

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

BOARD MEETING AGENDA

May 25, 2017

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, May 25, 2017, in the BART Board Room, Kaiser Center 20th Street Mall – Third Floor, 344 – 20th Street, Oakland, California.

Members of the public may address the Board of Directors regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at 510-464-6083 for information.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<http://www.bart.gov/about/bod>), in the BART Board Room, and upon request, in person or via mail.

Meeting notices and agendas are available for review on the District's website (<http://www.bart.gov/about/bod/meetings.aspx>), and via email (https://public.govdelivery.com/accounts/CATRANBART/subscriber/new?topic_id=CATRANBART_1904) or via regular mail upon request submitted to the District Secretary. Complete agenda packets (in PDF format) are available for review on the District's website no later than 48 hours in advance of the meeting.

Please submit your requests to the District Secretary via email to BoardofDirectors@bart.gov; in person or U.S. mail at 300 Lakeside Drive, 23rd Floor, Oakland, CA 94612; fax 510-464-6011; or telephone 510-464-6083.

Kenneth A. Duron
District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

1. CALL TO ORDER
 - A. Roll Call.
 - B. Pledge of Allegiance.
 - C. Introduction of Special Guests.
 - D. Oath of Office: Carlos Rojas, BART Chief of Police.

2. PUBLIC HEARING
 - A. Fiscal Year 2018 Annual Budget.*

3. CONSENT CALENDAR
 - A. Approval of Minutes of the Meeting of May 11, 2017 (Special).*
Board requested to authorize.

 - B. Fiscal Year 2018 Proposition 4 Appropriations Limit.* Board requested to adopt.

 - C. Professional Services Agreement with Cubic Transportation Systems, Inc. to Modify Addfare Machine Software to Implement Credit Card Processing Functionality on East Contra Costa Extension.*
Board requested to authorize.

 - D. Fiscal Year 2017 Third Quarter Financial Report.* For information.

4. PUBLIC COMMENT – 15 Minutes
(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda. An additional period for Public Comment is provided at the end of the Meeting.)

5. CLOSED SESSION (Room 303, Board Conference Room)
 - A. CONFERENCE WITH LABOR NEGOTIATORS; PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Agency Negotiators: Directors Saltzman, Raburn and Keller
Titles: General Manager, General Counsel,
Controller/Treasurer, District Secretary, and
Independent Police Auditor

Gov't. Code Sections: 54957 and 54957.6

6. FINANCE, BUDGET, AND BOND OVERSIGHT ITEMS
Director Josefowitz, Chairperson
 - A. Fiscal Year 2018 Annual Budget.* For information.

7. ADMINISTRATION, WORKFORCE, AND LEGISLATION ITEMS

Director McPartland, Chairperson

- A. State and Federal Legislative Update.* Board requested to authorize.
- B. Amendment to Concession Permit M342-12 with Imperial Parking Corporation For Administration of Parking Permit Programs.* Board requested to authorize.

8. FINANCE, BUDGET, AND BOND OVERSIGHT ITEMS

Director Josefowitz, Chairperson

- A. Alameda County Transportation Affordable Student Transit Pass Pilot Report.* Board requested to authorize. (TWO-THIRDS VOTE REQUIRED.)
- B. Safety, Reliability, and Traffic Relief Program: Bond Oversight Committee Membership.* Board Requested to authorize.
- C. Revised Investment Policy.* Board requested to adopt.
- D. Independent Auditor's Report on Audit of Federal Awards under the Office of Management and Budget Uniform Guidance for the Fiscal Year Ended June 30, 2016.* For information.
- E. Title VI Fare Equity Analysis of Potential Changes to the Fare Discount Offered Youth Riders. * For Information.
- F. Title VI Fare Equity Analysis of Proposed Productivity-Adjusted Inflation-Based Fare Increase and FY18 Fare Changes Effective January 1, 2018. * For Information.

9. OPERATIONS AND SAFETY ITEMS

Director Keller, Chairperson

- A. Quarterly Performance Report, Third Quarter Fiscal Year 2017 – Service Performance Review.* For information.

10. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Raburn, Chairperson

No items.

11. GENERAL MANAGER'S REPORT

- A. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

12. BOARD MATTERS

A. **Board Member Reports.**

(Board member reports as required by Government Code Section 53232.3(d) are available through the Office of the District Secretary. An opportunity for Board members to report on their District activities and observations since last Board Meeting.)

B. **Roll Call for Introductions.**

(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)

C. **In Memoriam.**

(An opportunity for Board members to introduce individuals to be commemorated.)

13. PUBLIC COMMENT

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 300 Lakeside Drive, P.O. Box 12688, Oakland, CA 94604-2688

Board of Directors
 Minutes of the 1,787th Meeting
 May 11, 2017

A special meeting of the Board of Directors was held May 11, 2017, convening at 9:05 a.m. in the Board Room, 344 20th Street, Oakland, California; and Moose Lodge No. 1491, 20835 Rutledge Rd., Castro Valley, CA 94596. President Saltzman presided; Kenneth A. Duron, District Secretary.

Directors present in Oakland: Directors Blalock, Dufty, Keller, Simon and Saltzman.

Directors present in Castro Valley: Director McPartland.

Absent: None. Directors Allen, Josefowitz and Raburn entered the Meeting later.

Consent Calendar items brought before the Board were:

1. Approval of Minutes of the Meeting of April 27, 2017 (Regular).

Director Dufty made the following motion. Director Blalock seconded the motion, which carried by unanimous Roll call vote. Ayes - 6: Directors Blalock, Dufty, Keller, McPartland, Simon and Saltzman. Noes - 0. Absent – 3: Directors Allen, Josefowitz and Raburn.

1. That the Minutes of the Meeting of April 27, 2017 (Regular) be approved.

President Saltzman called for Public Comment. Darrel Carey addressed the Board.

Director Raburn entered the meeting.

Director McPartland, Chairperson of the Administration, Workforce, and Legislation Committee, brought the matter of Modification to Small Business Program before the Board. Mr. Wayne Wong, Department Manager, Office of Civil Rights, presented the item.

Directors Allen and Josefowitz entered the meeting.

The following individuals addressed the Board:

Cleminatu Fields
 Charrisa Frank

The item was discussed. Director Raburn moved that the Board adopt the modifications to BART's Small Business Program for non-Federal Contracts by adding a Local Small Business Preference on contracts that are funded in part or in whole by BART Measure RR, for firms located in the counties of Alameda, Contra Costa and San Francisco, that meet either the SB Prime Preference or the SB Subcontractor Participation Goal. Director Saltzman seconded the motion, which carried by unanimous roll call vote. Ayes – 9: Directors Allen, Blalock, Dufty, Josefowitz, Keller, McPartland, Raburn, Simon, and Saltzman. Noes – 0.

Director Dufty, Vice-Chairperson of the Administration, Workforce, and Legislation Committee, brought the matter of Agreement with George Hills Company for Public Liability Claims Adjusting Services (Agreement No. 6M2061) before the Board. Ms. Rose Poblete, Controller/Treasurer presented the item. The item was discussed. Director McPartland moved that the Board authorize the Controller/Treasurer to award Agreement No. 6M2061 to George Hills Company for public liability claims adjusting services for a not to exceed amount of \$459,900, pursuant to notification to be issued by the Controller/Treasurer and subject to the District's protest procedures. Furthermore, that the Controller/Treasurer is authorized to exercise two options for a not to exceed amount of \$162,000 each. Director Raburn seconded the motion.

Director Blalock requested to amend the motion to state that the Board authorize the Controller/Treasurer to award Agreement No. 6M2061 to George Hills Company for public liability claims adjusting services for a not to exceed amount of \$459,900 for the three year term of the contract with two (2) one-year options for up to \$162,000 for each option year pursuant to notification to be issued by the Controller/Treasurer and subject to the District's protest procedures. The amendment was accepted by Directors McPartland and Raburn who moved and seconded the item. The motion carried by unanimous roll call vote. Ayes – 9: Directors Allen, Blalock, Dufty, Josefowitz, Keller, McPartland, Raburn, Simon, and Saltzman. Noes – 0.

President Saltzman announced that the order of agenda items would be changed.

Director Raburn, Chairperson of the Planning Committee, brought the matter of North Concord to Antioch Station Access Study and Proposed Brentwood Transit Center before the Board. Mr. Val Menotti, Chief Planning and Development Officer, Ms. Ellen Smith, Planning Division Manager and Mr. Ian Griffiths, Senior Planner, presented the item.

The following individuals addressed the Board:

Jeanne Krieg

Bruce "Ole" Ohlson

The item was discussed. Director Keller moved that the Board adopt Resolution No. 5339 in the matter of support of the Brentwood Transit Center and Mokelumne Trail Bridge. Director Blalock seconded the item. The motion carried by unanimous roll call vote. Ayes – 9: Directors Allen, Blalock, Dufty, Josefowitz, Keller, McPartland, Raburn, Simon, and Saltzman. Noes – 0.

Director Josefowitz, Chairperson of the Finance, Budget, and Bond Oversight Committee, brought the matter of Safety, Reliability and Traffic Relief Program: Implementation Plan before the Board. Ms. Tamar Allen, Chief Maintenance & Engineering Officer; Mr. Carl Holmes, Group Manager, Capital Programs, Maintenance & Engineering; Mr. Val Menotti, Chief Planning and Development Officer; and Mr. Robert Mitroff, Chief Planning and Development Officer, presented the item.

The item was discussed.

Director Josefowitz brought the matter of Fiscal Year 2018 Preliminary Budget Sources, Uses and Service Plan, Capital Budget before the Board. Mr. Carter Mau, Assistant General Manager, Administration and Budgets; Mr. Umbreit, Department Manager, Operating Budgets; Ms. Pamela Herhold, Department Manager, Financial Planning, and Mr. Dennis Markham, Division Manager, Financial Planning; Mr. Paul Oversier, Assistant General Manager of Operations; and Mr. Val Menotti, Chief Planning and Development Officer, presented the item.

Jerry Grace addressed the Board.

The item was discussed.

Director Josefowitz exited the meeting.

Director Keller, Chairperson of the Operations and Safety Committee, brought the matter of Change Order to Contract No. 79HM-120, SFTS – MB San Francisco Transition Structure, with Manson Construction for Additional Weld Test Requirements (C.O. No. 41 Part 2), before the Board. Director Blalock moved that the General Manager be authorized to execute Change Order No. 41 Part 2, Additional Weld Test Requirements, in the not-to-exceed amount of \$369,639.00 to Contract No. 79HM-120, SFTS MB with Manson Construction Company, Inc. Director Dufty seconded the motion, which carried by unanimous roll call vote. Ayes – 8: Directors Allen, Blalock, Dufty, Keller, McPartland, Raburn, Simon, and Saltzman. Noes – 0. Absent – 1. Director Josefowitz.

Director Keller brought the matter of Change Order to Contract No. 59CT-120, Wayfinding Improvements Phase III, with L C General Engineering and Construction for Capitol Corridor Transit Information Displays (C.O. No. 7) before the Board. The item was discussed. President Saltzman moved the General Manager is authorized to execute Change Order No. 7, Capitol Corridor Transit Information Displays, in the not to exceed amount of \$480,000.00 to Contract No. 59CT-120, Wayfinding Improvements Phase III, with L C General Engineering and Construction Inc. Director Dufty seconded the motion, which carried by unanimous roll call vote. Ayes – 8: Directors Allen, Blalock, Dufty, Keller, McPartland, Raburn, Simon, and Saltzman. Noes – 0. Absent – 1. Director Josefowitz.

President Saltzman called for the General Manager's Report. Ms. Grace Crunican, General Manager, reported that BART received an award from the City of Oakland's Mayor's office for being a champion supporting internship programs in Oakland, reported on open Roll Call for Introductions items, and reminded the Board of upcoming events. Mr. Paul Oversier, Assistant General Manager, Operations reported on plans for the A15 Closure/Shutdown during the coming weekend. Ms. Kerry Hamill, Assistant General Manager, External Affairs reported on BART's activity to increase weekend ridership by handing out free Oakland Athletics weekend tickets at various BART Stations.

President Saltzman called for Board Member Reports, Roll Call for Introductions, and In Memoriam.

Director Raburn reported on his participation at the Fruitvale Cinco de Mayo Celebration and Community outreach on the Operations Control Center.

Director Blalock reported on attending a Grand Opening of a Housing Complex that was previously part of the Hayward Station parking lot.

Director Simon reported on attending the Alameda County Labor Council and the City of Oakland Annual Award Celebration. Director Simon introduced Ben & Leah summer interns working with her over the summer.

Director Dufty reported and thanked Director Raburn and the BART staff that attended the Homeless roundtable at St. Anthony's.

President Saltzman called for Public Comment: Jerry Grace addressed the Board.

President Saltzman announced that the Board would enter into closed session under Item 11-A (Conference with Legal Counsel – Existing Litigation) & 11-B (Conference with Labor Negotiators) of the special Meeting agenda, and that the Board would reconvene in open session upon conclusion of the closed session.

The Board Meeting recessed at 1:22 p.m.

The Board Meeting reconvened in closed session at 1:30 p.m.

Directors present: Directors Allen, Blalock, Dufty, Keller, McPartland, Raburn, Simon, and Saltzman.

Absent: Director Josefowitz.

The Board Meeting recessed at 2:20 p.m.

The Board Meeting reconvened in open session at 2:22 p.m.

Directors present: Directors Allen, Blalock, Dufty, Keller, Raburn, Simon, and Saltzman.

Absent: Directors Josefowitz and McPartland.

President Saltzman announced that the Board had concluded its closed session and that there were no announcements to be made.

President Saltzman brought the matter of Collective Bargaining Agreements Regarding East Contra Costa BART Extension (eBART) Operating and/or Maintenance before the Board. Director Keller moved as a unit that the Board adopt Resolution No. 5340 In the Matter of Ratifying the 2017-2022 Collective Bargaining Agreement between the District and the Amalgamated Transit Union; adopt Resolution No. 5341 In the Matter of Ratifying the 2017-2022 Collective Bargaining Agreement between the District and the American Federation of State, County and Municipal Employees; adopt Resolution No. 5342 In the Matter of Ratifying the 2017 -2022 Collective Bargaining Agreement between the District and the Service Employees International Union. Directors Dufty, Raburn and Simon seconded the motions, which carried by unanimous electronic vote. Ayes – 6: Directors Blalock, Dufty, Keller,

DRAFT

Raburn, Simon, and Saltzman. Noes – 0. Abstention – 1. Director Allen. Absent – 2.
Directors Josefowitz and McPartland.

The Meeting was adjourned at 2:25 p.m.

Kenneth A. Duron
District Secretary



EXECUTIVE DECISION DOCUMENT

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|--|-----------------------------------|-----------------------------------|--------------------|-----------------------------------|
| GENERAL MANAGER APPROVAL: <i>17 May 2017</i> <i>Robt M. Power</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: 5/10/2017 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Lisa Agustin Dept: Operating Budgets | General Counsel | Controller/Treasurer | District Secretary | BARC |
| Signature/Date: <i>Dalmy Agustin 5/12/17</i> | <i>[Signature]</i> 5/12/17 [] | <i>[Signature]</i> 5/12/17 [] | [] | <i>[Signature]</i> 5/12/17 [] |

FY18 Proposition 4 Appropriations Limit

PURPOSE: To approve the District's Fiscal Year 2018 Appropriations Limit, as required by State law pursuant to the Gann Initiative (Proposition 4, passed by the voters in 1979).

DISCUSSION: The Gann Initiative (Proposition 4) provides for limits on appropriations by State and local government entities. California Government Code Section 7910 requires local jurisdictions to annually adopt an appropriations limit by resolution and establishes a 45-day statute of limitations for commencement of any judicial action to challenge the appropriations limit.

Section 7910 requires the Board of Directors to establish by resolution BART's annual appropriations limit "at a regularly scheduled meeting or noticed special meeting." Further, it requires that fifteen days prior to such meeting, documentation used in the determination of the appropriations limit shall be made available to the public. On May 10, 2017, the documentation was made available to the public.

Attachment 1 summarizes the FY18 appropriations limit calculation in accordance with the uniform *Guidelines for Implementation of the Gann Initiative* prepared by the League of California Cities and the information furnished by the State Department of Finance.

Attachment 2 is the calculation for the margin as it relates to the Proposition 4 limit. The margin is the difference between the appropriations limit and the expenditures subject to the limit. Based on the calculations, the District will be below the limit of \$596,087,690.

FISCAL IMPACT: No fiscal impact. The FY18 appropriations limit is \$596,087,690. Operating and Capital expenditures subject to the appropriations limit total \$337,367,610. As

such, the District is \$258,720,080 below the subject FY18 appropriations limit.

ALTERNATIVES: None.

RECOMMENDATION: Approval of the following motion.

MOTION: That the Board adopt the attached resolution which sets the District's FY18 appropriations limit at \$596,087,690.

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

In the Matter of the Establishment
Of the Fiscal Year 2018
Appropriations Limit

Resolution No. _____

WHEREAS, Article XIII B of the California Constitution limits the District's appropriations for Fiscal Year 1981, and subsequent years; and

WHEREAS, Government Code Section 7910 requires the District to establish, by resolution, its appropriations limit pursuant to Article XIII B; and

WHEREAS, documentation used in the determination of the Fiscal Year 2018 appropriations limit has been available to the public for at least fifteen days prior to the date of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District that the District's appropriations limit for Fiscal Year 2018 shall be \$596,087,690.

Attachment 1

Fiscal Year 2018 Appropriations Limit: Calculation

Based on the provisions in Article XIII B of the California Constitution as approved by the voters in November 1979, the appropriations limit for each succeeding year through 1987 is determined by the District's 1979 appropriations base times a cumulative composite factor. The base year was later revised to 1987. The cumulative composite factor consists of the product of:

- 1) The lesser of the relative year change in the all urban consumer price index (SF/Oakland/SJ CPI-U) or the California per capita personal income, and
- 2) At the District's discretion, the relative year-to-year change in District wide population, or the population for the District's county that has the highest assessed valuation. Election of the higher of the two growth factors results in a higher appropriations limit.

The District's appropriations limit for Fiscal Year 2018 is calculated on the basis of the urban consumer price index (CPI-U SF/Oakland/SJ) and District-wide population gains. Steps in the calculations are as follows:

Relevant data, percent change:

- CPI-U SF/Oakland/SJ, 3.4372% (applies this year per option 1 above)
- Population Change, District-wide, 1.0537% (applies this year per option 2 above)

District Population

| | <u>As of 1/1/16</u> | <u>As of 1/1/17</u> | <u>% Change</u> |
|----------------------|---------------------|---------------------|-----------------|
| Alameda | 1,629,233 | 1,645,359 | 0.9898% |
| Contra Costa | 1,126,824 | 1,139,513 | 1.1261% |
| <u>San Francisco</u> | <u>864,889</u> | <u>874,228</u> | <u>1.0798%</u> |
| Total | 3,620,946 | 3,659,100 | 1.0537% |

FY18 Cumulative Adjustment Factor:

| | | | | |
|---------------------------|---|-----------------------|---|------------------------------|
| CPI-U SF/Oakland/SJ | x | Population Factor | = | Current Adjustment Factor |
| (1 +3.4372%) | x | (1 + 1.0537%) | = | 1.0453 |
| Current Adjustment Factor | x | Prior Year Adjustment | = | Cumulative Adjustment Factor |
| 1.0453 | x | 3.1408 | = | 3.2830 |

FY18 Appropriations Limit:

| | | | | |
|--------------------------|---|--------------------------|---|---------------------------|
| FY87 Appropriations Base | x | FY18 Cumulative Adj Fctr | = | FY18 Appropriations Limit |
| 181,568,000 | x | 3.2830 | = | <u>\$596,087,690</u> |

ATTACHMENT 2
FY18 PROPOSITION 4 APPROPRIATIONS LIMIT

Whole Dollars, as of 05/01/17

| LIMIT | | NOTES & COMMENTS |
|---|------------------------|---|
| CPI-U | 3.4372% | CPI-U for SF/OAK/SJ 2/17 vs 2/16 |
| Per Capita Personal Income delta FY16>FY17 | 3.6900% | State DOF Price & Population Information, 1/1/17 (report released 5/1/17) |
| District Population Growth | 1.0537% | Districtwide growth is based on District Total |
| Annual Adjustment Factor | 1.0453 | [1+(CPI -U)*[1+(District population growth)]] |
| Cumulative Adjustment Factor | 3.2830 | (Current year factor)*(prior year cumulative factor) |
| Appropriations Limit | \$596,087,690 | (FY87 base appropriations) x (cumulative factor) |
| APPROPRIATIONS | | |
| Operating Budget | | |
| Operating Expenses | 734,376,940 | FY18 Prelim Operating Budget |
| Operating Subtotal | 734,376,940 | |
| Operating Allocations | | |
| Allocation to SOG/Rail Car Phase I | 39,000,000 | FY18 Prelim Operating Budget |
| Rail Car Fund Swap to MTC Reserve | - | FY18 Prelim Operating Budget |
| Misc. Capital Allocations | 9,328,623 | FY18 Prelim Operating Budget |
| Other Capital Allocations | 71,803,304 | FY18 Prelim Operating Budget |
| Operating Allocations Subtotal | 120,131,927 | |
| Capital Allocation To Operating | | |
| Capital Budget | | |
| Funded | 997,922,939 | FY18 Proposed Capital Budget |
| Unfunded | - | FY18 Proposed Capital Budget |
| Subtotal | 997,922,939 | |
| Less Funded Pass Through | (258,573,622) | FY18 Proposed Capital Budget |
| Less Unfunded Pass Through | - | FY18 Proposed Capital Budget |
| Subtotal | (258,573,622) | |
| Net Capital Expense | 739,349,317 | |
| Debt Service: | | |
| Debt Service | 50,770,050 | FY18 Prelim Operating Budget |
| GO Seismic Bonds | 91,752,203 | Per GO Bond Series Debt schedule |
| Debt Service Subtotal | 142,522,253 | |
| Total Operating & Capital Appropriations | \$1,736,380,436 | |
| EXCLUSIONS | | |
| Allocation from Reserves | - | FY18 Prelim Operating Budget |
| ADA Mandated Service Expense | 14,955,478 | FY18 Prelim Operating Budget |
| Net Operating Revenue: | | |
| Net Passenger Revenue | 512,554,430 | FY18 Prelim Operating Budget |
| Other Operating Revenue | 67,075,463 | FY18 Prelim Operating Budget |
| Subtotal | 579,629,893 | FY18 Prelim Operating Budget |
| Other Allocations (Access Fund) | - | FY18 Prelim Operating Budget |
| Federal Operating Funds | - | FY18 Prelim Operating Budget |
| Federal Capital Funds: | | |
| Funded | 247,489,415 | FY18 Proposed Capital Budget |
| Unfunded | - | FY18 Proposed Capital Budget |
| Subtotal | 247,489,415 | |
| Debt Service (GO Seismic Bonds) | 91,752,203 | Per above, GO Bond Series Debt schedule |
| Capital Budget Funded from GO Bond Proceeds | 101,492,569 | FY18 Proposed Capital Budget |
| Capital Budget Funded from Measure RR Bond Proceeds | 170,568,931 | FY18 Proposed Capital Budget |
| Capital Budget Funded from Sales Tax Proceeds | 85,545 | FY18 Proposed Capital Budget |
| BART Capital Funds | 193,038,792 | FY18 Proposed Capital Budget |
| Total Exclusions | 1,399,012,826 | |
| MARGIN | | |
| Appropriations Limit | 596,087,690 | Per above |
| Expenditures Subject to Limit | 337,367,610 | Appropriations less exclusions, per above |
| Margin | \$258,720,080 | Appropriations less expenditures subject to limit |
| RESIDENT POPULATION** | | |
| Alameda | | |
| Population | 1,645,359 | State DOF Price & Population Information, 1/1/17 (report released 5/1/17) |
| Percent Change | 0.9898% | |
| Contra Costa | | |
| Population | 1,139,513 | State DOF Price & Population Information, 1/1/17 (report released 5/1/17) |
| Percent Change | 1.1261% | |
| San Francisco | | |
| Population | 874,228 | State DOF Price & Population Information, 1/1/17 (report released 5/1/17) |
| Percent Change | 1.0798% | |
| District Total | | |
| Population | 3,659,100 | Sum of population for BART counties |
| Percent Change | 1.0537% | Percent increase |

**Population Estimate as of 1/1/17. Population estimate is "total population" and includes military and other temporary residents. Per State Department of Finance, prior year City and County population estimates may be revised.



EXECUTIVE DECISION DOCUMENT

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|--|--|---|---------------------------|--|
| GENERAL MANAGER APPROVAL: <i>Robert M. Power</i> 14 May 2017 | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: 3/8/2017 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Michael Forte Dept: eBART/BART-to-OAK <i>David Murphy</i> Signature/Date: 5/12/17 | General Counsel <i>[Signature]</i> 5/12/17 [] | Controller/Treasurer <i>[Signature]</i> 5/12/17 [] | District Secretary [] | BARC <i>Paul Chesler</i> 5/16/17 [] |

Procurement of Services to Modify Addfare Machine Software to Implement Credit Card Processing

PURPOSE: To obtain Board authorization to enter into negotiations and execute a professional services agreement with Cubic Transportation Systems, Inc. (CTS) for the Procurement of Services to Modify Addfare Machine (AFM) Software to Implement Credit Card Processing functionality in an amount not to exceed \$240,000.

DISCUSSION: In 2003, the District completed its Automatic Fare Collection (AFC) Modernization program to replace all BART AFC equipment with new equipment manufactured by CTS under Contract No. 47BC-110. On June 23, 2011, the District awarded Contract No. 02EE-120 for the construction of the Warm Springs Extension (WSX) which included provisions for the supply and installation of CTS-sourced AFC equipment for WSX as well as options for the supply of additional AFC equipment for the East Contra Costa County (eBART) extension. On July 26, 2012, the Board authorized the General Manager to exercise any or all of the options for AFC equipment in Contract No. 02EE-120. The option for the eBART AFC equipment was executed in November 2012 and included, among other AFC equipment, four (4) AFM units.

Like all other District AFMs, the eBART AFM units accept only cash as payment to add sufficient fare to magnetic stripe tickets or to the Clipper™ cards to permit an exit at gates. This presents a problem for customers not having sufficient fare and no cash on hand requiring intervention by a station agent to open a gate and allow the passenger to purchase a ticket in the amount of the fare value difference at a TVM located in the non-paid area, and

surrender the tickets to the agent. The inconvenience to customers is exacerbated at eBART stations where stations are remotely monitored. During many hours of operations, supervisors will be roving on the line.

Title VI and Environmental Justice (EJ) ensures that equitable services and amenities are provided to customers across all BART stations, especially at stations that are considered minority and/or low-income. Pittsburg Center Station, for example, has a minority population of 86.3% and a low-income population of 61.6% (2015 eBART Pittsburg Center Station Title VI/EJ Report), which exceeds BART's overall minority and low-income populations.

Accordingly, to ease the burden on customers at eBART stations both having to use cash-only and being provided with only minimal staff assistance, the District seeks to modify eBART AFMs to allow customers to add sufficient fare to their magnetic stripe ticket or Clipper™ card through the use of credit cards. This will require new software from CTS to implement the credit card functionality and related changes to the graphical user interface, including multiple languages for audio and screen messages.

The new software can only be provided by CTS since the new software will require integration with existing AFM hardware and software provided by, and proprietary to, CTS. Because of the proprietary nature of the hardware and software, integration with non-CTS software programs would unreasonably increase costs and protract the timeline for delivery.

Staff is now seeking to enter into direct negotiations with CTS in order to execute a professional services agreement to modify Addfare Machine (AFM) Software to implement credit card processing functionality, in an amount not to exceed \$240,000. This amount will cover the costs of the engineering/software development, testing, implementation, and documentation of the software.

Staff has determined that CTS is a responsive, responsible supplier with fair and reasonable pricing based upon the independent cost estimate by BART staff.

The Office of the General Counsel will approve the Agreement as to form.

FISCAL IMPACT: Funding of the not to exceed amount of \$240,000 for the award of this Contract is included in the total project budget for FMS #04SF200 - eBART - AFC Project. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority.

As of March 17, 2017, \$8,136,798 is the total budget for this project.

| Fund No. | Fund Description | Source | Amount |
|----------|--------------------------------------|--------|-------------|
| 535A | FY10-11 Prop 1B - PTMISEA | State | \$1,111,798 |
| 6640 | CCTA - Resolution 12-16P | Local | \$3,625,000 |
| 6645 | ECCRFFA Co-Op Agreement 26-14 | Local | \$ 300,000 |
| 664C | CCTA Resolution 13-25-P | Local | \$ 600,000 |
| 8526 | FY14 Operating to Capital Allocation | BART | \$2,500,000 |
| Total | | | \$8,136,798 |

BART has expended \$5,109,748, committed \$567,993 and reserved \$39,878 to date for other actions. This action will commit \$240,000 leaving an available fund balance of \$2,179,178 in this project.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVES: Do not authorize the General Manager to enter into the requested negotiations or execute a Contract with CTS. The District would not be able to offer its customers the convenience of credit card processing at eBART AFMs.

RECOMMENDATION: Adopt the following Motion.

MOTION: The Board of Directors authorizes the General Manager to enter into direct negotiations and to execute a professional services agreement with Cubic Transportation Systems, Inc. to modify Addfare Machine (AFM) Software for credit card processing functionality, in an amount not to exceed \$240,000, subject to certification by the Controller-Treasurer that funding is available.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: May 19, 2017

FROM: General Manager

SUBJECT: FY17 Third Quarter Financial Report

The FY17 Third Quarter Financial Report (January - March 2017) is attached. The net result for the quarter was \$1.4M unfavorable, results similar to the second quarter. The year-to-date (YTD) net operating result is \$6.4M unfavorable. Passenger revenue is expected to continue underperforming the budget for the remainder of the year, thus this unfavorable variance may increase by year-end.

Operating Sources

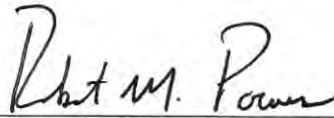
Total Ridership was 6.9% under budget for the third quarter and 5.5% below FY16. Compared to results for the first two quarters of FY17, the rate of rider loss is accelerating. Weekday trips were 6.3% below budget and weekend/holiday trips were 10.2% below budget. The third quarter saw the first decline in Transbay ridership since the last recession – with a 2.4% drop from FY16. Previously, higher Transbay fares were helping to keep the fare revenue budget variance slightly lower. Passenger revenue was \$8.2M (6.5%) under budget for the third quarter.


Sales Tax results in the third quarter were \$0.3M or 0.6% over budget, up 3.7% from one year ago. The budget assumed 3.2% growth. Year to date, sales tax revenue is \$1.0M (0.5%) under budget.

Operating Uses

Total Expense for the quarter was nearly on budget, finishing \$0.2M or 0.1% favorable. Labor and benefits were \$0.3M or 0.2% favorable, and total non-labor was \$0.1M over budget. Material usage in the shops and maintenance and repair costs continued to run over budget. Additional funding for general liability insurance reserves of \$1.5M was also required to keep the reserve at the required level, bringing the additional contributions to \$3.0M YTD. Year-to-date, total expense is very close to budget, favorable by \$0.6M or 0.1%. Labor and benefits are favorable by \$4.7M, with non-labor over budget by \$4M.

The year to date results indicate that the decline in ridership will have a substantial negative impact on net operating results. Cost saving actions taken early in the fiscal year will help mitigate some of the operating deficit, however, BART needs to be prepared to close this revenue gap.



 Grace Crunican

Attachments

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

**Quarterly Financial Report
Third Quarter
Fiscal Year- 2017**

Revenue

- Avg weekday trips for the quarter were 415,844, 6.3% under budget and 4.1% below the same quarter last year. Total trips for the quarter were 6.9% under budget, with weekend and holiday trips under budget 10.2%. Net passenger revenue was 6.5% under budget.

- Parking revenue favorable due to Daily Non-Reserve and Long Term Parking.

- Other operating revenue \$0.1M favorable with investment income offset by unfavorable parking citations and telecom.

Expense

- Electric Power \$1.5M favorable variance mostly due to the reversal of prior month expense accruals.

- Other Non Labor \$1.7M unfavorable variance in Q3 due to \$1.5M reduction of Workers Comp accrual (labor), transferred to General Liability Reserve and \$1.0M in penalties and legal fees associated with an environmental compliance judgment. This unfavorable variance was partially offset by favorable timing of budget vs. actual expenses.

MTC Rail Car Swap

- The MTC rail car fund swap is a funding exchange program between MTC and BART that does not affect the net operating result.

Financial Assistance and Allocations

- Sales Tax for the quarter grew 3.7% over 3QFY16, \$0.3M higher than the 3.2% growth assumed in the budget. Estimated to be \$1.7M unfavorable for the year.

- Property Tax, Other Assistance was \$2.2M favorable due to \$0.6M over budget property tax payments and \$1.6M over budget federal/local funds. Property tax estimated to be \$1.6M favorable for the year.

- STA was \$0.2M favorable, expected to be \$0.9M over budget at year end.

- Low Carbon Transit Op Prog will be \$5M below budget. To be booked in June.

- Debt service was \$0.2M favorable due to savings from refunding.

- Capital and Other Allocations was \$2.9M favorable due to \$2.1M under budget SFO Ext fare revenue, \$0.4M non-capital project reclassification to operating and \$0.4M under budget incremental fare increase revenue.

Net Operating Result

- The Net Operating Result for the quarter was unfavorable by \$1.4M, due to under budget operating revenue.

| Current Quarter | | | (\$ Millions) | Year to Date | | |
|-----------------|----------------|---------------|---------------------------------------|----------------|----------------|---------------|
| Budget | Actual | Var | | Budget | Actual | Var |
| | | | Revenue | | | |
| 124.7 | 116.6 | -6.5% | Net Passenger Revenue | 382.2 | 363.8 | -4.8% |
| 8.4 | 8.8 | 4.8% | Parking Revenue | 25.3 | 26.0 | 2.9% |
| 7.0 | 7.1 | 1.8% | Other Operating Revenue | 20.5 | 20.8 | 1.4% |
| 140.1 | 132.5 | -5.4% | Total Net Operating Revenue | 428.0 | 410.6 | -4.1% |
| | | | Expense | | | |
| 126.9 | 126.6 | 0.2% | Net Labor | 375.9 | 371.2 | 1.2% |
| 0.6 | 0.6 | 0.0% | OPEB Unfunded Liability | 1.8 | 1.8 | 0.0% |
| 9.9 | 8.5 | 14.8% | Electric Power | 29.9 | 28.1 | 6.2% |
| 7.0 | 6.9 | 2.0% | Purchased Transportation | 21.0 | 20.5 | 2.2% |
| 32.6 | 34.3 | -5.1% | Other Non Labor | 89.5 | 95.8 | -7.1% |
| 177.0 | 176.8 | 0.1% | Total Operating Expense | 518.1 | 517.5 | 0.1% |
| (36.9) | (44.3) | -20.1% | Operating Deficit | (90.1) | (106.9) | -18.7% |
| (11.8) | - | 100.0% | MTC Rail Fund Car Swap | (35.3) | (5.4) | 84.6% |
| | | | Taxes and Financial Assistance | | | |
| 63.4 | 63.8 | 0.6% | Sales Tax | 189.1 | 188.1 | -0.5% |
| 3.7 | 5.9 | 59.5% | Property Tax, Other Assistance | 26.9 | 30.7 | 14.2% |
| 11.8 | - | -100.0% | MTC Rail Fund Car Swap | 35.3 | 5.4 | -84.6% |
| 2.2 | 2.5 | 10.9% | State Transit Assistance | 4.5 | 3.5 | -22.3% |
| (12.9) | (12.7) | 1.8% | Debt Service | (38.8) | (37.7) | 2.7% |
| (35.4) | (32.4) | 8.3% | Capital and Other Allocations | (107.1) | (99.6) | 7.0% |
| 0.6 | 0.6 | 0.0% | OPEB Unfunded Liability Offset | 1.8 | 1.8 | 0.0% |
| 33.5 | 27.7 | -17.4% | Net Financial Assistance | 111.8 | 92.2 | -17.5% |
| (15.2) | (16.6) | (1.4) | Net Operating Result | (13.6) | (20.1) | (6.4) |
| 79.2% | 75.0% | -4.2% | System Operating Ratio | 82.6% | 79.3% | -3.3% |
| 0.366 c | 0.390 c | -6.4% | Rail Cost / Passenger Mile | 0.350 c | 0.367 c | -4.9% |

* Totals may not add due to rounding to the nearest million.

| | |
|--|--|
| | No Problem |
| | Caution: Potential Problem/Problem Being Addressed |
| | Significant Problem |

**FINANCE,
BUDGET,
AND
BOND OVERSIGHT
MATERIAL**

May 19, 2017

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

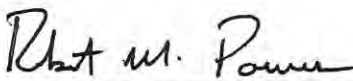
Date: May 19, 2017


FROM: General Manager

SUBJECT: Fiscal Year 2018 Annual Budget

At the Board meeting on May 25, 2017, following the Public Hearing, during the Finance, Budget, and Bond Oversight Committee, the FY18 Annual Budget has been placed on the agenda so that members of the Board may comment on the proposed FY18 Budget as presented at the Public Hearing.

If you have any questions, please contact Carter Mau at (510) 464-6194.



 Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

**ADMINISTRATION,
WORKFORCE,
and
LEGISLATION
MATERIAL**

May 19, 2017

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: May 17, 2017

FROM: General Manager

SUBJECT: State and Federal Legislation

At the May 25 Board of Directors meeting, staff will present state and federal legislation for your consideration.

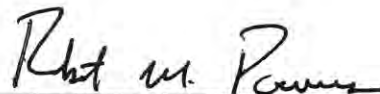
Attached are bill analyses and recommendations for five state bills and two federal bills. The legislation has a nexus to BART and aligns with the 2017 State and Federal Program Goals adopted by the Board of Directors.

LEGISLATION FOR SUPPORT (7)

| | |
|---------------------------|---|
| AB 399 (Grayson) | Autonomous Vehicles: Contra Costa Transportation Authority: Pilot Project |
| AB 1444 (Baker) | Livermore Amador Valley Transit Authority: Demonstration Project |
| SB 22 (Hill) | Firearms: Law Enforcement Agencies: Agency Firearm Accounting |
| SB 54 (de Leon) | Law Enforcement: Data Sharing |
| SB 595 (Beall) | Metropolitan Transportation Commission: Toll Bridge Revenues |
| S. 862 (Klobuchar, D-MN) | The American Apprenticeship Act |
| H.R. 1670 (Delaney, D-MD) | The Infrastructure 2.0 Act |

Following the staff presentation, a request will be made of the Board to consider passing the draft motion shown below.

If you have any questions, please contact Rodd Lee, Department Manager, Government and Community Relations at 510-464-6235.



Grace Crunican

Attachments

cc: Deputy General Manager
Board Appointed Officers
Executive Staff

DRAFT MOTION:

That the Board of Directors supports AB 399, AB 1444, SB 22, SB 54, SB 595, S. 862, and H.R. 1670.

Legislation for SUPPORT



STATE

AB 399 (Grayson) - Autonomous Vehicles: Contra Costa Transportation Authority: Pilot Project

AB 1444 (Baker) - Livermore Amador Valley Transit Authority: Demonstration Project

SB 22 (Hill) - Firearms: Law Enforcement Agencies: Agency Firearm Accounting

SB 54 (de Leon) - Law Enforcement: Data Sharing

SB 595 (Beall) - Metropolitan Transportation Commission: Toll Bridge Revenues

FEDERAL

S. 862 (Klobuchar, D-MN) - The American Apprenticeship Act

H.R. 1670 (Delaney, D-MD) - The Infrastructure 2.0 Act



EXECUTIVE DECISION DOCUMENT

| | | | | |
|--|--|---|---------------------------|--|
| GENERAL MANAGER APPROVAL: <i>Robert M. Powers</i> 18 May 2017 | | GENERAL MANAGER ACTION REQ'D: yes | | |
| DATE: 5/5/2017 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Robert Franklin Dept: Customer Access <i>Bob Franklin</i> Signature/Date: 5/17/2017 | General Counsel <i>[Signature]</i> 5/18/17 [] | Controller/Treasurer <i>[Signature]</i> 5/18/17 [] | District Secretary [] | BARC <i>Powers</i> 18 May 2017 [] |
| Status: Routed | | Date Created: 5/5/2017 | | |

AUTHORITY TO EXECUTE AN AMENDMENT TO CONCESSION PERMIT TO ADMINISTER THE DISTRICT'S PARKING PERMIT PROGRAMS

PURPOSE:

To authorize the General Manager or her designee to execute an amendment to Concession Permit M342-12 for the administration of the BART's Parking Permit Programs with Imperial Parking Corporation ("Impark"). This amendment would extend the term of the Concession Permit for six-months, with one option for a subsequent six-month extension and four options for subsequent three-month extensions each, for up to 2 years total through June 30, 2019. The amendment would also establish new fees to be paid by BART to Impark for its services.

DISCUSSION:

BART provides parking permit programs for Monthly, Single Day and Airport/Long-Term parking. The permit programs are administered by Impark, a professional parking vendor. The Concession Permit was originally issued to Pacific Park Management, Inc., which was selected through a competitive RFP process in 2012. In the Fall of 2014 Pacific Park Management transferred the Concession Permit to Impark, which has operated the program successfully since that time.

The primary work performed by Impark consists of selling internet-based, advanced reserved permits for parking at designated BART stations. The permits are sold using a link

from BART's webpage to the permittee's webpage, www.Select-a-Spot.com. The vendor also provides supporting customer services and handles all financial transactions and reconciliations, as well as credit card transaction fees. Most patrons purchase the permits using credit cards, although Impark also accepts personal checks. BART compensates Impark for processing the permits.

BART has employed a third-party vendor since it began to sell monthly permits in 2001. With e-commerce becoming more prevalent for a variety of BART purchases, BART is re-examining the use of third-party vendors to operate this service. The proposed short-term Concession Permit extension will allow the current permit program to continue while BART staff focuses on developing an alternative approach to this program, as well as with all other BART-related, non-Clipper Card transactions.

Currently, passengers are required to set up a separate account for each type of a BART purchase that is not a standard transit fare, including the purchase of a parking permit. Each time a vendor changes, is acquired or goes out of business, BART patrons have to re-register for a service, which is inconvenient for the passenger and difficult to administer and track for BART. By setting up a centralized BART account that can accommodate a variety of programs, BART will increase its control over these accounts and will provide a more unified customer service experience. This centralized account will be able to process transactions from a variety of sources and will be adaptable to incorporate future products. Each product, like the parking permit program, may still have to be developed separately, but will be accessible through a central BART account. A schematic depiction of this approach is attached.

As a condition to extending the term of the Concession Permit, Impark has required an adjustment to the rates BART pays for Impark's administrative services. These new rates will not impact the price of the permit that the customer pays. Below are the proposed rates for the extension, which staff feels are fair and reasonable, given the increased cost of the permits since the original Concession Permit was issued.

| Description | Current | Amended |
|----------------------------------|-----------------|-----------------|
| Monthly Reserved Permit Hangtag | \$4.85 | \$4.85 |
| Monthly Reserved Processing Fees | \$2.65 | \$2.90 |
| Re-mail Permit | \$4.40 | \$4.40 |
| Airport/Long-Term Permit Fee | \$0.85 | \$1.10 |
| Single Day Permit Fee | \$0.50 | \$0.75 |
| Customer Service Center Fee | \$2,500/month | \$2,500/month |
| Other Tasks | \$68/hour | \$68/hour |
| Provide Parking Permits Stock | \$900 per 1,000 | \$900 per 1,000 |

Currently, BART issues about 6,400 monthly permits each month. BART also issues about 80% of the 1,200 single day permits and 670 airport/long-term permits that are available on a daily basis.

FISCAL IMPACT:

Under the existing and proposed program, Impark deducts authorized costs from monies collected, and forwards the balance to the District. In FY16, the parking permit vendor fee, which comes out of the annual operating budget of the Customer Access and Accessibility Department, was \$690,579.95. This cost for FY17 is projected to be \$610,000. Based upon the current allocations, BART's cost for the administration of the permit programs for FY18, including credit card transaction fees and administration fees, is estimated to be \$650,000, which is within the proposed FY18 ongoing operating budget allocation for this program.

ALTERNATIVES:

Conduct a new request for proposal process to select a vendor to provide the services currently provided by Impark.

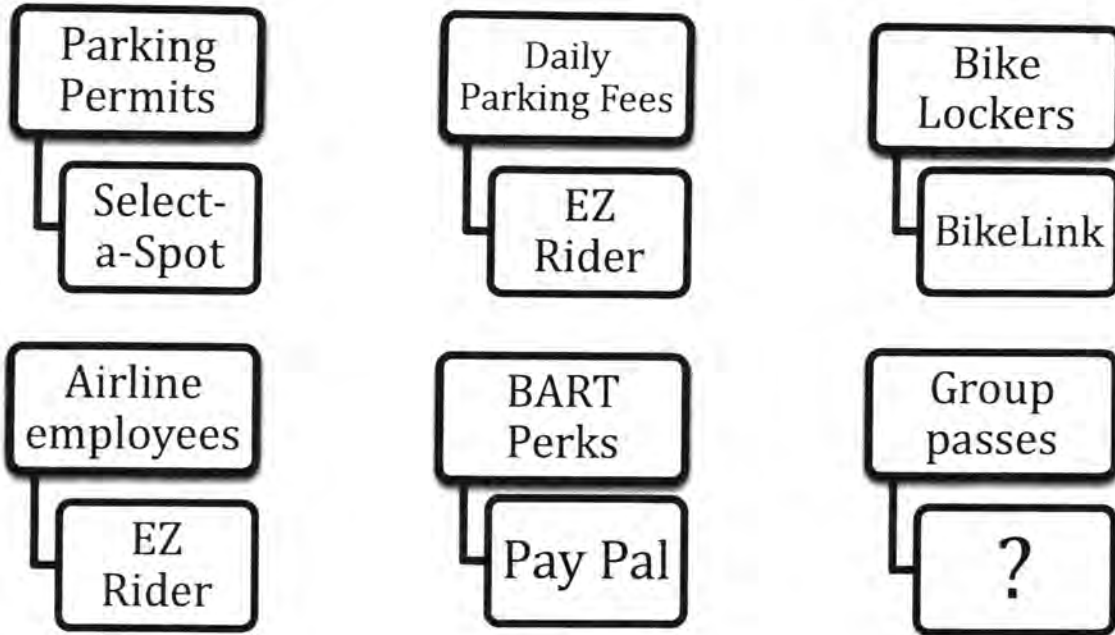
RECOMMENDATION:

Adopt the following motion:

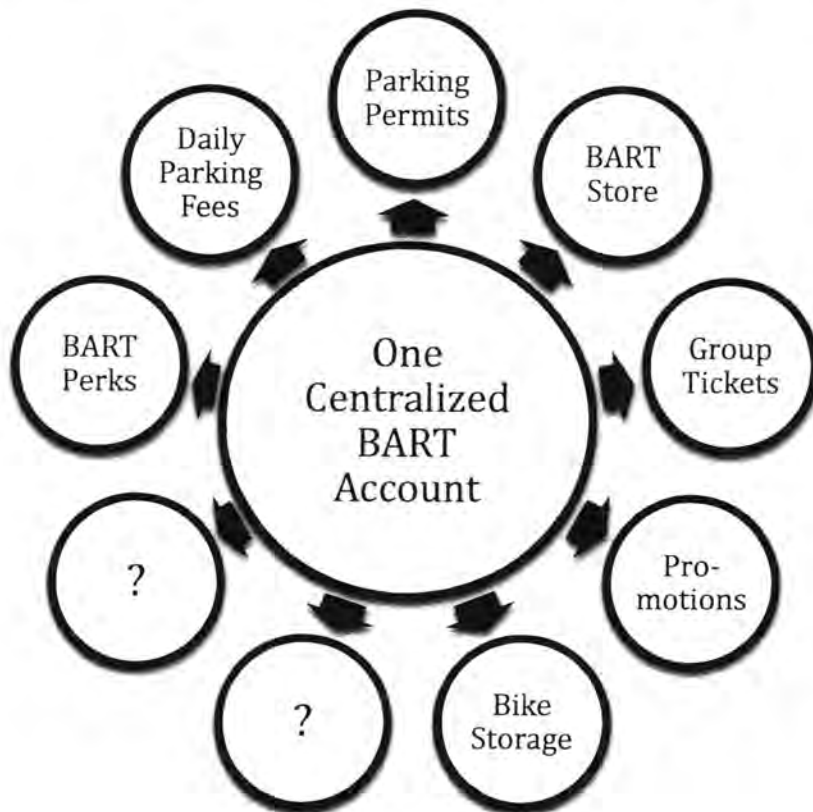
MOTION:

The General Manager or her designee is authorized to execute an amendment to Concession Permit M342-12 with Imperial Parking Corporation extending the term of the permit for up to two years and establishing new rates for the provision of services during the extension term.

Current
Separate Accounts for each activity



Vision
One BART Account for all non-fare purchases



**FINANCE,
BUDGET,
AND
BOND OVERSIGHT
MATERIAL**

May 19, 2017

program and learn how the varying parameters affect outcomes.

The ASTPP will gather data about student usage of BART during the Pilot to address the following questions:

- * For what purposes do students use BART?
- * At what times during the day, and on which days of the week do students use BART?
- * Which BART stations (origins and destinations) are used most frequently by students?
- * How do BART trips connect with, complement, or replace trips that students are making on AC Transit or other transit systems?

Data gathered during Year 2, and the program's ability to fund ASTPP BART tickets will determine the parameters of BART ticket inclusion in the third year of the pilot program.

For student use on BART, Alameda CTC will purchase from BART, \$50-value ASTPP tickets, which are color-coded orange with a special graphic design, at a 50% discount (\$25). The ASTPP tickets are similar to BART's Orange ticket, which BART sells to participating middle and high schools at a 50% discount (\$32 in value sold for \$16).

While use of the existing Orange ticket is limited to Monday through Friday for the purpose of getting to and from school and school-sponsored events, students will be able to use the ASTPP BART ticket any day of the week, and for any purpose.

High schools in BART's service area selected by Alameda CTC to participate in the BART ASTPP include: Castlemont High, Fremont High, and McClymonds High in Oakland; San Leandro High in San Leandro; Hayward High in Hayward; and James Logan High in Union City.

School administrators will distribute ASTPP tickets, and Alameda CTC and BART will track usage and collect other data from students. Under the agreement, Alameda CTC will pay for the ticket stock and printing costs of the ASTPP BART tickets.

While Alameda CTC is paying for printing costs and reimbursing BART 50% of each ticket distributed, the use of the Orange BART ticket would be expanded to include student travel during nights and weekends for activities unrelated to school sponsored events. This expanded use is considered a fare change, subject to 2/3 vote by the BART Board.

The Office of Civil Rights (OCR) completed an equity analysis for BART's participation in the ASTPP. The Analysis assessed whether minority and/or low-income youth will experience disproportionately high and adverse impacts from their participation in this pilot program. It was found that while regular youth fare riders, ages 13-18 are disproportionately

minority and low-income when compared to BART's overall ridership, participating in the ASTPP is considered a benefit because these populations will receive free transportation due to ACTC's subsidy of the BART fare.

On Tuesday, April 11, 2017, staff presented this item to the combined Title VI/Environmental Justice and Limited English Proficient (LEP) Advisory committees. Committee members did not express any concern regarding BART's participation in the program and viewed participation favorably.

FISCAL IMPACT:

BART will sell the ASTPP tickets to Alameda CTC at a 50% discount and Alameda CTC will reimburse BART for ticket stock and printing costs. BART will initially print and code 10,000 ASTPP tickets with a face-value of \$50. At a 50% discount this would equate to \$250,000 (\$25 x 10,000), which is equivalent to the discount at which BART sells Orange tickets to participating middle and high school students. BART will print additional ASTPP tickets, if requested, and provide them to Alameda CTC at the same 50% discounted rate. While there could be a cost to BART of participating in this pilot, the marginal cost could be minimal when compared to the Orange Ticket program, which offers the same 50% discounted rate. It is also possible that the program could generate additional revenue for BART by encouraging ridership from students who don't already ride BART, and would be introducing them to public transit with the potential of building future sustained ridership.

ALTERNATIVES:

Do not give the General Manager authority to execute the Affordable Student Transit Pass Pilot Agreement with Alameda CTC. Alameda CTC would not include BART in the ASTPP as a participating transit agency. This would result in Alameda CTC's not being able to share important and enlightening student ridership data with BART, and BART would lose this opportunity to cultivate new riders.

RECOMMENDATION:

Adoption of the following motion with 2/3 vote from the Board.

MOTION:

The General Manager is authorized to execute an agreement with Alameda CTC for BART to participate in the Affordable Student Transit Pass Pilot for the 2017/18 and 2018/19 school years.



EXECUTIVE DECISION DOCUMENT

| | | | | |
|--|-------------------|-------------------------------|--------------------|---------------------------------|
| GENERAL MANAGER APPROVAL: <i>Robert M. Powers - DGM</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: 4/11/2017 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Maisha Everhart Dept: Gov't & Community Relations | General Counsel | Controller/Treasurer | District Secretary | BARC |
| Signature/Date: <i>Maisha Everhart</i> 4/14/17 | <i>MP</i> 4/14/17 | <i>W. Adate</i> 4/14/17 | [] | <i>Powers</i> 14 APRIL 2017 [] |
| Status: Routed | | Date Created: 4/11/2017 | | |

Bond Oversight Committee

PURPOSE:

Request the Board establish an Independent Oversight Committee for the Measure RR bond consisting of seven members. The Committee will assess how bond proceeds are spent to ensure that all spending is authorized by the ballot measure, and assess whether projects funded by bond proceeds are completed in a timely, cost-effective and quality manner consistent with the best interests of BART riders and District residents. The Committee shall be charged with the responsibility of communicating its findings and recommendations to the District and the public.

DISCUSSION:

On June 9, 2016, the BART Board of Directors passed resolution 5321, which placed Measure RR a \$3.5 billion **BART Safety, Reliability and Traffic Relief** bond on the November 8 ballot subject to independent oversight and annual audits.

Section 11 of the resolution called for the establishment of a Bond Oversight Committee, which would consist of seven members appointed for two year terms and eligible to serve for up to 6 years in total.

The resolution specified that members be recruited from the following organizations:

- American Society of Civil Engineers
- American Institute of Electrical Engineers
- American Institute of Certified Public Accountants
- Association of Budgeting and Financial Management section of the American Society

- of Public Administration
- Project Management Institute
- League of Women Voters

On November 8, 2016, voters passed Measure RR with nearly 71% support. In December 2016, the District began to contact the above mentioned professional associations and seek candidate recommendations for the Bond Oversight Committee. On January 9, 2017, the General Manager sent a letter and formal request to each of the associations. Staff reviewed each of the applications to ensure the required criteria and to evaluate potential conflicts of interest. Staff is recommending the following people as the most qualified to serve as Committee members.

1. American Society of Civil Engineers Committee Assignment:

Daren Gee

2. American Institute of Electrical Engineers Committee Assignment:

Mike McGill

3. American Institute of Certified Public Accountants:

Michael Day

4. Association of Budgeting and Financial Management:

Marian Breitbart

5. Project Management Institute

John Post

6. League of Women Voters Committee Assignment 1:

Anu Natarajan

7. League of Women Voters Committee Assignment 2:

Christine Johnson

FISCAL IMPACT:

There would be a \$315 reimbursement expense for Committee members travel. Each of the seven Committee members could be reimbursed up to \$15 per meeting. There would be

no more than 3 meetings per year.

ALTERNATIVES:

The Board could reject some or all of the applicants and direct staff to reopen the application process.

RECOMMENDATION:

Establish the Bond Oversight Committee in accordance with Resolution 5321 and appoint the first seven members recommended by staff to the Committee.

MOTION:

That the BART Board establish the Bond Oversight Committee and appoint the following people to serve a two year term which will begin on July 1, 2017:

1. Daren Gee
2. Mike McGill
3. Michael Day
4. Marian Breitbart
5. John Post
6. Anu Natarajan
7. Christine Johnson

DAREN GEE, PE

TRANSPORTATION ENGINEERING MANAGER

More than 20 years of comprehensive experience in driving large rail related transportation projects to successful completion. Extensive design and construction experience in private and public sector. Key role in delivery of rail-related projects - two completed and one trending ahead of schedule and under budget. The projects included design, startup, acceptance and hand-off to operations. Projects funded via Federal, State, Local partners-including bond strategies. Settled and brought to resolution thousands of issues between Union Pacific Railroad, California Public Utilities Commission, Caltrans, Peninsula Corridor Joint Powers Board, NASA/Ames, US Navy, US Air force, FAA, BART, and local government. Negotiated \$20 Million public funds agreement, between Santa Clara Valley Water District, Alameda County Flood Control and Water Conservation District.

CORE COMPETENCIES

Complex public projects ♦ Freight railroad projects ♦ Passenger rail projects
Consultant Management ♦ Inter-agency negotiation ♦ Union negotiation
Utility relocation ♦ Site development ♦ Construction Administration

EXPERIENCE & ACHIEVEMENTS

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, SAN JOSE, CA • 1994 – PRESENT

A transit district serving Santa Clara County, population 1.8M

Transportation Engineering Manager, Silicon Valley Rapid Transit Project • 2004 - Present

\$2.5 Billion Phase 1 portion of complex \$6.5 Billion, 16-mile, VTA's BART to Silicon Valley Project. BART serves the San Francisco Bay Area, via a heavy rail public transit system, with 104 miles of track, 43 stations, and serving 350K riders per week.

- ♦ Completed construction of 5-miles of fiber-optic and petroleum-product utilities up to 100 feet deep
- ♦ 5-miles of Union Pacific railroad main line track relocation, including reconstruction of two railroad yards
- ♦ 10 miles of heavy-passenger-rail track including twelve grade separations and two Stations

Senior Transportation Engineer, Tasman East Light Rail Project • 2001- 2004

At-grade light rail extension project; maintaining reputation of delivering ahead of time and under budget. The light-rail system consists of 42 miles of track, 62 stations, and services 38K riders per week. This project added 5-miles with three at-grade stations, two aerial stations, one 1-1/2 mile aerial guide-way structure and a multi-modal transit center.

- ♦ Mediated agreements between Union Pacific Railroad, CPUC, City of Milpitas, and The Great Mall

Associate Transportation Engineer, Tasman West Light Rail Project • 1997- 2001

Directed the 7-1/2 mile light rail extension project, which opened ahead of time and under budget. The project included twelve at-grade stations, a pedestrian grade separation across freight railroad tracks and 8 street crossings. The light-rail system services 6 cities across Santa Clara County.

- ♦ Constructed two railroad and pedestrian grade separations without impacting normal San Francisco peninsula corridor passenger and freight railroad service.
- ♦ Implemented a half-mile depressed track way near Moffet Field Airport runway.

Assistant Civil Engineer, Tasman Light Rail Project • 1994 - 1996

Served as designer and owner representative for the Tasman Light Rail project. The Tasman West and Tasman East Light Rail projects were originally a single 12-mile project with 12 stations.

- ◆ Prepared preliminary engineering design for Great Mall Transit Center and adjacent Park and Ride facilities.
- ◆ Finalized preliminary design of at-grade track way with four stations and eight street crossings through the city of Sunnyvale.

TRANSMETRICS, SAN JOSE, CA • 1994

A civil engineering firm providing civil engineering, transportation planning, and construction management services to public and private sector clients.

Junior Civil Engineer, Tasman Light Rail Project

Responsible for management of projects design-review comment database, for this originally single 12 mile project with 12 stations.

- ◆ Organized correspondence between VTA and dozens of separate agencies, integrating multiple Civil and Systems contract packages.
- ◆ Shaped the design review processes for all the project related contract packages.

DES ARCHITECTS & ENGINEERS, REDWOOD CITY, CA • 1992-1993

A full service design firm with in-house disciplines of architecture, interior design, civil and structural engineering, landscape architecture, 3D graphics and visual communication.

Civil Designer

- ◆ Borland International R&D Campus – Reduced an 18-month Caltrans highway design approval process to 9 months. And persuaded expediency by engaging a directive letter from Norm Mineta to department leaders.
- ◆ San Mateo Government Center – Completed campus design using design-bid-build and design-build methods.

NOLTE AND ASSOCIATES, CA • 1988-1991

A full service civil design firm with in-house disciplines of urban planning, civil and structural engineering, landscape architecture, water resources, and land surveying.

Engineer's Aide

- ◆ Freeway design of 880 and 101 interchange, 85 and 87 interchange, and 101 Widening from 10th St. to Old Oakland Road.

ACCREDITATIONS

Registered Civil Engineer, No. C53246, State of California
 BS Civil Engineering, Business Minor, San Jose State University

Other LEADERSHIP EXPERIENCE

VTA Diversity Committee
 Past President, American Society of Civil Engineers
 Past President, Transportation Agency Engineers and Architects
 Junior Olympic Volleyball Coach
 Men's Volleyball Team at San Jose State University
 Ground-up construction of 1965 Shelby Cobra 427 SC, Replica

Daren Gee
Summary of Qualifications

I'm qualified for the position for several reasons, I'm available for appointment to the BART Safety, Reliability and Traffic Relief Program Citizens' Oversight Committee for a two year term without compensation. I'm available for semi-annual meetings, or more, should the committee choose to meet more often. I have read the Citizen's Oversight Committee Standing Rules & Application and Appointment Procedures, I can support those procedures. I also live in Alameda County.

I'm familiar with Operations, Maintenance, and Projects related to passenger rail systems. I'm an engineering manager for Santa Clara Valley Transportation Authority (VTA), a State Transit District. I've worked on three major projects over the past 20 years at VTA. My efforts and contributions helped allow the contracts on those 3 major projects to be finished on-schedule, ahead of schedule, or under budget. In public works, this is not always the case. At VTA, we have had success managing scope, schedule and budget on these projects. This was difficult - but with the right leadership, transparency, accountability, respectful relationships, and steadfast pursuit - it can be accomplished. I have witnessed it. Further, I've been part of it. Even without compensation incentives, on-time delivery is more than possible.

VTA's government services provide the public with light rail and bus transit operations, as well as congestion management works. Recently, VTA has been involved in heavy rail projects. I've been involved in the development and construction of a 10-mile extension of an existing rail transit system. This system is under construction will be owned by VTA. Through a comprehensive agreement, BART will provide Operations and Maintenance to this VTA rail corridor. This project will connect to the existing BART system.

All told, I've helped build roughly \$3.5 billion in capital improvements. I'm familiar with many topics that would be relevant to a BART capital improvement effort. VTA has similar complexities of a Special Transit District. With each project, we work with dozens of outside agencies and entities, which often add technical and non-technical hurdles to our efforts. As a project manager throughout my tenure at VTA, we've deployed many different solutions to the various design and construction issues. We're familiar with Contractor business constraints using union labor. We're familiar with complex contract change orders, which can be tied into business with third party governments or companies. One of my contracts was to build a 1-1/2 mile length elevated transit structure, which included City improvements to widen a County Expressway ultimately paid for by a company, Cisco. In a different venture, we moved three separate creeks in order to make adequate space for a double track heavy rail corridor, one of which was a \$20 million effort. Those side issues progressed along with our main endeavor, which was building transit oriented projects with timely issue management.

These Transit projects had interesting constraints associated with narrow rail corridors and logistics constrains during construction. In general, my efforts started during the preliminary design stage, continued through construction, and finished with turnover to Operations. With our successes, we have to give credit to my coworkers and our contractors. To achieve success in many areas including scope, schedule and budget, it takes the entire team to accomplish and reach successful results. I did my part, learned a ton, and the community continues to benefit. I enjoy this the most.

Daren Gee
Summary of Reasons for Applying

Public service is a calling. I joined VTA, over 20 years ago. Back then, I asked a lot of questions. I still tend to ask a lot of questions. But these days, I find myself teaching more often. Throughout my career, I've found my motivation to be centered on projects that help millions of people. My early engagements in civil engineering were focused on the design of Freeway Interchanges, which started during my stint with a consultant engineering firm, Nolte and Associates. Following Nolte, I've worked in commercial and industrial development at an Architectural and Engineering firm, DES, which was a top 10 bay area company in their line of business. My technical knowledge in transit specific works started at Transmetrics, another civil engineering consulting firm. However, for the majority of my career, I've been a public servant at VTA. I find myself learning more and more at VTA, especially from the people and partners that I've met through our projects.

I feel it's important to give back to the community. We all live in the Bay Area, and if we enjoy the many benefits provided by our area, we should find ways to give something back. I was involved in college sports while studying civil engineering locally at San Jose State University. I was a volleyball player for the Spartans. That extracurricular pursuit gave me the technical knowledge and leadership to coach. I feel that lessons learned in team sports provide our youngsters with tools they will need later in their professional work teams, in whichever careers they pursue. For over 20 years, I enjoy giving back to the community by teaching volleyball to youths.

On a professional level, I was President of the American Society of Civil Engineers (ASCE). You may best recognize ASCE from its infrastructure report card. We have many initiatives that center mainly to education and civil engineering, which ranges from technical training to outreach of civil engineering information. At VTA, I've been a one-time union President and currently a member of our internal Diversity and Inclusion Committee. VTA's Diversity and Inclusion Committee focuses on ensuring all employees are engaged to each of their individual strengths, so that VTA as a whole is stronger and more creative in its pursuits. Both groups reviewed and oversaw policies of the organization, identified problems, developed paths to solutions, and steered policy changes when needed.

I feel that a Board position in the BART Safety, Reliability and Traffic Relief Program Citizens' Oversight Committee is the type of community engagement that I enjoy. I look forward to talks with the committee and to asking questions to staff about techniques used to solve civil engineering problems and keep projects solvent. I would also keep an open mind to issues that may go beyond technical solutions. Sometimes issues can be caused by an organization's culture and developments of its decision making processes. Is a group making scientifically based decisions? What transparency exists? Are all employees engaged and allowed to provide great solutions? Do independent review groups agree with staff conclusions? Are industry standards followed? As mentioned in my Summary of Qualifications, on-time project delivery is possible and achievable. As a voter of the BART bond measure in November, it is encouraging that BART recognizes the need to constantly improve and re-invent itself. I would be honored to be part of the Oversight Committee.

March 2, 2017

Maisha Everhart
BART Manager of Local Government and Community Relations
300 Lakeside Drive, LKS-18
Oakland, CA 94612

**Subject: Application for Appointment to Citizen's Oversight Committee
Daren Gee**

Dear Ms. Everhart,

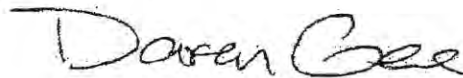
I am applying for an appointment on the BART Safety, Reliability and Traffic Relief Program Citizen's Oversight Committee. My expertise is in Civil Engineering, which I've practiced for over 20 years. This application is beyond the February 24th deadline, but I understand that the application window has been extended. I had inquired about the position initially through two sources. The first was through the American Society of Civil Engineers (ASCE). I'm a former President of ASCE's San Francisco Section and a current member, and I still remain in contact with several board members. The section represents roughly 7,000 ASCE members. The second was my coworker, Frank Lucarelli, who reached out to you and subsequently e-mailed me your latest committee information. I spoke to you by phone very briefly.

I intended to apply a few weeks ago, but just at that moment an important family emergency arose. The emergency required all of my attention for the past 3 weeks, but things have now stabilized. I appreciate that the application window has been extended.

Attached to this letter is a signed Citizens' Oversight Committee Standing Rules & Application and Appointment Procedures, Application for Appointment to Citizens' Oversight Committee, a copy of my resume, Daren Gee's Summary of Qualifications, and Daren Gee's Summary of Reasons for Applying.

I can be reached at _____ if you have questions.

Sincerely,



Daren Gee

MICHAEL R. MCGILL, P.E.

M.S., Water Resources Engineering, University of Michigan
M.S., Civil Engineering, University of Michigan
B.S., Civil Engineering, University of Michigan
Licensed Engineer: California, Arizona and Michigan

MEMBER

- American Public Works Association (Life Member)
- Water Environment Federation
- East Bay Leadership Council – Board Member and Past Co-Chair, Land Use Task Force
- Workforce Development Board of Contra Costa County (Chair)

ELECTED OFFICE

- Central Contra Costa Sanitary District, Board Member (elected 2006 and re-elected 2010 and 2014)
- Member Contra Costa LAFCo (elected 2011 and re-elected in 2012 and 2016)
- District 2 Representative, Democratic Party of Contra Costa County (elected 2016)

President / Principal Civil Engineer, MMS Design Associates (MMS)

MMS is a consulting firm which for over 35 years has provided development-based services to cities, public agencies, and private sector clients. MMS specializes in large, complex projects involving major infrastructure analysis, funding, financing, long-range planning and design, construction, and contract administration.

As a civil engineer, Mr. McGill has designed and managed a variety of public works and other municipal projects and has overseen infrastructure projects totaling in excess of \$1 billion.

McGill Martin Self, Inc (MMS) was part of Contra Costa Water District Los Vaqueros project team that was awarded the ASCE 1999 Outstanding Civil Engineering Achievement.

Board Member, Central Contra Costa Sanitary District (CCCSD) President 2009 and 2015

CCCSD's mission is to protect public health and the environment by collecting and treating wastewater, recycling water for reuse and promoting pollution prevention.

Commissioner Contra Costa County Local Agency Formation Commission (LAFCO)

The Local Agency Formation Commission (LAFCO) is established in each county to be responsible for overseeing most forms of local government boundary change, including incorporation, annexations, and special district formations.

Workforce Development Board of Contra Costa County (WDB) 2013-17 Chair

The Workforce Development Board is a business-led body whose members are appointed by the Contra Costa County Board of Supervisors to shape and strengthen local and regional workforce development efforts. The WDB brings together leaders from business, economic development, education, labor, community-based organizations, and public agencies to align a variety of resources and organizations to enhance the competitiveness of the local workforce and support economic vitality in our region.

Trustee, National University System including John F. Kennedy University, National University, City University of Seattle and WestMed College

The National University System meets the changing needs of diverse student populations with multiple pathways to reach educational goals. In addition to John F. Kennedy University and National University, there are five other affiliated institutions located around the world.

Mr. McGill was a Regent of John F. Kennedy University from 1989 to 2009. He served as Board Chair from 1998 to 2005. *He was awarded the Kennedy Citation for Outstanding Leadership in 2004.* After John F. Kennedy University's affiliation with the National University System, Mr. McGill was elected a Trustee of the National University System and all affiliated institutions.

Board Member and Treasurer, CALAFCO and Member of the Legislative Committee

CALAFCO serves as an organization dedicated to assisting member LAFcos. The membership of CALAFCO consists of all 58 LAFcos in California, along with an associate membership of firms and agencies which support the educational mission of the organization.

Mr. McGill is one of 16 state-wide Board Members.

Member (Founding) Los Medanos Community College Foundation Board (2014-2017 President)

Since its formation in 1997, Los Medanos College Foundation has been committed to helping build a pathway for LMC students to fulfill their dreams by raising and allocating critical financial support for educational and career technical training programs, teaching facilities, and student scholarships.

Contra Costa Taxpayers Association (CoCoTax) 2012-15 President

Founded in 1937, CoCoTax leads the way in providing fiscal oversight of local government; actively resist unwarranted taxes and fees, discriminatory regulations, ill-advised public expenditures and government secrecy, inefficiency and waste by challenging government at all levels to be accountable, responsive, efficient and fair and to deliver optimal value for every tax dollar.

Member Democratic Party of Contra Costa County (DPCCC) Central Committee 2017-2018 1st Vice-Chair

DPCCC is the official Democratic Party governing body in Contra Costa County; it is managed by the Contra Costa County Democratic Central Committee.



MICHAEL DAY

Michael Day serves on the board of Recology, Inc., a San Francisco-based waste collection and recycling company. He is chairman of the Audit Committee and also serves on the Governance and Innovation committees. Mr. Day also serves on the board of Topa Insurance Group, a personal and small commercial lines insurer based in Calabasas, CA. He is chairman of the Audit Committee. While with CSAA Insurance Group (CSAA), Mr. Day served on the board of AAA Life Insurance Company for eight years. During his tenure he held the roles of board chairman and board vice chairman. He also chaired the Finance and the Nominating and Governance committees. In addition, Mr. Day served on the board of the Community Safety Foundation, funded by CSAA. Mr. Day is currently a board member of Junior Achievement of Northern California, a not-for-profit organization focused on providing business awareness to youth.

Most recently, until his retirement in May 2015, Mr. Day was the chief financial officer for CSAA, a major provider of AAA-branded insurance and one of the top 20 personal lines property casualty insurance groups in the United States. In his role as CFO, Mr. Day was responsible for financial planning and analysis; controller's office; cash, investments and financial risk management and strategic sourcing. Internal audit also reported to him on an administrative basis. During his tenure with CSAA, Mr. Day was responsible for managing the company through significant transactions, including the separation of CSAA from AAA NCNU, which had been operating as a combined entity, and the acquisition of Mid-Atlantic Insurance Group.

Mr. Day joined CSAA/AAA NCNU in August 2006 from New York, New York, where he was a financial consultant with Africast Global Media, a startup focused on delivering original African television content via the internet. Prior to Africast, Mr. Day was senior vice president, corporate and international finance of MTV Networks. He managed planning, financial reporting and control, treasury, capital approval and international finance. Prior to joining MTV Networks, Mr. Day worked for the Walt Disney Company in the roles of director of corporate financial reporting, where he was responsible for all SEC financial filings including 10Ks and 10Qs, and director of corporate planning and accounting. Mr. Day began his career with Deloitte & Touche in their audit group and left as an audit senior manager.

In 2010, Mr. Day was named CFO of the Year by the San Francisco Business Times.

Mr. Day has an MBA in finance from Columbia University and a BBA in accounting from Baruch College. He is also a certified public accountant licensed in the state of New York.



Experience

KNN Public Finance- Vice President

1994-2014

- Financial Advisor to public entities seeking to access the capital markets.
- Clients included EBRPD, City of Oakland, Alameda County, City of Los Angeles, City and County of San Francisco, EBMUD.
- Services included development of plan of finance and bonding capacity, review of financing alternatives, development and review of disclosure documents, review of financing documents, continuing disclosure for outstanding bond issues, assist in selection of financing team, sale of bonds through negotiated or competitive sale, preparation of credit review package, coordination of financing team and maintain financing schedule.
- Debt instruments included revenue bonds, certificates of participation and lease revenue bonds, general obligation bonds, tax allocation bonds, commercial paper, tax and revenue anticipation notes.

Alameda County-County Administrator's Office

1985-1994

- Budget review for many departments including internal service funds, county hospitals, public protection departments, public works and capital projects budgets.
- Chair of Fiscal Review Committees charged with negotiating pass-through agreements with redevelopment agencies in Alameda County.
- Chair of Real Property Task Force charged with developing County owned properties including renegotiation of Annexation Agreement with the City of Dublin to allow for development of County property within the City. Tasks included participating in three way property exchange between County, U.S. Army, EBRPD which resulted in property being made available to BART for Dublin BART station
- Lead responsibility for the County's general fund debt issuance, including its several lease financings

Exxon Corporation

1974-1985

- Positions in Controller's Department of Exxon International included oversight of \$300 million worldwide tanker construction program, Cargo Trading Department and long range planning in Gas Department.

Education

Wharton Graduate School of Finance- MBA

1974

Degree in Accounting, Management, Information and Control

State University of New York at Stony Brook-BA

1971

Degree in Economics

John C. Post

Experienced leader within a University of California laboratory context with strong project management, strategic planning and business development experience, as well as operational responsibilities for financial controls, regulatory compliance, risk management and supply chain management.

Experience

Lawrence Livermore National Laboratory (LLNL)

8/89-present

LLNL is a \$1.5 Billion Department of Energy (DOE) Laboratory, managed by the University of California from 1952-2006, and now a limited liability corporation, Lawrence Livermore National Security, LLC (LLNS), from 2006-present.

Operations and Business Principal Associate Directorate (O&B)

Senior advisor to the Principal Associate Director (PAD). Current activities include mentoring and leading the recovery of the project controls systems functionality in support of pending line item projects, overseeing DOE project review preparations.

- Assistant PAD, O&B PAD (50% time) 1/09-3/2011
(short term assignment to assist new PAD during management transition)
- Senior advisor to the Principal Associate Director 11/17-present
- UCNL Contract Assurance Council, Lawrence Berkeley National Laboratory (LBNL) 12/17-present
- Senior member of LBNL Project Management Advisory Board (PMAB) 12/17-present

National Ignition Facility/Photon Science and Applications Directorate (NIF/PS&A)

As a founding member of the management team of the National Ignition Facility (NIF) team at LLNL in 1991, participated in project initiation for this \$5B facility project as resource manager, and have held a broad range of operational, resource and business development positions of increasing responsibility. After project completion (2009) and full facility commissioning and transition to operations, the NIF annual budget authority ranges from \$350-500M\$.

Positions included:

- Assistant Principal Associate Director, Strategic Management Systems 01/08 – 11/17
- Manager for Strategic Financial Planning 02/05 – 01/08
- Business Manager 08/01 – 02/05
- Project Resource Manager, National Ignition Facility Project 03/92 – 08/01
- Program Resource Manager, Inertial Confinement Fusion Program 01/91 – 03/92
- Program Resource Manager, Atomic Vapor Laser Isotope Separation 08/89 – 01/91

Special Assignments from LLNL to LANL

- Deputy Project Director for the MaRIE Project (LANL funded @ 50%) 1/16-present
Primary emphasis is on project integration/partnering with the DOE Office of Science (SC) laboratory community, as well as providing senior level project strategic planning and development with LANL and HQ leadership.
- Senior Advisor to PAD-Capital Projects (at LANL) 7/15-1/16
Following participation on a parent company Functional Management Review (FMR), and at the request of the LANL Director, provided on site guidance and leadership to assist the Los Alamos Laboratory in its efforts to regain its Earned Value Management System (EVMS) certification.

Independent Project and Portfolio Management Consultant 3/13-Present

Provide subject matter expertise, analysis, strategic planning, and optionality development for clients in the public and private sectors, ranging from commercial construction to scientific discovery projects. Primary engagements have been at the senior executive level with a focused emphasis on large projects in an adverse performance position to identify options and plans for recovery and completion.

Skills and Accomplishments**Project/Program Management**

- Leadership member of the DOE project management oversight process for many DOE-led project reviews in the areas of cost, schedule, risk, and performance assessment. Review scope has included evaluation of project management, cost and schedule, procurement strategies and supply chain execution, risk management, and performance assessment. Projects reviewed span the DOE portfolio from DOE-SC, the National Nuclear Security Administration (NNSA), and the Office of Environmental Management. Responsibilities include leading subcommittees, as well as briefing DOE and contractor management at the most senior levels. Reviews (30+) include:
 - *Office of Science:*
 - Facility for Rare Isotope Beams (FRIB), Michigan State University
 - Long Baseline Neutrino Facility/Deep Underground Neutrino Experiment (LBNF/DUNE), FermiLab and Sanford Underground Laboratory
 - Advanced Photon Source Upgrade, Argonne National Laboratory
 - Dark Energy Spectrographic Instrument (DESI), Lawrence Berkeley National Laboratory
 - National Compact Stellerator Experiment (NCSX), Princeton
 - National Synchrotron Light Source-II (NSLS-II) Project, Brookhaven National Laboratory
 - ITER, Cadarache, France, representing Office of Fusion Energy Sciences on the Briscoe Panel
 - Relativistic Heavy Ion Collider (RHIC), Brookhaven National Laboratory
 - Director's Reviews to prepare for Office of Science reviews, SLAC National Accelerator Laboratory, Stanford
 - Facility for Advanced Accelerator Experimental Tests (FACET) project
 - Materials under Extreme Conditions (MEC) project
 - Linac Coherent Light Source (NCLS, NCLS-II) projects
 - Large Synoptic Space Telescope (LSST)

- ***National Nuclear Security Administration***
 - Chemistry/Metallurgy Research Replacement (CMRR) project, Los Alamos
 - Uranium Processing Facility (UPF) NNSA Review, Oak Ridge Y-12 Plant
- ***Office of Environmental Management***
 - Waste Treatment Plant Project (Total Project Cost: 12.3B\$)
 - Multiple reviews 8/09, 11/09, 5/10, 3/11, 8/11
- Extensive experience at the senior executive level of the Project Management Institute, including membership on the Global Executive Council with peers from around the world (and DOE PM-1) to provide thought leadership on the emerging needs in the industry to guide the direction of the profession.
- **Budget and analytic business services/risk management/compliance**
 - Lead the process development, implementation, and certification of the Laboratory's project accounting/earned value management system by the Defense Contract Management Agency (DCMA).
 - Develop and implement financial accounting and project management policies and procedures at the institutional level, and assist with the same at the DOE-Headquarters level.
 - Provide guidance, interpretation and analysis of prime contract language, DOE and Federal regulations, Federal Cost Accounting Standards, DOE directives and guidance documents, and institutional business and accounting policies and procedures.
 - Chair governance reviews of LLNL institutional support budgets spanning all business and operations support functions.
 - Work closely with Federal headquarters program managers and budget staff to formulate and submit the annual President's Budget Request to Congress.
 - Primary contact with internal and external audit and oversight functions, including the Inspector General, Government Accountability Office, and Congressional requests.
- **Strategic Planning**
 - Coordination of strategic planning and execution management of multiple scientific programs and efforts, including the planning and integration of a diverse set of both indirect and direct funded portfolios.
 - Provided expertise and advice to the programmatic planning process, including analysis and proposals for enhancements to the strategic business model to adapt to both evolving research priorities/opportunities, and evolution of the institutional business management policies and practices.
- **Supply Chain Management**
 - Acquisition planning and execution for annual procurements and contracts ranging from \$125M-\$300M annually, including several construction contracts exceeding \$25-50M, and a supplier base exceeding 4500 companies, representing most states and several foreign countries.
 - Deep familiarities with procurement regulations related to use of public funds, including appropriateness of cost elements, competitive solicitation and bid evaluation, socioeconomic opportunity, and best value.

Education

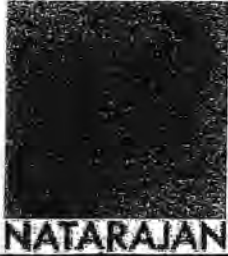
- B.S. Mechanized Agriculture, California Polytechnic State University** 9/79-6/84
- Agricultural Engineering Department (now the BioResource and Agricultural Engineering Department). Precursor major to the current Agricultural Systems Management degree program.
- MBA – Agribusiness Specialization, California Polytechnic State University** 9/84-6/86
- Member of the inaugural class with an agribusiness specialization.

Professional Development and Affiliations

- Project Management Institute (PMI) Certified Project Management Professional (PMP #458158)
- Member, PMI Global Executive Council
- National Laboratory Directors Council Project Management Community of Practice (co-founder)
- Community of Practice in Project Management, UC-affiliated National Laboratories
- LLNL Women's Association
- UCLA Leadership Program at Ojai, Leadership and Human Relations Laboratory
- Energy Facility Contractors Group (EFCOG)

Publications/Presentations/Awards

- Co-inventor, Isotopic Flow Meter (US9476747B2)
- Co-Recipient, Project Management Institute Project of the Year (2010) (co-authored the application)
- Co-Author, DOE G 413.3-10, Earned Value Management System (EVMS) Guide
- Co-Author, Livermore EVMS System Description
- Numerous public presentations on programmatic progress, and project leadership



anu natarajan

core strengths

PLANNING - COMMUNITY ENGAGEMENT – PUBLIC POLICY – COMMUNICATION

- Unique skills and perspective developed with professional experience in public, private, consulting, non-profit and political sectors
- Gained a reputation for creative ideas and tackling issues with a “can-do” attitude
- Successful at creating and leveraging partnerships with individuals and organizations
- Experience with successfully leading and managing all aspects of complex projects
- Collaborative leadership style with ability to work well both individually and in a team environment
- Keen listener and able to communicate and connect with various audiences
- Proven leadership skills in working with diverse community groups both locally and regionally
- Ability to shift seamlessly between ideas and implementation

professional experience

METROPOLITAN PLANNING GROUP (Oct 2015 - Present)

Consultant

Working with the City of Palo Alto's Planning and Community Development Department,

- assist with audit and refinements to existing planning and project review processes
- integrate comprehensive community engagement with various stakeholders meetings in small and large groups
- audit and refine existing planning and project review processes

MIDPEN HOUSING CORPORATION (Sep 2013- Jul 2015)

Director of Policy and Advocacy

Working with various groups of advocates, organizations and community groups,

- promoted affordable housing policies at the local and regional level in the Bay Area
- created a network of non-affordable housing partners and allies
- developed communication strategies and materials related to affordable housing issues for decision-makers and city staff
- developed a strategy to promote the voices of affordable housing residents at public hearings
- advocated with groups at the State level to influence policies that promote funding for affordable housing

AMERICAN LEADERSHIP FORUM - SILICON VALLEY (Sep 2009 - Dec 2012)

Program Director, Common Good Collaborative

Working with a policy committee of multi-sector Silicon Valley leaders,

- defined and led an initiative creating innovative public-private partnerships with more than 45 organizations focused on

community engagement

- pioneered the use of innovative technology to further conversation and dialogue among diverse stakeholders
- organized multi-location summits using video technology linking diverse participants to provide varied perspectives
- formed a multi-ethnic collaborative to foster partnerships among organizations
- recruited several leaders in Silicon Valley to serve as advisors and message ambassadors
- directed public policy strategies with organizations focused on reforming California's governance and fiscal structure

CITY OF FREMONT (Dec 2004 - Dec 2014)

Councilmember/Vice Mayor

With a passion for community building and a professional background in architecture and urban planning,

- led the strategic shift in vision from a suburban community to a complete sustainable city playing a leadership role in defining and adopting the City's General Plan
- initiated partnerships with national organizations to envision and market the 850-acre jobs-based transit oriented district around Warm Springs BART Station;
- continued to provide a regional leadership role as Fremont's representative on regional boards and commissions and invited speaker at various conferences;
- chaired the placemaking committee and regional planning committee at ABAG
- led an international trade delegation to India with business, community and education leaders
- envisioned and implemented Fremont's 50th Anniversary celebration working with over 600 volunteers and 180 performance groups

KENKAY ASSOCIATES (Aug 2002-Nov 2004)

Senior Planner

As the lead project manager and designer on various planning projects,

- managed consultant teams and projects from marketing to implementation, budgets and products
- led diverse group of taskforce members to develop a vision and design guidelines
- created and implemented a robust outreach and community involvement program
- adopted a team structure for city departments to provide input as a team on projects that included:-
 - Downtown Vallejo Specific Plan and Design Guidelines
 - Hitachi Campus/Cottle Transit Village Concept Plan
 - Coyote Valley Visioning Plan

EDAW (Apr 2000 - Jun 2002)

Senior Urban Designer/Interim Director of Operations

As a project director and prime consultant,

- led teams of consultants and managed planning and design projects from bidding to managing contracts on planning and urban design projects
- designed and managed diverse stakeholder groups, taskforce members
- conducted extensive community outreach and sustained engagements over several years
- engaged multi-disciplinary teams on generation and prioritization of ideas
- created evaluation matrices to provide tools for decision-makers
- produced presentation and final documents while managing a group of consultants on projects that included
 - Redwood City Downtown Area Plan, Redwood City, California
 - Midtown Milpitas Specific Plan and EIR, Milpitas, California

- Jinji Lake District Three Master Plan, Suzhou, People's Republic Of China
- Oakland Waterfront Promenade/Bay Trail Alignment Study and Design Standards
- CSU Monterey Bay Student Housing, Seaside, California
- Shenandoah Historic District Development Plan, Moffett Field, California
- Urban Design Consultant, Fremont, California

CITY OF FREMONT (Aug 1996-Mar 2000)

Assistant/Associate Planner/Project Manager

Managed Fremont Central Business District Concept Plan, Catellus Business Park and downtown projects
 Design review of all major projects including redevelopment agency projects
 Lead planner on major planning projects and on-site construction inspections for the planning department
 Provided design review training to planning staff and planning commission
 Created design guidelines and ordinances both individually and with consultant teams
 Assisted with the Development Organization building permit review process and building inspections

OTHER

Principal/Project Director, A Nuance Consulting in Planning and Design
 Consultant with Metropolitan Planning Group on General Plan updates and visioning workshops
 Instructor, Introduction to Urban Planning, University of Washington
 Associate Architect, Fountainhead, Bangalore India

education

Master of Urban Planning and Urban Design - University of Washington, Seattle
 Bachelor of Architecture - Bangalore University, India
 Member, American Institute of Certified Planners
 USGBC LEED Accredited Planner

boards and commissions

- Local Leaders Council, Smart Growth America
- Technical Advisory Panel Committee Co-Chair, Urban Land Institute San Francisco/NING
- Regional Planning Committee, Association of Bay Area Governments (ABAG)
- Placemaking Committee Chair, ABAG
- Advisory Board Member, SPUR San Jose
- Boardmember/Vice Chair, Greenbelt Alliance
- Boardmember, Transform CA
- Boardmember, TriCity Life ElderCare
- Boardmember, Washington Township Hospital
- Committee Chair, Measure E Bond Oversight Committee, Fremont Unified School District
- Boardmember, League of Women Voters, Fremont, Newark and Union City
- Fremont Planning Commission (past)
- Member, Housing and Economic Development Committee of the League of California Cities (past)
- Co-Chair, Technical Advisory Panel, Urban Land Institute, San Francisco (past)
- Commissioner, Alameda County Housing Authority (past)
- President of Board, StopWaste.org (past)
- Boardmember, Alameda County Recycling (past)
- Boardmember, Alameda County Energy Council (past)

Christine D. Johnson

Professional Experience

Associate Director, Third Sector Capital Partners, Inc.

January 2015 – February 2017

- Third Sector is a nonprofit consulting firm that works with governments, high-performing nonprofits, and private funders to develop the performance based social sector. Third Sector does this primarily by working with multiple stakeholders to implement Pay for Success projects that give effective service providers access to flexible, reliable resources to tackle critical social problems by tapping private funding to cover up-front costs.
- As an Associate Director, lead delivery of consulting engagements, business development efforts and support internal development efforts including standardization of service delivery.
- Client engagements led include Los Angeles County, City and County of San Francisco and national workforce development service provider, Year Up.

Senior Product Manager, BNY Mellon Corporate Trust

April 2010 - August 2013

- Senior product manager specializing in US local, state and federal public financial markets. Managed development and roll out for new and repositioned product in the public finance segment. Example impact: led re-pricing of services acquired through acquisition in 2009 (Arbitrage Services) that helped increase segment revenues by 28%.
- Moderated a monthly webcast sponsored by BNY Mellon in partnership with the Council of Development Finance Authorities on topics related to public finance and economic development.
- Provided business impact analysis and thought leadership pieces around federal legislative changes that impacted local government finance. Major pieces included in-depth reviews of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2009 and the Foreign Account Tax Compliance Act of 2012.
- Led efforts to apply BNY Mellon financial administration capabilities to new municipal finance tools such as Build America Bonds and Property Assessed Clean Energy programs with new/repositioned products.
- Worked with multiple internal stakeholders to reprice and restructure legacy Corporate Trust products including Loan Document Custody and Special Purpose Vehicle Administration.

Senior Product Manager, Emphasys, Inc.

October 2006 - March 2010

- Applied knowledge of public finance instruments to lead development of a debt management software solution for local governments. Responsible for product development, go-to market strategy, and development of all client-training materials.
- Lead role in building client roster from five to over thirty while tripling average license revenue size over three years.

Consultant, Public Financial Management, Inc.

July 2004 - September 2006

- Provided capital plan analysis, economic feasibility studies, and analytical support for bond financing transactions. Focused on analysis of transportation, redevelopment, public pension and other post-employment benefit (OPEB) projects.

Public Sector and Community Development Experience

Commissioner, San Francisco Planning Commission

July 2014 - Present

- The Planning Commission consists of seven members, appointed by the Mayor and the President of the Board of Supervisors, who help plan for growth and development in San Francisco. The Planning Commission advises the Mayor, Board of Supervisors and City departments on San Francisco's long-range goals, policies and programs on a broad array of issues related to land use, transportation, and current planning. The Commission has specific responsibility for the stewardship and maintenance of San Francisco's General Plan.

Chair, San Francisco Commission on Community Investment and Infrastructure

December 2012 - July 2014

- Responsible for setting Commission meeting agendas and representing agency interests with project sponsors and other city agencies. Special focus and direct assistance on development plans for the three to five million square feet of research and development space in the Hunters Point Shipyard/Candlestick Point Redevelopment Project Area.

President, San Francisco Community Investment Fund Advisory Board

April 2010 - Present

- The San Francisco Community Investment Fund (SFCIF) was created by the former San Francisco Redevelopment Agency to apply for federal New Market Tax Credits. The SFCIF has successfully received and allocated approximately \$80 million in tax credits over two funding cycles. Funded projects include SF Jazz, College Track, ACT/ Strand Theater and the Renoir Hotel.

Board Chair, San Francisco Housing Development Corporation

November 2013 - Present

- San Francisco Housing Development Corporation (SFHDC) is a non-profit organization devoted to fostering financial stability in distressed minority communities by developing affordable housing and providing financial education/readiness programs. SFHDC also participates in economic revitalization by developing commercial spaces and providing business support.
- Elected Chair of the Board in September 2015. Served as Treasurer from November 2013 through September 2015.

Education

Smith College, Northampton MA

B.S. Engineering Science



EXECUTIVE DECISION DOCUMENT

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|---|---------------------------------------|--|--------------------|-------------------------------|
| GENERAL MANAGER APPROVAL: <i>Robert M. Pearce</i> 9 MAY 2017 | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: 3/24/2017 | | BOARD INITIATED ITEM: Yes | | |
| Originator/Prepared by: Michaela Morales Dept: Finance | General Counsel <i>[Signature]</i> | Controller/Treasurer <i>[Signature]</i> | District Secretary | BARC <i>[Signature]</i> |
| Signature/Date: <i>Michaela Morales</i> 5/1/17 | <i>[Signature]</i> 5/1/17 [] | <i>[Signature]</i> 5/2/17 [] | [] | <i>[Signature]</i> 5-9-17 [] |

DISTRICT'S REVISED INVESTMENT POLICY

PURPOSE:

To adopt a revised Investment Policy of the San Francisco Bay Area Rapid Transit District.

DISCUSSION:

The District most recently adopted an Investment Policy in 2003. It is a best practice guidance of the Government Finance Officers Association (GFOA) to review a public entity's investment policy on an annual basis. Due to new regulations and guidelines from a variety of regulatory entities, it is helpful to revise the District's Investment Policy to facilitate the Controller-Treasurer's process of investing BART's funds which aggregate \$609.3 million as of December 31, 2016.

The District's Investment Policy describes the parameters for investing certain funds and identifies the investing objectives, constraints on the investment portfolio, and how the investments will be managed and monitored. The policy formalizes the framework for the District's investment activities that must be executed to ensure effective and judicious fiscal and investment management of the District's funds. The guidelines are intended to be broad enough to allow the Controller-Treasurer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the District's investment assets.

The District's Investment Policy is a communications tool for the public, the Board, and District staff, and other stakeholders on investment guidelines and priorities. The investment policy demonstrates a commitment to the fiduciary care of the District's funds.

The investment policy should include:

1. Governing Authority for investments
2. Scope of Investment Policy (e.g., what fund investments are guided by the Policy)
3. Investment Objectives for the District
4. The District's Reporting/Disclosure for Investments
5. Authorized Investments
6. Investment Suitability for the District

The attached Investment Policy fulfills this requirement. It was prepared with the assistance of the District's financial advisor.

FISCAL IMPACT:

No fiscal impact.

ALTERNATIVES:

If the Board does not adopt this Revised District Investment Policy, the District will use the current Investment Policy which is outdated and doesn't reflect the changes in the California Public Utilities Commission (CPUC) Sections

RECOMMENDATION:

That the Board adopt the District's Revised Investment Policy.

MOTION:

The Board adopts the following revised Investment Policy (attached).

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT STATEMENT OF INVESTMENT POLICY

SECTION I: INVESTMENT OBJECTIVES, SCOPE & SUITABILITY

The Controller-Treasurer of the District shall invest District funds in a manner that the Controller-Treasurer deems prudent, suitable, and advantageous under existing circumstances and in accordance with the following objectives, in order of priority:

1. Preservation of Capital – The investment portfolio should be structured to minimize the probability of a loss of principal value through adequate diversification of investments across a variety of security offerings, maturities, and financial institutions.
2. Liquidity- funds shall be invested only until date of anticipated need or for a lesser period. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets
3. Yield- generation of the best available return on investment without compromise of the first two objectives.

The priorities evidenced above are consistent with California Government Code Sections 53600.3 and 53600.5.

The District's investment policy shall also discourage the investment of funds in any institution or business which conducts operations or invests funds in any country whose laws discriminate against individuals based upon race, color, or creed.

To the extent that District funds are invested pursuant to a Trust Agreement or other Security Agreement, the provisions of such document will control the investment of the funds held hereunder.

SECTION II: GOVERNING AUTHORITY

The Controller-Treasurer may invest in Securities authorized by the California Public Utilities Code Sections 29100 through 29103; California Government Code Sections 53601, 53601.1 and 53635 and Board Resolution 2697 with the following exceptions: the Controller-Treasurer will not invest in financial or commodity futures, options contracts, medium-term corporate notes, or mutual funds unless specifically authorized by the Board. Should the provisions of respective Codes become more restrictive than those contained herein, such provisions will be considered as immediately incorporated into this investment policy.

SECTION III: AUTHORIZED INVESTMENTS

The Controller-Treasurer may invest in United States treasury notes, bonds, or bills for which the full faith and credit of the United States are pledged for the payment of principal and interest; Bonds, notes, bills, warrants or obligations issued by an agency of the United States; and Municipal Obligations issued by State or Local agencies, as authorized by California Government Code Section 53601. The term remaining to maturity of the investments may not exceed five years.

The Controller-Treasurer may invest in repurchase agreements and will accept as collateral only securities of the U.S. government and U.S. governmental agencies which have a market value, including accrued interest, equal to the amount of the repurchase agreement, as authorized by California Government Code Section 53601(j). The maturity date of the collateral may, however, be later than that required by Objective 2 above.

The Controller-Treasurer may invest in reverse repurchase agreements with a maturity of 90 days or less, as authorized by California Government Code Section 53601(j).

The Controller-Treasurer may invest in "swaps" defined as, the simultaneous buying and selling of a security of approximately the same maturity to increase yield, cash flow or to improve quality.

In addition to the securities authorized above, the Controller-Treasurer may invest in public time deposits in financial institutions having at least one branch within the District boundaries.

The Controller-Treasurer will accept as collateral securities authorized by the California Government Code Section 53651 (a) through (p) excluding subsection (m) promissory notes secured by first mortgages and first trust deeds. The Controller-Treasurer will require 110% collateralization, less the portion authorized by California Government Code Section 53653 on public time deposits, except for San Francisco Federal Home Loan Bank Letters of Credit, in which case the required collateralization will be 105%.

The Controller-Treasurer has the authority to waive the required collateralization and substitute Federal Deposit Insurance Corporation (FDIC) for the first \$250,000 of the investment.

The Controller-Treasurer will continue to seek minority depository institutions, as defined by the Federal Government, for the placement of a portion of the District's funds.

The Controller-Treasurer may invest in money market mutual funds up to 20% of District funds eligible to be invested under California Government Code Section 53601. The money market mutual funds must carry a credit rating equal to or higher than U.S. Treasury securities and their portfolio must consist entirely of direct obligations of the U. S. Government, its agencies, or instrumentalities eligible, and repurchase agreements backed by such obligations.

The Controller-Treasurer may invest in the State of California Local Agency Investment Fund as authorized by California Government Code Sections 16429.1, 2, 3 & 4. up to 20% of District funds eligible to be invested under California Government Code 53601.

The Controller-Treasurer may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American

Development Bank as authorized by California Government Code Section 53601 (q). These obligations may have a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. The Controller-Treasurer may use up to 30% of District funds eligible to be invested under California Government Code Section 53601.

SECTION IV: REPORTING & ANNUAL REVIEW

The Controller-Treasurer shall report on the investments covered under this policy at least quarterly to the Board.

The foregoing defines the District's investment policies for calendar year 2017 and thereafter unless and until the policies are modified by the Controller-Treasurer and approved by the Board. The Controller-Treasurer shall review this policy annually and submit modifications to the Board when needed.



EXECUTIVE DECISION DOCUMENT

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| GENERAL MANAGER APPROVAL: <i>Robert M. Pava</i> 9/4/17 2017 | | GENERAL MANAGER ACTION REQ'D: N/A | | |
| DATE: 4/28/2017 | | BOARD INITIATED ITEM: Yes | | |
| Originator/Prepared by: Christopher Gan Dept: Assistant Controller <i>Chris Gan</i> Signature/Date: 5/2/17 | General Counsel <i>[Signature]</i> 5/2/17 [] | Controller/Treasurer <i>[Signature]</i> 5/2/17 [] | District Secretary [] | BARC <i>[Signature]</i> 5-9-17 [] |
| Status: Routed | | Date Created: 4/28/2017 | | |

Independent Auditor's Report on Audit of Federal Awards under the OMB Uniform Guidance for the Fiscal Year Ended June 30, 2016

PURPOSE:

This Executive Decision Document is for information only, to advise the District's Board of Directors of the results of the independent audit performed to comply with the audit requirements of the Office of Management and Budget (OMB) "Uniform Administrative Requirement, Cost Principles and Audit Requirements; Final Rule" (Uniform Guidance), for the fiscal year 2016 and of actions staff plans to undertake to address the deficiencies reported.

DISCUSSION:

As a non-federal entity that expends \$750,000 or more in federal awards in a year, the District is required to obtain an annual audit in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 of the OMB Uniform Guidance. The Uniform Guidance requires a report on the following areas: a) internal control over financial reporting based on the audit of financial statements performed in accordance with Government Audit Standards; and b) compliance for each major federal program and internal control over compliance. Such audits are required to provide reasonable assurance that the awards received are being managed in compliance with laws, regulations, and the provisions of contracts or grant agreements.

The results of the auditor's report dated November 23, 2016 on internal control over financial reporting was unqualified and did not disclosed any instances of noncompliance that are required to be reported under Government Auditing Standards.

The auditor's March 16, 2017 report with regards to compliance for each major federal program and on internal control over compliance indicated a significant deficiency in the implementation of the Labor Wage Requirements (also known as the Davis-Bacon Act - 40 USC Section 3141, et seq.), which requires payment of prevailing wages to all laborers and mechanics employed by a contractor or subcontractor who work on construction contracts in excess of \$2,000 financed by federal funds. Contractors or subcontractors are required to submit to the District weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payroll records). In the event of non-compliance by a contractor, the District is required to initiate timely corrective actions to ensure compliance, such as sending timely follow-up requests to the contractor and withholding payment until the certified payroll records (CPR) are received. The audit finding noted that the District failed to consistently verify that contractors and subcontractors paid its laborers and mechanics prevailing wage rates before approving payments to the contractors. This creates a risk that federal funds may be paid to contractors who do not comply with the Wage Rate requirements, which could lead to unallowable costs. This exception is similar to the findings noted in Fiscal Years 2014 and 2015, although the number of incidence for noncompliance in Fiscal Year 2016 was significantly smaller.

Since March 2015, the District has implemented several measures to address the compliance required by the Davis Bacon Act, which included the following:

- Inserted Office of Civil Rights in the electronic invoice approval process to ensure that CPR are submitted prior to invoice approval.
- Boilerplate contract specifications language was amended to specify that failure to submit certified payroll records may delay progress payments
- Office of Civil Rights has conducted training workshops for BART staff and contractors on Davis-Bacon Act and California Labor Code prevailing wage requirements.
- Notifications are sent to prime and subcontractors when their CPR are overdue.
- Instituted a process to deny payment to the contractor if CPR are not received on a timely basis.

To address shortcomings of the current process, the District will implement the following additional measures to further strengthen the oversight in the submission of CPR:

- Require construction contractors to list work being billed for, per subcontractor on each invoice.
- Require prime contractors to identify all subcontractors working on a project during an invoice period in the District's electronic payroll system.

- Sign-in sheets will be required for all workers and prime contractors will be required to collect the records from all subcontractors for submission to the District on a weekly basis.

In addition to the above proposed updates, the District has also developed an electronic CPR verification form that allows the ability to verify all invoiced subcontractors are current with the CPR submission in the District's electronic CPR system.

FISCAL IMPACT:

If the deficiency related to Labor Wage Requirements is not fully addressed, unallowable costs could result since federal funds may be paid to contractors who do not comply with the provisions of the Davis-Bacon Act.

ALTERNATIVES:

None.

ACTION

No action by the Board is required. As a recipient of federal awards, the District is required by the federal government to have its books and records audited annually in accordance with the OMB Uniform Guidance.

**OPERATIONS
AND
SAFETY
MATERIAL**

May 19, 2017