

FY 2013-2014 TRANSIT OPERATING BUDGET

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

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.



TRANSIT DIVISION PROFILE

MUNI IS THE HEART & SOUL OF THE BAY AREA

Employees

- Approx. 3,092 (77% of SFMTA employees)

Service Delivery

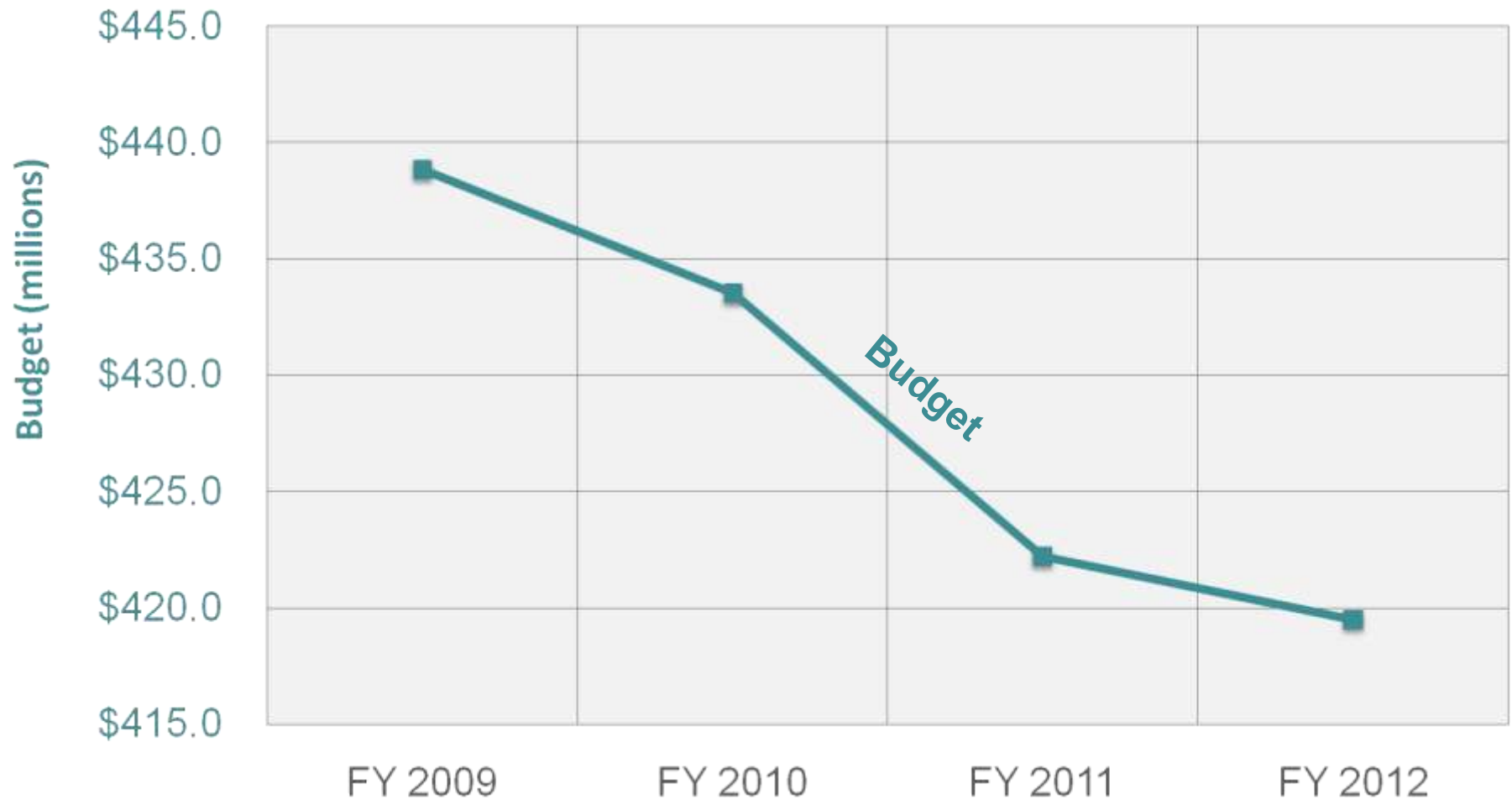
- Approx. 227 million annual boardings
- Approx. 3.2 million revenue hours

Equipment & Infrastructure

- 1,050 Vehicles
- 14 Facilities
- 81.7 Track miles
- 1,500 Non-revenue vehicles



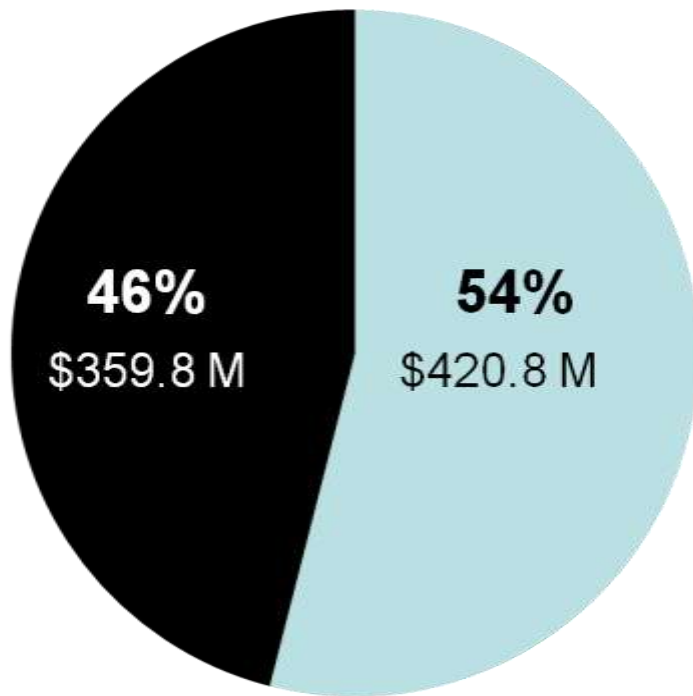
OPERATING BUDGET TREND



BUDGET VS. STAFFING

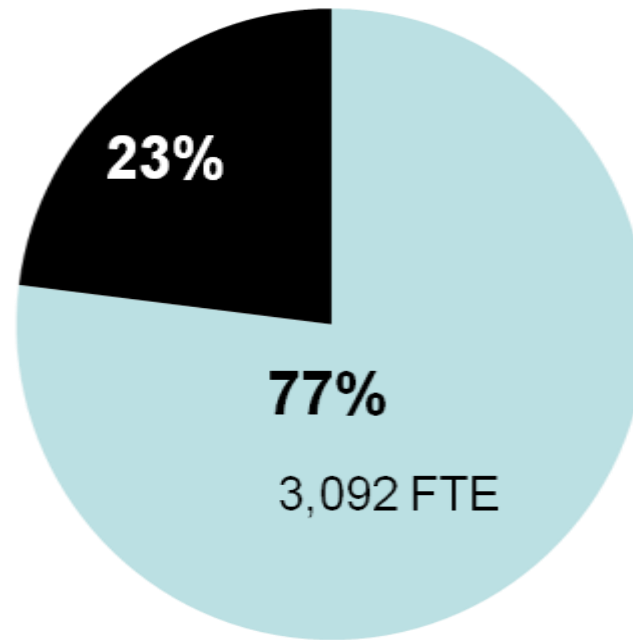
Current Budget

\$780.6 million



Current Staffing

4,027 FTE



- Transit Division
- All Other Departments

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

Maintenance of Way

- Facility & Station Maintenance:
23 positions

Fleet Appearance

- 30 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

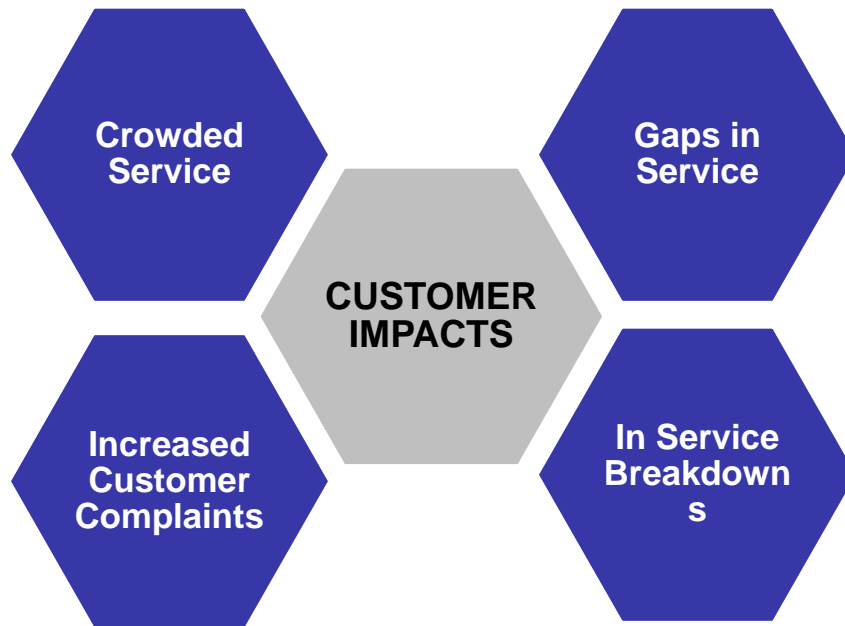


BRIGHT LIGHTS OF 2011-2012 (CONT.)

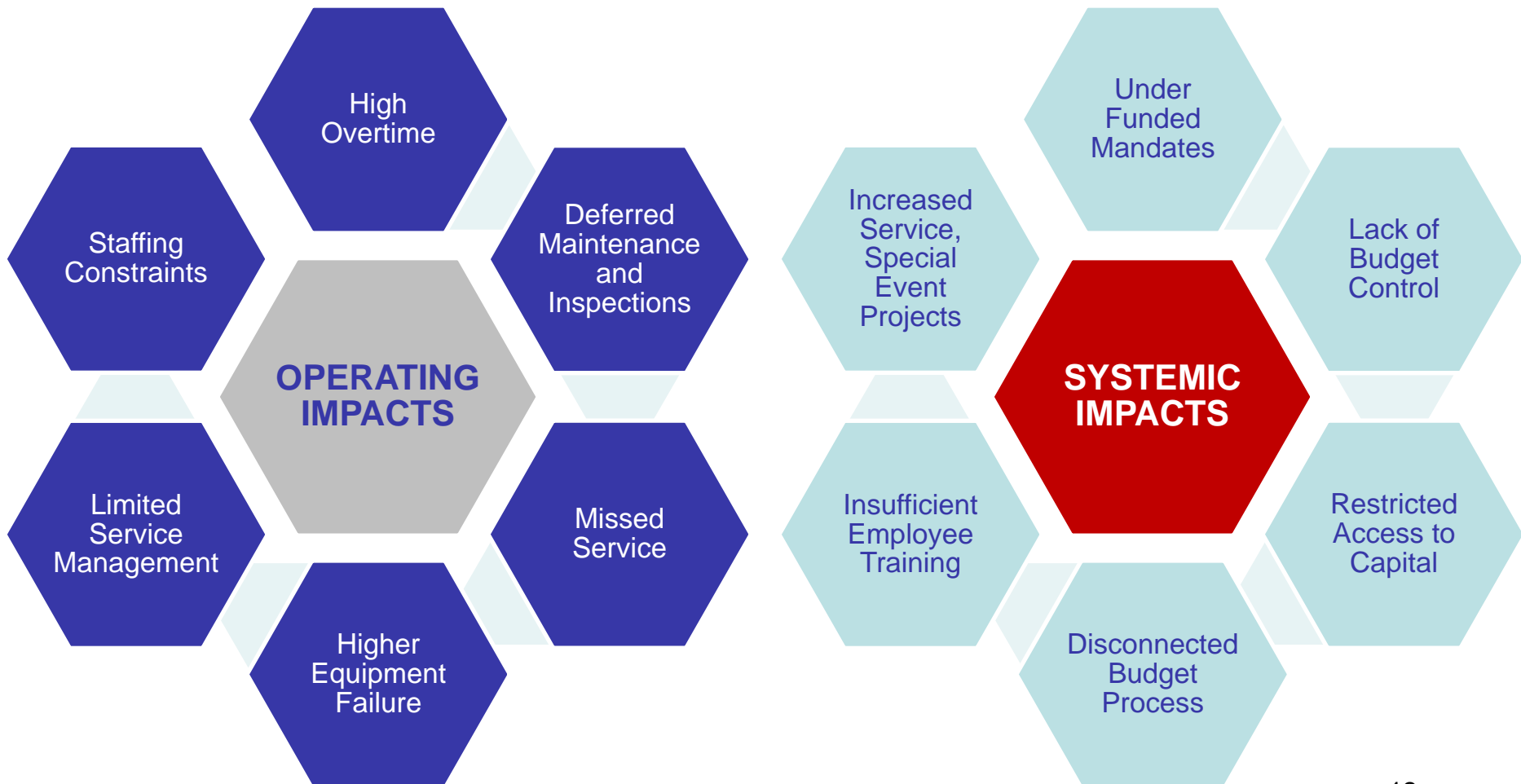
- Completed TEP Implementation Plan and initiated the EIR
- Provided high profile special event service including several playoff and World Series games and record setting parade
- Identified and successfully negotiated key elements of Local 250 A agreement designed to provide increased management flexibility 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



IMPACTS OF CONTINUED REDUCTIONS





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 2013-2014 Baseline Budget
\$438.8 million	\$433.5 million	\$419.5 million	\$419.5 million

OPERATIONS OVERTIME REVIEW

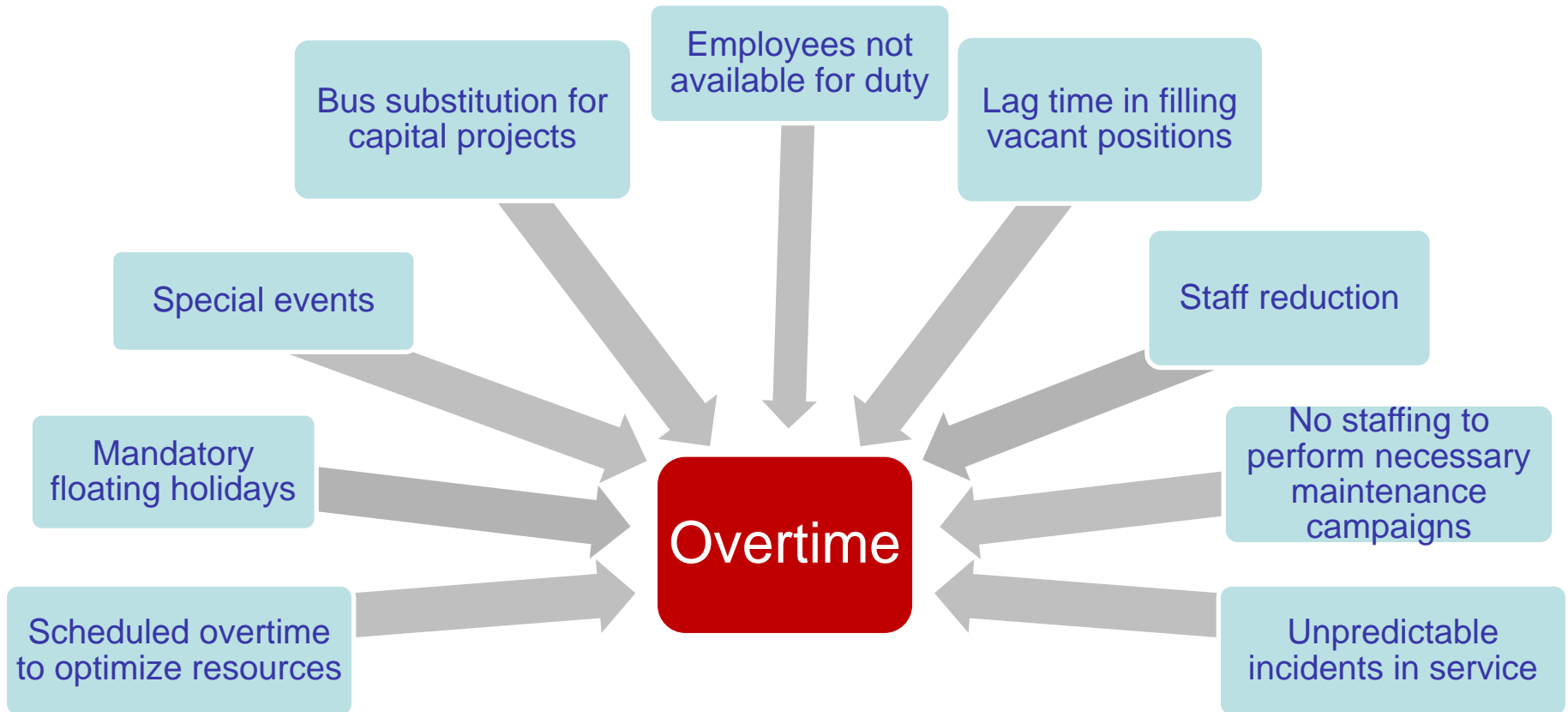
- Overtime budget has averaged \$30.8M for the last three years
- Capital projects and other cost recovery is not always fully credited back to the Transit Operating Budget
- Overtime budget is not based on service plan, special events, or staffing levels
- Largest areas over budget result from aging 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

- 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

POTENTIAL COST SAVING IDEAS

- Station platform branding
- Explore alternative means of delivering component rebuild programs
- See more effective means of supporting special events
- Cost recovery for special events and construction
- Evaluate/eliminate support functions provided by front-line staff
- Consolidation of garages: Green and Geneva (Beach) yards
- Potential consolidation of SFMTA support shops (e.g., paint shops, sign shops, signal shops)
- Create long-term leave division to transfer fiscal responsibilities from the Transit Division and improve accountability of staff on long-term leave

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

