

Adoption of Caltrain FY23-28 Short-Range Transit Plan



Agenda

- **Purpose, Requirements, and Deliverables**
- **Key Operations-Related Changes Since Pandemic**
- **Scenarios Overview**
- **Next Steps**

Purpose, Requirements, and Deliverable

- The Metropolitan Transportation Commission (MTC), in cooperation with the Federal Transit Administration (FTA) Region IX office, requires public transit operators in the region that are FTA grantees to prepare and regularly update a Short-Range Transit Plan (SRTP), as input to regional transportation planning and programming activities.
- MTC has required all of the region's transit operators to submit a Board-adopted SRTP by December 29, 2022.
- Adoption of the SRTP today will ensure Caltrain complies with MTC's requirements and remains eligible for funding.

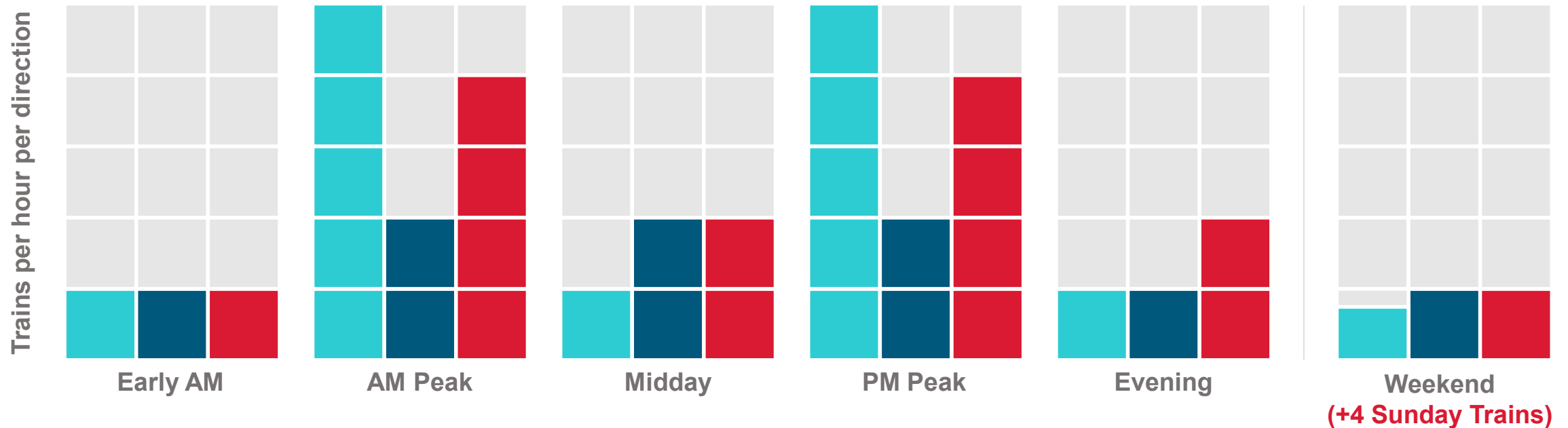
Purpose, Requirements, and Deliverable

MTC Requirements	Previous Caltrain SRTPs	2022 Caltrain SRTP
Time horizon	10-year	5-year
Operations plan	Yes	Yes
Operating scenarios	No	Yes – three MTC scenarios + one Caltrain scenario
Capital plan	Yes	No
Budgets must balance	Yes	No
Service and ridership overview	Yes	Yes
Other requirements	Goals, Strategies, Fleet Index, etc.	Pre-pandemic service vs. current service; key operating statistics by Scenario
Deliverable	~100 page document	~25 page document

Key Operations-Related Changes Since Pandemic

Recent Service Changes

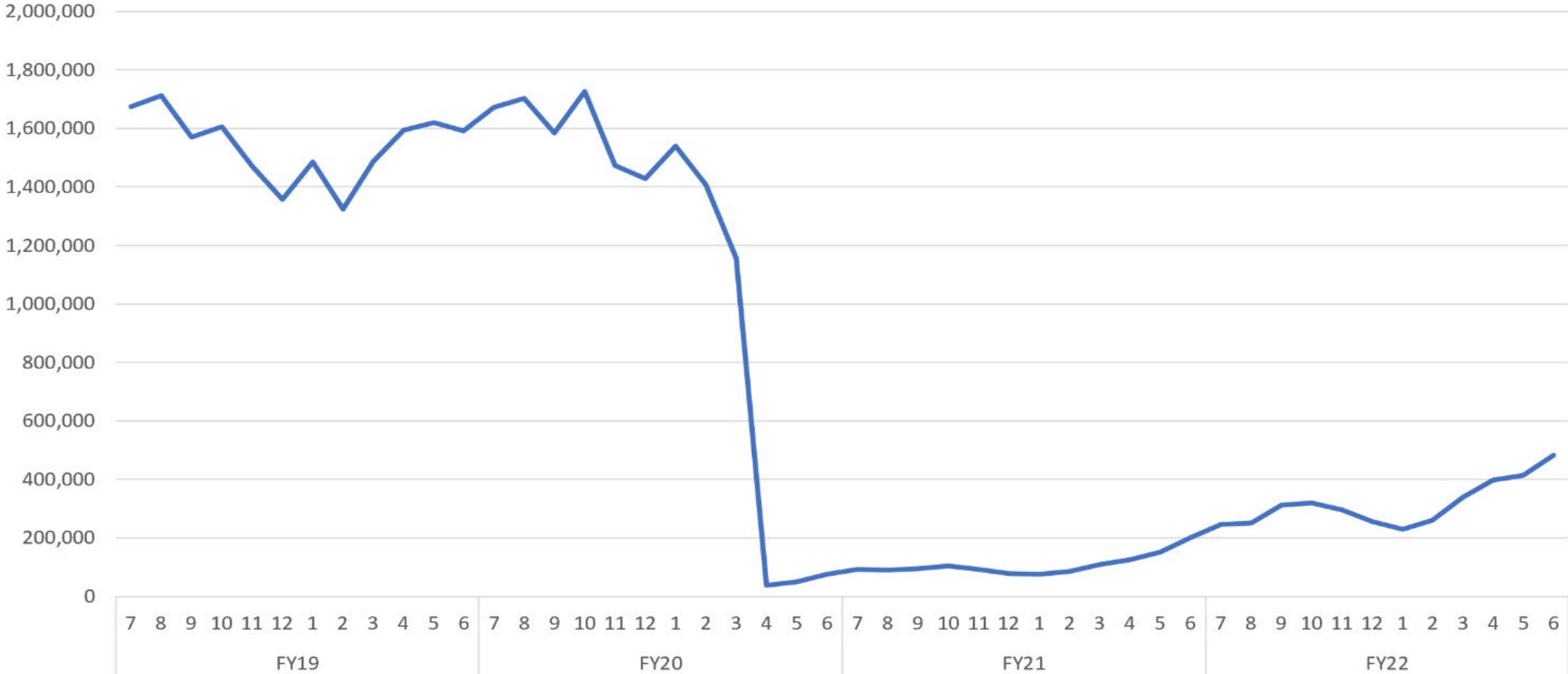
Caltrain adjusted its service numerous times since the start of the pandemic. Current service, shown in red, has been in place since fall 2021 and offers an expanded peak period and evening frequency as well as adjusted stopping patterns. Sunday service expanded to match Saturday Service.



Pre-Pandemic Service: 92 trains per day (tpd) | Spring/Summer 2021 Service: 70tpd | Fall 2021 – Present Service: 104tpd

Key Operations-Related Changes Since Pandemic

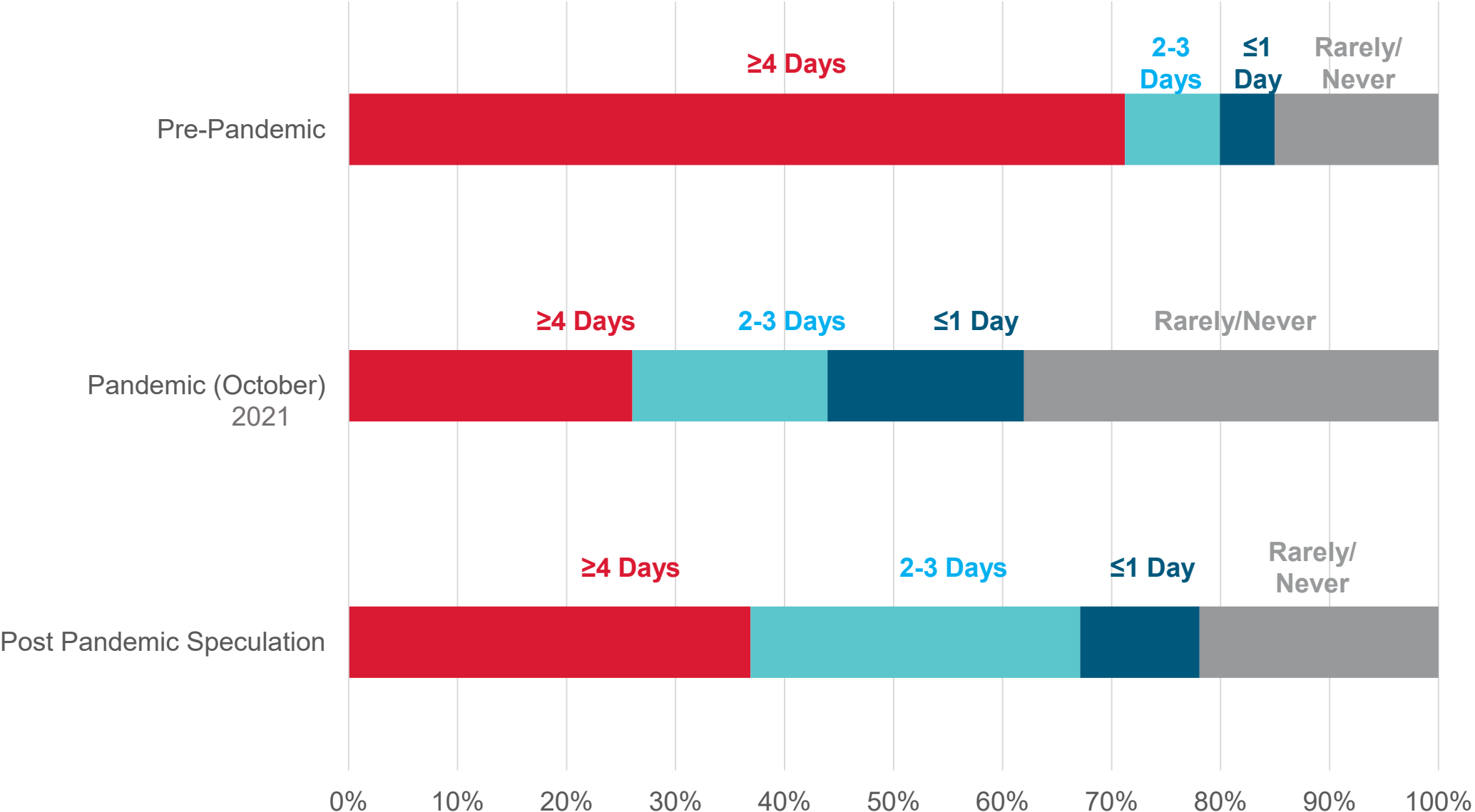
Pre-pandemic and Recent Monthly Ridership



Source: Caltrain Fare Media Sales Based Ridership

Key Operations-Related Changes Since Pandemic

Frequency of Commuting

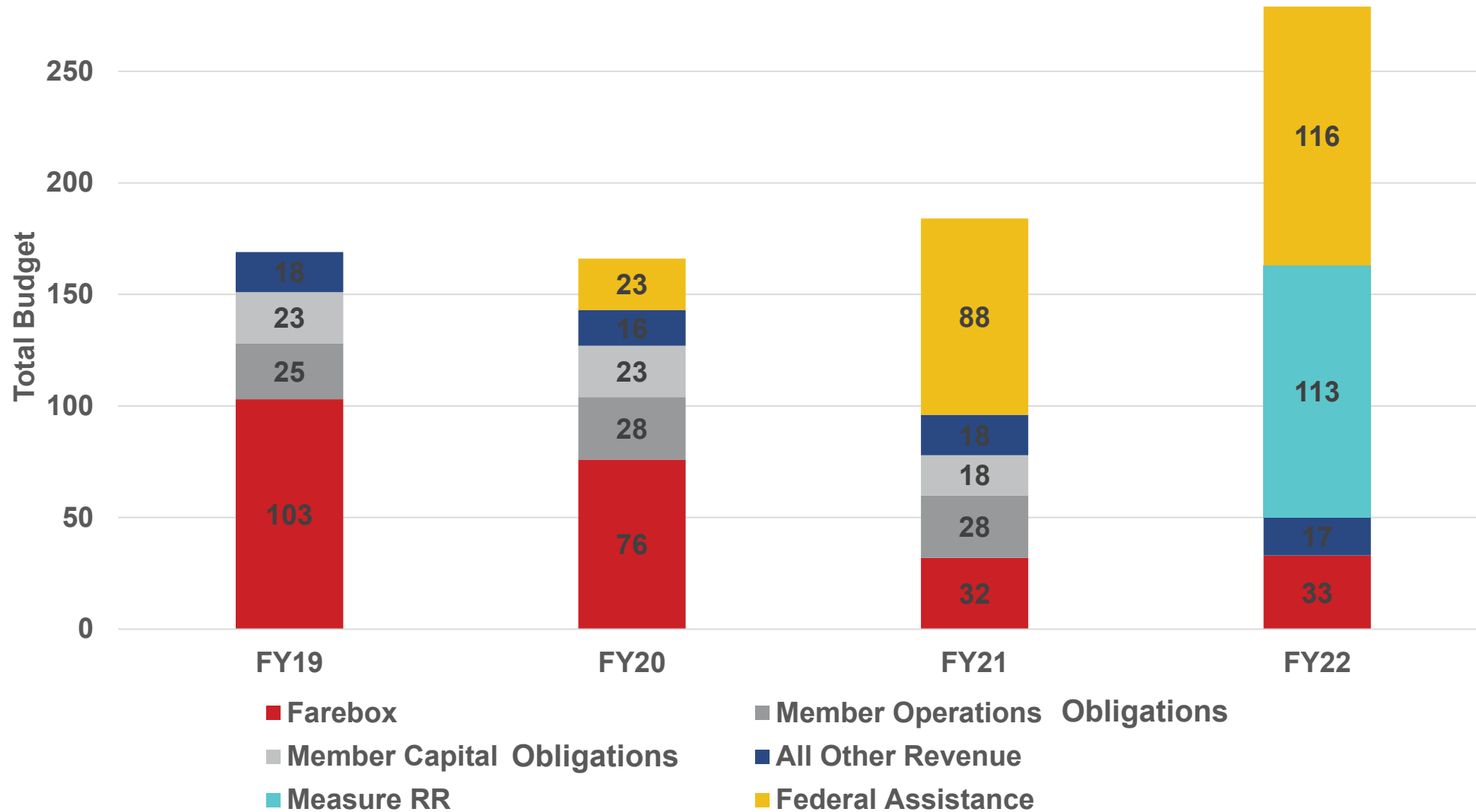


Source: Caltrain Ridership Survey Fall 2021



Key Operations-Related Changes Since Pandemic

Change in Operating and Capital Funding Sources, FY19-FY22



Source: FY19-22 Caltrain Expenditures



SRTP FY23-28: MTC Scenarios 1-3

- MTC provided three operating scenarios with operating budget amounts based on FTA data from FY19 with the addition of Measure RR revenue (passed by voters in 2020).
 - Within each of these operating budget maximums, MTC asked how much train service could be provided by Caltrain.
- These three MTC scenarios do *not* show Caltrain's anticipated costs and revenue for the levels of service in each scenario for FY24-28.
 - These three MTC scenarios do not align with Caltrain's current financial projections.
- All scenarios do *not* show the railroad's significant and separate long-term capital program needs.

SRTP FY23-28: Scenario 4

- Caltrain developed a fourth scenario - the Caltrain Electrified Service Scenario - based on internal updated financial projections.
- Fundamental challenges with MTC's three scenarios:
 - They did not include capital plans.
 - They did not distinguish between operating costs and revenues – simply provided a total operating budget amount.
- Scenario 4 presents a more complete financial picture of the railroad's planned operations – with forecasted costs and revenues.
 - **Used for a separate MTC exercise in September 2022 regarding the regional “fiscal cliff” for transit operators.**
 - Does *not* show the railroad's significant and separate long-term capital program needs.

S RTP Scenarios



Robust Recovery



Revenue Recovery with Fewer Riders



Some Progress



Caltrain Electrified Service

Scenario Description	Ridership and farebox revenue return to pre-pandemic growth expectations; service expands substantially	Ridership and farebox revenues remain lower; Caltrain reduces service to pre-pandemic levels.	Ridership and farebox revenues partially recover; service incrementally expands.	Service incrementally expands; costs, ridership, and farebox revenue based on agency's latest projections
Operating Budget Assumptions Source	MTC for S RTP			Caltrain for MTC's Fiscal Cliff
FY23-24 Weekday Service	104tpd			
FY23-24 Fleet	Diesel fleet			
FY25+ Weekday Service	168 trains per day (tpd)	92 tpd	116 tpd	116 tpd
FY25+ Fleet	Mixed diesel and electric fleet			
Measure RR Revenue Assumption	All Measure RR revenue supports Caltrain operations			All Measure RR revenue supports operations except \$25M reserved to partially fund capital needs each year

Scenario 4: Interplay between Operating and Capital



In prior years, Caltrain's operating and capital budgets were highly siloed based on funding source. With Measure RR, the two budgets have become more interlinked:

Measure RR

Scenario 4 projections assume \$25 million annually out of approximately \$100 million total from Measure RR dedicated to capital budget

Currently, these funds are needed in the capital budget to support basic state of good repair and routine capital expenditures as well as to match federal funds

Scenario 4: Projected Deficits (in \$ millions)

Scenario 4 – Caltrain Electrified Service	FY23	FY24	FY25	FY26	FY27	FY28
Total Projected Revenue	179	170	180	193	201	210
Total Projected Expenditures	179	195	229	240	252	265
Projected Deficits	0	-25	-49	-47	-51	-55
Level of Weekday Train Service	104tpd	104tpd		116tpd		

Assumptions:

- Reserves a portion of Measure RR for capital needs: \$16M in FY24, \$25M in FY25 - FY28 to support upcoming capital needs.
- Excludes operating member obligations, low carbon fuel credits, and increased debt service for Measure RR bonds; assumes no future fare increases.
- Does not include potential future increased annual cost for any additional new financing that may be needed to support Electrification project.

S RTP Scenarios



Robust Recovery



Revenue Recovery with Fewer Riders



Some Progress



Caltrain Electrified Service

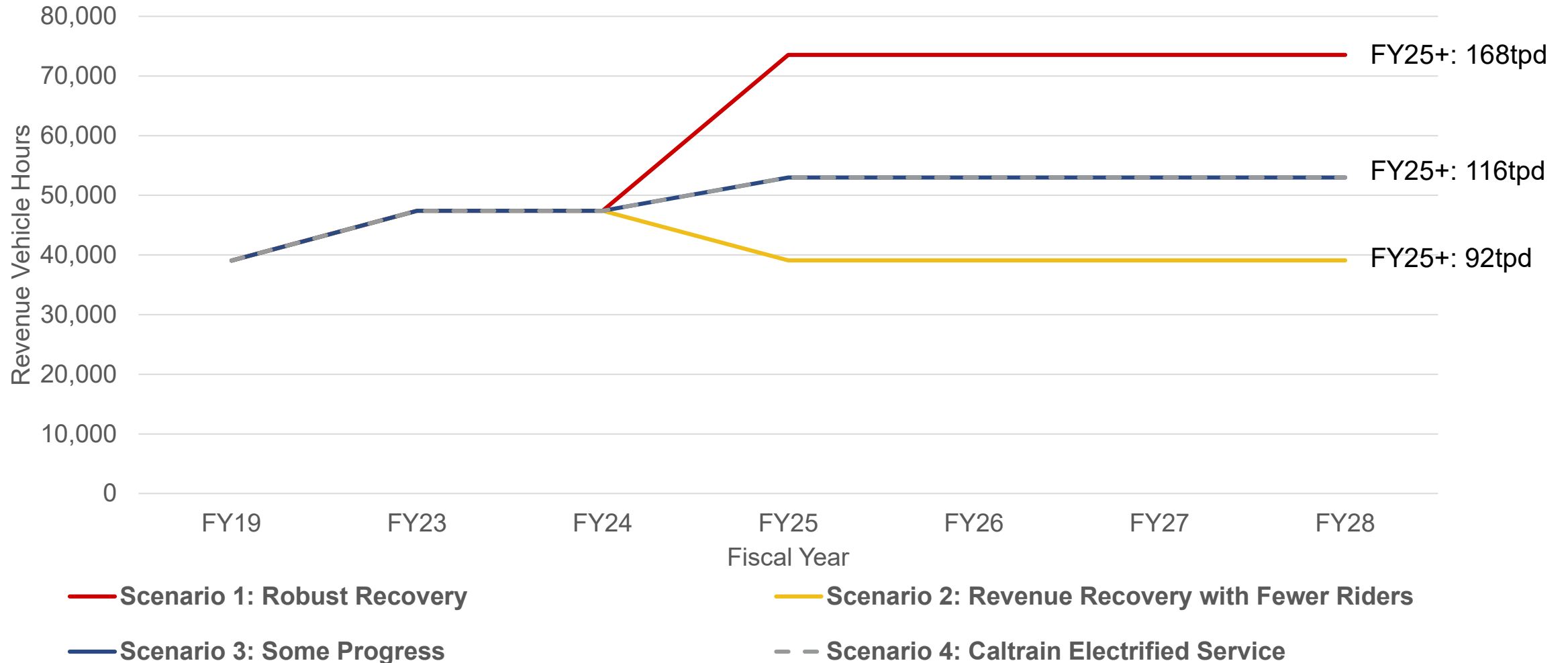
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Key Differences: Operating Budget (in \$ millions)

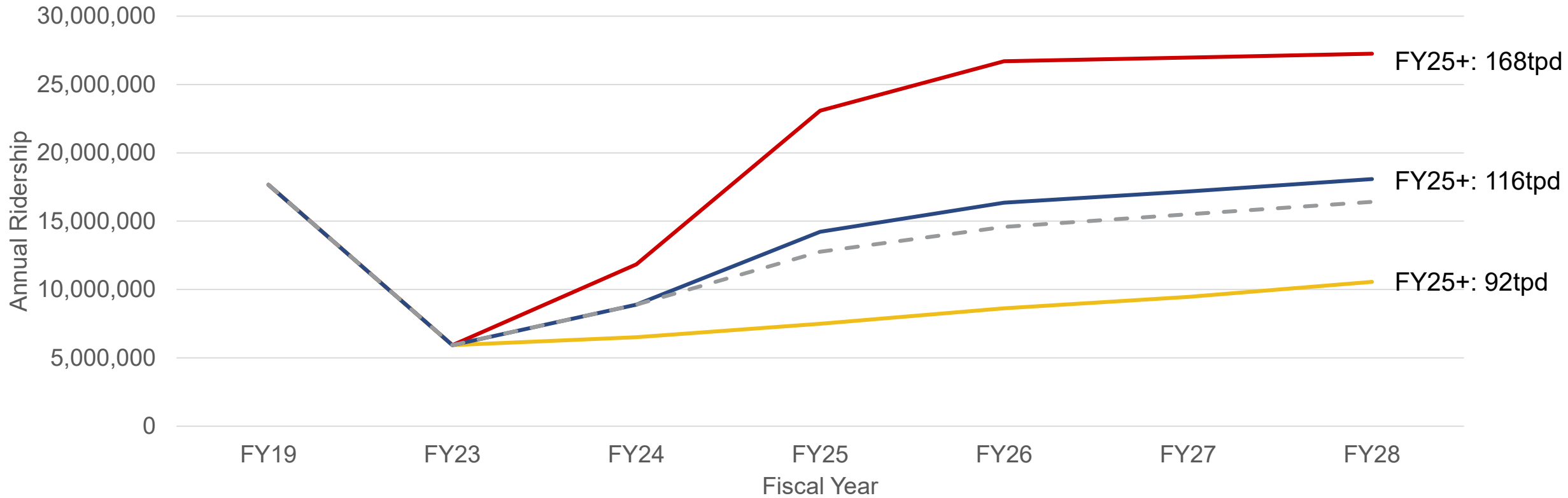
Scenarios 1-3: Amount of Annual Operating Budgets Provided by MTC (Assumed to Balance Costs/Revenues)

MTC SCENARIO	FY19	FY23	FY24	FY25	FY26	FY27	FY28
Scenario 1: Robust Recovery							
Annual Operating Budget Amount from MTC	147	179	273	281	288	294	300
Level of Train Service	92 tpd	104 tpd	104 tpd	168 tpd			
Scenario 2: Revenue Recovery with Fewer Riders							
Annual Operating Budget Amount from MTC	147	179	216	222	228	233	237
Level of Train Service	92 tpd	104 tpd	104 tpd	92 tpd			
Scenario 3: Some Progress							
Annual Operating Budget Amount from MTC	147	179	232	239	244	249	255
Level of Train Service	92 tpd	104 tpd	104 tpd	116 tpd			

Key Differences: Revenue Vehicle Hours



Key Differences: Ridership



— Scenario 1: Robust Recovery

— Scenario 2: Revenue Recovery with Fewer Riders

— Scenario 3: Some Progress

- - Scenario 4: Caltrain Electrified Service

Next Steps

SRTP Next Steps:

- Staff recommend that WPLP recommend the Board adopt the SRTP on December 1, 2022
- Staff will submit the adopted SRTP to MTC by December 29, 2022

On Financial Projections:

- Caltrain staff will continue to update and refine financial projections for Caltrain operations as part of the FY24-25 budget process, to be presented at a planned Spring 2023 Board workshop
- Caltrain staff is commencing the CIP process to identify long-term capital plan

Thank you!

FOR MORE INFORMATION

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