

Southern California Regional Rail Authority Fiscal Year 2012-13 Proposed Budget Presentation

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Southern California Regional Rail Authority
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Proposed Budget Recap \$ millions	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Budget	FY 2012-13 Budget	OCTA FY 2011-12 Budget	OCTA FY 2012-13 Budget
Operating Expenses	\$166.3	\$168.2	\$179.7	\$194.0	\$39.2	\$42.5
Revenues	\$85.2	\$91.3	\$98.5	\$99.9	\$20.9	\$22.4
<i>Member Agency Operating Subsidy</i>	\$81.1	\$76.9	\$81.1	\$94.1	\$18.2	\$20.1
<i>% increase year over year</i>		(5.2%)	6.4%	16.0%		
Agency Budget Gap		(\$4.2)	\$4.2	\$13.0		

- 5.6 percent of the 16 percent year over year increase is attributed to fuel increase
- This slide does NOT include new service requests from member agencies
- The funding gap presented at the March 23, 2012 Southern California Regional Rail Authority (SCRRA) Planning & Finance Committee meeting of \$14.4 million was reduced with further cuts in operating expenses, including labor from vacancies and improved management of parts/equipment used in the daily operations of the railroad.



Key Cost Drivers \$ millions	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Budget	FY 2012-13 Budget	Comments
Major Contracted Vendors					
Amtrak/Connex	\$24.6	\$25.3	\$29.5	\$32.5	National 8.5 percent Labor Wage Settlement Agreement, General and Administrative, and Fringe Rates; Includes \$0.5 million "Take Back" for Insurance
Veolia Transportation Maintenance and Infrastructure	\$8.9	\$10.4	\$9.6	\$9.2	
Mass Electric Construction Company	\$9.5	\$11.2	\$11.1	\$11.2	
Bombardier	\$18.5	\$17.0	\$15.8	\$16.8	Locomotive Reliability Program staffing
Sheriff	\$6.1	\$5.8	\$5.1	\$5.3	No Reduction in Uniformed Personnel
Total	\$67.6	\$69.7	\$71.1	\$75.0	

Key Cost Drivers \$ millions	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Budget	FY 2012-13 Budget	TOTAL
Diesel Fuel					
Total Budget	\$12.7	\$15.3	\$22.5	\$27.3	
Total Annual Fuel Cost	\$12.7	\$17.1	\$22.5	\$27.3	
<i>Price per gallon</i>	<i>\$1.80</i>	<i>\$2.40</i>	<i>\$3.40</i>	<i>\$3.75</i>	
Total Price Increase		\$4.3	\$6.5*	\$2.6	\$13.4
Burn Rate change from 2.5 to 2.7 <i>(gallons per mile)</i>	-	-	\$1.0	\$2.1	\$3.1
Total incremental costs	-	\$4.3	\$7.5	\$4.7	\$16.5

* Note: FY 2011-12 Budget includes an incremental \$1.0 million for increased train miles



Impact of Potential Fare Increase

Proposed FY 2012-13 Budget \$ millions	Total Revenue Generated	Member Agency Breakdown					
		LACMTA	OCTA	RCTC	SANBAG	VCTC	
Fare Increase:							
3.5%	\$2.3	\$1.2	\$0.5	\$0.2	\$0.3	\$0.1	
5%	\$3.2	\$1.7	\$0.7	\$0.2	\$0.5	\$0.1	
6%	\$3.9	\$2.0	\$0.9	\$0.3	\$0.6	\$0.1	
7%	\$4.5	\$2.3	\$1.0	\$0.3	\$0.7	\$0.1	
8%	\$5.2	\$2.6	\$1.2	\$0.4	\$0.8	\$0.2	
9%	\$5.8	\$3.0	\$1.3	\$0.4	\$0.9	\$0.2	
20.5%	\$13.0	\$6.7	\$2.9	\$0.9	\$2.0	\$0.4	

- There is an average loss of 25,000 passengers in annual ridership for each 1 percent of fare increase



Impact of Potential Fare Increase

Proposed FY 2012-13 Budget – OCTA Specific

\$ millions	0%	5%	6%	7%	8%	9%
Member Agency Total Contributions	\$94.1	\$90.9	\$90.3	\$89.6	\$88.9	\$88.3
Agency Contribution Reduction in Agency Contribution after Fare increase	\$20.1	\$19.4	\$19.2	\$19.1	\$18.9	\$18.8
<i>Contribution change</i>		\$0.7	\$0.9	\$1.0	\$1.2	\$1.3
		3.5%	4.5%	5.0%	6.0%	6.5%



Next Steps

5/1/12 - 6/21/12

Member agencies consider SCRRA FY 2012-13 Preliminary Budget at respective Board of Directors

5/30/12

SCRRA Public Hearing on Potential Fare Increase [Potential Board of Directors Action on Fare Increase]

6/8/12

SCRRA Regular Board of Directors Meeting [Potential Board of Directors Action on Fare Increase and/or adoption of SCRRA's FY 2012-13 Final Budget]

6/9/12 - 6/30/12

Potential SCRRA Special Board of Director's Meeting [for adoption of SCRRA's FY 2012-13 Final Budget]

