



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>8 June 2018</i> <i>Robert M. Power</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/5/2018		BOARD INITIATED ITEM: No		
Originator/Prepared by: Dennis Markham Dept: Budget <i>[Signature]</i> Signature/Date: <i>06/05/2018</i>	General Counsel <i>[Signature]</i> <i>6/7/18</i>	Controller/Treasurer <i>[Signature]</i> <i>6/7/18</i>	District Secretary <i>[Signature]</i> <i>6/5/18</i>	BARC <i>[Signature]</i> <i>6/5/18</i>

ANNUAL BUDGET RESOLUTION FOR FISCAL YEAR 2019

PURPOSE:

To authorize adoption of the Annual Budget Resolution for Fiscal Year 2019 (FY19).

DISCUSSION:

Approval by the Board of Directors is required for the FY19 operating and capital budgets. The total proposed FY19 operating and capital budget is \$2.28 billion (B). The FY19 operating budget is balanced, with \$922.2 million (M) in uses, and the FY19 capital budget totals \$1.35B.

The proposed FY19 annual budget is summarized in Attachments 1, 2, 3 and Exhibit A. The attachments summarize the budget including proposed initiatives and allocations that were reviewed in presentations to the Board of Directors at regular meetings from March through June. The capital budget has been updated for the finalized FY19 budgeted positions. Changes from the Preliminary Budget are discussed below.

FY19 Operating Budget

The operating budget proposes FY19 expenditures of \$922.2M and funds 3,385.25 positions. The FY19 operating budget includes funding for BART to Antioch, which opened in May 2018, but does not include funding for the Silicon Valley Berryessa Extension as an opening date has not been finalized. However, per agreement, the Santa Clara Valley Transportation Authority (VTA) will reimburse BART for any unbudgeted expenses incurred by BART to prepare for the opening of the extension. Despite continued challenges with declining ridership, the FY19 budget includes general funds for new initiatives (\$4.4M operating and \$1.1M capital). These initiatives include investments to address quality of life on BART, service reliability, fare evasion, police dispatchers, IT safety and security, and

process improvements. In addition, per Board policy established in 2013, a portion of parking revenue funds a variety of station and access related projects, including further efforts to improve quality of life on BART, more effective management of BART parking, art conservation support, and other stations/access initiatives (\$2.0M operating and \$3.7M capital). All initiatives for FY19 are listed in Attachment 3.

The FY19 operating budget includes the following changes from the Preliminary Budget:

- \$9.0M increase to advertising revenue (one-time signing bonus)
- \$0.4M increase to interest income
- \$6.4M increase to State Transit Assistance (May 2018 Governor budget revision)
- \$0.3M increase to labor
- \$0.07M increase to non-labor
- \$3.6M removal of Other Post-Employment Benefits liability and offset (no bottom line impact)
- \$15.3M allocation to an operating reserve for economic uncertainty

Senate Bill 1 was passed by the California Legislature in April 2017, increasing State Transit Assistance (STA) to \$38.0M for FY19. An initiative to repeal SB1 may be put to California voters in November 2018. Should the repeal be approved, BART stands to lose approximately \$18.8M in FY19. In preparation for this possibility, the FY19 budget proposes to allocate the \$9.0M of one-time advertising funds and the \$6.4M of increased STA revenue to an Operating Reserve for Economic Uncertainty to be used to help balance the budget, if needed.

The other changes from the Preliminary Budget include increasing interest revenue by \$0.4M to reflect higher earnings expectations and adding \$0.3M for four part-time train operators to support the February 2019 schedule change and other miscellaneous labor budget adjustments. Non-labor was increased by a net of \$0.07M, reflecting costs to support State Fire Marshal oversight and a slight increase to the AC Transit feeder payment offset by reductions to non-labor needs as department budgets were finalized. One final change reflects that BART has now implemented Statement No. 75 of the Governmental Accounting Standards Board (GASB75) where the full Other Post-Employment Benefits (OPEB) obligation is required to be reported on the balance sheet and the gain or loss from the change in unfunded obligation based on actuarial valuation is now recognized on the income statement. Contribution to the OPEB plan is now recorded as a reduction of the unfunded obligation. As a result, the specific contribution shown previously as operating expense (\$3.6M) and the offset amount (-\$3.6M) are not required to be budgeted.

FY19 Capital Budget

The capital budget proposes FY19 expenditures of \$1.35B and funds 1,292.0 positions. This \$63M decrease from the Preliminary Budget is due to ongoing refinement and sequencing of the multi-year funded capital projects. Compared to the adopted FY18 capital

budget of \$998M, the FY19 budget represents a 36% increase in capital expenditures.

The largest individual project expenditures are for railcar replacement (\$545M), Transbay Tube retrofit (\$93M), downtown San Francisco escalator replacement (\$35M), and the Hayward Maintenance Complex (\$35M).

The largest category of projects is System Reinvestment at \$995M (74% of overall capital budget, up from 67% in FY18), which includes mainline rail and power distribution (\$305M), station modernization and renovation (\$103M), and existing train control and fare collection (\$71M). System Expansion is the only project category experiencing an expenditure decrease (a 52% reduction from FY18 to \$35M) due mostly to the near completion of the BART to Antioch project.

In November 2016, the capital program was provided with a substantial source of support with the passage of Measure RR and its authorization to issue up to \$3.5B in general obligation bonds to fund certain capital improvements. Measure RR has become more prominent in the mix of federal, regional and local funds, which also includes a sizable commitment of BART operating allocations. Measure RR makes up \$418M (31%) of the FY19 capital sources, funding a variety of programs including traction power (\$151M), track (\$75M), and escalators in downtown San Francisco (\$35M).

The ongoing commitment of BART funds (\$147M, 11% of capital budget) is an essential component of the capital program, particularly in meeting the long-term commitments required to deliver major capital projects such as rail car replacement and the Hayward Maintenance Complex. Other capital activities dependent on operating allocations are providing local match for grants, and funding grant-ineligible projects and initiatives, routine but necessary capitalized maintenance projects, emergent safety and security projects, and equipment and inventory.

Operating allocations derived from parking revenues are dedicated, per board policy, to a variety of station and access improvements, including signage, pedestrian improvements, station heavy cleaning, information displays, bike improvements, limited studies, and the sustainability program. As mandated by regional programming requirements, federal funds are directed to train control and traction power, trackway renovation, general mainline repairs, rail cars, fare collection, and ADA/system accessibility improvements.

Other capital revenues are limited in their flexibility and many sources and grants are restricted to certain projects and/or activities as a condition of award. The FY19 capital budget contains modest but important contributions of state and local funds, including bridge toll allocations and county transportation sales tax funds, which are earmarked for station modernization and grant match. Proceeds from the Earthquake Safety general obligation bond are dedicated exclusively to the Earthquake Safety program. Additionally, there are smaller, defined purpose grants that are limited to specific projects.

FY19 Budget Resolution

Staff recommends approval of the attached Resolution to adopt the FY19 Annual Budget. As in previous years, the FY19 Resolution includes authorizations including the submittal of annual applications for Transportation Development Act (TDA), State Transit Assistance (STA) and Bridge Toll funds that are included in the FY19 capital budget, as appropriate. The Resolution also allows the General Manager or the General Manager's designee to execute the agreement with the City and County of San Francisco to provide annual transfer payments for feeder services to the San Francisco Municipal Transportation Agency. The Resolution also incorporates provisions referring to the SFO Extension service plan and certain District system-wide operating policies.

Exhibit A (attached) of the Budget Resolution summarizes operating and capital budget totals. It includes modifications to the Preliminary Budget as outlined in the previous paragraphs. Exhibit B (attached) reflects current hourly pay rates or base pay ranges, as applicable, and management incentive pay, if any, for non-represented employees.

FISCAL IMPACT:

The proposed FY19 Annual Budget is balanced.

ALTERNATIVES:

Not adopt the budget or adopt a budget that differs from what has been presented to the Board of Directors. Rules of the Board of Directors require that the budget be adopted prior to June 30th; adoption of the Budget Resolution by June 30th is required to authorize expenditures in FY19.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

Adoption of the attached Resolution in the matter of approving the Annual Budget for the San Francisco Bay Area Rapid Transit District and authorizing expenditures for the fiscal year July 1, 2018 to June 30, 2019.

Attachment 1
Fiscal Year 2019 District Operating Budget
Sources and Uses Detail

	FY19		FY19
SOURCES	PRELIMINARY	Changes	ADOPTED
Rail Passenger Revenue	\$ 484,953,095	\$ -	\$ 484,953,095
ADA Passenger Revenue	899,565	-	899,565
Parking Revenue	36,650,000	-	36,650,000
Other Operating Revenue	28,954,386	9,380,397	38,334,783
Sub-Total Operating Revenue	551,457,046	9,380,397	560,837,443
Sales Tax Proceeds	264,622,284	-	264,622,284
Property Tax Proceeds	46,762,737	-	46,762,737
Local & Other Assistance	5,444,012	-	5,444,012
State Transit Assistance	31,651,161	6,361,200	38,012,361
Low Carbon Fuel Standard Program	6,500,000	-	6,500,000
Sub-Total Financial Assistance	354,980,194	6,361,200	361,341,394
TOTAL SOURCES	906,437,240	15,741,597	922,178,837
USES			
Labor & Benefits	560,336,231	326,190	560,662,421
OPEB Unfunded Liability	3,624,000	(3,624,000)	-
ADA Paratransit	16,063,770	-	16,063,770
Purchased Transportation	14,096,994	5,484	14,102,478
Power	43,809,322	-	43,809,322
Other Non-Labor	133,069,730	64,380	133,134,110
Sub-Total Operating Expense	771,000,047	(3,227,946)	767,772,101
Debt Service	46,639,568	-	46,639,568
Allocation - Capital Rehabilitation	29,867,309	-	29,867,309
Allocation - Priority Capital Programs	42,862,759	-	42,862,759
Allocation - Stations & Access Projects	3,725,140	-	3,725,140
Allocation - Other	4,638,703	-	4,638,703
Allocation - Rail Car Project from SFO Net Result	4,827,714	-	4,827,714
Allocation - Operating Reserves from LCFS	3,250,000	-	3,250,000
Allocation - Sustainability from LCFS	3,250,000	-	3,250,000
Allocation - Operating Reserves for Economic Uncertainty	-	15,345,543	15,345,543
Sub-Total Allocations	139,061,193	15,345,543	154,406,736
TOTAL USES	910,061,240	12,117,597	922,178,837
OPEB Unfunded Liability	(3,624,000)	3,624,000	-
NET RESULT	\$ -	\$ -	\$ -
 Average Weekday Trips	 410,500		 410,500
Operating Ratio	71.5%		73.0%
Farebox Recovery Ratio	63.0%		63.3%

Attachment 2

FY19 Capital Budget Headcount and Planned Expenditures Program Summary by Category

Program Category	Capital Headcount*	Planned Expenditures
	FY19	FY19
System Renovation		
Rolling Stock	80.8	\$475,842,358
Mainline	515.0	\$304,804,848
Stations	27.0	\$103,274,648
Controls & Communications	125.2	\$70,559,887
Facilities	28.2	\$36,531,353
Work Equipment	0.4	\$4,353,181
Total System Renovation	776.5	995,366,275
Safety & Security	52.2	77,927,765
Earthquake Safety	70.3	103,819,979
Service & Capacity Enhancement	54.0	135,902,877
System Expansion	249.4	34,974,102
Capitol Corridor**	24.0	4,444,524
Reimbursable***	17.5	2,458,826
Cost Allocation Plan	48.0	
TOTALS	1,292.0	1,354,894,349

* 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

FY19 Operating and Capital Budget Initiatives (General Fund)

OPERATING	Pos.	Labor	Non-Labor	Total
Quality of Life: Homelessness	-	-	1,000,000	1,000,000
Quality of Life: Fare Evasion	2.0	202,018	-	202,018
Transbay Tube Coverage	8.0	1,059,928	-	1,059,928
Best Practices and Process Improvement for Administrative Services	-	-	700,000	700,000
Information Systems Safety, Security, and Applications	3.0	604,293	-	604,293
Police Dispatchers	2.0	267,196	-	267,196
Uniform Tracking	1.0	181,296	-	181,296
Budget Staffing	1.0	173,000	-	173,000
System Safety Data Analysis	1.0	154,838	-	154,838
Title VI	0.3	42,634	-	42,634
OPERATING TOTAL	18.3	2,685,203	1,700,000	4,385,203
				Total
CAPITAL				
Quality of Life: Homelessness				600,000
Pigeon Abatement				500,000
CAPITAL TOTAL				1,100,000

FY19 Stations & Access Projects (from Parking Revenue)

OPERATING	Pos.	Labor	Non-Labor	Total
Parking Program Manager	1.0	230,000	-	230,000
Parking Enforcement & Management	3.0	357,000	-	357,000
Automated Parking System Feasibility Analysis	-	-	168,000	168,000
Satellite / Shared-Use Parking Pilot	-	-	450,000	450,000
Art Program Collection Conservation	-	-	200,000	200,000
Bike / Ped Gap Study, Ph. 2	-	-	250,000	250,000
Dynamic Bus Intermodal Feasibility Study	-	-	150,000	150,000
BART Ridership Model	-	-	150,000	150,000
Station Profile 2020 Preparation	-	-	40,000	40,000
OPERATING TOTAL	4.0	587,000	1,408,000	1,995,000
				Pos.
CAPITAL				Total
Quality of Life: Fare Evasion (Station Hardening)			9.0	1,220,140
Quality of Life: Fare Evasion (Prevention in Station Modernization)			-	1,018,000
Parking Enforcement & Management			-	480,000
Satellite / Shared-Use Parking Pilot			-	50,000
Art Program Collection Conservation			-	25,000
Maintenance Fund to Reconfigure Access Facilities			-	250,000
Station Access Wayfinding and Signage Program			-	250,000
Regional Transit Information Displays			-	250,000
Station Experience Design Guidelines - BFS Specifications			-	200,000
CAPITAL TOTAL			9.0	3,743,140

**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, 2018, to June 30, 2019**

Resolution No. _____

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 5, May 8, and May 11, 2018 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, 2018, to June 30, 2019; 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, 2018, to June 30, 2019; 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

WHEREAS, the system-wide operating plan for Fiscal Year 2019 was presented to the Board of Directors on May 10, 2018, in a presentation entitled Fiscal Year 2019 Preliminary Budget Operating Sources, Uses, Service Plan and Capital; 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 Resolution No. 5345, adopted June 22, 2017, is repealed effective August 31, 2018, except as it applies to unexpended capital appropriations, and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file a Bridge Toll Application, a TDA Application and an STA Application along with necessary supporting documents, with the Metropolitan Transportation Commission for allocation of bridge toll revenues, TDA and STA funds in FY19; 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 10, 2018, presentation entitled Fiscal Year 2019 Preliminary Budget Operating Sources, Uses, Service Plan and Capital, 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 FY19 for purposes of building ridership on the system, consistent with ridership development guidelines; and

BE IT FURTHER RESOLVED that effective July 1, 2018:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2018, budgeted for the District shall be 4,677.25 (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 2.5% as of July 1, 2018, 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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EXHIBIT A
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ANNUAL BUDGET - FISCAL YEAR 2019

FUND SOURCES

TOTAL

FUND SOURCES FOR NET OPERATING EXPENSE BUDGET,
DEBT SERVICE AND CAPITAL ALLOCATIONS

Operating Revenue	\$ 560,837,443
Property Tax	46,762,737
1/2 ¢ Sales Tax	264,622,284
Measure B, BB, & J Assistance	4,418,238
Other Financial Assistance	110,000
Caltrain - Millbrae Station Joint Use	915,774
State Transit Assistance	38,012,361
Low Carbon Fuel Standard Program (LCFS)	6,500,000
Total Operating Sources	922,178,837

FUND SOURCE FOR CAPITAL BUDGET

Capital Funds - Cash Flow FY19	1,354,894,349
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TOTAL ESTIMATED FUND SOURCES	\$ 2,277,073,186
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FUND USES

FUND USES FOR NET OPERATING EXPENSE BUDGET,
DEBT SERVICE AND CAPITAL ALLOCATIONS

Net Labor Expense ⁽¹⁾	\$ 560,662,421
Non-Labor Expense	207,109,680
Total Net Operating Expense	\$ 767,772,101
Revenue Bond Debt Service	46,639,568
Allocations to Capital - Rehabilitation	29,867,309
Allocations to Capital - Priority Capital Programs	42,862,759
Allocations to Capital - Stations & Access Projects	3,725,140
Allocations to Capital - Other	4,638,703
Allocation to Rail Car Project from SFO Net Result	4,827,714
Allocation to Operating Reserves from LCFS	3,250,000
Allocation to Sustainability from LCFS	3,250,000
Allocation to Operating Reserves for Economic Uncertainty	15,345,543
Total Operating Uses	\$ 922,178,837

FUND USES FOR CAPITAL BUDGET

Capital Funds - Cash Flow FY19	\$ 1,354,894,349
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TOTAL ESTIMATED FUND USES	\$ 2,277,073,186
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NET FINANCIAL RESULT (DEFICIT)	\$ -
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⁽¹⁾ Total Authorized Permanent Positions as of 07/01/18 = 4,677.25

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	\$30.9724	\$ 32.3347	\$ 33.5973	\$ 34.8927	\$ 36.2218	\$ 36.7320
ADMINISTRATIVE SECRETARY	29.7323	30.2850	31.4686	32.6840	33.9310	35.2653
SENIOR SECRETARY	27.6877	28.0102	29.0389	30.2850	31.5004	32.7738
SENIOR CLERK	29.5561	30.8531	32.0552	33.2893	34.5550	35.0411
INTERMEDIATE CLERK	26.4553	27.5303	28.5430	29.5892	30.8531	31.3391
INTERMEDIATE CLERK P/T	29.0658	30.2483	31.3623	32.5132	33.9034	34.4380
PARALEGAL	36.8680	38.4922	39.9964	41.5413	43.1263	43.7289
P/T SURVEY TAKER (SINGLE RATE)	35.5521					
ENGINEER INTERN	18.0000					

NOTE: The clerical rates are effective 7/1/2018

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	6/28/1999
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 & Development	\$4,800	12/29/2017
Chief of Police	\$4,800	5/22/2017
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	1/1/2018
DISTRICT SECRETARY	\$203,339.85
CONTROLLER-TREASURER	\$258,278.39
GENERAL COUNSEL	\$285,563.95
GENERAL MANAGER	\$385,389.35
INDEPENDENT POLICE AUDITOR	\$194,501.19

Note: The Board approved the salary adjustments for the Board Appointed Officers on December 7, 2017.