

***Receive Quarterly
Financial Report for
Fiscal Year 2025
Quarter 3 and Annual
Outlook***

**JPB Finance Committee
April 21, 2025**



Agenda

1. Executive Summary / Q3 Financial Results

- Sources
- Uses

2. FY25 Year-end Forecast

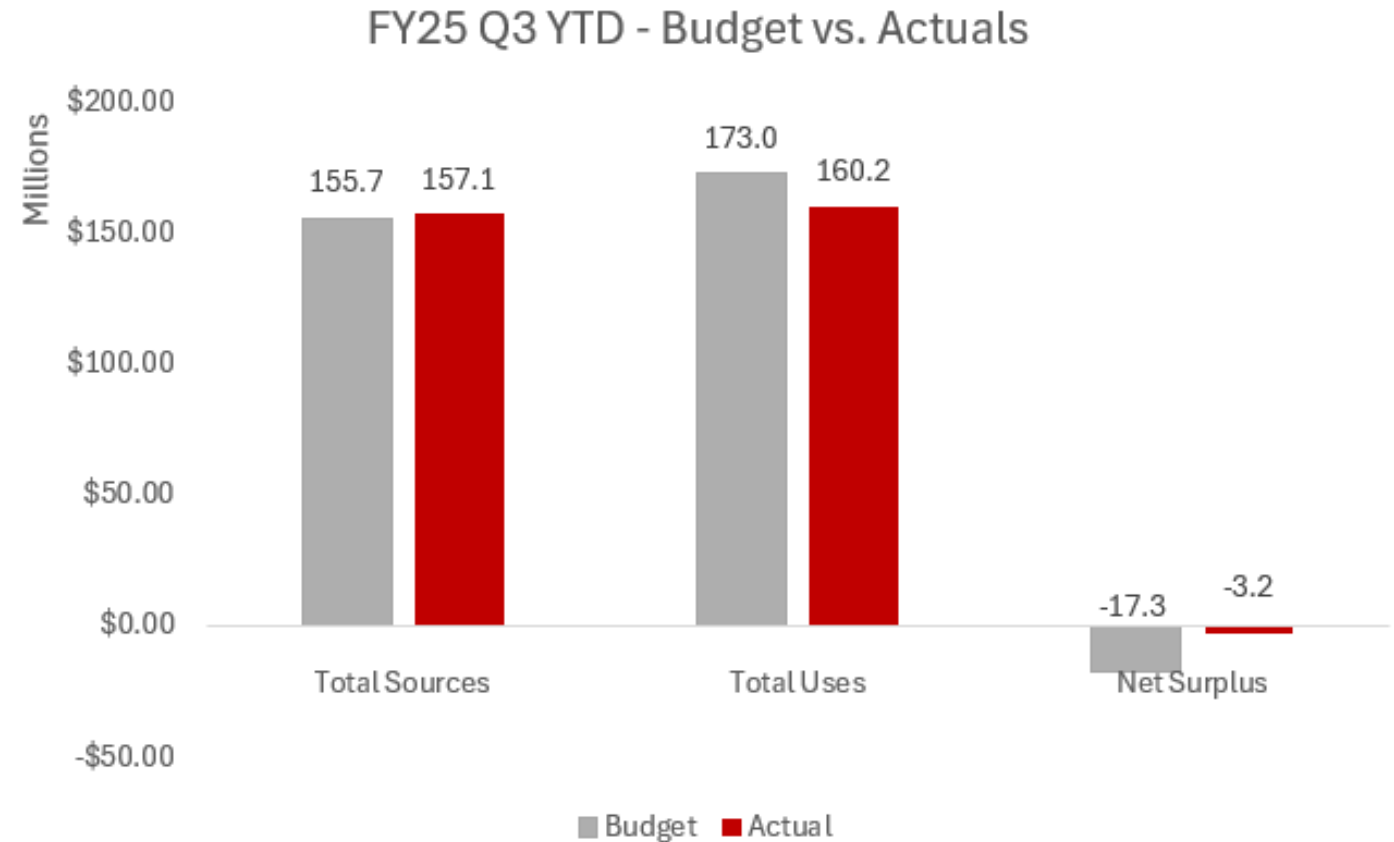
3. Risk Areas

4. Next Steps

Executive Summary / Q3 Financial Results

Q3 Year To Date (YTD) Summary

- **Revenue:** \$1.4M favorable driven by ridership, investment income, and parking revenue
- **Expense:** \$12.6M favorable driven by timing of expenses
- **Outlook:** On track to end the fiscal year on budget (<1% variance to net position)



Sources – FY25 Q3 Budget vs. Actual

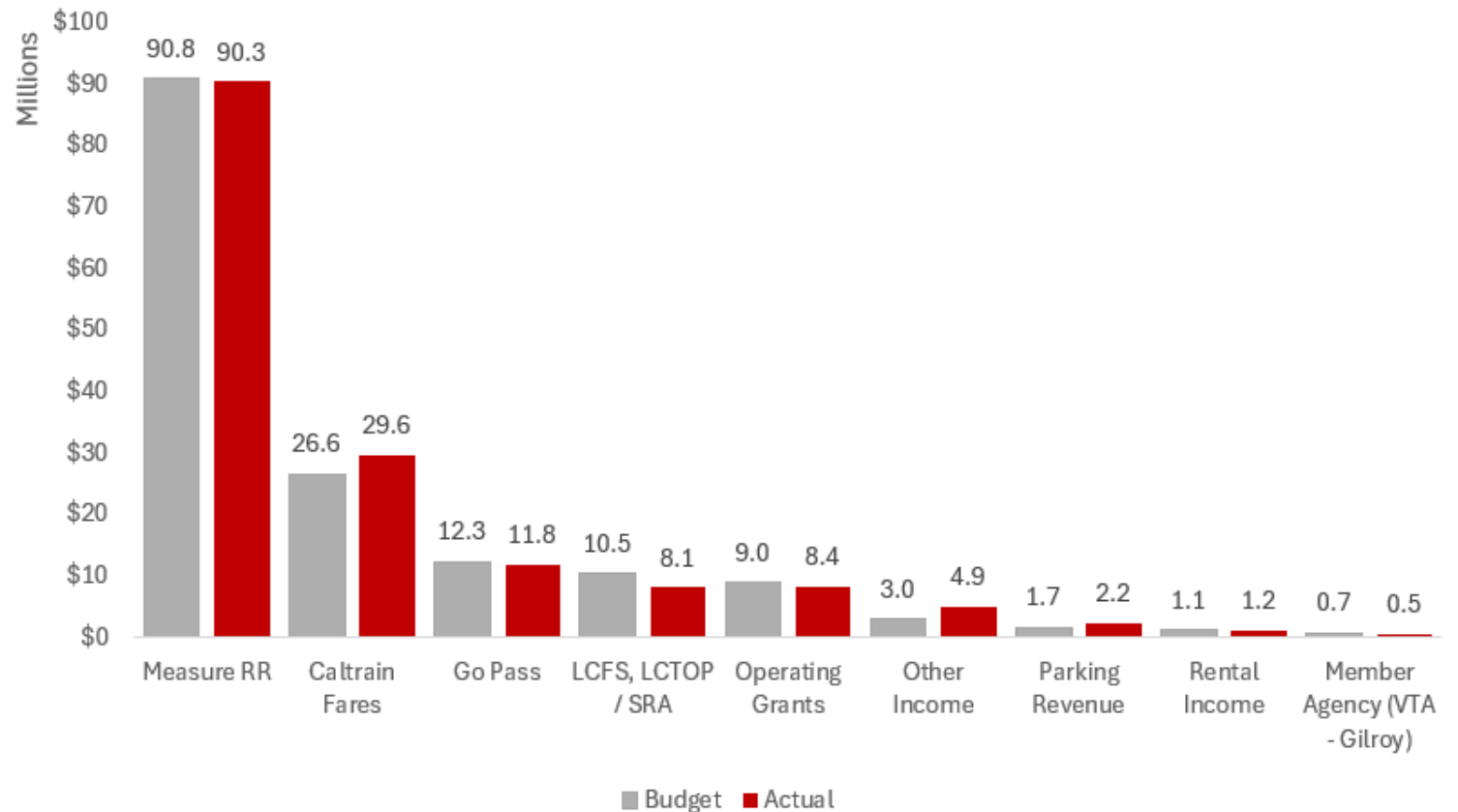
Sources \$1.4M Favorable - Main Drivers:

- **Fares:** \$3.1M favorable due to strong ridership post electrification
- **Other Income:** \$1.9M favorable driven by favorable performance of investment portfolio
- **Parking:** \$0.6M favorable associated with higher ridership

Partially offset by

- **LCFS/ LCTOP/ SRA:** (\$2.4M) unfavorable driven by timing of credit sales and reimbursement of LCFS credits
- **Measure RR:** (\$0.5M) unfavorable due to macroeconomic drag on sales tax
- **Go Pass:** (\$0.5M) unfavorable with ongoing shift in employer participation

FY25 Q3 YTD Sources - Budget vs. Actuals



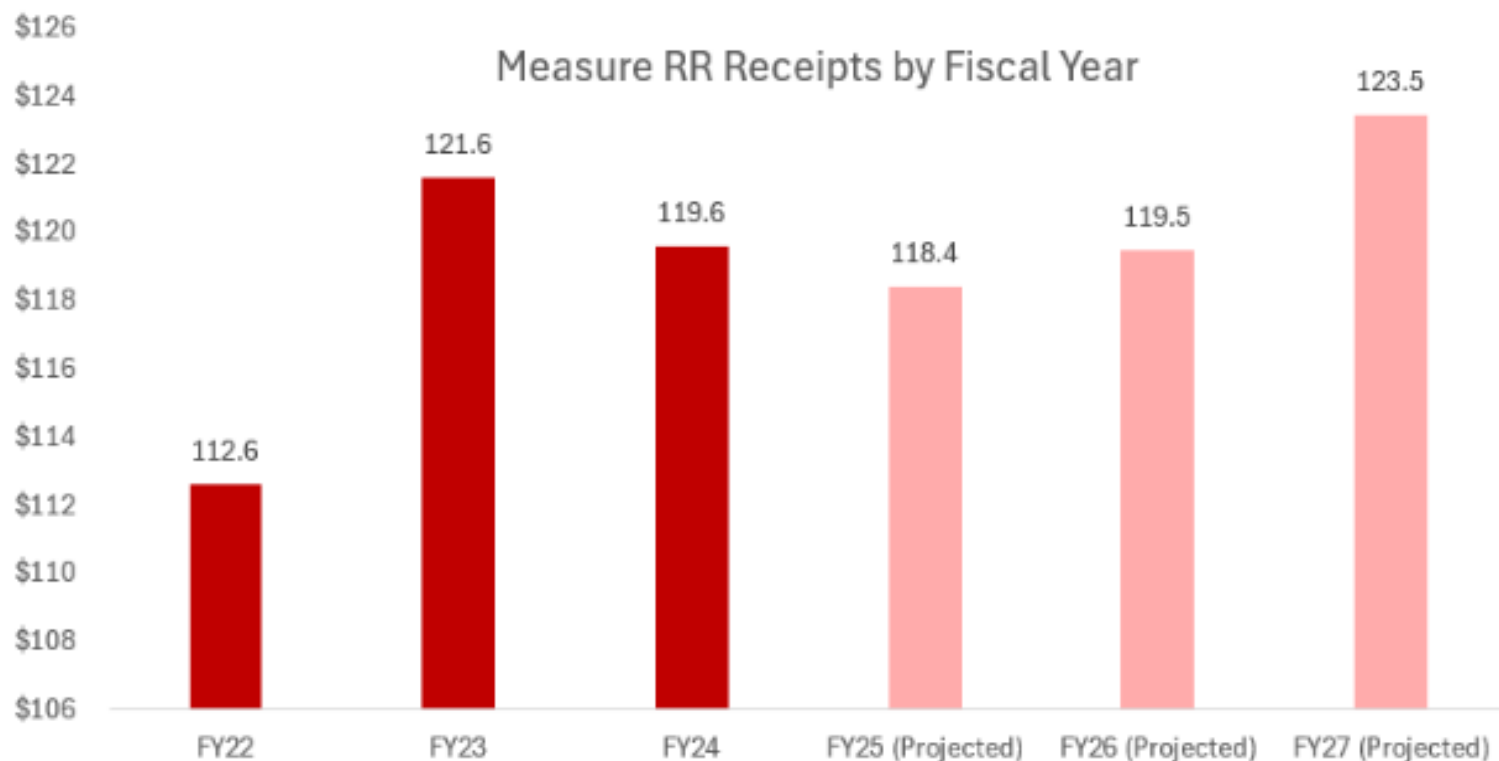
Sources – Measure RR

FY24: \$2.0M (-1.7%) decline from FY23

FY25 Projection: Estimating \$1.2M (-1.0%) decrease from FY24

FY26 Projection: Includes 0.9% growth rate

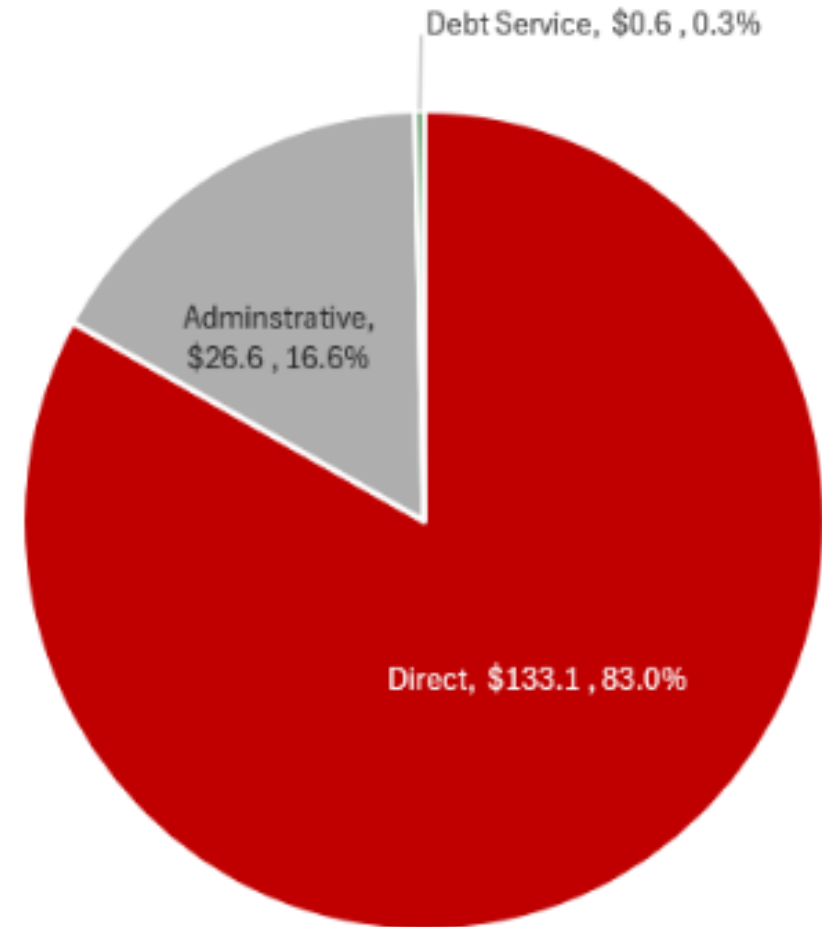
FY27 Projection: Growth of 3.3% from prior year anticipated



Uses – % Allocation of YTD Actuals

Use Category	F25 Q3 YTD Actuals (\$M)	% of Total Expense
Direct Expense	133.1	83.0%
Rail Operator Service	92.1	57.5%
Electric Charges for Power Traction	8.6	5.4%
Insurance	8.3	5.2%
Security Services	6.5	4.0%
Facilities and Equipment Maintenance	5.1	3.2%
OCS/TPS Maintenance	3.9	2.4%
Fuel and Lubricants	3.5	2.2%
Misc - Direct	3.1	1.9%
Claims, Payments, and Reserves	2.0	1.2%
Administrative Expense	26.6	16.6%
Wages & Benefits*	15.2	9.5%
Professional Services	5.6	3.5%
Misc - Administrative	3.2	2.0%
Managing Agency OH Cost	2.6	1.6%
Debt Service	0.6	0.3%
Total Uses	160.2	100%

*Wages & Benefits includes all non-TASI staff



Uses – FY25 Q3 Budget vs. Actual

Uses \$12.6M Favorable Main Drivers:

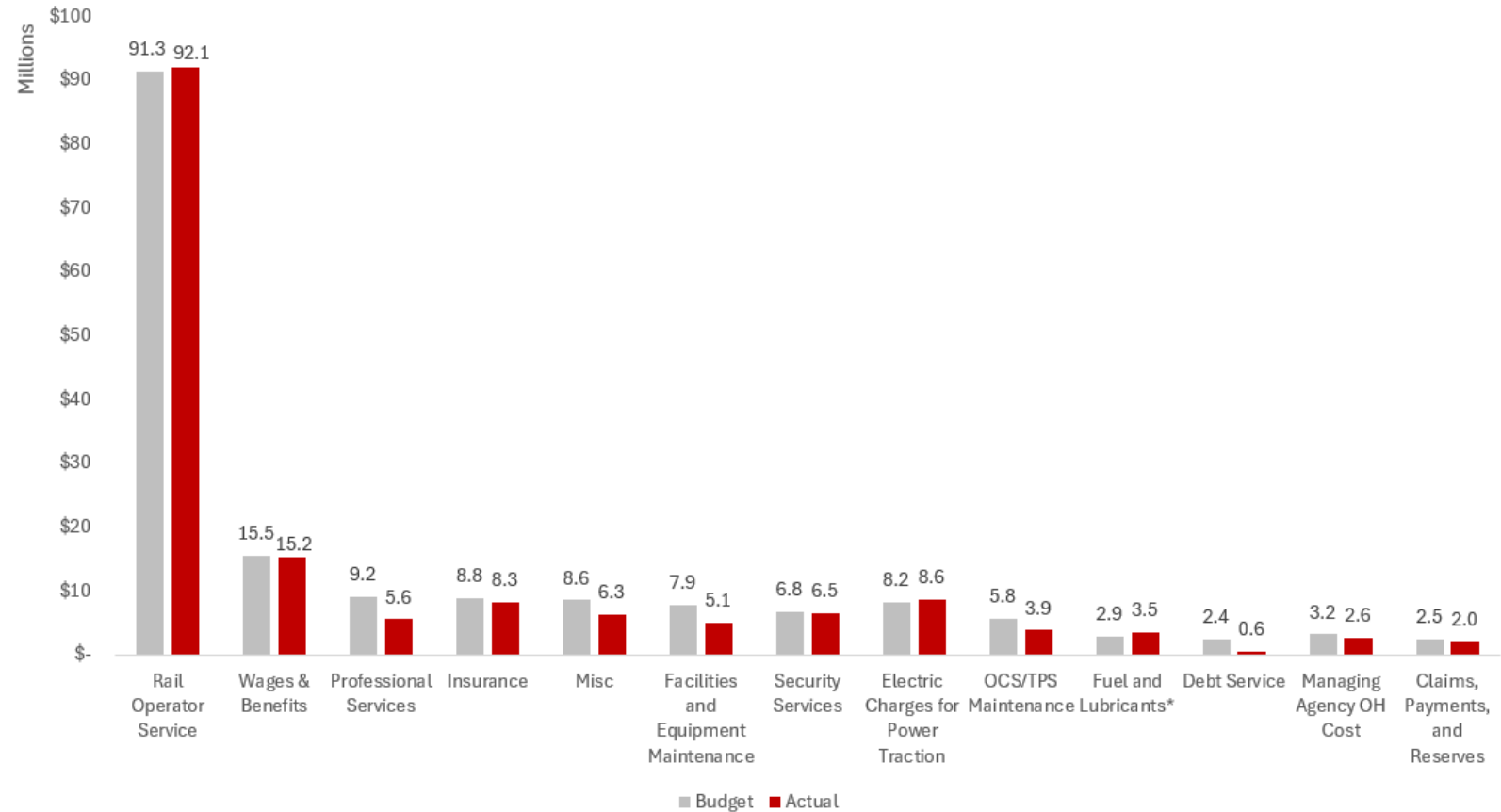
Timing Related Variances (~\$12.0M)

- Temp variances will resolve by year-end: Professional Services, Maintenance, & Debt Service

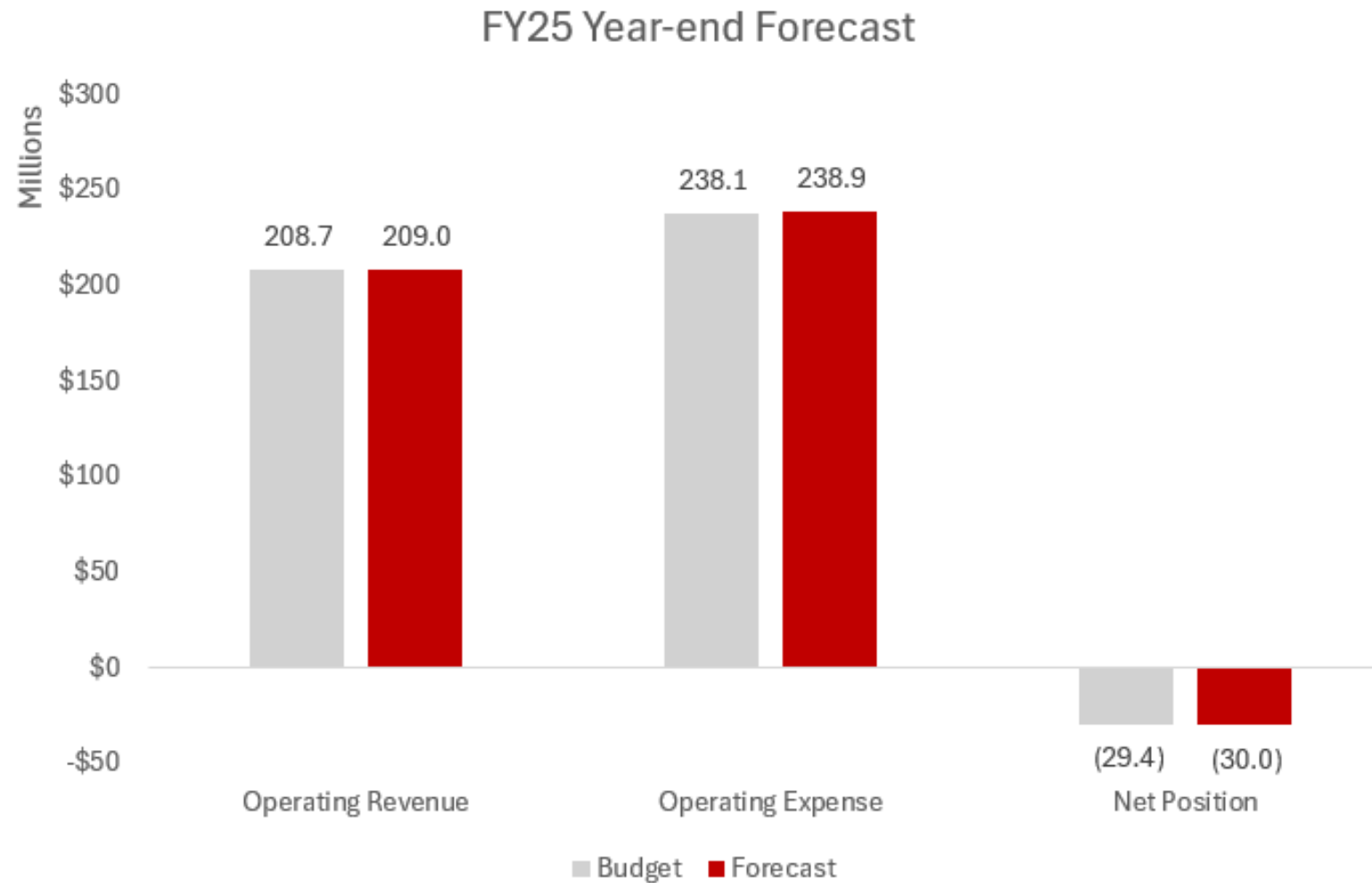
Other Variances

- **Claims, Payments, and Reserves:** \$0.5M favorable with less than anticipated losses;
- **Fuel & Lubricants:** (\$0.6M) unfavorable with Gilroy expenses higher than anticipated;
- **Electric Charges for Traction Power:** (\$0.4M) unfavorable; however a favorable year-end result is anticipated.

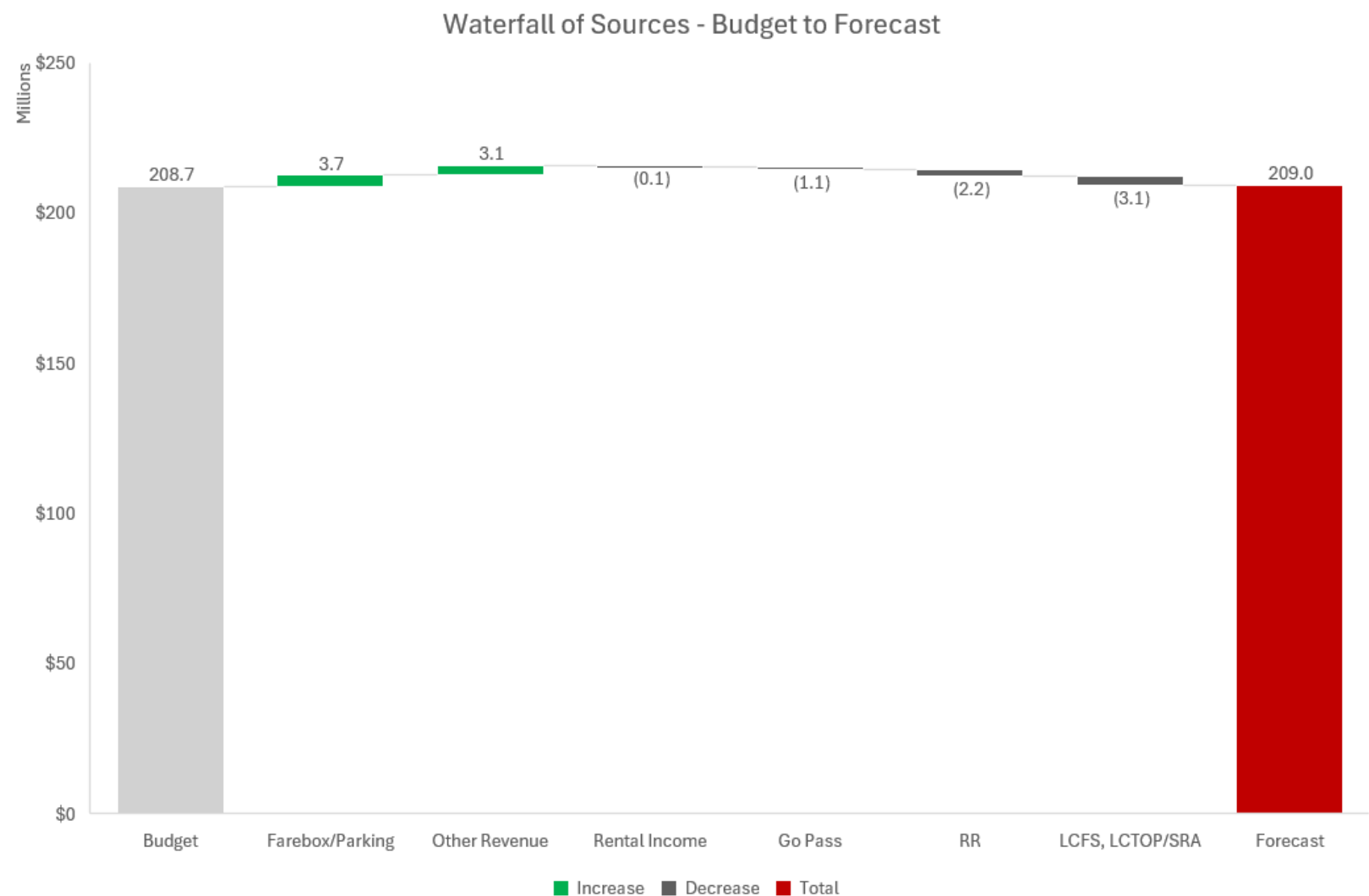
FY25 Q3 YTD Uses - Budget vs. Actual



FY25 Year End Forecast



FY25 Year-end Forecast: Sources



Key Takeaways

1. Revenue

- a) **Fare Revenue & Go Pass** – Ridership trending strong; working to revamp Go Pass product offerings
- b) **Sales Tax / Measure RR Stability** – Continued volatility with policy and market response
- c) **Government & Grant Funding Risks** – State and federal uncertainty, including LCFS timing
- d) **Future Local / Regional Revenue** – Long-term stability depends on securing dedicated funding

2. Costs

- a) **Labor & Pension Pressures** – Upward pressure on wage growth
- b) **Non-labor**
 - State of Good Repair – Ongoing investment needed to maintain infrastructure and fleet reliability.
 - Insurance & Liability – Increasing premiums; high exposure to claims – invest in safety
 - Expense controls – Continue to scrutinize non-critical expenses

FY25 Closing Outlook & Next Steps

Managing to Target — With Flexibility for Late-Year Adjustments

1. Caltrain has intensified spending controls in FY25
2. FY25 forecast within ~\$1M of budget (unfavorable)
3. A FY25 amendment may be needed in June, depending on future uncertainty in the following:
 - a. **Sources:** Lima Railcar Revenue, LCFS Credits, Sales Tax
 - b. **Uses:** Insurance Claims, TASI Inventory, Labor

Next Steps: Board Meetings

April

- FY25 Q3 Forecast (Finance Committee)

May

- FY26/27 Preliminary Biennial Budgets (Finance Committee/Board)

June

- FY26 Proposed Operating Budget for adoption
- FY27 Proposed Capital Budget for information
- FY26/FY27 Proposed Capital Budgets
- FY25 Closes
- FY26 Insurance Renewal (tentative)

Questions?

FOR MORE INFORMATION
WWW.CALTRAIN.COM

