

Fiscal Year  
2015  
Budget  
Resolution

June 12, 2014

San Francisco Bay Area  
Rapid Transit District

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT  
FISCAL YEAR 2015 ADOPTED BUDGET**

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## EXECUTIVE DECISION DOCUMENT

<b>GENERAL MANAGER APPROVAL:</b> 		<b>GENERAL MANAGER ACTION REQ'D:</b> Place on the June 12, 2014 Board of Directors Agenda		
<b>DATE:</b> 6/5/14		<b>BOARD INITIATED ITEM:</b> No		
Originator/Prepared by: Robert Umbreit Dept: Operating Budgets & Analysis	General Counsel  6/5/14	Controller/Treasurer 	District Secretary [ ]	BARC  6-5-14 [ ]
<b>Signature/Date:</b> <i>R. Umbreit 6/5/14</i>				
TITLE:				

### ANNUAL BUDGET RESOLUTION FOR FISCAL YEAR 2015

NARRATIVE

**PURPOSE**

To authorize adoption of the Annual Budget Resolution for Fiscal Year 2015 (FY15).

**DISCUSSION**

Approval by the Board of Directors is requested for the FY15 operating and capital budgets. The total proposed FY15 budget (operating and capital) is \$1.56 billion. The FY15 operating budget is balanced, with \$852.1 million (M) in sources and \$854.5M in uses, less an adjustment for the Other Post Employment Benefits (OPEB) unfunded liability of \$2.4M that does not affect the Net Operating Result. The FY15 capital budget totals \$711.5M.

The proposed FY15 annual budget is summarized in Attachments 1 & 2 and Exhibit A. These attachments incorporate the proposed initiatives and allocations to capital projects that were included in the Preliminary Budget Memo and reviewed in presentations to the Board of Directors during April and May. The initiatives have been updated to include the BART "Vision" study for \$1.5M, as well as \$0.7M in expenses for the service increase presented at the May 8 meeting.

**FY15 Operating Budget**

Safety is a major focus and priority of the FY15 operating budget, as well as continued support for the underfunded capital program and aging capital infrastructure. As the system has aged, ridership growth has continued, and FY14 is estimated to end the year averaging just below 400,000 trips per day. The District is focused on maintaining our 95% passenger on-time performance, which is an increasing challenge as the system ages and new safety rules are implemented. BART has made funding of the infrastructure and state of good repair needs a priority for a number of years, with the Board dedicating all proceeds of the January 2014 fare increase, as well as the next three planned fare increases through 2020, entirely to the "Big 3" capital projects of Rail Cars, Hayward Maintenance Complex and Train Control. This commitment continues with the FY15 budget investments of \$45M for the Rail Car replacement program, an estimated \$18.8M in fare increase revenue to the "Big 3", and allocations of \$43.0M to other capital rehabilitation needs.

The Board of Directors also passed modifications to the paid parking program in February 2013. The increase in revenue from these fees is dedicated to funding improvements and programs to

benefit station access, rehabilitation and modernization needs. For FY15 the increased revenue is estimated at \$6M and will fund a variety of station and access related initiatives, which are summarized in Attachment 3.

There are minor changes from the FY15 Preliminary budget. In order to provide \$1.5M for the BART Vision Study, the \$1.7M allocation to fund construction of Right of Way Fencing related to protecting wayside workers and compliance with new safety rules will be funded from a portion of the FY14 "baseline" capital allocation. This will also enable the fencing project to begin immediately. The Vision Study is an ongoing effort investigating strategic investment opportunity choices for BART in the future, including new corridors and infill stations, weighed against the benefits of investing in future high-capacity enhancement improvements and state of good repair needs for the system. The second change is adding \$0.7M for the cost of running longer trains during the "shoulders" of the commute period, and on the weekends as was presented at Board meetings in May.

Finally, each year we review revenue assumptions prior to adopting the budget to analyze results since the Preliminary budget was developed in the early spring, in order to update the budget as needed. Most of the revenue projections remain reasonable, but the property tax revenue budget is increased \$0.5M to reflect receipts to date and new information from the State Legislative Analyst's Office regarding assessed valuation increases due to the expiration of temporary tax reductions during the past real estate crisis. The prior assumption was for about a 3% increase in property tax revenue for FY15, but a more realistic, slightly higher assumption of 4% is more in line with long term growth rates. The other adjustment reflects modification of the advertising contract for a partial year of startup revenue for digital video screens at the Montgomery, Powell and Embarcadero station. The advertising revenue will generate an estimated \$1M per year by the eighth year of the contract, but is small at the beginning of the contract. The operating revenue increase for property tax and advertising is ongoing and offsets the majority of the costs for the service increase.

The FY15 budget initiatives are summarized in Attachment 3. The focus on safety and implementation of the District's new safety program in compliance with California Public Utility Commission General Order 175 is reflected with the addition of 40 positions included in the \$5.3M Wayside Worker Safety initiative, a Safety Culture Improvement Program, Safety Management Software and capital initiatives for Remote Prohibits and Speed Restrictions as well as the fore-mentioned Right of Way fencing project that will be funded in FY14. Other initiatives include important technology updates and capital funding for projects coming out of the District's Asset Management Plan efforts.

### **FY15 Capital Budget**

The capital budget proposes FY15 expenditures of \$711.5 million and funds 482 positions. The largest single project expenditures are the Hayward Maintenance Complex (\$115M), Warm Springs Extension (\$154M), new rail cars (\$51M plus \$45M reserve account deposit), and eBART (\$47M). From a program perspective, the largest components of the FY15 capital budget are System Renovation, System Expansion, and Earthquake Safety. On the revenue side, Federal funds once again comprise the largest single source available to the capital budget, followed

closely by external funds committed to contracted activities, and allocations from BART's operating funds. FY15 operating allocations to capital are \$111M (exclusive of debt service) reflecting BART's increasing commitment to addressing capital investments necessary to maintain and enhance service delivery.

BART funds are earmarked for a variety of projects and programs. The largest single operating revenue commitment is our annual contribution to the District's share of the rail car replacement program, construction of the Hayward Maintenance Complex, and development and implementation of a modern replacement train control system. Other operating allocations are directed to multi-year projects including subway lighting retrofits, emergency lighting and power supplies, car floors, and other safety and security projects. Operating allocations derived from parking revenues are dedicated to a variety of station and access improvements, including signage, pedestrian improvements, lighting, information displays, bike improvements, and limited studies.

As the primary funding source of our capital reinvestment program, Federal funds are directed to train control and traction power, trackway renovation, general mainline repairs, rail cars, fare collection, and ADA/system accessibility improvements. Also included in the reinvestment category are approximately \$25 million of direct safety related renovation and repair projects not included in the Safety and Security program category, including trackway fall protection, third-rail coverboard replacement, emergency power and fire safety system renovation, emergency communications, vertical circulation safety improvements, and sidewalk repairs.

Other capital revenues are limited in their flexibility and are directed to specific projects and/or activities as a condition of award. The FY15 capital budget contains a considerable amount of State Proposition 1A and 1B bond funds (\$100M), which are directed to rail cars, the Hayward Maintenance Complex and the Station Modernization Program. Local revenues, including bridge toll allocations and County transportation sales tax funds, are earmarked for grant match, stations projects and the BART to Oakland International Airport Project. Bond proceeds from BART's Earthquake Safety general obligation bond are dedicated exclusively to the Earthquake Safety program. Additionally, there are a number of smaller, defined purpose grants which are limited to specific capital projects.

Despite our investments and initiatives focused on meeting capital reinvestment needs, there remains a substantial and growing capital deficit. FY15 marks the first year of incorporating initial asset management recommendations, processes and data in the development of the capital budget. As informed through this and other comprehensive needs analysis work, BART has a preliminary estimate of a ten year renovation need of at least \$6.5B to maintain our current state of reliability. Looking out further, the recently adopted Regional Transportation Plan (known as **Plan Bay Area**) projects under an optimistic scenario that available revenues will only meet approximately half of BART's transit capital needs over the next 28 years. BART must continue to compete aggressively for available and emerging regionally distributed funds, as well as pursue other self-help initiatives to assist in addressing this deficit.

## **FY15 BUDGET RESOLUTION**

Staff recommends approval of the attached Resolution to adopt the FY15 Annual Budget. As in previous years, the FY15 Resolution includes authorization to submit annual applications for Transportation Development Act (TDA), State Transit Assistance (STA) and Bridge Toll funds that are included in the FY15 capital budget, as appropriate. The Resolution also allows the General Manager or the General Manager's designee to execute the agreement with the City and County of San Francisco to provide annual transfer payments for feeder services to the San Francisco Municipal Transportation Agency for FY15. The Resolution also incorporates provisions referring to the SFO Extension service plan and certain District system-wide operating policies. The Resolution authorizes the General Manager, or designee, to file grant applications and execute funding agreements on behalf of the District with the State of California for security grants. Exhibit B (attached) reflects current hourly pay rates or base pay ranges, as applicable, and management incentive pay, if any, for non-represented employees. Staff recently concluded its periodic salary survey of comparable jobs in accordance with the FY14 Budget Resolution (Board Resolution No. 5217) and is reviewing the professional/management pay ranges in Exhibit B, last adjusted in 2010, to determine if adjustment is warranted under the Board's current compensation policy.

Exhibit A (attached) of the Budget Resolution summarizes operating and capital budget totals. It includes modifications to the Preliminary Budget as outlined in the previous paragraphs.

## **FISCAL IMPACT**

The proposed FY15 Annual Budget is balanced, with a small positive result of \$0.1M.

## **ALTERNATIVES**

Not adopt the budget or adopt a budget that differs from what has been presented to the Board of Directors over the past three months. Rules of the Board of Directors require that the budget be adopted prior to June 30th; adoption of the Budget Resolution by June 30th is required to authorize expenditures in FY15.

## **RECOMMENDATION**

· Adoption of the following motion:

## **MOTION**

Adoption of the attached Resolution in the matter of approving the Annual Budget for the San Francisco Bay Area Rapid Transit District and authorizing expenditures for the fiscal year July 1, 2014 to June 30, 2015.

**Attachment 1**  
**Fiscal Year 2015 District Operating Budget**  
**Sources and Uses Detail**

<b>SOURCES</b>	<b>FY15 PRELIMINARY</b>	<b>Changes</b>	<b>FY15 ADOPTED</b>
Rail Passenger Revenue	\$ 439,980,730	\$ -	\$ 439,980,730
ADA Passenger Revenue	841,883	-	841,883
Parking Revenue	26,185,836	-	26,185,836
Other Operating Revenue	20,138,236	20,000	20,158,236
<b>Sub-Total Operating Revenue</b>	<b>487,146,685</b>	<b>20,000</b>	<b>487,166,685</b>
Sales Tax Proceeds	228,718,986	-	228,718,986
Property Tax Proceeds	33,191,648	500,000	33,691,648
Measure B / Other	2,892,624	-	2,892,624
State Transit Assistance	21,865,897	-	21,865,897
Federal 5307 Grant - MTC Rail Car Fund Swap	77,000,000	-	77,000,000
Millbrae Use, Operating & Maint. Agreement	824,540	-	824,540
<b>Sub-Total Financial Assistance &amp; Allocations</b>	<b>364,493,695</b>	<b>500,000</b>	<b>364,993,695</b>
<b>TOTAL SOURCES</b>	<b>851,640,380</b>	<b>520,000</b>	<b>852,160,380</b>
<b>USES</b>			
Labor	420,401,099	73,821	420,474,920
OPEB Unfunded Liability	2,422,269	-	2,422,269
ADA Paratransit	13,369,490	-	13,369,490
Purchased Transportation	10,125,197	-	10,125,197
Power	38,100,000	-	38,100,000
Other Non-Labor	113,998,641	590,927	114,589,568
<b>Sub-Total Operating Expense</b>	<b>598,416,696</b>	<b>664,748</b>	<b>599,081,444</b>
<b>Extraordinary Expense - MTC Rail Car Fund Swap</b>	<b>77,000,000</b>		<b>77,000,000</b>
Debt Service	55,987,840	-	55,987,840
Allocation - Capital Rehabilitation	43,178,040	(200,000)	42,978,040
Allocation - Rail Car Sinking Fund	45,000,000	-	45,000,000
Allocation - Priority Capital Programs	18,796,012	-	18,796,012
Allocation - Stations & Access Projects	4,343,757	-	4,343,757
Allocations - Other	2,660,834	-	2,660,834
Allocation - To SFO Reserve / Warm Springs Project	8,679,470	-	8,679,470
<b>Sub-Total Allocations</b>	<b>178,645,953</b>	<b>(200,000)</b>	<b>178,445,953</b>
<b>TOTAL USES</b>	<b>854,062,649</b>	<b>464,748</b>	<b>854,527,397</b>
<b>OPEB Unfunded Liability</b>	<b>(2,422,269)</b>	<b>-</b>	<b>(2,422,269)</b>
<b>NET RESULT</b>	<b>\$ -</b>	<b>\$ 55,252</b>	<b>\$ 55,252</b>
Average Weekday Trips	405,426		405,426
Operating Ratio	81.4%		81.3%
Farebox Recovery Ratio	73.7%		73.6%

## Attachment 2

### FY15 Capital Budget Headcount and Planned Expenditures Program Summary by Category

Program Category	Capital Headcount*	Planned Expenditures
<b>System Renovation**</b>		
Rolling Stock	46.7	55,016,042
Mainline	117.1	65,128,621
Stations	16.4	24,230,193
Controls & Communications	72.0	41,851,107
Facilities	14.9	123,860,193
Work Equipment	-	2,720,000
<b>Total System Renovation</b>	<b>267.1</b>	<b>312,806,156</b>
<b>Safety &amp; Security</b>	<b>11.1</b>	<b>47,977,674</b>
<b>Earthquake Safety</b>	<b>27.2</b>	<b>65,987,249</b>
<b>Service &amp; Capacity Enhancement</b>	<b>12.7</b>	<b>33,877,438</b>
<b>System Expansion</b>	<b>77.6</b>	<b>245,382,050</b>
<b>Capitol Corridor***</b>	<b>24.0</b>	<b>3,700,000</b>
<b>Reimbursable****</b>	<b>14.0</b>	<b>1,800,000</b>
<b>Cost Allocation Plan</b>	<b>48.0</b>	CAP costs are included in each of the line items above
<b>TOTALS</b>	<b>481.75</b>	<b>711,530,567</b>

\* Total authorized permanent positions.

\*\* Includes approximately \$25M in safety-related system renovation, including fall protection, coverboards, emergency power, fire safety systems, communications, sidewalk repairs and other project categories.

\*\*\* All expenses for the Capitol Corridor service to be reimbursed as allocated to the Capitol Corridor Joint Powers Board in the Annual State Budget Act.

\*\*\*\* Positions fully reimbursed by Muni, Caltrans, and others for BART staff expenses incurred in performing services for those organizations.



### Attachment 3

#### FY15 Operating & Capital Budget Initiatives

Title	Pos.	Labor	Non Labor	Total
<b>OPERATING</b>				
GO 175/Wayside Worker Safety	40.0	5,327,005	9,400	5,336,405
Asset Management Program: Maximo & OBIEE*	-	-	1,400,000	1,400,000
Increased Train Lengths	-	77,138	590,927	668,065
PeopleSoft Financial & EPM Updates*	-	-	600,000	600,000
Safety Culture Improvement Program	-	-	250,000	250,000
19th Street Station Secondary Booth Staffing	2.0	219,764	-	219,764
Enterprise Geographic Information System (EGIS) Analyst	1.0	177,464	-	177,464
Website/Social Media Position	1.0	149,341	-	149,341
Sr. Administrative Analyst - Contract Monitoring	1.0	149,074	-	149,074
Oakland Airport Connector Marketing*	-	-	100,000	100,000
Safety Management Software Program*	-	-	100,000	100,000
Ballistic Vests*	-	-	96,000	96,000
Diversity Initiatives	-	-	25,000	25,000
<b>OPERATING TOTAL</b>	<b>45.0</b>	<b>6,099,786</b>	<b>3,171,327</b>	<b>9,271,113</b>
* One-time				
<b>CAPITAL</b>				<b>Total</b>
Train Control Room Battery Replacement (3-year project)				2,000,000
Train Control UPS Renovation (5-year project)				2,000,000
Remote Prohibits and Speed Restrictions (2-year project)				1,820,000
BART "Vision" Study				1,500,000
Wastewater Treatment Systems				1,000,000
Cyber Security (multi-year program)				900,000
<b>CAPITAL TOTAL</b>				<b>9,220,000</b>
<b>TOTAL OPERATING AND CAPITAL BUDGET INITIATIVES</b>				<b><u>18,491,113</u></b>

## Attachment 3 (cont.)

### FY15 Stations & Access Projects\* - Summary

	Pos.	Labor	Non Labor	Total
<b>OPERATING</b>				
Dedicated Parking Enforcement	5.0	547,654	186,375	734,029
Station Platform Brightening/Cleaning Crew	6.0	537,650	40,000	577,650
Pleasant Hill Bike Station	-	-	150,000	150,000
Bus Bridges for Planned Disruptions**	-	-	100,000	100,000
Bike Programs - Operating**	-	-	65,000	65,000
Station Access Website Upgrades**	-	-	20,000	20,000
<b>OPERATING TOTAL</b>	<b>11.0</b>	<b>1,085,304</b>	<b>561,375</b>	<b>1,646,679</b>

\*\* One-time

	Total
<b>CAPITAL</b>	
Stations Lighting Retrofit T12 lamps to LED	1,164,757
Pedestrian Improvements	750,000
Wayfinding	581,000
Station Benefit Assessment District Studies	400,000
Bike Programs - Capital	340,000
Garage Full Electronic Displays	275,000
Transit Information Displays at Stations	250,000
Shuttle Infrastructure Improvements	250,000
Fee Parking Lot Preparation	233,000
Last Mile Corridor Studies	100,000
<b>CAPITAL TOTAL</b>	<b>4,343,757</b>
<b>TOTAL OPERATING AND CAPITAL STATIONS &amp; ACCESS INITIATIVES</b>	<b><u>5,990,436</u></b>

\*Funded by estimated revenue from Parking Program modifications

**BEFORE THE BOARD OF DIRECTORS OF THE  
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

**In the matter of approving  
The Annual Budget for the  
San Francisco Bay Area Rapid  
Transit District and authorizing  
Expenditures for the Fiscal Year  
July 1, 2014, to June 30, 2015**

Resolution No. 5262

**WHEREAS**, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 8, May 9, and May 10, 2014 in newspapers of general circulation in the County of San Francisco, the County of Contra Costa, and the County of Alameda of its intention to adopt an Annual Budget for the Fiscal Year July 1, 2014, to June 30, 2015; and

**WHEREAS**, the Board of Directors of the San Francisco Bay Area Rapid Transit District desires to adopt an Annual Budget for the Fiscal Year July 1, 2014, to June 30, 2015; and

**WHEREAS**, the Board of Directors of the San Francisco Bay Area Rapid Transit District is required by Public Utilities Code Section 28767 to determine and create, by resolution, such number and character of positions as are necessary to properly carry out the functions of the District; and

**WHEREAS**, the Transportation Development Act (TDA), Public Utilities Code §99200, et seq., provides for the disbursement of funds from the Local Transportation Fund of the Counties of Alameda and Contra Costa for use by eligible claimants for the purpose of operating assistance; and

**WHEREAS**, the State Transit Assistance (STA) fund makes funds available pursuant to Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

**WHEREAS**, as attested to by opinions of the Office of the General Counsel, the San Francisco Bay Area Rapid Transit District is an eligible applicant for Net Toll Revenues and MTC Rail Extension Reserve bridge toll revenues pursuant to Section 30892 of the Streets and Highways Code; and is an eligible claimant for TDA and STA funds pursuant to Public Utilities Code Section 99260; and

**WHEREAS**, the agreement between the San Francisco Bay Area Rapid Transit District and San Mateo County Transit District, dated April 27, 2007, states that the San Francisco Bay Area Rapid Transit District will provide service on the SFO extension in a manner consistent with BART's system-wide operating policies; and

Adopted on June 12, 2014

**WHEREAS**, the system-wide operating plan for Fiscal Year 2015 was presented to the Board of Directors on May 8, 2014, in a presentation entitled Fiscal Year 2015 Preliminary Budget Operating Sources, Uses and Service Plan; and

**WHEREAS**, the California Governor's Office of Emergency Services makes funds available from the FY 2014-2015 California Transit Security Grant Program – California Transit Assistance Fund (CTSGP-CTAF) to eligible applicants to support approved security transit projects;

**NOW, THEREFORE, BE IT RESOLVED** that the attached Annual budget (marked Exhibit A and incorporated herein as though set forth at length) is hereby adopted; and

**BE IT FURTHER RESOLVED** that, subject to the resolved clauses, said Annual Budget includes appropriations of monies expected to be available in the General Fund, Capital Funds including Construction Funds and existing and anticipated Federal, State and local grants, for expenditures in the amounts and for the purposes set forth in said budget; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to enter into services agreements (including professional, technical, maintenance and repair agreements) and lease or license agreements for District use of real property, facilities, equipment and software provided that:

- (1) The General Manager shall first determine that the work or services concerned, in the amounts authorized in a service agreement, cannot satisfactorily be performed by the officers or employees of the District;
- (2) Agreements that are let by public bidding, service, lease, and license agreements, and amendments thereto, between \$25,000 and \$100,000, shall be reported bi-monthly to the Board of Directors;
- (3) Prior authorization by the Board of Directors is required when:
  - a. The agreement, and amendments thereto, total in the aggregate \$100,000 or more in the fiscal year; or
  - b. Amendments total in the aggregate \$100,000 or more in any subsequent fiscal year;
- (4) The General Counsel is authorized to enter into services agreements in amounts up to \$100,000 with special counsel not previously designated by the Board without prior notice to the Board where the General Counsel determines that such immediate action is necessary to protect the legal interests of the District. Any such agreement shall be reported by the General Counsel to the Board within the calendar month thereafter.
- (5) The General Manager's authority to take immediate remedial measures, as defined in Section 20224 of the California Public Contract Code, and as authorized in Resolution No. 4834 shall remain unchanged; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to exchange District goods and services for goods and services from others of approximately equal or greater value; and

**BE IT FURTHER RESOLVED** that all disbursements resulting from the exercise of authority granted the General Manager pursuant to this resolution shall be reported to the Board of Directors in the District's quarterly financial report; and

**BE IT FURTHER RESOLVED** that Resolution No. 5217, adopted June 13, 2013, is repealed effective August 31, 2014, except as it applies to unexpended capital appropriations, and

**BE IT FURTHER RESOLVED** that the General Manager or the General Manager's designee is authorized to execute and file a Bridge Toll Application, a TDA Application and an STA Application along with necessary supporting documents, with the Metropolitan Transportation Commission for allocation of bridge toll revenues, TDA and STA funds in FY15; and

**BE IT FURTHER RESOLVED** that the General Manager or the General Manager's designee is authorized to execute any actions necessary for the purpose of obtaining financial assistance provided by the California Transit Security Grant Program – FY 2014-2015 California Transit Assistance Fund (CTSGP-CTAF); and

**BE IT FURTHER RESOLVED** that the San Francisco Bay Area Rapid Transit District's system-wide operating policies shall be generally as set forth in the May 8, 2014, presentation entitled Fiscal Year 2015 Preliminary Budget Operating Sources, Uses and Service Plan, subject to such adjustments that staff determines necessary to operate the service in the public's interest; and

**BE IT FURTHER RESOLVED** that the General Manager or the General Manager's designee is authorized to execute an agreement with the City and County of San Francisco (CITY) to provide a transfer payment in FY15, such transfer payment being paid by the District to CITY in order to facilitate the coordination of transit service and furnish an incentive to CITY for providing enhanced transfer services between MUNI and BART stations; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to make expenditures and incur liabilities against said funds within the limits set forth in said budget and the provisions of this Resolution, and to act on behalf of the District in connection with contracts arising thereunder, by following the procedures provided by law, and by Board of Directors' Resolutions and Board Rules, except that no contractual obligation shall be assumed by the District in excess of its ability to pay, and provided further that all expenditures shall be in conformance with statutory and other restrictions placed on the use of said funds; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to exceed Board Appointed Department/Executive Office budgets by more than ten percent (10%) ten (10) days after written notice of this intended action has been mailed to the Board of Directors, provided that the Total Net Operating Expense line item set forth in "Exhibit A" is not exceeded and such action is consistent with Board Rule 5-1.4 and provided further that the General

Manager will prepare and send to the Board, a summary of Department budgets within approximately 30 days after the adoption of this budget; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to exceed the foregoing ten percent limitation for emergency expenditures which are made in accordance with Resolution No. 4834 and Public Contract Code Section 20224; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to act on behalf of the District, and to make expenditures and incur liabilities against all funds of the District as provided for in contracts which have been authorized by the Board of Directors of the District and that the Board's authorizations of such contracts also include the necessary appropriations for such contracts and change orders authorized by Rules approved by the Board, subject, however, to compliance with such specific appropriation resolutions as may be adopted by the Board from time to time; and

**BE IT FURTHER RESOLVED** that the General Manager or the General Manager's designee is authorized to issue free or discounted promotional tickets in FY15 for purposes of building ridership on the system, consistent with ridership development guidelines; and

**BE IT FURTHER RESOLVED** that effective July 1, 2014:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2014, budgeted for the District shall be 3,478.125 (a part-time position is counted as 0.625 positions). Additional permanent positions are authorized, as required, not to exceed 50 positions, of which not more than 25 positions may be charged to operating expense provided the budgeted Total Net Operating Expense is not thereby exceeded;
- (2) The character and salary ranges of such positions, including officers appointed by the Board pursuant to Public Utilities Code Section 28811 shall be as set forth in the agreements entered into with Service Employees' International Union, Local 1021, Amalgamated Transit Union, Local 1555, American Federation of State and County Municipal Employees, Local 3993, the BART Police Officers Association and the BART Police Managers Association as to the employees represented thereby, and with other Bargaining Units for employees that may later be represented thereby, and for all other employees as set forth in the attached "Exhibit B", incorporated herein as though set forth at length. The employment benefits for non-represented employees shall be administered by the General Manager in accordance with Board Rule 4-1.2.
- (3) The General Manager is authorized to make future adjustments to the Professional/Management Salary Ranges ("Exhibit B") for non-represented employees in accordance with applicable provisions of the Compensation Manual, which reflects the District policy and practice to evaluate such ranges on an annual basis and to establish the mid-points of the pay ranges for positions so that they approximate the 75<sup>th</sup> percentile of the average of salaries paid for similar jobs in the labor market and to promptly advise the Board of any and all such range

adjustments. The General Manager is directed to initiate the annual review by October of each year.

- (4) The District Secretary shall insure that an amendment to Exhibit B be prepared to reflect any adjustment to the hourly wage rates or professional/management pay bands as provided above or any adjustment to the Board appointed officers' salaries as a result of merit adjustments or scheduled increases provided in such officers' employment agreements that take effect during the fiscal year. The District Secretary shall attach any such amendment to Exhibit B as an addendum to this resolution.
- (5) The General Manager is authorized to pay employees on the merit plan that portion of their merit increase which exceeds the top of the salary range, but with no increase to the employee's "base wage" above the top of the salary range.
- (6) Except for Paragraph 1, and to the extent it is modified by Resolution No. 4748, Resolution No. 4487 remains in full force and effect.

**BE IT FURTHER RESOLVED** that contingent upon receipt of third party grant funds for the "San Francisco Bay Area Core Capacity Transit Study" to study the TransBay Corridor, and matching Contra Costa County transportation funds for a study of the West Contra Costa County Corridor, funds of \$300,000 for the TransBay Corridor and \$300,000 for the West Contra Costa County Corridor will be allocated within the \$1,500,000 budget for "BART Vision Study".

###

**EXHIBIT A**  
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**  
**ANNUAL BUDGET - FISCAL YEAR 2015**

<b><u>FUND SOURCES</u></b>	<b>TOTAL</b>
FUND SOURCES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Operating Revenue	\$ 487,166,685
Property Tax	33,691,648
1/2 ¢ Sales Tax	228,718,986
Measure B Paratransit Assistance	1,698,148
Measure J Paratransit Assistance	64,215
FTA - UAFF Operations (SMP)	1,070,261
City of Berkeley - Bike Station	60,000
Caltrain - Millbrae Station Joint Use	824,540
5307 Preventive Maintenance Grant - Rail Car Fund Swap	77,000,000
State Transit Assistance	21,865,897
<b>Total Operating Sources</b>	<b>852,160,380</b>
FUND SOURCE FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY15	\$ 711,530,567
<b>TOTAL ESTIMATED FUND SOURCES</b>	<b>\$ 1,563,690,947</b>
<b><u>FUND USES</u></b>	
FUND USES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Net Labor Expense <sup>(1)</sup>	\$ 422,897,189
Non-Labor Expense	176,184,255
Total Net Operating Expense	\$ 599,081,444
Extraordinary Expense - Rail Car Fund Swap	77,000,000
Revenue Bond Debt Service	55,987,840
Allocations to Capital - Rehabilitation	42,978,040
Allocations to Capital - Rail Car Sinking Fund	45,000,000
Allocations to Capital - Priority Capital Programs	18,796,012
Allocations to Capital - Stations & Access Projects	4,343,757
Allocations to Capital - Other	2,660,834
Allocations to SFO Reserve / Warm Springs Project	8,679,470
<b>Total Operating Uses</b>	<b>\$ 854,527,397</b>
Other Post Employment Benefits Unfunded Liability	\$ (2,422,269)
FUND USES FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY15	\$ 711,530,567
<b>TOTAL ESTIMATED FUND USES</b>	<b>\$ 1,563,635,695</b>
<b>NET FINANCIAL RESULT (DEFICIT)</b>	<b>\$ 55,252</b>

<sup>(1)</sup> Total Authorized Permanent Positions (FTE) as of 7/01/14 = 3,478.125



**EXHIBIT B**

**CHARACTER, BASE SALARIES, PAY BANDS, HOURLY WAGE RATES,  
AND MANAGEMENT INCENTIVE PAY OF MANAGEMENT AND  
NON-REPRESENTED CLASSIFICATIONS**

CHARACTER OF POSITION/PAYROLL CLASSIFICATION TITLE	HOURLY WAGE RANGE					
	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
<b>CLERICAL &amp; HOURLY</b>						
ADMINISTRATIVE TECHNICIAN	\$26.2180	\$27.3740	\$28.4460	\$29.5460	\$30.6740	\$31.1070
ADMINISTRATIVE SECRETARY	25.2400	26.3520	27.3820	28.4390	29.5240	29.9370
SENIOR SECRETARY	23.5040	24.3730	25.2680	26.3520	27.4100	27.8220
SENIOR CLERK	25.0150	26.1160	27.1370	28.1850	29.2590	29.6720
INTERMEDIATE CLERK	22.3830	23.2960	24.1550	25.0440	26.1160	26.5290
P/T SURVEY TAKER (SINGLE RATE)	30.1050					
ENGINEER INTERN	18.0000					

NOTE: The clerical rates are effective 1/1/2014.

**PROFESSIONAL/MANAGEMENT PAY BANDS**

PAY BAND	MINIMUM	MIDPOINT	MAXIMUM
14	\$139,292	\$177,599	\$215,905
13	120,328	153,419	186,510
12	109,142	139,157	169,171
11	103,944	132,529	161,115
10	98,993	126,217	153,441
9	94,279	120,207	146,135
8	89,790	114,483	139,176
7	81,442	103,839	126,236
6	77,564	98,895	120,226
5	70,353	89,701	109,049
4	67,003	85,430	103,856
3	63,812	81,361	98,910
2	60,773	77,487	94,200
1	55,122	70,282	85,441

NOTE: The professional/ management pay bands were effective 01/01/2010.

MANAGEMENT INCENTIVE PAY (ANNUAL)	Amount	Effective
Assistant General Manager - Administration and Budget	\$4,800	8/14/2006
Assistant General Manager - Operations	\$4,800	6/28/1999
Assistant General Manager - Planning and Development	\$4,800	11/13/2012
Assistant General Manager- Employee Relations	\$4,800	5/27/2014
Assistant General Manager- External Affairs	\$4,800	11/4/2013
Chief Information Officer	\$4,800	3/1/2013
Chief of Police	\$4,800	6/16/2012
Deputy General Manager	\$4,800	5/14/2012
Managing Director - Capitol Corridor	\$4,800	11/21/2009

**BOARD APPOINTED OFFICERS' ANNUAL SALARIES**

Base Salaries	1/1/2014	7/1/2014
INDEPENDENT POLICE AUDITOR	\$166,150.57	\$169,242.63
DISTRICT SECRETARY	\$173,700.90	\$176,933.48
CONTROLLER-TREASURER	\$220,630.47	\$224,736.40
GENERAL COUNSEL	\$250,511.85	\$255,173.88
GENERAL MANAGER	\$329,214.75	\$335,341.44

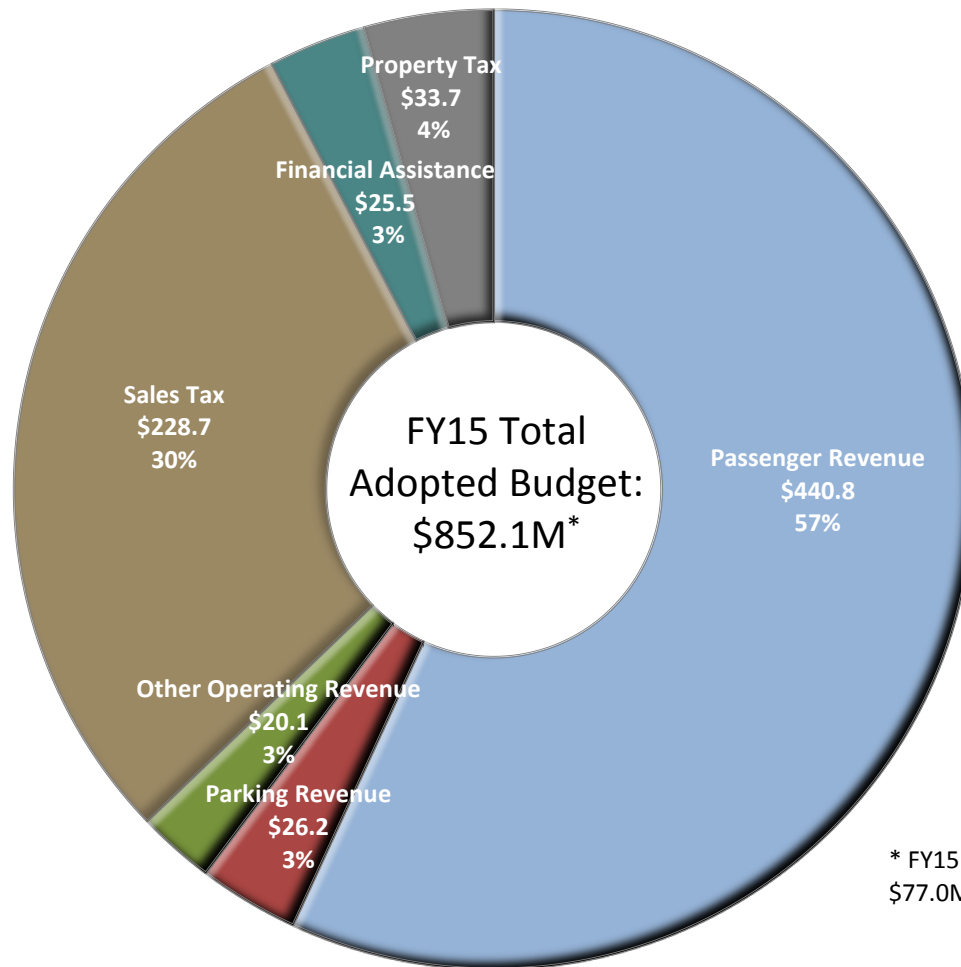
Note: The 1/1/14 and 7/1/14 salary adjustments for each of the Board Appointed Officers were approved by the Board on April 10, 2014.

**San Francisco Bay Area Rapid Transit District  
FY15 Adopted Budget by Department**

	<b>Adopted Budget</b>
General Manager	1,545,340
Information Technology	20,387,497
System Safety	3,244,917
Civil Rights	4,030,646
<b>General Manager Office</b>	<b>\$ 29,208,399</b>
<b>Legal</b>	<b>\$ 4,504,079</b>
<b>Finance</b>	<b>\$ 37,079,664</b>
<b>District Secretary</b>	<b>\$ 2,554,669</b>
<b>Independent Police Auditor</b>	<b>\$ 650,010</b>
Administration	625,819
Marketing and Research	3,497,393
Communications	2,321,967
Government and Community Relations	1,718,077
Customer Services	2,550,076
Grant Development & Reporting	517,603
<b>External Affairs</b>	<b>\$ 11,230,936</b>
<b>Police</b>	<b>\$ 55,190,467</b>
Administration	498,242
Maintenance and Engineering	103,755,043
Rolling Stock and Shops	101,341,998
Operations Planning	2,332,038
Transportation and System Service	137,399,991
eBART/BART-to-OAK	3,897,185
<b>Operations</b>	<b>\$ 349,224,497</b>
Administration	1,125,243
Program Management	270,367
Extensions Development	63,360
Systems Development	21,494,658
<b>Planning &amp; Development</b>	<b>\$ 22,953,629</b>
Administration	785,060
Procurement	11,932,244
Customer Access	22,458,765
Capital Development and Control	1,514,482
Operating Budgets and Analysis (Includes Power)	42,301,847
Internal Audit	1,351,843
<b>Administration &amp; Budget</b>	<b>\$ 80,344,242</b>
Administration	279,492
Human Resources	8,382,724
Labor Relations	1,242,935
<b>Employee Relations</b>	<b>9,905,151</b>
<b>Capital Corridor<sup>1</sup></b>	<b>-</b>
<b>Cost Allocation Plan</b>	<b>\$ (6,186,568)</b>
<b>OPEB Unfunded Liability</b>	<b>\$ 2,422,269</b>
<b>SUBTOTAL</b>	<b>\$ 599,081,444</b>
<b>Rail Car Fund Swap</b>	<b>\$ 77,000,000</b>
<b>FY15 TOTAL</b>	<b>\$ 676,081,444</b>

<sup>1</sup> As governed and reimbursed by the Joint Powers Board and supervised by the Executive Director of the Joint Power Board.

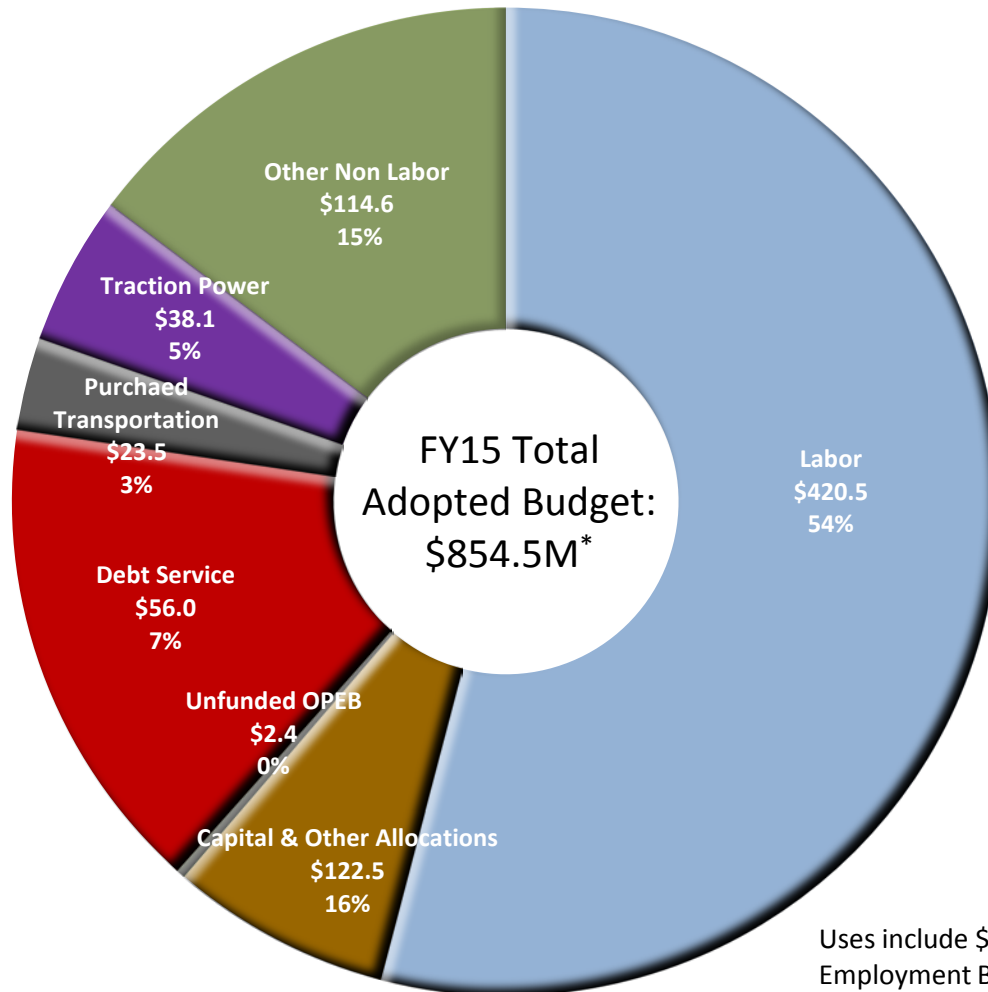
## FY15 SOURCES



FY15 Total  
Adopted Budget:  
\$852.1M\*

\* FY15 Total Adopted Budget includes \$77.0M for Rail Car Fund Swap

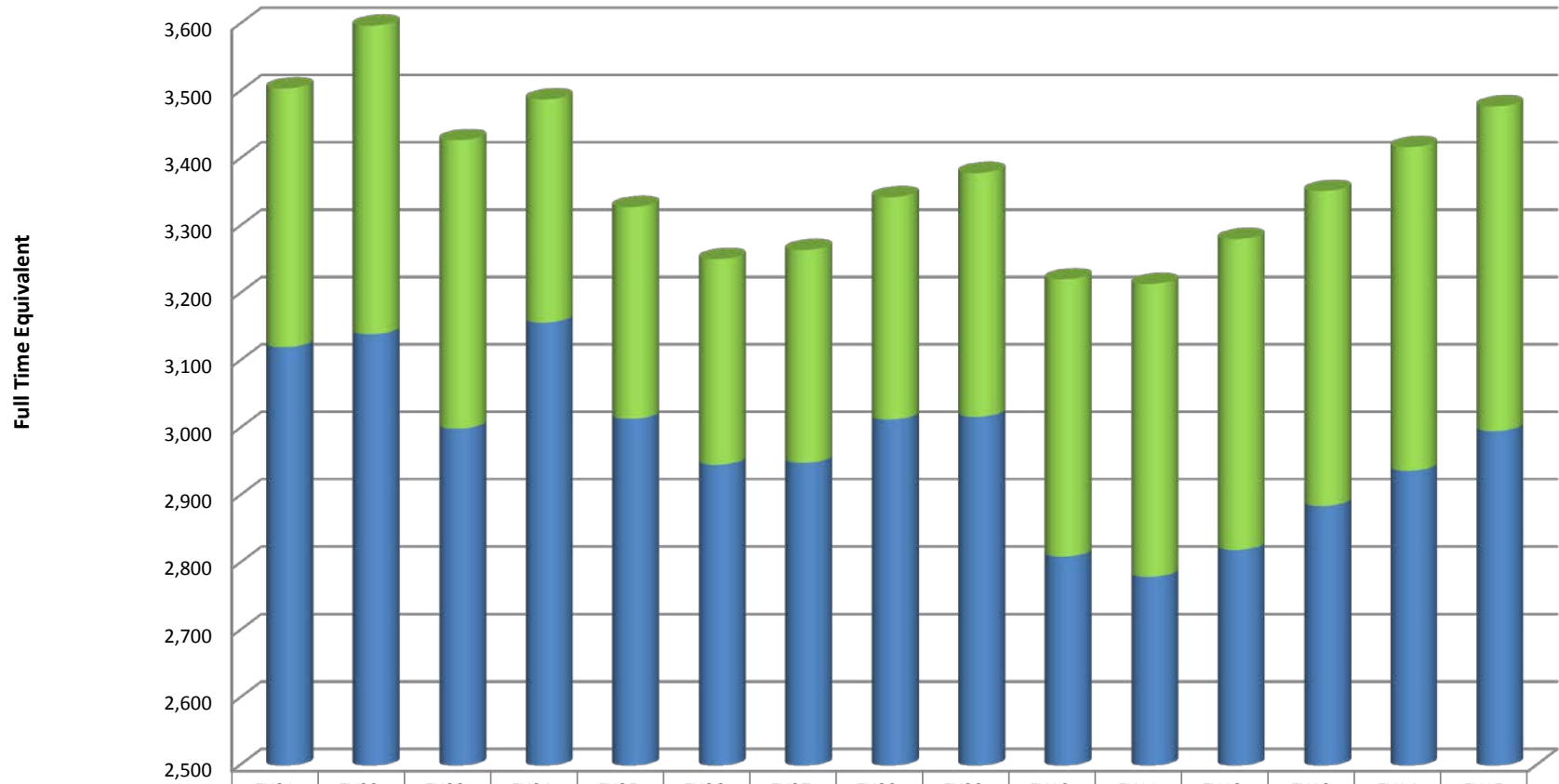
## FY15 USES



\* FY15 Total Adopted Budget includes \$77.0M for Rail Car Fund Swap

Uses include \$2.4M unfunded Other Post-Employment Benefits liability. Unfunded liability does not impact the bottom line.

### BART Headcount History FY01 - FY15



	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
■ Capital/Reimbursable	384.0	458.0	428.0	331.0	314.5	305.0	316.0	330.0	362.0	411.4	434.5	461.1	467.3	480.4	481.8
■ Operating	3,121.0	3,140.0	3,000.0	3,157.5	3,014.5	2,946.5	2,949.0	3,013.5	3,017.5	2,810.1	2,780.1	2,820.1	2,885.2	2,937.4	2,996.4