BOARD OF DIRECTORS
BUDGET PRESENTATION

May 16, 2018
OVERVIEW

- NEW BUDGET FORMAT:
- Budget Includes Year-End Report Fiscal Year 2017-18 and Proposed Fiscal Year 2018-19
  - Executive Summary:
    - Overview of Current Year-End and Proposed New Fiscal Year
  - Budgets for Each Department, Current and New Fiscal Year
    - Administration
    - Capital
    - Operations
  - Updated Position Authorizations
SUMMARY

First Year of Service Underway: Costs and revenues are better defined and generally consistent with Board-approved budget

- Fare Revenue receipts as expected, State Revenue significant
  - Fare & parking revenue Fiscal Year 2018-19: $3.6 million
  - State SB-1 related funding: $6.7 million in FY 2018-19

- Healthy Reserves Remain at the Close of Proposed FY 2018-19 Budget
  - $17 million: Operating Reserve
  - $4.99 million: Fund Balance for Capital Needs
FISCAL YEAR-END 2017-18 : Sources and Uses of $83.3 million

- Revenues:
  - Overall increase of $11.6 million
  - No change in Sales Tax
  - Increased State Grants for Operations
  - Shift in Grant Funding Mix to match project
  - One-time property-related revenue increases

- Expenses:
  - Overall decrease of $2.8 million
  - Shift in payments to vehicle manufacturer
  - Shift in Larkspur construction schedule
  - Savings in professional services, fuel and other savings
SUMMARY

PROPOSED FISCAL YEAR 2018-19: Sources and Uses of $113.7 million

- Revenues:
  - Overall increase of $19 million, primarily grant revenue
  - Projecting 3% Sales Tax growth
  - Increased State Grant funding tied to Operations of $3 million
  - Drawdown of $23.7 million fund balance for Phase 1 (IOS), operating equipment, staff

- Expenses:
  - Overall increase of $30.4 million proposed
  - Primarily tied to Capital Project activity
  - Increased investment in equipment and operating staff
Expenditures by Department:
FY 2017-18 Year-End, FY 2018-19 Proposed

- Operations: FY 2017-18 Year End Revised
- Capital Projects: FY 2018-19 Proposed
- Administration: FY 2017-18 Year End Revised
- Debt Service: FY 2017-18 Year End Revised
SUMMARY

Expenditures By Category
Fiscal Year 2018-19 Proposed
$113.7 million
Revenues By Category
Fiscal Year 2018-19 Proposed
$113.7 million

- Intergovernmental Revenues - Grants: 41%
- Sales/Use Taxes: 33%
- Interest and Lease Earnings: 1%
- Fare, Parking and Fee Revenue: 3%
- Miscellaneous Revenues: 1%
- Use of Fund Balance: 21%
- Miscellaneous Revenues: 1%
- Sales/Use Taxes: 33%
ADMINISTRATION BUDGET

- **Fiscal Year 2017-18 Year-End**
  - Year End Expenses: Reduced by $990,750 to $25.7 million
    - No significant changes from Board approved items
  - Revenues: $990,750 include one-time property sale revenues and reduced need for sales tax to fund Operations

- **Fiscal Year 2018-19 Proposed Budget**
  - Expenses: $28.4 million
    - Includes debt service of $16 million, increased $1.9 million
    - Minimal increases in salary/benefits
  - Revenues: Funded with sales tax, revenues from property leases and sales
CAPITAL BUDGET

- **Fiscal Year 2017-18 Year-End**
  - Year End Expenses: Reduced by $1.4 million to $36.2 million
    - Shifts in Larkspur schedule and vehicle acceptance payments
  - Revenues: Increased $8.4 million to $24 million
    - Tied to reimbursable/grant funded work starting earlier

- **Fiscal Year 2018-19 Proposed Budget**
  - Expenses: $58.9 million
    - Larkspur, 8 & 9th Vehicle sets, Payran pathway, closeout of Phase 1
  - Revenues: $39.7 million
    - Funded with grants or cooperative agreements with other jurisdictions
    - Use of Sales tax fund balance of $19 million as anticipated for final Phase 1 project costs, contingency funds for Larkspur
Fiscal Year 2017-18 Year-End
- Year End Expenses: Reduced by $388,077 to $25.5 million
  - Fuel savings and contract savings due to startup date
  - Elimination of contingency
- Revenues: Annual revenues $21.2 million, use of fund balance $271,681
  - Increased allocation of sales tax to operations, reduced draw from fund balance
  - Increase in SB1-related operations funding to $3.6 million
  - Slight increase in fare revenue to $3.1 million

Fiscal Year 2018-19 Proposed Budget
- Expenses: $26.5 million, $5 million increase
  - Full year of services, fuel
  - Additions of staff annualized in the current year
  - Proposed addition of 11 new FTE
  - Significant capital equipment investments for wheel truing and equipment of $2.8 million
- Revenues: $21.9 million annual, $4.6 million use of fund balance
  - Conservative increase of fare revenue to $3.6 million
  - Significant increase in SB1-related revenue to $6.7 million
POSITION AUTHORIZATION

Proposed Position Changes Fiscal Year 2018-19:

» No new positions in Administration or Capital

» Proposal to Add 11 Full-time employees to Operations:
  – One Administrative Assistant
  – Four Engineer Conductors
  – One Facilities Maintenance Technician
  – Three Laborers
  – Two Vehicle Maintenance Technician

» Shift of One Safety Compliance Position from Operations to Administration

» Minor changes as needed and detailed