

SFMTA

Municipal Transportation Agency

FY 2010-2011 and FY 2011-2012 ADOPTED OPERATING BUDGET



JULY 1, 2010

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Director of Finance and Information Technology /CFO

Debra Johnson
Director of Administration, Taxis and Accessible Services

John Haley
Director of Transit

Reginald Mason
Director of Safety/CSO

Carter Rohan
Director of Capital Programs and Construction

Bond Yee
Director of Sustainable Streets

BUDGET TEAM

Terrie Williams, Florence Atangan, Elias Girma, Mohamed Hosny,
Bose Onyemem, Marievale Palaganas and Li Zhang
Financial Services and Revenue Contracts Staff, Steven Lee and Kevin Gin

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SFMTA

Municipal Transportation Agency

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ADOPTED OPERATING BUDGET**

SFMTA OVERVIEW

JULY 1, 2010

STRATEGIC PLAN

On June 29, 2007, the 2008-2012 Strategic Plan was adopted by the San Francisco Municipal Transportation Agency (SFMTA) Board. The vision, mission, and goals of the Strategic Plan are as follows:

Vision

“Providing timely, convenient, safe and environmentally friendly transportation alternatives...SFMTA enhances the quality of life in San Francisco”.

Mission

The SFMTA, comprised of the Municipal Railway, Department of Parking and Traffic, the Parking Authority, and Taxi Service, is responsible for all modes of transportation within the City and County of San Francisco including public transit, pedestrian planning, accessibility, and parking and traffic management.

Goals

Goal 1: Customer Focus

To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy

Goal 2: System Performance

To get customers where they want to go, when they want to be there

Goal 3: External Affairs - Community

To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry

Goal 4: Financial Capacity

To ensure financial stability and effective resource utilization

Goal 5: SFMTA Workforce

To provide a flexible, supportive work environment and develop a workforce that takes pride and ownership of the agency's mission and vision and leads the agency into an evolving, technology-driven future

Goal 6: Information Technology

To improve service and efficiency, the SFMTA must leverage technology

SFMTA logo

San Francisco Municipal Transportation Agency

Organization chart

Revised July 30, 2010 (accessible)

The San Francisco Municipal Transportation Agency (SFMTA) is led by the SFMTA Board of Directors.

The SFMTA Board is reported to by:

- Board Secretary Roberta Boomer.

SFMTA Executive Director/Chief Executive Officer Nathaniel P. Ford, Sr., reports to the SFMTA Board. The Executive Director/CEO is reported to by the following Directors, who are responsible for their respective programs:

Bond Yee, Director of Sustainable Streets

- Long Range Planning and Policy.
- Livable Streets.
- Transportation Engineering.
- Field Operations.
- Urban Initiatives.
- Off-Street Parking.
- Sustainable Streets Administration.

Sonali Bose, CFO/Director of Finance and Information Technology

- Accounting/Controller.
- Budget and Grants.
- Real Estate.
- Revenue Collection and Sales.
- Technology and Performance.
- Financial Services and Revenue Contracts.

Reginald Mason, CSO/Director of Safety

- Safety Administration.
- Transportation System Safety.
- Occupational Safety and Health.
- Worker's Compensation.

Debra Johnson, Director of Administration, Taxis and Accessible Services

- Human Resources.

- Employee/Labor Relations.
- Equal Opportunity & Diversity.
- Taxi Services.
- Accessible Services.
- Communications and Marketing.
- Administrative Hearing.
- Government and Regulatory Affairs.
- Organizational Development and Training.

John Haley, Director of Transit

- Security Enforcement.
- Transit Business Svcs./Ops Support.
- Transit Services.
- Transit Management.
- Parking Enforcement.
- Maintenance of Way/Infrastructure.
- Vehicle Maintenance.

Carter Rohan, Director of Capital Programs and Construction

- Programs Engineering.
- Project Management.
- Project Controls.
- Contract Administration.
- Construction and Procurement Management.
- Quality Assurance/Control.
- Constructability and Technical Compliance.

San Francisco Municipal Transportation Agency

CITY CHARTER PROVISIONS

Creation

The San Francisco Charter, amended through Propositions E and A which were approved by the voters in 1999 and 2007 respectively, established the San Francisco Municipal Transportation Agency (SFMTA) as a separate agency of the City and County of San Francisco. The Municipal Railway, Parking and Traffic, Parking Authority, and Taxi Service make up the SFMTA. The Charter stated goals for the SFMTA is to “manage San Francisco’s transportation system – which includes automobile, freight, transit, bicycle, and pedestrian networks” to help the City achieve “an effective, efficient, and safe transportation system...” to support “its goals for quality of life, environmental sustainability, public health, social justice, and economic growth”. Specifically, the Charter provides SFMTA with a level of governance; financial, operating and administrative independence; and authority to manage its employees and to establish efficient and economical work rules and work practices to maximize responsiveness to public needs.

Governance

SFMTA is governed by a board of 7 directors who may serve 2 year terms and who are appointed by the Mayor and confirmed after public hearing by the Board of Supervisors. At least four of the directors must be regular riders of public transit and must continue to be regular riders during their terms. The directors must possess significant knowledge of or professional experience in, one or more of the fields of government, finance, or labor relations. At least two of the directors must possess significant knowledge of, or professional experience in, the field of public transportation. During their terms, all directors are required to ride the system on the average once a week.

Service Standards

The Charter includes minimum standards for on-time public transit performance and service delivery standards for SFMTA as follows:

- “1. On-time performance: At least 85 percent of vehicles must run on-time, where a vehicle is considered on-time if it is no more than one minute early or four minutes late as measured against a published schedule that includes time points; and
2. Service delivery: 98.5 percent of scheduled service hours must be delivered, and at least 98.5 percent of scheduled vehicles must begin service at the scheduled time.”

Budget Process

The City Charter requires that the SFMTA must submit a two-fiscal year budget in even-numbered years and it may submit budget amendments for the second fiscal year in odd-numbered years. SFMTA’s budget must be presented to the Citizen’s Advisory Council (CAC) and the public for review and comment. No later than May 1st of each even-numbered year, the proposed budget must be submitted for each of the next two fiscal years to the Mayor and the Board of Supervisors. As long as SFMTA stays within the revenue formulas outlined in the Charter, and does not ask for additional General Fund resources or support, the Mayor must forward the budget to the Board of Supervisors as submitted. The Board of Supervisors may allow the SFMTA’s budget to take effect without any action or its part or it may reject the budget in its entirety by a seven-eleventh’s vote. Additionally, by May 1st of each odd-numbered year, the SFMTA can submit any budget amendment for the second year of the two-year budget to the Mayor and the Board of Supervisors. Finally, the SFMTA can move funds within its budget and hire personnel as long as SFMTA remains within its budget as deemed by the Controller.

San Francisco Municipal Transportation Agency

THE CITY BUDGET GUIDELINES

Budget Structure

SFMTA's budget is developed as a line item budget. As such it is organized into Sub-funds and index codes, which indicate where in the department the funds are allocated, and object and subobject codes, which indicate what type of expenditure is included. The budget is also organized by divisions to indicate the Agency's organizational responsibility.

Positions

COLAs/Labor Agreements/Equity Adjustments. As codified in the San Francisco Charter, the approved budget must contain funding to pay for all anticipated or estimated salary adjustments provided in employee Memoranda of Understanding (MOUs), cost of living adjustments (COLAs), and any other pay equity adjustments.

Annualization of Existing Positions. Positions that were added in the previous year's budget (FY 2009-2010 operating budget), must be annualized to a full 1.0 full time equivalent (FTE) position from the previously budgeted partial position (see *New Positions* below). The incremental costs associated with these positions must also be budgeted.

New Positions. New positions are pro-rated to reflect the portion of the year the position will be on payroll. The default is to budget new positions at 0.77 of a full position, as the recruitment process takes an average of three months.

Attrition Savings. It is anticipated that normal departmental attrition results in savings. Attrition savings appear in the budget as a negative position count, which is netted against the total positions in the budget. Thus, the total position count for the department reflects the net funded positions for the department, adjusted for attrition savings.

To minimize the impact from continued economic downturn and balance its budget, the SFMTA has defunded many of its vacant positions in FY 2010-2011 and the resulted savings are included in attrition savings.

Other Adjustments. Other salary adjustments included in budgeted position expenditures are those to compensate for a year that has 260, 261 or 262 workdays, for automatic step adjustments, and for positions that are not at the top salary step. In addition, salary annualization costs represent the cost of wage adjustments that took place during the prior year.

Fringe Benefits. Fringe benefits include health care for active and retired employees, social security and Medicare contributions, City retirement contribution, City-paid employee retirement contribution (City pick-up), and other benefits provided in employee MOUs.

Terms

Platform. The term "platform" refers to the 9163 Transit Operator classification.

Miscellaneous. When used in reference to employees, the term "miscellaneous" applies to all non-Transit Operator classifications.

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SFMTA

Municipal Transportation Agency

**FY 2010-2011 AND FY 2011-2012
ADOPTED OPERATING BUDGET**

BUDGET OVERVIEW

JULY 1, 2010

OPERATING BUDGET OVERVIEW

The SFMTA FY 2010-2011 (FY 2011) and FY 2011-2012 (FY 2012) Board Approved Operating Budgets are presented in further detail in this document. The table below summarizes the approved revenue and expenditure budget for FY 2011 and FY 2012 in comparison to FY 2010 Approved Amended Budget and Year End Unaudited Results.

Budget Category (in millions)	FY 2010 Board Approved Amended Budget	*FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
Total Revenue	\$768.6	\$757.1	\$775.0	\$780.6
Total Expenditure	\$768.6	\$700.7	\$775.0	\$780.6

* The FY 2010 unaudited total expenditure does not include all year-end expense accruals and payment carryforwards as of this document date.

The total revenue in FY 2011 Operating Budget is \$18 million or 2.4 percent higher, and the total expenditure is \$74.3 million or 10.6% higher when compared to FY 2010 Year End Unaudited Results.

The FY 2011 Operating Budget is \$6.4 million or 0.8 percent higher than FY 2010 Amended Operating Budget, and \$5.6 million or 0.7 percent lower than FY 2012 Operating Budget.

REVENUES

The FY 2011 and FY 2012 Operating Budget include revenues from transit fares, operating grants, parking and traffic fees and fines, taxi fees, and other revenues such as interdepartmental recovery, advertising and interest income. The budget also includes General Fund support under the provisions of the City Charter, which requires the General Fund base amount to be adjusted each year by the percentage increase or decrease in the aggregate City and County discretionary and unrestricted revenues.

The table below summarizes the actual revenues collected in FY 2009, revenues included in FY 2010 Amended Budget, revenues recorded in FY 2010 Year End Unaudited Results, and revenues budgeted for FY 2011 and FY 2012.

Revenue Category (in millions)	FY 2009 Actual Results	FY 2010 Board Approved Amended Budget	FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
Transit Fares	\$153.0	\$181.3	\$187.6	\$177.9	\$182.3

Revenue Category (in millions)	FY 2009 Actual Results	FY 2010 Board Approved Amended Budget	FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
Operating Grants	\$107.9	\$79.5	\$83.5	\$126.3	\$106.9
Parking and Traffic Fees & Fines	\$228.8	\$244.9	\$239.7	\$256.6	\$276.5
Other (Advertising, Interest, Rent, etc.)	\$24.2	\$21.2	\$22.0	\$22.7	\$21.0
Interdepartmental Recovery	\$2.3	\$3.0	\$2.8	\$3.1	\$3.1
General Fund Transfer	\$177.9	\$178.3	\$177.2	\$175.0	\$177.3
Fund Balance Appropriation	\$32.5	\$42.2	\$42.2	\$0	\$0
Taxi Fees	\$0	\$18.2	\$2.1	\$13.4	\$13.5
TOTAL	\$726.6	\$768.6	\$757.1	\$775.0	\$780.6

Percentage of Revenue Total by Category

In the table below, the percentage of each revenue category for FY 2009 Actual Results, FY 2010 Amended Budget, FY 2010 Unaudited Results, and FY 2011 and FY 2012 Operating Budgets are shown. Parking and Traffic Fees & Fines, Transit fares, General Fund Transfers and Operating Grants have consistently been the main funding sources that support SFMTA's operating expenses.

Revenue Category	FY 2009 Actual Results	FY 2010 Board Approved Amended Budget	FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
Transit Fares	21.1%	23.6%	24.8%	23.0%	23.4%
Operating Grants	14.8%	10.3%	11.0%	16.3%	13.7%
Parking and Traffic Fees & Fines	31.5%	31.9%	31.6%	33.1%	35.4%
Other (Advertising, Interest, Rent, etc.)	3.3%	2.8%	2.9%	2.9%	2.7%
Interdepartmental Recovery	0.3%	0.4%	0.4%	0.4%	0.4%
General Fund Transfer	24.5%	23.2%	23.4%	22.6%	22.7%
Fund Balance Appropriated	4.5%	5.5%	5.6%	0.0%	0.0%
Taxi Fees	0.0%	2.4%	0.3%	1.7%	1.7%

Revenue Category	FY 2009 Actual Results	FY 2010 Board Approved Amended Budget	FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURES

Expenditures in SFMTA's Operating Budget fall into eight major categories: Salaries and Benefits, Contracts and Other Services, Materials and Supplies, Equipment and Maintenance, Rent and Building, Insurance and Claims, and Services from City Departments (work orders).

The table below summarizes actual expenditures incurred in FY 2009, expenditures budgeted in FY 2010 Amended Budget, expenditures incurred in FY 2010 Year End Unaudited Results, and expenditures included in FY 2011 and FY 2012 Operating Budgets.

Expenditure Category (in millions)	FY 2009 Actual Results	FY 2010 Board Approved Amended Budget	FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
Salaries & Benefits	\$464.3	\$484.4	\$463.9	\$466.3	\$462.1
Contracts & Other Services	\$51.2	\$64.0	\$46.7	\$69.2	\$75.8
Materials & Supplies	\$24.3	\$40.7	\$19.2	\$46.0	\$48.0
Equipment & Maintenance	\$36.9	\$42.5	\$40.2	\$51.6	\$50.5
Rent & Building	\$7.8	\$7.0	\$8.7	\$8.8	\$7.0
Insurance & Claims	\$58.9	\$66.2	\$60.0	\$72.7	\$76.8
Services from City Departments	\$62.5	\$63.8	\$62.0	\$60.4	\$60.4
TOTAL	\$705.9	\$768.6	\$700.7	\$775.0	\$780.6

Percentage of Expenditure Total by Category

In the table below, the percentage of each expenditure category for FY 2009 Actual Results, FY 2010 Amended Budget, FY 2010 Unaudited Results, and FY 2011 and FY 2012 Operating Budgets are shown. Salaries and fringe benefits are projected to decline as a percentage of the total operating budget between FY 2010 Amended Budget and FY 2011 and FY 2012 Operating Budgets. These expenditures make up approximately two-thirds of operating costs. Services from City Departments, Contracts and other Services, and Insurance and Claims collectively are projected to account for 26.1% and 27.2% respectively of Approved FY 2011 and FY 2012 Operating Budgets. A significant effort was made to reduce costs from inter-departmental services.

Expenditure Category	FY 2009 Actual Results	FY 2010 Board Approved Amended Budget	FY 2010 Year End Unaudited Results (As of Sept 21, 2010)	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
Salaries & Benefits	65.8%	63.0%	66.2%	60.2%	59.2%
Contracts & Other Services	7.3%	8.3%	6.7%	8.9%	9.7%
Materials & Supplies	3.4%	5.3%	2.7%	5.9%	6.2%
Equipment & Maintenance	5.2%	5.5%	5.7%	6.7%	6.5%
Rent & Building	1.1%	0.9%	1.2%	1.1%	0.9%
Insurance & Claims	8.3%	8.6%	8.6%	9.4%	9.8%
Services from City Departments	8.9%	8.3%	8.8%	7.8%	7.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

POSITIONS

The table below shows the number of positions deleted in FY 2010 and FY 2011.

Positions (FTE)	FY 2010 Board Approved Amended Budget	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
*Positions Eliminated	6.00	189.00	0

*See **Deleted Position Summary** page for details.

The table below summarizes the SFMTA positions from FY 2010 to FY 2012.

Positions (FTE)	FY 2010 Board Approved Amended Budget	FY 2011 Board Approved Budget	FY 2012 Board Approved Budget
*Positions Funded in Operating Budget	4,925.22	4,797.02	4,797.02
*Positions Budgeted in Project/Grant Funds	443.81	375.75	375.75
Total ASO Budgeted Position Counts	5,369.03	5,172.77	5,172.77
**Less Attrition Savings	552.60	639.16	709.78
Total Positions	4,816.43	4,533.61	4,462.99

* Include regular position FTE counts and temporary salary FTE counts.

** Include regular attrition savings and unfunded positions (see **Defunded Position Summary** page for details).

The table below shows the change in number of positions and in percentage between budget years. The overall number of positions decreased by 282.8 FTE or 5.9% for FY 2011 compared to FY 2010 and decreased by 70.6 FTE or 1.6% for FY 2012 compared to FY 2011.

Positions (FTE)	FY 2011 Board Approved Budget Compared to FY 2010 Board Approved Amended Budget	FY 2012 Board Approved Budget Compared to FY 2011 Board Approved Budget
Positions Funded in Operating Budget	-128.2 (-2.6%)	0 (0%)
Positions Budgeted in Project/Grant Funds	-68.1 (-15.3%)	0 (0%)
Attrition Savings (include unfunded positions)	86.5 (15.7%)	70.6 (11.0%)
Total Positions	-282.8 (-5.9%)	-70.6 (-1.6%)