



Preliminary FY2014 Operating Budget

Board of Directors
May 2, 2013



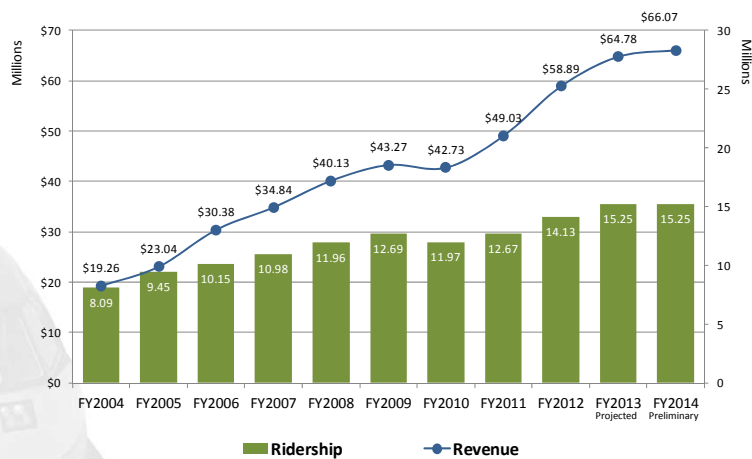
Overview

- **Historic Capacity Demands**
- **FY2014 Preliminary Operating Budget – stopgap funding**
- **Continuing Fiscal Crisis**
- **FY2015 Budget Projection**

Historic Capacity Demands

- Ridership and customer demand are at an all-time high
- Revenues are skyrocketing
- Farebox ratio is projected to be 55.1% for FY2013
- Close to capacity of the railroad

Revenues and Ridership





FY2014 Operating Budget Overview

- No fare increases
- Daily parking fare increase
- Use of one-time stopgap funds
- New boarding formula methodology
- Increasingly complex rail system
- Federal Transit Administration audit requirements for overhead and fringe benefits

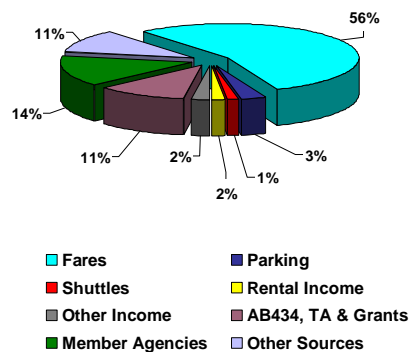
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92 Trains: Total Preliminary Revenues

(in millions)

Fares	\$66.1
Parking	3.7
Shuttles	1.7
Rental Income	1.8
Other Income	2.7
AB434, TA & Grants	13.4
Member Agencies	17.2
Other Sources	<u>13.4</u>
Total Revenue	\$120.0

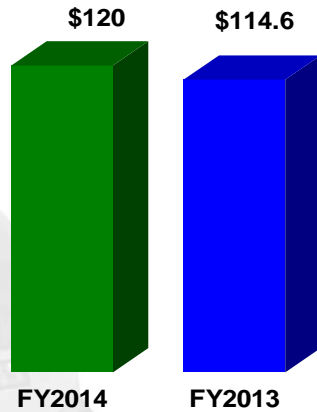


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Revenue Increase (Decrease)

(in millions)



Fares	\$1.3
Parking	0.7
Shuttles	0.2
Rental Income	(0.1)
Other Income	0.2
AB434, TA & Grants	6.0
Member Agencies	(16.3)
Other Sources	<u>13.4</u>
Total	\$5.4

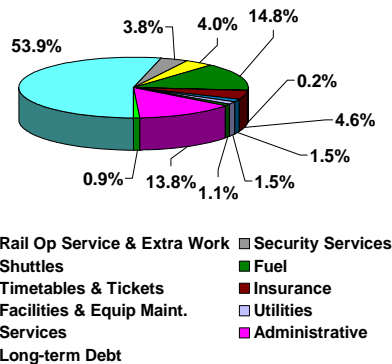
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92 Trains: Total Preliminary Expenses

(in millions)

Rail Op Service & Other Extra Work	\$64.7
Security Services	4.5
Shuttles	4.8
Fuel	17.8
Timetables & Tickets	0.2
Insurance	5.5
Facilities & Equip Maint.	1.8
Utilities	1.8
Maint. & Services – Bldg & Other	1.3
Administrative	16.5
Long-term Debt	<u>1.1</u>
Total Expenses	\$120.0

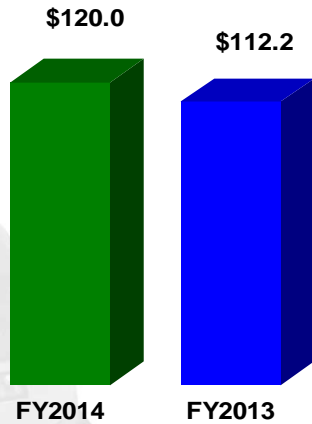


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Expense Increase (Decrease)

(in millions)



Rail Op Service & Other Extra Work	\$3.5
Security Services	0.2
Shuttles	0.3
Fuel	0.6
Insurance	0.4
Utilities	0.1
Maint. & Services – Bldg. & Other	0.1
Administrative	<u>2.6</u>
Total	\$7.8

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92 Trains: Preliminary Projection

(in millions)

FY2014

Revenue	\$120.0
Expense	<u>(120.0)</u>
Surplus/(Deficit)	\$ 0

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Member Contributions

92 Trains FY2014 Preliminary ⁽¹⁾	San Mateo	Santa Clara	San Francisco	Total
Operating Contribution	\$5,440,000 ⁽²⁾	\$7,290,668	\$4,500,881	\$17,231,549

Notes:

(1) Base on the agreed upon allocation methodology by all three members – All Day Passenger Boarding Formula in February 2013 including Gilroy.

(2) TA contribution projected at \$5.44M (based on latest sales tax projection of \$68M)

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Caltrain's Fiscal Crisis

Caltrain's fiscal crisis has not been solved

FY2014 budget delays it another year

- Need permanent funding source
- Need to manage growth in ridership
- One-time funding sources exhausted
- Optimize system capacity through the electrification and modernization program
- Possible fare increases/service reductions

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FY2015 Budget Projection

(in millions)

Revenue

Farebox Revenue	\$68.4
JPB Member Contributions	17.8
Other Incomes	21.0
Total	107.2

Expense

Contract Operating & Maintenance	72.2
Other Expenses	51.0
Total	123.2

Surplus/(Deficit) (\$16.0)

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Historical Use of One-time Funds to Balance Budgets

- FY2012: \$7.5 million in savings and \$1.5 million in Operator transition costs roll forward
- FY2011: \$6.2 million in rail operator contract and fuel 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

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Next Steps – Near Term

- **June Board meeting: request approval of FY2014 Budget**

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**



Questions?

