

**FY 2013 and FY 2014
Proposed Operating Budget
*An Investment in Maintenance***



April 3, 2012 SAN FRANCISCO, CALIFORNIA

Introduction

- FY 2013-2014 Proposed Operating Budget
 - Revenues
 - Expenditures
- “An investment in maintenance” and the agency’s future
- Balancing Actions
- Budget Timeline

Revenues
FY 2013 and FY 2014 Proposed Operating Budget (\$M)

Revenue Category	FY 2013 Baseline Budget (Workshop)	FY 2014 Baseline Budget (Workshop)	FY 2013 Baseline Budget (Feb 21)	FY 2014 Baseline Budget (Feb 21)	FY 2013 Proposed Budget (Current)	FY 2014 Proposed Budget (Current)
Transit Fares	194.9	196.8	194.9	196.8	198.3	201.2
Operating Grants	113.7	115.7	113.7	115.7	113.7	115.7
Parking and Traffic Fees & Fines	254.2	260.2	254.2	260.2	268.9	274.9
Taxi Services	8.2	8.2	8.2	8.2	8.2	8.2
Other (Advertising, Interest, Inter- departmental Recovery)	21.3	22.1	21.3	22.1	22.5	23.4
General Fund Transfer	204.5	207.5	204.5	207.5	209.4	217.1
Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	\$796.8	\$810.5	\$796.8	\$810.5	\$821.0	\$840.5

FY 2013 – FY 2014 Revenues
Proposed Balanced Budget Compared to February 21st Budget (\$M)

Line Item	Change from Feb 21	Description	Change from Feb 21	Description
Transit Fares	3.4	Increase in Fares based on FY 12 actuals	4.4	Increase in Fares based on FY 12 actuals
Operating Grants	0.0	No Change	0.0	No Change
Parking and Traffic Fees & Fines	14.7	Citations State Pass Through, Citations CPI, Sunday Parking, Adding Meters, General Fund Contribution	14.7	Citations State Pass Through, Citations CPI, Sunday Parking, Adding Meters, General Fund Contribution
Taxi Services	0.0	No Change	0.0	No Change
Other (Advertising, Interest, Inter-departmental Recovery)	1.2	Higher Interdepartmental recovery from Other Agencies	1.3	Higher Interdepartmental recovery from Other Agencies
General Fund Transfer	4.9	City Economy – Joint Report Projection	9.6	City Economy – Joint Report Projection
Fund Balance	0.0	No Change	0.0	No Change
Total	\$24.2		\$13.7	

**Expenditures
FY 2013 and FY 2014 Proposed Operating Budget (\$M)**

Expenditure Category	FY 2013 Baseline Budget (Workshop)	FY 2014 Baseline Budget (Workshop)	FY 2013 Baseline Budget (Feb 21)	FY 2014 Baseline Budget (Feb 21)	FY 2013 Proposed Budget (Current)	FY 2014 Proposed Budget (Current)
Salaries & Benefits	496.1	511.9	494.2	510.7	513.5	520.9
Contracts and Other Services	77.3	78.9	75.1	73.3	81.6	86.5
Materials & Supplies	48.0	49.0	66.9	68.9	67.6	71.9
Equipment & Maintenance	44.5	45.4	17.4	17.6	10.9	11.2
Rent & Building	7.4	7.7	5.7	5.8	6.1	6.9
Insurance, Claims & Payments to Other Agencies	81.8	83.4	64.2	62.3	66.2	67.1
Rainy Day Reserve	10.0	10.0	10.0	10.0	10.0	10.0
Work Orders	65.8	69.8	65.1	66.4	64.9	66.0
TOTAL	\$830.9	\$856.1	\$798.6	\$815.0	\$821.0	\$840.5

**FY 2013 – FY 2014 Expenditures
Proposed Balanced Budget Compared to February 21st Budget (\$M)**

Line Item	Change from Feb 21	Description	Change from Feb 21	Description
Salaries & Benefits	19.3	New Staffing for Sunday Parking Enforcement, Labor concessions (3% of open contracts), Assume certain percent of labor costs can be capitalized, Lower Attrition Rates given number of Filled Positions, Benefit Changes	10.2	New Staffing for Sunday Parking Enforcement, Labor concessions (3% of open contracts), Assume certain percent of labor costs can be capitalized, Lower Attrition Rates given number of Filled Positions, Benefit Changes
Contracts and Other Services	6.5	Transfer from Equipment and Maintenance	13.2	Transfer from Equipment and Maintenance, Parking Contracts
Materials & Supplies	0.7	Sunday Parking Enforcement	3.0	Sunday Parking Enforcement
Equipment & Maintenance	-6.5	Transfer to Contracts and Other Services	-6.4	Transfer to Contracts and Other Services
Rent & Building	0.4	Corrected Rent	1.1	Corrected Rent
Insurance, Claims & Payments to Other	2.0	Clipper Transaction Costs	4.8	Clipper Transaction Costs
Rainy Day Reserve	0.0	No Change	0.0	No Change
Work Orders	-0.2	Based on MOU info known to date	-0.4	Based on MOU info known to date
Total	\$22.4		\$25.5	

Realignment to Maintenance and High Priority Areas

	FY 2013	FY 2014
Rail maintenance		
Preventive Maintenance	750,000	1,500,000
Running repair	250,000	500,000
Cleaning	125,000	250,000
Campaigns	1,750,000	3,500,000
Bus maintenance		
Preventive Maintenance	750,000	1,500,000
Running repair	250,000	500,000
Cleaning	125,000	250,000
Campaigns	1,750,000	3,500,000
Maintenance of Way		
Track Preventive Maintenance	600,000	1,200,000
Overhead Line Maintenance	1,400,000	2,800,000
Track Repair	1,500,000	1,500,000
Signals	2,100,000	2,100,000
Electronics	1,000,000	1,000,000
Facilities	1,000,000	1,000,000
Line Management Center, Transit Supervisors	370,000	740,000
TEP	375,000	750,000
Sustainable Streets	1,000,000	2,000,000
Crossing Guards	250,000	500,000
Transit Fare Inspectors	900,000	900,000
Safety and Training Staffing	500,000	1,000,000
Safety and Training Equipment	1,000,000	1,000,000
Administration Staffing	750,000	900,000
Other Staffing	560,000	1,120,000
TOTAL	17,555,000	29,110,000

**FY 2013 and FY 2014
Proposed Operating Budget Revenues Less Expenditures
(\$M)**

	FY 2013 (Nov Workshop)	FY 2014 (Nov Workshop)	FY 2013 (Feb 21)	FY 2014 (Feb 21)	FY 2013	FY 2014
Revenues	796.8	810.5	796.8	810.5	821.0	840.5
Expenditures	830.9	856.1	816.4	844.1	821.0	840.5
Revenues Less Expenditures	(34.1)	(45.6)	(19.6)	(33.6)	0	0

Balancing Items(\$M)

Proposal	Description	Annual Revenue
Labor Concessions	Projected reduction in Salaries and Benefits related to open contracts (3% reduction in FY 2013 and 3.3% reduction in FY 2014).	(\$7.3m)
Parking Citation Penalty Increase – Offset State Fees	Includes an additional \$2.00 to recover the Local Courthouse Construction Fee which is being remitted to the State but has not been included in the citation amounts, and a \$3.00 increase for FY 2013 to recover the Trial Court Trust Fund fee which must be remitted to the State pursuant to Cal Gov Code 76000.3.	\$5.4m
Indexed Parking Citation and Taxi Related Penalties	On April 21, 2009, the SFMTA Board of Directors approved SFMTAB Resolution 09-065 (Automatic Indexing Implementation Plan) applicable to parking citation and taxi related penalties not subject to legal limitations which provides for increases based fifty percentage on projected labor increases as budgeted and fifty percent on Bay Area Labor CPI-U rounded up to the nearest \$0.25, \$0.50, or \$1.00.	\$1.6m
Parking Meter Use fee and Temporary Exclusive Use of Parking Meter fee	Charged to individuals and companies that make meters inaccessible to parking (e.g. construction, special events). Current rate is \$5 per day per meter which would be raised to \$6 per day per meter for FY 2013 and FY 2014.	\$0.1m

Balancing Items(\$M)

Line Item	Description	Annual Amount
Parking Meter Enforcement on Sundays	At present, there is no charge for parking on Sundays in the City, except on Port property. Proposal is to have meters operate between noon to 6pm on Sundays. The revenue estimate is net of additional costs for Parking Control Officers and Meter Repair Staff.	\$1.9 m (\$0.9 m for first year)
Addition of 500-1,000 new metered parking spaces	The estimates includes (i.e., net out) all incremental costs, such as, enforcement, meter maintenance, meter communications, coin collection, spare parts etc., and new meter purchase.	\$1m (\$0.5m for first year)
Charge Capital Budget for Capital Related Work	Historically the operating budget has been charged for capital related work, both for SFMTA staff time and staff time for other divisions (work orders). Beginning FY 13 and FY 14 all work related to capital projects whether by SFMTA staff or staff from other divisions will be charged to capital projects.	\$8m
General Fund Baseline	Revised Controller Projections	\$4.0m/ \$10m
General Fund Contribution	Revised Controller Projections	\$6.4m/ \$6m

Automatic Indexing (\$M)

Line Item	Description
Automatic Indexing	½ CPI Increase (1.9% in FY 2013 and 1.9% in FY 2014) + ½ Labor (3.5% in FY 2013 and 3.5% in FY 2014) = 2.7%

DESCRIPTION	Fiscal Year 2011-12 Amount	Fiscal Year 2012-13 Proposed Rate	Fiscal Year 2013-14 Proposed Rate
<u>AIIP RATE:</u>		2.7%	2.7%
Adult Cash Fare	\$2.00	\$2.00	\$2.00
Discount Cash Fare (Senior and Disabled)	\$0.75	\$0.75	\$0.75
Youth Cash Fare	\$0.75	\$0.75	\$0.75
Adult "A" Fast Pass with Ride on BART in SF	\$72.00	\$74.00	\$76.00
Adult "M" Fast Pass Muni Only	\$62.00	\$64.00	\$66.00
Disabled/Youth/Senior Monthly Pass Muni Only	\$21.00	\$22.00	\$23.00
Disabled/Youth/Senior Monthly Pass with Ride on BART in SF	\$26.00	\$27.00	\$28.00
Lifeline Monthly Pass (Low Income)	\$31.00	\$32.00	\$33.00
Cable Car Cash	\$6.00	\$6.00	\$6.00
Cable Car All-Day Pass (implement January)	\$14.00	\$14.00	\$15.00
One-Day Passport (implement January)	\$14.00	\$14.00	\$15.00
Three-Day Passport (implement January)	\$21.00	\$22.00	\$23.00
Seven-Day Passport (implement January)	\$27.00	\$28.00	\$29.00
Tokens (Pack of 10) – tied to adult cash fare, no change	\$20.00	\$20.00	\$20.00
Special Cable Car Fare for Seniors and Disabled from 9:00PM to 7:00AM	\$3.00	\$3.00	\$3.00
Interagency Sticker (excludes BART \$ Cable Car) - \$5 off Muni Only Pass	\$57.00	\$59.00	\$61.00
BART-to-Muni Transfer	1.75	\$1.75	\$1.75
Class Pass (monthly)	\$25.00	\$26.00	\$27.00
School Coupon Booklet – tied to youth cash fare, no change	\$7.50	\$7.50	\$7.50
Special Event Service Adult Round-Trip	\$12.00	\$12.00	\$13.00
Special Event Service Senior/Disabled/Youth Round-Trip	\$10.00	\$10.00	\$11.00
Special Event Service Add-on fare	\$8.00	\$8.00	\$9.00

Risks

The following factors may impact the 2-year Operating Budget:

- Labor Concessions (Open Contracts)
- Economy (Local, State and Federal)
- Fuel Costs
- Ridership
- Service Hours
- Overtime
- Special Events
- State and Federal Budgets

Possible Revenue Solutions – Ballot Measures

Proposal	Description	Annual Revenue Potential
Parking Stall Fee	Charge private parking lots (not subject to parking tax) open to customers to offset congestion impact. Number of unpaid parking spaces: approx 30,000 x \$1,000 annual fee	\$30 million
Sales Tax	½% sales tax (an additional ¾% is currently permitted by state law). The local 1% sales tax is estimated to generate \$129 million in FY 2009-2010	\$65 million
Vehicle License Fee	Restore fee from current 1.15% to 2% of the vehicle purchase price, adjusted for depreciation (1998 levels)	\$33 million
Parcel Tax	\$200 annually for each residential and commercial property parcel. Approximately 144,000 parcels in San Francisco.	\$29 million
Commercial Off-Street Parking Tax	Raise 25% tax to 35% (SFMTA would retain 80% share under Proposition A)	\$20 million

Budget Balancing Panel is currently considering revenue solutions to address structural deficit

Timeline

SFMTA Board of Directors Meetings	
February 21, 2012	Preliminary Operating and Capital Budget presentation
March 6, 2012	Presentation/Discussion regarding the FY13 and FY14 Operating and Capital Budgets including possible measures to address the budget deficit (includes a Public Hearing on Changes to Fees, Fines, Fares).
Mid March	Town Hall meetings and Budget Balancing Panel Recommendations. CAC review.
March 28, 2012	Budget and Finance Committee, Board of Supervisors
April 3, 2012	First opportunity to adopt the Operating and Capital budgets (includes a public hearing on revenue measures)
April 17, 2012	Second opportunity to adopt the Operating and Capital budgets (includes a public hearing on revenue measures)