



FY2020 Proposed Operating and Capital Budgets

**JPB Citizens Advisory Committee
September 18, 2019
Agenda Item #9**



FY2020 Proposed OPERATING BUDGET



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

for \$22.5 million

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**

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%



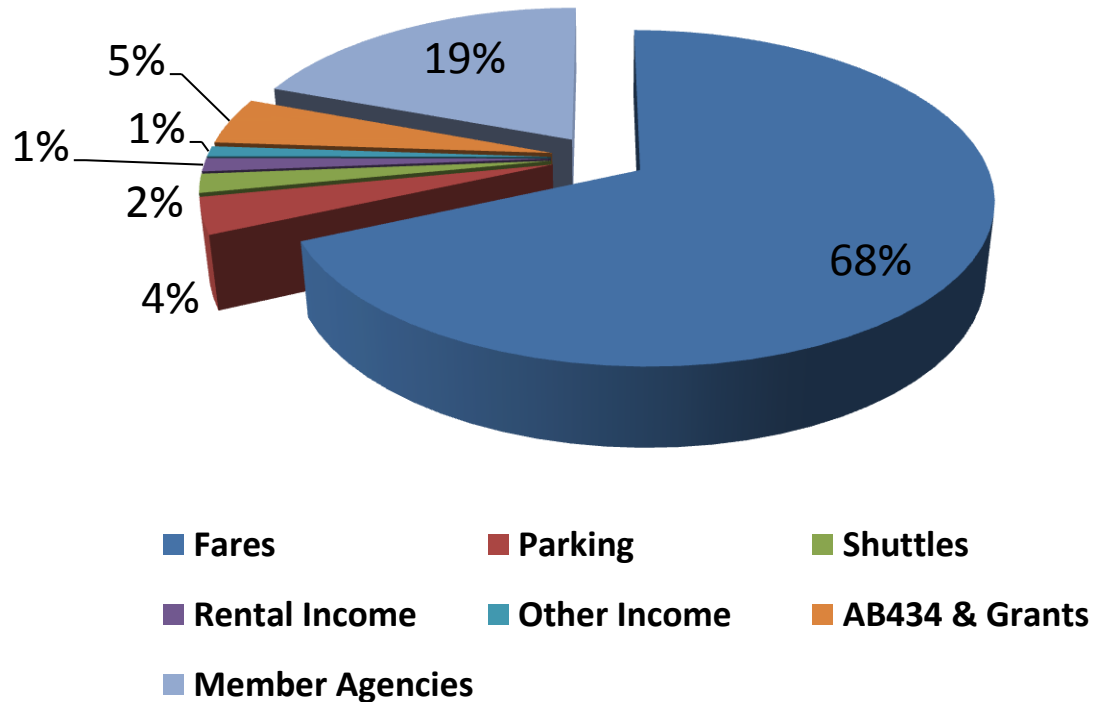
FY20 Proposed Budget Outlook

(in \$ millions)

	FY19 Budget	FY20 Proposed Budget
Revenue	\$151.5	\$154.6
Expense	<u>152.7</u>	<u>155.7</u>
Surplus/Deficit	\$ (1.2)	\$ (1.1)

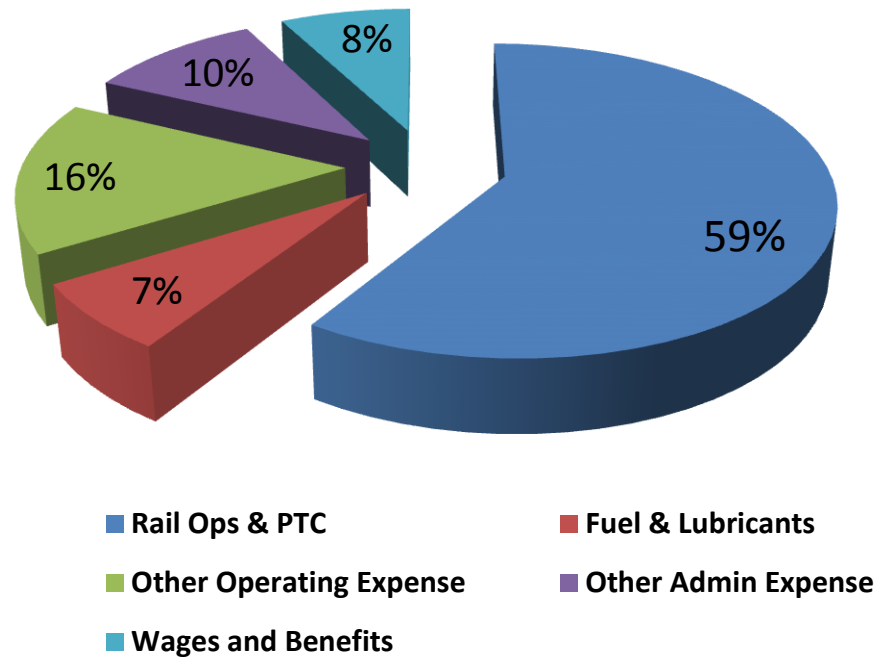
FY20 Proposed Revenues (in \$ millions)

Fares	\$106.0
Parking	5.5
Shuttles	2.5
Rental Income	2.1
Other Income	1.6
AB434 & Grants	7.0
Member Agencies	<u>29.9</u>
Total Revenue	<u>\$154.6</u>



FY20 Proposed Expenses (in \$ millions)

Rail Ops & PTC	\$93.2
Security Services	6.5
Shuttle Services	5.3
Fuel	11.0
Timetables & Tickets	0.1
Insurance	5.4
Facilities and Equip Maint	3.5
Utilities	2.1
Maint & Services	1.6
Administrative	24.4
Long-term debt	<u>2.6</u>
Total Expenses	<u>\$155.7</u>



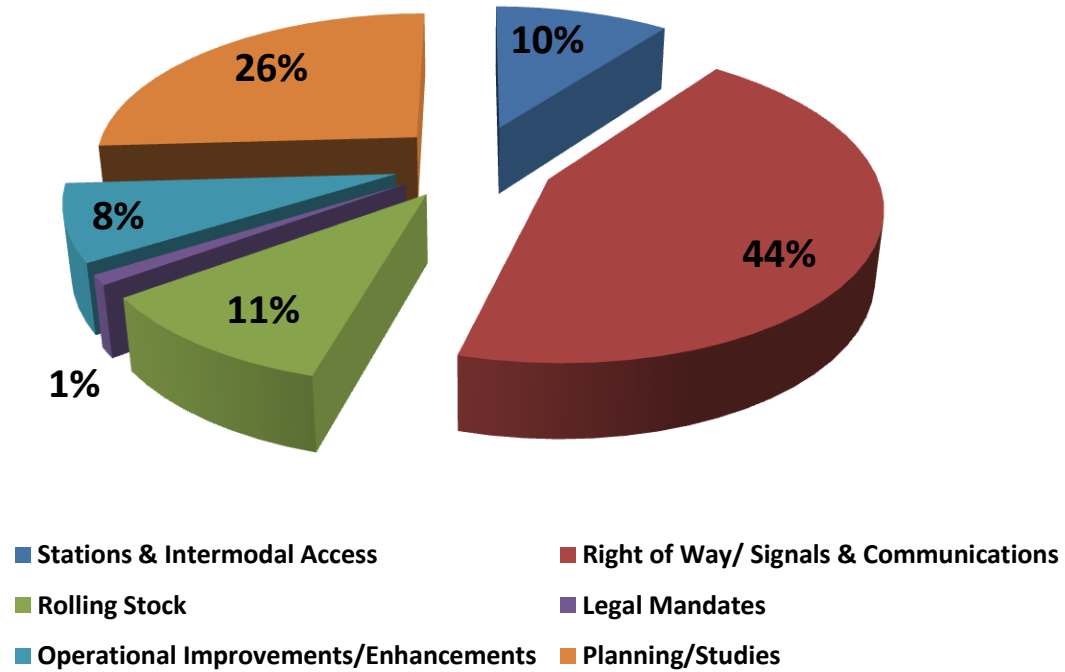
FY2020 Proposed CAPITAL BUDGET

Overview of FY20 Proposed Program Costs

(in \$ millions)

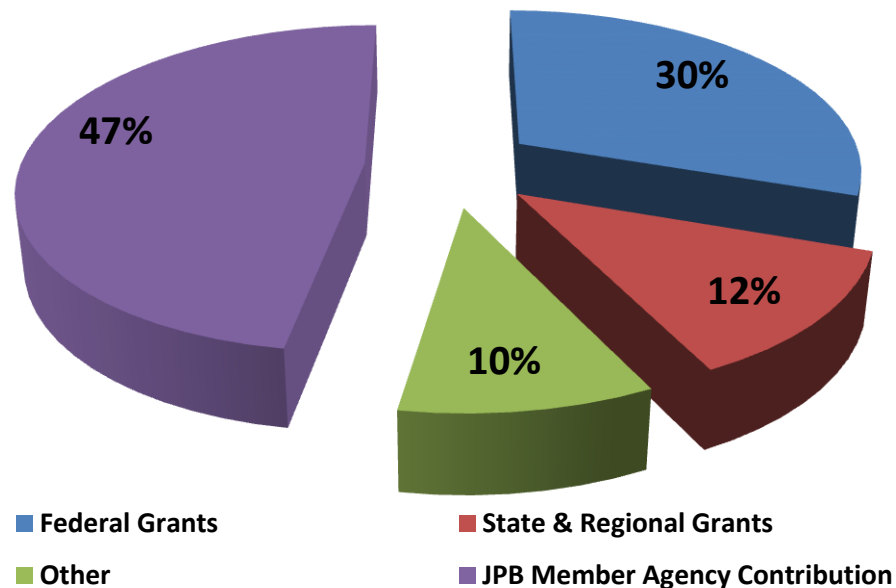
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Stations & Intermodal Access	\$4.9
Right of Way/ Signals & Communications	20.8
Rolling Stock	5.1
Legal Mandates	0.5
Operational Improvements/Enhancements	3.8
Planning/Studies	<u>12.3</u>
Total	<u>\$47.4</u>



FY2020 Proposed Funding Sources (in \$ millions)

Federal Grants	\$14.3
State & Regional Grants	5.9
JPB Member Agency Contribution	22.5
Other	<u>4.7</u>
Total	<u>\$47.4</u>



*Assumes \$7.5M contribution from each member agency

Caltrain's Fiscal Challenges

Proposed FY20 Budget is balanced

- Use of Revenue Stabilization Fund of \$1.1 million

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

Next Steps

- Continue working with members to finalize the capital investments for FY2020
- Continue to work with the Board and members to study and address the funding gaps for FY2021 and beyond