

# FY 2024 Preliminary Operating Budget & FY 2024 – FY 2028 Capital Improvement Plan

Presentation to City Council  
April 6, 2023



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## Discussion

- ▶ Budget Process
- ▶ CEO Focus Areas
- ▶ Operating Budget
- ▶ Debt Service Budget
- ▶ Capital Investment Program

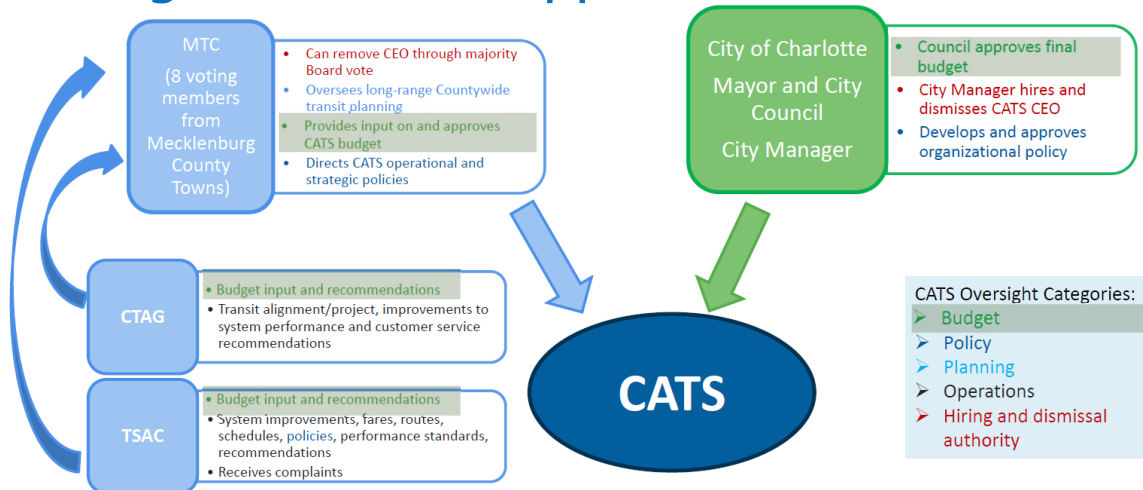


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## Budget Review & Approval Process



Source: Management Partners CATS Management Roadmap

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## CEO Focus Areas

- Balanced Budget
- Safety and Security
- Valuing Employees
- Maintenance & Asset Preservation



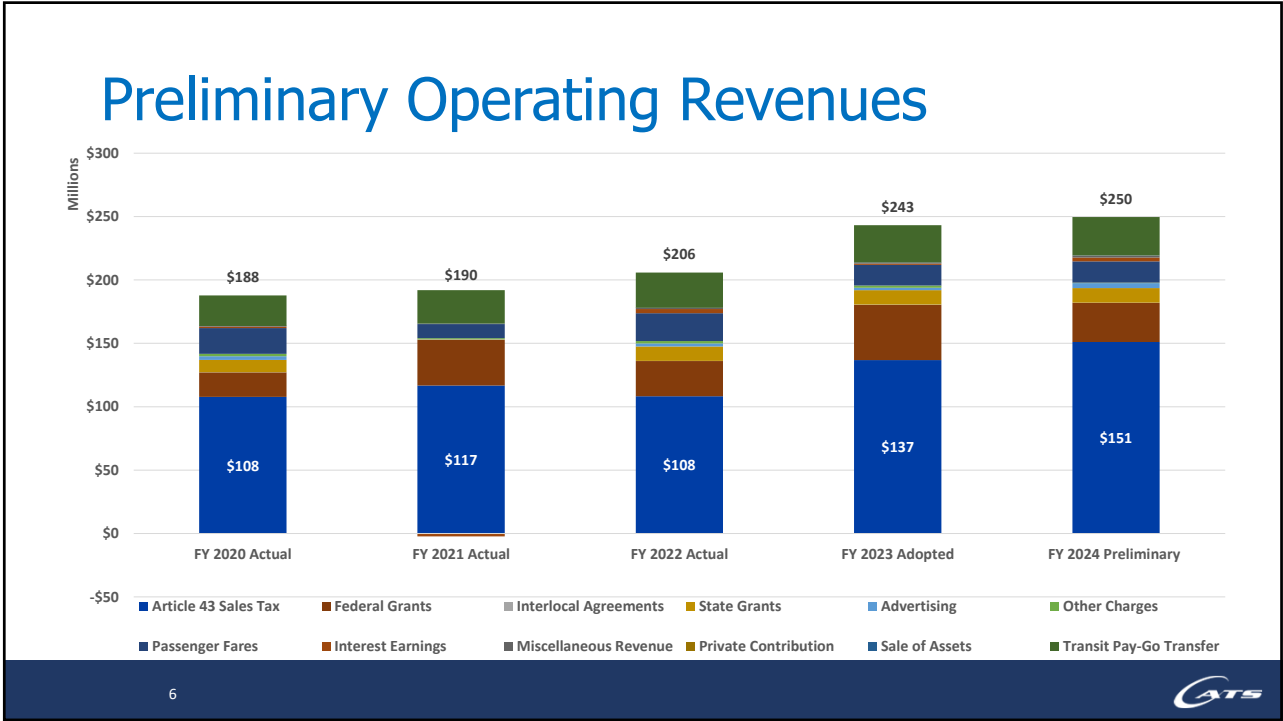
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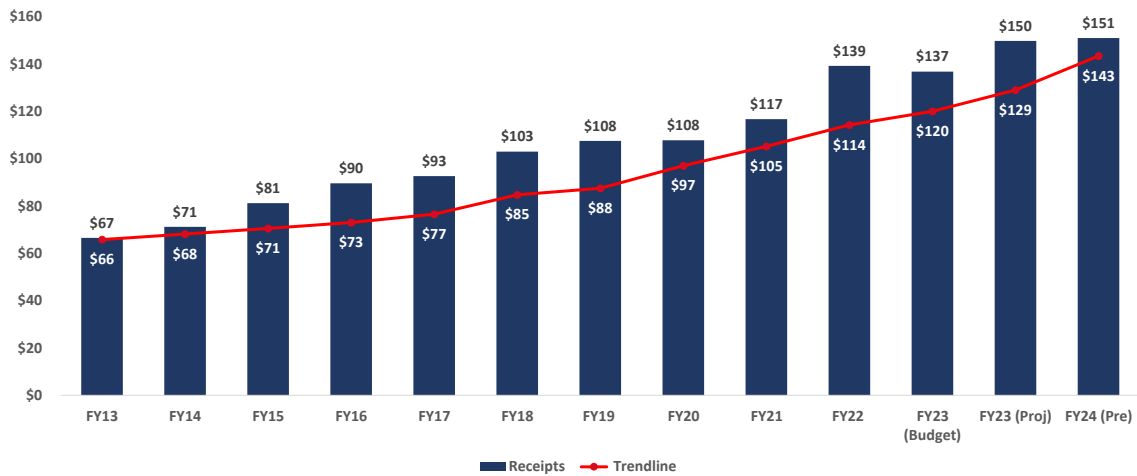
# Preliminary Operating & Debt Service

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## 1/2% Sales Tax FY 2013 – FY 2024

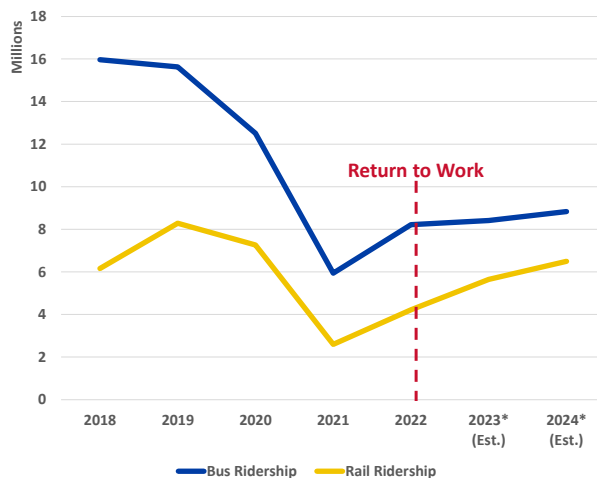


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## Ridership Trends



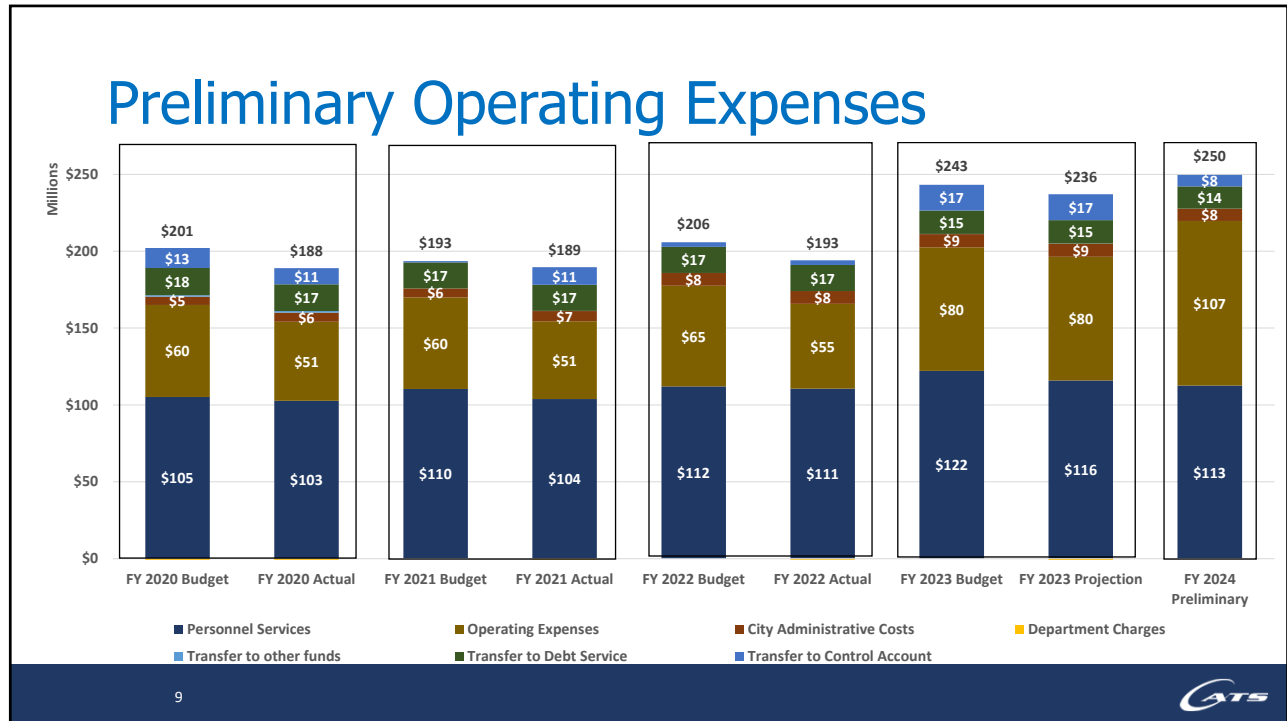
Source: 2018-2022 National Transit Database Report

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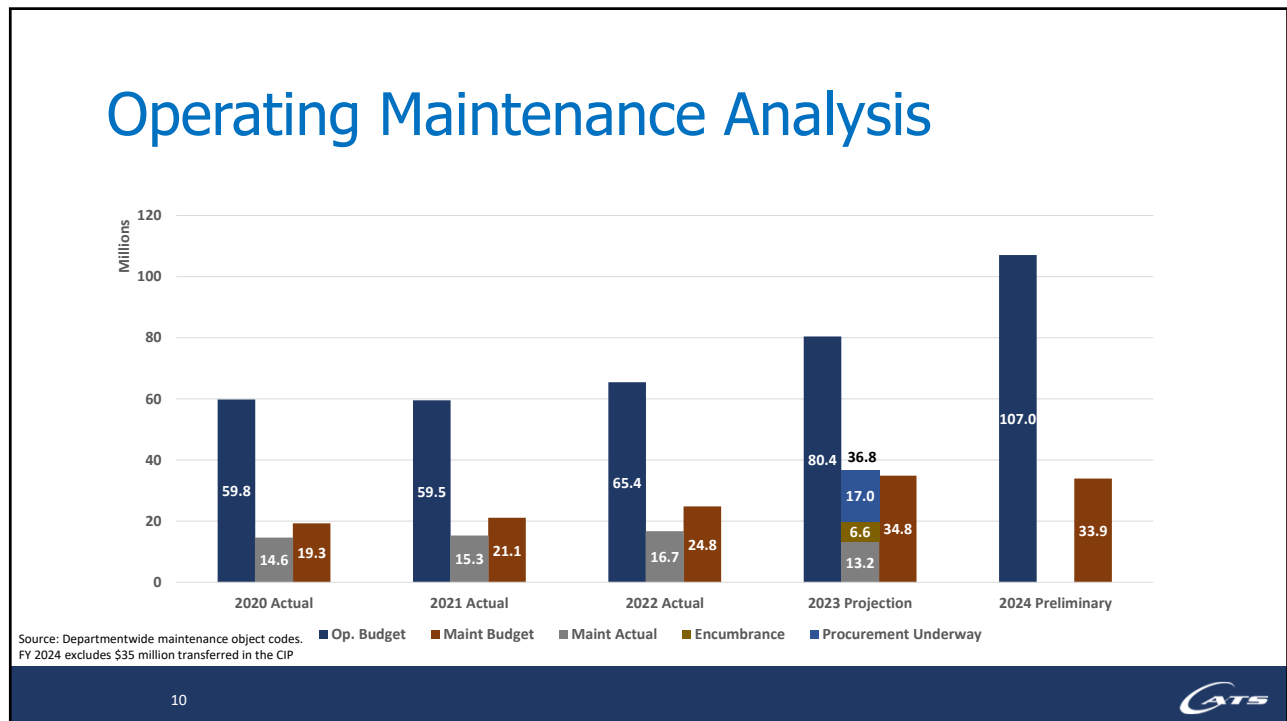


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- Based on current trends:
- Nationally ridership recovery was initially faster than CATS
  - Since widespread return to work in Spring of 2022, ridership has steadily increased
  - Ridership is estimated to continue a positive trend into FY24

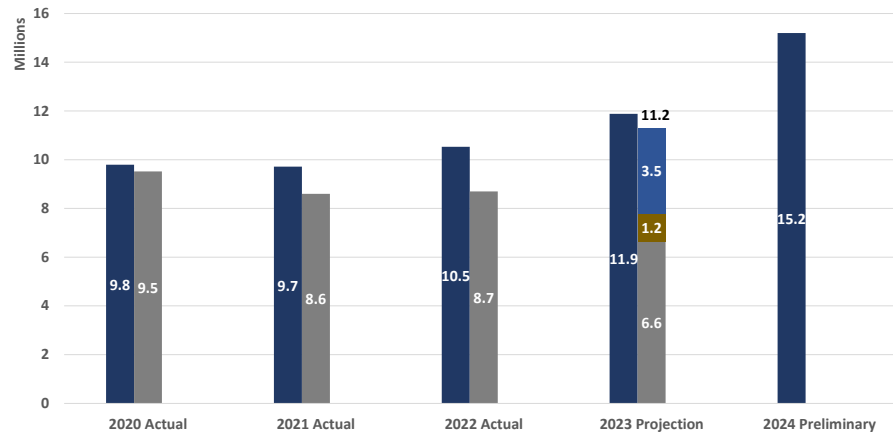


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## Operating Safety & Security Analysis



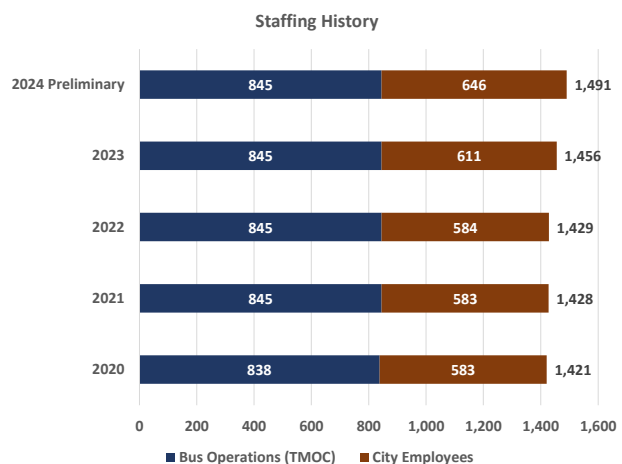
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## Enhancements

- ▶ **Safety and Security**
  - Funding for expanded security contract
  - Funding for operators and employee training
  - Expand the transit ambassador program
- ▶ **Valuing Employees**
  - eServe Academy – 4 program staff plus funding for 14 apprentices and 10 interns
  - Rate & Compensation Study
  - Right sizing workforce based on operational tempo and current needs – 30 FTEs
- ▶ **Maintenance & Asset Preservation**
  - Increased preventative maintenance for facilities, bus, and rail



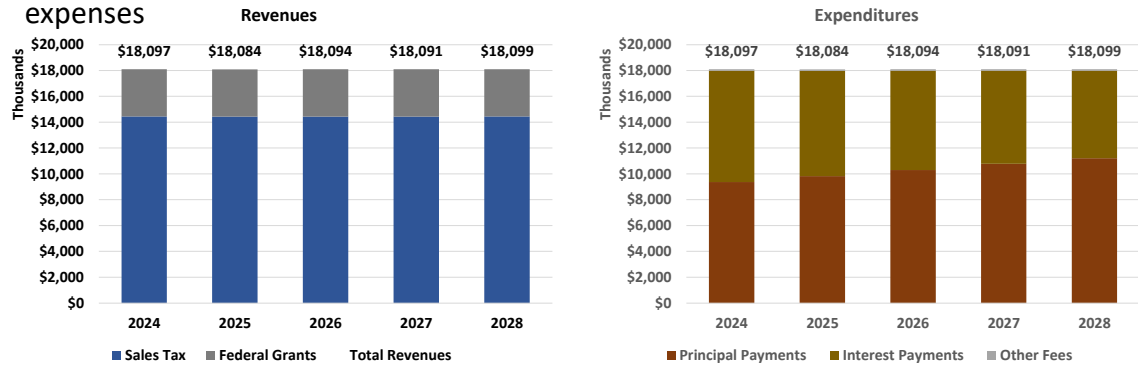
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# FY 2024 Debt Service

- ▶FY2024 Debt Service Budget ~\$18.1 million
- ▶Transit Sales Tax, Federal and State grant funds pay annual principal and interest expenses



- ▶No new debt issuance programed for FY 2024



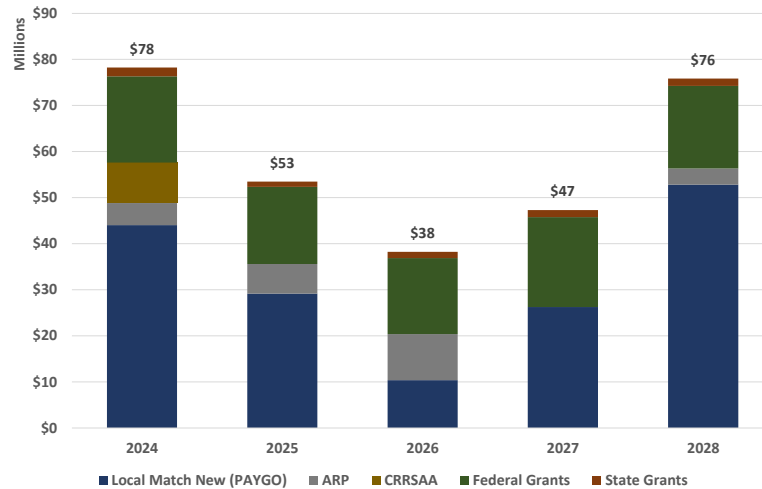
# Preliminary Capital Investment Plan



## FY 2024 – FY 2028 CIP Sources of Funds

### FY 2024 Highlights

- ▶ Utilizes ~\$27 million in reserve funds to increase bus purchases
- ▶ Utilizes ~\$10 million in reserve funds for other projects and equipment purchases
- ▶ Working with City Finance to develop a long-term funding strategy for future revenue vehicle purchases



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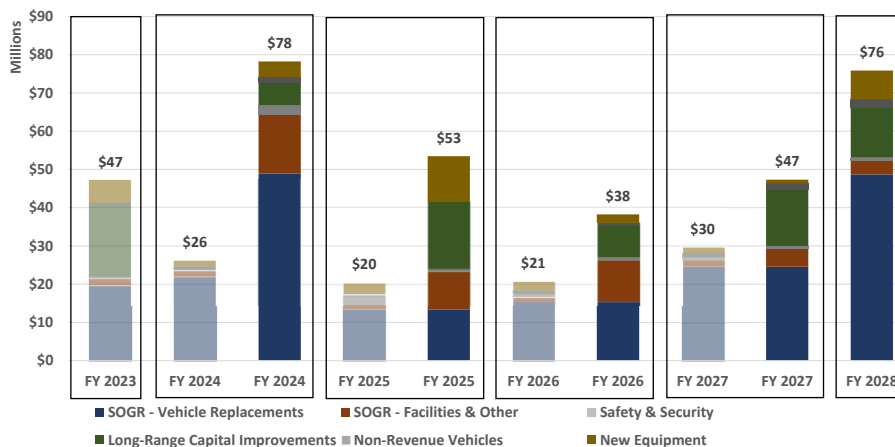
## FY 2024 – FY 2028 CIP Expenditures

### FY 2024 Highlights

- ▶ 37 Replacement Buses
- ▶ 19 Replacement STS Vehicles
- ▶ Transit Planning
- ▶ ADA Improvements
- ▶ Security Improvements
- ▶ Continues prior-year initiatives

Notes:

1. Shaded columns represent FY 2023 to FY 2027 CIP
2. FY2024 Preliminary Capital Budget excludes carry over amounts
3. Excludes Grant-Funded Operating Projects

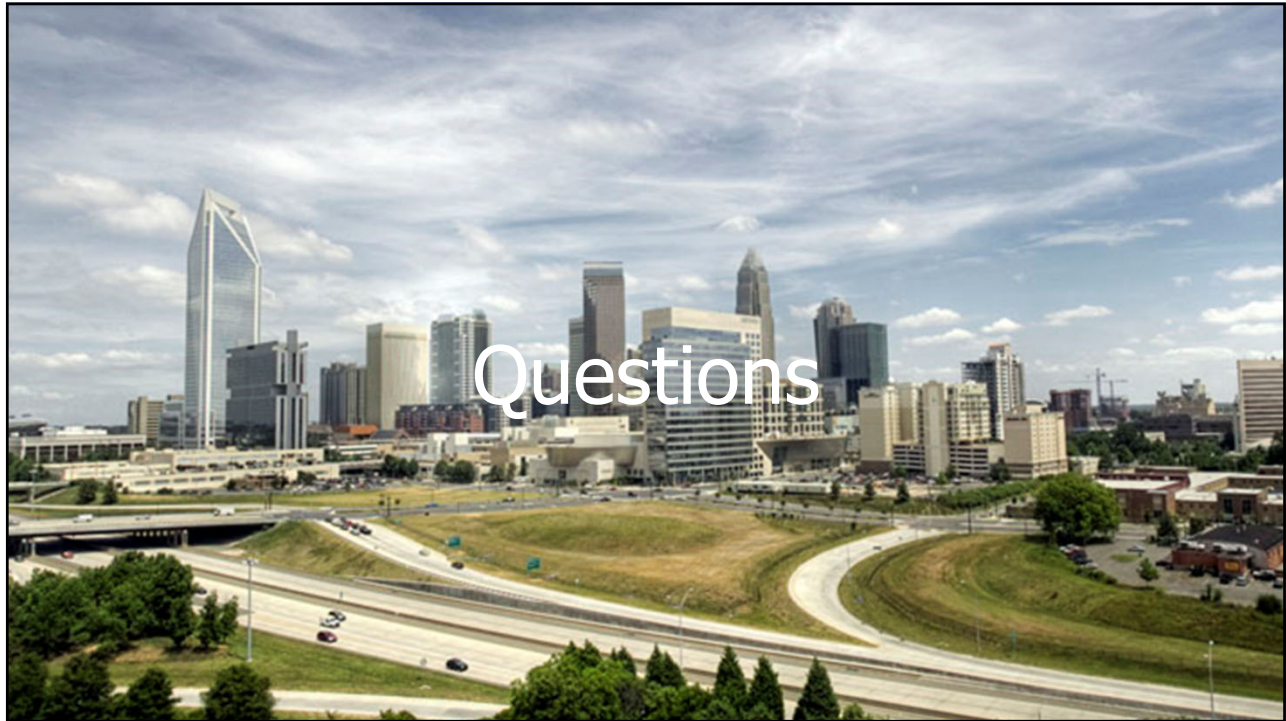


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