



# SFMTA Fiscal and Management Update

*Budget Update*

SFMTA Citizens Advisory Council  
December 3, 2020

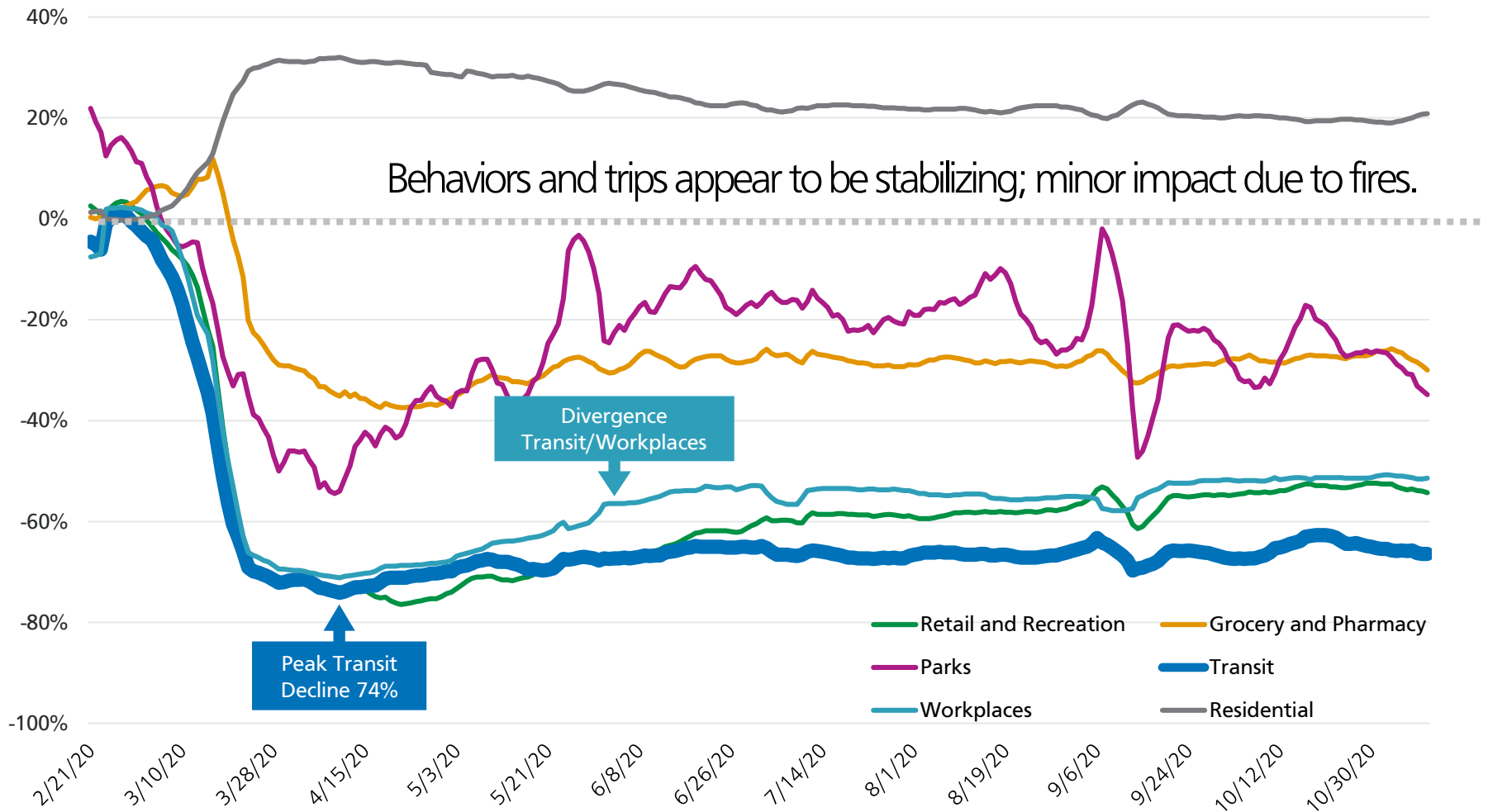
## Updates

- The **final proposed budget** expected to be approved October 1, 2020.
- \$22 million from SFMTA fund balance will be available for the **Parking Meter Replacement Project** on October 1, 2020.
- The Budget Office is working with divisions and City departments on memorandum of understandings (**MOUs**) for **work orders**. (requesting).
- **Revenue adjustments** are being rolled out to **CIP** program managers.
- Major revenue trends:
  - Operating**
    - Fares (down)
    - Parking Fines & Fees (flat)
    - Operating grants (down)
    - General Fund (down)
  - 5-Year CIP**
    - Streets (down \$56M)
    - Signals (down \$4.5M)
    - Parking (down \$131K)

## Updates

- **Major enterprise revenue sources are declining** and will likely be below budget **requiring the use of the \$125M contingency reserve.** Strict fiscal controls and management of expenses should be employed, recommend not using more than 30% in FY 21 or \$37.5 million.

# Google COVID-19 Community Mobility Reports – Destinations within San Francisco

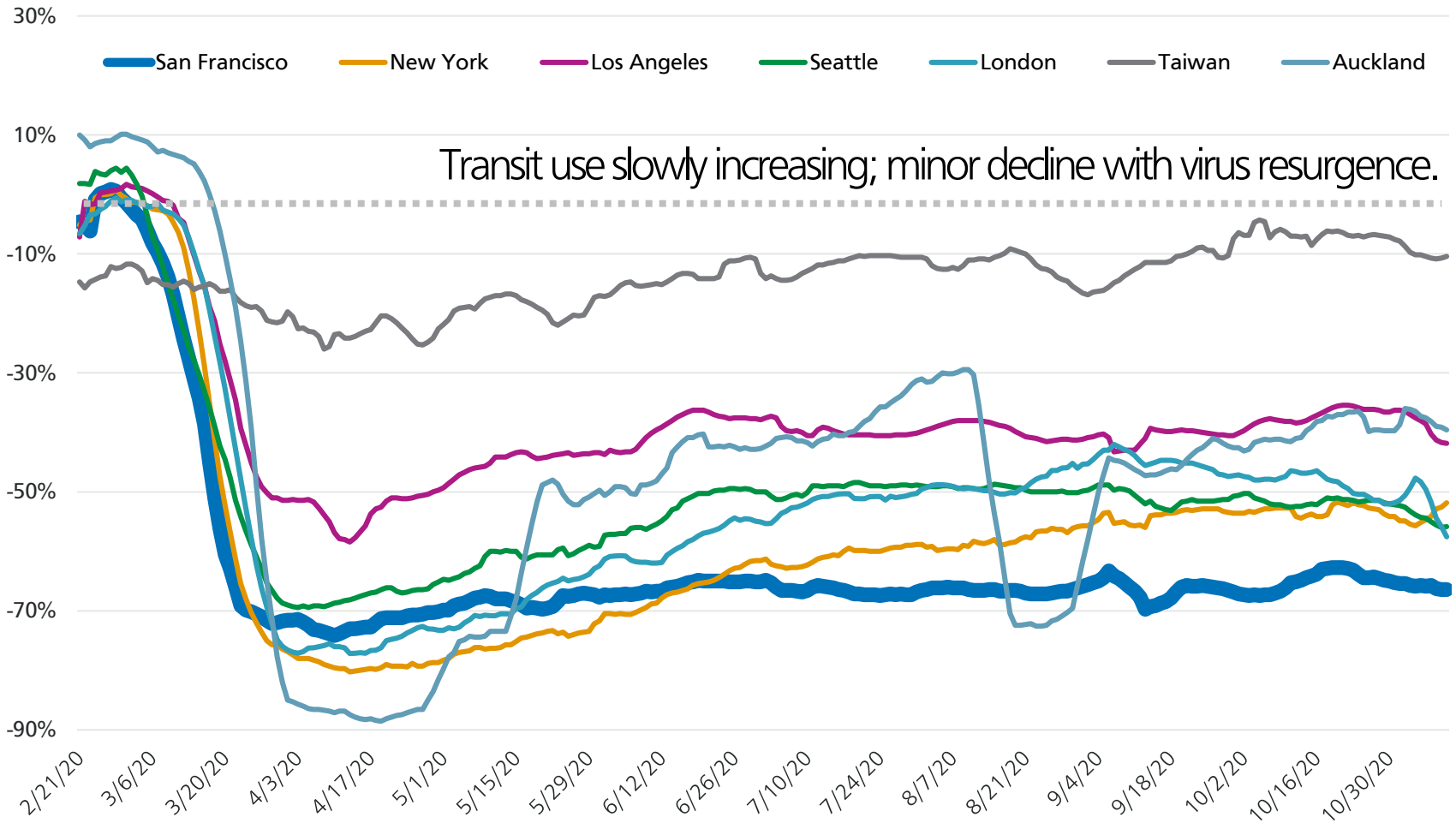


Source: Google LLC "Google COVID-19 Community Mobility Reports".

<https://www.google.com/covid19/mobility/> Accessed: November 13, 2020.

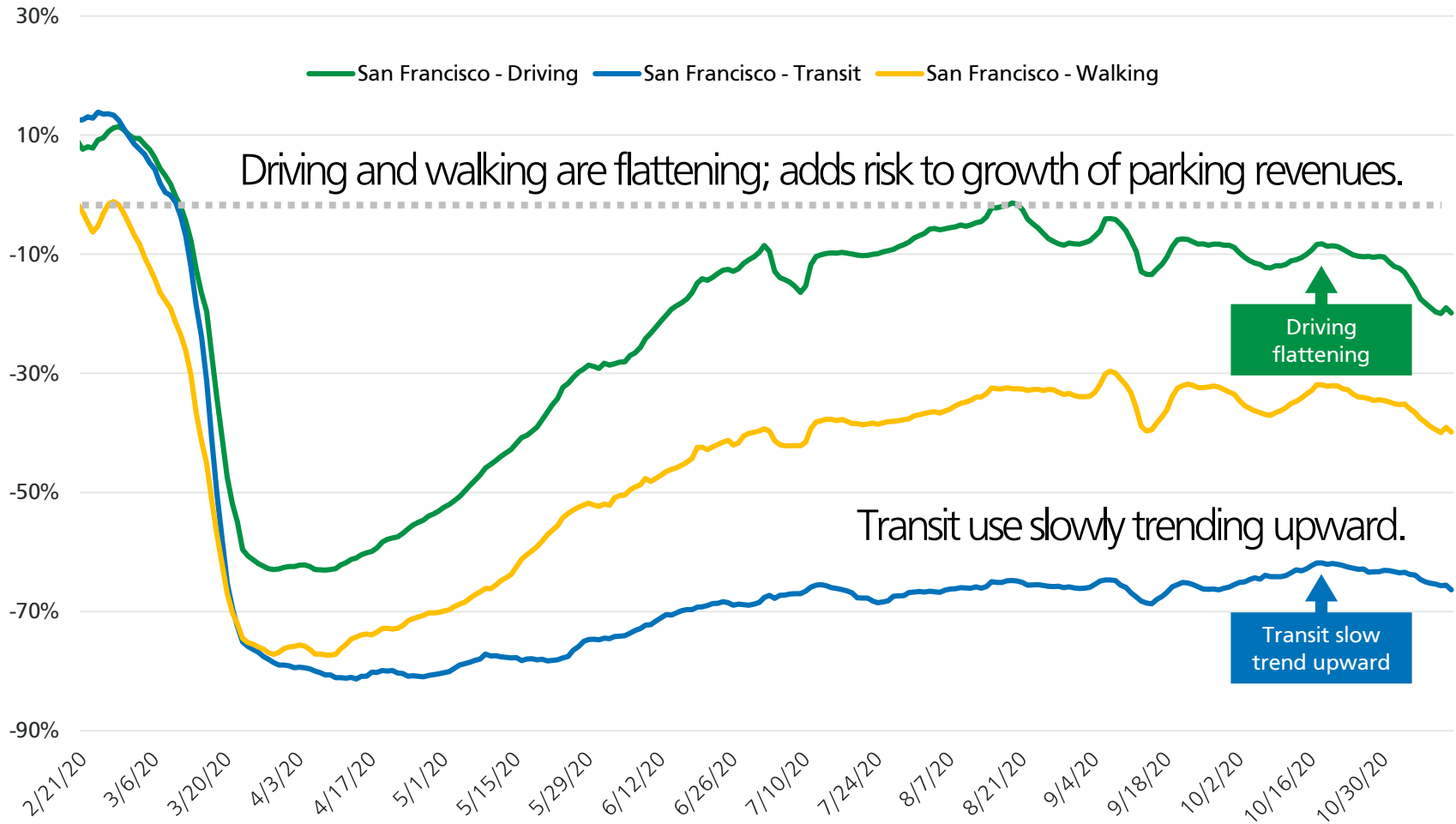
The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. Data is a rolling 7-day average versus the baseline.

# Google COVID-19 Community Mobility Reports - Transit Comparison/Global Cities



Source: Google LLC "Google COVID-19 Community Mobility Reports".  
<https://www.google.com/covid19/mobility/> Accessed: November 13, 2020.  
 The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. Data is a rolling 7-day average versus the baseline.

# Apple COVID-19 Mobility Trends - San Francisco All Modes/Choice

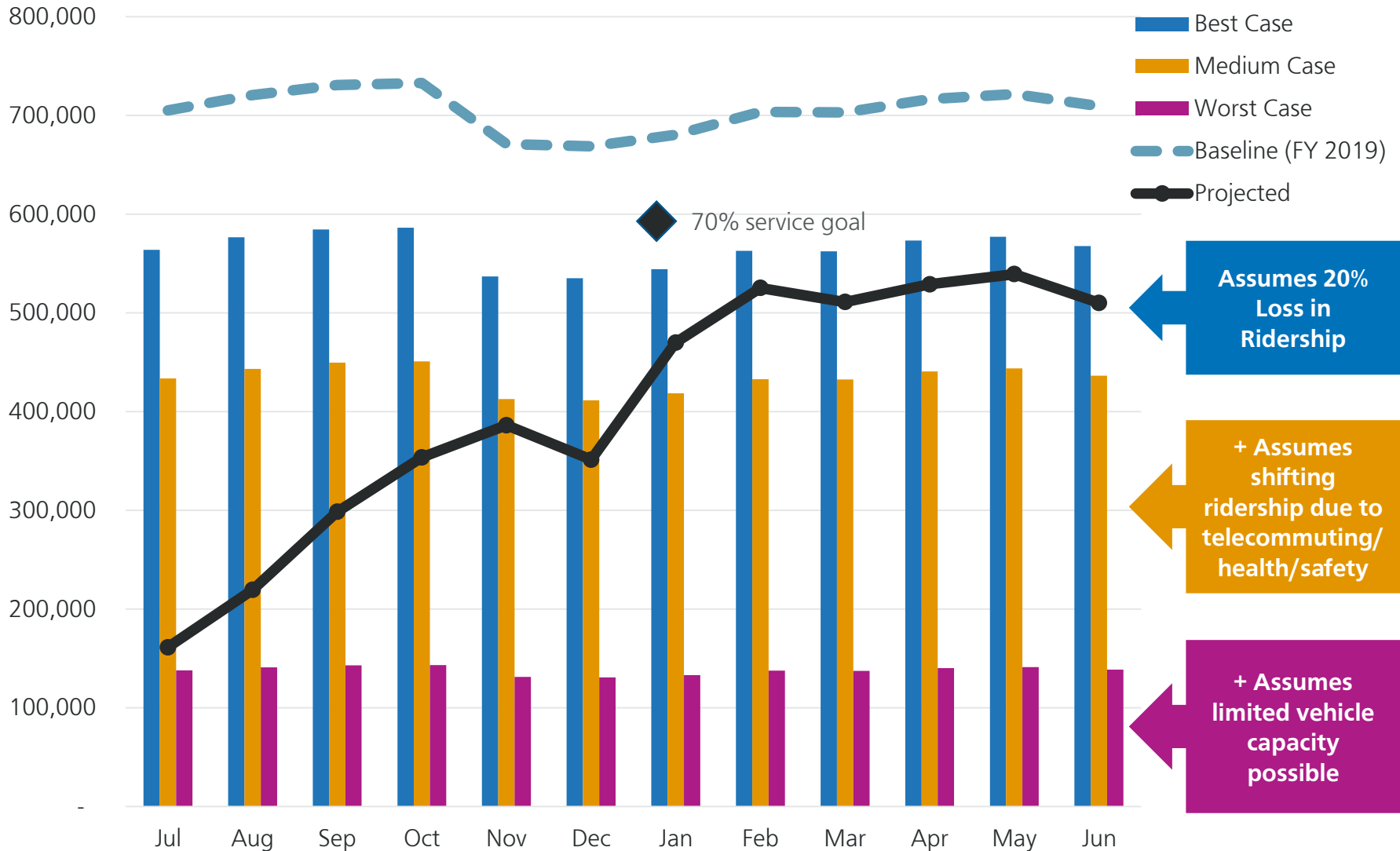


Source: Apple "Mobility Trends Reports".

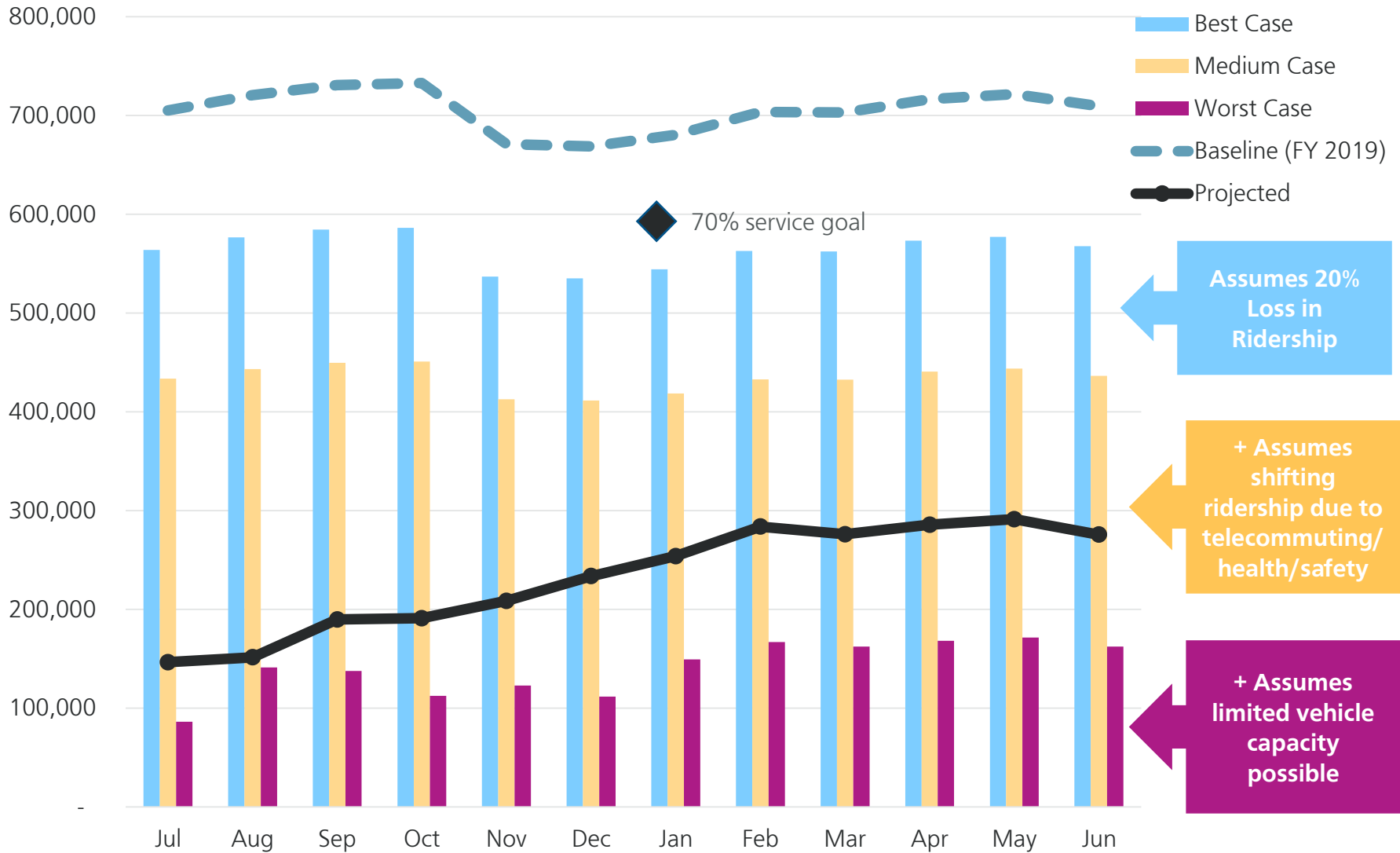
<https://www.apple.com/covid19/mobility>

The baseline is as of January 13, 2020. Data is a rolling 7-day average versus the baseline.

# Muni Ridership Projections – FY 2021 (Budget Projection)



# Muni Ridership Projections – FY 2021





## Fiscal Status by Fiscal Year

As mobility and economic data settle, new trends are forming which allow projections in FY 21 and FY 22. Additional expenditure reductions in FY 21 of \$30.5 million and use of rainy-day reserves of \$37.5 million are required. The FY 22 projected deficit likely results in service reductions and layoffs.

FY 2020	Revenue Loss <b>(\$234 m)</b>	Expenditure Savings <b>\$37 m</b>	Net Deficit (Projected) <b>\$0 m</b>	Revenue losses due to economic shock; \$197 m of CARES applied.
FY 2021	Revenue Loss (Projected) <b>(\$186 m)</b>	Expenditure Savings (Projected) <b>\$118 m</b>	Net Deficit (Projected) <b>(\$68 m)</b>	Expenditure controls; hiring freeze; overtime management; \$177 m of CARES applied.
FY 2022	Revenue Loss (Projected) <b>(\$187 m)</b>	Expenditure Savings (Projected) <b>\$19 m</b>	Net Deficit (Projected) <b>(\$168 m)</b>	Revenue growth from FY 21 results in deficit; high end deficit up to \$222 m. Eliminates MTAB reserve in FY 22.

Monthly Financial Data & Projections Available at  
<https://www.sfmta.com/budgetdashboards>

## FY 2019-20 Year-End Financials (Revenue)

Revenue Category	FY 19-20 Op. Budget	FY 19-20 Actual*	Surplus/ (Shortfall)
Transit Fares	\$212.9	\$154.1	(\$58.8)
Operating Grants	\$168.2	\$377.0	\$208.8
Parking Fees, Citations & Tax in-lieu	\$353.2	\$270.0	(\$82.8)
Taxi Services	\$2.5	\$1.2	(\$1.2)
Advertising	\$24.3	\$21.6	(\$2.7)
Rental	\$2.7	\$3.1	\$0.4
Interest	\$4.6	\$12.1	\$7.5
Miscellaneous	\$6.3	\$4.0	(\$2.3)
City Baseline and Other Support	\$367.5	\$367.5	\$0.0
Prior Year Encumbrances Carried Forward	\$56.5	\$56.5	\$0.0
Use of (Addition to) Fund Balance	\$65.7	(\$39.7)	(\$105.4)
<b>Total</b>	<b>\$1,264.3</b>	<b>\$1,227.7</b>	<b>(\$36.6)</b>

## FY 2019-20 Year-End Financials (Expenditures)

Revenue Category	FY 19-20 Op. Budget	FY 19-20 Actual*	Surplus/ (Shortfall)
Salaries & Benefits	\$736.9	\$742.6	(\$5.7)
Contracts & Other Services	\$187.9	\$175.8	\$12.1
Services of Other Departments	\$97.1	\$86.4	\$10.7
Materials & Supplies	\$87.5	\$83.9	\$3.6
Judgments, Claims & Workers Comp	\$42.7	\$34.0	\$8.7
Equipment & Maintenance	\$30.3	\$26.2	\$4.1
Rent & Building	\$13.5	\$12.9	\$0.6
Reserve	\$6.6	\$0.0	\$6.6
Taxes, Licenses & Permits	\$29.1	\$33.2	(\$4.1)
Offset to Capital Projects	\$32.7	\$32.7	\$0.0
<b>Total</b>	<b>\$1,264.3</b>	<b>\$1,227.7</b>	<b>\$36.6</b>

## FY 2020-21 Revenue (as of November 2020)

Revenue Category, \$M	FY 21 Adopted Budget	FY 21 FM 1-Jul to FM 4-Oct	FY 21 Projected Total	FY 21 Projected Surplus (Shortfall)
General Fund Transfers	\$328	\$82	\$305	(\$23)
Parking & Traffic Fees and Fines	\$269	\$51	\$218	(\$51)
CARES Act	\$177	\$128	\$177	\$0
Operating Grants	\$166	\$21	\$166	\$0
Transit Fares	\$140	\$4	\$43	(\$97)
Parking Tax In-Lieu	\$48	\$14	\$33	(\$14)
Other <small>(advertising, interest, misc. fees, recoveries)</small>	\$38	\$3	\$38	\$0
Fund Balance	\$30	\$0	\$30	\$0
Prop B Population Baseline	\$30	\$8	\$30	\$0
Developer Fees	\$26	\$0	\$26	\$0
Prop D Congestion (TNC) Tax	\$7	\$3	\$7	\$0
Taxi Services	\$0	(\$0)	\$0	\$0
<b>Total Operating Sources</b>	<b>\$1,259</b>	<b>\$312</b>	<b>\$1,073</b>	<b>(\$186)</b>

## FY 2020-21 Expenditures (as of November 2020)

Expenditure Category, \$M	FY 21 Adopted Budget	FY 21 FM 1-Jul to FM 4-Oct	FY 21 Projected Total	FY 21 Projected Surplus (Shortfall)
Salaries & Benefits	\$842	\$256	\$792	\$50
Contracts & Other Services	\$183	\$25	\$153	\$30
Services of Other Departments	\$85	\$8	\$85	\$0
Materials & Supplies	\$74	\$19	\$57	\$17
Judgments, Claims & Workers Comp	\$42	\$10	\$37	\$5
Equipment, Rent & Maintenance	\$30	\$6	\$30	\$0
Debt Service	\$23	\$8	\$23	\$0
Reserve	\$16	\$0	\$0	\$16
Offset to Capital Projects	(\$36)	(\$11)	(\$36)	\$0
<b>Total Operating Expenditures</b>	<b>\$1,259</b>	<b>\$320</b>	<b>\$1,141</b>	<b>\$118</b>

## FY 2021-22 Revenue

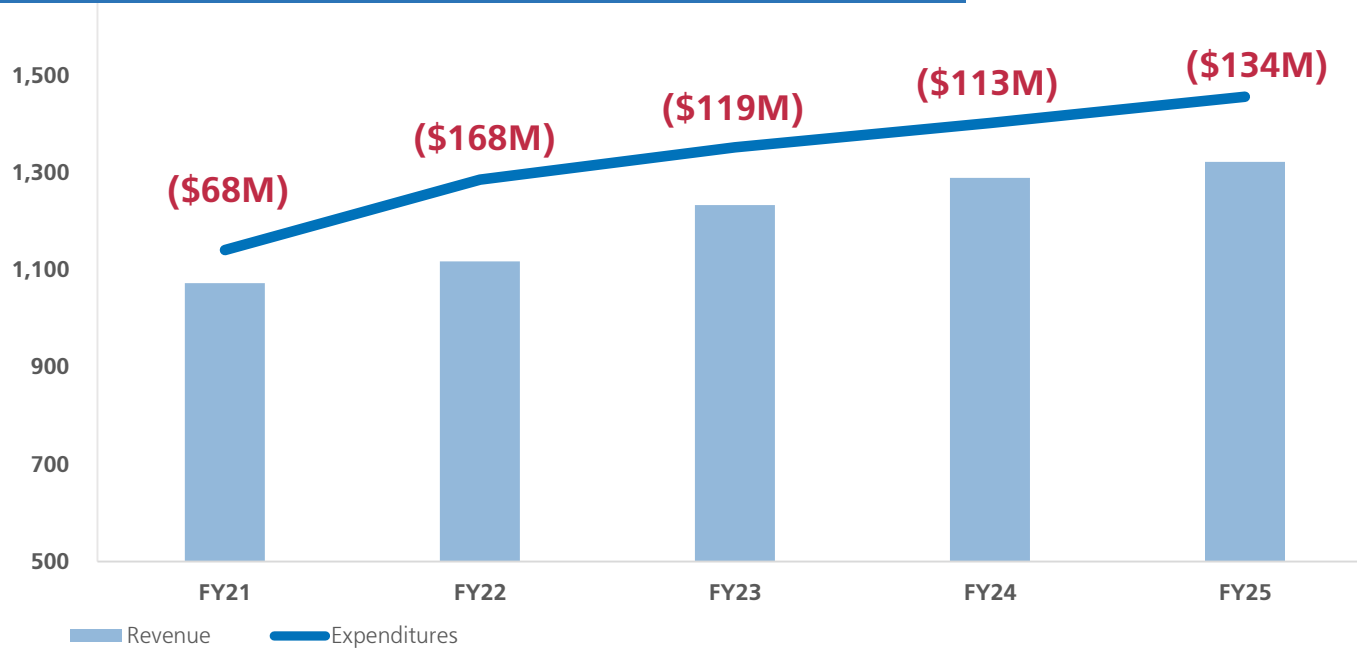
Revenue Category, \$M	FY 22 Adopted Budget	FY 21 Projected Total	FY 22 Projected Surplus (Shortfall)
General Fund Transfers	\$375	\$364	(\$11)
Parking & Traffic Fees and Fines	\$311	259	(\$52)
Operating Grants	\$194	\$185	(\$9)
Transit Fares	\$189	\$98	(\$92)
Parking Tax In-Lieu	\$68	\$48	(\$20)
Other <small>(advertising, interest, misc. fees, recoveries)</small>	\$46	\$42	\$4
Fund Balance	\$39	\$39	\$0
Prop B Population Baseline	\$30	\$30	\$0
Developer Fees	\$45	\$45	\$0
Prop D Congestion (TNC) Tax	\$9	\$9	\$0
Taxi Services	\$0	\$0	\$0
<b>Total Operating Sources</b>	<b>\$1,305</b>	<b>\$1,118</b>	<b>(\$187)</b>

## FY 2021-22 Expenditures

Expenditure Category, \$M	FY 22 Adopted Budget	FY 22 Projected Total	FY 22 Projected Surplus (Shortfall)
Salaries & Benefits	\$838	\$838	\$0
Contracts & Other Services	\$183	\$183	\$0
Services of Other Departments	\$89	\$89	\$0
Materials & Supplies	\$74	\$74	\$0
Judgments, Claims & Workers Comp	\$42	\$42	\$0
Equipment, Rent & Maintenance	\$31	\$31	\$0
Taxes, Licenses & Permits	\$30	\$30	\$0
Reserve	\$19	\$0	\$19
<b>Total Operating Expenditures</b>	<b>\$1,305</b>	<b>\$1,286</b>	<b>\$19</b>

# Structural Deficit

## 12/1/20 – SFMTA 5-Year Forecast



Operating Budget, \$M	FY21	FY22	FY23	FY24	FY25
Revenue Ongoing	1,073	1,118	1,234	1,290	1,323
Expenditures	1,141	1,286	1,353	1,403	1,457
Revenue Less Expenditures	(68)	(168)	(119)	(113)	(134)



## Risk Management – FY 21 and FY 22 Service Impacts

Increasing deficits and reductions in workforce will impact the many services the SFMTA provides to the public. It will also hinder the SFMTA's ability to support the economic recovery.

Over the next weeks and months the SFMTA will analyze service reduction options and their impacts in a transparent way.



## Key Programmatic Priorities – Short Term

The SFMTA has several planned programs to create service stability and revenue certainty. Advancing these programs supports the agency's ability to minimize layoffs and cut less.

### Priority Programs

- Implementation of new **transit fare compliance** program and return to all door boarding for facilitate fare collection
- Develop post-vaccine **marketing program to promote confidence in the Muni System** and increase ridership
- Continue phased roll-out as well as outreach with merchants and the faith community of **extended parking hours** and **Sunday parking enforcement** hours on commercial corridors

## Key Programmatic Priorities – Long Term

# Transportation 2050: Sustainable Transportation Funding (Preliminary Programs)



**\$350 m  
General  
Obligation Bond**



**\$70 m/Annual  
Community  
Facilities District**



**Prop K  
Transportation  
Sales Tax  
Reauthorization**

### \$250 million SFMTA Facilities

- Projects such as Potrero Yard Modernization Project; facility renewals consistent with Facilities Condition Assessments

### \$60 million Better Transit

- Project such as Better Market Street Phase II: F-Loop; other major Muni Forward Projects; investments consistent with the Muni Reliability Working Group Recommendations

### \$40 million Safer Streets

- Projects related to advancing the city’s Vision Zero Goal; major street reconstruction projects

\$70 - 120 million initial estimate; reviewing legislative process now, drafting potential fee structures

Focus on **core maintenance/system vulnerabilities/SGR needs**:

- Capital Maintenance **Track**
- Capital Maintenance **OHL**
- Capital Maintenance **Signals**
- Capital Maintenance **Facilities**

**Sustainable/Equitable Transit** – core service (fill structural operational gap), Muni Equity Strategy Funding.

**Revolving/regular revenue bond program** allowing for large upfront capital investments

Current ½ sales tax raises approximately \$90 – 100 million annually.

No tax increase currently proposed.

Multiple Prop K programs are running out of money; a new expenditure plan allows emerging priorities through financing

### Congestion Pricing (2024)

Focus MWG Service + Service Equity Strategy

### Consider: VLF (date TBD)

\$50 m/Annual