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)

<table>
<thead>
<tr>
<th></th>
<th>FY19 Budget</th>
<th>FY20 Proposed Budget</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$151.5</td>
<td>$154.6</td>
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<tr>
<td>Expense</td>
<td>152.7</td>
<td>155.7</td>
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<tr>
<td>Surplus/Deficit</td>
<td>$ (1.2)</td>
<td>$ (1.1)</td>
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FY20 Proposed Revenues (in $ millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Revenue (in $ millions)</th>
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<tbody>
<tr>
<td>Fares</td>
<td>$106.0</td>
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<tr>
<td>Parking</td>
<td>5.5</td>
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<tr>
<td>Shuttles</td>
<td>2.5</td>
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<tr>
<td>Rental Income</td>
<td>2.1</td>
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<tr>
<td>Other Income</td>
<td>1.6</td>
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<tr>
<td>AB434 &amp; Grants</td>
<td>7.0</td>
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<tr>
<td>Member Agencies</td>
<td>29.9</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$154.6</td>
</tr>
</tbody>
</table>
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: 2.6
- Total Expenses: $155.7
FY2020 Proposed CAPITAL BUDGET
Overview of FY20 Proposed Program Costs
(in $ millions)

SOGR
- 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 $12.3

Total $47.4
FY2020 Proposed Funding Sources (in $ millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Grants</td>
<td>$14.3</td>
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<tr>
<td>State &amp; Regional Grants</td>
<td>5.9</td>
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<td>JPB Member Agency Contribution</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$47.4</strong></td>
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</tbody>
</table>

*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