

# FY 2013 and FY 2014 Preliminary Operating Budget Board Workshop



November 14, 2011 SAN FRANCISCO, CALIFORNIA



#### Introduction

- FY 2013-2014 Preliminary Operating Budget
  - Revenues
  - Expenditures
- Automatic Indexing Proposal
- New Programs
- Additional Savings Options
- Additional Revenue Options
- Budget Timeline



### Revenues FY 2012 Amended Operating Budget FY 2013 and FY 2014 Proposed Operating Budget (\$M)

Revenue Category	FY 2012 Amended Budget	FY 2012 Year End Projection	FY 2013 Baseline Budget	FY 2014 Baseline Budget	FY 2013 vs. FY 2012	FY 2014 vs. FY 2013
Transit Fares	182.3	190.3	194.9	196.8	12.6	1.8
Operating Grants	106.9	106.9	113.7	115.7	6.8	2.0
Parking and Traffic Fees & Fines	263.0	254.2	254.2	260.2	-8.8	6.0
Taxi Services	13.5	13.5	8.2	8.2	-5.3	0.1
Other (Advertising, Interest, Inter- departmental Recovery)	24.1	25.1	21.3	22.1	-2.8	0.8
General Fund Transfer	190.8	200.8	204.5	207.5	13.7	3.0
Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	\$780.6	\$790.8	\$796.8	\$810.5	\$16.2	\$13.7



### FY 2013 – FY 2014 Revenues Compared to FY 2012 (\$M)

Line Item	FY 2013 vs. FY 2012	Description	FY 2014 vs. FY 2013	Description
Line item	2012	Description		
Transit Fares	12.6	\$6m Lifeline pass, \$4m cash fares, \$2m Indexing	1.8	Indexing
Operating Grants	6.8	AB 1107, TDA Sales Tax, STA	2.0	2% CPI increase
Parking and Traffic Fees & Fines	-8.8	(\$10 m) citations, \$2.0 GF Parking Tax In Lieu, \$0.8 cost recovery fees	6.0	\$4 GF Parking Tax In Lieu, \$.5 cost recovery fees, \$1.5 garages and meters
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Taxi Services	-5.3	Medallion Sales	0.1	Indexing
Other (Advertising, Interest, Inter- departmental				
Recovery)	-2.8	Interest Income	0.8	2% CPI increase
General Fund Transfer	13.7	City Economy	3.0	City Economy
Fund Balance	0.0	Not using Fund Balance	0.0	Not using Fund Balance
Total	\$16.2		\$13.7	



### Expenditures FY 2012 Amended Operating Budget FY 2013 and FY 2014 Proposed Operating Budget (\$M)

Expenditure Category	FY 2012 Amended Budget	FY 2012 Year End Projection	FY 2013 Baseline Budget	FY 2014 Baseline Budget	FY 2013 vs. FY 2012	FY 2014 vs. FY 2013
Salaries & Benefits	462.1	500.1	496.1	511.9	34.0	15.8
Contracts and Other Services	75.8	75.8	77.3	78.9	1.5	1.5
Materials & Supplies	48.0	48.0	48.0	49.0	0.0	1.0
Equipment & Maintenance	50.5	50.5	44.5	45.4	(6.0)	0.9
Rent & Building	7.0	7.0	7.4	7.7	0.4	0.4
Insurance & Payments to Other Agencies	76.8	76.8	81.8	83.4	5.0	1.6
Rainy Day Reserve	0.0	0.0	10.0	10.0	10.0	0.0
Work Orders	60.4	60.4	65.8	69.8	5.4	4.0
TOTAL	\$780.6	\$818.6	\$830.9	\$856.1	\$50.3	\$25.2



#### FY 2013 - FY 2014

Expenditures Compared to FY 2012 (\$M)

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Line Item	FY 2013 vs. FY 2012	Description	FY 2014 vs. FY 2013	Description
Salaries & Benefits	34.0	\$20 contractual salary and benefit; \$20 operator positions; (\$5.8 )TWU Contract; (\$10) Prop C; \$10 overtime	15.8	4% increase in labor offset by \$5.5 in TWU contract
Contracts and Other Services	1.5		1.5	2% CPI increase
Materials & Supplies	0.0		1.0	2% CPI increase
Equipment & Maintenance	(6.0)	Reduction in Baseline	0.9	2% CPI increase
Rent & Building	0.4	Rent Increase	0.4	5% CPI Increase
Insurance & Payments to Other Agencies	5.0	\$5m BART and Caltrain payments; \$6 incremental debt service, \$6m reduction in baseline	1.6	2% CPI increase
Rainy Day Reserve	10.0	Fund Board Approved Reserve Policy	0	
Work Orders	5.4	CPI Increase plus PUC Intent to Eliminate Government discount	4.0	CPI Increase
Total	\$50.3		\$25.2	



# FY 2013 and FY 2014 Proposed Operating Budget Revenues Less Expenditures

(\$M)

	FY 2013	FY 2014
Revenues	796.8	810.5
Expenditures	830.9	856.1
Revenues Less Expenditures	(34.1)	(45.6)

No new programs are included in above figures



### Major New Programs Proposed (\$M)

Proposal	Description	Request
Vehicle Maintenance	To address vehicle maintenance (Graffiti) and reliability (Trolley Bus, Diesel Bus, Cable Car)	16.0
SFPD Staffing	For Transit Security, replace expiring OPAC grant	2.6
Signal and other Traffic Infrastructure	Preventive maintenance needs	2.2
Controller Audit for Sustainable Streets	Strengthen project management capacity	1.50
Equipment	Includes computers, small equipment (e.g. cameras, generators, etc.) and non revenue vehicles	7.0
Other New Programs	Miscellaneous (e.g. Drive Cam, Crossing Guard Marketing, Interpreter, Custodial Services, etc.)	3.6
New Positions (over 450 positions were defunded in the FY 11-12 budget)	Transit: 133 - \$15.4m Sustainable Streets: 33 - \$4.5m (includes 14 capital funded positions \$2.0m) Safety, Security and Enforcement: 54 - \$10m FIT: 22 - \$3.2m (includes 7 capital funded positions \$1.2m) Administration: 11 - \$1.2m Board - 3: \$0.3m Central Subway: 12 - \$2.1 (all capital funded	36.9 (includes 33 Capital Funded positions \$6.3m)

### **Possible Additional Savings Options**

- Muni Speed
- Workers Compensation Reform
- Overtime Management (Hiring)
- Absence Management
- Claims
- Work orders reduction
- Labor Contract Negotiations
- Management/Support Staff Reduction
- Consolidation of Functions: Shops, Procurement, Payables



#### Previously Explored Additional Revenue Sources (\$M)

Proposal	Description	Annual Revenue
Meter Bagging	Board Approved \$5 Fee for FY 2012. Original Proposal was \$22.50 per day for for-profit companies and \$15.00 per day for non-profit agencies	1.0
Citation Increase	Increase by \$3.00 to offset increase to Courthouse Fee	3.0
Extended Hours Parking	Based on Study – until 6pm, 9pm or midnight depending on occupancy: Sundays throughout the City; Fridays in much of the City; Monday - Thursdays in some of the City	9.0 (6.3 first year)
Charge for Parking on Sundays	Currently parking is free on Sundays on all meters in the City. Assume meters would operate from 9am to 6pm. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	2.80
Adding 500-1,000 new metered spaces	This estimate includes (i.e., nets out) all incremental costs, such as enforcement, meter maintenance, meter communications, coin collection, spare parts, etc., as well purchase of the new meters	1.0 (0.5 first year)



#### Previously Explored Additional Revenue Sources (\$M)

Line Item	Description	Annual Amount
Enforcing existing parking garage pricing ordinance	Enforce existing Planning Code ordinance that says all garages/lots in C-3 can only charge hourly rates for parking (i.e., no daily, early bird, monthly, or annual rates). Requires hiring enforcement staff. Increases SFMTA revenue by increasing parking garage and tax revenues.	3.0 (half year)
Enhancing the existing parking garage ordinance to apply citywide	Planning Code ordinance changed to apply to all parking lots and garages citywide. May require significant time for garages/lots to comply (some would require changes in infrastructure). Requires hiring enforcement personnel. Increases SFMTA revenue by increasing parking garage and tax revenues.	2.6 (half year)
Charging for Transfers for Cash Only Payments	To create incentive to move riders to Clipper, charge \$0.25 cents for paper transfers (\$0 for Clipper transfers). Assume about 15% of boardings are via paper transfers. Assuming 200m total annual boardings, 30m boardings are through transfers and assuming 50% will continue to use transfers and pay \$0.25.	3.8
Increase Cash Single Fare	To create incentive to move riders to Clipper, charge \$0.25 cents more for single fare (\$2.00 on Clipper, \$2.25 cash). ). Assume about 10% of boardings are via cash fares. Assuming 200m total annual boardings, 20m boardings are through cash fares and assuming 50% will continue to use cash fares and pay \$0.25.	1.9

### Automatic Indexing (\$M)

Line Item	Description
Automatic Indexing	1/2 CPI Increase (1.7% in FY 2013 and 1.8% in FY 2014) + 1/2 Labor CPI-U Forecast 3.5% in FY 2013 and 3.5% in FY 2014 ).

	<u>Fiscal Year</u>	Fiscal Year 2012-	
<u>DESCRIPTION</u>	2011-12 Amount	13 Proposed Rate	14 Proposed Rate
AIIP RATE:	_	2.6%	2.6%
Fare Category			
Adult Cash Fare	\$2.00	\$2.00	\$2.00
Discount Cash Fare (Senior and Disabled)	\$0.75	\$0.75	\$0.75
Youth Cash Fare	\$0.75	\$0.75	\$0.75
Adult "A" Fast Pass with Ride on BART in SF	\$72.00	\$74.00	\$76.00
Adult "M" Fast Pass Muni Only	\$62.00	\$64.00	\$66.00
Disabled/Youth/Senior Monthly Pass Muni Only	\$21.00	\$22.00	\$23.00
Disabled/Youth/Senior Monthly Pass with Ride on BART in SF	\$26.00	\$27.00	\$28.00
Lifeline Monthly Pass (Low Income)	\$31.00	\$32.00	\$33.00
Cable Car Cash	\$6.00	\$6.00	\$6.00
Cable Car All-Day Pass	\$14.00	\$14.00	\$15.00
One-Day Passport	\$14.00	\$14.00	\$15.00
Three-Day Passport	\$21.00	\$22.00	\$23.00
Seven-Day Passport	\$27.00	\$28.00	\$29.00
Tokens (Pack of 10)	\$20.00	\$21.00	\$22.00
Special Cable Car Fare for Seniors and Disabled from 9:00PM to 7:00AM	\$3.00	\$3.00	\$3.00
Interagency Monthly Sticker (excludes BART and Cable Car)	\$57.00	\$59.00	\$60.00
BART-to-Muni Transfer	1.75	\$1.75	\$1.75
Class Pass (monthly)	\$25.00	\$26.00	\$27.00
School Coupon Booklet	\$7.50	\$8.00	\$8.00
Special Event Service Adult Round-Trip	\$12.00	\$12.00	\$13.00
Special Event Service Senior/Disabled/Youth Round-Trip	\$10.00	\$10.00	\$11.00
Special Event Service Add-on fare with Monthly Pass, Passport, and City			
Pass	\$8.00	\$8.00	\$9.00



### Previously Explored Revenue Solutions: Ballot Measures

Proposal	Description	Annual Revenue Potential
Parking Stall Fee	Charge private parking lots (not subject to parking tax) open to customers to offset congestion impact. Number of unpaid parking spaces: approx 30,000 x \$1,000 annual fee	\$30 million
Sales Tax	1/2% sales tax (an additional 3/4% is currently permitted by state law). The local 1% sales tax is estimated to generate \$129 million in FY 2009-2010	\$65 million
Vehicle License Fee	Restore fee from current 1.15% to 2% of the vehicle purchase price, adjusted for depreciation (1998 levels)	\$33 million
Parcel Tax	\$200 annually for each residential and commercial property parcel. Approx 144,000 parcels in San Francisco.	\$29 million
Commercial Off- Street Parking Tax	Raise 25% tax to 35% (SFMTA would retain 80% share under Proposition A)	\$20 million

With Board's Concurrence, staff recommends convening discussions with business, labor, etc. to explore new revenue ideas.



### Timeline SFMTA Board of Directors Meetings

DATE	ACTION
November 14, 2011	Workshop
February 7, 2012	Initial Operating & Capital Budget Presentation
February 21, 2012	O&C Budget presentation (continued)
March 6, 2012	(Leave open for use as needed)
March 20, 2012	Balanced Operating & Capital Budget Presentation
April 3, 2012	Operating & Capital Budget Approval by SFMTA Board (first date)
April 17, 2012	Operating & Capital Budget Approval by SFMTA Board (second date)

### **Administration Division Board of Directors' Workshop**

### Administration's Major Initiatives

- eMerge Migration
- Develop in-house background checks
- Re-vamp Overtime and Premium Pay Policies
- Create HR/Personnel Data Reports Repository
- Establish Centralized Policy Repository Procedure
- Implement and Update an Aggressive Absence Management Program
- Migrate to Paperless HR Processes
- Update SFMTA and SF Paratransit Websites
- Implement Muni Centennial Celebration
- Augment Language Capabilities in the Discount ID Office

## Administration's Major Initiatives (cont'd)

- Expand Accessible Services Agency-wide
- Move to "Just in Time" Parts Procurement
- Implement Inventory Control Technology
- Roll-out Centralized Coordination and Audit Responses
- Central Subway Support
  - Tunneling
  - Trucking Set Aside
  - Accessibility Review
- Enhanced Customer Service Training for Transit Operators and Station Agents
- Create a Coaching/Collaborative Work Environment

### Challenges

- Lack of Resources
  - Financial
  - Staffing
  - Equipment
  - Technology
  - Facilities
- Outdated City-wide Policies and Procedures
- City Processes
- Declining Employee Health



### **Opportunities**

- Labor Negotiations
- New Legislation
- Expanding Customer Base of alternative Modes
- Employee Engagement

### **New Ideas**

- HR Dashboard Reporting
- Supply Chain Management
- Reward and Recognition Program
- Expanding Electronic Customer Communications
- In Service Real-time Communications
- Centralized Procurement
- Enhance SFMTA On-line Presence



### CAPITAL PROGRAMS AND CONSTRUCTION **Board Workshop**



### **CP&C's Major Initiatives Infrastructure**

- Central Subway
- Church/Duboce and N-Line Along Carl Street Track Replacement Projects
- Van Ness Bus Rapid Transit (BRT)







### **CP&C's Major Initiatives Facilities**

- Islais Creek Bus Maintenance Facility
- Escalator Rehabilitation



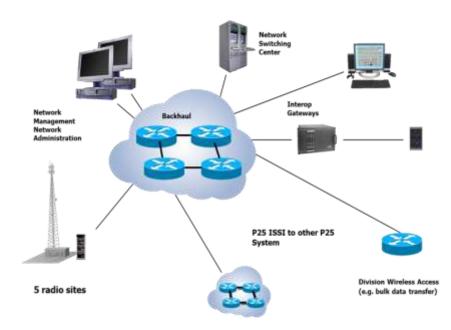




### **CP&C's Major Initiatives Systems**

- Central Control & Communications (C3)
- Radio System Replacement Project
- Capital Program Control System (CPCS)







#### Challenges

- Adequate Number Funded Projects
  - Declining Federal, State and Regional Funds
- Staffing and Hiring
  - Prioritization within available resources
- Better Tools to Increase Efficiency of Staff



#### **Opportunities**

- Integration of Capital Projects with Complete Streets Efforts
  - Hyde Cable Car Rehabilitation
  - Van Ness BRT
- Capital Program Controls Systems
  - Better Reporting
  - Better Cost and Schedule Control
- JOC Initiatives
   Greater Ability to Quickly Address Urgent Needs

### FINANCE AND INFORMATION TECHOLOGY Board Workshop



### **FIT's Major Initiatives**

- SFpark
- Parking pricing and policies
- Clipper
- Bond Issuance
- Real Estate Strategic Plan
- Capital and Operating Budget
- Grants Management and Oversight
- Central Subway
- Taxi Reform, Best Practices Study
- Cost Allocation Plan
- Business Intelligence
- Information Technology Infrastructure
- Contracts: Meters, Street Sweeping Cameras, Coin Collection and Signage
- Nexus Studies: TIDF and Transportation Sustainability Fee (TSF)

### Challenges

- Adequate Financial Resources
  - Declining Federal, State and Regional Funds
  - Capital and Operating Structural Deficits
  - Information Technology and Automation
  - Staffing and Hiring
  - Prioritization within available resources
- Real Estate
- Alternate Service Delivery Methods
- Policy Support
- Existing Legislation

### **Opportunities**

- Legislation
  - Vehicle Code
  - Transportation Code
- Improving Service
  - Taxis
  - Clipper
- Real Estate Strategic Plan and Taxi Best Practices Studies
- Technology Data Warehouse, Business Intelligence, Open Data Access
- Personnel Management
- New Funding Sources
  - Regional Gas Tax
  - Ballot Measure for Transit Funding
  - Parking Pricing
  - Updated Transit Impact Development Fee
  - Transportation Sustainability Fee
- Partner Assistance with Financing e.g. MTC, Caltrans
- Transportation Sustainability Project MTC
- Revise Interagency agreements
- Reduce paper fare media and transfers

### **New Ideas**

- Taxi Best Practices
- Leverage Agency Real Estate for Development
  - Real Estate RFP to identify top 5 candidates
- Disabled Placard Management
- Residential Parking Permits
- Transportation Smart Card
  - Peak Period Pricing
- Transportation Application Downloads
- Web portal for all Agency payments
  - Create pricing incentive for use of electronic payment
- Centralize coin counting and collections

### Sustainable Streets Division Board Workshop

# Sustainable Streets Division Selected Recent Accomplishments

- Completion of the 19th Avenue/Park Presidio Signal Upgrade Project with Caltrans.
- Implemented 14 miles or approximately 40% of the Bike Plan's bikeway mileage in just 9 months.
- Implemented 50 high visibility continental crosswalks.
- Installed 6,300 "Smart Meters" as part of Spark and meter expansion.
- Completed ADA Compliance Audit for all parking facilities.
- Approval of major development projects at Hunters Point, Treasure Island and Parkmerced.

### Sustainable Streets Division Key Issue #1: Preventive Maintenance

- Off-Street Parking \$50 Million Revenue Bonds
- Traffic Marking Maintenance
- Traffic Signal Maintenance
- Traffic Sign Maintenance and Reflectivity



### Sustainable Streets Division Key Issue #2: Project Management

- Standardize Project Management Policies and Procedures
- Implement new Project Management Software
- Staff Training
- Improved Project Integration with Finance and IT

### Sustainable Streets Division Key Issue #3: Increased Responsibilities

- DPW Street Resurfacing Bond
- TEP Travel Time Reduction, Rapid Corridor Improvement
- SFgo Implementation & Van Ness BRT
- America's Cup
- Increased Demand on Agency-wide planning functions
- Limited General Fund Support



# **Sustainable Streets Division Summary of Budget Requests**

- Fund several key Strategic Planning & Policy and other overhead positions.
- Engineering and field staff labor & equipment to strengthen scheduled preventive maintenance programs.
- Project management software and analytical support.

# Sustainable Streets Division Cost Saving Ideas

- Limited position consolidation & repurposing.
- Exchange SFgo Traffic Management Center space for rent credits.
- Reduction of select Work Orders with other agencies.
- Crossing Guard Program cost-recovery through revised MOU with SFUSD and fees from private schools.
- Sell used, outmoded parking meters.
- Invest in new paint shop technology to reduce staffing needs, lessen environmental impact.



### **SAFETY, TRAINING, SECURITY and ENFORCEMENT**

**BUDGET PLANNING REVIEW** 

**FISCAL YEARS 2013 - 2014** 



### SAFETY, TRAINING, SECURITY and ENFORCEMENT MISSION STATEMENT

To create the safest and most secure mass transit agency in the country by using proactive techniques and modern transit security initiatives, and through the application of safe parking and traffic techniques.



#### **MAJOR INITIATIVES**

- Meet regulatory requirements of CPUC and other Federal and State Agencies
- Reduce workers comp costs and maintain regulatory compliance with CPUC and OSHA as opportunities.
- Reduce accident frequency and severity
- Reduce injuries to customers and employees
- Implement new deployment strategy for Transit Fare Inspectors and MTAP
- Assure compliance with City and County transportation codes
- Ridership compliance verification for revenue collection
- Central Subway Safety and Security certification
- Increase Emergency Management table top drills
- Complete operator training in compliance with all State and Federal requirements and industry practices



#### **CHALLENGES**

- Staffing and Hiring
  - a) Transit Fare Inspectors
  - b) Parking Control Officer Management
  - c) Operator Trainers
  - d) Safety Analysts
- Real Estate
- Fare Evasion
- Enforcement GO4 Fleet
- Information Technology and Automated Reports



#### **OPPORTUNITIES**

- Workers Compensation Cost-Loss Time Injuries
- Educating Supervisors on IIPP
- OSHA Compliance
- Establish on-line Safety Training (OSHA recurring training)
- Safety Web-site
- Conflict Management and Workforce Development
- Technology Based Transit Operator Training