

FY 2009-2010 OPERATING BUDGET Year End Projection As of January 19, 2010



January 19, 2010 SAN FRANCISCO, CALIFORNIA

Presentation on
November 3, 2009
Board of Directors Meeting

FY 2009-2010 Operating Budget
Year End Revenue Projection as of October 15, 2009
Revenues (\$ millions)

Revenue Category	(a) 2009-2010 Approved Budget	(b) 2009-2010 Revised Budget	(c) 2009-2010 Year-to-Date Actuals	(d) 2009-2010 Year End Projection	(d-b) Year End Projection Compared to Revised Budget
Transit Fares	181.3	181.3	51.8	181.3	0.0
Operating Grants	79.5	79.5	11.7	79.5	0.0
Parking and Traffic Fees & Fines	244.8	244.8	71.6	232.8	(12.0)
Taxi Services	18.2	18.2	1.1	10.7	(7.5)
Other (Advertising, Interest, TIDF)	21.3	21.3	5.2	21.3	0.0
Interdepartmental Recovery	3.0	4.4	0.1	4.4	0.0
General Fund Transfer	178.3	178.3	89.2	178.3	0.0
Fund Balance – Appropriated	42.2	42.2	42.2	42.2	0.0
Carryforwards and Adjustments	0	13.0	11.3	11.3	0.0
TOTAL	\$768.6	\$783.0	\$284.2	\$761.8	(\$19.5)

FY 2009-2010 Operating Budget
Year End Revenue Projection as of October 15, 2009
(\$ millions)

Revenue Category	Variance	Explanation between Revised Budget and Projection (-/+ = under/over budget)
Parking and Traffic Fees & Fines	(12.0)	<ul style="list-style-type: none"> - Parking Meters (3.4) includes (3.0) from parking meter increases not approved in FY 2009 - Parking Citations (4.4) includes (2.0) from \$1.50 Courthouse fee to pay off debt on courthouses - Extended Hours Parking (1.0) - Parking Garages (2.0) - Parking Tax (0.7) - Other Fees and Permits (0.5)
Taxi Fees	(7.5)	- Taxi Medallion Pilot Program, mid year implementation
TOTAL	(\$19.5)	

FY 2009-2010 Operating Budget
Year End Expenditures Projection as of October 15, 2009
Expenditures (\$ millions)

Expenditure Category	(a) 2009-2010 Approved Budget	(b) 2009-2010 Revised Budget	(c) 2009-2010 Year-to-Date Actuals	(d) 2009-2010 Year End Projection	2009-2010 Year Projections Compared to 2009-2010 Revised Budget
Salaries & Benefits	484.4	484.4	113.3	492.7	(8.3)
Contracts and Other Services	64.0	67.8	26.7	74.7	(6.9)
Materials & Supplies	40.7	46.3	13.2	53.6	(7.3)
Equipment & Maintenance	42.5	45.3	22.8	45.3	0.0
Rent & Building	7.0	7.5	3.5	7.5	0.0
Insurance & Payments to Other Agencies	66.2	66.2	32.5	69.3	(3.1)
Rainy Day Reserve	0.0	0.0	0.0	0.0	0.0
Work Orders	63.8	65.5	65.4	65.5	0.0
TOTAL	\$768.6	\$783.0	\$277.4	\$808.6	(\$25.6)

FY 2009-2010 Operating Budget
Year End Expenditure Projection as of October 15, 2009
(\$ millions)

Expenditure Category	Variance	Explanation between Revised Budget and Projection
Salaries & Benefits	(8.3)	- Delayed Service Modifications (0.6) - Service Enhancements (1.9) - Additional Safety and Operations Staffing, 26 positions (2.4) - Salary and Benefits (2.7) - Unbudgeted Labor Settlement (0.3) - Unbudgeted Video Repair (0.4)
Contracts and Other Services	(6.9)	- Bike EIR (1.5) - NextBus contract (2.0) - On Call Bus and Rail contracts to support ARRA projects (3.4)
Materials & Supplies	(7.3)	- Unbudgeted Video Repair (0.4) - Service Enhancements (5.8) - Other (including Bike Plan) (1.1)
Insurance & Payments to Other Agencies	(3.1)	- Unbudgeted premium paid for excess coverage (2.4) - Claims payout (0.7)
Work Orders	0.0	- Assume Controller is able to identify work order savings (2.0)
TOTAL	(25.6)	

**FY 2009-2010 Operating Budget
 Solutions
 (\$ millions)**

Solution	Amount	Explanation
ARRA	6.7	10% allocated to Operations from capital projects
Operator Schedule	1.5	Realigning the schedule \$3 million annually, \$1.5 million for half year
Overtime Modification	5.0	Regular Day Off (RDO) Coverage, Special Events
Position Elimination	12.3	Includes 250 positions for 6 months
Total	25.5	

FY 2009 – 2010 Operating Budget
Year End Revenue Projection as of October 15, 2009
Budget to Year End Projection (\$ millions)

	FY 2009-2010 Revised Budget	FY 2009-2010 Year End Projection	Variance
Revenues	\$783.0	\$770.2	↓ \$12.8
Expenditures	\$783.0	\$789.8	↑ \$6.8
Deficit			(\$19.6)

Presentation on
January 19, 2010
Board of Directors Meeting

FY 2009-2010 Operating Budget
Year End Revenue Projection as of December 11, 2009
Revenues (\$ millions)

Revenue Category	(a) 2009-2010 Approved Budget	(b) 2009-2010 Revised Budget	(c) 2009-2010 Year-to-Date Actuals	(d) 2009-2010 Year End Projection	(d-b) Year End Projection Compared to Revised Budget
Transit Fares	181.3	181.3	73.6	181.3	0.0
Operating Grants	79.5	76.7	23.3	81.9	5.2
Parking and Traffic Fees & Fines	244.8	244.8	100.8	232.8	(12.0)
Taxi Services	18.2	18.2	1.2	14.4	(3.8)
Other (Advertising, Interest, TIDF)	21.3	21.4	8.9	21.4	0
Interdepartmental Recovery	3.0	3.0	0.5	3.0	0
General Fund Transfer	178.3	178.3	89.2	175.3	(3.0)
Fund Balance – Appropriated	42.2	42.2	42.2	42.2	0
TOTAL	\$768.6	\$765.9	\$339.7	\$752.3	(\$13.6)

FY 2009-2010 Operating Budget
Year End Revenue Projection as of December 11, 2009
(\$ millions)

Revenue Category	Variance	Explanation between Revised Budget and Projection (-/+ = under/over budget)
Operating Grants	5.2	- TDA Sales Tax (1.5) + ARRA 6.7
Parking and Traffic Fees & Fines	(12.0)	- Parking Meters (3.4) includes (3.0) from parking meter increases not approved in FY 2009 - Parking Citations (5.6) includes (2.0) from \$1.50 Courthouse fee to pay off debt on courthouses - Extended Hours Parking (1.0) - Parking Garages (2.0)
Taxi Fees	(3.8)	-Taxi Medallion Pilot Program, \$11.2 received this year
General Fund Transfer	(3.0)	- Lower General Fund Baseline Allocation
TOTAL	(\$13.6)	

FY 2009-2010 Operating Budget
Year End Expenditures Projection as of December 11, 2009
Expenditures (\$ millions)

Expenditure Category	(a) 2009-2010 Approved Budget	(b) 2009-2010 Revised Budget	(c) 2009-2010 Year-to-Date Actuals	(d) 2009-2010 Year End Projection	2009-2010 Year Projections Compared to 2009-2010 Revised Budget
Salaries & Benefits	484.4	481.9	192.4	475.9	6.0
Contracts and Other Services	64.0	66.4	27.1	66.4	0.0
Materials & Supplies	40.7	41.7	15.5	47.9	(6.2)
Equipment & Maintenance	42.5	34.9	26.4	34.9	0.0
Rent & Building	7.0	7.5	6.1	7.5	0.0
Insurance & Payments to Other Agencies	66.2	66.2	35.9	69.3	(3.1)
Rainy Day Reserve	0.0	0.0	0.0	0.0	0.0
Work Orders	63.8	65.9	65.9	65.9	0.0
TOTAL	\$768.6	\$764.5	\$369.3	\$770.9	(\$3.3)

FY 2009-2010 Operating Budget
Year End Expenditure Projection as of December 11, 2009
(\$ millions)

Expenditure Category	Variance	Explanation between Revised Budget and Projection
Salaries & Benefits	6.0	- Over budget (\$8.9) See Nov 3, 2009 presentation for detail (\$8.3) + Savings from position eliminations \$7.8 and layoffs \$3.6 (delay in citywide layoff impact \$1.1), Overtime Modification \$5.0, \$1.5 from Schedule Realignment - Retirement Payouts (\$3.0)
Contracts and Other Services	0.0	- Bike EIR (\$1.5) - NextBus Contract (\$1.6) + Vendor Giveback 3.1
Materials & Supplies	(6.2)	- Unbudgeted Video Repair (0.4) - Service Enhancements (5.8)
Insurance & Payments to Other Agencies	(3.1)	- Unbudgeted premium paid for excess coverage (\$2.4) offset by projected savings in claims payout
Work Orders	0.0	Assume Controller is able to identify \$2.0 million in work order savings
TOTAL	(\$3.3)	

FY 2009 – 2010 Operating Budget
Year End Revenue Projection as of December 11, 2009
Budget to Year End Projection (\$ millions)

	FY 2009-2010 Revised Budget	FY 2009-2010 Year End Projection	Variance
Revenues	\$765.9	\$752.3	↓ \$13.6
Expenditures	\$764.5	\$770.9	↑ \$3.3
Deficit			(\$16.9)

Solutions

Proposal	Description	Amount
Labor Concessions	Including Work Rule Changes, \$10 million annual projection	\$0.7M (2 months)
Charge SFMTA Employees for Parking	Charge SFMTA employees for parking in the yards and other facilities either directly or through meter placement.	\$0.2M (4 months)
Credit Card Charges absorbed by Credit Card Users	Individuals who pay for passes and citations via the web do not pay a transaction cost. The SFMTA picks up the credit card fees which averages \$1.0M per year.	\$0.3M (4 months)
Charge Transaction Cost for Customer Center Visits	The volume at the customer service center has increased significantly resulting in long lines. If there is an option for payment via the web (e.g. citations, fast pass), customers will be charged a transaction fee (e.g. \$2.00 for transit violations, citations, passes, \$5.00 for RPP if not renewed by mail, \$10 for Project 20)	\$0.2M (4 months)
Increase citations by \$1.50 to recover the additional Courthouse fee	Amount deducted from each citation to cover courthouse debt. \$2.0 million annually	\$0.7M (4 months)
Eliminate Free Parking in the Garages	Employee and Vendor Parking in Garages: Non-Profit Managers and Board of Directors; Boards and Commissions at Civic Center: BOS Aides at Performing Arts; Department of Elections. Estimated total \$780K of which \$537K is for MTA facilities.	\$0.1M (4 months)

Solutions

Proposal	Description	Amount
Raise Residential Parking Permit Fees to Full Cost Recovery	Increase annual fee from \$76 to \$96 to make the fee fully cost recovery. \$2.4 million annually	\$0.8M (4 months)
Sales Tax (from Prop K)	Request funding from SFCTA for maintenance and state of good repair to ensure FTA compliance and system performance	\$7.0M
F-Line Premium Fare	Currently approximately 18,500 passengers ride the historic daily. Assuming that 20% pay cash fares, increasing the cash fare by \$3.00 over regular cash fare to \$5.00 (similar to Cable Cars). Requires BOS review.	\$0.2M (3 months)
Express Route Premium Monthly Pass	Currently approximately 25,700 passengers ride the express routes daily. Assuming that 80% of the riders use a monthly pass, requiring use of the premium monthly pass (similar to the BART/Muni Premium Pass). Requires BOS review.	\$0.5M (3 months)
Cable Cars Premium Monthly Pass	Currently approximately 23,000 passengers ride the cable cars daily. Assuming that 50% of the riders use a monthly pass, requiring use of the premium monthly pass (similar to the BART/Muni Premium Pass). Requires BOS review.	\$0.4M (3 months)
Discount passes	Increase the discount passes (\$15 currently, \$20 on May 1) to equal the Lifeline pass (\$30). Requires BOS review.	\$1.0M (3 months)

Service Modification

- **No route eliminations**
- **No new terminals**
- **Increased headways for some routes**
- **Some routes may end earlier**
- **Possible short lines**

Service Modification Increased Headways

Peak AM & PM	Rapid & Express Bus: 1-2 minutes Rapid Rail: No change Local Bus: 1-5 minutes Community Bus: 5-10 minutes
Midday & Late Evening	Rapid & Express Bus: 1-5 minutes Rapid Rail: 1-5 minutes Local Bus: 2-10 minutes Community Bus: 5-10 minutes

	Annual Amount	2 Month Impact
Approximately 313,000 Hours Annually	\$28.5M	\$4.8M