

Balancing the Transportation Needs of a Growing City



**FY 2019 and FY 2020 Operating Budget
SFMTA Board Meeting**

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March 20, 2018



SFMTA
Municipal
Transportation
Agency

Revised Baselines: FY 2019-2020 (\$ M)



OPERATING (ONGOING)	FY 2017 Actual	FY 2018 Amended *	FY 2018 Projection **	FY 2019 Baseline	FY 2020 Baseline
Revenues	\$ 1,393.1	\$ 1,110.6	\$ 1,178.9	\$ 1174.4	\$ 1,214.6
Expenditures	\$ 1,371.5	\$ 1,085.1	\$ 1,178.7	\$ 1,164.2	\$ 1,184.4
Revenues Less Expenditures	\$ 21.6	\$ 25.5	\$ 0.2	\$10.2	\$ 30.2



What Has Changed?



The *revised* Operating Budget includes the following:

- General Fund baseline changes from the Controller's Office
- Additional parking revenues from citations and garages as a result of FY 18 actuals and the implementation of the PARCS system
- Divisional recommendations for reductions (contract reductions, fuel and inventory savings, etc.)
- Increase for various approved contracts, including paratransit, garage and parking operations, security, and credit card processing fees
- Debt service payment schedule
- Cost increase in rental payments, including Transbay Transit Center
- Cost increase from anticipated power/utility rate increase
- Increase in workers compensation medical reimbursement

The *revised* Operating Budget does not include the following:

- Any changes to fares beyond the indexing amounts
- New proposals related to revenues and expenditures beyond the indexing
- Use of reserve funds
- Use of population General Fund baseline for operating needs
- Additional costs above the FY 2020 projected in salary and benefit increase
- Additional transit needs: LRV service increase; Opening Islais Creek, Central Subway operations and Workforce Future Recruitment And Training In Maintenance (see next slide)
- Caltrain operating contribution increase
- Increases to city work orders

New Transit Needs



- **Integrating Muni Service Equity Strategy into all service programs**
- **Realigning 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**
- **Train and educate the workforce of the future**

TOTAL NEED: \$36.0M (FY 2019)
\$63.2M (FY 2020)





Planning and investing to meet the needs of a growing city



- **Muni's bus facilities are among the most antiquated and capacity constrained in the United States**
- **Delivering the *Muni Equity Service Strategy* and Muni Rapid Network vision will require modern, efficient facilities**
- **Islais Creek will support transit service to some of the city's most historically disadvantaged neighborhoods**
- **This new facility will allow for larger buses to reduce crowding...our of Muni's most common passenger complaints**
- **Opened on a limited basis in April, 2017, full operation will begin in June 2018**
- **Operators are in training and ready to start full service on June 16, 2018**
- **Seven routes are planned to originate at Islais Creek: 1AX/1BX California Express, 7X Noriega Express, 8/8AX/8BX Bayshore Express and 38 Geary**

OPERATING COSTS

FY 2019: \$11,851,000

FY 2020: \$14,578,000

LRV Expansion



- Expanded LRV fleet will provide additional service on crowded Muni Metro lines, beginning this spring
- Additional LRV service will also support Central Subway (T-line extension) and the new Chase Center
- Expanded fleet will be more cost effective due to lower maintenance costs and longer trains
- Service will require 152 new operators and maintenance staff (in phases) as new vehicles arrive
- Request includes operating costs for stations and infrastructure and 66 positions for Central Subway, expected to open in December, 2019
- Expansion vehicles and service hours will shift to serve Central Subway when opened

OPERATING COSTS:

- FY 2019 \$19.7M
- FY 2020 \$32.1M





Safe, reliable transit service requires well-trained maintenance staff

- Entry level positions to develop and train a highly skilled workforce in specialized functions
- Enhancing Muni's maintenance training program will improve LRV reliability in the tunnel and ensure existing positions are filled as a wave of retirements occurs
 - Maintenance training
 - Increased Automatic Train Control System (ATCS) support and training professional services and training
 - New entry level trainee-level positions to build the workforce of the future:
 - Overhead lines
 - Track
 - Cable Car splicer
 - Motive power splicer

OPERATING COSTS:

- FY 2019 \$3.5M
- FY 2020 \$4.5M

Transit Fare Changes



Fare Change Options



OPTION 1

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

OPTION 2

Limit Monthly "A" Pass to 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 (Clipper only) product to meet the needs of low-income riders and complement the Monthly Pass program

OPTION 5A/B

Implement a new Adult 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

Note: A cash fare differential is the difference in price between the same fare purchased using cash and MuniMobile or Clipper



The Adult Day Pass: a convenient fare product, designed for the occasional Muni rider

Goal: promote use of Muni for off-peak travel and discretionary trips

- **“Free” trips after two rides makes Muni more competitive with less sustainable travel options**
- **97% of single ride fare Clipper users take two or fewer trips/day, minimizing risk of revenue loss while encouraging Muni travel**
- **AC Transit sales of 1 Day pass at 2.22x pricing has been low compared to single fare**
- **At 2.5x pricing, product will likely be only attractive to visitor market**
- **Recommend 2x pricing to achieve goal of incentivizing additional transit use**

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

OPTION 5B: Adopt a new day pass at 2.5x

Promoting Clipper/Muni Mobile Use



MuniMobile launched in November, 2015 and has steadily grown as a payment method

- **Differential fare pricing**
- **Point of purchase advertising and signage**
 - **Bus shelters**
 - **In stations**
 - **Cable Car Sales Kiosks**
 - **Cable Car flag signs**
 - **F-line stops**
- **Traveler-targeted promotions**
 - **SFO campaign**
 - **Digital/social media buys**



- **Improved App Capabilities**
- **~ 20% of customers use PayPal to pay fares on MuniMobile**



Wrapped kiosk at Powell Street Cable Car terminus yielded remarkable sales results

- **One-Day Passport**
 - Near Powell +93%
 - Other Locations -8%
- **Three-Day Passport**
 - Near Powell +25%
 - Other Locations 6%
- **Seven-Day Passport**
 - Near Powell +200%
 - Other Locations -41%
- **Regular Single Ride Cable Car**
 - Near Powell +111%
 - Other Locations: +1%
- **Regular Muni Bus & Rail (serves as a control to a certain degree)**
 - Near Powell +17%
 - Other Locations +7%



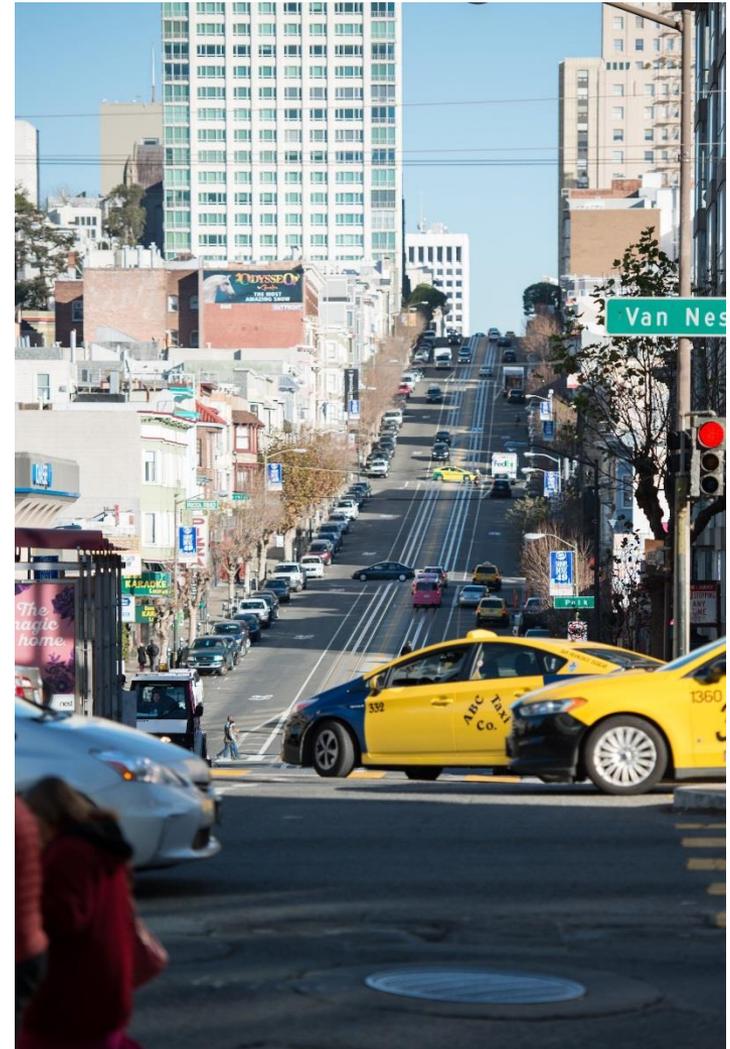
- ***Free Muni* for Low-Income Youth, Seniors and People with disabilities**
- ***Lifeline* passes for low-income adults**
- **50% discounted fares for youth, seniors and people with disabilities**
- **Discounted tokens for social service agencies**
- **Reduced fees for first time tow and low-income individuals**
- **Payment plans and community service in lieu of fees for parking and transit citations for low-income individuals**

Supporting the Industry: Taxi Fees



Over the past four years, the SFMTA has reduced or waived taxi-related fees and foregone an estimated \$9.5M (see appendices)

- The Taxi Driver permit (A-Card) renewal will be free for FY18-19 and FY19-20 as part of the Taxi Driver Fund disbursement
- Legislation has been introduced at the Board of Supervisors that would waive the business registration fee (approximately \$100 annually) for Taxi Drivers for the next two years
- SFMTA waives the Medallion Renewal Fee for medallion holders who purchased their medallions





Public Discussions and Meetings	Date
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





The previously presented baseline budget included:

- Continuation of *Free Muni for Low and Moderate Income Youth, Seniors and Disabled Riders*
- Continuation of tow fee reduction for low income residents
- 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 General Fund Baseline (for Capital use only)
- Development fees (for Capital use only)
- Estimates from the Controller's Office on the General Fund baseline transfers
- Estimates from MTC on the state and regional operating grants
- 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 at 3.4%)

Taxi Fees



Fee Description	Original Amount	Reduced Amount	Status & Timeframe	Forgone Revenue FY14-15	Forgone Revenue FY15-16	Forgone Revenue FY16-17	Projected Forgone Revenue FY17-18
Metal Plate Fee	\$75	\$0	Eliminated in FY13-14	\$138,750	\$138,750	\$135,150	
New Driver Application Fee	\$252	\$0	Eliminated in FY13-14	\$201,600	\$113,148	\$63,000	
Color Scheme Change Fee	\$608	\$400	Reduced in 2015	\$4,576	\$38,272	\$31,200	
8000 Series Use Fee	\$2,000	\$1,000	Reduced in 2014	\$842,000	\$482,000	\$137,000	
Medallion Re-Transfer Fee	\$50,000 (20%)	\$12,500 (5%)	Reduced in 2014	\$862,500	\$1,275,000	-	
Dispatch Permit Renewal Fee	\$6,284	\$0	Waived in FY14-15	\$56,556	-	-	
Color Scheme Renewal Fee	Varies based on fleet size: \$1,485-\$9,069	\$0	Waived in FY14-15	\$110,753	-	-	
Medallion Renewal Fee (Reduced)	\$1,410	\$1,000	Reduced for all in FY14-15	\$671,170	\$38,950	\$738,820	
Medallion Renewal Fee (Waived)	\$1,000	\$0	Waived for all but corporate medallions in FY15-16	-	\$1,755,000	-	
Medallion Renewal Fee for Transferable Medallions (eliminated)	\$1,134	\$0	Eliminated in FY17-18				\$793,800
Driver A-Card Renewal	\$100	\$0	Waived in FY15-16	-	\$906,900	-	
Annual Forgone Revenue				\$2,887,905	\$4,748,020	\$1,105,170	\$793,800