

FY 2024 Proposed Budget

September 2023





Proposed Budget Agenda

- ✓ FY 2023 Snapshot
- ✓ FY 2024 Proposed Budget
- ✓ Five-Year Capital Plan
- ✓ Five-Year Forecast
- ✓ Departmental Overview

BUDGET TIMELINE





FY 2023 SNAPSHOT

FY 2023 Year-to-date Overview

FY 2023 HIGHLIGHTS

ART Green Line (N/S)

- *Project office opening*
- *National Environmental Policy Act (NEPA) approval*
- *Interlocal Agreements (ILAs) substantially in place*
- *Project in engineering phase*
- *Finalize federal share of funding and moving toward Full-Funding Grant Agreement (FFGA)*

Other KSAM Projects

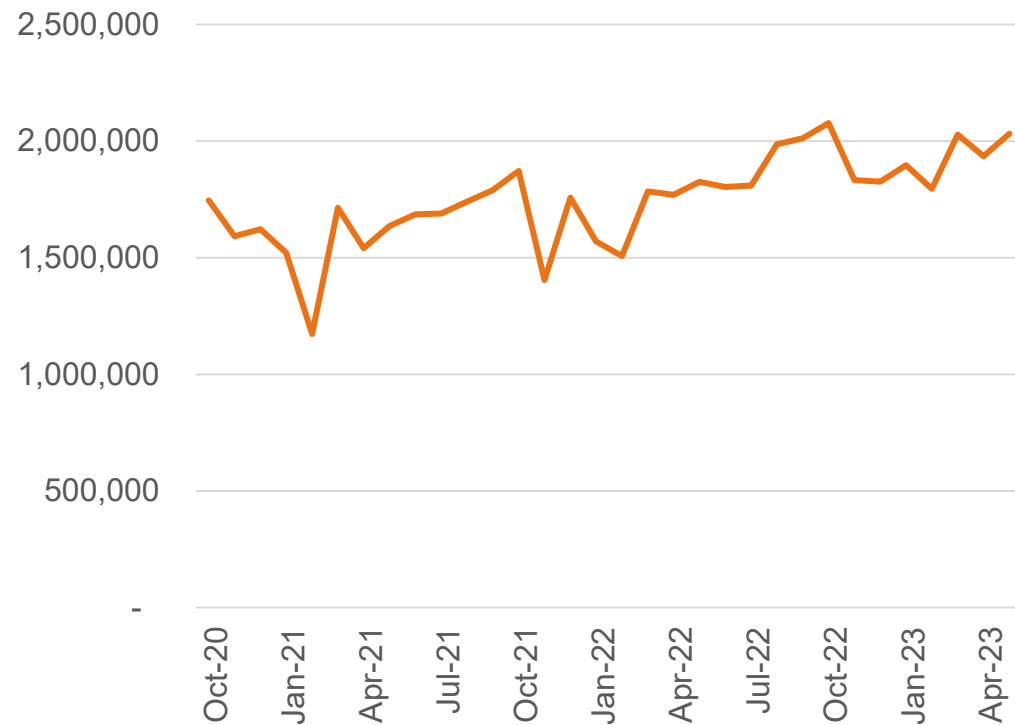
- *Continued progress on ART Silver Line advanced project definition*
- *Advanced 2nd O&M facility study with identification of property*
- *Expansion of VIA Link service to South (August 2022) and significant progress on planning for a future zone*

Facility Improvements

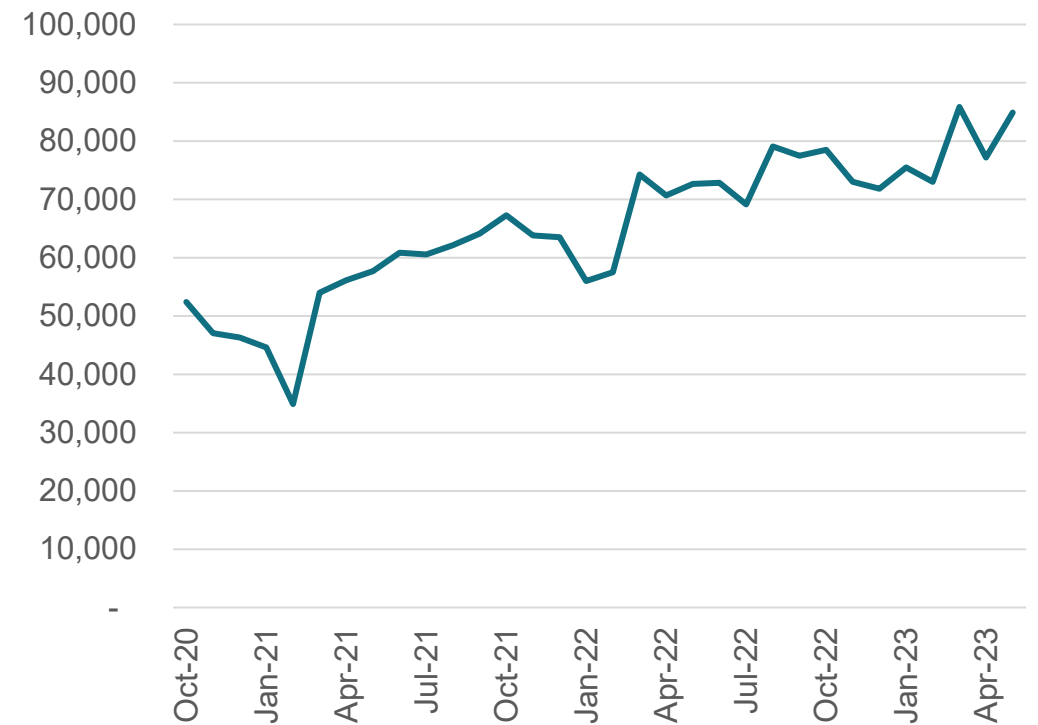
- *Substantially completed construction of Naco Pass Mobility Hub and I-10 Park & Pool*
- *Completed property acquisition for Alamo Ranch Park and Ride*
- *Completed final design for Randolph Transit Center*

RIDERSHIP TRENDS

Fixed-route Bus Service

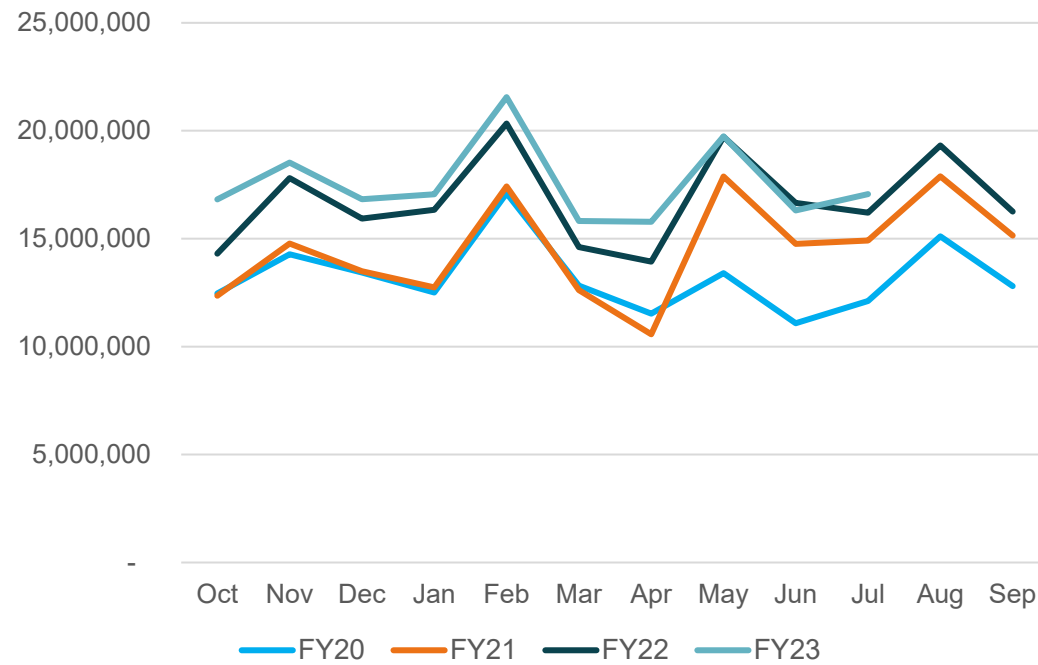


VIAtrans Service

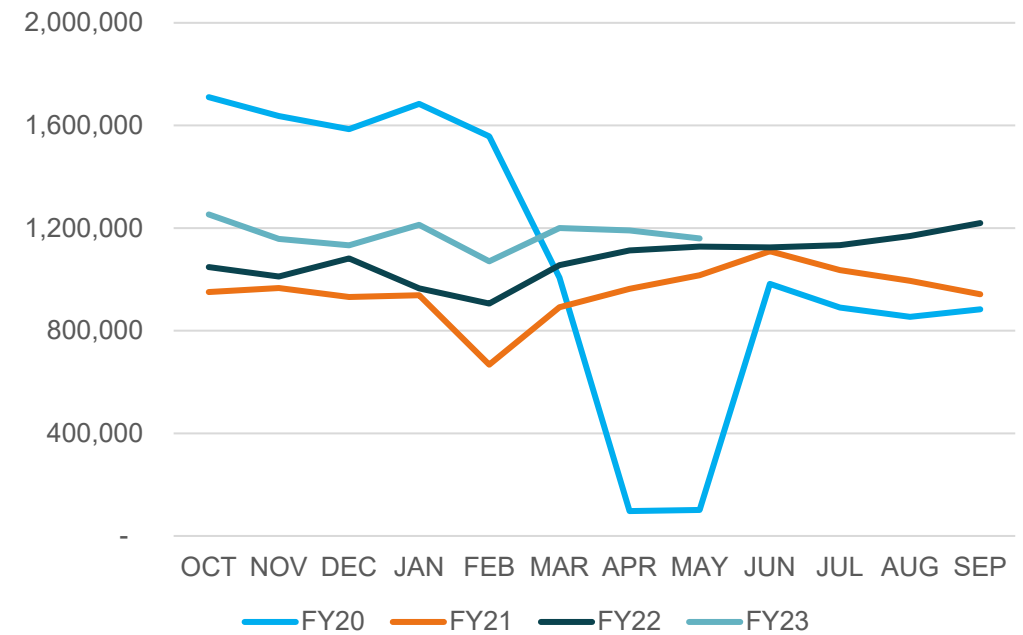


SALES TAX & FAREBOX TRENDS

MTA - Sales Tax Receipts (\$M)



Farebox Revenue (\$M)





FY 2024 PROPOSED BUDGET

Focus on FY 2024 Priorities and Ensures Short- and Long-term Financial Stability



FY 2024 BUDGET GOALS

- ✓ RECOVER & GROW RIDERSHIP
- ✓ ADVANCE THE KSAM PLAN
- ✓ BUILD STRATEGIC PARTNERSHIPS
- ✓ INVEST IN STAFF DEVELOPMENT

FY 2024 ASSUMPTIONS



- Sales tax growth rate: 3.3%
- No fare increases
- Proposed FY 2024 service increases:
 - Fixed route (3% ↑) - reliability and frequency improvements
 - VIAtrans (6% ↑) - adjusted to meet service demand
 - VIA Link (15% ↑) - 3 existing zones adjusted to meet service demand
 - VIA Link - proposal to add new zone
- Limited new positions (front-line focus)
- Continued focused on hiring and retention
- Pension and OPEB consistent with actuarially-determined levels
- Continued focus on ridership recovery
- Expenses for KSAM planning

FY 2024 Operating and Capital Consolidated Budget \$390.8M

Capital Budget
\$128.3M
33%

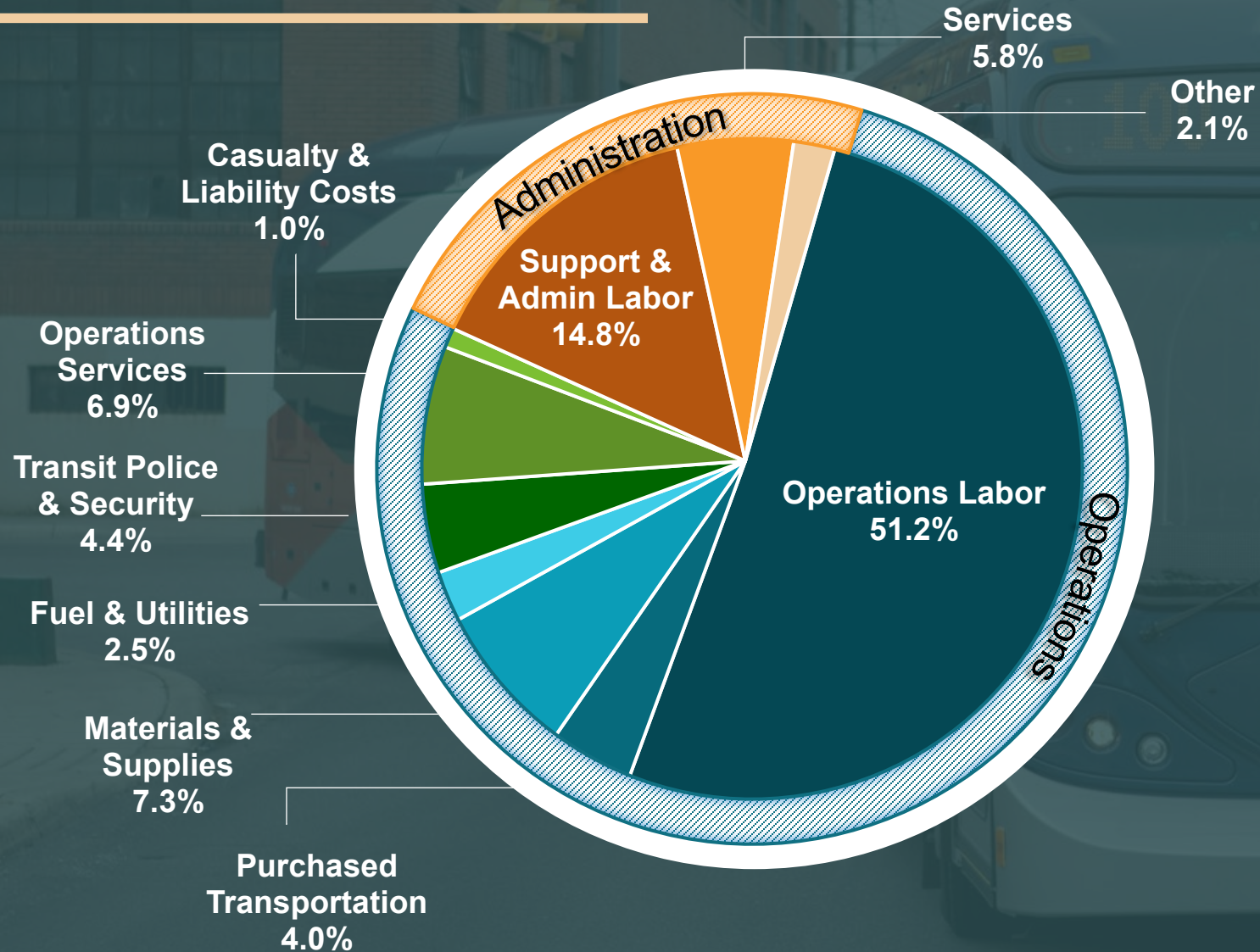


Operating Budget¹
\$262.5M
67%

¹Excludes depreciation and amortization expenses

FY 2024 Proposed Operating Expenses

\$262.5M



FY 2024 Budget Overview (\$M)

FY 2023 Forecast	\$274.5
OPEB	(23.7)
Silver Line – ART E/W	(7.3)
Fuel savings	(4.7)
Pension	6.1
KSAM – Misc.	3.6
Net wage increase	3.3
Timing of operating projects	2.0
VIAcare	1.8
Rate increases	1.4
Inflation costs	1.1
Training & meetings	0.9
Service increases	0.7
Green Line – ART N/S	0.3
Net of all other	2.5
FY 2024 Budget	\$262.5

FY 2024 Proposed Budget by Expense Category (\$M)

Expense Category	FY 2022 Actuals	FY 2023 Budget	FY 2023 Forecast	FY 2024 Budget	Budget to Budget Variance	% Variance	Budget to Forecast Variance	% Variance
Labor & Fringes	\$155.9	\$182.4	\$195.9	\$184.0	\$1.6	1%	(\$11.9)	(6%)
Services	25.8	38.4	35.3	35.9	(2.5)	(7%)	0.6	2%
Materials and Supplies	16.9	16.9	17.5	19.3	2.4	14%	1.8	10%
Fuel & Utilities	12.4	10.5	11.3	6.5	(4.0)	(38%)	(4.8)	(42%)
Purchased Transportation	6.9	20.3	9.5	10.6	(9.7)	(48%)	1.1	12%
Casualty & Liability Costs	1.6	2.3	2.3	2.6	0.3	13%	0.3	13%
Leases & Rentals	0.2	0.9	0.6	0.6	(0.3)	(33%)	-	-%
Miscellaneous	2.7	2.3	2.1	3.0	0.7	30%	0.9	43%
Total Operating Expenses (Excl. Depr. & Amort.)	\$222.4	\$274.0	\$274.5	\$262.5	(\$11.5)	(4%)	(\$12.0)	(4%)
Lease Amortization Expense	11.8	-	16.6	18.6	18.6	100%	2.0	12%
SBITA ¹ Amortization Expense	-	-	0.7	0.7	0.7	100%	-	-%
Total Operating Expenses (Excl. Depr.)	\$234.2	\$274.0	\$291.8	\$281.8	\$7.8	3%	(\$10.0)	(3%)

¹Subscription-Based Information Technology Arrangements (SBITA)

FY 2024 Proposed Operating Expenses by Division (\$M)

Group/Division	FY 2022 Actuals	FY 2023 Budget	FY 2023 Forecast	FY 2024 Budget	Budget to Budget Variance	% Variance	Budget to Forecast Variance	% Variance
Administrative Group	\$5.9	\$8.9	\$8.4	\$8.9	\$0.0	-%	\$0.5	6%
Fiscal Management	3.7	3.9	3.8	4.2	0.3	8%	0.4	11%
Human Resources	3.9	4.7	4.7	5.0	0.3	6%	0.3	6%
Technology & Innovation	10.1	11.9	11.2	11.7	(0.2)	(2%)	0.5	4%
Fleet & Facilities	56.6	60.6	58.6	56.1	(4.5)	(7%)	(2.5)	(4%)
Non-Departmental	35.3	44.5	64.0	45.9	1.4	3%	(18.1)	(28%)
Transportation	76.6	92.5	81.2	84.4	(8.1)	(9%)	3.2	4%
Procurement	1.3	1.9	1.7	2.0	0.1	5%	0.3	18%
Public Engagement Group	10.2	13.8	12.2	14.9	1.1	8%	2.7	22%
Planning & Development Group	8.9	18.3	17.5	15.9	(2.4)	(13%)	(1.6)	(9%)
Safety, Training & System Security	9.9	13.0	11.2	13.5	0.5	4%	2.3	21%
Total Operating Expenses	\$222.4	\$274.0	\$274.5	\$262.5	(\$11.5)	(4%)	(\$12.0)	(4%)

FY 2024 Authorized Positions by Division

Group/Division	FY 2023 Revised	FY 2023 Filled Positions ¹	FY 2024 Proposed	Proposed to Revised Variance	% Variance
Administrative Group	34	32	33	(1)	(2.9%)
Fiscal Management	44	39	44	-	-%
Human Resources	28	27	28	-	-%
Technology & Innovation	39	33	39	-	-%
Fleet & Facilities	516	458	518	2	0.4%
Transportation	1,193	1,103	1,204	11	0.9%
Procurement	28	21	28	-	-%
Public Engagement Group	128	119	131	3	2.3%
Planning & Development Group	41	36	42	1	2.4%
Safety, Training & System Security	190	147	190	-	-%
Total Authorized Positions	2,241	2,015	2,257	16	0.7%

¹ As of May 2023

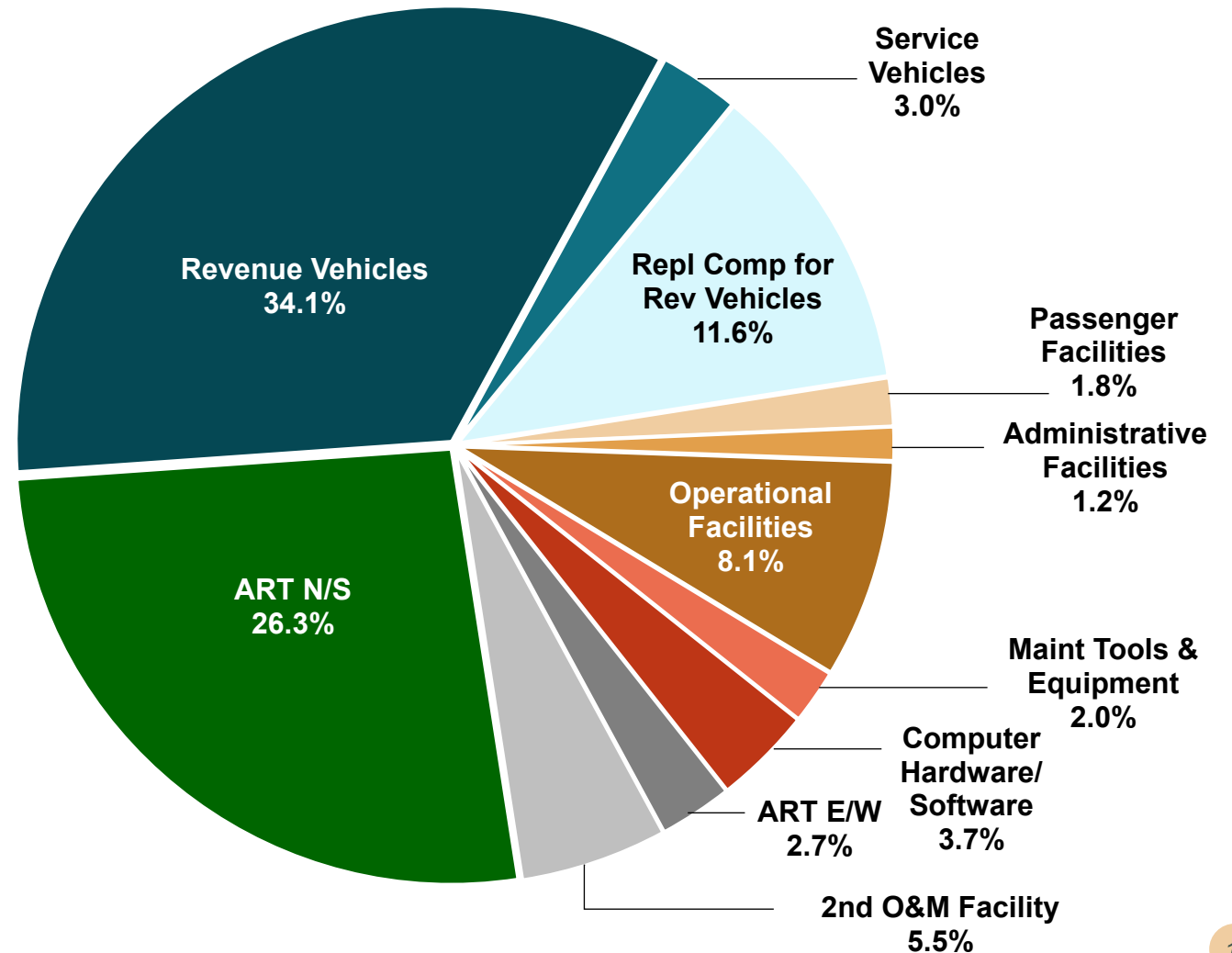


PROPOSED FIVE-YEAR CAPITAL PLAN

*Focus on FY 2024 Priorities and Ensures Short-
and Long-term Financial Stability*

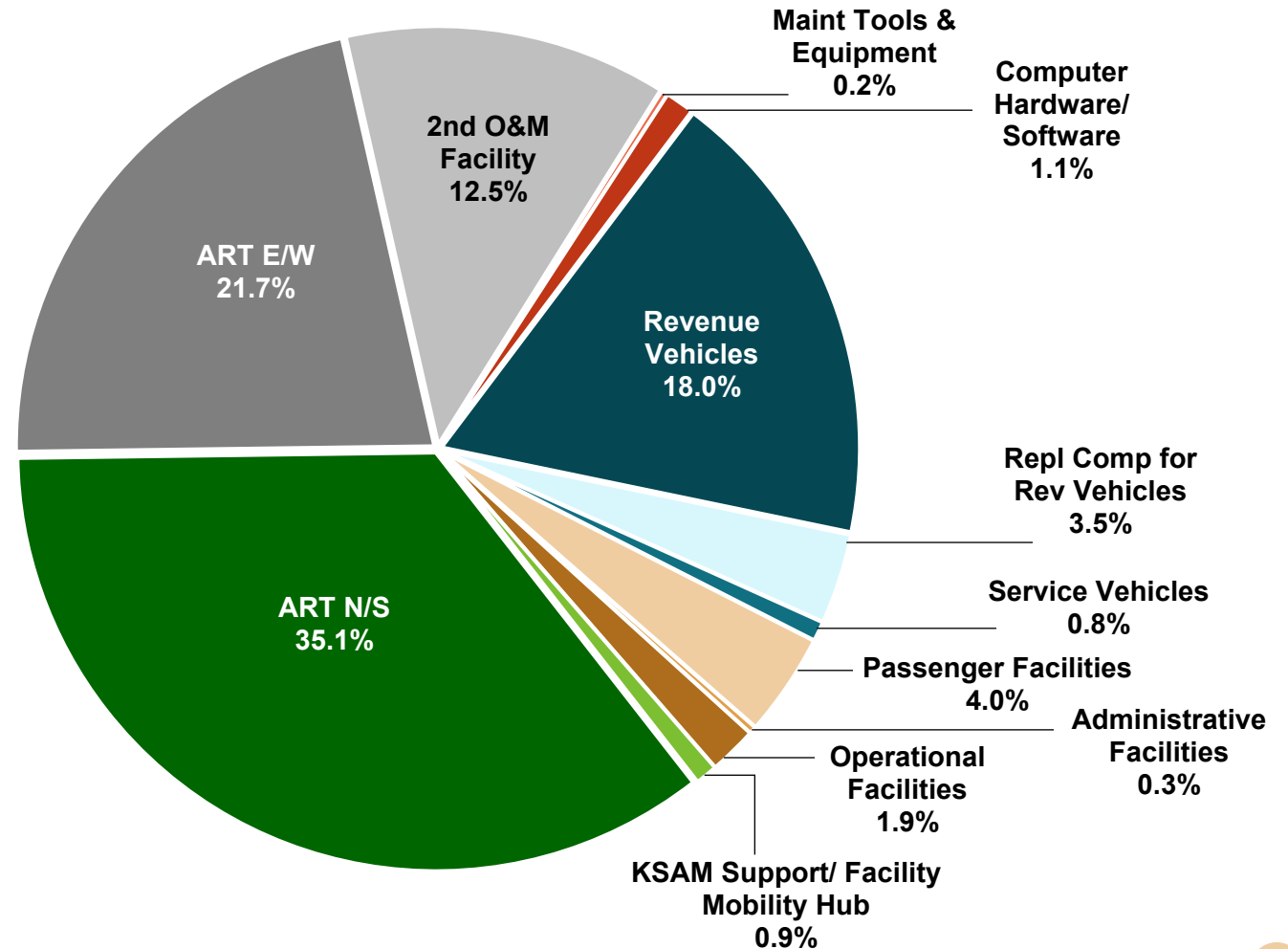
FY 2024 Capital Spending Plan - \$128.3M

Capital Spend Plan (\$M)	
Revenue Vehicles	\$ 43.7
Replacement Components for Rev Vehicles	14.9
Service Vehicles	3.8
Operational Facilities	10.4
Passenger Facilities	2.3
Administrative Facilities	1.6
Computer Hardware/Software	4.7
Maintenance Tools & Equipment	2.6
ART N/S Corridor	33.8
2nd Maintenance Facility	7.0
ART E/W Corridor	3.5
Total	\$ 128.3



FY 2024 – FY 2028 Capital Spending Plan - \$1,122.2M

Capital Spend Plan (\$M)	
Revenue Vehicles	\$ 201.7
Replacement Components for Rev Vehicles	39.0
Service Vehicles	8.5
Passenger Facilities	44.6
Operational Facilities	20.9
Administrative Facilities	3.1
Computer Hardware/Software	12.5
Maintenance Tools & Equipment	2.8
ART N/S Corridor	396.6
ART E/W Corridor	243.0
2nd Maintenance Facility	139.9
KSAM Support Capital/Facility Mobility Hub	9.6
Total	\$ 1,122.2





FIVE-YEAR FORECAST

FY 2024 – FY 2028 Financial Summary

FY 2024 – FY 2028 Forecast

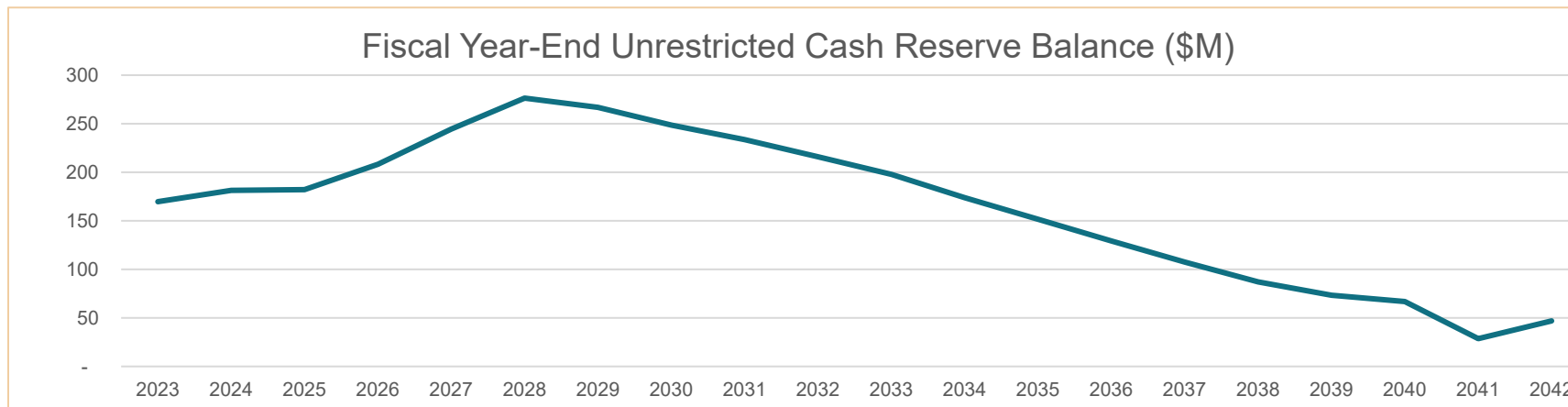
Revenues and Expenses Summary (\$M)

	Actual 2022	Budget 2023	Estimated 2023	Forecast					Total
	2024	2025	2026	2027	2028				
<u>Operating Revenues</u>									
Total Operating Revenues	\$ 15.26	\$ 15.81	\$ 16.27	\$ 18.03	\$ 21.03	\$ 23.19	\$ 24.04	\$ 25.41	\$ 111.70
<u>Operating Expenses</u>									
Total Operating Expenses	222.40	274.00	274.47	262.54	299.30	317.09	337.72	378.27	1,594.92
<u>Non-Operating Revenue/(Expense)</u>									
Sales Tax	250.89	258.61	263.50	272.13	285.48	341.37	375.19	396.63	1,670.80
Grants	94.08	52.48	49.21	57.38	55.53	55.98	56.17	56.35	281.41
Investment Income	0.19	3.90	11.74	11.13	11.62	10.79	11.11	12.37	57.02
Debt - Interest Exp., Issuance Costs and Fees	(3.81)	(3.41)	(4.91)	(5.37)	(4.62)	(4.41)	(4.86)	(7.05)	(26.31)
Intergovernmental Revenue	10.00	5.00	5.00	5.00	10.00	-	-	-	15.00
Intergovernmental Expense	(1.70)	-	-	-	-	-	-	-	-
Other	4.56	-	0.14	0.13	0.13	0.13	0.13	0.13	0.65
Total Non-Operating Revenue/(Expense)	354.21	316.58	324.68	340.40	358.14	403.86	437.74	458.43	1,998.57
NI before Depreciation, Amortization and Capital Contributions									
	\$ 147.07	\$ 58.39	\$ 66.48	\$ 95.89	\$ 79.87	\$ 109.96	\$ 124.06	\$ 105.57	\$ 515.35

FY 2024 – FY 2028 Forecast

Reserve Balances (\$M)

	Actual	Budget	Estimated	Forecast					Total FY24- FY28 Change
	2022	2023	2023	2024	2025	2026	2027	2028	
Reserve Ending Balances									
Bond Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Debt Service Fund	5.77	5.63	5.77	5.77	5.77	5.77	5.77	5.77	-
TxDOT Grant Funds	24.61	6.56	10.54	8.88	3.26	-	-	-	(10.54)
Stabilization Fund	42.65	45.04	42.65	43.15	49.20	52.12	55.25	61.39	18.74
Working Capital	42.65	45.04	42.65	43.15	49.20	52.12	55.25	61.39	18.74
Retainage	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	-
KSAM Reserve	177.12	40.30	163.19	119.79	76.06	27.39	27.39	27.39	(135.80)
TIFIA Loan Reserve	-	-	-	-	-	-	-	-	-
TIFIA Debt Service Reserve	-	-	-	-	-	-	-	3.80	3.80
Capital Grant Local Share	9.38	9.38	9.38	9.38	9.38	9.38	9.38	9.38	-
Unrestricted Cash Reserve	113.45	251.67	169.69	181.32	182.04	208.19	244.53	276.34	106.65
Total	\$ 415.66	\$ 403.65	\$ 443.90	\$ 411.47	\$ 374.94	\$ 355.00	\$ 397.60	\$ 445.49	\$ 1.59
 Change in Reserves	 \$ 112.19	 \$ (23.94)	 \$ 28.24	 \$ (32.43)	 \$ (36.53)	 \$ (19.94)	 \$ 42.60	 \$ 47.89	 \$ 1.59



Thank You

