



Memorandum

Date: 04.13.17 **RE:** TIMMA Committee
April 18, 2017

To: TIMMA Committee: Commissioners Kim (Chair), Ronen (Vice Chair) and Tang

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Amending the Adopted Fiscal Year 2016/17 Budget to Increase Revenues and Expenditures by \$783,526

Summary

In July 2016, through Resolution 17-02, the TIMMA Board adopted the Fiscal Year (FY) 2016/17 Annual Budget and Work Program. Revenue and expenditure figures pertaining to several project components need to be updated from the original estimates contained in the adopted FY 2016/17 budget. TIMMA's Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. We propose that the adopted FY 2016/17 budget be amended to increase revenues and expenditures by \$783,526.

BACKGROUND

In July 2016, through approval of Resolution 17-02, the Treasure Island Mobility Management Agency (TIMMA) Board adopted the Fiscal Year (FY) 2016/17 Annual Budget and Work Program. TIMMA's Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. Every April we present the Board with any adjustments to the annual budget adopted the previous year. The budget revision is an opportunity to take stock of changes in revenue, recognize grants or other funds that are obtained subsequent to the original budget approval, and adjust for unforeseen expenditures. Also at that time, revenue projections and expenditure line items are revised to reflect new information or requirements identified in the months elapsed since the adoption of the annual budget. The revisions typically take place after completion of the annual fiscal audit, which certifies actual expenditures and carryover revenues.

DISCUSSION

The purpose of this memorandum is to present TIMMA's proposed Fiscal Year (FY) 2016/17 budget revisions and to seek approval for the adoption of an amended budget. The budget revision reflects an increase of \$783,526 in revenues and expenditures. These revisions include carryover revenues and expenditures of \$243,649 from the prior period. TIMMA's FY 2016/17 budget revisions are included in the Transportation Authority's FY 2016/17 proposed budget amendment, which is scheduled to be adopted by the Transportation Authority Board on April 25, 2017.

The TIMMA work program continues to advance the Treasure Island Transportation Implementation Plan (TITIP), which provides a vision and strategies for a sustainable transportation system for Treasure Island. The vision is to be achieved through new and expanded transit, shuttle, and bicycle services, to be

funded by a congestion toll, parking charges, and transit pass purchases. Efforts this year focus on advancing operational agreements for the first five years of program operation, and advancing both program-wide planning and systems engineering in response to the development program schedule for Treasure Island. This effort will require integration of policies with the San Francisco Municipal Transportation Agency (SFMTA) and the Bay Area Tolling Authority (BATA) and coordination of project scope, schedule and implementation with a number of local partners.

Revenues: Original estimated contributions from the Treasure Island Development Authority (TIDA) need to be updated to reflect the additional \$500,000 commitment from TIDA. The TIDA funds provide support for administrative, operating, planning and engineering functions including: developing agency policies and partnership agreements; project management; planning; engineering, including systems engineering, civil engineering, and environmental analyses; and direct costs. The budget includes ongoing staffing and professional/technical service contracts required to conduct pre-implementation engineering, planning, and administration. The increased funding from TIDA will allow us to perform additional travel demand model scenarios, enhance the existing cash flow model based on the results of the model scenarios, and develop toll system design requirements and business rules as part of the Final Systems Engineering Management Plan.

In addition, the SFMTA is providing \$75,000 to complete a Parking Management Plan for the redevelopment of Treasure Island and Yerba Buena Island, and to develop cost and revenue estimates for the parking component of the TITIP. Prop K funds appropriated through Resolution 15-13 will decrease by \$35,123 and will defer to next fiscal year. Furthermore, budgeted revenues from anticipated federal reimbursements from the prior fiscal year were lower than projected by a total amount of \$243,649 and have deferred to the current fiscal year. This is due to a new revenue recognition policy adopted by the Transportation Authority and the City and County of San Francisco on June 30, 2016 which changed the measurement focus and basis of accounting period from 90 to 60 days (i.e. any revenues collected 60 days after June 30, 2016 for FY 2015/16 services were now considered as revenue for FY 2016/17). There is no issue with the availability of these revenues, only the fiscal year when these revenues are accounted for. This amendment increases total revenues by \$783,526. The TIMMA program revenue for FY 2016/17 covers the full costs of all Transportation Authority activities in support of TIMMA.

Revenues	Adopted Budget FY 2016/17	Increase (Decrease) From Prior Year	Proposed Amended Budget FY 2016/17
TIDA	\$1,000,000	\$500,000	\$1,500,000
SFMTA	\$0	\$75,000	\$75,000
Prop K	\$81,191	(\$35,123)	\$46,068
Prior Year Federal Revenue Carryover	\$0	\$243,649	\$243,649
Total Revenues	\$1,081,191	\$783,526	\$1,864,717

Expenditures: Corresponding technical professional services expenditures will increase by \$311,102, non-personnel expenditures will increase by \$80,902, personnel expenditures will increase by \$229,064, and prior year carryover expenditures will increase by \$243,649 for a total increase of \$783,526 in expenditures

for FY 2016/17 activity. Technical professional services include planning, engineering, design, communications, and environmental services. Included are technical services contracts already awarded: for the Treasure Island System Manager; on-call demand model development and application; on-call transportation planning; and project management support. Additional technical services contracts anticipated in this line item include strategic communications, legal services, and outreach services.

The increase in technical professional services expenditures corresponds primarily to increased scope of work to develop the draft and final toll system design requirements and business rules. In addition, the scope of work for these services increases to: perform additional financial model forecasting, and to conduct initial tasks in the development of the transportation affordability and travel demand management programs. Personnel and non-personnel costs increase to provide direct travel demand model forecasting services as well as to manage and oversee with added technical professional services.

As stated in TIMMA's Administrative Code (Ordinance 17-01), the Transportation Authority shall lend staff to TIMMA as appropriate, subject to reimbursement by TIMMA for salary and related benefits and other costs allocable to services performed for TIMMA by Transportation Authority staff. Personnel costs encompass technical staffing across each of the six divisions of the Transportation Authority. Non-personnel costs include typical operating expenditures for telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all TIMMA activities, along with all administrative support contracts, whether for City-supplied services, such as the Department of Technology cablecast services, or for competitively procured services (such as auditing, outside computer system support, etc.). Also included are funds for Commissioner meeting fees, which are reduced from four to three meetings in the proposed FY 2016/17 budget amendment.

Expenditures	Adopted Budget FY 2016/17	Increase (Decrease) From Prior Year	Proposed Amended Budget FY 2016/17
Technical Professional Services	\$737,000	\$311,102	\$1,048,102
<u>Personnel Expenditures</u>			
Salaries	\$205,830	\$100,554	\$306,384
Fringe Benefits	\$96,861	\$47,319	\$144,180
<u>Non-Personnel Expenditures</u>			
Administrative Operations	\$35,900	\$82,302	\$118,202
Commissioner-Related Expenses	\$5,600	(\$1,400)	\$4,200
Prior Year Expenditure Carryover	\$0	\$243,649	\$243,649
Total Expenditures	\$1,081,191	\$783,526	\$1,864,717

ALTERNATIVES

1. Recommend amending the adopted FY 2016/17 budget to increase revenues and expenditures by \$783,526, as requested.
2. Recommend amending the adopted FY 2016/17 budget to increase revenues and expenditures by \$783,526, with modifications.

3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

As described above.

RECOMMENDATION

Recommend amending the adopted FY 2016/17 budget to increase revenues and expenditures by \$783,526.