

April 2019

Proposed Budget

Fiscal Year 2020
and
Fiscal Year 2021

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Introduction

This document presents the Santa Clara Valley Transportation Authority's (VTA) Proposed Biennial Budget for Fiscal Years 2020 and 2021. The FY 2020 and FY 2021 Proposed Budget represents the quantification of planned activities and initiatives over the next two-year period and lays the groundwork to support VTA's Strategic Plan Core Values of Safety, Integrity, Quality, Sustainability, Diversity and Accountability. The Proposed Budget also incorporates recommendations of the Ad Hoc Committee on Financial Stability.

At the January 4, 2018 Board Meeting, Board Chair Sam Liccardo requested that an Ad Hoc Committee be formed to address the current financial situation of the agency and develop recommendations to correct the imbalance between revenues and expenses. The newly established Ad Hoc Committee on Financial Stability (Committee), consisting of three Board member appointments and representatives from various stakeholder groups, met monthly from March to June 2018. During that time, the Committee received information regarding several factors influencing VTA's current and future financial health; evaluated options to address the structural budget deficit; and ultimately presented actions, policy matters, and research areas for the Board's consideration.

In December 2018, the Board adopted the Committee's recommendations. These recommendations included direction to modify an earlier transit service redesign adopted by the Board in May 2017, at a lower service level and with a higher ridership focus to achieve \$14.7M in annual operating savings (relative to the previously adopted plan). The Proposed FY 2020 and FY 2021 Budget reflects this updated service plan--referred to as the 2019 New Transit Service Plan—which will be presented to the Board for adoption in May 2019. Other Committee recommendations included the offer of voluntary early retirement to eligible employees and indexing of certain passenger fares to inflation, subject to the annual review and approval of the Board.

The 2019 New Transit Service Plan builds on an extensive outreach and planning effort completed in 2017, with changes to address VTA's structural deficit and improve its long-term financial stability. It will prove integral to the successful inauguration of BART service into Santa Clara County, anticipated at the end of 2019. Construction of Phase I of VTA's BART Silicon Valley project, the 10-mile extension to Milpitas and Berryessa, is nearing completion and system testing is underway. In order to connect passengers to the two new BART stations in the county, as well as increase overall ridership and improve cost-effectiveness, VTA will implement several significant changes in its redesigned transit network.

The bus portion of the redesign includes the reallocation of service from low-ridership areas to high-ridership areas; transition of Express Bus networks to third-party partnerships in FY2020; increased weekday and weekend service on some routes; and re-routed or new routes to serve the Milpitas and Berryessa BART stations. The light rail portion of the redesign features introduction of a new line from Alum Rock to Mountain View which will provide a direct connection from the Milpitas BART station to the employment areas in North Mountain View, Sunnyvale, Santa Clara and San Jose.

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Another component of the Proposed Budget is the continuation and advancement of VTA's capital programs. As mentioned earlier, the first phase of the BART to Silicon Valley project is scheduled to begin service in late 2019. Efforts are also underway for engineering, right-of-way acquisition and utility relocation activities for Phase II of the project, the remaining six miles of the extension through Downtown San Jose to Santa Clara. In addition, the Proposed Budget includes funding for state of good repair projects including the purchase of electric buses to replace vehicles that exceeded their useful life and the rehabilitation of VTA's rail infrastructure, overhead catenary system, light rail system elevators and escalators, and transit facilities. In FY 2020, the Capital Program also invests in strategies that will focus on increasing VTA transit speed; improving reliability, service, and safety; and reducing operating costs.

The document is divided into sections which cover the eight separate Funds for which a budget is to be adopted:

- 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

Each section contains an overview of the program and various schedules and narratives which detail the specific budget proposal.

The table below summarizes the Proposed Budget amount for each program.

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Fiscal Years 2020 and 2021 Proposed Budget Summary¹
(Dollars in Thousands)

Fund	Fiscal Year 2020	Fiscal Year 2021
VTA Transit-Operating	505,427	509,901
VTA Transit-Capital	216,752	--- ²
2000 Measure A Transit Improvement Program-Operating	105,026	107,610
2000 Measure A Transit Improvement Program-Capital	903,685	--- ²
Congestion Management Program-Operating	6,259	6,016
VTP Highway Improvement Program-Capital	282,663	--- ²
Joint Development Program-Operating	421	311
Joint Development Program-Capital	8,350	--- ²
Silicon Valley Express Lanes Program-Operating	1,967	3,013
2008 Measure B - BART Operating Sales Tax Program-Operating	1,050	1,124
2016 Measure B Program	442,460	--- ²

¹ Includes transfers between funds

² Total Appropriation for FY 2020 and FY 2021 reflected in FY 2020

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VTA TRANSIT

VTA FY 2020 & FY 2021 PROPOSED BUDGET



VTA Transit

Overview

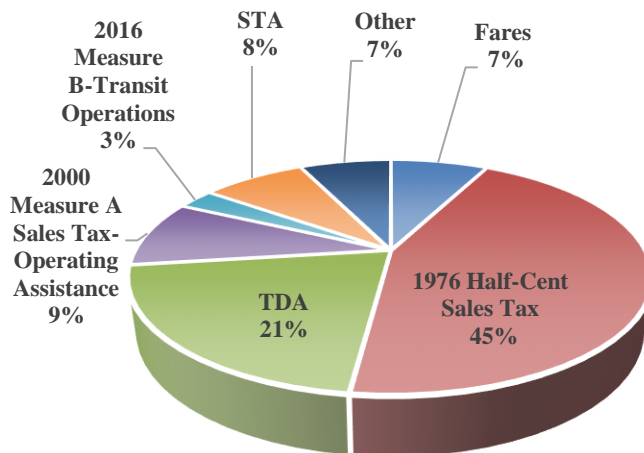
Countywide public transit service in Santa Clara County began on June 6, 1972, with the creation by state legislation, of the Santa Clara County Transit District. This organization initiated countywide bus service, expanded the bus fleet, and developed an initial light rail system. Following the merger in 1995 with the Santa Clara County Congestion Management Agency, the name of the organization was changed to the Santa Clara Valley Transportation Authority (VTA) effective January 1, 2000.

VTA 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. The VTA Transit Fund encompasses the operation and development of transit activities for VTA, which includes bus and light rail operation, regional commuter and inter-city rail service, and ADA paratransit service.

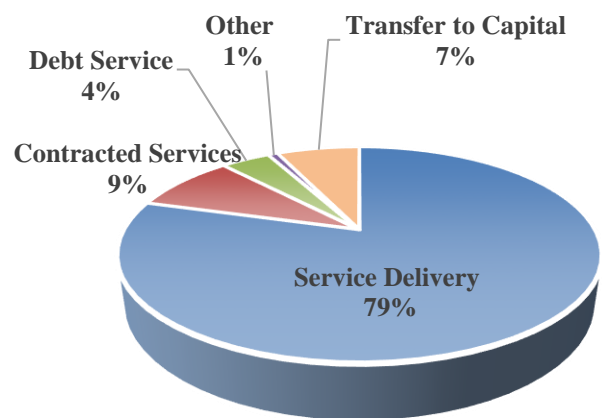
The VTA Transit Proposed Budget is a quantification of VTA's service and capital project delivery plan for the two-year period. As such, the budget incorporates the projected impact of service changes and improvements from the 2019 New Transit Service Plan as well as the impact of new programs and initiatives.

The charts below illustrate the sources and uses of funds for the VTA Transit Operating Budget for FY 2020 and FY 2021.

Where the Dollars Come From



Where the Dollars Go



VTA Transit Major Budget Assumptions

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 2020 and FY 2021 transit service plan, VTA is implementing a significant redesign to its transit network in order to connect to BART at the Milpitas and Berryessa Stations, increase overall ridership and improve cost-effectiveness.

At its December 2018 meeting, the VTA Board adopted recommendations from the Ad Hoc Financial Stability Committee to address a structural imbalance in the Agency's finances. These recommendations included direction to staff to modify a previously adopted service plan, at a lower service level and with a higher ridership focus to achieve \$14.7M in annual operating savings versus the previous plan. In response, staff developed and presented a draft service plan to the Board and community throughout January and February 2019. Following extensive community engagement, the review of over 1,520 comments and suggestions, and additional analysis, staff has proposed a final plan that better aligns with service needs and does not increase the overall network costs. The final 2019 Transit Service Plan for FY 2020 and FY 2021 is scheduled to be considered by the VTA Board of Directors in May 2019.

The bus portion of the redesign includes the reallocation of service from low-ridership areas to high-ridership areas; transition of Express Bus networks to third-party partnerships in FY 2020; increased weekday and weekend service on some routes; and re-routed or new routes to serve the Milpitas and Berryessa BART stations. Based on community feedback, overnight service on an existing route would continue, frequency increases on certain routes would be deferred until demand warranted them, and the discontinuation of Express routes would occur over time. Overall by the end of FY 2021, the bus redesign results in a slight increase of 0.4% in service hours from the projected FY 2019 service level.

In line with Board direction to create a more ridership-focused network, the redesign reflects several changes that will result in a net increase of 10% in annual light rail service hours upon full implementation. These changes include the introduction of a new line from Alum Rock to Mountain View, increased frequency on the Green line (Winchester to Mountain View), changed frequency for all light rail lines on weekends to align better with BART schedules, and replacement of the Purple Line rail service (Almaden spur) with a new bus route.

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 2019.

The table on the following page shows a comparison of total service miles and hours for bus and light rail for FY 2018 to FY 2021.

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Service Levels
(In Thousands)

	FY 2018 Actual	FY 2019 Projected Actual	FY 2020 Proposed Budget	FY 2021 Proposed Budget
<u>Service Miles</u>				
Bus	18,999	19,017	19,052	19,087
Light Rail Train	2,239	2,300	2,415	2,529
Total Service Miles	21,238	21,317	21,467	21,616
% change		0.4%	0.7%	0.7%
<u>Service Hours</u>				
Bus	1,483	1,493	1,495	1,498
Light Rail Train	153	156	163	171
Total Service Hours	1,636	1,648	1,659	1,669
% change		0.8%	0.6%	0.6%

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

Ridership

Currently, transit ridership is on a downward trend across the nation and locally. In FY 2018, VTA system ridership was 4.3% lower than FY 2017 and FY 2019 system ridership is projected to be 1.1% lower than FY 2018 levels. Although initially bus ridership is projected to decrease in FY 2020, the systemwide trend is expected to change course in VTA's service network by FY2021 as a result of the service redesign described above. The development of a more extensive frequent core network and new connecting services to BART are anticipated to increase bus ridership by 3% and light rail ridership by 7.0%. These projected increases will be phased-in over time as existing riders develop new travel patterns and new riders start using the services. The projected ridership for FY 2020 and FY 2021 incorporates both the phase-in of the increases and timing of service implementation.

Ridership
(In Thousands)

Category	FY 2018 Actual	FY 2019 Projected Actual	% Var	FY 2020 Proposed Budget	% Var	FY 2021 Proposed Budget	% Var
Bus	28,039	27,693	-1.2%	25,485	-8.0%	26,639	4.5%
Light Rail	8,500	8,432	-0.8%	8,732	3.6%	9,048	3.6%
Total	36,540	36,125	-1.1%	34,217	-5.3%	35,688	4.3%

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

Revenues

Fares

There is no change in the current fare pricing structure proposed at this time. However, in response to Board adoption of the Ad Hoc Financial Stability Recommendations, in early 2020 staff will be proposing a change to the Fare Policy to index certain fares to inflation. Any change adopted as part of that effort would take effect no earlier than January 2021.

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. The majority of VTA's proposed operating revenues are generated from these sales tax measures, which are driven by the local economy.

During FY 2018, sales tax receipts from 1976 half-cent sales tax decreased by 0.7%, following an increase of 1.7% in FY 2017. A much higher growth rate of 13.0% is projected for FY 2019 due to the receipt of unprocessed returns from FY 2018, which resulted from issues with the new automated tax filing system implemented by the California Department of Tax and Fee Administration (CDTFA) in the spring of 2018.

The Proposed Budget reflects projected growth of 1.5% each year in FY 2020 and FY 2021, respectively, after adjusting for the FY 2018 tax returns received in FY 2019.

2000 Measure A Sales Tax-Operating Assistance

The Proposed Budget maintains the percentage of 2000 Measure A sales tax revenue to be used towards funding VTA Transit operations at 20.75%.

2016 Measure B – Transit Operations

The 2016 Measure B, discussed in more detail on page 95, 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 receipt of the FY 2018 revenue from 2016 Measure B was delayed due to litigation. Funds from the measure were deposited into an escrow account until the legal challenge was subsequently resolved in January 2019. The receipt of funding for both FY2018 and FY 2019 allocations is expected in FY 2019.

The Proposed VTA Transit Fund Operating Budget includes \$14.5M in 2016 Measure B funds for both FY 2020 and FY 2021. Funding from this sales tax measure for the improvement of

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amenities at bus stops is included in the Proposed VTA Transit Fund Capital Budget discussed on page 39.

State Transit Assistance (STA)

State Transit Assistance (STA) funds are derived from the statewide sales tax on diesel fuel and appropriated by the Legislature to the State Controller's Office. That Office then allocates the tax revenue, by formula, to planning agencies, such as the Metropolitan Transportation Commission (MTC), and other selected agencies. Statute requires that 50% of STA funds be allocated according to population to the State's Regional Transportation Planning Agencies (RTPA) and 50% be allocated to public transit operators according to operator revenues from the prior fiscal year. Senate Bill 1 (Chapter 5, Statutes of 2017; SB1) augmented funding for the STA Program through a 3.5 percent increase of the diesel sales tax rate.

The FY 2020 and FY 2021 Proposed Budget assumes a VTA share of \$40.5 million per year, which reflects the State's adoption of SB1 in 2017 and are based on the latest estimates from MTC.

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 VTA 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 set aside for support of Americans with Disabilities Act of 1990 (ADA) paratransit services.
- *Section 5337 - State of Good Repair Funding:* This program replaces the old Section 5309 Fixed Guideway program and is restricted to rail system uses.
- *Section 5337 - High Intensity Bus, Section 5339 - Bus and Bus Facilities Funding, and Surface Transportation Program (STP):* These funds are available for bus and bus facility projects. Only VTA's Express Bus-related services are eligible for Section 5337 bus funding.

The FY 2020 and FY 2021 Proposed Budget includes \$4.7M and \$4.8M, respectively for the Americans with Disabilities Act (ADA) set-aside and mobility assistance for low income

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communities. The remainder of projected formula grants are directed towards the capital program.

Expenses

Labor Cost

Contracts for two bargaining units are currently scheduled to expire prior to the end of FY 2019, and one is currently under negotiation.

Bargaining Unit	Expiration Date
AFSCME ¹	June 19, 2019
ATU ²	September 30, 2018
SEIU ³	January 1, 2022
TAEA ⁴	June 30, 2019

The Proposed Budget reflects the following assumptions related to labor costs:

- Wage increases based on currently negotiated contracts. Budgeting of additional costs, if any, for subsequent contracts will be addressed upon contract ratification by the Board of Directors.
- Pension and Retiree Health contributions based on latest available actuarial information.
- Additional six positions added in FY 2020 and FY 2021 to support the operation of the two new Multi-modal Transit Centers in Milpitas and Berryessa.
- Deletion of six positions from the early retirement incentive that will not need to be refilled.
- The table below shows the approved positions agencywide for FY 2018 through FY 2021.

FY18	FY19	FY20	FY21
2,383	2,381	2,381	2,381

Fuel

The Proposed Budget assumes \$2.50 per gallon for diesel in FY 2020 and \$2.60 in FY 2021, including taxes and fees. The assumed level of service miles is based on changes in the 2019 New Transit Service Plan and reflects 19.0 million miles of service for FY 2020 and FY 2021. Annual usage is estimated at approximately 4.1 million gallons in both FY 2020 and FY 2021. The actual average cost per gallon of diesel including taxes, was \$2.38 for FY 2018 and \$2.58 for FY 2019 through March. The average cost for January to March of this year was \$2.40.

¹ American Federation of State, County, and Municipal Employees, Local 101

² Amalgamated Transit Union, Local 265

³ Service Employees International Union, Local 521

⁴ Transportation Authority Engineers and Architects Association, Local 21

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Paratransit

In accordance with federal regulations, VTA provides ADA paratransit services to persons who are unable to independently access or navigate VTA's bus or light rail system due to a physical, visual, or cognitive disability. VTA's responsibility to provide ADA paratransit service has been outsourced since 1993. Under VTA's current paratransit service delivery model—*VTA Access*—services are directly contracted (as opposed to brokered) and the rider fares are reported separately as revenues.

VTA Access provides curb-to-curb and door-to-door service for eligible individuals for trips made within $\frac{3}{4}$ -mile of VTA's fixed route transit network at the standard fare of \$4. VTA also offers service for trips within a premium zone extending an additional mile beyond the $\frac{3}{4}$ -mile standard zone, at a premium fare of \$16. Paratransit service is offered on the same days and at the same times as the corresponding fixed route service. As such, both zones follow the transit network, and changes to the fixed route transit network can impact the geographical footprint of paratransit service.

The proposed service changes in the 2019 New Transit Service Plan described above are expected to increase paratransit trips by 4% over current levels, upon full implementation. A general growth in trips of 1% in FY 2020 is also anticipated. The tables below detail the elements of the Paratransit budget and the major operating metrics for this service.

Paratransit Expense Detail (Dollars in Thousands)

Line	Paratransit Expense	FY 2020 Proposed Budget	FY 2021 Proposed Budget
1	Primary Provider-Fixed	3,466	3,559
2	Primary Provider-Revenue Vehicle Hour	15,036	15,871
3	Supplemental Service	1,614	1,763
4	Eligibility	1,090	1,277
5	Eligibility Transportation	--	122
6	Vehicle Maintenance	945	943
7	Fuel	1,672	1,709
8	Facilities/Maintenance/Utilities	428	433
9	Fare Processing	200	200
10	Software/Hardware	289	303
11	VTA Staff Services	1,920	1,920
12	Total Paratransit Expense	26,660	28,099

Note: Totals may not be precise due to independent rounding

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Paratransit Operating Metrics
(in Thousands)

	FY 2018 Actual	FY 2019 Projected	FY 2020 Proposed Budget	FY 2021 Proposed Budget
Ridership	531	530	547	557
Primary Revenue Vehicle Hours	248	281	310	316
Supplemental Trips	145	82	82	84
Fare Revenue	\$2,044	\$2,342	\$2,105	\$2,146

Caltrain

VTA's current contribution to Caltrain is approximately 42% of the net operating expenses, based on a ridership formula agreed to by the partner agencies. The Proposed Budget reflects VTA's contribution at \$10.8 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 2020 and FY 2021 Proposed Budget reflects a transfer of \$35.0M to the Capital Reserve in each year. This two-year transfer is anticipated to fully fund the local share of capital costs in the subsequent FY 2022 and FY 2023 budget cycle.

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

Line	Category	FY18 Actual	FY19 Current Budget ¹	FY19 Projected Actual ²	FY20 Proposed Budget	Variance from FY19 Projection	% Var	FY21 Proposed Budget	Variance from FY20 Budget	% Var
1	Fares-Transit	34,511	40,568	36,068	35,371	(697)	-1.9%	36,426	1,055	3.0%
2	Fares-Paratransit	2,044	2,723	2,342	2,105	(237)	-10.1%	2,146	41	2.0%
3	1976 1/2 Cent Sales Tax	207,588	219,650	234,476	225,866	(8,610)	-3.7%	229,254	3,388	1.5%
4	TDA	103,052	103,235	108,220	106,157	(2,063)	-1.9%	107,749	1,592	1.5%
5	Measure A Sales Tax-Oper. Asst.	43,133	45,577	48,654	46,867	(1,787)	-3.7%	47,570	703	1.5%
6	2016 Measure B-Transit Operations	-	14,500	28,560	14,500	(14,060)	-49.2%	14,500	-	0.0%
7	STA	21,143	10,300	45,068	40,542	(4,526)	-10.0%	40,542	-	0.0%
8	Federal Operating Grants	4,230	3,910	4,049	4,702	652	16.1%	4,822	120	2.5%
9	State Operating Grants	2,494	960	2,166	2,224	58	2.7%	2,224	-	0.0%
10	Investment Earnings	2,805	4,526	3,646	4,124	478	13.1%	4,536	412	10.0%
11	Advertising Income	2,752	2,909	3,521	3,812	291	8.3%	4,369	557	14.6%
12	Measure A Repayment Obligation	14,936	15,499	11,983	14,729	2,745	22.9%	14,665	(64)	-0.4%
13	Other Income	3,042	2,420	6,587	6,400	(187)	-2.8%	5,090	(1,311)	-20.5%
14	Total Revenue/Sources	441,731	466,777	535,342	507,399	(27,943)	-5.2%	513,893	6,494	1.3%
15	Labor Cost	324,031	339,671	336,606	341,425	4,820	1.4%	344,688	3,262	1.0%
16	Materials & Supplies	33,911	42,351	31,118	32,170	1,051	3.4%	31,296	(874)	-2.7%
17	Security	14,853	17,880	16,260	16,517	257	1.6%	16,910	394	2.4%
18	Professional & Special Services	5,454	7,170	6,611	6,890	279	4.2%	6,769	(121)	-1.8%
19	Other Services	10,927	11,136	11,431	11,209	(222)	-1.9%	11,277	68	0.6%
20	Fuel	9,896	11,832	10,979	10,319	(661)	-6.0%	10,698	379	3.7%
21	Traction Power	4,323	6,189	4,654	5,016	361	7.8%	5,360	344	6.9%
22	Tires	2,160	2,524	2,146	1,849	(297)	-13.8%	1,640	(209)	-11.3%
23	Utilities	3,325	3,712	3,712	3,973	261	7.0%	4,323	349	8.8%
24	Insurance	10,404	6,862	6,038	7,487	1,449	24.0%	7,897	410	5.5%
25	Data Processing	4,837	4,987	5,031	6,176	1,146	22.8%	6,446	270	4.4%
26	Office Expense	299	412	263	340	77	29.3%	337	(3)	-0.9%
27	Communications	1,723	1,644	1,859	1,791	(69)	-3.7%	1,820	29	1.6%
28	Employee Related Expense	997	1,129	899	1,113	213	23.7%	1,218	105	9.5%
29	Leases & Rents	568	904	791	890	99	12.6%	879	(11)	-1.2%
30	Miscellaneous	929	860	1,000	1,117	117	11.7%	1,125	8	0.7%
31	Reimbursements	(43,379)	(37,332)	(43,689)	(46,191)	(2,503)	5.7%	(47,859)	(1,668)	3.6%
32	Subtotal Operating Expense	385,258	421,928	395,711	402,090	6,379	1.6%	404,824	2,734	0.7%
33	Paratransit	21,347	26,338	24,851	26,660	1,809	7.3%	28,099	1,439	5.4%
34	Caltrain	8,967	8,967	10,790	10,800	10	0.1%	10,800	-	0.0%
35	Altamont Commuter Express	5,119	5,307	5,307	5,473	166	3.1%	5,773	300	5.5%
36	Highway 17 Express	350	381	350	375	25	7.1%	400	25	6.7%
37	Monterey-San Jose	35	35	35	35	-	0.0%	35	-	0.0%
38	Contribution to Other Agencies	1,020	1,006	(304)	1,173	1,478	-485.3%	1,187	14	1.2%
39	Debt Service	20,404	22,233	18,045	20,821	2,776	15.4%	20,784	(38)	-0.2%
40	Subtotal Other Expense	57,242	64,267	59,073	65,337	6,264	10.6%	67,077	1,740	2.7%
41	Operating and Other Expense	442,500	486,195	454,784	467,427	12,643	2.8%	471,901	4,474	1.0%
42	Transfer to Capital Reserve	5,000	5,000	65,000	35,000	(30,000)	-46.2%	35,000	-	0.0%
43	Contingency	-	2,000	-	3,000	3,000	N/A	3,000	-	0.0%
44	Total Expense/Contingency/Cap	447,500	493,195	519,784	505,427	(14,357)	-2.8%	509,901	4,474	0.9%
45	Operating Balance	(5,769)	(26,418)	15,558	1,972			3,991		

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

¹ Reflects Adopted Budget approved by the Board on June 1, 2017

² Projection as of March 29, 2019

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

<u>Line</u>	<u>Description</u>	<u>FY18 Actual</u>	<u>FY19 Projected Actual¹</u>	<u>FY20 Proposed Budget</u>	<u>FY21 Proposed Budget</u>
<u>Operating Balance</u>					
1	Total Operating Revenues	441,731	535,342	507,399	513,893
2	Total Operating Expenses	(447,500)	(519,784)	(505,427)	(509,901)
3	Operating Balance	(5,769)	15,558	1,972	3,991
<u>Operating Balance Transfers</u>					
4	Operating Balance (Line 3)	(5,769)	15,558	1,972	3,991
5	Transfers From/(To) Operating Reserve	5,769	(15,558)	(1,972)	(3,991)
6	Transfers From/(To) Sales Tax Stabilization Fund	0	0	0	0
7	Transfers From/(To) Debt Reduction Fund	0	0	0	0
8	Balance to Undesignated Reserves	0	15,558	0	0
<u>Operating Reserve</u>					
9	Beginning Operating Reserve	66,659	54,807	70,365	72,337
10	Transfer From/(To) Operating Balance	(5,769)	15,558	1,972	3,991
11	Transfer From/(To) Local Share of Capital Projects	(6,083)	0	0	0
12	Ending Operating Reserve	54,807	70,365	72,337	76,328
13	Operating Reserve % ²	11.1%	13.9%	14.2%	14.6%

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

¹ Projection as of March 29, 2019

² Line 12 divided by subsequent fiscal year budgeted Operating Expenses (Line 2)

10-Year Projection

In order to provide a broader picture beyond the two-year budget horizon, the table below shows projected Revenues, Expenses, and Operating Balance through FY 2029 (in millions).

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Revenues	\$507.4	\$513.9	\$530.3	\$542.5	\$556.2	\$569.3	\$583.7	\$580.0	\$595.1	\$609.6
Expenses	505.4	509.9	523.2	536.4	549.6	562.9	579.6	577.0	591.7	602.9
Operating Balance	\$2.0	\$4.0	\$7.1	\$6.2	\$6.6	\$6.4	\$4.0	\$3.0	\$3.3	\$6.8

Note: Totals may not be precise due to independent rounding

Revenue growth during the FY22-FY29 projection period reflects sales tax-based and fare revenue growth of 2.5% with 2.0% growth on most other sources. Expenditures reflect a slowing in the growth rate of labor costs over time as potential mitigation measures related to benefit costs, which are subject to collective bargaining, realize their full impact. Growth on most other expenditure categories is based on an average inflation rate of 3.0%.

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.

VTA Transit Capital Program Overview

The VTA Transit Capital Program strives to maintain capital infrastructure; keep VTA assets in a state of good repair; and invest in targeted improvements to improve the safety, security and efficiency of the transit system. In support of those objectives, VTA staff submitted 105 projects for consideration for the upcoming biennial budget. 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. Once the projects were ranked, the Capital Improvement Program Oversight Committee (CIPOC), which is composed of the Division Chiefs and Directors, matched the VTA Transit requested projects with available levels of grant and local funding in order to develop the Proposed Capital Budget for FY 2020 and FY 2021. This portfolio of prioritized projects was then forwarded to the General Manager for review and approval.

In FY 2018, the Board established a new standing committee—the Capital Program Committee (CPC)—to monitor and oversee VTA capital projects with major resource, multi-jurisdictional coordination, or public impact, and make recommendations to the Board on project and policy-related issues. In February 2019, staff presented the FY 2020 and FY2021 Proposed Capital budget at a CPC workshop. At the March 2019 meeting, Committee members accepted the Proposed Budget and unanimously recommended the full Board's approval.

The FY 2020 and FY 2021 Proposed Budget creates 49 new VTA Transit Capital projects and augments 21 existing projects. The Proposed Budget also includes \$4.0 million to fund capital contingency. It utilizes \$156.7 million of grants or other outside funding and requires a total VTA Transit Fund commitment of \$60.1 million. 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 \$216.8 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 2020 in order to facilitate administration of the program.

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 for the FY 2020 and FY 2021 requested appropriation, 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.

VTA Transit
Schedule of FY 2020 & FY 2021 Appropriation
(Dollars in Thousands)

Project	Funding Source					Total
	Federal	State	2016 Measure B	Other	VTA Local	
1. Bus and LR Vehicle Mobile Router Replacement	1,200	0	0	0	300	1,500
2. Bus CCTV Replacement	2,640	0	0	0	660	3,300
3. Cameras for VTA ACCESS Paratransit Vehicles	1,805	0	0	0	451	2,256
4. Electric Bus Procurement	10,483	14,517	0	0	0	25,000
5. Paratransit Fleet Program FY20	3,978	0	0	0	995	4,973
<i>Revenue Vehicles & Equipment Total</i>	<i>20,106</i>	<i>14,517</i>	<i>0</i>	<i>0</i>	<i>2,406</i>	<i>37,029</i>
6. Non-Revenue Vehicle Replacement Program	0	0	0	0	2,354	2,354
<i>Non-Revenue Vehicles Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,354</i>	<i>2,354</i>
7. Cerone Boiler Replacement	0	0	0	0	1,000	1,000
8. Cerone Emergency Generator Replacement	0	0	0	0	705	705
9. Cerone Energy Storage System	0	2,905	0	0	0	2,905
10. Chaboya Yard Well Removal	120	0	0	0	30	150
11. Electric Buses Charging Station Expansion	0	4,600	0	0	0	4,600
12. Expansion of Bus Yard Electric Capacity for Bus Chargers	0	750	0	0	0	750
13. Facilities Equipment Replacement Project	0	0	0	0	1,219	1,219
14. Fuel Dispenser Replacement	1,920	0	0	0	480	2,400
15. Guadalupe Entrance Security Improvement Project	1,000	0	0	0	250	1,250
16. Guadalupe Steam Rack Improvements	2,400	0	0	0	600	3,000
17. Guadalupe Train Wash Replacement	800	0	0	0	200	1,000
18. HVAC Replacement Program FY20	1,448	0	0	0	362	1,810

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Project	Funding Source					Total
	Federal	State	2016 Measure B	Other	VTA Local	
19. LED Exterior Lighting Replacement	0	0	0	0	750	750
20. Painting Management Program FY20	0	0	0	0	1,755	1,755
21. Pavement Management Program FY14	0	0	0	0	1,121	1,121
22. Pavement Management Program FY20	0	0	0	0	1,856	1,856
23. Replace Fire Alarm Systems at Guadalupe and Chaboya	1,200	0	0	0	300	1,500
24. Replace Roll-up Doors at Guadalupe Division	2,000	0	0	0	500	2,500
25. Replace Uninterruptible Power Supplies (UPS) at Quad.	377	0	0	0	94	472
26. Roofing Management Program FY20	0	0	0	0	1,365	1,365
27. Way, Power, and Signals Storage Building	0	0	0	0	560	560
<i>Operating Facilities & Equipment Total</i>	11,266	8,255	0	0	13,146	32,667
28. Bridge and Structures Repairs FY20	800	0	0	0	200	1,000
29. Bridge Repair/Hamilton Structure Stabilization	280	0	0	0	70	350
30. Downtown San Jose Safety/Speed Improvements	4,920	0	0	0	1,230	6,150
31. Light Rail Crossovers and Switches FY20	0	0	0	0	6,600	6,600
32. OCS Rehabilitation and Replacement FY20	12,520	0	0	0	3,130	15,650
33. Rail Replacement and Rehabilitation FY20	11,440	0	0	0	2,860	14,300
34. Track Intrusion Abatement FY20	4,000	0	0	0	1,000	5,000
35. Union Pacific Culvert Replacement	0	0	0	0	440	440
36. Upgrade Ohlone/Chynoweth Interlocking	2,720	0	0	0	680	3,400
<i>Light Rail Way, Power & Signal Total</i>	36,680	0	0	0	16,210	52,890
37. ADA Upgrades at Facilities	2,560	0	0	0	640	3,200
38. Bus Stop Improvement Program	0	142	1,300	0	0	1,442
39. Light Rail Platform CCTV Replacement	446	0	0	0	111	557
40. Light Rail Platform Public Address System Upgrade	2,216	0	0	0	554	2,770
41. Light Rail Station Rehabilitation FY 20	776	0	0	0	194	970

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Project	Funding Source					Total
	Federal	State	2016 Measure B	Other	VTA Local	
42. North San Jose Transportation Improvements	0	0	0	3,000	0	3,000
43. Pedestrian Backgates at Light Rail Crossings	6,560	0	0	0	1,640	8,200
44. Rehabilitation of LR System Elevators and Escalators	7,440	0	0	0	1,860	9,300
45. San Jose Diridon Station Plan	0	0	2,500	7,500	0	10,000
46. Transit Center Park and Ride Rehabilitation FY20	1,600	0	0	0	400	2,000
<i>Passenger Facilities Total</i>	21,598	142	3,800	10,500	5,399	41,439
47. Advanced Cyber Security	0	0	0	0	400	400
48. Bus Yard Vehicle Management Solution	0	0	0	0	2,266	2,266
49. Chatbot Interactive Virtual Agent	0	0	0	0	207	207
50. Disaster Recovery Cloud	0	0	0	0	500	500
51. Enterprise Database for Key Performance Indicators	0	0	0	0	500	500
52. GIS Program Development	0	0	0	0	802	802
53. Network and Gigabit Fiber Upgrade	1,200	0	0	0	300	1,500
54. Records Management Program	0	0	0	0	2,900	2,900
55. River Oaks Campus Network Cabling	0	0	0	0	1,400	1,400
56. SAP HANA Data Platform Implementation	0	0	0	0	1,500	1,500
57. SCADA Hardware, Software and Network Upgrade	4,447	0	0	0	1,112	5,559
58. Server Refresh	0	0	0	0	800	800
59. Upgrade Countywide Travel Demand Model	0	0	0	680	280	960
60. Vehicle-Miles-Traveled (VMT) Estimation Tool	130	0	0	250	0	380
61. VTA Gigabit Network Project	960	0	0	0	240	1,200
<i>Information Systems & Technology Total</i>	6,737	0	0	930	13,207	20,874
62. Caltrain Capital - Annual Local Match	0	9,414	0	0	586	10,000
63. Capital Contingency	0	0	0	2,000	2,000	4,000
64. Community-Based Transportation Plans	300	0	0	0	0	300

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Project	Funding Source					Total
	Federal	State	2016 Measure B	Other	VTA Local	
65. Comprehensive Multimodal Corridor Plans	250	250	0	500	0	1,000
66. Facility and Fleet Plan	0	0	0	0	715	715
67. FAST Program Implementation	0	2,844	0	0	3,400	6,244
68. Santa Clara Great America Intermodal Stn Master Plan	0	0	0	750	0	750
69. South County Rail Study	0	0	750	0	0	750
70. SR 85 Transit Guideway Preliminary Engineering	0	0	2,365	0	0	2,365
71. VA Pilot Smart Shuttle	2,700	0	0	0	675	3,375
Miscellaneous Total	3,250	12,509	3,115	3,250	7,376	29,499
Grand Total	99,637	35,423	6,915	14,680	60,098	216,752

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

VTA Transit Capital Program

Descriptions of FY 2020 & FY 2021 Appropriated Projects

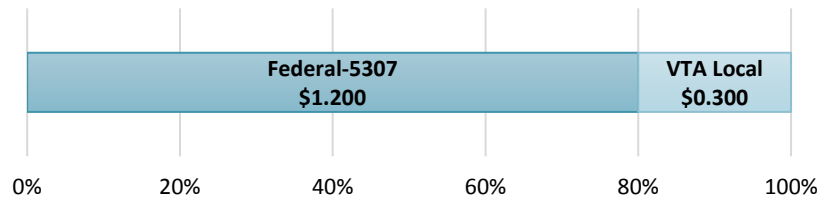
Revenue Vehicles & Equipment

1. Bus and Light Rail Vehicle Mobile Router Replacement-\$1.5 million

Project Scope

This project will replace approximately 700 Mobile Routers used to provide passenger Wi-Fi, live look-in CCTV, CAD/AVL and other technology system communication needs on Light Rail Vehicles and buses that are currently operating with end-of-life routers.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Software license, support and warranty are expected to cost \$270,000/year for all 700 units.

Estimated Total Project Cost-\$1.5 million

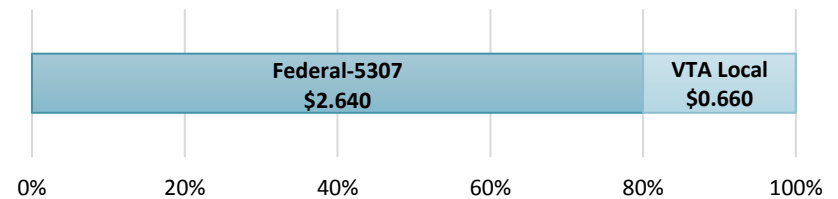
Anticipated Completion Date-June 2020

2. Bus CCTV Replacement-\$3.3 million

Project Scope

This project will replace approximately 333 CCTV systems on buses operating with end-of life Network Video recorders to ensure that the CCTV systems on these buses continue to operate reliably until the buses are decommissioned to age and/or use.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Cost savings will be realized due to new product warranty, however additional expenditures are expected as well due to increased functionality. Overall a net zero increase/decrease is anticipated.

Estimated Total Project Cost-\$3.3 million

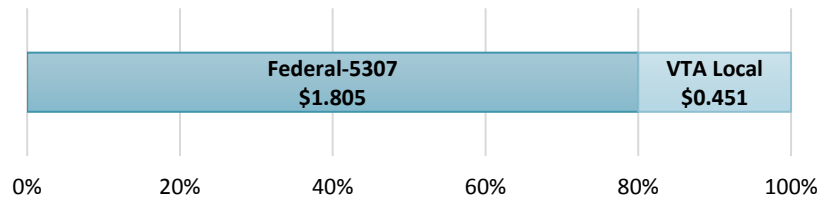
Anticipated Completion Date-June 2020

3. Cameras for VTA ACCESS Paratransit Vehicles-\$2.256 million

Project Scope

This project will install and deploy real-time security cameras on 200 VTA ACCESS Paratransit Vehicles.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs

Operating Budget Impact

The estimated annual operating impact is \$313,840, which includes software maintenance and support; cellular service; and maintenance/support and software licenses.

Estimated Total Project Cost-\$2.256 million

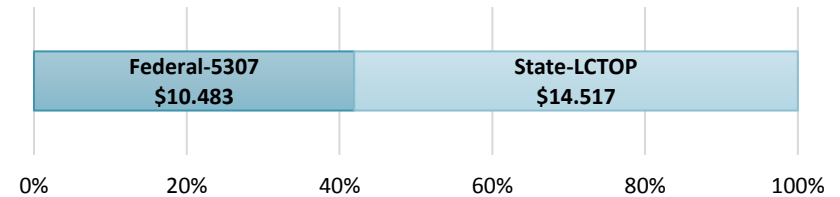
Anticipated Completion Date-June 2021

4. Electric Bus Procurement-\$25.0 million

Project Scope

This project augmentation will provide funding required to purchase an additional 25 electric buses.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Annual savings estimated at \$5,000 per bus due to reduced maintenance costs for electric buses versus diesel powered buses.

Estimated Total Project Cost-\$40.5 million

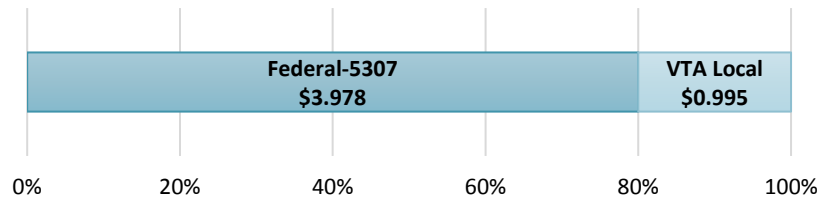
Anticipated Completion Date-September 2022

5. Paratransit Fleet Program FY20-\$4.973 million

Project Scope

This project will procure 80 vehicles and associated equipment for provision of paratransit service to replace vehicles that have exceeded their useful life.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

Estimated savings of \$57,000 per year due to reduced maintenance costs for new vehicles.

Estimated Total Project Cost-\$4.973 million

Anticipated Completion Date-June 2021

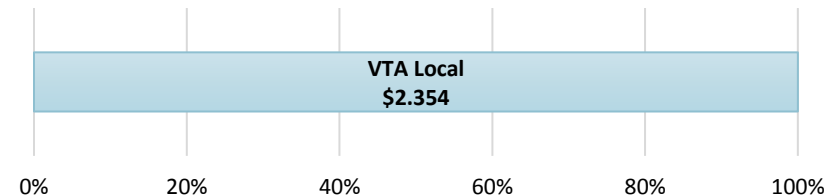
Non-Revenue Vehicles

6. Non-Revenue Vehicle Replacement Program-\$2.354 million

Project Scope

This project provides for the replacement of 46 non-revenue vehicles that have exceeded their useful life (average mileage of 146,000, average age—14 years). Retired vehicles are replaced with hybrid or electric vehicles whenever possible per VTA's Sustainable Fleet Policy.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Estimated savings of \$125,000 per year due to less critical maintenance repairs of the aging fleet.

Estimated Total Project Cost-\$2.354 million

Anticipated Completion Date-June 2021

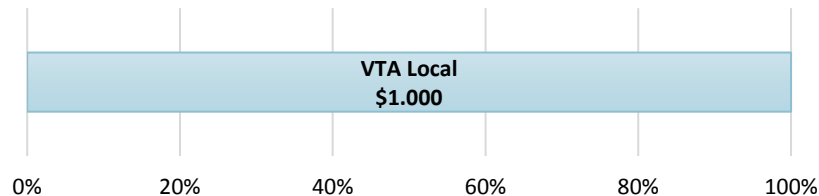
Operating Facilities & Equipment

7. Cerone Boiler Replacement-\$1.0 million

Project Scope

This project augmentation will provide the remaining funding needed to remove and replace two existing 1978 York Shipley firetube boilers that have reached the end of their useful life.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Some savings anticipated due to reduced repair costs and fuel consumption.

Estimated Total Project Cost-\$2.166 million

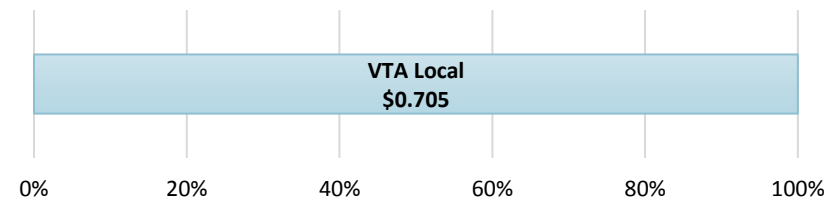
Anticipated Completion Date-June 2020

8. Cerone Emergency Generator Replacement-\$0.705 million

Project Scope

This project augmentation will provide the remaining funding needed to remove and replace two existing 500kw liquid propane gas generators with one 1200kw diesel generator.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Some savings anticipated due to reduced use of propane.

Estimated Total Project Cost-\$3.165 million

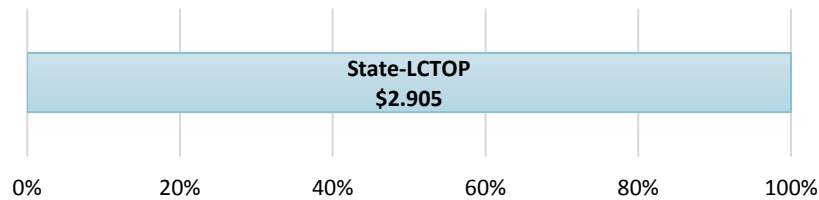
Anticipated Completion Date-March 2020

9. Cerone Energy Storage System-\$2.905 million

Project Scope

This project will deploy a commercial, advanced, high-capacity energy storage system to allow charging of electric buses using the stored energy when the electricity rate is at peak price or when there are electrical outages.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Estimated annual savings of \$15,000.

Estimated Total Project Cost-\$2.905 million

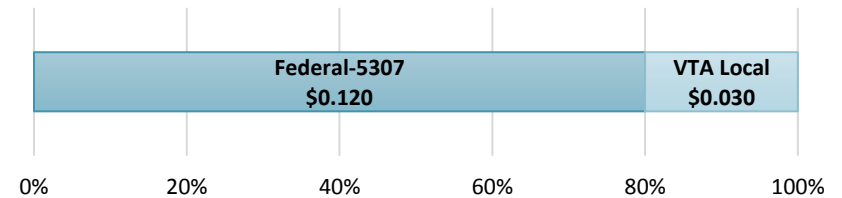
Anticipated Completion Date-June 2021

10. Chaboya Yard Well Removal-\$0.15 million

Project Scope

This project augmentation will provide the remaining funding needed to obtain case closure and demolish the ground water remediation system and wells at the Chaboya Bus Yard.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$0.395 million

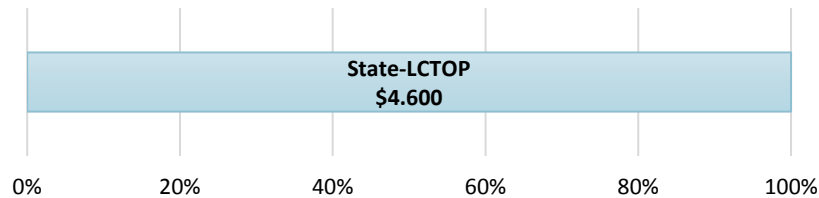
Anticipated Completion Date-June 2021

11. Electric Buses Charging Station Expansion-\$4.6 million

Project Scope

This project will fund electric bus chargers and infrastructure to expand the size, capacity, and efficiency of the current charging station to support the deployment of up to 30 electric buses.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Fueling of buses with electricity instead of diesel is anticipated to result in annual cost savings. In addition, savings on maintenance costs for electric buses versus diesel powered buses are estimated at \$5,000 per year, per bus.

Estimated Total Project Cost-\$4.6 million

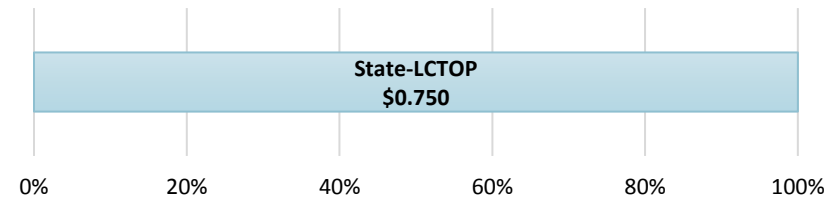
Anticipated Completion Date-September 2022

12. Expansion of Bus Yard Electric Capacity for Bus Chargers-\$0.75 million

Project Scope

This project will fund an expansion of electrical capacity at the Cerone Bus Yard to support the deployment of additional electric buses.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Fueling of buses with electricity instead of diesel is anticipated to result in annual cost savings. In addition, savings on maintenance costs for electric buses versus diesel powered buses are estimated at \$5,000 per year, per bus.

Estimated Total Project Cost-\$0.75 million

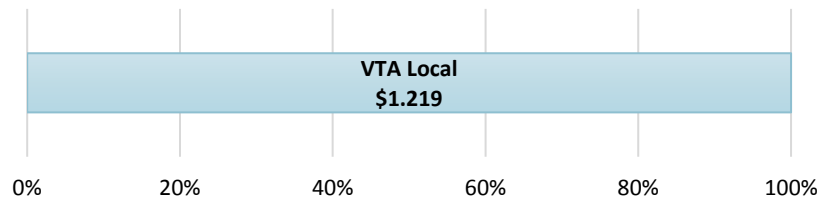
Anticipated Completion Date-November 2021

13. Facilities Equipment Replacement Project-\$1.219 million

Project Scope

This project allows for the scheduled replacement of equipment that has reached the end of its useful life. Scheduled replacements in the two-year period include forklifts, bus lifts, compressors, parts carousels, stationary pressure washers, and brake lathes.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Estimated savings of \$10,000 per year due to reduced maintenance costs for newer equipment.

Estimated Total Project Cost-\$1.219 million

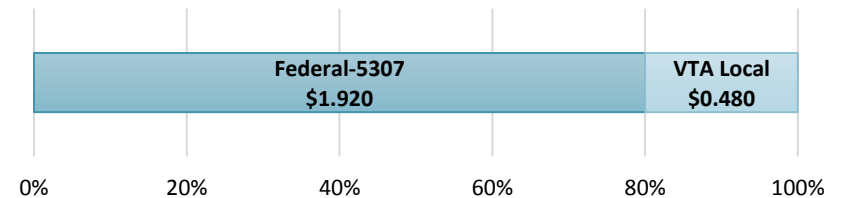
Anticipated Completion Date-November 2020

14. Fuel Dispenser Replacement-\$2.4 million

Project Scope

This project will replace 16 diesel and 1 gasoline dispensers that are outdated and near the end of their useful life. The project will also replace all Under-Dispenser Containment (UDCs) for these dispensers.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$2.4 million

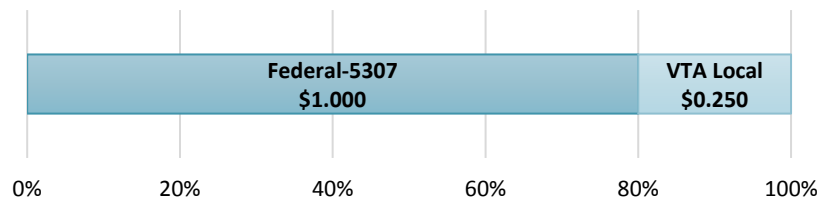
Anticipated Completion Date-June 2021

15. Guadalupe Entrance Security Improvement Project-\$1.25 million

Project Scope

This project will enhance security at the Guadalupe Light Rail Division by relocating the security guard house and installing equipment to bolster security measures.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Anticipated annual maintenance expense of \$1,000 for CCTV cameras, electronic card readers and crossing gates.

Estimated Total Project Cost-\$1.25 million

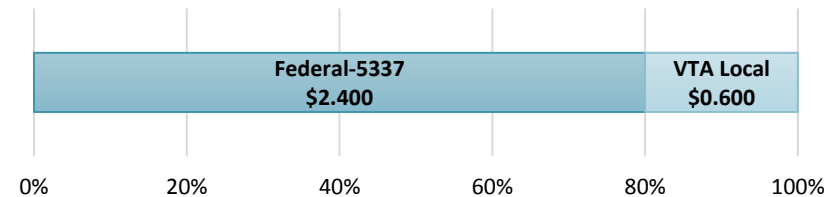
Anticipated Completion Date-June 2020

16. Guadalupe Steam Rack Improvements-\$3.0 million

Project Scope

This project will replace and upgrade the existing steam rack track with a new liner system and overhead roof structure. The steam rack is used to clean the undercarriage of light rail vehicles to remove heavy debris and grease buildup to assist with visual inspections. This improvement will ensure the proper collection of contaminated water and reduce unnecessary collection and treatment of rainwater.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

Estimated annual net savings of \$7,000 due to reduction in water treatment chemicals required for improved steam rack system.

Estimated Total Project Cost-\$3.0 million

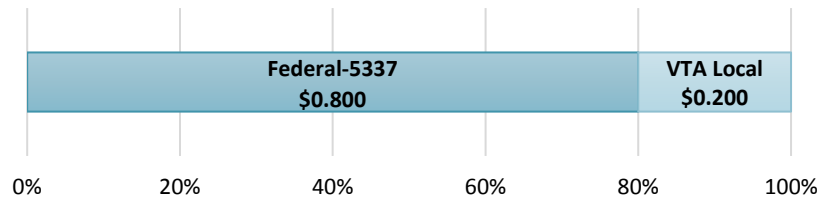
Anticipated Completion Date-December 2021

17. Guadalupe Train Wash Replacement-\$1.0 million

Project Scope

This project augmentation will provide the remaining funding needed to remove and replace the light rail vehicle wash system that has reached the end of its useful life.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Some savings anticipated from reduced overtime for maintenance workers.

Estimated Total Project Cost-\$2.81 million

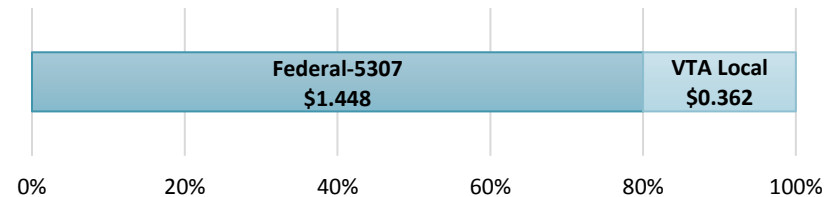
Anticipated Completion Date-July 2021

18. Heating, Ventilation and Air-Conditioning (HVAC) Replacement Program FY20-\$1.81 million

Project Scope

This project will replace HVAC units that have reached the end of their working life spans at various VTA facilities. The new equipment will be integrated into the overall Energy Management System that will allow automated control functions to maximize efficiency of operation and track costs.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Annual savings of \$5,000 to \$20,000 depending on size of unit due to improved energy efficiency.

Estimated Total Project Cost-\$1.81 million

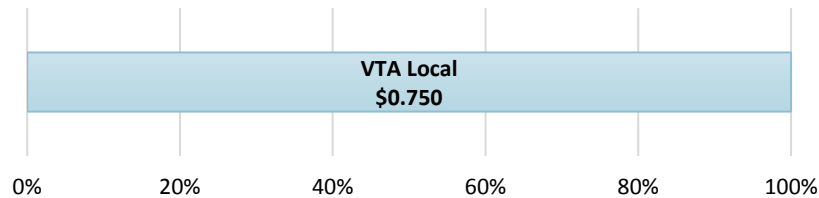
Anticipated Completion Date-June 2021

19. LED Exterior Lighting Replacement-\$0.75 million

Project Scope

This project augmentation will provide the remaining funding required to retrofit existing facilities with energy efficient LED light fixtures to improve lighting levels and reduce energy consumption.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

Based on previous LED upgrades, energy savings of 22% of project cost and maintenance savings of 10% of project costs are anticipated. These savings result in an approximate 3-year payback on investment.

Estimated Total Project Cost-\$1.838 million

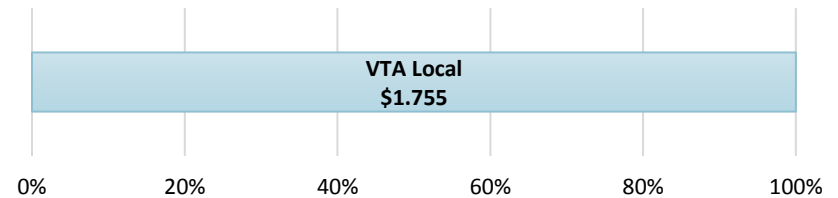
Anticipated Completion Date-June 2021

20. Painting Management Program FY20-\$1.755 million

Project Scope

This project provides painting maintenance and repair to the exterior and interiors of all VTA operational, administrative and passenger facilities.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$1.755 million

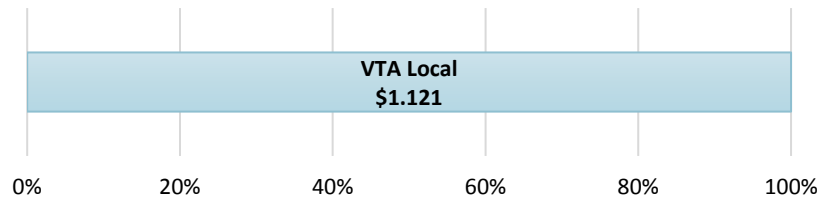
Anticipated Completion Date-June 2021

21. Pavement Management Program FY14- \$1.121 million

Project Scope

This project augmentation will provide the remaining funding needed for pavement rehabilitation and repair for the North Division Operating Facility.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Potential maintenance savings associated with keeping pavement in a state of good repair.

Estimated Total Project Cost-\$3.437 million

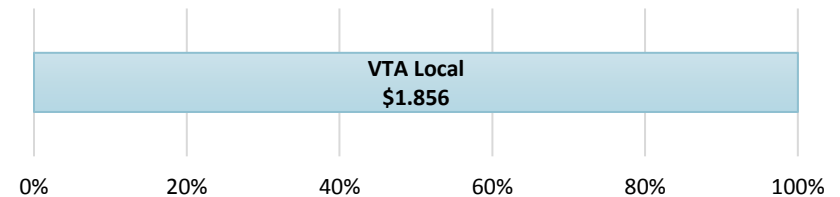
Anticipated Completion Date-January 2021

22. Pavement Management Program FY20- \$1.856 million

Project Scope

This project addresses immediate pavement failure issues and maintains the existing assets in a condition that preserves them from future failure. Planned activities in the two-year period include general maintenance, rehabilitation of two lots at the River Oaks Administration Facility, and slurry seal and restriping at various Cerone Division locations.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Potential maintenance savings associated with keeping pavement in a state of good repair.

Estimated Total Project Cost-\$1.856 million

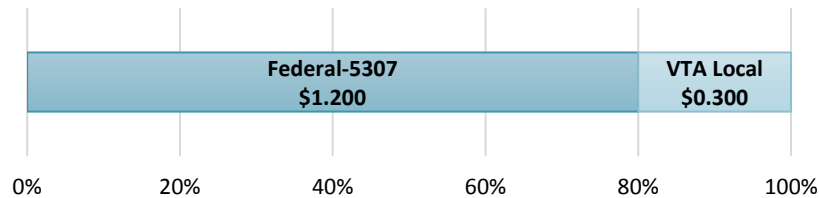
Anticipated Completion Date-June 2021

23. Replace Fire Alarm Systems at Guadalupe and Chaboya-\$1.5 million

Project Scope

This project will replace the fire alarm systems at the Guadalupe and Chaboya Operating Facilities which are progressively degrading leading to extremely high maintenance costs.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

Annual net savings of \$38,000 due to elimination of repairs and maintenance of old system.

Estimated Total Project Cost-\$1.5 million

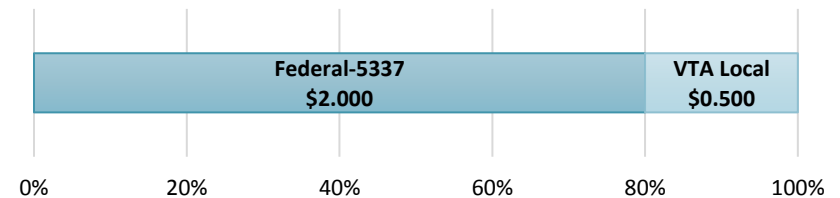
Anticipated Completion Date-January 2021

24. Replace Roll-up Doors at Guadalupe Division-\$2.5 million

Project Scope

This project will replace roll-up doors at Guadalupe Division with newer updated models that have modern safety precautions. The existing doors have reached the end of their useful life and replacement parts for repair are no longer available.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

Annual net savings of \$15,000 due to less maintenance and repair costs for newer updated models.

Estimated Total Project Cost-\$2.5 million

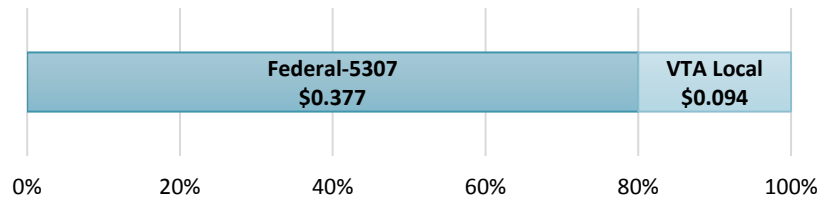
Anticipated Completion Date-December 2020

25. Replace Uninterruptible Power Supplies (UPS) at Guadalupe-\$0.472 million

Project Scope

This project will replace various uninterruptable power supplies (UPS) and power distribution units at the Guadalupe Light Rail Operating Facility which have reached the end of their useful life.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.472 million

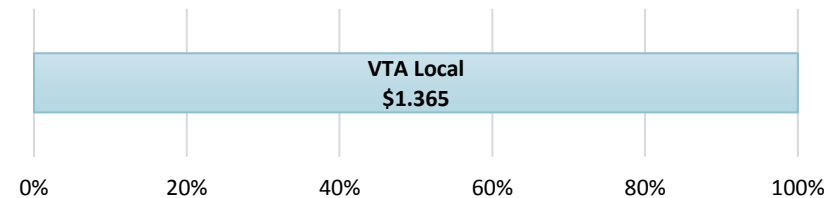
Anticipated Completion Date-May 2020

26. Roofing Management Program FY20-\$1.365 million

Project Scope

This project funds the ongoing, comprehensive program to maximize the useful life and integrity of VTA facilities. Planned activities in the two-year period include general maintenance, and re-roofing of various areas at the North Division Operating Facility.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Estimated annual savings of \$30,000 from reduced energy costs in air-conditioned spaces and reduced man-hours lost due to disruptions from roof leaks or other water intrusions.

Estimated Total Project Cost-\$1.365 million

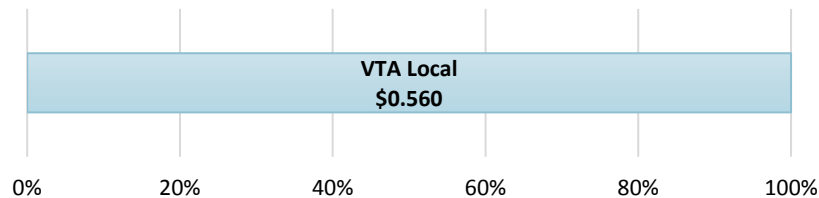
Anticipated Completion Date-June 2021

27. Way, Power, and Signals Storage Building- \$0.56 million

Project Scope

This project will expand the existing building for storage of Way, Power and Signals material and equipment at the Guadalupe Light Rail Facility to provide for secure storage, protection from the elements, and elimination of potential storm water contamination.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.56 million

Anticipated Completion Date-May 2021

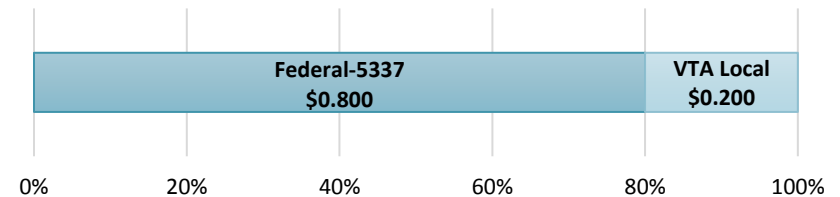
Light Rail Way, Power & Signal

28. Bridge and Structures Repairs FY20-\$1.0 million

Project Scope

This project will provide corrective work as necessary for compliance with California Public Utilities Commission (CPUC) regulations.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$1.0 million

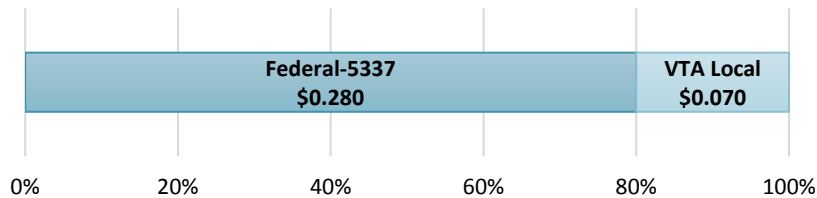
Anticipated Completion Date-July 2022

29. Bridge Repair/Hamilton Structure Stabilization-\$0.35 million

Project Scope

This project augmentation will provide the remaining funding required to complete stabilization of the Hamilton Bridge Structure.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$3.55 million

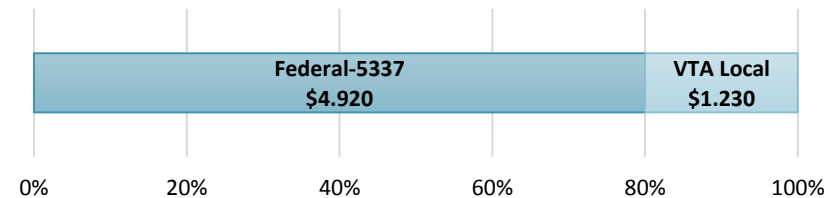
Anticipated Completion Date-April 2020

30. Downtown San Jose Safety/Speed Improvements-\$6.15 million

Project Scope

This project augmentation will extend safety enhancements to the full Downtown San Jose Transit Mall (1st and 2nd street from St. James to San Carlos) to deter pedestrian, bicycle, scooter, and vehicle intrusion into the light rail trackway.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Annual maintenance costs estimated at \$30,000.

Estimated Total Project Cost-\$7.05 million

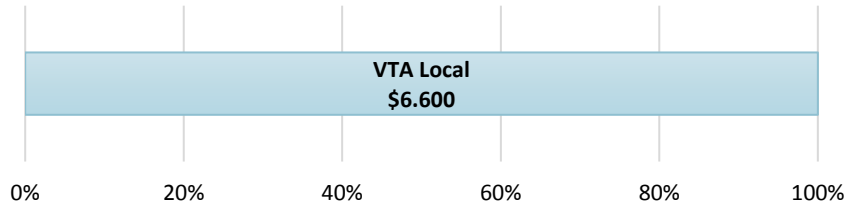
Anticipated Completion Date-June 2021

31. Light Rail Crossovers and Switches FY20-\$6.6 million

Project Scope

This project will procure and install special trackwork, double crossovers, manual switches, and overhead catenary systems at two locations (Capitol/Mabury and North First/Bonaventura) along the existing light rail corridor to improve operational flexibility and reliability.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Potential cost savings due to improved operational flexibility.

Estimated Total Project Cost-\$6.6 million

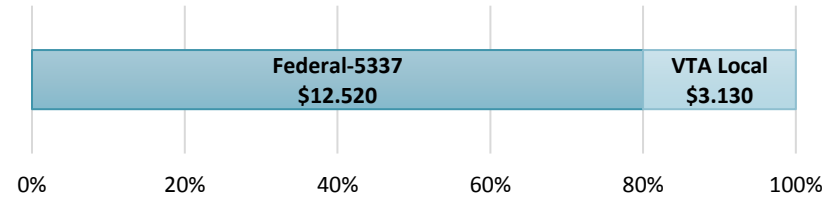
Anticipated Completion Date-June 2022

32. OCS Rehabilitation and Replacement FY20-\$15.65 million

Project Scope

This project funds the rehabilitation and replacement of portions of the light rail Overhead Catenary System (OCS) as identified in various assessment studies. The rehabilitation activities include replacement of contact wires, wire support systems, under bridge supports, and feeder cables.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Potential maintenance and emergency repair cost savings associated with keeping the assets in a state of good repair.

Estimated Total Project Cost-\$15.65 million

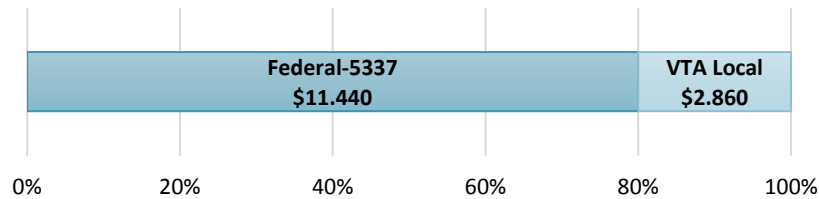
Anticipated Completion Date-June 2021

33. Rail Replacement and Rehabilitation FY20-\$14.3 million

Project Scope

This project is part of a capital replacement and maintenance program to ensure that the Light Rail track infrastructure remains safe, reliable and in an enhanced state of good repair. The scope of this request includes rehabilitation and replacement of track components as identified by inspections and assessments.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Potential maintenance and emergency repair cost savings associated with keeping the assets in a state of good repair.

Estimated Total Project Cost-\$14.3 million

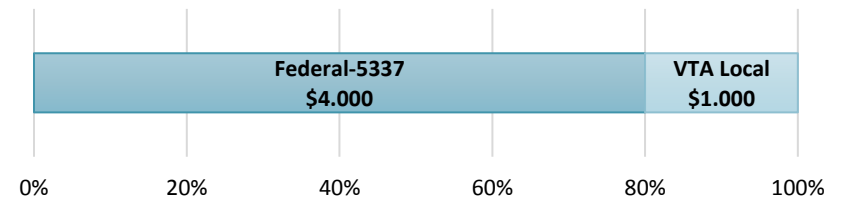
Anticipated Completion Date-June 2022

34. Track Intrusion Abatement FY20-\$5.0 million

Project Scope

This project will take steps to prevent track intrusion at priority segments as evaluated by VTA's Safety Committee. Planned improvements include signage, pavement striping, fencing and barriers.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$5.0 million

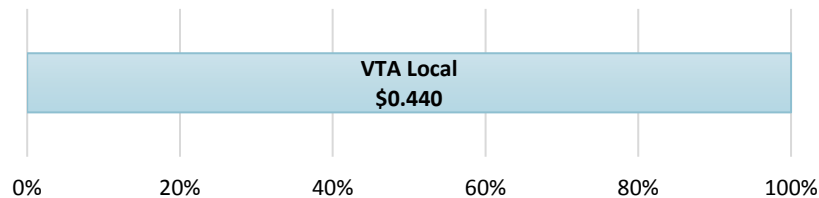
Anticipated Completion Date-November 2021

35. Union Pacific Culvert Replacement-\$0.44 million

Project Scope

This project consists of assessment and design for the replacement of Union Pacific Structure 4 – Hacienda Culvert due to visible deterioration. Additional funds for construction will be requested in the next budget cycle.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$1.44 million

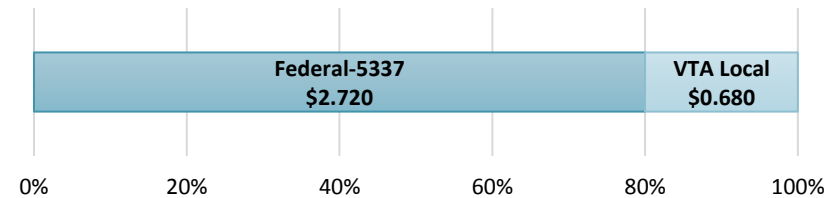
Anticipated Completion Date-October 2022

36. Upgrade Ohlone/Chynoweth Interlocking-\$3.4 million

Project Scope

This project augmentation will complete the redesign of existing relay-based interlocking at Ohlone/Chynoweth to implement a fully functioning interlocking using existing infrastructure where possible.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Reduced maintenance costs and equipment failures due to increased system reliability.

Estimated Total Project Cost-\$4.6 million

Anticipated Completion Date-June 2021

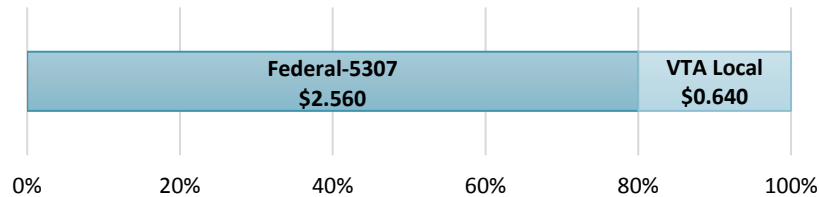
Passenger Facilities

37. ADA Upgrades at Facilities-\$3.2 million

Project Scope

This project will modify, construct and mitigate ADA (Americans with Disabilities Act) non-compliant items at various VTA facilities.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$3.2 million

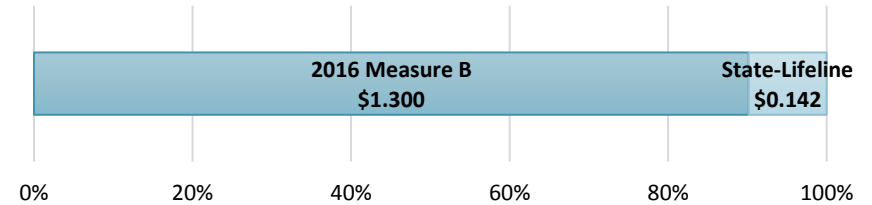
Anticipated Completion Date-April 2022

38. Bus Stop Improvement Program-\$1.442 million

Project Scope

This project augmentation funds the continued implementation of bus stop improvements systemwide for improved passenger safety, comfort and access. Planned improvements include new and replacement shelters, lighting, access improvements including safe sidewalk connections, passenger information signs and security.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Annual maintenance of new shelters estimated at \$50,000.

Estimated Total Project Cost-\$6.729 million

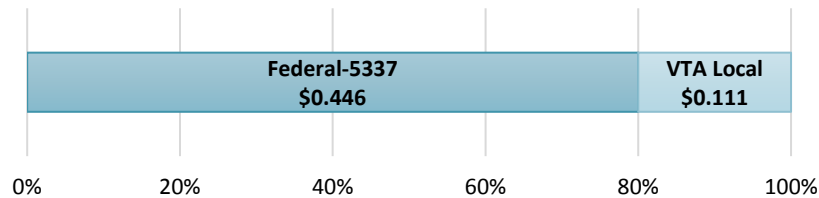
Anticipated Completion Date-June 2021

39. Light Rail Platform CCTV Replacement-\$0.557 million

Project Scope

This project will replace CCTV equipment at four to six Light Rail Station platforms.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Estimated annual savings of \$18,000 initially due to reduced number of maintenance calls for newer equipment.

Estimated Total Project Cost-\$0.557 million

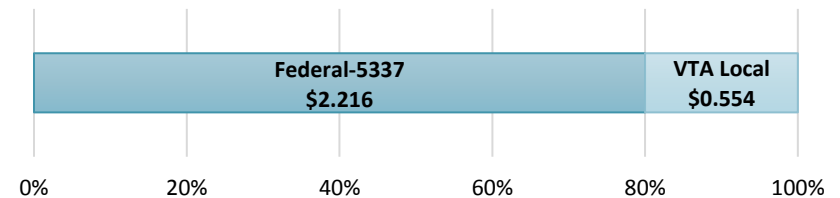
Anticipated Completion Date-June 2020

40. Light Rail Platform Public Address System Upgrade-\$2.77 million

Project Scope

This project will replace existing equipment on older Public Address (PA) systems such as power lines, amplifiers, preamp/mixers; upgrade PA maintenance telephones; and augment, test and commission the PA system on all stations.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Estimated net annual saving of \$139,000 due to reduced maintenance costs for new equipment.

Estimated Total Project Cost-\$2.77 million

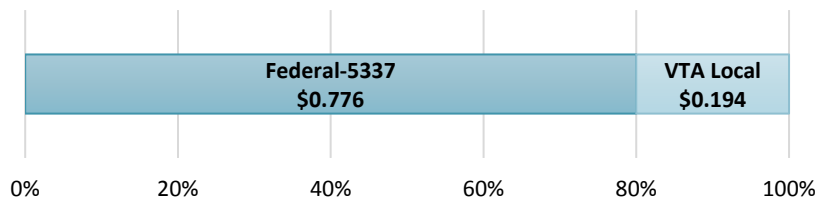
Anticipated Completion Date-June 2021

41. Light Rail Station Rehabilitation FY 20- \$0.97 million

Project Scope

This project will provide rehabilitation and repair for various light rail stations including repainting, crack sealing, light pole replacement, tactile warning band replacement, concrete repair, etc.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$0.97 million

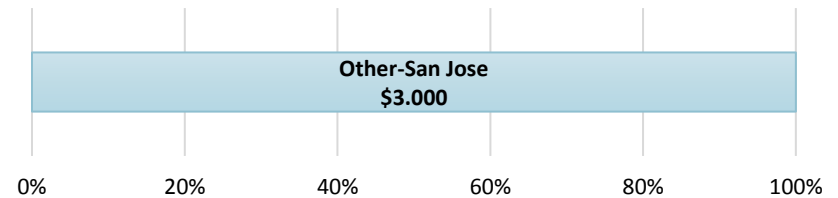
Anticipated Completion Date-February 2022

42. North San Jose Transportation Improvements-\$3.0 million

Project Scope

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 (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Annual maintenance of various improvements estimated at \$5,000.

Estimated Total Project Cost-\$6.0 million

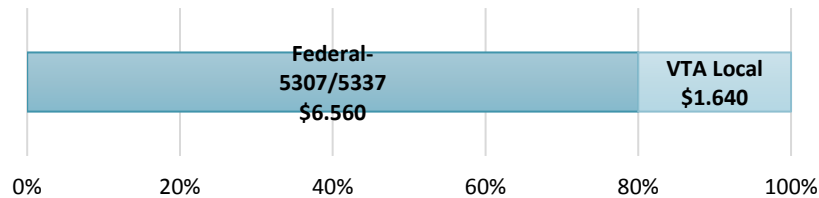
Anticipated Completion Date-June 2021

43. Pedestrian Backgates at Light Rail Crossings-\$8.2 million

Project Scope

This project will install pedestrian gates at several crossings along the Guadalupe and Tasman West light rail corridors to enhance safety at pedestrian crossings.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

None

Estimated Total Project Cost-\$8.2 million

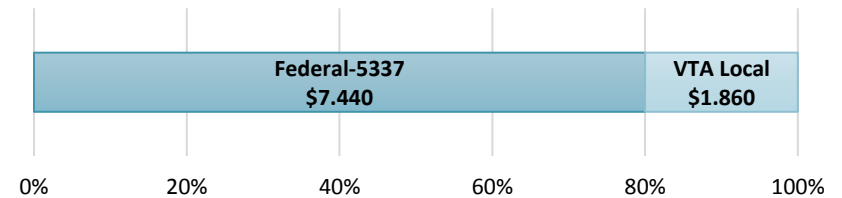
Anticipated Completion Date-March 2022

44. Rehabilitation of Light Rail System Elevators and Escalators-\$9.3 million

Project Scope

This project will repair and rehabilitate elevators and escalators at various locations along the light rail system.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget Impact

Anticipated savings from reduction in ongoing maintenance costs.

Estimated Total Project Cost-\$9.3 million

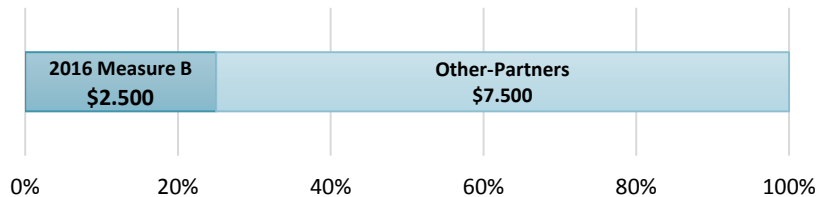
Anticipated Completion Date-December 2021

45. San Jose Diridon Station Plan-\$10.0 million

Project Scope

This project augmentation will complete funding required for the planning, environmental clearance and preliminary engineering of the San Jose Diridon Station Multimodal Transportation Center.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Development of a new station will have operating and maintenance cost impacts on the entities involved in the project. Determination of how the station will be managed, funded and governed is part of the project scope.

Estimated Total Project Cost-\$16.0 million

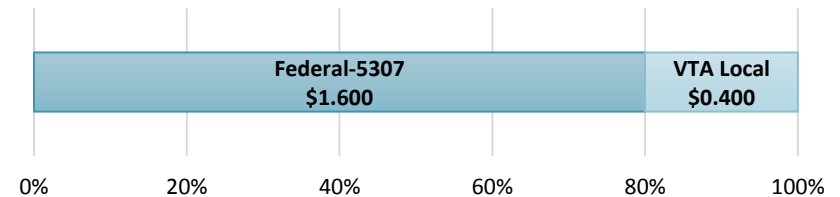
Anticipated Completion Date-June 2021

46. Transit Center Park and Ride Rehabilitation FY20-\$2.0 million

Project Scope

This project will provide for refurbishment and repair of maintenance issues at transit centers and park and ride lots throughout the VTA service area.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Potential maintenance savings associated with keeping assets in a state of good repair.

Estimated Total Project Cost-\$2.0 million

Anticipated Completion Date-September 2021

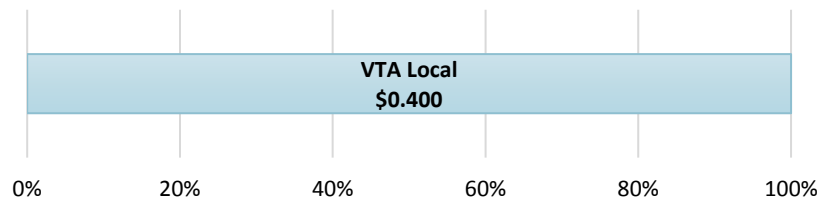
Information Systems & Technology

47. Advanced Cyber Security-\$0.4 million

Project Scope

This project augmentation provides funding to complete development of a cyber security program including software, hardware, network monitoring tools, anti-malware tools, consulting/audit/testing services, training, and development/update of policies and procedures to mitigate risk.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Ongoing maintenance and support for security technologies, amount to be determined.

Estimated Total Project Cost-\$1.2 million

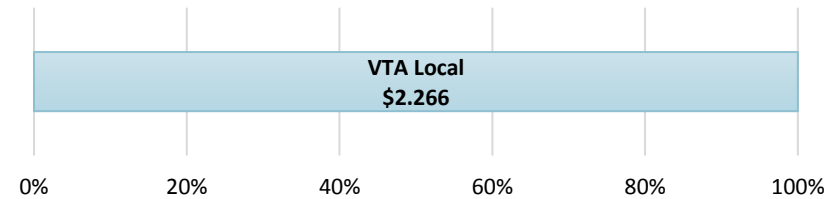
Anticipated Completion Date-June 2020

48. Bus Yard Vehicle Management Solution-\$2.266 million

Project Scope

This project will design and implement an advanced yard management solution to locate vehicles anywhere in the yard real time. The solution provides 24x7 tracking, even when vehicles and onboard systems are powered down, reports on vehicle inventory, pullout performance, and vehicle movement in the yard.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Operation efficiency savings are anticipated due to elimination of manual tracking of vehicles.

Estimated Total Project Cost-\$2.266 million

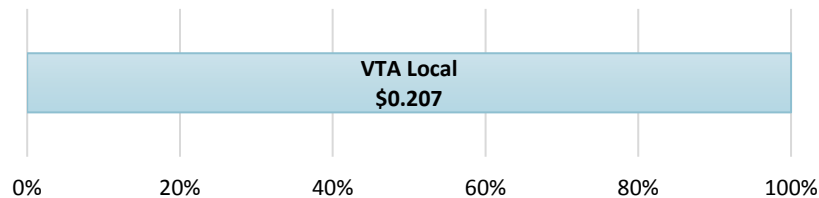
Anticipated Completion Date-June 2021

49. Chatbot Interactive Virtual Agent-\$0.207 million

Project Scope

This project would design and build an interactive virtual agent, commonly known as a “Chatbot”. This software can efficiently help VTA customers and potentially other audiences with basic needs 24/7/365 and in multiple languages.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Annual maintenance costs estimated at \$26,000 offset by savings from operational efficiencies.

Estimated Total Project Cost-\$0.207 million

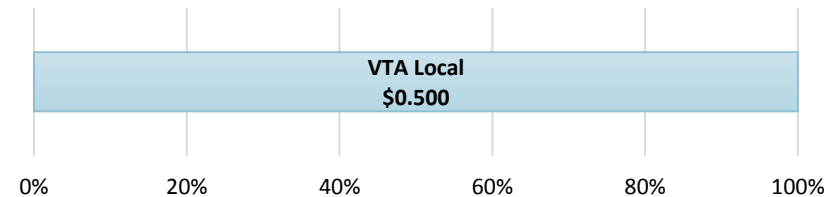
Anticipated Completion Date-June 2021

50. Disaster Recovery Cloud-\$0.5 million

Project Scope

This project will secure a Cloud Disaster Recovery site to replicate VTA’s production servers enabling VTA computer systems to function during a major emergency or disaster.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Annual maintenance costs estimated at \$100,000.

Estimated Total Project Cost-\$0.5 million

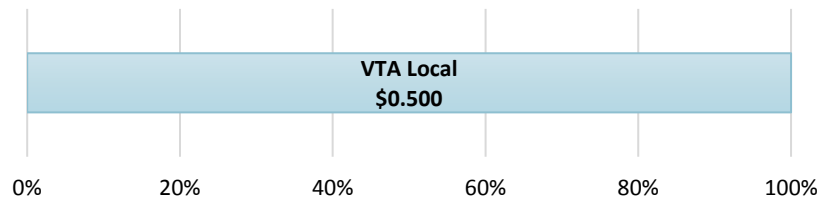
Anticipated Completion Date-June 2020

51. Enterprise Database for Key Performance Indicators-\$0.5 million

Project Scope

This project will create an enterprise transit database as a central repository of key performance data used agency-wide for analysis, planning, tracking, measuring, reporting, and decision-making purposes.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Annual maintenance costs estimated at \$8,000 offset by savings from operational efficiencies.

Estimated Total Project Cost-\$0.65 million

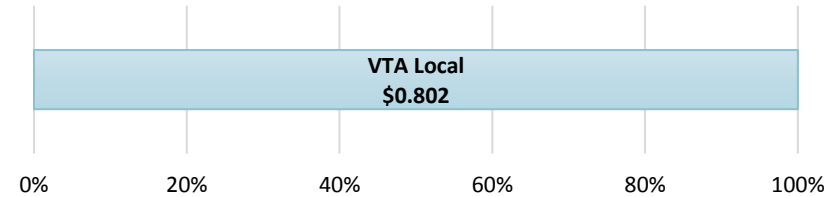
Anticipated Completion Date-June 2022

52. Geographic Information System (GIS) Program Development-\$0.802 million

Project Scope

This project supports the continued development of the VTA GIS Program and its products. These products provide geospatial information and solutions to all VTA divisions and departments, external data feeds, big data management and analysis, open data proliferation, and Congestion Management Member Agencies.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Annual maintenance costs including software subscriptions estimated at \$50,000.

Estimated Total Project Cost-\$1.052 million

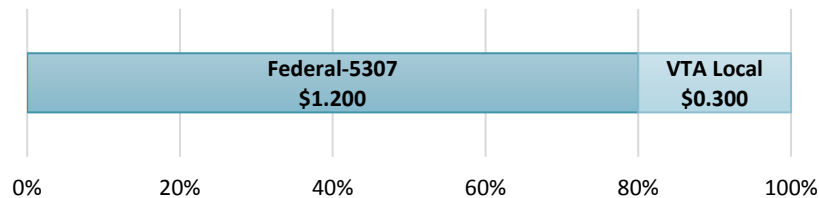
Anticipated Completion Date-June 2021

53. Network and Gigabit Fiber Upgrade-\$1.5 million

Project Scope

This project augmentation provides the remaining funding needed to upgrade VTA's backbone network to enhance network capacity. It will provide for additional fiber optic installations as well as minor equipment to help augment VTA's existing wide area network.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Annual increase to maintenance support contract of \$80,000.

Estimated Total Project Cost-\$2.2 million

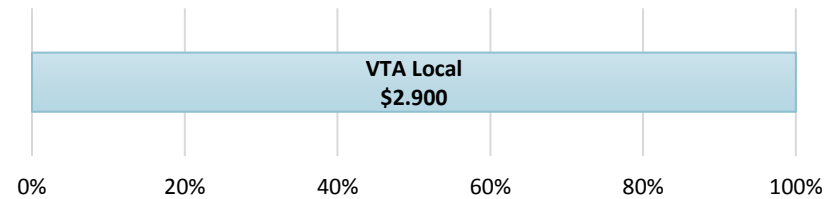
Anticipated Completion Date-June 2021

54. Records Management Program-\$2.9 million

Project Scope

This project provides software, hardware, and consulting services needed to deploy an in-depth electronic record management program, including resources to help in the transition of business processes and documents to an Electronic Document Management System (EDMS). This augmentation will build on tools previously implemented to automate other critical, paper centric business processes.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-\$5.688 million

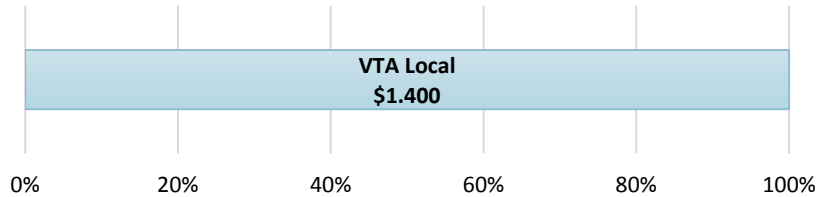
Anticipated Completion Date-June 2021

55. River Oaks Campus Network Cabling-\$1.4 million

Project Scope

This project will install a new physical copper wire network (voice, data, video) for portions of the River Oaks Administration campus. The current cabling system is experiencing a 30% failure rate. This effort will allow for deployment of network intensive software or applications and improve network stability and reliability.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Annual savings estimated at \$20,000 per year due to decreased need to maintain and troubleshoot old, failing network.

Estimated Total Project Cost-\$1.4 million

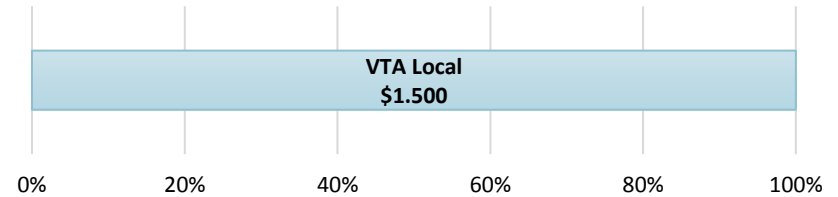
Anticipated Completion Date-June 2021

56. SAP HANA Data Platform Implementation-\$1.5 million

Project Scope

This project will implement SAP HANA, a business data platform that processes transactions and analytics with built-in advanced analytics and multi-model data processing engines. Deployment of the SAP HANA data platform allows for simplification of technology landscapes, eliminating data preparation and allowing instant access to structured and unstructured data from different sources.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

Annual maintenance fees estimated at \$145,600.

Estimated Total Project Cost-\$1.5 million

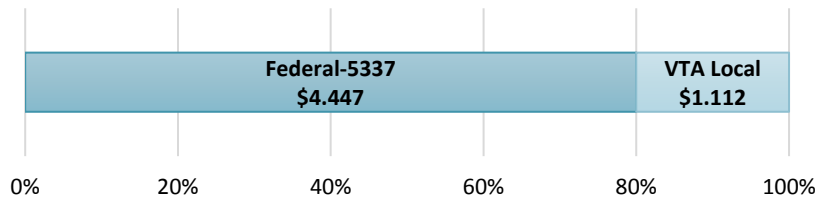
Anticipated Completion Date-June 2020

57. SCADA Hardware, Software and Network Upgrade-\$5.559 million

Project Scope

This project will augment, test, and commission all three components of the Supervisory Control and Data Acquisition (SCADA) system: hardware, network equipment, and software. The SCADA system provides safety critical controls for operation of the light rail system. The existing associated hardware and software are at the end of their useful lives. This update is essential for the system to remain operational in the event of a hardware or network equipment failure.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Application software support estimated at \$200,000 per year.

Estimated Total Project Cost-\$5.559 million

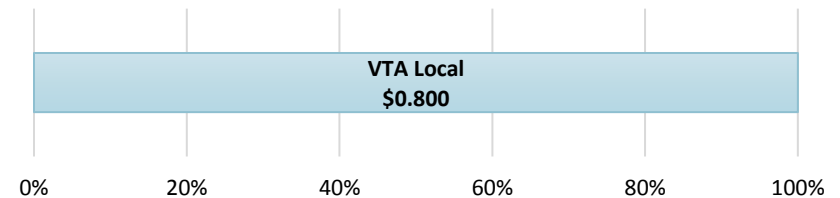
Anticipated Completion Date-December 2021

58. Server Refresh-\$0.8 million

Project Scope

This project augmentation provides the remaining funding needed to replace aging server equipment that has reached the end of its useful life in order to provide maximum uptime and minimize unplanned system outages.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-\$1.3 million

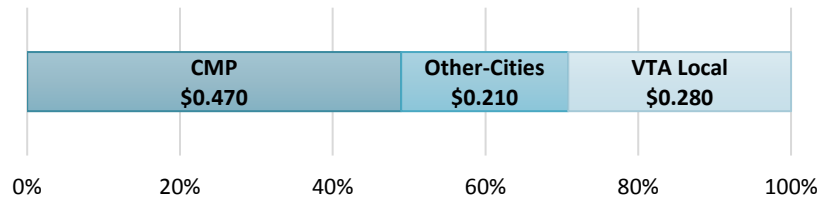
Anticipated Completion Date-June 2020

59. Upgrade Countywide Travel Demand Model-\$0.96 million

Project Scope

This project augmentation provides remaining funding needed to complete the development of the new travel demand model to meet the Model Consistency Requirements set for by the Metropolitan Transportation Commission (MTC), while improving model accuracy and expanding model functionalities.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$1.61 million

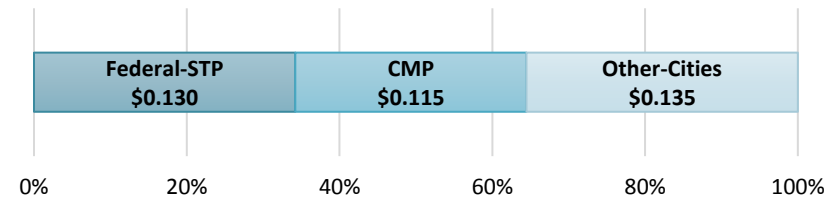
Anticipated Completion Date-June 2021

60. Vehicle-Miles-Traveled (VMT) Estimation Tool-\$0.38 million

Project Scope

This project involves the creation of a “VMT Estimation Tool” (an online, Geographic Information Systems-based tool) to allow VTA and the Congestion Management Member Agencies to estimate Vehicle Miles Traveled (VMT) for land use projects and plans. This tool is necessary due to the enactment of Senate Bill (SB) 743, which calls for agencies to move away from the use of Level of Service (LOS) and towards the use of VMT in transportation analysis.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.38 million

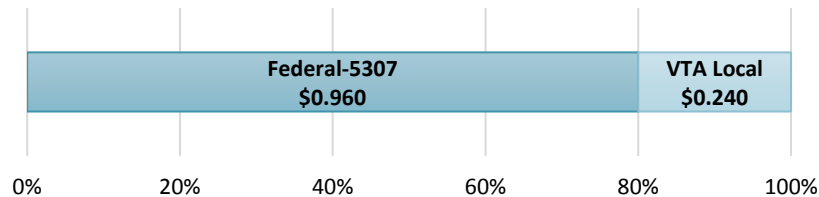
Anticipated Completion Date-June 2020

61. VTA Gigabit Network Project-\$1.2 million

Project Scope

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

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Annual hardware warranty and system support estimated at \$120,000.

Estimated Total Project Cost-\$2.590 million

Anticipated Completion Date-June 2021

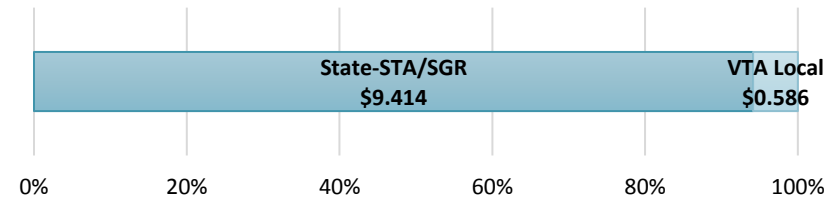
Miscellaneous

62. Caltrain Capital – Annual Local Match-\$10.0 million

Project Scope

This project provides funding for VTA's portion of Caltrain's Capital program. The contributions from the funding partners (VTA, the City and County of San Francisco, and the San Mateo County Transit District) are primarily used to match state and federal grant funds that are provided to Caltrain.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Transportation System Management

Operating Budget 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

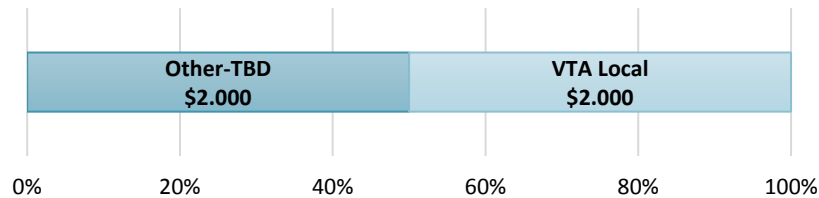
Anticipated Completion Date-June 2021

63. Capital Contingency-\$4.0 million

Project Scope

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 (in millions)



Business Line(s) Supported

- N/A

Operating Budget Impact

Potential impact on operating cost is dependent on nature of identified activities.

Estimated Total Project Cost-\$4.0 million

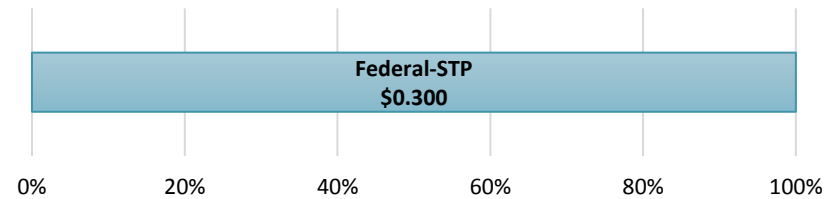
Anticipated Completion Date-June 2021

64. Community-Based Transportation Plans-\$0.3 million

Project Scope

This project will complete Community-Based Transportation Plans for Santa Clara County as required by the Metropolitan Transportation Commission (MTC) for all Congestion Management Agencies (CMAs). These studies will improve access and mobility for low-income communities and engage residents and community organizations in conducting the analysis and shaping the recommendations.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-\$0.3 million

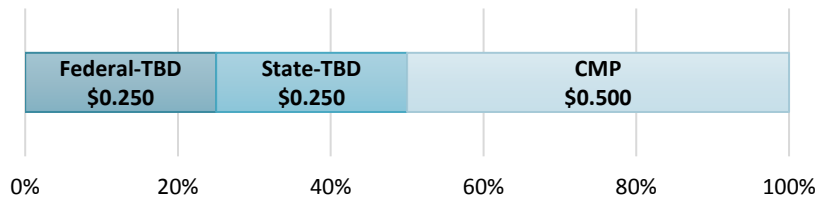
Anticipated Completion Date-June 2021

65. Comprehensive Multimodal Corridor Plans-\$1.0 million

Project Scope

This project will study key congested corridors in Santa Clara Valley to produce a comprehensive multimodal corridor plan. The program is designed to reduce congestion by identifying improvements while preserving the character of the local community. The state requires that local agencies develop corridor plans to be eligible for funding through the Solutions for Congested Corridor Program.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$1.0 million

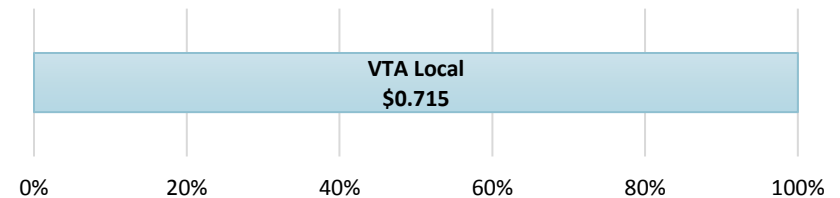
Anticipated Completion Date-July 2021

66. Facility and Fleet Plan-\$0.715 million

Project Scope

This project would develop a facility and fleet plan outlining the roadmap for future fleet purchases and facility needs in light of state policies that require VTA to modernize its fleet to be in line with California Air Resources Board (CARB) requirements by 2030.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.715 million

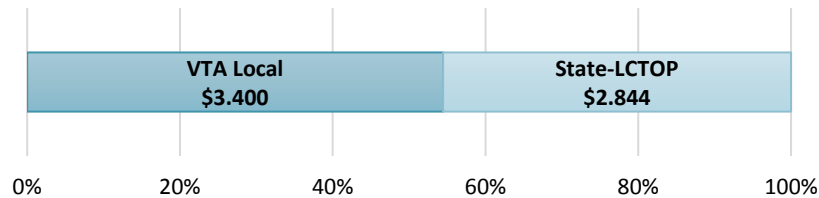
Anticipated Completion Date-June 2021

67. FAST Program Implementation-\$6.244 million

Project Scope

This project will implement transit signal priority, bus stop balancing and other speed-related improvements in frequent transit corridors to improve travel times and reduce operating costs.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit

Operating Budget Impact

Estimates indicate that an increase in average speed of one mile-per-hour would reduce annual operating costs by over \$15M per year.

Estimated Total Project Cost-\$11.2 million

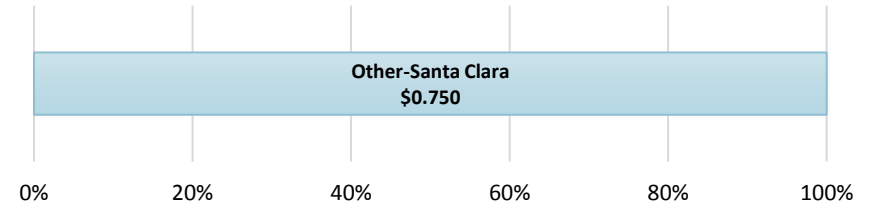
Anticipated Completion Date-June 2023

68. Santa Clara Great America Intermodal Station Master Plan-\$0.75 million

Project Scope

This project will study potential designs to upgrade the existing Santa Clara Great America Intermodal Station to a multi-level, urban-style station that would serve the new growth and transportation demand proposed by City Place, Levi's Stadium and future development in the city of Santa Clara.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.75 million

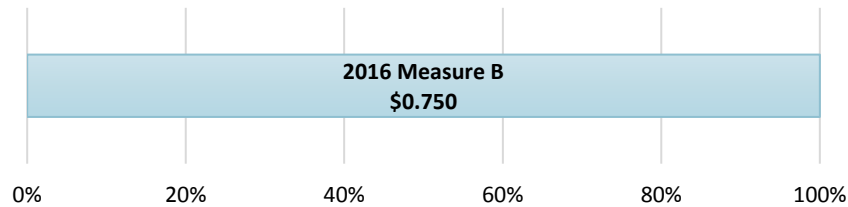
Anticipated Completion Date-January 2021

69. South County Rail Study-\$0.75 million

Project Scope

This project will study potential options for enhanced South Santa Clara County heavy rail service in relation to the potential service expansion as part of the 2016 Measure B program.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.75 million

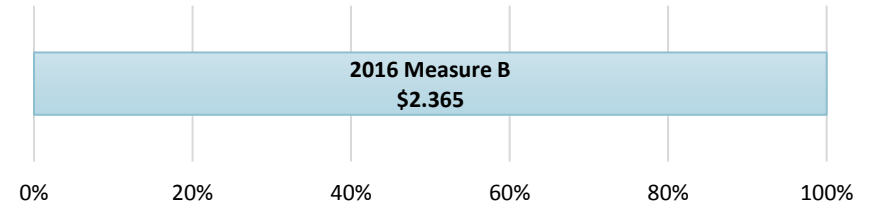
Anticipated Completion Date-December 2020

70. State Route 85 Transit Guideway Preliminary Engineering-\$2.365 million

Project Scope

This project will fund preliminary engineering for the investment decision identified by the SR 85 Transit Guideway Study. This will include refined corridor definition, potential station locations, updated capital and operating cost estimates, and ridership projections.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Updated operating cost estimates would be determined as part of the project scope.

Estimated Total Project Cost-\$2.365 million

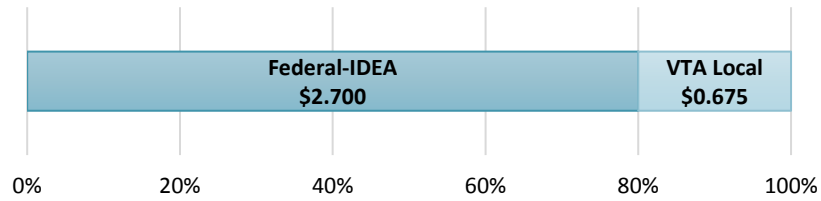
Anticipated Completion Date-June 2021

71. VA Pilot Smart Shuttle-\$3.375 million

Project Scope

This project augmentation provides the remaining funding needed for this five-year pilot project. The goal of the project is to develop a “Comprehensive Autonomous Shuttle System” featuring on-demand or pre-scheduled service for all types of passengers in and around the Palo Alto Hospital area using a connected autonomous shuttle and pre-identified Smart Stop locations.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$4.74 million

Anticipated Completion Date-July 2022

***2000 MEASURE A TRANSIT
IMPROVEMENT PROGRAM***

VTA FY 2020 & FY 2021 PROPOSED BUDGET



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 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, debt service, and operating assistance to VTA Transit. The capital budget appropriation is comprised of the anticipated expenditures and commitments on capital projects for the two-year budget period.

VTA FY 2020 & FY 2021 PROPOSED BUDGET

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

Line	Category	FY18 Actual	FY19 Adopted Budget	FY19 Projected Actual¹	FY20 Proposed Budget	Variance from FY19 Projection	% Var	FY21 Proposed Budget	Variance from FY20 Budget	% Var
1	2000 Half-Cent Sales Tax	207,870	219,650	234,476	225,866	(8,610)	-3.7%	229,254	3,388	1.5%
2	Federal BABs Subsidy ²	8,784	8,750	8,802	8,816	14	0.2%	8,701	(116)	-1.3%
3	Investment Earnings	7,379	5,486	9,873	8,205	(1,667)	-16.9%	9,026	821	10.0%
4	Other Income	414	395	371	439	68	18.4%	446	7	1.6%
5	Total Revenue	224,447	234,282	253,522	243,327	(10,195)	-4.0%	247,426	4,100	1.7%
6	VTA Operating Assistance	43,133	45,577	48,654	46,867	(1,787)	-3.7%	47,570	703	1.5%
7	Professional & Special Services	560	1,002	796	639	(157)	-19.7%	585	(54)	-8.4%
8	Miscellaneous	25	27	9	31	22	242.0%	31	0	0.0%
9	Contributions to Other Agencies	195	0	161	0	(161)	-100.0%	0	0	N/A
10	Debt Service	37,598	46,200	46,200	42,760	(3,439)	-7.4%	44,759	1,999	4.7%
11	Repayment Obligation	14,936	15,499	11,983	14,729	2,745	22.9%	14,665	(64)	-0.4%
12	Total Expense	96,447	108,304	107,803	105,026	(2,777)	-2.6%	107,610	2,584	2.5%
13	Revenues Over (Under) Expenses	128,000	125,978	145,719	138,300			139,816		

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

¹ Projection as of April 6, 2019

² Represents remittance from the federal government for a portion of the interest cost for 2010 Sales Tax Revenue Bonds, 2010 Series A, Build America Bonds (BABs) which were issued in November 2010

2000 Measure A Capital Program Overview

The Proposed FY 2020 & FY 2021 2000 Measure A Capital Program utilizes cash-on-hand and projected cash receipts, and does not anticipate incurring additional debt in the two-year period. The total additional appropriation for the identified projects for FY 2020 and FY 2021 is \$903.7 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 2020 in order to facilitate administration of the program.

The table below lists each project by category and general funding source. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2020 and FY 2021 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

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.

Schedule of FY 2020 & FY 2021 Appropriation (Dollars in Thousands)

Project	Funding Source		Total
	2016 Measure B	2000 Measure A	
1. SVRT Project Development After FY09	150,000	563,500	713,500
<i>SVRT Program Total</i>	<i>150,000</i>	<i>563,500</i>	<i>713,500</i>
2. Eastridge to BART Regional Connector	0	129,700	129,700
<i>Light Rail Program Total</i>	<i>0</i>	<i>129,700</i>	<i>129,700</i>
3. Capitalized Interest and Other Bond Costs	0	60,485	60,485
<i>Measure A Programwide Total</i>	<i>0</i>	<i>60,485</i>	<i>60,485</i>
<i>Grand Total</i>	<i>150,000</i>	<i>753,685</i>	<i>903,685</i>

2000 Measure A Transit Improvement Program Descriptions of FY 2020 & FY 2021 Appropriated Projects

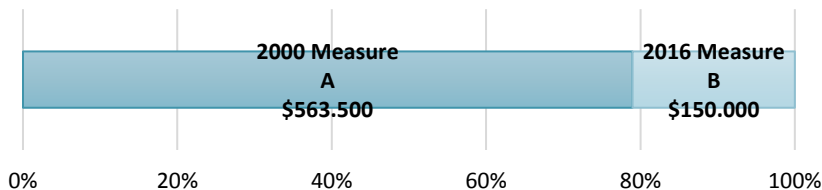
SVRT Program

1. SVRT Project Development After FY09-\$713.5 million

Project Scope

This project provides BART Silicon Valley program management as well as work specific to Phase II of the BART Silicon Valley. Phase II work to be undertaken in the two-year period includes engineering, right-of-way and advance utility relocation efforts, long lead construction, and procurement items.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Ongoing operating and maintenance costs are currently under negotiation with BART. These expenditures will be funded by BART fare revenues and the 2008 Measure B one-eighth sales tax.

Estimated Total Project Cost-\$4.78 billion

Anticipated Completion Date-December 2026

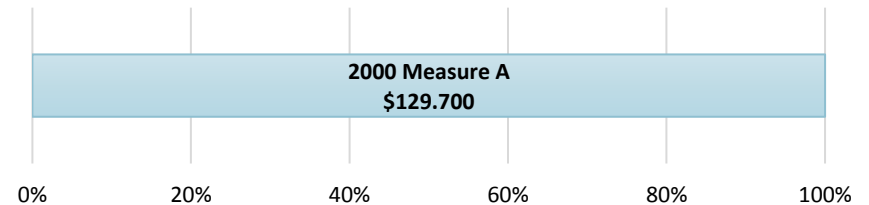
Light Rail Program

2. Eastridge to BART Regional Connector-\$129.7 million

Project Scope

This project will construct a light rail extension from Alum Rock to the Eastridge Transit Center with a continuous elevated guideway. The extension will include LRT stations at Story Road (aerial) and Eastridge (at-grade).

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Operating and maintenance costs are estimated at \$2-\$3 million annually depending on service frequency.

Estimated Total Project Cost-\$453.0 million

Anticipated Completion Date-December 2024

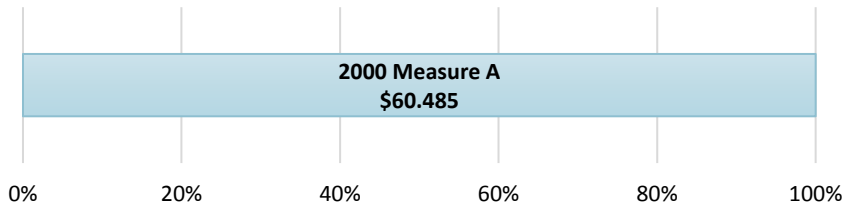
Measure A Programwide

3. Capitalized Interest and Other Bond Costs- \$60.485 million

Project Scope

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 (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-N/A

Anticipated Completion Date-March 2036



***CONGESTION MANAGEMENT
PROGRAM***

VTA FY 2020 & FY 2021 PROPOSED BUDGET



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 Proposed FY 2020 and FY 2021 CMP Budget 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 major 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.

Member Agency Fees are based on the fee schedule adopted by the Board in June 2005, which specifies annual increases of 3.5%. The Proposed Budget reflects this increase for both FY 2020 and FY 2021, as well as the payment of a one-time surcharge for Member Agencies in FY 2020 for the local share of cost to create a Vehicle Miles Traveled Estimation Tool.

MTA FY 2020 & FY 2021 PROPOSED BUDGET

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

Line	Category	FY18 Actual	FY19 Adopted Budget	FY19 Projected Actual¹	FY20 Proposed Budget	Variance from FY19 Projection	% Var	FY21 Proposed Budget	Variance from FY20 Budget	% Var
1	Federal Operating Grants	2,178	2,136	2,136	2,179	43	2.0%	2,222	44	2.0%
2	State Operating Grants	1,081	908	908	160	(748)	-82.4%	1,072	912	570.0%
3	Investment Earnings	2	12	3	2	(1)	-33.3%	2	0	0.0%
4	Member Agency Fees	2,528	2,654	2,654	2,747	93	3.5%	2,843	96	3.5%
5	Other Income	346	148	159	493	334	210.1%	360	(133)	-27.0%
6	Total Revenue	6,135	5,858	5,860	5,581	(279)	-4.8%	6,499	919	16.5%
7	Professional & Special Services	817	1,412	457	778	321	70.2%	779	1	0.1%
8	Other Services	14	16	16	0	(16)	-100.0%	0	0	N/A
9	Data Processing	0	7	7	6	(1)	-14.3%	6	0	0.0%
10	Employee Related Expense	0	0	0	0	0	N/A	0	0	N/A
11	Contribution to Other Agencies	116	300	370	825	455	122.9%	442	(383)	-46.4%
12	VTA Staff Services	4,632	4,080	4,500	4,650	150	3.3%	4,789	139	3.0%
13	Total Expense	5,578	5,815	5,350	6,259	909	17.0%	6,016	(243)	-3.9%
14	Revenues Over (Under) Expenses	556	43	510	(678)			483		

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

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

Line	Description	<u>FY18 Actual</u>	<u>FY19 Projected Actual¹</u>	<u>FY20 Proposed Budget</u>	<u>FY21 Proposed Budget</u>
1	Total Revenues	6,135	5,860	5,581	6,499
2	Total Expenses	<u>(5,578)</u>	<u>(5,350)</u>	<u>(6,259)</u>	<u>(6,016)</u>
3	Revenues Over (Under) Expenses	556	510	(678)	483
4	Beginning Fund Balance	611	1,167	1,677	999
5	Revenues Over (Under) Expenses	<u>556</u>	<u>510</u>	<u>(678)</u>	<u>483</u>
6	Ending Fund Balance	1,167	1,677	999	1,482

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

¹ Projection as of April 1, 2019

Congestion Management Program Member Assessments

Member Agency	FY 2020			FY 2021
	<u>Assessment</u>	<u>One-time VMT Tool Surcharge¹</u>	<u>Total</u>	<u>Assessment</u>
County of Santa Clara	\$310,077	\$26,740	\$336,817	\$320,929
Campbell	57,658	4,972	62,630	59,676
Cupertino	88,580	7,639	96,219	91,681
Gilroy	43,096	3,716	46,812	44,605
Los Altos	28,443	2,453	30,896	29,438
Los Altos Hills	7,584	654	8,238	7,850
Los Gatos	39,255	3,385	42,640	40,629
Milpitas	87,848	7,576	95,424	90,922
Monte Sereno	2,280	197	2,477	2,360
Morgan Hill	28,647	2,470	31,117	29,649
Mountain View	142,659	12,302	154,961	147,652
Palo Alto	161,431	13,921	175,352	167,081
San Jose	894,549	0	894,549	925,859
Santa Clara	236,289	20,377	256,666	244,560
Saratoga	24,751	2,134	26,885	25,617
Sunnyvale	283,685	24,464	308,149	293,614
Subtotal:	\$2,436,834	\$133,000	\$2,569,834	\$2,522,123
VTA - Managing Agency Contribution	310,077	0	310,077	320,929
TOTAL:	<u>\$2,746,911</u>	<u>\$133,000</u>	<u>\$2,879,911</u>	<u>\$2,843,053</u>

¹ This amount is reflected as Other Income in the Comparison of Revenue and Expenses schedule.



***VTP HIGHWAY IMPROVEMENT
PROGRAM***

VTA FY 2020 & FY 2021 PROPOSED BUDGET



VTP Highway Improvement Program

Overview

VTP 2040 is the current approved long-range countywide 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, VTP 2050, is scheduled for adoption by the VTA Board in mid-2021.

The total additional appropriation for the identified VTP Highway Improvement Program Capital Projects for FY 2020 and FY 2021 is \$282.7 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 2020 in order to facilitate administration of the program and includes projects related to express lanes, freeway and highway improvements, complete streets, and bicycle/pedestrian improvements.

The table on the following page lists each project and its general funding source category. The subsequent pages provide a brief description of each project, identified funding sources for the FY 2020 and FY 2021 requested appropriation, potential operating cost impacts, estimated total project cost, and anticipated completion date.

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.

VTA FY 2020 & FY 2021 PROPOSED BUDGET

***VTP Highway Improvement Program
Schedule of FY 2020 & FY 2021 Appropriation
(Dollars in Thousands)***

Project	Funding Source				Total
	Federal	State	2016 Measure B	Other	
1. Calaveras Boulevard Near-term Improvements	0	0	1,800	200	2,000
2. Freeway Performance Initiative Phase 2	2,000	0	0	0	2,000
3. I-280 Foothill Expressway Ramp Improvements	0	0	800	0	800
4. I-280 HOV: Magdalena Ave to San Mateo County Line	0	0	1,800	200	2,000
5. I-280 Soundwalls	0	2,000	0	0	2,000
6. I-280/Saratoga Ave Interchange Improvements	0	0	1,800	200	2,000
7. I-280/Winchester Boulevard Interchange Improvements	0	0	8,000	0	8,000
8. I-280/Wolfe Road Interchange Improvements	0	0	2,600	0	2,600
9. I-680 Sound Walls	0	1,000	0	0	1,000
10. I-680/Alum Rock/McKee Interchange Improvements	0	0	1,800	200	2,000
11. Noise Reduction Program on SR 85	0	100	7,525	0	7,625
12. SR 17/SR 9 Interchange Improvements	0	0	3,600	400	4,000
13. SR 237 Westbound On-Ramp at Middlefield Road	0	0	34,000	5,500	39,500
14. SR 237/Great America Pkwy WB Off-Ramp Improvements	0	0	1,500	0	1,500
15. SR 237/US 101/Mathilda Ave Landscaping Project	0	0	3,000	0	3,000
16. US 101 De La Cruz/Trimble Interchange Improvements	0	0	50,600	0	50,600
17. US 101 San Antonio/Charleston/Rengstorff Ramp Impvmt	0	0	1,800	200	2,000
18. US 101/I-880 Interchange Improvement Feasibility Study	0	0	0	1,500	1,500
19. US 101/SR 25 Interchange Improvements	0	0	55,000	0	55,000
<i>Highways Total</i>	<i>2,000</i>	<i>3,100</i>	<i>175,625</i>	<i>8,400</i>	<i>189,125</i>

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Project	Funding Source				Total
	Federal	State	2016 Measure B	Other	
20. Lawrence Expressway Grade Separation	0	0	22,500	2,500	25,000
<i>Expressways Total</i>	<i>0</i>	<i>0</i>	<i>22,500</i>	<i>2,500</i>	<i>25,000</i>
21. Silicon Valley Express Lanes - Electronic Toll System (ETS)	0	0	0	22,000	22,000
22. Silicon Valley Express Lanes - US 101 Phase 5	0	5,000	0	0	5,000
23. Silicon Valley Express Lanes - US 101/SR 85 Phase 4	0	2,300	0	7,700	10,000
<i>Express Lanes Total</i>	<i>0</i>	<i>7,300</i>	<i>0</i>	<i>29,700</i>	<i>37,000</i>
24. Bicycle Superhighway Feasibility and Alternatives Analysis	0	0	480	1,520	2,000
25. Countywide Bike and Ped Education/Encouragement Program	0	0	500	0	500
26. King Road Ped Safety and Transit Access Improvements	0	2,816	0	0	2,816
<i>Bicycle & Pedestrian Total</i>	<i>0</i>	<i>2,816</i>	<i>980</i>	<i>1,520</i>	<i>5,316</i>
27. Bascom Complete Streets Project	5,137	0	5,137	0	10,274
28. Story-Keyes Complete Streets Project	0	0	7,668	0	7,668
29. Tasman Corridor Complete Streets Project	828	0	7,452	0	8,280
<i>Complete Streets Total</i>	<i>5,965</i>	<i>0</i>	<i>20,257</i>	<i>0</i>	<i>26,222</i>
<i>Grand Total</i>	<i>7,965</i>	<i>13,216</i>	<i>219,362</i>	<i>42,120</i>	<i>282,663</i>

VTP Highway Improvement Program Descriptions of FY 2020 & FY 2021 Appropriated Projects

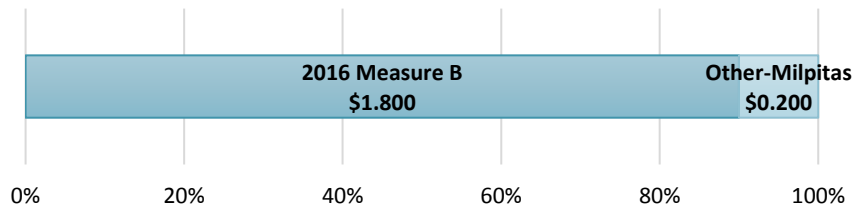
Highways

1. Calaveras Boulevard Near-term Improvements-\$2.0 million

Project Scope

This project will construct High-Occupancy Vehicle (HOV) bypass lanes at the westbound SR 237 on-ramp from McCarthy Boulevard and at the westbound SR 237 on-ramp from Calaveras Boulevard in Milpitas.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$2.0 million

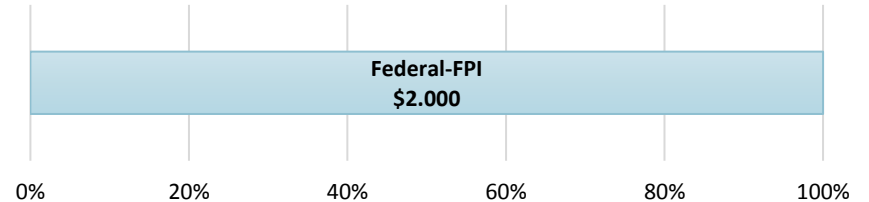
Anticipated Completion Date-May 2023

2. Freeway Performance Initiative Phase 2-\$2.0 million

Project Scope

This project augmentation funds future phases of work on MTC's Freeway Performance Initiative program designed to maximize efficiency of the existing highways using technology. The project's purpose is to prepare plans and construct improvements to implement technologies that provide for better surveillance of traffic conditions.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$9.0 million

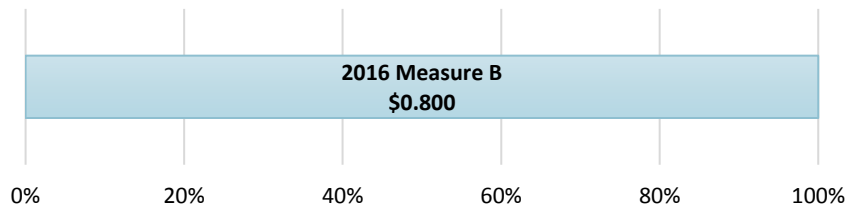
Anticipated Completion Date-June 2026

3. I-280 Foothill Expressway Ramp Improvements-\$0.8 million

Project Scope

This project augmentation completes funding needed to add one new off-ramp lane, retaining walls, new lighting, and related improvements at the northbound I-280 off-ramp to Foothill Expressway in Los Altos.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$4.0 million

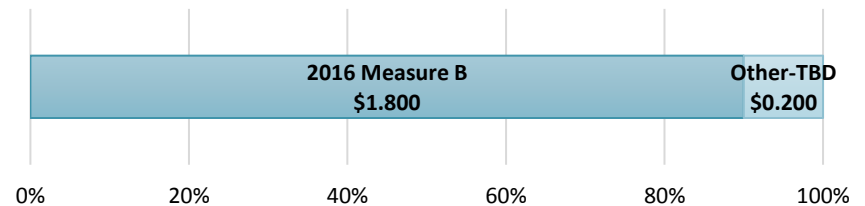
Anticipated Completion Date-December 2021

4. I-280 HOV: Magdalena Ave to San Mateo County Line-\$2.0 million

Project Scope

This project will construct a new High-Occupancy Vehicle (HOV)/Express Lane on I-280 between Magdalena Avenue and the San Mateo County Line. The requested budget is for the Project Initiation Document only.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$60.0 million

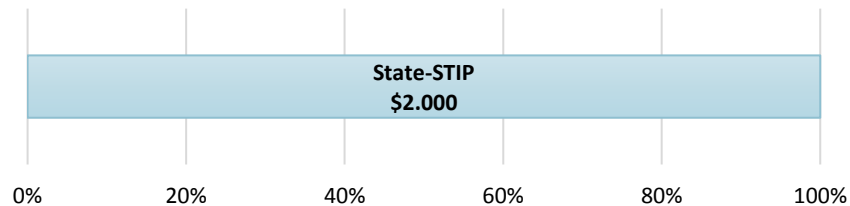
Anticipated Completion Date-December 2025

5. I-280 Soundwalls-\$2.0 million

Project Scope

This project will construct soundwalls along I-280 between Los Gatos Creek and Bird Avenue in San Jose. The requested budget is for the Project Approval/Environmental Document and Plans, Specifications, and Estimates phases of the project.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$7.0 million

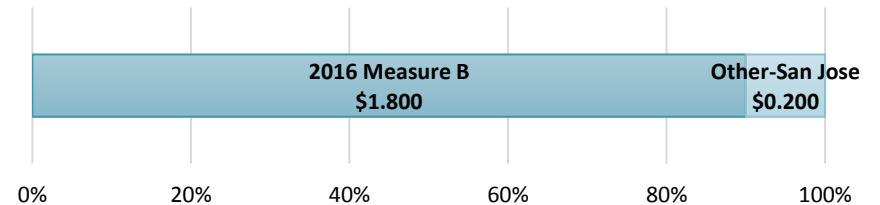
Anticipated Completion Date-April 2026

6. I-280/Saratoga Ave Interchange Improvements-\$2.0 million

Project Scope

This project will modify the I-280/Saratoga Avenue interchange to improve operations for local and freeway traffic including adding bicycle and pedestrian facilities on Saratoga Avenue in San Jose. The requested budget will fund the Project Initiation Document including related preliminary engineering efforts.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$60.0 million

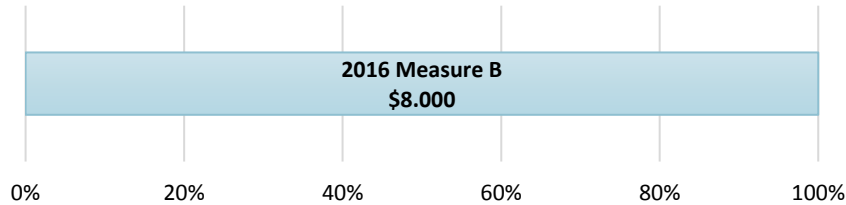
Anticipated Completion Date-December 2027

7. I-280/Winchester Boulevard Interchange Improvements-\$8.0 million

Project Scope

This project augmentation will provide funds for the completion of Project Approval/Environmental Documents and the final design, plans, specifications and estimate in order to construct improvements near the I-280/Winchester Boulevard Interchange in San Jose.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$90 million

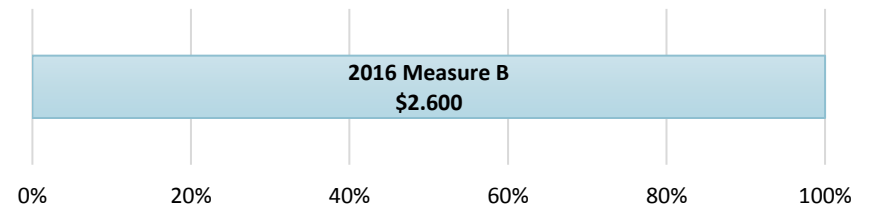
Anticipated Completion Date-December 2025

8. I-280/Wolfe Road Interchange Improvements-\$2.6 million

Project Scope

This project augmentation will provide funds for the completion of Project Approval/Environmental Documents and final design for the I-280/Wolfe Road Interchange improvements in Cupertino.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$85.0 million

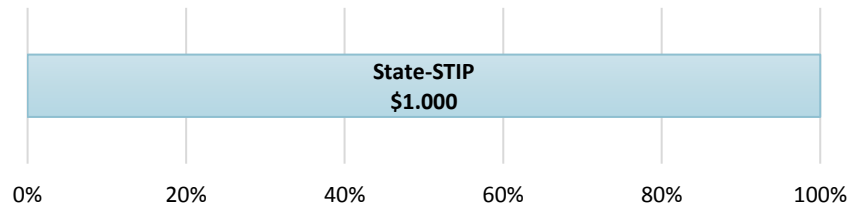
Anticipated Completion Date-December 2025

9. I-680 Sound Walls-\$1.0 million

Project Scope

This project augmentation will complete the funding needed to construct sound walls along I-680 between Capitol Expressway and Mueller Avenue in San Jose.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$7.0 million

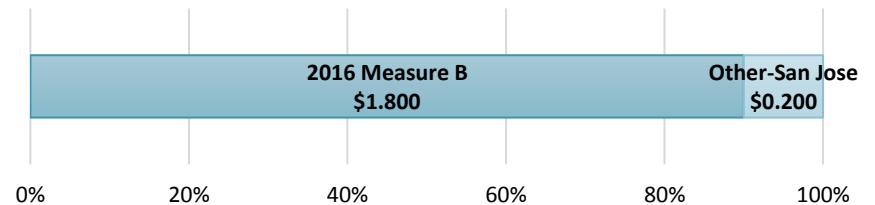
Anticipated Completion Date-August 2021

10. I-680/Alum Rock/McKee Interchange Improvements-\$2.0 million

Project Scope

This project will modify the I-680/Alum Rock Avenue/McKee Road interchange to improve operations for local and freeway traffic. It will also add bicycle and pedestrian facilities on the Alum Rock Avenue and McKee Road overcrossings. The requested budget will fund the Project Initiation Document including related preliminary engineering efforts.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$40.0 million

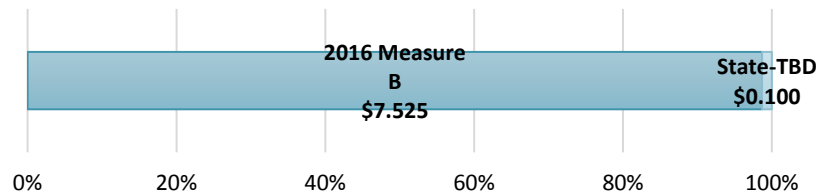
Anticipated Completion Date-August 2024

11. Noise Reduction Program on SR 85- \$7.625 million

Project Scope

This project augmentation will address noise reduction along the SR 85 corridor including the preliminary engineering and project environmental documents process, and noise reduction pilot project design and construction.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$10.0 million

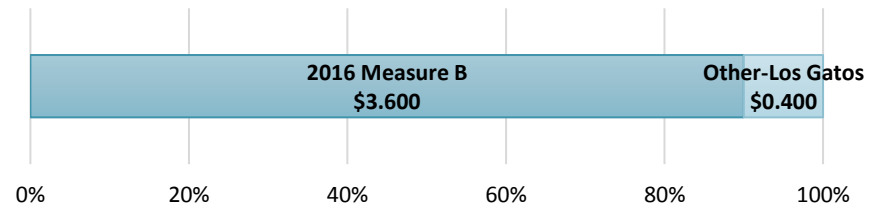
Anticipated Completion Date-December 2025

12. SR 17/SR 9 Interchange Improvements- \$4.0 million

Project Scope

The project proposes to modify the SR 17 /SR 9 interchange to relieve congestion and improve traffic operations on the freeway and local roadways. Scope includes modifying existing on- and off-ramps and local intersections and upgrading bicycle/pedestrian facilities at this interchange. The requested budget will fund completion of the Project Initiation Document and Project Approval/Environmental Document.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$19.0 million

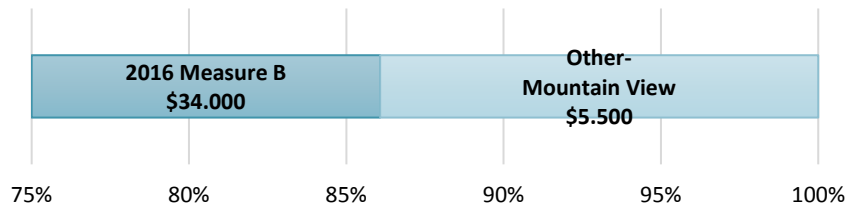
Anticipated Completion Date-December 2026

13. SR 237 Westbound On-Ramp at Middlefield Road-\$39.5 million

Project Scope

This project will address local traffic operations and bicycle/pedestrian accommodations by construction of a loop on-ramp from northbound Middlefield Road to westbound SR 237 in Mountain View. The requested funds are for the Project Approval/Environmental Document (PA/ED) phase of the project and right-of-way acquisitions.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$55.0 million

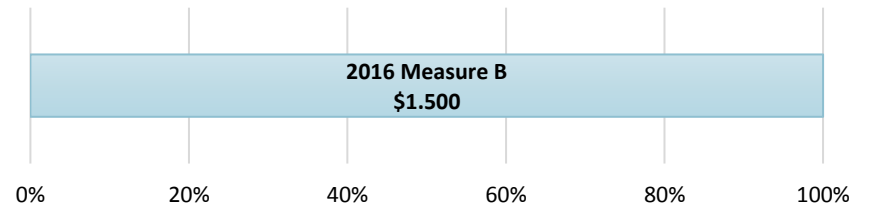
Anticipated Completion Date-September 2024

14. SR 237/Great America Pkwy WB Off-Ramp Improvements-\$1.5 million

Project Scope

This project will modify the westbound SR 237 off-ramp to Great America Parkway in Santa Clara to improve operations including modifications to local intersections and upgrades to bicycle/pedestrian facilities as necessary. The requested budget is for completion of the Project Initiation Document.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$13.0 million

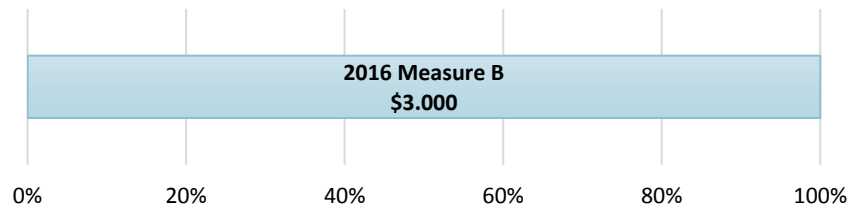
Anticipated Completion Date-December 2025

15. SR 237/US 101/Mathilda Ave Landscaping Project-\$3.0 million

Project Scope

This project provides for completion of plans, specification and estimate, right of way, and construction to complete the landscape contract for the US 101/SR 237 Mathilda project in Sunnyvale.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

Ongoing maintenance costs will be the responsibility of the City of Sunnyvale and Caltrans.

Estimated Total Project Cost-\$3.0 million

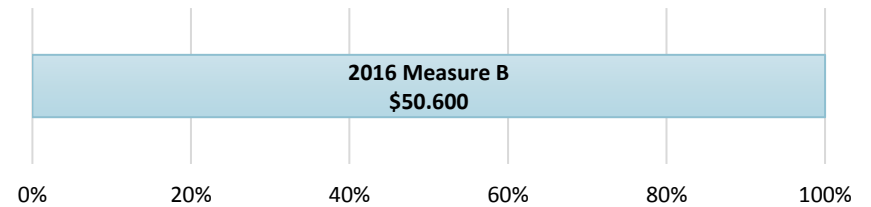
Anticipated Completion Date-August 2022

16. US 101 De La Cruz/Trimble Interchange Improvements-\$50.6 million

Project Scope

This project augmentation funds completion of final design, right-of-way, and construction for improvements in the vicinity of the US 101/Trimble Road Interchange in San Jose.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$60.0 million

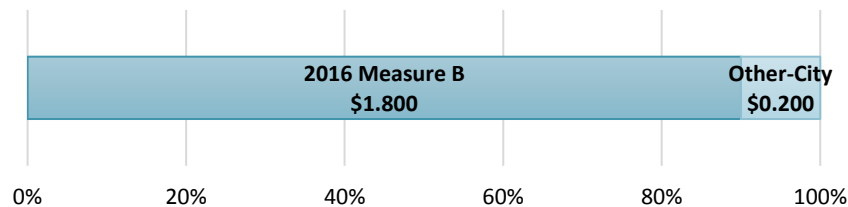
Anticipated Completion Date-December 2023

17. US 101 San Antonio/Charleston/Rengstorff Ramp Improvements-\$2.0 million

Project Scope

This project augmentation will provide funds for the completion of Project Initiation Documents and Project Approval/Environmental Documents for US 101 southbound improvements at the San Antonio Road and Charleston Road/Rengstorff Avenue ramps in Palo Alto and Mountain View.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$40.0 million

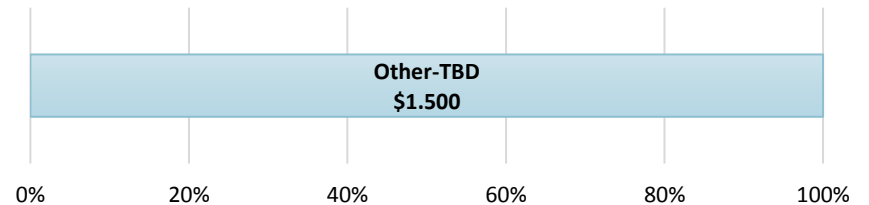
Anticipated Completion Date-December 2026

18. US 101/I-880 Interchange Improvement Feasibility Study-\$1.5 million

Project Scope

This project will fund a feasibility study for improvements to the US 101/I-880 interchange. The project proposes to develop geometric alternatives to improve freeway to freeway operations, reduce the US 101 and I-880 corridor congestion, and improve local street circulation within the North San Jose area.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$1.5 million

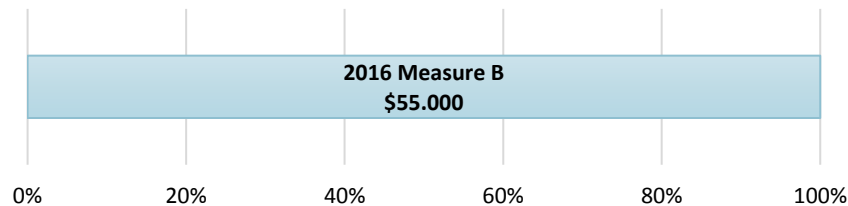
Anticipated Completion Date-December 2020

19. US 101/SR 25 Interchange Improvements-\$55.0 million

Project Scope

This project augmentation provides the remaining funding needed for completion of right-of-way and construction phases for reconstruction of the US 101/SR 25 Interchange and additional ramp lanes in Gilroy.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$65.0 million

Anticipated Completion Date-December 2024

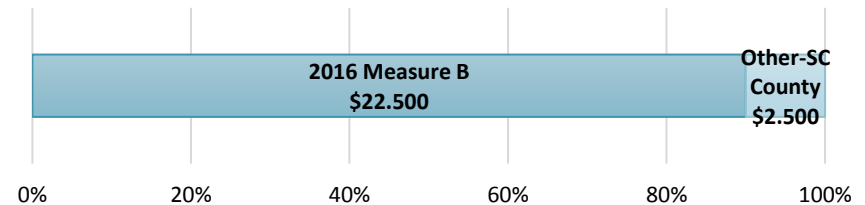
Expressways

20. Lawrence Expressway Grade Separation-\$25.0 million

Project Scope

This project proposes to improve traffic operations by constructing grade separation intersections along Lawrence Expressway at Reed Avenue/Monroe Street, Kifer Road, and Arques Avenue in Santa Clara. The requested funds are for the completion of the Preliminary Engineering and Project Approval/Environmental Document.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$500.0 million

Anticipated Completion Date-June 2023

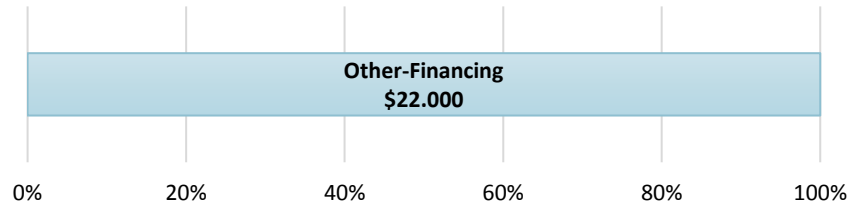
Express Lanes

21. Silicon Valley Express Lanes - Electronic Toll System (ETS)-\$22.0 million

Project Scope

This project will develop and implement an Electronic Toll System (ETS) to support the US 101/SR 85 Express Lanes projects.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Ongoing operating and maintenance costs will be funded from future toll revenues.

Estimated Total Project Cost-\$51.001 million

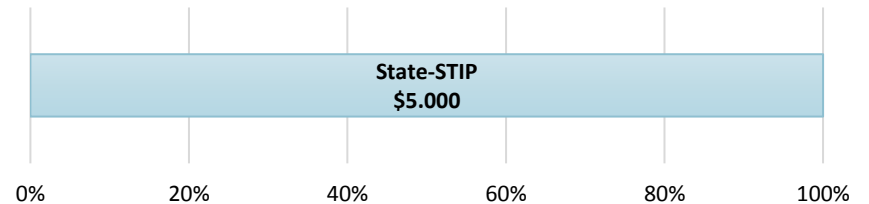
Anticipated Completion Date-December 2024

22. Silicon Valley Express Lanes - US 101 Phase 5-\$5.0 million

Project Scope

This project will implement a roadway pricing system on US 101 by converting the existing carpool lane to an Express Lane on US 101 (between the SR 237 and I-880 interchanges) and add a second Express Lane to create a dual Express Lanes system within this segment of US 101. The requested funds are for the final civil design and right-of-way services.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Ongoing operating and maintenance costs will be funded from future toll revenues.

Estimated Total Project Cost-\$111.0 million

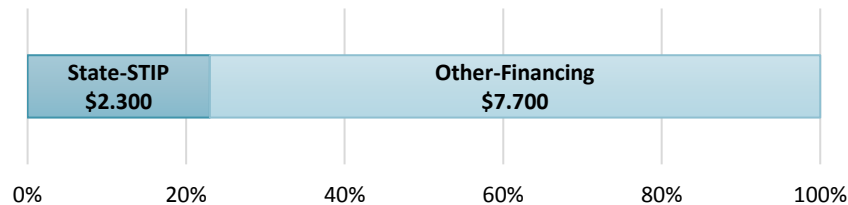
Anticipated Completion Date-June 2025

23. Silicon Valley Express Lanes - US 101/SR 85 Phase 4-\$10.0 million

Project Scope

This project augmentation will provide the remaining funds needed for construction to convert the existing carpool lanes to Express Lanes on SR 85 from the US 101/SR 85 interchange in South San Jose to SR 87, including the existing US 101/SR 85 direct High-Occupancy Vehicle (HOV) to HOV connector ramps and the approaches to and from US 101.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

Ongoing operating and maintenance costs will be funded from future toll revenues.

Estimated Total Project Cost-\$34.0 million

Anticipated Completion Date-June 2022

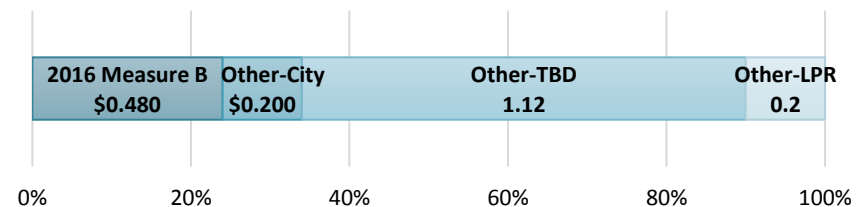
Bicycle & Pedestrian

24. Bicycle Superhighway Feasibility and Alternatives Analysis-\$2.0 million

Project Scope

This project will fund a feasibility study and alternative analysis for a continuous high-quality, low-stress protected bikeway between Palo Alto and East San Jose. The plan will ultimately identify a list of improvements that increase transportation options for the corridor, including connection to existing and planned bike trails and to the Berryessa/North San Jose BART station.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$2.0 million

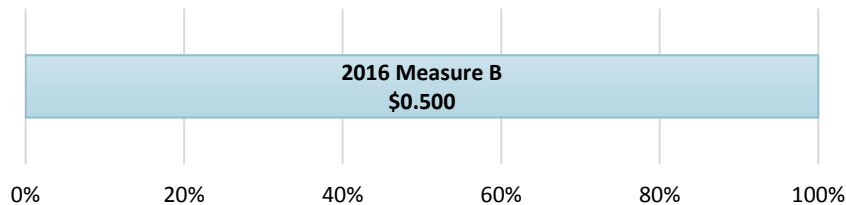
Anticipated Completion Date-June 2021

25. Countywide Bike and Ped Education/Encouragement Program-\$0.5 million

Project Scope

This project will deliver up to five countywide education and encouragement programs. VTA, in collaboration with the Santa Clara County Public Health Department will provide countywide support and direct services to encourage walking and bicycling, and to educate all roadway users on safe, responsible, and respectful driving, walking, and bicycling.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$0.5 million

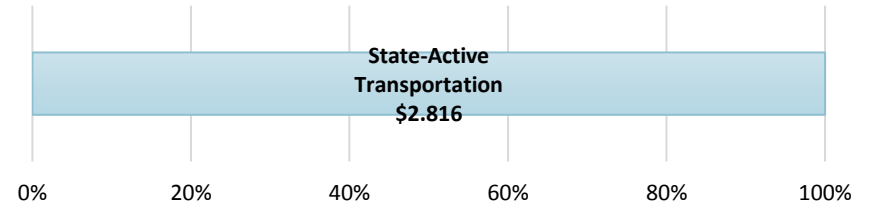
Anticipated Completion Date-June 2021

26. King Road Ped Safety and Transit Access Improvements-\$2.816 million

Project Scope

This project augmentation completes funding required to construct pedestrian safety improvements recommended in VTA's Countywide Pedestrian Access to Transit Plan and San Jose's Vision Zero Plan along a 4.5-mile stretch of King Road in East San Jose.

Funding (in millions)



Business Line(s) Supported

- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$3.502 million

Anticipated Completion Date-January 2022

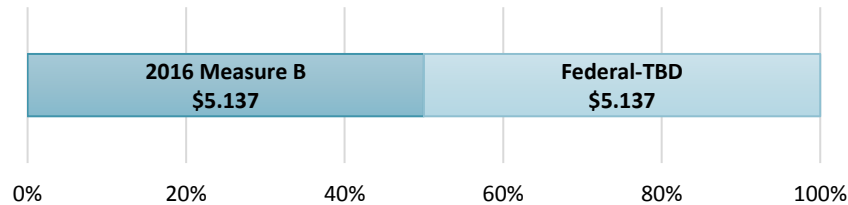
Complete Streets

27. Bascom Complete Streets Project-\$10.274 million

Project Scope

This project augmentation funds environmental clearance, right-of-way, and 100% design to improve transit, bicycle and pedestrian infrastructure along the Bascom corridor from I-880 to SR 85.

Funding (in millions)



Business Line(s) Supported

- Faster Frequent Reliable Transit
- Delivering Projects and Programs
- Transportation System Management

Operating Budget Impact

None

Estimated Total Project Cost-\$11.743 million

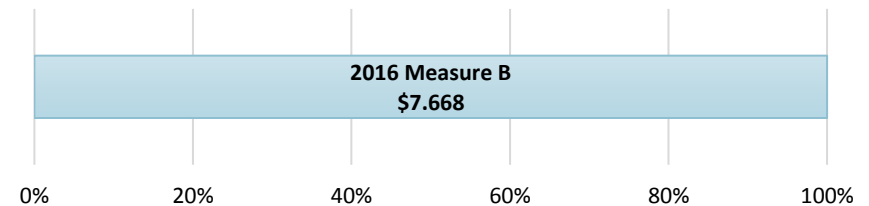
Anticipated Completion Date-June 2021

28. Story-Keyes Complete Streets Project-\$7.668 million

Project Scope

This project augmentation funds final design, engineering and environmental clearance of improvements to transit, bicycle and pedestrian infrastructure along the Story-Keyes corridor from Willow Street/SR 87 to Story Road/Capitol Expressway.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-\$9.058 million

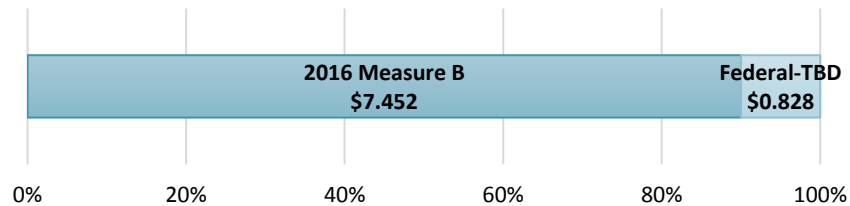
Anticipated Completion Date-August 2022

29. Tasman Corridor Complete Streets Project-\$8.280 million

Project Scope

This project augmentation funds the next phase of improvements to transit, bicycle and pedestrian infrastructure along the Tasman corridor from Tasman/Fair Oaks to Great Mall Parkway/Montague Expressway. The planned activities in the two-year period include environmental clearance, right-of-way, and 100% design.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-\$12.291 million

Anticipated Completion Date-June 2021

JOINT DEVELOPMENT PROGRAM

VTA FY 2020 & FY 2021 PROPOSED BUDGET



Joint Development Program

Overview

The VTA Board of Directors, based on staff recommendations, has 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 25 sites in the Joint Development portfolio that total approximately 175 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 2020 and FY 2021 Proposed 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 87 shows the capital budget appropriation requested for FY 2020 and FY 2021 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 2020 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.

VTA FY 2020 & FY 2021 PROPOSED BUDGET

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

Line	Category	FY18 Actual	FY19 Adopted Budget	FY19 Projected Actual¹	FY20 Proposed Budget	Variance from FY19 Projection	% Var	FY21 Proposed Budget	Variance from FY20 Budget	% Var
1	Investment Earnings	175	569	645	741	96	14.9%	729	(12)	-1.6%
2	Property Rental	947	460	1,058	348	(710)	-67.1%	346	(2)	-0.6%
3	Total Revenue	1,123	1,029	1,703	1,089	(613)	-36.0%	1,075	(14)	-1.3%
4	Professional & Special Services	142	223	223	390	167	74.9%	280	(110)	-28.2%
5	Utilities	1	0	0	0	0	N/A	0	0	N/A
6	Data Processing	0	0	1	1	0	19.7%	1	0	0.0%
7	Miscellaneous	0	10	0	10	10	0%	10	0	0.0%
8	VTA Staff Services	10	20	17	20	3	19.0%	20	0	0.0%
9	Total Expense	154	253	241	421	180	74.9%	311	(110)	-26.1%
10	Revenues Over (Under) Expenses	969	776	1,462	668			764		

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

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

<u>Line</u>	<u>Description</u>	<u>FY18 Actual</u>	<u>FY19 Projected Actual¹</u>	<u>FY20 Proposed Budget</u>	<u>FY21 Proposed Budget</u>
1	Total Operating Revenues	1,123	1,703	1,089	1,075
2	Total Operating Expenses	(154)	(241)	(421)	(311)
3	Total Site-Specific Expenses ²	<u>(926)</u>	<u>(950)</u>	<u>(967)</u>	<u>(948)</u>
4	Revenues Over (Under) Expenses	44	512	(299)	(184)
5	Beginning Net Position	28,880	28,924	29,436	29,137
6	Revenues Over (Under) Expenses	<u>44</u>	<u>512</u>	<u>(299)</u>	<u>(184)</u>
7	Ending Net Position	28,924	29,436	29,137	28,953
8	Joint Development Program Share of Capital ³	<u>(4,656)</u>	<u>(3,750)</u>	<u>(6,113)</u>	<u>(4,716)</u>
9	Uncommitted Net Position	24,267	25,686	23,024	24,237

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

¹ Projection as of March 22, 2019

² Expenses for site specific development costs that are managed in the Capital Program

³ Joint Development funded share of previously appropriated projects not yet expended

***Joint Development Capital Program
Schedule of FY 2020 & FY 2021 Appropriation
(Dollars in Thousands)***

Project	FY 2020 & FY 2021		
	Funding Source		Total
	Joint Development	Other	
1. Joint Development Predevelopment Activities	5,100	3,250	8,350
Grand Total	5,100	3,250	8,350

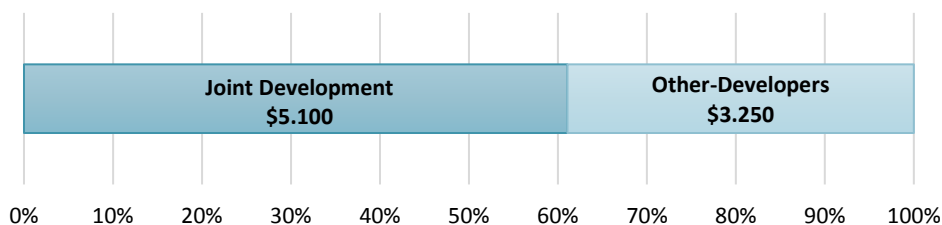
Description of FY 2020 & FY 2021 Appropriated Project

1. Joint Development Predevelopment Activities - \$8.4 million

Project Scope

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.

Funding (in millions)



Business Line(s) Supported

- Delivering Projects and Programs

Operating Budget Impact

None

Estimated Total Project Cost-\$9.1 million

Anticipated Completion Date-December 2028



***SILICON VALLEY EXPRESS LANES
PROGRAM***

VTA FY 2020 & FY 2021 PROPOSED BUDGET



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 to address congestion levels on highways while also looking towards new solutions to accommodate the future growth in travel demand.

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. In line with these objectives, 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 the county and 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 was 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 (Phase 2) 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 Fall 2019.

In September 2017, VTA entered into a loan agreement with Western Alliance Bank (WAB) to provide up to a \$24 million loan to fund construction costs of the Phase 2 project, pay capitalized interest, and fund issuance costs of the loan. The loan is secured solely by toll revenues and any other related revenues received from the operation of the SR 237 Express Lanes.

Upon Phase 2 opening, SR 237 Express Lanes will operate under expanded hours of operation (from 5 a.m. to 8 p.m.) and new business rules, including the requirement that users carry a transponder; operation of a video-based toll enforcement system; and a toll discount for single occupant clean air vehicles (CAVs) based on vehicle occupancy. The transponder requirement was approved by the VTA Board of Directors in September 2016 whereas the hours of operations are set by California Department of Transportation (Caltrans). In December 2018, the

VTA FY 2020 & FY 2021 PROPOSED BUDGET

VTA Board of Directors adopted the toll ordinance allowing for the collection of toll violation penalties as well as providing discounted tolls for single occupant CAVs and vehicle occupancy.

The Proposed FY 2020 and FY 2021 SVELP Budget represents the anticipated revenues and expenditures for the expanded operation of the SR 237 Express Lanes and general Express Lanes program expenditures over the next two fiscal years, including repayment of loan principal and interest. The primary revenue source for this program is tolls.

Operating

For Express Lanes Operations, the anticipated expenditures incorporate operations and maintenance (O&M) costs including but not limited to labor, professional and special services such as toll processing fees, enforcement, electronic toll system maintenance, road maintenance, utilities, debt service, and contingency.

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

Line	Category	FY18 Actual	FY19 Adopted Budget	FY19 Projected Actual ¹	FY20 Proposed Budget	Variance from FY19 Projection	% Var	FY21 Proposed Budget	Variance from FY20 Budget	% Var
1	Toll Revenues	1,297	1,250	1,250	2,938	1,713	139.8%	3,050	112	3.8%
2	Investment Earnings	34	25	50	46	(4)	-7.4%	51	5	9.9%
3	Total Revenue	1,331	1,275	1,300	2,984	1,709	134.1%	3,101	117	3.9%
4	Professional & Special Services	707	908	655	1,419	764	116.6%	1,427	8	0.6%
5	Utilities	2	2	3	10	7	284.0%	10	0	4.2%
6	Office Expense	0	0	0	0	(0)	-100.0%	0	0	N/A
7	Communications	0	2	0	50	50	N/A	50	0	0.0%
8	Miscellaneous	0	5	0	13	13	N/A	13	0	0.0%
9	VTA Staff Services	218	206	250	320	70	28.0%	330	10	3.1%
10	Debt Service	0	0	0	55	55	N/A	1,083	1,028	1869.1%
11	Contingency	0	70	0	100	100	N/A	100	0	0.0%
12	Sub-total Operating Expense	928	1,193	908	1,967	1,059	116.6%	3,013	1,046	53.2%
13	Contribution to Other Agencies-Ph2 Upgrades	1,010	0	(190)	0	190	-100.0%	0	0	N/A
14	Sub-total Program Expense	1,010	0	(190)	0	190	-100.0%	0	0	N/A
15	Total Expense	1,938	1,193	718	1,967	1,249	174.0%	3,013	1,046	53.2%
16	Revenues Over (Under) Expenses	(608)	82	582	1,018			88		

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

¹ Projection as of March 25, 2019

Silicon Valley Express Lanes Program
Summary of Program-related Sources and Uses
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY18 Actual</u>	<u>FY19 Projected Actual¹</u>	<u>FY20 Proposed Budget</u>	<u>FY21 Proposed Budget</u>
1	Loan Proceeds	2,126	15,700	6,174	0
2	Contribution to Other Agencies – PH 2 Funding	(253)	(15,700)	(8,047)	0
3	Sources Over (Under) Uses	1,874	0	(1,874)	0

Silicon Valley Express Lanes Program
Summary of Changes in Net Position
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY18 Actual</u>	<u>FY19 Projected Actual¹</u>	<u>FY20 Proposed Budget</u>	<u>FY21 Proposed Budget</u>
1	Beginning Net Position	2,769	1,909	(13,209)	(20,239)
2	Operating & Program-wide Revenues	1,331	1,300	2,984	3,101
3	Operating & Program-wide Expenses	(1,938)	(718)	(1,967)	(3,013)
4	Program Uses (Loan Funded)	<u>(253)</u>	<u>(15,700)</u>	<u>(8,047)</u>	<u>0</u>
5	Ending Net Position	1,909	(13,209)	(20,239)	(20,150)

Note: Totals may not be precise due to independent rounding

In FY 2020¹, the SVELP is projected to end the fiscal year with a negative net position of \$20.2M, made up primarily of the outstanding balance from the loan financed for the construction of Phase 2. After adjusting for this balance—which will be repaid over the remaining 18 years of the loan term—staff is proposing to set-aside a portion of the net position as Restricted Reserves for debt service and other loan related expense as outlined in the WAB Loan agreement. A portion would also be set aside as Unrestricted Reserves for Express Lanes toll system replacement, Equity Program funding to provide assistance to low income travelers within the corridor, funding to provide support for VTA Transit Operations, and future pavement rehabilitation work along the express lanes corridors. The remaining balance would be undesignated.

¹ Projection as of March 25, 2019

Silicon Valley Express Lanes Program
Restricted & Unrestricted Reserves
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY20</u>	<u>FY21</u>
1	RESTRICTED		
2	Debt Service & Loan Related Expenses	1,806	1,840
3	UNRESTRICTED		
4	Electronic Toll System Replacement	1,000	1,000
5	Equity Program	100	100
6	VTA Transit Operations	100	100
7	Pavement Rehabilitation	100	100
8	Other Undesignated Reserves	<u>600</u>	<u>600</u>
9	Total Unrestricted Reserves	1,900	1,900
10	Outstanding Loan Balance	<u>(23,945)</u>	<u>(23,890)</u>
11	Ending Net Position	<u>(20,239)</u>	<u>(20,150)</u>

***2008 MEASURE B—BART OPERATING
SALES TAX PROGRAM***

VTA FY 2020 & FY 2021 PROPOSED BUDGET



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. 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 projected FY 2019 actuals were lower than originally anticipated, as the FY 2018 and FY 2019 budget assumed an earlier revenue service start date. While the FY 2020 and FY 2021 Budget assumes the Phase I extension will begin operations at the end of 2019, only a continuation of current costs plus the addition of two support positions previously approved are assumed in the schedules below as the details of the final O&M agreement are pending. The complete budgeting of the additional operating costs will be presented to the Board of Directors in conjunction with the request for approval of the final O&M agreement.

***BART Operating Sales Tax Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY18 Actual	FY19 Adopted Budget	FY19 Projected Actual ¹	FY20 Proposed Budget	Variance from FY19 Projection	% Var	FY21 Proposed Budget	Variance from FY20 Budget	% Var
1	Sales Tax Revenues	49,791	52,716	58,619	54,208	(4,411)	-7.5%	55,021	813	1.5%
2	Investment Earnings	1,316	5,994	6,980	7,220	239	3.4%	8,495	1,275	17.7%
3	Total Revenue	51,107	58,709	65,599	61,428	(4,172)	-6.4%	63,516	2,088	3.4%
4	Security	0	5,240	0	0	0	N/A	0	0	N/A
5	Professional & Special Services	260	196	469	470	1	0.2%	544	74	15.6%
6	Other Services	0	800	0	0	0	N/A	0	0	N/A
7	Insurance	0	178	0	0	0	N/A	0	0	N/A
8	Contribution to Other Agencies	0	13,000	0	0	0	N/A	0	0	N/A
9	VTA Staff Time	0	1,455	0	580	580	N/A	580	0	0.0%
10	Transfer to Capital Reserve	0	3,875	0	0	0	N/A	0	0	N/A
11	Total Expense	260	24,744	469	1,050	581	123.7%	1,124	74	7.0%
12	Revenues Over (Under) Expenses	50,847	33,966	65,130	60,378			62,392		

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

***BART Operating Sales Tax Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

Line	Description	FY18 Actual	FY19 Projected Actual ¹	FY20 Proposed Budget	FY21 Proposed Budget
1	Total Revenues	51,107	65,599	61,428	63,516
2	Total Expenses	(260)	(469)	(1,050)	(1,124)
3	Revenues Over (Under) Expenses	50,847	65,130	60,378	62,392
4	Beginning Unrestricted Net Position ²	238,006	288,853	353,983	414,361
5	Revenues Over (Under) Expenses	<u>50,847</u>	<u>65,130</u>	<u>60,378</u>	<u>62,392</u>
6	Ending Net Position	288,853	353,983	414,361	476,753

Note: Totals may not be precise due to independent rounding

¹ Projection as of March 31, 2019

² Unrestricted Net Position excluding 2000 Measure A assets that were reclassified to the BART Operating Fund in 2018.

2016 MEASURE B PROGRAM

VTA FY 2020 & FY 2021 PROPOSED BUDGET



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

While program guidelines for each of the categories were adopted by the Board of Directors on October 5, 2017; the implementation of the program was delayed due to a legal challenge. The 2016 Measure B revenue was deposited in an escrow account until the litigation was resolved in January 2019. For FY 2019, the projected revenue includes the amount accumulated since the measure's enactment.

The FY 2020 and FY 2021 Proposed 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. This budget reflects the programming and allocation approved by the VTA Board of Directors at its April 4, 2019 meeting. Funding for the two-year period is appropriated in FY 2020 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 B Program is completed.

***2016 Measure B Program
Projected Revenues***
(Dollars in Thousands)

Line	Category	FY18 Actual	FY19 Projected Actual ¹	FY20 Proposed Budget	FY21 Proposed Budget
1	Sales Tax Revenues	--	490,567	225,866	229,254
2	Investment Earnings	--	5,591	11,283	14,723
3	Total Revenue	--	496,158	237,149	243,977

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

Proposed Funding Allocation
(Dollars in Millions)

		FY20	FY21
Administrative Costs		3.30	3.30
Program Area			
FORMULA BASED²	Local Streets & Roads	40.00	40.00
	Transit Operations		
	Enhance Core Network	12.00	12.00
	Innovative Transit Models	1.50	1.50
	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	150.00	
	Caltrain Grade Separation	31.00	
	Caltrain Corridor Capacity	2.50	
	SR 85 Corridor	2.50	
	County Expressways	--	
	Highway Interchanges	119.90	
	Total	442.46	

¹ Projection as of March 29, 2019, includes all revenue collected and held in escrow prior to FY 2019

² Allocation based on Program Area total divided by number of years in Measure

APPENDICES

VTA FY 2020 & FY 2021 PROPOSED BUDGET



VTA Administrative Code requires that the Proposed 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, 2019.

Job Classifications and Pay Range

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Accountant Assistant	63,043	76,191
Accountant I	67,005	81,051
Accountant II	74,029	89,572
Accountant III	86,535	105,129
Accounts Payable Support Supervisor	71,159	86,535
Administrative Services Assistant	56,687	74,827
Administrator of Social Media & Electronic Communications	115,931	140,934
Assistant Architect	89,100	108,348
Assistant Board Secretary	101,779	134,348
Assistant Cost & Schedule Coordinator	89,100	108,348
Assistant Controller	150,363	198,479
Assistant Counsel	117,816	155,516
Assistant Real Estate Agent	76,890	93,034
Assistant Supt, Service Management	105,129	127,816
Assistant Supt, Transit Communications	105,129	127,816
Assistant Systems Design Engineer	89,100	108,348
Assistant Transportation Engineer	89,100	108,348
Associate Architect	103,691	125,992
Associate Environmental Engineer	103,691	125,992
Associate Financial Analyst	74,709	90,837
Associate Financial Analyst - NR	75,978	100,291
Associate Human Resources Analyst	75,978	100,291
Associate Land Surveyor	90,837	110,395
Associate Management Analyst	74,709	90,837
Associate Mechanical Engr - Auto Sys	103,691	125,992
Associate Real Estate Agent	94,832	114,836
Associate Systems Design Engineer	103,691	125,992
Associate Systems Engineer	103,691	125,992

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Associate Transportation Engineer	103,691	125,992
Audit Program Manager	117,816	155,516
Automotive Attendant	48,630	58,717
Board Assistant	67,637	81,850
Board Secretary	146,744	248,251
Bus Stop Maintenance Worker	55,721	67,337
Business Diversity Program Manager	105,129	127,816
Business Systems Analyst I	73,662	89,139
Business Systems Analyst II	89,139	107,913
Buyer I	60,414	72,963
Buyer II	71,598	86,677
Buyer III	79,553	96,230
Chief Engineering & Program Delivery Officer	173,224	292,384
Chief Financial Officer	173,224	292,384
Chief Information Officer	146,744	248,251
Chief of Staff to the General Manager	173,224	292,384
Chief Operating Officer	173,224	292,384
Civil Rights Program Manager	112,187	148,087
Claims Analyst	87,946	116,089
Claims Program Manager	106,864	141,061
Communications & Media Spokesperson	112,187	148,087
Communications Systems Analyst I	73,662	89,139
Communications Systems Analyst II	89,139	107,913
Communications Systems Manager	115,931	140,934
Community Outreach Supervisor	90,837	110,395
Construction Contracts Administration Manager	136,361	179,996
Construction Contracts Administrator I	73,662	89,139
Construction Contracts Administrator II	92,635	112,140
Construction Contracts Compliance Officer	105,129	127,816
Construction Inspector	82,216	99,491
Contracts Administrator I	73,662	89,139
Contracts Administrator II	92,635	112,140
Contracts Manager	115,931	140,934
Cost & Schedule Coordinator	103,691	125,992

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Creative Services Manager	110,395	134,224
Customer Experience Manager	121,738	147,975
Customer Services Supervisor	86,535	105,129
Cyber Security Analyst	92,320	121,862
Database Administrator I	73,662	89,139
Database Administrator II	89,139	107,913
Deputy Director	146,744	248,251
Deputy General Counsel	146,744	248,251
Director of Business Services	173,224	292,384
Director of Government Affairs/Exec Policy Advisor	173,224	292,384
Director of Marketing & Customer Service	146,744	248,251
Director of Planning & Programming	173,224	292,384
Director of Safety & Compliance	146,744	248,251
Disbursements Manager	123,681	163,259
Dispatcher - Bus	57,866	82,659
Dispatcher - LRT	57,866	82,659
Diversity & Inclusion Manager	136,361	179,996
Document Services Specialist I	49,362	59,582
Document Services Specialist II	55,721	67,337
Electrician	83,048	100,455
Electro - Mechanic	81,349	92,435
Electronic Technician	81,349	92,435
Employee Relations Manager	136,361	179,996
Engineering Aide	58,717	70,932
Engineering Group Manager	146,744	248,251
Engineering Group Manager - SCADA	150,363	198,479
Engineering Technician I	64,242	77,623
Engineering Technician II	72,297	87,509
Engineering Technician III	82,216	99,491
Enterprise Risk Manager	143,209	189,036
Environmental Health & Safety Spec	95,763	115,968
Environmental Health & Safety Supervisor	100,134	121,738
Environmental Planner I	65,773	79,553
Environmental Planner II	78,787	95,298

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Environmental Planner III	94,366	114,304
Executive Assistant to the General Manager	75,978	100,291
Executive Secretary	68,926	90,983
Facilities Maintenance Coordinator	105,129	127,816
Facilities Maintenance Manager	117,816	155,516
Facilities Maintenance Representative	72,297	87,509
Facilities Worker	44,200	63,149
Fare Inspector	52,229	74,610
Financial Accounting Manager	117,816	155,516
Financial Analyst	86,535	105,129
Financial Analyst - NR	87,946	116,089
Fiscal Resources Manager	143,209	189,036
Foreperson - LRT	88,650	100,734
General Counsel	230,000	230,000
General Maintenance Mechanic	72,297	87,509
General Manager/CEO	336,190	336,190
Graphic Designer I	64,541	77,989
Graphic Designer II	74,693	90,437
Human Resources Administrator	79,775	105,303
Human Resources Analyst	87,946	116,089
Human Resources Assistant	59,535	78,586
Human Resources Manager	136,361	179,996
Information Services Representative	46,238	66,040
Information Systems Analyst Assistant	64,242	77,623
Information Systems Analyst I	73,662	89,139
Information Systems Analyst II	89,139	107,913
Information Systems Supervisor	115,931	140,934
Investment Program Manager	115,931	140,934
Janitor	47,765	57,617
Janitor (U)	47,765	57,617
Junior Cost & Schedule Coordinator	81,960	99,571
Junior Real Estate Agent	68,635	83,048
Junior Systems Design Engineer	81,960	99,571
Junior Transportation Engineer	81,960	99,571

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Lead Bus Stop Maintenance Worker	59,282	71,598
Lead Janitor	50,527	60,980
Lead Maintenance Worker - LRT	46,384	66,269
Legal Office Support Supervisor	75,978	100,291
Legal Secretary	72,351	95,503
Light Rail Equipment Superintendent	115,931	140,934
Light Rail Operator	51,043	72,904
Light Rail Power Foreperson	103,085	117,146
Light Rail Power Supervisor	110,395	134,224
Light Rail Signal Maintainer	91,303	110,543
Light Rail Signal Supervisor	105,129	127,816
Light Rail Technical Trainer	95,350	115,931
Light Rail Technical Training Supervisor	105,129	127,816
Light Rail Track Maintenance Supervisor	95,350	115,931
Light Rail Way, Power & Signal Supervisor	110,395	134,224
Light Rail Way, Power & Signal Supt	115,931	140,934
Mail & Warehouse Worker	57,352	69,301
Maintenance Instructor	100,134	121,738
Maintenance Scheduler	68,935	83,414
Maintenance Superintendent	115,931	140,934
Maintenance Worker - LRT	44,200	63,149
Management Aide	65,773	79,975
Management Aide - NR	68,926	90,983
Management Analyst	86,535	105,129
Management Analyst - NR	87,946	116,089
Management Secretary	62,519	82,525
Manager of Procurement, Contracts & Materials	150,363	198,479
Manager of Security Programs	123,681	163,259
Manager, Budget & Administration	117,816	155,516
Manager, Bus Engineering, Quality Assurance & Warranty	136,361	179,996
Manager, Market Development	121,738	147,975
Manager, Ops Analysis, Reporting & Systems	115,931	140,934
Manager, Transit-Oriented Development	143,209	189,036
Materials Manager	115,931	140,934

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Materials Resource Scheduler	60,414	72,963
Media & Public Affairs Manager	136,361	179,996
Network Analyst I	73,662	89,139
Network Analyst II	89,139	107,913
Office & Timekeeping Technician	56,552	68,303
Office Specialist I	47,965	57,884
Office Specialist II	53,724	64,841
Office Support Supervisor	71,159	86,535
Operations Manager	143,209	189,036
Operations Systems Supervisor	100,134	121,738
Operator	43,742	72,904
Operator - Trainee	36,462	36,462
Overhaul & Repair Foreperson	88,650	100,734
Overhaul & Repair Mechanic	81,349	92,435
Overhead Line Worker	95,555	108,597
Paint & Body Foreperson	88,650	100,734
Paint & Body Worker	81,349	92,435
Paralegal	72,351	95,503
Parts Clerk	50,835	72,613
Parts Foreperson	79,082	89,877
Passenger Facilities & Wayside Maintenance Supervisor	86,535	105,129
Payroll Support Supervisor	71,159	86,535
Permit Technician	66,405	80,285
Policy Analyst	101,779	134,348
Principal Construction Inspector	105,129	127,816
Principal Environmental Planner	121,738	147,975
Principal Safety Auditor	112,187	148,087
Principal Transportation Planner	121,738	147,975
Programmer I	73,662	89,139
Programmer II	93,933	113,738
Project Controls Group Manager	146,744	248,251
Project Controls Specialist I	73,662	89,139
Project Controls Specialist II	89,139	107,913
Project Controls Supervisor	121,738	147,975

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Public Communication Specialist I	73,662	89,139
Public Communication Specialist II	83,048	100,455
Public Information Officer	123,681	163,259
Purchasing Manager	115,931	140,934
Quality Assurance & Warranty Manager	121,738	147,975
Quality Assurance & Warranty Specialist	86,677	104,883
Regional Transportation Services Manager	123,681	163,259
Revenue Services Manager	115,931	140,934
Risk Analyst	87,946	116,089
Safety Manager	123,681	163,259
Sales & Promotions Supervisor	90,837	110,395
Secretary	58,717	70,932
Senior Advisor, Business Development	123,681	163,259
Service Mechanic	64,958	73,819
Service Worker	49,754	71,074
Service Worker - Foreperson	53,602	76,565
Sr Accountant	100,134	121,738
Sr Architect	121,272	147,392
Sr Assistant Counsel	143,209	189,036
Sr Business Systems Analyst	103,819	125,854
Sr Communications Systems Analyst	103,819	125,854
Sr Construction Contracts Administrator	105,129	127,816
Sr Construction Inspector	90,005	108,912
Sr Contracts Administrator	105,129	127,816
Sr Cost & Schedule Coordinator	121,272	147,392
Sr Database Administrator	103,819	125,854
Sr Environmental Engineer	121,272	147,392
Sr Environmental Planner	110,395	134,224
Sr Financial Analyst	100,134	121,738
Sr Financial Analyst - NR	101,779	134,348
Sr Human Resources Analyst	101,779	134,348
Sr Information Representative	63,794	72,488
Sr Information Systems Analyst	103,819	125,854
Sr Land Surveyor	105,129	127,816

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Sr Management Analyst	100,134	121,738
Sr Management Analyst - NR	101,779	134,348
Sr Mechanical Engr-Auto Systems	121,272	147,392
Sr Network Analyst	103,819	125,854
Sr Office & Timekeeping Technician	62,444	75,459
Sr Policy Analyst	112,187	148,087
Sr Programmer	103,819	125,854
Sr Real Estate Agent	110,395	134,224
Sr Signal Maintainer	100,455	121,726
Sr Systems Administrator	103,819	125,854
Sr Systems Design Engineer	121,272	147,392
Sr Systems Engineer	121,272	147,392
Sr Track Worker	81,349	92,435
Sr Transportation Engineer	121,272	147,392
Sr Transportation Planner	110,395	134,224
Sr Web Developer	103,819	125,854
Staff Attorney I	79,775	105,303
Staff Attorney II	96,931	127,948
Substation Maintainer	95,555	108,597
Supervising Maintenance Instructor	105,129	127,816
Supervising Maintenance Instructor - LRT	105,129	127,816
Support Mechanic	53,602	76,565
Survey & Mapping Manager	121,738	147,975
SVRT Env Planning Manager (Project)	129,885	171,448
SVRT Project Controls Manager	143,209	189,036
Systems Administrator I	73,662	89,139
Systems Administrator II	89,139	107,913
Technical Project Manager	103,819	125,854
Technical Trainer	95,350	115,931
Technical Training Supervisor	105,129	127,816
Technology Infrastructure Supervisor	115,931	140,934
Technology Manager	143,209	189,036
Track Worker	69,971	79,518
Transit Division Supervisor	95,350	115,931

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Transit Foreperson	88,650	100,734
Transit Maintenance Supervisor	105,129	127,816
Transit Mechanic	81,349	92,435
Transit Radio Dispatcher	57,866	82,659
Transit Safety Officer	95,350	115,931
Transit Service Development Supervisor	95,350	115,931
Transit Svc Development Aide	57,086	68,935
Transit Svc Development Specialist I	62,744	75,825
Transit Svc Development Specialist II	72,963	88,341
Transit Svc Development Specialist III	77,257	93,500
Transit Systems Safety Supervisor	100,134	121,738
Transportation Engineering Manager	127,816	155,376
Transportation Planner I	65,773	79,553
Transportation Planner I (U)	65,773	79,553
Transportation Planner II	78,787	95,298
Transportation Planner II (U)	78,787	95,298
Transportation Planner III	94,366	114,304
Transportation Planner III (U)	94,366	114,304
Transportation Planning Aide	54,722	66,105
Transportation Planning Manager	129,885	171,448
Transportation Superintendent	115,931	140,934
Transportation Supervisor	95,350	115,931
Upholsterer	81,349	92,435
Upholstery Foreperson	88,650	100,734
Utilities Coordination Manager	105,129	127,816
Utility Coordinator	86,243	104,351
Utility Worker	51,228	61,845
Vault Room Worker	51,759	62,444
Vehicle Parts Supervisor	95,350	115,931
Warranty Coordinator	105,129	127,816
Web Developer I	73,662	89,139
Web Developer II	89,139	107,913
Webmaster	103,565	125,920

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.

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 carries 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 Unrestricted Net Assets that have been restricted by board resolution, contractual requirements,

VTA FY 2020 & FY 2021 PROPOSED BUDGET

Local Share of Capital Projects

This designation 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. The Budget Resolution also states that “The locally funded portion of the VTA Transit Fund capital appropriation carry over shall be set-aside as a designation of Unrestricted Net Assets in the Comprehensive Annual Financial Report.”

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 Unrestricted Net Assets as reported in the FY 2018 Comprehensive Annual Financial Report as well as the projected balances for FY 2019 through FY 2021.

Unrestricted Net Assets
(Dollars in Thousands)

Fund	FY18 Ending Balance	FY19¹ Projected Ending Balance	FY20¹ Projected Ending Balance	FY21¹ Projected Ending Balance
<u>Reserves:</u>				
Operating Reserve	54,807	70,365	72,337	76,328
Sales Tax Stabilization Fund	35,000	35,000	35,000	35,000
Debt Reduction Fund	5,000	70,000	44,902	79,902
Total Reserves	94,807	175,365	152,239	191,230
<u>Other Designated Funds:</u>				
Local Share of Capital Projects	149,453	117,329	145,303	113,178
Inventory and Prepaid Expenses ²	36,665	36,665	36,665	36,665
Total Other Designated Funds	186,118	153,994	181,968	149,843
Net OPEB Asset (GASB 75) ^{2,3}	57,978	57,978	57,978	57,978
Net Pension Liability (GASB 68) ^{2,3}	(233,639)	(233,639)	(233,639)	(233,639)
Total Unrestricted Net Assets	105,264	153,698	158,545	165,413

Note: Totals may not be precise due to independent rounding

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¹ Projection as of April 5, 2019

² Balance assumed to remain stable over time

³ Represents amount owed by VTA for benefits provided through an Other Post Employment Benefit (OPEB) plan or defined benefit pension (net of related deferred inflows/outflows)