



Memorandum

Date: 04.21.14 **RE:** Citizens Advisory Committee
April 22, 2014

To: Citizens Advisory Committee

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

Subject: **INFORMATION** – Preliminary Fiscal Year 2015/16 Annual Budget and Work Program

Summary

Pursuant to State statutes (PUC Code Sections 131000 et seq.) and the Transportation Authority's Fiscal Policy, the Transportation Authority Board must adopt an annual budget for the following fiscal year by June 30. The proposed Fiscal Year (FY) 2015/16 Annual Budget includes projections of sales tax revenues; federal, state and regional grants; investment income for the fiscal period; and projections of operating and administrative costs, capital expenditures, and associated financing costs. The proposed FY 2015/16 Annual Budget also includes a description of the Transportation Authority's proposed Work Program for the coming fiscal year. The final proposed FY 2015/16 Annual Budget and Work Program will be presented to the Finance Committee and Transportation Authority Board in June for approval. A public hearing will precede consideration of the FY 2015/16 Annual Budget and Work Program at the Transportation Authority Board's June meeting. We will present the draft materials to the CAC at the April meeting and return in May for action. The materials for this item will be distributed at the meeting. **We are seeking input from the CAC on the preliminary FY 2015/16 Annual Budget and Work Program. This is an information item.**

BACKGROUND

Pursuant to State statutes (PUC Code Sections 131000 et seq.), the Transportation Authority must adopt an annual budget for Fiscal Year (FY) 2015/16 by June 30, 2015. As called for in the Transportation Authority's Fiscal Policy (Resolution 14-43) and Administrative Code (Ordinance 14-01), it is the responsibility of the Finance Committee to set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, as well as to recommend adoption of the budget to the Board of Commissioners prior to June 30 of each year.

DISCUSSION

The purpose of this memorandum is to present the Transportation Authority's preliminary FY 2015/16 Annual Budget and Work Program and to seek input.

The Transportation Authority's proposed FY 2015/16 Work Program includes activities in five major functional areas that are overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects delivery support and oversight, 3) Planning, 4) Technology, Data & Analysis and 5) Finance and Administration. These categories of activities are organized to efficiently address the Transportation Authority's designated mandates, including overseeing the Prop K Sales Tax Expenditure Plan, functioning as the Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee and operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco. Our organizational approach also reflects the principle that all activities at the Transportation Authority contribute to the efficient delivery of transportation plans and projects, even though many activities are funded with a combination of revenue sources and in coordination with

a number of San Francisco agencies as well as and federal, state and regional agencies. Attachment A contains a description of the Transportation Authority's proposed Work Program for FY 2015/16.

Attachment B displays the proposed budget in a format described in the Transportation Authority's Fiscal Policy. Total revenues are projected to be \$214.8 million. Sales tax revenues, net of interest earnings, are projected to be \$101.3 million, or 47.2% of FY 2015/16 revenues. Total expenditures are projected to be about \$273.1 million. Of this amount, capital project costs are \$241.4 million. Capital projects costs are 88.4% of total projected expenditures, with 3.6% of expenditures budgeted for administrative operating costs, and 8% for debt service and interest costs. The division of revenues and expenditures into the sales tax program, CMA program, TFCA program, Prop AA program and TIMMA program on Attachment B reflects the five distinct Transportation Authority responsibilities and mandates. The TIMMA program was separated as a new fund and program in the FY 2014/15 budget. On April 1, 2014, through Resolution No. 110-14, the San Francisco Board of Supervisors designated the Transportation Authority as the TIMMA for San Francisco to oversee the implementation of the Treasure Island Transportation Implementation Plan in accordance with the Treasure Island Transportation Management Act (AB 981), which includes congestion pricing and travel demand management on Treasure Island.

Attachment C shows a more detailed version of the proposed budget.

Revenues: The sales tax revenue projection of \$101.3 million is an increase from the sales tax revenues expected to be received by the Transportation Authority in FY 2015/16. Sales tax revenues have recovered from the FY 2009/10 low and FY 2015/16 revenues are projected to be the highest collected in a single fiscal year since the inception of the Prop K program.

CMA revenues of \$29 million include federal, state, regional and other sources, and are used for professional services contracts and staffing expenditures to implement the Transportation Authority's planning, oversight and programming responsibilities. CMA revenues include project specific grants, and also include annual funding sources such as federal Surface Transportation Program funds that we receive from the Metropolitan Transportation Commission to undertake our CMA-related planning, policy, programming, project delivery support and other activities.

CMA revenues also include federal and state reimbursements of \$26.8 million for construction activities on the I-80/Yerba Buena Island Interchange Improvement Project and Yerba Buena Bridge Structures (collectively known as YBI Project), an effort undertaken under agreement by the Transportation Authority in its role as CMA for San Francisco. Other CMA revenues include the San Francisco Freeway Freeway Performance Initiative Study and Strategic Highway Research Program.

Prop AA revenues in FY 2015/16 are projected to be \$4.8 million or 2.2% of all budgeted revenues, consistent with the Prop AA Strategic Plan. These funds are available for projects and programs identified in the Strategic Plan or through periodic competitive calls for projects.

Expenditures: The estimate for sales tax capital expenditures is placeholder reflecting a combination of estimated cash flow needs for existing allocations based on review of reimbursements, progress reports and conversations with project sponsors, as well as anticipated new allocations estimated for FY 2015/16. When we bring the proposed budget to the CAC for action in May, we may have a refined number based on more up to date information about likely FY 2014/15 reimbursement requests (as we receive third quarter billings) and anticipated FY 2015/16 expenditures from project sponsors. The anticipated largest capital project expenditures for existing allocations include the SFMTA's Radio Communications System & Computer-Aided Dispatch Replacement and Central Subway projects; and the Transbay Joint Powers Authority's Transbay Transit Center/Downtown Extension Project;; as well

as various transit and street maintenance improvements, and pedestrian and bicycle projects. One of the largest anticipated new allocations and corresponding expenditures will be over \$20 million in sales tax funds for the milestone payment due to the concessionaire at substantial completion of Presidio Parkway project, anticipated this fall.

CMA capital expenditures of \$28.9 million include technical consulting services which are needed in order to fulfill the Transportation Authority's CMA Program responsibilities under state law. Projects in this category include the Geary Corridor and Van Ness Avenue Bus Rapid Transit projects, Freeway Corridor Management Study, San Francisco Transportation Plan, Modeling Service Bureau, and various local area plans studies, such as the 19th Avenue M-Ocean View and eFleet Carsharing Electrified and Strategic Highway Research Programs. The FY 2015/16 budget also includes \$26.9 million from federal, state, and regional funding for work on the YBI Project.

Prop AA capital expenditures of \$9.1 million include projects that will be delivered under the voter-approved Prop AA Expenditure Plan. Consistent with the Expenditure Plan, the vehicle registration fee revenues will be used for design and construction of ready-to-go local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include new FY 2015/16 projects based on the approved Prop AA Strategic Plan, and carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2014/15. The largest capital project expenditures for existing allocations include the Dolores Street Pavement Renovation project, the Hunters View Phase II: Transit Connection, and the Mansell Corridor Improvement Project, which is also a OneBayArea Grant project.

Administrative operating expenditures of \$10 million includes personnel and non-personnel costs. Personnel costs are budgeted at \$7 million. In May 2014, through Resolution 14-80, the Transportation Authority approved a staff reorganization plan to address staff capacity and sustainability issues given the ongoing ambitious work programs and Board interest in expanding and enhancing certain aspects of the work program. Adoption of the staff reorganization plan increased Administrative costs by 7.1%. Employees are not entitled to any cost of living adjustment, and all salary adjustments are determined by the Executive Director based on performance only. Non-personnel costs are budgeted at \$2.9 million, which includes a decrease of 7.7% related to the implementation of the Enterprise Resource Planning (ERP) software system. We fully transitioned to the new ERP system in September 2014.

Debt service costs of \$21.8 million are included in the FY 2015/16 budget, which assumes a continuation of the current Commercial Paper Program agreements and an increase in commercial paper interest rates and a \$20 million paydown on the outstanding \$135 million commercial paper program. By 2021, it is expected that the outstanding commercial paper will be fully repaid. Any savings from the proposed changes to the commercial paper program described in agenda item #8 (e.g. replacing the program with a revolving credit agreement) would be reflected in the mid-year budget revision.

Other Sources and Uses: The Other Financing Sources (Uses) section of the Line Item Detail for the FY 2015/16 budget includes inter-fund transfers (for example between the sales tax and CMA funds). These transfers represent the required local match or appropriation of Prop K to federal and state grants such as the Surface Transportation Program and TIMMA Program.

Fund Balance and Contingency Reserve: The budgetary fund balance is generally defined at the difference between assets and liabilities, and the ending balance is based on previous year's audited fund balance plus the current year's budget amendment and the budgeted year's activity. There is a negative of \$140.7 million in total fund balances, which is largely the result of how multi-year programming commitments

are accounted for. A large portion of the negative fund balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years with non-current (i.e. future) revenues. Commitments of future revenues are tracked through the grant administration process, and there is no issue with the availability of future revenues to honor them. A negative fund balance is a result of how these commitments are accounted for, and it does not affect the viability of the projects or grants. This is a conservative accounting presentation of multi-year programming because these commitments are funded with non-current (i.e. future) revenues. In addition, the Transportation Authority does not hold or retain title for the projects it has constructed or for the vehicles and system improvements purchased with sales tax funds, which can result in a negative position. This reporting of all legal funding commitments without the corresponding revenue or assets creates or largely contributes to the \$140.7 million negative fund balance.

The Transportation Authority's Fiscal Policy directs that the Transportation Authority shall allocate between 5% and 15% of the estimated annual sales tax revenues as a hedge against emergencies in the fiscal year. The FY 2015/16 budget sets aside \$10.1 million, or 10% of annual projected sales tax revenues, as a set-aside for a program and operating contingency reserve. The Transportation Authority has also set aside \$477,654 and \$77,240 or 10% as a program and operating contingency reserve for the Prop AA and TFCA Programs, respectively.

Attachment D provides additional descriptions of line items in the budget.

Next Steps: The preliminary FY 2015/16 budget is presented for information to the CAC. The final proposed FY 2015/16 Annual Budget and Work Program will be presented to the CAC in May, and the Finance Committee and Transportation Authority Board in June. A public hearing will precede consideration of the FY 2015/16 Annual Budget and Work Program at the Transportation Authority's June Finance Committee meeting.

ALTERNATIVES

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

None. This is an information item.

Attachments (4):

- A. Preliminary FY 2015/16 Annual Work Program
- B. Preliminary FY 2015/16 Annual Budget
- C. Preliminary FY 2015/16 Annual Budget – Line Item Detail
- D. Line Item Descriptions



Attachment A: FY15/16 Work Program

The Transportation Authority's proposed Fiscal Year (FY) 2015/16 Work Program includes activities in five major divisions overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects, 3) Planning, 4) Technology, Data & Analysis, and 5) Finance and Administration. The Executive Director's office is responsible for directing the agency in keeping with the annual Board-adopted goals, for the development of the annual budget and work program, and for the efficient and effective management of staff and other resources. Further, the Executive Director's office is responsible for regular and effective communications with the Board, the Mayor's Office, San Francisco's elected representatives at the state and federal levels and the public, as well as for coordination and partnering with other city, regional, state and federal agencies, and other county Congestion Management Agencies.

The agency's work program activities address the Transportation Authority's designated mandates and functional roles. These include: serving as the transportation sales tax administrator and Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee and operating as the new Treasure Island Mobility Management Agency (TIMMA). Our work program also reflects the multi-disciplinary and collaborative nature of our roles in planning, funding and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

PLAN

In FY 2015/16 we will continue to move forward key planning efforts previously identified through the 2013 San Francisco Transportation Plan (SFTP), as well as undertake new planning efforts meant to inform and respond to emerging trends and policy areas (e.g. shared mobility). We will also continue the planning phase to deliver the Treasure Island Transportation Implementation Plan as the recently designated TIMMA. Most of the FY 2015/16 activities listed below are strong multi-divisional efforts, often lead by the Planning Division in close coordination with Transportation, Data and Analysis; Capital Projects; and the Policy and Programming Divisions. Proposed activities include:

TIMMA: Continue advancing the Treasure Island Transportation Implementation Plan, which will include congestion pricing and travel demand management on Treasure Island. Efforts this year will focus on implementing governance arrangements and advancing both 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.

Geary Corridor Bus Rapid Transit (BRT) Environmental Clearance and Geneva Harney BRT Feasibility Study: Complete environmental review of the Geary BRT study, transition project lead to the SFMTA, support the SFMTA's efforts to enter the project into the Federal Transit Administration's Small Starts program to secure federal funds, and provide engineering support and oversight as SFMTA advances design of the near-term and core BRT projects. Complete the Geneva Harney BRT Feasibility Study looking at multi-modal east-west BRT and light rail options through Daly City, San Francisco and Brisbane with community and agency partners on both sides of the San Francisco/San Mateo county line. Transition project lead to the SFMTA and support SFMTA as it advances the project to the environmental review phase.

Attachment A

Proposed Fiscal Year 2015/16 Annual Work Program



Freeway Corridor Management Study (FCMS): Start Phase 2 study effort in close coordination with city, regional and State agencies to determine a feasible set of near-term freeway management projects for US 101 and I-280 corridors, as well as a strategic network of managed lanes for the future.

Freeway Ramp Vision Zero Safety Assessment: Conduct an assessment of pedestrian, bicycle, and vehicle conflicts and road safety on local San Francisco streets associated with US 101, I-280, and possibly I-80 on- and off-ramps, as part of the FCMS.

San Francisco Core Capacity Transit Study: As part of the multi-agency project team, support the launch and execution of this two-year Metropolitan Transportation Commission (MTC)-led effort, looking at major transit capacity improvements for the core of San Francisco and the Transbay corridor.

San Francisco Transportation Plan (SFTP) Update: In collaboration with San Francisco agencies and regional partners, update the SFTP in parallel with the Plan Bay Area update that is underway. As part of this effort, a white paper on the Shared Mobility sector will be produced to reflect evolving conditions within the city and to support development of a policy framework for this sector.

Congestion Management Program (CMP): Update the CMP, incorporating new traffic volumes in addition to previous speed monitoring efforts, and an updated set of performance metrics for multi-modal travel. Incorporate the latest thinking on transportation demand management (TDM) based on the TDM Partnership Project. Work closely with state and regional stakeholders to revamp CMP statutes to modernize them and bring them in line with SB 375 and other relevant planning and policy changes that have come to pass since the CMP statutes were first developed.

Neighborhood Transportation Planning: Continue implementation of the sales tax funded Neighborhood Transportation Improvement Program (NTIP), identified as a new initiative in the previous SFTP. In some cases the Transportation Authority will carry out neighborhood transportation plans directly but for the most part, we will provide support to other agencies delivering planning studies and capital projects as part of the NTIP program. NTIP planning studies have been approved in the Western Addition and Richmond. We anticipate Board approval of a NTIP planning study and NTIP capital project next month in Districts 2 (Lombard) and 10 (Hairball), with other proposals currently in active pre-development.

Sector Plans/Policy Studies: Complete the Parking Utilization Study and assist city agencies with the Transportation Sustainability Project. Complete the West Side Strategic Analysis Report (SAR). If requested, undertake up to two new SARs. Complete San Francisco Public-Private Travel Demand Management Partnership Project and initiate Late Night Transportation Study Part II.

Corridor Studies and Plans: Continue to support City agencies on the Better Market Street Project through environmental review phase. Advance the Quint-Jerrold Connector Road design and support the Quint Street Bridge Replacement. Support finalization of designs and the Caltrans approval process for the 19th Avenue Pedestrian and Transit Bulb-outs Project.

San Francisco Travel Incentives Pilot: In partnership with BART, the Transportation Authority will initiate a travel incentives pilot to explore the potential for cost-effective peak period shifts in travel behavior to mitigate the capacity-constrained BART and MUNI systems in the San Francisco core. The pilot will use gamification and technology to generate changes in travel patterns, testing this new approach and its potential impacts.

Travel Forecasting and Analysis for Transportation Authority Studies: Provide modeling, data analysis, technical advice and graphics services to support efforts such as Geneva BRT Feasibility Study, Parking Pricing and Utilization Study, SFTP, Freeway Corridor Management Study, Balboa I-280 Interchange improvements, CMP, Core Capacity Transit Study, and the Geary Corridor BRT environmental analysis.

Attachment A
Proposed Fiscal Year 2015/16 Annual Work Program



Modeling Service Bureau: Provide modeling, data analysis, and technical advice to city agencies and consultants in support of many projects and studies. Expected service bureau support this year will be provided for the 16th Street Busway, Better Market Street Study, Transit Sustainability Program, T-Third Phase 3, and Caltrain Railyard Study.

Data Dissemination Operations: Continue to serve as a data resource for city agencies, consultants, and the public and enhance data management and dissemination capabilities by developing web-based tools such as the “Count Dracula” portal for organizing, mapping, and analyzing traffic, bike, and pedestrian counts. Package and publish important results from the 2012 California Household Travel Survey.

Model Consistency/Land Use Allocation: Complete the requirements for model consistency in coordination with MTC as a part of the CMP update. Continue supporting the refinement of the Bay Area land use growth allocation model with the Planning Department, the Association of Bay Area Governments (ABAG) and MTC. Coordinate land use analysis activities in cooperation with these same agencies.

Travel Demand Model Enhancements: Implement numerous SF-CHAMP and Dynamic Traffic Assignment model improvements, with special emphasis on transit reliability and model performance. In conjunction with MTC and the Puget Sound Regional Council, continue development of a dynamic transit assignment model that will enhance our ability to analyze the impacts of service reliability and crowding on transit trip-making.

Support Related Research: Support researchers working on topics that complement and enhance our understanding of travel behavior. Potential topics include: explore the potential use of new data sources from TNCs and Google; explore the fusion of multiple geographic data sources such as cell phone data with transit fare card, vehicle location, and passenger data; investigate bicycle route choice data before and after the implementation of bicycle infrastructure projects.

FUND

Providing local transportation funds remains one of the agency’s core functions as the administrator of the Prop K half-cent sales tax (which superseded Prop B) – and it is a function which has been complemented and expanded upon by the agency’s other core roles (e.g. Prop AA administrator and CMA). We serve as funding and financing strategist for San Francisco projects; we advocate for discretionary funds and legislative changes to advance San Francisco project priorities; provide support to enable sponsors to comply with timely-use-of-funds and other grant requirements; and seek to secure new sources of revenues. The work program activities highlighted below are typically led by the Policy and Programming Division with key support from all agency divisions.

Fund Programming and Allocations: Administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, Lifeline, OneBayArea Grant, and Regional Improvement Program funds which the agency directly allocates or prioritizes projects for grant funding. Provide technical, strategic and advocacy support for a host of other fund programs such as the State’s Cap-and-Trade and Active Transportation Programs and federal competitive grant programs. Notable special initiatives for FY15-16 include:

- **Prop K Customer Service and Efficiency Improvements:** This multi-division project will continue to improve the Transportation Authority’s grants administration process and the Portal – a web-based grants management database – in terms of efficiency and user-friendliness.
- **Federal-Aid Streamlining Advocacy and Sponsor Support:** The Transportation Authority will continue to provide expertise in grants administration for federally funded projects and is playing a leadership role supporting regional efforts to streamline the current federal-aid grant process.

Attachment A
Proposed Fiscal Year 2015/16 Annual Work Program



Capital Financing Program Management: Provide monitoring of financial performance, maintain the cash flow model, analyzing finance options, developing recommendations, issuing and managing debt to enable accelerated delivery of sales-tax funded projects.

Plan Bay Area Update: As CMA, coordinate San Francisco's input to the 2017 Plan Bay Area update, drawing upon the 2013 SFTP recommendations and the update that is now underway. This includes, conducting the call for projects, providing San Francisco's input on changes to regional fund program guidelines and policy frameworks, new revenue advocacy and other policy initiatives. This involves close coordination with San Francisco agencies, the Mayor's office, and our ABAG and MTC Commissioners, as well as strategic alliances with Bay Area CMAs, the "big 3 cities" (San Francisco, Oakland, and San Jose), and other stakeholders.

New Revenue Advocacy: Advocate for San Francisco priorities and new regional, state and federal funds by providing Board member staffing, issue advocacy at various venues (such as at MTC committees, Bay Area CMA meetings, and SPUR) and ongoing coordination with and appearances before the MTC, California Transportation Commission, and federal agencies. Locally, we continue to support efforts building off of the Mayor's Transportation 2030 Task Force, which include targeting the 2016 ballot for consideration of a vehicle license fee. We will develop revenue advocacy white papers as part of the SFTP update.

Legislative Advocacy: We will continue to monitor and take positions on state legislation affecting San Francisco's transportation programs, and develops strategies for advancing legislative initiatives beneficial to San Francisco's transportation programs. This advocacy builds off of SFTP recommendations, the agency's adopted legislative program (e.g. includes Vision Zero, new revenue, and project delivery advocacy), and is done in coordination with the Mayor's office, the Self Help Counties Coalition, and other city and regional agencies.

Funding and Financing Strategist: Provide funding and financing strategy support for Prop K signature projects which are also included in MTC's Regional Transit Expansion Agreement: e.g. Caltrain Electrification, Central Subway, Transbay Transit Center/Downtown Extension and Van Ness BRT. Continue to serve as a funding resource for all San Francisco project sponsors, including brokering fund swaps, as needed.

Fiscal Agent: Continue to serve as fiscal agent for City CarShare's eFleet: Carsharing Electrified Project, which will deploy a fleet of electric vehicles with supportive infrastructure and operations.

DELIVER

The timely and cost-effective delivery of Transportation Authority-funded transportation projects and programs requires a multi-divisional effort, led primarily by the Capital Projects division with support from other divisions. As in past years, the agency focuses on providing engineering support and overseeing the delivery of the Prop K sales tax major capital projects, such as the Presidio Parkway, the SFMTA's Central Subway, Radio Replacement and facility upgrade projects; the Transbay Transit Center/Caltrain Downtown Extension; and Caltrain Electrification. The agency is also serving as lead agency for the delivery of certain projects, such as the Yerba Buena Island Interchange Improvement Project, which typically are multijurisdictional in nature and often involve significant coordination with the California Department of Transportation (Caltrans). Key delivery activities for FY 2015/16 include the following:

- **Presidio Parkway Project:** Continue supporting Caltrans with construction management and design support during construction; serve as lead for various components of the public private partnership (P3) contract; work with Caltrans to ensure compliance with conditions associated with prior allocations of federal economic stimulus funds; actively assist Caltrans with oversight of the P3 contract including implementation of various programs outlined in the contract such as the

Attachment A
Proposed Fiscal Year 2015/16 Annual Work Program



Workforce Development Program and the Underutilized Disadvantaged Business Enterprise Program. In FY 15/16, we anticipate completing the P3 study that is comparing the effectiveness of delivering Phase 1 of the project using the more traditional design-bid-build model with Phase 2 which is being delivered as a P3.

- **I-80/Yerba Buena Island (YBI) Interchange Improvement Project:** Continue to lead construction of the East Side Ramps. Continue final engineering and design of the West Side Bridges and prepare for construction. Continue management activities with Caltrans, BATA, the Office of Economic and Workforce Development and the Treasure Island Development Authority.
- **Folsom Off-Ramp Realignment Project:** Complete construction of the Folsom Off-Ramp Realignment Project for the Office of Community Investment and Infrastructure, providing pedestrian safety improvements and supporting the goals of the Transbay Redevelopment Project Area.
- **Central Subway:** Project management oversight; scope/cost/schedule and funding assessment and strategy.
- **Transbay Transit Center/Caltrain Downtown Extension:** Project management oversight; scope/cost/schedule and funding assessment and strategy.
- **Caltrain Early Investment Program and California High-Speed Rail Program:** Coordinate with the California High-Speed Rail Authority (CHSRA) and San Francisco agencies on high-speed rail issues affecting the city; work with Caltrain, MTC, the Mayor's Office and other Peninsula and regional stakeholders to monitor and support delivery of the Caltrain Early Investment Program including the Communications Based Overlay Signal System and Electrification projects. Continue to work closely with aforementioned stakeholders to fully fund electrification and support delivery of the blended system to the Peninsula corridor that extends to the new Transbay Transit Center.
- **Van Ness Avenue Bus Rapid Transit (BRT):** Project engineering support, environmental compliance, and general project oversight. Work closely with SFMTA and an interagency project team to maintain project integrity and quality while controlling budget and schedule. Assist SFMTA in implementing a Construction Manager/General Contractor approach to construction.
- **I-280 Interchange Modifications at Balboa Park Ramps:** Lead next steps for implementing recommendations from the recently completed Balboa Park Circulation Study. This includes working towards achieving Caltrans approval and environmental clearance of the realignment of the southbound I-280 off-ramp to Ocean Avenue (to improve safety at the ramp/local street interface) by July 2016, and preparing a Ramp Closure Analysis for the northbound I-280 on-ramp from Geneva Avenue, anticipated to be completed by early 2016.
- **Engineering Support:** Support for SFMTA-led 19th Avenue/M-Ocean View Project Pre-Environmental Study, including support for Caltrans coordination during the production of a Project Study Report-Project Development Support document. Provide engineering support, as needed, for other Transportation Authority-led planning and programming efforts.

TRANSPARENCY & ACCOUNTABILITY

This section of the work program highlights ongoing agency activities needed to provide all the support functions needed to run an agency, and to ensure transparency and accountability in the use of taxpayers funds. It includes ongoing efforts lead by the Finance and Administration Division (e.g. accounting, human resources, procurement support), by the Transportation, Data and Analysis Division (e.g. IT and systems integration support), and by the Executive Office (e.g. communications) as listed below:

Attachment A
Proposed Fiscal Year 2015/16 Annual Work Program



- **Audits:** Prepare, procure, and manage fiscal compliance and management audits.
- **Budget, Reports and Financial Statements:** Develop and administer Transportation Authority budget, including performance monitoring, internal program and project tracking. Monitor internal controls and prepare reports and financial statements.
- **Accounting and Grants Management:** Maintain payroll functions, general ledger and accounting system, including paying, receiving and recording functions. Manage grants and prepare invoices for reimbursement.
- **Systems Integration:** Ongoing enhancement and maintenance of the new enterprise resource planning system (business management and accounting software) to improve accounting functions, general ledger reconciliations and financial reporting, as well as enabling improved data sharing with Portal (web-based grants management database used by agency staff and project sponsors).
- **Contract Support:** Oversee procurement process for professional consultant contracts, prepare contracts, manage compliance for contracts and associated Memoranda of Agreement and Understanding.
- **Disadvantaged Business Enterprise and Local Business Enterprise:** Administer program, review and update policy for any new state and federal requirements, conduct outreach and review applications and award certifications.
- **Communications:** Execute the agency's communications strategy with the general public, the agency's board, various interest groups and other government agencies. This is accomplished through various means, including fostering media relations, developing strategic communications plans for projects and policy initiatives, contributing to public outreach and helping coordinate events to promote the agency's work. In this second half the 25th Anniversary year of the agency, the Executive Director's office will continue to lead special commemorative activities to highlight major Prop K accomplishments and program management activities.
- **Website Maintenance:** Update content and maintain and enhance interactive project delivery reporting features such as the mystreetsf.com project map.
- **Policies:** Maintain and update Administrative Code, fiscal, debt, procurement, investment, and travel policies.
- **Human Resources:** Administer recruitment, personnel and benefits management and office procedures.
- **Office Management and Administrative Support:** Maintain facilities and provide procurement of goods and services and administration of services contracts. Staff front desk reception duties. Provide assistance to the Clerk of the Authority as required with preparation of agenda packets and minutes, updates to website and clerking meetings.
- **Legal Issues:** Manage routine legal issues, claims and public records requests.
- **Information Technology:** Provide internal development and support; maintain existing technology systems including phone and data networks; develop new collaboration tools to further enhance efficiency and technological capabilities; and expand contact management capabilities.

**San Francisco County Transportation Authority
Attachment B
Preliminary Fiscal Year 2015/16 Annual Budget**



Proposed Budget by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Preliminary Budget Fiscal Year 2015/16	Increase (Decrease) from Prior Year	Amended Budget Fiscal Year 2014/15
Revenues:								
Sales Tax Revenues	\$ 101,293,575	\$ -	\$ -	\$ -	\$ -	\$ 101,293,575	\$ 2,470,575	\$ 98,823,000
Vehicle Registration Fee	-	-	-	4,776,540	-	4,776,540	48,822	4,727,718
Interest Income	328,196	-	2,140	4,370	-	334,706	(11,484)	346,190
Federal/State/Regional Revenues	75,000,000	29,019,662	772,398	-	650,000	105,442,060	56,093,140	49,348,920
Other Revenues	2,909,880	6,210	-	-	-	2,916,090	(2,754,527)	5,670,617
Total Revenues	179,531,651	29,025,872	774,538	4,780,910	650,000	214,762,971	55,846,526	158,916,445
Expenditures:								
Capital Project Costs	201,816,864	28,943,668	1,225,593	9,108,958	274,400	241,369,483	56,001,882	185,367,601
Administrative Operating Costs	7,143,980	2,067,033	37,486	228,830	475,600	9,952,929	222,225	9,730,704
Debt Service	21,760,000	-	-	-	-	21,760,000	19,973,400	1,786,600
Total Expenditures	230,720,844	31,010,701	1,263,079	9,337,788	750,000	273,082,412	76,197,507	196,884,905
Other Financing Sources (Uses):	(2,084,829)	1,984,829	-	-	100,000	-	-	-
Net Change in Fund Balance	\$ (53,274,022)	\$ -	\$ (488,541)	\$ (4,556,878)	\$ -	\$ (58,319,441)	\$ (20,350,981)	\$ (37,968,460)
Budgetary Fund Balance, as of July 1	\$ (87,859,874)	\$ -	\$ 488,541	\$ 5,011,347	\$ -	\$ (82,359,986)	N/A	\$ (44,391,526)
Budgetary Fund Balance, as of June 30	\$ (141,133,896)	\$ -	\$ -	\$ 454,469	\$ -	\$ (140,679,427)	N/A	\$ (82,359,986)

San Francisco County Transportation Authority
Attachment C
Preliminary Fiscal Year 2015/16 Annual Budget
Line Item Detail



	Proposed Budget Amendment by Fund					Preliminary Budget Fiscal Year 2015/16	Increase (Decrease) from Prior Year	Amended Budget Fiscal Year 2014/15
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program			
Revenues:								
Sales Tax Revenues	\$ 101,293,575	\$ -	\$ -	\$ -	\$ -	\$ 101,293,575	\$ 2,470,575	\$ 98,823,000
Vehicle Registration Fee	-	-	-	4,776,540	-	4,776,540	48,822	4,727,718
Interest Income	328,196	-	2,140	4,370	-	334,706	(11,484)	346,190
Federal/State/Regional Revenues								
Federal Congestion Mitigation and Air Quality (CMAQ) Program: eFleet	-	367,623	-	-	-	367,623	(528,975)	896,598
Federal CMAQ Program: Transportation Demand Mananagement Partnership Project	-	-	-	-	-	-	(191,831)	191,831
Federal Geneva-Harney Bus Rapid Transit Feasibility Study	-	-	-	-	-	-	(205,500)	205,500
Federal Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement Project	-	23,230,106	-	-	-	23,230,106	(7,745,074)	30,975,180
Federal Highway Bridge Program - Yerba Buena Island Bridge Structures	-	582,527	-	-	-	582,527	(1,740,058)	2,322,585
Federal San Francisco Freeway Performance Initiative Study	-	219,000	-	-	-	219,000	219,000	-
Federal San Francisco Parking Pricing and Regulation Study	-	-	-	-	-	-	(332,209)	332,209
Federal Small Smart Funds (from SFMTA): Van Ness Avenue Bus Rapid Transit	-	-	-	-	-	-	(208,159)	208,159
Federal Strategic Highway Research Program	-	123,947	-	-	-	123,947	61,972	61,975
Federal Surface Transportation Program 3% Revenue	-	1,432,162	-	-	-	1,432,162	465,616	966,546
Federal Treasure Island Mobility Management Priority Development	-	-	-	-	-	-	(476,000)	476,000
Federal Value Pricing Pilot Program: Treasure Island Mobility	-	-	-	-	-	-	(329,423)	329,423
State Planning, Programming & Monitoring SB45 Funds	-	-	-	-	-	-	(161,000)	161,000
State Potrero Hill Community-Based Transportation Plan	-	-	-	-	-	-	(56,856)	56,856
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	3,009,707	-	-	-	3,009,707	(979,714)	3,989,421
State TCRP Presidio Parkway	-	-	-	-	-	-	(48,310)	48,310
Regional MTC - Chinatown Community-Based Transportation Plan	-	-	-	-	-	-	(21,000)	21,000
Regional MTC - Potrero Hill Community-Based Transportation Plan	-	-	-	-	-	-	(60,000)	60,000
Regional MTC - Presidio Parkway (ABI 171)	-	-	-	-	-	-	(1,408,129)	1,408,129
Regional MTC - San Francisco Parking Pricing and Regulation Study (MTC)	-	-	-	-	-	-	(60,000)	60,000
Regional San Francisco (OCII) - Folsom Street Ramps	-	-	-	-	-	-	(4,492,114)	4,492,114
Regional San Francisco (OEWD) - Late Night Transportation	-	-	-	-	-	-	(40,000)	40,000
Regional San Francisco (Planning) - Transportation Sustainability Program	-	-	-	-	-	-	(17,451)	17,451
Regional San Francisco (Planning, SFMTA) - Travel Demand Modeling Assistance	-	-	-	-	-	-	(200,000)	200,000
Regional San Francisco (SFMTA) - 19th Avenue M-Ocean View	-	54,590	-	-	-	54,590	(382,211)	436,801
Regional San Francisco (SFMTA) - Waterfront Transportation Assessment	-	-	-	-	-	-	(140,368)	140,368
Regional San Francisco (SFPUC) - 19th Avenue City-Combined Project	-	-	-	-	-	-	(160,000)	160,000
Regional TFCA Match Transportation Demand Mananagement Partnership Project	-	-	-	-	-	-	(34,419)	34,419
Regional (Planning, SFE, SFMTA) - Travel Demand Management Partnership Project	-	-	-	-	-	-	(7,252)	7,252
Regional TIDA - Treasure Island Mobility Management Agency	-	-	-	-	650,000	650,000	350,000	300,000
Regional San Francisco (GGBHTD) Funding - Presidio Parkway	75,000,000	-	-	-	-	75,000,000	75,000,000	-
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	772,398	-	-	772,398	22,605	749,793
Other Revenues								
Local Match: City CarShare eFleet Carsharing Electrified	-	6,210	-	-	-	6,210	(19,959)	26,169
Private Contributions: 19th Avenue M-Ocean View	-	-	-	-	-	-	(8,367)	8,367
San Francisco Dept of Environment - Bicycle Racks/Shower Facilities	2,000	-	-	-	-	2,000	(21,851)	23,851
Sublease of Office Space	45,384	-	-	-	-	45,384	7,200	38,184
TIDA Loan Reimbursement - YBI Interchange Improvement Project	2,862,496	-	-	-	-	2,862,496	(2,711,550)	5,574,046
Total Revenues	179,531,651	29,025,872	774,538	4,780,910	650,000	214,762,971	55,846,526	158,916,445

**San Francisco County Transportation Authority
Attachment C
Preliminary Fiscal Year 2015/16 Annual Budget
Line Item Detail**



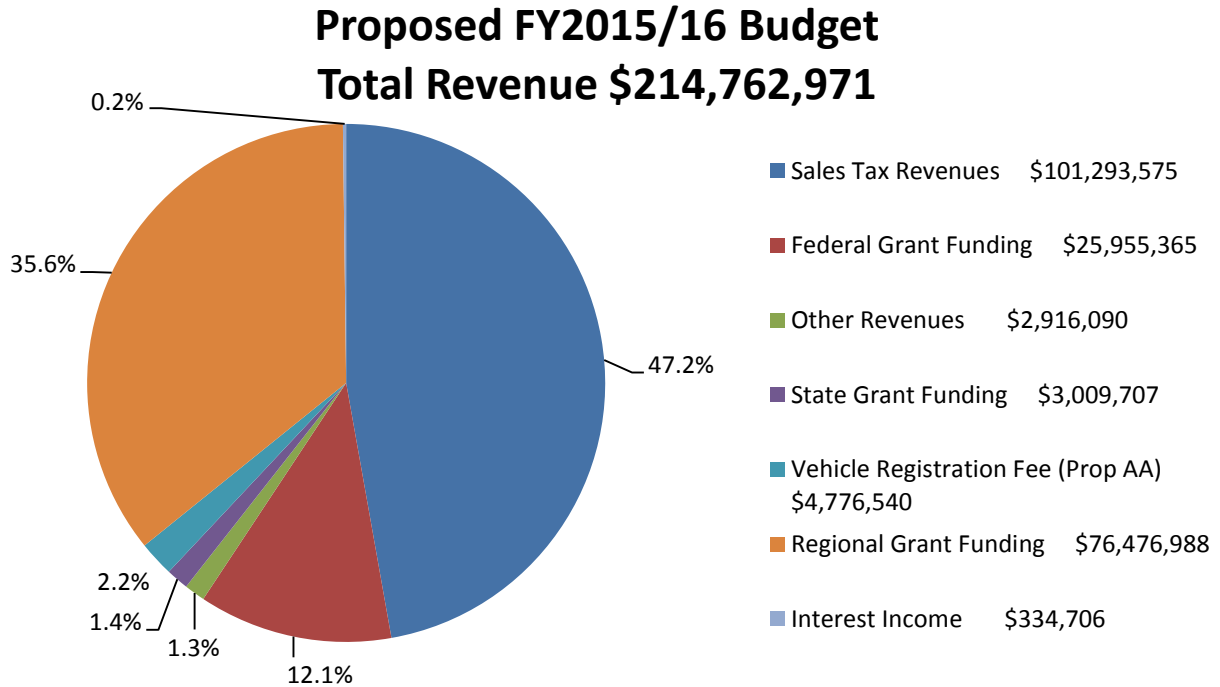
	Proposed Budget Amendment by Fund					Preliminary Budget Fiscal Year 2015/16	Increase (Decrease) from Prior Year	Amended Budget Fiscal Year 2014/15
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program			
Expenditures:								
Capital Project Costs								
Individual Project Grants, Programs & Initiatives	125,000,000	-	1,225,593	9,083,958	-	135,309,551	(1,132,318)	136,441,869
Technical Professional Services	76,816,864	28,943,668	-	25,000	274,400	106,059,932	57,134,200	48,925,732
Administrative Operating Costs								
Personnel Expenditures								
Salaries	3,018,317	1,237,012	25,490	69,858	290,964	4,641,641	331,071	4,310,570
Fringe Benefits	1,420,384	582,124	11,996	32,874	134,209	2,181,587	120,928	2,060,659
Pay for Performance	194,965	-	-	-	-	194,965	15,720	179,245
Non-personnel Expenditures								
Administrative Operations	2,295,214	247,897	-	126,098	46,227	2,715,436	(136,394)	2,851,830
Equipment, Furniture & Fixtures	144,700	-	-	-	-	144,700	(113,300)	258,000
Commissioner-Related Expenses	70,400	-	-	-	4,200	74,600	4,200	70,400
Debt Service								
Principal Retirement	20,000,000	-	-	-	-	20,000,000	20,000,000	-
Interest and Fiscal Charges	1,760,000	-	-	-	-	1,760,000	(26,600)	1,786,600
Total Expenditures	230,720,844	31,010,701	1,263,079	9,337,788	750,000	273,082,412	76,197,507	196,884,905
Other Financing Sources (Uses):								
Transfers in - Prop K Match to Grant Funding	(2,084,829)	-	-	-	-	(2,084,829)	(3,093,081)	1,008,252
Transfers out - Prop K Match to Grant Funding	-	1,984,829	-	-	100,000	2,084,829	3,093,081	(1,008,252)
Total Other Financing Sources (Uses)	(2,084,829)	1,984,829	-	-	100,000	-	-	-
Net Change in Fund Balance	\$ (53,274,022)	\$ -	\$ (488,541)	\$ (4,556,878)	\$ -	\$ (58,319,441)	\$ (20,350,981)	\$ (37,968,460)
Budgetary Fund Balance, as of July 1	\$ (87,859,874)	\$ -	\$ 488,541	\$ 5,011,347	\$ -	\$ (82,359,986)	N/A	\$ (44,391,526)
Budgetary Fund Balance, as of June 30	\$ (141,133,896)	\$ -	\$ -	\$ 454,469	\$ -	\$ (140,679,427)	N/A	\$ (82,359,986)
<u>Includes Sales Tax and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency</u>								
Fund Reserved for Program and Operating Contingency	\$ 10,129,358	\$ -	\$ 77,240	\$ 477,654	\$ -	\$ 10,684,251		

**Attachment D
Line Item Descriptions**



TOTAL PROJECTED REVENUES..... \$214,762,971

The following chart shows the composition of revenues for the proposed FY 2015/16 budget.



Prop K Sales Tax Revenues:\$101,293,575

The budgeted revenues for Sales Tax programs are from a voter-approved levy of 0.5% sales tax in the County of San Francisco for transportation projects and programs included in the voter-approved Expenditure Plan. The 2003 Prop K Sales Tax Revenue's Expenditure Plan includes investments in four major categories: 1) Transit; 2) Streets and Traffic Safety; 3) Paratransit services for seniors and disabled people and 4) Transportation System Management/Strategic Initiatives. Based on Fiscal Year (FY) 2014/15 revenues to date, the Transportation Authority projects FY 2015/16 sales tax revenues to increase compared to the budgeted revenues for FY 2014/15 by \$2.5 million. The sales tax revenue projection is net of the Board of Equalization's charges for the collection of the tax.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues: \$4,776,540

These revenues (excluding interest earnings budgeted in Interest Income) fund projects that will be delivered under Prop AA's Expenditure Plan. This measure, approved by San Francisco voters in November 2010, collects an additional \$10 vehicle registration fee on motor vehicles registered in San Francisco. Revenues must be used to fund projects included in the voter-approved Expenditure Plan, such as local road repairs, pedestrian safety improvements, and transit reliability improvements. The Department of Motor Vehicles (DMV) began assessing the fee on vehicle registrations starting May 2011. This amount is net of the DMV's charges for the collection of these fees.

**Attachment D
Line Item Descriptions**



Interest Income: \$334,706

Most of the Transportation Authority’s investable assets are deposited in the City’s Treasury Pool. Per direction from the Treasurer’s Office, the deposits in the Pooled Investment Fund are assumed to earn approximately 0.5% 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. An average sales tax fund budget cash balance during the year of approximately \$40 million was assumed. The budget cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed.

Sales Tax Program Regional Revenue:\$75,000,000

The Presidio Parkway Project Phase II is being delivered as a public private partnership. The contract with Golden Link Concessionaire, LLC is structured such that Caltrans must make a one-time milestone payment to the concessionaire upon substantial completion, which is anticipated by September 2015. Caltrans will subsequently provide quarterly availability payments to the concessionaire. In support of the Presidio Parkway Project, one of the Transportation Authority’s responsibilities is arranging for and serving as aggregator of local funds for the milestone payment, including \$75 million from the Golden Gate Bridge, Highway and Transportation District (Bridge District) and \$20.3 million of Prop K funds. Based on the funding agreement between the Bridge District and the Transportation Authority, the Bridge District shall pay the Transportation Authority no later than 75 days prior to the substantial completion date and then the Transportation Authority will pass those funds onto Caltrans to pay the concessionaire. Prop K funds will be requested through a separate appropriation request.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:\$29,019,662

The CMA program revenues (excluding Other Revenues) for FY 2015/16 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in the Transportation Authority’s role as CMA. The FY 2015/16 budget includes \$26.8 million from federal and state funding for work on the I-80/Yerba Buena Island (YBI) Interchange Improvement Project and YBI Bridge structures (collectively known as YBI Project). CMA revenues are also comprised of federal, state and regional grant funds, including funds received from the Federal Highway Administration, Metropolitan Transportation Commission (MTC), and the California Department of Transportation (Caltrans). Several of these grants are project-specific, such as those for the Freeway Corridor Management Study, Strategic Highway Research Program and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for eFleet: Car Sharing Electrified projects, a high-impact, innovative project with the greatest potential to reduce greenhouse gas emissions that can be replicated on a larger-scale around the region. Other funding sources, such as federal Surface Transportation Program funds can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the Congestion Management and San Francisco Transportation Plan. Regional CMA program revenues include project management and travel demand model services provided to City agencies in support of various projects and studies, such as the 19th Avenue M-Ocean View Study.

Transportation Fund for Clean Air (TFCA) Program Regional Revenues: \$772,398

The TFCA Vehicle Registration Fee Revenues (excluding interest earnings included in Interest

**Attachment D
Line Item Descriptions**



Income above) are derived from a \$4 surcharge on vehicles registered in the nine Bay Area counties and must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. Budgeted revenues are based on a funding estimate provided by the Bay Area Air Quality Management District, which administers these revenues. The FY 2015/16 budgeted amount includes new estimated revenues only.

Treasure Island Mobility Management Agency (TIMMA) Program Federal and Regional Revenues:
..... \$650,000

The TIMMA program revenues for FY 2015/16 are planned to cover the full costs of all Transportation Authority activities in support of TIMMA. This includes ongoing staffing and professional/technical service contracts required to conduct pre-implementation planning and administration. The FY 2015/16 budget consists of local funds from the Treasure Island Development Authority (TIDA). The TIDA funds provide support for administrative, operating, planning and engineering functions including: developing agency policies and partnership agreements; analyzing policy alternatives, developing the budget, cost estimates, financial profile and schedule management of the program; legal counsel; and other direct costs.

Other Revenues: \$2,916,090

Other revenues budgeted in FY 2015/16 include contributions from City CarShare for the eFleet: CarSharing Electrified Project and revenues from the sublease of office space. In addition, the Transportation Authority will receive the second of three loan repayments from TIDA on the environmental phase of the YBI Project.

TOTAL PROJECTED EXPENDITURES \$273,082,412

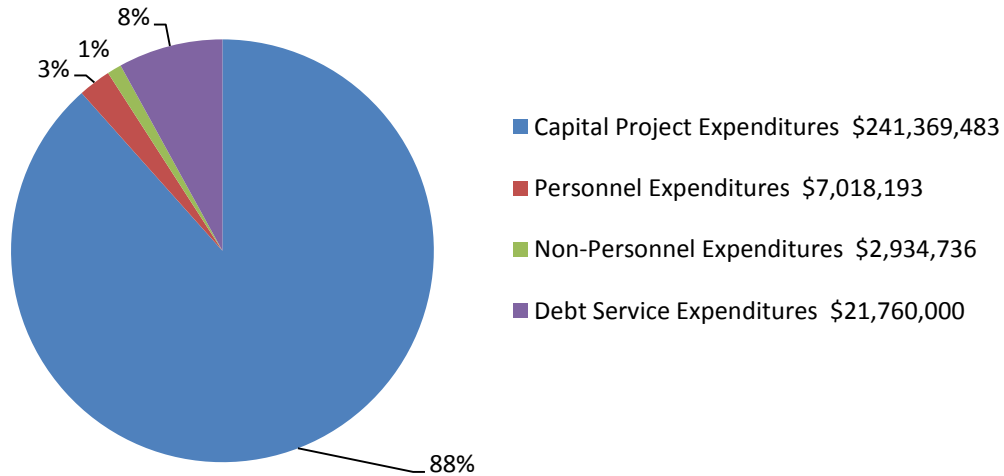
The Transportation Authority's Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$241.4 million, Administrative Operating Expenditures of \$10 million, and Debt Service Expenditures of \$21.8 million.

The following chart shows the composition of expenditures for the proposed FY 2015/16 budget.

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Line Item Descriptions



Proposed FY2015/16 Budget
Total Expenditure \$273,082,412



CAPITAL EXPENDITURES.....\$241,369,483

Capital expenditures in FY 2015/16 are budgeted to increase from the FY 2014/15 Amended Budget by an estimated 30.2% due to higher activity existing projects, project delays and billing other grants first in the prior year, for both Prop K and Prop AA capital programs. Project expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:.....\$201,816,684

The estimate for sales tax capital expenditures is placeholder reflecting a combination of estimated cash flow needs for existing allocations based on review of reimbursements, progress reports and conversations with project sponsors, as well as anticipated new allocations estimated for FY 2015/16. When we bring the proposed budget to the CAC for action in May, we may have a refined number based on more up to date information about likely FY 2014/15 reimbursement requests (as we receive third quarter billings) and anticipated FY 2015/16 expenditures from project sponsors. The anticipated largest capital project expenditures for existing allocations include the SFMTA's Radio Communications System & Computer-Aided Dispatch Replacement and Central Subway projects; and the Transbay Joint Powers Authority's Transbay Transit Center/Downtown Extension Project; as well as various transit and street maintenance improvements, and pedestrian and bicycle projects. One of the largest anticipated new allocations and corresponding expenditures will be over \$20 million in sales tax funds for the milestone payment due to the concessionaire at substantial completion of Presidio Parkway project, anticipated this fall.

CMA Programs Expenditures:\$28,943,668

This line item includes staff time and technical consulting services such as planning, programming, engineering, design, environmental, or programming services, which are needed in order to fulfill the Transportation Authority's Congestion Management Agency responsibilities under state law. Included are technical services contracts for the Geary Corridor and Van Ness Avenue Bus Rapid Transit projects, the Freeway Corridor Management Study, the San Francisco Transportation Plan,

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Line Item Descriptions**



and various other planning efforts and projects such as the 19th Avenue M-Ocean View, and eFleet Carsharing Electrified and Strategic Highway Research Program. Also included is ongoing construction activity for the YBI Project, being funded by federal and state funding matched with funds from the Treasure Island Development Authority.

TFCA Program Expenditures:..... \$1,225,593

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes new FY 2015/16 projects, and carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2014/15. We have included an estimate for expenditures for the FY 2015/16 program of projects, which is scheduled to be approved by the Transportation Authority Board in June 2015.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Expenditures:
..... \$9,108,958

This line item includes projects that will be delivered under the voter-approved Prop AA Expenditure Plan. Consistent with the Expenditure Plan, the revenues will be used for design and construction of ready-to-go local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include new FY 2015/16 projects based on the approved Prop AA Strategic Plan, and carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2014/15. The largest capital project expenditures for existing allocations include the Dolores Street Pavement Renovation project, the Hunters View Phase II: Transit Connection, and the Mansell Corridor Improvement Project.

Treasure Island Mobility Management Agency (TIMMA) Program Expenditures:..... \$750,000

This line item includes technical consulting services which are needed in order to fulfill the Transportation Authority's responsibilities as TIMMA per state and local law. Technical consulting services include planning, engineering, design, communications, and environmental services. Included are technical services contracts already awarded: for the Treasure Island Mobility Management Study; Treasure Island demand model development and application; and project management support. Additional technical services contracts anticipated in this line item include strategic communications, legal services, and outreach services.

ADMINISTRATIVE OPERATING EXPENDITURES \$9,952,929

Operating expenditures include personnel expenditures, administrative expenditures, commissioner-related expenditures, and equipment, furniture and fixtures.

Personnel:..... \$7,018,193

Personnel costs are budgeted at a higher level as in the amended budget for FY 2014/15. In May 2014, through Resolution 14-80, the Transportation Authority approved a staff reorganization plan to address staff capacity and sustainability issues given the ongoing ambitious work programs and Board interest in expanding and enhancing certain aspects of the work program. Adoption of the staff reorganization plan increased administrative costs by 7.1%. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any

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Line Item Descriptions**



annual pay increase. Transportation Authority employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

Non-Personnel: \$2,934,736

This line item includes typical operating expenditures for office rent, telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all Transportation Authority activities, along with all administrative support contracts, whether for City-supplied services, such as the City Attorney legal services and the Department of Technology cablecast services, or for competitively procured services (such as auditing, legislative advocacy, outside computer system support, etc.). Also included are funds for ongoing maintenance and operation of office equipment; computer hardware; licensing requirements for computer software; and an allowance for replacement furniture and fixtures. This line item also includes Commissioner meeting fees, and compensation for Commissioners' direct furniture and equipment expenditures. Non-personnel expenditures are budgeted lower in FY 2015/16 due to a decrease of 7.7% related to the implementation of the Enterprise Resource Planning (ERP) software system. We transitioned to the new ERP system in September 2014.

DEBT SERVICE EXPENDITURES.....\$21,760,000

This line item assumes a continuation of the current Commercial Paper Program agreements with an increase in commercial paper interest rates and a \$20 million paydown on the outstanding \$135 million commercial paper program. By 2021, it is expected the outstanding commercial paper will be fully repaid.

OTHER FINANCING SOURCES/USES.....\$0

The Other Financing Sources Uses section of the Line Item Detail for the FY 2015/16 budget includes inter-fund transfers (for example between the sales tax and CMA funds). These transfers represent the required local match or appropriation of Prop K to federal and state grants such as the Surface Transportation Program and TIMMA Program.

BUDGETARY FUND BALANCE FOR CONTINGENCIES.....\$10,684,251

The Transportation Authority's Fiscal Policy directs that the Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of estimated annual sales tax revenues as a hedge against an emergency occurring during the budgeted fiscal year. In the current economic climate, a budgeted fund balance of \$10.1 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. The Transportation Authority has also set aside \$477,654 and \$77,240 or about 10% as a program and operating contingency reserve for the Prop AA Program and TFCA Program.