



Municipal Transportation Agency

Proposed FY 2006-2007 MTA OPERATING BUDGET

An Overview

January 17, 2006

AUTHORITY

- In accordance with Proposition E and the City & County of San Francisco Charter, Article VIIIA, Section 8A.106 – Budget, The MTA shall submit its proposed budget for the next fiscal year to the Mayor and the Board of Supervisor for review and consideration by March 1, 2006.
- By August 1, 2006, the Board of Supervisors (by a two-thirds vote) may allow the MTA's Base Budget to take effect without action or they may reject it in its entirety, but the Board of Supervisors may not modify the Agency's Base Budget.
- In FY 2006-2007 the Proposed Budget includes the SF Muni Railway and the Department of Parking & Traffic combined together as one "Agency".
- In accordance with the Mayor's Office & the Controller's Office Instructions, the FY 2006-2007 Proposed Budget will include an overview of the MTA's Annual Capital Improvement Plan, which will be presented in May to the MTA Board of Directors in May 2006.

OVERVIEW

1. The FY 2006-2007 Proposed Budget is \$667.8M. This represents an \$81.8M (or 14%) increase above Prior Year Base Budget of \$586M.
2. The projected Budget deficit (GAP) for FY 2006-2007 is \$4.1M. The MTA is proposing to increase Expenditures by 81.8M and Revenues by \$77.7M resulting in a deficit of \$4.1M.
3. The FY 2006-2007 Proposed New Initiatives include the Proof of Payment, Preventive Maintenance, Safety Security & Training Initiatives, and Other Operating.
4. FY 2006-2007 New Initiative Requests, which are currently categorized as Expenditure Holds, totaling \$56.4M.

1. FY 2006-2007 Proposed Budget - \$667.8M

The FY 2006-2007 Proposed Budget is detailed below:

TOTAL BUDGET: \$667,828,029

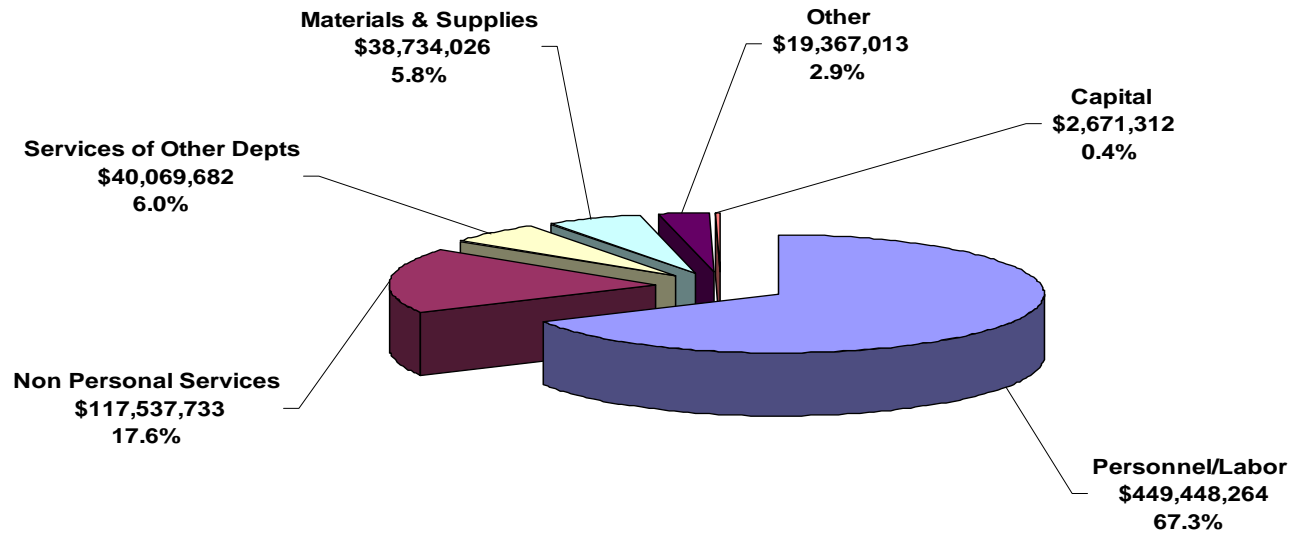
EXPENDITURES: \$667,828,029

REVENUES: \$663,728,242

GAP (Deficit): \$ 4,099,787

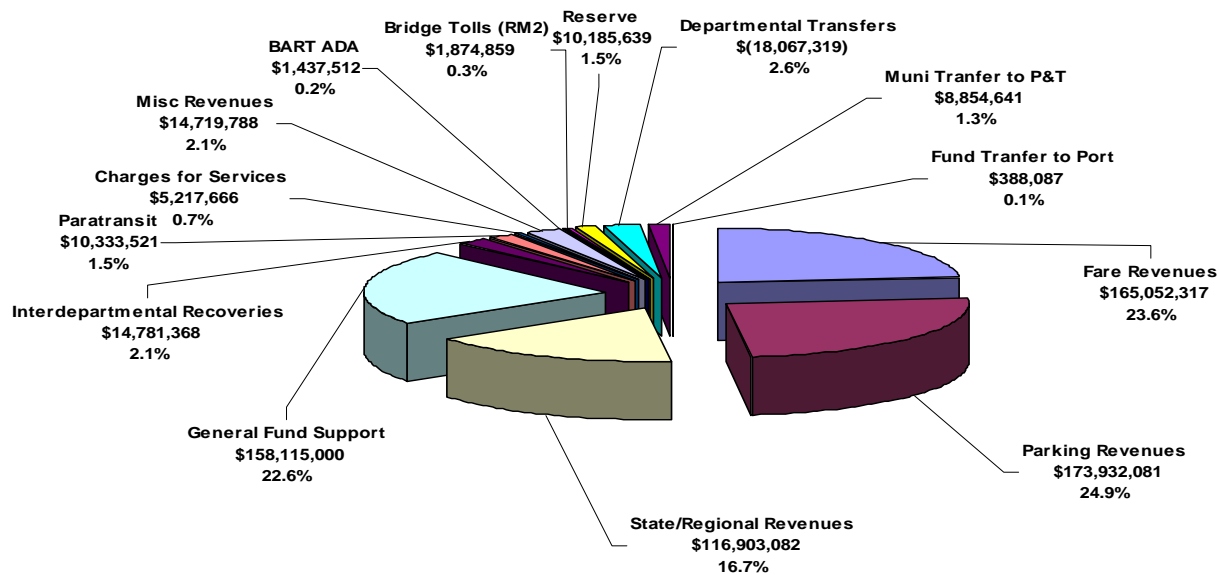
1a. FY 2006-2007 Proposed Budget \$667.8M

EXPENDITURES



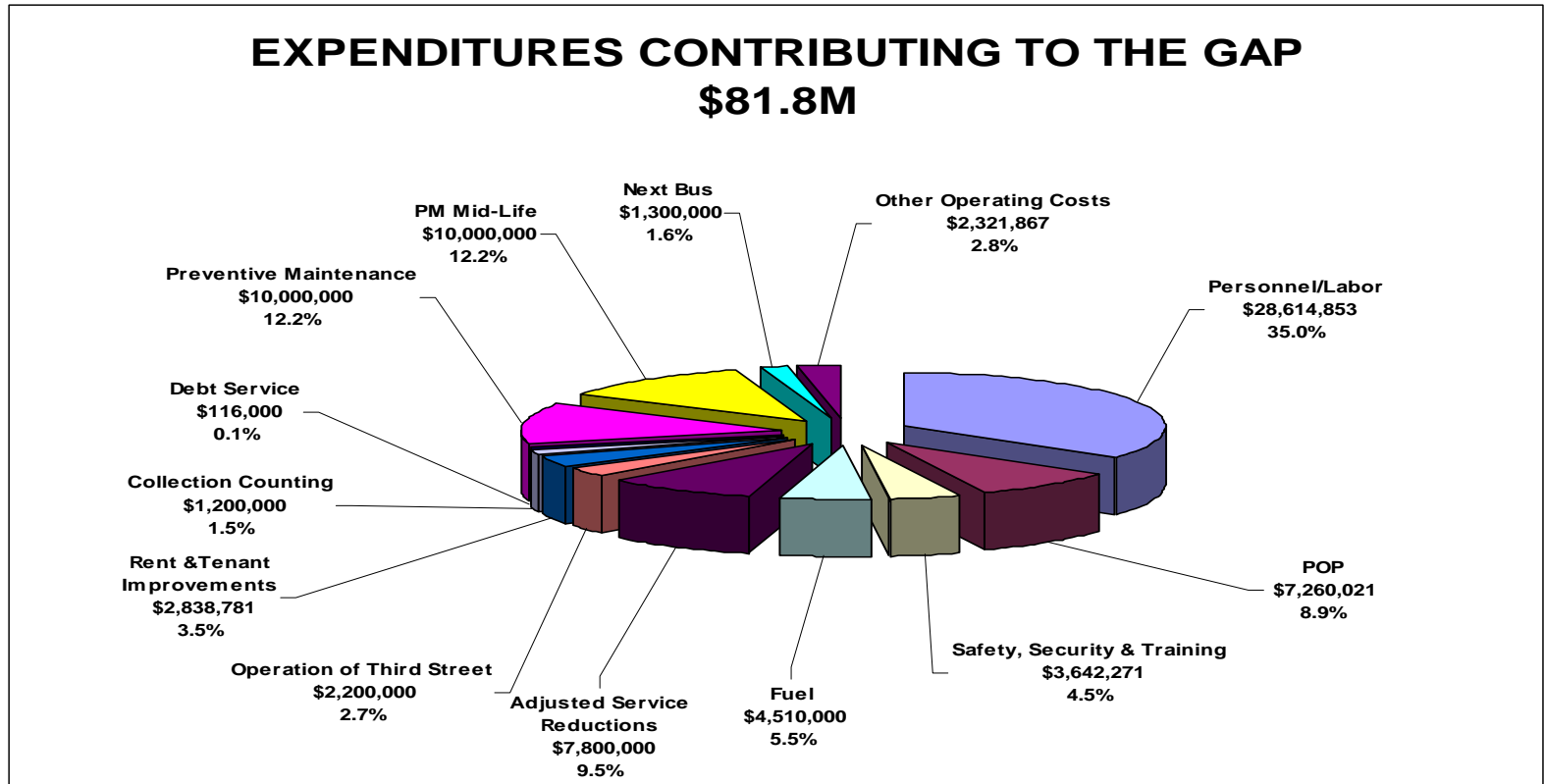
1b. FY 2006-2007 Proposed Budget \$663.7M

REVENUES



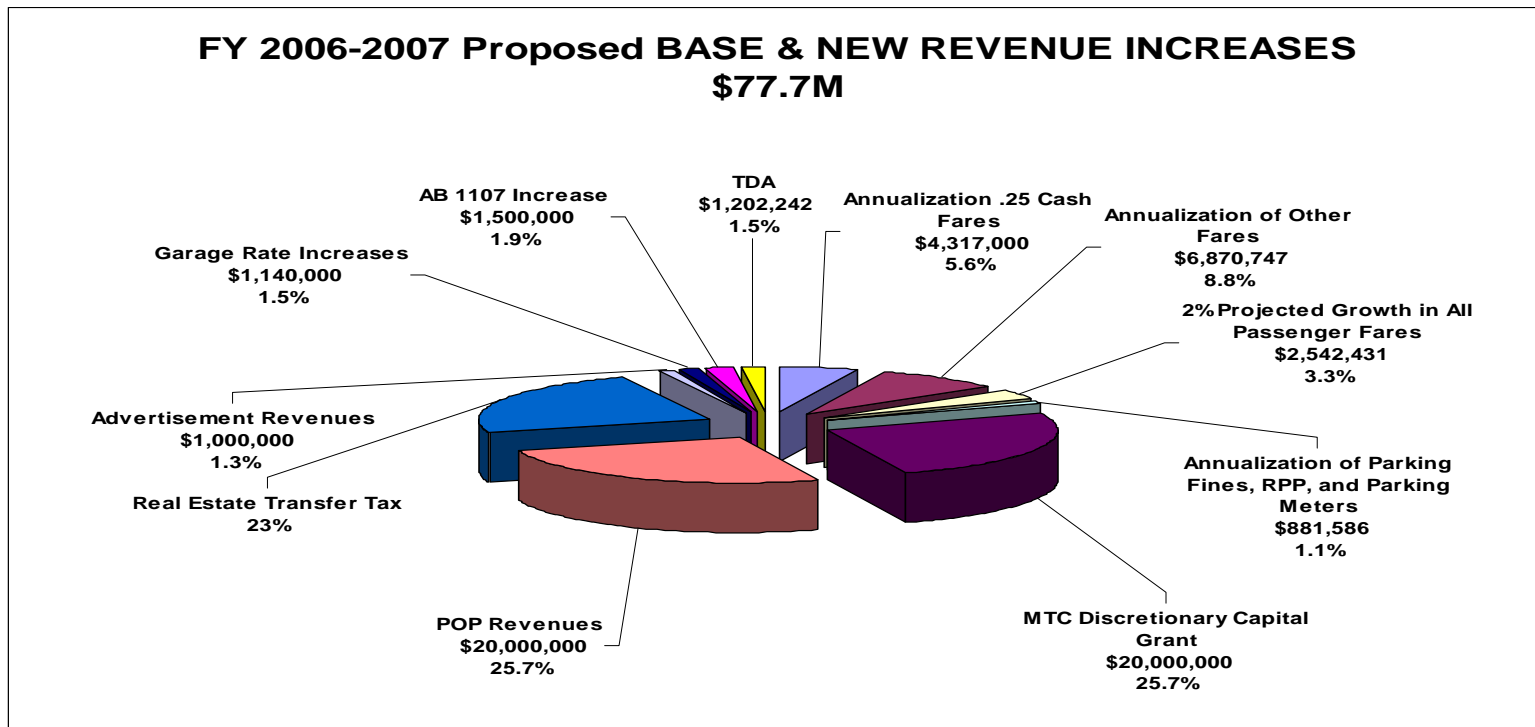
2. FY 2006-2007 Projected Budget Deficit \$4.1M

- Personnel/Labor (35%) is the major contributor to the projected deficit. This item includes increases such as 3.5% COLA on salaries (Platform), 7.5% employee retirement contributions pickup, 10% increase on Health Services costs, and an increase in benefits to Transit Operator Trust Fund.**



2a. FY 2006-2007 Projected Budget Deficit \$4.1M

- The FY 2006-2007 Proposed Budget does not include any fare, fee, or fine increases, at this time; however, the current year increases in fares, fees, and fines approved in last year's budget have been annualized.
- Proof of Payment Revenues (25.7%) is a major contributor to the new revenues for FY 2006-2007. This item includes proposing a new initiative to reduce fare evasion.



3. FY 2006-2007 Proposed New Initiatives \$33.2M

- Proof of Payment Initiative (7.2M): This initiative focuses on reducing fare evasion by implementing a program to place Transit Inspectors on 25% of the routes. It is anticipated that the fare revenue will increase by \$20M with proposed expenditures totaling \$7.2M for a net increase of 12.8M in fare revenues.
- Preventive Maintenance Initiative (20M): This initiative will implement a two (2) part Preventive Maintenance Program which will include Mid-Life Cycle for LRVs and the scheduled manufacturer's recommended maintenance for Revenue Fleet.
- Safety, Security, and Training Initiative (3.6M): This initiative major purposes is to increase the various training programs for transit operators and to provide greater security for MTA properties and assets.
- Other Operating Initiatives (2.4M): These initiatives includes the operating costs for Next bus, increase in professional services, and additional staff (i.e cost control).

4. FY 2006-2007 Proposed Expenditure Holds

The MTA recommends holding the following Above Base requests for further discussion and/or further actions:

EXPENDITURE HOLDS - \$56,403,562

a. Capital Equipment Request - \$7,278,000:

- Cushman's Three-wheel vehicles replacements- \$2,100,000
- Thirteen (13) Geo Metros; Five (5) Chevy Ventures Vans; Five (5) Chevy Trackers – \$280,000
- Two (2) Revenue trucks – \$500,000
- Three (3) forklifts – \$150,000
- Bus Maintenance Non-Revenue Vehicle Replacement - \$3,100,000
- Thermo-Plastics Truck - \$125,000
- MPS Floor Model - \$117,000
- Four (4) Pionjars - \$28,000
- Two (2) Pickup Trucks; Six (6) Mini Vans - \$248,000
- Eight Trucks & Other Vehicles – \$310,000
- Six Trucks - \$245,000
- One Truck Safety Transportation Training - \$75,000

b. Extra Board – System Wide Operators - \$13,000,000

c. Parking & Traffic additional Operating Costs - \$3,092,858

d. Muni Operations additional Operating Costs - \$32,982,704

e. Human Resources FTE for Extra Board - \$50,000

5. Schedule & Milestone Dates

- February 7, 2006 – Second Budget Hearing and Opportunity to Adopt the FY 2006-2007 MTA Budget.
- February 21, 2006 – Third Budget Hearing and Opportunity to Adopt the FY 2006-2007 MTA Budget.
- February 28, 2006 – Fourth Budget Hearing and Opportunity to Adopt the FY 2006-2007 MTA Budget (if required)