



# Memorandum

## AGENDA ITEM 6

**DATE:** June 10, 2020

**TO:** Treasure Island Mobility Management Agency Committee

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

**SUBJECT:** 6/16/20 Committee Meeting: Proposed Provisional Three-Month Fiscal Year 2020/21 Budget and Work Program

<p><b>RECOMMENDATION</b>    <input type="checkbox"/> Information    <input checked="" type="checkbox"/> Action</p> <p>Adopt the proposed provisional three-month Fiscal Year (FY) 2020/21 Budget and Work Program.</p> <p><b>SUMMARY</b></p> <p>On February 25, 2020, San Francisco declared a state of emergency in response to the global spread of the novel coronavirus, COVID-19, and on March 16, 2020, Mayor Breed directed all residents to shelter in place. In light of the resulting unprecedented level of economic uncertainty, the significant impact of COVID-19 necessitates postponing the adoption of the full annual Budget and Work Program until September, similar to the schedule that Mayor Breed has set for the City’s budget. In the interim, to provide for our continued operations, it will be necessary to adopt a provisional three-month FY 2020/21 Budget and Work Program until the time at which the full 12-month budget for FY 2020/21 Budget and Work Program is adopted. The recommended action requires that the Board approve a one-time waiver to certain provisions in the Administrative Code and Fiscal Policy, which require the adoption of the budget by June 30 of the prior fiscal year. The proposed provisional three-month FY 2020/21 Work Program and Budget are shown in Attachments 1 and 2, respectively.</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

On January 30, 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, to be a public health emergency of international concern and on March 11, 2020 declared a worldwide pandemic. On February 25, 2020, San Francisco declared a state of emergency in response to the global spread of COVID-19, and on March 16, 2020, Mayor Breed directed all residents to shelter in place. On March 4, 2020, Governor Gavin Newsom declared a state of emergency in the State of California as a result of COVID-19 and on March 19, 2020, signed Executive Order N-33-20 mandating all persons statewide to stay at home except as needed to maintain continuity of operations of the critical infrastructure sectors. These COVID-19 events have significantly affected our economy.

In light of the resulting unprecedented level of economic uncertainty, the significant impact of COVID-19 necessitates postponing the adoption of the full annual Budget and Work Program until September, similar to the schedule that Mayor Breed has set for the City's budget. In the interim, to provide for the necessary continuation of services and payment of expenditures, it will be necessary to adopt a provisional three-month FY 2020/21 Budget until the time at which the full 12-month budget for FY 2020/21 Budget is adopted.

Pursuant to TIMMA's Fiscal Policy, TIMMA shall adopt an annual budget each year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of TIMMA's revenues in accordance with the adopted work program as determined by the Board and as set forth in other policies. TIMMA's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year.

Section 2(b) of our Administrative Code and Section III.C of our Fiscal Policy contain provisions requiring the adoption of the annual budget by June 30 of the prior fiscal year. If TIMMA is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses. To enable the approach outlined above to seek Board approval of a provisional three-month budget, the resolution includes approval of a waiver of the Administrative Code provision requiring adoption of the annual budget by June 30.

## DISCUSSION

**Work Program.** The proposed provisional three-month FY2020/21 TIMMA Work Program detailed in Attachment 1 includes core activities in several major streams of work: Governance and Administration, Toll Policy Adoption and Transit Service Delivery, Outreach and Communications, and Toll System Delivery.

The Governance and Administration work stream includes program-wide management activities such as maintaining the project master schedule, Board support, and advancing the funding plan and grant applications. We will continue pressing for state Affordable Housing/Sustainable Communities grant funds and Regional Measure 3 funding for accelerated low-emission ferries. Based on Toll Policy Adoption and Transit Service Delivery recommendations, we will also prepare a funding strategy to fill different levels of program expenditures and resulting funding gaps. We also plan to recruit a TIMMA Program Manager



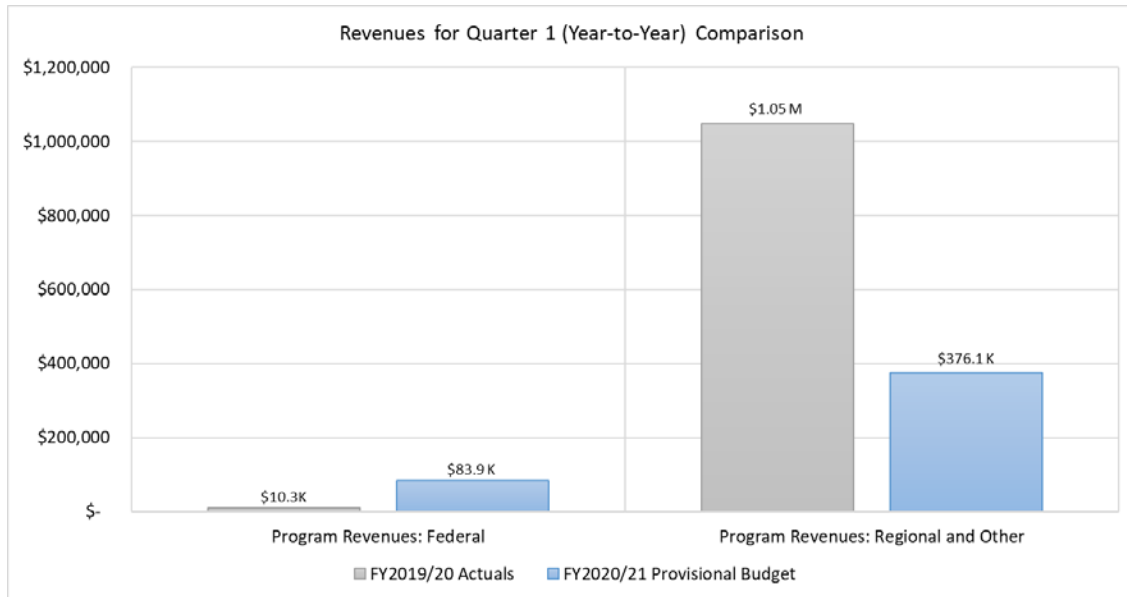
during this period in anticipation of increased program development activities based on overall project schedules.

The Toll Policy Adoption and Transit Service Delivery work stream will continue to refine demand and financial projections reflecting the latest development schedule updates, transit service and affordability program changes, and toll policy, funding and subsidy scenarios with a view to bringing alternative Program Design and recommendations to the Board and community for consideration and approval by Fall 2020. Prior to Board consideration, the FY 2020/21 work program will include Outreach and Communications work to undertake public involvement and outreach activities this Fall/Winter 2020/21 in support of toll policy and affordability program development and recommendations. We plan to coordinate outreach activities with the San Francisco County Transportation Authority's Downtown Congestion Pricing Study, which is proceeding in parallel, with recommendations anticipated for Board consideration also in Fall/Winter 2020/21. The Treasure Island outreach will focus on merchant outreach and affordability program design, as well as working with key stakeholder groups to seek input on all other aspects of program design.

To support implementation plans, we anticipate developing some agency and/or vendor agreements in FY 2020/21, including Memoranda of Agreements and Understandings such as for water transit services. The proposed FY 2020/21 Annual Budget and Work Program also includes developing a Concept of Operations for the AV Shuttle Pilot, funded by a federal Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) grant award. The Toll System Delivery work stream includes developing National Environmental Policy Act environmental documentation and final civil engineering designs. The workstream also includes concept development of bicycle/pedestrian plans for Yerba Buena Island, including a connection to the planned ferry terminal on Treasure Island. As discussed in the FY 2019/20 budget amendment, the toll system design integration work should await toll policy and affordability program adoption, anticipated for Fall 2020. Due to the change in policy adoption timeframe, toll system integration services, and the associated contributions from federal Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) grant funds and other program revenues, are deferred from FY 2019/20 to FY 2020/21.



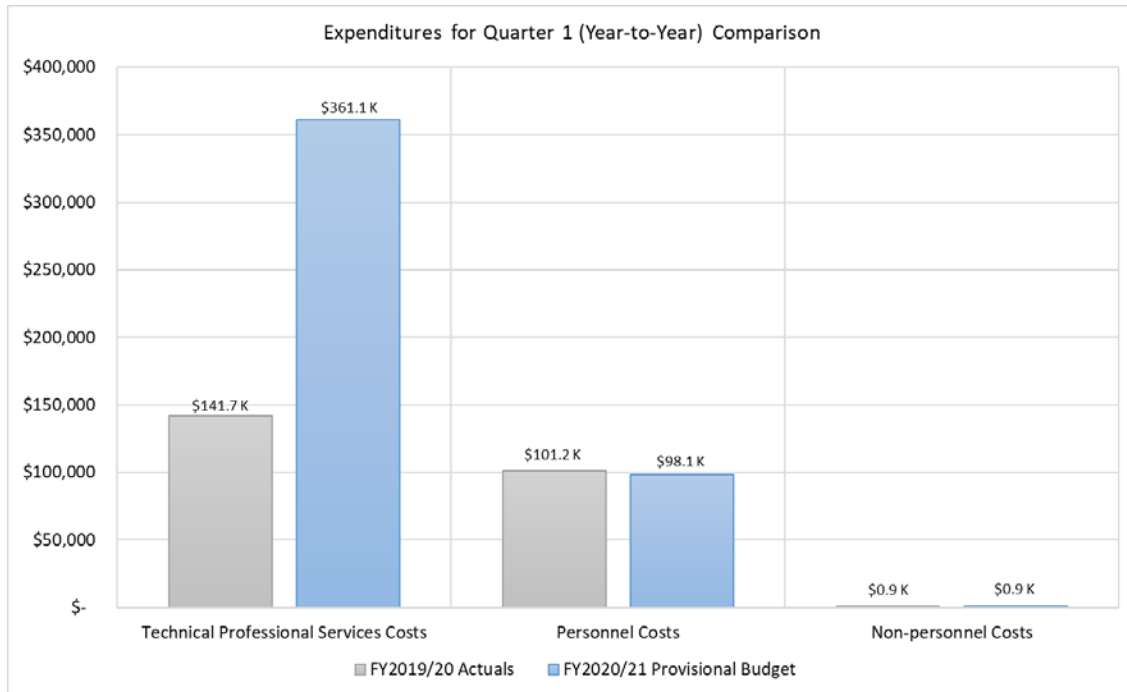
**Revenues.** The following chart shows a comparison of revenues for the proposed provisional three-month FY 2020/21 budget with first quarter actual revenues collected in FY 2019/20.



TIMMA’s total revenues are projected to be \$460,122; with \$83,981 obligated from federal ATCMTD grant and \$376,141 obligated from the Treasure Island Development Authority (TIDA). Regional and other funds from TIDA will be used to fulfill the 50% local match requirement to the federal ATCMTD grant. Total revenues for the first three months of FY 2020/21 (July - September) are projected to decrease by \$597,600, or 56.5%, as compared to the same period last year. The abnormal spike in program revenues received during the first quarter of FY 2019/20 was primarily due to the timing of grant invoices submitted to funding agencies for work performed in FY 2018/19, but collected and recognized in FY 2019/20.



**Expenditures.** The following chart shows a comparison of expenditures for the proposed provisional three-month FY 2020/21 budget with first quarter actual expenditures in FY 2019/20.



Total expenditures are projected to be \$460,122, with \$361,123 budgeted for technical professional services, \$98,138 for personnel costs, and \$861 for non-personnel costs. Technical professional services primarily encompass environmental and civil design services, planning and communications services. Included are technical services contracts already awarded: for the AV Shuttle System Engineering Manager; project management support and strategic advisory services; on-call strategic communications; and outreach services. Additional technical professional services include on-call modeling services, which is the subject of a separate action item on the June 16 Committee agenda. Total expenditures for the first three months of FY 2020/21 are projected to increase by \$216,314, or 88.7%, as compared to the same period last year. During the first three months of FY 2020/21, we anticipate technical professional consultant services in preparation for toll policy and affordability program adoption, anticipated in Fall 2020.

Other financing sources/uses represents inter-fund transfers among the Transportation Authority's Sales Tax Program and TIMMA. We do not anticipate any during the first three months of FY 2020/21.

**Next Steps.** The full 12-month proposed FY 2020/21 Annual Budget and Work Program will be presented to the TIMMA Committee and Board for action in September. A public hearing



will precede consideration of the FY 2020/21 Annual Budget and Work Program at the first September Board meeting.

## **FINANCIAL IMPACT**

As described above.

## **SUPPLEMENTAL MATERIALS**

- Attachment 1 - Proposed Provisional 3-Month FY 2020/21 Work Program
- Attachment 2 - Proposed Provisional 3-Month FY 2020/21 Budget

## Attachment 1

### Proposed Fiscal Year 2020/2021 TIMMA Three-Month Provisional Work Program

The Treasure Island Mobility Management Agency's (TIMMA's) proposed Fiscal Year (FY) 2020/21 Provisional Three-Month Work Program includes activities in several work streams that advance the congestion pricing and mobility management program:

- Governance and Administration;
- Toll Policy Adoption and Transit Service Delivery;
- Outreach and Communications; and
- Toll System Delivery.

For each of these work streams, the TIMMA team works with the Treasure Island Development Authority (TIDA) and Treasure Island Development Corporation, as well as myriad partner agencies and stakeholders, and TIMMA leadership (Chair and Vice Chair) and Board.

#### GOVERNANCE AND ADMINISTRATION

This section of the Work Program highlights ongoing agency operational activities as listed below:

- **Board Operations and Support:** Staff TIMMA Committee and Board meetings. We anticipate July and August Committee and Board meetings during the Three-Month Provisional period. We also plan to recruit a TIMMA Program Manager during this period in anticipation of increased program development activities based on overall project schedules.
- **Budget, Reports and Financial Statements:** Develop and administer overall TIMMA program schedule and budget, including performance monitoring, internal program and project tracking. Monitor internal controls and prepare reports and financial statements.
- **Funding and Grants Management:** Manage grants and prepare invoices for reimbursement. Includes activities to advocate for funding opportunities and prepare grant funding applications; we will advocate for Regional Measure 3 (RM3) funds for clean ferries, Bay Area Air Quality Management District (BAAQMD), Metropolitan Transportation Commission (MTC), Senate Bill 1 (SB1), state Affordable Housing/Sustainable Communities grants, SB1, California Air Resources Board/Cap and Trade and other funds to help realize these plans.
- **Contract Support:** During the Three-Month Provisional period, this work includes managing compliance for contracts and associated Memoranda of Agreements and Understandings such as for water ferry services.
- **Policies:** Maintain and update Administrative Code, Rules of Order, Fiscal, Procurement, Travel and other policies, as needed.

#### TOLL POLICY ADOPTION AND TRANSIT SERVICE DELIVERY

In parallel with program outreach, this work stream includes the planning, design and approval of the Treasure Island Mobility Management Program including all program elements and their financial implications at start up and over the medium to long-term. These elements include finalizing key

## Attachment 1

### Proposed Fiscal Year 2020/2021 TIMMA Three-Month Provisional Work Program

components such as transit service levels, the Transit Pass Program, Transportation Affordability Program policies and Vehicle Toll policy.

During the Three-Month Provisional period, proposed activities include:

- **Demand Projections and Program Financial Analysis:** Update program baseline schedule per TIDA guidance and identify alternative program and funding scenarios for the Board to consider toward adoption of a toll policy by year end. Complete and maintain short and mid-term demand and financial projections of the Mobility Program, which incorporates toll level, hours, toll program cost and revenue; transit and shuttle service levels, transit program cost and revenue; parking management program rates and associated cost and revenue; and Transportation Affordability Program requirements and costs.
- **Ferry and East Bay Transit Service Plan and Delivery:** Conduct ferry service planning study with the Water Emergency Transportation Authority, Port of San Francisco and TIDA. Complete service planning and execute an agency Memorandum of Understanding in FY 2020/21 with partner agencies for future water transit service.
- **TDM and Affordability:** Complete technical analysis of an Affordability Program for residents and workers, which includes transportation credits, discounts, and supports for current and future low-income households. The Affordability Program will be a subset of Travel Demand Management (TDM) measures, to be more fully developed in later periods, applied Island-wide to reduce single occupancy vehicle travel.
- **Toll Policy Recommendations:** Complete analysis and recommendation of toll policies, including toll level, and discounts or exemptions for key user groups, and in combination with Transit, TDM, Affordability Program and other relevant components. Identify funding gaps and potential funding strategy to fill gaps for each scenario. We expect to seek Board consideration and approval of Program Design in Fall 2020.
- **Toll System Design:** During this quarter we will secure Federal review and approvals of the project's concept of operations and system engineering management plan (SEMP). The timely use of Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Federal grant funds for the tolling system require implementation of system integration and other components by 2022. This entails working closely with the Federal Highway Administration, the San Francisco Municipal Transportation Agency (SFMTA), the MTC/Bay Area Toll Authority, Caltrans and TIDA.
- **Transit Pass Implementation:** During the Three-Month Provisional period, we expect to work with the developers and TIDA to craft disclosure language about homeowner requirements such as the transit pass into future homeowner agreements. The TIMMA transit pass is mandatory for market-rate residents. During later periods, we will resume working with the regional Clipper program to prepare final designs and undertake implementation activities in support of the pass. These activities will include adoption of transit operator fare policy.



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### Proposed Fiscal Year 2020/2021 TIMMA Three-Month Provisional Work Program

- **Parking Management Program Implementation:** As needed to support the infrastructure construction schedule, support the SFMTA preparing for the delivery of their Parking Management Plan, and initiate agreements with the SFMTA as needed.
- **Autonomous Vehicle (AV) Shuttle Pilot:** Work toward implementation of this federally funded project. Administer the ATCMTD program grant and secure approvals of the project's concept of operations and SEMP. Over the coming fiscal year, prepare provisional business plans coordinate with regulatory agencies, and conduct industry sounding to better understand technology trends and impacts. Implement procurement strategy for the piloting of an AV Shuttle.
- **Bicycle/Pedestrian Planning:** With support from Prop K sales tax funds, further develop bicycle and pedestrian plans for Yerba Buena Island (YBI), including a connection to the planned ferry terminal on Treasure Island.

### OUTREACH AND COMMUNICATIONS

The Communications and Planning work stream includes public involvement and outreach activities in support of planning and engineering recommendations. Outreach activities during the Three-Month Provisional period are anticipated to be limited. However, looking ahead to the remainder of FY 2020/21, key communications activities are expected to include the following:

- **Outreach on Core Program:** Continue to implement outreach plan related to toll policies, transit service, and affordability policies with the Board, various stakeholder groups and other government agencies, with at least one round of outreach anticipated prior to toll policy and affordability program presentation for approval in Fall 2020. Outreach is accomplished through various means, including through community outreach meetings and workshops (in compliance with shelter-in-place guidance), disseminating agency news and updates, and discussions with key stakeholders (Treasure Island Organizing Committee, merchants, etc.).
- **Collateral Maintenance:** Update content and maintain and enhance both electronic and print-based communications collateral.
- **Outreach on Related Projects:** Support outreach for YBI Bicycle/Pedestrian Path and Network Development and AV Shuttle Pilot Program.

### TOLL SYSTEM DELIVERY

This major work stream includes developing National Environmental Protection Act (NEPA) environmental documentation; civil engineering designs; and incremental support for construction of the tolling system. Key delivery activities for the Three-Month Provisional period of FY 2020/21 include the following:

## Attachment 1

### Proposed Fiscal Year 2020/2021 TIMMA Three-Month Provisional Work Program

- **Environmental Documentation:** Prepare draft and final California Environmental Quality Act Addendum and NEPA environmental documentation to environmentally clear tolling infrastructure and systems installation.
- **Final Civil and System Engineering Design:** Prepare tolling infrastructure and civil engineering design plans at multiple locations on YBI and Treasure Island, in coordination with YBI Ramps, Southgate Road, Macalla Road, Treasure Island Road, and YBI Westside Bridges design and construction activities. The timely use of ATCMTD Federal grant funds for the tolling system require implementation of system integration and other components by 2022.
- **Secure Remaining Funding:** Finalize system cost estimates and project schedule, and close remaining funding gaps in consultation with TIDA and TICD sponsor. Potential sources include: additional federal ATCMTD grant funds, developer contributions, state and regional grants and local sources.

**Treasure Island Mobility Management Agency**  
**Attachment 2**  
**Proposed Provisional Three-Month Fiscal Year 2020/21 Budget**  
**Line Item Detail**



	<b>Proposed Provisional Three-Month Fiscal Year 2020/21</b>	<b>Increase/ (Decrease)</b>	<b>First Quarter Fiscal Year 2019/20 Actual</b>
<b>Program Revenues:</b>			
<u>Federal</u>			
Advanced Transportation and Congestion Management Technologies Deployment	\$ 83,981	\$ 73,687	\$ 10,294
<u>Regional and Other</u>			
Treasure Island Development Authority	376,141	(671,287)	1,047,428
Total Program Revenues	<b>460,122</b>	<b>(597,600)</b>	<b>1,057,722</b>
<b>Expenditures:</b>			
Technical Professional Services	361,123	219,376	141,747
Administrative Operating Expenditures			
Personnel	98,138	(3,035)	101,173
Non-personnel	861	(27)	888
Total Expenditures	<b>460,122</b>	<b>216,314</b>	<b>243,808</b>
<b>Other Financing Sources (Uses):</b>			
Transfer Out to Transportation Authority	-	813,914	(813,914)
Total Other Financing Sources (Uses)	-	<b>813,914</b>	<b>(813,914)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>