



# Memorandum

## AGENDA ITEM 7

**DATE:** March 22, 2024

**TO:** Transportation Authority Board

**FROM:** Cynthia Fong - Deputy Director for Finance and Administration

**SUBJECT:** 04/16/24 Board Meeting: Amend the Adopted Fiscal Year 2023/24 Budget to Increase Revenues by \$5,104,102, Decrease Expenditures by \$9,414,037 and Decrease Other Financing Sources by \$15,000,000 for a Total Net Decrease in Fund Balance of \$1,324,367

<p><b>RECOMMENDATION</b>   <input type="checkbox"/> Information   <input checked="" type="checkbox"/> Action</p> <p>Amend the adopted Fiscal Year (FY) 2023/24 budget to increase revenues by \$5,104,102, decrease expenditures by \$9,414,037 and decrease other financing sources by \$15,000,000 for a total net decrease in fund balance of \$1,324,367.</p> <p><b>SUMMARY</b></p> <p>Every year we present the Board with any adjustments to the adopted annual budget. This revision is an opportunity to take stock of changes in revenue trends, recognize grants or other funds that are obtained subsequent to the original approval of the annual budget, and adjust for unforeseen expenditures. In June 2023, through Resolution 23-58, the Board adopted the FY 2023/24 Annual Budget and Work Program.</p> <p>The effect of the proposed amendment on the adopted FY 2023/24 Budget in the aggregate line item format specified in the Fiscal Policy is shown in Attachments 1 and 3. A comparison of revenues and expenditures to prior year actual and adopted budgeted numbers is presented in Attachment 2. The detailed budget explanations by line item with variances over 5% are included in Attachment 4.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fund Allocation</li> <li><input type="checkbox"/> Fund Programming</li> <li><input type="checkbox"/> Policy/Legislation</li> <li><input type="checkbox"/> Plan/Study</li> <li><input type="checkbox"/> Capital Project Oversight/Delivery</li> <li><input checked="" type="checkbox"/> Budget/Finance</li> <li><input type="checkbox"/> Contract/Agreement</li> <li><input type="checkbox"/> Other: _____</li> </ul>
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## **BACKGROUND**

The budget revision is an opportunity for us to revise revenue projections and expenditure line items to reflect new information or requirements identified in the months elapsed since the adoption of the annual budget. Our Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. The revisions typically take place after completion of the annual fiscal audit, which certifies actual expenditures and carryover revenues.

## **DISCUSSION**

The proposed budget amendment reflects an increase of \$5,104,102 in revenues, a decrease of \$9,414,037 in expenditures and a decrease of \$15,000,000 in other financing sources for a total net decrease of \$1,324,367 in fund balance. These revisions include carryover revenues and expenditures from the prior period. Detailed budget revisions for the Treasure Island Mobility Management Agency (TIMMA) will be presented as a separate item at future TIMMA Committee and TIMMA Board meetings.

Revenue and expenditure revisions are mainly related to the increase in interest income, federal program revenues in the Congestion Management Agency programs, and Other Revenues in the Sales Tax Program, and decrease in Sales Tax revenues, Traffic Congestion Mitigation Tax, personnel expenditures, and Other Financing Sources (Uses) - Draw on Revolving Credit Agreement. Changes in revenue and expenditure line items (addressed in Attachment 4) include the following:

- **New Sales Tax Appropriation Funding**
  - Inner Sunset Multimodal Safety and Access Study (\$50,166 of total \$265,000 in funding is budgeted for this fiscal year)
  - Walter U Lum Place Public Space Study (\$47,748 of total \$236,000 in funding is budgeted for this fiscal year)
  - Presidio Yard Modernization (\$37,091 of total \$150,000 in funding is budgeted for this fiscal year)
  - Transportation Demand Management Strategic Plan Update (\$5,276 of total \$108,000 in funding is budgeted for this fiscal year)



- Vision Zero Ramp Intersection Study Phase 3 (\$4,648 of total \$135,000 in funding is budgeted for this fiscal year)
- **New Federal and State Funding**
  - Federal Highway Bridge Program Yerba Buena Island (YBI) Westside Bridges Seismic Retrofit Project (Westside Bridges) (\$20,000,000)
  - State Proposition 1B for YBI Westside Bridges (\$2,591,212)
  - State Active Transportation Program for YBI Multi-Use Pathway Project (\$664,842 of total \$3,800,000 in funding is budgeted for this fiscal year)
- **Increase in Revenue Estimates**
  - Interest Income (\$344,955)
  - Federal program revenues for Interstate 80/YBI Interchange Improvement Project - Southgate Road Realignment Improvements (\$23,129,830)
  - Other revenues - Proceeds from the Sale of SFMTA Transit Vehicles Salvaged (\$65,989)
- **Decrease in Revenue Estimates**
  - Sales Tax Revenues (\$6,192,000)
  - Traffic Congestion Mitigation Tax (\$1,721,967)
  - Federal program revenues for Westside Bridges project (\$10,255,142)
  - Federal program revenues for Vision Zero Ramps Intersection Study Phase 3 (deferred to next fiscal year) (\$216,321)
- **Decrease in Administrative Operating Costs**
  - Decreased personnel costs due to vacancies from unexpected staff departures and delayed hiring of these vacancies during the fiscal year (\$550,522)
- **Decrease in Other Financing Sources (Uses) - Draw on Revolving Credit Agreement (\$15,000,000)**

## **FINANCIAL IMPACT**

The proposed amendment to the FY 2023/24 budget would increase revenues by \$5,104,102, decrease expenditures by \$9,414,037 and decrease other financing



sources by \$15,000,000 for a total net decrease in fund balance of \$1,324,367, as described above. The proposed amendment will result in an ending budgetary fund balance of \$42,494,364.

### **CAC POSITION**

The Community Advisory Committee will consider this item at its March 27, 2024, meeting.

### **SUPPLEMENTAL MATERIALS**

- Attachment 1 - Proposed Budget Amendment
- Attachment 2 - Proposed Budget Amendment - Comparison of Revenues and Expenditures
- Attachment 3 - Proposed Budget Amendment - Line Item Detail
- Attachment 4 - Budget Amendment Explanations



	<b>Proposed Budget Amendment by Fund</b>						<b>Proposed Budget Amendment Fiscal Year 2023/24</b>
	<b>Sales Tax Program</b>	<b>Congestion Management Agency Programs</b>	<b>Transportation Fund for Clean Air Program</b>	<b>Vehicle Registration Fee for Transportation Improvements Program</b>	<b>Treasure Island Mobility Management Agency Program</b>	<b>Traffic Congestion Mitigation Tax Program</b>	
<b>Revenues:</b>							
Sales Tax Revenues	\$ 106,165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,165,000
Vehicle Registration Fee	-	-	-	4,645,521	-	-	4,645,521
Traffic Congestion Mitigation Tax	-	-	-	-	-	8,500,000	8,500,000
Interest Income	1,222,132	-	856	26,877	-	716,815	1,966,680
Program Revenues	-	65,114,282	751,096	-	1,605,676	-	67,471,054
Other Revenues	65,989	-	-	-	-	-	65,989
<b>Total Revenues</b>	<b>107,453,121</b>	<b>65,114,282</b>	<b>751,952</b>	<b>4,672,398</b>	<b>1,605,676</b>	<b>9,216,815</b>	<b>188,814,244</b>
<b>Expenditures</b>							
Capital Project Costs	152,148,572	43,986,121	1,136,411	11,771,309	1,018,170	4,682,733	214,743,316
Administrative Operating Costs	8,208,379	4,131,931	55,535	232,276	686,735	255,000	13,569,856
Debt Service Costs	21,825,439	-	-	-	-	-	21,825,439
<b>Total Expenditures</b>	<b>182,182,390</b>	<b>48,118,052</b>	<b>1,191,946</b>	<b>12,003,585</b>	<b>1,704,905</b>	<b>4,937,733</b>	<b>250,138,611</b>
<b>Other Financing Sources (Uses):</b>	<b>76,897,001</b>	<b>(16,996,230)</b>	<b>-</b>	<b>-</b>	<b>99,229</b>	<b>-</b>	<b>60,000,000</b>
<b>Net change in Fund Balance</b>	<b>\$ 2,167,732</b>	<b>\$ -</b>	<b>\$ (439,994)</b>	<b>\$ (7,331,187)</b>	<b>\$ -</b>	<b>\$ 4,279,082</b>	<b>\$ (1,324,367)</b>
Budgetary Fund Balance, as of July 1	\$ 10,516,651	\$ -	\$ 661,072	\$ 17,508,943	\$ -	\$ 15,132,065	\$ 43,818,731
Budgetary Fund Balance, as of June 30	<u>\$ 12,684,383</u>	<u>\$ -</u>	<u>\$ 221,078</u>	<u>\$ 10,177,756</u>	<u>\$ -</u>	<u>\$ 19,411,147</u>	<u>\$ 42,494,364</u>



Category	Fiscal Year 2022/23 Actual	Fiscal Year 2023/24 Adopted Budget	Proposed Fiscal Year 2023/24 Budget Amendment	Variance from Fiscal Year 2023/24 Adopted Budget	% Variance
Sales Tax Revenues	\$ 111,473,916	\$ 112,357,000	<b>\$ 106,165,000</b>	\$ (6,192,000)	-5.5%
Vehicle Registration Fee	4,651,843	4,645,521	<b>4,645,521</b>	-	0.0%
Traffic Congestion Mitigation Tax	8,371,545	10,221,967	<b>8,500,000</b>	(1,721,967)	-16.8%
Interest Income	970,832	1,621,725	<b>1,966,680</b>	344,955	21.3%
Program Revenues					
Federal	2,009,062	37,179,929	<b>49,664,388</b>	12,484,459	33.6%
State	551,271	13,038,676	<b>12,931,746</b>	(106,930)	-0.8%
Regional and other	1,135,458	4,645,324	<b>4,874,920</b>	229,596	4.9%
Other Revenues	-	-	<b>65,989</b>	65,989	N/A
<b>Total Revenues</b>	<b>129,163,927</b>	<b>183,710,142</b>	<b>188,814,244</b>	<b>5,104,102</b>	<b>2.8%</b>
Capital Project Costs	113,518,861	223,779,332	<b>214,743,316</b>	(9,036,016)	-4.0%
Administrative Operating Costs					
Personnel expenditures	7,787,811	10,304,105	<b>9,753,583</b>	(550,522)	-5.3%
Non-Personnel expenditures	2,486,803	3,738,286	<b>3,816,273</b>	77,987	2.1%
Debt Service Costs	22,526,931	21,730,925	<b>21,825,439</b>	94,514	0.4%
<b>Total Expenditures</b>	<b>146,320,406</b>	<b>259,552,648</b>	<b>250,138,611</b>	<b>(9,414,037)</b>	<b>-3.6%</b>
<b>Other Financing Sources (Uses)</b>	<b>-</b>	<b>75,000,000</b>	<b>60,000,000</b>	<b>(15,000,000)</b>	<b>-20.0%</b>
<b>Net change in Fund Balance</b>	<b>\$ (17,156,479)</b>	<b>\$ (842,506)</b>	<b>\$ (1,324,367)</b>	<b>\$ (481,861)</b>	
<b>Budgetary Fund Balance, as of July 1</b>	<b>\$ 60,975,210</b>	<b>\$ 43,818,731</b>	<b>\$ 43,818,731</b>		
<b>Budgetary Fund Balance, as of June 30</b>	<b>\$ 43,818,731</b>	<b>\$ 42,976,225</b>	<b>\$ 42,494,364</b>		



**Attachment 3**

**Proposed Fiscal Year 2023/24 Budget Amendment  
Line Item Detail**

	<b>Proposed Budget Amendment by Fund</b>						<b>Proposed Fiscal Year 2023/24 Budget Amendment</b>
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
<b>Revenues:</b>							
Sales Tax Revenues	\$ 106,165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,165,000
Vehicle Registration Fee	-	-	-	4,645,521	-	-	4,645,521
Traffic Congestion Mitigation Tax	-	-	-	-	-	8,500,000	8,500,000
Interest Income	1,222,132	-	856	26,877	-	716,815	1,966,680
<b>Program Revenues</b>							
<b>Federal</b>							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	524,119	-	524,119
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	183,035	-	183,035
Innovative Deployments to Enhance Arterials Shared Automated Vehicle	-	-	-	-	176,505	-	176,505
Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement	-	23,129,830	-	-	-	-	23,129,830
Highway Bridge Program - Yerba Buena Island (YBI) Westside Bridges	-	20,000,000	-	-	-	-	20,000,000
Priority Conservation Area Program - YBI Multi-Use Pathway	-	323,597	-	-	-	-	323,597
Rebuilding American Infrastructure with Sustainability and Equity - YBI Westside Bridges	-	3,848,124	-	-	-	-	3,848,124
Safe Streets and Roads for All - Vision Zero Ramps Intersection Study Phase 3	-	18,594	-	-	-	-	18,594
Surface Transportation Program 3% Revenue and Augmentation	-	1,460,584	-	-	-	-	1,460,584
<b>State</b>							
Affordable Housing and Sustainable Communities - Treasure Island Ferry Terminal	-	-	-	-	45,759	-	45,759
Active Transportation Program - YBI Multi-Use Pathway Project	-	664,842	-	-	-	-	664,842
Planning, Programming & Monitoring SB45 Funds	-	143,099	-	-	-	-	143,099
Infill Infrastructure Grant Program - Hillcrest Road Improvement Project	-	5,246,094	-	-	-	-	5,246,094
Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project	-	257,160	-	-	-	-	257,160
Senate Bill 1 Local Partnership Program - YBI Westside Bridges	-	1,935,916	-	-	-	-	1,935,916
Senate Bill 1 Local Partnership Program - YBI Multi-Use Pathway Project	-	323,597	-	-	-	-	323,597
Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	1,379,273	-	-	-	-	1,379,273
Seismic Retrofit Proposition 1B - YBI Westside Bridges	-	2,591,212	-	-	-	-	2,591,212
Sustainable Communities - Brotherhood Way Safety and Circulation Plan	-	344,794	-	-	-	-	344,794
<b>Regional and other</b>							
BATA - I-80/YBI Interchange Improvement	-	1,198,122	-	-	-	-	1,198,122
BATA - YBI Westside Bridges	-	1,624,747	-	-	-	-	1,624,747
CNCA - Decarbonizing Downtown Business Deliveries Study	-	49,697	-	-	-	-	49,697
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
Treasure Island Community Development LLC - Ferry Exchange	-	-	-	-	441,315	-	441,315
TIDA - Treasure Island Mobility Management Agency	-	-	-	-	234,943	-	234,943
TIDA - YBI Westside Bridges	-	500,000	-	-	-	-	500,000
Vehicle Registration Fee Revenues (TFCA)	-	-	751,096	-	-	-	751,096
<b>Other Revenue</b>							
Proceeds from the Sale of SFMTA Transit Vehicles Salvaged	65,989	-	-	-	-	-	65,989
<b>Total Revenues</b>	<b>\$ 107,453,121</b>	<b>\$ 65,114,282</b>	<b>\$ 751,952</b>	<b>\$ 4,672,398</b>	<b>\$ 1,605,676</b>	<b>\$ 9,216,815</b>	<b>\$ 188,814,244</b>

**Expenditures:**



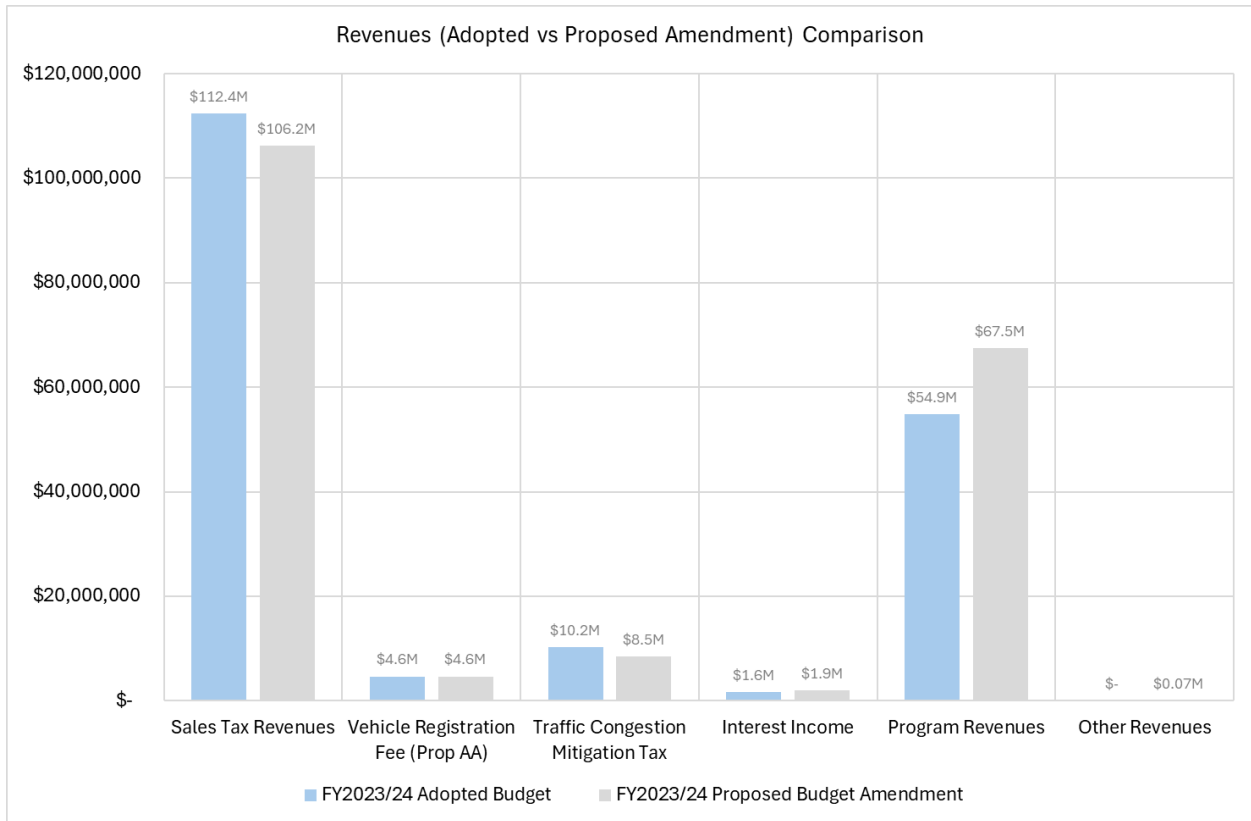
	<b>Proposed Budget Amendment by Fund</b>						<b>Proposed Fiscal Year 2023/24 Budget Amendment</b>
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
<b>Capital Project Costs</b>							
Individual Project Grants, Programs & Initiatives	\$ 150,000,000	\$ -	\$ 1,136,411	\$ 11,771,309	\$ -	\$ 4,582,733	\$ 167,490,453
Technical Professional Services	2,148,572	43,986,121	-	-	1,018,170	100,000	47,252,863
<b>Administrative Operating Costs</b>							
<b>Personnel Expenditures</b>							
Salaries	2,878,793	2,747,629	37,197	155,577	351,782	170,797	6,341,775
Fringe Benefits	1,419,245	1,354,581	18,338	76,699	173,429	84,203	3,126,495
Pay for Performance	285,313	-	-	-	-	-	285,313
<b>Non-personnel Expenditures</b>							
Administrative Operations	3,343,128	29,721	-	-	158,424	-	3,531,273
Equipment, Furniture & Fixtures	221,900	-	-	-	-	-	221,900
Commissioner-Related Expenses	60,000	-	-	-	3,100	-	63,100
<b>Debt Service Costs</b>							
Fiscal Charges	80,000	-	-	-	-	-	80,000
Interest Expenses	7,200,439	-	-	-	-	-	7,200,439
Bond Principal Payment	14,545,000	-	-	-	-	-	14,545,000
<b>Total Expenditures</b>	<b>\$ 182,182,390</b>	<b>\$ 48,118,052</b>	<b>\$ 1,191,946</b>	<b>\$ 12,003,585</b>	<b>\$ 1,704,905</b>	<b>\$ 4,937,733</b>	<b>\$ 250,138,611</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in - Prop K Match to Grant Funding	16,996,230	-	-	-	99,229	-	17,095,459
Transfers out - Prop K Match to Grant Funding	(99,229)	(16,996,230)	-	-	-	-	(17,095,459)
Draw on Revolving Credit Agreement	60,000,000	-	-	-	-	-	60,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>76,897,001</b>	<b>(16,996,230)</b>	<b>-</b>	<b>-</b>	<b>99,229</b>	<b>-</b>	<b>60,000,000</b>
<b>Net change in Fund Balance</b>	<b>\$ 2,167,732</b>	<b>\$ -</b>	<b>\$ (439,994)</b>	<b>\$ (7,331,187)</b>	<b>\$ -</b>	<b>\$ 4,279,082</b>	<b>\$ (1,324,367)</b>
Budgetary Fund Balance, as of July 1	\$ 10,516,651	\$ -	\$ 661,072	\$ 17,508,943	\$ -	\$ 15,132,065	\$ 43,818,731
<b>Budgetary Fund Balance, as of June 30</b>	<b>\$ 12,684,383</b>	<b>\$ -</b>	<b>\$ 221,078</b>	<b>\$ 10,177,756</b>	<b>\$ -</b>	<b>\$ 19,411,147</b>	<b>\$ 42,494,364</b>
Fund Reserved for Program and Operating Contingency	\$ 10,616,500	\$ -	\$ 75,110	\$ 464,552	\$ -	\$ 850,000	\$ 12,006,162



## Attachment 4 Fiscal Year 2023/24 Budget Amendment Explanations

<b>TOTAL REVENUES</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$183,710,142	\$188,814,244	\$5,104,102

The following chart shows the comparative composition of revenues for the proposed amended and adopted Fiscal Year (FY) 2023/24 budget.



<b>Sales Tax Revenues</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$112,357,000	\$106,165,000	\$(6,192,000)

In November 2022, 71.8% of San Francisco voters approved Proposition L (Prop L), the Sales Tax for Transportation Projects measure, effective April 1, 2023, superseding Prop K and extending the half-cent local transportation sales tax through 2053 and directing \$2.6 billion (in 2020 dollars) in half-cent sales tax funds over 30 years to help deliver safer, smoother streets, more reliable transit, continue

**Attachment 4**  
**Fiscal Year 2023/24 Budget Amendment Explanations**

paratransit services for seniors and persons with disabilities, reduce congestion, and improve air quality. This is the second time that the San Francisco transportation sales tax has been reauthorized with voter approval of a new Expenditure Plan: in 2003, voters approved Prop K, reauthorizing the Prop B sales tax, which was approved in 1989.

Based on FY 2023/24 sales tax revenues earned through January 2024, we project sales tax revenues to decrease by \$6.2 million, or 5.5%, as compared to the adopted FY 2023/24 budget. Sales tax revenues are projected to decrease due to a shift from consumers buying taxable goods to non-taxable goods such as personal services, digital goods, travel, and health care. In addition, the inflation rate has come down significantly so increased prices are no longer a significant sales tax driver year over year, and cumulative inflation has started to affect consumer purchasing decisions, slowing down overall consumption. Also, the return to the workplace, business travel, and international travel all have been returning slower than anticipated. This projection is aligned with the City Controller’s Office’s revised growth projection of its FY 2023/24 sales tax revenue.

<b>Traffic Congestion Mitigation Tax</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$10,221,967	\$8,500,000	\$(1,721,967)

In November 2019, San Francisco voters approved measure Proposition D, also known as the TNC Tax, enabling the City to impose a 1.5% business tax on shared rides and 3.25% business tax on private rides for fares originating in San Francisco and charged by commercial ride-share and driverless-vehicle companies until November 5, 2045. The Transportation Authority receives 50% of the revenues for capital projects that promote users’ safety in the public right-of-way in support of the City’s Vision Zero policy. The San Francisco Municipal Transportation Agency (SFMTA) receives the other 50% of revenues. The City began collecting TNC Tax revenues on January 1, 2020.

Based on revenues earned through December 2023 and through continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, we anticipate TNC Tax revenues to decrease by \$1.7 million, or 16.8%, in FY 2023/24 as compared to the adopted budget. TNC Tax revenues are aligned with the City’s Controller’s Office estimates in the FY 2023-24 Six-Month Budget Status Report.

<b>Interest Income</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$1,621,725	\$1,966,680	\$344,955

## Attachment 4

### Fiscal Year 2023/24 Budget Amendment Explanations

Most of our investable assets are deposited in the City’s Treasury Pool (Pool). The level of our deposits held in the Pool during the year depends on the volume and timing of Sales Tax Program capital project reimbursement requests. Our cash balances are invested until invoices are received and sponsors are reimbursed.

Total Interest Income is projected to increase by \$344,955, or 21.3%, for FY 2023/24. Interest rates have increased from 1.9% assumed in the adopted budget to an average 2.7% over the past seven months in the Pool. The increase is also due to a higher bank balance in the Pool accounts at the start of the fiscal year as compared to the adopted budget, thus more interest earned on the deposits. The amended budget does not include any adjustments that would occur due to GASB Statement No. 31 which is an adjustment to report the change in fair value of investments in the Pool.

<b>Federal Program Revenues</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$37,179,929	\$49,664,388	\$12,484,459

Federal Program Revenues are expected to increase by \$12.5 million, or 33.6%, as compared to the adopted budget. This is primarily due to an increase of \$23.1 million in deferred federal Highway Bridge Program funding for the Southgate Road Realignment Improvements Project (Southgate), or Phase 2 of the Interstate 80/Yerba Buena Island Interchange Improvement Project. We anticipate collecting federal reimbursements from Caltrans for the Southgate project that have been deferred from past years due to Caltrans’ cash management policy, which requires local agencies to use non-federal fund sources to advance the project until federal funds are obligated and available for reimbursement.

This increase is offset by a decrease of \$10.3 million in the Yerba Buena Island Westside Bridges Seismic Retrofit Project (Westside Bridges) in which the contractor had a slower start than anticipated. Several subcontractors mobilized later than planned. However, the overall construction is still on schedule to be completed by December 2026. Also, there is a decrease of \$216,321 in Safe Streets and Roads for All federal grant funds for the Vision Zero Ramps Intersection Study Phase 3 as there was a slower than anticipated start of the project due to staff vacancies further detailed below in Administrative Operating Costs - Personnel Expenditures. Lastly, there is a combined net decrease of \$143,375 in Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD), Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal, and Innovative Deployments to Enhance Arterials Shared Automated Vehicle (IDEA-SAV) for the Treasure Island Mobility Management Agency (TIMMA) Program. The TIMMA FY 2023/24 revenues will be presented as a separate item to the TIMMA Committee and TIMMA Board at their respective future meetings.

**Attachment 4**  
**Fiscal Year 2023/24 Budget Amendment Explanations**

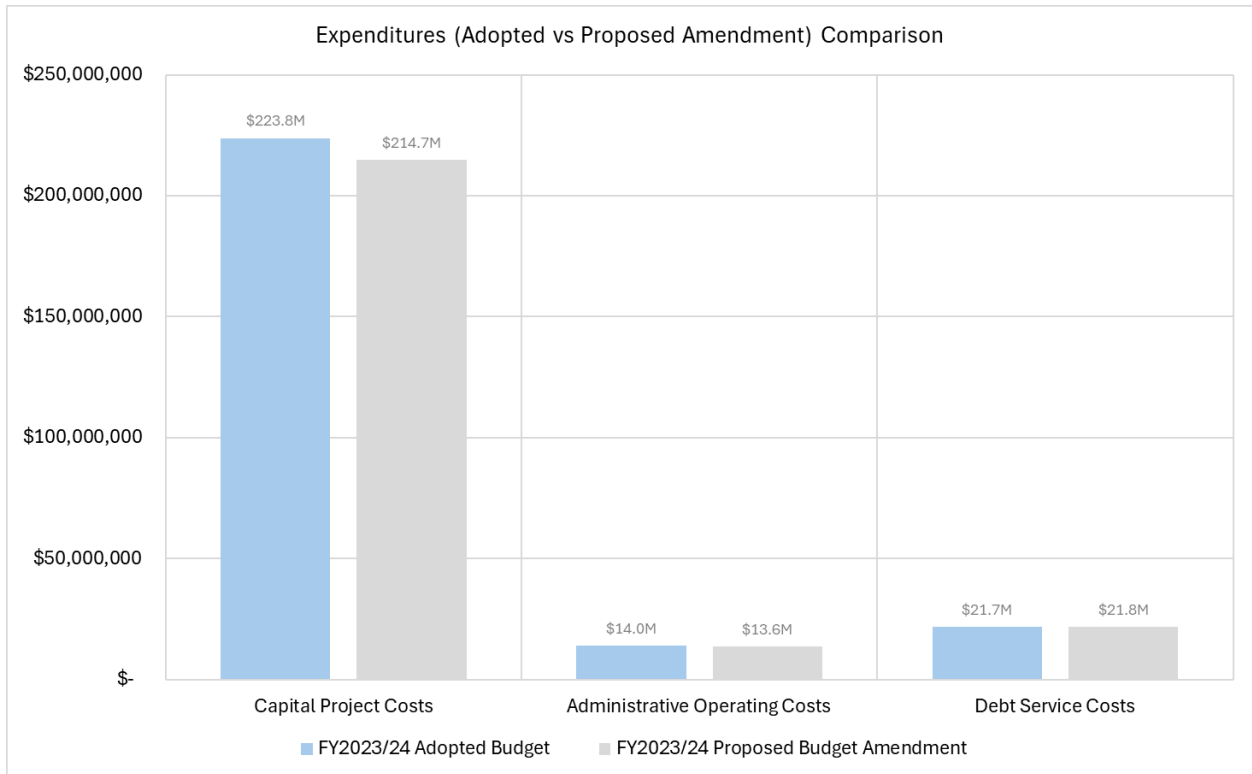
<b>Other Revenues</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$0	\$65,989	\$65,989

Other Revenues are expected to increase by \$65,989 as compared to the adopted budget. This amount reflects proceeds from the sale of San Francisco Municipal Transportation Agency (SFMTA) transit vehicles purchase with sales tax grant funds and salvaged between FY 2017/18 and FY 2022/23 which includes light rail vehicles, trolley and motor coaches, and paratransit vehicles that had reached or exceeded their useful life. The SFMTA vehicles are auctioned for salvage by the City’s Administrator’s Office. The Standard Grant Agreement for sales tax funds requires that if a grant recipient uses any portion of the sales tax grant to purchase equipment or vehicles, and later sells the equipment or vehicles, the grant recipient shall return to the Transportation Authority a portion of the proceeds from the sale of such assets with fair market value of \$5,000 or more. The recipient shall return to the Transportation Authority that proportion of the net sales proceeds that is equal to the percentage of the original purchase price that consisted of sales tax grant funds.

## Attachment 4 Fiscal Year 2023/24 Budget Amendment Explanations

<b>TOTAL EXPENDITURES</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$259,552,648	\$250,138,611	\$(9,414,037)

The following chart shows the comparative composition of expenditures for the proposed amended and adopted FY 2023/24 budget.



<b>Administrative Operating Costs - Personnel Expenditures</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$10,304,105	\$9,753,583	\$(550,522)

Personnel Expenditures in FY 2023/24 are expected to decrease by \$550,522, or 5.3%, as compared to the adopted budget. This decrease is primarily due to the budgeting of various positions for a partial year resulting from unexpected staff departures of the Director of Communications, Assistant Deputy Director for Capital Projects, Clerk of the Transportation Authority, and a Transportation Planner, as

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well as delayed hiring of vacancies for the Rail Program Principal Engineer, a Principal Transportation Planner and two Transportation Planner during the fiscal year.

<b>OTHER FINANCING SOURCES (USES) - DRAW ON REVOLVING CREDIT AGREEMENT</b>		
<b>Adopted Budget</b>	<b>Proposed Budget Amendment</b>	<b>Variance</b>
\$75,000,000	\$60,000,000	\$(15,000,000)

The estimated level of sales tax capital expenditures for FY 2023/24 may trigger the need to drawdown up to \$60 million from the Revolving Credit Agreement which is \$15 million less than what we had anticipated during the adoption of the budget. This decrease is partially due a higher bank balance in the Pool account at the start of the fiscal year as compared to the adopted budget and to the anticipation of \$24.5 million repayment from the CMA Program to the Sales Tax Program from the increased federal and state grant reimbursements for the Southgate project as mentioned above. Thus, we may potentially need to drawdown from the Revolving Credit Agreement at a later time in the fiscal year and at a lower amount than anticipated, from \$75 million to \$60 million. We will continue to monitor capital spending closely during the remainder of the year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA.