

BOARD OF DIRECTORS REPORT

To: Debra Johnson, General Manager and CEO

From: Heather McKillop, CFO/AGM, Finance & Administration

Date: November 4, 2020

Subject: Adoption of the 2021 & 2022 Modified Mid-Term Financial Plan

Date: November 4, 2020

GM

Board Meeting Date: November 17, 2020

RECOMMENDED ACTION

It is recommended by the Financial Administration and Audit Committee that the RTD Board of Directors adopts the 2021 & 2022 Modified Mid-term Financial Plan.

This recommended action supports the following General Manager's Goals:

Mission-Oriented Goal #3: Strong Financial Management

COVID-19 Financial Goal: Identify Funding Sources

2020 Strategic Priority #6: Move RTD Toward Stable Financial Condition

BACKGROUND

The Mid-term Financial Plan is a six-year financial plan consisting of the Base System and FasTracks. The Base System includes only service and projects funded from the Base System 0.6% sales/use tax, and FasTracks operations activity. The FasTracks includes expense and projects (non-operational) funded from the FasTracks 0.4% sales/use tax.

Updated annually, the Mid-term Financial Plan provides important cash flow planning information used to determine the District's operating, investing and financing activity as well as services that the District can provide using projected financial resources. The first year of the Mid-term Financial Plan serves as the basis for the preparation of the annual budget.

Each year during the planning process, operating costs are forecasted, and capital projects are developed to support the goals and objectives of the District. Estimates of other expenditures, such as principal and interest payments on long-term debt, are also developed as part of the overall costs to the District. The other major component of the plans is the estimate of available revenues during the six-year time period. These estimates of costs and revenues are brought together to insure that RTD will have adequate resources to meet cash flow needs.

Per RTD's Fiscal Policy Statement, RTD will contract with a qualified third party to provide sales and use tax forecasting containing projections for the short term (annual budget), medium term (Mid-term Financial Plan) and long term (Financial Plan). RTD has contracted with the University of Colorado-Leeds School of Business for this service.

Capital and operating/maintenance projects are developed through the Asset Management Plan process.

The Mid-term Financial Plan also provides the basis for the District's application for federal transit funding through the Transportation Improvement Program (TIP), prepared by the Denver Regional Council of Governments. The TIP is a list of all roadway and transit projects in the region that receive federal

funding. RTD cannot receive federal funds for projects unless the MTFP qualifying projects are included in the TIP.

DISCUSSION

Although RTD was facing funding shortfalls prior to the pandemic, COVID-19 has had a significant effect of the ability for RTD to offer the same level of service that was provided in 2019.

Multiple study sessions and workshops have been held with the Board over the last seven months to provide guidance to RTD on how to move forward. On July 21, 2020, the Board adopted the following COVID-19 budget reduction principles:

- #1 Keeping riders, employees and the region healthy and safe: We will strive to keep our communities connected and our riders, employees and region healthy and safe.
- #2 Service reductions should not be our primary response. We'll be creative: We will take a balanced approach to budget reductions and do so in such a way as to align with our mission. Accordingly, service reductions should be minimized so as to minimize the impact to our customers. We will strive for a well-rounded approach by incorporating reductions in overhead, breaking down silos and engaging partners, and seeking creative approaches to service delivery.
- #3 We'll prioritize mobility for people who most depend on transit during the pandemic: We will strive to maximize mobility during the pandemic for those customers who most depend upon our services to access essential jobs and other necessities, while also keeping our communities and activity centers appropriately connected.
- #4 We will support and value all of our employees: We acknowledge our frontline employees who directly promote our mission to the public and who have borne the brunt of mandating in the past. We also acknowledge those fulltime employees in the lower wage categories, because a humane work environment is valued by RTD.
- #5 Being data-driven and informed by collective wisdom and expertise: We will use a thoughtful, responsible approach to decision-making for the COVID period, while planning for the mid-term financial period and post-pandemic future, by incorporating the best available data, expertise, and wisdom, including through the Re-Imagine project, the accountability committee, and stakeholders.
- #6 We'll be actively transparent and seek input: We will take active measures to be transparent and seek input regarding our use of CARES Act money as well as in the decision-making process for measures we adopt to respond to ongoing COVID financial impacts

On September 1, 2020, the Board also provided guidance on how to solve for the shortfall.

- First consider reductions in Administrative costs (overhead)
- Ok to utilize reserves but try to limit use
- Ok to utilize FISA rubber tire service contributions

- Ok to utilize future contributions from Credit Risk Premium (CRP) and project savings to offset FasTracks shortfalls
- Should not utilize existing FISA balances, except for possibility SH 119 BRT
- Don't reduce service levels below what we are currently offering

In June, General Manager and CEO Paul Ballard established the an internal COVID-19 Fiscal Task Force to focus resources on identifying savings. The Task Force identified the following:

Cost Reductions/ Elimination Recommendations

- Business Travel
- Temporary Employees
- Professional Dues
- Publications and Subscriptions
- Employee Referral and Signing Bonus (except for those already earned)
- Elimination of Professional Development Funds (except job required)
- Suspend the Leadership Academy
- Suspend MAX Program

Payroll/ Benefit Related Reduction Recommendations

- No pay increases for Salaried Employees
- Tiered Furloughs for Salaried Employees
 - \$0 - \$60,000 – No furlough days or pay reduction
 - \$60,001 - \$120,000 – 6 furlough days and no pay reduction
 - \$120,001 - \$180,000 – 6 furlough days + 3.5% pay reduction
 - \$180,001 + - 6 furlough days + 7.5% pay reduction
- No increases in the contribution to the Salaried Defined Benefit (DB) Pension plan
- Temporary reduction in the contribution for the Salaried Defined Contribution (DC) plan
- Elimination of Salaried Vacation/Sick/PTO Buyback
- Elimination of Overtime and Extra Shift Pay (except OT when required in the runboard)
- Adjustments to staffing levels to “right size” the organization to align staffing with the anticipated continuation of operating service at the 60% level.
 - Elimination of some position and consolidation of other positions
 - Reduce the number of positions by about 25-30%
 - Reductions include both vacant and filled positions for represented and salaried staff
 - This equates to approximately 428 part-time and fulltime filled positions for both represented and salaried staff

We had originally anticipated the shortfall to be approximately \$166 million for 2021 as revenues forecasts changed it grew to \$215 million. We have since received the September 2020 forecast from CU Leeds School of Business and the current shortfall forecast for 2021 is approximately \$140 million.

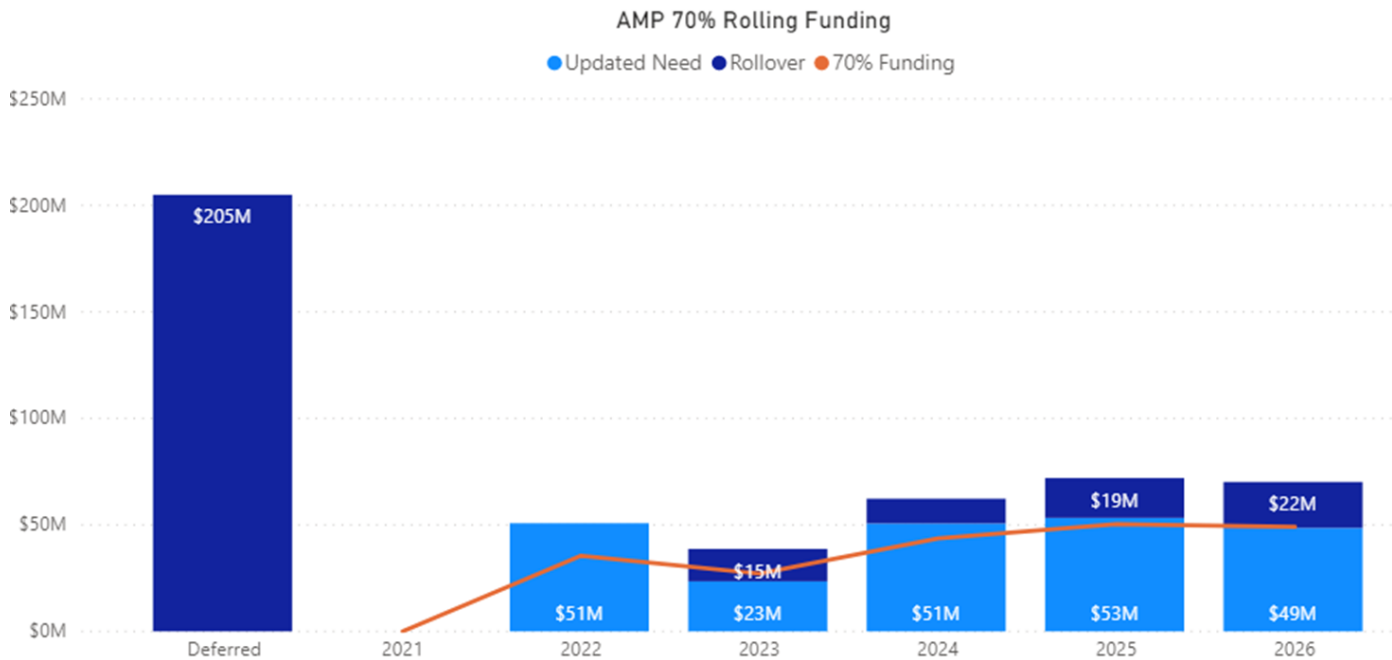
The 2021-2026 cash flows are presented in Exhibit A for Base System and Exhibit B for FasTracks. In addition, we have provided a line by line narrative for both the Base System and FasTracks (Exhibit C). This narrative walks through some of the assumptions made and an explanation of what each line item represents.

In order to balance 2021 and future years, we have relied on having fund balances to carry forward into 2021. Please see Exhibit D for more information.

Asset Management Plan

In being able to solve the shortfall for 2021, we had to defer all capital and expense projects except for the Electric Bus and Infrastructure project for which we had received two grants. The Asset Management Plan is Exhibit D. The list of projects that has been deferred in on page 1 for the Base system and page 7 for FasTracks. The Asset Management Division along with the Asset Stewards will be meeting over the next several months to review the projects listed and will reprioritize the projects over the 2022-2026 timeframe. They will be look at how lower service levels may cause a reduction in asset replacements.

The current list of deferred projects prior to the deferral of projects in 2021 equated to \$205 million. The deferral of projects in 2021 grows the deferred list by approximately 10% and increases the risk for potential catastrophic failures that could create and immediate need for funds.



FINANCIAL IMPACT

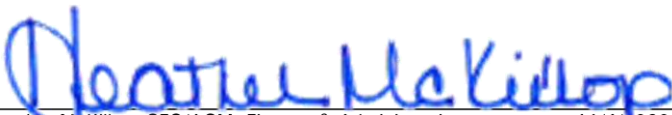
The staff-recommended Modified Mid-term Financial Plan for 2021 and 2022 is balanced where forecasted revenues equal forecasted expenditures and provides RTD with a plan for maintaining three months of reserves.

ATTACHMENTS:

- Exhibit A - Base 2021-2026 Cash Flow (PDF)
- Exhibit B - FasTracks 2021-2026 Cash Flow (PDF)
- Exhibit C - Line by Line Narrative of Base Cash and FasTracks Cash Flows (PDF)
- Exhibit D - 2020 Estimated Year End Reserves for Base and FasTracks (PDF)
- Exhibit E - Asset Management Plan 2021-2026 (PDF)

Prepared by:

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Susan Cohen, Senior Manager, Finance and ECM

Approved by:

Heather McKillop, CFO/AGM, Finance & Administration

11/4/2020

Exhibit A

2021-2026 Midterm Financial Plan
Base System Cash Flow - 2021-2026
(thousands of dollars)

Fiscal Year	2021	2022	2023	2024	2025	2026	Total	
Revenue and Other Sources of Funds								
Operating Revenue								
1	Fare Revenue	60,961	67,069	86,613	87,280	87,970	110,963	500,856
2	Other Operating Revenue	8,138	8,353	8,568	8,791	9,016	5,378	48,245
3	Total Operating Revenue	69,099	75,422	95,182	96,071	96,986	116,341	549,101
Non-Operating Revenue								
4	0.6% Sales and Use Tax	393,025	417,779	444,180	466,168	487,793	510,695	2,719,639
5	Grants	112,707	101,436	104,099	106,808	109,538	112,326	646,914
6	Investment Income							-
7	Local and Third Party Contributions							-
8	Other Non-Operating Revenue						3,243	3,243
9	Total Non-Operating Revenue	505,731	519,215	548,279	572,976	597,331	626,263	3,369,795
10	Total Revenue	574,831	594,637	643,461	669,047	694,316	742,604	3,918,897
Debt Service								
11	Revenue Bond Payments	14,496	9,584	9,582	9,588	-	-	43,250
12	COP Payments (Gross)	63,776	60,132	47,029	47,011	47,013	38,580	303,540
13	Other Financing Payments	-	-	-	-	-	-	-
14	Total Debt Service and Lease Payments	78,271	69,716	56,612	56,599	47,013	38,580	346,790
14a	Percent of Sales and Use Tax Used for Debt Service	19.9%	16.7%	12.7%	12.1%	9.6%	7.6%	12.8%
15	Remaining Funds After Debt Service	496,560	524,921	586,849	612,448	647,303	704,025	3,572,107
Operating and Maintenance Costs								
16	Operating and Maintenance Expense - 2020 Adopted Budget Baseline	546,747	563,625	579,625	598,130	616,413	637,919	3,542,459
17	Cost Changes - 2020 Amended Budget	5,981	6,138	6,297	6,461	6,626	6,795	38,298
18a	Administrative Personnel Related Savings	(12,798)	(12,296)	(12,614)	(12,942)	(13,273)	(13,611)	(77,535)
18b	Other Administrative Reductions - Task Force	(5,908)	(6,064)	(6,220)	(6,382)	(6,545)	(6,712)	(37,831)
18c	Service Reduction Savings	(76,931)	(78,957)	(80,997)	(83,105)	(85,229)	(87,398)	(492,617)
18d	One-Time Personnel Costs	11,932						11,932
18e	Other Changes - 2021 Recommended Budget	(5,044)	(5,177)	(5,311)	(5,449)	(5,588)	(5,731)	(32,300)
19	Current O&M Forecast	463,979	467,269	480,780	496,713	512,403	531,262	2,952,406
Contribution to / (Use of) Reserves								
20	FasTracks Internal Savings Account Service							-
21	Other Reserves	(2,521)	114	1,385	687	2,179	(5,142)	(3,298)
22	Total Contributions to / (Use of) Reserves	(2,521)	114	1,385	687	2,179	(5,142)	(3,298)
23	Remaining Funds After Debt Service, O&M, and Reserve Contribution	35,102	57,538	104,685	115,048	132,721	177,905	622,999
Other Projects								
24	SH 119 BRT			33,231				33,231
25	New Bus Maintenance Facility							-
26	Burnham Yard							-
27	Electric Vehicles and Charging Infrastructure	16,076						16,076
28	Allowance for New Projects	-	3,000	3,000	3,000	3,000	3,000	15,000
29	70% of Current Asset Management List - 2021 Costs Deferred	-	49,333	20,647	48,728	51,443	46,337	216,488
30	Total Other Projects	16,076	52,333	56,879	51,728	54,443	49,337	280,795
31	Remaining Funds After Debt Service, O&M, Reserve Contribution, and Other	19,026	5,205	47,806	63,320	78,278	128,568	342,204
32	Cumulative Remaining Funds	19,026	24,231	72,037	135,358	213,636	342,204	

Remaining funds may be used to fund deferred Asset Management requirements or to restore service.

NOTE: Grant revenues are based on 2020 formula grant allocations. The impacts of the 2020 Census and potential RTD service changes on formula grants are not known at this time.

Attachment: Exhibit A - Base 2021-2026 Cash Flow (4377) : Adoption of the 2021 & 2022 Modified Mid-Term Financial Plan

Exhibit B

2021-2026 Midterm Financial Plan
 FasTracks Cash Flow - 2021-2026
 (thousands of dollars)

Fiscal Year	2021	2022	2023	2024	2025	2026	Total	
Revenue and Other Sources of Funds								
Operating Revenue								
1	Fare Revenue	27,501	30,257	39,074	39,374	39,686	50,059	225,950
2	Other Operating Revenue	367	-	-	-	-	-	367
3	Total Operating Revenue	27,868	30,257	39,074	39,374	39,686	50,059	226,317
Non-Operating Revenue								
4	0.4% Sales and Use Tax	262,017	278,519	296,120	310,779	325,195	340,463	1,813,092
5	Grants	-	4,419	4,534	4,652	18,161	23,734	55,499
6	Investment Income	-	-	-	-	-	-	-
7	Local and Third Party Contributions	-	-	-	-	-	-	-
8	Other Non-Operating Revenue	-	-	-	-	-	-	-
9	Total Non-Operating Revenue	262,017	282,939	300,653	315,430	343,356	364,197	1,868,592
10	Total Revenue	289,884	313,196	339,727	354,805	383,041	414,256	2,094,909
Debt Service								
11	Revenue Bond Payments	83,138	83,194	102,941	102,946	102,947	123,952	599,118
12	COP Payments (Gross)	45,107	45,172	57,652	57,650	57,638	45,014	308,233
12a	Less: BAB Subsidy	(8,319)	(8,319)	(8,319)	(8,319)	(8,319)	(8,319)	(49,914)
13	Other Financing Payments	56,999	55,353	56,525	57,945	69,143	63,852	359,817
14	Total Debt Service and Lease Payments	176,925	175,401	208,800	210,222	221,408	224,498	1,217,254
14a	Percent of Sales and Use Tax Used for Debt Service	67.5%	63.0%	70.5%	67.6%	68.1%	65.9%	67.1%
15	Remaining Funds After Debt Service	112,959	137,795	130,927	144,583	161,633	189,758	877,654
Operating and Maintenance Costs								
16	Operating and Maintenance Expense - 2020 Adopted Budget Baseline	144,141	148,958	155,207	175,005	202,802	169,806	995,920
17	FasTracks Plan Bus Service	19,843	20,365	20,892	21,435	21,983	22,543	127,061
18	Cost Changes - 2020 Amended Budget	(7,830)	(8,036)	(8,244)	(8,458)	(8,674)	(8,895)	(50,138)
19a	Administrative Personnel Related Savings	(1,582)	(1,639)	(1,682)	(1,725)	(1,770)	(1,815)	(10,213)
19b	Other Administrative Reductions	(1,343)	(1,378)	(1,414)	(1,451)	(1,488)	(1,526)	(8,600)
19c	Service Reduction Savings	(974)	(1,000)	(1,025)	(1,052)	(1,079)	(1,106)	(6,237)
19d	One-Time Personnel Costs	-	-	-	-	-	-	-
19e	Other Changes - 2021 Recommended Budget	2,810	781	802	822	843	865	6,924
20	Current O&M Forecast	155,065	158,052	164,536	184,576	212,618	179,872	1,054,718
Contribution to / (Use of) Reserves								
21	FasTracks Internal Savings Account Contribution	17,658	20,034	20,614	21,192	21,776	22,368	123,643
22	FasTracks Internal Savings Account Service	-	-	-	-	(21,776)	(22,368)	(44,144)
23	Other Reserves	(59,764)	(41,744)	(57,070)	(63,130)	(19,676)	3,343	(238,042)
24	Total Contributions to / (Use of) Reserves	(42,106)	(21,710)	(36,456)	(41,939)	(19,676)	3,343	(158,543)
25	Remaining Funds After Debt Service, O&M, and Reserve Contribution	-	1,454	2,847	1,945	(31,309)	6,543	(18,520)
Other Projects								
26	Vehicle Replacements	-	-	-	-	-	-	-
27	70% of Current Asset Management List - 2021 Costs Deferred	-	1,454	2,847	1,945	1,853	2,226	10,325
28	Total Other Projects	-	1,454	2,847	1,945	1,853	2,226	10,325
29	Remaining Funds After Debt Service, O&M, Reserve Contribution, and Other	-	-	-	-	(33,162)	4,317	(28,845)
30	Cumulative Remaining Funds	-	-	-	-	(33,162)	(28,845)	

NOTE: Grant revenues are based on 2020 formula grant allocations. The impacts of the 2020 Census and potential RTD service changes on formula grants are not known at this time.

Attachment: Exhibit B - FasTracks 2021-2026 Cash Flow (4377 : Adoption of the 2021 & 2022 Modified Mid-Term Financial Plan)

Exhibit C

Narrative for 2021-2026 Mid-Term Financial Plan Cash Flows

Due to the uncertain nature of the impacts of COVID-19 on both revenues and expenditures, the Board gave guidance that they would like to approve a modified Mid-Term Financial Plan that encompasses 2021 and 2022 at this time. However, we have prepared a six-year analysis so the Board can see the longer-term impact of current information regarding revenues and expenditures and the assumptions made.

Base/FasTracks Cash Flow for 2021-2016

The first page is the cash flow for the Base system (2021-2026) and the second page is the cash flow for FasTracks (2021-2026.)

Base System Cash Flow:

Line 1: The 2020-2025 fare box revenue estimates have been reduced to the percentages specified in the chart below to account for lower ridership due to COVID-19 and the uncertainty as to when ridership will return. These estimates include an assumption of a fare rate increase in both 2023 and 2026 which was deferred from 2022 and 2025 per Board direction.

2021	2022	2023	2024	2025	2026
55%	60%	70%	70%	70%	80%

- Line 2: Other operating revenue such as advertising and local service buy-ups.
- Line 3: Total operating revenue to include fare box revenues and other operating revenue.
- Line 4: Sales and Use Tax – Based on the September 2020 Leeds forecast which includes July actual collections.
- Line 5: Grant revenues are based on 2020 formula grant allocations. The impacts of the 2020 Census and potential RTD service changes on formula grants are not known at this time.
- Line 6: This was excluded from this analysis.
- Line 7: This is only applicable to FasTracks.
- Line 8: This revenue is lumped in with other operating revenue in 2021-2025 Mid-Term financial plan but is broken out in 2026 and beyond – it includes lease, rental, and miscellaneous income.
- Line 9: Total non-operating revenue.

Exhibit C

- Line 10: Total operating and non-operating revenue combined. This is the amount of total funds available for distribution.
- Line 11: These are the payment on the outstanding T-Rex Bonds. These bonds will be paid off in 2024. After these bonds are paid off, RTD will be subject to TABOR spending limitations on the Base System.
- Line 12: These are the payments due on the COPs in the base system. COPs were issued routinely for bus and light rail vehicle purchases prior to 2017.
- Line 13: There are no other financing payments on the base system.
- Line 14: This is the sum of revenue bond and COP payments.
- Line 14a: This is the percent of sales & use taxes that are used for debt service.
- Line 15: These are the funds that RTD has available to spend on operations, projects, and assets.
- Line 16: Operating and Maintenance costs taken from the 2020 Adopted Budget and inflated by CPI.
- Line 17: Since we used the 2020 Adopted Budget as the baseline, we have to adjust for changes reflected in the 2020 Amended Budget adopted by the Board in July 2020.
- Line 18a: Administrative Personnel Related Changes identified through the COVID-19 fiscal task force.
- Line 18b: Other administrative reductions identified through the COVID-19 fiscal task force.
- Line 18c: Savings from Service remaining at the 60% level (includes personnel savings related to service).
- Line 18d: Onetime costs related to reduction in staffing such as unemployment.
- Line 18e: Other savings identified by Divisions through the 2021 budget process.
- Line 19: This is the total of lines 16-18e, and it represents the forecasted Operations and Maintenance cost with all the adjustments.
- Line 20: Use of future rubber tire service contributions to the FISA to fund current year service. No contributions are need currently.
- Line 21: Use and contributions to reserves () denotes use of reserves. A positive number represents a contribution to reserves. Three (3) months of reserves are maintained through 2026.

Exhibit C

- Line 22: Total of lines 20 and 21.
- Line 23: These are the funds remaining after debt service, O&M, and contribution to (or use of) reserves.
- Line 24: Per the Board direction, we funded SH 119 BRT in 2023.
- Line 25 & 26: We deferred Burnham Yard and the Maintenance Facility until after 2026.
- Line 27: We are funding the electric buses and infrastructure. We have pulled these electric bus purchases out of the Asset Management list because we received two grants for these buses and infrastructure. One is a federal grant and one is from the Volkswagen settlement.
- Line 28: This is an allowance for new projects which are non-asset related.
- Line 29: We are funding 70% of the Asset Management Plan (AMP). 2021 projects have been deferred to 2022-2026. RTD should be funding between 80% and 90% of the list so assets don't fall into a state of disrepair, however funding is not available to achieve that level.
- Line 30: This is the total of lines 24 – 29.
- Line 31: Funds remaining after all expenses have been funded. These funds can be used for funding deferred projects from the AMP or restoring service.
- Line 32: There is a positive balance in years 2021-2026.

Exhibit C

FasTracks Cash Flow:

Line 1: The 2020-2025 fare box revenue estimates have been reduced to the percentages specified in the chart below to account for lower ridership due to COVID-19 and the uncertainty as to when ridership will return. These estimates include an assumption of a fare rate increase in both 2023 and 2026 which was deferred from 2022 and 2025 per Board direction.

2021	2022	2023	2024	2025	2026
55%	60%	70%	70%	70%	80%

Line 2: Other operating revenue such as advertising, naming rights, and local service buy-ups.

Line 3: Total operating revenue to include fare box revenues and other operating revenue.

Line 4: Sales and Use Tax – Based on September 2020 Leeds forecast which includes July actual collections.

Line 5: Operating grants are assumed to start in 2022 based on federal guidelines. The impacts of the 2020 Census and potential RTD service changes on formula grants are not known at this time.

Line 6: This was excluded from this analysis.

Line 7: There are no contributions in 2021-2026.

Line 8: There is no other Non-Operating Revenue in 2021-2026.

Line 9: Total non-operating revenue.

Line 10: Total operating and non-operating revenue combined. This is the amount of total funds available for distribution.

Line 11: These are payments on outstanding bonds issued for the FasTracks program.

Line 12: These are the payments due on the COPs on FasTracks. COPs were issued to fund the North Metro project, and for light rail vehicles, buses, and parking garages on the West Corridor.

Line 12a: Subsidy received due to Build America Bonds.

Line 13: These are the payments due on the TABOR portion of the DTP payment and the TIFIA loan for the Eagle project.

Exhibit C

- Line 14: This is the sum of revenue bond payments, COPs, and other financing payments.
- Line 14a: This is the percent of Sales and Use Taxes that are used to pay debt service.
- Line 15: These are the funds that RTD has available to spend on operations, projects, and assets.
- Line 16: Operating and Maintenance costs taken from the 2020 Adopted Budget and inflated by CPI.
- Line 17: Amount of funds for bus service specified in the original FasTracks plan.
- Line 18: Since we used the 2020 Adopted Budget as the baseline, we must adjust for changes reflected in the 2020 Amended Budget adopted by the Board in July 2020.
- Line 19a: Administrative Personnel Related Changes identified through the COVID-19 fiscal task force.
- Line 19b: Other administrative reductions identified through the COVID-19 fiscal task force.
- Line 19c: Savings from Service remaining at the 60% level (includes personnel savings related to service).
- Line 19d: Onetime costs related to reduction in staffing such as unemployment. These were all deducted from the base system and will be allocated to FasTracks.
- Line 19e: Other costs identified by Divisions through the 2021 budget process.
- Line 20: This is the total of lines 16-19e, and it represents the forecasted Operations and Maintenance cost with all the adjustments.
- Line 21: This is the contribution to the FISA from enhanced bus service that was capped in 2012 by the Board of the Directors.
- Line 22: The FISA currently has a balance of \$119.6 million as of year-end 2020. We have not drawn from the current existing balance. The allocation in line 21 is used to fund current year service on FasTracks in 2025-2026.
- Line 23: These are the Board Appropriated Reserve, Capital Acquisition Reserve, and the Operating Reserve for FasTracks, and are set at 3 months one month of operating expenses between in 2021-2023, 2 months in 2024, and 1 month in 2025 and 2026.
- Line 24: Total of lines 21-23.

Exhibit C

- Line 25: Funds available after deducting debt, operations & maintenance, and contribution to (or use of) reserves.
- Line 26: Line reserved for future vehicle replacements in 2027-2050
- Line 27: We are funding 70% of the Asset Management Plan (AMP). 2021 projects have been deferred to 2022-2026. RTD should be funding between 80% and 90% of the list so assets don't fall into a state of disrepair, however funding is not available to achieve that level.
- Line 28: This is the total of lines 26-27.
- Line 29: Funds remaining after all expenses have been funded. FasTracks has a negative balance in years 2025-2026.
- Line 30: There is a cumulative shortfall in years 2025-2026 of \$28.8 million.

Exhibit D

Reserve Estimates for Year End 2020 (in millions)

	Board Adopted Amended Budget	Increase due to September 2020 Leads Forecast (Low)	Decrease due to Represented Furloughs	Decrease due to Fare Box Revenue Changes for 2020	Decrease due to Change in TABOR Reserve	Decrease due to Funding of Accountability Committee	Total of Changes since Board Amended Budget	Forecasted 2020 Year End Balance	Notes
Base System									
Base Board Appropriated Fund	\$26.4	\$0.0	\$0.0	\$0.0	\$0.0	-\$0.2	-\$0.2	\$26.2	
Base Unrestricted Operating Reserve	\$15.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.4	
Base Unrestricted Fund	\$39.7	\$61.1	-\$4.2	-\$11.7	-\$1.5	\$0.0	\$43.7	\$83.4	
Total	\$81.5	\$61.1	-\$4.2	-\$11.7	-\$1.5	-\$0.2	\$43.5	\$125.0	

	Board Adopted Amended Budget	Increase due to September 2020 Leads Forecast (Low)	Decrease due to Represented Furloughs	Decrease due to Fare Box Revenue Changes for 2020	Decrease due to Change in TABOR Reserve	Decrease due to Funding of Accountability Committee	Total of Changes since Board Amended Budget	Forecasted 2020 Year End Balance	Notes
FasTracks System									
Beginning Fund Balance	\$179.7	\$40.7	\$0.0	-\$5.0	\$0.0	\$0.0	\$35.7	\$215.4	
FT Management Reserve	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.9	
FT Internal Savings Account	\$119.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$119.6	Note: The FISA is not counted towards the required 3 month reserve
FT Board Appropriated Fund	\$15.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.8	
FT Capital Fund	\$15.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.8	
FT Unrestricted Fund	\$15.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.8	
Total	\$347.6	\$40.7	\$0.0	-\$5.0	\$0.0	\$0.0	\$35.7	\$383.3	

Note: These numbers may vary after year end close and don't include carryforward.

Attachment: Exhibit D - 2020 Estimated Year End Reserves for Base and FasTracks (4377 : Adoption of

RTD Asset Management Plan
 Asset Management Requirements - 2021
 Base System
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	Cost
Gillig - 40 ft	40 ft low floor transit buses	Districtwide	\$ 46,363,789
Gillig - 30 ft	30 ft low floor transit buses	Districtwide	\$ 12,201,263
Cutaway	Vehicles used for call and ride/flex ride system	Districtwide	\$ 16,351,275
Roof	Replacement of roof at Blake	Blake St	\$ 184,907
Hoist	Replacement of hoists at East Metro	East Metro	\$ 4,371,440
Doors	High Speed roll up doors	East Metro	\$ 82,240
HVAC	HVAC units - District Shops	District Shops	\$ 376,000
Network	Network Group consists of four primary asset types; Switches, Routers, Firewall, and Wifi.	District Shops	\$ 1,964,915
Telecom	Telecom Group consists of four primary asset types; Telecom Servers, Media Gateway, Power Distribution Units, and Uninterruptible Power Supply.	District Shops	\$ 132,237
Server	Server Group consists of four primary asset types; Server, Storage, Switch, and Load Balancer Server	District Shops	\$ 6,114,804
Software Architecture Development	SAD Group consists of three primary assets; Servers, Switches, and Storage.	District Shops	\$ 2,663,279
Parking Structure	Structural repair costs for RTD parking structures	Nine Mile	\$ 795,300
Unleaded, Diesel, and Standby Vehicles	All Support Vehicles	Districtwide	\$ 3,608,710
TVM	Ticket Vending Machine - Machine at park and rides that disburse tickets for public transportation.	Districtwide	\$ 3,004,475
Stamp Validator	Machine at park and rides used to time stamp a ticket to validate the ticket may be used for public transportation.	Districtwide	\$ 432,950
Platform Validator Head	Electronic machines located at park and rides used to validate smart media payments for public transportation.	Districtwide	\$ 89,721
Subtotal - Capital Cost			\$ 98,737,306

Asset O&M Requirements

Equipment Type	Description	Location	Cost
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 2,284,473
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Seal - Work to be done at Pine Junction, Olympic, US36 and Church Ranch, US85 and Bridges	\$ 105,556
Grounds	Station or park and ride grounds maintenance	Wagon Road irrigation	\$ 400,000
Grounds	Station or park and ride grounds maintenance	US36 and McCaslin	\$ 1,085,070
Subtotal - O&M Cost			\$ 3,875,099

Annual Total	\$ 102,612,405
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RTD Asset Management Plan
 Asset Management Requirements - 2022
 Base System
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	Cost
Gillig - 40 ft	40 ft low floor transit buses	Districtwide	\$ 14,105,317
Gillig - 30 ft	30 ft low floor transit buses	Districtwide	\$ 3,189,419
Cutaway	Vehicles used for call and ride/flex ride system	Districtwide	\$ 2,950,127
HVAC	HVAC units - District Shops	District Shops	\$ 157,819
Roof	East Metro Roof Replacement	East Metro	\$ 6,427,144
Steel Pits	Replace steel inspection pits at East Metro	East Metro	\$ 2,775,600
HVAC	HVAC units - Blake St	Blake St	\$ 120,000
Shop Equipment	Internal Vacuum - District Shops	District Shops	\$ 73,904
Network	Network Group consists of four primary asset types; Switches, Routers, Firewall, and Wifi.	District Shops	\$ 244,773
Server	Server Group consists of four primary asset types; Server, Storage, Switch, and Load Balancer Server	District Shops	\$ 414,118
Software Architecture Development	SAD Group consists of three primary assets; Servers, Switches, and Storage.	District Shops	\$ 2,761,430
Parking Structure	Structural repair costs for RTD parking structures	Nine Mile	\$ 795,300
MOW Wire	Wire Replacement Project: Overhead Catenary System (OCS); components responsible for transmission of electricity to the train pantograph.	Central Platte Valley	\$ 4,831,467
Unleaded, Diesel, and Standby Vehicles	All Support Vehicles	Districtwide	\$ 642,144
Currency Sorter	Coin sorter and counter	Treasury Building	\$ 61,136
Subtotal - Capital Cost			\$ 39,549,698

Asset O&M Requirements

Equipment Type	Description	Location	Cost
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 4,052,232
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Seal - Work to be done at 39th Table Mesa, Arapahoe, Aspen Park, Lafayette, Lutheran Church, Parker, Pinery, Tantra Table Mesa, Parker, Olde Town Arvada, US36 Flatiron, US36 McCaslin	\$ 260,505
Grounds	Station or park and ride grounds maintenance	Nederland, Mile High Stadium, US36 and Flatiron	\$ 182,153
DRS	Driver Relief Stations	Boulder, 106th and Melody	\$ 700,000
Subtotal - O&M Cost			\$ 5,194,890

Annual Total			\$ 44,744,588
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RTD Asset Management Plan
 Asset Management Requirements - 2023
 Base System
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	Cost
Cutaway	Vehicles used for call and ride/flex ride system	Districtwide	\$ 1,005,725
Roof	Roof replacement at Mariposa	Mariposa	\$ 380,277
Vehicle Wash	Vehicle Wash - District Shops	District Shops	\$ 187,835
Network	Network Group consists of four primary asset types; Switches, Routers, Firewall, and Wifi.	District Shops	\$ 442,041
Server	Server Group consists of four primary asset types; Server, Storage, Switch, and Load Balancer Server	District Shops	\$ 356,905
Parking Structure	Structural repair costs for RTD parking structures	Table Mesa	\$ 450,800
Unleaded, Diesel, and Standby Vehicles	All Support Vehicles	Districtwide	\$ 467,228
Currency Sorter	Coin sorter and counter	Treasury Building	\$ 34,118
Subtotal - Capital Cost			\$ 3,324,930

Asset O&M Requirements

Equipment Type	Description	Location	Cost
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 1,283,359
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Seal- Work to be done at 27th Broadway, Dayton Station, Evergreen, Genesee, Highlands Ranch, Longmont, Smoky Hills, HWY119 Niwot	\$ 97,266
Grounds	Station or park and ride grounds maintenance	C470 and University, Highlands Ranch, and US85 and Bridge	\$ 1,399,883
Subtotal - O&M Cost			\$ 2,780,508

Annual Total	\$ 6,105,437
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RTD Asset Management Plan
 Asset Management Requirements - 2024
 Base System
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	Cost
Cutaway	Vehicles used for call and ride/flex ride system	Districtwide	\$ 1,944,402
MCI	Coaches used in the express routes, Sky Ride and BRT systems.	Districtwide	\$ 3,844,382
Hoist	Replacement of hoists at District Shops	District Shops	\$ 7,587,036
Overhead Doors	Replacement of overhead doors at Elati	Elati	\$ 554,616
HVAC	Internal/External HVAC replacement at Elati	Elati	\$ 1,134,510
Server	Server Group consists of four primary asset types; Server, Storage, Switch, and Load Balancer Server	District Shops	\$ 18,230
Parking Structure	Structural repair costs for RTD parking structures	Table Mesa	\$ 450,800
MOW Track	Components associated with maintaining proper track geometry	Central Corridor	\$ 20,023,521
Unleaded, Diesel, and Standby Vehicles	All Support Vehicles	Districtwide	\$ 402,048
Subtotal - Capital Cost			\$ 35,959,544

Asset O&M Requirements

Equipment Type	Description	Location	Cost
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 2,297,012
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Resurface - Paradise Hills Concrete Resurface - 30th and Downing Asphalt Seal - 8th Coffman, Church of Nazeren, Littleton Mineral, Nederland, US36 Sheridan, Wadsworth Hampdon	\$ 478,255
Grounds	Station or park and ride grounds maintenance	106th and Melody, I25 and Broadway	\$ 591,331
DRS	Driver Relief Stations	Arapahoe, Nine Mile, Southmoor, University of Denver	\$ 1,400,000
Subtotal - O&M Cost			\$ 4,766,598

Annual Total			\$ 40,726,142
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Attachment: Exhibit E - Asset Management Plan 2021-2026 (4377 : Adoption of the 2021 & 2022 Modified

RTD Asset Management Plan
 Asset Management Requirements - 2025
 Base System
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	Cost
HVAC	External HVAC at Platte	Platte	\$ 3,430,000
Vehicle Wash	Bus Wash at East Metro	East Metro	\$ 1,644,800
HVAC	External HVAC units at Boulder	Boulder	\$ 4,040,000
Parking Structure	Structural repair costs for RTD parking structures	US36 and Sheridan	\$ 337,420
Parking Structure	Structural repair costs for RTD parking structures	University	\$ 170,055
MOW Traction Power	Components associated with transforming incoming AC power into DC power needed for operating light rail vehicles - Southwest Corridor	Southwest Corridor	\$ 11,086,810
MOW Switch	Mechanism and related components responsible for diverting trains from one track to another. Southwest Corridor	Southwest Corridor	\$ 1,452,273
MOW Relay Case	Small building structure that houses all relay circuitry - Southwest Corridor	Southwest Corridor	\$ 10,191,807
MOW Signal	Components responsible for signaling the trains	Southwest Corridor	\$ 3,687,882
Unleaded, Diesel, and Standby Vehicles	All Support Vehicles	Districtwide	\$ 803,026
Stamp Validator	Machine at park and rides used to time stamp a ticket to validate the ticket may be used for public transportation.	Districtwide	\$ 128,281
Subtotal - Capital Cost			\$ 36,972,356

Asset O&M Requirements

Equipment Type	Description	Location	Cost
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 4,636,105
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Resurface - Pine Junction, US36 and Church Ranch Concrete Resurface - US285 Twin Forks Asphalt Seal - Olympic, US85 and Bridges	\$ 358,518
Grounds	Station or park and ride grounds maintenance	Alameda and Havana, Pine Junction	\$ 210,285
DRS	Driver Relief Stations	C470 and University	\$ 350,000
Subtotal - O&M Cost			\$ 5,554,908

Annual Total			\$ 42,527,264
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Attachment: Exhibit E - Asset Management Plan 2021-2026 (4377 : Adoption of the 2021 & 2022 Modified

RTD Asset Management Plan
 Asset Management Requirements - 2026
 Base System
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	Cost
Cutaway	Vehicles used for call and ride/flex ride system	Districtwide	\$ 12,605,089
HVAC	External HVAC at East Metro	East Metro	\$ 85,000
Network	Network Group consists of four primary asset types; Switches, Routers, Firewall, and Wifi.	District Shops	\$ 40,939
Telecom	Telecom Group consists of four primary asset types; Telecom Servers, Media Gateway, Power Distribution Units, and Uninterruptible Power Supply.	District Shops	\$ 31,458
Server	Server Group consists of four primary asset types; Server, Storage, Switch, and Load Balancer Server	District Shops	\$ 1,114,738
Parking Structure	Structural repair costs for RTD parking structures	Arapahoe, Lincoln	\$ 417,590
MOW Wire	Wire Replacement Project: Overhead Catenary System (OCS); components responsible for transmission of electricity to the train pantograph.	Southwest Corridor	\$ 11,532,716
Unleaded, Diesel, and Standby Vehicles	All Support Vehicles	Districtwide	\$ 525,224
Change Machine	Machine used to change dollar bills into coins, located at several RTD locations for patrons	Districtwide	\$ 51,245
Platform Validator Head	Electronic machines located at park and rides used to validate smart media payments for public transportation.	Districtwide	\$ 1,071,666
Subtotal - Capital Cost			\$ 27,475,666

Asset O&M Requirements

Equipment Type	Description	Location	Cost
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 3,380,764
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Resurface - Olde Town Arvada, US36 and Flatiron Concrete Resurface - US287 Niwot Asphalt Seal - 39th Table Mesa, Arapahoe, Aspen Park, Lafayette, Lutheran Church, Pinery, Tantra Table Mesa, Parker, US36 and McCaslin	\$ 575,151
Grounds	Station or park and ride grounds maintenance	Bellevue Stn, Colorado Stn, County Line Stn, Dayton Stn, Dry Creek Stn, East Metro, Lincoln Stn, Louisiana Pearl Stn, and Yale Stn	\$ 3,174,376
Passenger Elevator	Hydraulic Passenger elevator or escalator	Nine Mile, Table Mesa	\$ 253,236
Subtotal - O&M Cost			\$ 7,383,527

Annual Total			\$ 34,859,193
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Attachment: Exhibit E - Asset Management Plan 2021-2026 (4377 : Adoption of the 2021 & 2022 Modified

RTD Asset Management Plan
 Asset Management Requirements - 2021-2026
 FasTracks
 (2019 Dollars)

Capital Asset Requirements

Equipment Type	Description	Location	2021	2022	2023	2024	2025	2026
TVM	Ticket Vending Machine - Machine at park and rides that disburse tickets for public transportation.	Districtwide	\$ 4,109,019					
Subtotal - Capital Cost			\$ 4,109,019	\$ -	\$ -	\$ -	\$ -	\$ -

Asset O&M Requirements

Equipment Type	Description	Location	2021	2022	2023	2024	2025	2026
Bridges and Structures	Preventative Maintenance Program includes washing, sealing, spot painting, and other minor repairs for all parking structures and bridges	Districtwide	\$ 1,608,774	\$ 723,572	\$ 2,472,305	\$ 1,245,942	\$ 295,497	\$ 1,460,557
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Seal - Work to be done at 13 Ave, 2nd and Abeline, Aurora Metro, Decatur Federal, Federal Center, Oak	\$ 279,173					
Lot	Asphalt seal, asphalt resurface, concrete resurface	Asphalt Resurface - Decatur Federal, Federal Center, Oak Asphalt Seal - 13 Ave, 2nd and Abeline, Aurora Metro	\$ -				\$ 776,714	
Subtotal - O&M Cost			\$ 1,887,947	\$ 723,572	\$ 2,472,305	\$ 1,245,942	\$ 1,072,211	\$ 1,460,557

Annual Total			\$ 5,996,966	\$ 723,572	\$ 2,472,305	\$ 1,245,942	\$ 1,072,211	\$ 1,460,557
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Attachment: Exhibit E - Asset Management Plan 2021-2026 (4377 : Adoption of the 2021 & 2022 Modified