


**CapMetro**

# **FY2025 Budget Development Update**

Board Committees 6/12/2024

# FY2025 Budget Development Calendar

- Feb 7 Operating and Capital Budget kick-off meeting with departments
- Apr 12 Capital and Operating Budget requests received from departments
- May 8 Board Committees review proposed budget calendar
- Jun 5 Initial review with Access Advisory Committee
-  Jun 12 Board Committees initial review and discussion
- Jun 12 Initial review with Customer Satisfaction Advisory Committee
- Jun 28 Initial review with Public Safety Advisory Committee
- Jul 10 Budget proposal presented to Board Committees
- Jul 22 Budget proposal presented to Board of Directors

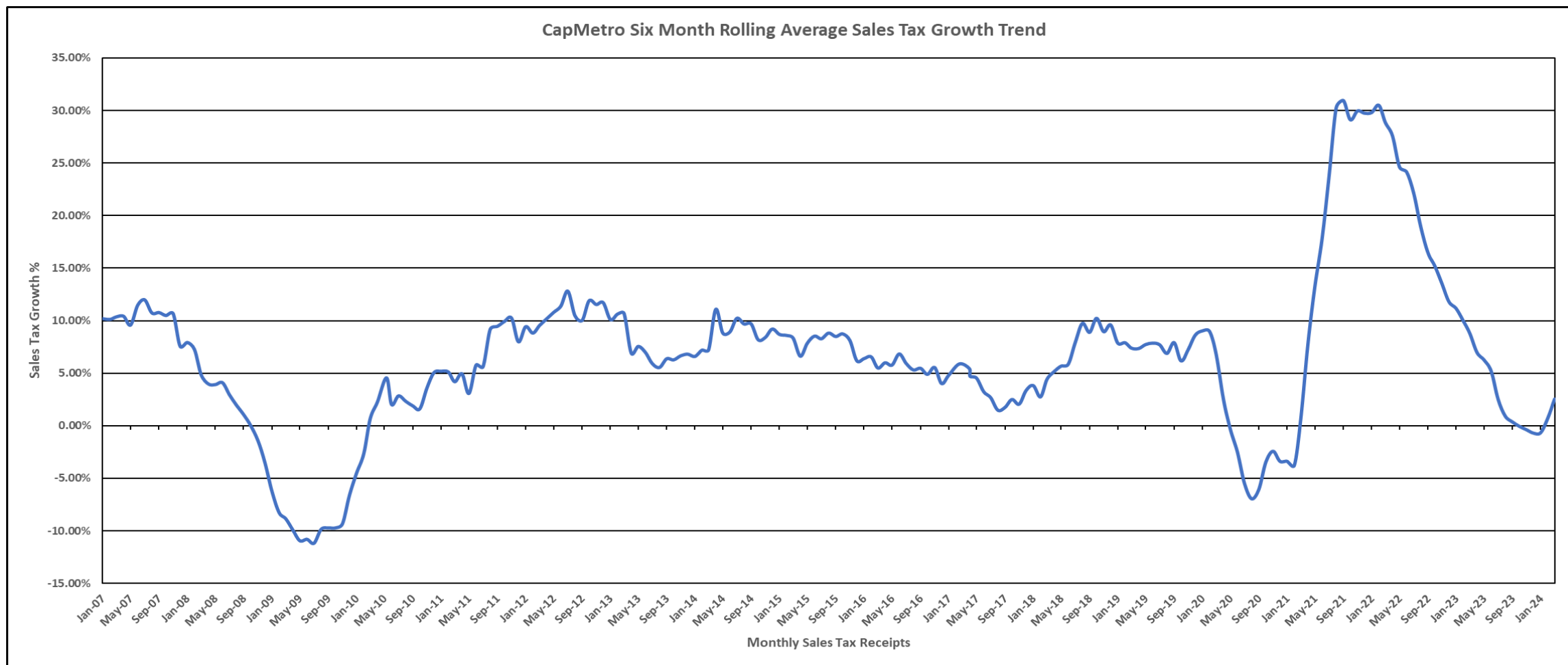
# FY2025 Budget Community Engagement

- Aug 7 Presentation to Access Advisory Committee
- Aug 12 Update Board Committees
- Aug 14 Presentation to Customer Satisfaction Advisory Committee
- Aug 26–30 Budget public outreach and webinar
- Aug 23 Presentation to Public Safety Advisory Committee
- Aug 23 Proposed budget document is published online
- Sep 11 Update Board Committees
- Sep 11 Public hearing on proposed budget and capital improvement plan
- Sep 23 Board of Directors considers budget proposal for adoption

# Discussion Outline

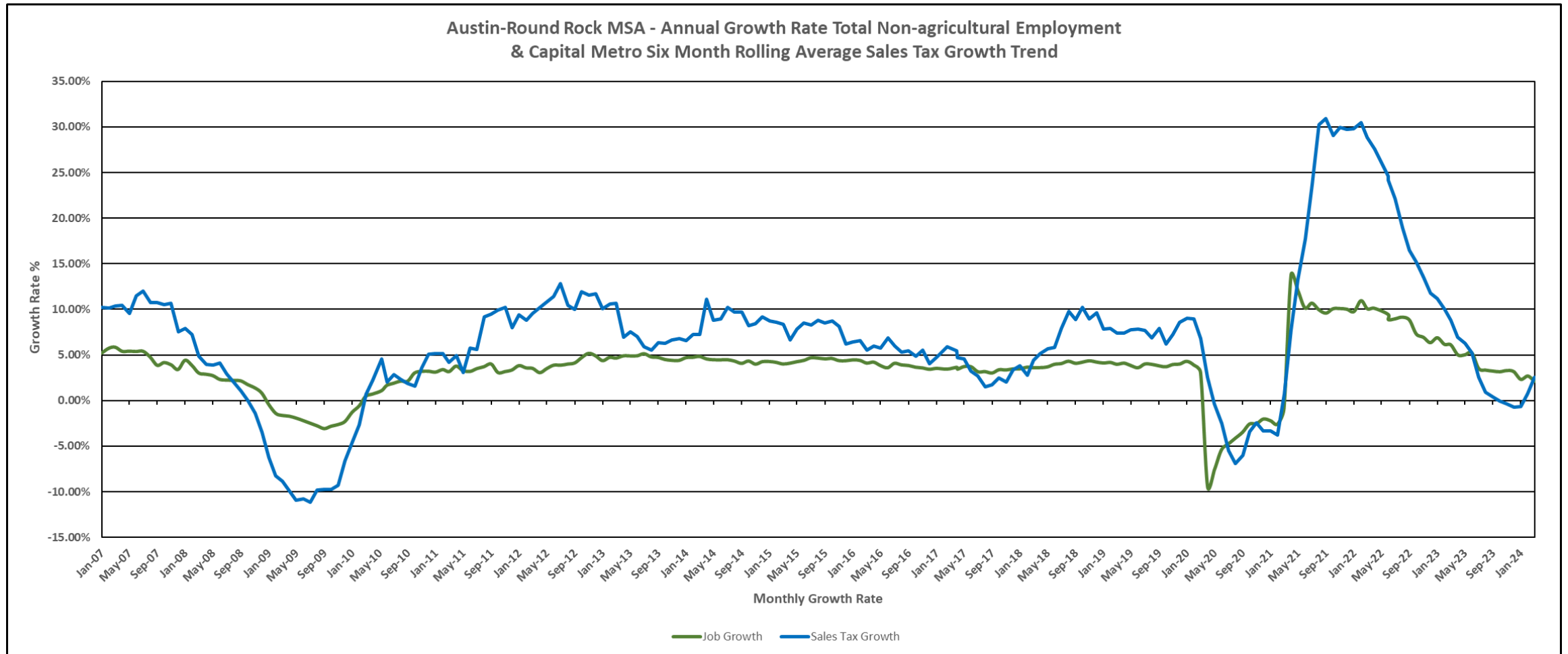
- Key FY2025 budget assumptions
- Major operating budget assumptions
  - Revenue and cost drivers
- Service priorities and funding
- Capital Improvement Plan update
- Long-Range Financial Model used to balance operating and capital budget requests against estimated available funds over 5-year period and long-term outlook

# Sales Tax Growth



Projected sales tax growth for Fiscal Years 2024 and 2025 to be determined based on upcoming sales tax receipts. Year-to-date March 2024 sales taxes increased by 2.5% compared to the last fiscal period.

# Job Growth



Austin-Round Rock MSA employment increased for the 36<sup>th</sup> consecutive month in March 2024.

# Operating Revenue

- Fare Revenue
  - Fare revenue to be developed with updated ridership projections
- Federal Grants
  - Approximately \$44.2 million annually in Section 5307 funds
- Freight Railroad Revenue
  - Mainline revenue on target with the FY2024 Budget of \$5.4 million
  - Section 45G Railroad Track Maintenance Tax Credit of \$544 thousand

# Operating Expenses

- Service levels based on August Service Plan changes
- Fuel prices remain stable over the next fiscal year with hedging in place
  - Diesel estimate of \$2.75 per gallon, inclusive of tax and net of hedging activities
- Average annualized pay increase for employees
  - Performance-based program that represents an average cost across the agency
- New position requests under review by Senior Executive Team
- Strategic plan initiatives considered in the budget preparation



## Capital Budget Highlights

- Demand response operations and maintenance facility
- Paratransit van replacements
- Bus stop enhancements and improvements
- New headquarters build-out
- MetroBike system replacement and expansion

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Thank you!