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May 8, 2009

Mr. Nathaniel P. Ford, Sr.
Executive Director
San Francisco Municipal Transportation Agency
1 South Van Ness Ave., 7th floor
San Francisco, CA 94103-1267

Dear Mr. Ford, Sr.:

Before getting into our recommendations on changes to the SFMTA budget that will help it get more support at the Board of Supervisors, a couple of comments are in order.

First, congratulations to you and your staff for the continued improvement in reliability at Muni. The latest data show that the hard work you're doing without fanfare is paying off. We note with satisfaction that the one area where your income has met expectations is in fares collected. San Franciscans are riding transit again and it bodes well for the future of our city.

Second, the revised 2009-2010 budget approved by the SFMTA Board on April 30 is for the most part a responsible reaction to a very difficult budget year. We enthusiastically supported your 2008-2010 budget and never imagined having to cut nearly one dollar of every six (16%) in that budget's second year. Finding \$129 million in savings and new revenue requires difficult decisions, and it's not a surprise that the revised budget was not approved by the Board of Supervisors after the first hearing. Having reviewed your budget, SPUR supports most of the difficult decisions you made. In the rest of this letter, we will share our ideas for improvements to the SFMTA budget.

SPUR's budget principles

1. Don't sacrifice reliability by making hidden cuts, reversing the gains in reliability from the TEP. Be honest in cutting service so that the public knows the effects of an underfunded system. The too frequent past practice of cutting the key positions necessary to provide reliable service -- mechanics, extra operators, schedulers, street supervisors -- without proportionate cuts to the scheduled hours of service resulted in unreliable service that is worse than explicit cuts. Unreliable service means that de facto cuts are not carefully planned to minimize impacts, and the public gets cynical about the ability of the agency's leaders to operate a transit system.

2. **Protect the lowest income residents from increases in transportation costs.** Preserving high-quality public transit is the most important way to protect the lowest income residents — most of whom do not own cars — from high transportation costs. Increases in transit fares that are paid by people across the income spectrum are appropriate to preserve quality transit. Low income transit riders can be protected from increases through implementation of more deeply subsidized monthly passes. On this principle, SPUR supported the current budget that includes an increase in the fast pass to \$55 on the condition that the SFMTA would improve access to the "lifeline" low income monthly pass. We support the proposal to raise the pass to \$60 in January 2010 on the same principle and with the same condition. We understand that such access improvements have proven hard to implement; overcoming those obstacles should be a high priority.
3. **Make smart cuts and adjustments in service to cut expenses.** Thankfully the TEP made some recommendations for some very smart route eliminations. Stop consolidation ought to be expedited as a cost-cutting measure, too. These measures -- route and stop consolidation -- should take precedence over cuts in frequency and reductions in the hours of the day service is provided.
4. **Revenues should support an integrated transportation demand management program.** In other words, it should support the city's transit-first policy of increasing the mode share of transit and decreasing single occupancy motor vehicle traffic.

Aspects of your budget we hope are preserved

1. SPUR welcomes the fact that the revised 2009-2010 SFMTA budget did not transfer significant capital funds to its operating budget. Investments in vehicle maintenance and rehabilitation are key to long-term fiscal stability, and new infrastructure to improve transit efficiency and encourage bicycling and walking provide cost savings.
2. The service cuts, for the most part, are smart cuts of relatively unproductive and duplicative service. We supported the service reallocation and route adjustments proposed by the TEP and therefore we support the cuts in the revised 2009-2010 SFMTA budget that reflect the TEP's recommendations. A mere 4.7% cut in service hours to help close a 16% budget deficit counts as a major success. Therefore, we hope that most of those cuts are preserved in the next version.
3. Savings due to efficiencies in management, including your plans to hire more part-time workers to meet the agency's ridership demand.

Recommendations to improve the budget

Ways to Increase Revenue

Description	Budget Impact Revenue or Savings or (Expense)
Enforce meters on Sundays.	\$3 million
Enforce meters on weekday evenings.	\$6 million
Add meters where there are none. For example, 4300 SF State commuters park all day for free on residential streets around the university. Miles of streets in SoMa are unmetered, including right around CalTrain. Other potential locations include around the Glen Park BART and Bayshore Caltrain stations.	\$5 million
Work order reduction: divert NextMuni calls to the 511 system. The SFMTA should put a sticker on every bus stop identifying that stop's i.d. number so that people can use the 511 system. \$5 million is a net figure assuming 311 will still absorb \$1.2 million in calls from folks who don't know the number or who don't speak english or who have other questions.	\$5 million
Savings: systemwide stop consolidation. Removing 5% of bus stops systemwide would speed service and save 1% of service hours.	\$2.4 million
Total revenue and savings	\$21.4 million

Reinvesting the savings and new revenue (listed in order of priority)

Maintain reliability and efficiency. This is the most important expense in an improved SFMTA budget. The TEP identified shortages in transit operators, supervisors, and schedulers that hinder reliability. A shortage of mechanics creates expensive breakdowns and lost service. Muni only delivered 97% of its scheduled service last year, while most properties deliver close to 100%. Cuts to personnel greater in proportion than cuts to service hours will cause more unplanned missed service. In terms of attracting transit riders, it is better to preserve the personnel necessary to preserve reliability and cut service hours than it is to preserve service hours but not the personnel necessary to guarantee reliable delivery of that service.	(\$9.3 million) <i>at least.</i>
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Limit fare increases for users of Translink. Now is the perfect time to encourage efficient, (nearly) pre-paid boarding by raising the cash fare to \$2 per the SFMTA's approved proposal but offer a steep discount for users of the Translink card, now operational on all Muni vehicles. The Translink single ride fare should be set at the nearest nickel above 1/35 the monthly pass rate. (Because the debit is electronic, there is no need to round the fare to the nearest quarter.) From July – December 2009, 1/35 of the \$55 monthly pass would be \$1.60. In January it would increase to \$1.75. The cash fare should remain \$2. The figure assumes that 75% of cash fare riders use Translink; no savings from faster boarding; and deducts from \$14 million MTA estimate of revenue from the \$2 cash fare.	(\$5.1 million)
Improve access to monthly low-income discount pass. Keep \$2 cash fare but provide discount for Translink users, setting the rate at the nearest nickel above 1/35 the monthly pass rate. This would set the single ride fare at \$1.60 July-Dec 2009 and \$1.75 Jan-Jun 2010. The figure assumes that 75% of cash fare riders use Translink; no savings from faster boarding; and deducts from \$14 million MTA estimate of revenue from the \$2 cash fare.	(\$5 million)
Restore frequencies and off-peak hours of service. The proposal's cuts to entire lines or line segments where alternative service can be provided should be preserved. Where frequency was cut, they should be restored to no greater than 20 minutes, and where hours of operation were cut, they should be restored (e.g. community service lines should not stop running early).	(\$2 million)

Finally, once again, I have to reiterate our frustration with the frequent emergency steps taken to balance the budget deficit while long-term solutions are left unaddressed. We strongly encourage you to take advantage of your independent authority to impose appropriate fees or put revenue proposals directly on the ballot. Another long-term solution that we hope you will pursue is implementation of market rate variable parking pricing citywide. Assuming that the sfpark pilot project is a success, we hope you will waste no time expanding the program citywide.

I look forward to working with you over the next week and longer to help gain support for an improved agency budget. I will be contacting you in the course of the next week. And feel free to call me whenever you like: 415.644.4285.

Sincerely,



Gabriel Metcalf
Executive Director