Overview

• Current Caltrain Environment
• Caltrain Financial Performance
• FY2012 Fiscal Emergency
• Closing the Budget Gap
  - Service reductions
  - Fare, parking fee increases
• Next Steps
Situation

• Status quo = $30.3 million deficit
• Caltrain’s relied on one-time funds & creative service solutions to balance prior budgets
• Economic downturn making financial support from partners unstable
• State funding remains uncertain
• SamTrans’ structural deficit initiated a reduction in financial contribution
• Caltrain is the only Bay Area transit system without a dedicated funding source

Ridership Trends

Ridership has benefited from the reinvention of Caltrain service: average weekday ridership has increased by 44% since 2004

Source: Annual passenger counts done each February  * Projected ridership in FY2011
Cost Recovery through Fares
Bay Area Comparison

Caltrain has a high farebox recovery compared with other local agencies.

Sources: * FY2009 NTD Report ** A combined ratio of both bus and light rail

Other ratios are from the MTC Statistical Summary of Bay Area Transit Operators (May 2010) for FY2009

Cost Recovery through Fares
Commuter Railroad Comparison

Caltrain’s farebox recovery is similar to other commuter rail systems.

Sources: FY2009 NTD Reports
Administrative Staff Cost Comparison

Cost Control & Revenue Measures

- Caltrain operates with a lean staffing level (staff shared with two other agencies)
- Administrative staff salaries frozen since 2008
- Administrative employees subject to 17 furlough days since 2008
- 2009: fares increased; 8 trains eliminated
- 2009: Staff laid off; hiring freeze
- 2011: fares increased, including Go Pass; 4 trains eliminated

*Source: FY2011 Revised Budget*
Member Agency Operating Contributions

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<th>VTA</th>
<th>CCSF</th>
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Sources: FY2007-2010 Financial Statement & FY2011 Adopted Budget
*Note: SamTrans initiated a reduction in its share which reduced the JPB partners’ shares proportionately.

Service & Budget Levels – FY2012

Two potential scenarios, each with projected deficits:

- **Current service**
  - 86 weekday trains
  
  Projected deficit = ($30.3 million)

- **What we can possibly afford at projected partner contributions**
  - 48 weekday trains
  
  Projected deficit = ($4.7 million)
Weekday service: 48 trains

- Preserve weekday commute-hour service
- Minimize ridership loss & maximize revenue retention
- Minimize number of train crews & equipment required
- Maximize service to most heavily used stations & suspend service to least-used stations
- Balance station coverage & end-to-end run time (70 minutes)

Weekday Service: Fewer Stations

- Suspend service at up to 7 stations between San Jose and San Francisco
  - Limited station stops necessary to realize required operating cost savings

Criteria
  - Ridership & revenue
  - Transit connections
  - Proximity to neighboring stations
Stations under Consideration

- Bayshore - South San Francisco
- San Bruno - Burlingame
- Hayward Park - Belmont
- San Antonio - Lawrence
- Santa Clara - College Park

Proposed Service Suspensions

- All weekend service
- All service south of San Jose Diridon station
- All holiday service
- All service for special events
Potential Actions - FY2012

- Fare & fee increases considered
  - Base fare increase of 25 cents
  - Daily and monthly parking rate increases

- Other cost reductions
  - Staffing
  - Expenses

Comment Summary

- Outreach process
- Received more than 1,350 comments
- Top comment categories:
  - Opposed to station closures (719)
  - Support fare increase (225)
  - Opposed to suspending off-peak service (193)
  - Opposed to suspending Gilroy service (153)
  - Opposed to suspending weekend service (152)
Next Steps - Immediate

• Today: Public hearings at Caltrain Board meeting

• Development of final service proposal and fare increase for Board consideration after reviewing all public comments

• April 7: Consideration of service suspension and fare increase at Caltrain Board meeting

• July 2: Implement new fares and service

Next Steps

• Continue to seek additional funding for FY2012

• Continue advocacy efforts to secure a dedicated, permanent funding source

• Continue efforts to advocate for capital projects that will increase operational efficiencies
  
  - Caltrain electrification & modernization