

**STAFF REPORT FOR CALENDAR ITEM NO. : 10
FOR THE MEETING OF: July 9, 2015**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Adoption of two-month extension of Fiscal Year (FY) 2014-15 Budget for August and September 2015 in an amount not to exceed \$26,298,605 for August and \$26,270,004 for September.

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.

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. On June 19, 2015, the Board adopted a one-month interim budget for the month of July 2015. Because the FY 2015-16 capital budget is dependent upon the ultimate Phase 1 Program budget to be adopted by the Board in the fall, staff has prepared an interim FY 2015-16 capital budget for the months of August and September 2015, attached. It is equal to one-twelfth of the FY 2014-15 budget with the following exceptions.

Caltrans Attorney Parking remains at \$0, since this expenditure is no longer necessary. Insurance and Loan Servicing Fees & Interest are \$0 for August and September since these were budgeted at larger than the one-twelfth amount in July; see the staff report for the June 19, 2015 TJPA Board meeting for further detail.

For August 2015, an additional \$10,268 has been added to one-twelfth of the existing Benefits budget, in order to make an annual lump sum prepayment to CalPERS for TJPA's Unfunded Accrued Liability (UAL) Contribution Amount. Paying the UAL upfront in a lump sum saves \$376 compared to making payments monthly. FY 2015-16 is the first year that CalPERS is collecting the UAL as a dollar amount instead of a percentage rate. This change was made by the CalPERS Board as part of a comprehensive asset liability management strategy to avoid underfunding of risk pools, such as the 2% @55 risk pool that TJPA participates in. Note, however, that TJPA's overall contributions to CalPERS will be reduced in FY 2015-16, as our employer contribution rate changes from 11.522% to 8.512% on July 1, per our most recent valuation report from CalPERS.

The budget for Accounting Software & Installation comprises the full amount of the FY 2014-15 budget as the annual payment for maintenance for TJPA's accounting software system is also due early in the fiscal year. The total of the interim budget is thus \$26,298,605 for August and \$26,270,004 for September.

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 Interim Capital Budget for August and September 2015.

ENCLOSURES:

1. Resolution
2. FY 2015-16 Interim Capital Budget for August & September 2015

**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, 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, On June 19, 2015, the TJPA Board adopted an interim FY 2014-15 capital budget for the month of July 2015 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, An interim FY 2014-15 capital budget for the months of August and September 2015 has been prepared that is one-twelfth of the prior year's annual budget for each month with the exception of Benefits and Accounting Software & Installation, with Insurance, Loan Servicing Fees & Interest and Caltrans Attorney Parking each zeroed out; and

WHEREAS, TJPA can save money by paying its Employer Unfunded Accrued Liability (UAL) Contribution Amount upfront rather than monthly; and

WHEREAS, The annual fee for maintenance of the TJPA's accounting system is due early in the fiscal year; and

WHEREAS, The interim FY 2014-15 capital budget for the month of August 2015 equals \$26,298,605 and for September 2015 equals \$26,270,004; now, therefore, be it

RESOLVED, That the TJPA Board of Directors hereby approves the FY 2015-16 interim capital budget for the month of August 2015 in an amount not to exceed \$26,298,605 and for September 2015 in an amount not to exceed \$26,270,004.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 9, 2015.

Secretary, Transbay Joint Powers Authority

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

	FY 2014-15 Budget Amendment 2	July One Month Interim Budget	August One Month Interim Budget	September One Month Interim Budget
CAPITAL EXPENDITURES ²				
Salaries & Benefits				
<i>Salaries</i>	2,243,000	186,917	186,917	186,917
<i>Benefits ³</i>	788,000	76,667	75,935	65,667
Subtotal, Salaries & Benefits	\$ 3,031,000	\$ 263,584	\$ 262,852	\$ 252,584
Administration				
Rent	740,000	61,667	61,667	61,667
<i>Insurance ³</i>	86,000	86,000	-	-
<i>Office Expenses</i>	89,000	7,417	7,417	7,417
<i>Communications</i>	69,000	5,750	5,750	5,750
<i>Information Technology Support</i>	80,000	6,667	6,667	6,667
<i>Travel/Conferences</i>	40,000	3,333	3,333	3,333
<i>Professional Development</i>	29,000	2,417	2,417	2,417
<i>Board Expenses</i>	10,000	833	833	833
<i>Meeting Expenses</i>	15,000	1,250	1,250	1,250
<i>Benefits Administration/Payroll Services</i>	19,000	1,583	1,583	1,583
<i>Miscellaneous</i>	35,000	2,917	2,917	2,917
Subtotal, Administration	\$ 1,212,000	\$ 179,834	\$ 93,834	\$ 93,834
Professional & Specialized Services				
<i>Engineering & Design Services</i>				
Program Management / Program Controls	7,559,000	629,917	629,917	629,917
Downtown Extension Preliminary Engineering & Design	240,000	20,000	20,000	20,000
Downtown Extension Interagency Coordination	360,000	30,000	30,000	30,000
Transit Center & Ramps Engineering & Design	11,001,800	916,817	916,817	916,817
Transit Center Traffic Signals	72,000	6,000	6,000	6,000
Transit Center Overhead Lines	250,000	20,833	20,833	20,833
Transit Center Commissioning Agent	120,000	10,000	10,000	10,000
Bus Ramps Design Reviews	60,000	5,000	5,000	5,000
Bus Storage Engineering & Design	370,000	30,833	30,833	30,833
Utility Relocation Engineering & Design	231,000	19,250	19,250	19,250
Environmental Consultant / Building and Soil Haz. Mat.	123,000	10,250	10,250	10,250
Archaeological Support Services	167,000	13,917	13,917	13,917
Public Art Program	300,000	25,000	25,000	25,000
Other Engineering & Design Services	635,000	52,917	52,917	52,917
<i>Permits and Fees</i>				
Transit Center & Ramps Permits & Fees	1,620,000	135,000	135,000	135,000
DTX Permits & Fees	10,000	833	833	833
Other Plan Checks / Permit Fees	82,000	6,833	6,833	6,833
<i>Real Estate Services</i>				
Property Management	20,600	1,717	1,717	1,717
Appraisal Services	20,000	1,667	1,667	1,667
ALTA / Design Surveys	60,000	5,000	5,000	5,000
SF Redevelopment Successor Agency Administrative Fee	160,000	13,333	13,333	13,333
Miscellaneous Real Estate Services	400	33	33	33
<i>Construction Management</i>				
Construction Management & Oversight for Transit Center	16,250,000	1,354,167	1,354,167	1,354,167
Construction Dispute Resolution Services	70,200	5,850	5,850	5,850
<i>Construction</i>				
Transit Center & Ramps CM/GC Pre-Construction Services	3,300,000	275,000	275,000	275,000
Transit Center Building & Ramps Construction	256,591,800	21,382,650	21,382,650	21,382,650
Utility Relocation Construction	684,000	57,000	57,000	57,000

Transbay Joint Powers Authority
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Planning & Environmental Analysis				
Community Benefits/Community Facilities Districts Formation	182,000	15,167	15,167	15,167
Economic and Real Estate Analysis	162,000	13,500	13,500	13,500
Environmental Review	413,000	34,417	34,417	34,417
Operations Planning	700,000	58,333	58,333	58,333
Other Planning Studies	36,000	3,000	3,000	3,000
Administration				
Outside Legal Counsel & City Attorney	3,129,000	260,750	260,750	260,750
Financial & Grant Management	740,000	61,667	61,667	61,667
New Revenue Consultation	87,200	7,267	7,267	7,267
Accounting Software & Installation ⁴	20,000	1,667	18,333	-
Audit Services	50,000	4,167	4,167	4,167
Credit Rating Analysis	35,000	2,917	2,917	2,917
Loan Servicing Fees & Interest ⁵	7,325,000	1,189,000	-	-
Trustee Account Services	2,000	167	167	167
Community & Public Relations	180,000	15,000	15,000	15,000
Legislative Services	518,000	43,167	43,167	43,167
Disadvantaged & Small Business Program	50,000	4,167	4,167	4,167
Other Intergovernmental Agreements	30,000	2,500	2,500	2,500
Other Consulting Assistance	19,000	1,583	1,583	1,583
Subtotal, Professional & Specialized Services	\$ 314,036,000	\$ 26,748,253	\$ 25,575,919	\$ 25,557,586

Right of Way Acquisition

Property Acquisition	1,003,000	83,583	83,583	83,583
Title/Closing Costs	32,000	2,667	2,667	2,667
Relocation Services Consultation	24,000	2,000	2,000	2,000
Relocation Services Assistance	20,000	1,667	1,667	1,667
Other Right of Way Expenses	4,000	333	333	333
Subtotal, Right of Way Acquisition	\$ 1,083,000	\$ 90,250	\$ 90,250	\$ 90,250

Other

Caltrans Attorney Parking ⁶	100,000	-	-	-
Subtotal, Other	\$ 100,000	\$ -	\$ -	\$ -

Reserves

Fiscal Reserve	2,809,000	234,083	234,083	234,083
Emergency Reserve	500,000	41,667	41,667	41,667
Subtotal, Reserves	\$ 3,309,000	\$ 275,750	\$ 275,750	\$ 275,750

TOTAL EXPENDITURES + OTHER \$ 322,771,000 \$ 27,557,671 \$ 26,298,605 \$ 26,270,004

CAPITAL FUNDING SOURCES ⁷**Committed Funds**

Federal Bus Facility, Alternatives Analysis and PNRs Grants (FTA) ^{3, 4, 6}	5,555,000	544,420	474,355	445,754
Federal High Speed and Intercity Passenger Rail Program	29,024,000	2,418,667	2,418,667	2,418,667
Regional Measure 1	20,000,000	1,666,667	1,666,667	1,666,667
Regional Measure 2	4,000,000	333,333	333,333	333,333
AB1171 Bridge Tolls	14,000,000	1,166,667	1,166,667	1,166,667
Proposition K San Francisco Sales Tax	45,743,400	3,811,950	3,811,950	3,811,950
AC Transit Capital Contributions	8,352,596	696,050	696,050	696,050
Land Sales Proceeds	142,430,804	11,869,234	11,869,234	11,869,234
Bridge Loan ⁵	49,500,000	4,703,584	3,514,583	3,514,583
Lease Income	104,800	8,733	8,733	8,733
Interest Income	142,000	11,833	11,833	11,833
Reimbursements by Others (Private Utilities, Adj. Prop. Developers)	240,000	20,000	20,000	20,000
Subtotal, Committed Revenue	\$ 319,092,600	\$ 27,251,138	\$ 25,992,072	\$ 25,963,471

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

	FY 2014-15 Budget Amendment 2	July One Month Interim Budget	August One Month Interim Budget	September One Month Interim Budget
Other				
Fund Balance from Previous Year	3,678,400	306,533	306,533	306,533
Subtotal, Other	\$ 3,678,400	\$ 306,533	\$ 306,533	\$ 306,533
TOTAL FUNDING SOURCES + OTHER	\$ 322,771,000	\$ 27,557,671	\$ 26,298,605	\$ 26,270,004

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 was proposed at the FY 2014-15 full budget amount in July 2015 rather than pro-rated for one month as insurance premiums must be prepaid annually at the beginning of each fiscal year. The workers compensation premium is included in the Benefits budget for July 2015. The August 2015 Benefits budget includes an annual lump sum prepayment of TJPA's CalPERS UAL.

4: The full remaining amount of the Accounting Software & Installation budget is proposed in August 2015 rather than pro-rated for one month as the annual fiscal year system maintenance payment is due. This item is paid from an FTA grant.

5: Quarterly interest payments on the bridge loan are due in July, October, January and April, so this line item was sized accordingly in July 2015 and is zero in August and September 2015.

6: 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. This item was paid from a FTA grant in the prior year.

7: 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.