



# FY2021 3<sup>rd</sup> and 4th Quarter Operating Budget and Amendment to the FY2021 Capital Budget

**JPB Finance  
Committee  
Agenda Item #7**

# Introduction

## Budget Overview

- Measure RR provides much needed breathing room
- \$ million 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

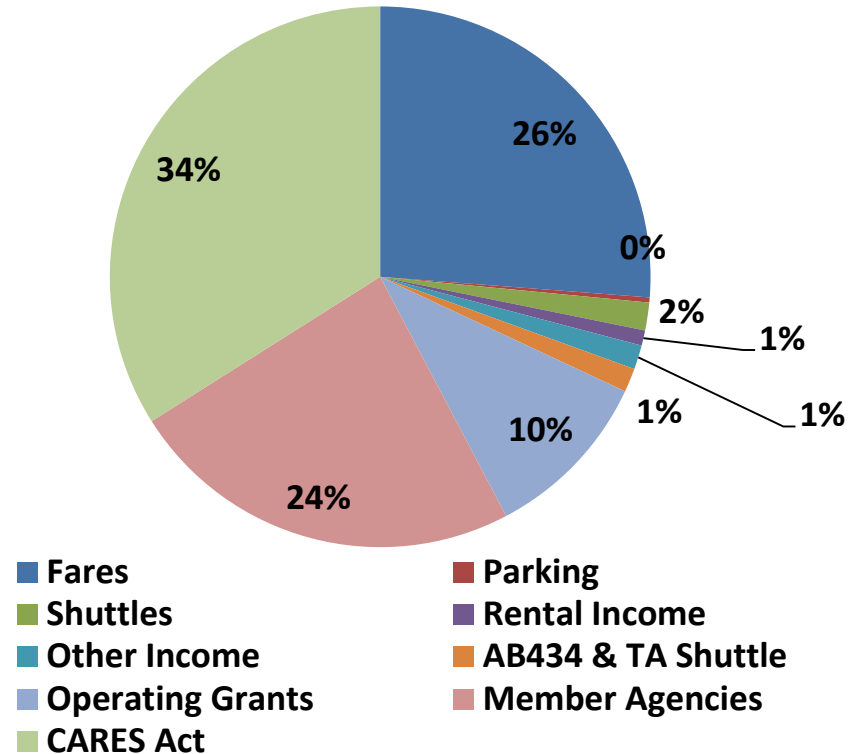
# Implementation of Gap Closing Measures

- 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 million)

# FY2021 Proposed Revenues

(in \$ millions)

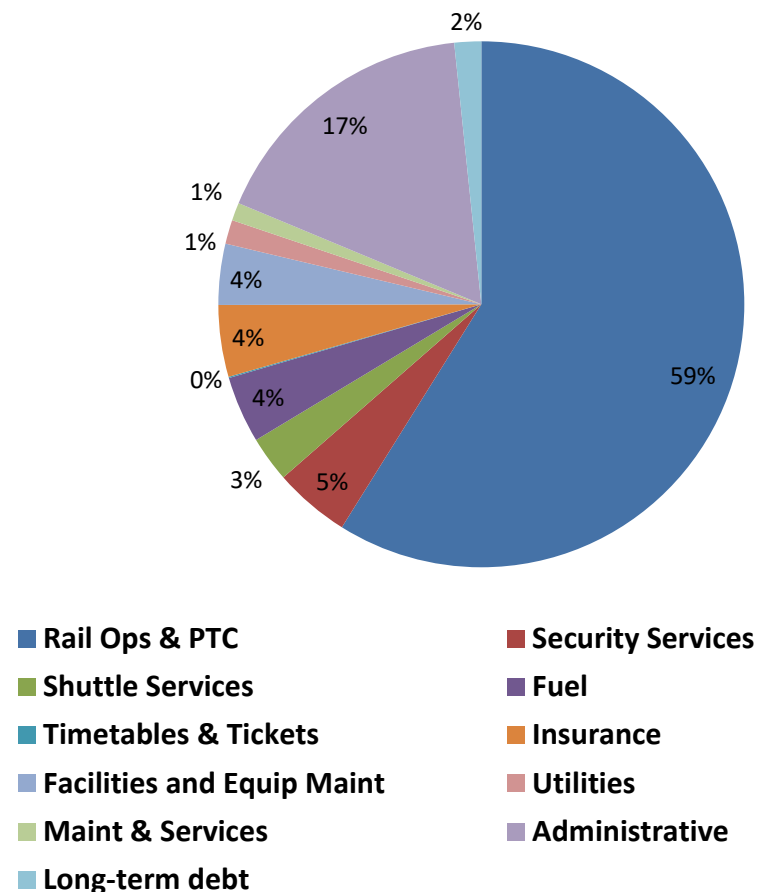
Fares	\$32.0
Parking	0.4
Shuttles	2.0
Rental Income	1.1
Other Income	1.8
AB434 & TA Shuttle	1.8
Operating Grants	12.6
Member Agencies	29.0
CARES Act	<u>41.5</u>
<b>Total Revenue</b>	<b><u>\$122.2</u></b>



# FY2021 Proposed Expenses

(in \$ millions)

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

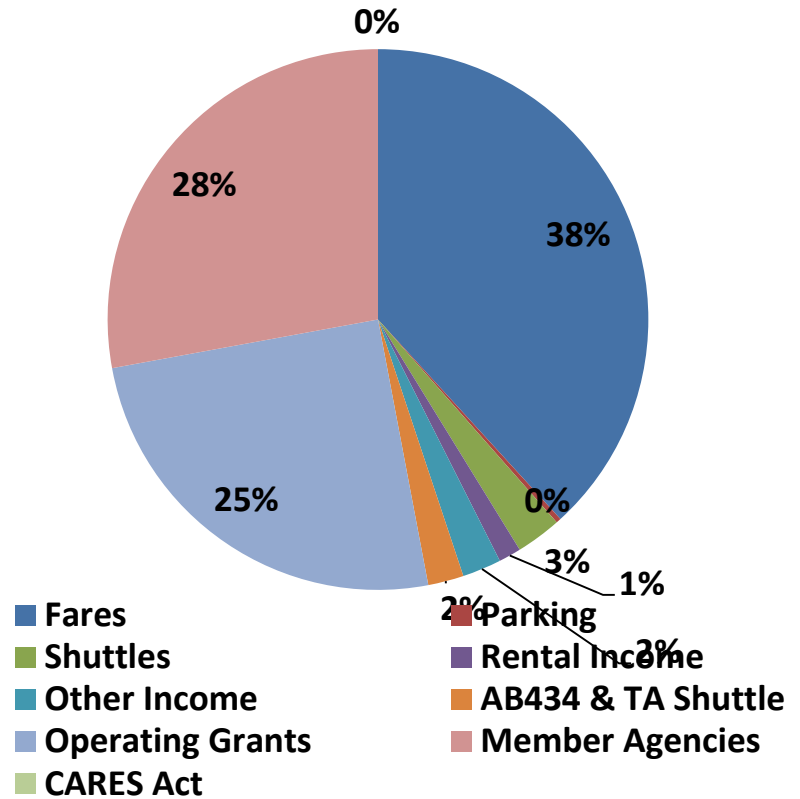




# FY2021 Q3 and Q4 Proposed Revenues

(in \$ millions)

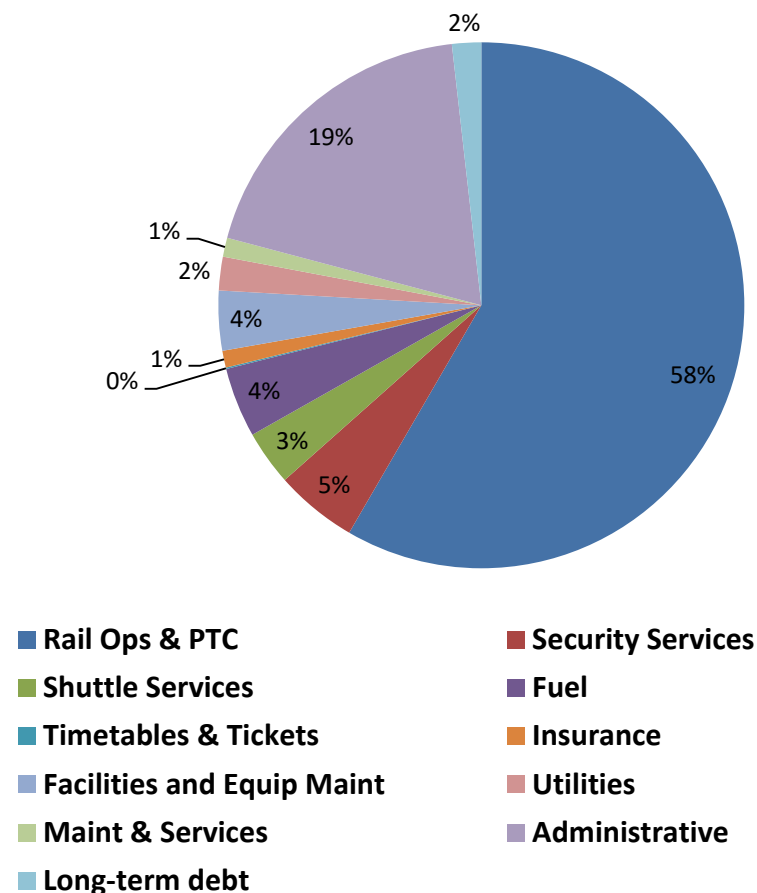
Fares	\$15.6
Parking	0.1
Shuttles	1.1
Rental Income	0.5
Other Income	1.0
AB434 & TA Shuttle	0.9
Operating Grants	10.3
Member Agencies	11.4
CARES Act	<u>0</u>
<b>Total Revenue</b>	<b><u>\$40.9</u></b>



# 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>
<b>Total Expenses</b>	<b><u>\$66.4</u></b>

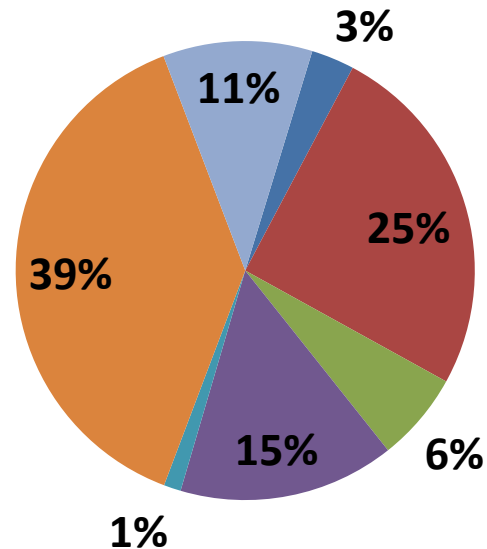


# FY2021 Proposed Capital Budget

(in \$ millions)

## SOGR

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



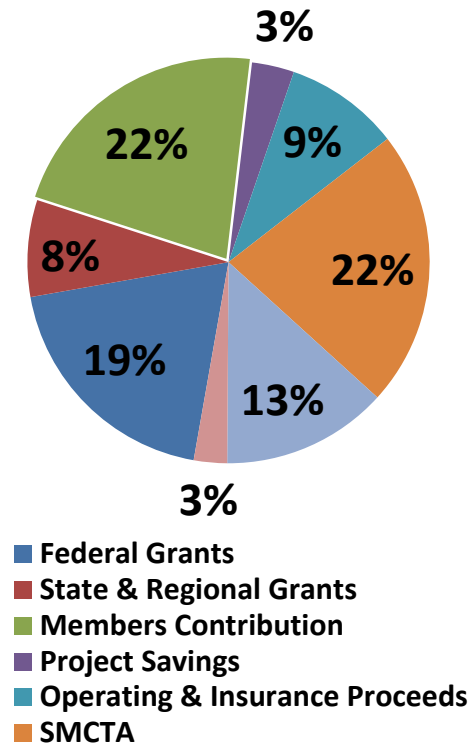
- Stations & Intermodal Access
- Right of Way
- Signals & Communications
- Rolling Stock
- Legal Mandates
- Operational Improvements / Enhancements
- Planning/Studies

# **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)

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



\*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