



SFMTA
Municipal
Transportation
Agency

**PUBLIC HEARING
FY 2017 AND FY 2018
OPERATING AND CAPITAL BUDGET**

February 18, 2016

Finance and Administration Committee

Who We Are

The SFMTA plans, designs, builds, operates, regulates and maintains one of the most comprehensive transportation networks in the world.

Serving San Francisco

\$1.02 billion annual operating budget

\$3.31 billion five-year capital budget

More than 5,400 employees

1,053 transit vehicles in the Muni fleet

More than 700,000 daily boardings on Muni

More than 3 million hours of transit service annually

433 lane miles of bicycle paths, lanes and routes

441,950 publicly available parking spaces

281,700 street signs

1,201 signalized intersections

1,956 taxi medallions

Vision

- San Francisco: great city, excellent transportation choices

Goals

- Create a safer transportation experience for everyone
- Make transit, walking, bicycling, taxi, ridesharing and carsharing the most attractive and preferred means of travel
- Improve the environment and quality of life in San Francisco
- Create a workplace that delivers outstanding service

FY 2017 and FY 2018 Preliminary Budget Calendar

Item No.	Action	DATE
1	<i>SFMTA Board workshop</i> • <i>Equity Program</i>	<i>January 26, 2016</i> ✓
2	<i>CAC Meeting</i>	<i>February 4, 2016</i> ✓
3	1st Public Hearing at SFMTA Board to consider changes to fees, fares and fines at SFMTA Board Meeting	February 16, 2016
4	CAC Meeting	March 3, 2016
5	Budget Town Hall Meeting	March 9, 2016
6	2nd Public Hearing at SFMTA Board to consider changes to fees, fares and fines at SFMTA Board Meeting	March 15, 2016
7	Budget Town Hall Meeting	March 23, 2016
8	CAC Meeting – Budget Action	March 24, 2016
9	FY15 & FY16 preliminary budget book sent to SFMTA Board	March 31, 2016
10	Board Action on Budget – 1st opportunity	April 5, 2016
11	Board Action on Budget – 2nd opportunity	April 19, 2016
12	Submission of Approved Budget to Mayor and Board of Supervisors	April 30, 2016
13	Last day for Board of Supervisors to adopt FY 17 and FY 18 City Appropriation Ordinance	July 31, 2016

* Italicized items already completed, Bold items represent SFMTA Board meetings

Budget Outlook

Projected Operating Baseline Budget

- FY 2017 \$13.5 Million shortfall
- FY 2018 \$14.3 Million shortfall

5-Year Capital Improvement Plan (CIP) for FY 2017 –FY 2021

- Estimated at \$2.5B (\$750 million lower than current CIP)





Proposed Operating Budget

FY 2017 and FY 2018

Base Operating Revenues

FY 2015 Actuals and 2016 Year Amended Budget and Year End Projections
 FY 2017 and FY 2018 Proposed Budget (\$M) as of Feb 1, 2016

Revenue Category	FY2015 Actuals	FY 2016 Amended Budget	FY 2016 Year End Projection	FY 2017 Baseline *	FY 2018 Baseline *	%
Transit Fares	214.7	201.0	202.2	205.9	207.9	19%
Operating Grants	146.6	132.0	136.4	144.8	147.1	14%
Parking and Traffic Fees & Fines	315.4	292.1	314.4	324.2	331.4	31%
Other (Advertising, Interest, Inter-departmental Recovery, Taxi)	41.5	42.8	30.2	49.0	50.4	5%
General Fund Transfer	272.3	272.0	277.0	282.6	294.1	27%
Transfer to Capital Projects	0.3	58.0	58.0	52.5	43.8	5%
Use of Reserves	20.0	20.0	20.0			
Carry-forward from prior year contracts (encumbered but not paid)			58.3			
TOTAL	\$1,010.8	\$1,017.9	\$1,096.5	\$1,059.0	\$1,074.7	100%

* Includes Automatic Indexing and Cost Recovery Projections

Base Operating Expenditures by Category

FY 2015 Actuals and 2016 Year Amended Budget and Year End Projections
 FY 2017 and FY 2018 Proposed Budget (\$M) as of Feb 1, 2016

Expenditure Category	FY2015 Actuals	FY 2016 Amended Budget	FY 2016 Year End Projection (includes \$58M carry forward)	FY 2017 Baseline Budget *	FY 2018 Baseline Budget *	%
Salaries & Benefits	572.2	599.2	597.3	649.6	673.4	61%
Contracts and Other Services	112.2	114.7	138.7	140.7	140.9	13%
Materials & Supplies	70.7	80.2	92.6	76.0	76.0	7%
Equipment & Maintenance	17.6	14.5	34.8	10.6	10.6	1%
Rent & Building	6.4	6.8	7.3	11.8	12.8	1%
Insurance, Claims & Payments to Other Agencies	68.7	62.5	66.0	66.0	66.0	6%
Work Orders	58.4	62.0	67.6	65.3	65.5	6%
Transfer to Capital Projects	32.5	71.0	16.4	52.5	43.8	4%
TOTAL	\$938.7	\$1,010.9	\$1,027.7	\$1,072.5	\$1,089.0	100%

* Does not include Capital Projects that are funded through grants and other sources coming directly to SFMTA – only includes capital projects funded through local sources (e.g. Population Baseline, development fees)

Base Operating Expenditures by Division

FY 2015 Actuals and 2016 Year Amended Budget and Year End Projections
 FY 2017 and FY 2018 Proposed Budget (\$M) as of Feb 1, 2016

Expenditure Category	FY2015 Actuals	FY 2016 Amended Budget	FY 2016 Year End Projection (includes \$58M carry forward)	FY 2017 Baseline Budget*	FY 2018 Baseline Budget*	%
Agency-wide	112.7	97.2	97.7	134.0	132.2	12.3%
Board of Directors	0.6	0.6	0.6	0.6	0.6	0.1%
Communications	3.4	5.3	5.8	6.6	6.8	0.6%
Capital Program & Construction	0.0	29.9	.5	35.4	25.4	2.8%
Director of Transportation	2.2	2.2	2.5	1.8	1.8	0.2%
Finance and IT	71.2	88.4	89.3	97.5	92.9	8.8%
Government Affairs	1.0	1.1	1.1	1.2	1.2	0.1%
Human Resources	30.4	31.6	37.7	32.6	34.0	3.1%
Safety	3.5	3.2	5.4	3.8	3.8	0.4%
Sustainable Streets	138.6	171.5	153.7	147.3	150.1	13.8%
Taxi and Accessible Services	26.9	26.9	29.2	30.6	31.5	2.9%
Transit	548.2	553.0	597.2	581.1	608.7	55.0%
TOTAL	\$938.7	\$1,010.9	\$1,027.7	\$1,072.5	\$1,089.0	100.1%

* Does not include Capital Projects that are funded through grants and other sources coming directly to SFMTA – only includes capital projects funded through local sources (e.g. Population Baseline, development fees)

Proposed FY 2017 & FY2018 Expenditures


In Base	Not in Base
Positions added during FY 2015 & FY 2016	Caltrain Operating Contribution Increase
Wage increases in executed labor contracts in FY 2017, CPI estimate for FY 2018	Incremental Debt Service for 2017 Revenue Bonds
Pension Increase	Higher Worker's Compensation costs
Contracts Approved by Board: Paratransit, Clipper, Taxi Driver Testing, Safety Management	Potential 2% Additional Transit Service Increase
	Rent for New Training Facility

Proposed FY2017 & FY2018 Revenues

In Base	Not in Base
<p>Continuation of Free Muni for Low and Moderate Income Youth, Seniors and Disabled Riders</p>	<p>Use of Fund Balance</p>
<p>Automatic Indexing for fares, fees, and fines</p>	<p>New Potential Revenue Sources</p>
<p>Population General Fund Baseline (for Capital use only)</p>	
<p>Development Fees (for Capital use only)</p>	
<p>Low Carbon Transit Operations Program (State Cap & Trade funds)</p>	

Proposed FY2017 & FY2018 Base Budget (in \$ millions)

Operating (ongoing)	FY 2016 Amended	FY 2017	FY 2018
Revenues	\$ 959.9	\$ 1,006.5	\$ 1,030.9
Expenditures	\$ 946.9	\$ 1,020.0	\$ 1,045.2
Revenues Less Expenditures	\$ 13.0	(\$ 13.5)	(\$ 14.3)
Capital (one time)	FY 2016	FY 2017	FY 2018
Revenues	\$ 7.0	\$ 52.5	\$ 43.8
Expenditures	\$ 71.0	\$ 52.5	\$ 43.8
Revenues Less Expenditures	(\$13.0)	\$ 0.0	\$ 0.0
Total	FY 2016	FY 2017	FY 2018
Revenues	\$ 1,017.9	\$ 1,059.0	\$ 1,074.7
Expenditures	\$ 1,017.9	\$ 1,065.7	\$ 1,089.0
Revenues Less Expenditures	\$ 0.0	(\$ 13.5)	(\$ 14.3)



Revenue Sources And Options

*Exploring current and potential sources
of new revenues*

Automatic Indexing - Fares

Automatic Index	=	(CPI Increase ÷ 2)	+	(Labor Increase ÷ 2)
FY17 Rate: 3.9%	=	(2.8% ÷ 2)	+	(5% ÷ 2)
FY18 Rate: 3.5%	=	(2.5% ÷ 2)	+	(5% ÷ 2)

	FY16	FY17	FY18
Automatic Indexing Implementation Plan (AIIP) 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

Fee Increases * (\$Mil)

Description **	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Residential Parking Permit (Annual)	\$111	\$127	\$128
Contractor Permit (Annual)	\$938	\$1,167	\$1,280
Color Curb – White or Green Zones, Application Processing , Flat Rate	\$804	\$1,663	\$1,929
Color Curb - Driveway Red Zone Tips, Application Processing	\$190	\$217	\$252
Temporary Street Closure – Neighborhood Block Party, Notice 60 days	\$177	\$230	\$299
Special Traffic Permit (Base Permit Fee)	\$180	\$227	\$295
Project 20 Processing Fee - may change with new contract	\$27	\$28	\$29
Boot Removal Fee	\$316	\$445	\$465
Tow Fee - Admin - subject to new contract approval	\$261	\$261	\$269
Special Collection Fee (After the 1st payment due date)	\$30	\$31	\$32
Cable Car Rental, 2-hours	\$873	\$748	\$785
Parklet Installation Fee (up to two spaces)	\$1,355	\$1,808	\$1,942
Taxi Driver Renewal Application Fee	\$103	\$157	\$250
Taxi Color Scheme Renewal - 1 to 5 medallions	\$1,559	\$2,370	\$3,780
Parking Meter Use Fee	\$9	\$10	\$11
Vehicle Press Permit	\$58	\$60	\$62
Temporary No-Parking Sign Posting Fee, 1-4 signs	\$182	\$243	\$332
Citation, Residential Parking Violation	\$78	\$81	\$84
Citation, Street Sweeping Violation	\$68	\$71	\$73
Citation, Parking Meter, Outside Downtown Core Violation	\$68	\$71	\$73
Shuttle Bus Permit Fee (per stop) – subject to program approval	\$4	\$7	\$6

**Based on either Cost Recovery Methodology or CPI Increase*

***Cost Recovery is calculated using known labor, material and other costs required to administer and enforce programs*

Proposed Revenue Sources (\$Mil)

Item	Description	Annual Revenue Impact FY 17	Annual Revenue Impact FY 18
Change Youth Definition	Increase Youth Age to 18 from 17 – similar to the Free Muni Program for Low and Moderate Income Youth and in support of the Regional definition	(2.2)	(2.2)
Set Discount Fares at 50% of Adult Fares	Establish senior, youth and disabled discount fares at 50% of the adult fares (FTA requires senior fares be set no higher than 50% of adult fares). Low and moderate income seniors, youth and disabled riders have the Free Fare programs and low income adults have access to the Lifeline Program	1.4	1.5
Premium for cash paying riders	Establish a \$0.25 premium for riders paying cash to reduce cash payments and to encourage use of Clipper®. This will reduce dwell times and improve farebox performance.	3.8	3.9

All fare proposal subject to Title VI equity analysis prior to approval.

Proposed Revenue Sources (\$Mil)

Line Item	Description	Annual Revenue Impact FY17	Annual Revenue Impact FY18
Increase Vendor Commissions	Vendor commissions have not been increased in many years. The current vendor commission is \$0.50 per fare item and maps. Increasing the commission to \$0.75 for fare products and \$1.50 for maps will encourage vendors to sell these items.	(0.1)	(0.1)
Express Line premium fare	Establish a premium fare for single rides on the Express lines. <ul style="list-style-type: none"> • Increase adult rate \$0.50 and discount by \$0.25. • Increase adult rate \$1.00 and discount by \$0.50 	2.5 5.2	2.6 5.4
Monthly "A" pass increase (BART)	Increase "A" pass \$5 above indexed price (covers 5.5% BART pass-through increase per trip).	0.7	0.7
Tokens and Passes for needy Populations	Provide 50% discount to non profit agencies	(1.0)	(1.0)

All fare proposal subject to Title VI equity analysis prior to approval.



Proposed Expenditure

Exploring current and potential sources of new expenditures not included in the baseline

Proposed Expenditures (\$Mil)

Proposal	Description	Annual FY 17	Annual FY 18
2% Service Increase	Increase transit service hours by an additional 2% above the 10% already increased in the FY 16 and FY 17 budget	\$5.22	\$10.10
Transit Performance Enhancement	(1) Collision Reduction Imperative; (2) Storage Tank - Comply with Settlement and regulatory Requirements; (3) Independent Quality Assurance Unit; (4) Transit Management Center Full Facility Operational; (5) Maintenance Engineering Technical Support to Units; (6) Dedicated Transit PCO's; (7) Overtime Reduction and Balanced Staffing;	\$11.39	\$17.12
Vision Zero Education	Vision Zero program education outreach	\$0.32	\$0.42
Sustainable Streets Division Maintenance	Sign worker and traffic survey technician positions and supplies needed as part of the preventive maintenance program	\$0.59	\$1.77
Parking Management	Provide support and enhancing existing parking related applications (e.g. to accommodate new parking meters and Garage Revenue Control system); perform neighborhood outreach, planning and marketing for the City-wide relaunch of the SFpark program	\$2.25	\$2.40

Proposed Expenditures (\$Mil)

Proposal	Description	Annual FY 17	Annual FY 18
Human Resources analysts	To address staffing shortages in Human Resources operational unit for various personnel actions.	\$0.14	\$0.19
Safety Specialists	To meet additional safety and environmental compliance demands and to ensure compliance with the FTA requirements	\$0.49	\$1.00
Taxi Investigators	Additional Investigators to assist with enforcement of Illegal motor vehicles for hire	\$0.21	\$0.28
Security	Risk and Vulnerability Mitigation (Lighting, Fire, Safety); Emergency Communications, Power and Common Operating Picture	\$3.70	\$0.80
Storekeepers	To provide storeroom staff to support Islais Creek	\$0.55	\$0.73
Outreach staffing	Develop and maintain a comprehensive social media strategy; outreach support for Project Delivery; outreach support for Transit Priority Construction	\$0.53	\$0.70
TOTAL		\$25.4	\$35.5

A blue-tinted photograph of a city street scene. In the foreground on the left, the side of a white bus is visible, showing a window and a door. The bus has some text and graphics on its side, including the word "ROUNDTOP" and a logo. In the background, a group of pedestrians is walking across a crosswalk. A building with a "US Bank" sign is visible in the background. The overall scene is a busy urban environment.

Appendix of Operating Information

Work Orders FY 2011 to 2018 (\$Mil)

Category	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Proposed FY 2017	Proposed FY 2018
City Function Allocation (Controller, Risk Management, Contracts, HRC, 311, etc.)	13.4	14.4	14.4	15.0	16.8	17.8	19.5	19.9
Department Services – Discretionary (Health Exams, Right-of-way maintenance, Fleet maintenance, Night Parking Enforcement)	3.6	3.6	4.0	4.8	4.8	5.2	5.1	5.5
Department Services – Mandatory (Legal, security, audits)	16.5	15.6	16.1	15.9	16.9	17.1	17.1	17.1
Facilities/power (rent, utilities, IT/telecom)	17.8	18.7	19.7	21.2	21.6	22.0	23.0	22.8
Policy Nexus (Police)	9.1	9.7	9.9	5.1	2.5	0	0	0
Contingency (2%)							1.4	1.4
Total Work Orders	\$60.4	\$62.0	\$64.1	\$62.0	\$62.6	\$62.1	\$66.2	\$66.7

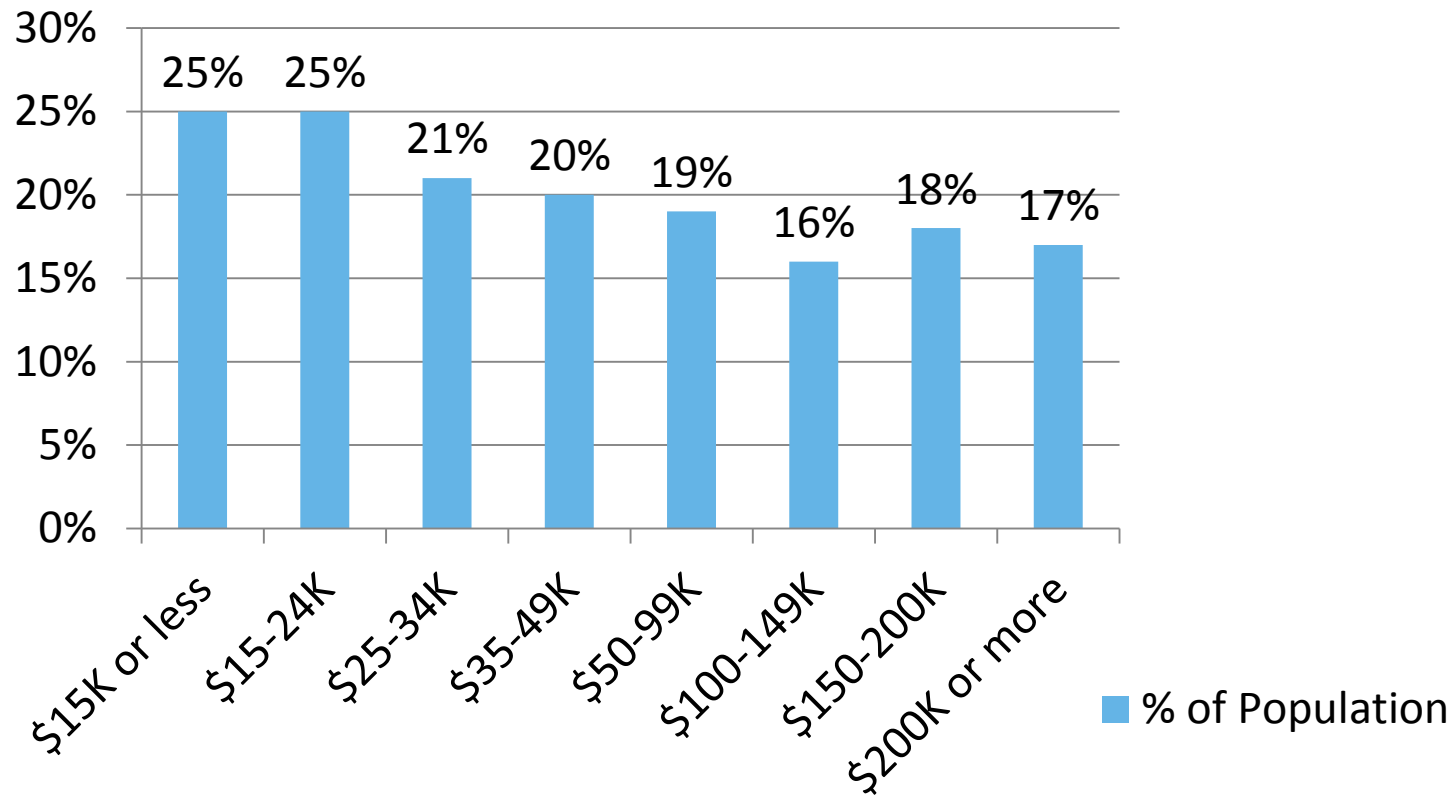
Fund Balance and Reserves (\$Mil)

Fiscal Year Ending	Total Fund Balance	Required Reserve (10%)	Fund Balance Available above Reserve Level	Appropriated for Use from prior year Fund Balance
2008	\$66.1	\$68.2	(\$2.1)	\$38.1
2009	\$49.6	\$68.7	(\$19.1)	\$32.5
2010	\$12.3	\$77.4	(\$65.1)	\$42.2
2011	\$27.2	\$78.0	(\$50.8)	\$0
2012	\$45.4	\$82.8	(\$37.4)	\$0
2013	\$89.2	\$86.5	\$2.7	\$0
2014	\$178.7	\$94.5	\$84.2	\$0
2015	\$232.5	\$102	\$130.5	\$20
2016 (projected)	\$232.8	\$120	\$112.8	\$28

Demographics of Cash Paying Customers

Pre Free Muni for Low and Moderate Income Youth, Seniors and Disabled Riders

Cash Payers by Income Level



Source: 2014 Systemwide On-Board Rider Survey



Proposed Capital Budget

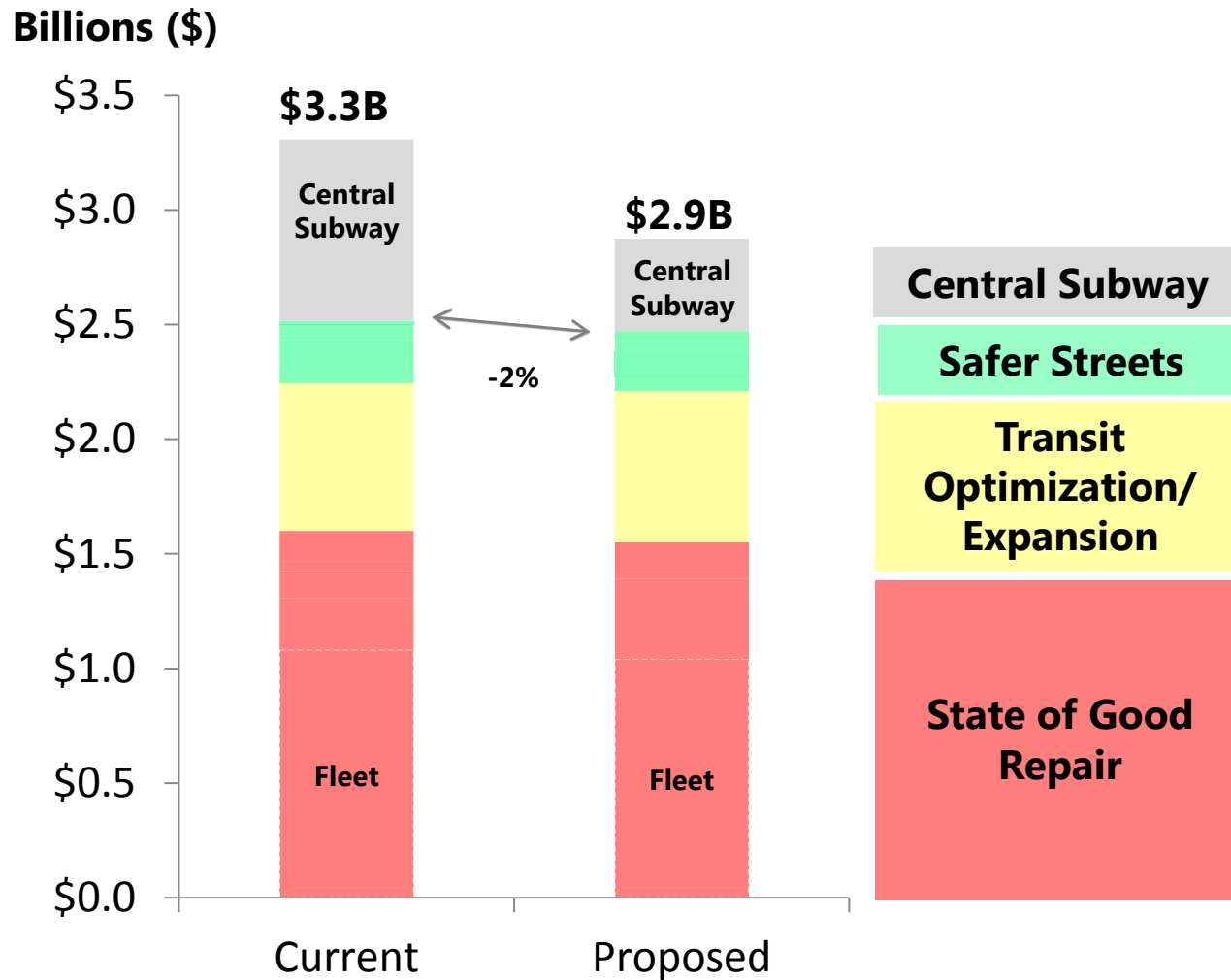
FY 2017 and FY 2018

The 5-Year CIP Estimated to be \$2.9B

Key Drivers of FY 2017-2021 CIP

- ~\$100M of FTA New Starts, Small Starts and Core Capacity revenue and \$35M of One Bay Area Grant (OBAG) 2
- Projected Transportation Sustainability fee (TSF) revenue
- Updated projection of fees collected from citywide area plans through Interagency Plan Implementation Committee (IPIC)
- Other competitive revenue (Transit Performance Initiative - TPI, Lifeline)
- Rolled over unrealized fleet revenue from procurements moved from FY16 to FY17
- Does not yet include assumption of any future ballot measure revenue

CIP Revenue Overview



CIP Revenue Overview

Preliminary FY17-21 CIP Revenue by Program

CAPITAL PROGRAM (in \$Millions)	FY 17	FY 18	FY 19	FY 20	FY 21	2-Year Total	5-Year Total
Central Subway	154.0	150.0	98.5	0.0	0.0	304.0	402.5
Communications/IT							
Infrastructure	0.9	0.0	0.5	0.5	0.5	0.9	2.4
Facility	69.7	2.5	32.1	2.1	32.2	72.2	138.7
Fleet	417.4	341.5	154.4	65.3	61.9	758.9	1,040.6
Parking	0.3	0.0	14.0	0.0	5.0	0.3	19.3
Security	10.1	10.1	3.0	3.0	3.0	20.1	29.1
Streets *	111.3	20.5	42.5	22.9	29.9	131.7	227.0
Taxi	0.8	0.4	0.4	0.4	0.4	1.2	2.4
Traffic/Signals	17.6	6.0	22.0	10.1	13.2	23.6	68.9
Transit Fixed Guideway	49.4	39.8	79.9	53.5	56.8	89.2	279.3
Transit							
Optimization/Expansion	205.0	192.7	99.3	122.3	44.6	397.7	663.8
Total	\$1,036.3	\$763.5	\$546.6	\$280.1	\$247.4	\$1,799.8	\$2,873.9

* Streets Program includes what was previously separate bike, ped, traffic calming, school programs to more effectively manage these strongly inter-related projects

KEY CIP PROJECTS - Transit

Transit Fixed Guideway

- Muni Metro Twin Peaks Tunnel Track Replacement Project
- Rail Signal Upgrades at Priority Locations
- Key projects addressing train control throughout the Muni Metro

Facility

- Implementation of Employee Life and Safety Projects
- Installation of a new Castro Station Elevator
- Support for a Facility Management Team to direct strategic planning for vehicle storage and maintenance solutions

Transit Optimization & Expansion

- Continued rollout of Muni Forward transit priority projects (e.g. 14 Mission, 22 Fillmore, 28 19th Avenue, 30 Stockton)
- Geary Bus Rapid Transit – Near Term Improvements
- Funding for near-term Rail Capacity Strategy projects

Fleet

- Continued support for fleet replacement:
 - Motor Coaches to be replaced by beginning of 2018
 - Trolley Coaches to be replaced by end of 2019
 - First of new LRVs to arrive in 2016
- Replacement of 1,200+ fare boxes for entire fleet
- Paratransit fleet will be replaced in 2017-18 and expanded for the first time during these same years

Central Subway

- Project to be completed in 2019

Key CIP Projects - Streets

Vision Zero: Eliminate Severe and Fatal Traffic Collisions

- Implement 13 miles of Safety Measures annually
- Focus on High Injury Corridors and Intersections

Complete Streets

- Initial phases of Major Corridor projects including (Taylor Street, Folsom-Howard, 6th Street, 7th and 8th Street)
- Bicycle Strategy Corridors (Planning)
- WalkFirst Quick & Effective Projects
- Upper Market Street Pedestrian Improvements (Construction)
- Permanent Painted Safety Zone Conversion

Traffic & Signals

- Walkfirst Pedestrian Signal Countdowns Phase II
- Rail Transit Signal Priority
- Gough Street Traffic Signals Upgrades
- Webster Street Pedestrian Signals Upgrades
- Golden State Warriors Traffic Signals Mitigations Measures

Key CIP Projects - Other

Communications & IT Infrastructure

- Implementation of agency-wide Wifi Infrastructure and VoIP/Lync Telephony
- Continued support for Enterprise Asset Management System (EAMS)
- Procurement of Paratransit Scheduling Software

Parking

- Continued facility upgrades

Security

- Installation of security fences at critical facilities for perimeter protection & vandalism prevention
- Development of cost estimates for a capital program pipeline

Taxi

- Continued incentive programs for “green” taxi technology, such as rebates for alternative fuel taxis



Thank You!

*We're keeping the Future
in Focus.*