



Municipal Transportation Agency

FY 2011 and FY 2012 Operating Budget



March 2, 2010 SAN FRANCISCO, CALIFORNIA

Introduction

- Original approved FY 2010 budget = \$816.7M
- FY 2010 Approved Budget = \$768.6M (\$129M deficit balanced, \$45M remained, \$14.4M solutions discussed at the February 26, 2010 meeting)
- Balancing the two year budget dependent on the actions taken to address the FY 2010 budget deficit
- Continued economic downturn has exhausted fund balance (reserves) and reduced revenues over \$230M (\$130M from State Transit Assistance over the last two years) since FY 2009
- New revenue sources needed to continue service levels
- SFMTA two year budget for FY 2011 and FY 2012 approval required by May 1, 2010

**FY 2010 Budget
Revenues Compared to
FY 2011 and FY 2012 (\$M)**

Revenue Category	FY 2010 Amended Budget	FY 2010 Year End Projection (Feb 11, 2010)	FY 2011 Budget	FY 2012 Budget
Transit Fares	181.3	181.3	179.7	180.7
Operating Grants	79.5	87.9	74.8	75.5
Parking and Traffic Fees & Fines	244.8	233.6	240.3	248.3
Taxi Services	18.2	14.4	13.2	13.2
Other (Advertising, Interest, TIDF)	24.3	24.4	23.1	23.5
General Fund Transfer	178.3	176.9	169.3	173.3
Fund Balance – Appropriated	42.2	42.2	0.0	0.0
TOTAL	\$768.6	\$760.7	\$700.4	\$714.5
Variance from Amended Budget			(\$68.2)	(\$53.8)

**FY 2011 and FY 2012
Change in Revenues
*Compared to FY 2010 Amended Budget (\$M)***

Line Item	FY 2011	FY 2012
Fund Balance (used in FY 2010)	(42.2)	(42.2)
Interest Earnings (economic impact/lower balance invested)	(2.4)	(2.0)
General Fund Transfer (lower tax receipts)	(9.0)	(5.0)
Fare Revenue (net of service modification impacts and TransLink usage)	(3.0)	(2.0)
Garage Revenues (economic impact)	(2.0)	(1.0)
Parking Meter Revenues (economic impact)	(4.0)	(2.0)
Parking Citations (economic impact, street sweeping reduction, overall issuance decline)	(5.0)	
Paratransit Fares (economic impact)	(0.2)	(0.2)
Taxi Reform (major revenue form pilot in FY 2010)	(5.0)	(5.0)
Regional Grants (Sales Tax-based Decline)	(4.7)	(4.0)
Impact of Proposals to Balance FY 2010 Budget (includes discount pass increase)	9.3	9.6
Preliminary Revenue Change FY 2011 and FY 2012	(68.2)	(53.8)

**FY 2010 Budget
Expenditures Compared to
FY 2011 and FY 2012 (\$M)**

Expenditure Category	FY 2010 Amended Budget	FY 2010 Year End Projection (Feb 11, 2010)	FY 2011 Budget	FY 2012 Budget
Salaries & Benefits	484.4	475.9	456.1	459.7
Contracts and Other Services	64.0	66.4	67.5	68.0
Materials & Supplies	40.7	47.9	43.0	42.8
Equipment & Maintenance	42.5	34.9	50.0	50.5
Rent & Building	7.0	7.5	7.0	7.0
Insurance & Payments to Other Agencies	66.2	69.3	68.6	68.6
Rainy Day Reserve	0.0	0.0	0.0	0.0
Work Orders	63.8	65.9	63.8	63.8
TOTAL	\$768.6	\$767.8	\$755.9	\$759.8
Variance from Amended Budget			(\$12.7)	(\$8.8)

**FY 2011 and FY 2012
Change in Expenditures
Compared to FY 2010 Amended Budget (\$M)**

Line Item	FY 2011	FY 2012
Schedule Realignment (FY 2010)	(3.0)	(3.0)
TWU Salary Required by Charter	9.0	9.5
Labor Concessions	(10.0)	(10.0)
Salaries and Benefits Including Layoffs (FY2010)	(19.5)	(17.9)
Elimination of Sales Tax (Prop B) funding of staffing costs	1.1	1.1
Health, Retirement, and Other Benefit Increases (Mayor and Controller projections)	15.1	16.5
Vendor Discount Program	(4.0)	(4.0)
Replenish Materials and Parts Budget Reduced in FY 2010	10.0	10.0
Catastrophic Loss Coverage Premium	2.4	2.4
Incremental Operating Costs from Capital Projects	15.0	16.0
Performing Arts Garage EIR	0.9	
Service Modifications 10%	(28.8)	(29.4)
Preliminary Expenditure Change FY 2011 and FY 2012	(11.8)	(8.8)

FY 2011 and FY 2012 Projected Deficit

(\$M)

	FY 2011	FY 2012
Revenues	(68.2)	(53.8)
Expenditures	11.8	8.8
TOTAL	(56.4)	(45.0)

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Possible Solutions (\$M)

Proposal	Description	Annual Revenue
Work Order Reduction	Reduction in Work Orders	6.5
Charge for Transfers	Charge \$0.50 for transfers. About 15% of boardings are via transfers. Assuming 200m total annual boardings, 30m boardings are through transfers and assuming 50% will continue to use transfers and pay \$0.50. The TransLink fare media transition plan sets a deadline for the MTA to eliminate paper transfers by June 2011.	7.5
Eliminate Transfers	About 15% of boardings are via transfers. Assuming 200m total annual boardings, 30m boardings are through transfers and assuming 25% will pay the single ride fare while others will board through monthly passes.	20.4
Cost Recovery Fees	Residential Parking, Boot Fee, Color Curbs, Block Parties, Project 20, Translink/Clipper Limited Smart Card, Taxi Fees etc.	1.5

Possible Solutions (\$M)

Proposal	Description	Annual Revenue
Extended Hours Parking	Based on Study – until 6pm, 9pm or midnight depending on need/occupancy –Sundays throughout the City –Fridays in much of the City –Monday through Thursdays in some of the City	9.0 (6.3 first year)
Charge for Parking on Sundays	Currently parking is free on Sundays on all meters in the City. Assume meters would operate from 9am to 6pm. Revenue estimate is net of additional Parking Control Officers and Meter Repair Staff.	2.80
Adding 1,000 new metered spaces	This estimate includes (i.e., nets out) all incremental costs, such as enforcement, meter maintenance, meter communications, coin collection, spare parts, etc., as well purchase of the new meters	0.8 (half year)
Eliminate Free Reserved On-Street spaces, Eliminate Free Permit Parking	Eliminate all currently free reserved on-street spaces (e.g. around the Emergency Center, City Hall) and require paid permits and add meters to these areas. For City Departments and Others. Honor SFMTA Issued paid permits only	2.8

Possible Solutions (\$M)

Line Item	Description	Annual Amount
Enforcing existing parking garage pricing ordinance	Enforce existing Planning Code ordinance that says all garages/lots in C-3 can only charge hourly rates for parking (i.e., no daily, early bird, monthly, or annual rates). Requires hiring enforcement personnel. Increases SFMTA revenue by increasing parking garage and tax revenues.	3.0 (half year)
Enhancing the existing parking garage ordinance to apply citywide	Planning Code ordinance changed to apply to all parking lots and garages citywide. May require significant time for garages/lots to comply (some would require changes in infrastructure). Requires hiring enforcement personnel. Increases SFMTA revenue by increasing parking garage and tax revenues.	2.6 (half year)
Taxi Penalties and Charges	A revised regulatory penalty schedule to cite permit holders for regulatory violation. Public Charges: (a) a credit card convenience fee of \$0.75 per credit card transaction, and (b) a cleaning fee of \$100.	0.1
Window Advertising Wraps	Wrap windows on vehicles to allow for full wraps or partial wraps. Amend Vehicle Advertising Contract.	1.0
Automatic Indexing	CPI Increase (2.7% in FY 2011 and 2.8% in FY 2012) on Fares based on CPI-U Forecast (Automatic Indexing Policy approved by the Board). For example, Adult Fast Pass would be \$62 in FY 2011 and \$64 in FY 2012.	3.5
Stop Consolidation	Optimize the number of stops in the system	3.0
Service Modifications	(156,500 service hours-5%)	7.2 (half year)

Possible Revenue Solutions – Ballot Measures

Proposal	Description	Annual Revenue Potential
Sales Tax	½% sales tax (an additional ¾% is currently permitted by state law)	\$70-75 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	Annual tax on residential and commercial property parcels	\$20 million based on an average \$1,111 per parcel
Commercial Off-Street Parking Tax	Raise 25% tax to 35%	\$20 million (based on current \$52 million in annual revenues)
Hotel Tax	Raise 14% occupancy tax by 1%	\$15 million

Deadlines:

- June 15, 2010 submission for November 2010 general election

Next Steps

- **SFMTA Board Meetings (all Tuesdays)**
 - March 2, 2010 (Intent to Declare Fiscal Emergency, Review FY 2011-2012 Budget)
 - March 30, 2010 (Declaration of Fiscal Emergency, Public Hearing on Fare, Fee, Fine changes)
 - April 6, 2010 (Possible Budget Adoption)
 - April 20, 2010 (Budget Adoption)

Next Steps

- **Town Hall Meetings (1SVN, 2nd Floor)**
 - Wednesday, March 10, 2010, 6:00 to 8:00 pm
 - Saturday, March 20, 2010, 10:00 am to Noon

SFMTA Budget Updates:

www.sfmta.com/sfmtabudget or Call 311