



Memorandum

Date: 05.19.16 **RE:** Citizens Advisory Committee
May 25, 2016

To: Citizens Advisory Committee

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

Subject: **ACTION** – Adopt a Motion of Support for the Adoption of the Proposed Fiscal Year 2016/17 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) 2016/17 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 2016/17 Annual Budget also includes a description of the Transportation Authority's proposed Work Program for the coming fiscal year. Total revenues are projected to be \$125.8 million, including \$108.2 million in sales tax revenues. Total expenditures are projected to be \$230.2 million. Capital project expenditures are projected to be \$219.9 million or about 95.5% of total expenditures. The final proposed FY 2016/17 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 2016/17 Annual Budget and Work Program at the Transportation Authority Board's June meeting.

BACKGROUND

Pursuant to State statutes (PUC Code Sections 131000 et seq.), the Transportation Authority must adopt an annual budget for Fiscal Year (FY) 2016/17 by June 30, 2016. As called for in the Transportation Authority's Fiscal Policy (Resolution 15-31) and Administrative Code (Ordinance 15-01), 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.

Update: Since the presentation of the preliminary FY 2016/17 annual budget last month and based on continued discussions with project sponsors and the Transportation Authority's financial advisors, the Transportation Authority should include the amount for the next scheduled Revolving Credit Loan repayment of \$21 million, bringing the outstanding balance to \$93.7 million, in the event funds are available to make the repayment and issuing additional debt is not needed. This repayment estimate is at a similar level as paid in FY 2015/16 in the amount of \$20 million. By 2021, it is expected that the Revolving Credit Loan will be fully repaid. The impact of this repayment will bring our total fund balance to negative \$77.7 million.

DISCUSSION

The purpose of this memorandum is to present the Transportation Authority's proposed FY 2016/17 Annual Budget and Work Program and to seek a motion for its adoption.

The Transportation Authority's proposed FY 2016/17 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 federal, state and regional agencies. Attachment A contains a description of the Transportation Authority's proposed Work Program for FY 2016/17.

Attachment B displays the proposed budget in a format described in the Transportation Authority's Fiscal Policy. Total revenues are projected to be \$125.8 million. Sales tax revenues, net of interest earnings, are projected to be \$108.2 million, or 86% of FY 2016/17 revenues. Total expenditures are projected to be about \$230.2 million. Of this amount, capital project costs are \$219.9 million. Capital projects costs are 95.5% of total projected expenditures, with 4.1% of expenditures budgeted for administrative operating costs, and 0.4% 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 in Attachment B reflects the five distinct Transportation Authority responsibilities and mandates.

Attachment C shows a more detailed version of the proposed budget. Attachment D provides additional descriptions of line items in the budget.

Revenues: Total revenues in FY 2016/17 are budgeted to decrease from the FY 2015/16 Amended Budget by an estimated \$85.4 million, or 40.4%, which is primarily due to the completion of a one-time milestone payment in FY 2015/16 at substantial completion of construction activities for the Presidio Parkway project and a lower estimate for the I-80/Yerba Buena Island Interchange Improvement Project as construction activities are anticipated to be completed by winter/spring of 2017.

The sales tax revenue projection of \$108.2 million is an increase from the sales tax revenues expected to be received by the Transportation Authority in FY 2016/17. Sales tax revenues have recovered from the FY 2009/10 low and FY 2016/17 revenues are projected to be the highest collected in a single fiscal year since the inception of the Prop K program.

Expenditures: Capital expenditures in FY 2016/17 are budgeted to decrease from the FY 2015/16 Amended Budget by an estimated 15.6%, which is also primarily due to the completion of a one-time milestone payment in FY 2015/16 at substantial completion of construction activities for the Presidio Parkway project. However, we anticipate higher capital expenditures for the Prop K program overall, and lower capital expenditures for Prop AA capital programs, as compared to FY 2015/16.

Other Sources and Uses: The Other Financing Sources (Uses) section of the Line Item Detail for the FY 2016/17 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. This line item also assumes a continuation of the current Revolving Loan Agreement and a \$21 million repayment against the outstanding \$114.7 million balance. In addition, the estimated level of sales tax capital expenditures for FY 2016/17 may trigger the need to drawdown the unutilized Revolving Credit Loan balance of approximately \$25 million. We will monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the San Francisco Municipal Transportation Agency. If some of the largest projects continue to progress as currently anticipated, we would expect to seek approval for additional financing capacity concurrent with a mid-year budget revision. The size and duration of needed financing will be easier to forecast following receipt of FY 2015/16 fourth quarter invoices.

Fund Balance: The budgetary fund balance is generally defined as 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 \$77.7 million in total fund balances, which is largely the result of how multi-year programming commitments are accounted for. 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. In addition, a 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. This reporting of all legal funding commitments without the corresponding revenue or assets creates or largely contributes to the \$77.7 million negative fund balance.

Next Steps: The final proposed FY 2016/17 Annual Budget and Work Program will be presented to the Finance Committee and Transportation Authority Board in June. A public hearing will precede consideration of the FY 2016/17 Annual Budget and Work Program at the Transportation Authority's June Finance Committee meeting.

ALTERNATIVES

1. Adopt a motion of support for the adoption of the proposed FY 2016/17 Annual Budget and Work Program, as requested.
2. Adopt a motion of support for the adoption of the proposed FY 2016/17 Annual Budget and Work Program, with modifications.
3. Defer action, pending additional information or staff analysis.

FINANCIAL IMPACTS

As described above.

RECOMMENDATION

Adopt a motion of support for the adoption of the proposed FY 2016/17 Annual Budget and Work Program.

Attachments (4):

- A. Proposed FY 2016/17 Annual Work Program
- B. Proposed FY 2016/17 Annual Budget
- C. Proposed FY 2016/17 Annual Budget – Line Item Detail
- D. Line Item Descriptions

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program



The Transportation Authority's proposed Fiscal Year (FY) 2016/17 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 and 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.

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

Long-range, countywide transportation planning, Board-responsive transportation planning and policy work, and planning for Treasure Island's new transportation system are the agency's core planning functions. In FY 2016/17, we will continue to implement recommendations from the 2013 SFTP, while we advance the Long Range Transportation Planning Project (LRTPP) and Treasure Island Mobility Management Program (TIMM Program) plans as part of multi-agency partnerships. We will also continue to further neighborhood transportation plans under our lead, while supporting efforts led by others.

In addition, we will undertake new planning efforts meant to inform and respond to emerging trends and policy areas (e.g. shared mobility). This strategic area of focus for our planning work is "active congestion management." Active congestion management is the planning, design, and operation of infrastructure or non-infrastructure-based tools to shape travel demand in real time.

Most of the FY 2016/17 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:

Active Congestion Management:

- **Freeway Corridor Management Study (FCMS) Phase 2:** Continue Phase 2 corridor planning study efforts in close coordination with city, regional and state agencies to advance 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. Participate in the Metropolitan Transportation Commission's (MTC's) Managed Lanes Implementation Study.
- **Treasure Island Mobility Management Program:** Continue advancing the TIMM Program, which includes transit planning, congestion pricing and travel demand management on Treasure Island. Efforts this year will focus on advancing operational agreements for the first 5 years of Program operation, and advancing both program-wide planning and systems engineering in response to the development program schedule for Treasure Island. This effort will require integration of policies with the San Francisco Municipal Transportation Agency (SFMTA) and the Bay Area Tolling Authority (BATA) and coordination of project scope, schedule and implementation with a number of local partners.

Attachment A

Proposed Fiscal Year 2016/17 Annual Work Program



- **Bay Area Rapid Transit (BART) Perks:** In partnership with BART, we will conduct a travel incentives pilot program to evaluate use of incentives to shift peak period travel demand into San Francisco on BART. We will co-lead pilot design and lead the pilot's employer outreach and evaluation components. The pilot will use gamification and technology to generate changes in travel patterns as part of testing this new approach and its potential impacts.

SFTP Implementation and Board Support:

- **Geary Corridor Bus Rapid Transit (BRT) Environmental Clearance and Design Support, Geneva Harney BRT Feasibility Study:** Complete environmental review of the Geary Corridor 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 the SFMTA advances design of the near-term and core BRT projects.
- **Neighborhood Transportation Improvement Program:** Continue implementation of the sales tax-funded Neighborhood Transportation Improvement Program (NTIP), identified as a new equity initiative in the previous SFTP. We are lead agency for the District 2 Lombard "crooked street" access management study and the District 9 Alemany Interchange Improvement Studies. We will continue to work closely on identification and scoping new NTIP planning and capital efforts, in coordination with Board members and SFMTA's NTIP Coordinator, as well as to monitor and provide support to underway NTIP efforts led by other agencies.
- **Vision Zero Ramps Study:** Continue the Freeway Ramp Vision Zero Safety Assessment of pedestrian, bicycle, and vehicle conflicts and road safety on local San Francisco streets associated with I-80 on- and off- ramps. Phase 1 is funded by a District 6 NTIP Planning grant.
- **Late Night Transportation Study Phase II:** In partnership with the San Francisco Entertainment Commission and the Office of Economic and Workforce Development (OEWD), we lead several elements of the Late Night Transportation Study Phase II. This year we will complete a late night transit service plan revision and a recommendation for ongoing performance monitoring of late night transportation.

Long Range, Countywide, and Inter-Jurisdictional Planning:

- **Bay Area Core Capacity Transit Study:** As part of the multi-agency project team, support this two-year MTC-led effort, looking at major transit capacity improvements for the core of San Francisco (Muni Metro) and the Transbay corridor (e.g. BART, AC Transit). This builds on recommendations from the 2013 SFTP. Results will feed into Plan Bay Area 2040 and the LRTPP.
- **San Francisco Transportation Plan (SFTP) Update:** In collaboration with San Francisco agencies and regional partners, complete a minor update of the 2013 SFTP in parallel with the Plan Bay Area update. This work includes updating project costs and scopes, reporting on trends, progress since the last update, and incorporating new sector work performed by the Transportation Authority and others such as the School Transportation Study and on shared mobility (see below).
- **Technology Enabled Transportation White Paper:** Lead a white paper, in collaboration with the SFMTA, to establish a policy framework, targets, and metrics to assess whether and how new transportation technologies, including autonomous vehicles, are helping San Francisco meet its primary SFTP goals related to healthy environment, livability, economic competitiveness, and state of good repair in addition to other transportation lenses such as equity and affordability. The outputs of this project will serve as a policy memorandum supporting the underway SFTP update as well as shaping future Transportation Authority (and potentially other agency) initiatives in this area.

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Proposed Fiscal Year 2016/17 Annual Work Program



Travel Forecasting and Analysis for Transportation Authority Studies: Provide modeling, data analysis, technical advice and graphics services to support efforts such as SFIP, Freeway Corridor Management Study, Balboa I-280 Interchange improvements, Congestion Management Program, Core Capacity Transit Study, Geary Corridor BRT environmental analysis, BART Travel Incentives Program, and the 6th Street Pedestrian Improvement Project.

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, provide in-kind technical support to Transit Sustainability Program and Caltrain Railyard Alternatives and I-280 Boulevard Feasibility Study.

Data Warehouse and Research Support: 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. Analyze and publish important results from the 2012 California Household Travel Survey. 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 Transportation Network Companies (TNC’s) and private big data sources; 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.

Model Consistency/Land Use Allocation: Complete the requirements for model consistency in coordination with MTC as a part of the CMP update. Participate in Bay Area Model Users Group. 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.

FUND

The agency was initially established to serve as the administrator of the Prop B half-cent sales tax (since superseded by Prop K). This remains one of the agency’s core functions, which has been complemented and expanded upon by several other roles which have subsequently been taken on including acting as the administrator for Prop AA and the TFCA County Program, and serving as CMA for San Francisco. We serve as a 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 support from all agency divisions.

Fund Programming and Allocations: Administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, Lifeline, One Bay Area Grant (OBAG), 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 efforts planned for FY 2016/17 include:

- **Prop AA Strategic Plan Update:** Working closely with project sponsors and stakeholders, we will prepare the first update the Prop AA Strategic Plan to program approximately \$23 million in Prop AA

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Proposed Fiscal Year 2016/17 Annual Work Program



funds to projects for the five year period spanning FY 2016/17 to FY 2020/21.

- **Prop K Customer Service and Efficiency Improvements:** This ongoing multi-division initiative will continue to improve the Transportation Authority's processes to make them more user friendly and efficient for both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures. Improvements include design and implementation of an online allocation request form, upgrades to mystreetsf.com – our interactive project map, and ongoing enhancements to the Portal – our web-based grants management database.
- **One Bay Area Grant (OBAG) Cycle 2:** Pending finalization of guidance from MTC (anticipated in May/June 2016), we anticipate conducting a call for projects to program about \$40 million in OBAG county share funds in FY 2016/17. Extrapolating from earlier draft schedules, we anticipate project lists would be due to MTC in spring 2017.
- **Federal-Aid Sponsor Support and Streamlining Advocacy:** Our staff will continue to provide expertise in grants administration for federally funded projects and to play a leadership role in supporting regional efforts to streamline the current federal-aid grant processes and provide input to new guidelines being promulgated as a result of the federal FAST Act.

Capital Financing Program Management: Led together by the Finance and Administration Division and the Policy and Programming Division, we will continue to monitor financial performance, forecast future capital expenditures, analyze finance options, and develop recommendations for issuing and managing debt to enable accelerated delivery of sales-tax funded projects while minimizing financing costs. To support this core function, we are developing an upgraded Prop K Strategic Plan financing module that increases the sensitivity of the existing financial module to allow it to simultaneously model as portfolio of various short and long-term debt instruments (e.g. a loan revolver program used in combination with a sales tax revenue bond).

Plan Bay Area 2040: As CMA, continue to coordinate San Francisco's input to the 2017 Plan Bay Area update, drawing upon the 2013 SFTP recommendations and the SFTP-lite update that is underway. This includes advocating for San Francisco's priorities to be included in the adopted preferred scenario, providing input on related changes to regional fund program guidelines and policies, 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 coordination with Bay Area CMAs, the "big 3 cities" (San Francisco, Oakland, and San Jose), regional transit agencies and other community 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 lead efforts with the SFMTA to target the 2016 ballot for consideration of a new sales tax revenue measure as recommended by the Mayor's Transportation 2030 Task Force; work with our Board members, the Mayor's Office and the SFMTA on shaping San Francisco's input to BART's anticipated 2016 bond measure, and securing funding for new BART vehicles.

Legislative Advocacy: We will continue to monitor and take positions on state legislation affecting San Francisco's transportation programs, and develop strategies for advancing legislative initiatives beneficial to San Francisco's interests and concerns at the state and federal level. Working with other toll operators through the California Toll Operations Committee, we will identify and engage in legislative efforts to support our future Treasure Island work and other managed lanes efforts. Our advocacy builds off of SFTP recommendations, the agency's adopted legislative program (e.g. includes Vision Zero, new

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Proposed Fiscal Year 2016/17 Annual Work Program



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

Fiscal Agent/Advisor: 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. Provide ongoing funding and technical support to Bayview Mobility Study community group exploring van-sharing operations in the Bayview.

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 I-80/Yerba Buena Island (YBI) Interchange Improvement Project and I-280/Balboa Park Area Freeway Ramps projects, which typically are multi-jurisdictional in nature and often involve significant coordination with the California Department of Transportation (Caltrans). Key delivery activities for FY 2016/17 include the following:

Transportation Authority – Lead Construction:

- **I-80/YBI West Bound (WB) On-Off Ramps Project and Yerba Buena Island Bridge Structures:** Continue to lead construction of new I-80/YBI WB on-off ramps on the east side of YBI. Continue supplemental environmental analysis, final engineering and design of the West Side Bridges and prepare for construction. Includes sponsorship of Assembly Bill 2374 Construction Manager/General Contractor (CM/GC) legislation an alternative delivery method for the West Side Bridges project. Work with Caltrans and BATA to construct bicycle/pedestrian touchdown improvements on YBI. Continue coordination activities with Caltrans, BATA, the OEWD and the Treasure Island Development Authority. Work with Caltrans, BATA, Treasure Island Development Authority (TIDA), and the US Coast Guard on implementation of the proposed Southgate Road Realignment in the vicinity of the EB on-off ramps. Construction activities for the I-80/YBI Ramps Improvement Project began in February 2014 is anticipated to be completed winter/spring of 2017.
- **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 Workforce Development Program and the Underutilized Disadvantaged Business Enterprise Program. In FY 2016/17, we anticipate completing the P3 study that is comparing the effectiveness of delivering Phase 1 of the project using the more tradition design-bid-build model, with Phase 2 which is being delivered as a P3. We anticipate construction close-out for Phase 2 by fall/winter of 2017.

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program



Transportation Authority – Lead Project Development:

- **I-280 Interchange Modifications at Balboa Park Ramps:** Continue leading next steps for implementing recommendations from the 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 April 2017, and preparing a Ramp Closure Analysis for the northbound I-280 on-ramp from Geneva Avenue, anticipated to be completed by late 2017.
- **Quint-Jerrold Connector Road:** Coordinate with San Francisco agencies on right of way issues with Union Pacific Railroad and Caltrain and advance design and support the Quint Street Bridge Replacement.

Transportation Authority – Project Delivery Support:

- **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.
- **Central Subway:** Project management oversight; scope/cost/schedule and funding assessment and strategy.
- **Transbay Transit Center/Caltrain Downtown Extension:** Project management oversight and provide support for Board member participation on other oversight bodies (TJPA, Board of Supervisors), assist with funding assessment and strategy and participate on Planning Department-led Railyard/Boulevard Study.
- **Van Ness Avenue 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 the SFMTA in implementing a Construction Manager/General Contractor (CM/GC) approach to construction.
- **Vision Zero:** Continue to support the Vision Zero Committee and agency staff in delivering the program of projects that will enable San Francisco to achieve the goal of Vision Zero.
- **Engineering Support:** 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 operational activities, and administrative processes to ensure transparency and accountability in the use of taxpayer 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. Board operations and support, budgeting and communications) as listed below:

- **Board Operations and Support:** Staff Transportation Authority Board meetings including standing and ad hoc committees, Vision Zero Committee and Treasure Island Mobility Management Agency meetings.
- **Audits:** Prepare, procure, and manage fiscal compliance and management audits.

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program



- **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 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, and 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 and Community Relations:** 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 and community relations, developing strategic communications plans for projects and policy initiatives, disseminating agency news and updates through "The Messenger" newsletter, supporting public outreach and helping coordinate events to promote the agency's work. This year the agency plans to develop an agency-wide strategic communications plan to institutionalize best practices.
- **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, Rules of Order, fiscal, debt, procurement, investment, travel, and other policies.
- **Human Resources:** Administer recruitment, personnel and benefits management and office procedures. Conduct or provide training for staff.
- **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
Proposed Fiscal Year 2016/17 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	Proposed Budget Fiscal Year 2016/17	Increase/ (Decrease) from Prior Year	Amended Budget Fiscal Year 2015/16
Revenues:								
Sales Tax Revenues	\$ 108,219,139	\$ -	\$ -	\$ -	\$ -	\$ 108,219,139	\$ 6,925,564	\$ 101,293,575
Vehicle Registration Fee	-	-	-	4,834,049	-	4,834,049	57,509	4,776,540
Interest Income	329,206	-	2,500	3,000	-	334,706	-	334,706
Federal/State/Regional Revenues	99,670	10,509,670	751,324	-	1,000,000	12,360,664	(92,353,010)	104,713,674
Other Revenues	42,212	4,333	-	-	-	46,545	(2,712)	49,257
Total Revenues	108,690,227	10,514,003	753,824	4,837,049	1,000,000	125,795,103	(85,372,649)	211,167,752
Expenditures:								
Capital Project Costs	201,997,327	9,517,185	1,158,590	6,533,249	737,000	219,943,351	(40,616,842)	260,560,193
Administrative Operating Costs	6,285,912	2,380,606	44,765	245,859	344,191	9,301,333	(131,354)	9,432,687
Debt Service	960,000	-	-	-	-	960,000	-	960,000
Total Expenditures	209,243,239	11,897,791	1,203,355	6,779,108	1,081,191	230,204,684	(40,748,196)	270,952,880
Other Financing Sources (Uses):	2,535,021	1,383,788	-	-	81,191	4,000,000	24,000,000	(20,000,000)
Prior Year Expenditure Carryover:	-	-	-	-	-	-	(5,475,973)	5,475,973
Net Change in Fund Balance	\$ (98,017,991)	\$ -	\$ (449,531)	\$ (1,942,059)	\$ -	\$ (100,409,581)	\$ (15,148,480)	\$ (85,261,101)
Budgetary Fund Balance, as of July 1	\$ 17,381,125	\$ -	\$ 617,934	\$ 4,750,887	\$ -	\$ 22,749,946	N/A	N/A
Budgetary Fund Balance, as of June 30	\$ (80,636,866)	\$ -	\$ 168,403	\$ 2,808,828	\$ -	\$ (77,659,635)	N/A	N/A

**San Francisco County Transportation Authority
Attachment C
Proposed Fiscal Year 2016/17 Annual Budget
Line Item Detail**



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	Proposed Budget Fiscal Year 2016/17	Increase/ (Decrease) from Prior Year	Amended Budget Fiscal Year 2015/16
Revenues:								
Sales Tax Revenues	\$ 108,219,139	\$ -	\$ -	\$ -	\$ -	\$ 108,219,139	\$ 6,925,564	\$ 101,293,575
Vehicle Registration Fee	-	-	-	4,834,049	-	4,834,049	57,509	4,776,540
Interest Income	329,206	-	2,500	3,000	-	334,706	-	334,706
Federal/State/Regional Revenues								
Federal BART Travel Incentives Program	-	158,400	-	-	-	158,400	(120,000)	278,400
Federal CMAQ Program: eFleet Carsharing Electrified Project	-	256,667	-	-	-	256,667	145,705	110,962
Federal FHWA Transit Reliability Research	-	48,500	-	-	-	48,500	7,000	41,500
Federal Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement	-	2,672,458	-	-	-	2,672,458	(18,203,213)	20,875,671
Federal Highway Bridge Program - Yerba Buena Island Bridge Structures	-	4,051,509	-	-	-	4,051,509	2,116,853	1,934,656
Federal San Francisco Freeway Performance Initiative Study	-	-	-	-	-	-	(278,048)	278,048
Federal Strategic Highway Research Program	-	118,461	-	-	-	118,461	(5,486)	123,947
Federal Surface Transportation Program 3% Revenue	-	1,385,317	-	-	-	1,385,317	473,634	911,683
State Planning, Programming & Monitoring SB45 Funds	-	447,000	-	-	-	447,000	447,000	-
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	346,245	-	-	-	346,245	(2,358,420)	2,704,665
Regional Agency Contributions - Model Service Bureau	-	114,601	-	-	-	114,601	28,637	85,964
Regional BART - Travel Incentives Program	-	25,000	-	-	-	25,000	(28,800)	53,800
Regional Golden Gate Bridge, Highway and Transportation District - Presidio Parkway	-	-	-	-	-	-	(75,000,000)	75,000,000
Regional San Francisco (OEWD) - Late Night Transportation	-	-	-	-	-	-	(125,000)	125,000
Regional San Francisco (Planning) - Long-Range Transportation Planning Program	-	660,412	-	-	-	660,412	480,824	179,588
Regional San Francisco (Planning, SFMTA) - Travel Demand Modeling Assistance	-	200,000	-	-	-	200,000	-	200,000
Regional San Francisco (SFMTA) - 19th Avenue M-Ocean View	-	-	-	-	-	-	(287,392)	287,392
Regional San Francisco (SFMTA) - Alemany Interchange Improvement Study	99,670	-	-	-	-	99,670	99,670	-
Regional San Francisco (SFMTA) - School Transportation Survey	-	25,100	-	-	-	25,100	25,100	-
Regional TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,000,000	1,000,000	250,000	750,000
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	751,324	-	-	751,324	(21,074)	772,398
Other Revenues								
Local Match: City CarShare eFleet Carsharing Electrified	-	4,333	-	-	-	4,333	2,460	1,873
San Francisco Dept of Environment - Shower Facilities	2,000	-	-	-	-	2,000	-	2,000
Sublease of Office Space	40,212	-	-	-	-	40,212	(5,172)	45,384
Total Revenues	108,690,227	10,514,003	753,824	4,837,049	1,000,000	125,795,103	(85,372,649)	211,167,752

**San Francisco County Transportation Authority
Attachment C
Proposed Fiscal Year 2016/17 Annual Budget
Line Item Detail**



Proposed Budget by Fund

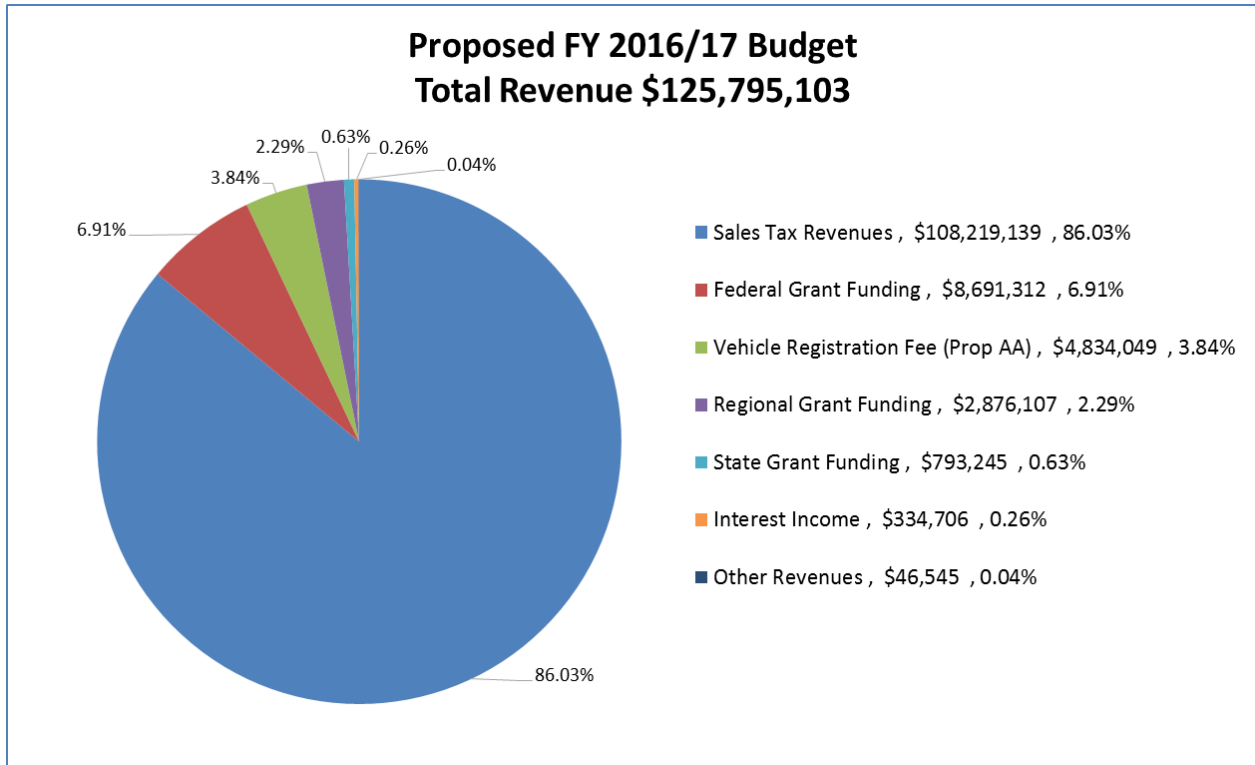
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Proposed Budget Fiscal Year 2016/17	Increase/ (Decrease) from Prior Year	Amended Budget Fiscal Year 2015/16
Expenditures:								
Capital Project Costs								
Individual Project Grants, Programs & Initiatives	200,000,000	-	1,158,590	6,508,249	-	207,666,839	54,353,662	153,313,177
Technical Professional Services	1,997,327	9,517,185	-	25,000	737,000	12,276,512	(94,970,504)	107,247,016
Administrative Operating Costs								
Personnel Expenditures								
Salaries	2,692,305	1,496,708	30,440	123,297	205,830	4,548,580	(91,675)	4,640,255
Fringe Benefits	1,266,967	704,333	14,325	58,022	96,861	2,140,508	(41,079)	2,181,587
Pay for Performance	194,965	-	-	-	-	194,965	-	194,965
Non-personnel Expenditures								
Administrative Operations	1,916,575	179,565	-	64,540	35,900	2,196,580	-	2,196,580
Equipment, Furniture & Fixtures	144,700	-	-	-	-	144,700	-	144,700
Commissioner-Related Expenses	70,400	-	-	-	5,600	76,000	1,400	74,600
Debt Service								
Interest and Fiscal Charges	960,000	-	-	-	-	960,000	-	960,000
Total Expenditures	209,243,239	11,897,791	1,203,355	6,779,108	1,081,191	230,204,684	(40,748,196)	270,952,880
Other Financing Sources (Uses):								
Transfers in - Prop K Match to Grant Funding	-	1,383,788	-	-	81,191	1,464,979	(7,425,474)	8,890,453
Transfers out - Prop K Match to Grant Funding	(1,464,979)	-	-	-	-	(1,464,979)	7,425,474	(8,890,453)
Revolver Loan Repayment	(21,000,000)	-	-	-	-	(21,000,000)	(1,000,000)	(20,000,000)
Draw on Revolver Loan	25,000,000	-	-	-	-	25,000,000	-	-
Total Other Financing Sources (Uses)	2,535,021	1,383,788	-	-	81,191	4,000,000	24,000,000	(20,000,000)
Prior Year Expenditure Carryover	-	-	-	-	-	-	(5,475,973)	5,475,973
Net Change in Fund Balance	\$ (98,017,991)	\$ -	\$ (449,531)	\$ (1,942,059)	\$ -	\$ (100,409,581)	\$ (15,148,480)	\$ (85,261,101)
Budgetary Fund Balance, as of July 1	\$ 17,381,125	\$ -	\$ 617,934	\$ 4,750,887	\$ -	\$ 22,749,946	N/A	N/A
Budgetary Fund Balance, as of June 30	\$ (80,636,866)	\$ -	\$ 168,403	\$ 2,808,828	\$ -	\$ (77,659,635)	N/A	N/A
<u>Includes Sales Tax, TFCA and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency</u>								
Fund Reserved for Program and Operating Contingency	\$ 10,821,914	\$ -	\$ 75,132	\$ 483,405	\$ -	\$ 11,380,451		

**Attachment D
Line Item Descriptions**



TOTAL PROJECTED REVENUES..... \$125,795,103

The following chart shows the composition of revenues for the proposed FY 2016/17 budget.



Prop K Sales Tax Revenues:\$108,219,139

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) 2015/16 revenues to date, the Transportation Authority projects FY 2016/17 sales tax revenues to increase compared to the budgeted revenues for FY 2015/16 by 6.8% or \$6.9 million. The sales tax revenue projection is net of the Board of Equalization’s charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues: \$4,834,049

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. This amount is net of the Department of Motor Vehicle’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. Based on the average interest income earned over the past year, the deposits in the Pooled Investment Fund are assumed to earn approximately 0.7% for FY 2016/17. 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 Revenues: \$99,670

The Sales Tax program revenues for FY 2016/17 will be used to cover ongoing professional and technical service contracts required to implement the Sales Tax programs. The Transportation Authority will receive contributions from the San Francisco Municipal Transportation Agency (SFMTA) in support of the Alemany Interchange Improvement Study. The study will be used to develop and evaluate a new north-south multimodal pathway connecting San Bruno Avenue to the Alemany Farmer’s Market, and new bicycle lanes along Alemany Boulevard between Putnam Street and Bayshore Boulevard.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues: \$10,509,670

The CMA program revenues (excluding Other Revenues) for FY 2016/17 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 2016/17 budget includes \$7.1 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 BART Travel Incentives Program, Strategic Highway Research Program, Transit Reliability Research Project, and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for eFleet: Car Sharing Electrified project. Other funding sources, such as federal Surface Transportation Program and state Planning, Programming, and Monitoring funds, can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the Freeway Corridor Management Study and San Francisco Transportation Plan update. Regional CMA program revenues include technical and travel demand model services provided to City agencies in support of various projects and studies, such as the Long-Range Transportation Planning Program.

Transportation Fund for Clean Air (TFCA) Program Regional Revenues: \$751,324

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

**Attachment D
Line Item Descriptions**



Treasure Island Mobility Management Agency (TIMMA) Program Regional Revenues:..... \$1,000,000

The FY 2016/17 budget for TIMMA consists of local funds from the Treasure Island Development Authority (TIDA) matched by Prop K sales tax revenues. The TIDA funds provide support for administrative, operating, planning and engineering functions including: developing agency policies and partnership agreements; project management; planning; engineering, including systems engineering, civil engineering, and environmental analyses; and direct costs. The budget includes ongoing staffing and professional/technical service contracts required to conduct pre-implementation engineering, planning, and administration.

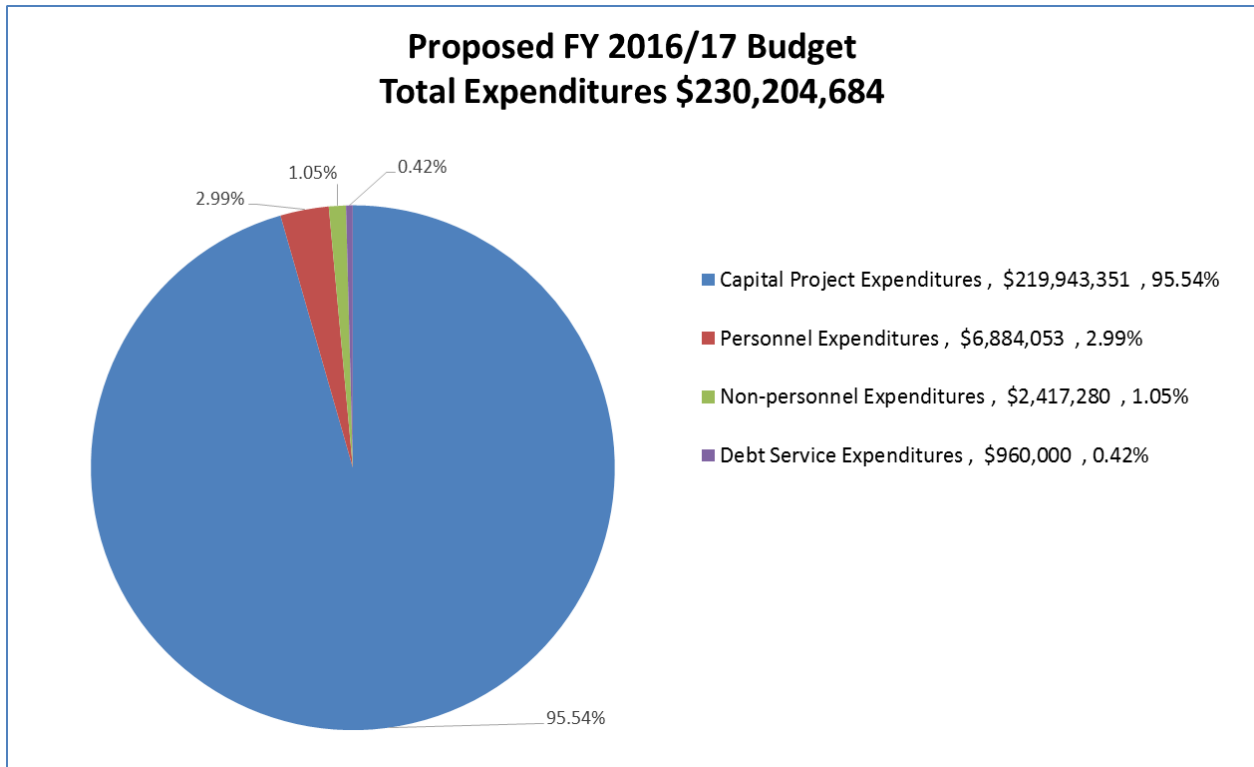
Other Revenues: \$46,545

Other revenues budgeted in FY 2016/17 include contributions from City CarShare for the eFleet: CarSharing Electrified Project and revenues from the sublease of office space.

TOTAL PROJECTED EXPENDITURES\$230,204,684

The Transportation Authority’s Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$219.9 million, Administrative Operating Expenditures of \$9.3 million, and Debt Service Expenditures of \$960,000.

The following chart shows the composition of expenditures for the proposed FY 2016/17 budget.



**Attachment D
Line Item Descriptions**



CAPITAL EXPENDITURES..... \$219,943,351

Capital expenditures in FY 2016/17 are budgeted to decrease from the FY 2015/16 Amended Budget by an estimated 15.6%, which is primarily due to the completion of a one-time milestone payment in FY 2015/16 at substantial completion of construction activities for the Presidio Parkway project. However, we anticipate higher capital expenditures for the Prop K program overall aside from Presidio Parkway, and lower capital expenditures for Prop AA capital programs, as compared to FY 2015/16. Project expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:.....\$201,997,327

The estimate for sales tax capital expenditures is a 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 2016/17. The anticipated largest capital project expenditures include the SFMTA's vehicle procurements, Radio Communications System & Computer-Aided Dispatch Replacement and Central, Control and Communications projects; and the Transbay Joint Powers Authority's Transbay Transit Center/Downtown Extension Project. 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 2015/16 reimbursement requests (as we receive third quarter billings) and anticipated FY 2016/17 expenditures from project sponsors. We anticipate concurrently bringing a request for approval to draw down the remaining \$25 million in capacity available from our Revolving Credit Loan to help meet capital expenditure cash needs in the first half of FY 2016/17. This is an interim step as we work with project sponsors, particularly the SFMTA, to refine our forecast of when and how much additional financing may be needed to meet Prop K's capital expenditure needs. If this is indeed necessary, we would bring this information back to the CAC as part of a mid-year budget revision.

CMA Programs Expenditures:..... \$9,517,185

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 CMA responsibilities under state law. Included are various planning efforts and projects such as the Geary Corridor Bus Rapid Transit project, Freeway Corridor Management Study, San Francisco Transportation Plan update, I-280 Balboa Park Interchange Modifications Initiation Phase, Core Capacity Transit Study, eFleet Carsharing Electrified, Strategic Highway Research Program and travel demand model services. Also included is the final phase of construction and engineering activities for the YBI Project, which is supported by federal and state funding matched with funds from TIDA.

TFCA Program Expenditures:..... \$1,158,590

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District, with the Transportation Authority serving as the County Program Manager for San Francisco. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2015/16. It also includes an estimate for expenditures for the FY 2016/17 program of projects, which is scheduled to be approved by the Transportation Authority Board in June 2016.

**Attachment D
Line Item Descriptions**



Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Expenditures:
..... \$6,533,249

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 2016/17 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 2015/16. The largest capital project expenditures include the Brannan Street Pavement Renovation project, the Broadway Chinatown Streetscape Improvement project, and the Dolores Street Pavement Renovation project.

Treasure Island Mobility Management Agency (TIMMA) Program Expenditures:..... \$737,000

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 System Manager; On-Call demand model development and application; On-Call transportation planning; and project management support. Additional technical services contracts anticipated in this line item include strategic communications, legal services, and outreach services.

ADMINISTRATIVE OPERATING EXPENDITURES \$9,301,333

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

Personnel:..... \$6,884,053

Personnel costs are budgeted at a lower level by 1.9% compared to the FY 2015/16 Amended Budget, due to cost savings related to recent staff hires and the reclassification of two positions, approved in November 2015 through Resolution 16-24. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any 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: \$2,417,280

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, equipment and materials expenditures. Non-personnel expenditures are budgeted at a similar level as in the FY 2015/16 Amended Budget.

**Attachment D
Line Item Descriptions**



DEBT SERVICE EXPENDITURES..... \$960,000

In June 2015, the Transportation Authority substituted its \$200 million commercial paper notes (Limited Tax Bonds), Series A and B with a \$140 million tax-exempt revolving credit loan agreement (Revolver Credit Loan). The Revolver Credit Loan expires on June 8, 2018, with options to renew. As of December 31, 2015, \$114.7 million of the Revolving Credit Loan was outstanding. This line item assumes the same level of interest and fiscal charges as in the FY 2015/16 Amended Budget.

OTHER FINANCING SOURCES/USES..... \$4,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2016/17 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. This line item also assumes a continuation of the current Revolving Loan Agreement and a \$21 million repayment against the outstanding \$114.7 million balance. In addition, the estimated level of sales tax capital expenditures for FY 2016/17 may trigger the need to drawdown the unutilized Revolving Credit Loan balance of approximately \$25 million. We will continue to monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA. If some of the largest projects continue to progress as currently anticipated, we would expect to seek approval for additional financing capacity concurrent with a mid-year budget revision. The size and duration of needed financing will be easier to forecast following receipt of FY 2015/16 fourth quarter invoices.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$11,380,451

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 \$10.8 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 \$483,405 and \$75,132 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program and TFCA Program.