



FY2012 Preliminary Operating Budget

May 5, 2011



Overview

- **Special Board Meeting April 21**
 - Consider How to Fund Current 86-train Schedule
- **FY2012 Preliminary Operating Budget**
- **Next Steps – FY2012 Budget and FY2013 Budget**



April 7, 2011 JPB Board Meeting

- Staff presented the 76 train schedule at the April 7, 2011 Board meeting
- The Board directed staff to schedule a special Board meeting for April 21, 2011 and use the intervening two weeks to work with partner agencies and MTC to fill the \$3.5 million shortfall to operate the current 86 train weekday schedule
- Funds to fill the \$3.5 million shortfall have been tentatively identified and requested from MTC
- Balancing plan requires \$2.5 million in fare and parking fee increase

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86-train Service Proposal

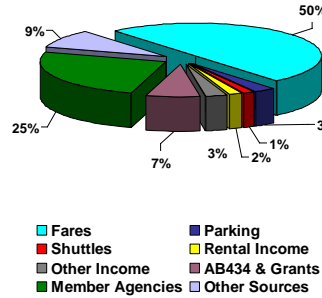
- Retains full weekday service including:
 - Gilroy service
 - No station service suspended
- Retains full weekend service, including weekend Baby Bullets
 - Bullet pilot is close to achieving cost recovery goal established at the outset
- Retains Special Event service
- Minor adjustments maybe required in weekend and evening times to enable construction

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86 Trains - Total Preliminary Revenues (in millions)

| | |
|----------------------|---------------|
| Fares | \$49.7 |
| Parking | 2.8 |
| Shuttles | 1.2 |
| Rental Income | 1.7 |
| Other Income | 2.9 |
| AB434 & Grants | 6.7 |
| Member Agencies | 25.3 |
| Other Sources | <u>9.0</u> |
| Total Revenue | \$99.3 |

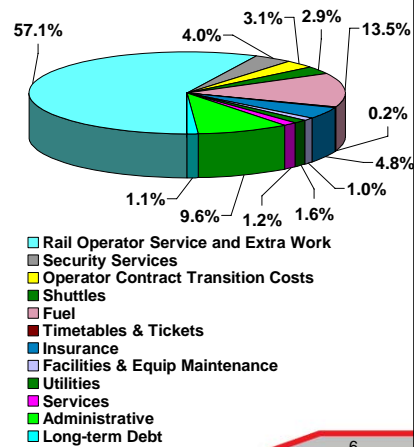


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86 Trains - Total Preliminary Expenses (in millions)

| | |
|------------------------------------|----------------|
| Rail Op Service and Extra Work | \$58.8 |
| Security Services | 4.1 |
| Operator Contract Transition Costs | 3.2 |
| Shuttles | 3.0 |
| Fuel | 13.9 |
| Timetables & Tickets | 0.1 |
| Insurance | 4.9 |
| Facilities and Equip Maint. | 1.0 |
| Utilities | 1.6 |
| Services | 1.2 |
| Administrative | 9.9 |
| Long-term Debt | <u>1.1</u> |
| Total Expenses | \$102.8 |



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86 Weekday Trains FY2012 Preliminary Projection (in millions)

| | |
|---|-----------------|
| Beginning Deficit – 86 Trains | (\$30.2) |
| Fare Increase eff. July 1 | 2.0 |
| Parking Increase eff. July 1 (\$3 to \$4/day) | 0.5 |
| Preventative Maintenance Funding | 1.5 |
| FY11 Savings and Operator Transition Costs Roll Forward | 9.0 |
| SamTrans Capital Funds | 3.7 |
| VTA | 3.6 |
| Muni | 1.6 |
| SamTrans Repayment of the ROW from VTA | 2.0 |
| VTA | 1.9 |
| Muni | <u>0.9</u> |
| Total | 26.7 |
| Surplus/(Deficit) | (3.5) |
| Requested funding from MTC | <u>3.5</u> |
| Net | 0.0 |

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86 Weekday Trains FY2012 Preliminary Projection (in millions)

FY2012

| | |
|-----------------------------------|-----------------------|
| Revenue | \$99.3 |
| Expenses | <u>(102.8)</u> |
| Surplus/(Deficit) | (3.5) |
| Requested funding from MTC | <u>3.5</u> |
| Surplus/(Deficit) | 0 |

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Member Contributions

SamTrans has engaged in discussions with member agencies, funding partners and MTC on funding options. SamTrans' contribution of \$10.6 million is made up of:

- \$4.9 million from the SMCTA
- \$2.0 million in funds received from repayment of the SamTrans investment in the Caltrain right of way
- \$3.7 million through a swap of capital funds for operating funds

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Member Contributions

| | <u>San Francisco</u> | <u>San Mateo</u> | <u>Santa Clara</u> | <u>Total</u> |
|--------------------|----------------------|------------------|--------------------|--------------|
| 86 Trains | | | | |
| FY2012 preliminary | | | | |
| Operating | | | | |
| Contribution | \$4,510,684 | \$10,620,000* | \$10,206,572 | \$25,337,256 |

* SMCTA contribution projected at \$4.9M (based on latest sales tax projection of \$61.5M)

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Next Steps – Near Term

- **May JPB Board meeting: preliminary balanced budget, informational only**
- **June JPB Board meeting: request approval of balanced budget and principles for balancing FY2013 Budget**
- **July 2011: implement fare and parking fees and operating plan**
- **Fall 2011: Complete discussions for FY2013 balanced operating budget**

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Next Steps - Longer Term

- **Continue discussions with member agencies and funding partners on funding options**
- **Continue to work with stakeholders, including the Silicon Valley Leadership Group and MTC's Transit Sustainability Project, to develop strategies for new revenue sources including a dedicated, permanent funding source**

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Questions?

Historical Use of One-time Funds

- **FY2011 - \$6.2 million in FY2010 savings**
- **FY2010 - \$3.7 million in fuel savings and \$2 million ARRA grant**
- **FY2009 - \$6 million in operating savings**
- **FY2008 - \$4.6 million; \$3.8 million in rail operator contract and fuel savings and \$800,000 in excess fare revenue**