



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

3



86-train Service Proposal

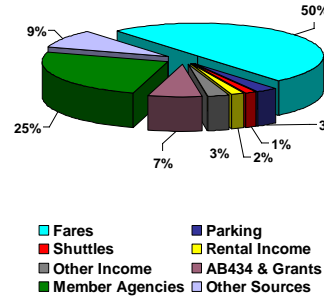
- Retains full weekday service including:
 - Gilroy service
 - No station service suspended
- Retains full weekend service, including weekend Baby Bullets
 - Bullet pilot is close to achieving cost recovery goal established at the outset
- Retains Special Event service
- Minor adjustments maybe required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

4



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

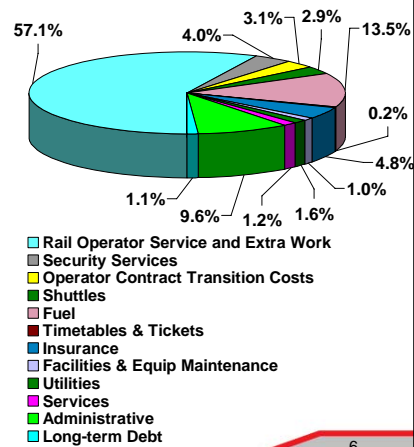


5



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



6



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

7



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

8



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

9



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)

10

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**

11

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**

12

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**