Overview

• Caltrain Fiscal Crisis
• FY2013 Preliminary Operating Budget
• Service Proposal
Caltrain’s Fiscal Crisis

*Caltrain’s fiscal crisis has not been solved, just delayed*

FY2013 budget delays it one more year
- Balanced
- No fare increases, no service cuts
- Possible service increase
- Tight, frugal budget
Caltrain’s Fiscal Crisis

FY2014 budget still faces a significant deficit
• One-time funding runs out
• Facing drastic service cuts, fare increases
Solving the Fiscal Crisis

*Cannot be solved by service increases or fare hikes*

Caltrain service is more in demand than ever before

- Historic ridership
- More than half take Caltrain to avoid traffic
- Historic-level revenues
- 50 percent-plus farebox ratio
Solving the Fiscal Crisis

Modernizing Caltrain

- Limited capacity to run more trains, carry more customers
- Solve about half the problem

Permanent, dedicated source of revenue

- Caltrain has no tax base
- Exploring a full range of options: tax increases, partnerships, creative solutions
- Support from Silicon Valley Leadership Group, Friends of Caltrain, San Mateo County Transportation Task Force
92 Trains: Total Preliminary Revenues
(in millions)

- Fares: $60.3
- Parking: 3.3
- Shuttles: 1.4
- Rental Income: 1.9
- Other Income: 2.5
- AB434, TA & Grants: 8.5
- Member Agencies: 33.5

Total Revenue: $111.4
## Revenue Increase (Decrease) (in millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2013</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fares</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Parking Revenue</td>
<td></td>
<td>0.3</td>
</tr>
<tr>
<td>Shuttles</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Rental Income</td>
<td>0.2</td>
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</tr>
<tr>
<td>Other Income</td>
<td>(0.4)</td>
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</tr>
<tr>
<td>AB434, TA Funding &amp; Grants</td>
<td>(1.8)</td>
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<tr>
<td>Member Agencies</td>
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<td>8.2</td>
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<tr>
<td>Other Sources</td>
<td>(9.0)</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>(4.0)</td>
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</table>
92 Trains: Total Preliminary Expenses (in millions)

- Rail Op Service & Extra Work: $59.7
- Possible Add’l Service/Other: 1.5
- Security Services: 3.8
- Shuttles: 4.4
- Fuel: 17.2
- Timetables & Tickets: 0.1
- Insurance: 5.1
- Facilities & Equip Maint.: 1.6
- Utilities: 1.7
- Maint & Services - Bldg & Other: 1.3
- Administrative: 13.9
- Long-term Debt: 1.1
- Total Expenses: $111.4

% of Total Expenses:
- Rail Operator Service and Extra Work: 53.5%
- Possible Add’l Service/Other: 1.3%
- Security Services: 3.4%
- Shuttles: 4.0%
- Fuel: 15.5%
- Timetables & Tickets: 0.1%
- Insurance: -1.4%
- Facilities & Equip Maintenance: -4.6%
- Utilities: -1.2%
- Services: 1.0%
- Administrative: 12.5%
- Long-term Debt: 1.5%
Expense Increase (Decrease) (in millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2012</th>
<th>FY2013</th>
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<tbody>
<tr>
<td>Rail Operator Service and Extra Work</td>
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<td>0.8</td>
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<tr>
<td>Possible Additional Service/Other</td>
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<td></td>
</tr>
<tr>
<td>Security Services</td>
<td>(0.3)</td>
<td></td>
</tr>
<tr>
<td>Operator Contr. Transition Costs</td>
<td>(4.7)</td>
<td></td>
</tr>
<tr>
<td>Shuttles</td>
<td></td>
<td>1.4</td>
</tr>
<tr>
<td>Fuel</td>
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<td>2.1</td>
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<tr>
<td>Insurance</td>
<td></td>
<td>0.2</td>
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<tr>
<td>Facilities &amp; Equip Maintenance</td>
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<td>0.5</td>
</tr>
<tr>
<td>Utilities</td>
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<td>0.1</td>
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<tr>
<td>Maint &amp; Services – Bldg &amp; Other</td>
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<td>0.1</td>
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<tr>
<td>Administrative</td>
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<td>3.3</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$106.4</strong></td>
<td><strong>$111.4</strong></td>
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Total Expense Increase $5.0
## 92 Trains: Preliminary Projection

(in millions)

<table>
<thead>
<tr>
<th>FY2013</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>$111.4</td>
</tr>
<tr>
<td>Expenses</td>
<td>(111.4)</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
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Member Contributions

The San Mateo County Transit District has engaged in discussions with member agencies, funding partners and MTC on funding options. The District’s contribution of $14.0 million is made up of:

• $5.2 million from the SMCTA
• $6.7 million in funds received from repayment of its investment in the Caltrain right of way
• $2.1 million through a swap of capital funds for operating funds
# Member Contributions

<table>
<thead>
<tr>
<th></th>
<th>San Francisco</th>
<th>San Mateo</th>
<th>Santa Clara</th>
<th>Total</th>
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<tbody>
<tr>
<td>92 Trains</td>
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</tr>
<tr>
<td>FY2013 preliminary</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
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<tr>
<td>Contribution</td>
<td>$5,800,000</td>
<td>$14,000,000*</td>
<td>$13,700,000</td>
<td>$33,500,000</td>
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* SMCTA contribution projected at $5.2M (based on latest sales tax projection of $65M)
Staff Service Proposal

• February count data used to develop potential service scenario that:
  - Positively impacts the greatest numbers of customers
  - Balances fiscal constraints with continued growing demand for service
  - Determines if peak service can be added where demand exists

• September 1, 2012 estimated soonest service date
  - Implementation of service proposal timed to allow TASI transition to occur prior to service increase
Staff Service Proposal (cont.)

- Service proposal comprised of:
  - Increase from 86 to 92 weekday trains
  - Restoration of 4 midday/shoulder peak trains
  - Addition of 2 PM peak Limited trains as capacity allows
  - Potential for strategic additional stops to existing service to expand frequency and alleviate pressure on oversubscribed trains
  - Addition of service will provide additional onboard bike capacity
Staff Service Proposal Cost

• Increase in train service
  - Will impact fuel budget by $720,000
  - Estimated to require an additional crew at approx. $365,000
Proposed Public Outreach Process

- Increase in service precludes need for full public hearing process
- 5/16: Present proposal to CAC
- 5/17: Circulate proposal via web for public comment
- 5/30: Present proposal at public meeting in San Carlos
- 6/7: Presentation of staff recommendation to Board for approval
- Fall 2012: Implementation
Questions?