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# FY 2020-21 Proposed Operating & Capital Budgets

August 5, 2020



# Topics



New Budget Goals



FY20-21 Proposed Operating Budget



Revenues Changes



Expense Changes



Non-Operating Items



FY2019-20 Preliminary & Unaudited Results



Next Steps



## Proposed New Budget Goals

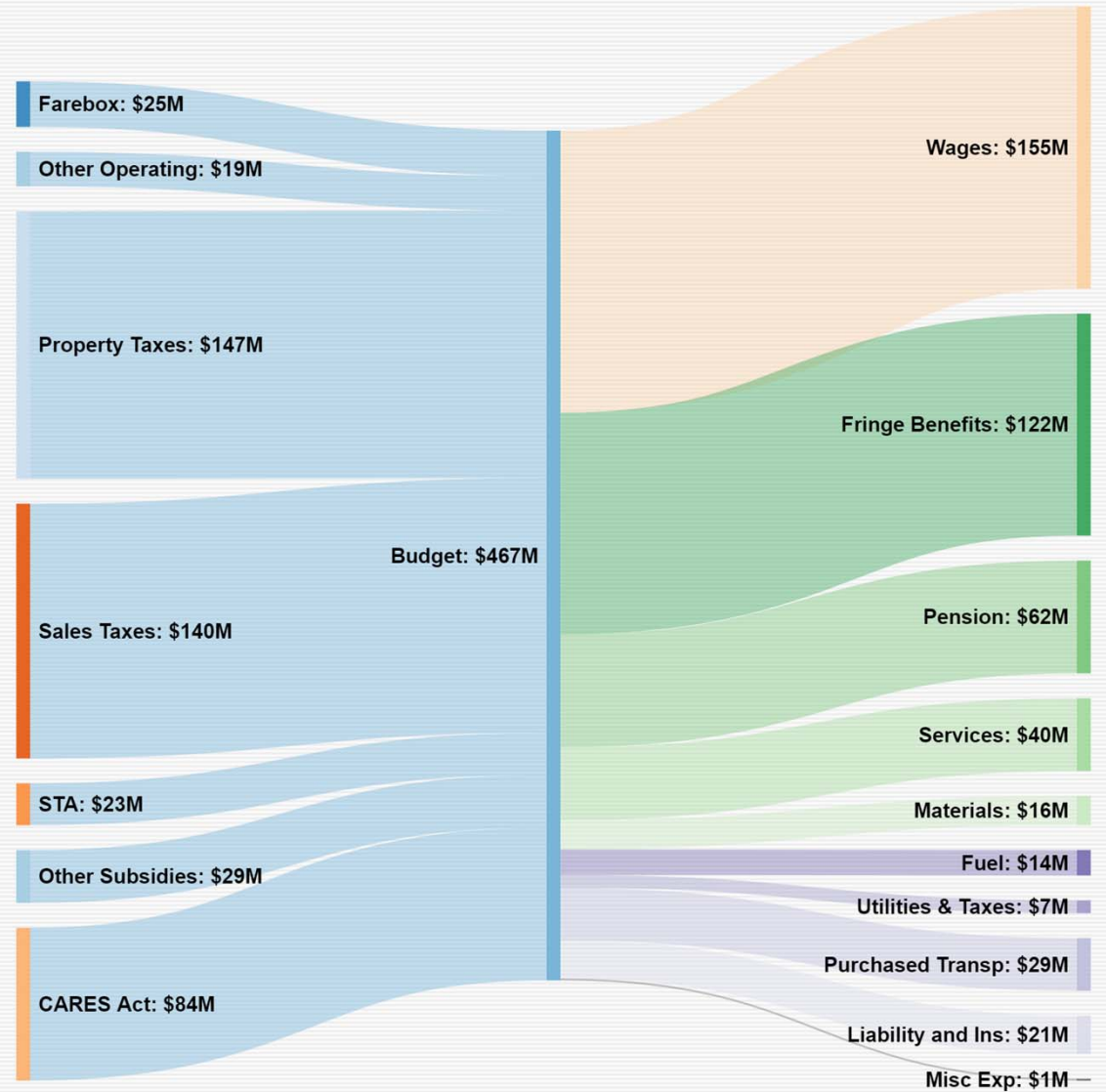
1. Safe Working Environment
2. Financially Resilient
3. Sufficient Operations
4. Mobile Workforce
5. Strong Stakeholder, Policymaker and Public Communications

## FY20-21 Proposed Operating Budget

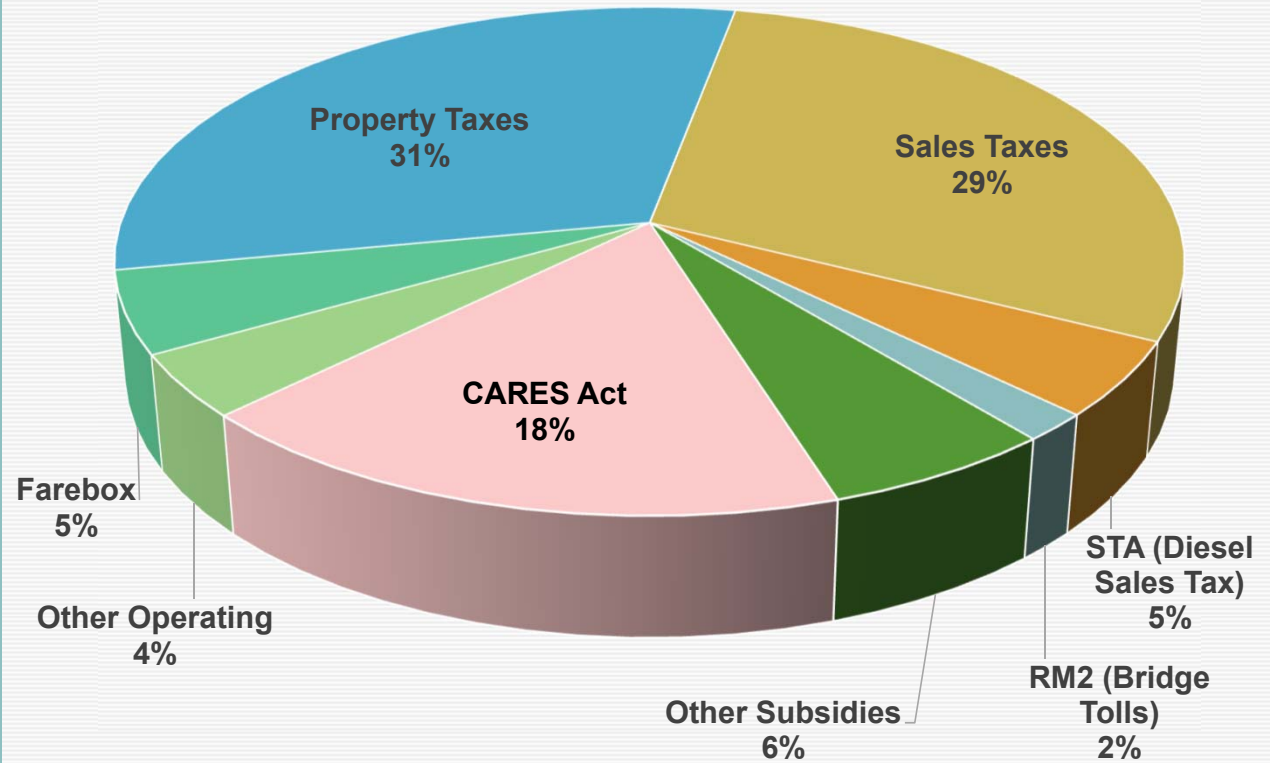
- Revenues: \$467.3M
  - “Normal” Revenues: \$383.2M
  - CARES Act Funds: \$84.2M
- Expenses: \$467.3M
- Balanced Budget — *if projections hold...*

\* Totals may not add due to rounding

# FY20-21 Proposed Operating Budget



# Revenues



## Revenue Changes

- Farebox
  - \$24.9M down from \$26.7M (-\$1.8M)
  - *Fare collection start delayed from August to Sept*
  - *58% drop (was 55%) from FY19-20*
- Other Operating
  - *No changes*

## Revenue Changes contd.

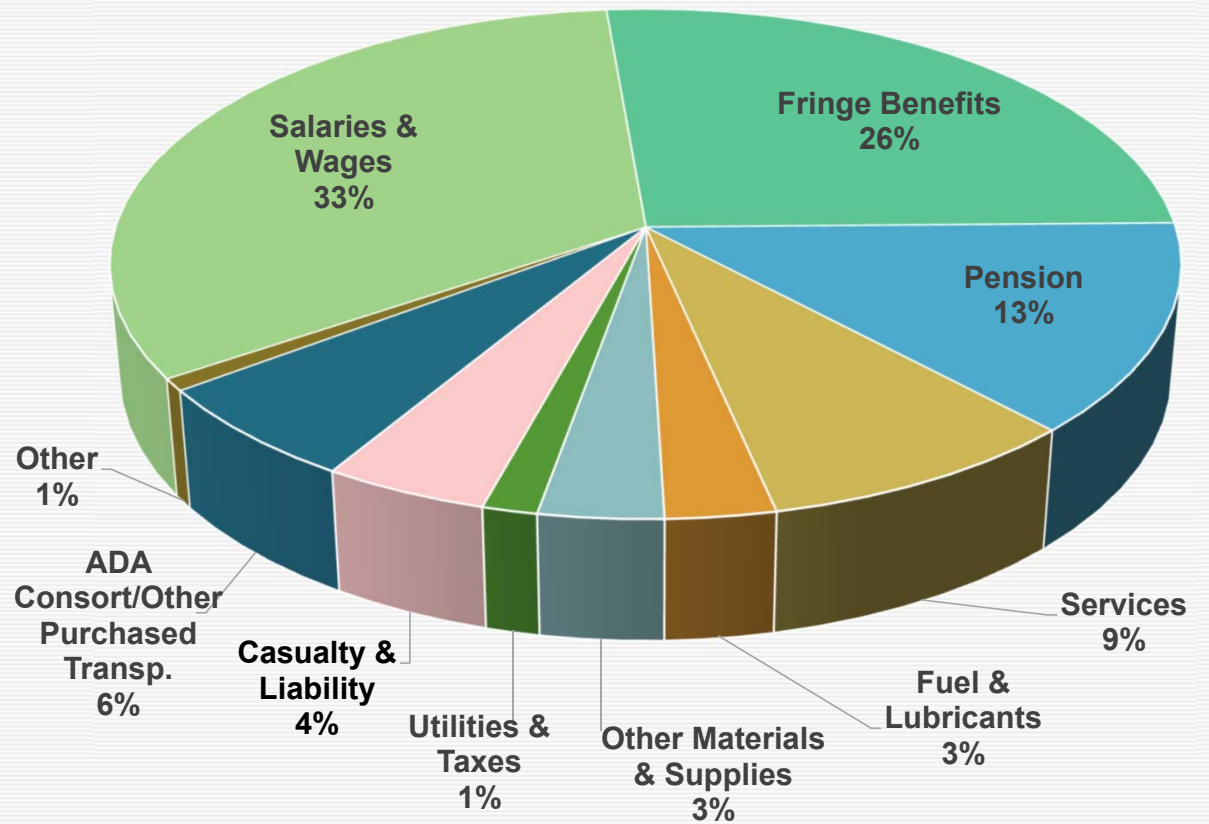
- Property Taxes
  - \$147.2M up from \$144.7M (+\$2.5M)
    - *Forecast still flat, but using FY19-20 actuals instead of budget*
- Sales Taxes – no change from draft
  - *FY20-21 forecast still -25%*
- STA (diesel sales tax)
  - \$22.8M up from \$20.7M (+\$2.1M)
    - *Forecast still -25%, but using FY19-20 actuals instead of budget*



## Revenue Changes contd.

- RM2 (bridge tolls) – no change from draft
- Other Subsidies
  - +\$0.1M - Actual LCTOP allocation instead of estimate
- CARES Act
  - \$84.2M down from \$85.0M (-\$0.8M)
    - *Actual allocation instead of estimate*

# Expenses



## Labor Expense Changes

- \$338.5M down from \$341.9M (-\$3.4M)
  - Updated labor costing model
  - Updated attrition assumptions
  - Added 11 new positions
  - Increased Healthcare costs

## Non-Labor Expense Changes

- \$128.8M up from \$128.6M
- Major changes:
  - East Bay Paratransit: -\$2.6M
  - STC Operating Contribution: +\$600k
  - Professional Services: -\$500k
  - Clipper expense: -\$300k
  - Utility estimates: +\$280k

## Headcount Changes

- 2,209 down from 2,268
  - Reduced operator (vacant) positions: -70
    - *New operator position count: 1,280*
  - Proposed new positions: +11

## Proposed New Positions

- 1 Payroll Administrator
- 1 Senior Electronic Technician (BRT)
- 2 Bus Stop Maintenance Worker (BRT)
- 1 Journey Facilities Maintenance Mechanic (BRT)
- 6 Janitors

## Non-Operating Items

- Preventative Maintenance \$11.5M
  - Included in BRT program funding plan
  - Will be used to partially pay down Line of Credit
- OPEB \$2M
  - Contribution to CERBT Trust for non-represented employee future OPEB expenses

## FY 2019-20 Preliminary & Unaudited Results

- Revenue and Expenses came in under budget
- Initial \$30M in CARES Act funds covered shortfall
- Best estimates of staff on CARES Act draw down vs actual shortfall resulted in surplus
- Fourth quarter showed significant drop in many expense categories – but not all



## Next Steps

- No changes to capital budget from draft
- Budget utilizes all CARES Act funds
- Recommended Budget – 9/9
  - No or minimal changes planned
  - Analysis of revenue and expense “signs”
- More frequent reporting