



SFMTA's Fiscal Outlook & the FY 2017 – FY 2018 Base Capital & Operating Budgets

Citizens Advisory Committee
February 4, 2016



FY 2017 & FY 2018 BASELINE OPERATING BUDGET APPROVED APPROPRIATION ORDINANCE (AAO)



Fiscal Situation

- The City's growth continues
- SFMTA revenues are growing at a slower pace than the prior two year budget
- Expenditures are outpacing revenue growth
 - Pension increase higher than anticipated
 - Hiring (esp. Operators) at a greater and faster rate than anticipated
 - Contracts and commitments made in FY 2015 and FY 2016
 - Previously negotiated wage increase of 3.25% through FY 2017
 - Consumer Price Index (CPI) of 2.54% for FY 2018



Proposed FY2017 & FY2018 Base Budget

(in \$ millions)

Operating (ongoing)	FY 2016	FY 2017	FY 2018
Revenues	\$ 962.0	\$ 1,006.5	\$ 1,030.9
Expenditures	\$ 962.0	\$ 1,020.0	\$ 1,045.2
Revenues Less Expenditures	\$ 0.0	(\$ 13.5)	(\$ 14.3)

Capital (one time)	FY 2016	FY 2017	FY 2018
Revenues	\$ 54.0	\$ 45.7	\$ 44.1
Expenditures	\$ 54.0	\$ 45.7	\$ 44.1
Revenues Less Expenditures	\$ 0.0	\$ 0.0	\$ 0.0



Proposed FY2017 & FY2018 Expenditures

In Base

- **Positions added** during FY 2015 & FY 2016
- **Wage increases** in executed labor contracts in FY 2017, CPI estimate for FY 2018
- **Pension Increase**
- **Contracts Approved by Board:** Paratransit, Clipper, Taxi Driver Testing, Safety Management

Not in Base

- **Caltrain Operating Contribution Increase**
- **Incremental Debt Service** for 2017 Revenue Bonds
- Higher **Worker's Compensation** costs
- Potential **2% Additional Transit Service Increase**
- Rent for **New Training Facility**



Proposed FY2017 & FY2018 Revenues

In Base

- **Automatic Indexing** for fares, fees, and fines
- Population **General Fund** Baseline (for Capital use only)
- **Development Fees** (for Capital use only)
- **Low Carbon Transit Operations Program** (State Cap & Trade funds)

Not in Base

- Use of **Fund Balance**
- **New Potential Revenue Sources**



Automatic Indexing - Fares (\$M)

$$\begin{aligned}
 \text{Automatic Index} &= \frac{(\text{CPI Increase} \div 2)}{+} \frac{(\text{Labor Increase} \div 2)}{+} \\
 \text{FY17 Rate: 3.9\%} &= \frac{(2.8\% \div 2)}{+} \frac{(5\% \div 2)}{+} \\
 \text{FY18 Rate: 3.5\%} &= \frac{(2.5\% \div 2)}{+} \frac{(5\% \div 2)}{+}
 \end{aligned}$$

	FY16	FY17	FY18
Automatic Indexing Implementation Plan (AIP) Rate:		3.9%	3.5%
Adult Cash Fare	\$ 2.25	\$2.25	\$2.50
Discount Cash Fare (Youth, Senior and Disabled)	\$ 1.00	\$1.00	\$1.25
Cash Fare - Low/Moderate Income Youth, Senior and Disabled -Clipper® card	\$ 0.00	\$0.00	\$0.00
Adult "A" Fast Pass with Ride on BART in SF	\$ 83.00	\$86.00	\$89.00
Adult "M" Fast Pass Muni Only	\$ 70.00	\$73.00	\$75.00
Disabled/Youth/Senior Monthly Pass Muni Only	\$ 24.00	\$25.00	\$26.00
Monthly Pass-Low/Mod. Income Youth, Senior and Disabled -Clipper® card	\$ 0.00	\$0.00	\$0.00
Lifeline Monthly Pass (Low Income)	\$ 35.00	\$36.00	\$38.00
Cable Car Cash	\$ 7.00	\$7.00	\$7.00
One-Day Passport	\$ 20.00	\$21.00	\$22.00
Three-Day Passport	\$ 31.00	\$32.00	\$33.00
Seven-Day Passport	\$ 40.00	\$42.00	\$43.00
Tokens (Pack of 10)	\$ 22.50	\$22.50	\$25.00
Special Cable Car Fare for Seniors and Disabled from 9:00PM to 7:00AM	\$ 3.00	\$3.00	\$3.00
Adult Inter-Agency Transfer Cash Fare (Clipper Only)	\$ 1.75	\$1.75	\$2.00
Class Pass (monthly)	\$ 29.00	\$30.00	\$31.00
BART Daly City Transfer to Muni (Clipper Only/14L, 28, 28L,54 , 2 rides)	\$ 0.00	\$0.00	\$0.00
School Coupon Booklet (15 tickets)	\$ 15.00	\$15.00	\$18.75
Special Event Service (discontinued for 49ers, Bay to Breakers)	\$ 14.00	\$0.00	\$0.00



PROPOSED FY 2017 – FY 2018 CAPITAL BUDGET

PROPOSED FY 2017 – 2021 CAPITAL IMPROVEMENT PROGRAM (CIP)

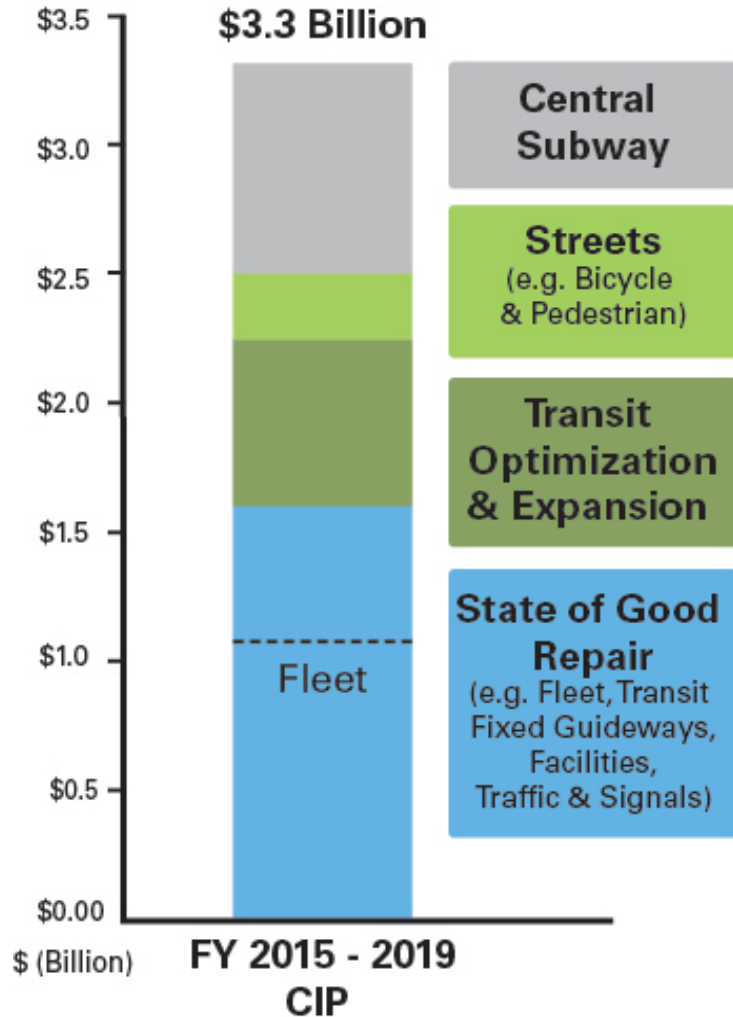


What is the CIP?

- A fiscally constrained 5-year program of capital projects
- An implementation plan for regional, citywide, and agency-wide strategies and policy goals:
 - SFMTA Strategic Plan
 - SFMTA 20-Year Capital Plan
 - Vision Zero
 - Muni Forward
 - Fleet Plan
 - Real Estate & Facilities Vision
 - Bicycle and Pedestrian Strategies
 - Plan Bay Area
 - SF General Plan
 - Neighborhood & Area Plans
 - SFCTA Transportation Plan



Review of Current FY 2015 - FY 2019 CIP



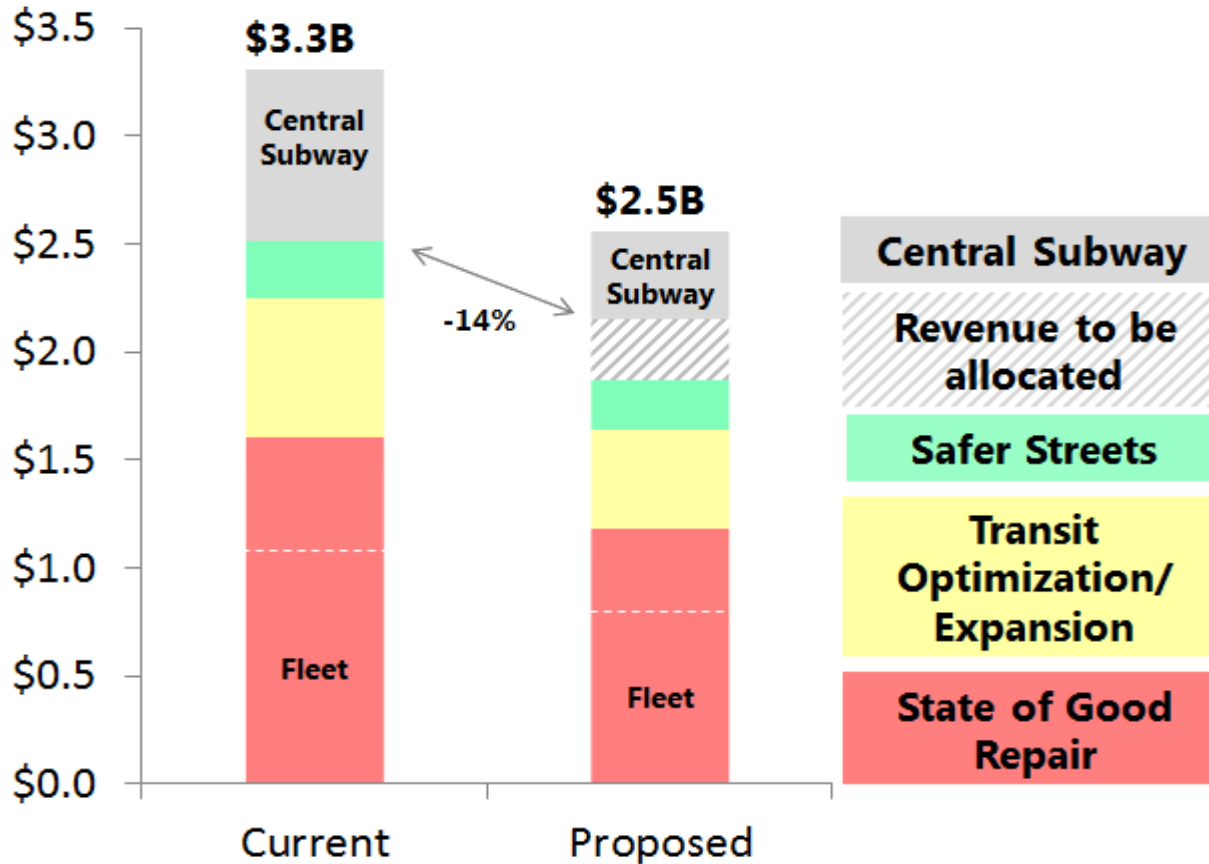
- 370 Projects
- \$3.3 Billion Total Investment
 - \$793 M Central Subway
 - \$225 M Fixed Guideway Projects
 - \$329 M / year State of Good Repair
 - Full Replacement of Rubber Tire Fleet
 - Muni Forward Project Implementation
 - Safer Streets
 - Expanded Bicycle Network



CIP Revenue Overview

Preliminary FY 2017 – FY 2021 CIP Estimated to be \$2.5B
 \$750M lower than the current CIP

Billions (\$)



Key drivers of lower revenue (-\$\$)

- Does not yet include assumption of future ballot measure revenue.
- Central Subway complete in FY19 (\$390M).
- Fleet funding is cyclical based on age of vehicles (\$257M).
- GO Bond issued in FY16; not in current CIP (\$60M).
- State Security program ends in FY17 (\$28M).
- No new major FTA 5309 NS/SS/CC revenue currently assumed.



Three Key Policy Goals of the CIP Update



- **Vision Zero**
- **Transit First**
- **State of Good Repair**



CIP Policy Goal: *VISION ZERO*

San Francisco's Policy Goal to Eliminate Severe and Fatal Traffic Collisions

- The SFMTA plans to implement **13 Miles** of Safety Measures Annually:
 - Corridor Projects
 - Muni Forward Collaboration
 - Traffic Signals / Retiming
 - Quick & Effective Improvements
- Focus on High-Injury Corridors & Intersections





CIP Policy Goal: *TRANSIT FIRST*

Improving the Speed, Comfort, Safety & Reliability of the Transit Network

- Muni Forward Capital Improvements
- Fleet Replacement & Expansion



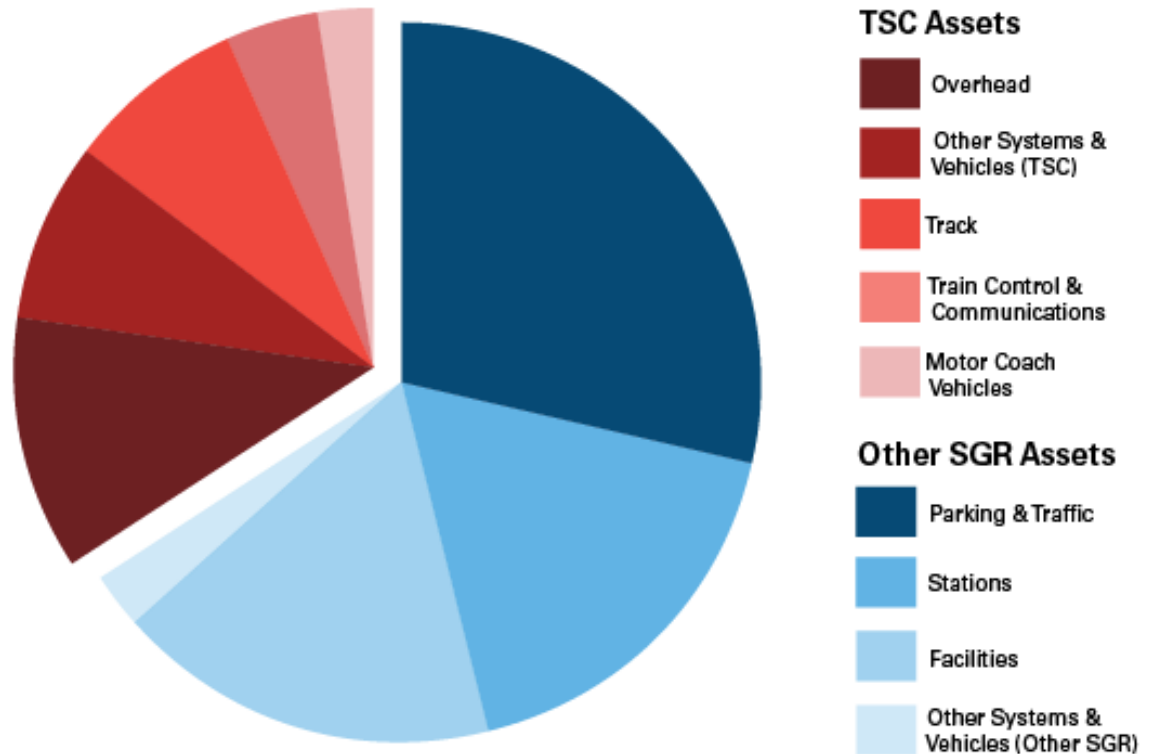


CIP Policy Goal: *STATE OF GOOD REPAIR*

Replacing & Rehabilitating Transportation Assets

- Focus on “Transit Service Critical” Assets (Vehicles, Track, OCS)

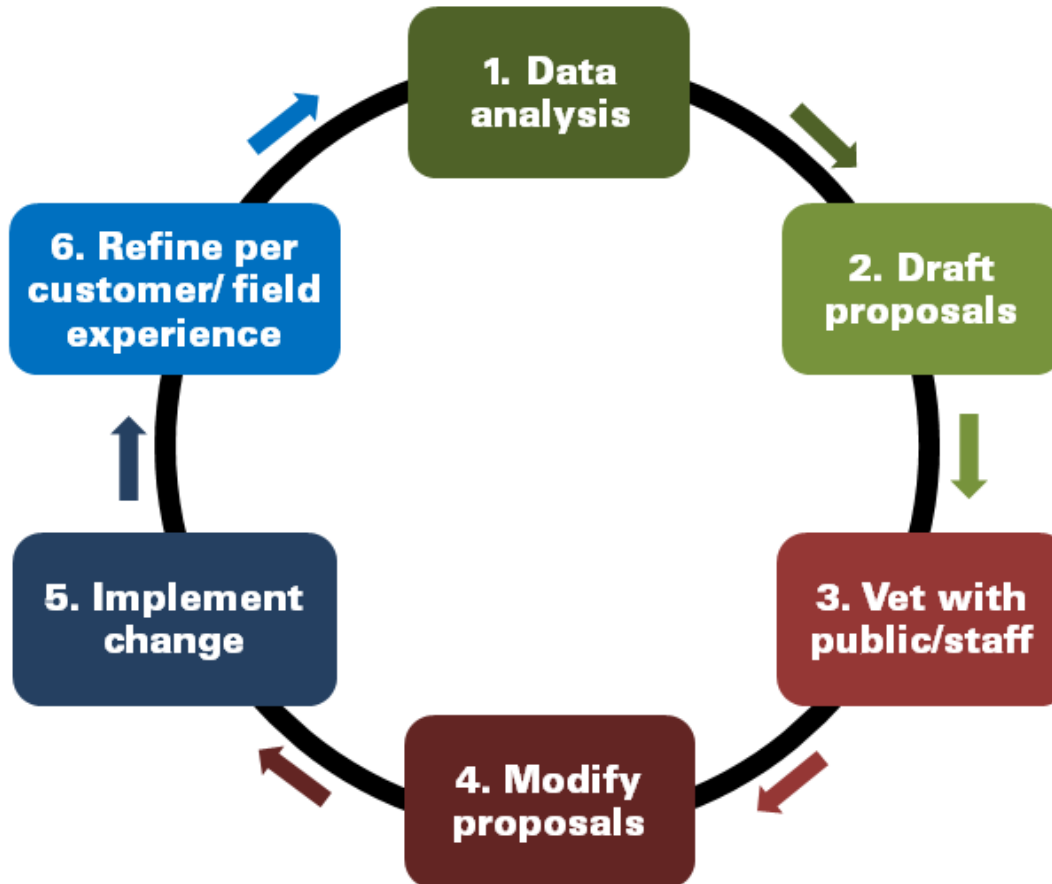
SGR Backlog by Asset Class
\$2.47 Billion Total Need





Communications & Outreach Strategy

Budget Development Process



Continuous improvement to engage stakeholders



Budget Development Key Dates



- **January 26** – Board Workshop
- **February 16** – SFMTA Board Presentation
- **March 1** – SFMTA Board Presentation
- **March 3** – CAC Budget Presentation
- **March 9 & 23** – Budget Town Hall Meetings
- **March 15** – SFMTA Board Presentations
- **March 24** – CAC Budget Approval
- **April 5** – SFMTA Budget Approval (1st date)
- **April 19** – SFMTA Budget Approval (2nd date)
- **May 1** – Submission to Mayor and Board of Supervisors
- **July 31** – Board of Supervisors Budget Adoption

Questions/Discussion?

