



BOARD OF DIRECTORS BUDGET PRESENTATION

May 17, 2017

OVERVIEW

- FY 2016-17 Year-End Report
 - » Final Revenues and Expenses
 - » Summary of Changes

- FY 2017-18 Annual Budget Proposal
 - » Overview
 - » Revenues
 - » Expenditures by Department
 - » Capital Budget
 - » Administration Budget
 - » Operations Budget
 - » Reserves

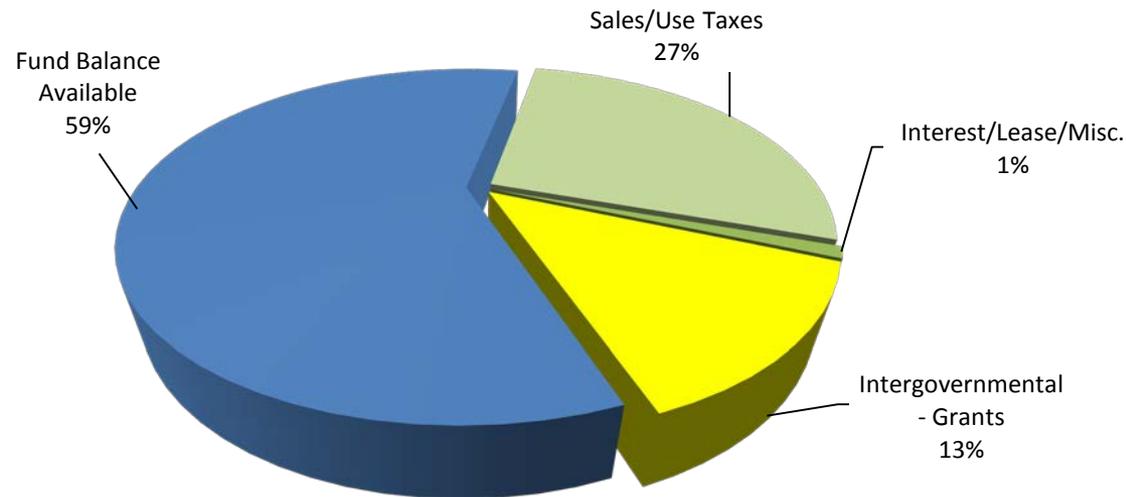
- Questions

FY 2016-17 YEAR-END REPORT

REVENUES

- Originally Budgeted:
\$126.8 million
 - » All revenues including grants and fund balance
- Revised:
\$134.1 million
 - » Higher available fund balance due to project shifts and audited financials

TOTAL REVENUES \$134 million

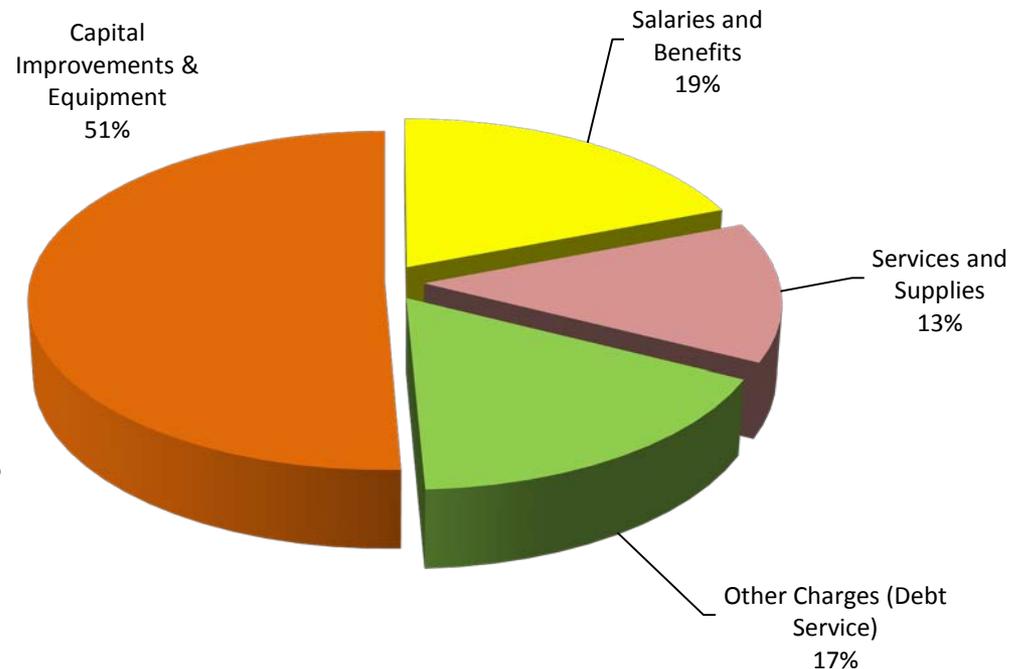


FY 2016-17 YEAR-END REPORT

EXPENDITURES

- Budget: \$105 million
- Current Year-end: \$85 million
- Changes:
 - » Shift in payments to vehicle manufacturer
 - » Shift in Larkspur startup activities
 - » Salary savings from Operations anticipated hiring schedule
 - » Fuel & services savings resulting from shift in operations startup

TOTAL EXPENDITURES \$85 million



FY 2017-18 PROPOSED BUDGET

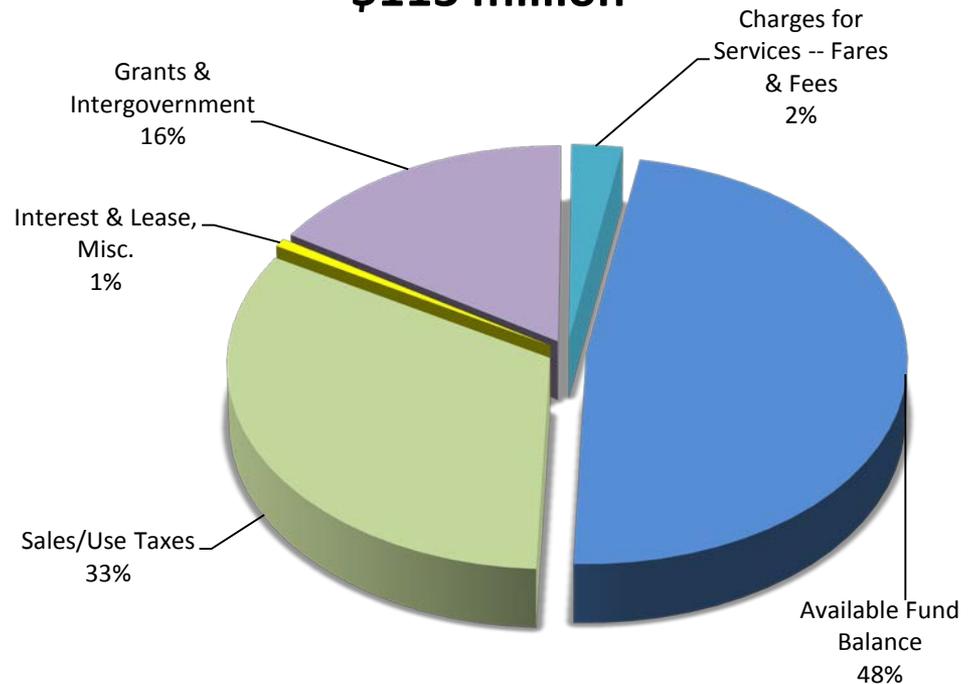
- Ongoing and New Capital Projects
 - » Final 4 Pathway Segments in Phase 1, ongoing design
 - » Larkspur Extension
- Passenger Operations
 - » Passenger-facing services: fare collection, wifi, bus connections,
 - » Rail, signal, crossing, station and pathway maintenance
- SMART Administrative
 - » Increases for liability insurance
 - » Ongoing investment in marketing, safety outreach
 - » Additional accounting and code compliance staff

FY 2017-18 PROPOSED BUDGET

REVENUE OVERVIEW

- Total Revenues \$113 million
 - » Projection of 2% growth in sales tax
 - » Larkspur extension grant
 - » Grant for 4 new rail cars
 - » Available fund balance of \$54 million
 - » Fare/parking revenue of \$2.98 million

TOTAL AVAILABLE REVENUES \$113 million



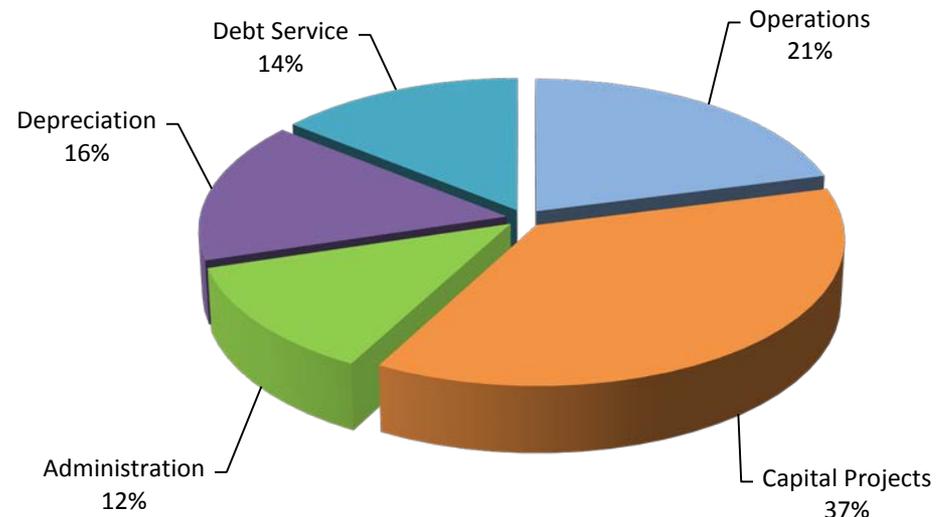
FY 2017-18 PROPOSED BUDGET

EXPENDITURES OVERVIEW

- Total expenditures projected \$100 million
- Presented in three departments --
 - » Administration: \$42 million (Includes debt service, depreciation)
 - » Capital projects: \$37 million
 - » Operations : \$21 million

PROPOSED EXPENDITURES BY FUNCTION

Total \$100 million



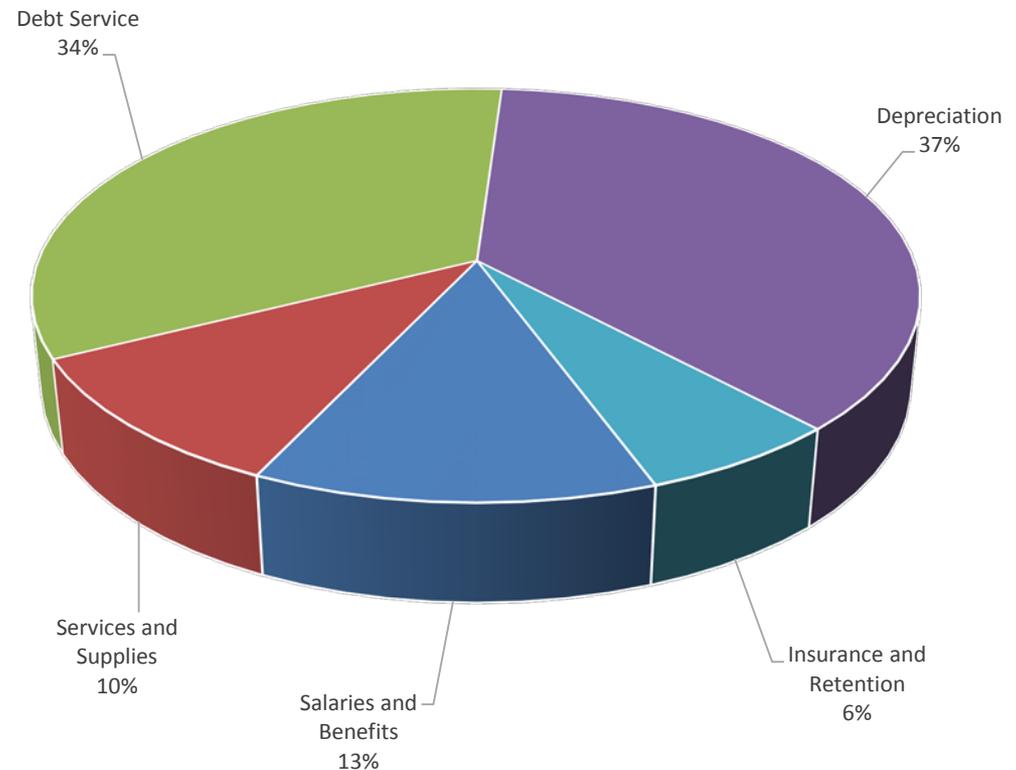
CAPITAL BUDGET FISCAL YEAR 2017-18

- Total Expenditures of \$37 million will pay for:
 - » Construction of four pathway segments
 - » Final Vehicle acceptance payments
 - » Construction of Jennings crossing (Funded by City of Santa Rosa)
 - » Design for Payran to Southpoint pathway
 - » Design/build phase of Larkspur extension project
 - » Ongoing design and progress payments additional four cars
 - » Ongoing permitting and mitigation costs

ADMINISTRATION BUDGET

- Increase in insurance and retention for liabilities
- Increase in debt service for bond
- Support for new website, ongoing marketing and safety outreach
- Increase in Information Technology services, monitoring
- Increased emergency response preparedness
- Additional staff for code compliance, revenue accounting, District management

ADMINISTRATION EXPENSES TOTAL \$42 million

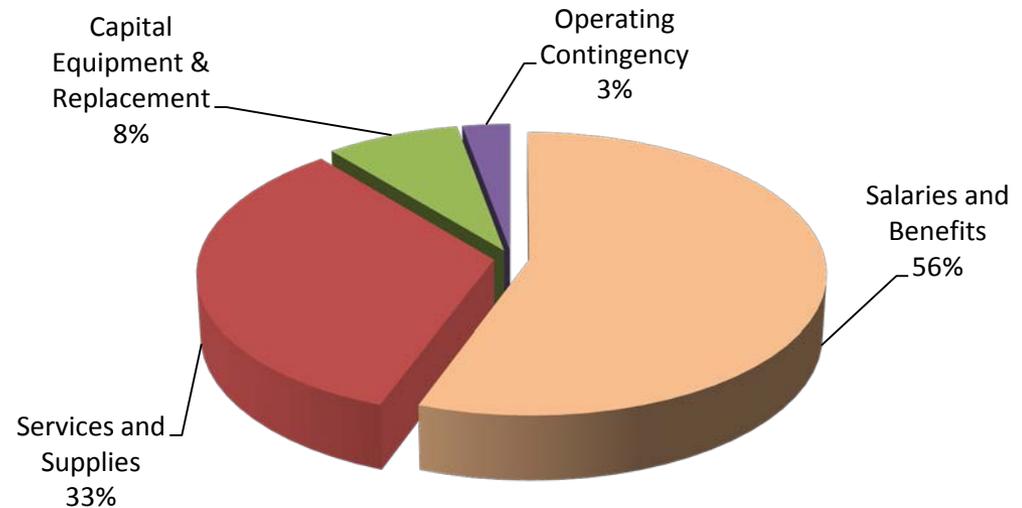


OPERATIONS BUDGET FY 2017-18

Total expenditures of \$21 million

- Full staffing, equipment, spare parts, communications, training
- Customer service contract and related needs
- Passenger-facing services: fare collection, wifi, bus connections, applications
- Rail, signal, crossing, station needs, including rail scrubber and pathway maintenance equipment
- SMART “ambassadors” to assist with riders

OPERATIONS DEPARTMENT Total Expenditures \$21 million



FISCAL RESERVES DETAILS FY 2017-18

RESERVES:

- **Appropriated Operations Contingency of \$600,000**
 - » Fuel, Equipment needs
- **Self Insurance Retention of \$1,000,000**
- **Reserve fund for Operations: \$17 Million**
 - » Emergencies
 - » Economic downturn, fare revenue fluctuation
- **Establishment of Equipment Replacement fund: Initial deposit \$525,000**
- **Capital Reserve: \$10 million**
 - » Closeout of project (several regulatory issues pending)
 - » Setup of sinking funds for replacement of major equipment over time
 - » Infrastructure needs that may arise during service

QUESTIONS?