

**STAFF REPORT FOR CALENDAR ITEM NO. : 10
FOR THE MEETING OF: June 19, 2015**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Adoption of Fiscal Year 2015-16 (FY 2015-16) Operating Budget in an Amount Not To Exceed \$5,015,605, and adoption of one-month extension of Fiscal Year (FY) 2014-15 Budget for first month of FY 2015-16 in an amount not to exceed \$27,557,671.

SUMMARY:

The Joint Powers Agreement creating the Transbay Joint Powers Authority (TJPA), dated April 4, 2001, establishes that the fiscal year of the TJPA begins on July 1 and ends on June 30, and provides the TJPA Board of Directors with the authority to adopt, at its sole discretion, an annual or multi-year budget before the beginning of each fiscal year.

The proposed operating budget for FY 2015-16 totals \$5,015,605 (Attachment 1). The operating budget includes operational expenses and revenues for the Temporary Terminal. Staff consulted with AC Transit in developing the budget, which consists of the following operating costs:

- Temporary terminal facility management and security (\$1.24 million)
- Police services as necessary (\$10,000)
- Additional operating support for AC Transit's increased operating costs at the temporary terminal (\$2.6 million)
- Parking Control Officers to manage traffic operations in the vicinity of the temporary terminal (\$154,000)
- Utilities (\$39,000)
- Insurance (\$51,300)
- Operating contingency (\$438,905)

In addition, \$482,400 is planned to be set aside in the operating reserve. It is anticipated that the costs of operating at the Temporary Terminal will be covered by the FY 2015-16 RM-2 operating allocation from the Metropolitan Transportation Commission, and that Greyhound and Amtrak rents and advertising revenue will fund the operating reserve.

The operating budget was presented to the Board at the May Board meeting in draft form; no comments have been received and no changes have been made to the proposed operating budget since the draft presentation.

In accordance with the Budget Policy adopted by the Board of Directors on June 23, 2004, if an annual budget is not adopted by July 1, the Board is required to adopt a monthly interim budget equal to one-twelfth the existing annual budget. Because the FY 2015-16 capital budget is dependent upon the ultimate Phase 1 Program budget adopted by the Board in July, staff has prepared an interim FY 2015-16 capital budget for the month of July 2015 (Attachment 2). It is equal to one-twelfth of the FY 2014-15 budget with the exception of four line items.

Insurance has been budgeted at the full amount of the FY 2014-15 budget, and an additional \$11,000 has been added to one-twelfth of the existing Benefits budget, in order to pay property/liability and workers compensation insurance premiums that are due for FY 2015-16 upfront, by July 8. The budget for Loan Servicing Fees & Interest has been sized to cover the second quarterly interest payment on the interim financing, which will be due on July 22, 2015. Funds sufficient to cover such capitalized interest payments were set aside from the financing proceeds at close and are available to make this payment. In addition, Caltrans Attorney Parking is budgeted at \$0, rather than one-twelfth of the existing budget, since this expenditure ended in January 2015. The total of the interim budget is thus \$27,557,671.

A complete FY 2015-16 budget will be presented at the same time the revised Phase 1 Program budget is presented for adoption by the Board.

RECOMMENDATION:

Approve the FY 2015-16 Operating Budget and the FY 2015-16 Interim Capital Budget for July 2015.

ENCLOSURES:

1. FY 2015-16 Operating Budget and Interim Capital Budget Resolution
2. FY 2015-16 Proposed Operating Budget (Attachment 1)
3. FY 2015-16 Interim Capital Budget for July 2015 (Attachment 2)

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency responsible for the planning, design, construction, operation and management of the new Transbay Transit Center Program; and

WHEREAS, Pursuant to the Joint Powers Agreement creating the TJPA, dated April 4, 2001 (the "Agreement"), the TJPA Board of Directors (TJPA Board) has the authority to adopt an annual or multi-year budget; and

WHEREAS, The TJPA Board has reviewed and considered the annual operating budget of \$5,015,605 for FY 2015-16 shown in Attachment 1; and

WHEREAS, In the event that an annual budget is not adopted by July 1, the TJPA Budget Policy calls for the TJPA Board to adopt a monthly interim budget equal to one-twelfth of the prior year's annual budget; and

WHEREAS, The FY 2015-16 capital budget will be prepared based on the revised Phase 1 Program budget and presented to the TJPA Board for adoption after July 1; and

WHEREAS, An interim FY 2014-15 capital budget for the month of July 2015 has been prepared that is one-twelfth of the prior year's annual budget with the exception of Insurance, Benefits, Loan Servicing Fees & Interest, and Caltrans Attorney Parking; and

WHEREAS, Property and liability insurance premiums for the full fiscal year are due in the month of July, as is the premium for workers compensation insurance covered in the Benefits line item, thus the interim budget has been sized accordingly; and

WHEREAS, The second quarterly interest payment for the TJPA interim financing is due in the month of July, thus the interim budget has been sized accordingly; and

WHEREAS, TJPA is no longer responsible for paying for Caltrans attorney parking in downtown San Francisco, thus this budget line item has been zeroed out; and

WHEREAS, The interim FY 2014-15 capital budget for the month of July 2015 equals \$27,557,671 shown in Attachment 2; now, therefore, be it

RESOLVED, That the TJPA Board of Directors hereby approves the FY 2015-16 operating budget in the amount of \$5,015,605 and the FY 2015-16 interim capital budget for the first month of FY 2015-16 in an amount not to exceed \$27,557,671.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 19, 2015.

Secretary, Transbay Joint Powers Authority

Transbay Joint Powers Authority
Proposed Fiscal Year 2015-16 Operating Budget Request

	FY 2014-15 Annual Operating Budget	FY 2015-16 Annual Operating Budget Request	Change from Original FY 2014- 15 Budget
OPERATING EXPENDITURES			
Professional & Specialized Services			
Temporary Terminal Facility Management & Security	1,204,000	1,240,000	36,000
Police Services as Needed	10,000	10,000	-
AC Transit Additional Operating Support	2,925,608	2,600,000	(325,608)
Parking Control Officers	150,000	154,000	4,000
Utilities	40,000	39,000	(1,000)
Insurance	50,300	51,300	1,000
Operating Contingency	-	438,905	438,905
Subtotal, Professional & Specialized Services	\$ 4,379,908	\$ 4,533,205	\$ 153,297
Reserves			
Operating Reserve	372,800	482,400	109,600
Subtotal, Reserves	\$ 372,800	\$ 482,400	\$ 109,600
TOTAL OPERATING EXPENDITURES	\$ 4,752,708	\$ 5,015,605	\$ 262,897
OPERATING REVENUE			
Regional Measure 2	4,379,908	4,533,205	153,297
AC Transit Reserve Contribution	-	-	-
Rents	319,800	427,400	107,600
Advertising	53,000	55,000	2,000
Subtotal, Operating Revenue	\$ 4,752,708	\$ 5,015,605	\$ 262,897
TOTAL OPERATING REVENUE	\$ 4,752,708	\$ 5,015,605	\$ 262,897

Transbay Joint Powers Authority
Fiscal Year 2015-16 One Month Interim Budget ¹
July 2015

	FY 2014-15 Budget Amendment 2	FY 2015-16 One Month Interim Budget
CAPITAL EXPENDITURES ²		
Salaries & Benefits		
<i>Salaries</i>	2,243,000	186,917
<i>Benefits ³</i>	788,000	76,667
Subtotal, Salaries & Benefits	\$ 3,031,000	\$ 263,584
Administration		
<i>Rent</i>	740,000	61,667
<i>Insurance ³</i>	86,000	86,000
<i>Office Expenses</i>	89,000	7,417
<i>Communications</i>	69,000	5,750
<i>Information Technology Support</i>	80,000	6,667
<i>Travel/Conferences</i>	40,000	3,333
<i>Professional Development</i>	29,000	2,417
<i>Board Expenses</i>	10,000	833
<i>Meeting Expenses</i>	15,000	1,250
<i>Benefits Administration/Payroll Services</i>	19,000	1,583
<i>Miscellaneous</i>	35,000	2,917
Subtotal, Administration	\$ 1,212,000	\$ 179,834
Professional & Specialized Services		
<i>Engineering & Design Services</i>		
Program Management / Program Controls	7,559,000	629,917
Downtown Extension Preliminary Engineering & Design	240,000	20,000
Downtown Extension Interagency Coordination	360,000	30,000
Transit Center & Ramps Engineering & Design	11,001,800	916,817
Transit Center Traffic Signals	72,000	6,000
Transit Center Overhead Lines	250,000	20,833
Transit Center Commissioning Agent	120,000	10,000
Bus Ramps Design Reviews	60,000	5,000
Bus Storage Engineering & Design	370,000	30,833
Utility Relocation Engineering & Design	231,000	19,250
Environmental Consultant / Building and Soil Haz. Mat.	123,000	10,250
Archaeological Support Services	167,000	13,917
Public Art Program	300,000	25,000
Other Engineering & Design Services	635,000	52,917
<i>Permits and Fees</i>		
Transit Center & Ramps Permits & Fees	1,620,000	135,000
DTX Permits & Fees	10,000	833
Other Plan Checks / Permit Fees	82,000	6,833
<i>Real Estate Services</i>		
Property Management	20,600	1,717
Appraisal Services	20,000	1,667
ALTA / Design Surveys	60,000	5,000
SF Redevelopment Successor Agency Administrative Fee	160,000	13,333
Miscellaneous Real Estate Services	400	33

Transbay Joint Powers Authority
Fiscal Year 2015-16 One Month Interim Budget ¹
July 2015

	FY 2014-15 Budget Amendment 2	FY 2015-16 One Month Interim Budget
<i>Construction Management</i>		
Construction Management & Oversight for Transit Center	16,250,000	1,354,167
Construction Dispute Resolution Services	70,200	5,850
<i>Construction</i>		
Transit Center & Ramps CM/GC Pre-Construction Services	3,300,000	275,000
Transit Center Building & Ramps Construction	256,591,800	21,382,650
Utility Relocation Construction	684,000	57,000
<i>Planning & Environmental Analysis</i>		
Community Benefits/Community Facilities Districts Formation	182,000	15,167
Economic and Real Estate Analysis	162,000	13,500
Environmental Review	413,000	34,417
Operations Planning	700,000	58,333
Other Planning Studies	36,000	3,000
<i>Administration</i>		
Outside Legal Counsel & City Attorney	3,129,000	260,750
Financial & Grant Management	740,000	61,667
New Revenue Consultation	87,200	7,267
Accounting Software & Installation	20,000	1,667
Audit Services	50,000	4,167
Credit Rating Analysis	35,000	2,917
Loan Servicing Fees & Interest ⁴	7,325,000	1,189,000
Trustee Account Services	2,000	167
Community & Public Relations	180,000	15,000
Legislative Services	518,000	43,167
Disadvantaged & Small Business Program	50,000	4,167
Other Intergovernmental Agreements	30,000	2,500
Other Consulting Assistance	19,000	1,583
Subtotal, Professional & Specialized Services	\$ 314,036,000	\$ 26,748,253
Right of Way Acquisition		
Property Acquisition	1,003,000	83,583
Title/Closing Costs	32,000	2,667
Relocation Services Consultation	24,000	2,000
Relocation Services Assistance	20,000	1,667
Other Right of Way Expenses	4,000	333
Subtotal, Right of Way Acquisition	\$ 1,083,000	\$ 90,250
Other		
Caltrans Attorney Parking ⁵	100,000	-
Subtotal, Other	\$ 100,000	\$ -
Reserves		
Fiscal Reserve	2,809,000	234,083
Emergency Reserve	500,000	41,667
Subtotal, Reserves	\$ 3,309,000	\$ 275,750
TOTAL EXPENDITURES + OTHER	\$ 322,771,000	\$ 27,557,671

Transbay Joint Powers Authority
Fiscal Year 2015-16 One Month Interim Budget ¹
July 2015

	FY 2014-15 Budget Amendment 2	FY 2015-16 One Month Interim Budget
CAPITAL FUNDING SOURCES ⁶		
Committed Funds		
Federal Bus Facility, Alternatives Analysis and PNRS Grants (FTA) ³	5,555,000	544,420
Federal High Speed and Intercity Passenger Rail Program	29,024,000	2,418,667
Regional Measure 1	20,000,000	1,666,667
Regional Measure 2	4,000,000	333,333
AB1171 Bridge Tolls	14,000,000	1,166,667
Proposition K San Francisco Sales Tax	45,743,400	3,811,950
AC Transit Capital Contributions	8,352,596	696,050
Land Sales Proceeds	142,430,804	11,869,234
Bridge Loan ⁴	49,500,000	4,703,584
Lease Income	104,800	8,733
Interest Income	142,000	11,833
Reimbursements by Others (Private Utilities, Adj. Prop. Developers)	240,000	20,000
Subtotal, Committed Revenue	\$ 319,092,600	\$ 27,251,138
Other		
Fund Balance from Previous Year	3,678,400	306,533
Subtotal, Other	\$ 3,678,400	\$ 306,533
TOTAL FUNDING SOURCES + OTHER	\$ 322,771,000	\$ 27,557,671

1: "In the event that an annual budget is not adopted by July 1, the first day of the new fiscal year, the Board of Directors shall be required to adopt an monthly interim budget equal to one-twelfth of the prior year's annual budget. The adoption of the monthly interim budget should occur prior to July 1st, and shall continue on a monthly basis until a new annual budget has been approved." TJPA Board Policy No. 3: Budget Policy, III. B. 5.

2: Italics indicate those line items for which the approval of the expenditure amount provides expenditure authorization from the Board. Other line items are generally authorized through contract approvals.

3: Insurance is proposed at the FY 2014-15 full budget amount rather than pro-rated for one month because insurance premiums must be prepaid annually at the beginning of each fiscal year. The workers compensation premium is included in the Benefits budget, which is consequently \$11,000 higher than one-twelfth of the FY 2014-15 budget. Both items are paid from FTA grants.

4: The second quarterly interest payment on the bridge loan is due July 22, 2015, and will be paid from bridge loan proceeds set aside for this purpose.

5: Effective February 1, 2015, the TJPA is no longer responsible for the payment of Caltrans attorney parking so the FY2014-15 budget for this line item has not been pro-rated for the FY2015-16 one-month interim budget.

6: TJPA's grant funds are multi-year, and do not lapse at the end of a fiscal year. Funds that are budgeted in one fiscal year, but not utilized, will carry forward into the following year.