

SFMTA

Municipal Transportation Agency

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET



APRIL 21, 2009 SAN FRANCISCO, CALIFORNIA

Background

- The SFMTA Board adopted the FY 2008-2009 and 2009-2010 Operating Budgets on April 15, 2008 pursuant to the Charter. The approved FY 2009-2010 Operating Budget totaled \$820.4 million including \$2.2 million for Taxi Services
- Subsequently, the Taxi Services budget was removed from the SFMTA Budget during the City budget process pending the transfer legislation
- During the approval process of the FY 2009 and FY 2010 Operating Budgets, the SFMTA Board requested that attempts be made to revisit the budget and determine whether cost savings could be made without negatively impacting operations and service. This effort resulted in a reduction to the Operating Budgets for both years by \$1.6 million in MEA positions.
- Therefore, the final FY 2009-2010 is \$816.7 million as published in the FY 2008-2009 and 2009-2010 Adopted Operating Budget
- Since April 15, 2008 there has been a severe downturn in the economy across the globe which has had a significant impact to the FY 2009-2010 budget projections
- On March 17, 2009, the SFMTA Board received a presentation identifying the deficit for FY 2009-2010 for the Amended Operating Budget.
- **On April 7, 2009, the SFMTA Board conducted a public hearing on the proposed service modifications and revenue options to address the \$128.9 million deficit.**

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET Changes to Revenues (\$ millions)

Expenditure Category (a)	Approved Budget (b)	Projection as of Feb 2009 (c)	Proposed Amended Budget (d)	Explanation of Figures Between February 2009 Projection and Proposed Amended Budget Columns (c) and (d)
State/Regional Funds	134.6	79.8	79.8	No change
General Fund	252.4	228.1	228.1	No change
Advertising	20.0	13.8	13.8	No change
Parking Citations	103.8	97.8	101.3	Expanded meter operating hours
Parking Meters	44.3	41.3	51.3	Expanded operating hours and meter rate increases
Garage Revenues	33.6	29.9	31.4	From proposed parking garage rate increases
Interest	5.6	4.8	4.8	No change
Fund Balance	36.4	42.3	42.3	No change
Taxi Services	0.0	2.2	23.2	Taxi Pilot Medallion Transferability Program (\$20M) and Cost Recovery of permit fees (\$0.58)
Transit Fares	163.4	164.3	185.4	Increase in single ride fares, discount fares, monthly fast passes, Cable Car Passports, Paratransit fares, Candlestick Park and Special Event Services, and Premium Monthly Passes for express routes and Bart/Muni use. Also reflect increased collection of Cable Car fares.
Other Revenues	22.6	22.6	22.6	No change
TOTAL	\$816.7	\$726.9	\$784.0	

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET Changes to Expenditures (\$ millions)

Expenditure Category (a)	Approved Budget (b)	Projection as of Feb 2009 (c)	Proposed Amended Budget (d)	Explanation of Figures Between February 2009 Projection and Proposed Amended Budget Columns (c) and (d)
Salaries & Benefits	496.4	521.5	491.2	Savings from 447 eliminated positions + reduction in increased overtime by \$7.0 + increases to Health Care Costs \$2.2
Materials & Supplies	69.6	69.6	62.4	Savings from service modifications and expenditure reductions
Services from City Departments	68.4	80.2	76.7	<ul style="list-style-type: none"> •SFPD - \$1.9M reduction •City Attorney - \$500K reduction •311 Call Center - \$798K reduction •SFGH - \$271K reduction
Taxi Services	0.0	2.2	2.6	Increased Staffing and Expenditures for Taxi Services
Rainy Day Reserve	10.0	10.0	0.0	Use of reserve
Capital Outlay	7.9	7.9	0.0	Reduction in STA Funds
Other Expenditures	164.4	164.4	151.1	No Change
TOTAL	\$816.7	\$855.8	\$784.0	

FY 2009-2010 PROPOSED AMENDED OPERATING BUDGET

(millions)

	Approved Budget (a)	Projection as of Feb 2009 (b)	Proposed Amended Budget (c)	Variance (c) Compared to (b)
Revenues	\$816.7	\$726.9	\$784.0	\$57.1
Expenditures	\$816.7	\$855.8	\$784.0	\$71.8
Revenues Less Expenditures	\$0	(\$128.9)	\$0	

Addressing the Deficit

Sharing in the Solution

- SFMTA: eliminating positions, reducing non labor costs
- Users of the System: higher charges, service modifications

Recommended Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for FY 2009-2010 (millions)

Description Of Proposal	Notes	Amount
Eliminating Positions	Eliminate 370 positions	\$32.00
Use of Reserve	Use of Reserve established by Board Approved Reserve Policy	\$10.00
Roll Back all Non-personnel line items	Eliminate half the CPI increases assumed in 2009-2010 to 2008-2009 figures	\$11.30
Reduce increase to overtime budget	The original proposal was to increase the overtime budget by \$14 million to reflect actual expenditures in overtime for the past 4 years. However, this increase will be reduced by half in anticipation of improved overtime management	\$7.00
Increase Single Ride Fare	Increase the \$1.50 for adult single rides to \$2.00 and discount single rides from \$0.50 to \$0.75 as of July 1, 2009.	\$14 .00
Increase Cable Car Passports	Increase the 1-day, 3-day and 7-day passports by \$2.00 to \$13, \$20 and \$26 respectively as of January 1, 2010	\$0.65

Recommended Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for FY 2009-2010 (millions) continued

Description Of Proposal	Notes	Amount
Increase Adult Month Fast Pass	Increase the adult Fast Pass rate from \$55 to \$60 on January 1, 2010. The rate is set to increase from \$45 to \$55 on July 1, 2009.	\$3.50
Increase Discount Passes for Youth, Seniors and Disabled fares	Increase the discount Fast Pass rate from \$15 to \$20 on January 1, 2010. The rate is set to increase from \$10 to \$15 on July 1, 2009.	\$1.25
Increase Paratransit Fares	Increase Van Services from \$1.65 to \$2 and All Taxi Services from \$4 to \$5 per scrip book valued at \$30 on July 1, 2009. These rates were last increased in 2006.	\$0.40
Premium Monthly Pass for Express Routes	Increase pass by \$5.00 for those customers using Express Routes as of January 1, 2010. Currently approximately 25,700 customers ride the express routes daily. Assuming that 80% use passes. (e.g. monthly adult pass would be \$65 and discount monthly pass would be \$25).	\$0.75
Premium Monthly Pass for BART/Muni Use	Increase pass by \$5.00 for those customers using both systems as of January 1, 2010. Currently SFMTA pays BART \$1.02 per trip or over \$12 million per year. Assuming 40,000 trips per day on BART by Fast Pass purchasers. (e.g. monthly adult pass would be \$65 and discount monthly pass would be \$25).	\$0.60

Recommended Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for FY 2009-2010 (millions), continued

Description Of Proposal	Notes	Amount
Candlestick Park Express and Special Event Service	Increase fares by \$2 effective January 1, 2010. Adult-\$9; Senior/Disabled/Youth -\$7; Adult/Senior/Disabled/ Youth with valid pass or pass equivalent-\$5	\$0.05
Increase Motorcycle Parking Meter Rates in all Zones	Parking meters rates were last raised in 2002-2003 by the Board of Supervisors. Motorcycles would pay proportionally to the space they occupy relative to a 18 foot space, or a 21 foot space with buffer red zones, rounded to the nickel. Current rates are \$0.25 per hour in Zone One, \$0.15 per hour in Zones Two and Four and \$0.10 per hour in Zone 3. This would increase to \$0.70, \$0.60, \$0.40, \$0.60 if meter rates increased by \$0.50.	\$0.60
Increase Parking Meter Rates	In June of 2005 the Board of Supervisors approved a \$1 increase in the hourly parking meter rates in parking meter zones 1, 2, and 4 and an increase of \$0.50 in parking meter zone 3. Recommend a \$0.50 increase in all zones, effective September 1, 2009.	\$3.00
Charge for Parking on Weekday/Evenings	Assume meters would operate from 9 AM to 10 PM. Most meters in the City currently operate from 9 AM to 6 PM or 9 hours. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	\$4.00
Charge for Parking on Sundays	Currently parking is free on Sundays on all meters in the City. Assume meters would operate from 9 AM to 10 PM. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	\$2.00

Recommended Solutions for Addressing the Deficit in the Proposed Amended Operating Budget for FY 2009-2010 (millions), continued

Description Of Proposal	Notes	Amount
Expand Holiday Enforcement	Expand current enforcement (M.L. King Day, President's Day, Columbus Day, and Day after Thanksgiving) to Memorial Day, Independence Day, Labor Day, Veteran's Day similar to the Port. No enforcement on New Year's Day, Thanksgiving Day, and Christmas Day. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	\$0.25
Taxi Permit Fees	Increase permit fees to cost recovery amounts	\$0.58
Taxi Pilot Medallion Transferability Program	100 medallions converted to transferable medallions for a fee, or auctioned outright. Revenue assumptions depend on whether medallions are newly issued or existing, whether the program involves a fee for conversion to a transferable medallion type or outright sale, the amount of a conversion fee and the percentage of auction sales might be collected. Assume conversion fee of \$50,000, or auction value of \$200,000	\$20.00
Increase Garage Rates	Various Garage Rates	\$1.50
Reduce Work Orders	SFPD Work Order (\$1.9 M), City Attorney (\$0.5M), 311 (\$0.8M), SFGH (\$0.3M)	\$3.50
Transit Service Modifications	Option 1, 2.1% reduction in service hours, 71,300 hrs Option 2, 4.7% reduction in service hours, 162,000 hrs Option 3, 6.3% reduction in service hours, 219,000 hrs	\$5.8 Million \$13.4 Million \$17.8 Million (annual amt)

Proposed Service Modifications

- Developed 3 Options
 - 2.1%, 4.7%, 6.3% reduction in service hours
- Recommending Option 2 (4.7%, \$13.4M)
- Proposed changes to Option 2:
 - Routes 17, 35, 36, 37, 52, 66, 67 end at 10 p.m.
 - Radial/cross-town bus routes end between midnight and 1 a.m.
 - Owl system starts at midnight
 - Minor revisions to terminals, map details, etc.

Proposed Service Changes

- Discontinue Routes
- Eliminate Route Segments
- Modify Route Structure
- Adjust Frequency of Service
- End Service Early

Service Modification Proposals

<p>Discontinue Route</p>	<p>4-Sutter 7-Haight 16AX-Noriega "A" Express 20-Columbus 26-Valencia 53-Southern Heights 74X-CultureBus 89-Laguna Honda</p>
<p>Eliminate Route Segment</p>	<p>N-Judah on The Embarcadero (weekends only) 1-California south of Sacramento (weekdays only) 2-Clement west of 14th 10-Townsend north of Broadway and to Transbay Terminal 12-Folsom along The Embarcadero 18-46th Avenue along Geary and Point Lobos 29-Sunset in Presidio north of Baker Beach 36-Teresita from Monterey/Forester to Balboa Park BART 38-Geary Ocean Beach branch 39-Coit Tower Union Street branch 41-Union between Lyon and Steiner 66-Quintara west of 19th 67-Bernal Heights on portions of Crescent and Mission 88-BART Shuttle west of I-280 108-Treasure Island between Transbay Terminal and Caltrain</p>

Service Modification Proposals, continued

<p>Modify Route Structure</p>	<p>10-Townsend (reroute to follow 12-Folsom route to Jackson/Fillmore) 12-Folsom (reroute along 2nd and Sansome and extend to 24th Street BART) 16BX-Noriega “B” Express (extend to Great Highway) 18-46th Avenue (reroute to follow 38-Geary Ocean Beach branch route) 36-Teresita (reroute to Glen Park BART and 29th/Mission) 39-Coit Tower (reroute along Filbert) 41-Union (introduce 60-foot articulated buses) 66-Quintara (reroute onto 17th, Taraval, 19th and Santiago) 108-Treasure Island (reroute from Avenue M to Avenue H on Treasure Island)</p>
<p>Improve Frequency of Service</p>	<p>6-Parnassus/71L-Haight/Noriega Limited during peak periods 16BX-Noriega “B” Express during AM peak 19-Polk during midday in Potrero Hill and Hunters Point</p>

Service Modification Proposals, continued

<p>Decrease Frequency of Service</p>	<p>19-Polk during peak periods and off-peak on Polk 36-Teresita during peak periods 39-Coit Tower at all times 66-Quintara at all times</p>
<p>End Early</p>	<p>End community routes at 10:00 p.m. (17-Parkmerced, 35-Eureka, 36-Teresita, 37-Corbett, 52-Excelsior, 66-Quintara and 67-Bernal Heights) End non-Owl routes between midnight and 1 a.m. depending on demand (1-California, 6-Parnassus, 12-Folsom, 18-46th Avenue, 19-Polk, 21-Hayes, 23-Monterey, 27-Bryant, 29-Sunset, 31-Balboa, 33-Stanyan, 43-Masonic, 44-O’Shaughnessy, 45-Union/Stockton, 48-Quintara/24th Street, 54-Felton, 67-Bernal Heights and 71-Haight/Noriega) Service after midnight on routes 28-19th Avenue, 30-Stockton, 47-Van Ness and 49-Van Ness/Mission would be replaced by 14-Mission, 90-Owl and 91-Owl</p>

Next Steps

- ❑ April 7, 2009
 - ✓ Public hearing to consider any changes to fares, fines or fees and service modifications
 - ✓ Consider a declaration of fiscal emergency for the 2009-20010 fiscal year under California Public Resources Code and CEQA implementing guidelines

- ❑ April 10, 2009
 - ✓ Submission date for public comments related to the declaration of fiscal emergency – April 10, 2009

- ❑ April 21, 1009
 - ✓ Public hearing to consider any changes to fares, fines or fees and service modifications
 - ✓ Consider responses to the oral and written public comments received by April 10, 2009 related to the declaration of fiscal emergency
 - ✓ Declaration of fiscal emergency for the 2009-20010 fiscal year
 - ✓ Adopt Automatic Indexing Implementation Plan beginning with 2-year Operating Budget for FY 2011 and 2012

- ❑ April 30, 2009
 - ✓ Board to adopt Amended FY 2009-2010 Amended Operating Budget

- ❑ May 1, 2009
 - ✓ Submit revised FY 2009-2010 Amended Operating Budget to the Mayor's Office and Board of Supervisors

Community Outreach

- Route specific details available in the following locations:
 - Web: sfmta.com/sfmtabudget
 - Main public library
 - From 311 operators
- Public notices:
 - SFMTA home page
 - Legal hearing notice in Chronicle
 - Press release
 - Paid advertisement in Examiner, El Mensajero, Sing Tao
 - Multilingual posters on buses & trains
 - Email blast to agency email lists
- Stakeholders can comment in multiple formats:
 - **Public Hearings:** SFMTA Board hearings, April 7th and April 21st, 2009
 - **Information Meeting:** Saturday April 18, 2009
 - **E-mail:** sfmtabudget@sfmta.com
 - **Telephone:** 311 or TTY 415.701.2323
 - **Facsimile:** 415.701.4502
 - **U.S. Mail:** SFMTA Board of Directors, One South Van Ness Avenue, 7th Floor, San Francisco, CA, 94103