

CITY AND COUNTY



OF SAN FRANCISCO

## **BOARD OF SUPERVISORS**

### **BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

May 10, 2005

**TO:** Budget and Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** May 12, 2005 11:00 a.m. Rescheduled Budget and Finance Committee Meeting

#### Item 2 – File 05-0793

**Item:** Hearing to consider the Annual Budget for the Municipal Transportation Agency (MTA) for Fiscal Year 2005-2006.

**Description:** The Budget and Finance Committee has directed the Budget Analyst to conduct a line item review of the proposed FY 2005-2006 budget for the Municipal Transportation Agency (MTA) and present a report with recommendations to the Committee.

The FY 2005-2006 proposed MTA budget was submitted to the Mayor and the Board of Supervisors on February 28, 2005. Since that time, numerous technical changes and system calculations have caused changes in the proposed budget. On May 2, 2005, the Mayor submitted a recommended FY 2005-2006 budget for selected departments (the May Budget) to the Board of Supervisors that included the MTA.

Memo to Budget and Finance Committee  
 May 10, 2005 Budget and Finance Committee Meeting

Since the transmittal of the May Budget to the Board of Supervisors, the Controller has issued the Nine-Month Budget Status Report, which has resulted in changes to Baseline General Fund Support for the MTA as required under Charter Section 8A.

MTA's proposed FY 2005-06 budget is based on the assumption that the MTA needed to correct for a revenue shortfall of approximately \$57.4 million. Overall, MTA's net budget has increased by \$24,797,510. Increased revenues result from a proposed transit fare increase for Muni which is estimated to increase revenues in FY 2005-06 by approximately \$13.1 million. In addition, the MTA budget is balance based on increased Parking Garage revenues of approximately \$2.8 million, increased parking permit revenue, parking meter revenue and parking fine revenue of approximately \$17.6 million (which is partially offset by increased coin counting costs of approximately \$1.4 million) and an increase in the Administrative Tow Fee of approximately \$550,000.

The MTA also receives Baseline General Fund Support as required under Charter Section 8.A. The Controller's Six-Month Budget Status Report, issued in February of 2005 estimated that the FY 2004-05 current year Baseline General Fund Support for the MTA would decline by approximately \$930,000 from the original budget for the current year. The Table below provides a comparison of the Controller's six-month projection to the original budget for Baseline General Fund Support.

**Decline in Baseline GFS in FY 2004-05 Based on Six-Month Report**

	Original FY 2004-05 MTA Budget	Controller's Six- Month Report Estimates	Over / (Under) Original Budget
Muni	\$ 98,859,258	\$ 98,109,258	\$ (750,000)
Parking and Traffic	<u>35,106,000</u>	<u>34,926,000</u>	<u>(180,000)</u>
Total	\$ 133,965,258	\$ 133,035,258	\$ (930,000)

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Further, the MTA's proposed FY 2005-2006 budget includes reduced Baseline General Fund Support of approximately \$2.6 million for Muni, offset by an increase of \$513,000 for Parking and Traffic based on initial estimates provided by the Controller, as shown in the table below.

**Baseline GFS in MTA's Proposed FY 2005-2006 Budget**

<b>Baseline GFS</b>	<b>FY 2004-2005 Proposed MTA Budget</b>	<b>FY 2005-2006 MTA Proposed Budget</b>	<b>Increase / (Decrease)</b>
Muni	\$ 98,859,258	\$ 96,252,208	\$ (2,607,050)
Parking and Traffic	<u>35,106,000</u>	<u>35,619,000</u>	<u>513,000</u>
Total	\$ 133,965,258	\$ 131,871,208	\$ (2,094,050)

On May 3, 2005, well after the MTA's proposed FY 2005-06 budget was transmitted to the Mayor and the Board of Supervisors, the Controller issued the updated Nine-Month Budget Status Report which projected an overall improvement in FY 2004-2005 General Fund revenues. This revenue improvement resulted in increased estimated Baseline General Fund Support for the MTA in the current fiscal year as shown in the table below.

**Nine-Month Report Improvement to MTA's FY 2004-2005 Baseline GFS**

	<b>Controller's Six- Month Report Estimates</b>	<b>Controller's Nine- Month Report Estimate</b>	<b>Over / (Under) Six- Month Estimate</b>	<b>Over / (Under) Original Budget</b>
Muni	\$ 98,109,258	\$ 101,320,000	\$ 3,210,742	\$ 2,460,742
Parking and Traffic	<u>34,926,000</u>	<u>36,070,000</u>	<u>1,144,000</u>	<u>964,000</u>
Total	\$ 133,035,258	\$ 137,390,000	\$ 4,354,742	\$ 3,424,742

Overall, because of projected over-expenditures by the MTA for platform salaries for Transit Operators and fuel costs, partially offset by planned expenditure savings, and revenue weaknesses in transit fares the Controller is projecting that the MTA will end FY 2004-2005 with an operating surplus of approximately \$2.69 million due to the increased Baseline General Fund Support described above.

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 May 10, 2005 Budget and Finance Committee Meeting

The increased FY 2004-2005 General Fund revenues estimated in the nine-month report also results in increased Baseline General Fund support for FY 2005-2006. Based on the current projections for General Fund discretionary revenues, the Controller has revised the estimated Baseline General Fund Support for the MTA as shown in the table below.

**Increased MTA Baseline GFS for FY 2005-2006 over MTA's Proposed Budget**

Baseline GFS	MTA Proposed FY 2005-06 Budget	FY 2005-06 May 10 Controller's Projection	Increase
Muni	\$ 96,252,208	\$ 101,814,000	\$ 5,561,792
Parking and Traffic	<u>35,619,000</u>	<u>36,614,000</u>	<u>995,000</u>
Total	\$ 131,871,208	\$ 138,428,000	\$ 6,556,792

Based on the changes to Baseline General Fund Support for the MTA in FY 2004-05 of \$4,354,732 over the six month projection described above and the increased Baseline General Fund Support estimated for the MTA's FY 2005-2006 proposed budget of \$6,556,792, the MTA will have \$10,911,534 more revenue than originally estimated in the preparation of the proposed FY 2005-2006 MTA budget. In addition, as noted above, the Controller now estimates that the MTA will finish the current FY 2004-05 with a surplus of \$2.69 million. This surplus of \$2,690,000 plus the increased Baseline General Fund Support for FY 2005-2006 of \$6,556,792 represents new sources of funds that totals an estimated \$9,246,792.

Our report also provides recommendations for expenditure savings resulting from our line item review as directed by the Budget and Finance Committee. Overall expenditure reductions identified in our review of the FY 2005-2006 MTA budget total \$2,888,963. The Budget Analyst notes however, that under Charter Section 8.A, the Board of Supervisors is not permitted to amend the MTA's proposed budget.

Memo to Budget and Finance Committee  
May 10, 2005 Budget and Finance Committee Meeting

Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Daly  
Supervisor Elsbernd  
Supervisor Ma  
Supervisor McGoldrick  
President Peskin  
Supervisor Alioto-Pier  
Supervisor Dufty  
Supervisor Maxwell  
Supervisor Mirkarimi  
Supervisor Sandoval  
Clerk of the Board  
Controller  
Erin McGrath  
Ted Lakey  
Cheryl Adams

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

**DEPARTMENT:** MTA – MUNICIPAL TRANSPORTATION AGENCY

**FINANCIAL DATA:**

The Municipal Transportation Agency’s proposed \$584,681,030 budget for FY 2005-2006 is \$24,797,510, or 4.4 percent more than the original FY 2004-2005 budget of \$559,883,520.

**SUMMARY OF PROGRAM EXPENDITURES:**

<b>Program</b>	<b>FY 2004-2005 Original Budget</b>	<b>FY 2005-2006 Proposed Budget</b>	<b>Proposed Increase (Decrease) vs. FY 2004-2005 Budget</b>
Caltrain Joint Powers Board	\$6,337,070	\$6,337,070	\$0
Fast Pass on BART	9,437,653	9,437,653	0
Legal	15,898,811	16,148,811	250,000
Muni Capital Planning & External	1,656,949	1,735,645	78,696
Muni Construction	10,560,745	3,821,924	(6,738,821)
Muni Executive Office, Security, Safety	16,827,132	17,361,249	534,117
Muni Finance & Administration	16,730,039	16,159,276	(570,763)
Muni Human Resources	5,693,764	6,060,966	367,202
Muni Maintenance	121,012,670	126,799,105	5,786,435
Muni Service Operations & Schedules	26,890,523	26,524,501	(366,022)
Muni Transportation	183,000,259	198,057,408	15,057,149
Muni-wide Benefits	25,790,031	27,648,249	1,858,218
Muni-wide Services	2,682,968	6,756,373	4,073,405
Paratransit	20,073,976	20,073,976	0
Parking & Traffic Administration	5,377,496	5,483,846	106,350
Parking & Traffic Enforcement	30,422,343	28,180,220	(2,242,123)
Parking Citations	11,456,452	12,425,537	969,085
Parking Garages, Lots & Meters	22,196,416	22,064,375	(132,041)
Residential Permit Parking	1,017,165	1,336,490	319,325
Traffic Engineering & Operations	13,122,192	23,956,034	10,833,842
Workers Compensation	24,025,000	26,945,300	2,920,300
Departmental Transfer Adjustment	(10,326,134)	(18,632,978)	(8,306,844)
<b>Total</b>	<b>\$559,883,520</b>	<b>\$584,681,030</b>	<b>\$24,797,510</b>

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

Department: **Municipal Transportation Agency (continued)**

**DEPARTMENT PERSONNEL SUMMARY:**

Including all positions, the total number of full-time equivalent positions budgeted for FY 2005-2006 is 4,494.38 FTEs, which is 154.96 FTEs less than the 4,749.34 FTEs in the original FY 2004-2005 budget. The MTA FTE count decrease is reduced to 150.25 when subtracting non-operating and work order funded positions. The FTE allocations by program are as follows:

<b>Full-Time Equivalent Positions:</b>				
<b>Program</b>	<b>FY 2004-2005 Original Budget</b>	<b>FY 2005-2006 Proposed Budget</b>	<b>Proposed Increase (Decrease) from 2004-2005 Original Budget</b>	<b>Proposed Increase (Decrease) from 2004-2005 Original Budget</b>
Muni Finance & Administration	121.15	120.01	(1.14)	
Muni Executive Office, Security, Safety	126.55	147.49	20.94	
Muni Capital Planning & External	5.45	4.56	(0.89)	
Muni Human Resources	48.65	49.47	0.82	
Muni Transportation	2,178.32	2,032.62	(145.70)	
Muni Maintenance	1,111.33	1,106.51	(4.82)	
Muni Service Operations & Schedules	<u>258.95</u>	<u>246.00</u>	<u>(12.95)</u>	
<b>Muni Subtotal</b>	<b>3,850.40</b>	<b>3,706.66</b>	<b>(143.74)</b>	<b>(143.74)</b>
Parking & Traffic Administration	22.14	24.65	2.51	
Parking Garages, Lots & Meters	30.53	29.53	(1.00)	
Parking & Traffic Enforcement	327.03	325.70	(1.33)	
Traffic Engineering & Operations	66.87	67.99	1.12	
Residential Permit Parking	13.16	16.19	3.03	
Parking Citation	44.94	44.84	(0.10)	
<b>Parking and Traffic Subtotal</b>	<b>504.67</b>	<b>508.90</b>	<b>4.23</b>	<b>4.23</b>
Temporary Salaries	30.71	19.97	(10.74)	(10.74)
<b>Total FTE</b>	<b>4,385.78</b>	<b>4,235.53</b>	<b>(150.25)</b>	<b>(150.25)</b>
<b>Non-Operating and Work Order Funded Positions</b>	<b>363.56</b>	<b>358.85</b>	<b>4.71</b>	<b>4.71</b>
<b>Net Total FTE</b>	<b>4,749.34</b>	<b>4,594.38</b>	<b>(154.96)</b>	<b>(154.96)</b>

As shown in the table above, the MTA's FY 2005-06 proposed budget includes a decrease of 150.25 FTEs. There is a decrease of 143.74 FTEs for MUNI and a 4.23 FTE increase for the Department of Parking and Traffic and a decrease in Temporary positions of 10.74 FTE. Overall, there is a reduction of 150.25 FTEs for MTA. This includes the FTEs associated with temporary salaries non-operating positions funded from capital Projects and workorder funded positions. Overall, there is a total FTE reduction of 10.74 in temporary positions in the proposed FY 05-06 MTA budget.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

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Department: **Municipal Transportation Agency (continued)**

As shown in the table above, the Executive Office, Security, and Safety Division is the Division has an increase in the MTA FY 2005-06 budget with an increase of 20.94 FTEs. This is primarily due to the addition of 4.50 new FTE MA04 Division Safety Officer positions and the addition of 15.00 FTE 9916 Public Service Aide-Public Works and an addition of 3.00 FTE 9914 Public Service Aide-Administration positions. These positions are newly created, resulting partially from the filling of positions using Permanent Salaries substituted from temporary salaries as part of the MUNI Transit Assistant Program. The MTA FY 2005-06 budget includes an FTE increase of 19.00 FTE for the Transit Assistant Program, offset by a reduction of 10.30 FTE in temporary FTE positions.

**DELETED POSITIONS**

The FY 2005-2006 proposed Municipal Transportation Agency budget deletes a total of 172.00 FTEs, including approximately 22 vacant positions and approximately 150 anticipated layoffs. These deleted positions and their savings are detailed in the table below:

<b>FY 2005-2006 Deleted Positions</b>			
<b>Class</b>	<b>Class Title</b>	<b>FTE</b>	<b>Total Reduction</b>
9163	Transit Operator	145.50	\$6,103,101
9139	Transit Supervisor	19.00	1,338,930
8214	Parking Control Officer	6.50	288,744
1002	IS Operator-Journey	1.00	47,865
	<b>Total</b>	<b>172.00</b>	<b>7,778,640</b>
	Mandatory Fringe Benefits*		2,302,477
	<b>TOTAL</b>	<b>172.00</b>	<b>\$10,081,117</b>

\* Estimated

As shown in the table above, 145.50 FTE position deletions are from Transit Operator positions. According to Ms. Deb Ward of the Municipal Transportation Agency (MTA), the MTA does not know the exact number of people that will be laid off resulting from the proposed FY 2005-06 budget. However, MTA reports that 150 notices were issued to MTA employees that they will be subject to a possible layoff. Ms. Ward advises that an additional 47 letters were sent to part-time operators stating that they must become full-time employees or possibly be laid off. Further, as of the writing of this report, the MTA is not sure if there will be any early retirements resulting from such layoffs since early retirements cannot occur until adoption of the budget.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

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Department: **Municipal Transportation Agency (continued)**

As identified above, the layoffs contained in the MTA's proposed FY 2005-06 budget includes approximately 145.5 transit operators. The FY 2005-06 budget includes zero layoffs of non-Transit Operator positions.

**NEW POSITIONS**

The FY 2005-2006 proposed Municipal Transportation Agency budget includes 13 new positions (9.50 FTEs due to partial year funding in FY 2005-06). These positions and their costs are detailed in the table below:

<b>Class</b>	<b>Class Title</b>	<b>FTE</b>	<b>Salary</b>	<b>Annual Salary for Each Position</b>
MA04	Division Safety Officer	4.50	\$424,171	\$94,260
1404	Clerk	2.25	\$95,642	42,507
1634	Principal Account Clerk	0.75	\$44,689	59,585
5207	Associate Engineer	0.75	\$65,322	87,096
7345	Electrician	0.75	\$56,024	74,698
8216	Sr. Parking Control Officer	0.50	\$26,531	53,062
	<b>Total</b>	<b>9.50</b>	<b>\$712,379</b>	<b>\$411,208</b>
	Mandatory Fringe Benefits*		\$210,864	
	<b>TOTAL</b>	<b>9.50</b>	<b>\$923,243</b>	

\*Mandatory Fringe Benefits are estimated

As shown in the table above, the largest FTE increase is 4.50 FTEs for MA04 Division Safety Officer positions. These positions, located in the Executive Office Division are responsible for the coordination and investigation of transit vehicle accidents. The remaining new positions are all in the Parking and Traffic Division.

**POSITION EXCHANGES**

The Municipal Transportation Agency's proposed FY 2005-2006 budget includes 119.30 FTE position substitutions. Parking and Traffic has a total of 13.00 FTE substitutions. The Municipal Railway has a total of 106.30 FTE substitutions. These position exchanges result in an increased salary costs in the proposed FY 2005-2006 budget by a total of \$350,262, or approximately 0.13 percent of the overall MTA salaries.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
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Department: **Municipal Transportation Agency (continued)**

The position exchanges can be classified into four categories as follows: a) New Management Classifications; b) Overhead Line Workers; c) Administrative Positions; and, d) the Transit Assistant Program. The new management classifications will be discussed in detail later in this report. The Overhead Line Workers, Administrative Positions, and Transit Assistant Program substitutions are discussed below.

**Overhead Line Worker Substitutions**

The MTA's FY 2005-06 budget includes the substitution of 25.0 FTE positions to 7366 Electronic Control System Technician positions. As shown in the table below, 24.0 FTE of the positions are being substituted from Electrical Line Worker positions for an increase in cost of \$131,746 in FY 2005-06. Further, there is one temporary position that would become a 7366 Electronic Control System Technician, with a minor cost savings. The substitutions are presented in the table below.

<b>FY 2004-05 Original Budget</b>				<b>FY 2005-06 Mayor's Proposed Budget</b>				
<b>Job Class</b>	<b>Job Title</b>	<b>FTE</b>	<b>Salary*</b>	<b>Job Class</b>	<b>Job Title</b>	<b>FTE</b>	<b>Salary*</b>	<b>Difference</b>
7338	Electrical Line Worker	24.00	\$1,754,455	7366	Electronic Control System Technician	24.0	\$1,887,753	\$133,298
MA03	MTA Overhead Line Worker	1.00	80,415	7366	Electronic Control System Technician	1.0	78,863	(1,552)
		<b>25.00</b>	<b>\$1,834,870</b>			<b>25.0</b>	<b>\$1,966,616</b>	<b>\$131,746</b>

\* Budgeted Salaries at top Step

The February 28, 2005 budget document presented to the MTA Board of Directors by MTA management stated that these positions maintain the electrical equipment and infrastructure required to operate trolley, bus, light rail, and historic streetcar vehicles. Staff indicated that the current pay scale for the 7338 Electrical Line Worker positions is low and that MUNI was unable to retain more experienced employees in these positions. Thus, MTA created a classification that increased qualifications and increased the salary rate.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

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Department: **Municipal Transportation Agency (continued)**

**Administrative Position Substitutions**

The MTA FY 2005-06 proposed budget includes numerous other substitutions. Many of the substitutions are related to administrative functions, such as Human Resources and Finance activities. The table below lists all administrative position substitutions for the MTA.

<b>FY 2004-05 Original Budget</b>				<b>FY 2005-06 Mayor's Proposed Budget</b>				
<b>Job Class</b>	<b>Job Title</b>	<b>FTE</b>	<b>Salary</b>	<b>Job Class</b>	<b>Job Title</b>	<b>FTE</b>	<b>Salary</b>	<b>Difference</b>
1241	Personnel Analyst	2.00	\$139,217	1244	Senior Personnel Analyst	2.00	\$162,924	\$23,707
1406	Senior Clerk	1.00	44,072	1408	Principal Clerk	1.00	58,179	14,107
1426	Senior Clerk Typist	1.00	48,448	1408	Principal Clerk	1.00	58,179	9,731
1842	Management Assistant	1.00	63,191	1241	Personnel Analyst	1.00	69,609	6,418
1404	Clerk	2.00	85,014	1424	Clerk Typist	2.00	88,358	3,344
1218	Payroll Supervisor	1.00	76,424	1226	Chief Payroll and Personnel Clerk	1.00	69,317	(7,107)
1446	Secretary II	1.00	53,406	1202	Personnel Clerk	1.00	47,254	(6,152)
1426	Senior Clerk Typist	1.00	48,448	1202	Personnel Clerk	1.00	47,254	(1,194)
		<b>10.00</b>	<b>\$558,220</b>			<b>10.00</b>	<b>\$601,074</b>	<b>\$42,854</b>

\* Budgeted Salaries at top Step

Overall, the administrative position substitutions represent an increase in the MTA's FY 2005-06 budget of \$42,854.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

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Department: **Municipal Transportation Agency (continued)**

**Transit Assistant Program**

As discussed previously, the MTA's FY 2005-06 proposed budget includes the creation of 19.00 new full-time positions in the Executive Office, Security, Safety Division. These new positions are part of the Transit Assistant Program operated by MTA. This program provides community based staff to ride buses to provide a sense of community and provide a community and security presence on buses, especially in areas of high incidents of crime.

FY 2004-05 Original Budget				FY 2005-06 Mayor's Proposed Budget				
Job Class	Job Title	FTE	Salary	Job Class	Job Title	FTE	Salary	Difference
TEMP	Temporary Positions	10.30	\$687,643	9910	Public Service Trainee	1.00	\$35,374	
				9914	Public Service Aide - Administration	3.00	93,530	
				9916	Public Service Aide - Public Works	15.00	341,510	
		10.30	\$687,643			19.00	\$470,414	(\$217,229)

While there is a savings based on salaries, there are associated costs from mandatory fringe benefits. We estimate these costs at approximately \$84,919 in the MTA FY 2005-06 budget. Inclusion of fringe benefits reduces the savings of this substitution from \$217,229 to approximately \$132,310.

**ATTRITION SAVINGS**

As part of the Budget Analyst's analysis for the Municipal Transportation Agency's proposed FY 2005-2006 budget, we reviewed the Agency's attrition savings. The overall MTA attrition rate is 8.70 percent. The attrition savings rate for the Municipal Railway is 7.68 percent, while the attrition savings rate for the Department of Parking and Traffic is 12.88 percent.

**DEPARTMENT REVENUES**

MTA's proposed FY 2005-06 budget is based on the assumption that the MTA needed to correct for a revenue shortfall of approximately \$57.4 million. Overall, MTA's net budget has increased by \$24,797,510. Increased revenues result from a proposed transit fare increase for Muni, which is expected to increase revenues in FY 2005-06 by approximately \$13.1 million as described in Comment 1 below. In addition, the MTA budget is balance based on increased Parking Garage revenues of approximately \$2.8 million, increased parking permit revenue, parking meter revenue and parking fine revenue of approximately \$17.6 million (which is offset by increased coin counting costs of approximately \$1.4 million) and an increase in the Administrative

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

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Department: **Municipal Transportation Agency (continued)**

Tow Fee of approximately \$550,000. Each of these revenue increases are more fully described in Comment 1, below.

The MTA also receives Baseline General Fund Support as required under Charter Section 8.A. The Controller's Six-Month Budget Status Report, issued in February of 2005 estimated that the FY 2004-05 current year Baseline General Fund Support for the MTA would decline by approximately \$930,000 from the original budget for the current year. The Table below provides a comparison of the Controller's six-month projection to the original budget for Baseline General Fund Support.

**Decline in Baseline GFS in FY 2004-05 Based on Six-Month Report**

	<b>Original FY 2004-4005 MTA Budget</b>	<b>Controller's Six- Month Report Estimates</b>	<b>Over / (Under) Original Budget</b>
Muni	\$ 98,859,258	\$ 98,109,258	\$ (750,000)
Parking and Traffic	<u>35,106,000</u>	<u>34,926,000</u>	<u>(180,000)</u>
Total	\$ 133,965,258	\$ 133,035,258	\$ (930,000)

Further, the MTA's proposed FY 2005-2006 budget includes reduced Baseline General Fund Support of approximately \$2.6 million for Muni, offset by an increase of \$513,000 for Parking and Traffic based on initial estimates provided by the Controller, as shown in the table below.

**Baseline GFS in MTA's Proposed FY 2005-2006 Budget**

<b>Baseline GFS</b>	<b>FY 2004-2005 Proposed MTA Budget</b>	<b>FY 2005-2006 MTA Proposed Budget</b>	<b>Increase / (Decrease)</b>
Muni	\$ 98,859,258	\$ 96,252,208	\$ (2,607,050)
Parking and Traffic	<u>35,106,000</u>	<u>35,619,000</u>	<u>513,000</u>
Total	\$ 133,965,258	\$ 131,871,208	\$ (2,094,050)

On May 3, 2005, well after the submittal of the MTA's proposed FY 2005-06 budget to the Mayor and the Board of Supervisors, the Controller issued the updated Nine-Month Budget Status Report which projected an overall improvement in FY 2004-2005 General Fund Revenue. This revenue improvement resulted in increased estimated Baseline General Fund Support for the MTA in the current fiscal year as shown in the table below.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR  
AMENDMENT OF BUDGET ITEMS  
2005-2006**

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Department: **Municipal Transportation Agency (continued)**

**Nine-Month Report Improvement to MTA's FY 2004-2005 Baseline GFS**

	<b>Controller's Six- Month Report Estimates</b>	<b>Controller's Nine- Month Report Estimate</b>	<b>Over / (Under) Six- Month Estimate</b>	<b>Over / (Under) Original Budget</b>
Muni	\$ 98,109,258	\$ 101,320,000	\$ 3,210,742	\$ 2,460,742
Parking and Traffic	<u>34,926,000</u>	<u>36,070,000</u>	<u>1,144,000</u>	<u>964,000</u>
Total	\$ 133,035,258	\$ 137,390,000	\$ 4,354,742	\$ 3,424,742

Overall, because of projected over-expenditures by the MTA for platform salaries for Transit Operators and fuel costs, partially offset by planned expenditure savings, and revenue weaknesses in transit fares the Controller is projecting that the MTA will end FY 2004-2005 with an operating surplus of approximately \$2.69 million due to the increased Baseline General Fund Support described above.

The increased FY 2004-2005 General Fund revenues estimated in the nine-month report also results in increased Baseline General Fund support for FY 2005-2006. Based on the current revenue projections, the Controller has revised the estimated Baseline General Fund Support for the MTA as shown in the table below.

**Increased MTA Baseline GFS for FY 2005-2006 over MTA's Proposed Budget**

<b>Baseline GFS</b>	<b>MTA Proposed FY 2005-06 Budget</b>	<b>FY 2005-06 May 10 Controller's Projection</b>	<b>Increase</b>
Muni	\$ 96,252,208	\$ 101,814,000	\$ 5,561,792
Parking and Traffic	<u>35,619,000</u>	<u>36,614,000</u>	<u>995,000</u>
Total	\$ 131,871,208	\$ 138,428,000	\$ 6,556,792

Based on the changes to Baseline General Fund Support for the MTA in FY 2004-05 of \$4,354,732 over the six month projection described above and the increased Baseline General Fund Support estimated for the MTA's FY 2005-2006 proposed budget of \$6,556,792, the MTA will have \$10,911,534 more revenue than originally estimated in the preparation of the proposed FY 2005-06 MTA budget. In addition, as noted above, the Controller now estimates that the MTA will finish the current FY 2004-05 with a surplus of \$2.69

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million. This surplus of \$2,690,000 plus the increased Baseline General Fund Support for FY 2005-2006 of \$6,556,792 represents new sources of funds that totals an estimated \$9,246,792.

**Comments:**

**1. Fare Increases**

To partially fund MTA's projected \$57.4 million shortfall, the FY 2005-06 MTA budget proposes a fare increase for the Municipal Railway and increases to Parking and Traffic parking meter fees parking fines, garage parking rates, and residential parking permits.

**MUNI Fare Increases**

The FY 2005-06 proposed MTA budget includes fare increases for MUNI buses and light rail vehicles. The fare increases included in the proposed budget and the increased revenue are shown in the table below.

<b>Fare Type</b>	<b>Current Fare</b>	<b>Proposed Fare</b>	<b>Increase</b>	<b>Percent Increase</b>	<b>Budgeted Revenue Increase</b>
Adult Cash	\$1.25	\$1.50	\$0.25	20.0%	\$4,424,167
Senior/Disabled Cash	\$0.35	\$0.50	\$0.15	42.9%	767,500
Youth Cash	\$0.35	\$0.50	\$0.15	42.9%	405,833
Cable Car Cash	\$3.00	\$5.00	\$2.00	66.7%	2,653,223
Cable Car Souvenir	\$3.00	\$5.00	\$2.00	66.7%	1,077,983
FastPass (Adult)	\$45.00	\$50.00	\$5.00	11.1%	3,076,242
Discount Monthly Fast Pass - Senior, Disabled	\$10.00	\$12.00	\$2.00	20.0%	471,114
Discount Monthly Fast Pass - Youth	\$10.00	\$12.00	\$2.00	20.0%	249,403
Weekly Pass	\$12.00	\$15.00	\$3.00	25.0%	148,870
1 Day Passport	\$9.00	\$11.00	\$2.00	22.2%	245,253
3 Day Passport	\$15.00	\$18.00	\$3.00	20.0%	226,660
7 Day Passport	\$20.00	\$24.00	\$4.00	20.0%	101,133
Class Pass	\$15.00	\$18.00	\$3.00	20.0%	26,667
Tokens	\$10.50	\$15.00	\$4.50	42.9%	819,744
Other Fares	various	various	N/A	N/A	427,495
New Lifeline FastPass Program					(2,000,000)

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<b>Total Increased Fare Revenue</b>		<b>\$13,121,287</b>
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As shown in the table above, MUNI anticipates generating an additional \$15 million in revenue. This is offset by a loss of \$2 million dollars from implementation of the new Lifeline FastPass Program.

**Lifeline FastPass Program**

The FY 2005-06 proposed MTA budget includes funding for a new Lifeline FastPass Program. The Lifeline FastPass Program is a program that will be administered by the Department of Human Services to provide subsidized FastPasses to low income residents of the City of San Francisco at a reduced cost of \$35.00. DHS will develop income eligibility standards to determine if residents qualify and will distribute the FastPasses to eligible recipients. The FY 2005-06 MTA budget assumes a reduction in fare revenue of \$2,000,000 to provide subsidized Lifeline FastPasses. Further, the budget contains a new work order to DHS for \$250,000 to administer the program.

**Parking and Traffic Parking Garage Rate Increases**

The proposed FY 2005-06 budget includes increases in parking rates for various garages operated by MTA. The MTA Board of Directors approved increases to Parking Garages on February 28, 2005. Ms. Diana Hammons of the MTA reports that the increased rates for parking garages were effective on April 1, 2005. The FY 2005-06 proposed budget is balanced based on the increased revenue from the increased parking rates for a full year in FY 2005-06. The MTA's FY 2005-06 budget includes an increase of \$2,836,000 in revenue from the increased rates at parking garages. MTA is using the increased revenue to offset the \$57 million projected revenue shortfall in their FY 2005-06 budget.

**Parking and Traffic Parking Meter, Parking Fine, and Residential Parking Permit Fee Increases**

The proposed MTA FY 2005-06 Budget includes (a) an increase in parking meter rates (File No. 05-0370) for all four of the on-street Meter Rate Areas, and all off-street parking meter areas, by \$1.00 per hour; (b) an increase of \$5 to \$50 for parking fines (File No. 05-0372) for 107 parking violations, and a decrease in three other parking fines of \$3 for each violation; and (c) an increase for Residential Parking Permit (RPP) fees (File Nos. 05-0329 & 05-0371). The proposed MTA FY 2005-06 Budget includes a total of \$17,574,628 in new revenues as a result of these subject parking meter, parking fine, and RPP fee increases, for a total of \$129,974,416 of revenues from these subject revenue sources.

The Budget Analyst's report on the proposed ordinances to increase parking meter rates, parking fines, and RPP fees notes that more recent revenue projections by the MTA show a total increase of \$16,693,042 of revenues in FY 2005-06 as a result of the proposed ordinances, for a total of \$129,092,830 from these subject

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revenue sources. The total difference in projections for these subject proposed ordinances, as shown below, is \$881,586 less projected in total parking meter, parking fine, and RPP fee revenues for the MTA in FY 2005-06 than the MTA has included in the proposed FY 2005-06 Budget. The table below shows a summary of the changes based on current projections compared to the budgeted revenues included in the MTA budget.

<b>Legislative Items Budgeted vs. Updated Projected Revenue Increase</b>				
<b>File No.</b>	<b>Subject</b>	<b>MTA Proposed FY 2005-2006 Budget Projected Increase</b>	<b>Updated Projected Increase</b>	<b>Difference</b>
05-0329 05-0371	Residential Parking Permits	\$2,637,896	\$2,091,492	(\$546,404)
05-0370*	Parking Meters	6,006,314	7,440,940	\$1,434,626
05-0372**	Parking Fines	7,605,844	5,836,036	(\$1,769,808)
<b>Total</b>		<b>\$16,250,054</b>	<b>\$15,368,468</b>	<b>(\$881,586)</b>
<p>*As noted in the Budget Analyst's report on Item 05-0370, the proposed hourly parking meter rate increase would result in additional coin collection and counting costs of \$1,324,574 in FY 2005-2006. The values above are net projected revenue increases, after subtracting the additional costs from the gross projected revenues.</p>				
<p>**As noted in the Budget Analyst's report on Item 05-0372, parking fine revenues owed by DPT to the Port are likely to increase in FY 2005-2006, although the amount by which such revenues owed will increase has not been determined by the Port and the MTA, and the payment of such additional revenues will have a further negative impact on the MTA's Budget.</p>				

The MTA has stated this revenue shortfall will be absorbed within the FY 2005-06 budget through expenditure reductions. As of the writing of this report, the MTA has not provided the Budget Analyst with specific details regarding the nature of how this shortfall will be absorbed.

**Parking and Traffic Administrative Tow Fee Increase**

The proposed MTA FY 2005-06 budget includes an increase in the administrative tow fee from \$50 to \$60, which is budgeted to achieve increased revenues of \$553,855. The overall increase in the Administrative Tow Fee is \$937,555. However, \$553,855, of the \$937,555 increase in revenue, is associated with the increased fee.

<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Increase</b>	<b>Percent Increase</b>	<b>Budgeted Revenue Increase</b>
\$50	\$60	\$10.00	20.0%	\$553,855

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Section 170.1 (Administrative Fee) of the Traffic Code permits a "fee to reimburse the City and County for costs incurred in the administration of the procedures for removing vehicles." Section 170.1 further states that the "Director of the Department of Parking and Traffic or his or her duly authorized representative is authorized to establish the fee to be so charged or collected, provided however that the fee shall not exceed an amount reasonably calculated to cover the actual costs incurred by the City and County in the exercise and administration" of the program. Thus, the MTA's proposed FY 2005-06 includes the increase of the Administrative Tow Fee from \$50 to \$60.

**2. Municipal Railway Service Adjustments and Line Restructuring**

In order to achieve cost savings in the MTA's proposed FY 2005-06 Budget, the MTA has proposed a series of service adjustments (lengthening of headway times between bus runs and train runs by one to two minutes) and line restructuring for 35 bus lines and all five Metro rail lines. Further, Muni has proposed labor savings by reducing scheduled overtime for runs and eliminating stand-by runs and other non-driving assignments. The MTA estimates total savings from such proposals in FY 2005-06 as \$15,034,074, all from reduced labor costs (\$15,034,074 includes (a) a reduction in permanent platform salaries of \$6,103,101, (b) a reduction in scheduled overtime of \$6,130,973, and (c) a reduction in unscheduled overtime of \$2,800,000).

An April 14, 2005 Memorandum to the MTA Board of Directors states that the MTA plans to submit proposed service adjustments and line restructuring for approval in May of 2005. The April 14, 2005 Memorandum to the MTA Board of Directors further states that Muni is required by Proposition E to maintain a load factor (the number of passengers per transit vehicle in relation to vehicle capacity) of no more than 85 percent during peak periods and 65 percent during off-peak periods and that the proposed services adjustments will not violate that standard.

The Budget Analyst notes that the MTA's proposed FY 2005-06 Budget does not include fuel, maintenance, and other administrative savings that result from the proposed. Further, the MTA has not estimated a ridership reduction as a result of the reduced service, as the agency estimated for the proposed fare increase. Ms. Taylor Emerson of the MTA advises that the MTA did not estimate ridership reductions that would result from service adjustments and line restructuring because the MTA considers such changes to be relatively minor and not resulting in a noticeable decline in service. The Budget Analyst notes that the MTA has not finalized the proposed service reductions for the FY 2005-06 budget. Attachment I to this report is the Memo presented to the MTA Board of Directors on April 14, 2005 that shows potential service changes in the MTA FY 2005-06 budget.

**3. Management Reclassification Plan**

The FY 2005-2006 Budget for the Municipal Transportation Agency (MTA) includes reclassifications for 63.0 FTE positions into a new Management classification series. Of these reclassified positions, 44.0 were

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management positions in FY 2004-2005. The remaining 19.0 positions were not management positions but were reclassified upward into management classes. MTA initially participated in the Department of Human Resources' Management Classification and Compensation Plan (MCCP) of management positions, but opted not to participate in February of 2004 and conducted the management reclassification study internally. DHR began an initial review of the management positions in MTA, but did not complete the process.

Under Charter Section VIII.A.104, the MTA is authorized to "create new classifications and positions in those classifications exempt from the civil service system for managerial employees." Thus, to comply with the Charter, the MTA created new Agency-specific job classifications for exempt management positions, rather than use existing citywide job classes. The new MTA management job classifications were created in October of 2004.

The Budget Analyst notes that the new management reclassification system does not contain cost increases in the MTA FY 2005-2006 proposed budget when budgeted at the top step because adjustments are made for below top step salaries. However, the proposed reclassification of these 63 positions could result in increased salary costs of \$319,363 annually without these adjustments in future years.

The Management reclassifications are shown in the table below.

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FY 2004-05 Original Budget				FY 2005-06 Mayor's Proposed Budget				
Job Class	Job Title	FTE	Salary	Job Class	Job Title	FTE	Salary	Difference
1675	Supervising Fiscal Officer	4.0	\$422,900	9179	Manager V, MTA	4.0	\$462,916	\$40,016
7228	Automotive Transit Shop Supervisor I	1.0	90,985	9180	Manager VI, MTA	1.0	124,572	33,587
1071	Information Services Manager	3.0	400,728	9182	Manager VIII, MTA	3.0	429,360	28,632
9184	Deputy General Manager, DPT	3.0	460,431	9187	Deputy Director II, MTA	3.0	487,524	27,093
1454	Executive Secretary	1.0	68,999	9172	Manager II, MTA	1.0	92,935	23,936
1272	Senior Departmental Personnel Director	3.0	324,963	9179	Manager V, MTA	3.0	347,187	22,224
7283	Track Maintenance Supt, Muni Railway	1.0	80,497	9177	Manager III, MTA	1.0	99,993	19,496
9146	Manager, Elderly & Handicapped, Muni	1.0	81,606	9177	Manager III, MTA	1.0	99,993	18,387
9184	Deputy General Manager, DPT	2.0	296,288	9187	Deputy Director II, MTA	2.0	313,722	17,434
9143	Senior Operations Manager	10.0	1,230,570	9180	Manager VI, MTA	10.0	1,245,720	15,150
1248	Assistant Division Manager, Personnel	2.0	216,642	9179	Manager V, MTA	2.0	231,458	14,816
7329	Electronics Maintenance Tech Asst. Supv.	1.0	89,419	9174	Manager IV, MTA	1.0	103,852	14,433
9160	Transit Operations Specialist	1.0	86,835	9177	Manager III, MTA	1.0	99,993	13,158
1270	Departmental Personnel Officer	1.0	96,424	9174	Manager IV, MTA	1.0	107,591	11,167
9184	Deputy General Manager, DPT	1.0	153,477	9187	Deputy Director II, MTA	1.0	162,508	9,031
0931	Manager III	1.0	107,591	9179	Manager V, MTA	1.0	115,729	8,138
9160	Transit Operations Specialist	1.0	86,835	9172	Manager II, MTA	1.0	92,935	6,100
5212	Principal Engineer	1.0	132,849	9182	Manager VIII, MTA	1.0	138,147	5,298
1276	Departmental Personnel Director	1.0	119,407	9180	Manager VI, MTA	1.0	124,572	5,165
9143	Senior Operations Manager	1.0	123,057	9180	Manager VI, MTA	1.0	124,572	1,515
9189	Director of Planning, Muni Railway	1.0	114,351	9179	Manager V, MTA	1.0	115,729	1,378
8221	Chief of Protective Services, Transportation Comm.	1.0	106,293	9174	Manager IV, MTA	1.0	107,591	1,298
6141	Manager, Office of Health & Safety	1.0	107,239	9174	Manager IV, MTA	1.0	107,591	352
0942	Manager VII	1.0	138,147	9182	Manager VIII, MTA	1.0	138,147	0
0941	Manager VI	1.0	129,299	9181	Manager VII, MTA	1.0	129,299	0
0933	Manager V	1.0	124,572	9180	Manager VI, MTA	1.0	124,572	0
0932	Manager IV	4.0	450,853	9179	Manager V, MTA	4.0	450,853	0
0931	Manager III	3.0	322,773	9174	Manager IV, MTA	3.0	322,773	0
0922	Manager I	6.0	557,610	9172	Manager II, MTA	6.0	557,610	0
MA01	MTA Manager I	1.0	86,337	9175	Manager I, MTA	1.0	86,337	0
MA02	MTA Board Secretary	1.0	115,729	9190	Board Secretary, MTA	1.0	115,729	0
0922	Manager I	1.0	92,935	9175	Manager I, MTA	1.0	86,337	(6,598)
5504	Project Manager II	1.0	111,836	9177	Manager III, MTA	1.0	99,993	(11,843)
<b>TOTAL</b>		<b>63.0</b>	<b>\$7,128,477</b>			<b>63.0</b>	<b>\$7,447,840</b>	<b>\$319,363</b>

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Department: **Municipal Transportation Agency (continued)**

**4. Employee Badges for MUNI Services**

MUNI allows employees to show their employee badge in lieu of paying transit fares. Transit operators have the same privileges, but that privilege is incorporated into their MOU. However, for non-Platform employees the ability to use an employee ID and not pay is a perk and is costing the MTA revenue. This employee benefit, not available to employees of the Department of Parking and Traffic, is potentially costing MTA revenue because employees who would otherwise travel to work and for personal business are travelling for free.

The FY 2005-06 MTA budget includes 1,756 FTE non-Platform positions that potentially could use a MUNI ID badge in lieu of paying fares. Thus, under the current rate structure for a monthly FastPass of \$45, if every possible employee purchased a FastPass for the entire year an additional \$948,240 could be generated. With the proposed FastPass increase of \$50 and additional \$1,053,600 could be generated. The Budget Analyst notes that it is unlikely that every MUNI employee would purchase a monthly FastPass, however, some MUNI employees would purchase FastPasses or pay the Adult Cash fare which would generate additional revenue for the MTA. The estimated revenue generated from ending the practices of non-Platform employees riding MUNI free is between \$0 (no employees would ride MUNI) to \$1,053,600 (all employees would purchase FastPasses).

Ms. Deb Ward advises that employees of the Police, Fire and Sheriff's Department also can show their badge in order to ride the system to and from work or while performing the functions of their job.

**5. Move to 1 South Van Ness**

The FY 2005-06 MTA budget includes plans to consolidate MTA administrative functions into one location at One South Van Ness. The MTA would enter into a lease for building at One South Van Ness and plans to move into this facility in early FY 2005-06. The lease includes an option to purchase the building for \$71,500,000, or approximately \$145 per square foot of rentable area. The current plans are for the Real Estate Division to seek purchase of the building at One South Van Ness around June of 2006. Costs Included in the MTA's proposed FY 2005-06 budget associated with the potential move to One South Van Ness are shown in the table below.

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<b>Rent Paid by MTA in Associate with One South Van Ness in FY 2005-06 Budget</b>			
<b>Program</b>	<b>FY 2004-05 Budget Amount</b>	<b>FY 2005-06 Budget Amount</b>	<b>Difference</b>
MUNI Construction	\$2,124,265	\$2,124,265	0
Capital Planning & External Affairs	492,812	492,812	0
MUNI Wide Services	0	200,000	200,000
Human Resources	139,011	139,011	0
<b>TOTAL</b>	<b>\$2,756,088</b>	<b>\$2,956,088</b>	<b>\$200,000</b>

\* This includes the MUNI Operating Fund and the MUNI Railway Personnel Fund.

The FY 2005-06 MTA budget includes \$200,000 of costs associated with the move to One South Van Ness. As shown above, there is no decrease in the amounts for building leases and rentals in the FY 2005-06 MTA budget associated with the consolidation of MTA offices to One South Van Ness. The Budget Analyst's Office received a memo from the Real Estate Division stating that the new lease will result in savings for the MTA. However, the Budget Analyst notes that the MTA FY 2005-06 budget includes a reduction of only \$94,912 for Rents & Leases-Buildings & Structures. Ms. Taylor Emerson advises that MTA will realize savings in future years related to the move to One South Van Ness. The proposed resolution authorizing the lease (File No. 05-0763) is currently pending before the Finance Committee and will receive detailed analysis by the Budget Analyst's Office.

**6. Transit Operators Salaries**

Under Charter Section 8A.404, the MTA will determine the wages for Transit Operators by taking the average of the two highest wage schedules for Transit Operators in comparable jurisdictions. According to MTA, the two comparable jurisdictions with the highest wage schedules are the Massachusetts Bay Transportation Authority (MBTA) and the Santa Clara County Valley Transportation Authority (VTA). Thus, any changes in the MOU for Transit Operators at these organizations will impact the salary schedule of Transit Operators for the MTA. Staff report that the MOUs for these organizations do not end in the FY 2005-06. The MOU for the MBTA expires on June 30, 2006 and the MOU for the VTA expires on June 30, 2007. The Platform Salaries included in the FY 2005-06 budget includes anticipated cost of living allowance of 3.65%. The FY 2005-06 MTA budget does not include a set-aside of funds in anticipation of increased Transit Operators salaries.

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**7. Proposed Contract with AutoReturn**

As part of the FY 2005-06 budget, MTA seeks to enter into a contract with AutoReturn for (a) the dispatching of tow trucks, (b) the storage of towed vehicles, (c) the staffing of a customer service center, and (d) the disposal of unclaimed vehicles pursuant to the California Vehicle Code through auctions or dismantling centers. The Controller's Office has determined that the proposed contract with AutoReturn satisfies the requirements of Charter Section 10.104.15, which requires that "services can be practically performed under private contract at a lesser cost than similar work performed by employees of the City and County of San Francisco."

The Controller has determined that contracting with AutoReturn for the purposes stated above for the MTA for FY 2005-06 would result in estimated savings as shown in the following chart:

<b>City-Operated Service Costs</b>	<b>Highest Salary Step</b>
Salaries	\$9,117,997
Fringe Benefits	4,133,058
Operating Costs	3,144,563
Capital Costs	<u>1,295,000</u>
<b>Total</b>	\$17,690,619
<b>Contractual Services Cost</b>	<u>14,067,386</u>
<b>Estimated Savings</b>	\$3,623,232

Source: Controller's Office

According to Ms. Diana Hammons of DPT, the proposed contract with AutoReturn is revenue generating and includes an increase in the contractor's per tow fee paid to the MTA of \$4.97 from \$15.03 to \$20.00 per vehicle towed, which the MTA estimates will result in additional revenues in FY 2005-06 of \$187,711.

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<u>Page</u> <u>No.</u>	<u>Object</u>	<u>Position/ Equipment Number</u>	<u>Number</u>		<u>Amount</u>		<u>Savings</u>	
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
<b><u>BEB--Capital Planning and External Affairs - 5MAAAAAA</u></b>								
113	001	Permanent Salaries-Misc			\$344,678	\$275,341	*	
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
165	001	Public Information Officer	1312A	0.50	0.00	30,535	0	30,535
		Delete 0.50 FTE Public Information Officer. This position is a long-term vacancy that has been vacant for more than one year.						
165	001	Photographer	1770A	0.75	0.00	38,802	0	38,802
		Delete 0.75 FTE Photographer. This position is a long-term vacancy that has been vacant for more than one year.						
113	013	Mandatory Fringe Benefits				99,686	79,162	20,524
		Corresponds to the reduction in Permanent Salaries.						

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<b>Page</b>	<b>No.</b>	<b>Object</b>	<b>Position/ Equipment</b>	<b>Number</b>		<b>Amount</b>		<b>Savings</b>
			<b>Number</b>	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>	
113	029	Maintenance Svcs-Equipment				10,000	4,200	5,800
		Reduce to reflect projected FY 2004-05 under expenditure for this object. Capital Planning and External Affairs expended a total of \$4,193 for maintenance services on equipment in FY 2003-04. Overall, the Department has budgeted over \$3 million for Maintenance Services Equipment.						
113	031	Rents & Leases-Equipment				3,000	0	3,000
		Reduce to \$0. The MTA budgeted \$3,000 in FY 2003-04 and FY 2004-05. In both years, the expenditure level was \$0.						
113	035	Other Current Expenses				396,949	100,000	296,949
		Reduce to \$100,000. This reduction reflects the FY 2004-05 expenditure level. In FY 2004-05 the projected expenditure level is \$90,824. In FY 2003-04 for Other Current Expenses, Capital Planning and External Affairs expended \$14,992. Overall, the Department has budgeted \$ 27 million for Other Current Expenses.						

**BEE--Human Resources - 5MAAAAAA**

118	001	Permanent Salaries-Misc				3,629,629	3,560,126	*
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\* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

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<b>Page No.</b>	<b>Object</b>	<b>Position/ Equipment Number</b>	<b>Number</b>		<b>Amount</b>		<b>Savings</b>	
			<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>		
168	001	Affirmative Action Specialist	1233A	3.00	2.00	208,508	139,005	69,503
		Delete 1.00 FTE 1233 Affirmative Action Specialist. This position is a long-term vacancy that has been vacant for more than one year. With this reduction, the Human Resources Program will still have 2.00 FTE 1233 Affirmative Action Specialists positions, one of which has been vacant for more than one year.						
118	013	Mandatory Fringe Benefits				1,038,197	1,017,624	20,573
		Corresponds to the reduction in Permanent Salaries.						
118	021	Travel				4,000	1,000	3,000
		Reduce to reflect projected FY 2004-05 expenditure level of \$726. The Human Resources Division expended a total of \$2,049 for travel in FY 2003-04. Overall, the Department has budgeted \$74,848 for Travel in FY 2005-06.						
118	022	Training				76,697	10,000	66,697
		Reduce to reflect projected FY 2004-05 expenditure level of \$8,734. The Human Resources Division expended a total of \$8,125 for training in FY 2003-04.						

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<b>Page</b>			<b><u>Position/ Equipment</u></b>	<b><u>Number</u></b>		<b><u>Amount</u></b>		<b><u>Savings</u></b>
<b><u>No.</u></b>	<b><u>Object</u></b>		<b><u>Number</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	
118	027	Professional & Specialized Services				446,500	365,100	81,400
		Reduce to reflect projected FY 2004-05 under expenditure for this object. The Human Resources Division expended a total of \$342,539 for Professional & Specialized Services in FY 2003-04.						
118	035	Other Current Expenses				170,660	50,000	120,660
		Reduce to reflect projected FY 2004-05 expenditure level of \$48,366. The Human Resources Division expended a total of \$33,326 in FY 2003-04 for Other Current Expenses.						

**BEL--Finance & Administration Division - 5MAAAAAA**

126	022	Training				102,597	67,000	35,597
		Reduce to reflect projected FY 2004-05 expenditure level of \$44,609. The Finance and Administration Division expended a total of \$53,186 for training in FY 2003-04.						

**BEM--Municipal Railway Executive Office - 5MAAAAAA**

131	001	Permanent Salaries-Misc				9,376,296	8,952,125	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

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			<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>		
177	001	Division Safety Officer	MA04AN	4.50	0.00	424,171	0	424,171
		Deny 4.50 FTE new MA04 Division Safety Officer positions. The Department indicated these positions were for investigation into accidents. The Budget Analyst concludes that MUNI has not justified these positions. MUNI has not justified the need based on increased accident costs or potential savings.						
179	001	Transit Fare Inspector	9132A	21.00	20.00	1,143,612	1,089,154	54,458
		Delete 1.00 FTE Transit Fare Inspector. This position is a long-term vacancy that has been vacant for more than one year. With this reduction of 1.00 FTE, the Executive Office, Security, Safety Division will still have 20.00 FTE 9132 Transit Fare Inspector positions.						
131	013	Mandatory Fringe Benefits				2,959,897	2,818,223	141,674
		Corresponds to the reduction in Permanent Salaries.						
131	022	Training				476,967	292,588	184,379
		Reduce to reflect projected need. The Executive Office expended \$275,262 on training in FY 2003-04. In FY 2004-05 the projected expenditure level for training is \$49,831.						

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			<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>	
131	023	Employee Field Expense			3,169	200	2,969
		Reduce to reflect projected FY 2004-05 expenditure level of \$177. The Executive Office expended a total of \$114 for employee field expenses in FY 2003-04.					
131	027	Professional & Specialized Services			284,000	208,000	76,000
		Reduce to reflect projected FY 2004-05 expenditure level of \$201,161. The MTA has not justified this level of funding. The Executive Office expended a total of \$186,627 for Professional & Specialized Services in FY 2003-04. Overall, the Department has budgeted \$19,333,491 for Professional and Specialized Services in the MTA budget.					
131	029	Maintenance Svcs-Equipment			7,117	2,800	4,317
		Reduce to reflect projected FY 2004-05 expenditure level of \$2,648. The Executive Office expended a total of \$2,289 for Maintenance Services-Equipment in FY 2003-04. Overall, the Department has budgeted \$3,031,313 for Maintenance Services-Equipment.					
131	031	Rents & Leases-Equipment			10,625	0	10,625
		Reduce to reflect FY 2004-05 expenditure level of \$273 for vehicle rental. The Executive Office budgeted \$10,625 in FY 2004-05 and expended no funds. Overall, the MTA has budgeted \$1,629,800 on rents and leases for equipment in FY 2005-06.					

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**BEN--MUNI Transportation - 5MAAAAAA**

134	001	Permanent Salaries-Misc					5,665,503	5,595,033	*
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\* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

181	001	Transit Supervisor	9139	62.00	60.00		4,369,140	4,298,670	70,470
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Delete 2.00 FTE Transit Supervisor positions. Although the MUNI Transportation Program deleted 4.00 FTE 9139 Transit Supervisor positions in the FY 2005-06 budget, this program had a total of 9.00 FTE 9139 Transit Supervisor positions vacant, 8 of which were long-term vacancies that have been vacant for more than one year.

134	013	Mandatory Fringe Benefits					48,391,048	48,370,189	20,859
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Corresponds to the reduction in Permanent Salaries.

**BEQ--Maintenance - 5MAAAAAA**

136	001	Permanent Salaries-Misc					70,109,713	69,814,074	*
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\* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

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			<b>Number</b>	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>	
184	001	Senior Clerk Typist	1426A	9.00	8.00	436,032	387,584	48,448
		Delete 1.00 FTE 1426 Senior Clerk Typist position. This position is a long-term vacancy that has been vacant for longer than one year. With this reduction, the Maintenance Division will still have 7.00 Senior Clerk Typist positions, three of which are long-term vacancies.						
185	001	Parts Storekeeper	1929A	30.00	28.00	1,567,190	1,462,710	104,480
		Delete 2.00 FTE 1929 Parts Storekeeper positions. These positions are a long-term vacancies that have been vacant for longer than one year. With this reduction, the Maintenance Division will still have 28.00 Parts Storekeeper positions, one of which is a long-term vacancies that has been vacant for more than one year.						

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
184	001	Gardener	3417A	3.00	2.00	155,585	103,723	51,862
		Delete 1.00 FTE 3417 Gardener positions. This position is a long-term vacancy that has been vacant for longer than one year. With this reduction, the Maintenance Division will still have 2.00 Gardener positions, both of which are currently vacant.						
		Electronics Maintenance Tech						
186	001	Asst Supvr.	7329A	16.00	15.00	1,453,589	1,362,740	90,849
		Delete 1.00 FTE 7329 Electronics Maintenance Tech Asst Supvr position. This position is a long-term vacancy that has been vacant for longer than one year. With this reduction, the Maintenance Division will still have 16.00 7329 Electronics Maintenance Tech Asst Supvr position, one of which has been vacant for more then a year.						
136	013	Mandatory Fringe Benefits				22,194,398	22,106,889	87,509
		Corresponds to the reduction in Permanent Salaries.						

**BER--MUNI Service Operations & Schedules - 5MAAAAAA**

140	001	Permanent Salaries-Misc				16,670,873	16,529,933	*
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\* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

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192	001	Transit Supervisor	9139A	123.00	121.00	8,667,810	8,526,870	140,940
		Delete 2.00 FTE Transit Supervisor positions. Although the MUNI Service Operations & Schedules Program deleted 9.00 FTE 9139 Transit Supervisor positions in the FY 2005-06 budget, this program had a total of 21.00 FTE 9139 Transit Supervisor positions vacant, all of which are long-term vacancies that have been vacant for more than one year. With these reductions and MTA's reduction of 9.00 FTE, the MUNI Service Operations & Schedules Program will have a total of 112.00 FTE 9130 Transit Supervisor positions.						
140	013	Mandatory Fringe Benefits				5,988,637	5,946,919	41,718
		Corresponds to the reduction in Permanent Salaries.						
<b>Subtotal - MUNI Recommended Reductions</b>								<b>\$2,348,768</b>

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<b><u>No.</u></b>	<b><u>Object</u></b>		<b><u>Number</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	

**DEPARTMENT OF PARKING AND TRAFFIC**

**BKP--Parking Authority - 5NOPFAAA**

157	040	Materials & Supplies Budget Only				763,142	308,307	454,835
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Reduce to reflect projected FY 2004-05 under expenditure for this object. The Traffic Engineering & Operations Division expended a total of \$290,050 for materials and supplies FY 2003-04. The Department indicated that the under expenditure is because the Department plans to purchase equipment related to parking meter Smart Cards, which could possibly be delayed resulting from reduced revenues.

**BKQ--Enforcement - 5NAAAAAA**

159	028	Maintenance Svcs-Building & Structures				30,600	19,575	11,025
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Reduce to reflect projected FY 2004-05 expenditure level of \$19,060. The Enforcement Division expended a total of \$29,514 for maintenance services in FY 2003-04.

159	029	Maintenance Svcs-Equipment				10,500	5,657	4,843
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Reduce to reflect projected FY 2004-05 under expenditure for this object. The Enforcement Division expended a total of \$5,322 for maintenance services in FY 2003-04.

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<b><u>No.</u></b>	<b><u>Object</u></b>		<b><u>Number</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	
159	040	Materials & Supplies Budget Only				250,000	210,000	40,000
		Reduce to reflect projected FY 2004-05 under expenditure for this object. The Enforcement Division expended a total of \$208,520 for materials and supplies in FY 2003-04.						

**BKR--Residential Permit Parking - 5NAAAAAA**

161	040	Materials & Supplies Budget Only				7,500	3,000	4,500
		Reduce to reflect projected FY 2004-05 expenditure level of \$2,899, adjusted for a cost of living factor.						

**BKS--Parking Citations - 5NAAAAAA**

162	028	Maintenance Svcs-Building & Structures				50,500	36,606	13,894
		Reduce to reflect projected FY 2004-05 expenditure level of \$35,604. The Parking Citation Division expended a total of \$42,942 for maintenance services in FY 2003-04.						

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<b><u>No.</u></b>	<b><u>Object</u></b>		<b><u>Number</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>Savings</u></b>
162	035	Other Current Expenses				20,000	8,902	11,098
		Reduce to reflect projected FY 2004-05 expenditure level of \$8,668.						
<b>Subtotal - Parking and Traffic Recommended Reductions</b>								<b>\$540,195</b>
<b>Total Recommended Reductions</b>								<b>\$2,888,963</b>



## MEMORANDUM

**To:** MTA Board of Directors  
Cleopatra Vaughns, Chairman  
Mike Kasolas, Vice Chairman  
Shirley Breyer Black, Director  
Wil Din, Director  
James McCray, Jr., Director  
Peter Mezey, Director

**From:** Michael T. Burns  
Executive Director of Transportation

**Subject:** Potential service adjustments in accordance with FY06 budget

**Date** April 14, 2005

As you know, the adopted FY06 budget is predicated on adjustments to Municipal Railway service that will achieve a net savings for the year of \$13 million. This memorandum summarizes the changes to service proposed at this time. While some items require further refinement, we intend to present this information at a number of community meetings and then bring back to the MTA Board for formal hearing and appropriate action in late May.

### Timing

The magnitude of change required to conform to our budget will require a General Sign-up of operators, or GSU, in which operators have the right to switch between divisions and vehicle types. The first attachment to this memorandum is a schedule for conducting a GSU, which shows that the earliest practical, effective date for a GSU is the pay period beginning August 27, 2005. (This would coincide with the date we would implement the fare changes also contained in our budget.) Accordingly, the savings embedded in these changes can only be achieved for the 10 months from September 2005 through June 2006.

### Proposed service adjustments

The second attachment to this memorandum summarizes the changes to Muni service and other actions that are proposed to address the FY2006 budget. The cost estimates at the right, in the columns headed "Months: 10 Sep GSU" are those that are applicable to our current schedule.

The proposed actions are summarized in a number of groupings as follows:

*S1: Base adjustments discussed in Spring/Summer 2004 and previously planned for 2004 implementation.*

After extensive public outreach and discussion before the MTA Board, a number of schedule adjustment were planned for 2004 implementation, but were not implemented. These are briefly described on the attachment, and involve changes on lines 1, 4, 5, 7, 9, 9X, 14, 15, 16AX and 16BX, 21, 38, 41 and the five Metro rail lines. These changes are now planned for implementation as part of our August GSU. Because they are schedule adjustments of limited scope, these have not been the subject of any formal MTA Board action, nor is such action appropriate.

*S2: Savings from unfilled runs.*

Currently many operator requisitions have remained unfilled, and we have severely reduced the use of overtime to fill open runs. For fiscal year 05-06, these “savings” accrue from July 1, 2005, until the GSU becomes effective and the scheduled number of operator “runs” is reduced.

*S3: Widen headways to policy WSaSu (weekdays, Saturdays and Sundays).*

In addition to the items planned for FY05 implementation (S1), staff has identified numerous other instances in which service is operated more frequently than is called for by the policy standards adopted as part of Muni’s Short Range Transit Plan. In these instances Muni ridership data have been reviewed to identify cases in which service could be reduced without either (a) violating those policy standards, or (b) resulting in vehicle overcrowding.

Current policy standards are summarized in the table below:

<b>Policy Headways (Minutes): FY2004-2023SRTP</b>				
<b>Weekday</b>	Peak	Base	Evening	Owl
Radial	10	15	20	30
Express	10	--	--	--
Crosstown	15	15	20	30
Feeder	20	30	30	--
<b>Weekend</b>		Base	Evening	Owl
Radial		15	20	30
Crosstown		20	20	30
Feeder		30	30	--

Attachment 8 includes a line-by-line review of Muni ridership during morning peak, midday, afternoon peak and evening time periods. It also includes a more detailed explanation of the analyses that were conducted, and how they led to the staff recommendations presented here.

Changes are being proposed for 18 lines, and are summarized in Attachment 2. The lines which would be affected on weekdays are lines 5, 14X, 17, 19, 22, 24, 27, 31, 35, 36, 39, 43, 47, 49, 52, 54, 66 and 67. These changes, similar to those under S1, are schedule adjustments, which can be implemented at my direction. Similar changes would be made to various lines on weekends, but have not yet been specifically identified.

*S4: Line restructuring proposals considered in Summer 2004.*

These are changes in the structure of the Muni service network—route changes and in one case a significant change in service frequency—that would be submitted to the MTA Board for approval. The items listed here were considered in Spring and Summer 2004, but were never brought to the MTA Board for action and never scheduled for implementation.

- Sutter Street lines (2 Clement, 3 Jackson and 4 Sutter): The 4 Sutter line currently operates Monday through Friday only, and only during daytime hours, until about 6pm. It is proposed to reduce service to morning and afternoon peak periods only. Line 2 Clement would be rerouted between Arguello Boulevard and Presidio Avenue to operate via California Street, replacing the midday service connecting this area to Sutter and Post streets that is currently provided by the 4 Sutter. Ridership over the segment of Euclid Avenue from which service would be removed is extremely light, and alternative service remains available within Muni service coverage standards (1/4-mile) on Geary Boulevard and California Street. (See Attachment 3 for a map.)

No changes to service on line 3 Jackson are proposed at this time.

- Haight Street lines (6 Parnassus, 7 Haight, 66 Quintara, 71/71L Haight Noriega): The 7 Haight line currently operates during daytime hours (until about 6pm) seven days a week. It is proposed to also reduce service to peak periods only. It is simultaneously proposed to utilize articulated coaches on the 71 Haight-Noriega line on weekends, which would retain the present service capacity along Haight street (by operating the higher capacity coaches on the 71 in place of service on line 7), while actually increasing capacity west of Stanyan Street.

Schedules on lines 6 and 71 midday will be adjusted so each line operates on the same frequency, balancing service requirements on lower Haight Street. Service hours on the 6 and 71/71L lines will not change.

Line 66 would no longer provide direct service to downtown during peak periods, but would remain as a community service between 9<sup>th</sup> Avenue and Judah, and 30<sup>th</sup> Avenue and Vicente, at all hours of service. (See Attachment 4 for a map.)

- 16AX and 16BX Noriega Express service to Caltrain. It had already been planned to reduce service between Market Street and the Caltrain station; this proposal would remove all remaining trips, which are extremely lightly used. (Coach congestion near Caltrain bus terminals would be reduced as well.)
- 82X Presidio Express: Lightly used afternoon service between the Presidio and downtown transit connections to Muni Metro, BART and Caltrain would be reduced from five to two trips.

*S5: Additional line restructuring proposals.*

These are additional changes to the structure of Muni's route network that generally were not considered for implementation in 2004. These will also be presented to the MTA Board for adoption in May.

- 10 Townsend: Off-peak ridership on the 10-line is extremely light, in part because of the popularity of nearby F Market & Wharves streetcar service. It is proposed to reduce 10 Townsend service, which presently operates seven days a week from early morning to almost 1am, to weekday daytimes only (i.e., Monday-Friday until about 7 pm).
- 21 Hayes: Three lines—the 21 Hayes, 5 Fulton and 33 Stanyan—presently provide service on Fulton Street between Stanyan and Arguello, with the 5 and 21 lines continuing to serve between Arguello and Sixth Avenue. It is proposed to curtail 21 Hayes service at Stanyan Street instead of Sixth Avenue, at certain hours, subject to further assessment of the times at which this action could result in actual savings. This could be applied at all hours of service, or only at night, or something in between.
- 26 Valencia: and 54 Felton: The 26-line largely serves the same streets, or nearby streets, as other Muni lines, excepting between 30<sup>th</sup> Street and Glen Park. These overlapping or closely parallel lines include the J Church, M Ocean View and 54 Felton. Three proposals were developed for revising the 26-line to reduce this duplication, some also affecting line 54. The proposal recommended at this time would curtail line 26 at Glen Park. Service north of Glen Park would not be affected, excepting that frequencies would be reduced from every 15 minutes during peak periods (and 20 midday) to 20 minutes all day, and 30 minutes in the evening, rather than 20. (Frequencies would correspond to policy standards for community service, or feeder, lines.)

At the very southern end of lines 26 and 54, the 26 would be discontinued but consideration will be given to routing line 54 Felton to 19<sup>th</sup> and Holloway (over the present 26-line route), instead of to the Daly City BART Station. It is not proposed to maintain service to both these terminals.

- 52 Excelsior and 54 Felton: It is proposed to revise service in the Excelsior District, so that line 52 would only operate between Forest Hill Station and the vicinity of Burbank Middle School near LaGrande and Persia Avenues. The 54-Felton line would be rerouted over the streets currently used by the 52 Excelsior between Persia Avenue and Mission and Geneva, continuing along Geneva to rejoin its existing route at the Balboa Park BART Station. No streets would lose service, but the 54-line would no longer serve Persia and Ocean Avenues. (These streets are also served by the 29 and 49 lines.) These changes would reduce costs, but would also satisfy a community request to provide direct service between Excelsior District streets now served by the 52-line, and the Balboa Park BART Station. (See enclosed map; Attachment 5.)

- Metro services (J, K, L, M and N): Reduce early morning service, and/or reduce service between about 4 and 5pm. Metro lines currently begin service earlier than most other Muni lines; and also provide more service than appears necessary in the early afternoon peak period. Afternoon service needs appear to now occur later than was traditionally the case.
- Owl Service: Muni currently provides Owl service (service between 1am and 5am, providing 24-hour coverage) on nine lines, each operating at 30-minute frequencies. Revisions to Owl service are under consideration but have not been finalized. Two options under review are:
  - (a) Operate 5 Fulton Owl service on Friday and Saturday nights only;
  - (b) Reduce service on some lines from half-hourly to hourly.

*S6: Minor route restructurings without fiscal benefits.*

Muni staff have developed a number of relatively minor proposals, some responding to operational concerns, some responding to specific community requests. While these will not result in any cost savings, they are included here so that they may be implemented in the same GSU as these other proposals.

- 27 Bryant: As part of the community discussions concerning the Geary/O'Farrell Phase 1 Bus Rapid Transit project, community representatives asked that a slight change be made to the southbound 27-line route to better serve the Tenderloin community. This would route the 27-line from Taylor, O'Farrell, Mason, Eddy, Cyril Magnin two blocks south to Taylor, Eddy, Cyril Magnin. The proposal is more fully described on the enclosed outreach poster (Attachment 6), which also includes a map of the affected portion of the line.
- 37 Corbett: Responding to community requests, this is a proposal which would make a small, hilly portion of the 37-line "on request only." Two stops would be affected. Similar arrangements have worked successfully in four other areas of the city. This proposal is described more fully in the enclosed outreach letter (Attachment 7), which also includes a map of the affected line segment.
- 67 Bernal Heights: Two operational changes to the 67-line, to reduce turns and provide more direct routings, were discussed last spring and summer but not implemented. Both affect only the "clockwise" loop, the buses running from the Crescent Street area to the 24<sup>th</sup> Street BART Station. The first would route buses via Mission and Valencia Streets to 24<sup>th</sup> Street, rather than via Mission, 25<sup>th</sup> Street, Valencia and 24<sup>th</sup> Street, providing a quicker, more direct route which bypasses some of Mission Street's congestion. The second change would route buses via Crescent Street in both directions, rather than having the "clockwise" bus detour via Richland Avenue. BART-bound riders could then board either the 23 Monterey or the 67 Bernal Heights at the same stops.

*S7: (This is a strategy included in the attached summary table but not currently available for implementation.)*

*S8: Revisions to proposed Third Street light rail service.*

In conjunction with the start-up in FY06 of Third Street light rail service, the approved budget funds all-day, every-day service on line J-Church to the Caltrain/4<sup>th</sup> & King Station, in addition to service into the Third Street corridor itself. Based on current ridership trends this service appears excessive, and it is proposed to scale back such service to weekday peak periods only.

*S9: Reduce evening service below existing policies on selected lines.*

Because of extremely light ridership and the fiscal emergency the agency faces, we are proposing to intentionally reduce service below policy standards on a small number of lines, as follows:

- Reduce evening service from every 20 minutes to every 30 minutes on lines 12 and 23.
- As noted above under S5, consideration is also being given to reducing frequencies on certain “Owl” services from half-hourly to hourly.

*S10: Adjust extra board to reflect other service adjustments to be implemented.*

The “extra board” is the roster of operators who are scheduled to be available to fill in for operators who are on vacation, on sick leave, or who otherwise are not available to cover their scheduled assignments. Industry practice has shown the ideal level of extra board operators to correspond to 27.5% of the number of scheduled work assignments (“runs”). A 27.5% extra board is built into the FY06 budget. This item reduces the number of extra board positions to correspond to the net force reductions which result from implementation of items S1, S3, S4, S5, S9 and L1 below.

#### Proposed labor efficiencies

In addition to the measures described above which have a direct effect on service available to the public, we continue to pursue a number of measures to reduce costs by eliminating unnecessary practices, and by improving the efficiency of how operator work is structured. We propose to incorporate a number of such measures into achieving budgetary targets as follows:

*L1: Better manage the amounts of overtime built into runs.*

In order to efficiently provide service over a 19 or 20-hour span of service, it is necessary to build a certain amount of scheduled overtime into operator work assignments. Management believes that this amount can and should be reduced in order to better control costs.

*L2: Reduce the number of non-driving operator work assignments.*

There are a significant number of operator assignments which entail varying amounts of “stand-by time”—time when operators are scheduled only to “stand-by” to be available for as-needed assignments. Other operators are used to park buses rather than directly provide

service to the public, start buses in the morning, assist with cable car boarding, collect bus fares at the Caltrain Station, etc. Furthermore, some of this work is even scheduled at overtime rates. Management proposes to eliminate many of these assignments, restructure others, reduce use of overtime for such work, utilize non-operating personnel and achieve similar savings in this area.

#### Environmental Review

With the declaration of a fiscal emergency by the Municipal Transportation Agency Board of Directors, none of the actions described herein are subject to environmental review.

#### Public Outreach

As was stated above, staff will conduct public outreach meetings, and also be available to speak before community groups, throughout the month before these items return to the MTA Board. The details of this public outreach process have not yet been developed. A public hearing will then be held in May as required by Charter section 16.112(b), followed by proposed action by the Board as appropriate.

#### Enclosures

1. Process Schedule for 2005 General Sign-up
2. Summary of FY2006 Service Reduction Scenarios
3. Current and proposed service: lines 2 and 4. (No change to 3 Jackson)
4. Current and proposed service: lines 7 and 66. (No change to 6 and 71/71L.)
5. Current and proposed service on lines 52 and 54 to the Excelsior District.
6. Outreach poster for proposed changes to 27 Bryant line.
7. Outreach letter for proposed changes to 37 Corbett line.
8. Impacts of bringing headways to policy or revising policies.