



FY 2009-2010 OPERATING BUDGET Year End Projection As of October 15, 2009



November 3, 2009 SAN FRANCISCO, CALIFORNIA

Overview of Two Year Operating Budget FY 2009 and FY 2010

Summary of Revenue Lost

Two Year Operating Budget for FY 2009 and FY 2010 (millions)

	Mid Year FY 2009	Amended FY 2010
STA (operating and capital)	\$65.0	\$65.0
Other State Grants	\$22.0	\$12.0
General Fund	\$19.2	\$24.3
Citations	\$6.2	\$6.0
Advertising Revenues		\$6.2
Off and On Street Parking		\$6.7
TOTAL	\$112.40	\$120.20

Summary of Balancing Actions

Two Year Operating Budget for FY 2009 and FY 2010

	Mid Year FY 2009	Amended FY 2010
Eliminated /Frozen Positions	√	√
Reduced Non Personnel Line Items	√	√
Use of Reserve	√	√
Neighborhood Parking Permits	√	√
Fees (Boot removal, color curb, etc.)	√	√
Parking Meters Rates		√
Variable Pricing for Off and On Street Parking		√
Garage Rates		√
Taxi Permit Fees/Medallion Program		√
Parking Citation Fines	√	√
Monthly Passes		√
Paratransit Fares		√
Single Ride Fare		√
Cable Car Passports		√
Transit Service Modifications		√

Presentation on April 7, 2009

Board of Directors Meeting

FY 2009-2010 AMENDED 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 AMENDED 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 AMENDED 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)

Presentation on April 21, 2009

Board of Directors Meeting

Addressing the Deficit for FY 2010

Sharing in the Solution

- SFMTA: eliminating positions, reducing non labor costs, reduction in work orders
- Users of the System: higher charges, service modifications

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET

(millions)

	Approved Budget (a)	Projection as of Feb 2009 (b)	Proposed Amended Budget (c)	Variance (c) Compared to (b)
Revenues	\$816.7	\$726.9	\$784.0	↑ \$57.1
Expenditures	\$816.7	\$855.8	\$784.0	↓ \$71.8
Revenues Less Expenditures	\$0	(\$128.9)	\$0	

Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for FY 2009-2010 (millions)

Description Of Proposal	Notes	Amount
Eliminating Positions	Eliminate 370 positions	\$32.00
Use of Reserve	Use of Reserve established by Board Approved Reserve Policy	\$10.00
Roll Back all Non-personnel line items	Eliminate half the CPI increases assumed in 2009-2010 to 2008-2009 figures	\$11.30
Reduce increase to overtime budget	The original proposal was to increase the overtime budget by \$14 million to reflect actual expenditures in overtime for the past 4 years. However, this increase will be reduced by half in anticipation of improved overtime management	\$7.00
Increase Single Ride Fare	Increase the \$1.50 for adult single rides to \$2.00 and discount single rides from \$0.50 to \$0.75 as of July 1, 2009.	\$14 .00
Increase Cable Car Passports	Increase the 1-day, 3-day and 7-day passports by \$2.00 to \$13, \$20 and \$26 respectively as of January 1, 2010	\$0.65

**Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for
FY 2009-2010 (millions) continued**

Description Of Proposal	Notes	Amount
Increase Adult Month Fast Pass	Increase the adult Fast Pass rate from \$55 to \$60 on January 1, 2010. The rate is set to increase from \$45 to \$55 on July 1, 2009.	\$3.50
Increase Discount Passes for Youth, Seniors and Disabled fares	Increase the discount Fast Pass rate from \$15 to \$20 on January 1, 2010. The rate is set to increase from \$10 to \$15 on July 1, 2009.	\$1.25
Increase Paratransit Fares	Increase Van Services from \$1.65 to \$2 and All Taxi Services from \$4 to \$5 per scrip book valued at \$30 on July 1, 2009. These rates were last increased in 2006.	\$0.40
Premium Monthly Pass for BART/Muni Use	Increase pass by \$10.00 for those customers using both systems as of January 1, 2010. Currently SFMTA pays BART \$1.02 per trip or over \$12 million per year. Assuming 40,000 trips per day on BART by Fast Pass purchasers. (e.g. monthly adult pass would be \$70).	\$1.35
Candlestick Park Express and Special Event Service	Increase fares by \$2 effective January 1, 2010. Adult-\$9; Senior/Disabled/Youth -\$7; Adult/Senior/Disabled/ Youth with valid pass or pass equivalent-\$5	\$0.05

**Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for
FY 2009-2010 (millions), continued**

Description Of Proposal	Notes	Amount
<p>Increase Motorcycle Parking Meter Rates in all Zones</p>	<p>Parking meters rates were last raised in 2002-2003 by the Board of Supervisors. Motorcycles would pay proportionally to the space they occupy relative to a 18 foot space, or a 21 foot space with buffer red zones, rounded to the nickel. Current rates are \$0.25 per hour in Zone One, \$0.15 per hour in Zones Two and Four and \$0.10 per hour in Zone 3. This would increase to \$0.70, \$0.60, \$0.40, \$0.60 if meter rates increased by \$0.50.</p>	<p align="right">\$0.60</p>
<p>Increase Parking Meter Rates</p>	<p>In June of 2005 the Board of Supervisors approved a \$1 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. Recommend a \$0.50 increase in all zones, effective September 1, 2009.</p>	<p align="right">\$3.00</p>
<p><i>Charge for Parking on Weekday/Evenings</i></p>	<p><i>Assume meters would operate from 9 AM to 10 PM. Most meters in the City currently operate from 9 AM to 6 PM or 9 hours. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff (not included in final approved budget)</i></p>	<p align="right"><i>\$4.00</i></p>
<p><i>Charge for Parking on Sundays</i></p>	<p><i>Currently parking is free on Sundays on all meters in the City. Assume meters would operate from 9 AM to 10 PM. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff (not included in final approved budget)</i></p>	<p align="right"><i>\$2.00</i></p>

**Recommended Solutions for Addressing the Deficit in the Proposed Amended
Operating Budget for FY 2009-2010 (millions), continued**

Description Of Proposal	Notes	Amount
Expand Holiday Enforcement	Expand current enforcement to all Holidays except for New Year's Day, Thanksgiving Day, and Christmas Day. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	\$0.25
Taxi Permit Fees	Increase permit fees to cost recovery amounts	\$0.58
Taxi Medallion Program	New Taxi Medallion Program. Revenue collected will 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 or franchise structure as well as the amount of a conversion fee or the percentage of auction sales might be collected or the franchise payments.	\$15.00
Increase Garage Rates	Various Garage Rates	\$1.50
Reduce Work Orders	SFPD Work Order (\$1.9 M), City Attorney (\$0.5M), 311 (\$0.8M), Other (1.4M)	\$4.60
Transit Service System Reduction	Various Routes (Described in Following Slides) 108 position reduction	\$13.4 Million

Proposed Service Reductions

\$13.4 million in annual savings derived from:

80 Operator Positions	\$6.8 M
15 Other Positions in Muni Operations	\$1.7 M
13 Positions in Finance/IT (11), Administration (1), Safety (1)	\$1.0 M
Fuel/Parts Savings – Muni Operations	\$2.9 M
Other Non Labor – Other Divisions	\$1.0 M
Total	\$13.4 M

NOTE: SFMTA will also convert approximately 100 operator positions to part-time to more efficiently schedule service delivery.

Presentation on April 30, 2009

Board of Directors Meeting

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET

Changes to Revenues (\$ millions)

Revenue Category (a)	Approved Budget (b)	Projection as of Feb 2009 (c)	Proposed Amended Budget (d)	Explanation of Figures Between February 2009 Projection and Proposed Amended Budget Columns (c) and (d)
State/Regional Funds	134.6	79.8	79.8	No change
General Fund	252.4	228.1	227.6	Further reduction in General Fund Transfer (0.5)
Advertising	20.0	13.8	13.8	No change
Parking Citations	103.8	97.8	101.4	Expanded meter hours weeknights (10 pm) & Sunday
Parking Meters	44.3	41.3	51.3	Expanded meter hours weeknights (10 pm) & Sunday
Garage Revenues	33.6	29.9	31.4	Garage rate increases
Interest	5.6	4.8	4.8	No change
Fund Balance	36.4	42.3	42.3	No change
Taxi Services	0.0	2.2	18.2	Taxi Pilot Medallion Program (\$15M) , and Cost Recovery of permit fees (\$0.58), Other Fees (\$0.4)
Transit Fares	163.4	164.3	185.9	Increase in single ride fares, discount fares, monthly fast passes, Cable Car Passports, Paratransit fares, Candlestick Park and Special Event Services, and Premium Monthly Passes for Bart/Muni use. Also reflect increased collection of Cable Car fares.
Other Revenues	22.6	22.6	22.3	Decrease in Recoveries from Other City Departments
TOTAL	\$816.7	\$726.9	\$778.8	+ 51.9 M

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET Changes to Expenditures (\$ millions)

Expenditure Category (a)	Approved Budget (b)	Projection as of Feb 2009 (c)	Proposed Amended Budget (d)	Explanation of Figures Between February 2009 Projection and Proposed Amended Budget Columns (c) and (d)
Salaries & Benefits	496.4	521.5	497.6	Savings from 442 net eliminated positions (370 eliminated + 108 from service reductions – 30 from for meter enforcement - 3 for SPOT – 3 for other) + reduction in increased overtime (\$7.0) + increases to Health Care Costs (\$2.2)
Materials & Supplies	69.6	69.6	65.4	Savings from service reductions and other expenditure reductions
Services from City Departments	68.4	80.2	70.5	SFPD Work Order (\$1.9 M), City Attorney (\$0.5M), 311 (\$0.8M), Other (1.4M), SFGH (\$5.1 million moved from Work Orders to Claims)
Taxi Services	0.0	2.2	2.8	Increased Staffing and Expenditures for Taxi Services (including work orders)
Reserve	10.0	10.0	0.0	Use of reserve
Capital Outlay	7.9	7.9	0.0	Reduction in STA Funds
Other Expenditures	164.4	164.4	142.5	Rollback of CPI and service reductions, debt service
TOTAL	\$816.7	\$855.8	\$778.8	- \$77.0 M

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET

(millions)

	Approved Budget (a)	Projection as of Feb 2009 (b)	Proposed Amended Budget (c)	Variance (c) Compared to (b)
Revenues	\$816.7	\$726.9	\$778.8	↑ \$51.9
Expenditures	\$816.7	\$855.8	\$778.8	↓ \$77.0
Revenues Less Expenditures	\$0	(\$128.9)	\$0	

Presentation on June 2, 2009

Board of Directors Meeting

Background

- On April 30, 2009, the SFMTA Board approved the Amended Operating Budget for 2009-2010 totaling \$778.8 million and also made the following changes:
 - Eliminated extension of parking hours to evenings on weekdays
 - Eliminated extension of parking hours to Sunday
 - Reduced SFPD work order
 - Added a \$3.00 increase to parking citations to recover the \$3.00 increase related to the State Court Construction Fund
 - *The above actions reduced the total of the Amended Operating Budget for 2009-2010 by \$4.2 million to \$774.6 million*
- The Controller's Office asked the SFMTA to delete a \$7.00 million reserve set aside for unsuccessful labor concessions
 - *The above action reduced the total of the Amended Operating Budget for 2009-2010 by \$7.0 million to \$767.6 million*
- In addition, \$2 million in adjustments were made to other line items including revenue transfers, attrition savings and recoveries
 - *The above action reduced the total of the Amended Operating Budget for 2009-2010 by \$2.0 million to \$765.6 million*

Uses of Funds

On May 12, 2009, additional changes were made to the 2009-2010 Amended Operating Budget

Component	Amount (\$ millions)
Service Enhancements	\$8.70
Monthly Discount Pass Increase Deferral <i>Increase from \$15 to \$20 postponed from Jan 1 to May 1, 2010</i>	\$1.25
Monthly Lifeline Pass Reduction <i>Decrease from \$35 to \$30 per month effective Jul 1, 2009</i>	\$0.35
TOTAL	\$10.30

Funding Sources

On May 12, 2009, additional changes were made to the 2009-2010 Amended Operating Budget

Component	Amount (\$ millions)
Salary Savings <i>Delayed hiring</i>	\$3.00
Transit Fare Inspectors (33 positions unbudgeted)	\$2.50
Work Order Reductions Based on Audits	\$2.50
SFPD Work Order, Public Garage Drive-by Discontinued	\$0.30
Reduction in Non-Labor Line Items	\$1.00
Extension of Parking Meter Hours from 6pm to 8pm based on study results (reserve)	\$1.00
TOTAL	\$10.30

Service Enhancements

- \$8.7 million in transit service enhancements developed to offset the \$13.4 million in service reductions on May 12:
 - Adjust schedules to improve on-time performance and reliability
 - Increase frequencies and modify route structures to address crowding
 - Adjust headways to enhance service on routes parallel to service reductions

FY 2009-2010 Revised Amended Operating Budget (\$ millions)

Revenue Category (a)	April 30, 2009 FY 2010 Approved Amended Budget (c)	FY 2010 Adjusted Amended Budget (d)	Explanation of Technical Adjustments between Approved Amended Budget and Adjusted Amended Budget Columns (c) and (d)
State/Regional Funds	79.8	79.8	No Change
General Fund/In Lieu Parking Tax	227.6	228.9	Increase in General Fund Transfer (+\$1.2M), In Lieu Parking Tax (+\$0.1M)
Advertising	13.8	13.8	No Change
Parking Citations	101.4	101.4	No Change
Parking Meters	42.3	43.3	Extending Meter Hours Based on Study (+\$1.0M reserve)
Garage Revenues	31.4	31.4	No Change
Interest	4.8	4.8	No Change
Fund Balance	42.3	42.3	No Change
Taxi Services	18.2	18.5	Clean Air Taxi Program Funds (+\$300K)
Transit Fares	181.7	181.3	Lifeline Pass Reduction (-\$350K)
Other Revenues	22.3	22.4	Port of SF services recovery (+28K)
TOTAL	\$765.6	\$767.9	\$2.3

FY 2009-2010 Revised Amended Operating Budget (\$ millions)

Expenditure Category (a)	April 30, 2009 FY 2010 Approved Amended Budget (c)	FY 2010 Adjusted Amended Budget (d)	Explanation of Technical Adjustments between Approved Amended Budget and Adjusted Amended Budget Columns (c) and (d)
Salaries & Benefits	488.6	493.7	Operators and Street Inspectors for Service Enhancement (+\$6.4M) and elimination of 14 Transit Fare Inspector positions (-\$1.3M) from May 12 decision
Materials & Supplies	65.4	65.4	No Change (\$1.0 million in Service Enhancement needs offset by \$1.0 million in non labor line items from May 12 decision)
Work Orders	66.3	63.2	Work Order Reductions Based on Audit (-\$2.0M) DTIS (-\$0.7M) 311 Call Center (-\$0.5M) Real Estate rent (-\$52K) Controller's Office audits (+\$117.2K)
Taxi Services	2.8	3.1	Clean Air Taxi Program (\$300K) – Disbursement of grant funds received from Dept. of the Environment
Rainy Day Reserve	0.0	0.0	No Change
Capital Outlay	0.0	0.0	No Change
Other Expenditures	142.5	142.5	No Change
TOTAL	\$765.6	\$767.9	\$2.3

FY 2009-2010 Revised Amended Operating Budget

(\$ millions)

	FY 2010 Approved Amended Budget (b)	FY 2010 Revised Amended Budget (c)	Variance (c) Compared to (b)
Revenues	\$765.6	\$767.9	↑ \$2.3
Expenditures	\$765.6	\$767.9	↓ \$2.3
Revenues Less Expenditures	\$0	\$0	

Presentation on
November 3, 2009
Board of Directors Meeting

FY 2009-2010 Operating Budget
Year End Revenue Projection as of October 15, 2009
Revenues (\$ millions)

Revenue Category	(a) 2009-2010 Approved Budget	(b) 2009-2010 Revised Budget	(c) 2009-2010 Year-to-Date Actuals	(d) 2009-2010 Year End Projection	(d-b) Year End Projection Compared to Revised Budget
Transit Fares	181.3	181.3	51.8	181.3	0.0
Operating Grants	79.5	79.5	11.7	79.5	0.0
Parking and Traffic Fees & Fines	244.8	244.8	71.6	232.8	(12.0)
Taxi Services	18.2	18.2	1.1	10.7	(7.5)
Other (Advertising, Interest, TIDF)	21.3	21.3	5.2	21.3	0.0
Interdepartmental Recovery	3.0	4.4	0.1	4.4	0.0
General Fund Transfer	178.3	178.3	89.2	178.3	0.0
Fund Balance – Appropriated	42.2	42.2	42.2	42.2	0.0
Carryforwards and Adjustments	0	13.0	11.3	11.3	0.0
TOTAL	\$768.6	\$783.0	\$284.2	\$761.8	(\$19.5)

FY 2009-2010 Operating Budget
Year End Revenue Projection as of October 15, 2009
(\$ millions)

Revenue Category	Variance	Explanation between Revised Budget and Projection (-/+ = under/over budget)
Parking and Traffic Fees & Fines	(12.0)	<ul style="list-style-type: none"> - Parking Meters (3.4) includes (3.0) from parking meter increases not approved in FY 2009 - Parking Citations (4.4) includes (2.4) from \$1.50 Courthouse fee to pay off debt on courthouses - Extended Hours Parking (1.0) - Parking Garages (2.0) - Parking Tax (0.7) - Other Fees and Permits (0.5)
Taxi Fees	(7.5)	- Taxi Medallion Pilot Program, mid year implementation
TOTAL	(\$19.5)	

FY 2009-2010 Operating Budget
Year End Expenditures Projection as of October 15, 2009
Expenditures (\$ millions)

Expenditure Category	(a) 2009-2010 Approved Budget	(b) 2009-2010 Revised Budget	(c) 2009-2010 Year-to-Date Actuals	(d) 2009-2010 Year End Projection	2009-2010 Year Projections Compared to 2009-2010 Revised Budget
Salaries & Benefits	484.4	484.4	113.3	492.7	(8.3)
Contracts and Other Services	64.0	67.8	26.7	74.7	(6.9)
Materials & Supplies	40.7	46.3	13.2	53.6	(7.3)
Equipment & Maintenance	42.5	45.3	22.8	45.3	0.0
Rent & Building	7.0	7.5	3.5	7.5	0.0
Insurance & Payments to Other Agencies	66.2	66.2	32.5	69.3	(3.1)
Rainy Day Reserve	0.0	0.0	0.0	0.0	0.0
Work Orders	63.8	65.5	65.4	65.5	0.0
TOTAL	\$768.6	\$783.0	\$277.4	\$808.6	(\$25.6)

FY 2009-2010 Operating Budget
Year End Expenditure Projection as of October 15, 2009
(\$ millions)

Expenditure Category	Variance	Explanation between Revised Budget and Projection
Salaries & Benefits	(8.3)	- Delayed Service Modifications (0.6) - Service Enhancements (1.9) - Additional Safety and Operations Staffing, 26 positions (2.4) - Salary and Benefits (2.7) - Unbudgeted Labor Settlement (0.3) - Unbudgeted Video Repair (0.4)
Contracts and Other Services	(6.9)	- Bike EIR (1.5) - NextBus contract (2.0) - On Call Bus and Rail contracts to support ARRA projects (3.4)
Materials & Supplies	(7.3)	- Unbudgeted Video Repair (0.4) - Service Enhancements (5.8) - Other (including Bike Plan) (1.1)
Insurance & Payments to Other Agencies	(3.1)	- Unbudgeted premium paid for excess coverage (2.4) - Claims payout (0.7)
Work Orders	0.0	- Assume Controller is able to identify work order savings (2.0)
TOTAL	(25.6)	

**FY 2009-2010 Operating Budget
 Solutions
 (\$ millions)**

Solution	Amount	Explanation
ARRA	6.7	10% allocated to Operations from capital projects
Operator Schedule	1.5	Realigning the schedule \$3 million annually, \$1.5 million for half year
Overtime Reduction	5.0	Regular Day Off (RDO) Coverage, Special Events
Position Elimination	12.3	Includes 250 positions for 6 months
Total	25.5	

FY 2009 – 2010 Operating Budget
Year End Revenue Projection as of October 15, 2009
Budget to Year End Projection (\$ millions)

	FY 2009-2010 Revised Budget	FY 2009-2010 Year End Projection	Variance
Revenues	\$783.0	\$770.2	↓ \$12.8
Expenditures	\$783.0	\$789.8	↑ \$6.8
Deficit			(\$19.6)