



FY2022 Preliminary Operating and Capital Budgets

Board of Directors Meeting
May 6, 2021
Agenda Item #10

Introduction

Budget Overview

- Meeting FY2021 pandemic related challenges
 - Provide service to essential workers
 - Maintain fiscal health
 - Position Caltrain for recovery
- Measures taken in FY2021
 - Schedule changes to meet ridership changes
 - Fare increase suspension & additional discounts
 - Cost containment
 - Re-prioritization of existing resources
 - Framework for Equity, Connectivity Recovery & Growth

Introduction

Areas of Uncertainty in FY2022

- Path of the pandemic
- Ridership recovery
- Federal funding (CRRSAA allocated, ARPA to be allocated)

Options

- Expense management
- Leveraging Measure RR

Member Contributions

- None for the Operating Budget
- None for the Capital Budget



FY2022 Preliminary Budget Outlook

(in \$ millions)

	FY2020 Actuals	FY2021 Adopted	FY2021 Forecast	FY2022 Preliminary
Revenue	\$143.4	\$122.2	\$127.5	\$157.7
Expenditure	<u>138.4</u>	<u>144.5</u>	<u>140.1</u>	<u>178.9</u>
Surplus (Deficit)	\$5.0	\$(22.3)	\$(12.6)	\$(21.2)
PTC Litigation Adj	(5.4)	0	0	0
Use of Reserve	0	7.0	0	0
Line of Credit	0	15.3	0	21.2
CRRSSA	<u>0</u>	<u>0</u>	<u>12.6</u>	<u>0</u>
NET Surplus (Deficit)	<u><u>\$(0.4)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FY2022 Revenue Assumptions

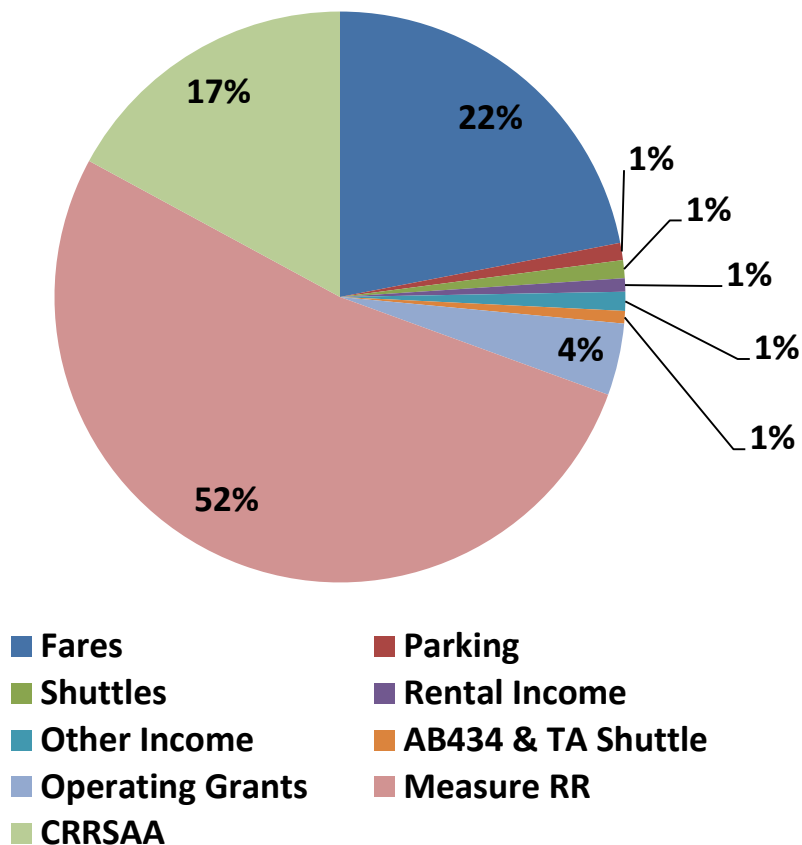
- Farebox WFH may affect decision to purchase/renew GoPass
- Shuttle AB434 is no longer available after CY2020; reduced TA Shuttle Funding
- JPB Members No member contributions for FY2022
- Measure RR Forecast is \$101.9M. Assumed \$19.3M placeholder for FY2022 Capital budget
- CARES Act No longer available in FY2022
- CRRSAA \$27.0M forecast for FY2022
- Operating Deficit Deficit financing as an option



FY2022 Preliminary Revenue

(in \$ millions)

Fares	\$34.6
Parking	1.5
Shuttles	1.6
Rental Income	1.2
Other Income	1.7
AB434 & TA Shuttle	1.1
Operating Grants	6.4
Measure RR	82.6
CRRSAA	<u>27.0</u>
Total Revenue	<u>\$157.7</u>



FY2022 Expenditure Assumptions

- Placeholder: \$98.3M TASI contract, final budget pending
- Fuel: assumes 64% of the fuel contract is hedged at \$1.71/gallon and 36% unhedged at \$2.40/gallon.
- Final shift of PTC expenses from capital to regular Rail operations, now in full revenue service
- TVM maintenance currently performed by Bus Division will be handled by Rail Division through the TASI contract.

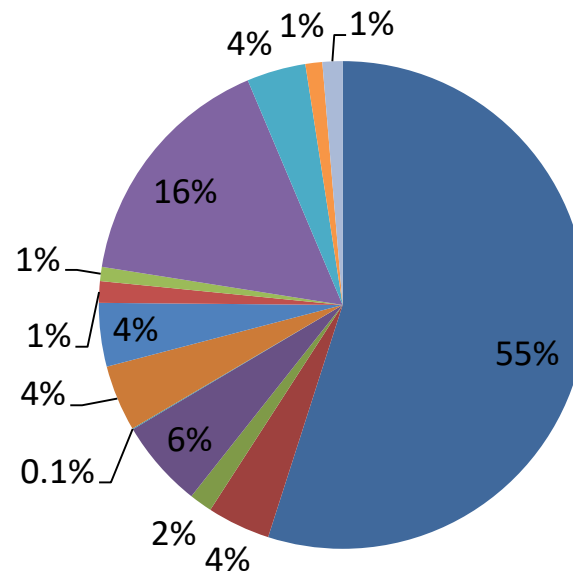
- Communications campaign focus is Ridership Recovery
- Funding of Measure RR ballot costs
- Support of Governance discussions continues in FY2022
- New Legal Counsel and new Independent Auditor in FY2022



FY2022 Preliminary Expenditure

(in \$ millions)

Rail Ops	\$98.3
Security Services	7.5
Shuttle Services	2.7
Fuel	10.4
Timetables & Tickets	0.1
Insurance	7.8
Facilities and Equip Maint	7.5
Utilities	2.6
Maint & Services	1.7
Administrative	28.9
Measure RR Ballot Costs	7.0
Governance	2.0
Long-term debt	<u>2.4</u>
Total Expenses	<u>\$178.9</u>



- Rail Ops
- Shuttle Services
- Timetables & Tickets
- Facilities and Equip Maint
- Maint & Services
- Measure RR Ballot Costs
- Long-term debt
- Security Services
- Fuel
- Insurance
- Utilities
- Administrative
- Governance

Key Expense Drivers

STAFF

- Restoration of the FY2021 hiring freeze, reduced fringe benefits and increased contribution in CalPERS and Retiree Medical programs
- 4.9 FTE requests in FY2022

OPERATIONS AND MAINTENANCE

- TASI
- PTC

ONE TIME COSTS

- Measure RR Ballot Costs
- Governance



Staff Allocation for Caltrain

FUNCTION	FTE allocated to JPB		JPB Full-Time Personnel
	OPERATING	CAPITAL	
Rail, Calmod, & Bus Divisions	38.63	64.51	82
Grants and Administration*	17.52	18.38	8
Marketing, Communications and Customer Service	16.52	1.68	-
Total**	72.67	84.57	90

* includes Finance, Contracts & Procurement, and Safety & Security

** includes new 4.9 FTE



FY2022 PRELIMINARY CAPITAL BUDGET



FY2022 Unconstrained Capital Budget

Project Assumptions:

- Projects that will support CalMod delivery and transition as a necessary part of the Rail Program Integration

Total Unconstrained Capital Budget	\$ 69.4M
Estimated Federal and Non-Federal Funds	\$ <u>31.4M</u>
Funding Gap	\$ 38.0M

Funding Assumptions:

- Partner Investments = zero
- No SRA for capital use
- Measure RR option

Funding Plan :

FY2022 Preliminary Capital Budget - Unconstrained vs Constrained (in \$ millions)

	Un- constrained	Constrained
Federal Grants	\$10.6	\$10.6
State & Regional Grants	1.5	1.5
Measure RR	19.3	19.3
Funding Gap	<u>38.0</u>	<u>0</u>
Total	<u>\$69.4</u>	<u>\$31.4</u>

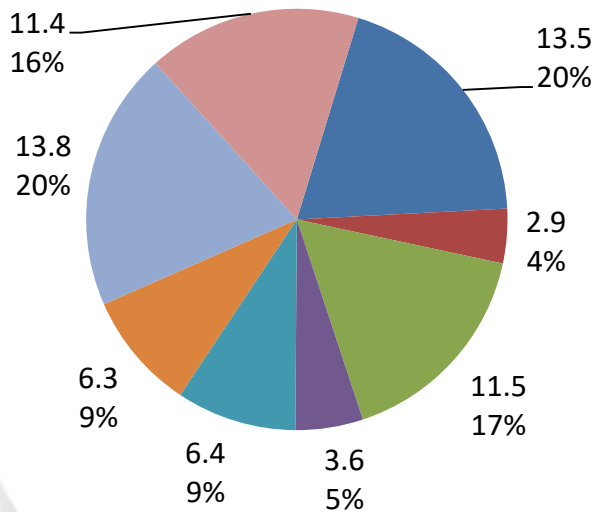
FY2022 Preliminary Capital Budget

Unconstrained vs Constrained (in \$ millions)

	Un- constrained	Constrained
SOGR		
Bridges	\$13.5	\$2.6
Stations & Intermodal Access	2.9	2.0
Right of Way	11.5	6.0
Signals & Communications	3.6	2.1
Rolling Stock	6.4	0
Legal Mandates	6.3	5.6
Operational Improvements / Enhancements	13.8	8.7
Planning/Studies	<u>11.4</u>	<u>4.4</u>
Total	<u>\$69.4</u>	<u>\$31.4</u>

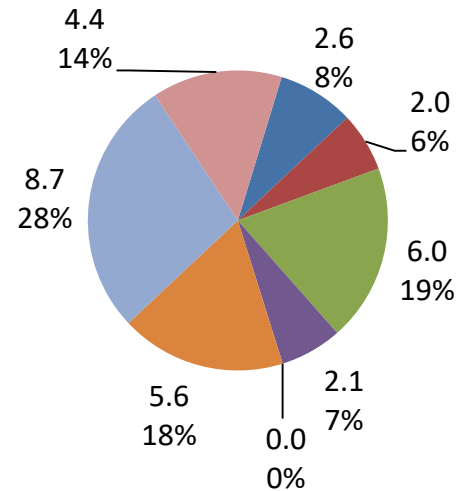
FY2022 Preliminary Capital Budget Unconstrained vs Constrained (in \$ millions)

Unconstrained



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

Constrained



- Bridges
- Facilities & Intermodal Access
- Right of Way
- Signals & Communications
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Next Steps

Operating

- Service schedule plan
- Deficit financing option

Capital

- Constrained Capital Budget
- Consider financing options
- Measure RR option