

**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, 2022, to June 30, 2023,
and Fiscal Year July 1, 2023,
to June 30, 2024**

Resolution No. _____

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 3, May 6, May 11, May 13, May 19, and May 20, 2022, in newspapers of general circulation in the County of San Francisco, the County of Contra Costa, the County of Alameda, and the County of San Mateo of its intention to adopt a Two Year Annual Budget for the Fiscal Years July 1, 2022, to June 30, 2023 and July 1, 2023 to June 30, 2024; and

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District desires to adopt a Two Year Annual Budget for the Fiscal Years July 1, 2022, to June 30, 2023 and July 1, 2023 to June 30, 2024; 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 San Francisco Airport (SFO) extension in a manner consistent with BART's system-wide operating policies; and

WHEREAS, the agreement between the San Francisco Bay Area Rapid Transit District and Santa Clara Valley Transportation Authority, dated May 22, 2020, states that the San Francisco Bay Area Rapid Transit District will provide service on the Silicon Valley Extension in a manner consistent with BART's system-wide operating policies; and

WHEREAS, the Federal Emergency Management Agency (FEMA) or its designee makes reimbursement funds available pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.); and

WHEREAS, the Regional Institutional and Employer Pass Pilot program was presented to the Board of Directors on May 12, 2022, in a presentation entitled 22-190 Regional Institutional and Employer Pass Pilot; and

WHEREAS, the system-wide operating plan for Fiscal Year 2023 and Fiscal Year 2024 was presented to the Board of Directors on May 12, 2022, in a presentation entitled "Rail Service Plan, Fiscal Year 2023 and Fiscal Year 2024 Operating Budget Sources and Uses"; 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, subject to the resolved clauses, said Annual Budget includes a delayed fare increase consistent with Board Resolution 5405 ("New Fare Rates and Charges: Series 3, 2022-2026, Productivity-Adjusted Inflation-Based Fare Increase Program") adopted June 13, 2019; and

BE IT FURTHER RESOLVED that, subject to the resolved clauses, said Annual Budget includes participation in the Regional Institutional and Employer Pass Pilot program; 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; and
- (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 to 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 FY2023 and FY2024; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file a reimbursement claim with FEMA or its designee for expenses incurred in FY2023 and FY2024; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file an application to the FTA for allocation of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding in FY2023 and FY2024; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file an application to the FTA for allocation of American Rescue Plan Act (ARP) funding in FY2023 and FY2024; 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 12, 2022, presentation entitled "Rail Service Plan, Fiscal Year 2023 and Fiscal Year 2024 Operating Budget Sources and Uses", 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 agreements with regional transit operators to provide or receive transfer payments, such transfer payments being paid or received by the District to facilitate the coordination of transit service and to furnish incentives for providing of enhanced transfer services between San Francisco Bay Area Rapid Transit District and other operators' operations; 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 rides in FY2023 and FY2024 for purposes of building ridership on the system, consistent with ridership development guidelines; and

BE IT FURTHER RESOLVED that effective July 1, 2022:

- (1) The total number of permanent full and permanent part-time positions (“full time equivalent”) as of July 1, 2022, budgeted for the District shall be 4,572.31 in FY2023 and 4,590.15 in FY2024 (a part-time position is counted as 0.625 positions). Additional permanent positions are authorized, as required, not to exceed 100 positions;
- (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; and
- (4) The District Secretary shall ensure 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; and

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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EXHIBIT A
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ANNUAL BUDGET - FY23 and FY24

<u>FUND SOURCES</u>	<u>FY23</u>		<u>FY24</u>	
FUND SOURCES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS				
Operating Revenue	\$	255,166,015	\$	320,400,569
Sales Tax		298,959,010		306,613,345
Property Tax		57,986,737		61,176,007
VTA Financial Assistance		32,662,603		31,207,427
MTC Financial Assistance Clipper Start		287,092		438,091
Local & Other Assistance		9,112,691		9,261,223
State Transit Assistance		22,748,170		38,608,082
Low Carbon Transit Operations Program		10,258,949		10,258,949
Low Carbon Fuel Standard Program		16,629,838		16,414,398
Subtotal Operating Sources		703,811,105		794,378,091
Federal Emergency Assistance		313,595,161		273,411,449
Subtotal – Emergency Assistance		313,595,161		273,411,449
Total Operating Sources		1,017,406,266		1,067,789,540
FUND SOURCE FOR CAPITAL BUDGET				
Capital Funds - Cash Flow FY23 ⁽²⁾	\$	1,494,207,379	\$	1,494,207,379
TOTAL ESTIMATED FUND SOURCES	\$	2,511,613,644	\$	2,561,996,919
<u>FUND USES</u>				
FUND USES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS				
Net Labor Expense ⁽¹⁾	\$	632,196,786	\$	649,020,661
Non-Labor Expense		227,792,607		231,278,394
Total Net Operating Expense	\$	859,989,393	\$	880,299,055
Revenue Bond Debt Service		59,919,129		60,131,289
Allocation to Capital - Rehabilitation		46,486,387		45,315,114
Allocation to Capital - Priority Capital Programs		33,000,000		64,000,000
Allocation to Capital - Other		1,636,232		1,668,957
Allocation - Sustainability from LCFS		6,375,125		6,375,125
Allocation - Pension		10,000,000		10,000,000
Total Operating Uses	\$	1,017,406,266	\$	1,067,789,540
FUND USES FOR CAPITAL BUDGET				
Capital Funds - Cash Flow FY23 ⁽²⁾	\$	1,494,207,379	\$	1,494,207,379
TOTAL ESTIMATED FUND USES	\$	2,511,613,644	\$	2,561,996,919
NET FINANCIAL RESULT (DEFICIT)		-		-

⁽¹⁾ Total Authorized Permanent Positions as of 07/01/22 = 4,572.316, as of 07/01/23 = 4,590.150

⁽²⁾ The FY24 Capital Budget is a rollover of the FY23 Budget and will be updated as part of the FY24 Capital Budget Process

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						
CLERICAL & HOURLY	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
ADMINISTRATIVE TECHNICIAN	\$34.1362	\$35.6154	\$36.9864	\$38.3930	\$39.8363	\$40.3902
PARALEGAL	\$40.6341	\$42.3978	\$44.0311	\$45.7088	\$47.4300	\$48.0842
P/T SURVEY TAKER (SINGLE RATE)	\$39.1091					
ENGINEER INTERN	\$22.5000					

NOTE: The clerical rates are effective 06/30/2021, no rate increases in FY23.

PROFESSIONAL/MANAGEMENT PAY BANDS

PAY BAND	MINIMUM	MIDPOINT	MAXIMUM
15	\$196,636	\$245,795	\$297,904
14	178,760	223,450	270,821
13	162,509	203,136	246,201
12	147,736	184,669	223,819
11	138,071	172,588	209,177
10	129,038	161,297	195,493
9	120,596	150,745	182,703
8	112,707	140,883	170,751
7	105,333	131,667	159,580
6	98,442	123,053	149,140
5	92,002	115,003	139,383
4	85,983	107,479	130,265
3	80,358	100,448	121,743
2	75,101	93,877	113,778
1	69,769	87,735	105,701

NOTE: The professional/ management pay bands were effective 6/30/2019.

MANAGEMENT INCENTIVE PAY (ANNUAL) Amount

Assistant General Manager - Operations	\$4,800
Assistant General Manager - External Affairs	\$4,800
Assistant General Manager - Administration	\$4,800
Assistant General Manager - Technology/CIC	\$4,800
Assistant General Manager - Design & Construction	\$4,800
Assistant General Manager - Performance & Budget	\$4,800
Deputy General Manager	\$4,800
Managing Director - Capitol Corridor	\$4,800
Police Chief	\$4,800
Deputy Police Chief	10%

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).

Due to the unique nature of the job as first level management over Police Lieutenants, the Deputy Police Chief classification is eligible to receive Deputy Police Chief Management Incentive Pay in the amount of 10% of the regular base pay rate.

BOARD APPOINTED OFFICERS' ANNUAL SALARIES

	Base Salaries	Effective
DISTRICT SECRETARY*	\$220,307.33	7/1/2022
CONTROLLER-TREASURER*	\$279,829.28	7/1/2022
GENERAL COUNSEL	\$309,391.56	7/1/2022
GENERAL MANAGER	\$396,210.03	7/1/2022
INDEPENDENT POLICE AUDITOR	\$210,730.48	7/1/2022
INSPECTOR GENERAL	\$210,968.98	7/1/2022

* Board Appointed Officer positions currently vacant, listed latest base salary

Note: No rate increases in FY23.