

The logo for samTrans, featuring the text "samTrans" in a bold, sans-serif font. Below the text are two horizontal bars: a red one on top and a blue one on the bottom. The background of the slide is a blue-tinted image of a bus with the number 644 and the samTrans logo on its side.

District's Fiscal Outlook

September 26, 2011

Outline of Presentation

The samTrans logo, identical to the one on the first slide, positioned in the top right corner of the slide.

- 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

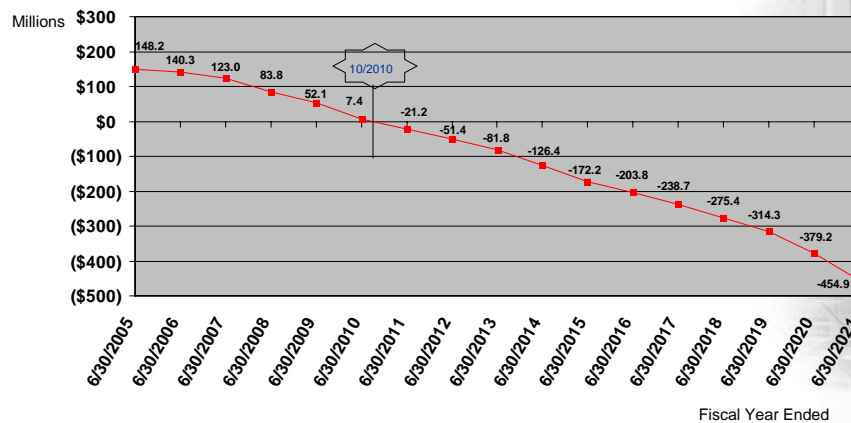


- District has been facing a continuing structural deficit
- Federal, State and local sources have dwindled
- District staff has been working with the Strategic Plan/Financial Capacity Ad Hoc Committee since 2006 to develop measures to address the structural deficit

Fiscal Status in August 2006



Cash Position



Assumption:

- Annual sales tax growth rate @ 3.7%

Actions Taken by District

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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

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	<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

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

Caltrain's FY2013 Preliminary Budget Plan



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 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

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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

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District's Fiscal Status resulting from these actions

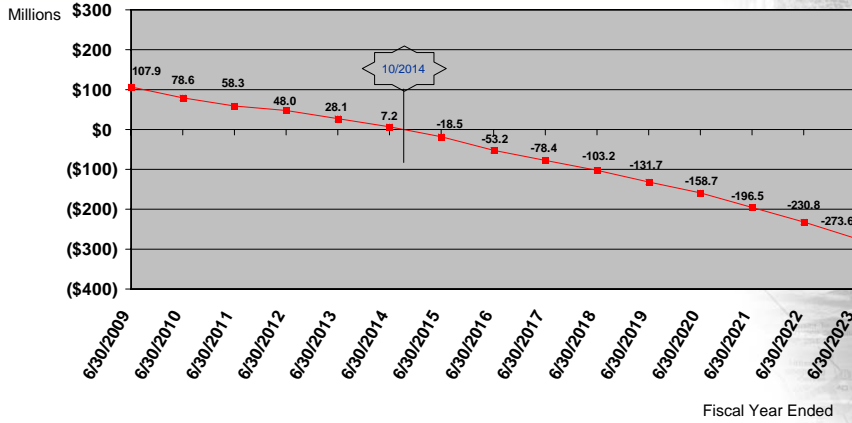
12

District's Fiscal Status

(consistent w/ FY2012 Adopted Budget)



Cash Position



Assumptions:

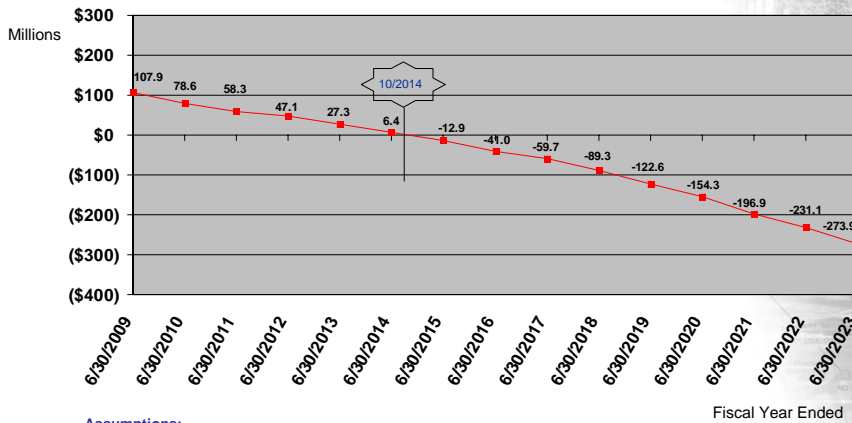
- Reduced Caltrain contribution to \$10.6 million in FY2012, \$11.0 million in FY2013 and capped at \$4.9 million starting in FY2014
- Annual sales tax growth rate @ 1.5% - 2.0%
- Assumes full repayment of right of way from the JPB partners, full repayment by FY2021
- Includes approved changes to pension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

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

District's actions and strategies going forward

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

Next Steps – Longer Term

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- 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

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Dedicated Funding

18

Dedicated Funding Source

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Top priority among key opinion leaders:

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

19

Dedicated Funding Source

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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

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

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

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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

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Questions?

24