



Memorandum

Date: April 20, 2018
To: Transportation Authority Board
From: Cynthia Fong – Deputy Director for Finance and Administration
Subject: 05/08/18 Board Meeting: Preliminary Fiscal Year 2018/19 Budget and Work Program

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>The purpose of this memorandum is to present the preliminary Fiscal Year (FY) 2018/19 annual budget and work program and seek input. The proposed budget and work program will come back to the Board for adoption in June.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input checked="" type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contracts</p> <p><input type="checkbox"/> Procurement</p> <p><input type="checkbox"/> Other:</p> <hr/>
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DISCUSSION

Background.

Pursuant to State statutes (California Public Utilities Code Sections 131000 et seq.), we must adopt an annual budget by June 30 of each year. As called for in our Fiscal Policy (Resolution 18-07) and Administrative Code (Ordinance 17-01), the Board shall set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, as well as adopt the budget prior to June 30 of each year.

Organization.

The preliminary FY 2018/19 Work Program includes activities in four major functional areas: 1) Plan, 2) Fund, 3) Deliver and 4) Transparency and Accountability. These categories of activities are organized to efficiently address our 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 of our activities 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 1 contains a description of our preliminary work program for FY 2018/19. Attachment

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2 displays the preliminary budget in a format described in our Fiscal Policy. The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, and TIMMA program in Attachment 2 reflects our five distinct responsibilities and mandates. Attachment 3 shows a more detailed version of the proposed budget and Attachment 4 provides additional descriptions of line items in the budget. We have segregated our functions as the Treasure Island TIMMA as a separate legal and financial entity effective July 1, 2017. The TIMMA FY 2018/19 Budget and Work Program will be presented to the TIMMA Board as a separate item at its June meeting.

Revenues.

Total revenues are projected to be \$123.2 million and are budgeted to decrease by an estimated \$4.1 million from the FY 2017/18 Amended Budget, or 3.2%, which is primarily due to the substantial completion of the I-80/East Side Yerba Buena Island Interchange Improvement construction project in FY 2017/18, funded by federal and state grant funds.

Sales tax revenues, net of interest earnings, are projected to be \$106.5 million, or 86.4% of revenues, is an increase of \$2.2 million from the sales tax revenues expected to be received in FY 2017/18.

Expenditures.

Total expenditures are projected to be about \$263.1 million. Of this amount, capital project costs, most of which are awarded as grants to agencies like the San Francisco Municipal Transportation Agency (SFMTA), are \$218.9 million. Capital projects costs are 83.2% of total projected expenditures, with 4.1% of expenditures budgeted for administrative operating costs, and 12.7% for debt service and interest costs. Capital expenditures in FY 2018/19 of \$218.9 million are budgeted to decrease by \$48.4 million, or 18.1%, from the FY 2017/18 Amended Budget, which is primarily due to anticipated lower capital expenditures for the Prop K program overall.

Debt service costs of \$33.4 million are for costs related to the continuation of the Revolving Credit Loan Agreement, a \$25 million repayment against the assumed outstanding \$25 million balance as of June 30, 2018, and semi-annual interest only bond payments.

Other Sources and Uses.

The Other Financing Sources (Uses) section of the Line Item Detail for the FY 2018/19 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 grants such as the Surface Transportation Program and South of Market Freeway Ramp Intersection Safety Improvement Study (also known as Vision Zero Ramps). In addition, the estimated level of sales tax capital expenditures for FY 2018/19 may trigger the need to drawdown up to \$121 million from the Revolving Credit Loan Agreement. 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 needing financing will be easier to forecast following receipt of FY 2017/18 fourth quarter invoices.

Fund Balance.

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 positive amount of \$8.2 million in total fund

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balances, as a result of the anticipated Revolver drawdown.

Next Steps.

The preliminary FY 2018/19 budget will be presented for information to the Board in May. The final proposed FY 2018/19 Annual Budget and Work Program will be presented to the Citizens Advisory Committee in May, and the Board in June. A public hearing will precede consideration of the FY 2018/19 Annual Budget and Work Program at the June 12 Board meeting.

FINANCIAL IMPACT

None. This is an information item.

CAC POSITION

None. This is an information item that will be presented to the CAC at its April 25 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 – Preliminary Work Program
- Attachment 2 – Preliminary Budget
- Attachment 3 – Preliminary Budget – Line Item Detail
- Attachment 4 – Line Item Descriptions



The Transportation Authority's preliminary Fiscal Year (FY) 2018/19 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 Prop K 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 and administering the \$10 Prop AA vehicle registration fee.

The Transportation Authority is also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA FY 2018/19 Work Program will be presented to the TIMMA Board as a separate item and is not reflected below.

Our work program 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 and CMA-related policy, planning and coordination are at the core of the agency's planning functions. In FY 2018/19, we will continue to implement recommendations from the existing San Francisco Transportation Plan (SFTP) -- the 2017 SFTP. We will continue to advance the San Francisco Long-range Transportation Planning Program, also known as Connect SF, as part of our multi-agency partnership with the San Francisco Municipal Transportation Agency (SFMTA), Planning Department, and others. This will include transit and freeway modal studies, as well as a continued emphasis on demand management policies, and represents the beginning of our next update to the SFTP. We will also continue to further corridor, neighborhood and community-based transportation plans under our lead, while supporting efforts led by others.

We will undertake new planning efforts meant to inform and respond to emerging trends and policy areas. This strategic area of focus for our planning work includes deepening our research on Transportation Network Companies, or TNCs, (e.g., Lyft and Uber) use and impacts, as well as advancing the District 10 Mobility Management Study.

Most of the FY 2018/19 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:

- **District 10 Mobility Management Study:** Complete this study, whose purpose is to identify non-infrastructure strategies to reduce existing and new vehicles miles traveled in District 10, beyond improvements already planned. These recommendations could be implemented as contributions of developments not yet approved; through local ordinance; or by local Transportation Management Associations. The study is funded by a combination of Neighborhood Transportation Improvement



Program (NTIP) and the Toyota Mobility Foundation.

- **Lombard Crooked Street Reservations & Pricing System Development:** Complete study and development of a reservations and pricing system for managing automobile access to the Crooked Street (1000 block of Lombard Street). The scope of this project is intended to advance this recommendation by identifying the physical and operational details of a reservations and pricing system, as well as determining the expected outcomes on automobile and pedestrian circulation on the Crooked Street and the surrounding neighborhood. This study follows up on a recommendation from the “Managing Access to the Crooked Street” District 2 NTIP report, adopted in March 2017.
- **Freeway Corridor Management Study (FCMS) Phase 2:** Complete Phase 2 corridor planning study 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, including potential carpool/transit lanes and/or express lanes connecting San Francisco to San Mateo and Santa Clara counties along US 101. Advance planning work to address questions raised relating to operational analyses (e.g. ramp metering), equity, regional/local express bus provision, management of Transportation Network Companies, and congestion pricing.
- **Highway 101 to Interstate 280 Managed Lanes:** Pending Board approval, initiate Caltrans project development process efforts thru the preparation of the Project Study Report - Project Development Support document and continue detailed traffic operations analyses. Participate in the Metropolitan Transportation Commission’s (MTC’s) express lanes planning efforts and position San Francisco’s 101/280 corridor for Regional Measure 3, Senate Bill 1 gas tax funds (e.g. Solutions for Congested Corridors Program) and other potential state and federal funding sources.

SFTP Implementation and Board Support:

- **Neighborhood Transportation Improvement Program (NTIP):** Continue implementation of the sales tax-funded NTIP, identified as a new equity initiative in the 2013 SFTP. We will continue to work closely on identification and scoping of new NTIP planning and capital efforts, including advancing recommendations from recently completed plans, in coordination with Board members and the SFMTA’s NTIP Coordinator, and will monitor and support NTIP efforts led by other agencies.
- **Vision Zero Ramps Study:** Complete Phase 2 of the Freeway Ramp Vision Zero Safety Assessment of pedestrian, bicycle, and vehicle conflicts and road safety on local San Francisco streets associated with on- and off- ramps in the South of Market Area (SOMA). Phase 2 will include developing safety recommendations for 10 ramps and is funded by a Caltrans Partnership Planning grant. Phase 2 is expected to be complete in early 2019.

Long Range, Countywide, and Inter-Jurisdictional Planning:

- **SFTP and ConnectSF:** Building on the 2017 SFTP adopted in September, we have already begun the next update of the city’s long-range transportation plan. This year, we will complete a Needs Assessment analyzing current and future transportation needs based on recent transportation and demographic trends. This information will feed into the next steps of ConnectSF. Along with the SFMTA, other San Francisco agencies and regional partners, we will complete the Streets and Freeways Study and the Transit Corridors Study. These two modal studies, along with other planning efforts, will in turn inform the next update of the SFTP, expected to be adopted in 2021, and the next update of Plan Bay Area.



- **Emerging Mobility Services & Technologies:** Our Emerging Mobility Services and Technology report is expected to be completed by June 2018. Based on a set of guiding principles adopted by the Board in summer 2017, the report sets an evaluative framework to assess whether and how emerging mobility services and transportation technologies 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 report concludes with a set of recommendations for actions, policy changes, future studies, and potential pilot project opportunities. In FY 2018/19, we will follow up on those recommendations as directed by the Board.
- **Transportation Network Companies Impact Studies:** Continue creating a series of reports that will answer key questions about ride-hail companies, also known as Transportation Network Companies, or TNCs. This series builds on two previous reports: TNCs Today provided the first comprehensive estimates of Uber and Lyft activity in the city; TNC Regulatory Landscape provided an overview of existing state and local TNC regulatory frameworks across the country and within California. In Fiscal Year 2018/19, we anticipate releasing reports on the effects of TNCs on congestion, transit ridership and equity.
- **Support Statewide and Regional Planning Efforts:** Continue to support studies at the state and regional levels including the California High-Speed Rail Authority's Environmental Impact Report, the California State Transportation Agency's Statewide Rail Plan, MTC's Horizon effort and associated white papers, and coordination to scope the study of a potential second Transbay rail crossing.

Transportation Forecasting, Data and Data Analysis:

- **Travel Forecasting and Analysis for Transportation Authority Studies:** Provide modeling, data analysis, technical advice and graphics services to support efforts such as SFTP and ConnectSF, including the Streets and Freeways Study and the Transit Corridors Study, subsequent phases of FCMS, Emerging Mobility Services and Technology transit ridership and traffic congestion impact studies, and travel demand management strategy effectiveness research.
- **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 for partner agencies and external parties is to be determined.
- **Congestion Management Program (CMP) Development, Data Warehousing and Visualization:** Initiate updates to the CMP, including expanding the Transportation Authority's data warehouse and visualization tools to further facilitate easy access to network performance data and travel behavior data, review and querying of datasets, and to support web-based tools for internal and external use. Continue to serve as a data resource for city agencies, consultants, and the public and enhance data management and dissemination capabilities. Analyze and publish important results from the upcoming travel behavior diary data collection being coordinated with MTC, and support researchers working on topics that complement and enhance our understanding of travel behavior. Topics include: gather and analyze trip data on TNCs and acquire or partner with private big data sources; and explore the fusion of multiple geographic data sources such as cell phone data with transit fare card, vehicle location, and passenger data.
- **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:** Continue to implement SF-CHAMP and Dynamic Traffic Assignment (DTA) model improvements, with special emphasis on transit reliability and model performance. Initiate use of SF-CHAMP 6, which will include increased spatial, temporal, and behavioral detail, and test first regional-scale DTA model integrated with SF-CHAMP. In collaboration of MTC, the San Diego Association of Governments, Puget Sound Regional Council, the Atlanta Regional Commission, and the Association of Metropolitan Planning Organizations Research Foundation, continue development of an open-source activity-based travel demand model platform.

FUND

The agency was initially established to serve as the administrator of the Prop B half-cent transportation sales tax (superseded by the Prop K transportation sales tax in 2003). 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 for transportation-related projects and programs. 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, and TFCA programs, which the agency directly allocates or prioritizes projects for grant funding; oversee calls for projects and provide project delivery support and oversight for the LTP, One Bay Area Grant (OBAG), and county share State Transportation Improvement Program in our role as CMA. Provide technical, strategic and advocacy support for a host of other fund programs, such as the new revenues to be generated and distributed under Senate Bill 1, the State's Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs. Notable efforts planned for FY 2018/19 include:

- **2019 Prop K Strategic Plan and 5-Year Prioritization Program (5YPP) Update:** These Prop K updates are the biggest focus of the Policy and Programming Divisions this year. Following the anticipated adoption of the Prop K Strategic Plan Baseline in May, we will work closely with the Board, project sponsors and other interested stakeholders on developing the draft 5YPPs. This is the process by which the Transportation Authority identifies the projects that should receive Prop K funding over the five-year period starting July 1, 2019. Public engagement will continue throughout the update effort. We anticipate Board adoption of the 5YPPs and final 2019 Strategic Plan in November.
- **Prop K Customer Service and Efficiency Improvements:** This ongoing multi-division initiative will continue to improve our 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. This year we will continue to maintain and enhance mystreetsf.com – our interactive project map and the Portal – our web-based grants management database used by our staff and project sponsors, as well as



make any needed refinements to the on-line allocation request form.

- **Implement the 2017 Prop AA Strategic Plan:** We will work closely with project sponsors and continue to support delivery of projects underway, as well as advance new projects with funds programmed in the 2017 Prop AA Strategic Plan adopted by the Board in May 2017.
- **OBAG Cycle 2:** Last fiscal year, the Board approved over \$40 million for OBAG Cycle 2 projects such as Caltrain Electrification and Better Market Street. This year, we will work with project sponsors to provide project delivery and support (e.g. assistance with meeting timely use of funds deadlines) for remaining OBAG Cycle 1 projects as well as Cycle 2 projects.
- **Lifeline Transportation Program and Community Based Transportation Plans (CBTPs):** In February 2018 we issued a call for projects for about \$2.6 million anticipated in Lifeline Transportation Program funds intended to improve mobility for low-income residents. The Board is scheduled to consider approval of the projects in May 2018, with MTC approval anticipated in July. We will work with project sponsors to ensure projects are amended into the Transportation Improvement Program, as needed and to support timely obligation of funds. MTC will also embark upon a new round of CBTP funding for efforts benefiting Communities of Concern (CoC). We expect these funds will support improving connections to Lake Merced (a new CoC since the last round of CBTP funding) and additional outreach efforts in the South of Cesar Chavez Area Plan and the D10 Mobility Management Study.
- **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 Fixing America's Surface Transportation (FAST) Act.

Capital Financing Program Management: Led by the Finance and Administration Division in close collaboration with the Policy and Programming Division, and with the support of our financial advisors, we will continue to provide effective and efficient management of our debt program to enable accelerated delivery of sales-tax funded capital projects at the lowest possible cost to the public.

Horizon and Plan Bay Area 2050: As CMA, coordinate San Francisco's input to Horizon, a MTC-led futures planning initiative that will help identify policy and investment solutions that are top performers under multiple distinct futures. The results of the Horizon initiative will inform the next regional transportation and land use plan (Plan Bay Area 2050), which will kick off in mid-2019. These efforts involve close coordination with San Francisco agencies, the Mayor's office, and our ABAG and MTC Commissioners, as well as coordination with Bay Area CMAs, regional transit agencies and other community stakeholders.

Senate Bill 1: Engage with state and regional agencies to coordinate advocacy for San Francisco's projects, to support revisions to the as the program guidelines for upcoming funding cycles to ensure a fair distribution of revenues that is beneficial to San Francisco's interests; and to assist project sponsors with meeting timely use of funds and Senate Bill 1 reporting requirements. Seek discretionary funding for San Francisco and our agency's priorities for funding programs large and small, particularly with regard to transit core capacity needs, active transportation projects and our own Treasure Island work and US 101/280 Managed Lanes. We will continue to engage the Board and MTC Commissioners including seeking guidance on prioritizing funds.

New Revenue Options: Educate the public on the purpose and importance of Senate Bill 1 (Road Repair and Accountability Act) fund programs. Advocate for San Francisco priorities and new local, 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 (CTC), and federal agencies. Notable efforts planned for FY 2018/19 include: advocating for funding for San Francisco priorities assuming Regional Measure 3 is approved by the voters in June 2018 and as directed by the Board, work closely with our Board members, the Mayor's Office, the SFMTA and key stakeholders on any follow up to the Transportation Task Force 2045 related to a potential new local revenue measure(s), and tracking the CTC's pilots of a potential statewide Road User Charge program.

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 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 (renamed Salesforce Transit Center)/Downtown Extension and Geary Corridor BRT. Continue to serve as a funding resource for all San Francisco project sponsors, including brokering fund swaps, as needed.

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 Salesforce Transit Center/Caltrain Downtown Extension; and Caltrain Modernization, including 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 Caltrans. Key delivery activities for FY 2018/19 include the following:

Transportation Authority – Lead Construction:

- I-80/Yerba Buena Island (YBI) West Bound (WB) On-Off Ramps: Complete construction efforts of the new I-80/YBI WB on-off ramps on the east side of YBI. Final construction activities and project close out is anticipated to be complete in summer 2018.
- Presidio Parkway Project: Continue supporting Caltrans and the Presidio Trust (Trust) in implementing the 3-party (including the Transportation Authority) Settlement Agreement for the transfer of final project landscaping work to the Trust, if the Settlement Agreement is approved by MTC. We anticipate contractor completion of work in the field by June 2018 and final acceptance of the facility in Fall 2018. We will also complete 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.

Transportation Authority – Lead Project Development:



- I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project: Continue to lead project development efforts for reestablishment of the I-80/East Bound Off-Ramp and Southgate Road Realignment. Work with Caltrans, BATA, Treasure Island Development Authority (TIDA), and the U.S. Coast Guard on implementation (supplemental environmental analysis, final design and right of way certification). Also work with TIDA to implement local hire programmatic aspirational goals.
- YBI West Side Bridges: Continue supplemental environmental analysis, final engineering and design of the West Side Bridges and prepare for construction. Prepare for Construction Manager/General Contractor (CM/GC) implementation of the West Side Bridges project. Continue coordination activities with Caltrans, BATA, the OEWD and TIDA.
- Quint-Jerrold Connector Road: Coordinate right of way due diligence efforts (environmental field testing) with city agencies and consultants in order to purchase required right of way for the project. Lead public outreach efforts with interested neighborhood groups. Prepare funding plan and advance design efforts dependent on funding availability.
- I-280/Ocean Ave. South Bound Off-Ramp Realignment: Advance I-280 Interchange modifications at Balboa Park, obtain approval of the combined Caltrans Project Study Report/Project Report and environmental document, prepare funding plan and advance design efforts dependent on funding availability.

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 city 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 Caltrain/High Speed Rail system to the Peninsula corridor that extends to the new Salesforce Transit Center/Downtown Extension including leading critical Configuration Management Board efforts.
- Central Subway: Project management oversight; scope/cost/schedule and funding assessment and strategy, including participation in critical Configuration Management Board efforts.
- Salesforce Transit Center/ Downtown Extension: Project management oversight; provide support for Board member participation on other oversight bodies (Transbay Joint Powers Authority, Board of Supervisors), and other strategic efforts including enhanced technical oversight and support efforts in the areas of rail operations, project delivery method, cost/funding, tunneling, and right of way analyses.
- Geary, Van Ness Avenue and Geneva-Harney BRTs: Oversee SFMTA construction efforts including environmental compliance and general project oversight. Work closely with SFMTA and an inter-agency project team to maintain project integrity and quality while controlling budget and schedule.
- Complete right of way and engineering project support services and oversee construction efforts for the 19th Avenue and Lombard streetscape/resurfacing projects led by SFMTA and SFPW/Caltrans.
- 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. Information Technology 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 Board meetings including standing and ad hoc committees, including the Vision Zero Committee meetings.
- **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.
- **Debt Oversight and Compliance:** Monitor financial and debt performance, prepare annual disclosures and complete required compliance activities.
- **Systems Integration:** Ongoing enhancement and maintenance of the enterprise resource planning system (business management and accounting software) to improve accounting functions, automate processes, general ledger reconciliations and financial reporting, as well as enabling improved data sharing with the 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. Participate in the multi-agency consortium of Bay Area transportation agencies with a common goal to assist small, disadvantaged and local firms doing business with Bay Area transit and transportation agencies.
- **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, social media and other web-based communications, supporting public outreach and helping coordinate events to promote the agency's work. This year the agency plans to begin development of an agency-wide strategic communications plan to institutionalize best practices. Communications staff will continue participating in training to advance outreach skills.

Attachment 1
Preliminary Fiscal Year 2018/19 Annual Work Program



- **Website:** Execute a redesign and upgrade of the agency website, sfcta.org. 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. Advance agency workplace excellence initiatives through staff working groups, training and other means.
- **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 Board 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 2
Preliminary Fiscal Year 2018/19 Annual Budget



Preliminary Budget Amendment 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 2018/19	Increase/ (Decrease)	Amended Budget Fiscal Year 2017/18
Revenues:								
Sales Tax Revenues	\$ 106,461,636	\$ -	\$ -	\$ -	\$ -	\$ 106,461,636	\$ 2,189,710	\$ 104,271,926
Vehicle Registration Fee	-	-	-	4,930,000	-	4,930,000	95,951	4,834,049
Interest Income	540,902	-	1,363	3,013	-	545,278	(87,676)	632,954
Federal/State/Regional Revenues	-	7,314,996	759,899	-	3,160,560	11,235,455	(6,330,111)	17,565,566
Other Revenues	44,720	-	-	-	-	44,720	1,260	43,460
Total Revenues	107,047,258	7,314,996	761,262	4,933,013	3,160,560	123,217,089	(4,130,866)	127,347,955
Expenditures:								
Capital Project Costs	203,019,900	5,428,999	877,154	6,993,420	2,577,121	218,896,594	(48,387,020)	267,283,614
Administrative Operating Costs	5,676,873	3,894,928	47,494	207,676	923,529	10,750,500	(410,834)	11,161,334
Debt Service	33,412,250	-	-	-	-	33,412,250	(87,119,025)	120,531,275
Total Expenditures	242,109,023	9,323,927	924,648	7,201,096	3,500,650	263,059,344	(135,916,879)	398,976,223
Other Financing Sources (Uses):	118,650,979	2,008,931	-	-	340,090	121,000,000	(149,133,005)	270,133,005
Net Change in Fund Balance	\$ (16,410,786)	\$ -	\$ (163,386)	\$ (2,268,083)	\$ -	\$ (18,842,255)	\$ (17,346,992)	\$ (1,495,263)
Budgetary Fund Balance, as of July 1	\$ 16,642,439	\$ -	\$ 190,360	\$ 10,202,938	\$ -	\$ 27,035,737	N/A	\$ 28,531,000
Budgetary Fund Balance, as of June 30	\$ 231,653	\$ -	\$ 26,974	\$ 7,934,855	\$ -	\$ 8,193,482	N/A	\$ 27,035,737

**San Francisco County Transportation Authority
Attachment 3
Preliminary Fiscal Year 2018/19 Annual Budget
Line Item Detail**



Preliminary Budget Amendment 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 2018/19	Increase/ (Decrease)	Amended Budget Fiscal Year 2017/18
Revenues:								
Sales Tax Revenues	\$ 106,461,636	\$ -	\$ -	\$ -	\$ -	\$ 106,461,636	\$ 2,189,710	\$ 104,271,926
Vehicle Registration Fee	-	-	-	4,930,000	-	4,930,000	95,951	4,834,049
Interest Income	540,902	-	1,363	3,013	-	545,278	(87,676)	632,954
Program Revenues								
Federal Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	1,297,860	1,297,860	1,272,932	24,928
Federal BART Travel Incentives Program	-	-	-	-	-	-	(51,764)	51,764
Federal CMAQ Program: Transportation Demand Management Partnership Project	-	-	-	-	-	-	(28,810)	28,810
Federal Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement	-	-	-	-	-	-	(7,044,212)	7,044,212
Federal Highway Bridge Program - Yerba Buena Island Bridge Structures	-	3,177,360	-	-	-	3,177,360	1,288,703	1,888,657
Federal South of Market Freeway Ramp Intersection Safety Improvement Study	-	78,927	-	-	-	78,927	(18,081)	97,008
Federal Strategic Highway Research Program	-	-	-	-	-	-	(145,378)	145,378
Federal Surface Transportation Program 3% Revenue and Augmentation	-	1,721,861	-	-	-	1,721,861	(538,845)	2,260,706
State Planning, Programming & Monitoring SB45 Funds	-	-	-	-	-	-	(667,000)	667,000
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	-	-	-	-	-	(550,582)	550,582
Regional AB 1171 - Presidio Parkway (MTC)	-	-	-	-	-	-	(1,242,655)	1,242,655
Regional BART - Travel Incentives Program	-	-	-	-	-	-	(1,445)	1,445
Regional BATA - I-80/Yerba Buena Island Interchange Improvement	-	1,011,385	-	-	-	1,011,385	633,089	378,296
Regional San Francisco (OEWD) - Late Night Transportation	-	-	-	-	-	-	(1,393)	1,393
Regional San Francisco (OEWD) - South of Cesar Chavez Area Plan	-	110,000	-	-	-	110,000	110,000	-
Regional San Francisco (Planning) - Hub and Civic Center	-	-	-	-	-	-	(39,837)	39,837
Regional San Francisco (Planning, SFMTA) - Travel Demand Modeling Assistance	-	250,000	-	-	-	250,000	25,000	225,000
Regional San Francisco (SFMTA) - Alemany Interchange Improvement Study	-	-	-	-	-	-	(100,000)	100,000
Regional San Francisco (Public Works) - 19th Ave Combined City Project & Lombard St VZ Project	-	-	-	-	-	-	(147,423)	147,423
Regional San Francisco (SFMTA) - Lombard Crooked St Reservations & Pricing System Development	-	194,000	-	-	-	194,000	194,000	-
Regional San Francisco (SFMTA) - Treasure Island Mobility Management Agency	-	-	-	-	-	-	(95,017)	95,017
Regional San Mateo County Transportation Authority - 101/280 Managed Lanes	-	270,500	-	-	-	270,500	147,375	123,125
Regional WETA - Solano Water Transit Study	-	-	-	-	-	-	(20,000)	20,000
Regional TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,862,700	1,862,700	460,475	1,402,225
Regional TIDA - Yerba Buena Island Bridge Structures	-	411,661	-	-	-	411,661	244,185	167,476
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	759,899	-	-	759,899	21,968	737,931
Contributions from Schmidt Family Foundation/The 11th Hour Project - TNC Research	-	75,000	-	-	-	75,000	25,000	50,000
Contributions from Toyota Mobility Foundation - D10 Mobility Study	-	14,302	-	-	-	14,302	(60,396)	74,698
Other Revenues								
San Francisco Dept of Environment - Shower Facilities	2,000	-	-	-	-	2,000	-	2,000
Sublease of Office Space	42,720	-	-	-	-	42,720	1,260	41,460
Total Revenues	107,047,258	7,314,996	761,262	4,933,013	3,160,560	123,217,089	(4,130,866)	127,347,955

**San Francisco County Transportation Authority
Attachment 3
Preliminary Fiscal Year 2018/19 Annual Budget
Line Item Detail**



	Preliminary Budget Amendment by Fund					Preliminary Budget Fiscal Year 2018/19	Increase/ (Decrease)	Amended Budget Fiscal Year 2017/18
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Agency Program			
Expenditures:								
Capital Project Costs								
Individual Project Grants, Programs & Initiatives	200,000,000	-	877,154	6,954,745	-	207,831,899	(46,590,625)	254,422,524
Technical Professional Services	3,019,900	5,428,999	-	38,675	2,577,121	11,064,695	(1,796,395)	12,861,090
Administrative Operating Costs								
Personnel Expenditures								
Salaries	1,872,781	2,435,485	32,296	141,220	586,248	5,068,030	-	5,068,030
Fringe Benefits	881,311	1,146,110	15,198	66,456	275,881	2,384,956	-	2,384,956
Pay for Performance	194,965					194,965	-	194,965
Non-personnel Expenditures								
Administrative Operations	2,546,316	313,333	-	-	55,800	2,915,449	(391,734)	3,307,183
Equipment, Furniture & Fixtures	114,500	-	-	-	-	114,500	(35,500)	150,000
Commissioner-Related Expenses	67,000	-	-	-	5,600	72,600	16,400	56,200
Debt Service								
Debt Issuance Costs	-	-	-	-	-	-	(2,051,579)	2,051,579
Interest and Fiscal Charges	8,412,250	-	-	-	-	8,412,250	4,932,554	3,479,696
Revolving Credit Agreement Repayment	25,000,000	-	-	-	-	25,000,000	(44,000,000)	69,000,000
Revolving Credit Agreement Re-finance Repayment	-	-	-	-	-	-	(46,000,000)	46,000,000
Total Expenditures	242,109,023	9,323,927	924,648	7,201,096	3,500,650	263,059,344	(135,916,879)	398,976,223
Other Financing Sources (Uses):								
Transfers in - Prop K Match to Grant Funding	-	2,008,931	-	-	340,090	2,349,021	1,284,159	1,064,862
Transfers out - Prop K Match to Grant Funding	(2,349,021)	-	-	-	-	(2,349,021)	(1,284,159)	(1,064,862)
Face Value of Debt Issued								
Sales Tax Revenue Bond Proceeds	-	-	-	-	-	-	(205,660,000)	205,660,000
Revolving Credit Agreement Re-finance	-	-	-	-	-	-	(42,590,000)	42,590,000
Premium on Issuance of Debt	-	-	-	-	-	-	(21,883,005)	21,883,005
Draw on Revolving Credit Agreement	121,000,000	-	-	-	-	121,000,000	121,000,000	-
Total Other Financing Sources (Uses)	118,650,979	2,008,931	-	-	340,090	121,000,000	(149,133,005)	270,133,005
Net Change in Fund Balance	\$ (16,410,786)	\$ -	\$ (163,386)	\$ (2,268,083)	\$ -	\$ (18,842,255)	\$ (17,346,992)	\$ (1,495,263)
Budgetary Fund Balance, as of July 1	\$ 16,642,439	\$ -	\$ 190,360	\$ 10,202,938	\$ -	\$ 27,035,737	N/A	\$ 28,531,000
Budgetary Fund Balance, as of June 30	\$ 231,653	\$ -	\$ 26,974	\$ 7,934,855	\$ -	\$ 8,193,482	N/A	\$ 27,035,737

Includes Sales Tax, Transportation Fund for Clean Air Program, and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency

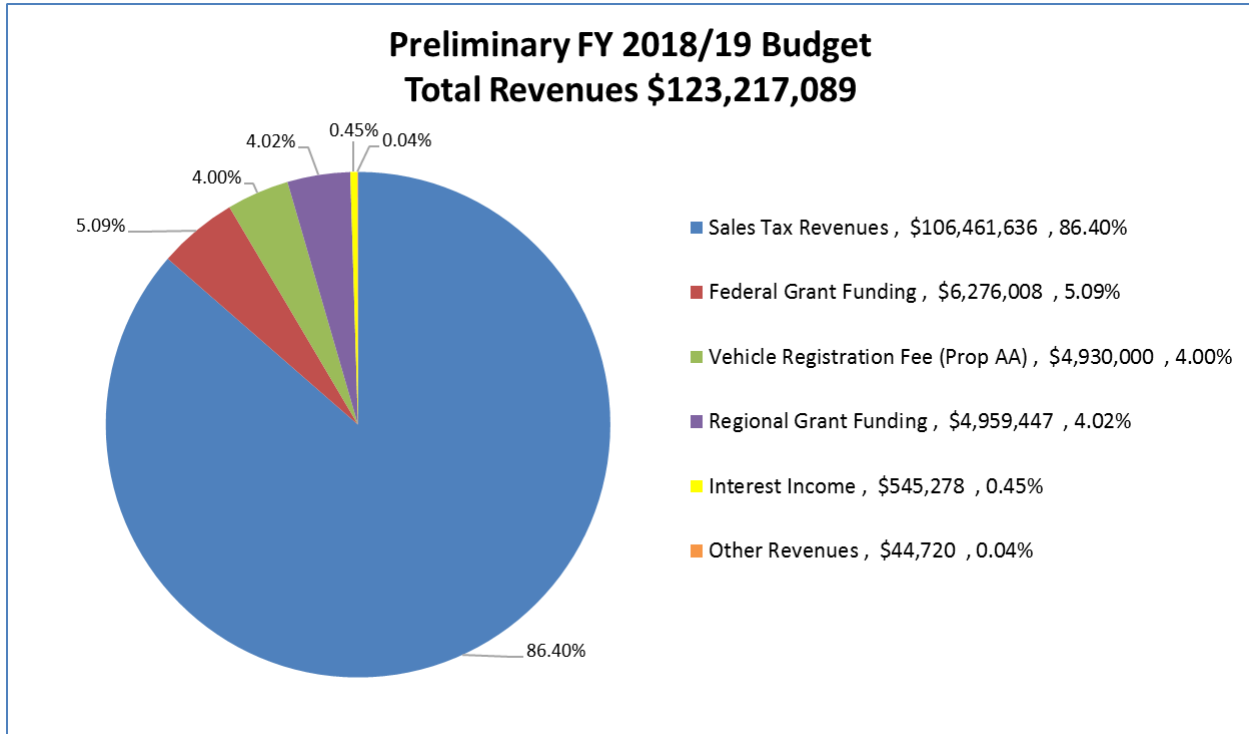
Fund Reserved for Program and Operating Contingency \$ 10,646,164 \$ - \$ 75,990 \$ 493,000 \$ - \$ 11,215,154

**Attachment 4
Line Item Descriptions**



TOTAL PROJECTED REVENUES..... \$123,217,089

The following chart shows the composition of revenues for the preliminary FY 2018/19 budget.



Prop K Sales Tax Revenues:\$106,461,636

The budgeted revenues for the Sales Tax program 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) 2017/18 revenues to date, we project FY 2018/19 sales tax revenues to increase compared to the budgeted revenues for FY 2017/18 by 2.1% or \$2.2 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: \$4,930,000

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. Prop AA Revenues for FY 2018/19 are based on the Prop AA Strategic Plan.

**Attachment 4
Line Item Descriptions**



Interest Income: \$545,278

Most of our 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 1.7% for FY 2018/19. The level of our deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. The budget cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues: \$7,314,996

The CMA program revenues for FY 2018/19 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 our role as CMA. The FY 2018/19 budget includes \$4.6 million from federal and regional 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 and regional grant funds received from the Metropolitan Transportation Commission (MTC), the California Department of Transportation (Caltrans), and the San Mateo County Transportation Authority. Some of these grants are project-specific, such as those for the US 101/I-280 Managed Lanes and the South of Market Freeway Ramp Intersection Safety Improvement Study (also known as Vision Zero Ramps project). Other funding sources, such as federal Surface Transportation Program fund, can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the Transportation Network Companies (TNC) Research and San Francisco Transportation Plan update. Regional CMA program revenues include City General Fund contributions for South of Cesar Chavez Area Plan and Lombard Crooked Street Reservations & Pricing System Development, technical and travel demand model services provided to City agencies in support of various projects, and contributions from private foundations in support of TNC Research and District 10 Mobility Management Study.

Transportation Fund for Clean Air (TFCA) Program Regional Revenues: \$759,899

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.

TIMMA Program Revenues: \$3,160,560

We are also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA FY 2018/19 revenues will be presented to the TIMMA Board as a separate item at its June meeting.

Other Revenues: \$44,720

Other revenues budgeted in FY 2018/19 include revenues from the sublease of our office space.

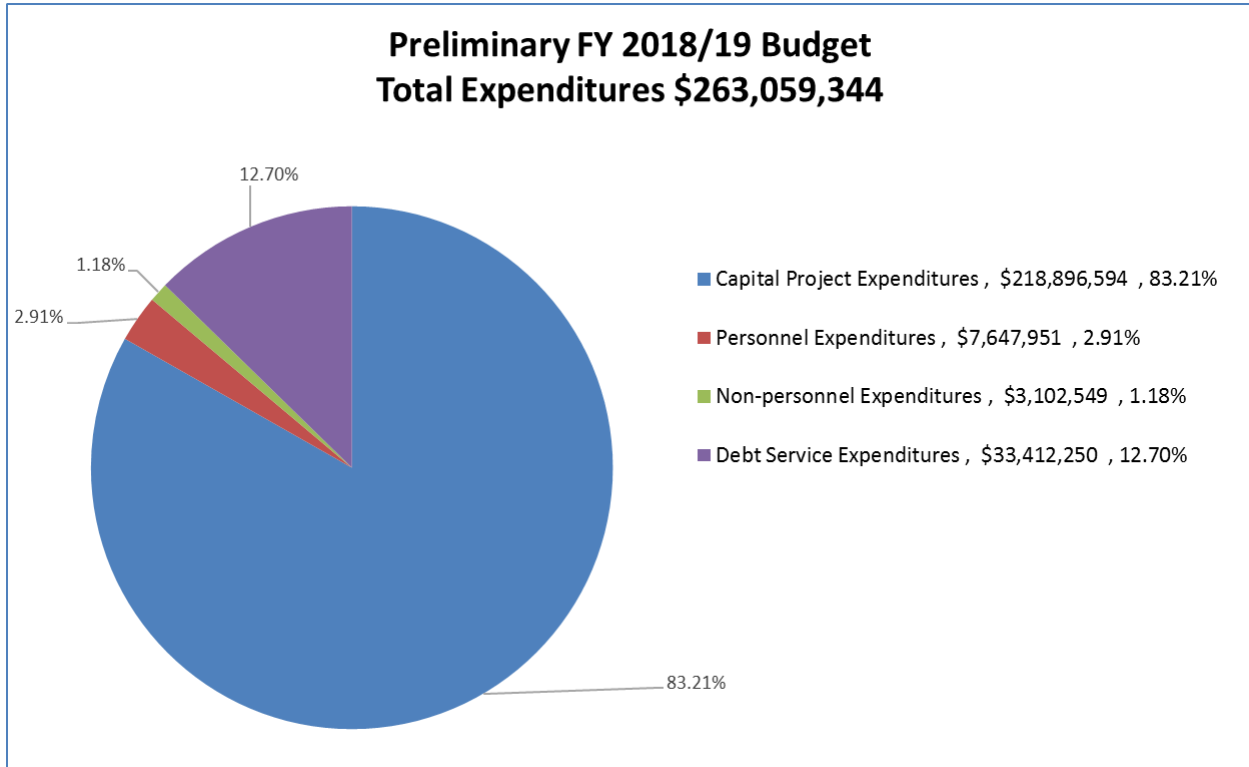
TOTAL PROJECTED EXPENDITURES\$263,059,344

Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$218.9 million, Administrative Operating Expenditures of \$10.8 million, and Debt Service Expenditures of \$33.4 million.

**Attachment 4
Line Item Descriptions**



The following chart shows the composition of expenditures for the preliminary FY 2018/19 budget.



CAPITAL EXPENDITURES.....\$218,896,594

Capital expenditures in FY 2018/19 are budgeted to decrease from the FY 2017/18 Amended Budget by an estimated 18%, which is primarily due to anticipated lower capital expenditures for the Prop K program overall, most of which are awarded as grants to agencies like the San Francisco Municipal Transportation Agency (SFMTA). Project expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:.....\$203,019,900

The estimate for sales tax capital expenditures reflects a combination of estimated cash flow needs for existing allocations based on review of reimbursements, project delivery progress reports and conversations with project sponsors, as well as anticipated new allocations estimated for FY 2018/19. The anticipated largest capital project expenditures include the SFMTA’s vehicle procurements, Central Subway, Van Ness Bus Rapid Transit, Radio Communications System & Computer-Aided Dispatch Replacement and Central, Control and Communications projects.

CMA Programs Expenditures:.....\$5,428,999

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 our CMA responsibilities under state law. Included are various planning efforts and projects such as the US 101/I-280 Managed Lanes project, Lombard Crooked Street Reservations & Pricing System Development, San Francisco Transportation Plan update, South of Market Freeway Ramp Intersection Safety Improvement Study (also known as Vision Zero Ramps), TNC Research, and travel demand model services. Also included are final design and engineering activities for the YBI Bridge Structures and YBI Southgate Road Realignment Improvement project, which is supported by federal

**Attachment 4
Line Item Descriptions**



and regional funding.

TFCA Program Expenditures:..... \$877,154

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 2017/18. It also includes an estimate for expenditures for the FY 2018/19 program of projects, which is scheduled to be approved by the Board in June 2018.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Expenditures:
..... \$6,993,420

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 local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include new FY 2018/19 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 2017/18. The largest capital project expenditures include the Brannan Street Pavement Renovation project, the Haight Street Resurfacing and Pedestrian Lighting project, and the Muni Metro Station Enhancements project.

TIMMA Program Expenditures:..... \$2,577,121

The TIMMA FY 2018/19 expenditures will be presented to the TIMMA Board as a separate item at its June meeting.

ADMINISTRATIVE OPERATING EXPENDITURES\$10,750,500

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

Personnel:..... \$7,647,951

Personnel costs are budgeted at a the same level as in the amended budget for FY 2017/18, reflecting a budget of 44 full time equivalents. 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. Employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

Non-Personnel: \$3,102,549

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 of our 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

**Attachment 4
Line Item Descriptions**



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 in FY 2018/19 are budgeted to decrease from the FY 2017/18 Amended Budget by an estimated 11.7%, which is primarily due a decrease in legal services related to the Presidio Parkway and Geary Corridor Bus Rapid Transit projects.

DEBT SERVICE EXPENDITURES.....\$33,412,250

In June 2015, we 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). In November 2017, we competitively sold Sales Tax Revenue Bonds with the total face amount of \$248.25 million. By FY 2018/19, it is expected that the Revolver, which financed past capital expenditures, will be fully repaid. As of April 20, 2018, \$49 million of the Revolver is outstanding and assumes the outstanding balance will reduce to \$25 million as of June 30, 2018. This line item assumes the fees for the Revolver, a \$25 million repayment against the outstanding balance, and semi-annual interest only bond payments.

Debt service expenditures in FY 2018/19 are budgeted to decrease by \$87.1 million from prior year, which is primarily due to the re-financing of \$46 million in the Revolver that was associated with the bond issuance last fiscal year and increases to the amount to pay off the revolver to minimize interest costs.

OTHER FINANCING SOURCES/USES.....\$121,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2018/19 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 grants such as the Surface Transportation Program and South of Market Freeway Ramp Intersection Safety Improvement Study. In addition, the estimated level of sales tax capital expenditures for FY 2018/19 may trigger the need to drawdown up to \$121 million from the Revolver. 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 needing financing will be easier to forecast following receipt of FY 2017/18 fourth quarter invoices.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$11,215,154

Our Fiscal Policy directs that we 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 \$10.7 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$75,990 or about 10% as a program and operating contingency reserve respectively for the Transportation Fund for Clean Air Program and \$493,000 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program.