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FY 2020-21 Draft Operating & Capital Budgets

July 8, 2020



Topics



FY19-20 Year-End Forecast



FY20-21 Draft Operating Budget



Revenues



Expenses



FY20-21 Draft Capital Budget



Next Steps

FY19-20 Year-End Forecast

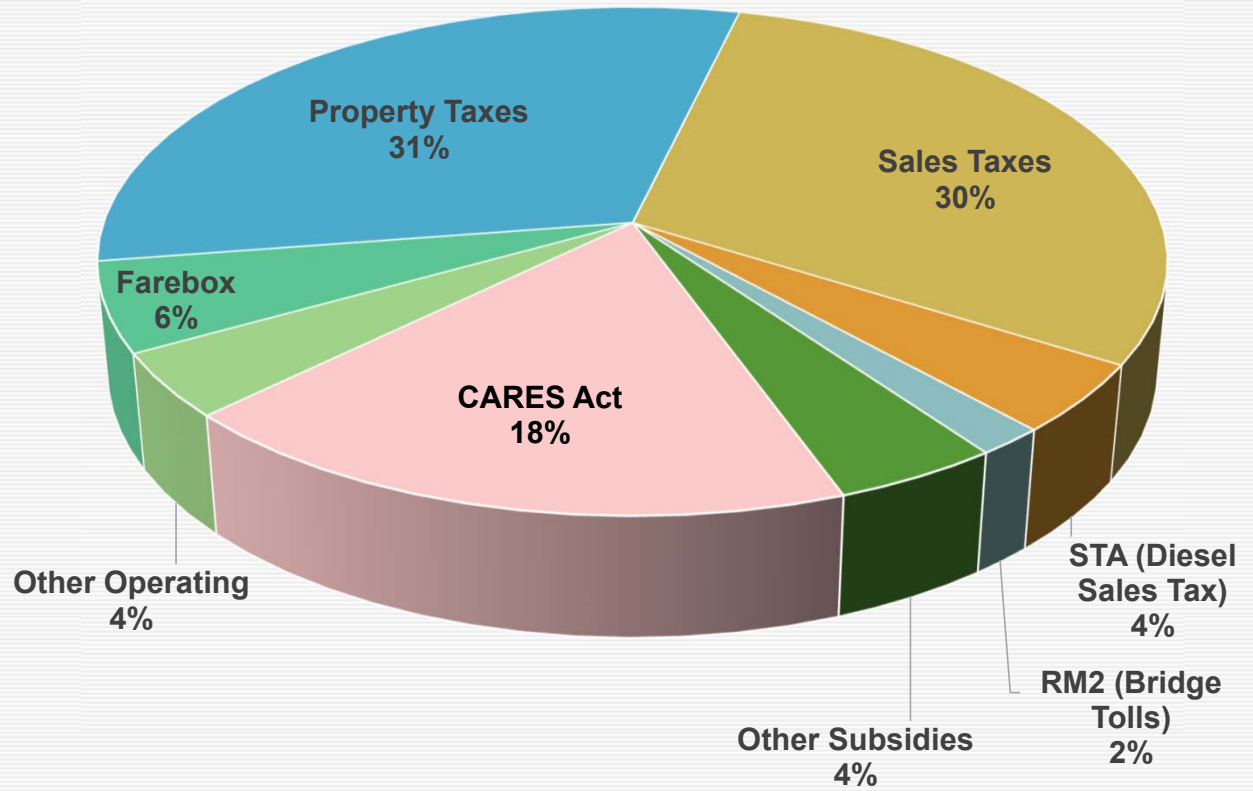
- Revenues
 - \$423M (\$51M or 11% below budget)
- Expenses
 - \$460M (\$11M or 2.3% below budget)
- Resulting deficit: (\$37M)
- CARES Act funds will be used to fill in deficit

FY20-21 Draft Operating Budget

- Total Revenues: \$465.4M
 - “Normal” Revenues: \$380.4M
 - CARES Act Funds: \$85.0M (estimate*)
- Expenses: \$470.6M
- Resulting Draft deficit: **(\$5.2M)**

Revenues

FY20-21 Draft Revenue Overview



Revenues contd.

- Farebox
 - \$26.7M (55% down from FY19-20)
 - *Using pessimistic forecast*
- Other Operating Revenue
 - \$19.1M (2.1% down from FY19-20)
 - *Contract Services down due to reduced BART Early Bird and bus bridges*

Revenues contd.

- Property/Parcel Taxes
 - \$146M (flat from FY19-20)
- Sales Taxes
 - \$139.9M (down 30% from FY19-20)
 - *Using middle of forecast range*
- STA (diesel sales tax)
 - \$20.7M (down 25% from FY19-20)
 - *Using upper-middle of forecast range*

Revenues contd.

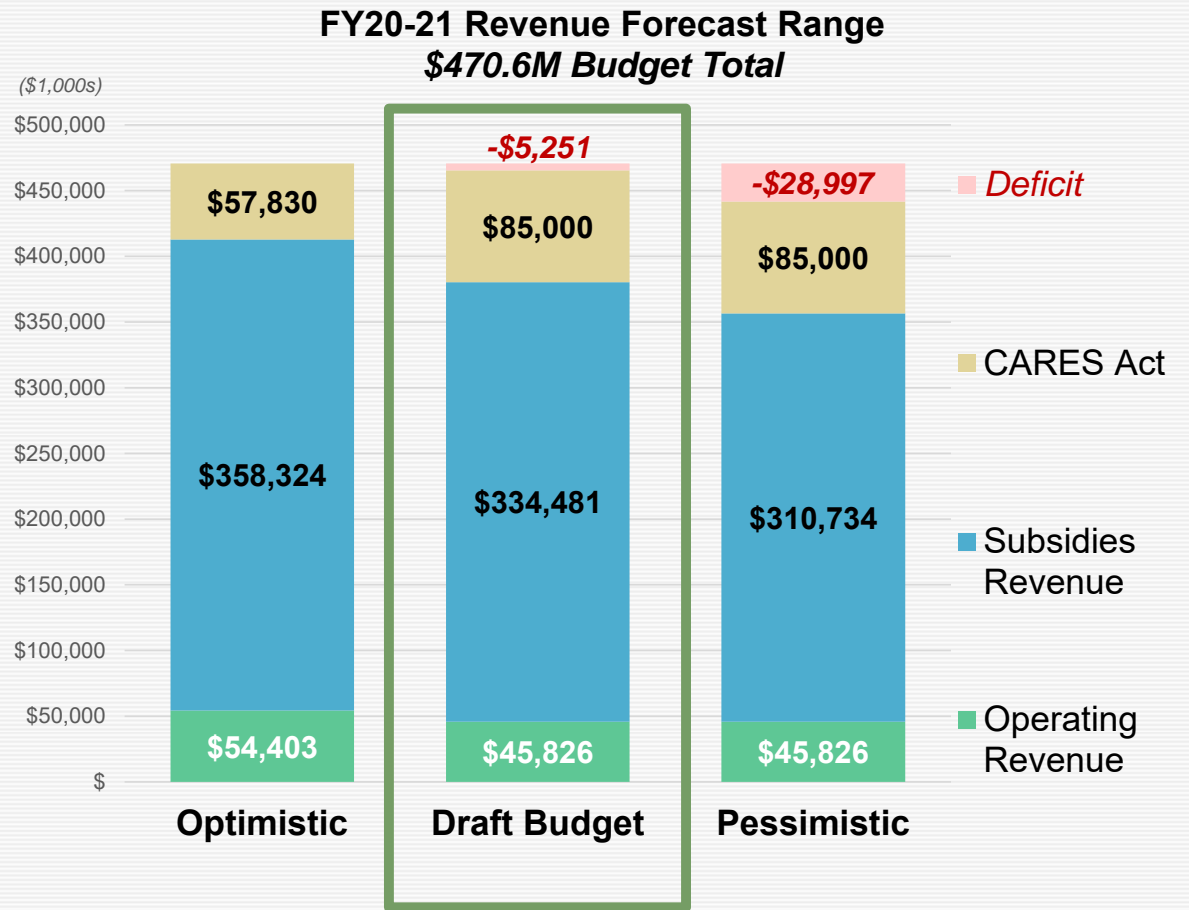
- RM2 (bridge tolls)
 - \$8.5M (35% down from FY19-20, per MTC)
 - *RM3 – not included yet*
- Other Subsidies
 - \$20.7M (110% up from FY19-20)
 - *Use of Cap & Trade LCTOP funds for BRT operating*
 - *Timing of FTA paratransit operating fund grants*

CARES Act Funding

- District estimates \$120M in total*
- MTC Blue Ribbon Task Force to provide recommendation early July
- MTC Commission to decide July 22
 - *Timed to allow for grant approval before FTA end of federal fiscal year shutdown*

* Round 2 allocations pending as this was written

FY20-21 DRAFT Revenue Forecast Range



Expenses

- Total Expenses: \$470.6M
- Essentially the same level as FY19-20
 - *Staffing level has not changed*
 - *Contractual wage increases add to baseline costs*
 - *Reductions mainly in fuel and other non-labor*

Labor Expenses

- \$341.9M (flat from FY19-20)
 - *Contractual increases: ATU 3%, IBEW 3+1%*
 - *Forecast attrition of 8 operators per month*
 - *Significant (50%) operator overtime reduction*
- Reduce headcount by 70 vacant operator positions
- New positions TBD

Non-Labor Expenses

- \$128.6M (1.5% down from FY19-20)
 - *Liability and insurance: +\$4M*
 - *Services: +\$2.5M (pending reductions)*
 - *PPE: +\$1.0M*
 - *East Bay Paratransit: -\$3.7M (reduced usage)*
 - *Fuel: -\$3.1M (reduced service)*
 - *Materials: -\$2.6M (reduced service)*

FY20-21 Draft Capital Budget

- Total Budget: \$81.9M
 - Grant Funds: \$54.8M
 - District Capital: \$7.8M
 - BRT Line of Credit: \$19.3M
- Projects
 - 41 continuing
 - 13 new
 - Charging facilities for new BEBs at D2 and D4
 - Replace/upgrade aging IT software and equipment

Next Steps

- Draft Budget utilizes all CARES Act funds
- Major cost driver is headcount
 - Assuming reductions only by attrition
 - CARES Act congressional expectation - funding is to keep employees on payroll
- Proposed Budget - 8/12
 - Staff will adjust revenue levels for Proposed Budget as more is known
- Recommended Budget - 9/9
- Working with service planning on matching future service to revenue and headcount levels