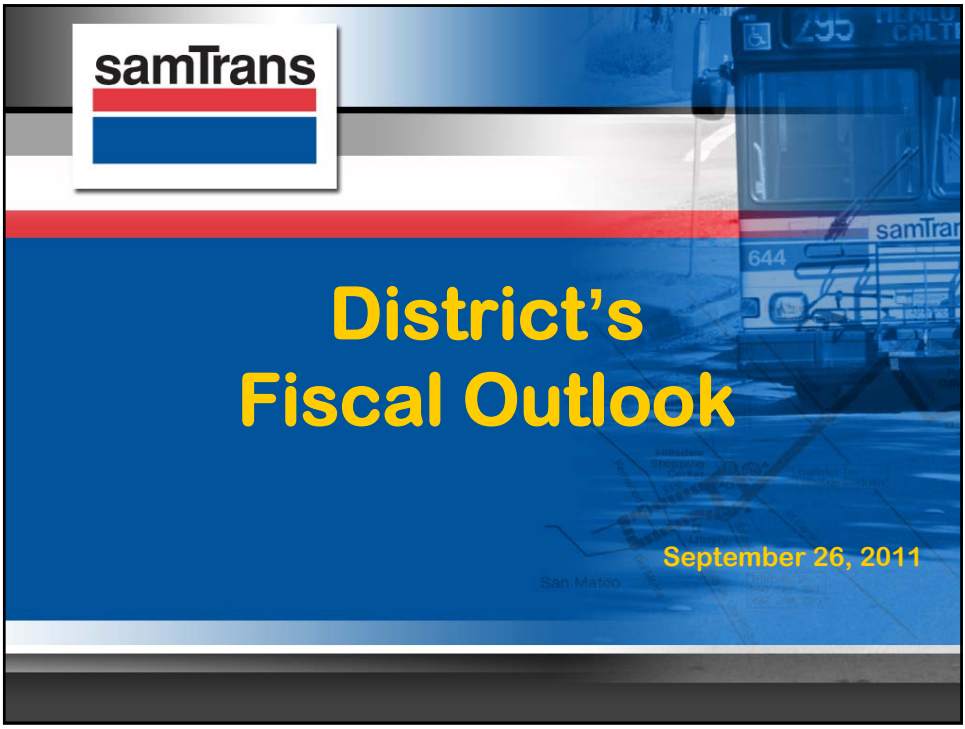


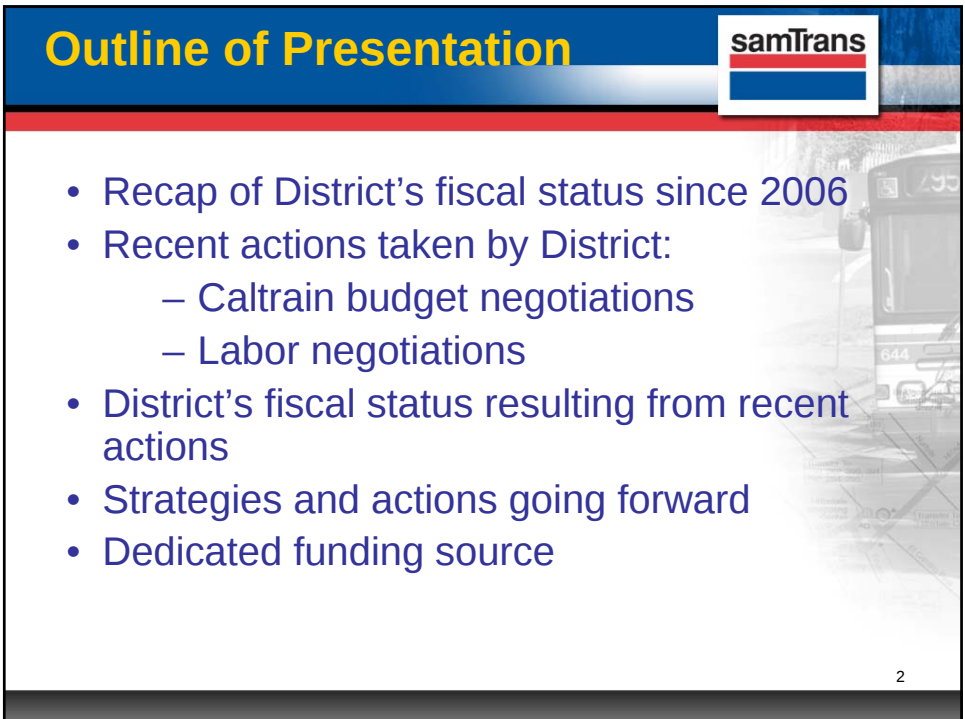


samTrans

District's Fiscal Outlook

September 26, 2011

Outline of Presentation



- Recap of District's fiscal status since 2006
- Recent actions taken by District:
 - Caltrain budget negotiations
 - Labor negotiations
- District's fiscal status resulting from recent actions
- Strategies and actions going forward
- Dedicated funding source

Fiscal Status since 2006

samTrans

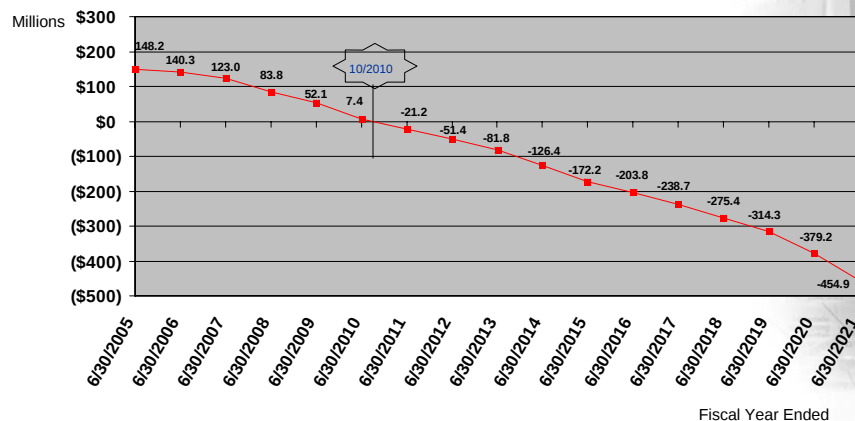
- District has been facing a continuing structural deficit
- Federal, State and local sources have dwindled
- District staff has been working with the Strategic Plan/Financial Capacity Ad Hoc Committee since 2006 to develop measures to address the structural deficit

3

Fiscal Status in August 2006

samTrans

Cash Position



Assumption:

- Annual sales tax growth rate @ 3.7%

4

Actions Taken by District

samTrans

District addressed structural deficit with a number of measures:

- Refinanced debt in 2009
- Negotiated BART settlement
- Put in place hiring and salary freezes
- Implemented service reductions and fare increases
- Reduced subsidy to Caltrain
- Completed labor negotiations for the represented employees

5

Deficit Reduction Efforts: FY2009 - FY2012

samTrans

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
7.5% Service Reduction (includes represented layoffs)	-	\$3.3 million	-	-
Administrative Layoffs	-	\$500,000	-	-
Hiring and Salary Freezes	\$325,000	\$1.0 million	\$800,000	-
Furlough Days	\$200,000	\$350,000	\$350,000	\$350,000
Fare Increases	\$625,000	\$1.3 million	-	-
Reduction in District's Sales Tax to Caltrain	-	-	\$5.9 million	\$11.8 million*
TOTALS	\$1.2 million	\$6.5 million	\$7.1 million	\$12.15 million

* The reduction to Caltrain is \$11.8 million as compared to the FY2010 sales tax amount the District contributed in years past.

Recent actions taken by the District

7

Preliminary Caltrain FY2013 Budget-balancing Plan

Outline of the balancing plan tentatively
reached by the JPB members:

- VTA and SFMTA to reimburse District \$5.2 million and \$1.8 million, respectively, in right of way payments
- District to use the \$7 million as San Mateo County's share in the FY2013 Caltrain operating budget
- Caltrain will increase its share of District's administrative overhead by \$2.5 million consistent with District's ICAP study
- JPB members to include changes to operating cost sharing formulas and Gilroy costs in FY2014's budget deliberations

8

Caltrain's FY2013 Preliminary Budget Plan

samTrans

FY2013 Projected Deficit **(\$28.8 million)**

Parking Increase 7/1/12 (from \$4 to \$5/day)	0.5 million
Preventative Maintenance Funding (FY2011)	1.0 million
New Preventative Maintenance Funding	5.0 million
Operator Contract Efficiencies	0.5 million
SamTrans – Fund Swap	2.1 million
VTA	2.0 million
Muni	0.9 million
SamTrans – Right of Way	7.0 million
VTA	6.8 million
Muni	3.0 million
FY2013 Revised Deficit	\$0

9

SamTrans reached agreement with ATU

samTrans

SamTrans reached agreement with ATU Operations and Maintenance Unit:

- Wage freeze in FY2012 and FY2013, with a possible 2.5% increase in FY2014
- Employee contributions to health care and pension plans
 - Employees contribute 3% in FY2012, another 3% in FY2013 and additional 4% in FY2014, for a total of 10% over 3 years
 - Employees contribute 2% towards PERS retirement in FY2012, another 2% in FY2013 and additional 1% in FY2014, for a total of 5% over 3 years

10

Impact of ATU Agreement for other employees

samTrans

For the ATU Customer Service and non-represented employees:

- To ensure equity for these employees, Board approved a 2.75% wage increase to take effect 9/14/11 (salaries were frozen for past three years)
- Non-represented employees will also contribute to health care and pension plans, similar to the ATU agreement

11

District's Fiscal Status resulting from these actions

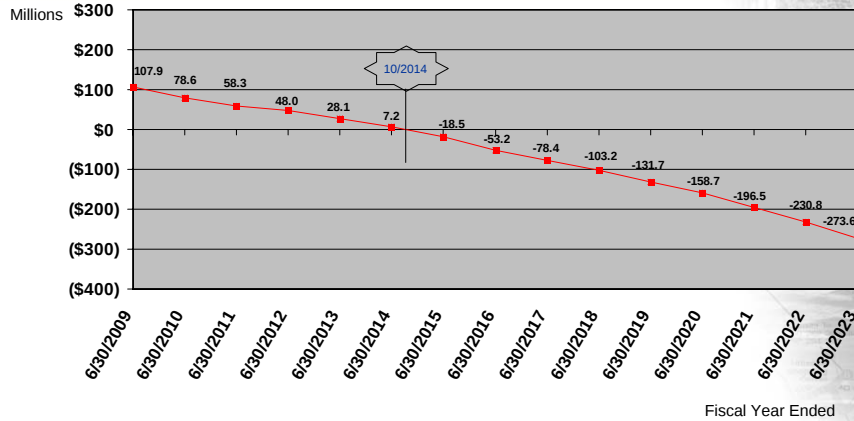
samTrans

12

District's Fiscal Status (consistent w/ FY2012 Adopted Budget)



Cash Position



Assumptions:

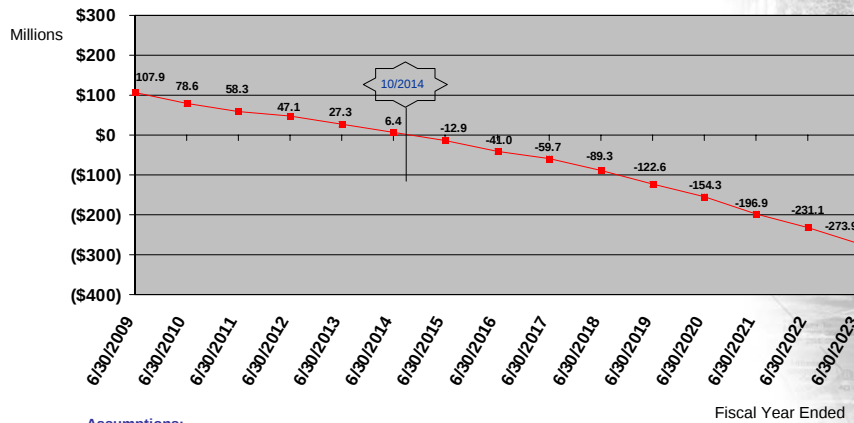
- Reduced Caltrain contribution to \$10.6 million in FY2012, \$11.0 million in FY2013 and capped at \$4.9 million starting in FY2014
- Annual sales tax growth rate @ 1.5% - 2.0%
- Assumes full repayment of right of way from the JPB partners, full repayment by FY2021
- Includes approved changes to pension and benefit contributions from employees

13

District's Fiscal Status (w/ Proposed Changes to Caltrain ROW Payments & Terms of Labor Negotiations)



Cash Position



Assumptions:

- Reduced Caltrain contribution to \$10.6 million in FY2012, \$11.0 million in FY2013 and capped at \$4.9 million starting in FY2014
- Annual sales tax growth rate @ 1.5% - 2.0%
- Assumes full repayment of right of way from the JPB partners, full repayment by FY2017
- Includes approved changes to pension and benefit contributions from employees

14

District's actions and strategies going forward

15

Next Steps – Near Term

- Seek operational efficiencies by continuing to work on the SamTrans Service Plan
- Explore cost containment strategies for delivery of paratransit services
- Work with the JPB members and MTC to implement agreements reached on the Caltrain budget for FY2013
- Continue to engage the Board on monitoring the financial condition of the District

16

Next Steps – Longer Term

samTrans

- Continue to develop bus service responding to new and strengthening markets to increase service productivity and attract new riders
- Continue discussions with JPB member agencies on Caltrain funding options for FY2014 and beyond
- 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

17

samTrans

Dedicated Funding

18

Dedicated Funding Source



Top priority among key opinion leaders:

- SamTrans Board
- Caltrain Board
- Friends of Caltrain
- Silicon Valley Leadership Group

19

Dedicated Funding Source



Broad outreach effort this year

- Four Caltrain community budget hearings
- JPB budget hearings, meetings
- More than 5,000 written public comments
- Two regional community summits
- SVLG city-by-city forums
- SVLG coalition meetings
- SVLG public opinion survey

20

Dedicated Funding Source

samTrans

Initial SVLG Poll Findings

- Sales tax - most politically viable new revenue option
- 1/8-cent in three-county area = \$70 million per year
- Voter threshold = 2/3
- One measure, three counties had most voter support
- Authorization for three-county measure requires legislation
- November 2012 ballot is most desirable

21

Dedicated Funding Source

samTrans

Initial Efforts Unsuccessful

Legislation drafted authorizing three-county approach

- Outreach to legislators
- Equity concerns
- Precluded by legislative deadlines

Statewide legislation authorizing gasoline surcharge (SB 791)

- Potential for Caltrain operations funding
- 50% voter threshold
- Precluded by legislative deadlines - two-year bill

22

Dedicated Funding Source



Additional Options/Next Steps

- MTC regional gas tax
- SVLG polling data
- Explore SMC-only measure
- Continue to build community support for SamTrans/Caltrain
 - Director Tissier's San Mateo County Mayor's Group

23



Questions?

24