Presentations for May 20, 2021 Board of Directors Meeting
ITEM 4 - PRELIMINARY FY 2021/22 CAPITAL & OPERATING BUDGETS

Board of Directors Meeting
May 20, 2021
Preliminary FY 2021/22 Capital & Operating Budgets

• Informed by Pandemic Recovery Program Core Principles
• Maximize Efficiencies
• Re-baselined Expenditures
### Preliminary FY 2021/22 Capital & Operating Budgets

<table>
<thead>
<tr>
<th>Expense ($ in Millions)</th>
<th>Revenue ($ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget Expenditures</td>
<td>Bridge Tolls</td>
</tr>
<tr>
<td>$50.00</td>
<td>$18.00</td>
</tr>
<tr>
<td>- Ferry Service</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>47.00</td>
<td>$41.53</td>
</tr>
<tr>
<td>- Planning and Administration</td>
<td>State Funds</td>
</tr>
<tr>
<td>3.00</td>
<td>$21.70</td>
</tr>
<tr>
<td>Capital Budget Expenditures</td>
<td>Local Funds</td>
</tr>
<tr>
<td>44.93</td>
<td>$5.43</td>
</tr>
<tr>
<td>Total Budget Expense</td>
<td>Passenger Fares</td>
</tr>
<tr>
<td><strong>$94.94</strong></td>
<td><strong>$8.27</strong></td>
</tr>
<tr>
<td><strong>Total Budget Revenue</strong></td>
<td><strong>$94.94</strong></td>
</tr>
</tbody>
</table>
FY 2021/22 Preliminary Capital Budget Revenues

The preliminary FY 2021/22 Capital Budget is funded with the following funding sources:

• **State** – total $21.24 million
  - California Transit Security Grant Program funds - $12.26m
  - Cap and Trade funds - $4.68m
  - Carl Moyer Grant Program funds - $3.50m
  - State Transit Assistance - $815,700

• **Federal** – total $19.50 million

• **Bridge Tolls** – $2.45 million

• **Alameda Transportation Sales Tax** – $1.78 million
FY 2021/22 Preliminary Capital Budget Projects

- Main Street Terminal Rehabilitation
- Mission Bay – Design and Construct All-Electric Vessel and Terminal Charging Infrastructure (pending grant award)
- Vallejo Terminal Dredging
- Vessel Purchase, Replacement, and Rehabilitation
  - High Speed Vessels (4) under construction at Mavrik Marine
  - Replacement of MV Intintoli
  - Gemini Class Engine Conversion
FY 2021/22 Ferry Operating Budget Revenue Assumptions

• Recovery will likely be slow and gradual
• Assumes ridership will return to 50% of pre-pandemic level by June 2022
• 15% reduction in RM2 funds
• Reliant on Federal pandemic relief funding
• Additional relief funding will be needed if assumptions fall short
FY 2021/22 Ferry Operating Budget

• Budget process
  o Covid 19 disruption created opportunity to rebuild services and budgets
  o Budget review committee to identify overlaps and inefficiencies
  o Operating Budget proposes a 54 percent net increase in ferry service hours while lowering the unit cost of delivering that service by 27 percent

• Key efficiencies identified through budget process
  o Crew schedules modified to provide more revenue service
  o Operating schedules optimized, interlining strategy implemented
  o Vessel downtime reduced
  o Maintenance schedules aligned with new operating schedules
  o Categories of WETA costs refined to improve expense tracking
## FY 2021/22 Ferry Operating Budget

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Ferry Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$29,363,161</td>
</tr>
<tr>
<td>2017</td>
<td>$33,243,675</td>
</tr>
<tr>
<td>2018</td>
<td>$37,880,861</td>
</tr>
<tr>
<td>2019</td>
<td>$41,870,861</td>
</tr>
<tr>
<td>2020</td>
<td>$41,816,676</td>
</tr>
<tr>
<td>2021 (Projected)</td>
<td>$31,462,200</td>
</tr>
<tr>
<td>2022 (Budget)</td>
<td>$46,993,733</td>
</tr>
</tbody>
</table>
### FY 2021/22 Ferry Operating Budget

<table>
<thead>
<tr>
<th>Cost Categories</th>
<th>FY 2022 Proposed Budget</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel Crew Labor</td>
<td>$15,245,947</td>
<td>32%</td>
</tr>
<tr>
<td>Vessel Fuel</td>
<td>$9,636,903</td>
<td>21%</td>
</tr>
<tr>
<td>Vessel Maintenance &amp; Repair</td>
<td>$4,937,000</td>
<td>11%</td>
</tr>
<tr>
<td>Facilities – Terminals</td>
<td>$2,170,433</td>
<td>5%</td>
</tr>
<tr>
<td>Facilities – O&amp;M</td>
<td>$6,311,976</td>
<td>13%</td>
</tr>
<tr>
<td>System Expenses</td>
<td>$8,691,475</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total Budget Expenses</strong></td>
<td><strong>$46,993,733</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Comparison of Performance Measures (FY 19 v. FY 22)

• Costs up 12% from FY 2018/19
  o Cost inflation of basic goods and services
  o Expansion of fleet to 17 vessels
  o Increase of 10% in total crew hours

• Service revenue hours up 54% from FY 2018/19
  o Seaplane Shift
  o Pandemic Recovery Program
    ➢ Weekend service
    ➢ Richmond & Harbor Bay all-day service
    ➢ More midday & late evening options
Comparison of Performance Measures (FY 19 v. FY 22)

Cost Efficiency

- Lower marginal operating costs
- Cost per revenue hour down 27%

<table>
<thead>
<tr>
<th></th>
<th>FY 2018/19 Actual</th>
<th>FY 2021/22 Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost/Revenue Hour</td>
<td>$2,033</td>
<td>$1,478</td>
<td>-27%</td>
</tr>
<tr>
<td>Cost/Total Hours</td>
<td>$1,505</td>
<td>$1,353</td>
<td>-10%</td>
</tr>
</tbody>
</table>
Comparison of Performance Measures (FY 19 v. FY 22)

Service Efficiency

- More total hours overall, but relatively more revenue hours
- Non-revenue “deadhead” hours down 59% due to implementation of service interlining strategy

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<tr>
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<th>FY 2018/19 Actual</th>
<th>FY 2021/22 Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Hours</td>
<td>20,596</td>
<td>31,787</td>
<td>54%</td>
</tr>
<tr>
<td>Non-Revenue Hours</td>
<td>7,219</td>
<td>2,955</td>
<td>-59%</td>
</tr>
<tr>
<td>Total Hours</td>
<td>27,815</td>
<td>34,742</td>
<td>25%</td>
</tr>
</tbody>
</table>
Comparison of Performance Measures (FY 19 v. FY 22)

Labor Efficiency

- 40% more crew time in revenue service
- Strategy to deploy more midday and late evening service during typical periods of crew down-time

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<th>FY 2018/19 Actual</th>
<th>FY 2021/22 Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Hours/Crew</td>
<td>2.64</td>
<td>3.70</td>
<td>40%</td>
</tr>
<tr>
<td>Total Hours/Crew</td>
<td>3.57</td>
<td>4.04</td>
<td>13%</td>
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</tbody>
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FY 2021/22 Planning & Administration Budget

• Staffing level of 18 full-time and 1 part-time positions – an increase of 2 positions:
  o Grants Administrator
  o Transportation Intern (part-time)

• The preliminary budget also includes the following changes
  o Finance & Administration Manager to Chief Financial Officer
  o Program Specialist to Customer Experience Specialist
  o Program Manager to Government & Regulatory Affairs Manager
  o Administrative Assistant to Government & Regulatory Affairs Specialist
FY 2021/22 Planning & Administration Budget

• 3.8% Cost of Living increase based on the most recent one-year (April 2020 to April 2021) change in Consumer Price Index for the San Francisco Bay Area

• The preliminary budget supports the FY 2021/22 Work Program (Appendix A).
Next Steps

• Develop a final FY 2021/22 budget proposal, reflecting Board input

• Present the Proposed FY 2021/22 Operating and Capital Budget for Board consideration at the June 3rd meeting

• Monitor evolving conditions throughout the year and adjust the budget as necessary
Item 5: WETA Business Plan Concept and Organization
**WETA Work Program**

**WETA Business Plan Activities**

- **Workshops**: Input
- **Service Vision**: Technical Studies
- **RM3 Legal Resolution?**
- **RM3 Plans**: Stakeholder Reengagement
- **Business Plan Development**: Final Plan

- **Summer, Fall 2021**
  - New service start
  - Pilot program RFP
  - Berkeley, Redwood City Business Plans
  - CARB Plan
  - Blue Ribbon Plan

- **Winter 2022**
  - Treasure Island Study
  - RM3 Standards
  - Onboard surveys
  - Zero emission studies

- **Spring 2022**
  - MOUs: TI, RC, Bkly
  - Fare Program proposal
  - FY23 Budget
  - New vessel deliveries

- **Summer, Fall 2022**
  - RC, Bkly Design RFPs
  - Mission Bay Permitting
  - Vessel procurements
  - New service plans