

Balancing the Transportation Needs of a Growing City



FY 2019 and FY 2020 Operating Budget
SFMTA Board Meeting

Ed Reiskin, Director of Transportation
April 3, 2018



SFMTA
Municipal
Transportation
Agency



- **Support affordability goals through the continuation of the Free Muni for Low and Moderate Income Youth, Seniors and Disabled program**
- **Fund new transit programs to support expanded light rail and rubber tire service, including:**
 - **Opening the Central Subway**
 - **Opening a new bus maintenance yard**
 - **Providing additional training to modernize the transit workforce**
- **Adopt Muni fare changes that incentivize transit ridership (outside of the Board approved indexing policy)**
- **Support the Taxi industry through targeted fee reductions**

Proposed Operating Budget: FY 2019-2020 (\$M)



OPERATING (ONGOING)	FY 2017 Actual	FY 2018 Amended *	FY 2018 Projection **	FY 2019 Proposed	FY 2020 Proposed
Revenues	\$ 1,393.1	\$ 1,110.6	\$ 1,183.5	\$ 1,214.2	\$ 1,268.0
Expenditures	\$ 1,371.5	\$ 1,085.1	\$ 1,183.5	\$ 1,214.2	\$ 1,268.0
Revenues Less Expenditures	\$ 21.6	\$ 25.5	\$ 0.0	\$ 0.0	\$ 0.0



* FY 2018 amended includes a correction between the capital and operating budget
 ** FY 2018 projection includes contract carryforward balances and spending of encumbrances rolled from FY 2017



Operating Expenditure Assumptions:

- Continuation of Free Muni for Low and Moderate Income Youth, Seniors and Disabled Riders (in baseline)
- Additional transit needs (+\$35.9M/+\$63.4M)
 - Expanded Muni rail (LRV) and bus service
 - Central Subway operations
 - Opening Islais Creek bus maintenance yard
 - Recruitment and training for Muni maintenance and operations
 - Muni/BART station homeless services (+\$1.3M/\$1.3M)



- Divisional budget reductions (-\$17.3M/ -\$16.4M)
- Other Expenses above baseline:
 - Pension and healthcare projected costs (+\$12.3M/+\$13M)
 - Increases to contracts and other costs (+\$7.2M/+\$9.7M)
 - Increase in Caltrain operating support (+\$1M/+\$2M)

Realignment Summary



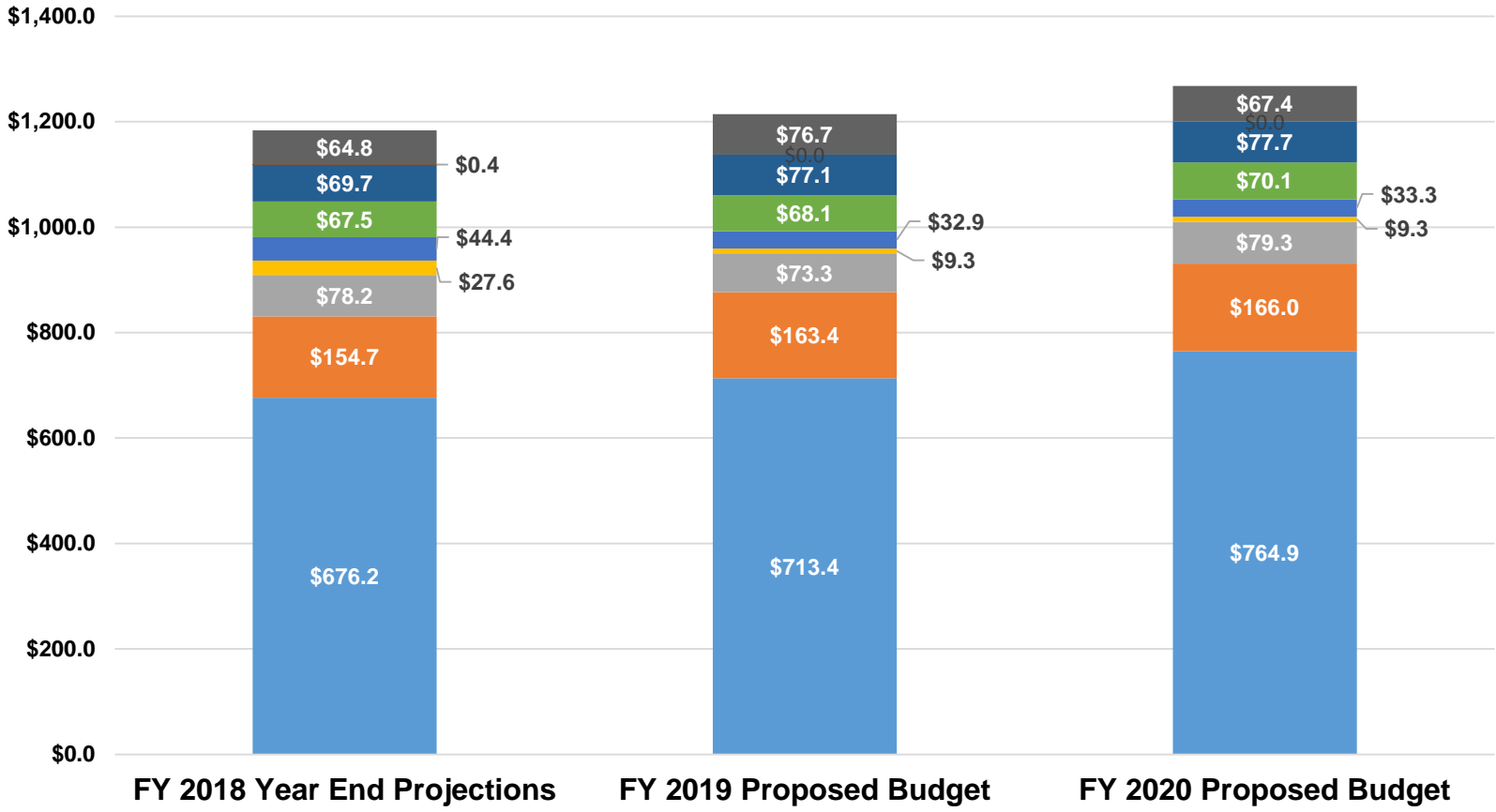
Added Service		
Line	Source	Realignment Type
T Third	Central Subway	New alignment, increased service, longer trains
J Church	New LRV	Peak period from 9 to 8 min
K Ingleside	New LRV	Peak period from 8.5 to 8 min
L Taraval	New LRV	Peak period from 9 to 8 min
M Oceanview	New LRV	Peak period from 9 to 8 min
N Judah	New LRV	Peak period from 7 to 4 min, possibly longer trains
9R San Bruno Rapid	Equity Strategy	60' bus
12 Folsom	Equity Strategy	Add service
29 Sunset	Equity Strategy	Add service
30 Stockton	Equity Strategy	60' bus
44 O'Shaughnessy	Equity Strategy	Add service
48 Quintara	Equity Strategy	Add service all day to Beach
56 Rutland	Equity Strategy	Add service

Service Efficiencies/Reductions	
Line	Realignment Type
1 California	Reduce frequency by approximately ½ minute
30 Stockton (Chestnut)	Reduce frequency by several minutes
41 Union	Reduce frequency by approximately 1 minute
44 O'Shaughnessy	Move terminal
N Judah - Weekend	1 car trains on weekend

 **Denotes Muni Service Equity Strategy service changes**

- **These changes are recommended as part of the FY 2019-20 budget**
- **SFMTA monitors ridership on a continual basis and adjusts service to meet demand**

Expenditures by Category



- Capital Projects
- Use of Reserves
- Services from City Departments
- Insurance, Claims, Payments to Agencies and Other Items
- Rent and Building
- Equipment and Maintenance
- Materials and Supplies
- Contracts and Other Services
- Salaries and Benefits

Funded Positions



DIVISION POSITION BUDGET (Number of FTEs)	FY 2018 Amended Budget	FY 2019 Proposed Budget	FY 2020 Proposed Budget
Transit	4,110	4,270	4,402
Sustainable Streets	702	685	685
Finance and Information Technology	398	407	407
Capital Programs and Construction	214	209	209
Human Resources	169	167	167
Communications	44	41	41
Taxi and Accessible Services	31	30	30
Other Divisions	24	30	28
TOTAL	5,692	5,839	5,969

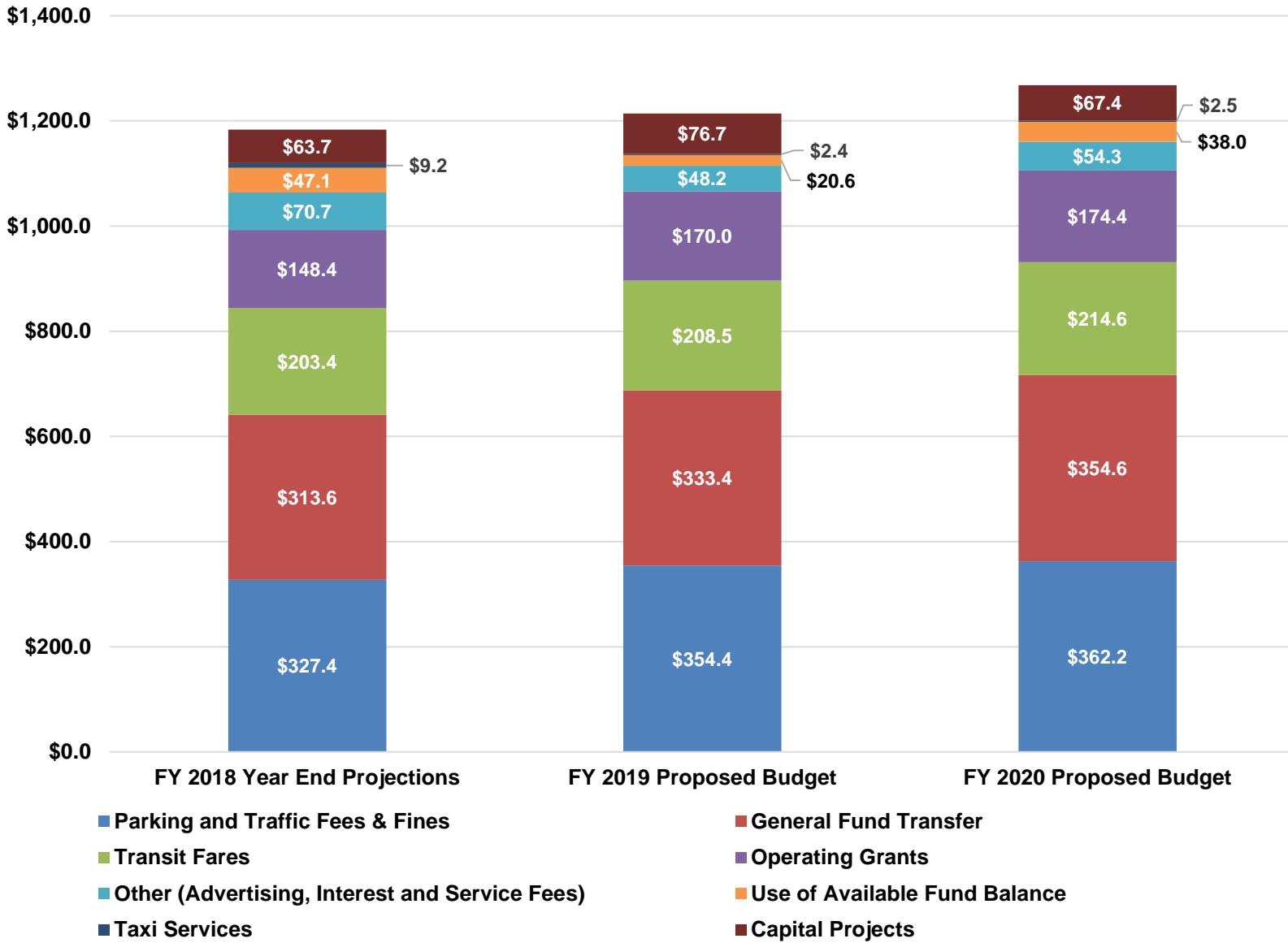


Operating Revenue Assumptions:

- **State SB 1 revenue (+\$27M/+\$27M)**
- **Revised estimates for General Fund baseline transfers from the Controller's Office (+\$15.8M/+\$37M)**
- **State and regional operating grant estimates from MTC (+\$13.6M/-\$2.6M)**
- **Use of Reserve Funds to support one-time operating expenditures (+\$9.7M/+\$39.8M) – does not include \$10.6 million, which is in the capital budget, to support cash flow for the platform contract for the Arena**
- **Fare and parking revenues from the Mission Bay Arena (+\$2M/+\$2M)**
- **Additional reduced fees for the taxi program (-\$.5M/\$.5M)**
- **Board-approved automatic indexing policy and cost recovery calculations for various fares, fees, fines, rates and charges (in baseline)**



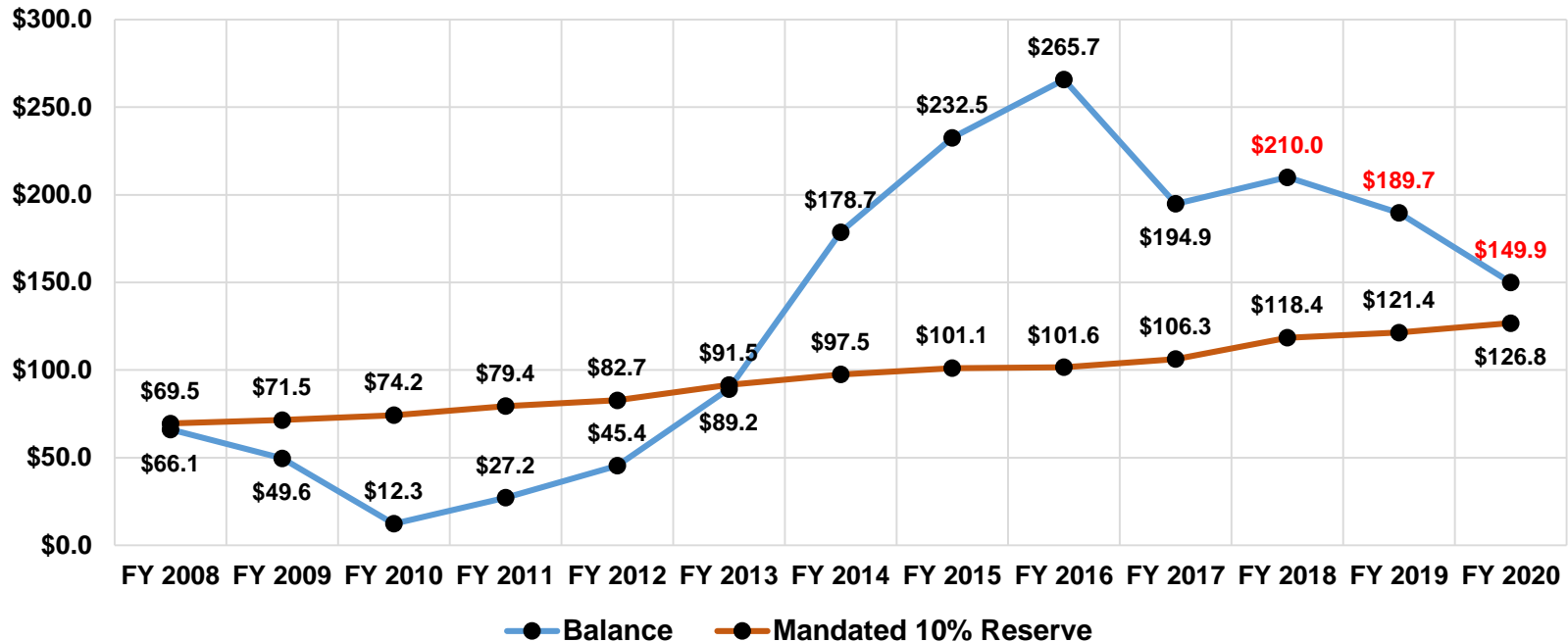
Revenue by Source



Fund Balance



Growth in Fund Balance (\$M) Over Past 10 Years Offset by Board Approved Transfer for FY 2018 Balance Still Well Above 2007 Board-Approved Reserve Policy (10%)



- The FY 19 and FY 20 Budget proposes to use \$10.6 million in FY19 for cash flow purposes to support the platform contract for the Arena project and an additional \$49.5M for one-time equipment and facility projects
- FY 18-20 Fund Balances assume that revenues are at budget; any excess will increase amounts



- ***Free Muni*** for Low-Income Youth, Seniors and People with disabilities
- ***Lifeline*** passes for low-income adults
- **50% discounted fares** for youth, seniors and people with disabilities
- **Discounted tokens** for social service agencies
- **Reduced fees** for first time tow and low-income individuals
- **Payment plans and community service** in lieu of fees for parking and transit citations for low-income individuals

Fare Changes



Change 1

Increase single-ride cash fare differential to \$0.50 (\$0.25 for reduced fare) to incentivize pre-payment

Change 2

Limit Monthly "A" Pass to 20% premium above "M" Pass

Change 3

Implement fare differential for Visitor Passports to incentivize prepayment

Change 4

Adopt new low-income single-ride fare (Clipper only) product to meet the needs of low-income riders and complement the Monthly Pass program

Change 5

Implement a new Adult Day Pass (without Cable Car) at 2.0x the regular fare) to increase flexibility for regular customers and incentivize pre-payment

Change 6

Authorize a 10% discount for bulk purchases of 100 or Cable Car tickets and Passports

Change 7

Expand the use of institutional pass models to other groups and organizations

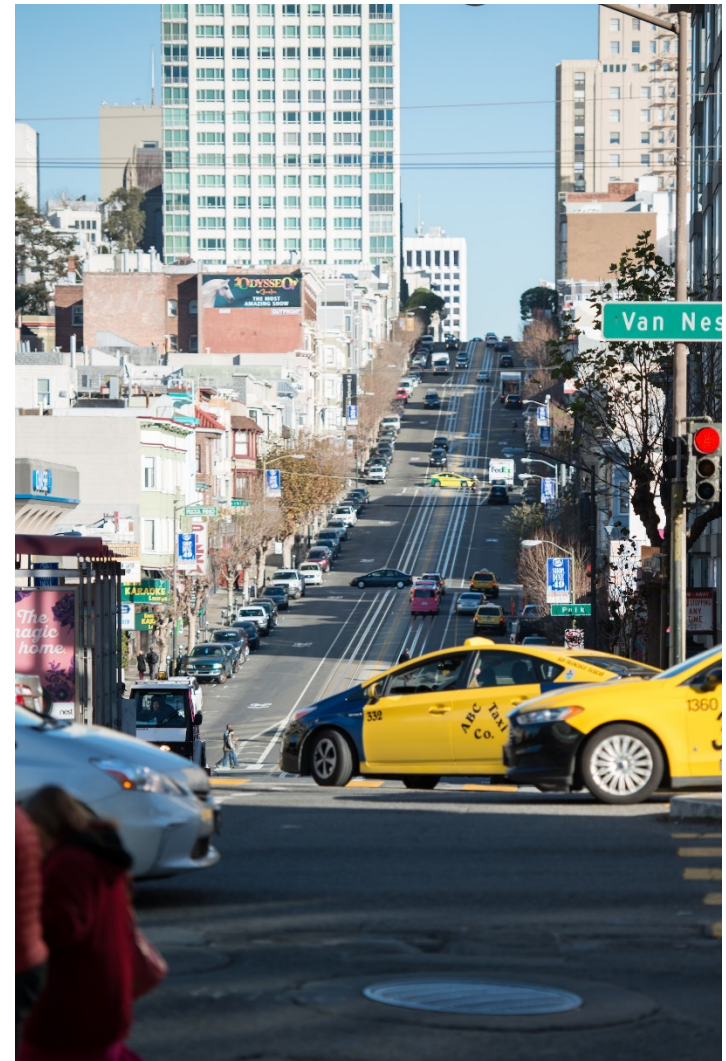
Note: A cash fare differential is the difference in price between the same fare purchased using cash and MuniMobile or Clipper

Supporting the Industry: Taxi Fees



Over the past four years, the SFMTA has reduced or waived taxi-related fees and foregone an estimated \$9.5M

- The Taxi Driver permit (A-Card) renewal will be free for FY18-19 and FY19-20 as part of the Taxi Driver Fund disbursement
- Legislation has been introduced at the Board of Supervisors that would waive the business registration fee (approximately \$100 annually) for Taxi Drivers for the next two years
- SFMTA waives the Medallion Renewal Fee for medallion holders who purchased their medallions



Further Reductions to Taxi Fees



Based on feedback from taxi drivers throughout the budget outreach process, the following revisions are included for Board consideration:



- **50% reduction to the medallion renewal fee for Prop K medallion holders**
- **50% reduction to the taxi stand application fee**
- **Reduction to the color scheme renewal fee for color schemes with 1-5 medallions and 6-15 medallions and increase the application fee for those same two categories by the same percentage**



The SFMTA conducted extensive public outreach to inform and solicit input from stakeholders and the public about the budget:

- **Traditional media channels**
 - Multi language newspaper ads
 - Information cards on buses and trains
- **Digital media channels**
 - SFMTA website
 - Facebook
 - Twitter
 - Blogs
 - Email messages to district stakeholders (450 subscribers)
 - Dedicated email address to capture questions and comments
- **Committee and council presentations**
- **Stakeholder meetings**



- **Town hall meeting (Friday, March 2)**
 - Co-hosted by Senior Disability Action
 - More than 50 attendees engaged with senior agency staff to provide input to the FY2019-2020 budget
- **Online town hall meeting (Wednesday, March 7)**
 - Live streamed via the SFMTA website, You Tube, Facebook and Twitter
 - Public submitted questions during the program.
 - Facebook (406 viewers, 1,400 engagements)
 - YouTube Stream (22 views, 8 concurrent viewers)
 - YouTube Views (as of 3/12 , 245 additional views)
 - Granicus player (15 views)
 - SFGov TV Channel (reach unknown)
- **Internal communications and in-reach to SFMTA staff**



Public Discussions and Meetings	Date
SFMTA Board Budget Workshop	January 23, 2018
1st SFMTA CAC Meeting	February 1, 2018
1st Public Hearing at SFMTA Board	February 20, 2018
1st SFMTA FAC Meeting	February 21, 2018
CPC	February 26, 2018
1st Budget Town Hall Meeting	February 28, 2018
2nd SFMTA CAC Meeting	March 1, 2018
Online Town Hall Meeting	March 2, 2018
2nd Public Hearing at SFMTA Board	March 6, 2018
2nd SFMTA FAC Meeting	March 7, 2018
2nd Budget Town Hall Meeting	March 15, 2018
3rd Public Hearing at SFMTA Board	March 20, 2018
SFMTA CAC Approval	March 22, 2018
First Opportunity to Adopt FY 2019 & FY 2020 Budgets at SFMTA Board	April 3, 2018
Second Opportunity to Adopt FY 2019 & FY 2020 Budgets at SFMTA Board	April 17, 2018
Submission of Approved Budget to Mayor and Board of Supervisors (per City Charter requirements)	May 1, 2018
Board of Supervisors First Hearing	May 17, 2018
Board of Supervisors Second Hearing	May 24, 2018

Budget information available in multiple languages at sfmta.com/budget

Thank You



08.24.16

CYCLISTS TODAY

850



Thank you
for bicycling



Appendicies



Revenue by Source



Revenue Category	FY 2018 Year End Projections	FY 2019 Proposed Budget	FY 2020 Proposed Budget
Parking and Traffic Fees & Fines	\$327.4	\$354.4	\$362.2
General Fund Transfer	\$313.6	\$333.4	\$354.6
Transit Fares	\$203.4	\$208.5	\$214.6
Operating Grants	\$148.4	\$170.0	\$174.4
Other (Advertising, Interest and Service Fees)	\$70.7	\$48.2	\$54.3
Use of Available Fund Balance	\$47.1	\$20.6	\$38.0
Taxi Services	\$9.2	\$2.4	\$2.5
Sub-Total	\$1,119.8	\$1,137.5	\$1,200.6
Capital Projects	\$63.7	\$76.7	\$67.4
TOTAL OPERATING REVENUE	\$1,183.5	\$1,214.2	\$1,268.0

Expenditures by Category



Expenditure Category	FY 2018 Year End Projections	FY 2019 Proposed Budget	FY 2020 Proposed Budget
Salaries and Benefits	\$676.2	\$713.4	\$764.9
Contracts and Other Services	\$154.7	\$163.4	\$166.0
Materials and Supplies	\$78.2	\$73.3	\$79.3
Services from City Departments	\$69.7	\$77.1	\$77.7
Insurance, Claims, Payments to Agencies and Other Items	\$67.5	\$68.1	\$70.1
Rent and Building	\$44.4	\$32.9	\$33.3
Equipment and Maintenance	\$27.6	\$9.3	\$9.3
Use of Reserves	\$0.4	\$0.0	\$0.0
Sub-Total	\$1,118.7	\$1,137.5	\$1,200.6
Capital Projects	\$64.8	\$76.7	\$67.4
TOTAL OPERATING EXPENDITURES	\$1,183.5	\$1,214.2	\$1,268.0