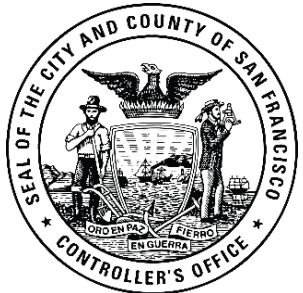




# Muni Funding Working Group



# Efficiency Options Review Meeting



Office of the Controller



San Francisco Municipal Transportation Agency

# Welcome and Introduction

**Greg Wagner,  
Controller**

**Jeffrey Tumlin,  
Director of  
Transportation**

# Agenda

- 1** Welcome, Introductions, and Work Plan Reminders
- 2** In Progress Efficiency Options
- 3** Options for Muni Funding Working Group
- 4** Public Comment
- 5** Close Out and Next Steps

**Workplan  
Reminders**

**Controller's Office  
Staff**

# Welcome and Introductions

## Background

San Francisco must identify approximately \$320 million in new revenue to replace exhausted one-time federal and state relief. These funds will sustain Muni service, paratransit service, programs that keep our streets safe, and other transportation services.

To solve the short-term and long-term problem, we need to make decisions and implement solutions that generate new revenue in FY25-26.

Previous working groups like T2030, T2045, and the Muni Reliability Working Group addressed other SFMTA structural problems were successful because they:

- Included voices from labor, business, and advocacy
- Were open to the public and interim deliverables were available for review

This Muni Funding Working Group will build on these past efforts to address today's funding situation.

# Welcome and Introductions

## Goals and Vision for this Working Group

- Dealing with the magnitude of the SFMTA's structural deficit, while preserving the agency's core values of trust, equity, environmental stewardship, and economic recovery, will require hard choices among unpopular options.
- Convened by the Controller's Office and the SFMTA, the Muni Funding Working Group will review and prioritize policy options that SFMTA can implement to address its funding gap.
- The outcome for this working group is a prioritized by the group set of options that can be provided to the SFMTA Director of Transportation and SFMTA Board of Directors, and elected policymakers, including Mayor and Board of Supervisors, for consideration.

# Welcome and Introductions

## Roles and responsibilities of working group members

The Working Group includes representatives from the Mayor's Office, Board of Supervisors, SFMTA and SFCTA leadership, labor and business partners, community partners and transportation industry experts.





This is not a decision making or advisory body.

What will you be asked to do?

- Learn about options to bridge the SFMTA's funding gap
- Ask questions of SFMTA staff
- Attend meetings in person on behalf of your organization
- Provide input on the options for policymakers

# Work Plan

The Muni Funding Working Group will review detailed options in the following categories and will recommend a suite of options designed to reduce the funding gap.

-  **Efficiency Improvements:** streamline systems and processes to decrease operating costs.
-  **Service Cuts:** reduce service to decrease operating costs.
-  **Revenue Enhancements:** increase fees, revenue, or taxes to increase overall revenue.
-  **Service Enhancements:** enhance services to win voter support for new revenue.



# Meeting Schedule

This Working Group will meet **twice a month** through January. Each topic area will consist of two meetings.

## 1. Review Option Meetings

**Meeting Goal: Ensure Working Group Members understand options and considerations**

- SFMTA will prepare reference material including one-page summaries for each option.
- SFMTA subject matter experts will present the options to the Working Group Members and be available to answer questions.

## 2. Rank and Prioritize Options Meetings

**Meeting Goal: Prioritize and rank options**

- Controller's Office will facilitate activities and discussion among Working Group Members designed to identify options that Working Group Members want to prioritize and others that require further discussion or discovery.

# Meeting Schedule

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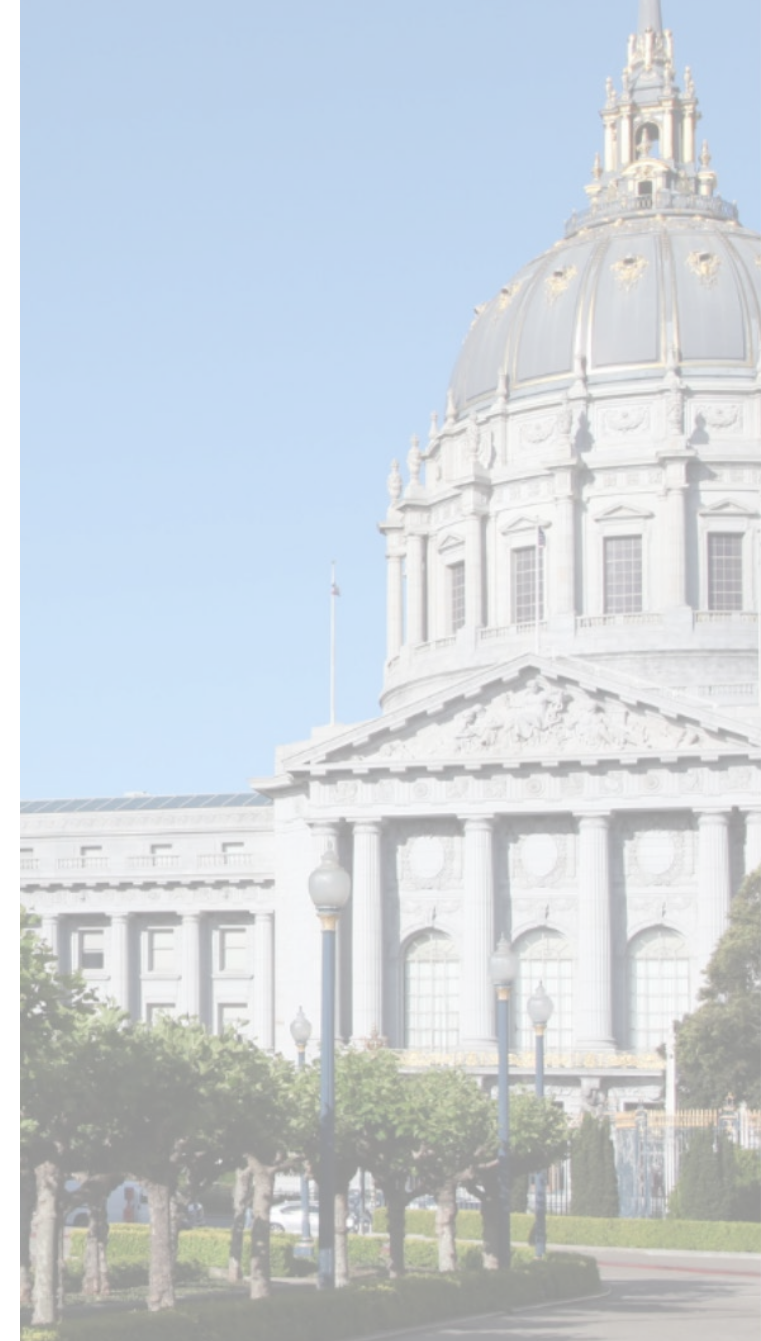
# Administrative Reminders

## Online Resources and Correspondence

The Controller's Office will maintain a website <https://www.sf.gov/muni-funding-working-group> with:

- meeting agendas and supporting documents
- key resources
- public correspondence
- final deliverables

All meeting invitations and other administrative information will be sent from [CON.MuniFunding@sfgov.org](mailto:CON.MuniFunding@sfgov.org). Committee members can direct questions to this inbox.



# Administrative Reminders

## Public Participation

The Working Group meetings will be open to the public and public feedback is welcome.

We will offer in-person public comment at the end of each workshop and will accept public feedback at [CON.MuniFunding@sfgov.org](mailto:CON.MuniFunding@sfgov.org).

# Meeting Feedback

- Open discussion enabled working group members to understand others' viewpoints and allows for questions and input throughout the process.
- Breaking out in small groups to gather insights from other working group members would be useful.
- It would be helpful if materials were available to review in advance.
- Please only schedule during lunch hours if lunch will be provided.
- The conference room was easy to access from transit 😊



# Meeting Feedback

Here are the options and areas of research you asked for last time. We will plan to address these questions in upcoming sessions and will continue to add to this list.

Efficiency	<b>Service Cuts</b>	Revenue Enhancements	<b>Service Enhancements</b>	Final Draft Report
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## Requested Options

		Curb Pricing  Pricing AVs when not in service	New service models for trips/markets (e.g. partnering with Taxis)	
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## Requested Research

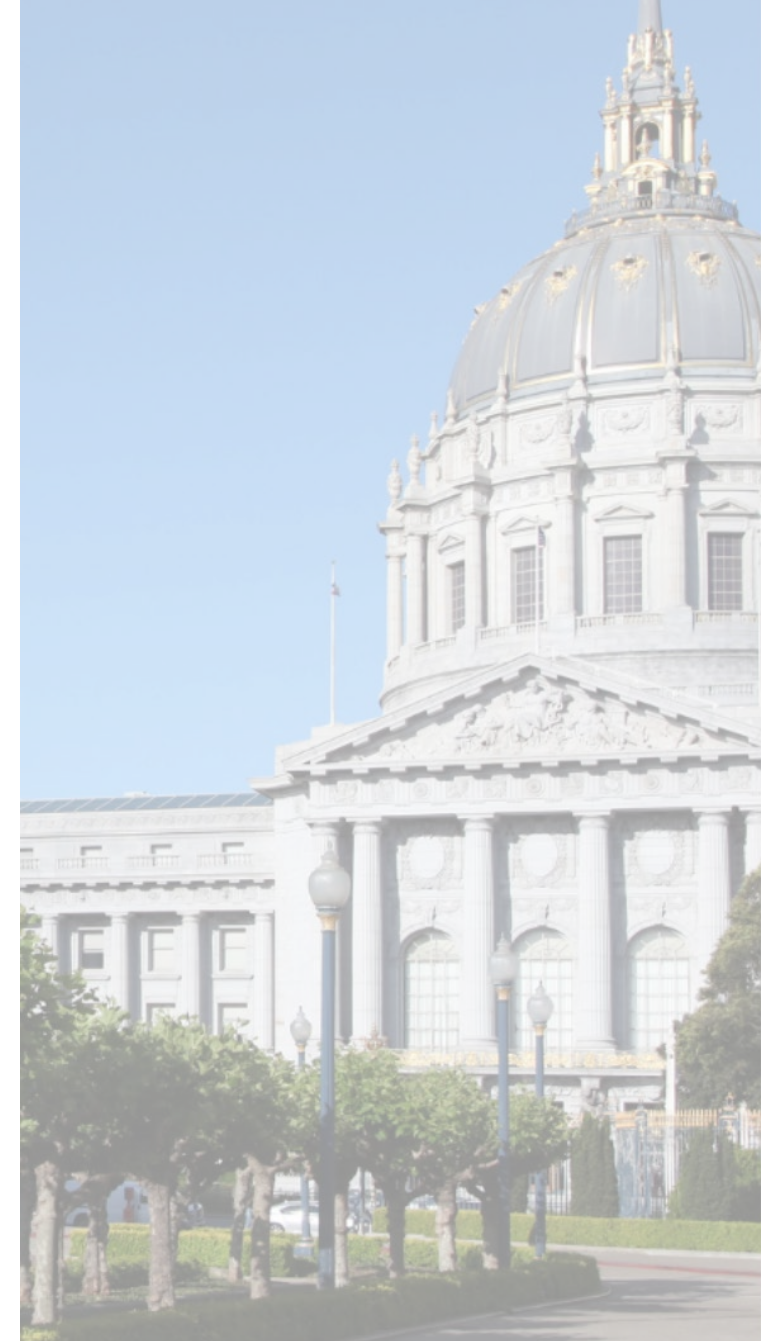
Overview of SFMTA portfolio of services	Expenditure growth over time by division	Regional funding measures and impact on Muni  Fare evasion rate and budget impact of recent hiring of Transit Fare Inspectors  History of transportation funding in SF		Benchmarking transit funding in peer jurisdictions
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# Pulse Survey Coming Soon

The Controller's Office will be soliciting feedback after the monthly **Rank and Prioritize Options Meetings**. The first survey will be sent after the October 24 meeting.

We are interested in capturing working group member sentiment after options have been presented. You will rank and provide feedback on each option:

1. **Would actively support**
2. **Agree to move forward with reservations but would not actively support**
3. **Significant reservations, but would not actively oppose**
4. **Would actively oppose**
5. **Need more information before assessment**



# Administrative Reminders

## Ground Rules

- We encourage active participation in each meeting – ask questions, register your opinions.
- Given time constraints and the number of participants, the Chair may limit Committee members speaking time during open discussion as needed.
- Each agency/organization represented will have one “voice” or “vote” during facilitated exercises. If you have a conflict, you are welcome to designate an attendee in your absence.
- This is a public meeting body and is subject to the Public Records Act, including for non-City employees.
- We will pass out index cards during today’s presentation, write your questions down and we will sort them and pass them to the speaker.



# SFMTA Overview

**Jeffrey Tumlin,  
Director of  
Transportation**

# The SFMTA budget pays for ...



72 MUNI LINES



BUSES AND LRVS



CABLE CARS



2,500 MUNI OPERATORS



PARATRANSIT



STREET DESIGN



STREET SAFETY



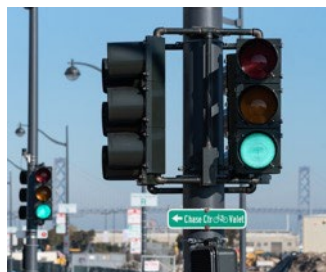
STREET CLOSURES



SCHOOL SAFETY



BIKESHARE & SCOOTERSHARE



TRAFFIC SIGNALS



TRANSIT INFRASTRUCTURE



PUBLIC OUTREACH & EDUCATION



PARKING INFRASTRUCTURE



TAXI REGULATION

# SFMTA Overview

SFMTA oversees Muni, parking and traffic, bicycling, walking and taxis. It is distinct in the United States as a comprehensive agency responsible for all aspects of transportation for the city it serves.

Chief of Staff Office	Chief Strategy Office	Communications, Marketing, & Outreach	Finance & IT	Human Resources
<ul style="list-style-type: none"> <li>Executive Projects &amp; Strategic Planning</li> <li>Government Affairs</li> <li>Performance &amp; Analytics</li> <li>Strategic &amp; Internal communications</li> </ul>	<ul style="list-style-type: none"> <li>Building Progress</li> <li>Design Strategy &amp; Delivery</li> <li>Facilities &amp; Real Property Management</li> <li>Project Management Office</li> <li>Government Operations</li> <li>Security &amp; Investigations</li> <li>Shelter &amp; Platform Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Building Progress &amp; Ballot Measure</li> <li>Creative Services</li> <li>Customer Communications &amp; Social Media</li> <li>Marketing &amp; Digital Communications</li> <li>Media Relations</li> <li>Public Outreach &amp; Engagement</li> <li>Photography</li> <li>QA, Metrics, Admin &amp; Program Support</li> </ul>	<ul style="list-style-type: none"> <li>Accounting &amp; Payroll</li> <li>Administrative Hearings</li> <li>Budget &amp; Capital Finance</li> <li>Revenue Collection &amp; Sales</li> <li>Technology</li> </ul>	<ul style="list-style-type: none"> <li>Employee &amp; Labor Relations</li> <li>Executive HR Innovation &amp; Strategy</li> <li>Leave Services &amp; Accommodations</li> <li>Talent Acquisition, Exams, &amp; Certifications</li> <li>Workforce Development &amp; Wellness</li> </ul>

# SFMTA Overview

The agency builds, operates, regulates and maintains a diverse system of public transit, paratransit, taxis, shared bicycles, scooters and mopeds, as well as manages the streets that support all the ways that people and goods move around.





Office of Civil Rights	Safety	Streets	Taxis, Access & Mobility Services	Transit
<ul style="list-style-type: none"> <li>• Contract Compliance (D/S/LBE &amp; Employment)</li> <li>• Office of Racial Equity &amp; Belonging</li> <li>• Equal Employment Opportunity Office</li> <li>• Internal Investigations</li> <li>• Title VI &amp; Regulatory Affairs</li> <li>• Ombuds Office</li> <li>• Internal Investigations Unit</li> </ul>	<ul style="list-style-type: none"> <li>• DriveCam</li> <li>• Industrial Safety &amp; Environmental Compliance</li> <li>• Intalex</li> <li>• Roadway Worker Protection</li> <li>• Safety Budget &amp; Administration</li> <li>• Transportation Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Administration</li> <li>• Autonomous Vehicle Policy</li> <li>• Capital Programs &amp; Construction</li> <li>• Central Subway</li> <li>• Livable Streets</li> <li>• Parking &amp; Curb Management</li> <li>• Parking Enforcement</li> <li>• Planning</li> <li>• Transportation Engineering</li> </ul>	<ul style="list-style-type: none"> <li>• Accessible Services</li> <li>• Enforcement &amp; Legal Affairs</li> <li>• Permits &amp; Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Business Administration</li> <li>• Fleet Maintenance</li> <li>• Maintenance of Way</li> <li>• Schedule &amp; Planning Services</li> <li>• Transit Operations</li> <li>• Transit Program Delivery</li> </ul>

# In Progress Efficiency Options

**SFMTA Staff**

# Options

The Muni Funding Working Group will review detailed options in the following categories and will recommend a suite of options designed to reduce the funding gap.

-  **Efficiency Improvements:** streamline systems and processes to decrease operating costs.
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## What efficiencies are the SFMTA already working on?

- SFMTA has improved efficiency reducing spending since FY18-19 by 16%, adjusted for inflation. However, even these reductions are not keeping pace with deficit growth.
- SFMTA continues to become more efficient, with on-going efforts highlighted in the following slides.
- Information on on-going efficiency projects is included for context and does not require further action from this group.



# What efficiencies are the SFMTA already working on?

## Hiring Slowdown

- FY24 actuals were higher than anticipated because budget was based on previous pace of hiring.
- The SFMTA has become more efficient at hiring.
- Based on this, we are slowing down hiring to see how separations and salary savings are adjusting.
- **Next steps:**
  - Active monitoring throughout FY25





# What efficiencies are the SFMTA already working on?

## Work Order Efficiencies

- Services of other departments or "work orders" are **8.5% of the entire SFMTA budget** or **\$123M in FY25**.
  - Work order budgets have grown at **an average of 7.75%** per year since FY18
  - Work orders have exceeded budgeted amounts by an average of **6.1%** or **\$5.6M** each year since FY18.
- **Opportunity:** Decreased work order commitments could free up funding to maintain service
- **Challenges:** Funding for other City departments may be impacted by reduced work orders requested by SFMTA.
- **Next steps:** SFMTA to assess workorders and may reduce or identify services that could be brought in house to achieve cost savings.



# What efficiencies are the SFMTA already working on?

## Fiscal Monitoring Efficiencies

- Strengthen expenditure monitoring by implementing monthly budget monitoring for labor and non-labor spending
- Enhance monitoring of labor actuals to ensure costs are fully charged to capital projects
- Ensure legal costs are charged to capital projects by collaborating with City Attorney to restructure billing structure

Estimated Financial Impact: Savings would range depending on the initiative. For example, charging City Attorney invoices to projects may result in approximately \$500k-\$1 million in operational cost savings per year.



# What efficiencies are the SFMTA already working on?

## Energy Efficiencies

- Agency power expenditure is **1.5% of the entire SFMTA budget** or **\$22.2M in FY25**.
  - Power Expenditures have **nearly doubled** in the past 5 years.
  - Local power sources (Hetch Hetchy Power and PG&E) are projected to grow in cost per kilowatt hour by an **average of 6.3% per year** through 2034.
- **Opportunity:** Decreased utility expenses could free up funding to maintain service.
- **Next steps:** The FY25 Agency Efficiency Project will replace old electric and gas fixtures, pumps, and heaters and is projected to reduce SFMTA energy use by 5%.
  - Capital Costs are \$1.3 million in FY25 and FY26
  - The project annual deficit reduction ranges from \$1.3M to \$1.7M starting in FY26



# What efficiencies are the SFMTA already working on?

## Approved Muni Forward Projects

- Already approved Muni Forward projects approved but not fully implemented including
  - 22 Filmore - 16<sup>th</sup> Street Improvement Project
  - L Taraval Improvement Project
  - Permanent infrastructure for installed quick-builds (29 Sunset, 38 Geary, J Church, K Ingleside, M Ocean View)
  - J Church, K Ingleside, M Ocean View quick-builds
  - 5 Fulton

Estimated Financial Impact: \$5-10 million per year saved by implementing past Muni Forward projects (conservative estimate)



## Efficiency Improvements

What efficiency improvements are under discussion for the Muni Funding Working Group?

Options that:

- Require a significant policy change or operational tradeoff
- Require some political buy-in or public support
- Require a change in local or state law
- Has a significant financial impact ranging from \$1 million to \$10 million



## Efficiency Improvements

What efficiency options we will review for your input today?

Options	Cost Savings	Notes
<b>Accelerated Work on Muni Forward</b>	\$5 million	starting as soon as FY27
<b>HOV lanes on State highways</b>	\$700,000 to \$1 million	starting as soon as FY28
<b>Mailed Parking Citations</b>	~ \$740,000	possible start date FY27
<b>Automated Parking Enforcement</b>	\$3.5m - \$7.2m	possible start date FY28



## Efficiency Improvements

### Discussion Questions

- Do you have any questions for staff on the current in-progress efforts?
- Are there other efficiency options you think are missing here?

# Efficiency Improvements

San Francisco  
Municipal  
Transportation  
Agency



**Administration  
and Next Steps**

**Controller's Office**

# Next Steps for Working Group Members

1

You will receive briefing information prior to the next meeting

2

Next Meeting will be on 10/24, given the number of options to review this meeting is optional

3

Stay tuned for further communications from [CON.MuniFunding@sfgov.org](mailto:CON.MuniFunding@sfgov.org)

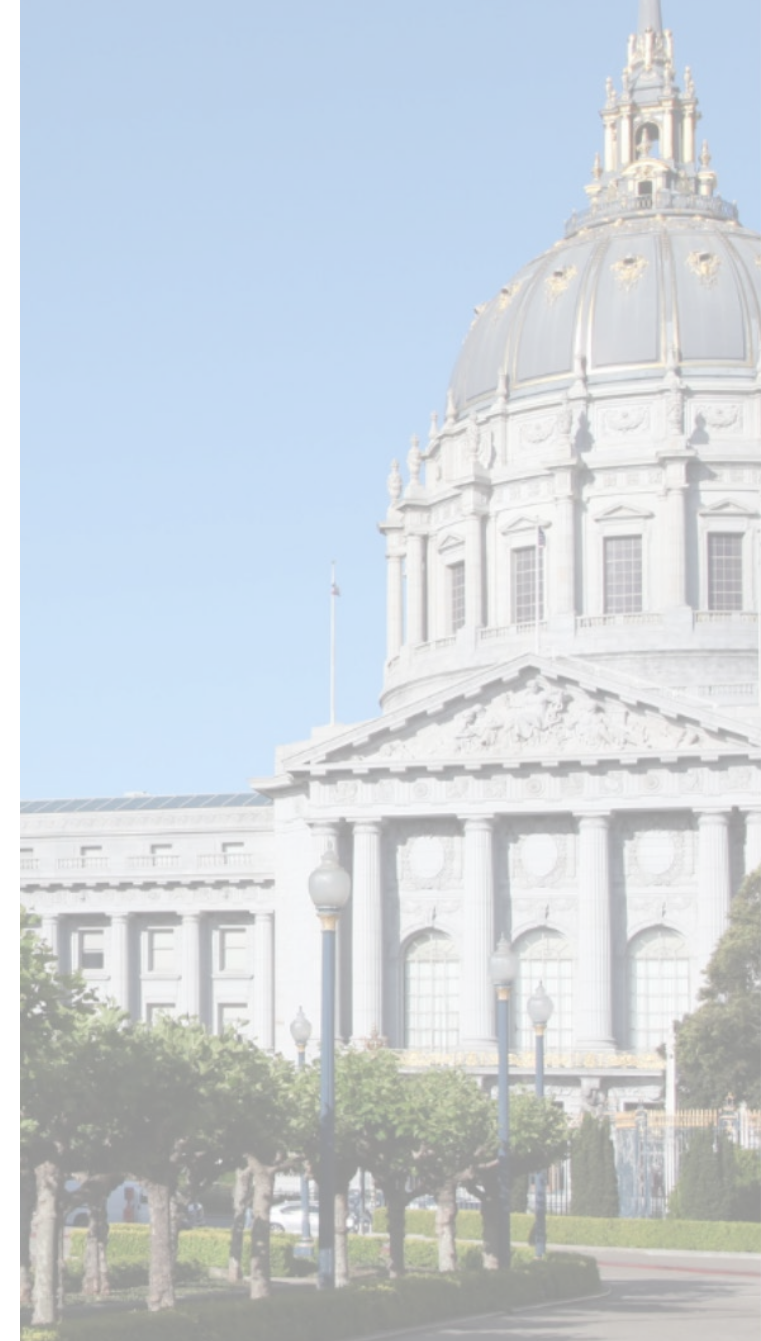


# Meeting feedback

Take an index card and write:

- What worked well during this meeting
- What is something we can do differently next time

Please hand in your cards to someone on staff.



**Public Comment**

**CON**



## Public Comment

Members of the public who wish to provide public comment in-person, please line up at the podium.

Each person will have 2 minutes to speak.

**Thank you!**