

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

Adopted Biennial Budget

Fiscal Years 2014 and 2015

July 1, 2013 – June 30, 2014
and

July 1, 2014 – June 30, 2015



SANTA CLARA
Valley Transportation Authority

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**Santa Clara Valley
Transportation Authority**
Santa Clara County, California



**Adopted Biennial Budget
Fiscal Years 2014 and 2015**

Adopted by the Board of Directors June 6, 2013

ABOUT VTA

The Santa Clara Valley Transportation Authority (VTA) is an independent special district responsible for bus and light rail operation, regional commuter and inter-city rail service, Americans with Disabilities Act (ADA) paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. As such, VTA is both an accessible transit provider and a multi-modal transportation planning and implementation organization involved with transit, roadways, bikeways, and pedestrian facilities. VTA provides services to cities throughout Santa Clara County including Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**Santa Clara Valley Transportation Authority
California**

For the Biennium Beginning

July 1, 2011

Linda C. Dandow Jeffrey R. Egan

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Santa Clara Valley Transportation Authority for its biennial budget for the biennium beginning July 1, 2011. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET



Solar Panels and Express Buses at North Operating Division



Alum Rock Plaza



Paratransit Service

Message from the General Manager

This document presents the Santa Clara Valley Transportation Authority's (VTA) biennial budget for fiscal years 2014 and 2015. The budget was developed with the specific goals of increasing ridership, preserving and enhancing service, maintaining and improving VTA's infrastructure, and advancing VTA's long-term capital programs.

Overall small net service level increases are proposed in the Adopted FY 2014 and FY 2015 Biennial Budget to facilitate modest yet important improvements to the transit system. One aspect of the plan is to reallocate low-performing service and improve service in areas where there are higher ridership demands. For Fiscal Year 2015, we are also planning bus and light rail service improvements for the new Levi's Stadium in Santa Clara to serve 49ers games and other events throughout the year. The stadium's large capacity coupled with the possibility for many events will provide incredible opportunities for new passengers to try VTA's service.

We continue to advance our long-term capital programs. Later this year we will break ground on the county's first Bus Rapid Transit project, helping riders travel our busiest and most congested corridors. Additionally, the BART to Silicon Valley project continues to move forward. Planned expenditures for the two-year period include award of the station campus and parking structure contracts, right-of-way acquisition, and environmental analysis and identification of funding strategies for the remaining six miles of the project.

Over the last few years, the VTA Board of Directors has taken several measures to enhance the agency's financial stability. In late 2010 the Board adopted expenditure prioritization and financial principles to insure continued sustainability of transit services in Santa Clara County. In June 2011 the Board established a Sales Tax Stabilization Fund that works in combination with the 15% Operating Reserve to mitigate the impact of sales tax receipt volatility and unanticipated expenditures on service levels and the VTA Transit Fund Operating Budget. In addition, steps were taken to address VTA's unfunded liabilities by depositing \$20.65 million in one-time funds into the Other Post Employment Benefits (OPEB) Trust.

In addition to enhancing VTA's financial stability, ongoing efforts to improve system efficiencies and productivity will be even more critical in the coming years. On May 23, 2012 the Metropolitan Transportation Commission (MTC) adopted final recommendations for the Transit Sustainability Project (TSP), an initiative to continue service and cost-control improvements gained by the major transit agencies in the San Francisco Bay area. As part of these recommendations, MTC approved performance measures and targets to monitor the performance of the seven largest transit agencies in the Bay Area, VTA among them. The performance target is a 5 percent real reduction in at least one of three performance measures by FY 2017 and no growth beyond the Consumer Price Index (CPI) thereafter. The baseline year is set at the highest cost year between FY 2008 and FY 2011. The performance measures are cost per service hour, cost per passenger, and cost per passenger mile.

Agencies were required to adopt a strategic plan in FY 2013 to meet one or more of the targets. VTA's TSP strategic plan was adopted on December 13, 2012. Beginning in FY 2014, transit agencies must submit performance measure data on all three targets to MTC. In FY 2018 MTC

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

will analyze agencies' progress. The following fiscal year MTC plans to link existing and new operating and capital funding to progress. While VTA is only required to meet the goal for one of the performance measures, as a steward of the public's money, staff believes it is prudent to attempt a 5 percent real reduction in all three of the areas mandated by MTC.

Budget Highlights

The Adopted VTA Transit Fund Budget for FY 2014 and FY 2015 includes an operating budget of \$380.2 million and \$398.8 million respectively. Fiscal Year 2014 budgeted expenditures are \$23.7 million over projected FY 2013 actual of \$356.4 million. This increase is composed primarily of higher labor, professional and special services, fuel, insurance, and paratransit costs offset somewhat by lower Caltrain costs. Expenditures for FY 2015 are expected to increase \$18.7 million over FY 2014 primarily due to higher costs in the categories of labor, paratransit, and Caltrain. Small net service level increases are being proposed in each year.

Total VTA Transit Fund revenues are projected at \$392.6 million in FY 2014 and \$402.2 million in FY 2015. Fiscal Year 2014 revenues are expected to decrease \$1.6 million from current FY 2013 projections of \$394.3 million due to lower State Transit Assistance (STA), federal operating grants, and a higher transfer of Federal Formula Funds in support of the capital program offset by higher anticipated sales tax based revenues. Revenues for FY 2015 are expected to increase \$9.5 million over FY 2014 due primarily to increased sales tax based revenues offset somewhat by a larger transfer of federal operating grants for capital replacements.

The Fiscal Years 2014 and 2015 Capital Budget for VTA Transit appropriates \$164.2 million in capital projects including the procurement of 40' and 60' articulated buses, as well as \$23.4 million in state of good repair maintenance to the light rail system. Over 77% of the FY 2014 and FY 2015 Capital Program is funded with grants or other non-VTA sources.

The FY 2014 and FY 2015 2000 Measure A Capital Program includes new appropriation of \$578.0 million. The Silicon Valley BART Extension Project accounts for \$420.8 million of the new appropriation. An additional \$56.9 million is appropriated for Caltrain Electrification – Early Investment Program.

The Adopted Congestion Management Program (CMP) Fund Budget for FY 2014 and FY 2015 is \$5.3 million and \$5.1 million respectively. Fiscal Year 2014 budgeted expenditures increase \$976 thousand from FY 2013 projected actual due to costs associated with the Innovative Delivery Team Program (iTEAM) and increased VTA staff services in support of the CMP work plan. Expenditures for FY 2015 are expected to decrease \$182 thousand from FY 2014 due to timing of various work plan activities.

The VTP Highway Improvement Program Capital Budget for FY 2014 and FY 2015 is a total net reduction in appropriation of \$109.5 million. Funding for three projects totaling \$155.5 million is de-obligated in the FY 2014 and FY 2015 budget. These funds were

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

previously authorized but because of changed circumstances or priorities will not be spent. The total new appropriation for VTP Highway Improvement Program Projects is \$46.1 million. One hundred percent of the VTP Highway Improvement Program expenditures will be funded by grants, through agreements with the appropriate city, or a fund exchange (consisting of state funding sources swapped with 2000 Measure A Funds).

In summary, while the Adopted VTA Transit Fund Budget for FY 2014 and FY 2015 reflects a positive operating balance in each fiscal year, there are still major areas of risk and uncertainty. Particular areas of risk include: sales tax revenue receipts, fuel prices, benefit costs, and contract negotiations with represented employees. However, VTA has several measures in place to mitigate these risks and their potential impact on service levels, e.g., available reserve funds. Overall, VTA is in a sound financial position but it is important to recognize our volatile economic history and remain fiscally prudent and continue to improve system efficiencies and productivity as we move forward into FY 2014 and FY 2015.



Michael T. Burns
General Manager

Budget Guide & Document Organization

The Santa Clara Valley Transportation Authority's Adopted Biennial Budget Book contains numerous financial and statistical schedules, as well as general information about the Authority, the service area it covers, and its organizational structure. The following information is presented to assist the reader in using the budget document efficiently and effectively.

Document Organization

The Adopted Biennial Budget Book covers two fiscal years (2014 and 2015) and is divided into seven sections; Introduction, VTA Transit, 2000 Measure A Transit Improvement Program, Congestion Management Program, VTP Highway Improvement Program, Miscellaneous Programs, and Appendices.

Section 1 ~ Introduction to VTA

This section is designed to provide the reader with high-level general information about the organizational structure and history, as well as the current biennial budget. Included here you will find information about the organization and its structure; information about the board of directors, committees and their structure; the Authority's mission, vision, and values statements; the strategic plan goals of the organization; a discussion of VTA's long-term planning; a description of funded programs; a summary appropriation schedule; an overview of the budget development process; and the current board resolution adopting the FY 2014 and FY 2015 Biennial Budget.

Section 2 ~ VTA Transit

The Santa Clara Valley Transportation Authority is an independent public agency responsible for bus and light rail operation, regional commuter and inter-city rail service, Americans with Disabilities Act (ADA) paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. This section presents the transit enterprise activities of VTA, which includes bus and light rail operation, regional commuter and inter-city rail service, and paratransit service.

This section starts with an overview of the services and programs, followed by an overview of the major budget assumptions, a comparison statement of revenues and expenses agency-wide, and a statement of sources and uses showing the projected change in operating reserve balance. The agency-wide information is then broken down to the division level including the expense budget, division responsibilities and organization charts, staffing levels, accomplishments from previous two years, and goals and objectives for the two-year budget period.

The next portion of this section contains information on the VTA Transit Fund Capital Program including a schedule of the FY 2014 and FY 2015 appropriation and project details, as well as a schedule of total available appropriation.

This section concludes with debt service information including an overview of the debt policy and limits, schedules of outstanding debt, and descriptions of current obligations.

Section 3 ~ 2000 Measure A Transit Improvement Program

The 2000 Measure A Transit Improvement Program is a thirty-year plan of major transit improvement capital projects approved by Santa Clara County voters in November 2000. Voter approval of this program included authorization of a 30-year, half-cent sales tax with collection beginning April 1, 2006.

This section presents an introduction to the structure of the 2000 Measure A Transit Improvement Program. It also includes a comparison statement of revenues and expenses and a statement of sources and uses showing the projected change in undesignated reserve balance. This is followed by a list of budgeted capital projects with descriptions and funding sources, as well as a schedule of total available appropriation.

The section ends with debt service information including an overview of the debt policy and limits, schedules of outstanding debt, and descriptions of current obligations.

Section 4 ~ Congestion Management Program

In 1994 VTA was designated as the Congestion Management Agency (CMA) for Santa Clara County through a joint powers agreement entered into by the fifteen cities and the County of Santa Clara. VTA's Congestion Management Program serves as the CMA for Santa Clara County.

This section presents the activities of the Congestion Management Program starting with an introduction to its structure and work program. The section goes on to include a comparative schedule of revenues and expenses, statement of sources and uses showing the projected change in fund balance, and a list of members and their budgeted contribution.

Section 5 ~ VTP Highway Improvement Program

The Valley Transportation Plan (VTP) Highway Improvement Program includes highway improvement projects identified in the long-range countywide transportation plan for Santa Clara County (County). VTP 2035 is the current approved long-range countywide transportation plan. VTA enters into construction agreements with cities in the County for various highway projects that are included in VTP 2035.

This section includes an introduction to the VTP Highway Improvement Program, a list of budgeted capital projects with descriptions and funding sources, and a schedule of total available appropriation.

Section 6 ~ Miscellaneous Programs

This section contains the overview, comparison statement of revenues and expenses, and statement of sources and uses for three miscellaneous programs: Joint Development Program, Silicon Valley Express Lanes Program, and BART Operating Sales Tax Program.

Section 7 ~ Appendices

This section provides the reader with additional information about VTA and the materials included in this document. Information is included on VTA's fiscal policies; 2010 Ad Hoc Financial Recovery Committee; VTA Transit Unrestricted Net Assets; job classifications and pay ranges; line item descriptions for revenue and expense categories; 1996 Measure B Transportation Improvement Program; VTA/ATU (Amalgamated Transit Union) Pension plan; general demographic and economic information on Santa Clara County; acronym definitions; and a glossary of terminology used in the document.



Blossom Hill Pedestrian Overcrossing



Mary Avenue Bridge

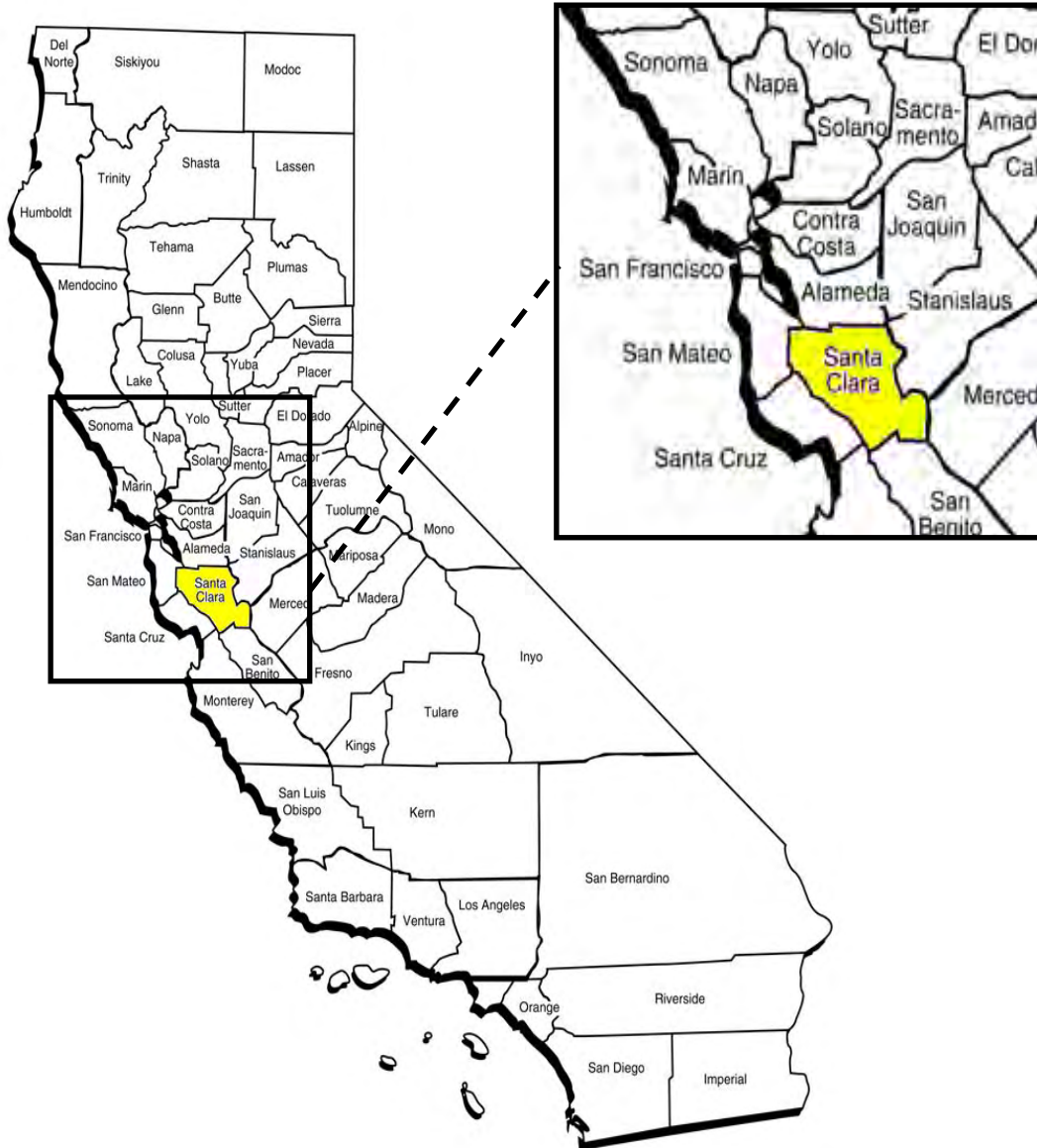
SECTION 1
INTRODUCTION TO VTA



Organization Profile

As an independent special district responsible for bus and light rail operation, regional commuter and inter-city rail service, paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning, Santa Clara Valley Transportation Authority (VTA) provides transit services to the 326 square mile urbanized portion of Santa Clara County that is composed of 15 cities and towns and unincorporated areas with a total population of more than 1.8 million residents.

The County of Santa Clara lies immediately south of San Francisco Bay and is the sixth most populous county in the State of California. It encompasses an area of approximately 1,300 square miles. The County was incorporated in 1850 as one of the original 28 counties of the State and operates under a home rule charter adopted by County voters in 1950 and amended in 1976. Additional demographic and economic information on the County can be found in Appendix K.



Board of Directors

Membership

VTA is an independent special district governed by its own Board of Directors. The Board consists of 12 voting members and 6 alternates, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. In addition, Metropolitan Transportation Commissioners who reside in Santa Clara County and who are not members or alternates of the Board are invited to serve as Ex Officio members. Board membership is based on city groupings as follows:

Group Number	Grouping	Representatives
1	San Jose	5 Directors 1 Alternate
2	Los Altos Los Altos Hills Mountain View Palo Alto	1 Director 1 Alternate
3	Campbell Cupertino Los Gatos Monte Sereno Saratoga	1 Director 1 Alternate
4	Gilroy Morgan Hill	1 Director 1 Alternate
5	Milpitas Santa Clara Sunnyvale	2 Directors 1 Alternate
6	Santa Clara County	2 Directors 1 Alternate
Other	Metropolitan Transportation Commissioners	Ex Officio

The 2013 VTA Board of Directors, Alternates, and Ex Officio members are listed on the following page.

2013 VTA Board Members

Joe Pirzynski*
Chairperson
Councilmember
Town of Los Gatos

Ash Kalra
Vice Chairperson
Councilmember
City of San Jose

Margaret Abe-Koga
Councilmember
City of Mountain View

Xavier Campos
Councilmember
City of San Jose

Cindy Chavez
Supervisor
County of Santa Clara

Jose Esteves
Mayor
City of Milpitas

Rose Herrera
Councilmember
City of San Jose

Sam Liccardo*
Councilmember
City of San Jose

Jamie Matthews
Mayor
City of Santa Clara

Donald Rocha
Councilmember
City of San Jose

Perry Woodward
Mayor Pro Tempore
City of Gilroy

Ken Yeager
Supervisor
County of Santa Clara

Board Member Alternates

Larry Carr
Councilmember
City of Morgan Hill

David Cortese*
Supervisor
County of Santa Clara

Johnny Khamis
Councilmember
City of San Jose

Chuck Page
Councilmember
City of Saratoga

Gail A. Price
Councilmember
City of Palo Alto

David Whittum
Councilmember
City of Sunnyvale

Ex Officio Board Member

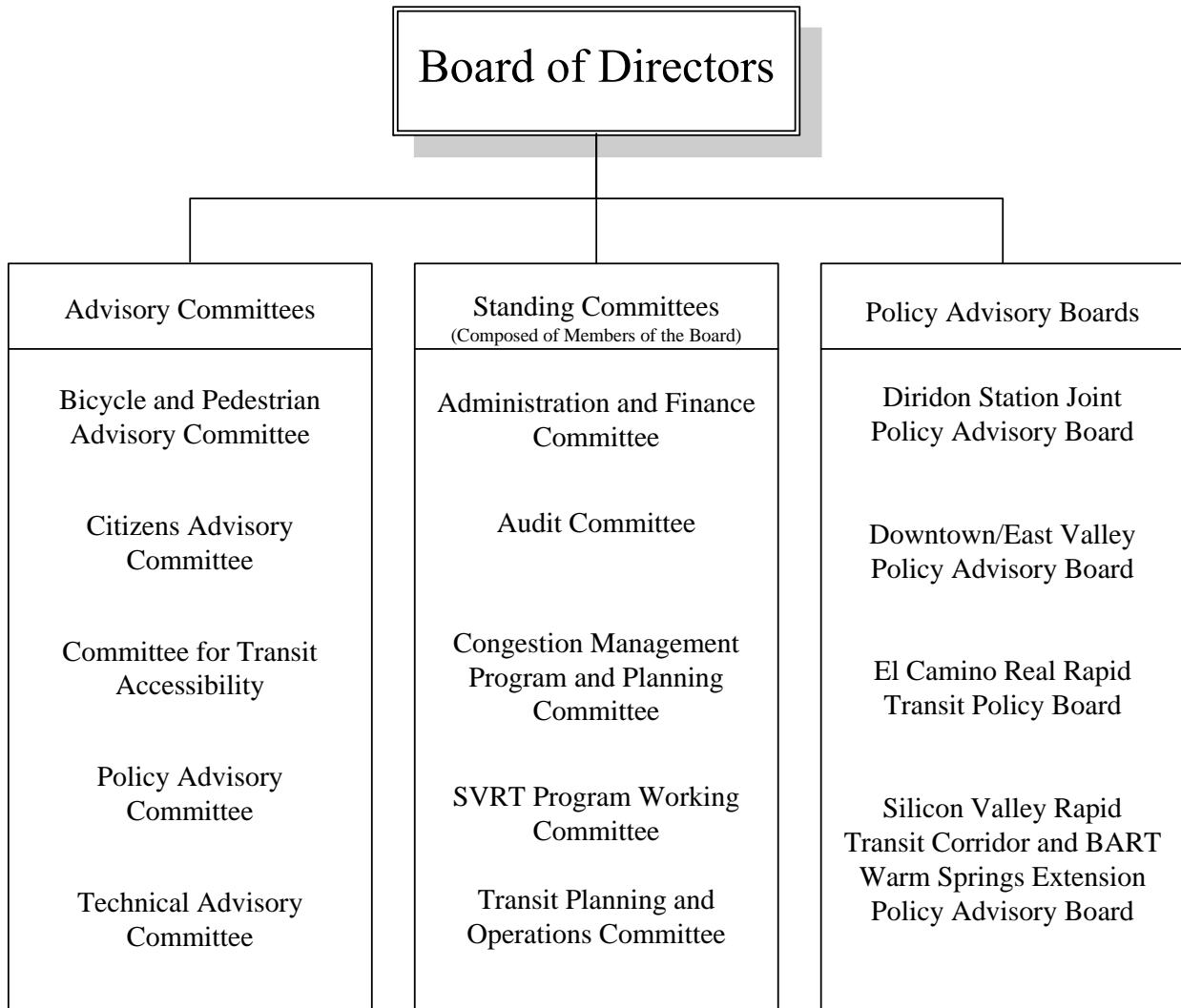
None

*David Cortese, Sam Liccardo, and Joe Pirzynski also serve on the Metropolitan Transportation Commission.

Board of Directors

Committee Structure

Given the range and complexity of policy issues they oversee, the VTA Board of Directors has established a set of committees to advise it on policy matters and to provide in-depth review of individual issues before the Board of Directors takes final action. The individual committees and their responsibilities are described on the following page.



Standing Committees

The Board Standing Committees meet once a month, with the exception of the Audit and Silicon Valley Rapid Transit (SVRT) Program Working Committees which meet quarterly, to review proposed policies. Committee recommendations are forwarded to the full Board of Directors for final approval. Each committee consists of four Board members who are nominated by the Chairperson and appointed by the Board for a term of one calendar year, except for the Chair of the Audit Committee whose term of appointment is two years. The general responsibilities of each individual committee are as follows:

Administration and Finance Committee

The Administration and Finance Committee reviews policy recommendations about the general administration of VTA including administrative policies and procedures, legislative affairs, human resources, and fiscal issues.

Audit Committee

The Audit Committee exercises the Board's fiduciary and oversight responsibilities, assuring the integrity of VTA's financial statements, compliance with legal and regulatory requirements, and an effective system of internal management and financial controls. The Audit Committee is responsible for selecting the Auditor General and approving the annual audit work plan, and recommends a public accounting firm to conduct the annual financial audit.

Congestion Management Program and Planning Committee

The Congestion Management Program and Planning Committee reviews policy recommendations about the Congestion Management Program and Countywide Transportation Plan including the integration of transportation and land-use planning, the programming of discretionary state and federal funds, and air-quality planning.

SVRT Program Working Committee

The SVRT Program Working Committee reviews policy recommendations pertaining to the activities and imminent issues of the Silicon Valley Rapid Transit (SVRT) Program.

Transit Planning and Operations Committee

The Transit Planning and Operations Committee reviews policy recommendations about transit planning, transit capital projects, transit operations, and marketing.

Advisory Committees

In addition to the Board Standing Committees, the VTA Board of Directors has established a group of advisory committees. These committees, which do not set VTA policy, review policies under development to ensure that they meet the needs of VTA's constituents: customers, elected officials, the business community, and others. These committees, which meet once a month except as noted, are described below.

Bicycle and Pedestrian Advisory Committee

The committee consists of 16 members representing each of the 15 cities and the County. This committee advises the Board on funding and planning issues for bicycle and pedestrian projects and serves as the countywide bicycle advisory committee for Santa Clara County.

Citizens Advisory Committee

The committee consists of 17 members representing business, labor, environmental, and other community groups with interest in transportation. The committee advises the Board on issues of interest to the committee's members and the communities they represent and serves as the oversight body for the 2000 Measure A Transit Improvement Program.

Committee for Transit Accessibility

The committee consists of 21 voting members and one ex officio, non-voting member. This committee's members include twelve persons with disabilities, nine representatives of human service agencies within the county, and one ex officio member who is an employee of VTA's paratransit broker. The committee advises the Board on bus and rail accessibility issues, paratransit service, public facilities and programs, and VTA's efforts to fully comply with the federal Americans with Disabilities Act (ADA). This committee meets quarterly.

Policy Advisory Committee

The committee consists of one city council member from each of the 15 cities and 1 member from the Santa Clara County Board of Supervisors. This committee advises the Board on policy issues, as well as the countywide transportation plan (Valley Transportation Plan-VTP 2035), the Short Range Transit Plan (SRTP), development of the biennial budget, and tariff and service modifications. This committee ensures that all jurisdictions within the county have access to the development of VTA's policies.

Technical Advisory Committee

The committee consists of 1 staff member (usually the Public Works Director or Planning Director) from each of the 15 cities, the County, and various other local government agencies. In addition, VTA and the California Department of Transportation may each appoint one ex officio and one alternate, non-voting member. The committee advises the Board on technical issues related to transportation.

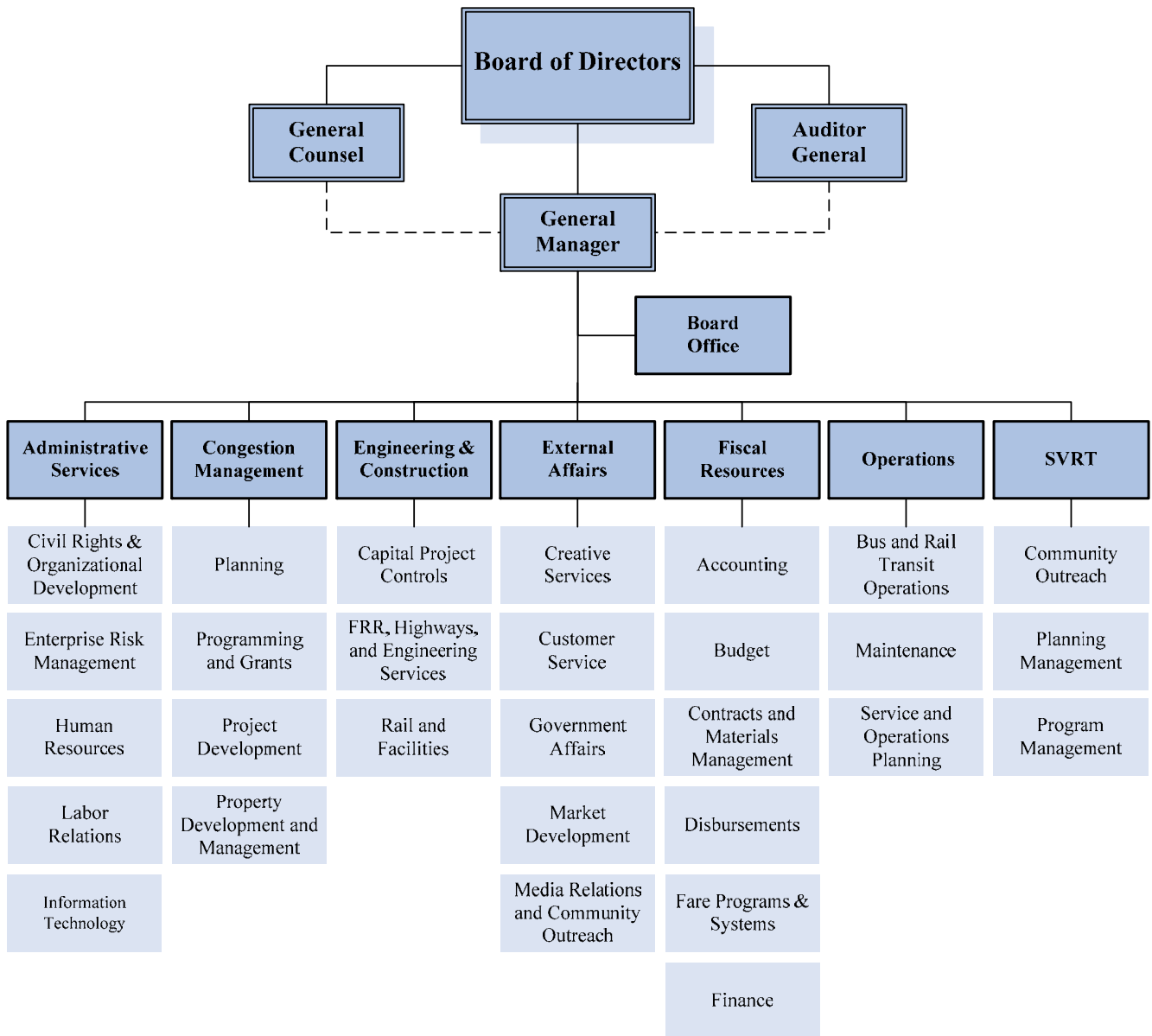
Transit Corridor Policy Advisory Boards

The purpose of these Policy Advisory Boards (PAB) is to ensure that the local jurisdictions affected by major transportation improvement projects are involved in planning, design, and construction. Each PAB consists of two Board members and other elected officials from jurisdictions within a particular corridor. There are currently four active PABs:

- Diridon Station Joint Policy Advisory Board
- Downtown/East Valley Policy Advisory Board
- El Camino Real Rapid Transit Policy Board
- Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension Policy Advisory Board

Organization Structure

VTA’s broad array of responsibilities and functions are organized into seven divisions as depicted in the organization chart below. With the same responsibilities of a President or Chief Executive Officer, VTA’s General Manager oversees and manages all facets of the organization under policy direction from the Board of Directors. While each division has distinct roles and responsibilities, they work collaboratively to deliver results through an Executive Management Team composed of the General Manager, General Counsel, and Division Chiefs. Additional information on each division and the offices of General Manager, General Counsel, and Auditor General can be found on pages 57-104.



Executive Management Team

Michael T. Burns
General Manager

Robert Fabela
General Counsel

Carolyn Gonot
Chief SVRT Program Officer

Greta Helm
Chief of External Affairs

Michael Hursh
Chief Operating Officer

Jim Lawson
Executive Policy Advisor

William Lopez
Chief Administrative Officer

Gary Miskell
Chief Information Officer

John Ristow
Chief Congestion Management Agency Officer

Mark S. Robinson
Chief Engineering & Construction Officer

Joseph T. Smith
Chief Financial Officer

Sandra Weymouth
Board Secretary

VTA Vision/Mission/Values

In 2008, VTA adopted new Mission and Vision statements and a set of values that support the vision and mission. Together, these elements represent a philosophical and structural transformation at VTA. They are designed to meet the evolving mobility needs of Santa Clara County and reflect current economic and environmental realities. The Vision, Mission and Values of VTA are presented below.

VTA Vision

VTA builds partnerships to deliver transportation solutions that meet the evolving mobility needs of Santa Clara County.

VTA Mission

VTA provides sustainable, accessible, community-focused transportation options that are innovative, environmentally responsible, and promote the vitality of our region.

VTA Values

Dependability
Quality – Sustainability
Safety – Integrity – Diversity
Accountability

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

VTA's values reflect what we believe and how we will behave. They guide the agency's decision-making and are applied to everything VTA does. Each value is represented by a value statement as follows:

Dependability

We provide services, and deliver projects, on schedule and within budget.

Quality

We ensure that the services we deliver, and projects that we build, are well designed and maintained to preserve the investment that has been made.

Sustainability

We design our services and projects to minimize the negative impacts on our environment, and in a way that can be maintained over time.

Safety

Our services are delivered in a way that promotes the health and safety of our employees and the public.

Integrity

We conduct our business in an ethical, honest, transparent manner.

Diversity

We value, respect and serve the unique needs of our community

Accountability

As stewards of the natural resources and tax revenues of the county, we take responsibility for our actions and honestly report our successes and challenges to stakeholders and the public.

VTA Strategic Plan Goals

Strategic goals are a fundamental component of any planning process as they provide a framework for the development of strategies to attain VTA's objectives. VTA's Strategic Plan is built on its vision, mission and values. The Authority has defined eight goals that, taken together, advance VTA's vision and mission.

- 1. Maintain Financial Stability:** VTA seeks to manage costs, maximize revenues and balance system expansion with maintenance of existing service.
- 2. Improve Mobility and Access:** VTA will invest resources and services in areas with greatest need to enhance the quality of life of all residents, including vulnerable populations. VTA will provide a selection of transportation modes to attract choice riders, as well as promote the economic vitality of our region.
- 3. Integrate Transportation and Land Use:** VTA will advance the principles and practices in the Community Design and Transportation Program and promote transit-oriented and pedestrian development in the County.
- 4. Enhance Customer Focus:** VTA will put customers first by providing safe, reliable, demand-driven service that reflects community input and promotes the benefits of transit.
- 5. Increase Employee Ownership:** VTA aims to offer professional development, advancement opportunities and reward personal investment to make VTA an employer of choice.
- 6. Build Ridership on Transit System:** Increase VTA's operating efficiency, reduce road congestion and promote sustainability.
- 7. Improve Relationships throughout the County:** Leverage resources, facilitate information sharing and tap expertise in private and public sector organizations.
- 8. Deliver on Capital Program:** Build projects that complement and enhance the core services within available resources.

Building on VTA's goals and objectives, each division has defined the strategies it will employ to ensure its efforts support the vision and mission. Division strategies are aligned with one or more goals as illustrated in the table on the next page. The strategic plan goals and division strategies also serve as the basis for the FY 2014 and FY 2015 division specific goals presented on pages 61-102.

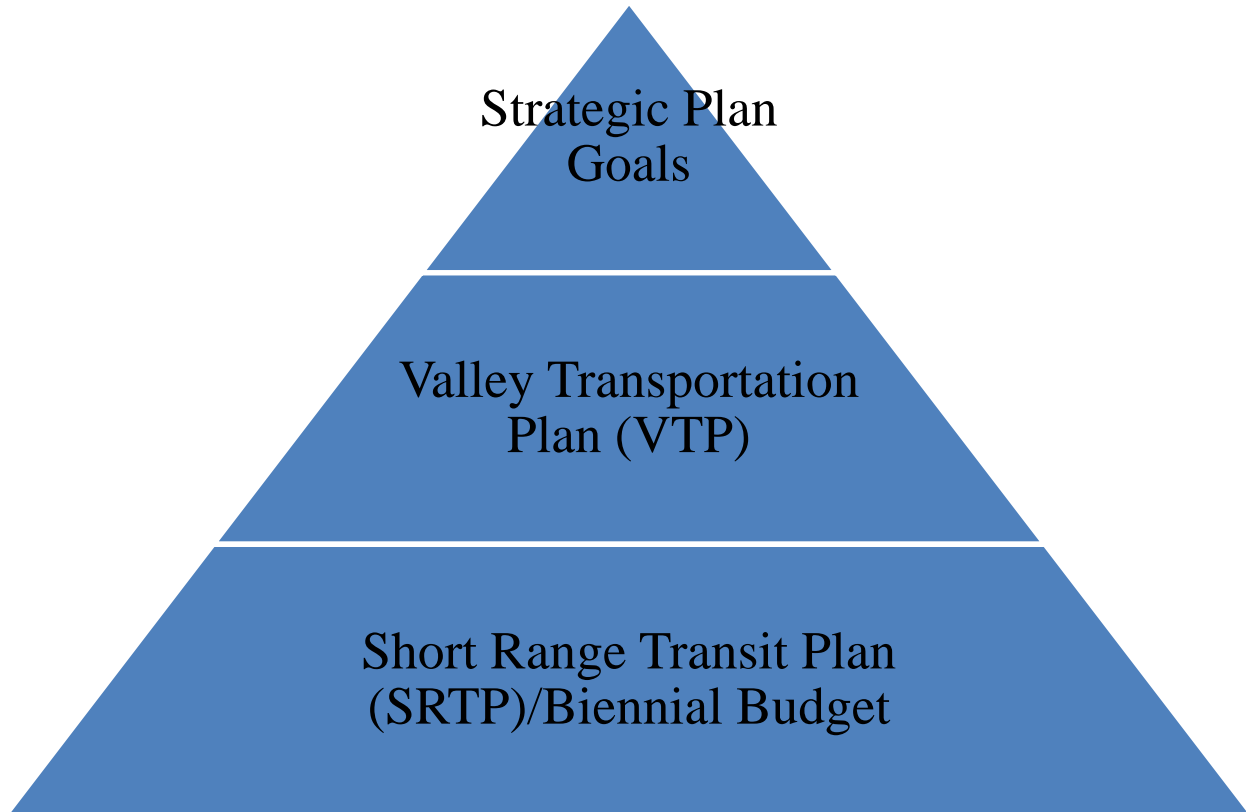
Division Strategies and Goals

Division	Strategies	Corresponding Strategic Goal ¹
Administrative Services	<ul style="list-style-type: none"> • Manage agency risk through risk identification, mitigation and prevention • Build human capital • Promote partnerships with represented and non-represented employees • Leverage technology to deliver agency services 	1,4,5,8
Congestion Management Agency	<ul style="list-style-type: none"> • Secure grants and leverage local contribution • Establish vision and path for transportation investments in Santa Clara County • Set up projects for success • Capture the value of VTA assets • Align division resources and future responsibilities and challenges 	1,2,3,4,5,6,7,8
Engineering and Construction	<ul style="list-style-type: none"> • Develop and implement a uniform project delivery model • Deliver projects (on time and within budget) • Develop comprehensive reporting structure on project and program status 	1,2,3,6,7,8
External Affairs	<ul style="list-style-type: none"> • Increase revenue • Manage division resources • Promote benefits of VTA services • Learn and share information about evolving mobility and accessibility needs • Promote importance of integrated land use and educate community • Improve communication with staff at all levels in VTA and solicit input in decision-making and planning efforts • Ensure response to and resolution of customer complaints 	1,2,3,4,5,6,7,8
Fiscal Resources	<ul style="list-style-type: none"> • Satisfy external financial reporting requirements • Develop and maintain financial planning tools • Prepare and disseminate information for agency financial decision-making • Manage financial transactions • Support development of new revenue sources • Provide procurement and contract management services that meet the needs of other division objectives • Manage agency risk through risk identification, mitigation and prevention 	1,5,8
Operations	<ul style="list-style-type: none"> • Maintain an effective and efficient annual service plan • Refine and expand application of performance tools • Factor operating and maintenance expenses into capital project planning • Manage division resources for greater efficiency and effectiveness • Improve system security • Upgrade Fleet Maintenance Management Program • Review paratransit service delivery 	1,2,4,5,6,7,8
Silicon Valley Rapid Transit (SVRT)	<ul style="list-style-type: none"> • Enter Federal New Starts process and position project for federal funding • Develop SVRT financial plan and seek funding revenues • Position SVRT project as a high priority at the local and regional levels • Build the SVRT Project Delivery Team 	1,2,3,6,7,8

¹ See goal list on previous page

Long-Range Planning

The strategic plan goals discussed on page 17 provide a framework for the development of VTA's long-term, mid-term, and near-term plans and budgets.



The Valley Transportation Plan (VTP) provides a long-range vision for transportation systems and services in Santa Clara County. The VTP identifies programs, projects, and policies over the lifetime of the plan to facilitate meeting the mission and vision of the organization. It connects projects and programs with anticipated funds and provides a framework for the development and maintenance of the transportation system over a 25-year horizon. It considers all travel modes and addresses the links between transportation systems, land use planning, air quality, energy use, and community livability.

The Short Range Transit Plan (SRTP) is a planning document that represents VTA's plan for transit service over a 10-year horizon. The SRTP illustrates a financially constrained projection of transit-related capital and operating expenses and revenues. Capital needs are guided largely by those identified in the long-term plan (VTP). A Financial Forecasting Model is used to identify the projected operating and capital expenditures as well as the forecasted revenues based on various economic and service level assumptions. The adopted two-year capital and operating budgets are used as the base years for the Financial Forecasting Model. The financial capacity identified by the Model determines the constraints on the plan.

Funded Programs

The Santa Clara Valley Transportation Authority (VTA) is an independent special district responsible for bus and light rail operation, regional commuter and inter-city rail service, paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. As such, VTA is both an accessible transit provider and a multi-modal transportation planning and implementation organization involved with transit, roadways, bikeways, and pedestrian facilities.

In December 1994, VTA was designated as the Congestion Management Agency and changed from being exclusively a transit provider to an organization responsible for countywide transportation planning, funding, and congestion management within the County. VTA, in partnership with the County of Santa Clara, assumed the responsibility for implementing the 1996 Measure B Transportation Improvement Program of transit and highway improvement projects. In addition, VTA is responsible for implementing the latest voter-approved transportation improvement measure – the 2000 Measure A Transit Improvement Program, an essential element of the Valley Transportation Plan (VTP 2035).

The FY 2014 and FY 2015 Adopted Biennial Budget consists of seven independent Funds, each corresponding to a specific program:

- VTA Transit
- 2000 Measure A Transit Improvement Program
- Congestion Management Program
- VTP Highway Improvement Program
- Joint Development Program
- Silicon Valley Express Lanes Program
- BART Operating Sales Tax Program

The General Manager may reallocate appropriations between budget types (e.g., operating or capital) and budget units (e.g., division, cost group, or project) within each Fund up to the limits of the Funds’ annual appropriation. Any net increase in authorized appropriations to any Fund requires an affirmative vote of at least eight Board members.

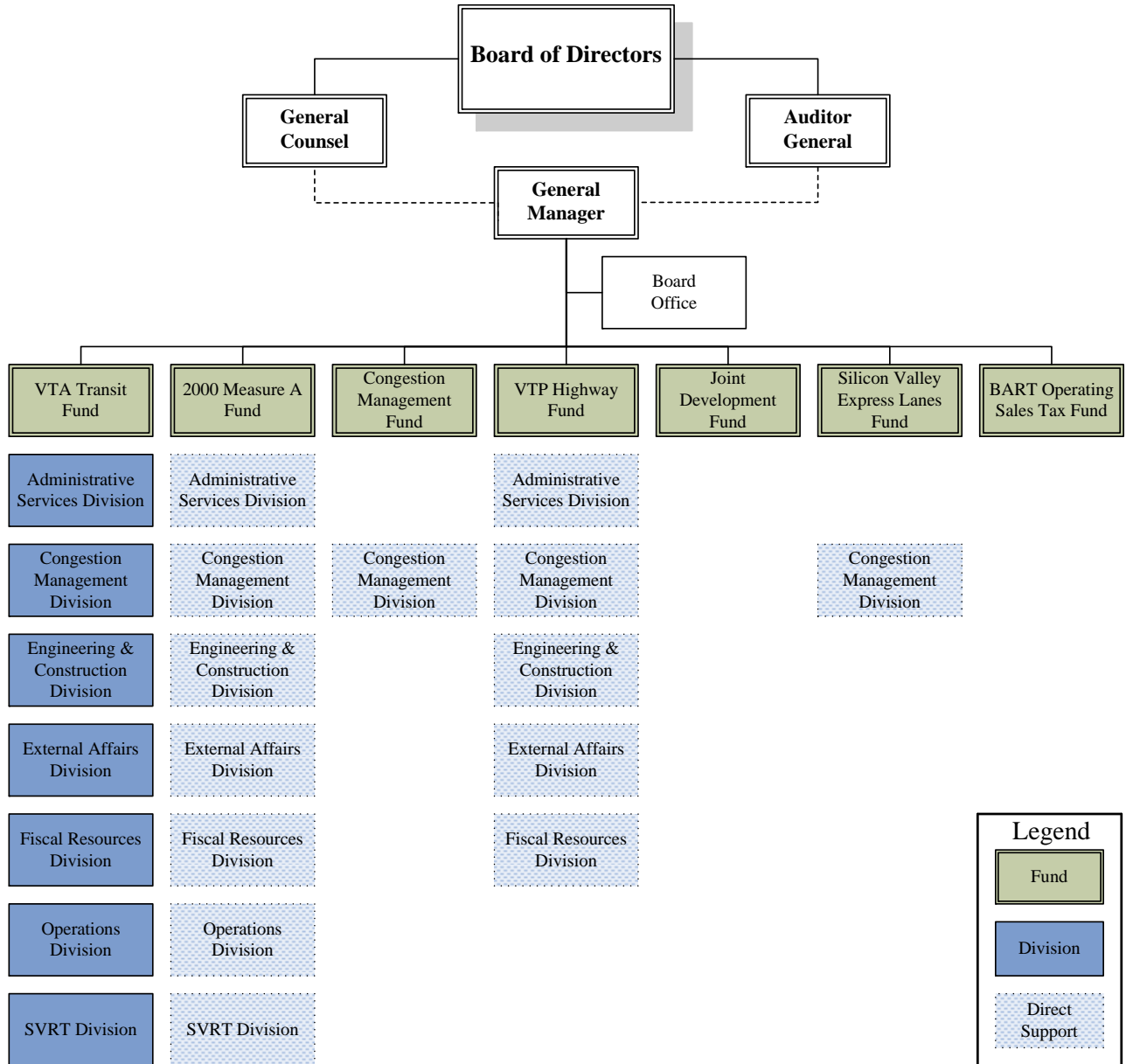
The seven appropriated Funds fall into two categories for accounting purposes: Enterprise funds and Governmental funds.

Enterprise Funds	Governmental Funds
<ul style="list-style-type: none"> • VTA Transit • 2000 Measure A Transit Improvement Program • Joint Development Program • Silicon Valley Express Lanes Program • BART Operating Sales Tax Program 	<ul style="list-style-type: none"> • Congestion Management Program • VTP Highway Improvement Program

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

The chart below depicts the relationship between the appropriated Funds and VTA’s current divisional structure. All VTA employees and divisions are reported in the VTA Transit Fund. The lightly shaded boxes illustrate divisions where one or more departments in that division directly support other Funds.

Appropriated Fund/Division Relationship



Below is a short description of each Program currently operated and administered by VTA.

VTA Transit

VTA Transit encompasses the operation of 69 bus routes and 3 light rail transit lines, 2 of which travel along the main trunk section between Tasman at the northern end and the Transit Mall in downtown San Jose for a portion of their route. In addition, VTA Transit funds paratransit and privately operated shuttle services in the County and participates in providing inter-regional commuter rail and express bus services.

Additional information and the Operating and Capital Budgets in support of this program can be found in Section 2 - VTA Transit.

2000 Measure A Transit Improvement Program

In August 2000, the VTA Board of Directors approved placing a ballot measure on the November 7, 2000 General Election ballot allowing Santa Clara County voters the opportunity to vote on transit improvements funded by a 30-year half-cent sales tax to take effect after the 1996 Measure B sales tax expired (March 31, 2006) in the county. More than 70% of the voters approved the 2000 Measure A Transit Improvement Program.

Additional information and the Operating and Capital Budgets in support of this program can be found in Section 3 - 2000 Measure A Transit Improvement Program.

Congestion Management Program (CMP)

VTA, as the Congestion Management Agency for Santa Clara County, is responsible for coordinating and prioritizing projects for state and federal transportation funds, administering the Transportation Fund for Clean Air Program, and coordinating land use and other transportation planning.

Additional information and the Operating Budget in support of this program can be found in Section 4 - Congestion Management Program.

VTP Highway Improvement Program

The Valley Transportation Plan (VTP) Highway Program includes projects from the currently approved long-range countywide transportation plan for Santa Clara County. The VTP provides a comprehensive planning framework for VTA's projects and programs. VTP 2035 is the current approved long-range Countywide Transportation Plan. Developed by VTA's Congestion Management Program and adopted in January 2009, projects must be included in the plan as a pre-requisite for eligibility to receive Federal, State, regional, and local discretionary fund

programming. VTP 2035 is currently being updated by CMP staff to become VTP 2040, which is planned for adoption in late 2013.

Additional information and the Capital Budget in support of this program can be found in Section 5 - VTP Highway Improvement Program.

1996 Measure B Transportation Improvement Program (MBTIP)

In November 1996, the voters in Santa Clara County approved Measure A, an advisory measure listing an ambitious program of transportation improvements for Santa Clara County. Also approved on the same ballot, Measure B authorized the County Board of Supervisors to collect a nine-year half-cent sales tax for general county purposes. Subsequently, the County Board of Supervisors adopted a resolution dedicating the tax for Measure A projects. Collection of the tax began in April 1997. The Measure B tax expired on March 31, 2006.

As this program is nearing completion, there is no additional appropriation for this Fund included in the FY 2014 and FY 2015 Adopted Biennial Budget.

Additional information on this program can be found in Appendix I.

Miscellaneous Programs

Joint Development Program

VTA has an extensive portfolio of real estate assets, many of which are presently underutilized. The Joint Development Program is responsible for managing the process by which development on these underutilized sites occurs.

Silicon Valley Express Lanes Program

The VTA Board of Directors approved the Silicon Valley Express Lanes Program (SVELP) on December 11, 2008. The SVELP has been undertaken to provide long-term mobility benefits and to provide another funding stream for transportation improvements.

BART Operating Sales Tax Program

On November 4, 2008, the voters of Santa Clara County approved 2008 Measure B. This 30-year eighth-cent sales and use tax is dedicated solely to providing the operating and maintenance expenses and capital reserve contribution for the Silicon Valley BART Extension. The tax commenced collection on July 1, 2012.

Additional information and the Operating and Capital Budgets in support of these programs can be found in Section 6 - Miscellaneous Programs.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Appropriation Summary¹
(Dollars in Thousands)

Fund	Fiscal Year 2014	Fiscal Year 2015
VTA Transit-Operating	380,162	398,846
VTA Transit-Capital	164,249	*
2000 Measure A Transit Improvement Program-Operating	90,149	92,823
2000 Measure A Transit Improvement Program-Capital	578,019	*
Congestion Management Program-Operating	5,256	5,074
VTP Highway Improvement Program-Capital	(109,493)	*
Joint Development Program-Operating	215	215
Joint Development Program-Capital	1,750	*
Silicon Valley Express Lanes Program-Operating	916	983
BART Operating Sales Tax Program-Operating	92	134

¹ Includes transfers between funds

* Total Appropriation for FY 2014 and FY 2015 reflected in FY 2014

Note: The Adopted Biennial Budget does not include appropriation for Fiduciary funds which are used to account for resources held for the benefit of parties outside VTA.

Operating Budget Development Process

The following process is used to develop the Operating Budget for all applicable Funds: VTA Transit, 2000 Measure A Transit Improvement Program, Congestion Management Program, Joint Development Program, Silicon Valley Express Lanes Program, and BART Operating Sales Tax Program.

Like VTA's audited financial statements, the biennial budget is developed using the accrual method of accounting. VTA's biennial budget is intended to reflect the business plan of the organization and as such is developed using a "service-level budgeting" approach. The Budget Department takes the first step in the development of the budget by reviewing prior processes for potential changes and improvements. Once this analysis has been completed, staff moves forward to develop a draft budget calendar which serves as a timeline guide through final budget adoption.

Staff then conducts a planning meeting with the General Manager to determine the overall message and strategy for the two-year budget including the identification of major assumptions to be used and the finalizing of the budget calendar. In addition, general budget assumption guidelines are reviewed with the Administration and Finance Committee.

A budget instruction packet is distributed including the above information along with detailed instructions and historical line item expense activity to be used by division budget coordinators and cost center managers in the development of their respective budgets. In addition, the budget timeline, process, assumptions, and General Manager's budget strategy are reviewed with executive level staff.

Initial budget requests from the divisions are reviewed by Budget Department staff for reasonableness, accuracy, completeness of information including reason for variance from prior periods, and conformity to the stated business plan or service level. Budget staff then meets with budget coordinators and/or cost center managers from each division to discuss questions or receive further clarification as needed. Upon completion of this initial review, the budget requests are returned to the divisions with Budget Department recommendations.

The divisions are then given an opportunity to review the Budget Department recommendations before submitting their final budget requests. Budget staff reviews the final budget request and adjusts their recommendations as appropriate, thus completing the Draft Budget. The Draft Budget is then reviewed by the Chief Financial Officer (CFO) and Deputy Director of Accounting and distributed to the division Chiefs in preparation for review with the General Manager.

Budget review meetings are scheduled to provide the General Manager an opportunity to review the budgets for each division one-on-one with executive management. Upon completion of this review process, the General Manager works with executive staff and the Budget Department to determine changes or recommendations to be included in the Draft Recommended Budget submitted to the Board of Directors.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Concurrent to the staff level budget development process, the CFO and General Manager present monthly updates to the Administration and Finance Committee and periodic updates to various Advisory Committees.

The Draft Recommended Budget is published and presented at a Board Budget Workshop for input from the Board of Directors and members of the public. Community meetings are also held at various locations throughout the county to receive additional public input and discuss the Draft Recommended Budget. In addition, the Draft Recommended Budget is presented to VTA's Standing and Advisory Committees to receive their input and discussion. The comments received at the community meetings, as well as the Standing and Advisory Committee meetings, are provided to the Board for their review prior to adoption of the budget.

The Final Recommended Budget is presented to the Board for adoption at the regularly scheduled board meeting in June. Board adoption of the budget specifically authorizes the appropriation of funds. This appropriation is the legal authority to spend or otherwise commit VTA's resources. While VTA adopts a biennial budget, each fiscal year is independently appropriated and operating appropriations expire at the end of the fiscal year.



Downtown San Jose Station

Operating Budget Calendar

Date	Activity
August 1-15, 2012	Review and analyze prior operating budget processes
October 10, 2012	Planning/Strategy session with General Manager
October 16, 2012	Review budget calendar, process and GM's budget strategy with executive management
October 23, 2012	Review budget calendar, process and GM's budget strategy with division Budget Coordinators
November 16, 2012	Issue FY 2014 & FY 2015 budget instructions
December 21, 2012	Initial budget requests due to Budget Department
December 24, 2012- January 11, 2013	Review meetings with Budget Department, division Budget Coordinators and Cost Center Managers as needed
January 15, 2013	Budget Department returns budget requests to divisions with recommendations
January 16-17, 2013	Advisory Committee review of budget assumption guidelines
January 23, 2013	Final budget requests due to Budget Department
January 24, 2013	Administration & Finance Committee review of budget assumption guidelines
February 7, 2013	Board of Directors review of budget assumption guidelines
February 11-14, 2013	Draft Budget reviewed with CFO and Deputy Director of Accounting
February 15, 2013	Draft Budget distributed to General Manager and executive management
February 22-March 1, 2013	General Manager, executive management, and budget department staff meet to review and discuss Draft Budget
March 6-April 10, 2013	Draft Recommended Budget finalized

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Date	Activity
April 12, 2013	Draft Recommended Budget distributed to Board and available to public
April 19, 2013	Board Budget Workshop
May 1-7, 2013	Recommended Budget presented at community meetings
May 8, 2013	Recommended Budget presented to Joint Advisory Committee Workshop
May 23, 2013	Recommended Budget presented to Standing Committees
June 6, 2013	Final Recommended Budget adopted by VTA Board of Directors



Hybrid Diesel/Electric Buses

Capital Budget Development Process

Approximately 11 months prior to the start of the Biennial Budget, the Budget Department issues a call for projects to all divisions for VTA capital programs: VTA Transit, 2000 Measure A Transit Improvement Program, VTP Highway Improvement Program, and Joint Development Program.

The divisions determine which projects to submit based on a variety of factors. The Regional Transit Capital Inventory (RTCI) is used extensively to determine which assets are due for rehabilitation or replacement during the next two-year budget cycle. The RTCI is a spreadsheet that provides information on each asset and sub-asset including age, expected life-cycle, and recommended rehabilitations required per life-cycle. In addition, regular asset inspections and specific needs assessments help to identify potential projects. Project managers are encouraged to work with staff in other divisions, consultants, or other sources to develop scopes of work and cost estimates for submitted projects.

Requests for new projects or augmentations to existing project budgets are submitted using a Capital Project Request Form which includes the following information to assist in project prioritization: project description, project cost, project justification, impact of deferring the project, and impact of downsizing the scope of the project.

Once the Capital Project Request Forms are received, requests are reviewed by Budget Department staff for completeness and any outstanding questions or issues are resolved with the respective submitting department. The VTA Transit Capital Project Request Forms are reviewed with the Grants Department to determine potential grant eligibility. In addition, any newly requested 2000 Measure A Transit Improvement Program projects are reviewed with General Counsel to confirm they are eligible for 2000 Measure A funding.

The completed Capital Project Request Forms are then forwarded to the Capital Improvement Program Working Group (CIPWG) for review. CIPWG is a staff-level committee formed to centralize VTA's capital project request process and consists of two representatives per VTA division appointed by the respective Division Chief. CIPWG is charged with rating the VTA Transit Capital Projects against established evaluation criteria. The criteria, which were established in February 2011, use a weighted scale to rank projects on the following characteristics: transit system preservation; transit system improvements; increases ridership; enhances safety and security; environmental sustainability; and cost impact. Once the VTA Transit Capital Projects have been rated by the CIPWG members, the ratings are consolidated and the projects are ranked by their respective scores.

CIPWG's VTA Transit project rankings and the Capital Project Request Forms for projects from all four programs are then forwarded to the Capital Improvement Program Oversight Committee (CIPOC) for review. CIPOC, which is composed of the Division Chiefs and a representative of the General Manager, is responsible for matching the VTA Transit requested projects with available levels of grant and local funding. The purpose of CIPOC's analysis is to develop a cohesive and comprehensive capital improvement program recommendation to the General Manager.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

CIPOC's recommended VTA Transit projects as well as the projects submitted for the other three capital programs are reviewed with the General Manager. Upon completion of this review process, the Budget Department staff works with executive management and the General Manager to determine changes or additions to the respective capital program budgets. Once the recommended capital programs have been finalized, Budget Department staff incorporates the projects into the Draft Recommended Budget document by including general information about each project, funding sources for each project, and operating cost impacts.

The Draft Recommended Budget is published and presented at a Board Budget Workshop for input from the Board of Directors and members of the public. Community meetings are also held at various locations throughout the County to receive additional public input and discuss the Draft Recommended Budget. In addition, the Draft Recommended Budget is presented to VTA's Standing and Advisory Committees to receive their input and discussion. The comments received at the community meetings, as well as the Standing and Advisory Committee meetings, are provided to the Board for their review prior to adoption of the budget.

The Final Recommended budget is presented to the Board for adoption at the regularly scheduled board meeting in June. Board adoption of the budget specifically authorizes the appropriation of funds. This appropriation is the legal authority to spend or otherwise commit VTA's resources. Capital appropriations, with the exception of the VTA Transit Capital Contingency, do not expire and are carried forward until the project is completed. Appropriation for the VTA Transit Capital Contingency expires at the end of the two-year budget cycle.



Great Mall Transit Center

Capital Budget Calendar

Date	Activity
July 15-20, 2012	Review and analyze prior capital budget processes
July 25, 2012	Issue capital call for projects
August 31, 2012	Capital project requests due
September 4-11, 2012	Capital project request submittals reviewed by Grants and Budget Departments
September 17-28, 2012	CIPWG rates VTA Transit project submittals using established evaluation guidelines
October 5, 2012	CIPWG reviews consolidated project scores and rankings for VTA Transit projects
October 10, 2012	Budget & Grants Managers prepare preliminary estimate of available funds (grants & local)
October 19, 2012	CIPOC reviews CIPWG VTA Transit project priority rankings and finalizes recommended capital budget for all programs
November 8-9, 2012	General Manager and CIPOC members review recommended capital budgets
March 6, 2013	VTA Transit, 2000 Measure A, VTP Highway, and Joint Development Program capital budgets finalized
April 12, 2013	Draft Recommended Budget distributed to Board and available to public
April 19, 2013	Board Budget Workshop
May 1-7, 2013	Recommended Budget presented at community meetings
May 8, 2013	Recommended Budget presented to Joint Advisory Committee Workshop
May 23, 2013	Recommended Budget presented to Standing Committees
June 6, 2013	Final Recommended Budget adopted by VTA Board of Directors

Budget Amendment & Transfer Process

Budget Amendment

Definition:

Any increase to the Board authorized appropriation limit thereby allowing greater spending or commitment of resources than previously established by the Board.

Application:

From time to time, circumstances change requiring additional spending authority. Regardless if these changes are accompanied by additional resources, the adopted appropriation limit may not be exceeded without authorization from the Board. The adopted appropriation limit is the total of all expenditures for a specific fund as approved by the Board and specified via the budget resolution.

Authority Required:

Per the VTA Administrative Code, only the VTA Board of Directors can authorize a budget amendment and that authorization requires an affirmative vote by at least eight Board members.

Budget Transfer

Definition:

To move line item or project spending authority without increasing the Board authorized appropriation limit including those limits placed on specific funds.

Application:

From time to time, circumstances change wherein total spending authority remains intact; however, individual line item or project costs change. Regardless if these changes are accompanied by additional resources, a budget transfer may be necessary to appropriately and accurately reflect cost.

Authority Required:

The General Manager or his/her designee may authorize budget transfers between budget types (e.g., operating and capital budgets) and budget units (e.g., division, cost group, or project) within those Funds specified in the budget resolution. Division Chiefs may authorize budget transfers between non-labor line items within their respective divisions so long as they do not exceed the appropriated budget for said division.

Resolution No. 2013.06.14

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
ADOPTING A BIENNIAL BUDGET OF VTA
FOR THE PERIOD JULY 1, 2013 THROUGH JUNE 30, 2015
(FY 2014 AND FY 2015)**

WHEREAS:

1. Section 100071(b) of the California Public Utilities Code requires the Board of Directors to adopt an annual budget for VTA.
2. Pursuant to Section 11-2(d) of the VTA Administrative Code, the General Manager has proposed that the Board of Directors adopt a biennial (two-year) budget.
3. The Board of Directors desires to adopt a biennial budget for the period July 1, 2013 through June 30, 2015 (FY 2014 and FY 2015).
4. Pursuant to Section 11-2(a) of the VTA Administrative Code the General Manager presented the FY 2014 and FY 2015 Recommended Budget to the Board of Directors, and mailed a copy to each City Manager in the County of Santa Clara, and to the County Executive prior to May 15, 2013.
5. The Recommended Budget was reviewed by the Administration and Finance Committee on May 23, 2013, and by the Board of Directors on April 19 and June 6, 2013, and at public meetings conducted throughout the County.
6. The Recommended Budget includes all administrative, operational and capital expenses for the Congestion Management Program together with the apportionment of Congestion Management Program expenses by levy against the Managing Agency and each Member Agency to the extent necessary to fund the Congestion Management Program.
7. A list of employee position classifications and pay ranges is included in the recommended budget, and the amount of funds budgeted for wages, salaries and benefits for FY 2014 and FY 2015 is based upon VTA's position classification and pay ranges and is set forth in the Statement of Revenues and Expenses in the Recommended Budget.
8. The General Manager proposes an Operating Budget for the VTA Transit Fund for FY 2014 in the amount of \$380,162,150 and for FY 2015 in the amount of \$398,846,030.
9. The General Manager proposes a Capital Budget for the VTA Transit Fund for FY 2014 in the amount of \$164,249,400.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

10. The General Manager proposes an Operating Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2014 in the amount of \$90,149,360 and for FY 2015 in the amount of \$92,823,220.
11. The General Manager proposes a Capital Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2014 in the amount of \$578,019,200.
12. The General Manager proposes an Operating Budget for the Congestion Management Program Fund for FY 2014 in the amount of \$5,256,460 and for FY 2015 in the amount of \$5,073,840.
13. The General Manager proposes a Capital Budget reduction for the VTP Highway Improvement Program Fund for FY 2014 in the amount of (\$109,493,000).
14. The General Manager proposes an Operating Budget for the Joint Development Program Fund for FY 2014 in the amount of \$215,000 and for FY 2015 in the amount of \$215,000.
15. The General Manager proposes a Capital Budget for the Joint Development Program Fund for FY 2014 in the amount of \$1,750,000.
16. The General Manager proposes an Operating Budget for the Silicon Valley Express Lanes Program Fund for FY 2014 in the amount of \$916,100 and for FY 2015 in the amount of \$983,100.
17. The General Manager proposes an Operating Budget for the BART Operating Sales Tax Program Fund for FY 2014 in the amount of \$91,860 and for FY 2015 in the amount of \$134,325.
18. The General Counsel, pursuant to Section 6-2 of the VTA Administrative Code has prepared and recommended a Budget for the Office of General Counsel for FY 2014 and for FY 2015.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Transportation Authority that:

1. The Recommended Biennial Budget for the Santa Clara Valley Transportation Authority (incorporated herein as though set forth at length), is hereby revised as stated in the attached Board Memorandum and adopted as VTA's budget for FY 2014 and FY 2015.
2. Effective July 1, 2013, positions may be authorized and filled, as required, by the General Manager and General Counsel, as appropriate, provided that total VTA-wide budget is not exceeded.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

3. As necessary for efficient administration, position classifications may be added, modified, or deleted and salary ranges adjusted with the approval of the General Manager or General Counsel, as appropriate, provided that the changes are in accordance with applicable VTA personnel policies and procedures and are consistent with pay practices in the transportation industry. Such changes shall include pay and classification adjustments arising from agreements between VTA and its recognized labor organizations.
4. Capital appropriations, which are not expended during the fiscal year, shall carry over to successive fiscal years until the projects are completed or otherwise terminated.
5. The locally funded portion of the VTA Transit Fund capital appropriation carry over shall be set-aside as a designation of Unrestricted Net Assets in the Comprehensive Annual Financial Report.
6. The budget shall consist of seven Funds: the VTA Transit Fund, the 2000 Measure A Transit Improvement Program Fund, the Congestion Management Program Fund, the VTP Highway Improvement Program Fund, the Joint Development Program Fund, the Silicon Valley Express Lanes Program Fund, and the BART Operating Sales Tax Program Fund. The General Manager may reallocate appropriations between budget types and budget units within each Fund up to the limits of each Fund's annual appropriation. Any net increase in authorized appropriations to any Fund (including an allocation from reserves) shall require an affirmative vote of at least eight Directors.
7. The Recommended Assessments of member agencies for the Congestion Management Program are hereby approved.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 6, 2013 by the following vote:

AYES: ABE-KOGA, CAMPOS, ESTEVES, HERRERA, KALRA, KHAMIS, LICCARDO, MATTHEWS
PIRZYNSKI, WOODWARD, YEAGER

NOES: NONE


ABSENT: NONE


Joe Pirzynski, Chairperson
Board of Directors

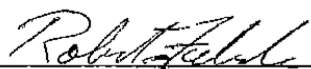
VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of a majority of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Date: June 6, 2013


Sandra Weymouth, Secretary
Board of Directors

APPROVED AS TO FORM:


Robert Fabela
General Counsel

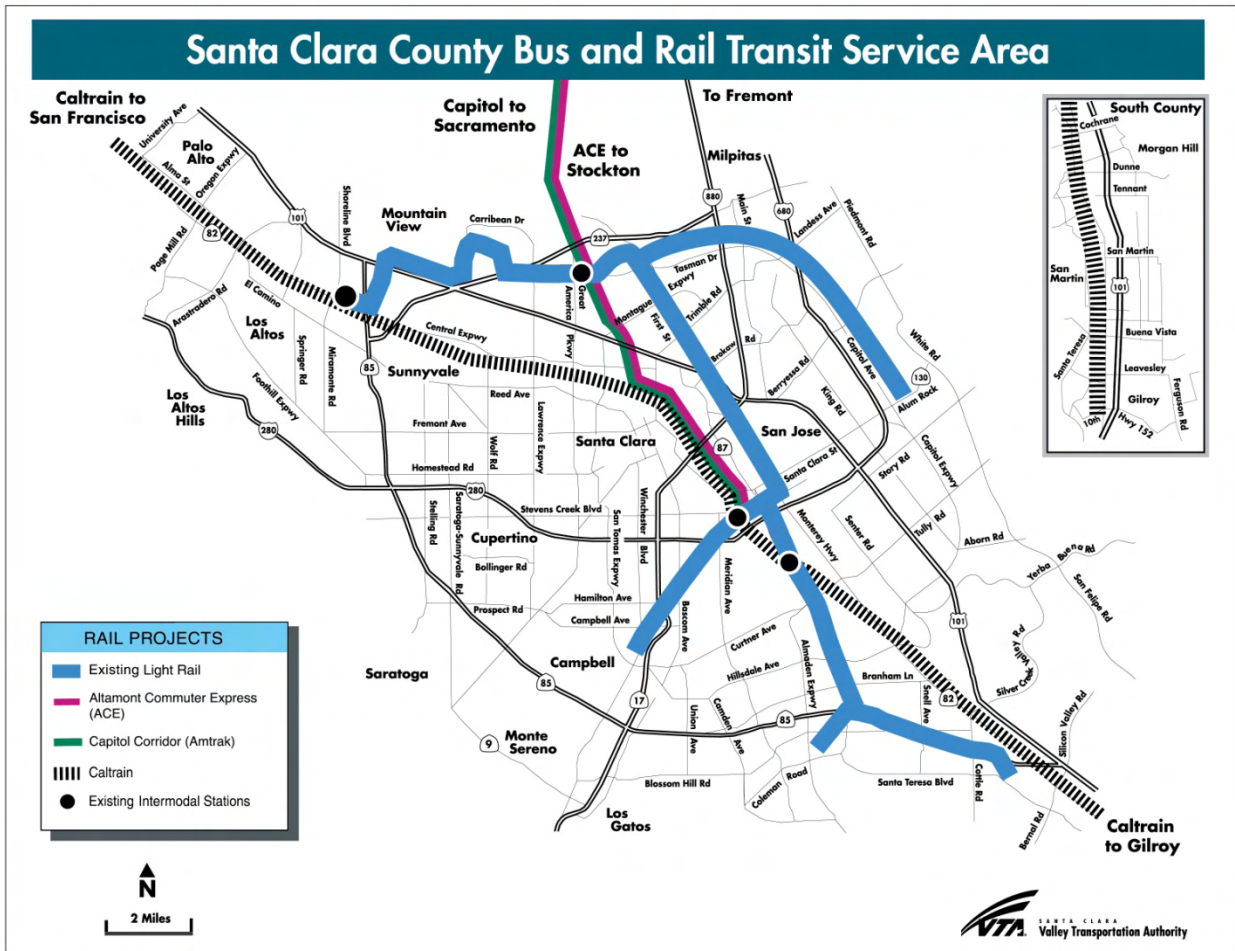
SECTION 2
VTA TRANSIT



VTA Transit Operating

Overview

VTA Transit encompasses the operation of 69 bus routes and 3 light rail transit lines, 2 of which travel along the main trunk section between Tasman at the northern end and the Transit Mall in downtown San Jose for a portion of their route. In addition, VTA Transit funds paratransit and privately operated shuttle services in the County and participates in providing inter-regional commuter rail and express bus services.



Bus Operations

VTA has an active bus fleet of 426 buses. VTA’s bus fleet varies in size and configuration based on service requirements. Overall 319 buses are low floor standard buses, 62 are high floor standard buses, and 45 are high floor 28-foot gas powered community buses. Of the 381 standard buses, 40 are 60-foot articulated diesel powered buses used on high demand routes such as Line 22 and Rapid 522, and 341 are 40-foot buses. All standard buses are diesel powered with the 90 newest buses being hybrid diesel-electric powered. The average age of the active fleet is 9.4

years. There are approximately 3,800 bus stops and 800 shelters along the bus routes. VTA also maintains 10 bus park & ride lots. Buses are operated and maintained from three operating divisions and an Overhaul and Repair (O&R) facility: Cerone Operating Division, Don Pedro Chaboya Operating Division, North Operating Division, and Cerone O&R Division.

Light Rail Transit (LRT)

VTA operates a 42-mile LRT system connecting the Silicon Valley industrial areas of Mountain View, Sunnyvale, Santa Clara, North San Jose and Milpitas to residential areas in East and South San Jose and Campbell. The LRT system has a total of 62 stations and 21 park & ride lots. It operates on three alignments: service between Santa Teresa in South San Jose and Alum Rock in East San Jose, service between downtown Mountain View and the Winchester Station in Campbell, and shuttle service between the Almaden and Ohlone-Chynoweth Stations in South San Jose. A fleet of 99 Kinkisharyo low floor light rail vehicles, stored and maintained at the Guadalupe Operating Division near downtown San Jose, are used to operate these three rail lines.

Paratransit Services

VTA implemented a paratransit brokerage system in 1993, which operates throughout the service area. Paratransit service is a specialized form of transportation operated for persons with disabilities who cannot use fixed route public transit service. As an operator of bus and light rail service, the Authority is required under the Americans with Disabilities Act to ensure that paratransit service is provided to eligible individuals with disabilities. The level of service provided must be comparable, in terms of hours of service and area served, to the service provided by the bus and light rail system. The Authority does not directly provide paratransit service but contracts with Outreach and Escort, Inc. (OUTREACH), a paratransit broker. OUTREACH determines and certifies qualified individuals for paratransit eligibility, receives and schedules trip requests, builds vehicle manifests, and contracts for services with taxi, sedan, and accessible van service providers.

Contracted and Interagency Transit Services

VTA is also a partner in various ventures that expand the transportation options for our customers. These relationships include commuter rail, inter-county express bus lines, and rail feeder services. They are operated either by contract or through cooperative agreements. The following is a description of these services:

Caltrain

Caltrain is a commuter rail service, provided by the Peninsula Corridor Joint Powers Board (PCJPB), which is composed of three member agencies: VTA, the San Mateo County Transit District (SamTrans) and the City and County of San Francisco. VTA provides funding for a portion of the operating and capital costs of the Caltrain commuter rail service. Eighty-six trains (including 22 Baby Bullet Express trains) operate between San Jose Diridon Station and San Francisco each weekday, with 40 of these trains extended to the Tamien Station in San Jose where a connection can be made to the LRT System. Connection to the LRT System can also be made at the San Jose Diridon and Mountain View Caltrain Stations. Six peak-hour weekday trains extend south of Tamien station to Gilroy. Hourly weekend service (36 Saturday trains and 32 Sunday trains) and 4 Baby Bullet Express trains each day are operated between San Jose Diridon Station and San Francisco. There are 31 stations along the line of which 15 are located in Santa Clara County. Funding of operating costs is

apportioned to each member agency of the PCJPB and is based upon an average weekday passenger count by county conducted in February each year. SamTrans manages the service.

Altamont Commuter Express

The Altamont Commuter Express (ACE) is administered and funded under a cooperative agreement among VTA, the Alameda County Congestion Management Agency and the San Joaquin Regional Rail Commission (SJRRRC). ACE provides four peak hour round trips on weekdays from the Central Valley to Santa Clara County. Stations along the 85-mile route are located in Stockton, Lathrop, Tracy, Livermore (2), Pleasanton, Fremont, Santa Clara (2), and San Jose. The service operates on tracks owned by the Union Pacific railroad. ACE service began in October 1998. SJRRRC is the owner, operator, and policymaking body for ACE service.

VTA also provides eight free shuttles to transport ACE riders from the Great America Station in Santa Clara to destinations throughout the Silicon Valley. These shuttles are funded by a grant from the Bay Area Air Quality Management District and ACE. Pursuant to the ACE agreement, funding of operating costs is based on Fiscal Year 2003 contributions, escalated annually by consumer price index increases.

Capitol Corridor Intercity Rail Service

VTA is also a member of the Capitol Corridor Joint Powers Authority (Capitol Corridor JPA) that provides Capitol Corridor Intercity Rail Service, which runs 30 week-day trains between Sacramento and Oakland, with 15 continuing to San Jose. Stops are located at stations in Auburn, Rocklin, Roseville, Sacramento, Davis, Suisun/Fairfield, Martinez, Richmond, Berkeley, Emeryville, Oakland (2), Hayward, Fremont, Santa Clara (2) and San Jose. The Capitol Corridor JPA is composed of VTA, the Sacramento Regional Transit District, the Placer County Transportation Planning Agency, the Congestion Management Agencies of Solano and Yolo Counties, and the San Francisco Bay Area Rapid Transit District (BART). Under contract with the Capitol Corridor JPA, BART manages the service and Amtrak operates the service on tracks owned by Union Pacific Railroad. Funding is provided by the State of California.

Inter-County Bus Services

VTA sponsors three inter-county bus services through cooperative arrangements with other transit systems:

1. The Dumbarton Express is a transbay express bus route operating between the Union City BART station and Stanford Research Park in Palo Alto. The service is administered and governed by the Alameda-Contra Costa Transit District (AC Transit) with oversight by the Dumbarton Bridge Regional Operations Consortium, comprised of AC Transit, BART, Union City Transit, SamTrans, and VTA. The service is operated and maintained by MV Transportation and is funded by Regional Measure 2.
2. The Highway 17 Express, operating between Santa Cruz, Scotts Valley, and downtown San Jose, is an inter-county bus service operated through a cooperative arrangement between VTA, the Santa Cruz Metropolitan Transit District (METRO),

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the Capital Corridor JPA, and Caltrans. VTA and METRO share the majority of weekday net operating costs equally. The Capital Corridor JPA and Caltrans provide funding for weekend and holiday service and for certain weekday trips. The service is managed and operated by METRO.

3. The Monterey-San Jose Express operates daily from Monterey to San Jose with three round trips, covering commute times in the morning, mid-day, and evening. The service provides passengers with transfers to and from Capitol Corridor trains that operate between San Jose-Oakland-Sacramento, Caltrain, and VTA's bus and light rail services. The service originates in downtown Monterey with other stops in Monterey County before stopping at the Gilroy Caltrain Station, Morgan Hill Caltrain Station, San Jose State University, downtown San Jose and the San Jose Diridon Station. The Monterey-San Jose Express is a partnership of Monterey-Salinas Transit (MST), the Capitol Corridor JPA, and VTA. MST operates and maintains the service.

Light Rail Shuttles

VTA offers financial assistance to employers and entities that wish to operate shuttle bus service between light rail stations and nearby employment/activity centers. The service is operated through a contractor provided by the sponsoring agency. Funding to operate this program is provided by the sponsoring agency, VTA, and grants from the Bay Area Air Quality Management District's Transportation Fund for Clean Air Program.

San Jose Airport Flyer

VTA, in partnership with the City of San Jose, provides free Airport Flyer bus service connecting the Norman Y. Mineta San Jose International Airport terminals and airport employee parking lots with the Authority's Metro/Airport Light Rail Station and the Santa Clara Caltrain Station. VTA operates and funds this service and the City of San Jose provides some operating subsidy each year.

Downtown Area Shuttle (DASH)

VTA, in partnership with San Jose State University, provides free shuttle bus service connecting the Diridon Caltrain Station, Downtown San Jose, and San Jose State University. VTA operates and funds this service in conjunction with San Jose State University and grants from the Bay Area Air Quality Management District's Transportation Fund for Clean Air Program.

VTA Transit

Operating Budget Assumptions

In order to facilitate the preparation of the FY 2014 and FY 2015 Biennial Budget, several major assumptions relating to the economy, revenues, service levels, and other factors that affect costs were utilized. In addition to the general assumptions listed below, the biennial budget was developed using the “Guidance on Operating Expenditure Priorities, Key Financial Principles, and Deficit Reduction Targets” developed by the Ad Hoc Financial Recovery Committee and approved by the Board of Directors. Additional information on the Ad Hoc Financial Recovery Committee and the priorities, principles, and targets can be found in Appendix B.

Service Levels

In conjunction with the budget development, VTA also prepares a Transit Service Plan that outlines service levels and specific route improvements, reductions, and modifications that will be made over the two years. The service plan undergoes public review and comment, including community meetings, before being presented to the VTA Board of Directors for approval. Overall, as shown in the table on the following page, small net service level increases are being proposed to facilitate modest yet important improvements to the transit system. One aspect of the plan is to reallocate low-performing service and improve service in areas where there are higher ridership demands.

For Fiscal Year 2015, VTA is also planning bus and light rail service improvements for the new Levi’s Stadium in Santa Clara to serve 49ers games and other major and minor events throughout the year (see Special Event Service discussion below).

The Annual Transit Service Plan proposes significant bus service changes for both Fiscal Years 2014 and 2015. These changes are made on a quarterly basis in January, April, July and October. The major bus service changes to be implemented over the two years include:

- Improve service to several community colleges including a major extension of Community Bus 42 to Evergreen College.
- Increase service on Limited Line 323 and Rapid 522.
- Routing changes on Community Bus Line 32 and Line 81 to improve ridership.
- Extend weeknight DASH service to improve connections with Caltrain and San Jose State night classes.
- Add midday Line 58 service to North San Jose and Alviso.
- Add trips on many Express Lines due to ridership demand.
- Use new vehicles on Express Lines 101, 104 and 168.
- Combine Express 183 with Express 180 in lieu of discontinuing Line 183.
- Discontinue Community Bus Line 17 and Line 37 (Saturdays) due to low ridership.
- Add vehicles to several routes to accommodate increased running times and improve on-time performance.

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Light rail service will not be modified in any major way during the two year period except for services to events at the new stadium in Santa Clara. Numerous other minor improvements, modifications, and reductions for both bus and light rail are proposed as described in the Annual Transit Service Plan.

Special Event Service

Annually VTA provides additional light rail and bus service to support ridership to major events throughout the county. Some of these events occur one time per year, while sporting events occur numerous times during their season. Most special events require supplemental light rail service to meet ridership demand. Only a few events, primarily Stanford football games, require VTA to add more bus service.

The new Levi’s Stadium in Santa Clara is planned to open in August 2014. This facility with a capacity of 68,500 will provide considerable challenges to VTA to provide successful transit service. Its large capacity coupled with the possibility for many events will provide incredible opportunities for new passengers to try VTA’s service. VTA staff is already working closely with the City of Santa Clara and the San Francisco 49ers to develop a successful transit plan.

The table below shows a comparison of service miles and hours for bus and light rail.

Service Levels
(In Thousands)

	FY12 Actual	FY13 Adopted Budget	FY13 Actual	FY14 Adopted Budget	FY15 Adopted Budget
Service Miles					
Bus	17,046	17,227	17,438	18,056	18,511
Light Rail Train	2,209	2,214	2,198	2,205	2,223
Total Service Miles	19,255	19,441	19,636	20,261	20,734
% change		0.97%	1.00%	3.19%	2.33%
LR Car Miles					
	3,317	3,333	3,451	3,439	3,503
% change		0.47%	3.53%	-0.33%	1.84%
Service Hours					
Bus	1,293	1,305	1,281	1,376	1,408
Light Rail Train	148	148	148	150	152
Total Service Hours	1,440	1,453	1,428	1,526	1,559
% change		0.87%	-1.70%	6.86%	2.18%
LR Car Hours					
	210	207	215	218	223
% change		-1.55%	3.68%	1.36%	2.56%

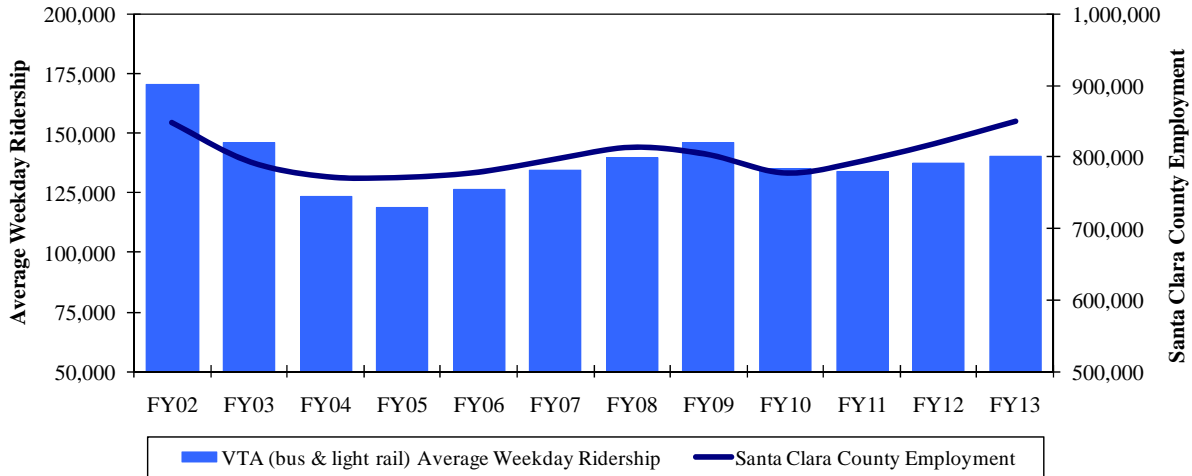
Note: Totals and percentages may not be precise due to independent rounding

Ridership

Overall, FY 2013 system ridership (bus and rail) increased by 1.8% from the previous year. Bus ridership totaled 32.4 million, a 1.2% increase, and light rail ridership totaled 10.7 million, a 3.6% increase. Over the last two fiscal years, total ridership has increased by 4.3%.

Ridership projections for the FY 2014 and FY 2015 Biennial Budget are predicated on multiple factors. As the chart below illustrates, VTA’s ridership is heavily correlated with employment levels in the County, which are increasing. The proposed service improvements and new passengers attending events at the new stadium in Santa Clara are also projected to contribute to increased ridership. The FY 2014 and FY 2015 ridership projections reflect a 2.4% and 3.4% increase, respectively from the original FY 2013 projection of 43.1 million riders.

Average Weekday Ridership and Santa Clara County Employment¹



¹Source: State of California Employment Development Department

The table below reflects the budgeted projected ridership for FY 2014 and FY 2015, as well as updated ridership for FY 2013 of 43.2 million riders based on actual results.

Ridership (In Thousands)

Category	FY12 Actual	FY13 Actual	% Var	FY14 Adopted Budget	% Var	FY15 Adopted Budget	% Var
Bus Ridership	32,054	32,432	1.2%	32,990	1.7%	34,037	3.2%
Light Rail Ridership	10,373	10,742	3.6%	11,107	3.4%	11,565	4.1%
Total Ridership	42,427	43,175	1.8%	44,097	2.1%	45,602	3.4%

Note: Totals and percentages may not be precise due to independent rounding

Revenues

Fares

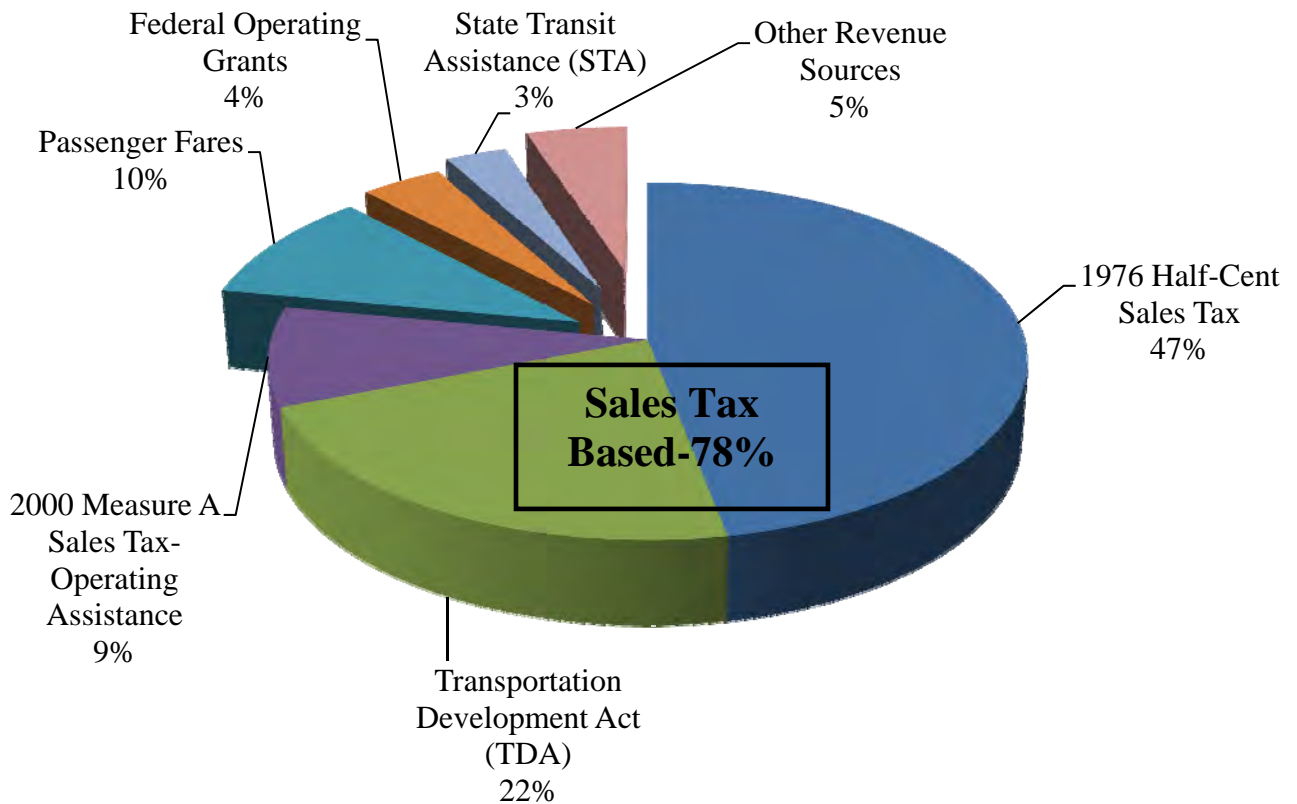
No change in current fare structure.

Sales Tax Based Revenues

Sales tax based revenues include 1976 half-cent local sales tax, a quarter-cent state sales tax (from Transportation Development Act or TDA), and 2000 Measure A Sales Tax-Operating Assistance which is derived from 18.5% of 2000 Measure A half-cent sales tax revenues.

As the chart below illustrates, roughly 78% of VTA's budgeted operating revenues are generated from these sales tax measures, the proceeds from which are driven by the local economy.

FY 2014 and FY 2015 Budgeted Revenues



1976 Half-Cent Sales Tax

VTA's sales tax receipts can be divided into six economic categories. These categories and the percentage of sales tax receipts by each category for the fiscal year ending June 30, 2012 are as follows:

- Business to Business (31.7%)
- General Retail (25.2%)
- Transportation (18.6%)
- Food Products (14.0%)
- Construction (8.3%)
- Miscellaneous (2.2%)

During FY 2012, sales tax receipts from the 1976 half-cent sales tax increased 8.4%, following an increase of 9.7% in FY 2011. Year-to-date growth in FY 2013 has been significant with year over year increases of 6.7%, 6.8%, and 4.0% for the first three quarters, respectively.

The economic recovery in the San Jose MSA (Metropolitan Statistical Area) has been strong. Professional and business employment has been a major driver of regional growth. Scientific and technical employment has returned to levels seen at the height of the housing bubble, and information employment levels are at all-time highs—exceeding the peaks seen at the height of the technology bubble. As of June 30, 2012, the Autos and Transportation segment and the Building and Construction segment of sales tax revenues were up 13.7% and 11.6%, respectively, suggesting that recent growth in sales tax revenues are coming from both consumer and business spending. Additionally, real estate markets, which had been a drag on regional growth during the last few years, are now showing concrete signs of recovery.¹

The Adopted Biennial Budget assumes an increase in sales tax revenues of 3.76% and 4.61% in FY 2014 and FY 2015, respectively from the originally projected base of \$175.8 million for FY 2013. This reflects anticipation that the San Jose MSA economy will continue to be one of the leading drivers of growth in California.

TDA

Transportation Development Act (TDA) funds are derived from a quarter-cent sales tax levied by the State on taxable transactions occurring in Santa Clara County. Under the legislation that created TDA, each county in California could elect to impose a quarter-cent sales tax to be collected by the state Board of Equalization and returned to them on a pro rata basis for public transportation purposes. Subsequent to the enactment of TDA, all 58 counties in California elected to impose such a sales tax within their jurisdictions. The Metropolitan Transportation Commission (MTC) retains a portion of these funds for administration and approximately 94.5% is returned to the source county, i.e., Santa Clara.

¹ Source: Beacon Economics

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Because the TDA funds are derived from the same tax base as the 1976 half-cent sales tax, the budgeted estimates are based on the same 3.76% and 4.61% growth listed above.

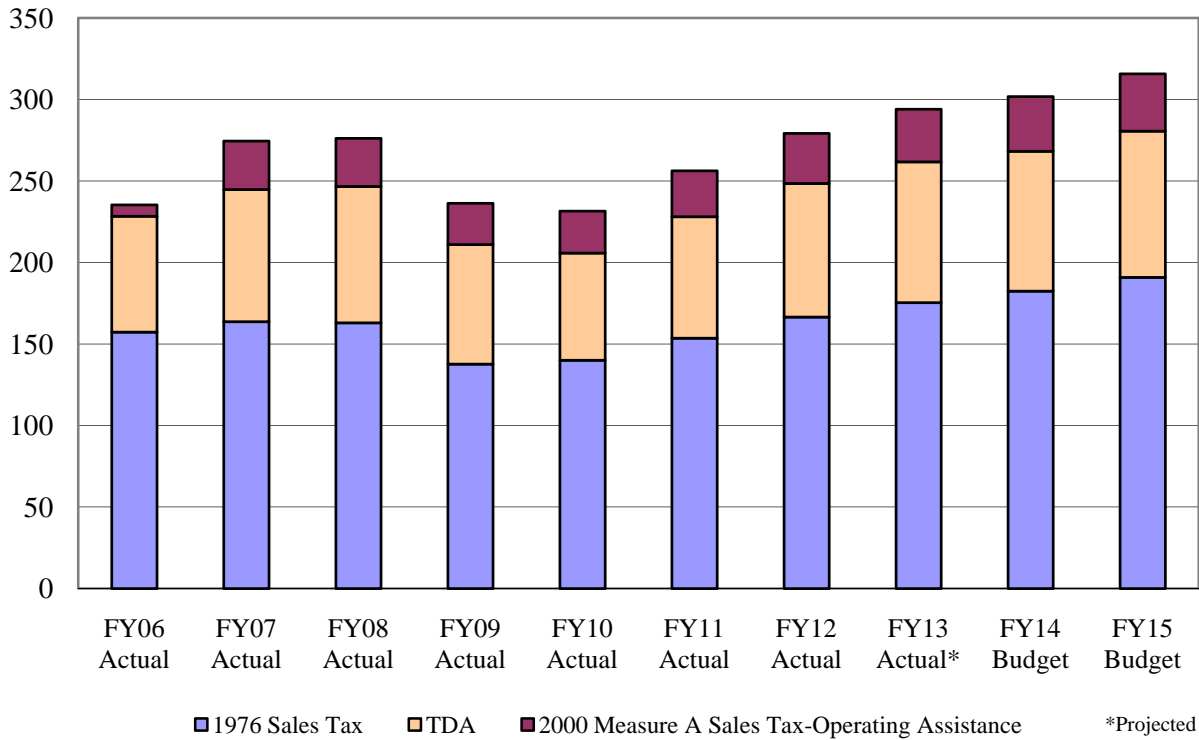
2000 Measure A Sales Tax-Operating Assistance

In November 2000, Santa Clara County voters approved Measure A, which enacted a half-cent sales tax to be collected beginning April 1, 2006 and continuing for a period of 30 years. A portion of this tax is to be used to provide operating assistance for VTA Transit. The Adopted Biennial Budget includes 18.5% of the 2000 Measure A sales tax revenue to be used towards funding VTA operations.

The 2000 Measure A tax is derived from the same taxable sales base as the 1976 half-cent tax and the same two-year growth projections were assumed.

The chart below and table on the following page reflect the eight-year historical and two-year budgeted receipts for these three sales tax based revenues.

Sales Tax Based Revenue Trend
(Dollars in Millions)



Sales Tax Based Revenue Trend
(Dollars in Millions)

Category	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual ¹	FY14 Budget	FY15 Budget
1976 Sales Tax	157	164	163	138	140	154	167	175	182	191
TDA	71	81	84	73	66	74	82	86	86	90
2000 Measure A Sales Tax Operating Assistance	7	30	30	25	26	28	31	32	34	35
Total	235	275	277	236	232	256	279	294	302	316

¹ Projected as of August 5, 2013

Note: Totals may not be precise due to independent rounding

State Transit Assistance (STA)

Beginning in FY 2012, the state diesel sales tax rate was increased to 6.75% in conjunction with a corresponding drop in the per-gallon diesel fuel excise tax to ensure that consumers felt no impact at the pump. High-speed rail/transit bond debt service has first call on the revenues generated by the diesel sales tax. Any remaining revenues are split 75% to STA and 25% to intercity rail and other miscellaneous state transit programs. The intent is to ensure, at minimum, an annual STA Program of \$350 million. The FY 2014 and FY 2015 Adopted Budget assumes the annual state level at \$350 million of which VTA’s share would be approximately \$13.6 million per year.

The table below shows the eight-year historical and two-year budgeted receipts from STA.

STA Revenue Trend
(Dollars in Thousands)

FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual ²	FY14 Budget	FY15 Budget
7,737	22,321	19,022	6,483	0	16,695	14,055	14,921	13,600	13,600

² Projected as of August 5, 2013

Federal Operating Grants

President Obama signed MAP-21, the Moving Ahead for Progress in the 21st Century Act into law on July 6, 2012. MAP-21 is the first long-term highway funding authorization enacted since 2005.

MAP-21 made the following changes to Federal Transit Administration (FTA) funding programs:

- Combined the Job Access and Reverse Commute program (Section 5316) with the Urbanized Area Formula program (Section 5307) and the Non-urbanized Area Formula program (Section 5311);
- Replaced the Fixed Guideway Modernization program (Section 5309 FG) with a new State of Good Repair program and High Intensity Bus program (Section 5337); and
- Replaced the Bus and Bus Facilities discretionary program (Section 5309 Bus) with a new Bus and Bus Facilities formula program (Section 5339).

The MAP-21 Federal funding programs and their primary uses are as follows:

- *Section 5307 - Urbanized Area Funds:* This is the largest and most flexible FTA formula fund. This fund encompasses eligible capital activities including preventive maintenance; the new “Transportation Alternatives” program, replacing the previous Transit Enhancement program; and the set aside for support of Americans with Disabilities Act of 1990 (ADA) paratransit services.
- *Section 5337 - State of Good Repair Funding:* This program replaces the old Section 5309 Fixed Guideway program and is restricted to rail system uses.
- *Section 5337 - High Intensity Bus, Section 5339 - Bus and Bus Facilities Funding, and Surface Transportation Program (STP):* These funds are available for bus and bus facility projects. Only VTA’s Express Bus-related services are eligible for Section 5337 bus funding.

Although the Federal Transit Administration (FTA) Section 5307 grant program is designed primarily to fund capital acquisitions, funds can also be awarded for preventive maintenance activities in support of operations. In recent years VTA has used 100% of available Section 5307 funds for preventive maintenance to offset the loss of Sales Tax Revenues and STA funding. Starting in FY 2012, VTA began a gradual reduction of this practice with the goal of reaching historic levels of preventive maintenance funding (35%). This reduced level of capital funding for operating-related purposes is in accordance with the Ad Hoc Financial Recovery Committee Key Financial Principle Number 2-“Limit Use of Capital Funding”. The Adopted Budget assumes 53% for operations support and 47% towards capital replacement in FY 2014 and 35% for operations support and 65% towards capital replacement in FY 2015.

The table on the following page shows the eight-year historical and two-year budgeted receipts from federal operating grants.

Federal Operating Grant Revenue Trend
(Dollars in Thousands)

FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual¹	FY13 Actual^{1,2}	FY14 Budget¹	FY15 Budget¹
33,565	35,514	22,425	33,449	59,100	42,225	38,094	28,309	20,027	13,622

¹ Net of transfer for capital

² Projected as of August 5, 2013

State Operating Grants—Low Income Fare Grant

With the aid of a grant from the Metropolitan Transportation Commission (MTC), VTA is partnering with the County of Santa Clara to implement a 2-year pilot project providing 1,000 passes a month for 24 months to qualified individuals in Santa Clara County. The purpose of the pilot project “Promoting Transit Ridership Program” is to provide a discounted fare for defined low income individuals in order to promote transit ridership. The eligible population is low income clients who do not qualify for transportation assistance in other public benefit programs and who lack the economic means to afford public transit on a regular basis. The benefit to the client population is the ability to use public transit on a regular basis to access jobs, education, and healthcare. VTA is working with County Social Services, the Emergency Assistance Network, MTC, and Cubic to administer the project and acquire the necessary data to measure the success of this pilot project. VTA anticipates receiving \$650 thousand in each fiscal year.

Investment Earnings

The investment earnings are derived from three primary sources; short, mid, and long-term investment portfolios. Pursuant to VTA’s adopted investment policy and California Government Code, 100% of surplus assets are invested in domestic fixed income investments. All three portfolios are invested by a money manager whose performance is evaluated by comparing actual earnings against the appropriate benchmark for each portfolio’s duration. The estimated earnings rate for these funds is 0.93% in FY 2014 and 1.07% in FY 2015.

Expenses

Labor Costs

The Adopted Biennial Budget does not reflect any wage increase for represented or non-represented employees. The contracts for employees represented by the American Federation of State, County, and Municipal Employees, Local 101 (AFSCME), Service Employees International Union, Local 521 (SEIU), and Transportation Authority Engineers and Architects Association, Local 21 (TAEA), which expired April 30, May 31 and June 30, 2013, respectively, were still under negotiation at the time of budget development. The contract for Amalgamated Transit Union, Local 265 (ATU) represented employees expires February 10, 2014. The budgeting of additional costs, if any, for provisions of new AFSCME, ATU, SEIU and TAEA contracts will be addressed upon contract ratification by the Board of Directors.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

The FY 2014 and FY 2015 Budget also assumes a 10% per year increase in health insurance premiums as well as the pre-payment of the annual ATU Pension and Retiree’s Other Post Employment Benefits (OPEB) Trust contributions.

The tables below show the eight-year historical and two-year budgeted labor costs and the overall staffing levels by division.

Labor Cost Trend
(Dollars in Thousands)

FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual¹	FY14 Budget	FY15 Budget
237,998	243,110	240,155	246,150	246,539	248,373	262,556	272,552	286,534	295,024

¹ Projection as of August 5, 2013

Division Staffing Level²

Division	FY12³	FY13⁴	FY14	FY15
Office of the General Manager	15	15	15	15
Office of the General Counsel	10	12	12	12
Administrative Services	111	115	118	118
Congestion Management	61	64	64	64
Engineering and Construction	102	100	101	101
External Affairs	60	59	59	59
Fiscal Resources	100	100	100	100
Operations	1,645	1,674	1,712	1,736
SVRT	8	8	8	8
Grand Total⁵	2,112	2,147	2,189	2,213

² Approved positions including vacancies

³ As of 6/30/12

⁴ As of 6/30/13

⁵ Does not include Long-Term Leave positions

Non-Labor Costs

In order to remain diligent in VTA’s ongoing efforts to contain costs and ensure that recurring expenditures do not outpace recurring revenues, non-labor costs for the FY 2014 and FY 2015 Budget were developed using FY 2012 actual expenditures as the base. Under most circumstances, the incremental requests only include contractual increases or those costs associated with new service, programs, or activities.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Fuel

The budget assumes \$3.84 per gallon for diesel and \$4.44 per gallon for biodiesel fuel, including taxes. Assumptions include an average usage rate of 4.2 miles per gallon and 16.8 million miles of service for FY 2014, and 17.3 million miles of service for FY 2015. Average annual usage is estimated at approximately 4.1 million gallons. The actual average cost per gallon of diesel including taxes, was \$3.43 for FY 2012 and \$3.41 for FY 2013. The budget also assumes \$4.35 per gallon including taxes, for gasoline for Community Buses, with an average usage rate of 4.4 miles per gallon based on 1.4 million of community bus service miles for both FY 2014 and FY 2015. Average annual usage is estimated at approximately 325,000 gallons.

Paratransit

There is no change in overall service parameters or fares. Paratransit cost is projected based on an assumption of 37,000 more trips in FY 2014 (5.0%) and an increase of 39,000 trips in FY 2015 (5.0%) from the originally projected base of 742,000 trips for FY 2013.

The table below shows a comparison of paratransit usage and costs.

Paratransit Trips & Costs
(In Thousands)

Category	FY12 Actual ¹	FY13 Adopted Budget ¹	FY13 Projected Actual ^{1,2}	FY14 Adopted Budget	Var from FY13 Actual	FY15 Adopted Budget	Var from FY14 Budget
Trips	776	890	733	779	6.3%	818	5.0%
Contracted Cost	\$17,733	\$23,350	\$16,740	\$19,100	14.1%	\$20,800	8.9%
Net Cost Per Trip	\$22.86	\$26.24	\$22.84	\$24.52	7.3%	\$25.43	3.7%

¹ Prior to FY 2014, total Paratransit costs reported on the Statement of Revenues and Expenditures included an allocation of indirect costs. Subsequent to a Federal Transit Administration review of VTA's Indirect Allocation Plan, VTA is no longer allocating indirect costs to contracted services. The FY 2012 and FY 2013 columns have been restated for comparison purposes.

² Projection as of August 5, 2013

Caltrain

VTA's current contribution to Caltrain is approximately 42.3% of the total member contributions, based on average weekday passenger count by county. The FY 2014 contribution of \$7.3M reflects a 46.8% decrease from FY 2013 levels due to limited funding availability from other members. Caltrain will utilize one-time funding to offset the reduction in member contributions for FY 2014. The FY 2015 budget assumes a return to full member contributions and reflects a 3% increase over the FY 2013 contribution.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

VTA Transit
Comparison of Revenues and Expenses
(Dollars in Thousands)

Line	Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
1	Fares	37,744	38,415	38,331	38,834	503	1.3%	39,905	1,071	2.8%
2	1976 Half-Cent Sales Tax	166,568	165,273	175,397	182,435	7,038	4.0%	190,845	8,410	4.6%
3	TDA	81,928	77,678	86,296	85,744	(551)	-0.6%	89,697	3,953	4.6%
4	Measure A Sales Tax-Oper. Asst.	30,690	30,365	32,315	33,621	1,306	4.0%	35,171	1,550	4.6%
5	STA	14,055	13,307	14,921	13,600	(1,321)	-8.9%	13,600	0	0.0%
6	Federal Operating Grants	42,286	41,901	39,364	37,787	(1,577)	-4.0%	38,920	1,134	3.0%
7	Less Transfer for Capital	(4,193)	(8,380)	(11,055)	(17,760)	(6,705)	60.7%	(25,298)	(7,538)	42.4%
8	State Operating Grants	2,149	1,937	2,010	2,635	625	31.1%	2,635	0	0.0%
9	Investment Earnings	3,031	952	1,629	1,227	(401)	-24.6%	1,412	185	15.1%
10	Advertising Income	1,739	1,750	1,870	1,810	(60)	-3.2%	1,912	102	5.6%
11	Measure A Repayment Obligation	10,843	11,954	10,871	10,700	(172)	-1.6%	11,108	408	3.8%
12	Other Income	5,317	1,673	2,340	2,008	(332)	-14.2%	2,253	245	12.2%
13	Total Revenue	392,158	376,825	394,289	392,642	(1,648)	-0.4%	402,161	9,519	2.4%
14	Labor Cost	262,556	270,436	272,552	286,534	13,982	5.1%	295,024	8,490	3.0%
15	Materials & Supplies	16,110	16,816	15,810	16,407	597	3.8%	16,491	84	0.5%
16	Security	7,745	8,056	8,153	8,886	733	9.0%	9,072	185	2.1%
17	Professional & Special Services	2,672	3,406	2,999	4,637	1,639	54.6%	4,540	(97)	-2.1%
18	Other Services	6,370	7,988	7,019	7,305	286	4.1%	7,373	69	0.9%
19	Fuel	13,881	16,606	14,082	17,173	3,091	21.9%	17,622	449	2.6%
20	Traction Power	3,151	3,535	3,244	3,389	146	4.5%	3,539	150	4.4%
21	Tires	1,494	1,611	1,655	1,764	109	6.6%	1,880	116	6.5%
22	Utilities	2,734	2,604	2,741	2,727	(14)	-0.5%	2,727	0	0.0%
23	Insurance	4,862	4,575	3,415	5,519	2,104	61.6%	5,537	17	0.3%
24	Data Processing	2,651	2,934	2,530	3,545	1,015	40.1%	3,477	(68)	-1.9%
25	Office Expense	313	321	325	330	4	1.4%	330	0	-0.1%
26	Communications	1,098	1,215	1,266	1,250	(16)	-1.3%	1,312	62	5.0%
27	Employee Related Expense	643	697	539	698	159	29.4%	718	20	2.9%
28	Leases & Rents	552	571	681	663	(18)	-2.6%	669	6	0.9%
29	Miscellaneous	643	645	501	672	171	34.2%	686	14	2.1%
30	Reimbursements ³	(32,571)	(31,570)	(36,275)	(35,485)	790	-2.2%	(35,348)	137	-0.4%
31	Subtotal Operating Expense	294,903	310,445	301,238	326,015	24,777	8.2%	335,648	9,634	3.0%
32	Paratransit ³	17,733	23,350	16,740	19,100	2,360	14.1%	20,800	1,700	8.9%
33	Caltrain ³	10,207	14,135	13,700	7,291	(6,409)	-46.8%	14,111	6,820	93.5%
34	Light Rail Shuttles ³	18	36	25	25	0	0.0%	25	0	0.0%
35	Altamont Commuter Express ³	3,880	3,903	4,352	4,609	257	5.9%	4,750	141	3.1%
36	Highway 17 Express ³	108	355	184	251	67	36.7%	259	8	3.2%
37	Dumbarton Express ³	477	400	0	0	0	N/A	0	0	N/A
38	Monterey-San Jose ³	35	35	35	35	0	0.0%	35	0	0.0%
39	Contribution to Other Agencies	605	594	672	740	68	10.1%	740	0	0.0%
40	Debt Service	19,477	20,464	19,492	20,097	606	3.1%	20,478	381	1.9%
41	Subtotal Other Expense	52,539	63,272	55,200	52,148	(3,052)	-5.5%	61,198	9,050	17.4%
42	Operating and Other Expense	347,443	373,718	356,438	378,162	21,724	6.1%	396,846	18,684	4.9%
43	Contingency	0	1,400	0	2,000	2,000	N/A	2,000	0	0.0%
44	Total Expense & Contingency	347,443	375,118	356,438	380,162	23,724	6.7%	398,846	18,684	4.9%
45	Operating Balance	44,716	1,707	37,851	12,480			3,315		

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

³ Effective FY14 indirect costs no longer allocated to contracted services. FY12 and FY13 columns restated for comparison purposes.

Note: Totals and percentages may not be precise due to independent rounding. Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$500,000)

Revenues

STA:

FY 2014 STA receipts are projected to decline by \$1.3 million or 8.9% from FY 2013 actual. The FY 2014 Adopted Budget assumes the minimum annual state level of \$350 million. FY 2013 state level receipts were higher than the minimum anticipated.

Transfer for Capital:

The FY 2014 budget for this transfer out reflects a \$6.7 million increase from FY 2013 actual while the FY 2015 budget reflects a \$7.5 million increase over FY 2014 as the level of preventive maintenance funding for operating-related purposes is reduced in support of capital replacement.

State Operating Grants:

The FY 2014 budget reflects a \$625 thousand increase from FY 2013 actual due to the Low Income Fare Grant.

Expenses

Labor Costs:

The FY 2014 budget increases \$14.0 million or 5.1% over FY 2013 actual primarily due to additional staffing required to support service enhancements and higher benefits cost in the areas of health insurance and pension contributions.

Security:

The FY 2014 budget increases \$733 thousand or 9.0% over FY 2013 due to additional staffing and contractual increases.

Professional & Special Services:

The FY 2014 increase of \$1.6 million is due to a combination of the following: costs to support new programs (Title VI compliance); increased scope in existing programs (Auditor General Work Plan and Joint Workforce Investment - JWI); as needed periodic programs (on-board and non-rider surveys); and one-time programs (independent risk assessment).

Fuel:

The FY 2014 budget shows a \$3.1 million increase over FY 2013 actual due primarily to a higher projected price per gallon for diesel, bio-diesel, and gasoline. The FY 2014 and FY 2015 budget assumes \$3.84 per gallon (including taxes) for diesel versus the \$3.41 per gallon average paid in FY 2013.

Insurance:

FY 2014 budget is \$2.1 million higher than FY 2013 actual due to an increase in coverage amount and higher premiums due to hardening of the insurance market.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Data Processing:

FY 2014 budget is \$1.0 million higher than FY 2013 actual primarily due to increased enterprise hardware and software licensing and maintenance cost, and increased website hosting cost.

Paratransit:

The FY 2014 budget reflects a \$2.4 million increase over FY 2013 actual and the FY 2015 budget reflects a \$1.7 million increase over FY 2014. These increases are primarily due to an anticipated increase in trips provided of 46,000 for FY 2014 and 39,000 for FY 2015.

Caltrain:

The FY 2014 budget reflects a \$6.4 million decrease from FY 2013 levels while the FY 2015 budget reflects a \$6.8 million increase over FY 2014. The FY 2014 reduction is due to limited funding availability from other members. Caltrain will utilize one-time funding to offset the reduction in member contributions for FY 2014. The FY 2015 budget assumes a return to full member contributions and reflects a 3% increase over the previous full contribution (FY 2013).



Mobility Options Training Bus

VTA Transit
Sources and Uses of Funds Summary
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Projected Actual¹</u>	<u>FY14 Adopted Budget</u>	<u>FY15 Adopted Budget</u>
<u>Operating Balance</u>					
1	Total Operating Revenues	392,158	394,289	392,642	402,161
2	Total Operating Expenses	(347,443)	(356,438)	(380,162)	(398,846)
3	Operating Balance	44,716	37,851	12,480	3,315
<u>Operating Reserves Replenishment to 15% level</u>					
4	15% Year-end Operating Reserves ²	56,268	57,024	59,827	59,827
5	Beginning Reserve Balance	(54,595)	(56,268)	(57,024)	(59,827)
6	15% Replenishment Amount	1,673	757	2,803	0
<u>Operating Balance Available for Capital</u>					
7	Operating Balance (Line 3)	44,716	37,851	12,480	3,315
8	15% Replenishment Amount (Line 6)	(1,673)	(757)	(2,803)	0
9	Transfers From/(To) Sales Tax Stabilization Fund	(19,000)	0	0	0
10	Operating Balance Available for Capital	24,043	37,095	9,677	3,315
<u>Capital Program</u>					
11	Total VTA Transit Capital Program	82,844	48,917	164,249	0
12	Funding from Grants & Other Sources	(57,550)	(20,317)	(84,142)	0
13	Local Grant Match from Debt Reduction Fund	(6,098)	(311)	(5,728)	0
14	Federal Operating Grants for Capital	(4,193)	(11,055)	(17,760)	(25,298)
15	Remaining Local Portion Needed for Capital	15,003	17,235	56,620	(25,298)
16	Operating Balance Available for Capital (line 9)	(24,043)	(37,095)	(9,677)	(3,315)
17	Local Funding From/(To) Debt Reduction Fund	(9,040)	(19,860)	46,943	(28,613)
18	Ending Operating Reserves ³	56,268	57,024	59,827	59,827
19	Operating Reserve % ⁴	15.0%	15.0%	15.0%	15.0%

¹ Projection as of August 5, 2013

² 15% of Budgeted Line 2

³ Net Assets less funds that are restricted by bond covenants, Board designations, and policy guidelines

⁴ Line 18 divided by Budgeted Line 2

Division Budget Summary
(Dollars in Thousands)

Division	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	FY15 Adopted Budget
Office of the General Manager ³	2,974	4,462	2,750	5,035	5,093
Auditor General ³	0	0	250	375	300
Office of the General Counsel	1,717	1,904	2,035	2,551	2,558
Administrative Services	25,466	26,672	24,488	27,862	28,216
Congestion Management	8,350	8,020	9,035	9,211	9,362
Engineering & Construction	12,978	14,178	13,207	13,365	13,628
External Affairs	8,516	8,929	8,591	9,073	9,374
Fiscal Resources	13,062	14,346	13,605	14,345	14,772
Operations ⁴	286,152	306,570	297,782	312,258	328,917
SVRT	1,267	1,083	1,422	1,415	1,436
Non-Departmental	19,532	20,524	19,548	20,157	20,538
Total Expenses	380,014	406,688	392,713	415,647	434,194
Reimbursements ³	(32,571)	(31,570)	(36,275)	(35,485)	(35,348)
Grand Total	347,443	375,118	356,438	380,162	398,846

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

³ Auditor General expenditures reported under Office of the General Manager for FY12 Actual and FY13 Adopted Budget

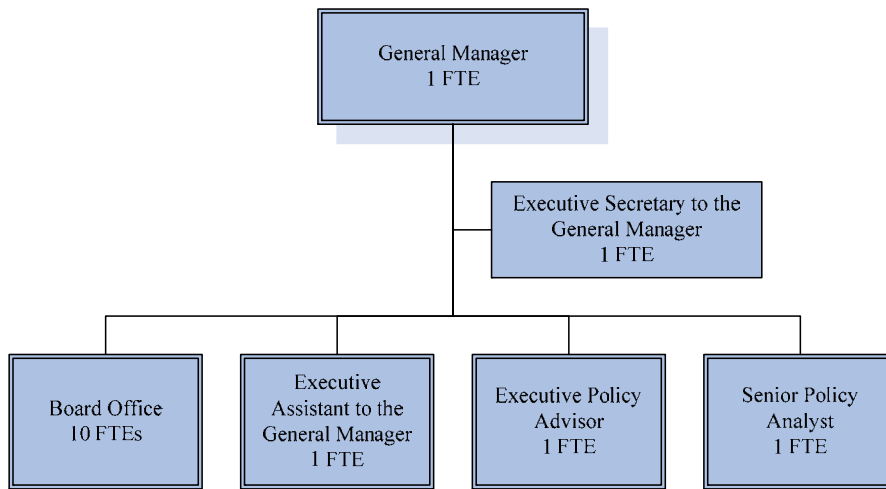
⁴ Effective FY14 indirect costs no longer allocated to contracted services. FY12 and FY13 columns restated for comparison purposes.

Note: Totals may not be precise due to independent rounding

Office of the General Manager

The Office of the General Manager is responsible for the management of VTA according to the policies adopted by the Board of Directors. General duties include the development of program and policy alternatives for consideration by the Board and management of the Authority’s staff activities. The Board Office is also part of the Office of the General Manager, and focuses on improving the communication and information flow between VTA and the Board, its committees, and the public.

15 FTEs
(As of 6/30/13)



Staffing Level Detail¹

Job Title	FY12 ²	FY13 ³	FY14	FY15
Assistant Board Secretary	1	1	1	1
Board Assistant	6	6	6	6
Board Secretary	1	1	1	1
Executive Assistant to the GM	1	1	1	1
Executive Policy Advisor	1	1	1	1
Executive Secretary	1	1	1	1
Executive Secretary to General Manager	1	1	1	1
General Manager	1	1	1	1
Sr Management Analyst	1	1	1	1
Sr Policy Analyst	1	1	1	1
Total	15	15	15	15

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

No budget staffing level changes.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Office of the General Manager Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	2,136	2,180	2,155	2,221	66	3.1%	2,252	31	1.4%
Professional & Special Services ³	256	253	7	153	146	2096.7%	153	0	0.0%
Other Services	0	0	14	0	(13)	-97.3%	0	0	0.0%
Office Expense	10	14	14	14	0	0.7%	14	0	0.0%
Employee Related Expense	137	121	118	147	29	24.2%	159	12	8.5%
Miscellaneous	163	221	169	228	59	34.9%	241	14	6.1%
Contribution to Other Agencies	272	272	274	272	(2)	-0.7%	272	0	0.0%
Contingency	0	1,400	0	2,000	2,000	N/A	2,000	0	0.0%
Total Expense	2,974	4,462	2,750	5,035	2,285	83.1%	5,093	58	1.1%
Reimbursements	0	0	0	0	0	N/A	0	0	N/A
Net Total	2,974	4,462	2,750	5,035	2,285	83.1%	5,093	58	1.1%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

³ Auditor General expenditures reported under Office of the General Manager for FY12 Actual and FY13 Adopted Budget

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2014 budget shows a \$146 thousand increase over FY 2013 actual. This increase represents anticipated needs for general Agency or Board of Directors related consulting services.

Auditor General

VTA’s Auditor General is responsible for assisting the Board of Directors in fulfilling its fiduciary responsibilities of overseeing risks and controls in financial reporting, financial integrity, program activities, and reputation and public perception of the organization. The Auditor General has a direct reporting relationship to the Audit Committee and Board and an administrative reporting relationship to the General Manager. The Auditor General is, among other duties, responsible for:

- Developing and recommending the Annual Internal Audit Work Plan.
- Assigning and managing the audit resources required to conduct each internal audit.
- Providing progress reports to the Audit Committee and audit results to the Audit Committee and Board.

Pat Hagan of McGladrey, LLP currently serves as VTA’s Auditor General.

Auditor General Expense Budget (Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Professional & Special Services ³	0	0	250	375	125	50.2%	300	(75)	-20.0%
Total Expense	0	0	250	375	125	50.2%	300	(75)	-20.0%
Reimbursements	0	0	0	0	0	N/A	0	0	N/A
Net Total	0	0	250	375	125	50.2%	300	(75)	-20.0%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

³ Expenditures reported under Office of the General Manager for FY12 Actual and FY13 Adopted Budget

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

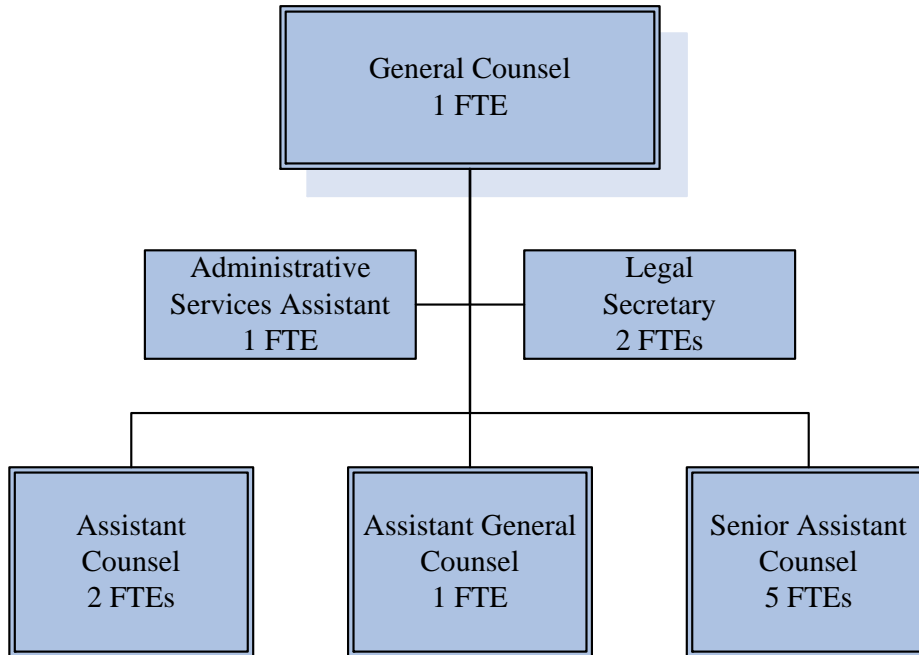
Professional & Special Services:

FY 2014 budget shows a \$125 thousand increase over FY 2013 actual due to expanded scope of tasks in the Auditor General’s Work Plan.

Office of the General Counsel

The General Counsel’s Office provides legal advice and counsel to the Board of Directors, the General Manager, and all divisions and departments, with respect to all facets of VTA’s various programs.

12 FTEs
(As of 6/30/13)



Staffing Level Detail¹

Job Title	FY12 ²	FY13 ³	FY14	FY15
Administrative Services Assistant	1	1	1	1
Assistant Counsel	1	1	1	1
Assistant General Counsel	1	1	1	1
General Counsel	1	1	1	1
Legal Secretary	1	2	2	2
Sr. Assistant Counsel	5	6	6	6
Total	10	12	12	12

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

No budget staffing level changes

Office of the General Counsel cont.

FY 2012 & FY 2013 Accomplishments

1. Established strong and open working relationships with executive staff and members of the Board of Directors.
2. Provided necessary and creative legal services to keep the Silicon Valley Berryessa Extension (SVBX) Project on track.
3. Managed the litigation victories to allow the Eastridge Transit Center Project to progress.
4. Brought roughly 40 litigation cases to a successful conclusion, including several in which VTA paid nothing to resolve the matter.
5. Continued success in unemployment insurance appeal hearings and labor grievances, establishing several legal precedents affecting future labor relations.
6. Dramatically increased number of eminent domain cases while reducing reliance on outside counsel to handle such cases.
7. Made strides in making the General Counsel's Office a full service legal provider to the VTA by bringing in real property expertise and greater litigation support.
8. Provided accurate and timely counsel to the Board of Directors during meetings and to individual Board members.
9. Advised project, real estate, and environmental staff on property acquisition, relocation planning, environmental clearance, project funding, and related legal issues for the SVBX Project.
10. Completed comprehensive revisions to the VTA Administrative Code.

FY 2014 & FY 2015 Goals

1. Establish better efficiencies by further automating our law practice and managing legal files. (Ongoing, with major progress made by December 2013)
2. Evaluate current VTA policies to determine whether any need to be revised, rescinded, or added. (Ongoing)
3. Continue to evaluate both the short-term and long-term cost effectiveness of using outside counsel for certain VTA legal needs. (Ongoing)
4. Continue to provide the type of legal support that ensures the efficient progress of important projects such as the SVBX program. (Ongoing)
5. Continue to establish a good working relationship with members of the executive team and Board of Directors. (Ongoing)
6. Enhance communication and coordination within General Counsel's Office. (Ongoing)
7. Enable our clients to achieve their business goals. (Ongoing)

Office of the General Counsel Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	1,575	1,707	1,902	2,338	436	23.0%	2,367	29	1.2%
Professional & Special Services	105	163	88	122	33	37.4%	132	10	8.2%
Other Services	0	8	1	0	(1)	-100.0%	0	0	N/A
Data Processing	0	0	0	32	32	N/A	0	(32)	-100.0%
Office Expense	13	7	4	16	11	246.3%	16	0	0.0%
Employee Related Expense	4	8	16	12	(4)	-23.3%	12	0	0.0%
Miscellaneous	19	13	24	31	7	30.3%	31	0	0.0%
Total Expense	1,717	1,904	2,035	2,551	516	25.3%	2,558	7	0.3%
Reimbursements	(759)	(538)	(1,124)	(744)	381	-33.9%	(479)	265	-35.6%
Net Total	958	1,366	911	1,807	896	98.4%	2,079	272	15.1%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

Labor Costs:

The FY 2014 budget increases \$436 thousand over FY 2013 actual reflecting full department staffing in FY 2014.

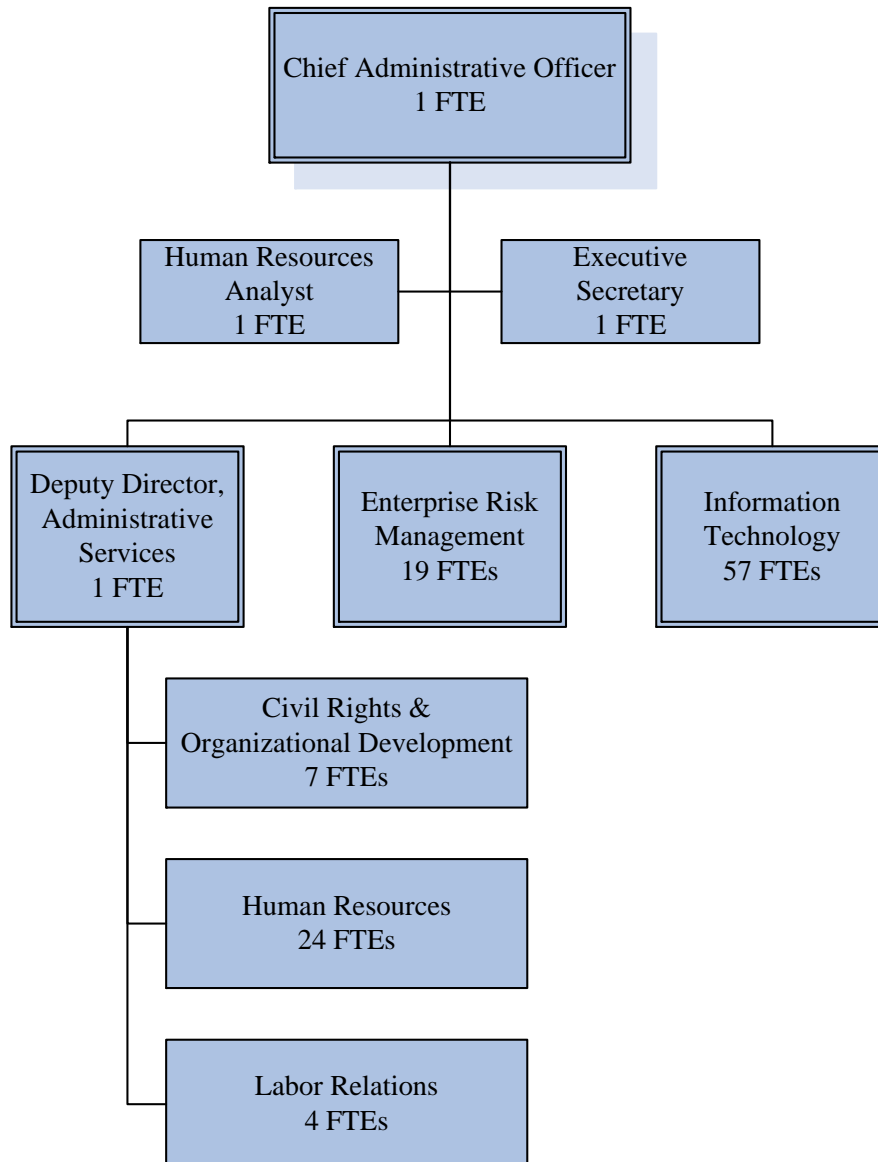
Reimbursements:

FY 2014 budgeted reimbursements are \$381 thousand less than FY 2013 actual and FY 2015 budgeted reimbursements are \$265 less than FY 2014. The variance is due to higher than normal reimbursement of counsel hours related to support of insurance claims in FY 2013 and an anticipated reduction in hours supporting capital projects in FY 2015.

Administrative Services Division

Under the direction of the Chief Administrative Officer, the Administrative Services division is responsible for developing and supporting VTA’s human capital and business functions including information technology; employee recruitment, selection, classification, compensation, and benefits; labor relations; organizational development and training; safety; and enterprise risk management.

115 FTEs
(As of 6/30/13)



Administrative Services Division cont.

Department Descriptions

Civil Rights & Organizational Development:

Responsible for the coordination of employee training programs, administering VTA’s organizational development and training program, and administering VTA’s Equal Employment Opportunity/Affirmative Action Plan.

Enterprise Risk Management:

Responsible for management of self-insured Workers’ Compensation and Liability claims, safety programs, Substance Abuse Control programs, employee assistance programs, and Operations and Construction insurance programs.

Human Resources:

Responsible for recruitment and hiring, classification and compensation, administering employee and retiree benefits programs, administering deferred compensation, and administering VTA/ATU (Amalgamated Transit Union) and CalPERS retirement programs.

Labor Relations:

Responsible for the negotiating and administering collective bargaining agreements.

Information Technology:

Responsible for management of business and transportation technology systems.

***Administrative Services Division
Staffing Level Detail¹***

Job Title	FY12 ²	FY13 ³	FY14	FY15
Accessible Services Program Manager	1	1	1	1
Administrative Services Assistant	3	2	2	2
Associate Claims Analyst	1	0	0	0
Associate Network Analyst	1	0	0	0
Associate Systems Administrator	1	0	0	0
Business Systems Analyst I	0	1	1	1
Business Systems Analyst II	7	6	6	6
Chief Administrative Officer	1	1	1	1
Chief Information Officer	1	1	1	1
Civil Rights & Org Dev Program Manager	1	1	1	1
Claims Analyst	2	2	2	2
Claims Supervisor	1	1	1	1
Communications Systems Analyst	5	0	0	0
Communications Systems Manager	1	1	1	1

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Title	FY12²	FY13³	FY14	FY15
Data Base Administrator	2	0	0	0
Deputy Director, Administrative Services	0	1	1	1
Deputy Director, IT Applications	1	1	1	1
Environmental Health & Safety Specialist	2	2	2	2
Environmental Health & Safety Supervisor	1	1	1	1
Executive Secretary	2	2	2	2
Human Resources Administrator	1	1	1	1
Human Resources Analyst	16	17	17	17
Human Resources Assistant	6	8	8	8
Human Resources Manager	2	1	1	1
Information Systems Analyst II	9	7	7	7
Information Systems Supervisor	3	3	3	3
Labor Relations Program Manager	1	1	1	1
Lead Document Control Clerk	1	0	0	0
Management Aide	1	1	1	1
Management Analyst	2	2	2	2
Management Secretary	2	2	2	2
Network Analyst	2	0	0	0
Network Analyst II	0	1	1	1
Office Specialist II	5	5	5	5
Programmer	3	0	0	0
Programmer II	0	3	3	3
Project Management Office Supervisor	1	0	0	0
Reprographics Services Specialist II	2	2	2	2
Risk Manager	1	1	1	1
Safety Manager	1	0	1	1
Senior Communications Systems Analyst	0	5	5	5
Senior Database Administrator	0	2	2	2
Sr Business Systems Analyst	2	5	6	6
Sr Human Resources Analyst	5	5	5	5
Sr Information Systems Analyst	5	4	4	4
Sr Network Analyst	0	2	2	2
Sr Systems Administrator	0	2	2	2
Sr Web Developer	0	2	2	2
Systems Administrator	1	0	0	0
Systems Administrator II	0	1	1	1
Technical Project Manager	1	1	1	1
Technology Infrastructure Supervisor	1	2	2	2
Technology Manager	1	1	1	1
Transit Safety Officer	1	2	3	3
Transit Systems Safety Supervisor	1	1	1	1
Web Developer II	0	1	1	1
Total	111	115	118	118

Budget Staffing Level Changes

One Sr Business Systems Analyst position added in FY 2014 to support electronic document management; one Safety Manager position and one Transit Safety Officer position added in FY 2014 to support ongoing safety assessments and improvements.

Administrative Services Division cont.

FY 2012 & FY 2013 Accomplishments

1. Through a competitive RFP process, entered into new contracts for drug and alcohol laboratory testing and medical review officer/substance abuse professional services to meet federal requirements, while reducing costs by approximately 5% from previous contract.
2. Conducted three emergency tabletop exercises and two field exercises to enhance rail safety knowledge and preparedness of first responders in regional safety service agencies, and provided training for Emergency Operations Center staff and the operating divisions on how to respond to train derailments.
3. Completed the initial phases of deployment of a Real Time Information (RTI) system, which provides VTA bus customers audio announcements and contemporaneous transit information on arrival times, travel durations, routes, and other useful information utilizing a website available via computers, cell phones, and other data devices.
4. Completed improvements to VTA Ticket Vending Machines to provide customers with the ability to purchase fares with credit/debit cards, and to add transit value to Clipper electronic fare media.
5. Implemented new desktop and mobile computing strategies, facilitating various work processes and reducing VTA's use of paper and printing services.
6. Partnered with the VTA/ATU (Amalgamated Transit Union) Pension Board to make changes to the Pension Plan Document required to comply with findings from an earlier comprehensive legal review. As a result, the Pension Plan received an IRS Determination Letter certifying that the pension is in compliance with IRS laws and rules.
7. Completed the application process and submission of data, and received nearly \$260,000 in reimbursements from the federal government for the medical expenses of certain retirees, pursuant to the federal Early Retiree Reimbursement Program provisions of the Affordable Care Act.
8. Implemented a Title VI compliance program to ensure all VTA activities comply with Federal Transit Administration (FTA) mandates and with Limited English Proficiency guidelines, as well as with other federal and state civil rights laws and regulations.
9. Implemented a Succession Planning Pilot Program in the Technology Department, including an assessment of the results, made modifications based on the assessment, and began preparation of a comprehensive, agency-wide Succession Planning Program.

FY 2014 & FY 2015 Goals

1. Develop and implement the aggressive safety program requirements of Moving Ahead for Progress (MAP-21), the most recent federal surface transportation legislation. Ensure that all Systems Safety staff complete, or are on track to complete, requirements for Safety Certification. (June 2015)

Administrative Services Division cont.

2. Develop and implement a structured safety program for bus operations which includes employee participation, a documented workplan, a verification and audit process, and procedures for committee governance and program documentation. Program to be modeled after the light rail system Rail System Safety Program (RSSP), and named the Bus System Safety Program (BSSP). (June 2014)
3. Complete major upgrade of VTA's County-wide radio system, including moving a radio tower from a rented facility to VTA's North Yard Division and joint VTA/ City of San Jose fiber optic improvements to enhance system performance and reduce leased telecom costs. (June 2014)
4. Complete network upgrades at Chaboya, Guadalupe and North Operating Divisions and a telephone upgrade (PBX to VoIP) at River Oaks administrative campus. (June 2015)
5. Develop and deploy a comprehensive electronic document Records and Information Management solution (RIM) including new procedures, business processes, updated retention schedules, integrated email, document management, document storage, electronic signature, and eDiscovery. (June 2016)
6. Work with VTA's Amalgamated Transit Union (ATU) to conduct a comprehensive study of the advisability of transferring ATU active employees and retirees from VTA's contracted health plans to CalPERS health plans. (November 2013) Collectively bargain and implement the change dependent on study findings. (January 2015)
7. Complete the implementation of California pension reform legislation, including resolving the unintended consequence of the "non-reciprocity" provisions which create a significant disincentive for operations employees to promote to supervisory positions. (June 2014)
8. Complete negotiations and reach agreement on an economically sustainable successor Collective Bargaining Agreement with the Amalgamated Transit Union (ATU), VTA's largest employee union. (June 2014)
9. Complete negotiations with ATU necessary to implement the mandates of Public Employees' Pension Reform Act (PEPRA), including resolution of 13(c) issues and non-reciprocity issues. (June 2014)

Administrative Services Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	15,007	15,395	14,766	14,713	(53)	-0.4%	14,995	282	1.9%
Materials & Supplies	47	47	120	126	6	4.9%	121	(5)	-4.0%
Professional & Special Services	647	782	1,007	1,349	343	34.1%	1,374	25	1.9%
Other Services	447	962	609	634	25	4.0%	634	0	0.0%
Utilities	1	0	2	1	(2)	-70.9%	1	0	0.0%
Insurance	4,862	4,575	3,415	5,519	2,104	61.6%	5,537	17	0.3%
Data Processing	2,620	2,891	2,503	3,311	808	32.3%	3,274	(37)	-1.1%
Office Expense	39	35	44	41	(3)	-7.1%	41	0	0.0%
Communications	1,098	1,214	1,255	1,249	(5)	-0.4%	1,311	62	5.0%
Employee Related Expense	290	379	291	430	139	47.8%	437	7	1.7%
Leases & Rents	328	285	398	406	8	2.0%	408	3	0.7%
Miscellaneous	80	107	80	83	4	4.6%	83	0	-0.2%
Total Expense	25,466	26,672	24,488	27,862	3,373	13.8%	28,216	355	1.3%
Reimbursements	(1,240)	(759)	(1,241)	(1,442)	(200)	16.1%	(1,184)	257	-17.8%
Net Total	24,227	25,913	23,247	26,420	3,173	13.6%	27,032	612	2.3%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2014 budget reflects a \$343 thousand increase over FY 2013 actual due to costs related to Title VI compliance and an independent risk assessment.

Insurance:

FY 2014 budget is \$2.1 million higher than FY 2013 actual due to an increase in coverage amount and higher premiums due to hardening of the insurance market.

Data Processing:

FY 2014 budget is \$808 thousand higher than FY 2013 actual primarily due to increased enterprise hardware and software licensing and maintenance cost and increased website hosting cost.

Administrative Services Division cont.

Employee Related Expense:

The FY 2014 budget increases \$139 thousand over FY 2013 actual primarily due to consolidation of the education and training budget for all divisions into the Organizational Development Department.

Reimbursements:

FY 2014 budgeted reimbursements increase \$200 thousand from FY 2013 actual and FY 2015 reimbursements decrease \$257 thousand from FY 2014. This variation is due primarily to activities related to the TERM Lite asset assessment tool deployment project scheduled for FY 2014.

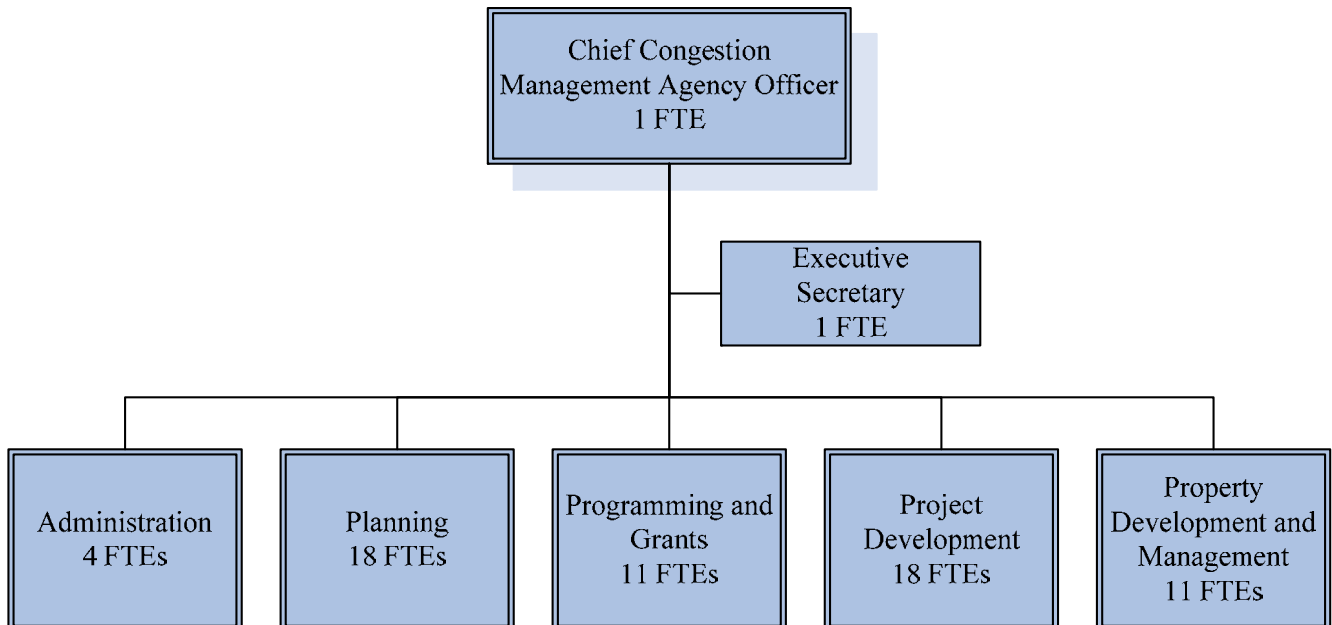


Express Light Rail Train

Congestion Management Division

Under the direction of the Chief Congestion Management Agency Officer, this division is responsible for conducting all Congestion Management Program and VTA transportation planning activities. In addition, the Congestion Management division is responsible for project development activities, project approval, programming and grants management, and property development and management functions.

64 FTEs
(As of 6/30/13)



Congestion Management Division cont.

Department Descriptions

Administration:

Responsible for division budget and personnel administration.

Planning:

Responsible for the planning and conceptual design of all major transit projects, as well as the long range planning functions of the Congestion Management Program (CMP).

Programming and Grants:

Responsible for advocating, programming, managing, and ensuring compliance for all federal, state and regional transit and highway grants, as well as the programming of funds for the CMP.

Project Development:

Responsible for development phases of capital projects including environmental, preliminary engineering, traffic engineering, and Intelligent Transportation Systems (ITS) engineering, as well as the engineering responsibilities of the CMP.

Property Development and Management:

Responsible for the management of VTA's real property assets, acquisition of right-of-way in support of VTA capital projects, and property development.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

*Congestion Management Division
Staffing Level Detail¹*

Job Title	FY12 ²	FY13 ³	FY14	FY15
Associate Real Estate Agent	4	4	4	4
Associate Transportation Engineer	1	1	1	1
Chief Congestion Mgt Agency Officer	1	1	1	1
Deputy Director, Planning	1	1	1	1
Deputy Director, Project Development	1	1	1	1
Deputy Director, Property Dev & Mgt	1	1	1	1
Document Control Clerk II	1	1	1	1
Engineering Group Manager	0	1	1	1
Environmental Planner III	2	2	2	2
Executive Secretary	1	1	1	1
Management Analyst	2	2	2	2
Manager, Real Estate & Project Admin	1	1	1	1
Office Specialist II	4	4	4	4
Principal Transportation Planner	2	3	3	3
Sr Environmental Planner	4	4	4	4
Sr Management Analyst	2	2	2	2
Sr Real Estate Agent	3	3	3	3
Sr Transportation Engineer	1	1	1	1
Sr Transportation Planner	13	14	14	14
Transportation Engineering Manager	1	1	1	1
Transportation Planner III	10	10	10	10
Transportation Planning Manager	5	5	5	5
Total	61	64	64	64

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

No budget staffing level changes

Congestion Management Division cont.

FY 2012 & FY 2013 Accomplishments

1. Completed the Environmental Impact Report/Environmental Assessment for I-280/I-880/Stevens Creek Project.
2. Completed the draft countywide long-range transportation plan, Valley Transportation Plan (VTP 2040), with financially constrained project list included in the 2040 Regional Transportation Plan (RTP).
3. Certified the Environmental Impact Report for the US 101 Improvement Project.
4. Successfully implemented first OneBayArea Grant (OBAG) Programming Cycle.
5. Completed planning, environmental clearance, and conceptual engineering on two of the three primary projects from the Light Rail Systems Analysis. Implemented peak period south line express trains.
6. Completed the conceptual engineering and initiated environmental clearances for El Camino Bus Rapid Transit (BRT) and initiated next phases of the project.
7. Successfully opened the SR 237 Express Lanes for operation receiving Project of the Year award for 2012 from the California Transportation Foundation.
8. Certified the Environmental Impact Report for the US 101 Improvement Project from Monterey Highway to SR 129.
9. Created the Innovative Delivery Team Program (iTEAM) and executed a Master Agreement with Caltrans.

FY 2014 & FY 2015 Goals

1. Complete the environmental document for the Vasona Extension Project and the Capitol Expressway Corridor Project. (November 2013)
2. Circulate the draft environmental document for the BART Extension –Phase II Project to the public for review. (May 2014)
3. Complete preliminary engineering and environmental clearance for the Stevens Creek and El Camino Real Bus Rapid Transit (BRT) Projects. (July 2014)
4. Complete a local bus integration plan for the El Camino Real and Stevens Creek BRT Projects that assesses the service needs of newly developing employment centers in Mountain View, Sunnyvale, Santa Clara, Palo Alto, and Cupertino. (Fall 2014)
5. Complete revisions to the Community Design and Transportation Manual of Best Practices for Integrating Transportation and Land Use, and publish online version. (July 2014)
6. Complete project approval and environmental documents for SR 85 and US 101 Express Lanes Project. (June 2014)

Congestion Management Division cont.

7. Finalize and adopt the countywide long-range transportation plan, Valley Transportation Plan (VTP 2040), incorporating new Sustainable Community Strategy elements. (October 2013)
8. Complete development and implementation of integrated VTA Land Use/Transportation Model. (June 2015)
9. Implement the Innovative Delivery Team Program (iTEAM) - a new business model for the cooperative delivery of transportation projects and operation of the State highway system in Santa Clara County. (October 2013)

Congestion Management Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	8,126	7,804	8,829	8,976	147	1.7%	9,151	176	2.0%
Professional & Special Services	139	144	151	174	23	15.0%	149	(25)	-14.4%
Other Services	0	6	0	0	0	N/A	0	0	N/A
Data Processing	10	10	8	10	2	32.2%	10	0	0.0%
Office Expense	13	18	11	14	3	27.4%	14	0	0.0%
Employee Related Expense	42	7	9	10	0	3.0%	10	0	0.0%
Miscellaneous	21	31	26	28	2	5.8%	28	0	0.7%
Total Expense	8,350	8,020	9,035	9,211	177	2.0%	9,362	151	1.6%
Reimbursements	(8,195)	(7,738)	(8,610)	(9,225)	(615)	7.1%	(9,639)	(415)	4.5%
Net Total	156	282	425	(13)	(438)	-103.1%	(277)	(264)	1994.8%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

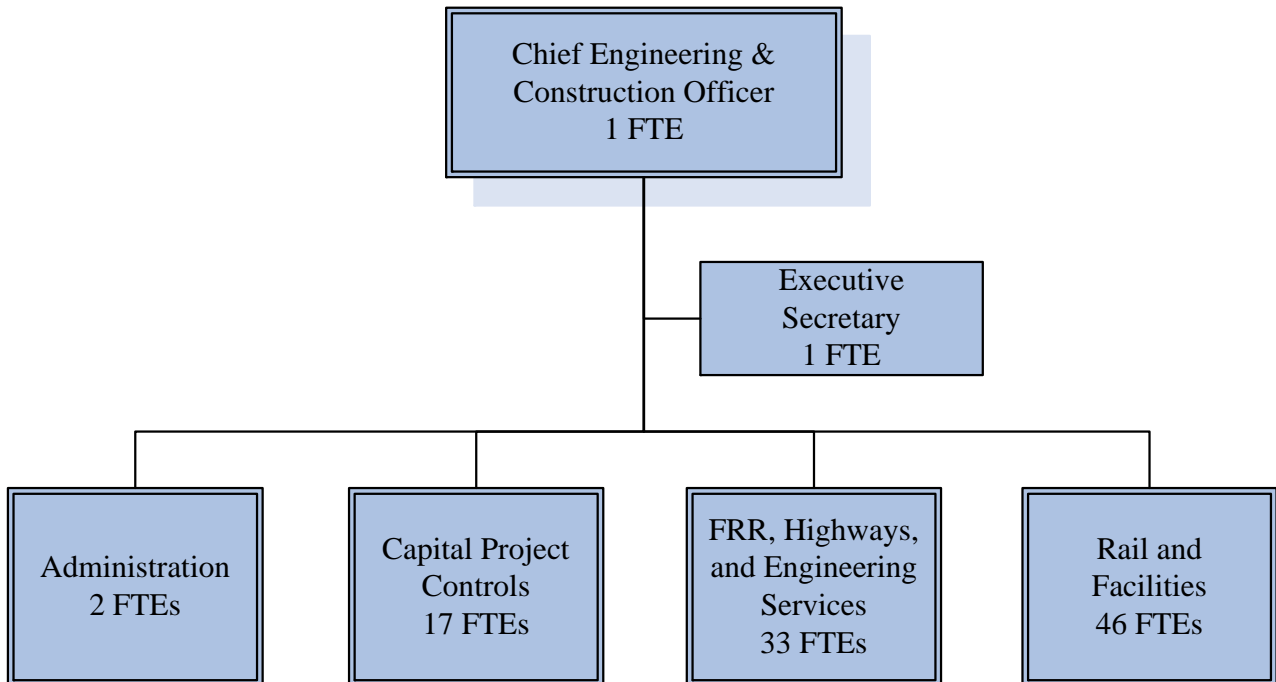
Reimbursements:

FY 2014 budgeted reimbursements reflect an increase of \$615 thousand or 7.1% from FY 2013 primarily due to increased planning related activities for SR 152 Trade Corridor, SR 237 Express Lanes-Phase II Extension, and environmental activities related to Phase II of the BART extension through Downtown San Jose to the Santa Clara Caltrain Station.

Engineering & Construction Division

Under the direction of the Chief Engineering & Construction Officer, this division is responsible for the design of VTA projects once project development is complete and the project is approved and funded. The division is responsible for design and construction through turnover of the facility to VTA or the appropriate agency.

100 FTEs
(As of 6/30/13)



Engineering & Construction Division cont.

Department Descriptions

Administration:

Responsible for division budget and personnel administration.

Capital Project Controls:

Responsible for managing cost and schedule reporting on major capital projects, and maintaining project controls software tools for reporting costs and tracking changes that are integrated into VTA’s SAP enterprise software.

FRR, Highways, and Engineering Services:

Responsible for managing the design and construction of the Freight Railroad Relocation (FRR) activities and highway projects, and for providing engineering services including utility, survey, right-of-way engineering, hazardous material, and permitting support services to all VTA capital projects.

Rail and Facilities:

Responsible for managing the design and construction of rail projects, including rehabilitation projects on the existing system and light rail expansion projects, facilities projects involving the VTA bus and rail yards, and for providing construction inspection services to all VTA capital projects.

***Engineering & Construction Division
Staffing Level Detail¹***

Job Title	FY12 ²	FY13 ³	FY14	FY15
Assistant Architect	1	1	1	1
Assistant Systems Design Engineer	0	2	2	2
Assistant Transportation Engineer	8	8	8	8
Associate Architect	1	1	1	1
Associate Land Surveyor	1	1	1	1
Associate Systems Design Engineer	4	3	3	3
Associate Transportation Engineer	7	7	7	7
Business Relations Manager	1	1	1	1
Chief Engineering & Construction Officer	1	1	1	1
Construction Contract Compliance Officer	1	1	1	1
Construction Inspector	9	9	9	9
Cost & Schedule Coordinator	1	1	1	1

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Title	FY12²	FY13³	FY14	FY15
Deputy Director, Construction	2	2	2	2
Document Control Clerk II	2	0	0	0
Engineering Aide	7	7	7	7
Engineering Group Manager	3	3	3	3
Engineering Technician II	1	1	1	1
Engineering Technician III	4	3	3	3
Executive Secretary	1	1	1	1
Management Analyst	2	2	2	2
Manager, Construction Inspection	1	1	1	1
Office Specialist II	7	8	8	8
Office Support Supervisor	1	1	1	1
Permit Technician	1	1	1	1
Principal Construction Inspector	1	1	1	1
Project Controls Group Manager	1	1	1	1
Project Controls Specialist II	4	4	4	4
Project Controls Supervisor	1	0	0	0
Quality Assurance & Warranty Manager	1	1	1	1
Secretary	1	1	1	1
Sr Architect	3	2	2	2
Sr Construction Inspector	4	5	5	5
Sr Construction Inspector - Lead	1	0	0	0
Sr Cost & Schedule Coordinator	1	2	2	2
Sr Environmental Engineer	1	1	1	1
Sr Land Surveyor	1	1	1	1
Sr Management Analyst	1	1	1	1
Sr Systems Design Engineer	1	1	1	1
Sr Transportation Engineer	4	4	5	5
Survey and Mapping Manager	1	1	1	1
Systems Design Manager	1	1	1	1
Transportation Engineering Manager	4	4	4	4
Utilities Coordination Manager	1	1	1	1
Utility Coordinator	2	2	2	2
Total	102	100	101	101

Budget Staffing Level Changes

One Sr Transportation Engineer position added in FY 2014 to support quality assurance efforts.

Engineering & Construction Division cont.

FY 2012 & FY 2013 Accomplishments

1. Completed 12 of 38 facilities construction contracts within 15% of contract award amounts.
2. Completed 2 of 5 Rail Transit and Highway construction contracts within 12% of contract award amounts.
3. Completed construction of Capitol Expressway LRT Project - Pedestrian Improvements.
4. Awarded Eastridge Transit Center bus improvements contract.
5. Completed construction of bus stop improvements at 20 locations in FY12 and completed design for 19 additional locations in FY13.
6. Completed rail rehabilitation at Lick Mill, Hamilton Freight Track Repair, and Harwood Spur.
7. Completed construction of Blossom Hill Pedestrian Grade Separation.
8. Completed construction of Guadalupe Corridor station elevator and escalator retrofit.
9. Completed design of I280/I880/Stevens Creek Interchange improvements.
10. Completed design of US101/Capitol Expressway/Yerba Buena Interchange improvements.
11. Completed Closed Circuit Television (CCTV) installations at Race Street, Race St @ Winchester, Evelyn Station, McKee Road, and Evelyn Pedestrian Tunnel.
12. Completed installation of Light Rail track intrusion between-car barriers.
13. Completed installation of security fencing at Chaboya Operating Division.

FY 2014 & FY 2015 Goals

1. Complete Light Rail Efficiency Phase 1 improvements including Tasman Drive pocket track in Santa Clara and double-track improvements in Mountain View. (mid 2014)
2. Complete replacement of four and installation of two new traction power substations on the Guadalupe Light Rail Line. (early 2015)
3. Complete security system and safety enhancement projects along First Street and the Vasona Light Rail Line. (mid 2014)
4. Complete I-280/I-880/Stevens Creek Interchange improvement construction. (mid 2015)
5. Complete US101/Capitol Expressway/Yerba Buena Interchange improvement construction. (late 2013)
6. Complete installation of Real Time Information (RTI) at 60 key bus stops, rail stations, and transit centers. (late 2014)
7. Substantially complete reconstruction of the Eastridge Transit Center. (mid 2015)

Engineering & Construction Division cont.

8. Substantially complete construction of the Santa Clara/Alum Rock Bus Rapid Transit (BRT) Project. (mid 2015)
9. Complete construction of bus stop improvements at 20 locations. (late 2014)
10. Complete rail replacement and rehabilitation at Clayton Crossover, Taylor Crossing, and Hedding Crossing. (mid 2015)

Engineering & Construction Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	12,862	14,131	13,176	13,319	143	1.1%	13,581	262	2.0%
Materials & Supplies	1	1	1	1	0	-24.9%	1	0	0.0%
Professional & Special Services	94	21	11	25	14	126.0%	25	0	0.0%
Other Services	0	0	1	0	(1)	-100.0%	0	0	N/A
Office Expense	8	10	9	10	1	14.5%	10	0	0.0%
Employee Related Expense	8	8	3	5	2	94.3%	5	0	0.0%
Miscellaneous	5	6	8	5	(2)	-30.0%	5	0	0.0%
Total Expense	12,978	14,178	13,207	13,365	158	1.2%	13,628	262	2.0%
Reimbursements	(14,772)	(15,212)	(16,282)	(15,428)	854	-5.2%	(15,709)	(281)	1.8%
Net Total	(1,795)	(1,034)	(3,075)	(2,063)	1,012	-32.9%	(2,081)	(18)	0.9%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

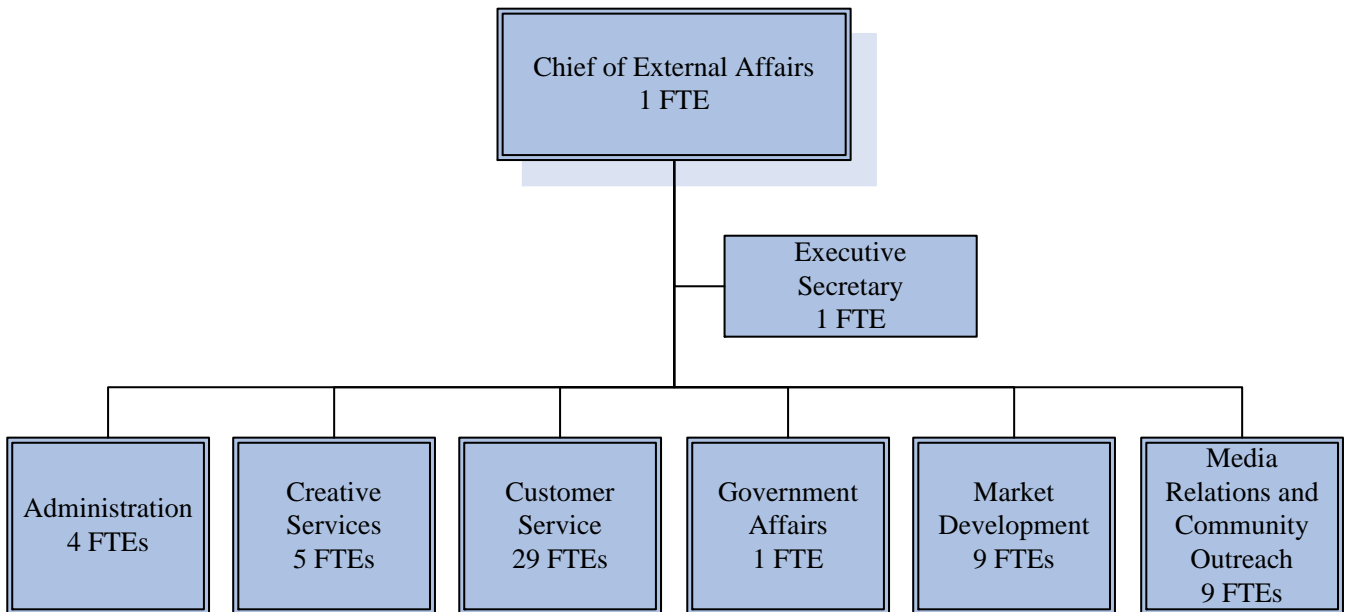
Reimbursements:

FY 2014 budgeted reimbursements reflect a decrease of \$854 thousand or 5.2% from FY 2013 primarily due to a conservative estimate of reimbursement hours for FY 2014.

External Affairs Division

Under the direction of the Chief of External Affairs, this division is responsible for developing and executing a cohesive communication plan for the Authority, integrating media relations, community outreach, marketing, customer service, and government affairs activities supporting VTA's strategic goals.

59 FTEs
(As of 6/30/13)



External Affairs Division cont.

Department Descriptions

Administration:

Responsible for division budget and personnel administration.

Creative Services:

Responsible for creative design and production services for all VTA departments to ensure that VTA materials meet established graphic standards, and are easy to understand.

Customer Service:

Responsible for providing current and potential service recipients with accurate and timely assistance through a telephone contact center, the Downtown and River Oaks Customer Service Centers, community events, site visits, and via VTA's web-site www.vta.org. Also responsible for providing travel training and outreach to seniors and persons with disabilities.

Government Affairs:

Responsible for developing and coordinating VTA's legislative and intergovernmental relations programs.

Market Development:

Responsible for identification of target markets and development of positive advertising campaigns to promote utilization of VTA transit services.

Media Relations and Community Outreach:

Responsible for initiating and responding to media contacts, maintaining updated information about VTA, relaying critical project information to the public, and encouraging public involvement and input for capital project development.

*External Affairs Division
Staffing Level Detail¹*

Job Title	FY12 ²	FY13 ³	FY14	FY15
Admin of Social Media & Electronic Comm	1	1	1	1
Chief of External Affairs	1	1	1	1
Creative Services Manager	1	1	1	1
Customer Services Supervisor	3	4	4	4
Executive Secretary	1	1	1	1
Government Affairs Manager	1	1	1	1
Graphic Designer II	4	4	4	4
Information Services Representative	20	20	20	20
Management Analyst	2	2	2	2
Manager, Market Development	1	1	1	1
Manager, Public Affairs & Customer Info	1	1	1	1
Media Spokesperson	1	1	1	1
Office Specialist II	2	2	2	2
Policy & Community Relations Manager	1	1	1	1
Public Communication Specialist II	12	11	11	11
Public Information Officer	1	1	1	1
Public Relations Supervisor	1	1	1	1
Sales and Promotion Supervisor	1	1	1	1
Secretary	1	1	1	1
Sr Information Representative	3	2	2	2
Sr Transportation Planner	1	1	1	1
Total	60	59	59	59

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

No budget staffing level changes

External Affairs Division cont.

FY 2012 & FY 2013 Accomplishments

1. Successfully developed and executed VTA's legislative program.
2. Obtained board support for implementation of the Habitat Conservation Plan and OneBayArea Grant Program, as well as consensus on projects for inclusion in the long-range transportation planning document VTP 2040.
3. Maintained positive working relationships with major media outlets in the Bay Area, expanding coverage of VTA projects and priorities in new media markets, distributing over 100 media releases with a pick-up rate of over 88%.
4. Relocated the Downtown Customer Service Center to a new location providing additional space for Community Outreach, fare inspectors, and security personnel.
5. Achieved a smooth transition of transit customers to use of the new Clipper Card electronic fare media.
6. Expanded outreach, including travel training, to increase ridership and improve mobility for seniors in Santa Clara County.
7. Provided community with timely, accurate information about VTA transportation projects in the planning and construction stages to minimize impacts and maximize public involvement throughout the project planning and decision-making process.
8. Created attractive, engaging marketing promotions to highlight VTA projects and services, increasing ridership and fare revenues.
9. Achieved goal of enrolling 10% of Santa Clara County's workforce in the Eco Pass Program, adding more than 25,000 students to the program, which contributed to double digit ridership increases on routes serving these markets.
10. Produced a wide array of printed materials and web graphics to support VTA departments and capital projects, including introduction of new service and general promotion of the VTA brand.

FY 2014 & FY 2015 Goals

1. Actively participate in policy working groups at the federal and state levels to ensure that the Moving Ahead for Progress in the 21st Century Act (MAP-21) is implemented in a way that maximizes federal resources available to VTA and minimizes impediments and barriers to VTA's roles and responsibilities as a multi-modal transportation organization. (Ongoing)
2. Advocate for the highest possible levels of annual appropriations for highways and public transit, as well as for individual programs within the Highway and Transit Titles. Coordinate with relevant transportation stakeholders to minimize the impact of sequestration (or its replacement) on surface transportation programs that fall under the General Fund, in particular the New Starts/Small Starts Program. (Ongoing)

External Affairs Division cont.

3. Advocate for New Starts appropriations for the BART Silicon Valley Berryessa Extension (SVBX) Project consistent with the project's Full Funding Grant Agreement (FFGA) and provide advocacy support to advance the Silicon Valley Santa Clara Extension (SVSX) in the New Starts process. (Ongoing)
4. Pursue new funding opportunities for VTA's Express Lanes Program, El Camino Real Bus Rapid Transit (BRT) Project, and SVSX. (Ongoing)
5. Work with VTA partners to advance the Bay Area's *High-Speed Rail Early Investment Strategy for a Blended System on the Peninsula Corridor* to ensure full funding for Caltrain's advanced signal system project and electrification in the near-term, as well as for grade separation projects and improvements at the Diridon Station Area in downtown San Jose in the long-term. (Ongoing)
6. Advocate for the highest possible levels of regional discretionary funding for Santa Clara County programs from the Metropolitan Transportation Commission (MTC). (Ongoing)
7. Work with regional agencies to increase funding for transportation programs and oppose any efforts to divert current funding for non-transportation programs and priorities. (Ongoing)
8. Engage the community, including a wide variety of stakeholders, in the planning process and construction of BRT service, light rail enhancement project, and Express Lanes program. (Ongoing)
9. Expand the use of electronic communications, including social media platforms, to reach a diverse audience that will generate increased participation in VTA planning and decision-making, a higher level of customer satisfaction, increased ridership, and support for VTA projects/priorities. (Ongoing)
10. Increase ridership and revenue through the successful introduction of new service including light rail and bus service to the new Levi's Stadium, BRT corridors, and new mobile apps and electronic tools to improve the customer experience, including RTI and social media platforms. (Ongoing)

External Affairs Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	6,426	6,642	6,546	6,856	310	4.7%	7,118	262	3.8%
Materials & Supplies	1	4	3	8	5	176.0%	8	0	0.0%
Professional & Special Services	288	437	191	412	221	116.0%	337	(75)	-18.2%
Other Services	1,446	1,414	1,455	1,338	(118)	-8.1%	1,448	110	8.2%
Data Processing	0	0	1	0	0	-44.1%	2	1	300.0%
Office Expense	20	22	20	20	0	2.5%	20	0	0.0%
Employee Related Expense	12	26	17	17	0	-0.3%	17	0	0.0%
Leases & Rents	48	114	73	98	25	33.6%	101	3	3.0%
Miscellaneous	37	30	20	52	32	163.6%	52	0	-0.2%
Contribution to Other Agencies	237	240	266	272	6	2.3%	272	0	0.0%
Total Expense	8,516	8,929	8,591	9,073	482	5.6%	9,374	301	3.3%
Reimbursements	(727)	(658)	(937)	(1,008)	(71)	7.5%	(996)	11	-1.1%
Net Total	7,789	8,271	7,654	8,065	411	5.4%	8,377	312	3.9%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

Professional & Special Services:

The FY 2014 budget is \$221 thousand higher than FY 2013 due to a one-time non-rider survey scheduled for FY 2014 and increased lobbying activities.

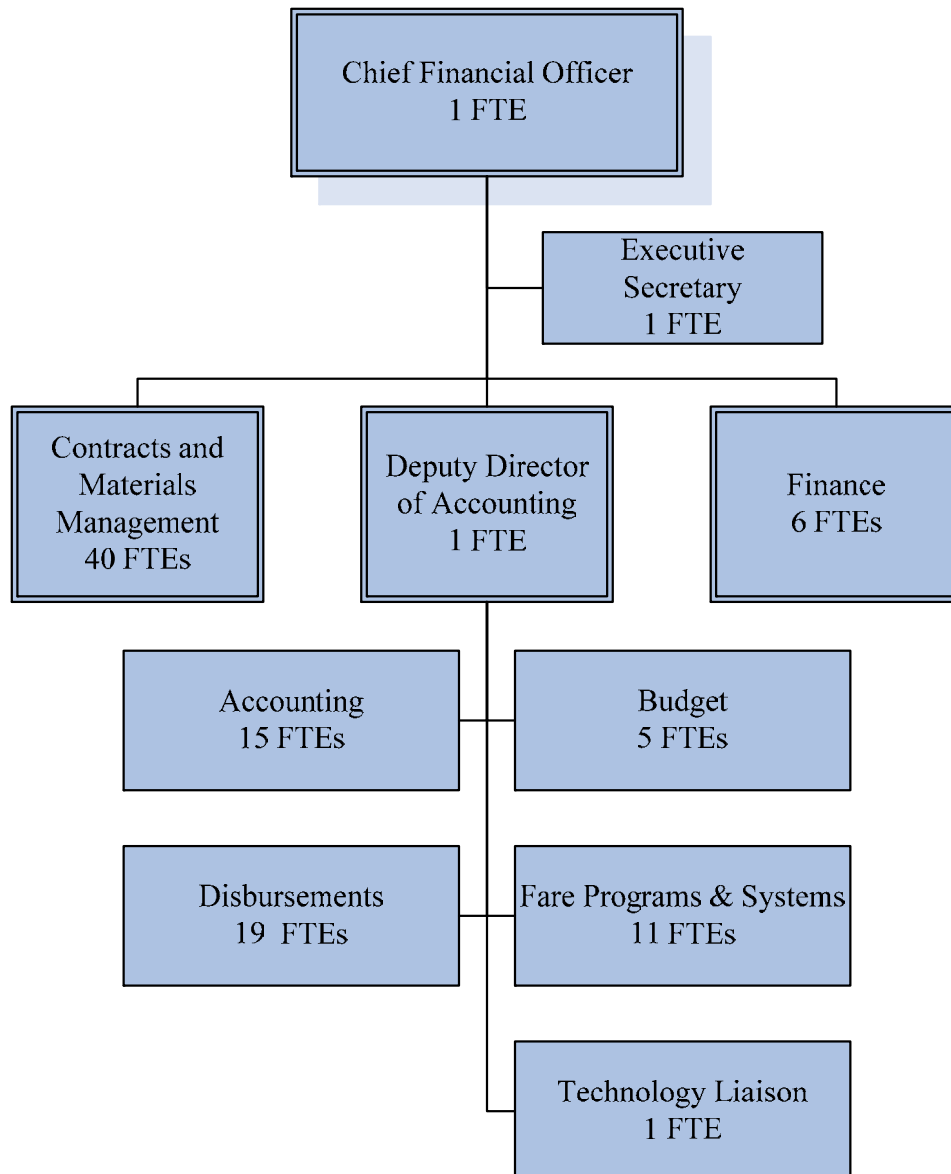
Other Services:

FY 2014 budget reflects a \$118 thousand decrease from FY 2013 actual and the FY 2015 budget reflects a \$110 thousand increase over FY 2014. FY 2013 included additional advertising and marketing efforts related to the Clipper roll-out. FY 2015 includes costs for promotions related to new Bus Rapid Transit (BRT) and Levi's Stadium service.

Fiscal Resources Division

Under the direction of the Chief Financial Officer, the Fiscal Resources division fulfills the Controller and Treasury functions for VTA including financial reporting, accounting, budgeting, investment services, cash management, debt administration, payroll, accounts receivable, accounts payable, and farebox revenue services. In addition, purchasing, messenger/mail services, contracts administration, and the disadvantaged business enterprise (DBE) program are the responsibility of the Fiscal Resources division.

100 FTEs
(As of 6/30/13)



Fiscal Resources Division cont.

Department Descriptions

Accounting:

Responsible for managing financial and capital accounting activities; maintaining the financial accounting system; external and internal financial reporting; preparation of revenue billings for projects, program contracts, and other program services; and processing and recording of cash deposits.

Budget:

Responsible for development of the biennial operating and capital budget and monitoring the adopted budget throughout the fiscal year.

Contracts and Materials Management:

Responsible for commodity and non-professional service procurements, construction and professional services contracting, disadvantaged business enterprise (DBE) program compliance, messenger and mail service, central receiving, and surplus property disposal.

Disbursements:

Responsible for processing payments to employees and outside vendors.

Fare Programs and Systems:

Responsible for managing the activities of fare media sales and reporting of revenue collection for the bus and light rail operations.

Finance:

Responsible for identifying need and implementing debt related transactions, preparing and analyzing the financial capacity of VTA, long-term financial planning, establishing effective investment strategies, analyzing investment portfolio performance, reporting investment performance to the Board of Directors, and designing and managing cash management and cash forecasting systems.

*Fiscal Resources Division
Staffing Level Detail¹*

Job Title	FY12 ²	FY13 ³	FY14	FY15
Accountant Assistant	14	14	14	14
Accountant I	0	1	1	1
Accountant II	2	2	2	2
Accountant III	9	8	8	8
Accounts Payable Support Supervisor	1	1	1	1
Buyer Assistant	3	1	1	1
Buyer II	3	5	5	5
Buyer III	3	3	3	3
Chief Financial Officer	1	1	1	1
Client Relationship Supervisor	1	1	1	1
Construction Contracts Administrator II	5	5	5	5
Contracts Administrator II	5	5	5	5
Contracts Manager	1	1	1	1
Contracts Program Manager	2	2	2	2
DBE Program Manager	1	1	1	1
Deputy Director, Accounting	1	1	1	1
Design Build Construction Administration Manager	1	1	1	1
Disbursements Manager	1	1	1	1
Executive Secretary	1	1	1	1
Financial Accounting Manager	1	1	1	1
Financial Analyst	2	2	2	2
Fiscal Resources Manager	3	3	3	3
Investment Program Manager	1	1	1	1
Lead Storekeeper	1	1	1	1
Mail Messenger	3	3	3	3
Management Analyst	4	4	4	4
Management Secretary	2	2	2	2
Manager, Highway Construction Contracts	1	1	1	1
Office Specialist II	1	1	1	1
Office Support Supervisor	2	2	2	2
Payroll Support Supervisor	1	1	1	1
Purchasing & Materials Manager	1	1	1	1
Purchasing Manager	1	1	1	1
Revenue Services Manager	1	1	1	1
Sr Accountant	9	9	9	9
Sr Construction Contracts Administrator	2	2	2	2
Sr Financial Analyst	3	3	3	3
Sr Management Analyst	1	1	1	1
Storekeeper	1	1	1	1
Vault Room Worker	4	4	4	4
Total	100	100	100	100

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

No budget staffing level changes

Fiscal Resources Division cont.

FY 2012 & FY 2013 Accomplishments

1. Refunded VTA Transit Junior Lien Sales Tax Revenue Bonds, 1998 Series A and Junior Lien Sales Tax Revenue Bonds, 2000 Series A from variable rate mode to fixed rate mode, reducing variable rate risk, bank risk, and insurer risk in debt portfolio.
2. Coordinated the implementation of the collection of 2008 Measure B Sales Tax with the State Board of Equalization (SBOE).
3. Successfully completed a Federal Transit Administration (FTA) Procurement System Review of ARRA (American Recovery and Reinvestment Act of 2009) funded bus procurement with no significant findings.
4. Planned and coordinated a Silicon Valley Berryessa Extension (SVBX) Information Forum at the San Jose Convention Center attended by 550 prime and subcontractors as part of the SVBX procurement.
5. Coordinated the implementation of the regional Clipper transit electronic fare media card, a smart card which allows transit customers to load cash value and monthly passes to pay for rides on VTA or any transit system in the Bay Area that accepts Clipper.
6. Facilitated the submission of a Letter of Interest for TIFIA (Transportation Infrastructure Finance and Innovation Act) loan for the Express Lanes Program.
7. Executed all documents, including a Remarketing Memorandum in connection with the 2008 Measure A Sales Tax Revenue Refunding Bonds, that were required to implement the replacement of JP Morgan with Sumitomo Mitsui Banking Corporation as liquidity provider for Series A and Series B.
8. Facilitated the development of discounted fare options for low income residents of Santa Clara County.
9. Received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for both the FY 2011 and FY 2012 Comprehensive Annual Financial Reports.
10. Received the GFOA Distinguished Budget Presentation Award for the FY 2012 and FY 2013 Biennial Budget Book.

FY 2014 & FY 2015 Goals

1. Achieve an annualized rate of return on VTA investments that meets or exceeds the performance benchmarks as defined in the VTA investment policy. Rebalance VTA Operating Investment Portfolios to more closely match use and timing of needed funds and develop investment strategy. (Ongoing)
2. Review and update if necessary VTA's Investment, Debt, and Swap Policies to maintain financial stability and VTA security. (Ongoing)

Fiscal Resources Division cont.

3. Provide cash flow, financial analysis and presentation support for the development of the FY 2014 – FY 2023 Short Range Transit Plan. (September 2013)
4. Provide cash flow, financial analysis and presentation support for the development of the Express Lanes Program. (September 2013)
5. Coordinate the Federal Transit Administration (FTA) Triennial Review for compliance with federal requirements as outlined in the grants management practices and program implementation. (July 2015)
6. Establish a comprehensive VTA Transit Fund Reserve Policy. (December 2013)
7. Maintain VTA Transit long-term credit ratings of AAA/Aa3/AA- and 2000 Measure A long-term credit ratings of AA+/Aa3. (Ongoing)
8. Submit the FY 2013 and FY 2014 Comprehensive Annual Financial Reports to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting. (December 2013 & December 2014)
9. Submit the FY 2014 and FY 2015 Biennial Budget Book to GFOA for consideration for the Distinguished Budget Presentation Award. (September 2013)



San Jose Airport Flyer

Fiscal Resources Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	12,025	12,622	12,335	12,167	(169)	-1.4%	12,437	271	2.2%
Materials & Supplies	2	1	1	1	0	-29.6%	1	0	0.0%
Professional & Special Services	573	1,009	779	1,327	548	70.4%	1,481	154	11.6%
Other Services	286	514	351	565	214	60.8%	568	3	0.5%
Data Processing	1	3	2	1	0	-12.8%	1	0	0.0%
Office Expense	36	38	43	41	(2)	-4.8%	41	0	-1.0%
Employee Related Expense	3	3	3	3	(1)	-18.7%	3	0	17.2%
Leases & Rents	0	0	4	0	(4)	-94.3%	0	0	0.0%
Miscellaneous	136	155	85	140	55	64.0%	140	0	0.1%
Contribution to Other Agencies	0	0	0	100	100	N/A	100	0	0.0%
Total Expense	13,062	14,346	13,605	14,345	740	5.4%	14,772	427	3.0%
Reimbursements	(1,274)	(939)	(1,794)	(1,618)	176	-9.8%	(1,574)	44	-2.7%
Net Total	11,788	13,406	11,810	12,727	916	7.8%	13,198	471	3.7%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2014 budget reflects a \$548 thousand increase from FY 2013 actual and FY 2015 reflects a \$154 thousand increase from FY 2014 due primarily to transaction costs related to the Clipper program.

Other Services:

The FY 2014 budget is \$214 thousand higher than FY 2013 actual due to printing costs related to limited-use smart card stock and increased bank fees for credit/debit card transactions at ticket vending machines.

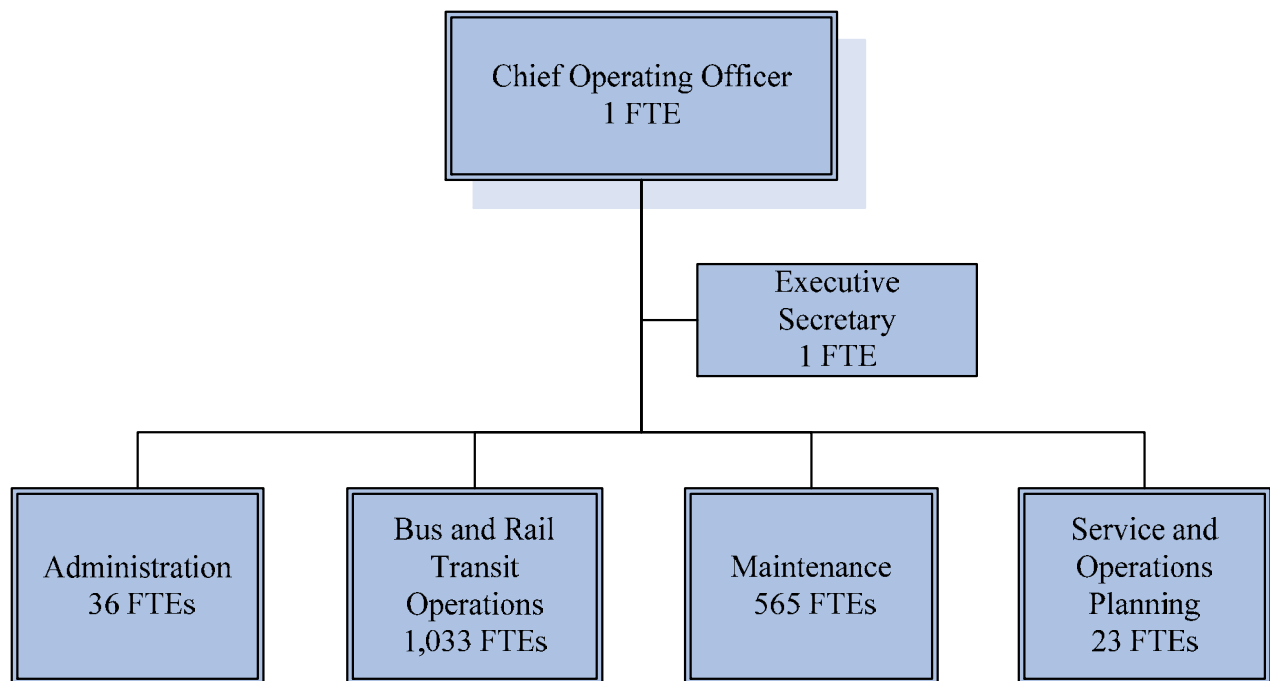
Reimbursements:

FY 2014 budgeted reimbursements reflect a decrease of \$176 thousand or 9.8% from FY 2013 primarily due to a conservative estimate of reimbursement hours for FY 2014.

Operations Division

Under the direction of the Chief Operating Officer, the Operations division operates, maintains, analyzes, schedules, manages, and provides security for VTA's bus and light rail transit system and facilities. It also oversees contracted shuttle and paratransit service.

1,659 FTEs
(As of 6/30/13)



Operations Division cont.

Department Descriptions

Administration:

Responsible for division budget, capital projects, policies and procedures, and personnel administration (e.g., staffing allocation, discipline and grievance process, absence management, and personnel development and training).

Bus and Rail Transit Operations:

This department includes one light rail and three bus divisions responsible for operating VTA’s bus routes and light rail system. This department is also responsible for field supervision, bus and rail technical training, and the operations control center.

Maintenance:

Responsible for maintaining VTA’s fleet of buses and light rail vehicles, as well as the light rail system consisting of track, operating signals, a power distribution system, passenger facilities, and the adjoining right-of-way. In addition, this department manages all VTA facilities and non-revenue vehicles and is responsible for bus and rail maintenance engineering and configuration management, maintenance training, quality assurance and warranty services, materials management, and protective services.

Service and Operations Planning:

Responsible for planning, scheduling, and monitoring VTA’s bus routes and light rail service; analysis and reporting of VTA transportation and maintenance performance; providing support for VTA operations-related business information systems; ensuring compliance with the Americans with Disabilities Act (ADA) for fixed-route transit operations; coordination of contracted and interagency transit services; and planning and coordination of VTA’s bus stops, transit centers, and shelters.

***Operations Division
Staffing Level Detail¹***

Job Title	FY12 ²	FY13 ³	FY14	FY15
Accountant Assistant	1	1	1	1
Assistant Supt. Service Management	1	1	1	1
Assistant Supt. Transit Communications	3	3	3	3
Associate Mechanical Engineer	1	1	1	1
Associate Systems Engineer	2	2	2	2
Automotive Attendant	1	1	1	1
Bus Operator	804	810	842	862

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Title	FY12²	FY13³	FY14	FY15
Bus Stop Maintenance Worker	13	13	13	13
Chief Operating Officer	1	1	1	1
Communications Systems Analyst	1	0	0	0
Deputy Director, Operations	3	3	3	3
Dispatcher - Bus	21	21	21	21
Dispatcher - LRT	4	4	4	4
Dispatcher Supervisor	1	1	1	1
Electrician	1	1	1	1
Electro - Mechanic	42	42	42	42
Electronic Technician	9	9	9	9
Engineering Technician III	1	1	1	1
Executive Secretary	2	2	2	2
Facilities Maintenance Coordinator	2	2	2	2
Facilities Maintenance Representative	4	4	4	4
Facilities Worker	23	23	23	23
Fare Inspector	17	16	16	16
Foreperson - LRT	3	3	3	3
General Maintenance Mechanic	1	1	1	1
Janitor	8	8	8	8
Lead Bus Stop Maintenance Worker	2	2	2	2
Lead Maintenance Worker - LRT	7	7	7	7
Light Rail Equipment Superintendent	1	1	1	1
Light Rail Operator	99	99	99	100
Light Rail Power Foreperson	1	1	1	1
Light Rail Power Supervisor	1	1	1	1
Light Rail Signal Maintainer	18	18	21	21
Light Rail Signal Supervisor	2	2	2	2
Light Rail Technical Trainer	3	3	3	3
Light Rail Technical Training Supervisor	1	1	1	1
Light Rail Track Maintenance Supervisor	1	1	1	1
Light Rail Way, Power & Signal Superintendent	1	1	1	1
Light Rail Way, Power & Signal Supervisor	1	1	1	1
Maintenance Instructor - Bus	2	2	2	2
Maintenance Instructor - Light Rail	1	1	1	1
Maintenance Scheduler	7	7	7	7
Maintenance Superintendent	4	4	4	4
Maintenance Worker - LRT	19	19	19	19
Management Aide	1	1	1	1
Management Analyst	8	8	8	8
Management Secretary	1	1	1	1
Manager, Ops Analysis, Reporting & Systems	1	1	1	1
Materials & Warranty Manager	1	1	1	1
Materials Resource Scheduler	3	3	3	3
Office Specialist II	32	32	32	32
Office Support Supervisor	5	5	5	5
Operations Manager	3	3	3	3
Operations Manager, Engineering	1	1	1	1
Operations Systems Supervisor	1	1	1	1
Operator - Trainee	15	30	30	30
Ops Manager, Facilities Maintenance & Security	1	1	1	1
Overhaul & Repair Foreperson	2	3	3	3
Overhaul & Repair Mechanic	23	23	23	23

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Title	FY12²	FY13³	FY14	FY15
Overhead Line Worker	9	8	8	8
Paint & Body Foreperson	1	1	1	1
Paint & Body Foreperson - LRT	1	1	1	1
Paint & Body Worker	10	10	10	10
Paint & Body Worker - LRT	5	5	5	5
Parts Clerk	20	20	20	20
Parts Foreperson	1	1	1	1
Passenger Facilities & Wayside Maint Supervisor	2	2	2	2
Policy & Administrative Manager - Ops	1	1	1	1
Quality Assurance & Warranty Specialist	2	2	2	2
Senior Communications Systems Analyst	0	1	1	1
Service Mechanic	18	17	17	17
Service Worker	65	71	74	75
Service Worker Foreperson	4	5	5	5
Sr Management Analyst	3	3	3	3
Sr Mechanical Engineer	1	1	1	1
Sr Signal Maintainer	2	2	2	2
Sr Systems Engineer	1	1	1	1
Sr Track Worker	7	7	7	7
Substation Maintainer	8	8	8	8
Supervising Maintenance Instructor	1	1	1	1
Supervising Maintenance Instructor - LRT	1	1	1	1
Support Mechanic	3	3	3	3
Technical Trainer	4	4	4	4
Technical Training Supervisor	1	1	1	1
Track Worker	8	8	8	8
Transit Division Supervisor	9	9	9	9
Transit Foreperson	10	10	10	10
Transit Maintenance Supervisor	12	12	12	12
Transit Mechanic	117	116	116	118
Transit Radio Dispatcher	12	12	12	12
Transit Service Development Spec II	10	10	10	10
Transit Service Development Supervisor	2	2	2	2
Transportation Superintendent	5	6	6	6
Transportation Supervisor	34	37	37	37
Union Business	3	3	3	3
Upholsterer	5	5	5	5
Upholstery Foreperson	1	1	1	1
Utility Worker	2	2	2	2
Vehicle Parts Supervisor	4	4	4	4
Warranty Coordinator	1	1	1	1
Total⁴	1,645	1,674	1,712	1,736

⁴ Does not include Long-Term Leave positions

Budget Staffing Level Changes

Thirty-five positions added in FY 2014 to support service enhancements; 3 positions added in FY 2014 to address ongoing California Public Utilities Commission (CPUC) inspection requirements; 24 positions added in FY 2015 to support service enhancements.

Operations Division cont.

FY 2012 & FY 2013 Accomplishments

1. Initiated new bus and light rail service including deployment of 15 new express vehicles on 7 Express Bus lines, resulting in a 20% ridership increase; new direct light rail service from Santa Teresa Station for San Jose Sharks games; and new Limited Stop Line 323 in response to high demand at DeAnza College and as precursor to full Bus Rapid Transit implementation.
2. Consistently exceeded established operational goals for boardings per revenue hour, percent of scheduled service provided, absenteeism, bus miles between mechanical scheduled loss and light rail fare evasion rate.
3. Extended paratransit contract with OUTREACH through June 2016, and coordinated with OUTREACH to obtain a \$2 Million grant from the Federal Transit Authority Veterans Transportation and Community Living Initiative to better serve veterans, military personnel, and their families with transportation, human services, and community information.
4. Trained 115 new Coach Operators and 32 new Light Rail Operators; provided mandatory annual 8-hour Verification of Transit Training (VTT) to all active Coach Operators; provided Light Rail recertification to 265 staff (operators, supervisors and maintenance staff) as required; and provided Roadway Worker Protection training to 2,274 outside contractors and staff.
5. Developed and implemented the first phase of the IndustrySafe software to improve the reporting and tracking of accidents and incidents to improve and streamline the information flow between Operations Division and Risk Management Department.
6. Continued the Joint Workforce Investment (JWI) collaboration between VTA and the Amalgamated Transit Union Local 265 (ATU), established in 2007, to implement employee development programs. In FY12 and FY13, expanded the new operator mentor program, promoted employee health and wellness, and implemented a Leadership Academy Workshop to learn “best practices” from experienced shop floor leaders.
7. Improved the light rail wayside preventive maintenance processes which resulted in a reduced number of failures in key areas including the overhead line system, substations, and track switches.
8. Improved light rail vehicle reliability by implementing a capacitor replacement program which resulted in significantly reduced light rail vehicle propulsion failures. Improved work processes to reduce light rail vehicle brake and door failures.
9. Bus Maintenance Training developed and implemented the Mechanic Helper Program to facilitate an employee’s transition to Service Mechanic, the VTA entry-level mechanic classification. The Mechanic Helper Program is part of the JWI Maintenance Career Ladder Training Program (MCLTP) collaboration between VTA and ATU. The program has a 100% graduation rate to Service Mechanic with 60% of the program graduates promoting to Transit Mechanic.

Operations Division cont.

FY 2014 & FY 2015 Goals

1. Complete implementation of the Trapeze OPS software, which integrates transportation management functions to improve attendance tracking, operations staff timekeeping, and dispatch functions. (April 2014)
2. Complete and implement transit service plan for new Levi's Stadium with the first event expected in August 2014 and participate in transportation planning for Super Bowl L in February 2016. (Ongoing)
3. Deploy 20 new express bus vehicles on Lines 101, 104 and 168, and deploy 37 new Community Buses on routes throughout the county. (Spring 2015)
4. Complete on-board survey of bus and rail passengers to provide information for future planning and to ensure Title VI compliance. (Fall 2015)
5. Meet or exceed established service delivery and customer service performance goals by maintaining adequate levels of trained staff to meet the daily service needs, the service needs for special events, and new service as called for in the Adopted Transit Service Plan. (Ongoing)
6. Reduce mechanical schedule loss by: a) maintaining the light rail reliability goal of 40,000 miles between mechanical failures; b) reducing the number and duration of road calls to improve bus reliability to maintain 7,000 or more mean miles between road calls; and c) provide the resources that will allow track, signal, and power systems to meet 99% of the revenue service availability requirements. (Ongoing)
7. Continue the JWI partnership with ATU to implement programs designed to support professional development and improved health and wellness for front-line employees. (Ongoing)
8. Finalize the Supervisory Control and Data Acquisition (SCADA) upgrade projects that will improve security, increase reliability, and integrate GPS tracking of the trains on the light rail system. (Spring 2014)
9. Improve the wheel maintenance program to maximize the wheel life on light rail vehicles. (Spring 2014)
10. Continue developing and conducting Bus Maintenance Training that provides VTA with competent, highly skilled, and safety conscious maintenance employees. (Ongoing)

Operations Division cont.

Performance Measures

In addition to general division goals, the Operations Division also sets and monitors key performance indicators to measure reliability, efficiency, safety, productivity, and customer satisfaction. The goals are established using historical trend analysis adjusted for variables or factors that affect the results of the performance indicators (e.g., service reductions or enhancements). The goals are reasonable, consistent with VTA’s objectives, and do not compromise VTA’s operating standards.

The table below reports two prior years’ performance and the goal for each of the next two fiscal years. Definitions for individual indicators can be found in the glossary in Appendix M.

	FY12 Actual		FY13 Goal	FY13 Actual¹	Goal Met?	FY14 Goal	FY15 Goal
SYSTEM (Bus & Light Rail)							
Total Boarding Riders (in millions)	42.43	>=	42.00	43.17	YES	>= 44.10	>= 45.60
Average Weekday Boarding Riders	137,299	>=	136,100	140,402	YES	>= 143,500	>= 148,400
Boardings per Revenue Hour	31.9	>=	31.3	30.5	No	>= 30.6	>= 30.9
Percent of Scheduled Service Operated	99.72%	>=	99.55%	99.72%	YES	>= 99.55%	>= 99.55%
Miles Between Major Mechanical Schedule Loss	11,071	>=	9,000	13,110	YES	>= 9,000	>= 9,000
Miles Between Chargeable Accidents	94,649	>=	112,300	88,298	No	>= 111,300	>= 111,500
Passenger Concerns per 100,000 Boardings	12.5	<=	10.6	13.7	No	<= 10.6	<= 10.6
BUS OPERATIONS							
Total Boarding Riders (in millions)	32.05	>=	31.79	32.43	YES	>= 32.99	>= 34.00
Average Weekday Boarding Riders	104,583	>=	103,600	106,161	YES	>= 108,000	>= 111,500
Boardings per Revenue Hour	26.9	>=	26.4	26.7	YES	>= 25.3	>= 25.5
Percent of Scheduled Service Operated	99.69%	>=	99.50%	99.69%	YES	>= 99.50%	>= 99.50%
Miles Between Major Mechanical Schedule Loss	10,202	>=	8,000	12,080	YES	>= 8,000	>= 8,000
Miles Between Chargeable Accidents	85,926	>=	100,000	80,608	No	>= 100,000	>= 100,000
On-time Performance	87.3%	>=	95.0%	87.5%	No	>= 95.0%	>= 95.0%
Operator Personal Time-off	8.8%	<=	10.0%	8.5%	YES	<= 10.0%	<= 10.0%
Maintenance Personal Time-off	8.2%	<=	8.0%	7.4%	YES	<= 8.0%	<= 8.0%
Passenger Concerns per 100,000 Boardings	15.5	<=	11.8	17.1	No	<= 11.8	<= 11.8
LIGHT RAIL OPERATIONS							
Total Boarding Riders (in millions)	10.37	>=	10.21	10.71	YES	>= 11.11	>= 11.60
Average Weekday Boarding Riders	32,715	>=	32,500	32,241	YES	>= 35,500	>= 36,900
Boardings per Revenue Hour	75.4	>=	74.0	78.4	YES	>= 79.3	>= 81.4
Percent of Scheduled Service Operated	99.97%	>=	99.90%	99.98%	YES	>= 99.90%	>= 99.90%
Miles Between Major Mechanical Schedule Loss	32,018	>=	40,000	40,713	YES	>= 40,000	>= 40,000
Miles Between Chargeable Accidents	441,847	>=	2,221,000	366,413	No	>=2,205,000	>=2,223,000
On-time Performance	89.8%	>=	95.0%	88.5%	No	>= 95.0%	>= 95.0%
Operator Personal Time-off	6.6%	<=	10.0%	5.9%	YES	<= 10.0%	<= 10.0%
Maintenance Personal Time-off	7.1%	<=	8.0%	7.3%	YES	<= 8.0%	<= 8.0%
Way, Power & Signal Personal Time-off	3.8%	<=	8.0%	6.3%	YES	<= 8.0%	<= 8.0%
Passenger Concerns per 100,000 Boardings	3.3	<=	2.8	3.3	No	<= 2.8	<= 2.8
Fare Evasion Rate	7.8%	<=	5.0%	3.9%	YES	<= 5.0%	<= 5.0%

¹ Preliminary

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Operations Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	203,079	208,813	211,368	224,473	13,105	6.2%	231,628	7,155	3.2%
Materials & Supplies	16,059	16,763	15,685	16,272	587	3.7%	16,361	89	0.5%
Security	7,745	8,056	8,153	8,886	733	9.0%	9,072	185	2.1%
Professional & Special Services	570	727	515	700	185	35.9%	589	(111)	-15.9%
Other Services	4,190	4,954	4,588	4,768	180	3.9%	4,724	(44)	-0.9%
Fuel	13,881	16,606	14,082	17,173	3,091	21.9%	17,622	449	2.6%
Traction Power	3,151	3,535	3,244	3,389	146	4.5%	3,539	150	4.4%
Tires	1,494	1,611	1,655	1,764	109	6.6%	1,880	116	6.5%
Utilities	2,733	2,604	2,739	2,726	(13)	-0.5%	2,726	0	0.0%
Data Processing	20	30	17	190	173	990.1%	190	0	0.0%
Office Expense	172	175	179	172	(7)	-3.8%	172	0	0.0%
Communications	1	1	11	1	(11)	-95.3%	1	0	0.0%
Employee Related Expense	147	145	82	74	(8)	-9.7%	74	0	0.3%
Leases & Rents	175	172	205	159	(46)	-22.6%	159	0	0.0%
Miscellaneous	182	81	89	105	16	17.7%	105	0	0.0%
Subtotal Operating Expense	253,599	264,274	262,613	280,851	18,238	6.9%	288,841	7,990	2.8%
Paratransit ³	17,733	23,350	16,740	19,100	2,360	14.1%	20,800	1,700	8.9%
Caltrain ³	10,207	14,135	13,700	7,291	(6,409)	-46.8%	14,111	6,820	93.5%
Light Rail Shuttles ³	18	36	25	25	0	0.0%	25	0	0.0%
Altamont Commuter Express ³	3,880	3,903	4,352	4,609	257	5.9%	4,750	141	3.1%
Highway 17 Express ³	108	355	184	251	67	36.7%	259	8	3.2%
Dumbarton Express ³	477	400	0	0	0	N/A	0	0	N/A
Monterey-San Jose Exp. Service ³	35	35	35	35	0	0.0%	35	0	0.0%
Contribution to Other Agencies	96	83	133	96	(37)	-27.6%	96	0	0.0%
Subtotal Other Expense	32,553	42,296	35,169	31,407	(3,762)	-10.7%	40,076	8,669	27.6%
Total Expense	286,152	306,570	297,782	312,258	14,476	4.9%	328,917	16,659	5.3%
Reimbursements ³	(3,981)	(4,279)	(4,379)	(4,320)	59	-1.3%	(3,925)	395	-9.1%
Net Total	282,171	302,292	293,404	307,938	14,535	5.0%	324,992	17,054	5.5%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

³ Effective FY14 indirect costs no longer allocated to contracted services. FY12 and FY13 columns restated for comparison purposes.

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Operations Division cont.

Major Variances (Variance in excess of 5% and \$500,000)

Labor Costs:

FY 2014 budget increases \$13.1 million or 6.2% over FY 2013 actual due primarily to additional staffing required to support service enhancements and higher benefits cost in the areas of health insurance and pension contributions.

Security:

The FY 2014 budget increases \$733 thousand or 9.0% over FY 2013 due to additional staffing and contractual increases.

Fuel:

The FY 2014 budget shows a \$3.1 million increase over FY 2013 actual due primarily to a higher projected price per gallon for diesel, bio-diesel, and gasoline. The FY 2014 and FY 2015 budget assumes \$3.84 per gallon (including taxes) for diesel versus the \$3.41 per gallon average paid in FY 2013.

Paratransit:

The FY 2014 budget reflects a \$2.4 million increase over FY 2013 actual and the FY 2015 budget reflects a \$1.7 million increase over FY 2014. These increases are primarily due to an anticipated increase in trips provided of 46,000 for FY 2014 and 39,000 for FY 2015.

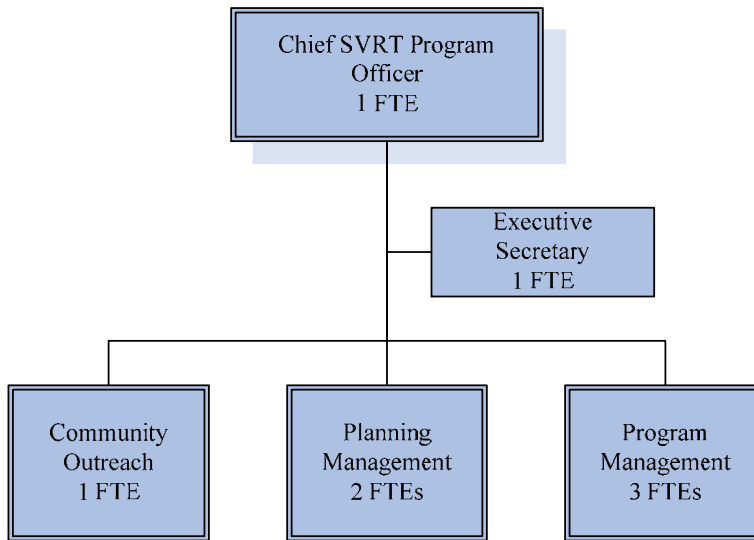
Caltrain:

The FY 2014 budget reflects a \$6.4 million decrease from FY 2013 levels while the FY 2015 budget reflects a \$6.8 million increase over FY 2014. The FY 2014 reduction is due to limited funding availability from other members. Caltrain will utilize one-time funding to offset the reduction in member contributions for FY 2014. The FY 2015 budget assumes a return to full member contributions and reflects a 3% increase over the previous full contribution (FY 2013).

Silicon Valley Rapid Transit (SVRT) Division

Under the direction of the Chief SVRT Program Officer, this office is responsible for providing oversight and coordination for all Silicon Valley BART Extension related activities. This division is responsible for program management, project scope and definition, program administration, planning, engineering and development activities, community outreach, program support services, real estate acquisition and development, and coordinating required support activities with other VTA divisions.

8 FTEs
(As of 6/30/13)



Staffing Level Detail¹

Job Title	FY12 ²	FY13 ³	FY14	FY15
Chief SVRT Program Officer	1	1	1	1
Deputy Director, Marketing & Public Affairs	1	1	1	1
Deputy Director, SVRT Program Office	1	1	1	1
Executive Secretary	2	2	2	2
Management Analyst	1	1	1	1
SVRT Project Controls Manager	1	1	1	1
Transportation Planner III	1	1	1	1
Total	8	8	8	8

¹ Approved positions including vacancies

² As of 6/30/12

³ As of 6/30/13

No budget staffing level changes

SVRT Division cont.

FY 2012 & FY 2013 Accomplishments

1. Executed the Federal Full Funding Grant Agreement for BART Silicon Valley Berryessa Extension Project (SVBX).
2. Awarded the SVBX C700 Line, Track, Stations and Systems Design-Build contract.
3. Continued the acquisition of right-of-way in coordination with the SVBX C700 Design-Build contractor's schedule.
4. Completed the relocation of major longitudinal utilities in the SVBX corridor.
5. Initiated planning and awarded a contract for the preparation of environmental documents for Federal and State environmental clearance of BART Silicon Valley Santa Clara Extension Project (SVSX).
6. Substantially completed the negotiation and preparation of an agreement with BART for the procurement and delivery of 60 Railcars for SVBX.
7. Substantially completed the negotiation and preparation of an agreement with BART for the implementation of improvements at BART's Hayward Maintenance Complex.
8. Negotiated and executed agreements with stakeholders for the funding and implementation of the Mission, Warren, Truck-Rail Program (MWT) and awarded the construction contract.
9. Substantially completed the construction of the Kato Road grade separation.

FY 2014 & FY 2015 Goals

1. Complete design and real estate related acquisition and relocation activities for SVBX. (December 2014)
2. Complete relocation of transverse utilities, construction of the aerial structure at Berryessa, trench structures at Hostetter and Montague, and station civil structures at Berryessa and Milpitas for SVBX. (June 2015)
3. Complete installation of major systems equipment and begin preliminary testing activities on SVBX. (June 2015)
4. Award SVBX parking garage design-build contract. (December 2013)
5. Award station campus construction contract for two SVBX stations. (February 2015)
6. Enter federal New Starts funding program with entry into the Project Development phase for SVSX. (Winter 2013) Complete the Final Supplemental State and Federal environmental documents for review, with the Federal Record of Decision. (Winter 2016)
7. Substantially complete MWT construction activities. (June 2015)
8. Complete Freight Railroad Relocation (FRR) activities for Union Pacific Railroad operation in the new corridor. (December 2014)

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

SVRT Division Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	1,265	1,081	1,420	1,412	(8)	-0.6%	1,434	22	1.5%
Office Expense	1	1	1	1	1	73.7%	1	0	0.0%
Employee Related Expense	0	0	0	1	1	N/A	1	0	-35.5%
Miscellaneous	1	1	0	0	0	-73.7%	0	0	0.0%
Total Expense	1,267	1,083	1,422	1,415	(7)	-0.5%	1,436	21	1.5%
Reimbursements	(1,624)	(1,448)	(1,907)	(1,701)	207	-10.8%	(1,841)	(140)	8.2%
Net Total	(357)	(365)	(486)	(286)	200	-41.2%	(404)	(119)	41.5%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

Reimbursements:

FY 2014 budgeted reimbursements reflect a decrease of \$207 thousand or 10.8% from FY 2013 and FY 2015 budgeted reimbursements are anticipated to increase \$140 thousand or 8.2% from FY 2014. These variances are primarily due to a conservative estimate of reimbursement hours in FY 2014 and an increase in FY 2015 of procurement activities related to Phase II of the BART extension through Downtown San Jose to the Santa Clara Caltrain Station.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Non-Departmental

VTA groups all expenses that are beyond the control of an individual division or difficult to be allocated meaningfully to any one division.

Non-Departmental Expense Budget
(Dollars in Thousands)

Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
Labor Costs	55	60	56	60	4	6.8%	60	0	0.0%
Debt Service	19,477	20,464	19,492	20,097	606	3.1%	20,478	381	1.9%
Total Expense	19,532	20,524	19,548	20,157	609	3.1%	20,538	381	1.9%

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding.

Descriptions of each Revenue and Expense Category can be found in Appendix E.

Major Variances (Variance in excess of 5% and \$100,000)

None

VTA Transit Capital Program

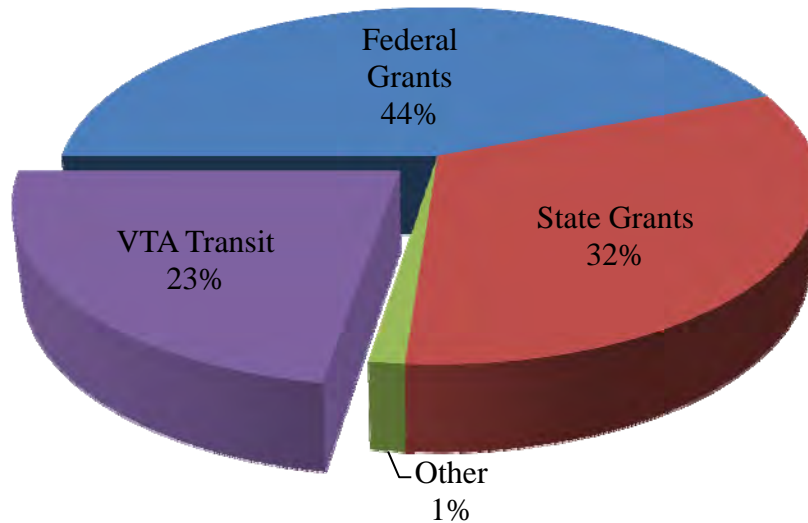
Overview

The FY 2014 and FY 2015 VTA Transit Capital Program strives to maintain needed capital infrastructure and keep VTA assets in a state of good repair. Over 70 projects were submitted for consideration. Each project was reviewed and rated based upon the project's overall merit using a previously developed evaluation criteria scale. The projects were then ranked based on their overall score and matched against available funding.

As in previous years, the Capital Improvement Program Oversight Committee (CIPOC), which is composed of VTA's Chief Officers, has continued its ongoing review and monitoring of the entire capital program. This process continually examines every capital project as to its criticality to VTA's operations, strategic plan, and goals.

The FY 2014 and FY 2015 Adopted Biennial Budget creates 36 new VTA Transit Capital projects and augments 10 existing projects. The Adopted Budget also includes \$4.0 million to fund capital contingency. It utilizes \$84.1 million of grants or other outside funding and requires a total new VTA Transit Fund commitment of \$80.1 million, \$43.1 million of which is scheduled to come from Federal Operating Grants (see Federal Operating Grants assumptions on page 48). As the chart below illustrates, 77% of the FY 2014 and FY 2015 appropriation is funded with grants or other non-VTA Transit sources. Any shortfall in anticipated grant funding could require either the use of additional VTA Transit funds if alternate sources are not available, or a reduction in project scope. The \$164.2 million VTA Transit Capital appropriation reflects the planned capital spending to be incurred or committed in the next two years. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program.

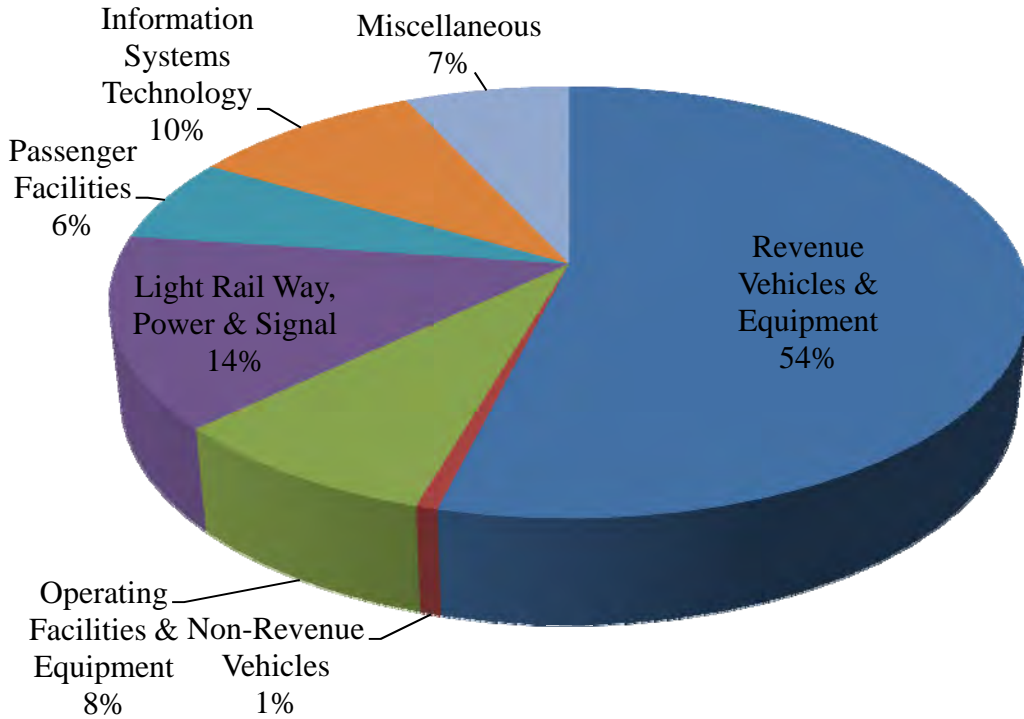
VTA Transit FY 2014 and FY 2015 Appropriation by Funding Source



VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

As the chart below illustrates, 68% of the FY 2014 and FY 2015 appropriation is related to purchasing and maintaining revenue vehicles (54%) and keeping the light rail system in a state of good repair (14%).

***VTA Transit
FY 2014 and FY 2015 Appropriation by Category***



The table on the following pages lists each project by category and general funding source. The subsequent pages provide a brief description of each project, identified funding sources, and potential operating cost impacts.

Capital project appropriations, with the exception of the VTA Transit Capital Contingency, do not expire at the end of the fiscal year and are carried forward until the project is completed. Appropriation for the VTA Transit Capital Contingency expires at the end of the two-year budget cycle. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover is specifically earmarked for previously appropriated capital needs in VTA’s Comprehensive Annual Financial Report. The table on pages 125-130 reflects the projected carryover at June 30, 2013 as well as the total available appropriation for the VTA Transit Capital Program after the FY 2014 and FY 2015 appropriations, by project and funding source.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

VTA Transit
Schedule of FY 2014 & FY 2015 Appropriation
(Dollars in Thousands)

Project	FY 2014 & FY 2015				
	Funding Source				Total
	Federal	State	Other	VTA	
1. 40' Bus Procurement	5,903	0	0	27,597	33,500
2. 60' Articulated Bus Procurement	0	45,679	0	6,535	52,214
3. Automatic Passenger Counters for LR Vehicles	0	0	0	1,450	1,450
4. Kinkisharyo LRV Overhaul Program	640	0	0	672	1,312
Revenue Vehicles & Equipment Total	6,543	45,679	0	36,254	88,476
5. Non-Revenue Vehicle Procurement FY14	0	0	0	1,072	1,072
Non-Revenue Vehicles Total	0	0	0	1,072	1,072
6. Cerone Boiler Replacement	0	0	0	300	300
7. Cerone Emergency Generator Replacement	0	0	0	1,200	1,200
8. Cerone Propane Tank Replacement	0	0	0	350	350
9. Facilities & Equip Emergency Repair FY14	0	0	0	750	750
10. Facility Maintenance Equipment Program FY14	0	0	0	1,126	1,126
11. Green Sustainability Facility Improvements	0	0	0	1,200	1,200
12. HVAC Replacement Program FY14	0	0	0	551	551
13. LED Exterior Lighting Replacement	0	0	0	900	900
14. LR Signal Shop Modification	396	0	0	99	495
15. Painting Management Program FY14	0	0	0	1,000	1,000
16. Paving Management Program FY14	0	0	0	2,316	2,316
17. Replace Wheel Truing Machine	0	0	0	2,600	2,600
18. Roofing Management Program FY14	0	0	0	900	900
Operating Facilities & Equipment Total	396	0	0	13,292	13,688
19. LR Crossovers and Switches	2,179	0	0	545	2,724
20. LR Transit Performance Initiative Projects	3,200	0	0	800	4,000
21. North First Street Corridor LR Speed Improvements	400	0	0	100	500
22. Rail Rehab and Replacement Program	5,859	0	0	1,465	7,324
23. Track Intrusion Abatement FY14	1,600	0	0	400	2,000
24. Traction Power Substation Replacement Program	4,560	0	0	1,140	5,700
25. Upgrade Ohlone/Chynoweth Interlocking	960	0	0	240	1,200
Light Rail Way, Power & Signal Total	18,759	0	0	4,690	23,448
26. Back-up Power Devices for Elevated Stations	320	0	0	80	400
27. Bus Stop Pavement/Duckout Improv FY14	836	0	0	209	1,045
28. High Priority Corridor Bus Stop Improvements	0	0	0	1,000	1,000
29. Infrastructure for Additional Clipper Fare Devices	0	0	0	550	550
30. LR Station and Transit Center Shelter Study	0	0	0	100	100
31. Security Improvement Projects FY14	0	7,000	0	0	7,000
32. Transit Center Park and Ride Upgrades	0	0	0	282	282
Passenger Facilities Total	1,156	7,000	0	2,221	10,377

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project	FY 2014 & FY 2015				
	Funding Source				Total
	Federal	State	Other	VTA	
33. Business Automation	0	0	0	455	455
34. CAD-AVL Update	0	0	0	7,000	7,000
35. Emergency IT Infrastructure Replacement	0	0	0	109	109
36. IT Server Upgrades	0	0	0	450	450
37. Network Enhancements at Guadalupe & North Yard	0	0	0	600	600
38. Radio System Upgrade	0	0	0	2,500	2,500
39. SAP Plant Maintenance & Materials Management	0	0	0	300	300
40. Telecommunications System Updates	0	0	0	375	375
41. TERM Lite Deployment	0	0	0	600	600
42. Train to Wayside Communication System Upgrade	200	0	0	50	250
43. Trapeze OPS Software Installation	0	0	0	400	400
44. Upgrade Countywide Travel Demand Model	520	0	130	0	650
45. Upgrade LR Ring #1 Communications Equipment	1,760	0	0	440	2,200
Information Systems & Technology Total	2,480	0	130	13,279	15,889
46. Caltrain Capital - Annual Local Match	0	0	0	7,300	7,300
47. Capital Contingency	0	0	2,000	2,000	4,000
Miscellaneous Total	0	0	2,000	9,300	11,300
Grand Total	29,333	52,679	2,130	80,107¹	164,249

¹ Includes \$43.1 million from Federal Operating Grants (see Federal Operating Grants assumptions on page 48)

Note: Totals may not be precise due to independent rounding

VTA Transit Capital Program

Description of FY 2014 & FY 2015 Appropriated Projects

Revenue Vehicles & Equipment

1. 40' Bus Procurement

Purchase 44 forty-foot diesel or diesel/electric hybrid buses to replace buses placed in service in 1998 and 1999 that have reached the end of their useful life (12 years).

Operating Cost Impact: Annual fuel savings are estimated at approximately \$8 thousand per bus based on current experience of 25% improvement in fuel economy for hybrids over standard diesel buses.

<u>Funding Source</u>	<u>FY14 & FY15</u>
Federal-Sec. 5339	\$5,902,570
VTA Transit	27,597,430
Total	<u>\$33,500,000</u>

2. 60' Articulated Bus Procurement

Purchase 48 sixty-foot articulated buses to replace the existing articulated bus fleet and prepare for BART service requirements. VTA presently operates sixty-foot articulated buses on Line 22. These buses were placed in service in 2002 and will reach the end of their useful life in 2014. Line 22 is VTA's highest capacity line and operates in a severe stop and go situation that places significant stress on the buses. Replacement of these buses will be necessary to continue effective operation of this route. Furthermore, it is anticipated that additional articulated buses will be required to support service connections with the BART extension.

Operating Cost Impact: Annual fuel savings are estimated at approximately \$10 thousand per bus based on current experience of 25% improvement in fuel economy for hybrids over standard diesel buses.

<u>Funding Source</u>	<u>FY14 & FY15</u>
State-Prop 1B	\$45,679,479
VTA Transit	6,534,521
Total	<u>\$52,214,000</u>

3. Automatic Passenger Counters for Light Rail Vehicles

This project will purchase and install Automatic Passenger Counters (APC) that are compatible with the existing APC system for 58 additional Light Rail Vehicles (LRV). Additional LRVs with APCs will improve passenger and runtime data while easing the maintenance and operational burden on the LRVs currently equipped with APC. The objective is to equip 100% of vehicles with APCs which will improve the accuracy of

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

ridership data and facilitate the timely receipt of data to ensure VTA is able to react quickly to changing conditions.

Operating Cost Impact: Estimated annual maintenance fees of \$32,000 per year.

Funding Source	FY14 & FY15
VTA Transit	\$1,450,000

4. Kinkisharyo Light Rail Vehicle Overhaul Program

This ongoing project encompasses the manufacturer prescribed overhaul of key components for the Kinkisharyo Light Rail Vehicle fleet. These overhauls are necessary to maintain the vehicles in a state of good repair and will uphold the safety and reliability standards that VTA has set for the Light Rail system and its riders. This budget request includes the rebuild of pantographs and air conditioning units for 49 of the 99 vehicles.

Operating Cost Impact: There is some potential maintenance savings associated with lower emergency failures. However, there are currently no statistics available on this type of failure so operating cost impact is not currently quantifiable.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$640,000
VTA Transit	672,400
Total	\$1,312,400

Non-Revenue Vehicles

5. Non-Revenue Vehicle Procurement FY14

This ongoing program schedules the acquisition of Non-Revenue Vehicles to replace existing units that have high mileage, have had a history of mechanical failures, or have been decommissioned because of mechanical failures which were not cost-effective to repair. This plan also calls for the replacement of old vehicles with hybrid/electric vehicles, wherever possible. This FY 2014 & FY 2015 request provides for the purchase of 33 vehicles including 14 sedans, 9 trucks, 5 SUVs, 4 vans, and 1 station wagon. The vehicles being replaced have an average age of 10 years and have been driven an average of over 140,000 miles.

Operating Cost Impact: Projected maintenance savings of \$50 thousand for the first year vehicles are in service due to warranty.

Funding Source	FY14 & FY15
VTA Transit	\$1,071,600

Operating Facilities & Equipment

6. Cerone Boiler Replacement

This project will remove and replace two 1978 York Shipley fire tube boilers that have reached the end of their useful life with updated, energy efficient hot water boilers. In addition to the purchase and installation of new energy efficient boilers with corresponding control systems for maximum efficiency, the project also includes decommissioning, dismantling, and removing the existing boilers.

Operating Cost Impact: There are some operating cost savings anticipated due to improved efficiencies in newer technology. The amount of savings will be dependent on final engineering and product selection.

Funding Source	FY14 & FY15
VTA Transit	\$300,000

7. Cerone Emergency Generator Replacement

This project will remove and replace two 500kw Liquid Propane Gas (LPG) generators with one 1200kw diesel generator. The LPG generators were installed in 1978 and are at the end of their useful life. The project includes purchase and installation of the new generator and plumbing tie-in to the diesel tanks at the fuel island. Tie-in to the diesel tanks will extend the runtime and more than double the available fuel capacity of the generators in a large emergency. Additional project requirements include the decommissioning, removal, and disposal of the existing generators; building restoration after removal; and inspection and permitting by the Bay Area Air Quality Management District (BAAQMD).

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
VTA Transit	\$1,200,000

8. Cerone Propane Tank Replacement

This project allows for the decommissioning, removal and disposal of one 30,000 gallon liquid propane gas (LPG) tank which has reached the end of its useful life and the installation of one replacement 10,000 gallon LPG tank. The 30,000 gallon tank was originally installed in 1978 and currently supplies fuel for the majority of non-electrical energy needs at Cerone Division. The tank has developed leaks in the past and was repaired in both 2003 and 2007. At this time, it is recommended that the tank be replaced and downsized in conjunction with the emergency generator replacement and subsequent diesel conversion.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
VTA Transit	\$350,000

9. Facilities & Equipment Emergency Repair FY14

This project allows VTA to expedite unplanned repairs that may be required at facilities or to equipment that is essential to normal or safe operations. These funds are administered by the Chief Operating Officer and are not used for regular anticipated maintenance activities.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of repair or equipment being replaced.

Funding Source	FY14 & FY15
VTA Transit	\$750,000

10. Facility Maintenance Equipment Program FY14

This project allows for the scheduled replacement of equipment that has reached the end of its useful life. It allows VTA to proactively keep its equipment in a state of good repair, while reducing repair expenses and downtime. FY 2014 and FY 2015 scheduled replacements include bus and scissor lifts, forklifts, pressure washers, Freon recycling units, and air compressors.

Operating Cost Impact: There is potential maintenance savings associated with keeping equipment in a state of good repair.

Funding Source	FY14 & FY15
VTA Transit	\$1,125,900

11. Green Sustainability Facility Improvements

This appropriation supports the continuation of the VTA Board approved Sustainability Program which includes energy reduction, solid waste reduction, hazardous waste reduction, recycling programs, water conservation, and solar energy projects. Planned projects for the two-year period include lighting retrofits and implementation of a utility management system.

Operating Cost Impact: The utility management system is expected to generate \$20 thousand in annual savings due to correction of billing errors, prompt notification of usage anomalies, and the identification of potential sustainability improvements.

Funding Source	FY14 & FY15
VTA Transit	\$1,200,000

12. Heating, Ventilation and Air Conditioning (HVAC) Replacement Program FY14

The HVAC Replacement Program is a long-term plan intended to take advantage of technological advances in HVAC equipment and stay ahead of major system failures that impact operations. This 10-year plan identifies specific HVAC equipment replacements annually based on the end of useful life calculations. The FY 2014 and FY 2015 request provides for the replacement of 10 units at Cerone, 3 units at Guadalupe, 2 units at Chaboya and 4 units at River Oaks.

Operating Cost Impact: Utility savings projected at \$45 thousand per year.

Funding Source	FY14 & FY15
VTA Transit	\$550,800

13. LED Exterior Lighting Replacement

This project will purchase and install LED (light-emitting diode) lighting fixtures to replace aging exterior fixtures at various locations. Replaced fixtures include all wall mount, parking lot, and spot lights at the divisions including lights at the fuel islands. The existing exterior lighting is outdated and inefficient. LED fixtures offer the same lumens as the existing fixtures with significantly less wattage, have considerable longer lamp life, and are consistent with the VTA Sustainability Program.

Operating Cost Impact: There are anticipated utility savings due to more efficient fixtures and maintenance/replacement savings due to longer lamp life.

Funding Source	FY14 & FY15
VTA Transit	\$900,000

14. Light Rail Signal Shop Modification

This project will modify the light rail signal shop at the Guadalupe Division, to provide a better work area for maintenance of ticket vending machines (TVMs). Currently TVMs and their components are maintained in an unimproved shop area at the rear of the Signal Shop where there is no heating or air conditioning and lighting is poor. This remodel would provide a climate controlled work area for the Signal Technicians to perform bench testing of TVM components, visual message boards, signal units, etc. The shop modification would include a new roof top HVAC unit, fire sprinkler modifications, new lighting fixtures, electrical improvements, and minor structural reinforcing of the roof deck.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$396,000
VTA Transit	99,000
Total	\$495,000

15. Painting Management Program FY14

The Painting Management Program is an ongoing, comprehensive long-term preventive maintenance program that protects and extends the useful life of all facilities maintained by VTA. This program provides painting maintenance and repair to the exteriors and interiors of all VTA operational, administrative, and passenger facilities (excluding bus stops). Painting maintenance and repair includes repairs and repainting of worn areas as needed and includes scheduled repainting based on a 10-year plan.

Operating Cost Impact: There is no anticipated impact on operating costs.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$1,000,000

16. Paving Management Program FY14

This ongoing program provides paving maintenance and repair to all VTA operational, administrative, passenger, equipment, and Park and Ride facilities. Maintenance and repair includes slurry sealing on a five to eight-year cycle for light-duty lots and grinding with overlays for bus divisions and heavy vehicle roadways on a five-year schedule.

Operating Cost Impact: There is potential maintenance savings associated with keeping pavement in a state of good repair.

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$2,316,000

17. Replace Wheel Truing Machine

This project will replace the rail wheel truing machine at the Guadalupe Light Rail facility. Periodic wheel truing is required to eliminate flat spots on wheels; prevent hollow wheels; prevent damage to the rails, granite, and wheels; and maintain a true ride for the car and a comfortable ride for the passengers. The existing wheel truing machine, installed in 1989, is labor intensive and slow. At the present time, the machine can barely keep up with the required work and with future service expansions, including those due to BART, it is anticipated that the workload will exceed its capabilities.

Operating Cost Impact: There is no anticipated impact on operating costs.

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$2,600,000

18. Roofing Management Program FY14

This is an ongoing, comprehensive program to maximize the useful life and integrity of VTA facilities. This program includes the proactive scheduling of roofing rehabilitation prior to major failure, as well as unscheduled repairs, seasonal cleaning, annual roof inspections, and emergency leak response.

Operating Cost Impact: There is potential maintenance savings associated with keeping roofing in a state of good repair.

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$900,000

Light Rail Way, Power & Signal

19. Light Rail Crossovers and Switches

This project will begin a series of crossover installations at six priority locations. The additional crossovers will improve the ability to provide track way maintenance and improve operational flexibility. The existing light rail system includes a minimal number of track crossovers to allow train movements from one track to the other where double track is provided. In certain areas where track crossovers are not currently available, operational flexibility is limited.

Operating Cost Impact: There are no material operating costs associated with the addition of these special track crossovers. However, the operational flexibility for service planning and reacting to maintenance issues (either track way or vehicle) is improved with the project.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$2,179,440
VTA Transit	544,860
Total	\$2,724,300

20. Light Rail Transit Performance Initiative Projects

This project reserves appropriation for grant funding and local match identified specifically for the Metropolitan Transportation Commission’s (MTC) Transit Performance Initiative program. The specific project(s) submitted for funding will be Light Rail projects responsive to the Transit Performance Initiative criteria that will increase speeds and reliability throughout the system.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of identified activities.

Funding Source	FY14 & FY15
Federal-TPI	\$3,200,000
VTA Transit	800,000
Total	\$4,000,000

21. North First Street Corridor Light Rail Speed Improvements

The project consists of a series of small capital improvements which will allow VTA to increase Light Rail train speeds on North First Street from the current maximum of 35 mph operations to 45 mph operations. These improvements would be constructed from north of the Civic Center station to the Tasman Station. Under California Public Utilities Commission (CPUC) general Order 142-B, 45 mph speeds would require fencing along the right-of-way and gates at all at-grade intersections. This project is anticipated to increase ridership by improving speed and travel times through the North First Street corridor. This budget request will initiate the environmental clearance process for the project.

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Operating Cost Impact: There is no anticipated impact on operating costs. However, the speed improvements are expected to support ridership and fare revenue growth.

Funding Source	FY14 & FY15
Federal-TPI	\$400,000
VTA Transit	100,000
Total	\$500,000

22. Rail Rehabilitation and Replacement Program

This ongoing program helps maintain running the Light Rail system at optimum levels. The activities in this program include the following: an annual rail grinding and measurement program to refine wear trends; special trackwork replacement at various locations for wear and tear including embedded crossovers, tie replacement cycles and other track components; ballast replacement concurrent with tie replacement; and crossing replacements where concrete breaks are visible.

Operating Cost Impact: There is potential maintenance savings associated with keeping the assets in a state of good repair.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$5,859,120
VTA Transit	1,464,780
Total	\$7,323,900

23. Track Intrusion Abatement FY14

This project will take steps to prevent track intrusion into light rail trackway at intersections and locations currently subject to trespassing. Planned improvements include installation of fencing, barriers, signage, flashing signs, and pavement markings at locations identified and approved by VTA’s Safety Committee.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$1,600,000
VTA Transit	400,000
Total	\$2,000,000

24. Traction Power Substation Replacement Program

The 14 Traction Power Substations (TPSS) on the Guadalupe Corridor are over 20 years old. In FY 2008, an assessment study identified the need to replace these substations. This program continues the replacement of the TPSS, four at a time every five years. This budget request covers the cost to procure, test, install, and implement the four TPSS to be replaced during this budget cycle.

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Operating Cost Impact: There is potential maintenance savings associated with keeping the assets in a state of good repair.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$4,560,000
VTA Transit	1,140,000
Total	\$5,700,000

25. Upgrade Ohlone/Chynoweth Interlocking

An interlocking consists of tracks, signals, switches, and other equipment that controls these components' circuits to allow movement of trains crossing over the tracks. This project will redesign the existing relay based interlocking at Ohlone/Chynoweth. The project will purchase and install the following: new signal vital processor control equipment, train to wayside control, and integration and related communication equipment and hardware. The project will also rewire circuits as necessary for complete system integration and test and commission the interlocking as per required standards.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$960,000
VTA Transit	240,000
Total	\$1,200,000

Passenger Facilities

26. Back-up Power Devices for Elevated Light Rail Stations

This project will replace the generators and automatic power bypass switch for elevated stations on the Guadalupe Light Rail line including Cottle, Snell, Blossom Hill, Branham, Curtner, Tamien, and Virginia. At the Capitol station, the bypass switch will be replaced and a generator will be installed to replace the failed UPS (Uninterruptable Power Supply) that has been removed. The equipment will be designed and configured to support the emergency lights, fare collection equipment, and communications equipment. The stations that have been identified for this project are elevated stations and are located in areas prone to outages, especially during severe weather conditions. This project will allow VTA to provide lighting and monitoring and keep fare collection equipment operational during a utility power failure.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
Federal-Sec. 5337	\$320,000
VTA Transit	80,000
Total	\$400,000

27. Bus Stop Pavement/Duckout Improvements FY14

VTA is committed to maintaining and improving safe bus stops, bus stop accessibility, and sound operating conditions for transit vehicles. This project will provide physical improvements at bus stops to ensure Americans with Disabilities Act (ADA) compliance and improve the overall passenger environment throughout Santa Clara County. The improvements typically include increasing passenger waiting pads, enhancing sidewalk access, providing additional lighting at bus stops, and repairing bus pavement at heavily used bus stops. In addition, accessibility improvements will be made to enable wheelchair use of the bus stops and to provide appropriate access clearances.

Operating Cost Impact: There is potential maintenance savings associated with keeping bus stops in a state of good repair.

Funding Source	FY14 & FY15
Federal-Sec. 5307	\$835,600
VTA Transit	208,900
Total	\$1,044,500

28. High Priority Corridor Bus Stop Improvements

This project will upgrade amenities at bus stops using the soon to be completed Transit Waiting Environment Study as a guide to determine which corridors should be prioritized for bus stop improvements as well as the appropriate level of enhancement. This project addresses the inadequacies of existing transit stops by installing new amenities like seating and shelters. The corridors and specific amenities installed will be based on methodology developed in the Transit Waiting Environment Study.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of identified enhancements.

Funding Source	FY14 & FY15
VTA Transit	\$1,000,000

29. Infrastructure for Additional Clipper Fare Devices

This project will provide infrastructure for additional Clipper electronic fare devices at high use light rail stations. The scope of this project includes design, construction, and power and network connectivity. Additional electronic fare devices at high use stations will improve customer service by providing additional locations to tag Clipper cards prior to boarding light rail, as well as provide redundancy in case of equipment failure.

Operating Cost Impact: Installation of additional electronic fare devices is expected to result in a nominal increase in utility costs.

Funding Source	FY14 & FY15
VTA Transit	\$550,000

30. Light Rail Station and Transit Center Shelter Study

This project will assess and estimate repair needs and costs as well as develop a repair plan for shelter modifications at light rail stations and transit centers. Thirty light rail platform shelters and six transit center shelters need to be evaluated and eventually modified and repaired to resolve recently discovered design issues. There are numerous problems that need resolution, which, if not resolved, could seriously affect the ability of the shelters to meet their scheduled fifty-year lifespan. This budget request is for the assessment only, future amounts requested for repairs will vary depending on the finalized scope of work.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of identified repairs.

Funding Source	FY14 & FY15
VTA Transit	\$100,000

31. Security Improvement Projects FY14

This project reserves appropriation for grant funding identified specifically for transit security projects from the California Transit Security Grant Program-California Transit Assistance Fund. The specific activities will be identified consistent with grant guidelines and assessments of projects.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of identified activities.

Funding Source	FY14 & FY15
State-TSGP	\$7,000,000

32. Transit Center Park and Ride Upgrades

This appropriation will augment the existing project for refurbishment and repair of maintenance issues at transit centers and Park and Ride lots throughout the VTA service area. These issues include major concrete damage and pavement failures at transit centers, sidewalks, and Park and Ride lots. Also included in the project scope are pavement striping, signage, tree and tree root removal, lighting, and mitigation of trip hazards in the pedestrian areas.

Operating Cost Impact: There is potential maintenance savings associated with keeping assets in a state of good repair.

Funding Source	FY14 & FY15
VTA Transit	\$282,000

Information Systems & Technology

33. Business Automation

This project will evaluate business processes in the Accounts Payable department to facilitate migration to a more electronic and automated process including integration into the Records

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Information Management (RIM) program and SAP. The project will utilize SharePoint automation tools such as interactive forms and work flow to streamline approval procedures, facilitate archiving and retrieval of invoices, and improve the overall efficiency in processing Accounts Payables documents.

Operating Cost Impact: There is no anticipated impact on operating costs.

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$455,000

34. CAD-AVL Update

The CAD-AVL (Computer Aided Dispatch-Automated Vehicle Location) system performs route scheduling, messaging to drivers, stop annunciation, vehicle monitoring, and vehicle positioning. This project will provide updated CAD-AVL equipment; enhanced CAD-AVL tools; and improved server cabling, connectivity, and data transfer speed. This project replaces equipment that is at the end of its useful life and/or no longer supported by the manufacturer and will provide new central CAD-AVL server management tools.

Operating Cost Impact: Some cost savings are anticipated due to the elimination of repair and maintenance costs for obsolete parts.

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$7,000,000

35. Emergency IT Infrastructure Replacement

This project allows VTA to address the need for replacement of critical technology infrastructure as they arise over the two-year timeframe. This budget request replenishes the project to its standard funding level of \$300,000 to cover the next two-years. These funds are administered by the Chief Technology Officer and are not used for regular anticipated maintenance activities.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of item replaced.

<u>Funding Source</u>	<u>FY14 & FY15</u>
VTA Transit	\$109,000

36. IT Server Upgrades

This project will provide updated server equipment, enhanced server tools, and improved server cabling/connectivity/data transfer speed by replacing server equipment that is at the end of its useful life and no longer supported. This project will improve overall system performance with newer hardware, improve power consumption and cooling in the datacenter, enhance system security for external vendors, and provide stable remote access to users.

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Operating Cost Impact: There may be a slight net increase in maintenance fees on the new equipment versus the old, unsupported servers.

Funding Source	FY14 & FY15
VTA Transit	\$450,000

37. Network Enhancements at Guadalupe & North Yard

This project will provide enhanced networking equipment, enhanced network security tools, improved network cabling/connectivity/data transfer speed, and wireless access points to the Guadalupe and North Yard operating facilities. The installation of the new equipment will greatly improve network performance for the maintenance and management staff, provide new central network management tools, and protect the yard networks from security threats. This upgrade is a prerequisite for other projects such as voice over Internet Protocol (VoIP) and online records management, thus giving the yard staff instant access to documents and information not currently available.

Operating Cost Impact: Annual maintenance fees estimated at \$45 thousand.

Funding Source	FY14 & FY15
VTA Transit	\$600,000

38. Radio System Upgrade

This project will provide updated LMR (land mobile radio) or LTE (long term evolution) radio equipment, enhanced radio tools, and improved radio cabling/connectivity/data transfer speed by replacing radio equipment that is at the end of its useful life and no longer supported.

Operating Cost Impact: Annual maintenance fees after warranty period estimated at \$60 thousand.

Funding Source	FY14 & FY15
VTA Transit	\$2,500,000

39. SAP Plant Maintenance & Materials Management

This project will purchase and install console optimization and mobile solution packages for SAP Plant Maintenance and Materials Management in order to accelerate the simplification and usability of most SAP maintenance and materials management related transactions. By consolidating the monitoring and managing of work orders from one screen, planners and schedulers can view, interpret, and analyze large amounts of workorder data on a single screen, streamlining maintenance while reducing prep work. Having one easy-to-use interface also presents simpler and consistent training for all maintenance users.

Operating Cost Impact: A slight increase anticipated in maintenance fees related to new functionality.

Funding Source	FY14 & FY15
VTA Transit	\$300,000

40. Telecommunications System Updates

This project will provide updated VoIP (voice over Internet Protocol) equipment, enhanced telecommunication tools, and improved telecommunication cabling/connectivity/data transfer speed by replacing telecommunications equipment that is at the end of its useful life and no longer supported. This project will improve overall system performance, provide newer VoIP hardware for critical applications, and improve phone and voice mail performance and features.

Operating Cost Impact: Some minor cost savings are anticipated due to the elimination of repair and maintenance costs for obsolete parts.

Funding Source	FY14 & FY15
VTA Transit	\$375,000

41. TERM Lite Deployment

This project will deploy TERM (Transit Economics Requirements Model) Lite, an asset assessment tool designed to help transit agencies assess their State of Good Repair (SGR). The tool is used to evaluate SGR backlog, determine the level of annual investment required to maintain assets in a state of good repair, analyze the impact of variations in funding on future asset conditions and reinvestment needs, determine investment priorities, and consider the impact of proposed “expansion” assets on future reinvestment needs. The software is designed to facilitate SGR by determining the current status of assets, the desired status of assets, and how limited investment dollars should be prioritized.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
VTA Transit	\$600,000

42. Train to Wayside Communication System Upgrade

This project will upgrade the existing DOS based train-to-wayside communications (TWC) system to a Windows based system while keeping the original system’s operational functionality. The existing loops, filters, interrogators, and wiring will be retained as much as possible to implement a fully integrated TWC with the existing signal system, SCADA (Supervisory Control and Data Acquisition) system, and throwing switches. The project will procure and install new TWC control application software, hardware modules, cards, and equipment and rewire circuits as necessary for complete system integration. The original TWC system was placed in service in the late 1980's on the Guadalupe Light Rail line and in the 1990's for the Tasman West Light Rail line. The upgrade will improve ease of future maintenance, reduce impacts due to equipment failures, and ensure continuation of effective signal system operation.

Operating Cost Impact: There is no anticipated impact on operating costs.

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Funding Source	FY14 & FY15
Federal-Sec. 5337	\$200,000
VTA Transit	50,000
Total	\$250,000

43. Trapeze OPS Software Installation

This is the final portion of appropriation to complete the Trapeze OPS software purchase and installation project which was initiated with the FY 2012 and FY 2013 budget process. Trapeze OPS is a fully integrated transportation management software encompassing transit operations such as route scheduling, bidding, dispatching, timekeeping, managing workforce, and reporting. Integration with the Payroll and Human Resources departments, Customer Service, and vehicle maintenance systems is included. Other key functionalities include web tools, transit intelligence reporting, remote employee sign-in, and remote employee access to employee profiles and schedules.

Operating Cost Impact: This implementation will result in approximately \$160 thousand additional maintenance fees annually.

Funding Source	FY14 & FY15
VTA Transit	\$400,000

44. Upgrade Countywide Travel Demand Model

This project will upgrade the existing, trip-based, Countywide Travel Demand Model to an activity-based model to maintain consistency with the Metropolitan Transportation Commission’s (MTC) Regional activity-based models. In addition, this project will develop a new integrated Land Use/Transportation model to examine how changes in transportation accessibility impact more efficient development patterns to increase transit, walk, and bike trips and reduce greenhouse gas emissions.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
Federal-CMAQ	\$520,000
Congestion Management Program	130,000
Total	\$650,000

45. Upgrade Light Rail Ring #1 Communications Equipment

The light rail system is divided into six network rings that cover the different geographic Light Rail sections. Ring #1 encompasses the area between the Mountain View and Reamwood stations and also includes the Baypointe station. The current equipment uses Sonet (Synchronous Optical Networking) network technology to provide communication between the Control Center and the field equipment that monitors and controls the substations, track switches, power, and railroad signaling equipment. The communication and controller equipment in Ring #1 is the oldest equipment on the Light Rail system. The communications equipment is no longer supported and the controller equipment uses

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outdated technology. This project will replace the Sonet network equipment with modern network gear with enhanced security features for network Ring #1.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
Federal-TPI	\$1,760,000
VTA Transit	440,000
Total	\$2,200,000

Miscellaneous

46. Caltrain Capital - Annual Local Match

The local capital funds that Caltrain receives from VTA and the other two funding partners (San Mateo County Transit District and the City and County of San Francisco) are used to match state and federal grant funds that are provided to Caltrain. Most Caltrain capital projects are funded with a combination of federal and local funds, and the costs are split equally by the three member agencies. This budget includes an estimate of \$3.65 million per year in FY 2014 and FY 2015 to support Caltrain’s Capital Budget.

Operating Cost Impact: There is no direct operating costs impact to VTA with this project. Operating and maintenance costs for Caltrain service are incorporated within the Caltrain operating subsidy.

Funding Source	FY14 & FY15
VTA Transit	\$7,300,000

47. Capital Contingency

This appropriation is a placeholder for projects that are not currently anticipated but may arise during the two-year budget cycle. These funds are administered by the Capital Improvement Program Oversight Committee, which is composed of VTA’s Chief Officers, and the General Manager. Unused Capital Contingency appropriation expires at the end of the two-year budget cycle.

Operating Cost Impact: Potential impact on operating cost is dependent on nature of identified activities.

Funding Source	FY14 & FY15
VTA Transit	\$2,000,000
Other-TBD	2,000,000
Total	\$4,000,000

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VTA Transit Total Available Appropriation

Capital project appropriations, with the exception of the VTA Transit Capital Contingency, do not expire at the end of the fiscal year and are carried forward until the project is completed. Appropriation for the VTA Transit Capital Contingency expires at the end of the two-year budget cycle. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover is specifically earmarked for previously appropriated capital needs in VTA’s Comprehensive Annual Financial Report. The following table reflects the projected carryover at June 30, 2013, as well as the total available appropriation for the VTA Transit Capital Program after the FY 2014 and FY 2015 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0624	Bus Farebox Replacement	State	10,000	6,901	3,099	0	3,099
		VTA Transit	498	0	498	0	498
		Total	10,498	6,901	3,597	0	3,597
P-0687	Advanced ZEB Demo Project	Federal	392	0	392	0	392
		Other	98	0	98	0	98
		VTA Transit	8,984	8,984	0	0	0
		Total	9,474	8,984	490	0	490
P-0698	Hybrid Bus Procurement	Federal	60,819	53,097	7,721	0	7,721
		State	8,748	6,901	1,848	0	1,848
		VTA Transit	1,045	125	920	0	920
		Total	70,612	60,123	10,489	0	10,489
P-0716	Paratransit Vehicles	State	7,637	6,440	1,197	0	1,197
P-0754	Kinkysharyo LRV Overhaul Program	Federal	1,030	0	1,030	640	1,670
		VTA Transit	257	0	257	672	930
		Total	1,287	0	1,287	1,312	2,599
P-0760	Express Bus Vehicle Procurement	State	14,000	49	13,951	0	13,951
		VTA Transit	2,120	0	2,120	0	2,120
		Total	16,120	49	16,071	0	16,071
P-0768	Community Bus Procurement	State	9,125	22	9,103	0	9,103
		VTA Transit	16,516	0	16,516	0	16,516
		Total	25,641	22	25,619	0	25,619
P-0823	Paratransit Vehicles and Equipment	State	3,476	241	3,235	0	3,235
P-0831	Replacement Ford F550 Bucket Truck	VTA Transit	195	0	195	0	195
P-0833	40' Bus Procurement	Federal	0	0	0	5,903	5,903
		VTA Transit	0	0	0	27,597	27,597
		Total	0	0	0	33,500	33,500
P-0834	60' Articulated Bus Procurement	State	0	0	0	45,679	45,679
		VTA Transit	0	0	0	6,535	6,535
		Total	0	0	0	52,214	52,214

¹ Projection as of August 5, 2013

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Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0884	Automatic Passenger Counters-LR Vehicles	VTA Transit	0	0	0	1,450	1,450
	Revenue Vehicles & Equipment Total		144,940	82,760	62,180	88,476	150,657
P-0774	Non-Revenue Vehicle Procurement FY12	State	1,931	841	1,091	0	1,091
P-0857	Non-Revenue Vehicle Procurement FY14	VTA Transit	0	0	0	1,072	1,072
	Non-Revenue Vehicles Total		1,931	841	1,091	1,072	2,162
P-0427	HazMat Removal / Fac. Design & Const	VTA Transit	264	193	72	0	72
P-0572	Bus Signal Priority	Federal	729	510	219	0	219
		VTA Transit	182	127	55	0	55
		Total	911	637	274	0	274
P-0603	Rail Simulation	VTA Transit	250	154	96	0	96
P-0633	HVAC Replacement Program FY08	VTA Transit	783	603	181	0	181
P-0646	Green Sustainability Facility Imprvmnts	VTA Transit	4,000	3,316	684	1,200	1,884
P-0674	Painting Management Program FY09	VTA Transit	1,437	1,327	110	0	110
P-0675	Pavement Management Program FY09	VTA Transit	717	266	451	0	451
P-0683	Emergency Security Telephones	State	581	581	0	0	0
		VTA Transit	40	39	1	0	1
		Total	621	620	1	0	1
P-0738	Facilities Programwide	VTA Transit	300	80	220	0	220
P-0741	SCADA System Hardening	Federal	1,100	755	345	0	345
		State	2,553	1,346	1,207	0	1,207
		VTA Transit	581	44	537	0	537
		Total	4,234	2,145	2,089	0	2,089
P-0742	SCADA Core Switch Ntwk Security Upgrd	Federal	439	367	72	0	72
		VTA Transit	110	92	18	0	18
		Total	549	459	90	0	90
P-0750	GFCI (switchgear) Testing & Replacemnt	VTA Transit	212	4	208	0	208
P-0758	Facilities & Equip Emergency Repair FY12	VTA Transit	97	0	97	0	97
P-0759	Cerone Core Switch Replacement	VTA Transit	854	114	739	0	739
P-0765	HVAC Replacement Program FY12	VTA Transit	1,177	108	1,069	0	1,069
P-0766	Roofing Management Program FY12	VTA Transit	1,509	471	1,038	0	1,038
P-0767	Facility Maint. Equip Program FY12	VTA Transit	788	321	467	0	467
P-0773	Paving Management Program FY12	VTA Transit	866	809	57	0	57
P-0776	LRV Body Shop-Dust Separation Wall	Federal	436	18	418	0	418
		VTA Transit	109	4	105	0	105
		Total	545	22	523	0	523
P-0777	LRV Maintenance Shop Hoist	Federal	2,750	29	2,721	0	2,721
		VTA Transit	687	7	680	0	680
		Total	3,437	36	3,401	0	3,401
P-0780	Auditorium Upgrade	VTA Transit	500	25	475	0	475
P-0803	CCTV Surveillance Equipment	State	1,614	3	1,611	0	1,611
P-0807	Data Center Power Upgrade	VTA Transit	80	75	5	0	5
P-0809	Chaboya Paving Rehabilitation	VTA Transit	2,184	144	2,040	0	2,040
P-0815	Radio System Installation FY13	State	562	23	540	0	540
P-0816	CCTV Surveillance Equipment FY13	State	2,184	117	2,066	0	2,066
P-0828	Downtown Customer Service Center Move	VTA Transit	577	246	331	0	331
P-0839	Replace Wheel Truing Machine	VTA Transit	0	0	0	2,600	2,600
P-0840	LED Exterior Lighting Replacement	VTA Transit	0	0	0	900	900
P-0844	Cerone Propane Tank Replacement	VTA Transit	0	0	0	350	350
P-0846	Facility Maint. Equip Program FY14	VTA Transit	0	0	0	1,126	1,126
P-0847	Paving Management Program FY14	VTA Transit	0	0	0	2,316	2,316

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Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0849	Cerone Boiler Replacement	VTA Transit	0	0	0	300	300
P-0852	Cerone Emergency Generator Replacement	VTA Transit	0	0	0	1,200	1,200
P-0854	HVAC Replacement Program FY14	VTA Transit	0	0	0	551	551
P-0855	Roofing Management Program FY14	VTA Transit	0	0	0	900	900
P-0856	Painting Management Program FY14	VTA Transit	0	0	0	1,000	1,000
P-0859	LR Signal Shop Modification	Federal	0	0	0	396	396
		VTA Transit	0	0	0	99	99
		Total	0	0	0	495	495
P-0883	Facilities & Equip Emergency Repair FY14	VTA Transit	0	0	0	750	750
Operating Facilities & Equipment Total			31,250	12,318	18,932	13,688	32,619
P-0567	Tasman West ROW Closeout	VTA Transit	242	241	1	0	1
P-0643	Cooling Sys for LR Signal / Comm Cab	VTA Transit	314	92	222	0	222
P-0670	Rail Rehab and Replacement Program	Federal	10,170	3,584	6,585	5,859	12,444
		State	1,466	518	948	0	948
		VTA Transit	1,714	607	1,108	1,465	2,572
		Total	13,350	4,709	8,641	7,324	15,965
P-0681	Additional Track Intrusion Prevention	VTA Transit	1,700	1,622	78	0	78
P-0689	Traction Power Substation Replc Prog	Federal	8,828	975	7,853	4,560	12,413
		State	1,469	303	1,166	0	1,166
		VTA Transit	4,060	263	3,797	1,140	4,937
		Total	14,356	1,541	12,815	5,700	18,515
P-0707	OH Cat. Sys (OCS) Rehab Program	Federal	9,002	864	8,138	0	8,138
		State	1,150	192	958	0	958
		VTA Transit	1,388	24	1,364	0	1,364
		Total	11,540	1,080	10,460	0	10,460
P-0757	LR Crossovers and Switches	Federal	580	0	580	2,179	2,759
		VTA Transit	145	0	145	545	690
		Total	724	0	724	2,724	3,449
P-0761	Bridge Repairs & Structure Stabilization	Federal	1,360	157	1,203	0	1,203
		VTA Transit	340	39	301	0	301
		Total	1,700	196	1,504	0	1,504
P-0762	LR Signal Sys Assessment / SCADA Repl	Federal	2,800	30	2,770	0	2,770
		VTA Transit	700	7	693	0	693
		Total	3,500	37	3,463	0	3,463
P-0763	N. First St Corr LR Speed Improvements	Federal	0	0	0	400	400
		VTA Transit	962	0	962	100	1,062
		Total	962	0	962	500	1,462
P-0771	Update Santa Teresa Intlock Signal House	Federal	688	75	613	0	613
		VTA Transit	172	19	153	0	153
		Total	860	94	766	0	766
P-0797	Vasona Safety Improvements	VTA Transit	1,172	780	392	0	392
P-0820	Middlefield Utility Relocation	VTA Transit	145	5	140	0	140
P-0821	LR Signal Priority Improvements	Federal	9	8	1	0	1
		Other	1,578	0	1,578	0	1,578
		VTA Transit	206	1	205	0	205
		Total	1,793	9	1,784	0	1,784
P-0842	LR Transit Performance Initiative Projs	Federal	0	0	0	3,200	3,200
		VTA Transit	0	0	0	800	800
		Total	0	0	0	4,000	4,000

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E=(C+D)
			Adopted Budget Through FY13	Projected Expenditures Through FY13 ¹	Projected FY13 Capital Carryover	FY14 Appropriation	Total Available Appropriation
P-0843	Upgrade Ohlone/Chynoweth Interlocking	Federal	0	0	0	960	960
		VTA Transit	0	0	0	240	240
		Total	0	0	0	1,200	1,200
P-0845	Track Intrusion Abatement FY14	Federal	0	0	0	1,600	1,600
		VTA Transit	0	0	0	400	400
		Total	0	0	0	2,000	2,000
Light Rail Way, Power & Signal Total			52,358	10,408	41,950	23,448	65,398
P-0625	Guad Corr Platform Retrofit-South Line	Federal	18,423	18,353	71	0	71
		VTA Transit	8,471	8,180	292	0	292
		Total	26,895	26,533	362	0	362
P-0632	Security Improvement Projects FY08	VTA Transit	173	42	131	0	131
P-0641	Upgrade LR Stations PA System	Federal	1,205	1,042	163	0	163
		VTA Transit	301	260	41	0	41
		Total	1,506	1,302	204	0	204
P-0688	ELocker Retrofit Program	State	23	22	1	0	1
		Other	153	30	123	0	123
		VTA Transit	23	7	15	0	15
		Total	198	59	139	0	139
P-0751	CCTV's @ Selected LR Platforms I	Federal	164	164	0	0	0
		State	1,004	1,004	0	0	0
		Total	1,168	1,168	0	0	0
P-0764	Transit Center Park & Ride Upgrades	VTA Transit	308	12	296	282	578
P-0770	Security Improv Proj FY12 & FY13	Other	4,943	0	4,943	0	4,943
P-0781	Bus Stop Improvements FY12 & FY13	Federal	840	223	616	0	616
		VTA Transit	210	56	154	0	154
		Total	1,050	279	770	0	770
P-0802	Passenger Safety Improvements	State	1,730	41	1,689	0	1,689
P-0811	West San Carlos Infill Station	Other	1,000	0	1,000	0	1,000
P-0818	High Volume Bus Stop Improvement	Federal	600	0	600	0	600
		VTA Transit	300	46	254	1,000	1,254
		Total	900	46	854	1,000	1,854
P-0819	Ped Swing Gates Replacement	VTA Transit	570	1	569	0	569
P-0835	Bus Stop Pavement/Duckout Improv FY14	Federal	0	0	0	836	836
		VTA Transit	0	0	0	209	209
		Total	0	0	0	1,045	1,045
P-0836	Infrastructure for Addtl Fare Devices	VTA Transit	0	0	0	550	550
P-0838	LR Station and Transit Cntr Shelter Study	VTA Transit	0	0	0	100	100
P-0858	Security Improvement Projects FY14	State	0	0	0	7,000	7,000
P-0882	Back-up Devices for Elevated Stations	Federal	0	0	0	320	320
		VTA Transit	0	0	0	80	80
		Total	0	0	0	400	400
Passenger Facilities Total			40,441	29,485	10,957	10,377	21,333
P-0049	Advanced Comm System (ACS)	Federal	12,720	12,720	0	0	0
		VTA Transit	7,463	7,358	105	0	105
		Total	20,183	20,079	105	0	105
P-0329	Real Time Information (RTI)	Federal	2,353	1,657	696	0	696
		Other	2,530	1,422	1,108	0	1,108
		VTA Transit	1,656	746	910	0	910
		Total	6,539	3,825	2,714	0	2,714

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0546	Clipper TVM Integration	Federal	1,212	1,212	0	0	0
		State	2,611	2,611	0	0	0
		Other	1,868	1,868	0	0	0
		VTA Transit	562	315	247	0	247
		Total		6,253	6,006	247	0
P-0616	Board Office Document Process Automation	VTA Transit	134	98	36	0	36
P-0630	Server Replacement	VTA Transit	2,274	1,762	513	0	513
P-0711	Emergency IT Infrastructure Replacement	VTA Transit	191	0	191	109	300
P-0724	Core Network Equipment Lease	VTA Transit	651	546	104	0	104
P-0733	Radio Narrowbanding	VTA Transit	690	336	354	0	354
P-0756	Dictaphone Replacement	VTA Transit	310	163	147	0	147
P-0769	SCADA GEisys Software Upgrade	VTA Transit	1,250	0	1,250	0	1,250
P-0778	SAP Grants Management Module	2000 Measure A	572	552	20	0	20
		VTA Transit	30	29	1	0	1
		Total		602	581	21	0
P-0779	Trapeze OPS Software Installation	VTA Transit	2,800	941	1,859	400	2,259
P-0782	Clipper Gigabit Network Replacement	VTA Transit	1,425	334	1,091	0	1,091
P-0792	VTA.ORG Upgrade	2000 Measure A	193	41	152	0	152
		VTA Transit	193	41	152	0	152
		Total		385	81	304	0
P-0793	CMA Modeling System Enhancement	Other	55	43	12	0	12
		VTA Transit	55	43	12	0	12
		Total		110	86	24	0
P-0806	Record Management Program	VTA Transit	2,788	138	2,650	0	2,650
P-0817	CCTV Related Connectivity Infrastructure	State	598	42	556	0	556
P-0827	CMA Database & Web Server Expansion	Other	56	42	14	0	14
		VTA Transit	56	42	14	0	14
		Total		112	84	28	0
P-0830	Legal Tracking & Management	VTA Transit	271	0	271	0	271
P-0841	Train to Wayside Comm. System Upgrade	Federal	0	0	0	200	200
		VTA Transit	0	0	0	50	50
		Total		0	0	0	250
P-0848	TERM Lite Deployment	VTA Transit	0	0	0	600	600
P-0850	SAP Plant Maintenance & Materials Mgmt	VTA Transit	0	0	0	300	300
P-0851	IT Server Upgrades	VTA Transit	0	0	0	450	450
P-0853	Business Automation	VTA Transit	0	0	0	455	455
P-0869	Upgrade Countywide Travel Demand Model	Federal	0	0	0	520	520
		Other	0	0	0	130	130
		Total		0	0	0	650
P-0873	Network Enhancements-Guad & North Yard	VTA Transit	0	0	0	600	600
P-0874	Telecommunications System Updates	VTA Transit	0	0	0	375	375
P-0879	CAD-AVL Update	VTA Transit	0	0	0	7,000	7,000
P-0880	Upgrade LR Ring 1 Comm Equipment	Federal	0	0	0	1,760	1,760
		VTA Transit	0	0	0	440	440
		Total		0	0	0	2,200
P-0881	Radio System Upgrade	VTA Transit	0	0	0	2,500	2,500
P-0886	Payroll/AP Check Printer Replacement	VTA Transit	27	0	27	0	27
P-0887	CRM Implementation/CARE Replacement	VTA Transit	30	0	30	0	30
Information Sys & Technology Total			47,623	35,101	12,522	15,889	28,411
P-0471	Measure B Rail Projects Overhead	VTA Transit	8,681	8,656	25	0	25

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0692	W. San Carlos Developer Cost Fund	Other	100	16	84	0	84
P-0693	W. San Carlos Remediation and Demo	Other	1,000	50	950	0	950
P-0822	VETS Transpnt & Community Living Initv	Federal	2,050	0	2,050	0	2,050
P-0837	Caltrain Capital - Annual Local Match	VTA Transit	0	0	0	7,300	7,300
NEW	Capital Contingency	Other	0	0	0	2,000	2,000
		VTA Transit	0	0	0	2,000	2,000
		Total	0	0	0	4,000	4,000
Miscellaneous Total			11,831	8,722	3,108	11,300	14,408
Grand Total			330,374	179,634	150,740	164,249	314,989

Note: Totals may not be precise due to independent rounding

VTA Transit Total Available by Funding Source
(Dollars in Thousands)

Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
Federal	140,697	95,841	44,856	29,333	74,189
State	72,462	28,197	44,264	52,679	96,944
Other	13,381	3,472	9,909	2,130	12,039
2000 Measure A	764	593	172	0	172
VTA Transit	103,070	51,532	51,538	80,107	131,645
Grand Total	330,374	179,634	150,740	164,249	314,989

¹ Projection as of August 5, 2013

Note: Totals may not be precise due to independent rounding

VTA Transit Debt Service

Debt Policy Overview

VTA’s debt policy permits issuance of long-term debt to accomplish the following objectives: accelerate the delivery of projects, spread cost over the useful life of an asset, smooth out annual cash flow, optimize overall financial resources, finance unfunded actuarial liabilities, and refund existing debt. As of June 30, 2013, VTA had three outstanding bond issues secured by 1976 half-cent sales tax revenues.

VTA’s debt policy states that debt affordability shall be determined by the requirements of VTA’s bond indentures (e.g., additional bonds test/debt service coverage) and VTA’s ability to meet all of its ongoing operating, capital, and reserve requirements. The bond indenture for issues secured by the 1976 half-cent sales tax requires a minimum gross sales tax revenue bond coverage ratio of 2.0 times annual debt service with a debt service reserve fund, or 3.0 times annual debt service without a debt service reserve fund. The table below shows the calculation of the debt coverage ratio for FY 2014 and FY 2015 for debt secured by the 1976 half-cent sales tax.

***VTA Transit
Debt Coverage Ratio
Issues Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

	FY14	FY15
Sales Tax Revenues	182,435	190,845
Debt Service ¹	18,817	18,661
Coverage Ratio	9.7	10.2

¹Principal and Interest

The tables on the following pages show additional information about outstanding debt secured by the 1976 half-cent sales tax.

***VTA Transit
Outstanding Debt as of 6/30/13
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

Series	Type of Debt	Interest Rate	Par Amount
2007 Series A Refunding	Traditional Fixed	3.97% ¹	18,640
2008 Series A-C Refunding	Synthetically Fixed	3.79% ²	155,450
2011 Series A Refunding	Traditional Fixed	2.73% ¹	43,235
Total			217,325

¹ All-in TIC

² Including liquidity and remarketing fees

***VTA Transit
Debt Service Schedule
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

Fiscal Year	Principal	Interest	Total
2014	10,435	8,382	18,817
2015	10,705	7,956	18,661
2016	14,310	6,770	21,080
2017	14,820	6,262	21,082
2018	15,345	5,734	21,079
2019-2023	85,495	20,186	105,681
2024-2028	66,215	5,099	71,314
Total	217,325	60,389	277,714

Note: Totals may not be precise due to independent rounding

VTA Transit
FY 2014 and FY 2015 Debt Service Detail
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)

Category	FY14 Adopted Budget	FY15 Adopted Budget
Interest Expense	8,382	7,956
Principal	10,435	10,705
Other Bond Charges ¹	1,280	1,816
Total	20,097	20,478

¹ Includes liquidity fees, remarketing fees, trustee fees, and other bond related charges

Note: Totals may not be precise due to independent rounding

Overview of Outstanding Debt Issues

2007 Series A Refunding

In April 2007, \$26.3 million of 2007 Series A Sales Tax Revenue Refunding Bonds (2007 Bonds) were issued at a true interest cost of 3.97% to current refund a portion of the 1997 Series A Sales Tax Revenue Bonds maturing in series on June 1 of each year from 2010-2021 (Defeased 1997 Bonds). The Defeased 1997 Bonds were originally issued to advance refund 1991 Series A Sales Tax Revenue Bonds, advance refund 1994 Series C Certificates of Participation, and pay for certain capital expenditures. Proceeds of the 2007 Bonds were deposited into an escrow account held by a Trustee, and were used to pay the principal and accrued interest on the Defeased 1997 Bonds on the redemption date of June 1, 2007. VTA realized cash flow savings of approximately \$2.1 million.

2008 Series A-C Refunding

In June 2008, \$168.6 million of 2008 Series A-C Sales Tax Revenue Refunding Bonds (2008 VTA Bonds) were issued to current refund the 2005 Series A-C Sales Tax Revenue Refunding Bonds (Defeased 2005 Bonds). The 2005 Bonds were originally issued to finance the retirement of a portion of the 2001 Series A Senior Lien Sales Tax Revenue Bonds. The 2008 VTA Bonds were issued as variable rate demand bonds and bear interest at a weekly rate, which is determined by the Remarketing Agent to be the rate necessary to remarket the 2008 VTA Bonds at par value. The Defeased 2005 Bonds were insured by Ambac Assurance Corporation, a

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

municipal insurance provider, who had been downgraded by all three national rating agencies in January 2008. As a result of the downgrade, VTA was paying weekly interest rates that were above market rates. The 2008 VTA Bonds were issued as uninsured weekly variable rate bonds to eliminate the higher interest rates associated with Ambac-insured variable rate demand bonds. There were no cash flow savings or economic gain or loss associated with this refunding. The maturities of the 2008 VTA Bonds extend to June 1, 2026 and are subject to optional and mandatory redemption and optional and mandatory tender for purchase before maturity.

In conjunction with the Defeased 2005 Bonds and subsequently the 2008 VTA Bonds, VTA entered into swap agreements with various counterparties. Under the agreements, VTA pays a fixed rate to the counterparties and in return, the counterparties pay VTA a variable rate based on a percentage of LIBOR¹. The variable rate that VTA receives from the counterparties is intended, over the life of the bonds, to offset the payments VTA makes to bondholders.

2011 Series A Refunding

In September 2011, \$47.5 million of 2011 Series A Sales Tax Revenue Refunding Bonds (2011 Bonds) were issued at a true interest cost of 2.73% to current refund the 1998 Series A Sales Tax Revenue Bonds and the 2000 Series A Sales Tax Revenue Bonds (collectively, the “Refunded Bonds”), maturing in series on June 1 of each year from 2012-2028. The Refunded Bonds were variable rate bonds which were issued through the California Transit Finance Authority (CTFA). The bonds were refunded in order to reduce bank and interest rate risk associated with variable rate demand bonds. Proceeds of the 2011 Bonds were deposited into an escrow account held by a Trustee, and were used to pay the principal and accrued interest on the refunded bonds on the redemption date of October 5, 2011.

¹ LIBOR—London Interbank Offering Rate—A daily reference rate based on the interest rate at which banks offer to lend unsecured funds to other banks in the London wholesale (interbank) money market.

SECTION 3
2000 MEASURE A TRANSIT
IMPROVEMENT PROGRAM



2000 Measure A Transit Improvement Program

Overview

The 2000 Measure A Transit Improvement Program, a 30-year plan of major transit improvement capital projects, was approved by Santa Clara County voters in November 2000. The 2000 Measure A Ordinance implemented a 30-year half-cent sales tax (Tax) that became effective on April 1, 2006, and is scheduled to expire on March 31, 2036. Pursuant to the ballot measure, revenues from the Tax are limited to the following uses:

- Fund operating and maintenance costs for increased bus, rail, and paratransit service.
- Extend BART from Fremont through Milpitas to Downtown San Jose and the Santa Clara Caltrain Station.
- Provide connections from Mineta San Jose International Airport to BART, Caltrain, and VTA light rail.
- Extend Light Rail from Downtown San Jose to the East Valley.
- Purchase low-floor light rail vehicles.
- Improve Caltrain: double-track to Gilroy and electrify from Palo Alto to Gilroy.
- Increase Caltrain service.
- Construct a new Palo Alto Intermodal Transit Center.
- Improve bus service in major bus corridors.
- Upgrade Altamont Commuter Express (ACE).
- Improve Highway 17 Express bus service.
- Connect Caltrain with Dumbarton Rail Corridor.
- Purchase Zero Emission buses and construct service facilities.
- Develop new light rail corridors.

VTA periodically issues bonds in order to advance projects in anticipation of future sales tax receipts. In November 2010, VTA issued \$645.9 million of 2010 Series A-B Measure A Sales Tax Revenue Bonds to fund a portion of 2000 Measure A capital project activities during the next few years. The bonds were issued as traditional fixed rate debt, with coupon payments that range from 3-5% and a final maturity of April 1, 2032. The 2010 Series A Bonds (\$469.7M) were issued as taxable Build America Bonds (BABs) which provide a direct payment to VTA from the federal government equal to 35% of the interest costs. The BABs program was created by the American Recovery and Reinvestment Act of 2009 as a means to reduce borrowing costs for municipal entities such as VTA. Including the 35% direct federal subsidy, VTA's all in cost of borrowing for the full \$645.9 million bond issue was 3.55%. As of June 30, 2013 the balance remaining in the 2010 Bonds Project Fund was \$425.2 million.

The 2000 Measure A Transit Improvement Program budget appropriation is broken into two major components. The operating budget includes appropriation for non-project specific expenditures such as professional services, non-capitalized debt service, and operating assistance to VTA Transit. The capital budget appropriation reflects the anticipated expenditures and commitments on capital projects for the two-year budget period.

2000 Measure A Transit Improvement Program Operating Budget Assumptions

Revenues

2000 Measure A Half-Cent Sales Tax

During FY 2012, sales tax receipts from the 2000 Measure A half-cent sales tax increased 8.8%, following an increase of 9.7% in FY 2011. Year-to-date growth in FY 2013 has been significant with year over year increases of 6.7%, 6.9%, and 3.9% for the first three quarters, respectively.

The economic recovery in the San Jose MSA (Metropolitan Statistical Area) has been strong. Professional and business employment has been a major driver of regional growth. Scientific and technical employment has returned to levels seen at the height of the housing bubble, and information employment levels are at all-time highs—exceeding the peaks seen at the height of the technology bubble. As of June 30, 2012, the Autos and Transportation segment and the Building and Construction segment of sales tax revenues were up 13.7% and 11.6%, respectively, suggesting that recent growth in sales tax revenues are coming from both consumer and business spending. Additionally, real estate markets, which had been a drag on regional growth during the last few years, are now showing concrete signs of recovery.¹

The Adopted Biennial Budget assumes an increase in sales tax revenues of 3.76% and 4.61% in FY 2014 and FY 2015, respectively from the originally projected base of \$175.6 million for FY 2013. This reflects anticipation that the San Jose MSA economy will continue to be one of the leading drivers of growth in California.

Investment Earnings

The investment earnings are derived from three primary sources; short, mid, and long-term investment portfolios. Pursuant to VTA's adopted investment policy and California Government Code, 100% of surplus assets are invested in domestic fixed income. All three portfolios are invested by a money manager whose performance is evaluated by comparing actual earnings against the appropriate benchmark for each portfolio's duration. The estimated earnings rate for these funds is 0.93% in FY 2014 and 1.07% in FY 2015.

Expenses

VTA Operating Assistance

A portion of the 2000 Measure A tax is used to provide operating assistance for VTA Transit. The Adopted Biennial Budget includes 18.5% of the 2000 Measure A sales tax revenue to be paid to VTA Transit for use in funding VTA operations.

¹ Source: Beacon Economics

Debt Service

This expense category reflects the debt service attributable to assets already placed in service, as well as the debt service on the portion of 2010 Series A Build America Bond (BABs) proceeds not yet applied to project expenditures. The remaining debt service is eligible for capitalization and is appropriated under the Capital Budget (page 147).



BART Silicon Valley Berryessa Extension Groundbreaking—April 12, 2012



Capitol Expressway Pedestrian Improvements

***2000 Measure A Transit Improvement Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY12 Actual	FY 13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
1	2000 Half-Cent Sales Tax	166,280	164,518	175,084	182,161	7,077	4.0%	190,559	8,398	4.6%
2	Federal BABs Subsidy ³	9,399	9,399	9,399	9,399	0	0.0%	9,399	0	0.0%
3	Investment Earnings	13,455	11,921	6,758	3,209	(3,550)	-52.5%	2,490	(719)	-22.4%
4	Other Income	440	391	381	440	59	15.4%	440	0	0.0%
5	Total Revenue	189,574	186,229	191,623	195,209	3,586	1.9%	202,888	7,679	3.9%
6	VTA Operating Assistance	30,690	30,365	32,315	33,621	1,306	4.0%	35,171	1,550	4.6%
7	Professional & Special Services	556	531	678	534	(144)	-21.3%	534	0	0.0%
8	Other Services	0	5	0	0	0	N/A	0	0	N/A
9	Leases & Rents	0	1	0	0	0	N/A	0	0	N/A
10	Miscellaneous	12	0	15	16	1	9.6%	16	0	0.0%
11	Contributions to Other Agencies	740	150	333	343	10	3.0%	150	(193)	-56.2%
12	Debt Service	27,916	24,767	25,013	44,936	19,922	79.6%	45,844	908	2.0%
13	Repayment Obligation	10,843	11,954	10,871	10,700	(172)	-1.6%	11,108	408	3.8%
14	Total Expense	70,758	67,773	69,225	90,149	20,924	30.2%	92,823	2,674	3.0%
15	Revenues Over (Under) Expenses	118,816	118,456	122,397	105,060	(17,338)		110,064		

¹ Reflects Adopted Budget approved by the Board on June 2, 2011

² Projection as of August 5, 2013

³ Represents 35% of the interest cost for 2010 Sales Tax Revenue Bonds, 2010 Series A, Build America Bonds which were issued in November 2010

Note: Totals and percentages may not be precise due to independent rounding. Descriptions of each Revenue and Expense Category can be found in Appendix F.

Major Variances (Variance in excess of 5% and \$500,000)

Revenues

Investment Earnings:

The FY 2014 and FY 2015 budgets reflect a \$3.6 million and \$719 thousand decrease respectively due to declining portfolio balances as project expenditures accelerate.

Expenses

Debt Service:

The FY 2014 budget shows a \$19.9 million increase over FY 2013 actual due to the commencement of principal payments on 2010 Series A Bonds.

***2000 Measure A Transit Improvement Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Projected Actual¹</u>	<u>FY14 Adopted Budget</u>	<u>FY15 Adopted Budget</u>
1	Total Revenues	189,574	191,623	195,209	202,888
2	Total Non-Project Expenses	<u>(70,758)</u>	<u>(69,225)</u>	<u>(90,149)</u>	<u>(92,823)</u>
3	Revenues Over (Under) Expenses	118,816	122,397	105,060	110,064
4	Project Expenditures	328,130	371,719	893,069	520,256
5	Less: Funding from Grants & Other Sources	<u>(81,759)</u>	<u>(285,692)</u>	<u>(421,513)</u>	<u>(312,054)</u>
6	2000 Measure A Share of Capital	246,371	86,026	471,556	208,202
7	Beginning Available for Projects ²	957,550	829,994	866,364	499,868
8	Revenues Over (Under) Expenses	118,816	122,397	105,060	110,064
9	2000 Measure A Share of Capital	<u>(246,371)</u>	<u>(86,026)</u>	<u>(471,556)</u>	<u>(208,202)</u>
10	Ending Available for Projects ^{2,3}	829,994	866,364	499,868	401,730

¹ Projection as of August 5, 2013

² Undesignated Net Assets plus Remaining Bond Proceeds

³ FY 2014 and FY 2015 Available for Projects balances decrease from prior year levels due to increased spending on capital projects, primarily Santa Clara/Alum Rock Bus Rapid Transit (BRT) and Silicon Valley Rapid Transit (SVRT) related projects.

Note: Totals may not be precise due to independent rounding.

2000 Measure A Transit Improvement Program Capital Budget Assumptions

In accordance with the practice instituted during the FY 2010 and FY 2011 budget process, the FY 2014 and FY 2015 2000 Measure A Capital Budget reflects the planned capital spending to be incurred or committed in the next two years.

The FY 2014 and FY 2015 2000 Measure A Capital Program utilizes cash-on-hand (including 2010 bond proceeds) and projected cash receipts, and does not anticipate incurring additional debt in the two-year period. The total additional appropriation for the identified projects for FY 2014 and FY 2015 is \$578.0 million which reflects the planned capital spending to be incurred or committed in the next two years. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program.

Funding for one project is recommended for de-obligation in the FY 2014 and FY 2015 budget. These funds were previously appropriated but because of changed circumstances will not be spent. By de-obligating previously approved budget authorization, the result is a budget that more accurately matches planned expenditures with budget authorization. An explanation for the de-obligation is provided in the project description.

The table on the following page lists each project by category and general funding source. The subsequent pages provide a brief description, identified funding sources, and potential operating cost impacts for each project.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover at the end of each fiscal year is reported as restricted assets on the agency's financial statements. The table on pages 148-150 reflects the projected carryover at June 30, 2013, as well as the total available appropriation for the 2000 Measure A Capital Program after the FY 2014 and FY 2015 appropriations, by project and funding source.

**2000 Measure A Transit Improvement Program
Schedule of FY 2014 & FY 2015 Appropriation
(Dollars in Thousands)**

Project	FY 2014 & FY 2015				Total
	Funding Source				
	Federal	State	Other	2000 Measure A	
1. 20 Non-New Starts BART Vehicles	0	0	0	11,000	11,000
2. BART Core System Modifications	0	0	0	15,250	15,250
3. BART HMC and ROW	0	0	0	23,550	23,550
4. Berryessa Extension Project - SVBX	0	0	0	366,171	366,171
5. SVRT Project Development after FY09	0	0	0	12,878	12,878
6. Warm Springs BART Extension	0	(8,000)	0	0	(8,000)
SVRT Program Total	0	(8,000)	0	428,849	420,849
7. Northern Light Rail Express	0	0	0	8,400	8,400
8. Santa Clara Pocket Track	0	0	0	10,000	10,000
Light Rail Program Total	0	0	0	18,400	18,400
9. Caltrain Electrification - Early Investment Program	0	0	0	56,920	56,920
10. Caltrain Safety Enhancements	0	0	0	3,800	3,800
11. Santa Clara Sta. Pedestrian Underpass Extension	7,225	0	2,025	0	9,250
Commuter Rail Program Total	7,225	0	2,025	60,720	69,970
12. BART Transit Integration Analysis	0	0	0	200	200
13. Berryessa BART Connector Design	0	0	0	2,000	2,000
14. Peninsula Cross-town Transit Connectivity Study	0	0	200	0	200
Bus Program Total	0	0	200	2,200	2,400
15. Capitalized Interest and Other Bond Costs	0	0	0	64,200	64,200
16. Programwide Expenses	0	0	0	2,200	2,200
Measure A Programwide Total	0	0	0	66,400	66,400
Grand Total	7,225	(8,000)	2,225	576,569	578,019

Note: Totals may not be precise due to independent rounding

2000 Measure A Transit Improvement Program Description of FY 2014 & FY 2015 Appropriated Projects

SVRT Program

1. 20 Non-New Starts BART Vehicles

A total of 60 BART rail cars are required for the Berryessa Extension Project. Of those, 40 are included in the Berryessa Extension New Starts Candidate Project for baseline requirements. This project covers the purchase of the additional 20 rail cars required to integrate into BART. VTA will own the railcars that are being bought under this project. VTA's purchase of these rail cars will meet its short-term needs for the SVBX project and its long-term commitment to the BART system as part of the Master Agreement with BART to bring BART to Santa Clara County.

Operating Cost Impact: Any operating costs related to the vehicles will be funded by an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 183.

<u>Funding Source</u>	<u>FY14 & FY15</u>
2000 Measure A	\$11,000,000

2. BART Core System Modifications

BART's core system will require some modifications as a result of extending the system into Santa Clara County. For example, upgrades to BART's Operations Control Center (OCC) capabilities are necessary to accommodate the BART extension to Berryessa. The current concept includes a new, two-story, 8000 sq ft OCC facility adjacent to the current OCC site at Lake Merritt Station Plaza. In addition, the design of elements to address ridership impacts to stations is needed. As part of the Comprehensive Agreement between VTA and BART covering the extension to Santa Clara County, VTA committed to pay a proportional share of capital investments made by BART that are used by the SVRT extension as well as the cost of measures required as a result of projected ridership impacts on BART stations.

Operating Cost Impact: Any operating costs related to this project will be funded by an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 183.

<u>Funding Source</u>	<u>FY14 & FY15</u>
2000 Measure A	\$15,250,000

3. BART Hayward Maintenance Complex and Right-of-Way

Because the BART extension to Silicon Valley is being built in two stages, the original plan to provide a maintenance facility at Newhall Yard in Santa Clara is no longer feasible because the first phase does not extend that far. As a result, VTA and BART have agreed that some modifications to the BART maintenance and storage facilities in Hayward would suit both organizations. This project includes real estate acquisition and construction of

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

several shop buildings. VTA's participation in work at the Hayward Maintenance Complex (HMC) will meet its short-term vehicle maintenance needs for the SVBX project and its long-term commitment to the BART system as part of the Master Agreement with BART.

Operating Cost Impact: Any operating costs related to this project will be funded by an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 183.

Funding Source	FY14 & FY15
2000 Measure A	\$23,550,000

4. Berryessa Extension Project - SVBX

The Berryessa Extension Project consists of the design and construction of the approximate 10-mile extension of the BART system into Santa Clara County and related costs included in the FTA New Starts Candidate Project. The Berryessa Extension will connect to the track south of the planned BART Warm Springs Station in Southern Fremont (under construction and opening in 2014) and proceed in the former Union Pacific Railroad corridor through Milpitas to the Berryessa District of San Jose, near Las Plumas Avenue. The alignment is a combination of at-grade, open cut, and aerial guideway configurations, and includes a retained-cut passenger station in Milpitas (Milpitas Station) and an above-ground passenger terminus station in San Jose (Berryessa Station). Planned expenditures in this project for the two-year period include award of the Station Campuses, Roadways and Parking Structure contract packages, right-of-way acquisition, utility connections, 40 BART vehicles, construction of the Hayward Yard Primary Shop Conversion, and other construction and project management efforts.

Operating Cost Impact: Upon completion, net operating costs (expenses less fare, advertising, and parking revenues) are projected at approximately \$20 million per year and will be funded by an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 183.

Funding Source	FY14 & FY15
2000 Measure A	\$366,170,800

5. SVRT Project Development after FY09

This project captures program-level efforts to deliver the BART extension to San Jose/Santa Clara. Project delivery efforts are focused on future extensions beyond Berryessa. Planned expenditures in this project for the two-year period include Silicon Valley Rapid Transit (SVRT) program management as well as efforts toward preparing a Request for Proposal package for the Design-Build procurement of the BART extension to Santa Clara.

Operating Cost Impact: Net operating costs for the extension to Santa Clara will be dependent on the final scope of the project and will be funded by an eighth-cent sales tax approved in November 2008. See BART Operating Sales Tax Program on page 183.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

<u>Funding Source</u>	<u>FY14 & FY15</u>
2000 Measure A	\$12,878,000

6. Warm Springs BART Extension

The BART Warm Springs Extension is a 5.4 mile extension from the Fremont BART station to south Fremont, which is the starting point for the SVRT project. VTA is a funding partner for this project, along with BART, the Metropolitan Transportation Commission (MTC), and the Alameda County Transportation Commission (ACTC). VTA previously committed to provide \$8.0 million in State-Local Partnership Program (SLPP) funds and \$8.0 million in 2000 Measure A funds (SLPP requires a 1:1 match from local transportation funds). VTA’s contribution would be used for the Warm Springs project elements that have a shared benefit with the SVRT project, including tail tracks that allow for construction, testing, and start-up of the SVRT extension. To that end, \$16.0 million was appropriated to the project in the Adopted FY 2010 and FY 2011 Biennial Budget. However, it was subsequently determined that the SLPP funds would go directly to BART instead of passing through VTA. Therefore, the \$8.0 million SLPP funded portion of the appropriation for this project is no longer needed and recommended for de-obligation.

Operating Cost Impact: None.

<u>Funding Source</u>	<u>FY14 & FY15</u>
State-SLPP	(\$8,000,000)

Light Rail Program

7. Northern Light Rail Express

This project implements changes to the Light Rail corridor in the northern portion of the county in order to create a direct connection between the future BART connection in Milpitas at the Montague Light Rail station to job centers along the Mountain View line. Capital improvements include converting the existing single track section in Mountain View to double track and installing a pocket track at the Hostetter station. The current Light Rail system is not equipped for a high quality connection with BART due to low operating speed, signal delays, and operating configuration. This project will improve mobility by providing direct, convenient, and time-competitive transit service.

Operating Cost Impact: When fully operational, costs are expected to be approximately \$10.9 million a year and additional fare revenues roughly \$1.4 million.

<u>Funding Source</u>	<u>FY14 & FY15</u>
2000 Measure A	\$8,400,400

8. Santa Clara Pocket Track

This project will construct a storage track in the vicinity of Old Ironsides Station in Santa Clara and will connect to the existing light rail tracks on Tasman drive. This pocket track will be either one or two tracks and will be a minimum of 600 feet each. The construction

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

will require the purchase of track, including special track, and other light rail related equipment such as overhead catenary wire, signals, controllers, etc. The current Light Rail system is not equipped for a high quality connection with BART due to limitations of the single track segment in Mountain View. This project will provide operating flexibility and storage to the Light Rail system and would also improve operations on the northern Light Rail corridor.

Operating Cost Impact: There is no anticipated impact on operating costs.

Funding Source	FY14 & FY15
2000 Measure A	\$10,000,000

Commuter Rail Program

9. Caltrain Electrification - Early Investment Program

This project represents VTA’s portion of Caltrain’s Advanced Signal System and Electrification Infrastructure projects in support of the High Speed Rail Early Investment Strategy for a Blended System. In May 2012 VTA executed a Memorandum of Understanding with the Metropolitan Transportation Commission (MTC), Caltrain, the San Francisco County Transportation Authority, the San Mateo County Transportation Authority, the City of San Jose, and the City and County of San Francisco in which VTA committed \$60.0 million of Measure A funds to the Advanced Signal and Electrification Infrastructure projects, pending similar commitments from San Francisco and San Mateo. The initial portion of VTA’s \$60.0 million commitment (\$3.08 million) was approved by the Board on December 13, 2012.

Operating Cost Impact: Caltrain is responsible for the direct operation of the system. However, any operational cost impacts may affect future VTA operating contributions.

Funding Source	FY14 & FY15
2000 Measure A	\$56,920,000

10. Caltrain Safety Enhancements

The current phase of this on-going project includes engineering and construction for 15 Caltrain at-grade crossings along the UPRR (Union Pacific Railroad) corridor from San Jose to Gilroy with improvements such as pedestrian gates, sidewalks, signing and striping, warning bands, and channelization for pedestrians. Similar improvements were recently completed for eight Caltrain crossings in Sunnyvale, Mountain View, and Palo Alto under this project. Existing appropriation provides for safety enhancements for 10 of the 15 identified at-grade crossings in this phase. This budget augmentation is for the remaining five at-grade crossings.

Operating Cost Impact: Caltrain is responsible for the direct operation of the system. However, any operational cost impacts may affect future VTA operating contributions.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Funding Source	FY14 & FY15
2000 Measure A	\$3,800,000

11. Santa Clara Station Pedestrian Underpass Extension

This project will provide a grade separated crossing for pedestrians and bicycles across the Caltrain and UPRR tracks connecting the transit center on the west side of the tracks to Brokaw Road on the east side of the tracks. This project extends the recently constructed Caltrain pedestrian tunnel that connects the new center boarding platform with the existing Santa Clara Station platform. Budget has been previously approved for environmental clearance, preliminary engineering, and final engineering for the project. This budget augmentation will fund the construction phase of the project.

Operating Cost Impact: The City of Santa Clara and/or Caltrain will assume responsibility for maintenance upon project completion. There is no anticipated operating cost impact to VTA.

Funding Source	FY14 & FY15
Federal-OBAG	\$7,225,000
Other-Safe Routes to Transit	675,000
Other-Developer	1,350,000
Total	\$9,250,000

Bus Program

12. BART Transit Integration Analysis

This study will analyze future service needs of passengers connecting to the BART extension to Berryessa and determine how best to integrate this additional transit service with VTA's overall system network.

Operating Cost Impact: Future operating costs will be dependent on service level provided.

Funding Source	FY14 & FY15
2000 Measure A	\$200,000

13. Berryessa BART Connector Design

This project provides a bus connection between the Berryessa BART Station and passenger origin and destinations throughout Santa Clara County, particularly downtown San Jose. The planning of the Berryessa BART extension has assumed a high level of bus service, allowing ridership at the new station to achieve cost effective levels. Without connecting service, passengers will not be able to access their final destinations or access the BART station from their origins.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Operating Cost Impact: When implemented, additional cost will be dependent on service level and hourly cost of operations and maintenance. The cost of the additional service will be offset by local bus service reductions for a planned cost neutral effect on overall operating costs.

Funding Source	FY14 & FY15
2000 Measure A	\$2,000,000

14. Peninsula Cross-town Transit Connectivity Study

This project will study connectivity, bus routes, service levels, and service types serving core Bus Rapid Transit (BRT) corridors (El Camino Real), rail corridors (Caltrain), and key core high-ridership (Lines 22 & 522) bus corridors. The need for this study is driven by the recent increase in development plans and proposals in Sunnyvale, Mountain View, and Santa Clara and will complement the planning work being done to analyze bus connections to the BART extension and other BRT initiatives.

Operating Cost Impact: Future operating costs will be dependent on service level provided.

Funding Source	FY14 & FY15
Other-TBD	\$200,000

Measure A Programwide

15. Capitalized Interest and Other Bond Costs

This project represents the capitalized portion of interest and debt related ancillary charges that arise from the issuance of sales tax revenue bonds, the proceeds of which fund a portion of various 2000 Measure A capital projects.

Operating Cost Impact: None

Funding Source	FY14 & FY15
2000 Measure A	\$64,200,000

16. Programwide Expenses

This project facilitates the capture of costs related to managing the overall 2000 Measure A Transit Improvement Program. These costs are then reallocated to the individual 2000 Measure A projects on a quarterly basis.

Operating Cost Impact: None

Funding Source	FY14 & FY15
2000 Measure A	\$2,200,000

2000 Measure A Transit Improvement Program

Total Available Appropriation

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover at the end of each fiscal year is reported as restricted assets on the agency's financial statements. The following table reflects the projected carryover at June 30, 2013, as well as the total available appropriation for the 2000 Measure A Capital Program after the FY 2014 and FY 2015 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
Various	BART Silicon Valley Berryessa Extension	Federal	900,000	149,692	750,308	0	750,308
		State	438,639	329,941	108,698	0	108,698
		City	17,000	0	17,000	0	17,000
		2000 Measure A	363,262	144,950	218,312	415,971	634,282
		Total	1,718,901	624,584	1,094,318	415,971	1,510,288
Various	Corridor Establishment and Maintenance	Federal	4,241	2,449	1,792	0	1,792
		State	72,995	39,567	33,428	0	33,428
		City	22,457	19,958	2,500	0	2,500
		Other	50,465	21,440	29,025	0	29,025
		2000 Measure A	309,917	264,742	45,174	0	45,174
Total	460,075	348,157	111,919	0	111,919		
Various	BART Silicon Valley Project Development	Federal	246	246	0	0	0
		State	292,109	284,109	8,000	(8,000)	0
		2000 Measure A	125,697	110,784	14,913	12,878	27,791
		Total	418,052	395,138	22,913	4,878	27,791
SVRT Program Total			2,597,028	1,367,879	1,229,150	420,849	1,649,998
P-0476	DTEV-CELR To Eastridge	State	159	157	2	0	2
		2000 Measure A	49,857	49,728	130	0	130
		Total	50,017	49,885	132	0	132
P-0552	New Rail Corridors Study	2000 Measure A	1,415	713	701	0	701
P-0587	Vasona Extension to Vasona Junction	Federal	12,005	0	12,005	0	12,005
		2000 Measure A	891	810	81	0	81
		Total	12,895	810	12,085	0	12,085
P-0743	CELR - Pedestrian Improvements	State	16,000	15,663	337	0	337
		2000 Measure A	4,226	3,248	977	0	977
		Total	20,226	18,911	1,314	0	1,314
P-0744	CELR - Eastridge Transit Center	Federal	18,540	50	18,490	0	18,490
		State	10,460	8,019	2,441	0	2,441
		2000 Measure A	22,295	5,880	16,416	0	16,416
		Total	51,295	13,949	37,346	0	37,346

¹ Projection as of August 5, 2013

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0784	Northern Light Rail Express	2000 Measure A	4,770	2,496	2,273	8,400	10,674
P-0787	Capitol Expway LR to Eastridge Phase II	Federal	20,000	0	20,000	0	20,000
P-0799	Southern Light Rail Express	2000 Measure A	1,154	902	252	0	252
P-0860	Santa Clara Pocket Track	2000 Measure A	0	0	0	10,000	10,000
Light Rail Program Total			161,771	87,666	74,105	18,400	92,506
P-0498	Dumbarton Rail Corridor	2000 Measure A	2,397	2,256	141	0	141
P-0511	Caltrain Service Upgrades	2000 Measure A	15,844	14,684	1,160	0	1,160
P-0529	Palo Alto Intermodel Transit Center	Federal	248	167	81	0	81
		City	62	42	20	0	20
		2000 Measure A	51	5	46	0	46
		Total	361	214	147	0	147
P-0550	Caltrain South County Capacity Improv.	State	33,000	14,888	18,112	0	18,112
		2000 Measure A	27,707	2,327	25,380	0	25,380
		Total	60,707	17,215	43,492	0	43,492
P-0595	Caltrain Electrification	2000 Measure A	1,311	507	803	0	803
P-0740	Bike Sharing Pilot Project	Federal	150	141	9	0	9
		Other	500	478	22	0	22
		2000 Measure A	259	154	105	0	105
		Total	909	772	137	0	137
P-0829	Caltrain Electrification-Early Invst Pgm	2000 Measure A	3,080	0	3,080	56,920	60,000
P-3201	Caltrain Mountain View Parking Structure	City	425	86	339	0	339
		2000 Measure A	577	239	338	0	338
		Total	1,002	325	677	0	677
P-3202	Caltrain/UPRR Blossom Hill Ped Grade Sep	Federal	2,470	2,120	350	0	350
		State	7,210	7,102	108	0	108
		City	250	250	0	0	0
		2000 Measure A	1,607	974	633	0	633
		Total	11,537	10,446	1,091	0	1,091
P-3203	Caltrain Safety Enhancements	City	90	90	0	0	0
		2000 Measure A	20,928	15,179	5,749	3,800	9,549
		Total	21,017	15,268	5,749	3,800	9,549
P-3204	SC Sta. Pedestrian Underpass Extension	Federal	1,468	716	752	7,225	7,977
		Other	0	0	0	2,025	2,025
		2000 Measure A	647	525	122	0	122
		Total	2,115	1,241	874	9,250	10,124
P-3205	Santa Clara & SJ Diridon Station Upgrade	2000 Measure A	12,936	11,951	985	0	985
Commuter Rail Program Total			133,215	74,879	58,336	69,970	128,306
P-0336	ZEB Bus Procurement	Federal	7,702	7,638	64	0	64
		State	1,000	1,000	0	0	0
		Other	2,805	2,805	0	0	0
		2000 Measure A	3,233	3,223	11	0	11
		Total	14,740	14,666	74	0	74
P-0475	Valley Rapid - Santa Clara / Alum Rock	State	90,008	15,494	74,513	0	74,513
		2000 Measure A	24,720	7,806	16,914	0	16,914
		Total	114,728	23,301	91,427	0	91,427
P-0551	Bus Rapid Transit Strategic Plan	2000 Measure A	1,533	1,275	258	0	258
P-0715	Stevens Creek BRT	Federal	713	0	713	0	713
		2000 Measure A	5,347	1,067	4,280	0	4,280
		Total	6,060	1,067	4,993	0	4,993
P-0717	Valley Rapid - El Camino Real	2000 Measure A	19,431	5,669	13,762	0	13,762

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E=(C+D)
			Adopted Budget Through FY13	Projected Expenditures Through FY13 ¹	Projected FY13 Capital Carryover	FY14 Appropriation	Total Available Appropriation
P-0719	BRT Articulated Bus Procurement	State	19,186	0	19,186	0	19,186
		2000 Measure A	28,819	144	28,675	0	28,675
		Total	48,005	144	47,861	0	47,861
P-0783	Berryessa BART Connector Design	2000 Measure A	1,051	184	867	2,000	2,867
P-0785	Division Modifications for BRT Buses	2000 Measure A	12,830	0	12,830	0	12,830
P-0786	Money Counting Facility Replacement	2000 Measure A	4,170	68	4,102	0	4,102
P-0875	BART Transit Integration Analysis	2000 Measure A	0	0	0	200	200
P-0885	Peninsula Crosstown Connectivity Study	Other	0	0	0	200	200
Bus Program Total			222,547	46,373	176,174	2,400	178,574
P-0588	San Jose Mineta APM	2000 Measure A	4,026	2,045	1,980	0	1,980
		San Jose Mineta APM Total	4,026	2,045	1,980	0	1,980
P-0500	Capitalized Interest and Other Bond Costs	2000 Measure A	40,906	22,231	18,675	64,200	82,875
P-0510	Programwide Expenses	2000 Measure A	2,758	0	2,758	2,200	4,958
P-0712	Fund Exchange Payments	2000 Measure A	107,980	75,231	32,749	0	32,749
Measure A Programwide Total			151,644	97,462	54,181	66,400	120,581
Grand Total			3,270,231	1,676,305	1,593,927	578,019	2,171,946

Note: Totals may not be precise due to independent rounding

2000 Measure A Total Available by Funding Source
(Dollars in Thousands)

Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
Federal	967,782	163,218	804,564	7,225	811,789
State	980,766	715,941	264,825	(8,000)	256,825
City	40,284	20,425	19,859	0	19,859
Other	53,770	24,723	29,047	2,225	31,272
2000 Measure A	1,227,630	751,998	475,632	576,569	1,052,201
Grand Total	3,270,231	1,676,305	1,593,927	578,019	2,171,946

¹ Projection as of August 5, 2013

Note: Totals may not be precise due to independent rounding

2000 Measure A Transit Improvement Program Debt Service

Debt Policy Overview

VTA’s debt policy permits issuance of long-term debt to accomplish the following objectives: accelerate the delivery of projects, spread cost over the useful life of an asset, smooth out annual cash flow, optimize overall financial resources, finance unfunded actuarial liabilities, and refund existing debt. As of June 30, 2013, VTA had three outstanding bond issues secured by 2000 Measure A half-cent sales tax revenues.

VTA’s debt policy states that debt affordability shall be determined by the requirements of the 2000 Measure A bond indentures (e.g., additional bonds test/debt service coverage) and VTA’s ability to meet all of its ongoing operating, capital, and reserve requirements. The bond indenture for issues secured by the 2000 Measure A half-cent sales tax requires a minimum gross sales tax revenue bond coverage ratio of 1.3 times annual debt service.

The table below shows the calculation of the current debt coverage ratio for FY 2014 and FY 2015 for debt secured by the 2000 Measure A half-cent sales tax.

Debt Coverage Ratio
Issues Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

	FY14	FY15
Sales Tax Revenues	182,161	190,559
Debt Service ¹	74,642	74,640
Coverage Ratio	2.4	2.6

¹Principal and Interest

The tables on the following pages show additional information about outstanding debt secured by the 2000 Measure A half-cent sales tax.

Outstanding Debt as of 6/30/13
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

Series	Type of Debt	Interest Rate	Par Amount
2007 Series A Refunding	Traditional Fixed	4.62% ¹	112,515
2008 Series A-D Refunding	Synthetically Fixed	4.51% ²	235,875
2010 Series A	Traditional Fixed (Taxable BABs ³)	3.79% ¹	469,730
2010 Series B	Traditional Fixed	2.33% ¹	176,160
Total			<u>994,280</u>

¹ All-in TIC

² Including liquidity and remarketing fees as of June 30, 2013.

³ Build America Bonds

Debt Service Schedule
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

Fiscal Year	Principal	Interest	Total
2014	24,595	50,047	74,642
2015	25,775	48,922	74,697
2016	26,965	47,085	74,050
2017	28,160	45,857	74,017
2018	29,485	44,495	73,980
2019-2023	169,915	198,932	368,847
2024-2028	213,075	147,696	360,771
2029-2033	273,455	79,303	352,758
2034-2036	202,855	14,156	217,011
Total	<u>994,280</u>	<u>676,493</u>	<u>1,670,773</u>

Note: Totals may not be precise due to independent rounding

***FY 2014 and FY 2015 Debt Service Detail
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax¹
(Dollars in Thousands)***

Category	FY14 Adopted Budget	FY15 Adopted Budget
Interest Expense	50,047	48,922
Principal	24,595	25,775
Other Bond Charges ²	2,822	2,819
Total	77,464	77,516

¹ Includes debt service from both the Operating (page 138) and Capital (page 147) Budgets

² Includes liquidity fees, remarketing fees, trustee fees, and other bond related charges

Note: Totals may not be precise due to independent rounding

Overview of Outstanding Debt Issues

2007 Measure A Series A

In September 2007, \$120.1 million of 2007 Measure A Series A Sales Tax Revenue Refunding Bonds (2007 Measure A Bonds) were issued at a true interest cost of 4.60% to current refund Series F and G of the 2006 Measure A Sale Tax Revenue Bonds (Defeased Bonds). The Defeased Bonds were originally issued to finance the retirement of a portion of Measure A Sales Tax Revenue Bonds, Series 2003 A, 2004 A and 2004 B. Proceeds of the 2007 Measure A Bonds were deposited into an escrow account held by a Trustee, and were used to pay the principal and accrued interest on the Defeased Bonds on the redemption date of November 6, 2007. Maturities for the 2007 Measure A Bonds extend to April 1, 2036.

2008 Measure A Series A-D

In June 2008, \$236.7 million of 2008 Series A-D Measure A Sales Tax Revenue Refunding Bonds (2008 Measure A Bonds) were issued to current refund Series A-D of the 2006 Bonds (Defeased Bonds). The Defeased Bonds were originally issued to finance the retirement of a portion of Measure A Sales Tax Revenue Bonds Series 2003 A, 2004 A, and 2004 B. The 2008 Measure A Bonds were issued as variable rate demand bonds and bear interest at a weekly rate, which is determined by the Remarketing Agent to be the rate necessary to remarket the 2008 Measure A Bonds at par value. The Defeased Bonds were issued as auction rate securities insured by Ambac Assurance Corporation, a municipal insurance provider, who had been downgraded by all three national rating agencies. As a result of the downgrade and disruption in the auction rate market, VTA was paying weekly interest rates that were above market rates. By

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

issuing the 2008 Measure A Bonds as uninsured variable rate demand bonds, VTA was able to eliminate the higher interest rates caused by the Ambac bond insurance and the auction rate structure.

In conjunction with the Defeased 2006 Bonds and subsequently the 2008 Measure A Bonds, VTA entered into swap agreements with various counterparties. Under the agreements, VTA pays a fixed rate to the counterparties and in return, the counterparties pay VTA a variable rate based on a percentage of LIBOR¹. The variable rate that VTA receives from the counterparties is intended, over the life of the bonds, to offset the payments VTA makes to bondholders.

2010 Measure A Series A-B

In November 2010, \$645.9 million of 2010 Series A-B Measure A Sales Tax Revenue Bonds (2010 Measure A Bonds) were issued to fund certain Measure A transit capital improvement projects, most notably the BART extension to Berryessa. The bonds were issued as a combination of taxable, Build America Bonds (BABs) (Series A), and traditional tax-exempt bonds (Series B). Both are fixed interest rate bonds. VTA receives a 35% Federal subsidy on its interest cost for the taxable Build America Bonds, which brings the net cost on those bonds in line with the interest rate for tax-exempt bonds. The true interest cost for the 2010 Measure A Bonds was 3.54%.



Milpitas BART Station Mock-up



Berryessa BART Station Mock-up

¹ LIBOR—London Interbank Offering Rate—A daily reference rate based on the interest rate at which banks offer to lend unsecured funds to other banks in the London wholesale (interbank) money market.

SECTION 4
CONGESTION MANAGEMENT
PROGRAM (CMP)



Congestion Management Program

Overview

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation, which required that every county with an urbanized population of more than 50,000 establish a CMA. CMAs were designed to meet the goals of increasing the efficiency of existing transit and roadway systems, planning the best capital improvements to these systems, and improving the local land use decision-making process to support and compliment the transportation system investments

In 1994, VTA was designated as the CMA for Santa Clara County through a Joint Powers Agreement entered into by the 15 cities and the County of Santa Clara. VTA's Congestion Management Program (CMP) serves as the CMA for Santa Clara County. The CMP, which is fiscally separate from VTA Transit, is funded through assessments to local jurisdictions (Member Agencies), federal and state planning grants, grant program manager administration fees, State Transportation Improvement Program (STIP) Planning Programming and Monitoring Funds, and fees for services provided.

The CMP Work Program outlines the major tasks to be addressed during Fiscal Year 2014 and Fiscal Year 2015. The Work Program includes statutory requirements, Board initiated activities, Member Agency requested activities, and staff recommended initiatives regarding federal, state, and regional issues.

The CMP Work Program consists of five main work areas:

- Capital Improvements Program
- Congestion Management Program Conformance
- Land Use and Transportation Integration
- Plans and Studies
- Innovative Delivery Team Program (iTEAM)

Capital Improvements Program

The Capital Improvements Program (CIP) consists of Santa Clara County's currently programmed projects using CMA-monitored federal, state, regional and local funds and/or included in the first 10 years of the most current Valley Transportation Plan (VTP 2035). The major activities of the CIP are: grant programming and policy development, programmed projects monitoring, and Member Agency project delivery assistance.

Congestion Management Program Conformance

The CMP statutes require biennial monitoring of the freeways, rural highways, and designated CMP intersections that compose the CMP Network to ensure that Member Agencies are conforming to the CMP Level of Service (LOS) standard of LOS "E" (traffic volume at or close to capacity). VTA exceeds this requirement by monitoring nearly all elements of the CMP Network annually. Data collected through the monitoring process is shared with Member

Agencies to allow for up-to-date traffic analysis. Member Agencies with facilities found to be out of conformance with the LOS standard risk losing gas tax subventions provided by Proposition 111.

Land Use and Transportation Integration

CMP staff work with local agencies in land use and transportation integration by providing technical guidance through the Community Design and Transportation Manual of Best Practices, an active development review program, and a monthly Land Use and Transportation Integration Working Group to ensure local land use decisions complement VTA's roadway and transit investments.

Plans and Studies

CMP staff collaborates with local agencies on planning and engineering studies, refining projects and moving them forward for funding consideration, regional studies and an ongoing, comprehensive transportation systems operations study. Ongoing and planned studies and projects include Transportation Systems Monitoring Program, applications of Geographic Information System (GIS), Grand Boulevard Initiative, various corridor planning studies, introduction of a web portal to make CMP information (e.g., travel demand model data, GIS information, and CMP documents) more easily accessible to Member Agencies, coordination of efforts with regional partners such as the Metropolitan Transportation Commission (MTC) and Caltrans on behalf of Member Agencies, and general technical assistance to Member Agencies on a wide range of transportation topics.

Innovative Delivery Team Program (iTEAM)

iTEAM is a recent CMP initiative providing a new model for partnering with Caltrans in Silicon Valley with the objective of better transportation service to Silicon Valley and serving as an innovation test lab to develop best practices for transportation. The initial iTEAM efforts are to focus on local assistance, project delivery, and traffic engineering/innovative transportation solutions.

***Congestion Management Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Actual	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
1	Federal Operating Grants	1,367	1,371	1,014	1,371	357	35.2%	1,371	0	0.0%
2	State Operating Grants	839	880	874	806	(68)	-7.8%	738	(68)	-8.4%
3	Investment Earnings	33	12	8	38	30	361.5%	38	0	0.0%
4	Member Agency Fees	2,407	2,407	2,407	2,407	0	0.0%	2,407	0	0.0%
5	Other Income	104	160	115	357	242	209.4%	182	(175)	-49.0%
6	Total Revenue	4,750	4,830	4,419	4,979	560	12.7%	4,736	(243)	-4.9%
7	Professional & Special Services	434	636	563	936	373	66.4%	1,096	160	17.1%
8	Other Services	2	18	10	20	10	95.1%	13	(7)	-35.0%
9	Data Processing	6	24	3	21	18	605.5%	21	0	0.0%
10	Miscellaneous	6	9	2	25	23	974.5%	5	(20)	-80.0%
11	Contribution to Other Agencies	37	0	25	170	145	569.5%	17	(154)	-90.3%
12	VTA Staff Services	3,768	3,747	3,677	4,084	407	11.1%	3,922	(162)	-4.0%
13	Total Expense	4,252	4,435	4,281	5,256	976	22.8%	5,074	(183)	-3.5%
14	Revenues Over (Under) Expenses	497	395	138	(277)			(338)		

¹ Reflects Adopted Budget approved by the Board on June 2, 2011 and amended on April 4, 2013

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding. Descriptions of each Revenue and Expense Category can be found in Appendix G.

Major Variances (Variance in excess of 5% and \$100,000)

Revenues

Federal Operating Grants:

The FY 2014 budget reflects a \$357 thousand increase from FY 2013 actual due to increased utilization of planning grants to offset higher anticipated expenditures.

Other Income:

The FY 2014 budget reflects an increase of \$242 thousand from FY 2013 actual and the FY 2015 budget reflects a \$175 thousand decrease from FY 2014. This variation is primarily due to increased reimbursement for Vehicle Registration Fee administration services over FY 2013 levels and a one-time reimbursement for travel demand modeling services in FY 2014.

Expenses

Professional & Special Services:

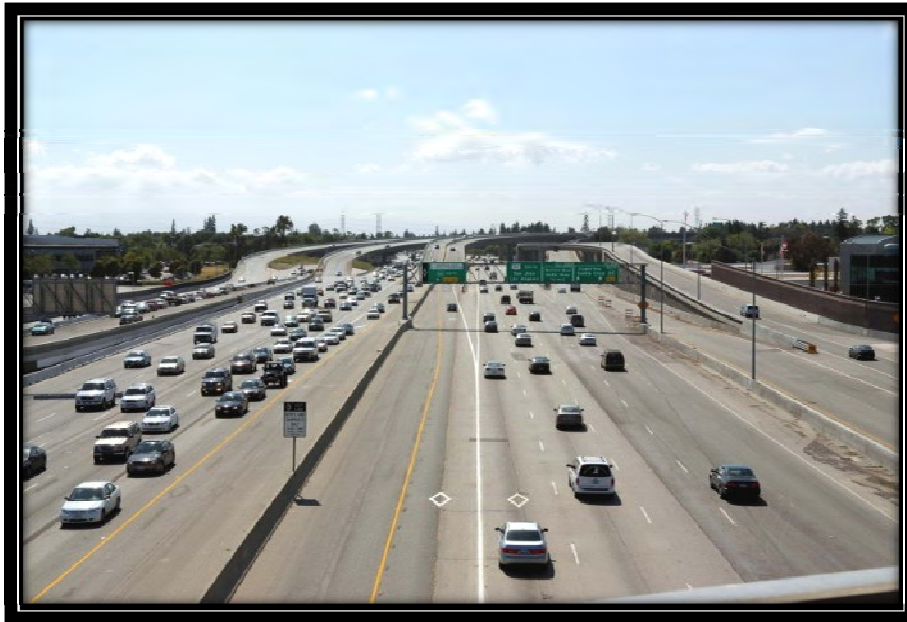
The FY 2014 budget reflects a \$373 thousand increase over FY 2013 actual and FY 2015 budget reflects a \$160 thousand increase over FY 2014. The increases are due to additional expenditures related to the iTEAM initiative as well as additional FY 2015 expenditures related to monitoring and conformance efforts.

Contribution to Other Agencies:

FY 2014 budget reflects a \$145 thousand increase over FY 2013 and FY 2015 budget reflects a \$154 thousand decrease from FY 2014. This variation is due to the CMP related portion of the countywide travel demand model upgrade project scheduled for FY 2014.

VTA Staff Services:

The FY 2014 budget reflects an increase of \$407 thousand from FY 2013 actual due primarily to additional work plan activities and Vehicle Registration Fee administration.



SR 85/US 101 Interchange

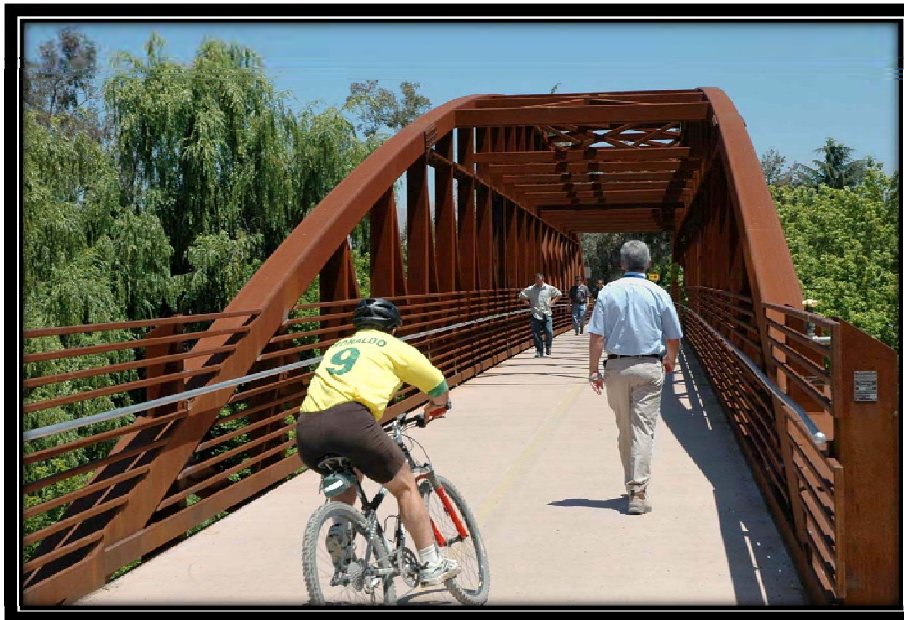
***Congestion Management Program
Sources and Uses of Funds Summary***
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Projected Actual¹</u>	<u>FY14 Adopted Budget</u>	<u>FY15 Adopted Budget</u>
1	Total Revenues	4,750	4,419	4,979	4,736
2	Total Expenses	(4,252)	(4,281)	(5,256)	(5,074)
3	Revenues Over (Under) Expenses	497	138	(277)	(338)
4	Beginning Fund Balance	947	1,444	1,582	1,304
5	Revenues Over (Under) Expenses	497	138	(277)	(338)
6	Ending Fund Balance ²	1,444	1,582	1,304	967

¹ Projection as of August 5, 2013

² The decrease in Fund Balance for FY 2014 and FY 2015 is a result of funding the iTEAM initiative related expenditures from reserves.

Note: Totals may not be precise due to independent rounding.



River Oaks Bike/Pedestrian Bridge

***Congestion Management Program
FY 2014 and FY 2015
Member Assessments***

Member Agency	FY 2014	FY 2015
County of Santa Clara	\$271,738	\$271,738
Campbell	50,529	50,529
Cupertino	77,628	77,628
Gilroy	37,768	37,768
Los Altos	24,926	24,926
Los Altos Hills	6,647	6,647
Los Gatos	34,402	34,402
Milpitas	76,986	76,986
Monte Sereno	1,998	1,998
Morgan Hill	25,104	25,104
Mountain View	125,020	125,020
Palo Alto	141,471	141,471
San Jose	783,945	783,945
Santa Clara	207,074	207,074
Saratoga	21,691	21,691
Sunnyvale	248,609	248,609
Subtotal:	\$2,135,535	\$2,135,535
VTA - Managing Agency Contribution	271,738	271,738
TOTAL:	<u>\$2,407,274</u>	<u>\$2,407,274</u>

SECTION 5
VTP HIGHWAY IMPROVEMENT
PROGRAM



VTP Highway Improvement Program

Overview

VTP 2035 is the current approved long-range countywide transportation plan (Valley Transportation Plan) for Santa Clara County. Developed by the Congestion Management Program (CMP) and adopted in January 2009, projects must be included in the plan as a pre-requisite for eligibility to receive federal, state, regional, and local discretionary fund programming. VTA enters into construction agreements with cities in the County for various projects that are included in VTP 2035.

The VTP Highway Improvement Program Capital Budget for FY 2014 and FY 2015 is a total net reduction in appropriation of \$109.5 million. Funding for those projects with an increase in appropriation for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program. One hundred percent of the VTP Highway Improvement Program expenditures will be funded by grants, through agreements with the appropriate city, or a fund exchange (consisting of state funding sources swapped with 2000 Measure A Funds).

Funding for three projects is de-obligated in the FY 2014 and FY 2015 budget. These funds were previously authorized but because of changed circumstances or priorities will not be spent. By de-obligating previously approved budget authorization, the result is a budget that more accurately matches planned expenditures with budget authorization. An explanation for each project where funds have been de-obligated is provided in the project descriptions.

The table on the following page lists each project and its general funding source category. The subsequent pages provide a brief description, identified funding sources, and potential operating cost impacts for each project.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The table on pages 169-171 reflects the projected carryover at June 30, 2013, as well as the total available appropriation for the VTP Highway Improvement Program after the FY 2014 and FY 2015 appropriations, by project and funding source.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

***VTP Highway Improvement Program
Schedule of FY 2014 & FY 2015 Appropriation
(Dollars in Thousands)***

Project	FY 2014 & FY 2015					Total
	Funding Source					
	Federal	State	City	Fund Exchange	Other	
1. 101 Express Lanes - 101 San Mateo	0	0	0	0	2,000	2,000
2. Charcot Avenue Extension over I-880	0	0	0	0	4,500	4,500
3. Freeway Performance Initiative	4,000	0	0	0	0	4,000
4. I-280/Foothill Expressway Ramp Improvements	0	0	0	2,000	0	2,000
5. I-880 HOV Widening SR 237 - US 101	0	(69,585)	0	0	0	(69,585)
6. Innovative Transportation Technology Program	0	0	0	0	2,000	2,000
7. Intelligent Transportation System Projects	14,000	0	0	0	0	14,000
8. Landscaping at I-280/I-880/Stevens Creek Blvd	0	0	3,500	0	0	3,500
9. Mary Avenue Extension	0	0	0	0	(8,000)	(8,000)
10. Silicon Valley Express Lanes - I-880	0	0	0	2,000	0	2,000
11. US 101/Buena Vista Avenue	0	0	1,000	0	0	1,000
12. US 101/Old Oakland Road Improvements	0	0	0	0	3,450	3,450
13. US 101/Aux Lanes - Embarcadero to SR 85	0	(77,700)	0	0	(258)	(77,958)
14. US 101 San Antonio/Charleston/Rengstorff Ramp Impvmt	0	0	0	0	4,000	4,000
15. US 101 SB Ramp Improvements at 10th St in Gilroy	0	0	0	0	3,600	3,600
<i>Grand Total</i>	<i>18,000</i>	<i>(147,285)</i>	<i>4,500</i>	<i>4,000</i>	<i>11,292</i>	<i>(109,493)</i>

Note: Totals may not be precise due to independent rounding

VTP Highway Improvement Program Description of FY 2014 & FY 2015 Appropriated Projects

1. 101 Express Lanes - 101 San Mateo

This project will extend express lanes on US 101 from the Santa Clara County line to Whipple Avenue in San Mateo County (7 miles) by converting the existing one-lane carpool lane to express lanes. US 101 is a major highway route and as such, it would be more effective to convert the entire stretch of existing carpool lanes on the route to express lanes. The extension of the US 101 express lanes into San Mateo County will allow northbound solo commuters who pay the toll to experience continuous travel in the express lanes until they reach Whipple Avenue and southbound drivers will be able to access the express lanes beginning at Whipple Avenue versus the Santa Clara County line. The project will implement a roadway pricing system to provide congestion relief. The fee would change dynamically in response to existing congestion levels and available capacity in the express lanes. VTA currently has the tolling authority through legislation for this segment of the highway. This budget request covers efforts to supplement the US 101 Express Lanes environmental work that is expected to be completed by the end of calendar 2013.

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 179) for the electronic express lanes portions and Caltrans for the roadway elements.

Funding Source	FY14 & FY15
Other-TBD	\$2,000,000

2. Charcot Avenue Extension over I-880

This project will construct a new east/west connection of Charcot Avenue over I-880. Currently east/west access over I-880 is limited to Brokaw Road and Montague Expressway in this area of San Jose. The project will construct a bridge crossing over I-880 and extend the existing Charcot Avenue approximately one-quarter mile from Paragon Avenue on the west side to Old Oakland Road on the east side just north of Orchard Elementary School. The connection is expected to accomplish the following: improve access and connectivity between the residential areas on the east side of I-880 and the North San Jose commercial area on the west side, provide a safe bicycle/pedestrian crossing over I-880, and increase the travel capacity for east/west movements across the I-880 corridor while maintaining access to the businesses along Charcot Avenue and O'Toole Avenue. This budget request covers the cost of the project through the design phase.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Funding Source	FY14 & FY15
Other-TBD	\$4,500,000

3. Freeway Performance Initiative

In 2007 the Metropolitan Transportation Commission (MTC) launched the Freeway Performance Initiative (FPI) Program to maximize efficiency of existing highways through the use of technology. As part of the FPI Program, this on-going project will prepare plans and construct improvements to implement technologies that provide for better surveillance of traffic conditions and allow for a person or automated system to adjust operating parameters such as ramp metering timing to better manage traffic congestion. In addition to implementation technology, the project also includes preparing plans and constructing improvements to close key freeway infrastructure gaps such as completing the carpool lane system, including providing carpool bypass lanes on freeway on-ramps, and roadway improvements to address regional freight issues.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Funding Source	FY14 & FY15
Federal-CMAQ	\$4,000,000

4. I-280/Foothill Expressway Ramp Improvements

This project widens the existing Foothill Expressway off-ramp to provide a two-lane exit ramp. This budget augmentation is to complete construction for the project which is currently under design. The two-lane ramp would improve traffic operations in the section of northbound I-280 between the Foothill Expressway off-ramp and the connector ramp from SR 85.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Funding Source	FY14 & FY15
Fund Exchange	\$2,000,000

5. I-880 HOV Widening SR 237 - US 101

This project adds a High Occupancy Vehicle (HOV) lane in each direction of I-880 between Old Bayshore Highway in San Jose and SR 237 in Milpitas. A total of \$89.1 million was previously appropriated to the project in anticipation of VTA administering the construction contract. However, Caltrans is ultimately administering the contract so the majority of the VTA unspent budget appropriation is no longer needed. Therefore, \$69.6 million of appropriation for this project is recommended for de-obligation at this time, with the remaining \$3.09 million balance of appropriation available for VTA support through project completion.

Operating Cost Impact: None

Funding Source	FY14 & FY15
State-CMIA	(\$69,585,000)

6. Innovative Transportation Technology Program

This program will provide various Intelligent Transportation System (ITS) technology related improvements through projects that will involve advanced express lanes enforcement technologies, demand responsive/adaptive ramp metering, remote ramp metering control system for field staff, credit-based congestion pricing, mobile applications for graffiti and pothole reporting, and intelligent interchange applications. This program has a broad aspect of using innovation and technology to simplify and provide solutions or applications that will make operational and maintenance tasks easier and more efficient. In addition, this program would provide a mechanism to develop, demonstrate, implement, manage, maintain, and operate the variety of innovative solutions to address various areas including but not limited to pricing, equity, traffic operations systems, and infrastructure maintenance.

Operating Cost Impact: Depending on the implementation there could be shared responsibility amongst the partnering agencies. This would likely be captured as part of a cooperative agreement.

Funding Source	FY14 & FY15
Other-TBD	\$2,000,000

7. Intelligent Transportation System Projects

This project will implement technology-based improvements for transportation systems, commonly referred to as Intelligent Transportation Systems (ITS). Implementation includes all phases of project development (e.g., environmental clearance, design, and construction). Examples of ITS projects include: Caltrans' Traffic Operations Systems (TOS) for freeways including ramp metering systems, changeable message signs, video monitoring and incident management systems; innovative applications that involve the dissemination of real-time information for all types of transportation; advanced TOS enhancements related to ramp metering; mobile applications for graffiti, pothole, and other reporting; and advanced applications for express lanes. The types of equipment purchases include traffic signal control system components, communications equipment, traffic measuring devices and cameras, and other sensors for system monitoring. In addition, the projects can include operations and maintenance services such as signal retiming and repairing ITS equipment. This budget request includes project development efforts through construction.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

Funding Source	FY14 & FY15
Federal-CMAQ	\$14,000,000

8. Landscaping at I-280/I-880/Stevens Creek Blvd

This project includes irrigation, landscaping, and plant establishment following civil construction of the I-280/I-880/Stevens Creek Boulevard Interchange Improvements Project. In accordance with current Caltrans policy and guidance, landscaping is performed under a contract separate from the roadway construction contract. The landscaping serves to beautify

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

the transportation corridor and reduce visual impacts of the transportation facility. This budget request includes all efforts through construction.

Operating Cost Impact: The responsibility for maintenance and operations upon project completion will be with Caltrans and the City of San Jose who have jurisdiction over the landscaped areas within the project limits.

Funding Source	FY14 & FY15
City-San Jose	\$3,500,000

9. Mary Avenue Extension

This project was initiated to improve access into the Moffett Park Industrial Park in Sunnyvale by extending Mary Avenue over SR 237 and US 101 with a new bridge structure. In October 2012, VTA was notified by the city of Sunnyvale that the project is unlikely to move forward in the near future due to legal challenges, increasing costs, and community concerns. Therefore, the unspent appropriation for this project of \$8.0 million is recommended for de-obligation.

Operating Cost Impact: None

Funding Source	FY14 & FY15
Other-TBD	(\$8,000,000)

10. Silicon Valley Express Lanes - I-880

This project will implement a roadway pricing system on I-880 to provide additional congestion relief. The project would convert the existing carpool lane operation to express lane operations by expanding the use of these lanes to fee paying commuters. The fee would change dynamically in response to existing congestion levels and available capacity in the express lanes. The I-880 Express Lanes will convert the existing one-lane carpool lane and add an express lane to provide two express lanes between SR 237 in Santa Clara County and Mission Boulevard in Alameda County. The segment on I-880 between Dixon Landing Road and SR 237 is already part of the SR 237 Express Lanes but only part of this existing segment has two lanes. This project is essential to the successful operations of the existing SR 237 Express Lanes project as well as the operations for the future SR 237 Express Lanes Phase II project. Currently, the PM peak period is affected by the congestion on I-880 between SR 237 and Mission Boulevard. The congestion limits the operations of SR 237 Express Lanes to carpoolers only. Future implementation of High Occupancy Vehicle (HOV) lanes between US 101 and SR 237 will further worsen the congestion levels within this segment and severely affect the operations of Express Lanes. VTA will work with Alameda County Transportation Commission (ACTC) and Metropolitan Transportation Commission (MTC) on this project. The tolling authority for the I-880 segment between Mission Boulevard and Santa Clara County line (near Dixon Landing Road) falls under MTC and the segment is in Alameda County. This budget request will fund the project's Project Initiation Document (PID) and related Preliminary Engineering efforts.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Operating Cost Impact: The responsibility for maintenance and operations upon project completion is expected to be with the Silicon Valley Express Lanes Program (see page 179) for the electronic express lanes portions and Caltrans for the roadway elements.

Funding Source	FY14 & FY15
Fund Exchange	\$2,000,000

11. US 101/Buena Vista Avenue

This project involves the construction of a new freeway interchange on US 101 at Buena Vista Avenue. This project was identified in the South County Circulation Study to improve local circulation in the southern part of Santa Clara County. This budget request will fund the Project Initiation Document (PID) and related Preliminary Engineering efforts.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA

Funding Source	FY14 & FY15
City-Gilroy	\$1,000,000

12. US 101/Old Oakland Road Improvements

This project addresses improvements at US 101 and Old Oakland Road in San Jose. Modifications would include widening the overcrossing and shifting lanes from Boardwalk Way to Commercial Street and improving the freeway ramps connecting to US 101. This project would enhance regional mobility within the area by reducing peak period congestion and delay on the local roadways without precluding future improvements to the US 101/I-880 interchange. This budget request will fund work through the project approval and environmental documentation (PA/ED) phase of work.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA

Funding Source	FY14 & FY15
Other-TBD	\$3,450,000

13. US 101 Aux Lanes - Embarcadero to SR 85

This project adds auxiliary lanes in each direction of US 101, along with ramp improvements, between Embarcadero Road in Palo Alto and SR 85 in Mountain View, and extends the existing approximately 1,000 foot dual lane carpool segment located north of the US 101/SR 85 interchange further to the north to a length of about 2.5 miles. A total of \$94.96 million was previously appropriated to the project in anticipation of VTA administering the full project through the construction phase. However, it was subsequently determined that Caltrans would administer the construction contract so the majority of the VTA unspent budget appropriation is no longer needed. Therefore, \$77.96 million of appropriation for this project is recommended for de-obligation at this time, with the

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

remaining \$1.76 million balance of appropriation available for VTA support through project completion.

Operating Cost Impact: None

<u>Funding Source</u>	<u>FY14 & FY15</u>
State-CMIA	(\$77,700,000)
Other-TBD	(258,000)
	<u>(\$77,958,000)</u>

14. US 101 San Antonio/Charleston/Rengstorff Ramp Improvement

This project addresses access and ramp configurations along southbound US 101 starting near the San Antonio Interchange and extending to the Charleston Road/Rengstorff Avenue interchange on US 101 in the Cities of Mountain View and Palo Alto. The need for this project was identified during the US 101 Auxiliary Lane Project development given that existing on- and off-ramp configurations create operational issues on southbound US 101. This budget request will initiate the planning and environmental clearance process for the project.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

<u>Funding Source</u>	<u>FY14 & FY15</u>
Other-TBD	\$4,000,000

15. US 101 Southbound Ramp Improvements at 10th St in Gilroy

This project proposes to add a second lane on the US 101 southbound 10th Street off-ramp in Gilroy to provide increased capacity and improved access to local streets and businesses. This budget request covers the entire cost of the project through construction.

Operating Cost Impact: The California Department of Transportation (Caltrans) assumes responsibility for maintenance and operations upon project completion. There is no operating cost impact to VTA.

<u>Funding Source</u>	<u>FY14 & FY15</u>
Other-TBD	\$3,600,000

VTP Highway Improvement Program

Total Available Appropriation

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The following table reflects the projected carryover at June 30, 2013, as well as the total available appropriation for the VTP Highway Improvement Program after the FY 2014 and FY 2015 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E=(C+D)
			Adopted Budget Through FY13	Projected Expenditures Through FY13 ¹	Projected FY13 Capital Carryover	FY14 Appropriation	Total Available Appropriation
P-0430	SR 152 / SR 156 Interchange	Federal	17,373	15,797	1,576	0	1,576
		State	11,204	10,192	1,012	0	1,012
		Fund Exchange	7,668	7,343	325	0	325
		Total	36,244	33,332	2,913	0	2,913
P-0455	I-880 / I-280 Improvements	Federal	19,588	11,392	8,197	0	8,197
		State	39,710	7,039	32,671	0	32,671
		City	1,550	1,539	11	0	11
		Fund Exchange	2,653	1,732	921	0	921
		Other	2,464	0	2,464	0	2,464
Total	65,966	21,701	44,264	0	44,264		
P-0519	US 101 Imprvmnts I-280 to Yerba Buena	State	1,215	615	600	0	600
		City	6,626	6,503	124	0	124
		Fund Exchange	6,089	5,714	375	0	375
		Other	36,990	267	36,723	0	36,723
Total	50,920	13,099	37,821	0	37,821		
P-0535	Coyote Ridge Butterfly Habitat Mgmt	City	996	996	0	0	0
		Fund Exchange	245	123	122	0	122
		Total	1,241	1,119	122	0	122
P-0563	Mary Avenue Extension	City	840	840	0	0	0
		Fund Exchange	203	203	0	0	0
		Other	8,000	0	8,000	(8,000)	0
		Total	9,043	1,043	8,000	(8,000)	0
P-0565	US 101 / De La Cruz Blvd / Trimble Road	City	4,800	820	3,980	0	3,980
		Fund Exchange	54	37	17	0	17
		Other	100	0	100	0	100
		Total	4,954	857	4,097	0	4,097
P-0606	US 101 Widening & 25 / 101 Intchg Improv	Fund Exchange	5,900	5,673	227	0	227
		Other	5,244	0	5,244	0	5,244
		Total	11,144	5,673	5,471	0	5,471

¹ Projection as of August 5, 2013

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E=(C+D)
			Adopted Budget Through FY13	Projected Expenditures Through FY13 ¹	Projected FY13 Capital Carryover	FY14 Appropriation	Total Available Appropriation
P-0617	SR 152 Realignment	Federal	2,862	0	2,862	0	2,862
		State	18,388	3,701	14,687	0	14,687
		Fund Exchange	5,000	3,705	1,295	0	1,295
		Other	150	144	6	0	6
		Total	26,400	7,550	18,850	0	18,850
P-0619	US 101 Aux.Lanes - Embarcadero to SR 85	State	79,672	1,105	78,567	(77,700)	867
		Fund Exchange	14,770	14,300	470	0	470
		Other	516	0	516	(258)	258
		Total	94,958	15,405	79,553	(77,958)	1,595
P-0620	I-880 Improvements, SR 237 to US 101	State	70,900	431	70,469	(69,585)	884
		Fund Exchange	18,185	16,401	1,784	0	1,784
		Total	89,085	16,832	72,253	(69,585)	2,668
P-0621	SR 237 / I-880 Highway Planting	City	2,785	675	2,110	0	2,110
P-0651	SR 87 Highway Planting	Federal	2,520	2,518	2	0	2
		State	250	250	0	0	0
		Fund Exchange	2,205	2,108	97	0	97
		Total	4,975	4,876	99	0	99
P-0653	New Corridor Studies	Other	1,921	0	1,921	0	1,921
P-0654	SR 87 / Narvaez Interchange	Other	800	0	800	0	800
P-0655	Ramp Metering Implementation	Federal	4,489	2,396	2,093	0	2,093
		Other	7,299	0	7,299	0	7,299
		Total	11,788	2,396	9,392	0	9,392
P-0678	SR 237 / US101 Mathilda Interchange	City	4,000	28	3,972	0	3,972
		Other	1,847	0	1,847	0	1,847
		Total	5,847	28	5,819	0	5,819
P-0694	SV Exp.Lanes-SR 237 / I-880 Connectors	Federal	7,460	7,460	0	0	0
		Fund Exchange	4,300	3,997	303	0	303
		Total	11,760	11,457	303	0	303
P-0720	Silicon Valley Express Lanes - SR 85	Federal	4,790	4,222	568	0	568
		Fund Exchange	1,150	922	228	0	228
		Other	6,321	0	6,321	0	6,321
		Total	12,261	5,144	7,117	0	7,117
P-0721	Silicon Valley Express Lanes - US 101	Fund Exchange	5,655	4,525	1,130	0	1,130
		Other	14,200	0	14,200	0	14,200
		Total	19,855	4,525	15,330	0	15,330
P-0730	US 101 / Capitol Exp / Yerba Buena Intchg	Federal	1,100	837	263	0	263
		State	25,534	10,650	14,884	0	14,884
		City	1,574	1,574	0	0	0
		Fund Exchange	5,482	2,542	2,940	0	2,940
		Total	33,690	15,603	18,087	0	18,087
P-0737	VTP Highways Programwide	Fund Exchange	100	50	50	0	50
P-0749	Freeway Performance Initiative	Federal	1,563	1,306	257	4,000	4,257
P-0788	SR 237 Express Lanes-Phase II Extension	State	17,500	0	17,500	0	17,500
		Fund Exchange	2,564	698	1,866	0	1,866
		Other	3	0	3	0	3
		Total	20,067	698	19,369	0	19,369
P-0812	I-280 / Foothill Expressway Ramp Improv	Fund Exchange	700	625	75	2,000	2,075

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E=(C+D)
			Adopted Budget Through FY13	Projected Expenditures Through FY13 ¹	Projected FY13 Capital Carryover	FY14 Appropriation	Total Available Appropriation
P-0826	Combined Landscaping & Maint Project	State	1,000	0	1,000	0	1,000
		City	624	92	532	0	532
		Fund Exchange	2,200	142	2,058	0	2,058
		Total	3,824	234	3,590	0	3,590
P-0862	101 Express Lanes - 101 San Mateo	Other	0	0	0	2,000	2,000
P-0863	Charcot Avenue Extension over I-880	Other	0	0	0	4,500	4,500
P-0864	Innovative Transportation Technology Prog	Other	0	0	0	2,000	2,000
P-0865	Intelligent Transportation System Projects	Federal	0	0	0	14,000	14,000
P-0866	Landscaping at I-280 / I-880	City	0	0	0	3,500	3,500
P-0867	US 101 / Buena Vista Avenue	City	0	0	0	1,000	1,000
P-0868	US 101 SB Ramp Impv-10th St-Gilroy	Other	0	0	0	3,600	3,600
P-0876	Silicon Valley Express Lanes - I-880	Fund Exchange	0	0	0	2,000	2,000
P-0877	US 101 San Ant./Charlstrn/Reng. Rmp Impv	Other	0	0	0	4,000	4,000
P-0878	US 101 / Old Oakland Road Improvements	Other	0	0	0	3,450	3,450
Grand Total			521,890	164,227	357,663	(109,493)	248,170

Note: Totals may not be precise due to independent rounding

VTP Highway Program Total Available by Funding Source
(Dollars in Thousands)

Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
Federal	61,744	45,927	15,818	18,000	33,818
State	265,373	33,984	231,390	(147,285)	84,105
City	23,795	13,066	10,729	4,500	15,229
Fund Exchange	85,123	70,840	14,282	4,000	18,282
Other	85,855	411	85,444	11,292	96,736
Grand Total	521,890	164,227	357,663	(109,493)	248,170

¹ Projection as of August 5, 2013

Note: Totals may not be precise due to independent rounding

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET



SECTION 6
MISCELLANEOUS PROGRAMS



Joint Development Program

Overview

Through recent efforts by VTA staff and the VTA Board of Directors, VTA has established a deliberate and aggressive property management program aimed at generating revenue, promoting transit-oriented development (TOD), and enhancing transit operations.

VTA has identified 26 sites that may be appropriate for joint development (nine of which have been identified by the VTA Board as being the first priorities) and six sites as being “surplus property”, meaning they can be disposed of in the near term with no effect on current or future transit operations.

The FY 2014 and FY 2015 Adopted Biennial Budget for the Joint Development Program represents current and anticipated leasing and sale revenues, as well as the level of effort (expenditures) required to generate the revenues. Prior to FY 2012, activities related to the Joint Development Program were captured solely in the VTA Transit Operating Budget. Based on the anticipated level of future activities, they are now being captured as a separately reported fund.

The Joint Development Program budget appropriation is broken into two major components. The operating budget includes appropriation for preliminary site analysis on four potential locations per year. Budgeted revenues in FY 2014 include a \$7.0M payment for Phase I of the Purchase and Sale Agreement for the West San Carlos property. The capital budget appropriation captures costs for the entitlement process for four additional properties and is comprised of the anticipated expenditures and commitments on capital projects for the two-year budget period. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program.

The table on page 176 lists each project and its general funding source category. The table is followed by a brief description of each project, identified funding sources, and potential operating cost impacts.

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The table on page 178 reflects the projected carryover at June 30, 2013 as well as the total available appropriation for the Joint Development Capital Program after the FY 2014 appropriation, by project and funding source.

***Joint Development Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Projection	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
1	Investment Earnings	145	87	119	111	(8)	-6.6%	129	18	16.4%
2	Property Rental	168	1,700	202	141	(61)	-30.4%	145	5	3.4%
3	Proceeds from Sale of Property	6,300	0	4,153	7,000	2,847	68.6%	0	(7,000)	-100.0%
4	Total Revenue	6,613	1,787	4,474	7,251	2,778	62.1%	274	(6,977)	-96.2%
5	Professional & Special Services	147	275	8	215	207	2762.4%	215	0	0.0%
6	Property Rental Transfer	0	1,700	0	0	0	N/A	0	0	N/A
7	Total Expense	147	1,975	8	215	207	2762.4%	215	0	0.0%
8	Revenues Over (Under) Expenses	6,466	(188)	4,466	7,036			59		

¹ Reflects Adopted Budget approved by the Board on June 2, 2011 and \$250K transfer to Tamien Joint Development Project

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding. Descriptions of each Revenue and Expense Category can be found in Appendix H.

Major Variances (Variance in excess of 5% and \$100,000)

Revenues

Proceeds from Sale of Property:

The FY 2014 budget reflects an increase of \$2.8 million over FY 2013 actual and the FY 2015 budget reflects a \$7 million decrease from FY 2014. This variation is due to proceeds from the West San Carlos property anticipated in FY 2014. There are currently no anticipated property sales in FY 2015.

Expenses

Professional & Special Services:

The FY 2014 budget increases \$207 thousand over FY 2013 actual due to site analyses on additional properties in preparation for the entitlement process.

***Joint Development Program
Sources and Uses of Funds Summary***
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Projected Actual¹</u>	<u>FY14 Adopted Budget</u>	<u>FY15 Adopted Budget</u>
1	Total Revenues	6,613	4,474	7,251	274
2	Total Expenses	<u>(147)</u>	<u>(8)</u>	<u>(215)</u>	<u>(215)</u>
3	Revenues Over (Under) Expenses	6,465	4,466	7,036	59
4	Project Expenditures	0	65	967	967
5	Less: Funding From Grants & Other Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6	Joint Development Program Share of Capital	0	65	967	967
7	Beginning Designated Reserves	1,157	7,622	12,023	18,092
8	Revenues Over (Under) Expenses	6,465	4,466	7,036	59
9	Joint Development Program Share of Capital	<u>0</u>	<u>(65)</u>	<u>(967)</u>	<u>(967)</u>
10	Ending Designated Reserves ²	7,622	12,023	18,092	17,183

¹ Projection as of August 5, 2013

² FY 2013 and FY 2014 Designated Reserves increase due to receipt of proceeds from sale of property.

Note: Totals may not be precise due to independent rounding.



Computer Rendering of Future Transit Oriented Development

***Joint Development Capital Program
Schedule of FY 2014 & FY 2015 Appropriation
(Dollars in Thousands)***

Project	FY 2014 & FY 2015	
	Funding Source	Total
	Joint Development	
1. Tamien Joint Development	250	250
2. Cerone Joint Development	500	500
3. I-880 / Alder Joint Development	500	500
4. River Oaks Joint Development	500	500
<i>Grand Total</i>	<i>1,750</i>	<i>1,750</i>

Description of FY 2014 & FY 2015 Appropriated Projects

1. Tamien Joint Development

This project augmentation captures the costs relative to the entitlement process, including obtaining approvals for the right to develop property used in transit-oriented development, at the site located near the Tamien Light Rail Station. Joint Development has been identified as a potential source of long-term revenue. The land areas surrounding VTA transit stations and other properties represent significant opportunities for transit-oriented development, which could yield revenues for VTA’s operating program. By entitling the project, VTA adds value to the property and allows for VTA to ultimately enter into a long-term ground lease with an on-going revenue stream following the construction of the project. This budget request augments the initial \$250 thousand project set-up in FY 2013.

Operating Cost Impact: None

<u>Funding Source</u>	<u>FY14 & FY15</u>
Joint Development	\$250,000

2. Cerone Joint Development

This project captures the costs relative to the entitlement process, including obtaining approvals for the right to develop property used in transit-oriented development, at the site located near the Cerone Bus Operating Division. Joint Development has been identified as a potential source of long-term revenue. The land areas surrounding VTA transit stations and other properties represent significant opportunities for transit-oriented development, which could yield revenues for VTA’s operating program. By entitling the project, VTA adds value

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

to the property and allows for VTA to ultimately enter into a long-term ground lease with an on-going revenue stream following the construction of the project.

Operating Cost Impact: None

<u>Funding Source</u>	<u>FY14 & FY15</u>
Joint Development	\$500,000

3. I-880 / Alder Joint Development

This project captures the costs relative to the entitlement process, including obtaining approvals for the right to develop property used in transit-oriented development, at the site located near I-880/Milpitas Light Rail Station. Joint Development has been identified as a potential source of long-term revenue. The land areas surrounding VTA transit stations and other properties represent significant opportunities for transit-oriented development, which could yield revenues for VTA’s operating program. By entitling the project, VTA adds value to the property and allows for VTA to ultimately enter into a long-term ground lease with an on-going revenue stream following the construction of the project.

Operating Cost Impact: None

<u>Funding Source</u>	<u>FY14 & FY15</u>
Joint Development	\$500,000

4. River Oaks Joint Development

This project captures the costs relative to the entitlement process, including obtaining approvals for the right to develop property used in transit-oriented development, at the site located near the River Oaks Light Rail Station. Joint Development has been identified as a potential source of long-term revenue. The land areas surrounding VTA transit stations and other properties represent significant opportunities for transit-oriented development, which could yield revenues for VTA’s operating program. By entitling the project, VTA adds value to the property and allows for VTA to ultimately enter into a long-term ground lease with an on-going revenue stream following the construction of the project.

Operating Cost Impact: None

<u>Funding Source</u>	<u>FY14 & FY15</u>
Joint Development	\$500,000

Joint Development Program Total Available Appropriation

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The following table reflects the projected carryover at June 30, 2013 as well as the total available appropriation for the Joint Development Program after the FY 2014 and FY 2015 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2014 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13 ¹	C=(A-B) Projected FY13 Capital Carryover	D FY14 Appropriation	E=(C+D) Total Available Appropriation
P-0825	Tamien Joint Development	Joint Dev	250	65	185	250	435
NEW	Cerone Joint Development	Joint Dev	0	0	0	500	500
NEW	I-880 / Alder Joint Development	Joint Dev	0	0	0	500	500
NEW	River Oaks Joint Development	Joint Dev	0	0	0	500	500
Grand Total			250	65	185	1,750	1,935

¹ Projection as of August 5, 2013

Note: Totals may not be precise due to independent rounding



Transit Oriented Development

Silicon Valley Express Lanes Program

Overview

In December 2008, the VTA Board of Directors approved the Silicon Valley Express Lanes Program (SVELP) which had been under development since 2003. The SVELP, as approved, was the result of 18 months of coordination, analysis, and outreach on both technical and policy areas related to implementing Express Lanes as a means to address congestion levels on highways while also looking towards new solutions to accommodate the future growth in travel demand.

The goal of the SVELP is to provide long-term mobility benefits and a funding stream for transportation improvements. Specifically, the primary objectives of the SVELP are to provide congestion relief through more effective use of existing roadways; provide commuters with a new mobility option; and provide a new funding source for transportation improvements including public transit.

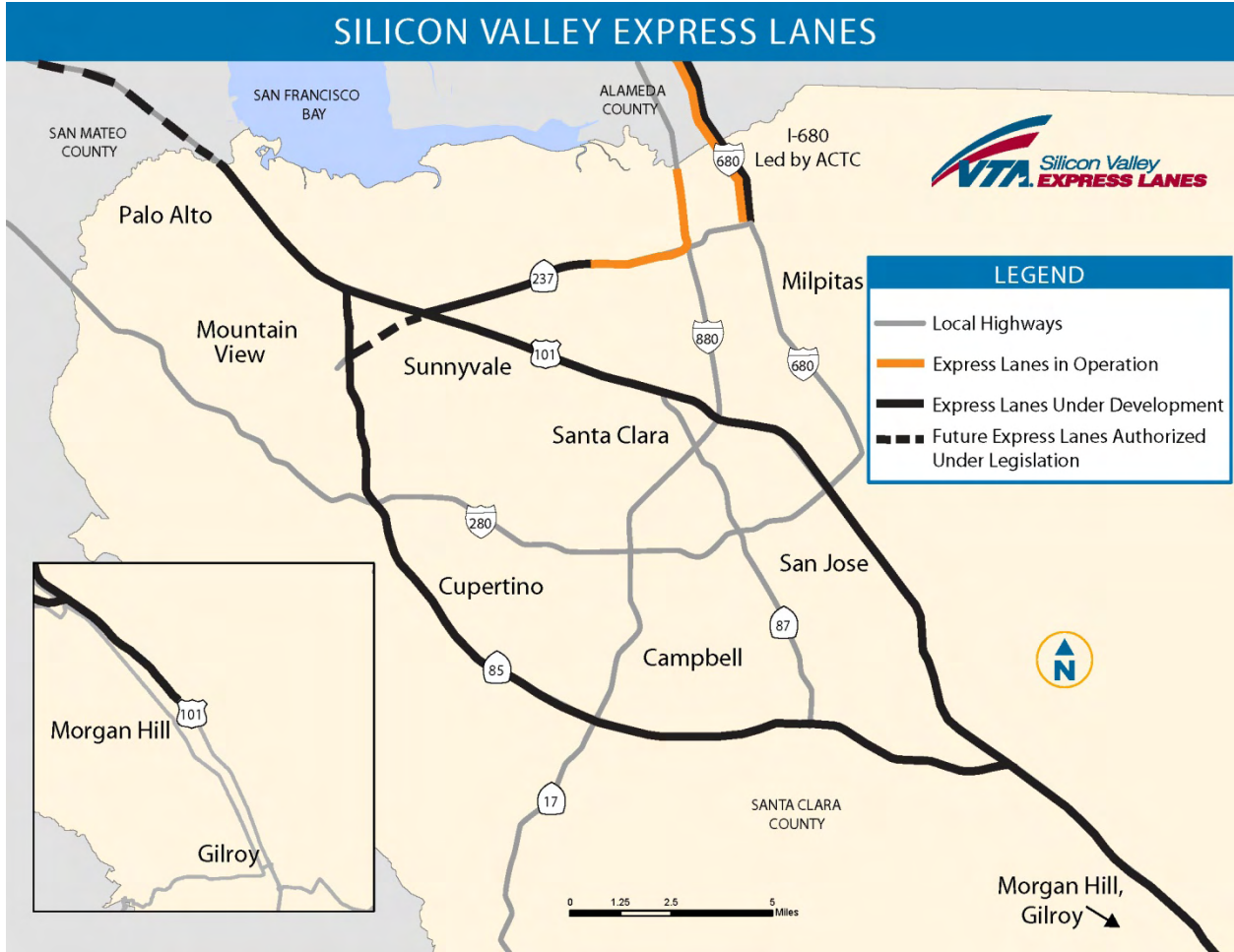
As part of the SVELP, the Express Lanes projects implement a roadway pricing system to allow for the use of unused capacity in the carpool lanes to provide congestion relief and a new mobility option for some commuters. The roadway pricing system allows solo commuters to use the available capacity in the carpool lanes for a fee. The fee changes dynamically in response to existing congestion levels and available capacity in the carpool lanes. When solo commuters choose to use Express Lanes, this in turn also provides for traffic congestion relief in the general purpose lanes.

The SVELP is comprised of two corridors: the SR 237 corridor between I-880 and SR 85, and the US 101/SR 85 corridor within Santa Clara County up to the San Mateo County line. VTA has legislative authority to convert existing carpool lanes on two corridors within Santa Clara County—based on Assembly Bill (AB) 2032 which passed in 2004 and the follow-up AB 574 which passed in 2007. Additionally, AB 1105 which passed in 2011 allows VTA to extend the two corridors into the adjacent counties subsequent to an agreement with the neighboring county's Congestion Management Agency (CMA).

The SR 237/I-880 Express Connectors project is the first phase of the SR 237 Express Lanes project that converted the carpool lane connector ramps at the SR 237/I-880 interchange to Express Lanes operations. The SR 237 Express Lanes opened for tolling on March 20, 2012. This project has already served close to 2 million carpool users and has provided a new travel option to another half million toll paying commuters. In addition, travel times on general purpose lanes in the Express Lanes segment have improved by about 7 minutes.

The map on the following page illustrates the Silicon Valley Express Lane Program corridors.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET



The FY 2014 and FY 2015 Adopted Biennial Operating Budget for SVELP represents the anticipated revenues and expenditures for the program over the next two fiscal years. The primary revenue source for this program is tolls. The anticipated operating expenditures include toll processing fees, enforcement, electronic toll system maintenance, road maintenance, utilities, insurance, and VTA staff time for administration of the program.

***Silicon Valley Express Lanes Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY12 Actual ¹	FY13 Adopted Budget ²	FY13 Projected Actual ^{1,3}	FY14 Adopted Budget	Variance from FY13 Projection	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
1	Toll Revenues	218	592	1,049	920	(129)	-12.3%	1,000	80	8.7%
2	Investment Earnings	0	0	7	9	2	23.3%	10	2	17.6%
3	Total Revenue	218	592	1,056	929	(128)	-12.1%	1,010	82	8.8%
4	Professional & Special Services	0	427	76	535	459	603.2%	572	37	6.9%
5	Utilities	0	39	0	2	2	N/A	2	0	0.0%
6	Insurance	0	0	0	2	2	N/A	2	0	0.0%
7	Communications	0	0	0	3	3	N/A	3	0	0.0%
8	Miscellaneous	0	0	0	5	5	N/A	5	0	0.0%
9	VTA Staff Services	0	126	0	370	370	N/A	400	30	8.1%
10	Total Expense	0	591	76	916	840	1102.7%	983	67	7.3%
11	Revenues Over (Under) Expenses	218	1	980	12			27		

¹ The first \$650K of operating expenditures was covered by the existing capital project budget.

² Reflects Adopted Budget approved by the Board on June 2, 2011

³ Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding. Descriptions of each Revenue and Expense Category can be found in Appendix H.

Major Variances (Variance in excess of 5% and \$100,000)

Revenues

Toll Revenues:

The FY 2014 budget is \$129 thousand lower than FY 2013 actual due to a conservative estimate of usage and pricing.

Expenses

Professional & Special Services:

The FY 2014 budget is \$459 thousand higher than FY2013 actual. The majority of professional and special services charges in FY 2013 were covered by the capital project budget.

VTA Staff Services:

The FY 2014 budget is \$370 thousand higher than FY2013 actual. Staff services in support of the program were covered by the capital project budget in FY 2013.

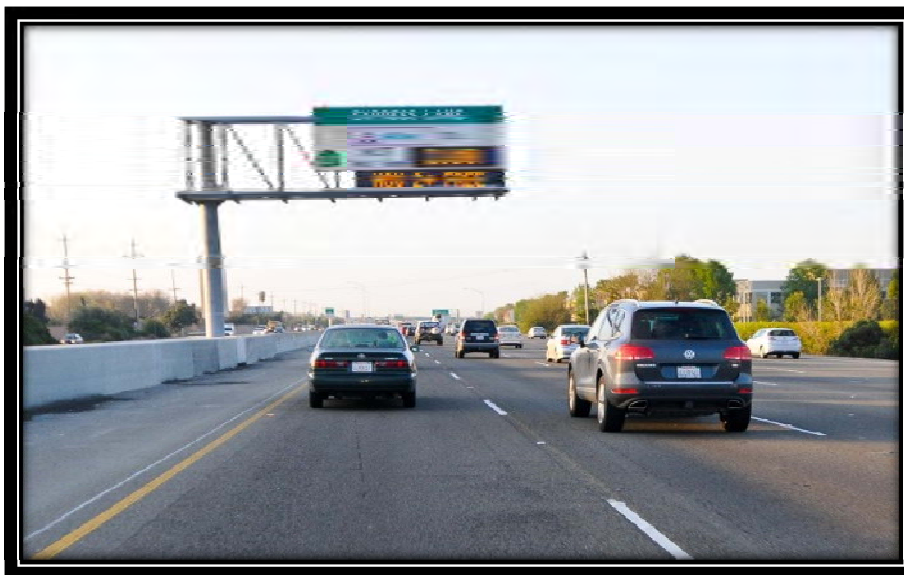
***Silicon Valley Express Lanes Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Projected Actual¹</u>	<u>FY14 Adopted Budget</u>	<u>FY15 Adopted Budget</u>
1	Total Revenues	218	1,056	929	1,010
2	Total Expenses	<u>0</u>	<u>(76)</u>	<u>(916)</u>	<u>(983)</u>
3	Revenues Over (Under) Expenses	218	980	12	27
4	Beginning Net Assets	0	218	1,197	1,210
5	Revenues Over (Under) Expenses	<u>218</u>	<u>980</u>	<u>12</u>	<u>27</u>
6	Ending Net Assets ²	218	1,197	1,210	1,237

¹ Projection as of August 5, 2013

² FY 2013 Net Assets increase due to a full year of toll collection and low expenditures as the first \$650 thousand of start-up operating costs were covered by the capital project.

Note: Totals may not be precise due to independent rounding.



Express Lane Dynamic Pricing Sign

BART Operating Sales Tax Program

Overview

On November 4, 2008, the voters of Santa Clara County approved 2008 Measure B (Measure), a 30-year one-eighth cent sales and use tax dedicated solely to providing the operating and maintenance expenses and capital reserve contribution for the BART Silicon Valley Extension. Per the Measure, the tax would only commence collection if sufficient state and federal funds were secured to match local construction dollars. Federal funds would be considered secured and matched when the Federal Transit Administration (FTA) executed a Full Funding Grant Agreement (FFGA), or its equivalent, in an amount of at least \$750 million. State funds would be considered secured and matched when the California Transportation Commission (CTC) approved an Allocation Request, or its equivalent, in an amount of at least \$240 million.

The FFGA for \$900 million was signed on March 12, 2012 and State funding has been secured and matched through state statute administered by the CTC. The CTC has currently disbursed \$569 million of the \$649 million Traffic Congestion Relief Program (TCRP) funds guaranteed to the project. With both the federal and state funding requirements met, the tax commenced collection on July 1, 2012.



FFGA Signing Ceremony—March 12, 2012

***BART Operating Sales Tax Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY12 Actual	FY13 Adopted Budget ¹	FY13 Projected Actual ²	FY14 Adopted Budget	Variance from FY13 Projection	% Var	FY15 Adopted Budget	Variance from FY14 Budget	% Var
1	Sales Tax Revenues	0	41,129	42,236	45,609	3,372	8.0%	47,711	2,103	4.6%
2	Investment Earnings	0	755	127	642	514	404.4%	1,241	600	93.4%
3	Total Revenue	0	41,884	42,364	46,250	3,887	9.2%	48,952	2,702	5.8%
4	Professional & Special Services	0	210	75	92	16	21.9%	134	42	46.2%
5	Total Expense	0	210	75	92	16	21.9%	134	42	46.2%
6	Revenues Over (Under) Expenses	0	41,674	42,288	46,159			48,818		

¹ Reflects Adopted Budget approved by the Board on June 2, 2011 and amended on December 8, 2011

² Projection as of August 5, 2013

Note: Totals and percentages may not be precise due to independent rounding. Descriptions of each Revenue and Expense Category can be found in Appendix H.

Major Variances (Variance in excess of 5% and \$500,000)

Revenues

Sales Tax Revenues:

The FY 2014 budget reflects a \$3.4 million increase over FY 2013 actual primarily from anticipated growth in taxable sales due to an improved economy.

Investment Earnings:

The FY 2014 and FY 2015 budgets show a \$514 thousand and \$600 thousand increase respectively due to higher portfolio balances resulting from additional sales tax receipts.

***BART Operating Sales Tax Program
Sources and Uses of Funds Summary***
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Projected Actual¹</u>	<u>FY14 Adopted Budget</u>	<u>FY15 Adopted Budget</u>
1	Total Revenues	0	42,364	46,250	48,952
2	Total Expenses	<u>0</u>	<u>(75)</u>	<u>(92)</u>	<u>(134)</u>
3	Revenues Over (Under) Expenses	0	42,288	46,159	48,818
4	Beginning Net Assets	0	0	42,288	88,446
5	Revenues Over (Under) Expenses	<u>0</u>	<u>42,288</u>	<u>46,159</u>	<u>48,818</u>
6	Ending Net Assets ²	0	42,288	88,446	137,265

¹ Projection as of August 5, 2013

² FY 2014 and FY 2015 Net Assets increase due to additional sales tax receipts.

Note: Totals may not be precise due to independent rounding.



*Community
Oriented Design
Enhancements*

SECTION 7
APPENDICES



VTA Financial Policies

VTA's various financial policies provide guidance to staff and the Board of Directors regarding the administration of the agencies financial affairs. The financial policy statements below are a summarization of the current financial policies. The objective of the financial policy statements is to provide an overview of guidelines, policies, and procedures utilized during the budget preparation process.

Accounting

- VTA shall establish and maintain a high standard of accounting practices.
- VTA shall maintain records on a basis consistent with generally accepted accounting principles for local governments.
- The accounts of the Authority shall be reported using the appropriate fund accounting. Revenues shall be recognized when earned and expenses shall be recognized when incurred.
- An independent firm of certified public accountants shall perform an annual financial and grant compliance audit and shall issue an opinion that will be incorporated into the Comprehensive Annual Financial Report (CAFR).
- VTA shall submit the annual CAFR to the Government Finance Officers Association for consideration for the Certificate of Excellence in Financial Reporting.
- Internal Control policies shall be developed and maintained to include procedures that separate control of assets from accounting for those assets.
- The establishment of internal controls shall be based on the recognition that the cost of a system of internal control should not exceed the benefits derived thereof.

Revenues

- VTA shall avoid dependence on temporary/one-time revenues to fund ongoing services. Every effort shall be made to use one-time revenues for one-time expenditures.
- VTA shall continuously explore additional sources of revenue to help balance the budget, such as identifying on an annual basis excess capital property and equipment, including real property, and shall make an ongoing attempt to sell or enter into Joint Development arrangements for such property to enhance revenue.
- One hundred percent of eligible capital funding may be used for operating purposes, but should be reviewed on an annual basis.
- VTA shall maintain a Fare Policy to ensure that there is a fair and reasonable relationship between the fares or fees charged for transit service provided and the operating costs of such services, and that fares are reviewed regularly.
- Funds shall be invested within the guidelines of the Board's approved Investment Policy and in compliance with applicable California Government Code.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

- VTA shall review its investment policy annually to ensure consistency with the following objectives (in order of priority):
 - Safety of invested funds
 - Maintenance of sufficient liquidity to meet cash flow needs
 - Attainment of the maximum yield possible consistent with the first two objectives
- On an annual basis, VTA shall benchmark, against peer agencies (such as other governmental agencies, including transit districts), the investment performance for the following investment portfolios: VTA unrestricted and restricted funds, VTA/ATU Pension funds and Other Post Employment Benefits funds.
- When appropriate, the Board of Directors (Board) shall actively pursue legislation that would help ensure the continued accomplishment of VTA's goals and mission statement. The Board shall support efforts to ensure that legislative intent is realized in allocation of state financial resources to public transit. The Board shall actively oppose legislation that would limit or diminish revenue.

Expenditures

- VTA shall work to achieve service levels that will make the bus system easier to use, improve travel times, and be more effective.
- VTA shall continue to look for and implement the most cost effective and reliable methods of delivering transportation services.
- VTA shall maintain all assets at a level that protects capital investment and minimizes future maintenance and replacement costs.
- The risk management program shall provide protection against loss and a reduction in exposure to liability.
- VTA shall develop service changes as needed to respond to budget shortfalls using performance measures established in the Transit Sustainability Policy.
- Quarterly variance reports shall be presented to the Board of Directors to enhance operational accountability.
- An annual actuarial analysis shall be performed on VTA's Other Post Retirement Benefit Trust funds. VTA shall make annual contributions that fund the actuarially required contribution.

Budget

- VTA shall comply with all legal budget requirements of the State of California and the VTA Administrative Code.
- The budget shall be appropriated at the Fund and budget type (operating or capital) level. The General Manager may reallocate appropriations between budget types and budget units (e.g., division, cost group, or project) within each Fund up to the limits of each Fund's annual appropriation.
- There shall be a budgetary monitoring system that charges expenditures against approved budget appropriations.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

- A balanced operating budget, in which total operating revenues exceed total operating expenditures, shall be prepared.
- The budget shall be prepared using Generally Accepted Accounting Principles with the following exceptions:
 - Inclusion of capital outlays and bond principal payments as expenditures
 - Exclusion of depreciation, amortization of bond discounts, interest earnings on restricted reserves, and unrealized gains and losses on investments
- An operating budget, in which total projected operating and unrestricted revenues less total budgeted operating expenditures, including interest expense, maintains an Operating Reserve balance of at least 15% of the operating expenditures shall be prepared and presented for adoption.
- The budget document shall be submitted to the Government Finance Officers Association for consideration for the Distinguished Budget Presentation Award, which evaluates the document as a communications device, financial plan, operations guide, and policy document.
- Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing preventative maintenance expenditures or replacement of equipment, shall be avoided.
- VTA shall provide conservative revenue estimates that take into consideration recent experience and reflect reasonable future growth.
- The Authority shall monitor revenue sources regularly and quarterly modify forecasts as necessary to reflect the most current information available. The Authority shall also change the level of expenditures, as needed, to fit within sources of revenue.
- A budget shall be prepared that contains essential programs and projects needed to support the goals and objectives of the Authority, responds to citizen demand, within the parameters of the Transit Sustainability Policy, and reflects administrative evaluation of current needs.

Long-Range Planning

- VTA shall annually update and incorporate the VTA Financial Forecasting Model as part of its long-range planning process.

Grants

- Grants are accounted for in accordance with the purpose for which the funds are intended.
 - Approved grants for the acquisition of land, building, and equipment are recorded as revenue as the related expenses are incurred
 - Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met
 - Advances received on grants are recorded as a liability until related grant conditions are met

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

- When both restricted and unrestricted resources are available for the same purpose VTA shall use restricted resources first
- All grants shall be managed to comply with the laws, regulations and guidance of the grantor.
- All potential grants shall be carefully examined for matching requirements (both dollar and level-of-efforts matches).
- VTA shall program its federal grant funds to minimize the time between appropriation and draw down of federal funds.

Debt

- Sales Tax Revenue Bonds shall not be issued to support current operating expenditures.
- Capital projects funded through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
- Debt may be issued to accomplish the following objectives: accelerate the delivery of projects, spread cost over the useful life of an asset, smooth out annual cash flow, optimize overall financial resources, finance unfunded actuarial liabilities, and refund existing debt.
- Debt affordability shall be determined by the requirements of VTA's bond indentures (e.g., additional bonds test/debt service coverage) and VTA's ability to meet all of its ongoing operating, capital and reserve requirements.
- The Authority shall remain in compliance with Securities and Exchange Commission (SEC) Rules 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within the period required by each Continuing Disclosure Agreement.

Capital Improvement

- The Authority shall prepare a 10-Year Capital Improvement Plan (CIP) including projected capital construction and improvements, service levels and operating costs and revenues to fund the capital operating programs in accordance with the requirements and schedule set by the Metropolitan Transportation Commission (MTC). Capital projects included in the CIP shall be evaluated using the following criteria:
 - Total project cost (design and construction) and schedule for completion
 - Source of funding
 - Ongoing operating and maintenance costs
 - Benefits and contributions to the Authority and the community such as safety and service enhancements, including, but not limited to the effect on future operating and maintenance costs, economy, service, and gains in boardings
 - Alternatives considered
 - Consequences of not funding
- Priority shall be given to replacement of existing assets before consideration of new assets.

Capitalized Assets

- The Authority capitalizes all assets with an individual cost of more than \$5,000, and a useful life in excess of one year.
- Capital assets shall be stated at historical cost, and infrastructure, which includes light rail vehicle tracks, shall be capitalized.
- Improvements shall be capitalized and depreciated over the remaining useful lives of the related properties.
- VTA computes depreciation using the straight-line method over estimated useful lives as follows:
 - Buildings and improvements 30 to 50 years
 - Buses and maintenance vehicles 4 to 12 years
 - Light-rail structures and light-rail vehicles 25 to 45 years
 - Other operating equipment 5 to 15 years

Risk Management and Self-Insurance

- Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, VTA shall record the liabilities, including losses incurred but not reported, at 100% of the net present value. The goal is to maintain restricted cash balances in amounts equal to the present value of estimated liabilities but in no event less than the next year’s projected cash outflows. An actuarial review of self-insured liabilities shall be made annually.

Reserves

- The Authority shall maintain an Operating Reserve of at least 15% of the operating budget for the VTA Transit Fund. These funds are to remain unappropriated for any operating or capital use except to meet emergency needs that cannot be funded from any other source. The purpose of this reserve is to ensure that sufficient funds are always available in the event of either unavoidable expenditure needs or unanticipated revenue shortfalls from sources other than sales tax based revenues.
- VTA Transit Fund Operating Reserves in excess of 15% of the operating budget at year end shall be transferred to the Debt Reduction Fund, the use of which is governed by the Debt Reduction Fund Policy.
- The Authority shall maintain a Sales Tax Stabilization Fund up to a maximum balance of \$35M for the VTA Transit Fund. The purpose of this reserve is to mitigate the impact of the volatility of sales tax based revenues on service levels. Sales tax based revenues received in excess of the budgeted amount shall be placed in the Sales Tax Stabilization Fund up to the maximum balance. The Sales Tax Stabilization Fund may be used to supplement budgeted declines in sales tax based revenues or offset declines in actual sales tax based revenue receipts.

Ad Hoc Financial Recovery Committee

In response to precipitous declines in FY 2009 sales tax revenues and alarming deficit projections subsequent to adoption of the FY 2010 and FY 2011 Biennial Budget, the VTA Board of Directors appointed an Ad Hoc Financial Recovery Committee (Committee) in December 2009. The Committee consisted of three Board members and was supported by a representative stakeholder group of business, labor, VTA advisory committees, and other communities of interest. The Committee's directive was to review VTA's financial structure and to develop recommendations for the Board that addressed VTA's long-term structural deficit beyond FY 2011 to insure the continued sustainability of transit services in Santa Clara County.

The Committee held bi-weekly meetings beginning in January 2010 and spent considerable time reviewing VTA's financial structure and economic projections. After careful consideration and analysis, at its September 1, 2010 meeting, the Committee unanimously approved "Guidance on Operating Expenditure Priorities, Key Financial Principles, and Deficit Reduction Targets" containing financial priorities, principles, and deficit reduction targets to guide VTA in becoming a more financially stable and sustainable organization. The deficit reduction targets were identified in the areas of internal efficiencies, employee expenses, service delivery and new revenue. The Stakeholders expressed their unanimous agreement with the document based upon amendments recommended by committee members and stakeholders.

The Committee's recommendation was presented to the Board of Directors at a Special Meeting on October 22, 2010 and approved unanimously by the Board on December 9, 2010.

Ad Hoc Financial Recovery Committee Guidance on Operating Expenditure Priorities, Key Financial Principles, and Deficit Reduction Targets

Section I. Financial Stability Policy VTA Transit Fund

This Policy establishes guidance on expenditure prioritization and the key principles that VTA shall use to prudently align its operating costs with its available resources.

Guidance on Expenditure Prioritization

In developing VTA's Biennial Operating Budget and associated financial plans, VTA shall prioritize its activities for the expenditure of operating funds in the following order. This prioritization guidance shall be used both when budget reductions are required in order to keep spending consistent with available revenues, and when increases in operating revenues permit VTA to devote additional resources to its transit-related activities.

1. Preserving the level of fixed route transit service and paratransit service provided to VTA riders to the greatest extent possible. The service plan shall be developed in accordance with VTA's Transit Sustainability Policy and service design guidelines and in the best interest of the public.
2. Activities that directly support the provision of transit service, i.e., only those core operating, management and administrative functions that are necessary and essential to support the provision of the existing level of transit service, both in terms of the types of functions required and level of resources needed to support service. Measured against industry standards and best practices with consideration of efficiencies achieved by reducing layers of management.
3. Support for Regional Partnerships (e.g., Caltrain, ACE, Dumbarton Express, etc.) provided by VTA in consideration of other partners' contributions.
4. Activities that clearly contribute to increasing and diversifying VTA's operating funding (e.g., fare programs, joint development, advertising, and other opportunities for earned income).
5. Activities that provide information to riders, employees, stakeholders, and the public.
6. Activities that would prudently and strategically expand VTA transit service, when sustainable revenues are available to support the service growth.

Section II. Key Financial Principles

The following Key Principles establish a framework for policy direction to the Santa Clara Valley Transportation Authority Board of Directors and staff during the creation of the biennial budget and when addressing the structural deficit in VTA's operating budget.

The Key Principles have been numbered, and organized into two groups:

- Principles that are assumed in the development of the annual deficit reduction targets, but are not directly tied to a particular deficit reduction target category; and
- Principles that are directly tied to a particular Deficit Reduction target category.

Key Principles Assumed in Development of Deficit Reduction Targets

Principle Number 1: Operating Reserve at 15% - VTA shall take the necessary steps to protect its financial liquidity by building and maintaining an Operating Reserve equal to 15% of annual operating expenses, which is equal to just under two months of operating cash flow requirements. To the extent that the Operating Reserve level falls below the 15% target, during the next biennial budget process, VTA must identify measures necessary to reach the 15% threshold within a three-year period, and begin implementation of some or all of those measures during the next biennial budget process. However, to the extent possible, VTA should avoid the implementation of service reductions as a means of achieving the 15% operating reserve target.

Principle Number 2: Limit Use of Capital Funding¹ - When determining whether to use all or a portion of its eligible capital funding for operating-related purposes, such as preventive maintenance, VTA should attempt to balance the needs of its day to day operations with its longer term needs to preserve, protect, and renew its capital assets, and maintain VTA's vehicles, facilities, and infrastructure in a "state of good repair." 100% of eligible capital funding may be used for operating purposes, but should be reviewed on an annual basis.

Revenue collected from the 2000 Measure A Sales Tax shall be dedicated to the delivery of the Measure A Capital Projects maintaining the BART Extension to Santa Clara County as the Board's adopted first priority. The Board policy of committing only a small share of these funds to support transit service shall remain unaltered, to uphold the public commitment to the voters to use these funds for highest-priority capital projects.

Principle Number 3: Control Cost Growth – VTA shall take appropriate steps to ensure that its operating costs do not grow faster than its reasonably anticipated operating revenues. Unless required by federal, state or local law, measures that increase operating expenses should not be implemented until the funding for those increases has been identified with reasonable certainty.

¹ Note: 2000 Measure A Program – By Board Policy, and in accordance with a Court ruling based on the text of the ballot initiative, a limited amount of revenue collected from the 2000 Measure A Sales Tax may be used to fund VTA's operations. Increasing the amount of Measure A funds diverted to operations will seriously compromise the VTA's ability to deliver the projects promised to the voters under this program.

Principles Directly Tied to Deficit Reduction Targets

Principle Number 4: Achieve Internal Efficiencies – Direct staff to meet the adopted Target Deficit Reduction through a combination of internal efficiencies. Such efficiencies to be achieved through a variety of systemic cost reduction actions, which are not one-time in nature. Such actions may include, but are not limited to, the elimination of unfilled budgeted positions, Deficit Reduction associated with not filling staff positions that become vacant through attrition, other staff reductions, consolidation of services, reductions in ongoing cost commitments, etc. Such reductions shall be achieved to the greatest degree possible in a manner consistent with the preservation of service.

Principle Number 5: Negotiate Sustainable Bargaining Unit Agreements – In developing cost reduction strategies and plans, and in negotiating labor agreements, VTA shall work collaboratively with its employee bargaining units to identify ways to protect VTA’s financial condition and liquidity, including ways to control the cost to VTA of employee benefit programs for bargaining unit and non-represented employees, while also preserving the jobs of VTA employees to the extent possible and protecting the quality and integrity of VTA services. Consideration shall be given to partnering with Santa Clara County and other cities within the county to provide the greatest leverage in negotiating with benefit providers.

Principle Number 6: Use of Contracted Services –

- A) VTA shall periodically evaluate the use of contracted services for the delivery of service on selected VTA transit routes, and the delivery of other services utilized in the course of operating and supporting VTA transit service. In making decisions regarding the use of contracted services, VTA should compare the expected impacts on cost, safety, reliability, and customer service associated with contracted service delivery, and any related long-term financial risks, against the performance and cost of utilizing VTA staff in delivering those same services.
- B) With input from stakeholders, contracting principles should be developed and designed to consider the risks and rewards of contracting in and out. These principles should consider multiple service delivery options and contain a method for rigorous cost benefit analysis.
- C) This principle includes the provision of contracted services with partner agencies such as Caltrain, Altamont Commuter Express, Dumbarton Express, etc. Such contributions to be reduced proportionally to the total of VTA’s annual operating deficit.
- D) VTA shall continually work with contracted service providers (OUTREACH, Santa Clara County Sheriff’s Department, Allied Barton, etc.) to maximize efficiency and control costs.

Section III. Annual Deficit Reduction Targets By Category

Category	Related Principle	Proposed Deficit Reduction Target Range \$	Proposed Deficit Reduction Target Range %
Internal Efficiencies	Principle 4	\$5-15 million	12.5% - 37.5%
Employee Expenses	Principle 5	\$5-13 million	12.5% - 32.5%
Service Delivery	Principle 6	\$5-12 million	12.5% - 30.0%
New Revenue	Revenue Enhancement Committee	\$0-20 million	0.0% - 50.0%
Overall Annual Savings Target	Principle 3	\$20-40 million	

VTA Transit Fund Unrestricted Net Assets/Reserves

Because of the recognized volatility of VTA's primary revenue source (i.e., sales tax receipts) it is prudent to maintain reserves that enable VTA to survive periodic swings in the economy without impacting service levels to the public and agency employment/compensation levels. It is also prudent to ensure that funds are available to sustain a capital program that maintains VTA's infrastructure and keeps assets in a state of good repair. The VTA Board of Directors has been proactive in managing VTA's finances in a manner that protects the interests of the public and helps provide a level of security for VTA's personnel by designating funds for specific purposes. VTA's reserves are largely static with adjustments approved by the Board either directly, or through the budget process. Any changes to the policies governing these reserves or the appropriate level of reserves are subject to Board policy decisions.

Reserve Accounts

The VTA Transit Fund currently maintains four reserve accounts as described below:

Operating Reserve

It is the policy of VTA to accumulate a prudent level of reserves by building and maintaining an Operating Reserve equal to 15 percent (15%) of the annual operating budget for the VTA Transit Fund. The purpose of this reserve is to ensure that sufficient funds are always available in the event of either unavoidable expenditure needs or unanticipated revenue shortfalls from sources other than sales tax based revenues. The Board formalized this long-standing practice with adoption of the VTA Transit Fund Operating Reserve Policy on April 5, 2012.

Sales Tax Stabilization Fund

The Sales Tax Stabilization Fund reserve was created by the Board as part of the FY 2012 and FY 2013 Biennial Budget adoption on June 2, 2011 to mitigate the impact of the volatility of sales tax based revenues on service levels and the operating budget. Per the Board policy adopted on April 5, 2012, this reserve may be utilized during development of the biennial budget if sales tax based revenues are projected to decline. This can supplement projected revenues to address any resulting shortfall between revenues and expenditures. In the event sales tax based revenues received for a fiscal year are in excess of the amount budgeted, the excess shall be transferred to the VTA Transit Sales Tax Stabilization Fund up to a maximum balance of \$35 million.

Debt Reduction Fund

The Debt Reduction Fund reserve was established by the Board on February 7, 2008. Per the Board policy also approved on February 7, 2008, this fund may be used to reduce long-term liabilities or provide funding for approved transit-related capital improvements and replacement of capital assets. This reserve is used primarily to fund the local portion of the VTA Transit capital program in order to keep assets in a state of good repair.

Other Post Employment Benefits (OPEB) Liability Reduction Fund

This reserve was created by the Board as part of the FY 2012 and FY 2013 Biennial Budget adoption on June 2, 2011 specifically to address unfunded OPEB liabilities. Per Board policy

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adopted on April 5, 2012, this fund may only be used to reduce unfunded OPEB liabilities through either increasing the value of assets in the OPEB Trust or decreasing the level of OPEB liability.

Other Designated Funds

Local Share of Capital Projects

This designated fund represents funds previously appropriated for and committed to capital projects. Per VTA Budget Resolution, “Capital appropriations, which are not expended during the fiscal year, shall carry over to successive fiscal years until the projects are completed or otherwise terminated.” The Local Share of Capital Projects designation represents the locally funded portion of this carry over. The Budget Resolution also states that “The locally funded portion of the VTA Transit Fund capital appropriation carry over shall be set-aside as a designation of Unrestricted Net Assets in the Comprehensive Annual Financial Report.” Detail of the total FY 2013 projected carryover including the local share can be found on pages 125-130.

Unrestricted Net Assets Status

The table below shows the Unrestricted Net Assets as reported in the FY 2012 Comprehensive Annual Financial Report as well as the projected balances for FY 2013 through FY 2015.

Unrestricted Net Assets
(Dollars in Thousands)

Fund	FY12	FY13¹ Projected	FY14¹ Projected	FY15¹ Projected
<u>Reserves:</u>				
Operating Reserve	56,268	57,024	59,827	59,827
Sales Tax Stabilization Fund	35,000	35,000	35,000	35,000
Debt Reduction Fund	114,331	134,700	82,030	110,643
OPEB Liability Reduction Fund ²	20,650	0	0	0
Total Reserves	226,249	226,725	176,857	205,470
<u>Other Designated Funds:</u>				
Local Share of Capital Projects	33,846	51,538	70,761	33,088
Total Unrestricted Net Assets	260,095	278,263	247,617	238,558

¹ Projection as of August 5, 2013

² Balance transferred to OPEB Trust per May 2, 2013 Board action

VTA Administrative Code requires that the recommended budget include a list of all employee position classifications and pay ranges. The table below lists the minimum and maximum annual salary for each VTA job classification as of March 1, 2013.

Job Classifications and Pay Range

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Accessible Services Program Manager	91,122	110,792
Accountant Assistant	51,661	62,436
Accountant I	54,908	66,418
Accountant II	60,663	73,401
Accountant III	71,427	86,776
Accounts Payable Support Supervisor	58,736	71,427
Administrative Services Assistant	47,018	62,064
Administrator of Social Media & Electronic Communications	95,692	116,331
Assistant Architect	72,458	88,111
Assistant Board Secretary	84,419	111,433
Assistant Cost & Schedule Coordinator	72,458	88,111
Assistant Counsel	97,720	128,990
Assistant Database Administrator	73,046	88,430
Assistant General Counsel	151,571	200,074
Assistant Real Estate Agent	63,008	76,237
Assistant Supt, Service Management	82,653	100,485
Assistant Supt, Transit Communications	82,653	100,485
Assistant Transportation Engineer	72,458	88,111
Associate Architect	84,324	102,460
Associate Claims Analyst	63,019	83,185
Associate Counsel	63,019	83,185
Associate Environmental Engineer	84,324	102,460
Associate Financial Analyst	61,667	74,979
Associate Financial Analyst - NR	63,019	83,185
Associate Human Resources Analyst	63,019	83,185
Associate Land Surveyor	74,979	91,122
Associate Management Analyst	61,667	74,979
Associate Mechanical Engineer	84,324	102,460
Associate Network Analyst	73,046	88,430
Associate Real Estate Agent	77,711	94,103
Associate Systems Administrator	73,046	88,430
Associate Systems Design Engineer	84,324	102,460

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Job Classification	Minimum Annual Salary	Maximum Annual Salary
Associate Systems Engineer	84,324	102,460
Associate Transportation Engineer	84,324	102,460
Assistant Systems Design Engineer	72,458	88,111
Automotive Attendant	39,850	48,116
Board Assistant	55,426	67,073
Board Secretary	124,716	164,625
Bus Stop Maintenance Worker	44,215	53,407
Business Relations Manager	102,585	135,412
Business Systems Analyst I	60,363	73,046
Business Systems Analyst II	73,046	88,430
Buyer Assistant	44,842	54,170
Buyer I	49,507	59,790
Buyer II	58,671	71,028
Buyer III	65,191	78,856
Chief Administrative Officer	151,571	200,074
Chief Congestion Management Agency Officer	167,122	220,601
Chief Engineering & Construction Officer	193,471	255,382
Chief Financial Officer	184,247	243,207
Chief Information Officer	151,571	200,074
Chief of External Affairs	151,571	200,074
Chief Operating Officer	167,122	220,601
Chief SVRT Program Officer	175,474	231,625
Civil Rights & Organizational Development Program Manager	97,720	128,990
Claims Analyst	72,945	96,288
Claims Supervisor	84,419	111,433
Client Relationship Supervisor	95,692	116,331
Communications Systems Analyst	85,075	103,132
Communications Systems Manager	95,692	116,331
Construction Contracts Administrator I	60,363	73,046
Construction Contracts Administrator II	75,910	91,894
Construction Contracts Compliance Officer	86,776	105,502
Construction Inspector	64,563	78,092
Contracts Administrator I	60,363	73,046
Contracts Administrator II	75,910	91,894
Contracts Manager	95,692	116,331
Contracts Program Manager	91,122	110,792
Cost & Schedule Coordinator	84,324	102,460
Creative Services Manager	91,122	110,792

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Job Classification	Minimum Annual Salary	Maximum Annual Salary
Customer Services Supervisor	71,427	86,776
Data Base Administrator	85,075	103,132
Deputy Director	137,483	181,477
Design Build Construction Administration Manager	113,102	149,294
Disadvantaged Business Enterprise Program Manager	86,776	105,502
Disbursements Manager	97,720	128,990
Dispatcher	49,712	71,011
Dispatcher Supervisor	78,705	95,692
Document Control Clerk I	38,596	46,561
Document Control Clerk II	44,024	53,134
Document Systems Supervisor	74,979	91,122
Electrician	68,055	82,319
Electro - Mechanic	69,888	79,414
Electronic Technician	69,888	79,414
Engineering Aide	48,116	58,126
Engineering Group Manager	124,716	164,625
Engineering Technician I	52,644	63,608
Engineering Technician II	59,244	71,710
Engineering Technician III	67,373	81,529
Environmental Health & Safety Specialist	78,474	95,031
Environmental Health & Safety Supervisor	82,653	100,485
Environmental Planner I	53,898	65,191
Environmental Planner II	58,671	71,028
Environmental Planner III	77,328	93,667
Executive Assistant to General Manager	124,716	164,625
Executive Policy Advisor	124,716	164,625
Executive Secretary	57,170	75,464
Executive Secretary to General Manager	63,019	83,185
Facilities Maintenance Coordinator	86,776	105,502
Facilities Maintenance Representative	59,244	71,710
Facilities Worker	37,981	54,246
Fare Inspector	44,866	64,126
Financial Accounting Manager	97,720	128,990
Financial Analyst	71,427	86,776
Financial Analyst - NR	72,945	96,288
Fiscal Resources Manager	118,782	156,792
Foreperson - LRT	76,149	86,570
General Counsel	200,000	200,000

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Job Classification	Minimum Annual Salary	Maximum Annual Salary
General Maintenance Mechanic	59,244	71,710
General Manager	298,700	298,700
Government Affairs Manager	118,782	156,792
Graphic Designer I	52,889	63,908
Graphic Designer II	61,208	74,109
Human Resources Administrator	66,168	87,342
Human Resources Analyst	72,945	96,288
Human Resources Assistant	49,380	65,182
Human Resources Manager	118,782	156,792
Information Services Representative	39,728	56,742
Information Systems Analyst Assistant	52,644	63,608
Information Systems Analyst I	60,363	73,046
Information Systems Analyst II	73,046	88,430
Information Systems Supervisor	95,692	116,331
Investment Program Manager	95,692	116,331
Janitor	38,241	46,097
Junior Cost & Schedule Coordinator	66,652	80,973
Junior Real Estate Agent	56,244	68,055
Junior Systems Design Engineer	66,652	80,973
Junior Transportation Engineer	66,652	80,973
Labor Relations Program Manager	97,720	128,990
Lead Bus Stop Maintenance Worker	45,878	55,426
Lead Document Control Clerk	46,779	56,489
Lead Maint Worker - LRT	39,832	56,909
Lead Reprographics Services Specialist	48,579	58,671
Lead Storekeeper	49,971	60,363
Lead Transit Center Maintenance Worker	46,997	56,789
Legal Secretary	60,010	79,213
Light Rail Equipment Superintendent	95,692	116,331
Light Rail Operator	43,846	62,650
Light Rail Power Foreperson	88,546	100,610
Light Rail Power Supervisor	91,122	110,792
Light Rail Signal Maintainer	74,819	90,585
Light Rail Signal Supervisor	86,776	105,502
Light Rail Technical Trainer	78,705	95,692
Light Rail Technical Training Supervisor	86,776	105,502
Light Rail Track Maint Supervisor	78,705	95,692
Light Rail Vehicle Maint Supervisor	86,776	105,502

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Light Rail Way, Power & Signal Supervisor	91,122	110,792
Light Rail Way, Power & Signal Supt	95,692	116,331
Mail Messenger	40,450	48,825
Maintenance Worker - LRT	37,981	54,246
Maintenance Instructor	82,653	100,485
Maintenance Scheduler	56,489	68,354
Maintenance Superintendent	95,692	116,331
Management Aide	54,291	66,013
Management Aide - NR	57,170	75,464
Management Analyst	71,427	86,776
Management Analyst - NR	72,945	96,288
Management Secretary	51,855	68,448
Manager, Construction Inspection	98,995	120,329
Manager, Highway Construction Contracts	86,776	105,502
Manager, Market Development	100,485	122,142
Manager, Ops Analysis, Reporting & Systems	95,692	116,331
Manager, Public Affairs & Customer Information	95,692	116,331
Manager, Real Estate & Project Admin	118,782	156,792
Materials & Warranty Manager	95,692	116,331
Materials Resource Scheduler	49,507	59,790
Media Spokesperson	93,052	122,828
Network Analyst	85,075	103,132
Office Specialist I	39,305	47,434
Office Specialist II	44,024	53,134
Office Support Supervisor	58,736	71,427
Operations Manager	118,782	156,792
Operations Systems Supervisor	82,653	100,485
Operator	37,586	62,650
Operator - Trainee	31,325	n/a
Overhaul & Repair Foreperson	76,149	86,570
Overhaul & Repair Mechanic	69,888	79,414
Overhead Line Worker	82,077	93,267
Paint & Body Foreperson	76,149	86,570
Paint & Body Worker	69,888	79,414
Parts Clerk	43,680	62,400
Parts Foreperson	67,974	77,230
Passenger Facilities & Wayside Mtc Supv	71,427	86,776
Payroll Support Supervisor	58,736	71,427

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Permit Technician	54,416	65,790
Policy & Administrative Mgr - Ops	97,720	128,990
Policy & Community Relations Manager	93,052	122,828
Principal Construction Inspector	86,776	105,502
Principal Transportation Planner	100,485	122,142
Programmer	76,974	93,204
Project Controls Group Manager	124,716	164,625
Project Controls Specialist I	60,363	73,046
Project Controls Specialist II	73,046	88,430
Project Controls Supervisor	100,485	122,142
Project Management Office Supervisor	95,692	116,331
Public Communication Specialist I	60,363	73,046
Public Communication Specialist II	65,790	79,620
Public Information Officer	107,731	142,205
Public Relations Supervisor	82,653	100,485
Purchasing & Materials Manager	118,782	156,792
Purchasing Manager	95,692	116,331
Quality Assurance & Warranty Manager	91,122	110,792
Quality Assurance & Warranty Specialist	71,028	85,947
Reprographics Services Specialist I	40,450	48,825
Reprographics Services Specialist II	45,661	55,180
Revenue Services Manager	95,692	116,331
Risk Manager	118,782	156,792
Safety Manager	97,720	128,990
Sales & Promotions Supervisor	74,979	91,122
Secretary	48,116	58,126
Service Mechanic	44,387	63,398
Service Worker	42,744	61,069
Service Worker - Foreperson	46,030	65,770
Sr Accountant	82,653	100,485
Sr Architect	98,621	119,863
Sr Assistant Counsel	118,782	156,792
Sr Associate Counsel	80,397	106,124
Sr Business Systems Analyst	85,075	103,132
Sr Construction Contracts Administrator	86,776	105,502
Sr Construction Inspector	70,673	85,511
Sr Construction Inspector - Lead	75,174	91,022
Sr Contracts Administrator	86,776	105,502

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Sr Cost & Schedule Coordinator	98,621	119,863
Sr Environmental Engineer	98,621	119,863
Sr Environmental Planner	91,122	110,792
Sr Financial Analyst	82,653	100,485
Sr Financial Analyst - NR	84,419	111,433
Sr Human Resources Analyst	84,419	111,433
Sr Information Representative	54,787	62,275
Sr Information Systems Analyst	85,075	103,132
Sr Land Surveyor	86,776	105,502
Sr Management Analyst	82,653	100,485
Sr Mechanical Engr-Auto Systems	98,621	119,863
Sr Policy Analyst	93,052	122,828
Sr Real Estate Agent	91,122	110,792
Sr Signal Maintainer	82,319	99,750
Sr Systems Design Engineer	98,621	119,863
Sr Systems Engineer	98,621	119,863
Sr Track Worker	69,888	79,414
Sr Transportation Engineer	98,621	119,863
Sr Transportation Planner	91,122	110,792
Sr Web Developer	85,075	103,132
Storekeeper	46,997	56,789
Substation Maintainer	82,077	93,267
Supervising Maintenance Instructor	86,776	105,502
Support Mechanic	46,030	65,770
Survey & Mapping Manager	100,485	122,142
SVRT Project Controls Manager	118,782	156,792
Systems Administrator	85,075	103,132
Systems Design Manager	105,502	128,252
Technical Project Manager	85,075	103,132
Technical Trainer	78,705	95,692
Technical Training Supervisor	86,776	105,502
Technology Infrastructure Supervisor	95,692	116,331
Technology Manager	118,782	156,792
Track Worker	60,112	68,307
Transit Center Maintenance Worker	44,215	53,407
Transit Division Supervisor	78,705	95,692
Transit Foreperson	76,149	86,570
Transit Maintenance Supervisor	86,776	105,502

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Transit Mechanic	69,888	79,414
Transit Mechanic - G	60,112	68,307
Transit Mechanic - Hydrogen	73,341	83,346
Transit Radio Dispatcher	49,712	71,011
Transit Safety Officer	68,000	82,653
Transit Service Development Supervisor	78,705	95,692
Transit Svc Development Aide	46,779	56,489
Transit Svc Development Specialist I	51,416	62,135
Transit Svc Development Specialist II	59,790	72,392
Transit Systems Safety Supervisor	82,653	100,485
Transportation Engineering Manager	105,502	128,252
Transportation Planner I	53,898	65,191
Transportation Planner II	64,563	78,092
Transportation Planner III	77,328	93,667
Transportation Planning Aide	44,842	54,170
Transportation Planning Manager	107,731	142,205
Transportation Superintendent	95,692	116,331
Transportation Supervisor	78,705	95,692
Upholsterer	69,888	79,414
Upholstery Foreperson	76,149	86,570
Utilities Coordination Manager	86,776	105,502
Utility Coordinator	70,673	85,511
Utility Worker	41,979	50,679
Vault Room Worker	40,233	48,579
Vehicle Parts Supervisor	78,705	95,692
Warranty Coordinator	86,776	105,502
Web Developer I	60,363	73,046
Web Developer II	73,046	88,430

VTA Transit
Revenue and Expense Category Descriptions

Line	Category	Description
1	Fares	Fares from bus, light rail, & VTA operated shuttles
2	1976 Half-Cent Sales Tax	1976 half-cent sales tax
3	TDA	Transportation Development Act (TDA), derived from a quarter-cent sales tax, limited to development & support of public transit
4	Measure A Sales Tax-Operating Assistance	Portion of 2000 Measure A half-cent sales tax allocated to fund VTA operating and maintenance costs (18.5%)
5	STA	State Transit Assistance (STA)—Sales tax on gasoline & diesel fuel distributed based on population & annual transit operator revenues
6	Federal Operating Grants	Primarily from Section 5307 of MAP-21 (Moving Ahead for Progress in the 21 st Century Act-2012) for Preventive Maintenance
7	Less Transfer for Capital	Represents the portion of Federal 5307 Formula Grants to be used toward capital replacement
8	State Operating Grants	AB 434 Transportation Fund for Clean Air (TFCA) Program grants derived from vehicle registration fees used to fund light rail and ACE shuttles; reimbursement for Clipper operating fees
9	Investment Earnings	Earnings on investments
10	Advertising Income	Advertising on vehicles and bus shelters
11	Measure A Repayment Obligation	Payment to VTA for debt service incurred on behalf of 2000 Measure A projects
12	Other Income	Property rental; permit fees; parking citations; ACE shuttle revenue
13	Total Revenue	Sum of lines 1 to 12
14	Labor Costs	Wages & fringe benefits for all employees
15	Materials & Supplies	Vehicle parts; fasteners; small tools; maintenance supplies; lubricants; oils; fluids; gasoline for non-revenue vehicles; propane; janitorial & safety supplies
16	Security	Allied Barton & Santa Clara County Sheriff's contracts
17	Professional & Special Services	Outside consulting & specialized professional services; auditors; special studies
18	Other Services	Outside repair; laundry service; towing; ads & promotion; external printing
19	Fuel	Diesel, bio-diesel, and gasoline for revenue vehicles
20	Traction Power	Electricity cost for light rail system
21	Tires	Tires for revenue vehicles
22	Utilities	Non-traction power electricity; gas; water; trash
23	Insurance	Property & Casualty premiums and self-insurance annual reserve
24	Data Processing	Software license fees and PC/hardware purchases

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

Line	Category	Description
25	Office Expense	Office supplies
26	Communications	Telephone, Wi-Fi, and cell phone usage
27	Employee Related Expense	Mileage, parking, and toll reimbursements; professional licenses; education & training; workshops; travel; employee recognition costs; operators' drivers licenses
28	Leases & Rents	Equipment leases (reproduction equipment) and property rentals (such as transit centers)
29	Miscellaneous	Books & subscriptions; Board member expenses; legal notices; membership dues; in-house printing costs; postage
30	Reimbursements	Reimbursement of staff labor & indirect costs or overhead for staff time spent in support of projects and programs
31	Subtotal Operating Expense	Sum of lines 14 to 30
32	Paratransit	OUTREACH contract (expenses net of revenues)
33	Caltrain	VTA costs associated with providing Caltrain rail service operating between San Francisco & Gilroy
34	Light Rail Shuttles	Contract costs associated with providing Light Rail Shuttle Program linking Light Rail stations with employment centers
35	Altamont Commuter Express	VTA costs associated with Altamont Commuter Express (ACE)
36	Highway 17 Express	VTA costs associated with providing Highway 17 Express bus service
37	Dumbarton Express	VTA costs associated with providing transbay express bus service
38	Monterey-San Jose Express	VTA costs associated with providing Monterey to San Jose Express bus service
39	Contribution to Other Agencies	Managing Agency (VTA) contribution to Congestion Management Program; Payment to BART for administering the Regional Transit Connection Discount Card Program (RTC) for paratransit passenger IDs; payments to cities for a portion of the revenue generated from bus shelter advertising; reimbursement to other agencies for Eco-Pass usage
40	Debt Service	Interest; principal; other bond charges
41	Subtotal Other Expense	Sum of lines 32 to 40
42	Operating and Other Expense	Line 31 plus line 41
43	Contingency	Organization-wide contingency fund for urgent and unexpected programs
44	Total Expenses & Contingency	Lines 42 plus line 43
45	Operating Balance	Line 13 minus line 44

***2000 Measure A Transit Improvement Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	2000 Half-Cent Sales Tax	2000 Measure A half-cent sales tax
2	Federal BABs Subsidy	Federal subsidy on Build America Bonds (BABs)
3	Investment Earnings	Earnings on investments
4	Other Income	Property rental
5	Total Revenue	Sum of lines 1 to 4
6	VTA Operating Assistance	Portion of 2000 Measure A half-cent sales tax allocated to fund VTA operating and maintenance costs (18.5%)
7	Professional & Special Services	Outside consulting and specialized professional services; auditors; special studies
8	Other Services	Printing of Citizens Watchdog Committee Annual Report
9	Leases & Rents	Meeting room rental for Citizens Watchdog Committee annual public hearing
10	Miscellaneous	Legal notices and printing for Citizens Watchdog Committee
11	Contributions to Other Agencies	Payment for operating contribution for phase II ZEB project, implementation of SAP Grants Module, and web-site redesign
12	Debt Service	Interest; principal; other bond charges
13	Repayment Obligation	Payment to VTA for debt service incurred on behalf of 2000 Measure A projects
14	Total Expense	Sum of lines 6 to 13
15	Revenues Over (Under) Expenses	Line 5 minus line 14

***Congestion Management Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	Federal Operating Grants	Surface Transportation Program Planning grant
2	State Operating Grants	Transportation Fund for Clean Air 40% Local Program Manager Administrator fees and SB 45 Programmed Project Monitoring Funds
3	Investment Earnings	Earnings on investments
4	Member Agency Fees	Fees paid by the County of Santa Clara, the 15 cities, and the managing agency (VTA)
5	Other Income	Revenues received for providing CMP's Regional Transportation Model to other entities and reimbursement for administration of SB 83 Vehicle Registration Fee Program
6	Total Revenue	Sum of lines 1 to 5
7	Professional & Special Services	Outside consulting and specialized professional services
8	Other Services	Ads & promotion; external printing
9	Data Processing	Specialized PC hardware and software
10	Office Expense	Office supplies
11	Contribution to Other Agencies	Contribution for upgrade of Countywide Travel Demand Model, CMA modeling system enhancements, and CMA database and web server enhancements
12	VTA Staff Services	Labor, benefits, and allocation of indirect costs for VTA staff providing support of Congestion Management Program and SB 83 Vehicle Registration Fee Program
13	Total Expense	Sum of lines 7 to 12
14	Revenues Over (Under) Expenses	Line 6 minus line 13

***Joint Development Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	Investment Earnings	Earnings on investments
2	Property Rental	Rental income from VTA owned properties
3	Proceeds from Sale of Property	Proceeds from sale of property
4	Total Revenue	Sum of lines 1 to 3
5	Professional & Special Services	Specialized professional services
6	Property Rental Transfer	Transfer of rental income to appropriate Fund (VTA Transit or 2000 Measure A)
7	Total Expense	Sum of lines 5 and 6
8	Revenues Over (Under) Expenses	Line 4 minus line 7

***Silicon Valley Express Lanes Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	Toll Revenues	Tolls collected from express lane users
2	Investment Earnings	Earnings on investments
3	Total Revenue	Sum of line 1 and 2
4	Professional & Special Services	Toll collection administration fees; toll collection system maintenance; enforcement
5	Utilities	Electricity and communications
6	Insurance	Property & Casualty premiums
7	Communications	Data lines
8	Miscellaneous	Membership dues
9	VTA Staff Services	Labor, benefits, and allocation of indirect costs for VTA staff providing support of Silicon Valley Express Lanes Program
10	Total Expense	Sum of lines 4 to 9
11	Revenues Over (Under) Expenses	Line 3 minus line 10

***BART Operating Sales Tax Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	Sales Tax Revenues	2008 Measure B eighth-cent sales tax
2	Investment Earnings	Earnings on investments
3	Total Revenue	Sum of lines 1 and 2
4	Professional & Special Services	Specialized professional services
5	Total Expense	Sum of line 4
6	Revenues Over (Under) Expenses	Line 3 minus line 5

1996 Measure B Transportation Improvement Program

Overview

In November 1996, the voters in Santa Clara County approved Measure A, an advisory measure listing an ambitious program of transportation improvements for Santa Clara County. Also approved on the same ballot, Measure B authorized the County Board of Supervisors to collect a nine-year half-cent sales tax for general county purposes. Subsequently, the County Board of Supervisors adopted a resolution dedicating the tax for Measure A projects. Collection of the tax began in April 1997. However, use of the revenue was delayed pending the outcome of litigation challenging the legality of the sales tax. In August 1998, the California courts upheld the tax allowing the implementation of the Measure A transportation projects to move forward.

In February 2000, the VTA Board of Directors approved a Master Agreement formalizing the partnership with the County of Santa Clara to implement the 1996 Measure B Transportation Improvement Program (1996 MBTIP). With this partnership in place, the County and VTA were in a position to complete a transportation program valued at over \$1.4 billion. VTA was responsible for project implementation and management of the transit and highway projects and assisted in the administration of the pavement management and bicycle elements of the program.

The Measure B sales tax expired on March 31, 2006. Subsequent to expiration of the tax, VTA executed two amendments to the Master Agreement; one to allocate Measure B funding for station improvements at the Palo Alto and California Avenue Caltrain stations, and one to define the financial terms and responsibilities to complete the 1996 MBTIP. This final amendment, No. 20, takes into consideration the projects still in progress, reconciles remaining payments between VTA and the County, and establishes priorities in the event that remaining contracts are closed-out under budget. Pursuant to the amendment, the County made a lump sum payment to VTA for the completion of the projects remaining to be advertised and closed out.

There are no new funds appropriated to this program as part of the FY 2014 and FY 2015 budget. With the exception of the Combined Biological Mitigation Site (CBMS) Project and the Santa Clara Valley Habitat Conservation Plan/NCCP Project, it is anticipated that all remaining 1996 MBTIP projects will be completed and closed out by the end of calendar year 2013. The CBMS and Habitat Conservation Plan/NCCP Projects are scheduled to close out by the end of FY 2016.

1996 Measure B Transportation Improvement Program Total Available Appropriation

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The following table reflects the projected carryover at June 30, 2013 for the 1996 Measure B Transportation Improvement Program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY13	B Projected Expenditures Through FY13¹	C=(A-B) Projected FY13 Capital Carryover
P-0189	85 & 101 Interchange Mt. View	Fund Exchange	27,154	27,094	60
		1996 Measure B	101,389	101,361	28
		Total	128,543	128,455	89
P-0273	Route 152 Project	City	5,494	5,494	0
		1996 Measure B	18,407	18,382	25
		Total	23,901	23,876	25
<i>Highway Total</i>			<i>152,444</i>	<i>152,331</i>	<i>114</i>
P-0002	Vasona Light Rail	Federal	61,505	61,505	0
		State	15,000	15,000	0
		City	580	580	0
		Fund Exchange	1,644	1,644	0
		Other	56,417	56,417	0
		1996 Measure B	161,332	161,194	138
		VTA Transit	16,500	16,500	0
		Total	312,977	312,839	138
<i>Rail Facility Expansion Total</i>			<i>312,977</i>	<i>312,839</i>	<i>138</i>
P-0274	Combined Biological Mitigation Site	1996 Measure B	6,986	6,153	833
P-0560	Santa Clara Valley HCP / NCCP	Fund Exchange	150	150	0
		1996 Measure B	1,210	1,192	18
		Total	1,360	1,342	18
P-0652	Measure B Close Out	1996 Measure B	5,345	3,600	1,745
<i>Miscellaneous Total</i>			<i>13,691</i>	<i>11,096</i>	<i>2,595</i>
<i>Grand Total</i>			<i>479,113</i>	<i>476,265</i>	<i>2,847</i>

¹ Projection as of August 5, 2013

Note: Totals may not be precise due to independent rounding

VTA/ATU Pension Plan

All VTA employees represented by Amalgamated Transit Union, Local 265 (ATU) are covered by the VTA/ATU Pension Plan. The Pension Plan and Pension contract are administered and enforced by the Board of Pensions. The Board of Pensions is composed of seven Trustees, three appointed by ATU, three appointed by VTA, and one jointly appointed by ATU and VTA. The Board of Pensions oversees, directs, and administers the Pension contract and its funds.

The table below shows the FY 2014 and FY 2015 VTA/ATU Pension Plan Budget adopted by the Board of Pensions.

***VTA/ATU Pension Plan
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY 2014 Adopted Budget	FY 2015 Adopted Budget	% Var
1	VTA Employer Contribution	27,479	27,479	0.0%
2	Investment Earnings	27,181	29,084	7.0%
3	Total Revenue	54,660	56,563	3.5%
4	Pension Payments to Retirees	29,243	31,906	9.1%
5	Professional & Special Services	2,537	2,640	4.1%
6	Total Expense	31,781	34,547	8.7%
7	Surplus/(Deficit) to Fund Balance	22,879	22,016	

Note: Totals and percentages may not be precise due to independent rounding.

Santa Clara County Demographic and Economic Information

General Information

The County of Santa Clara (the "County") lies immediately south of San Francisco Bay and is the sixth most populous county in the State of California (the "State"). It encompasses an area of approximately 1,300 square miles. The County was incorporated in 1850 as 1 of the original 28 counties of the State and operates under a home rule charter adopted by County voters in 1950 and amended in 1976.

The southern portion of the County has retained the agricultural base which once existed throughout the area and has two cities, separated by roughly 10 miles. The northern portion of the County is densely populated, extensively urbanized and heavily industrialized. The County contains 15 cities, the largest of which is the City of San Jose, the third largest city in the State and the County seat. The uppermost northwestern portion of the County, with its concentration of high-technology, electronics-oriented industry, is popularly referred to as the "Silicon Valley". Large employers include Google Inc., Apple Inc., Oracle Corporation, Cisco Systems, Inc., Hewlett-Packard Company and Yahoo! Inc.

Neighboring counties include San Mateo in the northwest, Santa Cruz in the southwest, San Benito in the south, Merced and Stanislaus in the east, and Alameda in the northeast. The City of San Jose is approximately 50 miles south of San Francisco and 42 miles south of the City of Oakland. These are the three largest cities of the nine-county San Francisco Bay Area, with the City of San Jose being the largest.

As required under the County Charter and under County ordinances, or by state and federal mandate, the County is responsible at the local level for activities involving public welfare, health and justice (courts and jails), and for the maintenance of public records. The County also operates recreational and cultural facilities serving the unincorporated areas of the County and on a regional basis.

Population

Historical Population Growth

Over the past 60 years, the County's population growth pattern has exhibited three decades of rapid growth followed by three decades of more sustainable growth rates.

According to U.S. Census figures, the number of County residents grew by 66% between 1940 and 1950, with most of the increase concentrated in the unincorporated areas and in the largest cities of San Jose, Palo Alto and Santa Clara. In the next decade, from 1950 to 1960, population grew by 121% with every major city, as well as the unincorporated areas experiencing huge increases. The County also recorded the incorporation of four new cities during the 1950s, raising the total number of cities to its current level of fifteen.

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

The County's population growth subsided somewhat during the 1960s, although the 66% growth rate was over four times the 15.4% statewide increase. The population of San Jose doubled for the second decade in a row, while the cities of Mountain View, Santa Clara, and Sunnyvale added at least 23,000 residents each. As a result of the incorporation of four cities, the unincorporated area of the County posted its first decline in the 1960s, setting the stage for further drops in each of the subsequent three decades.

The County population growth rate fell to 21.5% during the 1970s. San Jose continued to add more residents (183,621) than any other city, while two of the larger cities (Palo Alto and Santa Clara) recorded small population declines and residents in the unincorporated area fell by 25,160. The slower growth of the 1970s reflected a slowing urbanization, due in part to policies adopted by the County to preserve agricultural areas.

The data from the 2010 U.S. Census indicate that the County's population reached 1,781,642, representing a 37.6% increase from the population base in 1980, an average rate of 11.2% per Census count. Over the same period, statewide population grew more rapidly at a rate of 16.3%. San Jose surpassed San Francisco as the largest city in the Bay Area, with a population of 945,942. According to the 2010 census data, over one-half of the County's residents live in San Jose.

The proportion of residents living in cities is currently 95.0%, in contrast to the County's makeup in 1940 when urban residents made up only 6.5% of the County's population. Since the 1940s, the increasing maturation of the County's employment and economic sectors has resulted in the incorporation of new cities, as well as the expansion of city boundaries, resulting in a shrinking fraction (currently 4.7%) of residents living in unincorporated areas.

Recent Annual Population Performance

Between 2010 and 2013, the County population grew another 3.4%. All of the cities in the County experienced growth during this period, with the City of Morgan Hill posting the fastest growth (5.8%). The number of residents living in the unincorporated areas of the County declined 4.2% from 2010 to 2013. Currently, approximately 4.7% of the County residents live in unincorporated areas, a percentage which has steadily decreased over time as the population continues to migrate toward the cities.

By the year 2020, the State Department of Finance predicts that the County's population will grow by approximately 47,600 residents, a 2.6% increase from 2013. (Source: State of California, Department of Finance, Demographic Research Unit (Report P-1). The table on the following page provides a historical summary of population in the County and its incorporated cities.

County of Santa Clara Population

<u>City</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2013¹</u>
Campbell	24,731	26,843	36,088	38,138	39,349	40,404
Cupertino	18,216	34,297	39,967	50,602	58,302	59,620
Gilroy	12,665	21,641	31,487	41,464	48,821	51,544
Los Altos	24,872	25,769	26,599	27,693	28,976	29,792
Los Altos Hills	6,862	7,421	7,514	8,025	7,922	8,264
Los Gatos	23,466	26,906	27,357	28,592	29,413	30,247
Milpitas	27,149	37,820	50,690	62,698	66,790	67,894
Monte Sereno	3,074	3,434	3,287	3,483	3,341	3,420
Morgan Hill	6,485	17,060	23,928	33,586	37,882	40,079
Mountain View	54,206	58,655	67,365	70,708	74,066	76,260
Palo Alto	55,999	55,225	55,900	58,598	64,403	66,368
San Jose	445,779	629,400	782,224	895,131	945,942	984,299
Santa Clara	87,717	87,700	93,613	102,361	116,468	120,284
Saratoga	27,199	29,261	28,061	29,849	29,926	30,706
Sunnyvale	95,408	106,618	117,324	131,844	140,081	145,973
Unincorporated	152,181	127,021	106,173	99,813	89,960	87,100
County Total	<u>1,066,009</u>	<u>1,295,071</u>	<u>1,497,577</u>	<u>1,682,585</u>	<u>1,781,642</u>	<u>1,842,254</u>
California	18,136,045	23,668,145	29,760,021	33,873,086	37,253,956	37,966,471

¹ As of January 1, 2013.

Source: U.S. Census 1970-2010; State of California, Department of Finance, Demographic Research Unit (E-4 Population Estimates for Cities, Counties and State).

Employment and Industry

The County is home to a highly skilled and diverse work force, a situation that has traditionally translated into lower unemployment rates in the County when compared to state and national average unemployment rates. Four major industry sectors account for approximately 70% of the County’s employment for 2011: Goods Producing (186,300); Professional & Business Activities (168,800); Trade, Transportation & Utilities (125,000); and Education & Health Services (116,600).

Development of high technology has been enhanced by the presence of Stanford University, Santa Clara University, San Jose State University, other institutions of higher education, and research and development facilities, such as SRI International, the Stanford Linear Accelerator Center, and Ames Research Center (NASA) within the County. In addition, the Rincon de los Esteros Redevelopment Area in northern San Jose has been the site of industrial/research and development submarkets in Silicon Valley.

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The following table lists wage and salary employment in the County by Industry.

County of Santa Clara
Average Annual Employment by Industry
(In Thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012¹</u>
Civilian Labor Force	844.7	870.4	875.6	881.6	893.7	911.0
Employment	805.1	818.4	780.8	784.7	806.1	834.4
County Unemployment	39.6	52.0	94.7	96.9	87.6	76.6
Unemployment Rate:						
County	4.7%	6.0%	10.8%	11.0%	9.8%	8.4%
State of California	5.4%	7.2%	11.3%	12.4%	11.8%	10.5%
Industry Employment						
Total, All Industries	900.3	905.2	847.5	846.2	869.0	N/A
Total Farm	3.9	3.7	3.5	3.5	3.4	N/A
Total Non-farm	896.5	901.5	844.0	842.6	865.6	N/A
Goods Producing	209.6	208.2	186.9	182.6	186.3	N/A
Natural Resources & Mining	0.3	0.3	0.2	0.2	0.2	N/A
Construction	45.5	42.8	33.4	31.4	30.6	N/A
Manufacturing	163.8	165.2	153.3	151.0	155.5	N/A
Service Providing	686.9	693.3	657.1	660.0	679.2	N/A
Trade, Transportation & Utilities	137.3	135.3	124.2	123.2	125.0	N/A
Information	39.5	42.2	41.5	43.8	48.9	N/A
Financial Activities	36.8	34.2	31.2	30.6	31.4	N/A
Professional & Business Services	176.6	178.0	160.7	161.3	168.8	N/A
Education & Health Services	102.5	107.2	108.4	112.0	116.6	N/A
Leisure & Hospitality	75.3	76.6	73.5	73.8	75.2	N/A
Other Services	24.6	25.0	24.1	23.9	23.9	N/A
Government	94.3	94.9	93.4	91.5	89.5	N/A

¹ 2012 data for industry types not yet available

Note: Totals may not be precise due to independent rounding. Data based on the 2011 Benchmark.

Source: State of California Employment Development Department.

Major Employers

The County, which is centered in the heart of Silicon Valley, is home to numerous high technology and computer software and hardware manufacturing companies. According to the Silicon Valley Business Journal, as of January 1, 2012, Cisco, a technology company, was the largest employer in the Silicon Valley with 15,492 employees. Among Public-sector employers, the County ranks as number one, employing nearly 15,000 workers. Although there have been hiring freezes and cut-backs that have impacted public-sector organizations, such organizations typically tend to remain more stable in a volatile job market.

The following tables list the 10 largest private-sector and public-sector employers in the Silicon Valley, which encompasses the County and surrounding areas.

***10 Largest Private-Sector Employers
Silicon Valley***

Employer Name	Employees	Nature of Operations
Cisco Systems Inc.	15,492	Technology
Kaiser Permanente Northern California	13,500	Integrated health care delivery plan
Apple, Inc.	12,000	Consumer electronics
Stanford University	11,020	Higher education
Oracle Corp.	8,000	Enterprise hardware and software
Stanford Hospital & Clinics	7,924	Hospital
Lockheed Martin Space Systems Co.	6,900	Aerospace/global security
Google, Inc.	6,000	Search, advertising and web software
Intel Corp.	5,871	Chipmaker
Hewlett-Packard Co.	5,000	Enterprise hardware and software

Source: Silicon Valley/San Jose Business Journal, *Book of Lists 2013*, December 28, 2012.

***10 Largest Public-Sector Employers
Silicon Valley***

Employer Name	Employees	Nature of Operations
Santa Clara County	14,957	County government
State of California	6,569 ¹	State government
City of San Jose	5,400	City government
San Mateo County	5,234	County government
Santa Clara Valley Medical Center	5,118	Hospital and clinic system
University of California, Santa Cruz	4,553	Higher education
Department of Veteran Affairs	4,500	Veteran health care
County of Monterey	4,200	County government
San Jose State University	2,459	Higher education
San Jose Unified School District	2,378	Public education

¹ Full-time employees in Santa Clara, San Mateo, Santa Cruz, San Benito, and Monterey Counties.

Source: Silicon Valley Business Journal, *Book of Lists 2013*, December 28, 2012.

Income

The American Community Survey, a nationwide survey conducted by the U.S. Census Bureau, reported that in 2011 the County had a median household income of \$89,064 whereas the state average was \$61,632.

Commercial Activity

The County is an important center of commercial activity. Taxable sales activities at business and personal service outlets, as well as at other non-retail commercial establishments, are a significant component of the County's commercial activity.

The table on the following page sets forth the amount of taxable transactions by sector from 2007 through 2011, the last full calendar year for which information is available.

County of Santa Clara
Taxable Transactions by Sector
2007 through 2011¹
(Dollars in Millions)

Sector	2007	2008	2009	2010	2011
Clothing and Clothing Accessories Stores	1,334.1	1,422.7	1,690.2	1,824.6	1,997.3
General Merchandise Stores	3,112.5	2,946.5	2,272.2	2,368.8	2,448.0
Food and Beverage Stores	890.3	868.6	975.1	984.8	1,022.8
Food Services and Drinking Places	2,813.5	2,876.8	2,705.1	2,848.8	3,097.4
Furniture, Electronics and Appliances ²	901.2	1,068.5	1,622.9	1,829.8	1,983.0
Building Materials and Garden Equip.	1,581.9	1,356.5	1,165.0	1,245.9	1,317.0
Motor Vehicle and Parts Dealers	3,468.2	2,709.9	2,284.0	2,538.0	2,894.9
Gasoline Stations	2,320.5	2,526.1	1,800.2	2,104.8	2,559.5
Other Retail Stores	4,368.1	3,537.7	1,870.6	1,950.2	2,099.7
Total Retail Stores	20,790.3	19,313.3	16,385.2	17,695.9	19,419.5
Business and Personal Services ³	1,244.4	1,111.7	N/A	N/A	N/A
All Other Outlets	11,628.7	11,849.2	11,042.5	12,827.5	14,011.7
Total All Outlets⁴	33,663.4	32,274.3	27,427.7	30,523.3	33,431.2

¹ Most recent data available

² Beginning 2009 includes computer, software and camera stores previously included in Other Retail Stores sector

³ Not available after 2008

⁴ Totals may not be precise due to independent rounding

Source: State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity and Home Sales

Construction and home sales activity in the County has started to rebound from the declines seen in 2009-2001. However, building permit valuations and new dwelling units are still well below levels from ten years ago. Construction data for the County indicates that the value of new residential permits in 2012 is 25.8% below 2003 levels. The value of new non-residential building permits in 2012 is 32.2% below 2003 levels. The total valuation of new residential and non-residential construction permits issued in the County was approximately \$1.75 billion in 2012, representing a decrease of \$0.7 billion (28.3%) from the 2003 total valuation. The number of new single family dwelling units in the County for 2012 is 45.3% below the 2003 level. New multiple-family dwelling units in 2012 are lower than the 2003 level by 23.2%.

The tables on the following page provide a summary of building permit valuations and the number of new dwelling units authorized in the County since 2003.

***County of Santa Clara
Building Permit Valuations
2003 to 2012
(Dollars in Millions)***

Year	New Residential	New Non-Residential	Total
2003	1,466.4	972.9	2,439.3
2004	1,406.2	915.8	2,322.0
2005	1,537.3	1,287.8	2,825.1
2006	1,652.9	1,534.2	3,187.1
2007	1,378.2	1,986.2	3,364.4
2008	1,051.1	1,914.5	2,965.7
2009	578.7	1,187.8	1,766.5
2010	1,085.9	1,155.6	2,241.5
2011	333.7	627.7	961.4
2012	1,088.4	660.1	1,748.5

Source: Construction Industry Research Board.

***County of Santa Clara
Number of New Dwelling Units
2003 to 2012***

Year	Single Family	Multiple Family	Total
2003	2,320	5,170	7,490
2004	2,688	2,816	5,504
2005	2,577	3,295	5,872
2006	2,257	3,928	6,185
2007	2,063	2,520	4,583
2008	1,254	2,417	3,671
2009	667	450	1,117
2010	826	3,627	4,453
2011	464	64	528
2012	1,269	3,970	5,239

Source: Construction Industry Research Board.

Sales of single-family homes rose 7.8% for the calendar year 2012 compared to calendar year 2011 while the median price for a single-family home in the County was up by 12.9% for the calendar year 2012 compared to calendar year 2011.¹

¹ Source: 2012 RE Report, The Real Estate Report for Santa Clara County, California (www.rereport.com).

List of Acronyms

<u>Term</u>	<u>Definition</u>
AB	Assembly Bill
ABAG	Association of Bay Area Governments
AC	Alameda County
ACE	Altamont Commuter Express
ACS	Advanced Communication System
ACTC	Alameda County Transportation Commission
ADA	The Americans with Disabilities Act of 1990
AFSCME	American Federation of State, County, and Municipal Employees
APC	Automatic Passenger Counter
APM	Airport People Mover
ARRA	American Recovery and Reinvestment Act of 2009
ATU	Amalgamated Transit Union
BAAQMD	Bay Area Air Quality Management District
BABs	Build America Bonds
BART	Bay Area Rapid Transit District
BCDC	San Francisco Bay Conservation and Development Commission
BRT	Bus Rapid Transit
BSSP	Bus System Safety Program
CAD-AVL	Computer Aided Dispatch-Automated Vehicle Location
CAFR	Comprehensive Annual Financial Report
CalPERS	California Public Employees' Retirement System
CARB	California Air Resources Board
CARE	Customers Are Resources to Excellence
CBMS	Combined Biological Mitigation Site
CCTV	Closed Circuit Television
CE	Conceptual Engineering
CELR	Capitol Expressway Light Rail
CFO	Chief Financial Officer
CID	Customer Interface Device
CIP	Capital Improvement Plan
CIPOC	Capital Improvement Program Oversight Committee
CIPWG	Capital Improvement Program Working Group

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<u>Term</u>	<u>Definition</u>
CMA	Congestion Management Agency
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CRM	Customer Relationship Management
CTC	California Transportation Commission
CTFA	California Transit Finance Authority
DASH	Downtown Area Shuttle
DBE	Disadvantaged Business Enterprise
DOS	Disk Operating System
DTEV	Downtown East Valley
FFGA	Full Funding Grant Agreement
FMLA	Family Medical Leave Act
FPI	Freeway Performance Initiative
FRR	Freight Railroad Relocation
FTA	Federal Transit Administration
FTE	Full-Time Equivalent
FY	Fiscal Year
GFCI	Ground Fault Circuit Interrupter
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GM	General Manager
GPS	Global Positioning System
HCP	Habitat Conservation Plan
HMC	Hayward Maintenance Complex
HOV	High Occupancy Vehicle
HVAC	Heating, Ventilation and Air Conditioning
INIT	Corporation who provides Intelligent Transportation Systems
IRS	Internal Revenue Service
IT	Information Technology
iTEAM	Innovative Delivery Team Program

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

<u>Term</u>	<u>Definition</u>
ITS	Intelligent Transportation Systems
JPA	Joint Powers Authority
JWI	Joint Workforce Investment
LED	Light-Emitting Diode
LIBOR	London Interbank Offering Rate
LLP	Limited Liability Partnership
LMR	Land Mobile Radio
LOS	Level of Service
LPG	Liquid Propane Gas
LR	Light Rail
LRT	Light Rail Transit
LRV	Light Rail Vehicle
LTE	Long Term Evolution
MAP-21	Moving Ahead for Progress in the 21 st Century Act
MBTIP	1996 Measure B Transportation Improvement Program
MCLTP	Maintenance Career Ladder Training Program
METRO	Santa Cruz Metropolitan Transit District
MPO	Metropolitan Planning Organization
MSA	Metropolitan Statistical Area
MST	Monterey-Salinas Transit
MTC	Metropolitan Transportation Commission
MWT	Mission, Warren, Truck-Rail
NASA	National Aeronautics and Space Administration
NCCP	Natural Community Conservation Planning
NR	Non-represented
O&R	Overhaul and Repair
OBAG	OneBayArea Grant
OCC	Operations Control Center
OCS	Overhead Catenary System
OH	Overhead
OPEB	Other Post Employment Benefits
OPS	Operations
PA	Public Address

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

<u>Term</u>	<u>Definition</u>
PA/ED	Project Approval/Environmental Documentation
PAB	Policy Advisory Board
PBX	Private Branch Exchange
PC	Personal Computer
PCJPB	Peninsula Corridor Joint Powers Board (Caltrain)
PEPRA	Public Employees' Pension Reform Act
PID	Project Initiation Document
RFP	Request for Proposal
RIM	Records Information Management
RM2	Regional Measure 2
ROW	Right of Way
RSSP	Rail System Safety Program
RTC	Regional Transit Connection Discount Card Program
RTCI	Regional Transit Capital Inventory
RTI	Real Time Information
RTP	Regional Transit Plan
RTPA	Regional Transit Planning Agency
SAP	Systems, Applications and Products Software
SB	Senate Bill
SBOE	State Board of Equalization
SC	Santa Clara
SCADA	Supervisory Control and Data Acquisition
SEC	Security and Exchange Commission
SEIU	Services Employees International Union
SGR	State of Good Repair
SJ	San Jose
SJRRC	San Joaquin Regional Rail Commission
SLPP	State-Local Partnership Program
SR	State Route
SRI	Stanford Research Institute
SRTP	Short Range Transit Plan
STA	State Transit Assistance
STIP	State Transportation Improvement Program

VTA FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

<u>Term</u>	<u>Definition</u>
STP	Surface Transportation Program
SUV	Sport Utility Vehicle
SVBX	Silicon Valley Berryessa Extension
SVELP	Silicon Valley Express Lanes Program
SVRT	Silicon Valley Rapid Transit Corridor Project
SVSX	Silicon Valley Santa Clara Extension
TAEA	Transportation Authority Engineers and Architects Association
TBD	To Be Determined
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TERM	Transit Economics Requirements Model
TFCA	Transportation Fund for Clean Air
TIC	True Interest Cost
TIFIA	Transportation Infrastructure Finance and Innovation Act
TOD	Transit Oriented Development
TOS	Traffic Operations Systems
TPI	Transit Performance Initiative
TPSS	Traction Power Substations
TSGP	Transit Security Grant Program
TSP	Transit Sustainability Project
TVM	Ticket Vending Machine
TWC	Train-to-Wayside Communication
UP	Union Pacific
UPRR	Union Pacific Railroad
UPS	Uninterruptable Power Supply
US	United States
UZA	Urbanized Area
VETS	Veterans' Employment and Training Service
VoIP	Voice Over Internet Protocol
VTA	Santa Clara Valley Transportation Authority
VTP	Valley Transportation Plan
VTT	Verification of Transit Training
ZEB	Zero Emission Bus

Glossary of Terms

A

Accrual Accounting

A method of accounting where revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

Ad Hoc Financial Recovery Committee

Committee formed by VTA Board of Directors in December 2009 to review VTA's financial structure and develop recommendations to address VTA's long-term structural deficit.

Administrative Code

A set of rules which have been formally adopted or amended by the Board of Directors.

Administrative Services Division

A division of VTA responsible for developing and supporting VTA's human capital and business functions including information technology; employee recruitment, selection, classification, compensation, and benefits; labor relations; organizational development and training; safety; and enterprise risk management.

Adopted Budget

The official budget adopted by VTA Board of Directors.

Altamont Commuter Express (ACE)

A commuter rail service that runs between the City of Stockton in San Joaquin County and the City of San Jose in Santa Clara County. The service is a partnership involving VTA, the San Joaquin Regional Rail Commission, and the Alameda County Congestion Management Agency.

American Recovery and Reinvestment Act of 2009 (ARRA)

A job and economic stimulus bill intended to help states and the nation restart their economies and stimulate employment.

Americans with Disabilities Act (ADA)

Federal civil rights legislation that, among other provisions, gives disabled persons the right to equal access to fixed route transit service or to comparable paratransit service if they are unable to use fixed route transit.

Appropriation

Legal authorization expressed by fund and budget type granted by the Board of Directors to make expenditures and to incur obligations for specific purposes. Operating appropriations are time period limited and must be expended or encumbered within the time limits. Capital appropriations have no expiration.

Articulated Bus

A bus usually 55-feet or more in length that bends at a connecting point when the bus turns a corner.

Average Weekday Boarding Riders

The average number of persons who board the transit system on a day that normal weekday revenue service is provided.

B

Balanced Budget

A budget in which expected revenues equal expected expenses during a fiscal period.

Bay Area Air Quality Management District (BAAQMD)

Commonly referred to as the “air district,” this agency regulates industry and employers to keep air pollution in check and sponsors programs to clean the air in the San Francisco Bay Area.

Bay Area Rapid Transit (BART)

The San Francisco Bay Area Rapid Transit District (BART) provides heavy passenger rail service in Alameda, Contra Costa, San Mateo, and San Francisco counties, between the cities of Fremont, Pleasanton, Richmond, Pittsburg, Millbrae, and San Francisco.

Biodiesel

A diesel-equivalent processed fuel, made from vegetable oils or animal fats, which can be used alone or blended with conventional diesel fuel in unmodified diesel-engine vehicles. Biodiesel is biodegradable and non-toxic and typically produces less carbon dioxide emissions and smog than petroleum-based diesel fuel.

Board Designation

Designations by the Board of Directors reflecting self-imposed limitations on the use of otherwise available and expendable financial resources.

Boardings per Revenue Hour

A productivity measure comparing the number of boardings to the number of revenue hours operated. Used to measure service utilization per unit of service operated.

Bond

Long-term debt issued by an agency to help finance new acquisitions of property, facilities, and equipment.

Bond Indenture

A contract between an issuer of bonds and the bondholder stating the time period before repayment, amount of interest paid, if the bond is convertible, if the bond is callable, and the amount to be repaid.

Budget Type

A unit of budget funding control (e.g., operating or capital).

Budget Unit

A unit of budget funding control (e.g., division, cost group, or project number).

Build America Bonds (BABs)

Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. Build America Bonds were created as part of the 2009 American Recovery and Reinvestment Act (ARRA).

Bus Rapid Transit (BRT)

BRT combines the quality of rail transit and the flexibility of buses. It can operate on exclusive transit-ways, High Occupancy Vehicle (HOV) lanes, expressways, or ordinary streets. A BRT system combines Intelligent Transportation Systems technology, priority for transit, cleaner and quieter vehicles, rapid and convenient fare collection, and integration with land use policy.

C

Caltrain

Commuter rail service running between Gilroy and San Francisco through San Jose. The Peninsula Corridor Joint Powers Board (PCJPB), made up of representatives from the counties of San Francisco, San Mateo, and Santa Clara, oversees this commuter rail service.

Capital Budget

A portion of the annual budget that appropriates funds for the purchase of capital equipment items or for capital projects. The capital budget includes funds for capital equipment purchases such as vehicles, construction of new facilities, office equipment, and machinery. They are distinguished from operating items based on their value (greater than \$5,000) and projected useful life (greater than one year).

Capital Expenditure

Expenses that acquire, improve, or extend the useful life of any item with an expected life of one or more years and a value of more than \$5,000.

Capital Project

Expenditure for tangible long-lived assets, such as property and equipment used by VTA in its operations, which is expected to benefit future periods.

Capitol Corridor Intercity Rail Service

A 150-mile intercity rail service along the Union Pacific right-of-way, which runs between San Jose and Auburn, through Oakland and Sacramento.

Catenary

Suspended overhead wire which carries high voltage for electrically powered transit vehicles from a central power source.

Clipper

A regional electronic fare payment collection system in the San Francisco Bay Area. Previously known as Translink.

Community Design and Transportation Program

A partnership between the VTA and the 15 cities and the county to develop and promote strategies for improving transportation systems and community livability.

Congestion Management Agency (CMA)

A countywide organization responsible for preparing and implementing the county's Congestion Management Program. CMAs came into existence as a result of state legislation and voter approval of proposition 111 in 1990 (later legislation removed the statutory requirements of Proposition 111, making CMAs optional). VTA is the designated CMA in Santa Clara County.

Congestion Management Division

A division of VTA responsible for conducting all Congestion Management Program (CMP) and VTA transportation planning activities. In addition, the division is responsible for project development activities, project approval, programming and grants management, and property development and management functions.

Congestion Management Program (CMP)

A comprehensive program designed to reduce traffic congestion, enhance the effectiveness of land use decisions, and improve air quality. The program must comply with CMP state statutes, and with State and Federal Clean Air Acts.

Congestion Mitigation and Air Quality Improvement Program (CMAQ)

A federal funding program specifically for projects and programs that will contribute to the attainment of a nation ambient air quality standard.

Contingency

A reserve created to cover the deficiency that may arise where an original appropriation proves inadequate to cover the necessary expenditures.

Corridor Mobility Improvement Account (CMIA)

A state highway funding program for projects on the California State Highway System that: reduces travel time or delay, improves connectivity of the State Highway System between rural, suburban, and urban areas, or improves the operation and safety of a highway or road segment; improves access to jobs, housing, markets, and commerce; and begins construction before December 2012.

Cost Center

A unit of business under a single manager that incurs costs for an activity or group of activities.

Cost Group

VTA uses expenditure cost groups such as labor costs, non-labor costs, contracted and interagency transit services, and debt service. They are the lowest units of budget funding control.

Counterparty

A party in a swap transaction.

Cubic

Cubic Transportation Systems, an American company that provides automated fare collection equipment and services to the mass transit industry.

D

Debt Reduction Fund

A designated reserve fund established to facilitate reductions in unfunded obligations and long-term liabilities and to provide funds for transit related capital improvements and for replacement of capital assets in lieu of financing.

Debt Service

The payment of interest and principal on long-term borrowed funds according to a predetermined payment schedule. May also include other bond-related costs such as remarketing, liquidity, and trustee fees.

Defeased Bonds

Bonds that have been secured by cash or securities which have been placed in escrow until the maturity date of the bonds.

Department

Mid-level unit of organization structure. A sub-section of a division responsible for specific functions or duties.

Designated Fund

Fund designated by the Board of Directors for specific use.

Division

Top-level grouping of departments representing the functions of the organization.

E

Eco Pass

Partnership between VTA and Santa Clara Valley employers, residential communities and colleges/universities for a transit card with unlimited use of VTA bus and light rail services. Employers/residential communities/colleges/universities purchase annual Eco Pass stickers for full-time employees/residents/students at a given site for one low cost.

eDiscovery

Discovery in civil litigation which deals with the exchange of information in electronic format.

Engineering & Construction Division

A division of VTA responsible for the design of VTA projects once project development is complete and the project is approved and funded. The division is responsible for design and construction through turnover of the facility to VTA or the appropriate agency.

Enterprise Fund

A fund type used to account for “business-type activities” – activities similar to those found in the private sector.

Ex Officio Board Members

Metropolitan Transportation Commissioners who reside in Santa Clara County, and who are not members or alternates of the Board of Directors, are invited to serve as Ex Officio members of the Board of Directors. Upon acceptance as Ex Officio Board members they are invited to, and may regularly attend, Board meetings including closed sessions. Their attendance is not counted for purposes of establishing a quorum, they do not have voting rights, and they do not serve on the standing committees of the Board.

Express Bus Service

Long-distance, limited stop bus routes operated primarily to connect commuters from outlying suburban areas with urban employment centers/areas and schools. Express buses primarily operate in peak commute periods and usually only on weekdays.

Express Lanes

High occupancy toll lanes that combine the characteristics of High Occupancy Vehicle (HOV) lanes and toll roads by allowing carpools, vanpools, and buses free access, while charging for single occupant vehicle or drive alone use.

External Affairs Division

A division of VTA responsible for developing and executing a cohesive communication plan for VTA, integrating media relations, community outreach, marketing, customer service, and government affairs activities supporting VTA’s strategic goals.

F

Fare Evasion Rate

Number of passengers checked who do not have a valid paid fare divided by total number of passengers checked.

Farebox Revenue/Fares

Income generated from passengers using transit service. This includes cash deposited in fareboxes; income from the sales of tokens, tickets, and monthly passes; and revenues from special pass programs.

Federal Transit Administration (FTA)

A component of the U.S. Department of Transportation that provides financial assistance to cities and communities to provide mobility to their citizens.

Fiduciary Funds

Funds used to account for resources held for the benefit of parties outside VTA.

Financial Forecasting Model

A financial analysis model that integrates projections of expenses and revenues, both capital and operating, to assess financial capacity.

Fiscal Resources Division

A division of VTA that fulfills the Controller and Treasury functions for VTA including financial reporting, accounting, budgeting, investment services, cash management, debt administration, payroll, accounts receivable, accounts payable, and fare programs and services. In addition, purchasing, messenger/mail services, contracts administration, and the disadvantaged business enterprise (DBE) program are the responsibility of the division.

Fiscal Year

Period of any 12 consecutive months used as an accounting period. VTA's fiscal year is July 1 through June 30.

Fixed Rate Swap

A swap, under which a borrower pays a counterparty a fixed rate in exchange for receiving a variable rate; most commonly used to convert variable rate bonds into synthetic fixed rate obligations.

Freeway Performance Initiative (FPI)

A Metropolitan Transportation Commission (MTC) initiative consisting of concurrent corridor studies with an emphasis on effective management and operations as a means to improve system performance.

FTA Section 5307

Funds provided through the Federal Transit Administration to Urbanized Areas (UZAs) using a complex formula, also known as Federal Formula Funds. These funds are not available for operating assistance in UZAs with a population over 200,000; however, they can be used for preventive maintenance purposes. Additionally, in UZAs with populations greater than 200,000, one percent of the UZA formula funds are to be spent on transit enhancements, which include rehabilitation, connections to parks, signage, pedestrian and bicycle access, and enhance access for those persons with disabilities; and one percent must be spent on security.

FTA Section 5337

Discretionary and formula transit capital funds provided through the Federal Transit Administration. Categories include "State of Good Repair Funding" (restricted to rail system uses) and "High Intensity Bus". Replaced the Fixed Guideway Modernization program (Section 5309 FG).

FTA Section 5339

"Bus and Bus Facilities Funding, and Surface Transportation Program (STIP)" transit capital funds provided through the Federal Transit Administration. Replaced the Bus and Bus Facilities discretionary program (Section 5309 Bus).

Full-Time Equivalent Position (FTE)

Numeric equivalent of one person, occupying one employment position, for one year (equivalent of 2,080 hours).

Fund

A fiscal or accounting entity with a self-balancing set of accounts. A fund is established for the purpose of carrying on specific activities in accordance with specific limitations.

Fund Balance

The difference between assets and liabilities reported in a governmental fund.

Fund Exchange

An exchange of State Transportation Improvement Program (STIP) and 2000 Measure A Sales Tax funding approved by the VTA Board of Directors on June 7, 2007 and December 13, 2007.

G

Geographic Information System (GIS)

A system designed to capture, store, manipulate, analyze, manage, and present all types of geographical data.

Governmental Fund

A fund type used to account for “governmental-type activities” including services largely funded through non-exchange revenues (i.e., taxes).

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

H

HOV Lanes – High Occupancy Vehicle Lanes

Lanes on heavily congested roadways that are used exclusively by carpools, vanpools, buses, or any vehicle that transports multiple passengers.

I

Indirect Cost

Expenses of doing business that are not readily identified with a particular activity, program, or project, but are necessary for the general operation of the organization and the conduct of activities it performs.

Innovative Delivery Team Program (iTEAM)

Collaboration between VTA and Caltrans for the cooperative delivery of transportation projects and operations of the State highways and federal aid funding of local streets within Santa Clara County.

Intelligent Transportation Systems (ITS)

Technologies that improve the management and efficiency of transportation systems, such as electronic fare payment systems, ramp metering, timed traffic signals, and on-board navigation systems.

J

Joint Workforce Investment (JWI)

A partnership between VTA and the Amalgamated Transit Union, Local 265 (ATU) dedicated to creating a work environment that supports the long-term professional development and health and wellness of employees.

L

Level of Service (LOS) Standards

LOS measures the interrelationship between travel demand (volume) and supply (capacity) of the transportation system. LOS is a quantitative measure categorized into six levels, “A” through “F”, with “A” representing ideal conditions—or no congestion—and LOS “F” representing poor conditions or congested flow.

Levi’s Stadium

68,500 seat stadium located in Santa Clara, California. Future site of San Francisco 49ers football and various other events. Scheduled to open August 2014 and host Super Bowl L in February 2016.

LIBOR – London Interbank Offering Rate

A daily reference rate based on the interest rate at which banks offer to lend unsecured funds to other banks in the London wholesale (interbank) money market.

Light Rail

A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car, trains on fixed rails in shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

Light Rail Systems Analysis

A study undertaken to provide a comprehensive evaluation of infrastructure and operations deficiencies of the existing light rail system and an evaluation of operational impacts and user benefits of the planned extensions and other capital improvements.

M

MAP-21 (Moving Ahead for Progress in the 21st Century Act)

Legislation passed by Congress in 2012 to reauthorize federal surface transportation grant programs through 2014.

Metropolitan Transportation Commission (MTC)

MTC is recognized by the state as the Regional Transportation Planning Agency (RTPA) and by the federal government as the Metropolitan Planning Organization (MPO) for the nine counties in the San Francisco Bay Area. It has 21 commissioners, of which 18 are voting members appointed by local elected officials. The two most populous counties, Alameda and Santa Clara,

each have three representatives on the Commission. The next three most populous counties, Contra Costa, San Francisco, and San Mateo, are represented by two members each. The four less populous northern counties of Marin, Napa, Solano and Sonoma each appoint one commissioner. In addition, two voting members represent regional agencies — the Association of Bay Area Governments (ABAG) and the Bay Conservation and Development Commission (BCDC). Finally, three nonvoting members represent federal and state transportation agencies and the federal housing department.

Miles Between Chargeable Accidents

A safety measure capturing the number of total scheduled miles traveled between each preventable accident.

Miles Between Mechanical Service Loss

A service quality measure capturing the number of total scheduled miles traveled between each mechanical breakdown that results in a loss of service to the public.

N

Net Assets

The difference between assets and liabilities reported in an enterprise fund.

Non-Represented Employee

Any VTA employee whose position is not represented by an organized bargaining unit for the purpose of negotiating wages, benefits, and work rules.

Non-Revenue Vehicle

Vehicles used for purposes other than to transport passengers, including supervisors' cars/vans, service trucks, and equipment.

O

On-Time Performance

A reliability measure capturing the percentage of time a bus or light rail service meets the published schedule.

OneBayArea Grant (OBAG)

A new funding approach that better integrates the region's federal transportation program with California's climate law and the Sustainable Communities Strategy.

Operating Budget

The planning of revenues and expenses for a given period of time to maintain daily operations.

Operating Reserves

Net Assets less funds that are restricted by bond covenants, Board designations, and policy guidelines.

Operations Division

A division of VTA that operates, maintains, analyzes, schedules, manages, and provides security for VTA's bus and light rail transit system and facilities. The division also oversees contracted shuttle and paratransit service.

Other Post Employment Benefits (OPEB) Liability Reduction Fund

Board designated reserve fund used to reduce unfunded OPEB obligations.

P

Paratransit

Comparable transportation service required by the Americans with Disabilities Act (ADA) of 1990 for individuals with disabilities who are unable to use fixed-route transportation systems.

Paratransit Net Cost Per Trip

A cost-effectiveness measure of the paratransit service provided. Calculated by dividing the total paratransit operating expenses net of revenues by the number of paratransit trips.

Par Value

The face or maturity value of a security or bond.

Peninsula Corridor Joint Powers Board (PCJPB)

A joint powers authority made up of representatives from the counties of San Francisco, San Mateo, and Santa Clara, who oversee Caltrain commuter rail service.

Performance Measure

A quantitative measurement of an activity used to judge program effectiveness.

Personal Time Off

Time off for non-scheduled absences such as: sick, industrial injury, Family Medical Leave Act (FMLA), excused/unexcused leave, union business, and suspension.

Preventive Maintenance

Maintaining equipment and facilities in satisfactory operating condition by providing for systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects.

Program

A set of interrelated work, activities, or tasks which, when completed, satisfies a stated objective.

Prop 1B

California Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which authorized the sale of \$20 billion in bonds to fund transportation projects related to congestion, the movement of goods, air quality, and transportation security.

R

Regional Measure 2 (RM2)

Measure passed on March 2, 2004 raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00 to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors.

Regional Transportation Plan (RTP)

A multimodal blueprint required by state and federal law to guide the region's transportation development for a 20-year period. Updated every two to three years, it is based on projections of growth and travel demand coupled with financial assumptions.

Represented Employee

Any VTA employee whose position is represented by the American Federation of State, County, and Municipal Employees, Local 101 (AFSCME), Amalgamated Transit Union, Local 265 (ATU), Service Employees International Union, Local 521 (SEIU), or Transportation Authority Engineers and Architects Association, Local 21 (TAEA) for the purpose of negotiating wages, benefits, and work rules.

Reserves

Funds unavailable for appropriation for any operating or capital use except to meet emergency needs that cannot be funded from any other source.

Revenue Service

The time that a revenue vehicle is available to pick up or discharge passengers.

Revenue Vehicle

Vehicles used to transport passengers.

S

Sales and Use Tax

A tax on the retail sale, storage, use, or other consumption of tangible personal property.

Sales Tax – 1976 Measure A

A permanent half-cent sales and use tax passed in March 1976 to ensure the continued operation and development of transit service in Santa Clara County.

Sales Tax – 1996 Measure B

A nine-year half-cent sales and use tax passed in November 1996 for general county purposes. The County Board of Supervisors subsequently adopted a resolution dedicating the tax for transportation improvements. The tax expired on March 31, 2006.

Sales Tax – 2000 Measure A

A 30-year half-cent sales and use tax passed in November 2000 to fund major transit improvement capital projects effective on April 1, 2006.

Sales Tax – 2008 Measure B

A 30-year eighth-cent sales and use tax passed in November 2008 to fund operating and maintenance expenses and capital reserve contributions for the Silicon Valley Rapid Transit extension of BART to Santa Clara County. The tax becomes effective only if sufficient state/federal funds are secured to match local construction dollars.

Sales Tax Stabilization Fund

Board designated reserve fund used to mitigate impact of volatility of sales tax based revenues on service levels.

SB 83 – Vehicle Registration Fee

Senate Bill 83 (Hancock) signed into law in 2009. This legislation authorizes countywide transportation agencies to implement a vehicle registration fee of up to \$10 on motor vehicles registered within the county to fund transportation programs and projects.

Service Hours

Hours incurred by revenue vehicles from the time the vehicle leaves the operating division until it returns to the operating division.

Service Level Budgeting

A budgeting approach that matches spending levels with services to be performed.

Service Miles

Miles incurred by revenue vehicles from the time the vehicle leaves the operating division until it returns to the operating division.

Short Range Transit Plan (SRTP)

A 10-year financially constrained projection of transit-related capital and operating expenses and revenues.

Silicon Valley Berryessa Extension (SVBX)

The first phase of the BART to Santa Clara County Project. Implements the first 10 miles from Warm Springs to San Plumas Avenue in San Jose.

Silicon Valley BART Extension (SVRT)

The BART to Santa Clara County Project. The project extends BART from Warm Springs, through Milpitas and downtown San Jose to Santa Clara, a distance of 16.1 miles. The project includes construction of a heavy rail rapid transit system, all ancillary requirements, and the upgrading of the existing BART system to be fully integrated with the enhanced service of the Silicon Valley Extension. Six stations and a maintenance and vehicle storage yard are proposed along the alignment.

Silicon Valley Santa Clara Extension (SVSX)

The second phase of the BART to Santa Clara County Project. Implements the last 6.1 miles from the Berryessa area of San Jose through downtown San Jose to the Santa Clara Caltrain Station.

State-Local Partnership Program (SLPP)

A program created under Proposition 1B to fund eligible transportation projects nominated by an applicant transportation agency. Requires a dollar for dollar match of local funds for an applicant agency to receive state funds under the program.

State Transit Assistance (STA)

A portion of the revenues budgeted annually by the state for the Transportation Planning & Development Account. Funds are used for mass transit operations, transit coordination projects, and transportation planning. These funds are apportioned to the regional transportation planning agencies according to a formula based on population and annual transit operator revenues.

State Transportation Improvement Program (STIP)

A multi-year planning and expenditure plan adopted by the California Transportation Commission for the State Transportation System that is updated in even-numbered years.

Supervisory Control and Data Acquisition (SCADA)

Industrial control systems—computer systems that monitor and control industrial, infrastructure, or facility-based processes.

Surface Transportation Program (STP)

A flexible funding program for mass transit and highway projects.

Sustainability Program

A program designed to strengthen VTA’s commitment to the environment through the conservation of natural resources, the reduction of greenhouse gases, the prevention of pollution, and the use of renewable energy and materials. Goals and strategies for VTA’s Sustainability Program were formally adopted by the Board of Directors in February 2008.

Sustainable Communities Strategy

Senate Bill 375 (Steinberg) signed into law in 2008. This legislation directs the California Air Resources Board (CARB) to set regional targets for reducing greenhouse gas emissions. SB 375 requires each Metropolitan Planning Organization (MPO) to include a “Sustainable Communities Strategy” in the regional transportation plan that demonstrates how the region will meet the greenhouse gas emission targets.

SVRT Division

A division of VTA responsible for providing oversight and coordination for all Silicon Valley BART Extension related activities. This division is responsible for program management, project scope and definition, program administration, planning, engineering and development activities, community outreach, program support services, real estate acquisition and development, and coordinating required support activities with other VTA divisions.

Swap Agreement

An agreement between a borrower and a swap counterparty in conjunction with a fixed-to-variable rate or variable-to-fixed rate swap.

Synthetic Fixed Rate

The resulting rate a borrower will pay on an issue of variable rate obligations after entering into a variable-to-fixed interest rate swap.

T

Title VI

Section of the Civil Rights Act of 1964 which assures nondiscrimination in the distribution of funds under federally assisted programs.

Total Boardings

The total number of boarding riders using VTA directly operated bus and light rail service. Riders are counted each time they board a bus or light rail vehicle.

Total Hours

The scheduled service hours operated from the time transit vehicles leave the operating division to the time they return.

Traffic Congestion Relief Program (TCRP)

A program established in 2000 to provide \$2 billion in funding for traffic relief and local street and road maintenance projects throughout California.

Transit Security Grant Program (TSGP)

A program providing grant funding to the nation's key high-threat urban areas to enhance security measures for their critical transit infrastructure including bus, ferry, and rail systems.

Transit Performance Initiative (TPI)

Metropolitan Transportation Commission (MTC) sponsored initiative—regional investment in supportive infrastructure to achieve performance improvements in major transit corridors.

Transit Sustainability Policy

A policy that provides a framework for the efficient and effective expenditure of funds to achieve the highest return on transit investments. The policy guides the development and implementation of new transit services, as well as the refinement of existing services. VTA's Transit Sustainability Policy was adopted by the Board of Directors in February 2007.

Transit Sustainability Project (TSP)

An initiative of the Metropolitan Transportation Commission (MTC) to continue service and cost-control improvements gained by the major transit agencies in the San Francisco Bay area. Agencies must demonstrate a 5 percent real reduction in at least one of three performance measures (cost per service hour, cost per passenger, or cost per passenger mile) by FY 2017. In FY 2018 MTC will analyze agencies' progress and begin linking existing and new operating and capital funding to progress.

Transportation Development Act (TDA)

An act passed by the state Legislature in 1972 allowing each county to elect to participate in a quarter-cent state sales tax program for public transportation purposes. TDA sales tax revenues

are apportioned by the state, through the regional transportation planning organizations, to each participating county based on the amount collected within that county.

Transportation Fund for Clean Air (TFCA)

Funds generated by a \$4.00 surcharge on vehicle registrations used to implement projects and programs to reduce air pollution from motor vehicles.

True Interest Cost (TIC)

A method of calculating the overall cost of a financing that takes into account the time value of money. The TIC is the rate of interest that will discount all future payments so that the sum of their present value equals the issue proceeds.

U

Undesignated Reserves

Reserves that have not been restricted or designated by the entity for other specific use.

Unfunded Obligations

Obligations or liabilities for which funds have not been identified or provided.

Urbanized Area (UZA)

An area defined by the United States Census Bureau that includes one or more incorporated cities, villages, and towns (or “central place”) and the adjacent densely settled surrounding territories (or “urban fringe”) that together have a minimum of 50,000 persons.

V

VTP 2035/VTP 2040

A 25-year plan developed by VTA which provides policies and programs for transportation in the Santa Clara Valley including roadways, transit, Intelligent Transportation Systems, bicycle, pedestrian facilities, and land use. The VTP is updated every three to four years to coincide with the update of the Regional Transportation Plan (RTP).

Z

Zero Emission Bus (ZEB)

An urban bus certified to have zero exhaust emissions of any pollutant under any and all conditions and operations. This includes hydrogen-powered fuel cell buses, electric trolley buses, and battery electric buses.

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