



Municipal Transportation Agency

Proposed FY 2006-2007 MTA OPERATING BUDGET

An Overview

February 7, 2006

1. OVERVIEW

- 1. The FY 2006-2007 Proposed Budget is \$667.8M. This represents an \$81.8M (or 14%) above Prior Year's Base Budget of \$586M.**
- 2. The projected Budget shortfall for FY 2006-2007 is \$4.1M. The MTA Staff is proposing to increase Expenditures by 81.8M and Revenues by \$77.7M.**
- 3. The FY 2006-2007 Proposed New Initiatives include the Proof of Payment, Preventive Maintenance, Safety Security & Training Initiatives, and Other Operating Costs.**
- 4. For FY 2006-2007, the MTA Staff is not proposing any Fare, Fines, or Fee increases. However, we are considering to propose Garage Rate Increases.**

2. FY 2006-2007 PROPOSED BUDGET BOOK LAYOUT

- PREFACE
- MTA OVERVIEW
- BUDGET OVERVIEW
- DIVISION LEVEL
- APPENDIX

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

TOTAL BUDGET: \$667,828,029

EXPENDITURES: \$667,828,029

REVENUES: \$663,728,242

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

**4. Comparison of FY 2006-2007 Proposed Expenditure Budget
to
FY 2005-2006 Approved Budget**

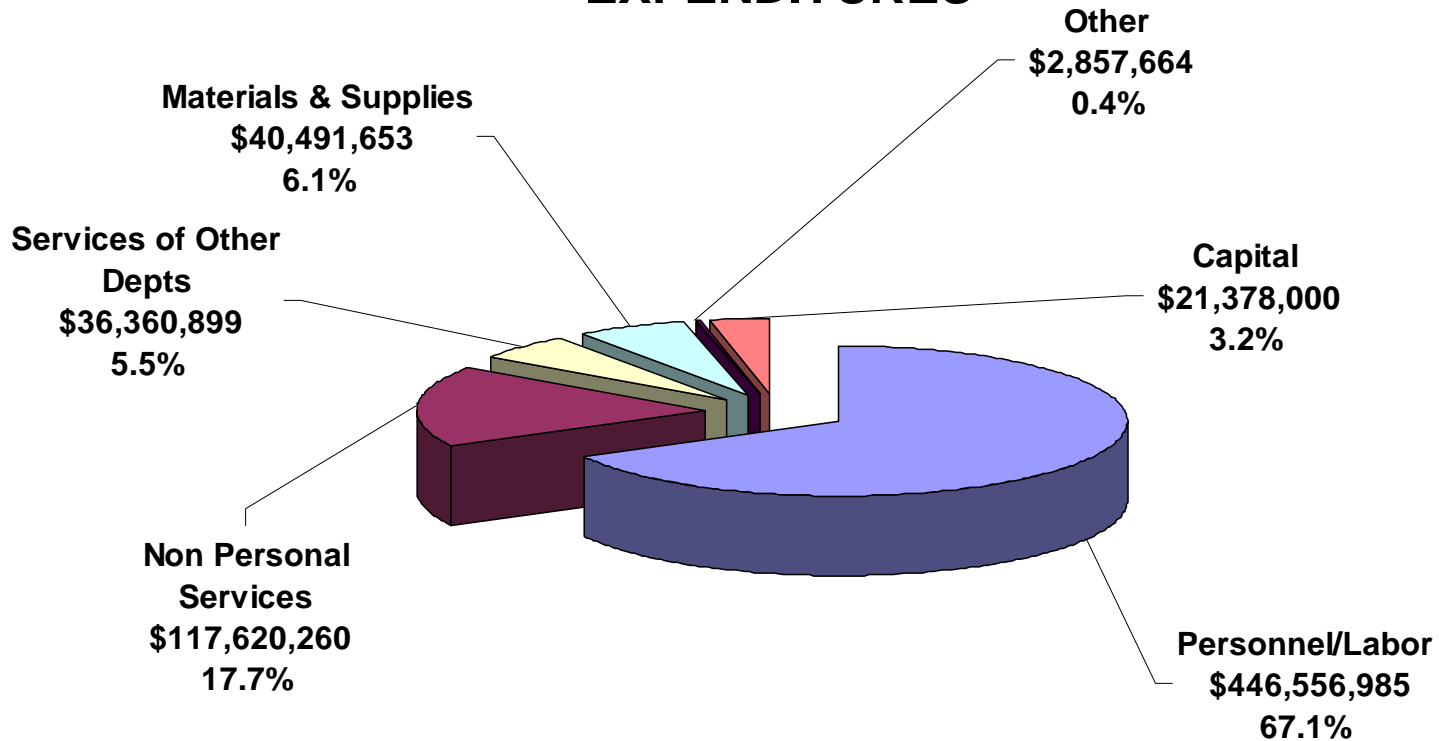
Description	<u>FY 2005-2006</u>	<u>FY 2006-2007</u>	<u>Increases</u>
Personnel/Labor	\$ 399,809,474	\$ 446,556,985	\$ 46,747,511
Non Personal Scvs.	\$ 109,390,438	\$ 117,620,260	\$ 8,229,822
Materials & Supplies	\$ 35,324,287	\$ 40,491,653	\$ 5,167,366
Services of Other depts	\$ 36,079,805	\$ 36,360,899	\$ 281,094
Capital Fac. & Equip.	\$ 2,562,568	\$ 23,940,568	\$ 21,378,000
Other	\$ 2,857,664	\$ 2,857,664	\$ -
TOTAL	\$ 586,024,236	\$ 667,828,029	\$ 81,803,793

5. Summary of FY 2006-2007 Proposed Expenditure Increases - \$81.8M

Expenditure Description	<u>FY 2006-2007</u>
<u>Baseline Increases</u>	
Cost related to City-wide Salaries and Fringe Benefit	\$28.3M
Fuel Increases	\$4.5M
Adjustments on Service Reductions	\$7.8M
Miscellaneous Increases for Other Operating Costs	\$2.0M
<i>Subtotal</i>	<i>\$42.6M</i>
<u>One-Time Increases</u>	
Tenant Improvements for One South Van Ness	<i>\$2.4M</i>
<u>New Initiatives</u>	
Pilot Program for Proof of Payment	\$7.3M
Preventive Maintenance	\$20.0M
Enhanced Safety, Security, & Training	\$3.6M
Third Street Light Rail Start-up	\$2.2M
Operation of Next Bus	\$1.3M
Other Operating Initiatives	\$2.4M
<i>Subtotal</i>	<i>\$36.8M</i>

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

EXPENDITURES



**7. Comparison of FY 2006-2007 Proposed Revenues
to
FY 2005-2006 Approved Budget**

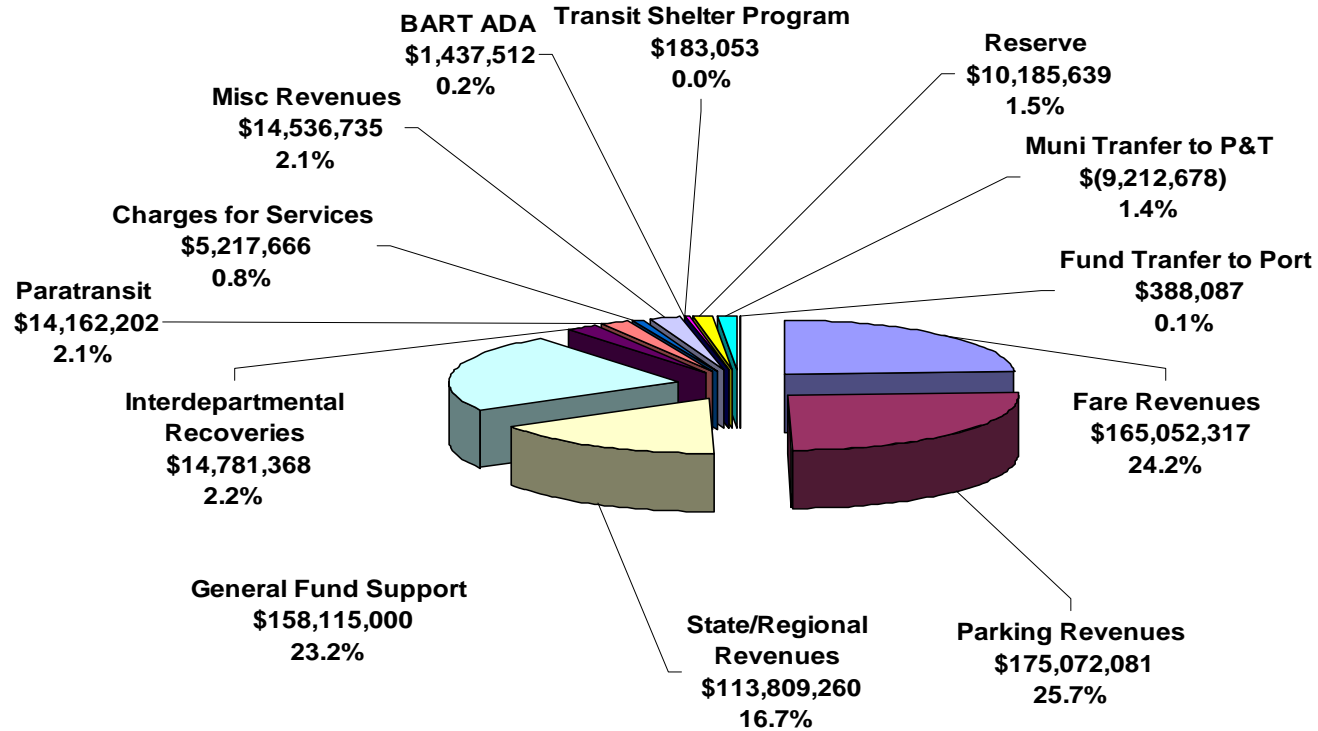
Revenue Descriptions	<u>FY 2005-2006</u>	<u>FY 2006-2007</u>	<u>Increases</u>
<u>Unrestricted Revenues</u>			
Fares	\$ 131,322,139	\$ 165,052,317	33,730,178
Parking	\$ 173,050,495	\$ 175,072,081	2,021,586
Charges for Services	\$ 5,217,666	\$ 5,217,666	0
Intergovernmental Revenues	\$ 91,107,018	\$ 113,809,260	22,702,242
Miscellaneous	\$ 13,536,735	\$ 14,536,735	1,000,000
General Fund Contribution	\$ 139,865,000	\$ 158,115,000	18,250,000
Interdepartmental Recoveries	\$ 14,781,368	\$ 14,781,368	0
Subtotal	\$ 568,880,421	\$ 646,584,427	\$ 77,704,006
<u>Restricted Revenues & Fund Transfers</u>			
ParaTransit	\$ 14,162,202	\$ 14,162,202	0
BART ADA	\$ 1,437,512	\$ 1,437,512	0
Transit Shelter Program	\$ 183,053	\$ 183,053	0
Reserve	\$ 10,185,639	\$ 10,185,639	0
Muni to Parking & Traffic	\$ (9,212,678)	\$ (9,212,678)	0
Fund Transfers (Port)	\$ 388,087	\$ 388,087	0
Subtotal	\$ 17,143,815	\$ 17,143,815	\$ -
TOTAL	\$ 586,024,236	\$ 663,728,242	\$ 77,704,006

8. Summary of FY 2006-2007 Proposed Revenue Increases – \$77.7M

Revenue Descriptions	<u>FY 2006-2007</u>
<u>Ongoing Revenues</u>	
Annualization of FY 2006 Cash Fares	\$4.3M
Annualization of Other FY 2006 Cash Fares	\$6.9M
Annualization of FY Parking Meter/Fines/Fees	\$0.9M
Anticipated Increase in General Fund Transfer	\$7.0M
Proposed Additional Advertising Revenues	\$1.0M
Proposed Increase in Garage Rates	\$1.1M
Projected 2% Growth in Ridership	\$2.5M
Anticipated Revenue Generated from PoP	\$20.0M
Increased State Tax Fund Pass-through	\$2.71M
<i>Subtotal</i>	<i>46.4M</i>
<u>One-Time Revenues</u>	
Discretionary Grant Funds	\$20.0M
Balancing FY 2005-2006 General Fund Transfer	\$11.3M
<i>Subtotal</i>	<i>\$31.3M</i>

9. FY 2006-2007 Proposed Budget \$663.7M

REVENUES



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

- Proof of Payment Initiative (7.2M)
- Preventive Maintenance Initiative (20M)
- Safety, Security, and Training Initiative (3.6M)
- Other Operating Initiatives (2.4M)

11. The Creation of a \$25M MTA Reserve & Policy

MTA Reserve & Policy (\$25M): The MTA Staff is proposing to establish a \$25M reserve and policy.

- If the MTA Board adopts this policy in FY 2006-2007, then the projected shortfall will be approximately \$29M.

12. FY 2006-2007 Proposed Scenarios to Close the Projected Shortfall

- 1% reduction to the Base Budget - \$5.8M
- 3% reduction to the Base Budget - \$17.5M
- 5% reduction to the Base Budget - \$29.3M

13. Schedule & Milestone Dates

- February 21, 2006 – Third Budget Hearing and First Opportunity to Adopt the FY 2006-2007 MTA Budget.
- February 28, 2006 – Fourth Budget Hearing and Second Opportunity to Adopt the FY 2006-2007 MTA Budget.