



# Reimagine SamTrans Financial Outlook



## Economic Outlook

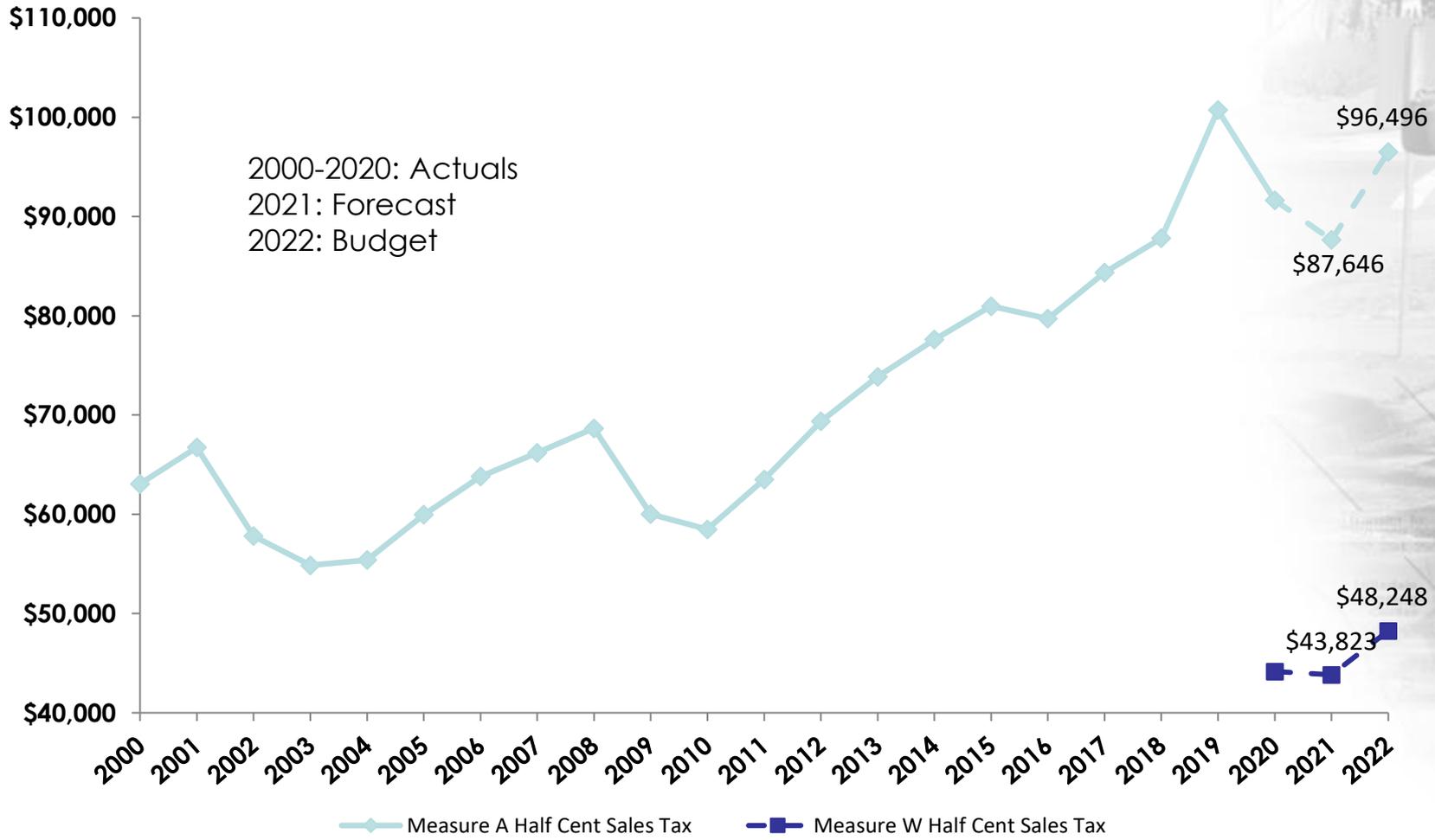
With the current rate of vaccine distribution and reopening of local businesses across San Mateo county, the FY2022 Budget has assumed a significant recovery from the negative impacts of the COVID-19 pandemic.

- Schools are re-opening for in classroom instruction
- Reopening of all local area businesses
- While it appeared that the worst effects of the pandemic were past us, the Delta and other potential variants raise concerns for continued pandemic related effects; safety will remain an important feature of operations going forward.
- General medium-term recessionary concerns have faded with the pullback seen as a result of the pandemic, and with the large amount of Federal support for recovery efforts and additional stimulus
- Funds from CARES, CRRSAA and ARPA have been critical in maintaining the agency's financial health, but are unlikely to be recurring for operations

# Key Assumptions

- **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 – filling positions, especially on operator side, continues to be challenging**
- **Various other expenses are assumed to return to pre-pandemic levels**

# Sales Tax Revenue



# Long-term Capital Considerations

samTrans

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

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

# Long-term Operating Considerations

## ▪ Factors that could drive ability to fund operations:

- Volatility of sales tax revenue (and implementation of reserves to protect against declines)
- Pre-Measure W structural deficit (and expense growth outpacing revenue)
- Pandemic effects on ridership recovery/composition
- Paratransit demand
- Fare revenue
- Operating changes tied to Reimagine SamTrans
- Existing debt retired in FY34