



ITEM 5

Conduct a Public Hearing on the Proposed ACE Fare Increase, Accept Report Summarizing Comments Received during the Public Comment Period, and Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Adopting a Fare Increase of 5.25 Percent for all Fares Rounded Up to the Nearest 25¢, Effective October 3, 2016 for the Altamont Corridor Express Service



BACKGROUND

- Proposed fare increase was brought before the Board in March 2016 to open the Public Comment Period until the May 6th, 2016 Board meeting.
- The Fare Increase was calculated as described in the adopted ACE Fare Program utilizing the Consumer Price Index (CPI) for Urban Wage Earner and Clerical Workers, San Francisco-Oakland-San Jose Area on a December to December time frame.
- The increase in the CPI from December 2013 through December 2015 is 5.31%.



BACKGROUND

- Based upon CPI data, staff is recommending a fare increase of 5.25% with tickets being rounded up to the nearest \$0.25 increment.
- The fare increase would generate approximately \$420,000 in added revenue annually.
- A 5.25% fare increase would increase the cost of monthly pass from Lathrop to Santa Clara/San Jose by \$17.50 per month.

OUTREACH EFFORTS

- Santa Clara Valley Transportation Authority (VTA) approved the proposed fare increase
- Alameda County Transportation Commission (ACTC) has approved the proposed fare increase
- Public notice was placed in newspapers, displayed on message boards, the website, and contained in text alerts



PUBLIC COMMENT

- Staff received 9 comments received prior to the board mailout.

- Typical comments noted:
 - ▣ Recent delays on the system
 - ▣ Equipment reliability
 - ▣ The Public Hearing being held during working hours



Existing Fares

		Lathrop	Tracy	Tri-Valley	Fremont	Santa Clara/San Jose
SKT	One Way	4.50	5.50	9.50	10.75	13.75
	R/T	5.50	10.75	14.75	19.50	24.25
	20 Ride	46.75	83.25	117.75	152.50	188.25
	Monthly	87.00	151.00	216.50	280.25	345.75
LAT	One Way		5.35	9.00	10.25	12.75
	R/T		10.25	14.25	18.00	23.25
	20 Ride		79.00	112.50	146.00	180.00
	Monthly		144.25	207.00	268.50	331.50
TRC	One Way			5.25	9.00	10.25
	R/T			10.25	14.25	18.00
	20 Ride			79.00	112.50	146.00
	Monthly			144.25	207.00	268.50
TRI-VALLEY	One Way			4.00	5.35	9.00
	R/T			5.25	10.25	14.25
	20 Ride			45.00	79.00	112.50
	Monthly			83.50	144.25	207.00
FMT	One Way					5.25
	R/T					10.25
	20 Ride					79.00
	Monthly					144.25
SCC	One Way					4.00
	R/T					5.25
	20 Ride					45.00
	Monthly					83.50



Proposed Fares with 5.25% Increase

		Lathrop	Tracy	Tri-Valley	Fremont	Santa Clara/San Jose
SKT	One Way	4.75	6.00	10.00	11.50	14.50
	R/T	6.00	11.50	15.75	20.75	25.75
	20 Ride	49.25	87.75	124.00	160.75	198.25
	Monthly	91.75	159.00	228.00	295.00	364.00
LAT	One Way		5.75	9.50	11.00	13.50
	R/T		11.00	15.00	19.00	24.50
	20 Ride		83.25	118.50	153.75	189.50
	Monthly		152.00	218.00	282.75	349.00
TRC	One Way			5.75	9.50	11.00
	R/T			11.00	15.00	19.00
	20 Ride			83.25	118.50	153.75
	Monthly			152.00	218.00	282.75
TRI-VALLEY	One Way			4.25	5.75	9.50
	R/T			5.75	11.00	15.00
	20 Ride			47.50	83.25	118.50
	Monthly			88.00	152.00	218.00
FMT	One Way					5.75
	R/T					11.00
	20 Ride					83.25
	Monthly					152.00
SCC	ONE WAY					4.25
	ROUND TRIP					5.75
	20 RIDE					47.50
	MONTHLY					88.00



Proposed Increase in Ticket Prices

		Lathrop	Tracy	Tri-Valley	Fremont	Santa Clara/San Jose
SKT	One Way	0.25	0.50	0.50	0.75	0.75
	R/T	0.50	0.75	1.00	1.25	1.50
	20 Ride	2.50	4.50	6.25	8.25	10.00
	Monthly	4.75	8.00	11.50	14.75	18.25
LAT	One Way		0.50	0.50	0.75	0.75
	R/T		0.75	0.75	1.00	1.25
	20 Ride		4.25	6.00	7.75	9.50
	Monthly		7.75	11.00	14.25	17.50
TRC	One Way			0.50	0.50	0.75
	R/T			0.75	0.75	1.00
	20 Ride			4.25	6.00	7.75
	Monthly			7.75	11.00	14.25
TRI-VALLEY	One Way			0.25	0.50	0.50
	R/T			0.50	0.75	0.75
	20 Ride			2.50	4.25	6.00
	Monthly			4.50	7.75	11.00
FMT	One Way					0.50
	R/T					0.75
	20 Ride					4.25
	Monthly					7.75
SCC	ONE WAY					0.25
	ROUND TRIP					0.50
	20 RIDE					2.50
	MONTHLY					4.50



ITEM 6

FISCAL YEAR 2016/2017

CONCEPTUAL CAPTIAL AND OPERATING BUDGETS



**SAN JOAQUIN
REGIONAL
RAIL COMMISSION**



BUDGET ADOPTION SCHEDULE

- ❑ May 6, 2106 – Conceptual Budget Presentation
- ❑ June 3, 2016 - Public Hearing; Final Work Program and Budget to be submitted for approval



2015/2016 HIGHLIGHTS

■ Fiscal Year to Date:

On-Time Performance	- 84.5%
Ridership	- 957,619
Ave. Monthly Ridership	- 106,402
Fare Revenue (75% of the year complete)	- 80% of budget



DRAFT WORK PROGRAM

■ Categories

□ Capital Program:

- Major Projects and associated expenses

□ Operating:

- Project Management and Services and Supplies
- Contracted Services



CONCEPTUAL CAPITAL BUDGET FY 2016/2017

Conceptual Capital Budget 2016/2017	Project Total for FY 16/17
Cabral Station Track Extension	\$4,762,078
UPRR Track Improvements	4,000,000
UPRR Capital Access Fee	3,242,516
A1 & A2 Bond Repayment Positive Train Control	3,034,762
SJCOG Consolidated Loan	1,868,023
Mid-Life Overhaul of 1 Locomotive	1,500,000
Rail Maintenance & Layover Facility	1,200,000
Positive Train Control – On board equipment and Back Office Project	1,733,750
E-Ticketing/Security Projects	1,435,122
Capital Spares/Upgrades for Passenger Cars and Locomotives	69,996
Sunol Wayside Horn Project	500,000
San Joaquin Intercity Minor Capital Projects (Funded by State of California)	1,000,000
CONCEPTUAL CAPITAL PROJECTS BUDGET	\$24,346,247

FISCAL YEAR 2016/2017 CONCEPTUAL OPERATING BUDGET PROJECT MANAGEMENT, SERVICES AND SUPPLIES EXPENSES	PRIOR YEAR SJRR/ACE COMBINED OPERATING BUDGET	2016/2017 SJRR OPERATING BUDGET	2016/2017 ACE SERVICE OPERATING BUDGET	2016/2017 COMBINED SJRR ACE OPERATING BUDGETS	% CHANGE FROM PY TO CY
Project Management Services and Supplies					
Salaries/Benefits/Contract Help	3,939,633	419,464	3,638,359	4,057,823	3%
Office Expenses/Postage	62,825	27,440	38,285	65,725	5%
Subscriptions/Periodicals/Memberships	15,000	6,325	8,825	15,150	1%
Office Equipment Leases / Supplies / Maintenance / Furniture	71,255	17,923	55,470	73,393	3%
Computer Systems	42,150	6,915	35,235	42,150	0%
Communications	88,329	11,000	80,000	91,000	3%
Motor Pool	75,370	19,660	56,610	76,270	1%
Transportation/Travel	32,750	6,200	26,550	32,750	0%
Training	17,900	3,815	14,085	17,900	0%
Training (Security Grant Funded)	30,000	-	30,000	30,000	0%
Audits/Regulatory Reporting	83,000	4,173	84,287	88,460	7%
Professional Services Legislative	100,000	25,000	75,000	100,000	0%
Professional Services Legal	90,000	40,000	50,000	90,000	0%
Professional Services General	173,985	42,192	134,793	176,985	2%
Publications/Legal Notices	17,000	7,000	10,000	17,000	0%
Taxes/Assessments	23,025	23,025	-	23,025	0%
Project Management, Services & Supplies Subtotal	4,862,222	660,132	4,337,499	4,997,631	3%



FISCAL YEAR 2016/2017 CONCEPTUAL OPERATING BUDGET CONTRACTED SERVICES EXPENSES	PRIOR YEAR SJRR/ACE COMBINED OPERATING BUDGET	2016/2017 SJRR OPERATING BUDGET	2016/2017 ACE SERVICE OPERATING BUDGET	2016/2017 COMBINED SJRR/ACE OPERATING BUDGETS	% CHANGE FROM PY TO CY
<u>Contracted Services</u>					
Maintenance of San Joaquin County Facilities	75,800	76,500	-	76,500	1%
Maintenance & Improvements System Wide ACE Stations	51,900	-	51,900	51,900	0%
Maintenance of Headquarters Structures/Grounds	200,380	50,570	153,210	203,780	2%
ACE Operations & Maintenance	5,508,543	-	5,748,550	5,748,550	4%
Consumables/Repair Parts	1,000,000	-	1,000,000	1,000,000	0%
Operating Leases	98,700	29,500	72,200	101,700	3%
Fuel	1,834,500	-	1,612,500	1,612,500	-12%
Railroad Maintenance, Oversight/Dispatching	1,698,000	-	1,698,000	1,698,000	0%
Insurance	2,182,723	151,417	2,437,999	2,589,416	19%
Insurance Management Fees	175,000	31,500	143,500	175,000	0%
Security Services/Safety Programs	188,885	42,785	228,865	271,650	44%
FRA/FTA Drug Testing Program	4,600	-	6,200	6,200	35%
Community Engagement & Marketing	365,472	25,000	340,472	365,472	0%
Special Trains	297,970	-	317,970	317,970	7%
Passenger Services	14,500	-	14,500	14,500	0%
Ticketing Services	416,900	-	472,950	472,950	13%
Professional Services Operations	294,125	41,725	295,300	337,025	15%
Communications Operations	111,620	-	137,226	137,226	23%
Communications WiFi	129,856	-	129,856	129,856	0%
Emergency Ride Home/Emergency Bus Bridges	36,000	-	37,500	37,500	4%
Rail Maintenance Facility	900,414	-	913,414	913,414	1%
Contracted Services - Sub-Total	15,585,888	448,997	15,812,112	16,261,109	4%
Shuttle Services	1,228,949	-	\$1,228,949	1,228,949	0%
Total Operating Expenses	21,677,059	1,109,129	21,378,560	22,487,689	4%



COST DRIVERS

- **Approximately \$810,630 Increase in Overall ACE O&M Budget**
 - ❑ -\$222,000 decrease in Fuel
 - ❑ \$255,276 in Insurance associated with the increase in ACE ridership
 - ❑ \$271,650 in Security costs associated with the increase in the minimum wage
 - ❑ \$56,050 in Ticketing Services to support increases in ridership and the fare increase
 - ❑ \$42,900 in Professional Services (Operations) line to support IT needs at the Rail Maintenance Facility, Security Cameras, and new Federal Safety Program Requirements
 - ❑ \$240,007 for ACE O&M Contract indexed to CPI
 - ❑ \$25,606 in Communications Operations for Increase is due to increase in operational staff communication expenses



FISCAL YEAR 2016/2017 CONCEPTUAL OPERATING BUDGET PROJECT MANAGEMENT, SERVICES AND SUPPLIES EXPENSES	2015/2016 SJJPA OPERATING BUDGET	2016/2017 SJJPA OPERATING BUDGET	% CHANGE FROM PY TO CY
Project Management Services and Supplies			
Salaries/Benefits/Contract Help	1,278,549	1,384,380	8%
Office Expenses/Postage	5,125	5,125	0%
Subscriptions/Periodicals/Memberships	-	-	0%
Office Equipment Leases / Supplies / Maintenance / Furniture	13,885	13,885	0%
Computer Systems	10,000	10,000	0%
Communications	6,379	23,515	269%
Motor Pool	9,611	10,000	4%
Transportation/Travel	30,000	30,000	0%
Training	2,500	2,500	0%
Training (Security Grant Funded)	-	-	0%
Audits/Regulatory Reporting	15,000	15,000	0%
Professional Services Legislative	15,000	15,000	0%
Professional Services Legal	50,000	50,000	0%
Professional Services General	77,255	29,797	-61%
Publications/Legal Notices	5,258	5,258	0%
Taxes/Assessments	-	-	0%
Project Management, Services & Supplies Subtotal	1,515,252	1,594,460	5%



FISCAL YEAR 2016/2017 CONCEPTUAL OPERATING BUDGET CONTRACTED SERVICES EXPENSES	2015/2016 SJJPA OPERATING BUDGET	2016/2017 SJJPA OPERATING BUDGET	% CHANGE FROM PY TO CY
Contracted Services			
Maintenance of San Joaquin County Facilities	-	-	0%
Maintenance & Improvements System Wide ACE Stations	-	-	0%
Maintenance of Headquarters Structures/Grounds	15,699	15,700	0%
ACE Operations & Maintenance	-	-	0%
Consumables/Repair Parts	-	-	0%
Operating Leases	-	-	0%
Fuel	-	-	0%
Railroad Maintenance, Oversight/Dispatching	-	-	0%
Insurance	2,700,000	20,000	-99%
Insurance Management Fees	5,000	5,000	0%
Security Services/Safety Programs	25,000	25,000	0%
RA/FTA Drug Testing Program	-	-	0%
Community Engagement & Marketing	1,000,000	1,000,000	0%
Special Trains	-	-	0%
Passenger Services	-	-	0%
Ticketing Services	-	-	0%
Professional Services Operations	50,000	50,000	0%
Communications Operations	20,000	20,000	0%
Communications WiFi	-	-	0%
Emergency Ride Home/Emergency Bus Bridges	-	-	0%
Rail Maintenance Facility	-	-	0%
San Joaquin Intercity Rail Operations	40,897,063	46,000,000	12%
Contracted Services - Sub-Total	44,716,072	47,135,700	5%
Total Operating Expenses	46,231,324	48,730,160	5%



- **Approximately \$2,498,836 Increase in Overall SJJPA O&M Budget**
 - ❑ \$105,831 in Salaries and Benefits to account for hiring of approved positions as the SJJPA takes full oversight responsibilities with the signing of the Amtrak operating agreement
 - ❑ \$17,136 increase in Communications due to actual experience this past fiscal year
 - ❑ \$25,606 in Communications Operations for Increase is due to increase in operational staff communication expenses
 - ❑ -\$2,680,000 in Insurance due to a change in how the railroad liability insurance is being paid. The SJJPA is not responsible for payment to Amtrak, Caltrans will be paying the cost directly
 - ❑ \$5,102,937 increase in the San Joaquin Intercity Operations line for a full year of the 7th daily roundtrip expenses