

## **BOARD OF DIRECTORS WORKSHOP MEETING**

**Friday, April 24, 2009**  
**9:00 AM**

**Board of Supervisors' Chambers**  
**County Government Center**  
**70 West Hedding Street**  
**San Jose, CA**

### **AGENDA**

#### **CALL TO ORDER**

**1. Roll Call**

**2. PUBLIC PRESENTATIONS**

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any item within the Board's jurisdiction. Speakers are limited to 2 minutes. The law does not permit Board action or extended discussion on any item not on the agenda except under special circumstances. If Board action is requested, the matter can be placed on a subsequent agenda. All statements that require a response will be referred to staff for reply in writing.

**3. Discuss the Fiscal Years 2010 and 2011 Recommended Biennial Budget.**

**4. ADJOURN**

In compliance with the Americans with Disabilities Act (ADA), those requiring accommodations or accessible media for this meeting should notify the Board Secretary's Office 48 hours prior to the meeting at (408) 321-5680 or e-mail: board.secretary@vta.org, TDD (408) 321-2330. VTA's Homepage is located on the Web at: <http://www.vta.org/>. **If presenting handout materials please provide 25 copies to the Board Secretary for distribution to the Board of Directors.**



Date: April 16, 2009  
 Current Meeting: April 24, 2009  
 Board Meeting: N/A

## **BOARD MEMORANDUM**

**TO:** Santa Clara Valley Transportation Authority  
 Board of Directors

**THROUGH:** General Manager, Michael T. Burns

**FROM:** Chief Financial Officer, Joseph T. Smith

**SUBJECT:** Fiscal Years 2010 and 2011 Draft Recommended Biennial Budget

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### **FOR INFORMATION ONLY**

#### **BACKGROUND:**

The April 24, 2009 Board Workshop is the beginning of the public process designed to create discussion and receive input on the Fiscal Years 2010 and 2011 Recommended Budget. The Workshop provides staff with the opportunity to present the Board an overview of the Draft Recommended Budget, respond to questions, and gather input for items requiring additional research.

#### **DISCUSSION:**

The Draft Recommended Budget was developed amid a backdrop of economic distress, declining Sales Tax Revenues and evaporating State funding for transit operations. Fiscal Year 2009 sales tax related revenues and State Transit Assistance (STA) are projected to decline \$32.3 million from FY08 actual receipts. The FY10 projection reflects an additional \$24.3 million decline from FY09; followed by another \$7.2 million decline in FY11.

The projected cumulative decrease in sales tax related and STA revenues since FY07 is reflected on Chart #1 in Attachment A. Chart #2 in Attachment A further illustrates the impact of the decline in sales tax revenues. When sales tax revenues are adjusted for inflation, there has been a significant loss in purchasing power. A comparison of the projected 1976 Sales Tax revenues to Fiscal Year 2003, which was the low-point of receipts after the dot.com bust, shows \$15.6 million less purchasing power in FY11 than in FY03.

The Draft Recommended Budget represents a balanced approach by asking both riders and employees to share the burden of bridging the funding gap in these difficult economic times, while attempting to avoid more drastic solutions like widespread service cuts or layoffs. The remaining operating deficit would be funded through the use of Operating Reserves.

The basic assumptions used in the development of the Draft Recommended Budget are outlined below. The details of the recommendation may be found in the Fiscal Years 2010 and 2011

Draft Recommended Budget Booklet (Attachment B). This is a working document, and will continue to be revised based on direction from the Board, new information on revenue projections, identification of additional savings opportunities, and other changes. The Final Recommended Budget will be presented to the Board for adoption on June 4, 2009.

## **BASIC ASSUMPTIONS:**

### **Revenues**

#### Fares

Increase Adult, Youth, and Senior/Disabled Single Ride and Community Bus fares by 25¢ effective July 1, 2010. Day pass, Light Rail 8-hour excursion pass, Paratransit fares, and Monthly Pass fares would increase accordingly. Eco-Pass rates to increase 20% effective January 1, 2010.

#### 1976 and 2000 Measure A Half-Cent Sales Tax

The FY10 projection reflects a 5% decline from FY09 projected sales tax revenues, followed by a 3% decline in FY11, based on forecasts of economic activity from industry experts.

#### State Transit Assistance (STA)

The Draft Recommended Budget assumes no STA funding for FY10 or FY11. The February 2009 budget action by the California Legislature eliminated all funding for STA for the next four fiscal years.

#### Federal Operating Grants

Maximize use of Federal Transit Administration (FTA) Section 5307 funds for Preventive Maintenance. Backfill Local Funds for Capital expenditures from Debt Reduction Fund.

## **Expenditures**

### Service Reductions/Modifications

Savings identified in Annual Transit Service Plan not reinvested in additional service. Adjustments made to Light Rail service including reduction of number of cars on some trips.

### Labor Cost

- i Maintain current vacancy rates, fill only those positions deemed critical to maintaining the core mission and service plan.
- i Negotiate wage and benefit savings from all bargaining units, implement cost savings for non-represented employees. Savings target of \$10.8 million in FY10 and \$16.8 in FY11.
- i Labor saving strategies:
  - i Wage freeze/cuts
  - i Furloughs
  - i Employee contribution to Pension
  - i Employee contribution to Retiree Medical
  - i Increase employee contribution to healthcare

Non-Labor Cost

- i Security-Decrease contract security service by 96 hours per week, lower rates for new contractor. Total reduction of 11%
- i Professional & Special Services-Eliminate Disadvantaged Business Enterprise/Small Business Enterprise certification program. Minimize use of outside consultants when possible. Total reduction of 28%
- i Other Services-Reduced by 20% (includes outside repair services, advertising, and external printing)
- i Diesel Fuel-Recommended Budget assumes \$2.00 per gallon (\$2.21 including taxes) for both fiscal years.
- i Data Processing-Reduced by 13%
- i Office Expense-Reduced by 18.5%
- i Communication-Telephone and communications expense reduced by 28%
- i Employee Related Expense-Travel costs reduced by 65%

Paratransit

Cost reduction of 2.4% due to Outreach negotiations with new sub-contract vendor. Align service coverage consistent with fixed-route service.

Caltrain

No increase from FY09 contribution.

Altamont Commuter Express (ACE)

No increase from FY09 contribution.

Contingency

Reduce from \$2 million to \$500,000 per year.

As the table below illustrates, even with the additional revenue and cost saving measures above, the Draft Recommended Budget still reflects operating deficits for FY10 and FY11 of \$5.1 and \$20.5 million respectively.

	(In thousands)	
	FY10	FY11
Preliminary Projected Deficit	(\$28,413)	(\$49,683)
<u>Recommended Budget Proposal</u>		
<u>Revenue Adjustments</u>		
Additional PM	4,031	
Fare Increase		4,300
<u>Expenditure Adjustments</u>		
Labor Savings	10,777	16,822
Service Modifications	3,000	3,000
Align Paratransit Service Coverage with Fixed-Route Service	1,000	1,000
Departmental Non-Labor Savings	4,519	4,012
Remaining Budget Deficit	(\$5,086)	(\$20,549)

With these deficits funded from reserves, the FY10 and FY11 projected ending Operating Reserve balance would be \$46.4 and \$25.9 million respectively, with an Operating Reserve percentage of 13.3% and 7.3% respectively.

	(In thousands)	
	FY10	FY11
Deficit Funded from Operating Reserves	(\$5,086)	(\$20,549)
Projected Ending Operating Reserves	\$46,424	\$25,876
Operating Reserve %	13.3%	7.3%

### **Capital Programs**

#### **VTA Transit Enterprise Fund**

The FY10 & FY11 VTA Transit Enterprise Capital Program maintains needed capital infrastructure investment, while leveraging Federal and State revenue sources. The two-year combined program of \$116.7 million utilizes \$107.5 million of grant funding. The remaining VTA Transit Enterprise Fund commitment of \$9.2 million will be funded from the Debt Reduction Fund.

#### **2000 Measure A Transit Improvement Fund**

In accordance with the Bureau of State Audits recommendation, the total FY10 & FY11 Capital Program appropriation requests are intended to more accurately reflect the planned spending over the next two fiscal years. In order to facilitate the transition to this change in methodology, some prior year appropriations are shown as de-obligated from the original project and re-programmed to a different project. The net amount represents the additional appropriation requested in the Recommended Budget. In addition, the two-year total is appropriated in FY10 in order to simplify administration of the Measure A Capital Program.

### **NEXT STEPS:**

Subsequent to this workshop, staff will be presenting the budget at the following community meetings.

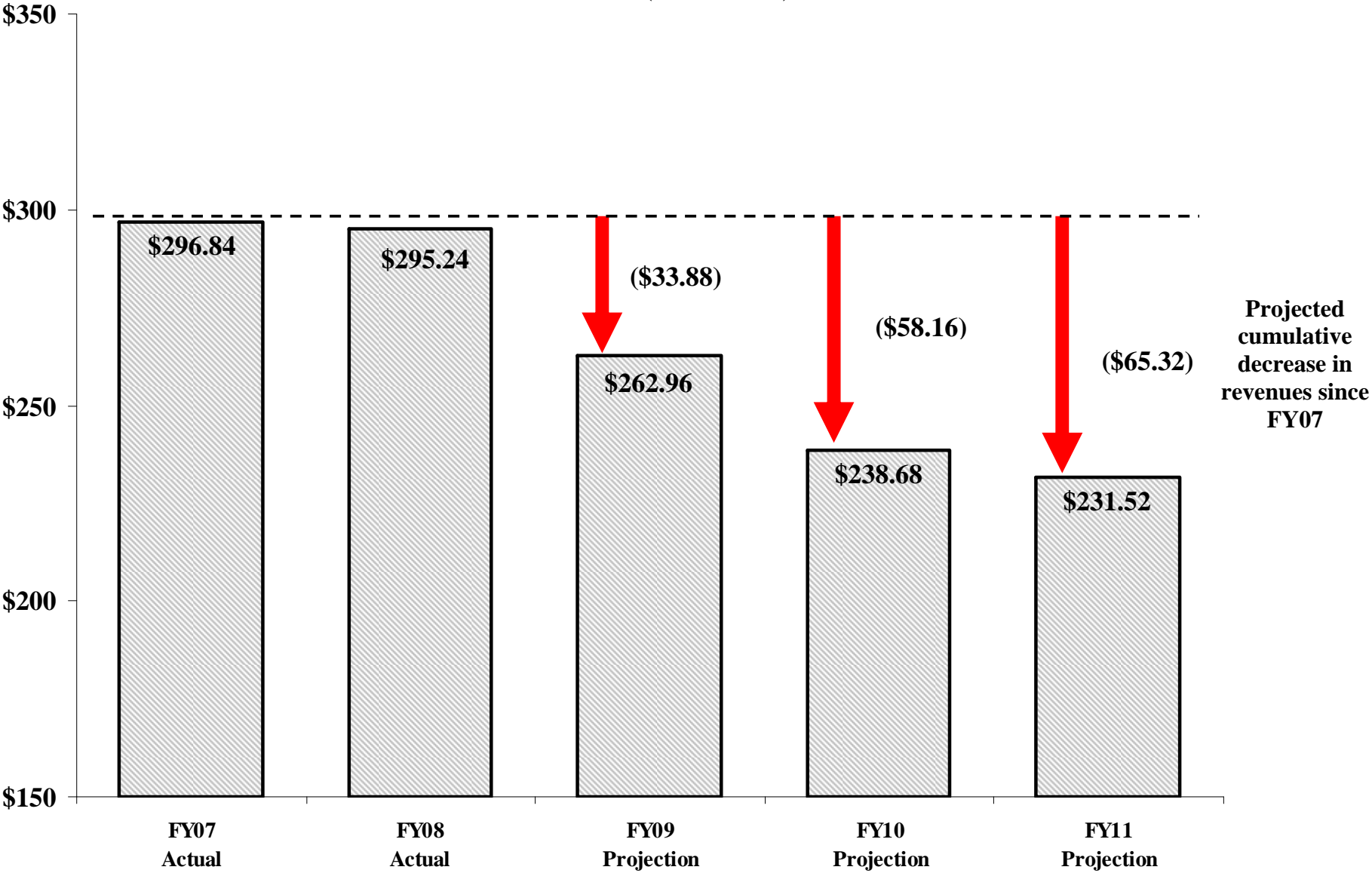
Location	Date	Time
Santa Clara County Government Center-Isaac Newton Room	Monday, May 4, 2009	3:00-5:00 pm
Santa Clara County Government Center-Isaac Newton Room	Monday, May 4, 2009	6:00-8:00 pm
Morgan Hill-Community & Cultural Center	Tuesday, May 5, 2009	6:00-8:00 pm
Milpitas-Milpitas Public Library	Wednesday May 6, 2009	6:00-8:00 pm
Mountain View-Council Chambers	Monday, May 11, 2009	6:00-8:00 pm
Cupertino-Quinlan Community Center	Tuesday, May 12, 2009	6:00-8:00 pm

Budget presentations were made throughout VTA facilities over the past week and will also be conducted at May Advisory Committee meetings. In accordance with the VTA Administrative Code, the proposed budget, containing appropriations for both operations and capital, will be

reviewed by the Administration & Finance Committee at their May 21 meeting and will be submitted to the Board for adoption on June 4, 2009.

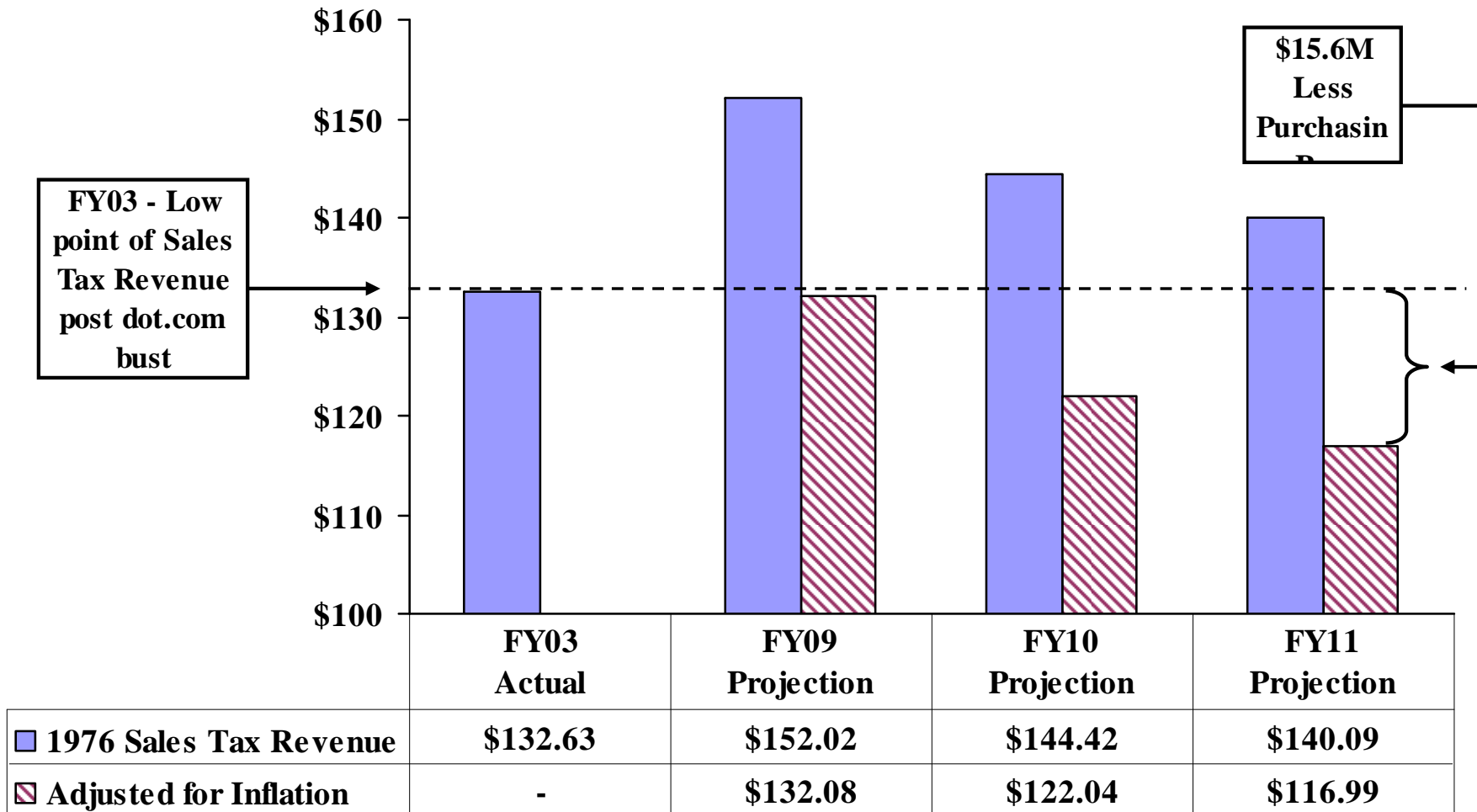
Prepared By: Carol Lawson, Fiscal Resources Manager

**Chart #1**  
**VTA Transit**  
**Sales Tax Based & STA Revenues**  
(In millions)



# Chart #2

**1976 Sales Tax Revenue  
Relative Loss of Purchasing Power  
(In millions)**



April 2009

# Draft Recommended Budget

Fiscal Year 2010  
and  
Fiscal Year 2011

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

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**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

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## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**Fiscal Years 2010 and 2011**  
**Recommended Budget Summary**  
(In thousands)

<b>Fund</b>	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>
VTA Transit Enterprise - Operating	\$348,891	\$356,096
VTA Transit Enterprise - Capital	99,501	17,228
2000 Measure A Transit Improvement Program – Non Project	57,718	59,277
2000 Measure A Transit Improvement Program - Capital <sup>1</sup>	315,139	-
Congestion Management Program - Operating	4,870	5,572
VTP Highway Program-Capital	35,517	254,543

<sup>1</sup> Total appropriation for FY10 and FY11

VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET

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## Major Budget Assumptions

### Service Levels

#### Bus Service

The 2009 Annual Transit Service Plan was adopted by the VTA Board of Directors on April 2, 2009. The original plan was cost neutral with service hours reallocated from substandard performing routes to other routes which have proven ridership demand. Unfortunately, with the current economic climate, the reduction of state funding for transit and the decline in sales tax revenues, VTA must be cautious with service plan improvements given the need to address our operating deficit in the next few years. Our priority is to protect our existing, well performing services, especially the core network that carries over three-quarters of the daily bus passengers. As such, the Board approved plan calls for the proposed service reductions on underperforming routes to begin implementation on July 13, 2009. However, the reallocation of service hours to other routes will be deferred until VTA's financial condition improves.

#### Light Rail Service

On April 6, 2009, VTA reduced the number of cars operating on certain trains to reduce peak fleet requirements, operating hours and expenses. This adjustment was based on using a maximum peak load of 75 passengers per car, an increase from 65 used previously.

### Service Levels

(In thousands)

	FY08 Actual	FY09 Adopted Budget	FY09 Projected Actual	FY10 Recommended Budget	FY11 Recommended Budget
<b>Service Miles</b>					
Bus	18,711	18,735	18,411	18,470	18,495
Light Rail Train	2,224	2,256	2,250	2,214	2,215
<b>Total Service Miles</b>	<b>20,935</b>	<b>20,991</b>	<b>20,661</b>	<b>20,684</b>	<b>20,710</b>
% change		0.27%	-1.60%	0.11%	0.13%
<b>LR Car Miles</b>	<b>3,549</b>	<b>3,550</b>	<b>3,553</b>	<b>3,436</b>	<b>3,442</b>
% change		0.03%	0.08%	-3.41%	0.17%
<b>Service Hours</b>					
Bus	1,384	1,387	1,389	1,387	1,388
Light Rail Train	144	146	146	143	143
<b>Total Service Hours</b>	<b>1,528</b>	<b>1,533</b>	<b>1,535</b>	<b>1,530</b>	<b>1,531</b>
% change		0.34%	0.11%	-0.33%	0.07%
<b>LR Car Hours</b>	<b>212</b>	<b>215</b>	<b>215</b>	<b>209</b>	<b>210</b>
% change		1.48%	-0.09%	-2.87%	0.48%

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**Ridership**

VTA continues to experience solid ridership growth in spite of the economic downturn and dramatic drop in fuel prices. January 2009 bus average weekday ridership was up 10.5% from the previous year and was the highest January bus average weekday ridership in six years. Through February, total bus ridership has increased 7.5% fiscal year-to-date versus FY 2008. This phenomenon can be attributed in large part to the implementation of the “New Bus Service” plan in January 2008. This revamped bus system includes more frequent service on many major routes, expanded express bus service and a significant increase in low-fare community bus routes.

While not as dramatic, Light Rail ridership also continues to increase. Total Light Rail ridership for fiscal year-to-date 2009 through February has increased 5.7% from FY 2008. Total system ridership year-to-date has increased 7.0%.

Even though ridership is trending up, due to the uncertain economic climate the FY10 ridership is projected to be flat from FY09. With the proposed implementation of a fare increase effective July 1, 2010, we anticipate a decline in FY11 system-wide ridership of approximately 3.2%.

## Ridership

(In thousands)

Category	FY08 Actual	FY09 Projected Actual	% Var	FY10 Recommended Budget	% Var	FY11 Recommended Budget	% Var
<b>Bus Ridership</b>	33,104	34,900	5.4%	34,900	0.0%	33,800	-3.2%
<b>Light Rail Ridership</b>	10,451	11,000	5.3%	11,000	0.0%	10,650	-3.2%
<b>Total Ridership</b>	43,555	45,900	5.3%	45,900	0.0%	44,450	-3.2%

**Revenues****Fares**

The Recommended Budget includes proposed fare increases for implementation January 1 and July 1, 2010, with a goal of increasing the percentage of operating costs paid by patrons and the average fare revenue per boarding. The proposed fare increases are estimated to cause an initial ridership decline of 3.2%. The proposed fare change includes an increase in Adult, Youth, and Senior/Disabled Single Ride and Community Bus fares by 25¢ effective July 1, 2010. Day pass, Light Rail 8-hour excursion pass, Paratransit fares, and Monthly Pass fares would increase accordingly. Eco-Pass rates would increase 20% effective January 1, 2010.

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

## Current vs. Proposed Fixed-Route Fares

Effective July 1, 2010

	Current Fare	Proposed Fare	Change	% Change
<b>ADULT</b>				
Cash	\$1.75	\$2.00	\$0.25	14%
Community Bus	\$1.00	\$1.25	\$0.25	25%
Light Rail Excursion Pass	\$3.50	\$4.00	\$0.50	14%
Day Pass	\$5.00	\$6.00	\$1.00	20%
Day Pass Token (bag of 5)	\$22.50	\$27.00	\$4.50	20%
Express Day Pass	\$10.00	\$12.00	\$2.00	20%
Monthly Pass	\$61.25	\$70.00	\$8.75	14%
Express Monthly Pass	\$122.50	\$140.00	\$17.50	14%
<b>YOUTH</b>				
Cash	\$1.50	\$1.75	\$0.25	17%
Community Bus	\$0.50	\$0.75	\$0.25	50%
Light Rail Excursion Pass	\$3.00	\$3.50	\$0.50	17%
Day Pass	\$4.00	\$5.00	\$1.00	25%
Day Pass Token (bag of 5)	\$18.00	\$22.50	\$4.50	25%
Monthly Pass	\$40.00	\$45.00	\$5.00	13%
<b>SENIOR/DISABLED</b>				
Cash	\$0.75	\$1.00	\$0.25	33%
Community Bus	\$0.50	\$0.50	\$0.00	0%
Light Rail Excursion Pass	\$1.50	\$2.00	\$0.50	33%
Day Pass	\$2.00	\$3.00	\$1.00	50%
Monthly Pass	\$20.00	\$25.00	\$5.00	25%

## Current vs. Proposed ADA Paratransit Fares

Effective July 1, 2010

Service Type	Current Fare	Proposed Fare
One-Way Trip (2x Adult Base Fare)	\$3.50	\$4.00
Companion (equal to one-way trip)	\$3.50	\$4.00
Open Return Trip (2x one-way trip)	\$7.00	\$8.00
Second Vehicle Sent (5x one-way trip)	\$17.50	\$20.00
No Show (equal to one-way trip)	\$3.50	\$4.00
Same Day Trip (4x one-way trip)	\$14.00	\$16.00
Same Day No Show (equal to same day trip)	\$14.00	\$16.00
Same Day Trip Companion (2x one-way trip)	\$7.00	\$8.00

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**Current<sup>1</sup> vs. Proposed Eco Pass Fares**  
 Effective January 1, 2010  
 (Annual rate per employee)

Employer and Residential Location/Service Level	1-99 Employees/Residents		100 - 2,999 Employees/Residents		3,000 – 14,999 Employees/Residents		15,000+ Employees/Residents	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
<b>Downtown San Jose</b>	\$120.00	\$144.00	\$90.00	\$108.00	\$60.00	\$72.00	\$30.00	\$36.00
<b>Areas served by bus and light rail</b>	\$90.00	\$108.00	\$60.00	\$72.00	\$30.00	\$36.00	\$15.00	\$18.00
<b>Areas served by bus only</b>	\$60.00	\$72.00	\$30.00	\$36.00	\$15.00	\$18.00	\$7.50	\$9.00

<sup>1</sup> Current rates adopted June 2003 for contracts effective January 2004

1976 and 2000 Measure A Half-Cent Sales Tax

VTA experienced the first hint that a recession was looming by the quarter ending September 2007, when 1976 half-cent sales tax revenues declined 0.41% from previous year levels, followed by two quarters of less than 1% growth. In fact, according the National Bureau of Economic Research, a recession did begin in December 2007.

The fall of housing prices from peak levels have cut deeply into home building and home purchases, and has also caused a sharp rise in mortgage foreclosures. This has resulted in a reduction of wealth and a severe tightening of credit—contributing to a reduction in the amount of spending by business and families.

FY 2008 ended with a 4<sup>th</sup> quarter decline of 2.7%, followed by declines of 3.9% and 11.1% in the 1<sup>st</sup> and 2<sup>nd</sup> quarters, respectively, of FY 2009.

The proposed budget assumes that declines will continue throughout the next two fiscal years primarily due to projections of continued job loss through December 2010, the reduction of available credit resulting from the decline in home values, and general tightening of credit. With reduced home values and tight credit, it is unlikely we will see the same levels of personal consumption, and therefore growth in sales tax revenues, that were experienced in the post-dot.com bust era. FY10 reflects an assumed 5% decline from FY09 projected sales tax revenues; followed by a 3% decline in FY11.

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

State Transit Assistance (STA)

In February 2009, Gov. Arnold Schwarzenegger and the California Legislature approved an intricate package of bills in an attempt to balance the state's massive budget gap. This package consists of tax hikes, borrowing, and spending reductions that impact every aspect of state government. In the case of transportation, the State Transit Assistance Program (STA), the only state program that provides money to operate bus and rail systems in California, took the brunt of the cuts. For FY 2009, STA funding was sliced in half—from \$306 million to \$153 million. In addition, Gov. Schwarzenegger and the Legislature eliminated all funding for STA for the next four fiscal years. For VTA, this means the loss of roughly \$12 million in operating dollars per year for FY 2010 through FY 2013.

Federal Operating Grants

The Recommended Budget proposes maximizing the use of Federal Transit Administration (FTA) Section 5307 funds for Preventive Maintenance to support operations in an effort to partially offset the loss of Sales Tax based revenues and STA funding to the VTA Transit Enterprise Operating Budget. This results in a reduction of available federal grants to support the capital program. However, VTA was able to back fill the loss in capital Section 5307 grant funding with Federal Stimulus and State Proposition 1B funds.

Expenditures

Service Reductions/Modifications

Savings identified in Annual Transit Service Plan not reinvested in additional service. Adjustments made to Light Rail service including reduction of number of cars on some trips.

Labor Cost

- Maintain current vacancy rates, fill only those positions deemed critical to maintaining the core mission and service plan.
- Negotiate wage and benefit savings from all bargaining units, implement cost savings for non-represented employees. Savings target of \$10.8 million in FY10 and \$16.8 in FY11.
- Labor saving strategies:
  - Wage freeze/cuts
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  - Employee contribution to Pension
  - Employee contribution to Retiree Medical
  - Increase employee contribution to healthcare

Non-Labor Cost<sup>1</sup>

- Security—Decrease contract security service by 96 hours per week, lower rates for new contractor. Total reduction of 11%
- Professional & Special Services—Eliminate Disadvantaged Business Enterprise/Small Business Enterprise certification program. Minimize use of outside consultants when possible. Total reduction of 28%

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<sup>1</sup> Reduction percentages relative to FY09 Adopted Budget

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

- Other Services—Reduced by 20% (includes outside repair services, advertising, and external printing)
- Diesel Fuel—Recommended Budget assumes \$2.00 per gallon (\$2.21 including taxes) for both fiscal years.
- Data Processing—Reduced by 13%
- Office Expense—Reduced by 18.5%
- Communications—Telephone and communications expense reduced by 28%
- Employee Related Expense—Travel costs reduced by 65%

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Cost reduction of 2.4% due to Outreach negotiations with new sub-contract vendor. Align service coverage consistent with fixed-route service.

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Reduce from \$2 million to \$500,000 per year.

**Capital Programs**

VTA Transit Enterprise Fund

The FY10 & FY11 VTA Transit Enterprise Capital Program maintains needed capital infrastructure investment, while leveraging Federal and State revenue sources. The two-year combined program of \$116.7 million utilizes \$107.5 million of grant funding. The remaining VTA Transit Enterprise Fund commitment of \$9.2 million will be funded from the Debt Reduction Fund.

2000 Measure A Transit Improvement Fund

In accordance with the Bureau of State Audits recommendation, the total FY10 & FY11 Capital Program appropriation requests are intended to more accurately reflect the planned spending over the next two fiscal years. In order to facilitate the transition to this change in methodology, some prior year appropriations are shown as de-obligated from the original project and re-programmed to a different project. The net amount represents the additional appropriation requested in the Recommended Budget. In addition, the two-year total is appropriated in FY10 in order to simplify administration of the Measure A Capital Program.

# VTA TRANSIT ENTERPRISE

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

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VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET  
**VTA TRANSIT ENTERPRISE**  
**COMPARISON OF REVENUES AND EXPENSES**  
**FY 2008-FY 2011**  
(In thousands)

Category	FY08 Actual	FY09 Adopted Budget	FY10 Recommended Budget	% Var	FY11 Recommended Budget	% Var
1 Fares	\$35,830	\$34,015	\$36,320	6.8%	\$40,620	11.8%
2 1976 Half-Cent Sales Tax	163,038	179,531	144,420	-19.6%	140,088	-3.0%
3 TDA	83,547	84,829	67,877	-20.0%	65,841	-3.0%
4 Measure A Sales Tax-Oper. Asst.	29,630	33,136	26,380	-20.4%	25,588	-3.0%
5 STA	19,022	9,419	0	-100.0%	0	N/A
6 Federal Operating Grants	22,425	17,084	48,268	182.5%	42,626	-11.7%
7 State Operating Grants	1,512	1,333	1,408	5.6%	1,408	0.0%
8 Local Operating Assistance	0	0	0	N/A	0	N/A
9 Investment Earnings	5,688	5,059	2,196	-56.6%	3,295	50.0%
10 Advertising Income	2,044	1,844	1,828	-0.9%	1,830	0.1%
11 Other Income	15,351	13,436	15,108	12.4%	14,251	-5.7%
<b>12 Total Revenue</b>	<b>\$378,087</b>	<b>\$379,686</b>	<b>\$343,805</b>	<b>-9.5%</b>	<b>\$335,547</b>	<b>-2.4%</b>
13 Labor Cost	\$240,155	\$265,972	\$251,863	-5.3%	\$253,621	0.7%
14 Materials & Supplies	16,380	17,041	15,559	-8.7%	15,506	-0.3%
15 Security	7,497	7,579	7,584	0.1%	8,019	5.7%
16 Professional & Special Services	4,303	5,031	3,610	-28.2%	3,651	1.1%
17 Other Services	8,309	10,061	7,965	-20.8%	8,090	1.6%
18 Fuel	14,506	13,914	10,921	-21.5%	10,978	0.5%
19 Traction Power	3,290	3,735	3,597	-3.7%	3,755	4.4%
20 Tires	1,387	1,897	1,606	-15.3%	1,703	6.0%
21 Utilities	2,504	2,509	2,493	-0.6%	2,492	0.0%
22 Insurance	5,278	5,925	4,847	-18.2%	5,140	6.0%
23 Data Processing	2,910	3,121	2,694	-13.7%	2,720	1.0%
24 Office Expense	377	436	353	-19.0%	343	-2.8%
25 Communications	1,073	1,448	1,039	-28.2%	1,080	3.9%
26 Employee Related Expense	775	1,732	835	-51.8%	799	-4.3%
27 Leases & Rents	420	477	512	7.3%	551	7.6%
28 Miscellaneous	969	1,702	968	-43.1%	827	-14.6%
29 Service Reductions	0	0	(3,000)	N/A	(3,000)	0.0%
30 Reimbursements	(47,583)	(53,687)	(41,906)	-21.9%	(41,155)	-1.8%
<b>31 Subtotal Operating Expense</b>	<b>\$262,550</b>	<b>\$288,893</b>	<b>\$271,541</b>	<b>-6.0%</b>	<b>\$275,120</b>	<b>1.3%</b>
32 Paratransit*	\$30,707	\$33,286	\$31,650	-4.9%	\$34,745	9.8%
33 Caltrain*	16,089	16,899	18,179	7.6%	18,683	2.8%
34 Light Rail Shuttles*	97	547	34	-93.8%	39	14.7%
35 Altamont Commuter Express*	3,912	4,106	4,509	9.8%	4,679	3.8%
36 Highway 17 Express*	383	479	411	-14.2%	428	4.1%
37 Dumbarton Express*	344	505	457	-9.5%	486	6.3%
38 Monterey-San Jose*	60	109	46	-57.8%	51	10.9%
39 Contribution to Other Agencies	611	552	671	21.6%	676	0.7%
40 Debt Service	22,958	24,358	20,893	-14.2%	20,689	-1.0%
41 Other Expense	2	0	0	N/A	0	N/A
<b>42 Subtotal Other Expense</b>	<b>\$75,163</b>	<b>\$80,841</b>	<b>\$76,850</b>	<b>-4.9%</b>	<b>\$80,476</b>	<b>4.7%</b>
<b>43 Operating and Other Expense</b>	<b>\$337,713</b>	<b>\$369,734</b>	<b>\$348,391</b>	<b>-5.8%</b>	<b>\$355,596</b>	<b>2.1%</b>
44 Contingency	0	2,000	500	-75.0%	500	0.0%
45 Contingency Utilization	0	0	0		0	
<b>46 Total Expense</b>	<b>\$337,713</b>	<b>\$371,734</b>	<b>\$348,891</b>	<b>-6.1%</b>	<b>\$356,096</b>	<b>2.1%</b>
<b>47 Surplus/(Deficit) to Reserves</b>	<b>\$40,374</b>	<b>\$7,952</b>	<b>(\$5,086)</b>		<b>(\$20,549)</b>	

\* Amounts include allocation of VTA support staff.

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**VTA TRANSIT ENTERPRISE  
SOURCES AND USES OF FUNDS SUMMARY  
FY 2009-FY2011  
(In thousands)**

<u>Line</u>	<u>Description</u>	<u>FY 2009 Projected Actual</u> <sup>1</sup>	<u>FY 2010 Recommended Budget</u>	<u>FY 2011 Recommended Budget</u>
1	Total Revenues	\$ 351,195	\$ 343,805	\$ 335,547
2	Total Operating Expenses	354,313	348,891	356,096
3	Operating Revenues Over (Under) Expenses	\$ (3,118)	\$ (5,086)	\$ (20,549)
4	Total VTA Transit Capital	\$ 49,901	\$ 99,501	\$ 17,228
	LESS:			
5	Funding from Grants & Other Sources	(24,097)	(94,085)	(13,403)
6	VTA Transit Share, drawn from Reserves	\$ 25,804	\$ 5,416	\$ 3,825
7	Beginning Reserves	\$ 54,629	\$ 51,510	\$ 46,424
8	Operating Revenues Over (Under) Expenses	(3,118)	(5,086)	(20,549)
9	From (To) Debt Reduction Fund for Capital	25,804	5,416	3,825
10	VTA Transit Funds, drawn from Reserves for Capital	(25,804)	(5,416)	(3,825)
11	Ending Operating Reserves	\$ 51,510	\$ 46,424	\$ 25,876
12	Operating Reserve % <sup>2</sup>	13.9%	13.3%	7.3%

<sup>1</sup> Staff Projection as of April 10, 2009

<sup>2</sup> Line 11 divided by Line 2

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**VTA TRANSIT ENTERPRISE  
CAPITAL PROGRAM OVERVIEW**

The FY 2010 and FY 2011 Recommended VTA Transit Enterprise Capital Program maintains needed capital infrastructure investment during this unprecedented economic downturn, while creatively leveraging federal and state revenue sources. This includes using Federal Stimulus (American Recovery and Reinvestment Act) funds to purchase hybrid diesel buses and utilizing State Proposition 1B funds to purchase paratransit vehicles and non-revenue vehicles, as well as providing the matching money for federal rail grants (Section 5309) that will pay for rail, substation, and overhead catenary rehabilitation and replacement. This budget also utilizes over \$13 million in federal and state security funding to pay for a series of security improvements, including closed-circuit TV, laser intrusion detection, and facility perimeter fencing. As in previous years, the Capital Improvement Program Oversight Committee (CIPOC), which is composed of VTA's Chief Officers, has continued its ongoing review and monitoring of the entire capital program. This process continually examines every capital project as to its criticality to our operations, strategic plan, and goals.

This budget funds and augments a total of 24 VTA Transit Enterprise projects, including the Caltrain Capital Contribution, over the two-year period. It utilizes \$107.5 million of grant funding and requires a total new VTA Transit Enterprise Fund commitment of \$9.2 million. This amount includes \$975 thousand set aside to fund capital contingency over the two-year period.

**VTA TRANSIT ENTERPRISE  
CAPITAL PROGRAM DETAIL  
(In thousands)**

Project	FY10					FY11				
	Funding Source				Total Appropriation	Funding Source				Total Appropriation
	Federal	State	Other	VTA		Federal	State	Other	VTA	
1. Bus Surveillance Equip. Replacement	\$0	\$1,521	\$0	\$0	\$1,521	\$0	\$0	\$0	\$0	\$0
2. Light Rail Vehicle Repair	0	0	1,900	250	2,150	0	0	0	0	0
3. Paratransit Vehicles	0	6,664	0	0	6,664	0	973	0	0	973
4. Procurement of 40' Hybrid Diesel Buses	46,948	2,903	0	0	49,851	0	0	0	0	0
<b>Revenue Vehicles &amp; Equipment Total</b>	<b>\$46,948</b>	<b>\$11,088</b>	<b>\$1,900</b>	<b>\$250</b>	<b>\$60,186</b>	<b>\$0</b>	<b>\$973</b>	<b>\$0</b>	<b>\$0</b>	<b>\$973</b>
5. CARB Vehicle Compliance Program	\$0	\$2,608	\$0	\$0	\$2,608	\$0	\$0	\$0	\$0	\$0
<b>Non-Revenue Vehicles Total</b>	<b>\$0</b>	<b>\$2,608</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,608</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
6. Chaboya Division Security Improvements	\$0	\$1,464	\$0	\$0	\$1,464	\$0	\$0	\$0	\$0	\$0
7. Emergency Power Generator Upgrade	0	942	0	0	942	0	0	0	0	0
8. Facilities & Equip Emergency Repair/Replacement	0	0	0	725	725	0	0	0	0	0
9. Guadalupe Division CCTV	0	2,099	0	0	2,099	0	0	0	0	0
10. Security Improvement	0	2,800	0	78	2,878	0	3,500	0	0	3,500
<b>Operating Facilities &amp; Equipment Total</b>	<b>\$0</b>	<b>\$7,305</b>	<b>\$0</b>	<b>\$803</b>	<b>\$8,108</b>	<b>\$0</b>	<b>\$3,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,500</b>
11. Guad Corr Traction Power Substations Rehabilitation Prog.	\$2,025	\$675	\$0	\$0	\$2,700	\$1,425	\$475	\$0	\$0	\$1,900
12. Guadalupe OCS Rehab & Replacement Program	694	231	0	0	925	2,756	919	0	0	3,675
13. Laser Intrusion Detection System - Hamilton Station	0	1,164	0	0	1,164	0	0	0	0	0
14. Traction Power Substation Replacement Program	4,050	1,350	0	0	5,400	0	0	0	0	0
15. Rail Replacement & Rehabilitation	2,302	767	0	0	3,069	1,683	561	0	0	2,244
<b>Light Rail Way, Power &amp; Signal Total</b>	<b>\$9,071</b>	<b>\$4,188</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,258</b>	<b>\$5,864</b>	<b>\$1,955</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,819</b>
16. Bus Stop Pavement, Duckouts & Accessibility Improv.	\$582	\$0	\$0	\$146	\$728	\$422	\$0	\$0	\$105	\$527
17. ELocker Retrofit Program	0	64	0	11	75	0	64	0	11	75
<b>Passenger Facilities Total</b>	<b>\$582</b>	<b>\$64</b>	<b>\$0</b>	<b>\$157</b>	<b>\$803</b>	<b>\$422</b>	<b>\$64</b>	<b>\$0</b>	<b>\$117</b>	<b>\$602</b>
18. Technology Infrastructure Replacement Fund	\$0	\$0	\$0	\$300	\$300	\$0	\$0	\$0	\$0	\$0
19. Radio Narrowbanding	0	0	0	0	0	0	0	0	690	690
20. Real Time Information (RTI)	0	2,530	0	0	2,530	0	0	0	0	0
<b>Information Systems &amp; Technology Total</b>	<b>\$0</b>	<b>\$2,530</b>	<b>\$0</b>	<b>\$300</b>	<b>\$2,830</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$690</b>	<b>\$690</b>
21. Caltrain Capital - Annual Local Match	\$0	\$0	\$0	\$2,931	\$2,931	\$0	\$0	\$0	\$3,019	\$3,019
22. Caltrain Right-of-Way	0	0	7,177	0	7,177	0	0	0	0	0
23. Joint Development - Sites A, B & C	0	0	300	0	300	0	0	0	0	0
24. W. San Carlos Remediation and Demolition	0	0	325	0	325	0	0	625	0	625
Capital Contingency	0	0	0	975	975	0	0	0	0	0
<b>Miscellaneous Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,802</b>	<b>\$3,906</b>	<b>\$11,708</b>	<b>\$0</b>	<b>\$0</b>	<b>\$625</b>	<b>\$3,019</b>	<b>\$3,644</b>
<b>Grand Total</b>	<b>\$56,601</b>	<b>\$27,782</b>	<b>\$9,702</b>	<b>\$5,416</b>	<b>\$99,501</b>	<b>\$6,286</b>	<b>\$6,492</b>	<b>\$625</b>	<b>\$3,826</b>	<b>\$17,228</b>

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VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET

3.b

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**VTA TRANSIT ENTERPRISE PROJECT DESCRIPTIONS***Revenue Vehicles and Equipment***1. Bus Surveillance Equipment Replacement**

This project will replace the existing Closed Circuit TV (CCTV) equipment on 232 Gillig and New Flyer buses with current technology, including wireless connectivity to allow staff to download selected video from buses without having to physically pull hard drives.

*Operating Costs: There will be maintenance savings of approximately \$687,000 over a three year period, since existing maintenance agreements for old equipment will be replaced by three-year warranty and maintenance coverage with the new equipment. Maintenance agreements would be needed after these expire.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$1,521,331	\$0
Grant Funding	1,521,331	0
Net VTA Funds	\$0	\$0

**2. Light Rail Vehicle Repair**

In March 2008, a light rail vehicle was damaged due to a major derailment. This project appropriates funding that will be used to purchase replacement parts, body panels and frame components necessary for repair, if possible. If repair is not feasible, funding will be used to terminate the vehicle from a leveraged lease transaction entered into in 2003. The project is funded primarily with insurance proceeds.

*Operating Costs: This project does not result in any additional operating costs.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,150,000	\$0
External Funding	1,900,000	0
Net VTA Funds	\$250,000	\$0

**3. Paratransit Vehicles**

In order to contain and reduce Paratransit operating costs, VTA now directly funds and provides vehicles to our contracted Paratransit vendor. This request is for 180 vehicles, of which 160 are replacement vehicles and 20 are to accommodate expansion of service. Of the 180 vehicles, 67 of these will be hybrid sedans, which will have a positive impact upon fuel consumption and the environment.

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

*Operating Costs: The use of hybrid vehicles will help reduce operating costs and fuel consumption.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$6,664,000	\$973,000
Grant Funding	6,664,000	973,000
Net VTA Funds	\$0	\$0

**4. Procurement of 40' Hybrid Diesel Buses**

VTA will replace diesel buses purchased in the late 1990's and due for replacement, with 70-75 hybrid diesel electric buses. These buses will reduce emissions of NOx, particulate matter, and greenhouse gases, as well as improve fuel economy. They will be purchased through a combination of ARRA (Federal Stimulus) and State Proposition 1B funds.

*Operating Costs: There will be additional operating and maintenance costs associated with operating Hybrid Diesel Buses due to more complex emission systems. Such costs are anticipated to be offset by fuel savings*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$49,850,770	\$0
Grant Funding	49,850,770	0
Net VTA Funds	\$0	\$0

***Non-Revenue Vehicles***

**5. CARB Vehicle Compliance Program**

VTA's Non-Revenue Vehicle (NRV) procurement in this budget cycle is being driven by the California Air Resources Board (CARB) requirement to retire or retrofit older diesel vehicles manufactured from 1998 to 2000 by December 31, 2010. This budget includes the required replacement of 40 diesel-powered vehicles.

*Operating Costs: Maintenance savings associated with replacing older vehicles.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,607,600	\$0
Grant Funding	2,607,600	0
Net VTA Funds	\$0	\$0

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

*Operating Facilities & Equipment***6. Chaboya Division Security Improvements**

This security project will install high-security fencing around the Division perimeter, vehicle and pedestrian gates, CCTV video on-demand systems, guard shack, and traffic control crossing arms.

*Operating Costs: There will be a minor increase in maintenance costs associated with maintaining the CCTV equipment and the other improvements.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$1,463,707	\$0
Grant Funding	1,463,707	0
Net VTA Funds	\$0	\$0

**7. Emergency Power Generator Upgrade**

This project will replace the existing emergency power generator at the Guadalupe Division with a 1200 kilowatt emergency generator, which could allow the entire division to maintain normal operations during a power outage. The existing generator is rated for 240 kilowatts and cannot provide emergency power to all buildings at the Division.

*Operating Costs: No direct operating cost impact, but eliminates potential operating cost impacts related to power outages.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$942,187	\$0
Grant Funding	942,187	0
Net VTA Funds	\$0	\$0

**8. Facilities and Equipment Emergency Repair Allowance**

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

*Operating Costs: Would expedite emergency repairs that may have residual positive operating cost impacts.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$725,000	\$0
Grant Funding	0	0
Net VTA Funds	\$725,000	\$0

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**9. Guadalupe Division CCTV**

This project will install approximately 30 CCTV cameras and associated hardware to adequately monitor the perimeter and secure the Division, displaying live streaming video over the existing network along with data storage. This project was recommended by VTA's Readiness Assessment.

*Operating Costs: There will be increased maintenance costs associated with maintaining the CCTV equipment.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,098,985	\$0
Grant Funding	2,098,985	0
Net VTA Funds	\$0	\$0

**10. Security Improvements**

This project reserves grant funding identified specifically for transit security projects, including funds from the Federal Transit Security Grant Program (TSGP), State I-Bond, and Federal Section 5307. The specific activities will be identified, consistent with grant guidelines and assessments of projects.

*Operating Costs: Operating cost impacts are unknown pending the identification of specific activities.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,877,846	\$3,500,000
Grant Funding	2,800,000	3,500,000
Net VTA Funds	\$77,846	\$0

***Light Rail Way, Power & Signal*****11. Guadalupe Corridor Traction Power Substation Rehabilitation Program**

This program will rehabilitate the existing traction power substations originally installed along the corridor 20 years ago, extending their useful life until they are ultimately replaced as part of the proposed Guadalupe Corridor Substation Replacement Program. Rehabilitation will include inspection and possible replacement of disconnect switches, DC control, and breakers.

*Operating Costs: Will reduce maintenance costs and operating costs associated with equipment downtime.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,700,000	\$1,900,000
Grant Funding	2,700,000	1,900,000
Net VTA Funds	\$0	\$0

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**12. Guadalupe Corridor O.C.S. Rehabilitation & Replacement Program**

The Overhead Catenary System (OCS) is over 20 years old and a recent study identified elements of the system that should be either rehabilitated or replaced. These elements include contact wire, steady arms, section insulators, and under-bridge supports.

*Operating Costs: Will reduce maintenance costs and operating costs associated with equipment downtime.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$925,000	\$3,675,000
Grant Funding	925,000	3,675,000
Net VTA Funds	\$0	\$0

**13. Laser Intrusion Detection System - Hamilton LRT Station**

This project funds the purchase and installation of a laser intrusion detection system, with sensors mounted near both ends of the station platform, as well as sensors at both ends of the elevated portion of the track. This system, similar to the system currently operating at the entrances to the Diridon tunnel portals, will allow trains to pass without alarm while triggering an alarm for anything that does not match the profile of a train.

*Operating Costs: There is no measurable impact to operating costs. No additional CCTV viewing equipment or personnel is necessary for this project.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$1,164,179	\$0
Grant Funding	1,164,179	0
Net VTA Funds	\$0	\$0

**14. Traction Power Substation Replacement Program**

This program will ultimately replace the 14 traction power substations originally installed along the corridor 20 years ago. Two of the 14 substations are already being replaced and this project request will replace up to another three substations. The plan calls for four substations to be replaced every five years. The remaining substations will undergo major rehabilitation, as part of the proposed Guadalupe Corridor Substation Rehabilitation Program, until such time as they are replaced under this program.

*Operating Costs: Will reduce maintenance costs and operating costs associated with equipment downtime.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$5,400,000	\$0
Grant Funding	5,400,000	0
Net VTA Funds	\$0	\$0

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**15. Rail Replacement and Rehabilitation**

This ongoing activity helps maintain running the Light Rail system at optimum levels. Work on rail that can be preserved may include the use of welding to extend its life. Rail that has begun to exhibit surface and subsurface cracking must be replaced. FY10 and FY11 activities will include work at First & Younger.

*Operating Costs: No direct operating cost impact, but eliminates potential operating cost impacts related to rail failures.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$3,069,000	\$2,244,000
Grant Funding	3,069,000	2,244,000
Net VTA Funds	\$0	\$0

***Passenger Facilities*****16. Bus Stop Pavement, Duckouts & Accessibility Improvements**

VTA is committed to maintaining and improving safe bus stops, bus stop accessibility and sound operating conditions for transit vehicles, operators and our customers. This project will provide for ADA accessibility improvements and pavement repairs at bus stops throughout the County. The Committee for Transit Accessibility (CTA) has previously developed a prioritized list of bus stops for ADA improvements. This project is funded through a Federal Section 5307 grant and requires a 20% match of local funds.

*Operating Costs: There would be maintenance cost savings associated with keeping bus stops in a state of good repair.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$728,058	\$527,428
Grant Funding	582,446	421,942
Net VTA Funds	\$145,612	\$105,486

**17. ELocker Retrofit Program**

This project continues VTA's efforts to convert existing bike lockers at various park & ride lots to utilize electronic locks. These locks will allow better, more efficient utilization of existing bike lockers.

*Operating Costs: Operating cost impacts would be minimal.*

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$75,000	\$75,000
Grant Funding	63,750	63,750
Net VTA Funds	\$11,250	\$11,250

*Information Systems, Communications, and Technology***18. Technology Infrastructure Replacement Fund**

VTA is setting up a contingency project specifically to anticipate the need for replacement of critical technology infrastructure, as needs arise over the two-year timeframe. The Technology Department will be responsible for managing these funds.

*Operating Costs: Technology infrastructure replacement may result in some maintenance savings.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$300,000	\$0
Grant Funding	0	0
Net VTA Funds	\$300,000	\$0

**19. Radio Narrowbanding**

New FCC regulations will require VTA to reduce its existing bandwidth from 25 KHz to 12.5 KHz by January 1, 2013. This project will include additional radio equipment, as well as realignment of existing equipment to work on narrowband frequencies.

*Operating Costs: There are potential minor additional operating costs associated with the radio system.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$0	\$690,000
Grant Funding	0	0
Net VTA Funds	\$0	\$690,000

**20. Real-Time Information (RTI)**

This request augments the existing project to provide for electronic signage at transit centers and selected bus stops, integrating with the regional 511 system, to provide passengers with accurate and timely information. This augmentation will be funded from regional RM2 funds.

*Operating Costs: The first two years of system operating costs will be charged to the project. It is anticipated that this project will generate additional revenue from increasing ridership.*

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

	FY10	FY11
Project Budget	\$2,530,000	\$0
Grant Funding	2,530,000	0
Net VTA Funds	\$0	\$0

*Miscellaneous***21. Caltrain Capital – Annual Local Match**

The local capital funds that Caltrain receives from VTA and the other two funding partners are used to match state and federal grant funds that are provided to Caltrain. Most Caltrain capital projects are funded with a combination of federal and local funds, and the costs are split equally by the three member agencies. This budget includes \$2.9 million in FY 2010 and \$3.0 million in FY 2011 to support Caltrain's Capital Budget.

*Operating Costs: Caltrain has yet to finalize the specific projects that will be funded. Operating and maintenance costs for Caltrain service are incorporated within the Caltrain Operating subsidy.*

	FY10	FY11
Project Budget	\$2,931,000	\$3,019,000
Grant Funding	0	0
Net VTA Funds	\$2,931,000	\$3,019,000

**22. Caltrain Right-of-Way (ROW)**

The initial ROW was purchased from the Southern Pacific Transportation Company by the Peninsula Corridor JPB in 1991 for \$202 million. The State of California contributed \$120 million, leaving a \$82 million shortfall. SamTrans agreed to pay the difference and the other two partners, Muni and VTA entered into an agreement to repay SamTrans for their shares. VTA agreed to reimburse SamTrans \$8 million using gasoline sales tax revenue-based "spill-over" funds over a number of years. The remaining amount owed by VTA is \$7,177,270. The appropriation for this project allows VTA to recognize the liability in the annual financial statements; however, actual payment would not be made unless external funding becomes available, pursuant to an agreement with MTC and SamTrans.

	FY10	FY11
Project Budget	\$7,177,270	\$0
External Funding	7,177,270	0
Net VTA Funds	\$0	\$0

**23. Joint Development – Sites A, B & C**

VTA is currently developing a portfolio of potential project opportunities for the Joint Development Program. These funds would be used for three sites to be determined and would be funded from developer deposits.

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

*Operating Costs: There are no operating cost impacts due to this project. However, it is anticipated that these developments would provide VTA with an on-going revenue stream.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$300,000	\$0
Developer Funding	300,000	0
Net VTA Funds	\$0	\$0

**24. West San Carlos Remediation and Demolition**

VTA is currently working with a developer on a joint development project on property at the southwest corner of Sunol and West San Carlos in San Jose. The agreement calls for VTA to remove all existing improvements and perform all remediation work, for which the developer will provide reimbursement to VTA.

*Operating Costs: There are no operating cost impacts due to this project.*

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$325,000	\$625,000
Developer Funding	325,000	625,000
Net VTA Funds	\$0	\$0

VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET

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# **2000 MEASURE A TRANSIT IMPROVEMENT PROGRAM**

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

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## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**2000 MEASURE A TRANSIT IMPROVEMENT PROGRAM  
COMPARISON OF REVENUES AND EXPENSES**

**FY 2008-FY 2011  
(In thousands)**

	<b>Category</b>	<b>FY08 Actual</b>	<b>FY09 Adopted Budget</b>	<b>FY10 Recommended Budget</b>	<b>% Var</b>	<b>FY11 Recommended Budget</b>	<b>% Var</b>
1	2000 Half-Cent Sales Tax	\$160,537	\$179,531	<b>\$142,926</b>	<b>-20.4%</b>	<b>\$138,638</b>	<b>-3.0%</b>
2	Investment Earnings	11,742	592	<b>4,769</b>	<b>705.6%</b>	<b>7,154</b>	<b>50.0%</b>
3	Other Income	376	350	<b>415</b>	<b>18.6%</b>	<b>372</b>	<b>-10.4%</b>
4	<b>Total Revenue</b>	<b>\$172,655</b>	<b>\$180,473</b>	<b>\$148,110</b>	<b>-17.9%</b>	<b>\$146,164</b>	<b>-1.3%</b>
5	VTA Operating Assistance	\$29,630	\$33,136	<b>\$26,380</b>	<b>-20.4%</b>	<b>\$25,588</b>	<b>-3.0%</b>
6	Professional & Special Services	299	500	<b>485</b>	<b>-3.0%</b>	<b>493</b>	<b>1.6%</b>
7	Contributions to Other Agencies	0	0	<b>150</b>	<b>N/A</b>	<b>150</b>	<b>0.0%</b>
8	Debt Service	16,651	21,675	<b>18,603</b>	<b>-14.2%</b>	<b>21,046</b>	<b>13.1%</b>
9	Repayment Obligation	12,886	11,057	<b>12,100</b>	<b>9.4%</b>	<b>12,000</b>	<b>-0.8%</b>
10	<b>Total Expense</b>	<b>\$59,466</b>	<b>\$66,368</b>	<b>\$57,718</b>	<b>-13.0%</b>	<b>\$59,277</b>	<b>2.7%</b>
11	<b>Surplus/(Deficit) to Reserves</b>	<b>\$113,189</b>	<b>\$114,105</b>	<b>\$90,392</b>		<b>\$86,887</b>	

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**2000 MEASURE A TRANSIT IMPROVEMENT PROGRAM  
SOURCES AND USES OF FUNDS SUMMARY  
FY 2009-FY2011  
(In thousands)**

<u>Line</u>	<u>Description</u>	<u>FY 2009 Projected Actual</u> <sup>1</sup>	<u>FY 2010 Recommended Budget</u>	<u>FY 2011 Recommended Budget</u>
1	Total Revenues	\$ 159,649	\$ 148,110	\$ 146,164
2	Total Non-Project Expenses	59,894	57,718	59,277
3	Revenues Over (Under) Expenses	\$ 99,755	\$ 90,392	\$ 86,887
4	Project Expenditures	\$ 133,455	\$ 301,524	\$ 370,809
5	LESS: Funding from Grants & Other Sources	(43,572)	(111,357)	(205,289)
6	2000 Measure A Share, drawn from Reserves	\$ 89,883	\$ 190,167	\$ 165,520
7	Beginning Undesignated Reserves	\$ 247,134	\$ 257,006	\$ 157,231
8	Revenues Over (Under) Expenses	99,755	90,392	86,887
9	2000 Measure A Share, drawn from Reserves for Capital	(89,883)	(190,167)	(165,520)
10	Ending Undesignated Reserves	\$ 257,006	\$ 157,231	\$ 78,598

<sup>1</sup> Staff Projection as of April 10, 2009

## 2000 MEASURE A CAPITAL PROGRAM OVERVIEW

The 2000 Measure A Transit Improvement Program is a 30-year plan for transit improvements throughout Santa Clara County. The Measure A Program is a component of Valley Transportation Plan 2035, the county-wide long range transportation plan. A dedicated half-cent sales tax, which went into effect in 2006, provides the major source of funding, along with federal and state grants.

As outlined in the VTA Board of Directors workshop in December 2008, and confirmed by the Board in February 2009, VTA is modifying its approach to budgeting for Measure A projects. The proposed capital budget more clearly reflects the planned capital spending that will be incurred in the next two years. This change is consistent with the recommendation of the California Bureau of State Audits, which noted that by focusing on near-term expenditures, VTA can better manage cash flow and reduce financing costs.

As part of this change, the FY10 & FY11 Measure A capital budget includes “de-obligating” funding from several projects. These funds were previously authorized in a prior budget, but because of changed circumstances or program priorities, have not been spent and will not be spent within the next two years. By “de-obligating” previously approved budget authorization, the result is a budget that more accurately represents planned expenditures with budget authorization. An explanation for each project where funds have been de-obligated is provided in the project definitions.

The Recommended FY10 & FY11 Measure A capital program utilizes cash-on-hand and projected cash receipts, and does not rely on incurring additional debt. Project funding is appropriated in FY10 in order to facilitate administration of the program.

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**2000 MEASURE A**  
**CAPITAL PROGRAM DETAIL**  
(In thousands)

	FY10 & FY11			
	Funding Source			Total Appropriation
	State	Other	2000 Measure A	
Project				
1. Procurement of 40 BRT Articulated Buses	\$0	\$0	\$43,250	\$43,250
<b><i>Revenue Vehicles &amp; Equipment Total</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$43,250</i></b>	<b><i>\$43,250</i></b>
2. BRT-Santa Clara/Alum Rock Corridor	\$45,000	\$0	\$13,965	\$58,965
3. Bus Rapid Transit Strategic Plan	0	0	(20,410)	(20,410)
4. CE/Environmental for Stevens Creek BRT	0	0	1,000	1,000
5. El Camino Real BRT	0	0	9,600	9,600
6. Projects from Light Rail Systems Analysis	0	0	5,000	5,000
<b><i>Operating Facilities &amp; Equipment Total</i></b>	<b><i>\$45,000</i></b>	<b><i>\$0</i></b>	<b><i>\$9,155</i></b>	<b><i>\$54,155</i></b>
7. Caltrain Electrification	\$0	\$0	\$800	\$800
8. Caltrain Mountain View Parking Structure	0	(282)	(9,448)	(9,730)
9. Caltrain Safety Enhancements	0	0	15,870	15,870
10. Caltrain Service Upgrades	0	0	(1,870)	(1,870)
11. Caltrain South County Capacity Improv.	0	0	(11,458)	(11,458)
12. Caltrain/UP Blossom Hill Ped. Grade Sep	0	0	500	500
13. Capitol Expressway Light Rail to Eastridge	0	0	(68,982)	(68,982)
14. Dumbarton Rail Corridor	0	0	(5,576)	(5,576)
15. Freight Rail Relocation Project	10,421	55,685	42,764	108,870
16. Light Rail Extension to Vasona	0	0	(7,355)	(7,355)
17. Santa Clara and SJ Diridon Station Upgrade	0	0	11,600	11,600
18. SC Sta. Pedestrian Underpass Extension	0	0	(6,388)	(6,388)
19. Silicon Valley BART Extension	97,322	10,000	65,055	172,377
20. Warm Springs BART Extension	8,000	0	8,000	16,000
<b><i>Rail Facility Expansion Total</i></b>	<b><i>\$115,743</i></b>	<b><i>\$65,403</i></b>	<b><i>\$33,512</i></b>	<b><i>\$214,659</i></b>
21. Environmental Impact Studies/Prelim Project Work	\$0	\$0	\$1,000	\$1,000
22. Highway 17 Bus Service Improvements	0	0	2,075	2,075
<b><i>Miscellaneous Total</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$3,075</i></b>	<b><i>\$3,075</i></b>
<b><i>Grand Total</i></b>	<b><i>\$160,743</i></b>	<b><i>\$65,403</i></b>	<b><i>\$88,992</i></b>	<b><i>\$315,139</i></b>

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**2000 MEASURE A PROJECT DESCRIPTIONS***Revenue Vehicles & Equipment***1. Procurement of 40 Articulated Hybrid Diesel Electric Buses**

This project will fund the purchase 40 articulated hybrid diesel electric buses for use on the 522 BRT line and the forthcoming 523 BRT line. This acquisition will include installation of ACS equipment, along with fareboxes and CCTV.

*Operating Costs: There will be additional operating and maintenance costs associated with operating Hybrid Diesel Buses due to more complex emission systems. Such costs are anticipated to be offset by fuel savings.*

**FY10 & FY11**

Project Budget	\$43,250,000
Other Funding	0
Measure A Funds	\$43,250,000

*Operating Facilities & Equipment***2. Downtown/East Valley Santa Clara-Alum Rock Transit Improvement Project**

This project foresees a phased transit enhancement in the county's highest ridership transit corridor. The first phase will introduce Bus Rapid Transit (BRT) in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. This BRT project is being designed to light rail standards, enabling a future conversion to light rail in a future phase. Staff is currently exploring options for making this project more competitive and will be reporting results to the Policy Advisory Board. In addition, VTA has initiated a federal environmental review to make this project eligible for federal stimulus funds. Preliminary Engineering will commence in 2009 with Final Design scheduled to take place in 2010. Service is scheduled to begin in 2012.

*Operating Costs: Operating and maintenance costs associated with operating BRT would begin in FY2013. The actual costs would be determined by the total number of service hours, once the actual service plan is developed.*

**FY10 & FY11**

Project Budget	\$58,965,000
State Funding (Prop 1B)	45,000,000
Measure A Funds	\$13,965,000

**3. Bus Rapid Transit Strategic Plan**

The VTA Board of Directors is scheduled to adopt the Bus Rapid Transit (BRT) Strategic Plan in May 2009. Based on the criteria established in the Transit

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

Sustainability Study, the BRT strategic plan recommends moving forward with BRT deployment in the Santa Clara/Alum Rock corridor, and continuing conceptual engineering and environmental work for the El Camino Real and Stevens Creek/West San Carlos corridors. This broad BRT corridors project is being de-obligated at this time. A portion of the allocation is being redistributed to the two specific corridor projects (#4 & #5 below).

**FY10 & FY11**

Project Budget	(\$20,410,000)
Other Funding	0
Measure A Funds	(\$20,410,000)

**4. CE/Environmental for Stevens Creek BRT**

Bus Rapid Transit on Stevens Creek Boulevard/West San Carlos will be characterized by segments of a dedicated lane crossing at I-880 and Winchester Boulevard. Stations and vehicles will feature passenger amenities such as real-time information, high quality waiting environments and off-board fare collection. This portion of the project will include conceptual engineering and environmental work.

*Operating Costs: Operating cost impacts will be assessed as part of the engineering phase of the project.*

**FY10 & FY11**

Project Budget	\$1,000,000
Other Funding	0
Measure A Funds	\$1,000,000

**5. El Camino Real BRT**

Bus Rapid Transit on El Camino Real will be characterized by segments of dedicated lanes with center platforms and segments of mixed flow operations with curb bulb-out stations. Stations and vehicles will feature passenger amenities such as real-time information, high quality waiting environments and off-board fare collection. This portion of the project will include engineering and environmental work.

*Operating Costs: Operating cost impacts will be assessed as part of the engineering phase of the project.*

**FY10 & FY11**

Project Budget	\$9,600,000
Other Funding	0
Measure A Funds	\$9,600,000

**6. Light Rail Systems Analysis Projects**

A comprehensive Light Rail systems analysis is currently being performed that will identify specific improvements to the current system, which could include station improvements, new crossovers, signal improvements and fencing.

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

*Operating Costs: Savings could arise from greater operational efficiencies. Actual impacts cannot be estimated until specific projects are identified.*

	<b>FY10 &amp; FY11</b>
Project Budget	\$5,000,000
Other Funding	0
Measure A Funds	\$5,000,000

***Rail Facility Expansion*****7. Caltrain Electrification**

Caltrain currently uses diesel engines to provide passenger service along the corridor. This project will provide the infrastructure for Caltrain to convert to electric propulsion in conjunction with the High Speed Rail project. Specific improvements include substations and an overhead catenary system along the corridor. In conjunction with Caltrain, which is administering the project, this budget will partially fund planning and engineering activities through FY 2011 and coordination work with Caltrain staff.

*Operating Costs: Caltrain is responsible for the direct operation of the system but any operational cost impacts would impact future VTA operating contributions.*

	<b>FY10 &amp; FY11</b>
Project Budget	\$800,000
Other Funding	0
Measure A Funds	\$800,000

**8. Caltrain Mountain View Parking Structure**

This project was originally established for the engineering and construction of a new two-level parking structure above the existing ground level parking at the Caltrain Mountain View Station. Due to PCJPB's need of the right-of-way for future four-track and High Speed Rail, the project cannot be constructed at this location. VTA now plans to undertake an accessibility study to evaluate pedestrian, bicycle, transit and auto access to all stations in Santa Clara County. This project is recommended for de-obligation. Other funding identified below is from the City of Mountain View and will be returned to the city.

	<b>FY10 &amp; FY11</b>
Project Budget	(\$9,730,000)
Other Funding	(282,000)
Measure A Funds	(\$9,448,000)

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**9. Caltrain Safety Improvements**

A Safety Study was conducted to identify a program of safety improvements along the entire Caltrain corridor within Santa Clara County. This study identified and prioritized locations for safety enhancements, with particular emphasis on road and pedestrian at-grade crossings, stations, school locations, pedestrian intensive areas and other locations where safety can be improved. The current phase of the project includes engineering and construction for at-grade crossings, with improvements such as pedestrian gates, sidewalks, signing and striping, warning bands, advanced signal preemption and channelization for pedestrians.

*Operating Costs: Caltrain is responsible for the direct operation of the system but any operational cost impacts would impact future VTA operating contributions.*

**FY10 & FY11**

Project Budget	\$15,870,000
Other Funding	0
Measure A Funds	\$15,870,000

**10. Caltrain Service Upgrades**

This project budget is used to fund project design development as Caltrain service upgrade project priorities are identified. The “Santa Clara and SJ Diridon Station Upgrade” project (# 17 below) is moving forward and \$1.87M of the available appropriation in this project is proposed to be de-obligated and redirected to the station upgrade. The unspent balance in this project after the transfer will be approximately \$3 million.

**FY10 & FY11**

Project Budget	(\$1,870,000)
Other Funding	0
Measure A Funds	(\$1,870,000)

**11. Caltrain South County Capacity Improvements**

Phase 1 of this project includes the 8.3 miles from Coyote to San Martin with Phase 2 covering the 8.2 miles from San Martin to Gilroy. Phase I is proceeding and bids have been received. The remaining portion of the project budget identified for Phase II is recommended for de-obligation pending analysis of high speed rail impacts.

**FY10 & FY11**

Project Budget	(\$11,458,000)
Other Funding	0
Measure A Funds	(\$11,458,000)

**12. Caltrain/Union Pacific Blossom Hill Pedestrian Grade Separation**

This project includes the engineering and construction of a grade-separated pedestrian and bicycle bridge crossing over Union Pacific Railroad tracks and Monterey Highway

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

near Blossom Hill Road in San Jose. The project includes two landing structures, sidewalks, and fencing. This augmentation will bring the total appropriation for this project to \$10.5 million.

*Operating Costs: This structure will be owned and maintained by the City of San Jose and will have no impact on VTA's operating budget.*

**FY10 & FY11**

Project Budget	\$500,000
Other Funding	0
Measure A Funds	\$500,000

**13. Capitol Expressway Light Rail to Eastridge**

VTA has completed design for the light rail extension to Eastridge to a 95% level and will complete updating of appraisals for property acquisition by June 2009. Remaining funds of \$69 million are proposed for de-obligation pending the outcome of additional environmental impact studies, which are necessary to position the project for federal and other funding sources.

**FY10 & FY11**

Project Budget	(\$68,982,000)
Other Funding	0
Measure A Funds	(\$68,982,000)

**14. Dumbarton Rail Corridor**

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (JPB), the project is now projected to cost \$600 million, nearly two times the original cost estimate. In response, the JPB is now exploring various strategies to close the funding shortfall. MTC has also reprioritized \$91 million in Regional Measure 2 funding from the Dumbarton project to the Warm Springs BART extension, with those funds being paid back by the Alameda County Congestion Management Agency. VTA is participating in a partnership of regional transit providers to analyze the cost and benefits of providing Express Bus service in the Dumbarton corridor. VTA plans to de-obligate \$5.6 million at this time, with the remaining unallocated funds of \$1.0 million available to support these alternative planning activities.

**FY10 & FY11**

Project Budget	(\$5,576,000)
Other Funding	0
Measure A Funds	(\$5,576,000)

**15. Freight Rail Relocation (FRR) Project**

VTA purchased 15 miles of right-of-way, from San Jose to Fremont, from Union Pacific Railroad (UPRR) in 2002. This project will fulfill VTA's obligations under the agreement with UPRR, eliminate freight operations on VTA property and prepare the

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

property for eventual use as a transportation corridor. This includes funds for Freight Rail relocation and related projects, including Lower Berryessa Creek construction, Mission Blvd/Warren Ave. grade separation, and Union Pacific Railroad relocation.

*Operating Costs: Current project activities and railroad acquisition and relocations have maintenance costs associated with fencing and rail right of way. These costs are offset by rental income from these properties.*

**FY10 & FY11**

Project Budget	\$108,870,000
State & Other Funding	66,106,000
Measure A Funds	\$42,764,000

**16. Light Rail Extension to Vasona**

VTA has completed preliminary engineering and prepared an environmental impact statement for the 1.5 mile extension from Los Gatos to Vasona Junction (Winchester Boulevard at Route 85). Remaining funds of \$7.4 million will be de-obligated pending the outcome of additional environmental impact studies, which are necessary to position the project for federal and other funding sources.

**FY10 & FY11**

Project Budget	(\$7,355,000)
Other Funding	0
Measure A Funds	(\$7,355,000)

**17. Santa Clara and SJ Diridon Station Upgrade**

These upgrades will improve regional connecting services with the Altamont Commuter Express (ACE) and the Capitol Corridor at the Santa Clara and San Jose Diridon Stations. When work is complete, ACE and Capitol Corridor riders will be able to use the Santa Clara Station which currently doesn't accommodate those trains. A pedestrian tunnel will also be constructed to allow safer access to a new station platform. At San Jose Diridon Station, two new station platforms will be added to allow future expansion of Caltrain, ACE and Capitol services. Work is anticipated to begin in Spring of 2009 and be completed in 2011.

*Operating Costs: Caltrain is not directly operated by VTA, but any operational cost impacts would be reflected in future operating contributions.*

**FY10 & FY11**

Project Budget	\$11,600,000
Other Funding	0
Measure A Funds	\$11,600,000

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**18. Santa Clara Station Pedestrian Underpass Extension**

This project to provide an extended pedestrian tunnel under the UPRR tracks as part of the Santa Clara Station Upgrade is being de-obligated pending analysis of high speed rail impacts.

**FY10 & FY11**

Project Budget	(\$6,388,000)
Other Funding	0
Measure A Funds	(\$6,388,000)

**19. Silicon Valley BART Extension**

This project budget augmentation allows for work to proceed, including environmental approvals, federal funding program submittals, final engineering for the New Starts segment (Warm Springs BART station to East San Jose), design and construction of Kato Road grade separation, and utility relocation north of Mabury Road.

*Operating Costs: Operating costs will be funded from 2008 Measure B sales taxes.*

**FY10 & FY11**

Project Budget	\$172,377,000
State & Other Funding	107,322,000
Measure A Funds	\$65,055,000

**20. Warm Springs BART Extension**

The BART Warm Springs Extension is a 5.4 mile extension from the Fremont BART station to southern Fremont, which is the starting point for the SVRT project. VTA is a funding partner for this project, along with BART, the Metropolitan Transportation Commission (MTC), Alameda County Transportation Improvement Authority (ACTIA), and Alameda County Congestion Management Agency (ACCMA). VTA has committed to provide \$8 million in State Local Partnership Program (SLPP, a program created under Proposition 1B) funds and \$8 million in 2000 Measure A funds (SLPP requires a 1:1 match from local transportation funds). VTA's contribution would be used for the Warm Springs project elements that have a shared benefit with the SVRT project, including tail tracks that allow for construction, testing, and start-up of the SVRT extension.

**FY10 & FY11**

Project Budget	\$16,000,000
State Funding	8,000,000
Measure A Funds	\$8,000,000

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

*Miscellaneous***21. Environmental Impact Studies/Preliminary Project Work**

Several Measure A projects could be eligible for funding from new sources that may become available as part of the economic stimulus package and other federal and state actions. This project will prepare environmental impact statements and other analyses for the light rail extension projects (Vasona and Capitol Expressway) and other Measure A projects so that VTA can qualify these projects for new funding when it becomes available. Work on advancing the Mineta Airport People Mover would be funded from this project.

*Operating Costs: No operating cost impact*

	<b>FY10 &amp; FY11</b>
Project Budget	\$1,000,000
Other Funding	0
Measure A Funds	\$1,000,000

**22. Highway 17 Express Bus Service Improvements**

VTA will procure five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses would replace existing buses that are 20 years old, with an average of 950,000 miles each. Santa Cruz Metro manages and operates the service.

*Operating Costs: Although VTA does not directly operate this service, VTA does contribute a portion of the net operating expenses. There is potential maintenance cost savings associated with operating newer vehicles.*

	<b>FY10 &amp; FY11</b>
Project Budget	\$2,075,000
Other Funding	0
Measure A Funds	\$2,075,000

**CONGESTION MANAGEMENT  
AND  
VTP HIGHWAY  
PROGRAMS**

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

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## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**CONGESTION MANAGEMENT PROGRAM  
COMPARISON OF REVENUES AND EXPENSES  
FY 2008-FY 2011  
(In thousands)**

Category	FY08 Actual	FY09 Adopted Budget	FY10 Recommended Budget	% Var	FY11 Recommended Budget	% Var
1 Federal Operating Grants	\$1,103	\$915	\$1,085	18.6%	\$1,085	0.0%
2 State Operating Grants	1,156	1,190	980	-17.6%	980	0.0%
3 Member Agency Fees	2,410	2,495	2,582	3.5%	2,672	3.5%
4 Other Income	268	515	50	-90.3%	250	400.0%
5 <b>Total Revenue</b>	<b>\$4,937</b>	<b>\$5,115</b>	<b>\$4,697</b>	<b>-8.2%</b>	<b>\$4,987</b>	<b>6.2%</b>
6 Professional & Special Services	\$550	\$1,000	\$500	-50.0%	\$379	-24.2%
7 Other Services	21	6	31	416.7%	31	0.0%
8 Data Processing	34	30	12	-60.0%	12	0.0%
9 Office Expense	16	0	0	N/A	0	N/A
10 Employee Related Expense	2	0	0	N/A	0	N/A
11 Miscellaneous	145	22	25	13.6%	25	0.0%
12 VTA Staff Services	3,337	4,156	4,302	3.5%	5,125	19.1%
13 <b>Total Expense</b>	<b>\$4,105</b>	<b>\$5,214</b>	<b>\$4,870</b>	<b>-6.6%</b>	<b>\$5,572</b>	<b>14.4%</b>
14 <b>Surplus/(Deficit) to Reserves</b>	<b>\$832</b>	<b>(\$99)</b>	<b>(\$173)</b>		<b>(\$585)</b>	

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**CONGESTION MANAGEMENT PROGRAM  
SOURCES AND USES OF FUNDS SUMMARY  
FY 2009-FY2011  
(In thousands)**

<u>Line</u>	<u>Description</u>	<u>FY 2009 Projected Actual<sup>1</sup></u>	<u>FY 2010 Recommended Budget</u>	<u>FY 2011 Recommended Budget</u>
1	Total Revenues	\$ 5,115	\$ 4,697	\$ 4,987
2	Total Operating Expenses	_____ 5,214	_____ 4,870	_____ 5,572
3	Operating Revenues Over (Under) Expenses	\$ (99)	\$ (173)	\$ (585)
4	Beginning Undesignated Reserves	\$ 1,430	\$ 1,331	\$ 1,158
5	Revenues Over (Under) Expenses	_____ (99)	_____ (173)	_____ (585)
6	Ending Undesignated Reserves	\$ 1,331	\$ 1,158	\$ 573

<sup>1</sup>Staff Projection as of April 10, 2009

## VTA FY 2010 &amp; FY 2011 DRAFT RECOMMENDED BUDGET

**Congestion Management Program  
FY 2010 and FY2011  
Member Assessments**

<b>Member Agency</b>	<b>FY10</b>	<b>FY11</b>
County of Santa Clara	\$291,450	\$301,652
Campbell	54,196	56,094
Cupertino	83,260	86,176
Gilroy	40,508	41,926
Los Altos	26,736	27,672
Los Altos Hills	7,130	7,380
Los Gatos	36,898	38,190
Milpitas	82,572	85,464
Monte Sereno	2,144	2,220
Morgan Hill	26,926	27,870
Mountain View	134,090	138,784
Palo Alto	151,734	157,046
San Jose	840,812	870,242
Santa Clara	222,096	229,870
Saratoga	23,266	24,082
Sunnyvale	266,644	275,978
Subtotal:	\$2,290,462	\$2,370,646
VTA - Managing Agency Contribution	291,450	301,652
<b>TOTAL:</b>	<b>\$2,581,912</b>	<b>\$2,672,298</b>

**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET**

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**VTA FY 2010 & FY 2011 DRAFT RECOMMENDED BUDGET****VTP HIGHWAY CAPITAL PROGRAM OVERVIEW**

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

The total appropriation for the identified VTP Highway Improvement Program Projects for FY 2010 and FY 2011 are \$35.5 million and \$254.5 million respectively. One hundred percent of these expenditures will be funded by grants, through agreements with the appropriate city, Local Program Reserves (consisting of state funding sources swapped with 1996 Measure B and 2000 Measure A Funds) or other non-VTA sources.

**VTP HIGHWAY PROGRAM  
CAPITAL PROGRAM DETAIL  
(In thousands)**

Project	FY 10						FY11					
	Funding Source					Total Appropriation	Funding Source					Total Appropriation
	Federal	State	City	Fund Swap	Other		Federal	State	City	Fund Swap	Other	
1. Charcot Avenue Extension	\$0	\$0	\$2,350	\$0	\$0	\$2,350	\$0	\$0	\$2,350	\$0	\$0	\$2,350
2. I-280/I-880/Steven Creek Blvd Interchange	1,660	0	0	415	0	2,075	6,064	0	0	1,516	0	7,580
3. I-880 Improvements, SR 237 to US 101	0	0	0	0	0	0	0	71,600	0	0	0	71,600
4. I-880/Coleman Highway Planting	1,528	0	0	180	0	1,708	0	0	0	0	0	0
5. Mary Avenue Extension	0	0	2,725	1,065	0	3,790	0	0	1,300	0	0	1,300
6. Intelligent Transportation System Project	0	0	0	1,000	4,000	5,000	0	0	0	1,000	4,000	5,000
7. Silicon Valley Express Lanes - SR 85	0	0	0	760	3,040	3,800	0	0	0	1,540	6,160	7,700
8. Silicon Valley Express Lanes - US 101	0	0	0	400	1,400	1,800	0	0	0	3,600	12,600	16,200
9. SR 152 Realignment Concept Study	0	0	0	0	0	0	0	550	0	400	0	950
10. US 101 Aux Lanes, SR 85 - Embarcadero Rd.	0	0	0	0	0	0	0	84,930	0	258	0	85,188
11. US 101 De La Cruz/Trimble Road Interchange	0	0	2,050	0	0	2,050	0	0	2,050	0	0	2,050
12. US 101 Improvements, I-280 to Yerba Buena	2,000	700	0	0	0	2,700	5,000	30,255	10,000	0	2,620	47,875
13. US 101 Study, De La Cruz to Taylor	0	0	1,750	0	0	1,750	0	0	1,750	0	0	1,750
14. US 101 Widening & SR25/US101 Interchange	0	5,000	0	0	0	5,000	0	5,000	0	0	0	5,000
15. Express Lanes-SR 237/I-880 Connector	1,251	0	0	2,243	0	3,494	0	0	0	0	0	0
<b>Highway Total</b>	<b>\$6,439</b>	<b>\$5,700</b>	<b>\$8,875</b>	<b>\$6,063</b>	<b>\$8,440</b>	<b>\$35,517</b>	<b>\$11,064</b>	<b>\$192,335</b>	<b>\$17,450</b>	<b>\$8,314</b>	<b>\$25,380</b>	<b>\$254,543</b>
<b>Grand Total</b>	<b>\$6,439</b>	<b>\$5,700</b>	<b>\$8,875</b>	<b>\$6,063</b>	<b>\$8,440</b>	<b>\$35,517</b>	<b>\$11,064</b>	<b>\$192,335</b>	<b>\$17,450</b>	<b>\$8,314</b>	<b>\$25,380</b>	<b>\$254,543</b>

## VTA FY 2010 AND FY 2011 DRAFT RECOMMENDED BUDGET

## VTP HIGHWAY PROGRAM PROJECT DESCRIPTIONS

### 1. Charcot Avenue Extension

This project funds engineering for construction of the extension of Charcot Avenue on a new bridge structure over I-880 in San Jose.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,350,000	\$2,350,000
Grant Funding	2,350,000	2,350,000
Net VTP Highway Funds	\$0	\$0

### 2. I-280/I-880/Stevens Creek Blvd Interchange

This project improves traffic operations, safety and access, including reconfiguration of the existing full cloverleaf interchange at I-880 and Stevens Creek Boulevard that involves widening the overcrossing at Stevens Creek Blvd over I-880, a new direct freeway to freeway connector between I-880 and I-280, and a new Winchester Road Off Ramp from Northbound I-280.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,075,000	\$7,580,000
Fund Swap	415,000	1,516,000
Grant Funding	1,660,000	6,064,000
Net VTP Highway Funds	\$0	\$0

### 3. I-880 Improvements, SR 237 to US 101

This project widens the freeway to add a High Occupancy Vehicle (HOV) lane in each direction between Old Bayshore Highway in San Jose and Route 237 in Milpitas.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$0	\$71,600,000
Grant Funding	0	71,600,000
Net VTP Highway Funds	\$0	\$0

### 4. I-880/Coleman Avenue Highway Planting

In cooperation with the City of San Jose, VTA reconstructed the Coleman Avenue Interchange at I-880 in San Jose to improve access to the Mineta San Jose International Airport. This phase will complete the landscaping activities, in conformance with prior agreements with Caltrans and the City of San Jose

## VTA FY 2010 AND FY 2011 DRAFT RECOMMENDED BUDGET

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$1,708,000	\$0
Fund Swap	180,000	0
Grant Funding	1,528,000	0
Net VTP Highway Funds	\$0	\$0

**5. Mary Avenue Extension**

Provide improved access into the Moffett Park Industrial Park in Sunnyvale by extending Mary Avenue over Route 237 and Route 101 with a new bridge structure.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$3,790,000	\$1,300,000
Fund Swap	1,065,000	0
Grant Funding	2,725,000	1,300,000
Net VTP Highway Funds	\$0	\$0

**6. Intelligent Transportation System Project**

This project will provide professional services to implement, manage, maintain, and operate regional Intelligent Transportation System (ITS) throughout Santa Clara County, utilizing technology to improve mobility and enhance safety for pedestrian, bicycle, and vehicle modes while using existing available capacity more efficiently.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$5,000,000	\$5,000,000
Fund Swap	1,000,000	1,000,000
Grant Funding	4,000,000	4,000,000
Net VTP Highway Funds	\$0	\$0

**7. Silicon Valley Express Lanes – SR 85**

This project will convert the existing carpool to carpool connectors to Express lanes, allowing carpools to continue to use the lanes for free, while allowing solo drivers to use the lanes for a fee.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$3,800,000	\$7,700,000
Fund Swap	760,000	1,540,000
Grant Funding	3,040,000	6,160,000
Net VTP Highway Funds	\$0	\$0

**8. Silicon Valley Express Lanes – US 101**

This project will ultimately include two express lanes in each direction of US 101 from Dunne Ave. in Morgan Hill to the San Mateo County line, including conversion of the existing carpool lanes to Express lanes, allowing carpools to continue to use the lanes for free, while allowing solo drivers to use the lanes for a fee.

## VTA FY 2010 AND FY 2011 DRAFT RECOMMENDED BUDGET

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$1,800,000	\$16,200,000
Fund Swap	400,000	3,600,000
Grant Funding	1,400,000	12,600,000
Net VTP Highway Funds	\$0	\$0

**9. SR 152 Realignment Concept Study**

This project will study a possible new trade corridor between US 101 and State Route 99. It will evaluate the feasibility of a new toll facility and study alternatives for a new alignment of State Route 152 between US 101 and State Route 156, including upgrading the route segment to freeway standards.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$0	\$950,000
Fund Swap	0	400,000
Grant Funding	0	550,000
Net VTP Highway Funds	\$0	\$0

**10. US 101 Auxiliary Lanes, SR 85 - Embarcadero Road**

The project will add one auxiliary lane in each direction, along with associated ramp improvements, between Embarcadero Road in Palo Alto and Route 85 in Mountain View.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$0	\$85,188,000
Fund Swap	0	258,000
Grant Funding	0	84,930,000
Net VTP Highway Funds	\$0	\$0

**11. US 101 De La Cruz/Trimble Road Interchange**

This project will reconfigure the US 101/De La Cruz Blvd./Trimble Rd. interchange, including replacement of the existing overcrossing and major ramp reconfigurations, and addition of bicycle lanes.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,050,000	\$2,050,000
Grant Funding	2,050,000	2,050,000
Net VTP Highway Funds	\$0	\$0

**12. US 101 Improvements, I-280/I-680 to Yerba Buena Road**

This project will construct operational and safety improvements on US 101 from the I-280/I-680 Interchange on the north to the Yerba Buena Road Interchange on the south. Work includes constructing one additional lane in the southbound direction; replacing the Tully overpass and reconfiguring the interchange.

## VTA FY 2010 AND FY 2011 DRAFT RECOMMENDED BUDGET

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$2,700,000	\$47,875,000
Grant Funding	2,700,000	47,875,000
Net VTP Highway Funds	\$0	\$0

**13. US 101 Study, De La Cruz to Taylor/Mabury**

This project funds engineering for a series of major improvements to the US 101 Corridor from north of the 4<sup>th</sup> St/Zanker/US 101 interchange to south of the proposed new interchange at Taylor/Mabury/US 101.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$1,750,000	\$1,750,000
Grant Funding	1,750,000	1,750,000
Net VTP Highway Funds	\$0	\$0

**14. US 101 Widening & SR 25/US 101 Interchange**

This project will widen US 101 from four to six lanes in southern Santa Clara County and San Benito County. It will also widen and replace bridge structures, construct a new interchange at 101 and State Route 25, and add additional ramp lanes at State Route 129.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$5,000,000	\$5,000,000
Grant Funding	5,000,000	5,000,000
Net VTP Highway Funds	\$0	\$0

**15. Express Lanes – SR 237/I-880 Connector**

This project will convert the existing carpool to carpool connectors to Express lanes, allowing carpools to continue to use the lanes for free, while allowing solo drivers to use the lanes for a fee.

	<b>FY10</b>	<b>FY11</b>
Project Budget	\$3,494,000	\$0
Fund Swap	2,243,000	0
Grant Funding	1,251,000	0
Net VTP Highway Funds	\$0	\$0

**VTA FY 2010 AND FY 2011 DRAFT RECOMMENDED BUDGET**

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