

**THIS PRINT COVERS CALENDAR ITEM NO.: 11
FOR THE MEETING OF: December 16, 2004**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Presentation of Amendment Number 3 to the Authority's FY2004-05 annual budget, for adoption by the Board of Directors.

SUMMARY:

- On June 23, 2004, the Board of Directors adopted the original FY2004-05 annual budget of approximately \$6.3 million.
- On August 13, 2004, the Board of Directors adopted Amendment Number 1 to the Approved FY2004-05 budget, which added \$32.25 million for right of way acquisition in connection with the property at 80 Natoma Street, and funds to meet the cost of property and general liability insurance coverage. Based on the changes in Budget Amendment Number 1, the Approved FY2004-05 budget increased from \$6,273,440 to \$38,538,697.
- On September 16, 2004, the Board of Directors adopted Amendment Number 2 to the Approved FY2004-05 budget, which added \$20.9 million to the FY2004-05 budget for Preliminary Engineering, Program Management and Program Control, the budgetary Reserve Fund and legal services. The additional \$20.9 million in funds come from funding allocations from the Metropolitan Transportation Commission (\$15.5 million from Regional Measure 2) and the San Francisco County Transportation Authority (\$5.5 million from Proposition K).
- Staff requests the Board of Directors' approval of Amendment Number 3, which would add \$607,000 to the FY2004-05 budget for Environmental/Planning work, \$60,000 to Benefits Administration / Financial Services, and \$185,000 for Caltrain staff. The funds would come from the FY2004-05 reserve fund.

EXPLANATION:

The Board of Directors adopted the original FY2004-05 annual budget of approximately \$6.3 million on June 23, 2004. The budget was balanced using only then available grant revenues from the Federal Demonstration grant and local matching funds. At that time, staff indicated that they intended to return to the Board for one or more supplemental FY2004-05 budget requests, consistent with the Budget Policy adopted by the Board of Directors on June 23, 2004.

On August 13, 2004, the Board of Directors adopted Amendment Number 1 to the Approved FY2005-05 budget, which added \$32.25 million to the FY2005 budget for right of way acquisition in connection with the property at 80 Natoma Street, and funds to meet the cost of property and general liability insurance coverage. Based on the changes in Budget Amendment Number 1, the FY2004-05 budget increased from \$6,273,440 to \$38,538,697.

On September 16, 2004, the Board of Directors adopted Amendment Number 2 to the Approved FY2004-05 budget, which added \$20.9 million to the FY2004-05 budget for Preliminary Engineering (\$9.2 million), Program Management and Program Control (\$9.2 million), the budgetary Reserve Fund (\$2.1 million) and legal services (approximately \$400,000). The additional \$20.9 million in funds are from funding allocations from the Metropolitan Transportation Commission (\$15.5 million from Regional Measure 2) and the San Francisco County Transportation Authority (\$5.5 million from Proposition K).

Staff requests that the Board approve Amendment Number 3 to the FY2004-05 budget, which would add \$607,000 to the currently approved budget for Environmental / Planning work, \$60,000 for Benefits Administration / Financial Services, and \$185,000 for Caltrain staff and consultant work. The total FY2004-05 budget would not change, as the funds for this work would be drawn from the Reserve Fund. The remaining Reserve Fund balance would change from \$2,375,872 to \$1,523,872.

The requested budget change for the Environmental / Planning work are due to continuing work to receive a Record of Decision (ROD) for the EIS/EIR from the Federal Transit Administration (FTA) and addressing the 80 Natoma engineering issues.

The requested budget change for the Benefits Administration / Financial Services is due to the anticipated accounting work required for the TJPA's new reimbursement grants from Regional Measure 2 and San Francisco Proposition K. Currently, these services are provided by MUNI and Local Government Services (LGS) for the Federal Demonstration Grant and local match of \$11 million. Staff is investigating various options including using an outside vendor for the accounting and financial services required for the new funding sources. TJPA staff may renegotiate the existing Financial Services agreements when a new system is in place. At that time, staff may request a further revision of the FY2005 budget. Staff anticipates that the FY2005 expenditures for Benefits Administration / Financial Services may be less than the amount included in Budget Amendment No. 3.

The requested budget change for Caltrain costs are presented in anticipation of negotiating and executing an inter-agency agreement with Caltrain for continued assistance with the engineering of the Caltrain Downtown Extension. Caltrain has provided a budget estimate of \$185,000 for FY 2005 that includes both staff and consultant work that would be necessary to provide input to the Downtown Extension Preliminary Engineering work.

Amendment 3 to the FY2004-05 Approved Budget is presented here for the Board's discussion and adoption. Staff will be present to answer questions at the meeting.

ENCLOSURES:

1. Resolution
2. Amendment 3 to FY2004-05 Approved Annual Budget

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

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

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

WHEREAS, The TJPA Board adopted Resolution Number 04-006, which approved a FY2004-05 budget of \$6,273,440, at its meeting of June 23, 2004; and

WHEREAS, The TJPA Board adopted Resolution Number 04-012, which approved Amendment Number 1 to the FY2004-05 budget at its meeting of August 13, 2004, which increased the FY2004-05 budget to \$38,538,697; and

WHEREAS, The TJPA Board adopted Resolution Number 04-015, which approved Amendment Number 2 to the FY2004-05 budget at its meeting of September 16, 2004, which increased the FY2004-05 budget to \$59,451,200; and

WHEREAS, The TJPA Board has determined that funding in the amount of \$607,000 for environmental and planning work should be added to the FY2004-05 budget; and

WHEREAS, The TJPA Board has determined that funding in the amount of \$60,000 for benefits administration and financial services work should be added to the FY2004-05 budget; and

WHEREAS, The TJPA Board has determined that funding in the amount of \$185,000 for Peninsula Corridor Joint Powers Board work on the Caltrain Downtown Extension should be added to the FY2004-05 budget; and

WHEREAS, The TJPA Board of Directors has reviewed and considered Amendment Number 3 to the annual budget for FY2004-05 shown in Attachment No. 1, which would transfer \$852,000 to the FY2004-05 budget from the Reserve Fund, leaving unchanged the revised annual budget at \$59,451,200; now therefore be it

RESOLVED, That the TJPA Board of Directors hereby approves Amendment Number 3 to the annual budget for FY2004-05, attached hereto as Attachment No. 1.

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

Secretary, Transbay Joint Powers Authority

TRANSBAY JOINT POWERS AUTHORITY							Attachment 1
FY2004-05 Budget Request							Page 1
Amendment No. 3							
	Estimated Project to Date Expenses as of 6/30/04 REVISED	FY2004-05 Approved Budget as of June 23, 2004	FY2004-05 Budget Amendment 1 as of August 2004	FY 2004-05 Budget Amendment 2 as of September 2004	FY 2004-05 Budget Amendment 3 as of December 2004	Variance: Amendment 3 vs. Amendment 2	
EXPENDITURES							
<i>Salaries and Benefits</i>							
Salaries	176,047	495,000	495,000	495,000	495,000	-	
Benefits	50,541	197,457	197,457	197,457	197,457	-	
Severance Reserve	120,000	-	-	-	-	-	
Subtotal, Salary and Benefits	346,589	692,457	692,457	692,457	692,457	-	
<i>Administration and Overhead</i>							
Equipment	51,396	5,000	5,000	5,000	5,000	-	
Supplies	4,643	10,000	10,000	10,000	10,000	-	
Furniture	30,658	-	0	0	-	-	
Rent	66,967	104,700	104,700	104,700	104,700	-	
Telephone	5,168	10,800	10,800	10,800	10,800	-	
Printing/Postage	4,799	12,000	12,000	12,000	12,000	-	
Advertising & Notices	902	2,500	2,500	2,500	2,500	-	
Mileage reimbursement, auto rental, veh. allowance	967	3,600	3,600	3,600	3,600	-	
Travel/Conferences	-	9,600	9,600	9,600	9,600	-	
Board Expenses	43	9,000	9,000	10,700	10,700	-	
Professional Memberships	450	1,525	1,525	1,525	1,525	-	
TIFIA Filing Fee	-	30,000	30,000	30,000	30,000	-	
Property & General Liability Insurance	-	-	15,257	15,257	15,257	-	
Subtotal, Administration & Overhead	165,993	198,725	213,982	215,682	215,682	-	
<i>Professional & Specialized Services</i>							
Legal Counsel (City Attorney, Outside Counsel)	707,236	179,677	179,677	556,000	556,000	-	
Financial and Grant Management (TFC)	43,048	200,000	200,000	200,000	200,000	-	
Graphics/artistic renderings	10,000	-	-	-	-	-	
Community & Public Relations	30,349	150,000	150,000	150,000	150,000	-	
Environmental/Planning	693,743	760,000	760,000	760,000	1,367,000	607,000	
Architecture	-	-	-	-	-	-	
Engineering	4,500	1,531,392	1,531,392	10,770,000	10,770,000	-	
Program Management /Program Control	-	1,000,000	1,000,000	10,220,000	10,220,000	-	
Benefits Administration / Financial Services	38,750	93,000	93,000	93,000	153,000	60,000	
Appraisal Services	-	50,000	50,000	50,000	50,000	-	
Legislative Services	-	-	-	-	-	-	
Website Development and Maintenance	-	10,000	10,000	10,000	10,000	-	
Computer Installation and Maintenance	25,327	21,000	21,000	21,000	21,000	-	
Economic Analysis	-	15,500	15,500	15,500	15,500	-	
Operations Analysis	-	18,000	18,000	18,000	18,000	-	
Audits	-	30,000	30,000	30,000	30,000	-	
SF City Planning	49,993	-	-	-	-	-	
Caltrain	156,000	-	-	-	185,000	185,000	
SF Redevelopment Agency	-	798,689	798,689	798,689	798,689	-	
SF Municipal Railway/Fiscal Agent	4,090	225,000	225,000	225,000	225,000	-	
Subtotal, Professional & Specialized	1,763,036	5,082,258	5,082,258	23,917,189	24,769,189	852,000	
<i>Right of Way Acquisition</i>	-	0	32,250,000	32,250,000	32,250,000	-	
<i>Reserve Fund</i>	-	300,000	300,000	2,375,872	1,523,872	(852,000)	
TOTAL EXPENDITURES	2,275,618	6,273,440	38,538,697	59,451,200	59,451,200	-	

TRANSBAY JOINT POWERS AUTHORITY							Attachment 1
FY2004-05 Budget Request							Page 2
Amendment No. 3							
	Project to Date Expenses as of 6/30/04 REVISED	FY2004-05 Approved Budget as of June 23, 2004	Budget Amendment 1 as of August 2004	Budget Amendment 2 as of September 2004	Budget Amendment 3 as of December 2004	Variance: Amendment 3 vs. Amendment 2	
REVENUES							
Federal Demonstration	1,820,494	5,018,752	5,030,957	4,968,960	4,968,960	-	
Toll Bridge 5% Reserve	455,124	455,999	459,050	443,551	443,551	-	
Other Local Match (SF Redevelopment)	-	798,689	798,689	798,689	798,689	-	
Regional Measure 2	-	-	16,125,000	31,620,000	31,620,000	-	
Proposition K SF Sales Tax	-	-	16,125,000	21,620,000	21,620,000	-	
San Mateo County Sales Tax	-	-	-	-	-	-	
TOTAL REVENUES	\$ 2,275,618	\$ 6,273,440	\$ 38,538,697	\$ 59,451,200	59,451,200	-	