



Memorandum

Date: 03.03.15 **RE:** Finance Committee
March 10, 2015

To: Finance Committee: Commissioners Avalos (Chair), Mar (Vice Chair), Campos, Cohen, Kim and Wiener (Ex Officio)

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

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Amendment of the Adopted Fiscal Year 2014/15 Budget to Increase Revenues by \$2,959,881 and Decrease Expenditures by \$29,750,654 for a Total Net Increase in Fund Balance of \$32,710,535

Summary

Every year between January and April, we present the Board with any adjustments to the annual budget adopted the previous June. This revision is an opportunity to take stock of changes in revenue trends, recognize grants or other funds that are obtained subsequent to the original approval of the annual budget, and adjust for unforeseen expenditures. In June 2014, through Resolution 14-74, the Transportation Authority adopted the Fiscal Year (FY) 2014/15 Annual Budget and Work Program. Revenue and expenditure figures pertaining to several capital projects need to be updated from the original estimates contained in the adopted FY 2014/15 Budget. The Transportation Authority's Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. We propose that the adopted FY 2014/15 Budget be amended as shown in Attachment A. **We are seeking a recommendation to amend the adopted FY 2014/15 budget to increase revenues by \$2,959,881 and decrease expenditures by \$29,750,654 for a total net increase in fund balance of \$32,710,535.**

BACKGROUND

In June 2014, through approval of Resolution 14-74, the Transportation Authority adopted the Fiscal Year (FY) 2014/15 Annual Budget and Work Program. The Transportation Authority's Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. Every year between January and April, we present the Board with any adjustments to the annual budget adopted the previous year. The budget revision is an opportunity to take stock of changes in revenue trends, recognize grants or other funds that are obtained subsequent to the original budget approval, and adjust for unforeseen expenditures. Also at that time, revenue projections and expenditure line items are revised to reflect new information or requirements identified in the months elapsed since the adoption of the annual budget. The revisions typically take place after completion of the annual fiscal audit, which certifies actual expenditures and carryover revenues.

DISCUSSION

The purpose of this memorandum is to brief the Finance Committee on the proposed FY 2014/15 budget revisions and to seek a recommendation to amend the adopted budget. The budget revision reflects an increase of \$2,959,881 in revenues and decrease of \$29,750,654 in expenditures for a total net increase of \$32,710,535 in fund balance. Below is a narrative for the proposed revisions. The detailed proposed budget revisions by line item are included in Table 1 on page 2. The effect of the amendment on the adopted FY 2014/15 Budget (in the aggregate line item format specified in the

Transportation Authority's Fiscal Policy) is shown in Attachments A and B.

Table 1

	Adopted Budget FY 2014/15	Proposed Amendment Increase/(Decrease)	Proposed Amended Budget FY 2014/15
Revenues:			
Sales Tax Revenues	\$ 91,826,191	\$ 6,996,809	\$ 98,823,000
Interest Income	392,006	(45,816)	346,190
Federal/State/Regional Revenues			
Federal CMAQ Program: eFleet Carsharing Electrified	417,575	479,023	896,598
Federal Highway Bridge Program - I-80/YBI Ramps Interchange Improvement Project	37,493,049	(6,517,869)	30,975,180
Federal Highway Bridge Program - YBI Bridge Structures	2,537,712	(215,127)	2,322,585
Federal Small Smart Funds (from SFMTA): Van Ness Avenue Bus Rapid Transit	31,339	176,820	208,159
Federal Strategic Highway Research Program	-	61,975	61,975
Federal Treasure Island Mobility Management Priority Development	127,817	348,183	476,000
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	4,857,622	(868,201)	3,989,421
Regional MTC - Presidio Parkway (ABI 171)	-	1,408,129	1,408,129
Regional San Francisco (OCII) - Folsom Street Ramps	2,708,737	583,377	3,292,114
Regional San Francisco (OEWD) - Late Night Transportation	-	40,000	40,000
Regional San Francisco (Planning, SFMTA) - Travel Demand Modeling Assistance	-	200,000	200,000
Regional San Francisco (SFPUC) - 19th Avenue City-Combined Project	-	160,000	160,000
Other Program Revenues	8,689,296	157,181	8,846,477
Other Revenues	5,675,220	(4,603)	5,670,617
Total Increase in Revenues	\$ 154,756,564	\$ 2,959,881	\$ 157,716,445
Expenditures:			
Capital Project Costs			
<i>Individual Project Grants, Programs & Initiatives</i>			
Prop K	\$ 150,000,000	\$ (25,000,000)	\$ 125,000,000
TFCA	809,871	173,185	983,056
Vehicle Registration Fee	10,458,813	-	10,458,813
<i>Subtotal Individual Project Grants, Programs & Initiatives</i>	<u>161,268,684</u>	<u>(24,826,815)</u>	<u>136,441,869</u>
<i>Technical Professional Services</i>			
eFleet Carsharing Electrified	421,851	484,619	906,470
I-80/YBI Ramps Improvement Project	42,246,494	(7,324,062)	34,922,432
YBI Bridge Structures	2,830,000	(234,564)	2,595,436
Van Ness Avenue Bus Rapid Transit	132,500	169,731	302,231
Strategic Highway Research Program	-	42,900	42,900
Treasure Island Mobility Management Agency	329,000	116,229	445,229
Folsom Street Ramps	2,530,000	583,377	3,113,377
Late Night Transportation	-	25,650	25,650
19th Avenue City-Combined Project	170,021	273,093	443,114
San Francisco Transportation Plan Update	-	24,375	24,375
Freeway Corridor Management Study	-	70,980	70,980
Transit Core Capacity Study	-	90,000	90,000
Other Technical Professional Services	4,564,409	179,129	4,743,538
<i>Subtotal Technical Professional Services</i>	<u>53,224,275</u>	<u>(5,498,543)</u>	<u>47,725,732</u>
<i>Subtotal Capital Project Costs</i>	<u>214,492,959</u>	<u>(30,325,358)</u>	<u>184,167,601</u>
Administrative Operating Costs			
Personnel Expenditures	5,975,770	574,704	6,550,474
Non-personnel Expenditures	3,180,230	-	3,180,230
<i>Subtotal Administrative Operating Costs</i>	<u>9,156,000</u>	<u>574,704</u>	<u>9,730,704</u>
Debt Service	1,786,600	-	1,786,600
Total Decrease in Expenditures	\$ 225,435,559	\$ (29,750,654)	\$ 195,684,905

Prop K Sales Tax Revenues: 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 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. The Transportation Authority's adopted FY 2014/15 budget included anticipated sales tax revenues of \$91.8 million. Based on FY 2014/15 sales tax revenues earned through December 2014 of \$49.6 million, the Transportation Authority projects sales tax revenues to increase compared to the budgeted revenues for FY 2014/15 by \$7 million, as shown on Table 1. This projection is aligned with the San Francisco Controller's Office's projection that FY 2014/15 sales tax revenues will increase by 5% 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.

Interest Income: Most of the Transportation Authority's investable assets are deposited in the City's Treasury Pool. Based on direction from the Treasurer's Office, the Transportation Authority's adopted FY 2014/15 budget assumed to earn approximately 0.5% during the year for deposits in the Pooled Investment Fund with an average sales tax fund budgeted cash balance of approximately \$77 million during the year. The level of Transportation Authority deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. The budgeted cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed. Interest income earned through December 2014 was \$170,116, due to a lower average sales tax fund cash balance. This amendment decreases Interest Income by \$45,816 for FY 2014/15 activity, as shown on Table 1.

eFleet Carsharing Electrified Project: The Transportation Authority serves as a fiscal agent to support City CarShare. In October 2010, the Metropolitan Transportation Commission (MTC) awarded \$1.7 million in federal Congestion Mitigation and Air Quality Improvement Program funds to the Transportation Authority for this project. In December 2011 and August 2012, the Transportation Authority received authorization from the California Department of Transportation (Caltrans) to spend \$1.7 million on the project. Required local match funds are reimbursed to the Transportation Authority by City CarShare. We anticipate higher expenditures in FY 2014/15 due to project delays associated with federal procurement processes from the previous fiscal year. We obtained approvals from MTC and Caltrans recently to use federal funds to buy electric vehicles instead of electric vehicle charging stations to streamline the federal process. City CarShare anticipates completing the project by June 2016. This amendment increases Federal Revenues by \$479,023 and Capital Project Expenditures by \$484,619 for FY 2014/15 activity, as shown on Table 1.

Interstate 80/Verba Buena Island (YBI) Interchange Improvement Project: We are working jointly with the Treasure Island Development Authority (TIDA) on the development of the I-80/YBI Ramps Improvement Project and YBI Bridge Structures (collectively known as the I-80/YBI Interchange Improvement Project). In July 2013, Caltrans approved a \$77.5-million construction phase funding request, consisting of a combination of Federal Highway Bridge Program and State Proposition 1B Seismic Retrofit funds. Construction activities for the I-80/YBI Ramps Improvement Project began in February 2014 and are slightly slower than anticipated due to delays in tree removal and foundation construction work caused by early nesting of birds in the unusually dry, warm weather last winter season. In addition, the original budget assumed use of more contingency funds in this fiscal year than anticipated. We still anticipate construction for the project will be completed by August 2016. Due to the delay of additional federal funding, a portion of this year's project activities for the YBI Bridge Structures will be deferred to FY 2015/16. This amendment decreases Federal Revenues by \$6,732,996,

decreases State Revenues by \$868,201 and decreases Capital Project Expenditures by \$7,558,626 for FY 2014/15 activity, as shown on Table 1.

Van Ness Avenue Bus Rapid Transit (BRT) Project: In 2010, the San Francisco Municipal Transportation Agency (SFMTA) designated a Project Manager for the project who would subsequently assumed responsibility for leading the engineering designs and development of the associated Conceptual Engineering Report, with support from San Francisco Public Works. In November 2012, the SFMTA Transit Capital Committee approved the use of \$1,486,000 of the Federal Transit Administration (FTA) Small Starts funds for the environmental and advanced conceptual engineering phase of the project in order to preserve Prop K funds to match FTA Small Starts funds in future phases of the project. In December 2012, through Resolution 13-20, the Board approved amending the Memorandum of Agreement (MOA) with SFMTA to provide an additional \$208,962 in appropriated Prop K funds to the SFMTA and accept \$434,531 in FTA Small Starts Funds from the SFMTA to complete the environmental phase of the project and both agencies finalized the transition plan for the project. Due to the delay of MOA negotiations, a portion of the revenue reimbursements have been deferred to FY 2014/15. This amendment increases Federal Revenues by \$176,820 and Capital Project Expenditures by \$169,731, as shown on Table 1.

Strategic Highway Research Program Transit Passenger Simulation: In Fall 2014, the Federal Highway Administration (FHWA) awarded the Transportation Authority (as part of a three-agency consortium) a \$700,000, 24-month grant to implement applied research on transit passenger simulation in a real-world planning environment. At the conclusion of this grant, San Francisco will have a more robust set of tools with which to analyze transit crowding and transit reliability. While a large tranche of the work will be completed in-house, technical professional services are needed for project management among the three agencies, and planning expertise. This amendment increases Federal Revenues by \$61,975, increases Capital Project Expenditures by \$42,900 and shifts Administrative Operating (Personnel) Costs from Sales Tax Program to Congestion Management Agency (CMA) Programs by \$19,075 for FY 2014/15 activity, as shown on Table 1.

Treasure Island Mobility Management Agency (TIMMA): On April 1, 2014, through Resolution No. 110-14, the San Francisco Board of Supervisors designated the Transportation Authority as the TIMMA for San Francisco to oversee the implementation of the Treasure Island Transportation Implementation Plan in accordance with the Treasure Island Transportation Management Act (AB 981), which includes congestion pricing and travel demand management on Treasure Island. Work to date has included the near completion of the policy and financial analysis of the congestion pricing program, drafting of TIMMA agency formation plans, and collaboration with partner agencies on operating agreements. The scope of work for FY 2014/15 focuses on completing the policy and financial analyses, ongoing governance and outreach activities, and beginning the system manager engineering phase of work. Tasks include: developing agency partnership agreements; recommending toll policies; developing cost estimates and a financial profile of the program; preparing the Concept of Operations system engineering document; and continued agency and public stakeholder involvement. TIMMA program revenues for FY 2014/15 include federal grant funds from FHWA and the MTC and local funds from TIDA. Since MTC grant conditions requires reimbursement to be requested only upon the completion of grant deliverables, revenue reimbursements incurred through June 30, 2014 have been deferred to FY 2014/15. In addition, on October 21, 2014, through Resolution 15-13, the Transportation Authority Board appropriated \$150,000 in Prop K funds for the TIMMA Program. This amendment increases Federal Revenues by \$348,183 and increases Capital Project Expenditures by \$116,229 for FY 2014/15 activity, as shown on Table 1.

Presidio Parkway Project: Construction of the Presidio Parkway is organized into two phases, with Phase I being delivered under a traditional design-bid-build process and Phase II under a public-private partnership agreement. The project has a very complicated funding plan comprised of more than 15 different federal, state, regional, and local sources. In November 2009, MTC awarded \$80 million in AB1171 regional bridge tolls to the Transportation Authority for expenses related to Phase I construction, which was completed in the spring of 2012. Total expenditures for this effort were recognized in FY 2011/12. Due to the delay of complete invoice submittals, revenue reimbursements for Phase I construction costs of \$1,408,129 incurred by Caltrans through June 30, 2012 has been deferred to FY 2014/15. The overall project budget has not changed. This amendment increases Regional Revenues by \$1,408,129 for FY 2014/15 activity, as shown on Table 1.

Construction activities for the Presidio Parkway Project Phase II are currently anticipated to be substantially completed by September 2015. Caltrans will provide a one-time milestone payment upon substantial completion of construction and will continue to make quarterly availability payments to the developer, Golden Link Concessionaire, LLC. Transportation Authority responsibilities include arranging for and serving as aggregator of all local funds for the milestone payment, including \$75 million from the Golden Gate Bridge, Highway and Transportation District (Bridge District) and \$20.3 million of Prop K funds. Based on the funding agreement between the Bridge District and the Transportation Authority, the Bridge District shall pay the Transportation Authority no later than 75 days prior to the substantial completion date. Prop K funds will be requested through a separate appropriation request. Should the project advance faster than currently anticipated, triggering a milestone payment prior to June 30, 2015, this would result in a significant increase in both Regional Revenues and Capital Project Expenditures which would be reflected in a second mid-year budget amendment.

Folsom Street Off-Ramp Realignment Project: In August 2013, the Office of Community Investment and Infrastructure (OCII), as the Successor Agency to the San Francisco Redevelopment Agency, requested that the Transportation Authority be the lead agency in the implementation of the project and will fully reimburse the Transportation Authority for project management, administrative, construction management, and construction services, collectively referred to as the construction phase. The Folsom Street off-ramp provides a San Francisco exit from the Bay Bridge, currently touching down at Folsom and Fremont Streets. The OCII has an agreement with Caltrans to realign the ramp to provide for a more functional intersection consistent with the area's redevelopment plan. Construction activities began in September 2014 and are anticipated to be completed by May 2015. On February 17, 2015, the OCII Board approved an amendment to the MOA to fully reimburse the Transportation Authority for a total not to exceed \$3,479,541 for additional construction and construction support expenditures. The proposed budget amendment increases Regional Revenues by \$583,377 and Capital Projects Expenditures by \$583,377 for FY 2014/15 activity, as shown on Table 1.

All construction projects typically incur change orders due to site conditions differing from those anticipated during design. Chemical and material tests of excavated materials are required prior to transporting the materials off-site. The two stockpiles of materials excavated when the old ramp was demolished have test positive for contamination: one with oil contamination and another with lead contamination. Preliminary tests of material not yet excavated also suggest another pocket of lead contamination. The oil-contaminated material will be hauled off-site to an appropriate landfill and costs have been included in the current budget amendment. The disposition of the lead-contaminated material, including cost and time impacts, is still being discussed with OCII and Caltrans staff. This will likely result in another increase in both Regional Revenues and Capital Project Expenditures and will be reflected in a second mid-year budget amendment, if necessary.

Late Night Transportation: At the urging of the Board of Supervisors, the Office of Economic and Workforce Development (OEWD) and the City's Entertainment Commission formed a Late Night Transportation Working Group to create a Late Night Integrated Transportation Plan to improve late night transportation options for San Francisco residents, workers, and visitors. Through an MOA with OEWD, OEWD provides funding to the Transportation Authority for project management and consulting services to support the Late Night Transportation Working Group led by OEWD and the Entertainment Commission. This amendment increases Regional Revenues by \$40,000, increases Capital Projects Expenditures by \$25,650, and shifts Administrative Operating (Personnel) Costs from Sales Tax Program to CMA Programs by \$14,350 for FY 2014/15 activity, as shown on Table 1.

Travel Demand Modeling Assistance: The Transportation Authority maintains the "SF-CHAMP" San Francisco Travel Demand Forecasting Model, which is the official transportation modeling tool for San Francisco and is certified as compliant with the Regional Transportation Plan by the MTC. The SFMTA and Planning Department frequently requests travel demand projects from SF-CHAMP to evaluate the impacts for various City projects. The SFMTA and the Planning Department agreed to provide funding of up to \$100,000 each to the Transportation Authority for the care, maintenance and updates of SF-CHAMP, in order to implement new relevant features, reporting tools and up-to-date assumptions about travel behavior. All project expenditures were included in the Transportation Authority's adopted FY 2014/15 budget. This amendment increases Regional Revenues by \$200,000, as shown on Table 1.

19th Avenue City-Combined Project: The SFMTA, as part of its Transit Effectiveness Project, proposes to construct corner bulb-outs at 21 intersections along the 19th Avenue corridor between Lincoln Way and Junipero Serra Boulevard. In addition, the SFMTA will replace the light rail track in 19th Avenue at Rossmoor Drive to maintain a state of good repair. The San Francisco Public Utilities Commission (SFPUC) proposes to replace and/or add water distribution lines; and to inspect, repair and/or replace sewer mains and laterals within or crossing 19th Avenue between Lincoln Way and Eucalyptus Drive. The SFMTA and SFPUC work along the 19th Avenue corridor between Lincoln Way and Junipero Serra Boulevard will be combined into one City project referred to as the 19th Avenue City Combined Project (Project). Since 19th Avenue and Park Presidio Boulevard together comprises U.S. Highway 1 through the City, which is owned by Caltrans, Caltrans must review and approve the design of all improvements to these streets. The Transportation Authority will complete the project approval documents required by Caltrans in accordance with Caltrans standards, including a Project Study Report/Project Report, in order to prepare the Project for the final engineering design phase. The SFPUC has agreed to contribute to the Transportation Authority for the preparation of the project approval documents required by Caltrans. The Project is also funded by a \$717,000 Prop K appropriation, previously approved through Resolution 09-57. This amendment increases Regional Revenues by \$160,000 and Capital Projects Expenditures by \$273,093 for FY 2014/15 activity, as shown on Table 1.

Prop K Project Grants, Programs & Initiatives: Our estimated FY 2014/15 capital expenditures for Prop K project grants, programs and initiatives was based on sponsor input and analyses leading to adoption of the 2014 Strategic Plan in September 2014, the 2014 5-Year Prioritization Program updates, and a review of current project delivery and reimbursement rates. We recommend revising this estimate down from \$150 million to \$125 million, a \$25 million decrease, as shown on Table 2. Just over a dozen of the largest Prop K projects accounted for over 80% of anticipated Prop K Expenditures in the adopted budget. Most of the proposed capital expenditure decrease can be attributed to delays in the SFMTA's Radio Replacement Project (one of the largest Prop K allocations) and a suite of related Central Control and Communications Projects which have schedules that are dependent upon the Radio Replacement Project. The design build contract for the Radio Replacement Project links payments to

delivery milestones; thus, SFMTA has indicated that an anticipated milestone payment of over \$20 million in FY 2014/15 have been pushed out reducing this year's expenditures to an estimated \$3 million. The recommended \$25 million decrease in capital expenditures also reflects sponsors' practice of billing other sources (e.g. bonds, federal funds) first, a handful of de-obligations as projects close out, and project delays often associated with coordination with other agencies (e.g. complete streets coordination).

Transportation Fund for Clean Air (TFCA) Program Expenditures: Through the TFCA program, the Transportation Authority recommends projects that improve air quality by reducing motor vehicle emissions. The TFCA capital program includes new FY 2014/15 projects, and carryover prior year projects with multi-year schedules. This amendment increases Capital Project Expenditures by \$173,185 for FY 2014/15 activity, as shown on Table 2. The primary reason for the increase in Capital Project Expenditures is that an additional \$246,239 in TFCA funds were reprogrammed to new projects in FY 2014/15 than had been anticipated. These additional funds were from the cancelled City College Bicycle Route 770 Modification project and de-obligations from completed projects.

San Francisco Transportation Plan (SFTP) Update: In 2013, the Transportation Authority adopted the SFTP that serves as the city's blueprint for transportation system development and investment over the next 30 years. Consistent with newly adopted regional guidelines for development of countywide transportation plans, we initiated the 2017 SFTP Update in 2014 to update the plan to account for changes in mobility conditions since the last plan was adopted (e.g., the proliferation of Transportation Network Companies, significant housing construction, etc.) and to inform the 2017 Regional Transportation Plan (Plan Bay Area) update, which is now underway. The SFTP Update will identify key transportation needs through an analysis of future trends, and aligns these needs with projected available funding, as well as potential new revenues. The SFTP Update will include background papers and studies (land use, revenue, institutional, etc.) and strategic policy initiatives to support the investments in the transportation system. Consultant tasks for this project include project management support and technical analysis for needs identification and investment scenarios. This amendment reflects early planning activities, scoping, and coordination work with City partners to develop a project charter for this multi-agency effort. The amendment increases Capital Projects Expenditures by \$24,375 and shifts Administrative Operating (Personnel) Costs from Sales Tax Program to CMA Programs by \$109,942 for FY 2014/15 activity, as shown on Table 1.

San Francisco Freeway Corridor Management Study (SF FCMS): SF FCMS is a collaborative effort that builds on recommendations from the 2013 SFTP calling for such a study to help address significant projected increases in travel demand and congestion in the U.S. 101/I-280 corridors. The SF FCMS initiates a planning process to look at ways to increase the operational efficiency and person throughput of San Francisco's freeways by considering technology and signage/striping, as well as converting existing general purpose travel lanes to carpool or transit lanes, and/or managed (express) lanes. It will provide inputs and priorities from San Francisco into parallel freeway management plans at both the regional and state level. This was one of the highest performing projects in Plan Bay Area. The SF FCMS findings will inform the development of the 2017 Plan Bay Area and SFTP updates. Project activities in FY 2014/15 will be funded by Prop K, appropriated through Resolution 15-09. This amendment increases Capital Projects Expenditures by \$70,980 for FY 2014/15 activity, as shown on Table 1.

San Francisco Bay Area Core Capacity Transit Study: The Transportation Authority is partnering with multiple agencies on the San Francisco Bay Area Core Capacity Transit Study led by the MTC. The study was identified as a critical need through analysis conducted as part of Plan Bay Area and the SFTP and will identify short-, medium-, and long-term solutions to increase transit capacity in the Transbay and Muni

Metro corridors. The MTC, the SFMTA, the Bay Area Rapid Transit District, the Alameda Contra Costa Transit District, the Water Emergency Transportation Authority, Caltrain, and the Transportation Authority agreed to partner on the Study under MTC's leadership. The agencies were successful in securing \$1 million in competitive grant funds from the federal Transportation Investment Generating Economic Recovery planning grant program and committed \$1 million in local match for a total budget of \$2 million to pay for consultant costs of the study. The Transportation Authority's contribution to project activities will be funded by Prop K, appropriated through Resolution 15-09. This amendment increases Capital Projects Expenditures by \$90,000 and shifts Administrative Operating (Personnel) Costs from Sales Tax Program to CMA Programs by \$50,000 for FY 2014/15 activity, as shown on Table 1.

Other Technical Professional Services: Other technical professional services need to be updated from the original estimates contained in the adopted FY 2014/15 budget. Additional expenditures anticipated in FY 2014/15 include \$50,000 for the Central Subway Phase III – Initial Study, and \$42,340 for the Chinatown Community-Based Transportation Plan. Project activities will be funded by Prop K appropriations, previously approved by the Transportation Authority Board. This amendment increases Capital Projects Expenditures by \$105,788 for FY 2014/15 activity, as shown on Table 1.

Staff Reorganization Plan: In May 2014, through Resolution 14-80, the Transportation Authority approved a staff reorganization plan to address staff capacity and sustainability issues given ongoing ambitious work programs and Board interest in expanding and enhancing certain aspects of the work program (e.g. communications). The restructuring was not reflected in the adopted budget to allow for time needed to recruit and hire new personnel. The proposed amendment will add five of the eight new full time equivalent positions and two staff promotions. Adoption of the staff reorganization plan did not have immediate budgetary implications because positions are filled dependent upon securing funding. This amendment increases Administrative Operating Expenditures by \$574,704 for FY 2014/15 activity, as shown on Table 1.

We propose that the adopted FY 2014/15 Budget be amended as shown in Attachment A.

ALTERNATIVES

1. Recommend amendment of the adopted FY 2014/15 budget to increase revenues by \$2,959,881, decrease expenditures by \$29,750,654 for a total net increase in fund balance of \$32,710,535, as requested.
2. Recommend amendment of the adopted FY 2014/15 budget to increase revenues by \$2,959,881, decrease expenditures by \$29,750,654 for a total net increase in fund balance of \$32,710,535, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its February 25, 2015 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

If approved, the proposed amendment to the FY 2014/15 Budget would add \$2,959,881 in revenues and decrease \$29,750,654 in expenditures for a net increase of \$32,710,535 in fund balance as described

above.

RECOMMENDATION

Recommend amendment of the adopted FY 2014/15 budget to increase revenues by \$2,959,881, decrease expenditures by \$29,750,654 for a total net increase in fund balance of \$32,710,535.

Attachments (2):

- A. Proposed Amended Fiscal Year 2014/15 Budget
- B. Fiscal Year 2014/15 Budget Amendment Line Item Detail



**San Francisco County Transportation Authority
Attachment A
Fiscal Year 2014/15 Budget Amendment**

Proposed Budget by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Proposed Amended Budget Fiscal Year 2014/15	Increase/ (Decrease)	Adopted Budget Fiscal Year 2014/15
Revenues:								
Sales Tax Revenues	\$ 98,823,000	\$ -	\$ -	\$ -	\$ -	\$ 98,823,000	\$ 6,996,809	\$ 91,826,191
Vehicle Registration Fee	-	-	-	4,727,718	-	4,727,718	-	4,727,718
Interest Income	340,233	-	2,677	3,280	-	346,190	(45,816)	392,006
Federal/State/Regional Revenues	1,467,048	44,826,656	749,793	-	1,105,423	48,148,920	(3,986,509)	52,135,429
Other Revenues	5,636,081	34,536	-	-	-	5,670,617	(4,603)	5,675,220
Total Revenues	106,266,362	44,861,192	752,470	4,730,998	1,105,423	157,716,445	2,959,881	154,756,564
Expenditures:								
Capital Projects Costs	130,249,492	42,043,711	983,056	10,458,813	432,529	184,167,601	(30,325,358)	214,492,959
Administrative Operating Costs	6,924,839	2,002,589	37,355	286,387	479,534	9,730,704	574,704	9,156,000
Debt Service	1,786,600	-	-	-	-	1,786,600	-	1,786,600
Total Expenditures	138,960,931	44,046,300	1,020,411	10,745,200	912,063	195,684,905	(29,750,654)	225,435,559
Other Financing Sources (Uses):	1,008,252	(814,892)	-	-	(193,360.00)	-	-	-
Net Change in Fund Balance	\$ (31,686,317)	\$ -	\$ (267,941)	\$ (6,014,202)	\$ -	\$ (37,968,460)	\$ 32,710,535	\$ (70,678,995)
Budgetary Fund Balance, as of July 1	\$ (56,173,557)	\$ -	\$ 756,482	\$ 11,025,549	\$ -	\$ (44,391,526)	N/A	\$ (104,312,305)
Budgetary Fund Balance, as of June 30	\$ (87,859,874)	\$ -	\$ 488,541	\$ 5,011,347	\$ -	\$ (82,359,986)	N/A	\$ (174,991,300)

San Francisco County Transportation Authority
Attachment B
Fiscal Year 2014/15 Budget Amendment
Line Item Detail



	Proposed Budget Amendment by Fund					Proposed Amended Budget FY 2014/15 Total	Increase (Decrease)	Adopted Budget FY 2014/15 Total
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program			
Revenues:								
Sales Tax Revenues	\$ 98,823,000	\$ -	\$ -	\$ -	\$ -	\$ 98,823,000	\$ 6,996,809	\$ 91,826,191
Vehicle Registration Fee	-	-	-	4,727,718	-	4,727,718	-	4,727,718
Interest Income	340,233	-	2,677	3,280	-	346,190	(45,816)	392,006
Federal/State/Regional Revenues								
Federal Congestion Mitigation and Air Quality (CMAQ) Program: eFleet	-	896,598	-	-	-	896,598	479,023	417,575
Federal CMAQ Program: Transportation Demand Management Partnership Project	-	191,831	-	-	-	191,831	57,739	134,092
Federal FHWA Transit Reliability Research	-	-	-	-	-	-	(75,985)	75,985
Federal Geneva-Harney Bus Rapid Transit Feasibility Study	-	205,500	-	-	-	205,500	(57,716)	263,216
Federal Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement Project	-	30,975,180	-	-	-	30,975,180	(6,517,869)	37,493,049
Federal Highway Bridge Program - Yerba Buena Island Bridge Structures	-	2,322,585	-	-	-	2,322,585	(215,127)	2,537,712
Federal San Francisco Parking Pricing and Regulation Study	-	332,209	-	-	-	332,209	81,193	251,016
Federal Small Smart Funds (from SFMTA): Van Ness Avenue Bus Rapid Transit	-	208,159	-	-	-	208,159	176,820	31,339
Federal Strategic Highway Research Program	-	61,975	-	-	-	61,975	61,975	-
Federal Surface Transportation Program 3% Revenue	10,609	955,937	-	-	-	966,546	-	966,546
Federal Treasure Island Mobility Management Priority Development	-	-	-	-	476,000	476,000	348,183	127,817
Federal Value Pricing Pilot Program: Treasure Island Mobility	-	-	-	-	329,423	329,423	(40,559)	369,982
State Planning, Programming & Monitoring SB45 Funds	-	161,000	-	-	-	161,000	-	161,000
State Potrero Hill Community-Based Transportation Plan	-	56,856	-	-	-	56,856	(3,218)	60,074
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	3,989,421	-	-	-	3,989,421	(868,201)	4,857,622
State TCRP Presidio Parkway	48,310	-	-	-	-	48,310	48,310	-
Regional Agency (C/CAG, SanTrans) Contributions - Geneva-Harney Bus Rapid Transit	-	-	-	-	-	-	(43,579)	43,579
Regional MTC - Chinatown Community-Based Transportation Plan	-	21,000	-	-	-	21,000	(30,726)	51,726
Regional MTC - Potrero Hill Community-Based Transportation Plan	-	60,000	-	-	-	60,000	23,956	36,044
Regional MTC - Presidio Parkway (ABI 171)	1,408,129	-	-	-	-	1,408,129	1,408,129	-
Regional MTC - San Francisco Parking Pricing and Regulation Study (MTC)	-	60,000	-	-	-	60,000	28,623	31,377
Regional San Francisco (OCII) - Folsom Street Ramps	-	3,292,114	-	-	-	3,292,114	583,377	2,708,737
Regional San Francisco (OEWD) - Late Night Transportation	-	40,000	-	-	-	40,000	40,000	-
Regional San Francisco (Planning) - Transportation Sustainability Program	-	17,451	-	-	-	17,451	-	17,451
Regional San Francisco (Planning, SFMTA) - Travel Demand Modeling Assistance	-	200,000	-	-	-	200,000	200,000	-
Regional San Francisco (SFMTA) - 19th Avenue M-Ocean View	-	436,801	-	-	-	436,801	31,100	405,701
Regional San Francisco (SFMTA) - Waterfront Transportation Assessment	-	140,368	-	-	-	140,368	79,499	60,869
Regional San Francisco (SFUC) - 19th Avenue City-Combined Project	-	160,000	-	-	-	160,000	160,000	-
Regional TFCA Match Transportation Demand Management Partnership Project	-	34,419	-	-	-	34,419	(1,385)	35,804
Regional (Planning, SFE, SFMTA) - Travel Demand Management Partnership Project	-	7,252	-	-	-	7,252	-	7,252
Regional TIDA - Treasure Island Mobility Management Agency	-	-	-	-	300,000	300,000	50,000	250,000
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	749,793	-	-	749,793	2,677	747,116
Other Revenues								
Local Match: City CarShare eFleet Carsharing Electrified	-	26,169	-	-	-	26,169	5,179	20,990
Private Contributions: 19th Avenue M-Ocean View	-	8,367	-	-	-	8,367	(31,633)	40,000
San Francisco Dept of Environment - Bicycle Racks/Shower Facilities	23,851	-	-	-	-	23,851	21,851	2,000
Sublease of Office Space	38,184	-	-	-	-	38,184	-	38,184
TIDA Loan Reimbursement - YBI Interchange Improvement Project	5,574,046	-	-	-	-	5,574,046	-	5,574,046
Total Revenues	106,266,362	44,861,192	752,470	4,730,998	1,105,423	157,716,445	2,959,881	154,756,564

San Francisco County Transportation Authority
Attachment B
Fiscal Year 2014/15 Budget Amendment
Line Item Detail



	Proposed Budget Amendment by Fund					Proposed Amended Budget FY 2014/15 Total	Increase (Decrease)	Adopted Budget FY 2014/15 Total
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program			
Expenditures:								
Capital Project Costs								
Individual Project Grants, Programs & Initiatives	125,000,000	-	983,056	10,458,813	-	136,441,869	(24,826,815)	161,268,684
Technical Professional Services	5,249,492	42,043,711	-	-	432,529	47,725,732	(5,498,543)	53,224,275
Administrative Operating Costs								
Personnel Expenditures								
Salaries	2,745,014	1,146,132	25,330	74,380	319,714	4,310,570	286,924	4,023,646
Fringe Benefits	1,299,902	571,303	12,025	35,309	142,120	2,060,659	272,054	1,788,605
Pay for Performance	179,245	-	-	-	-	179,245	15,726	163,519
Non-personnel Expenditures								
Administrative Operations	2,372,278	285,154	-	176,698	17,700	2,851,830	-	2,851,830
Equipment, Furniture & Fixtures	258,000	-	-	-	-	258,000	-	258,000
Commissioner-Related Expenses	70,400	-	-	-	-	70,400	-	70,400
Debt Service								
Interest and Fiscal Charges	1,786,600	-	-	-	-	1,786,600	-	1,786,600
Total Expenditures	<u>138,960,931</u>	<u>44,046,300</u>	<u>1,020,411</u>	<u>10,745,200</u>	<u>912,063</u>	<u>195,684,905</u>	(29,750,654)	225,435,559
Other Financing Sources (Uses):								
Transfers in - Prop K Match to Grant Funding	1,008,252	-	-	-	-	1,008,252	(1,131,778)	2,140,030
Transfers out - Prop K Match to Grant Funding	-	(814,892)	-	-	(193,360)	(1,008,252)	1,131,778	(2,140,030)
Total Other Financing Sources (Uses)	<u>1,008,252</u>	<u>(814,892)</u>	<u>-</u>	<u>-</u>	<u>(193,360)</u>	<u>-</u>	-	-
Net Change in Fund Balance	\$ (31,686,317)	\$ -	\$ (267,941)	\$ (6,014,202)	\$ -	\$ (37,968,460)	\$ 32,710,535	\$ (70,678,995)
Budgetary Fund Balance, as of July 1	\$ (56,173,557)	\$ -	\$ 756,482	\$ 11,025,549	\$ -	\$ (44,391,526)	N/A	\$ (104,312,305)
Budgetary Fund Balance, as of June 30	\$ (87,859,874)	\$ -	\$ 488,541	\$ 5,011,347	\$ -	\$ (82,359,986)	N/A	\$ (174,991,300)
<u>Includes Sales Tax and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency</u>								
Fund Reserved for Program and Operating Contingency	\$ 9,182,619	\$ -	\$ -	\$ 472,772	\$ -	\$ 9,655,391		