

Proposed FY2006 MTA
Operating Budget -
An Overview

FY2006 Budget Overview of the Numbers

FY2006 Muni Expenditures: \$521.7 Million

FY2006 Muni Deficit: \$ 52.5 Million

FY2006 DPT Expenditures: \$ 77.1 Million

FY2006 DPT Deficit: \$ 4.8 Million

MTA Total Expenditures: \$598.8 Million

MTA Deficit: \$ 57.3 Million

Projected FY06 Deficit \$57.3 million

Loss of One-Time Muni Revenues

- Flexible Federal Spending \$11.3 m
- Breda Money \$12.5 m

Expenditure Side

- Platform Historically Underfunded \$6 m
- Salary Increases 2.2% avg or \$0.8m
- Benefit Increases 12% or \$4.8 m
- Retirement Increases 39% or \$7 m
- Lack of Service Cuts \$7 m
- Fuel Increases \$3.1 m

DPT Deficit \$4.8 m

MTA High Level Budget FY06

	Muni	DPT	Total	%
Salaries	270.3	29.1	299.4	50%
Fringe	107.6	10.8	118.4	20%
NonPersServ	85.2	16.0	101.2	17%
M&S	33.4	3.3	36.7	6%
Capital	1.7	1.2	2.9	0%
ServOtherDepts	24.4	13.9	38.3	6%
Other	4.2	8.4	12.6	2%
Allocated	(5.1)	(5.7)	(10.8)	-2%
	521.7	77.1	598.8	100%

Municipal Railway

FY2006 Budget by Major Program

(\$ in Millions)

PROGRAM	FY2006 Proposed Budget	% of Proposed Budget
RADIAL SERVICE	\$326.1M	62.5%
CROSSTOWN SERVICE	109.0M	20.9%
COMMUNITY SERVICE	29.1M	5.6%
EXPRESS SERVICE	11.1M	2.1%
OWL SERVICE	7.4M	1.4%
3 RD STREET START-UP	3.8M	0.7%
PARATRANSIT SERVICE	23.5M	4.5%
SAFETY & SECURITY	11.9M	2.2%
TOTAL	\$521.7M	100.0%

Parking & Traffic

FY2006 Budget by Major Program

(\$ in Millions)

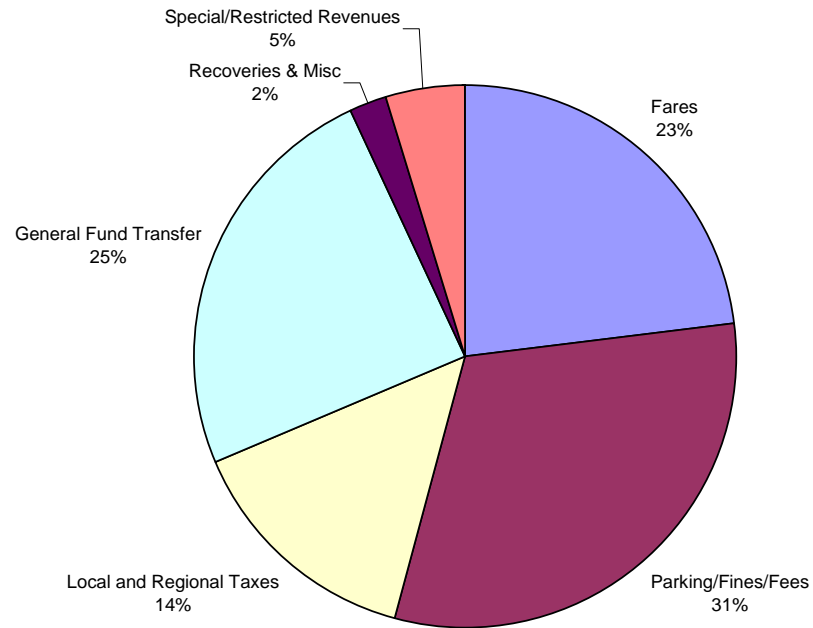
PROGRAM	FY2006 Proposed Budget	% of Proposed Budget
PARKING ENFORCEMENT	\$30.7M	39.8%
TRAFFIC & OPERATIONS	13.0M	16.8%
CITATIONS & HEARINGS	11.3M	14.7%
RESIDENTIAL PARKING	1.0M	1.3%
LOTS AND METERS	21.1M	27.3%
TOTALS	\$77.1M	100.0%

SUMMARY OF MTA FY2006 Proposed Budget

(\$ in Millions)

	FY2006 Proposed MTA Budget	% of Proposed MTA Budget
MUNI PROGRAMS	\$521.7M	87%
DPT PROGRAMS	\$77.1M	13%
MTA TOTAL	\$598.8M	100%

FY06 MTA Revenues = \$541.5 million



Projected FY06 Deficit \$57.3 million

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Expenditure Side

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DPT Deficit \$4.8 m

FY2006 Proposed Solutions

Muni Fare Increases

- Cash, FastPass and others

DPT Fine, Fee and Rate Increases

- Increase All Citation Fines
- Increase Meter and Garage Rates
- Increase Residential & Contractor Parking Permits

Service Reductions / Schedule Efficiencies

Muni Fares

- FY05 revenue budget for Muni passenger fares is \$117.8 million
- FY05 operating budget is \$486.6 million
- Last raised in September 2003, the first time in 11 years

Muni Fares

Fare Type (sample)	Current Fare	Alternate Fare (1)	Alternate Fare (2)
Adult Cash	\$1.25	\$1.50	\$1.75
Fast Pass	\$45.00	\$50.00	\$60.00
Transfers	Free	Free	Free
Discount Cash	\$0.35	\$0.50	\$0.60
Discount Passes	\$10.00	\$12.00	\$15.00
Cable Car	\$3.00	\$4.00	\$5.00
Token	\$10.50	\$13.50	\$16.00
Total Additional Annual Revenue		\$15,906,967	\$32,441,967
Total Revenue in FY06		\$13,254,973	\$27,034,973
Average Percent Fare Increase		19%	42%

Fare Benchmark

Agency	Cash Fare	Discount	Monthly Pass	Transfers	Fare % Budget
New York MTA	\$2.00	50%	\$70	free	53
Philadelphia SEPTA	\$2.00	state subs.	\$70	\$0.60	40
Chicago CTA	\$1.75	50%	\$75	\$0.25	42
Santa Clara VTA	\$1.75	57%	\$61	none	9
AC Transit	\$1.50	50%	\$60	\$0.25	16
Dallas DART	\$1.25	60%	\$40	none	9
Los Angeles MTA	\$1.25	64%	\$52 - \$58	\$0.25	27
Boston MBTA	\$1.25	72%	\$71	free bus	29
Houston MTA	\$1.00	60%	\$35	free	19
San Diego	\$1.5 - \$4	\$1.00	\$54 - \$84	free	45
Muni	\$1.25	72%	\$45	free	22

Option: Transfers

- Muni could generate \$8.8 to \$13.1 million annually by eliminating free transfers
- Policy concerns of inequity
- Charging \$0.25 for transfers could yield \$3.1 to \$6.1 million annually
- Additional overhead costs to reconcile transfer turn-ins, estimated at (\$814,000) annually

Option: Surcharges for Express and Limited

- Muni's Express and Limited bus lines carry almost 17,000 daily riders
- A surcharge of \$0.25 for Express and Limited service could generate \$400,000 annually
- A surcharge of \$0.75 for Express and Limited service could generate \$1.2 m annually

Option: Eliminate Token Discount

- Current token value is \$1.05 and an average of 344,000 monthly boardings are with tokens
- Eliminating the token discount would allow full fare collection and still provide passenger convenience
- At the current cash fare of \$1.25, the value of eliminating the token discount would be \$826,000 annually

Option: Eliminate Free BART Access

- Currently, Adult FastPass holders ride free on BART within the City
- MTA reimburses BART \$0.87 per trip
- Nearly 10 million trips annually at cost of \$9 m
- Some loss of FastPass revenue and additional operating expenses
- Or, create a Premium FastPass for use on BART

Parking Citation Fines

- FY01 increase for violations related to safety (sidewalk, crosswalk, etc.) and traffic congestion mitigation (yellow zones)
- FY04 increased the remainder of violation categories and late penalties
- Proposal to raise the base fine by \$5 on most violations

Parking Fine Increase Proposal FY 2006

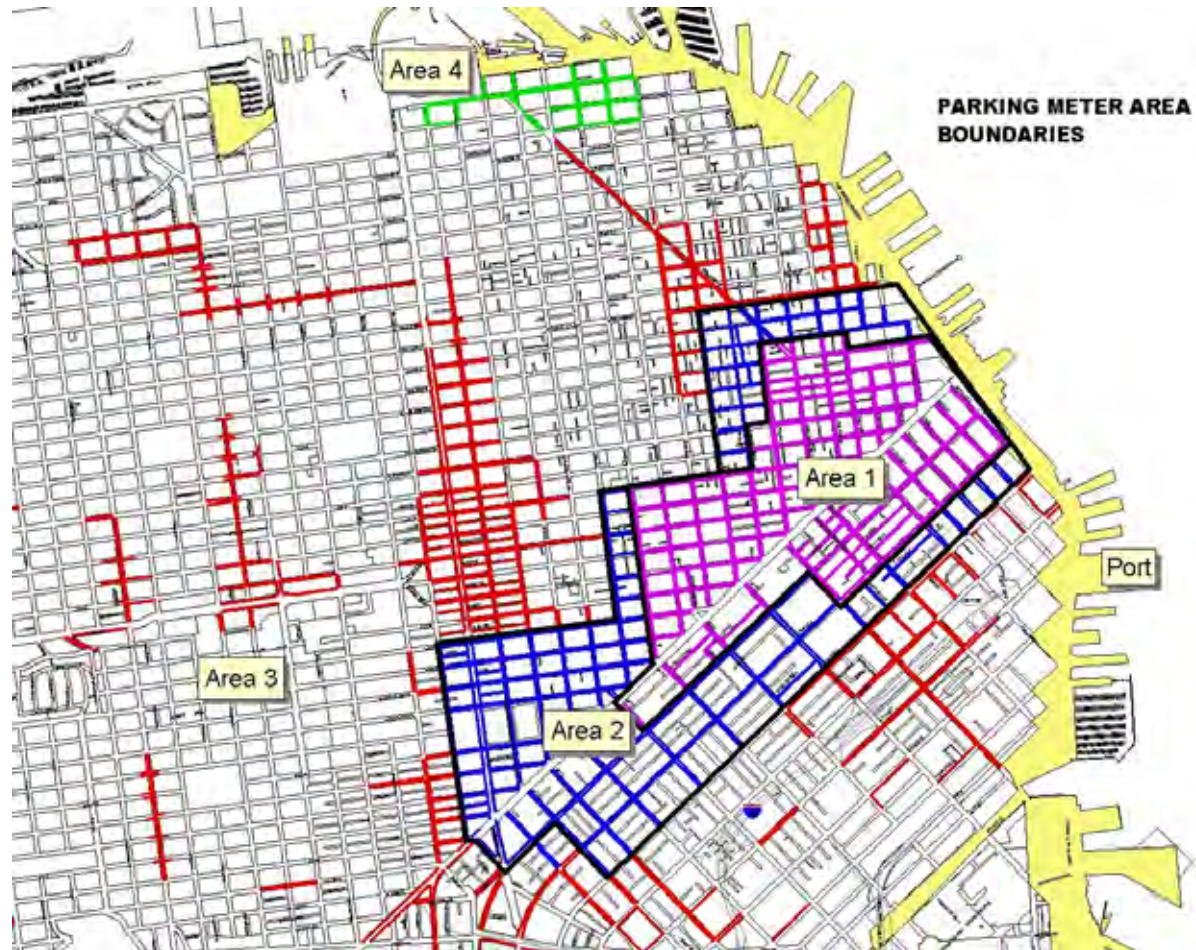
Common Name	Current Penalty	Proposed Increase	Proposed Penalty
street cleaning	\$ 35	\$5	\$40
meter	35	5	40
residential	35	5	40
sidewalk	100	-	100
meter-downtown	40	5	45
overtime parking	35	5	40
no parking	50	5	55
no stopping	50	5	55
truck loading zone	50	5	55
red zone	50	25	75
yellow zone	50	5	55
yellow zone-downtown	50	5	55
driveway	75	5	80
crosswalk	50	25	75
hydrant	50	25	75
off-street meter	35	5	40
white zone	50	25	75
double parking	55	5	60
no stopping-downtown	50	5	55
bus zone	250	-	250
TOTAL			\$4.4 m

**Assumes 25% reduction based on collection and compliance*

Parking Meter Rates

- Last increased in late FY03 by \$0.50 hourly citywide
- Proposal for another citywide increase of \$0.50 hourly, bringing neighborhood parking meters to \$1.50 and the downtown core to \$2.50 per hour

Parking Meter Areas



Parking Meter Benchmark

<u>City</u>	<u>Low</u>	<u>High</u>
New York	all one rate	\$4.05/hr
Chicago	25 cents/hr	\$3/hr
Philadelphia	25 cents/hr	\$2/hr
Los Angeles	5 cents/hr	\$2/hr
Seattle	35 cents/hr	\$1.50/hr
Berkeley	all one rate	75 cents/hr

Parking Garage Rates

- Staff conducted analysis of demand for transient and monthly parking and typical capacity in all 19 city-owned garages
- Rate structures vary across all garages based on existing occupancy rates and revenue potential

Residential & Contractor Parking Permits

- Residential Parking Permit \$27 last raised in 1998
 - Cost of administration and enforcement justifies fee of \$50
- Contractor Permit \$325 last raised in 1998
 - Cost of administration and recovery of lost parking meter revenue justifies fee of \$500

Long Term Revenue Options

- Impose Parcel Tax
- Impose New Local Gas Tax
- Increase Parking Tax
- Impose Vehicle Environmental Impact Fee

Summary of Revenue Proposals

Item	Process	Revenue in	Annual Value to MTA
Garage Rate Increase	MTA Board approval	FY05	\$2.5 m
Parking Fine/Fee Increases	Board of Supervisors' approval	FY06	\$4.4 m
Parking Meter Rate Increases	Board of Supervisors' approval	FY06	\$4.4 m
RPP & Contractor Increases	Board of Supervisors' approval	FY06	\$2.1 m
Fare Increase	Board of Supervisors' approval	FY06	\$15.9 m to \$32.4 m
Transfers - \$0.25 or none	MTA Board approval	FY06	\$2.3 m to \$13.1 m
Express Surcharge	MTA Board approval	FY06	\$0.4 m to \$1.2 m
Eliminate Token Discount	MTA Board approval	FY06	\$0.8 m at \$1.25 cash fare rate
Eliminate Free BART Access	MTA Board approval, 180 days written notice to BART	FY06	\$2 m to \$5 m
Parking Tax Increase	Two-thirds voter approval on ballot measure	FY07	\$4.2 m for 10% increase*
Parcel Tax	Two-thirds voter approval on ballot measure	FY07	\$1.8m for \$100 per parcel tax
Gas Tax	Two-thirds voter approval on ballot measure, Board of Supervisors' ordinance, and agreement with State Board of Equalization	FY07	\$2.0m for \$0.01 per gallon tax
Local Vehicle Environmental Impact Fee	State legislative authorization	FY08	unknown
TOTAL			\$42.9 to \$73.9 million

Summary of FY06 Revenue Options

(if September 1, 2005 implementation)

Option	FY06
Garage Rate Increase	\$2.5
Parking Fine/Fee Increases	\$4.4
Parking Meter Rate Increases	\$4.4
RPP & Contractor Increases	\$2.1
\$1.50/\$0.50/\$50 Fare Increase	\$13.3
Transfers - \$0.25	\$3.8
Express Surcharge - \$0.25	\$0.3
Eliminate Token Discount	\$0.7
Eliminate Free BART Access	\$2.9
Total	<u>\$34.4</u>

Service History

- Daily Boardings 737,000
- Annual Boardings 233,000,000
- 7th Largest Transit Agency
- Since Proposition E implementation began in FY00, service has increased 7.1% while ridership has declined (4.4%).

Muni Service Reductions and Schedule Efficiencies

\$5 Million Cost Reduction

- Small Schedule Adjustments
(Outreach Spring 2004)
- Moderate Schedule Efficiencies
(Reduce scheduled driver overtime)

Additional \$5 Million Cost Reduction (\$10 m total)

- Additional Schedule Adjustments
(Within current policies)
- Substitute articulated coaches for standards (Same capacity, less frequent)
- Minor Route Restructuring
(Outreach Spring 2004)
- Reduce frequencies below current policies when ridership is low.
- Increase use of part-time operators.

Additional \$5 Million Cost Reduction (\$15 m total)

- Additional frequency adjustments
(Within current service policies)
- Major Service Reductions,
(Wth significant service policy changes)
- Major Schedule Efficiencies
(Above those considered earlier)

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Service Reductions / Schedule Efficiencies