



Memorandum

Date: 04.01.14 **RE:** Finance Committee
April 8, 2014

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Chiu, Farrell, Tang and Avalos (Ex Officio)

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

Through: Tilly Chang – Executive Director *TC*

Subject: **INFORMATION** – Preliminary Fiscal Year 2014/15 Annual Budget and Work Program and Amendment of the Prop K Strategic Plan

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 preliminary Fiscal Year (FY) 2014/15 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 preliminary FY 2014/15 Annual Budget also includes a description of the Transportation Authority's preliminary Work Program for the coming fiscal year. Total revenues are projected to be \$154.8 million, including \$91.8 million in sales tax revenues. Total expenditures are projected to be \$225.4 million. Capital project expenditures are projected to be \$214.5 million or about 95.1% of total expenditures. The final proposed FY 2014/15 Annual Budget and Work Program will be presented to the Finance Committee and Transportation Authority Board in May. A public hearing will precede consideration of the FY 2014/15 Annual Budget and Work Program at the Transportation Authority Board's May meeting. **We are seeking input from the Finance Committee on the preliminary FY 2014/15 Annual Budget and Work Program and amendment of the Prop K Strategic Plan. This is an information item.**

BACKGROUND

Pursuant to State statutes (PUC Code Sections 131000 et seq.), the Transportation Authority must adopt an annual budget for Fiscal Year (FY) 2014/15 by June 30, 2014. As called for in the Transportation Authority's Fiscal Policy (Resolution 14-43) and Administrative Code (Ordinance 14-01), it is the responsibility of the Finance Committee to set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, as well as to recommend adoption of the budget to the Board of Commissioners prior to June 30 of each year.

The purpose of this memorandum is to present the Transportation Authority's preliminary FY 2014/15 Annual Budget and Work Program and to seek input from the Finance Committee.

DISCUSSION

The Transportation Authority's preliminary FY 2014/15 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 Services, 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 and administering the \$10 Prop AA vehicle registration fee. Our organizational approach also reflects the principle that all activities at the Transportation Authority contribute to the efficient delivery of transportation plans and projects, even though many activities are funded with a combination of revenue sources and in coordination with a number of San Francisco agencies as well as and federal, state and regional agencies. Attachment A contains a description of the Transportation Authority's preliminary Work Program for FY 2014/15.

Attachment B displays the preliminary budget in a format described in the Transportation Authority's Fiscal Policy. Total revenues are projected to be \$154.8 million. Sales tax revenues, net of interest earnings, are projected to be \$91.8 million, or 59.3% of FY 2014/15 revenues. Total expenditures are projected to be about \$225.4 million. Of this amount, capital project costs are \$214.5 million. Capital projects costs are 95.1% of total projected expenditures, with 4.1% of expenditures budgeted for administrative operating costs, and 0.8% for debt service and interest costs. The division of revenues and expenditures into the sales tax program, CMA program, TFCA program, and Prop AA program on Attachment B reflects the four distinct Transportation Authority responsibilities and mandates.

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

Revenues: The sales tax revenue projection of \$91.8 million is an increase from the sales tax revenues expected to be received by the Transportation Authority in FY 2013/14. Sales tax revenues have recovered from the FY 2009/10 low and FY 2014/15 revenues are projected to be the highest collected in a single fiscal year since the inception of the Prop K program.

CMA revenues include federal, state, and regional sources, and are used for professional services contracts and staffing expenditures to implement the Transportation Authority's planning, oversight and programming responsibilities. CMA revenues include project specific grants, and also include annual funding sources such as federal Surface Transportation Program funds that we receive from the Metropolitan Transportation Commission to undertake our CMA-related planning, policy, programming, project delivery support and other activities. State Planning, Programming, and Monitoring (PPM) funds, which also funds a number of eligible CMA activities, has been reduced by \$330,000 in FY 2014/15 due to reduced funding levels in the State Transportation Improvement Program.

CMA revenues also include federal and state reimbursements of \$44.9 million for construction activities on the I-80/Yerba Buena Island Interchange Improvement Project and Yerba Buena Bridge Structures (collectively known as YBI Interchange Improvement Project), an effort undertaken under agreement by the Transportation Authority in its role as CMA for San Francisco. Other CMA revenues include reimbursements from the Office of Community Investment and Infrastructure for leading the construction phase of the Folsom Off-Ramp Realignment Project and federal and regional reimbursements for the Treasure Island Mobility Management Study.

Prop AA revenues in FY 2014/15 are projected to be \$4.7 million or 3.1% of all budgeted revenues, which, following the Board's approval of amendment to the Prop AA Strategic Plan in October 2013, are now available for projects and programs identified in the Strategic Plan or through periodic competitive calls for projects.

Expenditures: Attachment C also displays a breakdown of projected expenses. The estimate for sales tax capital expenditures is 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 a

placeholder for new allocations estimated for FY 2014/15, pending finalization of the 2014 Prop K Strategic Plan and 5-Year Prioritization Program updates this spring. The largest capital project expenditures for existing allocations include the SFMTA's Radio Communications System & Computer-Aided Dispatch Replacement and Central Subway projects; the Transbay Joint Powers Authority's Transbay Transit Center/Downtown Extension Project; the Presidio Parkway Project; as well as various transit and street maintenance improvements, and pedestrian and bicycle projects.

CMA capital expenditures of \$51.1 million include technical consulting services which are needed in order to fulfill the Transportation Authority's CMA Program responsibilities under state law. Projects in this category include the Folsom Off-Ramp Realignment Project, the Geary Corridor and Van Ness Avenue Bus Rapid Transit environmental studies, and various local area plans and station studies, such as the 19th Avenue Transit Corridor Investment Study, follow-up stemming from the Balboa Park Station Area Circulation Study (pending approval of the final report), the Treasure Island Mobility Management Study, the Transportation Demand Management Partnership Project and eFleet Carsharing Electrified Program. The FY 2014/15 budget also includes \$45.1 million from federal, state, and regional funding for work on the I-80/YBI Interchange Improvement Project and YBI Bridge structures.

Administrative operating expenditures of \$9.2 million includes personnel and non-personnel costs. Personnel costs are budgeted at \$6 million, approximately the same level as FY 2013/14. Salary costs have not been increased, but there is a small adjustment to cover increases in benefit costs. Employees are not entitled to any cost of living adjustment, and all salary adjustments are determined by the Executive Director based on performance only.

Non-personnel costs are budgeted at \$3.2 million, which includes an increase in office rental costs (FY 2014/15 is the first year of unsubsidized rent since we moved to 1455 Market Street in 2012) and the second and final tranche of one-time consultant and temporary staff costs related to the implementation of the Enterprise Resource Planning (ERP) software system (about \$350,000). We anticipate fully transitioning to the new ERP system and completing the implementation by September 2014. Due to the increase of non-personnel expenditures related to office rental costs and the ERP, exacerbated by the decrease in PPM funds, anticipate needing an additional \$611,480 in the Sales Tax Program for our operations during FY 2014/15. The adopted 2013 Prop K Strategic Plan Baseline allows 6.1% of sales tax annual proceeds for sales tax administration, programming, planning and project delivery oversight to support the Prop K program. Adoption of the proposed budget would also amend the Strategic Plan to temporarily add 0.7% to that allowance of the Expenditure Plan for FY 2014/15, without violating statutory limits.

Debt service costs of \$1.8 million are included in the FY 2014/15 budget, which assumes a continuation of the current Commercial Paper Program agreements and an increase in commercial paper interest rates.

Other Sources and Uses: The Other Financing Sources and Uses section of the budget includes interfund transfers in FY 2014/15. These transfers represent the required local match of Prop K to federal and state grants such as the Surface Transportation Program and the Transportation Demand Management Partnership Program.

Fund Balance and Contingency Reserve: The budgetary fund balance is generally defined at the difference between assets and liabilities, and the ending balance is based on previous year's audited fund balance plus the current year's budget amendment and the budgeted year's activity. There is a negative of \$175 million in total fund balances, which is largely the result of how multi-year programming commitments

are accounted for. A large portion of the negative fund balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years with non-current (i.e. future) revenues. Commitments of future revenues are tracked through the grant administration process, and there is no issue with the availability of future revenues to honor them. A negative fund balance is a result of how these commitments are accounted for, and it does not affect the viability of the projects or grants. This is a conservative accounting presentation of multi-year programming because these commitments are funded with non-current (i.e. future) revenues. In addition, the Transportation Authority does not hold or retain title for the projects it has constructed or for the vehicles and system improvements purchased with sales tax funds, which can result in a negative position. This reporting of all legal funding commitments without the corresponding revenue or assets creates or largely contributes to the \$175 million negative fund balance.

The Transportation Authority's Fiscal Policy directs that the Transportation Authority shall allocate between 5% and 15% of the estimated annual sales tax revenues as a hedge against emergencies in the fiscal year. The FY 2014/15 budget sets aside \$9.2 million, or 10% of annual projected sales tax revenues, as a set-aside for a program and operating contingency reserve. The Transportation Authority has also set aside \$472,772 or 10% as a program and operating contingency reserve for the Prop AA Program.

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

Next Steps: The final proposed FY 2014/15 Annual Budget and Work Program will be presented to the Citizens Advisory Committee (CAC) in April and the Finance Committee and Transportation Authority Board in May. A public hearing will precede consideration of the FY 2014/15 Annual Budget and Work Program at the Transportation Authority Board's May meeting.

In the meantime, we are working on finalizing a proposed staff restructuring plan that we anticipate presenting to the Personnel Committee in April (meeting date has yet to be determined). If approved, the restructuring would result in changes that would be reflected in the final draft budget. Similarly, we are continuing to work with project sponsors on the Prop K Strategic Plan and 5-Year Prioritization Program updates, which are slated for approval this spring. The SFMTA, in particular, is proposing significant changes to reflect the agency's latest Capital Improvement Program and anticipated revenues from proposed November 2014 ballot revenue measures (general obligation bond and vehicle license fee). This will result in likely significant increase in the Capital Expenditures line item.

We are seeking input from the Finance Committee on the preliminary FY 2014/15 Annual Budget and Work Program. This is an information item.

ALTERNATIVES

Not applicable. This is an information item.

CAC POSITION

This item will be presented to the CAC at its April 23 meeting.

FINANCIAL IMPACTS

As described above.

RECOMMENDATION

Not applicable. This is an information item.

Attachments

- A. Preliminary FY 2014/15 Annual Work Program
- B. Preliminary FY 2014/15 Annual Budget
- C. Preliminary FY 2014/15 Annual Budget – Line Item Detail
- D. Line Item Descriptions

Attachment A
Preliminary Fiscal Year 2014/15 Annual Work Program



The Transportation Authority's preliminary Fiscal Year (FY) 2014/15 Work Program includes activities in five major functional areas overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects delivery support and oversight, 3) Planning, 4) Technology Services, and 5) Finance and Administration. These categories of activities address the Transportation Authority's designated mandates. These include 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 and administering the \$10 Prop AA vehicle registration fee. 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. The preliminary Work Program reflects the coordinated manner in which activities are managed by the Transportation Authority, by functional areas and projects.

POLICY AND PROGRAMMING

The FY 2014/15 Work Program for the Policy and Programming division focuses on strategic funding and policy issues that affect the implementation of many of the important improvements to the transportation system made possible by the passage of Prop K, emerging new priorities identified through the San Francisco Transportation Plan (SFTP), and guidance from the Board.

Revenue Advocacy. As always, opportunities to improve leveraging (i.e., matching) of Prop K funds with other federal, state, regional or local funds remain critically important. Given the political climate at the state and federal levels, FY 2014/15 presents a fairly bleak outlook for increased revenues at the state (with cap and trade revenues being a modest exception) and federal level (with a lack of near-term political will to identify new/increased revenues to address the impending bankruptcy in the Federal Highway Trust Fund). Yet there are also opportunities such as further stabilizing state transportation revenues to provide a more reliable revenue stream and increased opportunities for public-private partnerships (P3) and pricing initiatives. This climate underscores the need for clear priorities, ensuring that San Francisco projects are truly competitive for discretionary programs, and ongoing oversight to comply with timely-use-of-funds deadlines so that funds are not lost to projects or to San Francisco.

In the meantime, we will continue active involvement in the development of proposals for new transportation revenues, particularly at the regional and state levels such as participating in the new revenue advocacy efforts stemming from the Metropolitan Transportation Commission's (MTC's) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). At the state level, we also coordinate with the Self Help Counties Coalition, an advocacy organization for transportation sales tax authorities. Locally, we continue to support efforts building off of the Mayor's Transportation 2030 Task Force, which include targeting the November 2014 ballot for consideration of a vehicle license fee and a general obligation bond.

Prop K Strategic Plan. The 2014 update of the Prop K Strategic Plan and the 21 5-Year Prioritization Programs (5YPPs) covering FYs 2014/15 through 2018/19 provide a strong framework for this funding advocacy and prioritization work. The updates are a multi-jurisdictional effort led by the Policy and Programming division and involving all other Transportation Authority divisions, the Board, the public and project sponsors. They involve broad-based discussions regarding prioritization criteria, project readiness, project phasing options, timing of environmental clearances, full funding plans and strategies including options for advancing or swapping different fund sources, and other technical information. The result will be a well-considered plan that maximizes the Transportation Authority's ability to leverage the Prop K

Attachment A
Preliminary Fiscal Year 2014/15 Annual Work Program



program while minimizing financing costs and expediting delivery of transportation improvements.

Project Delivery Support and Oversight. The Policy and Programming division, in coordination with the Capital Project division, provides project delivery oversight and support for the Prop K, Prop AA (vehicle registration fee) and Transportation Fund for Clean Air programs, which are administered by the Transportation Authority, as well as for projects funded with other federal, state and regional funds programmed by the Transportation Authority as Congestion Management Agency (CMA) for San Francisco or as requested by the Metropolitan Transportation Commission (MTC) in our role as CMA. This role involves ongoing coordination, technical knowledge, advocacy and significant ‘trouble-shooting’ among project sponsors, funding and oversight agencies, and occasionally community stakeholders.

Legislation. In addition, the Transportation Authority monitors state legislation affecting San Francisco’s transportation programs, and develops strategies for advancing legislative initiatives beneficial to San Francisco’s transportation programs. The Policy and Programming division also provides funding, legislative, and policy support to efforts led by the Planning and Capital Projects divisions, and coordinates with the Mayor’s office, the Self Help Counties Coalition, and other city and regional agencies.

Fund Programming and Allocations. Programming has traditionally been a cyclical set of activities, but the multiplicity of fund programs handled by the Transportation Authority result in a steady year-round workload, exacerbated during particularly acute peaks, such as the end of the fiscal year when we bring annual Prop K allocation requests and TFCA programming recommendations for the upcoming fiscal year to the Board for approval. Based on the Prop AA Strategic Plan and ongoing conversations with project sponsors, we are anticipating about \$8.7 million in new allocations for Prop AA capital expenditures. In addition, we anticipate programming just about \$750,000 to new TFCA capital projects. The amount of new allocations anticipated for Prop K is under development as part of the Strategic Plan update, with significant revisions being made to account for the proposed November 2014 local ballot measures. Thus, for the draft FY 2014/15 capital budget, we are assuming a placeholder of \$152 million for new allocations pending completion of the update later this spring.

The following activities are anticipated for the Policy and Programming division in the upcoming fiscal year:

- Prop K Allocation Requests: Evaluate project sponsor applications and amendments.
- Prop K Strategic Plan and 5YPP: Manage ongoing implementation and amendments in coordination with Capital Projects, Planning, and Finance and Administration divisions.
- In close coordination with the Planning division, support roll-out of the Neighborhood Transportation Improvement Program (NTIP) and Vision Zero Committee.
- Prop K Project Delivery Oversight and Support: Provide oversight and support of delivery of all programmatic (i.e., non-project specific) categories in Prop K, with primary responsibility for all programmatic categories (e.g., bicycle and pedestrian circulation and safety, transit preferential streets, traffic calming, signs and signals), except for transit rehabilitation categories where the Policy and Programming division supports the Capital Projects division, particularly in funding assessments and strategy.
- Provide Board support for participation on regional agencies such as MTC, Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD) and other bodies.
- Prop K Customer Service and Efficiency Improvements: In concert with the Finance and Administration, Capital Projects and Technology Services divisions, continue to implement initiatives

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(e.g. through further development of the Portal – a web-based grants management database, developing delegated allocation authority policies for Board consideration) to improve efficiency and user-friendly features that reduce administrative burdens, while reinforcing transparency and accountability objectives.

- **Project Controls and Oversight System:** Work with Capital Project, Technology Services, and Finance and Administration divisions to improve project delivery monitoring and reporting, including assessments of project readiness and expenditure status and project reporting to the public through MyStreetSF.com and other means.
- **RTP/SCS and SFTP Implementation Support:** Work closely with the Planning division to represent San Francisco’s interests and project priorities in follow-up activities stemming from the 2013 adoption of the SFTP and the RTP/SCS, including supporting initial planning efforts that will feed into the next RTP/SCS update (anticipated adoption 2017), , development of guidelines for regional cap and trade funds, new revenue advocacy and other policy initiatives; support Planning division’s efforts to develop the OBAG Transportation Investment and Growth Strategy in coordination with relevant city agencies, regional transit operators, and other stakeholders
- **Regional Transit Expansion Agreement (MTC Resolution 3434):** Provide ongoing advocacy for San Francisco priorities such as Caltrain Electrification, the Caltrain Downtown Extension and Van Ness Bus Rapid Transit (BRT).
- **Prop AA Vehicle Registration Fee:** Evaluate project sponsor applications and amendments; provide project delivery oversight and support; review and approve reimbursement requests; further develop and enhance project delivery reporting and increase public awareness of the program.
- **Lifeline Transportation Program:** Work with sponsors and MTC to implement programming recommendations from Cycle 3; coordinate with transit operators that directly receive funds under revised program guidelines; collect performance data from sponsors, monitor project delivery, and assist sponsors with obligation of funds in a timely manner.
- **TFCA Annual Local Programming Cycle:** Determine priorities, manage program, assist sponsors with applications and amendments.
- **TFCA Administration:** Work with CMAs and Bay Area Air Quality Management District to further streamline TFCA administration and potentially seek legislative reform.
- **TFCA Regional Programming Cycle:** Assist sponsors with applications.
- **CMA Project Delivery Support and Oversight:** As CMA, assist MTC with oversight of San Francisco projects funded with federal, state, regional and other funds, whether directly prioritized by the Transportation Authority or not, consistent with assigned CMA responsibilities; provide assistance to sponsors with timely-use-of funds deadlines and work to ensure no loss of funds to San Francisco projects.
- **State Transportation Improvement Program (STIP):** Provide ongoing assistance with project sponsor allocation and amendment requests to avoid loss of funds given stringent timely-use-of-funds requirements; actively work with, Bay Area CMAs, MTC and the Self Help Counties Coalition to advance San Francisco’s interests and provide input to state-level efforts to revise STIP guidelines, requirements and funding mechanisms.
- **Interregional Transportation Improvement Program:** Manage prioritization of San Francisco

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Preliminary Fiscal Year 2014/15 Annual Work Program



projects and negotiation with other Bay Area CMAs, MTC, and the state.

- Central Subway and Transbay Transit Center/Downtown Extension Funding and Financing Strategy Support: Assist the San Francisco Municipal Transportation Agency (SFMTA) with ongoing refinement and implementation of a strategy that includes support for timely appropriation of Federal New Starts funds committed to the project, timely allocation of Prop 1B transit formula funds from the California Transportation Commission (CTC), allocation of the Regional Improvement Program (RIP) funds committed to the project by the Transportation Authority and programmed in the 2014 STIP, and development of a fund swap strategy to meet the project's cash flow needs since not all of the New Starts and RIP funds will be available when needed. Similarly, this division provides funding advocacy and strategy support, in coordination with the Capital Projects division, for the Transbay Transit Center/Downtown Extension project, including participation in the City's working group on this topic.
- Regional, State and Federal Funds: Provide advocacy (including MTC/Partnership and Bay Area CMA committee work) and ongoing coordination with and appearances before the MTC, CTC, and federal agencies on behalf of San Francisco project sponsors.
- Federal Transportation Improvement Program (TIP): Working closely with project sponsors, MTC and Caltrans, prepare amendments and updates for San Francisco's non-transit projects; serve as a resource to advocate for the timely and accurate inclusion of San Francisco projects in the TIP, a critical milestone for obtaining state and federal funding and receiving certain federal approvals. (coordination and processing with MTC and project sponsors).
- State and Federal Legislation: Manage tracking, strategy and development in coordination with all other Transportation Authority divisions and project sponsors.
- Transit Effectiveness Project (TEP), WalkFirst and Bicycle Strategy: In coordination with the Planning division, provide input to the SFMTA on outreach and design for the TEP, WalkFirst and Bicycle Strategy and assist with development of funding and project delivery strategies to implement capital recommendations, including near-term Vision Zero capital improvements.
- Better Streets Plan/Complete Streets: Provide assistance with development of implementation strategy and ongoing efforts to streamline and support complete streets planning, approvals, project delivery, etc.
- Prop B Grants: Work with project sponsors to close out remaining Prop B grants.
- eFleet: Carsharing Electrified Project: Act as a fiscal agent to support City CarShare, a Bay Area non-profit organization, in deploying a fleet of electric vehicles with supportive infrastructure and operations.

CAPITAL PROJECTS

The Capital Projects division works to facilitate the timely and cost-effective delivery of Transportation Authority-funded transportation projects and programs, and to ensure smooth implementation of a limited set of projects for which we serve as lead agency.

Major Capital Project Support and Oversight. The Capital Projects division will focus its oversight efforts on the delivery of the Prop K major capital projects, such as the Presidio Parkway, the SFMTA's

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Central Subway, and the Caltrain Downtown Extension/Transbay Terminal (Transbay Transit Center). The Capital Projects division also provides primary oversight of Prop K projects in four programmatic categories: transit vehicles, guideways, facilities and systems, and the Caltrain Capital Improvement Program, supported by the Policy and Programming division.

Engineering Support. The Capital Projects division provides engineering support for Transportation Authority-, Caltrans- and SFMTA-led planning efforts, while coordinating with the Planning and the Policy and Programming divisions, as well as regional, state, and federal funding partners to expedite review of grant applications and Prop K and Prop AA allocation requests. The Capital Projects division provides technical assistance to help project sponsors meet timely use of funds deadlines and other requirements, to avoid the loss of discretionary state and federal grant funds.

Key activities for FY 2014/15 for the Capital Projects division include the following:

- Presidio Parkway Project: Continue supporting California Department of Transportation (Caltrans) with construction management and design support during construction; serve as lead for various components of the 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.
- Central Subway: With funding support from Policy and Programming division, provide project management oversight and scope/cost/schedule and funding assessment.
- Transbay Transit Center: Project management oversight; scope/cost/schedule and, in coordination with Policy and Programming division, funding assessment and strategy.
- Prop K Transit State of Good Repair Categories: Allocation support, including scope/cost/schedule assessment and project delivery oversight, especially for major capital projects such as Islais Creek Maintenance Facility, and the Radio Replacement project.
- I-80/Yerba Buena Island (YBI) Interchange Improvement Project: Continue to lead construction of the East Side Ramps. Continue final engineering and design of the West Side Bridges; continue management activities with Caltrans, the Bay Area Toll Authority, the Office of Economic and Workforce Development and Treasure Island Development Authority.
- Caltrain Electrification and California High-Speed Rail Program: With support from the Planning division, coordination with the California High-Speed Rail Authority (CHSRA) and San Francisco agencies on issues affecting the city; work with Caltrain, the MTC, the Mayor's Office and other Peninsula and regional stakeholders to monitor delivery of the Caltrain Electrification project including the Communications Based Overlay Signal System (CBOSS), and with support from the Policy and Programming division, work with the Mayor's Office on development and implementation of a funding strategy for San Francisco's local partner contribution to the Electrification and CBOSS projects.
- Van Ness Avenue Bus Rapid Transit (BRT) Project engineering support, environmental compliance, and general project oversight. Work closely with SFMTA and an interagency project team to maintain project integrity and quality while controlling budget and schedule. Assist in key local project approvals from Arts Commission and Historic Preservation Commission, as well as the Caltrans approvals and the FTA Small Starts Grant Agreement.

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- Transportation Authority-led Prop K Projects: Engineering support for Prop K projects including the Geary Corridor BRT environmental studies, Balboa Park Station Area planning and engineering efforts (scope/cost/schedule assessment, modeling support, project management oversight), Quint-Jerrold Connector Road, and 19th Avenue Bulb-out Project (Caltrans coordination, project management oversight during the production of a Project Study Report/Project Report document and environmental studies).
- Support for SFMTA-led Third Street Phase III Initial Study and 19th Avenue/M-Ocean View Project Pre-Environmental Study phase, including support for Caltrans coordination during the production of a Project Study Report-Project Development Support document.
- CMA Project Delivery Oversight and Support: Engineering support for state and federal grants programmed by the Transportation Authority in its role as CMA; scope/cost/schedule assessment to assist with timely-use of-funds compliance and issue resolution.
- 2014 Prop K Strategic Plan and 5YPP Updates: In coordination with the Policy and Programming division, monitor, and report Prop K cash flow needs for major capital and transit SOGR projects to forecast financing needs and to provide input to Strategic Plan and 5YPP updates; manage Prop K reimbursements to project sponsors for major capital projects and four transit rehabilitation categories; support other divisions for reimbursement and oversight of remaining Prop K projects.
- Project Controls and Oversight System: Continue maintenance and enhancement of project controls data management system, in coordination with Finance and Administration, Policy and Programming and Technology Services divisions.
- Oversee the system design and development of the concept of operations for the Treasure Island Mobility Management Agency (TIMMA) through close collaboration with the Planning division. This effort will require integration of policies with SFMTA and the Bay Area Tolling Authority (BATA) and coordination of project scope, schedule and implementation with a number of local partners.
- Lead the construction phase of the Folsom Off-Ramp Realignment Project for the Office of Community Investment and Infrastructure.

PLANNING

The Transportation Authority's planning activities for FY 2014/15 will focus on supporting the implementation of the San Francisco Transportation Plan (SFTP) and Plan Bay Area. This includes scoping and coordination of a regional transit core capacity study and freeway management study (work to conduct these studies would require additional staff and budget resources). The division will also support a number of inter-agency, collaborative efforts including the work of the Vision Zero Task Force and Committee.

The division will release the Geary Corridor BRT Draft and Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR), and initiate an intense planning phase to deliver the Treasure Island Transportation Plan as the recently designated Treasure Island Mobility Management Agency (TIMMA). We anticipate the completion of the Geneva BRT Feasibility Study, and will continue to monitor the progress of other development and transportation infrastructure in the southeast part of the city. Transportation Authority staff will also support the SFMTA's 19th Avenue/M-Ocean View Project Pre-Environmental Study and work towards completion of the 19th Avenue Bulb Outs Project Study Report/Project Report.

Several studies that examine more effective management strategies for our transportation system will also

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advance this year including the Travel Demand Management Partnership Project, the Parking Supply and Utilization Study and follow up to the SFTP's SoMA Core Circulation Study. In coordination with other divisions, the Planning Division will also support the SFMTA's Waterfront Transportation Assessment, Third Street LRT Phase 3 Feasibility Study and anticipated Muni Rail Capacity Study.

Our neighborhood transportation planning work will include the completion of the Potrero Hill Neighborhood Transportation Plan and Chinatown Transportation Plan, the commencement of the Western Addition Neighborhood Transportation Plan, the continued monitoring and project delivery support for previous Neighborhood Transportation Plans, and the commencement of a new strategy for addressing neighborhood transportation needs with the Neighborhood Transportation Improvement Program (NTIP). The Planning division will also continue to lead the Quint-Jerrold Connector Road designs, outreach and environmental review.

The Planning division will work closely with the technology services division to support the Transportation Sustainability Program and the implementation of transportation environmental review standards that are consistent with San Francisco's Transit First policy and the recently-passed Senate Bill 743 (Steinburg).

We will continue to work closely with the Policy and Programming division and other external partners such as the San Francisco Planning Department on regional planning work related to the implementation of the region's first Sustainable Communities Strategy, Plan Bay Area. The Planning division works with the Capital Projects division for engineering support, Policy and Programming division for development of a funding strategy and legislative advocacy to support the various planning efforts and with the Technology Services division for travel demand forecasting and related analytical support.

The Planning division's activities for FY 2014/15 include:

- Geary Corridor BRT Study: Release Draft EIS/EIR along with associated public outreach, select Locally Preferred Alternative, and release a Final EIS/EIR.
- Treasure Island Transportation Plan: In close coordination with the Capital Projects division, commence planning and implementation of the Treasure Island Transportation Program; includes administrative setup and policy setting as the TIMMA and continued management of the Treasure Island Mobility Study.
- Van Ness Avenue BRT EIS/EIR Study: Support SFMTA-led design engineering phase including through ensuring environmental compliance.
- Vision Zero Task Force and Committee Support: With the Policy and Programming division, staff the Vision Zero Committee of the Board and support the inter-agency efforts to deliver the Vision Zero program of projects.
- Neighborhood Transportation Planning: Complete the Potrero Hill Neighborhood Transportation Plan and the Chinatown Neighborhood Transportation Plan; commence work on the Western Addition Neighborhood Transportation Plan; continue to monitor the delivery of previous Neighborhood Transportation Plans, and commence a new strategy for addressing neighborhood transportation needs with the NTIP (work beyond coordination, e.g. leading any planning efforts, would require additional staff and budget resources).
- San Francisco Public-Private Travel Demand Management (TDM) Partnership Project: Evaluate TDM pilots for several area-wide working groups and finalize the TDM Strategy document.
- Parking Supply and Utilization Study: Finalize market analysis of San Francisco's parking supply and

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how it is currently being used in cooperation with SFMTA.

- **Transit Core Capacity and Performance Study:** Seek funding for and coordinate needs assessments of our core regional transit system, in partnership with both local and regional transit operators and planning agencies (work beyond this level of effort would require additional staff and budget resources). This work will follow the findings from the technical work the Transportation Authority led for Phase 2 of the Waterfront Transportation Assessment.
- **Freeway Performance Initiative:** Initiate the study of the performance and management of San Francisco's Freeway network and its supporting arterial system (lead role in conducting this study would require additional staff and budget resources).
- **19th Avenue Pedestrian and Transit Bulb-outs Project:** Support Capital Project division to finalize designs and facilitate Caltrans approval process.
- **Geneva BRT Feasibility Study:** Finalize the Study and continue to coordinate with sponsors of other projects in the area including San Mateo County's US 101/Candlestick Interchange project.
- **Better Market Street Project:** Participate on an as-needed basis to provide comment on the alternatives analysis.
- **Transportation Sustainability Project (TSP):** Continue supporting this coordinated City effort, which includes the implementation of transportation environmental review standards that are consistent with San Francisco's Transit First policy and the recently-passed Senate Bill 743 (Steinburg).
- **Quint-Jerrold Connector Road:** With support from the Capital Projects division, continue working with Department of Public Works staff on the Quint Street Bridge Replacement and Quint-Jerrold Connector Road projects.
- **Balboa Park Circulation Study Follow-On Analysis and CAC Support:** Commence follow-on study of several ideas progressed through the Balboa Park Circulation Study through more detailed analysis.
- **Congestion Management Program Update:** Conduct speed surveys on the city's main arterial network, for both vehicle and surface transit for adoption and submittal to MTC as required of all CMAs biennially.
- **RTP/SCS:** Working with the Policy and Programming division, and the San Francisco Planning Department, support implementation of Plan Bay Area.
- **California High-Speed Rail Planning in San Francisco:** Work in collaboration with Capital Projects division and coordinate San Francisco input to CHSRA as well as Caltrain Electrification.
- **Support Other/Outside Studies:** Provide support to the SFMTA's TEP; Better Market Street Project, Transbay Transit Center District Plan, Easter Neighborhoods Transportation Plan and other area plans; Railyard Transportation Study; SFMTA Rail Capacity Plan; 19th Avenue Transit Pre-Environmental Study; and BART's Embarcadero Montgomery Station Area Capacity Study.
- **Transportation/Land Use Coordination:** Participate in activities, as required by MTC of all CMAs, including, in addition to RTP/SCS policy and program development as described above: One Bay Area Grant and Transportation Investment and Growth Policy initiatives; Freeway Performance Initiative and Express Lane Master Plan development, and integration of equity considerations into

Attachment A
Preliminary Fiscal Year 2014/15 Annual Work Program



corridor transportation studies.

In addition, the Planning division attends coordination meetings with other city, regional and state agencies and community organizations as necessary to deliver the main products in the Work Program, and cover relevant MTC and Bay Area Partnership meetings as necessary to accomplish the program.

TECHNOLOGY SERVICES

The Technology Services division will continue to coordinate all technology support needs at the Transportation Authority, including travel forecasting and analysis, data analysis, print graphics, the agency website, and internal systems. The division also serves as the research and development lead for the agency and works to support the analytical needs of numerous other city and regional agencies and development projects.

- Travel Forecasting and Analysis for Transportation Authority Studies: Provide modeling, data analysis, technical advice and graphics services to support the Planning, Capital Projects, and Policy and Programming divisions (e.g. Transportation Sustainability Program, Waterfront Transportation Analysis, Geneva BRT, Parking Pricing and Regulation Study, Treasure Island Pricing Program Planning, Freeway Performance Initiative, and the Geary Corridor BRT Environmental Analysis will depend on modeling support).
- 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 Muni Rail Capacity Study, Railyard Study, Third Street Phase III Initial Study, and the 19th Avenue Investment Pre-Environmental Study.
- Data Dissemination Operations: Continue to serve as a data resource for city agencies, consultants, and the public and enhance data management and dissemination capabilities by developing web-based tools such as the “Count Dracula” portal for organizing, mapping, and analyzing traffic, bike, and pedestrian counts. Package and publish important results from the 2012 California Household Travel Survey.
- Complete the requirements for model consistency in coordination with MTC as a part of the Congestion Management Plan update.
- Land Use Growth Allocation Model Development and Land Use Analysis: Continue supporting the refinement of the Bay Area land use growth allocation model with Association of Bay Area Governments (ABAG) and MTC, and coordinate land use analysis activities in cooperation with the Planning Department and our regional partners: ABAG and MTC.
- Travel Demand Model Enhancements: Implement numerous SF-CHAMP and Dynamic Traffic Assignment model improvements, with special emphasis on transit reliability and model performance. Participate in a pooled effort with other MPOs to jointly develop model software.
- Support Related Research: Support researchers working on topics that complement and will enhance our understanding of travel behavior. Potential topics include: 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.
- Project Controls and Oversight System: Continue enhancing the system (e.g. Portal) in coordination with project sponsors, Capital Projects, Policy and Programming, and Finance and Administration

Attachment A
Preliminary Fiscal Year 2014/15 Annual Work Program



divisions, assist with the implementation of new accounting software (including interfaces with the Project Controls and Oversight System), and enhance project delivery and reporting capabilities (both internal and public-facing).

- Website Development: Expand content and capabilities to add, maintain and enhance interactive project delivery reporting features such as the mystreetsf.com project map.
- Graphics and Multimedia: Provide support, strengthen the Transportation Authority's capabilities in producing high-quality graphic and multimedia materials in support of the agency work program, and maintain the existing Geographic Information System data and capabilities.
- 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.

FINANCE AND ADMINISTRATION

Finance and Administration activities during the year will include and continue:

- Audits: Prepare, procure, manage fiscal, compliance, and management audits.
- Budget: Develop and administer Transportation Authority budget, including performance monitoring, internal program and project tracking.
- Accounting: Maintain payroll functions, general ledger and accounting system, including paying, receiving and recording functions; complete implementation of the new enterprise resource planning system (business management and accounting software) to improve accounting functions, general ledger reconciliations and financial reporting, as well as enabling improved data sharing with project delivery oversight.
- Reports and Financial Statements: Monitor internal controls and prepare reports and financial statements.
- Contract Support: Oversee procurement process for professional consultant contracts, prepare contracts, manage compliance for contracts and associated Memoranda of Agreement and Understanding.
- Grants Management: Manage grants and prepare invoices for reimbursement.
- 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.
- Human Resources: Administer recruitment, personnel and benefits management and office procedures.
- Policies: Maintain and update Administrative Code, fiscal, debt, procurement, investment, and travel policies.
- Office Management and Administrative Support: Maintain facilities and provide procurement of goods and services and administration of services contracts.
- Legal Issues: Manage routine legal issues, claims and public records requests.

Attachment A
Preliminary Fiscal Year 2014/15 Annual Work Program



- Capital Financing Program Management: Provide monitoring of financial performance, maintain the cash flow model, analyzing finance options, developing recommendations, issuing and managing debt.
- Transportation Authority Board and Committee Support: Provide assistance to the Clerk of the Authority as required with preparation of agenda packets and minutes, updates to website and clerking meetings.
- Front Office / Reception: Greet visitors, respond to general inquiries from the public and other agencies, and assist staff with general office requests.

EXECUTIVE DIRECTOR

The Executive Director's office is responsible for directing the agency, for the development of the annual emphasis areas and plans, and for the efficient management of staff to accomplish assigned and established work products and goals. The Executive Director's office is responsible for regular and effective communications with the Board, the Mayor's Office, and San Francisco's elected representatives at the state and federal levels; for coordination and partnering with other city agencies, regional, state and federal agencies, and other CMAs. In this 25th Anniversary year of the agency, the Executive Director's office anticipates leading special commemorative activities to highlight major Prop K accomplishments and program management activities. The Executive Director's office is also responsible for general external communications, including community and press relations and advocacy issues.



Attachment B Preliminary Fiscal Year 2014/15 Annual Budget

	Preliminary Budget by Fund						
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Preliminary Budget Fiscal Year 2014/15	Change from prior year: Increase/ (Decrease)	Amended Budget Fiscal Year 2013/14
Revenues:							
Sales Tax Revenues	\$ 91,826,191	\$ -	\$ -	\$ -	\$ 91,826,191	\$ 3,531,777	\$ 88,294,414
Vehicle Registration Fee	-	-	-	4,727,718	4,727,718	(42)	4,727,760
Interest Income	386,049	-	2,677	3,280	392,006	(134,491)	526,497
Federal/State/Regional Revenues	-	51,388,313	747,116	-	52,135,429	33,037,080	19,098,349
Other Revenues	5,614,230	60,990	-	-	5,675,220	5,542,677	132,543
Total Revenues	97,826,470	51,449,303	749,793	4,730,998	154,756,564	41,977,001	112,779,563
Expenditures:							
Capital Projects Costs	152,078,267	51,146,008	809,871	10,458,813	214,492,959	90,438,765	124,054,194
Administrative Operating Costs	6,413,933	2,443,325	37,355	261,387	9,156,000	611,480	8,544,520
Debt Service	1,786,600	-	-	-	1,786,600	(14,819,400)	16,606,000
Total Expenditures	160,278,800	53,589,333	847,226	10,720,200	225,435,559	76,230,845	149,204,714
Other Financing Sources (Uses):	(2,140,030)	2,140,030	-	-	-	-	-
Net Change in Fund Balance	\$ (64,592,360)	\$ -	\$ (97,433)	\$ (5,989,202)	\$ (70,678,995)	\$ (34,253,844)	\$ (36,425,151)
Budgetary Fund Balance, as of July 1	\$ (113,479,664)	\$ -	\$ 271,678	\$ 8,895,681	\$ (104,312,305)	N/A	\$ (67,887,154)
Budgetary Fund Balance, as of June 30	\$ (178,072,024)	\$ -	\$ 174,245	\$ 2,906,479	\$ (174,991,300)	N/A	\$ (104,312,305)

**San Francisco County Transportation Authority
Attachment C
Preliminary Fiscal Year 2014/15 Annual Budget
Line Item Detail**



	Preliminary Budget by Fund				Preliminary Budget FY 2014/15 Total	Change from prior year: Increase (Decrease)	Amended Budget FY 2013/14 Total
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program			
Revenues:							
Sales Tax Revenues	\$ 91,826,191	\$ -	\$ -	\$ -	\$ 91,826,191	\$ 3,531,777	\$ 88,294,414
Vehicle Registration Fee	-	-	-	4,727,718	4,727,718	(42)	4,727,760
Interest Income	386,049	-	2,677	3,280	392,006	(134,491)	526,497
Federal/State/Regional Revenues							
Federal 19th Avenue/State Route 1 Transit Corridor Investment Study	-	-	-	-	-	(175,601)	175,601
Federal Balboa Park Station Area Circulation Study	-	-	-	-	-	(192,128)	192,128
Federal Congestion Mitigation and Air Quality (CMAQ) Program: eFleet Carsharing Electrified	-	417,575	-	-	417,575	(370,285)	787,860
Federal CMAQ Program: Transportation Demand Management Partnership Project	-	134,092	-	-	134,092	(352,971)	487,063
Federal FHWA Transit Reliability Research	-	75,985	-	-	75,985	70,985	5,000
Federal Geneva-Harney Bus Rapid Transit Feasibility Study	-	263,216	-	-	263,216	133,843	129,373
Federal Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement Project	-	37,493,049	-	-	37,493,049	32,562,622	4,930,427
Federal Highway Bridge Program - Yerba Buena Island Bridge Structures	-	2,537,712	-	-	2,537,712	(60,644)	2,598,356
Federal San Francisco Parking Pricing and Regulation Study	-	251,016	-	-	251,016	11,373	239,643
Federal Small Smart Funds (from SFMTA): Van Ness Avenue Bus Rapid Transit	-	31,339	-	-	31,339	(403,192)	434,531
Federal Surface Transportation Program 3% Revenue	-	966,546	-	-	966,546	92,660	873,886
Federal Treasure Island Mobility Management Priority Development Area Study	-	127,817	-	-	127,817	(164,545)	292,362
Federal Value Pricing Pilot Program: Treasure Island Mobility Management Study	-	369,982	-	-	369,982	308,563	61,419
State Planning, Programming & Monitoring SB45 Funds	-	161,000	-	-	161,000	(330,000)	491,000
State Potrero Hill Community-Based Transportation Plan	-	60,074	-	-	60,074	(18,092)	78,166
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	4,857,622	-	-	4,857,622	4,218,209	639,413
Regional Agency Contributions - Model Service Bureau	-	-	-	-	-	(103,133)	103,133
Regional Agency (C/CAG, SamTrans) Contributions - Geneva-Harney Bus Rapid Transit	-	43,579	-	-	43,579	22,017	21,562
Regional MTC - Chinatown Community-Based Transportation Plan	-	51,726	-	-	51,726	(8,274)	60,000
Regional MTC - Potrero Hill Community-Based Transportation Plan	-	36,044	-	-	36,044	(10,856)	46,900
Regional MTC - Presidio Parkway (ABI 171)	-	-	-	-	-	(4,641,715)	4,641,715
Regional MTC - San Francisco Parking Pricing and Regulation Study (MTC)	-	31,377	-	-	31,377	1,422	29,955
Regional San Francisco (OCII) - Folsom Street Ramps	-	2,708,737	-	-	2,708,737	2,205,737	503,000
Regional San Francisco (Planning) - Transportation Sustainability Program	-	17,451	-	-	17,451	17,451	-
Regional San Francisco (SFMTA) - 19th Avenue M-Ocean View	-	405,701	-	-	405,701	405,701	-
Regional San Francisco (SFMTA) - Eastern Neighborhood Transportation Plan	-	-	-	-	-	(56,135)	56,135
Regional San Francisco (SFMTA) - Waterfront Transportation Assessment	-	60,869	-	-	60,869	(169,131)	230,000
Regional San Francisco (SFPUC, SFDPV) - Better Market Street	-	-	-	-	-	(30,000)	30,000
Regional TFCA Match Transportation Demand Management Partnership Project	-	35,804	-	-	35,804	12,278	23,526
Regional TIDA - Treasure Island Mobility Management Agency	-	250,000	-	-	250,000	50,000	200,000
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	747,116	-	747,116	10,921	736,195
Other Revenues							
Local Match: 19th Avenue Investment Study	-	-	-	-	-	(47,866)	47,866
Local Match: City CarShare eFleet Carsharing Electrified	-	20,990	-	-	20,990	(19,287)	40,277
Private Contributions: 19th Avenue M-Ocean View	-	40,000	-	-	40,000	40,000	-
San Francisco Dept of Environment - Bicycle Racks/Shower Facilities	2,000	-	-	-	2,000	(17,800)	19,800
Sublease of Office Space	38,184	-	-	-	38,184	13,584	24,600
TIDA Loan Reimbursement - YBI Interchange Improvement Project	5,574,046	-	-	-	5,574,046	5,574,046	-
Total Revenues	97,826,470	51,449,303	749,793	4,730,998	154,756,564	41,977,001	112,779,563

San Francisco County Transportation Authority
Attachment C
Preliminary Fiscal Year 2014/15 Annual Budget
Line Item Detail



	Preliminary Budget by Fund				Preliminary Budget FY 2014/15 Total	Change from prior year: Increase (Decrease)	Amended Budget FY 2013/14 Total
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program			
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	150,000,000	-	809,871	10,458,813	161,268,684	54,613,144	106,655,540
Technical Professional Services	2,078,267	51,146,008	-	-	53,224,275	35,825,621	17,398,654
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,414,943	1,508,993	25,330	74,380	4,023,646	-	4,023,646
Fringe Benefits	1,024,939	716,332	12,025	35,309	1,788,605	117,011	1,671,594
Pay for Performance	163,519	-	-	-	163,519	-	163,519
Non-personnel Expenditures							
Administrative Operations	2,482,132	218,000	-	151,698	2,851,830	479,069	2,372,761
Equipment, Furniture & Fixtures	258,000	-	-	-	258,000	-	258,000
Commissioner-Related Expenses	70,400	-	-	-	70,400	15,400	55,000
Debt Service							
Principal Retirement	-	-	-	-	-	(15,006,000)	15,006,000
Interest and Fiscal Charges	1,786,600	-	-	-	1,786,600	186,600	1,600,000
Total Expenditures	<u>160,278,800</u>	<u>53,589,333</u>	<u>847,226</u>	<u>10,720,200</u>	225,435,559	76,230,845	149,204,714
Other Financing Sources (Uses):							
Transfers in - Prop K Match to Grant Funding	-	2,140,030	-	-	2,140,030	(2,094,796)	4,234,826
Transfers out - Prop K Match to Grant Funding	(2,140,030)	-	-	-	(2,140,030)	2,094,796	(4,234,826)
Total Other Financing Sources (Uses)	<u>(2,140,030)</u>	<u>2,140,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (64,592,360)</u>	<u>\$ -</u>	<u>\$ (97,433)</u>	<u>\$ (5,989,202)</u>	<u>\$ (70,678,995)</u>	<u>\$ (34,253,844)</u>	<u>\$ (36,425,151)</u>
Budgetary Fund Balance, as of July 1	<u>\$ (113,479,664)</u>	<u>\$ -</u>	<u>\$ 271,678</u>	<u>\$ 8,895,681</u>	<u>\$ (104,312,305)</u>	N/A	<u>\$ (67,887,154)</u>
Budgetary Fund Balance, as of June 30	<u>\$ (178,072,024)</u>	<u>\$ -</u>	<u>\$ 174,245</u>	<u>\$ 2,906,479</u>	<u>\$ (174,991,300)</u>	N/A	<u>\$ (104,312,305)</u>
Includes Sales Tax and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency							
Fund Reserved for Program and Operating Contingency	\$ 9,182,619	\$ -	\$ -	\$ 472,772	\$ 9,655,391		

**Attachment D
Line Item Descriptions**



TOTAL PROJECTED REVENUES.....\$154,756,564

Prop K Sales Tax Revenues:\$91,826,191

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) 2013/14 revenues to date, the Transportation Authority projects FY 2014/15 sales tax revenues to increase compared to the budgeted revenues for FY 2013/14 by \$3.5 million. This projection is aligned with the San Francisco Controller's Office's projection that FY 2014/15 sales tax revenues will increase by 4.0% as compared to the actual revenues earned in FY 2013/14. The sales tax revenue projection is net of the Board of Equalization's charges for the collection of the tax.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues:\$4,727,718

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

Interest Income:.....\$392,006

Most of the Transportation Authority's investable assets are deposited in the City's Treasury Pool. Per direction from the Treasurer's Office, the deposits in the Pooled Investment Fund are assumed to earn approximately 0.5% during the year. The level of Transportation Authority deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. An average sales tax fund budget cash balance during the year of approximately \$50 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.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:\$51,388,313

The CMA program revenues (excluding Other Revenues) for FY 2014/15 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 2014/15 budget includes \$44.9 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 Interchange Improvement Project) and \$2.7 million of regional funding for Folsom Street Ramps. 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).

Attachment D
Line Item Descriptions



Several of these grants are project-specific, such as those for the San Francisco Parking Pricing and Regulation Study, the 19th Avenue M-Ocean View Study, the Geneva-Harney Bus Rapid Transit Feasibility Study and the Treasure Island Mobility Management Study. Other funding sources, such as federal Surface Transportation Program funds and state Planning, Programming, and Monitoring funds, can be used to fund a number of eligible planning, programming, and project delivery support activities, including the Congestion Management Program. During FY 2014/15, the Transportation Authority continues to receive federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for the Transportation Demand Management Partnership and eFleet: Car Sharing Electrified projects, both of which are high-impact, innovative projects with the greatest potential to reduce greenhouse gas emissions that can be replicated on a larger-scale around the region. Regional CMA program revenues include project management and travel demand model services provided to City agencies in support of various projects and studies, such as the Waterfront Transportation Assessment as well as Community-Based Transportation Planning Grants from MTC for Chinatown and Potrero Hill neighborhoods.

Transportation Fund for Clean Air (TFCA) Program Regional Revenues: \$747,116

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. The FY 2014/15 budgeted amount includes new estimated revenues only.

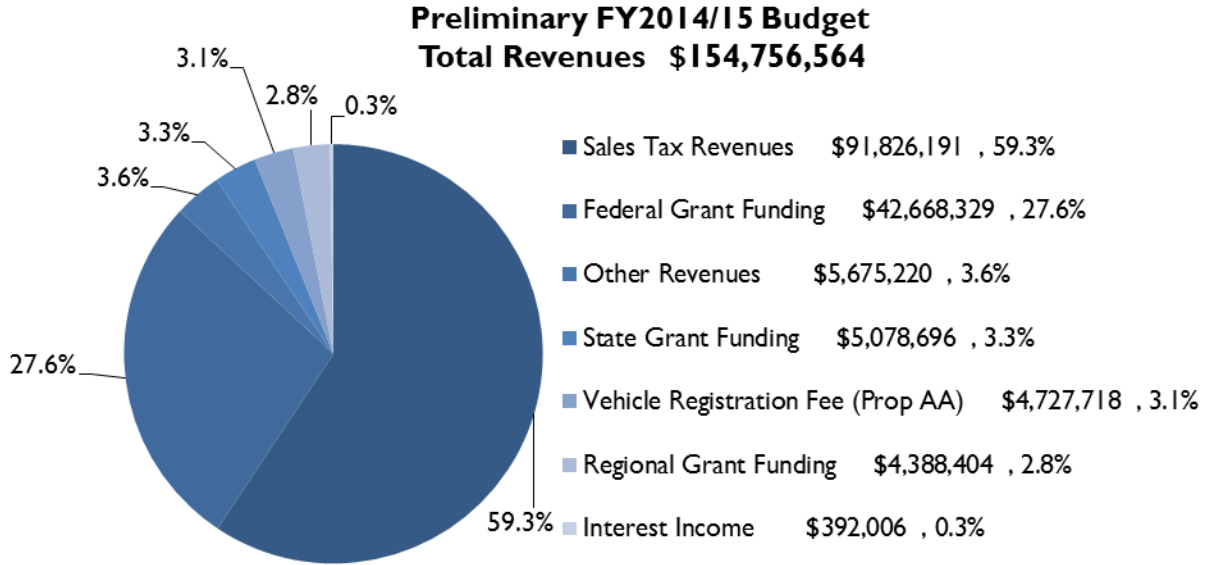
Other Revenues: \$5,675,220

Other revenues budgeted in FY 2014/15 include contributions from City CarShare for the eFleet: CarSharing Electrified Project and from Parkmerced for the 19th Avenue M-Ocean View Study to fulfill a portion of the local match requirements of the respective federal grants and to support the project respectively. In addition, the Transportation Authority will receive the first of three loan repayments from the Treasure Island Development Authority (TIDA) on the environmental phase of the YBI Interchange Improvement Project. Under the terms of the agreement with TIDA, the repayment to the Transportation Authority is the later of December 31, 2014 or thirty (30) days after the first close of escrow for transfer of the Naval Station Treasure Island from the U.S. Navy to TIDA.

**Attachment D
Line Item Descriptions**



The following chart shows the composition of revenues for the preliminary FY 2014/15 budget.



TOTAL PROJECTED EXPENDITURES\$225,435,559

The Transportation Authority’s Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$214.5 million, Administrative Operating Expenditures of \$9.2 million, and Debt Service Expenditures of \$1.8 million.

CAPITAL EXPENDITURES\$214,492,959

Capital expenditures in FY 2014/15 are budgeted to increase from the FY 2013/14 Amended Budget by an estimated 72.9% due to higher activity in existing projects, project delays and billing other grants first in the prior year, for both Prop K and Prop AA capital programs. Project expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:.....\$152,078,267

The estimate for sales tax capital expenditures is 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 a placeholder for new allocations estimated for FY 2014/15, pending finalization of the 2014 Prop K Strategic Plan and 5-Year Prioritization Program updates this spring. The initial programming proposals we received last year are undergoing substantial revisions by project sponsors, primarily the San Francisco Municipal Transportation Agency (SFMTA), to reflect the agency’s latest thinking based on its 5-year capital plan and the vehicle license fee and general obligation bond proposed for the November 2014 ballot. The largest capital project expenditures for existing allocations include the SFMTA’s Radio Communications System & Computer-Aided Dispatch Replacement and Central Subway projects; the Transbay Joint Powers Authority’s Transbay Transit Center/Downtown Extension Project; the Presidio Parkway Project; as well as various transit and street maintenance improvements, and pedestrian and bicycle projects.

**Attachment D
Line Item Descriptions**



CMA Programs Expenditures:\$51,146,008

This line item includes staff time and technical consulting services such as planning, programming, engineering, design, environmental, or programming services, which are needed in order to fulfill the Transportation Authority's Congestion Management Agency responsibilities under state law. Included are technical services contracts already awarded for the Geary Corridor and Van Ness Avenue Bus Rapid Transit environmental studies, and various local area plans and station studies, such as the Geneva-Harney Bus Rapid Transit Feasibility Study, 19th Avenue M-Ocean View Study, the Treasure Island Mobility Management Study, the Transportation Demand Management Partnership Project and eFleet Carsharing Electrified Program. Also included are construction activities for the YBI Interchange Improvement Project, being funded by federal and state funding matched with funds from the Treasure Island Development Authority, and construction activities for the Folsom Off-Ramp Realignment Project, being funded by local funds from the Office of Community Investment and Infrastructure. Both projects are being undertaken by the Transportation Authority in its role as CMA for San Francisco.

TFCA Program Expenditures:..... \$809,871

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes new FY 2014/15 projects, and carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2013/14. We have included an estimate for expenditures for the FY 2014/15 program of projects, which is scheduled to be approved by the Transportation Authority Board in May 2014.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Expenditures:
.....\$10,458,813

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 2014/15 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 2013/14.

ADMINISTRATIVE OPERATING EXPENDITURES \$9,156,000

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

Personnel:..... \$5,975,770

Personnel costs are budgeted at a similar level as in the amended budget for FY 2013/14. Salary costs will not increase; however, a small increase is included for rising fringe benefit costs. 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.

**Attachment D
Line Item Descriptions**



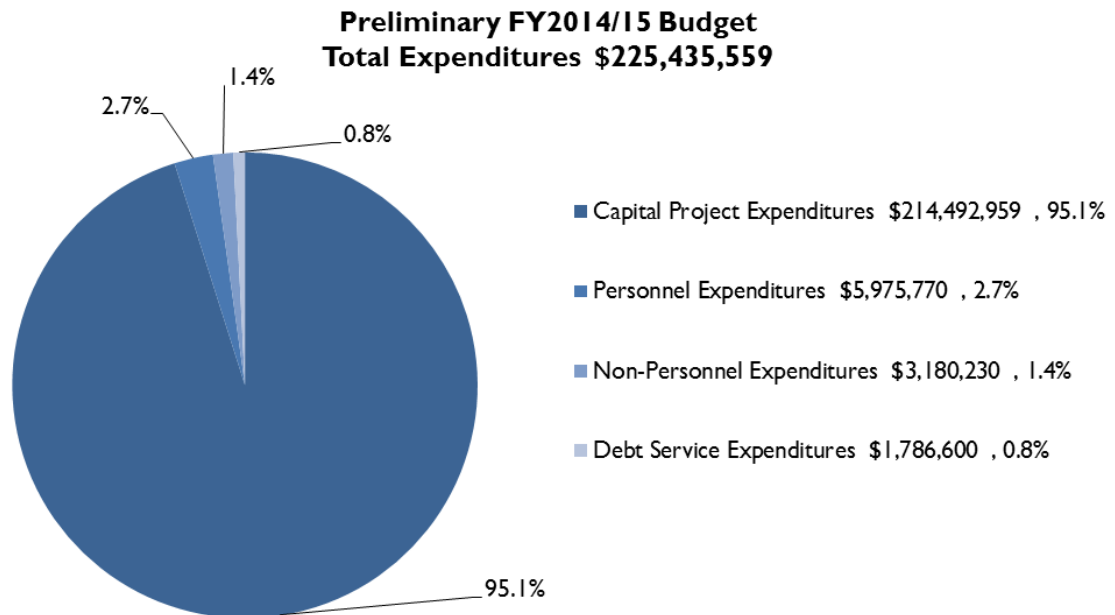
Non-Personnel: \$3,180,230

This line item includes typical operating expenditures for office rent, telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all Transportation Authority activities, along with all administrative support contracts, whether for City-supplied services, such as the City Attorney legal services and the Department of Technology cablecast services, or for competitively procured services (such as auditing, legislative advocacy, outside computer system support, etc.). Also included are funds for ongoing maintenance and operation of office equipment; computer hardware; licensing requirements for computer software; and an allowance for replacement furniture and fixtures. This line item also includes Commissioner meeting fees, and compensation for Commissioners' direct furniture and equipment expenditures. Non-personnel expenditures are budgeted higher in FY 2014/15 due to an increase in office rental costs and the second and final tranche of one-time costs related to the implementation of the Enterprise Resource Planning (ERP) software system. We anticipate fully transitioning to the new ERP system and completing the implementation by September 2014.

DEBT SERVICE EXPENDITURES..... \$1,786,600

This line item assumes a continuation of the current Commercial Paper Program agreements with an increase in commercial paper interest rates.

The following chart shows the composition of expenditures for the preliminary FY 2014/15 budget.



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

The Other Financing Sources Uses section of the Line Item Detail for the FY 2014/15 budget includes inter-fund transfers (for example between the sales tax and CMA funds). These transfers represent the required local match of Prop K to federal and state grants such as the Surface Transportation Program and the Transportation Demand Management Partnership Program.

**Attachment D
Line Item Descriptions**



BUDGETARY FUND BALANCE FOR CONTINGENCIES.....\$9,655,391

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 \$9.2 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 \$472,772 or about 10% as a program and operating contingency reserve for the Prop AA Program.