



# FY2020 Preliminary Operating and Capital Budgets

Board of Directors  
May 2, 2020  
Agenda Item # 10

# Key Assumptions

- **Increasing baseline service costs**
- **Concerns about ridership**
- **Costs of PTC implementation**
- **Minimal additions to staffing**
- **Work with members on Operating and Capital funding**

# Approach to the FY20 Budgets

## Focus on:

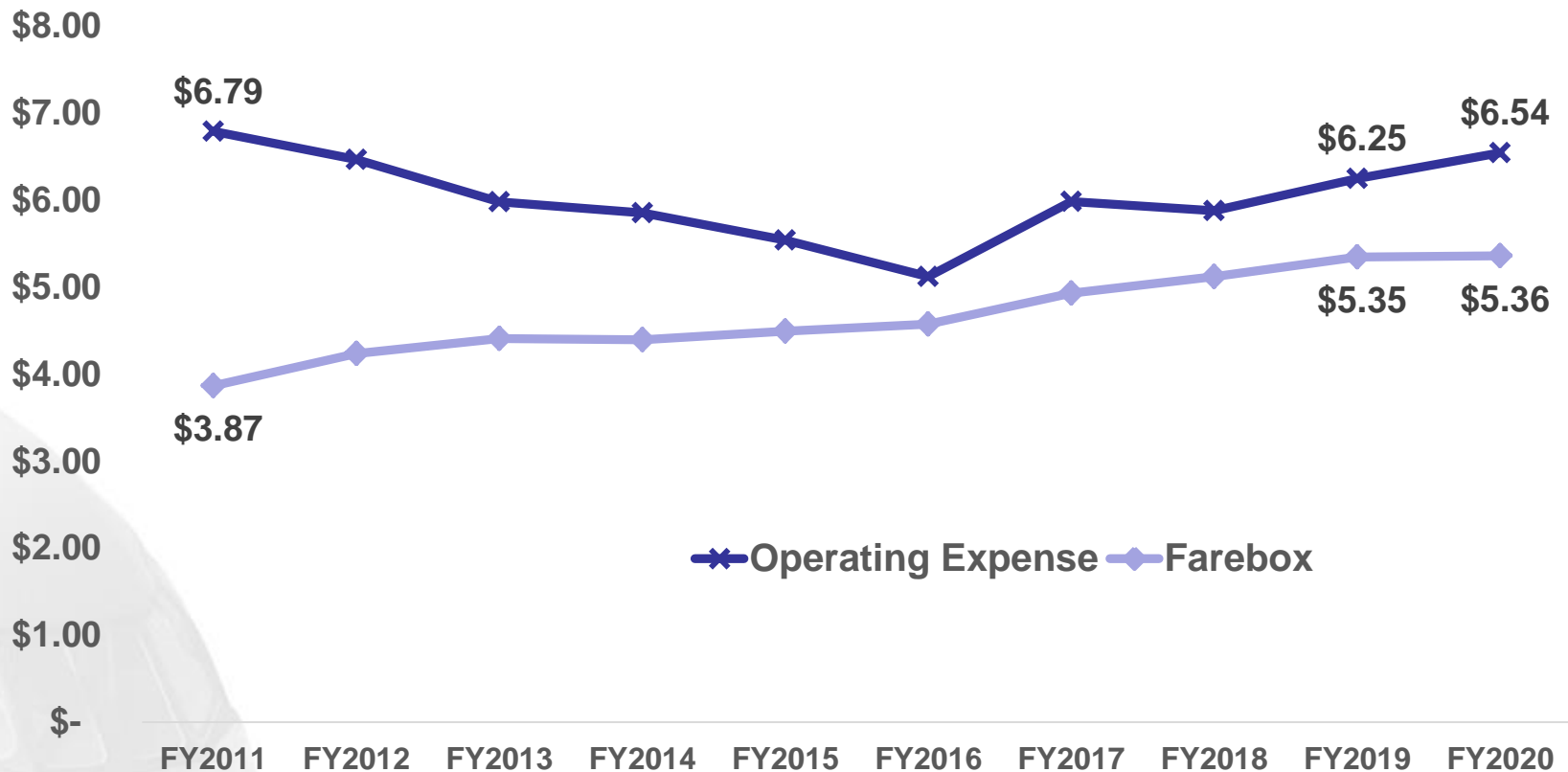
- Delivering status quo service efficiently
- Mitigating impact of budget increases on riders
- Bridge to electrification

## Requesting additional member funding for Operations

- \$4.5 million additional, total of \$29.9 million

## Requesting maintained member funding for Capital of \$22.5 million

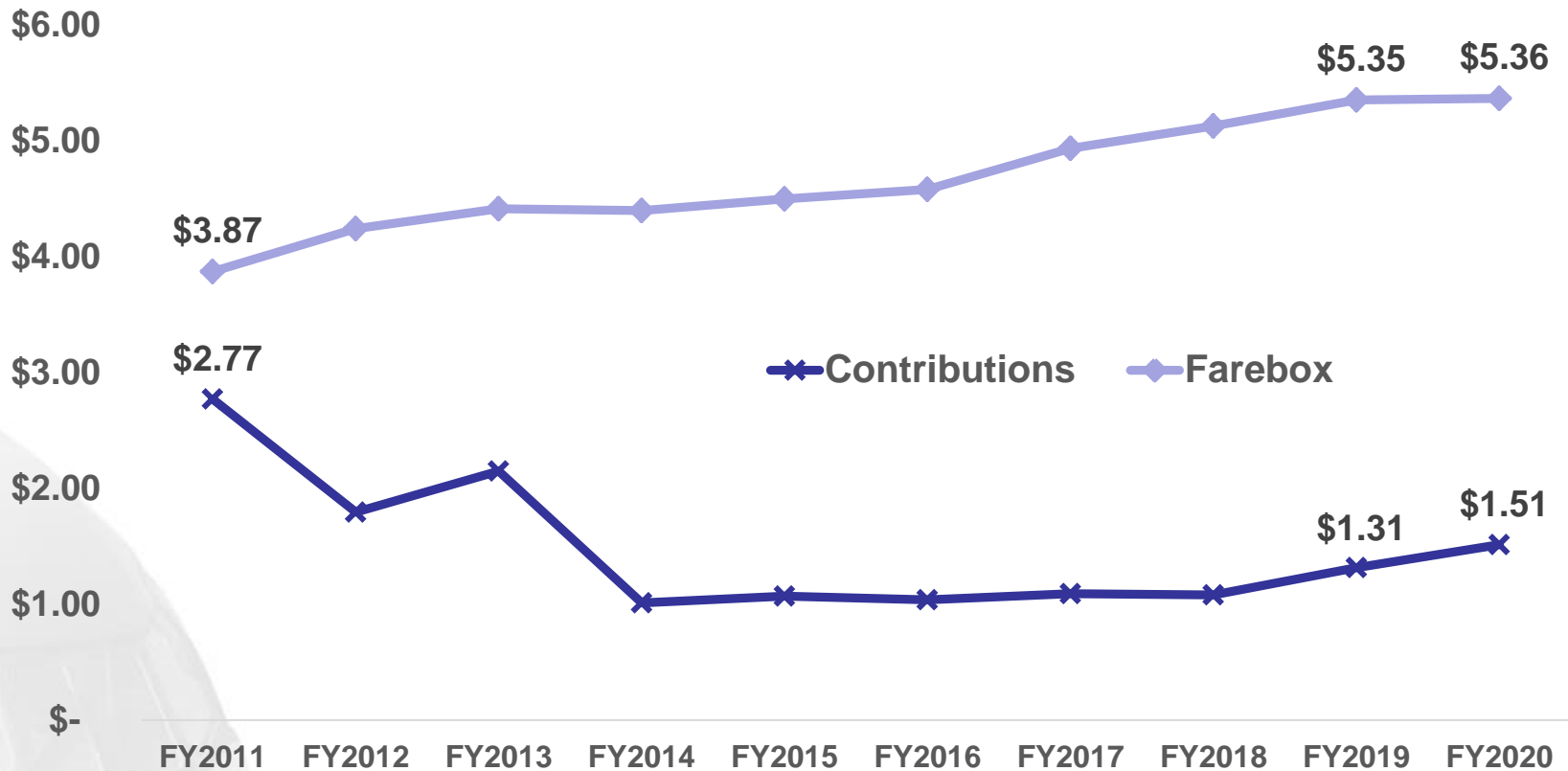
# Farebox & OPEX (per Passenger)



- FY11-FY18 Actuals, FY19 Forecast, and FY20 Preliminary Budget
- FY16 and FY18 OPEX were abnormally low due to release of insurance reserves



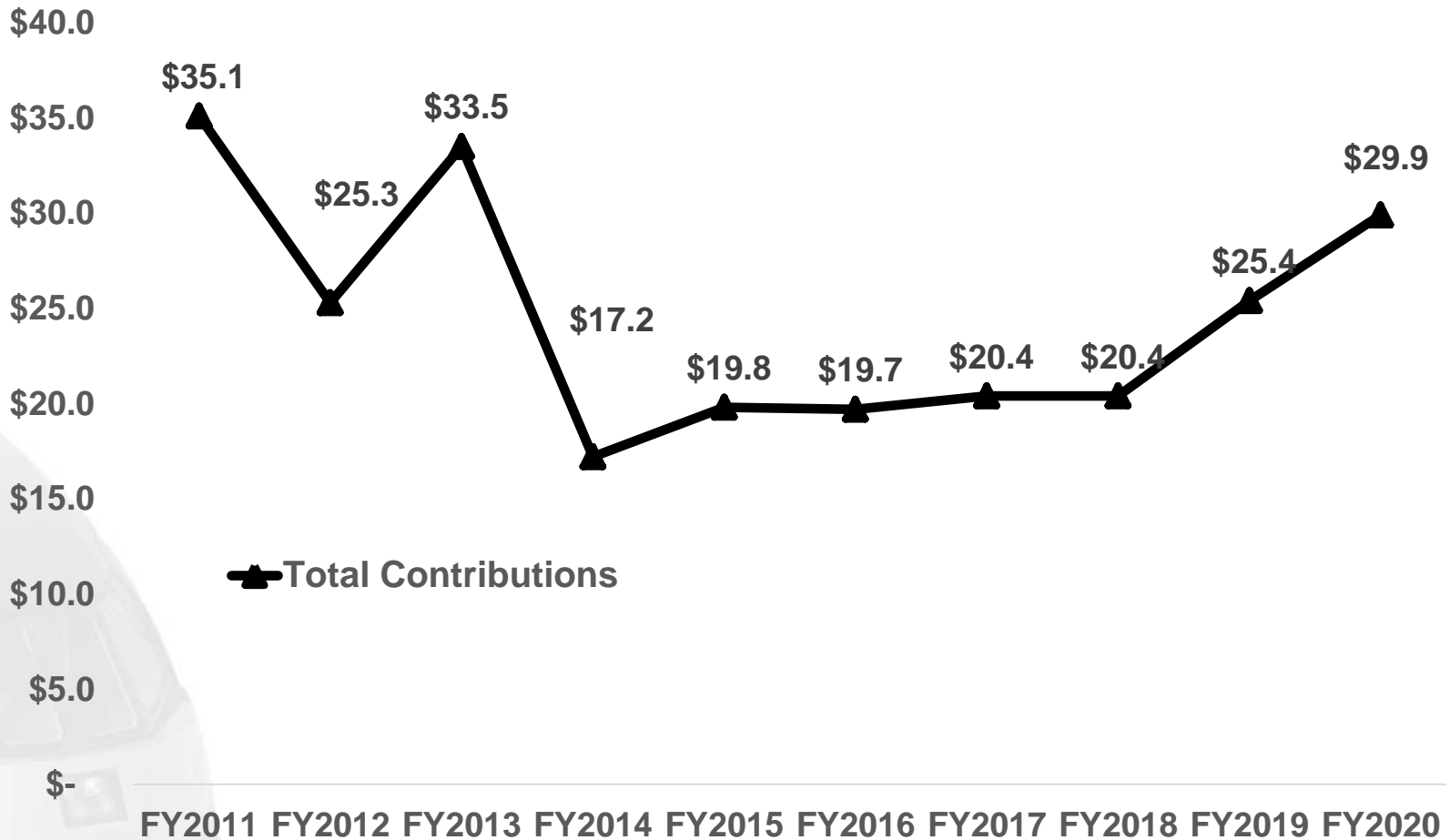
# Farebox and Contribution (per Passenger)



- FY11-FY18 Actual, FY19 Forecast, and FY20 Preliminary Budget



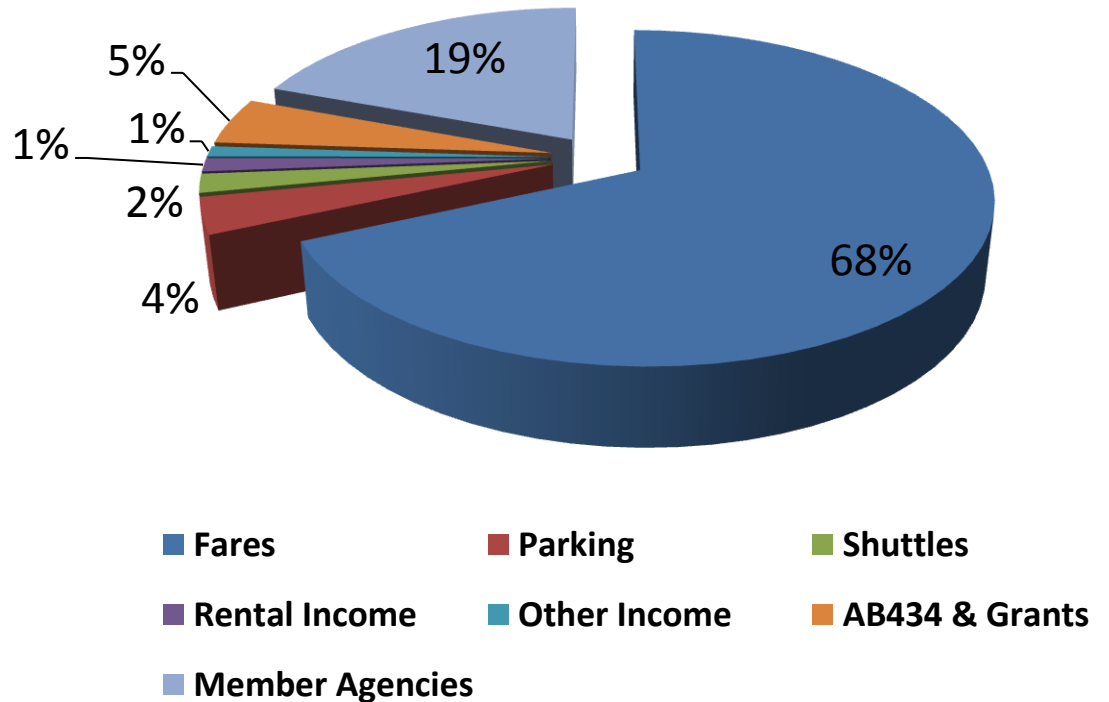
# Operating Contribution (in millions)





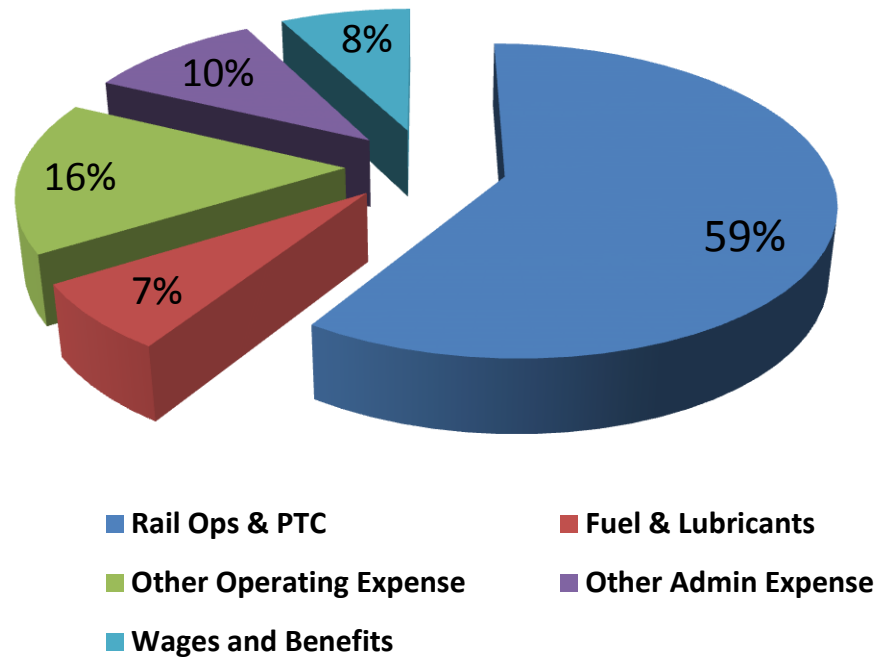
# FY20 Preliminary Revenues (in \$ millions)

Fares	\$106.0
Parking	5.5
Shuttles	2.9
Rental Income	2.1
Other Income	1.6
AB434 & Grants	7.2
Member Agencies	<u>29.9</u>
Total Revenue	<u><u>\$155.1</u></u>



# FY20 Preliminary Expenses (in \$ millions)

Rail Ops & PTC	\$93.3
Security Services	6.5
Shuttle Services	5.7
Fuel	11.0
Timetables & Tickets	0.1
Insurance	5.5
Facilities and Equip Maint	3.5
Utilities	2.1
Maint & Services	1.6
Administrative	25.6
Long-term debt	<u>2.6</u>
<b>Total Expenses</b>	<b><u>\$157.6</u></b>







# FY20 Preliminary Budget Outlook

(in \$ millions)

	FY19 Budget	FY19 Forecast	FY20 Prelim Budget
Revenue	\$151.5	\$147.1	\$155.1
Expense	<u>152.7</u>	<u>148.0</u>	<u>157.6</u>
Surplus/Deficit	\$(1.2)	\$(0.9)	\$(2.5)

# Key Expense Drivers

## Rail Operator Service

- Built in salary increases in the TASI labor contracts
- Contractual increase in General & Administration rate from 6.0% to 7.5%

## PTC Operating Expenses

- FY20 – maintenance contract with TASI, hiring and training of 5 additional FTEs
- BCCF lease for 3 months preceding the purchase of BCCF facility; FY20- Del Secco Menlo Park ROW lease for full year

## Diesel Fuel

- FY20 budget assumes \$2.10/gallon (without taxes)
- Current invoice price is \$2.18/gallon and has ranged between \$1.67 and \$2.38

# Key Expense Driver – Agency Staffing

- **2.4 annualized FY19 new FTEs**
- **2.6 new operating FTE requests in FY20 spread across 8 positions**
- **Adjustments in wages and fringe benefits**
- **Vacancy factor of 4%**



# Staff Allocation for Caltrain

FUNCTION	FTE allocated to JPB		JPB Full-Time Personnel
	OPERATING	CAPITAL	
Rail, Calmod, & Bus Divisions	34.6	53.4	63
Grants and Administration*	15.4	23.7	10
Marketing, Communications and Customer Service	16.4	-	-
<b>Total</b>	<b>66.4</b>	<b>77.1</b>	<b>73</b>

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

# **Caltrain's Fiscal Challenges**

## **Preliminary FY20 Budget is nearly balanced**

- **Gap closing measures will be included in the June Proposed Budget**

## **FY21 is expected to be more challenging**

- **Continued growth in Baseline expenditures**
- **Increasing PTC operating expenses**
- **Dependence on farebox revenue**
- **Financial constraints of member agencies**

## **Continued lack of a dedicated funding source**



# **FY2020 PRELIMINARY CAPITAL PROGRAM**

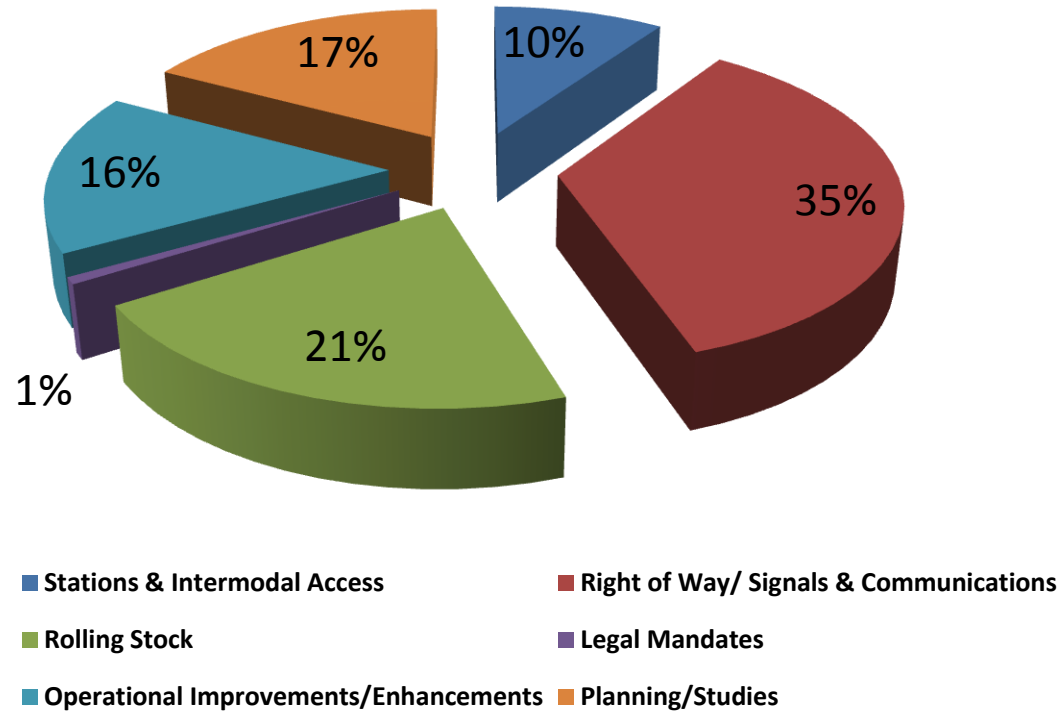


# Overview of FY20 Preliminary Program Costs

(in \$ millions)

## SOGR

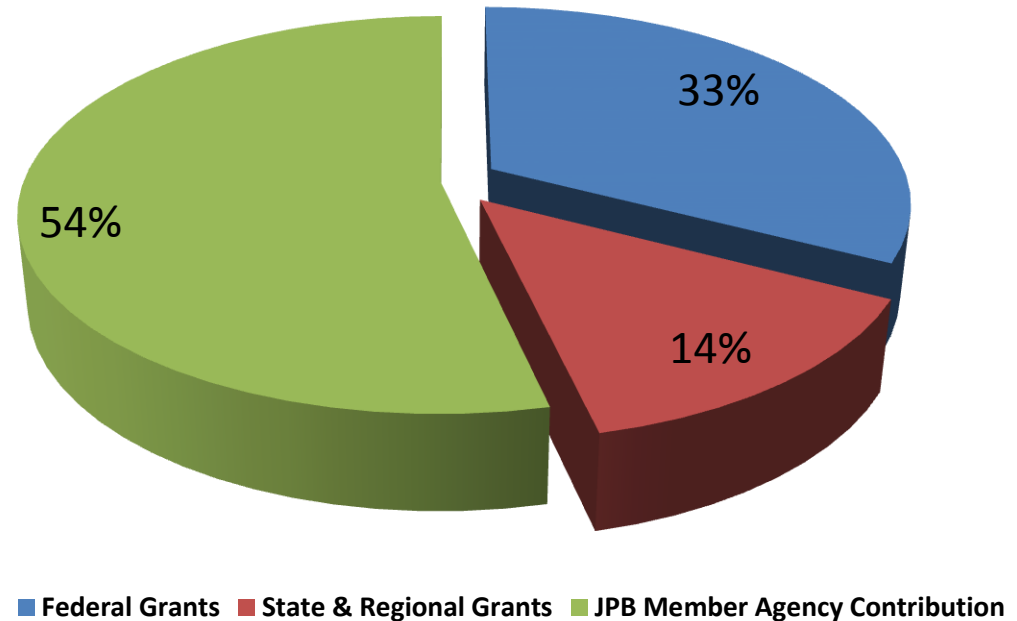
Stations & Intermodal Access	\$7.0
Right of Way/ Signals & Communications	25.8
Rolling Stock	15.4
Legal Mandates	0.5
Operational Improvements/Enhancements	11.7
Planning/Studies	<u>12.5</u>
<b>Total</b>	<b><u>\$72.9</u></b>



# FY2020 Preliminary Funding Sources

(in \$ millions)

Federal Grants	\$13.7
State & Regional Grants	5.8
JPB Member Agency Contribution	<u>22.5</u>
Total	<u>\$42.0</u>



\*Assumes \$7.5M contribution from each member



# Next Steps

- **Continue working with members to finalize the operating and capital investments for FY2020**
- **Based on input from the Board and finalized investments, develop budgets for presentation in June**
- **Continue to work with the Board and members to study and address the funding gaps for FY2021 and beyond**