

Valley Metro Rail

FY21 Preliminary Budget Overview and 5-Year Forecast

May 2020



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FY21 Budget Update



Changes from March version

- Deferred most new FY21 staff and some vacant positions
 - Removed 3% merit increase
- Reduced administrative costs and deferred some capital activities
- Reduced planned travel
- Reduced Prop 400 forecast and fare revenues
- Added CARES Act funding to operations

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Uses of Funds: Operating (\$,000,000)



Uses of Funds	FY20	March	May	Change \$	Change %
Light Rail O&M	\$45.7	\$49.3	\$49.0	(\$0.3)	-1%
Streetcar O&M	0.0	0.6	0.6	(0.0)	-1%
Security	9.4	9.4	8.6	(0.8)	-8%
Future Project Development	13.2	13.0	11.6	(1.4)	-11%
Agency Operating	2.1	2.4	1.8	(0.5)	-22%
Total Operating Uses	\$70.3	\$74.7	\$71.6	(\$3.1)	-4%

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Operating: Light Rail



Key Budget Drivers

- Transportation Contractor contractual increases and staff (\$944K)
- FY20 phasing-in of new maintenance staff and comp study (\$1.2M)
 - Additional State of Good Repair needs
 - Introduction of 17 new vehicles
- Parts (\$424K)
 - Increased maintenance needs for aging Ticket Vending Machines
 - Replace power supplies for original (20 mile) alignment
- Insurance premium escalation (\$275K)

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Transportation



Annual Increases

Management	3%	\$14,000
Supervisors	5%	\$106,000
Operators	5%	\$199,000
		\$319,000

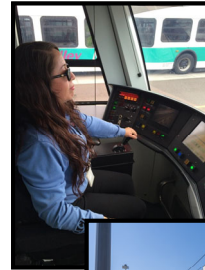
New/Reclass Staff

Assist. Manager Operations (New)		\$63,000
Supervisor (New)		\$63,000
Supervisor (New)		\$63,000
Manager Labor Relations and HR (Reclass)		\$16,000
		\$205,000

Overhead / Fee

Overhead (80% Reg, 20% OT)		\$357,000
Fixed Fee	8%	\$63,000
		\$420,000

Total Increase \$944,000



Maintenance Staff – Phasing and Comp Study



- 29 positions phased in during FY20
- Challenge with filling/retaining positions
- Restructured titles and job descriptions to attract the right candidates
- Developed tiers, based on skill, to ensure growth opportunity
- HR completed salary survey for adjusting pay range and starting pay

Phasing in of FY20 Staff

Fiscal Year	Hours	FTE	Budget
FY20	36,759	18	\$ 1,322,000
FY21	60,320	29	\$ 2,143,000
			\$ 821,000
Reclass/Compensation Adj			\$ 342,000
Total Increase			\$ 1,163,000

Sources of Funds: Operating (\$,000,000)



Sources of Funds	FY20	March	May	Change \$	Change %
Advertising	\$1.4	\$1.1	\$0.3	(\$0.8)	-75%
Fares	11.7	10.8	2.7	(8.1)	-75%
Federal Funds	2.6	1.5	1.5	0.0	0%
Federal Funds - CARES	0.0	0.0	43.0	43.0	-
Member City Contributions	43.2	48.3	12.6	(35.7)	-74%
Regional Planning Funds	1.0	1.0	1.0	0.0	0%
Public Transportation Funds	10.5	11.8	10.4	(1.4)	-12%
Other	0.0	0.1	0.1	0.0	0%
Total Operating Sources	\$70.3	\$74.7	\$71.6	(\$3.1)	-4%

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Uses of Funds: Capital (\$,000,000)



Uses of Funds	FY20	March	May	Change \$	Change %
Tempe Streetcar	\$85.7	\$40.1	\$39.7	(\$0.4)	-1%
South Central/Downtown Hub	\$223.3	253.2	253.0	(0.2)	0%
Northwest Phase II	\$39.7	91.6	91.3	(0.3)	0%
OMC Expansion	\$32.1	27.9	27.8	(0.1)	0%
Gilbert Road Extension	\$4.1	3.3	3.3	0.0	0%
50th Street Station	\$1.2	0.0	0.0	0.0	-
Central Mesa Extension	\$0.3	0.0	0.0	0.0	-
Systemwide Improvements	9.4	18.1	11.5	(6.6)	-37%
State of Good Repair	13.5	10.0	8.7	(1.3)	-13%
Total Capital Uses	\$409.3	\$444.1	\$435.3	(\$8.9)	-2%

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Sources of Funds: Capital (\$,000,000)



Sources of Funds	FY20	March	May	Change \$	Change %
Federal Funds	\$108.3	\$291.1	\$282.5	(\$8.6)	-3%
Member City Contributions	224.6	106.6	120.4	13.8	13%
Public Transportation Funds	77.9	46.4	32.3	(14.1)	-30%
City of Mesa Financing	(1.5)	0.0	0.0	0.0	-
Total Capital Sources	\$409.3	\$444.1	\$435.3	(\$8.9)	-2%

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FY21 Staffing



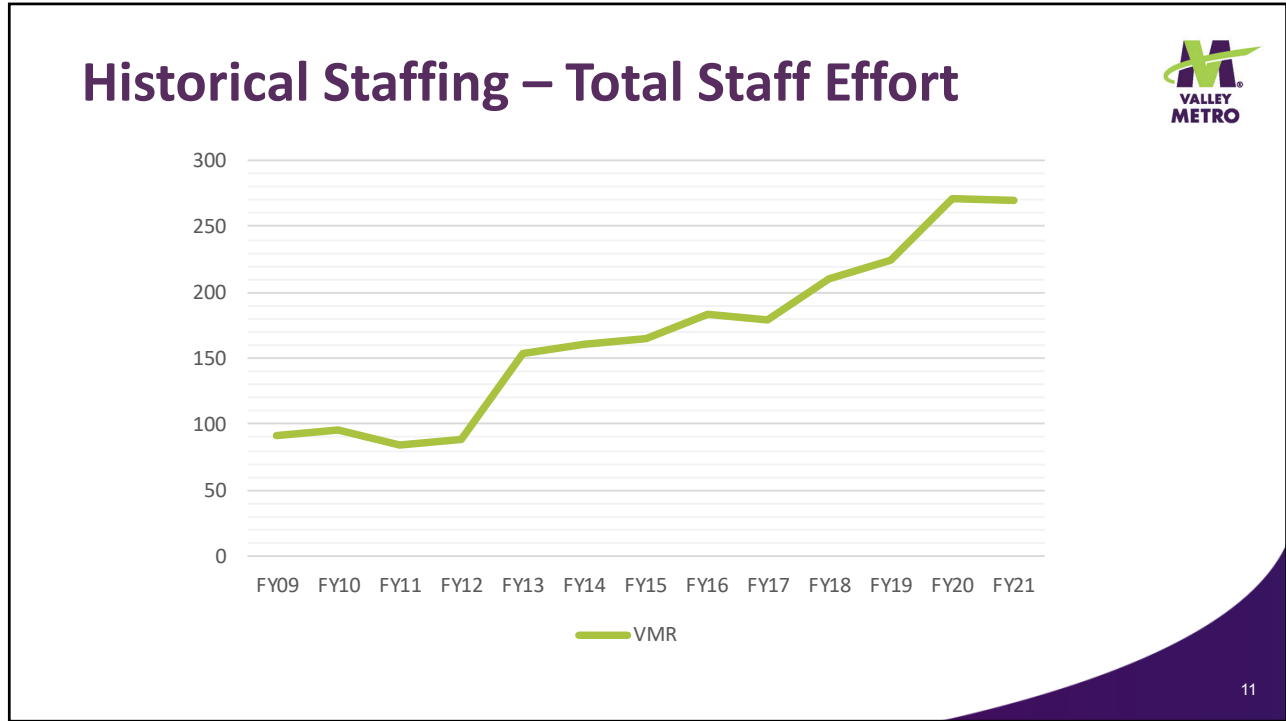
FTE	FY20	March	May	Change
RPTA/Shared Agency Activities	122	124	118	(6)
RPTA only Activities	109	114	100	(14)
VMR only Activities	196	204	194	(10)
Total FTE	427	442	412	(30)

RPTA/Shared Agency Activities

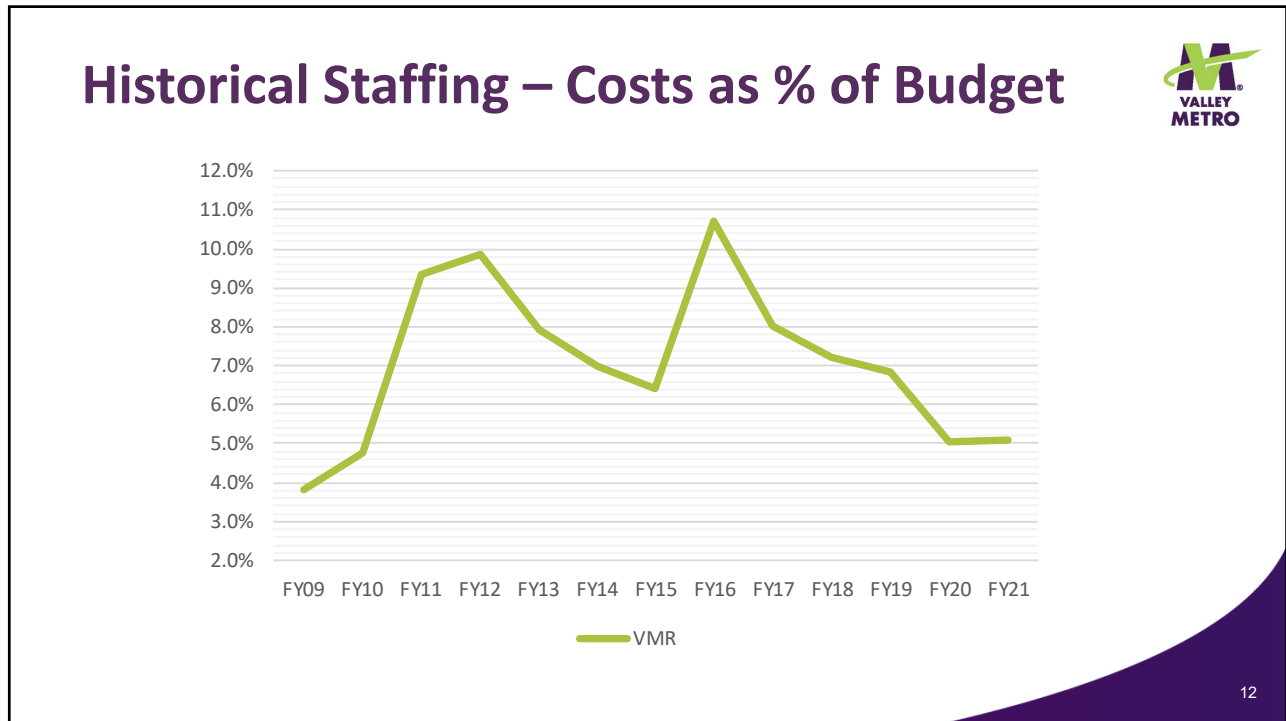
<i>RPTA</i>	47	50	47	(3)
<i>VMR</i>	75	74	71	(3)

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VMR

FY21-25 Proposed Five-Year Forecast

May 2020



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5-Year Operating Assumptions:



New Service

- Tempe Streetcar (3.0 miles) - May 2021
- South Central (5.0 miles) – Dec 2024
- Overlay – Central Station to Sycamore (13.5 miles) – Dec 2024
- Northwest Ext. II (1.6 miles) – Jan 2025

Fare Revenue

- Ridership is forecasted to decrease from previous years due to Covid-19
- FY22 fare revenue is 75% of pre-covid19 forecast, with 10% increase each year.

Federal PM revenue

- FY22 up 1.5% and each year after.

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5-Yr Uses of Funds: Operating (\$,000,000)



Uses of Funds	March	May	Change \$
Operations & Maintenance	\$ 294.4	\$ 292.6	\$ (1.9)
Security	51.8	50.7	(1.1)
Future Project Development	50.3	46.3	(4.0)
Agency Operating Budget	12.6	9.8	(2.8)
Total Operating Uses	\$ 409.1	\$ 399.3	\$ (9.8)

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5-Yr Uses of Funds: Capital (\$,000,000)



Uses of Funds	March	May	Change \$
Tempe Streetcar	\$ 41.6	\$ 41.2	\$ (0.4)
South Central/Downtown Hub	1,285.4	1,285.2	(0.1)
Northwest Phase II	331.8	331.3	(0.5)
OMC Expansion	29.7	29.7	(0.0)
Gilbert Road Extension	3.3	3.3	-
Capitol I-10 West Phase I	282.2	282.2	-
Systemwide Improvements	42.6	27.4	(15.2)
State of Good Repair	34.6	34.5	(0.1)
Total Capital Uses	\$ 2,051.2	\$ 2,034.8	\$ (16.4)

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5-Yr Sources of Funds: Operating (\$,000,000)



Sources of Funds	March	May	Change \$
Advertising	\$ 5.5	\$ 4.0	\$ (1.5)
Fares	61.4	42.8	(18.6)
Federal Funds	8.9	8.8	(0.1)
Federal Funds - CARES	-	43.0	43.0
MAG Funds	2.5	2.5	-
Member City Contributions	283.4	254.8	(28.6)
Other	0.7	0.7	-
Public Transportation Funds	44.3	40.3	(4.0)
Regional Area Road Funds	2.5	2.5	-
Total Operating Sources	\$ 409.1	\$ 399.3	\$ (9.8)

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5-Yr Sources of Funds: Capital (\$,000,000)

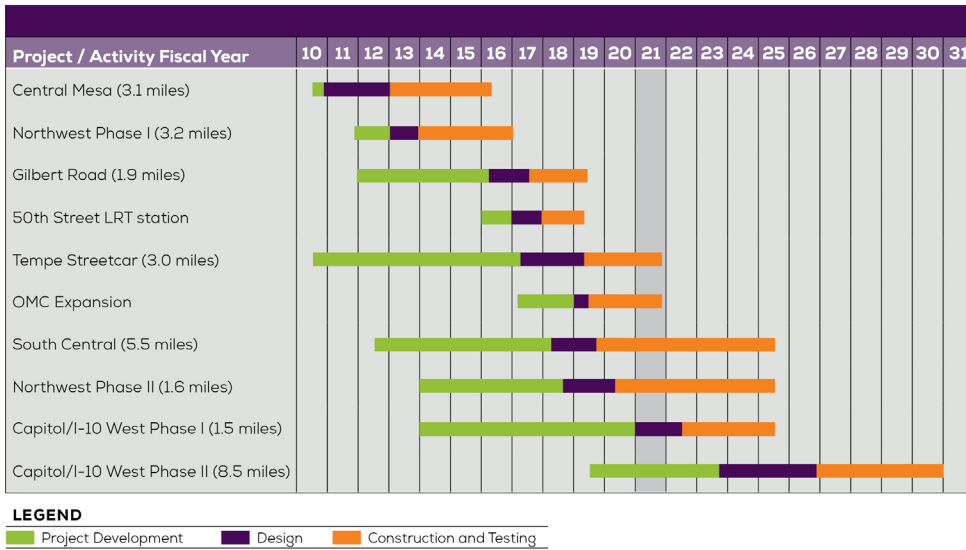


Sources of Funds	March	May	Change \$
Federal Funds	\$ 918.8	\$ 910.0	\$ (8.8)
Member City Contributions	734.1	741.5	7.4
Public Transportation Funds	398.3	383.3	(15.0)
Total Capital Sources	\$ 2,051.2	\$ 2,034.8	\$ (16.4)

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LRT Capital Project Schedule



5-Year Operating Sources and Uses



	FY21	FY22	FY23	FY24	FY25	Total
Operating (\$,000)						
Sources of Funds						
Advertising	\$ 275	\$ 660	\$ 879	\$ 1,100	\$ 1,100	\$ 4,014
Fares	2,710	8,130	9,212	10,296	12,463	42,811
Federal Funds	1,546	1,569	1,593	2,457	1,641	8,806
Federal Funds - CARES	42,961	-	-	-	-	42,961
MAG Funds	500	500	500	500	500	2,500
Member City Contributions	12,593	56,559	57,860	56,654	71,144	254,810
Other	130	130	130	130	130	650
Public Transportation Funds	10,424	6,948	7,587	7,642	7,685	40,286
Regional Area Road Funds	500	500	500	500	500	2,500
Total Sources of Funds	71,639	74,996	78,261	79,279	95,163	399,338
Uses of Funds						
Operations & Maintenance	49,589	55,529	57,719	57,773	71,944	292,554
Security	8,576	9,617	9,996	10,006	12,455	50,650
Future Project Development	11,627	7,948	8,587	9,482	8,685	46,329
Agency Operating	1,847	1,902	1,959	2,018	2,079	9,805
Total Uses of Funds	\$ 71,639	\$ 74,996	\$ 78,261	\$ 79,279	\$ 95,163	\$ 399,338

5-Year Operating by Segment



	FY21	FY22	FY23	FY24	FY25	Total
Operations (,000)						
Base 27.9 miles	\$ 57,443	\$ 58,591	\$ 61,030	\$ 60,959	\$ 64,428	\$ 302,451
South Central	-	-	-	-	5,093	5,093
Overlay	-	-	-	-	6,636	6,636
Northwest 2	-	-	-	-	1,288	1,288
Tempe Streetcar	722	6,554	6,685	6,819	6,955	27,735
Total Operations	\$ 58,165	\$ 65,145	\$ 67,715	\$ 67,778	\$ 84,400	\$ 343,203
Light Rail Cost per Mile	\$16.23	\$16.56	\$16.89	\$17.22	\$17.57	
Streetcar Cost per Mile	\$30.08	\$31.36	\$31.99	\$32.63	\$33.28	

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5-Year Capital Sources and Uses



	FY21	FY22	FY23	FY24	FY25	Total
Capital (\$,000)						
Sources of Funds						
Federal Funds	\$ 282,496	\$ 164,799	\$ 168,312	\$ 220,004	\$ 74,358	\$ 909,969
Member City Contributions	120,442	201,695	211,704	164,529	43,163	741,534
Public Transportation Funds	32,343	90,605	98,078	129,193	33,124	383,343
Total Sources of Funds	435,282	457,099	478,094	513,726	150,645	2,034,846
Uses of Funds						
Tempe Streetcar	39,700	1,543	-	-	-	41,243
South Central	253,033	293,590	302,953	340,973	94,674	1,285,223
Northwest Phase II	91,306	86,217	82,542	65,345	5,933	331,343
OMC Expansion	27,808	1,888	-	-	-	29,696
Gilbert Road Extension	3,296	-	-	-	-	3,296
Capitol I-10 West Phase I	-	47,614	83,175	103,424	47,952	282,165
Systemwide Improvements	11,452	14,404	990	277	240	27,363
State of Good Repair	8,687	11,843	8,434	3,707	1,846	34,517
Total Uses of Funds	\$ 435,282	\$ 457,099	\$ 478,094	\$ 513,726	\$ 150,645	\$ 2,034,846

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5-Year State of Good Repair



	FY21	FY22	FY23	FY24	FY25	Total
State of Good Repair (\$,000)						
PTF Funded						
Maintenance Buildings	\$ 3,950	\$ 273	\$ 100	\$ -	\$ -	\$ 4,323
Revenue Vehicles - Overhaul (SOGR)	2,203	8,025	6,251	3,242	1,490	21,211
Personal Service & Overhead	236	292	237	121	54	940
Total PTF Funded	6,389	8,590	6,588	3,363	1,544	26,474
Member City Funded						
Guideway	139	106	106	-	233	584
Maintenance Buildings	-	50	-	-	-	50
Passenger Stations	1,200	2,163	1,450	-	-	4,813
Revenue Vehicles - Overhaul (SOGR)	683	676	208	324	-	1,891
Service Vehicles (non-revenue)	169	106	-	-	56	331
Other	29	-	-	-	-	29
Personal Service & Overhead	78	152	82	20	13	345
Total Member City Funded	2,298	3,253	1,846	344	302	8,043
Total State of Good Repair	\$ 8,687	\$ 11,843	\$ 8,434	\$ 3,707	\$ 1,846	\$ 34,517

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FY21 Travel



Combined	March	May	Change
Required	\$ 66,000	\$ 59,800	\$ (6,200)
Essential	99,000	48,100	(50,900)
Professional Development	238,000	79,300	(158,700)
CONTROL	\$ 403,000	\$ 187,200	\$ (215,800)

RPTA	FY21	FY21	Change
Required	\$ 13,000	\$ 9,100	\$ (3,900)
Essential	65,000	23,400	(41,600)
Professional Development	133,000	59,800	(73,200)
Total	\$ 211,000	\$ 92,300	\$ (118,700)

VMR	FY21	FY21	Change
Required	\$ 53,000	\$ 50,700	\$ (2,300)
Essential	34,000	24,700	(9,300)
Professional Development	105,000	19,500	(85,500)
Total	\$ 192,000	\$ 94,900	\$ (97,100)

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Budget Schedule

Committee/Boards/FWG	
Aug 29, 2019	Board Study Session
Oct 10, 2019	Present Key Assumptions to AFS
Feb 3, 2020	Present update of Key Assumptions to AFS
Feb 13, 2020	Present annual budget to FWG
Feb 18, 2020	Present 5-year plans to FWG
March	Present Annual Budgets to Committees/Boards for Info
April	Board Study Session
→ May	Present Annual Budgets and 5-Year plans to AFS and Board for Info
June	Present Annual Budgets and 5-Year plans for action

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Thank You



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