



FY 2021-22 PROPOSED BUDGET

SR 21-140B | 5-26-2021



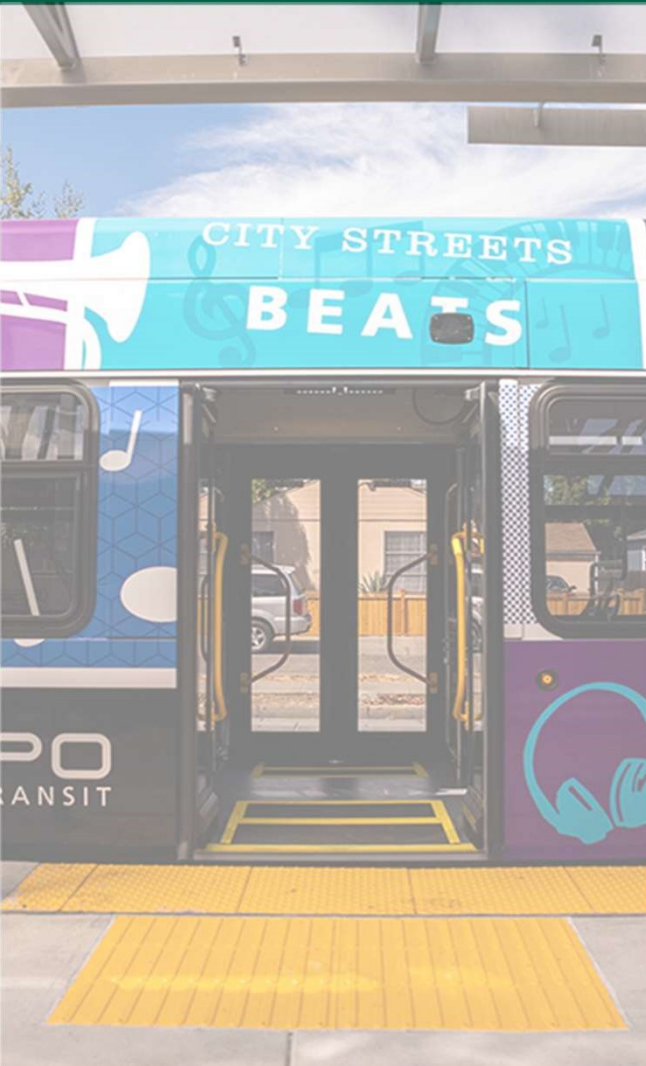
FY 2021-22 PROPOSED BUDGET OVERVIEW



<i>(\$millions)</i>	FY 2020-21 Budget	FY 2021-22 Draft Budget	FY 2021-22 Proposed Budget
Operating	\$37.2	\$43.8	\$41.8
Subsidies	342.4	379.0	382.4
CARES/CRRSA	84.2	55.5	55.5
Total Revenue	\$463.8	\$478.3	\$479.7
Labor	\$339.0	\$350.3	\$350.5
Non-Labor	120.8	128.0	129.2
Total Expenses	\$459.9	\$478.3	\$479.7
Surplus/(Deficit)	4.0	0.0	0.0



FY 2021-22 PROPOSED REVENUE CHANGES



Total revenue increase from Draft of \$1.4M (0.3%)

Farebox

- Decreased by \$2.3 (-7.7%) from the Draft based on 12-month deferral of local fare increase

Other Operations

- Increased by \$347,000 (4.0%) over the Draft budget from updated citations projection.

Property Tax

- Increased by \$3.4M (2.2%) over the Draft budget based on updated projections.

FY 2021-22 PROPOSED EXPENSE CHANGES



Total expense increase from Draft of \$1.4M (0.3%)

Labor

- Increased by \$247,000 (0.1%) due to cost model adjustments.

Services

- Increased by \$5.5M (14.9%) based on actual department requests and temperature checker cost updates.



FY 2021-22 PROPOSED EXPENSE CHANGES



Fuel

- Decreased by second half expense by \$1.7M (13.1%) to accommodate fare revenue reduction. Will be restored when ARP Act funds are added.

Paratransit

- Reduced by \$1.6M (-5.3%) by moving dispatch software replacement cost (shared with BART) to capital budget.

Other Expense

- Reduced by \$521,000 (-23.6%) due to reduced taxes and interest expense expectations.



OPERATING PROJECTIONS



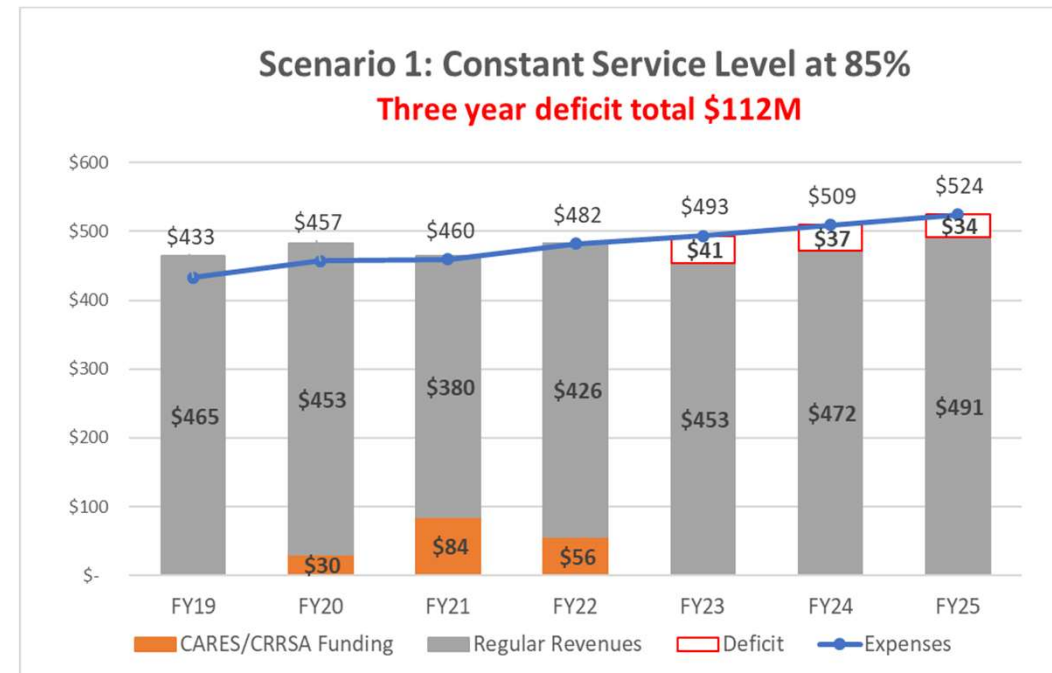
- ARP Act funding coming, but amount not yet known
- Assuming no further federal operating support beyond ARP Act
- How to keep service levels constant or growing?
- Revenues stagnated – we lost a couple years of revenue growth
- Expenses kept growing during the pandemic (except for reductions due to staff attrition)
- Planning/scheduling assumptions changed to better ensure service quality, requiring more operators



OPERATING PROJECTION – SCENARIO 1



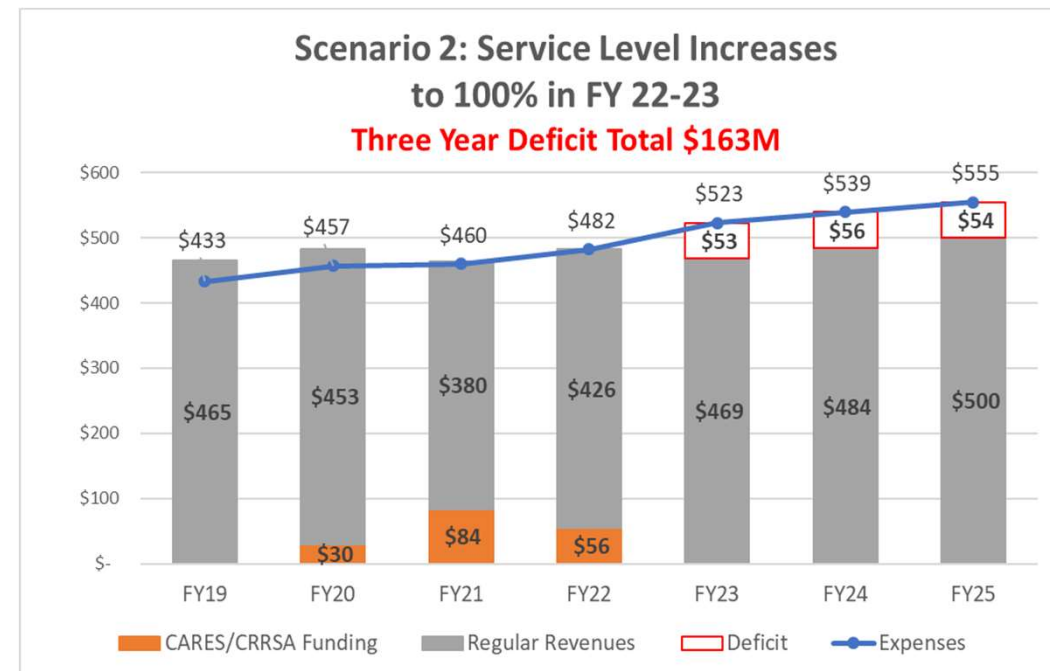
- Baseline – 85% service level from FY 21-22 through FY 24-25
- Total “regular” revenues surpass pre-pandemic levels by FY 23-24
- Farebox revenue increases to 85% of pre-pandemic by FY 24-25
- \$112M in ARP funds needed to balance budget through FY 24-25. Beyond that ??



OPERATING PROJECTION – SCENARIO 2



- Aspirational – 100% service level achieved in FY 22-23
- Total “regular” revenues surpass pre-pandemic levels by FY 23-24
- Farebox revenue increases to 100% of pre-pandemic by FY 24-25
- \$163M in ARP funds needed to balance budget through FY 24-25. Beyond that ??



ARP ACT FUNDING POSSIBILITIES



- Operator Training - 3 additional Trainers
- Service Level Increase from 85% to 90%
- Service Level Increases from 85% to 100%
- Requested Positions - Recommended (10 FTE)
- Requested Positions - Remaining (12 FTE)
- Rider Survey
- Denied Department Requests
- Expenses equivalent to 12-Month Fare Deferral



PROPOSED CAPITAL BUDGET CHANGES



<i>(\$millions)</i>	FY 2021-22 Draft Capital Budget	FY 2021-22 Proposed Capital Budget
District Capital	\$6.0	\$7.2
Grants	70.3	69.2
Total	\$76.3	\$76.4

- New Project - East Bay Paratransit dispatch software replacement (moved from operating budget)
- TEC Upgrade (ZEB U) project cost increase

NEXT STEPS



- ~~4/28 Board Meeting – Draft Budget~~
- 5/26 Board Meeting – Proposed Budget
- May/June – ARP Act funding initial allocation
- 6/9 Board Meeting – Recommended Budget
- 7/1 – Adopted Budget