



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

**JPB Finance Committee
November 23, 2020
Agenda Item #7**

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

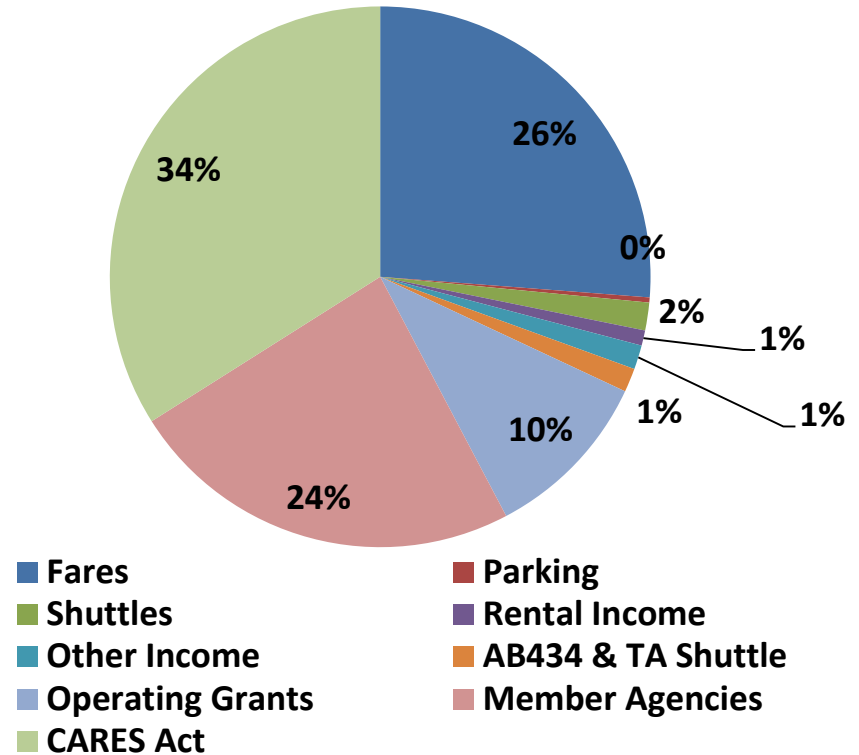
Implementation of Gap Closing Measures

- Savings associated with new service plan and associated staffing levels (~\$1.3 million/month)
- Application of FY21 SRA Funds and prior year carryover (\$5.8 million)
- Deallocation of Capital Budget (\$2.2 million)
- Application of Reserve Fund balances (\$7 million)

FY2021 Proposed Revenues

(in \$ millions)

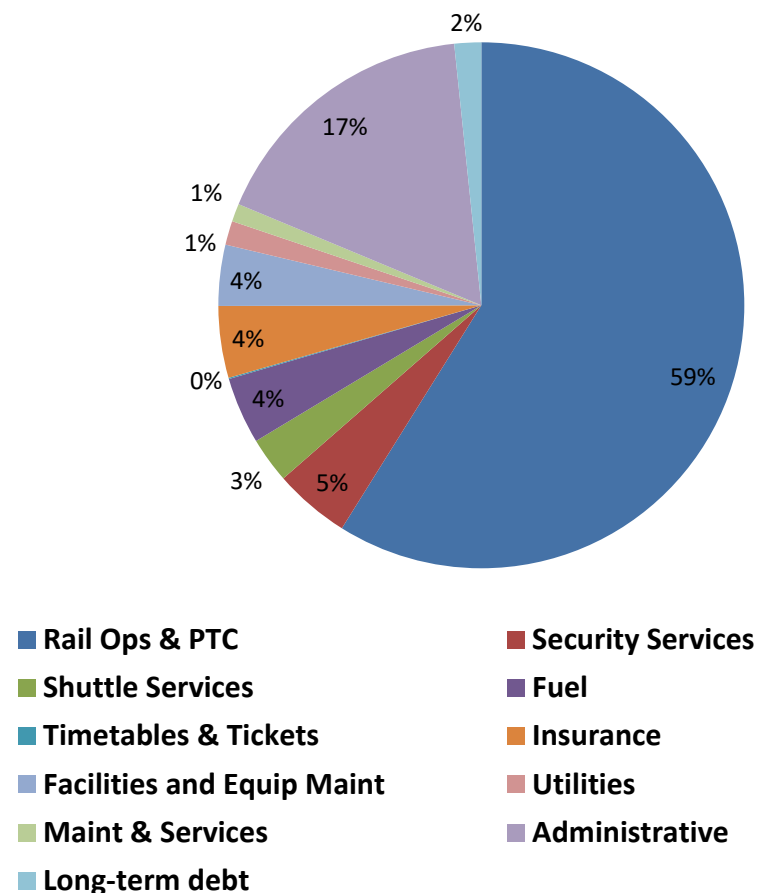
| | |
|----------------------|-----------------------|
| Fares | \$32.0 |
| Parking | 0.4 |
| Shuttles | 2.0 |
| Rental Income | 1.1 |
| Other Income | 1.8 |
| AB434 & TA Shuttle | 1.8 |
| Operating Grants | 12.6 |
| Member Agencies | 29.0 |
| CARES Act | <u>41.5</u> |
| Total Revenue | <u>\$122.2</u>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



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> |

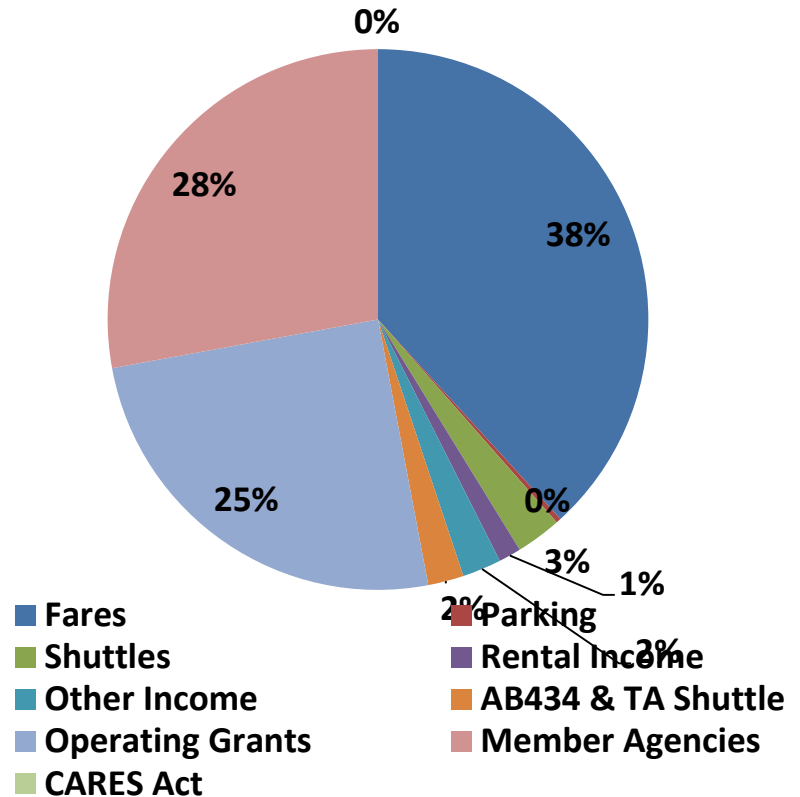




FY2021 Q3 and Q4 Proposed Revenues

(in \$ millions)

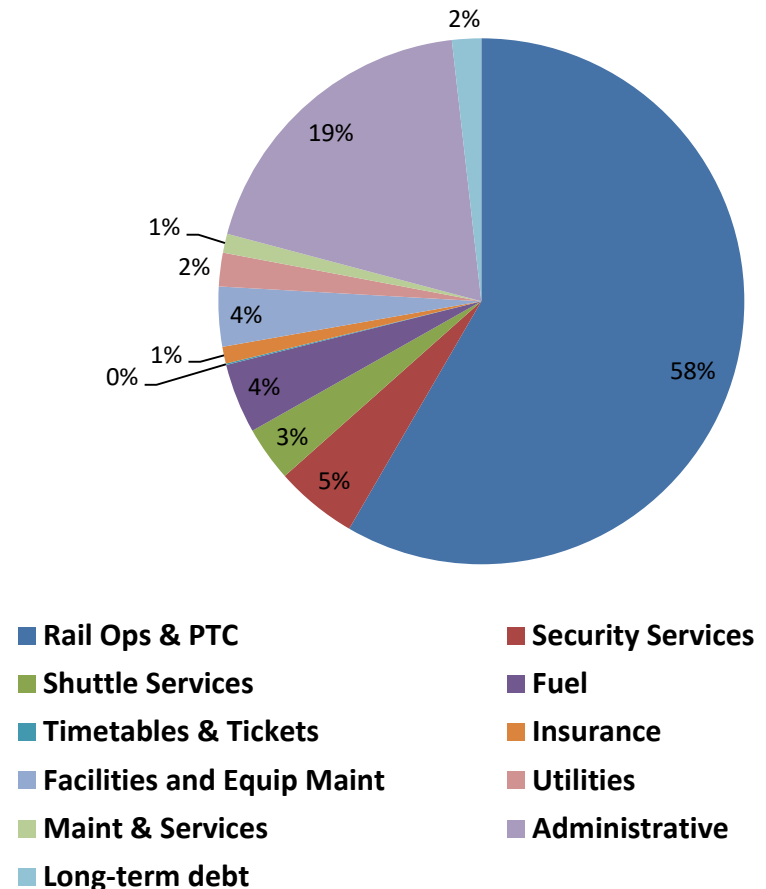
| | |
|----------------------|----------------------|
| Fares | \$15.6 |
| Parking | 0.1 |
| Shuttles | 1.1 |
| Rental Income | 0.5 |
| Other Income | 1.0 |
| AB434 & TA Shuttle | 0.9 |
| Operating Grants | 10.3 |
| Member Agencies | 11.4 |
| CARES Act | <u>0</u> |
| Total Revenue | <u>\$40.9</u> |



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> |

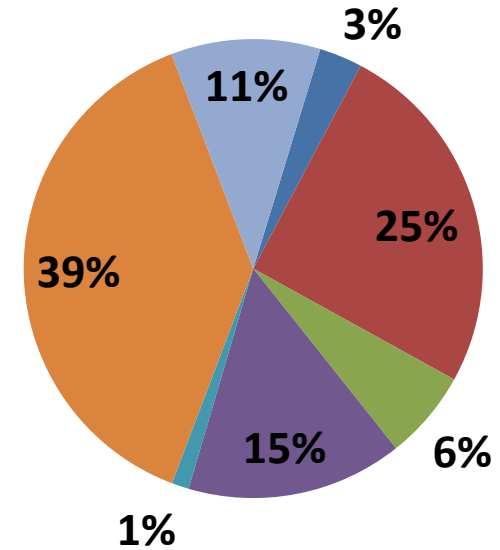


FY2021 Proposed Capital Budget

(in \$ millions)

SOGR

| | |
|--|----------------------|
| 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> |



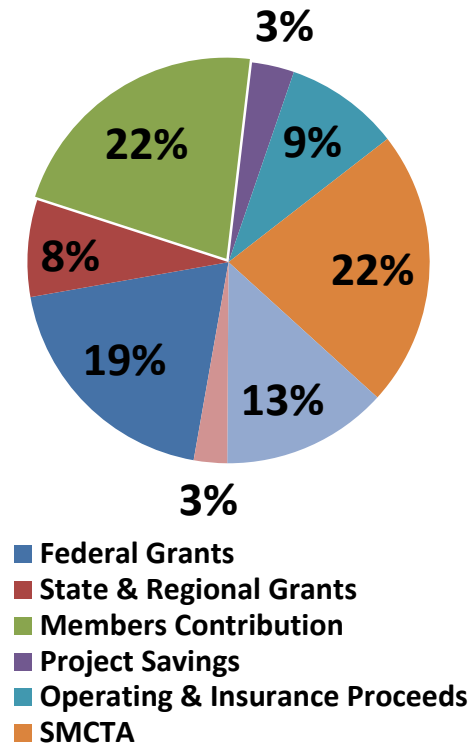
- Stations & Intermodal Access
- Right of Way
- Signals & Communications
- Rolling Stock
- Legal Mandates
- Operational Improvements / Enhancements
- Planning/Studies

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