

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

FINANCE, BOND OVERSIGHT AND ADMINISTRATION COMMITTEE

July 18, 2017

9:00 a.m.

COMMITTEE MEMBERS: Directors Josefowitz (Chairperson), Allen (Vice Chairperson), and Dufty

A regular meeting of the Finance, Bond Oversight and Administration Committee will be held at 9:00 a.m. on Tuesday, July 18, 2017, in the BART Board Room, Kaiser Center 20th Street Mall – Third Floor, 344 – 20th Street, Oakland, California.

Members of the public may address the committee regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the committee. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment.

AGENDA

1. Call to Order.
 - a. Roll Call.
 - b. Pledge of Allegiance
2. Federal Highway Administration Title VI Policy.* For information.
3. Fiscal Year 2017 Short Range Transit Plan/Capital Improvement Program.* For information.
4. Potential Pension and Actuarial Model Update.* For information.
5. Potential Audit Committee Structure Survey.* For information.
6. Public Comment.
7. New Business. (An opportunity for Committee Members to introduce potential matters for a future committee agenda.)

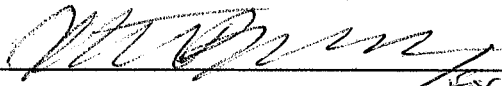
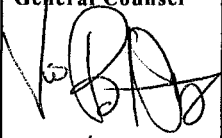

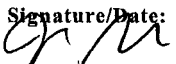
Kenneth A. Duron
District Secretary

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at 510-464-6083 for information.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  7/14/17		GENERAL MANAGER ACTION REQ'D:		
DATE: 7/11/2017 for GC		BOARD INITIATED ITEM: No		
Originator/Prepared by: Jennella Sambour-Wallace Dept: Office of Civil Rights	General Counsel  7/14/17 []	Controller/Treasurer Chris Gan 7/14/17 []	District Secretary []	BARC  7/14/17 []
Signature/Date:  07/14/17				

Federal Highway Administration Title VI Policy

PURPOSE:

To request Board approval of a Title VI Policy in compliance with Federal Highway Administration regulations.

BACKGROUND:

The San Francisco Bay Area Rapid Transit District (BART or District), as a recipient of federal funds, is required by the Federal Highway Administration (FHWA) to comply with Title VI of the Civil Rights Act of 1964 and its amendments (Title VI Act). BART's Title VI Policy for the Federal Transit Administration (FTA) provides for protections against discrimination against race, color, national origin, and language proficiency. The FHWA Title VI regulations provide additional protections on the basis of age, sex, and disability.

DISCUSSION:

The District's Title VI Policy provides anti-discrimination protections against race, color, national origin, and language proficiency as required under the Title VI Act. The District's current Title VI Policy ensures compliance with the FTA's regulations and requirements. In accordance with FHWA regulations, the District is required to include additional protections for age, sex, and disability in its Title VI Policy.

FTA has advised that the proposed FHWA Title VI Policy, as well as other FHWA Title VI compliance requirements, must be distinct from the current FTA Title VI Policy and

Program. Therefore, BART is developing a separate FHWA Title VI Policy. The FHWA Title VI Policy shall be noticed and posted to the public at all locations where the District currently posts its current Title VI Policy. Once the FHWA Title VI Policy is approved, the District will implement additional FHWA requirements to ensure compliance.

FISCAL IMPACT:

None. However, failure to comply with FHWA regulations could jeopardize BART's ability to receive FHWA funding.

ALTERNATIVES:

Do not approve the FHWA Title VI Policy. If the Board does not approve the FHWA Title VI Policy, the District will be in noncompliance with FHWA regulations and may jeopardize BART's ability to receive FHWA funding.

RECOMMENDATION:

Approval of the following motion.

MOTION:

The Board of Directors approves the FHWA Title VI Policy.



FHWA TITLE VI NON DISCRIMINATION POLICY

Statement of Policy:

The San Francisco Bay Area Rapid Transit District (District), in compliance with Title VI of the Civil Rights Act of 1964, the Federal Highway Administration (FHWA), and applicable federal and state laws and regulations, is committed to ensuring that no person is excluded from participation in, or denied the benefits of its services or programs on the basis of race, color, national origin, sex, age, or disability.

The District's Office of Civil Rights is responsible for providing leadership, direction and policy to ensure compliance with Title VI. To request additional information regarding the District's non discrimination obligations or to file a complaint, please contact the District's Office of Civil Rights.

**The Office of Civil Rights
300 Lakeside Drive, Suite 1800
Oakland, CA 94612
(510) 874-7333
(510) 464-7587 (fax)
officeofcivilrights@bart.gov**



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Paul Ovensen for B. Powers</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 7/11/2017		BOARD INITIATED ITEM: No		
Originator/Prepared by: Pamela Herhold Dept:	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC <i>[Signature]</i>
Signature/Date: <i>[Signature] 7/13/17</i>	<i>[Signature] 7/13/17</i> []	<i>[Signature] 7/13/17</i> []	[]	<i>[Signature] 7-13-17</i> []

FY17 Short Range Transit Plan/Capital Improvement Program

PURPOSE:

Adoption of the District's FY17 Short Range Transit Plan/Capital Improvement Program.

DISCUSSION:

The Short Range Transit Plan/Capital Improvement Program (SRTP/CIP) provides an overview of BART's long-term operating and capital financial outlook. The Metropolitan Transportation Commission (MTC) requires each transit operator receiving federal funding through MTC to adopt and submit an SRTP/CIP. The FY17 SRTP/CIP covers the period FY17 through FY26 for the SRTP and FY17 through FY31 for the CIP.

At the Board's meeting on February 23, 2017, the Draft FY17 SRTP/CIP was presented as an informational item. Board feedback included support for the document's focus on system reinvestment, concern about future benefit cost increases, and discussion about the potential for future off-peak service increases. The Draft FY17 SRTP/CIP document was posted on BART's website. Staff also discussed the SRTP/CIP with BART's Title VI/Environmental Justice Committee on April 11, 2017; comments from members supported the focus on system reinvestment. At the BART Accessibility Task Force on March 23, 2017, members had questions regarding accessible projects and federal funding sources.

The Final FY17 SRTP/CIP incorporates the comments received at these meetings, from the public, and MTC, including additional detail as requested by MTC.

BART's SRTP operating financial outlook shows a cumulative shortfall of \$285 million, with annual deficits ranging from \$11 million to \$60 million. MTC guidelines require, however, that the operating forecast be sustainable and generally balanced over the period of the

SRTP. To address this requirement, a line titled "Cost Containment/Revenue Enhancement" was added to the final financial forecast in order to reduce the annual net deficit to zero each year. As a result, the SRTP shows the \$285 million projected shortfall as balanced. The document discusses potential cost containment/revenue enhancement solutions for achieving a balanced operating forecast, which include limiting future expense increases and reducing or realigning contributions to capital reinvestment, and reiterates BART's commitment to balance each future year's budget. The next SRTP/CIP update is planned for mid-2018 and will include new information regarding other revenue enhancement options (parking, telecommunications, real estate, and advertising) currently being developed by staff.

BART's Capital Improvement Program (CIP) is an unconstrained projection of all the capital needs BART faces. The CIP shows a more significant shortfall than the operating financial outlook. For the 15-year timeframe, fully funding the CIP would require approximately \$17.6 billion. BART has identified approximately \$11.9 billion in funding that has been committed or can reasonably be assumed to become available to BART in the future. This leaves a shortfall of approximately \$5.7 billion over the next 15 years, approximately 33% of the total capital need.

FISCAL IMPACT:

The SRTP/CIP is a required supporting document for BART's grant applications to MTC. As such, this document is a prerequisite to MTC's authorization of grant funds to the District.

ALTERNATIVES:

Do not adopt the Final FY17 SRTP/CIP, which would jeopardize future grant approvals by MTC.

RECOMMENDATION:

Adopt the Final FY17 SRTP/CIP for transmittal to MTC and the Federal Transit Administration (FTA) as required.

MOTION:

That the District's Final FY17 SRTP/CIP be adopted and transmitted to MTC and FTA as required.


SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Finance, Bond Oversight and Administration Committee **DATE:** July 11, 2017
FROM: General Manager
SUBJECT: Item #2 - Pension Actuarial Model Update

At the July 18th Finance, Bond Oversight & Administration Standing Committee meeting, Mary Beth Redding, Vice President of Bartel Associates, the District's actuarial consultant will present options related to the creation of an actuarial model designed to project and create multiple scenarios related to the District's pension liabilities. Attached is a copy of her presentation.

If you have any questions about the document, please contact Michael Jones, Assistant General Manager, Human Resources, at 510-464-6231.


Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

INTER-OFFICE COMMUNICATION

TO: Finance, Budget and Bond Oversight Committee

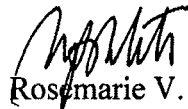
Date: July 14, 2017

FROM: Controller-Treasurer

SUBJECT: POTENTIAL AUDIT COMMITTEE STRUCTURE SURVEY

Attached is the Potential Audit Committee Structure Survey that will be presented to the Committee on July 18, 2017 meeting as an information item.

If you have any questions, please contact Chris Gan at 510-464-6960.


Rosemarie V. Poblete