



# FY2022 Proposed Operating and Capital Budgets

Board of Directors Meeting  
June 3 , 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 Proposed Budget Outlook

(in \$ millions)

	FY2020 Actuals	FY2021 Adopted	FY2021 Forecast	FY2022 Proposed
Revenue	\$143.4	\$122.2	\$127.5	\$161.9
Expenditure	<u>138.4</u>	<u>144.5</u>	<u>140.1</u>	<u>176.7</u>
Surplus (Deficit)	\$5.0	(\$22.3)	(\$12.6)	(\$14.8)
PTC Litigation Adj	(5.4)	0	0	0
Use of Reserve	0	7.0	0	0
Line of Credit	0	15.3	0	0
CRRSSA	0	0	12.6	0
ARPA	<u>0</u>	<u>0</u>	<u>0</u>	<u>14.8</u>
Adj. Surplus (Deficit)	<u><u>\$(0.4)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



# Changes from May Board (in \$ millions)

	FY2022 Prelim	FY2022 Proposed	Changes
Revenue	\$157.7	\$161.9	\$4.2
Expenditure	<u>178.9</u>	<u>176.7</u>	<u>(2.2)</u>
Surplus (Deficit)	\$(21.2)	\$(14.8)	
Line of Credit	21.2	0	(21.2)
ARPA	0	14.8	14.8
Adj. Surplus (Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	Change from May Board	
	Revenues	Expense
Other Income	(0.1)	
Operating Grants	0.1	
Measure RR	4.0	
CRRSAA	0.2	
Rail Operator Service		(0.9)
Timetables & Tickets		(0.1)
Insurance		(1.2)
	<u>\$ 4.2</u>	<u>\$ (2.2)</u>

# FY2022 Revenue Assumptions

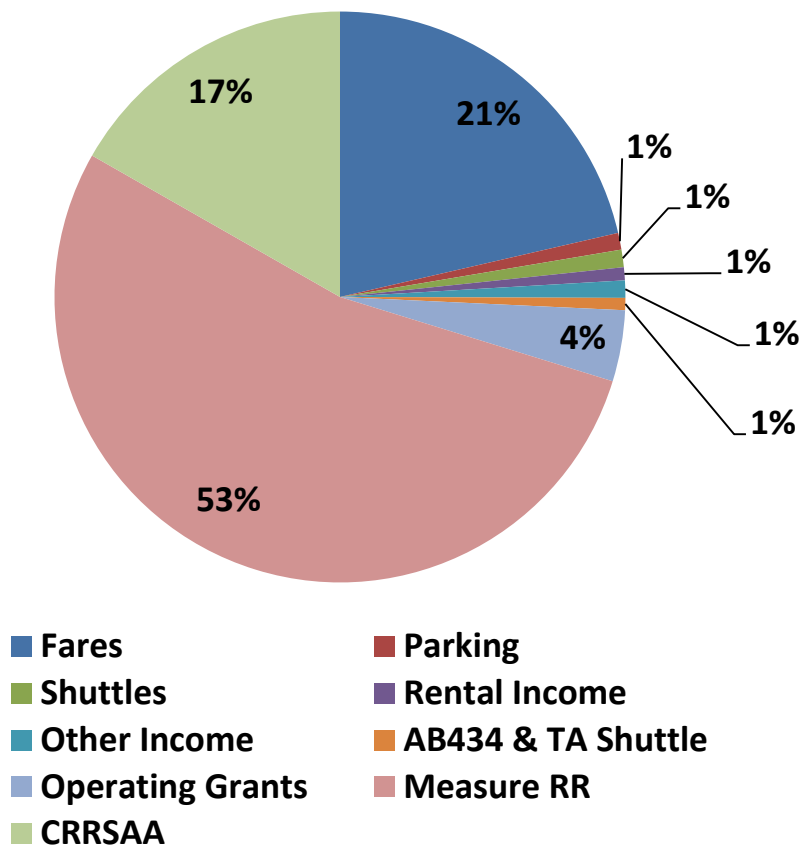
- Farebox                      WFH may affect decision to purchase/renew GoPass
- Shuttle                        AB434 is no longer available after CY2020; reduced TA Shuttle Funding
- JPB Members                No member contributions for FY2022
- Measure RR                 Forecast is \$101.9M. Assumed \$15.3M placeholder for FY2022 Capital budget
- CARES Act                  No longer available in FY2022
- CRRSAA                      \$27.1M forecast for FY2022
- ARPA                         \$14.8M placeholder for FY2022



# FY2022 Proposed Revenue

(in \$ millions)

Fares	\$34.6
Parking	1.6
Shuttles	1.6
Rental Income	1.2
Other Income	1.6
AB434 & TA Shuttle	1.1
Operating Grants	6.5
Measure RR	86.6
CRRSAA	<u>27.1</u>
<b>Total Revenue</b>	<b><u>\$161.9</u></b>



# FY2022 Expenditure Assumptions

- Placeholder: \$97.4M 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

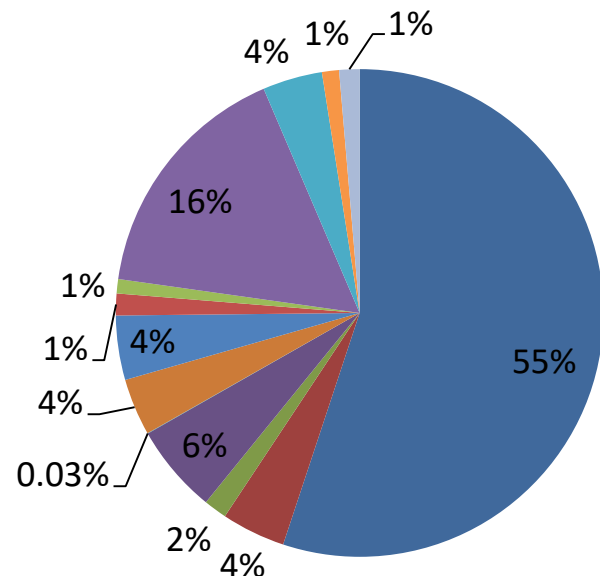


# FY2022 Proposed Expenditure

(in \$ millions)

Rail Ops	\$97.4
Security Services	7.4
Shuttle Services	2.7
Fuel	10.4
Timetables & Tickets	0.1
Insurance	6.7
Facilities and Equip Maint	7.5
Utilities	2.5
Maint & Services	1.7
Administrative *	28.9
Measure RR Ballot Costs	7.0
Governance	2.0
Long-term debt	<u>2.4</u>
<b>Total Expenses</b>	<b><u>\$176.7</u></b>

\* Includes Wages & Benefits, Admin OH, Prof Svcs, Communications & Marketing, and Other Office Exp



- 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	-
<b>Total**</b>	<b>72.67</b>	<b>84.57</b>	<b>90</b>

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

\*\* includes new 4.9 FTE



# **FY2022 PROPOSED 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	\$ 81.3M
Estimated Federal and Non-Federal Funds	\$ <u>39.2M</u>
Funding Gap	\$ 42.1M

## Funding Assumptions:

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

# Funding Plan :

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

	Un- constrained	Constrained
Federal Grants	\$10.5	\$10.5
State & Regional Grants	1.5	1.5
Measure RR	15.3	15.3
Others	11.9	11.9
Funding Gap	<u>42.1</u>	<u>0</u>
Total	<u>\$81.3</u>	<u>\$39.2</u>

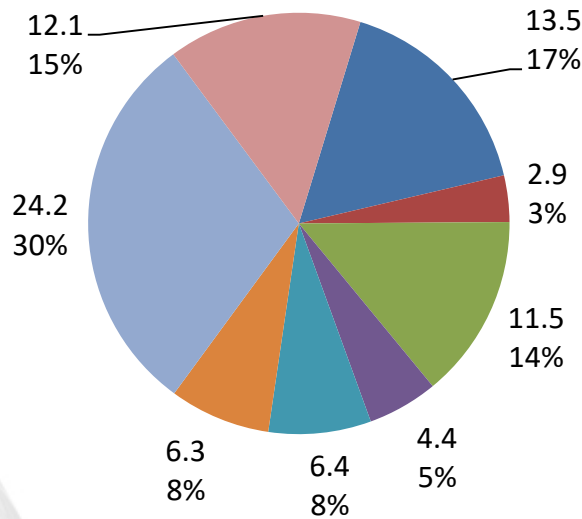
# FY2022 Proposed Capital Budget

## Unconstrained vs Constrained (in \$ millions)

	Un- constrained	Constrained
<b>SOGR</b>		
Bridges	\$13.5	\$2.0
Stations & Intermodal Access	2.9	1.6
Right of Way	11.5	5.6
Signals & Communications	4.4	3.0
Rolling Stock	6.4	0
<b>Legal Mandates</b>	6.3	4.7
<b>Operational Improvements / Enhancements</b>	24.2	17.0
<b>Planning/Studies</b>	<u>12.1</u>	<u>5.3</u>
<b>Total</b>	<u><u>\$81.3</u></u>	<u><u>\$39.2</u></u>

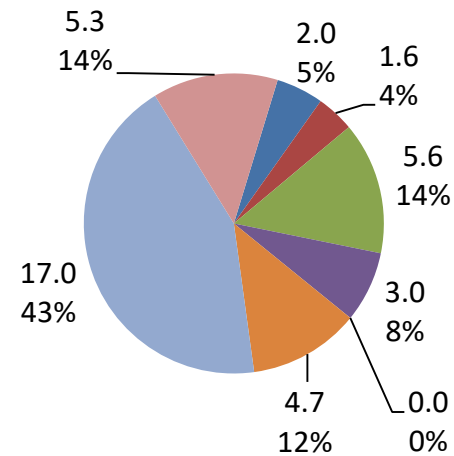
# FY2022 Proposed Capital Budget Unconstrained vs Constrained (in \$ millions)

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
- Rolling Stock
- Legal Mandates
- Operational Improvements/Enhancements
- Planning/Studies