

**FY 2013-2014
TRANSIT OPERATING BUDGET**

**DELIVERING ON THE VISION:
EXCELLENT TRANSPORTATION
CHOICES FOR A GREAT SAN
FRANCISCO**

11/14/2011, SAN FRANCISCO, CALIFORNIA

TRANSIT DIVISION PROFILE

MUNI IS THE HEART & SOUL OF THE BAY AREA

- Provides diverse transit options:
 - Iconic Cable Car
 - Light Rail
 - Diesel Bus
 - Electric Trolley Bus
 - Historic PCC Streetcars
- Carries more customers annually than BART, Caltrain, SamTrans, Golden Gate Transit, and AC Transit combined
- Highest passengers per revenue hour in the U.S.



Figure 1 Picture of Cable Car

TRANSIT DIVISION PROFILE

MUNI IS THE HEART & SOUL OF THE BAY AREA

- Employees
 - Approx. 3,092 (77% of SFMTA employees)
- Service Delivery
 - Approx. 227 million annual boardings
 - Approx. 3.2 million revenue hours
- Equipment and Infrastructure
 - 1,050 Vehicles
 - 14 Facilities
 - 81.7 Track miles
 - 1,500 Non-revenue vehicles

OPERATING BUDGET TREND

Fiscal Year	Budget (Millions)
FY2009	\$438,800,000
FY2010	\$433,500,000
FY2011	\$422,700,000
FY2012	\$419,500,000

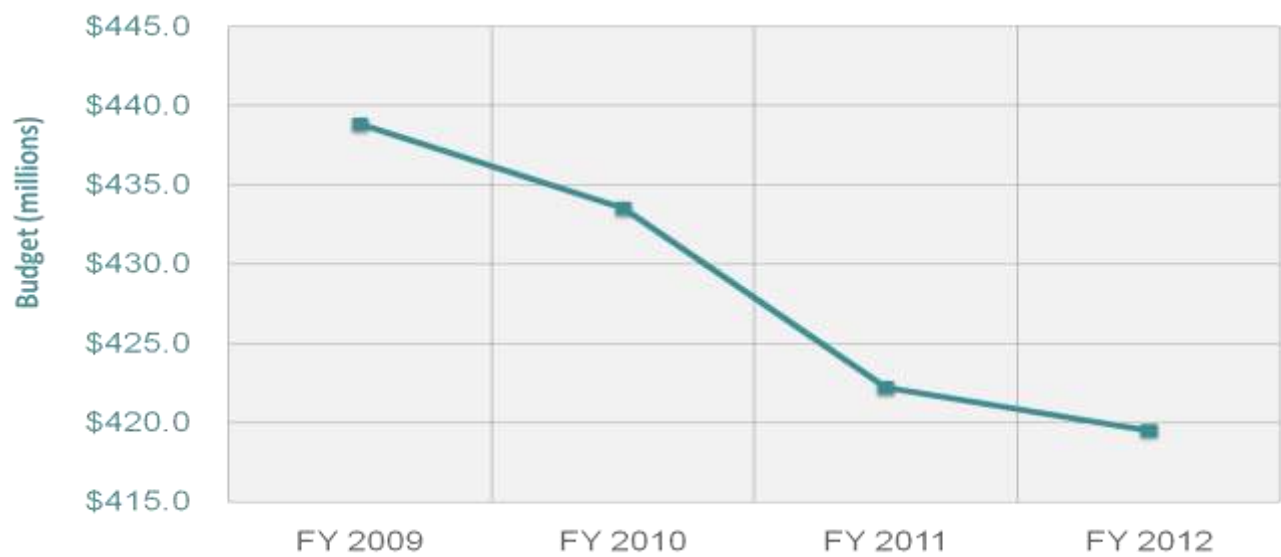


Figure 2 Graph showing decrease in operations budget

BUDGET VS. STAFFING

Current Budget

Total	Percent of Total	\$780.6 million
All other departments	46 percent	\$359.8 million
Transit Division	54 percent	\$420.8 million

Current Staffing

Total	Percent of Total	4,027 Full Time Equivalent (FTE)
All other departments	23 percent	
Transit Division	77 percent	3,092 FTE

STAFFING TREND

Division	FY 2010 Budgeted	FY 2012 Actual/Filled	Percent Change
Maintenance of Way & Structure	385	266	-31%
Vehicle Maintenance	805	687	-15%
Transit Management	84	56	-33%
Transit Services	241	118	-51%
Non-Revenue Fleet	17	11	-35%
Service Planning/Schedules	24	18	-25%
Total	1,556	1,156	-26%

SIGNIFICANT FRONT LINE STAFFING REDUCTIONS

- Vehicle Maintenance
 - Vehicle Mechanics: 69 positions
- Fleet Appearance
 - 30 positions
- Maintenance of Way
 - Facility & Station Maintenance: 23 positions
- Transit Services
 - Transit Supervisors: 36 positions

**CURRENT YEAR BUDGET
FY2011-2012**

- Does not align with service requirements
- Rolling baseline budget creates recurring deficit and exceeds overtime budget
- No contingency funding for unplanned circumstances
- Service enhancements funded by open runs (i.e. Nx)
- Capital construction underfunded for operational support (i.e. St Francis Circle, 30th Church, Clipper & Cable Car)
- Significant increase in special events

FY 2011 Adopted Budget	FY 2011 Actual Expenditures	FY 2012 Amended Budget
\$422.7 million	\$436.6 million	\$419.5 million

BRIGHT LIGHTS OF 2011-2012

- Effectively managed service changes: increases and decreases.
- Created and introduced the most cost effective schedule techniques in the history of the agency.
- Improved bus fleet reliability despite having one of the oldest fleets in the U.S.
- Improved rail service through effective use of technology and capital improvements.
- Introduced component and systems rebuilds on both bus and rail fleets.
- Established repair and rehabilitation approach for key elements of infrastructure such as track and switches.
- Introduced the most successful new service line (Nx) and brought needed relief for desperate rail customers.

BRIGHT LIGHTS OF 2011-2012 (CONT.)

- Completed TEP Implementation Plan and initiated the EIR.
- Provided high profile special event service including several playoff and World Series games and record setting parade.
- Identified and successfully negotiated key elements of Local 250 A agreement designed to provide increased management flexibility and better service for our customers.
- Provide support for construction projects including Cable Car Propulsion System.
- Introduced new technology to provide information to customers.
- Facilitated successful implementation of the Clipper Regional Fare Media Card.

IMPACTS OF CONTINUED REDUCTIONS ON OUR CUSTOMERS

- **Customer Impacts**
 - Crowded Service
 - Increased Customer Complaints
 - Gaps in Service
 - In Service Breakdowns



Figure 3 Picture of Passengers Boarding

IMPACTS OF CONTINUED REDUCTIONS

- **Operating Impacts**

- High Overtime
- Staffing Constraints
- Limited Service Management
- Higher Equipment Failure
- Missed Service
- Deferred Maintenance and Inspections

- **Systematic Impacts**

- Under Funded Mandates
- Increased Service, Special Event Projects
- Insufficient Employee Training
- Disconnected Budget Process
- Restricted Access to Capital
- Lack of Budget Control



Figure 4 Passengers boarding at City Hall

**BASELINE BUDGET
FY2013-2014**

Assumptions

- Does not align with service requirements
- Revenue service hours remain constant
- No accommodation for special events
- No significant improvements to infrastructure
- No new vehicles
- No additional positions
- **Does not support TEP Plan**

FY 2009 Adopted Budget	FY 2010 Amended Budget	FY 2012 Amended Budget	FY 2013-2014Baseline Budget
\$438.8 million	\$433.5 million	\$419.5 million	\$419.5 million

OPERATIONS OVERTIME REVIEW

- Overtime budget has averaged \$30.8M for the last three years.
- Capital projects and other cost recovery is not always fully credited back to the Transit Operating Budget.
- Overtime budget is not based on service plan, special events, or staffing levels.
- Largest areas over budget result from aging vehicles and infrastructure.
 - Bus Maintenance
 - Rail Maintenance
 - Maintenance of Way
- Increased needs to more effectively manage service, special events, and construction projects.
- Highest percentage of staffing reductions occurred in service and maintenance workers.

OVERTIME BUDGET

Division/Section	Budget	Year End Actual	Variance
Platform - Bus		16,351,130	
Platform - Rail		11,567,869	
Sub Total Platform - Bus/Rail	\$26,514,054	\$27,918,999	(\$1,404,945)
Maint/Misc Bus	1,521,832	4,128,172	(2,606,340)
Maint/Misc Rail	1,324,497	10,610,364	(9,285,867)
Maint of Way	318,837	2,868,196	(2,549,359)
Transit Support	1,115,343	3,831,873	(2,716,530)
Sub Total Maintenance/Misc.	\$4,280,509	\$21,438,605	(\$17,158,096)
Total Department	\$30,794,563	\$49,357,604	(\$18,563,041)

OVERTIME ISSUES

Overtime continues to impact the Transit Division's budget

Overtime

- Scheduled overtime to optimize resources
- Mandatory floating holidays
- Special Events
- Bus substitution for capital projects
- Employees not available for duty
- Lag time in filling vacant positions
- Staff reduction
- No staffing to perform necessary maintenance campaigns
- Unpredictable incidents in service

OVERTIME

- If utilized effectively, overtime is a cost effective strategy to manage daily service demand fluctuations, short-term vacancies, special events, and unplanned incidents
- Strategies to better manage overtime
 - Develop overtime budget based on Service Plan and annual special events
 - Credit back overtime associated with capital and other reimbursements

OPERATOR REQUIREMENTS

Current Service	Operators
Runs	1,261
Blocks	353
Extra Board (20%)	323
Total Operators Needed to Run Service	1,937
Current Driving Drivers	1,830
Operator Shortage	107*
* Operator attrition averages 12.5 per month	

KEY PROGRAMS TO IMPROVE SERVICE

Priority	Programs	Staffing Req.	Total Costs
1	Transit Effectiveness Program	6 Positions	\$750,000
2	TEP Service Improvements		\$21 million (5% annual)
3	Track Rail Repair	6 Positions	\$700,000
4	Dedicated ATCS Signal Crew	4 Positions	\$1.1 million
5	LRV Overhaul Crew	6 Positions	\$3 million
6	Maintenance Engineering & Warranty Support	8 Positions	\$1.5 million
7	Trolley Bus Reliability Program	6 Positions	\$2.4 million
8	Diesel Bus Reliability Program	6 Positions	\$3.2 million
9	Geneva Cleaning Crew	2 Positions	\$150,000
10	MME Maintenance Staff	8 Positions	\$3.4 million
11	Transit Inspectors	10 Positions	\$1.4 million
12	Station Agents	6 Positions	\$500,000
13	Overhead Lines Pole Replacement	6 Positions	\$1.4 million
		Total	\$40.5 million

FUNDING SOURCES FOR NEW INITIATIVES

Realignment of Capital Program

- Explore lower cost project delivery methods
- Redirect from lower priority projects
- Work with MTC to provide flexibility in the use of Federal funds

Changes in Business Practices

- Credit for special events
- Full cost recovery for non-avoidable capital costs
- Allow operations, planning, cost, and schedule to be included in project overhead

Review of Capital Program and Annual Spending Element must occur with Operating Budget

POTENTIAL COST SAVING IDEAS

- Initiate fiber optic program (revenue generator)
- Reprioritize capital dollars to minimize maintenance costs
- Prepayment on cable cars
- All door boarding (proof of payment) to reduce boarding times and increase on-time performance
- Expand bus and rail capital rehabilitation programs to improve vehicle reliability
- Maintain entire non-revenue fleet

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RECOMMENDATIONS TO IMPROVE TRANSIT SERVICE

- Include review of capital budget and programs as part of annual budget review
- Prioritize technology solutions (e.g., line management center) that reduce staffing needs
- Fully fund new radio replacement program
- Increase size of bus and trolley fleet to provide additional service

The final slide is a picture of historic vehicle 228 used on the F line on sunny days.