

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

**In the matter of approving
The Annual Budget for the
San Francisco Bay Area Rapid
Transit District and authorizing
Expenditures for the Fiscal Year
July 1, 2019, to June 30, 2020**

Resolution No. 5401

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 3 in newspapers of general circulation in the County of San Francisco, the County of Contra Costa, and the County of Alameda of its intention to adopt an Annual Budget for the Fiscal Year July 1, 2019, to June 30, 2020; and

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District desires to adopt an Annual Budget for the Fiscal Year July 1, 2019, to June 30, 2020; and

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

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

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

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

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

Adopted: June 13, 2019

WHEREAS, the system-wide operating plan for Fiscal Year 2020 was presented to the Board of Directors on May 9, 2019, in a presentation entitled Fiscal Year 2020 Preliminary Budget: Sources, Uses, Capital, & Service Plan; and

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

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

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

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

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

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

BE IT FURTHER RESOLVED THAT that the General Manager is authorized to waive minor irregularities in bid documents prior to recommending contract awards to the Board; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file a Bridge Toll Application, a TDA Application and an STA Application along with necessary supporting documents, with the Metropolitan Transportation Commission for allocation of bridge toll revenues, TDA and STA funds in FY20; and

BE IT FURTHER RESOLVED that the San Francisco Bay Area Rapid Transit District's system-wide operating policies shall be generally as set forth in the May 9, 2019, in a presentation entitled Fiscal Year 2020 Preliminary Budget: Sources, Uses, Capital, & Service Plan, subject to such adjustments that staff determines necessary to operate the service in the public's interest; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute an agreement with the City and County of San Francisco (CITY) to provide a transfer payment in FY19, such transfer payment being paid by the District to CITY in order to facilitate the coordination of transit service and furnish an incentive to CITY for providing enhanced transfer services between MUNI and BART stations; and

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

BE IT FURTHER RESOLVED that the General Manager is authorized to exceed Board Appointed Department/Executive Office budgets by more than ten percent (10%) ten (10) days after written notice of this intended action has been mailed to the Board of Directors, provided that the Total Net Operating Expense line item set forth in "Exhibit A" is not exceeded and such action is consistent with Board Rule 5-1.4 and provided further that the General Manager will prepare and send to the Board, a summary of Department budgets within approximately 30 days after the adoption of this budget; and

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

BE IT FURTHER RESOLVED that the General Manager is authorized to act on behalf of the District, and to make expenditures and incur liabilities against all funds of the District as provided for in contracts which have been authorized by the Board of Directors of the District and that the Board's authorizations of such contracts also include the necessary appropriations for such

contracts and change orders authorized by Rules approved by the Board, subject, however, to compliance with such specific appropriation resolutions as may be adopted by the Board from time to time; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to issue free or discounted promotional tickets in FY20 for purposes of building ridership on the system, consistent with ridership development guidelines; and

BE IT FURTHER RESOLVED that effective July 1, 2019:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2019, budgeted for the District shall be 5,019.4 (a part-time position is counted as 0.625 positions). Additional permanent positions are authorized, as required, not to exceed 50 positions, of which not more than 25 positions may be charged to operating expense provided the budgeted Total Net Operating Expense is not thereby exceeded;
- (2) The character and salary ranges of such positions, including officers appointed by the Board pursuant to Public Utilities Code Section 28811 shall be as set forth in the agreements entered into with Service Employees' International Union, Local 1021, Amalgamated Transit Union, Local 1555, American Federation of State and County Municipal Employees, Local 3993, the BART Police Officers Association and the BART Police Managers Association as to the employees represented thereby, and with other Bargaining Units for employees that may later be represented thereby, and for all other employees as set forth in the attached "Exhibit B", incorporated herein as though set forth at length. The employment benefits for non-represented employees shall be administered by the General Manager in accordance with Board Rule 4-1.2.
- (3) The General Manager is authorized to make future adjustments to the Professional/Management Salary Ranges ("Exhibit B") for non-represented employees in accordance with applicable provisions of the Compensation Manual, which reflects the District policy and practice to evaluate such ranges on an annual basis and to establish the mid-points of the pay ranges for positions so that they approximate the 75th percentile of the average of salaries paid for similar jobs in the labor market and to promptly advise the Board of any and all such range adjustments. The General Manager is directed to initiate the annual review by October of each year.
- (4) The District Secretary shall insure that an amendment to Exhibit B be prepared to reflect any adjustment to the hourly wage rates or professional/management pay bands as provided above or any adjustment to the Board appointed officers' salaries as a result of merit adjustments or scheduled increases provided in such officers' employment agreements that take effect during the fiscal year. The District Secretary shall attach any such amendment to Exhibit B as an addendum to this resolution.

- (5) The General Manager is authorized to pay non-represented employees on the merit plan who are eligible for a wage increase of up to 2.75% as of July 1, 2019, that portion of their merit increase which exceeds the top of the base salary range with no increase to the employee's "base wage" above the top of the salary range. The amount over the top of the salary range shall be paid over the following twelve month period in equal pay period installments and will be discontinued after the expiration of the twelve month period unless the pay range is adjusted in accordance with (3), above, to incorporate that portion that is over the top of the salary range. Employees must have been rated "effective" or higher overall in their most recent performance evaluation to be eligible for any merit increase.

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee shall post all grant applications online to the public as they are submitted, except those that if made public would compromise the security of the system.

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Attachment 1

Fiscal Year 2020 District Operating Budget Sources & Uses Detail

	FY20 PRELIMINARY	FY20 ADOPTED	INCREASE (DECREASE)
Rail Passenger Revenue	\$ 479,353,015	\$ 479,353,015	\$ -
ADA Passenger Revenue	888,896	\$ 888,896	-
Parking Revenue	36,527,523	\$ 36,527,523	-
Other Operating Revenue	28,425,826	\$ 28,723,958	298,132
Subtotal - Operating Revenue	545,195,260	545,493,392	298,132
Sales Tax Proceeds	277,000,000	\$ 277,000,000	-
Property Tax Proceeds	50,622,254	\$ 50,622,254	-
SFO Ext Financial Assistance	5,814,899	\$ 5,814,899	-
Local & Other Assistance	6,429,013	\$ 6,429,013	-
State Transit Assistance	39,196,299	\$ 39,370,555	174,256
Low Carbon Transit Operations Program	8,374,385	\$ 8,374,385	-
Low Carbon Fuel Standard Program	14,149,560	\$ 14,149,560	-
Subtotal - Financial Assistance	401,586,410	401,760,666	174,256
SUBTOTAL - OPERATING SOURCES	946,781,670	947,254,058	472,388
Labor & Benefits	\$ 591,421,905	\$ 591,627,444	\$ 205,539
ADA Paratransit	16,931,647	16,931,647	-
Purchased Transportation	14,634,613	14,634,613	-
Power	45,596,872	45,596,872	-
Other Non-Labor	130,700,497	130,967,346	266,849
Subtotal - Operating Expense	799,285,534	799,757,922	472,388
Bond Debt Service	47,237,727	47,237,727	-
<i>Allocation - Capital Rehabilitation</i>	25,323,200	25,323,200	-
<i>Allocation - Priority Capital Programs</i>	52,165,937	52,165,937	-
<i>Allocation - Stations & Access Projects</i>	3,904,184	3,904,184	-
<i>Allocation - Other</i>	4,317,589	4,317,589	-
<i>Allocation - Sustainability from LCFS</i>	7,074,780	7,074,780	-
<i>Allocation - Pension</i>	10,000,000	10,000,000	-
<i>Allocation - Reversed Capital</i>	(2,527,281)	(2,527,281)	-
Subtotal - Debt Service & Allocations	147,496,136	147,496,136	-
TOTAL - OPERATING EXPENSE	946,781,670	947,254,058	472,388
NET RESULT	\$ 0	\$ 0	\$ (0)
Average Weekday Trips	404,900	404,900	\$ -
Rail Farebox Recovery Ratio	60.1%	60.0%	\$ (0)
Operating Ratio	68.2%	68.2%	\$ (0)

Attachment 2

FY20 Capital & Reimbursable Budget Headcount and Planned Expenditures Program Summary by Category

Program Category	FY20 Headcount*	FY20 Planned Expenditures
System Reinvestment		
Mainline	73.7	\$ 409,443,035
Rolling Stock	690.9	\$ 261,853,073
Stations	76.6	\$ 118,188,362
Controls & Communications	148.8	\$ 96,891,610
Facilities	52.0	\$ 93,454,598
Work Equipment	2.4	\$ 3,173,264
Total System Renovation	1,044.3	\$ 983,003,941
Safety & Security	89.1	\$ 73,952,356
Earthquake Safety	87.4	\$ 167,119,778
Service & Capacity Enhancement	114.4	\$ 158,216,475
System Expansion	198.1	\$ 30,185,746
SUBTOTAL CAPITAL	1,533.3	\$ 1,412,478,297
Capitol Corridor**	24.0	\$ 4,643,766
Reimbursable***	17.5	\$ 2,825,021
SUBTOTAL REIMBURSABLE	41.5	\$ 7,468,787
Cost Allocation Plan	48.0	
TOTAL CAPITAL & REIMBURSEABLE	1,622.8	\$ 1,419,947,084

* Total authorized permanent positions.

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

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

Attachment 3

FY20 Operating and Capital Budget Initiatives (General Fund)

OPERATING		Pos.	Labor	Non-Labor	Total
Quality of Life	Additional Police Officers	19.0	1,963,197	114,000	2,077,197
	Additional Fare Inspectors	4.0	473,820	-	473,820
	Transportation Management	4.0	935,540	-	935,540
	Procurement	15.0	1,731,315	-	1,731,315
	Payroll	2.0	297,608	-	297,608
	OCIO Help Desk Support	2.0	336,856	-	336,856
	HASTUS Software	-	-	830,000	830,000
Modernization, Efficiency and Financial Stability	Strategic Budget Administrator	1.0	224,370	-	224,370
	Maximo Software Support	1.0	211,774	-	211,774
	Leave Management	1.0	233,885	-	233,885
	Budget Analysis	1.0	200,797	-	200,797
	Measure RR Operating Support	2.0	305,816	2,493,721	2,799,537
	Operational Utilities	-	-	1,050,000	1,050,000
	MET Building	3.0	305,154	30,000	335,154
	BART to Antioch Operations	-	-	900,000	900,000
	Drug & Alcohol Testing	1.0	233,885	-	233,885
	Safety Training	-	-	300,000	300,000
	Early Warning Devices	-	-	360,000	360,000
Compliance	Fitness for Duty	1.0	196,576	100,000	296,576
	Fire & Life Safety	2.0	500,940	-	500,940
	Accessibility Investments	2.0	402,229	750,000	1,152,229
	Payment Card Industry Compliance	-	-	300,000	300,000
OPERATING TOTAL		61.0	8,553,762	7,227,721	15,781,483

CAPITAL					Total
Compliance	Accessibility Investments				81,656
CAPITAL TOTAL					81,656

FY20 Stations & Access Projects (from Parking Revenue)

OPERATING		Pos.	Labor	Non-Labor	Total
Quality of Life	Homelessness	-	-	1,716,500	1,716,500
OPERATING TOTAL		-	-	1,716,500	1,716,500

CAPITAL					Total
Quality of Life	Homelessness				283,500
	Fare Evasion Deterrent				381,000
CAPITAL TOTAL					664,500

EXHIBIT A
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ANNUAL BUDGET - FISCAL YEAR 2020

<u>FUND SOURCES</u>	TOTAL
FUND SOURCES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Operating Revenue	\$ 545,493,392
Property Tax	50,622,254
1/2 ¢ Sales Tax	277,000,000
Measure B, BB, & J Assistance	5,362,524
Other Financial Assistance	115,000
Caltrain - Millbrae Station Joint Use	951,489
SFO Ext Financial Assistance	5,814,899
State Transit Assistance	39,370,555
Low Carbon Transit Operations Program (LCTOP)	8,374,385
Low Carbon Fuel Standard Program (LCFS)	14,149,560
Total Operating Sources	947,254,058
FUND SOURCE FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY20	1,419,947,084
TOTAL ESTIMATED FUND SOURCES	\$ 2,367,201,142
 <u>FUND USES</u>	
FUND USES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Net Labor Expense ⁽¹⁾	\$ 591,627,444
Non-Labor Expense	208,130,477
Total Net Operating Expense	\$ 799,757,921
Revenue Bond Debt Service	47,237,727
Allocations to Capital - Rehabilitation	25,404,856
Allocations to Capital - Priority Capital Programs	52,165,937
Allocations to Capital - Stations & Access Projects	3,904,184
Allocations to Capital - Other	4,235,933
Allocation to Sustainability from LCFS	7,074,780
Allocation - Fiscal Stability Pension	10,000,000
Reverse Operating Reserve	(2,527,281)
Total Operating Uses	\$ 947,254,057
FUND USES FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY19	\$ 1,419,947,084
TOTAL ESTIMATED FUND USES	\$ 2,367,201,141
NET FINANCIAL RESULT (DEFICIT)	0

⁽¹⁾ Total Authorized Permanent Positions as of 07/01/19 = 5,019.4

EXHIBIT B

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

CHARACTER OF POSITION/PAYROLL CLASSIFICATION TITLE	HOURLY WAGE RANGE					
	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
CLERICAL & HOURLY						
ADMINISTRATIVE TECHNICIAN	\$31.8241	\$ 33.2239	\$ 34.5212	\$ 35.8522	\$ 37.2178	\$ 37.7421
ADMINISTRATIVE SECRETARY	30.6409	31.9866	33.2332	34.5133	35.8266	36.3260
SENIOR SECRETARY	28.5400	29.5909	30.6743	31.9866	33.2667	33.7660
SENIOR CLERK	30.3688	31.7015	32.9367	34.2047	35.5052	36.0047
INTERMEDIATE CLERK	27.1828	28.2873	29.3279	30.4029	31.7015	32.2009
INTERMEDIATE CLERK P/T	29.8651	31.0801	32.2247	33.4073	34.8357	35.3850
PARALEGAL	37.9728	39.6416	41.1872	42.7747	44.4033	45.0224
P/T SURVEY TAKER (SINGLE RATE)	36.5297					
ENGINEER INTERN	18.0000					

NOTE: The clerical rates are effective 7/1/2019

PROFESSIONAL/MANAGEMENT PAY BANDS

PAY BAND	MINIMUM	MIDPOINT	MAXIMUM
15	\$188,013	\$239,719	\$291,424
14	170,533	217,432	264,330
13	147,316	187,830	228,343
12	133,622	170,368	207,114
11	127,256	162,254	197,252
10	121,196	154,526	187,856
9	115,426	147,169	178,912
8	109,929	140,160	170,391
7	99,708	127,129	154,549
6	94,961	121,076	147,191
5	86,132	109,819	133,506
4	82,031	104,591	127,150
3	78,124	99,610	121,095
2	74,403	94,866	115,329
1	67,485	86,045	104,605

NOTE: The professional/ management pay bands were effective 7/1/2017

MANAGEMENT INCENTIVE PAY (ANNUAL)	Amount	Effective
Assistant General Manager - Operations	\$4,800	8/27/2018
Assistant General Manager- External Affairs	\$4,800	11/4/2013
Assistant General Manager- Administration	\$4,800	1/30/2017
Assistant General Manager- Technology/CIO	\$4,800	3/1/2013
Assistant General Manager- Planning, Dev't & Construction	\$4,800	12/29/2017
Assistant General Manager- Performance & Budget	\$4,800	7/23/2018
Deputy General Manager	\$4,800	2/13/2017
Managing Director - Capitol Corridor	\$4,800	11/21/2009

Due to the unique nature of these jobs as executive management employees reporting directly to the General Manager, these classifications are eligible to receive Management Incentive Pay of \$4,800 annually (26 equal pay period installments of \$184.61).

BOARD APPOINTED OFFICERS' ANNUAL SALARIES

	Base Salaries	Effective
DISTRICT SECRETARY	\$208,424.00	9/3/2018
CONTROLLER-TREASURER	\$264,735.35	7/1/2018
GENERAL COUNSEL	\$292,703.05	7/1/2018
GENERAL MANAGER	\$395,024.09	7/1/2018
INDEPENDENT POLICE AUDITOR	\$199,363.72	7/1/2018

Note: The Board approved the salary adjustments for the Board Appointed Officers on November 15, 2018.