

Balancing the Transportation Needs of a Growing City



FY 2019 and FY 2020 Operating Budget
SFMTA Board Meeting

Ed Reiskin, Director of Transportation
March 6, 2018



SFMTA
Municipal
Transportation
Agency



Vision: San Francisco: great city, excellent transportation choices

- Goal 1** *Create a safer transportation experience for everyone*
- Goal 2** *Make transit, walking, bicycling, taxi, ridesharing and car sharing the most attractive and preferred means of travel*
- Goal 3** *Improve the quality of life and environment in San Francisco and for the region*
- Goal 4** *Create a workplace that delivers outstanding service*



Baselines: FY 2019-2020 (\$ M)

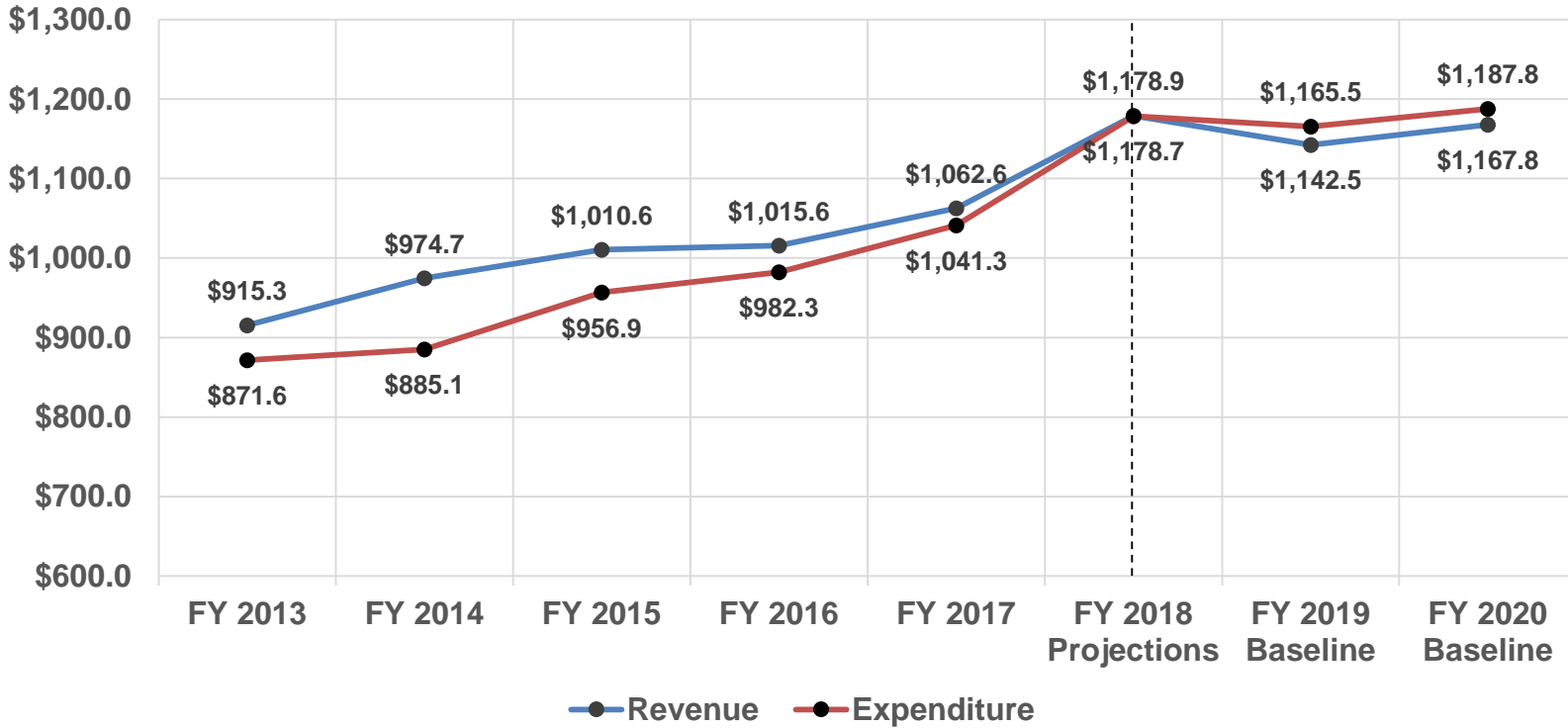


OPERATING (ONGOING)	FY 2017 Actual	FY 2018 Amended *	FY 2018 Projection **	FY 2019 Adjusted Baseline	FY 2020 Adjusted Baseline
Revenues	\$ 1,393.1	\$ 1,110.6	\$ 1,178.9	\$ 1142.5	\$ 1,167.8
Expenditures	\$ 1,371.5	\$ 1,085.1	\$ 1,178.7	\$ 1,165.5	\$ 1,187.8
Revenues Less Expenditures	\$ 21.6	\$ 25.5	\$ 0.2	\$ (23.0)	\$ (20.0)





Expenditure Growth Outpacing Revenues





Revenues

- Continuation of Free Muni for Low and Moderate Income Youth, Seniors and Disabled Riders
- Continuation of tow tee reduction for low income
- Various fee waivers and reduced fees for the taxi program
- Implementation of the SFMTA Board's approved automatic indexing policy and cost recovery calculations for various fares, fees, fines, rates and charges subject to the California Vehicle Code
- Senate Bill 1 revenues, which represents funds provided by the state
- Fare and parking revenues from the Mission Bay Arena
- Population-based General Fund baseline (for Capital use only)
- Development fees (for Capital use only)
- Current estimates from the Controller's Office on the General Fund baseline transfers
- Current estimates from MTC on the state and regional operating grants

Expenditures

- Positions added during FY 2017 and FY 2018
- Pension and healthcare projected costs
- Wage increases in executed labor contracts in FY 2019, estimate salary and benefit increase for FY 2020 (projected by the Controller's Office at 3.4%)



Revenues

- **Any changes to fares (beyond the previously-approved indexing)**
- **New proposals related to revenues and expenditures**
- **Use of reserve funds**
- **Use of population-based General Fund baseline for operating needs**

Expenditures

- **Additional transit service:** LRV service increase; Opening Islais Creek; Muni Equity Strategy Service Plan commitment; growth-related ridership demands; Central Subway operations
- **Transit support:** Automatic train control, radio, farebox, new vehicles and equipment, overhead lines repair; maintenance and safety training & re-training; workforce future recruitment and training in maintenance
- **Taxi program new initiatives:** Paratransit Plus Expansion; Ramp Taxi Subsidy
- **Caltrain operating contribution increase (if any)**
- **Additional staffing costs above the FY 2020 projected 3.4% in salary and benefit increase**
- **Reductions:** Divisional recommendations for reductions
- **Contracts:** Increase for various approved contracts including paratransit, garage and parking operations, security, and credit card processing fees
- **Debt service:** Decrease from debt service payment schedule
- **Rent:** Cost increase in rental payment
- **Power usage:** Cost increase from anticipated power/utility rate increase
- **Workers compensation:** Increase in workers compensation medical reimbursement
- **Increases to city work orders**

Transit Needs Not Included in Baseline



- **Integrate Muni Service Equity Strategy into all service programs**
- **Realign service in accordance with current and expected future demand**
 - **Open the Central Subway**
 - **Introduce expanded rail service, including 68 new LRVs, to address reliability and crowding**
 - **Open Islais Creek for bus service**
- **Continue investment in vehicle maintenance and begins transition to predictive vehicle maintenance**
- **Train and educate the workforce of the future**
- **TOTAL: \$35.9M (FY 2019)
 \$63.1M (FY 2020)**





Decisive Actions Required to Achieve a Balanced Budget

Revenues

- **Use some population-based Prop B funds for operating instead of capital**
- **Use fund balance for one-time expenses**

Expenditures

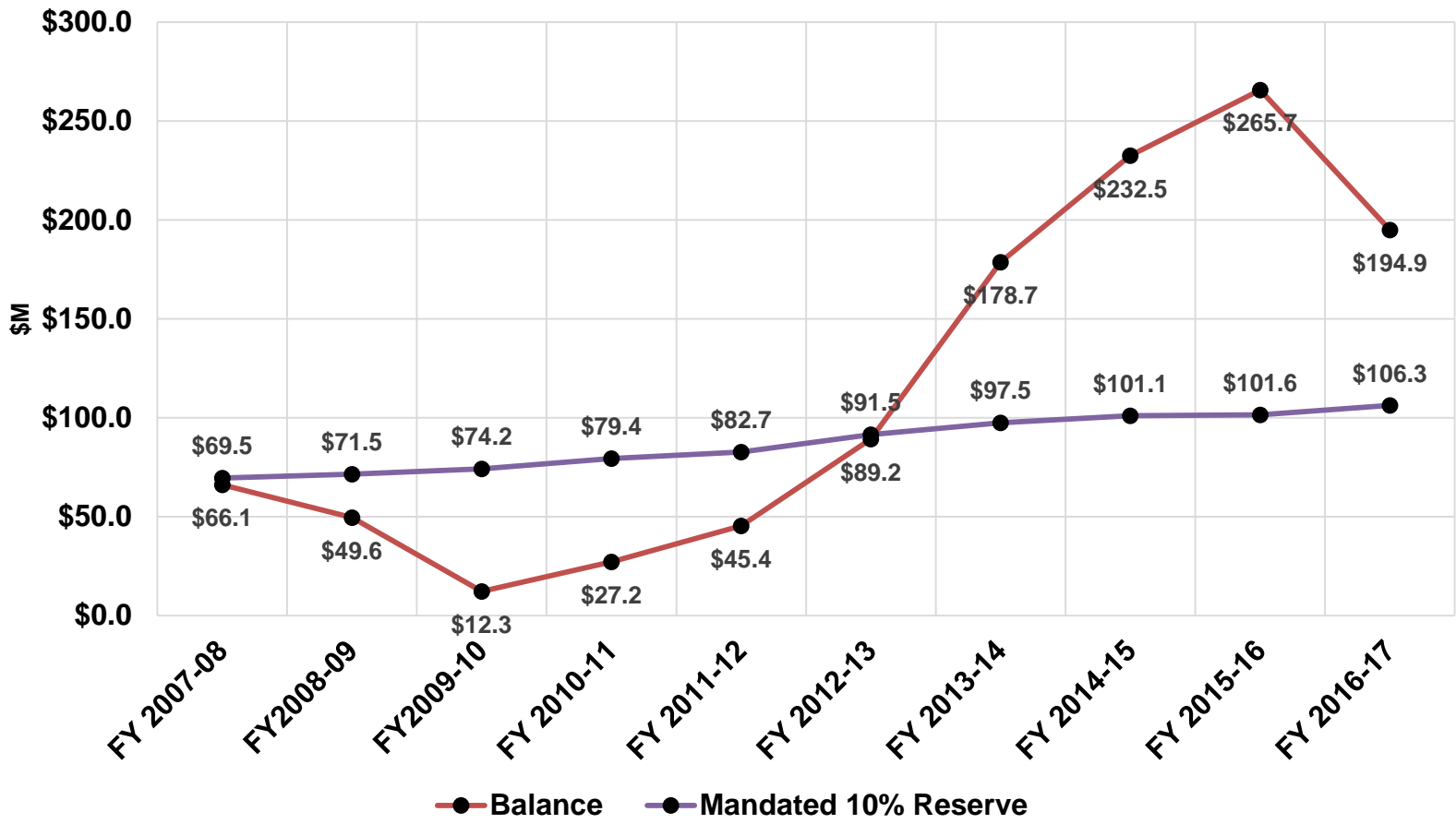
- **Strategic cuts across all divisions**
- **Targeted transit efficiencies to offset new operating needs:**
 - Service realignments to adjust for equity and changing travel patterns
 - Improved inventory management
 - Expand utilization of part time operators
 - Reduced maintenance needs

Fund Balance



Growth in Fund Balance (\$M) Over Past 10 Years Offset by Board Approved Transfer for FY 2018

Balance Still Well Above 2007 Board-Approved Reserve Policy (10%)



Fare Change Options



OPTION 1

Increase cash fare differential to \$0.50 (\$0.25 for reduced fare) to incentivize pre-payment

OPTION 2A/B

Limit A Pass to \$15 premium or 20% premium above M Pass

OPTION 3

Implement fare differential for Visitor Passports to incentivize prepayment

OPTION 4

Adopt new low-income single-ride fare product to meet the needs of low-income riders and complement the Monthly Pass program

OPTION 5A/B

Implement a new Day Pass (without Cable Car) at either 2.0 or 2.5 x the regular fare) to increase flexibility for regular customers and incentivize pre-payment

OPTION 6

Authorize a 10% discount for bulk purchases of 100 or Cable Car tickets and Passports

OPTION 7

Expand the use of institutional pass models to other groups and organizations

“Fare differential” refers to the difference in price between the same fare purchased using cash and MuniMobile or Clipper

Monthly Passes



MONTHLY PASSES	CURRENT	INDEXING		ALTERNATIVE	
		FY19	FY20	FY19	FY20
Adult "A" Monthly Pass (Includes BART w/in SF)	94.00	98.00	102.00	93.00	96.00
Adult "M" Monthly Pass (Muni Only)	75.00	78.00	81.00	78.00	81.00
Discount/Lifeline Monthly Pass (Muni Only)	38.00	39.00	41.00	39.00	41.00

- **BART "A" Pass premium established in 2007**
- **28% drop in sales since FY13**
- **Alternative shown reflects \$15 premium cap (20% option = \$94 and \$98)**

OPTION 2A: Limit A Pass to \$15 premium (or other amount) above M Pass
OPTION 2B: Limit A Pass to 20% premium (or other amount) above M Pass

Visitor Passport/Cable Car



CABLE CAR FARE	CURRENT	INDEXING		ALTERNATIVE	
		FY19	FY20	FY19	FY20
VISITOR PASSPORTS (IN-PERSON SALES)					
One-Day Passport	22.00	23.00	24.00	23.00	24.00
Three-Day Passport	33.00	34.00	36.00	34.00	36.00
Seven-Day Passport	43.00	45.00	47.00	45.00	47.00
VISITOR PASSPORTS (CLIPPER/MUNIMOBILE)					
One-Day Passport	22.00	23.00	24.00	12.00	12.00
Three-Day Passport	33.00	34.00	36.00	24.00	24.00
Seven-Day Passport	43.00	45.00	47.00	39.00	39.00

- **Alternative pricing based on estimated number of trips and applies \$0.50 single ride fare differential to in-person transactions**
- **98% of MuniMobile customers purchase four or less 3-Day Passports per transaction**
- **Decreased fare applies only Passports purchases on MuniMobile or Clipper**

OPTION 3: Reduce pricing for Visitor Passports to incentivize use

Introduce New Adult All Day Pass



Agency	Single Ride	Multiplier	All Day Pass
Tri-Met (Portland)	2.50	2.00	5.00
RTD (Denver)	2.60	2.00	5.20
SFMTA (Option A)	2.50	2.00	5.00
San Diego Metro	2.25	2.22	5.00
AC Transit	2.25	2.22	5.00
SamTrans	2.25	2.44	5.50
SFMTA (Option B)	2.50	2.50	6.25
Santa Clara VTA	2.25	3.11	7.00
MARTA (Atlanta)	2.50	3.60	9.00
Chicago Transit Authority	2.50	4.00	10.00
LA Metro	1.75	4.00	7.00

- **Five of nine agencies surveyed offer passes at 2.5 x regular fare (or less)**
- **Adult Day Pass (without Cable Car) makes Muni more competitive to other transportation options**
- **Initially only available on MuniMobile**

OPTION 5A: Adopt a new day pass at 2x fare price
OPTION 5B: Adopt a new day pass at 2.5x

Revenue: Cost Recovery Fees (\$M)



Description	FY 2018	FY 2019	FY 2020
Residential Parking Permit (Annual)	\$128	\$136	\$144
Contractor Permit (Annual)	\$1,280	\$1,602	\$1,732
Color Curb – White or Green Zones, Application Processing, Flat Rate	\$2,083	\$2,166	\$2,253
Color Curb - Driveway Red Zone Tips, Application Processing	\$233	\$242	\$252
Temporary Street Closure – Neighborhood Block Party, Notice 60 days	\$299	\$300	\$325
Special Traffic Permit (Base Permit Fee)	\$295	\$322	\$333
Citation Community Service (aka Project 20) -Standard fee per plan	\$62	\$25	\$25
Boot Removal Fee	\$465	\$505	\$515
Tow Fee - Admin - subject to new contract approval	\$269	\$290	\$305
Special Collection Fee (After the 1st payment due date)	\$32	\$32	\$32
Cable Car Rental, 2-hours	\$785	\$892	\$892
Parklet Installation Fee (up to two spaces)	\$1,942	\$1,990	\$2,065
Taxi Driver Renewal Application Fee	\$117	\$122	\$127
Taxi Color Scheme Renewal - 1 to 5 medallions	\$1,768	\$1,839	\$1,912
Parking Meter Use Fee	\$11	\$12	\$13
Vehicle Press Permit	\$62	\$64	\$67
Temporary No-Parking Sign Posting Fee, 1-4 signs	\$255	\$268	\$281
Citation, Residential Parking Violation	\$84	\$87	\$90
Citation, Street Sweeping Violation	\$73	\$76	\$79
Citation, Parking Meter, Outside Downtown Core Violation	\$73	\$76	\$79
Shuttle Bus Permit Fee (per stop)	\$7	\$8	\$8



What is Title VI?

- Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance

Results of Title VI Analysis

- In compliance with this law, the SFMTA conducted a Title VI equity analysis on the fare changes being proposed for the next two fiscal years
- **This initial analysis found there are no disparate impacts on minority populations or disproportionate burdens on low-income populations for the fare changes as currently proposed**

Next Steps

- Based on FTA requirements, the equity analysis is submitted to the SFMTA Board of Directors for consideration and approval
- A multilingual outreach campaign is underway to gather public comment on the proposed fare changes, which may impact the final analysis presented to the Board

FY 2019 and FY 2020 Capital Budget





The Capital Improvement Program (CIP) is:

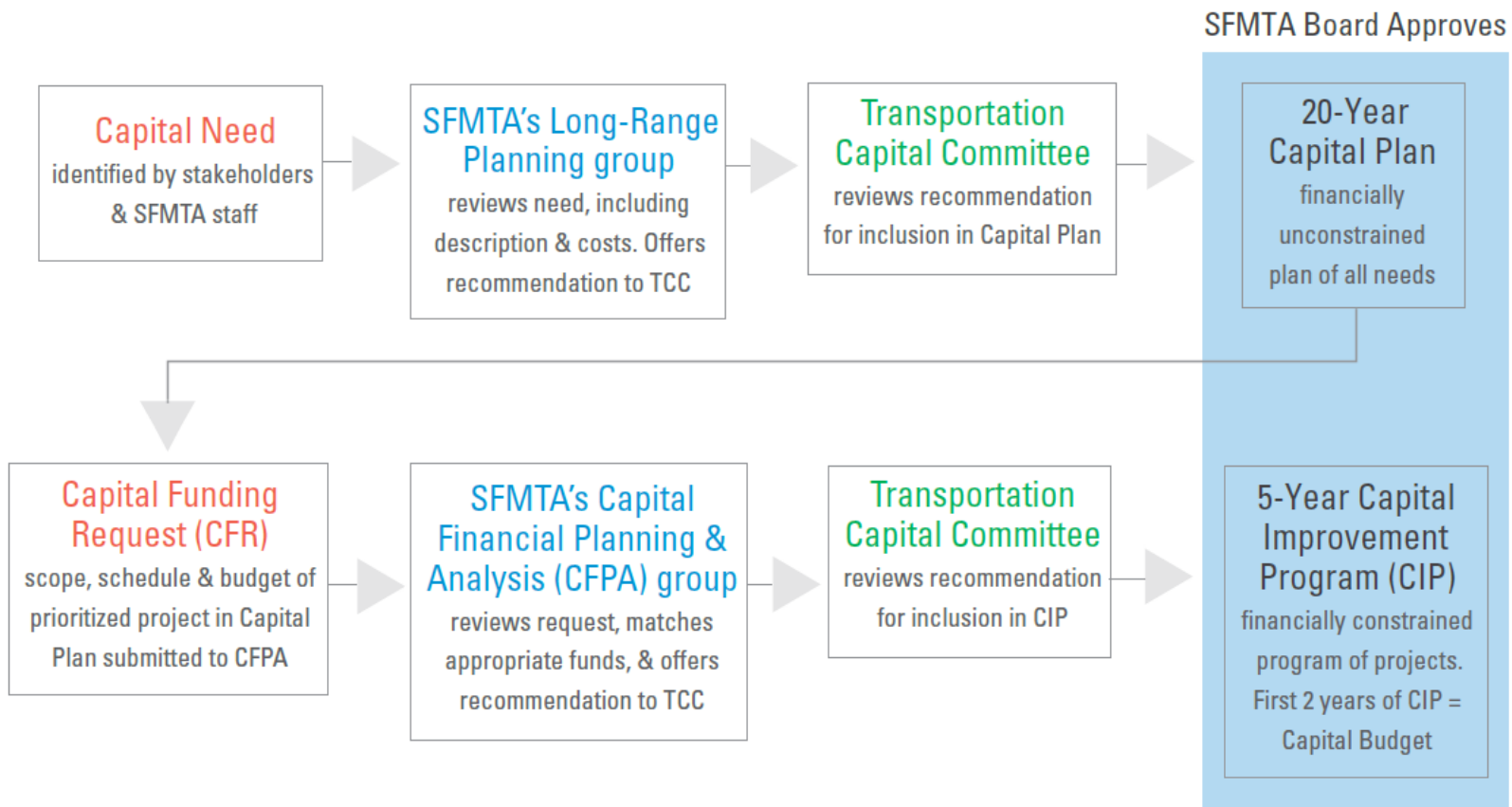
- A fiscally constrained, 5-year program of capital projects
- An implementation plan for regional, citywide, and agency-wide strategies and policy goals:
 - SFMTA Strategic Plan
 - SFMTA 20-Year Capital Plan
 - Vision Zero
 - Muni Forward
 - Fleet Plan
 - Building Progress Program
 - Bicycle and Pedestrian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

FY 2019-2023 Capital Improvement Program



Capital Budget

CIP Development Process





Vision Zero



Transit First

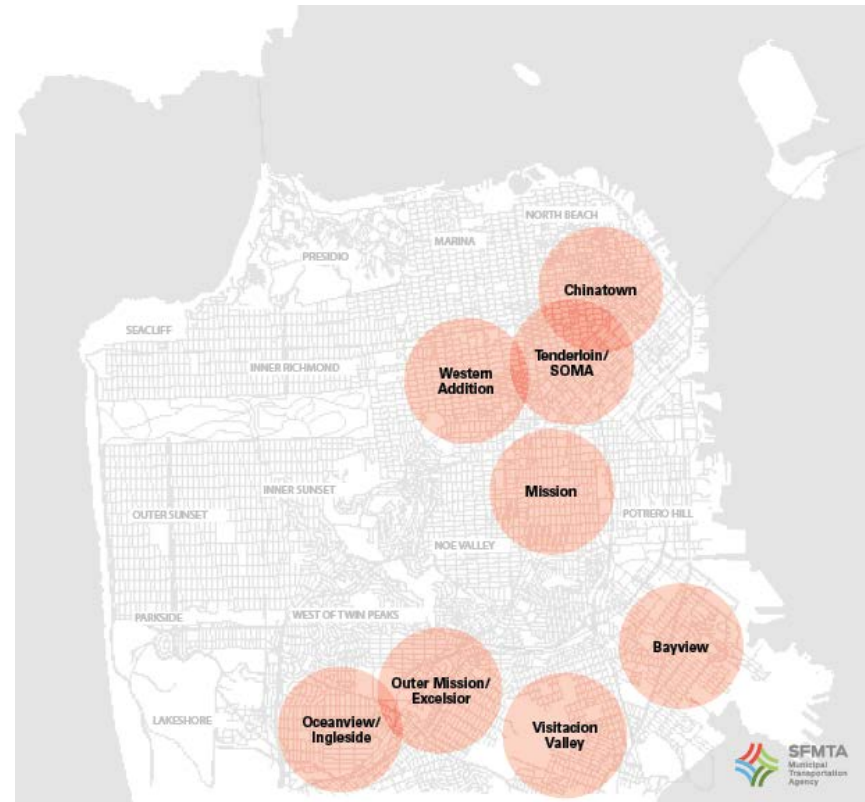


State of Good Repair

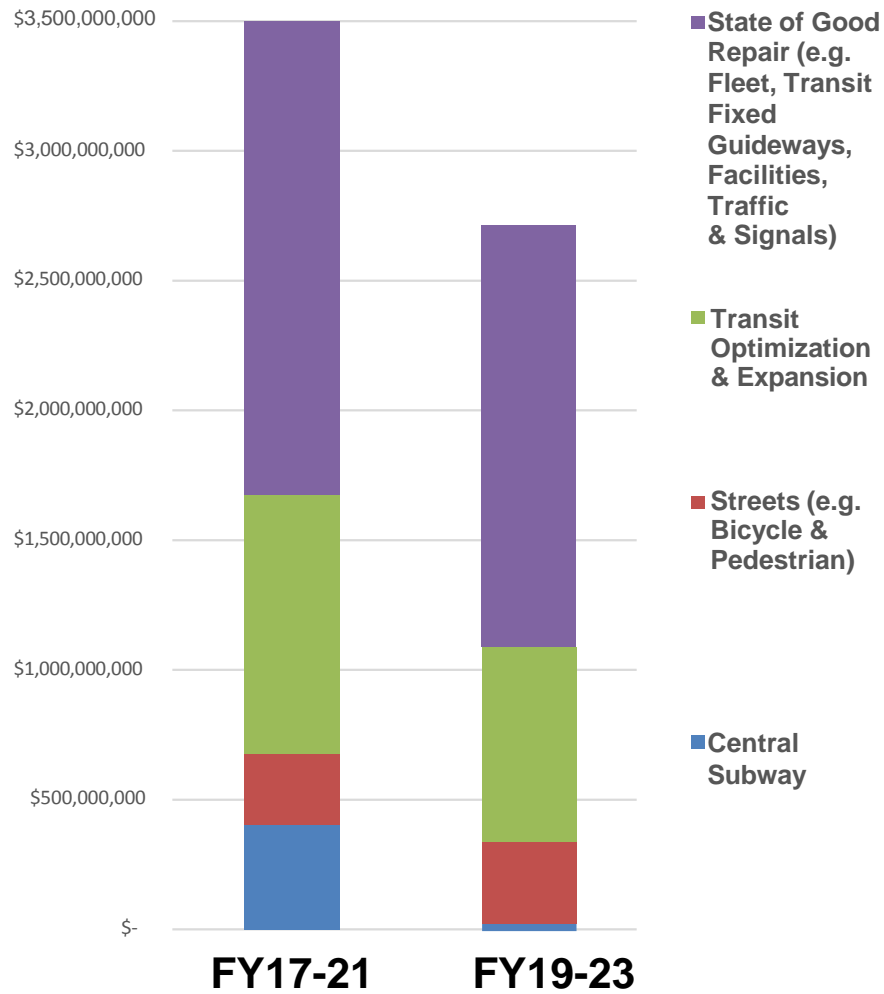
Implementing the Muni Service Equity Strategy



- **Muni Service Equity Policy adopted in May 2014 by SFMTA Board**
- **In collaboration with community advocates, SFMTA staff identified eight equity strategy neighborhoods based on a number of demographic factors**
- **The FY 2019 & 2020 budget includes Citywide and neighborhood-specific recommendations that will lead to measurable improvements on routes in the focus neighborhoods**



Revenue of Current & Proposed CIP



FY17-21 CIP

367 Projects
\$3.4 Billion Total Investment

- \$402 M Central Subway
- \$239 M fixed guideway projects
- \$372M / yr. state of good repair
- Full replacement of rubber tire fleet
- *Muni Forward* project implementation
- *Safer Streets*
- Expanded bicycle network

Preliminary FY19-23 CIP

of Projects TBD
\$2.8 Billion Total Investment

- \$85 M Central Subway
- \$427 M Fixed Guideway Investment
- \$322M /yr. State of Good Repair
- High Injury Network
- Continued fleet procurement and rehabilitation

FY 2019-23 CIP Revenue Overview



FY19-23 CIP Estimated to be \$529M less than current CIP

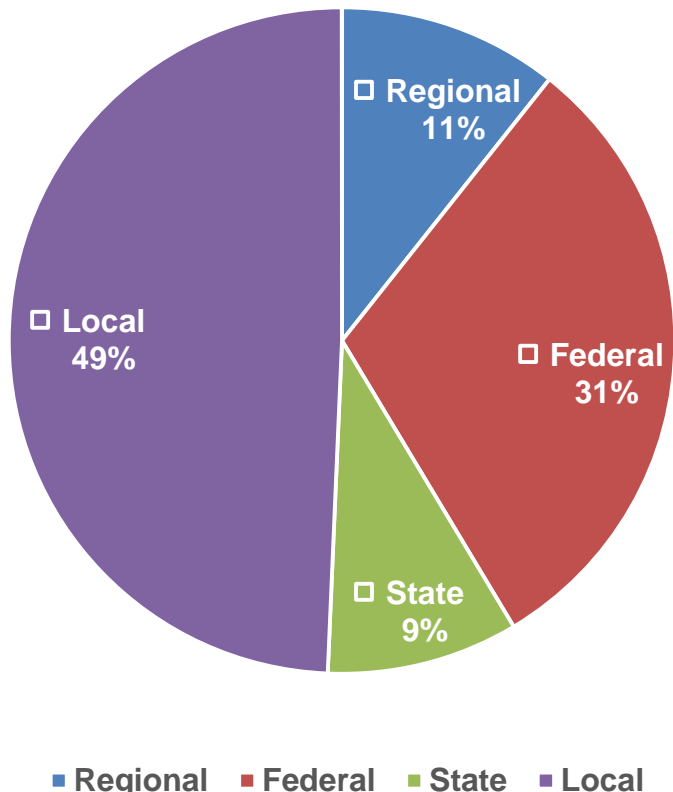
CIP Program	Existing FY17-21 CIP	Proposed FY19-23 CIP	Difference	% Change
Central Subway	\$ 403,282,852	\$ 84,768,516	\$ (318,514,336)	↓ -78.98%
Communications - IT	\$ 8,982,000		\$ (8,982,000)	↓ -100.00%
Facility	\$ 223,889,184	\$ 228,339,843	\$ 4,450,659	↑ 1.99%
Fleet	\$ 1,152,498,224	\$ 898,605,439	\$ (253,892,785)	↓ -22.03%
Other	\$ 23,508,271	\$ 36,000,157	\$ 12,491,886	↑ 53.14%
Parking	\$ 19,089,900	\$ 860,619	\$ (18,229,281)	↓ -95.49%
Security	\$ 27,409,134		\$ (27,409,134)	↓ -100.00%
Signals	\$ 104,066,846	\$ 55,210,561	\$ (48,856,285)	↓ -46.95%
Streets	\$ 268,465,116	\$ 279,488,624	\$ 11,023,508	↑ 4.11%
Taxi	\$ 1,900,000	\$ 1,000,000	\$ (900,000)	↓ -47.37%
Transit Fixed Guideway	\$ 238,980,835	\$ 427,351,078	\$ 188,370,243	↑ 78.82%
Transit Optimization	\$ 891,958,803	\$ 781,881,135	\$ (110,077,668)	↓ -12.34%
Grand Total	\$ 3,364,031,165	\$ 2,793,505,972	\$ (570,525,193)	

Key drivers of lower capital revenues:

- Central Subway will be complete in 2019 (-\$315M)
- Security (-\$27M) reflects the end of the State Infrastructure Bond program in FY18
- Bus and trolley fleet procurements will be completing
- No planned future SFMTA revenue bond issuances



\$2.8 Billion: 38 Different Sources



Regional

- Bridge Tolls,
- Regional Measure 3 (RM3)

Federal

- Federal Transit Administration formula funds
- Capital Investment Grant program

State

- Senate Bill 1 (SB1)
- Transit and Intercity Rail Capital Program (TIRCP)
- Statewide Transportation Improvement Program (STIP)

Local

- General Fund (Prop B population based)
- General Obligation Bond
- Transit Sustainability Fee
- Prop K Sales Tax
- Prop A Vehicle Registration Fee
- Developer Fees
- SF New Revenue Measure



CIP Assumes \$361M from New Revenue Sources Requiring Voter Approval

\$190M from Regional Measure 3 (RM3) bridge toll increase

- June 2018 ballot measure in all nine Bay Area counties
- Would fund fleet expansion, facilities, and transit optimization projects to relieve congestion on the Bay Bridge corridor

\$171M from new SF revenue measure

- Assumed in CIP for 2018 SF ballot
- Provides needed funding for state of good repair, enhancement, streets and safety
- Initial allocation is driven by current funding gaps for high priority programs

CIP Program	CCSF New Revenue	Regional Measure 3 (RM3)
Facility	\$ 26,320,000	\$ 140,000,000
Fleet	\$ 48,880,000	\$ -
Streets	\$ 49,600,000	\$ -
Transit Optimization	\$ 46,680,000	\$ 50,000,000
Total	\$ 171,480,000	\$ 190,000,000

Preliminary FY19-23 CIP by Capital Program (\$M)



CAPITAL PROGRAM (in \$Millions)	FY19	FY20	FY21	FY22	FY23	2-Year Total	5-Year Total
Central Subway	84.8	0.0	0.0	0.0	0.0	84.8	84.8
Facility	158.3	24.5	14.1	17.3	14.1	182.8	228.3
Fleet	325.1	62.3	90.5	182.8	237.9	387.4	898.6
Other	13.6	5.8	4.9	6.9	4.9	19.4	36.0
Parking	0.9	0.0	0.0	0.0	0.0	0.9	0.9
Signals	45.4	2.7	2.1	2.3	2.7	48.1	55.2
Streets	137.1	37.3	40.4	33.9	30.7	174.4	279.5
Taxi	0.2	0.2	0.2	0.2	0.2	0.4	1.0
Transit Fixed Guideway	142.3	51.2	90.3	71.8	71.8	193.5	427.4
Transit Optimization	402.4	194.0	136.2	29.4	19.9	596.4	781.9
Total	\$1,310.0	\$378.1	\$378.6	\$344.5	\$382.2	\$1,688.1	\$2,793.5



Capital Budget

Transit Sustainability Fee Revenues



FY16-FY18 TSF Revenues Fell Below Budgeted

TSF Categories	FY16- FY18 Budgeted	FY16- FY18 Actuals	Variance
Transit Service Expansion and Reliability Improvements-Regional Transit Providers	\$192,274	\$91,066	(\$101,208)
Transit Service Expansion and Reliability Improvements-Muni	3,076,384	\$1,405,217	\$(5,209,167)
TSF-Schlage Lock	3,538,000	\$0	\$0
Complete Streets (Bicycle and Pedestrian) Improvements	188,411	\$36,597	\$(151,814)
MS SoMa Implementation Framework	100,000	\$100,000	\$0
TOTAL	\$7,095,069	\$1,632,880	(\$5,462,189)

FY19 & FY20 Budgeted TSF Revenues

TSF Categories	Percentage Allocation	FY19	FY20
Transit Service Expansion and Reliability Improvements-Regional Transit Providers	2%	\$375,971	\$580,729
Transit Service Expansion and Reliability Improvements-Muni	32%	6,015,536	9,291,661
Complete Streets (Bicycle and Pedestrian) Improvements	3%	563,956	\$871,093
TOTAL		\$6,955,463	\$10,743,483



Central Subway

- Project to be completed in 2019

Transit Fixed Guideway

- Twin Peaks Rail Replacement Project
- State of good repair for track, overhead, signals and traction power
- Initiates a major upgrade of the subway ATCS
- Initiates a complete overhaul of cable car infrastructure
- Key substation upgrades

Transit Optimization & Expansion

- 22 Fillmore Transit Priority
- Muni Forward OCS Spot Improvements
- T-Third Warriors Arena Platform
- 28 19th Avenue Rapid
- L Taraval: Transit & Streetscape Enhancements





Facilities

- **Castro Station Elevator**
- **Potrero Facility Reconstruction**
- **Muni Metro East Expansion**
- **Facility Condition Assessment Implementation**



Fleet

- **Fleet replacement and expansion (Motor Coach, Trolley Coach, LRV, Paratransit)**
- **Vehicle Overhauls**
- **Cable Car Renovation**
- **Historic Streetcars (16 PCCs & 18 Milan)**
- **Non-Revenue Fleet Replacement**
- **Transit Vehicle Technology Integration**





Bike

- Vision Zero Bikeway Upgrades program
- Spot Improvements program
- Bike Traffic Signals program
- Neighborways program
- State of Good Repair (e.g., colored markings, delineators)
- Bike Share program support



Pedestrian

- Vision Zero supportive programs, including:
 - Automated Speed Enforcement
 - Project/program evaluation and reporting
 - SFDPH analysis and monitoring
- WalkFirst Quick and Effective capital program
- Play Streets

Traffic Calming

- Expand Application-based program
- New program focused on children, seniors, and PWD
- Spot Improvements program
- Speed Humps on 15mph streets
- Play Streets

Traffic & Signals

- Gough Corridor Signal Upgrade
- Contract 35 – Traffic Signal Modifications
- Western Addition Area – Traffic Signal Upgrades



Communications & IT

- Projects will be funded under the Operating budget, no new projects in the FY19-23 CIP

Taxi

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

Security

- Physical security infrastructure improvements and emergency preparedness
- Provide backup power in the event of power outages

Parking

- Continued implementation of new Parking and Revenue Control System (PARCS) at all garages



Facilities

- The majority of forecasted funds come from less than certain sources that require voter approval (RM3, possible new SF revenue measure)
- 1200 15th Street enforcement headquarters facility and construction phases of other major facilities projects are not fully funded

Parking

- \$128M unmet need over next 5 years for City owned parking garages

Overall

- Increasing costs due to difficult bid climate





Prop B Population Baseline

- Use of a portion of the Prop B population baseline funds to support operating needs related to development driven population growth

SFMTA Fund Balance

- Use of SFMTA fund balance (reserve) for capital needs

ESER GO Bond

- Early advancement of a portion of the \$500M 2024 Transportation GO Bond with the ESER GO Bond needed to rebuild the Potrero and/or Presidio vehicle operations and maintenance facilities



Public Discussions and Meetings	Date
2nd SFMTA CAC Meeting	March 1, 2018
1 st Budget Town Hall	March 2, 2018
2nd Public Hearing at SFMTA Board	March 6, 2018
2nd SFMTA FAC Meeting	March 7, 2018
2nd Budget Town Hall Meeting (Digital)	March 7, 2018
3rd Public Hearing at SFMTA Board	March 20, 2018
SFMTA CAC Approval	March 22, 2018
First Opportunity to Adopt FY 2019 & FY 2020 Budgets at SFMTA Board	April 3, 2018
Second Opportunity to Adopt FY 2019 & FY 2020 Budgets at SFMTA Board	April 17, 2018
Submission of Approved Budget to Mayor and Board of Supervisors (per City Charter requirements)	May 1, 2018
Board of Supervisors Adoption	July 31, 2018

Budget information available in multiple languages at sfmta.com/budget

Thank You



08.24.16

CYCLISTS TODAY

850



Thank you
for bicycling

