



**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
MUNICIPAL RAILWAY DEPARTMENT**



FY2005 OPERATING BUDGET

**SAN FRANCISCO MUNICIPAL RAILWAY DEPARTMENT
APPROPRIATIONS**

MUNICIPAL TRANSPORTATION AGENCY, BOARD OF DIRECTORS

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Deputy General Manager, Finance and Administration

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MUNI'S MISSION

Working together effectively, we serve our community. We provide safe, reliable, clean, accessible, and convenient transportation to any destination in the City. We are dedicated to creating the most satisfying experience possible for our employees and our riders.

By placing people first, Muni strives to offer the maximum opportunity for employees to contribute their best and achieve career growth. We are building a model urban transit organization, internationally recognized for excellence.

We treat each other with respect; develop trust; encourage mutual understanding; and value our diversity. We promote accountability and take pride in our work.

Above all, we are committed to living this Mission daily in our relationships with each and everyone in our community.

MUNICIPAL TRANSPORTATION AGENCY FY2005 GOALS

1. Advance Muni's and DPT's Missions at all levels and divisions within the organization by focused communication, involvement and recognition.
2. Cultivate security awareness and preparedness through drills, training and improved coordination with transit and government agencies.
3. Improve safety for employees, passengers, pedestrians and motorists by training; increased awareness; and improved equipment, facilities and traffic control.
4. Achieve service standards and performance measures, including:
 - On-time performance
 - Service availability
 - System reliability
 - System performance
 - Staffing performance
 - Customer service
5. Improve movement of people and goods throughout San Francisco by close communication and coordination between the Municipal Railway and the Department of Parking and Traffic.
6. Promote professional growth and development for all employees through available training opportunities.
7. Progress the Third Street Project in accordance with the FY05 baseline schedule and budget, including: ongoing construction of line segments and Metro East, continuing preliminary engineering work for Phase II, the Central Subway, and securing funding and community support for the project.
8. Maintain a balanced budget and build a foundation for long-term financial stability through aggressive pursuit of all revenue sources and improved management of resources.
9. Improve customer service by increasing access to timely and accurate information about all MTA services and by speedy resolution of complaints and issues.
10. Increase the use of all alternative modes of travel and reduce travel time without increasing congestion.
11. Finish implementation of the Transit Preferential Streets treatments for Inner Geary, and continue planning and design for transit improvements on Geary, Van Ness, and other corridors, in accordance with the Vision Plan.
12. Continue implementation of the TransLink universal fare card system.



SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY

MUNICIPAL RAILWAY DEPARTMENT



FY2005 OPERATING BUDGET

PARATRANSIT DIVISION

BUDGET INFORMATION, PROCESS, GUIDELINES AND TIMELINE

The operating budget of the Municipal Transportation Agency – Municipal Railway Department (Muni), is proposed by the Executive Director and approved by the Municipal Transportation Agency (MTA) Board of Directors and the San Francisco Board of Supervisors. The Executive Director and the MTA Board certify that the budget is adequate in all respects to allow the department to make substantial progress toward meeting the goals, objectives, and performance standards established pursuant to Section 8A.103 of the San Francisco City Charter.

The FY2005 approved operating budget was created in the context of continued economic difficulties. FY2005 represents the fourth consecutive year of economic downturn. Beginning in FY2002, Muni's revenue sources began to decline, as they are sensitive to economic conditions and factors such as employment levels and tourism levels. At the same time, the fixed costs associated with Muni's core services have continued to rise, such as salary expenditures and fuel costs.

Over the past four years, Muni has made every effort to reduce its expenditures in order to balance its budget. In addition, in FY2004, with rider satisfaction levels increasing and continued progress towards meeting Muni's service standards, the agency looked to both revenue and expenditure solutions in order to balance its budget, adopting a fare increase as well as increases to parking fines, fees, and rates. In FY2005, after implementing expenditure and revenue measures over the previous years and facing a \$32 million deficit, Muni had few viable options remaining to balance its budget. As a result, the FY2005 budget includes difficult measures such as personnel reductions, service adjustments, and the use of capital funds.

While Muni has made progress in increasing its efficiency and maximizing its revenues in recent years, both of these strategies will need to be sustained in order for Muni to operate effectively going forward. In addition, it is important to recognize that a baseline level of resources is necessary in order to sustain service levels. Looking forward, it will be critical to align resources with service provision.

Process

The San Francisco Charter, as amended through Proposition E, approved by the voters in 1999, establishes the Municipal Transportation Agency (MTA) as an enterprise fund department of the City and County of San Francisco. Overseen by the MTA Board of Directors, Muni and the Department of Parking & Traffic make up the MTA and each also functions as an enterprise fund department. In establishing the MTA as an enterprise fund, a stated goal was to achieve a transportation system that is comparable to the best urban transit systems in the world's major cities. The structure is designed to provide the transportation system with the resources, independence, and focus necessary to achieve this goal. Specifically, the Charter amendment intended to strengthen Muni's authority to manage its employees, establish efficient and economical work rules and work practices that maximize Muni's responsiveness to public needs, and protect the right of Muni to

manage its employees. In addition, the amendment helps to provide for a predictable and stable level of funding.

Muni receives a yearly transfer or support from the General Fund, as specified by formula in Prop. E. The transfer amount is based upon the amount given in a base year, plus the percentage change in discretionary revenues for the General Fund.

Muni's budget process is also established in the Charter. After an internal review process, the Executive Director presents the proposed annual operating budget to the MTA Board and the Citizen's Advisory Council (CAC) for review and comment. A public hearing is also held. The MTA Board must approve the budget and forward it to the Mayor and the Board of Supervisors by March 1. As long as Muni stays within the revenue formulas outlined in the Charter, and does not ask for additional General Fund resources or support, the Mayor must forward the budget to the Board of Supervisors as submitted. The Controller's Office is charged with certifying the revenues as presented by Muni. Once received from the Mayor, the Board of Supervisors has three options with Muni's budget. It may approve or reject the budget, but not modify it. Rejecting the budget requires a two-thirds vote. Or, if the Board takes no action by August 1, the budget is deemed approved.

Operating Budget

The budget approved by the MTA Board and the Board of Supervisors is Muni's annual operating budget. With a few exceptions, it does not include capital projects. Capital projects are detailed in the Short Range Transit Plan, which is developed every other year. In addition, the operating budget also details positions funded through grant dollars.

USING THE DOCUMENT

The operating budget is a spending management plan for the use of Muni's resources. Through the use of these resources, Muni provides public transportation services within the City and County of San Francisco. In addition, the budget is the vehicle by which Muni recommends allocation of resources to meet Muni's goals and service standards. An accrual basis of accounting is used to develop Muni's budget.

Document Organization

Muni's budget is divided into 16 separate books, offered through electronic media. The first book is a department-level look at Muni's budget, including an overview of its revenues and appropriations (expenditures), and positions. In addition, there are 15 division-level books that give a more detailed picture of each division, by unit.

Independent of the operating budget is Muni's capital budget, which is contained in the Short Range Transit Plan (SRTP). The SRTP is published every two years and is subject to approval by the MTA Board of Directors, and to appropriation approval by the Board of Supervisors.

Budget Organization

Index Codes/Object/Subobject Codes

As required by the San Francisco Charter, Muni's budget is developed as a line item budget. As such it is organized into index codes, which indicate where in the department the funds are allocated, and object and subobject codes, which indicate what type of expenditure is included. This level of detail can be found in the reports that follow the budget narrative.

Positions

COLAs/Labor Agreements/Equity Adjustments

As codified in the San Francisco Charter, the approved budget must contain in it funding to pay for all anticipated or estimated salary adjustments provided in employee Memoranda of Understanding (MOUs), cost of living adjustments (COLAs), and any other pay equity adjustments. (For the rest of the City, that money is added to departmental budgets after approval of employee MOUs.)

Annualization of Existing Positions

Positions that were added in the previous year's budget (FY2004 operating budget), must be annualized to a full 1.0 full time equivalent (FTE) position from the previously budgeted 0.75 FTE position. The incremental costs associated with these positions must also be budgeted. Because no new positions were added in FY2004, there are no position annualization costs in the FY2005 budget.

New Positions

New positions are pro-rated to reflect the portion of the year the position will be on payroll. The default is to budget new positions at 0.75 of a full position, as the recruitment process takes an average of three months. No new positions were added to the FY2005 budget.

Attrition Savings

It is anticipated that normal departmental attrition results in savings. Attrition savings appear in the budget as a negative position count, which is netted against the total positions in the budget. Thus, the total position count for the department reflects the net funded positions for the department, adjusted for attrition savings.

Other Adjustments

Other salary adjustments included in budgeted position expenditures are those to compensate for a year that has 260, 261 or 262 workdays, for automatic step adjustments, and to adjust for positions not at the top salary step. In addition, salary annualization costs represent the cost of wage adjustments that took place during the prior year.

Fringe Benefits

Fringe benefits include health care for active and retired employees, social security and Medicare contributions, City retirement contribution, City-paid employee retirement contribution (City pick-up), and other benefits provided in employee MOUs.

Organization Charts

Organization charts are included in each budget book. These charts reflect the positions and organizational structure of the agency at the time the FY2005 budget was developed.

Terms

Platform

The term “platform” refers to the 9163 Transit Operator classification.

Miscellaneous

When used in reference to employees, the term “miscellaneous” applies to all non-Transit Operator classifications.

OVERVIEW

Paratransit Division

Operating Fund	Approved FY2004	Approved FY2005	FY 2005 Variance
Non Personal Services	\$20,073,976	\$20,073,976	\$0
Interdepartmental Recovery	(707,819)	(707,819)	0
Total	\$19,366,157	\$19,366,157	\$0

Expenditures for the Paratransit program are anticipated to remain at FY2004 levels.

APPROPRIATIONS
DIVISION LEVEL

**MUNICIPAL RAILWAY DEPARTMENT
MUNICIPAL RAILWAY PARATRANSIT DIVISION
FY2005 BUDGET APPROPRIATION NARRATIVE**

The Paratransit Division was created in FY2005 to better present the funds appropriated in this functional area. In the past year, the Paratransit budget was placed in the Unallocated Division with other department-wide expenses.

Paratransit services are door-to-door van and taxi services provided to persons with disabilities who are unable to ride bus or light rail service some or all of the time. A Paratransit broker under contract with the City administers the Paratransit Program, which enables Muni to comply with the Americans with Disabilities Act (ADA). Services are provided to persons certified eligible according to federal criteria. Paratransit services include:

- On Call Taxi Services: Curb-to-curb services provided by taxi companies to persons with ambulatory disabilities and wheelchair users. Service is available 24 hours a day, seven days a week. Fares are paid with taxi scrip sold to qualified users at four dollars per thirty dollar book of scrip.
- Group Van Services: Group van services are operated in coordination with social service agencies for ADA-eligible clients going to a common destination such as a Senior Center, Nutrition Site, or an Adult Day Health Center, on a routine, pre-scheduled basis from Monday through Friday. Payment to the Group Van operators is calculated based on average daily ridership. Group Van Services are provided also to persons using facilities supported by the Office on Aging.
- Lift Van Services: Lift Van services are door-to-door services requiring advance reservations, provided to individuals using wheelchairs who require a level-change device. Service is available 24 hours a day, seven days a week for any trip purpose with no trip limits for fully eligible riders. Fares are paid with either a Muni Fast Pass or per trip tickets.
- ADA Access Service: ADA Access service is door-to-door service requiring advance reservations, provided to individuals who are ambulatory. Service is available 24 hours a day, seven days a week for any trip purpose with no trip limits for fully eligible riders. Fares are paid with tickets or cash. All new ambulatory customers are currently being assigned to the ADA Access Service.

Paratransit Funding Sources and Uses: Funding for the Paratransit contract and the Accessible Services employees who monitor the contract comes from Muni's operating budget and several other sources:

- Federal Transit Operating Assistance (5307): The Metropolitan Transportation Commission (MTC) allocates these funds, which were established by the 1999 Federal Transportation Equity Act.

- Sales Tax (SFCTA) Paratransit: In 2003, San Francisco voters approved Proposition K, which reauthorized a one-half cent sales tax with the City to fund transportation capital improvements and certain operating expenses, including Paratransit. The San Francisco County Transportation Authority (SFCTA) Board is comprised of the members of the San Francisco Board of Supervisors and approves all expenditures of Proposition K funds.
- BART ADA: BART reimburses Muni for Paratransit services Muni provides in the BART corridor. As determined under the Americans with Disabilities Act (ADA) BART's reimbursement to Muni is equal to 8.8% of actual Paratransit expenditures, less Paratransit fare revenues and state funding.
- State Transit Assistance – Paratransit: Population-based funding comes from state fuel taxes allocated to the Bay Area counties by the MTC for the provision of Paratransit services.
- The Mayor's Department for Aging and Adult Services: funds a portion of the paratransit broker contract to pay for services provided to their clients. The AGE funding is not shown as a revenue source, but is recorded under object 086 as an Interdepartmental Recovery.

The following tables summarize the sources and uses of funds related to the Paratransit program.

Paratransit Services Funding Sources

Sub-object	Description	Approved FY2004	Approved FY2005	FY2005 Incr/(Decr)
41101	Federal Transit Operating Assistance 5307	\$3,581,036	\$3,754,078	\$173,042
49102	SFCTA Paratransit	9,661,456	9,670,000	8,544
49103	BART ADA	1,393,883	1,395,643	1,760
49106	State Transit Assistance (STA) Paratransit	634,031	723,607	89,576
	Muni Operating Budget	4,404,430	4,143,041	(261,389)
	Total Sources	19,674,836	19,686,369	11,533

Paratransit Services Funding Uses

Sub-object	Description	Approved FY2004	Approved FY2005	FY2005 Incr/(Decr)
03591	Paratransit Broker Contract	\$20,073,976	\$20,073,976	\$0
00100	Paratransit Muni Staff (inc/ Fringes 01300)	308,679	320,212	11,533
08699	Reimbursement from AGE	(707,819)	(707,819)	0
	Total Uses	19,674,836	19,686,369	11,533

✧ OBJECT 035/OTHER CURRENT EXPENSES ✧

Approved FY2004	Approved FY2005	FY2005 Increase (Decrease)
\$20,073,976	\$20,073,976	\$0

This appropriation provides funding for the Paratransit Broker contract and remains at the FY2004 level.

✧ OBJECT 086/INTER-DEPARTMENTAL RECOVERY ✧

Approved FY2004	Approved FY2005	FY2005 Increase (Decrease)
(\$707,819)	(\$707,819)	\$0

This appropriation represents the cost reimbursement from the City's Department of Aging and Adult Services (AGE) to the Paratransit Program. AGE funds a portion of the paratransit broker contract to pay for services provided to their clients by Muni's Paratransit broker. This amount is budgeted as an Interdepartmental Recover and is used to cover payments to the paratransit broker for the actual cost of the Paratransit services provided to AGE.

**City and County of San Francisco
Municipal Transportation Agency
Major Expenditure Categories Change From Prior Year
Budget Year 2004-2005**

Department : DPT MTA - MUNICIPAL RAILWAY
Division : 17 PARATRANSIT

Subobject	Subobject Title	2003-2004 Board Adopted	2004-2005 Board Adopted	FY 2005 Adopted Increase (Decrease) over FY2004 Adopted	
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MUNI-OPERATING-NON-PROJ-CONTROLLED FD

Character	: 021	NON PERSONAL SERVICES			
03591	PARATRANSIT CONTRACT EXPENSE	20,073,976	20,073,976	0	0.0%
TOTAL NON PERSONAL SERVICES		20,073,976	20,073,976	0	0.0%
TOTAL MUNI-OPERATING-NON-PROJ-CONTROLLED FD		20,073,976	20,073,976	0	0.0%
TOTAL PARATRANSIT		20,073,976	20,073,976	0	0.0%

APPROPRIATIONS
SECTION, UNIT AND SUB-UNIT LEVELS

**City and County of San Francisco
Municipal Transportation Agency
Appropriation by Index Code, By Subobject
Budget Year 2004-2005**

Department : DPT MTA - MUNICIPAL RAILWAY
 Division : 17 PARATRANSIT
 Section : 01 PARATRANSIT BROKER CONTRACT
 Fund : 5MAAAAAA MUNI-OPERATING-NON-PROJ-CONTROLLED FD

Subobject	Subobject Title	2004-2005 Board Adopted
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Index Code	352062	PARATRANSIT BROKER CONTRACT	
Character	: 021	NON PERSONAL SERVICES	
	03591	PARATRANSIT CONTRACT EXPENSE	20,073,976
TOTAL NON PERSONAL SERVICES			20,073,976
TOTAL INDEX CODE	352062		20,073,976
TOTAL MUNI-OPERATING-NON-PROJ-CONTROLLED FD			20,073,976
TOTAL PARATRANSIT BROKER CONTRACT			20,073,976

INDEX CODES

