



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

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

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
 - Covid 19 disruption created opportunity to rebuild services and budgets
 - Budget review committee to identify overlaps and inefficiencies
 - 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
 - Crew schedules modified to provide more revenue service
 - Operating schedules optimized, interlining strategy implemented
 - Vessel downtime reduced
 - Maintenance schedules aligned with new operating schedules
 - Categories of WETA costs refined to improve expense tracking

FY 2021/22 Ferry Operating Budget

Fiscal Year	Ferry Operating Expenses
2016	\$29,363,161
2017	\$33,243,675
2018	\$37,880,861
2019	\$41,870,861
2020	\$41,816,676
2021 (Projected)	\$31,462,200
2022 (Budget)	\$46,993,733

FY 2021/22 Ferry Operating Budget

Cost Categories	FY 2022 Proposed Budget	% of Total
Vessel Crew Labor	\$15,245,947	32%
Vessel Fuel	\$9,636,903	21%
Vessel Maintenance & Repair	\$4,937,000	11%
Facilities – Terminals	\$2,170,433	5%
Facilities – O&M	\$6,311,976	13%
System Expenses	\$8,691,475	18%
Total Budget Expenses	\$46,993,733	100%

Comparison of Performance Measures (FY 19 v. FY 22)

- Costs up 12% from FY 2018/19
 - Cost inflation of basic goods and services
 - Expansion of fleet to 17 vessels
 - Increase of 10% in total crew hours
- Service revenue hours up 54% from FY 2018/19
 - Seaplane Shift
 - 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%

	FY 2018/19 Actual	FY 2021/22 Budget	% Change
Cost/Revenue Hour	\$2,033	\$1,478	-27%
Cost/Total Hours	\$1,505	\$1,353	-10%

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

	FY 2018/19 Actual	FY 2021/22 Budget	% Change
Revenue Hours	20,596	31,787	54%
Non-Revenue Hours	7,219	2,955	-59%
Total Hours	27,815	34,742	25%

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

	FY 2018/19 Actual	FY 2021/22 Budget	% Change
Revenue Hours/Crew	2.64	3.70	40%
Total Hours/Crew	3.57	4.04	13%

FY 2021/22 Planning & Administration Budget

- Staffing level of 18 full-time and 1 part-time positions – an increase of 2 positions:
 - Grants Administrator
 - Transportation Intern (part-time)
- The preliminary budget also includes the following changes
 - Finance & Administration Manager *to* Chief Financial Officer
 - Program Specialist *to* Customer Experience Specialist
 - Program Manager *to* Government & Regulatory Affairs Manager
 - 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).

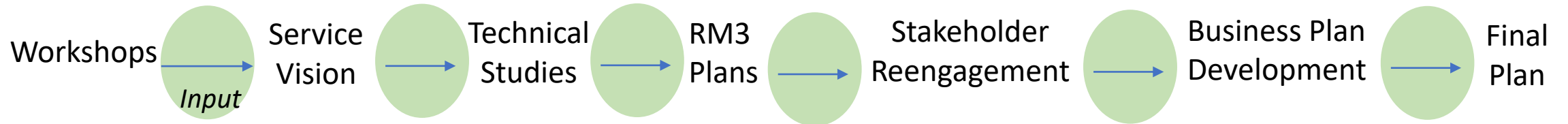
Next Steps

- 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 Business Plan Activities



Summer, Fall 2021

Winter 2022

Spring 2022

Summer, Fall 2022

RM3 Legal Resolution?

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

- Treasure Island Study
- RM3 Standards
- Onboard surveys
- Zero emission studies

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

- RC, Bkly Design RFPs
- Mission Bay Permitting
- Vessel procurements
- New service plans

WETA Work Program