



Municipal Transportation Agency



DATE: February 15, 2005

TO: MTA Board of Directors
Cleopatra Vaughns, Chair
Michael Kasolas, Vice Chair
Shirley Breyer Black, Director
Wil Din, Director
Rev. Dr. James McCray, Jr., Director
Peter Mezey, Director

FROM: Michael T. Burns
Director of Transportation

RE: Potential Balancing Plans for the MTA FY06 Budget

In response to the February 1, 2005, meeting and comments from Board members and the public, staff has developed a number of balancing scenarios for the FY2006 MTA budget proposal. The scenarios are included as an attachment to this memo. The underlying assumptions and ideas behind the scenarios are discussed below.

Scenario 1

This scenario relies purely on service cuts to fill the \$57.3 million deficit. As can be imagined, such service cuts would be extensive. These reductions could be implemented as one of the following: 1) a 24% reduction in Muni lines, or 2) Elimination of all community service lines (17, 35, 36, 37, 39, 52, 53, 54, 66, and 89), all express line, all owl lines and all Sunday service, or 3) elimination of all weekend service. Additionally, this scenario would include efficiencies gained from an increased use of part-time operators, the elimination of missed runs and headway adjustments to service policy levels.

Scenario 2

This scenario relies entirely on parking increases, but includes no fare increases or service adjustments to balance the budget.

The parking increases include raising citation amounts to a minimum level of \$100, the maximum allowable fine level set forth in the California State Vehicle Code, increasing parking meters by \$2.50 an hour, various garage rate increases, and an increase to the Residential Parking Permit program. There would also be a \$10 increase to the DPT administrative tow fee. In total, proposed DPT fees on motorists would yield \$57.3 million.

Scenario 3

Scenario 3 relies entirely on fare increases to balance the budget. In order to yield \$57.3 million on a slate of fare increases, the current fare structure would be approximately doubled. The base adult fare would be \$2.50, a FastPass would move up to \$77, Cable Car \$7 and transfers would be eliminated. The fares for seniors, youth and disabled would be brought up to a 50% discount for both cash and pass, which is mandated discount level under federal regulations. Additionally, this slate of fare increases would include a new fare instrument, a Lifeline FastPass for riders who meet the income eligibility threshold of the Earned Income Tax Credit, which is 200% of federal poverty level, or \$36,000 for a family of four.

As proposed, Scenario 3 would generate approximately \$53.1 million, which does not achieve a balanced MTA budget.

Scenario 4

Scenario 4 would balance the budget on fare increases and parking fines/fees/rates, but includes no changes to service. Fare increases would yield \$28 million if the adult cash fare increased to \$1.75, FastPass to \$60, Cable Car to \$5, discount cash fares for senior/youth/disabled up to \$0.60, discount monthly passes to \$15 and transfers would be \$0.25. This scenario also includes a Lifeline FastPass.

Parking fine/fee/rate increases could yield \$29 million if citations were increased \$25 across the board, and parking meters went up by \$1.00 per hour. As previously discussed, Residential Parking Permits would go to \$50 and Contractor permits to \$500. There would also be increases to garage rates and an increase to the Administrative Tow Fee of \$10.

Scenario 5

Scenario 5 would balance the budget by generating revenue from fare increases, parking fines/fees/rates and service reductions. Under this scenario, the base fare would be raised to \$1.50, FastPass to \$50, discount fares to \$0.50 cash and \$12 monthly, cable cars to \$5, and would include the Lifeline FastPass. In total, new fare revenue would generate approximately \$13 million.

Increases to motorists could yield \$19 million with a slate including various increases to garage rates, parking meters up by \$1.00 per hour, citations up \$10 and safety violations up \$25, permits up to \$50 for residential and contractors to \$500, and the administrative tow fee up by \$10.

And finally, Muni service reduction would yield \$10 million and could include one of the following: 1) elimination of all community service lines, or 2) a 10% reduction in all Muni service, or 3) a 50% reduction to all Sunday service. Additionally, this scenario would include efficiencies gained from an increased use of part-time operators, the elimination of missed runs and headway adjustments to service policy levels for a total savings of \$22 million.

As proposed, Scenario 5 would generate approximately \$53.2 million, which does not achieve a balanced MTA budget.

FY2006 Balancing Scenarios

February 15, 2005

SCENARIO 1	
ITEM	ADDITIONAL REVENUE/ SAVINGS
Fares -- No Changes	
Fare Subtotal	\$0
Parking Fines/Rates/Fees --No Changes	
Parking Subtotal	\$0
Service Efficiencies/Adjustments	
Headway to policy adjustments	\$ 4,200,000
Eliminating missed runs	\$ 2,800,000
Partime operators	\$ 5,000,000
Additional service cuts would include one of the following:	
	<u>\$ 45,300,000</u>
24% reduction to all Muni lines	
Or, elimination of all Community Service lines (17, 35, 36, 37, 39, 52, 53, 54, 56, 66, 89) and all express lines, all owl lines, and all Sunday service	
Or, elimination of all weekend service	
Service Efficiencies/Adjustments Subtotal	\$ 57,300,000
GRAND TOTAL	\$ 57,300,000

SCENARIO 2

ITEM	ADDITIONAL REVENUE/ SAVINGS	
Fares -- No Changes		
Fare Subtotal		\$0
Parking Fines/Rates/Fees --Implemented August 1, 2005		
Parking fines increase to \$100 min	\$	31,160,526
Parking meter rates increased by \$2.50 an hour	\$	20,736,293
\$50 RPP and \$500 Contractor permits	\$	2,386,906
Parking garage rate adjustments at various garages	\$	2,500,000
Administrative Tow Fee raised \$10	\$	525,000
Parking Subtotal	\$	57,308,725
Service - No Change		
Service Efficiencies/Adjustments Subtotal		\$0
GRAND TOTAL	\$	57,308,725

SCENARIO 3

ITEM	ADDITIONAL REVENUE/ SAVINGS
Fare Changes -- Implemented September 1, 2005	
\$2.50 Adult Cash Fare	\$ 16,157,500
\$1.25 Senior/Disabled Cash Fare	\$ 1,000,833
\$1.25 Youth Cash Fare	\$ 530,000
\$7.00 Cable Car Cash Fare	\$ 3,890,723
\$7.00 Cable Car Souvenir Ticket	\$ 1,581,317
Eliminate Free Transfers	\$ 8,800,000
\$77 Fast Pass - Adults	\$ 15,819,575
\$36 Discount Monthly Passes - Seniors, Disabled	\$ 1,170,281
\$36 Discount Monthly Passes - Youth	\$ 619,403
\$24 Weekly Pass	\$ 443,870
\$18 - 1 Day Passport	\$ 811,920
\$30 - 3 Day Passport	\$ 828,327
\$40 - 7 Day Passport	\$ 368,633
\$30 Class Pass	\$ 98,333
\$25 -- Tokens (sold in packs of 10)	\$ 1,723,078
Lifeline FastPass	\$ (2,250,000)
Other fares (POP, regional tickets, BART transfers) changed proportionately	\$ 1,543,679
Fare Subtotal	\$ 53,137,472
 Parking Fines/Rates/Fees - No Change	
Parking Subtotal	\$0
 Service - No Change	
Service Efficiencies/Adjustments Subtotal	\$0
 GRAND TOTAL - unbalanced	 \$ 53,137,472

SCENARIO 4

ITEM	ADDITIONAL REVENUE/ SAVINGS
Fare Changes -- Implemented September 1, 2005	
\$1.75 Adult Cash Fare	\$ 8,253,333
\$0.60 Senior/Disabled Cash Fare	\$ 1,145,000
\$0.60 Youth Cash Fare	\$ 606,667
\$5.00 Cable Car Cash Fare	\$ 2,653,223
\$5.00 Cable Car Souvenir Ticket	\$ 1,077,983
Charge \$0.25 for transfer	\$ 3,091,170
\$60 Fast Pass - Adults	\$ 8,556,242
\$15 Discount Monthly Passes - Seniors, Disabled	\$ 1,058,614
\$15 Discount Monthly Passes - Youth	\$ 561,070
\$18 Weekly Pass	\$ 273,037
\$13 - 1 Day Passport	\$ 452,753
\$21 - 3 Day Passport	\$ 423,327
\$27 - 7 Day Passport	\$ 167,800
\$21 Class Pass	\$ 50,000
\$17.50 -- Tokens (sold in packs of 10)	\$ 1,163,911
Lifeline FastPass	\$ (2,250,000)
Other fares changed proportionately	\$ 788,679
Fare Subtotal	\$ 28,072,809
Parking Fines/Rates/Fees	
Parking fines increase by \$25	\$ 18,340,367
Parking meter rates increased by \$1.00 an hour	\$ 5,564,710
\$50 RPP and \$500 Contractor permits	\$ 2,386,906
Parking garage rate adjustments at various garages	\$ 2,500,000
Administrative Tow Fee raised \$10	\$ 525,000
Parking Subtotal	\$ 29,316,983
Service - No Change	
Service Efficiencies/Adjustments Subtotal	\$0
GRAND TOTAL	\$ 57,389,792

SCENARIO 5

ITEM	ADDITIONAL REVENUE/ SAVINGS
Fare Changes -- Implemented September 1, 2005	
\$1.50 Adult Cash Fare	\$ 4,424,167
\$0.50 Senior/Disabled Cash Fare	\$ 767,500
\$0.50 Youth Cash Fare	\$ 405,833
\$5.00 Cable Car Cash Fare	\$ 2,653,223
\$5.00 Cable Car Souvenir Ticket	\$ 1,077,983
Free Transfers	\$ -
\$50 Fast Pass - Adults	\$ 3,076,242
\$12 Discount Monthly Passes - Seniors, Disabled	\$ 471,114
\$12 Discount Monthly Passes - Youth	\$ 249,403
\$15 Weekly Pass	\$ 148,870
\$11 - 1 Day Passport	\$ 245,253
\$18 - 3 Day Passport	\$ 226,660
\$24 - 7 Day Passport	\$ 101,133
\$18 Class Pass	\$ 26,667
\$15 -- Tokens (sold in packs of 10)	\$ 819,744
Lifeline FastPass	\$ (2,250,000)
Other fares changed proportionately	\$ 422,846
Fare Subtotal	\$ 12,866,638
 Parking Fines/Rates/Fees	
Parking fines increase by \$10, some safety fines increased by \$25	\$ 7,960,977
Parking meter rates increased by \$1.00 an hour	\$ 5,564,710
\$50 RPP and \$500 Contractor permits	\$ 2,386,906
Parking garage rate adjustments at various garages	\$ 2,500,000
Administrative Tow Fee raised \$10	\$ 525,000
Parking Fines/Rates/Fees Subtotal	\$ 18,937,593
 Service Efficiencies/Adjustments	
Headway to policy adjustments	\$ 4,200,000
Eliminating missed runs	\$ 2,800,000
Partime operators	\$ 5,000,000
Additional Service Cuts would include one of the following:	
Elimination of all Community Service lines (17, 35, 36, 37, 39, 52, 53, 54, 56, 66, 89)	
Or, 10% reduction to all Muni service	
Or, 50% reduction to all Sunday service	\$ 10,000,000
Service Efficiencies/Adjustments Subtotal	\$ 22,000,000
 GRAND TOTAL - Unbalanced	 \$ 53,804,231