



# Proposed FY2012 Operating Budget

June 2, 2011



## Overview

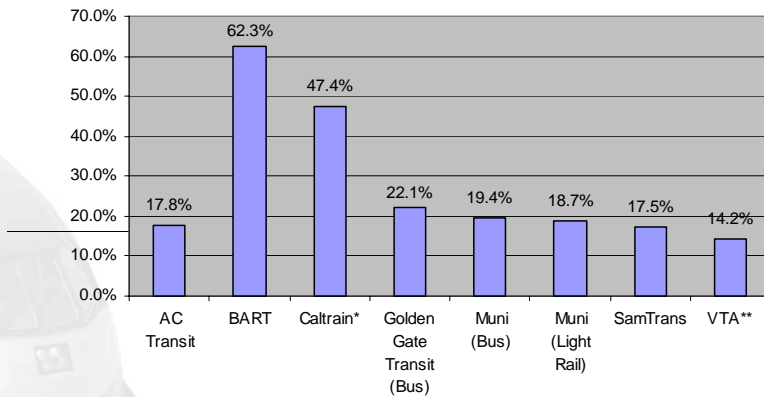
- Began budget discussions in January 2011
- Reviewed FY2012 Preliminary Operating Budget at the May 5, 2011 JPB meeting
- Followed up Board member questions from May 5, 2011 meeting
- Next steps – Adopt FY2012 Operating Budget & continue discussion on an FY2013 Budget Balancing Plan

2



## Farebox Recovery Ratio Comparison

Caltrain has a high farebox recovery ratio compared with other Bay Area transit agencies.



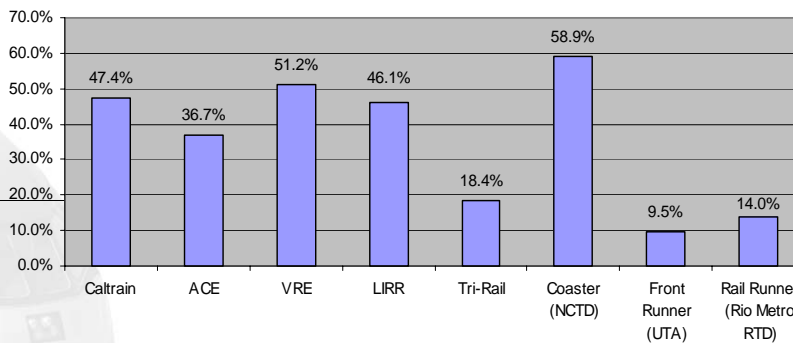
Sources: \* FY2009 NTD Report \*\* A combined ratio of both bus and light rail  
Other ratios are from the MTC Statistical Summary of Bay Area Transit Operators (May 2010) for FY2009

3



## Commuter Railroads Farebox Recovery Ratio Comparison

Caltrain's farebox recovery ratio is comparable with other commuter rail systems in the country.

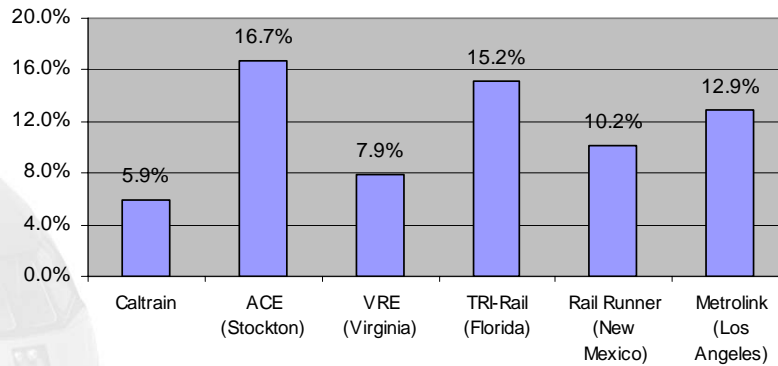


Sources: FY2009 NTD Reports

4



## Administrative Cost Percentage Comparison



Source: FY2009 NTD Reports

5



## Proposed FY2012 Operating Budget

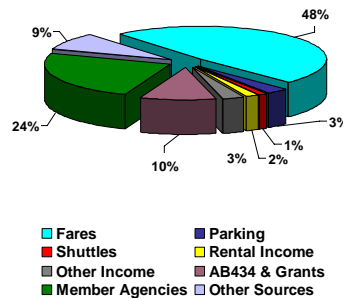
6

## 86-train Service

- 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

## 86 Trains - Total Revenues (in millions)

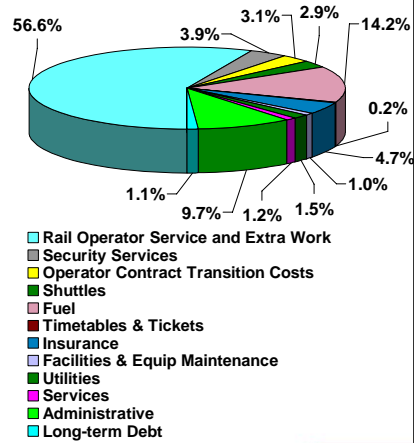
Fares	\$50.7
Parking	2.8
Shuttles	1.2
Rental Income	1.7
Other Income	2.9
AB434 & Grants	10.2
Member Agencies	25.3
Other Sources	<u>9.0</u>
<b>Total Revenue</b>	<b>\$103.8</b>





## 86 Trains - Total 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	14.6
Timetables & Tickets	0.2
Insurance	4.9
Facilities and Equip Maint.	1.0
Utilities	1.6
Services	1.2
Administrative	10.1
Long-term Debt	<u>1.1</u>
<b>Total Expenses</b>	<b>\$103.8</b>



9



## 86 Weekday Trains FY2012 Projection (in millions)

<b>Beginning Deficit – 86 Trains</b>	<b>(\$30.2)</b>
Fare Increase eff. July 1	2.0
Parking Increase eff. July 1 (\$3 to \$4/day)	0.5
Preventative Maintenance Funding	1.5
FY2011 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>
<b>Total</b>	<b>26.7</b>
<b>Surplus/(Deficit)</b>	<b>(3.5)</b>
Requested funding from MTC	<u>3.5</u>
<b>Net</b>	<b>0.0</b>

10



## 86 Weekday Trains FY2012 Projection (in millions)

### FY2012

Revenue	<b>\$100.3</b>
Expenses	<b><u>(103.8)</u></b>
Surplus/(Deficit)	<b>(3.5)</b>
Requested funding from MTC	<b><u>3.5</u></b>
Surplus/(Deficit)	<b>0</b>

11



## 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

12



## Member Contributions

	<u>San Francisco</u>	<u>San Mateo</u>	<u>Santa Clara</u>	<u>Total</u>
86 Trains FY2012 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)

13



## Next Steps – Near Term

- **June JPB Board meeting: request approval of balanced budget and principles for balancing FY2013 Budget**
- **June 2011: Complete discussions for FY2013 balanced operating budget**
- **July 2011: Implement fare and parking fees and operating plan**

14

## 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

15

Questions?

16





## 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