

## **LEGISLATIVE DIGEST**

[Municipal Transportation Agency: Appointments to Board of Directors, Transportation Fund, Budget Process, Inspector General and Labor Relations.]

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by amending Section(s) 8A. 101, 8A.102, 8A.104, 8A.105, 8A.106, 8A.107, 8A.108, A8.409-1, A8409-4 and A8.428 and deleting Section and A8.404 to provide for split appointments to the San Francisco Municipal Transportation Agency (MTA) Board of Directors, allocate a share of property tax revenues to the Transportation Fund, require the MTA to resubmit an Agency budget if its budget is rejected by the Board of Supervisors, establish an Office of the MTA Inspector General, and eliminate formulas governing operator wages and benefit payments and subject these matters instead to collective bargaining.

### **Existing Law**

Under current law:

1. All seven members of the MTA Board of Directors are appointed by the Mayor and confirmed by the Board of Supervisors.
2. The MTA is entitled to a guaranteed "base amount" of general fund revenue reflecting the level of general fund revenue that supported the Municipal Railway and Department of Parking and Traffic when the MTA was originally established in 2000, as that amount is adjusted annually by the Controller.
3. The Board of Supervisors cannot amend the MTA budget; rather, it can reject the budget as a whole by a vote of 7 of its 11 members, approve the budget, or allow the budget to go into effect by operation of law. If the Board of Supervisors rejects the MTA budget, the MTA does not have to resubmit a budget.
4. The MTA is required to submit Muni "route abandonments" to the Board of Supervisors for approval or rejection by a vote of 7 of its 11 members on the MTA budget. Other service changes are within the authority of the MTA.
5. The MTA is required to contract every two years with a consultant to conduct an independent review of the quality of its operations and the extent to which it has met its goals, objectives, and performance standards. In addition, the Controller serves as City Services Auditor to monitor the level and effectiveness of services rendered by the City, including the MTA, to its residents.

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6. Transit operator wages must be at least as high as the wages paid by the two highest paying comparable transit systems in the United States. In addition, if City health and retirement benefits are not as generous as those provided in the highest paying comparable transit systems, the MTA makes payment into a trust fund to benefit transit operators.
7. Collective bargaining agreements approved by the MTA Board of Directors for service critical MTA employees are required to include incentive compensation.

### Amendments to Current Law

Under the proposed Charter Amendment:

1. Three members of the MTA Board of Directors would be nominated by the Mayor, three members would be nominated by the Rules Committee of the Board of Supervisors, and one member would be nominated jointly by the Mayor and the President of the Board of Supervisors. All nominees would be confirmed by the Board of Supervisors.
2. In addition to the base amount of general fund revenue, the MTA would receive an amount set aside from the annual property tax levy equivalent to two and one half cents for each one hundred dollars of assessed valuation.
3. The Board of Supervisors could reject the MTA budget by a simple majority vote, and the MTA would be required to consider findings made by the Board of Supervisors and re-submit a budget.
4. The definition of "route abandonment" requiring submission to the Board of Supervisors would be expanded to include reductions in any particular line by more than three service hours/day and reduction of more than 5% of total system wide transit service hours.
5. The MTA Board of Directors would appoint an MTA Inspector General reporting directly to the Board for a five year term. The Inspector General would conduct audits and analyses, receive and investigate complaints of fraud, waste or abuse of MTA resources, prevent fraud, waste and abuse, and perform the functions and duties of the City Services Auditor with respect to the MTA. The Inspector General's activities would be guided by a two year rolling Performance Audit Plan, approved by the MTA Board, which would at a minimum require routine evaluation of the extent to which the MTA has met the goals, objectives and performance standards set by and as required by the Charter, the extent to which work order agreements with other City departments

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fulfill MTA needs and comply with the law, and the extent to which MTA labor agreements maximize the Agency's ability to perform its duties in accordance with its goals, objectives, and performance standards. The biennial consultant contract would be eliminated.

6. Transit operator base wages and benefits would be set by collective bargaining and would not be subject to any formula setting a wage floor or trust fund payments.
7. Incentive compensation for service critical MTA employees would become optional.