

Santa Clara Valley Transportation Authority

Adopted Biennial Budget

Fiscal Years 2018 and 2019



July 1, 2017 – June 30, 2018
and
July 1, 2018 – June 30, 2019

Search Instructions

Items in this PDF version of the FY 2018 and FY 2019 Proposed Budget can be found using one of the following methods:

- 1) Hyperlinks in the Table of Contents.
- 2) Hyperlinks in the Org Charts on pages 13 and 20.
- 3) Hyperlinks in the Bookmarks Panel. To show the Bookmarks Panel, click on the Bookmark button in the Navigation Panel on the left of the screen. To show the Navigation Panel, right click and select “Show Navigation Panel Buttons”.
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You may also return to the Table of Contents by clicking on the page number at the bottom of any page.



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



Adopted Biennial Budget Fiscal Years 2018 and 2019

Adopted by the Board of Directors June 1, 2017

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
Award*

PRESENTED TO

**Santa Clara Valley Transportation Authority
California**

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan".

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, 2015. 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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Overhead View of Milpitas BART Station Construction



Transit-Oriented Development

Message from the General Manager/CEO



This document presents the Santa Clara Valley Transportation Authority's (VTA) biennial budget for Fiscal Years 2018 and 2019. The budget was developed in conjunction with VTA's Strategic Plan adopted in December, 2016 and supports our Core Values of *Safety, Integrity, Quality, Sustainability, Diversity, and Accountability*. The Fiscal Years 2018 and 2019 budget is a zero-based budget, meaning staff analyzed the need for each function and its cost. The budget includes unprecedented efforts to integrate BART service into Santa Clara County, which along with increasing ridership, was one of the primary goals of the new transit service plan. In addition, the capital budget continues VTA's commitment to maintain assets in a state of good repair and advance our long-term capital programs.

The Adopted FY 2018 and FY 2019 Biennial Budget includes a net increase in annual bus and light rail service hours of 10.3% over the two-year period. This increase represents the culmination of an 18-month process undertaken to completely redesign VTA's transit network in order to connect to BART at the Milpitas and Berryessa Stations, increase overall ridership, and improve cost-effectiveness. The resulting development of a more extensive frequent core network and new connecting services to BART is anticipated to increase bus ridership by 8-10%. Light rail ridership is estimated to increase by 15-20% from the new additional services. These projected increases are anticipated to be phased-in over time as existing riders develop new travel patterns and new riders start using the services. The implementation of the new service plan for both bus and light rail would be coordinated with the opening of the BART extension. While the Adopted Budget assumed that BART passenger service to Milpitas and Berryessa would begin in December 2017, the current projected start is June 2018, in line with the baseline schedule.

Last year as we were beginning the budget process, I asked staff to look into our Fare Policy which had not changed significantly for nearly a decade. Since that time, VTA's cost of providing service has increased while VTA's share of operating expenses recovered from fares (Farebox Recovery Ratio) has declined. Staff conducted an 11-month process to review the Fare Policy with the objectives of increasing ridership, providing free VTA-to-VTA transfers, aligning Youth fare discounts with the region and Senior/disabled fare category, and increasing farebox recovery to enhance financial sustainability. As a result, the Adopted Budget includes a Fare increase phased over two years starting January 1, 2018, a decrease in Youth Fares, continuation of the Transit Assistance Program (TAP) for low income riders, and free VTA-to-VTA transfers for 120 minutes of travel for customers using a Clipper® card—specifically to optimize the service redesign and increase ridership. In addition, the updated Fare Policy incorporates a restructuring of the previous Eco Pass Program, a calendar year pass for unlimited trips on VTA's fixed route service for Santa Clara Valley employers, residential communities, and colleges/universities. In order to reduce complexity and increase financial viability, the revised program will include consolidated pricing tiers, three logical participant categories, and a pricing structure that more accurately reflects usage by the program participants. The program will be renamed as the VTA SmartPass Program beginning January 2018.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

In November 2016 the voters of Santa Clara County overwhelmingly approved 2016 Measure B, a 30-year one-half cent countywide sales and use tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets). The measure, which passed by nearly 72%, is anticipated to generate between \$6 billion and \$6.5 billion in 2017 dollars and began collections on April 1, 2017. The FY 2018 and FY 2019 Adopted Budget includes appropriation for \$305 million for the program areas defined in the 2016 Measure B ballot.

The primary source of funding for the VTA Transit Fund, responsible for delivery of the bus and light rail service in the county, is sales tax. Sales tax based revenues, including the 1976 half-cent sales tax, a quarter-cent state sales tax that is returned to the county for public transportation purposes, and a portion of the 2000 Measure A half-cent sales tax, account for roughly 79% of the VTA Transit Fund's budgeted operative revenues for FY 2018 and FY 2019. While sales tax receipts have continued to show positive growth over prior year receipts, the rate of growth has slowed. Meanwhile, expenses continue to increase.

In addition to normal inflationary and contractual increases, the Adopted Budget includes increased expenditures related to the enhanced service discussed above and increased maintenance costs related to the mid-life overhaul of VTA's light rail vehicle fleet. The resulting imbalance is reflected in the \$20.4 million and \$26.4 million operating deficits in the FY 2018 and FY 2019 Adopted Budgets, respectively. While the Adopted Budget assumes these deficits would be funded 100% from reserves, it is anticipated that a combination of potential additional revenues and moderated expenditures would serve to reduce the deficits. Any remaining deficit would then be funded from a combination of reserves and financing related to the mid-life overhaul expenditures, if required. Staff will return to the Board in the fall of 2017 with a recommendation of the optimal mix of the use of reserves and financing.

Budget Highlights

The Adopted VTA Transit Fund Budget for FY 2018 and FY 2019 includes an operating budget of \$475.5 million and \$493.2 million respectively. Fiscal Year 2018 budgeted expenditures are \$49.4 million over projected FY 2017 actual of \$426.1 million. This increase is composed primarily of higher labor, materials and supplies, security, professional and special services, other services, and fuel costs. Expenditures for FY 2019 are expected to increase \$17.7 million over FY 2018 primarily due to higher labor, materials and supplies, fuel and paratransit costs offset by a decrease in professional and special services. As mentioned above, these increased costs are primarily due to normal inflationary and contractual increases, enhanced service levels, and maintenance of the light rail vehicle fleet.

Total VTA Transit Fund revenues are projected at \$455.0 million in FY 2018 and \$466.8 million in FY 2019. Fiscal Year 2018 revenues are expected to increase \$30.5 million from current FY 2017 projections of \$424.5 million due primarily to higher fares and sales tax based revenues as well as new revenue from the Transit Operations Program Area of the 2016 Measure B Program. Revenues for FY 2019 are expected to increase \$11.8 million over FY 2018 due to additional fares and increased sales tax based revenues.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

The Fiscal Years 2018 and 2019 Capital Budget for VTA Transit appropriates \$174.8 million in capital projects including the procurement of 40' and 60' articulated buses, as well as \$35.0 million in safety, security, and state of good repair maintenance to the light rail system. Over 64% of the FY 2018 and FY 2019 Capital Program is funded with grants or other non-VTA Transit Fund sources.

The FY 2018 and FY 2019 Adopted 2000 Measure A Transit Improvement Program Capital Budget includes new appropriation of \$701.7 million. VTA's BART Silicon Valley Extension Project accounts for \$386.7.0 million of the new appropriation. An additional \$228.8 million is appropriated for the Capitol Expressway Light Rail to Eastridge project.

The Adopted Congestion Management Program (CMP) Fund Budget for FY 2018 and FY 2019 is \$6.0 million and \$5.8 million respectively. Fiscal Year 2018 and 2019 budgeted expenditures are relatively flat from current FY 2017 projections.

The total new appropriation for VTP Highway Improvement Program Projects for FY 2018 and FY 2019 is \$79.6 million. One hundred percent of the VTP Highway Improvement Program expenditures will be funded by grants, through agreements with the appropriate city, financing, a fund exchange (consisting of state funding sources swapped with other available funds), 2016 Measure B, or other funding sources as they become available.

Budgets can be described as programs with numbers and as such the FY 2018 and FY 2019 Adopted Biennial Budget reflects the planned service, activities, capital expenditures and initiatives for the two-year period as well as VTA's focus on the Core Values of *Safety, Integrity, Quality, Sustainability, Diversity, and Accountability*.



Nuria I. Fernandez
General Manager/CEO

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 (2018 and 2019) 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 2018 and FY 2019 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 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, position detail, accomplishments from previous two years, and goals and objectives for the two-year budget period of each division followed by a review of performance measurements of the agency.

The next portion of this section contains information on the VTA Transit Fund Capital Program including a schedule of the FY 2018 and FY 2019 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 2040 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 2040.

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, 2008 Measure B—BART Operating Sales Tax Program, and 2016 Measure B 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; VTA Transit Fund 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.



San Jose Arena Bus Rapid Transit (BRT) Station

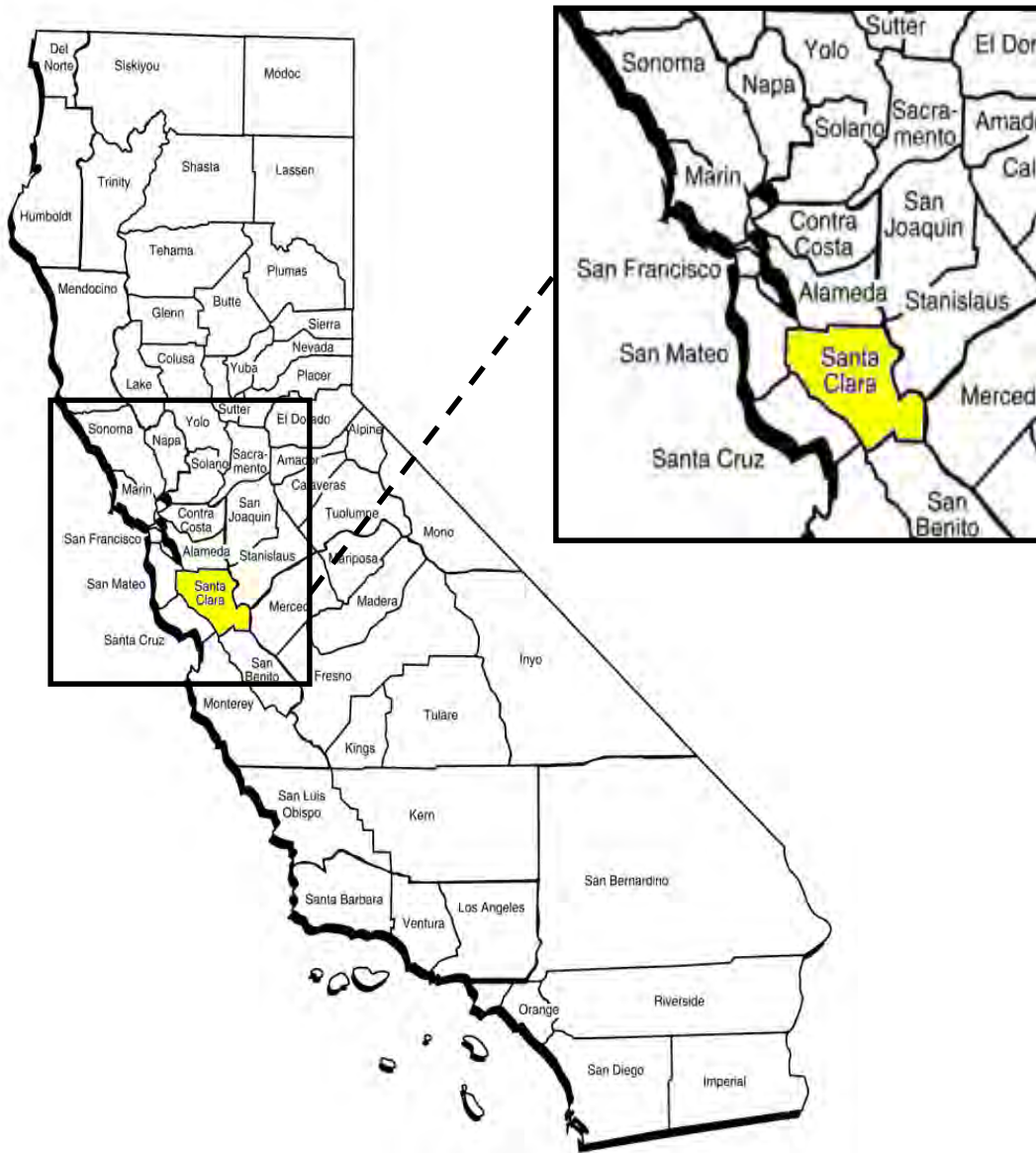
SECTION 1
INTRODUCTION TO VTA



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 1.9 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 J.



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 2017 VTA Board of Directors, Alternates, and Ex Officio members are listed on the following page.

2017 VTA Board Members

Jeannie Bruins*
Chairperson
Councilmember
City of Los Altos

Sam Liccardo*
Vice Chairperson
Mayor
City of San Jose

Larry Carr
Mayor Pro Tem
City of Morgan Hill

Cindy Chavez
Supervisor
County of Santa Clara

Lan Diep
Councilmember
City of San Jose

Glenn Hendricks
Mayor
City of Sunnyvale

Charles “Chappie” Jones
Councilmember
City of San Jose

Johnny Khamis
Councilmember
City of San Jose

Teresa O’Neill
Councilmember
City of Santa Clara

Raul Peralez
Councilmember
City of San Jose

Savita Vaidhyanathan
Mayor
City of Cupertino

Ken Yeager
Supervisor
County of Santa Clara

Board Member Alternates

David Cortese*
Supervisor
County of Santa Clara

Devora “Dev” Davis
Councilmember
City of San Jose

Daniel Harney
Councilmember
City of Gilroy

John McAlister
Councilmember
City of Mountain View

Bob Nuñez
Councilmember
City of Milpitas

Rob Rennie
Vice-Mayor
Town of Los Gatos

Ex Officio Board Member

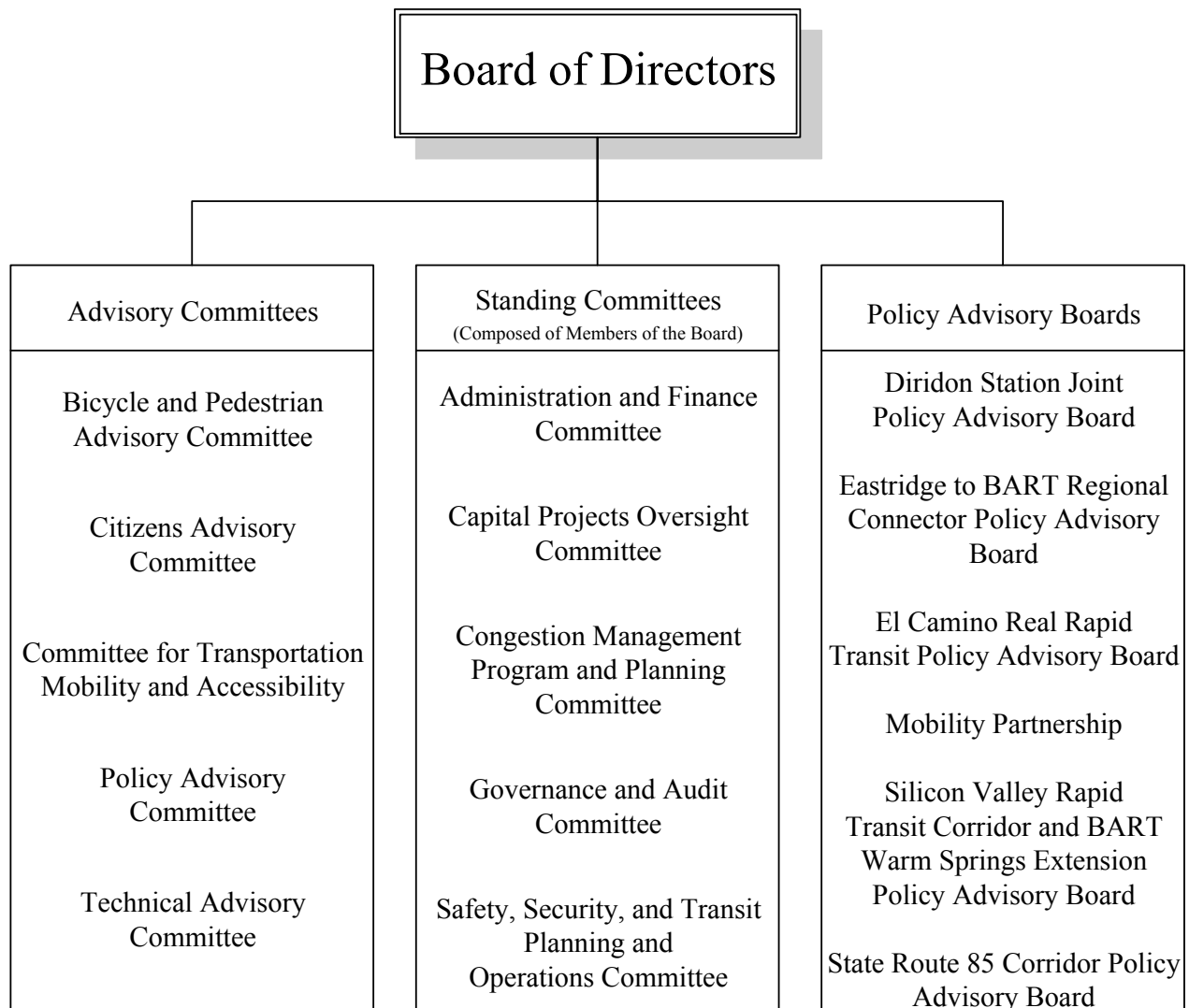
None

*Jeannie Bruins, David Cortese, and Sam Liccardo 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 pages.



Standing Committees

The Board Standing Committees meet regularly to review proposed policies. Committee recommendations are forwarded to the full Board of Directors for final approval. Committees other than the Capital Projects Oversight and Governance and Audit Committees consist of four Board members who are nominated by the Chairperson and appointed by the Board for a term of one calendar year. The Capital Projects Oversight Committee consists of one Board member from each of the city groupings. The Governance and Audit Committee consists of the Board Chairperson, Board Vice Chairperson, and the Chairpersons of the Administration and Finance; Congestion Management Program and Planning; and Safety, Security, and Transit Planning and Operations Committees. The general responsibilities of each committee are as follows:

Administration and Finance Committee

Reviews policy recommendations pertaining to the general administration and financial management of VTA.

Capital Projects Oversight Committee

Monitors and oversees VTA capital projects with major resource, multi-jurisdictional coordination, or public perception/impact factors, making recommendations to the Board on project and policy-related issues.

Congestion Management Program and Planning Committee

Reviews policy recommendations pertaining to the Congestion Management Program and the development of the countywide transportation plan for Santa Clara County.

Governance and Audit Committee

Focuses on the management and coordination of the Board of Directors to assist it with guiding the organization to best accomplish VTA's strategic objectives. The committee also oversees the activities of the VTA Auditor General function and reviews policy decisions required to ensure the integrity of VTA financial statements, compliance with legal and regulatory requirements, and an effective system of internal management and financial controls.

Safety, Security, and Transit Planning and Operations Committee

Reviews policy recommendations pertaining to system safety and security planning, monitoring and reporting, 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 policy issues referred to the committee either by the Board or the General Manager in consultation with the Chairperson. The committee also serves as the oversight body for the 2000 Measure A Transit Improvement Program.

Committee for Transportation Mobility and Accessibility

The committee consists of 17 voting members and two ex officio, non-voting members. This committee's members include seven seniors or persons with disabilities, seven representatives of human service agencies within the county, and three additional members from either of the two categories above. The two ex officio members are one employee of VTA's paratransit provider and the Chairperson of the Board of Directors or his/her designee. The committee advises the Board on transportation mobility and accessibility issues for senior citizens and persons with disabilities, paratransit services, accessibility to VTA transit services, and VTA's efforts to comply with the federal Americans with Disabilities Act (ADA). This committee meets every other month.

Policy Advisory Committee

The committee consists of one city council member from each of the 15 cities and one 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 2040), 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 one senior staff member (usually the public works or planning director) from each of the 15 cities, and the County of Santa Clara. In addition, the California Department of Transportation, the Metropolitan Transportation Commission, and the Santa Clara Valley Water District may each appoint one ex officio and one alternate, non-voting member. The committee advises the Board on technical aspects of transportation-related policy issues and initiatives.

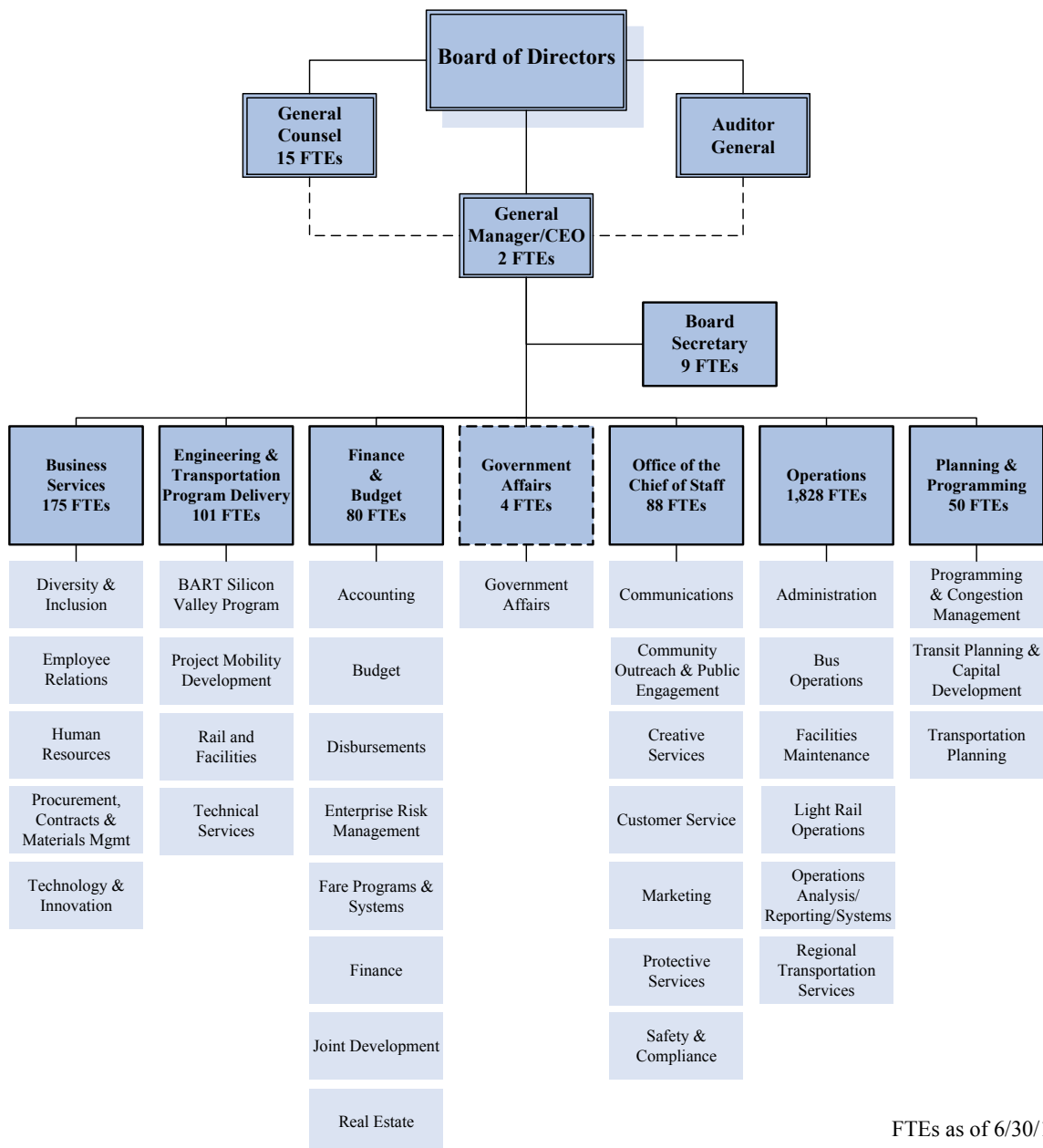
Transit Corridor Policy Advisory Boards

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

- Diridon Station Joint Policy Advisory Board
- Eastridge to BART Regional Connector Policy Advisory Board
- El Camino Real Rapid Transit Policy Board
- Mobility Partnership
- Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension Policy Advisory Board
- State Route (SR) 85 Corridor 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/CEO 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, Auditor General, Board Secretary, and Division Chiefs and Directors. Additional information on each division and the offices of General Manager, General Counsel, and Auditor General can be found on pages 61-107.



FTEs as of 6/30/17

Executive Management Team

Nuria I. Fernandez
General Manager/CEO

Robert Fabela
General Counsel

Bill Eggert
Auditor General

Bernice Alaniz
Director of Communications

Chris Augenstein
Director of Planning & Programming

Elaine Baltao
Board Secretary

Inez Evans
Chief Operating Officer

Rufus Francis
Director of Safety & Compliance

Angelique Gaeta
Chief of Staff to the General Manager

Carolyn Gonot
Director of Engineering and Transportation Program Delivery

Alberto Lara
Director of Business Services

Jim Lawson
Director of Government Affairs and Executive Policy Advisor

Gary Miskell
Chief Information Officer

Raj Srinath
Chief Financial Officer

VTA's Strategic Plan

Following an 18 month process, VTA's updated Strategic Plan was adopted by the Board of Directors on December 2, 2016. The new Strategic Plan is designed to establish a strong foundation for VTA to help lead Silicon Valley into a more successful and sustainable future, provide the framework for its two-year budgets, and provide overarching guidance for all aspects of the agency's operations and management. The plan outlines the Mission, Vision, Core Values, Action Values, and Strategic Goals of the agency.

Mission

Solutions that move you—VTA's role is to get people moving and keep them moving.

Vision

To innovate the way Silicon Valley moves—Position VTA now and in the future as leaders in the effort to help move the residents of Silicon Valley, an area known for innovation where people expect the newest, cutting edge options to be readily available.

Core Values

These values represent VTA's ethics and code of conduct, guiding the agency's decision-making and apply to everything VTA does. VTA's Core Values are:

- ✓ **Safety**—We plan and deliver services in a way that promotes the health and safety of our employees and the public.
- ✓ **Integrity**—We conduct our business in an ethical, honest, and transparent manner.
- ✓ **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 operate our services and design our projects to minimize the negative impacts on our environment, in a way that can be maintained over time. Additionally, we operate as a sustainable organization by reducing our carbon footprint.
- ✓ **Diversity**—We value, respect, and serve the unique needs of our community.
- ✓ **Accountability**—We are stewards of the natural resources and transportation tax revenues of the County, take responsibility for our actions, and honestly report our successes and challenges to stakeholders and the public.

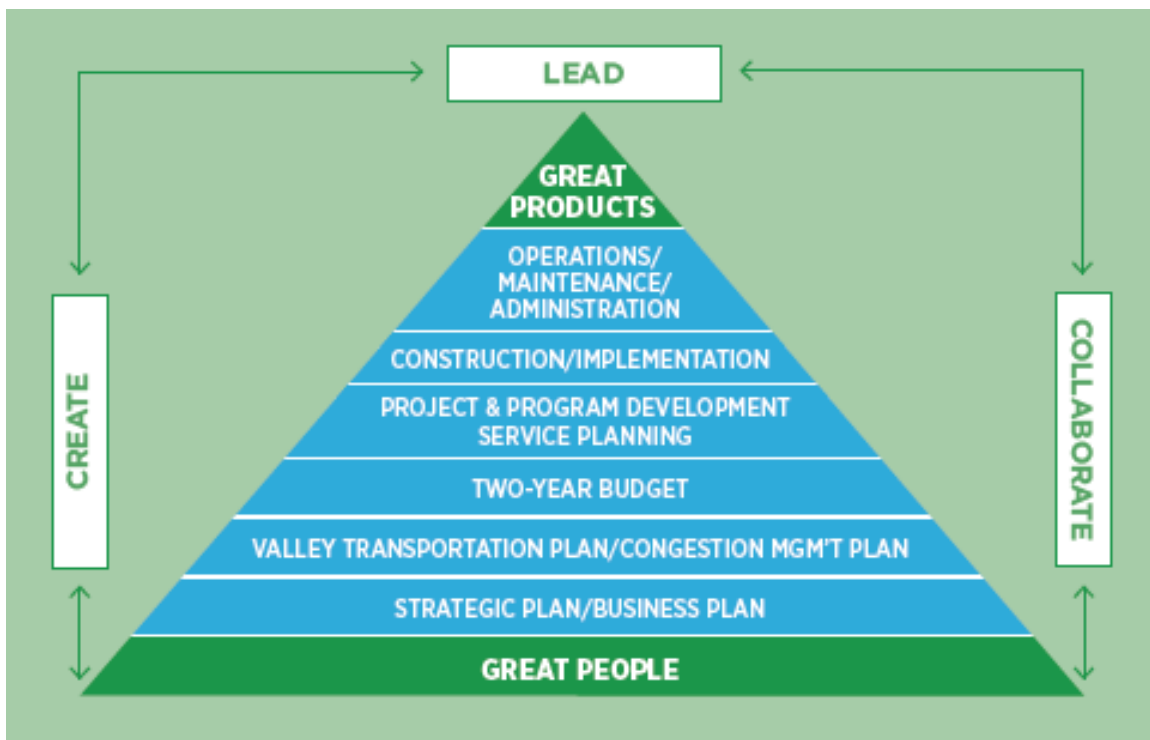
Each of the FY 2018 and FY 2019 division specific goals presented on pages 65-104 reference the respective core value(s) it embodies.

Action Values

These values operationalize VTA's Core Values and all aspects of the Strategic Plan. VTA's Action Values are: Creativity, Collaboration and Leadership. Put into practice these values are:

Create, Collaborate and Lead

The pyramid graphic below illustrates VTA's strategic organization, emphasizing that great people are the foundation upon which great products are built. Through the action value framework of creativity, collaboration, and leadership, VTA can unify the efforts of all divisions to achieve the agency's goals.



Strategic Goals

The Strategic Plan identifies three areas of focus or “Business Lines” for VTA. This approach helps employees and the public to better understand what work VTA does; shows how each function of the organization affects the others; relates VTA's work back to the Mission, Vision, and Values of the organization; helps establish if plans are structured correctly; and indicates if resources are being spent in the right areas, for the right projects and programs. Each area of focus includes an overarching strategy and strategic goals.

BUSINESS LINE 1: FASTER FREQUENT RELIABLE TRANSIT

Strategy: Provide a great transit product that is faster, frequent, and reliable.

GOAL 1—Optimize transit travel times and ensure they are preserved and continually improve.

GOAL 2—Ensure that transit service, especially in core areas, is frequent (every 15 minutes or better)

GOAL 3—Provide customer-focused information systems and preserve and enhance reliable operations through transit-preferential treatments.

BUSINESS LINE 2: DELIVERING PROJECTS AND PROGRAMS

Strategy: Creatively and pragmatically provide a full suite of projects and programs—including land use/transportation integration, bike and pedestrian projects, and project management services—that address the current and evolving multimodal needs of Silicon Valley.

GOAL 1—Create concepts, plans, designs, programs, and policies to optimize current conditions and identify and seize new opportunities.

GOAL 2—Deliver projects and programs on time and within budget, and creatively pursue new construction, operational, and business practices that make VTA more efficient and successful.

GOAL 3—Provide a comprehensive line of services, technical support, funding programs, and mobility solutions to the public and Congestion Management Program Member Agencies.

BUSINESS LINE 3: TRANSPORTATION SYSTEM MANAGEMENT

Strategy: Lead the region in transportation systems management, funding, integration, and innovation.

GOAL 1—Address roadway congestion and all modes of transportation system operations by collecting and analyzing data, developing and applying technology, refining current practices, and implementing new planning and management tools.

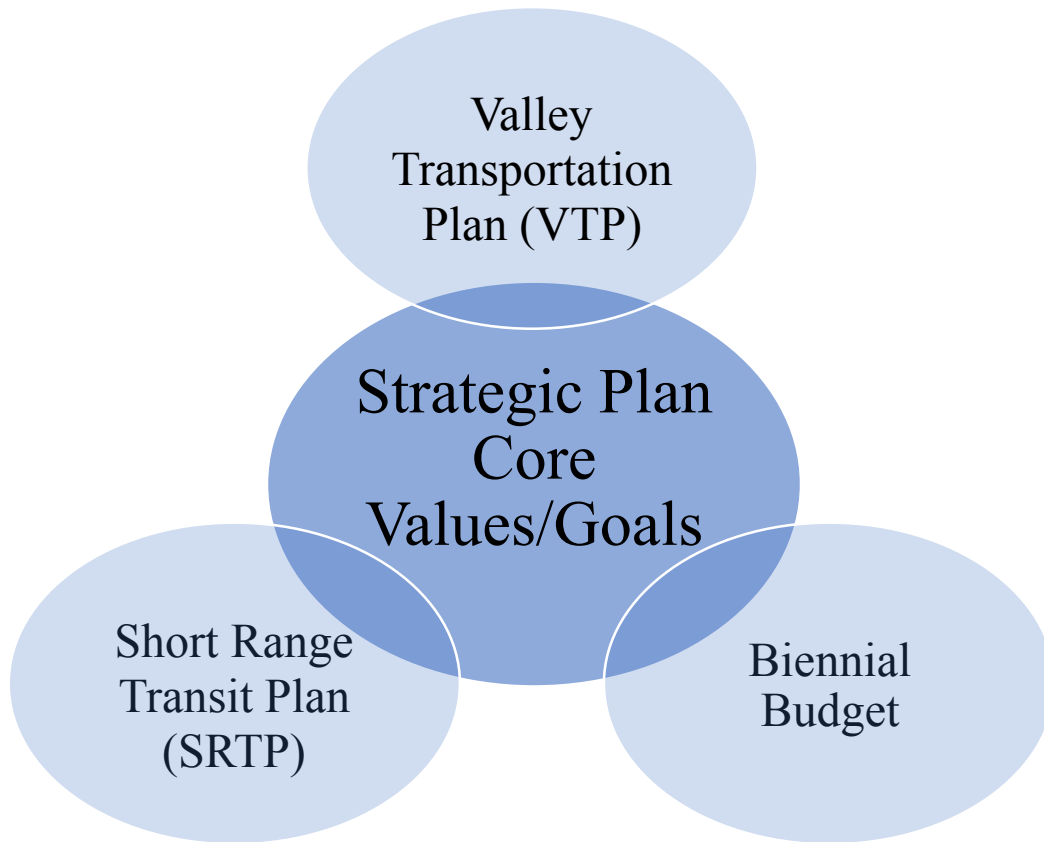
GOAL 2—Retain and increase the value of existing infrastructure and services, and optimize the utility of new investments and services.

GOAL 3—Improve and expand mobility options by innovatively applying technology, planning, design, construction, operations, and business techniques.

The VTA Business Plan, currently under development, will include implementation goals for each of the strategic goals above.

Long-Range Planning

The Strategic Plan Core Values and Strategic Goals discussed above 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 (SRTTP) is a planning document that represents VTA's plan for transit service over a 10-year horizon. The SRTTP 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 2000 Measure A Transit Improvement Program and the 2016 Measure B Program.

The FY 2018 and FY 2019 Adopted Biennial Budget consists of eight 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
- 2008 Measure B—BART Operating Sales Tax Program
- 2016 Measure B Program

The General Manager may reallocate appropriations between budget types (e.g., operating or capital) and budget units (e.g., project or cost center) 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.

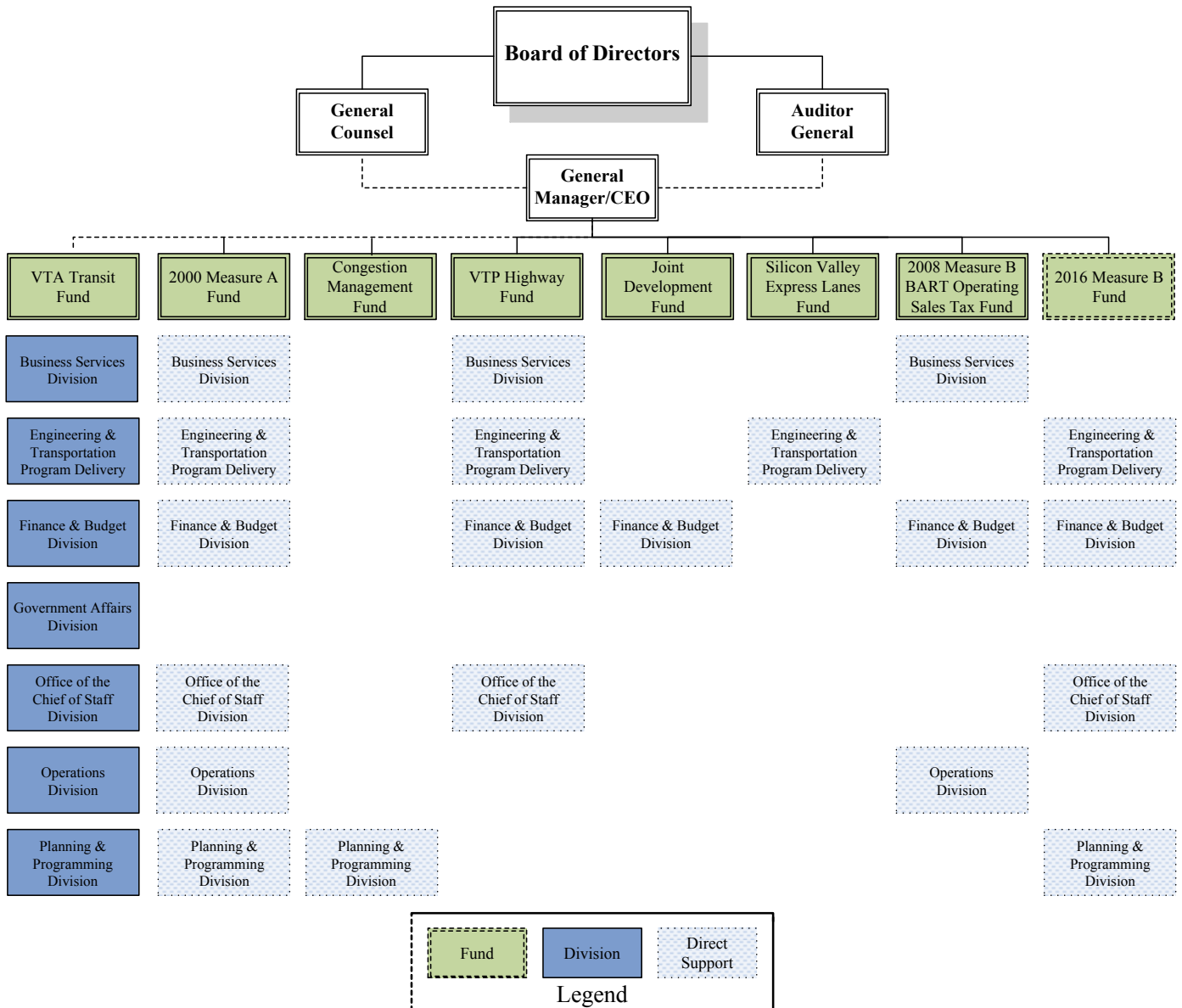
The eight appropriated Funds fall into two categories for accounting purposes: Enterprise funds and Governmental funds.

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 • 2008 Measure B—BART Operating Sales Tax Program 	<ul style="list-style-type: none"> • Congestion Management Program • VTP Highway Improvement Program • 2016 Measure B Program

VTA FY 2018 & FY 2019 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 Funds other than the VTA Transit Fund.

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 74 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

On November 7, 2000, Santa Clara County voters approved a 30-year half-cent sales tax to fund major transit projects. The tax was designed to take effect after the 1996 Measure B sales tax expired in March 2006. Collection of the 2000 Measure A half-cent sales tax commenced on April 1, 2006.

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 2040 is the current approved long-range Countywide Transportation Plan. Developed by VTA's Congestion Management Program and adopted in October 2014, projects must be included in the plan as a pre-requisite for eligibility to receive Federal, State, regional, and local discretionary fund programming.

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 2018 and FY 2019 Adopted Biennial Budget.

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

Miscellaneous Programs

Joint Development Program

VT A 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 VT A 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.

2008 Measure B—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 VT A's BART Silicon Valley Extension. The tax commenced collection on July 1, 2012.

2016 Measure B Program

On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year, half-cent countywide sales tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets). The tax commenced collection on April 1, 2017.

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

Appropriation Summary¹
(Dollars in Thousands)

Fund	Fiscal Year 2018	Fiscal Year 2019
VTA Transit-Operating	475,478	493,195
VTA Transit-Capital	174,833	*
2000 Measure A Transit Improvement Program-Operating	100,407	108,304
2000 Measure A Transit Improvement Program-Capital	701,709	*
Congestion Management Program-Operating	5,954	5,815
VTP Highway Improvement Program-Capital	79,551	*
Joint Development Program-Operating	400	200
Joint Development Program-Capital	2,800	*
Silicon Valley Express Lanes Program-Operating	1,974	1,193
2008 Measure B—BART Operating Sales Tax Program-Operating	14,670	24,744
2016 Measure B Program	304,560	*

* Total Appropriation for FY 2018 and FY 2019 reflected in FY 2018

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.



New Tagline and Graphics Representing VTA's Multifaceted Role as the Mobility Solutions Provider for Santa Clara County

¹ Includes transfers between funds.

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 2008 Measure B—BART Operating Sales Tax Program.

Like VTA's audited financial statements, the biennial budget is developed using the accrual method of accounting: revenues are recognized in the period they are earned and expenditures are recognized in the period they are incurred. Depreciation is not budgeted. The FY 2018 and FY 2019 budgets were developed using zero-based budgeting which included the examination, evaluation and analysis of all programs and expenditures. The use of zero-based budgeting facilitates the linking of specific programs and expenditures to the strategic goals and values of the organization.

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 works with executive management 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 various Advisory Committees, the Administration and Finance Committee, and the Governance and Audit 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.

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 levels. Budget staff then meet with budget coordinators and/or cost center managers from each division to discuss questions or receive further clarification as needed. Based on these communications, budget staff then completes the Draft Proposed Budget which incorporates staff's recommended changes. The Draft Proposed Budget is reviewed by the Chief Financial Officer (CFO) and Deputy Director of Accounting and distributed to the division Chiefs and Directors in preparation for review with the General Manager.

Budget review meetings are conducted 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 Proposed Budget submitted to the Board of Directors.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

The Proposed 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 Proposed Budget. In addition, the Proposed Budget is presented to various Advisory Committees to receive their input and discussion. The comments received at the community and Advisory Committee meetings are provided to the Board for their review prior to adoption of the budget.

The Final Proposed Budget, including any updates or changes subsequent to the Budget Workshop, 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.



Bike/Pedestrian Bridge

Operating Budget Calendar

Date	Activity
August 1-31, 2016	Review and analyze prior operating budget processes
August 23, 2016	Review budget calendar with executive management
September 19, 2016	Issue FY 2018 & FY 2019 budget instructions
September 29, 2016	Discuss budget guiding principles with General Manager
November 4, 2016	Initial budget requests due to Budget Department
November 7-30, 2016	Budget Department review of submissions
December 1-16, 2016	Review meetings with Budget Department, division budget coordinators and cost center managers as needed
December 20-29, 2016	Budget Department recommendations finalized
January 6, 2017	Draft Proposed Budget reviewed with CFO and Deputy Director of Accounting
January 12, 2017	Policy Advisory Committee review of budget assumption guidelines
January 18, 2017	Finance & Budget Division recommendations finalized
January 24-26, 2017	Finance & Budget Division recommendations reviewed with division Chiefs/Directors
January 25, 2017	Administration & Finance Committee review of budget assumption guidelines
January 27, 2017	Draft Proposed Budget distributed to executive management
January 30-February 3, 2017	General Manager, executive management, and budget staff meet to review and discuss Draft Proposed Budget
February 2, 2017	Governance & Audit Committee review of budget assumption guidelines

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Date	Activity
February 2, 2017	Board of Directors review of budget assumption guidelines
February 13-March 28, 2017	Proposed Budget finalized
April 17, 2017	Proposed Budget distributed to Board and available to public
April 22, 2017	Board Budget Workshop
May 1-9, 2017	Proposed Budget presented at community meetings
May 2-22, 2017	Proposed Budget updated to reflect changes subsequent to Board Workshop, if applicable
May 10-11, 2017	Proposed Budget presented to various Advisory Committees
May 18, 2017	Administration & Finance Committee review of Final Budget
June 1, 2017	Final Budget adopted by VTA Board of Directors

Opportunity for public participation

Capital Budget Development Process

Approximately eleven months prior to the start of the Biennial Budget, the Budget Department issues a call for projects to all divisions for VTA's 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 including available transit asset management tools. 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 and technical details, project cost, project type, project justification, operating cost impacts, 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 forms are then reviewed by 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. Any projects submitted utilizing funding from 2016 Measure B are also reviewed by General Counsel to confirm eligibility.

The completed VTA Transit 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 up to two representatives per VTA division appointed by the respective Division Chief or Director. CIPWG is charged with rating the VTA Transit Capital Projects against established evaluation criteria. The criteria utilize 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 Directors, 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.

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, Budget Department staff works with executive management and the General Manager to

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

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 Proposed Budget document by including general information about each project, funding sources for each project, and operating cost impacts.

The Proposed 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 Proposed Budget. In addition, the Proposed Budget is presented to various Advisory Committees to receive their input and discussion. The comments received at the community and Advisory Committee meetings are provided to the Board for their review prior to adoption of the budget.

The Final Proposed Budget, including any updates or changes subsequent to the Budget Workshop, 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.



Baypointe Light Rail Station

Capital Budget Calendar

Date	Activity
July 1-31, 2016	Review and analyze prior capital budget processes
August 1, 2016	Issue capital call for projects
September 16, 2016	Capital project requests due
September 19-October 31, 2016	Capital project request submittals reviewed by Grants and Budget Departments
October 21-November 7, 2016	CIPWG rates VTA Transit project submittals using established evaluation guidelines
November 14, 2016	CIPWG reviews consolidated project scores and rankings for VTA Transit projects
December 14, 2016 to January 10, 2017	CIPOC reviews CIPWG VTA Transit project priority rankings
February 14, 2017	CIPOC finalizes recommended capital budget for all programs
March 8, 2017	General Manager and CIPOC members review recommended capital budgets
March 10, 2017	VTA Transit, 2000 Measure A, VTP Highway, and Joint Development Program capital budgets finalized
April 17, 2017	Proposed Budget distributed to Board and available to public
April 22, 2017	Board Budget Workshop
May 1-9, 2017	Proposed Budget presented at community meetings
May 2-22, 2017	Proposed Budget updated to reflect changes subsequent to Board Workshop, if applicable
May 10-11, 2017	Proposed Budget presented to various Advisory Committees
May 18, 2017	Administration & Finance Committee review of Final Budget
June 1, 2017	Final Budget adopted by VTA Board of Directors

Opportunity for public participation

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., project or cost center) within those Funds specified in the budget resolution. Division Chiefs and Directors 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. 2017.06.22

**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, 2017 THROUGH JUNE 30, 2019
(FY 2018 AND FY 2019)**

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, 2017 through June 30, 2019 (FY 2018 and FY 2019).
4. Pursuant to Section 11-2(a) of the VTA Administrative Code the General Manager presented the FY 2018 and FY 2019 Proposed 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, 2017.
5. The Proposed Budget was reviewed by the Administration and Finance Committee on May 18, 2017, and by the Board of Directors on April 21 and June 1, 2017, and at public meetings conducted throughout the County.
6. The Proposed 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 Proposed Budget, and the amount of funds budgeted for wages, salaries and benefits for FY 2018 and FY 2019 is based upon VTA's position classification and pay ranges and is set forth in the Statement of Revenues and Expenses in the Proposed Budget.
8. The General Manager proposes an Operating Budget for the VTA Transit Fund for FY 2018 in the amount of \$475,478,236 and for FY 2019 in the amount of \$493,195,217.
9. The General Manager proposes a Capital Budget for the VTA Transit Fund for FY 2018 in the amount of \$174,833,000.
10. The General Manager proposes an Operating Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2018 in the amount of \$100,407,292 and for FY 2019 in the amount of \$108,303,638.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

11. The General Manager proposes a Capital Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2018 in the amount of \$701,709,000.
12. The General Manager proposes an Operating Budget for the Congestion Management Program Fund for FY 2018 in the amount of \$5,953,995 and for FY 2019 in the amount of \$5,814,918.
13. The General Manager proposes a Capital Budget for the VTP Highway Improvement Program Fund for FY 2018 in the amount of \$79,551,021.
14. The General Manager proposes an Operating Budget for the Joint Development Program Fund for FY 2018 in the amount of \$400,000 and for FY 2019 in the amount of \$200,000.
15. The General Manager proposes a Capital Budget for the Joint Development Program Fund for FY 2018 in the amount of \$2,800,000.
16. The General Manager proposes an Operating Budget for the Silicon Valley Express Lanes Program Fund for FY 2018 in the amount of \$1,974,000 and for FY 2019 in the amount of \$1,193,000.
17. The General Manager proposes an Operating Budget for the 2008 Measure B—BART Operating Sales Tax Program Fund for FY 2018 in the amount of \$14,669,600 and for FY 2019 in the amount of \$24,743,600.
18. The General Manager proposes a Program Budget for the 2016 Measure B Program Fund for FY 2018 in the amount of \$304,560,000.
19. 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 2018 and for FY 2019.

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

1. The Proposed 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 2018 and FY 2019.
2. Effective July 1, 2017, 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.
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

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

classification adjustments arising from agreements between VTA and its recognized labor organizations.

4. Operating appropriations will expire at the end of each fiscal year.
5. Capital and Program appropriations which are not expended during the fiscal year, shall carry over to successive fiscal years until the projects/programs are completed or otherwise terminated.
6. The VTA 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.
7. The budget shall consist of eight 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, the 2008 Measure B—BART Operating Sales Tax Program Fund, and the 2016 Measure B Program Fund. For Operating and Capital Budgets, the General Manager may reallocate appropriations between budget types (Operating or Capital) and budget units (Projects or Cost Centers) 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.
8. The FY 2018 and FY 2019 Funding Allocations by Program Area and sub-area for the 2016 Measure B Program are hereby approved.
9. 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 1, 2017 by the following vote:

AYES: BRUINS, CARR, DIEP, HENDRICKS, JONES, KHAMIS, LICCARDO, O'NEILL, PERALEZ, RENNIE, YEAGER

NOES: CHAVEZ

ABSENT: NONE

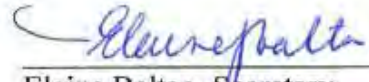


Jeannie Bruins, Chairperson
Board of Directors

VTA FY 2018 & FY 2019 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: 6/1/2017



Elaine Baltao, Secretary
Board of Directors

APPROVED AS TO FORM:



Robert Fabela
General Counsel



VTA General Manager/CEO Nuria Fernandez and San Jose Mayor and 2017 VTA Board Vice-Chair Sam Liccardo Participate in 2017 Bike to Work Day

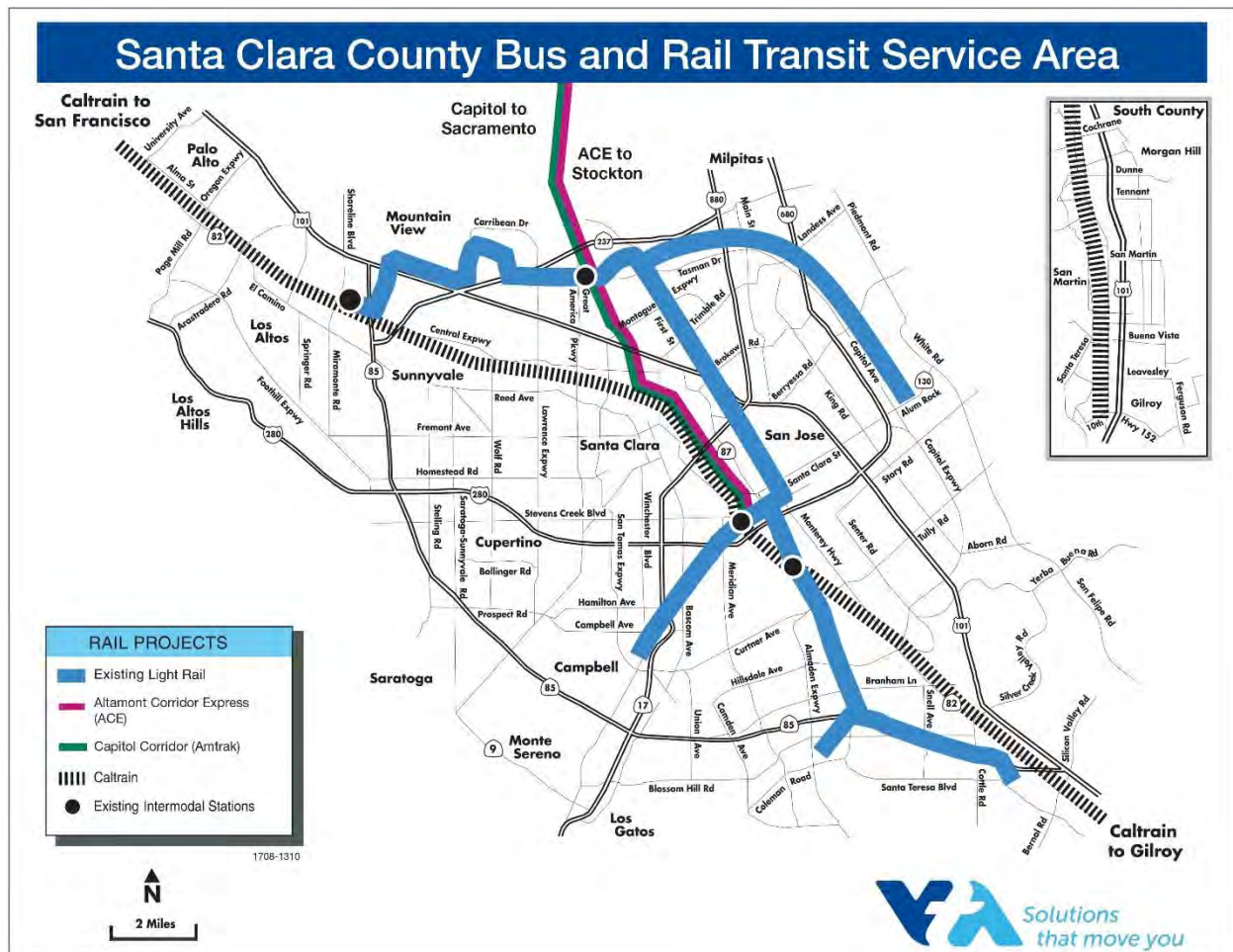
SECTION 2
VTA TRANSIT



VTA Transit Operating

Overview

VTA Transit encompasses the operation of 74 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 460 buses. VTA's bus fleet varies in size and configuration based on service requirements. The table on the following page reflects the current makeup of the active fleet.

Active Bus Fleet
(As of July 2017)

Bus Type	Number of Vehicles
Articulated (60')	58
Standard (35' & 40')	195
Hybrid (40')	119
Hybrid (30')	38
Hybrid Express	50
Total	460

The average age of the active fleet is 10.1 years. There are 3,857 bus stops and 814 shelters along the bus routes. VTA also maintains 7 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 61 stations and 20 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.

ACCESS Paratransit Services

ACCESS 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, VTA is required under the Americans with Disabilities Act (ADA) 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. VTA's ACCESS Paratransit Service is provided under a contract with MV Transportation.

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. Ninety-two trains (including 22 Baby Bullet Express trains) operate between San Jose Diridon Station and San Francisco each weekday, with 34 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. Twenty-eight Saturday trains and 24 Sunday trains, including 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 Corridor Express

The Altamont Corridor 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. Pursuant to the ACE agreement, funding of operating costs is based on Fiscal Year 2003 contributions, escalated annually by consumer price index increases.

VTA also provides eight free shuttles to transport ACE riders from the Great America Station in Santa Clara to destinations throughout Silicon Valley. These shuttles are funded by a grant from the Bay Area Air Quality Management District and contributions from ACE and Lockheed Martin Space Systems.

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), the Capitol Corridor JPA, and Caltrans. VTA and METRO share the majority of weekday net operating costs equally. The Capitol 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.

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 2018 and FY 2019 Biennial Budget, several major assumptions relating to the economy, revenues, service levels, and other factors that affect costs and revenues were utilized. In addition to the general assumptions listed below, the biennial budget was designed to support VTA's Strategic Plan Core Values.

Service Levels

VTA updates its transit service plan every two years to coincide with the budget development—typically making small adjustments based on rider input and performance data. However, for the FY 2018 and FY 2019 transit service plan, VTA undertook a two-year process to completely redesign the transit network in order to connect to BART at the Milpitas and Berryessa Stations, increase overall ridership and improve cost-effectiveness. The redesign was framed in terms of balancing the competing goals of ridership and coverage.

Because of the enormity of the redesign, VTA used a community-based planning process which included multiple stages of community outreach and numerous avenues for input. The Draft Transit Service Plan, which focused on increasing the allocation of bus services to ridership-purposed routes and decreasing services to coverage-purposed routes, was released in early January 2017. An additional round of community engagement was undertaken in January and February in order to receive input on potential improvements to the plan. Following review of over 3,000 public comments, staff developed a proposed final plan that made 34 bus-related changes to the draft plan including retaining service to some areas where discontinuations were previously proposed. The Final Transit Service Plan for FY 2018 and FY 2019 was adopted by the VTA Board of Directors on May 4, 2017.

The bus portion of the redesign includes reallocation of service from low-ridership areas to high-ridership areas; increased morning, midday, evening and weekend service on several routes; and re-routed or new routes to serve the Milpitas and Berryessa BART stations. Overall, the bus redesign results in an 8.5% increase in service hours from the FY 2017 service level.

The light rail service enhancements listed below will result in a 28% increase in annual light rail service hours upon full implementation.

- Introduction of a new line from Alum Rock to Mountain View.
- The existing Winchester to Mountain View line is modified to a Winchester to Old Ironsides line. The service is improved from the current 15 minute peak hour frequencies to 15 minute frequencies all day.
- The Commuter Express, which currently operates three trips each peak period between Santa Teresa and Baypointe, will operate from Santa Teresa to St. James Station and be expanded to six trains each peak period.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Implementation of the approved plan for both bus and light rail would be coordinated with the commencement of BART service to Santa Clara County, currently scheduled for the end of 2017.

The table below shows a comparison of total service miles and hours for bus and light rail for FY 2016 to FY 2019.

Service Levels (In Thousands)

	FY16 Actual	FY17 Adopted Budget	FY17 Actual¹	FY18 Adopted Budget	FY19 Adopted Budget
Service Miles					
Bus	18,556	20,889	18,811	20,734	20,970
Light Rail Train	2,234	2,236	2,242	2,560	2,779
Total Service Miles	20,791	23,125	21,053	23,294	23,750
% change		11.2%	-9.0%	10.6%	2.0%
Service Hours					
Bus	1,456	1,595	1,475	1,583	1,601
Light Rail Train	151	155	150	176	192
Total Service Hours	1,607	1,749	1,625	1,759	1,793
% change		8.9%	-7.1%	8.2%	1.9%

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

Ridership

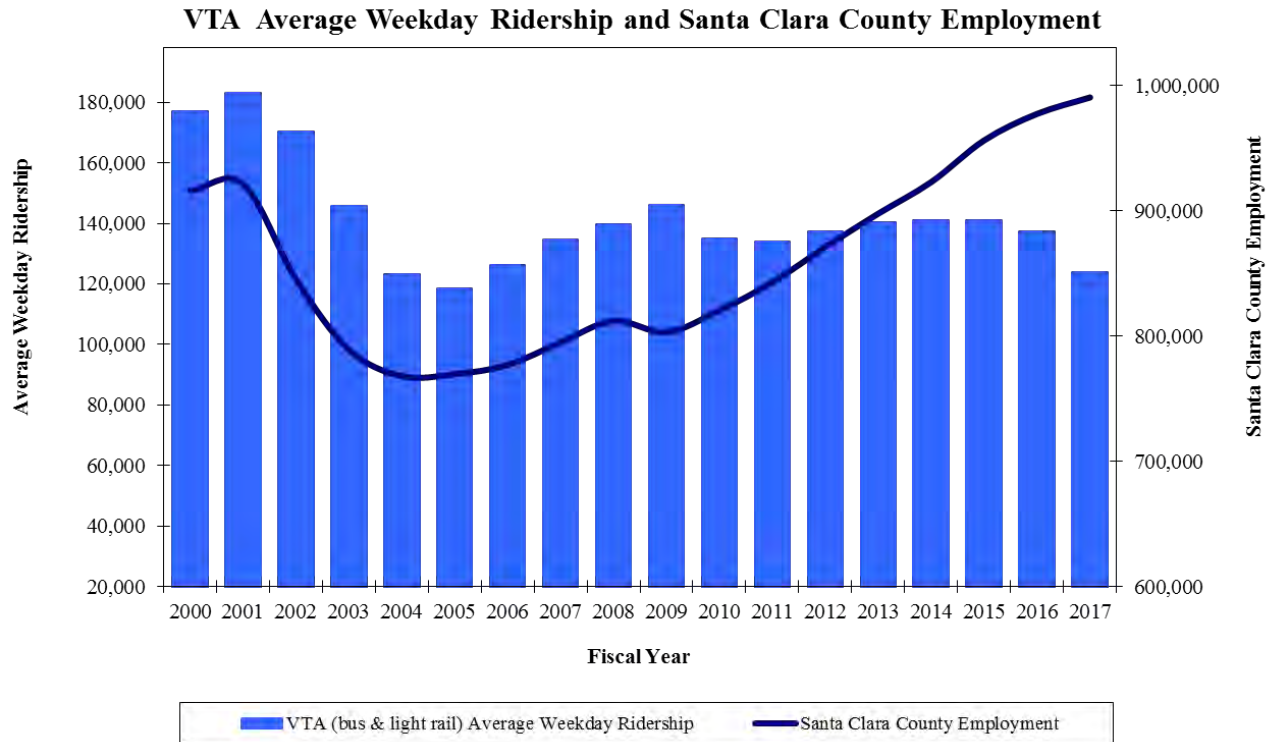
Transit ridership is on a downward trend across the nation. Several potential factors have been identified including low gas prices, increased auto sales and the emergence of Transportation Network Companies (TNC) such as Uber and Lyft. Another possible contributing factor is the proliferation of company private shuttles. Prior to FY 2012, there was a very strong correlation between VTA's ridership and employment levels in the County. However, in the last few years, the trend lines have diverged. Employment growth in Silicon Valley is heavily driven by the tech sector (e.g., Google, Facebook, Apple, etc.), and many of those employers provide their own private shuttle service for employees either for first/last-mile connections or longer routes between various Bay Area cities. According to a 2016 Shuttle Census conducted by the Metropolitan Transportation Commission (MTC) and the Bay Area Council, ridership on private and public shuttles in the Bay Area increased by 45% from 2012-2014 to a total of 9.6 million passengers in 2014.

The table on the following page reflects VTA's Average Weekday Ridership² and Santa Clara County Employment levels since FY 2000.

¹ Preliminary Unaudited.

² The average number of persons who board the transit system on a day that normal weekday revenue service is provided.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET



Overall, VTA's FY 2017 system ridership (bus and rail) decreased by 11.0% from the previous year. Bus ridership totaled 29.1 million, a 9.7% decrease, and light rail ridership totaled 9.1 million, a 14.8% decrease. The primary goal of the changes in the FY 2018 and FY 2019 Final Transit Plan discussed above is to improve VTA bus and light rail ridership.

Ridership projections for this two year budget cycle are primarily driven by the enhancements to the bus and light rail service plan described above. The development of a more extensive frequent core network and new connecting services to BART is anticipated to increase bus ridership by 8-10%. Light rail ridership is estimated to increase by 15-20% from the new additional services. These projected increases will be phased-in over time as existing riders develop new travel patterns and new riders start using the services. Changes in ridership typically take up to two years to stabilize with 70% of the ridership change realized within 6 months, 80% realized within 12 months, 90% realized within 18 months, and 100% realization after 24 months. The projected ridership for FY 2018 and FY 2019, shown in the table on the following page, incorporates both the phase-in of the increases and timing of service implementation.

Ridership

(In Thousands)

Category	FY16 Actual	FY17 Actual	% Var	FY18 Adopted Budget	% Var	FY19 Adopted Budget	% Var
Bus Ridership	32,195	29,057	-9.7%	29,129	0.2%	30,385	4.3%
Light Rail Ridership	10,723	9,132	-14.8%	9,498	4.0%	10,254	8.0%
Total Ridership	42,918	38,189	-11.0%	38,627	1.1%	40,639	5.2%

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

Revenues

Fares

VTA fares have remained unchanged since 2009. Since then, the cost of providing service has increased while the share of operating expenses recovered from fares (Farebox Recovery Ratio) has declined. In early January, staff began a review of VTA's fare policy focusing on six major areas: an increase in the base fares, Youth fares, free VTA-to-VTA transfers, fares for low income riders, Community Bus fares, and Eco Pass fares. As part of the review, VTA staff presented the fare policy concepts at nine community meetings across the county in coordination with the outreach efforts conducted for the redesign of VTA's bus network. In addition to the community meetings, VTA conducted an online survey to receive additional public input.

The Adopted Budget includes a 25% increase phased over two years starting January 1, 2018. The adult single ride fare increases from \$2.00 to \$2.25 on January 1, 2018 and to \$2.50 on January 1, 2019. All associated fares increase proportionately with the exception of Paratransit fares which will remain unchanged and Senior/Disabled fares which increase on January 1, 2018 but have no increase on January 1, 2019. In addition, the adopted fare structure includes the following:

- A decrease in Youth Fares to align discounts with the region and Senior/Disabled fares
- Free VTA-to-VTA transfers for 120 minutes of travel, Clipper[®] only
- Continuation of the Transit Assistance Program (TAP) for low income riders
- Elimination of the Community Bus Fare type
- Restructuring of the Eco Pass program into three categories based on type of participant
- Rebranding of the Eco Pass program as VTA SmartPass

The tables on the following page reflect the existing and adopted fares for fixed-route and paratransit service scheduled to go into effect January 1, 2018 and January 1, 2019.

Fixed-Route Fares

Fare Type	Current Fare	Effective January 1, 2018	Effective January 1, 2019
ADULT			
Single Ride Cash	\$2.00	\$2.25	\$2.50
Community Bus	\$1.25	n/a	n/a
Light Rail Excursion Pass	\$4.00	\$4.50	\$5.00
Day Pass	\$6.00	\$7.00	\$7.50
Day Pass Token (bag of 5)	\$15.00	\$17.50	\$18.75
Express Cash	\$4.00	\$4.50	\$5.00
Express Day Pass	\$12.00	\$13.50	\$15.00
Monthly Pass	\$70.00	\$80.00	\$90.00
Annual Pass	\$770.00	\$880.00	\$990.00
Express Monthly Pass	\$140.00	\$160.00	\$180.00
Express Annual Pass	\$1,540.00	\$1,760.00	\$1,980.00
YOUTH			
Single Ride Cash	\$1.75	\$1.00	\$1.25
Community Bus	\$0.75	n/a	n/a
Light Rail Excursion Pass	\$3.50	\$2.00	\$2.50
Day Pass	\$5.00	\$3.00	\$3.75
Day Pass Token (bag of 5)	\$12.50	\$7.50	\$9.50
Monthly Pass	\$45.00	\$30.00	\$35.00
Summer Blast Pass	\$75.00	\$60.00	\$70.00
Annual Pass	\$495.00	\$330.00	\$385.00
SENIOR/DISABLED			
Single Ride Cash	\$1.00	\$1.00	\$1.00
Community Bus	\$0.50	n/a	n/a
Light Rail Excursion Pass	\$2.00	\$2.00	\$2.00
Day Pass	\$2.50	\$3.00	\$3.00
Monthly Pass	\$25.00	\$30.00	\$30.00
Annual Pass	\$275.00	\$330.00	\$330.00

Paratransit Fares

Service Type	Current Fare	Effective January 1, 2018	Effective January 1, 2019
One-Way Trip (2x Adult Base Fare)	\$4.00	\$4.00	\$4.00
Same Day Trip (4x one-way trip)	\$16.00	\$16.00	\$16.00
Extended Service Area (4x one-way trip)	\$16.00	\$16.00	\$16.00

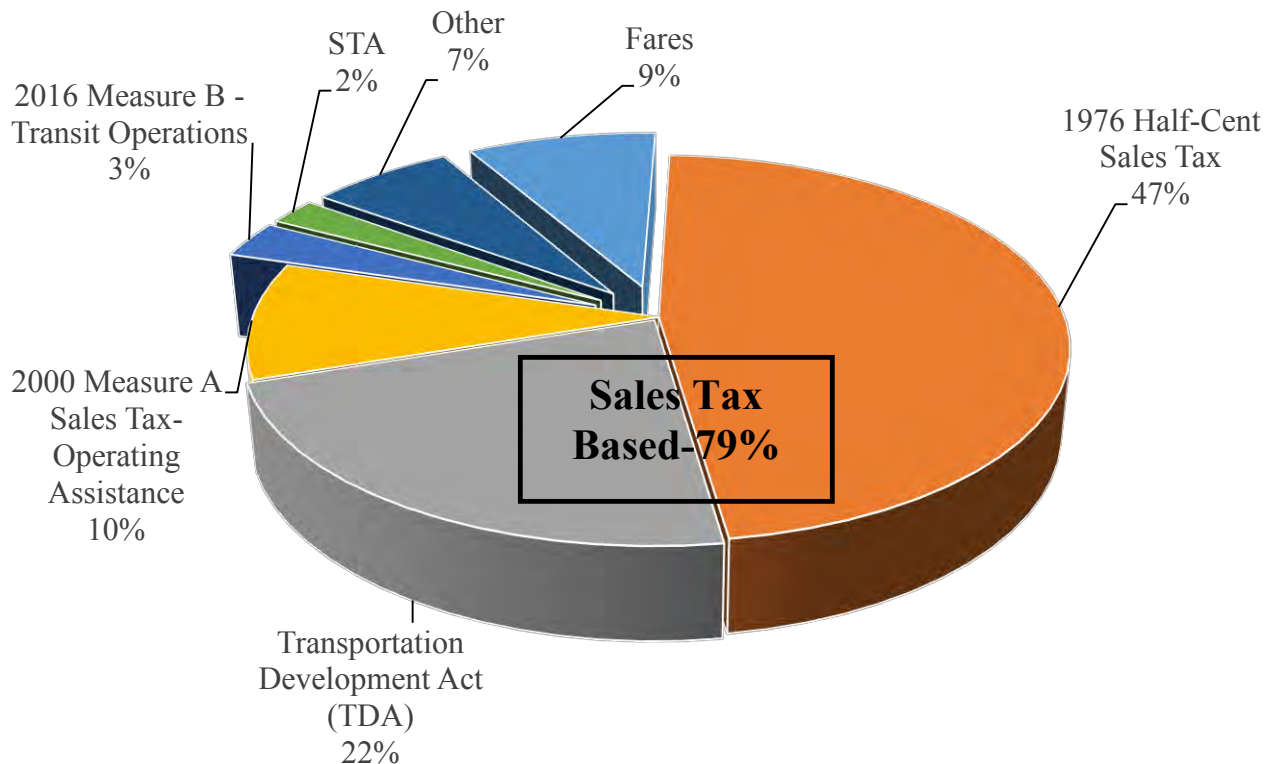
VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

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 2000 Measure A half-cent sales tax revenues.

As the chart below illustrates, roughly 79% of VTA's budgeted operating revenues are generated from these sales tax measures, the proceeds from which are driven by the local economy.

FY 2018 and FY 2019 Budgeted Revenues



1976 Half-Cent Sales Tax

In March 1976, voters approved a permanent half-cent sales and use tax to ensure the continued operation and development of transit service in Santa Clara County.

During FY 2016, sales tax receipts from 1976 half-cent sales tax increased 3.1%, following an increase of 6.9% in FY 2015. Year-to-date growth in FY 2017 has been more modest with year over year increases of 1.7%, 1.7%, and .06% for the first three quarters, respectively.

To determine the growth assumption for FY 2018 and FY 2019, staff reviewed various scenarios including "Optimistic", "Most Likely", and "Conservative". The Adopted Budget reflects projected growth of 2.4% and 2.0% in FY 2018 and FY 2019,

respectively. These growth rates are between the “Most Likely” and “Conservative” scenarios.

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 1971 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.

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 2.4% and 2.0% growth listed above.

2000 Measure A Sales Tax-Operating Assistance

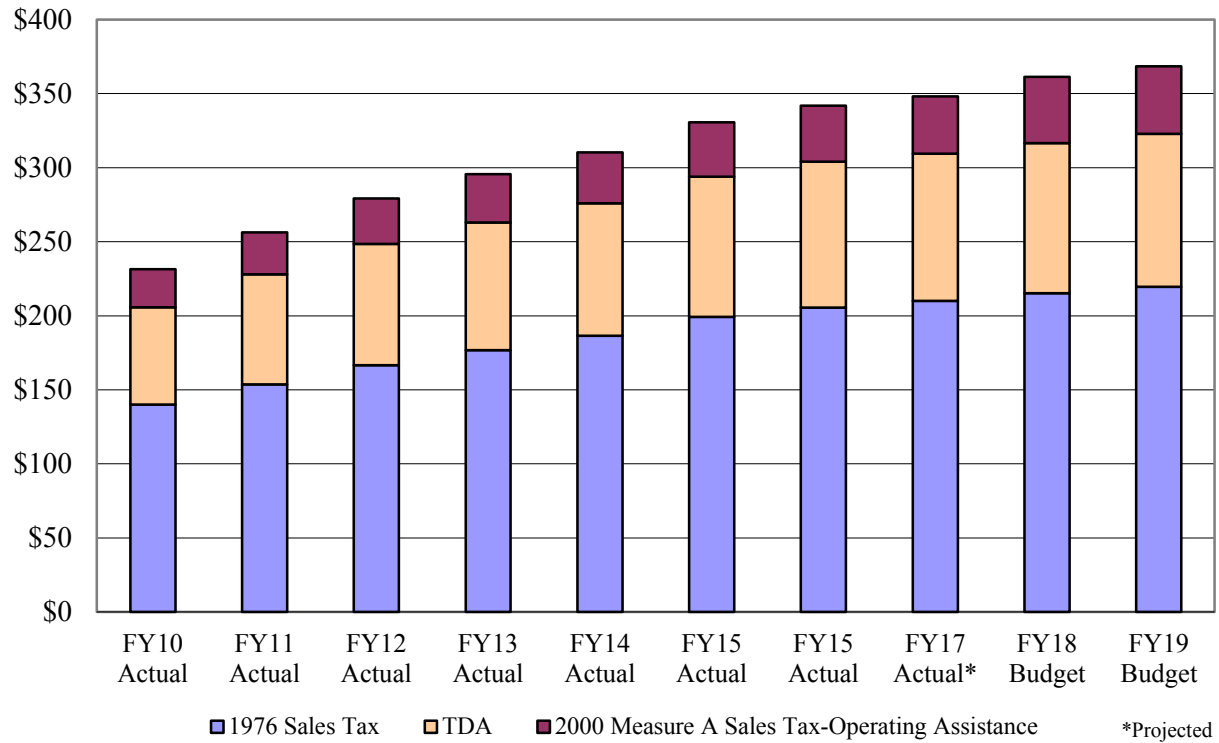
In November 2000, Santa Clara County voters approved Measure A, which enacted a half-cent sales tax to be collected beginning April 1, 2006 and continuing for a period of 30 years. A portion of this tax is to be used to provide operating assistance for VTA Transit. The Adopted Biennial Budget includes an increase in the 2000 Measure A sales tax revenue to be used towards funding VTA Transit operations from 18.5% to 20.75%. This additional funding will be used to partially offset the cost of enhanced light rail service described on page 41.

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 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	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual ¹	FY18 Budget	FY19 Budget
1976 Sales Tax	140	154	167	177	186	199	205	210	215	220
TDA	66	74	82	86	90	95	99	99	101	103
2000 Measure A Sales Tax-Operating Assistance	26	28	31	33	34	37	38	39	45	46
Total	232	256	279	296	310	331	342	348	361	368

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

¹ Projection as of August 1, 2017; Preliminary Unaudited.

Additional Revenues

2016 Measure B – Transit Operations

The 2016 Measure B Program, discussed in more detail on page 200, includes a program category for Transit Operations. Candidate projects and programs included in the ballot language for this category include: Expand mobility services and affordable fare programs for seniors, disabled, students and low-income riders; Enhance Frequent Core Bus Network; Improve amenities at bus stops to increase safety, security and access; and, Support new innovative transit service models to address first/last mile connections.

The FY 2018 and FY 2019 Adopted Budget includes funding from the Transit Operations program category for the expanded/new evening, late-night and weekend bus service described on page 41, and the youth and low-income related fare impacts described on page 44. A total of \$14.1M and \$14.5M funding from 2016 Measure B for FY 2018 and FY 2019, respectively is included. Funding from 2016 Measure B for the improvement of amenities at bus stops and innovative transit service models is included in the VTA Transit Fund Capital Budget discussed on page 114.

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 FY 2018 and FY 2019 Adopted Budget assumes a VTA share of \$10.3 million per year.

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

STA Revenue Trend
(Dollars in Millions)

FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual¹	FY18 Budget	FY19 Budget
0	16.7	14.1	14.9	15.3	14.0	13.6	9.0	10.3	10.3

¹ Projection as of August 1, 2017; Preliminary Unaudited.

Federal Operating Grants

President Obama signed the FAST (Fixing America’s Surface Transportation) Act into law on December 4, 2015. For the most part, FAST continues the programs put in place by its predecessor MAP-21 (Moving Ahead for Progress in the 21st Century).

FAST made the following changes to FTA (Federal Transit Administration) funding programs:

- Reinstated the discretionary bus program, with a small set-aside for Low and No Emission buses;
- Capped the FTA share of the Capital Investment Program at 60%; This includes New Starts, Small Starts and Core Capacity at 60%; and
- Phased in increased Buy-America Requirements – up to 70% by 2020.

The FAST Act Federal funding programs from which MTA receives transit funding 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 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 MTA’s Express Bus-related services are eligible for Section 5337 bus funding.

The FY 2018 and FY 2019 Adopted Budget includes \$3.8M and \$3.9M, respectively for the Americans with Disabilities Act (ADA) set-aside. The remainder of projected formula grants are directed towards the capital program.

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

Federal Operating Grant Revenue Trend
(Dollars in Millions)

FY10 Actual	FY11 Actual	FY12 Actual¹	FY13 Actual¹	FY14 Actual¹	FY15 Actual	FY16 Actual	FY17 Actual²	FY18 Budget	FY19 Budget
59.1	42.2	38.1	28.3	22.7	24.6	4.1	4.2	3.8	3.9

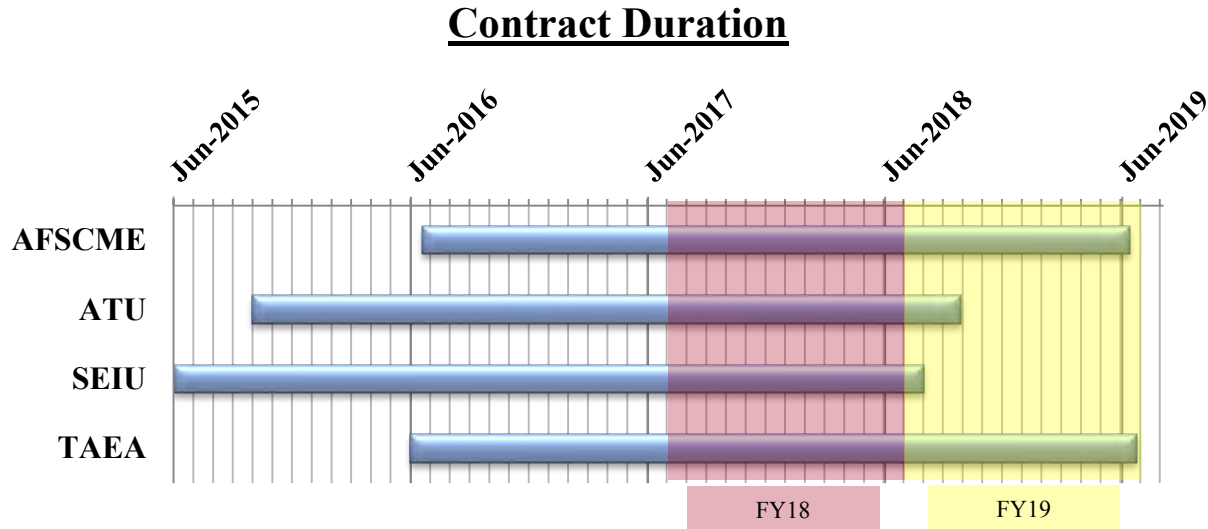
¹ Net of transfer for capital.

² Projection as of August 1, 2017; Preliminary Unaudited.

Expenses

Labor Costs

Contracts for all bargaining units are scheduled to expire during the FY 2018 and FY 2019 budget term.



AFSCME—American Federation of State, County, and Municipal Employees, Local 101
 ATU—Amalgamated Transit Union, Local 265
 SEIU—Service Employees International Union, Local 521
 TAEA—Transportation Authority Engineers and Architects Association, Local 21

The Adopted Biennial Budget reflects only wage increases included in currently negotiated contracts. Budgeting of additional costs, if any, for subsequent contracts will be addressed upon contract ratification by the Board of Directors.

The table below shows the eight-year historical and two-year budgeted labor costs.

Labor Cost Trend *(Dollars in Millions)*

FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual ¹	FY18 Budget	FY19 Budget
246.5	248.4	262.6	272.6	280.7	289.4	300.2	307.1	330.0	339.7

¹ Projection as of August 1, 2017; Preliminary Unaudited.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Staffing

FY 2018 and FY 2019 staffing reflects the addition of 39 positions. The vast majority (35) of these additional positions are in support of the service changes described on page 41 or new programs. The table below shows the approved positions by division for FY 2016 through FY 2019.

Position Summary by Division

Division	FY16¹	FY17²	FY18³	FY19³
Office of the General Manager	11	11	11	11
Office of the General Counsel	15	15	15	15
Business Services	175	175	175	175
Engineering & Transportation Program Delivery	102	101	101	101
Finance & Budget	82	80	82	83
Government Affairs	4	4	4	4
Office of the Chief of Staff	86	88	89	89
Operations	1,811	1,828	1,858	1,858
Planning & Programming	50	50	54	55
Grand Total⁴	2,336	2,352	2,389	2,391

Non-Labor Costs

Fuel

The budget assumes \$2.25 per gallon for diesel in FY 2018 and \$2.35 in FY 2019, including taxes and fees. Assumptions include 20.7 million miles of service for FY 2018, and 21.0 million miles of service for FY 2019. Annual usage is estimated at approximately 4.8 million gallons in both FY 2018 and FY 2019. The actual average cost per gallon of diesel including taxes, was \$1.74 for FY 2016 and \$1.91 for FY 2017.

Paratransit

The bus service changes in the FY 2018-FY 2019 Transit Service Plan described above include earlier and later daily service and additional weekend service on several routes. At full implementation, this expanded service is expected to increase paratransit trips by 4% over current levels. A general growth in trips of 3% per year is also anticipated. The Adopted Budget is based on an assumption of 26,300 more trips in FY 2018 (5.2%) and an increase of 25,665 trips in FY 2019 (4.8%). Due to a change in VTA's paratransit contract from a broker model to a directly contracted model, paratransit fares are now reported separately as revenues. Previously fare revenues were reported as a net against the paratransit expense. The table on the following page details the anticipated paratransit trips, expenses and offsetting fare revenues for the next two-year period.

¹ As of 6/30/16, division totals adjusted to reflect reorganizations.

² As of 6/30/17, division totals adjusted to reflect reorganizations.

³ Budgeted positions.

⁴ Does not include Long-Term Leave positions.

Paratransit Trips, Fares & Expenses
(In Thousands)

	FY 2018 Adopted Budget	FY 2019 Adopted Budget
Client Trips	531	556
Fares-Paratransit	\$2,328	\$2,723
Paratransit Expense		
Primary Provider-Fixed	\$3,234	\$3,365
Primary Provider-Revenue Vehicle Hour	13,320	13,795
Supplemental Service	2,291	2,891
Eligibility	894	1,244
Vehicle Maintenance	1,000	1,050
Fuel	1,553	1,579
Facilities/Maint/Utilities	509	529
Fare Processing	100	100
Software/Hardware	370	384
VTA Staff Services	1,400	1,400
Total Paratransit Expense	\$24,671	\$26,338

Caltrain

VTA's current contribution to Caltrain is approximately 43% of the net operating expenses, based on a ridership formula agreed to by the partner agencies. The Adopted Budget reflects VTA's contribution at approximately \$9.0 million for each fiscal year.

Transfer to Capital Reserve

The VTA Transit Fund does not have a dedicated local revenue source for capital expenditures. Any capital enhancements, improvements or state of good repair not covered by grants or other outside sources must be funded from the same sources as the Operating Budget, primarily sales tax based revenues. The FY 2018 and FY 2019 Adopted Budget reflects a transfer of \$5.0M to the Debt Reduction Fund in each year.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

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

Line	Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
1	Fares-Transit	37,663	41,599	33,718	35,742	2,024	6.0%	40,568	4,827	13.5%
2	Fares-Paratransit ³	0	0	1,064	2,328	1,263	118.7%	2,723	396	17.0%
3	1976 Half-Cent Sales Tax	205,418	216,835	210,030	215,343	5,313	2.5%	219,650	4,307	2.0%
4	TDA	98,519	101,912	99,402	101,211	1,809	1.8%	103,235	2,024	2.0%
5	Measure A Sales Tax-Oper. Asst.	37,954	40,021	38,677	44,684	6,007	15.5%	45,577	894	2.0%
6	2016 Measure B-Transit Operations	0	0	0	14,060	14,060	N/A	14,500	441	3.1%
7	STA	13,632	14,765	9,024	10,300	1,276	14.1%	10,300	0	0.0%
8	Federal Operating Grants	4,105	3,704	4,232	3,831	(401)	-9.5%	3,910	79	2.1%
9	State Operating Grants	1,984	1,420	2,532	1,373	(1,159)	-45.8%	960	(413)	-30.1%
10	Investment Earnings	2,580	1,425	3,086	3,584	498	16.1%	4,526	941	26.3%
11	Advertising Income	2,515	2,258	2,623	2,800	177	6.7%	2,909	109	3.9%
12	Measure A Repayment Obligation	15,007	15,247	15,178	15,596	418	2.8%	15,499	(97)	-0.6%
13	Other Income	2,937	2,556	4,952	4,173	(778)	-15.7%	2,420	(1,754)	-42.0%
14	Transfer to Capital Reserve ⁴	(13,635)	(21,907)	0	0	0	N/A	0	0	N/A
15	Total Revenue	408,680	419,836	424,519	455,024	30,505	7.2%	466,777	11,753	2.6%
16	Labor Cost	300,238	323,134	307,084	329,982	22,897	7.5%	339,746	9,764	3.0%
17	Materials & Supplies	22,949	19,398	29,217	38,191	8,974	30.7%	42,351	4,160	10.9%
18	Security	11,420	15,119	12,671	17,409	4,738	37.4%	17,880	471	2.7%
19	Professional & Special Services	5,829	6,615	7,363	8,715	1,352	18.4%	7,215	(1,501)	-17.2%
20	Other Services	7,748	7,590	8,524	10,488	1,963	23.0%	10,831	343	3.3%
21	Fuel	7,830	12,517	8,256	10,716	2,460	29.8%	12,022	1,306	12.2%
22	Traction Power	4,241	3,898	4,081	5,312	1,231	30.2%	6,189	877	16.5%
23	Tires	2,068	2,266	2,177	2,387	210	9.7%	2,524	137	5.7%
24	Utilities	3,105	2,895	3,074	3,593	519	16.9%	3,712	119	3.3%
25	Insurance	4,923	5,752	6,901	6,467	(434)	-6.3%	6,862	394	6.1%
26	Data Processing	3,916	4,746	4,783	5,022	239	5.0%	4,987	(35)	-0.7%
27	Office Expense	425	425	367	425	58	15.8%	412	(13)	-2.9%
28	Communications	1,562	1,606	1,692	1,620	(72)	-4.3%	1,644	24	1.5%
29	Employee Related Expense	1,048	1,023	686	1,124	438	63.9%	1,124	0	0.0%
30	Leases & Rents	919	791	678	904	227	33.5%	904	0	0.0%
31	Miscellaneous	911	713	895	878	(16)	-1.8%	860	(19)	-2.1%
32	Reimbursements	(36,374)	(38,769)	(33,917)	(36,555)	(2,638)	7.8%	(37,332)	(777)	2.1%
33	Subtotal Operating Expense	342,758	369,718	364,533	406,679	42,146	11.6%	421,928	15,249	3.7%
34	Paratransit ³	19,805	26,184	23,551	24,671	1,120	4.8%	26,338	1,667	6.8%
35	Caltrain	8,414	8,390	8,390	8,967	577	6.9%	8,967	0	0.0%
36	Altamont Corridor Express	4,838	5,323	4,960	5,177	217	4.4%	5,307	129	2.5%
37	Highway 17 Express	270	384	333	370	37	11.0%	381	11	3.0%
38	Monterey-San Jose Express	35	35	35	35	0	0.0%	35	0	0.0%
39	Contribution to Other Agencies	890	1,772	2,591	998	(1,594)	-61.5%	1,006	8	0.8%
40	Debt Service	21,351	21,641	21,672	21,581	(92)	-0.4%	22,233	652	3.0%
41	Subtotal Other Expense	55,603	63,729	61,533	61,799	266	0.4%	64,267	2,468	4.0%
42	Operating and Other Expense	398,361	433,447	426,066	468,478	42,412	10.0%	486,195	17,717	3.8%
43	Transfer to Capital Reserve	0	0	0	5,000	5,000	N/A	5,000	0	0.0%
44	Contingency	0	2,000	0	2,000	2,000	N/A	2,000	0	0.0%
45	Total Expense/Contingency/Cap Trsf	398,361	435,447	426,066	475,478	49,412	11.6%	493,195	17,717	3.7%
46	Operating Balance	10,319	(15,611)	(1,547)	(20,454)			(26,418)		

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

¹ Reflects Adopted Budget approved by the Board on June 4, 2015 and augmentations approved on October 1, 2015; October 6, 2016; and November 3, 2016.

² Projection as of August 1, 2017; Preliminary Unaudited.

³ Beginning in November 2016, Paratransit Fares are reported separately. Previously these revenues were reported as a net against Paratransit expense.

⁴ Beginning in FY 2018, Transfer to Capital Reserve is reflected as an expense instead of a reduction of revenues.

Major Variances (Variance in excess of 5% and \$1.0 million)

Revenues

Fares–Transit:

FY 2018 fares from bus, light rail and VTA operated shuttles are projected to increase by \$2.0 million or 6.0% from FY 2017 actual and FY 2019 fares are projected to increase by \$4.8 million or 13.5% from FY 2018. These increases are a result of anticipated additional ridership from enhanced bus and light rail service described on page 41, and the two-phased fare increase described on page 44.

Fares–Paratransit:

FY 2018 reflects a \$1.3 million increase from FY 2017 actual due primarily to FY 2018 reflecting a full year of receipts. Prior to November 2016, fares from Paratransit service were reported as a net against the Paratransit expense (line 34).

Measure A Sales Tax–Oper. Asst.:

FY 2018 reflects a \$6.0 million increase from FY 2017 actual due primarily to an increase in the percentage of 2000 Measure A sales tax revenues provided to VTA Transit for operating assistance from 18.5% to 20.75%.

2016 Measure B–Transit Operations:

FY 2018 reflects a \$14.1 million increase from FY 2017 actual. This new revenue source is from the Transit Operations Program Area of the 2016 Measure B Program and relates to the expanded/new evening, late-night and weekend bus service described on page 41, and the youth and low-income related fare impacts described on page 44.

STA:

FY 2018 STA receipts are projected to increase by \$1.3 million or 14.1% from FY 2017 actual due to an adjustment made in FY 2017 for a rescission of FY 2016 revenues.

State Operating Grants:

FY 2018 reflects a \$1.2 million decrease from FY 2017 actual due to the reduction of grant revenue for shuttle service discontinued as part of the bus network redesign, change in funding source for the Transit Assistance Program (TAP), and miscellaneous grants not budgeted in FY 2018.

Other Income:

FY 2019 reflects a \$1.7 million increase from FY 2018 due to anticipated reimbursement from the 2016 Measure B Program Fund in FY 2018 of costs associated with placement of 2016 Measure B on the November 2016 General Election ballot. This expenses was paid by the VTA Transit Fund in FY 2017.

Expenses

Labor Costs:

The FY 2018 budget reflects an increase of \$22.9 million or 7.5% over FY 2017 actual primarily due to additional staffing in support of service enhancements and previously negotiated wage increases in FY 2018 coupled with lower retiree medical and compensated absence expenditures in FY 2017 as a result of surplus funding.

Materials & Supplies:

The FY 2018 and FY 2019 budgets show a \$9.0 million and \$4.2 million increase, respectively due to increased parts costs related to the light rail vehicle mid-life overhaul and the mid-life replacement of batteries in hybrid buses.

Security:

The FY 2018 budget is \$4.7 million higher than FY 2017 due primarily to planned additional security staffing and coverage.

Professional & Special Services:

The FY 2018 budget reflects a \$1.3 million increase from FY 2017 levels while the FY 2019 budget reflects a \$1.5 million decrease from FY 2018. The FY 2018 increase is due primarily to specialized consulting services in support of regulatory requirements and new, one-time initiatives.

Other Services:

The FY 2018 budget is \$2.0 million higher than FY 2017 actual due primarily to increased FY 2018 costs for: advertising and printing costs related to rollout of the redesigned service network; hazardous material removal services; facilities, bus stop and transit center maintenance; and Clipper[®] cards for the VTA SmartPass program.

Fuel:

The FY 2018 and FY 2019 budgets show a \$2.5 million and \$1.3 million increase, respectively due to a higher projected price per gallon for diesel and additional usage related to increased service hours. The price per gallon assumptions for FY 2018 and FY 2019 are \$2.25 and \$2.35 per gallon, respectively. Average price per gallon paid in FY 2017 was \$1.91.

Traction Power:

FY 2018 budget is \$1.2 million higher than FY 2017 actual primarily due to additional usage related to increased service hours.

Reimbursements:

FY 2018 budgeted reimbursements are anticipated to increase \$2.6 million from FY 2017 actual due to an increase in the indirect cost charge rate, a change in methodology for reporting staff time in support of Paratransit service, and additional positions in support of the 2008 Measure B—BART Operating Sales Tax and 2016 Measure B Programs.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Paratransit:

The FY 2019 budget reflects a \$1.7 million increase over FY 2018 primarily due to an anticipated increase in trips provided as a result of the implementation of expanded fixed-route service coverage hours.

Contribution to Other Agencies:

The FY 2018 budget reflects a \$1.7 million decrease from FY 2017 due to a one-time payment in FY 2017 to the Santa Clara County Registrar of Voters for the 2016 Measure B share of costs for the November 2016 General Election. This expenditure is anticipated to be reimbursed to the VTA Transit Fund from the 2016 Measure B Program Fund in FY 2018 (included in Other Income—line 13).

Transfer to Capital Reserve:

The FY 2018 budget reflects a \$5.0 million increase over FY 2017 due a change in reporting methodology. In the previous budget cycle, the Transfer to Capital Reserve was reflected as a reduction of revenue instead of an expense item.

Contingency:

The FY 2018 budget reflects a \$2.0 million increase over FY 2017. For administrative purposes, the Operating Contingency is budgeted as a separate category. As urgent or unexpected needs arise, the required budget is transferred to the appropriate expenditure category.



Solar Powered Real Time Information Sign at Bus Stop

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

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Adopted Budget</u>	<u>FY19 Adopted Budget</u>
<u>Operating Balance</u>					
1	Total Operating Revenues	408,680	424,519	455,024	466,777
2	Total Operating Expenses	(398,361)	(426,066)	(475,478)	(493,195)
3	Operating Balance	10,319	(1,547)	(20,454)	(26,418)
<u>Operating Balance Transfers</u>					
4	Operating Balance (Line 3)	10,319	(1,547)	(20,454)	(26,418)
5	Transfers From/(To) Operating Reserve	(1,210)	1,547	20,454	26,418
6	Transfers From/(To) Sales Tax Stabilization Fund	0	0	0	0
7	Transfers From/(To) Debt Reduction Fund	(9,109)	0	0	0
8	Balance to Undesignated Reserves	0	0	0	0
<u>Operating Reserve</u>					
9	Beginning Operating Reserve	62,937	64,147	62,600	42,146
10	Transfer From/(To) Operating Balance	1,210	(1,547)	(20,454)	(26,418)
11	Ending Operating Reserve ²	64,147	62,600	42,146	15,728
12	Operating Reserve % ³	14.7%	13.2%	8.5%	3.1% ⁴

The FY 2018 and FY 2019 Ending Operating Reserves, Line 11 above, assume that 100% of the deficits reflected in the respective adopted operating budgets would be covered from reserves. At the June 1, 2017 Board of Directors meeting where the FY 2018 and FY 2019 Biennial Budget was adopted, staff presented potential options to manage the operating deficits. The projected deficit could be; a) funded from reserves; b) mitigated with the use of short-term financing by way of a Commercial Paper program, as appropriate, to fund capital needs; or c) addressed with a combination of the two. Staff will return to the Board in the fall of 2017 with a recommendation of the optimal mix of the use of short-term financing and reserves to address the projected operating deficit. At that time more information will be available regarding anticipated FY 2018 and FY 2019 revenues and expenditures, providing a clearer picture of the magnitude of the deficits.

¹ Projection as of August 1, 2017; Preliminary Unaudited.

² Net Assets less funds that are restricted by bond covenants, Board designations, and policy guidelines.

³ Line 11 divided by subsequent fiscal year budgeted Operating Expenses (Line 2).

⁴ Based on projected FY 2020 Operating Expenses.

VTA Transit 5-Year Projection

In order to provide a broader picture beyond the two-year budget horizon, the table below shows projected Revenues, Expenses, Operating Balance, and Reserve balances through FY 2022 (in millions).

	FY18	FY19	FY20	FY21	FY22
Revenues	\$455.02	\$466.78	\$480.64	\$492.85	\$505.76
Expenses	(475.48)	(493.20)	(509.43)	(514.24)	(531.22)
Operating Balance	(\$20.45)	(\$26.42)	(\$28.79)	(\$21.40)	(\$25.46)
Operating Reserve	\$62.60	\$42.15	\$15.73	\$0.00	\$0.00
Sales Tax Stabilization Fund	35.00	35.00	35.00	21.94	0.54
Total Available Reserves	\$97.60	\$77.15	\$50.73	\$21.94	\$0.54
Operating Balance	(20.45)	(26.42)	(28.79)	(21.40)	(25.46)
Ending Reserves ¹	\$77.15	\$50.73	\$21.94	\$0.54	(\$24.92)

Revenue growth during the FY 2020-FY 2022 projection period reflects sales tax related revenue growth using a “most likely” scenario and 2.5% inflation on most other sources. Expenditure growth is also based on an average inflation rate of 3.5%.

As with all forecasts, there is uncertainty regarding the revenue and expenditure estimates above. In particular sales tax based revenues may exceed or fall below expectations based on changes in economic or non-economic conditions. Additionally, actual expenditures could differ from projections based on final service levels implemented; volatility in fuel, pension, and healthcare costs; and impacts of negotiated contracts.

As discussed on the previous page, it is anticipated that the currently projected deficits will be covered by a combination of additional revenues, reduced expenditures, reserves, and financing proceeds, if required.

¹ Combined total of Operating Reserve and Sales Tax Stabilization Fund.

Division Budget Summary
(Dollars in Thousands)

Division¹	FY16 Actual	FY17 Adopted Budget²	FY17 Projected Actual³	FY18 Adopted Budget	FY19 Adopted Budget
Office of the General Manager	2,721	4,973	2,800	4,906	4,949
Auditor General	434	410	568	500	480
Office of the General Counsel	2,576	3,042	2,696	3,149	3,198
Business Services	32,624	36,248	34,222	38,581	39,610
Engineering & Transp. Program Delivery	15,451	18,056	15,182	18,436	18,767
Finance & Budget	18,876	21,327	20,863	23,177	24,078
Government Affairs	853	906	965	1,146	1,159
Office of the Chief of Staff	23,522	29,485	25,357	33,758	33,911
Operations	307,007	341,560	324,658	367,272	382,762
Planning & Programing	9,311	8,847	9,347	10,131	10,472
Non-Departmental	21,359	9,362	23,325	10,978	11,142
Total Expenses	434,734	474,216	459,983	512,034	530,528
Reimbursements	(36,374)	(38,769)	(33,917)	(36,555)	(37,332)
Grand Total	398,361	435,447	426,066	475,478	493,195

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

¹ Division totals adjusted to reflect reorganizations.

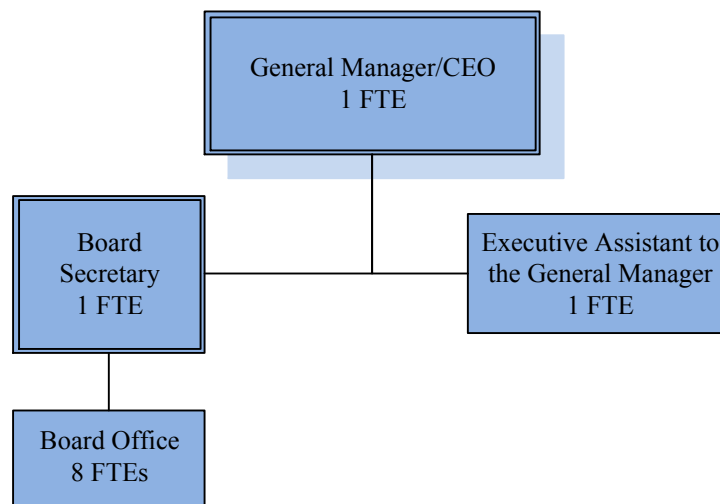
² Adopted Budget approved by the Board on June 4, 2015 and augmentations approved on October 1, 2015; October 6, 2016; and November 3, 2016.

³ Projection as of August 1, 2017; Preliminary Unaudited.

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 Secretary and Board Office, which also resides in the Office of the General Manager, focuses on improving the communication and information flow between VTA and the Board, its committees, and the public.

11 FTEs
(As of 6/30/17)



Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Assistant Board Secretary	1	1	1	1
Board Assistant	5	5	5	5
Board Secretary	1	1	1	1
Executive Assistant to the General Manager	1	1	1	1
Executive Secretary	1	1	1	1
General Manager/CEO	1	1	1	1
Senior Management Analyst	1	1	1	1
Total	11	11	11	11

¹ As of 6/30/16, adjusted to reflect division reorganizations.

² As of 6/30/17, adjusted to reflect division reorganizations.

³ Budgeted positions.

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

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	1,834	1,848	1,892	1,978	86	4.5%	2,012	34	1.7%
Materials & Supplies	0	1	0	0	0	0.0%	0	0	0.0%
Professional & Special Services	162	288	182	165	(17)	-9.2%	165	0	0.0%
Other Services	4	25	5	6	0	7.8%	6	0	0.0%
Office Expense	7	17	9	8	(1)	-14.5%	8	0	0.0%
Communications	1	0	1	1	0	8.6%	1	0	0.0%
Employee Related Expense	218	293	220	228	9	3.9%	228	0	0.0%
Leases & Rents	1	0	0	0	0	N/A	0	0	N/A
Miscellaneous	221	231	219	249	29	13.4%	249	0	0.0%
Contribution to Other Agencies	272	272	272	272	0	0.0%	280	8	3.0%
Contingency	0	2,000	0	2,000	2,000	N/A	2,000	0	0.0%
Total Expense	2,721	4,973	2,800	4,906	2,106	75.2%	4,949	42	0.9%
Reimbursements	0	0	0	0	0	N/A	0	0	N/A
Net Total	2,721	4,973	2,800	4,906	2,106	75.2%	4,949	42	0.9%

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

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

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

Contingency:

The FY 2018 budget reflects a \$2.0 million increase over FY 2017. For administrative purposes, the Operating Contingency is budgeted as a separate category under the General Manager's Division. As urgent or unexpected needs arise, the required budget is transferred to the appropriate division and expenditure category.

¹ Adopted Budget approved by the Board on June 4, 2015 adjusted to reflect division reorganizations.

² Projection as of August 1, 2017; Preliminary Unaudited.

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 Governance and 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 Governance and Audit Committee and audit results to the Governance and Audit Committee and Board.

Bill Eggert of RSM, LLP currently serves as VTA's Auditor General.

Auditor General Expense Budget (Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Professional & Special Services	434	410	566	495	(71)	-12.5%	475	(20)	-4.0%
Other Services	0	0	2	0	(2)	-100.0%	0	0	N/A
Employee Related Expense	0	0	0	0	0	N/A	0	0	N/A
Miscellaneous	0	0	0	5	5	N/A	5	0	0.0%
Total Expense	434	410	568	500	(68)	-12.0%	480	(20)	-4.0%
Reimbursements	0	0	0	0	0	N/A	0	0	N/A
Net Total	434	410	568	500	(68)	-12.0%	480	(20)	-4.0%

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

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

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

None

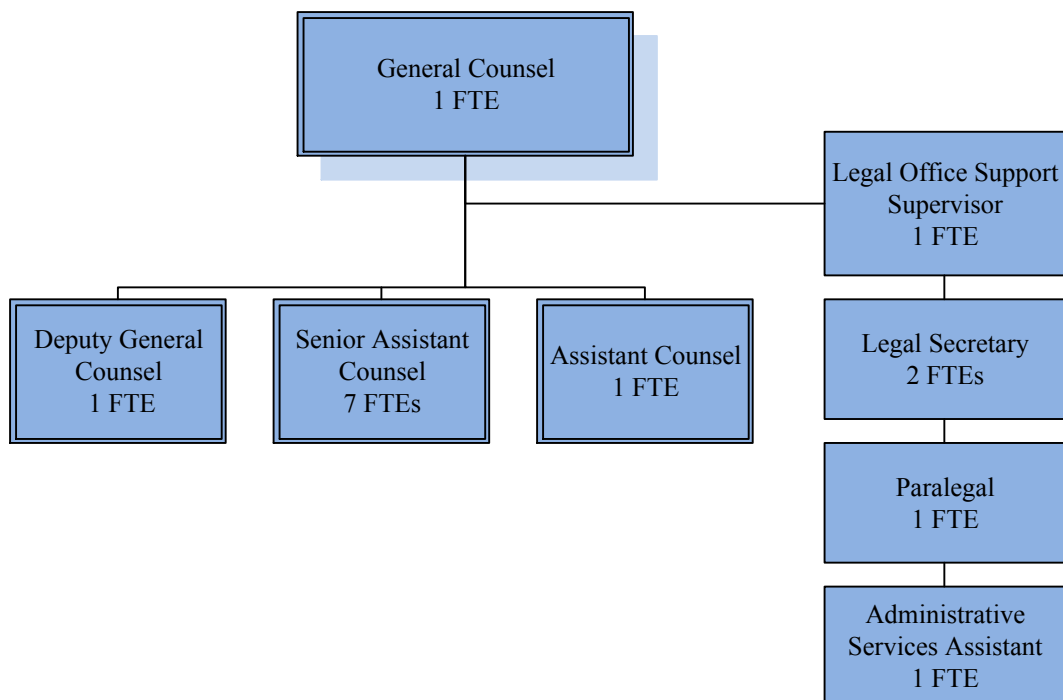
¹ Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

Office of the General Counsel

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

15 FTEs
(As of 6/30/17)



Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Administrative Services Assistant	1	1	1	1
Assistant Counsel	1	1	1	1
Assistant General Counsel	1	0	0	0
Deputy General Counsel	0	1	1	1
General Counsel	1	1	1	1
Legal Office Support Supervisor	1	1	1	1
Legal Secretary	2	2	2	2
Paralegal	1	1	1	1
Senior Assistant Counsel	7	7	7	7
Total	15	15	15	15

¹ As of 6/30/16.

² As of 6/30/17.

³ Budgeted positions.

Office of the General Counsel cont.

FY 2016 & FY 2017 Accomplishments

1. Provided the legal support necessary to ensure successful placing of 2016 Measure B on November 2016 General Election ballot.
2. Provided key legal service to ensure the continued progress of important capital projects such as VTA's BART Silicon Valley Extension and the Bus Rapid Transit (BRT) Program.
3. Using the procurement process, established a list of high quality on-call legal service providers that are able to supplement, as necessary, the legal services provided in-house.
4. Continued to establish a good working relationship with members of the executive team and Board of Directors.
5. Enhanced communication and coordination within General Counsel's Office by establishing clearer processes for obtaining legal review.
6. Offered timely and creative legal solutions to enable clients to achieve their business goals.

FY 2018 & FY 2019 Goals

1. Provide legal direction and service to ensure viability and proper implementation of the 2016 Measure B Program. (Ongoing) *(Core Value supported—Accountability)*
2. Assist in the establishment and use of coordinated processes to review, update, and revise VTA policies and procedure to ensure clarity, efficiency, conformity, usability, and legal compliance. (Ongoing) *(Core Value supported—Quality)*
3. Continue to provide the type of legal support that ensures the efficient progress of important projects such as VTA's BART Silicon Valley Berryessa Extension and BART Phase II. (Ongoing) *(Core Values supported—Safety, Accountability)*
4. Continue to establish a good working relationship with members of the executive team and Board of Directors. (Ongoing) *(Core Value supported—Integrity)*
5. Provide legal advice and guidance regarding issues surrounding emerging technologies in transportation. (Ongoing) *(Core Values supported—Quality, Sustainability)*
6. Ensure VTA diversity efforts are done in compliance with legal and regulatory requirements. (Ongoing) *(Core Value supported—Diversity)*
7. Provide quality advice and assistance on labor issues, including upcoming labor negotiations. (Ongoing) *(Core Values supported—Quality, Accountability)*
8. Continue to offer timely and creative legal solutions to enable clients to achieve their business goals. (Ongoing) *(Core Value supported—Quality)*

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

Category	FY16 Actual	FY17 Adopted Budget¹	FY17 Projected Actual²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	2,417	2,858	2,474	2,951	477	19.3%	3,000	49	1.7%
Professional & Special Services	61	120	145	120	(25)	-17.4%	120	0	0.0%
Other Services	31	1	1	1	0	-6.5%	1	0	0.0%
Data Processing	0	3	0	3	3	N/A	3	0	0.0%
Office Expense	9	11	12	11	(1)	-7.4%	11	0	0.0%
Employee Related Expense	17	20	21	20	(1)	-6.5%	20	0	0.0%
Miscellaneous	41	29	43	43	0	-0.1%	43	0	0.0%
Total Expense	2,576	3,042	2,696	3,149	452	16.8%	3,198	49	1.6%
Reimbursements	(1,315)	(1,189)	(1,289)	(1,145)	144	-11.2%	(1,156)	(12)	1.0%
Net Total	1,262	1,852	1,407	2,004	597	42.4%	2,041	37	1.9%

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

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

Labor Costs:

The FY 2018 budget reflects a \$477 thousand increase over FY 2017 actual due primarily to the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

Reimbursements:

FY 2018 budgeted reimbursements are \$144 thousand higher than FY 2017 actual due to an increase in the indirect cost charge rate.

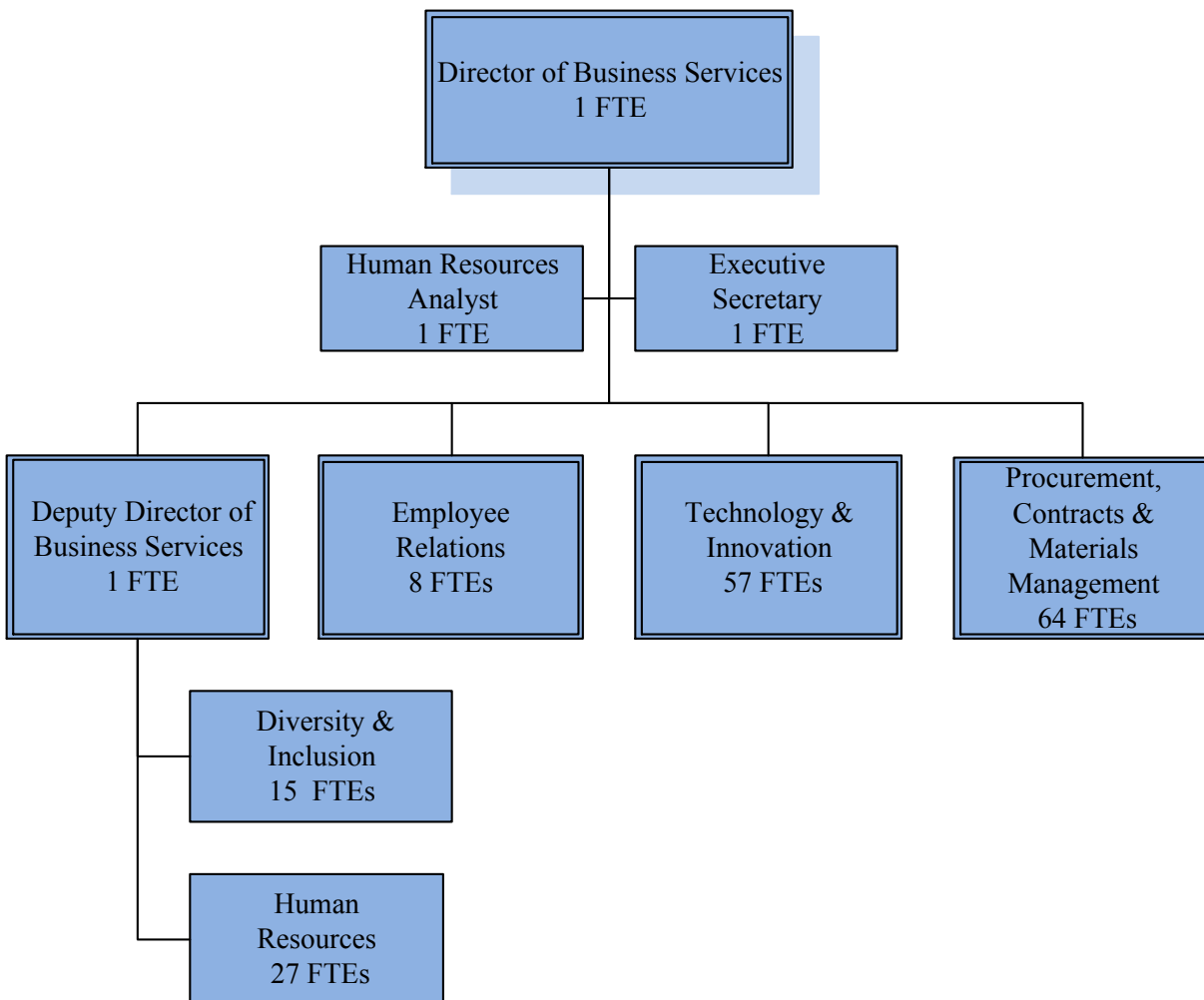
¹ Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

Business Services Division

Under the direction of the Director of Business Services, this division is responsible for providing and supporting VTA's business, employee support, and civil rights functions. The division is also responsible for the general management of business and transportation technology systems and the development of innovative transportation solutions.

175 FTEs
(As of 6/30/17)



Business Services Division cont.**Department Descriptions****Diversity & Inclusion:**

Responsible for the coordination of employee training programs; administering VTA's organizational development and training program; administering VTA's Business Diversity Program; Title VI program compliance; and the office of civil rights.

Employee Relations:

Responsible for the negotiating and administering of collective bargaining agreements and the Substance Abuse Control program.

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.

Technology & Innovation:

Responsible for management of business and transportation technology systems and developing innovative solutions that improve the future of transportation.

Procurement, Contracts & Materials Management:

Responsible for commodity and non-professional service procurements, construction and professional services contracting, messenger and mail service, central receiving, materials management, and surplus property disposal.

Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Accessible Services Program Manager	1	0	0	0
Business Diversity Program Manager	1	1	1	1
Business Systems Analyst I	4	3	3	3
Buyer II	6	7	7	7
Buyer III	3	3	3	3
Chief Information Officer	1	1	1	1
Civil Rights Program Manager	0	1	1	1
Communications Systems Analyst II	0	1	1	1
Communications Systems Manager	1	1	1	1
Construction Contracts Administration Manager	1	1	1	1
Construction Contracts Administrator II	5	5	5	5
Contracts Administrator II	5	5	5	5
Contracts Manager	2	2	2	2
Cyber Security Analyst	0	1	1	1

¹ As of 6/30/16, adjusted to reflect division reorganizations.

² As of 6/30/17, adjusted to reflect division reorganizations.

³ Budgeted positions.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Title	FY16¹	FY17²	FY18³	FY19³
Database Administrator II	1	1	1	1
Deputy Director of Business Services	0	1	1	1
Deputy Director, HR & Diversity Programs	1	0	0	0
Director of Business Services	1	1	1	1
Diversity & Inclusion Manager	1	1	1	1
Document Services Specialist II	0	1	1	1
Employee Relations Manager	1	1	1	1
Executive Secretary	4	4	4	4
Human Resources Administration Manager	1	0	0	0
Human Resources Administrator	1	1	1	1
Human Resources Analyst	19	20	20	20
Human Resources Assistant	10	10	10	10
Human Resources Manager	0	1	1	1
Information Systems Analyst II	6	6	6	6
Information Systems Supervisor	3	3	3	3
Mail & Warehouse Worker	3	2	2	2
Management Aide	2	1	1	1
Management Analyst	4	4	4	4
Manager of Procurement, Contracts & Materials Management	1	1	1	1
Materials & Warranty Manager	1	1	1	1
Materials Resource Scheduler	3	4	4	4
Network Analyst II	1	1	1	1
Office Specialist II	5	4	4	4
Office Support Supervisor	1	1	1	1
Parts Clerk	21	21	21	21
Parts Foreperson	1	1	1	1
Procurement & Materials Manager	1	1	1	1
Programmer II	2	1	1	1
Purchasing Manager	1	1	1	1
Reprographics Services Specialist II	1	0	0	0
Senior Advisor, Business Development	0	1	1	1
Senior Business Systems Analyst	5	5	5	5
Senior Communications Systems Analyst	6	6	6	6
Senior Construction Contracts Administrator	1	1	1	1
Senior Contracts Administrator	2	2	2	2
Senior Database Administrator	2	2	2	2
Senior Human Resources Analyst	7	7	7	7
Senior Information Systems Analyst	6	6	6	6
Senior Management Analyst	1	0	0	0
Senior Network Analyst	2	2	2	2
Senior Programmer	0	1	1	1
Senior Systems Administrator	1	1	1	1
Senior Web Developer	2	2	2	2
Systems Administrator II	2	2	2	2
Technical Project Manager	3	2	2	2
Technology Infrastructure Supervisor	1	1	1	1
Technology Manager	1	1	1	1
Vehicle Parts Supervisor	4	4	4	4
Web Developer II	2	2	2	2
Total	175	175	175	175

Business Services Division cont.

FY 2016 & FY 2017 Accomplishments

1. Revamped New Employee Orientation.
2. Launched Leadership Academy.
3. Expanded Business Diversity Program to include LGBTQ and Disabled Veterans.
4. Converted several paper processes to electronic forms.
5. Enhanced customer experience by adding Wi-Fi to VTA's bus fleet and by installing Real Time information monitors throughout the transit system.
6. Launched e-workflow in Procurement & Contracts.
7. Established a Wellness Committee.
8. Wrote VTA's Diversity & Inclusion Strategic Plan.
9. Successfully negotiated collective bargaining agreements with AFSCME and TAEA.

FY 2018 & FY 2019 Goals

1. Continue focusing on hiring minorities and females through partnership with community organizations. (Ongoing) *(Core Value supported—Diversity)*
2. Successfully negotiate contracts with various bargaining units. (Ongoing) *(Core Values supported—Integrity, Diversity)*
3. Upgrade mobile ticketing application to include single and day passes. (June 2019) *(Core Value supported—Quality)*
4. Collaborate with regional partners to increase contracting opportunities for small, disadvantaged, minority, women, disabled vets, and LGBTQ businesses to help grow the local economy. (Ongoing) *(Core Values supported—Integrity, Diversity)*
5. Continue expanding the Wellness Program to increase the overall well-being of staff and their families. (Ongoing) *(Core Values supported—Safety, Diversity)*
6. Establish a SharePoint library for all executed contracts. (June 2018) *(Core Value supported—Sustainability)*
7. Establish collaborative partnerships to support the development and testing of autonomous vehicle technology to provide first/last-mile connections to VTA transit services. (Ongoing) *(Core Values supported—Safety, Quality, Sustainability, Accountability)*
8. Deploy advanced cyber security tools and processes to enhance VTA's defense against malicious attacks. (Ongoing) *(Core Values supported—Safety, Integrity)*
9. Complete the FTA triennial goal setting for FY 2020-2022 for August 1, 2019 submittal. (June 2019) *(Core Values supported—Integrity, Diversity, Accountability)*

Business Services Division Expense Budget
(Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	23,990	26,456	24,459	27,607	3,148	12.9%	28,297	690	2.5%
Materials & Supplies	436	460	636	508	(127)	-20.0%	568	60	11.8%
Professional & Special Services	1,079	1,341	1,389	1,937	548	39.5%	1,601	(336)	-17.3%
Other Services	684	628	898	928	30	3.4%	1,541	613	66.0%
Utilities	0	2	0	2	2	N/A	2	0	0.0%
Data Processing	3,679	4,516	4,372	4,611	239	5.5%	4,618	7	0.1%
Office Expense	81	136	63	76	13	20.2%	77	1	1.7%
Communications	1,561	1,603	1,624	1,619	(5)	-0.3%	1,643	24	1.5%
Employee Related Expense	380	444	252	555	302	119.8%	555	0	0.0%
Leases & Rents	556	428	329	469	140	42.6%	451	(18)	-3.8%
Miscellaneous	178	233	200	269	69	34.4%	257	(12)	-4.5%
Total Expense	32,624	36,248	34,222	38,581	4,359	12.7%	39,610	1,029	2.7%
Reimbursements	(2,572)	(3,370)	(3,117)	(3,412)	(295)	9.5%	(3,445)	(33)	1.0%
Net Total	30,053	32,878	31,105	35,169	4,064	13.1%	36,165	996	2.8%

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

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

Labor Costs:

The FY 2018 budget reflects a \$3.1 million increase over FY 2017 actual due primarily to the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

Professional & Special Services:

The FY 2018 budget reflects a \$548 thousand increase over FY 2017 actual and FY 2019 reflects a \$336 thousand decrease from FY 2018 due primarily to a Title VI Equity analysis and ADA bus stop compliance inventory planned for FY 2018.

Other Services:

The FY 2019 budget reflects a \$613 thousand increase over FY 2018 budget due to the commencement of maintenance payments to the Silicon Valley Radio Interoperability Authority (SVRIA) in FY 2019.

¹ Adopted Budget approved by the Board on June 4, 2015 and augmentation approved on October 1, 2015 adjusted to reflect division reorganizations.

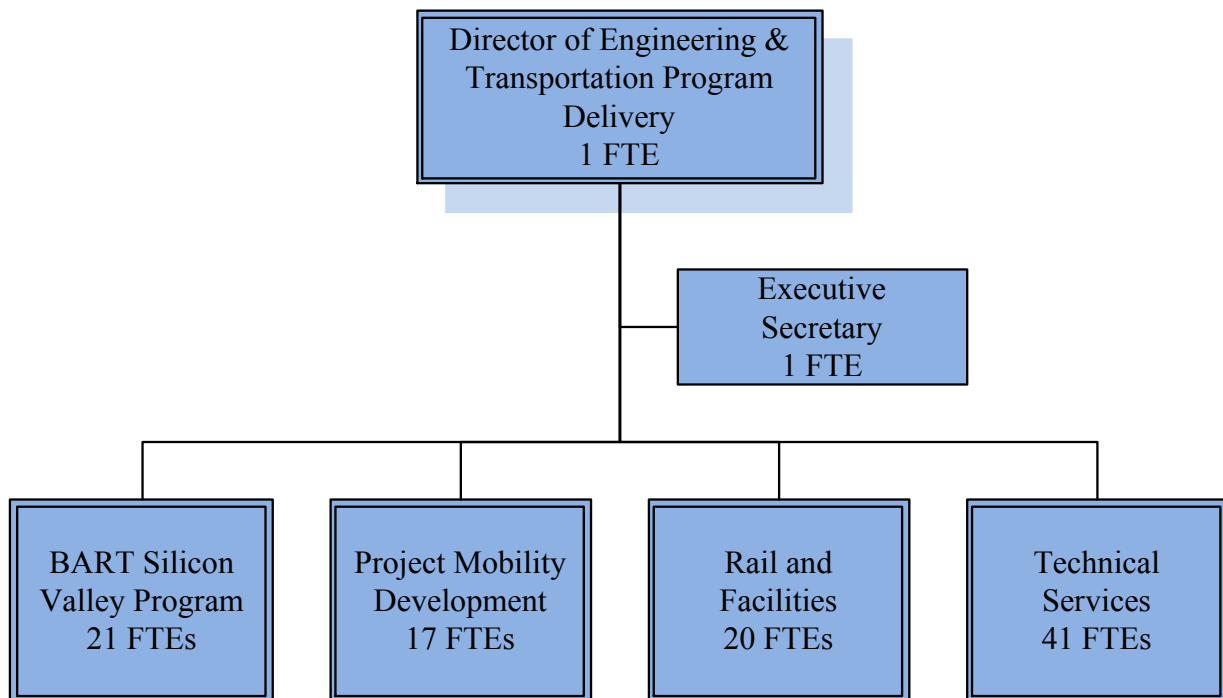
² Projection as of August 1, 2017; Preliminary Unaudited.

Engineering & Transportation Program Delivery Division

Under the direction of the Director of Engineering & Transportation Program Delivery, this division is responsible for project development and delivery of the capital program in VTA's sales tax measures and ensuring that VTA's current system achieves a state-of-good repair. This division is also responsible for the development and operations of the Express Lanes Program.

101 FTEs

(As of 6/30/17)



Engineering & Transportation Program Delivery Div. cont.

Department Descriptions

BART Silicon Valley Program:

Responsible for providing oversight and coordination for all activities related to VTA's BART Silicon Valley Extension.

Project Mobility Development:

Responsible for project development activities and delivery of major stakeholder projects, both highways and transit. Manages the design, construction and turnover of capital projects, environmental programs, and express lanes development and operations.

Rail and Facilities:

Responsible for providing technical support for the assessment and delivery of capital projects necessary for the operation of the infrastructure owned by VTA including bus, light rail, commuter rail and facility improvements.

Technical Services:

Responsible for providing support to groups tasked with the delivery of capital projects throughout VTA including cost and schedule reporting, quality assurance, surveying and mapping, and environmental engineering.

Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Assistant Architect	1	1	1	1
Assistant Cost & Schedule Coordinator	1	1	1	1
Assistant Systems Design Engineer	1	2	2	2
Assistant Transportation Engineer	8	8	8	8
Associate Systems Design Engineer	2	1	1	1
Associate Transportation Engineer	8	8	8	8
Construction Contract Compliance Officer	1	1	1	1
Construction Inspector	6	6	6	6
Deputy Director, Construction	2	2	2	2
Deputy Director, Project Development	1	1	1	1
Deputy Director, SVRT	1	1	1	1
Director of Engineering & Transportation Program Delivery	1	1	1	1
Engineering Aide	5	4	4	4
Engineering Group Manager	3	3	3	3
Engineering Technician II	1	1	1	1

¹ As of 6/30/16 adjusted to reflect division reorganizations.

² As of 6/30/17 adjusted to reflect division reorganizations.

³ Budgeted positions.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Title	FY16¹	FY17²	FY18³	FY19³
Engineering Technician III	2	2	2	2
Environmental Planner III	3	3	3	3
Executive Secretary	1	1	1	1
Management Aide	1	1	1	1
Management Analyst	1	1	1	1
Office Specialist II	7	7	7	7
Office Support Supervisor	1	1	1	1
Principal Construction Inspector	1	1	1	1
Project Controls Group Manager	1	1	1	1
Project Controls Specialist II	5	5	5	5
Quality Assurance & Warranty Manager	1	1	1	1
Secretary	1	1	1	1
Senior Architect	2	2	2	2
Senior Construction Inspector	3	3	3	3
Senior Cost & Schedule Coordinator	2	3	3	3
Senior Environmental Engineer	1	1	1	1
Senior Environmental Planner	3	3	3	3
Senior Land Surveyor	1	1	1	1
Senior Management Analyst	1	1	1	1
Senior Systems Design Engineer	2	2	2	2
Senior Transportation Engineer	7	7	7	7
Senior Transportation Planner	1	1	1	1
Survey and Mapping Manager	1	1	1	1
SVRT Environmental Planning Manager	1	1	1	1
SVRT Project Controls Manager	1	1	1	1
Transportation Engineering Manager	5	4	4	4
Transportation Planning Manager	1	1	1	1
Utilities Coordination Manager	1	1	1	1
Utility Coordinator	2	2	2	2
Total	102	101	101	101

Engineering & Transportation Program Delivery Div. cont.

FY 2016 & FY 2017 Accomplishments

1. Completed construction and activation of Mountain View Double Track.
2. Completed construction of the Alum Rock/Santa Clara Bus Rapid Transit (BRT) Project.
3. Completed the construction of the Santa Clara Station Pedestrian Underpass Extension Project.
4. Completed the installation and testing of CCTV systems (Phase 8) at various locations including light rail station platforms and the North and Cerone Bus Operating Divisions.
5. Completed the procurement of PMWeb software for enterprise project management control and reporting to increase performance and accountability for VTA construction projects and related capital investments, and simplify access to project information.
6. Completed various milestones on VTA's BART Silicon Valley Extension – Phase I including: reopened Sierra/Lundy intersection in the City of San Jose to normal traffic; reopened Dixon Landing Road in the City of Milpitas to normal traffic with final paving; completed parking garages at the Berryessa and Milpitas stations; completed major trackway construction and BART radio, traction power, and communications network systems.
7. Completed various milestones on VTA's BART Silicon Valley Extension – Phase II including: completed and circulated for public comment the Draft *Supplemental Environmental Impact Statement/3rd Supplemental Environmental Impact Report* (SEIR/SEIS); completed technical studies for tunneling options to inform Final SEIR/SEIS and project definition selection.

FY 2018 & FY 2019 Goals

1. Complete construction and put into operation VTA's new Paratransit facility at Eastridge Transit Center. (August 2017) (*Core Value supported—Quality*)
2. Determine the Project Definition for the *Supplemental Environmental Impact Statement/3rd Supplemental Environmental Impact Report* and submit an application to enter the Federal Transit Administration (FTA) New Starts Project Development for VTA's BART Silicon Valley Phase II Extension. (October 2017) (*Core Values supported—Quality, Sustainability, Accountability*)
3. Receive a Record of Decision from the FTA on the *Supplemental Environmental Impact Statement/3rd Supplemental Environmental Impact Report* for Phase II of VTA's BART Silicon Valley Extension and enter into FTA's New Starts Engineering. (December 2017) (*Core Values supported—Quality, Sustainability, Accountability*)
4. Complete Montague Expressway widening and reconstruction project in the City of Milpitas. (January 2018) (*Core Values supported—Safety, Quality, Accountability*)

Engineering & Transportation Program Delivery Div. cont.

5. Complete construction of Capitol Expressway Pedestrian Connection to the Eastridge Transit Center. (February 2018) *(Core Values supported—Safety, Quality, Accountability)*
6. Complete construction of electric bus charging station at VTA's Cerone Division. (March 2018) *(Core Values supported—Sustainability, Accountability)*
7. Complete construction and put into passenger service VTA's BART Silicon Valley Berryessa Extension project. (May 2018) *(Core Values supported—Quality, Sustainability, Accountability)*
8. Complete construction of Hamilton Light Rail Train Structure modifications. (December 2018) *(Core Values supported—Sustainability, Accountability)*
9. Begin construction of the Montague Pedestrian Overcrossing in the City of Milpitas connecting VTA's Milpitas BART Station to new residential development. (March 2019) *(Core Values supported—Safety, Sustainability, Accountability)*
10. Complete state-of-good-repair condition assessments for Rail and Bus facilities. (May 2019) *(Core Values supported—Quality, Sustainability, Accountability)*



17th Street Bus Rapid Transit (BRT) Station

***Engineering & Transportation Program Delivery Division
Expense Budget
(Dollars in Thousands)***

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	15,394	17,961	14,949	17,751	2,802	18.7%	18,328	577	3.2%
Materials & Supplies	5	1	0	2	2	N/A	1	(2)	-67.8%
Professional & Special Services	30	60	204	650	447	219.3%	407	(243)	-37.4%
Other Services	0	0	1	0	(1)	-85.3%	0	0	0.0%
Data Processing	0	0	0	1	1	192.9%	1	0	0.0%
Office Expense	12	15	16	15	(2)	-9.4%	14	0	-0.4%
Communications	0	2	0	0	0	N/A	0	0	N/A
Employee Related Expense	1	5	1	3	1	118.3%	2	0	-8.4%
Miscellaneous	9	13	11	14	3	27.2%	14	0	-2.9%
Total Expense	15,451	18,056	15,182	18,436	3,254	21.4%	18,767	331	1.8%
Reimbursements	(22,600)	(23,233)	(17,729)	(18,021)	(292)	1.6%	(18,203)	(182)	1.0%
Net Total	(7,149)	(5,177)	(2,547)	414	2,961	-116.3%	563	149	36.0%

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

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

Labor Costs:

The FY 2018 budget reflects a \$2.8 million increase over FY 2017 actual due to the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

Professional & Special Services:

The FY 2018 budget reflects a \$447 thousand increase over FY 2017 actual and FY 2019 reflects a \$243 decrease due primarily to one-time costs related to standards and quality assurance updates in FY 2018 and ongoing initiatives for code analysis, review and updates of as built documents, track configuration schemas and state of good repair program establishment in both FY 2018 and FY 2019.

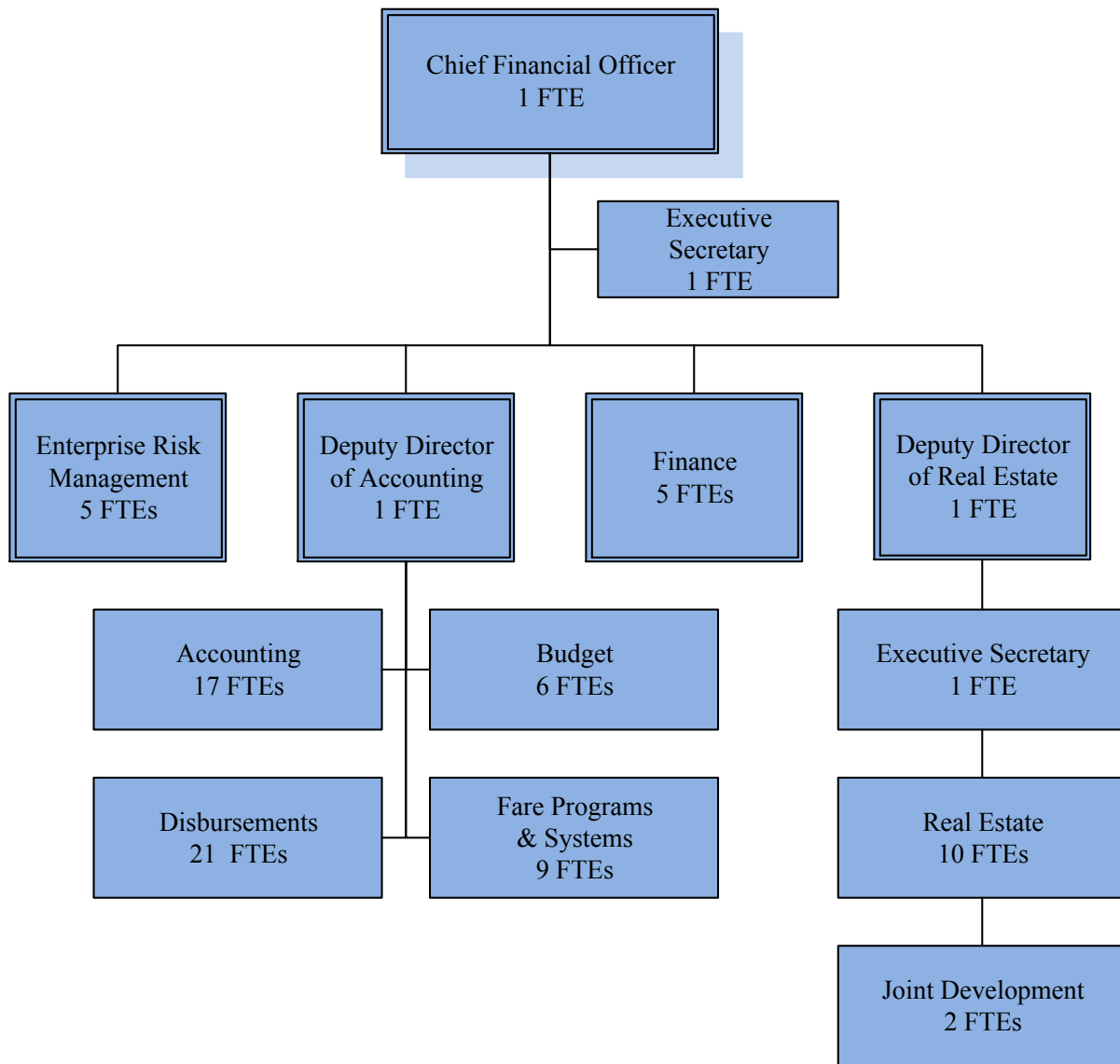
¹ Adopted Budget approved by the Board on June 4, 2015 adjusted to reflect division reorganizations.

² Projection as of August 1, 2017; Preliminary Unaudited.

Finance & Budget Division

Under the direction of the Chief Financial Officer, the Finance & Budget 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 fare revenue programs and systems. In addition the division is responsible for Enterprise Risk Management, advertisement and non-fare revenue generation, permits, right-of-way acquisitions, and property development and management.

80 FTEs
(As of 6/30/17)



Finance & Budget 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.

Disbursements:

Responsible for processing payments to employees and outside vendors.

Enterprise Risk Management:

Responsible for management of self-insured Workers' Compensation and Liability claims and Operations and Construction insurance programs.

Fare Programs & 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.

Joint Development:

Responsible for management of VTA's Joint Development Program.

Real Estate:

Responsible for the management of VTA's real property assets, acquisition of right-of-way in support of VTA capital projects, permits, and advertisement and non-fare revenue generation.

***Finance & Budget Division
Position Detail***

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Accountant Assistant	14	14	14	14
Accountant II	1	1	1	1
Accountant III	9	9	9	9
Accounts Payable Support Supervisor	1	1	1	1
Associate Real Estate Agent	2	3	3	3
Audit Program Manager	1	1	1	1
BART O&M Program Manager	0	0	1	1
Chief Financial Officer	1	1	1	1
Claims Analyst	2	2	2	2
Claims Program Manager	1	1	1	1
Construction Inspector	2	2	2	2
Deputy Director of Accounting	1	1	1	1
Deputy Director of Real Estate	1	1	1	1
Disbursements Manager	1	1	1	1
Enterprise Risk Manager	1	1	1	1
Executive Secretary	2	2	2	2
Financial Accounting Manager	1	1	1	1
Financial Analyst	2	2	2	2
Fiscal Resources Manager	3	3	3	3
Human Resources Analyst	1	0	0	0
Investment Program Manager	1	1	1	1
Management Analyst	1	2	3	3
Management Secretary	1	1	1	1
Manager, Budget Administration	0	1	1	1
Manager, Market Development	1	0	0	0
Manager, Real Estate & Project Admin	1	1	1	1
Office Specialist II	2	1	1	1
Office Support Supervisor	1	1	1	1
Payroll Support Supervisor	1	1	1	1
Permit Technician	1	1	1	1
Revenue Services Manager	1	1	1	1
Risk Analyst	0	1	1	1
Senior Accountant	9	9	9	10
Senior Advisor, Business Development	1	0	0	0
Senior Business Systems Analyst	1	0	0	0
Senior Construction Inspector	1	1	1	1
Senior Financial Analyst	3	3	3	3
Senior Management Analyst	2	2	2	2
Senior Real Estate Agent	3	3	3	3
Vault Room Worker	4	3	3	3
Total	82	80	82	83

Includes the addition of two positions in support of the 2008 Measure B—BART Operating Sales Tax Program and one position in support of the 2016 Measure B Program.

¹ As of 6/30/16.

² As of 6/30/17.

³ Budgeted positions.

Finance & Budget Division cont.

FY 2016 & FY 2017 Accomplishments

1. Completed early termination of a 2003 sales/leaseback transaction on railcars and received \$1.5 million of excess collateral that was recorded as revenues.
2. Replaced \$238 million liquidity facility that supports the 2000 Measure A 2008 variable rate bonds and achieved a savings of \$189,000 over three years.
3. Successfully diversified the VTA/ATU pension plan fund assets to include “Absolute Return Strategy”, consistent with a recent asset/liability study to diversify into other asset classes to reduce risk and optimize the overall portfolio performance.
4. Restructured risk financing plans for VTA’s overall risks (liability, property, operational, environmental, cyber, crime, terrorism, etc.).
5. Insurance coverage enhanced for Fiscal Year 2017 at a reduced premium over the expiring coverage for Fiscal Year 2016.
6. Completed major real estate acquisitions and right-of-way closeouts for VTA’s BART Silicon Valley Extension and Alum Rock/Santa Clara Bus Rapid Transit projects at below budgeted costs.
7. Selected a new advertising contractor for a five year contract with a Minimum Annual Guarantee of \$12.25 million total for the five year term, a \$4.85 million increase over the previous contract.
8. 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 2015 and FY 2016 Comprehensive Annual Financial Reports.
9. Received the GFOA Distinguished Budget Presentation Award for the FY 2016 and FY 2017 Biennial Budget Book.

FY 2018 & FY 2019 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. (Ongoing) (*Core Values supported—Integrity, Quality, Accountability*)
2. Complete the SR 237 Phase 2 Express Lanes Financing. (September 2017) (*Core Values supported—Integrity, Quality, Accountability*)
3. Develop a framework for Commercial Paper program for short-term financing of Transit capital assets to better match cash outflow to asset life. (December 2017) (*Core Values supported—Integrity, Quality, Accountability*)
4. Implement the Board adopted fare policy and the VTA SmartPass program. (January 2019) (*Core Values supported—Integrity, Quality, Diversity, Accountability*)

Finance & Budget Division cont.

5. Complete revisions to VTA's outdated Insurance Procedure Manual for Contracts and train procurement managers on insurance requirements and risk management strategies for various types of contracts. (September 2017) *(Core Values supported—Integrity, Quality, Accountability)*
6. Accurately and timely induct/incorporate VTA's BART Silicon Valley Extension-Phase I project assets which are currently in "Work in Progress" into their respective asset classes on VTA's financials once the project is complete and ready for revenue service. (June 2018) *(Core Values supported—Integrity, Quality, Accountability)*
7. Successfully complete Tamien joint development project (June 2019) *(Core Values supported—Integrity, Quality, Diversity, Accountability)*
8. Submit the FY 2017 and FY 2018 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. (November 2017 & November 2018) *(Core Values supported—Integrity, Quality, Accountability)*
9. Submit the FY 2018 and FY 2019 Biennial Budget Book to GFOA for consideration for the Distinguished Budget Presentation Award. (August 2017) *(Core Values supported—Integrity, Quality, Accountability)*



Downtown San Jose

Finance & Budget Division Expense Budget
(Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	11,134	12,445	10,738	12,789	2,050	19.1%	13,507	718	5.6%
Materials & Supplies	1	2	6	1	(5)	-85.9%	1	0	-4.5%
Professional & Special Services	1,561	1,828	2,085	2,259	174	8.3%	2,059	(200)	-8.8%
Other Services	638	616	436	739	303	69.4%	723	(16)	-2.1%
Insurance	4,923	5,752	6,901	6,467	(434)	-6.3%	6,862	394	6.1%
Data Processing	0	10	7	25	17	233.6%	16	(8)	-33.9%
Office Expense	24	26	35	29	(6)	-16.6%	30	1	3.9%
Employee Related Expense	9	3	2	9	7	315.0%	9	0	0.6%
Leases & Rents	175	196	179	197	18	10.0%	206	9	4.7%
Miscellaneous	43	49	47	62	16	33.2%	65	2	3.8%
Contribution to Other Agencies	367	400	426	601	175	41.1%	601	0	0.0%
Total Expense	18,876	21,327	20,863	23,177	2,314	11.1%	24,078	901	3.9%
Reimbursements	(585)	(751)	(408)	(561)	(153)	37.5%	(863)	(302)	53.9%
Net Total	18,291	20,575	20,455	22,616	2,161	10.6%	23,215	599	2.6%

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

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

Labor Costs:

The FY 2018 budget reflects a \$2.1 million increase over FY 2017 actual due to the addition of two positions in support of 2008 Measure B—BART Operating Sales Tax program oversight for six months and the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

Professional & Special Services:

The FY 2018 budget reflects a \$174 thousand increase from FY 2017 actual and the FY 2019 budget reflects a \$200 thousand decrease from FY 2018 due primarily to a sponsorship & naming rights assessment and a private use analysis planned for FY 2018.

¹ Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

Finance & Budget Division cont.

Other Services:

FY 2018 budget is \$303 thousand higher than FY 2017 actual due to fees for additional Clipper® cards for the VTA SmartPass program. Fees are reimbursed from institutions as cards are distributed.

Insurance:

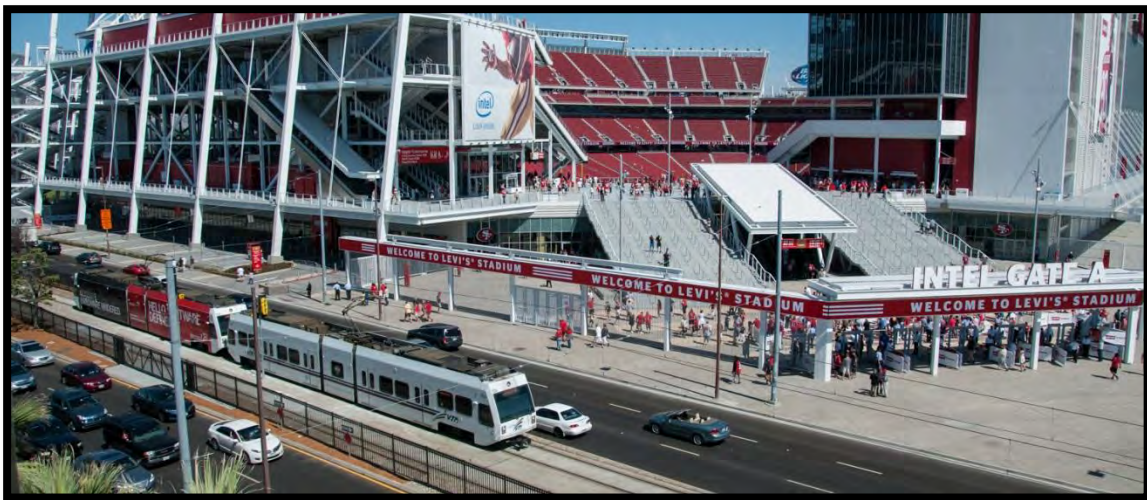
FY 2018 budget is \$434 thousand lower than FY 2017 actual due to the settlement of several extraordinary self-insurance claims in FY 2017. The FY 2019 budget is \$394 thousand higher than FY 2018 due to an assumed increase in insurance premiums and an anticipated increase in self-insurance costs based on actuarial reports.

Contribution to Other Agencies:

The FY 2018 increase of \$175 thousand from FY 2017 actual is due to transfer of responsibility for revenue sharing payments for bus shelter advertising from the Planning & Programming Division starting in FY 2018.

Reimbursements:

FY 2018 reflects a \$153 thousand increase from FY 2017 due to an increase in the indirect cost charge rate and six months impact of additional positions in support of the 2008 Measure B—BART Operating Sales Tax Program. FY 2019 reflects a \$302 thousand increase from FY 2019 due to a full year of support of the 2008 Measure B—BART Operating Sales Tax Program and the addition of a position in support of the 2016 Measure B Program.

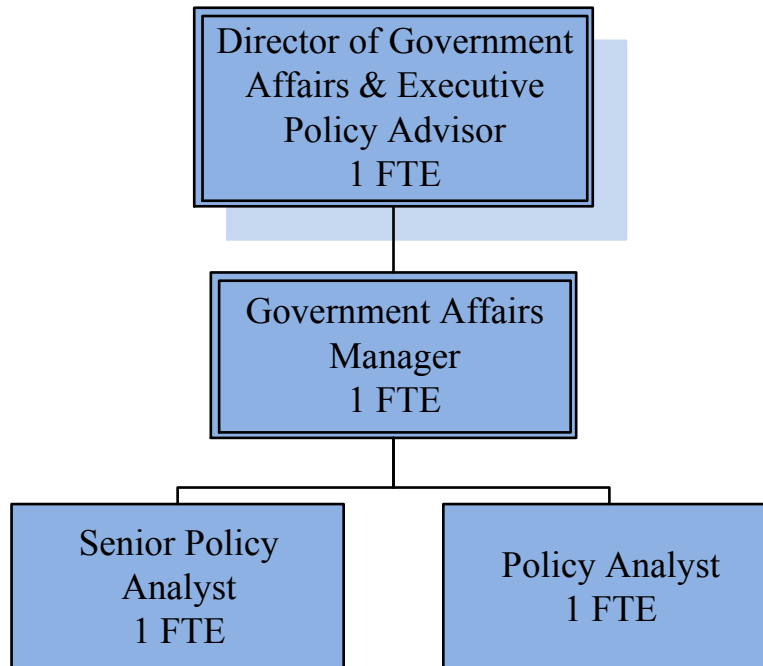


VTA Light Rail Service and Levi's Stadium

Government Affairs Division

The Government Affairs division is responsible for developing and coordinating VTA's legislative and intergovernmental programs at the federal, state, regional and local levels.

4 FTEs
(As of 6/30/17)



Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Director of Government Affairs & Executive Policy Advisor	1	1	1	1
Government Affairs Manager	1	1	1	1
Policy Analyst	0	1	1	1
Public Communication Specialist II	1	0	0	0
Senior Policy Analyst	1	1	1	1
Total	4	4	4	4

¹ As of 6/30/16 adjusted to reflect division reorganizations.

² As of 6/30/17 adjusted to reflect division reorganizations.

³ Budgeted positions.

Government Affairs Division cont.

FY 2016 & FY 2017 Accomplishments

1. Successfully developed and executed VTA's Legislative Program.
2. Worked to ensure the enactment of Senate Bill 1 (SB 1), the most significant state transportation funding bill in more than 25 years which will raise approximately \$5 billion annually statewide from new sources to fund much needed transportation services.
3. Achieved a \$20 million grant from the California State Transportation Agency (CalSTA) under the Transit and Intercity Rail Program (TIRCP) for Phase II of VTA's BART Silicon Valley Expansion Program.
4. Succeeded in obtaining appropriation of federal Capital Investment Grant Program (New Starts) funding for Phase I of VTA's BART Silicon Valley Expansion.

FY 2018 & FY 2019 Goals

1. Advocate for VTA's Legislative Program goals to receive the highest levels of annual federal funding for transit and highways. (Ongoing) *(Core Values supported—Safety, Integrity, Quality, Sustainability, Diversity, Accountability)*
2. Advocate with the Metropolitan Transportation Commission (MTC) for VTA's local share of regional discretionary funds. (Ongoing) *(Core Values supported—Safety, Integrity, Quality, Sustainability, Diversity, Accountability)*
3. Actively participate in both legislative and administrative discussions at the state level concerning the designation of funds from SB 1 to assure VTA's share of this new revenue source. (Ongoing) *(Core Values supported—Safety, Integrity, Quality, Sustainability, Diversity, Accountability)*
4. Provide advice and information to local governments and stakeholders concerning implementation of the 2016 Measure B Program. (Ongoing) *(Core Values supported—Integrity, Quality, Accountability)*

Government Affairs Division Expense Budget
(Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	644	666	784	898	114	14.6%	912	13	1.5%
Materials & Supplies	0	1	0	0	0	N/A	0	0	N/A
Professional & Special Services	193	216	168	233	65	38.4%	233	0	0.0%
Other Services	1	0	0	0	0	N/A	0	0	N/A
Office Expense	0	1	0	1	0	181.1%	1	0	0.0%
Employee Related Expense	13	20	11	13	1	10.6%	13	0	0.0%
Miscellaneous	1	1	1	1	0	20.0%	1	0	0.0%
Total Expense	853	906	965	1,146	181	18.7%	1,159	13	1.2%
Reimbursements	0	0	0	0	0	N/A	0	0	N/A
Net Total	853	906	965	1,146	181	18.7%	1,159	13	1.2%

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

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

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

Labor Costs:

The FY 2018 budget reflects a \$114 thousand increase over FY 2017 actual due to the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

¹ Adopted Budget approved by the Board on June 4, 2015 adjusted to reflect division reorganizations.

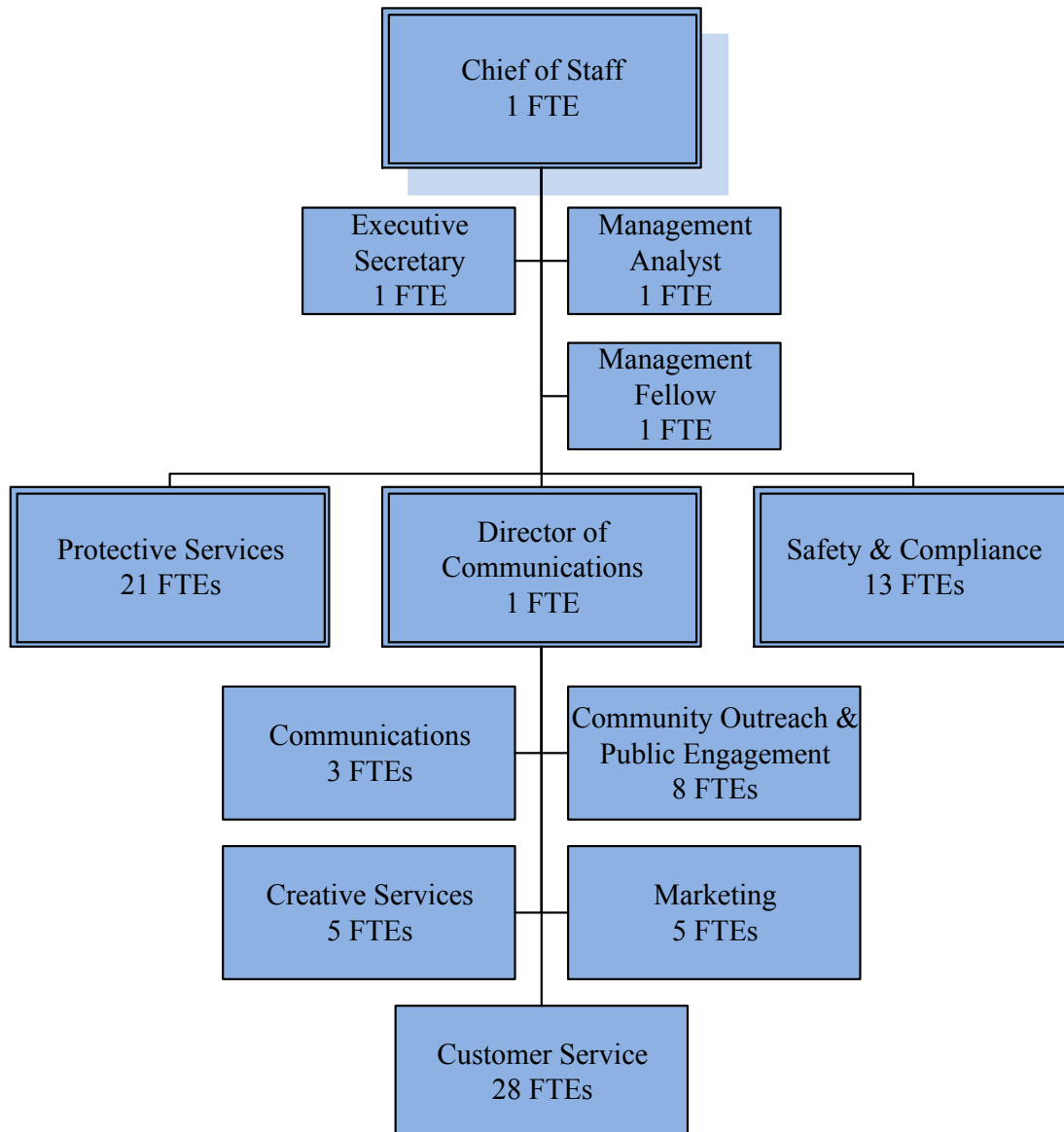
² Projection as of August 1, 2017; Preliminary Unaudited.

Office of the Chief of Staff

Under the direction of the Chief of Staff, this division is responsible for developing and executing a cohesive communication plan for the agency, integrating media relations, community outreach, marketing and customer service. In addition, the Office of the Chief of Staff is responsible for oversight of all security functions and the management and oversight of all VTA safety functions including training, emergency preparedness, accident response and regulatory compliance.

88 FTEs

(As of 6/30/17)



Office of the Chief of Staff cont.

Department Descriptions

Communications:

Responsible for initiating and responding to media contacts and maintaining updated information about VTA through both traditional and social media sources.

Community Outreach & Public Engagement:

Responsible for relaying critical project information to the public, and encouraging public involvement and input for capital project development.

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 San Jose and River Oaks Customer Service Centers, community events, site visits, and via VTA's web-site www.vta.org.

Marketing:

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

Protective Services:

Responsible for oversight of all security functions including contracted law enforcement, armed and unarmed security services, and fare enforcement.

Safety & Compliance:

Responsible for mitigation and control of safety related risks, establishment of targeted hazard controls, and development of cost-effective accident prevention strategies.

Office of the Chief of Staff Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Administrator of Social Media & Electronic Communications	1	1	1	1
Chief of Staff to the General Manager	1	1	1	1
Communications and Media Spokesperson	0	2	2	2
Community Outreach & Public Engagement Manager	0	1	1	1
Community Outreach Supervisor	1	2	2	2
Creative Services Manager	1	1	1	1
Customer Experience Manager	1	1	1	1
Customer Services Supervisor	3	3	3	3
Director of Communications	1	1	1	1
Director of Safety & Compliance	0	1	1	1
Director of System Safety & Security	1	0	0	0
Environmental Health & Safety Specialist	2	2	2	2
Environmental Health & Safety Supervisor	1	1	1	1
Executive Secretary	2	2	2	2
Fare Inspector	16	16	16	16
Graphic Designer II	4	4	4	4
Information Services Representative	19	19	19	19
Management Analyst	1	1	1	1
Management Fellow	0	1	1	1
Manager of Security Programs	1	1	1	1
Manager, Market Development	0	1	1	1
Media Spokesperson	2	0	0	0
Office Specialist II	5	4	4	4
Principal Safety Auditor	1	1	1	1
Public Communication Specialist II	9	9	9	9
Public Relations Supervisor	1	0	0	0
Safety Manager	1	1	1	1
Sales and Promotions Supervisor	1	1	1	1
Senior Information Representative	2	2	2	2
Senior Management Analyst	1	1	1	1
Transit Safety Officer	3	4	4	4
Transit Systems Safety Supervisor	1	1	1	1
Transportation Supervisor	3	2	2	2
Webmaster	0	0	1	1
Total	86	88	89	89

Includes the addition of a Webmaster position.

¹ As of 6/30/16 adjusted to reflect division reorganizations.

² As of 6/30/17 adjusted to reflect division reorganizations.

³ Budgeted positions.

Office of the Chief of Staff cont.

FY 2016 & FY 2017 Accomplishments

1. Created, produced and implemented multi-medium campaign to promote safe and efficient use of public transit to Super Bowl 50.
2. Designed and implemented VTA's new brand identity.
3. Expanded the use of electronic media platforms including social media, microsites, webinars, blogs and video enabling greater customer and stakeholder participation in the transit service redesign and many other VTA projects.
4. Created and launched a VTA intranet site (the "HUB") to inform, educate, and engage VTA employees.
5. Created a microsite and budget tool to support the Envision Silicon Valley project selection process, enabling VTA to build robust community consensus around projects approved by the voters in 2016 Measure B.
6. Completed the public outreach and project initiation for the Alum Rock/Santa Clara Bus Rapid Transit Project.
7. Implemented enhancement and customization of Salesforce constituent management to more effectively communicate, educate, track, monitor and respond to project and public stakeholders.
8. Received transit industry communications (Adwheel) awards for "Holiday Train Wrap" and "VTA's Annual Report"; and Adwheel Grand Awards in the "Transit Funding Campaign" Category, Envision Silicon Valley and in the "Print Media Category", Light Tape Train Wrap.
9. Arranged, scheduled and facilitated Emergency Management training and development through the Mineta Transportation Institute for executive, emergency operations center and front-line staff.

FY 2018 & FY 2019 Goals

1. Reduce bus versus fixed object collisions by 25%. (June 2018) *(Core Values supported—Safety, Quality, Accountability)*
2. Complete Federal Transit Administration (FTA) Rail Transit Safety and Security Program Certification for all required safety staff. (June 2018) *(Core Values supported—Safety, Integrity, Quality, Accountability)*
3. Complete development of an agency wide hazard reporting system including training and an awareness campaign. (June 2019) *(Core Values supported—Safety, Integrity, Quality, Sustainability, Diversity, Accountability)*
4. Refresh and redesign VTA's website to incorporate a holistic strategy for web and mobile presence including microsites, Headways Blog and mobile apps. (December 2018) *(Core Values supported—Integrity, Quality, Diversity, Accountability)*

Office of the Chief of Staff cont.

5. Promote the introduction of VTA's enhanced transit service and regional connection to BART via multiple channels and media. (June 2018) *(Core Values supported—Safety, Integrity, Quality, Sustainability, Accountability)*
6. Increase ethnic media coverage through strategies that address area of interest, particularly targeting the media that serves Hispanic and Asian communities. (Ongoing) *(Core Values supported—Integrity, Sustainability, Diversity, Accountability)*
7. Create an engaging multi-tiered outreach plan supporting Phase II of VTA's BART Silicon Valley Extension. (Ongoing) *(Core Values supported—Safety, Integrity, Sustainability, Diversity, Accountability)*
8. Support VTA's construction and planning efforts through a robust program of community engagement. (Ongoing) *(Core Values supported—Integrity, Quality, Diversity, Accountability)*

Office of the Chief of Staff Expense Budget (Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	10,248	11,883	10,569	12,895	2,326	22.0%	13,307	412	3.2%
Materials & Supplies	101	115	60	120	60	100.0%	54	(66)	-55.1%
Security	11,420	15,119	12,671	17,409	4,738	37.4%	17,880	471	2.7%
Professional & Special Services	614	441	384	894	510	132.7%	449	(445)	-49.8%
Other Services	558	1,497	1,313	1,947	634	48.3%	1,747	(200)	-10.3%
Data Processing	34	0	1	0	(1)	-100.0%	0	0	N/A
Office Expense	64	67	53	64	11	21.0%	52	(13)	-19.6%
Employee Related Expense	206	60	53	54	2	2.9%	54	0	-0.7%
Leases & Rents	108	111	108	116	8	7.5%	120	3	3.0%
Miscellaneous	39	65	58	134	76	132.6%	125	(9)	-6.8%
Contribution to Other Agencies	130	125	87	125	38	43.8%	125	0	0.0%
Total Expense	23,522	29,485	25,357	33,758	8,401	33.1%	33,911	153	0.5%
Reimbursements	(499)	(721)	(353)	(375)	(22)	6.2%	(379)	(4)	1.0%
Net Total	23,023	28,764	25,004	33,383	8,379	33.5%	33,532	149	0.4%

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

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

¹ Adopted Budget approved by the Board on June 4, 2015 and augmentations approved on October 1, 2015 and October 6, 2016 adjusted to reflect division reorganizations.

² Projection as of August 1, 2017; Preliminary Unaudited.

Office of the Chief of Staff cont.

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

Labor Costs:

The FY 2018 budget reflects a \$2.3 million increase over FY 2017 actual due to the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

Security:

The FY 2018 budget is \$4.7 million higher than FY 2017 due primarily to planned additional security staffing and coverage.

Professional & Special Services:

The FY 2018 budget is \$510 thousand higher than FY 2017 actual and FY 2019 budget is \$445 thousand lower than FY 2018 due to consulting fees associated with planned service changes and various regulatory documentation, risk assessments and safety response plans scheduled for FY 2018.

Other Services:

FY 2018 budget reflects a \$634 thousand increase over FY 2017 actual and the FY 2019 budget reflects a \$200 thousand decrease from FY 2018. These variances are due primarily to increased advertising and printing costs related to rollout of the redesigned service network in FY 2018.

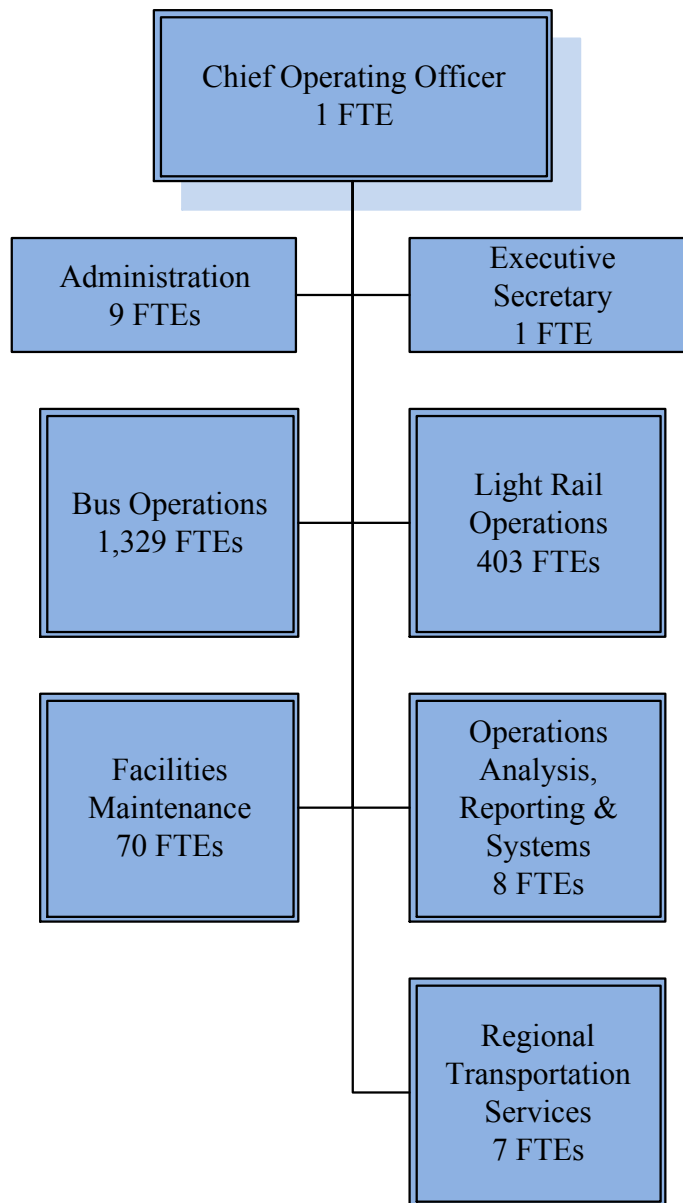


Bring Your Child to Work Day Tour of Milpitas BART Station

Operations Division

Under the direction of the Chief Operating Officer, the Operations Division operates, maintains, analyzes, and manages VTA's bus and light rail transit system and facilities. It also oversees contracted shuttle and Paratransit service.

1,828 FTEs
(As of 6/30/17)



Operations Division cont.

Department Descriptions

Administration:

Responsible for division budget, capital projects, policies and procedures, and personnel administration. In addition, this department coordinates VTA's apprenticeship program in conjunction with the Joint Workforce Investment (JWI) Program and Amalgamated Transit Union, Local 265 (ATU).

Bus Operations:

Responsible for operating and maintaining VTA's fleet of buses. This department is also responsible for bus engineering and quality assurance warranty, bus technical training, and bus maintenance training.

Facilities Maintenance:

Responsible for maintaining all VTA facilities, including passenger facilities, and non-revenue vehicles.

Light Rail Operations:

Responsible for operating and maintaining VTA's fleet of light rail vehicles, as well as the light rail system consisting of track, operating signals, power distribution system, and the adjoining right-of-way. In addition, this department is responsible for rail maintenance engineering and configuration management, light rail technical training, light rail maintenance training, field supervision and the operations control center.

Operations Analysis, Reporting & Systems:

Responsible for analysis and reporting of VTA's transportation and maintenance performance and providing support for VTA operations-related business information systems.

Regional Transportation Services:

Responsible for management of the paratransit provider contract, ensuring compliance with the Americans with Disabilities Act (ADA) for fixed-route transit operations, and coordination of other contracted and regional interagency transit services.

Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Assistant Superintendent, Service Management	4	4	4	4
Assistant Superintendent, Transit Communications	3	3	3	3
Assistant Systems Design Engineer	1	1	1	1
Assistant Transportation Engineer	2	2	2	2

¹ As of 6/30/16 adjusted to reflect division reorganizations.

² As of 6/30/17 adjusted to reflect division reorganizations.

³ Budgeted positions.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Title	FY16¹	FY17²	FY18³	FY19³
Associate Mechanical Engineer	1	1	1	1
Associate Systems Engineer	1	1	1	1
Automotive Attendant	1	1	1	1
Bus Operator	915	923	923	923
Bus Stop Maintenance Worker	13	13	13	13
Chief Operating Officer	1	1	1	1
Communications Systems Analyst II	0	1	1	1
Deputy Director of Transit Operations	2	2	2	2
Dispatcher - Bus	21	21	21	21
Dispatcher - LRT	4	4	4	4
Electrician	1	1	1	1
Electro - Mechanic	65	63	63	63
Electronic Technician	12	13	13	13
Engineering Group Manager	1	1	1	1
Engineering Technician III	1	1	1	1
Executive Secretary	2	2	2	2
Facilities Maintenance Coordinator	2	2	2	2
Facilities Maintenance Manager	1	1	1	1
Facilities Maintenance Representative	4	4	4	4
Facilities Worker	23	23	23	23
Foreperson - LRT	6	6	6	6
General Maintenance Mechanic	2	2	2	2
Janitor	7	6	6	6
Lead Bus Stop Maintenance Worker	2	2	2	2
Lead Janitor	0	1	1	1
Lead Maintenance Worker - LRT	7	7	7	7
Light Rail Equipment Superintendent	1	1	1	1
Light Rail Operator	114	114	144	144
Light Rail Power Foreperson	2	2	2	2
Light Rail Power Supervisor	2	2	2	2
Light Rail Signal Maintainer	23	22	22	22
Light Rail Signal Supervisor	2	2	2	2
Light Rail Technical Trainer	4	4	4	4
Light Rail Technical Training Supervisor	1	1	1	1
Light Rail Track Maintenance Supervisor	2	2	2	2
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	3	3	3	3
Maintenance Scheduler	6	6	6	6
Maintenance Superintendent	4	4	4	4
Maintenance Worker - LRT	25	25	25	25
Management Aide	1	1	1	1
Management Analyst	8	10	10	10
Manager, Ops Analysis, Reporting & Systems	1	1	1	1
Office & Timekeeping Technician	22	22	22	22
Office Specialist II	6	8	8	8
Office Support Supervisor	5	5	5	5
Operations Manager	2	2	2	2
Operations Manager, Engineering	1	1	1	1
Operations Systems Supervisor	1	1	1	1
Operator - Trainee	30	30	30	30

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Title	FY16¹	FY17²	FY18³	FY19³
Overhaul & Repair Foreperson	3	3	3	3
Overhaul & Repair Mechanic	23	26	26	26
Overhead Line Worker	12	9	9	9
Paint & Body Foreperson	1	1	1	1
Paint & Body Foreperson - LRT	1	1	1	1
Paint & Body Worker	10	13	13	13
Paint & Body Worker - LRT	5	5	5	5
Passenger Facilities & Wayside Maintenance Supervisor	2	2	2	2
Policy & Administrative Manager - Ops	1	1	1	1
Quality Assurance & Warranty Specialist	3	3	3	3
Regional Transportation Services Manager	1	1	1	1
Regional Transportation Services Supervisor	1	1	1	1
Senior Communications Systems Analyst	3	3	3	3
Senior Management Analyst	1	2	2	2
Senior Mechanical Engineer	1	1	1	1
Senior Office & Timekeeping Technician	1	1	1	1
Senior Signal Maintainer	2	2	2	2
Senior Systems Engineer	1	1	1	1
Senior Track Worker	9	9	9	9
Service Mechanic	17	20	20	20
Service Worker	72	73	73	73
Service Worker Foreperson	4	4	4	4
Substation Maintainer	12	11	11	11
Supervising Maintenance Instructor	1	1	1	1
Supervising Maintenance Instructor - LRT	1	1	1	1
Support Mechanic	3	2	2	2
Technical Trainer	4	4	4	4
Technical Training Supervisor	1	1	1	1
Track Worker	12	12	12	12
Transit Division Supervisor	9	9	9	9
Transit Foreperson	10	10	10	10
Transit Maintenance Supervisor	15	16	16	16
Transit Mechanic	122	120	120	120
Transit Radio Dispatcher	12	12	12	12
Transportation Superintendent	6	6	6	6
Transportation Supervisor	42	42	42	42
Union Business	3	3	3	3
Upholsterer	5	6	6	6
Upholstery Foreperson	1	1	1	1
Utility Worker	2	2	2	2
Warranty Coordinator	1	1	1	1
Total¹	1,811	1,828	1,858	1,858

Includes the addition of 30 Light Rail Operators in support of the additional service discussed on page 41.

¹ Does not include Long-Term Leave positions.

Operations Division cont.

FY 2016 & FY 2017 Accomplishments

1. Achieved 100% fleet availability for Super Bowl 50 service.
2. Delivered successful, safe transit service to Super Bowl 50, transporting 9,500 attendees to Levi's Stadium.
3. Issued the Request for Proposal (RFP), awarded the contract, and began implementation of the new Computer Aided Dispatch /Automated Vehicle Location (CAD-AVL) project for VTA bus and light rail fleet management.
4. Continued Joint Workforce Investment (JWI) partnership with the Amalgamated Transit Union Local 265 (ATU) to implement programs designed to support professional development through local academic institutions and improved health and wellness.
5. Developed and implemented Bus Operator training program for the Alum Rock/Santa Clara Bus Rapid Transit (BRT) service.
6. Completed major, mid-life rehabilitation and overhaul on 14 of VTA's Light Rail vehicles.
7. Completed 93% of the corrective actions from the 2014 CPUC (California Public Utilities Commission) Triennial Audit.
8. Completed procurement of additional 40' and 60' coaches in preparation for service expansion including the Stevens Creek Boulevard corridor and BART connections at Milpitas and Berryessa.
9. Completed the electric bus RFP process and procurement for the LoNo grant and awarded the contract.
10. Completed the procurement process and awarded the contract for Paratransit service delivery.

FY 2018 & FY 2019 Goals

1. Complete the procurement and implementation of the Electric Bus purchase and charging station infrastructure. (December 2017) *(Core Value supported—Sustainability)*
2. Develop and institute an Electric Bus Operator and Maintenance Training Program. (December 2017) *(Core Values supported—Safety, Quality, Accountability)*
3. Continue to perform and complete major, mid-life rehabilitation and overhaul of VTA's Light Rail Vehicle fleet. (June 2019) *(Core Values supported—Safety, Quality, Accountability)*
4. Complete the SCADA/TVM Network Separation project. (June 2019) *(Core Values supported—Safety, Quality, Accountability)*
5. Complete the Operations Control Center reconfiguration project. (June 2018) *(Core Values supported—Safety, Quality)*

Operations Division cont.

6. Implement new Computer Aided Dispatch /Automated Vehicle Locator (CAD/AVL) system for both bus and light rail. (June 2019) *(Core Values supported—Safety, Quality)*
7. Incorporate the Milpitas and Berryessa BART stations into the VTA Asset Management Program. (Ongoing) *(Core Value supported—Accountability)*
8. Assume responsibility for the Operations Asset Management Program, develop a team to maintain the program in accordance with VTA’s State of Good Repair program, and collaborate with Engineering & Transportation Program Delivery staff on Facilities Condition Assessments. (Ongoing) *(Core Values supported—Safety, Quality, Sustainability, Accountability)*
9. Implement new web-based reservations and web/phone-based fare payment technology programs for Paratransit customers. (June 2018) *(Core Values supported—Integrity, Quality)*
10. Relocate Paratransit operations to a new VTA facility located adjacent to the Eastridge Transit Center and implement the Mobility & Accessibility Training Center. (June 2019) *(Core Values supported—Safety, Integrity, Quality, Diversity)*



Fans Arriving to Super Bowl 50 on VTA Light Rail

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Operations Division Expense Budget
(Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget¹	FY17 Projected Actual²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	226,791	254,490	233,707	259,480	25,773	11.0%	266,815	7,335	2.8%
Materials & Supplies	22,347	18,700	28,456	37,518	9,063	31.8%	41,686	4,168	11.1%
Professional & Special Services	760	1,099	1,121	1,338	217	19.4%	1,156	(182)	-13.6%
Other Services	5,764	4,765	5,768	6,811	1,043	18.1%	6,767	(43)	-0.6%
Fuel	7,830	12,517	8,256	10,716	2,460	29.8%	12,022	1,306	12.2%
Traction Power	4,241	3,898	4,081	5,312	1,231	30.2%	6,189	877	16.5%
Tires	2,068	2,266	2,177	2,387	210	9.7%	2,524	137	5.7%
Utilities	3,034	2,839	2,948	3,517	568	19.3%	3,632	116	3.3%
Data Processing	194	216	331	330	(1)	-0.3%	296	(34)	-10.2%
Office Expense	217	143	170	208	38	22.1%	206	(2)	-1.1%
Communications	0	0	67	0	(67)	-100.0%	0	0	N/A
Employee Related Expense	197	172	122	239	117	95.9%	239	0	0.1%
Leases & Rents	73	55	62	108	46	74.2%	113	5	4.6%
Miscellaneous	130	84	123	89	(34)	-27.9%	89	0	0.5%
Subtotal Operating Expense	273,645	301,245	287,389	328,051	40,663	14.1%	341,734	13,683	4.2%
Paratransit	19,805	26,184	23,551	24,671	1,120	4.8%	26,338	1,667	6.8%
Caltrain	8,414	8,390	8,390	8,967	577	6.9%	8,967	0	0.0%
Altamont Corridor Express	4,838	5,323	4,960	5,177	217	4.4%	5,307	129	2.5%
Highway 17 Express	270	384	333	370	37	11.0%	381	11	3.0%
Monterey-San Jose Express	35	35	35	35	0	0.0%	35	0	0.0%
Subtotal Other Expense	33,361	40,316	37,270	39,221	1,951	5.2%	41,028	1,807	4.6%
Total Expense	307,007	341,560	324,658	367,272	42,614	13.1%	382,762	15,490	4.2%
Reimbursements	(4,906)	(5,861)	(7,196)	(8,692)	(1,496)	20.8%	(8,767)	(75)	0.9%
Net Total	302,101	335,699	317,463	358,580	41,118	13.0%	373,995	15,415	4.3%

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

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

¹ Adopted Budget approved by the Board on June 4, 2015 and augmentations approved on October 1, 2015 and November 3, 2016 adjusted to reflect division reorganizations.

² Projection as of August 1, 2017; Preliminary Unaudited.

Operations Division cont.

Major Variances (Variance in excess of 5% and \$1.0 million)

Labor Costs:

FY 2018 budget increases \$25.8 million over FY 2017 actual due primarily to the addition of 30 Light Rail Operator positions to support service enhancements and the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental.

Materials & Supplies:

The FY 2018 and FY 2019 budgets show a \$9.1 million and \$4.2 million increase, respectively due to increased parts costs related to the light rail vehicle mid-life overhaul and the mid-life replacement of batteries in hybrid buses.

Other Services:

The FY 2018 budget shows a \$1.0 million increase over FY 2017 actual due primarily to increased costs for hazardous material removal services and facilities, bus stop, and transit center maintenance.

Fuel:

The FY 2018 and FY 2019 budgets show a \$2.5 million and \$1.3 million increase, respectively due to a higher projected price per gallon for diesel and additional usage related to increased service hours. The price per gallon assumptions for FY 2018 and FY 2019 are \$2.25 and \$2.35 per gallon, respectively. Average price per gallon paid in FY 2017 was \$1.91.

Traction Power:

FY 2018 budget is \$1.2 million higher than FY 2017 actual primarily due to additional usage related to increased service hours.

Paratransit:

The FY 2019 budget reflects a \$1.7 million increase over FY 2018 primarily due to an anticipated increase in trips provided as a result of the implementation of expanded fixed-route service coverage hours.

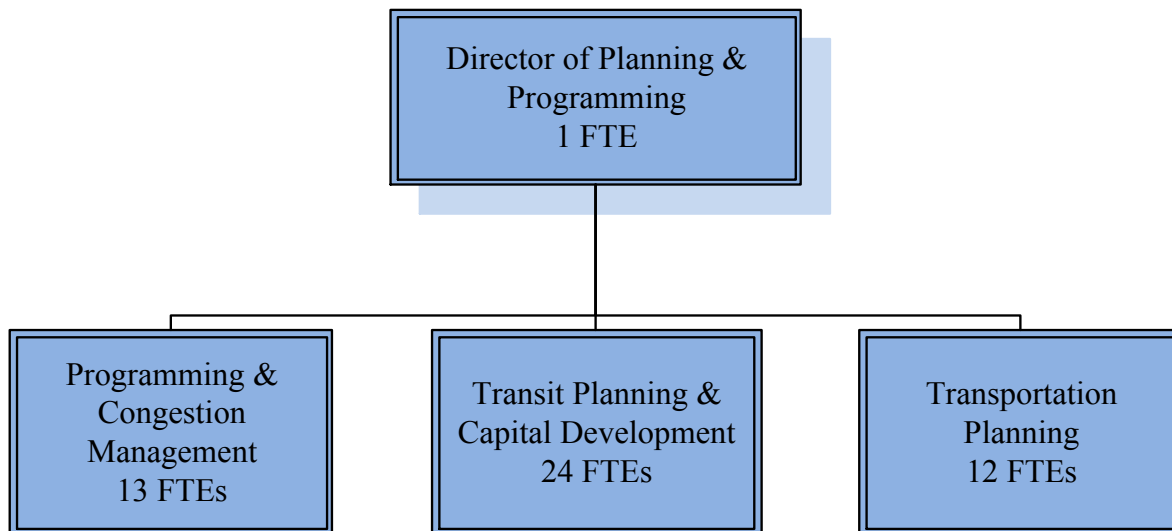
Reimbursements:

FY 2018 budgeted reimbursements are anticipated to increase \$1.5 million from FY 2017 actual due to an increase in the indirect cost charge rate and a change in methodology for reporting staff time in support of Paratransit service.

Planning & Programming Division

Under the direction of the Director of Planning & Programming, this division is responsible for transportation planning, service and operations planning, capital program funding, programming and grants management, and Congestion Management Agency (CMA) functions.

50 FTEs
(As of 6/30/17)



Department Descriptions

Programming & Congestion Management:

Responsible for advocating, programming, managing, and ensuring compliance for all federal, state and regional highway/transit/roadway/bicycle/pedestrian grants, as well as the programming of funds for the Congestion Management Program (CMP).

Transit Planning & Capital Development:

Responsible for the planning and conceptual design of all major transit projects as well as service and operations planning.

Transportation Planning:

Responsible for the forecasting and modeling analysis for capital projects and the long-range planning functions of the CMP.

Planning & Programming Division cont.

Position Detail

Job Title	FY16 ¹	FY17 ²	FY18 ³	FY19 ³
Deputy Director, Planning	1	1	1	1
Deputy Director, Programming & Congestion Management	0	0	1	1
Deputy Director, Service & Operations Planning	1	0	0	0
Deputy Director, Transit Planning & Capital Development	0	0	1	1
Director of Planning & Programming	1	1	1	1
Executive Manager, Transit Planning & Capital Development	0	1	0	0
Management Analyst	2	1	1	1
Management Secretary	1	1	1	1
Office Specialist II	2	2	2	2
Principal Transportation Planner	2	3	3	3
Senior Management Analyst	1	2	2	2
Senior Transportation Planner	11	10	14	14
Transit Service Development Specialist II	13	14	14	14
Transit Service Development Supervisor	3	2	2	2
Transportation Planner III	8	8	8	9
Transportation Planning Manager	4	4	3	3
Total	50	50	54	55

Includes the addition of three positions transitioned from consultant services and two positions in support of the 2016 Measure B Program.

FY 2016 & FY 2017 Accomplishments

1. Completed a two-year study to redesign VTA's transit network to increase ridership, improve farebox recovery, and connect to BART at Milpitas and Berryessa.
2. Completed the Core Connectivity Study to review emerging mobility solutions.
3. Developed effective service plans for events at Levi's and Avaya Stadiums.
4. Coordinated with city of Santa Clara on City Place development including commitment of approximately \$16 million in voluntary contributions.
5. Developed Complete Streets Policy for 2016 Measure B compliance.
6. Completed the Envision Silicon Valley Outreach Process.
7. Developed the 2017-2022 VTA Strategic Plan.
8. Obtained approval of FY 2016 and FY 2017 TDA/STA Claims.
9. Completed programming of One Bay Area Grant (OBAG) Cycle 2 funds.

¹ As of 6/30/16, adjusted to reflect division reorganizations.

² As of 6/30/17, adjusted to reflect division reorganizations.

³ Budgeted positions.

Planning & Programming Division cont.

10. Developed and implemented VTA's Asset Management Program.

FY 2018 & FY 2019 Goals

1. Obtain FTA Approval for all FY 2018 and FY 2019 FTA Formula Grants. (June 2019) *(Core Value supported—Sustainability)*
2. Develop & administer the 2016 Measure B sales tax implementation program. (Ongoing) *(Core Value supported—Sustainability)*
3. Implement the redesigned rail and bus service plan in coordination with the opening of BART service to Santa Clara County. (June 2018) *(Core Values supported—Quality, Sustainability, Accountability)*
4. Develop a VTA Board approved Transit Performance Monitoring Program to critically review and improve the performance of VTA's transit services. (December 2017) *(Core Values supported—Integrity, Accountability)*
5. Continue Caltrain improvement projects such as the 2016 Measure B Grade Separation Program, review of additional service to South County, and a comprehensive study of South County Rail Service given the implementation of Caltrain electrification and the potential for high speed rail in this corridor. (Ongoing) *(Core Values supported—Safety, Quality, Accountability)*
6. Develop a countywide program, using 2016 Measure B funding, to deliver Innovative First/Last-Mile Mobility Solutions in areas that are difficult to serve with traditional transit. (March 2018) *(Core Values supported—Quality, Diversity, Accountability)*
7. Start the SR 85 Transit Study, as part of the 2016 Measure B program, to determine the travel needs and potential transit solutions for this corridor. (Phase 1-August 2018) *(Core Values supported—Quality, Sustainability, Accountability)*
8. Start the Rapid Transit Corridor Study to identify and analyze countywide corridors that have potential for future rapid transit improvements such as light rail, Bus Rapid Transit (BRT), rapid bus or emerging technologies. (March 2019) *(Core Values supported—Diversity, Accountability)*

Planning & Programming Division Expense Budget
(Dollars in Thousands)

Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	7,784	7,607	7,512	9,236	1,724	22.9%	9,659	424	4.6%
Materials & Supplies	58	119	59	41	(18)	-30.5%	41	0	0.0%
Professional & Special Services	928	812	1,119	624	(495)	-44.2%	550	(75)	-12.0%
Other Services	67	58	101	57	(44)	-43.5%	47	(11)	-18.6%
Utilities	71	54	126	74	(52)	-41.2%	77	3	4.1%
Data Processing	9	1	71	52	(19)	-27.0%	52	0	0.0%
Office Expense	11	10	8	14	6	68.1%	14	0	0.0%
Employee Related Expense	6	6	3	5	2	50.0%	5	0	0.0%
Leases & Rents	6	0	0	15	15	N/A	15	0	0.0%
Miscellaneous	250	6	193	12	(180)	-93.7%	12	0	1.5%
Contribution to Other Agencies	122	175	154	0	(154)	-100.0%	0	0	N/A%
Total Expense	9,311	8,847	9,347	10,131	783	8.4%	10,472	341	3.4%
Reimbursements	(3,898)	(3,644)	(3,826)	(4,350)	(524)	13.7%	(4,519)	(169)	3.9%
Net Total	5,413	5,203	5,522	5,781	259	4.7%	5,953	172	3.0%

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

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

Labor Costs:

The FY 2018 budget reflects a \$1.7 million increase over FY 2017 actual due to the conversion of three positions from contractor to employee status, the addition of one position in support of 2016 Measure B Program administration, and the budgeting of 100% of approved positions in FY 2018 while FY 2017 actual costs reflect only filled positions. The estimated impact of FY 2018 and FY 2019 vacancies for the entire agency is reflected under Non-Departmental. An additional position in support of 2016 Measure B Program administration is added in FY 2019.

Professional & Special Services:

The FY 2018 decrease of \$495 thousand from FY 2017 actual is primarily due to completion of the transit network redesign efforts in FY 2017 and the transition of various consulting activities to employees.

¹ Adopted Budget approved by the Board on June 4, 2015 adjusted to reflect division reorganizations.

² Projection as of August 1, 2017; Preliminary Unaudited.

Planning & Programming Division cont.

Miscellaneous:

The FY 2018 decrease of \$180 thousand from FY 2017 actual is due to conclusion of the Lifeline grant pass-through program in FY 2017.

Contribution to Other Agencies:

The FY 2018 decrease of \$154 thousand from FY 2017 actual is due to transfer of responsibility for revenue sharing payments for bus shelter advertising to the Finance & Budget Division starting in FY 2018.

Reimbursements:

FY 2018 budgeted reimbursements reflect an increase of \$524 thousand from FY 2017 due to an increase in the indirect cost charge rate, the addition of three positions transitioned from consultant services, and the addition one position in support of the 2016 Measure B Program. An additional position in support of the 2016 Measure B Program is added in FY 2019.



Transit Service Redesign Public Outreach Meeting in Cupertino

Non-Departmental

Non-Departmental represents 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	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
Labor Costs	0	(13,079)	0	(15,603)	(15,603)	N/A	(16,091)	(488)	3.1%
Professional & Special Services	8	0	0	0	0	N/A	0	0	N/A
Contribution to Other Agencies	0	800	1,652	0	(1,652)	-100.0%	0	0	N/A
Debt Service	21,351	21,641	21,672	21,581	(92)	-0.4%	22,233	652	3.0%
Transfer to Capital Reserve	0	0	0	5,000	5,000	N/A	5,000	0	0.0%
Total Expense	21,359	9,362	23,325	10,978	(12,347)	-52.9%	11,142	164	1.5%

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

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

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

Labor Costs:

FY 2018 budgeted labor costs reflect a \$15.6 million decrease from FY 2017 actual. For ease of budget administration, the anticipated labor costs for all approved positions is reflected in each respective division and an estimated vacancy rate for the overall agency is reflected in Non-Departmental.

Contribution to Other Agencies:

The FY 2018 budget reflects a \$1.7 million decrease from FY 2017 due to a one-time payment in FY 2017 to the Santa Clara County Registrar of Voters for the 2016 Measure B share of costs for the November 2016 General Election. This expenditure is anticipated to be reimbursed to the VTA Transit Fund from the 2016 Measure B Program Fund in FY 2018.

Transfer to Capital Reserve:

The FY 2018 budget reflects a \$5.0 million increase over FY 2017 due a change in reporting methodology. In the previous budget cycle, the Transfer to Capital Reserve was reflected as a reduction of revenue instead of an expense item.

¹ Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

Performance Measures

As a continuation of the recent Strategic Plan update, MTA plans to implement an agency-wide Key Performance Metrics (KPM) program that will tie into the MTA Business Plan implementation goals. These KPMs will be included in subsequent budget documents.

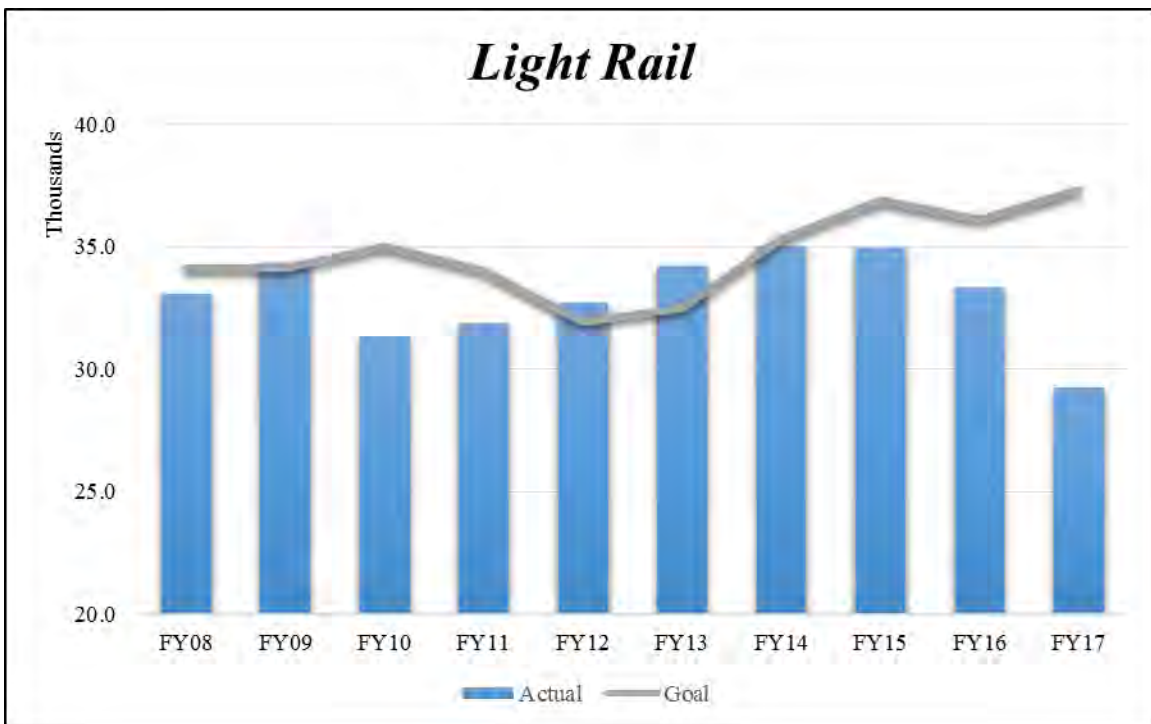
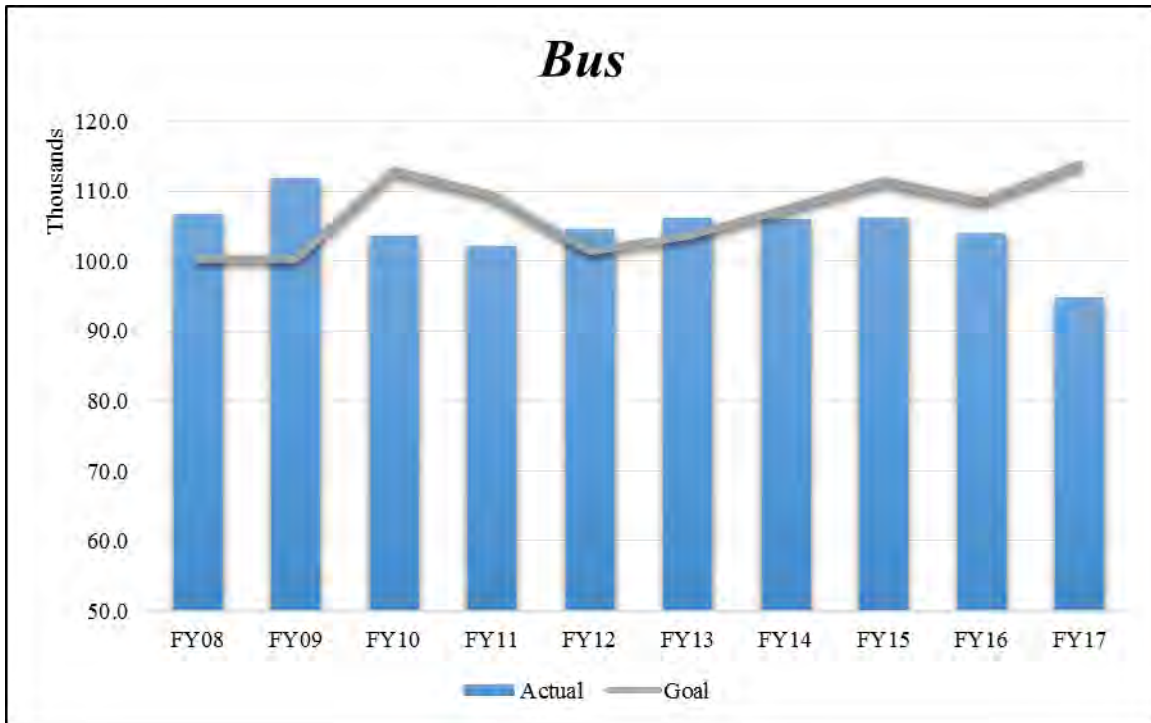
In addition to the new KPM program, MTA sets and monitors key operating performance indicators¹ to measure reliability, efficiency, safety, productivity, and customer satisfaction for MTA's bus and light rail service. The goals are established using historical trend analysis adjusted for variables or factors that affect the results of the performance indicators (e.g., service reductions or enhancements). Where goals have not been met, corrective action plans are developed. The prior two years' performance and the goal for each of the next two fiscal years are presented below. The charts on the following pages show the 10-year historical performance for several key operating indicators against the applicable annual goal.

	FY16 Actual		FY17 Goal	FY17 Actual	Goal Met?	FY18 Goal	FY19 Goal
SYSTEM (Bus & Light Rail)							
Total Boarding Riders (in millions)	42.92	≥	47.00	38.19	No	≥ 38.63	≥ 40.64
Average Weekday Boarding Riders	137,317	≥	151,100	124,002	No	≥ 125,000	≥ 132,000
Boardings per Revenue Hour	29.7	≥	29.4	25.5	No	≥ 24.0	≥ 24.7
Percent of Scheduled Service Operated	99.65%	≥	99.55%	99.70%	YES	≥ 99.55%	≥ 99.55%
Miles Between Major Mechanical Schedule Loss	10,665	≥	9,000	11,303	YES	≥ 8,650	≥ 8,700
Miles Between Chargeable Accidents	168,454	≥	110,100	112,974	YES	≥ 112,000	≥ 113,100
Passenger Concerns per 100,000 Boardings	21.0	≤	10.6	21.7	No	≤ 10.6	≤ 10.6
BUS OPERATIONS							
Total Boarding Riders (in millions)	32.20	≥	34.90	29.06	No	≥ 29.13	≥ 30.39
Average Weekday Boarding Riders	104,009	≥	113,800	94,740	No	≥ 95,000	≥ 99,100
Boardings per Revenue Hour	24.7	≥	24.0	21.4	No	≥ 20.1	≥ 20.7
Percent of Scheduled Service Operated	99.60%	≥	99.50%	99.60%	YES	≥ 99.50%	≥ 99.50%
Miles Between Major Mechanical Schedule Loss	10,011	≥	8,000	10,579	YES	≥ 8,000	≥ 8,000
Miles Between Chargeable Accidents	153,146	≥	100,000	102,643	YES	≥ 100,000	≥ 100,000
On-time Performance	85.8%	≥	92.5%	86.3%	No	≥ 92.5%	≥ 92.5%
Operator Personal Time-off	7.6%	≤	10.0%	8.3%	YES	≤ 10.0%	≤ 10.0%
Maintenance Personal Time-off	5.5%	≤	8.0%	6.9%	YES	≤ 8.0%	≤ 8.0%
Passenger Concerns per 100,000 Boardings	22.2	≤	11.8	23.9	No	≤ 11.8	≤ 11.8
LIGHT RAIL OPERATIONS							
Total Boarding Riders (in millions)	10.72	≥	12.10	9.13	No	≥ 9.50	≥ 10.25
Average Weekday Boarding Riders	33,308	≥	37,300	29,262	No	≥ 30,500	≥ 32,900
Boardings per Revenue Hour	76.6	≥	84.3	65.5	No	≥ 58.0	≥ 57.4
Percent of Scheduled Service Operated	99.97%	≥	99.90%	100.0%	YES	≥ 99.90%	≥ 99.90%
Miles Between Major Mechanical Schedule Loss	23,528	≥	25,000	26,707	YES	≥ 25,000	≥ 25,000
Miles Between Chargeable Accidents	1,117,584	≥	2,236,000	747,792	No	≥ 2,560,000	≥ 2,779,000
On-time Performance	77.5%	≥	95.0%	84.3%	No	≥ 95.0%	≥ 95.0%
Operator Personal Time-off	7.7%	≤	10.0%	8.4%	YES	≤ 10.0%	≤ 10.0%
Maintenance Personal Time-off	4.1%	≤	8.0%	4.9%	YES	≤ 8.0%	≤ 8.0%
Way, Power & Signal Personal Time-off	8.7%	≤	8.0%	8.5%	No	≤ 8.0%	≤ 8.0%
Passenger Concerns per 100,000 Boardings	16.8	≤	2.8	14.7	No	≤ 2.8	≤ 2.8
Fare Evasion Rate	2.8%	≤	5.0%	2.1%	YES	≤ 5.0%	≤ 5.0%

¹ Definitions for individual indicators can be found in the glossary in Appendix L.

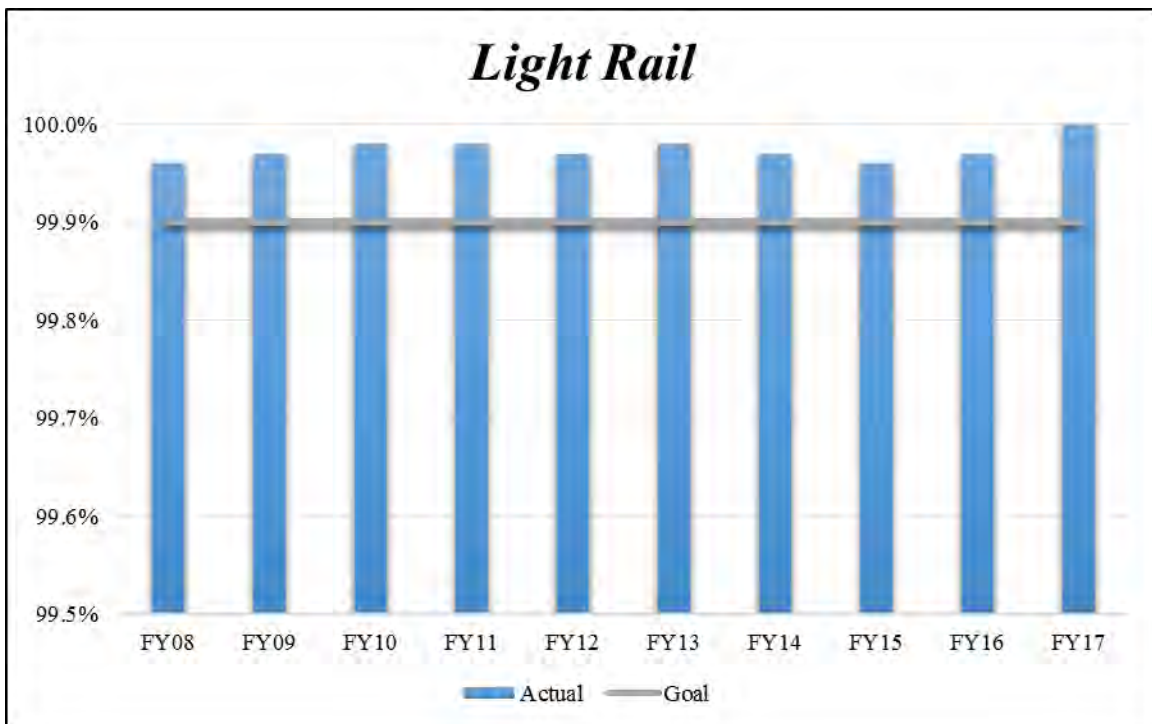
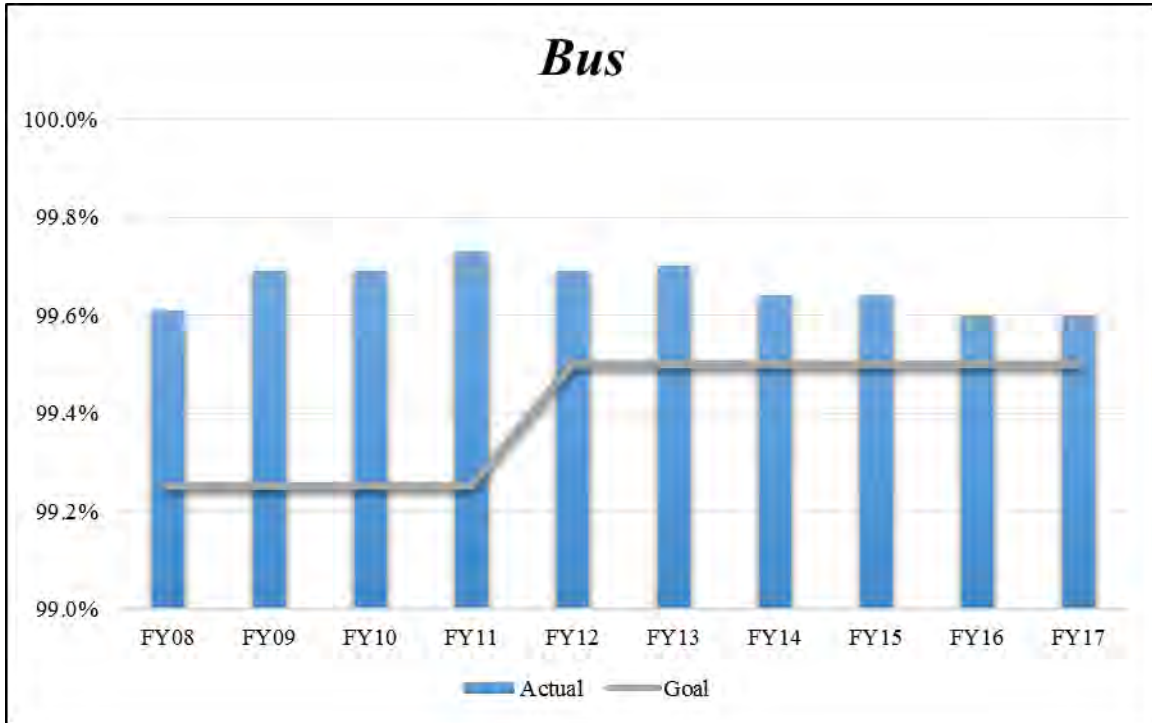
Performance Measures cont.

Average Weekday Boardings



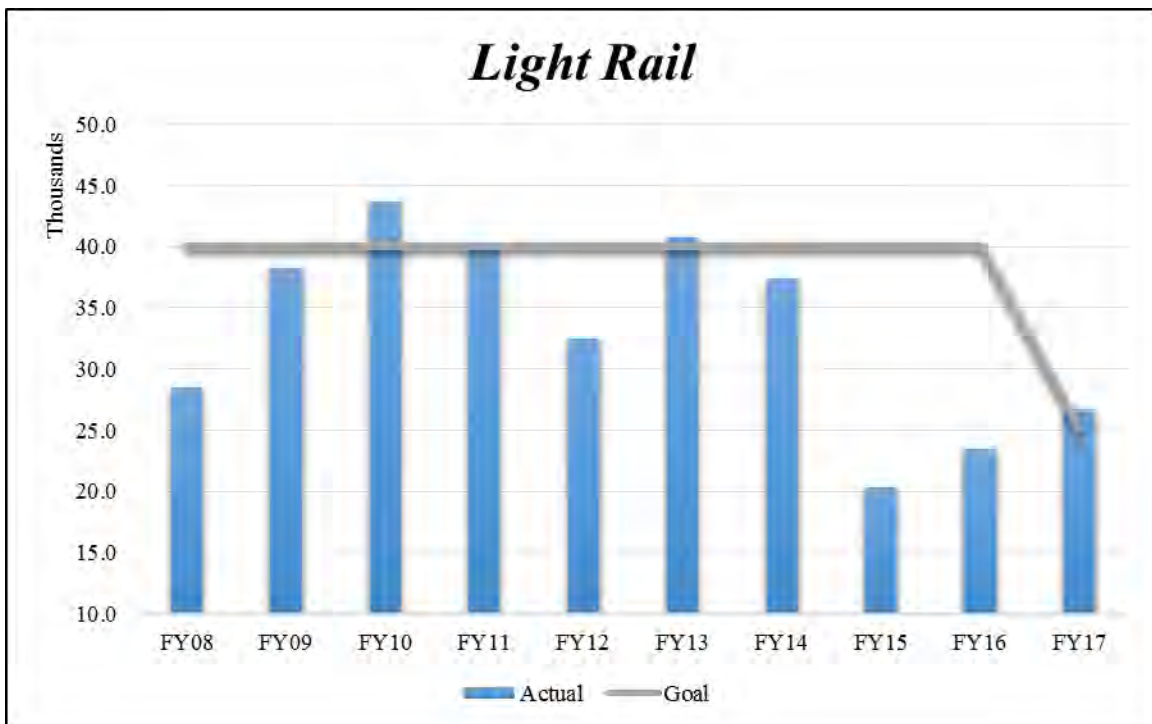
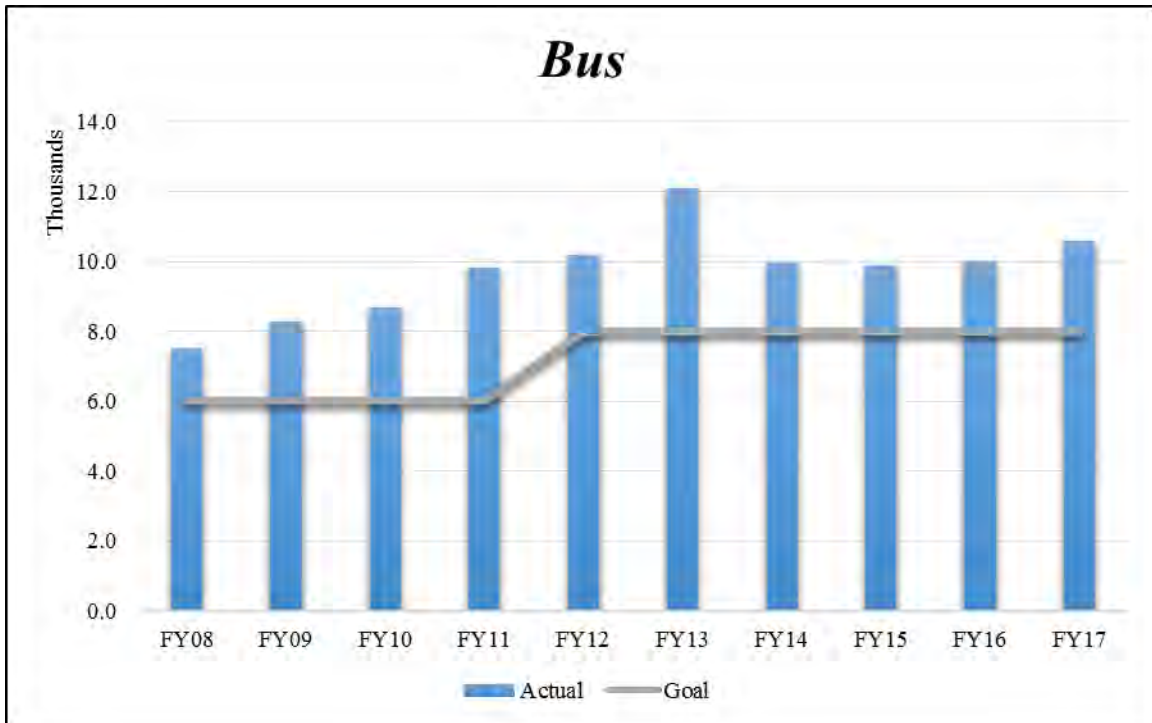
Performance Measures cont.

Percent of Scheduled Service Operated



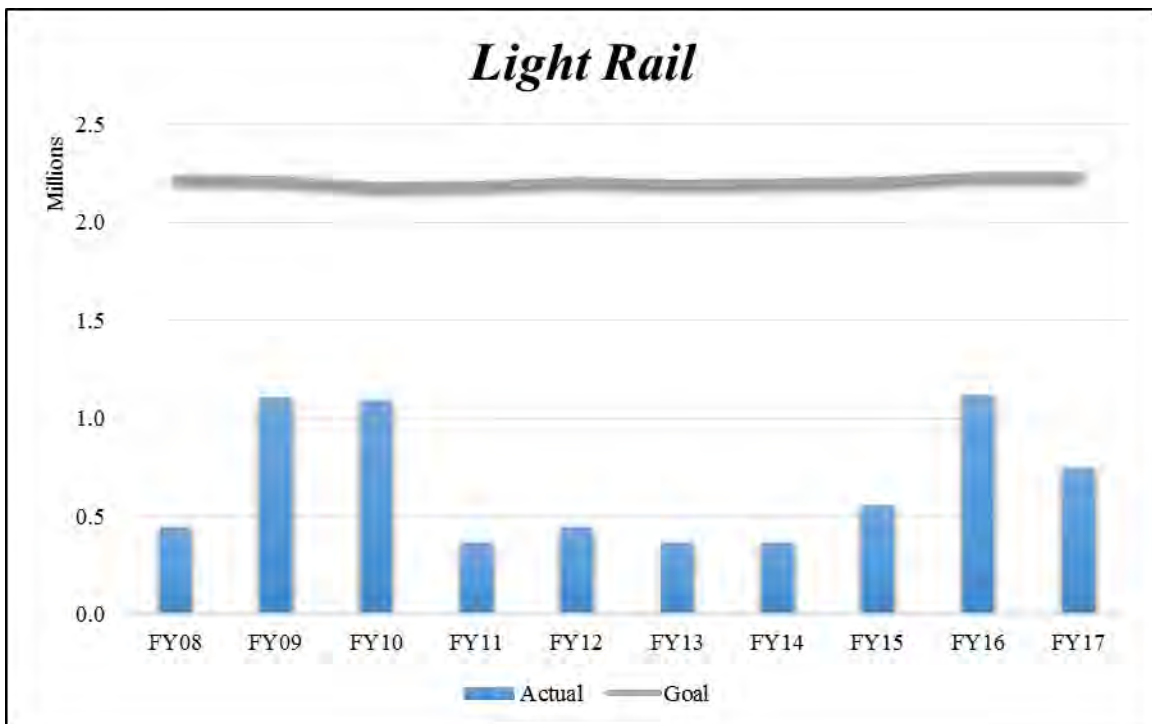
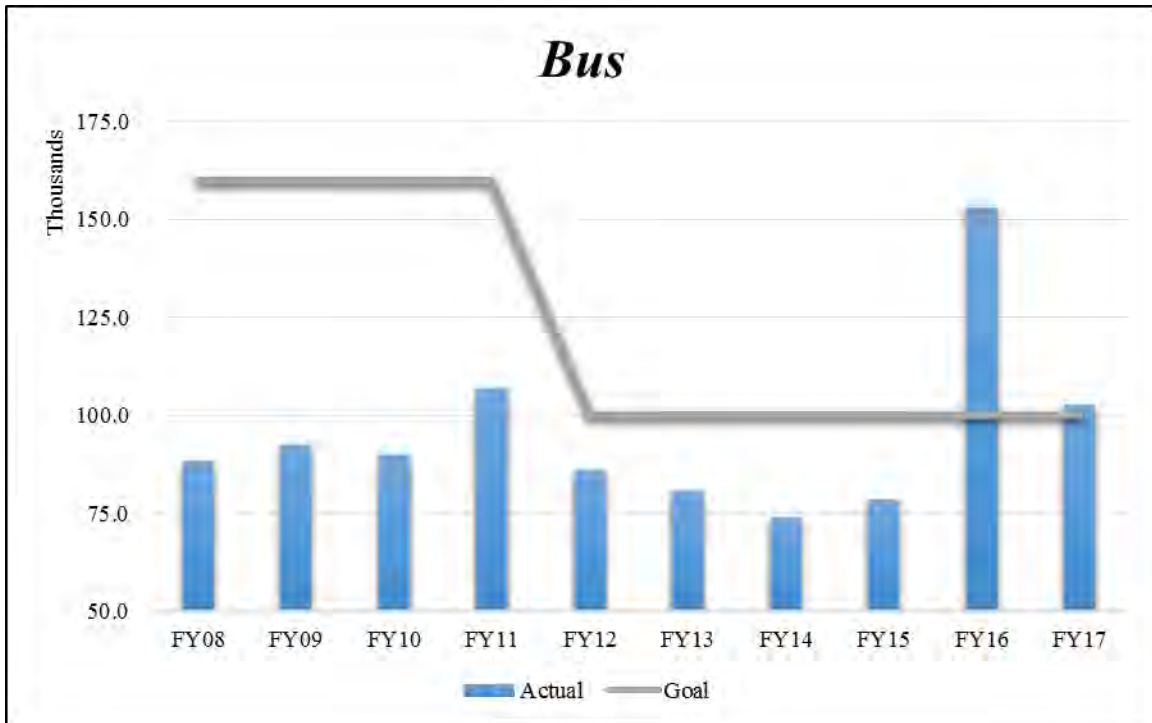
Performance Measures cont.

Miles Between Major Mechanical Schedule Loss



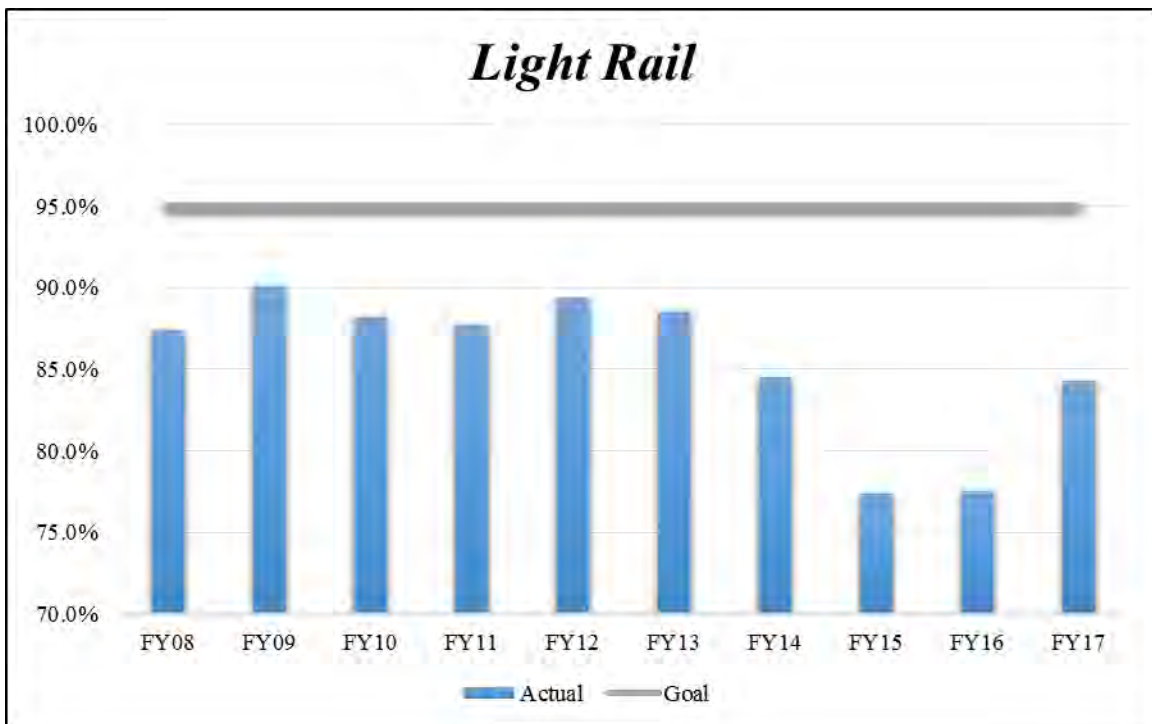
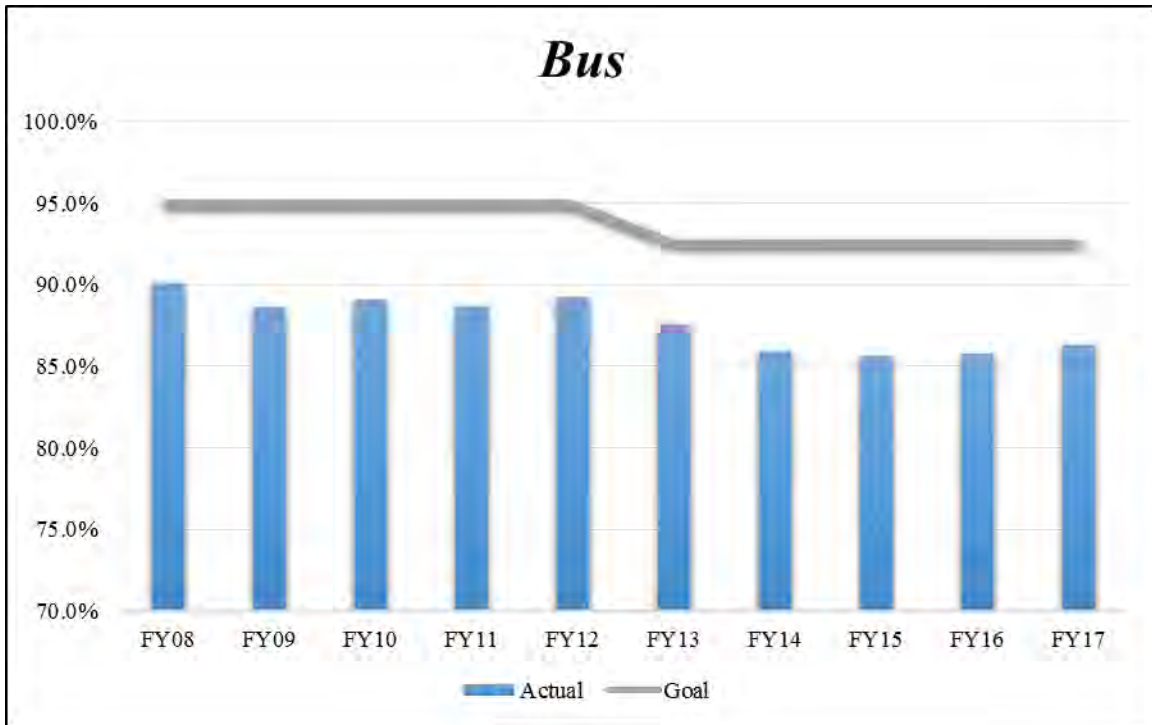
Performance Measures cont.

Miles Between Chargeable Accidents



Performance Measures cont.

On-time Performance



VTA Transit Capital Program

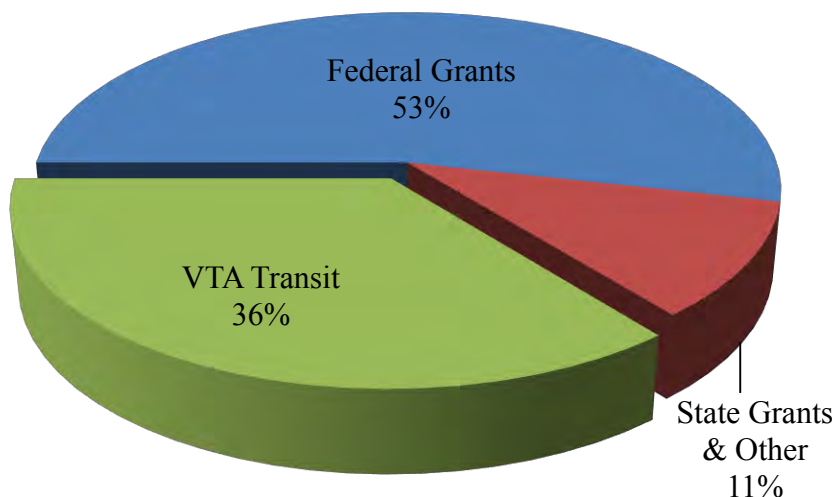
Overview

The FY 2018 and FY 2019 VTA Transit Capital Program strives to maintain needed capital infrastructure and keep VTA assets in a state of good repair. Eighty-nine 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.

Once the projects are ranked, the Capital Improvement Program Oversight Committee (CIPOC), which is composed of the Division Chiefs and Directors, matches the VTA Transit requested projects with available levels of grant and local funding. This project selection process continually examines every capital project as to its criticality to VTA's mission, values and goals.

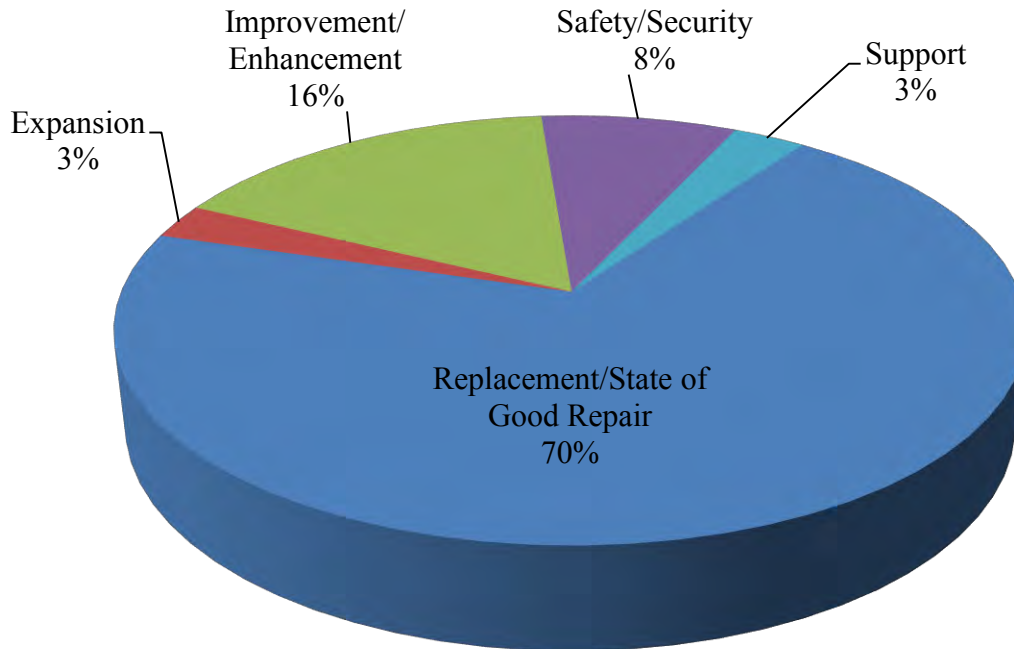
The FY 2018 and FY 2019 Adopted Biennial Budget creates 35 new VTA Transit Capital projects and augments 13 existing projects. The Adopted Budget also includes \$4.0 million to fund capital contingency. It utilizes \$112.1 million of grants or other outside funding and requires a total new VTA Transit Fund commitment of \$62.7 million. As the chart below illustrates, 64% of the FY 2018 and FY 2019 appropriation is funded with grants or other non-VTA Transit Fund 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 \$174.8 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 2018 in order to facilitate administration of the program.

VTA Transit FY 2018 and FY 2019 Appropriation by Funding Source



As illustrated in the chart below, 70% of the FY 2018 and FY 2019 appropriation is related to replacement and state of good repair.

***VTA Transit
FY 2018 and FY 2019 Appropriation by Project Type***



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, potential operating cost impacts, estimated total project cost, and anticipated completion date.

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 136-142 reflects the projected carryover at June 30, 2017 as well as the total available appropriation for the VTA Transit Capital Program after the FY 2018 and FY 2019 appropriations, by project and funding source.

VTA Transit
Schedule of FY 2018 & FY 2019 Appropriation
(Dollars in Thousands)

Project	FY 2018 & FY 2019				
	Funding Source				Total
	Federal	State	Other	VTA Transit	
1. 40' Bus Procurement FY18	44,000	0	0	11,000	55,000
2. 60' Articulated Bus Procurement	6,944	0	0	1,736	8,680
3. Automatic Passenger Counters (APC)	0	0	0	1,835	1,835
4. Paratransit Fleet Program FY18	4,195	0	0	1,049	5,244
5. Upgrade Fault Monitoring System on Light Rail Vehicles	2,255	0	0	564	2,819
<i>Revenue Vehicles & Equipment Total</i>	<i>57,394</i>	<i>0</i>	<i>0</i>	<i>16,184</i>	<i>73,578</i>
6. Non-Revenue Vehicle Procurement FY18	0	0	0	1,300	1,300
<i>Non-Revenue Vehicles Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,300</i>	<i>1,300</i>
7. Cerone Emergency Generator Replacement	0	0	0	1,260	1,260
8. Facilities and Equipment Emergency Repair FY18	0	0	0	750	750
9. Facilities Maintenance Equipment Program FY18	0	0	0	1,770	1,770
10. HVAC Replacement Program FY18	0	0	0	1,944	1,944
11. Painting Management Program FY18	0	0	0	800	800
12. Paving Management Program FY18	0	0	0	1,800	1,800
13. Procure and Install Wheel Truing Machine	0	0	0	3,210	3,210
14. Roofing Management Program FY18	0	0	0	1,300	1,300
15. SCADA and TVM Network Separation	0	0	0	3,565	3,565
16. Sustainability Program FY18	0	0	0	700	700
<i>Operating Facilities & Equipment Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17,099</i>	<i>17,099</i>
17. Bridge Repair/Hamilton Structural Stabilization	320	0	0	80	400
18. Guadalupe Overhead Catenary System Rehab	6,460	0	0	1,615	8,075
19. Rail Replacement and Rehabilitation FY18	13,680	0	0	3,420	17,100
20. Roadway Protection System for Light Rail	1,551	0	0	388	1,939
21. Track Intrusion Abatement FY18	1,600	0	0	400	2,000
22. Upgrade Highway Rail Grade Crossing Control Equip.	4,368	0	0	1,092	5,460
<i>Light Rail Way, Power & Signal Total</i>	<i>27,979</i>	<i>0</i>	<i>0</i>	<i>6,995</i>	<i>34,974</i>
23. Bus Stop Improvement Program FY18	0	0	2,000	0	2,000
24. Diridon Transportation Facilities Master Plan	0	0	3,500	1,500	5,000
25. North San Jose Transportation Improvements	0	0	3,000	0	3,000
26. Pedestrian Swing Gates Replacement	2,720	0	0	680	3,400
27. Shelters at LR Stations--Tasman, Orchard, Component	0	0	1,800	0	1,800
28. Transit Center Park & Ride Upgrades FY18	0	0	0	500	500
29. Vasona Corridor Pedestrian Back Gates	1,280	0	0	320	1,600
<i>Passenger Facilities Total</i>	<i>4,000</i>	<i>0</i>	<i>10,300</i>	<i>3,000</i>	<i>17,300</i>
30. Emergency IT Infrastructure Replacement	0	0	0	240	240
31. Integrated Land Use-Transportation Model	0	0	75	0	75
32. Mobile Network Upgrade	0	0	0	550	550

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project	FY 2018 & FY 2019				
	Funding Source				Total
	Federal	State	Other	VTA Transit	
33. Office 365 Deployment	0	0	0	350	350
34. PCI and EMV Compliance Enhancements	0	0	0	1,500	1,500
35. SCADA Control Center and System Replacement	3,015	0	0	754	3,769
36. SCADA Middleware Replacement	1,150	0	0	288	1,438
37. Survey and Data Collection Program	0	0	220	220	440
38. Virtual Transit Ride Visualization APP	0	0	50	50	100
39. VTA Big Data Analytics Program	0	0	50	50	100
40. VTA Gigabit Network Project	0	0	0	470	470
Information Sys & Technology Total	4,166	0	395	4,471	9,032
41. Bus-on-Shoulder Feasibility Study	0	288	0	72	360
42. Caltrain Capital – Annual Local Match	0	0	0	10,000	10,000
43. Capital Contingency	0	0	2,000	2,000	4,000
44. Condition Assessment for Rail & Bus Infrastructure	0	0	0	550	550
45. Express Bus Service Plan	0	380	0	95	475
46. Facilities Assessments	0	0	0	550	550
47. Innovative First/Last-Mile Services Program	0	0	3,000	0	3,000
48. North Bayshore Transportation Study	0	0	1,250	0	1,250
49. VA Pilot Smart Shuttle	0	0	995	370	1,365
Miscellaneous Total	0	668	7,245	13,637	21,550
Grand Total	93,539	668	17,940	62,686	174,833

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

VTA Transit Capital Program

Description of FY 2018 & FY 2019 Appropriated Projects

Revenue Vehicles & Equipment

1. 40' Bus Procurement FY18

Purchase up to 138 forty-foot buses in order to retire existing buses which are beyond their designed economic life. This initial appropriation will provide funding for the first 62 replacement buses. Funding for the remaining 76 buses will be requested as an augmentation in the FY 2020 Capital Budget.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$44,000,000
VTA Transit	11,000,000
Total	\$55,000,000

Operating Cost Impact: Operating savings estimated at \$25 thousand per bus, per year.

Estimated Total Project Cost: \$125.0 million

Anticipated Completion Date: December 2020

2. 60' Articulated Bus Procurement

This project augmentation will provide the balance needed for the planned procurement of 55 sixty-foot articulated buses. The purchase will allow the retirement of older buses which are beyond their designed economic life.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$1,038,744
Federal - Sec 5339	5,905,256
VTA Transit	1,736,000
Total	\$8,680,000

Operating Cost Impact: Operating savings estimated at \$60 thousand per bus, per year.

Estimated Total Project Cost: \$60.7 million

Anticipated Completion Date: May 2018

3. Automated Passenger Counters (APC)

This project will fund the purchase and installation of the latest Iris Automatic Passenger Counters (APC) equipment that are compatible with VTA's ridership processing tools.

Funding Source	FY18 & FY19
VTA Transit	\$1,835,000

Automated Passenger Counters (APC) project continued:

Operating Cost Impact: Annual savings from operational efficiencies and reduced preventive maintenance/repairs estimated at \$20,000. Additional annual maintenance estimated at \$8,000 after warranty period expires. Net annual savings \$12,000.

Estimated Total Project Cost: \$1.8 million

Anticipated Completion Date: June 2019

4. Paratransit Fleet Program FY18

This project is to procure new paratransit vehicles to replace vehicles that have exceeded their useful life. Planned procurement to include 99 Dodge Caravans and 5 El Dorado National Aerolite 210 vehicles including associated equipment and graphics.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$4,195,200
VTA Transit	1,048,800
Total	\$5,244,000

Operating Cost Impact: Projected maintenance savings for the first year vehicles are in service due to warranty.

Estimated Total Project Cost: \$5.2 million

Anticipated Completion Date: June 2019

5. Upgrade Fault Monitoring System on Light Rail Vehicles

The project will upgrade the existing Fault Monitoring System (FMS) Network equipment on the Light Rail Vehicles. The existing FMS is no longer supported by the original equipment manufacturer.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$2,255,200
VTA Transit	563,800
Total	\$2,819,000

Operating Cost Impact: Annual costs associated with maintenance/repair of the equipment is estimated at \$30,000.

Estimated Total Project Cost: \$2.8 million

Anticipated Completion Date: June 2020

Non-Revenue Vehicles

6. Non-Revenue Vehicle Procurement FY18

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 project also includes an option to replace retired vehicles with vehicles that are hybrid/electric and higher miles per gallon (MPG) when possible per our Sustainable Fleet Policy.

Funding Source	FY18 & FY19
MTA Transit	\$1,300,000

***Operating Cost Impact:** Projected maintenance savings for the first year vehicles are in service due to warranty.*

***Estimated Total Project Cost:** \$1.3 million*

***Anticipated Completion Date:** February 2018*

Operating Facilities & Equipment

7. Cerone Emergency Generator Repair

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). This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
MTA Transit	\$1,260,000

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

***Estimated Total Project Cost:** \$2.5 million*

***Anticipated Completion Date:** September 2018*

8. Facilities and Equipment Emergency Repair FY18

This project allows MTA 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.

Facilities and Equipment Emergency Repair FY18 project continued:

Funding Source	FY18 & FY19
VTA Transit	\$750,000

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

Estimated Total Project Cost: *\$750 thousand*

Anticipated Completion Date: *June 2019*

9. Facility Maintenance Equipment Program FY18

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 2018 and FY 2019 scheduled replacements include forklifts, bus lifts, cranes, compressors, floor scrubbers, and parts carousels.

Funding Source	FY18 & FY19
VTA Transit	\$1,770,000

Operating Cost Impact: *Potential maintenance savings associated with keeping equipment in a state of good repair.*

Estimated Total Project Cost: *\$1.8 million*

Anticipated Completion Date: *June 2019*

10. Heating, Ventilation and Air Conditioning (HVAC) Replacement Program FY18

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.

Funding Source	FY18 & FY19
VTA Transit	\$1,944,000

Operating Cost Impact: *Utility savings anticipated from replacing electric heat pumps with natural gas fueled heat pumps.*

Estimated Total Project Cost: *\$1.9 million*

Anticipated Completion Date: *June 2019*

11. Painting Management Program FY18

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.

Painting Management Program FY18 project continued:

Funding Source	FY18 & FY19
VTA Transit	\$800,000

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

Estimated Total Project Cost: *\$800 thousand*

Anticipated Completion Date: *June 2019*

12. Paving Management Program FY18

This ongoing program provides pavement 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.

Funding Source	FY18 & FY19
VTA Transit	\$1,800,000

Operating Cost Impact: *Potential maintenance savings associated with keeping pavement in a state of good repair.*

Estimated Total Project Cost: *\$1.8 million*

Anticipated Completion Date: *June 2019*

13. Procure and Install Wheel Truing Machine

Procure and install new Hegenscheidt rail wheel truing machine at the Guadalupe Light Rail facility. This budget augmentation is anticipated to fund the project through completion.

Funding Source	FY18 & FY19
VTA Transit	\$3,210,000

Operating Cost Impact: *The existing machine will eventually be retired thereby reducing repair cost associated with an older machine. In addition, the new machine will be less labor intensive. There will be ongoing expenditures, the existing maintenance contract will need to be amended to account for the new machine.*

Estimated Total Project Cost: *\$5.8 million*

Anticipated Completion Date: *August 2019*

14. Roofing Management Program FY18

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.

Funding Source	FY18 & FY19
VTA Transit	\$1,300,000

Roofing Management Program FY18 project continued:

Operating Cost Impact: *Potential maintenance savings associated with keeping roofing in a state of good repair.*

Estimated Total Project Cost: *\$1.3 million*

Anticipated Completion Date: *June 2019*

15. SCADA and TVM Network Separation

This project will separate both logically and physically, payment data (Ticket Vending Machine-TVM) communications currently transmitted through the Supervisory Control and Data Acquisition (SCADA) network to an independent network in the 65 communication cabinets on the Light Rail System. This budget augmentation is anticipated to fund the project through completion.

Funding Source	FY18 & FY19
VTA Transit	\$3,565,000

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

Estimated Total Project Cost: *\$4.7 million*

Anticipated Completion Date: *December 2019*

16. Sustainability Program FY18

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.

Funding Source	FY18 & FY19
VTA Transit	\$700,000

Operating Cost Impact: *Some operating savings anticipated from reductions in the use of potable water and the consumption of energy.*

Estimated Total Project Cost: *\$700 thousand*

Anticipated Completion Date: *June 2019*

Light Rail Way, Power & Signal

17. Bridge Repairs & Hamilton Structure Stabilization

Implement corrective actions such as soil stabilization and drainage modifications to stabilize the Hamilton Bridge Structure. This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$320,000
VTA Transit	80,000
Total	\$400,000

Bridge Repairs & Hamilton Structure Stabilization project continued:

Operating Cost Impact: Potential maintenance savings associated with keeping bridges and structures in a state of good repair.

Estimated Total Project Cost: \$3.2 million

Anticipated Completion Date: September 2018

18. Guadalupe Overhead Catenary System Rehabilitation

Third Phase of the Overhead Catenary System (OCS) Rehabilitation covering from North First Street and Rosemary to Old Ironsides including rehabilitation or replacement of contact wires, section insulators and under bridge supports. Project scope also includes the addition of safety light indicators within the maintenance shops at the Guadalupe Light Rail facility.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$6,460,000
VTA Transit	1,615,000
Total	\$8,075,000

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

Estimated Total Project Cost: \$8.1 million

Anticipated Completion Date: June 2019

19. Rail Rehabilitation and Replacement FY18

This is part of an on-going program to ensure that the Light Rail track infrastructure remains safe, reliable and in an enhanced state of good repair. Previous projects have completed or are undertaking the rehabilitation and replacement of ties, rail, concrete panels, special track work, switches and embedded rail. The scope for this request includes further rehabilitation and replacement of various track components at various locations including special track work switches, heel blocks, timber ties and defective/worn-out rail. The majority of work will involve the repair and replacement of the Younger half-grand, including the installation of two new crossovers to accommodate single tracking operations during construction.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$3,667,559
Federal - Sec 5307	10,012,441
VTA Transit	3,420,000
Total	\$17,100,000

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

Estimated Total Project Cost: \$17.1 million

Anticipated Completion Date: December 2019

20. Roadway Protection System for Light Rail

The project will explore Roadway Worker Protection System technologies to be implemented on the VTA Light Rail System to meet regulatory requirements.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$1,551,200
VTA Transit	387,800
Total	\$1,939,000

***Operating Cost Impact:** Some minor maintenance cost associated with maintaining the system on regular basis is anticipated.*

***Estimated Total Project Cost:** \$1.9 million*

***Anticipated Completion Date:** December 2018*

21. Track Intrusion Abatement FY18

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.

Funding Source	FY18 & FY19
Federal - Sec 5307	\$1,600,000
VTA Transit	400,000
Total	\$2,000,000

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

***Estimated Total Project Cost:** \$2.0 million*

***Anticipated Completion Date:** June 2019*

22. Upgrade Highway Rail Grade Crossing Control Equipment

This project will upgrade rail grade crossing equipment at various crossings on the Tasman West and Guadalupe Light Rail lines through redesign of crossings, procurement and installation of new equipment.

Funding Source	FY18 & FY19
Federal- Sec 5307	\$4,368,000
VTA Transit	1,092,000
Total	\$5,460,000

***Operating Cost Impact:** Annual costs associated with maintenance/repair of the equipment is estimated at \$10,000.*

***Estimated Total Project Cost:** \$5.5 million*

***Anticipated Completion Date:** June 2019*

Passenger Facilities

23. Bus Stop Improvement Program FY18

The project represents an ongoing program that will upgrade bus stops throughout the VTA system to increase safety, security and access. The project would provide funds for system wide improvements at approximately 50 bus stops, including new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

Funding Source	FY18 & FY19
Other - 2016 Measure B	\$1,300,000
Other - Developer Contribution	700,000
Total	\$2,000,000

***Operating Cost Impact:** The maintenance costs for new shelters will be mitigated by the advertising revenue. The actual costs will not be known until the advertising contract is complete but is currently estimated at \$2,500 per year to maintain 50 new shelters.*

***Estimated Total Project Cost:** \$2.0 million*

***Anticipated Completion Date:** June 2019*

24. Diridon Transportation Facilities Master Plan

This project will identify a preferred alternative and initiate preliminary design and environmental review for the San Jose Diridon Station Multimodal Transportation Center. This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
Other - High Speed Rail	\$2,000,000
Other - Caltrain/Capitol Corridor/ACE	1,500,000
VTA Transit	1,500,000
Total	\$5,000,000

***Operating Cost Impact:** If facility is constructed, maintenance expenses will occur that the various operating entities will have to fund. Separate efforts are ongoing as to how the long-term governance and operation of the center will be accomplished and funded.*

***Estimated Total Project Cost:** \$6.0 million*

***Anticipated Completion Date:** June 2019*

25. North San Jose Transportation Improvements

This project will plan, design and construct eligible transit projects in North San Jose using developer fees collected by the City of San Jose.

Funding Source	FY18 & FY19
Other - Developer Fees	\$3,000,000

North San Jose Transportation Improvements project continued:

Operating Cost Impact: *Impact depends on actual project selected but ongoing operational and maintenance costs are expected to be minimal.*

Estimated Total Project Cost: \$6.0 million

Anticipated Completion Date: December 2019

26. Pedestrian Swing Gates Replacement

This project replaces spring-hinge pedestrian swing gates at various pedestrian crossing locations along VTA's light rail system. The existing swing gates will be replaced with new and improved gravity-hinged gates that are safer and more reliable. This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$2,720,000
VTA Transit	680,000
Total	\$3,400,000

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

Estimated Total Project Cost: \$4.9 million

Anticipated Completion Date: June 2019

27. Shelters at Light Rail Stations—Tasman, Orchard, Component

This project will procure and install shelters for passenger use at the Tasman, Orchard, and Component light rail stations in the northbound direction.

Funding Source	FY18 & FY19
Other - Developer Contribution	\$1,800,000

Operating Cost Impact: *Anticipate minor increase in ongoing expenditures for routine maintenance.*

Estimated Total Project Cost: \$1.8 million

Anticipated Completion Date: June 2019

28. Transit Center Park and Ride Upgrades FY18

This project will provide for refurbishment and repair of maintenance issues at transit center and park and ride lots throughout the VTA service area. These include major concrete damage and pavement failures at transit centers, sidewalks and park and ride lots. It will also include pavement striping, signage, tree roots and tree removal, lighting and mitigation of trip hazards in the pedestrian areas.

Funding Source	FY18 & FY19
VTA Transit	\$500,000

Transit Center Park and Ride Upgrades FY18 project continued:

Operating Cost Impact: *Potential maintenance savings associated with keeping assets in a state of good repair.*

Estimated Total Project Cost: \$500 thousand

Anticipated Completion Date: June 2019

29. Vasona Corridor Pedestrian Back Gates

This project will install pedestrian gates at several Vasona Light Rail corridor crossings. The scope will include the installation of automatic pedestrian gates, swing gates and railings, minor civil improvements and related signal modifications as necessary. This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$1,280,000
VTA Transit	320,000
Total	\$1,600,000

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

Estimated Total Project Cost: \$2.9 million

Anticipated Completion Date: June 2019

Information Systems & Technology

30. 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. These funds are administered by the Chief Technology Officer and are not used for regular anticipated maintenance activities.

Funding Source	FY18 & FY19
VTA Transit	\$240,000

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

Estimated Total Project Cost: \$300 thousand

Anticipated Completion Date: June 2019

31. Integrated Land Use-Transportation Model

This project augmentation will fund the completion of Phase II of development of the Integrated Land Use-Transportation Model which provides VTA with a powerful analytical tool to estimate how major transportation improvements influence land values and the redistribution of housing units and jobs by industry. This allows the quantification of benefits that cannot typically be captured in traditional benefit/cost models which can be used to provide a fuller picture of the benefits provided by transit projects.

Integrated Land Use-Transportation Model project continued:

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$75,000

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

Estimated Total Project Cost: *\$150 thousand*

Anticipated Completion Date: *June 2019*

32. Mobile Network Upgrade

This project will upgrade the mobile routers in 130 buses and non-revenue vehicles. The older routers were installed in approximately 2009 and the manufacturer announced the end-of-life support for them in March 2014. The new mobile routers will help ensure that operational communications, such as real-time information and passenger internet access remains operational and serviceable on vehicles with the older mobile routers. This project will also replace and upgrade the equipment necessary to provide passenger Wi-Fi for the revenue and non-revenue vehicles with newer mobile routers

Funding Source	FY18 & FY19
VTA Transit	\$550,000

Operating Cost Impact: *No operating impact anticipated. Older models will be taken out of service and the service costs transferred to the new equipment.*

Estimated Total Project Cost: *\$550 thousand*

Anticipated Completion Date: *June 2018*

33. Office 365 Deployment

This project will purchase and implement a new subscription-based Microsoft Office product, Office 365. This cloud-based service is designed to meet VTA's enterprise infrastructure's need for robust security, reliability, mobility, and user productivity. VTA users will be enabled to collaborate and communicate securely across many devices from anywhere. Office 365 also provides VTA users with unlimited cloud based storage for email, SharePoint and one TB/storage per user with OneDrive.

Funding Source	FY18 & FY19
VTA Transit	\$350,000

Operating Cost Impact: *Annual maintenance estimated at \$175,000 is expected to be offset somewhat by elimination of older data servers resulting from transition to a cloud-based system.*

Estimated Total Project Cost: *\$350 thousand*

Anticipated Completion Date: *August 2018*

34. PCI and EMV Compliance Enhancements

This project will enhance the current Ticket Vending Machine Environment with a PCI DSS (Payment Card Industry Data Security Standard) and EMV (Europay, MasterCard, AMEX and Visa) Compliant Solution that will enable VTA to accept payments via Chip Cards, Contactless cards, Google Pay, Apple Pay and future mobile wallets.

Funding Source	FY18 & FY19
VTA Transit	\$1,500,000

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

Estimated Total Project Cost: *\$1.5 million*

Anticipated Completion Date: *June 2019*

35. SCADA Control Center and System Replacement

This project will provide for upgrades to the Supervisory Control and Data Acquisition (SCADA) System hardware and software, and design Control and Data Center facility expansion. The SCADA system provides safety critical controls for operation of the light rail system, and includes the supervisory consoles, displays, servers, and other infrastructure at the Guadalupe Light Rail Operating Division such as the operations control center, way power & signal, and emergency operations center. The existing control and data center, along with the associated hardware and software, are at the end of their useful lives. Much of the software and hardware items are already obsolete or will be obsolete and unsupported in the near future.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$3,015,200
VTA Transit	753,800
Total	\$3,769,000

Operating Cost Impact: *Additional operating impact, if any will be determined once this initial design phase is completed.*

Estimated Total Project Cost: *\$39.9 million*

Anticipated Completion Date: *January 2022*

36. SCADA Middleware Replacement

This project will replace existing obsolete middleware software with updated software to ensure compatibility with other upgraded SCADA software and SCADA components.

Funding Source	FY18 & FY19
Federal - Sec 5337	\$1,150,400
VTA Transit	287,600
Total	\$1,438,000

SCADA Middleware Replacement project continued:

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

Estimated Total Project Cost: *\$1.4 million*

Anticipated Completion Date: *June 2019*

37. Survey and Data Collection Program

This project will provide funding to implement a variety of transportation surveys that will provide critical information on travel patterns and behavior from residents and workers in Santa Clara County. Anticipated activities include transit surveys to collect data in support of before and after studies for major capital project implementations; existing and new transit customer attitudinal and perception surveys; and surveys of employers, residences and major activity centers for trip generation and mode share data for Congestion Management and Transit Planning analysis.

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$220,000
VTA Transit	220,000
Total	\$440,000

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

Estimated Total Project Cost: *\$500 thousand*

Anticipated Completion Date: *June 2019*

38. Virtual Transit Ride Visualization APP

Complete and improve the VTA virtual transit ride app. This final phase of funding will complete the transit videos on all VTA transit routes and improve various aspects of the existing app.

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$50,000
VTA Transit	50,000
Total	\$100,000

Operating Cost Impact: *Ongoing annual expenditures estimated at \$7,200.*

Estimated Total Project Cost: *\$150 thousand*

Anticipated Completion Date: *June 2019*

39. VTA Big Data Analytics Program

This project will provide funding to implement a Big Data Analytics Program at VTA, including purchase of large transportation data sets (AirSage and Strava Metro), development of analytical tools to be used for data analysis, visualization and reporting.

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VTA Big Data Analytics Program project continued:

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$50,000
VTA Transit	50,000
Total	\$100,000

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

Estimated Total Project Cost: *\$100 thousand*

Anticipated Completion Date: *June 2019*

40. VTA Gigabit Network Project

This project will provide optic fiber installation, network equipment and materials necessary to support the increased needs for new passenger, fare payments, CCTV (closed circuit television), audio, passenger information and other systems being installed throughout VTA's WAN (wide area network) and MAN (metropolitan area network). It is intended to provide upgrades to address potential capacity needs and security improvements needed to secure and distribute CCTV and the other systems installed and planned for the transit facilities. This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
VTA Transit	\$470,000

Operating Cost Impact: *Some operating savings are anticipated. Similar projects completed have resulted in cost avoidance of high speed data connections of over \$50,000 per year.*

Estimated Total Project Cost: *\$1.4 million*

Anticipated Completion Date: *June 2019*

Miscellaneous

41. Bus-on-Shoulder Feasibility Study

This study will assess the feasibility of operating VTA Express buses on Santa Clara County freeway shoulders in order to achieve transit travel time reductions by bypassing congestion. Planned study efforts include the following: a peer review of bus-on-shoulder operations (focused on California), a regulatory review of bus-on-shoulder operations, an assessment of the corridor travel markets, an assessment of the technical operations requirements, estimates of operating/maintenance/capital costs, and development of an implementation plan.

Funding Source	FY18 & FY19
State - Planning Grant	\$288,000
VTA Transit	72,000
Total	\$360,000

Bus-on-Shoulder Feasibility Study project continued:

Operating Cost Impact: *The project could identify opportunities to operate VTA Express service on freeway shoulders, which could achieve operational cost savings through travel time reductions.*

Estimated Total Project Cost: \$360 thousand

Anticipated Completion Date: June 2019

42. 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.

Funding Source	FY18 & FY19
VTA Transit	\$10,000,000

Operating Cost Impact: *There is no direct operating costs impact to VTA. Operating and maintenance costs for Caltrain service are incorporated in the Caltrain operating subsidy.*

Estimated Total Project Cost: \$10.0 million

Anticipated Completion Date: June 2019

43. 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 Division Chiefs and Directors. Unused Capital Contingency appropriation expires at the end of the two-year budget cycle.

Funding Source	FY18 & FY19
Other - TBD	\$2,000,000
VTA Transit	2,000,000
Total	\$4,000,000

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

Estimated Total Project Cost: \$4.0 million

Anticipated Completion Date: June 2019

44. Condition Assessment for Rail & Bus Infrastructure

This project will include efforts to compile, update and validate previously completed condition assessments of various transit system elements, conduct additional condition assessments, and develop a plan for new and ongoing assessments and reporting.

Condition Assessment for Rail & Bus Infrastructure project continued:

Funding Source	FY18 & FY19
VTA Transit	\$550,000

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

Estimated Total Project Cost: *\$550 thousand*

Anticipated Completion Date: *June 2019*

45. Express Bus Service Plan

The Express Bus Service Plan is a comprehensive service redesign of the Express Bus network that will utilize "big data" to better understand commuter travel patterns and develop a new VTA Express Bus service plan that will better serve the commuters of Santa Clara County.

Funding Source	FY18 & FY19
State - Planning Grant	\$380,000
VTA Transit	95,000
Total	\$475,000

Operating Cost Impact: *The opportunity to achieve ongoing cost savings is threefold: 1) one of the project's goals is to identify opportunities to improve efficiencies within the Express Bus network, which could result in ongoing operational savings; 2) the project will seek to expand service in high-occupancy "fixed guideway" lanes, which could increase the amount of FTA 5307 and 5339 funds VTA receives; 3) the study may identify other operational cost savings through service reductions if appropriate.*

Estimated Total Project Cost: *\$475 thousand*

Anticipated Completion Date: *December 2018*

46. Facilities Assessments

Condition assessments of VTA facilities to plan rehabilitation or replacement programs to maintain assets in state of good repair.

Funding Source	FY18 & FY19
VTA Transit	\$550,000

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

Estimated Total Project Cost: *\$550 thousand*

Anticipated Completion Date: *June 2019*

47. Innovative First/Last-Mile Services Program

This program will support the implementation of innovative service models to address first/last-mile connections including dynamic on-demand subscription shuttles and partnerships with other demand responsive service providers serving vulnerable, underserved, and transit dependent populations.

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Innovative First/Last-Mile Services Program project continued:

Funding Source	FY18 & FY19
Other - 2016 Measure B	\$3,000,000

Operating Cost Impact: *Potential ongoing cost savings could be realized through reallocation of existing operating funds. Ongoing annual expenditures would include potential subsidies for new services.*

Estimated Total Project Cost: \$3.0 million

Anticipated Completion Date: June 2019

48. North Bayshore Transportation Study

This project will study and conceptually engineer a transportation alternative to the North Bayshore area from the NASA Bayshore Light Rail Station.

Funding Source	FY18 & FY19
Other - Google	\$1,250,000

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

Estimated Total Project Cost: \$1.5 million

Anticipated Completion Date: December 2018

49. VA Pilot Smart Shuttle

This is a five year project with a goal to develop a "Comprehensive Autonomous Shuttle System" featuring on-demand or pre-scheduled service in and around the Palo Alto VA Hospital area using an autonomous shuttle and pre-identified Smart Stop locations. Activities during the first two years of the project include performance of initial research and development and deployment of two autonomous shuttles for service around the Palo Alto VA Hospital.

Funding Source	FY18 & FY19
Other - Dept of Health & Human Services	\$995,050
MTA Transit	369,950
Total	\$1,365,000

Operating Cost Impact: *Any ongoing expenditures for the first five years are anticipated to be covered by grant funding.*

Estimated Total Project Cost: \$3.3 million

Anticipated Completion Date: July 2022

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, 2017, as well as the total available appropriation for the VTA Transit Capital Program after the FY 2018 and FY 2019 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0624	Bus Farebox Replacement	State	10,000	9,591	409	0	409
P-0687	Advanced ZEB Demo Project	Federal	392	351	41	0	41
		Other	98	88	10	0	10
		VTA Transit	8,984	8,984	0	0	0
		Total	9,474	9,422	51	0	51
P-0754	Kinkysharyo LRV Overhaul Program	VTA Transit	2,296	841	1,455	0	1,455
P-0823	Paratransit Vehicles and Equipment	State	3,476	3,156	319	0	319
P-0833	40' Bus Procurement	Federal	34,353	32,919	1,433	0	1,433
		State	4,327	4,302	25	0	25
		VTA Transit	7,662	4,606	3,056	0	3,056
		Total	46,342	41,827	4,515	0	4,515
P-0834	60' Articulated Bus Procurement	Federal	0	0	0	6,944	6,944
		State	29,965	0	29,965	0	29,965
		VTA Transit	22,103	59	22,044	1,736	23,780
		Total	52,068	59	52,010	8,680	60,690
P-0924	40' Bus Procurement FY16	Federal	48,700	8	48,692	0	48,692
		VTA Transit	12,175	2	12,173	0	12,173
		Total	60,875	10	60,866	0	60,866
P-0933	Wheelchair Ramp Replacement on 70 Buses	VTA Transit	1,050	0	1,050	0	1,050
P-0945	Light Rail Vehicle CCTV Upgrade	State	8,400	13	8,387	0	8,387
		VTA Transit	315	0	315	0	315
		Total	8,715	13	8,702	0	8,702
P-0951	3-Position Exterior Bike Racks for Buses	State	820	0	820	0	820
		VTA Transit	80	0	80	0	80
		Total	900	0	900	0	900
P-0961	Electric Bus Pilot Project	Federal	2,458	0	2,458	0	2,458
		State	3,563	0	3,563	0	3,563
		VTA Transit	9,479	288	9,191	0	9,191
		Total	15,500	288	15,212	0	15,212

¹ Projection as of August 1, 2017; Preliminary Unaudited.

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Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0964	Tire Barrier Retrofit	VTA Transit	625	73	552	0	552
P-0999	Paratransit Fleet Program	VTA Transit	2,323	647	1,676	0	1,676
P-1034	Paratransit Fleet Program FY18	Federal	0	0	0	4,195	4,195
		VTA Transit	0	0	0	1,049	1,049
		Total	0	0	0	5,244	5,244
P-1036	Upgrade Fault Monitoring Sys--LR Vehicles	Federal	0	0	0	2,255	2,255
		VTA Transit	0	0	0	564	564
		Total	0	0	0	2,819	2,819
P-1039	40' Bus Procurement FY18	Federal	0	0	0	44,000	44,000
		VTA Transit	0	0	0	11,000	11,000
		Total	0	0	0	55,000	55,000
P-1050	Automatic Passenger Counters (APC)	VTA Transit	0	0	0	1,835	1,835
Revenue Vehicles & Equipment Total			213,644	65,927	147,717	73,578	221,295
P-0774	Non-Revenue Vehicle Procurement	State	1,931	1,387	545	0	545
P-0857	Non-Revenue Vehicle Procurement FY14	VTA Transit	1,072	852	220	0	220
P-0940	Non-Revenue Vehicle Procurement FY16	VTA Transit	863	463	400	0	400
P-1033	Non-Revenue Vehicle Procurement FY18	VTA Transit	0	0	0	1,300	1,300
Non-Revenue Vehicles Total			3,866	2,702	1,165	1,300	2,465
P-0427	HazMat Removal/Fac. Design & Const	VTA Transit	264	258	7	0	7
P-0572	Bus Signal Priority	Federal	729	586	143	0	143
		VTA Transit	182	146	36	0	36
		Total	911	732	179	0	179
P-0646	Green Sustainability Facility Improvements	VTA Transit	6,200	5,625	575	0	575
P-0675	Pavement Management Program FY09	VTA Transit	717	662	55	0	55
P-0741	SCADA System Hardening	Federal	755	755	0	0	0
		State	2,567	2,567	0	0	0
		Other	331	0	331	0	331
		VTA Transit	581	342	239	0	239
		Total	4,234	3,663	571	0	571
P-0750	GFCI (switchgear) Testing & Replacemnt	VTA Transit	312	70	242	0	242
P-0776	LRV Body Shop-Dust Separation Wall	Federal	436	410	26	0	26
		VTA Transit	609	353	256	0	256
		Total	1,045	763	282	0	282
P-0777	LRV Maintenance Shop Hoist	Federal	3,681	3,095	586	0	586
		VTA Transit	1,370	774	597	0	597
		Total	5,051	3,869	1,183	0	1,183
P-0780	River Oaks Auditorium & Lobby Reconfig	VTA Transit	555	508	47	0	47
P-0815	Radio System Installation FY13	State	454	454	0	0	0
		VTA Transit	50	44	6	0	6
		Total	504	499	6	0	6
P-0828	Downtown Customer Service Center.Move	Other	140	138	2	0	2
		VTA Transit	827	759	68	0	68
		Total	967	897	70	0	70
P-0839	Replace Wheel Truing Machine	VTA Transit	2,600	23	2,577	3,210	5,787
P-0840	LED Exterior Lighting Replacement	VTA Transit	900	392	508	0	508
P-0844	Cerone Propane Tank Replacement	VTA Transit	1,110	53	1,057	0	1,057
P-0846	Facilities Maint. Equipment Program FY14	VTA Transit	980	416	564	0	564
P-0847	Paving Management Program FY14	VTA Transit	2,316	835	1,481	0	1,481
P-0849	Cerone Boiler Replacement	VTA Transit	1,166	68	1,098	0	1,098
P-0852	Cerone Emergency Generator Replacement	VTA Transit	1,200	253	947	1,260	2,207
P-0917	OCC Rail Control Reconfiguration	VTA Transit	150	129	21	0	21

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P-0931	Auto Wheel Measuremnt Sys for LR Vehicles	VTA Transit	879	2	877	0	877
P-0932	Guadalupe Train Wash Replacement	Federal	1,448	0	1,448	0	1,448
		VTA Transit	362	0	362	0	362
		Total	1,810	0	1,810	0	1,810
P-0936	Facilities & Equip Emergency Repair FY16	VTA Transit	112	0	112	0	112
P-0941	Facilities Maint. Equipment Program FY16	VTA Transit	949	0	949	0	949
P-0947	HVAC Replacement Program FY16	VTA Transit	1,306	353	953	0	953
P-0950	Pavement Management Program FY16	VTA Transit	910	768	142	0	142
P-0957	Painting Management Program FY16	VTA Transit	1,540	573	967	0	967
P-0959	Roofing Management Program FY16	VTA Transit	923	528	395	0	395
P-0962	Chaboya Yard Well Removal	Federal	196	0	196	0	196
		VTA Transit	49	0	49	0	49
		Total	245	0	245	0	245
P-0965	Employee Facility Updates at Chaboya	VTA Transit	533	160	373	0	373
P-1004	SCADA and TVM Network Separation	VTA Transit	1,150	280	870	3,565	4,435
P-1005	Eastridge Paratransit Facility	VTA Transit	5,799	3,097	2,702	0	2,702
P-1006	Emergency Electrical Repair River Oaks	VTA Transit	225	0	225	0	225
P-1029	HVAC Replacement Program FY18	VTA Transit	0	0	0	1,944	1,944
P-1030	Painting Management Program FY18	VTA Transit	0	0	0	800	800
P-1031	Paving Management Program FY18	VTA Transit	0	0	0	1,800	1,800
P-1032	Facilities & Equip Emergency Repair FY18	VTA Transit	0	0	0	750	750
P-1040	Sustainability Program FY18	VTA Transit	0	0	0	700	700
P-1055	Roofing Management Program FY18	VTA Transit	0	0	0	1,300	1,300
P-1056	Facilities Maint. Equipment Program FY18	VTA Transit	0	0	0	1,770	1,770
	Operating Facilities & Equipment Total		47,564	25,479	22,086	17,099	39,185
P-0670	Rail Rehab and Replacement Program	Federal	16,029	10,880	5,148	0	5,148
		State	1,466	1,206	261	0	261
		VTA Transit	3,179	1,965	1,214	0	1,214
		Total	20,674	14,051	6,623	0	6,623
P-0689	Traction Power Substation Replacemnt Prog	Federal	13,551	10,003	3,547	0	3,547
		State	1,469	1,469	0	0	0
		VTA Transit	5,240	4,338	902	0	902
		Total	20,260	15,810	4,449	0	4,449
P-0707	OH Catenary Sys (OCS) Rehab Program	Federal	7,030	4,128	2,903	0	2,903
		State	1,150	938	212	0	212
		VTA Transit	895	173	722	0	722
		Total	9,076	5,239	3,837	0	3,837
P-0757	LR Crossovers and Switches	Federal	3,155	832	2,323	0	2,323
		VTA Transit	789	208	581	0	581
		Total	3,943	1,040	2,904	0	2,904
P-0761	Bridge Repairs & Structure Stabilization	Federal	1,920	1,351	569	320	889
		VTA Transit	880	646	234	80	314
		Total	2,800	1,997	803	400	1,203
P-0762	LR Signal Sys Assesment/SCADA Repl	Federal	2,800	536	2,264	0	2,264
		VTA Transit	700	134	566	0	566
		Total	3,500	670	2,830	0	2,830
P-0763	N 1st and DT SJ LR Speed Improvmt Desgn	Federal	400	188	212	0	212
		2000 Measure A	375	237	138	0	138
		VTA Transit	762	560	202	0	202
		Total	1,537	985	552	0	552

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P-0771	Update Santa Teresa Intrlock Signal House	Federal	1,728	1,459	269	0	269
		VTA Transit	432	365	67	0	67
		Total	2,160	1,823	337	0	337
P-0821	LR Transit Signal Priority Improvements	Federal	1,587	126	1,461	0	1,461
		VTA Transit	546	16	529	0	529
		Total	2,133	142	1,990	0	1,990
P-0843	Upgrade Ohlone/Chynoweth Interlocking	Federal	960	1	959	0	959
		VTA Transit	240	0	240	0	240
		Total	1,200	1	1,199	0	1,199
P-0845	Track Intrusion Abatement FY14	Federal	1,600	171	1,429	0	1,429
		VTA Transit	400	43	357	0	357
		Total	2,000	214	1,786	0	1,786
P-0918	Guadalupe SCADA and OCC UPS Replmnt	VTA Transit	105	0	105	0	105
P-0922	SCADA Rehabilitation	VTA Transit	1,803	1,274	529	0	529
P-0923	Downtown San Jose Speed Improv-Phase 1	VTA Transit	900	0	900	0	900
P-0925	Light Rail Crossovers and Switches FY16	VTA Transit	4,100	1,349	2,751	0	2,751
P-0926	Rail Rehabilitation & Replacement FY16	Federal	3,600	2	3,598	0	3,598
		VTA Transit	900	0	900	0	900
		Total	4,500	2	4,498	0	4,498
P-0928	Traction Power Substation Procuremnt FY16	Federal	7,200	0	7,200	0	7,200
		VTA Transit	1,800	0	1,800	0	1,800
		Total	9,000	0	9,000	0	9,000
P-0938	Bridge and Structure Repairs FY16	Federal	560	0	560	0	560
		VTA Transit	140	0	140	0	140
		Total	700	0	700	0	700
P-0956	Track Intrusion Abatement FY16	Federal	1,600	5	1,595	0	1,595
		VTA Transit	400	1	399	0	399
		Total	2,000	6	1,994	0	1,994
P-0958	Traction Power Substation Monitoring Syst	VTA Transit	235	6	229	0	229
P-0997	Bascom Freight Rail Repair	VTA Transit	403	321	82	0	82
P-1023	Rail Replacement and Rehabilitation FY18	Federal	0	0	0	13,680	13,680
		VTA Transit	0	0	0	3,420	3,420
		Total	0	0	0	17,100	17,100
P-1024	Track Intrusion Abatement FY18	Federal	0	0	0	1,600	1,600
		VTA Transit	0	0	0	400	400
		Total	0	0	0	2,000	2,000
P-1035	Roadway Protection System for Light Rail	Federal	0	0	0	1,551	1,551
		VTA Transit	0	0	0	388	388
		Total	0	0	0	1,939	1,939
P-1037	Upgrade Hwy Rail Grade Crossing Ctl Equip	Federal	0	0	0	4,368	4,368
		VTA Transit	0	0	0	1,092	1,092
		Total	0	0	0	5,460	5,460
P-1054	Guadalupe Overhead Catenary System Rehab	Federal	0	0	0	6,460	6,460
		VTA Transit	0	0	0	1,615	1,615
		Total	0	0	0	8,075	8,075
Light Rail Way, Power & Signal Total			93,029	44,930	48,099	34,974	83,073
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	25	575	0	575
		VTA Transit	1,300	192	1,108	0	1,108
		Total	1,900	217	1,683	0	1,683

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P-0819	Pedestrian Swing Gates Replacement	Federal	704	0	704	2,720	3,424
		VTA Transit	746	509	237	680	917
		Total	1,450	509	941	3,400	4,341
P-0835	Bus Stop Pavement/Duckout Improv FY14	Federal	719	430	290	0	290
		VTA Transit	413	169	244	0	244
		Total	1,132	598	533	0	533
P-0836	Infrastructure for Additional Fare Devices	Other	60	30	30	0	30
		VTA Transit	415	415	0	0	0
		Total	475	445	30	0	30
P-0892	CCTV Surveillance Equipment FY14	State	2,996	2,799	197	0	197
		VTA Transit	90	90	0	0	0
		Total	3,086	2,889	197	0	197
P-0897	CCTV Equipment	State	3,635	2,404	1,231	0	1,231
		VTA Transit	66	58	8	0	8
		Total	3,701	2,462	1,239	0	1,239
P-0913	RTI Signs at Light Rail Stations	VTA Transit	2,340	2,072	268	0	268
P-0930	LR Facilities LED Lighting Retrofit	Other	750	0	750	0	750
		VTA Transit	188	0	188	0	188
		Total	938	0	938	0	938
P-0942	Security Improvements Projects FY16	State	4,999	0	4,999	0	4,999
		VTA Transit	118	0	118	0	118
		Total	5,117	0	5,117	0	5,117
P-0944	Ticket Vending Machines - Stadium Events	2000 Measure A	500	445	55	0	55
		VTA Transit	818	459	359	0	359
		Total	1,318	904	414	0	414
P-0948	LR Station Signage Replacement	2000 Measure A	1,040	308	732	0	732
		VTA Transit	960	20	940	0	940
		Total	2,000	328	1,672	0	1,672
P-0949	Transit Center Park & Ride Upgrades FY16	Other	8	0	8	0	8
		VTA Transit	602	593	9	0	9
		Total	609	593	17	0	17
P-0954	Vasona Corridor Pedestrian Back Gates	Federal	1,040	0	1,040	1,280	2,320
		VTA Transit	260	0	260	320	580
		Total	1,300	0	1,300	1,600	2,900
P-0989	Diridon Sta. Intermodal Conceptual Plan	State	300	297	3	0	3
		Other	700	269	431	3,500	3,931
		VTA Transit	0	0	0	1,500	1,500
		Total	1,000	567	433	5,000	5,433
P-1025	Transit Center Park & Ride Upgrades FY18	VTA Transit	0	0	0	500	500
P-1027	Shelters--LR Stns-Tasman/Orchard/Compton	Other	0	0	0	1,800	1,800
P-1038	Bus Stop Improvement Program FY18	Other	0	0	0	700	700
		2016 Measure B	0	0	0	1,300	1,300
		Total	0	0	0	2,000	2,000
P-1045	North San Jose Transportation Improvements	Other	0	0	0	3,000	3,000
	Passenger Facilities Total		27,366	11,582	15,783	17,300	33,083
P-0711	Emergency IT Infrastructure Replacement	VTA Transit	70	0	70	240	310
P-0769	SCADA GEisys Software Upgrade	VTA Transit	1,250	11	1,239	0	1,239
P-0778	SAP Grants Management Module	2000 Measure A	572	556	16	0	16
		VTA Transit	29	29	0	0	0
		Total	601	586	16	0	16

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P-0779	Trapeze OPS Software Installation	MTA Transit	3,200	2,935	265	0	265
P-0782	Clipper® Gigabit Network Replacement	MTA Transit	920	697	222	470	692
P-0806	Record Management Program	MTA Transit	2,788	1,302	1,486	0	1,486
P-0841	Train to Wayside Comm. System Upgrade	Federal	1,285	7	1,278	0	1,278
		MTA Transit	321	2	319	0	319
		Total	1,606	9	1,597	0	1,597
P-0848	TERM Lite Deployment	MTA Transit	400	123	277	0	277
P-0850	SAP Plant Maintenance & Materials Mgmt	MTA Transit	300	0	300	0	300
P-0853	Business Process Automation-Accts Payable	MTA Transit	732	721	11	0	11
P-0869	Upgrade Countywide Travel Demand Model	Federal	445	0	445	0	445
		Other	205	198	7	0	7
		Total	650	198	452	0	452
P-0874	Telecommunications System Updates	MTA Transit	375	39	336	0	336
P-0879	CAD-AVL Update	MTA Transit	28,708	1,915	26,793	0	26,793
P-0880	Upgrade LR Ring #1 Comm Equipment	Federal	1,760	2	1,758	0	1,758
		MTA Transit	440	0	440	0	440
		Total	2,200	2	2,198	0	2,198
P-0881	Radio System Upgrade	MTA Transit	5,550	3,679	1,871	0	1,871
P-0891	Business Process Automation - Payroll	MTA Transit	663	595	68	0	68
P-0896	Mobile Network-Full Fleet Wi-Fi	MTA Transit	650	570	80	0	80
P-0899	CCTV Emergency Storage Expansion	MTA Transit	175	137	38	0	38
P-0904	Interactive Customer Message Signs	MTA Transit	690	395	295	0	295
P-0905	Multimodal Trip Data Collectr/Planner APP	Other	63	63	0	0	0
		MTA Transit	213	159	53	0	53
		Total	275	222	53	0	53
P-0906	Integrated Landuse/Transportation Model	Other	75	75	0	75	75
P-0907	Virtual Transit Ride Visualization APP	Other	0	0	0	50	50
		MTA Transit	50	50	0	50	50
		Total	50	50	0	100	100
P-0909	Demand Response & Subscription Solution	MTA Transit	400	143	257	0	257
P-0927	Network and Gigabit Fiber Upgrade	MTA Transit	700	162	538	0	538
P-0937	Server Refresh	MTA Transit	800	0	800	0	800
P-0939	Credit Card Authorization Sys Enhancement	MTA Transit	180	0	180	0	180
P-0943	GIS Program Development	MTA Transit	250	197	53	0	53
P-0946	Server Security Replmnt and Sys Perf Upg	MTA Transit	1,675	557	1,118	0	1,118
P-0953	Electronic Procurement & Contract Bidding	MTA Transit	210	0	210	0	210
P-0955	Connected Vehicles Technology Platform	Federal	800	0	800	0	800
		MTA Transit	200	0	200	0	200
		Total	1,000	0	1,000	0	1,000
P-0963	Subsc/Demand Responsive Bus Pilot Project	Federal	667	0	667	0	667
		Other	667	0	667	0	667
		MTA Transit	667	151	516	0	516
		Total	2,000	151	1,849	0	1,849
P-0983	Enhanced CCTV Sys-Major Events Hardening	Federal	1,000	676	324	0	324
		State	609	609	0	0	0
		MTA Transit	288	4	284	0	284
		Total	1,897	1,290	608	0	608
P-0988	Project/Construction Management Software	MTA Transit	325	150	175	0	175
P-0993	B-106 Technology Build Out	MTA Transit	360	221	139	0	139
P-1000	Trapeze Paratransit Scheduling Software	MTA Transit	1,349	798	551	0	551
P-1007	Advanced Cyber Security	MTA Transit	800	0	800	0	800

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-1022	Customer Svc Contact Center Enhancement	VTA Transit	70	0	70	0	70
P-1041	Survey and Data Collection Program	Other	0	0	0	220	220
		VTA Transit	0	0	0	220	220
		Total	0	0	0	440	440
P-1046	Mobile Network Upgrade	VTA Transit	0	0	0	550	550
P-1047	PCI and EMV Compliance Enhancements	VTA Transit	0	0	0	1,500	1,500
P-1049	VTA Big Data Analytics Program	Other	0	0	0	50	50
		VTA Transit	0	0	0	50	50
		Total	0	0	0	100	100
P-1051	SCADA Control Center and Sys Replacement	Federal	0	0	0	3,015	3,015
		VTA Transit	0	0	0	754	754
		Total	0	0	0	3,769	3,769
P-1052	SCADA Middleware Replacement	Federal	0	0	0	1,150	1,150
		VTA Transit	0	0	0	288	288
		Total	0	0	0	1,438	1,438
P-1053	Office 365 Deployment	VTA Transit	0	0	0	350	350
	Information Systems & Technology Total		63,944	17,932	46,012	9,032	55,044
P-0822	VETS Transp'tn & Community Living Initv.	Federal	2,050	1,918	132	0	132
P-0914	Core Connectivity Study	Federal	200	147	53	0	53
		VTA Transit	120	88	32	0	32
		Total	320	235	85	0	85
P-0915	Slow Speed Zone Study	VTA Transit	600	275	325	0	325
P-0991	North Bayshore Transportation Study	Other	250	185	65	1,250	1,315
P-1026	Facilities Assessments	VTA Transit	0	0	0	550	550
P-1028	Condition Assmnt for Rail/Bus Infrastructure	VTA Transit	0	0	0	550	550
P-1042	Bus-on-Shoulder Feasibility Study	State	0	0	0	288	288
		VTA Transit	0	0	0	72	72
		Total	0	0	0	360	360
P-1043	Express Bus Service Plan	State	0	0	0	380	380
		VTA Transit	0	0	0	95	95
		Total	0	0	0	475	475
P-1044	Innovative First/Last-Mile Services	2016 Measure B	0	0	0	3,000	3,000
P-1048	VA Pilot Smart Shuttle	Other	0	0	0	995	995
		VTA Transit	0	0	0	370	370
		Total	0	0	0	1,365	1,365
P-1057	Caltrain Capital - Annual Local Match	VTA Transit	0	0	0	10,000	10,000
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		3,220	2,612	608	21,550	22,158
	Grand Total		452,633	171,164	281,469	174,833	456,302

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 FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
Federal	168,137	71,008	97,129	93,539	190,669
State	82,128	31,193	50,935	668	51,603
Other	4,346	1,045	3,302	13,640	16,942
2000 Measure A	2,487	1,546	941	0	941
2016 Measure B	0	0	0	4,300	4,300
VTA Transit	195,535	66,373	129,162	62,686	191,848
Grand Total	452,633	171,164	281,469	174,833	456,302

Note: Totals may not be precise due to independent rounding



Diesel/Electric Hybrid Bus with New Logo and Color Scheme

¹ Projection as of August 1, 2017; Preliminary Unaudited.

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, and refund existing debt. As of June 30, 2017, 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. If VTA were to issue new 1976 half-cent sales tax bonds the bond indenture requires a minimum gross sales tax revenue bond coverage ratio of 2.0 times maximum annual debt service.

The table below shows the calculation of the current maximum annual debt coverage ratio for FY 2018 and FY 2019 for debt secured by the 1976 half-cent sales tax as of June 30, 2017.

***VTA Transit
Debt Coverage Ratio¹
Issues Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

	FY18	FY19
Sales Tax Revenues	215,343	219,650
Maximum Annual Debt Service ²	20,914	20,908
Coverage Ratio	10.3	10.5

All bonds secured by the 1976 half-cent sales tax have a bond reserve requirement. The requirement is zero unless the coverage ratio drops below 3.0 times coverage in which case VTA is required to fund the debt service reserve fund to the lesser of: a) 10% of original principal amount, b) 125% of average annual debt service, or c) 100% of maximum annual debt service. At the start of FY 2018 there is no bond reserve fund required.

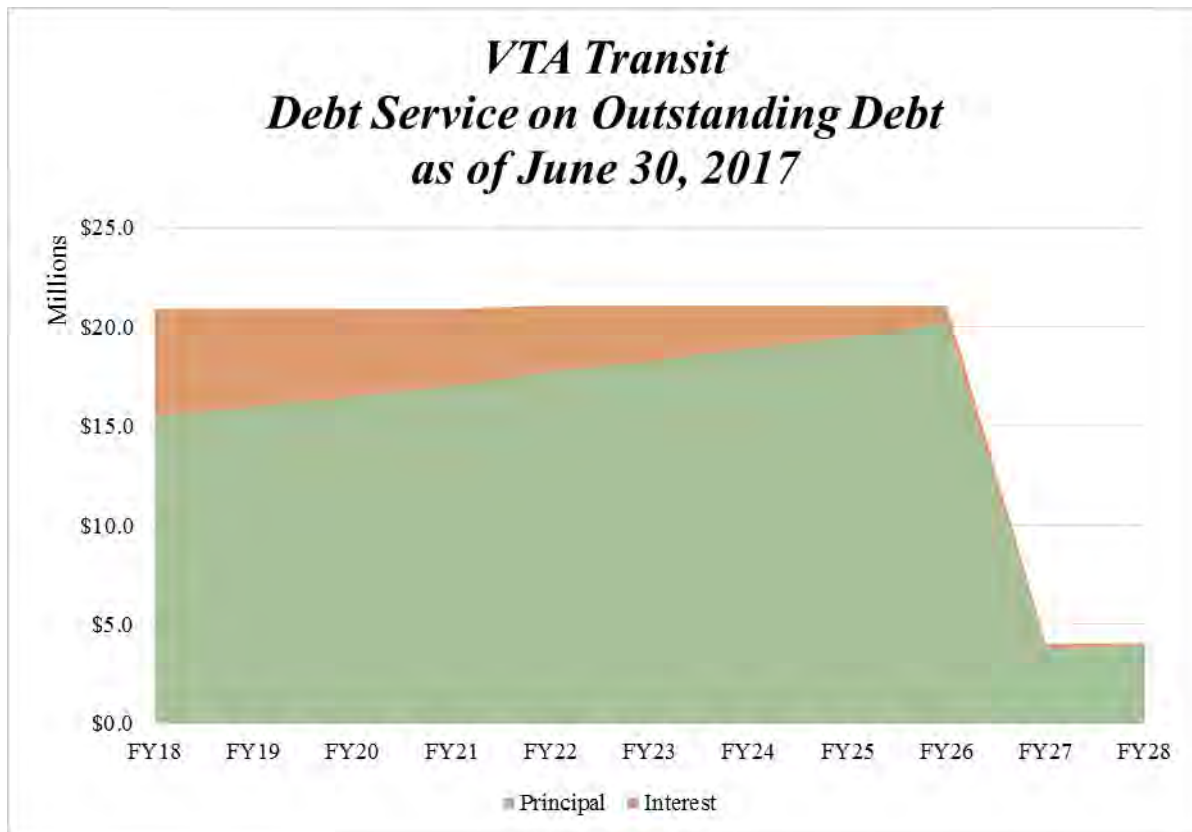
The tables on the following pages show additional information about outstanding debt secured by the 1976 half-cent sales tax.

¹ Reflects outstanding debt as of June 30, 2017.

² The maximum amount of annual debt service (principal and interest) becoming due and payable through the final maturity date of all outstanding obligations.

***VTA Transit
Outstanding Debt as of June 30, 2017
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

Series	Type of Debt	Interest Rate	Par Amount
2008 Series A-C Refunding	Synthetically Fixed	3.45% ¹	125,695
2011 Series A Refunding	Traditional Fixed	2.79% ²	31,445
2017 Series A Refunding	Traditional Fixed	2.00% ²	10,030
Total			167,170



¹ Effective interest rate including liquidity and remarketing fees.

² All-in True Interest Cost.

***VTA Transit
Debt Service Schedule¹
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

Fiscal Year	Principal	Interest²	Total
2018	15,492	5,422	20,914
2019	15,978	4,930	20,908
2020	16,483	4,422	20,905
2021	17,002	3,896	20,898
2022	17,725	3,354	21,079
2023	18,275	2,795	21,070
2024	18,900	2,173	21,073
2025	19,490	1,577	21,067
2026	20,160	911	21,071
2027	3,745	294	4,039
2028	3,920	144	4,064
Total	167,170	29,918	197,088

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

***VTA Transit
FY 2018 and FY 2019 Debt Service Detail
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

Category	FY18 Adopted Budget	FY19 Adopted Budget
Interest Expense ³	5,735	5,165
Principal	15,492	15,978
Other Bond Charges ⁴	198	237
Potential Commercial Paper Program ⁵	157	853
Total	21,581	22,233

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

¹ Reflects outstanding debt as of June 30, 2017.

² Interest rate on swap related obligations is based on the fixed part of the swaps 3.145%.

³ Interest expense on swap related obligations is based on the effective interest rates as of January 17, 2017.

⁴ Includes liquidity fees, remarketing fees, trustee fees, and other bond related charges.

⁵ Budgeted expenditure related to potential Commercial Paper Program discussed on page 58.

Overview of Outstanding Debt Issues

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 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. 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.

2017 Series A Refunding

In March 2017, \$10.03 million of 2017 Series A Sales Tax Revenue Refunding Bonds were issued to current refund \$12.05 million principal amount of the 2007 Series A bonds maturing on June 1, 2017, or later. The refunding was done in order to take advantage of the lower interest cost of the refunding bonds. The refunding bonds were issued at an all-in true interest cost of 2.00%. The economic gain, which is calculated by comparing the present value of the original issue debt service to the present value of the refunded issue debt service, is \$636.76 thousand. The 2017 Bonds were issued as traditional fixed rate bonds in a direct purchase by Bank of the West. The 2017 bonds were unrated, did not carry a CUSIP and were issued as a physical, non-book entry security.

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.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET



Alum Rock Transit Center



Milpitas BART Station Bike Storage



ACCESS Paratransit Vehicle

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.

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 2016, sales tax receipts from the 2000 Measure A half-cent sales tax increased 3.0%, following an increase of 7.2% in FY 2015. Receipts through the first three quarters of FY 2017 were 1.5% below FY 2016 receipts for the same period due primarily to a one-time prior-period correction in the third quarter of FY 2017.

To determine the growth assumption for FY 2018 and FY 2019, staff reviewed various scenarios including “Optimistic”, “Most Likely”, and “Conservative”. The Adopted Budget reflects projected growth of 2.4% and 2.0% in FY 2018 and FY 2019, respectively. These growth rates are between the “Most Likely” and “Conservative” scenarios.

Federal BABs Subsidy

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

Investment Earnings

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 1.75% in FY 2018 and 2.15% in FY 2019.

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 an increase in operating assistance from 18.5% to 20.75% of sales tax revenues.

Debt Service

This expense category reflects the debt service attributable to assets already placed in service. The remaining debt service is eligible for capitalization and is appropriated under the Capital Budget (page 156).

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

Line	Category	FY16 Actual	FY 17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
1	2000 Half-Cent Sales Tax	205,636	216,835	209,551	215,343	5,792	2.8%	219,650	4,307	2.0%
2	Federal BABs Subsidy	8,748	8,722	8,753	8,750	(2)	0.0%	8,750	0	0.0%
3	Investment Earnings	7,088	4,531	6,936	5,256	(1,681)	-24.2%	5,486	230	4.4%
4	Other Income	366	404	407	391	(16)	-3.9%	395	4	1.1%
5	Total Revenue	221,837	230,492	225,647	229,741	4,094	1.8%	234,282	4,541	2.0%
6	VTA Operating Assistance	37,954	40,021	38,677	44,684	6,007	15.5%	45,577	894	2.0%
7	Professional & Special Services	634	723	561	790	229	40.9%	1,002	211	26.7%
8	Miscellaneous	9	28	37	27	(10)	-27.8%	27	0	0.0%
9	Contributions to Other Agencies	218	1,190	984	673	(310)	-31.5%	0	(673)	-100.0%
10	Debt Service	30,810	27,431	36,088	38,638	2,550	7.1%	46,200	7,562	19.6%
11	Repayment Obligation	15,007	15,247	15,178	15,596	418	2.8%	15,499	(97)	-0.6%
12	Total Expense	84,631	84,639	91,524	100,407	8,884	9.7%	108,304	7,896	7.9%
13	Revenues Over (Under) Expenses	137,206	145,853	134,123	129,333			125,978		

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

Investment Earnings:

The FY 2018 budget reflects a \$1.7 million decrease from FY 2017 actual due primarily to declining portfolio balances as capital projects are advanced.

Expenses

VTA Operating Assistance:

The FY 2018 budget shows a \$6.0 million increase over FY 2017 actual due primarily to an increase in the percentage of 2000 Measure A sales tax revenues provided to VTA Transit for operating assistance from 18.5% to 20.75%.

Contribution to Other Agencies:

The FY 2019 budget shows a \$673 thousand decrease from FY 2018 budget due the scheduled completion in FY 2018 of two projects implemented in the VTA Transit Fund that are partially funded by the 2000 Measure A Program.

Debt Service:

The FY 2018 and FY 2019 budgets show a \$2.6 million and \$7.6 million increase, respectively due to a decrease in interest expense eligible for capitalization as more projects are completed.

¹ Reflects Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

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

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Adopted Budget</u>	<u>FY19 Adopted Budget</u>
1	Total Revenues	221,837	225,647	229,741	234,282
2	Total Non-Project Expenses	<u>(84,631)</u>	<u>(91,524)</u>	<u>(100,407)</u>	<u>(108,304)</u>
3	Revenues Over (Under) Expenses	137,206	134,123	129,333	125,978
4	Project Expenditures	523,358	367,184	501,247	293,679
5	Less: Funding from Grants & Other Sources	<u>(255,800)</u>	<u>(150,163)</u>	<u>(174,711)</u>	<u>(90,737)</u>
6	2000 Measure A Share of Capital	267,558	217,021	326,536	202,942
7	Beginning Available for Projects ²	560,260	429,907	347,009	149,807
8	Revenues Over (Under) Expenses	137,206	134,123	129,333	125,978
9	2000 Measure A Share of Capital	<u>(267,558)</u>	<u>(217,021)</u>	<u>(326,536)</u>	<u>(202,942)</u>
10	Ending Available for Projects ^{2,3}	429,907	347,009	149,807	72,843

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

¹ Projection as of August 1, 2017; Preliminary Unaudited.

² Undesignated Net Assets plus Remaining Bond Proceeds, if applicable.

³ FY 2017 to FY 2019 Available for Projects balances decrease from prior year levels due to continued advancement of capital projects in the program.

2000 Measure A Transit Improvement Program Capital Budget Assumptions

The FY 2018 and FY 2019 Adopted 2000 Measure A Capital Budget is \$701.7 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 2018 in order to facilitate administration of the program. The program utilizes cash-on-hand and projected cash receipts, and does not anticipate incurring additional debt in the two-year period.

The table below lists each project by category and general funding source. The subsequent pages provide a brief description, identified funding sources, potential operating cost impacts, estimated total cost, and anticipated completion date 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 157-159 reflects the projected carryover at June 30, 2017, as well as the total available appropriation for the 2000 Measure A Capital Program after the FY 2018 and FY 2019 appropriations, by project and funding source.

Schedule of FY 2018 & FY 2019 Appropriation (Dollars in Thousands)

Project	FY 2018 & FY 2019			
	Funding Source			Total
	Federal	Other	2000 Measure A	
1. Berryessa Extension Project - SVBX	66,811	0	105,230	172,041
2. SVRT Project Development After FY09	0	0	214,568	214,568
SVRT Program Total	66,811	0	319,798	386,609
3. Capitol Expressway Light Rail to Eastridge Phase II	0	130,000	98,800	228,800
4. SR 85 Major Investment Study	0	1,400	0	1,400
Light Rail Program Total	0	131,400	98,800	230,200
5. Caltrain Electrification - Early Investment Program	0	0	20,000	20,000
Commuter Rail Program Total	0	0	20,000	20,000
6. Capitalized Interest and Other Bond Costs	0	0	64,900	64,900
Measure A Programwide Total	0	0	64,900	64,900
Grand Total	66,811	131,400	503,498	701,709

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

2000 Measure A Transit Improvement Program Description of FY 2018 & FY 2019 Appropriated Projects

SVRT Program

1. 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 Federal Transit Administration (FTA) New Starts Candidate Project. The Berryessa Extension connects to the track south of the BART Warm Springs Station in Southern Fremont to Las Plumas Avenue in San Jose, including two stations (Milpitas and Berryessa). Planned expenditures in this project for the two-year period include completion and close-out of construction contracts, construction on the Hayward Yard Primary Shop, and vehicle procurement.

Funding Source	FY18 & FY19
Federal - FFGA	\$66,811,000
2000 Measure A	105,230,000
Total	\$172,041,000

Operating Cost Impact: Any operating costs related to this project will be funded by 2008 Measure B, an eighth-cent sales tax approved in November 2008. See 2008 Measure B—BART Operating Sales Tax Program on page 197.

Estimated Total Project Cost: \$2.3 billion

Anticipated Completion Date: June 2018

2. 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 the future extension (Phase II) beyond Berryessa. Planned expenditures in this project for the two-year period include engineering, right-of-way and utility relocation efforts, long lead construction and procurement items as well as management of these activities.

Funding Source	FY18 & FY19
2000 Measure A	\$214,568,000

Operating Cost Impact: Any operating costs related to this project will be funded by 2008 Measure B, an eighth-cent sales tax approved in November 2008. See 2008 Measure B—BART Operating Sales Tax Program on page 197.

Estimated Total Project Cost: \$4.7 billion

Anticipated Completion Date: December 2025

Light Rail Program

3. Capitol Expressway Light Rail to Eastridge Phase II

This project will extend the light rail line along Capitol Expressway from Alum Rock to the Eastridge transit center with elevated structures at Capitol Avenue, Story Road, and Tully Road. The Eastridge extension will include stations at Story Road and Eastridge.

Funding Source	FY18 & FY19
Other - Regional Funds	\$130,000,000
2000 Measure A	98,800,000
Total	\$228,800,000

Operating Cost Impact: Ongoing maintenance costs related to new track and structures would be offset somewhat by reduced operating costs from improved speed and service reliability.

Estimated Total Project Cost: \$377 million

Anticipated Completion Date: December 2022

4. SR 85 Major Investment Study

This project will analyze implementation of light rail on SR 85 from San Jose to Mountain View and other transit guideway alternatives such as Bus Rapid Transit (BRT) that would be a precursor to eventual implementation of light rail in the corridor. This budget augmentation will fund the project through completion.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$1,400,000

Operating Cost Impact: None

Estimated Total Project Cost: \$2.0 million

Anticipated Completion Date: December 2018

Commuter Rail Program

5. 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. This augmentation represents appropriation for the increased commitment authorized by the Board of Directors on June 2, 2016.

Funding Source	FY18 & FY19
2000 Measure A	\$20,000,000

Caltrain Electrification – Early Investment Program project continued:

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

Estimated Total Project Cost: \$80.0 million

Anticipated Completion Date: June 2019

Measure A Programwide

6. 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.

Funding Source	FY18 & FY19
2000 Measure A	\$64,900,000

Operating Cost Impact: None

Estimated Total Project Cost: N/A

Anticipated Completion Date: March 2036



Santa Clara Caltrain Station Pedestrian Underpass Extension

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 following table reflects the projected carryover at June 30, 2017, as well as the total available appropriation for the 2000 Measure A Capital Program after the FY 2018 and FY 2019 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
SVRT1	BART Silicon Valley Program Development & Warm Springs	Federal	246	246	0	0	0
		State	123,534	123,534	0	0	0
		2000 Measure A	158,041	156,101	1,940	0	1,940
		Total	281,821	279,881	1,940	0	1,940
SVRT2	BART Silicon Valley Corridor Establishment and Maintenance	Federal	7,249	5,973	1,276	0	1,276
		State	72,069	70,281	1,788	0	1,788
		City	27,550	24,686	2,863	0	2,863
		Other	52,451	35,977	16,474	0	16,474
		2000 Measure A	311,193	301,636	9,557	0	9,557
		Total	470,512	438,554	31,958	0	31,958
SVRT3	Berryessa Extension Project SVBX - Phase I	Federal	821,564	668,569	152,996	66,811	219,807
		State	369,219	353,408	15,812	0	15,812
		City	17,919	16,271	1,649	0	1,649
		Other	1,041	1,041	0	0	0
		2000 Measure A	952,177	776,912	175,264	105,230	280,494
		Total	2,161,920	1,816,200	345,720	172,041	517,761
SVRT4	Future Extension to Santa Clara - Phase II and Newhall Maintenance Facility	State	160,574	160,574	0	0	0
		2000 Measure A	66,013	16,840	49,173	214,568	263,741
		Total	226,587	177,414	49,173	214,568	263,741
SVRT5	BART Core Systems Modifications	State	69,778	57,577	12,201	0	12,201
		2000 Measure A	180,824	88,123	92,701	0	92,701
		Total	250,602	145,700	104,902	0	104,902
SVRT6	Other Supporting Projects	Federal	1,000	0	1,000	0	1,000
		State	5,108	0	5,108	0	5,108
		Other	8,000	8,000	0	0	0
		2000 Measure A	94,080	80,934	13,147	0	13,147
		Total	108,188	88,934	19,254	0	19,254
	SVRT Program Total		3,499,630	2,946,683	552,947	386,609	939,556
P-0476	DTEV-CELR To Eastridge	State	157	157	0	0	0
		2000 Measure A	54,384	54,370	13	0	13
		Total	54,541	54,528	13	0	13
P-0552	New Rail Corridors Study	2000 Measure A	2,990	1,114	1,877	0	1,877
P-0587	Vasona Extension to Vasona Junction	2000 Measure A	20,926	945	19,981	0	19,981

¹ Projection as of August 1, 2017; Preliminary Unaudited.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0744	CELR - Eastridge Transit Center	Federal	18,540	18,540	0	0	0
		State	8,340	8,340	0	0	0
		Other	2,120	0	2,120	0	2,120
		2000 Measure A	42,482	31,750	10,731	0	10,731
		Total	71,482	58,630	12,851	0	12,851
P-0787	Capitol Expwy LR to Eastridge Phase II	Other	0	0	0	130,000	130,000
		2000 Measure A	70,002	540	69,461	98,800	168,261
		Total	70,002	540	69,461	228,800	298,261
P-0968	Vasona Corridor Improv Conceptual Eng.	2000 Measure A	22,000	39	21,961	0	21,961
P-1003	SR 85 Major Transit Investment Study	2000 Measure A	600	92	508	0	508
		2016 Measure B	0	0	0	1,400	1,400
		Total	600	92	508	1,400	1,908
	Light Rail Program Total		242,541	115,888	126,653	230,200	356,853
P-0511	Caltrain Service Upgrades	2000 Measure A	17,343	16,179	1,164	0	1,164
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-0595	Caltrain Electrification	2000 Measure A	1,312	593	719	0	719
P-0740	Bike Sharing Pilot Project	Federal	150	146	4	0	4
		Other	500	500	0	0	0
		2000 Measure A	261	199	62	0	62
		Total	911	845	66	0	66
P-0829	Caltrain Electrification - Early Invst Pgm	2000 Measure A	60,303	33,203	27,100	20,000	47,100
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	2,470	0	0	0
		State	7,291	7,291	0	0	0
		City	250	250	0	0	0
		2000 Measure A	1,543	1,199	344	0	344
		Total	11,554	11,209	344	0	344
P-3203	Caltrain Safety Enhancements	City	90	90	0	0	0
		2000 Measure A	31,325	15,659	15,667	0	15,667
		Total	31,415	15,748	15,667	0	15,667
P-3204	SC Sta. Pedestrian Underpass Extension	Federal	2,719	2,578	141	0	141
		State	117	117	0	0	0
		City	5,973	4,048	1,925	0	1,925
		Other	675	675	0	0	0
		1996 Measure B	3,556	1,328	2,229	0	2,229
		2000 Measure A	735	696	39	0	39
		Total	13,775	9,442	4,333	0	4,333
	Commuter Rail Program Total		137,975	87,758	50,217	20,000	70,217
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

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0475	Alum Rock/Santa Clara Bus Rapid Transit	State	90,008	86,773	3,235	0	3,235
		City	4,243	4,235	8	0	8
		2000 Measure A	53,906	37,818	16,088	0	16,088
		Total	148,156	128,826	19,331	0	19,331
P-0551	Bus Rapid Transit Strategic Plan	2000 Measure A	1,533	1,278	255	0	255
P-0715	Stevens Creek Bus Rapid Transit	Federal	713	511	202	0	202
		2000 Measure A	3,670	3,112	558	0	558
		Total	4,383	3,623	759	0	759
P-0717	El Camino Bus Rapid Transit	2000 Measure A	24,102	10,478	13,624	0	13,624
P-0719	BRT Articulated Bus Procurement	State	19,524	19,161	363	0	363
		2000 Measure A	38,130	13,303	24,828	0	24,828
		Total	57,654	32,464	25,190	0	25,190
P-0785	Division Modifications for BRT Buses	2000 Measure A	14,429	2,154	12,276	0	12,276
P-0967	De Anza College Transit Cntr Imprvements	2000 Measure A	7,734	313	7,421	0	7,421
P-0998	Rapid 523 Bus Stop Improvements	City	669	42	627	0	627
		2000 Measure A	3,234	510	2,724	0	2,724
		Total	3,903	553	3,350	0	3,350
P-1008	Stelling Road Bus Stop Improvements	City	123	0	123	0	123
		2000 Measure A	1,478	241	1,237	0	1,237
		Total	1,602	241	1,360	0	1,360
	Bus Program Total		278,237	194,597	83,640	0	83,640
P-0588	San Jose Mineta APM	2000 Measure A	5,026	2,078	2,948	0	2,948
	San Jose Mineta APM Total		5,026	2,078	2,948	0	2,948
P-0500	Capitalized Interest and Other Bond Costs	2000 Measure A	18,098	0	18,098	64,900	82,998
P-0510	Programwide Expenses	2000 Measure A	3,083	0	3,083	0	3,083
P-0712	Fund Exchange Payments	2000 Measure A	122,480	103,745	18,735	0	18,735
	Measure A Programwide Total		143,661	103,745	39,916	64,900	104,816
	Grand Total		4,307,069	3,450,749	856,321	701,709	1,558,030

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 FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
Federal	862,600	706,839	155,761	66,811	222,572
State	926,718	888,213	38,506	0	38,506
City	57,304	49,749	7,554	0	7,554
Other	67,592	48,998	18,594	130,000	148,594
1996 Measure B	3,556	1,328	2,229	0	2,229
2000 Measure A	2,389,299	1,755,622	633,676	503,498	1,137,174
2016 Measure B	0	0	0	1,400	1,400
Grand Total	4,307,069	3,450,749	856,321	701,709	1,558,030

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



Blossom Hill Pedestrian Overcrossing

¹ Projection as of August 1, 2017.

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, and refund existing debt. As of June 30, 2017, 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. If VTA were to issue new 2000 Measure A bonds the bond indenture requires a minimum gross sales tax revenue bond coverage ratio of 1.3 times maximum annual debt service.

The table below shows the calculation of the current maximum annual debt coverage ratio for FY 2018 and FY 2019 for debt secured by the 2000 Measure A half-cent sales tax.

Debt Coverage Ratio¹ ***Issues Secured by 2000 Measure A Half-Cent Sales Tax*** *(Dollars in Thousands)*

	FY18	FY19
Sales Tax Revenues	215,343	219,650
Maximum Annual Debt Service ²	73,395	73,057
Coverage Ratio	2.9	3.0

Currently VTA has two outstanding bonds secured by the 2000 Measure A half-cent sales tax that have a bond reserve fund requirement. The 2008 bonds reserve fund requirement is zero unless the coverage ratio drops below 2.0 times coverage in which case VTA is required to fund the debt service reserve fund to fifty percent of maximum annual debt service within twelve months. At the start of FY 2018 there is no reserve required for the 2008 bonds. For the 2010 bond there is an ongoing reserve requirement that is cash funded at fifty percent of maximum annual debt service of the 2010 bonds. At the start of FY 2018 the 2010 bond reserve fund has a balance of \$28.6M. For the 2015 bonds there is no requirement to fund a reserve.

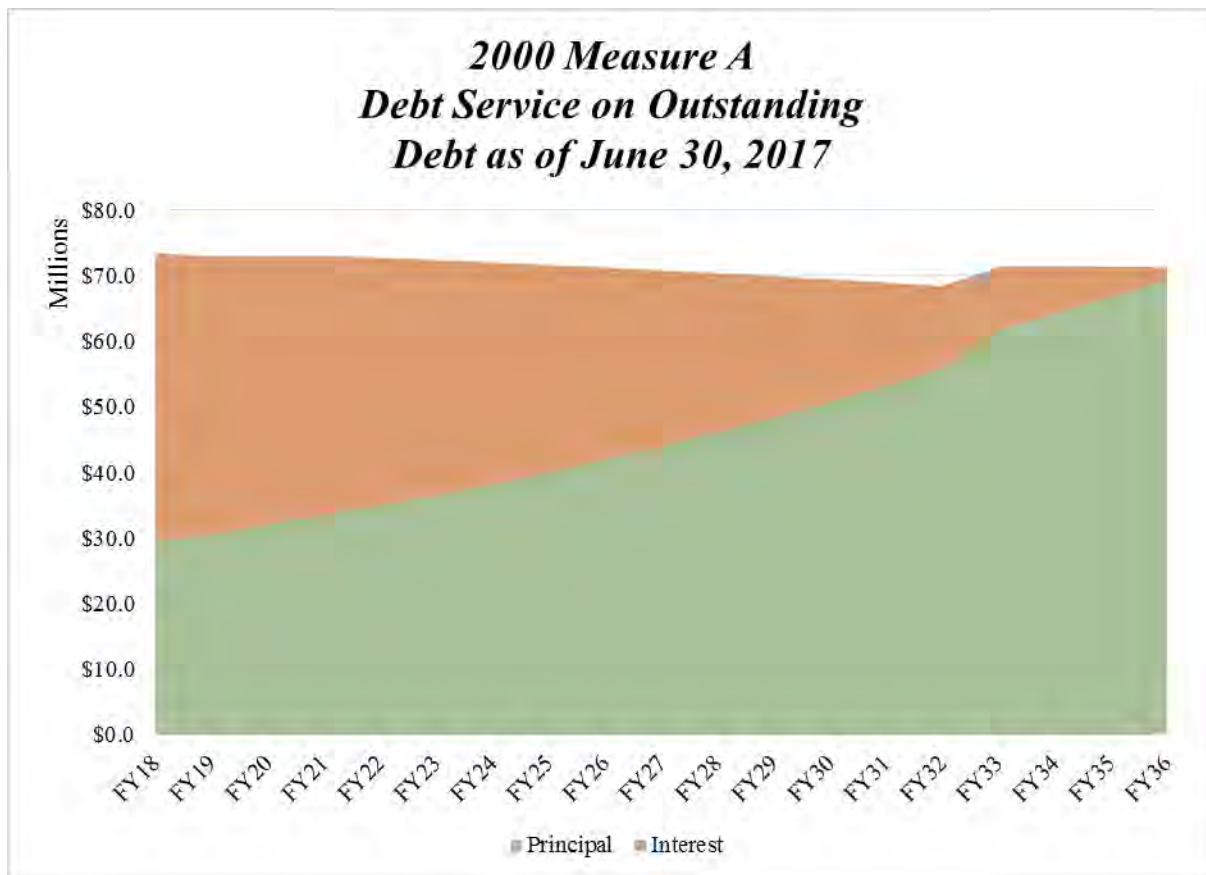
The tables on the following pages show additional information about outstanding debt secured by the 2000 Measure A half-cent sales tax.

¹ Reflects outstanding debt as of June 30, 2017.

² The maximum amount of annual debt service (principal and interest) becoming due and payable through the final maturity date of all outstanding obligations.

Outstanding Debt as of June 30, 2017
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

Series	Type of Debt	Interest Rate	Par Amount
2008 Series A-D Refunding	Synthetically Fixed	4.17% ¹	235,875
2010 Series A	Traditional Fixed (Taxable BABs ²)	3.79% ³	469,730
2010 Series B	Traditional Fixed	2.33% ³	82,530
2015 Series A	Traditional Fixed	2.93% ³	86,640
2015 Series B	Traditional Fixed (Taxable)	1.33% ³	3,340
Total			<u>878,115</u>



¹ Effective interest rate including liquidity and remarketing fees as of June 30, 2017.

² Build America Bonds.

³ All-in True Interest Cost.

Debt Service Schedule¹
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

Fiscal Year	Principal	Interest²	Total
2018	29,530	43,865	73,395
2019	30,575	42,482	73,057
2020	32,080	40,954	73,034
2021	33,680	39,356	73,036
2022	35,015	37,743	72,758
2023	36,460	35,944	72,404
2024	38,180	33,861	72,041
2025	40,035	31,625	71,660
2026	41,985	29,281	71,266
2027	44,025	26,822	70,847
2028	46,165	24,244	70,409
2029	48,410	21,541	69,951
2030	50,765	18,706	69,471
2031	53,235	15,734	68,969
2032	55,820	12,617	68,437
2033	61,795	9,594	71,389
2034	64,280	7,167	71,447
2035	66,750	4,645	71,395
2036	69,330	2,023	71,353
Total	878,115	478,204	1,356,319

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

¹ Reflects outstanding debt as of June 30, 2017.

² Interest rate on swap related obligations is based on the fixed part of the swaps 3.765%.

***FY 2018 and FY 2019 Debt Service Detail
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax¹
(Dollars in Thousands)***

Category	FY18 Adopted Budget	FY19 Adopted Budget
Interest Expense ²	44,549	43,165
Principal	29,530	30,575
Other Bond Charges ³	958	959
Total	75,037	74,699

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

Overview of Outstanding Debt Issues

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 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 LIBOR⁴. 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.

¹ Includes debt service from both the Operating (page 151) and Capital (page 156) Budgets.

² Interest expense on swap related obligations is based on the effective interest rates as of September 30, 2016.

³ Includes liquidity fees, remarketing fees, trustee fees, and other bond related charges.

⁴ 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.

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%.

2015 Measure A Series A-B

In January 2015, \$89.98 million of 2015 Measure A Series A-B were issued to current refund the 2007 Measure A Series A bonds maturing on April 1, 2018 or later. The refunding was done in order to take advantage of the lower interest cost of the refunding bonds. The refunding bonds were issued at a true interest cost of 2.894% and resulted in a debt service cost savings of \$14.5 million.



BRT Articulated Bus



Bike Locker at Great Mall Transit Center



4th of July Fireworks in Downtown San Jose

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 complement 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 Adopted FY 2018 and FY 2019 CMP Budget reflects the efforts included in the CMP Work Program and is a result of a number of inputs including statutory requirements, Board initiated activities, Member Agency requested activities, and staff recommended initiatives regarding federal, state and regional issues. Based on these inputs, the budget reflects increased focus on tasks and activities related to coordination and advocacy of funding for local projects, capital project initiatives, state/regional advocacy, land use coordination due to new state mandates, and Member Agency assistance.

The CMP Work Program consists of five main work areas:

- Programming and Grants
- Congestion Management Program Conformance
- Land Use and Transportation Integrations
- Plans, Studies and Transportation Engineering
- Innovative Delivery Team Program (iTEAM)

Programming and Grants

VTA's primary responsibilities are:

- Grant Programming and Policy Development
- Programmed Projects Monitoring
- Agency Project Delivery Assistance

Congestion Management Program Conformance

The CMP statutes require biennial monitoring of the freeways, rural highways and designated CMP intersection that comprise the CMP Network to ensure that Member Agencies are conforming to the CMP Level of Service (LOS) standard of LOS E. 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

VTA works 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 quarterly Land Use/Transportation Integration (LUTI) Working Group meetings to ensure that local land use decisions complement VTA's roadway and transit investments.

Plans, Studies and Transportation Engineering

As part of this work area, VTA staff leads a monthly meeting of the Systems Operations & Management (SOM) Working Group with Member Agency staff on a wide variety of transportation engineering and planning topics and as directed by VTA's Technical Advisory Committee (TAC). The work in this area includes: VTA staff collaboration with local agencies on planning and engineering studies; refining of projects to move forward for funding consideration; regional studies; the Transportation Systems Monitoring Program; applications of Geographic Information Systems (GIS); various corridor planning studies; the organization, use and distribution of CMP information (e.g., travel demand model data, GIS information, and other transportation data); coordination on 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)

This work area includes the deployment of iTEAM as a model for partnering with Caltrans with the objective of enhanced transportation service in Santa Clara County and serving as an innovation laboratory to develop best practices for transportation. The iTEAM efforts focus on local assistance, project delivery and traffic engineering/innovative transportation solutions. The local assistance efforts include continued expanded training to local agencies, increased assistance to local agencies on local assistance matters, and coordination leading to expedited payment of invoices by Caltrans accounting. The traffic engineering/innovative transportation solutions efforts include streamlining of the process for conducting traffic operations analysis and closer collaboration with Caltrans on matters related to traffic operations and the application of technology to address transportation challenges. The project delivery efforts include deployment of new processes to enhance the project delivery process.

CMP Innovations

In addition to, and contained within, the five main work areas noted above, VTA will embark on studies to investigate opportunities to transport and update the CMP to more specifically address emerging transportation concepts, opportunities and challenges. Examples of emerging transportation topics are the shift to evaluate how land development projects affect transportation systems based on vehicle miles traveled (VMT) with the passage of Senate Bill 743, the growing trend towards multimodal improvement planning, the use of voluntary contributions by local agencies to help with the funding of regional improvements, and the role of automated and connected transportation. As part of these studies, VTA will also investigate what these and other

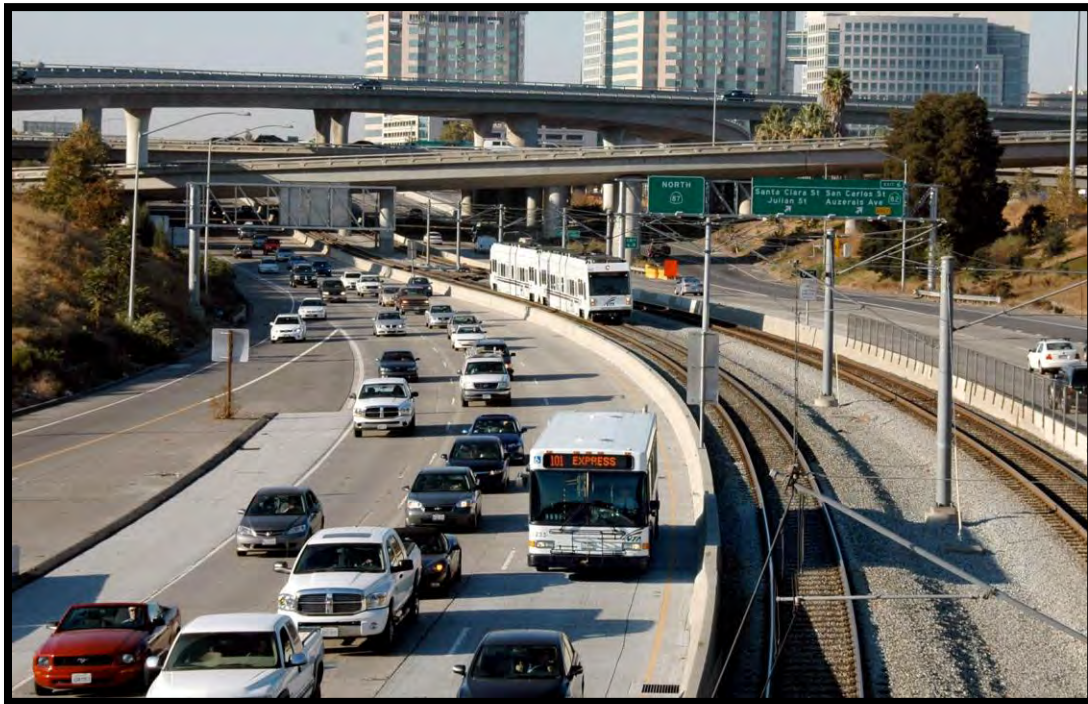
VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

emerging topics mean to VTA and its Member Agencies for the future development of transportation systems in Santa Clara County including an assessment of policy opportunities and implications.

The CMP Work Program is funded through the following sources:

- Member Agency Fees
- Metropolitan Transportation Commission (MTC) STP Planning Grant
- STIP Programmed Project Monitoring (PPM) Funds
- Vehicle Registration Fee (VRF) Program Administration Fee
- TFCA 40% Local Program Manager Administrator Fee
- Investment Earnings

Member Agency Fees are based on the fee schedule adopted by the Board in June 2005, which specifies annual increases of 3.5%. However, the fee structure has remained unchanged since FY 2011. The Adopted Budget includes a 5% increase to the fee structure for both FY 2018 and FY 2019.



Light Rail in SR 87 Median

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

Line	Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
1	Federal Operating Grants	1,887	1,765	1,219	2,095	876	71.9%	2,136	41	2.0%
2	State Operating Grants	821	1,168	1,109	903	(205)	-18.5%	908	5	0.5%
3	Investment Earnings	16	12	6	12	6	102.8%	12	0	0.0%
4	Member Agency Fees	2,407	2,407	2,407	2,528	120	5.0%	2,654	126	5.0%
5	Other Income	155	220	124	143	19	15.3%	148	4	3.0%
6	Total Revenue	5,286	5,572	4,865	5,681	816	16.8%	5,858	177	3.1%
7	Professional & Special Services	1,176	1,569	1,058	1,300	242	22.9%	1,412	112	8.6%
8	Other Services	14	12	15	15	0	2.2%	16	1	6.7%
9	Data Processing	7	13	5	7	1	20.0%	7	0	0.0%
10	Contribution to Other Agencies	210	86	83	300	217	262.9%	300	0	0.0%
11	VTA Staff Services	4,221	4,138	4,251	4,333	82	1.9%	4,080	(252)	-5.8%
12	Total Expense	5,628	5,818	5,411	5,954	543	10.0%	5,815	(139)	-2.3%
13	Revenues Over (Under) Expenses	(341)	(245)	(546)	(273)			43		

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 \$100,000)

Revenues

Federal Operating Grants:

The FY 2018 budget reflects an \$876 thousand increase from FY 2017 actual due to increased utilization of planning grants to offset higher anticipated expenditures.

State Operating Grants:

The FY 2018 budget reflects a \$205 thousand decrease from FY 2017 actual due to a decrease in the Programmed Projects Monitoring grant amount and the absence of funding to support the High Speed Rail Ridership Modeling.

Member Agency Fees:

The FY 2018 and FY 2019 budgets reflect a \$120 thousand and \$126 thousand increase, respectively due to the implementation of an annual 5% increases. These fees had not changed since FY 2011.

¹ Reflects Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

Expenses

Professional & Special Services:

The FY 2018 budget reflects a \$242 thousand increase over FY 2017 due to additional expenditures related to land use, transportation integration and development review efforts. The FY 2019 budget reflects a \$112 thousand increase from FY 2018 primarily due to production of a full scope CMP Monitoring Report in FY 2019. The FY 2018 CMP Monitoring Report has a limited scope which includes only freeways and land use approvals.

Contribution to Other Agencies:

FY 2018 budget reflects a \$217 thousand increase from FY 2017 due to the timing of various projects implemented in the VTA Transit Fund that are partially funded by the Congestion Management Program.

VTA Staff Services:

The FY 2019 budget reflects a decrease of \$252 thousand from FY 2018 budget due to staffing projections forecasted in winter 2016.

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

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Adopted Budget</u>	<u>FY19 Adopted Budget</u>
1	Total Revenues	5,286	4,865	5,681	5,858
2	Total Expenses	<u>(5,628)</u>	<u>(5,411)</u>	<u>(5,954)</u>	<u>(5,815)</u>
3	Revenues Over (Under) Expenses	(341)	(546)	(273)	43
4	Beginning Fund Balance	1,499	1,158	612	339
5	Revenues Over (Under) Expenses	<u>(341)</u>	<u>(546)</u>	<u>(273)</u>	<u>43</u>
6	Ending Fund Balance ²	1,158	612	339	381

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

¹ Projection as of August 1, 2017; Preliminary Unaudited.

² The decrease in Fund Balance for FY 2017 and FY 2018 reflects the decision to fund a portion of current work plan expenditures with reserves and keep Member Assessments at prior year levels through FY 2017. A 5% increase in Member Assessments per year is reflected in FY 2018 and FY 2019.

***Congestion Management Program
FY 2018 and FY 2019
Member Assessments***

Member Agency	FY18	FY19
County of Santa Clara	\$285,325	\$299,591
Campbell	53,055	55,708
Cupertino	81,510	85,585
Gilroy	39,656	41,639
Los Altos	26,172	27,481
Los Altos Hills	6,979	7,328
Los Gatos	36,122	37,928
Milpitas	80,835	84,877
Monte Sereno	2,098	2,203
Morgan Hill	26,360	27,678
Mountain View	131,271	137,835
Palo Alto	148,545	155,972
San Jose	823,142	864,299
Santa Clara	217,428	228,299
Saratoga	22,775	23,914
Sunnyvale	261,040	274,092
Subtotal:	\$2,242,313	\$2,354,429
VTA - Managing Agency Contribution	285,325	299,591
TOTAL:	\$2,527,638	\$2,654,020

SECTION 5
VTP HIGHWAY IMPROVEMENT
PROGRAM



VTP Highway Improvement Program

Overview

VTP 2040 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 October 2014, 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 2040. The next update of the long-range countywide transportation plan is scheduled for spring 2018.

The total additional appropriation for the identified VTP Highway Improvement Program projects for FY 2018 and FY 2019 is \$79.6 million. Project funding for the two-year period is appropriated in FY 2018 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, financing, a fund exchange (consisting of state funding sources swapped with other available funds), 2016 Measure B, or other funding sources as they become available.

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 for the FY 2018 and FY 2019 approved appropriation, potential operating cost impacts, estimated total cost, and anticipated completion date 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 182-185 reflects the projected carryover at June 30, 2017, as well as the total available appropriation for the VTP Highway Improvement Program after the FY 2018 and FY 2019 appropriations, by project and funding source.

***VTP Highway Improvement Program
Schedule of FY 2018 & FY 2019 Appropriation
(Dollars in Thousands)***

Project	FY 2018 & FY 2019			
	Funding Source			Total
	Federal	State	Other	
1. Bascom Corridor Complete Streets Project	155	155	40	350
2. Countywide Noise Abatement Program	0	0	4,000	4,000
3. I-280 NB Braided Ramps Btwn Foothill Expwy and SR 85	0	0	3,000	3,000
4. I-280/Winchester Boulevard Improvements	0	0	1,500	1,500
5. I-280/Wolfe Rd Interchange Improvements	0	0	2,000	2,000
6. I-680 Sound Walls	0	4,900	0	4,900
7. King Road Ped Safety and Transit Access Improvements	607	0	79	686
8. Silicon Valley Express Lanes-Electronic Toll System (ETS)	0	0	5,132	5,132
9. Silicon Valley Express Lanes-US 101/SR 85 Phase 3	0	0	8,700	8,700
10. Silicon Valley Express Lanes-US 101/SR 85 Phase 4	0	0	12,600	12,600
11. SR 237 Express Lanes - Mathilda Ave to SR 85	0	0	2,000	2,000
12. SR 237 Express Lanes - Phase 2 Extension	0	0	18,022	18,022
13. SR 237/US 101 Mathilda Interchange	0	0	6,154	6,154
14. SR 87 Technology-Based Corridor Improvements	0	0	3,000	3,000
15. Story/Keyes Corridor Complete Streets Project	415	415	108	938
16. Tasman Corridor Complete Streets Project	188	188	49	425
17. Traffic Analysis Software Procurement	0	0	145	145
18. US 101/SR 25 Interchange Improvements	0	0	4,000	4,000
19. US 101/Zanker/Skyport/N 4th Intrchnng Improvements	0	0	2,000	2,000
Grand Total	1,365	5,658	72,528	79,551

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

VTP Highway Improvement Program Description of FY 2018 & FY 2019 Appropriated Projects

1. Bascom Corridor Complete Streets Project

This project is a multi-jurisdictional effort to identify and recommend multimodal improvements along the Bascom corridor (from Bascom/I-880 to Bascom/SR 85). Improvements which may be considered include pedestrian and bicycle safety and connectivity, access to transit, transit rider amenities, and improved transit travel time through signal timing coordination and/or stop improvements. This augmentation is for the completion of 35% preliminary engineering design and environmental clearance which will prepare the project to seek grant funds for construction.

Funding Source	FY18 & FY19
Federal	\$154,928
State	154,928
Other - 15% VRF	40,144
Total	\$350,000

Operating Cost Impact: None

Estimated Total Project Cost: \$2.5 million

Anticipated Completion Date: December 2020

2. Countywide Noise Abatement Program

This project will implement a noise abatement program along various state highways in Santa Clara County which will include the study and implementation of noise abatement treatments. This appropriation is for the development of the Project Initiation Document (PID) phase of this project.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$4,000,000

Operating Cost Impact: None

Estimated Total Project Cost: \$50.0 million

Anticipated Completion Date: October 2025

3. I-280 Northbound Braided Ramps Between Foothill Expressway and SR 85

This project reconfigures the existing I-280 northbound off-ramp to Foothill Expressway into a braided ramp with the southbound SR 85 to northbound I-280 direct connector. This appropriation is for the development of the Project Initiation Document (PID) and Project Approval/Environmental Document (PA/ED) phases.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$3,000,000

I-280 Northbound Braided Ramps Between Foothill Expressway and SR 85 project cont.:

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.

Estimated Total Project Cost: \$47.0 million

Anticipated Completion Date: June 2025

4. I-280/Winchester Boulevard Improvements

This project will construct improvements in the vicinity of the I-280//Winchester Boulevard Interchange to relieve congestion, improve traffic operations and provide new access from northbound I-280 to Winchester Boulevard. This augmentation is for the Project Approval/Environmental Document (PA/ED) and final design phases of the project.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$1,500,000

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.

Estimated Total Project Cost: \$75.0 million

Anticipated Completion Date: April 2024

5. I-280/Wolfe Road Interchange Improvements

This project proposes to reconstruct the I-280/Wolfe Road interchange in the City of Cupertino. This augmentation is for the Project Approval/Environmental Document (PA/ED) and early final design tasks for the project.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$2,000,000

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.

Estimated Total Project Cost: \$85.0 million

Anticipated Completion Date: September 2023

6. I-680 Sound Walls

This project will construct sound walls along I-680 between Capitol Expressway and Mueller Avenue in San Jose. This augmentation is for the development of the final design and construction phases.

Funding Source	FY18 & FY19
State - STIP	\$4,900,000

I-680 Sound Walls project continued:

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.*

Estimated Total Project Cost: \$5.5 million

Anticipated Completion Date: November 2019

7. King Road Pedestrian Safety and Transit Access Improvements

This project improves pedestrian safety and access to bus stops that serve the Berryessa BART Station. This phase of the project will include 35% preliminary engineering design and environmental clearance and outreach for improvements at 13 intersections along the corridor from Tully to Berryessa Road including I-680 ramps.

Funding Source	FY18 & FY19
Federal - OBAG	\$607,000
Other - 15% VRF	79,000
Total	\$686,000

Operating Cost Impact: *None*

Estimated Total Project Cost: \$686 thousand

Anticipated Completion Date: December 2019

8. Silicon Valley Express Lanes - Electronic Toll System (ETS)

The Electronic Toll System is part of the Express Lane Project (Project) which will convert the existing High Occupancy Vehicle (HOV) facility on US 101 and SR 85 in Santa Clara County to Express Lanes. The Project will develop and implement system-wide dynamic pricing software to integrate all field equipment. Electronic signs display the current toll for solo drivers. Tolls will vary based on the level of congestion and will be adjusted to maintain free-flowing traffic. Overhead antennas will read FasTrak transponders and automatically deduct the correct toll from FasTrak accounts. A Violation Enforcement System (VES) will capture license plate images and send a toll violation notice if the user did not have a toll transponder.

Funding Source	FY18 & FY19
Other - Financing	\$5,132,000

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 192).*

Estimated Total Project Cost: \$46.0 million

Anticipated Completion Date: August 2021

9. Silicon Valley Express Lanes - US 101/SR 85 Phase 3

This project will implement a roadway pricing system on US 101 and SR 85 by converting the existing carpool lanes to Express Lane on US 101 (from SR 237 to the San Mateo County line), and on SR 85 (from I-280 to US 101), including the SR 85/US 101 HOV connector north in Mountain View. This budget augmentation for the construction phase is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
Other - Financing	\$8,700,000

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 192).*

Estimated Total Project Cost: \$45.0 million

Anticipated Completion Date: December 2020

10. Silicon Valley Express Lanes - US 101/SR 85 Phase 4

This project will implement a roadway pricing system on US 101 and SR 85 by converting the existing carpool lanes to Express Lanes on US 101 (from Bailey Road to SR 85 interchange south), and on SR 85 (from US 101/SR 85 interchange south to SR 87), including the SR 85/US 101 HOV connector south in San Jose. This budget augmentation for the construction phase is anticipated to fund this project through completion.

Funding Source	FY18 & FY19
Other - Financing	\$12,600,000

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 192).*

Estimated Total Project Cost: \$24.0 million

Anticipated Completion Date: December 2020

11. SR 237 Express Lanes - Mathilda Ave to SR 85

This project proposes to construct a new HOV/Express Lane in both directions on SR 237 from Mathilda Avenue to SR 85, which includes modifications to the US 101/SR 237 interchange. This appropriation is for the Project Initiation Document (PID) phase of the project.

Funding Source	FY18 & FY19
Other - TBD	\$2,000,000

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 192).*

Estimated Total Project Cost: \$81.0 million

Anticipated Completion Date: June 2027

12. SR 237 Express Lanes - Phase 2 Extension

This project will implement a roadway pricing system on SR 237 to allow unused capacity in the carpool lanes to provide congestion relief. The project would convert the carpool lane operations to express lane operations by expanding the use of these lanes to fee paying commuters. Phase 2 will convert the existing carpool lane to Express Lanes from First Street in the City of San Jose to Mathilda Avenue in the City of Sunnyvale within the existing highway footprint. This budget augmentation is anticipated to fund the project through completion.

Funding Source	FY18 & FY19
Other - Financing	\$16,164,200
Other - Sunnyvale	380,000
Other - 15% VRF	1,477,321
Total	\$18,021,521

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 192).*

Estimated Total Project Cost: \$39.0 million

Anticipated Completion Date: December 2019

13. SR 237/US 101 Mathilda Interchange

This project proposes to improve Mathilda Avenue in the City of Sunnyvale from Almanor Avenue to Innovation Way, including on- and off-ramp improvements at the SR 237 and US 101/Mathilda Avenue interchanges to reduce congestion and improve traffic operations on Mathilda Avenue. This budget augmentation is anticipated to fund the project through completion.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$6,154,000

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.*

Estimated Total Project Cost: \$40.0 million

Anticipated Completion Date: June 2020

14. SR 87 Technology-Based Corridor Improvements

This project will address mainline and local roadway congestion and system reliability on SR 87 in San Jose through the implementation of technology-based operational improvements to the freeway and local streets. This augmentation is for the Project Approval/Environmental Document (PA/ED), final design and construction phases of the project.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$3,000,000

SR 87 Technology-Based Corridor Improvements project continued:

Operating Cost Impact: None

Estimated Total Project Cost: \$40.0 million

Anticipated Completion Date: June 2023

15. Story/Keyes Corridor Complete Streets Project

This project proposes to improve transit, bicycle and pedestrian infrastructure along the Story/Keyes corridor which runs 4.1 miles from Willow Street/SR 87 to Story Road/Capitol Expressway in San Jose. This augmentation is for the completion of 35% preliminary engineering design and environmental clearance which will prepare the project to seek grant funds for construction.

Funding Source	FY18 & FY19
Federal - TBD	\$414,984
State - TBD	414,984
Other - 15% VRF	107,532
Total	\$937,500

Operating Cost Impact: None

Estimated Total Project Cost: \$1.7 million

Anticipated Completion Date: December 2019

16. Tasman Corridor Complete Streets Project

This project is a multi-jurisdictional effort that proposes to improve transit, bicycle and pedestrian infrastructure along the Tasman corridor which runs 7.2 miles from Tasman/Fair Oaks in Sunnyvale through Santa Clara and San Jose to Great Mall Parkway/Montague Expressway in Milpitas. This augmentation is for the completion of 35% preliminary engineering design and environmental clearance which will prepare the project to seek grant funds for construction.

Funding Source	FY18 & FY19
Federal - TBD	\$188,126
State - TBD	188,126
Other - 15% VRF	48,748
Total	\$425,000

Operating Cost Impact: None

Estimated Total Project Cost: \$2.8 million

Anticipated Completion Date: December 2020

17. Traffic Analysis Software Procurement

This project will replace an outdated software that is used by all Congestion Management Program member agencies and consultants in Santa Clara County to analyze transportation impacts from land use developments at signalized intersections.

Traffic Analysis Software Procurement project continued:

Funding Source	FY18 & FY19
Other - Congestion Management Program	\$145,000

Operating Cost Impact: *On-going/annual expenditures estimated at \$1,500 include software upgrades and training for all member agency staff. Annual costs to be funded by the Congestion Management Program (see page 167).*

Estimated Total Project Cost: *\$145 thousand*

Anticipated Completion Date: *June 2018*

18. US 101/SR 25 Interchange Improvements

This project proposes to widen US 101 from four to six lanes in Santa Clara County to meet future traffic demands and provide access control. The project includes widening and replacing bridge structures, correcting existing horizontal curves, constructing a new interchange at the intersection of US 101 and SR 25, and adding additional ramp lanes at the US 101 /SR 25 Interchange. This appropriation is for the completion of supplemental Project Approval/Environmental Document (PA/ED) and early design tasks.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$4,000,000

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.*

Estimated Total Project Cost: *\$180.0 million*

Anticipated Completion Date: *December 2023*

19. US 101/Zanker Road/Skyport Drive/North 4th Street Interchange Improvements

This project proposes to construct a new interchange at US 101 to connect Zanker Road and Old Bayshore Highway with North Fourth Street and Skyport Drive in San Jose. Phase 1 of the project will provide an overcrossing across US 101 to improve limited existing connectivity across US 101 to the North San Jose employment centers. Phase 2 of the project will construct an interchange using the existing overcrossing structure to provide access to US 101. This augmentation is for the Project Approval/Environmental Document (PA/ED) phase and early design tasks.

Funding Source	FY18 & FY19
Other – 2016 Measure B	\$2,000,000

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.*

Estimated Total Project Cost: *\$138.0 million*

Anticipated Completion Date: *December 2023*

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, 2017, as well as the total available appropriation for the VTP Highway Improvement Program after the FY 2018 and FY 2019 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0430	SR 152/SR 156 Interchange	Federal	15,826	14,897	928	0	928
		State	11,204	11,092	112	0	112
		Fund Exchange	7,668	7,512	155	0	155
		Total	34,697	33,501	1,196	0	1,196
P-0455	I-880/I-280 Improvements	Federal	19,022	17,942	1,081	0	1,081
		State	39,710	36,275	3,435	0	3,435
		City	1,550	1,550	0	0	0
		Fund Exchange	2,562	2,463	99	0	99
		Other	3,171	0	3,171	0	3,171
		Total	66,016	58,230	7,786	0	7,786
P-0535	Coyote Ridge Butterfly Habitat Mgmt	City	996	996	0	0	0
		Fund Exchange	245	159	86	0	86
		Total	1,241	1,155	86	0	86
P-0565	US 101/De La Cruz Blvd/Trimble Road	City	850	844	6	0	6
		Fund Exchange	54	40	14	0	14
		Other	4,050	0	4,050	0	4,050
		Total	4,954	884	4,070	0	4,070
P-0617	SR 152 Realignment	Federal	2,862	75	2,787	0	2,787
		State	23,378	3,972	19,406	0	19,406
		Fund Exchange	5,000	3,976	1,024	0	1,024
		Other	150	144	6	0	6
		Total	31,390	8,167	23,223	0	23,223
P-0619	US 101 Aux.Lanes - Embarcadero to SR 85	State	1,721	1,648	73	0	73
		Fund Exchange	15,119	15,114	5	0	5
		Other	251	0	251	0	251
		Total	17,091	16,761	330	0	330
P-0620	I-880 Improvements - SR 237 to US 101	State	930	571	359	0	359
		Fund Exchange	17,935	17,861	74	0	74
		Other	385	0	385	0	385
		Total	19,250	18,432	818	0	818
P-0654	SR 87/Narvaez Interchange	Other	800	0	800	0	800

¹ Projection as of August 1, 2017; Preliminary Unaudited.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0655	Ramp Metering Implementation	Federal	4,489	2,526	1,963	0	1,963
		Other	7,299	0	7,299	0	7,299
		Total	11,788	2,526	9,262	0	9,262
P-0678	SR 237/US 101 Mathilda Interchange	State	15,000	0	15,000	0	15,000
		City	8,000	5,433	2,567	0	2,567
		Other	12,847	0	12,847	0	12,847
		2016 Measure B	0	0	0	6,154	6,154
		Total	35,847	5,433	30,413	6,154	36,567
P-0730	US 101/Capitol Exp/Yerba Buena Intchg	Federal	1,100	1,100	0	0	0
		State	25,034	22,034	3,000	0	3,000
		City	1,574	1,574	0	0	0
		Fund Exchange	5,482	4,347	1,135	0	1,135
		Total	33,190	29,055	4,136	0	4,136
P-0749	Freeway Performance Initiative	Federal	7,000	1,563	5,438	0	5,438
P-0788	SR 237 Express Lanes - Phase 2 Extension	Federal	1,600	1,600	0	0	0
		State	7,114	0	7,114	0	7,114
		City	2,359	1,334	1,026	380	1,406
		Fund Exchange	9,025	6,006	3,019	0	3,019
		Other	880	0	880	17,642	18,522
		Total	20,978	8,939	12,039	18,022	30,061
P-0812	I-280/Foothill Expressway Ramp Improv	Fund Exchange	2,700	700	2,000	0	2,000
		Other	500	0	500	0	500
		Total	3,200	700	2,500	0	2,500
P-0826	Combined Landscaping & Maint Project	State	1,000	876	124	0	124
		City	624	222	402	0	402
		Fund Exchange	2,200	1,706	494	0	494
		Total	3,824	2,804	1,020	0	1,020
P-0862	101 Express Lanes - 101 San Mateo	Other	2,000	0	2,000	0	2,000
P-0863	Charcot Avenue Extension over I-880	Other	100	0	100	0	100
P-0864	Innovative Transportation Technology Prog	Fund Exchange	85	76	9	0	9
		Other	1,915	0	1,915	0	1,915
		Total	2,000	76	1,924	0	1,924
P-0865	Intelligent Transportation System Projects	Federal	13,700	0	13,700	0	13,700
		Other	300	9	291	0	291
		Total	14,000	9	13,991	0	13,991
P-0866	Landscaping at I-280/I-880	Federal	566	557	9	0	9
		City	2,793	64	2,728	0	2,728
		Fund Exchange	141	139	2	0	2
		Total	3,500	761	2,739	0	2,739
P-0867	US 101/Buena Vista Avenue	City	1,000	0	1,000	0	1,000
		Other	3,000	0	3,000	0	3,000
		Total	4,000	0	4,000	0	4,000
P-0868	US 101 SB Ramp Improv-10th St-Gilroy	Other	3,600	0	3,600	0	3,600
P-0876	Silicon Valley Express Lanes - I-880	Fund Exchange	2,000	0	2,000	0	2,000
		Other	2,000	0	2,000	0	2,000
		Total	4,000	0	4,000	0	4,000
P-0877	US 101 San Ant./Charlstm/Reng. Ramp Impv	Other	4,000	0	4,000	0	4,000
P-0878	US 101/Old Oakland Road Improvements	Other	3,450	0	3,450	0	3,450

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0898	Capitol Expy - Ped Connection to Eastridge	Federal	1,049	263	787	0	787
		State	498	277	221	0	221
		Total	1,547	540	1,008	0	1,008
P-0900	SV Express Lanes - US 101/SR 85 Phase 3	Fund Exchange	5,100	1,742	3,358	0	3,358
		Other	31,200	0	31,200	8,700	39,900
		Total	36,300	1,742	34,558	8,700	43,258
P-0901	SV Express Lanes - US 101/SR 85 Phase 4	Fund Exchange	2,855	115	2,740	0	2,740
		Other	8,545	0	8,545	12,600	21,145
		Total	11,400	115	11,285	12,600	23,885
P-0902	SV Express Lanes - Electronic Toll System	Fund Exchange	3,748	743	3,005	0	3,005
		Other	11,121	0	11,121	5,132	16,253
		Total	14,869	743	14,126	5,132	19,258
P-0903	Noise Reduction Program on SR 85	Fund Exchange	285	284	1	0	1
		Other	2,090	0	2,090	0	2,090
		Total	2,375	284	2,091	0	2,091
P-0911	I-280/Winchester Boulevard Improvements	Federal	500	461	39	0	39
		City	250	113	137	0	137
		Fund Exchange	250	123	127	0	127
		Other	2,500	0	2,500	0	2,500
		2016 Measure B	0	0	0	1,500	1,500
		Total	3,500	697	2,803	1,500	4,303
P-0912	I-280 Corridor Study	City	500	472	28	0	28
		Fund Exchange	250	194	56	0	56
		Total	750	666	84	0	84
P-0919	Bicycle Safety Educ & Promo Activities	1996 Measure B	143	13	129	0	129
P-0920	Local PDA Planning - Santa Clara	Federal	899	534	365	0	365
		City	116	69	47	0	47
		Other	1	0	1	0	1
		Total	1,015	603	413	0	413
P-0921	Story/Keyes Corrd Complete Streets Proj	Federal	0	0	0	415	415
		State	400	246	154	415	569
		Other	52	32	20	108	127
		Total	452	278	174	938	1,112
P-0969	Freeway Performance Initiative Phase 2	Federal	2,000	0	2,000	0	2,000
P-0970	SV Exp Lanes - Future Phase - Project A	Other	15,000	0	15,000	0	15,000
P-0971	SV Exp Lanes - Future Phase - Project B	Other	15,000	0	15,000	0	15,000
P-0972	US101/Zanker/Skyport/N 4th Intrchnng Improv	City	1,500	954	546	0	546
		Other	6,500	0	6,500	0	6,500
		2016 Measure B	0	0	0	2,000	2,000
		Total	8,000	954	7,046	2,000	9,046
P-0973	SR 237 Improv-Lawrence Expwy to US 101	Other	2,000	0	2,000	0	2,000
P-0974	I-280 Corridor Improvements-Initiation Doc	Other	2,500	0	2,500	0	2,500
P-0975	I-680 Corridor Improvements-Initiation Doc	Other	2,500	0	2,500	0	2,500
P-0976	I-680 Sound Walls	State	98	20	78	4,900	4,978
		Other	1,002	434	568	0	568
		Total	1,100	453	647	4,900	5,547
P-0977	New Corr Studies-SR 87/SR 237/I-880/SR 17	Other	1,675	0	1,675	0	1,675
P-0978	Countywide Bicycle Plan Update	State	443	398	45	0	45
		Other	257	220	37	0	37
		Total	700	618	82	0	82

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0979	Countywide Traffic Signal Coord. Study	State	135	0	135	0	135
		Other	35	0	35	0	35
		Total	170	0	170	0	170
P-0980	Tasman Corridor Complete Streets Project	Federal	998	188	810	188	998
		State	0	0	0	188	188
		Other	130	24	105	49	154
		Total	1,128	212	916	425	1,341
P-0981	Bascom Corridor Complete Streets Project	Federal	990	166	824	155	979
		State	0	0	0	155	155
		Other	129	22	107	40	147
		Total	1,119	188	931	350	1,281
P-0987	I-280/Wolfe Rd Interchange Improvements	City	1,700	861	839	0	839
		Other	2,700	0	2,700	0	2,700
		2016 Measure B	0	0	0	2,000	2,000
		Total	4,400	861	3,539	2,000	5,539
P-1020	SR 87 Corridor Study	City	75	3	72	0	72
		Fund Exchange	150	0	150	0	150
		Total	225	3	222	0	222
P-1058	Countywide Noise Abatement Program	2016 Measure B	0	0	0	4,000	4,000
P-1059	SR 87 Technology-Based Corridor Improv	2016 Measure B	0	0	0	3,000	3,000
P-1060	Traffic Analysis Software Procurement	Other	0	0	0	145	145
P-1061	SR 237 Express Lanes - Mathilda to SR 85	Other	0	0	0	2,000	2,000
P-1062	King Rd Ped Safety/Transit Access Improv	Federal	0	0	0	607	607
		Other	0	0	0	79	79
		Total	0	0	0	686	686
P-1063	I-280 NB Ramps Btwn Foothill Expwy/SR 85	2016 Measure B	0	0	0	3,000	3,000
P-1064	US 101/SR 25 Interchange Improvements	2016 Measure B	0	0	0	4,000	4,000
Grand Total			461,783	197,964	263,819	79,551	343,370

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 FY17	B Projected Expenditures Through FY17¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
Federal	72,601	41,872	30,730	1,365	32,095
State	126,665	77,408	49,258	5,658	54,916
City	23,887	14,488	9,399	380	9,779
Fund Exchange	82,853	63,299	19,554	0	19,554
Other	155,634	885	154,749	46,494	201,243
1996 Measure B	143	13	129	0	129
2016 Measure B	0	0	0	25,654	25,654
Grand Total	461,783	197,964	263,819	79,551	343,370

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



Redesigned interchange at I-280/I-880 near Steven's Creek Boulevard which received the Roadway and Highway Project Award from The American Society of Civil Engineers

¹ Projection as of August 1, 2017; Preliminary Unaudited.

SECTION 6
MISCELLANEOUS PROGRAMS



Joint Development Program

Overview

The VTA Board of Directors, based on staff recommendations, adopted a Joint Development Policy that establishes a deliberate and aggressive real estate development and disposition program aimed at generating revenue, promoting transit-oriented development, and enhancing transit operations.

VTA has identified 23 sites in the Joint Development portfolio that total approximately 200 acres and that may be appropriate for joint development, which is defined as mixed-use, mixed-income Transit-Oriented Development pursuant to the FTA (Federal Transit Administration) Circular on Joint Development. To date, five of six sites identified as “surplus property”, meaning they can be disposed of in the near term with no effect on current or future transit operations, have been sold with proceeds accruing to the Joint Development Program Fund

The FY 2018 and FY 2019 Adopted Budget for the Joint Development Program represents current and anticipated lease revenues, as well as the level of effort (expenditures) required to implement multiple joint development projects with the goal of generating a substantial new long-term revenue source for the Agency. 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 is broken into two major components. The operating budget includes appropriation for program-wide planning and analysis. The capital budget captures costs for site analysis, entitlement processing, developer solicitation, and joint development agreements for individual properties. The work program is focused on accomplishing close to full build-out of the current Joint Development portfolio. The current work effort in a given fiscal year reflects the interaction between obtaining entitlements to support joint development, current market and economic conditions, developer interest, and VTA staff capacity to initiate as well as complete new joint development projects.

The table on page 190 shows the capital budget appropriation for FY 2018 and FY 2019 and is followed by a brief project description, funding sources, and potential operating cost impact. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program. Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. The table on page 191 reflects the projected carryover at June 30, 2017, as well as the total available appropriation after the FY 2017 and FY 2018 appropriations, by project and funding source.

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

Line	Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
1	Investment Earnings	539	156	129	455	326	251.7%	569	114	25.0%
2	Property Rental	475	371	631	549	(82)	-13.0%	460	(89)	-16.1%
3	Other Income	0	0	59	0	(59)	-100.0%	0	0	N/A
4	Total Revenue	1,015	527	819	1,004	185	22.5%	1,029	25	2.5%
5	Professional & Special Services	155	215	98	390	292	299.4%	190	(200)	-51.3%
6	Miscellaneous	17	15	11	10	(1)	-8.5%	10	0	0.0%
7	Total Expense	171	230	109	400	291	268.4%	200	(200)	-50.0%
8	Revenues Over (Under) Expenses	843	297	711	604			829		

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

Investment Earnings:

The FY 2018 budget reflects an increase of \$326 thousand from FY 2017 actual due primarily to recording of an unrealized loss in FY 2017. The FY 2019 budget reflects an increase of \$114 thousand from FY 2018 due to higher anticipated interest rates.

Expenses

Professional & Special Services:

The FY 2018 budget increase of \$292 thousand over FY 2017 actual and FY 2019 decrease of \$200 thousand from FY 2018 is due primarily to a one-time update of the VTA Community Design & Transportation Manual planned in FY 2018.

¹ Reflects Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

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

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Adopted Budget</u>	<u>FY19 Adopted Budget</u>
1	Total Revenues	1,015	819	1,004	1,029
2	Total Expenses	<u>(171)</u>	<u>(109)</u>	<u>(400)</u>	<u>(200)</u>
3	Revenues Over (Under) Expenses	843	711	604	829
4	Beginning Net Assets	28,366	29,209	29,920	30,524
5	Revenues Over (Under) Expenses	<u>843</u>	<u>711</u>	<u>604</u>	<u>829</u>
6	Ending Net Assets	29,209	29,920	30,524	31,353
7	Joint Development Program Share of Capital	<u>(4,504)</u>	<u>(3,509)</u>	<u>(4,807)</u>	<u>(3,846)</u>
8	Uncommitted Net Assets	24,705	26,412	25,717	27,508

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



Stained Glass at Milpitas BART Station

¹ Projection as of August 1, 2017; Preliminary Unaudited.

Joint Development Capital Program

Schedule of FY 2018 & FY 2019 Appropriation (Dollars in Thousands)

Project	FY 2018 & FY 2019		
	Funding Source		Total
	Joint Development	Other	
1. Joint Development Predevelopment Activities	2,500	300	2,800
Grand Total	2,500	300	2,800

Description of FY 2018 & FY 2019 Appropriated Project

1. Joint Development Predevelopment Activities

This placeholder project reserves appropriation for various predevelopment and project assistance activities on joint development sites. These activities include development feasibility, CEQA (California Environmental Quality Act) Analysis, land entitlements, site design, parking and circulation analysis, financial feasibility, legal review, peer review, transactional support, and construction management. As expenditure needs are identified, appropriation is reallocated from this placeholder project to the respective site specific project.

Operating Cost Impact: None

Funding Source	FY18 & FY19
Joint Development	\$2,500,000
Other-Developers	300,000
Total	\$2,800,000

Joint Development Capital 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, 2017, as well as the total available appropriation for the Joint Development Capital Program after the FY 2018 and FY 2019 appropriations, by project and funding source. Project funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover	D FY18 Appropriation	E=(C+D) Total Available Appropriation
P-0825	Tamien Joint Development	Joint Dev	1,000	671	329	0	329
P-0870	Cerone Joint Development	Joint Dev	76	12	64	0	64
P-0871	I-880/Alder Joint Development	Joint Dev	90	47	43	0	43
P-0872	River Oaks Joint Development	Joint Dev	243	163	80	0	80
P-1001	Joint Development Predevlpmt Activities	Joint Dev	150	0	150	2,500	2,650
		Other	0	0	0	300	300
		Total	150	0	150	2,800	2,950
P-1002	Ohlone/Chynoweth Joint Development	Joint Dev	111	18	93	0	93
P-1009	Cottle Station JD	Joint Dev	375	149	226	0	226
P-1010	Almaden Station JD	Joint Dev	275	56	219	0	219
P-1011	Branham Station JD	Joint Dev	445	138	307	0	307
P-1012	Blossom Hill Station JD	Joint Dev	295	21	274	0	274
P-1013	Capitol Station JD	Joint Dev	345	36	309	0	309
P-1014	Curtner Station JD	Joint Dev	345	21	324	0	324
P-1015	Diridon Station JD	Joint Dev	170	0	170	0	170
P-1016	Mitchell Block JD	Joint Dev	170	110	60	0	60
P-1017	Morgan Hill Caltrain Lot JD	Joint Dev	75	1	74	0	74
P-1018	Santa Teresa Station JD	Joint Dev	120	2	118	0	118
P-1019	Milpitas Bart Landmark (Kunde) JD	Joint Dev	315	35	280	0	280
P-1021	Evelyn Station JD	Joint Dev	400	11	389	0	389
Grand Total			5,000	1,491	3,509	2,800	6,309

Note: Totals may not be precise due to independent rounding

¹ Projection as of August 1, 2017; Preliminary Unaudited.

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.

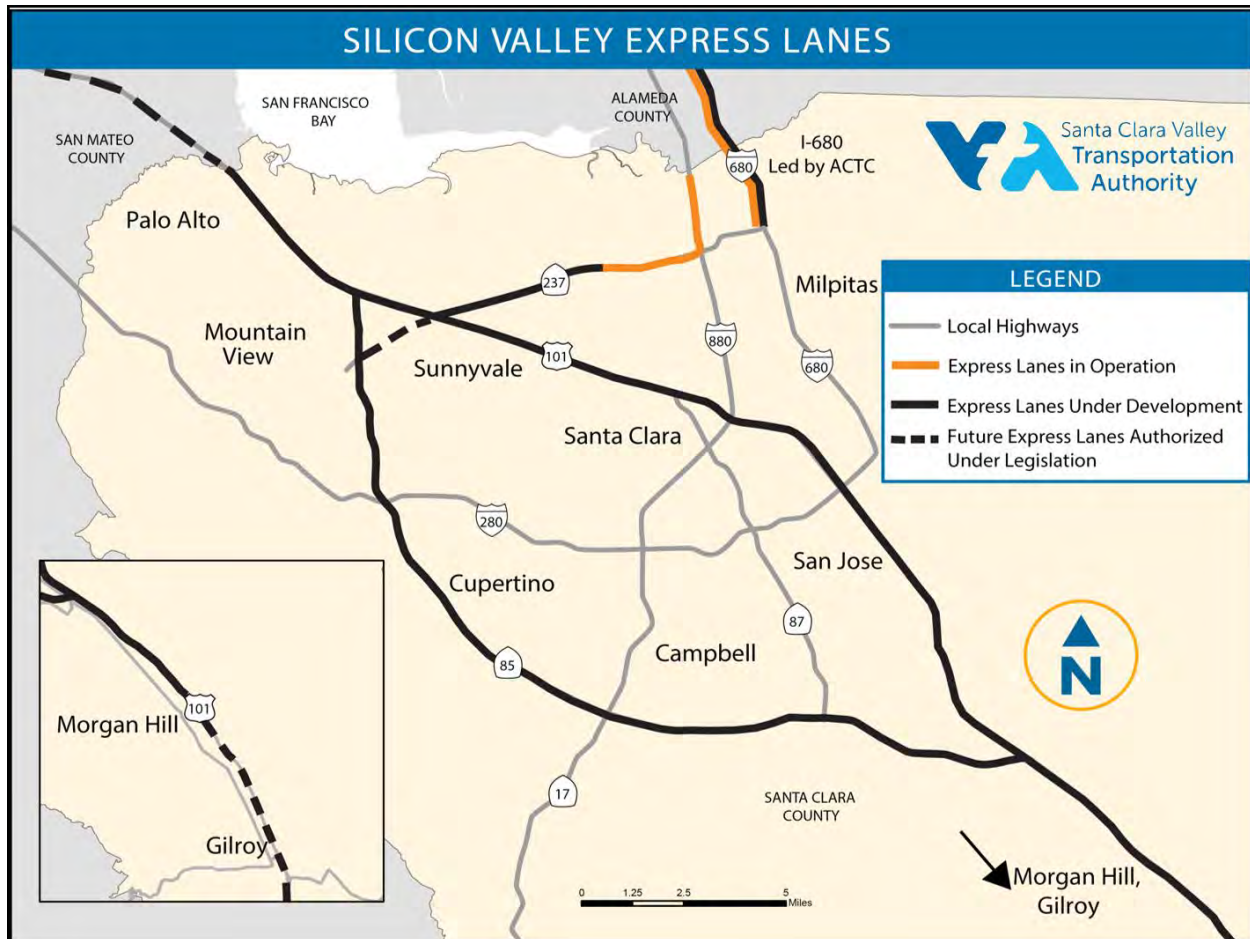
The goal of the SVELP is to provide long-term mobility benefits and a funding stream for transportation improvements. Specifically, the primary objectives of the SVELP are to provide congestion relief through more effective use of existing roadways; provide commuters with a new mobility option; and provide 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. The second phase of the SR 237 Express Lanes will involve extending Express Lanes further to the west on SR 237 close to US 101, including conversion of the remaining lengths of carpool lanes to Express Lanes operations. Phase 2 is projected to open in the fall of 2019.

The map on the following page illustrates the Silicon Valley Express Lanes Program corridors.



The FY 2018 and FY 2018 Adopted SVELP Budget represents the anticipated revenues and expenditures for Express Lane operations and general program expenditures over the next two fiscal years. The primary revenue source for this program is tolls.

Operating

For Operating, the anticipated expenditures incorporate operating and maintenance costs including but not limited to labor, professional and special services such as toll processing fees, enforcement, electronic toll system maintenance, road maintenance, utilities, insurance, and contingency.

Program

The Program section includes the expenditures related to the second phase of the SR 237 Express Lanes which will extend Express Lanes further to the west on SR 237 close to US 101, including conversion of the remaining lengths of carpool lanes to Express Lanes operations. Anticipated expenditures include \$320,000 for signage upgrades within the SR 237/I-880 Express Connectors project. In addition, \$500,000 will be used to minimize acquisition costs for the funding of Phase 2 construction.

***Silicon Valley Express Lanes Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY16 Actual	FY17 Adopted Budget ¹	FY17 Projected Actual ²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
1	Toll Revenues	1,274	1,166	1,258	1,150	(108)	-8.6%	1,250	100	8.7%
2	Investment Earnings	43	20	12	25	13	108.3%	25	0	0.0%
3	Total Revenue	1,317	1,186	1,270	1,175	(95)	-7.5%	1,275	100	8.5%
4	Professional & Special Services	751	902	674	877	203	30.2%	908	31	3.5%
5	Utilities	2	4	3	2	(1)	-21.5%	2	0	0.0%
6	Insurance	0	2	0	0	0	N/A	0	0	N/A
7	Office Expense	1	0	0	0	0	N/A	0	0	N/A
8	Communications	0	8	0	0	0	N/A	2	2	N/A
9	Miscellaneous	0	5	0	5	5	N/A	5	0	0.0%
10	VTA Staff Services	189	150	189	200	11	5.7%	206	6	3.0%
11	Contingency	0	0	0	70	70	N/A	70	0	0.0%
12	Sub-total Operating Expense	944	1,071	865	1,154	289	33.3%	1,193	39	3.4%
13	Contribution to Other Agencies-Ph2 Upgrades	0	0	0	320	320	N/A	0	(320)	-100.0%
14	Contribution to Other Agencies-Ph2 Funding	0	0	0	500	500	N/A	0	(500)	-100.0%
15	Sub-total Program Expense	0	0	0	820	820	N/A	0	(820)	-100.0%
16	Total Expense	944	1,071	865	1,974	1,109	128.1%	1,193	(781)	-39.6%
17	Revenues Over (Under) Expenses	373	115	405	(799)			82		

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

Toll Revenues:

The FY 2018 budget is \$108 thousand lower than FY 2017 actual due to use of conservative estimates for planning purposes. FY 2019 budget is \$100 thousand higher than FY 2018 due to elimination of the Clean Air Vehicle³ exemption in January 2019.

¹ Reflects Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017, Preliminary Unaudited.

³ A vehicle that meets specified emissions standards may be issued a Clean Air Vehicle (CAV) decal that allows the vehicle to be operated by a single occupant in the HOV lanes of California's freeways.

Expenses

Professional & Special Services:

The FY 2018 budget is \$203 thousand higher than FY 2017 actual due primarily to increased cost of electronic toll system integration, Caltrans maintenance and California Highway Patrol enforcement.

Contribution to Other Agency-Ph2 Upgrades:

The FY 2018 budget is \$320 thousand higher than FY 2017 actual and FY 2019 is \$320 thousand lower than FY 2018 due to a one-time expenditure for signage upgrades in FY 2018.

Contribution to Other Agency-Ph2 Funding:

The FY 2018 budget is \$500 thousand higher than FY 2017 actual and FY 2019 is \$500 thousand lower than FY 2018 due to a one-time expenditure in FY 2018 to minimize acquisitions costs for the funding of Phase 2 construction.



SR 237 Express Lanes

***Silicon Valley Express Lanes Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual¹</u>	<u>FY18 Adopted Budget</u>	<u>FY19 Adopted Budget</u>
1	Total Revenues	1,317	1,270	1,175	1,275
2	Total Expenses	<u>(944)</u>	<u>(865)</u>	<u>(1,974)</u>	<u>(1,193)</u>
3	Revenues Over (Under) Expenses	373	405	(799)	82
4	Beginning Net Assets	1,991	2,364	2,768	1,969
5	Revenues Over (Under) Expenses	<u>373</u>	<u>405</u>	<u>(799)</u>	<u>82</u>
6	Ending Net Assets ²	2,364	2,768	1,969	2,051

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

As part of the FY 2018 and FY 2019 budget process, staff proposed setting-aside the following portions of the net assets of the SVELP as designated reserves: \$1M for Express Lanes toll system replacement, \$100,000 to fund an Equity Program to provide assistance to low income travelers within the corridor, \$200,000 for debt service on Phase 2 construction financing, and \$100,000 to provide support for VTA Transit Operations. The remaining balance would be undesignated reserves.

***Silicon Valley Express Lanes Program
Projected Designated Reserves
(Dollars in Thousands)***

	FY18	FY19
Projected Ending Net Assets	1,969	2,051
<u>Designated Reserves:</u>		
Electronic Toll System Replacement	1,000	1,000
Equity Program	100	100
VTA Transit Operations	100	100
Phase 2 Debt Service	200	200
Total Designated Reserves	1,400	1,400
Projected Undesignated Reserves	569	651

¹ Projection as of August 1, 2017, Preliminary Unaudited.

² FY 2017 Net Assets increase due to continued strong toll collections and lower than anticipated expenditures.
FY 2018 Net Assets decrease due to program expenditures in support of Phase 2.

2008 Measure B—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 VTA's 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. As of August 2014 the CTC has allocated 100% of the \$649 million Traffic Congestion Relief Program funds guaranteed to the project. With both the federal and state funding requirements met, the tax commenced collection on July 1, 2012.

Construction of Phase I of VTA's BART Silicon Valley project, the 10-mile extension to Milpitas and Berryessa, is nearing completion. The service levels, maintenance, and costs for the extension will be managed under a VTA/BART Operations and Maintenance (O&M) Agreement. The O&M Agreement, which defines each agency's roles, responsibilities and costs, as well as the revenue allocation for operation of the extension, is currently being finalized.

The Adopted Budget assumes the extension will begin operations at the end of 2017.

2008 Measure B—BART Operating Sales Tax Program Comparison of Revenues and Expenses (Dollars in Thousands)

Line	Category	FY16 Actual	FY17 Adopted Budget¹	FY17 Projected Actual²	FY18 Adopted Budget	Variance from FY17 Actual	% Var	FY19 Adopted Budget	Variance from FY18 Budget	% Var
1	Sales Tax Revenues	49,262	51,733	51,133	51,682	550	1.1%	52,716	1,034	2.0%
2	Investment Earnings	2,981	2,104	670	4,358	3,687	550.1%	5,994	1,636	37.5%
3	Total Revenue	52,243	53,837	51,803	56,040	4,237	8.2%	58,709	2,669	4.8%
4	Security	0	0	0	2,523	2,523	N/A	5,240	2,717	107.7%
5	Professional & Special Services	144	256	203	196	(7)	-3.6%	196	0	0.0%
6	Other Services	0	0	0	350	350	N/A	800	450	128.6%
7	Insurance	0	0	0	86	86	N/A	178	92	107.0%
8	Contribution to Other Agencies	0	0	0	9,100	9,100	N/A	13,000	3,900	42.9%
9	VTA Staff Services	0	0	0	705	705	N/A	1,455	750	106.4%
10	Transfer to Capital Reserve	0	0	0	1,710	1,710	N/A	3,875	2,165	126.6%
11	Total Expense	144	256	203	14,670	14,467	7131.3%	24,744	10,074	68.7%
12	Revenues Over (Under) Expenses	52,099	53,581	51,600	41,370			33,966		

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

Investment Earnings:

The FY 2018 budget is \$3.7 million higher than FY 2017 actual due primarily to recording of an unrealized loss in FY 2017. The FY 2019 budget is \$1.6 million higher than FY 2018 due to higher portfolio balance and interest rate assumptions.

Expenses

Security:

The FY 2018 budget is \$2.5 million higher than FY 2017 actual reflecting the beginning of revenue service at the end of calendar 2017. FY 2019 budget is \$2.7 million higher than FY 2018 reflecting a full year of revenue service.

¹ Reflects Adopted Budget approved by the Board on June 4, 2015.

² Projection as of August 1, 2017; Preliminary Unaudited.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Other Services:

The FY 2018 budget is \$350 thousand higher than FY 2017 actual reflecting the beginning of revenue service at the end of calendar 2017. FY 2019 budget is \$450 thousand higher than FY 2018 reflecting a full year of revenue service.

Contribution to Other Agencies:

The FY 2018 budget is \$9.1 million higher than FY 2017 actual reflecting the beginning of revenue service at the end of calendar 2017. FY 2019 budget is \$3.9 million higher than FY 2018 reflecting a full year of revenue service.

VTA Staff Services:

The FY 2018 budget is \$705 thousand higher than FY 2017 actual reflecting the beginning of revenue service at the end of calendar 2017. FY 2019 budget is \$750 thousand higher than FY 2018 reflecting a full year of revenue service.

Transfer to Capital Reserve:

The FY 2018 budget is \$1.7 million higher than FY 2017 actual reflecting the beginning of revenue service at the end of calendar 2017. FY 2019 budget is \$2.2 million higher than FY 2018 reflecting a full year of revenue service.

***2008 Measure B—BART Operating Sales Tax Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Projected Actual²</u>	<u>FY18 Adopted Budget</u>	<u>FY19 Adopted Budget</u>
1	Total Revenues	52,243	51,803	56,040	58,709
2	Total Expenses	<u>(144)</u>	<u>(203)</u>	<u>(14,670)</u>	<u>(24,744)</u>
3	Revenues Over (Under) Expenses	52,099	51,600	41,370	33,966
4	Beginning Net Assets	135,416	187,515	239,115	280,486
5	Revenues Over (Under) Expenses	<u>52,099</u>	<u>51,600</u>	<u>41,370</u>	<u>33,966</u>
6	Ending Net Assets ¹	187,515	239,115	280,486	314,452

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

¹ FY 2017 through FY 2019 Net Assets increase due to additional sales tax receipts. Expenditures for the operation, maintenance and capital reserve contribution begin in mid FY 2018.

2016 Measure B Program

Overview

On November 8, 2016, the voters of Santa Clara County approved 2016 Measure B, a 30-year, one-half cent countywide sales and use tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets). The measure passed by nearly 72%, the highest level of support for any Santa Clara County transportation tax. Collection of the tax began on April 1, 2017.

The 2016 Measure B ballot identified nine program categories for funding allocations:

- Local Streets and Roads
- BART Phase II
- Bicycle and Pedestrian
- Caltrain Grade Separation
- Caltrain Corridor Capacity Improvements
- Highway Interchanges
- County Expressways
- SR 85 Corridor
- Transit Operations

Guidelines for each of the categories are currently under development with the final draft guidelines scheduled to be presented to the Board of Directors in fall 2017.

The FY 2018 and FY 2019 Adopted 2016 Measure B Program Fund Budget on the following page represents the anticipated program revenues, and expenditures by program category, over the next two fiscal years.

The anticipated expenditures include the reimbursement of \$1.65M to the VTA Transit Fund for payment made to the Registrar of Voters for 2016 Measure B's share of costs of the November 8, 2016 General Election.

Funding for the two-year period is appropriated in FY 2018 in order to facilitate administration of the program. Similar to a capital budget, appropriation for the program will not expire at the end of the fiscal year and will be carried forward until the 2016 Measure A Program is completed.

***2016 Measure B Program
Revenues
(Dollars in Thousands)***

Line	Category	FY17 Projected Actual ¹	FY18 Projection	FY19 Projection
1	Sales Tax Revenues	53,425	215,343	219,650
2	Investment Earnings	0	764	2,716
3	Total Revenue	53,425	216,107	222,366

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

***Adopted Funding Allocation
(Dollars in Millions)***

		FY18	FY19
Administrative Costs		3.30 ²	3.30
Program Area			
FORMULA BASED³	Local Streets & Roads	50.00 ⁴	40.00
	Transit Operations		
	Enhance Core Network	13.50	13.50
	Innovative Transit Models		
	Expand Mobility & Affordable Fares	2.50	2.50
	Improve Amenities	1.30	
	Bicycle & Pedestrian		
	Education/Encouragement	2.50	
	Capital Projects	13.33	
	Planning Projects	0.83	
NEED/ CAPACITY BASED	BART Phase II	0.00	
	Caltrain Grade Separation	7.00	
	Caltrain Corridor Capacity	2.00	
	SR 85 Corridor	12.00	
	County Expressways	50.00	
	Highway Interchanges	87.00	
	Total	304.56	

¹ Projection as of August 1, 2015; Preliminary Unaudited.

² Includes reimbursement of \$1.65M to the VTA Transit Fund for payment made to the Registrar of Voters for 2016 Measure B's share of costs of the November 8, 2016 General Election.

³ Allocation based on Program Area total divided by number of years in Measure.

⁴ Includes \$10M for one-time advance of FY 2017 4th quarter receipts.



Median Bus Rapid Transit (BRT) Station at King Road

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 2018 & FY 2019 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-Employment 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 2018 & FY 2019 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 2018 & FY 2019 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, 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 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.

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.

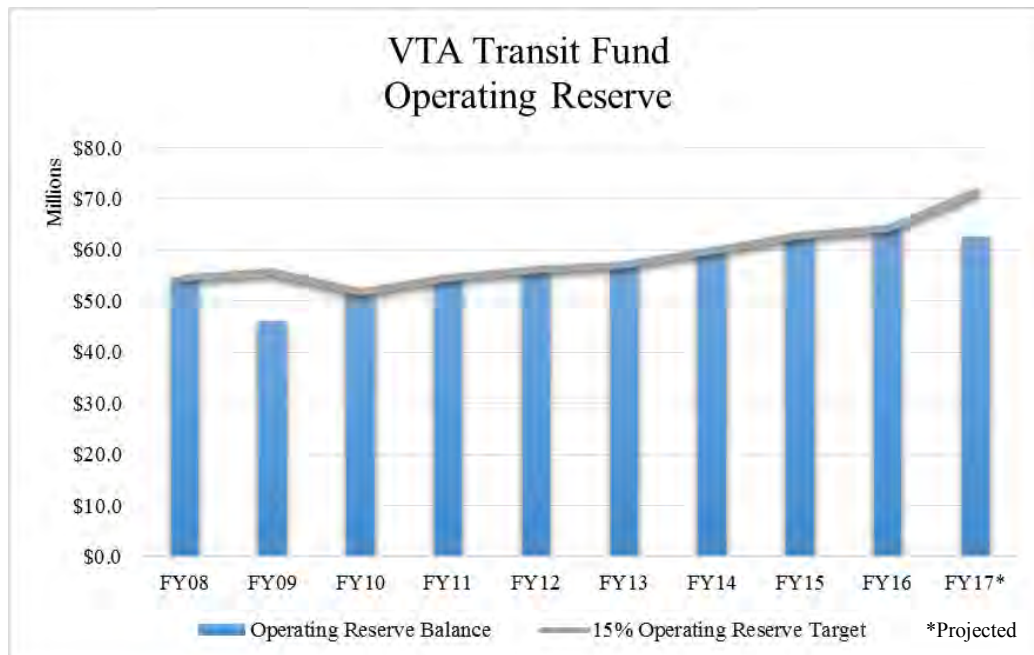
Reserve Accounts

The VTA Transit Fund currently maintains three 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% 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.

The chart below shows the Operating Reserve balance versus the 15% target for the previous 10-year period.



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. 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 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 Designated Funds

In addition to the reserve accounts listed above, there are three other components to the VTA Transit Fund Unrestricted Net Assets that have been restricted by board resolution, contractual requirements, or other practical reasons.

Irrevocable Transfer to OPEB (Other Post-Employment Benefits) Trust

As part of the FY 2012 and FY 2013 Biennial Budget adoption on June 2, 2011, \$20.65M was set aside specifically to address unfunded OPEB liabilities. In FY 2013, VTA made a one-time irrevocable transfer of these funds to the OPEB Trust. These funds are dedicated to providing benefits to retirees and their beneficiaries. The remaining balance has reduced by the FY 2016 Annual Required Contribution.

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 carryover. Detail of the total FY 2017 projected carryover including the local share can be found on pages 136-142.

Inventory and Prepaid Expenses

This component of net assets represents the value of parts inventory and the prepayment of expenses which are not liquid or otherwise unavailable for use.

Unrestricted Net Assets Status

The table on the following page shows the VTA Transit Fund Unrestricted Net Assets as reported in the FY 2016 Comprehensive Annual Financial Report as well as the projected balances for FY 2017 through FY 2019.

VTA Transit Fund
Unrestricted Net Assets
(Dollars in Thousands)

Fund	FY16¹	FY17² Projected	FY18² Projected	FY19² Projected
<u>Reserves:</u>				
Operating Reserve	64,147	62,600	42,146	15,728
Sales Tax Stabilization Fund	35,000	35,000	35,000	35,000
Debt Reduction Fund	76,378	49,540	5,000	10,000
Total Reserves	175,525	147,140	82,146	60,728
<u>Other Designated Funds:</u>				
Irrevocable Transfer to OPEB Trust ³	15,865	15,865	15,865	15,865
Local Share of Capital Projects	132,225	129,162	148,219	117,736
Inventory and Prepaid Expenses ⁴	33,615	33,615	33,615	33,615
Total Other Designated Funds	181,705	178,642	197,699	167,216
Net Pension Liability (GASB 68) ^{4,4}	(195,565)	(195,565)	(195,565)	(195,565)
Total Unrestricted Net Assets	161,665	130,217	84,280	32,379

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

The FY 2018 and FY 2019 Projected Reserves above assume that 100% of the currently projected deficits for those years will be covered from reserves. As discussed on page 58, it is anticipated that the currently projected deficits will be covered by a combination of additional revenues, reduced expenditures, reserves, and financing proceeds, if required.

¹ Per Fiscal Year 2016 Comprehensive Annual Financial Report.

² Projection as of August 1, 2017; Preliminary Unaudited.

³ Balance assumed to remain stable over time.

⁴ Represents amount owed by VTA for benefits provided through a defined benefit pension plan (net of related deferred inflows/outflows). June 30, 2016 balance consisted of \$80.6 million for CalPERS and \$115.0 million for VTA/ATU Pension Plan.

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, 2017 as presented in the FY 2018 and FY 2019 Proposed Budget.

Job Classifications and Pay Range

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Accessible Services Program Manager	103,057	125,303
Accountant Assistant	58,853	71,127
Accountant I	62,551	75,664
Accountant II	69,108	83,619
Accountant III	80,783	98,141
Accounts Payable Support Supervisor	66,429	80,783
Administrative Services Assistant	53,433	70,531
Administrator of Social Media & Electronic Communications	108,225	131,567
Assistant Architect	83,178	101,146
Assistant Board Secretary	95,936	126,636
Assistant Cost & Schedule Coordinator	83,178	101,146
Assistant Counsel	111,053	146,589
Assistant Real Estate Agent	71,779	86,850
Assistant Supt, Service Management	98,141	119,320
Assistant Supt, Transit Communications	98,141	119,320
Assistant Systems Design Engineer	83,178	101,146
Assistant Transportation Engineer	83,178	101,146
Associate Architect	96,799	117,618
Associate Environmental Engineer	96,799	117,618
Associate Financial Analyst	69,744	84,799
Associate Financial Analyst - NR	71,617	94,534
Associate Human Resources Analyst	71,617	94,534
Associate Land Surveyor	84,799	103,057
Associate Management Analyst	69,744	84,799
Associate Mechanical Engineer	96,799	117,618
Associate Real Estate Agent	88,529	107,203
Associate Systems Design Engineer	96,799	117,618
Associate Systems Engineer	96,799	117,618
Associate Transportation Engineer	96,799	117,618
Audit Program Manager	111,053	146,589
Automotive Attendant	45,398	54,814
Board Assistant	63,142	76,410
Board Secretary	138,320	234,000
Bus Stop Maintenance Worker	52,017	62,861
Business Diversity Program Manager	98,141	119,320

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Business Systems Analyst I	68,766	83,214
Business Systems Analyst II	83,214	100,740
Buyer I	56,398	68,113
Buyer II	66,839	80,916
Buyer III	74,266	89,833
Chief Financial Officer	163,280	275,600
Chief Information Officer	138,320	234,000
Chief of Staff to the General Manager	163,280	275,600
Chief Operating Officer	163,280	275,600
Claims Analyst	82,898	109,425
Claims Program Manager	100,730	132,963
Communications & Media Spokesperson	105,747	139,587
Communications Systems Analyst I	68,766	83,214
Communications Systems Analyst II	83,214	100,740
Communications Systems Manager	108,225	131,567
Community Outreach & Public Engagement Manager	116,581	153,887
Community Outreach Supervisor	84,799	103,057
Construction Contracts Administration Manager	128,533	169,663
Construction Contracts Administrator I	68,766	83,214
Construction Contracts Administrator II	86,478	104,686
Construction Contracts Compliance Officer	98,141	119,320
Construction Inspector	76,751	92,878
Contracts Administrator I	68,766	83,214
Contracts Administrator II	86,478	104,686
Contracts Manager	108,225	131,567
Contracts Program Manager	103,057	125,303
Cost & Schedule Coordinator	96,799	117,618
Creative Services Manager	103,057	125,303
Customer Experience Manager	108,225	131,567
Customer Services Supervisor	80,783	98,141
Cyber Security Analyst	87,020	114,867
Database Administrator I	68,766	83,214
Database Administrator II	83,214	100,740
Deputy Director	138,320	234,000
Deputy General Counsel	138,320	234,000
Director of Business Services	163,280	275,600
Director of Communications	138,320	234,000
Director of Engineering & Transportation Infrastructure Development	163,280	275,600
Director of Planning & Program Development	163,280	275,600
Director of Public Affairs/Exec Policy Advisor	163,280	275,600
Director of System Safety & Security	163,280	275,600
Disbursements Manager	116,581	153,887

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Dispatcher	55,494	79,290
Diversity & Inclusion Manager	128,533	169,663
Document Services Specialist I	46,081	55,622
Document Services Specialist II	52,017	62,861
Electrician	77,528	93,779
Electro - Mechanic	78,021	88,670
Electronic Technician	78,021	88,670
Employee Relations Manager	128,533	169,663
Engineering Aide	54,814	66,217
Engineering Group Manager	138,320	234,000
Engineering Group Manager - SCADA	141,731	187,085
Engineering Technician I	59,972	72,463
Engineering Technician II	67,492	81,692
Engineering Technician III	76,751	92,878
Enterprise Risk Manager	134,989	178,185
Environmental Health & Safety Specialist	89,398	108,260
Environmental Health & Safety Supervisor	93,479	113,646
Environmental Planner I	61,401	74,266
Environmental Planner II	73,551	88,963
Environmental Planner III	88,093	106,707
Executive Assistant to the General Manager	71,617	94,534
Executive Manager, Transit Planning & Capital Development	138,320	234,000
Executive Secretary	64,970	85,760
Facilities Maintenance Coordinator	98,141	119,320
Facilities Maintenance Manager	111,053	146,589
Facilities Maintenance Representative	67,492	81,692
Facilities Worker	42,390	60,570
Fare Inspector	50,107	71,573
Financial Accounting Manager	111,053	146,589
Financial Analyst	80,783	98,141
Financial Analyst -NR	82,898	109,425
Fiscal Resources Manager	134,989	178,185
Foreperson - LRT	85,030	96,637
General Counsel	231,276	231,276
General Maintenance Mechanic	67,492	81,692
General Manager/CEO	316,891	316,891
Government Affairs Manager	134,989	178,185
Graphic Designer I	60,252	72,805
Graphic Designer II	69,728	84,426
Human Resources Administrator	75,196	99,259
Human Resources Analyst	82,898	109,425
Human Resources Assistant	56,117	74,075

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Human Resources Manager	128,533	169,663
Information Services Representative	44,346	63,357
Information Systems Analyst Assistant	59,972	72,463
Information Systems Analyst I	68,766	83,214
Information Systems Analyst II	83,214	100,740
Information Systems Supervisor	108,225	131,567
Investment Program Manager	108,225	131,567
Janitor	44,591	53,788
Junior Cost & Schedule Coordinator	76,512	92,953
Junior Real Estate Agent	64,073	77,528
Junior Systems Design Engineer	76,512	92,953
Junior Transportation Engineer	76,512	92,953
Lead Bus Stop Maintenance Worker	53,539	64,695
Lead Janitor	47,169	56,927
Lead Maintenance Worker - LRT	44,491	63,565
Legal Office Support Supervisor	71,617	94,534
Legal Secretary	68,197	90,020
Light Rail Equipment Superintendent	108,225	131,567
Light Rail Operator	48,942	69,930
Light Rail Power Foreperson	98,883	112,362
Light Rail Power Supervisor	103,057	125,303
Light Rail Signal Maintainer	85,234	103,195
Light Rail Signal Supervisor	98,141	119,320
Light Rail Technical Trainer	89,013	108,225
Light Rail Technical Training Supervisor	98,141	119,320
Light Rail Track Maintenance Supervisor	89,013	108,225
Light Rail Way, Power & Signal Superintendent	108,225	131,567
Light Rail Way, Power & Signal Supervisor	103,057	125,303
Mail & Warehouse Worker	53,539	64,695
Maintenance Worker - LRT	42,390	60,570
Maintenance Instructor	93,479	113,646
Maintenance Scheduler	64,353	77,870
Maintenance Superintendent	108,225	131,567
Management Aide	61,402	74,659
Management Aide -NR	64,970	85,760
Management Analyst	80,783	98,141
Management Analyst - NR	82,898	109,425
Management Secretary	58,930	77,787
Manager of Procurement, Contracts & Materials	141,731	187,085
Manager of Security Programs	116,581	153,887
Manager, Budget Administration	111,053	146,589
Manager, Construction Inspection	111,960	136,089

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Manager, Market Development	113,646	138,139
Manager, Operations Analysis, Reporting & Systems	108,225	131,567
Manager, Real Estate & Project Administration	134,989	178,185
Materials & Warranty Manager	108,225	131,567
Materials Resource Scheduler	56,398	68,113
Network Analyst I	68,766	83,214
Network Analyst II	83,214	100,740
Office & Timekeeping Technician	52,794	63,763
Office Specialist I	44,776	54,037
Office Specialist II	50,153	60,531
Office Support Supervisor	66,429	80,783
Operations Manager	134,989	178,185
Operations Systems Supervisor	93,479	113,646
Operator	41,954	69,930
Operator - Trainee	34,986	34,986
Overhaul & Repair Foreperson	85,030	96,637
Overhaul & Repair Mechanic	78,021	88,670
Overhead Line Worker	91,666	104,166
Paint & Body Foreperson	85,030	96,637
Paint & Body Worker	78,021	88,670
Paralegal	68,197	90,020
Parts Clerk	48,755	69,659
Parts Foreperson	75,878	86,216
Passenger Facilities & Wayside Maintenance Supervisor	80,783	98,141
Payroll Support Supervisor	66,429	80,783
Permit Technician	61,992	74,949
Policy & Administrative Manager - Operations	111,053	146,589
Policy Analyst	95,936	126,636
Principal Construction Inspector	98,141	119,320
Principal Environmental Planner	113,646	138,139
Principal Safety Auditor	105,747	139,587
Principal Transportation Planner	113,646	138,139
Procurement & Materials Manager	128,533	169,663
Programmer I	68,766	83,214
Programmer II	87,689	106,178
Project Controls Group Manager	141,731	187,085
Project Controls Specialist I	68,766	83,214
Project Controls Specialist II	83,214	100,740
Project Controls Supervisor	113,646	138,139
Public Communication Specialist I	68,766	83,214
Public Communication Specialist II	77,528	93,779
Public Relations Supervisor	93,479	113,646

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Purchasing Manager	108,225	131,567
Quality Assurance & Warranty Manager	113,646	138,139
Quality Assurance & Warranty Specialist	80,916	97,912
Regional Transportation Services Manager	116,581	153,887
Regional Transportation Services Supervisor	95,936	126,636
Revenue Services Manager	113,646	138,139
Risk Analyst	82,898	109,425
Safety Manager	134,989	178,185
Sales & Promotions Supervisor	84,799	103,057
Secretary	54,814	66,217
Service Mechanic	62,317	70,803
Service Worker	47,736	68,182
Service Worker - Foreperson	51,418	73,445
Sr Accountant	93,479	113,646
Sr Advisor, Business Development	116,581	153,887
Sr Architect	113,211	137,596
Sr Assistant Counsel	134,989	178,185
Sr Business Systems Analyst	96,918	117,489
Sr Communications Systems Analyst	96,918	117,489
Sr Construction Contracts Administrator	98,141	119,320
Sr Construction Inspector	84,023	101,672
Sr Construction Inspector - Lead	85,638	103,692
Sr Contracts Administrator	98,141	119,320
Sr Cost & Schedule Coordinator	113,211	137,596
Sr Database Administrator	96,918	117,489
Sr Environmental Engineer	113,211	137,596
Sr Environmental Planner	103,057	125,303
Sr Financial Analyst	93,479	113,646
Sr Financial Analyst (NR)	95,936	126,636
Sr Human Resources Analyst	95,936	126,636
Sr Information Representative	61,194	69,534
Sr Information Systems Analyst	96,918	117,489
Sr Land Surveyor	98,141	119,320
Sr Management Analyst	93,479	113,646
Sr Management Analyst (NR)	95,936	126,636
Sr Mechanical Engineer-Auto Systems	113,211	137,596
Sr Network Analyst	96,918	117,489
Sr Office & Timekeeping Technician	58,293	70,443
Sr Policy Analyst	105,747	139,587
Sr Programmer	96,918	117,489
Sr Real Estate Agent	103,057	125,303
Sr Signal Maintainer	93,779	113,636

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Sr Systems Administrator	96,918	117,489
Sr Systems Design Engineer	113,211	137,596
Sr Systems Engineer	113,211	137,596
Sr Track Worker	78,021	88,670
Sr Transportation Engineer	113,211	137,596
Sr Transportation Planner	103,057	125,303
Sr Web Developer	96,918	117,489
Staff Attorney I	75,196	99,259
Staff Attorney II	91,366	120,604
Substation Maintainer	91,666	104,166
Supervising Maintenance Instructor	98,141	119,320
Support Mechanic	51,418	73,445
Survey & Mapping Manager	113,646	138,139
SVRT Environmental Planning Manager	122,429	161,606
SVRT Project Controls Manager	134,989	178,185
Systems Administrator I	68,766	83,214
Systems Administrator II	83,214	100,740
Technical Project Manager	96,918	117,489
Technical Trainer	89,013	108,225
Technical Training Supervisor	98,141	119,320
Technology Infrastructure Supervisor	108,225	131,567
Technology Manager	134,989	178,185
Track Worker	67,122	76,274
Transit Center Maintenance Worker	50,370	60,841
Transit Division Supervisor	89,013	108,225
Transit Foreperson	85,030	96,637
Transit Maintenance Supervisor	98,141	119,320
Transit Mechanic	78,021	88,670
Transit Mechanic - G	67,122	76,274
Transit Radio Dispatcher	55,494	79,290
Transit Safety Officer	89,013	108,225
Transit Service Development Aide	53,291	64,353
Transit Service Development Specialist I	58,574	70,785
Transit Service Development Specialist II	68,113	82,469
Transit Service Development Specialist III	72,122	87,285
Transit Service Development Supervisor	89,013	108,225
Transit Systems Safety Supervisor	93,479	113,646
Transportation Engineering Manager	119,320	145,049
Transportation Planner I	61,401	74,266
Transportation Planner II	73,551	88,963
Transportation Planner III	88,093	106,707
Transportation Planning Aide	51,085	61,711

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Transportation Planning Manager	122,429	161,606
Transportation Superintendent	108,225	131,567
Transportation Supervisor	89,013	108,225
Upholsterer	78,021	88,670
Upholstery Foreperson	85,030	96,637
Utilities Coordination Manager	98,141	119,320
Utility Coordinator	80,511	97,415
Utility Worker	47,823	57,734
Vault Room Worker	48,319	58,293
Vehicle Parts Supervisor	89,013	108,225
Warranty Coordinator	98,141	119,320
Web Developer I	68,766	83,214
Web Developer II	83,214	100,740

VTA Transit Revenue and Expense Category Descriptions

Line	Category	Description
1	Fares-Transit	Fares from bus, light rail, & VTA operated shuttles
2	Fares-Paratransit	Fares from Paratransit service
3	1976 Half-Cent Sales Tax	1976 half-cent sales tax
4	TDA	Transportation Development Act (TDA), derived from a quarter-cent sales tax, limited to development & support of public transit
5	Measure A Sales Tax-Operating Assistance	Portion of 2000 Measure A half-cent sales tax allocated to fund VTA operating and maintenance costs (20.75%)
6	2016 Measure B-Transit Operations	Funding from Transit Operations Program Area of 2016 Measure B
7	STA	State Transit Assistance (STA)—Sales tax on gasoline & diesel fuel distributed based on population & annual transit operator revenues
8	Federal Operating Grants	Americans with Disabilities Act (ADA) set-aside from Section 5307 of FAST (Fixing America's Surface Transportation) Act
9	State Operating Grants	AB 434 Transportation Fund for Clean Air (TFCA) Program grants derived from vehicle registration fees used to fund DASH and ACE shuttles
10	Investment Earnings	Earnings on investments
11	Advertising Income	Advertising on vehicles and bus shelters
12	Measure A Repayment Obligation	Payment to VTA for debt service incurred on behalf of 2000 Measure A projects
13	Other Income	Property rental; permit fees; parking citations; ACE shuttle revenue; other non-operating revenues
14	Transfer to Capital Reserve	Set-aside of revenues to fund future Capital needs
15	Total Revenue	Sum of lines 1 to 14
16	Labor Costs	Wages & fringe benefits for all employees
17	Materials & Supplies	Vehicle parts; fasteners; small tools; maintenance supplies; lubricants; oils; fluids; gasoline for non-revenue vehicles; propane; janitorial & safety supplies
18	Security	Allied Universal & Santa Clara County Sheriff's contracts
19	Professional & Special Services	Outside consulting & specialized professional services; auditors; special studies
20	Other Services	Outside repair; laundry service; towing; ads & promotion; external printing
21	Fuel	Diesel for revenue vehicles
22	Traction Power	Electricity cost for light rail system
23	Tires	Tires for revenue vehicles
24	Utilities	Non-traction power electricity; gas; water; trash
25	Insurance	Property & Casualty premiums and self-insurance annual reserve contribution
26	Data Processing	Software license fees and PC/hardware purchases

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Line	Category	Description
27	Office Expense	Office supplies
28	Communications	Telephone, Wi-Fi, and cell phone usage
29	Employee Related Expense	Mileage, parking, and toll reimbursements; professional licenses; education & training; workshops; travel; employee recognition costs; operators' drivers licenses
30	Leases & Rents	Equipment leases (reproduction equipment) and property rentals (such as transit centers)
31	Miscellaneous	Books & subscriptions; Board member expenses; legal notices; membership dues; in-house printing costs; postage
32	Reimbursements	Reimbursement of staff labor & indirect costs or overhead for staff time spent in support of projects and programs
33	Subtotal Operating Expense	Sum of lines 16 to 32
34	Paratransit	VTA costs associated with providing Paratransit service
35	Caltrain	VTA costs associated with Caltrain rail service operating between San Francisco & Gilroy
36	Altamont Corridor Express	VTA costs associated with Altamont Corridor Express (ACE) including shuttles
37	Highway 17 Express	VTA costs associated with Highway 17 Express bus service
38	Monterey-San Jose Express	VTA costs associated with 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/VTA SmartPass usage; payment to Santa Clara County for low-income fare program administration costs
40	Debt Service	Interest; principal; other bond charges
41	Subtotal Other Expense	Sum of lines 34 to 40
42	Operating and Other Expense	Line 33 plus line 41
43	Transfer to Capital Reserve	Set-aside to fund future Capital needs
44	Contingency	Organization-wide contingency fund for urgent and unexpected programs
45	Total Expense/Contingency/Capital Transfer	Sum of lines 42 to 44
46	Operating Balance	Line 15 minus line 45

***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 (20.75%)
7	Professional & Special Services	Outside consulting and specialized professional services; auditors; special studies
8	Miscellaneous	Legal notices and printing for Citizens Watchdog Committee
9	Contributions to Other Agencies	Payment for operating contribution for phase II ZEB project, and contribution of funding for various projects implemented in the VTA Transit Fund
10	Debt Service	Interest; principal; other bond charges
11	Repayment Obligation	Payment to VTA for debt service incurred on behalf of 2000 Measure A projects
12	Total Expense	Sum of lines 6 to 11
13	Revenues Over (Under) Expenses	Line 5 minus line 12

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	Contribution to Other Agencies	Contribution of funding for various projects implemented in the VTA Transit and VTP Highway Funds
11	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
12	Total Expense	Sum of lines 7 to 11
13	Revenues Over (Under) Expenses	Line 6 minus line 12

***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	Other Income	One-time revenue from VTA owned properties
4	Total Revenue	Sum of lines 1 to 3
5	Professional & Special Services	Specialized professional services
6	Miscellaneous	Printing and reproduction services
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	Office Expense	Office supplies
8	Communications	Data lines
9	Miscellaneous	Membership dues
10	VTA Staff Services	Labor, benefits, and allocation of indirect costs for VTA staff providing support of Silicon Valley Express Lanes Program
11	Contingency	For urgent or unexpected needs
12	Sub-total Operating Expense	Sum of lines 4 to 11
13	Contribution to Other Agencies-Phase 2 Upgrades	Program expenditure for signage upgrades related to Phase 2
14	Contribution to Other Agencies-Phase 2 Funding	Program contribution to Phase 2 financing costs
15	Sub-total Program Expense	Sum of lines 13 and 14
16	Total Expense	Line 12 plus line 15
17	Revenues Over (Under) Expenses	Line 3 minus line 16

***2008 Measure B—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	Security	Allied Universal & Santa Clara County Sheriff's contracts
5	Professional & Special Services	Specialized professional services
6	Other Services	Contracted facility maintenance and repairs
7	Insurance	Property & Casualty premiums
8	Contributions to Other Agencies	Operating and Maintenance payments to BART
9	VTA Staff Services	Labor, benefits, and allocation of indirect costs for VTA staff providing support of 2008 Measure B—BART Operating Sales Tax Program
10	Transfer to Capital Reserve	Annual Capital Reserve set-aside
11	Total Expense	Sum of lines 4 to 10
12	Revenues Over (Under) Expenses	Line 3 minus line 11

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 2018 and FY 2019 budget.

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, 2017 for the 1996 Measure B Transportation Improvement Program.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Adopted Budget Through FY17	B Projected Expenditures Through FY17 ¹	C=(A-B) Projected FY17 Capital Carryover
P-0189	85 & 101 Interchange Mt. View	Fund Exchange	27,154	27,154	0
		1996 Measure B	101,513	101,415	97
		Total	128,667	128,569	97
P-0273	Route 152 Project	City	5,494	5,494	0
		1996 Measure B	18,957	18,456	501
		Total	24,451	23,950	501
		Highway Total	153,118	152,519	599
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	161,255	76
		VTA Transit	16,500	16,500	0
		Total	312,977	312,901	76
	Rail Facility Expansion Total	312,977	312,901	76	
P-0274	Combined Biological Mitigation Site	1996 Measure B	6,961	6,664	297
P-0560	Santa Clara Valley HCP / NCCP	Fund Exchange	150	150	0
		1996 Measure B	1,280	1,222	58
		Total	1,430	1,372	58
P-0652	Measure B Close Out	1996 Measure B	9,808	8,844	964
		Miscellaneous Total	18,199	16,880	1,319
		Grand Total	484,294	482,300	1,994

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

¹ Projection as of August 1, 2017; Preliminary Unaudited.

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 2018 and FY 2019 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	FY18 Adopted Budget	FY19 Adopted Budget	% Var
1	VTA Employer Contribution	28,549	28,549	0.0%
2	Investment Earnings	37,452	40,074	7.0%
3	Total Revenue	66,001	68,623	4.0%
4	Pension Payments to Retirees	42,010	45,928	9.3%
5	Professional & Special Services	3,466	3,636	4.9%
6	Total Expense	45,476	49,564	9.0%
7	Surplus/(Deficit) to Fund Balance	20,525	19,058	

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

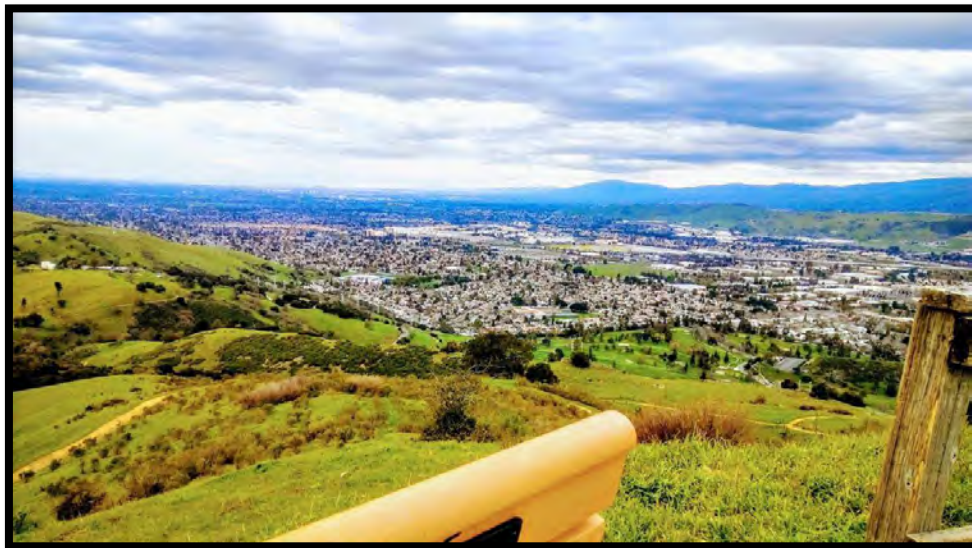
Santa Clara County Demographic and Economic Information

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 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.

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 Apple Inc., Cisco Systems Inc., Google Inc., and Oracle Corporation.

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.



View of the Santa Clara Valley from Santa Teresa Park

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.

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 95.5%, 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 4.5%) of residents living in unincorporated areas.

Recent Annual Population Performance

Between 2010 and 2017, the County population grew another 8.8%. All of the cities in the County experienced growth during this period, with the City of Morgan Hill posting the fastest growth (16.5%). The number of residents living in the unincorporated areas of the County declined 2.4% from 2010 to 2017. Currently, approximately 4.5% 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.

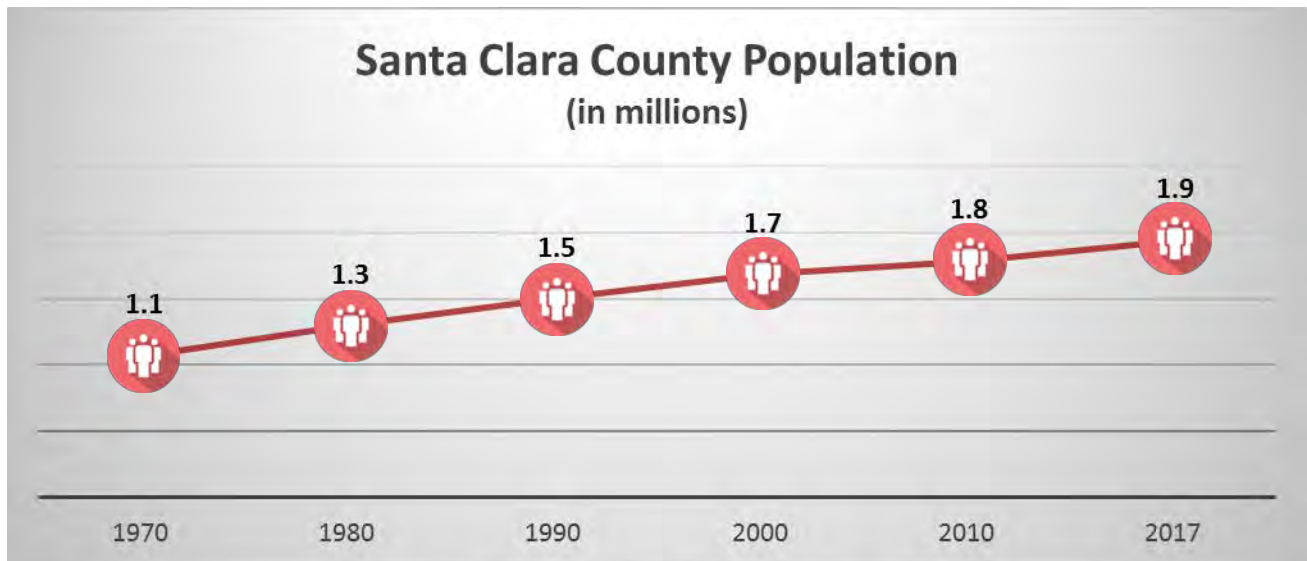
VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

By the year 2025, the State Department of Finance predicts that the County's population will grow by approximately 186,600 residents, a 9.6% increase from 2017. (Source: State of California, Department of Finance, Demographic Research Unit (Report P-1). The table and chart below provide 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>2017¹</u>
Campbell	24,731	26,843	36,088	38,138	39,349	42,726
Cupertino	18,216	34,297	39,967	50,602	58,302	58,917
Gilroy	12,665	21,641	31,487	41,464	48,821	55,936
Los Altos	24,872	25,769	26,599	27,693	28,976	31,402
Los Altos Hills	6,862	7,421	7,514	8,025	7,922	8,634
Los Gatos	23,466	26,906	27,357	28,592	29,413	31,314
Milpitas	27,149	37,820	50,690	62,698	66,790	75,410
Monte Sereno	3,074	3,434	3,287	3,483	3,341	3,501
Morgan Hill	6,485	17,060	23,928	33,586	37,882	44,145
Mountain View	54,206	58,655	67,365	70,708	74,066	79,278
Palo Alto	55,999	55,225	55,900	58,598	64,403	68,691
San Jose	445,779	629,400	782,224	895,131	945,942	1,046,079
Santa Clara	87,717	87,700	93,613	102,361	116,468	123,983
Saratoga	27,199	29,261	28,061	29,849	29,926	30,569
Sunnyvale	95,408	106,618	117,324	131,844	140,081	149,831
Unincorporated	152,181	127,021	106,173	99,813	89,960	87,764
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>1,938,180</u>
California	18,136,045	23,668,145	29,760,021	33,873,086	37,253,956	39,523,613

Source: U.S. Census 1970-2010; State of California, Department of Finance, Demographic Research Unit (E-4 Population Estimates for Cities, Counties and State, 2011-2017, with 2010 Benchmark).



¹ As of January 1, 2017.

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 nearly 74% of the County's employment for 2016: Professional & Business Activities (224,100); Goods Producing (209,300); Education & Health Services (160,600); and Trade, Transportation & Utilities (137,300).

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 within the County.

The table below lists wage and salary employment in the County by Industry.

County of Santa Clara Average Annual Employment by Industry (In Thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Civilian Labor Force	939.9	958.3	971.8	991.8	1,009.8	1,026.5
Employment	852.4	883.0	909.1	940.7	967.8	987.9
County Unemployment	87.4	75.3	62.7	51.1	41.9	38.6
Unemployment Rate:						
County	9.3%	7.9%	6.5%	5.2%	4.2%	3.8%
State of California	11.7%	10.4%	8.9%	7.5%	6.2%	5.4%
Industry Employment						
Total, All Industries	881.1	914.8	950.7	991.0	1,028.9	1,060.6
Total Farm	3.4	3.3	3.3	3.5	3.7	3.9
Total Non-farm	877.7	911.5	947.3	987.5	1,025.2	1,056.7
Goods Producing	184.3	188.0	190.6	195.8	203.3	209.3
Mining & Logging	0.2	0.2	0.3	0.3	0.2	0.3
Construction	31.1	34.1	36.7	38.8	42.9	47.6
Manufacturing	153.1	153.7	153.6	156.7	160.2	161.3
Service Providing	693.4	723.4	756.8	791.7	821.9	847.4
Trade, Transportation & Utilities	125.2	129.0	131.9	134.6	136.1	137.3
Information	51.2	54.1	58.6	65.6	70.4	74.5
Financial Activities	32.0	32.9	33.3	33.8	34.2	35.2
Professional & Business Services	166.0	177.2	190.1	201.8	215.2	224.1
Education & Health Services	128.6	135.7	142.6	148.7	154.9	160.6
Leisure & Hospitality	76.3	81.3	86.3	90.7	94.5	97.6
Other Services	24.1	24.4	25.0	26.0	26.5	27.0
Government	89.9	88.7	89.0	90.6	90.1	91.2

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

Source: State of California Employment Development Department. Data based on March 2016 Benchmark.

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 May 2016, Alphabet Inc./Google Inc., a search, advertising and web software company, was the largest employer in the Silicon Valley with 20,000 employees. Among Public-sector employers, the County ranks as number one, employing over 16,800 workers.

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
Alphabet Inc./Google Inc.	20,000	Search, advertising and web software
Apple Inc.	19,000	Consumer electronics
Cisco Systems Inc.	16,271	Design, manufacture and sell networking equip
Stanford University	13,500	Research university
Intel Corp.	10,801	Semiconductors
Kaiser Permanente Northern California	12,500	Integrated healthcare delivery plan
Stanford Hospital & Clinics	10,034	Health system
SolarCity Corp.	10,000	Clean Energy
Facebook, Inc.	6,799	Social Media, Advertising
Oracle Corp	6,750	Hardware and Software, Cloud

Source: Silicon Valley Business Journal, *2016-2017 Book of Lists*, December 23, 2016.

10 Largest Public-Sector Employers Silicon Valley

Employer Name	Employees	Nature of Operations
Santa Clara County	16,837	County government
University of California, Santa Cruz	8,182	University
City of San Jose	5,651	Government agency
San Mateo County	5,500	County government
County of Monterey	5,100	County government
San Jose State University	4,626	Public university
Department of Veteran Affairs	4,000	Government healthcare system
Foothill-De Anza Community College District	3,000	Community College
Fremont Union High School District	3,000	School District
Fremont Unified School District	2,667	School District

Source: Silicon Valley Business Journal, *2016-2017 Book of Lists*, December 23, 2016.

Income

The American Community Survey, a nationwide survey conducted by the U.S. Census Bureau, reported that in 2015 the County had a median household income of \$96,310 whereas the state average was \$61,818.

Commercial Activity

The County is an important center of commercial activity. Taxable sales activity at business and personal service outlets, as well as at other non-retail commercial establishments, is a significant component of the County's commercial activity.

The table on the following page sets forth the amount of taxable transactions by business type from 2011 through 2015, the last full calendar year for which information is available.

County of Santa Clara
Taxable Transactions by Business Type
2011 through 2015¹
(Dollars in Millions)

Type of Business	2011	2012	2013	2014	2015 ²
Motor Vehicle Parts Dealers	2,894.9	3,480.5	4,039.0	3,959.1	4,254.8
Furniture and Home Furnishings Stores	524.0	573.3	605.0	716.4	2,216.9
Electronics and Appliance Stores	1,459.0	1,487.9	1,362.8	1,411.7	-
Building Materials, Garden Equip. & Supplies	1,317.0	1,406.2	1,574.3	1,757.7	1,784.1
Food and Beverage Stores	1,022.8	1,066.5	1,110.4	1,169.2	1,227.3
Health and Personal Care Stores	564.3	591.3	628.7	645.2	-
Gasoline Stations	2,559.5	2,679.5	2,598.5	2,526.5	2,107.9
Clothing and Clothing Accessories Stores	1,997.3	2,189.5	2,312.5	2,417.9	2,505.4
Sporting Goods, Hobby, Book and Music Stores	676.6	714.4	711.2	709.4	-
General Merchandise Stores	2,448.0	2,532.3	2,558.6	2,593.3	2,340.2
Miscellaneous Store Retailers	675.9	744.4	703.8	746.6	-
Nonstore Retailers	183.0	295.5	551.7	587.2	-
Food Services and Drinking Places	3,097.4	3,355.1	3,669.1	4,031.5	4,426.1
Other Retail Group ³	-	-	-	-	2,838.0
Total Retail and Food Services	19,419.5	21,116.7	22,425.6	23,271.8	23,700.9
All Other Outlets	14,011.7	15,103.7	15,197.0	16,356.9	17,530.8
Total All Outlets	33,431.2	36,220.4	37,622.6	39,628.7	41,231.8

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

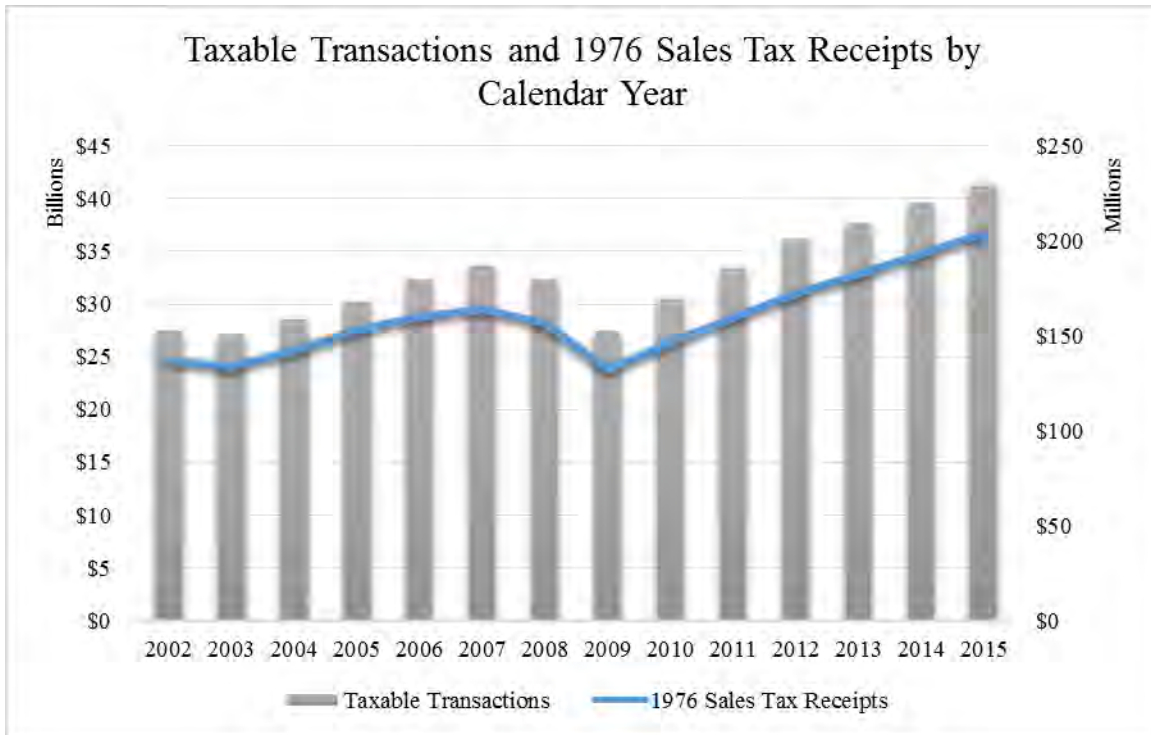
Source: State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

¹ Most recent data available.

² Industry-level data for 2015 are not comparable to that of prior years.

³ Not available prior to 2015.

The chart below illustrates the trend in taxable transactions in the county since 2002 and the corresponding sales tax receipts from the 1976 half-cent local sales tax.

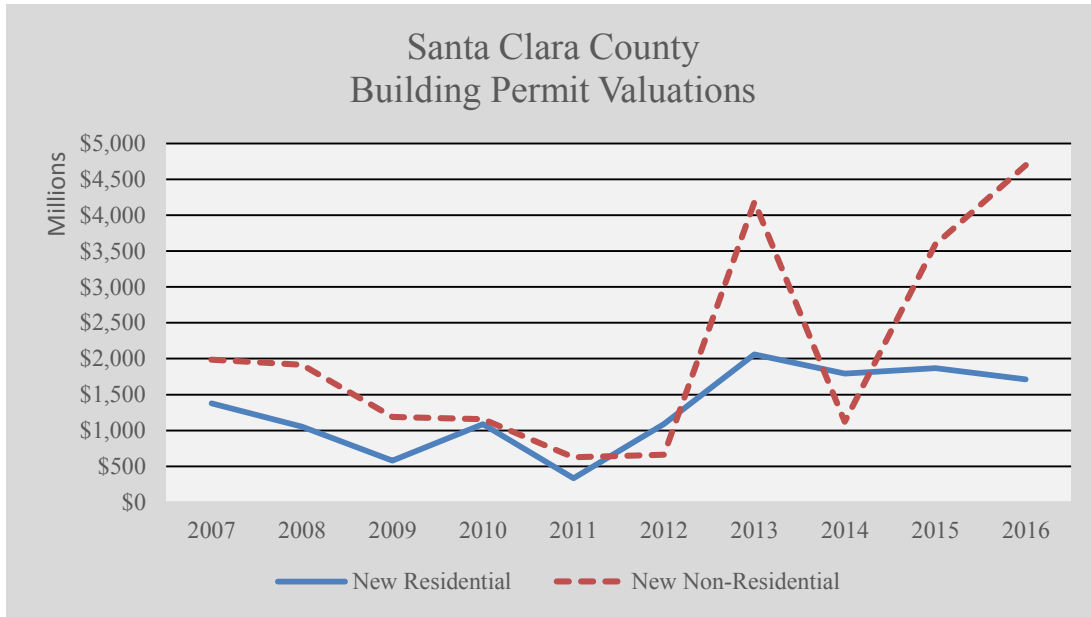


Construction Activity and Home Sales

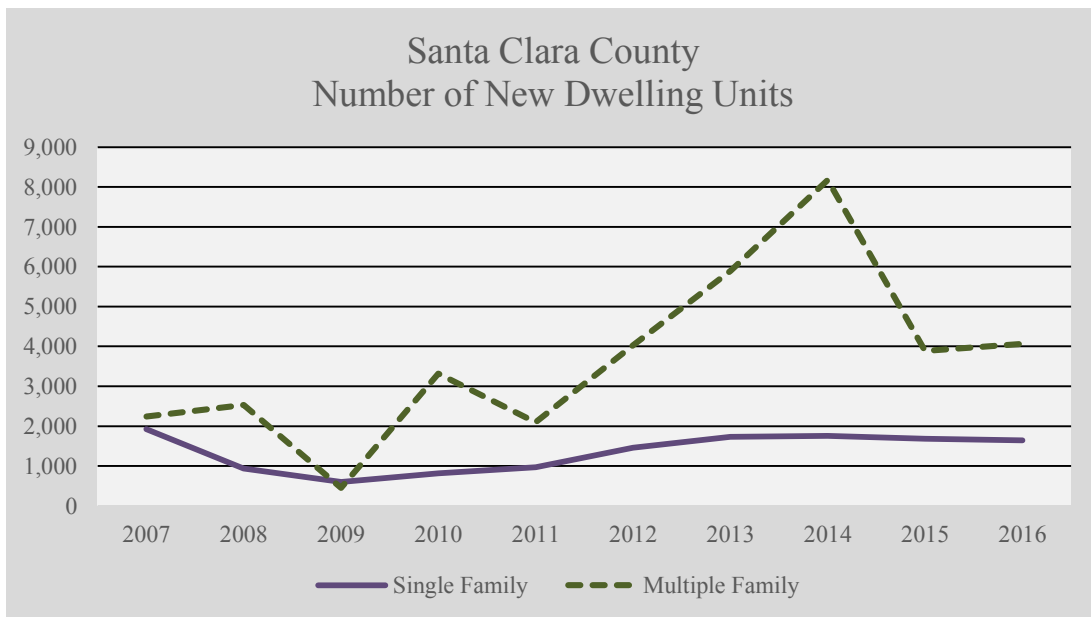
Following a major slowdown from 2008-2012, construction and home sales activity in the County have returned to pre-Great Recession levels. Construction data for the County indicates that the average value of new residential and non-residential permits from 2013 to 2016 were over 200% higher than those from the previous four year period. The total valuation of new residential and non-residential construction permits issued in the County was approximately \$6.4 billion in 2016. The number of new single family dwelling units in the County has rebounded and stabilized while the number of new multiple-family dwelling units has increased dramatically in the last 5 years.

The charts on the following page provide a summary of building permit valuations and the number of new dwelling units authorized in the County since 2007.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET



Source: Construction Industry Research Board



Source: State of the Cities Data Systems (SOCDS), <https://socds.huduser.gov/permits/>

While the number of sales of single-family homes decreased slightly for calendar year 2016 compared to calendar year 2015, the median price for a single-family home in the County increased by 7.4%.¹

¹ Source: Santa Clara County Association of REALTOR® (<http://www.sccaor.com/housing-stats/>)

List of Acronyms

<u>Term</u>	<u>Definition</u>
AB	Assembly Bill
AC	Alameda County
ACE	Altamont Corridor Express
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
APP	Application
ATU	Amalgamated Transit Union
BAAQMD	Bay Area Air Quality Management District
BABs	Build America Bonds
BART	Bay Area Rapid Transit
BRT	Bus Rapid Transit
CAD-AVL	Computer Aided Dispatch-Automated Vehicle Location
CAFR	Comprehensive Annual Financial Report
CalPERS	California Public Employees' Retirement System
CARB	California Air Resources Board
CAV	Clean Air Vehicle
CCTV	Closed Circuit Television
CELR	Capitol Expressway Light Rail
CEO	Chief Executive Officer
CEQA	California Environmental Quality Act
CFO	Chief Financial Officer
CIP	Capital Improvement Plan
CIPOC	Capital Improvement Program Oversight Committee
CIPWG	Capital Improvement Program Working Group
CMA	Congestion Management Agency
CMP	Congestion Management Program
CPUC	California Public Utilities Commission
CTC	California Transportation Commission
CUSIP	Committee on Uniform Securities Identification Procedures
DASH	Downtown Area Shuttle

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

<u>Term</u>	<u>Definition</u>
DTEV	Downtown East Valley
EMV	Europay, MasterCard, AMEX & Visa
FAST	Fixing America's Surface Transportation
FFGA	Full Funding Grant Agreement
FMS	Fault Monitoring System
FTA	Federal Transit Administration
FTE	Full-Time Equivalent
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GFCI	Ground Fault Circuit Interrupter
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HCP	Habitat Conservation Plan
HOV	High Occupancy Vehicle
HVAC	Heating, Ventilation and Air Conditioning
IT	Information Technology
JD	Joint Development
JPA	Joint Powers Authority
JWI	Joint Workforce Investment
KPM	Key Performance Metrics
LED	Light-Emitting Diode
LGBTQ	Lesbian, Gay, Bisexual, Transgender, Questioning
LIBOR	London Interbank Offering Rate
LLP	Limited Liability Partnership
LOS	Level of Service
LPG	Liquid Propane Gas
LR	Light Rail
LRT	Light Rail Transit
LRV	Light Rail Vehicle
LUTI	Land Use/Transportation Integration
MAN	Metropolitan Area Network
MAP-21	Moving Ahead for Progress in the 21 st Century Act
MBTIP	1996 Measure B Transportation Improvement Program
METRO	Santa Cruz Metropolitan Transit District
MPG	Miles per Gallon

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

<u>Term</u>	<u>Definition</u>
MST	Monterey-Salinas Transit
MTC	Metropolitan Transportation Commission
NASA	National Aeronautics and Space Administration
NB	Northbound
NCCP	Natural Community Conservation Planning
NR	Non-represented
O&M	Operations and Maintenance
O&R	Overhaul and Repair
OBAG	One Bay Area Grant
OCC	Operations Control Center
OCS	Overhead Catenary System
OH	Overhead
OPEB	Other Post-Employment Benefits
PA/ED	Project Approval/Environmental Document
PAB	Policy Advisory Board
PC	Personal Computer
PCI DSS	Payment Card Industry Data Security Standard
PCJPB	Peninsula Corridor Joint Powers Board (Caltrain)
PDA	Priority Development Area
PID	Project Initiation Document
PPM	Programmed Project Monitoring
RFP	Request for Proposal
RTC	Regional Transit Connection Discount Card Program
RTCI	Regional Transit Capital Inventory
RTI	Real Time Information
SAP	Systems, Applications and Products Software
SB	Senate Bill
SC	Santa Clara
SCADA	Supervisory Control and Data Acquisition
SEIU	Services Employees International Union
SJ	San Jose
SJRRRC	San Joaquin Regional Rail Commission
SOM	Systems Operations & Management
SR	State Route
SRTP	Short Range Transit Plan

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

<u>Term</u>	<u>Definition</u>
STA	State Transit Assistance
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
SVBX	Silicon Valley Berryessa Extension
SVELP	Silicon Valley Express Lanes Program
SVRIA	Silicon Valley Radio Interoperability Authority
SVRT	Silicon Valley Rapid Transit Corridor Project
TAC	Technical Advisory Committee
TAEA	Transportation Authority Engineers and Architects Association
TAP	Transit Assistance Program
TB	Terabyte
TBD	To Be Determined
TDA	Transportation Development Act
TERM	Transit Economics Requirements Model
TFCA	Transportation Fund for Clean Air
TIC	True Interest Cost
TNC	Transportation Network Company
TOD	Transit-Oriented Development
TVM	Ticket Vending Machine
UPRR	Union Pacific Railroad
UPS	Uninterruptable Power Supply
US	United States
UZA	Urbanized Area
VA	Veterans Affairs
VES	Violation Enforcement System
VETS	Veterans' Employment and Training Service
VMT	Vehicle Miles Traveled
VRF	Vehicle Registration Fee
VTA	Santa Clara Valley Transportation Authority
VTP	Valley Transportation Plan
WAN	Wide Area Network
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.

Administrative Code

A set of rules which have been formally adopted or amended by the Board of Directors.

Adopted Budget

The official budget adopted by VTA Board of Directors.

Altamont Corridor 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.

Avaya Stadium

18,000 seat soccer stadium in San Jose, California home of Major League Soccer's San Jose Earthquakes. Opened in February 2015.

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.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

Bay Area Air Quality Management District

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 Council

A public policy advocacy organization sponsored by businesses throughout the San Francisco Bay region.

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.

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, 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

California Air Resources Board (CARB)

The “clean air agency” in the government of California.

California Environmental Quality Act (CEQA)

A statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

MTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

California Public Utilities Commission (CPUC)

A regulatory agency that regulates privately owned utilities in the State of California, including electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies.

California Transportation Commission (CTC)

A commission of eleven voting members appointed by the Governor (9), Senate Rules Committee (1), and Speaker of the Assembly (1) formed in 1978 to provide a single, unified California transportation policy. The CTC is responsible for the programming and allocating of funds for the construction of highway, passenger rail, active transportation, aeronautics, and transit improvements throughout California.

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.

Caltrans

California Department of Transportation.

Capital Budget

Appropriation of funds for the purchase of capital equipment items, capital projects, or studies that lead to or inform future capital projects.

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.

Capital Reserve

A designated reserve fund established to provide funds for capital improvements and replacement of capital assets.

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®.

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). TA is the designated CMA in Santa Clara County.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

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.

Contingency

A reserve created to cover the deficiency that may arise where an original appropriation proves inadequate to cover the necessary expenditures.

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.

CUSIP

A nine-character alphanumeric code that identifies North American financial securities for the purposes of facilitating clearing and settlement of trades.

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 transit card with unlimited use of VTA bus and light rail services. Employers, residential communities, colleges, or universities purchase annual/school-term passes for full-time employees/residents/students at a given site for one low cost. Rebranded in January 2018 as VTA SmartPass.

Enterprise Fund

A fund type used to account for “business-type activities” – activities similar to those found in the private sector.

Envision Silicon Valley

An effort spearheaded by VTA to engage community leaders in a dynamic visioning process to discuss current and future transportation needs in Santa Clara County, identify solutions and craft funding priorities.

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.

F

Fare Evasion Rate

Number of passengers checked who do not have a valid paid fare divided by total number of passengers checked.

Farebox Recovery/Farebox Recovery Ratio

The percentage of operating expenses which are met by the fares paid by passengers. Computed by dividing fare revenues by total operating expenses.

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.

FAST Act (Fixing America’s Surface Transportation Act)

Legislation passed by Congress in 2015 to reauthorize federal surface transportation grant programs.

VT A FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

FasTrak

The electronic toll collection system used in the state of California.

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.

First/Last-Mile

The portion of a transit trip between a transit stop and a rider's final destination, most often a home or work place.

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

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" 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, December 13, 2007, and November 7, 2013.

G

GASB 68

Governmental Accounting Standards Board (GASB) Statement 68 which requires public employers that participate in a defined benefit pension plan to record the net pension liability, pension contributions, and deferred outflows/inflows of resources related to pensions in their financial statements.

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

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

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. Home of the San Francisco 49ers football team and various other events. Opened in August 2014 and host of Super Bowl 50 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.

LoNo Grant

Funding provided through the Federal Transit Administration’s Low or No Emission Vehicle Deployment Program. The LoNo program focuses on deploying the cleanest and most energy-efficient U.S.-made transit buses designed to cut carbon pollution and other traditional pollutants.

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.

Maximum Annual Debt Service

The maximum amount of annual debt service (principal and interest) becoming due and payable through the final maturity date of all outstanding obligations.

Metropolitan Transportation Commission (MTC)

MTC is recognized by the state as the Regional Transportation Planning Agency and by the federal government as the Metropolitan Planning Organization 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 and the Bay Conservation and Development Commission. 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 Major Mechanical Schedule 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

One Bay Area 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.

On-Time Performance

A reliability measure capturing the percentage of time a bus or light rail service meets the published schedule.

Operating Budget

The planning of revenues and expenses for a given period of time to maintain daily operations.

Operating Reserve

Funds unavailable for appropriation for any operating or capital use except to meet emergency needs that cannot be funded from any other source.

P

Par Value

The face or maturity value of a security or bond.

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.

VTA FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

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.

Percent of Scheduled Service Operated

A service reliability measure indicating the percent of service hours completed based on the published schedule.

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, 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.

Priority Development Area

Locally identified infill development areas near transit.

Program

A set of interrelated work, activities, or tasks which, when completed, satisfies a stated objective.

Program Budget

Appropriation of funds related to a particular funding source limited to use for specific purposes.

R

Regional Measure 2

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

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

Unrestricted Net Assets represented by cash, investments, and receivables that are unappropriated and designated by the Board of Directors to be used for a specific purpose.

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 – 2016 Measure B

A 30-year half-cent sales and use tax passed in November 2016 to fund enhancements for transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets).

Sales Tax Stabilization Fund

Board designated reserve fund used to mitigate impact of volatility of sales tax based revenues on service levels.

Senate Bill 1 (SB 1)

California State Senate Bill signed in 2017 implementing various taxes and fees to provide funding for repair and maintenance of state highways and local roads, trade corridor improvements, and public transit and active transportation support.

Senate Bill 743

California State Senate Bill signed in 2013 requiring a move away from vehicle delay and level of service (LOS) within California Environmental Quality Act (CEQA) transportation analysis. Also require the identification of new metrics for identifying and mitigating transportation impacts, such as Vehicle Miles Traveled (VMT) per capita and VMT per employee.

Service Hours

Hours incurred by revenue vehicles from the time the vehicle leaves the operating division until it returns to the operating division.

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 BART Extension (SVRT)

VT A's BART Silicon Valley Extension. 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 BART Extension-Phase II

The second phase of VT A's BART Silicon Valley Extension. Implements the remaining 6 miles from the Berryessa Station through downtown San Jose continuing onto the City of Santa Clara. Includes four stations and a maintenance and vehicle storage yard.

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 Radio Interoperability Authority (SVRIA)

A joint powers authority formed in 2010 to coordinate, manage, and plan regional public safety technology initiatives.

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

A flexible funding program for mass transit and highway projects.

Sustainability Program

A program designed to strengthen VT A'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 VT A'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 to include a “Sustainable Communities Strategy” in the regional transportation plan that demonstrates how the region will meet the greenhouse gas emission targets.

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.

Traffic Congestion Relief Program

A program established in 2000 to provide \$2 billion in funding for traffic relief and local street and road maintenance projects throughout California.

Transit and Intercity Rail Program

A program that provides grants to fund transformative capital improvements to modernize intercity, commuter, and urban rail systems, and bus and ferry transit systems.

Transit Assistance Program

A program providing discounted fares for low income adults not receiving other forms of transportation support.

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.

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.

Transportation Network Company (TNC)

An organization that provides pre-arranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using the driver’s personal vehicle.

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

Vehicle Registration Fee – SB 83

Senate Bill 83 (Hancock), signed into law in 2009, authorized 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.

VTA SmartPass

Partnership between VTA and Santa Clara Valley employers, residential communities, and colleges/universities for transit card with unlimited use of VTA bus and light rail services. Employers, residential communities, colleges, or universities purchase annual/school-term passes for full-time employees/residents/students at a given site for one low cost. Formerly known as Eco Pass.

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.

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.

Zero-Based Budgeting

A budgeting method in which all expenses must be justified for each new period. Zero-based budgeting starts from a “zero base” and every function within an organization is analyzed for its needs and costs.

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