

Proposed 2025 budget and Transit Improvement Plan

*Board of Directors
11/21/2024*



Why we are here

Request that the Board:

- Approve Resolution No. R2024-25, recommended by Finance and Audit Committee, to adopt the 2025 Budget and Transit Improvement Plan.

Timeline

- **October** – overview of Long-Range Financial Plan projections and proposed 2025 budget and TIP
- **October** – property tax levy approval
- ➔ **November** – budget reviews by Board committees and budget recommendation and approval

Budgets within Committee purview

Committee	Budget/TIP Sections
Rider Experience and Operations	<ul style="list-style-type: none">• Modal operating• Enhancement, SOGR, and Admin projects• Other expenditures
System Expansion	<ul style="list-style-type: none">• System expansion projects – Link, Sounder, Regional Express, Stride
Executive	<ul style="list-style-type: none">• System expansion projects – other• Debt service
Finance and Audit Committee	Other committees recommend budgets to FAC; FAC recommends overall budget to Board

***Proposed 2025 budget and
Transit Improvement Plan (TIP)***

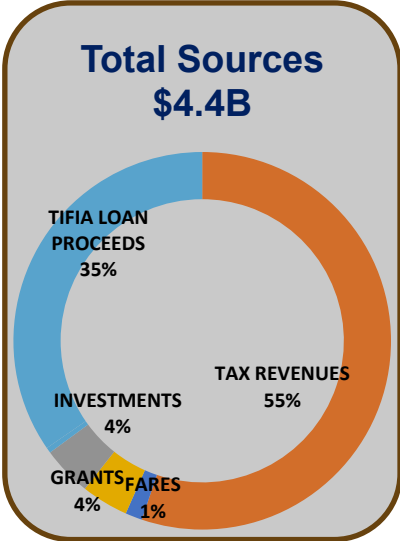
Key takeaways

- Small growth in capital spending – Link decreases as ST2 projects enter service, while projects in planning and Stride ramps up
- Operating costs, including security and fare ambassador program increase in line with increased service
- Focused efforts to identify inefficiencies and reprioritize spending
- Drawdown majority of TIFIA loans to optimize future financing

Revenues & funding sources

FY 2025 overview – revenues and sources

(In millions)



Total Sources	FY2025 Budget	% change from 2024 forecast
Taxes	\$2,414	4.3%
Fares	\$63	9.9%
Grants	\$177	-20.3%
Investments	\$186	-5.7%
Misc. Rev	\$20	16.6%
TIFIA	\$1,514	1,523%

- Tax revenues: Economic growth expected to pick up regionally after slow 2024
- Fares: Full year of Lynnwood and Starter Line; opening of Downtown Redmond and East Link
- Grants: Lower Lynnwood funding due to project opening and reduced costs budgeted for Federal Way in 2025
- TIFIA: East Link, Lynnwood, and Downtown Redmond loan drawdowns

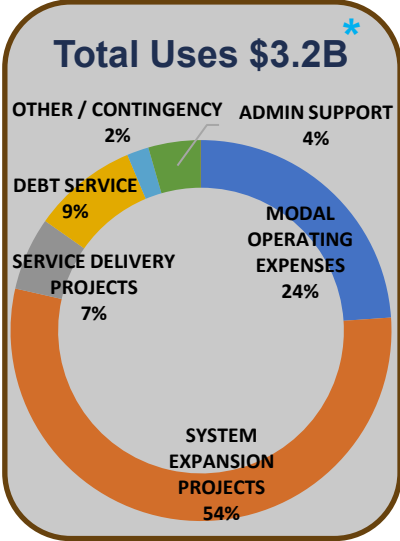
Uses of funds

Budget revision – Project Management Information System

- ***Project data management and reporting***
- ***Streamline processes and leverage automated workflows***
- ***Ensure consistent application of project tools across agency***
- ***Increase to 2025 budget from October Board presented***
 - 2025 annual project budget – \$9.1M
 - 2025 annual licensing costs (under the “Other” category) – \$1.5M
 - Total lifetime project allocation (Transit Improvement Plan) – \$22.0M

FY 2025 overview – uses of funds

(In millions)



Total Uses	FY2025 Budget	% change from 2024 forecast
Expansion	\$1,736	2%
Modal Ops	\$760	29%
Service Proj.	\$206	71% *
Debt Service	\$284	60%
Admin Support	\$141	
Other / Cont.	\$61	13% *

- *Expansion Projects: Growth in Stride, Ballard, West Seattle; projects in construction ramp down.*
- *Modal Ops: Full year of Lynnwood, Starter Line; opening of Downtown Redmond, East Link.*
- *Service Projects: Fund agency critical state of good repair, enhancement, and admin projects.*
- *Debt service: Interest begins with drawdown of East Link, Lynnwood, and Downtown Redmond TIFIA loans.*

Proposed TIP

Changes to Transit Improvement Plan

Transit Improvement Plan Expenditures - 2025 Proposed Budget	
Category	Authorized Allocation (\$M)
2024 Adopted Transit Improvement Plan*	\$25,571
New projects / programs^	\$31
Increases to existing projects / programs	\$318
Decreases from project closures	(\$81)
2025 Proposed Transit Improvement Plan	\$25,840

*Includes Board actions taken through 10/31/2024.

^ Includes revisions.

- *201 active projects in the 2025 Transit Improvement Plan*
- *Eight new projects added (including PMIS)*
- *Nine project closures*

Budget timeline

Timeline

October – budget overview and property tax approval

- **10/10** – Finance & Audit Committee – Proposed 2025 budget and TIP
- **10/15** – Public hearing for proposed 2025 budget and property tax levy
- **10/24** – Board – budget overview and property tax levy approval

November – budget recommendation and approval

- **11/7** – Rider Experience and Operations Committee – recommends to FAC
- **11/7** – Executive Committee – recommends to FAC
- **11/14** – System Expansion Committee – recommends to FAC
- **11/21** – Finance and Audit Committee – recommends to Board

 **11/21– Board – adoption of the proposed 2025 Budget and TIP**

Thank you.



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