Context

- SamTrans faces unprecedented financial, service, organizational challenges
  - Core budgets move from surplus to deficits
  - Deplete financial reserves by FY2023
  - Transition to electric bus fleet
  - Demographic trends (seniors, youth) impact fixed-route, paratransit services
  - Increasing multi-modal services
  - 54% of workforce transitions out in 5 years
Challenging Financial Forecast

- Every public transit agency has structural deficit(s)
- Core operating budget
  - Excludes debt service and capital costs
  - From 2001-2016, revenue covers costs (avg $28m surplus)
  - Critical to balancing budget (e.g., debt service > $20m annually)
  - Costs overtake revenue in 2026
Future Deficits for Total Budget

Beyond Core: Debt Service

- $269m in debt
- BART-related investments
- Annual debt service
  - $21m from 2016-2019
  - $19m from 2020-2033
SamTrans is a Multi-Modal Agency

<table>
<thead>
<tr>
<th>Agency</th>
<th>Location</th>
<th>Debt Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>SamTrans</td>
<td>San Mateo County</td>
<td>-$269 million</td>
</tr>
<tr>
<td>SFMTA</td>
<td>San Francisco City/County</td>
<td>-$205.8 million (FY16 and 15 Financial Statement)</td>
</tr>
<tr>
<td>Sacramento RT</td>
<td>Sacramento</td>
<td>-$138.0 million (FY15 CAFR)</td>
</tr>
<tr>
<td>VTA</td>
<td>Santa Clara County</td>
<td>-$1.2 billion (FY15 CAFR)</td>
</tr>
<tr>
<td>Monterey-Salinas Transit</td>
<td>Monterey County, San Jose, Paso Robles</td>
<td>-$0 (FY15 CAFR)</td>
</tr>
<tr>
<td>Foothill Transit</td>
<td>San Gabriel Valley</td>
<td>-$0 (FY15 CAFR)</td>
</tr>
<tr>
<td>AC Transit</td>
<td>Alameda County</td>
<td>-$38.3 million</td>
</tr>
</tbody>
</table>

Beyond Core: Capital Needs

• $11m annually (vs. $3m historically)
• Maintain current infrastructure
• Replace 42% of buses in 2021 ($74m)
• Electric buses
  - $900k each
  - Charging infrastructure
Other Concerns

• Contributions for Caltrain operations
  - Projected up to $5m annually
  - Caltrain needs dedicated funding sources
• County of San Mateo partnership for paratransit service
  - $5m annual contribution

Business as Usual Not Enough

• Consequences of Not Doing Enough
  - Loss of relevancy
  - Increasing vulnerability to economic shifts as gap between revenues and expenses closes
  - Service cuts
  - Other (e.g., pension, JPB contributions)
The Case for a Business Plan

Action Plan: Reinvent SamTrans

- Recalibrate agency finances
- Make SamTrans service more relevant
- Address the workforce issue
A Financial Action Plan

• Build off 2015-2019 Strategic Plan and implement focused program to:
  - Generate capital funding to transition fleet to zero-emissions, state of good repair
  - Generate operations funding to stabilize core budget to support innovation
  - Stabilize core budget past 2023 (depletion of reserves) and 2034 (end of debt service)

• New financial plan based on reinvented service
• Pursue funding through potential ballot measures, legislative actions (2018 and beyond)

A Mobility Action Plan

• Implement new service concepts
  - El Camino Bus Rapid services
  - Transit signal priority
  - US-101 express buses
  - Major activity centers (SFO, major job centers)

• Starting in 2018
Mobility Action Plan

• Redefine mobility for the 21st Century
• Sustainability leader
  - Zero emission transit in SM County
  - Go for the Gold (APTA)
• Partner with Silicon Valley to innovate
  - TNC pilots for fixed-route and paratransit
  - Autonomous vehicle project
• Embrace multi-modal roots
  - Dumbarton corridor

Organizational Trends

• 60% of employees (403) left over past 5 years
• 364 more separations in next 5 years
  - Hired 383 staff over past 5 years
  - Constant recruiting impacts agency
Organizational Action Plan

• Build off internal District actions initiative
• Agile, innovative, accountable culture
• Necessary to handle increasingly complex mission
  - Electrified rail system
  - Electric bus fleet
  - Dumbarton multi-modal corridor

“Office” of Innovation

• Understand, embrace, integrate new technologies that affect public transit services
• Focus on partnerships
• Work with private sector to develop projects
Next Steps

- **Spring 2017**
  - Develop Business Plan and projects
  - Outreach program
- **Summer 2017**
  - Complete Dumbarton corridor planning study
  - Private sector TNC partnership
  - Office of Innovation
- **Fall 2017**
  - Draft Business Plan
- **2018 and beyond**
  - Implement Business Plan and projects
  - Ballot measure, other financial strategies