



Preliminary FY2015 Operating Budget

Board of Directors
May 1, 2014



Overview

- **Historic Capacity Demands**
- **FY2015 Operating Budget Overview**
- **Member Contributions**
- **Continuing Structural Deficit**
- **Next Steps**



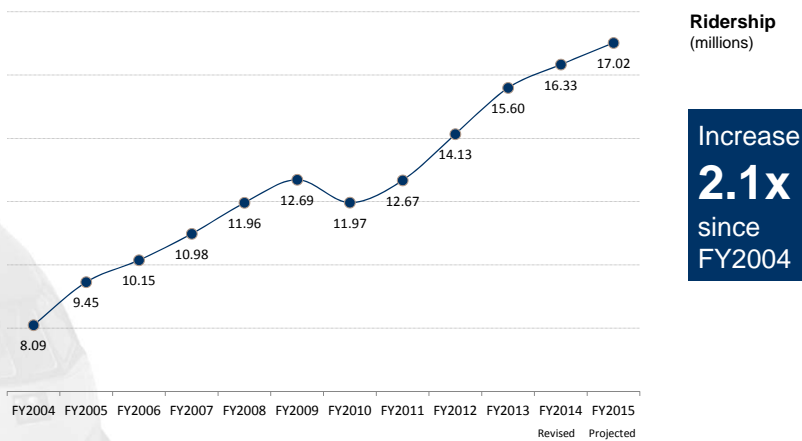
Historic Capacity Demands

- Ridership and customer demand are at an all-time high
- Farebox revenues continue to set records
- Farebox recovery ratio is projected at 60%
- Acquisition of additional rail cars to help address demand

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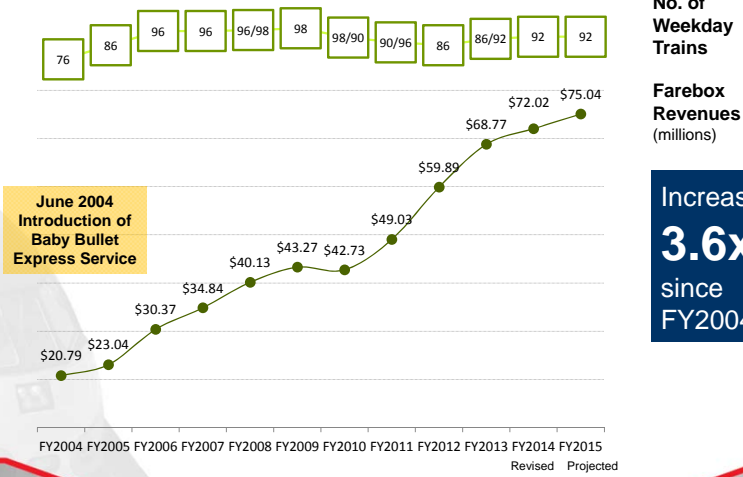
Ridership



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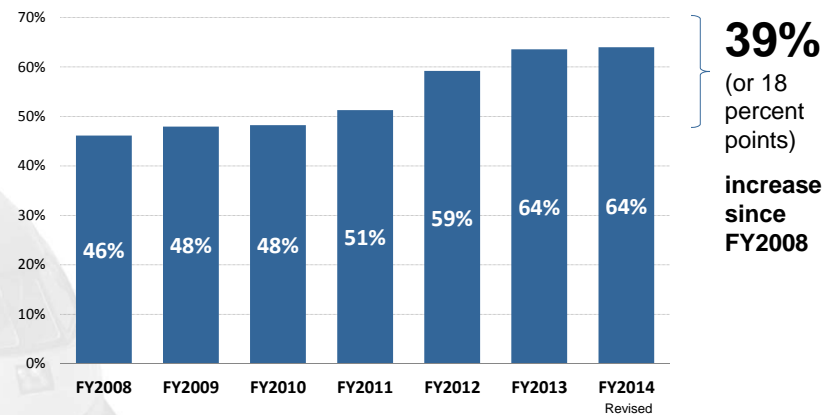
Farebox Revenues and Number of Weekday Trains



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Farebox Recovery Ratios



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FY2015 Operating Budget Overview

- No fare increases
- Use of one-time funds
- Increasingly complex rail system
- Uncertainty regarding budget implications of acquiring additional rail cars to address capacity issues

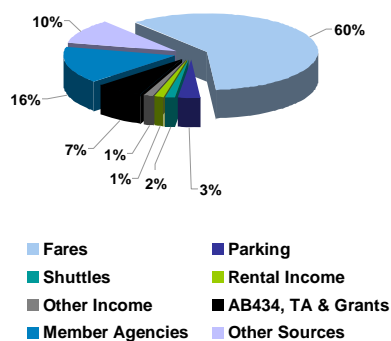
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92 Trains: Total Preliminary Revenues

(in millions)

Fares	\$75.0
Parking	4.1
Shuttles	2.0
Rental Income	1.7
Other Income	1.7
AB434, TA & Grants	8.6
Member Agencies	19.8
Other Sources	12.8
Total Revenue	\$125.7

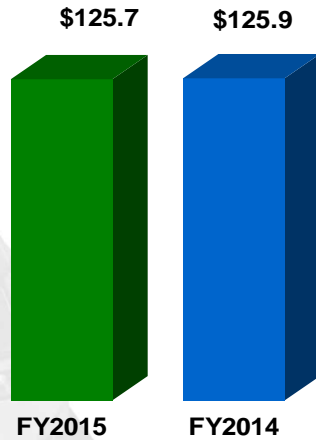


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Revenue Increase (Decrease)

(in millions)



Fares	\$3.0
Parking	0.4
Shuttles	0.3
Rental Income	(0.1)
Other Income	(1.0)
AB434, TA & Grants	(4.8)
Member Agencies	2.6
Other Sources	(0.6)
Total	(\$0.2)

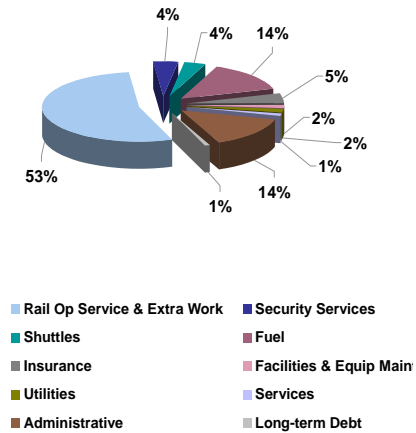
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92 Trains: Total Preliminary Expenses

(in millions)

Rail Op Service & Other Extra Work	\$67.8
Security Services	5.0
Shuttles	4.8
Fuel	17.7
Timetables & Tickets	0.1
Insurance	5.7
Facilities & Equip Maint.	2.0
Utilities	2.1
Maint. & Services – Bldg. & Other	1.4
Administrative	18.0
Long-term Debt	1.1
Total Expenses	\$125.7

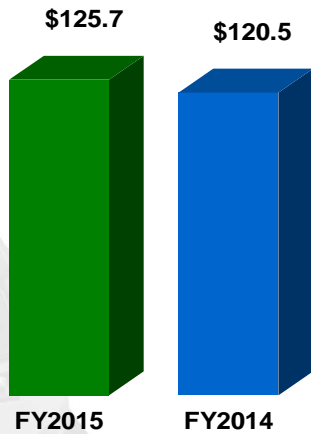


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Expense Increase (Decrease)

(in millions)



Rail Op Service & Other Extra Work	\$3.1
Security Services	0.5
Shuttles	0.1
Fuel	(0.1)
Insurance	(0.1)
Utilities	0.3
Maint. & Services – Bldg. & Other	0.1
Administrative	1.3
Total	\$5.2

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92 Trains: Preliminary Projection

(in millions)

FY2015

Revenue	\$125.7
Expense	(125.7)
Surplus/(Deficit)	\$ 0

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Member Contributions

92 Trains FY2015 Preliminary ⁽¹⁾	San Mateo	Santa Clara	San Francisco	Total
Operating Contribution	\$6,260,000 ⁽²⁾	\$8,389,629	\$5,179,323	\$19,828,952

Notes:

(1) Based on the agreed upon allocation methodology by all three members : All-day Passenger Boarding Formula in February 2013 including Gilroy

(2) For 2015, TA contribution projected at \$5.76 million, plus an additional \$500,000 towards member contributions from San Mateo County Transit District.

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Caltrain's Structural Deficit

FY2015 budget postpones it another year

- Need permanent funding sources
- One-time funding sources exhausted
- Exploring a full range of options: tax increases, partnerships, creative solutions
- Need support from business, labor, environmental and community-based organizations and elected officials

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Next Steps

Near Term

- June Board meeting: FY2015 Budget approval
- Mid-year: Review fiscal impact of acquiring additional rail cars to address capacity issues

Long 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?