



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: June 1, 2011

FR: Executive Director

W. I. 1152

RE: Resolution No. 4010 - MTC FY 2011-12 Agency Budget

Staff requests approval to forward Resolution No. 4011 to the Commission for approval of the FY 2011-12 agency budget.

The proposed agency budget for FY 2011-12 is balanced, showing a small contribution to reserves. However, the process of managing future budgets will continue to be a challenge as expected increases in benefit costs materialize, particularly medical and retirement costs. Unfortunately, MTC relies on revenue sources that are unable to match the potential cost increases.

A major change in the overall agency budget presentation this year is moving the Clipper[®] program from a general operating program to an enterprise-type fund. In the past, MTC operated Clipper[®] through a multi-agency agreement. However, with that agreement expiring this year, MTC assumes full operational responsibility and thus, has to segregate the revenue and expenses.

Revenue

MTC revenue is made up of four distinct components:

- Discretionary Revenue (17%) – Made up generally of sales tax (TDA); interest earnings and the BATA 1% administrative fee. These funds are available for any purpose.
- Planning Grants (25%) – Federal grants restricted to direct and indirect costs related to transportation planning.
- Project Grants (49%) – Federal, State and local grants restricted to specific project use.
- Transfers/Other (9%) – Transfers in and other miscellaneous sources of revenue.

Because project grants are MTC's largest funding source and can vary widely in any given year, it is very difficult to compare overall MTC revenue on a year-to-year basis. Nonetheless, the table at the top of the following page attempts to do so for the most recent four fiscal years.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
TDA	\$ 9,847,805	\$ 8,823,982	\$ 9,000,000	\$ 9,000,000
Interest/Other	624,236	427,542	20,000	50,000
BATA Admin Fee	<u>5,250,642</u>	<u>4,887,538</u>	<u>5,888,700</u>	<u>6,062,233</u>
Total Discretionary	15,722,683	14,139,062	14,908,700	15,112,233
Planning grants	14,284,957	18,440,083	29,774,074	22,443,436
Other grants	<u>21,091,219</u>	<u>24,806,294</u>	<u>87,673,792</u>	<u>44,179,670</u>
Total Non-Discretionary	35,376,176	43,246,377	117,447,866	66,623,106
Transfers/other	<u>15,242,134</u>	<u>15,081,887</u>	<u>23,460,625</u>	<u>7,898,872</u>
Total Operating Revenue	<u>\$66,340,993</u>	<u>\$ 72,467,326</u>	<u>\$155,817,191</u>	<u>\$ 89,634,211</u>

Discretionary revenue is more heavily dependent on the economy than other MTC revenue sources. A potential sign that the local economy is recovering is the anticipated increase in sales tax revenue, up 2% over the 2010 level and remaining stable for 2012. In fact, through March 2011, sales tax revenue is up in 8 of 9 counties with Santa Clara leading the way increasing by nearly 14% so far this year. While encouraging, total sales tax revenue in the 9 counties is still projected to be 11% below 2008. The BATA 1% administration fee will increase for a third straight year as a result of the multi-axle toll increase going into effect in July 2011. Unfortunately, interest earnings will continue to be an insignificant source of revenue as the Federal Reserve continues to keep interest rates low.

Planning grants will decrease in FY 2011-12 as funding for the Transit Sustainability Project winds down. Planning revenue may vary from year-to-year due to the completion of various long-range planning projects or unused prior year grant funding being carried over. Nevertheless, the FY 2011-12 planning grant revenue is adequate to cover the estimated planning and support costs included in the FY 2011-12 budget.

Project grants may vary from year-to-year; however, the grant revenue offsets an equivalent amount of expense. Most expenses involve contract consulting help which will also increase and decrease with grant funding levels. The majority of project grants consist of:

Grant	Budget	Purpose
CMAQ	\$ 21.0 million	- Arterial operations - Rideshare - Climate Initiative
STP	\$10.5 million	- 511 Operations - Pavement Management Program
New Freedom	\$5.0 million	- New Freedom Program
JARC	\$2.5 million	- Lifeline Transportation

Operating Expenses

The proposed FY 2011-12 budget shows basic operating expenses, excluding contractual services, increasing by about 5% over the estimated FY 2010-11 costs.

Budget assumptions include:

Staffing – Full Time	167 (up 1 position)
Staffing – Project Based	4 (no change)
Staffing – Temporary	31 (up 1 position)
Pension Costs	Up 5%
Medical Costs	Up 4%
Retiree Medical	\$600,000
OPEB Costs	\$1.1 million

Salaries and benefits will increase by 5% due to the addition of a new attorney in the Office of General Counsel and general increases in benefit costs. OPEB costs will decline slightly from \$1.2 million to \$1.1 million as our OPEB liability begins to stabilize. The remaining salary and benefit cost increase is the result of the medical and pension cost increases. The final figures for salaries and benefits are subject to change based on the final MOU to be approved by the Commission later this month. The table below summarizes the agency's operating expenses for the most recent four fiscal years.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Actual	Estimate	Budget
Salaries/ Benefits	\$ 16,299,548	\$ 15,290,939	\$ 15,570,222	\$ 16,468,884
OPEB	347,481	710,015	1,171,593	1,126,061
Agency	2,167,517	1,888,445	2,785,332	2,884,863
Temporaries				
Other Expenses	<u>2,909,747</u>	<u>2,756,812</u>	<u>3,600,821</u>	<u>3,717,732</u>
Operating Subtotal	21,724,293	20,646,211	23,127,968	24,197,540
Contractual	43,983,594	48,745,405	132,842,969	65,134,728
Transfer Out	<u>-0-</u>	<u>3,095,631</u>	<u>-0-</u>	<u>-0-</u>
Total Expense	<u>\$ 65,707,887</u>	<u>\$ 72,487,247</u>	<u>\$ 155,970,937</u>	<u>\$ 89,332,268</u>

New FY 2011-12 contractual services will decrease by 27% or \$19 million, excluding the carry-over and pass-through expense, from the FY 2010-11 budget. Contractual services are mainly funded through grants that change every year. In fact, only 10% of the FY 2011-12 budget in contractual services is funded by discretionary MTC funding sources.

Capital Projects

Excluding the Clipper[®] transit smart card program, the MTC capital program will be down slightly in FY 2011-12.

	FY 2010-11 Budget	FY 2011-12 Budget
Capital Expenditures	\$ 500,000	\$ 500,000
Hub Signage	<u>350,000</u>	<u>12,000</u>
Total	<u>\$ 850,000</u>	<u>\$ 512,000</u>

As a planning agency, it is somewhat unusual for MTC to have major capital improvements. Once the Hub Signage program is completed, MTC will be back to its annual \$500,000 for capital replacement of office facilities and equipment.

Clipper[®]

The Clipper[®] budget consists of two categories, operating and capital programs. The operating program is depicted in the table below.

Clipper Operating	FY 2010-11 Budget	FY 2011-12 Budget
<u>Operating Revenue</u>		
Grant (CMAQ)	\$ 10,276,395	\$ 9,251,457
RM 2	8,660,785	4,381,224
STA	256,488	45,346
Transit Operators	-0-	<u>14,115,082</u>
Total Revenue	<u>\$ 19,193,668</u>	<u>\$ 27,793,109</u>
<u>Operating Expense</u>		
Salaries/Benefits	\$ -0-	\$ 931,567
Temporary Employees	-0-	128,000
Travel	-0-	13,500
Promotion/Incentives	1,991,488	3,497,346
Clipper [®] Operations	<u>17,202,180</u>	<u>23,222,696</u>
Total Expenses	<u>\$ 19,193,668</u>	<u>\$ 27,793,109</u>

As Clipper[®] expands services, the cost of the Clipper[®] operations center will dominate enterprise costs and revenues. Most of the FY 2011-12 costs for the operating center will be covered directly by the participating transit operators with the balance covered by grant and RM 2 revenue.

Clipper® Capital

Life-to-date capital expenditures will increase only slightly in the FY 2011-12 budget.

Current Budget	FY 2011-12 Budget	LTD Budget
\$ 163,162,857	\$ 1,700,000	\$ 164,862,857

To date, the program has expended just over \$123 million with an additional contract encumbrance of \$21 million, leaving a project balance of \$20 million going into the FY2011-12 budget. Complete Clipper® budget detail is included in Attachment B.

Looking Ahead

As we described at the outset, despite a stable workforce, benefit costs have risen dramatically in the past five years and disproportionately to our revenue sources since 2006.

Benefit Costs	Change	Amount
Retirement	Up 65%	\$ 1.5 million
Medical Premiums	Up 88%	\$812,000
Retiree Medical Premiums	Up 81%	\$251,000

Discretionary Revenue	Change	Amount
TDA	Down 13%	(\$1.3 million)
BATA 1% Administrative Fee	Up 32%	\$1.4 million
Interest Earnings	Down 96%	(\$736,000)
Other	Down 24%	(\$143,000)

Unfortunately, despite the increase in the BATA administrative fee, total discretionary revenue is down nearly \$780,000. To compound the problem, we project that medical premiums which nearly doubled since 2006 could double again by 2015. Additionally, there is the potential for retirement costs to reach 40% of total payroll over the next 10 years unless PERS recovers some of its 2008 losses more quickly than projected.

Despite the revenue losses and benefit cost increases, MTC has been able to maintain undesignated reserve funds through the recession by pursuing the following strategies:

- Project employees were shifted from general MTC funding to project grant funding.
- BATA 1% Administrative fee increased with the 2011 toll increase.
- MTC has benefitted from large supplemental federal planning grant appropriations.
- MTC prefunded OPEB obligations offsetting both current retiree costs while mitigating future costs as well.
- Employees agreed to pay for the 2.5% at 55 retirement benefit by paying 3.40% of our PERS contribution.

The result is that we can project an unrestricted reserve balance that is approximately equal to the 2008 level. Nonetheless, the level of reserve is not nearly adequate for financial security. With more than 80% of MTC's operating revenue coming from grant sources which are currently on a reimbursement basis, MTC has to front a large amount of cash prior to being reimbursed for its expenses. For example, the \$77.9 million total MTC budget equates to an expense of just over \$314,000 per operating day. With an expense-to-reimbursement time lag of approximately 75 days, MTC potentially absorbs approximately \$24 million in cash-flow deficit before receiving reimbursement. Next year's projected unrestricted reserve balance of \$7.6 million pales in comparison to that cash-flow risk exposure.

There are also concerns over future health care and pension cost increases. Accordingly, as revenue sources recover we should focus on restoring the operating reserve levels necessary, not only for operating efficiency, but to protect against the next economic downturn. Our current and projected reserve position is shown in the table below.

Description	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimated	FY 2011-12 Projected
Benefits Reserve	\$ 2,202	\$ 1,223,564	\$ 514,681	\$ 1,000,000	\$ 1,000,000
Liability Reserve	746,451	2,773,368	2,738,331	500,000	500,000
Compensated Leave	2,945,186	3,120,636	3,267,841	3,000,000	3,300,000
Encumbrances	7,314,961	7,518,230	5,204,595	6,900,000	6,300,000
Fixed Asset	-0-	-0-	-0-	500,000	500,000
Replacement	-0-	-0-	-0-	-0-	-0-
Unrestricted	<u>8,252,707</u>	<u>5,089,334</u>	<u>7,740,933</u>	<u>7,412,643</u>	<u>7,605,694</u>
Total	<u>\$ 19,261,507</u>	<u>\$ 19,725,132</u>	<u>\$ 19,466,381</u>	<u>\$ 19,312,643</u>	<u>\$ 19,205,694</u>

As we look to the future, improving our reserve balances is the primary objective. However, we cannot count on increasing discretionary revenue sources alone to meet that goal. Cost control will be essential to MTC's future financial stability. With only 170 regular full-time employees managing over a billion dollars in annual obligations (MTC, BATA, SAFE), managing costs will have to be achieved in places other than staff reduction. We have already undertaken a number of steps including reassigning employees from MTC to their project funding sources, and having employees carry a portion or all of benefit improvements. We will continue to evaluate options for controlling benefit costs both in our employee discussions and in our management practices.

MTC staff recommends that this Committee forward Resolution No. 4011, MTC's FY2011-12 operating and capital budgets, to the Commission for approval.



Steve Heminger

SH/BM

Date: June 22, 2011
W.I.: 1152
Referred By: Administration

ABSTRACT

Resolution No. 4011

This resolution approves the Agency Budget for FY 2011-12.

Further discussion of the agency budget is contained in the Executive Director's Memorandum dated June 1, 2011.

Date: June 22, 2011
W.I.: 1152
Referred By: Administration

Re: Metropolitan Transportation Commission's Agency Budget for FY 2011-12

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4011

WHEREAS, the Metropolitan Transportation Commission (MTC or the Commission) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, on May 25, 2011 the Commission approved MTC's Overall Work Program (OWP) for Fiscal Year 2011-12 with the adoption of MTC Resolution No. 4010; and

WHEREAS, the OWP identifies MTC's unified work program for FY 2011-12; and

WHEREAS, the final draft MTC Agency Budget for FY 2011-12 as reviewed and recommended by the Administration Committee is consistent with the OWP as adopted pursuant to MTC Resolution No. 4010; now, therefore, be it

RESOLVED, that MTC's Agency Budget for FY 2011-12, prepared in accordance to generally accepted accounting principles and modified accrual, attached hereto as Attachment A, and incorporated herein as though set forth at length, is approved; and, be it further

RESOLVED, that MTC delegates to its Administration or Operations Committees the authority to approve all contracts and expenditures in MTC's Agency Budget for FY 2011-12, providing that there shall be no increase in the overall budget without prior approval of the Commission; and, be it further

RESOLVED, that MTC's Executive Director, or the responsible MTC staff person designated by the Executive Director, shall submit written requests to the Administration or Operations Committees for approval of consultants, professional services, and expenditures authorized in the MTC Agency Budget for FY2011-12; and, be it further

RESOLVED, that MTC's Executive Director, and the Chief Financial Officer are authorized to carry over and re-budget all grants and funds properly budgeted in the prior year for

which expenditures were budgeted and encumbered and which will take place in FY 2010-11; and be it further

RESOLVED, that the Commission authorizes the designation of certain reserves for FY 2011-12 as follows: Benefits, Liability, Compensated leave, Encumbrances, Building, and Fixed Asset Replacement. The Chief Financial Officer is authorized to set aside a \$500,000 liability reserve and establish a \$400,000 contract budget against the liability reserve. The Chief Financial Officer is authorized to utilize the funds in the Benefits Reserve to meet any obligations resulting from changes in the employee labor agreements. No additional expenditures shall be authorized from any designated reserves authorized by MTC's Agency Budget for FY 2011-12 without prior authorization of the Administration Committee; and, be it further

RESOLVED, that MTC's Executive Director, or the responsible MTC staff person designated by the Executive Director, shall furnish the Administration Committee with a monthly financial report to reflect estimated and actual income, expenditures, obligations for professional and consultant services, cash flow projections and such other information and data as may be requested by the Administration Committee.

METROPOLITAN TRANSPORTATION COMMISSION

Adrienne J. Tissier, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California on June 22, 2011.

Date: June 22, 2011
W.I.: 1152
Referred by: Administration

Attachment A
Resolution No. 4011

METROPOLITAN TRANSPORTATION COMMISSION

AGENCY BUDGET

FY 2011-12

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METROPOLITAN TRANSPORTATION COMMISSION

BUDGET FY 2011-12

Attachment A

SUMMARY

PART 1: OPERATING REVENUE-EXPENSE SUMMARY

	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change % Inc/(Dec)	Change \$ Inc/(Dec)
General Planning Revenue	\$24,968,739	\$21,247,436	-15%	(3,721,303)
Regional Planning Revenue	\$14,222,857	\$10,196,000	-28%	(4,026,857)
LESS: Passthrough Expense	(\$15,788,292)	(\$12,094,480)	-23%	3,693,812
Net MTC Annual Planning Revenue	\$23,403,304	\$19,348,956	-17%	(4,054,348)
Other MTC Revenue	\$1,198,800	\$1,055,200	-12%	(141,600)
Transfers from other Funds	\$16,027,202	\$12,019,109	-25%	(4,008,093)
Project Revenue	\$56,430,357	\$45,791,466	-19%	(10,638,891)
Total Operating Revenue - Current Year	\$97,057,963	\$78,214,731	-19%	(18,842,932)
Total Operating Revenue - Prior Year	\$30,770,990	\$0	0%	(30,770,990)
Total Operating Revenue	\$127,828,653	\$78,214,731	-39%	(49,613,922)
Total Operating Expense - Current Year	\$96,460,332	\$77,912,788	-18%	(17,547,544)
Total Operating Expense - Prior Year	\$32,522,058	\$0	0%	(32,522,058)
Total Operating Expense - Current Year	\$127,982,390	\$77,912,788	-39%	(50,069,602)
Operating Surplus (Shortfall)	(\$163,737)	\$301,943	-296%	455,680

PART2: CAPITAL PROJECTS REVENUE-EXPENSE SUMMARY

Total Capital Revenue	\$526,031	\$512,000	-3%	(14,031)
Total Capital Expense	\$1,026,031	\$512,000	-50%	(514,031)
Capital Surplus(Shortfall)	(\$500,000)	\$0	-100%	500,000
TOTAL FISCAL YEAR SURPLUS (SHORTFALL)	(\$663,737)	\$301,943	-146%	955,680

PART3: CHANGES IN RESERVES

Transfer To Designated Reserve	\$0	\$0		
Net MTC Reserves - in(out)	(\$663,737)	\$301,943	-146%	955,680
CURRENT YEAR ENDING BALANCE	\$0	0		

REVENUE DETAIL
Planning Revenue and Pass-through Expense

	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change % Inc/(Dec)	Change \$ Inc/(Dec)
General Planning Revenue				
FTA Section 5303	\$3,054,845	\$3,055,770	0%	925
FTA 5303 - Final allocation adjustment for FY10	\$179,228	\$0	-100%	(179,228)
FTA 5303 - Final allocation adjustment for FY11	\$0	(\$8,442)	-100%	(6,442)
FTA 5303 carryover	\$2,557,577	\$0	-100%	(2,557,577)
FTA 5304	\$843,172	\$0	-100%	(843,172)
FTA 5307	\$280,114	\$84,795	-70%	(195,319)
Prop 84	\$800,000	\$1,000,000	25%	200,000
FHWA 1/2 % PL	\$6,688,789	\$6,965,999	4%	277,210
FHWA - Final allocation adjustment for FY10	\$267,531	\$0	-100%	(267,531)
FHWA - Final allocation adjustment for FY11	\$0	\$1,147,314	-100%	1,147,314
FHWA PL carryover FY10	\$1,297,483	\$0	-100%	(1,297,483)
TDA (Planning/Administrative)	\$9,000,000	\$9,000,000	0%	0
Subtotal: Regional Revenue	\$24,968,739	\$21,247,436	-15%	(3,721,303)
Regional Planning Revenue				
Regional STP: CMA planning/Transportation Land use funds	\$9,027,000	\$7,899,000	-12%	(1,128,000)
STP: CMA 3% planning funds & Land Use Funds carryover	\$2,800,857	\$0	-100%	(2,800,857)
Regional STP: MTC Planning	\$595,000	\$1,369,000	4%	774,000
Regional STP: MTC Planning c/o FY10	\$572,000	\$0	-100%	(572,000)
Regional STP: ABAG Planning	\$795,000	\$619,000	-22%	(176,000)
Regional STP: BCDC Planning	\$298,000	\$309,000	4%	11,000
Regional STP: BCDC Planning C/O	\$135,000			
Subtotal: Regional Revenue	\$14,222,857	\$10,196,000	-28%	(4,026,857)
Passthrough Expense				
Transit Operators SRTP Planning	(\$291,835)	\$0	-100%	291,835
ABAG Planning	(\$3,235,600)	(\$3,886,480)	20%	(650,880)
Regional STP: CMA planning/Transportation Land use funds	(\$11,827,857)	(\$7,899,000)	-33%	3,928,857
Regional STP: BCDC Planning	(\$433,000)	(\$309,000)	-29%	124,000
Subtotal: Passthrough Expense	(\$15,788,292)	(\$12,094,480)	-23%	3,693,812
Net MTC Annual Planning Revenue	\$23,403,304	\$19,348,966	-17%	(4,054,348)
Other MTC Revenue				
STIP-PPM	\$776,800	655,200	-16%	(121,600)
HOV lane fines	\$400,000	\$350,000	-13%	(50,000)
Interest	\$20,000	\$50,000	150%	30,000
Subtotal: MTC Other Revenue	\$1,196,800	\$1,055,200	-12%	(141,600)
Operating Transfers from Other Funds				
BATA 1%	\$5,888,700	\$6,062,233	3%	173,533
Transfer BATA RM2	\$749,338	\$348,750	-53%	(400,588)
BATA Reimbursements (Audit/misc. contracts)	\$31,500	\$326,500	937%	295,000
RAFC Management Services	\$300,000	\$300,000	0%	0
Service Authority Freeways Expressways (SAFE)	\$2,278,028	\$2,265,802	-1%	(12,226)
BAIFA	\$58,561	\$60,000	2%	1,439
STA Transfer	\$1,828,870	\$1,348,433	-26%	(480,437)
OPEB	\$250,000	\$0	-100%	(250,000)
2% Transit Transfers	\$1,100,000	\$445,000	-60%	(655,000)
AB 1171 Bridge Tolls	\$2,800,000	\$0	-100%	(2,800,000)
Capital Programs	\$742,205	\$862,391	-80%	120,186
Subtotal: Transfers from other funds	\$16,027,202	\$12,019,108	-25%	(4,008,093)
MTC Total Planning Revenue	\$40,627,306	\$32,423,266	-20%	(8,204,041)

REVENUE DETAIL
Project Revenue - Current Year

	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change % Inc/(Dec)	Change \$ Inc/(Dec)
MTC Current Year Project Revenue				
Federal/State Revenue Grants				
STP	\$15,641,145	\$12,982,854	-17%	(2,658,291)
CMAQ	\$18,577,931	\$21,702,359	17%	3,124,428
Regional Partnership Blueprint C/O	\$26,147	\$0	0%	(26,147)
FEMA - Homeland Security Grant	\$0	\$506,250	0%	506,250
Hight Priority Project - Local (HPPL)	\$640,000	\$0	-100%	(640,000)
Surface Transp. Research, Dev. (STRDD)	\$300,000	\$0	-100%	(300,000)
TCRP	\$0	\$0	0%	0
FTA New Freedom	\$6,462,888	\$5,225,106	-19%	(1,237,782)
JARC	\$3,028,090	\$3,614,151	19%	586,061
Subtotal:	\$44,676,201	\$44,030,720	-1%	(645,481)
Local Revenue Grants				
Misc Revenue (PMP Sales)	\$425,000	\$500,000	18%	75,000
Exchange	\$10,000,000	\$0	-100%	(10,000,000)
TFCA (Regional Rideshare), Spare the Air, Zero Emissions Prog	\$1,062,500	\$1,062,500	0%	0
Transit Agencies	\$0	\$0	100%	0
Cities (Match for P-TAP projects)	\$194,341	\$187,246	-4%	(7,095)
AB664	\$72,315	\$11,000	-85%	(61,315)
Subtotal:	\$11,754,156	\$1,760,746	-85%	(9,993,410)
Total Project Revenue	\$56,430,357	\$45,791,466	-19%	(10,638,891)
Total Current Year Revenue	\$7,057,863	78,214,731	-19%	(18,842,932)
MTC Prior Year Project Revenue				
Prior Year Project Revenue - Federal/State				
FTA	265,488			
FTA 5304	1,307,236			
FTA 5307	280,000			
FHWA	78,658			
FAA	159,187			
Congestion Mitigation and Air Quality (CMAQ)	2,460,772			
Regional Blueprint Planning	166,100			
STP	13,055,488			
Caltrans	40,211			
Hight Priority Project - Local (HPPL)	250,108			
JARC	2,266,267			
TCRP	1,067,713			
State Transit Assistance (STA)	1,068,597			
SP&R	328,581			
New Freedom	4,647,653			
Subtotal:	27,440,078			
Prior Year Project Revenue - Local				
General Fund				
Transportation Funds for Clean Air (TFCA)	2,024,727			
Service Authority for Freeways/Expressways (SAFE)	927,226			
Exchange	25,971			
AB 664	58,990			
2% Transit	18,258			
BATA RM2	51,844			
Other (PTAP LM,Airports)	223,897			
Subtotal:	3,330,913			
Total Prior Year Project Revenue	30,770,991			

REVENUE DETAIL
Capital Project Revenue

	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change % inc/(Dec)	Change \$ Inc/(Dec)
Capital Project Revenue				
Transfers				
Transfer from Reserve to Capital	\$0	\$500,000	100%	500,000
Transfer SAFE advance from 511 to UPP	\$176,031	\$0	100%	(176,031)
Hub Signage Program				
RM2 Capital Real Time Signs Project # 19.7	\$350,000	\$12,000	-97%	(338,000)
Total Capital Project Revenue	\$526,031	\$512,000	-3%	(\$14,031)

REVENUE SUMMARY

MTC Planning Revenue	\$40,627,306	\$32,423,265	-20%	(8,204,041)
Current Year Project Revenue	\$56,430,357	\$45,791,466	-19%	(10,638,891)
Prior Year Project Revenue	\$30,770,991	\$0	-100%	(30,770,991)
Capital Project Revenue	\$526,031	\$512,000	-3%	(14,031)
TOTAL MTC REVENUE	\$128,354,685	\$78,726,731	-39%	(49,627,954)
MTC Capital Reserve - (In)out	\$0	\$0	0%	\$0
MTC DESIGNATED RESERVE - (In)	\$0	\$0	0%	\$0
Subtotal: Net Reserve (In)out	\$0	\$0	0%	\$0
TOTAL FUNDS APPLIED TO BUDGET YEAR	\$128,354,685	\$78,726,731	-39%	(49,627,954)

**EXPENSE SUMMARY
BUDGET FY 2011-12**

	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change % Inc/Dec	Change \$ Inc/Dec
Operating Expense				
I. Salaries and Benefits	\$19,527,147	\$20,479,808	5%	952,661
MTC Staff - Regular	\$15,570,222	\$16,488,884	6%	898,662
OPEB	\$1,171,593	\$1,126,081	-4%	(45,532)
Temporary Staff	\$329,228	\$344,273	5%	15,047
Project Based Staff & LGS	\$2,271,108	\$2,355,590	4%	84,484
Interns	\$185,000	\$185,000	0%	0
II. Travel and Training	\$304,625	\$308,125	1%	3,500
III. Printing, Repro. & Graphics	\$324,000	\$344,500	6%	20,500
IV. Computer Services	\$721,000	\$759,000	5%	38,000
V. Commissioner Expense	\$121,500	\$121,500	0%	0
VI. Advisory Committees	\$40,000	\$40,000	0%	0
VII. General Operations	\$2,089,696	\$2,144,607	3%	54,911
Subtotal Staff Cost	\$23,127,968	\$24,197,540	5%	1,069,572
IX. Contractual Services	\$72,332,364	\$53,715,248	-26%	(18,617,116)
Total Operating Expense - Current Year	\$95,460,332	\$77,912,788	-18%	(17,547,544)
IX. Contractual Services - Prior Year	\$32,522,058	\$0	0%	(32,522,058)
Total Operating Expense	\$127,982,390	\$77,912,788	-39%	(50,069,602)
Capital Expense				
Capital Contracts	\$526,031	\$12,000	-98%	(514,031)
Annual Capital Expense	\$500,000	\$500,000	0%	0
Total Capital Expense	\$1,026,031	\$512,000	-50%	(514,031)
TOTAL MTC EXPENSE	\$129,008,421	\$78,424,788	-39%	(50,583,633)
Transfer to Liability Reserve	\$0	\$0	0%	0
TOTAL SURPLUS(DEFICIT)	(\$663,736)	\$301,943	-146%	955,679
Reserve Programs	\$0	\$0	0%	

CONTRACTUAL SERVICES DETAIL
New Contractual and Professional Services

Work Element Description/Purpose	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change \$ Inc/(Dec)
1111 Support Commission standing committees			
Planning Programs - Other	\$225,000	\$225,000	0
TOTAL	\$225,000	\$225,000	\$0
1112 Implement Public information program			
LWV Monitor	\$25,000	\$25,000	0
Photography services for MTC	\$15,000	\$15,000	0
Design & Production Services for MTC Web sites and Publications	\$200,000	\$200,000	0
On-call Facilitation and Outreach	\$0	\$100,000	100,000
RM2 Marketing/ Embarcadero Kiosk	\$540,000	\$0	(540,000)
Video services for MTC projects (SCS, Operational Projects, etc)	\$40,000	\$40,000	0
Event Registration Tool	\$40,000	\$10,000	(30,000)
MTC/BATA Website Redesign	\$0	\$150,000	150,000
Climate Protection Campaign: Outreach and Marketing			0
Climate Protection Campaign: School and Youth Grants			0
Retrofit to Embarcadero Kiosk	\$40,000		(40,000)
Electronic Voting System for Public Meetings	\$15,000		(15,000)
SCS Public Involvement/RTP			0
SCS Required Visualization Tool			0
TOTAL	\$915,000	\$540,000	(\$375,000)
1121 Regional Transportation Plan/Sustainability Communities Strategy			
Environment Impact Report (includes scoping/outreach)		\$200,000	200,000
Performance Assessment		\$70,000	70,000
Public Involvement (including printing/production costs)		\$400,000	400,000
Regional Forum		\$130,000	130,000
Envision Bay Area Outreach Partnership -2nd Round		\$75,000	75,000
2nd Telephone Poll		\$125,000	125,000
Focus Groups		\$50,000	50,000
Video		\$60,000	60,000
Coordinated Human Services Plan Update		\$80,000	80,000
RTP Environment Impact Report	\$300,000		(300,000)
RTP Database & Web	\$50,000		(50,000)
SCS Public Involvement	\$300,000		(300,000)
SCS Visualization	\$75,000		(75,000)
SCS/RTP Development Performance Assessment Support	\$150,000		(150,000)
SCS/RTP Public Opinion Poll	\$81,000		(81,000)
SCS/RTP Focus Group	\$19,000		(19,000)
SCS/RTP Facilitation at County Leadership Meetings	\$50,000		(50,000)
SCS/RTP Outreach with Envision Bay Area	\$60,000		(60,000)
Better Market Street Transit Planning	\$249,650		(249,650)
Sustainable Communities Operational Analysis	\$300,000		(300,000)
Marin County Transit District Internships In Transit Planning	\$26,000		(26,000)
Tiburon Transit needs	\$50,000		(50,000)
TOTAL	\$1,710,650	\$1,190,000	(\$520,650)
1122 Analyze Regional Data using GIS and Travel Models			
Travel Zone Refinement	\$0	\$300,000	300,000
Activity-based Model Enhancements - SB 375	\$75,000		(75,000)
Technical Support for Web based Projects	\$200,000	\$50,000	(150,000)
Transit Data Collection	\$250,000		(250,000)
Model Validation	\$250,000		(250,000)
Bay Area Travel Survey 2011(Phase II)	\$1,565,000	\$1,565,000	0
FHWA Unencumbered Balance	\$124,087		(124,087)
TOTAL	\$2,464,087	\$1,915,000	(\$549,087)
1124 Integrate MTS & nat'l/intern'l transp. systems			
Martinez Subdivision Evaluation	\$0	\$0	0
Partnership Planning	\$0	\$0	0
S.F.International Airport Surface Transportation Planning	\$0	\$0	0
TOTAL	\$0	\$0	\$0
1125 Non-motorized transportation			
Non-motorized Regional Counts		\$0	0
Non-motorized Technical Training Workshops	\$227,522	\$10,000	(217,522)
Modeling Bicycle Access to Transit		\$0	0
Daly City Bay Area Rapid Transit District (BART) Access Improvement Plan		\$0	0
Caltrans Planning -Bicycle sharing program		\$0	0
TOTAL	\$227,522	\$10,000	(\$217,522)
1132 Advocacy coalitions			
Legislative advocates - Sacramento	\$126,000	\$126,000	0
Legislative advocates - Washington D.C.	\$236,110	\$236,110	0
TOTAL	\$362,110	\$362,110	\$0

CONTRACTUAL SERVICES DETAIL
New Contractual and Professional Services

Description/Purpose	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change \$ Inc/(Dec)
1152 Agency financial management			
MTC/SAFE/BATA financial audit	\$487,842	\$510,000	22,158
Project audits	\$380,000	\$300,000	(80,000)
TOTAL	\$867,842	\$810,000	(\$57,842)
1163 Administrative services			
Employee assistance program	\$9,800	\$0	(9,800)
Ergonomics		\$30,000	30,000
TOTAL	\$9,800	\$30,000	\$20,200
1161 Information Technology Services			
Network/Security Support	\$50,000	\$50,000	0
Web/DB Application Development/Integration	\$50,000	\$50,000	0
Information Management	\$25,000	\$50,000	25,000
Business continuity Plan From KPMG Report	\$25,000	\$25,000	0
TOTAL	\$150,000	\$175,000	\$25,000
1212 Develop MTS Performance Measures			
SCS/RTP Development Performance Assessment Support		\$0	0
Performance Monitoring Data Collection - Freeway Congestion	\$0	\$0	0
TOTAL	\$0	\$0	\$0
1222 Regional Rideshare Program			
511 Ridesharing Program Operations	\$3,245,387	\$3,864,000	618,613
Rideshare: Employer Services (CMAs)	\$450,000	\$450,000	0
TOTAL	\$3,695,387	\$4,314,000	\$618,613
1223 Operational Support for Regional Programs			
ITS/511 Program Technical Advisor	\$175,000	\$181,000	6,000
Regional Operations program marketing,web & communication services	\$1,320,000		(1,320,000)
511 ESRI License		\$62,000	62,000
511 Web Services		\$258,000	258,000
511 Device Anywhere Software License		\$5,000	5,000
Project Management Database		\$0	0
ITS Regional Architecture Update/Maint		\$25,000	25,000
Project Audits		\$72,000	72,000
TOTAL	\$1,495,000	\$603,000	(\$892,000)
1224 Regional Traveler Information			
511 Traffic Real Time Transit	\$6,353,969	\$6,629,000	275,031
TOTAL	\$6,353,969	\$6,629,000	\$275,031
1225 Regional Transit Information			
511 Transit	\$2,838,800	\$3,791,000	952,200
Ferry Building Real - Time Sign	\$10,000		(10,000)
Data Collection and Telephone Operations	\$0	\$0	0
TOTAL	\$2,848,800	\$3,791,000	\$942,200
1226 Regional Bicycle Information			
Bike-to-Work Day Promotion	\$155,000	\$155,000	0
Bike Mapper		\$169,000	169,000
TOTAL	\$155,000	\$324,000	\$169,000
1227 Regional transit coordination projects			
Transit Coordination Connectivity		\$0	0
Way Finding Sign Design/Implementation Transit Info Display Case O&M		\$0	0
TOTAL	\$0	\$0	\$0
1228 Regional transportation emergency operation			
Satellite Telephone-Annual Operations	\$34,000	\$35,000	1,000
TOTAL	\$34,000	\$35,000	\$1,000
1229 Regional transportation emergency planning			
Ongoing Emergency Exercise Support	\$211,906	\$0	(211,906)
Regional Transportation Asset Inventory	\$50,000	\$100,000	50,000
EOC Training & Support	\$200,000	\$200,000	0
CESRS Equipment Replacement	\$0	\$80,000	80,000
WETA Satellite Equipment	\$14,100	\$0	(14,100)
TOTAL	\$476,006	\$380,000	(\$96,006)

CONTRACTUAL SERVICES DETAIL
New Contractual and Professional Services

Work Element Description/Purpose	FINAL BUDGET FY 2010-11	ORIGINAL BUDGET FY 2011-12	Change \$ Inc/(Dec)
1233 Pavement management system			
Software Development and Maintenance	\$605,000	\$655,000	50,000
Software Training Support	\$205,000	\$220,000	15,000
P-TAP Projects	\$1,694,341	\$1,632,487	(61,854)
Statewide Needs Assessment	\$50,000	\$50,000	0
TOTAL	\$2,554,341	\$2,557,487	\$3,146
1234 Arterial operations coordination			
Program for Arterial System Synchronization	\$1,950,000	\$1,750,000	(200,000)
TOTAL	\$1,950,000	\$1,750,000	(\$200,000)
1236 Freeway Performance Initiative			
Express Lane Network/p3 Consultant Services	\$2,800,000	\$0	(2,800,000)
Performance Monitoring Data Collection - Freeway Congestion	\$250,000	\$0	(250,000)
TOTAL	\$3,050,000	\$0	(\$3,050,000)
1310 Implement Lifeline Program			
Lifeline Cycle 2 Projects	\$4,244,742	\$1,047,643	(3,197,099)
Lifeline Cycle 3 Call for Projects	\$162,815	\$3,628,835	3,466,020
		\$0	0
TOTAL	\$4,407,557	\$4,676,478	\$268,921
1413 Climate Initiative			
Zero Emission Bus Pilot	\$0		0
Climate Initiative Outreach and Marketing program	\$5,093,000	\$5,000,000	(93,000)
Climate Initiative School and Youth program	\$3,000,000	\$2,000,000	(1,000,000)
Climate Initiative : Climate Action Program Evaluation	\$3,580,250	\$0	(3,580,250)
Climate Change Coordinator	\$125,000	\$125,000	0
Visualization		\$933,432	933,432
Program Evaluation		\$2,000,000	2,000,000
Climate Change assessments of Transportation and infrastructure	\$300,000	\$0	(300,000)
TOTAL	\$12,098,250	\$10,058,432	(\$2,039,818)
1512 Federal TIP Development			
City Car Share HPP	\$640,000	\$0	(640,000)
Transit Capital Inventory	\$350,000	\$105,646	(244,354)
	\$990,000	\$105,646	(884,354)
1513 New Freedom			
New Freedom Projects	\$6,462,888	\$5,028,095	(1,434,793)
TOTAL	\$6,462,888	\$5,028,095	(\$1,434,793)
1514 Regional assistance programs			
Performance audits - TDA audit & RM2 Oversight	\$315,000	\$333,000	18,000
TOTAL	\$315,000	\$333,000	\$18,000
1515 State Programming, monitoring & STIP development			
Asset Management Research		\$0	0
Fund Monitoring	\$113,300	\$0	(113,300)
Equipment, Software, Training		\$0	0
TOTAL	\$113,300	\$0	(\$113,300)
1517 Transit Sustainability			
Transit Sustainability	\$3,930,855	\$1,185,000	(2,745,855)
	\$3,930,855	\$1,185,000	(\$2,745,855)
1611 Transportation for Livable Communities			
Affordable TOD Fund	\$10,000,000	\$0	(10,000,000)
Clipper for TOD - Post survey		\$0	0
On going Parking Tech Support		\$80,000	80,000
Supplemental TOD Policy Evaluation of new corridors		\$25,000	25,000
Station Area Planning Grants	\$3,000,000		(3,000,000)
Station Area Planning Program Mgmt/TOD Policy Implementation	\$100,000		(100,000)
Technical assistance program	\$800,000	\$203,000	(597,000)
Technical assistance program - ABAG	\$0	\$0	0
Station Area Planning	\$0	\$5,400,000	5,400,000
TOTAL	\$13,900,000	\$5,708,000	(\$8,192,000)
1612 Prop 84 PL			
Community-Based Organization Outreach		\$200,000	200,000
Visualization & Web-Based Applications		\$150,000	150,000
MTC ABAG Planning Coordinator	\$70,000	\$70,000	0
TOTAL	\$70,000	\$420,000	\$350,000
106 Legal Services	\$500,000	\$400,000	(\$100,000)
101 Contract Encumbrances	\$0	\$160,000	\$160,000
Total consultant contracts:	\$72,332,364	\$53,715,248	(\$18,617,116)

Clipper Enterprise Budget

FINAL BUDGET FY 2010-11

ORIGINAL BUDGET FY 2011-12

Clipper Operating:

Revenue:

CMAQ	\$10,276,395	\$9,251,457
RM2	8,660,785	4,381,224
STA	256,488	45,346
Transit Operators		14,115,082
	<u>\$19,193,668</u>	<u>\$27,793,109</u>

Expenses:

Salaries and Benefits		\$931,567
Temporary Agency		128,000
Travel		13,500
Promotion/Outreach/Fare Incentives	1,991,488	3,497,346
Clipper Operations	17,202,180	23,222,696
	<u>\$19,193,668</u>	<u>\$27,793,109</u>

LTD Budget Thru FY2010-11

ORIGINAL BUDGET FY 2011-12

Clipper Capital:

Revenue:

CMAQ	\$55,146,723	-
ARRA	11,000,000	-
FTA	22,770,368	-
STP	21,310,368	-
STA	9,256,695	-
Prop 1B	1,000,000	-
SFMTA	1,053,603	500,000
GGGHTD	2,975,000	-
BART	25,000	700,000
MTC Exchange Fund	8,269,158	-
BATA	30,256,631	-
WETA	0	500,000
Sales Tax	99,311	-
	<u>\$163,162,857</u>	<u>\$1,700,000</u>

Expense:

Staff Costs	\$3,194,586	-
Travel	3,208	-
Pilot Equipment Maintenance	3,093,834	-
Transit Agency Funded Projects	0	1,700,000
Design	53,940,574	-
Site Preparation	3,899,437	-
Construction	19,867,682	-
Consultants	13,246,266	-
Engineering	7,953,061	-
Communications	83,000	-
Marketing	212,029	-
Financial Services	391,600	-
Equipment	24,316,965	-
Clipper Cards	7,068,828	-
Other	25,891,787	-
	<u>\$163,162,857</u>	<u>\$1,700,000</u>