



FY2012 Fare & Service Change Proposals

Public Hearing
March 3, 2011



Overview

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

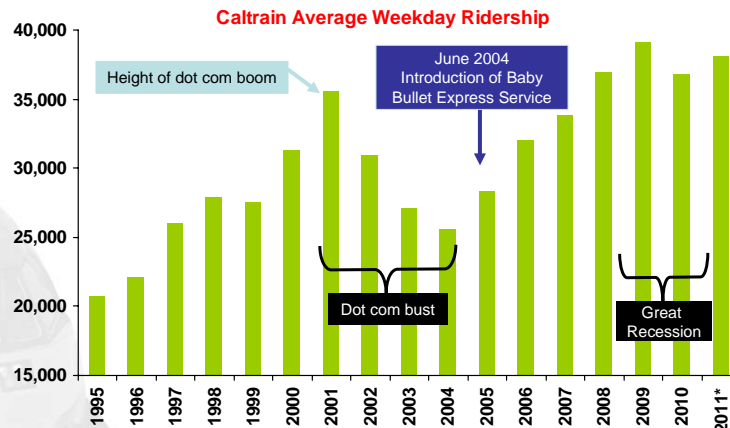
Situation

- 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

3

Ridership Trends

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



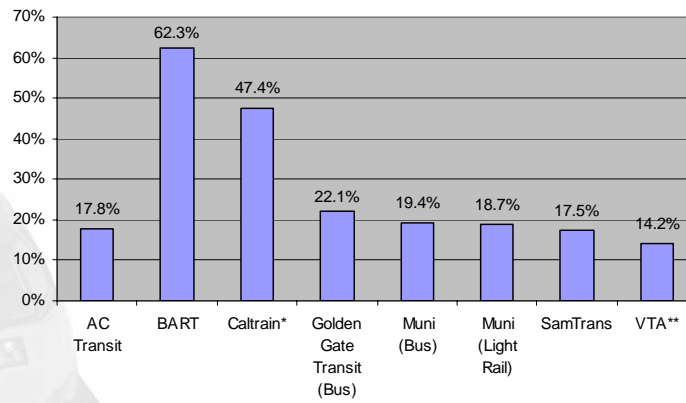
Source: Annual passenger counts done each February * Projected ridership in FY2011

4



Cost Recovery through Fares Bay Area Comparison

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



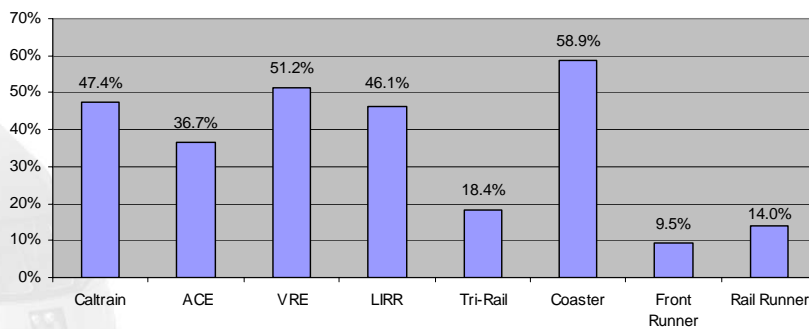
Sources: * FY2009 NTD Report ** A combined ratio of both bus and light rail
Other ratios are from the MTC Statistical Summary of Bay Area Transit Operators (May 2010) for FY2009

5



Cost Recovery through Fares Commuter Railroad Comparison

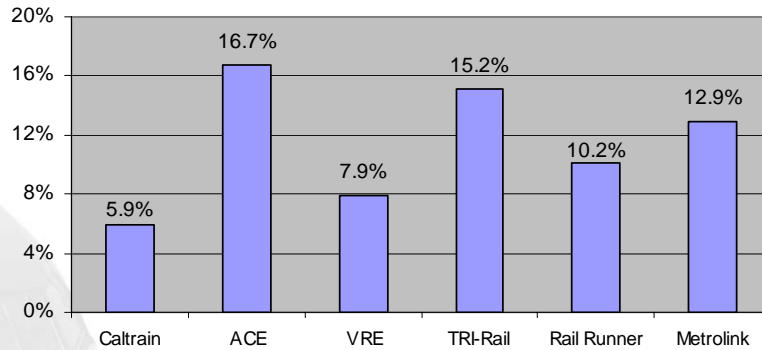
Caltrain's farebox recovery is similar to other commuter rail systems.



Sources: FY2009 NTD Reports

6

Administrative Staff Cost Comparison



Source: FY2009 NTD Reports

7

Cost Control & Revenue Measures

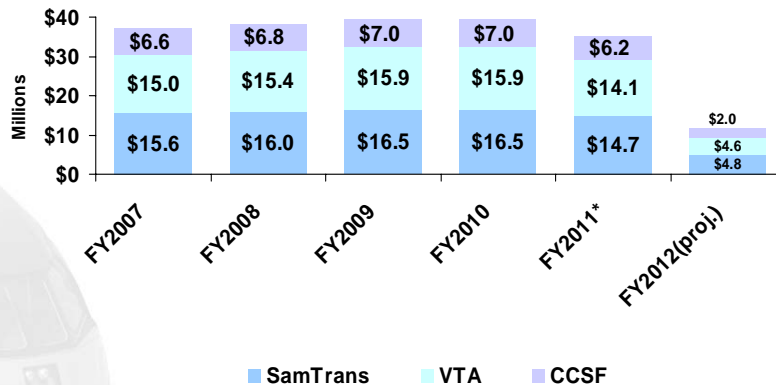
- Caltrain operates with a lean staffing level (staff shared with two other agencies)
- Administrative staff salaries frozen since 2008
- Administrative employees subject to 17 furlough days since 2008
- 2009: fares increased; 8 trains eliminated
- 2009: Staff laid off; hiring freeze
- 2011: fares increased,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

*Source: FY2011 Revised Budget

8



Member Agency Operating Contributions



Sources: FY2007-2010 Financial Statement & FY2011 Adopted Budget

*Note: SamTrans initiated a reduction in its share which reduced the JPB partners' shares proportionately

9



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)**

10

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)

11

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

12

Stations under Consideration

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

15

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)

16

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**

17

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**

18