



FY2021 3rd and 4th Quarter Operating Budget and Amendment to the FY2021 Capital Budget

**Board of Directors
December 3, 2020
Agenda Item # 8**

Introduction

Budget Overview

- Measure RR provides much needed breathing room
- Substantial shortfall for FY21
- Adjusted service levels, minimal ridership recovery, continued GoPass
- Implementation of gap closing measures previously discussed with Board

Introduction

Areas of Uncertainty

- Additional federal relief
- Path of the pandemic
- Challenges for FY2022

Options

- Cost containment (beyond existing measures)
- Reprioritization of existing resources
- Leveraging Measure RR

Changes from FY2021 Q1 and Q2 Adopted Budget

	Q1 and Q2 Adopted	Q3 and Q4 Proposed	FY2021 Revised
Revenue	\$39.8	\$40.9	\$80.7
Expense	<u>78.1</u>	<u>66.4</u>	<u>144.5</u>
Surplus (Deficit)	(\$38.3)	(\$25.5)	(\$63.8)
CARES Act	<u>41.5</u>	<u>0</u>	<u>41.5</u>
Adj Surplus (Deficit)	\$3.2	(\$25.5)	(\$22.3)
Reserve	0	0	7.0
Line of Credit	<u>0</u>	<u>0</u>	<u>15.3</u>
Net Surplus (Deficit)	<u><u>\$3.2</u></u>	<u><u>(\$25.5)</u></u>	<u><u>\$ 0</u></u>

FY21 Revenue Assumptions

FAREBOX

- Extension of Go Pass thru March 2021
- No further reduction in CY2020 Go Pass revenue
- Budget assumes current ridership levels
- Budget assumes 50% reduction in Go Pass revenue at renewal

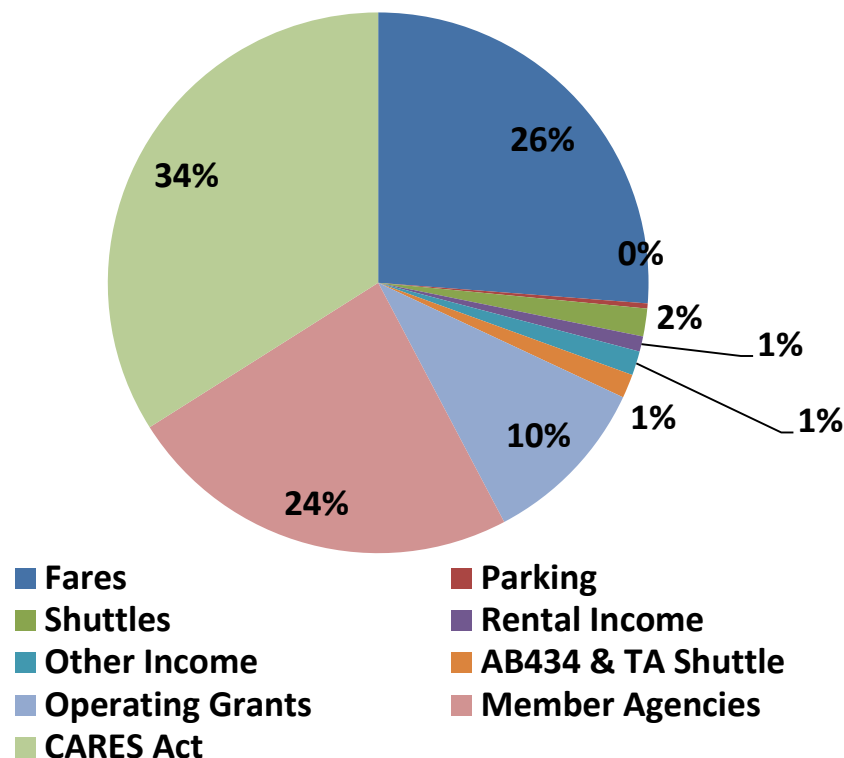
Implementation of Gap Closing Measures

- Savings associated with new service plan and associated staffing levels (~\$1.3 million/month)
- Application of FY21 SRA Funds and prior year carryover (\$5.9 million)
- Deallocation of Capital Budget (\$2.2 million)
- Application of Reserve Fund balances (\$7.0 million)

FY2021 Proposed Revenues

(in \$ millions)

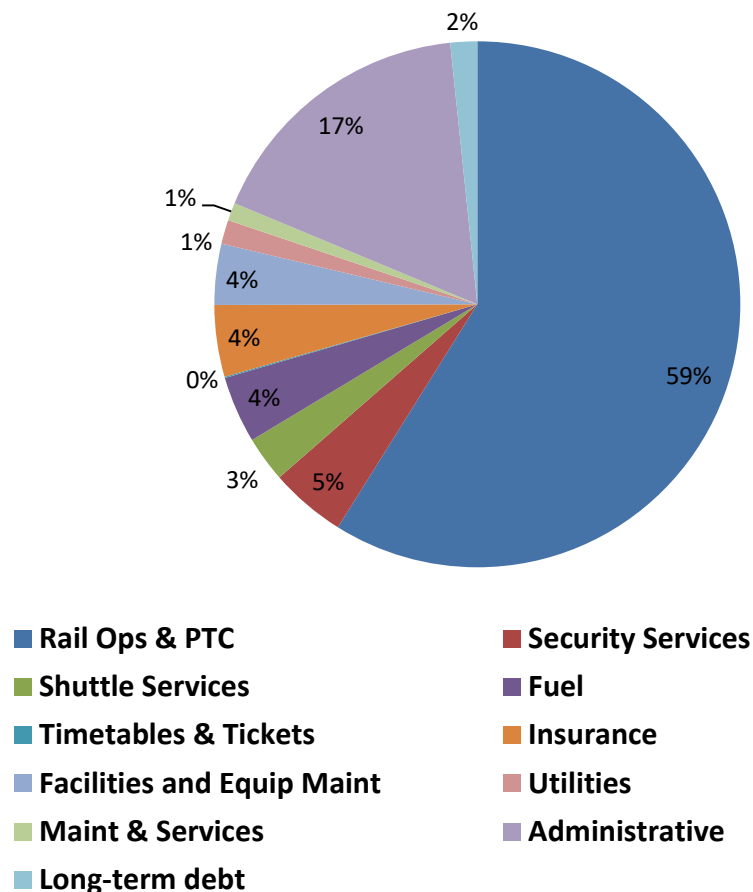
Fares	\$32.0
Parking	0.4
Shuttles	2.0
Rental Income	1.1
Other Income	1.8
AB434 & TA Shuttle	1.8
Operating Grants	12.6
Member Agencies	29.0
CARES Act	<u>41.5</u>
Total Revenue	<u>\$122.2</u>



FY2021 Proposed Expenses

(in \$ millions)

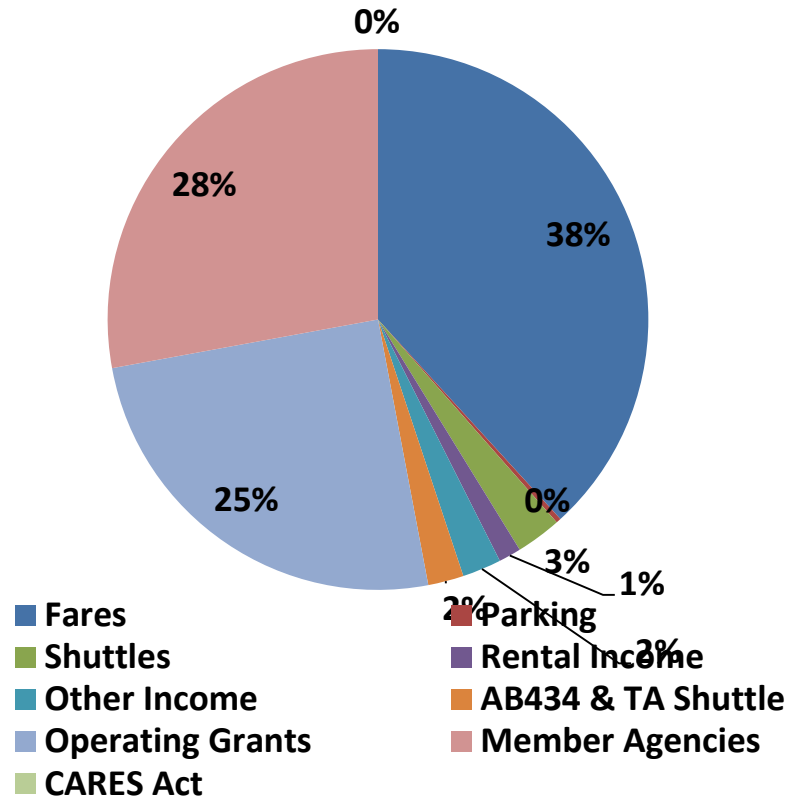
Rail Ops	\$85.1
Security Services	6.7
Shuttle Services	4.1
Fuel	5.9
Timetables & Tickets	0.1
Insurance	6.4
Facilities and Equip Maint	5.4
Utilities	2.1
Maint & Services	1.6
Administrative	24.7
Long-term debt	<u>2.4</u>
Total Expenses	<u>\$144.5</u>



FY2021 Q3 and Q4 Proposed Revenues

(in \$ millions)

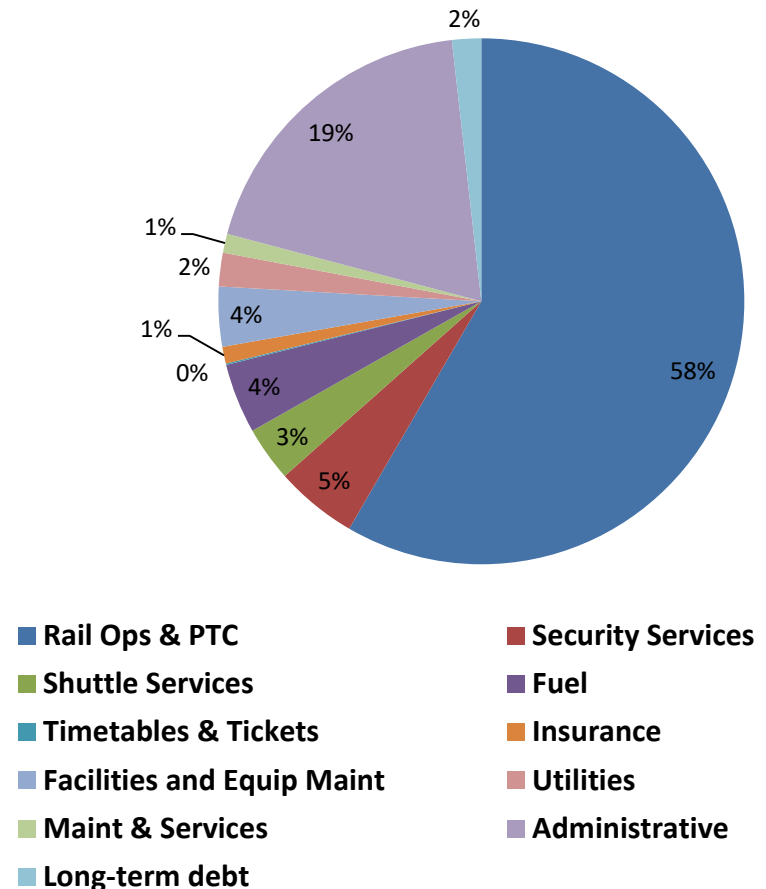
Fares	\$15.6
Parking	0.1
Shuttles	1.1
Rental Income	0.5
Other Income	1.0
AB434 & TA Shuttle	0.9
Operating Grants	10.3
Member Agencies	11.4
CARES Act	<u>0</u>
Total Revenue	<u>\$40.9</u>



FY2021 Q3 and Q4 Proposed Expenses

(in \$ millions)

Rail Ops	\$38.8
Security Services	3.3
Shuttle Services	2.2
Fuel	2.9
Timetables & Tickets	0.1
Insurance	0.7
Facilities and Equip Maint	2.4
Utilities	1.4
Maint & Services	0.7
Administrative	12.7
Long-term debt	<u>1.2</u>
Total Expenses	<u>\$66.4</u>

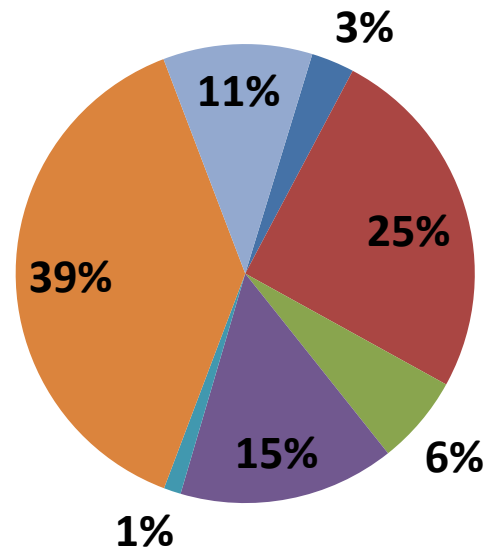


FY2021 Proposed Capital Budget

(in \$ millions)

SOCR

Stations & Intermodal Access	\$2.1
Right of Way	20.9
Signals & Communications	5.2
Rolling Stock	12.6
Legal Mandates	1.0
Operational Improvements / Enhancements	31.8
Planning/Studies	<u>8.7</u>
Total	<u>\$82.3</u>



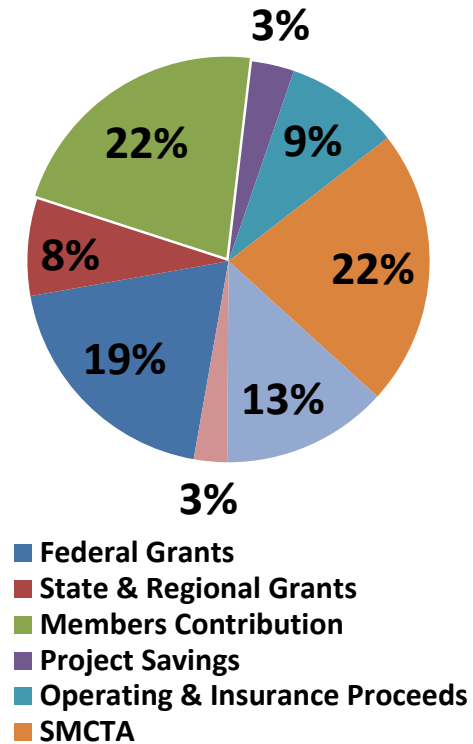
- Stations & Intermodal Access
- Right of Way
- Signals & Communications
- Rolling Stock
- Legal Mandates
- Operational Improvements / Enhancements
- Planning/Studies

FY2021 Capital Projects with Federal Funds De-allocated to Operating (\$2.22 million)

- **San Francisquito Creek Bridge Replacement – \$400,000**
- **System-wide Track Rehab SOGR – \$520,000**
- **Caltrain Communication System SOGR –\$700,000**
- **Rail Network Maintenance – \$100,000**
- **Clipper Next Gen Validators Site Prep –\$500,000**

Funding Plan for Proposed FY2021 Capital Budget (in \$ millions)

Federal Grants*	\$16.0
State & Regional Grants	6.4
Members Contribution**	18.0
Project Savings	2.8
Operating & Insurance Proceeds	7.6
SMCTA	18.3
Unfunded Board Authority	11.0
Other	<u>2.2</u>
Total	<u>\$82.3</u>



*Net of \$2.2 de-obligated federal fund to Operating

**\$6.0M contribution from each member

Next Steps

- Adoption of Q3 and Q4 budget, balanced on implementation of gap closing measures and borrowing
- Service changes implemented in December
- Development of FY22 budget, heavily reliant on Measure RR
- Implementation of capital markets transactions
- Any additional federal/state funding relieves pressure on Measure RR as source of funds