

SFMTA

Municipal Transportation Agency

FY 2009-2010 OPERATING BUDGET Revised Projections



MARCH 17, 2009 SAN FRANCISCO, CALIFORNIA

Background

- The SFMTA Board adopted the FY 2008-2009 and 2009-2010 Operating Budgets on April 15, 2008 pursuant to the Charter
- The approved FY 2009-2010 Operating Budget totaled \$820.4 million including \$2.2 million for Taxi Services
- Subsequently, the Taxi Services budget was removed from the SFMTA Budget during the City budget process pending the transfer legislation
- During the approval process of the FY 2009 and FY 2010 Operating Budgets, the SFMTA Board requested that attempts be made to revisit the budget and determine whether cost savings could be made without negatively impacting operations and service. This effort resulted in a reduction to the Operating Budgets for both years by \$1.6 million in MEA positions.
- Therefore, the final FY 2009-2010 is \$816.7 million as published in the FY 2008-2009 and 2009-2010 Adopted Operating Budget
- Since April 15, 2008 there has been a severe downturn in the economy across the globe which has had a significant impact to the FY 2009-2010 budget projections

FY 2009-2010 OPERATING BUDGET

Changes to Revenues (millions)

Revenue Category	2009-2010 Approved Budget	2009-2010 Projection as of Feb 2009	2009-2010 Projected Surplus / (Deficit)	Description
State/Regional Funds	115.7	60.9	(54.8)	State Budget Eliminated Transit Assistance Funding (\$42.8M), TDA Sales Tax and AB1107 from MTC (\$11.5M), Gas Tax (\$0.5M)
General Fund	252.2	227.9	(24.3)	Less General Fund Baseline Available due to declining General Fund revenues
Advertising	16.2	10.0	(6.2)	Advertising market declines
Parking Citations	103.8	97.8	(6.0)	Reduced citations from street sweeping schedule changes plus Courthouse fee increase to State
Garage Revenues	31.4	27.7	(3.7)	Reflects anticipated reduction in garage revenues due to declining patronage and economic conditions
Parking Meters	35.0	32.0	(3.0)	Variable pricing projections from SFpark adjusted back to original assumption
Interest	5.6	4.8	(0.8)	Lower Interest rates
Fund Balance	36.4	42.3	5.9	Use of additional fund balance
Taxi Services	0.0	2.2	2.2	Addition of Taxi Services
Cable Car Fares	4.6	5.5	0.9	Increased collection of Cable Car fares
Other Revenues	215.8	215.8	0.0	No changes projected at this time
TOTAL	\$816.7	\$726.9	(\$89.8)	

FY 2009-2010 OPERATING BUDGET Changes to Expenditures (millions)

Expenditure Category	2009-2010 Approved Budget	2009-2010 Projection as of Feb 2009	2009-2010 Projected (Deficit)	Description
Salaries & Benefits	496.4	521.5	(25.1)	\$6.6M increase due to retirement benefits as a result of the passage of Proposition B in June 2008. Increase adjustment of \$14M in overtime based on actual usage. Increased additional benefits and salary adjustments of \$4.5M – unemployment insurance, position changes.
Services from City Departments	68.4	80.2	(11.8)	<ul style="list-style-type: none"> •SF Police Department \$7M •SF General Hospital \$3M •311 Call Center \$2.2M •Tax Collector's Office \$0.5M •Telecommunications Department \$0.5M •Risk Manager's Office \$0.4M •Planning Department \$0.3M •Department of Human Resources (\$1.2M) •Various other adjustments known at this time
Taxi Services	0.0	2.2	(2.2)	Addition of Taxi Services
Other Line items	251.9	251.9	0	No changes projected to other various expenditures at this time
TOTAL	\$816.7	\$855.8	(\$39.1)	

FY 2009-2010 OPERATING BUDGET

(millions)

	FY 2009-2010 Approved Budget	2009-2010 Projection as of Feb 2009	FY 2009-2010 (Deficit)
Revenues	\$816.7	\$726.9	(\$89.8)
Expenditures	\$816.7	\$855.8	(\$39.1)
Total FY 2009-2010 Projected (Deficit)			(\$128.9)

FY 2009-2010 OPERATING BUDGET Available Expenditure Reductions

Expenditure	Description	
	Projected FY 2009-2010 Deficit	(\$128.9M)
FY 2009 Positions	465 current vacancies placed on hold through FY 2009-2010 *	\$40.1M
FY 2010 Positions	57 new positions budgeted for FY 2009-2010 placed on hold *	\$4.7M
Remove CPI increase	Roll Back all Non-personnel line items to FY 2009 amounts*	\$22.6M
Use Reserve	Use of Reserve established by Board Approved Reserve Policy	\$10.0M
	Total	\$77.4M
	Remaining FY 2009-2010 Deficit	(\$51.5M)

* See next slide for impact

The Impact of Not Filling Positions

- MME not operational
- TEP implementation slowed
- Maintenance reduced
- Street, curb and sign painting delayed including transit and bike lanes
- Bike program implementation slowed
- Less enforcement (parking, transit, taxi) and traffic direction
- Inability to provide full coverage of special event services across all modes
- Longer wait times for customers
- Reduced hours for collections
- Customer outreach reduced, slower response to customer inquiries and complaints
- Limited field training and supervision of programs
- Longer response to emergency sign and signal malfunctions
- CIP and capital asset management and inventory reduced
- Inability to conduct various trainings including safety
- Less financial oversight and other administrative functions such as contract administration, grants procurement, recruitment and accounting

Addressing the Remaining Deficit

Possible solutions to addressing the remaining \$51.5 million deficit

- Furloughs and Wage Rollbacks
- Service Modifications/Layoffs
- Revenue increases

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Examples of Actions Under Consideration by Other Transit Operators

Source: Amalgamated Transit Union (ATU)

Transit System	Proposed Action
MTA, New York	fare increases, service cuts, etc
Metro, Los Angeles	considering service cuts
CTA, Chicago	service cuts
MTA, Baltimore	cutting service, routes
Metropolitan Transit System, San Diego	considering cutting shuttle bus service
RTD, Denver	cutting service, pay raises
BART	cutting off-peak service
WMATA, Washington DC	cutting service, 891 positions
Sacramento Regional Transit	raising fares
MARTA, Atlanta	cutting service, jobs, increasing fares
RTC, Las Vegas	raising fares
Long Beach Transit	raising fares 20 cents
King County Metro, Seattle	raising fares, considering service cuts
SamTrans	fare increases
AC Transit	to vote on fare hike

** information provided by Transportation for America (<http://t4america.org/transitcuts>)

http://www.atu.org/content/atu_news/3877/

FY 2009-2010 OPERATING BUDGET Expenditure Reduction Options for Addressing the Deficit

Expenditure Reductions Options	Description	Savings
Furloughs/Wage Give Back - 1 day per month (4.6%) for filled positions <i>(not including positions which are not to be filled)</i>	Management	\$1.2M
	Administrative/Technical	\$3.5M
	Front Line	\$11.4M
	Operators	\$8.3M
	Total	\$24.4M
Service Modifications	FY 2009 Total Service Hours = 3.4M (Motor Coach & Trolley = 2.7M) Total Annual Expense for Muni System Delivery = \$418.0 million Total Annual Expense for Bus System Delivery = \$321.4 million 3% Reduction in Motor Coach & Trolley Service Hours (79,500 service hours annually)	\$10M
	5% Reduction in Motor Coach & Trolley Service Hours (132,523 service hours annually)	\$16M
	8% Reduction in Motor Coach & Trolley Service Hours (212,036 service hours annually)	\$26M

FY 2009-2010 OPERATING BUDGET

Revenues Raising Options for Addressing the Deficit

Revenue Option	Description	Revenue
Citation Increases	Increase Citations by \$3.00 to offset increase to Courthouse Fee from \$1.50 to \$4.50	\$4.8M
Parking Meter Rates	Increase Parking Meter Rates in all Zones by \$0.50. In June of 2005 the BOS approved a \$1.00 increase in the hourly parking meter rates in parking meter zones 1, 2, and 4 and an increase of \$0.50 in parking meter zone 3. Current rates are \$1.50 per hour in commercial districts and \$3.00 per hour downtown.	\$3.0M
Parking Garage Rates	Garage parking rates were last adjusted in April 2007. Based upon current occupancies and rates at nearby facilities, parking rates will be increased as appropriate. Garage parking rates were last adjusted in April 2007.	\$1.0M
Paratransit Fares	Increase Van Services from \$1.65 to \$2.00 and Ramped Taxi Services from \$4.00 to \$5.00 per scrip book valued at \$3.00. These rates were last increased in 2006.	\$0.4M
Taxi Fares	Increase application/miscellaneous fees by an average of 12%, Color scheme renewals by an average of 55% other renewals by 5%. Increase fee for lost medallions from \$246 to \$1000. There is a moratorium on new driver permits, permit holders, ramped taxis and PCN applications for half the fiscal year.	\$0.04M
Taxi Pilot Medallion Transferability Program	100 medallions converted to transferable medallions for a fee, or auctioned outright. Revenue assumptions depend on whether medallions are newly issued or existing, whether the program involves a fee for conversion to a transferable medallion type or outright sale, the amount of a "conversion fee" and the percentage of auction sales might be collected. Assume "conversion fee" of \$50,000, or auction value of \$200,000	\$5-20M (one time)
Taxi Individual Medallion Auction	1400-1500 Medallions. Assume all medallions other than pilot program medallions are auctioned at \$200,000 each, with SFMTA collecting 20% of sale as transfer fee	\$56.0M (one time)
Taxi Medallion Conversion/Auction	1500 medallions subject to optional conversion option. Assume 100 medallions converted and 50 medallions sold each year	\$15M/yr

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Bay Area Transit Agencies - Fare Overview

Agency Name	Weekday Ridership (000's) ¹	Single Trip Cash Fare	Discount Base Fare	Pass (Monthly/30 Day)	Discount Pass (Monthly/30-Day)	Volume Discount
San Francisco Municipal Transportation Agency	749.8	\$1.50	Senior/Disabled/Youth - \$0.50	\$45.00	Senior/Disabled/Youth - \$10	N/A
Bay Area Rapid Transit District	392.9	\$1.50 to \$6.60	Senior/Disabled - 62.5% off cash fare	N/A	N/A	BART Blue Tickets (regular fare) - 6.25% discount off \$48 & \$64 tickets BART Green and Red Tickets (senior/disabled) - 62.5% discount off regular fare
Santa Clara Valley Transportation Agency	158.3	Regular - \$1.75 Express - \$3.50	Senior/Disabled - \$0.75 Youth - \$1.50	Regular - \$61.25 Express - \$122.50	Senior/Disabled - \$20.00 Youth - \$40.00	Pre-Paid Day Passes - 5 for \$22.50 (10% discount)
AC Transit	Unavailable	Local - \$1.75 Transbay - \$3.50	Senior/Disabled/Youth - - Local - \$0.85 - Transbay - \$1.70	Local - \$70.00 Transbay - \$116.00	Local - - Senior/Disabled \$20.00 - Youth (5-17) \$15.00 Transbay - N/A	N/A
Golden Gate Ferry	7.6	\$7.45	Senior/Disabled/Youth - \$3.70 (50% off cash fare)	N/A	N/A	20 Ride Tickets - 20% off (full fare adult only)
Golden Gate Transit	25.7	Local - \$2.00 Zone - \$3.30 to \$8.80	50% off Cash Fare	N/A	N/A	20 Ride Tickets - 20% off (full fare adult only)
San Mateo County Transit District (SamTrans)	52.1	Local - \$1.50 Express - \$4.50 Out of SF - \$3.50	Senior/Disabled - \$0.75 to \$2.00 Youth - \$1.00 to \$2.00	Local - \$56 Express - \$144 Out of SF - \$84	Senior/Disabled - \$22 Youth - \$29	10 Ride Tokens - 20% Discount on adult full fare
Caltrain	44.9	One Way - \$2.50 to \$11.25 Day Pass - \$5.00 to \$22.50	One Way - \$1.25 to \$5.50 Day Pass - \$2.50 to \$11.25	\$66.25 to \$298.25	\$33.00 to \$149.00	N/A

Data as of 2/20/09. Monthly Fast Pass to increase to \$55 and discount passes increase to \$15 as of July 1, 2009

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Revenues Raising Options for Addressing the Deficit

Revenue Option	Description	Annual Revenue*
Historic F-Line Fares	Currently approximately 18,500 passengers ride the historic daily. Assuming that 20% pay cash fares, increasing the cash fare by \$1.00 over regular cash fare.	\$1.0M
Express Route Fares	Currently approximately 25,700 passengers ride the express routes daily. Assuming that 20% pay cash fares, increasing the cash fare by \$1.00 over regular cash fare.	\$1.4M
Special Event Pricing	Approximately 1,000 hours of service is provided for special events (e.g. Outside Lands, Parades, etc.) Increasing the cash fare by \$1.00 over regular cash fares.	\$0.1M
Bart/Muni Pass	Increase pass by \$5.00 for those riders using both systems and assuming 60% of Fast Pass purchasers use BART.	\$4.0M
Adult Fast Pass	Increase the adult Fast Pass rate from \$55 to \$60 on July 1, 2009. The rate is already set to increase from \$45 to \$55 on July 1, 2009.	\$7.0M
Adult Fast Pass	Increase the adult Fast Pass rate from \$55 to \$58 on July 1, 2009.	\$4.2M
Youth/Senior Pass	Increase the discount fast pass rate from \$15 to \$20 on July 1, 2009. The rate is already set to increase from \$10 to \$15 on July 1, 2009.	\$2.5M
Youth/Senior Pass	Increase the discount fast pass rate from \$15 to \$18 on July 1, 2009.	\$1.5M
Transit Cash Fares	Increase the \$1.50 for adult single rides to \$2.00 and discount single rides from \$0.50 to \$0.75. These fares were last raised in September 2005.	\$14.0M
Transit Cash Fares	Increase the \$1.50 for adult single rides to \$1.75 and discount single rides from \$0.50 to \$0.60.	\$7.0M

** If implemented figures will be adjusted for 10 months*

Next Steps

- Public hearings to consider any changes to fares, fines or fees and service modifications – April 7 and 21, 2009
- Board to adopt revised FY 2009-2010 Operating Budget – April 30, 2009
- Board to adopt Automatic Indexing Implementation Plan – April 7, 2009
- Submit revised FY 2009-2010 Operating Budget to the Mayor's Office – May 1, 2009
- Board of Supervisors to accept or reject FY 2009-2010 Operating Budget if fares changes and/or route abandonments included – June through August 2009
- Changes to any fares, fines or fees and service modifications – September 1, 2009