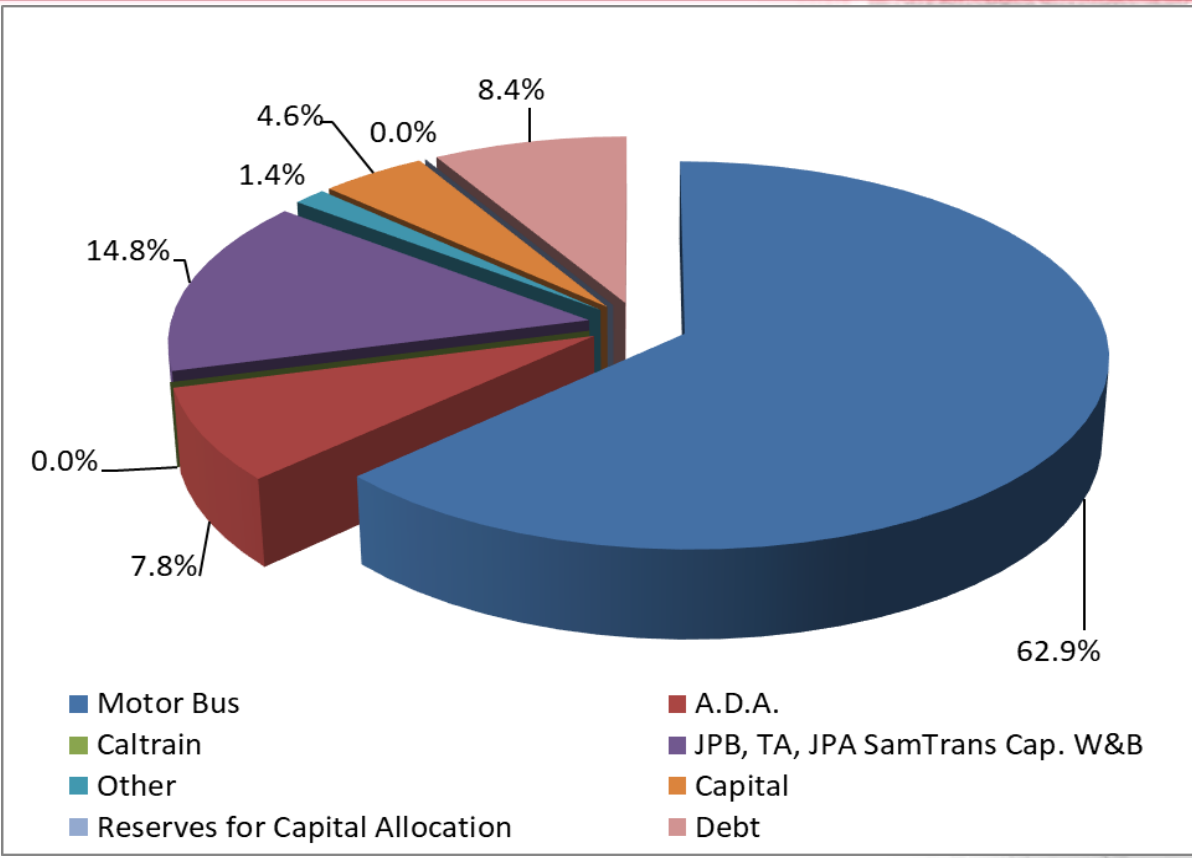
# FY2022 Uses of Funds

\$ in Millions



## FY2022 Uses of Funds

|  |                |
|--|----------------|
| Motor Bus                              | \$118.1        |
| Contract Urban Bus (CUB)               | 25.5           |
| A.D.A. Programs                        | 17.9           |
| Caltrain                               | -              |
| Multi-Modal Programs                   | 2.8            |
| JPB, TA, JPA SamTrans Cap. W&B         | 33.8           |
| Pass throughs & Other                  | 0.5            |
| Capital                                | 10.5           |
| Reserves for Future Capital Allocation | -              |
| Operating Reserves                     | 31.9           |
| Debt                                   | 19.1           |
|  | <u>\$260.1</u> |



Note: Other Reserves includes: 1) Operating Reserve Fund, 2) Sales Tax Stabilization fund, 3) Draw from prior year surplus

# FY2022 Budget

## \$ in Millions



| Sources of Funds             | FY2022 Operating Budget |
|------------------------------|-------------------------|
| Fares                        | \$ 8.2                  |
| TDA & STA Funds              | 42.5                    |
| FY22 CRRSAA (FY21 CARES ACT) | 16.0                    |
| Other Op Income              | 8.6                     |
| District Sales Tax           | 94.7                    |
| Measure W                    | 47.4                    |
| Other Income                 | 8.8                     |
| <b>Total Revenue *</b>       | <b>\$ 226.2</b>         |

| Uses of Funds                   | FY2022 Operating Budget |
|---------------------------------|-------------------------|
| Motor Bus                       | \$ 118.1                |
| Contract Urban Bus (CUB)        | 25.5                    |
| A.D.A. Programs                 | 17.9                    |
| Caltrain                        | -                       |
| Multi-Modal Programs            | 2.8                     |
| Pass through & Other            | 0.4                     |
| Capital Allocation              | 10.5                    |
| Reserves for Capital Allocation | -                       |
| Debt Service                    | 19.1                    |
| Other Reserves                  | 31.9                    |
| <b>Total Expense *</b>          | <b>226.2</b>            |
| <b>FY22 SURPLUS</b>             | <b>\$ -</b>             |



\* Excludes Due to / Due From JPA, TA, JPA, and SamTrans Capital W&B (\$33.8M)

Note: Other Reserves includes: 1) Operating Reserve Fund, 2) Sales Tax Stabilization fund, 3) Draw from prior year surplus

- **Maintains District's existing service and infrastructure network**
- **Ensures vehicles and facilities are maintained in a state of good repair**
- **Funding from FY2022 District Sales Tax and Measure W**
- **Investments in:**
  - **Infrastructure**
  - **Information Technology**

# FY2022 Preliminary Capital Budget

\$ in Millions

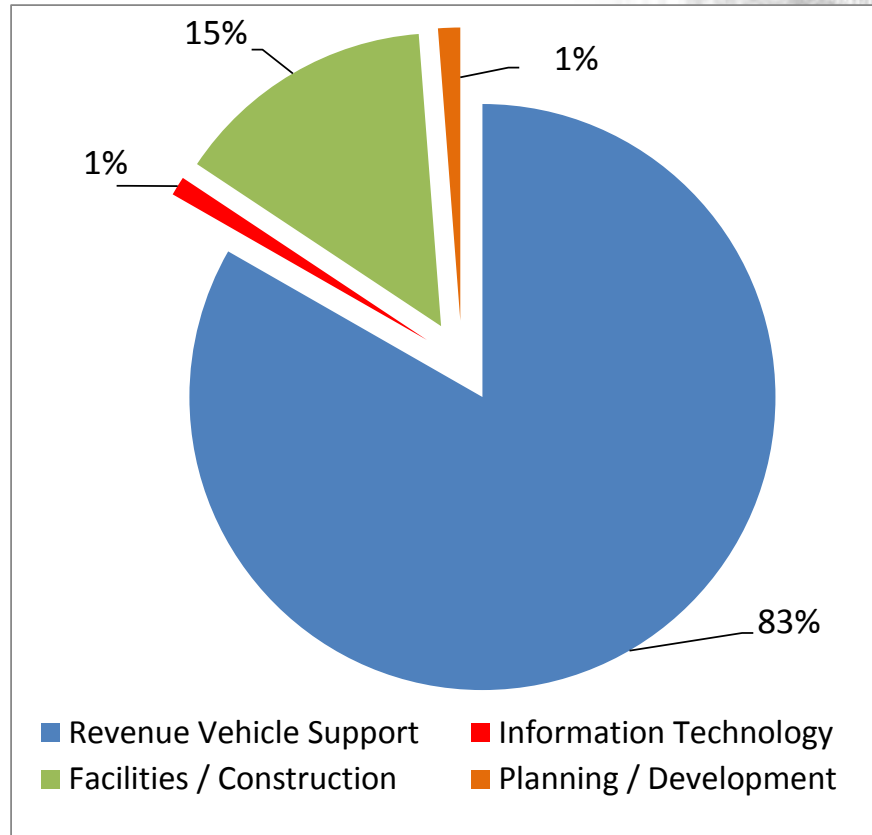


## FY2022 Capital Budget

|                           |             | <u>Share</u> |
|---------------------------|-------------|--------------|
| Revenue Vehicle Support   | \$ 34.2     | 83%          |
| Information Technology    | 0.4         | 1%           |
| Facilities / Construction | 5.9         | 14%          |
| Planning / Development    | 0.5         | 1%           |
| <b>\$</b>                 | <b>41.1</b> | <b>100%</b>  |

## FY2022 Source of Funds

|                                 |             | <u>Share</u> |
|---------------------------------|-------------|--------------|
| Federal                         | \$ 20.0     | 49%          |
| STA - State of Good Repair      | 1.5         | 4%           |
| Local Partnership Program (LPP) | 9.1         | 22%          |
| District Sales Tax              | 3.6         | 9%           |
| Measure W                       | 6.8         | 17%          |
| <b>\$</b>                       | <b>41.1</b> | <b>100%</b>  |



## REVENUE VEHICLE SUPPORT:

- Major Bus Components : \$311,347
- Maintenance Support Equipment : \$320,226
- Paratransit (Cutaway) Revenue Vehicle Procurement : \$3,457,280
- Replacement of (10) 2017 Redi-Wheels Minivans : \$874,384
- Replacement of (135) 2009 Gillig Heavy Duty Diesel Buses : \$29,222,557

## NON-REVENUE VEHICLE SUPPORT:

- No Non-Revenue Vehicle Service Support : \$0

## INFORMATION TECHNOLOGY:

- Automatic Passenger Counter (APC) Validation : \$431,250



## **FACILITIES / CONSTRUCTION:**

- Facilities Smaller Projects : \$920,000
- Design (only) at North Base Building 200 : \$575,000
- LED Lighting Upgrade, Phase 2 at North Base & South Base : \$1,789,832
- EV Chargers for Non-Revenue Vehicle (6 total) : \$575,000
- TAM Maturity and Development Assessment : \$55,200
- Design Phase for Facility Power Infrastructure Upgrade (ZEB Implementation and Deployment) : \$1,926,250
- Transit Oriented Development (TOD) Project Initiation Funds : \$92,000

## **PLANNING / DEVELOPMENT:**

- Capital Program and Project Development : \$250,000
- Capital Program Management : \$250,000

**TOTAL FY2022 CAPITAL BUDGET: \$41,050,326**

- Continue to monitor current economic environment
- Continue to refine Preliminary Budgets, especially reflecting Board input
- June 2nd Board Meeting: Present for Adoption the Proposed FY2022 Operating and Capital Budgets