



DATE: December 10, 2025
TO Citizens Oversight Committee Member
FROM: Heather McKillop, Chief Financial Officer
SUBJECT: 2024-2025 Budget to Actual Comparison

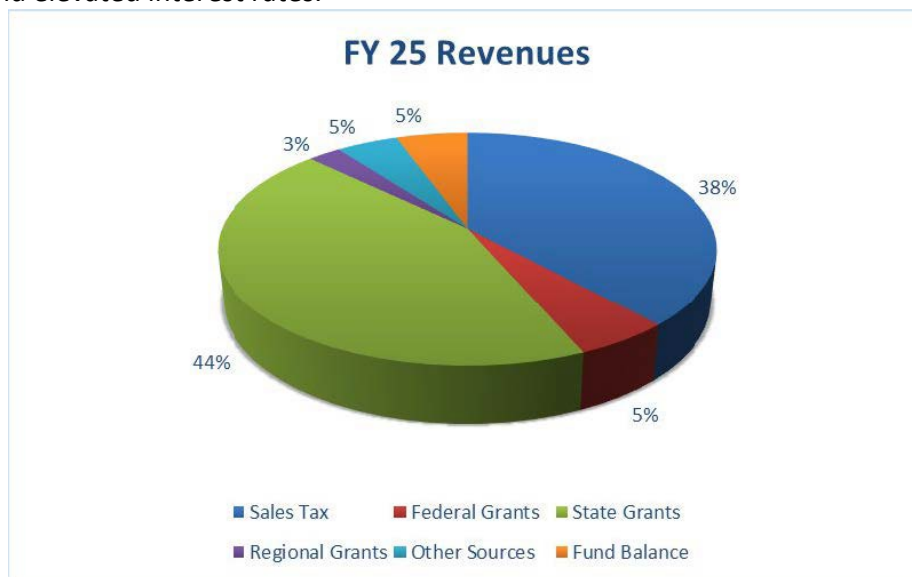
RECOMMENDATIONS: Review the Fiscal Year (FY) 2024-2025 Budget to Actual Comparison

SUMMARY:

Finance has completed all fiscal year 2024-2025 processes and prepared a reconciliation of budgeted versus actual revenues and expenses. Attachment A provides detailed budget-to-actual comparisons, along with a comment section that explains variances exceeding $\pm 20\%$. These comments offer context to help readers understand the key drivers behind significant differences between projected and actual figures.

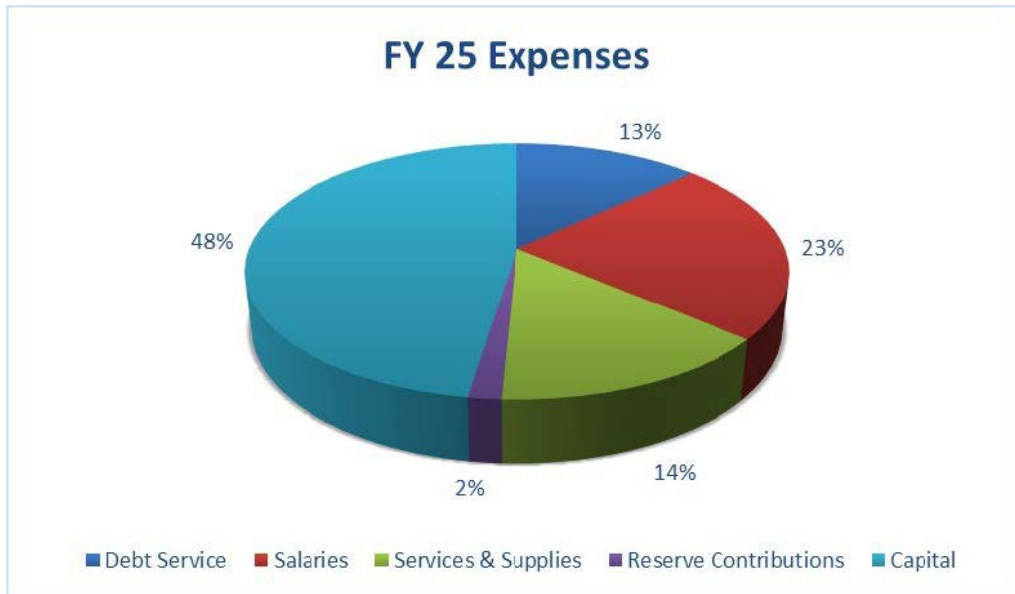
Passenger Revenues

Overall, revenues closely aligned with the budget, with a minimal variance of just \$51,155, or 0.04%. Sales tax revenues came in \$943,832 (1.9%) below projections. In contrast, fare revenues exceeded expectations by 4.3%, totaling \$2.3 million compared to the budgeted \$2.2 million. Interest earnings significantly outperformed projections, driven by higher-than-anticipated cash balances and elevated interest rates.



Passenger Expenses

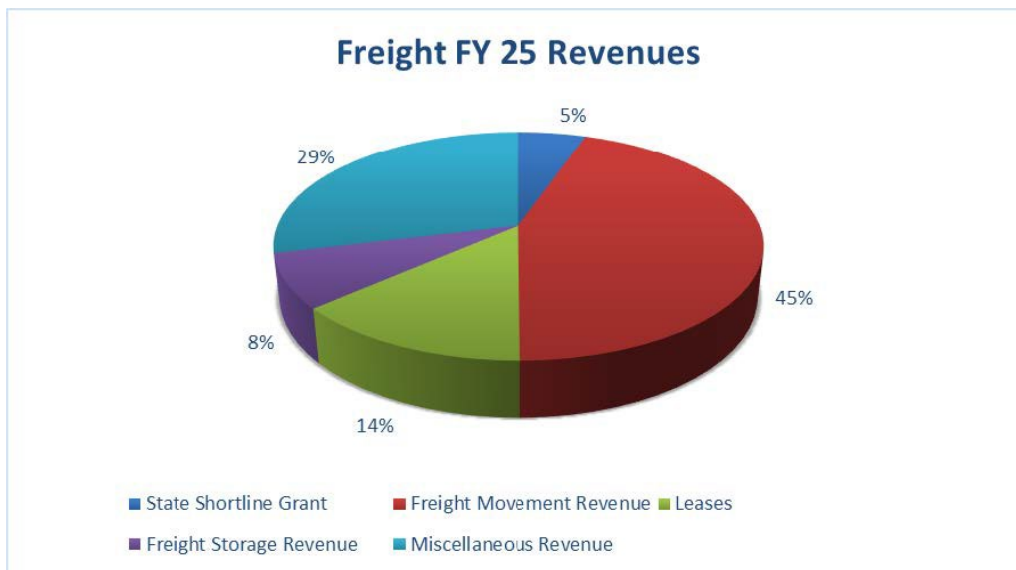
Salaries and Benefits exceeded the budget by 4.1%, or \$1.2 million, primarily due to higher-than-anticipated healthcare costs. Services and Supplies came in under budget by \$7.9 million, while Capital Expenditures totaled \$8.5 million below projections. Overall, total expenditures were \$15.3 million (10.6%) less than budgeted.



Freight Revenues

Overall revenues were 23.4% lower than anticipated, primarily due to lower expenditures; however, we did see several increases in revenues which reduced the reliance on state grants in FY 25. These included the following:

- Higher freight movement fees, driven by increased freight traffic.
- Increased storage fees, largely due to the storage of Caltrain cars.
- An insurance reimbursement of \$340,000, which was not originally anticipated.



Freight Expenditures

Expenditures came in below budget by \$661,284 or 24.6%. The Brazos Branch Phase II project was budgeted in FY 25 but was not awarded for construction until July. This project will now be completed in FY 26.



FISCAL IMPACT: No fiscal impact.

Sincerely,

/s/

Heather McKillop
Chief Financial Officer
Attachment(s):

- 1) Attachment A – Budget to Actual FY 2025

Passenger Revenues

Funding Source	Board Adopted Budget	FY 2025 Actual Revenues	Difference \$	Difference %	Explanation
Sales & Use Tax					
Sales & Use Tax	\$ 50,426,000	\$ 49,482,168	\$ (943,832)	-1.9%	
Costs on Taxes		\$ (678,100)	\$ (678,100)		
Net Sales & Use Tax	\$ 50,426,000	\$ 48,804,068	\$ (1,621,932)	-3.2%	
Federal Grants					
5307 Urbanized Area Formula Funds (Preventative Maintenance)	\$ 3,770,292	\$ 3,770,292	\$ -	0.0%	
FRA Suicide Prevention Grant	\$ 50,954	\$ 50,954	\$ 0	0.0%	
FRA CRISI Grant	\$ 1,749,298	\$ 1,749,299	\$ 1	0.0%	
Discretionary Earmark	\$ 1,800,000	\$ 182,856	\$ (1,617,144)	-89.8%	Funds were used for preliminary work for Windsor to Healdsburg. Funds were rolled into FY 26 budget.
Quick Strike (CMAQ) McInnis to Smith Ranch Rd	\$ 1,073,727	\$ 1,104,951	\$ 31,224	2.9%	
State Grants					
AHSC - Roseland Village (Round 5)	\$ 3,817,891	\$ 3,819,825	\$ 1,934	0.1%	
AHSC - Kashia Tribe (Round 7)	\$ 750,000	\$ 641,896	\$ (108,104)	-14.4%	
AHSC - Petaluma (DANCO)	\$ 2,549,485	\$ 2,370,054	\$ (179,431)	-7.0%	
ATP- SoCo Pathway	\$ 6,809,453	\$ 5,834,696	\$ (974,756)	-14.3%	
Caltrans Sustainable Communities Competitive Planning Grant	\$ 400,000	\$ 249,334	\$ (150,666)	-37.7%	These funds were for the Quality of Life Study and will be rolled into FY 26 to complete the study.
Caltrans Clean California Transit Grant	\$ 881,316	\$ 1,000,000	\$ 118,684	13.5%	
Low Carbon Transit Ops Program	\$ 566,356	\$ 566,356	\$ -	0.0%	
42300 - State Intergovernmental Revenue	\$ 1,188,864	\$ 1,230,164	\$ 41,301	3.5%	
ITIP Windsor Systems	\$ 6,624,890	\$ 7,424,735	\$ 799,844	12.1%	
Solutions for Congested Corridors (SCC Windsor)	\$ 13,035,910	\$ 16,434,546	\$ 3,398,636	26.1%	Expended less in FY 25 than was anticipated.
SRA - State Rail Assistance	\$ 3,700,000	\$ 3,700,000	\$ -	0.0%	
STA - State Transit Assistance - Population	\$ 1,162,223	\$ 1,073,478	\$ (88,745)	-7.6%	
STA - State Transit Assistance - Revenue	\$ 2,451,807	\$ 2,568,511	\$ 116,704	4.8%	
STA - State of Good Repair (SGR)	\$ 340,634	\$ 353,966	\$ 13,332	3.9%	
State Funds - Shuttle Service	\$ 500,000	\$ 500,000	\$ -	0.0%	
TIRCP - Petaluma North and McDowell Crossing & Windsor to Healdsburg	\$ 10,009,722	\$ 8,691,407	\$ (1,318,315)	-13.2%	
Regional Grants					
Other Governments	\$ 2,036,689	\$ 2,004,084	\$ (32,605)	-1.6%	
Regional Measure 3 (RM3)	\$ 1,276,000	\$ 1,276,000	\$ -	0.0%	
Other Sources					
Advertising Revenue	\$ 132,100	\$ 163,092	\$ 30,992	23.5%	Revenues were higher than anticipated.
Charges for Service	\$ 109,564	\$ 176,185	\$ 66,621	60.8%	Permit fees were higher than anticipated.
Train Fares	\$ 2,215,290	\$ 2,311,171	\$ 95,881	4.3%	
Interest Earning	\$ 1,500,000	\$ 2,743,388	\$ 1,243,388	82.9%	Interest rates and fund balances were higher than anticipated
Miscellaneous Revenue	\$ 54,257	\$ 240,774	\$ 186,517	343.8%	Received insurance reimbursement and restitution that was not anticipated.
Parking Fares	\$ 11,400	\$ 19,288	\$ 7,888	69.2%	Parking fees were higher than estimated.
Rent-Real Estate	\$ 479,636	\$ 460,650	\$ (18,986)	-4.0%	
Shuttle Service	\$ 1,200	\$ 10,091	\$ 8,891	740.9%	With the addition of the Larkspur shuttle going 7 days a week, revenues came in much higher than anticipated.
Total Revenues	\$ 121,474,958	\$ 121,526,112	\$ 51,155	0.0%	

Passenger Expenses

Expense Category	Board Adopted Budget	FY 2025 Actual Expenses	Difference \$	Difference %	Explanation
Debt Service					
Debt Service	\$ 16,904,116	\$ 16,904,116	\$ -	0.0%	
Salaries/Benefits/ Services/Supplies					
Salaries and Benefits	\$ 28,810,075	\$ 29,998,956	\$ (1,188,881)	-4.1%	
Services and Supplies	\$ 26,690,509	\$ 18,746,077	\$ 7,944,432	29.8%	See detail
Reserve Contributions					
OPEB/CalPERS	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%	
Capital	\$ 692,250	\$ 692,250	\$ -	0.0%	
Operating Reserve	\$ 450,346	\$ 450,346	\$ -	0.0%	
Capital Projects					
Land Acquisition	\$ 1,313,032	\$ 1,313,032	\$ -	0.0%	
Facilities	\$ 63,211,973	\$ 57,200,598	\$ 6,011,375	9.5%	
Infrastructure	\$ 2,484,052	\$ 2,310,918	\$ 173,134	7.0%	
Equipment	\$ 2,073,983	\$ 143,073	\$ 1,930,910	93.1%	See detail
Non-Revenue Vehicles	\$ 971,305	\$ 538,010	\$ 433,295	44.6%	See detail
Total Expenses	\$ 144,601,641	\$ 129,297,376	\$ 15,304,265	10.6%	

Passenger Expenses – Detail

Expense Category	Board Adopted Budget	FY 2025 Actual Expenses	Difference \$	Difference %	Explanation
Services and Supplies					
Administration	\$ 5,951,258	\$ 3,971,262	\$ 1,979,996	33.3%	We did not need to use the claims budget, fare collection fees were lower than anticipated, and only a small portion of the contingency fund was utilized.
Information Technology	\$ 3,059,780	\$ 1,993,740	\$ 1,066,040	34.8%	Operating expenses were significantly reduced through strategic cost-saving initiatives and the deferral of planned software implementation.
Human Resources	\$ 814,900	\$ 265,487	\$ 549,413	67.4%	Employee turnover was lower than anticipated, resulting in reduced reliance on temporary staffing services and a there was a decreased need for legal support.
Legal	\$ 737,050	\$ 399,999	\$ 337,051	45.7%	Demand for outside legal services was significantly lower than anticipated
Outreach	\$ 1,106,900	\$ 274,092	\$ 832,808	75.2%	Several initiatives, including mailers, were deferred to FY26
Board	\$ 12,100	\$ 4,577	\$ 7,523	62.2%	Spending on training, professional memberships, and legal notices was lower than anticipated
Real Estate	\$ 22,260	\$ 6,565	\$ 15,695	70.5%	Spending on appraisal services was lower than anticipated
Planning	\$ 469,851	\$ 277,567	\$ 192,284	40.9%	These funds are for the Quality of Live Study. The funds were rolled into FY 26 to complete the study.
Planning Shuttle	\$ -	\$ 1,511	\$ (1,511)	#DIV/0!	
Planning Pathway	\$ -	\$ 800,882	\$ (800,882)	#DIV/0!	This year marks the first allocation of administrative costs to the Pathway program. These funds are budgeted within individual cost centers.
Engineering	\$ 4,908,125	\$ 4,822,401	\$ 85,724	1.7%	
Engineering Pathway	\$ 2,435,265	\$ 644,069	\$ 1,791,196	73.6%	Delays occurred due to permitting challenges, grant execution setbacks, and the suspension of design on certain segments to pursue a design-build approach. As a result, some funds have been deferred to FY26.”
Operations General	\$ 1,638,300	\$ 1,496,013	\$ 142,287	8.7%	Utility costs came in lower than projected.
Operation Shuttle	\$ 900,000	\$ 627,788	\$ 272,212	30.2%	Budgeted funds for potential shuttle at Civic Center and/or Sonoma State University but these expansions didn't take place.
Maintenance of Way	\$ 1,180,373	\$ 776,561	\$ 403,812	34.2%	Time was allocated to supporting the Windsor and Petaluma North projects, which required deferring some work and scheduled initiatives
Maintenance of Way - Shuttle	\$ 2,320	\$ 2,320	\$ -	0.0%	
Maintenance of Way Pathway	\$ 30,500	\$ 16,979	\$ 13,521	44.3%	Certain costs were charged to Maintenance of Way rather than the Pathway program.
Transportation	\$ 77,400	\$ 12,042	\$ 65,358	84.4%	Actual spending on bus bridges services was lower than budgeted.
Vehicle Maintenance	\$ 3,160,584	\$ 2,301,377	\$ 859,207	27.2%	APS testing was lower than anticipated, and there was minimal need for biohazard cleanup or on-call derailment services.
Public Safety	\$ 183,542	\$ 50,843	\$ 132,699	72.3%	Funds were allocated to address potential incidents; however, they were not required during FY25.
Total Expenses - Operating	\$ 26,690,508	\$ 18,746,075	\$ 7,944,433	29.77%	
Capital Projects					
Land Acquisition	\$ 1,313,032	\$ 1,313,032	\$ -	0.0%	
Facilities	\$ 63,211,973	\$ 57,200,598	\$ 6,011,375	9.5%	
Infrastructure	\$ 2,484,052	\$ 2,310,918	\$ 173,134	7.0%	
Equipment	\$ 2,073,983	\$ 143,073	\$ 1,930,910	93.1%	In FY25, we transitioned from expensing all parts immediately to an inventory-based methodology, where parts are first recorded in inventory and expensed upon use.
Non-Revenue Vehicles	\$ 971,305	\$ 538,010	\$ 433,295	44.6%	Several vehicles expected for delivery in May or June were instead received in the new fiscal year.
Total Expenses - Capital	\$ 70,054,345	\$ 61,505,631	\$ 8,548,714	12.2%	
Total Expenses	\$ 96,744,853	\$ 80,251,706	\$ 16,493,147	17.0%	

Freight Revenues & Expenses

Funding Source	Board Adopted Budget	FY 2025 Actual Revenues	Difference	% Difference	Explanation
Caltrans State Funds	\$ 12,500	\$ -	\$ (12,500)	-100.0%	The project was initially expected to move forward in FY25 but did not progress as planned. It is now scheduled for completion in FY26. The associated funds will be carried forward accordingly.
State Shortline Grant	\$ 399,776	\$ 109,101	\$ (290,675)	-72.7%	The funds for the Brazos Branch Phase II project were originally budgeted in FY25. However, the construction contract was not awarded until July 16, 2025. As a result, the allocated funds will be carried forward to FY26 to support project execution.
State Grant (42341)	\$ 606,785	\$ -	\$ (606,785)	-100.0%	Due to increased revenue from Freight Movement and Storage Fees, we did not require the use of State funds for operations or maintenance.
Freight Movement Revenue	\$ 700,000	\$ 917,787	\$ 217,787	31.1%	We moved more freight than anticipated which increased the revenues received.
Leases	\$ 270,000	\$ 279,388	\$ 9,388	3.5%	
Freight Storage Revenue	\$ 104,800	\$ 157,787	\$ 52,987	50.6%	Revenues were higher than anticipated due to the storage of Caltrain cars through June 30, 2025.
Miscellaneous Revenue	\$ 593,000	\$ 593,449	\$ 449	0.1%	
Total	\$ 2,686,861	\$ 2,057,511	\$ (629,350)	-23.4%	

Expenses	Board Adopted Budget	FY 2025 Actual Expenses	Difference	% Difference	Explanation
Salaries & Benefits	\$ 947,674	\$ 885,490	\$ 62,184	6.6%	
Service & Supplies	\$ 926,833	\$ 948,454	\$ (21,621)	-2.3%	
Brazos Branch Phase II	\$ 608,221	\$ -	\$ 608,221	100.0%	The funds for the Brazos Branch Phase II project were originally budgeted in FY25. However, the construction contract was not awarded until July 16, 2025.
Tie Replacement	\$ 50,000	\$ 50,000	\$ -	0.0%	
Grade Crossing Repair	\$ 141,633	\$ 141,633	\$ -	0.0%	
SH 37 Grade Crossing PE Review	\$ 12,500	\$ -	\$ 12,500	100.0%	The project was initially expected to move forward in FY25 but did not progress as planned. It is now scheduled for completion in FY26.
Total	\$ 2,686,861	\$ 2,025,577	\$ 661,284	24.6%	