

Metropolitan Transportation Commission
Administration Committee

November 13, 2024

Agenda Item 3a-24-1301

MTC Resolution No. 4638, Revised
FY 2024-25 Operating and Capital Budgets, Amendment No. 1

Subject:

Staff requests that the Committee refer MTC Resolution No. 4638 Revised, the MTC FY 2024-25 Operating and Capital Budgets, Amendment No. 1, to the Commission for approval. This amendment increases operating revenue by \$10.5 million and operating expenses by \$11.4 million. The resulting \$0.8 million increase to the projected operating deficit is funded by a draw from fund balance.

Background:

On June 26, 2024, the Metropolitan Transportation Commission adopted Resolution No. 4638, authorizing the Fiscal Year (FY) 2024-25 Operating and Capital Budgets. The approved budget included total revenue of \$361.1 million, total expenses of \$361.3 million, and a transfer to the Capital Budget of \$15.4 million.

The proposed amendment incorporates reduced carryover balances from federal and state planning grants included in MTC's Overall Work Program and as described in item 2e 24-1299 of this November 13, 2024 Administration Committee agenda. The proposed amendment also includes increases and decreases to various grant sources, with corresponding changes to expenses, and requests authorization to add 4 new positions to meet expanded operational requirements.

New Positions

The proposed FY 2024-25 Budget Amendment No. 1 includes an increase of 4 administrative support positions, leading to a total authorized position count of 426. The additional positions address administrative support functions for all MTC and related agency operations that have been outpaced by MTC's growing portfolio.

The new positions are partially funded by the MTC general fund and reimbursed through overhead distributions or directly funded by enterprise revenue. The new positions are MTC and BATA; however, MTC is responsible for authorizing staffing for MTC and all operating entities.

FY 2024-25 Operating Budget

Total operating revenue for FY 2024-25 is estimated at \$371.6 million, an increase of \$10.5 million, or 2.9% higher than the approved budget. A summary of revenue is shown below.

Amendment to the operating revenue include:

- Federal grant revenue is increased by \$7.2 million primarily due to a new HUD PRO Housing grant and new Federal Highway Administration and Federal Transit Administration grants. This also includes a \$1.2 million reduction in carryover balances from federal planning grants.
- State grant revenue decreased primarily due to reductions to Regional Early Action Plan grant funding, and reduction to a Caltrans planning grant. In both cases, the programs are being funded by new federal or local sources.
- Local funding is increased by \$8.4 million as additional MTC and STA Exchange funds are made available for additional bike share expansion and transit priority projects in the surrounding Bay Area.
- Transfer from other entities is increased due to the allocation of Regional Measure 3 funds from the Bay Area Toll Authority for the planning and design phase of the Marshlands Road Bay Trail project, part of improvements to the Dumbarton Bridge corridor.

Table 1. FY 2024-25 Operating Revenue (in Millions)

	FY 2024-25 Approved	FY 2024-25 Amendment 1	Change %	Change \$
Federal Grants	\$ 172.7	\$ 179.9	4.2%	\$ 7.2
State Grants	112.8	106.6	-5.4%	-(6.1)
Local Funding	19.3	27.7	43.7%	8.4
TDA - General Fund	17.2	17.2	0%	0.0
Transfer from Other Entities/Funds	5.4	6.4	18.4%	1.0
Administrative Overhead	30.5	30.5	0.1%	0.0
Other	3.2	3.2	0.0%	0.0
Operating Revenue	\$ 361.1	\$ 371.6	2.9%	\$ 10.5

Total operating expense for FY 2024-25 is estimated at \$372.7 million, an increase of \$11.4 million, or 3.1% higher than the approved budget. A summary of expenses is shown below.

Amendment to the operating expense includes:

- Salaries and Benefits expenses are reduced by \$57,760. This includes an increase of \$238,428 for the proposed new administrative support positions and a reduction of \$296,188 in vacancy savings from primarily grant funded positions.
- General Operations expenses are increased by \$385,315 to align MTC’s budget with 375 Beale Condominium Shared Services assessment.
- Contractual services increased by \$11 million for implementing new grant-funded contracts and funding agreements for transit transformation, regional growth framework planning and implementation, Daly City bikeshare expansion, and Marshlands Road Bay Trail project.

Table 2. FY 2024-25 Operating Expenses (in Millions)

	FY 2024-25 Approved	FY 2024-25 Amendment 1	Change %	Change \$
Salaries and Benefits	\$ 57.8	\$ 57.8	-0.1%	\$ 0.0
Computer Services	8.1	8.1	0.0%	0.0
General Operations	5.1	5.5	7.5%	0.4
Contractual Services	288.3	299.4	3.8%	11.0
Other	2.0	2.0	0%	0.0
Operating Expenses	\$ 361.3	\$ 372.7	3.1%	\$ 11.4

FY 2024-25 Clipper Budget

The proposed amendment increases revenue and expenditure for Clipper 1 Operating Budget by \$6.6 million to fund the extension of Clipper 1 operations, and increases the Clipper 1 Capital budget by \$1.2 million to fund the Clipper 1 operations and maintenance contract extension.

FY 2024-25 Bay Area Forward Budget

The proposed amendment increases the Bay Area Forward budget by \$1 million for the SR-237 Adaptive Ramp Metering Implementation project. Funded by a federal grant, this project will upgrade existing ramp meters along the SR-237 corridor from locally traffic response system to corridor adaptive ramp metering system to smooth traffic flow onto freeway and reduce incidents.

Issues:

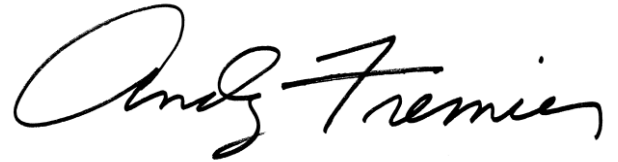
None identified.

Recommendations:

Staff recommend that the Committee refer MTC Resolution No. 4638 Revised, MTC FY 2024-25 Operating and Capital Budgets, Amendment No. 1, to the Commission for approval.

Attachments:

- MTC Resolution No. 4638 Revised
 - MTC FY 2024-25 Operating and Capital Budgets, Amendment No. 1.
 - Attachments A-H
- Presentation



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