



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

Jake Mackenzie, Chair
Sonoma County and Cities

Scott Haggerty, Vice Chair
Alameda County

Alicia C. Aguirre
Cities of San Mateo County

Tom Azumbrado
U.S. Department of Housing
and Urban Development

Jeannie Bruins
Cities of Santa Clara County

Damon Connolly
Marin County and Cities

Dave Cortese
Santa Clara County

Carol Dutra-Vernaci
Cities of Alameda County

Dorene M. Giacomini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

Nick Josefowitz
San Francisco Mayor's Appointee

Jane Kim
City and County of San Francisco

Sam Liccardo
San Jose Mayor's Appointee

Alfredo Pedroza
Napa County and Cities

Julie Pierce
Association of Bay Area Governments

Bijan Sartipi
California State
Transportation Agency

Libby Schuaf
Oakland Mayor's Appointee

Warren Slocum
San Mateo County

James P. Spering
Solano County and Cities

Amy R. Worth
Cities of Contra Costa County

Steve Heminger
Executive Director

Alix Bockelman
Deputy Executive Director, Policy


Andrew B. Fremier
Deputy Executive Director, Operations

**CALL AND NOTICE OF BUDGET STUDY SESSION of MTC, MTC SAFE,
BATA, BAHA, and BAIFA**

9:00 a.m. Wednesday, May 10, 2017

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

As Chair of the Metropolitan Transportation Commission ("MTC"), I am calling a Budget Study Session of the MTC, Bay Area Toll Authority ("BATA") and the Metropolitan Transportation Commission Service Authority for Freeways and Expressways ("MTC SAFE"), Bay Area Headquarters ("BAHA"), and Bay Area Infrastructure Financing Authority ("BAIFA") for May 10, 2017 at 9:00 a.m., at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105. The business to be transacted will include: (1) Roll Call; (2) Pledge of Allegiance; (3) Compensation Announcement; (4) Draft FY 2017-18 Agency Budget Presentations for MTC, MTC SAFE, BATA, BAHA, and BAIFA; (5) Public Comment; and (6) Adjournment. Members of the public shall be provided an opportunity to directly address the aforementioned public agencies concerning any item described in this notice, before or during consideration of that item. An agenda will be posted and distributed for this meeting by MTC staff in the normal course.


Jake Mackenzie
May 4, 2017



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA

Jake Mackenzie, Chair Scott Haggerty, Vice Chair

Wednesday, May 10, 2017

9:00 AM

Board Room - 1st Floor

This meeting is scheduled to be webcast live on the Metropolitan Transportation Commission's Website: <http://mtc.ca.gov/whats-happening/meetings> and will take place at 9:00 a.m.

1. Roll Call/Confirm Quorum

Quorum: A quorum of this commission shall be a majority of its voting members (10).

2. Pledge of Allegiance

3. Compensation Announcement (Committee Clerk)

4. Agency Budget Study Session

- 4a. [17-2504](#) Metropolitan Transportation Commission (MTC) Draft FY 2017-18 Agency Budget

An overview of the draft MTC FY 2017-18 Agency Budget.

Action: Information

Presenter: Brian Mayhew

Attachments: [4a_FY18_Agency_Budget.pdf](#)
 [4_Budget_Study_PRESENTATION.pdf](#)

- 4b. [17-2505](#) Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE) Draft FY 2017-18 Operating and Capital Budget

An overview of the MTC SAFE Draft FY 2017-18 Operating and Capital Budget.

Action: Information

Presenter: Brian Mayhew

Attachments: [4b_FY18_Draft_SAFE_Budget.pdf](#)

- 4c. [17-2506](#) Draft FY 2017-18 Toll Bridge Program Operating and Capital Budget
- An overview of the draft FY 2017-18 BATA Toll Bridge Program Operating and Capital Budgets.
- Action:** Information
- Presenter:** Brian Mayhew
- Attachments:** [4c_FY18_Draft_BATA_Budget.pdf](#)
- 4d. [17-2507](#) Bay Area Headquarters Authority (BAHA) Draft FY 2017-18 Capital and Operating Budgets
- An overview of the draft FY 2017-18 BAHA Capital and Operating Budgets.
- Action:** Information
- Presenter:** Brian Mayhew
- Attachments:** [4d_FY18_Draft_BAHA_Budget.pdf](#)
- 4e. [17-2508](#) Bay Area Infrastructure Financing Authority (BAIFA) Draft FY 2017-18 Operating Budgets
- An overview of the draft FY 2017-18 BAIFA Operating Budgets.
- Action:** Information
- Presenter:** Brian Mayhew
- Attachments:** [4e_FY18_Draft_BAIFA_Budget.pdf](#)

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA will take place at a date, time, and location to be duly noticed.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Título VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2504 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 4/5/2017 **In control:** Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA

On agenda: 5/10/2017 **Final action:**

Title: Metropolitan Transportation Commission (MTC) Draft FY 2017-18 Agency Budget

An overview of the draft MTC FY 2017-18 Agency Budget.

Sponsors:

Indexes:

Code sections:

Attachments: [4a FY18 Agency Budget.pdf](#)
[4 Budget Study PRESENTATION.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Metropolitan Transportation Commission (MTC) Draft FY 2017-18 Agency Budget

An overview of the draft MTC FY 2017-18 Agency Budget.

Presenter:

Brian Mayhew

Recommended Action:

Information



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Commission

DATE: May 3, 2017

FR: Executive Director

W. I. 1152

RE: MTC Draft FY 2017-18 Agency Budget

Attached is the draft MTC operating budget for FY 2017-18. The draft, as written, contains an operating deficit of about \$700,000. See Attachment A for line-item detail.

We are proposing a net increase of 58 positions. The net consists of 60 new positions from the ABAG staff consolidation and a reduction of the BAHA director position and one MTC planning position. This recommendation assumes approval of the contract for services for the MTC/ABAG staff consolidation before the end of this fiscal year.

Total MTC Staff positions	
FY 2016-17	232
Deleted	
BAHA Director	-1
Planning Vacant Position	-1
Subtotal Deleted	-2
Added - ABAG	
Planners	20
Public Info	3
Admin/Finance/Technology	14
Estuary	13
PLAN & SHARP	6
FAN	1
POWER	3
Subtotal Added	60
Total MTC Staff positions	
FY 2017-18	290

MTC FY 2017-18 Operating Budget

There are several components to the MTC operating budget. The components are:

- General Operations – Administration for all MTC, SAFE, BATA and ABAG Funds.
- Planning – MTC planning operations mainly funded through an annual allocation of federal planning funds.
- Grants – MTC projects funded through various federal and State grants which are budgeted for the life of the project (Attachment B).
- Clipper[®] – A separately funded enterprise to operate the Clipper program (Attachment C).

The overall operating costs for Planning and Clipper are adopted on an annual basis. Grant-funded projects are funded and budgeted for the life of the project or until the grant expires.

Revenue

Total operating revenue of \$54 million in the draft budget is an 11% increase from the FY 2016-17 budget, as shown in Table 1.

Table 1

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget
TDA (Sales tax)	\$12,373,863	\$12,812,330	\$12,500,000	\$13,250,000
Interest/Other	546,679	606,081	520,000	530,000
Planning grants	10,803,679	9,841,225	13,396,270	11,352,749
Transfers	12,194,429	14,895,515	18,238,661	24,155,912
State & Local Funding	3,567,852	6,135,367	4,103,345	4,780,851
Total Operating Revenue	<u>\$39,486,502</u>	<u>\$44,290,518</u>	<u>\$48,758,276</u>	<u>\$54,069,512</u>

Highlights of the proposed MTC revenue:

- TDA (Sales Tax) – Up \$750,000 (6%).
- Federal Planning Grants – Down \$2 million mainly due to a large sustainable Sea Level Rise planning grant, awarded in FY 2016-17.
- Transfers – Up \$5.9 million due to funds and grants from ABAG and other MTC programs to cover the staff consolidation.

- ABAG grants \$1 million
 - Bay Trail funds \$0.7 million
 - \$1.2 million Coastal Conservancy grants
 - ABAG Membership dues net \$0.8 million contribution to unfunded pension liability
 - Transfer of \$2.2 million from other programs to cover indirect cost.
- State and Local funding – Up \$700,000 mainly due to the contribution of multiple cities to fund the Bay Area Forward project to move more people in fewer vehicles, relieve traffic congestion and transit crowding.

Operating Expenses

The draft operating budget shows a 13% increase in total operating expenses, mainly as a result of an increase in staffing and other operating costs (Table 2).

Table 2

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget
Salaries/ Benefits	\$18,798,762	\$19,632,581	\$23,060,134	\$28,700,577
Temporaries	2,930,237	2,897,140	191,607	220,157
Other Expenses	<u>2,591,609</u>	<u>3,235,955</u>	<u>4,864,224</u>	<u>7,782,025</u>
Ops Subtotal	24,320,608	25,765,676	28,115,965	36,702,759
Contractual	12,625,562	14,677,811	20,340,531	18,090,506
Transfer Out	38,459	154,232	0	0
Total Operating Expense	<u>\$36,984,629</u>	<u>\$40,597,719</u>	<u>\$48,456,496</u>	<u>\$54,793,265</u>

Staff Salaries and Benefits

Total regular staff salaries and benefits will increase by approximately \$5.6 million (24%). \$5.4 million of the increase is due to the inclusion of 37 ABAG employees in the MTC general fund budget (the remaining 23 ABAG staff are budgeted as part of the Enterprise units (i.e. Estuary, PLAN & SHARP, etc.). The proposed staff consolidation:

- 20 planner employees - \$3.1 million in operating funds and \$0.8 million grant funded.
- 3 Legislation and Public Affairs employees - \$.5 million
- 14 Finance, Technology and Administrative Services employees - \$1.8 million.

Other Expenses

Other Expenses increased by \$2.9 million.

- \$1.6 million increase in general operations due to ABAG staff consolidation.
- \$200,000 increase in travel and printing due to ABAG staff consolidation.
- \$1.1 million increase in computer services. Of that \$342,000 is related to the ABAG staff consolidation and \$758,000 is due to software licenses, hosted services and computer hardware.

Multi-year Federal Grants

Approximately \$155 million in new STP grants and \$106 million in new CMAQ grants for multiple programs will be added in FY 2017-18 bringing the total grant program under management to \$317 million. Grants are budgeted on a life-to-date basis and as such only the new funding is subject to the annual budget approval process. The life-to-date budget for the multi-year federal grants is included in Attachment B.

Capital Projects

Capital projects are also budgeted on a life-to-date basis. The proposed FY 2017-18 budget includes capital expenditures of \$200,000 for improved records management. The Hub Signage capital budget of \$11.8 million will increase by \$110,674.

Clipper®

Clipper is an Enterprise Fund operated by MTC. The Clipper operating and capital budgets for FY 2017-18 are shown in Attachment C. However, as an enterprise Clipper's revenues and expenses do not flow through MTC.

The Clipper operating expenses are projected to be \$32.4 million,

- \$28.2 million for Clipper operations
- \$1.4 million staff costs,
- \$2.8 million for customer outreach/education.

Total Life-to-date Clipper capital program budget of \$267 million will increase by \$2.5 million in FY 2017-18.

MTC/ABAG Staff Consolidation – Financial Consequences

As previously shared with the Commission as part of the financial due diligence, the MTC/ABAG staff consolidation is not without financial consequences for MTC. Table 3 in the following page summarizes the FY2017-18 budget impact. The financial result of the MTC budget before including the ABAG costs was a small net surplus of roughly \$50,000. After including the full ABAG consolidation staff costs, the budget shows a \$700,000 deficit. It is important to note that the deficit would have been closer to \$2.4 million if not for two important mitigations: 1) the

savings associated with management redundancies (\$0.6 million) and 2) the transfer of toll funding to cover the overhead costs for the San Francisco Estuary Program (\$1.1 million).

Table 3

	MTC	ABAG	Total
TDA (Sales tax)	\$11,950,000	\$1,300,000	\$13,250,000
Interest/Other	530,000	-	530,000
Planning grants	9,980,033	1,372,716	11,352,749
Transfers	17,905,925	5,849,987	23,755,912
State & Local Funding	4,980,850	-	4,980,850
Total Operating Revenue	<u>\$45,346,809</u>	<u>\$8,522,703</u>	<u>\$53,869,512</u>
Salaries/ Benefits	\$23,509,719	\$5,411,014	\$28,920,733
Other Expenses	<u>5,964,531</u>	<u>1,817,495</u>	<u>7,782,026</u>
Ops Subtotal	29,474,250	7,228,509	36,702,759
Contractual	15,822,340	2,068,166	17,890,506
Total Operating Expense	<u>\$45,296,590</u>	<u>\$9,296,675</u>	<u>\$54,933,265</u>
Surplus/(Deficit)	<u>\$50,219</u>	<u>\$(773,972)</u>	<u>\$(723,753)</u>

Budget Uncertainties

The FY 2017-18 budget makes assumptions about two issues of uncertainty that are atypical of past MTC budgets. The first has been the source of much discussion – the long-term financial effects on MTC and ABAG of the implementation of MTC Resolution 4210, which would integrate the ABAG staff within MTC. The second issue is the long-term effects of the CalPERS rate adjustments. A bit more detail is provided below on these topics.

- *MTC/ABAG Future Relationship:* The budget assumes the implementation of MTC Resolution 4210. There is still remaining longer-term uncertainty about the financial effects of the ABAG staff consolidation. As MTC begins its post consolidation operations, it will have to obtain a new actuary report, new CalPERS information for the additional new employees, and review the current and future grant and contract agreements. This could result in changes to the retirement and OPEB liability.
- *CALPERS Retirement Rates:* The second uncertainty lies with the future of CalPERS retirement rates. Agencies have been provided information on the impact of lowering the discount rate from 7.5% to 7% over a three-year period effective July 1, 2018. After the three-year ramp up, MTC's normal costs would increase by up to 3% annually and the unfunded actuarial liability would go up 3%, 3%, and 9% during the three-year ramp up. After three years, the unfunded actuarial liability would go up by 5% annually. There is no

guarantee there will not be other rate increases from CalPERS due to further discount rate lowering or other risks due to other economic or budget conditions.

Reserve Balances

Reserves offer support for times of fiscal distress, as well as the ability to fund one-time costs that would otherwise distort budget management. The unrestricted reserve is projected to be \$8.7 million at the end of FY 2017-18. The most significant recent increase in the restricted balance is \$18.5 million to reflect the agency's net pension liability as required by GASB 68.

The reserve is important to MTC particularly because the \$51 million in active grants and the \$32 million in Clipper costs are all managed on a reimbursement basis. Without the cash flow capacity provided by the reserve, MTC could not deliver projects on the basis of budgetary priority. Our current and projected reserve position is shown in Table 4 below.

Table 4

Description	Actual FY 2015-16	Budget FY 2016-17	Budget FY 2017-18
Benefits Reserve	\$1,468,652	\$3,000,000	\$3,000,000
Liability Reserve	964,580	500,000	300,000
Compensated Leave	4,842,422	4,700,000	4,900,000
Encumbrances	4,885,700	3,500,000	4,000,000
Net Pension Liability	18,286,012	18,389,832	18,500,000
MTC/ABAG Integration	-	1,000,000	0
STA Reserve	158,050	1,500,000	500,000
Total Restricted	\$30,605,416	\$32,589,832	\$31,200,000
Unrestricted Balance	\$9,764,379	\$8,081,743	\$8,747,822
Total Reserves	\$40,369,795	\$40,671,575	\$39,947,822

The draft FY 2017-18 budget is presented this month for information only. We will bring a final proposed budget to the Administration Committee in June and request that it be referred to the Commission for approval.



Steve Heminger

SH:se
Attachments

METROPOLITAN TRANSPORTATION COMMISSION

BUDGET FY 2017-18

Attachment A

SUMMARY

PART 1: OPERATING REVENUE-EXPENSE SUMMARY

	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change % Inc./(Dec)	Change \$ Inc./(Dec)
General Planning Revenue	\$25,896,270	\$24,602,749	-5%	(\$1,293,521)
Other MTC Revenue	1,207,933	1,188,059	-2%	(19,874)
Transfers from other Funds	18,238,661	24,155,912	32%	5,917,251
Local Revenue Grants	3,415,412	4,122,792	21%	707,380
Total Operating Revenue	\$48,758,277	\$54,069,512	11%	\$5,311,236
Total Operating Expense	\$47,856,495	\$54,793,265	14%	\$6,936,770
Operating Surplus (Shortfall)	\$901,782	(\$723,754)	-180%	(\$1,625,536)
Total Operating Revenue - Prior Year	\$8,975,132	\$0	0%	(\$8,975,132)
Total Operating Expense - Prior Year	\$8,975,132	\$0	0%	(\$8,975,132)
Operating Surplus (Shortfall)- Prior year	\$0	\$0	0%	\$0
Total Operating Surplus (Shortfall)	\$901,782	(\$723,754)	-180%	(\$1,625,536)

PART2: CAPITAL PROJECTS REVENUE-EXPENSE SUMMARY

Total Annual Capital Revenue	\$0	\$610,674	0%	\$610,674
Total Annual Capital Expense	\$600,000	\$610,674	2%	\$10,674
Capital Surplus(Shortfall)	(\$600,000)	\$0	0%	\$600,000
TOTAL FISCAL YEAR SURPLUS (SHORTFALL)	\$301,782	(\$723,754)	-340%	(\$1,025,536)

PART3: CHANGES IN RESERVES

Transfer To Designated Reserve	\$0	\$0		
Net MTC Reserves - in(out)	\$301,782	(\$723,754)	-340%	(\$1,025,536)
Current Year Ending Balance	\$0	\$0		

REVENUE DETAIL

	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change % Inc./Dec	Change \$ Inc./Dec
General Planning Revenue				
FTA Section 5303	\$3,367,898	\$3,367,898	0%	\$0
FTA 5303 carryover FY*16	974,911	0	-100%	(974,911)
FTA 5304	708,000	89,412	-87%	(618,588)
Sustainable Transportation Planning Grant	150,000	0	-100%	(150,000)
FHWA SP&R	300,000	0	-100%	(300,000)
FHWA 1/2 % PL	7,895,439	7,895,439	0%	0
FHWA PL carryover FY*16	22	0	-100%	(22)
TDA (Planning/Administrative)	12,500,000	13,250,000	6%	750,000
Subtotal: General Planning Revenue	\$25,896,270	\$24,602,749	-5%	(\$1,293,521)
Other MTC Revenue				
STIP-PPM	\$687,933	\$658,059	-4%	(\$29,874)
HOV lane fines	500,000	500,000	0%	0
Interest	20,000	30,000	50%	10,000
Subtotal: MTC Other Revenue	\$1,207,933	\$1,188,059	-2%	(\$19,874)
Operating Transfers				
BATA 1%	\$7,297,531	\$7,494,251	3%	\$196,720
Transfer BATA RM2	1,230,000	615,000	-50%	(615,000)
BATA Reimbursements (Audit/misc. contracts)	862,550	779,092	-10%	(83,458)
RAFC Management Services	74,640	0	-100%	(74,640)
Service Authority Freeways Expressways (SAFE)	879,396	1,637,392	86%	757,995
STA Transfer	2,922,602	2,032,529	-30%	(890,073)
2% Transit Transfers	415,070	408,000	-2%	(7,070)
Coastal Consv. grants	0	1,172,376	N/A	1,172,376
Bay Trail funds from MTC 5% and 2% Bridge Tolls	0	723,000	N/A	723,000
Other ABAG grants	0	983,029	N/A	983,029
STP Grant Funded - Overhead	0	387,540	N/A	387,540
DWR Grant Funded - Overhead RM 2	0	1,119,090	N/A	1,119,090
ABAG Other Programs - Overhead	0	1,111,021	N/A	1,111,021
Transfer in - Net of Membership Dues	0	782,401	N/A	782,401
Express Lanes - Overhead	617,063	457,986	-26%	(159,077)
MTC Grant Funded - Overhead	1,947,116	2,500,932	28%	553,816
Capital Programs - Overhead	1,992,693	1,952,274	-2%	(40,419)
Subtotal: Transfers from other funds	\$18,238,661	\$24,155,912	32%	\$5,917,251
MTC Total Planning Revenue	\$45,342,864	\$49,946,720	10%	\$4,603,856
Local Revenue Grants				
Misc. Revenue (PMP Sales)	\$1,465,000	\$1,400,000	-4%	(\$65,000)
ACTC	8,849	0	-100%	(8,849)
MPO	90,000	0	-100%	(90,000)
TFCA (Regional Rideshare), Spare the Air.	1,000,000	870,000	-13%	(130,000)
SCAG/SACOG/SANDAG	185,250	0	-100%	(185,250)
BAAQMD	308,749	223,211	-28%	(85,538)
Cities	357,564	1,629,581	356%	1,272,017
Subtotal: Local Revenue Grants	\$3,415,412	\$4,122,792	21%	\$707,380
Total Current Year Revenue	\$48,758,276	\$54,069,512	11%	\$5,311,236
MTC Prior Year Project Revenue				
Prior Year Project Revenue - Federal/State				
FTA 5303	\$1,904,520			
FHWA	685,870			
State Transit Assistance (STA)	408,672			
Subtotal:	\$2,999,061			
Prior Year Project Revenue - Local				
General Fund	\$3,027,933			
Transportation Funds for Clean Air (TFCA)	169,117			
Service Authority for Freeways/Expressways (SAFE)	1,449,834			
PTAP LM	143,953			
PPM	54,843			
RM2/BATA Reimb.	168,248			
SFMTA	504,585			
AB 664	0			
local Cities/Agencies	419,759			
2% Transit	37,798			
Subtotal:	\$5,976,071			
Total Prior Year Project Revenue	\$8,975,132			

**EXPENSE SUMMMARY
BUDGET FY 2017-18**

	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change % Inc./(Dec)	Change \$ Inc./(Dec)
Operating Expense				
I. Salaries and Benefits	\$23,251,741	\$28,920,733	24%	\$5,668,992
MTC Staff - Regular	\$23,060,134	\$23,289,563	1%	\$229,429
ABAG Staff - Regular	0	5,411,014	N/A	\$5,411,014
Temporary Staff	168,258	180,157	7%	11,899
Hourly /Interns	23,349	40,000	71%	16,651
II. Travel and Training	\$402,000	\$606,519	51%	\$204,519
III. Printing, Repro. & Graphics	\$134,100	\$134,100	0%	\$0
IV. Computer Services	\$1,404,500	\$2,504,807	78%	\$1,100,307
V. Commissioner Expense	\$70,000	\$150,000	114%	\$80,000
VI. Advisory Committees	\$15,000	\$15,000	0%	\$0
VII. General Operations	\$2,838,624	\$4,371,600	54%	\$1,532,976
Subtotal Staff Cost	\$28,115,965	\$36,702,759	31%	\$8,586,794
IX. Contractual Services	\$19,740,531	\$16,022,340	-19%	(\$3,718,191)
ABAG Consultants (PL/Bay Trail/LPA/Admin	\$0	\$2,068,166	N/A	\$2,068,166
Total consultants	\$19,740,531	\$18,090,506	-9%	(\$1,650,025)
Total Operating Expense	\$47,856,496	\$54,793,265	14%	\$6,936,769
IX. Contractual Services - Prior Year	\$8,975,132	\$0	0%	(\$8,975,132)

CAPITAL PROJECTS

	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change % Inc./Dec)	Change \$ Inc./Dec)
Annual Transfer from Reserve to Capital & Legal	\$0	\$500,000	N/A	\$500,000
Legal reserve	\$0	\$300,000	N/A	\$300,000
Annual Capital Expense	\$600,000	\$200,000	-67%	(\$400,000)

	LTD Budget Thru FY 2016-17	Draft BUDGET FY 2017-18	LTD Budget Thru FY 2017-18
Hub Signage Program			
Revenue			
Prop. 1B	\$9,856,450	\$0	\$9,856,450
RM2	362,000	0	362,000
Real Flap Sign - STA	1,633,045	110,674	1,743,719
	\$11,851,495	\$110,674	\$11,962,169
Expense			
Staff	\$1,351,745	\$90,674	\$1,442,419
Consultants	10,499,750	20,000	10,519,750
	\$11,851,495	\$110,674	\$11,962,169

CONTRACTUAL SERVICES DETAIL
New Contractual and Professional Services

Work Element	Description/Purpose	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change \$ Inc./(Dec)
1111	Support Commission Standing Committees			
	Planning Programs - Other	\$100,000	\$200,000	\$100,000
	TOTAL	\$100,000	\$200,000	\$100,000
1112	Implement Public Information Program			
	LWV Monitor	\$25,000	\$25,000	\$0
	Photography services for MTC/BATA	60,000	60,000	0
	Design & Production Services	100,000	150,000	50,000
	On-call Facilitation and Outreach	35,000	35,000	0
	Digital Promotion & Analysis	20,000	25,000	5,000
	On call Video Services	25,000	25,000	0
	Climate Initiatives	25,000	25,000	0
	Awards Program	55,000	15,000	(40,000)
	MTC web integration/portal	100,000	200,000	100,000
	Hub Outreach and Promotion	0	25,000	25,000
	Public Records Management System	0	40,000	40,000
	Regional Transit Mapping Project	0	150,000	150,000
	Regional Urban Wayfinding Coordination and Guidelines	0	40,000	40,000
	TOTAL	\$445,000	\$815,000	\$370,000
1121	Plan Bay Area			
	Develop Public Involvement	\$170,000	\$100,000	(\$70,000)
	Action Plan Outreach/Special Events	0	50,000	50,000
		35,000	0	(35,000)
	Event Expenses	90,000	25,000	(65,000)
	CBO Outreach	50,000	25,000	(25,000)
	Public Opinion/Revenue Polls (2 total)	150,000	150,000	0
	Digital Tools/Visualization	40,000	0	(40,000)
	EIR Development	229,761	100,000	(129,761)
	CALCOG	30,000	0	(30,000)
	2021 RTP/SCS Performance/Strategy Integration	0	75,000	75,000
	Integrated Transportation and Health Impact Model Update	0	50,000	50,000
	TOTAL	\$794,761	\$575,000	(\$219,761)
1122	Analyze Regional Data using GIS and Travel Models			
	Travel Model Assistance	\$100,000	\$100,000	\$0
	Land use Model Research	150,000	100,000	(50,000)
	Travel Model Research	50,000	35,000	(15,000)
	Technical Support for Web Based Projects	100,000	100,000	0
	Consolidated household travel	1,094,458	250,250	(844,208)
	Regional Transit on Board	0	1,000,000	1,000,000
	Future Mobility Research Program	50,000	100,000	50,000
	TOTAL	\$1,544,458	\$1,685,250	\$140,792
1126	Resiliency (Sea Level Rise/Adaption) Planning			
	Sea Level/Adaption Planning	\$991,834	\$83,000	(\$908,834)
	TOTAL	\$991,834	\$83,000	(\$908,834)
1124	Regional Goods Movement Plan			
		\$450,000	\$0	(\$450,000)
	TOTAL	\$450,000	\$0	(\$450,000)
1125	Non-Motorized Transportation			
	Complete Streets Workshops	\$0	\$40,000	\$40,000
	Bike Share Program - Operating Expenses	284,000	100,000	(184,000)
	TOTAL	\$284,000	\$140,000	(\$144,000)
1132	Advocacy Coalitions			
	Legislative advocates - Sacramento	\$115,000	\$120,000	\$5,000
	Mineta Transportation Institute	200,000	100,000	(100,000)
	Legislative advocates - Washington D.C.	263,100	268,362	5,262
	TOTAL	\$578,100	\$488,362	(\$89,738)
1152	Agency Financial Management			
	Financial Audit	\$400,000	\$422,000	\$22,000
	OPEB Actuary	20,000	30,000	10,000
	Financial System Upgrade	5,000	5,000	0
	TOTAL	\$425,000	\$457,000	\$32,000
1153	Administrative Services			
	Organizational and Compensation	\$60,000	\$150,000	\$90,000
	MTI Leadership Development	0	0	0
	Ergonomics	55,000	40,000	(15,000)
	Language Assistance Plan Review	0	50,000	50,000
	SBE Pilot Program	0	250,000	250,000
	Internship Program	205,000	256,000	51,000
	TOTAL	\$320,000	\$746,000	\$426,000

CONTRACTUAL SERVICES DETAIL

Work Element	Description/Purpose	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change \$ Inc./Dec)
1161	Information Technology Services			
	Data Security Improvements	\$55,000	\$75,000	\$20,000
	Web/DB Application Development/Integration	50,000	50,000	0
	Network Assistance	0	50,000	50,000
	Telephone System Migration	0	80,000	80,000
	File System Migration	0	50,000	50,000
	Mobile device mgmnt merging with ABAG	0	20,000	20,000
	Change training	0	50,000	50,000
	Enterprise data and process review	207,000	0	(207,000)
	Move Assistance/Project Management	27,500	40,000	12,500
	Technology Services for ABAG Integration	0	0	0
	TOTAL	\$339,500	\$415,000	\$75,500
1212	Performance Measuring and Monitoring			
	Vital Signs Website Development	\$150,000	\$150,000	\$0
	Federal Performance Monitoring	0	100,000	100,000
	State of Good Repair Performance Analysis	0	0	0
	TOTAL	\$150,000	\$250,000	\$100,000
1222	Regional Rideshare Program			
	511 Ridesharing Program Operations	\$1,150,000	\$870,000	(\$280,000)
	511 Program Marketing	150,000	0	(150,000)
	TOTAL	\$1,300,000	\$870,000	(\$430,000)
1224	Regional Traveler Information			
	511 Traffic/Real Time Transit	\$995,000	\$250,000	(\$745,000)
	511 Web Services	250,000	0	(250,000)
	511 Transit system	650,000	60,000	(590,000)
	511 Communications	0	200,000	200,000
	511 ETC Removal	0	300,000	300,000
	TOTAL	\$1,895,000	\$810,000	(\$1,085,000)
1228	Regional Transportation Emergency Operation			
	Global Fone NI Government	\$25,000	\$0	(\$25,000)
	Transit Emergency Response	0	0	0
	EOC Training & Support	75,000	0	(75,000)
	TOTAL	\$100,000	\$0	(\$100,000)
1229	Regional Transportation Emergency Planning			
	Ongoing Emergency Exercise Support	\$75,000	\$300,000	\$225,000
	Emergency Response Strategies	0	0	0
	Joint Operations at @ Beale Street	300,000	50,000	(250,000)
	Transit Service Contingency	667,000	1,000,000	333,000
	TOTAL	\$1,042,000	\$1,350,000	\$308,000
1233	Transportation Asset Management			
	Software Development and Maintenance	\$1,325,000	\$1,225,000	(\$100,000)
	Transit Capital Inventory	154,549	50,000	(104,549)
	Software Training Support	160,347	238,868	78,521
	TAM Plan Development and Performance	100,000	0	(100,000)
	PTAP Projects	239,299	194,331	(44,968)
	Quality Assurance Program	50,000	75,000	25,000
	TOTAL	\$2,029,195	\$1,783,199	(\$245,996)
1234	Arterial and Transit Performance			
	Program for Arterial System	\$118,265	\$150,000	\$31,735
	TOTAL	\$118,265	\$150,000	\$31,735
1235	Incident Management			
	I-880 ICM Device Maint.	\$100,000	\$100,000	\$0
	Incident Management Task Force	100,000	200,000	100,000
	Incident Analytics Module	0	350,000	350,000
	TOTAL	\$200,000	\$650,000	\$450,000
1237	Bay Area Forward			
	Bay Area Forward Implementation	\$0	\$1,100,000	\$1,100,000
	Performance Monitoring	50,000	0	(50,000)
	TOTAL	\$50,000	\$1,100,000	\$1,050,000
1311	Lifeline Planning			
	Disabled Persons Data Collection	\$269,013	\$50,000	(\$219,013)
	CBTP Grant Program	0	0	0
	Lifeline Cycle 3	747,589	0	(747,589)
	Mobility Management Implementation Technical Assist.	0	50,000	50,000
	Means Based Fare Program	0	872,529	872,529
	Coordinated Technology Platform for Paratransit Trips	0	0	0
	Non Emergency Medical Trip Reimbursement Sys.	60,000	50,000	(10,000)
	TOTAL	\$1,076,602	\$1,022,529	(\$54,073)

CONTRACTUAL SERVICES DETAIL

Work Element	Description/Purpose	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change \$ Inc./(Dec)
1413	Climate Initiative			
	EV Strategic Council	\$35,000	\$50,000	\$15,000
	TOTAL	\$35,000	\$50,000	\$15,000
1514	Regional Assistance Programs			
	TDA Claims/Fund Estimate on line Migration and Reporting	\$25,000	\$25,000	\$0
	Performance audits - TDA audit & RM2 Oversight	193,000	193,000	0
	TOTAL	\$218,000	\$218,000	\$0
1515	Regional Assistance Programs			
	FMS Developer	\$187,200	\$200,000	\$12,800
	FMS User Interface Upgrade	127,733	0	(127,733)
	TOTAL	\$314,933	\$200,000	(\$114,933)
1517	Transit Sustainability			
	Transit Sustainability Planning	\$601,224	\$408,000	(\$193,224)
	Transit Core Capacity Phase 2 Planning/Implementation	0	200,000	200,000
	SRTP	540,000	300,000	(240,000)
	TOTAL	\$1,141,224	\$908,000	(\$233,224)
1519	Core Capacity Transit			
	Core Capacity Transit study	\$50,000	\$0	(\$50,000)
	TOTAL	\$50,000	\$0	(\$50,000)
1611	Transportation and Land Use Coordination			
	ABAG - FHWA/FTA5303	\$1,372,716	\$0	(\$1,372,716)
	ABAG - TDA	1,300,000	0	(1,300,000)
	Rail Volution	0	50,000	50,000
	Housing Task Force	200,000	200,000	0
	Complete Streets Technical Assistance	0	0	0
	Bike/ Ped Counts Program	35,000	0	(35,000)
	TOTAL	\$2,907,716	\$250,000	(\$2,657,716)
1612	Climate Adaption Consulting (BARC)	\$89,942	\$56,000	(\$33,942)
106	Legal Services	\$750,000	\$750,000	\$0
101	ABAG Consultants	\$0	\$2,068,166	\$2,068,166
	Total consultant contracts:	\$19,740,531	\$18,090,506	(\$1,650,025)

LTD Federal Grants Budget

Attachment B

Grant # / Fund Source #	Project Description	1	2	3 = (1-2)	4	5	6	7 = (3+4-5-6)	
		STP Grants	LTD Grant	LTD Actual & Enc Bal.	Balance	New Grant	staff budget	Consultant budget	Balance
		thru FY 2016	thru FY 2017	thru FY 2017	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	
6084-146 1580	Station Area Planning	\$17,957,890	\$17,534,385	\$423,505				\$423,505.36	
6084-175 1801	MTC Regional Planning	51,629,000	51,012,030	616,970		\$83,662	\$12,000	521,308	
6084-176 1803	511 Grant	32,500,000	30,285,158	2,214,842			840,000	1,374,842	
6084-178 1805	Regional Streets and Roads	1,200,000	1,200,000	-				-	
6084-179 1806	Pavement Management	6,000,000	5,947,534	52,466				52,466	
6084-187 1811	OBAG Regional PDA - ABAG	2,000,000	1,979,927	20,073				20,073	
6084-186 1812	OBAG Regional PDA	8,740,305	7,918,472	821,833			500,000	321,833	
6084-193 1816	Arterial Operations	2,500,000	1,488,776	1,011,224				1,011,224	
6084-198 1818	Pavement Management	1,500,000	-	1,500,000			1,500,000	-	
6084-199 1819	511 Traveler Information	8,750,000	2,663,289	6,086,711		2,018,480	3,210,000	858,231	
6084- 201 1820	Freeway Performance Initiative	3,480,000	91,461	3,388,539		1,280,266	730,000	1,378,273	
6084- 203 1821	Arterial Operations	500,000	-	500,000				500,000	
6084- 205 1822	Pavement Management	347,000	-	347,000			\$300,000	47,000	
6160- 027 1823	Incident Management	517,000	-	517,000				517,000	
NEW	CMA Planning				\$39,016,000		7,495,000	31,521,000	
NEW	MTC Planning				9,555,000	1,551,662	283,338	7,720,000	
NEW	PDA Planning & Implementation				18,500,000	500,000	10,150,000	7,850,000	
NEW	Freeway Performance			4	43,000,000		10,000,000	33,000,000	
NEW	Arterial/Transit Performance			2	18,000,000		6,000,000	12,000,000	
NEW	Connected Vehicles/Shared Mobility			1	5,000,000		4,000,000	1,000,000	
NEW	Field Equipment Devices O&M			7	19,000,000	546,107	2,685,000	15,768,893	
NEW	Bay Area Forward			3	2,500,000		2,500,000	-	
		\$137,621,195	\$120,121,032	\$17,500,163	\$154,571,000	\$5,980,175	\$50,205,338	\$115,885,650	

CMAQ Grants								
6084-160 1589	Arterial Operations	\$10,750,000	\$10,121,913	\$628,087		\$615,806	\$0	\$12,281
6084-164 1591	Climate Initiatives	7,393,432	7,393,432	-				-
6084-165 1592	Climate Initiatives Evaluation	3,200,000	3,142,348	57,652			57,652	-
6084-202 1824	Climate Initiatives	1,300,000	-	1,300,000			300,000	1,000,000
6160 -018 1596	Freeway Performance	8,608,000	8,077,126	530,874		530,874	-	-
6160-020 1800	Incident Management	3,862,000	3,379,084	482,916				482,916
6084-176 1804	511 Grant	16,270,000	16,270,000	-				-
6084-180 1809	Freeway Performance Corridor Studies	4,000,000	2,421,146	1,578,854		500,000	1,000,000	78,854
6084-188 1814	Regional Bicycle Program	1,725,000	430,678	1,294,322				1,294,322
NEW	Climate Initiatives				\$22,000,000		22,000,000	-
NEW	Rideshare Implementation			A	720,000	152,648		567,352
NEW	Capital Bike Share			12	2,000,000		2,000,000	-
NEW	Carpool Program			9	7,280,000		1,231,000	6,049,000
NEW	Vanpool Program			10	2,000,000		250,000	1,750,000
NEW	Commuter Benefits Implementation			B	674,000	156,600	380,000	137,400
NEW	Commuter Benefits Program			11	1,111,000			1,111,000
NEW	511 Next Generation			6	37,215,000		6,760,000	30,455,000
NEW	Bay Area Forward			3	5,820,000		3,620,000	2,200,000
NEW	Incident Management			8	14,278,000		14,278,000	-
NEW	Incident Management		-	5	13,000,000	911,337	600,000	11,488,663
		\$57,108,432	\$51,235,727	\$5,872,705	\$106,098,000	\$2,867,265	\$52,476,652	\$56,626,788

FTA GRANTS								
16-X065-00 1635	FTA 5310	\$460,429	\$454,424	\$6,005	\$692,000	\$350,000	\$0	\$348,005
34-001 1631	FTA 5339 - Bus Purchases	10,506,277	840,438	9,665,839			9,665,839	-
34-0024 1633	FTA 5339 - Bus Purchases	12,240,015	432,386	11,807,629			11,807,629	-
34-0032 1634	FTA 5339 - Bus Purchases	9,590,718	197,701	9,393,017			1,976,006	7,417,011
37-X076 1614	JARC	5,357,119	5,009,699	347,420			\$304,533	42,887
37-X104 1625	JARC	2,654,120	2,349,587	304,533				304,533
37-X133 1627	JARC	1,004,559	915,827	88,732				88,732
37-X164 1629	JARC	805,190	805,190	-				-
37-X177 1630	JARC	2,430,952	2,075,352	355,600				355,600
57-X023 1623	New Freedom	1,545,232	1,462,654	82,578				82,578
57-X050 1626	New Freedom	3,748,859	3,701,442	47,417				47,417
57-X074 1628	New Freedom	2,793,517	2,786,840	6,677				6,677
57-X109 1632	New Freedom	1,383,631	1,283,465	100,166				100,166
CA79-1001-1668	TIGER	1,000,000	1,000,000	-				-
		\$55,520,618	\$23,315,005	\$32,205,613	\$692,000	\$350,000	\$23,754,007	\$8,793,606

Other Grants								
1110	HEPP Travel Model (Reobligated)	\$90,000	\$90,000	\$0	\$0	\$0	\$0	\$0
1112	FHWA - SHRP2	700,000	636,322	63,678	0	0	0	63,678
		\$790,000	\$726,322	\$63,678	\$0	\$0	\$0	\$63,678

Total Federal Grants Budget

\$251,040,245	\$195,398,087	\$55,642,158	\$261,361,000	\$9,197,441	\$126,435,997	\$181,369,721
----------------------	----------------------	---------------------	----------------------	--------------------	----------------------	----------------------

CONTRACTUAL SERVICES DETAIL Federal Grants

Work Element	Description/Purpose	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change \$ Inc./(Dec)
1112	Implement Public Information Program			
	Bike to Work Day	\$250,000	\$200,000	(\$50,000)
		\$250,000	\$200,000	(\$50,000)
1152	Agency Financial Management			
	Project Audits	\$100,000	\$0	(\$100,000)
	TOTAL	\$100,000	\$0	(\$100,000)
1125	Non-Motorized Transportation			
	Capital Bike Share	\$0	\$2,000,000	\$2,000,000
		\$0	\$2,000,000	\$2,000,000
1222	Regional Rideshare Program			
	511 Program Operations	\$915,000	\$1,621,000	\$706,000
	511 Program Marketing	425,800	0	(425,800)
	Rideshare: Employer Services (CMAs)	615,000	250,000	(365,000)
	SB 1128	0	380,000	380,000
	TOTAL	\$1,955,800	\$2,251,000	\$295,200
1223	Operational Support for Regional Programs			
	TOS Device Maintenance and Repair	\$100,000	\$2,685,000	\$2,585,000
	TOTAL	\$100,000	\$2,685,000	\$2,585,000
1224	Regional Traveler Information			
	511 Traffic Real Time Transit	\$3,588,800	\$0	(\$3,588,800)
	511 Transit	3,820,000	0	(3,820,000)
	511 Licenses	241,000	0	(241,000)
	511 Web Services	0	6,210,000	6,210,000
	511 System Integrator	0	2,640,000	2,640,000
	Technical Advisor Services	0	200,000	200,000
	511 Communications	0	550,000	550,000
	511 TIC Operations	0	620,000	620,000
	511 ETC Removal	0	200,000	200,000
		\$7,649,800	\$10,420,000	\$2,770,200
1233	Pavement Management System			
	Software Training Support	\$232,744	\$300,000	\$67,256
	P-TAP Projects	1,847,000	1,500,000	(347,000)
	TOTAL	\$2,079,744	\$1,800,000	(\$279,744)
1234	Arterial and Transit Performance			
	Program for Arterial System	\$3,393,072	\$6,000,000	\$2,606,928
	TOTAL	\$3,393,072	\$6,000,000	\$2,606,928
1235	Incident Management			
	I-880 Central Segment Project Study Report	\$0	\$600,000	\$600,000
	I-880 ICM	14,423,000	14,278,000	(145,000)
	TOTAL	\$14,423,000	\$14,878,000	\$455,000
1237	Bay Area Forward			
	Managed Lanes Implementation Plan	\$2,500,000	\$0	(\$2,500,000)
	Active Traffic Management Implementation	980,000	0	(980,000)
	Performance Monitoring & Tools	550,000	730,000	180,000
	Regional Dynamic Traffic Assignment Model	100,000	0	(100,000)
	FPI Traffic Operations/Corridor Analysis	1,500,000	0	(1,500,000)
	Design Alternative Assessments/Corridor Studies	0	1,000,000	1,000,000
	Bay Bridge Forward Implementation	0	6,120,000	6,120,000
	Bay Area Forward Implementation	0	10,000,000	10,000,000
	TOTAL	\$5,630,000	\$17,850,000	\$12,220,000
1228	Technology-Based Operations & Mobility			
	Technology-Based Operations & Mobility	\$0	\$4,000,000	4,000,000
	TOTAL	\$0	\$4,000,000	\$4,000,000
1310	Implement Lifeline Transportation Program			
	Lifeline Planning	\$0	\$304,533	\$304,533
	TOTAL	\$0	\$304,533	\$304,533
1413	Climate Initiative			
	Climate Initiative Outreach and Marketing program	\$1,663,179	\$0	(\$1,663,179)
	Climate Initiatives Cycle 1	0	57,652	57,652
	Climate Initiatives Cycle 2	0	100,000	100,000
	Climate Initiatives OBAG 2	0	22,000,000	22,000,000
	TOTAL	\$1,663,179	\$22,157,652	\$20,494,473
1512	Federal TIP Development			
	Busses replacements	\$24,950,311	\$23,449,474	(\$1,500,837)
	TOTAL	\$24,950,311	\$23,449,474	(\$1,500,837)
1518	New Freedom			
	New Freedom Projects	\$26,000	\$0	(\$26,000)
	TOTAL	\$26,000	\$0	(\$26,000)
1611	Transportation and Land Use Coordination			
	ABAG - STP	\$1,127,284	\$0	(\$1,127,284)
	BCDC STP	259,822	271,338	11,516
	CMAs - STP	7,350,000	7,495,000	145,000
	Access Public Lands near Transit	0	500,000	500,000
	PDA Implementation Studies	16,000	150,000	134,000
	SR 82 Study	0	0	0
	PDA Planning Grant	0	10,000,000	10,000,000
	TOTAL	\$8,753,106	\$18,416,338	\$9,663,232
1612	Climate Adaption Consulting (BARC)	\$38,368	\$24,000	(\$14,368)
	Total Federal funded Consultants	\$71,012,380	\$126,435,997	\$55,423,617

Clipper Operating:

	Amended BUDGET FY 2016-17	Draft BUDGET FY 2017-18	Change \$ Inc./(Dec)
Revenue:			
RM2	\$2,950,000	\$2,800,000	-5%
STP	180,000	0	-100%
STA	11,736,461	11,080,673	-6%
Transit Operators	18,352,529	18,506,000	1%
Total clipper operating Revenue	\$33,218,990	\$32,386,673	-3%
Expenses:			
Staff cost	\$1,875,537	\$1,318,438	-30%
Travel & Other General Ops.	103,220	72,235	-30%
Promotion/Outreach/Fare Inc.	2,950,000	2,800,000	-5%
Clipper Operations	28,290,233	28,196,000	0%
Total clipper operating Expense	\$33,218,990	\$32,386,673	-3%

Clipper 1 Capital:

	LTD Budget Thru FY2016-17	Draft BUDGET FY 2017-18	LTD Budget Thru FY2017-18
Revenue:			
CMAQ	\$68,703,835	\$0	\$68,703,835
Card Sales	6,851,267	2,000,000	8,851,267
Low Carbon Transit Operations (LCTOP)	3,559,290	0	3,559,290
ARRA	11,167,891	0	11,167,891
FTA	27,213,349	0	27,213,349
STP	37,538,086	0	37,538,086
STA	23,309,540	0	23,309,540
Prop 1B	988,137	0	988,137
SFMTA	8,005,421	0	8,005,421
GGGHTD	2,975,000	0	2,975,000
BART	725,000	0	725,000
MTC Exchange Fund	7,573,878	0	7,573,878
BATA	26,864,813	0	26,864,813
Transit Operators	13,857,000	500,000	14,357,000
WETA	603,707	0	603,707
Sales Tax	890,216	0	890,216
Total Clipper 1 capital Revenue	\$240,826,430	\$2,500,000	\$243,326,430
Expense:			
Staff Costs	\$10,307,040	1,111,065	\$11,418,105
Travel	3,208	0	3,208
Pilot Equipment Maintenance	3,093,834	0	3,093,834
Transit Agency Funded Projects	13,910,707	500,000	14,410,707
Design	54,690,574	0	54,690,574
Site Preparation	3,899,437	0	3,899,437
Construction	21,867,682	0	21,867,682
Consultants	24,589,696	0	24,589,696
Engineering	7,953,061	0	7,953,061
Communications	1,583,000	0	1,583,000
Marketing	2,212,029	0	2,212,029
Financial Services	391,600	0	391,600
Equipment	49,226,873	0	49,226,873
Clipper Cards	15,140,095	2,000,000	17,140,095
Other	31,957,594	(1,111,065)	30,846,529
Total Clipper 1 Expense	\$240,826,430	\$2,500,000	\$243,326,430

Clipper 2 Capital:

	LTD Budget Thru FY2016-17	Draft BUDGET FY 2017-18	LTD Budget Thru FY2017-18
Revenue:			
STP	\$4,569,554	\$0	\$4,569,554
FTA	10,078,133	0	10,078,133
TCP - CMAQ Funds	2,684,772	0	2,684,772
Golden Gate Pass through	5,000,000	0	5,000,000
Low Carbon Transit Operations (LCTOP)	1,100,000	0	1,100,000
BATA	260,000	0	260,000
STA	1,047,841	0	1,047,841
Total Clipper 2 Revenue	\$24,740,300	\$0	\$24,740,300
Expense:			
Staff Costs	\$2,713,554	\$1,765,645	\$4,479,199
Equipment	6,591,903	0	6,591,903
Consultants	15,434,843	(1,765,645)	13,669,198
Total Clipper 2 Expense	\$24,740,300	\$0	\$24,740,300

Budget Study Session
MTC SAFE BATA
BAHA BAIFA

May 10, 2017

Purpose: Preview the FY 2017 - 18 Agency Budget

- **Operating Components:**

- BATA – Toll operation, collection and maintenance, Rehab, ELN construction
- MTC – Administration, Planning, Grants
- Clipper – Regional fare collection program
- SAFE – Freeway Service Patrol, Callboxes
- BAHA – JPA for construction/operation 375 Beale Street offices
- BAIFA – JPA for operation and maintenance of Express Lane Network

- **Contract Operations:**

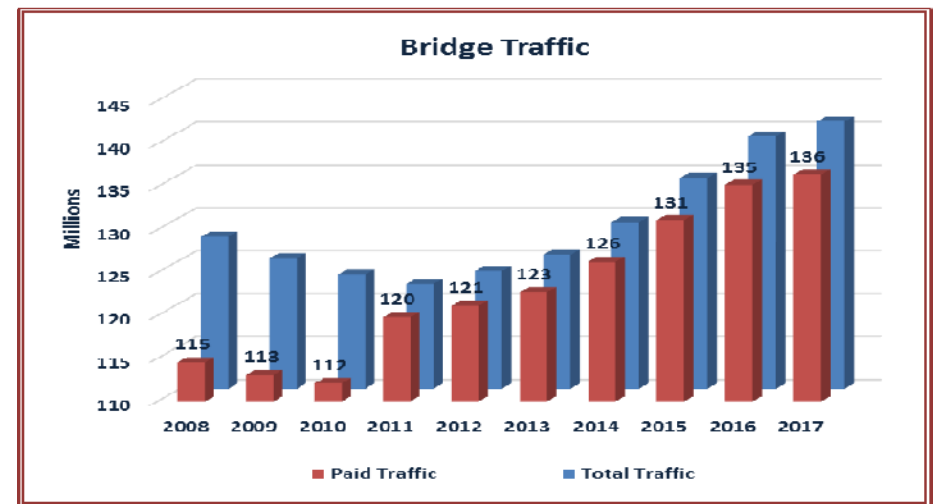
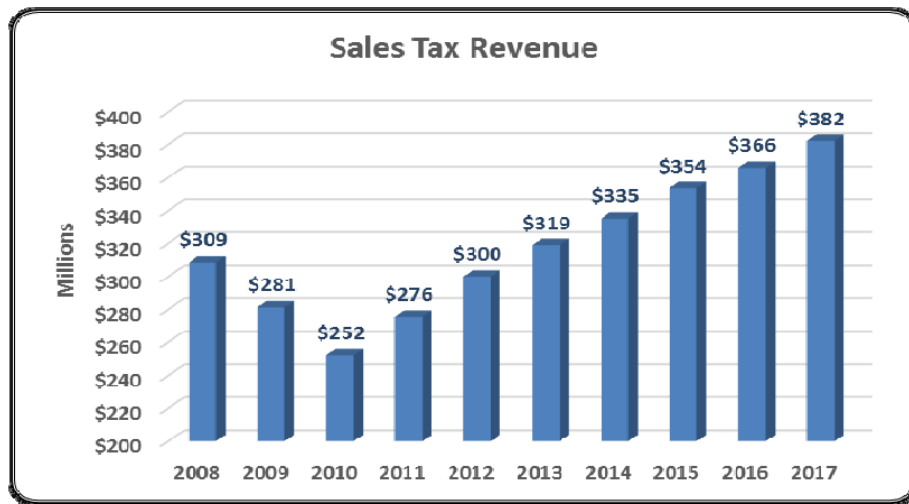
- ABAG – Regional grants, housing analysis, Bay Restoration, Estuary Program
- ABAG Risk Management – JPA pools for public liability (PLAN) and Workers Compensation (SHARP)
- ABAG POWER – JPA for aggregating natural gas contracts and building retrofit grants
- ABAG FAN – JPA conduit financing authority

- **Final MTC budgets will be presented in June**

- **ABAG is incorporated into this draft**

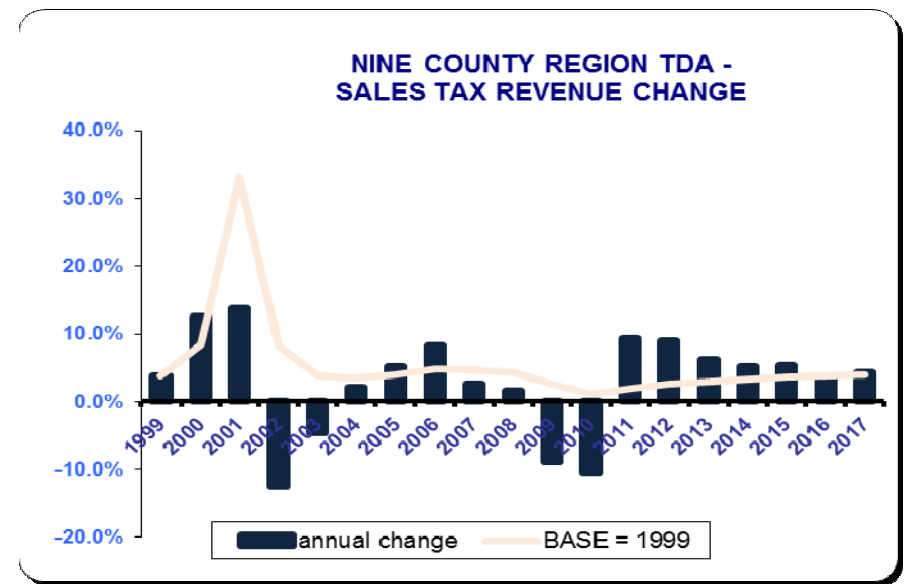
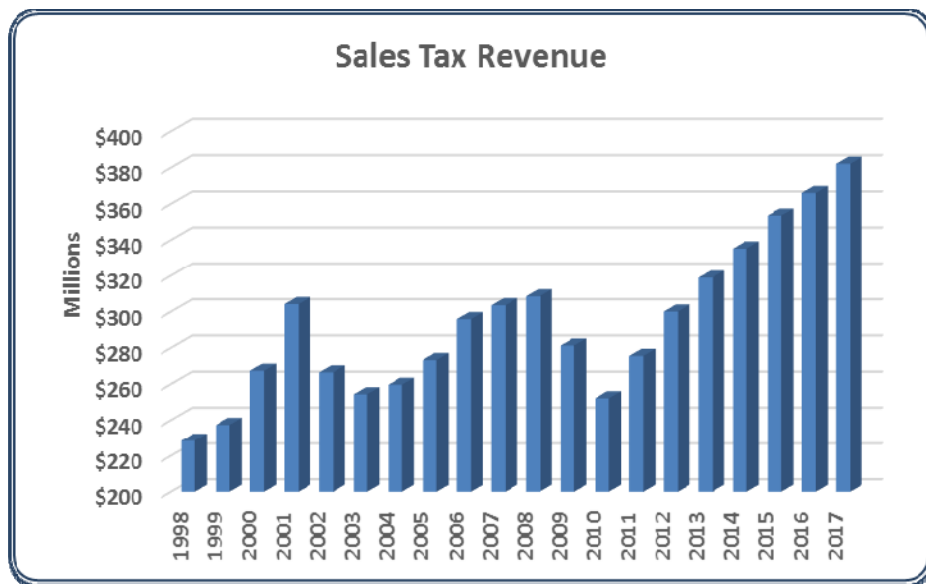
Regional Economy Remains Strong

- **FY 2017 - 18 is expected to be the 8th consecutive year of growth**
 - Sales tax up 52% since 2010
 - Paid toll traffic up 21% since 2010



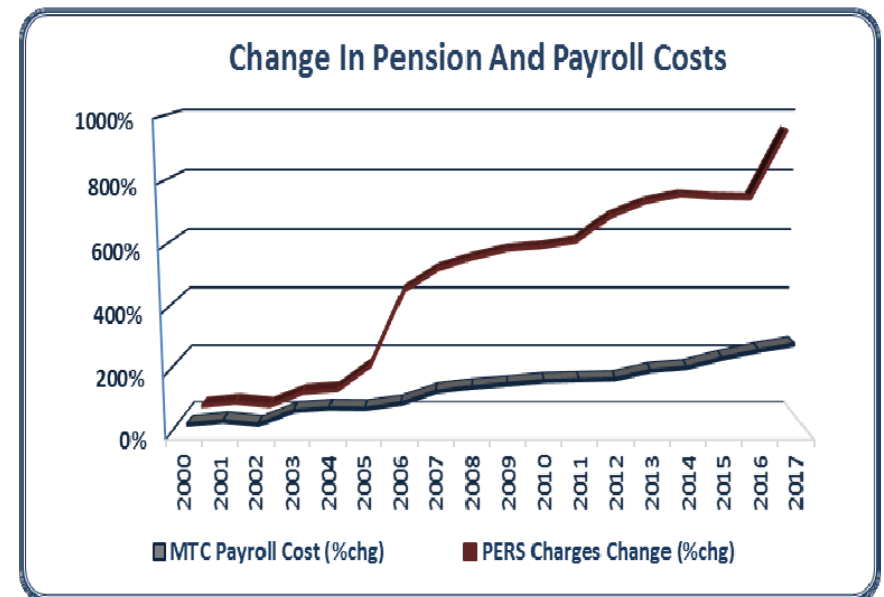
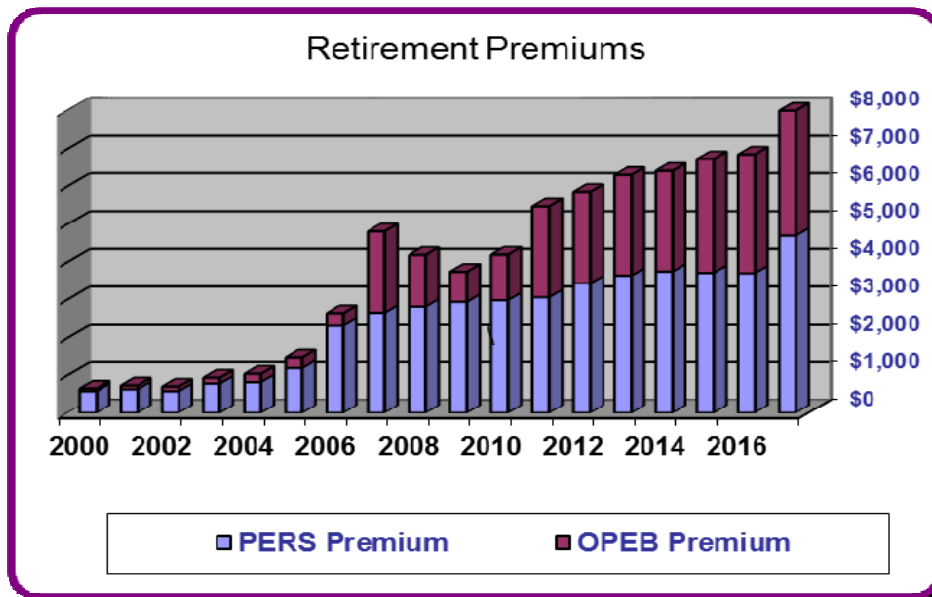
Can The Economy Continue To Grow

- Two recessions since 2000 – about every 7-8 years



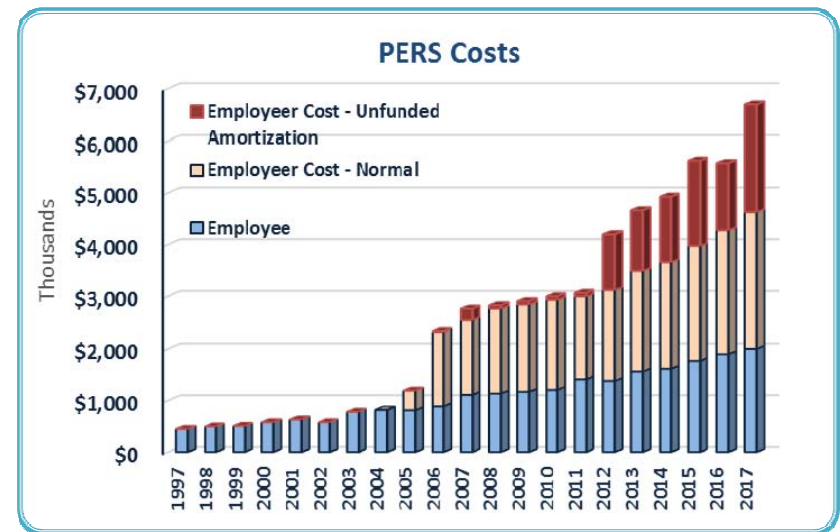
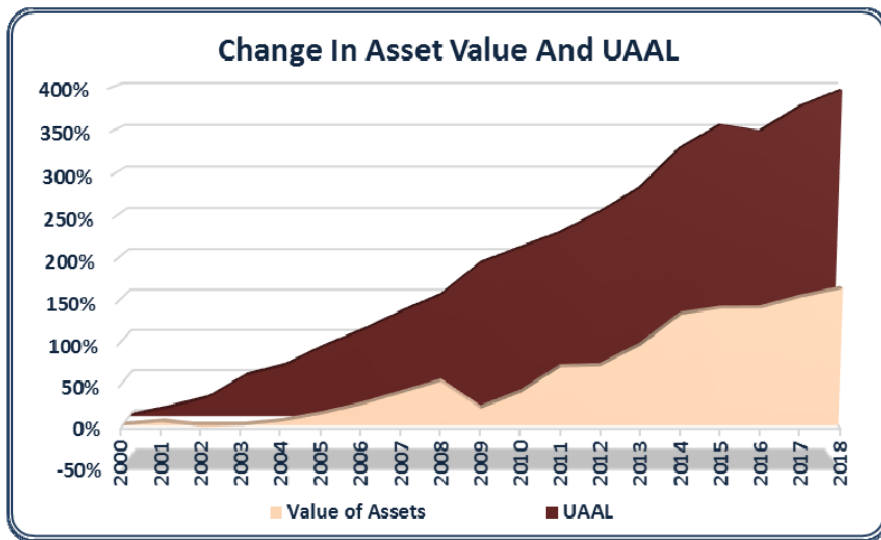
Retirement Benefit Costs

- Annual premium costs continue to rise
- PERS funding costs have risen 5 times faster than MTC payroll costs



Retirement Costs – Revenue Can Not Keep Up

- PERS liabilities have grown twice asset levels
- PERS changes have led to significant growth in employer costs



OPEB Stable But Changing

- **MTC has stabilized the OPEB liability**

• Actuarial Accrued Liability (AAL)	\$35.8
• Market Value of Assets (MVA)	<u>(26.5)</u>
• Unfunded Actuarial Accrued Liability (UAAL)	(\$ 9.3)
• FY 2017 Funded Ratio	74%

- **Funded ratio increased from 53% to 74% since 2012**

- **MARA UAAL estimate @ 7.5% = \$2.2 million**

- @ 4.5% MTC rate UAAL = \$3.7 million

- **FY 2018 UAAL approximately \$13 million**

- 2018 funded ratio drops to 67%

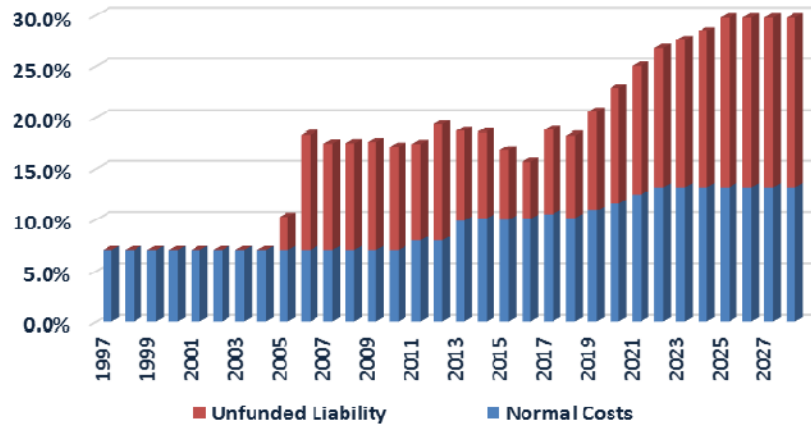
- **Annual cost estimate \$550,000**

OPEB	MTC	MTC	ABAG – MARA*	Total
	2017	2018	2018	2018
Discount	4.5%	4.5%	4.5%	4.5%
MVA	\$22,580,000	\$26,520,000	\$0	\$26,520,000
AAL	<u>(35,790,000)</u>	<u>(35,790,000)</u>	(3,665,000)	(39,455,000)
UAAL	(13,210,000)	(9,270,000)	(3,665,000)	(12,935,000)
Funded Ratio	63%	74%	N/A	67%
*2016 Milliman estimate				

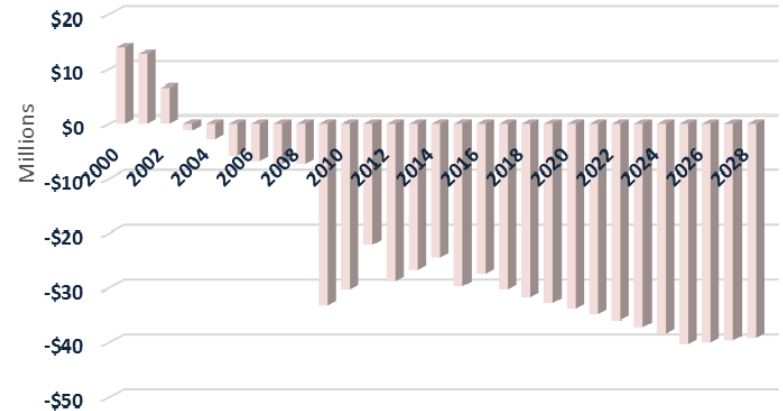
Retirement Costs – PERS Costs ARE Going UP

- **CalPERS Rate Changes**
 - Discount rate will drop from 7.5% to 7.00%
 - Unfunded liability will increase up to 40%
 - Unfunded liability will grow from \$30 million to \$44 million by FY 2026
 - Annual costs will grow from \$5 million to \$11 million by FY 2026
- **Changes will be phased in through FY 2021**

Change In PERS Rates



Pers Unfunded Liability



All Operating Funds Maintain Operating Reserves

- **MTC operating funds have budget goal of six months expenses in funded reserves**
- **Reserves provide**
 - Operating cash flow
 - Grant funding
 - Project funding
 - Contingency for economic uncertainty
 - Provision for one time expense

BATA - \$1b

- **6 months operating costs** **\$363 M**
- Self Insurance **\$580 M**
- Rehab Reserve (2 years) **\$120 M**
- O&M Reserve (2 years) **\$150 M**
- Emergency **\$ 50 M**
- Variable Rate Contingency **\$100 M**
- **Status: All accounts fully funded**

MTC - \$40 M

- **6 months operating costs** **\$27 M**
- Funded Reserve
 - Total **\$40.0 M**
 - Unrestricted **\$ 9.0 M**

SAFE - \$11 M

- **6 months operating costs** **- \$7.0 M**
- Funded reserve (unrestricted) **- \$6.5 M**

Agency-Wide Revenue / Expense History

- **Average last 5 years:**
 - Revenue - \$990 million
 - Expense - \$851 million
- **Budget Assumptions:**
 - FY 2017/18 should be another good year for all operating funds
 - No residual effects of the recession
 - Full time staffing
 - FY 2017 - MTC 232
 - FY 2018 - MTC 230
 - - ABAG 60
 - 290
 - All positions top-of-range
 - Full funding all PERS/OPEB costs
 - Sales tax (TDA) + 6.0%
 - Toll traffic / revenue + 2.5%
 - No change in federal funding
- **ABAG consolidation raises financial issues for MTC**

Revenue	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget
BATA	\$1,159,845,342	\$806,441,967	\$831,047,573	\$809,588,891	\$830,254,891
MTC	37,173,685	39,486,502	44,290,518	48,758,276	53,869,512
SAFE	14,224,905	14,367,432	13,584,828	14,907,500	14,209,000
CLIPPER	28,441,491	29,574,231	29,665,332	33,218,990	32,686,673
STA	23,556,889	17,858,636	11,744,692	6,864,199	7,598,638
Total:	\$1,263,242,312	\$907,728,768	\$930,332,943	\$913,337,856	\$938,318,714

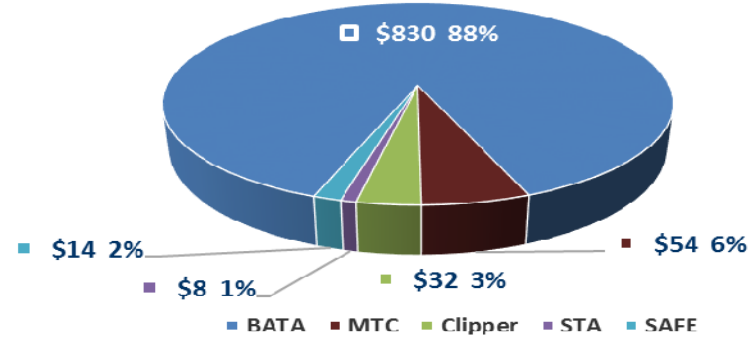
Expense	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget
Salaries & Benefits	\$27,548,091	28,936,625	\$30,209,886	\$35,594,028	\$40,926,995
Contracts	90,083,371	91,027,425	95,348,158	109,974,338	111,546,206
Debt	457,551,583	454,409,635	446,346,107	520,041,669	555,054,663
Transfers	284,160,461	70,630,990	44,043,431	146,255,544	128,860,258
RM2 Op	40,257,467	39,818,510	36,003,474	48,750,000	48,750,000
Caltrans - TC	28,465,973	30,132,728	30,753,155	33,021,000	32,121,000
Other	32,510,337	25,213,210	20,272,006	17,286,709	21,173,937
Total:	\$960,577,283	\$740,169,123	\$702,976,217	\$910,923,288	\$938,433,059

FY 2017/18 Revenue / Expense

- **Total budget for FY 2017/18 \$938 million**
- **BATA is the largest fund**
 - \$830 million - 88% of all revenue
 - Toll revenue - \$727 million (77%)
- **Largest expenses**
 - BATA – debt service \$555 million (59%)
 - Transfers - \$129 million (14%)
 - MTC administrative fee
 - Project transfers RM2, Clipper, BAHA
 - Contract - \$112 million (12%)
 - MTC grant support
 - FasTrak / Clipper customer service centers
 - Salaries / Benefits - \$41 million (4%)
 - Caltrans toll ops - \$32 million (3%)

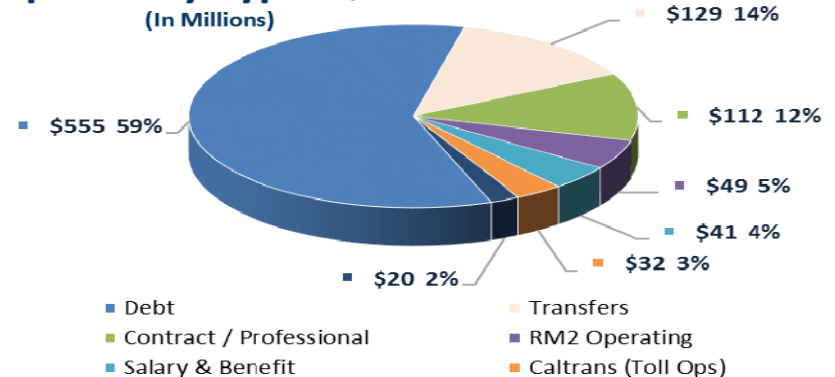
Revenue By Fund - \$938

(In Millions)



Expense By Type - \$938

(In Millions)



MTC

Estimated Budget Will Have Operating Deficit

- **Another good year on revenue side**

- Sales Tax up
- BATA transfers up
- Overhead (grant) reimbursement up
- Increased dependence on transfers (overhead)

- **Expenses related to ABAG Consolidation**

- Salary & Benefit + \$6.2 M
- MTC funding (\$3.9 M)
- Admin Services + \$1.8 M
- Contracts + \$ 2.0 M
- ABAG transfers –
 - Grants \$2.9 million
 - Overhead \$1.5 million
 - Member dues (net) \$782,000

- **Other absorbed expenses**

- OPEB costs for MARA employees
- PERS increases for normal costs
- Start up technology costs

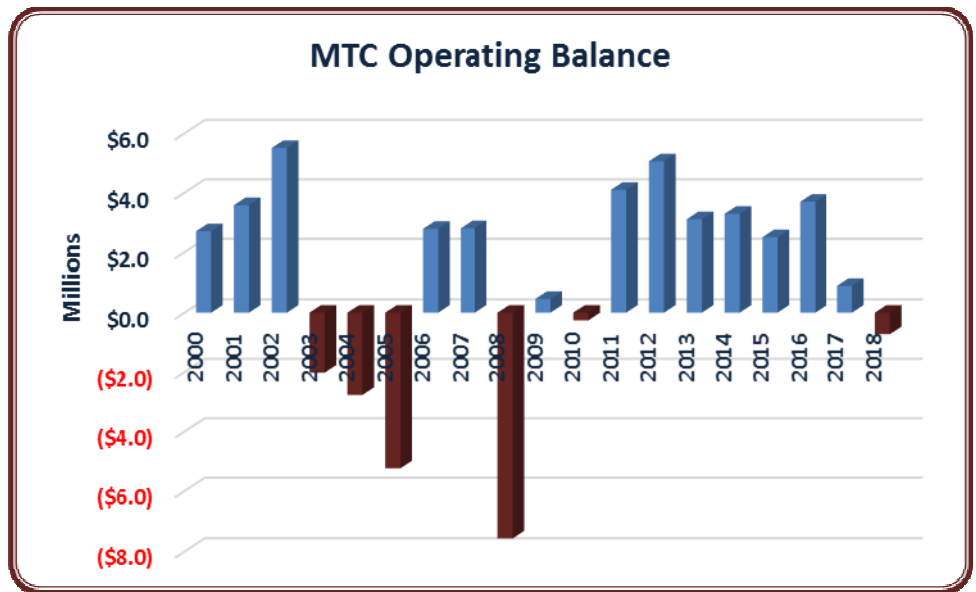
- **Other unanswered questions**

- Impact on PERS liability and costs
- Impact on OPEB liability
- Capacity of enterprises/grant programs to sustain costs

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Budget	Budget
Operating Revenue					
Sales Tax (TDA)	11,734,631	12,373,863	12,812,330	12,500,000	\$ 13,250,000
Federal Planning	9,190,974	10,803,679	9,841,225	13,396,270	11,352,749
Other Grants	2,554,209	3,567,852	6,135,367	3,415,412	4,122,792
Interest	14,890	7,151	84,482	20,000	30,000
Other	518,753	539,528	521,600	1,187,933	1,158,059
OH transfers (BATA)	6,938,340	7,247,839	7,470,382	7,297,531	7,494,251
Total General Revenue	30,951,797	34,539,912	36,865,386	37,817,146	\$ 37,407,851
Operating Costs					
Salaries and benefits	19,394,149	21,728,999	22,529,721	23,251,740	28,920,733
Operating contracts	10,710,143	12,625,562	14,667,810	19,740,531	16,022,340
Admin Services	2,497,946	1,627,451	2,005,665	2,838,624	4,371,600
Capital Outlay	496,115	179,984	638,584	2,004,500	2,504,807
Other	788,452	784,174	591,705	621,401	905,619
Project expenses	-	-	-	-	2,068,166
Total Operating Expense	33,886,805	36,946,170	40,433,485	48,456,796	\$ 54,793,265
Operating Balance	(2,935,008)	(2,406,258)	(3,568,099)	(10,639,650)	(17,385,414)
Transfers					
Transfers In	6,221,887	4,946,590	7,425,133	10,941,130	16,661,661
Transfers (Out)	-	(38,459)	(164,235)	-	-
Net Transfers In/(Out)	\$6,221,887	\$4,908,131	\$7,260,898	\$10,941,130	\$16,661,661
Year End Balance	\$3,286,879	\$2,501,873	\$3,692,799	\$301,480	(\$723,753)

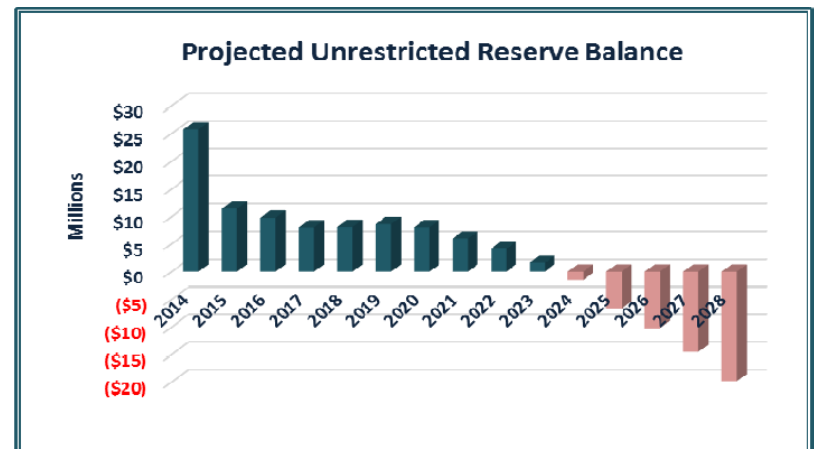
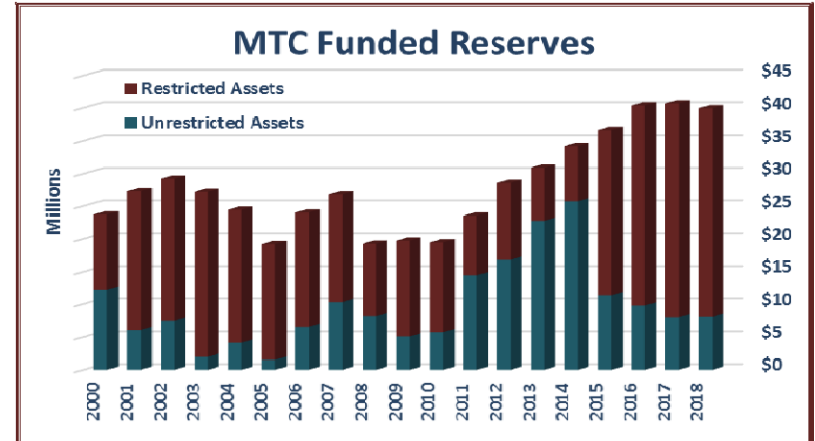
MTC

- MTC finances have recovered from the recession
- Future projections are clouded by
 - Continued economic expansion
 - Federal funding
 - PERS rate adjustments
 - ABAG consolidation
 - OPEB Adjustment for former MARA employees
 - Ability of enterprises and grants to support overhead
- Without Corrections the FY 2017/18 deficit will become structural



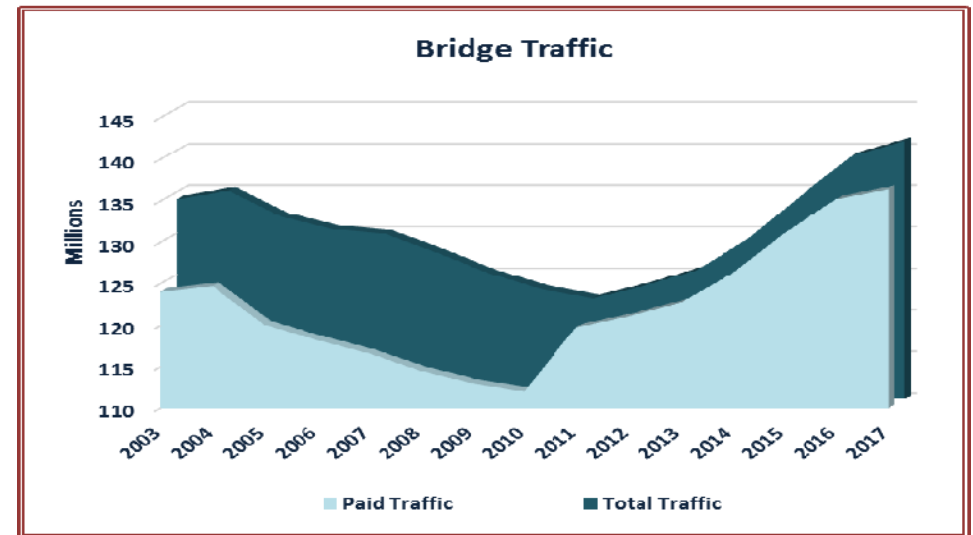
MTC Reserve Balances

- MTC reserve balance are critical to operations
 - Cash flow
 - Grant / project timing
 - Contingency against uncertainties
 - GASB 68 pension restrictions
 - PERS increases
- MTC has budget goal of 6 months operating reserve
- Addition of GASB 68 pension restriction severely reduces “unrestricted” balance
- Even assuming no growth in contract or project costs estimated retirement costs will have significant financial impact



BATA

- **BATA is coming off another good year**
 - Paid traffic is up
 - Overall revenue is up
 - \$1 billion reserves fully funded
- **BATA has recovered from 12% traffic drop from 2004 – 2010**
- **BATA has never had an operating deficit**



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Summary												
Revenue	271,805,725	331,135,151	524,759,090	607,820,112	525,704,419	508,370,303	699,648,703	726,275,694	744,178,927	778,136,292	798,261,568	831,453,065
Operating Expense	(54,371,890)	(64,208,706)	(76,658,284)	(74,394,299)	(73,230,578)	(77,703,003)	(82,869,313)	(82,372,382)	(92,765,984)	(107,181,738)	(107,506,716)	(88,144,437)
Debt Service Costs	(54,675,000)	(73,492,620)	(149,683,850)	(179,179,610)	(267,858,797)	(290,769,521)	(477,158,211)	(495,372,100)	(485,205,688)	(510,323,936)	(591,412,594)	(446,346,108)
Transfers	(33,058,527)	451,251,631	(50,784,865)	(53,904,028)	(53,894,108)	(53,778,754)	(48,841,021)	(48,061,688)	(49,625,692)	(48,026,525)	(49,015,474)	(48,105,816)
Ending Balance	129,700,308	644,685,456	247,632,091	300,342,175	130,720,936	86,119,025	90,780,158	100,469,523	116,581,563	112,604,092	50,326,784	248,856,704

BATA

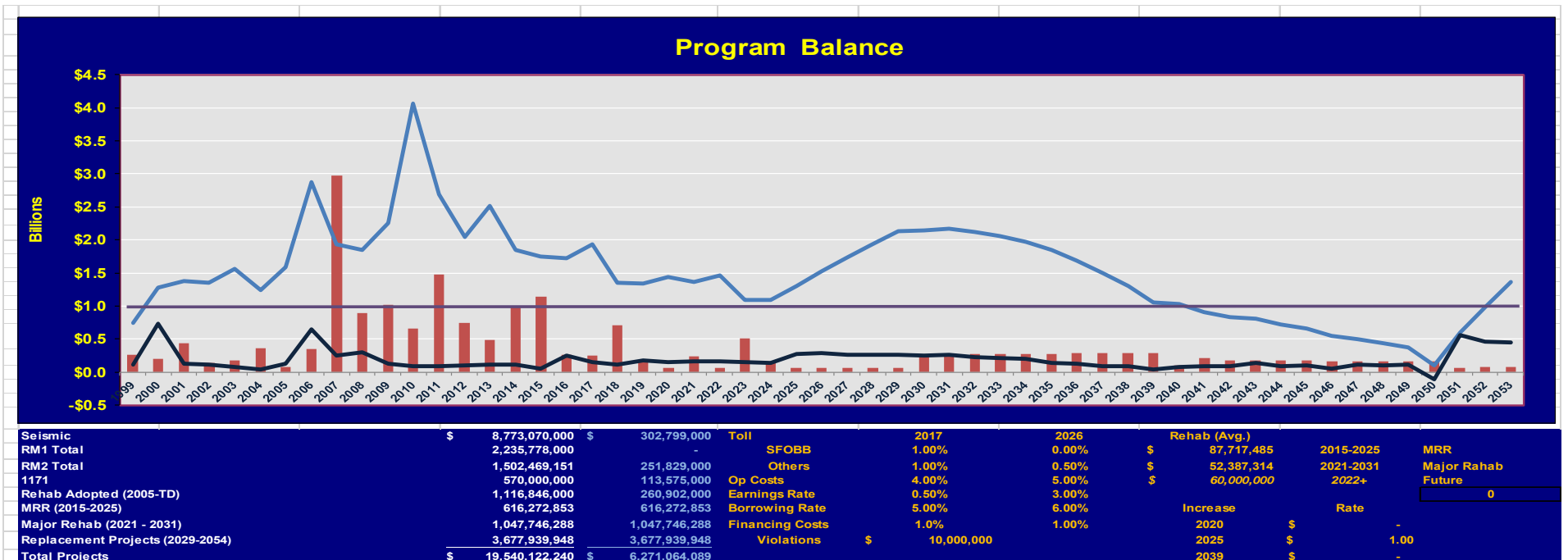
- **Operating costs remain balanced for FY 2017/18**
- **Revenue up slightly**
- **Expenses up nearly 6.0%**
 - Admin + \$10 million debt rollover costs
 - Debt service + \$24 million additional 2017 debt issuance
- **Provision for capital costs**
 - Rehab program \$65 million
 - Other projects \$49 million

	FY 2016/17 BUDGET	FY 2017/18 BUDGET	CHANGE	%
Revenue				
Tolls	\$709,352,538	\$727,425,100	\$18,072,562	2.5%
Violation	10,000,000	10,000,000	-	-
Interest	10,400,000	12,000,000	1,600,000	15.4%
Reimbursement	8,481,000	9,551,000	1,070,000	12.6%
Rebate	<u>71,355,353</u>	<u>71,278,791</u>	<u>(76,562)</u>	-1.0%
Total Revenue	\$809,588,891	\$830,254,891	\$20,666,000	2.6%
Expense*				
Caltrans	\$31,421,000	\$31,600,000	\$179,000	.60%
Fastrak	44,685,306	47,644,500	2,959,194	6.6%
Administration	22,562,671	33,136,970	10,547,299	46.6%
Transfers - MTC	18,790,159	17,187,635	(1,602,524)	-8.6%
Transfers – RM2	45,000,000	45,000,000	-	-
Debt Service	<u>516,410,069</u>	<u>540,542,163</u>	<u>24,132,094</u>	<u>4.7%</u>
Total Expense	\$678,869,205	\$715,111,268	\$36,242,063	5.3%
Transfer to Capital	\$130,719,686	\$115,143,623	(\$15,576,063)	-11.9%

*excluding depreciation

BATA

- BATA Long range projections remain solid
- Active projects over \$14 billion 94% funded
- BATA still has \$1.0 billion in active projects
- Paygo projects will exceed \$600 million next 10 years
- Operating costs fairly stable
- Electronic + cash collection stressing operating costs
- No operating or capital induced toll increase until 2025





SAFE

SAFE continues to operate with a balanced budget

- Revenue has been consistent
- Towing services increase with services and fuel
- Transfers include \$6.6 million transfer to SAFE Capital Program in 2015/16
- Added funding for capital reserve

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget
Operating Revenue	\$14,367,432	\$13,584,328	\$14,907,500	\$14,209,000
Operating Expense				
Salary & Benefit	796,413	894,821	996,758	762,701
FSP Towing	8,269,889	7,240,168	8,780,000	9,475,000
General Admin.	341,657	447,151	1,078,900	1,014,891
Contract Services	779,289	446,138	609,354	545,000
Transfer/Other	<u>1,884,097</u>	<u>8,772,686</u>	<u>1,319,700</u>	<u>1,502,000</u>
Total Operating Exp.	\$12,071,345	\$17,750,964	\$12,784,712	\$13,299,592
Operating Balance	\$2,296,087	\$4,166,636	\$2,122,788	\$909,408

BAHA Operations

- **FY 2017/18 first full operating year**
- **Lease revenue increases to \$8 million**
 - Only 1st floor corner space not developed
- **Contract services reflect**
 - Addition of security staff
 - Additional day porter staff
- **Net before depreciation up \$2.4 million**

	Budget 2016/17	Budget 2017/18	Change	%
Operating Revenue				
Assessment - SSO	\$1,456,146	\$1,655,699	\$199,553	14%
Common Area	3,018,838	3,627,775	608,937	20%
Lease	5,564,578	8,006,770	2,442,192	44%
Reimbursement	<u>153,207</u>	<u>301,063</u>	<u>147,856</u>	97%
Total Op Revenue	\$10,192,769	\$13,591,307	\$3,398,538	33%
Operating Expense				
Operating	\$3,444,939	\$3,794,772	\$349,833	10%
Contract Mgmt.	<u>5,249,417</u>	<u>5,901,341</u>	<u>651,924</u>	12%
Total Operating	\$8,694,356	\$9,696,113	\$1,001,757	12%
Net Before Dep.	\$1,498,413	\$3,895,194	\$2,396,781	160%



BAHA Capital – Building

- **Building Development**

- Budget is 99% complete
- Balance \$3 million completely encumbered

- **Commercial Development**

- Most TI work is done
- Budget 54% expended
- \$11.1 million paid
- \$9.4 million encumbered to be paid
- \$1.6 million remain for other improvements and marketing & 1st floor

	Budget LTD FY 2017-18		Budget LTD FY 2017-18
Building		Commercial	
Revenue	\$271,026,818	Revenue	\$22,139,154
Uses		Rutheford	\$1,235,930
Building Purchase	\$93,000,000	Xerox	110,975
Development	137,814,167	TJ Degenkolb	2,287,410
Contingency	18,824,538	Twilio	10,175,417
FF&E	15,000,000	ADA's Cafe	455,000
Staff & Other	<u>6,388,113</u>	BCDC	5,080,000
Total Uses	\$271,026,818	CUBIC	494,000
LTD Expenses	<u>(267,936,769)</u>	Other	<u>675,000</u>
		Total	\$20,513,732
Project Balance	\$3,090,049	Remaining	\$9,386,220





BAIFA - Operating

- **BAIFA's first year of Express Lane operation to begin in 2017 for I680**
- **Revenue projection \$8.5 million**
 - Toll revenue \$5.2 million
- **Expenses \$8.5 million**
 - Fastrak Operation Expense \$1.8 million
 - Operation and Maintenance \$3.8 million
 - Backhaul O&M \$1 million
 - Administration \$1.9 million
- **Operating expenses capitalized through capital project transfer**

	FY 2017/18 BUDGET
Revenue	
Tolls	\$5,200,000
Violation	500,000
Transfer in from Capital	<u>2,835,313</u>
Total Revenue	\$8,535,313
Expense	
Fastrak Operation	\$1,800,000
Operations and Maintenance	3,837,000
Backhaul Operations	1,029,000
Administration	<u>1,869,313</u>
Total Expense	\$8,535,313



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	17-2505	Version:	1	Name:	
Type:	Report	Status:		Informational	
File created:	4/5/2017	In control:		Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA	
On agenda:	5/10/2017	Final action:			
Title:	Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE) Draft FY 2017-18 Operating and Capital Budget				

An overview of the MTC SAFE Draft FY 2017-18 Operating and Capital Budget.

Sponsors:

Indexes:

Code sections:

Attachments: [4b FY18 Draft SAFE Budget.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE) Draft FY 2017-18 Operating and Capital Budget

An overview of the MTC SAFE Draft FY 2017-18 Operating and Capital Budget.

Presenter:

Brian Mayhew

Recommended Action:

Information



**METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS**

Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Operations Committee

DATE: May 3, 2017

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE Draft FY 2017-18 Operating and Capital Budget

The MTC SAFE draft budget for FY 2017-18 is currently balanced and includes an operating surplus of \$909 thousand mainly due to the reduction in staff cost (Attachment A). The budget also includes a transfer of \$300,000 from uncommitted reserves to fund capital projects.

Revenue

The overall revenue of \$14.2 million is approximately 4.7% below the budgeted MTC SAFE revenue for FY 2016-17 as shown in Table 1. The decrease of Surface Transportation Program (STP) revenue is partially offset by the increase in State Local Assistance Program (LAP).

Table 1

<u>Operating Revenue</u>	<u>FY 2014-15 Actual</u>	<u>FY 2015-16 Actual</u>	<u>FY 2016-17 Budget</u>	<u>FY 2017-18 Budget</u>
STP	\$3,591,700	\$1,787,795	\$4,500,000	\$3,000,000
DMV Revenue	6,414,208	6,582,736	6,200,000	6,400,000
Interest Income	982	6,188	7,500	9,000
LAP	4,257,828	4,863,908	3,800,000	4,500,000
State of California	96,776	36,554	100,000	100,000
Transfer in from BATA	0	300,000	300,000	200,000
Other	<u>5,938</u>	<u>7,647</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	<u>\$14,367,432</u>	<u>\$13,584,828</u>	<u>\$14,907,500</u>	<u>\$14,209,000</u>

Operating Expense

The draft operating budget shows an increase of \$815,000 in total operating expenses for FY 2017-18 (Table 2). The increase in expenditure is mainly the result of higher costs in FSP tow service.

Table 2

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget
Salaries/ Benefits/ Temps	\$796,413	\$894,821	\$996,758	\$762,701
Professional Fees	779,289	446,138	609,354	545,000
General Administration	341,657	447,151	1,078,900	1,014,891
Repairs and Maintenance	507,055	396,633	520,000	505,000
FSP Tow Expense	8,269,889	7,240,168	8,780,000	9,475,000
Transfer to MTC	964,890	1,204,196	435,700	550,000
Transfer to SAFE Capital	0	6,600,000	0	0
Other	412,152	521,857	364,000	447,000
Total Expense	<u>\$12,071,345</u>	<u>\$17,750,964</u>	<u>\$12,784,712</u>	<u>\$13,299,592</u>

Capital Program

There is additional funding for an existing project proposed in the MTC SAFE Capital Program for FY 2017-18 which will be funded by transferring \$300,000 from the MTC SAFE reserve.

Additional Funding for Existing Capital Programs:

FSP DATA-AVL (6306). The purpose of the \$300,000 transfer is to purchase and install data units that are capable of using 4G networking technology. Over the next few years as the 4G network is replacing the 3G network, our current units will become less reliable. Staff estimates that this project will cost \$250,000. The remaining \$50,000 will be spent on a pilot project to install devices that will utilize the data units to provide safety data to the FSP Partners (CHP, Caltrans and MTC) in hopes of improving driver performance and ultimately lowering insurance expenses.

Changing Program's Name for Existing Capital Programs:

Commuter Parking Initiative (6318) previously known as Connected Vehicles & Telematics. Connected Vehicles & Telematics was an addition to the existing capital programs in FY 2015-16 with the objective to complete the Phase One Connected Vehicle Pilot Deployment work. This program has not incurred any expense since introduction and will be replaced by the Commuter Parking Initiative Program. The replacement program will implement ridesharing measures including ride-matching, vanpool services, and commute trip planning services. The Program also includes implementation of parking management technologies to encourage carpool and express bus ridership. The Commuter Parking Initiative Program will inherit the \$2.5 million budget originally assigned to the Connected Vehicles & Telematics Program.

Operating Reserve

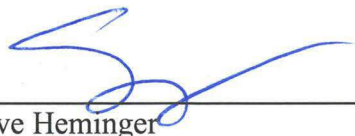
The current and projected operating reserve position is shown in the table below.

Description	FY 2015-16 <u>Actual</u>	FY 2016-17 <u>Budget</u>	FY 2017-18 <u>Budget</u>
Total Reserve for			
Encumbrances	\$500,000	\$500,000	\$500,000
Fixed Assets	990,045	1,000,000	1,000,000
Transfers to MTC	4,015,495	435,700	550,000
Operating Reserve	0	2,600,000	2,700,000
Transfer to SAFE Capital Projects	0	0	300,000
Net Pension Liability	<u>467,999</u>	<u>450,000</u>	<u>450,000</u>
Total Restricted	5,973,539	4,985,700	5,500,000
Unrestricted Balance	<u>2,975,848</u>	<u>6,086,475</u>	<u>6,481,583</u>
Total Reserves	\$8,949,387	\$11,072,175	\$11,981,583

The unrestricted balance is also used as operating cash flow to pay for expenses as the grants are on a reimbursement basis.

Note that the draft does not include any revenue increase for FSP from Senate Bill 1 (Beall). The budget will be revised once actual revenue change is known.

This FY 2017-18 draft budget is presented this month for information only. Staff will present the final proposed budget to the Operations Committee for referral to the Authority for approval in June.



Steve Heminger

SH:JM
Attachment

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2017-18 OPERATING AND CAPITAL BUDGET**

Date: May 3, 2017
SAFE: WE 6031, 6032

SAFE RESOLUTION NO. 63

ATTACHMENT A: TABLE OF CONTENTS

SAFE Operating Program	Page 2
SAFE Capital Program	Page 7

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2017-18 OPERATING AND CAPITAL BUDGET**

Revenue and Expense Summary

OPERATING REVENUE/EXPENSE	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
SAFE	\$6,507,500	\$6,609,000	1.6%
FSP	\$8,400,000	\$7,600,000	-9.5%
Subtotal Operating Revenue	\$14,907,500	\$14,209,000	-4.7%
SAFE	\$2,212,492	\$2,348,017	6.1%
FSP	\$10,136,520	\$10,401,575	2.6%
Subtotal Operating Expense	\$12,349,012	\$12,749,592	3.2%
Transfers Out	\$435,700	\$550,000	26.2%
Operating Surplus (Shortfall)	\$2,122,788	\$909,408	-57.2%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2017-18 OPERATING AND CAPITAL BUDGET**

REVENUE DETAIL			
OPERATING EXPENSE			
SAFE REVENUES	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
SAFE (Vehicle Registration Fees)	\$6,200,000	\$6,400,000	3.2%
BATA (Bridge CBX Operations)	\$300,000	\$200,000	-33.3%
Interest	\$7,500	\$9,000	20.0%
Subtotal: SAFE Revenues	\$6,507,500	\$6,609,000	1.6%
FSP REVENUES			
State Local Assistance Program (LAP)	\$3,800,000	\$4,500,000	18.4%
Grant (STP)	\$4,500,000	\$3,000,000	-33.3%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	\$8,400,000	\$7,600,000	-9.5%
Total Revenue	\$14,907,500	\$14,209,000	-4.7%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2017-18 OPERATING AND CAPITAL BUDGET**

EXPENSE DETAIL			
SAFE OPERATING EXPENSE			
I. Salaries and Benefits	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
Freeway Assist/SAFE Project	\$381,238	\$460,489	20.8%
FSP Project	\$615,520	\$302,212	-50.9%
II. General Operations			
Freeway Assist Project	\$861,254	\$887,528	3.1%
FSP Project	\$332,000	\$202,363	-39.0%
III. Consultant Services			
Freeway Assist Project	\$320,000	\$300,000	-6.3%
FSP Project	\$175,000	\$170,000	-2.9%
IV. Operating Contracts			
Freeway Assist Project	\$650,000	\$700,000	7.7%
FSP Project	\$9,014,000	\$9,727,000	7.9%
SAFE Operating Expense	\$2,212,492	\$2,348,017	6.1%
FSP Operating Expense	\$10,136,520	\$10,401,575	2.6%
TOTAL OPERATING EXPENSE	\$12,349,012	\$12,749,592	3.2%
TRANSFERS OUT			
MTC (1229, Regional Operations Center)	\$150,000	\$0	-100.0%
MTC (1223, TMS; 1235)	\$200,000	\$0	-100.0%
MTC (1161 Information Technology)	\$35,700	\$0	-100.0%
MTC (1237, Freeway Operations)	\$50,000	\$550,000	1000.0%
TOTAL OTHER PROJECTS/TRANSFERS OUT	\$435,700	\$550,000	26.2%
TOTAL EXPENSE	\$12,784,712	\$13,299,592	4.0%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2017-18 OPERATING AND CAPITAL BUDGET**

I. SALARIES AND BENEFITS EXPENSE

	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
SAFE Program			
Freeway Assist/SAFE Salaries and Benefits	\$381,238	\$460,489	20.8%
Freeway Assist Subtotal	\$381,238	\$460,489	20.8%
FREEWAY SERVICE PATROL			
FSP Salaries and Benefits	\$615,520	\$302,212	-50.9%
FSP Subtotal	\$615,520	\$302,212	-50.9%
Total Salaries and Benefits	\$996,758	\$762,701	-23.5%

II. GENERAL OPERATIONS EXPENSE

	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
FREEWAY ASSIST			
Office Operations (meals, postage, printing)	\$14,000	\$14,000	0.0%
Office depreciation	\$480,000	\$480,000	0.0%
Travel/Training	\$8,500	\$8,500	0.0%
SAFE overhead	\$166,000	\$210,828	27.0%
Data Security Improvements/HW Transition	\$0	\$19,000	100%
Legislative advocacy	\$17,900	\$19,200	7.3%
Professional Memberships	\$8,000	\$8,500	6.3%
Insurance	\$52,500	\$52,500	0.0%
Audit	\$114,354	\$75,000	-34.4%
Freeway Assist Subtotal	\$861,254	\$887,528	3.1%
FREEWAY SERVICE PATROL			
Office depreciation	\$3,000	\$3,000	0.0%
Travel/Training	\$8,500	\$8,500	0.0%
FSP Overhead	\$268,000	\$138,363	-48.4%
Insurance	\$52,500	\$52,500	0.0%
FSP Subtotal	\$332,000	\$202,363	-39.0%
Total General Operations	\$1,193,254	\$1,089,891	-8.7%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2017-18 OPERATING AND CAPITAL BUDGET**

III. PROJECT CONSULTANT SERVICES EXPENSE

	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
FREEWAY ASSIST			
Construction Services	\$20,000	\$20,000	0.0%
Call Box Inspections	\$20,000	\$20,000	0.0%
Private Dispatch consulting fees and back-up	\$20,000	\$10,000	-50.0%
Freeway Assist Marketing	\$175,000	\$200,000	14.3%
Consultant other	\$85,000	\$50,000	-41.2%
Freeway Assist Subtotal	\$320,000	\$300,000	-6.3%
FREEWAY SERVICE PATROL			
Information/Data Management	\$100,000	\$100,000	0.0%
PEMS FSP Module Upgrade	\$0	\$20,000	100%
Consultant other	\$75,000	\$50,000	-33.3%
FSP Subtotal	\$175,000	\$170,000	-2.9%
Total Consultant Expense	\$495,000	\$470,000	-5.1%

IV. PROJECT OPERATING CONTRACTS EXPENSE

	FY 2016-17 Budget	FY 2017-18 Budget	Percent Change
FREEWAY ASSIST			
CHP Administrative Services	\$20,000	\$20,000	0.0%
Telcommunication Services	\$65,000	\$45,000	-30.8%
Call Box Repairs/Maintenance/Vandalism	\$400,000	\$400,000	0.0%
Private Call Center	\$100,000	\$100,000	0.0%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Emergency Operations Training & Telecom	\$0	\$75,000	100.0%
Freeway Assist Operations	\$15,000	\$10,000	-33.3%
Freeway Assist Subtotal	\$650,000	\$700,000	7.7%
FREEWAY SERVICE PATROL			
FSP Tow Service	\$8,700,000	\$9,400,000	8.0%
CHP Funding Agreement	\$30,000	\$25,000	-16.7%
In-vehicle Maintenance	\$110,000	\$85,000	-22.7%
Telecommunication Services	\$89,000	\$107,000	20.2%
Equipment Replacement (hardware & warranties)	\$15,000	\$20,000	33.3%
System Improvement (software & website)	\$10,000	\$20,000	100.0%
FSP General Operations	\$60,000	\$70,000	16.7%
FSP Subtotal	\$9,014,000	\$9,727,000	7.9%
Total Operating Contracts Expense	\$9,664,000	\$10,427,000	7.9%

SAFE CAPITAL PROGRAM

Fiscal Year 2017-18 - SAFE RES 63

Life to Date through FY 2016-17			FY 2017-18 SAFE RES 63		Life to Date through FY 2017-18	
Program	Fund	Budget	Fund	Budget	Fund	Budget
6301 Bridge Call Boxes						
	BATA	\$3,711,000			BATA	\$3,711,000
	SAFE	60,000			SAFE	60,000
		3,771,000				3,771,000
6303 Bay Area Camera Upgrade						
	CMAQ	6,724,650			CMAQ	6,724,650
	SAFE	2,669,933			SAFE	2,669,933
	STP	70,000			STP	70,000
		9,464,583				9,464,583
6306 FSP Data-AVL						
	SAFE	400,000			SAFE	400,000
	SAFE	1,370,000	SAFE	\$300,000	SAFE	1,670,000
	STP	1,572,000			STP	1,572,000
		3,342,000				3,642,000
6314 CBX Site Improvement						
	SAFE	1,650,000			SAFE	1,650,000
		1,650,000				1,650,000
6318 Connected Vehicles & Telematics						
6318 Commuter Parking Initiative						
	SAFE	2,500,000			SAFE	2,500,000
		2,500,000				2,500,000
6319 Active Operations Management Program						
	SAFE	3,200,000			SAFE	3,200,000
		3,200,000				3,200,000
Total		\$23,927,583		\$300,000		\$24,227,583
SAFE Capital Funds (+/-)				\$300,000		
SAFE Funds from Operating Reserve				(\$300,000)		



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	17-2506	Version:	1	Name:	
Type:	Report	Status:		Informational	
File created:	4/5/2017	In control:		Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA	
On agenda:	5/10/2017	Final action:			
Title:	Draft FY 2017-18 Toll Bridge Program Operating and Capital Budget				

An overview of the draft FY 2017-18 BATA Toll Bridge Program Operating and Capital Budgets.

Sponsors:

Indexes:

Code sections:

Attachments: [4c_FY18_Draft_BATA_Budget.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Draft FY 2017-18 Toll Bridge Program Operating and Capital Budget

An overview of the draft FY 2017-18 BATA Toll Bridge Program Operating and Capital Budgets.

Presenter:

Brian Mayhew

Recommended Action:

Information



BAY AREA TOLL AUTHORITY
 Bay Area Metro Center
 375 Beale Street
 San Francisco, CA 94105
 TEL 415.778.6700
 WEB www.mtc.ca.gov

Memorandum

TO: Bay Area Toll Authority

DATE: May 3, 2017

FR: Executive Director

W. I. 1251/1256

RE: Draft FY 2017-18 Toll Bridge Program Operating and Capital Budget

Below is an overview of the draft FY 2017-18 BATA Toll Bridge Operating and Capital Budgets. The FY 2017-18 budgets will be presented to the BATA Oversight Committee for referral to the full Authority for approval in June.

FY 2016-17 Operating Update

Total paid toll traffic for the first nine months year to date of FY 2016-17 is up slightly over the same period in FY 2015-16. The increase is across all seven bridges but the growth rate has slowed considerably from the previous year (Table 1).

Table 1

Toll Traffic – Comparison of 9 Months of FY 2015-16 and FY 2016-17

	FY 2015-16	FY 2016-17	Percent Change
Full Fare Toll Paying Vehicles	95,086,860	95,729,642	0.7%
Reduced Fare Carpool Vehicles	5,519,886	5,862,096	6.2%
Total Vehicles	100,606,746	101,591,738	1.0%

Table 2

Toll Revenues – Comparison of 9 Months of FY 2015-16 and FY 2016-17

	FY 2015-16	FY 2016-17	Percent Change
Full Fare Toll Paying Vehicles	\$519,376,020	\$522,932,365	0.7%
Reduced Fare Carpool Vehicles	\$13,799,715	\$14,655,240	6.2%
Total Revenue	\$533,175,735	\$537,587,605	0.8%

As a result of the slight traffic increase, toll revenue through the third quarter of FY 2016-17 is approximately \$4 million or 0.8% above FY 2015-16 (Table 2).

FY 2017-18 Draft Operating Budget

The FY 2017-18 draft budget continues to reflect the strong regional economy. Both operating revenue and expense are expected to increase in FY 2017-18. Besides toll revenue, interest earnings and reimbursement revenue are also seeing increases in the coming year. The surge in operating expense is mainly the result of new bond issuances in FY 2017-18. Overall BATA is expected to make another strong contribution of over \$107 million to its current capital program, with \$60 million designated to the Toll Bridge Rehabilitation Program. The draft FY 2017-18 operating budget is shown in Attachment A.

General Toll Revenue - \$727 million

Staff is estimating total toll revenue of \$727 million for FY 2017-18, about 2.5% higher than the FY 2016-17 budget. Even excluding the HOV-based increase in 2010, this will be the eighth consecutive year that two-axle vehicle revenue has increased.

Other Revenues - \$103 million

Reimbursement revenue - Staff is anticipating a 13% increase in reimbursement revenue, about \$1.1 million. All agencies clearing transactions through the FasTrak® Regional Customer Service Center reimburse BATA for their FasTrak® collection costs. With the increasing user volume on I-580 express lanes, ACTC reimbursement is expected to increase significantly in FY 2017-18.

Rebate for Build America Bonds (BABs) - We continue to expect the Treasury Department to make its required BABs payment. The total interest subsidy payment from the federal government will be \$71 million but still reflects a reduction due to budget sequestration.

Operating Expense

Total cost for Toll Bridge operations is proposed to be \$723 million for FY 2017-18, up 6% from FY 2016-17. Highlights of the FY 2017-18 budget include:

Toll bridge operations and maintenance expense - \$79.2 million

Caltrans Toll Collection & Operations Services - \$23.6 million

- Caltrans toll collections and operations costs are projected to increase by 4% from last year. The increase reflects salary increases for Caltrans' employees.

Electronic Toll Collection - \$47.6 million

- Staff is proposing a total budget of \$24.7 million for the operation of the FasTrak® Regional Customer Service Center (RCSC), a 6% increase from FY 2016-17. The operations on I-580 express lane and first full year of BAIFA's new I-680 express lanes are the leading factors for this increase.
- Staff is proposing a total budget of \$13.9 million for banking/credit card fees, the same as FY 2016-17. This assumes no change in interbank charges.

- Staff is proposing a total budget of \$3.7 million for collection contract/DMV expenses, a 54% increase from FY 2016-17. The surge is caused by increased user volume on all seven toll bridges, and the express lanes operation.

Toll Bridge Administration - \$31.2 million

Overall bridge administration costs will increase by \$11 million or approximately 55%. The increase is due to financing and issuance costs for the new money bond in FY 2017-18.

Transfers to MTC - \$19.4 million

This portion of the operating budget maintains BATA's support for existing programs, transfers, and reserves throughout the agency. BATA transfers \$7.5 million, 1% of gross revenue, to MTC for general administrative support. The administrative support transfer will increase 3% consistent with the expected traffic growth. The Transbay Terminal receives maintenance support of \$4.9 million which includes the 3.5% annual increase required by statute. The balance in Regional Measure 2 (RM2) marketing expense includes \$2.8 million for Clipper® promotion and outreach, and \$950,000 for other RM2 transit projects.

Debt Service - \$541 million

Debt service will increase by \$24 million or approximately 5%. Higher variable interest rates and new interest payment for the FY 2016-17 issuance increase interest payment by \$23.2 million. The budget also includes \$56 million for principal payments.

FY 2017-18 Capital Budget

Express Lanes

The draft FY 2017-18 BATA express lanes capital budget remains at \$342 million. Through agreement with MTC, the Bay Area Infrastructure Financing Authority (BAIFA) is responsible for the development, construction and operation of the planned 270 mile express lane program. BAIFA has approved a detailed expenditure plan for the implementation of projects that convert high occupancy vehicle lanes to express lanes on I-680 in Contra Costa County and I-880 in Alameda County, start-up funding for operations of those lanes, and project development for new lanes for I-80 in Solano County.

The entire \$342 million in the express lanes Capital Budget is already incorporated into the BATA financial model. This includes a transfer of \$2.8 million to the BAIFA operating budget to assist in funding its first year of express lanes operation in FY 2017-18.

Toll Bridge Seismic Retrofit Program

The Toll Bridge Seismic Retrofit Program will continue to draw on program contingency to complete the San Francisco-Oakland Bay Bridge East Span Replacement project. With acceleration of the pier demolition, work is expected to be completed by the end of this year. Staff will return with a budget update after the Toll Bridge Program Oversight Committee meeting on May 9, 2017.

Toll Bridge Rehabilitation Program

The BATA Toll Bridge Rehabilitation Program is financially constrained to \$60 million per year. The program focuses on bridge related projects with a goal of maintaining the safe and efficient operation of the bridges and its facilities. BATA and Caltrans staff are currently in discussions over the program detail and will present a final program of projects to the Committee for allocation in June.

Reserve Designations

The Authority's approval of the FY 2013-14 Plan of Finance (BATA Resolution No. 110) approved November 20, 2013, designated BATA's reserve status to help BATA maintain operations through various emergency scenarios without the need for toll increases. The reserve designations are as follows:

	<u>Funding (\$million)</u>
Project/self insurance reserve (SIR)	\$ 580
Two years rehabilitation funding	120
Two years operations & maintenance	150
Emergency reserve (Co-op)	50
Variable rate risk reserve	<u>100</u>
Total	\$1,000

BATA continues to maintain full funding of all designated reserves.

Recommendation

This draft budget is presented for the Committee's information. Staff will present the final budget to the BATA Oversight Committee for referral to the Authority for approval in June.



Steve Heminger

SH:bm
Attachment



ATTACHMENT A BAY AREA TOLL AUTHORITY OPERATING BUDGET FY 2017-18

BATA Resolution No. 122
Date: May 3, 2017
W.I.: 1251 - 1256
Referred by: BATA Oversight Committee

OPERATING REVENUE-EXPENSE SUMMARY

	APPROVED BUDGET FY 2016-17	DRAFT BUDGET FY 2017-18	Change % Inc./Dec)	Change \$ Inc./Dec)	
General Toll Revenue	\$709,352,538	\$727,425,100	2.5%	\$18,072,562	L1
Violation Revenue	10,000,000	10,000,000	0.0%	\$0	L2
Interest Revenue	10,400,000	12,000,000	15.4%	1,600,000	L3
Reimbursement Revenue	8,481,000	9,551,000	12.6%	1,070,000	L4
Rebate for Build America Bonds	71,355,353	71,278,791	-0.1%	(76,562)	L5
Total Operating Revenue	\$809,588,891	\$830,254,891	2.6%	\$20,666,000	
Total Operating Expense	\$684,019,205	\$723,621,268	5.8%	\$39,602,063	
Operating Surplus	\$125,569,686	\$106,633,623	-15.1%	(\$18,936,063)	
Transfer to Reserves	\$125,569,686	\$106,633,623			
Total Operating Surplus (Shortfall)	\$0	\$0		\$0	

REVENUE DETAIL

BUDGET FY 2017-18

	APPROVED BUDGET FY 2016-17	DRAFT BUDGET FY 2017-18	Change % Inc./Dec)	Change \$ Inc./Dec)
General Toll Revenue (subtotal)	\$709,352,538	\$727,425,100	2.5%	\$18,072,562
RM 1 & Seismic Toll Revenues	\$583,001,487	\$597,732,225	2.5%	\$14,730,738
RM 2 Toll Revenues	126,351,051	129,692,875	2.6%	3,341,824
Violation Revenue (subtotal)	\$10,000,000	\$10,000,000	0.0%	\$0
Other Revenue (Violations)	\$10,000,000	\$10,000,000	0.0%	\$0
Interest Revenue (subtotal)	\$10,400,000	\$12,000,000	15.4%	\$1,600,000
RM1 Interest Earnings	\$8,320,000	\$9,600,000	15.4%	\$1,280,000
RM2 Interest Earnings	2,080,000	2,400,000	15.4%	320,000
Reimbursement Revenue (subtotal)	\$8,481,000	\$9,551,000	12.6%	\$1,070,000
GGBHTD Fastrak Reimbursement	\$6,733,000	\$6,733,000	0.0%	\$0
ACTC Reimbursement	1,150,000	2,220,000	93.0%	1,070,000
VTA 237 Express Lane Reimbursement	135,000	135,000	0.0%	0
SFO Airport Reimbursement	463,000	463,000	0.0%	0
Rebate for Build America Bonds (subtotal)	\$71,355,353	\$71,278,791	-0.1%	(\$76,562)
Rebate for Build America Bonds	\$71,355,353	\$71,278,791	-0.1%	(\$76,562)
Total Current Year Revenue	\$809,588,891	\$830,254,891	2.6%	\$20,666,000

EXPENSE DETAIL

BUDGET FY 2017-18

	APPROVED BUDGET FY 2016-17	DRAFT BUDGET FY 2017-18	Change % Inc./(Dec)	Change \$ Inc./(Dec)	
Operating Expense					
Caltrans Operations and Maintenance (Subtotal)	\$31,421,000	\$31,600,000	0.6%	\$179,000	
Toll Collection & Operations Services	\$22,700,000	\$23,600,000	4.0%	\$900,000	L6
Toll Bridge & Facility Maintenance (Category A&B)	8,400,000	8,000,000	-4.8%	(400,000)	L7
Caltrans Coordination	321,000	0	-100.0%	(321,000)	L8
Fastrak Operations and Maintenance (Subtotal)	\$44,685,306	\$47,644,500	6.6%	\$2,959,194	
RCSC Operations	\$23,400,000	\$24,700,000	5.6%	\$1,300,000	L9
Banking/Credit Card Fees	13,900,000	13,900,000	0.0%	0	L10
ATCAS Facility and In-lane Maintenance	3,417,306	3,700,000	8.3%	282,694	L11
ATCAS Hardware/Software Maintenance	1,568,000	1,644,500	4.9%	76,500	L12
Collections Contract/DMV Expenses	2,400,000	3,700,000	54.2%	1,300,000	L13
Toll Bridge Operations and Maintenance Total	\$76,106,306	\$79,244,500	4.1%	\$3,138,194	
Toll Bridge Administration (Subtotal)	\$20,197,671	\$31,221,970	54.6%	\$11,024,299	
Salaries and Benefits	\$9,615,949	\$10,145,279	5.5%	\$529,330	L14
Temporary Assistance	45,649	77,078	68.8%	31,429	L15
Travel&Training/Printing/Memberships	412,459	406,913	-1.3%	(5,546)	L16
Other	95,000	105,000	10.5%	10,000	L17
Financing Costs	3,631,600	14,512,500	299.6%	10,880,900	L18
Audit/Accounting/Other	3,427,014	2,725,200	-20.5%	(701,814)	L19
Beale St Assessment	1,750,000	2,000,000	14.3%	250,000	L20
Business Insurance	600,000	600,000	0.0%	0	L21
Misc. Toll Administration Operating Expenses	500,000	550,000	10.0%	50,000	L22
CTC TBPOC Oversight Committee Reimbursement	120,000	100,000	-16.7%	(20,000)	L23
Consultant Contract/Other (Subtotal)	\$2,365,000	\$2,065,000	-12.7%	(\$300,000)	
ETC Marketing	\$850,000	\$900,000	5.9%	\$50,000	L24
Toll Plaza Traffic Operations Analysis	150,000	150,000	0.0%	0	L25
RM2 Project Monitoring - Capital & Ops. Program	365,000	265,000	-27.4%	(100,000)	L26
BATA Contract Contingency	500,000	250,000	-50.0%	(250,000)	L27
RM2 Contract Contingency	500,000	500,000	0.0%	0	L28
Transfers to MTC (Subtotal)	\$18,740,159	\$19,387,635	3.5%	\$647,476	
1% Administration	\$7,297,525	\$7,494,251	2.7%	\$196,726	L29
Transfer to MTC	273,550	597,300	118.4%	323,750	L30
RM2 Marketing	3,750,000	3,750,000	0.0%	0	L31
Transfer to Legal Reserve	2,387,216	2,450,000	2.6%	62,784	L32
Disaster Preparedness	40,000	40,000	0.0%	0	L33
Transbay Transit Terminal Maintenance	4,691,868	4,856,084	3.5%	164,216	L34
Transfer to SAFE	300,000	200,000	-33.3%	(100,000)	L35
Debt Service	\$516,410,069	\$540,542,163	4.7%	\$24,132,094	L36
RM2 Transit Operating	\$45,000,000	\$45,000,000	0.0%	\$0	L37
Furniture/Equipment	\$50,000	\$50,000	0.0%	\$0	L38
Provision for Depreciation/Amortization	\$5,150,000	\$6,110,000	18.6%	\$960,000	L39
Total Operating Expense	\$684,019,205	\$723,621,268	5.8%	\$39,602,063	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2507 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 4/5/2017 **In control:** Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA

On agenda: 5/10/2017 **Final action:**

Title: Bay Area Headquarters Authority (BAHA) Draft FY 2017-18 Capital and Operating Budgets

An overview of the draft FY 2017-18 BAHA Capital and Operating Budgets.

Sponsors:

Indexes:

Code sections:

Attachments: [4d_FY18_Draft_BAHA_Budget.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Bay Area Headquarters Authority (BAHA) Draft FY 2017-18 Capital and Operating Budgets

An overview of the draft FY 2017-18 BAHA Capital and Operating Budgets.

Presenter:

Brian Mayhew

Recommended Action:

Information



BAY AREA HEADQUARTERS AUTHORITY

Regional Agency Headquarters
375 Beale Street, San Francisco, CA 94105

TEL 415.543.BAHA (2242)

EMAIL info@mtc.ca.gov

WEB www.mtc.ca.gov

TO: Bay Area Headquarters Authority (BAHA)

DATE: May 3, 2017

FR: Executive Director

RE: BAHA Draft FY 2017-18 Capital and Operating Budgets

Below is an overview of the draft FY 2017-18 BAHA Capital and Operating Budgets. The FY 2017-18 budgets will be presented to the Authority for approval in June.

The FY 2017-18 budget assumes the same tenants from this fiscal year, a continuing vacancy for the larger retail space on the first floor, and new tenancies for Cubic on the third floor and BCDC on the fifth floor.

Operating Budget

- The budget forecasts BAHA's operating income of \$13.6 million, operating expenses of \$9.7 million, and an operating surplus of \$3.9 million before depreciation of \$6 million.

Revenue:

- The overall revenue budget increased by \$3.4 million as shown in Attachment A, page 1.
- The increase in lease income compared to the prior year of \$2.4 million is due to a full year's rent from Twilio, and Degenkolb Engineers, whereas the prior year's budget had Twilio for 8 months and Degenkolb Engineers for 5 months.
- Once the BCDC and Cubic leases are finalized, the lease revenue will be amended into the budget.
- Assessment fee – shared services. BAHA, ABAG and the Air District will contribute their proportional share of the building common area and shared services fees as detailed in Attachment A, page 3. These proposed amounts have yet to be formally approved by each agency. The amount increased by \$200,000 from the prior year mainly due to new IT service contracts as the original warranties were for a year and will expire.
- Assessment fee – common area. BAHA, ABAG and the Air District will contribute their proportional share of the building common area as detailed in Attachment A, page 3. These proposed amounts have yet to be formally approved by each agency. The amount increased by \$600,000 from the prior year. This is mainly attributable to (1) higher wages for security, (2) repairs and maintenance included an additional journeyman and a 3% increase in the building engineering contract, and (3) an increase in cleaning costs for the building due to higher occupancy.
- Parking services will be provided for agency pool cars, commercial tenants, and limited visitor parking. The budget will not include parking income until the parking pay equipment is installed in 2018.

Expense:

- The overall expense budget before depreciation increased from \$8.7 million to \$9.7 million as shown on Attachment A, page 1.
- Salaries, benefits, and associated overhead decreased by \$635,000. The PYs decreased as the construction and move in of the offices occurred in FY2015-16.
- As property manager, Cushman & Wakefield will receive approximately \$6.6 million for all building operations, including administration for HVAC, janitorial, security, landscaping, window washing and parking garage operations. This is higher by \$1.4 million from the prior year due to additional building engineers, an additional day porter, and higher salaries for security.
- IT services increased by \$317,000 mainly due to IT new service contracts as the warranties were for a year and will expire.
- Depreciation expense increased \$6 million due to the amortization of the tenant improvements of \$1.4 million annually over the life of the lease, an average of 7 years. BAHA's depreciation on the building and leasehold improvements is \$4.6 million.

Capital Budget

- The total capital budget (Attachment A, page 4), remains unchanged at \$271 million. The capital budget is summarized as follows:

<u>Sources</u>	<u>\$ millions</u>
BATA toll contribution	\$193.3
SPANs debt savings	33.0
Purchase from Air District	34.0
Insurance proceeds	0.3
Tenant improvements from ABAG	1.6
BATA/MTC/SAFE transfers	7.8
TFCA grant and local match	0.4
Reimbursement Air District/PG&E	0.6
Life-to-date project budget	\$271.0
<u>Uses</u>	
Building Purchase	\$93.0
Building Development	171.8
Staff Costs	5.2
Capital Equipment	1.0
Life-to-date uses	\$271.0
Life-to-date expense	\$267.9
Project Balance	\$3.1

- Project expenditures, including contracts currently encumbered, total \$271 million. The remaining balance of \$3.1 million is committed to completing the outstanding open construction items and replacement of a backup generator. There is one half of a staff person in the capital budget to monitor the tenant improvements and leases and outstanding construction items. Further information is included in Attachment A, page 4.
- The FY 2016-17 BAHA Commercial Development Fund (Attachment A, page 5) accounts for the tenant improvement allowances, leasing agent commission obligations and marketing expenses associated with leases. The total budgeted expense in this area is \$20.5 million. To date as of March 2017, \$11.1 million has been expended. Most of the remaining budget balance of \$9.4 million is for the improvements for BCDC and Cubic for \$5.5 million and the final payment for tenant improvement reimbursement requests for Twilio and Degenkolb Engineers for \$3.1 million. We expect BCDC and Cubic to move in the FY 2017-18 year.

Recommendation:

This draft budget is presented for the Authority's information. Staff will present the final budget to the Authority for approval in June of this year.



Steve Heminger

SH:bm
Attachment

BAHA Building and Commercial Operations Budget FY2017-18

	Adopted Budget FY2016-17	Draft Budget FY2017-18	Percent Change	Change in \$ inc (dec)
Revenue:				
Assessment fee - shared services	\$ 1,456,146	\$ 1,655,699	13.7%	\$ 199,553
Assessment fee - common area	3,018,838	3,627,775	20.2%	608,937
Lease income	5,564,578	8,006,770	43.9%	2,442,192
Expense reimbursements	95,607	241,063	152.1%	145,456
Utility reimbursements	57,600	60,000	4.2%	2,400
Total operating income	10,192,769	13,591,307	33.3%	3,398,538
Operating expenses:				
Salaries and Benefits	1,686,365	1,215,096	-27.9%	(471,269)
Overhead	720,530	556,315	-22.8%	(164,215)
Postage meter and Comcast/Direct TV	12,000	12,000	0.0%	-
Supplies	256,000	256,000	0.0%	-
Other expenses	24,044	727,388	2925.2%	703,344
Contractual services	5,249,417	5,901,341	12.4%	651,924
Shuttle services	50,000	-	-100.0%	(50,000)
IT licenses, maintenance	311,000	627,977	101.9%	316,977
Audit/tax prep	60,000	60,000	0.0%	-
Contingency	275,000	275,000	0.0%	-
Insurance	50,000	10,000	-80.0%	(40,000)
Catering	-	5,000	100.0%	5,000
Special Event Setups	-	50,000	100.0%	50,000
Total expense before depreciation	8,694,356	9,696,116	11.5%	1,001,760
Operating surplus before depreciation	1,498,413	3,895,191	160.0%	2,396,778
Depreciation	-	6,060,590	100.0%	6,060,590
Total operating gain (loss)	\$ 1,498,413	\$ (2,165,399)	-244.5%	\$ (3,663,812)

BAHA Building and Commercial Operations Budget FY2017-18

	Building and Commercial Operations- CW	Condo and Shared Services	BAHA Operating	Total BAHA Operating
Revenue:				
Assessment fee - shared services	\$ -	\$ 1,655,699	\$ -	\$ 1,655,699
Assessment fee - common area	-	3,627,775	-	3,627,775
Lease income	8,006,770	-	-	8,006,770
Expense reimbursements	120,063	-	121,000	241,063
Utility reimbursements	60,000	-	-	60,000
Total operating income	8,186,833	5,283,474	121,000	13,591,307
Operating expenses:				
Salaries and Benefits	-	576,692	638,404	1,215,096
Overhead	-	264,030	292,284	556,315
Postage meter and Comcast/Direct TV	-	12,000	-	12,000
Supplies	-	256,000	-	256,000
Other expenses	727,388	-	-	727,388
Contractual services	2,048,566	3,627,775	225,000	5,901,341
IT licenses, maintenance	-	456,977	171,000	627,977
Audit/tax prep	-	-	60,000	60,000
Contingency	-	25,000	250,000	275,000
Insurance	-	10,000	-	10,000
Catering	-	5,000	-	5,000
Special Event Setups	-	50,000	-	50,000
Total expense before depreciation	2,775,954	5,283,474	1,636,688	9,696,116
Operating surplus before depreciation	5,410,879	-	(1,515,688)	3,895,191
Depreciation	1,460,590	-	4,600,000	6,060,590
Total operating gain (loss)	\$ 3,950,289	\$ -	\$ (6,115,688)	\$ (2,165,399)

Distribution of Condo Area FeesFY 2017-18

	Common Area	Shared Services	Total
BAAQMD	\$ 1,437,994	\$ 656,294	\$ 2,094,288
ABAG	174,567	150,433	325,000
MTC	2,015,214	848,972	2,864,186
Total	<u>\$ 3,627,775</u>	<u>\$ 1,655,699</u>	<u>\$ 5,283,474</u>

FY 2016-17

BAAQMD	\$ 1,237,723	\$ 604,220	\$ 1,841,943
ABAG	203,909	110,091	314,000
MTC	1,577,206	741,835	2,319,041
Total	<u>\$ 3,018,838</u>	<u>\$ 1,456,146</u>	<u>\$ 4,474,984</u>

BAHA Capital Budget FY 2017-18	LTD Budget Thru FY2016-17	Total Budget FY2017-18	Total LTD BUDGET Thru FY2017-18
Sources			
Insurance proceeds	\$ 311,738	\$ -	\$ 311,738
Transfer in from MTC	801,160	-	801,160
Transfer in from SAFE	112,910	-	112,910
Transfer in from BATA	6,906,010	-	6,906,010
Purchase from ABAG	1,600,000	-	1,600,000
Purchase from Air District	34,000,000	-	34,000,000
Reimbursement from Air District	500,000	-	500,000
Reimbursement from PG&E	64,154	-	64,154
TFCA Grant	151,000	-	151,000
Grant Local Match from MTC/BATA	119,000	-	119,000
Grant Local Match from Air District	150,000	-	150,000
SPANs savings	33,000,000	-	33,000,000
Capital Contribution (BATA)	193,310,846	-	193,310,846
Total Transfer In	271,026,818	-	271,026,818
Uses			
Purchase Building	\$ 93,000,000	\$ -	\$ 93,000,000
Building Development	137,973,343	(159,176)	137,814,167
Development Contingency	18,824,538	-	18,824,538
Furniture, Fixtures, Equipment	15,000,000	-	15,000,000
Backup Generator and 12V Feed	1,000,000	-	1,000,000
Staff Costs	5,228,937	159,176	5,388,113
Total Usage	271,026,818	-	271,026,818
LTD Actual and Encumbrances as of March 2017			267,936,769
Remining Balance			\$ 3,090,049

BAHA Commercial Development Fund Life To Date FY 2017-18						
Program #	Budget	Tenant Improvements	Commissions	Total	LTD Expense - 3/31/2017	Budget Balance
	Sales Proceeds			\$ 22,139,154		
9135	T.I. Rutherford and Chekene	\$ 1,112,749	\$ 123,181	\$ 1,235,930	\$ 1,235,930	\$ -
9136	Conduent (Xerox)	-	110,975	110,975	110,975	-
9137	T.I. Degenkolb	1,834,670	452,740	2,287,410	1,712,001	575,409
9138	T.I. Twilio	8,338,957	1,836,460	10,175,417	7,665,371	2,510,046
9139	Construction contingency TIs	525,000	-	525,000	-	525,000
9139	Engineering/Architectural	150,000	-	150,000	-	150,000
9140	T.I. Ada's Café	455,000	-	455,000	403,235	51,765
9141	BCDC	5,000,000	80,000	5,080,000	-	5,080,000
9142	Cubic	450,000	44,000	494,000	-	494,000
	Total Tenant Improvements	\$ 17,866,376	\$ 2,647,356	\$ 20,513,732	\$ 11,127,512	\$ 9,386,220
	Marketing			\$ 83,500	\$ 17,065	\$ 66,435
	Building Improvements			\$ 890,000		
	Net			651,922		



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	17-2508	Version:	1	Name:	
Type:	Report	Status:		Informational	
File created:	4/5/2017	In control:		Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA	
On agenda:	5/10/2017	Final action:			
Title:	Bay Area Infrastructure Financing Authority (BAIFA) Draft FY 2017-18 Operating Budgets				
	An overview of the draft FY 2017-18 BAIFA Operating Budgets.				

Sponsors:

Indexes:

Code sections:

Attachments: [4e_FY18_Draft_BAIFA_Budget.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Bay Area Infrastructure Financing Authority (BAIFA) Draft FY 2017-18 Operating Budgets

An overview of the draft FY 2017-18 BAIFA Operating Budgets.

Presenter:

Brian Mayhew

Recommended Action:

Information



Bay Area Infrastructure Financing Authority
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: BAIFA

DATE: May 3, 2017

FR: Executive Director

W.I. 6840

RE: Draft FY 2017-18 Express Lanes Program Operating Budget

Below is an overview of the draft FY 2017-18 Express Lanes Program Operating Budget. The FY 2017-18 budget will be presented to BAIFA for approval in June. The BATA Capital Budget provides capital funding for the express lane program, as in prior years.

FY 2017-18 Draft Operating Budget

The FY 2017-18 draft budget is the first operating budget for the express lanes program. The I-680 Contra Costa Express Lanes between Walnut Creek and San Ramon and the backhaul communications network (Backhaul) are anticipated to be in operation for 11 months in FY 2017-18. To cover first year operating expenses of \$8.5 million, the FY 2017-18 draft budget anticipates using a combination of express lane toll revenue and funds previously set aside for this purpose in the BATA Express Lane Capital Budget. The draft FY 2017-18 operating budget is shown in Attachment A.

General Toll Revenue - \$5.2 million

Staff is estimating total express lane toll revenue of \$5.2 million for FY 2017-18. This is a rough estimate considering it to be the first year of BAIFA revenue operations. Staff will be able to better estimate revenue when there is some historical data to track trends in the future.

Other Revenue - \$3.3 million

Violation Revenue – Staff is estimating \$0.5 million in revenue from toll violations. This is a conservative estimate based on the number of violations on the I-580 express lanes.

BATA Express Lanes Capital Funds Transfer In – To cover the balance of FY 2017-18 expenses, staff will allocate \$2.8 million of the \$16 million in BATA Express Lanes Capital funds previously set aside for capitalized operations and maintenance in the Express Lanes Program Expenditure Plan (BAIFA Resolution No. 9). These funds will be transferred from the BATA Capital Budget to the FY 2017-18 BAIFA Operating Budget.

Operating Expense

Total cost for the I-680 Express Lanes operations, including operations of the Backhaul Communications Network, is proposed to be \$8.5 million for FY 2017-18. Highlights of the FY 2017-18 budget include:

Express Lane and Backhaul Operations and Maintenance - \$6.6 million

FasTrak® Operations and Maintenance - \$1.8 million

- \$1.3 million for the FasTrak® Regional Customer Service Center (RCSC) operations. The RCSC will provide customer service, distribute toll tags, process violations, and collect tolls for the express lanes.
- \$240,000 for banking/credit card fees.
- \$225,000 for BATA financial services.

Express Lanes Operations and Maintenance - \$3.8 million

- \$3.8 million for daily express lanes operations and maintenance including: toll operators in the Regional Operations Center, California Highway Patrol enforcement, maintenance by BAIFA's roadway contractor and Caltrans, and PG&E utility services.

Backhaul Operations and Maintenance - \$1.0 million

- \$1.0 million for the Backhaul operations and maintenance and utility services. Notably, BAIFA is unique among Bay Area express lanes in supporting a fiber communications network of this extent.

Express Lanes Administration - \$1.8 million

- \$1.8 million for staff support, insurance and financial audit costs.

Recommendation

This draft budget is presented for the Authority's information. Staff will present the final budget to BAIFA for approval in June.



Steve Heminger

SH:bm
Attachment A



ATTACHMENT A
BAY AREA INFRASTRUCTURE FINANCING AUTHORITY
OPERATING BUDGET FY 2017-18

BAIFA Resolution No. 16

Date: May 3, 2017

W.I.: 6840

OPERATING REVENUE-EXPENSE SUMMARY

	DRAFT BUDGET FY 2017-18
General Toll Revenue	\$5,200,000
Violation Revenue	\$500,000
BATA Express Lanes Capital Funds-Transfer In	\$2,835,313
Total Operating Revenue	\$8,535,313
Total Operating Expense	\$8,535,313
Total Operating Surplus (Shortfall)	\$0

REVENUE DETAIL
BUDGET FY 2017-18

General Toll Revenue (subtotal)	\$5,200,000
CC-680 Toll Revenue	\$5,200,000
Violation Revenue (subtotal)	\$500,000
Other Revenue (Violations)	\$500,000
BATA Express Lanes Capital Funds (subtotal)	\$2,835,313
BATA Express Lanes Capital Funds-Transfer In	\$2,835,313
Total Current Year Revenue	\$8,535,313

EXPENSE DETAIL	
BUDGET FY 2017-18	
	DRAFT BUDGET FY 2017-18
Operating Expense	
FasTrak Operations and Maintenance (Subtotal)	\$ 1,800,000
RCSC Operations	\$ 1,335,000
Banking/Credit Card Fees	240,000
BATA Financial Services	225,000
Express Lanes Operations and Maintenance (Subtotal)	\$ 3,837,000
Express Lane Toll Operators	\$ 638,000
California Highway Patrol Enforcement	320,000
Roadway Maintenance	700,000
Toll System Operations & Maintenance	1,784,000
Caltrans Express Lanes Operations & Maintenance	155,000
Utility Service	240,000
Backhaul Operations and Maintenance (Subtotal)	\$ 1,029,000
Roadway Maintenance	\$ 692,000
Utility Service	337,000
Express Lanes & Backhaul Operations and Maintenance Total	\$ 6,666,000
Express Lanes & Backhaul Administration (Subtotal)	\$ 1,869,313
Salaries and Benefits	\$ 1,000,328
Professional/Consultant Service	322,000
Other	457,985
Audit/Accounting/Other	30,000
Insurance	59,000
Total Operating Expense	\$ 8,535,313