

Finance and Administration Committee February 2, 2012, Minutes

City and County of San Francisco Municipal Transportation Agency Citizens' Advisory Council

Finance and Administration Committee

**Thursday, February 2, at 1:30 p.m.
1 South Van Ness Avenue, Conference Room 3239
San Francisco, California**

MINUTES

1. Call to Order:

The CAC Secretary called the meeting to order at 1:50 p.m.

2. Roll Call:

FAC Members present at Roll Call: Susan Vaughan

FAC Members absent: Daniel Murphy

CAC members, not on this committee, but also present: Steve Ferrario and Marc Salomon

Susan Vaughan appointed Steve Ferrario and Marc Salomon to serve as Pro Tem

3. Announcement of prohibition of sound producing devices during the meeting:

The CAC Secretary made the announcement.

4. Adopt Minutes of November 16, 2011:

Council member Vaughan continued approval of the November 16, 2012 minutes to the next meeting.

Public comment:

None

5. Report of the Chairman (For discussion only):

None

Daniel Murphy arrived at 1:55 p.m.

6. Public Comment:

Edward Mason commented on solar panels at the VTA's bus yard in San Jose and inquired if Muni will be looking into solar panels as a possible source of revenue.

David Pilpel commented that the MTA is paying PUC more for power and there will be a half-cent a year increase in power for the next four years. Mr. Pilpel stated the MTA has been paying less than PUC's cost for distributing power, but getting closer to the cost of service. As to the general budget, Mr. Pilpel suggests that this committee meet more on a regular schedule and receive quarterly reports from staff on budget performance by division and overtime spending.

7. Presentation, discussion and possible action regarding budget balancing panel. (Sonali Bose, CFO/Director, Finance & Information Technology)

Sonali Bose stated she was not at the last panel meeting, but mentioned that the Mayor asked the Director of Transportation to establish a panel to look at ways to address short and long term budget issues. The 25-member panel meets the first and third Tuesday of each month at 9:00 a.m. either on the 3rd or 7th floor. Panel members include persons from the transit riders union, local coalition, MAAC, Chambers of Commerce, Spur, TWU, labor council and the Union Square business district. Anyone may attend these meetings since they are passive and no public comment or minutes are taken.

Ms. Bose stated that the February 7 meeting will be the third meeting. So far, the panel members have given ideas of ways to balance the budget. The next step would be to start putting numbers on recommendations so by the eighth week there would be a consensus among the panel.

Council member Salomon stated that the agency take steps to build public confidence before asking for more resources and to make sure that all revenues goes to Muni for transit operations.

Public Comment:

Edward Mason commented on the transparency and the public confidence in Muni. Mr. Mason stated that Muni is almost an \$800M operation and should have an auditor general. Mr. Mason stated he is disappointed that the Charter does not allow for an auditor general or an individual/organization to make correlations.

(Sonali Bose replied that an auditor can be brought in by submitting a work order to the Controller's Office and paying for this service.)

David Pilpel wanted to circulate the audit committee findings from the VTA. Mr. Pilpel commented on the comparison between Muni and PUC, \$100M versus \$1M. He stated the PUC is thought of as running a well-managed shop, people pay for water and sewer service. PUC is more managed and Mr. Pilpel stated some models and lessons can be learned from them, and there is no reason why the MTA can be reliable and deliver service. As to the panel, Mr. Pilpel would encourage diversity or to have town hall meetings.

(Sonali Bose mentioned that the Director of Transportation will be doing workshops in neighborhoods to discuss the budget.)

Motion 120202.04

The SFMTA CAC recommends the agency take steps to build public confidence before asking for more resources. Steps should include that all new transit revenues should go to transit service only and no new revenues be allocated to work orders to other city departments and existing work orders should be rolled back to the extent practicable. The Budget Balancing Panel should bring forth short, medium, and long term revenue and cost savings solutions.

On Motion to approve Motion 120202.04: Approved

Ayes – Murphy and Vaughan

Nays – None

Absent – None

8. Presentation, discussion and possible action regarding FY 2012 and FY 2013 operating and capital budgets. (Sonali Bose, CFO/Director, Finance and Information Technology)

Sonali Bose discussed the preliminary budget numbers that were presented at the November MTA board meeting. Staff will go back to the board and workshops would be conducted by the Director of Transportation between mid-February or mid-March. Ms. Bose stated that projected revenues are shown higher in FY 2013, but may be affected by the youth fare.

Ms. Bose stated that labor costs are the biggest expenditure in the SFMTA Operating Budget and that there is a projected budget deficit in FY 2013 and 2014. There is about \$25-\$30M budgeted for maintenance, but that amount is not enough. Workers compensation has exceeded the budget by \$6M. Overtime and absenteeism has also affected the budget. Ms. Bose stated that the budget will be presented at the February 21 SFMTA Board meeting.

Public comment:

David Pilpel stated that charging for transfers for cash only payment or increasing the single cash fare as possible additional revenue sources are a bad idea. Mr. Pilpel believes that transit is underfunded, but needs more than strength, such as more explanations of new programs and

interaction on programs should be discussed with commissions, like the PUC does.

Motion 120202.05

Whereas Section 8A.109 of the Charter of City and County of San Francisco requires the SFMTA Board to seek new revenue sources, the SFMTA CAC recommends that the SFMTA Board of Directors consider the following for additional revenue in the FY 2013 and FY 2014 budget.

- Increasing the meter bagging fee
- Increase citations by \$3.00 to offset the Courthouse Fee
- Extend parking meter hours to nighttime hours
- Extend parking meter hours to Sundays
- Add 500 to 1,000 new metered spaces
- Enforce the existing parking garage pricing ordinance
- Extend the parking garage ordinance to all parking lots and garages citywide

On Motion to approve Motion 120202.05: Approved

Ayes – Murphy and Vaughan

Nayes – None

Absent – None

Motion 120202.06

The SFMTA CAC recommends that, if the Board considers charging for transfers or increasing the single cash fare for non-Clipper users that it opt for the latter option. The SFMTA CAC urges the Board to examine the experience of AC Transit in implementing these options.

On Motion to approve Motion 120202.06: Approved

Ayes – Murphy and Vaughan

Nayes – None

Absent - None

9. Committee Member requests for information (For discussion only)

None

10. Schedule upcoming calendar items. (For discussion only)

Next regular meeting: Wednesday, March 21, 2012, at 3:00 p.m.

1 South Van Ness Avenue, 3rd Floor, Conference Room 3075

ADJOURN: The meeting was adjourned at 3:50 p.m.