



Proposed Fare Changes

Board of Directors
December 3, 2015



Objective

- Generate revenue to support increased operating and maintenance needs
- Support Strategic Plan Focus Area
 - Finance: "Caltrain will establish financial stability, minimize its operating subsidy and fund system improvements."
 - "Develop strategies to increase returns from existing revenue streams (e.g. fares, parking, concessions, advertising and leases)"



Fare Products

- Adult one-way = \$3.75 base + \$2 per zone
- Day Pass = 2x one way fare
- Clipper ~15 percent discount:
 - 8-ride Ticket ~ additional 7.5 percent discount
 - Monthly Pass = 26.5x Clipper one-way fare
- Go Pass ~ 3-zone Monthly Pass

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Staff Recommendation

- Increase base fare by 50 cents (effective 2/28)
 - From \$3.25 to \$3.75
 - Corresponding increase for Day Pass, 8-ride Ticket and Monthly Pass
- Maintain 15 percent Clipper discount
- Maintain 50 percent Eligible Discount fare
- Increase Parking Fees (effective 7/1)
 - 50 cent increase in Daily Parking fee (from \$5.00 to \$5.50)
 - Five dollar increase in Monthly Parking fee (from \$50 to \$55)
- Title VI analysis confirms changes will have no disparate impact on minority riders or disproportionate burden on low-income riders

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Public Input

- 54 comments received
 - Use of additional revenue
 - Go Pass increase
 - Fare equity issues
- Revenue needed to support increasing costs
- Go Pass increases to \$190 in January 2016
- MTC Fare Equity Analysis
- Comprehensive Fare Study

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November 5 Public Hearing

- 2-year Incremental increase option
 - One time increase = \$10.6 million
 - Incremental increase = \$6.8 million
- Discounted Fares ~ 50% of full fare
 - Senior – 65 years old or older
 - Disabled
 - Youth – 18 years old or younger
 - One child under 5 years old travelling with an adult is free

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Fare History

- 2011 – Base fare increased from \$2.50 to \$2.75
- 2011 – Zone fare increased from \$1.75 to \$2.00
- 2012 – Base fare for paper tickets increased to \$3.00
Clipper base fare remained at \$2.75
- 2014 – Base fare for paper tickets increased to \$3.25
Clipper base fare remained at \$2.75

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Parking Fee History

- 2011 – Daily fees increased from \$3 to \$4
Monthly fees increased from \$30 to \$40
- 2013 – Daily fees increased from \$4 to \$5
Monthly fees increased from \$40 to \$50

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Fare Comparison*

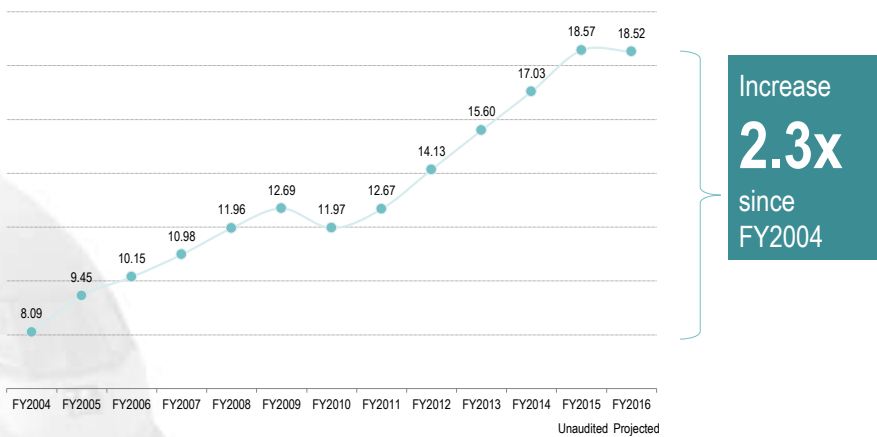
Agency	Max. Fare Per Mile		One-way Cash Fare		Monthly Pass	
	Cash	Pass	Base	Max.	Base	Max.
Caltrain (SF-SJ)	\$0.20	\$0.12	\$3.25	\$9.25	\$73.00	\$232.00
w/ Gilroy ext.	\$0.17	\$0.11	\$3.25	\$13.25	\$73.00	\$338.00
Caltrain (SF-SJ) with increase	\$0.21	\$0.12	\$3.75	\$9.75	\$84.80	\$243.80
w/ Gilroy ext.	\$0.18	\$0.11	\$3.75	\$13.75	\$84.80	\$349.80
Agency Average	\$0.20	\$0.13	\$3.56	\$12.83	\$91.97	\$298.99

* Comparison of nine other rail transit agencies (ACE, Capitol Corridor, BART, Coaster, MBTA, Metra, Metrolink, Sounder, VRE)



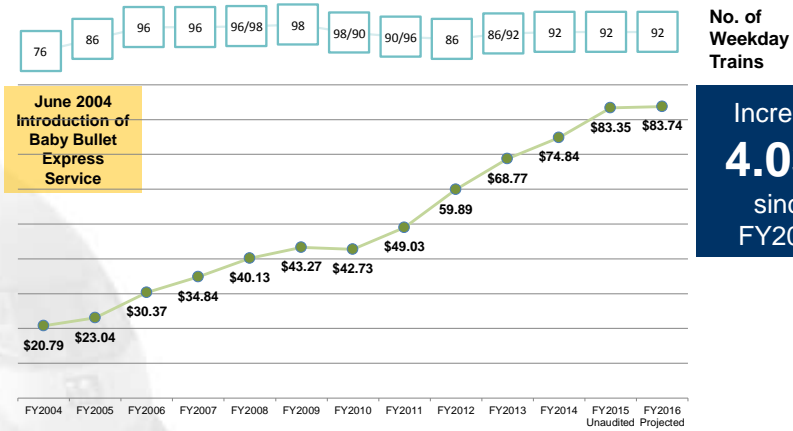
Ridership

Historical Caltrain Ridership (in millions)

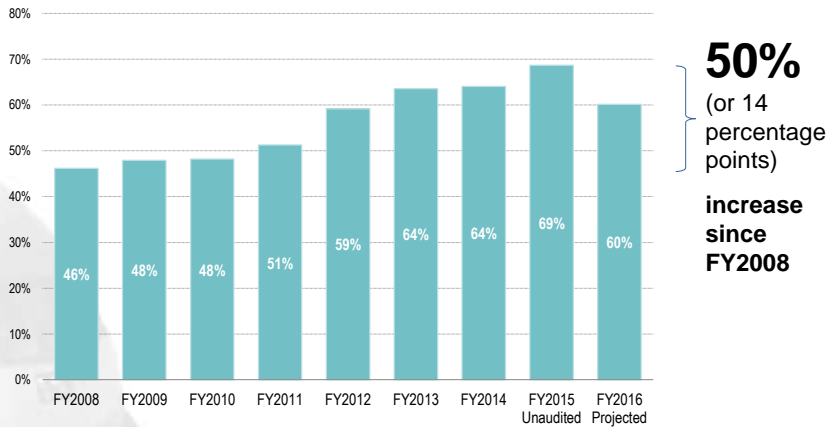




Farebox Revenues



Farebox Recovery Ratios





Operating Costs

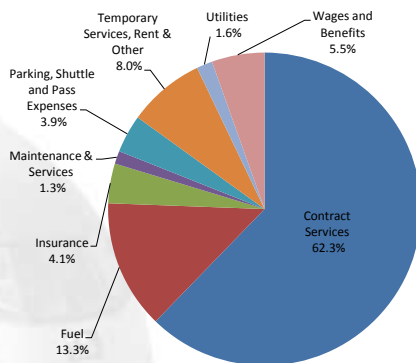
- Increased Costs
 - Aging Fleet = Increased maintenance
 - Increased demand for special service
- New Costs Projected
 - CBOSS-PTC
 - Electrification/EMUs

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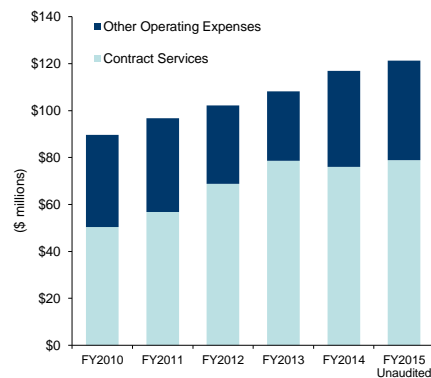


Summary of Operating Expenses

FY 2016 Operating Expense by Type



Historical Operating Expenses



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O&M Forecast 2021 / 2024 (YOE \$)

Excluding long term debt expense

	Existing (Adopted)	Start of Electrification	10 Year Outlook
	FY2015	FY2021	FY2024
<u>Sources of Funds</u>			
Operating Revenues	\$89,337,446	\$132,000,000	\$158,000,000
JPB Member Subsidy	\$19,828,952	\$23,000,000	\$25,000,000
Other Contributions	\$21,569,628	\$8,000,000	\$9,000,000
Total Revenues & Funds	\$130,736,026	\$163,000,000	\$192,000,000
<u>Use of Funds</u>			
Operating Expenses	\$108,475,914	\$155,500,000	\$178,000,000
Other Use of Funds	\$17,947,237	\$23,500,000	\$26,000,000
Total Expenses*	\$126,423,151	\$179,000,000	\$204,000,000
Surplus / (Deficit)*	\$4,312,875	(\$16,000,000)	(\$12,000,000)

Note: Historic annual deficit

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New Revenues

- 50-cent base fare increase = \$7.9 million
- Parking Fee Increases = \$400,000

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Outreach

- **Community Meetings**
 - Gilroy, Mountain View, San Carlos, San Francisco
- **Presentation to CAC**
- **Public Hearing**
- **Social Media**
- **Website**
- **Newspaper notices**
- **News Release**
- **Onboard flyers**
- **Visual messages at stations**

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Outreach

- **Ways to comment**
 - Email
 - Phone
 - Comment Cards
 - USPS

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Questions/Comments

Board of Directors
November 5, 2015