



Memorandum

Date: 02.21.14 **RE:** Citizens Advisory Committee
February 26, 2014

To: Citizens Advisory Committee

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

Subject: **ACTION** – Adopt a Motion of Support for Amendment of the Adopted Fiscal Year 2013/14 Budget to Increase Revenues by \$2,907,954, Decrease Expenditures by \$110,932,870, Decrease Other Financing Sources by \$290,324,510 for a Total Net Decrease in Fund Balance of \$176,483,686, and Amendment of the 2013 Strategic Plan

Summary

Every year between January and April, we present the Board with any adjustments to the annual budget adopted the previous June. This revision is an opportunity to take stock of changes in revenue trends, recognize grants or other funds that are obtained subsequent to the original approval of the annual budget, and adjust for unforeseen expenditures. In June 2013, through Resolution 13-60, the Transportation Authority adopted the Fiscal Year (FY) 2013/14 Annual Budget and Work Program. Revenue and expenditure figures pertaining to several capital projects need to be updated from the original estimates contained in the adopted FY 2013/14 Budget. The Transportation Authority's Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. **We are seeking a motion of support to amend the adopted FY 2013/14 budget to increase revenues by \$2,907,954, decrease expenditures by \$110,932,870, decrease other financing sources by \$290,324,510 for a total net decrease in fund balance of \$176,483,686, and amendment of the 2013 Strategic Plan.**

BACKGROUND

In June 2013, through approval of Resolution 13-60, the Transportation Authority adopted the Fiscal Year (FY) 2013/14 Annual Budget and Work Program. The Transportation Authority's Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. Every year between January and 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 trends, 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.

The purpose of this memorandum is to brief the Citizens Advisory Committee on the proposed FY 2013/14 budget revisions and to seek a motion of support for adoption of an amended budget.

DISCUSSION

The budget revision reflects an increase of \$2,907,954 in revenues, decrease of \$110,932,870 in expenditures and decrease of \$290,324,510 in other financing sources for a total net decrease of \$176,483,686 in fund balance. Revenue and expenditure figures related to several capital projects, including the eFleet Carsharing Electrified project; the Transit Reliability Research study; the Interstate

80/Yerba Buena Island Ramps (YBI) Interchange Improvement projects; the Van Ness Avenue Bus Rapid Transit (BRT) Project; the Treasure Island Mobility Management Agency (TIMMA); the Presidio Parkway Project; the Folsom Street Ramps project; the Waterfront Transportation Assessment; the Bicycle Sharing Strategic Analysis Report (SAR); the Geary Corridor BRT Project; Prop K, Transportation for Clean Air Program (TFCA), and Prop AA Vehicle Registration Fee capital expenditures; the Enterprise Resource Planning System; and other revenues and expenditures need to be updated from the original estimates contained in the adopted FY 2013/14 budget.

Below is a narrative for the proposed revisions. The detailed proposed budget revisions by line item are included in Tables 1, 2 and 3 on the following pages. The effect of the amendment on the adopted FY 2013/14 Budget (in the aggregate line item format specified in the Transportation Authority's Fiscal Policy) is shown in Attachments A and B.

Interest Income: Most of the Transportation Authority's investable assets are deposited in the City's Treasury Pool. Based on direction from the Treasurer's Office, the Transportation Authority's adopted FY 2013/14 budget assumed to earn approximately 1.02% during the year for deposits in the Pooled Investment Fund with an average sales tax fund budgeted cash balance of approximately \$70 million during the year. The level of Transportation Authority deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. The budgeted cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed. Interest income earned through December 2013 was \$254,116, due to a lower average earned income yield of 0.78%. This amendment decreases Interest Income by \$421,494 for FY 2013/14 activity, as shown on Table 1.

eFleet Carsharing Electrified Project: The Transportation Authority serves as a fiscal agent to support City CarShare. In October 2010, the Metropolitan Transportation Commission (MTC) awarded \$1.7 million in federal Congestion Mitigation and Air Quality Improvement Program funds to the Transportation Authority for this project. In December 2011 and August 2012, the Transportation Authority received authorization from the California Department of Transportation (Caltrans) to spend \$1.7 million on the project. Required local match funds are reimbursed to the Transportation Authority by City CarShare. We anticipate higher expenditures in FY 2013/14 due to project delays associated with federal procurement processes from the previous fiscal year. We obtained approvals from MTC and Caltrans recently to use federal funds to buy electric vehicles instead of electric vehicle charging stations to streamline the federal process in order to meet MTC's project delivery requirement. This amendment increases Federal Revenues and Capital Project Expenditures by \$628,844 for FY 2013/14 activity, as shown on Tables 1 and 2.

Transit Reliability Research: In August 2013, the Transportation Authority received a federal award from the MTC to spend \$90,000 on research to develop tools to analyze transit reliability. This grant award has a 50% local match requirement, to be fulfilled by providing staff time. Due to limited staff capacity to undertake the work, a portion of the revenues and expenditures budgeted for FY 2013/14 is deferred to FY 2014/15. This amendment reduces Federal Revenues by \$85,000, Capital Project Expenditures by \$140,000 and shifts Administrative Operating (Personnel) Expenditures from Congestion Management Agency (CMA) Programs to Sales Tax Program by \$18,240 for FY 2013/14 activity, as shown on Tables 1 and 2.

Interstate 80/YBI Interchange Improvement Project: We are working jointly with the Treasure Island Development Authority (TIDA) on the development of the I-80/YBI Ramps Improvement Project and YBI Bridge Structures (collectively known as the I-80/YBI Interchange Improvement Project). In July 2013, Caltrans approved a \$77.5-million construction phase funding request, consisting of a

combination of Federal Highway Bridge Program and State Proposition 1B Seismic Retrofit funds. In December 2013, through Resolution 14-37, the Board awarded a construction contract to the lowest responsible and responsive bidder. Construction activities began on February 18, 2014 and are slightly slower than anticipated due to delays in tree removal caused by early nesting of birds in the unusually dry, warm weather this winter season. We still anticipate construction for the project will be completed by Spring 2016. This amendment decreases Federal Revenues by \$358,934 and decreases Capital Project Expenditures by \$358,934 for FY 2013/14 activity, as shown on Tables 1 and 2.

In addition, in July 2013, through Resolution 14-01, the Transportation Authority amended the Memorandum of Agreement (MOA) with TIDA for a fifth time to increase the authorized amount for the non-federal portion to a loan obligation amount not to exceed \$11,037,000, and a total non-federal and federal loan obligation amount to \$18,830,000, to complete preliminary engineering and design, and established the schedule for full repayment of the loan by December 31, 2016 over a four-year period. Due to delays in transferring the land from the US Navy to TIDA, TIDA has requested and we have agreed to defer the first payment date and restructure the loan repayment schedule from a four-year period to a three-year period while maintaining the December 31, 2016 deadline for full repayment of the loan. This amendment decreases Regional Revenues by \$336,645 and Other Revenues by \$2,571,750 for FY 2013/14 activity, as shown on Table 1.

Van Ness Avenue BRT Project: In 2010, the San Francisco Municipal Transportation Agency (SFMTA) designated a Project Manager for the project who would eventually assume responsibility for leading the engineering designs and development of the associated Conceptual Engineering Report, with support from the Department of Public Works. In November 2012, the SFMTA Transit Capital Committee approved the use of \$1,486,000 of the Federal Transit Administration (FTA) Small Starts funds for the environmental and advanced conceptual engineering phase of the project in order to preserve Prop K funds to match FTA Small Starts funds in future phases of the project. In December 2012, through Resolution 13-20, the Board approved amending the MOA with SFMTA to provide an additional \$208,962 in appropriated Prop K funds to the SFMTA and accept \$434,531 in FTA Small Starts Funds from the SFMTA to complete the environmental phase of the project and both agencies finalized the transition plan for the project. All project expenditures were included in the Transportation Authority's adopted FY 2013/14 budget.

In addition, budgeted expenditures associated with updating the Project Management Plan and the Quality Management Plan for the project were less than anticipated due to the shift of responsibilities from the Transportation Authority to SFMTA. This amendment increases Federal Revenues by \$434,531 and decreases Capital Project Expenditures by \$235,136, as shown on Tables 1 and 2.

TIMMA: On January 8, 2014, the TIDA Board approved a resolution recommending that the San Francisco Board of Supervisors designate the Transportation Authority as TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. Since December 2011, Transportation Authority staff has carried out a scope of pre-implementation work, including successful grant applications to the Federal Highway Administration and MTC for planning and design funds. Work has included the commencement of policy and financial analysis of the congestion pricing program, development of TIMMA agency formation plans, and collaboration with partner agencies on operating agreements. The scope of work for FY 2013/14 focuses on completing the policy and financial analyses initiated in 2012, beginning the System Manager phase of work, and continued agency and public stakeholder involvement. At its February 2014 meeting, the Finance Committee approved an MOA with TIDA, in an amount not to exceed \$200,000, for the FY 2013/14 operating budget and work plan. Together with the TIDA

contribution, the two grant awards will support the total proposed budget for FY 2013/14 work. This amendment increases Federal Revenues by \$61,419, increases Regional Revenues by \$126,909 and increases Capital Project Expenditures by \$185,328 for FY 2013/14 activity, as shown on Tables 1 and 2.

Presidio Parkway Project: Construction of the Presidio Parkway is organized into two phases, with Phase I being delivered under a traditional design-bid-build process and Phase II under a public-private partnership agreement. The project has a very complicated funding plan comprised of more than 15 different federal, state, regional, and local sources. In November 2009, MTC awarded \$80 million in the AB1171 regional allocation to the Transportation Authority for expenses related to Phase I construction, which was completed in the spring of 2012. Total expenditures for this effort were recognized in FY 2011/12. Due to the delay of complete invoice submittals, revenue reimbursements for Phase I construction costs of \$4,641,715 incurred by Caltrans through June 30, 2012 has been deferred to FY 2013/14. In addition, construction support requirements were less than anticipated for both Phase I claims support and Phase II contract administration during FY 2013/14. The overall project budget has not changed and major construction is anticipated to be completed by late 2015. This amendment increases Regional Revenues by \$4,641,715 million and decreases Capital Projects Expenditures by \$500,000 for FY 2013/14 activity, as shown on Tables 1 and 2.

Folsom Street Off-Ramp Realignment Project: In August 2013, the Office of Community Investment and Infrastructure, as the Successor Agency to the San Francisco Redevelopment Agency, requested that the Transportation Authority be the lead agency in the implementation of the project and will fully reimburse the Transportation Authority for project management, administrative, construction management, and construction services, collectively referred to as the construction phase. This amendment increases Regional Revenues by \$413,000, increases Capital Projects Expenditures by \$366,000 and shifts Administrative Operating (Personnel) Expenditures from Sales Tax Program to CMA Programs by \$47,000 for FY 2013/14 activity, as shown on Tables 1 and 2.

Waterfront Transportation Assessment: The Office of Economic and Workforce Development, in partnership with private development sponsors and the Port of San Francisco are proposing three major development projects along the San Francisco Waterfront (Waterfront Developments): Piers 30-32/Seawall Lot 330 (sponsored by the Golden State Warriors), Seawall Lot 337/Pier 48, and Pier 70. The SFMTA is leading the Waterfront Transportation Assessment, which is intended to analyze future performance of the multi-modal transportation system as a result of the cumulative development of both background growth and the Waterfront Developments. In November 2013, the Board approved the proposed scope of work for analysis of the transportation impacts of the Pier 30-32/Seawall Lot 330 development in partnership with other city agencies. Based on feedback received during the scoping process, we expanded the study area for the Transportation Authority analysis south to include the proposed Seawall Lot 337 and Pier 70 developments. The majority of the work will be completed by early Spring 2014 to be funded by the SFMTA and incorporated into a second phase of the Waterfront Transportation Assessment led by SFMTA. This amendment increases Regional Revenues by \$230,000, increases Capital Projects Expenditures by \$125,306 and shifts Administrative Operating (Personnel) Costs from Sales Tax Program to CMA Programs by \$104,694 for FY 2013/14 activity, as shown on Tables 1 and 2.

Other Federal, State and Regional Revenues: During FY 2013/14, the Transportation Authority has been successful in receiving a number of federal grants and in obtaining reimbursement on costs originally approved in the adopted FY 2013/14 work program. Additional revenues anticipated in FY 2013/14 include \$21,562 from the City/County Association of Governments of San Mateo County and Peninsula Corridor Joint Powers Board for the Geneva-Harney Way BRT Feasibility Study to provide

local match to the federal grant and \$56,135 for the Eastern Neighborhoods Transportation Implementation Planning Study. We also anticipate the reimbursement of an additional \$23,262 in federal grants, \$19,800 in contributions from the San Francisco Department of Environment for sharing shower and bicycle facilities at our current office location, and \$24,600 of rental fees from subleasing a portion of our office space. This amendment increases Federal Revenues by \$23,262, increases Regional Revenues by \$77,697, and increases Other Revenues by \$44,400, as shown on Table 1.

**Table I
Revenues**

	Adopted Budget Fiscal Year 2013/14	Proposed Amendment Increase/ (Decrease)	Proposed Amended Budget Fiscal Year 2013/14
Revenues:			
Interest Income	\$ 947,991	\$ (421,494)	\$ 526,497
Federal/State/Regional Revenues			
Federal CMAQ Program: eFleet Carsharing Electrified	159,016	628,844	787,860
Federal FHWA Transit Reliability Research	90,000	(85,000)	5,000
Federal Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement	5,289,361	(358,934)	4,930,427
Federal Small Smart Funds (from SFMTA): Van Ness Avenue Bus Rapid Transit	-	434,531	434,531
Federal Value Pricing Pilot Program: Treasure Island Mobility Management Study	-	61,419	61,419
Regional AB 1171 – Presidio Parkway (MTC)	-	4,641,715	4,641,715
Regional C/CAG and SamTrans Contributions - Geneva-Harney BRT	-	21,562	21,562
Regional San Francisco (Successor Agency to the SFRDA) - Folsom Street Off-ramp	90,000	413,000	503,000
Regional San Francisco (SFMTA) - EN TRIPS	-	56,135	56,135
Regional San Francisco (SFMTA) - Waterfront Transportation Assessment	-	230,000	230,000
Regional TIDA - Treasure Island Mobility Management Agency	73,091	126,909	200,000
Regional TIDA Funding - Yerba Buena Island Bridge Structures	336,645	(336,645)	-
Other Federal Revenues	298,239	23,262	321,501
Other Revenues			
Sublease of Office Space	-	24,600	24,600
San Francisco Department of Environment - Bicycle Rack/Shower Facilities	-	19,800	19,800
TIDA Loan Reimbursement - YBI Interchange Improvement Project	2,571,750	(2,571,750)	-
Total Increase in Revenues	\$ 9,856,093	\$ 2,907,954	\$ 12,764,047

Prop K Project Grants, Programs & Initiatives: Our estimated FY 2013/14 capital expenditures for Prop K project grants, programs and initiatives was based on sponsor input and analyses leading to adoption of the 2013 Strategic Plan Baseline in July 2013, the amended 5-Year Prioritization Programs, and a review of current project delivery and reimbursement rates. We recommend revising this estimate down from \$208,190,000 to \$100,000,000, a \$108,190,000 decrease, as shown on Table 2. Just three of the largest Prop K projects account for about half of this decrease: SFMTA's Radio Replacement (\$20.4 million reduction due to project delays, plus a milestone-based contract that pushes out when reimbursements are made to the contractor, and billing other grants first) and Central Subway (we reimbursed \$10 million more to the project in the prior fiscal year for the tunnel boring machine contract since we had sufficient cash on hand and SFMTA requested pushing out another \$6 million for design support costs to cover the duration of the construction phase) and the Transbay Joint Powers Authority (TJPA's) Transbay Transit Center Phase 1 (the project was in the midst of significant budget revisions last year and TJPA wanted to conservatively estimate the amount of Prop K funds that might be needed; these funds are now being pushed out to future fiscal years).

Adding the next four largest contributors to the net capital budget reduction accounts for over 85% of the recommended decrease: SFMTA's Central Control and Communications Project (project delays, some related to the Radio Replacement project, billing other sources first); Muni Facilities (this excludes the radio project – a variety of reasons including dropping scope, using other funds sources than Prop K, procurement delays); Muni Vehicles (delay of procurements of 60' trolley coaches and 60' motor coaches to next year); and Muni Guideways (no allocations this fiscal year since SFMTA is using its revenue bonds to match federal grants).

TFCA Program Expenditures: Through the TFCA program, the Transportation Authority recommends projects that improve air quality by reducing motor vehicle emissions. The TFCA capital program includes new FY 2013/14 projects (a placeholder had been included in the adopted budget), and carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2012/13. This amendment decreases Capital Project Expenditures by \$210,576 for FY 2013/14 activity, as shown on Table 2. While a few projects were completed and/or invoiced earlier than anticipated, the primary reason for the recommended decrease in Capital Project Expenditures is delay of City College's Bicycle Route 770 Modification project, for which we had assumed expenditures totaling \$245,000. City College accreditation issues delayed the project. Further, right of way concerns from the Public Utilities Commission may cause the project to be cancelled and the funds reprogrammed as part of the FY 2014/15 TFCA call for projects.

Prop AA Vehicle Registration Fee: On November 2, 2010, San Francisco voters approved Prop AA, establishing an additional \$10 vehicle registration fee on motor vehicles registered in the City and County of San Francisco that is used to pay for transportation improvements included in the Expenditure Plan. Our estimate for FY 2013/14 Prop AA capital expenditures was based on the Strategic Plan as amended and approved allocations (first allocations were approved in December 2012). After reviewing and consulting with project managers regarding project delivery and reimbursements rates for existing allocations, and likely timing of allocations for remaining FY 2013/14 programming, we recommend decreasing the budgeted \$9,817,216 Prop AA Capital Budget Expenditures by \$4,385,054 to a total of \$5,432,162, as shown in Table 2. Delays to five projects account for over 85% of the proposed decrease. Two DPW street reconstruction projects on 9th and McAllister Streets, both led by the Public Utilities Commission, have advanced more slowly than anticipated. SFMTA's Franklin Street Pedestrian Signals and Pedestrian Countdown Signals were delayed due to staff resource constraints. Lastly, City College's Phelan Loop Pedestrian Connector project has been delayed due to the college's accreditation issues and may be cancelled. If that is the case, the funds would be reprogrammed later this spring. Based on updates for allocated projects, we anticipate that delayed Prop AA projects will be able to expend most, if not all of their, funds in Fiscal Year 2014/15.

Bicycle Sharing SAR: At the September 10, 2013 Board meeting, Chair Avalos requested a SAR to investigate possible governance structures of a regional bike sharing program beyond the current Bay Area Bike Share pilot, which opened to the public on August 29, 2013. We anticipate releasing the draft SAR in March 2014 and finalizing the SAR for Board adoption by May 2014. In November 2013, through Resolution 14-35, the Board appropriated \$43,000 in Prop K funds for the SAR. This amendment increases Capital Project Expenditures by \$25,000 for technical tasks and shifting Administrative Operating Costs from Sales Tax Program to CMA Programs by \$18,000 for development of the SAR, for a total cost of up to \$43,000 for FY 2013/14 activity, as shown on Table 2.

Geary Corridor BRT Project: As lead agency for the environmental review phase of the Geary BRT project, we have made substantial progress toward completing the current phase of work, having refined the

project alternatives to address community input and advancing environmental technical studies. The project team has identified the remaining work items requiring a final installment of funds, including completion of the transportation and environmental technical studies, preparation of the environmental document, and identification by staff of the Locally Preferred Alternative. In July 2013, through Resolution 14-17, the Board appropriated \$2,790,598 in Prop K funds to augment previous appropriations totaling \$3,955,515, to complete this phase of the project. This amendment increases Capital Project Expenditures by \$762,240 for FY 2013/14 activity, as shown on Table 2, to incorporate the cash-flow projections from the July 2013 appropriation.

Salary Survey Adjustment: The Transportation Authority's Personnel Manual calls for a periodic review of the Transportation Authority job classification structure to amend job classifications and descriptions, compensation, and benefits. In 2012, we conducted a total compensation study. In May 2013, the Transportation Authority adopted a revised salary structure. Adoption of the revised salary structure does not have immediate budgetary implications because salary increases are only granted on the basis of performance, not for inflation or as blanket cost-of-living increases. This amendment increases Administrative Operating Expenditures by \$308,924 for FY 2013/14 activity, as shown on Table 2.

Enterprise Resource Planning (ERP) System: In December 2013, the Transportation Authority awarded a consultant contract for implementation, licensing, support and maintenance services for Microsoft Dynamics AX 2012. The consultant contract, along with additional costs relating to servers and temporary staff to assist with daily contracting and accounting activities while staff implements the new software, totaling \$423,850 for this current fiscal year, will be a one-time expenditure over the next 18 months. We anticipate fully transitioning to the new ERP system and completing the implementation of Microsoft Dynamics AX 2012 by September 2014. This amendment increases Administrative Operating Expenditures by \$423,850 for FY 2013/14 activity, as shown on Table 2.

The ERP system can be accomplished at an additional expenditure of \$423,850 during FY 2013/14. The adopted 2013 Prop K Strategic Plan Baseline allows 6.1% of sales tax annual proceeds for sales tax administration, overhead and project management oversight. Adoption of the proposed budget amendment would also amend the Strategic Plan to temporarily add 0.6% to that allowance of the Expenditure Plan for FY 2013/14, without violating statutory limits.

Other Capital Project and Administrative Operating Expenditures: Other Capital Project and Administrative Operating Expenditures need to be updated from the original estimates contained in the adopted FY 2013/14 budget. Additional expenditures anticipated in FY 2013/14 include \$78,000 for the 19th Avenue Bulb-outs Study; \$106,038 for various other planning studies, including Geneva-Harney Way BRT Feasibility Study; \$33,000 for the installation of bicycle rack facilities; \$55,000 for developing an agency-wide communication strategy; and \$20,000 for additional community-based organization outreach for the San Francisco Transportation Plan.

Furthermore, staff time budgeted for a few planning studies that completed earlier than anticipated reduces Administrative Operating Expenditures of \$182,154, which will allow staff to begin a few recently new requested projects, programs and initiatives in FY 2013/14 such as the Neighborhood Transportation Improvement Program, 19th Avenue/M-Ocean View Project, supporting Vision Zero initiatives and Central Subway Phase III – Initial Study. The related allocations and appropriations are presented as a separate request this month and we would amend them into the budget once project agreements are executed. The startup costs associated with these new projects, programs and initiatives are minimal and can be absorbed in the Transportation Authority's adopted FY 2013/14 budget. In addition, sufficient funds will be included in future fiscal year budgets to cover the remaining cost of these projects, programs and initiatives.

**Table 2
Expenditures**

	Adopted Budget Fiscal Year 2013/14	Proposed Amendment Increase/ (Decrease)	Proposed Amended Budget Fiscal Year 2013/14
Expenditures:			
Capital Project Costs			
<i>Individual Project Grants, Programs & Initiatives</i>			
Prop K	\$ 208,190,000	\$ (108,190,000)	\$ 100,000,000
TFCA	1,433,954	(210,576)	1,223,378
Vehicle Registration Fee	9,817,216	(4,385,054)	5,432,162
<i>Subtotal Individual Project Grants, Programs & Initiatives</i>	<u>219,441,170</u>	<u>(112,785,630)</u>	<u>106,655,540</u>
<i>Technical Professional Services</i>			
19th Avenue Bulb-outs	149,694	78,000	227,694
Bicycle Sharing Strategic Analysis Report	-	25,000	25,000
eFleet Carsharing Electrified	183,091	628,844	811,935
Geary Corridor Bus Rapid Transit	1,018,818	762,240	1,781,058
I-80/YBI Interchange Improvement Project	5,829,817	(358,934)	5,470,883
Folsom Street Off-ramp Realignment Project	90,000	366,000	456,000
Treasure Island Mobility Management Agency	175,000	185,328	360,328
Transit Reliability Research	140,000	(140,000)	-
Van Ness Avenue Bus Rapid Transit	763,636	(235,136)	528,500
Waterfront Transportation Study	-	125,306	125,306
Presidio Parkway	2,397,000	(500,000)	1,897,000
Other Technical Professional Services	279,000	106,038	385,038
<i>Subtotal Technical Professional Services</i>	<u>11,026,056</u>	<u>1,042,686</u>	<u>12,068,742</u>
<i>Subtotal Capital Project Costs</i>	<u>230,467,226</u>	<u>(111,742,944)</u>	<u>118,724,282</u>
Administrative Operating Costs			
<i>Personnel Expenditures</i>			
Bicycle Sharing Strategic Analysis Report	-	18,000	18,000
Folsom Street Ramps	-	47,000	47,000
Transit Reliability Research	28,240	(18,240)	10,000
Waterfront Transportation Study	-	104,694	104,694
Salary & Fringe Benefits Adjustment	5,386,316	308,924	5,695,240
Other Personnel Expenditures	1,367,600	(151,454)	1,216,146
<i>Subtotal Personnel Expenditures</i>	<u>6,782,156</u>	<u>308,924</u>	<u>7,091,080</u>
<i>Non-personnel Expenditures</i>			
Equipment, Furniture & Fixtures	-	33,000	33,000
Enterprise Resource Planning System	100,000	423,850	523,850
Strategic Communications Consultant	-	55,000	55,000
Community Based Organization Outreach	-	20,000	20,000
Other Non-personnel Expenditures	1,516,967	(30,700)	1,486,267
<i>Subtotal Non-personnel Expenditures</i>	<u>1,616,967</u>	<u>501,150</u>	<u>2,118,117</u>
<i>Subtotal Administrative Operating Costs</i>	<u>8,399,123</u>	<u>810,074</u>	<u>9,209,197</u>
Total Decrease in Expenditures	<u>\$ 238,866,349</u>	<u>\$ (110,932,870)</u>	<u>\$ 127,933,479</u>

Face Value of Debt Issued, Premium/Discount on Issuance of Debt, Bond Reserve Fund, Debt Issuance Cost, and Commercial Paper Refund: We assessed the budgeted issuance of additional debt and deemed it not necessary during the current fiscal year due to the lower capital spending from delays in overall sponsor project delivery and delays in sponsor requests for sales tax reimbursements. This amendment removes the issuance of additional debt in FY 2013/14 and anticipates a repayment of a portion of the outstanding Commercial Paper Program in the amount of \$15,006,000, as shown on Table 3. We are in the process of evaluating the need for the Transportation Authority to issue debt in future fiscal years as part of development of the Transportation Authority's FY 2014/15 budget and Prop K Strategic Plan update, both of which will be presented to the CAC this spring.

**Table 3
Other Financing Sources (Uses)**

	Adopted Budget Fiscal Year 2013/14	Proposed Amendment Increase/ (Decrease)	Proposed Amended Budget Fiscal Year 2013/14
Other Financing Sources (Uses):			
Transfers in - Prop K Match to Grant Funding	\$ 4,100,345	\$ 134,481	\$ 4,234,826
Transfers out - Prop K Match to Grant Funding	(4,100,345)	(134,481)	(4,234,826)
Face Value of Debt Issued	470,000,000	(470,000,000)	-
Premium/Discount on Issuance of Debt	3,055,000	(3,055,000)	-
Bond Reserve Fund	(47,000,000)	47,000,000	-
Debt Issuance Cost	(736,490)	736,490	-
Commercial Paper Refund	(150,000,000)	134,994,000	(15,006,000)
Total Decrease in Other Financing Sources (Uses)	\$ 275,318,510	\$ (290,324,510)	\$ (15,006,000)

We propose that the adopted FY 2013/14 Budget be amended as shown in Attachment A.

We are seeking a motion of support to amend the adopted FY 2013/14 budget to increase revenues by \$2,907,954, decrease expenditures by \$110,932,870 and decrease other financing sources by \$290,324,510 for a total net decrease in fund balance of \$176,483,686, and to amend the 2013 Strategic Plan.

ALTERNATIVES

1. Adopt a motion of support for amendment of the adopted FY 2013/14 budget to increase revenues by \$2,907,954, decrease expenditures by \$110,932,870, decrease other financing sources by \$290,324,510 for a total net decrease in fund balance of \$176,483,686, and amendment of the 2013 Strategic Plan, as requested.
2. Adopt a motion of support for amendment of the adopted FY 2013/14 budget to increase revenues by \$2,907,954, decrease expenditures by \$110,932,870, decrease other financing sources by \$290,324,510 for a total net decrease in fund balance of \$176,483,686, and amendment of the 2013 Strategic Plan, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

If approved, the proposed amendment to the FY 2013/14 Budget would add \$2,907,954 in revenues, decrease \$110,932,870 in expenditures, and decrease \$290,324,510 in other financing sources for a net

decrease of \$176,483,686 in fund balance as described above. In addition, the ERP implementation will cause a one-time increase to our sales tax administration, overhead and project management oversight expense by \$423,850 during the fiscal period, or an additional 0.6% on top of the 6.1% of sales tax annual proceeds for FY 2013/14, to a total of 6.7% for FY 2013/14.

RECOMMENDATION

Adopt a motion of support for amendment of the adopted FY 2013/14 budget to increase revenues by \$2,907,954, decrease expenditures by \$110,932,870, decrease other financing sources by \$290,324,510 for a total net decrease in fund balance of \$176,483,686, and amendment of the 2013 Strategic Plan.

Attachments

- A. Proposed Amended Fiscal Year 2013/14 Budget
- B. Fiscal Year 2013/14 Budget Amendment Line Item Detail



**San Francisco County Transportation Authority
Attachment A
Fiscal Year 2013/14 Budget Amendment**

Proposed Budget Amendment by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Proposed Amended Budget Fiscal Year 2013/14	Increase/ (Decrease)	Adopted Budget Fiscal Year 2013/14
Revenues:							
Sales Tax Revenues	\$ 88,294,414	\$ -	\$ -	\$ -	\$ 88,294,414	\$ -	\$ 88,294,414
Vehicle Registration Fee	-	-	-	4,727,760	4,727,760	-	4,727,760
Interest Income	518,497	-	3,000	5,000	526,497	(421,494)	947,991
Federal/State/Regional Revenues	4,641,715	13,720,439	736,195	-	19,098,349	5,856,798	13,241,551
Other Revenues	44,400	88,143	-	-	132,543	(2,527,350)	2,659,893
Total Revenues	93,499,026	13,808,582	739,195	4,732,760	112,779,563	2,907,954	109,871,609
Expenditures:							
Capital Projects Costs	101,897,000	15,501,654	1,223,378	5,432,162	124,054,194	(111,742,944)	235,797,138
Administrative Operating Costs	5,729,877	2,541,754	36,501	236,388	8,544,520	810,074	7,734,446
Debt Service Interest and Fiscal Charges	1,600,000	-	-	-	1,600,000	-	1,600,000
Total Expenditures	109,226,877	18,043,408	1,259,879	5,668,550	134,198,714	(110,932,870)	245,131,584
Other Financing Sources (Uses):	(19,240,826)	4,234,826	-	-	(15,006,000)	(290,324,510)	275,318,510
Net Change in Fund Balance	\$ (34,968,677)	\$ -	\$ (520,684)	\$ (935,790)	\$ (36,425,151)	\$ (176,483,686)	\$ 140,058,535
Budgetary Fund Balance, as of July 1	\$ (78,510,987)	\$ -	\$ 792,362	\$ 9,831,471	\$ (67,887,154)	N/A	\$ (130,288,374)
Budgetary Fund Balance, as of June 30	\$ (113,479,664)	\$ -	\$ 271,678	\$ 8,895,681	\$ (104,312,305)	N/A	\$ 9,770,161

San Francisco County Transportation Authority
Attachment B
Fiscal Year 2013/14 Budget Amendment
Line Item Detail



	Proposed Budget Amendment by Fund				Proposed Amended Budget FY 2013/14 Total	Increase (Decrease)	Adopted Budget FY 2013/14 Total
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program			
Revenues:							
Sales Tax Revenues	\$ 88,294,414	\$ -	\$ -	\$ -	\$ 88,294,414	\$ -	\$ 88,294,414
Vehicle Registration Fee	-	-	-	4,727,760	4,727,760	-	4,727,760
Interest Income	518,497	-	3,000	5,000	526,497	(421,494)	947,991
Federal/State/Regional Revenues							
Federal 19th Avenue/State Route 1 Transit Corridor Investment Study	-	175,601	-	-	175,601	-	175,601
Federal Balboa Park Station Area Circulation Study	-	192,128	-	-	192,128	12,873	179,255
Federal Congestion Mitigation and Air Quality (CMAQ) Program: eFleet Carsharing Electrified	-	787,860	-	-	787,860	628,844	159,016
Federal CMAQ Program: Transportation Demand Management Partnership Project	-	487,063	-	-	487,063	-	487,063
Federal FHWA Transit Reliability Research	-	5,000	-	-	5,000	(85,000)	90,000
Federal Geneva-Harney Bus Rapid Transit Feasibility Study	-	129,373	-	-	129,373	10,389	118,984
Federal Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement Project	-	4,930,427	-	-	4,930,427	(358,934)	5,289,361
Federal Highway Bridge Program - YBI Bridge Structures	-	2,598,356	-	-	2,598,356	-	2,598,356
Federal San Francisco Parking Pricing and Regulation Study	-	239,643	-	-	239,643	-	239,643
Federal Small Smart Funds (from SFMTA): Van Ness Avenue Bus Rapid Transit	-	434,531	-	-	434,531	434,531	-
Federal Surface Transportation Program 3% Revenue	-	873,886	-	-	873,886	-	873,886
Federal Treasure Island Mobility Management Priority Development Area Study	-	292,362	-	-	292,362	-	292,362
Federal Value Pricing Pilot Program: Treasure Island Mobility Management Study	-	61,419	-	-	61,419	61,419	-
State Seismic Retrofit Proposition 1B - YBI Interchange Improvement Project	-	639,413	-	-	639,413	-	639,413
State Planning, Programming & Monitoring SB45 Funds	-	491,000	-	-	491,000	-	491,000
State Potrero Hill Neighborhood Transportation Plan	-	78,166	-	-	78,166	-	78,166
Regional AB 1171 - Presidio Parkway (MTC)	4,641,715	-	-	-	4,641,715	4,641,715	-
Regional Agency Contributions - Model Service Bureau	-	103,133	-	-	103,133	-	103,133
Regional Agency (C/CAG, SamTrans) Contributions - Geneva-Harney Bus Rapid Transit	-	21,562	-	-	21,562	21,562	-
Regional MTC Community-Based Transportation Planning Grant - Chinatown	-	60,000	-	-	60,000	-	60,000
Regional MTC Community-Based Transportation Planning Grant - Potrero Hill	-	46,900	-	-	46,900	-	46,900
Regional MTC San Francisco Parking Pricing and Regulation Study	-	29,955	-	-	29,955	-	29,955
Regional San Francisco (SFMTA) - Eastern Neighborhood Transportation Plan	-	56,135	-	-	56,135	56,135	-
Regional San Francisco (SFMTA) - Waterfront Transportation Assessment	-	230,000	-	-	230,000	230,000	-
Regional San Francisco (SFPUC, SFDPW) - Better Market Street	-	30,000	-	-	30,000	-	30,000
Regional San Francisco (Successor Agency to the SFRDA) - Folsom Street Ramps	-	503,000	-	-	503,000	413,000	90,000
Regional TFCA Match Transportation Demand Management Partnership Project	-	23,526	-	-	23,526	-	23,526
Regional TIDA - Treasure Island Mobility Management Agency	-	200,000	-	-	200,000	126,909	73,091
Regional TIDA Funding - Yerba Buena Island Bridge Structures	-	-	-	-	-	(336,645)	336,645
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	736,195	-	736,195	-	736,195
Other Revenues							
San Francisco Dept of Environment - Bicycle Racks/Shower Facilities	19,800	-	-	-	19,800	19,800	-
Local Match: City CarShare eFleet Carsharing Electrified	-	40,277	-	-	40,277	-	40,277
Local Match: 19th Avenue Investment Study	-	47,866	-	-	47,866	-	47,866
Sublease of Office Space	24,600	-	-	-	24,600	24,600	-
TIDA Loan Reimbursement - YBI Interchange Improvement Project	-	-	-	-	-	(2,571,750)	2,571,750
Total Revenues	93,499,026	13,808,582	739,195	4,732,760	112,779,563	2,907,954	109,871,609

San Francisco County Transportation Authority
Attachment B
Fiscal Year 2013/14 Budget Amendment
Line Item Detail



	Proposed Budget Amendment by Fund				Proposed Amended Budget FY 2013/14 Total	Increase (Decrease)	Adopted Budget FY 2013/14 Total
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program			
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	100,000,000	-	1,223,378	5,432,162	106,655,540	(112,785,630)	219,441,170
Technical Professional Services	1,897,000	15,501,654	-	-	17,398,654	1,042,686	16,355,968
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,336,110	1,601,950	25,592	59,994	4,023,646	247,139	3,776,507
Fringe Benefits	892,306	742,805	10,909	25,574	1,671,594	61,785	1,609,809
Pay for Performance	163,519	-	-	-	163,519	-	163,519
Non-personnel Expenditures							
Administrative Operations	2,024,942	196,999	-	150,820	2,372,761	468,150	1,904,611
Equipment, Furniture & Fixtures	258,000	-	-	-	258,000	33,000	225,000
Commissioner-Related Expenses	55,000	-	-	-	55,000	-	55,000
Debt Service Interest and Fiscal Charges	1,600,000	-	-	-	1,600,000	-	1,600,000
Total Expenditures	109,226,877	18,043,408	1,259,879	5,668,550	134,198,714	(110,932,870)	245,131,584
Other Financing Sources (Uses):							
Transfers in - Prop K Match to Grant Funding	-	4,234,826	-	-	4,234,826	134,481	4,100,345
Transfers out - Prop K Match to Grant Funding	(4,234,826)	-	-	-	(4,234,826)	(134,481)	(4,100,345)
Face Value of Debt Issued	-	-	-	-	-	(470,000,000)	470,000,000
Premium/Discount on Issuance of Debt	-	-	-	-	-	(3,055,000)	3,055,000
Bond Reserve Fund	-	-	-	-	-	47,000,000	(47,000,000)
Debt Issuance Cost	-	-	-	-	-	736,490	(736,490)
Commercial Paper Refund	(15,006,000)	-	-	-	(15,006,000)	134,994,000	(150,000,000)
Total Other Financing Sources (Uses)	(19,240,826)	4,234,826	-	-	(15,006,000)	(290,324,510)	275,318,510
Net Change in Fund Balance	\$ (34,968,677)	\$ -	\$ (520,684)	\$ (935,790)	\$ (36,425,151)	\$ (176,483,686)	\$ 140,058,535
Budgetary Fund Balance, as of July 1	\$ (78,510,987)	\$ -	\$ 792,362	\$ 9,831,471	\$ (67,887,154)	N/A	\$ (130,288,374)
Budgetary Fund Balance, as of June 30	\$ (113,479,664)	\$ -	\$ 271,678	\$ 8,895,681	\$ (104,312,305)	N/A	\$ 9,770,161
Includes Sales Tax and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency							
	Fund Reserved for Program and Operating Contingency	\$ 8,829,441.00	\$ -	\$ -	\$ 472,776	\$ 9,302,217	
	Reserved Fund Balance					(113,614,522)	
						\$ (104,312,305)	