



**Fiscal Year
2014
Budget
Pamphlet**

MARCH 29, 2013

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**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
MEMORANDUM**

TO: Board of Directors

DATE: March 29, 2013

FROM: General Manager

RE: Fiscal Year 2014 Preliminary Budget

After persevering through the most severe economic downturn in our history, the San Francisco Bay Area Rapid Transit District (BART) is carrying more riders than ever while maintaining 95% passenger on-time performance. This trend in ridership growth is expected to continue. For Fiscal Year 2014 (FY14), we are projecting that we will carry an average of 404,000 weekday riders, which is 10% higher than two years ago. At the same time BART is experiencing unprecedented usage, the District faces both near- and long-term challenges that are just as daunting as those met during the economic recession. Good progress has been made in addressing these challenges, and we must work to build on those successes.

As BART enters its fifth decade in service, we have vital system reinvestment needs that are significantly underfunded. In addition to these rehabilitation needs, we must meet the demands of BART's increasing ridership and system capacity limitations. We must carefully choose investments to address both the surging ridership and its impact on system capacity while looking ahead to ensure critical infrastructure rehabilitation projects advance so that Bay Area residents now and in the future will continue to benefit from a safe, efficient, and reliable BART system that protects and enhances the Bay Area's quality of life.

To achieve these goals, we have built the FY14 Preliminary Budget around concepts and themes that we have discussed with the Board of Directors throughout the past year. These can be grouped into three areas: Infrastructure, Stations, and Sustainability.

- **Infrastructure.** Reinvestment is a core budget priority. The District has made important strides over the past year, including renewing the inflation-based fare increase program to fund our three highest priority discrete capital programs: new rail vehicles, our next generation train control system, and the Hayward Maintenance Complex. Additionally, BART continues to fund critical State of Good Repair (SGR) needs from operating revenues to augment dedicated capital sources. The FY14 budget contains recommendations to fund key areas from operating sources, including a \$46 million allocation for the new rail cars.
- **Stations.** Great opportunities are present for BART stations to enhance the communities in which they are located, serve as catalysts for transit-oriented development, and act as multimodal "gateways" to an interconnected regional transportation system. The FY14 budget supports a District-wide effort to enhance the role of stations by working cooperatively with local jurisdictions and communities to create vibrant, sustainable, and livable environments around and in our stations, where people want to go for purposes besides commuting. In addition, new revenue generated from the recently Board-approved modifications to BART's paid parking programs will be directed solely towards improvements in station access, station rehabilitation, and station modernization.

- **Sustainability.** BART's commitment to sustainability must be part of all our activities and functions. The concept of sustainability applies not only to how BART activities impact the environment, but to our organizational practices and management as well. BART needs to address the long term, and take the steps now to ensure that our projects, programs and policy decisions result in a financially sustainable organization that provides quality passenger rail service to the Bay Area. Resource management, building techniques, and business operations are examples of areas that can benefit from applying sustainability principles. For FY14, we are recommending that the District invest in initiatives that support our focus on sustainability at BART, including developing specific policies and standards for the District's Environmental Management System and investing in the implementation of Total Quality Management (TQM) principles across the agency, which will help achieve long-term sustainable success through continuous process improvement.

The attached document describes the FY14 Preliminary Budget, including the data and assumptions used to develop it, as well as budget initiatives for the upcoming fiscal year supporting the three areas described above as well as several priority focus areas, such as addressing results from the 2012 Customer Satisfaction Survey and implementing BART's Asset Management Plan.

BART service is dependent on both day-to-day operations and the necessary capital infrastructure to operate. The District is taking a more comprehensive look at its financial health through blending the operating and capital budgets to ensure that BART has the necessary resources to sustain its high level of operations and fund its capital priority programs. This blending allows for a proactive forward-looking assessment of near and long-term funding needs. To this end, managing our financial resources will be a challenge over the next few years as the priority capital programs move forward.

In closing, I believe the recommendations in the FY14 Preliminary Budget balance vital investments in BART's aging infrastructure with investments in areas that will yield nearer-term improvements noticeable to our current riders. The FY14 budget also places greater emphasis on examining our existing practices and processes to make them more efficient, effective, and sustainable. Lastly, we are proposing funding to support efforts for BART to be a better "neighbor" and interact more effectively with the cities and communities we serve. I look forward to receiving your feedback as we finalize next year's budget.



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cc: Board Appointed Officers
Deputy General Manager
Executive Staff

1. Overview

As BART enters its fifth decade of service, vital system reinvestment needs remain significantly underfunded, while ridership continues to grow and tests system capacity. Staff is prioritizing investments to address both ridership growth and system capacity while looking ahead to ensure critical infrastructure projects are implemented. BART also contributes to the Bay Area's economic recovery by not only efficiently transporting people throughout the region but also by investing in vital infrastructure. The continuation of the Earthquake Safety Program will ensure the viability of the system in the event of a major seismic occurrence. The Oakland Airport Connector, Warm Springs and Silicon Valley/Berryessa Extensions, and the eBART Rail Project will create critical linkages to the Oakland International Airport, southern Alameda County, Santa Clara County and eastern Contra Costa County, respectively.

The FY14 Preliminary Budget reflects concepts and themes that support system reinvestment and capacity issues. The concepts and themes of the FY14 Preliminary Budget can be grouped into three areas: Infrastructure, Stations, and Sustainability.

Infrastructure

The District took several critical steps towards reinvesting in its system infrastructure over the past year. One of the most important projects for BART is replacing the rail car fleet, and a significant milestone was achieved with the award of the \$1.4 billion rail car replacement contract in May 2012. The 410 car order with Bombardier Transportation will be the first phase of the purchase of up to 1,000 cars. In partnership with the Metropolitan Transportation Commission (MTC), the District is working diligently to secure the funding necessary to purchase the balance of new cars that will replace the nation's oldest rail car fleet and provide the additional cars necessary for rolling stock capacity for existing and future ridership.

In February 2013, the Board of Directors took another important step when it extended the productivity-adjusted inflation-based fare increase program that calls for fare increases in 2014, 2016, 2018, and 2020. The Board directed that the additional fare revenue generated by the fare increases be dedicated to capital projects, specifically to three priority programs: the new rail cars, the Hayward Maintenance Complex, and the replacement of the District's automated train control system. These three programs are inextricably linked and are essential to meeting key safety, reliability, capacity, and sustainability goals of the District. A modern, expanded fleet is necessary to meet current and future capacity demands while maintaining passenger comfort and service reliability. The Hayward Maintenance Complex is necessary to provide maximum car availability to maintain and store the expanded fleet. An improved train control system is needed to improve headways and put an expanded fleet in service both safely and reliably.

The first fare increase, scheduled to take effect January 1, 2014, is anticipated to generate approximately \$7.5 million (M) in FY14 to be dedicated directly to these priority capital programs. The incremental revenue generated by these small regular fare increases is projected to grow to over \$70M annually by the eighth year of the program.

BART has embarked on a critical effort to determine the District's State of Good Repair (SGR) priorities. Staff is systematically assessing the condition of the District's physical assets and is developing an Asset Management Strategy. Initial studies indicate that over the next ten years

there are approximately \$6 billion of critical system asset replacement or rehabilitation needs, many of which must be addressed or service reliability and quality are at risk. As reported in BART's biennial Customer Satisfaction Surveys, passengers consistently rate service reliability and on-time performance as the most important service attributes, so it will be critical for the District to reinvest in its aging core system assets to maintain the high quality of service passengers value and have come to expect. In FY14, the District is poised to fund the second phase of the Asset Management initiative, which will provide asset management plans in support of federal Moving Ahead for Progress in the 21st Century (MAP-21) requirements and will move BART towards a fully integrated asset management system.

Stations

As the California Senate Bill (SB) 375-guided *Plan Bay Area* moves towards adoption and implementation, there will be an increased focus on BART stations as gateways to the region. To strengthen its focus on stations, BART has reorganized several key departments. The District Architect, Real Estate and Property Development, and Planning functions will be combined with the former Transit System Development group to create the Office of Planning and Development. Integration of these key departments will better position BART to coordinate capacity and rehabilitation needs, partner with communities on land use issues, advance placemaking and sustainability, improve public safety through crime prevention and environmental design, and to implement station development. While many of the Stations components will not require direct resources from the FY14 budget, the reorganized Office of Planning and Development will focus on a District-wide effort to create vibrant, sustainable, and livable environments in and around stations, where people want to go for purposes besides commuting.

- **Transit-Oriented Development (TOD).** Land use plans are being prepared in partnership with the lead local jurisdictions at several stations: Millbrae, Concord, North Concord, Coliseum/Oakland Airport, 19th Street/Oakland, Lake Merritt, West Oakland, Fremont, Powell Street, and the future Warm Springs. In concert with selected development teams, BART is implementing development projects at the MacArthur, Walnut Creek, Richmond, South Hayward, Pleasant Hill/Contra Costa Centre, San Leandro and West Dublin/Pleasanton Stations; conducting negotiations with selected developers for projects at Millbrae, Coliseum and Glen Park Stations; and conducting a review of its real estate holdings to maximize future opportunities.
- **Implementation.** State Proposition 1B funds will be used to re-energize the Station Modernization Program with a focus on renovating station facilities to improve the customer environment and ensure BART remains safe and reliable. This effort will have several dimensions, including a series of “early win” investments to improve the customer experience in the near term.
- **Station Master Plans.** Station Master Plans have been initiated to enhance the customer environment, improve station retail and development opportunities, and coordinate BART's capacity and rehabilitation needs. Key stations are Powell Street, Coliseum/Oakland Airport and 19th Street/Oakland.
- **Placemaking.** Staff continues to advance design and implementation of urban design and placemaking projects to break down barriers between the BART fare gates and surrounding communities. Smaller scale placemaking projects are being advanced for the 24th Street Mission plaza, Balboa Park, Glen Park, Downtown Berkeley, and 19th Street/Oakland.

- **Station “Folders.”** Staff is developing a more robust system for cataloging and integrating identified station needs and prioritizing investments.
- **Station Access/Last Mile.** Staff is developing a comprehensive list of station access investments to ensure the District is in a position to improve connectivity and facilitate multi-modal access to the station when funding is identified. These investments will abide by the Board’s policy direction to improve station access while reducing the access mode share of single occupancy vehicles through sustainable access modes.

The FY14 budget proposes additional staff resources to bolster station cleaning and maintenance efforts to improve station appearance as well as additional resources to improve bicycle access and storage, and wayfinding signage in support of the results of the Customer Satisfaction Survey.

Sustainability

The term “sustainability” can be applied to many topics and has a different meaning depending on the issue and the perspective from which it is viewed. At BART, the commitment to sustainability includes activities and functions required to ensure that resources and assets meet the needs of the present ridership while taking into account that those same assets must be preserved to serve riders on the next day and in the coming years; the projects the District builds are constructed with materials that are used are functional and will not do harm to the natural environment; building techniques that are efficient and reduce long-term energy usage and environmental impacts. The concept of sustainability also is transferable to District business operations. As successfully demonstrated with the Rolling Stock and Shops Department’s Strategic Maintenance Program (SMP), BART must scrutinize and audit existing business processes and procedures, and identify more efficient ways to provide the same or better “product” by rethinking traditional practices.

The FY14 budget includes recommendations to support sustainability at BART. The Office of Planning and Development will focus on developing specific policies and standards for the District’s Environmental Management System (EMS). Also proposed is the establishment of a position in the Office of Administration and Budget that concentrates on Total Quality Management (TQM). TQM is a management approach to achieve long-term sustainable success through continuous process improvement. The EMS and TQM have been designated as priority focus areas in FY14.

Priority Focus Areas

Related to the broader concepts and themes of Infrastructure, Stations, and Sustainability, there are a number of priority focus areas where BART will direct existing resources or new funding to make improvements in FY14. These areas are described below:

2012 Customer Satisfaction Survey Results

BART’s Customer Satisfaction Survey is conducted every two years to determine how well BART is meeting customers’ needs and to help prioritize investments to improve the system. Customers are asked three key questions to assess their overall opinion of BART: overall satisfaction, willingness to recommend, and value for the money. In addition, they are asked to rate BART on 48 specific service attributes, such as on-time performance and station cleanliness.

Results from the 2012 survey were generally positive. Overall satisfaction and perceptions of value for the money improved over the last survey. In particular, customers’ perceptions of on-time

performance, a key driver of customer satisfaction, and noise levels on trains showed improvement. However, ratings of station cleanliness declined, so this attribute was identified as a “target issue” that is important to customers but rated relatively low. The FY14 budget commits resources to improving the appearance and cleanliness of stations. Specific activities include heavy-duty cleaning, painting, removal of obsolete equipment, hiring of additional system service workers, and developing a new outreach and assistance program to improve the station environment.

Asset Management Program Implementation

Federal MAP-21 legislation requires that federal funding eligibility for transit agencies depends on demonstrating compliance with its provisions. MAP-21 establishes a new grant program to maintain public transportation systems in a state of good repair. All Federal Transit Administration (FTA) grantees and their sub-recipients are required to develop transit asset management plans. These plans must include, at a minimum, capital asset inventories, condition assessments, and investment prioritization. Each designated recipient of FTA formula funding will be required to report on the condition of its system, any change in condition since the last report, targets set under FTA-defined performance measures, and progress towards meeting those targets. The provisions are largely a direct result of concerns over the enormous maintenance backlog across the nation and its implications on SGR. MAP-21 further requires the condition assessment of the District’s assets leads to a prioritized, risk-based and time-phased capital reinvestment program that produces improvements in the performance of the District’s service delivery and SGR.

BART is developing and implementing a comprehensive Asset Management Program that reflects considerations of each asset’s life cycle. Results of the successful prototype of the Asset Management Program in FY13 are now defining the implementation program for FY14 that will lead to more accurate quantifications of the condition of District assets, potential risks for not improving asset condition, and needed reinvestment levels to meet BART’s performance criteria. The FY14 efforts will embed asset management processes within all levels of the organization as part of common business practices.

Noise Abatement

Starting in 1973 with the installation of low sound walls on aerial structures, BART has actively worked to mitigate and reduce rail noise. Since then, BART has implemented a variety of solutions to reduce train noise for riders and neighboring communities. BART’s multifaceted noise reduction activities that will continue into FY14 include:

- **Optimizing Wheel/Rail Interaction.** Optimizing the interaction between wheel and rail makes them last longer and reduces rail noise. A study is currently underway to recommend steps to achieve optimization and then to implement new rail profiles.
- **Improving Rail Grinding Productivity.** BART has created a database to keep track of rail grinding and, together with proper staffing of rail grinder crews, a 13% improvement in productivity has been realized, resulting in fewer rail-related noise complaints.
- **Controlling Rail Surface Roughness.** The primary cause of wheel/rail noise is rail surface roughness, also known as corrugation, and BART staff is working to control the growth of corrugated segments by installing rail dampers and ensuring proper lubrication of the rail flanges.
- **Systemwide Sound Mapping.** BART now performs systemwide sound mapping by using equipment housed in the last car of in-service trains, which is a cost-effective method for

identifying sections of rough rail that need rail-grinding work. The process has no impact on operations and the entire system can be mapped in two eight-hour shifts, instead of the two weeks required under the prior, labor-intensive method.

The District's Noise Committee established by the General Manager is considering a number of additional activities. These potential activities include lessening the noise impact for patrons waiting on platforms at certain stations in freeway medians or underground by, for example, applying acoustic materials to walls and ceilings or providing "noise refuge" enclosures for patrons. Initiatives developed may be implemented depending on available funding.

Total Quality Management (TQM)

As mentioned above and discussed in the Initiatives section at the end of this document, a new position focusing on District-wide TQM is proposed for FY14. In a TQM effort, all members of an organization participate in improving processes, products, and services. Staff applied TQM principles in the Rolling Stock & Shops Department's SMP with great success, and the improved processes have allowed BART to maintain car availability and reliability, even as the fleet ages and vehicle availability demands increase because of surging ridership. BART's current daily fleet availability is 86% -- one of the highest in the nation. TQM principles can be applied across all functions at the District.

Code of Conduct

The District is crafting the following codes of conduct to further codify and strengthen existing codes and rules in regards to the transparency and accountability required of a top-tier public service agency:

- Employee Code of Conduct;
- Contractor Code of Conduct;
- Customer Code of Conduct; and
- Board of Directors' Code of Conduct.

Each code is designed to provide clarity for the District's mission and values while providing specific guidelines, expectations, and best practices for accountable and ethical decision-making. Codifying requirements and expectations for conduct will outline a clear protocol for ethical, transparent, and accountable conduct by BART staff, contractors, customers, and Directors. Most importantly, documenting the codes of conduct will establish a public-facing metric for organizational conduct and expectation of public service, which when met will enhance public trust and confidence in BART.

The BART Employee Code of Conduct will codify BART's response to the public expectation that all BART staff maintain the highest standard of ethical conduct. As public servants, BART staff is required to be impartial regarding political and personal agendas, and exhibit the highest standards of personal integrity and honesty in all public activities. The Employee Code of Conduct will document specific and general ethical and accountability expectations of all BART staff.

The Contractor Code of Conduct will protect the integrity of the procurement process by providing a statement of pertinent regulations and obligations governing the conduct of prospective contractors responding to Request for Proposals and Qualifications (RFPs and RFQs), and other bids; and of selected contractors entering into agreements with BART. Such codified

protocol will allow contractors to compete for bids fairly and subsequently perform their work in an ethical manner unhindered by political or other pressures.

The Customer Code of Conduct establishes regulations for both BART customers and BART staff to help ensure all customers maintain their right to use BART without impediment by other customers or BART staff behaving not in accordance with the code of conduct.

The Board of Directors' Code of Conduct will outline the requirements of the elected leaders of BART and list certain restricted and prohibited Board member activity. This code will codify the expectation of ethical behavior and decision-making commensurate with the esteem, status, and trust vested in the Board members as elected public officials tasked with operating a critical public service.

Environmental Management System

The Environmental Management System (EMS) is a part of District's broader Sustainability Policy and initiatives. The new Office of Planning & Development (P&D) provides an opportunity to better integrate the District's sustainability practices and maintain BART's role as an industry leader. The District Architect will work closely with Planning, and other departments to develop and implement sustainability initiatives. Under the leadership of the District Architect, FY14 sustainability initiatives will include the following:

- Incorporating the American Public Transportation Association's (APTA) sustainability standards and guidelines into planning, design and constructing of BART stations and facilities;
- Working with FTA to develop climate change adaptation strategies for BART and rail transit;
- Working with the Federal Highway Administration (FHWA) and regional transportation agencies to study climate change adaptation for the Bay Area transportation network;
- Working with APTA to advance its Sustainability Commitment program and report BART's progress as a founding signatory of the program; and
- Advancing transit and sustainability interests in state and federal cap-and-trade revenue discussions.

An important aspect of the District-wide sustainability program is implementation of the EMS. Initiated as a pilot program at the Richmond Yard, EMS principles will be applied in FY14 at BART's Oakland Shops. A training program will be developed and EMS will be introduced to other departments, including Procurement and P&D's Construction Management Group, to make immediate impacts in advancing the District's environmental performance.

The P&D reorganization and the hiring of the Environmental Engineer/Sustainability Officer will allow BART to more fully develop and implement its vision for sustainability, including the EMS program.

2. Income Statement – Preliminary

(\$millions)	FY13	FY14	Change	
	Adopted	Preliminary	\$	%
SOURCES				
Passenger Revenue	\$ 380.2	\$ 415.9	\$ 35.7	9%
Parking Revenue	15.6	19.8	4.2	27%
Other Operating Revenue	19.3	19.5	0.2	1%
OPERATING REVENUE TOTAL	415.1	455.2	40.1	10%
Sales Tax	204.2	215.7	11.5	6%
Property Tax	30.3	30.9	0.6	2%
State Transit Assistance	17.3	18.8	1.5	8%
Other Assistance/Allocations	5.1	2.7	(2.4)	-48%
TAX & FINANCIAL ASSISTANCE TOTAL	257.0	268.1	11.1	4%
OPERATING SOURCES, subtotal	672.1	723.3	51.2	8%
5307 Funds (Rail Car Fund Swap from MTC)	-	72.0	72.0	
OPERATING SOURCES TOTAL	672.1	795.3	123.2	18%
CAPITAL SOURCES TOTAL ¹	869.2	824.9	(44.3)	-5%
TOTAL OPERATING AND CAPITAL SOURCES	1,541.3	1,620.2	78.9	5%
USES				
Net Labor & Benefits	381.2	400.6	19.4	5%
OPEB Unfunded Liability	0.9	1.4	0.5	61%
Purchased Transportation	16.0	16.5	0.4	3%
Traction & Station Power	38.1	41.7	3.6	9%
Other Non-Labor	96.5	107.7	11.2	12%
OPERATING EXPENSES TOTAL	532.7	567.8	35.2	7%
Extraordinary Expense-Rail Car Fund Swap to MTC Reserve	-	72.0	72.0	
Debt Service	57.1	53.1	(4.0)	-7%
MTC Loan Repayment	8.4	5.2	(3.2)	-39%
Allocation to WSX Project	3.2	7.2	3.9	121%
Other Allocations	2.1	5.1	3.0	144%
Capital Rehabilitation Allocations	23.9	32.8	8.9	37%
Allocation - SGR Rail Cars	45.6	46.0	0.4	1%
Allocation - Priority Capital Programs	-	7.5	7.5	
ALLOCATIONS TOTAL	140.3	156.8	16.6	12%
OPERATING USES TOTAL	672.9	796.7	123.7	18%
System Renovation	265.5	224.5	(41.0)	-15%
Safety & Security	22.4	25.0	2.6	12%
Earthquake Safety	154.1	110.0	(44.1)	-29%
Service & Capacity Enhancement	26.6	26.0	(0.6)	-2%
System Expansion	395.7	434.0	38.3	10%
Reimbursable	5.0	5.4	0.4	7%
CAPITAL USES TOTAL	869.2	824.9	(44.3)	-5%
TOTAL OPERATING AND CAPITAL USES	1,542.2	1,621.6	79.4	5%
OPEB Unfunded Liability	(0.9)	(1.4)	(0.5)	n/a
NET RESULT, subtotal	\$ -	\$ -	\$ -	
Unfunded Annual Capital Need ²	(600.0)	(600.0)	-	0%
FINAL NET RESULT	\$ (600.0)	\$ (600.0)	\$ -	0%
Operating Ratio	77.9%	80.2%	2.2%	2.9%
Farebox Recovery Ratio	71.4%	73.2%	1.9%	2.6%
Average Weekday Trips	376,475	403,680	27,205	7.2%
Rail Cost/Passenger Mile (TSP Performance Measure)	32.9¢	32.4¢	(0.5¢)	-1.6%

1. Federal, state and local grants, bridge tolls, bond funds, BART allocations and third party funding

2. Based on initial studies that show \$6B in total need over next 10 years

3. FY14 Preliminary Budget

This section describes each of the line items in the Fiscal Year 2014 (FY14) Preliminary Budget Income Statement. For the first time in the District's history, operating and capital sources and uses are shown together in one Income Statement in order to present a more accurate picture of BART's financial situation. This Income Statement section is followed by a summary of proposed initiatives for FY14.

The Board of Directors receives the Preliminary Budget document each year by April 1. During April and May, staff will give a series of presentations at regularly scheduled Board meetings. Board rules require adoption of the upcoming annual budget by June 30 of each year.

4. Operating and Capital Sources

Operating Revenue

BART's operating sources consist of two main categories, Operating Revenue and Tax and Financial Assistance, which are highly dependent on the health of the Bay Area economy including employment, traffic congestion, fuel prices, business activity, population and housing growth, tourism, and also the State budget.

Based upon trends to date, ridership is projected to average 390,000 weekday trips in FY13, a 6.4% increase over FY12. BART's all-time ridership record was set on October 31, 2012, when nearly 570,000 riders took BART on a single day. In FY14, weekday trips are budgeted at 403,700, nearly 70,000 trips higher than just four years ago, when in FY10 weekday ridership averaged 335,000. The growing ridership shows the important role BART plays in connecting the Bay Area and facilitating the economic recovery. Total annual trips in FY14 are projected to reach 121.8M, 4.1M higher than estimates for FY13.

In February 2013, the BART Board renewed the District's productivity-adjusted inflation-based fare increase program for an additional eight years. The prior eight-year program, which generated \$290M, has been critical to stabilizing BART's financial foundation while maintaining ridership growth. The incremental core system revenue raised from the fare increases in 2014, 2016, 2018, and 2020, projected at \$325M over the eight years, will go into a dedicated account that will be used solely to contribute funding to SGR reinvestments. Net fare revenue for FY14 is projected at \$415.0M, including \$7.5M of core system revenue for the one-half year of the 5.2% increase to be implemented on January 1, 2014. The remaining \$1.0M of fare increase revenue is generated by the SFO Extension stations. Per the terms of the 2007 agreements governing BART service into San Mateo County, net fare revenue generated by the five BART stations in the county must be used first to cover the extension operating expense and second, to complete the commitment to the Warm Springs Reserve Account.

Passenger revenue also includes \$0.9M for ADA Paratransit Revenue, which covers 7% of BART's paratransit operating cost contribution.

In addition, BART raises revenue from daily and permit parking fees charged at most of BART's 33 stations with parking facilities. Along with the recent renewal of the inflation-based fare increase

program, the Board also approved modifications to its paid parking programs by implementing a demand-based approach to parking fees. The daily parking fees will now be reevaluated every six months, based upon the occupancy of the parking facility. Costs for permits and fees may either increase or decrease by 50¢ per day, depending upon whether the facility's utilization is above or below 95% capacity. There is a daily fee maximum of \$3 at all stations, with the exception of West Oakland, which does not have a cap. Additional revenue raised from this initiative is dedicated solely for investments in station access, station rehabilitation, and station modernization. The FY14 budget of \$19.8M includes \$4.0M of new parking revenue from the parking fee modification program.

BART also generates operating revenue from non-passenger sources. The two largest sources are telecommunications and advertising, budgeted at \$8.3M and \$6.6M, respectively, in FY14. Smaller revenue sources include fines and forfeitures, building and ground leases, concessions, and other miscellaneous revenues.

Tax and Financial Assistance

A dedicated 75% share of a one-half cent sales tax levied in the three BART counties (San Francisco, Alameda and Contra Costa) is BART's second largest source of revenue after passenger fares. The remaining 25% is split equally between AC Transit and the San Francisco Municipal Transportation Agency. Based upon three quarters of actual results in FY13, sales tax is projected at \$207M in FY13, and FY14 is projected to grow 4% to \$216M.

Property tax revenue for operating purposes is generated by a permanent, dedicated assessment in the three BART counties. FY13 is expected to remain on budget at \$30.3M, and FY14 is expected to grow 2.0% to \$30.9M.

State Transit Assistance (STA) is based upon revenue generated by actual receipts from the sales tax on diesel fuel. In FY14, BART's share is estimated at \$27.4M, of which \$5.2M will be directed by the MTC to feeder bus operators providing service to BART stations. An additional \$3.6M will be directed to AC Transit, pending the outcome of discussions between AC Transit and BART regarding feeder service.

Other Assistance/Allocations include the Millbrae Use, Operations, and Maintenance Agreement (\$0.8M paid by Caltrain), funds from Alameda County Measure B and Contra Costa County Measure J sales tax measures, and a \$50,000 allocation from BART's Access Fund for access improvements at BART stations. In addition, the FY13 budget included \$2.7M in Strategic Maintenance Program (SMP) funds which will not continue into FY14.

5307 Funds (Rail Car Fund Swap from MTC)

Federal Section 5307 Urbanized Area Formula Grant funds are allocated to BART by the MTC for preventive maintenance work. Section 5307 funds cannot be used to purchase rail cars. Through an agreement with MTC, BART returns its share of Section 5307 funds in exchange for an equivalent amount that MTC places in an interest-generating reserve account to help MTC fund its share of the new rail cars. There is no net impact to BART's operating budget bottom line as the Section 5307 funds are merely swapped for other funds. Including the \$72M budgeted for FY14, a total of \$213M has been directed to the MTC reserve account.

Capital Sources

Unlike the operating elements of the budget, capital expenditures in any given fiscal year often consist of funds obtained in prior years. Since most grants are awarded on a reimbursement basis, grant funds can be obtained for specific projects and programs over multiple years during which they can “accumulate” and be committed to a contract when the balance is sufficient for the project to proceed. Many funding commitments (especially relating to expansion) are awarded conditionally, requiring evidence that a project is fully funded prior to expending any funds. Consequently, the annual capital budget is a cash flow snapshot driven by expenditures, since by design a capital project cannot be included in the annual budget unless the cash or underlying commitment is in place.

The main source of funding for the District’s capital rehabilitation needs continues to be Federal formula and transit rehabilitation funds that are projected at approximately \$200M for FY14. These funds are prioritized and distributed through MTC, usually through multi-year programming commitments. Federal funds provide the support for the regional commitment to BART’s rail car replacement program (see *5307 Funds* above) and a portion of BART’s ongoing system rehabilitation activities, as well as smaller amounts for access and enhancement.

State sources have evolved over the last decade from an ongoing commitment from the State Transportation Improvement Program to competitive, project and program specific bond-funded programs such as Propositions 1A and 1B, which are projected at \$90M for FY14. The vast majority of BART’s local capital funding is derived from County transportation sales tax authorities and has historically funded system expansion and enhancement. It is projected at \$135M in FY14.

Other projected sources of funds include \$10M of bridge toll revenues to assist in meeting grant match requirements and funding specific projects; \$130M in external funds provided for contract extension work; approximately \$94M in BART operating allocations; and approximately \$110M from the BART-sponsored General Obligation Bond program, which funds BART’s Earthquake Safety program. The balance of expenditures is derived from other dedicated sources and targeted grant programs for specific projects and activities.

5. Operating and Capital Uses

Operating expenses include ongoing expenses such as wages, benefits, purchased transportation, power and other non-labor expenses. Operating expenses are projected to increase from \$532.7M in FY13 to \$567.8M in FY14, a total of \$35.2M or 7%. The FY14 budget will provide for 573 cars and 66 total trains in-service each weekday.

Labor: Wages and Benefits (\$402M)

Labor and benefit expenses are projected to total \$402M in FY14, a 5% increase over the FY13 Adopted Budget. Major drivers for the increase in labor costs are as follows:

- 1% wage increase pursuant to terms of previously negotiated labor agreements;
- increases in benefit costs of approximately \$12M; and
- \$6.1M in proposed labor related budget initiatives supporting funding of 43.9 operating positions, including converting funding for 2.4 positions from capital to operating.

In addition to the 43.9 positions proposed to be added in the budget initiatives, seven operating positions were added during FY13 and were built in to the FY14 Budget, at a cost of approximately \$1.0M. These included two positions in Human Resources, three in Planning and Development, one in Government & Community Relations and one in Finance.

PERS Pension (\$59.3M)

The District's pension plan is administered by the California Public Employee Retirement System (PERS) and includes two plans:

- Safety Plan for sworn police officers; and
- Miscellaneous Plan for all other employees.

In 2012, the State Legislature passed Assembly Bill (AB) 340, the California Public Employees' Pension Reform Act (PEPRA), which amended sections of the Government Code relating to the PERS pension system. The PEPRA changes primarily affect Safety and Miscellaneous employees who (a) begin employment after January 1, 2013 and (b) have not been employed by another PERS or reciprocal agency within the six months prior to their hire date. Major changes for PEPRA employees include (a) receiving reduced retirement formulas for both Safety and Miscellaneous Plans, (b) being required to pay a portion of the contributions, and (c) having final compensation based on a 3-year average with a cap of approximately \$136,440 (adjusted annually based on inflation).

Non-PEPRA and PEPRA employer and employee contribution rates are determined by PERS. Prior to January 1, 2013, the District paid "employer" and "employee" contributions for all employees. Based on the new legislation and as of January 1, 2013, the District can no longer fund the PEPRA employee contribution for 'new' employees unless the employee's position operates in accordance with an existing collective bargaining agreement. Once the existing collective bargaining agreement expires, the new contribution requirement will be applied. All of BART's existing collective bargaining agreements will expire at the end of FY13 (June 30, 2013). Therefore, the forecasted FY14 budget is based on all applicable PEPRA changes.

For FY14, the forecasted PERS pension expense is estimated to be \$59.3M, a \$1.5M or 3% increase compared to \$57.8M in FY13. For both the non-PEPRA and PEPRA employees, the Safety Plan employer rate will increase from 41.57% to 42.89%, and the Miscellaneous Plan employer rate will increase from 11.74% to 12.27%. Non-PEPRA employee rates are fixed and will remain at 9% for the Safety Plan and 7% for the Miscellaneous Plan. The District will continue to fund the employee portion for all Non-PEPRA employees. The PEPRA employee rate is 12% for the Safety Plan and 6.25% for the Miscellaneous Plan. Per the legislation, the District will not pay the employee portion for PEPRA employees until the expiration of the current collective bargaining agreements. The primary reason the PERS pension cost is increasing is that the size of the District's share of the unfunded pension liability is increasing. This increase is partially offset by shifting employee contribution costs for PEPRA employees from the District to the employees.

Beginning in FY14, PERS will decrease its projected investment return assumption from 7.75% to 7.50%. The increases in the unfunded liability reflected above include the decrease in projected investment returns along with other changes in the assumed annual rate of return. To reduce the impact of increasing pension costs associated with the investment assumption adjustment, PERS will increase the rates over a two-year period by phasing in 50% of the change in FY14 and completing the change in FY15. Until PERS finalizes the FY15 rates, the total actual cost increase

for the FY15 PERS pension cannot be certain. The PERS Board is also currently considering other major assumption changes that are likely to significantly increase future pension costs for the District.

Other Pension Benefits (\$10.4M)

In addition to the PERS pension, the District also contributes to a supplemental qualified retirement pension contribution, the Money Purchase Pension Plan (MPPP), which is a 401(a) type plan. The District contribution consists of 6.65% of base wages, but is capped at an annual amount of \$1,868.65 per employee. This is projected to be \$6.3M in FY14. An additional 1.627% contribution was scheduled to return to various bargaining units at different points over the past four years, but was suspended as part of the last labor contracts. The benefit resumes in FY14 for all employees (other than sworn police) at an estimated cost of \$4.1M.

Active Employee Medical Insurance (\$56.2M)

In FY14, the District cost of medical insurance plans for active employees is projected to be \$56.2M, an increase \$5.3M or 10.5% over FY13. On January 1, 2014, employee contributions will be subject to the scheduled 3% annual increase, which will result in an increased monthly contribution from \$92.24 to \$95.01. The rates of increase for the five active employee medical insurance plans between calendar year 2012 and calendar year 2013 range from 4.5% to 16.2%.

In Calendar Year (CY) 2014, the actuarial projection includes a 6.5% increase in premiums over CY13. The average rate of change for active employee medical insurance plans over the past five years is approximately 7.6%. The actuarial projection of rate changes for the next five years ranges between 4.0% and 6.0%.

Despite FY10's District-wide cap on individual-level HMO premium contributions, cumulative premium costs are projected to escalate by approximately 10.6% in FY14. The net composite premium cost in FY14 for the District is approximately \$1,378 per month per employee. Employee contributions of \$3.6M in FY14 offset approximately 6% of the total District-funded premium costs.

PERS Retiree Medical Insurance (\$30.0M)

The rate used to calculate the FY14 Preliminary Budget is taken from the Keenan & Associates' actuarial report dated March 14, 2013. The FY14 District cost is projected to be 10.9% of projected payroll base. The District cost is the Annual Required Contribution (ARC) to BART's long-term retiree medical liability. The District will fund the full trust contribution in FY14, after "ramping up" to the full ARC from FY08 - FY13. The annual required contribution is paid for both capital and operating positions and has been calculated at \$30.0M, which is 10.9% of the wage base. This contribution will fund both insurance premiums for retirees ("pay as you go") and put funds into the reserves to cover the liability for current employees.

Costs have increased significantly over the past eleven years due to the increase in the number of retirees from 802 in FY03 to 1,797 in FY13, along with escalating premium costs. Of the current population of active participants, 1,533 employees are currently eligible for post-retirement benefits. FY14 projected retiree counts and associated costs will increase based on prior year trends. Although the number of BART retirees has increased from 802 in FY03 to 1,797 in FY13, the District's Annual Required Contribution as a percent of the average wage base has decreased.

Workers' Compensation (\$12.4M)

The workers' compensation actuarial forecast received in May 2012 projected an increase in outstanding past liabilities as well as an increase in projected claims in FY13. The forecast recognized the continuing trend in increasing (a) frequency and (b) cost of claims with substantial fiscal impact. In accordance with the recommendation from the actuarial forecast, the FY13 budgeted annual funding for workers' compensation claims was increased from \$8.8M in FY12 to \$12.1M, and the claim reserve account was also supplemented by \$9M at FY12 year-end.

The FY14 Preliminary Budget estimate of \$12.4M includes an increase of \$0.3M, assuming the continuing trend of rising medical costs. Upon receipt of the March 2013 actuarial study, the District will further evaluate anticipated need in FY14. Depending on the results of the report, FY14 funding may require a supplemental appropriation, similar to that required in the FY13 budget. It is also possible that the reserve will need to be increased at FY13 year-end.

The District recognizes these substantial increases in workers' compensation costs require an equally substantial effort to control and reduce costs going forward. In FY13, the District allocated \$1M to fund initiatives intended to mitigate such increases. In FY13, an Attendance Management Task Force created a long-term plan for availability initiatives, including a major focus on action items and deliverables to reduce Workers' Compensation costs. These items include accident prevention, including ergonomics analysis and proactive responses; workplace awareness programs and a renewed emphasis on safety training; and medical case management of all Workers' Compensation intake, and medical follow-up on all complex cases.

Purchased Transportation (\$16.5M)

BART's cost of purchasing transportation is projected to be \$16.5M in FY14, an increase of \$0.4M, or 3%, over the adopted FY13 budget.

Paratransit (\$13.5M)

Paratransit expenses are estimated to be \$13.5M in FY14, an increase of \$0.4M, or 3%, over the adopted FY13 budget. The estimated increase is due to:

- Execution of a new East Bay Consortium Paratransit service provider contract including broker services; and
- Forecasted increases in ridership due to an aging population and the concomitant decrease of Federal and state social services which previously supplied ADA Paratransit services for the aging.

Muni Purchased Transportation (\$2.8M)

In previous years, the Muni Purchased Transportation (Feeder) payment was linked to the annual rate of change in sales tax collected by BART. BART and the SFMTA have developed a new formula which, pending agreement approval, will link the annual payment to the rate of change in riders transferring between the two transit systems. A payment schedule has been drafted based on the new method and is retroactive back to FY11. For FY14, the estimated payment is \$2.8M, a 2% increase over the adopted FY13 budget.

AirBART Shuttle Service (\$0.2M)

BART and the Port of Oakland continue to jointly operate bus service between the BART Coliseum Station and the Oakland International Airport. BART and the Airport equally share all costs of

operating AirBART. In FY14, BART's share of AirBART costs is projected to be \$0.2M, which is the same as in FY13.

Traction & Station Power (\$41.7M)

The cost of funding BART's electrical traction and station power need is projected to be \$41.7M in FY14, an increase of \$3.6M or 9% over the adopted FY13 budget. Of the projected power need, approximately \$26.6M, or 64%, will be expended on purchased power and the remaining \$15.1M, or 36%, will be expended on transmission, distribution, and other expenses.

BART estimates purchasing \$26.6M of traction and station power in FY14, as follows:

- Approximately \$22.8M worth of power will be obtained from forward (long-term) market purchases made on the District's behalf by the Northern California Power Agency (NCPA). The District's forward power purchase agreements extend through FY17, providing BART with long-term price certainty for the majority of the District's power needs;
- An estimated \$1.9M of power will be bought from the NCPA Lodi Energy Center (LEC);
- Approximately \$0.7M worth of the annual power need will be from a new BART-owned and NCPA-operated solar farm in Gridley, CA; and
- Roughly \$1.2M of the power need will be supplied by a combination of day-ahead market purchases, Federal power contracts, and an agreement with the San Francisco International Airport, on-site PV, and supplemental power.

Additionally, \$15.1M of BART's power expenses are associated with power acquisition and distribution:

- \$11.4M paid to PG&E for transmission and distribution;
- \$2.5M for the new AB32 Global Warming Solutions Act cap-and-trade carbon allowance program; and
- \$1.2M to be expended on a combination of NCPA member expenses and regulatory pass-through costs.

Other Non-Labor (\$107.7M)

Major Other Non-Labor account groups are described below:

- Material Usage includes (a) inventory withdrawals and purchases for required maintenance of rail cars, such as aluminum wheel assemblies, circuit boards, seat cushions, and all other materials used to keep cars in use and (b) parts for infrastructure maintenance such as escalators, automated fare equipment, and all other materials required to keep stations accessible;
- Professional & Technical Fees include costs for audit and legal services, benefit and insurance administration fees, printing, computer hardware and software service contracts, environmental fees, specialized consulting contracts, and professional services contracts;
- Maintenance, Repair & Other Contracts fund graffiti removal, traction motor rewinds, painting, equipment overhaul and elevator pit cleaning;
- Insurance pays for premiums and self-insured losses for public liability, damage to BART property and risk-related services ; ¹
- Building Space Rental funds administrative building leases and other lease expenses;

¹ Non-Labor Insurance does not include active employee health insurance, workers' compensation, Medicare, unemployment and other insurance categories included in the labor budget.

- Equipment Rental funds equipment and vehicle rental costs; and
- Miscellaneous Other Non-Labor includes utilities, trash collection, natural gas, telephones, credit card and interchange fees, Clipper fees, and miscellaneous supplies.

Other Non-Labor for FY14 is \$11.2M higher than the FY13 Adopted Budget. The increase in Other Non-Labor is primarily due to:

- \$6.3M for FY14 proposed budget initiatives;
- \$3.1M in increases in contractual obligations such as building rent, which includes \$3M in funding for the Police Department's administrative offices to move to the Lakeside building in closer proximity to other District staff;
- Increases in Clipper fees of \$0.7M; and
- A 1.5% escalation applied to departmental base non-labor accounts for an increase in the amount of approximately \$1M.

Debt Service and Allocations (\$156.8M)

BART issues bonds, backed by the District's dedicated sales tax revenues, to fund capital costs for system improvement and renovation. The FY14 debt service budget of \$53.1M includes the refinancing of previous bond issues in 2012 and new Oakland Airport Connector (OAC) debt issuance. This amount is \$3.0M less than FY13 because of savings due to the refunding, and because no principal will be owed on the OAC bonds in FY14.

In FY14, BART will make the final \$5.2M payment on the \$60M loan from MTC for the SFO Extension.

Strong ridership growth and additional fare revenue from the January 2014 fare increase are anticipated to generate a net positive result of \$7.2M from operations of the SFO Extension. Based upon higher ridership trends, \$5.0M is projected for FY13. These funds will be allocated to the Warm Springs Reserve Account, per the terms of the 2007 agreements relieving SamTrans of financial responsibility for the extension into San Mateo County.

Other Allocations include accounting entries to offset an equal amount booked as Other Revenue or Financial Assistance for the Pleasant Hill/Contra Costa Centre, and West Dublin/Pleasanton stations, a \$1.5M adjustment for the Lakeside Lease, and a \$3M one-time allocation in FY14 for terminating the 2002 Qualified Technical Equipment lease.

Capital Rehabilitation Allocations include a baseline allocation for capital investment to serve as local match for federal grants or to fund ongoing capital projects for which grants are not typically available. The baseline allocation for FY14 is \$21.3M. Additional capital rehabilitation allocations include \$7.0M for the second year of multi-year rehabilitation programs to replace rail car seats and floors, and C-1 car propulsion and heating/air conditioning units. A proposed allocation of \$4.5M is also included as part of the FY14 proposed budget initiatives, to replace obsolete and inefficient T12 fluorescent lighting in District tunnels and facilities, including the Transbay Tube. This proposal is described further in the budget initiatives section and brings the total allocations in the category to \$32.8M.

Allocation to State of Good Repair and Capacity Enhancement consists of three high-priority programs: Rail Car Replacement Program, Train Control System Modernization, and Hayward Maintenance Complex. In February 2013, the BART Board of Directors directed staff to allocate all

revenue generated by the newly reauthorized productivity-adjusted inflation-based fare increase program to these three programs.

- **Allocation - SGR Rail Cars** consists of BART's \$298M operating commitment to Phase I (410 cars) of the Rail Car Replacement Program. The proposed budgeted allocation for FY14 is \$46M. Combined with FY13 and prior payments, BART's remaining commitment is \$184M.
- **Allocation - Priority Capital Programs.** The incremental fare revenue from the January 1, 2014 fare increase will be directly allocated to a fund for the three Priority Capital Programs. In addition to the Rail Car Replacement Program, the other top two programs are the Train Control System Modernization and the Hayward Maintenance Complex. In FY14, the six months of the fare increase is projected to generate \$7.5M for this allocation.

Capital Uses

It is important to note that the development of the annual capital budget historically follows the development of the operating budget by several months. This has given capital project managers the time to develop project budgets closer to the beginning of the coming fiscal year with the most recent information available.

The focus of capital expenditures will continue to be system renovation and system expansion, which together comprised over 55% of the FY13 capital budget. In the area of system renovation, staff anticipates continued significant expenditures in the rail vehicle replacement program although FY14 projected expenses of \$58M will be smaller than the \$101M projected for FY13. Due to recent and expected allocations of State Proposition 1B bond funding, staff also expects an increase in expenditures in BART's Stations program of approximately \$50M. Other renovation-related budget components in the areas of general mainline, traction power, and controls and communications are expected to remain relatively flat at approximately \$170M due to the predictable (but insufficient) stream of Federal funding received through the regional Transit Capital Priorities process.

System expansion will continue to see large expenditures in FY14, with major projects at or just off peak construction activity. The Warm Springs Extension will see its peak year of activity in FY14 and forecasts expenditures of \$180M, a 10% increase in expenditures from the current year. The eBART Rail Project projects a modest increase in expenditures attributable to commencement of vehicle procurement and continued construction activity. The Earthquake Safety Program and the Oakland Airport Connector, both of which saw peak expenditures in FY13, anticipate expenditures in FY14 of approximately \$110M (-5%) and \$54M (-65%), respectively, as these projects wind down. FY14 will also be a year of accelerated activity surrounding the Hayward Maintenance Complex, with an estimated expenditure of \$115M.

Other elements of the capital budget are expected to remain at or near expenditure levels of last year, including Safety and Security, Service and Capacity Enhancement, and reimbursable elements of the capital budget. These areas are funded predominantly with dedicated and categorical funds and comprise a relatively small portion of overall capital expenditures.

All estimates are based on current project and program forecasts and will be presented with greater precision as FY14 budget development progresses.

6. Initiatives

The following proposed initiatives are ongoing operating expenses and additional Full Time Equivalent (FTE) employees, except where noted.

Tunnel and Facility T12 Lighting Conversion

\$4.5M, CAPITAL

T12 fluorescent lighting is very inefficient in terms of energy use. While all station passenger areas have been converted to T8 fluorescent fixtures, non-passenger areas, most BART facilities, and all subways and tunnels except the SFO line are equipped with T12 lamps. The back areas of 40 stations, 140 facilities and approximately 70 miles of tunnels, including the Transbay Tube, require replacement fixtures. Department of Energy rules for T12 lighting have made the purchase of ballasts and bulbs difficult and expensive. The ballasts and most T12 bulbs are no longer manufactured and will not be available when the current inventory is depleted. BART will need to convert this lighting to a more efficient technology. The two most viable options are to utilize LED technology or T8 fluorescents. The LED fixture cost is about twice as much as the T8 lights but will only use 1/3 the energy and last 4 times as long. The LED poses some risk in that standard bulb and fixture designs have not emerged and replacement bulbs can sometimes be an issue. Further economic and technical analysis will be needed to identify the best option. The three-year project is estimated to cost \$10.5 to \$12M depending on the option selected. This proposal would fund approximately the first year's increment. The project will significantly improve lighting in the tunnels for both worker and customer safety and will result in considerable energy savings.

Stations Initiatives

\$3.1M, 15.0 FTE

The 2012 BART Customer Satisfaction Survey revealed a two-point gain in customer satisfaction from 82% to 84%. Unfortunately, this was tempered by a decline of 2.6% for station cleanliness and 4.1% for elevator cleanliness. BART considers station cleanliness and customer environment to be critical components of its overall success, so in an effort to address this concern, a three-pronged approach is planned for FY14 and beyond, as described below.

- "Entrances." The first investment creates a "special projects crew" of three workers whose primary task will be to improve station entrances. These entrances are the path of travel for thousands of riders every day and this cleaning approach should enhance the customer experience tremendously. This crew will focus their efforts at high ridership, downtown stations in San Francisco, Oakland and Berkeley with an emphasis on cleaning and polishing glass, metal work, walls and stairs.
- "Brightening." The second investment supports programs to brighten and spruce up stations through painting, repair, remodeling, and cleaning.
- "Station Refresh." The third element makes small scale station facilities investments to improve the customer environment and ensure that BART is safe, convenient, friendly and reliable. The intent is to improve patron circulation, provide appropriate and immediate information to customers, enhance station capacity, and begin to create more comfortable public spaces. This effort features a series of low-cost, high-payoff investments to enhance the customer experience right away:
 - Replace station platform seating with more efficient and useable benches
 - Remove unused platform and concourse equipment and obstacles
 - Update wayfinding and regional transit signs and patron information
 - Upgrade or remove of unused concrete planters
 - Application of aesthetic paint treatments

- Replace station architectural features

Attendance Management Program

\$1.0M, 2.0 FTE

The District's business requires a high level of predictability in employee attendance. Absences are expensive, especially when replacement resources are needed. Initial work on this project began in FY12, and considerable progress has been made since that time, particularly in the development and refinement of a software tool to support reporting and analysis of availability issues. The current shape of the project has been determined by an Attendance Management Task Force which includes key managers in Operations, Human Resources, Safety, Insurance, Operating Budgets and Information Systems. Working together, this group has created a long-term vision of availability initiatives and a very specific plan of action for the near term. The plans feature accident prevention, which is critical to bringing Workers' Compensation costs under control; medical involvement in expediting the Workers' Compensation process and in facilitating return to work; and improved procedural compliance. This project was supported by a one-time investment of \$1M out of FY12 year end funds. The FY14 budget proposes a similar amount to continue this important work.

Transbay Tube Cathodic Protection

\$0.9M, 0.4 FTE

The steel shell of the Transbay Tube is protected from corrosion by an active cathodic protection system of 30 anodes spaced evenly along its entire length. These anodes and associated attachment cables are susceptible to damage at any time from overhead marine traffic, which can decrease the protection afforded by the system if not promptly addressed. This request for ongoing annual funding would insure a speedier discovery and repair cycle for the cathodic protection system through the utilization of an on-call service contract to provide as-needed repairs.

Website Content Management System (CMS) Replacement

\$0.7M, one-time

The BART website was built eight years ago using a Content Management System (CMS) called Adobe Publish. This system uses an Internet-based subscription service from Adobe that enables the publishing, editing, and maintenance of every page on the BART site. The CMS is currently used by more than 30 content editors throughout the District to keep website pages up-to-date including the District Secretary's Office, Capital Projects, Office of Civil Rights, Procurement, and Communications. On December 1, 2013, Adobe will no longer support its Adobe Publish subscription service. When that happens, content editors will no longer be able to update their web pages, publish news, post Board agendas and minutes, etc. To meet current content management requirements, including Brown Act legal notice requirements, and position the site for increasing content demands including more editors and expanded website information, a new CMS for bart.gov is required. All text, images and files must be migrated into the new system and personnel will need to receive training on how to use the new CMS platform. All website applications (e.g. QuickPlanner, real time web services) must also be integrated into the new CMS. It will be a wholesale rebuild of the website's 'back end' -- the systems that keep the website serving up-to-date pages.

Planning & Development Reorganization & Station Planning Group

\$0.5M, 2.5 FTE

To better position the District for new initiatives related to TOD, System Capacity, System Renewal, Customer Environment, and to strengthen its overall focus on stations, the District has reorganized several key departments. The District Architect, Real Estate and Property Development, and Planning functions will be combined with the former Transit System Development (TSD) group to create the Office of Planning and Development. Until now, the

former TSD was primarily funded through the capital budget. In order to reinvigorate and sustain the stations effort, it is important that the District commit operating budget funds on an annual basis to ensure adequate executive-level leadership to guide the restructured enterprise. The BART stations are an integral part of the operating envelope of the District.

Bicycle Storage

\$0.5M, one-time

This request is to fund a variety of bicycle storage-related activities, including operation of an attended Bike Station at 19th Street/Oakland for 120 bikes, full architectural and engineering design for three new Bike Stations at Concord (90 bikes), West Oakland (156 bikes), and 24th Street (75 bikes); 72 shared-use electronic bike lockers at five stations, Colma (8), Lake Merritt (26), Millbrae (16), Pittsburg/Bay Point (16) and South San Francisco (8); and approximately 220 bike racks in paid areas or concourse level at: Balboa, Concord, Glen Park, Lake Merritt, Lafayette, MacArthur, Montgomery, North Concord, Pittsburg/Bay Point, Union City and West Dublin. A portion of the funding will be used for maintenance and operation of facilities t added over the last year including electronic lockers now at 28 stations and new Bike Stations at Civic Center and MacArthur being added in FY14. The requested funding augments grant and other funds that have provided for a robust and expanding bike storage program throughout the system.

Vendor Portal – Public Access of Procurement Documents

\$0.5M, one-time

The Vendor Portal Website will enable the Procurement and Contracts Division to follow consistent, controlled and automated processes for: Invitation to Bid, Request for Proposal, Contract Management & Administration, Vendor Registration, Internal Tracking, and Assignment of Workflow. The creation of a website dedicated to this task will address the requirement of the Business Advisory Committee (BAC) to provide a centralized portal for BART's vendor community. It will also provide the capability to download RFPs and related documents for potential and registered vendors/bidders. The Vendor Portal website will provide much needed automation for the current manual process of sending Vendor IFB (Invitation for Bid), RFQ/RFP, Notification, Bidding Event and registering potential vendors as bidders. The Office of the Chief Information Officer (CIO) is requesting funding for the development of a Vendor Portal to meet the demands of the business community. This includes funding for consulting and professional services. The CIO will need three consultants for ten months to assist on this project.

BART Availability and Utilization Study

\$0.5M, one-time

U.S. Department of Transportation recipients are required to demonstrate evidence of discrimination or its effects in order to establish contract specific, race-conscious DBE goals. The last Availability and Utilization Study (Study) findings were approved by the Board of Directors in April 2009 and supported the re-establishment of race-conscious DBE goals in construction contracts. To ensure that the District's DBE program is implemented in a manner consistent with Federal requirements, it is necessary to collect additional information and conduct an update to the Study to determine if discrimination or its effects continue to persist within the BART market area. The Study will also provide information on small business availability within the BART market area in support of the District's Small Business Programs. Additionally, the Study will provide information to update availability percentages used in the Non-Discrimination in Subcontracting Program. The Office of Civil Rights is requesting \$0.5M for FY14 and FY15 to conduct an update of the Study.

Station Profile Study

\$0.5M, one-time

The BART Marketing and Research Department will update the Station Profile Study in FY14. This

is a systemwide survey of the customer market and provides detailed insights into the demographics and station access characteristics of BART riders, and would update the most recent 2008 Station Profile Study. The new FTA Title VI circular requires ongoing and detailed customer surveys to assess transit ridership demographics trends. BART has experienced many significant changes since the 2008 study, with more changes on the horizon. Key dynamics include: establishing a current baseline before the opening of new extensions, the 2012 opening of West Dublin/Pleasanton Station, ridership changes between FY08 and FY14, expansion of market-based paid parking programs, and fare increases. The study will achieve the following objectives:

- Provide current demographic and station access data to inform trend analyses of Title VI, ridership, TOD, and station access strategies and investments.
- Lead to improved customer satisfaction by better understanding customers' needs and preferences.
- Inform land use planning and development to improve ridership and enhance quality of life.

Asset Management

\$0.5M, 3.0 FTE

Funds will be directed to further develop and implement BART's Enterprise Asset Management (EAM) program. The funds will be used to implement policy and processes related to the EAM and to support the asset management systems that drive Asset Management Plans required by FTA under MAP-21. Funds in FY14 will be used to implement technology improvements such as software from earthmine, ArcGIS, TERM-Lite, and NAMSPPlus.USA to compressively identify, map and manage BART's 40,000 assets. Staffing proposed for FY14 for this District-wide effort includes a Project Manager, Sr. Maintenance Engineer data analysis specialist, and a Risk Analyst/Manager. Additional staff are planned to be added over the next two fiscal years. Support staff, consisting primarily of Industrial and/or Maintenance Engineering personnel, will be necessary to provide maintenance staff with the resources to fully develop the Asset Management Plans.

Transient Population Management Initiative

\$0.4M, 2.0 FTE

The transient population loitering around stations, and frequently riding the trains, is presenting a sizable quality of life issue for both customers and employees. Many of these individuals outwardly exhibit mental health and other behavioral problems creating the perception that the BART system is unsafe. It is common to see some of these individuals sleeping inside the stations and trains as well as engaging in more serious criminal activities. In response to this ever growing problem, BART Police Department (BPD) has deployed the services of a Crisis Intervention Team (CIT) Outreach Coordinator on a contract, part-time basis (the CIT Coordinator is also a Noble Report recommendation). This coordinator is responsible for the delivery of a standardized CIT training curriculum to BPD staff and is also the BPD representative to mental health and law enforcement communities. Over this last year, the Transportation Department has also been involved in a comprehensive approach to managing the transient population problems by developing strategies and partnerships in the communities we serve to prevent BART stations and trains from becoming the shelters of last resort. This initiative by Transportation has also leveraged and integrated the objectives of the BPD CIT Coordinator. The CIT will consist of one BPD employee and one Senior Operations Supervisor.

Cyber Security

\$0.4M, 2.0 FTE

The Office of the Chief Information Officer (CIO) is dedicated to maintaining the cyber security of BART. A new, highly technical team will build a comprehensive cyber security plan, establish clear command and control for all cyber security incidents, and enable more trusted transactions over

BART's network. The primary focus will be to institute and maintain the District's Unified Cyber Security (UCS) plan covering end-point security, identity management, intrusion detection/prevention, data loss prevention, email/web, network and mobile security. These highly technical positions will work to defend against cyber-attacks perpetrated by groups that seek to disrupt and defame District websites and critical services. These positions will also work closely with federal law enforcement agencies to establish cyber security policies and procedures for BART's many technological projects.

Finance – General Accounting Staff

\$0.3M, 2.0 FTE

Two Accounting Supervisor positions are proposed to be added to the Finance Department. These will provide a number of benefits, including creating path for upward mobility for accountants in the lower classifications. Direct benefits of the positions include serving as a backup to accounting managers allowing more efficient work flow, as the current understaffing provides no backfill, reducing overtime in Payroll, and helping ensure that monthly closings will occur on time.

Regional Anti-Terrorism Law Enforcement System (RAILS)

\$0.3M, 2.0 FTE

The Regional Anti-Terrorism Integrated Law Enforcement System (RAILS) is a state-of-the-art commercial police dispatch and event tracking system that will integrate BART's Enterprise Geographic Information System (EGIS) using a wide variety of sensors, alarms, and video surveillance equipment. The RAILS system is designed to provide real-time situational awareness to BART Police (BPD) dispatchers and officers by displaying intrusion detection sensors, CCTV cameras, and 9-1-1 caller locations using an integrated digital map of District properties and surrounding communities. The system will also provide BPD with computer-aided dispatch, records management, and mobile data systems. The FY14 budget proposes two new FTEs for \$0.3M to support this system.

Budget and Financial Analysis

\$0.3M, 2.0 FTE

During recent budgetary cutbacks, staffing levels in critical administrative support areas were reduced in order to maintain service and operations. One of those critical areas that experienced reductions in headcount was the budget and financial analysis department. The implementation of the District's enterprise project management budget module, continued integration of the operating and capital budgets, board-initiated fare policy analysis and associated Title VI requirements, incorporation of infrastructure asset management information into the District's financial models, and an overall desire to increase the quality of financial analysis of the District's projects and programs necessitates the addition of two financial analyst positions. In the upcoming years, as the call on the District's financial resources becomes more apparent, especially with regard to infrastructure rehabilitation, increased financial controls and analysis will become even more critical to ensure the District's scarce fiscal resources are allocated to the most important priorities.

Inventory - Storekeepers

\$0.3M, 3.0 FTE

The new Storekeeper personnel will be utilized in several ways. M&E and RS&S have increased their project activity and created a constant and increased workload at the new Whipple warehouse to support it. The facility now requires personnel staffing on a full time basis. The quantity of high dollar inventory (Cables, Elevator/Escalator, and Vehicle Interior Mod materials) has increased and is now stored indoors as a safeguard against theft in the current economic environment. Truck runs from the main Hayward Stores location to all RS&S Secondary Shops have also increased to support the accelerated pace of the revenue vehicle fleet modifications to

floors, seats, interior modifications and HVAC upgrades, etc. In addition, the additional staffing will allow the Daly City storeroom to be staffed on the graveyard shift.

Embarcadero Station Macramé Rope Sculpture - Decommission \$0.3M, one-time
The macramé rope sculpture was created in 1976 under a Professional Services Agreement, using station construction funding. Over the years the newspapers and media have published stories both negative and positive about the piece and its presence in the station and its condition. Attempts to clean the piece have occurred over the years. The last two cleaning attempts were in 1993 (\$15,000) and in 2000 (\$50,000-\$60,000). The most recent cleaning was conducted by a professional art restorer who cleaned the piece *in situ* with stiff brushes and vacuum cleaners. This method followed a written recommendation of a textile conservator from the deYoung Museum who had valued the piece. The piece was substantially dirty again within four to six months of the cleaning. From the 2000 report by The Fine Arts Museums of San Francisco, deYoung Textile Conservation Laboratory; "Option 1. - Removal from exhibition. The first recommendation is that the sculpture be taken off exhibition and removed from this wholly unsuitable location. The level of airborne soiling, the draft, and the lack of protective barrier make this one of the worst locations imaginable for a work of art made from textile fibers." In October 2008 BART Legal provided an analysis of the rights and obligations of the District as well as options for going forward with recommendations on how to proceed if the BART Board wished to remove the sculpture. It found that that the District does have the legal right to remove the piece provided certain steps are taken. The proposed funding will allow the District to decommission the sculpture in accordance with analysis provided by BART Legal.

Clipper Support Staff \$0.2M, 1.0 FTE
The Clipper regional fare payment system has been operational on the BART system for several years. At this time, the region, led by MTC and supported by transit operators, is commencing an effort to evaluate alternatives and develop an implementation program for the next generation of Clipper. This joint strategizing effort requires dedicated staff resources to participate and represent the interests of BART. To date, there have been no dedicated operating labor allocations made in the District in support of the Clipper program. The request for one position to support Clipper will provide staff dedicated to short-term and long-term Clipper program needs and objectives, lead day-to-day Clipper issues, and will ensure BART's involvement in the development of the Clipper system in the future.

Telecommunications \$0.2M, 1.0 FTE
The specialized legal work in this subject area has historically been provided by outside counsel, as the office lacked this expertise. The legal department will use this position to bring this work in house, saving the expense and reliance on, outside counsel for this specialized subject.

Total Quality Management \$0.2M, 1.0 FTE
The concept of Total Quality Management is to continuously analyze products and processes and improve organizational efficiency by eliminating wasteful practices. The concept has been successfully applied in the Rolling Stocks and Shops Department, where the SMP has resulted in improved car reliability and availability. The Maintenance and Engineering Department is also initiating an SMP to examine ways to more effectively carry out its responsibilities. As proven with the SMP, an organization is most successful when it incorporates the knowledge and experience of its workers to improve work processes. The proposed initiative will include staff assigned specifically to begin the preliminary steps of implementing TQM in other parts of the organization,

including an initial assessment of current conditions in specific focus areas, assessing readiness to implement change, and working with executive management to design transition management structures. Top executive management support is a prerequisite for this effort to be successful and initial efforts necessary to secure management and employee commitment to TQM principles is critical before utilization of outside consultants.

Parking Enforcement

\$0.2M, 2.0 FTE

As the number of stations that charges for daily parking fees expands and the responsibilities of the Community Service Officers (CSOs) grow, there is a need for additional CSOs. These two CSOs would be on special assignment, dedicated solely to parking enforcement. These positions will check the validity of permits, monitor reserved parking and carpool programs, and help ensure that the parking rules are being followed, as well as adding a police presence in parking facilities. Aside from these functions, additional revenue will also be generated because of these positions, both through increased citation revenue and increased daily parking fee payments (since monitoring will increase).

Website Staffing

\$0.2M, 1.0 FTE

The BART website is the key communications platform for the District, reaching 19 million visitors annually. With only 1.5 current FTE allocated to the maintenance and development of bart.gov, the site is grossly understaffed. Agencies like WMATA and LA Metro dedicate at least 5 FTE to their websites. In FY14 the Office of the Chief Information Officer (CIO) will take over and shore up bart.gov transferring 1.0 FTE from External Affairs and combining it with an additional 1.0 FTE provided internally by the Office of the CIO. The Office of the CIO will use these internal resources to create a web team consisting of a single supervisor and a single dedicated web developer. However, this will still not be enough. In order to effectively manage bart.gov an additional 1.0 FTE will be required in FY14. This additional 1.0 FTE will provide additional Content Management System (CMS) support, a critical component of maintaining bart.gov.

Maintain Wayfinding/Signage

\$0.2M

BART's "Wayfinding for All" incorporated universal design concepts resulting in a user-friendly station; provided consistent experience a system-wide; provided context sensitive and regional perspective. "Wayfinding for All" will be implemented at every BART station and station area over the life of the initiative. Key Elements of "Wayfinding for All" include station entrance identification pylon, overhead signs, wall mounted signs, street & pedestrian signs and real-time train arrival displays. Elements of this initiative will be constructed in FY14 at Concord, Daly City, El Cerrito Plaza, Walnut Creek, North Concord/Martinez, Lafayette, Orinda, and Pittsburg/Bay Point stations. The \$150,000 per year will allow BART to update guidelines and standards, work with municipalities to include BART wayfinding as part of the city/regional wayfinding transportation network. In addition the funding will allow BART to maintain and update signs, respond to changes at stations and BART operations, as well as to coordinate with law enforcement and other transit operators within our station areas.

Training – Rolling Stock & Shops

\$0.1M, 1.0 FTE

Rolling Stock & Shops has nine Employee Development Specialists (EDS) to provide training. Several years ago, this group was centralized and reorganized in an effort to make training more efficient and effective. Recently, a rapid increase in retirements of skilled workers and the hiring of replacement employees has resulted in a growing need for training. And, this trend is expected to continue. The nine current EDS's are challenged to keep pace with the burden of new-hire training,

regulatory requirements, and turnover of specialized positions in the Hayward Shop. The additional position will augment our ability to provide for intermediate and advanced skill training, new content development, and targeted vehicle system training needed to sustain car availability and reliability.

Training – Information Technology

\$0.1M

In order to support the District’s ongoing enterprise applications, the Office of the Chief Information Officer (CIO) will require cyclical training in line with related product releases and service patches. This training will ensure that the Office of the CIO maintains the necessary knowledge and skills required to support the District. The highly advanced training courses required to maintain the District’s infrastructure are not cheap; many run \$5,000-\$7,000 per student per course and are required on a cyclical basis. The Office of the CIO is requesting funding for training & employee development to ensure business continuity and growth. There is a continuous need to gain technical knowledge and skills to adequately support the increasing demands of the District. This training will support: the Network, PeopleSoft, Maximo, Oracle Business Intelligence Enterprise Edition (OBIEE) and the Enterprise Geographic Information System (EGIS). Maintaining the necessary tools to support these systems is crucial to the business requirements of the District.

Website Maintenance and Development

\$0.1M

The modern, enterprise-level Content Management System (CMS) to be deployed in FY14 will require an additional level of programming support for the BART.gov source code. These consulting services will develop a new website technical support structure with ongoing documentation and backup personnel. In addition, these services will help to facilitate the transfer from the existing CMS, set to expire in December 2013 to the next generation CMS to be deployed in FY14. These services will provide critical content and application continuity during the CMS change-over.

Rider Response to Peak Fares Study

\$0.1M, one-time

This analysis will feature a small scale test to assess the BART rider response to a peak fare surcharge at the Embarcadero and Montgomery BART stations. This demand management approach complements BART’s existing supply-side investments to expand capacity to manage expected growth in BART ridership over the next several decades, critical since funding for capacity improvements is limited. This analysis would be conducted jointly by the Office of Administration & Budgets and the Office of Planning & Development, and would identify how riders would respond to various surcharges (elasticity) and analyze Title VI implications.

System Safety – Safety Specialist

\$0.1M, 1.0 FTE

A new Safety Specialist significantly enhances Safety's capabilities in the implementation of various safety programs leading to a stronger Safety Culture. It also optimizes the value-added potential of the Safety staff. The new resource allows Safety staff to increase the scope of proactively investigating claims and incident reports in the field as soon as possible, and spending time at various work locations at different times and shifts with BART work crews in order to make observations, perform compliance checks, and provide guidance/advice as needed.

FY14 Proposed Initiatives - OPERATING

Staff Recommendations - Funding included in the Preliminary Budget

Title	Description	Pos.	Labor	Non Labor	Total
Station Initiatives	Add labor and non-labor funds to improve station and elevator cleanliness, which includes cleaning stations with a focus on entrances; painting, upgrading and repairing stations; and making improvements to small-scale station facilities.	15.0	\$ 1,645,618	\$ 1,414,956	\$ 3,060,574
Attendance Management Program	Continue the efforts of the attendance management program.	2.0	332,823	667,177	1,000,000
Transbay Tube Cathodic Protection	Protection for the Trans Bay Tube against corrosion.	0.4	65,710	866,250	931,960
Website Content Management System (CMS) Replacement	Replace CMS because the current Adobe Publish CMS will no longer be supported as of 12/01/13. Current CMS is used by 30+ internal BART content editors to maintain their data on BART's website. One-time funding.	-	-	720,000	720,000
Planning & Development Reorganization & Station Planning Group	Support new initiatives related to Transit Oriented Development (TOD), System Capacity, System Renewal, Customer Environment and strengthens BART's overall focus on stations.	2.5	526,784	-	526,784
Bicycle Storage	Operate an attended bike station; conduct architectural and engineering designs of new bike stations, lockers and racks; and maintain and operate existing bike facilities. One-time funding.	-	-	504,000	504,000
Vendor Portals-Public Access of Procurement Documents	Create a vendor portal website to automate the RFP process for bidders and allow the general public to view active procurement. The Procurement department will be able to follow consistent, controlled and automated procurement processes. One-time funding.	-	-	500,000	500,000
BART Availability and Utilization study	Conduct an MBE, WBE and small businesses study to ensure the District's DBE program is implemented in a manner consistent with federal requirements. One-time funding.	-	-	500,000	500,000
Station Profile Study	Conduct a systemwide survey of the customer market, which will provide detailed insights into the demographics and station access characteristics of BART riders. One-time funding.	-	-	500,000	500,000
Asset Management	Implement Enterprise Asset Management (EAM) plans. This initiative funds the implementation of policy and processes related to the EAM.	3.0	479,645	15,000	494,645

FY14 Proposed Initiatives - OPERATING (cont.)

Title	Description	Pos.	Labor	Non Labor	Total
Transient Population Management Initiative	With combined efforts from the Transportation and Police Departments, create a team that will work on a comprehensive approach to managing the growing transient population problem in stations and trains.	2.0	\$ 331,327	\$ 68,673	\$ 400,000
Cyber Security	Create a new, highly technical team that will build a comprehensive cyber security plan, establish clear command and control for all cyber security incidents, prevent and thwart cyber incidents and enable more trusted transactions over BART's networks.	2.0	353,359	-	353,359
Finance - General Accounting Staff	Add two Accounting Supervisors to serve as a backup to the accounting managers, review and approve of various AP tasks, ensure year end monthly closings, and improve AP process for payment of vendors.	2.0	317,838	-	317,838
Regional Anti-Terrorism Law Enforcement System (RAILS)	Add efforts to support RAILS, a commercial police dispatch and event tracking system that will integrate BART's Enterprise Geographic Information System (EGIS).	2.0	317,772	-	317,772
Budget & Financial Analysis	Add a Senior Financial Analyst and Principal Financial Analyst to support the District efforts in budget and financial analysis.	2.0	299,235	-	299,235
Inventory - Storekeepers	Provide logistics support in the new Whipple warehouse and evening staff support on graveyard shift at Daly City.	3.0	277,035	-	277,035
Embarcadero Station Macramé Rope - Decommission	Decommission of the sculpture in Embarcadero Station in accordance with analysis of rights and obligations of the District. One-time funding.	-	-	250,000	250,000
Clipper Support Staff	Support for the Clipper regional fare program.	1.0	225,543	-	225,543
Telecommunications	Add a new attorney. The District currently outsources the work on wifi, communications and fiber optics. Funding a new attorney allows the District to bring this work in-house.	1.0	188,367	-	188,367
Total Quality Management (TQM)	Expand TQM concept District-wide.	1.0	180,526	-	180,526
Parking Enforcement	Add support for the parking enforcement programs.	2.0	166,745	-	166,745
Website Staffing	Add a Web Developer to respond to internal demands beyond maintenance of current systems.	1.0	158,917	-	158,917
Maintain Wayfinding/Signage	Incorporate "Wayfinding for All" concept at every BART station.	-	-	150,000	150,000

FY14 Proposed Initiatives - OPERATING (cont.)					
Title	Description	Pos.	Labor	Non Labor	Total
Training - Rolling Stock & Shops	Add an Employee Development Specialist for training, which will allows RS&S to conduct intermediate and advance skill training, new content development and targeted vehicle system training that is needed to sustain car availability and reliability.	1.0	\$ 146,139	\$ -	\$ 146,139
Training - Information Technology	Add training funds for ongoing enterprise application training on the Network, PeopleSoft, Maximo, OBIEE, and EGIS.	-	-	120,600	120,600
Website Maintenance and Development	Contract consulting services to provide an additional level of programming support for the BART.gov source code by developing and supporting a new website technical support structure for the new Content Management System (CMS).	-	-	120,500	120,500
Rider Response to Peak Fares Study	Conduct a small scale test to assess the BART rider response to a peak fare surcharge at Embarcadero and Montgomery Stations. One-time funding.	-	-	120,000	120,000
System Safety - Safety Specialist	Add a Safety Specialist to significantly enhance System Safety's capabilities in the implementation of various safety programs leading to a stronger safety culture.	1.0	108,123	-	108,123
Operating Initiatives Total		43.9	\$ 6,121,506	\$ 6,517,156	\$ 12,638,662

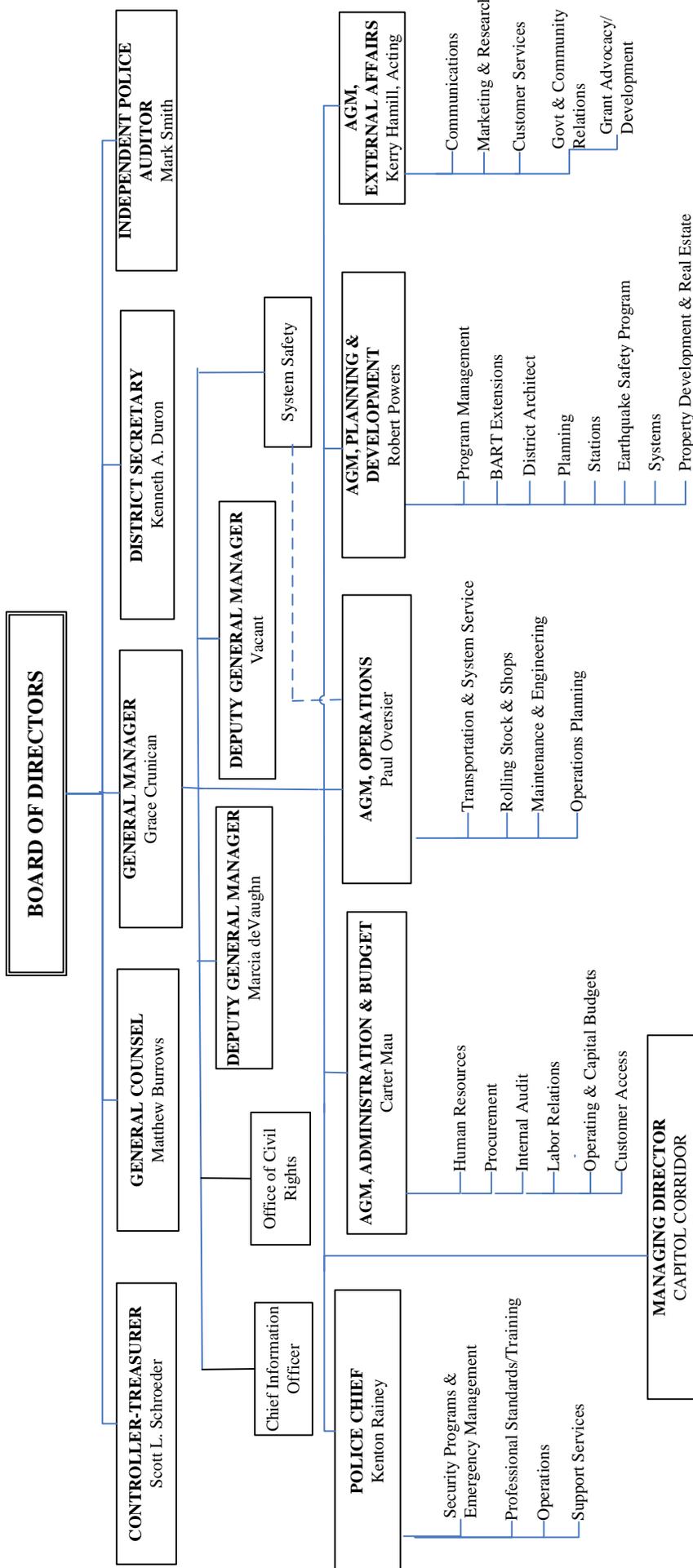
FY14 Proposed Initiatives - CAPITAL		
Staff Recommendations - Funding included in the Preliminary Budget		
Title	Description	Total
Tunnel and Facility T12 Lighting Conversion	As part of a three-year project, convert inefficient T12 fluorescent light fixtures with new efficient T8 light fixtures in non-passenger areas, BART facilities, and all subways and tunnels.	\$ 4,533,116
Capital Initiative Total		\$ 4,533,116

7. FY14 Budget Board Review Schedule

(Staff presentation unless otherwise noted*)

Board Meeting Date	Title
03/14/13	FY14 Financial Priorities
04/11/13	FY14 Preliminary Budget Overview Action: Consider motion to set date for public hearing on FY14 Preliminary Budget
05/09/13	FY14 Preliminary Budget Sources, Uses and Service Plan
05/23/13	Public Hearing on FY14 Annual Budget Action: Consider resolution to adopt annual Proposition 4 Limit
06/13/13	Action: Consider resolution to adopt the FY14 Annual Budget *

**SAN FRANCISCO BAY AREA RAPID TRANSIT
FY14 Preliminary Budget
ORGANIZATION CHART**



<u>Total Headcount</u>		
	Total	Allocation
Operating	2,983.4	(48.0)
Capital	394.4	48.0
Reimb.	37.0	-
Staff	3,414.8	-
		Net
	2,935.4	
	442.4	
	37.0	
	3,414.8	