

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.

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The background of the slide is a blue-tinted photograph of a bus. The bus is viewed from a front-quarter angle. On the front of the bus, the number "295" is visible in the upper right corner, and "644" is visible in the lower left corner. The "samTrans" logo is also visible on the side of the bus. The bus is parked on a street, and the background shows some trees and a building.

Proposed FY 2022 Operating and Capital Budgets

Board of Directors

June 2, 2021

Finance Agenda Item #3

Changes from May Board Meeting

(\$ in Millions)



Sources of Funds	FY2022 Preliminary Budget	FY2022 Proposed Budget	Changes
District Sales Tax	94.7	96.5	1.8
Measure W	47.4	48.2	0.8
Operating Grants & Pass Thru	4.5	5.0	0.5
Investment Income, Interest, & Other	8.9	8.7	(0.2)
Change in Revenues	\$ 155.5	\$ 158.4	\$ 2.9

Uses of Funds	FY2022 Preliminary Budget	FY2022 Proposed Budget	Changes
Motor Bus	118.1	118.7	0.6
Pass throughs & Other	0.5	0.7	0.2
Other Reserve	32.0	34.1	2.1
Change in Expenditures	\$ 150.6	\$ 153.5	\$ 2.9

Change in Revenues Reflect:

- Sales Tax (District Sales Tax and Measure W) reflects an improvement as economic recovery continues to strengthen
- Operating Grants increase due to Lifeline funding for Route 17 and SamCoast
- Investment Income, Interest & Other is lower due to reduced Measure M contribution

Change in Expenditures Reflect:

- Motor Bus reflects three additional new IT FTEs and minor changes in Labor Distribution
- Pass-Through to Other Agencies increase due to more Agencies will receive Lifeline Grants
- Increased in Other Reserve is mainly due to 3-month of reserves instead of 2-month

FY22 Proposed Budget Outlook

(\$ in Millions)



Sources of Funds	FY2021 Forecast	FY2022 Proposed Budget	Variance
Passenger Fares	\$ 5.1	\$ 8.2	3.1
Local TDA and STA Funds	45.1	42.5	(2.6)
Pass through to Other Agencies	0.6	0.6	0.0
FY22 CRRSAA (FY21 CARES ACT)	42.1	16.0	(26.1)
Operating Grants	3.3	4.4	1.1
SMCTA Measure A	10.6	3.8	(6.8)
AB434, TA Funded Shuttles & Other	0.5	0.3	(0.1)
District Sales Tax	87.7	96.5	8.8
Measure W Sales Tax	43.9	48.2	4.4
Investment Income, Interest, & Other	12.2	8.7	(3.5)
Total Revenue *	\$ 251.1	\$ 229.2	\$ (21.9)

Use of Funds	FY2021 Forecast	FY2022 Proposed Budget	Variance
Motor Bus	\$ 114.7	\$ 118.7	\$ 4.0
Contract Urban Bus (CUB)	24.0	25.5	1.6
A.D.A Programs	14.7	17.9	3.1
Caltrain	8.9	-	(8.9)
Multi-Modal Programs	2.4	2.8	0.4
Pass through & Other	0.7	0.7	0.0
Sales Tax Allocation - Capital Prog	54.9	10.5	(44.4)
Debt Service	19.1	19.1	0.0
Other Reserve	-	34.1	34.1
Total Expenditures *	\$ 239.3	\$ 229.2	\$ (10.1)
SURPLUS	\$ 11.8	\$ -	\$ (11.8)

* 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

Economic Outlook

With the current rate of vaccine distribution and reopening of local businesses across San Mateo county, the FY2022 Budget assumes a significant recovery from the negative impacts of the COVID-19 pandemic.

- Schools are re-opening for 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.

Rebaseline

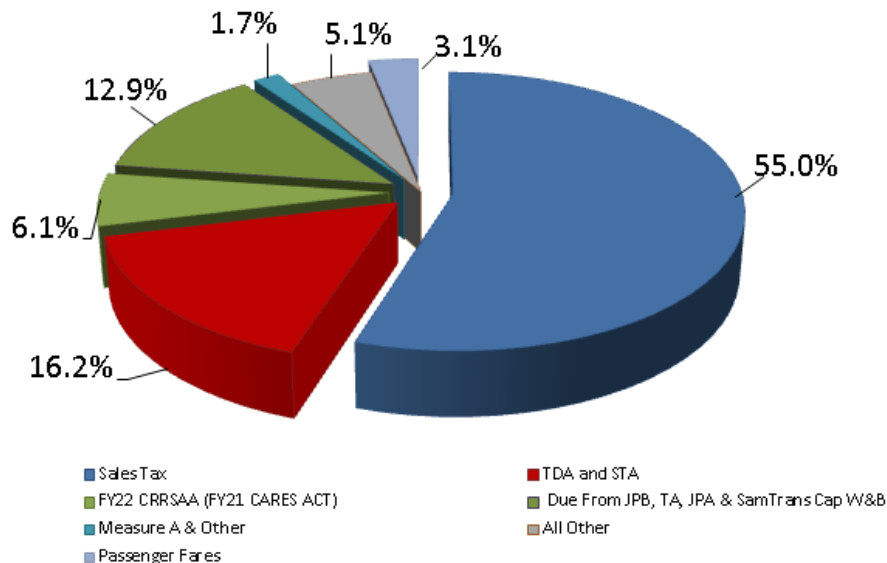
The development of the FY2022 Budget includes the results of an in-depth analysis of Baseline Budget and eliminated \$5.4 million of expense rolling forward into the FY2022 Budget.

Key Assumptions

- Fare collection was resumed in Q2 FY2021 and FY22 Budget assumes ridership recovery of 50% from COVID levels
- Removed FY2021 hiring freeze on vacant positions for bus operators and administrative positions. FY2022 Budget assumes vacancies are filled on expected dates for filling open positions
- 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
- Assumes no member agency contributions for Caltrain operations
- Various other expenses are assumed to return to pre-pandemic levels

FY22 Proposed Sources of Funds

(\$ in Millions)

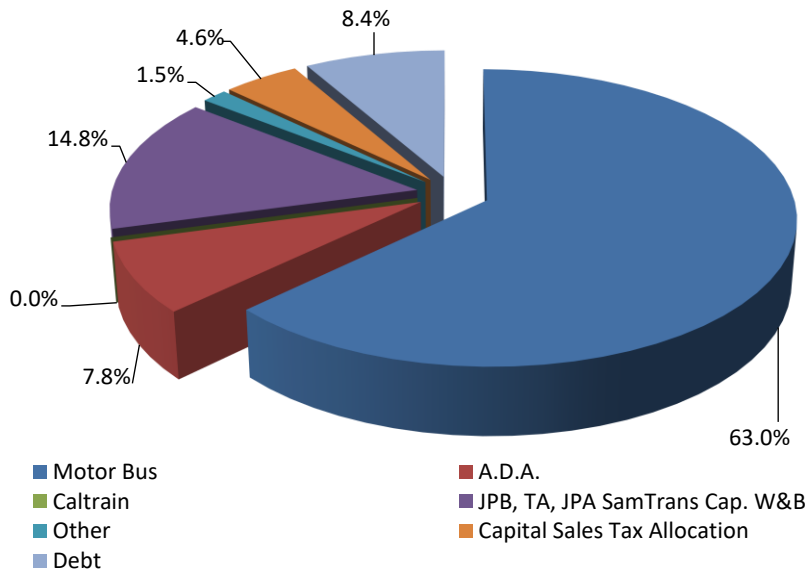


FY2022 Sources of Funds

Passenger Fares	\$ 8.2
Local TDA and STA Funds	42.5
Pass through to Other Agencies	0.6
FY22 CRRSAA (FY21 CARES ACT)	16.0
Operating Grants	4.4
SMCTA Measure A	3.8
AB434, TA Funded Shuttles & Other	0.3
District Sales Tax	96.5
Measure W Sales Tax	48.2
Investment Income, Interest, & Other	8.7
Due From JPB, TA, JPA & SamTrans Cap W&B	33.8
Total	\$ 263.1

FY22 Proposed Uses of Fund

(\$ in Millions)



FY2022 Uses of Funds

Motor Bus	\$ 118.7
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	0.7
Capital Sales Tax Allocations	10.5
Other Reserves	34.1
Debt	19.1
	\$ 263.1

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

FY22 Capital Projects Priorities



- **Maintains District's existing service and infrastructure network**
- **Ensures vehicles and facilities are maintained in a state of good repair**
- **Leverage funding from Federal & State grants; reliance on District Sales Tax and Measure W for FY2022 Budget is 26%**
- **In keeping with the District's need to conserve financial resources, the final recommendations reflect the most critical project that support the District's goals**
- **Investments in:**
 - **Infrastructure**
 - **Green Mobility for the San Mateo County**

Long-term Capital Considerations

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▪ Numerous items that will require substantial capital investment over next several years:

- Implementation of zero-emission bus operations (rolling stock and infrastructure)
- North Base Operations Building replacement
- South Base Asphalt
- Central Administration Building
- Unfunded Liabilities (Pension, Retiree Health Care)
- Technology

FY22 Capital Projects Priorities

(\$ in Millions)

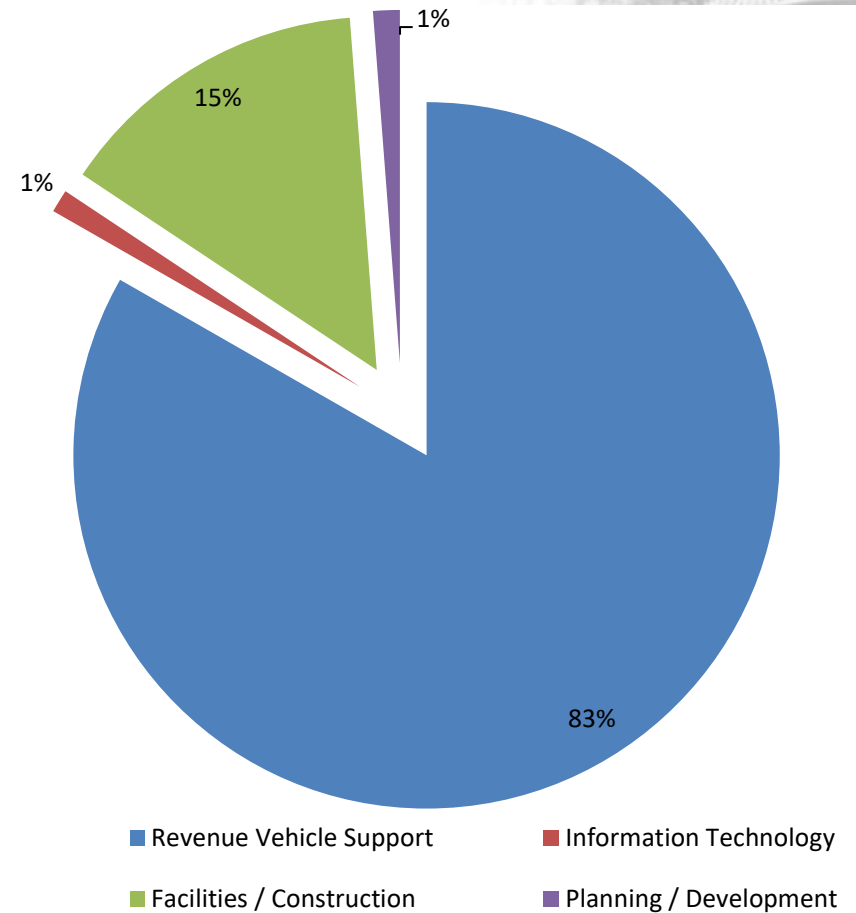


FY2022 Capital Budget

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

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%
\$	41.1	100%



FY22 Budget Capital Projects



REVENUE VEHICLE SUPPORT: \$34,185,794

- 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

INFORMATION TECHNOLOGY: \$431,250

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

FACILITIES / CONSTRUCTION: \$5,933,282

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

FY22 Budget Capital Projects



PLANNING / DEVELOPMENT: \$500,000

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

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



Next Steps

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- Continue to monitor current economic environment and update FY2022 Adopted Budget if necessary
- Continue to develop and review significant capital projects that may be brought later in the fiscal year for the Board's consideration