



**SFMTA**  
Municipal  
Transportation  
Agency

# **PROPOSED FY 2015 & 2016 OPERATING BUDGET & CAPITAL BUDGET**

# **PROPOSED FY 2015 – 2019 CAPITAL IMPROVEMENT PROGRAM (CIP)**

February 4, 2014

SFMTA Board of Directors Workshop

# Introduction

- Budget Calendar
- Context
  - Strategic Plan
  - Fiscal Situation
- FY 2015 & FY2016 Preliminary Operating Budget
  - Preliminary Revenues and Expenditures
  - Potential Changes to Revenues
  - Potential Changes to Expenditures
  - Automatic Indexing
  - Next Steps
- FY2015-2019 Capital Improvement Program
- FY2015 & FY2016 Proposed Capital Budget

# FY 2015 & FY 2016 Preliminary Budget Calendar

Item No.	Action	DATE
<i>1</i>	<i>Transit Effectiveness Project (TEP) SFMTA Board informational hearing</i>	<i>December 3, 2013</i>
<i>2</i>	<i>CAC Budget Meeting</i>	<i>December 5, 2013</i>
3	SFMTA Board workshop	February 4, 2014
4	CAC Meeting	February 6, 2013
5	<b>1<sup>st</sup> Budget Public Hearing to consider changes to fees, fares and fines at SFMTA Board Meeting</b>	<b>February 18, 2014</b>
6	1 <sup>st</sup> Budget Town Hall Meeting	February 19, 2014
7	<b>2<sup>nd</sup> Budget Public Hearing at SFMTA Board to consider changes to fees, fares and fines at SFMTA Board Meeting (if required)</b>	<b>March 4, 2014</b>
8	2 <sup>nd</sup> Budget Town Hall Meeting (if required)	March 5, 2014
9	CAC Meeting	March 6, 2013
10	FY15 & FY16 preliminary budget book sent to SFMTA Board	March 11, 2014
11	<b>Public Hearing to consider Muni Service Changes at SFMTA Board Meeting</b>	<b>March 14, 2014</b>
12	<b>Budget Presentation at SFMTA Board</b>	<b>March 14, 2014</b>
13	CAC Budget Meeting	<b>March 20, 2014</b>
14	<b>SFMTA Board approves TEP and Supporting CEQA Findings</b>	<b>March 28, 2014</b>

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

# FY 2015 & FY 2016 Preliminary Budget Calendar

Item No.	Action	DATE
<b>15</b>	<b>SFMTA Board Approval of Service Changes</b>	<b>March 28, 2014</b>
<b>16</b>	<b>First opportunity to adopt FY 2015 &amp; FY 2016 Budget by SFMTA Board</b>	<b>April 1, 2014</b>
<b>17</b>	<b>Second opportunity to adopt FY 2015 &amp; FY 2016 Budget by SFMTA Board</b>	<b>April 15, 2014</b>
18	Submit SFMTA Board Approved Budget to Mayor and Board of Supervisors	May 1, 2014
19	Deadline for labor agreements to be reached	May 28, 2014
<b>20</b>	<b>File labor agreements with SFMTA Board for sunshine period</b>	<b>June 3, 2014</b>
<b>21</b>	<b>SFMTA Board to consider labor agreements for approval</b>	<b>June 17, 2014</b>
22	General Obligation Bond and Vehicle License Fee approval date by BOS/Mayor to be placed on ballot	July 22, 2014
23	Last day for Board of Supervisors to adopt final FY15 and FY16 City Appropriation Ordinance	July 31, 2014
24	Budget Certification Letter: Department head, by letter addressed to the Mayor, Board of Supervisors and Controller, agree that the funding provided is adequate for his or her department, board, commission or agency unless otherwise specifically noted by the appointing officer and acknowledged in writing by the Board.	Within 30 days of adoption of budget
25	General Obligation Bond and Vehicle License Fee election date	November 4, 2014

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

# FY 13-18 Strategic Plan

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**

# SFMTA's Mandate

- Maintain 1,039 Transit Vehicles running 24.4 million miles*  
*For Comparison the length of the Earth = 24,873 miles*
- Maintain 80.3 miles of LRV and Cable Car track*
- Maintain 208 miles of bicycle paths, lanes and routes*
- Maintain 281,700 street signs*
- Maintain/Operate 40 off-street parking garages and lots*
- Maintain signals at 1,184 street intersections*
- Maintain/Enforce 28,862 metered parking spaces*
- Regulate Taxi Industry with 1,880 Taxis and 8,500 drivers*
- Provide 3.1 million revenue hours of Transit Service*  
*For comparison 1 Year = 8,760 hours*

FOR THE CITY AND COUNTY OF SAN FRANCISCO

# **FY 2015 and FY 2016 Proposed Operating Budget**

# Fiscal Situation

- Better revenue picture than in prior years due to state and local economic situation
- Operating Structural deficit: \$50M
  - \$150M structural gap identified in 2007
  - Less \$50M addressed prior to FY 13-14 budget
  - Less \$30M addressed in FY 13-14 budget
  - Less \$20M funded through capital budget (vehicle rehab)
  - Remaining structural deficit = \$50M
    - \$30M for transit
    - \$20M for other modes (bike, ped, taxi) and support areas
- Strategic Plan directs closing of gaps

# Base Operating Revenues

FY 2014 Year End Projections

FY 2015 and FY 2016 Proposed Budget (\$M) as of Feb 4, 2014

Revenue Category	FY2013 Actuals	FY 2014 Amended Budget *	FY 2014 Year End Projection	FY 2015 Baseline **	FY 2016 Baseline **
Transit Fares	212.1	196.4	204.7	211.1	216.7
Operating Grants	144.0	115.7	126.5	123.7	128.2
Parking and Traffic Fees & Fines	286.8	287.6	291.6	290.3	295.0
Other (Advertising, Interest, Inter-departmental Recovery, Taxi)	31.1	33.2	50.0	42.7	43.8
General Fund Transfer	222.4	232.0	232.0	243.7	253.9
Capital Projects				16.1	15.4
Use of Reserves				10.0	5.0
Carry-forward from prior year contracts (encumbered but not paid yet)			59.9		
<b>TOTAL</b>	<b>\$896.4</b>	<b>\$864.9</b>	<b>\$964.7</b>	<b>\$937.6</b>	<b>\$958.0</b>

\* Original Approved Budget \$851.1 plus Supplemental Appropriation of \$13.8 to reflect the dissolution of 2 Non Profit Garages which are now reflected on SFMTA's financial records

\*\* Includes Automatic Indexing and Cost Recovery Projections

# Automatic Indexing - Fares (\$M)

Line Item	Description
Automatic Indexing	½ CPI Increase (2.1% in FY 2015 and 2.1% in FY 2016) + ½ Labor (4% in FY 2015 and 4% in FY 2016 ) = 3.0% for both FY 2015 and FY 2016

DESCRIPTION	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
	Fare	Fare	Fare
<u>AIIP RATE:</u>	-	3.0%	3.0%
Adult Cash Fare	\$2.00	\$2.25	\$2.25
Discount Cash Fare (Senior and Disabled)	\$0.75	\$1.00	\$1.00
Youth Cash Fare	\$0.75	\$1.00	\$1.00
Adult "A" Fast Pass with Ride on BART in SF	\$76.00	\$78.00	\$81.00
Adult "M" Fast Pass Muni Only	\$66.00	\$68.00	\$70.00
Disabled/Youth/Senior Monthly Pass Muni Only	\$23.00	\$24.00	\$25.00
Lifeline Monthly Pass (Low Income)	\$33.00	\$34.00	\$35.00
Cable Car Cash	\$6.00	\$6.00	\$7.00
Cable Car All-Day Pass	\$15.00	\$15.00	\$16.00
One-Day Passport	\$15.00	\$15.00	\$16.00
Three-Day Passport	\$23.00	\$24.00	\$25.00
Seven-Day Passport	\$29.00	\$30.00	\$31.00
Tokens (Pack of 10)	\$20.00	\$22.50	\$22.50
Special Cable Car Fare for Seniors and Disabled from 9:00PM to 7:00AM	\$3.00	\$3.00	\$3.00
Interagency Sticker (excludes BART \$ Cable Car)	\$61.00	\$63.00	\$65.00
BART-to-Muni Transfer (each way with coupon)	1.75	\$2.00	\$2.00
Class Pass (monthly)	\$27.00	\$28.00	\$29.00
School Coupon Booklet (15 tickets)	\$11.25	\$15.00	\$15.00
Special Event Service Adult Round-Trip	\$12.00	\$12.00	\$13.00
Special Event Service Senior/Disabled/Youth Round-Trip	\$11.00	\$11.00	\$12.00
Special Event Service Add-on fare	\$9.00	\$9.00	\$10.00

# Base Operating Expenditures by Category

FY 2014 Year End Projections

FY 2015 and FY 2016 Proposed Budget (\$M) as of Feb 4, 2014

Expenditure Category	FY2013 Actuals	FY 2014 Amended Budget	FY 2014 Year End Projection (includes \$60M carry forward)	FY 2015 Baseline Budget *	FY 2016 Baseline Budget *
Salaries & Benefits	510.9	522.6	534.5	566.2	583.6
Contracts and Other Services	79.3	109.3	120.2	110.8	118.1
Materials & Supplies	58.3	75.1	89.0	74.1	76.2
Equipment & Maintenance	13.7	9.9	36.6	10.4	11.2
Rent & Building	4.1	6.9	5.3	5.8	6.3
Insurance, Claims & Payments to Other Agencies	55.6	64.0	68.9	66.8	63.7
Work Orders	62.8	62.1	64.8	65.2	68.5
Transfer to Capital Projects	8.0	5.0	5.0	16.1	15.4
Carryforward of contracts	59.9				
Rainy Day Reserve – Build Up	43.8	10.0			
<b>TOTAL</b>	<b>\$896.4</b>	<b>\$864.9</b>	<b>\$924.3</b>	<b>\$915.4</b>	<b>\$943.0</b>

# Base Operating Expenditures by Division

FY 2014 Year End Projections

FY 2015 and FY 2016 Proposed Budget (\$M) as of Feb 4, 2014

Expenditure Category	FY2013 Actuals	FY 2014 Amended Budget	FY 2014 Year End Projection (includes \$60M carry forward)	FY 2015 Baseline Budget*	FY 2016 Baseline Budget*
<b>Agency-wide</b>	80.6	90.3	91.3	106.9	114.5
<b>Board of Directors</b>	0.5	0.7	0.5	0.6	0.6
<b>Communications</b>	3.8	3.9	4.1	4.2	4.3
<b>Capital Program &amp; Construction</b>	0.8	0.0	0.2	0.5	0.6
<b>Executive Director</b>	0.9	1.2	1.1	1.3	1.3
<b>Finance and IT</b>	68.0	77.0	82.8	79.4	85.7
<b>Government Affairs</b>	0.7	0.7	0.7	0.7	0.7
<b>Human Resources</b>	25.2	25.0	26.7	27.5	28.3
<b>Safety</b>	3.6	4.3	4.2	4.4	4.5
<b>Sustainable Streets</b>	133.4	150.4	155.1	158.1	160.8
<b>Taxi and Accessible Services</b>	21.3	24.6	24.9	26.1	26.8
<b>Transit</b>	505.8	486.7	532.7	505.7	514.9
<b>TOTAL</b>	<b>\$844.6</b>	<b>\$864.9</b>	<b>\$924.3</b>	<b>\$915.4</b>	<b>\$943.0</b>

# Expenditure Base Budget Detail

## Reductions

- \$2 m each year in legal claims and judgments per prior years' experience
- \$2 m each year in worker's comp claims based on safety efforts
- \$10 m each year in reserve funding, already met Board adopted policy

## Additions

- \$13.8 m in Non discretionary labor costs: temporary salaries, premium pay, holiday pay, annualization of previous approved position refunds/transfers/substitutions,
- \$20.0 m in known increases in newly approved contracts and existing contract CPI adjustments (garage management fees and parking tax; BART contract; JPB payment; system maintenance; parking meter replacement management fees; taxi services and software licensing)
- \$18.5 m each year in Fringe increase
- \$16.1 m in capital projects in FY 15 and \$15.4 m for FY 16 (offset against non operating revenues)
- 5% increase in work orders (labor increases for City departments)

## Not in Base

- \$0 wage increase for all labor contracts
- \$0 for additional fringe costs for all labor contracts (1% of fringes = \$0.8 m for operators + \$1.2 m for other labor contracts = \$2.0 m)
- Structural Deficit fixes: overtime, attrition, special events, equipment
- Work order reductions
- Transit Service Increase
- New Program Requests from Divisions to support Strategic Plan work efforts

## FY 2015 and FY 2016 Base Operating Budget (\$M)

	<b>FY 2015</b>	<b>FY 2016</b>
<b>Revenues</b>	937.6	958.0
<b>Expenditures</b>	915.4	943.0
<b>Revenues Less Expenditures</b>	<b>22.2</b>	<b>15.0</b>

# Possible Revenue Sources (\$M)

Proposal	Description	Annual Revenue FY15	Annual Revenue FY16
Use of Additional Reserve	Potential reserves available beyond the 10% set aside target established by Board	20-25	20-25
F-Line premium fare *	<p>Establish a premium fare for single rides on the F-line.</p> <ul style="list-style-type: none"> <li>Adult rate \$1 and senior/disabled/youth by \$0.50 above FY 2015 fare level and subject to indexing formula in subsequent years.</li> <li>Increase to equal Cable Car Fare (Currently \$6)</li> </ul>	<p>(0.25) See note below</p> <ul style="list-style-type: none"> <li>4.9</li> </ul>	<ul style="list-style-type: none"> <li>1.3</li> <li>4.9</li> </ul>
Premium fare for peak period express/limited service *	Establish a premium adult single ride rate for peak period express/limited service. Adult rate \$1 and senior/ disabled /youth by \$.50 above FY 2015 fare level and subject to indexing formula in subsequent years.	<p>(0.25) See note below</p>	0.1
Premium monthly pass for peak period express service *	Require use of premium "A" BART+Muni pass on peak period express service - eliminate monthly Muni-only "M" pass acceptance. "M" pass holders would be required to pay full cash for peak service.	<p>(0.25) See note below</p>	1.4
Youth/Senior Fare	Increase to 50% of adult fare (currently at 35%)	\$2.3	\$2.5

*\* Proposals require Clipper development of new fare type. Estimated 12-18 month implementation for each proposal and is subject to regional prioritization. Development costs likely to exceed \$250,000 each. All fare proposal subject to Title VI equity analysis prior to approval.*

# Possible Revenue Sources (\$M)

Line Item	Description	Annual Revenue FY15	Annual Revenue FY16
Increase Visitor Passport fares: 1-Day	<ul style="list-style-type: none"> <li>Increase by \$1 from FY2015 Indexed Fares</li> <li>Increase by \$5 from FY2015 Indexed fare rates.</li> </ul>	<ul style="list-style-type: none"> <li>0.3</li> <li>1.6</li> </ul>	<ul style="list-style-type: none"> <li>0.3</li> <li>1.6</li> </ul>
Increase Visitor Passport fares: 3-Day	<ul style="list-style-type: none"> <li>Increase by \$1 from FY2015 Indexed Fares</li> <li>Increase by \$5 from FY2015 Indexed fare rates.</li> </ul>	<ul style="list-style-type: none"> <li>0.2</li> <li>1.1</li> </ul>	<ul style="list-style-type: none"> <li>0.2</li> <li>1.1</li> </ul>
Increase Visitor Passport fares: 7-Day	<ul style="list-style-type: none"> <li>Increase by \$1 from FY2015 Indexed Fares</li> <li>Increase by \$5 from FY2015 Indexed fare rates.</li> </ul>	<ul style="list-style-type: none"> <li>0.1</li> <li>0.4</li> </ul>	<ul style="list-style-type: none"> <li>0.1</li> <li>0.4</li> </ul>
Monthly "A" pass increase (BART pass-through)	Increase "A" pass \$2 above indexed price (covers 5.5% BART pass-through increase per trip).	0.7	0.7
Special Event add-on fare	Eliminate \$1 add-on fare discount for Clipper monthly pass holders for Bay to Breakers service. Less than 1% of fares for this event are add-ons. Elimination reduces the complexity of Clipper system and streamlines customer communication.	Less than 0.1	Less than 1.0

# Possible Revenue Reductions (\$M)

Proposal	Description	Annual Revenue Loss FY15	Annual Revenue Loss FY16
Eliminate in-person <i>Customer Service Center</i> fee	Eliminate \$3.00 processing fee for citation payments, Residential parking Permit renewals, parking card and non-clipper fare media purchases at SFMTA Customer Service Center (retain Project 20 enrollment fee)-offsets existing labor costs	(0.1)	(0.1)
Eliminate online/by phone citation payment processing fee	Eliminate \$2.50 processing fee for citation payments made online or by phone (gross fee revenue at \$2.3M less \$750K in credit card transaction cost).	(1.6)	(1.6)
Eliminate shipping and handling fees for RPP renewal processing and parking meter card online orders	Eliminate \$2.50 shipping and handling fee for RPP renewal and parking meter cards entered online- -offsets existing labor costs and postage costs.	(0.1)	(0.1)

# Possible Revenue Reductions (\$M)

Proposal	Description	Annual Revenue Loss FY15	Annual Revenue Loss FY16
Extend Free Muni for Youth Program	<ul style="list-style-type: none"> <li>Extend low and moderate income free Muni program for youth</li> </ul>	• (2.7)	• (2.8)
	<ul style="list-style-type: none"> <li>Extend program and expand to include 18 year olds</li> </ul>	• (3.6)	• (3.7)
Expand Youth fare	Extend youth fare through age 18 (does not include \$0.8M above assumed in FM4Y)	(2.0)	(2.1)
Implement Inter-agency fare discount	Implement \$0.50 adult single ride transfer discount from AC Transit, CalTrain, SamTrans and Vallejo Ferry. Eliminate CalTrain and Vallejo \$5 monthly pass discount. Creates single transfer policy for all connecting agencies.	(0.1)	(0.1)
Reduce Lifeline Pass Price	<ul style="list-style-type: none"> <li>Fare reduced by \$1 from FY2015 Indexed fare of \$34.</li> </ul>	• (0.3)	• (0.3)
	<ul style="list-style-type: none"> <li>If fare reduced by \$5 from FY2015 Indexed fare of \$34</li> </ul>	• (1.3)	• (1.3)

# Possible Revenue Reductions (\$M)

Proposal	Description	Annual Revenue Loss FY15	Annual Revenue Loss FY16
Clipper single ride discount	Delay cash fare increase one year for single rides using Clipper (cash fares and Metro Limited use tickets increase only).	(0.6M)	(0.6M)
Sunday Street Parking Elimination	Reduction in revenue Cost Savings (non labor savings) Reversal Cost (depends on timing if done prior to new meter installation or not, signage, etc.)	(9.6) 0.3 (0.5-1.0)	(9.8) 0.3
Free Muni for Seniors (FMFS) and Disabled (FMFD) *	<p>Assume that 50% meet qualification</p> <ul style="list-style-type: none"> <li>• Monthly Pass holders</li> <li>• Cash Fare</li> <li>• Administration/Income Eligibility</li> </ul> <p>Assume that 67% meet qualification</p> <ul style="list-style-type: none"> <li>• Monthly Pass holders</li> <li>• Cash Fare</li> <li>• Administration/Income Eligibility</li> </ul>	<ul style="list-style-type: none"> <li>• (4.0)</li> <li>• (.10)</li> <li>• (.30)</li> </ul> <ul style="list-style-type: none"> <li>• (6.0)</li> <li>• (0.15)</li> <li>• (.30)</li> </ul>	<ul style="list-style-type: none"> <li>• (4.1)</li> <li>• (.12)</li> <li>• (.31)</li> </ul> <ul style="list-style-type: none"> <li>• (6.2)</li> <li>• (0.16)</li> <li>• (.31)</li> </ul>

\*. Estimated 6-9 month implementation. All fare proposal subject to Title VI equity analysis prior to approval.

# Possible Expenditure Reductions (\$M)

Proposal	Description	Annual FY15	Annual FY16
Legal Claims and Judgment	Estimated decrease in claims and judgments per prior years experience. <i>(In base Budget)</i>	(\$2.0)	(\$2.0)
Worker's compensation	Estimated decrease in claims based on safety efforts. <i>(In base Budget)</i>	(\$2.0)	(\$2.0)
Reserves	Reserve has met Board adopted policy, will not need to fund. <i>(In base Budget)</i>	(\$10.0)	(\$10.0)
Reduction in Other Lines Items	Non Personnel Services and Materials and Supplies budget in FY 2014 but unused	(\$10.0)	(\$10.0)
SFPD Work Order	Eliminate remaining amounts for Traffic Division	(\$5.7)	(\$5.7)
Other Work Order Reductions	Reduce other work orders	(\$2.0)	(\$2.0)

# Possible Expenditure Increases (\$M)

Proposal	Description	Annual FY15	Annual FY16
Labor Agreements	Impact unknown until negotiations completed	TBD	TBD
Transit Service Increase	5% in FY 2015, Additional 5% in FY 2016	32.7	59.0
Bicycle, Pedestrian and Other Sustainable Streets Programs	Various program needs	8.6	10.1
Preventive Maintenance	Transit and Sustainable Streets	5.1	6.0
Transit Shops and Maintenance of Way	Support Transit service infrastructure	3.3	3.4
Transportation Management Center	Fund new Center which will be operational in FY 2015	1.3	2.0
Expansion in Outreach and Communications	Enhance efforts in communications and outreach	1.0	1.2
Technology Upgrades	To support operational efficiency	4.6	4.6
Taxi Program	Enforcement, education and training	1.6	1.7
Other Divisional needs	Safety, Training, Human Resources	6.1	8.9

## Next Steps

- Finalize Revenue Changes
- Finalize Expenditure Reductions and Additions
- New Programs Review and Decisions
- Determine Impact of Labor Contracts



**FY 2015 and FY 2016  
Capital Budget**

**Proposed FY 2015 – 2019  
Capital Improvement Program(CIP)**

## OVERVIEW

- **Purpose** of the CIP/Capital Budget
- **Review** of the FY 2013 – 2017 CIP and Capital Budget
- **Update** on CIP/Capital Budget Development Process
  - FY 2015 – 2019 Base Revenue Projections
  - Transportation Capital Needs Analysis (20-Year Needs)
  - FY 2015 – 2019 Current Project Requests
  - CIP Funding Priorities and Strategies
- **Next Steps**
  - Potential Funding Sources (Mayor’s Transportation Task Force & MTC Transit Core Capacity Challenge Grant)
  - CIP Outreach Strategy
  - Finalizing FY 2013 – 2017 CIP and Capital Budget

## SFMTA CAPITAL ASSET PORTFOLIO



- **477** Hybrid/Biodiesel Buses
- **313** Trolley Buses
- **87** Paratransit Vans
- **217 miles** of Overhead Wire Systems (includes LRV)
- **38** Off-street Parking Garages & Lots
- **27,935** Meters
- **28** Operations, Maintenance, Storage & Administrative Facilities
- **149** Light Rail Vehicles
- **40** Cable Cars & **27** Streetcars
- **71.5 miles** of Light Rail Tracks
- **8.8 miles** of Cable Car tracks
- **9** Subway Stations
- **24** Surface Light Rail Stations
- **9** Elevators & **28** Escalators
- **217** miles of bicycle paths, lanes and routes
- **3,060** bicycle racks
- **35** bicycle sharing stations with **350** bicycles available
- **281,700** Street Signs
- **1,196** Signalized Intersections

### BUS AND TROLLEY

### PARKING

### FACILITIES

### RAIL

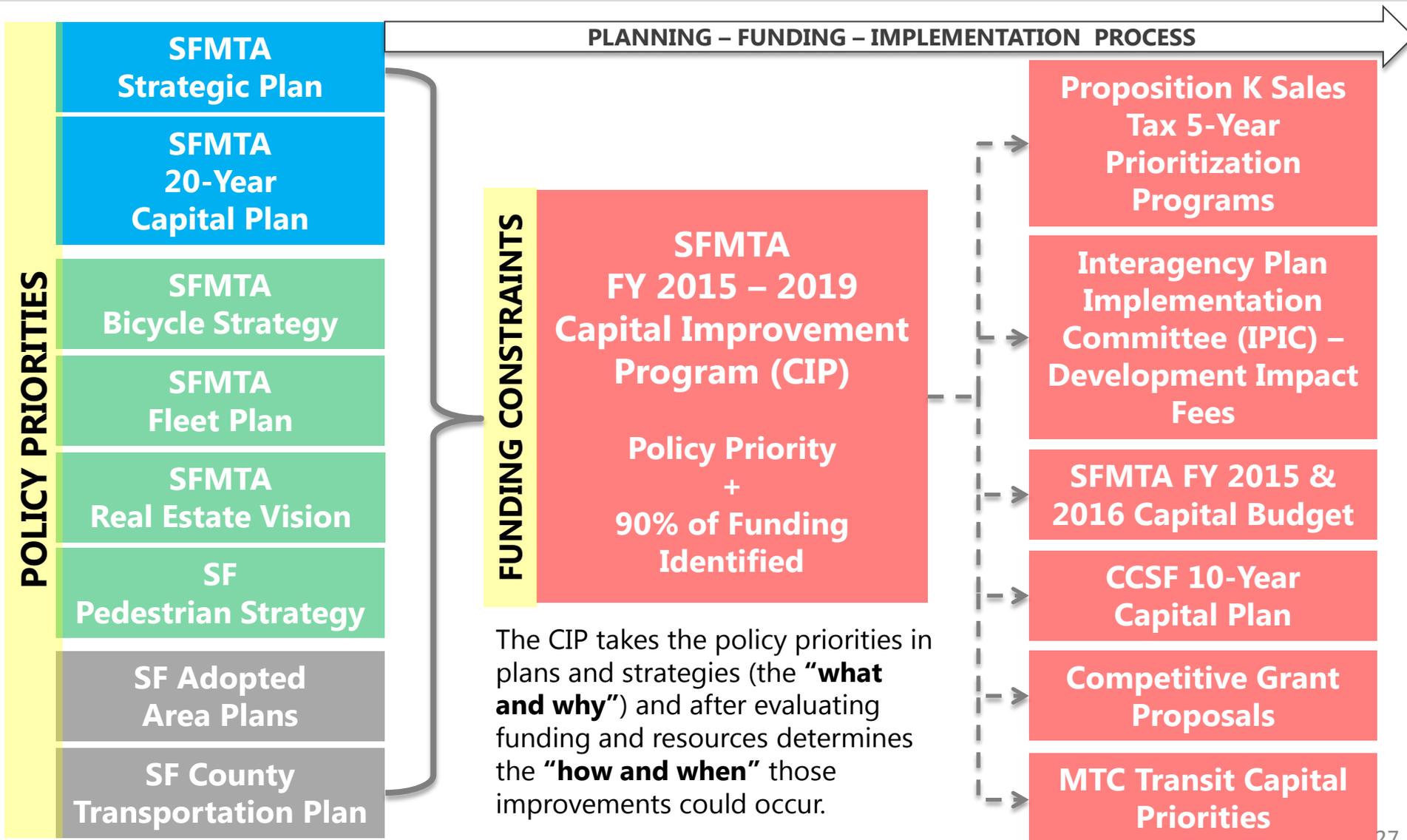
### BICYCLE

### TRAFFIC SIGNS & SIGNALS

## PURPOSE OF THE CIP/CAPITAL BUDGET

- Develop a financially constrained **5-Year Program of Projects** for the Transportation System
  - Review and Project 5-Year Capital Revenue Sources
  - Develop a Strategic Investment/Value Analysis for project prioritization and funding
- Serve as **an implementation tool** for the SFMTA Strategic Plan and other Plans and Strategies
- Prevent funding accessibility from being a barrier to project delivery
- Build credibility with external funding agencies (eg. MTC, FTA)
- Work toward **a 10% Capital Fund Reserve** allowing for flexibility and revenue uncertainty

# PURPOSE OF THE CIP/CAPITAL BUDGET



## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

- In April 2012, the SFMTA Board adopted the Agency's first financially constrained 5-Year Capital Improvement Program
- Revenues include projected funding from more than **30 different federal, state and local sources**
  - Some examples: FTA Formula Funds, Prop K Sales Taxes, Prop AA Additional General Fund Revenue, Prop B Street GO Bond, State Prop 1B Bonds, Federal CMAQ (as individual competitive grants), SFMTA Revenue Bond
- Approximately **350 projects in 16 Capital Programs**
- **TOTALS:** FY 2013 – 2017 = \$3.06 b 5-Year CIP
  - FY 2013 = \$582.3 m } 2- Year
  - FY 2014 = \$477.8 m } Capital Budget

# REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

## April 2012 Board Adopted 5-Year CIP

In \$Millions

<b>CAPITAL PROGRAM</b>	<b>Carryforward Balance</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>2-Year Total + Carryforward</b>	<b>5-Year Total + Carryforward</b>
Central Subway	\$ 57.07	\$ 234.92	\$ 233.04	\$ 191.59	\$ 191.59	\$ 150.00	\$ 525.03	\$ 1,058.21
Security	\$ 35.19	\$ 0.05	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 38.24	\$ 47.24
Safety	\$ 1.66	\$ 3.29	\$ 0.69	\$ 3.10	\$ 7.47	\$ 7.27	\$ 5.64	\$ 23.48
Bicycle	\$ 3.06	\$ 3.19	\$ 3.35	\$ 4.39	\$ 3.37	\$ 3.51	\$ 9.60	\$ 20.88
Pedestrian	\$ 4.51	\$ 10.81	\$ 7.38	\$ 2.98	\$ 2.51	\$ 2.55	\$ 22.70	\$ 30.74
Transit Optimization/Expansion	\$ 19.82	\$ 48.34	\$ 67.34	\$ 105.01	\$ 165.68	\$ 37.74	\$ 135.50	\$ 443.92
Traffic/Signals	\$ 24.19	\$ 17.67	\$ 21.53	\$ 4.59	\$ 4.62	\$ 5.00	\$ 63.39	\$ 77.61
Transit Fixed Guideway	\$ 100.01	\$ 45.90	\$ 57.24	\$ 36.22	\$ 36.84	\$ 36.84	\$ 203.14	\$ 313.04
Fleet	\$ 131.77	\$ 174.65	\$ 11.49	\$ 42.90	\$ 217.00	\$ 91.38	\$ 317.90	\$ 669.18
Facility	\$ 61.69	\$ 2.90	\$ -	\$ 10.00	\$ -	\$ 15.13	\$ 64.59	\$ 89.72
Traffic Calming	\$ 3.60	\$ 2.90	\$ 3.16	\$ 2.29	\$ 2.40	\$ 2.52	\$ 9.66	\$ 16.88
Parking	\$ 12.87	\$ 5.00	\$ 46.30	\$ -	\$ -	\$ -	\$ 64.17	\$ 64.17
School	\$ 1.35	\$ 5.48	\$ 0.54	\$ 0.39	\$ 0.39	\$ 0.39	\$ 7.37	\$ 8.54
Taxi	\$ -	\$ 0.66	\$ 1.30	\$ 0.52	\$ 0.70	\$ 0.52	\$ 1.96	\$ 3.69
Accessibility	\$ 10.72	\$ 1.05	\$ 0.80	\$ 0.10	\$ 0.80	\$ 0.10	\$ 12.57	\$ 13.57
Communications/IT Infrastructure	\$ 124.39	\$ 25.22	\$ 20.47	\$ 5.19	\$ 0.40	\$ 0.40	\$ 170.08	\$ 176.07
Reserve	\$ -	\$ 0.23	\$ 0.19	\$ -	\$ -	\$ -	\$ 0.42	\$ 0.42
<b>Total</b>	<b>\$ 591.89</b>	<b>\$ 582.02</b>	<b>\$ 477.64</b>	<b>\$ 412.27</b>	<b>\$ 636.77</b>	<b>\$ 356.34</b>	<b>\$ 1,651.97</b>	<b>\$ 3,057.35</b>

**PROPOSED FY 2015 – 2019 CAPITAL IMPROVEMENT PROGRAM  
PROPOSED FY 2015 & 2016 CAPITAL BUDGET**

**REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET**

**January 2013 5-Year CIP after Technical Adjustments**

In \$Millions

<b>CAPITAL PROGRAM</b>	<b>Carryforward Balance</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>2-Year Total + Carryforward</b>	<b>5-Year Total + Carryforward</b>
Central Subway	\$ 57.07	\$ 283.71	\$ 191.59	\$ 191.59	\$ 150.00	\$ 150.00	\$ 532.37	\$ 1,023.96
Security	\$ 35.19	\$ 0.05	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 38.24	\$ 47.24
Safety	\$ 1.66	\$ 3.29	\$ 0.69	\$ 3.10	\$ 7.47	\$ 7.27	\$ 5.64	\$ 23.48
Bicycle	\$ 3.06	\$ 14.28	\$ 3.70	\$ 13.02	\$ 3.23	\$ 3.51	\$ 21.03	\$ 40.80
Pedestrian	\$ 4.51	\$ 7.51	\$ 5.81	\$ 0.79	\$ 1.38	\$ 1.42	\$ 17.83	\$ 21.43
Transit Optimization/Expansion	\$ 19.82	\$ 51.35	\$ 74.29	\$ 136.05	\$ 127.80	\$ 161.38	\$ 145.46	\$ 570.69
Traffic/Signals	\$ 24.19	\$ 14.74	\$ 21.53	\$ 4.59	\$ 4.62	\$ 5.00	\$ 60.46	\$ 74.68
Transit Fixed Guideway	\$ 100.01	\$ 41.70	\$ 48.99	\$ 46.62	\$ 38.43	\$ 35.82	\$ 190.70	\$ 311.57
Fleet	\$ 131.77	\$ 117.97	\$ 98.71	\$ 104.29	\$ 66.56	\$ 144.24	\$ 348.44	\$ 663.54
Facility	\$ 61.69	\$ 0.50	\$ -	\$ 0.60	\$ -	\$ 5.13	\$ 62.19	\$ 67.92
Traffic Calming	\$ 3.60	\$ 4.29	\$ 4.35	\$ 20.53	\$ 4.12	\$ 1.36	\$ 12.23	\$ 38.25
Parking	\$ 12.87	\$ 5.00	\$ 46.30	\$ -	\$ -	\$ -	\$ 64.17	\$ 64.17
School	\$ 1.35	\$ 5.57	\$ 2.45	\$ 2.59	\$ 0.78	\$ 0.78	\$ 9.37	\$ 13.52
Taxi	\$ -	\$ 1.01	\$ 0.95	\$ 0.52	\$ 0.70	\$ 0.52	\$ 1.96	\$ 3.69
Accessibility	\$ 10.72	\$ 1.05	\$ 0.80	\$ 0.10	\$ 0.80	\$ 0.10	\$ 12.57	\$ 13.57
Communications/IT Infrastructure	\$ 124.39	\$ 31.97	\$ 22.11	\$ 5.19	\$ 0.40	\$ 0.40	\$ 178.46	\$ 184.45
Reserve	\$ -	\$ 0.23	\$ 0.19	\$ -	\$ -	\$ -	\$ 0.42	\$ 0.42
<b>Jan 2013 Tech Adj Total</b>	<b>\$ 591.89</b>	<b>\$ 584.22</b>	<b>\$ 525.44</b>	<b>\$ 532.59</b>	<b>\$ 409.29</b>	<b>\$ 519.93</b>	<b>\$ 1,701.55</b>	<b>\$ 3,163.37</b>
<b>Apr 2012 Original Adopted</b>	<b>\$ 591.89</b>	<b>\$ 582.02</b>	<b>\$ 477.64</b>	<b>\$ 412.27</b>	<b>\$ 636.77</b>	<b>\$ 356.34</b>	<b>\$ 1,651.97</b>	<b>\$ 3,057.35</b>
<b>Increase/(Decrease)</b>	<b>\$ -</b>	<b>\$ 2.20</b>	<b>\$ 47.80</b>	<b>\$ 120.32</b>	<b>\$(227.48)</b>	<b>\$ 163.60</b>	<b>\$ 49.58</b>	<b>\$ 106.02</b>

## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### January 2013 Technical Adjustments by Capital Program

In \$Millions

CAPITAL PROGRAM	Adjusted 2-Year Budget	Adjusted 5-Year CIP	Notes:
<b>Central Subway</b>	\$ 7	\$ (34)	- Received more Federal New Starts in FY 13 & 14 than anticipated - Smoothed cashflow/updated full funding plan within 5-Year window
<b>Bicycle</b>	\$ 11	\$ 20	- Increased revenues from Prop B Street GO Bond (\$8 m Polk St) - Successful receipt of OBAG Competitive Grant (\$11.6 m 2nd Street)
<b>Pedestrian</b>	\$ (5)	\$ (9)	- Decreased revenues from Prop AA Vehicle License Fee - Adjusted Proposition K, Proposition B Street GO Bond
<b>Transit Optimization/Expansion</b>	\$ 10	\$ 127	- Adjusted based on anticipated future General Obligation Bond
<b>Traffic/Signals</b>	\$ (3)	\$ (3)	- Adjusted based on Highway Safety Improvement Grants (HSIP)
<b>Transit Fixed Guideway</b>	\$ (12)	\$ (1)	- Adjusted based on MTC Programming and MAP-21 Federal Legislation
<b>Fleet</b>	\$ 31	\$ (6)	- Adjusted based on Fleet Program needs and MTC Programming
<b>Facility</b>	\$ (2)	\$ (22)	- Decreased revenues based on elimination of FTA SOGR Competitive Grant
<b>Traffic Calming</b>	\$ 3	\$ 21	- Successful receipt of OBAG Competitive Grant (\$10 m Masonic) - Increased revenues from SFMTA Revenue Bond
<b>School</b>	\$ 2	\$ 5	- Adjusted based on OBAG SRTS Competitive Grants - Adjusted based on increased future revenue for Safe Routes to School
<b>Communications/IT Infrastructure</b>	\$ 8	\$ 8	- Increased revenues from SFMTA Revenue Bond and Security Fund
<b>Increase/(Decrease)</b>	<b>\$ 49.58</b>	<b>\$ 106.02</b>	

## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### 5-Year CIP Policy Goals (Priorities and Strategies)

- **Funding Priorities**

- Maintain a State of Good Repair (SOGR)
- System Safety
- Transit Reliability
- Complete Street Investments

- **Strategies**

- Realign Existing Resources (Carryforward Funding)
- Fund Projects by Phase
- Invest in Pre-Development Planning
- Accountability in Delivery

## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### 5-Year CIP Priorities – State of Good Repair

- Radio Replacement Project - \$109 m
- LRV Overhaul Program (trucks, doors, steps) - \$ 72 m
- Green LRV Facility Rail Replacement - \$ 31 m
- Church and Duboce Rail Replacement - \$ 18 m
- 80 Overhauled 40 ft Motor Coaches - \$ 19 m
- Franklin Street Signal Replacement - \$ 11 m



## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### 5-Year CIP Priorities – System Safety

- Muni Metro Subway CCTV Surveillance System - \$4.0 m
- Traffic Calming (various locations) - \$3.8 m
- 6 New Traffic Signals (various locations) - \$2.0 m
- Jean Parker Safe Routes to School - \$1.6 m
- 10 New Intersections with PCS Signals - \$1.0 m
- Longfellow Safe Routes to School- \$0.8 m
- Sunset Boulevard New Traffic/PCS Signals - \$0.5 m
- 15 MPH School Zones @ 213 Schools - \$0.4 m



## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### 5-Year CIP Priorities – Transit Reliability

- Van Ness Bus Rapid Transit - \$126 m
- 60 New 60 ft Articulated Trolley Coaches\* - \$ 99 m
- 100 New 40 ft Hybrid Motor Coaches\* - \$ 87 m
- Transit Signal Priority - \$ 20 m
- Mission Bay Loop Project - \$ 6 m

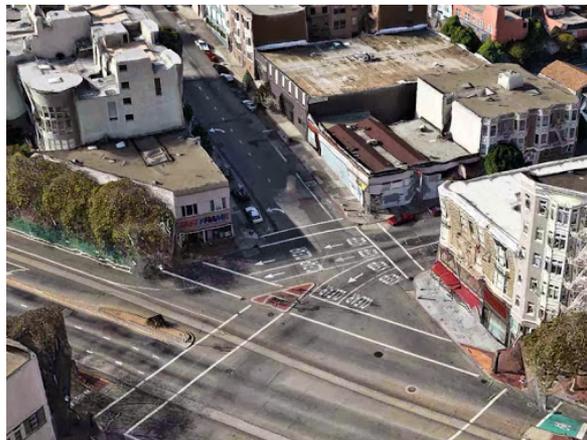
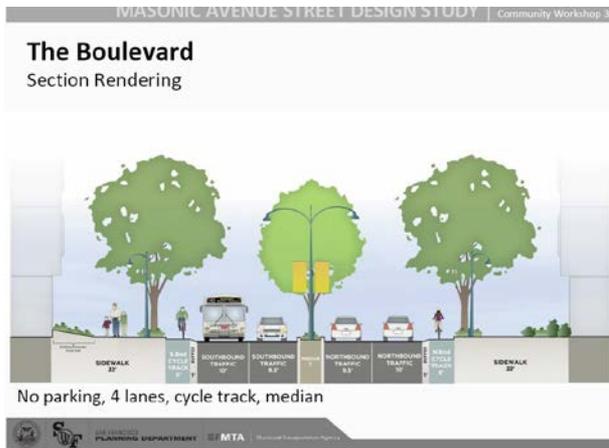
\*Procurement a replacement project also SOGR in nature



## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### 5-Year CIP Priorities – Complete Street Investments

- Masonic Complete Streets Project - \$18.2 m
- 2<sup>nd</sup> Street Complete Streets Project - \$11.7 m
- Polk Complete Streets Project - \$ 8.6 m
- Market and Haight Transit & Ped Project - \$ 4.7 m
- Fell and Oak Complete Streets Project - \$ 1.4 m



## REVIEW OF THE 2013 – 2017 CIP/CAPITAL BUDGET

### 5-Year CIP Strategies - Updates

STRATEGY	UPDATE
<p><b>Realign Existing Resources (On-Going)</b></p>	<ul style="list-style-type: none"> <li>• Re-programmed funding to smaller SOGR Projects</li> <li>• Re-directed cash sources to active near-term projects</li> <li>• Began Project Integration Process combining individual project budgets for greater efficiency</li> <li>• Close/Continuous monitoring of Carryforward Balances</li> </ul>
<p><b>Fund Projects by Phase</b></p>	<ul style="list-style-type: none"> <li>• Allows projects to be initiated rather than being “on-hold” pending all sources</li> <li>• Allows for better management of cash flow and greater flexibility to fund more projects that can be completed quickly (i.e. high impact/small SOGR projects)</li> </ul>
<p><b>Invest in Pre-Development Planning</b></p>	<ul style="list-style-type: none"> <li>• Pre-Development Project Planning Phase established</li> <li>• \$1 m Pre-Development Planning Fund Set-Aside</li> <li>• Funded numerous pre-development planning projects to develop pipeline of ready projects for the future</li> </ul>
<p><b>Accountability In Delivery</b></p>	<ul style="list-style-type: none"> <li>• Capital Resource System Phase I Complete (Grants)</li> <li>• Capital Projects Control System Phase I Complete (CP&amp;C)</li> <li>• Capital Projects Control System Phase II In-Progress (SSD)</li> <li>• Controls in place for Budget and Scope Changes</li> </ul>

## UPDATE ON CIP/CAPITAL BUDGET DEVELOPMENT PROCESS

### FY 2015 – 2019 Capital Improvement Program Revenue Projection

In \$Millions

CAPITAL PROGRAM	Prior Year Balance	FY 15	FY 16	FY 17	FY 18	FY 19	2-Year Total + Prior Year	5-Year Total + Prior Year
Central Subway	-	191.6	191.6	150.0	161.7	99.4	191.6	794.2
Security	0.1	3.0	10.1	10.1	3.0	3.0	3.1	29.2
Safety	6.5	6.6	1.3	1.3	1.2	1.2	13.2	18.2
Bicycle	4.9	17.8	16.9	25.6	16.4	6.3	22.7	87.9
Pedestrian	6.0	11.8	22.0	12.8	13.3	2.8	17.8	68.7
Transit Optimization/Expansion	13.7	24.1	195.8	130.0	110.6	5.6	37.8	479.8
Traffic/Signals	10.5	16.6	9.8	7.0	10.9	7.1	27.1	61.8
Transit Fixed Guideway	90.3	22.7	20.0	35.9	35.9	32.7	113.0	237.5
Fleet	22.5	302.0	202.7	219.8	210.8	102.3	324.5	1,060.0
Facility	6.0	11.0	70.0	5.1	-	9.0	17.0	101.1
Traffic Calming	9.0	23.7	6.4	2.2	1.5	2.6	32.7	45.4
Parking	6.0	29.0	-	-	-	-	35.0	35.0
School	2.1	1.2	0.3	0.3	0.3	0.3	3.3	4.5
Taxi	0.5	1.2	0.7	1.2	0.7	0.7	1.7	5.0
Accessibility	0.8	0.1	1.2	4.2	3.6	5.6	0.9	15.5
Communications/IT Infrastructure	9.9	14.3	0.4	0.4	0.4	0.4	24.2	25.8
<b>Total</b>	<b>188.9</b>	<b>676.6</b>	<b>749.1</b>	<b>605.9</b>	<b>570.1</b>	<b>279.0</b>	<b>865.5</b>	<b>3,069.6</b>

\* Note the these values include TTF revenue that require ballot approval

# UPDATE ON CIP/CAPITAL BUDGET DEVELOPMENT PROCESS

## FY 2015 – 2019 CIP Analysis and Shortfalls (20-Year Capital Plan Comparison)

In \$Millions

CAPITAL PROGRAM	20-YEAR CAPITAL PLAN INVESTMENT	5-YEAR CAPITAL NEED (Average)	IDEAL % of TOTAL INVESTMENT	TOTAL 5-YEAR CIP REVNUES	% of TOTAL REVENUE	Shortfall (Capital Need - CIP)	% of Shortfall	% of Need Funded 5-Years	% of Need Funded 20-Years
Central Subway									
Security	56.5	14.1	0%	29.2	1%	15.1	-1%	207%	52%
Safety	51.7	12.9	0%	18.2	1%	5.3	0%	141%	35%
Bicycle	582.4	145.6	4%	87.9	4%	(57.7)	3%	60%	15%
Pedestrian	371.8	93.0	2%	68.7	3%	(24.2)	1%	74%	18%
Transit Optimization/Expansion	5,389.3	1,347.3	34%	479.8	21%	(867.5)	52%	36%	9%
Traffic/Signals	463.6	115.9	3%	61.8	3%	(54.1)	3%	53%	13%
Transit Fixed Guideway	1,994.0	498.5	13%	237.5	10%	(261.0)	16%	48%	12%
Fleet	4,104.3	1,026.1	26%	1,060.0	47%	33.9	-2%	103%	26%
Facility	1,759.1	439.8	11%	101.1	4%	(338.7)	20%	23%	6%
Traffic Calming	194.3	48.6	1%	45.4	2%	(3.2)	0%	93%	23%
Parking	467.9	117.0	3%	35.0	2%	(82.0)	5%	30%	7%
School	150.0	37.5	1%	4.5	0%	(33.0)	2%	12%	3%
Taxi	2.9	0.7	0%	5.0	0%	4.3	0%	697%	174%
Accessibility	73.2	18.3	0%	15.5	1%	(2.8)	0%	85%	21%
Communications/IT Infrastructure	88.1	22.0	1%	25.8	1%	3.8	0%	117%	29%
<b>Total</b>	<b>15,749.0</b>	<b>3,937.3</b>		<b>2,275.4</b>		<b>(1,661.9)</b>			

\* Note the these values include TTF revenue that require ballot approval

## UPDATE ON CIP/CAPITAL BUDGET DEVELOPMENT PROCESS

### FY 2015 – 2019 Capital Improvement Program Expense (Surplus/Shortfall)

In \$Millions

CAPITAL PROGRAM	Estimates Revenue FY 15 - 19	Including "Prior Year"	CIP Program Requests	(Surplus)/ Shortfall	Difference From Base (%) Over/Under
Central Subway	794.2	794.2	794.2	-	0%
Security	29.1	29.2	21.7	(7.5)	-35%
Safety	11.7	18.2	15.4	(2.8)	-18%
Bicycle	83.0	87.9	41.2	(46.8)	-114%
Pedestrian	62.7	68.7	49.6	(19.1)	-39%
Transit Optimization/Expansion	466.1	479.8	913.3	433.4	47%
Traffic/Signals	51.3	61.8	107.7	45.9	43%
Transit Fixed Guideway	147.2	237.5	254.5	17.0	7%
Fleet	1,037.5	1,060.0	1,322.0	262.0	20%
Facility	95.1	101.1	511.4	410.3	80%
Traffic Calming	36.3	45.4	38.7	(6.6)	-17%
Parking	29.0	35.0	55.8	20.8	37%
School	2.4	4.5	4.3	(0.2)	-5%
Taxi	4.5	5.0	6.5	1.5	23%
Accessibility	14.7	15.5	5.1	(10.3)	-201%
Communications/IT Infrastructure	15.9	25.8	25.0	(0.8)	-3%
<b>Total</b>	<b>2,880.7</b>	<b>3,069.6</b>	<b>4,166.4</b>	<b>1,096.8</b>	<b>26%</b>

\* Note the these values include TTF revenue that require ballot approval

## UPDATE ON CIP/CAPITAL BUDGET DEVELOPMENT PROCESS

### Funding Priorities

- **Maintain and build upon \$250 m per year SOGR investment**
  - Ensure full funding for Muni Fleet Replacement
  - Increase funding for Traffic Signal SOGR from historic base
  - Initiate an on-going Muni Fleet Mid-Life Overhaul Program
  - Fund critical Facility Replacement needs – Priority Gap
- **Maintain and increase funding in Safe and Complete Streets**
  - Integrate recommendations from WalkFirst/Ped Strategy
  - Integrate recommendations from Bicycle Strategy
  - Increase investment in Traffic Calming (current plan backlog)
- **Fund critical Transit Travel Time and Reliability Projects**
  - Fund Priority Travel Time Reliability and Customer First Projects
  - Integrate and fund MTA portions of the Better Market Street Program
  - Increase funding for Fleet Expansion (LRV, 60 ft bus fleet)

## UPDATE ON CIP/CAPITAL BUDGET DEVELOPMENT PROCESS

### Strategies

- **Realign Existing Resources (Prior Year Funds)**
  - Tie funding to more accurate cashflows
  - Continue to fund smaller targeted high-impact campaigns
- **Accountability In Delivery**
  - Complete CPCS Phase II (Sustainable Streets)
  - Implement TransStat Review Process for Capital Projects
  - Improve on Project Cost Estimating
- **Ensure Project Integration**
  - Work with DPW and Planning on refining Follow-the-Paving Program
  - Fully implement existing Project Integration Policy
- **Improve on Public Communications/Outreach**
  - Provide public site (map or other tool) to show project location and status
  - Improve on communication modes and outreach

## NEXT STEPS

### Support Funding Sources Requiring Ballot Approval

#### Mayor's Transportation Task Force (TTF)

The projection of amounts are based on the TTF Report released in November 2013 for the periods of the CIP only FY 2015 – 2019.

- GO Bond = up to \$410 m
- Additional General Fund Revenue= up to \$125m

**TOTAL: \$535m\* additional**

\*Note that a potential sales tax measure was not included in revenue estimates

### Assess Other Potential Funding Sources

#### MTC Transit Core Capacity Grant

Some funding already included in the CIP (Transit Fixed Guideway & Fleet)

- Years of programming have yet to be determined, however it is estimated that the SFMTA will receive an **additional \$550 m over the next 10-Years**

## NEXT STEPS

### Finalizing the FY 2015 – FY 2019 CIP and Capital Budget

- Develop financially constrained CIP – **requests currently exceed revenues by 26% or \$1.1B**
  - Review project requests and develop specific funding plans
  - Split projects into their appropriate phases
  - Review project integration opportunities/efficiency in project delivery
- Review revenue possibilities from MTC Transit Core Capacity Program Revenues within the FY 2015 – 2019 window
  - Transit Core Capacity Challenge Grant = **est. \$550 m in 10 years**
- Conduct public outreach

## Impact of Failure to Pass TTF Ballot Measures

- Inability to improve transit travel time and reliability through implementation of TEP Capital projects
- Fewer Muni Buses and Light Rail Vehicles resulting in Inability to increase vehicle capacity and reliability to meet growing ridership needs
- Decline in condition of existing infrastructure such as
  - Muni rails, switches, overhead wires
  - Traffic and Pedestrian Signals
  - Muni Metro escalators and elevators
- Difficulty meeting city mode shift goals
  - Less funding to implement critical safety pedestrian safety projects identified by WalkFirst
  - Less funding for bicycling infrastructure to improve safe travel conditions
  - Less funding to meet emerging transportation needs
- Significant delay of high-profile city priority projects such as
  - Major corridor improvements, such as Market Street
  - Meeting City's commitment to fund Caltrain
- Likely loss of significant funding in MTC Core Capacity Matching Grant