



FY 2013 and FY 2014 Preliminary Operating Budget (As of mid February 2012)



February 21, 2012 SAN FRANCISCO, CALIFORNIA

Introduction

- FY 2013-2014 Preliminary Operating Budget
 - Revenues
 - Expenditures
- New Programs
- Additional Revenue Options
- Budget Timeline

Revenues
FY 2012 Amended Operating Budget
FY 2013 and FY 2014 Proposed Operating Budget (\$M)

Revenue Category	FY 2012 Amended Budget	FY 2012 Year End Projection	FY 2013 Baseline Budget (Workshop)	FY 2014 Baseline Budget (Workshop)	FY 2013 Baseline Budget (Current)	FY 2014 Baseline Budget (Current)
Transit Fares	182.3	193.4	194.9	196.8	194.9	196.8
Operating Grants	106.9	106.9	113.7	115.7	113.7	115.7
Parking and Traffic Fees & Fines	263.0	252.3	254.2	260.2	254.2	260.2
Taxi Services	13.5	13.5	8.2	8.2	8.2	8.2
Other (Advertising, Interest, Inter-departmental Recovery)	24.9	29.1	21.3	22.1	21.3	22.1
General Fund Transfer	190.8	190.8	204.5	207.5	204.5	207.5
Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	\$781.4	\$786.0	\$796.8	\$810.5	\$796.8	\$810.5

**FY 2013 – FY 2014
Revenues Compared to FY 2012 (\$M)**

Line Item	FY 2013 vs. FY 2012	Description	FY 2014 vs. FY 2013	Description
Transit Fares	12.6	\$6m Lifeline pass, \$4m cash fares, \$2m Indexing	1.8	Indexing
Operating Grants	6.8	AB 1107, TDA Sales Tax, STA	2.0	2% CPI increase
Parking and Traffic Fees & Fines	-8.8	(\$10 m) citations, \$2.0 GF Parking Tax In Lieu, \$0.8 cost recovery fees	6.0	\$4 GF Parking Tax In Lieu, \$.5 cost recovery fees, \$1.5 garages and meters
Taxi Services	-5.3	Medallion Sales	0.1	Indexing
Other (Advertising, Interest, Inter-departmental Recovery)	-2.8	Interest Income	0.8	2% CPI increase
General Fund Transfer	13.7	City Economy	3.0	City Economy
Fund Balance	0.0	Not using Fund Balance	0.0	Not using Fund Balance
Total	\$16.2		\$13.7	

**Expenditures
 FY 2012 Amended Operating Budget
 FY 2013 and FY 2014 Proposed Operating Budget (\$M)**

Expenditure Category	FY 2012 Amended Budget	FY 2012 Year End Projection (includes carryforwards)	FY 2013 Baseline Budget (Workshop)	FY 2014 Baseline Budget (Workshop)	FY 2013 Baseline Budget (Current)	FY 2014 Baseline Budget (Current)
Salaries & Benefits	462.1	513.1	496.1	511.9	494.2	506.0
Contracts and Other Services	74.7	58.6	77.3	78.9	75.1	73.3
Materials & Supplies	47.5	39.9	48.0	49.0	66.9	68.9
Equipment & Maintenance	50.5	58.8	44.5	45.4	17.4	17.6
Rent & Building	7.0	9.2	7.4	7.7	5.7	5.8
Insurance, Claims & Payments to Other Agencies	76.8	75.6	81.8	83.4	64.2	62.3
Rainy Day Reserve	0.0	0.0	10.0	10.0	10.0	10.0
Work Orders	62.0	65.2	65.8	69.8	65.1	66.4
TOTAL	\$780.6	\$820.4	\$830.9	\$856.1	\$798.6	\$815.0

**FY 2013 – FY 2014
Expenditures Compared to FY 2012 (\$M)**

Line Item	FY 2013 vs. FY 2012	Description	FY 2014 vs. FY 2013	Description
Salaries & Benefits	32.1	\$20m contractual salary and benefits; \$20m operator positions; (\$5.8m) TWU Contract ; (\$10m) Prop C; 10 overtime, (\$2m) Management Reductions.	11.7	3% increase in labor offset by (\$5.5m) in TWU contract, (\$5m) overtime
Contracts and Other Services	0.4	TSP EIR	(1.8)	Studies completed in FY 2013
Materials & Supplies	19.4	Clipper Transaction Costs, Use FY 2011 actuals	2.0	CPI increase
Equipment & Maintenance	(33.1)	(\$0.3m) Non-Revenue Fleet Maintenance, (\$10m) Use one time STA capital funds for equipment, (\$22.8m)Use FY 11 actuals	0.2	CPI increase
Rent & Building	(1.3)	Terminating leases	0.1	CPI Increase
Insurance, Claims & Payments to Other	(12.6)	(\$5m) reduction in claims, (\$1m) workers compensation, (\$6.6m) Use FY 11 actuals	-1.8	(\$1m) workers compensation, (\$0.8m) reduction in claims)
Rainy Day Reserve	10.0	Fund Reserve – Per Policy	0	
Work Orders	3.1	\$0.6m PUC Increase for power, \$1.9m Increase in DT, \$0.6m New Work Orders with DEM, DHR and Tax Collector	1.3	PUC Increase, New Work Orders with DEM, DHR and Tax Collector
Total	\$18.0		\$11.7	

Changes to Expenditures From November Workshop (\$m)

Overall Reduction in Expenditures: (\$32) FY 2013, (\$46) FY 2014

- Salaries and Benefits (\$2-\$6)
 - Management Reductions (\$2.0)
 - Overtime Reduction in FY 2014 (\$5.0)
- Insurance and Payments to Other Agencies: (\$18)
 - Claims (\$5.0)
 - Worker's Compensation (\$1.0)
 - Use FY 2011 Actuals as Basis (\$13.0)
- Rent and Building: (\$2)
 - Termination of Lease
- Equipment & Maintenance: (\$27)
 - Use one time STA capital funds for equipment (\$10)
 - Use FY 2011 Actuals as Basis: (\$7)
- Materials & Supplies: \$19
 - Clipper Transaction Charges and Smart Cards: \$4.0
 - Use FY 2011 Actuals as Basis: \$15

New Programs

	FY 2013	FY 2014
Rail maintenance		
Preventive Maintenance	750,000	1,500,000
Running repair	250,000	500,000
Cleaning	125,000	250,000
Campaigns	1,750,000	3,500,000
Bus maintenance		
Preventive Maintenance	750,000	1,500,000
Running repair	250,000	500,000
Cleaning	125,000	250,000
Campaigns	1,750,000	3,500,000
Maintenance of Way		
Track Preventive Maintenance	600,000	1,200,000
Overhead Line Maintenance	1,400,000	2,800,000
Track Repair	1,500,000	1,500,000
Signals	2,100,000	2,100,000
Electronics	1,000,000	1,000,000
Facilities	1,000,000	1,000,000
Line Management Center, Transit Supervisors	370,000	740,000
TEP	375,000	750,000
Sustainable Streets	1,000,000	2,000,000
Crossing Guards	250,000	500,000
Transit Fare Inspectors	450,000	900,000
Safety and Training Staffing	500,000	1,000,000
Safety and Training Equipment	1,000,000	1,000,000
Other Staffing	560,000	1,120,000
TOTAL	17,855,000	29,110,000

**FY 2013 and FY 2014
Proposed Operating Budget (including New Programs)
Revenues Less Expenditures**

(\$M)

	FY 2013 (Nov Workshop)	FY 2014 (Nov Workshop)	FY 2013	FY 2014
Revenues	796.8	810.5	796.8	810.5
Expenditures	830.9	856.1	816.4	844.1
Revenues Less Expenditures	(34.1)	(45.6)	(19.6)	(33.6)

Possible Additional Revenue Sources/Impacts (\$M)

Proposal	Description	Annual Revenue
Meter Bagging	Board Approved \$5 Fee for FY 2012. Original Proposal was \$22.50 per day for for-profit companies and \$15.00 per day for non-profit agencies	1.0
Citation Increase	Increase by \$3.00 to offset increase to Courthouse Fee	3.0
Extended Hours Parking	Based on Study – until 6pm, 9pm or midnight depending on occupancy: Sundays throughout the City; Fridays in much of the City; Monday - Thursdays in some of the City	9.0 (6.3 first year)
Charge for Parking on Sundays	Currently parking is free on Sundays on all meters in the City. Assume meters would operate from 9am to 6pm. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	2.80
Adding 500-1,000 new metered spaces	This estimate includes (i.e., nets out) all incremental costs, such as enforcement, meter maintenance, meter communications, coin collection, spare parts, etc., as well purchase of the new meters	1.0 (0.5 first year)
Youth Passes	If Free Youth Passes were provided to all youth, revenue loss would be \$7.9 annually. If free passes were provided to low income youth (reduced lunch population), revenue loss would be \$4.0 annually.	-\$4.0/- \$7.9

Possible Additional Revenue Sources/Impacts (\$M)

Line Item	Description	Annual Amount
Enforcing existing parking garage pricing ordinance	Enforce existing Planning Code ordinance that says all garages/lots in C-3 can only charge hourly rates for parking (i.e., no daily, early bird, monthly, or annual rates). Requires hiring enforcement staff. Increases SFMTA revenue by increasing parking garage and tax revenues.	3.0 (half year)
Enhancing the existing parking garage ordinance to apply citywide	Planning Code ordinance changed to apply to all parking lots and garages citywide. May require significant time for garages/lots to comply (some would require changes in infrastructure). Requires hiring enforcement personnel. Increases SFMTA revenue by increasing parking garage and tax revenues.	2.6 (half year)
Charging for Transfers for Cash Only Payments	To create incentive to move riders to Clipper, charge \$0.25 cents for paper transfers (\$0 for Clipper transfers). Assume about 15% of boardings are via paper transfers. Assuming 200m total annual boardings, 30m boardings are through transfers and assuming 50% will continue to use transfers and pay \$0.25.	3.8
Increase Cash Single Fare (In Budget)	To create incentive to move riders to Clipper, charge \$0.25 cents more for single fare (\$2.00 on Clipper, \$2.25 cash). Assume about 10% of boardings are via cash fares. Assuming 200m total annual boardings, 20m boardings are through cash fares and assuming 50% will continue to use cash fares and pay \$0.25.	1.9
Eliminate Free Employee Transit Passes	For those MOUs which do not provide free transit passes, eliminate free employee passes. Assume 25% of employees would purchase passes.	0.5

Automatic Indexing (\$M)

Line Item	Description
Automatic Indexing	½ CPI Increase (1.9% in FY 2013 and 1.9% in FY 2014) + ½ Labor CPI-U Forecast 3.5% in FY 2013 and 3.5% in FY 2014) = 2.7%

DESCRIPTION	Fiscal Year 2011-12 Amount	Fiscal Year 2012-13 Proposed Rate	Fiscal Year 2013-14 Proposed Rate
<u>AIIP RATE:</u>		2.6%	2.6%
Adult Cash Fare	\$2.00	\$2.00	\$2.00
Discount Cash Fare (Senior and Disabled)	\$0.75	\$0.75	\$0.75
Youth Cash Fare	\$0.75	\$0.75	\$0.75
Adult "A" Fast Pass with Ride on BART in SF	\$72.00	\$74.00	\$76.00
Adult "M" Fast Pass Muni Only	\$62.00	\$64.00	\$66.00
Disabled/Youth/Senior Monthly Pass Muni Only	\$21.00	\$22.00	\$23.00
Disabled/Youth/Senior Monthly Pass with Ride on BART in SF	\$26.00	\$27.00	\$28.00
Lifeline Monthly Pass (Low Income)	\$31.00	\$32.00	\$33.00
Cable Car Cash	\$6.00	\$6.00	\$6.00
Cable Car All-Day Pass (implement January)	\$14.00	\$14.00	\$15.00
One-Day Passport (implement January)	\$14.00	\$14.00	\$15.00
Three-Day Passport (implement January)	\$21.00	\$22.00	\$23.00
Seven-Day Passport (implement January)	\$27.00	\$28.00	\$29.00
Tokens (Pack of 10) – tied to adult cash fare, no change	\$20.00	\$20.00	\$20.00
Special Cable Car Fare for Seniors and Disabled from 9:00PM to 7:00AM	\$3.00	\$3.00	\$3.00
Interagency Sticker (excludes BART \$ Cable Car) - \$5 off Muni Only Pass	\$57.00	\$59.00	\$61.00
BART-to-Muni Transfer	1.75	\$1.75	\$1.75
Class Pass (monthly)	\$25.00	\$26.00	\$27.00
School Coupon Booklet – tied to youth cash fare, no change	\$7.50	\$7.50	\$7.50
Special Event Service Adult Round-Trip	\$12.00	\$12.00	\$13.00
Special Event Service Senior/Disabled/Youth Round-Trip	\$10.00	\$10.00	\$11.00
Special Event Service Add-on fare	\$8.00	\$8.00	\$9.00

Possible Revenue Solutions – Ballot Measures

Proposal	Description	Annual Revenue Potential
Parking Stall Fee	Charge private parking lots (not subject to parking tax) open to customers to offset congestion impact. Number of unpaid parking spaces: approx 30,000 x \$1,000 annual fee	\$30 million
Sales Tax	½% sales tax (an additional ¾% is currently permitted by state law). The local 1% sales tax is estimated to generate \$129 million in FY 2009-2010	\$65 million
Vehicle License Fee	Restore fee from current 1.15% to 2% of the vehicle purchase price, adjusted for depreciation (1998 levels)	\$33 million
Parcel Tax	\$200 annually for each residential and commercial property parcel. Approximately 144,000 parcels in San Francisco.	\$29 million
Commercial Off-Street Parking Tax	Raise 25% tax to 35% (SFMTA would retain 80% share under Proposition A)	\$20 million

Budget Balancing Panel is currently considering revenue solutions

Timeline

SFMTA Board of Directors Meetings	
February 21, 2012	Preliminary Operating and Capital Budget presentation
March 6, 2012	Presentation/Discussion regarding the FY13 and FY14 Operating and Capital Budgets including possible measures to address the budget deficit (includes a Public Hearing on Changes to Fees, Fines, Fares).
Mid March	Town Hall meetings and Budget Balancing Panel Recommendations. CAC review.
April 3, 2012	First opportunity to adopt the Operating and Capital budgets (includes a public hearing on revenue measures)
April 17, 2012	Second opportunity to adopt the Operating and Capital budgets (includes a public hearing on revenue measures)