

The logo for samTrans, featuring the text "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 contained within a white rectangular box with a thin black border.

**samTrans**

The background of the slide is a blue-tinted image. On the right side, there is a close-up of the front of a white bus with "samTrans" and the number "644" visible. On the left side, there is a map showing a route with various stops and transfer points. The map includes labels like "Hillsdale Shopping Center", "San Mateo", and "Transfer to Hillsdale Caltrans".

# Preliminary FY2019 Operating and Capital Budgets

**Board of Directors  
May 2, 2018  
Finance Agenda Item # 4**

# New Budget Process



- **Established FY2018 “Baseline” budget**
  - Excludes special / one-time projects
- **Roll forward baseline to FY2019**
  - Reviewed increases to baseline
- **Reviewed independently all requests for**
  - Special / on-time Requests
  - New Baseline Requests including new FTEs
- **Reviewed by**
  - Cost Center Mangers
  - Chief Operating Officer
  - Executive Team



# Challenges in Developing the Budgets

samTrans

- **Increasing Costs for Baseline service**
- **High Debt Service Payments**
- **Continued decline in farebox recovery**
- **Sales tax and grant revenue are not keeping up with increased cost base**



# Key Assumptions



- Preliminary Budget reflects fiscal constraints
- Triggers for negotiated union agreements met – 3% wage increase effective July 1<sup>st</sup>
- Global wage increase of 3% for non-represented employees
- Includes 1.8 new FTEs or 4 Positions:
- Increased costs for post-employment benefits
- 2% Sales Tax Growth

# FY19 Operating Revenue

\$ in Millions

The logo for samTrans, featuring the text "samTrans" in a bold, sans-serif font. The "s" and "a" are lowercase, while "mTrans" are uppercase. Below the text is a horizontal bar divided into three segments: a red segment on the left, a white segment in the middle, and a blue segment on the right.

	FY18 Forecast	FY19 Preliminary Budget	Incr / (Decr) vs FY18 Forecast
Passenger Fares	\$15.9	\$16.4	\$0.5
Local TDA & STA	42.0	47.5	5.5
Pass-through to Other Agencies	0.8	0.4	(0.4)
Operating Grants	5.3	3.3	(2.0)
SMCTA Measure A	9.6	11.1	1.5
SM County Measure K	3.8	2.5	(1.3)
District Sales Tax	84.7	86.4	1.7
Investment Interest	1.9	2.0	0.1
Other Income	<u>7.6</u>	<u>7.5</u>	<u>(0.1)</u>
<b>Total</b>	<b><u>\$172.2</u></b>	<b><u>\$177.6</u></b>	<b><u>\$5.4</u></b>



# FY19 Operating Expense

\$ in Millions



	FY18 Forecast	FY19 Preliminary Budget	Incr / (Decr) vs FY18 Forecast
<b>Motor Bus</b>			
District-operated	\$97.7	\$108.9	\$11.2
Contracted Service	<u>20.8</u>	<u>20.9</u>	<u>0.1</u>
<b>Total Motor Bus</b>	<b>118.5</b>	<b>129.8</b>	<b>11.3</b>
<b>ADA</b>	<b>18.3</b>	<b>18.9</b>	<b>0.6</b>
<b>Caltrain</b>	<b>6.2</b>	<b>7.6</b>	<b>1.4</b>
<b>Other Multi-Modal Programs</b>	<b>2.1</b>	<b>2.3</b>	<b>0.2</b>
<b>Pass-through to Other Agencies</b>	<b>0.8</b>	<b>0.4</b>	<b>(0.4)</b>
<b>Sales Tax Allocation – Capital</b>	<b>8.8</b>	<b>6.3</b>	<b>(2.5)</b>
<b>Debt Service</b>	<b>21.7</b>	<b>21.6</b>	<b>(0.1)</b>
<b>Total</b>	<b><u>\$176.4</u></b>	<b><u>\$187.1</u></b>	<b><u>\$10.7</u></b>

- **Maintains District's existing service and infrastructure network**
- **Ensures vehicles and facilities are maintained in a state of good repair**
- **Invests in Information Technology**
- **Projects were selected based on their impact to service quality, operating and cost efficiency, safety and security, and sustainability**

# FY19 Capital Sources & Uses

\$ in Millions

**samTrans**



Project Category	FY2019 Preliminary Budget	Funding	
		State	District Sales Tax
Revenue Vehicle Support	1.78	0.94	0.84
Non-Revenue Vehicle Support	0.12	0.00	0.12
Information Technology	3.10	0.00	3.10
Planning / Development	0.50	0.00	0.50
Facilities / Construction	1.53	0.00	1.53
Other	0.25	0.00	0.25
<b>Total</b>	<b>7.28</b>	<b>\$0.94</b>	<b>6.34</b>





# Revenue Vehicle Support

**\$1,777,385**

**samTrans**



## **Major Bus Components: \$1,173.2K**

- Procurement of bus parts, engines and transmissions

## **MB -2000 Bus Simulator: \$310.0K**

- Purchase of an up-to-date Bus Simulator to replace current model which can no longer be upgraded.

## **ADA Self Evaluation Plan: \$200.0K**

- Requirement for self-evaluation plan to identify architectural and administrative barriers and develop a plan to become compliant

## **Maintenance Support Equipment: \$94.2K**

- Equipment used to support day-to-day shop activities.



# Non-Revenue Vehicle Support

## \$118,000

samTrans

### Purchase 4 Non-Revenue Service Vehicles: \$118.0K

- Procurement of three non-revenue service support vehicles to be used in place of personally owned vehicles to improve efficiency and procurement of one van to support Ticket Vending Machine (TMV) Maintenance.

### **Tech Refresh Project: \$2,500K**

- Technology refreshment with periodic replacement of District system's servers and storage, copiers/printers, network equipment to avoid obsolescence of existing technology, and risks associated with usage of obsolete hardware and software

### **Upgrade Current District Website: \$600K**

- Procurement of a Content Management System, Dedicated Server, Technical Support, User Testing & research and support for staff migration. The current websites are 10 years old and pose many limitations. This project serves all three agencies.

# Planning / Development

## \$500,000

samTrans

### Capital Program Development / Program Management: \$500K

- Funding for yet-to-be defined development programs and project controls support.

# Facilities & Construction

## \$1,530,000

samTrans

### Facilities Smaller Projects: \$570K

- Projects to maintain continuity of services

### Facilities Engineering Smaller Projects: \$530K

- Maintain a state of good repair for District properties

### Sanitary Sewer Pumps Replacement : \$350K

- Replacement of 2 original sewer pumps

### Central Boiler Replacement: \$80K

- Replace Boiler that has surpassed the 20 year expected lifespan.



## Contingency: \$250K

- Annual set-aside for unforeseen and emergency capital expenditures



## Operating Initiatives not Pursued: \$0.3 million savings

- Intranet Modernization

## Capital Program Deferrals: \$1.7 million savings

- North Base Washer Replacement
- Central Office Roof Rehab
- South Base Washer Walls Rehab
- North & South Base Employee Area Remodel
- North Base Vacuum System replacement

## Capital Project Reductions: \$3.1 million savings

- Tech Refresh
- Purchase 22 Non Revenue Service Vehicles
- Upgrade District Website



- **Status Quo Budget**
- **Requires utilization of \$9.5 million in reserves**
- **Capital Budget fails to fully address the needs of the Agency's facilities and equipment**
- **Absent additional revenue or substantial service cuts, reserves would be exhausted in the next 5-7 years.**



## Near Term

- Based on input from Board, develop Budget for presentation at June 6<sup>th</sup> Board meeting

