

**STAFF REPORT FOR CALENDAR ITEM NO.: 11
FOR THE MEETING OF: September 13, 2012**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Amending the Fiscal Year 2012 and Fiscal Year 2013 operations budgets to update the AC Transit Operations Support expenditures and include AC Transit Operating Reserve revenues.

BACKGROUND:

Based on actual expenses and revenues for the operation of the Temporary Terminal during FY 2011-12, Transbay Joint Powers Authority (TJPA) staff seeks Board approval for amendments to the FY 2011-12 and FY 2012-13 Operating Budgets.

TJPA Board Policy 003: Budget Policy allows the Executive Director to augment an existing line-item appropriation by re-allocating funding within and among expenditure categories without further Board action, so long as the aggregate amount reallocated during the fiscal year does not exceed 10 percent of the original appropriation for the category, and the total amount of spending does not vary from the total amount of the approved annual budget. Reallocations that exceed 10 percent of the original appropriation require approval by the TJPA Board. In accordance with this policy, staff is seeking Board approval for Amendment No. 1 to the FY 2011-12 operating budget, and Amendment No. 2 to the FY 2012-13 annual operating budget, as the necessary adjustments exceed the 10 percent threshold.

Expense Adjustments

Under the Lease and Use Agreement with AC Transit approved in 2008, TJPA funds AC Transit's operating shortfall for operating in the Temporary Terminal; this shortfall is the result of increased staffing needed at the Temporary Terminal versus the former Transbay Terminal due to the potential for bus-pedestrian conflicts on the site and the need for coordination of staging. Safe operations at the new Temporary Terminal require significantly more AC Transit supervisors than were required at the old Transbay Terminal. The heightened safety requirements fall into two primary categories: pedestrian safety and vehicle operations.

Pedestrian Safety

At the old terminal, pedestrians did not need to cross bus traffic lanes to reach their stops. At the Temporary Terminal, many bus stops are located on the central island, which requires those passengers to cross the bus drive lanes. There are three crosswalks to be supervised within the facility itself, in addition to two crosswalks at the sidewalk surrounding the site. One of these crosswalks (on Beale) is particularly long, which necessitates traffic and pedestrian controls to ensure that vehicles can enter the Temporary Terminal safely and in a reasonable amount of time.

Vehicle Operations

The old Transbay Terminal was a one-way facility with a single entrance and single exit for the buses. The Temporary Terminal has more operational flexibility, with multiple entrances/exits

and two-way operations. Supervisors direct each bus as it enters the facility to ensure that the smaller facility operates efficiently.

In addition to the safety issues described above, the Temporary Terminal also has significantly less bus layover space than the old Transbay Terminal and ramps. AC Transit currently leases space from Caltrans for bus staging, which is an additional cost. It was not originally anticipated that Caltrans would charge rent for this type of use of parcels associated with the Transbay Program.

Based on recently available information, AC Transit's actual expenses for operating in the Temporary Terminal during FY 2011-12 have exceeded the original budgeted amount of \$1,553,000 by \$1,051,470. The originally budgeted amount was a rough estimate based upon information available from AC Transit staff before the full supervisorial staffing needs of the Temporary Terminal were known. Sufficient Regional Measure 2 operating revenues are available to fund these expenses.

Now that the actual costs for FY 2011-12 are known, TJPA staff recommends an amendment to the current year FY 2012-13 operating budget based on the actuals for FY 2011-12, increasing the AC Transit Additional Operating Support by \$1,050,000 to \$2,658,000. See attached budget for line item detail. This will be the second amendment to the FY 2012-13 operating budget. The first amendment was approved by the Executive Director under her authority per the Budget Policy—it increased the amount budgeted for insurance by \$10,600 without increasing the overall budget. The original insurance budget had been an estimate based upon information available from the TJPA insurance broker at the time of budget preparation; the actual premium charge for operations was slightly higher (whereas the actual premium charge under the capital budget was slightly lower).

Revenue Adjustments

Prior to the start of operations in the Temporary Terminal, TJPA staff and consultants had requested that any excess RM-2 revenues pledged to the TJPA for operations be made available to fund the Operating Reserve. The Metropolitan Transportation Commission (MTC) has declined this request. Accordingly, AC Transit has agreed to fund the Operating Reserve with other (non RM-2 operating) AC Transit funds. Thus, the amendments to the FY 2011-12 and FY 2012-13 Operating budgets add this new revenue line. TJPA and AC Transit agreed to the build-up of an Operating Reserve under the terms of the Lease and Use Agreement.

RECOMMENDATION:

Approve Operating Budget Amendments

ENCLOSURES:

1. FY 2011-12 and FY 2012-13 Budget Amendment Resolution
2. FY 2011-12 Proposed Operating Budget Amendment 1 (Attachment 1)
3. FY 2012-13 Proposed Operating Budget Amendment 2 (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 (Agreement), the TJPA Board of Directors has the authority to adopt an annual or multi-year budget; and

WHEREAS, Pursuant to the TJPA Board Policy 003: Budget Policy, Board approval is required for amendments to annual budgets which increase the total budget amount; and

WHEREAS, The TJPA Board of Directors has reviewed and considered the annual operating budget amendments for FY 2011-12 and FY 2012-13 shown in Attachment No. 1 and Attachment No. 2; now, therefore, be it

RESOLVED, That the TJPA Board of Directors hereby approves Amendment 1 to the FY 2011-12 annual operating budget and related appropriations for FY 2011-12 in an amount not to exceed \$4,978,134 attached hereto as Attachment No. 1 and incorporated herein by reference; and be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the Amendment 2 to the FY 2012-13 operating budget and related appropriations for FY 2012-13 in an amount not to exceed \$5,227,000 attached hereto as Attachment No. 2 and incorporated herein by reference.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of September 13, 2012.

Secretary, Transbay Joint Powers Authority

Transbay Joint Powers Authority
Fiscal Year 2011-12 Operating Budget Amendment 1
September 13, 2012


	FY 2011-12 Annual Operating Budget	FY 2011-12 Budget Amendment 1	Change	Notes
OPERATING EXPENDITURES				
Professional & Specialized Services				
Temporary Terminal Facility Management & Security	1,080,000	1,080,000	-	
Police Services as Needed	50,000	50,000	-	
AC Transit Additional Operating Support & Staging Lease	1,553,000	2,604,470	1,051,470	<i>based on actuals</i>
Parking Control Officers	140,000	140,000	-	
Utilities	42,000	42,000	-	
Operating Contingency	287,000	33,956	(253,044)	<i>partially offsets AC Transit increase</i>
Subtotal, Professional & Specialized Services	\$ 3,152,000	\$ 3,950,426	\$ 798,426	
Reserves				
Operating Reserve	1,087,000	1,027,708	(59,292)	<i>reflects actual</i>
Subtotal, Reserves	\$ 1,087,000	\$ 1,027,708	\$ (59,292)	
TOTAL OPERATING EXPENDITURES	\$ 4,239,000	\$ 4,978,134	\$ 739,134	

OPERATING REVENUE

Regional Measure 2	3,951,000	3,950,426	(574)	
AC Transit Reserve Contribution	-	719,552	719,552	<i>new revenue for Operating Reserve</i>
Rents	288,000	295,656	7,656	
Advertising, Interest, Other	TBD	12,500	12,500	
Subtotal, Operating Revenue	\$ 4,239,000	\$ 4,978,134	\$ 739,134	
TOTAL OPERATING REVENUE	\$ 4,239,000	\$ 4,978,134	\$ 739,134	

Prepared by:

Approved by TJPA Board via Resolution No:

	
---	--

Sara Gigliotti
TJPA Chief Financial Officer

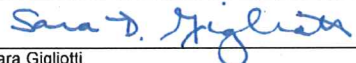
Nila Gonzales
TJPA Board Secretary

Transbay Joint Powers Authority
Fiscal Year 2012-13 Operating Budget Amendment 2
September 13, 2012

	FY 2012-13 Budget Amendment 1 ¹	FY 2012-13 Budget Amendment 2	Change	Notes
OPERATING EXPENDITURES				
Professional & Specialized Services				
Temporary Terminal Facility Management & Security	1,134,000	1,134,000	-	
Police Services as Needed	50,000	50,000	-	
AC Transit Additional Operating Support & Staging Lease	1,608,000	2,658,000	1,050,000	<i>based on FY12 actuals; received after budget adoption</i>
Parking Control Officers	142,000	142,000	-	
Utilities	45,000	45,000	-	
Insurance	45,600	45,600	-	
Operating Contingency	291,400	14,400	(277,000)	<i>partially offsets AC Transit increase</i>
Subtotal, Professional & Specialized Services	\$ 3,316,000	\$ 4,089,000	\$ 773,000	
Reserves				
Operating Reserve	1,111,000	1,138,000	27,000	
Subtotal, Reserves	\$ 1,111,000	\$ 1,138,000	\$ 27,000	
TOTAL OPERATING EXPENDITURES	\$ 4,427,000	\$ 5,227,000	\$ 800,000	
OPERATING REVENUE				
Regional Measure 2	4,089,000	4,089,000	-	
AC Transit Reserve Contribution	-	800,000	800,000	<i>new revenue for Operating Reserve</i>
Rents	288,000	288,000	-	
Advertising, Interest, Other	50,000	50,000	-	
Subtotal, Operating Revenue	\$ 4,427,000	\$ 5,227,000	\$ 800,000	
TOTAL OPERATING REVENUE	\$ 4,427,000	\$ 5,227,000	\$ 800,000	

Prepared by:

Approved by TJPA Board via Resolution No:

 Sara Gigliotti TJPA Chief Financial Officer	 Nila Gonzales TJPA Board Secretary
---	---

1: Budget Amendment 1 approved by Executive Director pursuant to the TJPA Board Policy 003: Budget Policy, "Once an annual budget has been adopted, the Executive Director may augment an existing line-item appropriation by re-allocating funding within and among expenditure categories without further Board action, so long as the aggregate amount reallocated during the fiscal year does not exceed 10 percent of the original appropriation for the category, and the total amount of spending does not vary from the total amount of the approved annual budget." (TJPA Board Policy 003, Section III.C.1.)