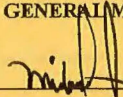
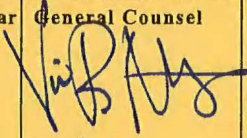
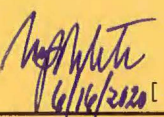
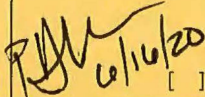




EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  6/17/2020		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/11/2020		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Katherine Alagar Dept: Budget CSS for KA Signature/Date: 6/16/20	General Counsel  6/16/20 []	Controller/Treasurer  6/16/2020 []	District Secretary []	BARC  6/16/20 []

Annual Budget Resolution for Fiscal Year 2021

PURPOSE:

Authorize adoption of the Annual Budget Resolution for Fiscal Year 2021 (FY21).

DISCUSSION:

Approval by the Board of Directors is required for the FY21 operating and capital budgets. The total proposed FY21 operating and capital budget is \$2.42 billion (B). The FY21 operating budget is balanced, with \$914.9 million (M) in uses, and the FY21 capital/reimbursable budget totals \$1.51B.

The proposed FY21 annual budget is summarized in Attachments 1, 2, 3 and Exhibit A. The attachments summarize the budget, including proposed reductions to costs and allocations that were included in the Working Budget Memo and reviewed in presentations to the Board of Directors during May and June.

FY21 Operating Budget

The FY21 Budget faces extraordinary new challenges due to the COVID-19 pandemic, in addition to the continuing challenges in declining ridership and fare revenue, aging infrastructure, and increased operating expense. The operating budget proposes FY21 expenditures of \$914.9M and funds 3,336.0 positions. The FY21 operating budget includes funding for the Silicon Valley Berryessa Extension, which opened on June 13, 2020. In addition, \$44M was added to the budget for additional labor and non-labor costs that may be needed for BART to respond to the COVID-19 pandemic, such as increases in service, disinfecting and cleaning cars, stations, and BART facilities. The budget includes expense reductions, primarily in position savings from eliminating vacant budgeted positions as well

as reducing operating funds to capital projects and other programs.

The FY21 budget includes an estimated \$363M reduction in revenue, primarily from the drop in ridership due to the March 2020 Shelter in Place orders issued across the Bay Area. Emergency Funding of \$271M was included in the budget to fill the gap; this includes anticipated CARES Act Assistance and FEMA reimbursement. Additionally, the budget includes a \$40M reversal of the FY20 rail car allocation, the payment for which will be moved to FY26.

The FY21 operating budget includes the following changes from the Working Budget that was presented at the budget hearing on June 11:

- \$2.6M decrease to operating revenue
- \$2.6M increase to financial assistance
- 10 ambassadors and 1 Community Outreach Specialist in lieu 5 police officers and 6 fare inspectors to be hired as part of COVID-19 related operating measures

Projected fare revenue from the Silicon Valley Berryessa Extension has been lowered by \$2.6M to reflect an updated view of COVID-19 pandemic impacts, and financial assistance from VTA has been increased by an equal amount, reflecting the terms of the BART-VTA O&M agreement for the Extension. Total revenues are unchanged.

On the expenditure side, a change has been made to the COVID-19 related measures. Upon further consideration, we believe the District's goal of encouraging physical distancing and the proper wearing of masks would be best served by 10 Ambassadors, one Community Outreach Specialist, and an additional \$0.4M for Police Department training in the areas of community engagement and outreach, at a total cost of approximately \$2M. The FY21 Budget thus proposes to replace the planned addition of six fare inspectors and five police officers with the above resources.

FY21 Capital & Reimbursable Budget

The capital/reimbursable budget proposes FY21 expenditures of \$1.51B and funds 1,001.7 positions. The FY21 capital/reimbursable budget is 6% higher than the \$1.42B FY20 capital budget.

The largest category of projects is System Reinvestment at \$1.14B (76% of overall capital budget), which includes replacement rail cars at \$412M, track and structures rehabilitation and traction power reinvestment at \$260M, new headquarters development and continued investment in the Hayward Maintenance Complex among other facilities at \$205M, Station Modernization at \$71M, and Train Control Modernization at \$194M. The capital budget also includes Earthquake Safety investments at \$67M (4%), Service & Capacity Enhancements at \$177M (12%), Safety & Security projects at \$65M (4%), System Expansion projects at

\$46M (3%), and Reimbursable expenses at \$8M (0.5%).

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. Measure RR makes up \$600M (40%) of FY21 capital sources. Funding will continue to support investment focusing on traction power, track replacement, structural rehabilitation, station access, and station modernization.

Typically, the ongoing commitment of BART funds is an essential component of the capital program, particularly in delivering major capital projects such as rail car replacement and the Hayward Maintenance Complex. Other capital activities dependent on BART operating allocations are 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.

However, due to the unprecedented pressures on the operating budget in FY21, the operating to capital allocations are substantially reduced from planned levels. The FY21 budget will fund required payments and local matching amounts needed to leverage federal capital funding. The result is a reduced investment in state of good repair, vehicle procurement, information technology, and infrastructure.

Most 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 FY21 capital budget contains contributions of federal funds matched to prior year capital allocations for state of good repair capital investment; additionally, state and local funds, including bridge toll allocations and county transportation sales tax funds, are earmarked for station modernization and grant match. Proceeds from the Earthquake Safety Program general obligation bond are dedicated exclusively to the Earthquake Safety Program. Additionally, there are smaller, defined purpose grants that are limited to specific projects.

FY21 Budget Resolution

Staff recommends approval of the attached Resolution to adopt the FY21 Annual Budget. As in previous years, the FY21 Resolution includes authorizations that allow the General Manager or the General Manager's designee to apply to different bodies for grant funds (including but not limited to Transportation Development Act, State Transit Assistance, Bridge Toll, Federal Emergency Management Agency, and Federal Transit Administration). It also includes authorizations that allow the General Manager or the General Manager's designee to execute agreements which may require payments to regional partner governments and agencies. The Resolution incorporates provisions referring to the SFO Extension and Silicon Valley extension service plans.

For FY21, the Budget Resolution includes language temporarily suspending certain previously-adopted Board policies and resolutions. These include the BART Low Carbon Fuel Standard Policy; Art in Transit Policy; and Pension Funding Policy. In addition, it includes a suspension of a directive in Board Resolution 5208 ("Renewal of Productivity-Adjusted Inflation-Based Fare Increase Program") that funds generated by inflation-based annual fare increases be dedicated to paying for capital improvements.

The FY21 Budget Resolution language was also updated to increase the General Manager's additional permanent position authorization from 50 to 100 positions. This increase provides the flexibility necessary to meet COVID-19 related operational needs as well as for other hiring needs since 671.6 positions (251.5 operating and 420.2 capital) were removed from the FY21 budget.

Exhibit A (attached) of the Budget Resolution summarizes operating and capital budget totals. 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 FY21 Annual Budget is balanced. It may be revised as conditions and actuals change over the course of the fiscal year.

ALTERNATIVES:

Do 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 FY21.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

The Board adopts the attached Resolution in the matter of approving the Annual Budget for the San Francisco Bay Area Rapid Transit District and authorizes expenditures for the fiscal year July 1, 2020 to June 30, 2021.

**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, 2020, to June 30, 2021**

Resolution No. _____

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 22 and May 26, 2020 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, 2020, to June 30, 2021; 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, 2020, to June 30, 2021; 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 Federal Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), (Pub.L. 116-136) makes emergency funding available to public transportation agencies through the Federal Transit Administration (FTA); and

WHEREAS, the system-wide operating plan for Fiscal Year 2021 was presented to the Board of Directors on May 28, 2020, in a presentation entitled Fiscal Year 2021 Budget Sources, Uses, Service Plan, and Capital Budget.; 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 suspension of previously-adopted Board policies and resolutions for the duration of Fiscal Year 2021, including:

- (1) Board Resolution 5208 ("Renewal of Productivity-Adjusted Inflation-Based Fare Increase Program") passed February 28, 2013, directed that funds generated by inflation-based annual fare increases be dedicated to paying for capital improvements;
- (2) BART Low Carbon Fuel Standard Policy adopted July 27, 2017;
- (3) Art in Transit Policy adopted August 13, 2015, and revised June 28, 2018;
- (4) Pension Funding Policy adopted March 28, 2019; 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 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 FY21; 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 FY2020 and FY2021; 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 CARES Act funding in FY2020 and FY2021; 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 28, 2020, in a presentation entitled Fiscal Year 2021 Preliminary Budget: Sources, Uses, Capital, & Service Fiscal Year 2021 Budget Sources, Uses, Service Plan, and Capital Budget, 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.

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 FY21 for purposes of building ridership on the system, consistent with ridership development guidelines; and

BE IT FURTHER RESOLVED that effective July 1, 2020:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2020, budgeted for the District shall be 4,337.75 (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.
- (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.
- (5) The General Manager is authorized, at the General Manager's discretion, 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, 2020, 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.

#

Attachment 1
Fiscal Year 2021 District Operating Budget
Sources and Uses Detail

	FY21 Working	FY21 Adopted	INCREASE (DECREASE)
Rail Passenger Revenue	\$ 150,721,899	\$ 148,104,356	\$ (2,617,543)
ADA Passenger Revenue	251,749	251,749	-
Parking Revenue	10,453,133	10,453,133	-
Other Operating Revenue	23,671,433	23,671,433	-
Subtotal - Operating Revenue	185,098,214	182,480,671	(2,617,543)
Sales Tax Proceeds	239,026,007	239,026,007	-
Property Tax Proceeds	50,622,254	50,622,254	-
SFO Ext Financial Assistance	41,742,600	42,476,726	734,126
VTA Financial Assistance	28,374,179	30,257,595	1,883,416
MTC Financial Assistance MBF Discount Program	1,600,000	1,600,000	-
Local & Other Assistance	5,958,180	5,958,180	-
State Transit Assistance	28,479,560	28,479,560	-
Low Carbon Transit Operations Program	8,534,543	8,534,543	-
Low Carbon Fuel Standard Program	14,417,500	14,417,500	-
Subtotal - Financial Assistance	418,754,823	421,372,365	2,617,542
CARES Funding (Round 1 – FY20 Remainder)	87,000,000	87,000,000	-
CARES Funding (Round 2 - Targeted)	164,000,000	164,000,000	-
FEMA Reimbursed COVID-19 Expenses	20,000,000	20,000,000	-
Deferment of FY20 Railcar Allocation	40,000,000	40,000,000	-
Subtotal – Emergency Assistance	311,000,000	311,000,000	-
SUBTOTAL - OPERATING SOURCES	914,853,037	914,853,037	-
Labor & Benefits	600,883,798	600,883,798	-
COVID-19 Labor Set-Aside	23,463,876	23,463,876	-
ADA Paratransit	16,148,606	16,148,606	-
Purchased Transportation	11,374,288	11,374,288	-
Power	48,085,280	48,085,280	-
COVID-19 Non-Labor Set-Aside	20,316,386	20,316,386	-
Other Non-Labor	130,580,931	130,580,931	-
Subtotal - Operating Expense	850,853,165	850,853,165	-
Bond Debt Service	47,407,197	47,407,197	-
Allocation - Capital Rehabilitation	15,000,000	15,000,000	-
Allocation - Priority Capital Programs	-	-	-
Allocation - Stations & Access Projects	-	-	-
Allocation - Other	1,592,674	1,592,674	-
Allocation - Sustainability from LCFS	-	-	-
Allocation - Pension	-	-	-
Allocation - Reversed Capital	-	-	-
Allocations	16,592,674	16,592,674	-
Subtotal - Debt Service & Allocations	63,999,871	63,999,871	-
TOTAL - OPERATING EXPENSE	914,853,036	914,853,036	-
NET RESULT	\$ -	\$ -	\$ -
Average Weekday Trips	122,000	122,000	
Rail Farebox Recovery Ratio	18%	17%	
Operating Ratio	22%	21%	

Attachment 2

FY21 Capital & Reimbursable Budget Headcount and Planned Expenditures Program Summary by Category

Program Category	FY21 Headcount*	FY21 Planned Expenditures
System Reinvestment		
Mainline	165.8	\$ 259,182,391
Rolling Stock	264.0	\$ 412,593,417
Stations	45.7	\$ 71,396,125
Controls & Communications	124.2	\$ 194,178,874
Facilities	131.4	\$ 205,287,715
Work Equipment	0.1	\$ 171,806
Total System Reinvestment	731.2	\$ 1,142,810,328
Safety & Security	41.9	\$ 65,414,419
Earthquake Safety	43.1	\$ 67,333,509
Service & Capacity Enhancement	113.6	\$ 177,542,662
System Expansion	29.4	\$ 46,019,650
SUBTOTAL CAPITAL	959.2	1,499,120,568.9
Capitol Corridor**	24.7	\$ 4,397,330
Reimbursable***	17.8	\$ 3,154,244
SUBTOTAL REIMBURSABLE	42.5	\$ 7,551,574
Cost Allocation Plan	48.0	
TOTAL CAPITAL & REIMBURSEABLE	1,049.7	\$ 1,506,672,143

* Total authorized permanent positions.

** All expenses for the Capitol Corridor service to be reimbursed as allocated to the Capital 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 the organizations.

EXHIBIT A
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ANNUAL BUDGET - FISCAL YEAR 2021

<u>FUND SOURCES</u>	<u>TOTAL</u>
FUND SOURCES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Operating Revenue	\$ 182,480,671
Sales Tax	239,026,007
Property Tax	50,622,254
SFO Ext Financial Assistance	42,476,726
VTa Financial Assistance	30,257,595
State Transit Assistance	28,479,560
Low Carbon Fuel Standard Program (LCFS)	14,417,500
Low Carbon Transit Operations Program (LCTOP)	8,534,543
Measure B/BB, Other	4,977,195
MTC Financial Assistance MBF Discount Program	1,600,000
Caltrain - Millbrae Station Joint Use	980,985
Subtotal Operating Sources	603,853,036
CARES Funding (Round 1 – FY20 Remainder)	87,000,000
CARES Funding (Round 2 - Targeted)	164,000,000
FEMA Reimbursed COVID-19 Expenses	20,000,000
FY20 Railcar Allocation Reversal	40,000,000
Subtotal – Emergency Assistance	311,000,000
Total Operating Sources	914,853,036
FUND SOURCE FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY21	1,506,672,143
TOTAL ESTIMATED FUND SOURCES	\$ 2,421,525,179
<u>FUND USES</u>	
FUND USES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Net Labor Expense ⁽¹⁾	\$ 624,347,674
Non-Labor Expense	226,505,491
Total Net Operating Expense	\$ 850,853,165
Revenue Bond Debt Service	47,407,197
Allocations to Capital - Rehabilitation	15,000,000
Allocations to Capital - Other	1,592,674
Total Operating Uses	\$ 914,853,036
FUND USES FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY20	\$ 1,506,672,143
TOTAL ESTIMATED FUND USES	\$ 2,421,525,179
NET FINANCIAL RESULT (DEFICIT)	-

⁽¹⁾ Total Authorized Permanent Positions as of 07/01/20 = 4,337.75

Attachment 3

FY21 Operating Budget Reduction (General Fund)

		<u>Op Pos. Reduction</u>	<u>Labor</u>	<u>Non-Labor</u>	<u>Total</u>
10% Challenge Reductions before Shelter in Place	Position Cuts, Op to Cap				
	Conversions, Downgrades)	37.1	5,896,315		5,896,315
	Overtime Reduction		101,404		101,404
	Non Labor Reduction			7,089,102	7,089,102
Labor Reductions	Unbudget Frozen Positions	251.5	32,320,521		32,320,521
	Executive Staff Wage Freeze		356,320		356,320
	Lump Sum Payment Removal		3,610,770		3,610,770
	Travel			513,236	513,236
Non Labor Reductions	Clipper Fees			3,373,328	3,373,328
	Power			8,000,000	8,000,000
	Purchased Transportation			4,000,001	4,000,001
	ADA Paratransit			1,300,000	1,300,000
Operating Allocation Reductions	Capital Rehabilitation				6,297,444
	Priority Capital Projects/Programs				61,849,074
	Stations/Access Projects				2,031,400
	MET Building Repayment				3,179,749
	LCSF Sustainability Reserves				9,033,585
	Pension Liability				10,000,000
OPERATING TOTAL REDUCTION		288.6	42,285,330	24,275,667	158,952,249

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	\$33.6321	\$ 35.1113	\$ 36.4823	\$ 37.8889	\$ 39.3322	\$ 39.8861
PARALEGAL	40.1300	41.8937	43.5270	45.2047	46.9259	47.5801
P/T SURVEY TAKER (SINGLE RATE)	38.6050					
ENGINEER INTERN	22.5000					

NOTE: The clerical rates are effective 7/1/2020

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/CIO	\$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

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 (27 equal pay period installments of \$177.77).

BOARD APPOINTED OFFICERS' ANNUAL SALARIES

	Base Salaries	Effective
DISTRICT SECRETARY	\$220,307.33	7/1/2020
CONTROLLER-TREASURER	\$279,829.28	7/1/2020
GENERAL COUNSEL	\$309,391.56	7/1/2020
GENERAL MANAGER	\$396,210.03	7/1/2020
INDEPENDENT POLICE AUDITOR	\$210,730.48	7/1/2020
INSPECTOR GENERAL	\$210,968.98	7/1/2020

Note: The Board approved the salary adjustments for the Board Appointed Officers on September 12, 2019.