



SamTrans Business Plan

Finance Committee
March 1, 2017
Agenda Item # 7



Context

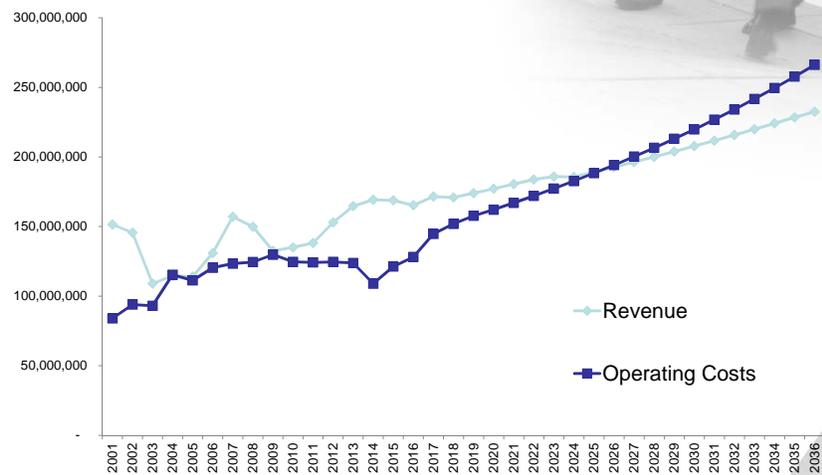
- **SamTrans faces unprecedented financial, service, organizational challenges**
 - Core budgets move from surplus to deficits
 - Deplete financial reserves by FY2023
 - Transition to electric bus fleet
 - Demographic trends (seniors, youth) impact fixed-route, paratransit services
 - Increasing multi-modal 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

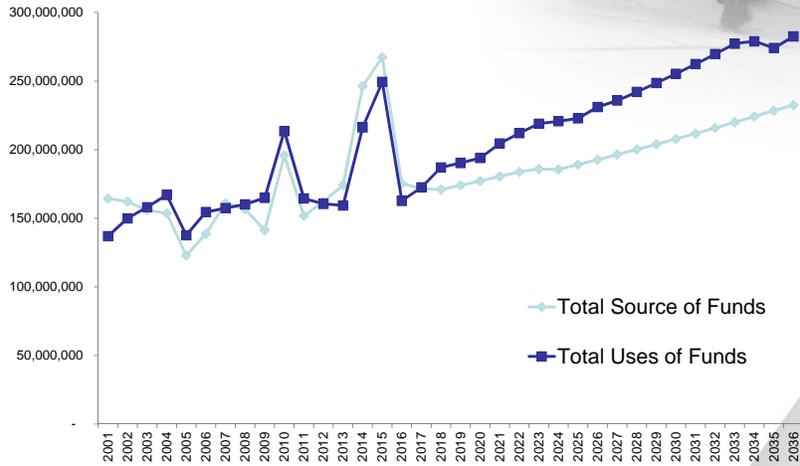
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Future Deficits for Core Budget



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Future Deficits for Total Budget



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Beyond Core: Debt Service

- **\$269m in debt**
- **BART-related investments**
- **Annual debt service**
 - \$21m from 2016-2019
 - \$19m from 2020-2033

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SamTrans is a Multi-Modal Agency

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

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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



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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

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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)

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The Case for a Business Plan



Action Plan: Reinvent SamTrans

- Recalibrate agency finances
- Make SamTrans service more relevant
- Address the workforce issue

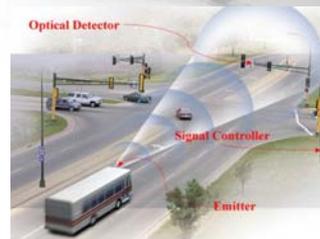
A Financial Action Plan

- **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)**

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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**



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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

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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



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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

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“Office” of Innovation

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



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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