



**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

MUNICIPAL RAILWAY DEPARTMENT



FY2005 OPERATING BUDGET

**SAN FRANCISCO MUNICIPAL RAILWAY DEPARTMENT
APPROPRIATIONS**

MUNICIPAL TRANSPORTATION AGENCY, BOARD OF DIRECTORS

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Deputy General Manager, Finance and Administration

Alicia Fletcher
Budget Manager

Budget Document Producers

BJ Dix
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Stella Ong
Bose Onyemem

MUNI'S MISSION

Working together effectively, we serve our community. We provide safe, reliable, clean, accessible, and convenient transportation to any destination in the City. We are dedicated to creating the most satisfying experience possible for our employees and our riders.

By placing people first, Muni strives to offer the maximum opportunity for employees to contribute their best and achieve career growth. We are building a model urban transit organization, internationally recognized for excellence.

We treat each other with respect; develop trust; encourage mutual understanding; and value our diversity. We promote accountability and take pride in our work.

Above all, we are committed to living this Mission daily in our relationships with each and everyone in our community.

MUNICIPAL TRANSPORTATION AGENCY FY2005 GOALS

1. Advance Muni's and DPT's Missions at all levels and divisions within the organization by focused communication, involvement and recognition.
2. Cultivate security awareness and preparedness through drills, training and improved coordination with transit and government agencies.
3. Improve safety for employees, passengers, pedestrians and motorists by training; increased awareness; and improved equipment, facilities and traffic control.
4. Achieve service standards and performance measures, including:
 - On-time performance
 - Service availability
 - System reliability
 - System performance
 - Staffing performance
 - Customer service
5. Improve movement of people and goods throughout San Francisco by close communication and coordination between the Municipal Railway and the Department of Parking and Traffic.
6. Promote professional growth and development for all employees through available training opportunities.
7. Progress the Third Street Project in accordance with the FY05 baseline schedule and budget, including: ongoing construction of line segments and Metro East, continuing preliminary engineering work for Phase II, the Central Subway, and securing funding and community support for the project.
8. Maintain a balanced budget and build a foundation for long-term financial stability through aggressive pursuit of all revenue sources and improved management of resources.
9. Improve customer service by increasing access to timely and accurate information about all MTA services and by speedy resolution of complaints and issues.
10. Increase the use of all alternative modes of travel and reduce travel time without increasing congestion.
11. Finish implementation of the Transit Preferential Streets treatments for Inner Geary, and continue planning and design for transit improvements on Geary, Van Ness, and other corridors, in accordance with the Vision Plan.
12. Continue implementation of the TransLink universal fare card system.



SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY

MUNICIPAL RAILWAY DEPARTMENT



FY2005 OPERATING BUDGET

CALTRAIN JOINT POWERS BOARD DIVISION

BUDGET INFORMATION, PROCESS, GUIDELINES AND TIMELINE

The operating budget of the Municipal Transportation Agency – Municipal Railway Department (Muni), is proposed by the Executive Director and approved by the Municipal Transportation Agency (MTA) Board of Directors and the San Francisco Board of Supervisors. The Executive Director and the MTA Board certify that the budget is adequate in all respects to allow the department to make substantial progress toward meeting the goals, objectives, and performance standards established pursuant to Section 8A.103 of the San Francisco City Charter.

The FY2005 approved operating budget was created in the context of continued economic difficulties. FY2005 represents the fourth consecutive year of economic downturn. Beginning in FY2002, Muni's revenue sources began to decline, as they are sensitive to economic conditions and factors such as employment levels and tourism levels. At the same time, the fixed costs associated with Muni's core services have continued to rise, such as salary expenditures and fuel costs.

Over the past four years, Muni has made every effort to reduce its expenditures in order to balance its budget. In addition, in FY2004, with rider satisfaction levels increasing and continued progress towards meeting Muni's service standards, the agency looked to both revenue and expenditure solutions in order to balance its budget, adopting a fare increase as well as increases to parking fines, fees, and rates. In FY2005, after implementing expenditure and revenue measures over the previous years and facing a \$32 million deficit, Muni had few viable options remaining to balance its budget. As a result, the FY2005 budget includes difficult measures such as personnel reductions, service adjustments, and the use of capital funds.

While Muni has made progress in increasing its efficiency and maximizing its revenues in recent years, both of these strategies will need to be sustained in order for Muni to operate effectively going forward. In addition, it is important to recognize that a baseline level of resources is necessary in order to sustain service levels. Looking forward, it will be critical to align resources with service provision.

Process

The San Francisco Charter, as amended through Proposition E, approved by the voters in 1999, establishes the Municipal Transportation Agency (MTA) as an enterprise fund department of the City and County of San Francisco. Overseen by the MTA Board of Directors, Muni and the Department of Parking & Traffic make up the MTA and each also functions as an enterprise fund department. In establishing the MTA as an enterprise fund, a stated goal was to achieve a transportation system that is comparable to the best urban transit systems in the world's major cities. The structure is designed to provide the transportation system with the resources, independence, and focus necessary to achieve this goal. Specifically, the Charter amendment intended to strengthen Muni's authority to manage its employees, establish efficient and economical work rules and work practices that maximize Muni's responsiveness to public needs, and protect the right of Muni to

manage its employees. In addition, the amendment helps to provide for a predictable and stable level of funding.

Muni receives a yearly transfer or support from the General Fund, as specified by formula in Prop. E. The transfer amount is based upon the amount given in a base year, plus the percentage change in discretionary revenues for the General Fund.

Muni's budget process is also established in the Charter. After an internal review process, the Executive Director presents the proposed annual operating budget to the MTA Board and the Citizen's Advisory Council (CAC) for review and comment. A public hearing is also held. The MTA Board must approve the budget and forward it to the Mayor and the Board of Supervisors by March 1. As long as Muni 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 Controller's Office is charged with certifying the revenues as presented by Muni. Once received from the Mayor, the Board of Supervisors has three options with Muni's budget. It may approve or reject the budget, but not modify it. Rejecting the budget requires a two-thirds vote. Or, if the Board takes no action by August 1, the budget is deemed approved.

Operating Budget

The budget approved by the MTA Board and the Board of Supervisors is Muni's annual operating budget. With a few exceptions, it does not include capital projects. Capital projects are detailed in the Short Range Transit Plan, which is developed every other year. In addition, the operating budget also details positions funded through grant dollars.

USING THE DOCUMENT

The operating budget is a spending management plan for the use of Muni's resources. Through the use of these resources, Muni provides public transportation services within the City and County of San Francisco. In addition, the budget is the vehicle by which Muni recommends allocation of resources to meet Muni's goals and service standards. An accrual basis of accounting is used to develop Muni's budget.

Document Organization

Muni's budget is divided into 16 separate books, offered through electronic media. The first book is a department-level look at Muni's budget, including an overview of its revenues and appropriations (expenditures), and positions. In addition, there are 15 division-level books that give a more detailed picture of each division, by unit.

Independent of the operating budget is Muni's capital budget, which is contained in the Short Range Transit Plan (SRTP). The SRTP is published every two years and is subject to approval by the MTA Board of Directors, and to appropriation approval by the Board of Supervisors.

Budget Organization

Index Codes/Object/Subobject Codes

As required by the San Francisco Charter, Muni's budget is developed as a line item budget. As such it is organized into 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. This level of detail can be found in the reports that follow the budget narrative.

Positions

COLAs/Labor Agreements/Equity Adjustments

As codified in the San Francisco Charter, the approved budget must contain in it 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. (For the rest of the City, that money is added to departmental budgets after approval of employee MOUs.)

Annualization of Existing Positions

Positions that were added in the previous year's budget (FY2004 operating budget), must be annualized to a full 1.0 full time equivalent (FTE) position from the previously budgeted 0.75 FTE position. The incremental costs associated with these positions must also be budgeted. Because no new positions were added in FY2004, there are no position annualization costs in the FY2005 budget.

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 0.75 of a full position, as the recruitment process takes an average of three months. No new positions were added to the FY2005 budget.

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.

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 to adjust for positions 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.

Organization Charts

Organization charts are included in each budget book. These charts reflect the positions and organizational structure of the agency at the time the FY2005 budget was developed.

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.

OVERVIEW

**CalTrain JPB
Summary of Major Changes**

Description	FY2004 Approved	FY2005 Approved	FY2005 Variance
Operating Fund			
Non Personal Services	8,653,408	6,337,070	(2,316,338)
Total	\$ 8,653,408	\$ 6,337,070	\$ (2,316,338)

This division is reorganized from the Unallocated Division in FY2005. The appropriation funds payment to the CalTrain Peninsula Joint Powers Board (JPB) as a local subsidy to CalTrain's FY2005 operating budget. In FY2004, the appropriation included both capital and operating support, with approximately \$6.4 million allocated to operating and \$2.2 million to capital. The decrease of \$2,316,338 in FY2005 compared to the FY2004 budget of \$8,653,408 is due to the elimination of the capital support.

APPROPRIATIONS
DIVISION LEVEL

**MUNICIPAL RAILWAY DEPARTMENT
CALTRAIN JOINT POWERS BOARD
FY2005 BUDGET APPROPRIATION NARRATIVE**

DESCRIPTION

The City and County of San Francisco, the San Mateo County Transit District, and the Santa Clara Valley Transportation Authority are member agencies of the CalTrain Peninsula Joint Powers Board (JPB) and as such, provide annual local subsidies to the JPB. In FY2004, the local support for CalTrain was transferred from the City's General Fund budget to Muni's operating budget in an effort to further consolidate the City's transportation functions and provide the required local subsidy to the CalTrain operating and capital budgets. The budget allocation for this item was included in the Unallocated Division in FY2004. In FY2005, this appropriation was reallocated from the Unallocated Division.

✧ OBJECT 052/TAXES, LICENSES & PERMITS ✧

FY2004 Approved	FY2005 Approved	FY2005 Increase (Decrease)
\$6,337,070	\$6,337,070	-

This appropriation funds payment to the CalTrain Peninsula Joint Powers Board (JPB) as a local subsidy to CalTrain's FY2005 operating budget.

**City and County of San Francisco
Municipal Transportation Agency
Major Expenditure Categories Change From Prior Year
Budget Year 2004-2005**

Department : DPT MTA - MUNICIPAL RAILWAY
Division : 19 CALTRAIN JOINT POWERS BOARD

Subobject	Subobject Title	2003-2004 Board Adopted	2004-2005 Board Adopted	FY 2005 Adopted Increase (Decrease) over FY2004 Adopted
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MUNI-OPERATING-NON-PROJ-CONTROLLED FD

Character	: 021	NON PERSONAL SERVICES				
05241		PAYMENTS TO OTHER GOVT	0	6,337,070	6,337,070	0.0%
TOTAL NON PERSONAL SERVICES			0	6,337,070	6,337,070	0.0%
TOTAL MUNI-OPERATING-NON-PROJ-CONTROLLED FD			0	6,337,070	6,337,070	0.0%
TOTAL CALTRAIN JOINT POWERS BOARD			0	6,337,070	6,337,070	0.0%

APPROPRIATIONS
SECTION, UNIT AND SUB-UNIT LEVELS

**City and County of San Francisco
Municipal Transportation Agency
Appropriation by Index Code, By Subobject
Budget Year 2004-2005**

Department : DPT MTA - MUNICIPAL RAILWAY
 Division : 19 CALTRAIN JOINT POWERS BOARD
 Section : 01 CALTRAIN JOINT POWERS BOARD
 Fund : 5MAAAAAA MUNI-OPERATING-NON-PROJ-CONTROLLED FD

Subobject	Subject Title	2004-2005 Board Adopted
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Index Code	352101	CALTRAIN JOINT POWERS BOARD	
Character	: 021	NON PERSONAL SERVICES	
	05241	PAYMENTS TO OTHER GOVT	6,337,070
TOTAL NON PERSONAL SERVICES			6,337,070
TOTAL INDEX CODE 352101			6,337,070
TOTAL MUNI-OPERATING-NON-PROJ-CONTROLLED FD			6,337,070
TOTAL CALTRAIN JOINT POWERS BOARD			6,337,070

INDEX CODES

