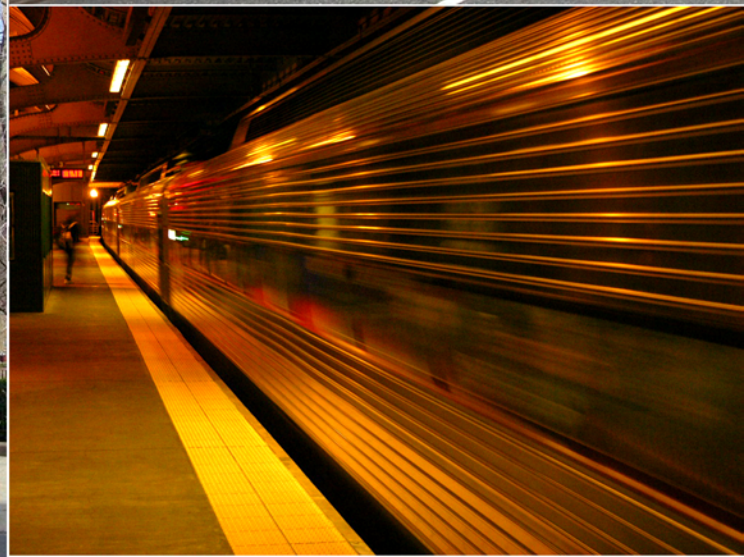




Fiscal Year 2008 **OPERATING BUDGET**

and Fiscal Years 2009 to 2013
Financial Projections





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Southeastern Pennsylvania Transportation Authority
Pennsylvania**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Southeastern Pennsylvania Transportation Authority for the Annual Budget beginning July 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.




Chairman
Pasquale T. Deon, Sr.

Vice Chairman
James C. Schwartzman

Thomas E. Babcock
Christian A. DiCicco
Thomas Jay Ellis
Stewart J. Greenleaf
Daniel J. Kubik
Charles H. Martin
Karen L. Martynick
Frank G. McCartney
Jettie D. Newkirk
Michael J. O'Donoghue
James J. Rohn
Denise J. Smyler
Herman M. Wooden

General Manager
Faye L. M. Moore

TO: Pasquale T. Deon, Sr., Chairman
FROM: Faye L. M. Moore 
SUBJECT: Fiscal Year 2008 Operating Budget
DATE: September 28, 2007
CC: Board Members

I am forwarding to the Board the Fiscal Year 2008 Operating Budget for the Southeastern Pennsylvania Transportation Authority. The budget, as adopted by the Board on June 28, 2007, recognizes the additional state operating subsidy provided by the newly established Public Transportation Trust Fund and maintains fiscal discipline while continuing to provide a comprehensive transit system to the five-county Philadelphia region in a challenging economic environment.

The Fiscal Year 2008 Operating Budget totals \$1.022 billion and reflects cost escalations in the areas of wages, materials and services, healthcare and prescription drugs. Most of our other expense areas will remain essentially at Fiscal Year 2007 levels.

On July 18, 2007, Governor Rendell signed Act 44 of 2007. This legislation, which was approved by the Pennsylvania General Assembly, establishes a Public Transportation Trust Fund. SEPTA applauds the efforts of the Governor, Leadership of the House and Senate and members of the General Assembly in taking action which ends our years of budget deficit closure strategies and uncertainty for our riders and the community.

This legislation is groundbreaking for Pennsylvania because it provides the long-term, dedicated funding with growth potential for public transportation to continue operating into the future. All of the various sources of funds will be deposited into one account for the collective funding of transit throughout the Commonwealth. For the first time in SEPTA's history, a dedicated source of state funds is in place for the Authority's operating budget.

The additional state operating subsidy for Fiscal Year 2008 will erase the budget shortfall and stabilizes the Authority's finances. This is definitely reason to celebrate, but it does not mean that the Authority can veer from the course which has been established over the last decade of spending in a fiscally prudent manner. We must continue to be fiscally diligent while beginning to look at future opportunities to build and enhance service for the region and our customers.

Southeastern Pennsylvania Transportation Authority Board Members

Chairman

Pasquale T. Deon, Sr.

Vice-Chairman

James C. Schwartzman, Esquire

Bucks County

*Pasquale T. Deon, Sr.
Hon. Charles H. Martin*

Chester County

*Karen L. Martynick
James J. Rohn, Esquire*

Delaware County

*Thomas E. Babcock
Daniel J. Kubik*

Montgomery County

*Hon. Thomas Jay Ellis, Esquire
Michael J. O'Donoghue, Esquire*

City of Philadelphia

*Christian A. DiCicco, Esquire
Jettie D. Newkirk, Esquire*

Governor's Appointee

Denise J. Smyler, Esquire

Senate Majority Leader Appointee

Stewart J. Greenleaf, Esquire

Senate Minority Leader Appointee

James C. Schwartzman, Esquire

House Majority Leader Appointee

Frank G. McCartney

House Minority Leader Appointee

Herman M. Wooden

SEPTA Officers

General Manager

Faye L. M. Moore

Chief Financial Officer/Treasurer

Joseph M. Casey, CPA

General Counsel

Nicholas J. Staffieri, Esquire

Controller to the Board

Stephen A. Jobs, CPA

Secretary to the Board

Elizabeth M. Grant

Southeastern Pennsylvania Transportation Authority

Fiscal Year 2008 Operating Budget

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Southeastern Pennsylvania Transportation Authority

Fiscal Year 2008 Operating Budget

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Introduction and SEPTA Profile

SEPTA Mission Statement

To provide transportation services that enhance the quality of life in the region and to strengthen the SEPTA organization by:

- Maintaining the highest standards of quality and safety
- Becoming an essential partner in the community
- Managing resources responsibly and effectively
- Responding to the changing needs of our customers
- Attracting, developing and supporting a diverse, qualified workforce

Background

The Southeastern Pennsylvania Transportation Authority (SEPTA) was formed by act of the Pennsylvania General Assembly in 1964 in order to provide public transportation services to Bucks, Chester, Delaware, Montgomery and Philadelphia Counties. Over the years, SEPTA acquired the assets of several private transportation companies. Today, SEPTA is the sixth-largest transit system in the United States and is responsible for operating:

- 118 Bus Routes
- 9 Trolley (light rail) Lines
- 3 Trackless Trolley Routes
- 2 Subway/Elevated (heavy rail) Lines
- 13 Regional Railroad (commuter rail) Lines
- Shared Ride Service in the City of Philadelphia
- ADA Paratransit service throughout the five-county region

Philadelphia and the neighboring counties are connected by SEPTA service to national passenger rail service via Amtrak at the historic 30th Street Station. SEPTA also provides direct rail service to the Philadelphia International Airport. SEPTA passengers can also directly connect with NJ Transit rail service and the Port Authority Transit Corporation (PATCO) High Speed Line to New Jersey.

Headquartered in Philadelphia, SEPTA is governed by a Board of Directors. With 15 voting members, the Board of Directors is appointed as follows:

- Two members appointed from each of the five counties in SEPTA's service area.
- One member appointed by the Governor of Pennsylvania.
- One member appointed by the Senate Majority Leader.
- One member appointed by the Senate Minority Leader.
- One member appointed by the House Majority Leader.
- One member appointed by the House Minority Leader.

Introduction and SEPTA Profile

Population and Trends

The Southeastern Pennsylvania region has a population of 3.9 million (2005 DVRPC Estimate) and is the most populous region in the Commonwealth. SEPTA's service area covers 2,202 square miles.

According to U.S. Census data from 1980-2000, strong population growth was seen in the Counties of Bucks, Chester and Montgomery. Exhibiting a population decline were Delaware County and Philadelphia.

Population Count 1980-2000

County	Population Change 1980-2000 (absolute)	Percent Change 1980-2000
Bucks	118,455	24.7%
Chester	116,841	36.9%
Delaware	(4,159)	-.7%
Montgomery	106,720	16.6%
Philadelphia	(170,660)	-10.1%
5-County Total	167,197	4.5%

Source: DVRPC Twenty Years of Change: 2000 Census Population Count

Projections by the Delaware Valley Regional Planning Commission (DVRPC) indicate that from years 2000-2030, the five-county region will see overall population growth of 10.8%, representing growth in Bucks, Chester and Montgomery Counties with Delaware County and Philadelphia projected to have slight losses.

Population Forecasts 2000-2030

County	Population Change 2000-2030 (absolute)	Percent Change 2000-2030
Bucks	164,820	27.6%
Chester	138,299	31.9%
Delaware	(4,084)	-.7%
Montgomery	128,343	17.1%
Philadelphia	(12,550)	-.8%
5-County Total	414,828	10.8%

Source: DVRPC Population and Employment Forecasts (Revised 2005)

Philadelphia Travel Trends

DVRPC data from 2005 shows that for the first time since 1960, public transportation ridership entering and leaving Philadelphia's Central Business District posted an increase while highway volumes decreased. Public transportation trips increased by 10% over the last five years while highway trips declined by 2%. Public transportation recorded

Introduction and SEPTA Profile

24,000 more daily trips than highway vehicle trips lost. This indicates a shift in travel patterns towards public transportation.

The 2000 census shows that 35.7% of all households in the City of Philadelphia area do not have access to a vehicle, and recent studies show that up to 70% of employees working in Center City Philadelphia use SEPTA to access their employment site from throughout the city and region.

Economy

Center City Philadelphia is the largest center of commerce in the Commonwealth of Pennsylvania. Leisure and hospitality, education, and health care have been among the fastest growing employment sectors within the city and region. In 2005, an office building known as the Cira Center opened next to 30th Street Station. The Comcast Center, adjacent to Suburban Station, is currently under construction with occupancy slated to begin in late 2007. As the most recent office construction projects in more than a decade, these two buildings show the appeal of transit-oriented development, as they are both located adjacent to major transit hubs.

The latest forecast by DVRPC indicates that from the years 2000-2030, there will be employment growth in the five-county region of 17.9%. The bulk of this employment growth is expected in the suburban counties, as illustrated in the following table:

County	Absolute Change 2000-2030	Percent Change 2000-2030
Bucks	85,648	32.1%
Chester	106,421	44.6%
Delaware	35,247	14.8%
Montgomery	104,623	21.2%
Philadelphia	21,779	2.9%
5-County Total	353,718	17.9%

Source: DVRPC Population & Employment Forecasts (revised 2005)

SEPTA Ridership and Operating Statistics

In Fiscal Year 2007, SEPTA experienced gains in ridership across all operating divisions, with strong growth seen in suburban transit and railroad passengers. Compared to last year, average daily passengers (linked) increased by 1.6% in the City Transit Division, 4.9% in Suburban Transit (Victory and Frontier Divisions) and 4.1% on the Railroad Division.

Introduction and SEPTA Profile

Additional basic information about the entire SEPTA system and related operating statistics can be found in the following table:

SEPTA Statistics At a Glance	
Annual Unlinked Trips (2007)	307 Million
Annual Passenger Miles (2007)	1.35 Billion
Annual Vehicle Revenue Miles (2007)	93.1 Million
Revenue Vehicles (2007)	2,666
Fixed Routes (2007)	142
Stations (2007)	280
Bus/Trolley Stops (2007)	15,257

SEPTA Passengers

The exhibits in this section serve to illustrate the typical SEPTA customer. The demographic data was recorded and compiled as part of the SEPTA 2006/2007 Customer Satisfaction Survey. This survey was conducted between February 2, 2007 and March 5, 2007. During the survey period, 3,155 interviews were completed. Only persons aged 18 or older were interviewed during this process and all the exhibits represent SEPTA adult passengers.

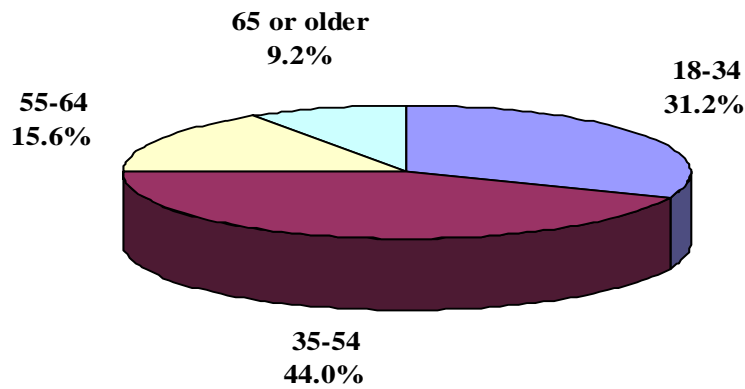
Demographic Profile of SEPTA Passengers				
	City Bus and Rail Transit	Suburban Bus and Rail Transit	Regional Railroad	Total SEPTA*
Gender (Percent):				
Male	36.5	37.9	35.6	37.4
Female	63.5	62.1	64.4	62.6
Age (Percent):				
18-34	33.7	31.9	29.2	31.2
35-54	43.6	47.2	44.6	44.0
55-64	14.4	13.2	18.1	15.6
65 or older	8.3	7.7	8.1	9.2

*Weighted Average

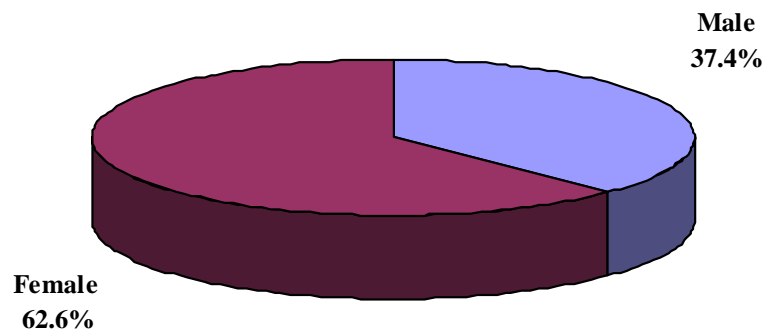
Source: 2006/2007 SEPTA Customer Satisfaction Survey

Introduction and SEPTA Profile

Age of SEPTA Adult Passengers
(Authority-wide)



Gender of SEPTA Passengers
(Authority-wide)





SEPTA Railroad & Rail Transit



Summary of Assumptions

This document presents the Fiscal Year 2008 Operating Budget. The Fiscal Year 2007 and 2006 actual results are utilized for comparison throughout this budget document.

Service	The Fiscal Year 2008 Operating Budget of \$1.022 billion in operating expenses includes minor changes in transportation service as compared to Fiscal Year 2007.
Revenue	Passenger revenue is projected to grow compared to Fiscal Year 2007 primarily as a result of an average fare increase of 11%. Increases are also projected in other income.
Expenses	Expenses total \$1.022 billion, and reflect cost escalations in areas including healthcare, wages, propulsion power, and prescriptions drugs.
State and Local Subsidy	Fiscal Year 2008 state and local subsidy includes a grant from the Pennsylvania Public Transportation Trust Fund. Act 44 of 2007 established the trust fund and dedicates state funding for public transportation agencies across the Commonwealth of Pennsylvania. Trust fund grants are required to be matched locally at 15%.
Federal Subsidy	Federal Preventive Maintenance for Fiscal Year 2008 shows a 3% increase over that of the Fiscal Year 2007 Budget.

Fiscal 2008 Consolidated Budget

<u>Amounts in Thousands ('000)</u>	<u>FY 2008 Budget</u>
REVENUE	
Passenger Revenue	\$ 374,000
Shared Ride Program	18,800
Investment Income	5,500
Other Income	<u>26,543</u>
TOTAL OPERATING REVENUE	\$ 424,843
EXPENSES	
Labor and Fringe Benefits	\$ 709,848
Materials and Services	189,919
Injuries & Damage Claims	34,000
Propulsion Power	30,944
Fuel	36,643
Vehicle and Facility Rentals	<u>2,185</u>
OPERATING EXPENSE	\$ 1,003,539
Depreciation/Contributed Capital	<u>\$ 18,737</u>
TOTAL EXPENSES	\$ 1,022,276
DEFICIT BEFORE SUBSIDY	<u>\$ (597,433)</u>
OPERATING SUBSIDY	
Federal	\$ 32,200
State	496,296
Local	65,737
Other	<u>3,200</u>
TOTAL SUBSIDY	\$ 597,433
SURPLUS/(DEFICIT)	<u>\$ -</u>

Financial and Budgetary Policies

FINANCIAL PLANNING POLICIES

Balanced Budget

The Board of the Southeastern Pennsylvania Authority adopts a balanced budget before the start of each fiscal year in accordance with the enabling legislation of the Commonwealth of Pennsylvania. A balanced budget is one in which expected operating revenues and subsidies equal expected operating expenses. When a deviation from a balanced budget is foreseen or occurs, this is reported as an operating surplus or deficit.

Fiscal Year

The Southeastern Pennsylvania Transportation Authority's budget is prepared on a fiscal year basis, beginning July 1 and ending June 30, which is consistent with the financial statements.

Basis of Financial Reporting and Budgeting

The Authority's annual financial statements are prepared using the economic resources measurement focus and the accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from the Authority's principal operation of providing passenger service. The principal operating revenues are passenger fares and the principal operating expenses are related to the delivery of passenger transportation.

The budget is prepared on a similar basis as the annual financial statements, with the following exceptions:

- The budget includes depreciation net of amortization of contributed capital, while the annual financial statements report gross depreciation. Amortization of contributed capital has been replaced in the annual financial statements by capital grants earned.
- The budget includes a resultant Surplus or Deficit, while the annual financial statement report treats this as a Change in Net Assets.
- The budget includes Shared Ride subsidies and investment income in operating revenue, while the annual financial statements treat these items, and all other subsidies, as non-operating. Additionally, interest expense is treated as non-operating in the annual financial statements.

Long Range Planning

SEPTA continually assesses the consequences of national, state and local demographic, economic, travel and development trends for SEPTA's current and future operations, services and capital projects. This assessment includes the evaluation of current and potential service levels in accordance with SEPTA's Annual Service Plan and the City Transit, Suburban Transit and Regional Rail Service Standards and Processes. This

Financial and Budgetary Policies

assessment forms the backdrop for SEPTA's long range planning and the basis for the five-year financial projections which are included in the adopted budget for each fiscal year.

Asset Management

SEPTA has established an internal control structure to ensure that assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with generally accepted accounting principals. The Procurement and Contracts Department of the Business Services Division handles the purchase, lease, sale, and disposal of parts, equipment, supplies, repairs, and services utilized by the organization. This includes the coordination and enforcement of federal, state and local funding agency regulations for all approved capital expenditures. The principal areas of responsibility include compliance and support services, contract administration, purchasing, resource control and production control. The specific function of this group is further defined in the departmental section of this budget document.

REVENUE POLICIES

Revenue Diversification

The Authority continues to explore areas for revenue diversification and enhancement to supplement passenger revenue and subsidies. Such enhancements shall include, but not be limited to, developing new business and community partnerships, expanding the advertising program, identifying opportunities to serve new markets and pursuing parking initiatives to increase ridership and parking revenue.

Fees and Charges

The Authority's fare structure has been implemented in accordance with legislation established by the legislature of the Commonwealth of Pennsylvania and applicable federal legislation. Changes to SEPTA's fare structure are subject to the guidelines established by this legislation, including a public hearing process.

One-time Revenues

The Authority has adopted a policy whereby it does not rely on one-time revenues of any sort to finance ongoing operations.

Unpredictable Revenues

There are no major revenue sources that the Authority believes to be unpredictable in nature. The Authority has adopted a policy whereby it does not rely on unpredictable revenues of any sort to finance ongoing operations.

Financial and Budgetary Policies

EXPENDITURE POLICIES

Accountability

All divisions within SEPTA are expected to adhere to budgeted guidelines. Managers are held accountable for operating within their authorized budget.

The spending plan is based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done on a management center basis. Each management center is provided with both weekly and monthly financial reports. Significant budget variances in any specific area are reported and available for analysis weekly.

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The Operational Analysis group within the Finance Division provides ongoing assessment of SEPTA's policies and their application. This group conducts assessment of various SEPTA operations and recommends structural changes when deemed appropriate and will process changes necessary to ensure SEPTA operates as efficiently as possible. In addition, the Authority's Internal Audit Department and numerous outside agencies, many of whom supply SEPTA with funding, regularly audit the Authority.

In addition, the Authority has established a policy of comparing actual expenditures to budget on a monthly basis for both operating and capital expenditures. For capital expenditures, this reporting is handled by the Project Control Department of the Engineering, Maintenance and Construction Division. For operating expenditures, reporting is handled jointly by the Budgets and General Accounting Departments of the Finance Division. In addition, each operating and staff department is responsible for periodic reporting and analysis of expenditures. Actions to bring the budget into balance are implemented by the General Manager, with input from staff. Actions such as fare increases or significant service reductions require approval of the Board.

Reserve or Stabilization Accounts

The Authority has adopted a policy to maintain a prudent level of financial resources to protect against the need to reduce service levels or increase fares due to temporary revenue shortfalls or unpredicted one-time expenditures.

Debt Service

The Authority has two series of Special Revenue Bonds outstanding. The Bonds are limited obligations of the Authority and the principal and interest thereon are payable solely from the revenues received by the Authority from the Treasury Department of the Commonwealth pursuant to Section 1310 of Title 74 of the Pennsylvania Consolidated Statutes. In particular, all moneys distributed to the Authority from the Public

Financial and Budgetary Policies

Transportation Assistance Fund created under Article XXIII of the Pennsylvania Tax Reform Code of 1971, as amended.

On July 18, 2007, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2007-44 (“Act 44”), which, effective July 1, 2007, among other things, (a) repealed 74 Pa C.S. Ch. 13 (which included Section 1310); and (b) provides, in pertinent part that, notwithstanding such repeal, (i) the PTA Fund shall continue to receive the revenue the PTA Fund was entitled to receive on June 30, 2007, (ii) despite the repeal of 74 Pa. C.S. Ch. 13 and, in particular, Section 1310, transit entities that have outstanding obligations shall continue to receive money from the PTA Fund calculated and paid in the same manner as was provided on June 30, 2007, and (iii) money remaining in the PTA Fund after amounts are disbursed as described in (ii) above shall be transferred monthly to the Public Transportation Trust Fund established under 74 Pa. C.S. Ch. 1506.

The Authority, as a transit entity under Act 44, will continue to receive amounts distributed from the PTA Fund that are calculated and paid in the same manner as was prescribed prior to the repeal of Section 1310.

The Authority’s policy is to issue debt periodically to supplement federal grants in support of the Authority’s capital plan. There are no requirements to establish legal debt limits.

In May 1997, the Authority issued \$170.2 million of Special Revenue Bonds, Series of 1997, due in varying amounts through 2022, with annual interest from 4.00% to 5.75%. The net proceeds of the bonds were used to reimburse the Authority for a portion of the costs of certain capital projects; refund certain leases entered into by the Authority for a building and related equipment; pay the costs of certain capital projects and pay the premium for a debt service reserve fund insurance policy.

In February 1999, the Authority issued \$262.0 million of Special Revenue Bonds, Series of 1999A and 1999B due in varying amounts through 2029, with annual interest from 3.25% to 5.25%. The net proceeds of the 1999A Bonds were used to finance a portion of the Market-Frankford subway-elevated line vehicle acquisition program; refinance a bridge loan for payment of a portion of the vehicle acquisition program; reimburse the Authority for a portion of the costs of certain capital projects and pay a portion of the premium for a debt service reserve fund insurance policy. The net proceeds of the 1999B Refunding Bonds were used to refund \$73.2 million of the 1995A Bonds, and pay a portion of the premium for a debt service reserve fund insurance policy.

In March 2007, the Authority issued \$131.6 million of Variable Rate Revenue Refunding Bonds, Series of 2007. The net proceeds from the sale of the 2007 Bonds were used to currently refund the Authority’s outstanding Special Revenue Bonds, Series of 1997 and to pay the premium for a debt service reserve fund insurance policy.

Financial and Budgetary Policies

Interest on the Bonds is payable semi-annually on March 1 and September 1. The debt service requirements related to the Bonds are listed below, on a calendar year basis.

<u>Debt Service Requirements</u>			
Year Ending March 1	Interest*	Principal	Total Debt Service Requirements
2008	18,231	14,390	32,621
2009	17,518	15,125	32,643
2010	16,769	15,885	32,654
2011	15,984	16,685	32,669
2012	15,158	17,530	32,688
2013	14,277	18,425	32,702
2014	13,352	19,370	32,722
2015	12,380	20,370	32,750
2016	11,356	21,420	32,776
2017	10,281	22,510	32,791
2018	9,149	23,675	32,824
2019	7,960	24,875	32,835
2020	6,747	26,170	32,917
2021	5,470	19,875	25,345
2022	4,530	20,840	25,370
2023	3,545	9,235	12,780
2024	3,106	9,675	12,781
2025	2,647	10,135	12,782
2026	2,165	10,615	12,780
2027	1,661	11,120	12,781
2028	1,133	11,650	12,783
2029	579	12,200	12,779
TOTAL	\$ 193,998	\$ 371,775	\$ 565,773

*Interest on the Series 2007 Bonds is synthetic fixed interest rate of 4.71%

Financial and Budgetary Policies

Fund Balances

The Authority currently utilizes a single enterprise fund for operating purposes. The fund is specifically established for the appropriation of revenues and expenses associated with transit operations. Fund balances are carried over and offset against deficits accumulated in prior years.

Statement Of Changes In Equity

<u>Amounts in thousands ('000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Budget</u>
Contributed Capital:			
Balance at Beginning of Year	\$ 2,766,274	\$ 2,907,601	\$ 2,994,943
Capitalized Grant Property	368,155	330,149	296,500
Capitalized Grant Property - Retirements	(42,532)	(9,789)	(26,000)
Amortization	(226,757)	(242,768)	(236,800)
Amortization - Retirements	<u>42,461</u>	<u>9,750</u>	<u>25,250</u>
Contributed Capital Balance at End of Year	\$ 2,907,601	\$ 2,994,943	\$ 3,053,893
Operating Surplus/(Deficit):			
Accumulated Operating Surplus/(Deficit) at Beginning of Year	\$ (158,060)	\$ (157,808)	\$ (157,621)
Current Year Operating Surplus/(Deficit)	<u>252</u>	<u>187</u>	<u>-</u>
Accumulated Operating Deficit at End of Year	\$ (157,808)	\$ (157,621)	\$ (157,621)
Total Equity	<u>\$ 2,749,793</u>	<u>\$ 2,837,322</u>	<u>\$ 2,896,272</u>

Annual Budget Process

Budget Development

Budget development begins in early January with preparation of a draft service projection for the following fiscal year. This is a collaborative effort between the Budgets and Service Planning Departments, and results in a detailed service projection and authority-wide expense projection by mid-January.

The Budgets Department meets with personnel from each staff and operating department to review budget requirements and potential issues for the following fiscal year. Based on these meetings, the service projection may be revised and departmental expense levels are set accordingly. Preliminary authorization letters and the budget database template is distributed by the Budgets Department to all operating and staff departments in early February.

Operating and staff department personnel enter information into the MPC operating budget database for submission to the Budgets Department by early February. The Budgets Department reviews each budget submission and recommends corrections or revisions, if necessary. The Budgets Department compiles this information and briefs the Board in mid-February.

Period for Public Comment

The Budgets Department publishes SEPTA's Operating Budget Proposal on the Authority's Website and distributes it publicly in early March, thus beginning a thirty-day period for public comment. SEPTA's Board Chairman appoints a hearing examiner to conduct public hearings in each county that SEPTA serves. Public hearings are held in each county in mid-April to solicit public comment on the proposed budget. SEPTA staff presents testimony concerning the budget proposal and responds to questions from the public.

Adoption

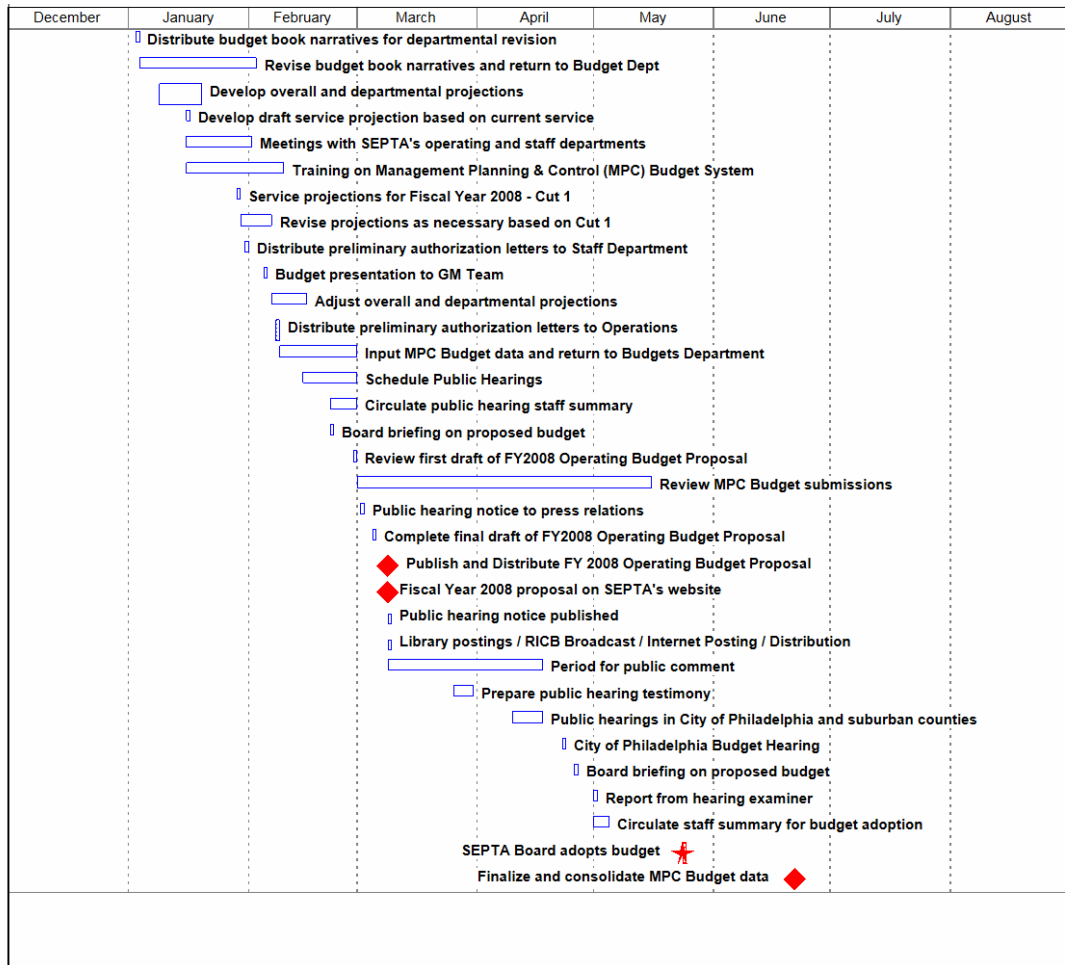
The hearing examiner evaluates the SEPTA staff proposal and public comments and issues a report to the Board in late April, which includes a recommendation on SEPTA's Operating Budget Proposal. The Board of Directors adopts a budget for the upcoming fiscal year at the regular May meeting on the fourth Thursday of the month.

Budget Amendment

Any subsequent amendments to the budget are handled in the same manner as the annual budget process. That is, budget amendments would be subject to the same three phases of the annual budget process: budget development, period for public comment and budget adoption.

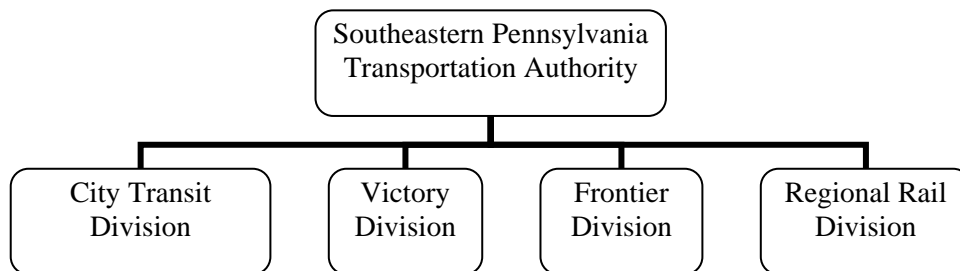
Annual Budget Process

Key Activities In The Budget Process



Organizational Structure

The Pennsylvania General Assembly established the Southeastern Pennsylvania Transportation Authority (SEPTA) on February 18, 1964 to provide public transit services for Bucks, Chester, Delaware, Montgomery and Philadelphia Counties. Over the years, SEPTA acquired the assets of several private transportation operators to form four operating divisions. This distinction permits the efficient implementation of various collective bargaining agreements and the computation of local subsidies. Although the revenue and costs are logically accounted for separately, the operating and staff departments exist in a matrix structure and function as a cohesive unit beneath the following four broad operating divisions:



City Transit Division

SEPTA acquired the assets of the former Philadelphia Transportation Company (PTC) in 1968 forming the current City Transit Division. The City Transit Division, which primarily serves the City of Philadelphia, operates 72 bus routes, 6 light rail lines and two subway-elevated lines.

Victory Division

The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware and Montgomery Counties. Also known colloquially as the Red Arrow Division, the Victory Division is comprised of 22 bus routes, two trolley lines and the Norristown High Speed Line.

Frontier Division

The Frontier Division consists of 21 bus routes serving Bucks and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

Regional Rail Division

The Regional Rail Division serves the City of Philadelphia, as well as Bucks, Chester, Delaware and Montgomery Counties, with service to Newark, Delaware and Trenton and West Trenton, New Jersey. The infrastructure and assets of the Regional Rail Division were previously operated by the Pennsylvania and Reading Railroads. These commuter rail lines were operated by Conrail from 1976 through 1982, and acquired by SEPTA in 1983.

Operating and Staff Departments

BOARD

SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware and Montgomery each appoint two members to the Board. The Pennsylvania Senate and House collectively appoint four members, and the Governor of Pennsylvania appoints one representative.

CORPORATE STAFF

Board Staff
Executive Staff
Office of the General Manager

OPERATIONS DIVISION

Administration
Bus Transportation
Control Center
Customized Community Transportation
Labor Relations
Rail Transportation
Vehicle Engineering and Maintenance

AUDIT AND INVESTIGATIVE SERVICES DIVISION

Internal Audit
Office of the Inspector General

BUSINESS SERVICES DIVISION

Customer Service
Information Technology
Procurement and Contracts
Real Estate
Small and Disadvantaged Business Utilization

ENGINEERING, MAINTENANCE AND CONSTRUCTION DIVISION

Capital Construction / Blue Line Structures / Quality Assurance and Quality Control
Engineering and Maintenance / Administration

Operating and Staff Departments

FINANCE AND PLANNING DIVISION

Accounting and Public Finance
Budgets & Capital and Long Range Planning / Operational Analysis
Revenue Operations
Revenue, Ridership, Marketing and Sales
Service Planning

HUMAN RESOURCES DIVISION

Employee Services
Equal Employment Opportunity / Affirmative Action
Human Resources Team
Recruitment and Talent Management
Training

LEGAL DIVISION

Corporate
Litigation

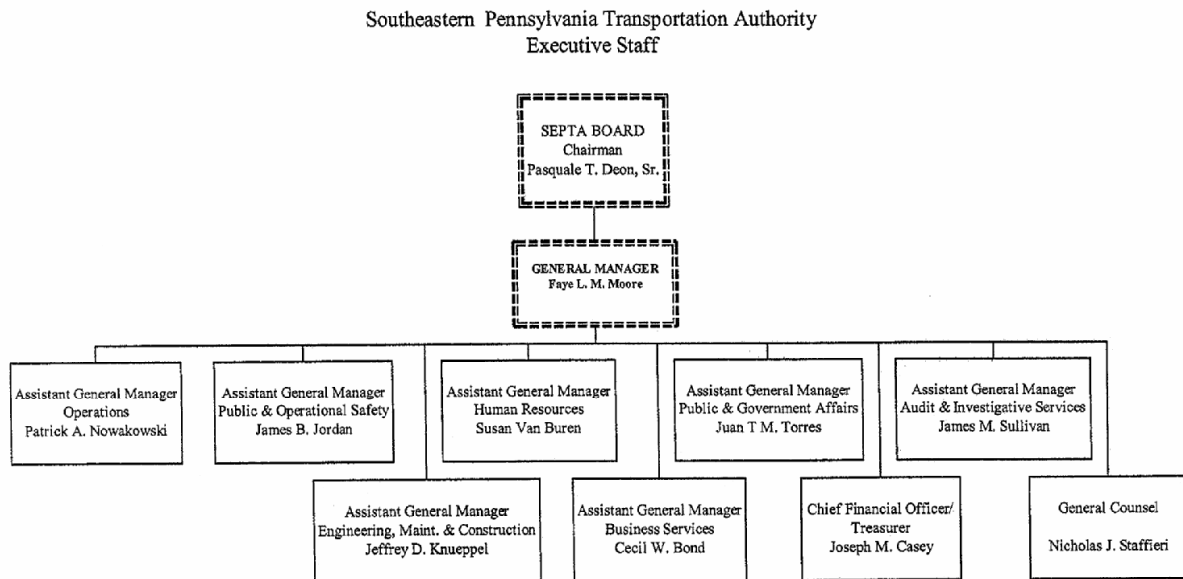
PUBLIC AND GOVERNMENT AFFAIRS DIVISION

Public Affairs – Administration/Communications
Public Affairs – Media Relations
Government Affairs – Region & Community
Government Affairs – State & Federal

PUBLIC AND OPERATIONAL SAFETY DIVISION

Administration / Records Management
Claims
Enterprise Risk Management
System Safety
Transit Police
Workers' Compensation

GM Team Organizational Chart



Faye L. M. Moore
General Manager

FY 2006 Actual, FY 2007 Actual, and FY 2008 Budget Consolidated

<u>Amounts in thousands ('000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Budget</u>	<u>FY 2008 versus FY 2007</u>
REVENUE				
Passenger Revenue	\$ 328,858	\$ 342,786	\$ 374,000	\$ 31,214
Senior Citizen Transit*	50,494	48,209	-	(48,209)
Shared Ride Program	18,312	19,192	18,800	(392)
Investment Income	3,222	6,804	5,500	(1,304)
Other Income	<u>25,595</u>	<u>26,735</u>	<u>26,543</u>	<u>(192)</u>
TOTAL OPERATING REVENUE	\$ 426,481	\$ 443,726	\$ 424,843	\$ (18,883)
EXPENSES				
Labor and Fringe Benefits	\$ 638,399	\$ 668,364	\$ 709,848	\$ 41,484
Materials and Services	187,113	190,946	189,919	(1,027)
Injuries & Damage Claims	34,000	34,000	34,000	-
Propulsion Power	21,403	30,098	30,944	846
Fuel	31,510	37,840	36,643	(1,197)
Vehicle and Facility Rentals	<u>2,170</u>	<u>2,104</u>	<u>2,185</u>	<u>81</u>
OPERATING EXPENSE	\$ 914,595	\$ 963,352	\$ 1,003,539	\$ 40,187
Depreciation/Contributed Capital	<u>\$ 19,310</u>	<u>\$ 21,794</u>	<u>\$ 18,737</u>	<u>\$ (3,057)</u>
TOTAL EXPENSES	\$ 933,905	\$ 985,146	\$ 1,022,276	\$ 37,130
DEFICIT BEFORE SUBSIDY	<u>\$ (507,424)</u>	<u>\$ (541,420)</u>	<u>\$ (597,433)</u>	<u>\$ (56,013)</u>
OPERATING SUBSIDY				
Federal	\$ 34,313	\$ 34,147	\$ 32,200	\$ (1,947)
State	227,683	232,841	496,296	263,455
Local	68,797	70,410	65,737	(4,673)
State/Local Asset Maintenance*	52,940	54,224	-	(54,224)
Lease Cost/Debt Service*	28,936	81,133	-	(81,133)
Other	2,907	3,402	3,200	(202)
Flexible Transportation Funds	<u>92,100</u>	<u>65,450</u>	<u>-</u>	<u>(65,450)</u>
TOTAL SUBSIDY	\$ 507,676	\$ 541,607	\$ 597,433	\$ 55,826
SURPLUS/(DEFICIT)	<u>\$ 252</u>	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ (187)</u>

*Eliminated as separate funding sources by Act 44 of 2007. These funds are now a part of the PA Public Transportation Trust Fund and are represented in FY2008 as State funds with required Local Match

FY 2006 Actual, FY 2007 Actual, and FY 2008 Budget

City Transit Division

<u>Amounts in thousands ('000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Budget</u>	<u>FY 2008 versus FY 2007</u>
REVENUE				
Passenger Revenue	\$ 211,354	\$ 220,606	240,416	\$ 19,810
Senior Citizen Transit*	45,442	43,107	-	(43,107)
Shared Ride Program	18,312	19,192	18,800	(392)
Investment Income	2,031	4,178	3,398	(780)
Other Income	<u>13,366</u>	<u>14,254</u>	<u>13,803</u>	<u>(451)</u>
TOTAL OPERATING REVENUE	\$ 290,505	\$ 301,337	\$ 276,417	\$ (24,920)
EXPENSES				
Labor and Fringe Benefits	\$ 436,152	\$ 456,129	\$ 490,910	\$ 34,781
Materials and Services	110,456	111,616	107,100	(4,516)
Injuries & Damage Claims	30,700	31,100	29,445	(1,655)
Propulsion Power	11,574	12,106	12,720	614
Fuel	25,863	30,925	29,630	(1,295)
Vehicle and Facility Rentals	<u>1,664</u>	<u>1,603</u>	<u>1,626</u>	<u>23</u>
OPERATING EXPENSE	\$ 616,409	\$ 643,479	\$ 671,431	\$ 27,952
Depreciation/Contributed Capital	<u>\$ 13,319</u>	<u>\$ 16,332</u>	<u>\$ 13,338</u>	<u>\$ (2,994)</u>
TOTAL EXPENSES	\$ 629,728	\$ 659,811	\$ 684,769	\$ 24,958
DEFICIT BEFORE SUBSIDY	<u>\$ (339,223)</u>	<u>\$ (358,474)</u>	<u>\$ (408,352)</u>	<u>\$ (49,878)</u>
OPERATING SUBSIDY				
Federal	\$ 22,907	\$ 22,978	\$ 21,262	\$ (1,716)
State	152,015	153,082	341,243	188,161
Local	45,933	46,292	44,978	(1,314)
State/Local Asset Maintenance*	35,346	35,649	-	(35,649)
Lease Cost/Debt Service*	20,665	56,947	-	(56,947)
Other	1,028	1,145	869	(276)
Flexible Transportation Funds	<u>61,495</u>	<u>42,503</u>	<u>-</u>	<u>(42,503)</u>
TOTAL SUBSIDY	\$ 339,389	\$ 358,596	\$ 408,352	\$ 49,756
SURPLUS/(DEFICIT)	<u>\$ 166</u>	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ (122)</u>

*Eliminated as separate funding sources by Act 44 of 2007. These funds are now a part of the PA Public Transportation Trust Fund and are represented in FY2008 as State funds with required Local Match

FY 2006 Actual, FY 2007 Actual, and FY 2008 Budget Victory Division

<u>Amounts in thousands ('000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Budget</u>	<u>FY 2008 versus FY 2007</u>
REVENUE				
Passenger Revenue	\$ 16,561	\$ 17,470	\$ 19,175	\$ 1,705
Senior Citizen Transit*	2,289	2,323	-	(2,323)
Shared Ride Program	-	-	-	-
Investment Income	201	398	325	(73)
Other Income	<u>1,766</u>	<u>1,935</u>	<u>1,805</u>	<u>(130)</u>
TOTAL OPERATING REVENUE	\$ 20,817	\$ 22,126	\$ 21,305	\$ (821)
EXPENSES				
Labor and Fringe Benefits	\$ 46,585	\$ 49,316	\$ 50,604	\$ 1,288
Materials and Services	14,143	14,721	14,929	208
Injuries & Damage Claims	2,250	2,200	2,137	(63)
Propulsion Power	1,074	1,182	1,180	(2)
Fuel	3,398	4,278	4,236	(42)
Vehicle and Facility Rentals	<u>99</u>	<u>103</u>	<u>113</u>	<u>10</u>
OPERATING EXPENSE	\$ 67,549	\$ 71,800	\$ 73,199	\$ 1,399
Depreciation/Contributed Capital	<u>\$ 218</u>	<u>\$ 212</u>	<u>\$ 214</u>	<u>\$ 2</u>
TOTAL EXPENSES	\$ 67,767	\$ 72,012	\$ 73,413	\$ 1,401
DEFICIT BEFORE SUBSIDY	<u>\$ (46,950)</u>	<u>\$ (49,886)</u>	<u>\$ (52,108)</u>	<u>\$ (2,222)</u>
OPERATING SUBSIDY				
Federal	\$ 3,353	\$ 3,334	\$ 3,140	\$ (194)
State	22,229	23,018	42,800	19,782
Local	6,717	6,961	6,063	(898)
State/Local Asset Maintenance*	5,168	5,360	-	(5,360)
Lease Cost/Debt Service*	409	4,602	-	(4,602)
Other	108	115	105	(10)
Flexible Transportation Funds	<u>8,989</u>	<u>6,512</u>	<u>-</u>	<u>(6,512)</u>
TOTAL SUBSIDY	\$ 46,973	\$ 49,902	\$ 52,108	\$ 2,206
SURPLUS/(DEFICIT)	<u>\$ 23</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ (16)</u>

*Eliminated as separate funding sources by Act 44 of 2007. These funds are now a part of the PA Public Transportation Trust Fund and are represented in FY2008 as State funds with required Local Match

FY 2006 Actual, FY 2007 Actual, and FY 2008 Budget

Frontier Division

<u>Amounts in thousands ('000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Budget</u>	<u>FY 2008 versus FY 2007</u>
REVENUE				
Passenger Revenue	\$ 3,921	\$ 4,265	\$ 4,646	\$ 381
Senior Citizen Transit*	625	634	-	(634)
Shared Ride Program	-	-	-	-
Investment Income	52	102	88	(14)
Other Income	<u>410</u>	<u>479</u>	<u>424</u>	<u>(55)</u>
TOTAL OPERATING REVENUE	\$ 5,008	\$ 5,480	\$ 5,158	\$ (322)
EXPENSES				
Labor and Fringe Benefits	\$ 14,998	\$ 16,246	\$ 17,296	\$ 1,050
Materials and Services	1,968	2,473	2,250	(223)
Injuries & Damage Claims	950	700	487	(213)
Propulsion Power	-	-	-	-
Fuel	2,249	2,637	2,569	(68)
Vehicle and Facility Rentals	<u>30</u>	<u>31</u>	<u>37</u>	<u>6</u>
OPERATING EXPENSE	\$ 20,195	\$ 22,087	\$ 22,639	\$ 552
Depreciation/Contributed Capital	<u>\$ 41</u>	<u>\$ 40</u>	<u>\$ 42</u>	<u>\$ 2</u>
TOTAL EXPENSES	\$ 20,236	\$ 22,127	\$ 22,681	\$ 554
DEFICIT BEFORE SUBSIDY	<u>\$ (15,228)</u>	<u>\$ (16,647)</u>	<u>\$ (17,523)</u>	<u>\$ (876)</u>
OPERATING SUBSIDY				
Federal	\$ 1,027	\$ 1,186	\$ 1,030	\$ (156)
State	6,826	7,287	13,707	6,420
Local	2,062	2,203	1,970	(233)
State/Local Asset Maintenance*	1,587	1,697	-	(1,697)
Lease Cost/Debt Service*	135	1,284	-	(1,284)
Other	837	1,065	816	(249)
Flexible Transportation Funds	<u>2,763</u>	<u>1,931</u>	<u>-</u>	<u>(1,931)</u>
TOTAL SUBSIDY	\$ 15,237	\$ 16,653	\$ 17,523	\$ 870
SURPLUS/(DEFICIT)	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ (6)</u>

*Eliminated as separate funding sources by Act 44 of 2007. These funds are now a part of the PA Public Transportation Trust Fund and are represented in FY2008 as State funds with required Local Match

FY 2006 Actual, FY 2007 Actual, and FY 2008 Budget Railroad Division

<u>Amounts in thousands ('000)</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Budget</u>	<u>FY 2008 versus FY 2007</u>
REVENUE				
Passenger Revenue	\$ 97,022	\$ 100,445	\$ 109,763	\$ 9,318
Senior Citizen Transit*	2,138	2,145	-	(2,145)
Shared Ride Program	-	-	-	-
Investment Income	938	2,126	1,689	(437)
Other Income	<u>10,053</u>	<u>10,067</u>	<u>10,511</u>	<u>444</u>
TOTAL OPERATING REVENUE	\$ 110,151	\$ 114,783	\$ 121,963	\$ 7,180
EXPENSES				
Labor and Fringe Benefits	\$ 140,664	\$ 146,673	\$ 151,038	\$ 4,365
Materials and Services	60,546	62,136	65,640	3,504
Injuries & Damage Claims	100	-	1,931	1,931
Propulsion Power	8,755	16,810	17,044	234
Fuel	-	-	208	208
Vehicle and Facility Rentals	<u>377</u>	<u>367</u>	<u>409</u>	<u>42</u>
OPERATING EXPENSE	\$ 210,442	\$ 225,986	\$ 236,270	\$ 10,284
Depreciation/Contributed Capital	<u>\$ 5,732</u>	<u>\$ 5,210</u>	<u>\$ 5,143</u>	<u>\$ (67)</u>
TOTAL EXPENSES	\$ 216,174	\$ 231,196	\$ 241,413	\$ 10,217
DEFICIT BEFORE SUBSIDY	<u>\$ (106,023)</u>	<u>\$ (116,413)</u>	<u>\$ (119,450)</u>	<u>\$ (3,037)</u>
OPERATING SUBSIDY				
Federal	\$ 7,026	\$ 6,649	\$ 6,768	\$ 119
State	46,613	49,454	98,546	49,092
Local	14,085	14,954	12,726	(2,228)
State/Local Asset Maintenance*	10,839	11,518	-	(11,518)
Lease Cost/Debt Service*	7,727	18,300	-	(18,300)
Other	934	1,077	1,410	333
Flexible Transportation Funds	<u>18,853</u>	<u>14,504</u>	<u>-</u>	<u>(14,504)</u>
TOTAL SUBSIDY	\$ 106,077	\$ 116,456	\$ 119,450	\$ 2,994
SURPLUS/(DEFICIT)	<u>\$ 54</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ (43)</u>

*Eliminated as separate funding sources by Act 44 of 2007. These funds are now a part of the PA Public Transportation Trust Fund and are represented in FY2008 as State funds with required Local Match

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Financial Projections

With the passage of Act 44 of 2007, the Commonwealth of Pennsylvania created the Public Transportation Trust Fund. This legislation effectively ended years of uncertainty with regard to SEPTA's operating subsidy. The growth potential of the new funding allows SEPTA to project balanced budgets for the foreseeable future.

Forecast Assumptions By Category:

Passenger Revenue	The revenue growth for Fiscal 2008 assumes nominal gains in ridership and an average fare increase of 11% effective July 2007. An additional inflationary fare increase is projected for Fiscal 2011.
Other Revenue	This revenue category is forecast to grow by approximately 10% over the five-year period. Income from advertising, parking lot fees and right-of-way leasing for fiber optics is reflected here. Investment income is also included in this category.
Expenses	<p>Labor costs assume wage increases based on pattern negotiations for all bargaining units at SEPTA. Due to historical trends and recent market pressures, medical and other fringe benefit costs are forecast to rise at a rate significantly higher than that of general inflation.</p> <p>The Other Expense categories anticipate nominal price inflation, including third party supplier's increases. Fuel and utility costs are market driven and an allowance has been made for price volatility after Fiscal Year 2008.</p>
Subsidy	The subsidy categories reflect the anticipated growth potential of the Public Transportation Trust Fund.

Financial Projections

Consolidated Budget

<u>Amounts in thousands ('000)</u>	<u>FY 2008 Budget</u>	<u>FY 2009 Projection</u>	<u>FY 2010 Projection</u>	<u>FY 2011 Projection</u>	<u>FY 2012 Projection</u>	<u>FY 2013 Projection</u>
REVENUE						
Passenger Revenue	\$ 374,000	\$ 377,740	\$ 381,517	\$ 420,332	\$ 424,535	\$ 428,780
Shared Ride Revenue	18,800	19,176	19,560	19,951	20,350	20,757
Other / Investment Income	<u>32,043</u>	<u>32,684</u>	<u>33,338</u>	<u>34,005</u>	<u>34,685</u>	<u>35,379</u>
TOTAL OPERATING REVENUE	\$ 424,843	\$ 429,600	\$ 434,415	\$ 474,288	\$ 479,570	\$ 484,916
EXPENSES						
Labor	\$ 458,396	\$ 472,148	\$ 486,312	\$ 500,901	\$ 515,928	\$ 531,406
Fringe Benefits	251,452	272,000	291,600	312,900	336,000	361,100
Materials and Services	189,919	196,566	203,432	210,540	217,893	225,507
Injuries & Damage Claims	34,000	34,000	34,000	34,000	34,000	34,000
Propulsion Power	30,944	31,110	32,043	33,005	33,995	35,015
Fuel	36,643	39,208	40,580	42,000	43,470	44,991
Other Expenses	<u>20,922</u>	<u>21,550</u>	<u>22,197</u>	<u>22,863</u>	<u>23,549</u>	<u>24,255</u>
TOTAL EXPENSES	\$ 1,022,276	\$ 1,066,582	\$ 1,110,164	\$ 1,156,209	\$ 1,204,835	\$ 1,256,274
DEFICIT BEFORE SUBSIDY	<u>\$ (597,433)</u>	<u>\$ (636,982)</u>	<u>\$ (675,749)</u>	<u>\$ (681,921)</u>	<u>\$ (725,265)</u>	<u>\$ (771,358)</u>
OPERATING SUBSIDY						
Federal	\$ 32,200	\$ 32,200	\$ 32,200	\$ 32,200	\$ 32,200	\$ 32,200
State	496,296	530,791	564,621	570,127	607,902	647,984
Local	65,737	70,791	75,728	76,394	81,963	87,974
Other	3,200	3,200	3,200	3,200	3,200	3,200
TOTAL SUBSIDY	\$ 597,433	\$ 636,982	\$ 675,749	\$ 681,921	\$ 725,265	\$ 771,358
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Revenue Assumptions

Passenger Revenue

The Fiscal Year 2008 Operating Budget includes passenger revenue of \$374 million. This amount includes an average 11% fare increase that became effective in July, 2007.

Shared Ride Program

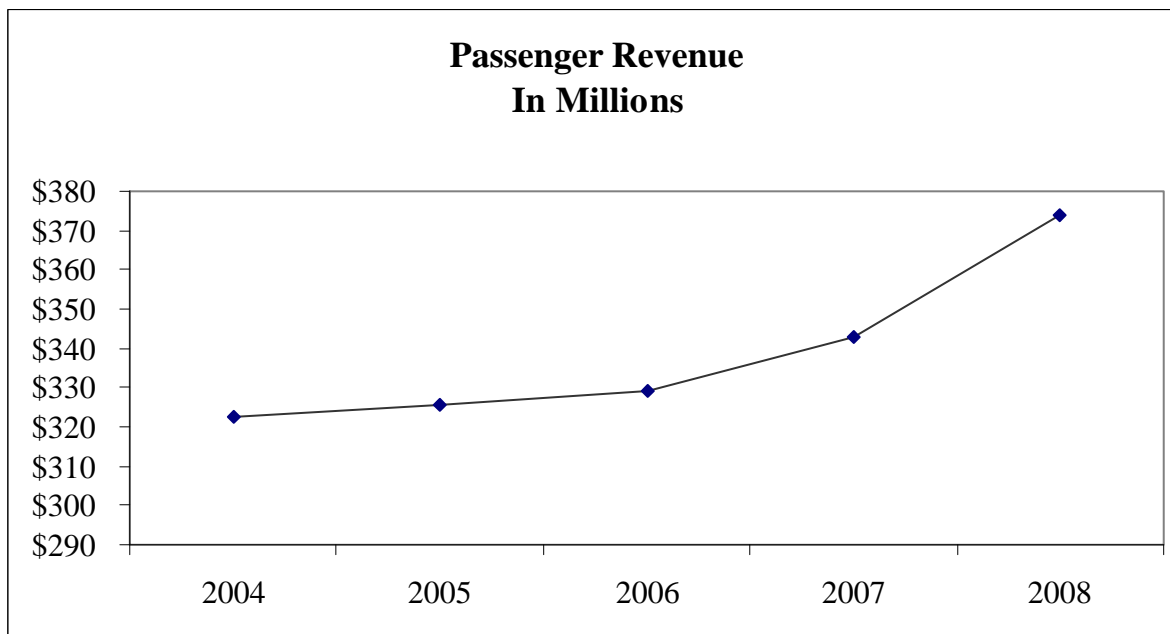
SEPTA assumed responsibility for the operation of the state funded Shared Ride Program in the City of Philadelphia during Fiscal Year 1993. This year, the program is budgeted at \$18.8 million. It is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging, and Shared Ride fares.

Other

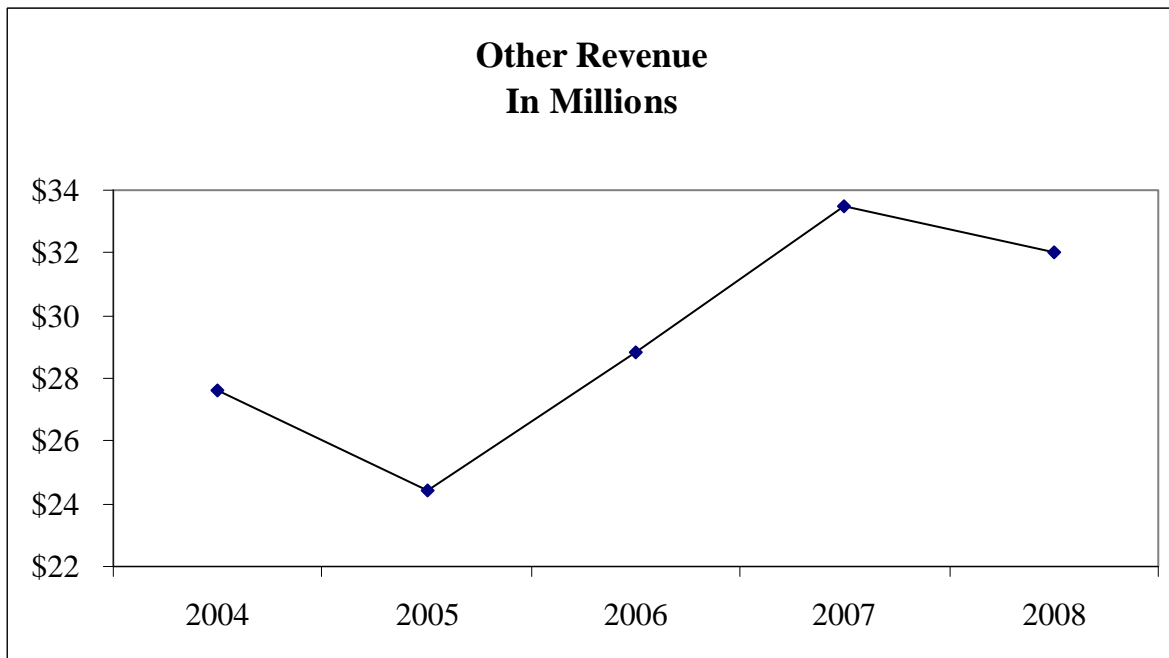
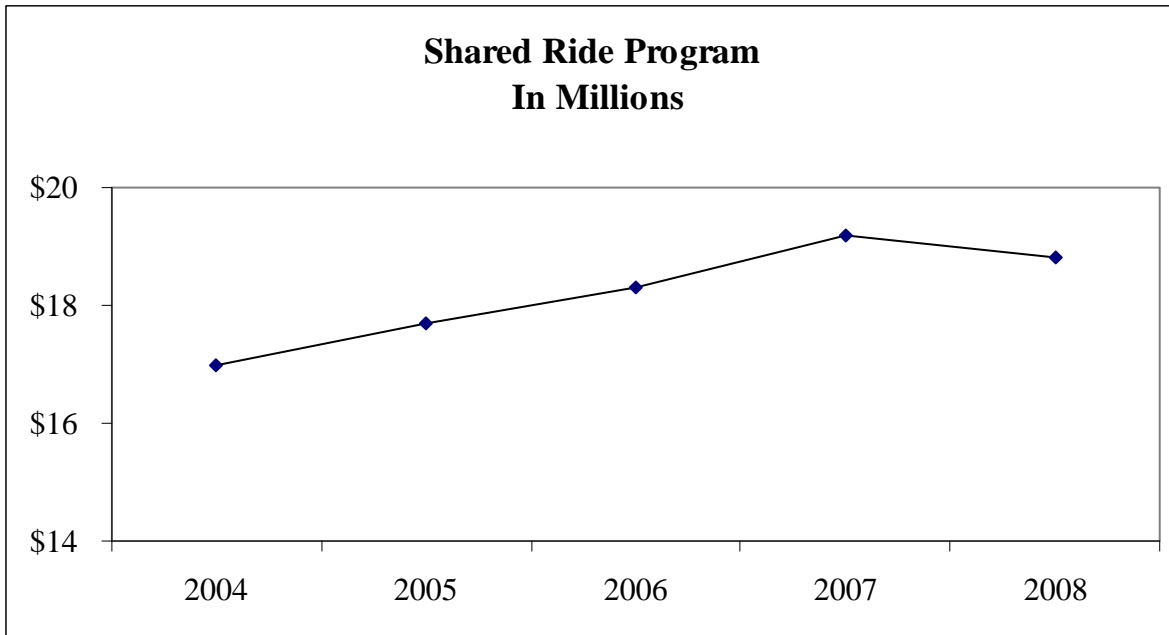
Other Revenue includes real estate lease income, parking lot fees and advertising income. Total projected revenue for this category is \$26.5 million, including \$5.5 million of investment income.

The Authority analyzes a number of factors that affect the Operating Revenue budget. This includes an examination of national, state and local demographic, economic, travel and development trends. In addition, SEPTA evaluates current and potential service levels and other factors affecting ridership and revenue levels. Finally, the Authority considers historical trends in major revenue categories, as illustrated in the following charts.

Revenue Trends At A Glance

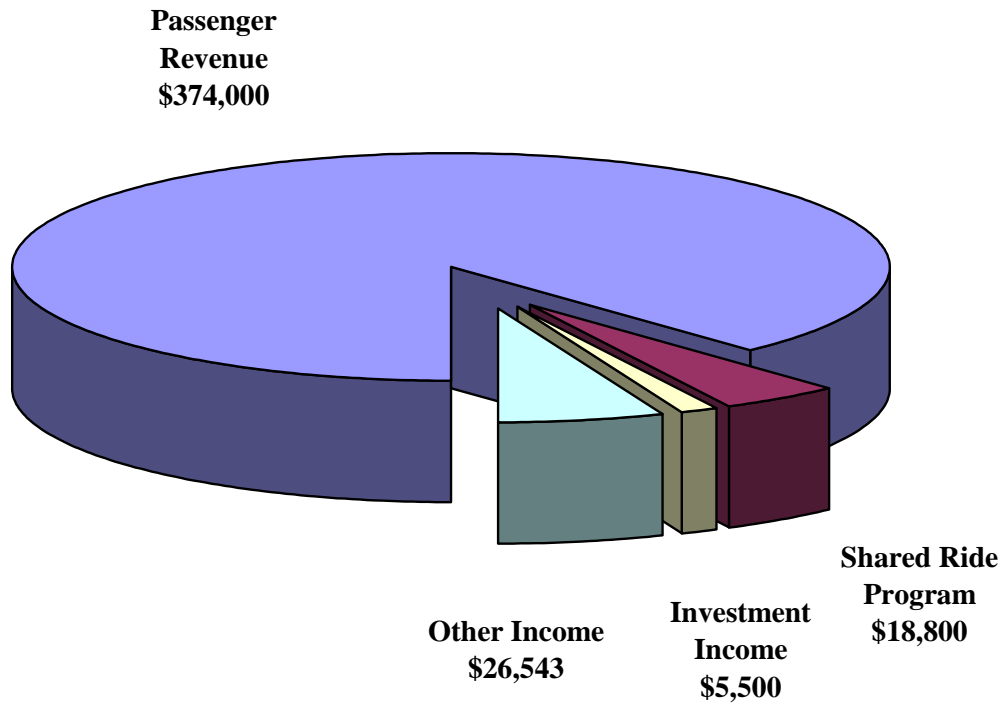


Revenue Assumptions



SUMMARY OF OPERATING REVENUE

(DOLLARS IN THOUSANDS)



TOTAL OPERATING REVENUE = \$424,843

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Operating Subsidy Assumptions

Introduction

Total subsidies in the Fiscal Year 2008 Operating Budget Proposal represent \$597.4 million and include the following categories: Federal, State, Local and Other.

Subsidy By Category

Federal - The Federal Government's role in providing operating assistance has steadily declined. In Fiscal Year 1980, Federal Subsidy covered 18.8% of SEPTA's operating expenses. For Fiscal Year 2008, the total Federal Operating Subsidy covers only 3.1% of the total proposed operating expenses. The source of this subsidy is Federal Preventive Maintenance in the amount of \$32.2 million, which is made available for the current operating budget from SEPTA's Section 5307 Capital Grant (formerly FTA Section 9). This funding is available as a result of foregoing or delaying capital improvements.

State - State Operating Subsidy has played an increasingly important role in supporting the Authority's operation. On July 18, 2007, Act 44 of 2007 was signed into law by Governor Rendell. This legislation created the Pennsylvania Public Transportation Trust Fund which provides SEPTA with dedicated annual funding for operating with growth potential. SEPTA's total state subsidy for Fiscal Year 2008 is \$496.3 million.

Local - The local operating subsidy amount is budgeted at the level of 15% of the operating assistance portion of the Trust Fund grant. This is the requirement for SEPTA to receive the full amount from this state grant.

The local subsidy requirement for each of SEPTA's funded divisions (City Transit, Victory, Frontier, and Regional Rail) is determined by the relative deficits before subsidy in each division as adjusted for Route Guarantee and Debt Service payments.

Within each funded division, the percentage of the local subsidy required from each county is shown in the table below:

<u>Local Operating Subsidy by County</u>				
	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Regional Rail</u>
Bucks	0.27%	0.00%	37.00%	5.90%
Chester	0.00%	2.00%	17.00%	4.30%
Delaware	0.00%	86.00%	0.00%	8.80%
Montgomery	0.25%	12.00%	46.00%	11.00%
Philadelphia	99.48%	0.00%	0.00%	70.00%
Total	100.00%	100.00%	100.00%	100.00%

Operating Subsidy Assumptions

In addition, the operating budget makes an allowance within the standard formula above to properly accommodate the four county utilization of SEPTA's Suburban Paratransit operated out of the Victory Division. A usage-based allocation formula has been established within the Victory Division for suburban county ADA service. Each suburban county is billed based on the actual ADA Paratransit service used; the prospective utilization for Fiscal Year 2008 is as follows:

<u>Suburban Paratransit Subsidy</u> <u>Percentage by County</u>	
Bucks	8.75%
Chester	7.25%
Delaware	54.50%
Montgomery	29.50%
<hr/>	
Total	100%

The City of Philadelphia also provides local match for the ADA Paratransit services within the City Transit Division match formula shown on the previous page.

Lease Cost / Debt Service – This represents subsidy provided by the Commonwealth of Pennsylvania for capital lease costs and debt service. SEPTA's debt service expenses and most lease costs are funded through the Asset Improvement program of the Pennsylvania Public Transportation Trust Fund which requires no local match. The remaining portion is funded through carryover Act 26 capital subsidy which requires a local match at a 1:29 ratio.

Route Guarantee - Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2008 Route Guarantee Subsidy includes a University City partnership, which continues the "LUCY" circulator for Fiscal Year 2008.

Montgomery County's Horsham Breeze continues to provide service to key businesses. In the Frontier Division, a funding agreement with Montgomery County provides expanded evening and Sunday hours and additional peak service on Routes 94, 96, 132 and 134. The Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001, and it represented the restructuring of six routes and the inauguration of two new services with funding provided through a separate funding agreement with the County. Routes 127, 128, 129 and 130 are guaranteed under this agreement. Victory Division operates the Route 314 bus in Chester County.

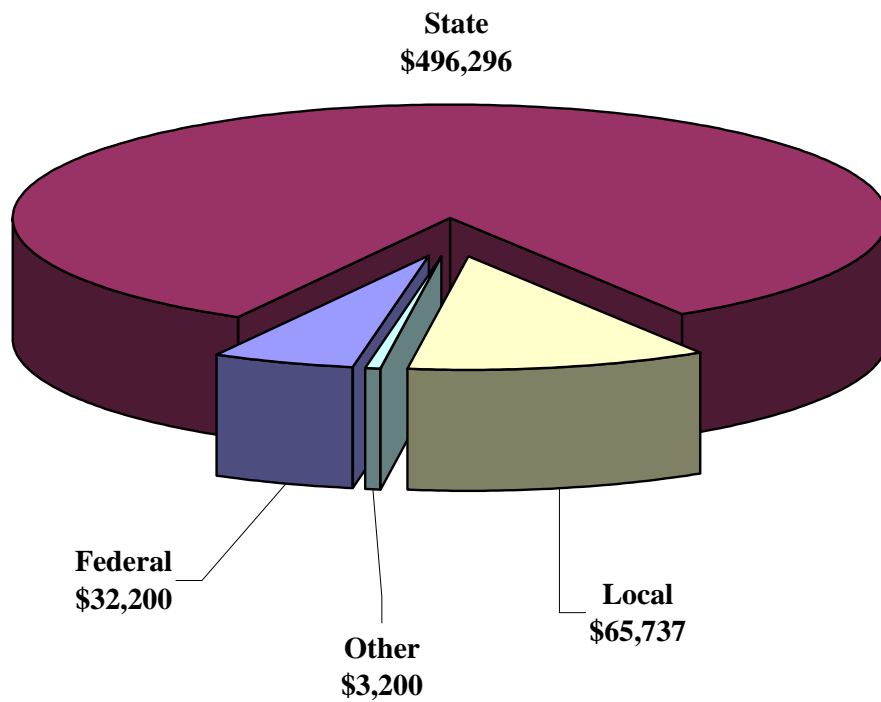
An agreement with the Delaware Transit Corporation provides for railroad service to Wilmington and Newark, Delaware.

Fiscal 2008 Operating Budget

Consolidated Detail of Subsidies

<u>Amounts in thousands ('000)</u>	<u>FY 2008 Budget</u>
Source of Subsidy - Detail:	
Federal Preventive Maintenance (Federal Transit)	\$ 32,200
State Operating Subsidy - PA Public Transportation Trust Fund	437,715
Local Match - PA Public Transportation Trust Fund	65,657
Lease Cost - PA Public Transportation Trust Fund	24,097
State Lease Cost - Act 26	2,331
Local Match - Lease Cost Act 26	80
Debt Service - PA Public Transportation Trust Fund	32,153
Route Guarantees	<u>3,200</u>
TOTAL SUBSIDIES	<u>\$ 597,433</u>
 Summary By Type of Subsidy:	
Federal	\$ 32,200
State	496,296
Local	65,737
Other	<u>3,200</u>
TOTAL SUBSIDIES	<u>\$ 597,433</u>

Summary of Operating Subsidies
(Dollars in Thousands)



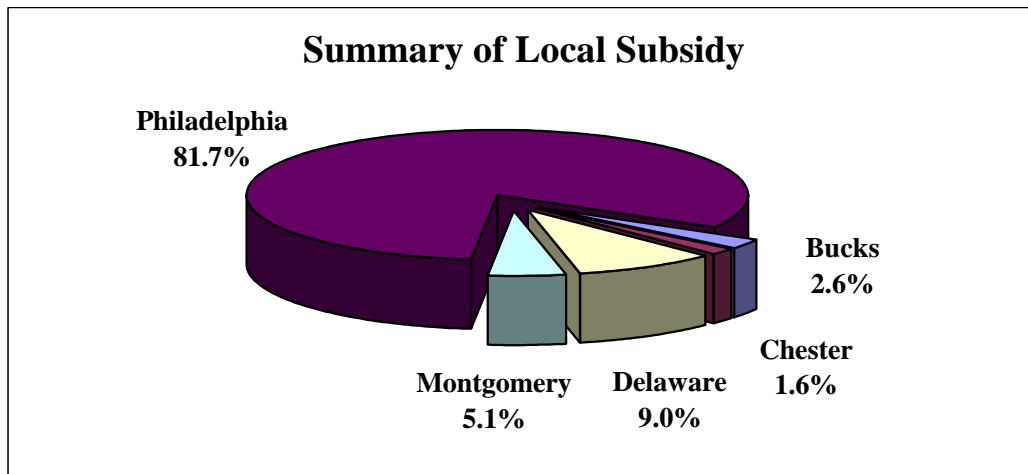
Total Operating Subsidies = \$597,433

Local Operating Subsidies

<u>Amounts in thousands ('000)</u>	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Railroad</u>	<u>Total SEPTA</u>
Base PA Trust Fund Local Match					
Bucks	\$ 121	\$ -	\$ 728	\$ 750	\$ 1,599
Chester	-	96	335	546	977
Delaware	-	4,143	-	1,118	5,261
Montgomery	112	579	905	1,397	2,993
Philadelphia	44,696	-	-	8,893	53,589
Subtotal	\$ 44,929	\$ 4,818	\$ 1,968	\$ 12,704	\$ 64,419
Suburban Paratransit Local Match					
Bucks	\$ -	\$ 108	\$ -	\$ -	\$ 108
Chester	-	90	-	-	90
Delaware	-	675	-	-	675
Montgomery	-	365	-	-	365
Philadelphia	-	-	-	-	-
Subtotal	\$ -	\$ 1,238	\$ -	\$ -	\$ 1,238
Total Trust Fund Local Subsidy					
Bucks	\$ 121	\$ 108	\$ 728	\$ 750	\$ 1,707
Chester	-	186	335	546	1,067
Delaware	-	4,818	-	1,118	5,936
Montgomery	112	944	905	1,397	3,358
Philadelphia	44,696	-	-	8,893	53,589
Total Trust Fund Local Subsidy	\$ 44,929	\$ 6,056	\$ 1,968	\$ 12,704	\$ 65,657
Local Lease Cost Subsidy					
Bucks	\$ -	\$ -	\$ 1	\$ 1	\$ 2
Chester	-	-	-	1	1
Delaware	-	6	-	2	8
Montgomery	-	2	1	2	5
Philadelphia	49	-	-	15	64
Local Lease Cost Subsidy	\$ 49	\$ 8	\$ 2	\$ 21	\$ 80

Total Local Subsidy

<u>Amounts in thousands ('000)</u>	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Railroad</u>	<u>Total SEPTA</u>
Total Local Subsidy					
Bucks	\$ 121	\$ 108	\$ 729	\$ 751	\$ 1,709
Chester	-	186	335	547	1,068
Delaware	-	4,824	-	1,120	5,944
Montgomery	112	945	906	1,400	3,363
Philadelphia	44,745	-	-	8,908	53,653
Total Local Subsidy	\$ 44,978	\$ 6,063	\$ 1,970	\$ 12,726	\$ 65,737



The total local subsidy required for the Fiscal 2008 Operating Budget is comprised of the following:

Total Trust Fund Local Subsidy (15%)	\$ 65,657
Lease Cost Subsidy Local Match (1:29)	80
Total Local Subsidy Required	<u>\$ 65,737</u>

Expense Assumptions

LABOR & BENEFITS

The Fiscal Year 2008 Operating Budget reflects the provisions of negotiated labor contracts and increases in the costs of healthcare and prescription drug coverage, along with employee contributions to healthcare costs.

SEPTA's net labor cost includes a credit for an FTA approved method of allocating labor expense from the operating to the capital budget for costs associated with advancing capital projects.

MATERIALS & SERVICES

Materials & Services (M&S) includes replacement parts for fleet and warehouse inventory as well as various services including utilities, snow removal and Amtrak trackage rights.

CLAIMS

Claims expense includes self-insured claims payouts and reserve adjustments.

PROPULSION POWER

Revenue vehicle propulsion power expense is calculated based on estimated kilowatt-hour usage and scheduled rates.

FUEL

Diesel fuel expense is based on budgeted miles of vehicle operation, projected miles per gallon consumption and anticipated fuel prices.

RENTAL EXPENSE

Rental expense covers all operating lease rentals due for fixed facilities, including departmental rents and short-term non-revenue vehicle and equipment leases.

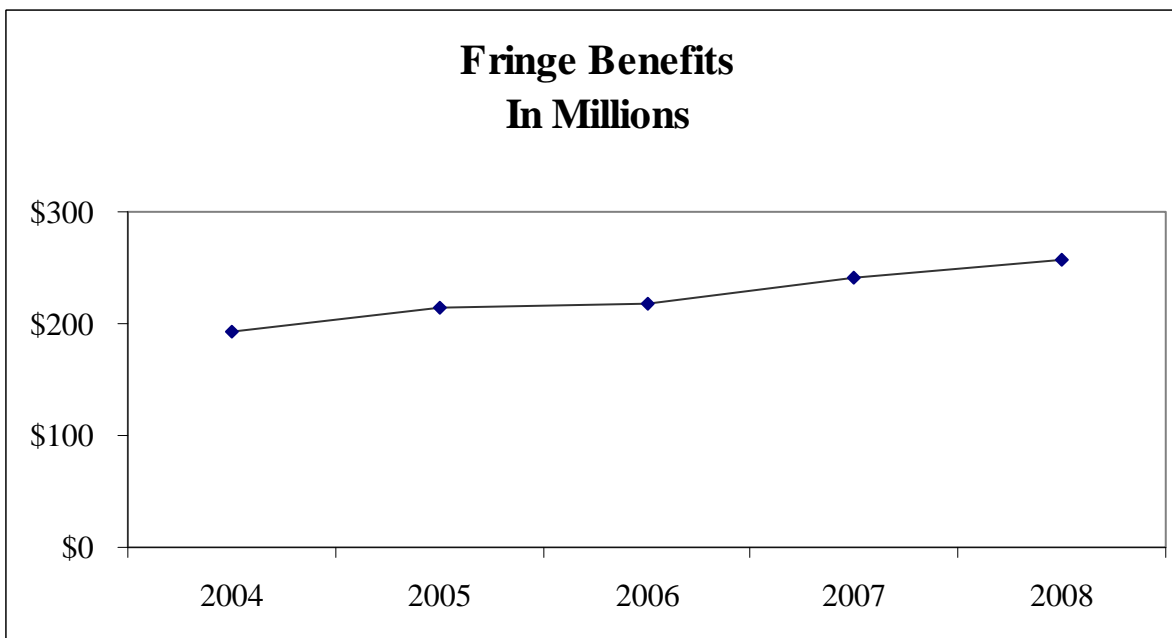
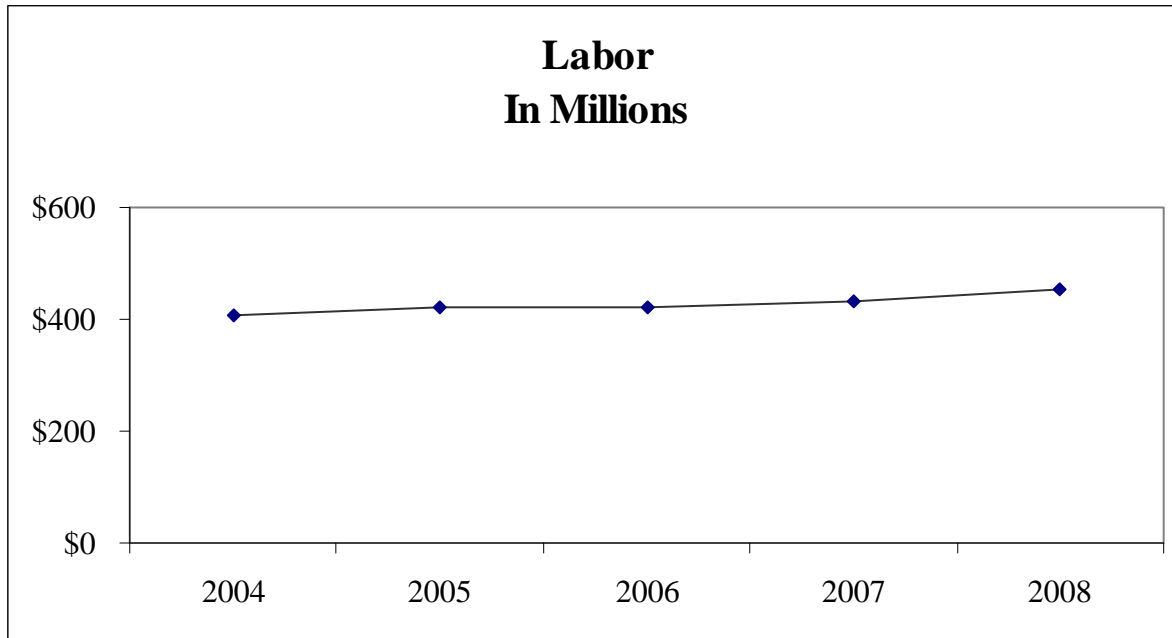
DEPRECIATION

Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital.

Expense Assumptions

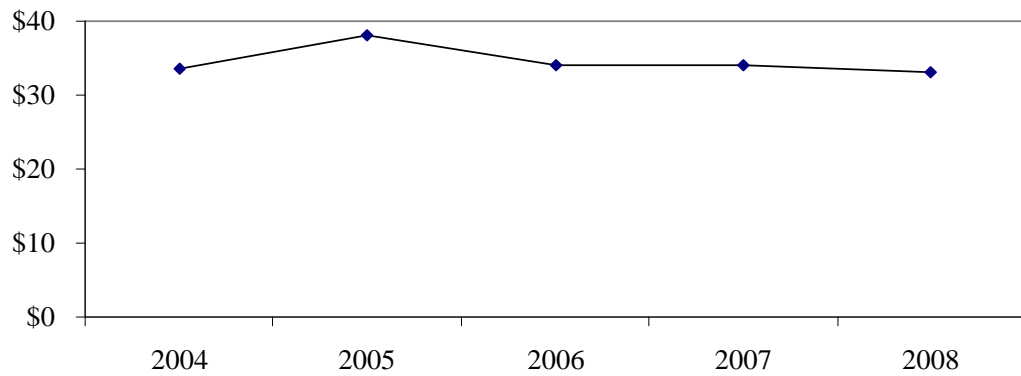
In developing the Operating Budget, the Authority considers issues that affect both the individual area of expense as well as national, state and local economic conditions. In addition, SEPTA focuses on historical trends in major expense categories, as illustrated in the following charts.

Expense Trends At A Glance

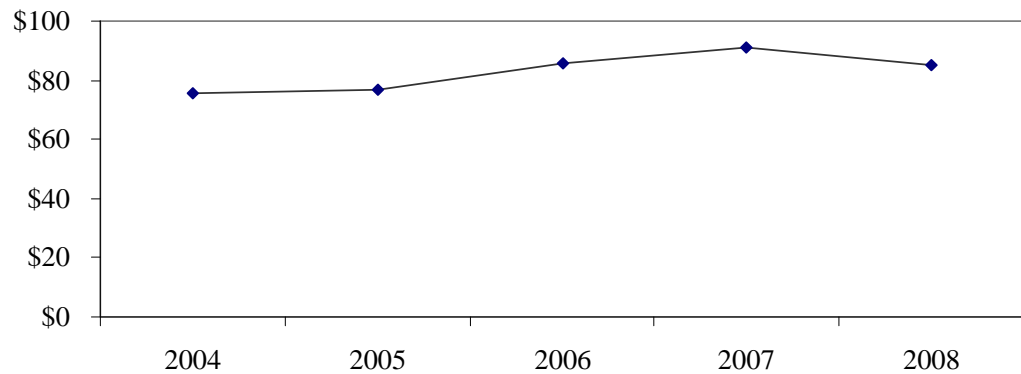


Expense Assumptions

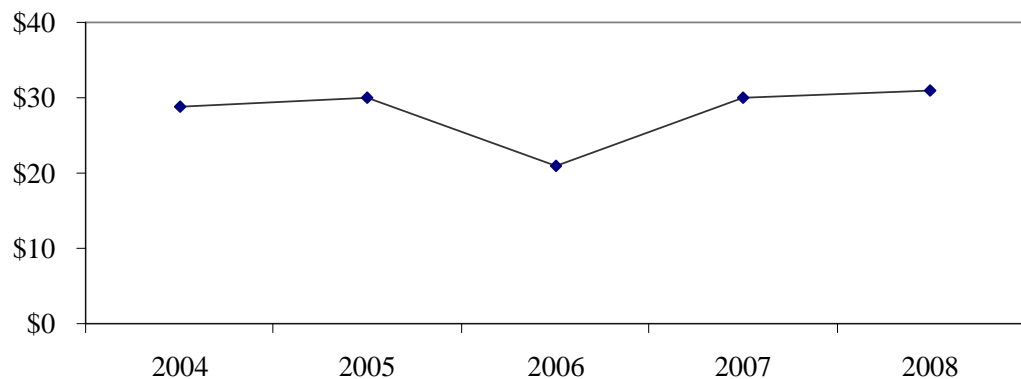
**Injuries & Damage Claims
In Millions**



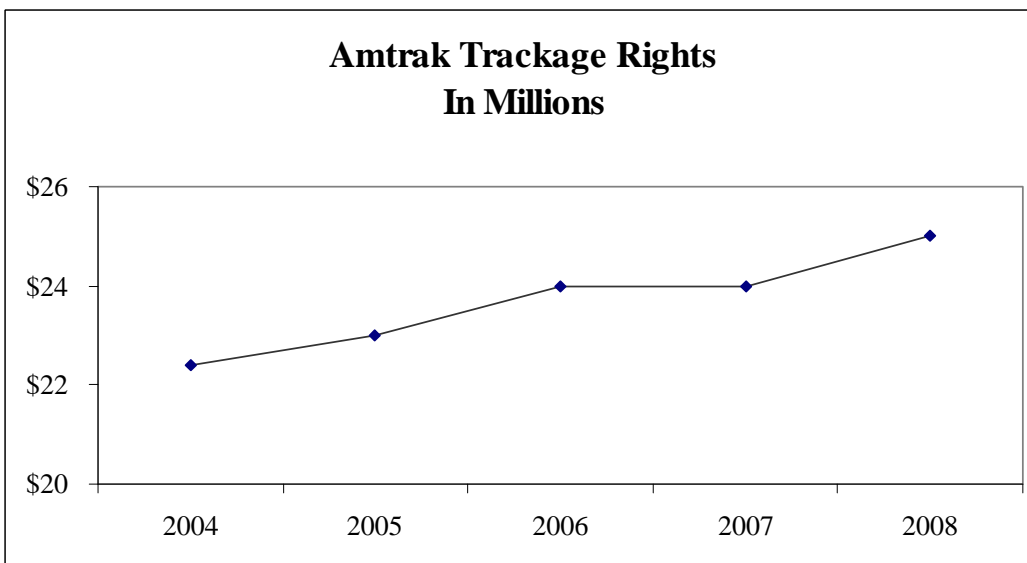
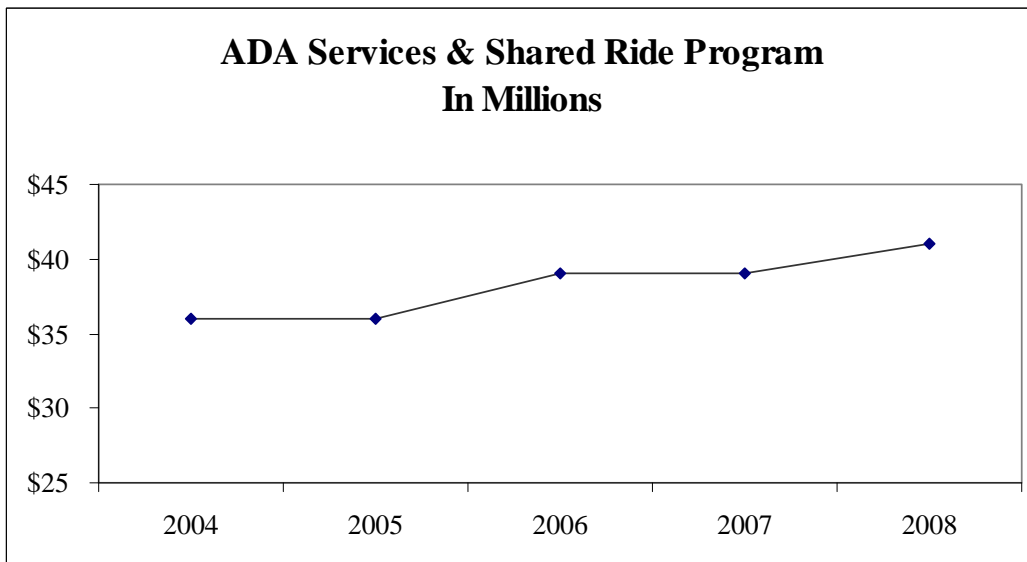
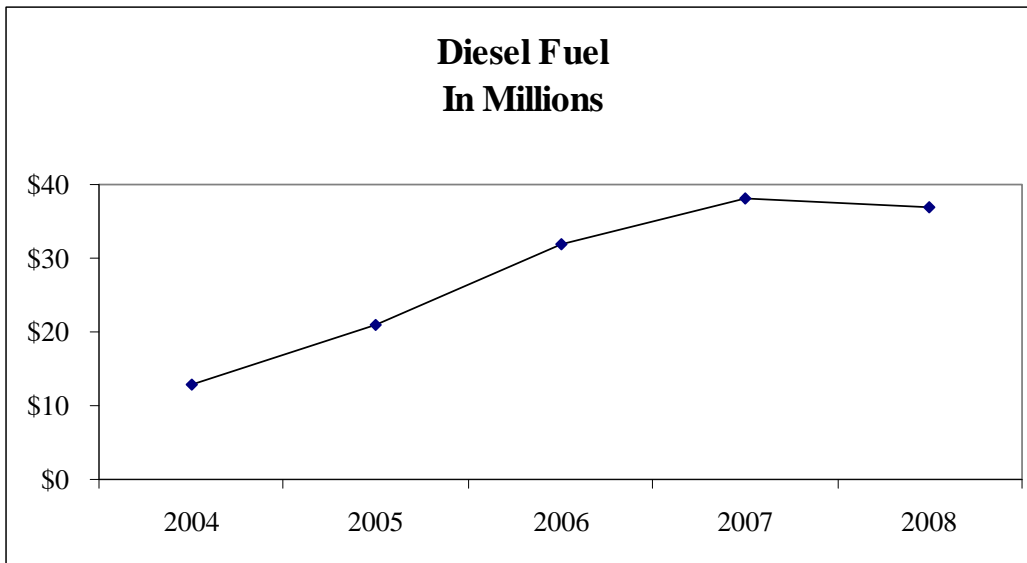
**Materials & Services
In Millions**



**Propulsion Power
In Millions**

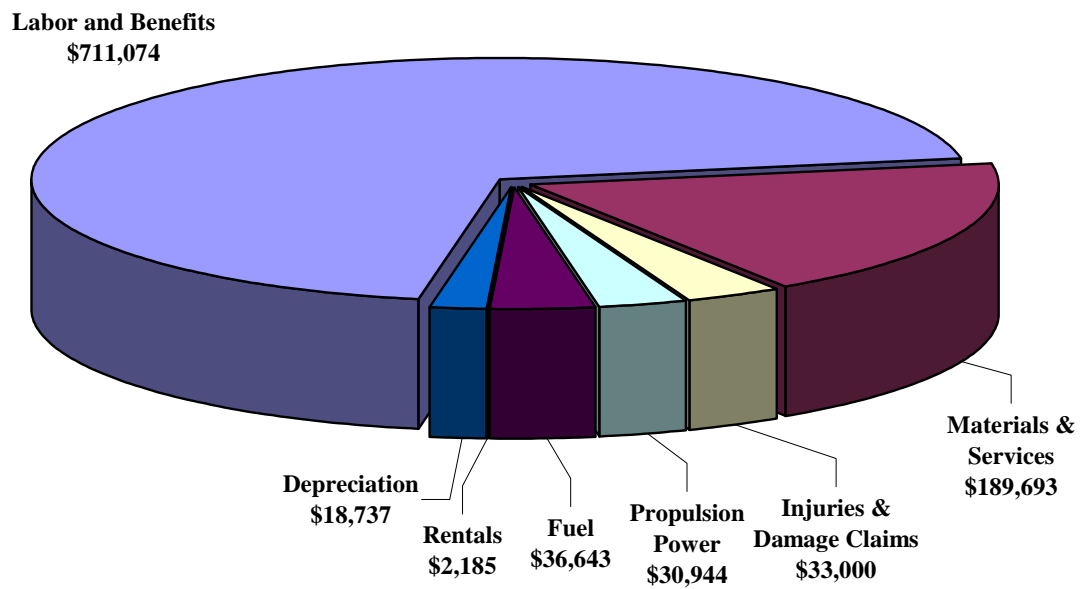


Expense Assumptions



SUMMARY OF TOTAL EXPENSES

(DOLLARS IN THOUSANDS)



TOTAL EXPENSES = \$1,022,276

Detail of Expenses – Fiscal 2008 Budget

Amounts in Thousands ('000)	Net Labor	Material & Services	Total
DEPARTMENTAL EXPENSES			
Operations Division			
Administration	\$ 1,242	\$ 20	\$ 1,262
Bus Transportation	123,562	350	123,912
Control Center	6,502	683	7,185
Customized Community Transportation (CCT)	5,889	2,357	8,246
Labor Relations	980	346	1,326
Rail Transportation	118,098	13,035	131,133
Vehicle Engineering and Maintenance	88,682	32,393	121,075
Total Operations	\$ 344,955	\$ 49,184	\$ 394,139
Staff Departments			
Corporate Staff	\$ 2,165	\$ 248	\$ 2,413
Audit and Investigative Services	1,345	160	1,505
Business Services	16,896	8,386	25,282
Engineering, Maintenance and Construction	53,147	12,009	65,156
Finance	20,495	6,923	27,418
Human Resources	10,012	801	10,813
Legal	3,948	7,140	11,088
Public and Government Affairs	2,162	1,741	3,903
Public and Operational Safety	18,458	630	19,088
Capital Allocation, Rentals, and Fuel included below	(15,187)	(1,959)	(17,146)
Headquarters Allocation	-	-	-
Total Staff Departments	\$ 113,441	\$ 36,079	\$ 149,520
TOTAL DEPARTMENTAL EXPENSES	\$ 458,396	\$ 85,263	\$ 543,659
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	\$ 251,452	\$ -	\$ 251,452
Amtrak	-	24,712	24,712
CCT - ADA Services	-	21,272	21,272
CCT - Shared Ride Program	-	19,288	19,288
Debt Service Interest and Fees	-	18,871	18,871
Property and Corporate Insurance	-	2,753	2,753
Services for 1234 Market Street	-	4,305	4,305
Snow Removal	-	2,300	2,300
Utilities	-	16,200	16,200
Capitalized/Other Costs	-	(5,045)	(5,045)
Headquarters Allocation	-	-	-
TOTAL NON-DEPARTMENTAL EXPENSES	\$ 251,452	\$ 104,656	\$ 356,108
OTHER OPERATING EXPENSES			
Injuries & Damage Claims	\$ -	\$ 34,000	\$ 34,000
Propulsion Power	-	30,944	30,944
Fuel	-	36,643	36,643
Vehicle and Facility Rentals	-	2,185	2,185
Depreciation/Contributed Capital	-	18,737	18,737
TOTAL OTHER OPERATING EXPENSES	\$ -	\$ 122,509	\$ 122,509
TOTAL EXPENSES	\$ 709,848	\$ 312,428	\$ 1,022,276

Fiscal 2008 Budget – Allocation by Division

Amounts in Thousands ('000)	Headquarters Co. 1100	City Transit Co. 2100	Victory Co. 2200	Frontier Co. 2300	Railroad Co. 3100	TOTAL
DEPARTMENTAL EXPENSES						
Operations Division						
Administration	\$ 1,123	\$ -	\$ -	\$ -	\$ 139	\$ 1,262
Bus Transportation	-	115,373	-	8,539	-	123,912
Control Center	242	3,183	381	-	3,379	7,185
Customized Community Transportation (CCT)	7,328	709	209	-	-	8,246
Labor Relations	1,020	306	-	-	-	1,326
Rail Transportation	125	48,591	21,352	-	61,065	131,133
Vehicle Engineering and Maintenance	283	83,492	7,621	3,677	26,002	121,075
Total Operations	\$ 10,121	\$ 251,654	\$ 29,563	\$ 12,216	\$ 90,585	\$ 394,139
Staff Departments						
Corporate Staff	\$ 2,413	\$ -	\$ -	\$ -	\$ -	\$ 2,413
Audit and Investigative Services	1,505	-	-	-	-	1,505
Business Services	23,709	355	5	-	1,213	25,282
Engineering, Maintenance and Construction	171	40,406	4,498	-	20,081	65,156
Finance	25,493	1,665	-	-	260	27,418
Human Resources	6,356	2,541	354	112	1,450	10,813
Legal	4,386	4,964	255	43	1,440	11,088
Public and Government Affairs	3,681	124	-	-	98	3,903
Public and Operational Safety	19,054	212	14	-	(192)	19,088
Capital Allocation, Rentals, and Fuel included below	(6,532)	(10,189)	(341)	(288)	204	(17,146)
Headquarters Allocation	(90,357)	67,963	5,215	1,628	15,551	-
Total Staff Departments	\$ (10,121)	\$ 108,041	\$ 10,000	\$ 1,495	\$ 40,105	\$ 149,520
TOTAL DEPARTMENTAL EXPENSES	\$ -	\$ 359,695	\$ 39,563	\$ 13,711	\$ 130,690	\$ 543,659
NON-DEPARTMENTAL EXPENSES						
Fringe Benefits	\$ 38,150	\$ 149,377	\$ 13,655	\$ 4,624	\$ 45,646	\$ 251,452
Amtrak	-	-	-	-	24,712	24,712
CCT - ADA Services	-	13,020	8,252	-	-	21,272
CCT - Shared Ride Program	-	19,288	-	-	-	19,288
Debt Service Interest and Fees	6,612	12,259	-	-	-	18,871
Property and Corporate Insurance	921	843	74	17	898	2,753
Services for 1234 Market Street	4,305	-	-	-	-	4,305
Snow Removal	-	-	-	-	2,300	2,300
Utilities	1,939	8,274	958	234	4,795	16,200
Capitalized/Other Costs	(5,237)	390	(55)	(34)	(109)	(5,045)
Headquarters Allocation - Non-Departmental	(46,690)	34,864	3,086	994	7,746	-
TOTAL NON-DEPARTMENTAL EXPENSES	\$ -	\$ 238,315	\$ 25,970	\$ 5,835	\$ 85,988	\$ 356,108
OTHER OPERATING EXPENSES						
Injuries & Damage Claims	\$ -	\$ 29,445	\$ 2,137	\$ 487	\$ 1,931	\$ 34,000
Propulsion Power	-	12,720	1,180	-	17,044	30,944
Fuel	-	29,630	4,236	2,569	208	36,643
Vehicle and Facility Rentals	-	1,626	113	37	409	2,185
Depreciation/Contributed Capital	-	13,338	214	42	5,143	18,737
TOTAL OTHER OPERATING EXPENSES	\$ -	\$ 86,759	\$ 7,880	\$ 3,135	\$ 24,735	\$ 122,509
TOTAL EXPENSES	\$ -	\$ 684,769	\$ 73,413	\$ 22,681	\$ 241,413	\$ 1,022,276

Detail of Expenses – Fiscal 2007 Actual

Amounts in Thousands ('000)	Net Labor	Material & Services	Total
DEPARTMENTAL EXPENSES			
Operations Division			
Administration	\$ 899	\$ 11	\$ 910
Bus Transportation	119,741	324	120,065
Control Center	5,691	367	6,058
Customized Community Transportation (CCT)	5,310	2,003	7,313
Labor Relations	804	142	946
Rail Transportation	112,528	12,676	125,204
Vehicle Engineering and Maintenance	83,399	34,581	117,980
Total Operations	\$ 328,372	\$ 50,104	\$ 378,476
Staff Departments			
Corporate Staff	\$ 2,053	\$ 123	\$ 2,176
Audit and Investigative Services	994	139	1,133
Business Services	15,406	7,848	23,254
Engineering, Maintenance and Construction	49,535	14,639	64,174
Finance	18,157	6,639	24,796
Human Resources	8,916	658	9,574
Legal	3,302	11,088	14,390
Public and Government Affairs	1,785	2,002	3,787
Public and Operational Safety	17,108	531	17,639
Capital Allocation, Rentals, and Fuel included below	(9,914)	(2,745)	(12,659)
Headquarters Allocation	-	-	-
Total Staff Departments	\$ 107,342	\$ 40,922	\$ 148,264
TOTAL DEPARTMENTAL EXPENSES	\$ 435,714	\$ 91,026	\$ 526,740
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	\$ 232,118	\$ -	\$ 232,118
Amtrak	-	24,237	24,237
CCT - ADA Services	-	20,074	20,074
CCT - Shared Ride Program	-	18,508	18,508
Debt Service Interest and Fees	-	20,267	20,267
Property and Corporate Insurance	-	2,612	2,612
Services for 1234 Market Street	-	4,437	4,437
Snow Removal	-	723	723
Utilities	-	15,940	15,940
Capitalized/Other Costs	-	(6,346)	(6,346)
Headquarters Allocation	-	-	-
TOTAL NON-DEPARTMENTAL EXPENSES	\$ 232,118	\$ 100,452	\$ 332,570
OTHER OPERATING EXPENSES			
Injuries & Damage Claims	\$ -	\$ 34,000	\$ 34,000
Propulsion Power	-	30,098	30,098
Fuel	-	37,840	37,840
Vehicle and Facility Rentals	-	2,104	2,104
Depreciation/Contributed Capital	-	21,794	21,794
TOTAL OTHER OPERATING EXPENSES	\$ -	\$ 125,836	\$ 125,836
TOTAL EXPENSES	\$ 667,832	\$ 317,314	\$ 985,146

Detail of Expenses – Fiscal 2006 Actual

Amounts in Thousands ('000)	Net Labor	Material & Services	Total
DEPARTMENTAL EXPENSES			
Operations Division			
Administration	\$ 1,010	\$ 11	\$ 1,021
Automotive Equipment Engineering and Maintenance	37,705	17,113	54,818
Bus Transportation	114,443	321	114,764
Control Center	5,497	84	5,581
Customized Community Transportation (CCT)	5,669	2,182	7,851
Infrastructure	47,059	14,798	61,857
Labor Relations	904	116	1,020
Rail Equipment Engineering and Maintenance	43,011	15,504	58,515
Rail Transportation	107,949	11,941	119,890
Total Operations	\$ 363,247	\$ 62,070	\$ 425,317
Staff Departments			
Corporate Staff	\$ 2,037	\$ 80	\$ 2,117
Audit and Investigative Services	843	144	987
Business Services	14,609	7,576	22,185
Capital Design and Construction	237	62	299
Finance	17,795	5,537	23,332
Human Resources	8,664	731	9,395
Legal	3,236	11,818	15,054
Public and Government Affairs	1,643	1,785	3,428
Public and Operational Safety	17,185	(649)	16,536
Capital Allocation, Rentals, and Fuel included below	(8,571)	(3,392)	(11,963)
Headquarters Allocation	-	-	-
Total Staff Departments	\$ 57,678	\$ 23,692	\$ 81,370
TOTAL DEPARTMENTAL EXPENSES	\$ 420,925	\$ 85,762	\$ 506,687
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	\$ 217,474	\$ -	\$ 217,474
Amtrak	-	23,553	23,553
CCT - ADA Services	-	20,840	20,840
CCT - Shared Ride Program	-	18,119	18,119
Debt Service Interest and Fees	-	21,326	21,326
Property and Corporate Insurance	-	3,896	3,896
Services for 1234 Market Street	-	4,438	4,438
Snow Removal	-	1,000	1,000
Utilities	-	17,822	17,822
Capitalized/Other Costs	-	(9,643)	(9,643)
Headquarters Allocation	-	-	-
TOTAL NON-DEPARTMENTAL EXPENSES	\$ 217,474	\$ 101,351	\$ 318,825
OTHER OPERATING EXPENSES			
Injuries & Damage Claims	\$ -	\$ 34,000	\$ 34,000
Propulsion Power	-	21,403	21,403
Fuel	-	31,510	31,510
Vehicle and Facility Rentals	-	2,170	2,170
Depreciation/Contributed Capital	-	19,310	19,310
TOTAL OTHER OPERATING EXPENSES	\$ -	\$ 108,393	\$ 108,393
TOTAL EXPENSES	\$ 638,399	\$ 295,506	\$ 933,905

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Headcount Authorization Cause of Change Fiscal 2007 to Fiscal 2008

Fiscal Year 2007 Authorized Headcount: 9,222

Overview of Headcount Changes from Fiscal Year 2007 to Fiscal Year 2008:

- **Operations Division** – Increase of one head:
 - Net increase of one hourly head in Customized Community Transportation (CCT).
 - Transfer and conversion of two authorized SAM positions from Operations Administration to hourly positions in Rail Transportation to support the new 60th Street Station on the Market-Frankford Line.
- **Human Resources Division** – Decrease of one head:
 - Transfer of one SAM head to the Public and Operational Safety Division to oversee the FMLA third party contract.
- **Legal Division** – Decrease of two heads:
 - Net decrease of two heads due to the elimination of one SAM head from both the Corporate and Litigation Departments.
- **Public and Operational Safety Division** – Increase of one head:
 - Transfer of one SAM head from Human Resources to oversee the FMLA third party contract.

Fiscal Year 2008 Authorized Headcount: 9,221

Headcount Designations

Organization Overview

The organization, staffing and expenses are shown for each division in the Departmental Summaries Section, including subtotals by department. Positions are designated as A, B or H, further segregated by Operating or Capital. The following definitions shall apply throughout this section:

SAM (A)	Supervisory, Administrative and Management employees.
B-Roll (B)	Unionized clerical and storeroom employees.
Maintenance, Transportation, or Cashiers (H)	Hourly maintenance, transportation, cashiers, police officers and railroad employees.
Capital	Positions supported by Federal, State, or Local capital funding initiatives.

Fiscal 2008 Headcount Authorization

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate Staff	16	-	-	16
Operations	674	127	5,327	6,128
Audit and Investigative Services	26	-	-	26
Business Services	156	139	4	299
Engineering, Maintenance and Construction	152	48	758	958
Finance	221	115	49	385
Human Resources	135	17	-	152
Legal	56	2	-	58
Public and Government Affairs	26	5	3	34
Public and Operational Safety	<u>106</u>	<u>23</u>	<u>201</u>	<u>330</u>
TOTAL OPERATING HEADS	<u>1,568</u>	<u>476</u>	<u>6,342</u>	<u>8,386</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate Staff	-	-	-	-
Operations	119	3	287	409
Audit and Investigative Services	-	-	-	-
Business Services	13	2	-	15
Engineering, Maintenance and Construction	148	6	249	403
Finance	5	-	-	5
Human Resources	-	-	-	-
Legal	-	-	-	-
Public and Government Affairs	2	-	-	2
Public and Operational Safety	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
TOTAL CAPITAL HEADS	<u>288</u>	<u>11</u>	<u>536</u>	<u>835</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate Staff	16	-	-	16
Operations	793	130	5,614	6,537
Audit and Investigative Services	26	-	-	26
Business Services	169	141	4	314
Engineering, Maintenance and Construction	300	54	1,007	1,361
Finance	226	115	49	390
Human Resources	135	17	-	152
Legal	56	2	-	58
Public and Government Affairs	28	5	3	36
Public and Operational Safety	<u>107</u>	<u>23</u>	<u>201</u>	<u>331</u>
TOTAL HEADS	<u>1,856</u>	<u>487</u>	<u>6,878</u>	<u>9,221</u>

Fiscal 2004 Through 2008 Headcount Authorizations

OPERATING HEADS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Corporate Staff	16	16	16	16	16
Operations	7,122	7,104	7,078	6,125	6,128
Audit and Investigative Services	26	26	26	26	26
Business Services	298	302	302	299	299
Capital Design and Construction	1	1	1	962	958
Finance	379	379	380	384	385
Human Resources	153	152	152	153	152
Legal	61	61	60	60	58
Public and Government Affairs	32	34	33	32	34
Public and Operational Safety	<u>329</u>	<u>329</u>	<u>329</u>	<u>330</u>	<u>330</u>
TOTAL OPERATING HEADS	<u>8,417</u>	<u>8,404</u>	<u>8,377</u>	<u>8,387</u>	<u>8,386</u>

CAPITAL HEADS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Corporate Staff	-	-	-	-	-
Operations	706	707	728	411	409
Audit and Investigative Services	-	-	-	-	-
Business Services	14	17	17	15	15
Capital Design and Construction	91	91	91	399	403
Finance	6	6	5	6	5
Human Resources	-	-	-	-	-
Legal	-	-	-	-	-
Public and Government Affairs	8	6	4	4	2
Public and Operational Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
TOTAL CAPITAL HEADS	<u>825</u>	<u>827</u>	<u>845</u>	<u>835</u>	<u>835</u>

TOTAL HEADS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Corporate Staff	16	16	16	16	16
Operations	7,828	7,811	7,806	6,536	6,537
Audit and Investigative Services	26	26	26	26	26
Business Services	312	319	319	314	314
Capital Design and Construction	92	92	92	1,361	1,361
Finance	385	385	385	390	390
Human Resources	153	152	152	153	152
Legal	61	61	60	60	58
Public and Government Affairs	40	40	37	36	36
Public and Operational Safety	<u>329</u>	<u>329</u>	<u>329</u>	<u>330</u>	<u>331</u>
TOTAL HEADS	<u>9,242</u>	<u>9,231</u>	<u>9,222</u>	<u>9,222</u>	<u>9,221</u>

Corporate Staff

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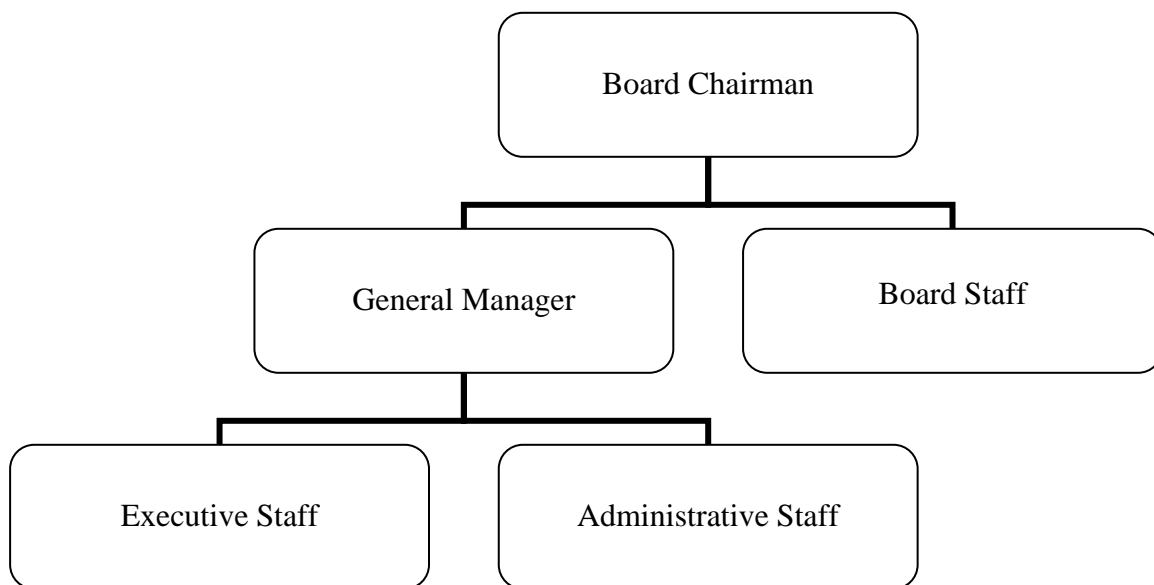
Corporate Staff

Principal Responsibilities

General Manager - Oversees all SEPTA services and operations. Along with the SEPTA Board, provides leadership and direction for the Authority.

Executive Staff - Manages and directs the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager of SEPTA. They, along with the General Manager, are responsible for the operation, administration and financial management of the Authority.

Board Staff - Prepares and attests to all Board documentation generated from committee and Board meetings as well as advising and consulting with the Board on all Board-related matters. The Board staff includes a Board Secretary, an Assistant Board Secretary, a Board Controller and a Board and Government Liaison.



Corporate Staff

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Office of the General Manager	3	-	-	3
Executive Staff	9	-	-	9
Board Staff	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
TOTAL HEADS	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Office of the General Manager	-	-	-	-
Executive Staff	-	-	-	-
Board Staff	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL HEADS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Office of the General Manager	3	-	-	3
Executive Staff	9	-	-	9
Board Staff	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
TOTAL HEADS	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>

Corporate Staff

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Office of the General Manager	\$ 370	\$ 166	\$ 536
Executive Staff	1,440	15	1,455
Board Staff	<u>355</u>	<u>67</u>	<u>422</u>
TOTAL	<u>\$ 2,165</u>	<u>\$ 248</u>	<u>\$ 2,413</u>

SEPTA's Executive Staff consists of a team of experienced professionals who are dedicated to reshaping the Authority, while making the best use of limited resources. The Executive Staff strives to be a partner with our stakeholders to promote public transit service as a cost-effective, viable travel option for access to work, school, medical service, shopping, leisure activities and tourism. The Executive Staff is also committed to operating and managing a system which meets the highest standards for customer and employee safety, while providing quality services.

The goals of the Authority's Business Plan, which define the Authority's guiding framework, ultimately constitute the goals of the Executive Staff, who function as SEPTA's decision-makers. The following presents examples of key initiatives, under each of five (5) corporate goals that will be undertaken during Fiscal Year 2008.

Business Initiatives

Improve Service Quality and Customer Satisfaction

- Continue programs to improve the cleanliness of stations.
- Continue programs to improve on-time performance.
- Continue vehicle acquisition programs to replace rolling stock that is beyond its useful life.
- Continue programs that provide information and outreach, and assist customers in emergencies and special events.
- Continue the implementation of the Smart Stations project.

Improve Customer and Employee Safety

- Continue to enhance security of passengers, employees and infrastructure.
- Continue safety education programs including Operation Lifesaver.
- Continue to improve employee training and certification programs.
- Continue to rigorously enforce employee drug and alcohol policies.
- Maintain existing relationships and develop new partnerships with local agencies and universities to enhance security.

Corporate Staff

Increase Ridership and Revenue

- Respond to regional economic and customer market trends to retain existing riders and attract new customers to the system without increasing deficits.
- Reinforce and build relationships with outside stakeholders to develop service in response to special markets including visitors, tourists and businesses.
- Strategically enhance existing service and develop new service to meet access to job needs throughout the region.
- Develop partnership initiatives to address mobility needs through a cost-effective/cost sharing program.
- Promote existing Authority fare incentives – passes and TransitChek to existing and new riders.
- Support the long-term consideration and planning of new rail service in a cost effective manner and continue next phase of project development.
- Complete ADA accessibility compliance work for key stations.
- Lend support and be responsive to State initiated performance and various audits.

Improve Productivity and Cost Effectiveness

- Maximize the effectiveness of resources, personnel, equipment, vehicles and facilities to improve productivity while continuing to improve the delivery and quality of service for customers.
- Continue reductions, as appropriate, in non-revenue vehicle fleet.
- Facilitate decision-making support systems through effective use of customer market research and other market research instruments.
- Continue aggressive fraud campaign programs to reduce Workers' Compensation, family medical and injury claims.
- Coordinate several projects that support an integrated approach to strategic planning throughout the Authority.

Improve Employee Satisfaction and Workplace Excellence

- Create a work environment that fosters employees' commitment to excellence and professional pride.
- Enhance our employee recognition program to show appreciation for jobs done well.
- In cooperation with one of our labor unions, establish an apprenticeship program for high school students.

Operations

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Operations Division

Organization

The Operations Division includes Administration, Bus Transportation, Control Center, Customized Community Transportation, Labor Relations, Rail Transportation and Vehicle Engineering and Maintenance. Details for responsibilities, headcount and expenses are provided on the following pages.

Principal Activities and Agenda

SEPTA's Operations Division provided approximately 307 million annual (unlinked) passenger trips in fiscal year 2007, while operating 93.1 million vehicle miles. Total passenger miles exceeded 1.35 billion. SEPTA operates and maintains 2,666 revenue vehicles on 142 fixed routes, which have approximately 1,820 route miles. SEPTA also operates and maintains an inventory of 949 assorted non-revenue vehicles and equipment, 280 stations and over 450 miles of track and related facilities.

Performance Goals

Divisional safety goals for passenger accidents, vehicular accidents, station accidents and employee lost-time as well as Goals for On-Time Performance and Mean Distance Between Failure (MDBF) are shown in the Operating Goals and Performance Evaluation section. In addition to these goals, each division has established individual goals by department which are outlined here as part of the departmental descriptions.

Business Initiatives

Each department has identified specific business initiatives which it plans to advance during the fiscal year.

Principal Responsibilities

Administration – Coordinates and manages the administrative activities for the Operations Division. Provides administrative support to the operating departments to accomplish the Authority's mission and objectives.

Bus Transportation – Operates surface transit modes (bus, trolley, trackless trolley) throughout the five county service area with service originating from seven operating locations in the region. Each operating district has full responsibility for transportation service of the transit fleet in that location.

Control Center – Manages Authority-wide rail and bus movements.

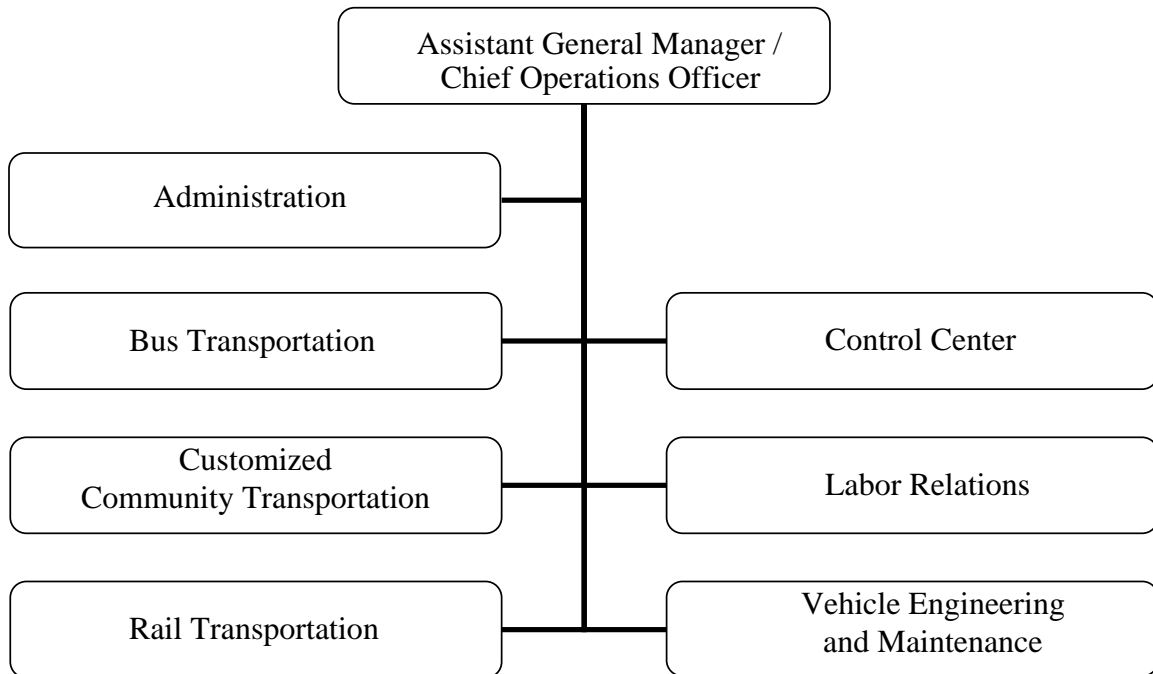
Customized Community Transportation (CCT) – Oversees the operation of SEPTA's ADA Paratransit, the Shared Ride Program, customized small bus operations and other public-private partnerships.

Labor Relations – Conducts all labor negotiations with the bargaining units, handles all grievances, arbitrations and Labor Board cases.

Operations Division

Rail Transportation – Operates light rail, subway-elevated and railroad service throughout the five county region, and Victory Bus service. Rail Transportation also includes revenue collection, station staffing and cleaning.

Vehicle Engineering and Maintenance (VEM) – Oversees the engineering and maintenance for bus, trackless trolley, light rail, subway-elevated, railroad and non-revenue fleets. Responsible for bus, rail and utility vehicle acquisitions and overhauls.



Operations Division

Headcount

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>Maint.</u>	<u>Transp.</u>	<u>Cashiers</u>	<u>Total</u>
Administration	13	-	-	-	-	13
Bus Transportation	142	26	-	2,132	-	2,300
Control Center	83	14	-	4	-	101
Customized Community Transportation (CCT)	40	-	-	-	-	40
Labor Relations	10	-	5	-	-	15
Rail Transportation	179	51	163	1,191	347	1,931
Vehicle Engineering and Maintenance	207	36	1,485	-	-	1,728
TOTAL OPERATING HEADS	674	127	1,653	3,327	347	6,128

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>Maint.</u>	<u>Transp.</u>	<u>Cashiers</u>	<u>Total</u>
Administration	1	-	-	-	-	1
Bus Transportation	2	-	-	30	-	32
Control Center	2	-	-	1	-	3
Customized Community Transportation (CCT)	52	-	-	24	-	76
Labor Relations	-	-	-	-	-	-
Rail Transportation	5	-	-	3	-	8
Vehicle Engineering and Maintenance	57	3	229	-	-	289
TOTAL CAPITAL HEADS	119	3	229	58	-	409

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>Maint.</u>	<u>Transp.</u>	<u>Cashiers</u>	<u>Total</u>
Administration	14	-	-	-	-	14
Bus Transportation	144	26	-	2,162	-	2,332
Control Center	85	14	-	5	-	104
Customized Community Transportation (CCT)	92	-	-	24	-	116
Labor Relations	10	-	5	-	-	15
Rail Transportation	184	51	163	1,194	347	1,939
Vehicle Engineering and Maintenance	264	39	1,714	-	-	2,017
TOTAL HEADS	793	130	1,882	3,385	347	6,537

Operations Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Administration	\$ 1,242	\$ 20	\$ 1,262
Bus Transportation	123,562	350	123,912
Control Center	6,502	683	7,185
Customized Community Transportation (CCT)	5,889	2,357	8,246
Labor Relations	980	346	1,326
Rail Transportation	118,098	13,035	131,133
Vehicle Engineering and Maintenance	<u>88,682</u>	<u>32,393</u>	<u>121,075</u>
TOTAL	<u>\$ 344,955</u>	<u>\$ 49,184</u>	<u>\$ 394,139</u>

In addition to the Fiscal 2008 expenses reflected here, Customized Community Transportation is responsible for carrier costs of \$21.3 million for ADA Paratransit and \$19.3 million for Shared Ride. These costs are budgeted as non-departmental expenses.

Administration

Principal Responsibilities

Cost Control - Coordinates the development, submission and monitoring of Operating and Capital Budget Proposals for all Operations.

Performance Statistics Control - Develops and monitors performance statistic goals for Operations which support SEPTA's mission and strategic goals.

Human Resource Administration - Manages the process of hiring personnel for Operations in accordance with service requirements. Ensures compliance with SEPTA's Human Resource policies.

Customer Service – Processes and expedites all customer correspondence routed through the Operations Division.

Record Retention – Coordinates Operations' compliance with record retention policies.

Operations Division

Goals

Achieve budget and headcount goals to meet the Division's overall budget objectives.

Manage SEPTA's Ambassador deployment to mitigate service interruptions related to Market-Frankford Subway Elevated reconstruction project.

Manage the coordination between Operating and Capital budgets for the Division for efficient/optimum allocation of fiscal resources.

Coordinate the development, tracking and reporting of operating performance measures to direct service quality and maintenance improvements.

Analyze and communicate Business Initiatives for operating departments.

Direct and manage customer correspondence for the General Manager.

Research, coordinate and direct implementation of policies and procedures for Operations.

Bus Transportation

Principal Responsibilities

Bus Transportation is comprised of six operating locations in the City plus Frontier in Montgomery County. These operating districts have full responsibility for providing bus, trackless trolley and surface rail transportation service based on fleet composition at their respective locations. Responsibility also includes managing the consistent application of labor agreements and ensuring that expenditures adhere to budget.

The seven operating districts operate a total of 104 bus and 3 trackless trolley routes as follows:

Allegheny - operates 7 bus routes.

Callowhill - operates 13 bus routes, in addition to trolley (light rail) routes 10 and 15.

Comly - operates 12 bus routes.

Frankford - operates 13 bus routes and 3 trackless trolley routes.

Midvale - operates 22 bus routes.

Southern - operates 19 bus routes.

Frontier - operates 20 bus routes.

Operations Division

Goals

Evaluate processes to streamline work functions and determine optimal headcount levels.

Improve interaction, communication and cooperation among employees by emphasizing teamwork and internalizing customer service orientation.

Support all activities pertinent to improving teamwork and cooperation between Bus Transportation and other departments.

Identify and implement efforts that promote better customer service.

Assist with development of corporate-wide programs designed to establish a customer-focused culture at SEPTA.

Provide more effective and enhanced service by identifying opportunities to more efficiently allocate transportation resources to areas with greater demand on existing routes, sharing this information with other SEPTA staff and monitoring its implementation.

Increase labor productivity by reducing the number of unproductive work hours and all causes of lost-time.

Continue efforts to improve ADA Fixed Route service through improved operator performance.

Design and implement programs to improve Customer Satisfaction Survey scores related to operator courtesy, stop announcements and operator provided information during service delays.

Work to improve safety and security.

Improve service reliability through the use of new technology such as the Automated Vehicle Locator (AVL) System, Automatic Passenger Counter (APC) systems, and security cameras.

Invest in personnel training for both operators and managers in areas such as customer service, interpersonal communications, basic managerial skills, information technology and SEPTA's obligations under the ADA.

Implement initiatives for the introduction of new or temporary services to support capital construction and the acquisition of new revenue vehicles (e.g. railroad projects, hybrid diesel/electric buses and Market Street Elevated reconstruction).

Actively participate in support of Location Safety Committee activities.

Operations Division

Business Initiatives

- **Improve Customer Service Communication/Information**
 - Create clearinghouse for all customer service complaint/commendation communications.
 - Support the development and implementation of a formalized reporting system for customer complaints and commendations.
 - Improve service for passengers with disabilities.
- **Improve Reliability/On-Time Performance/Travel Speeds**
 - Improve ability to measure on-time performance for Bus Transportation.
 - Measure revised on-time performance using Route Schedule Adherence (RSA) from the Automated Vehicle Locator System.
 - Audit and adjust running times using RSA data in coordination with Control Center and Service Planning staff.
 - Improve quality of service to customers by using RSA data and coaching operators to improve on-time performance, especially by reducing the percentage of trips operating ahead of schedule.

Control Center

Principal Responsibilities

Control Center - The Control Center is a centralized facility that manages rail and bus movements Authority-wide. The Market-Frankford Line, Broad Street Line, City Transit bus routes, Trolley lines, Suburban lines and Railroad lines are controlled by train dispatchers and bus controllers at 1234 Market Street.

The Control Center is responsible for assuring safe transportation operations, centralizing all communications, managing all emergencies and service disruptions and ensuring that established service levels are maintained 24 hours a day, 7 days a week throughout the year. The Control Center must also maximize and facilitate efficient passenger movement throughout the system.

All operational elements such as train movements, signal operations, operating interlockings and bus routing require direction from Control Center personnel.

Goals

Attain maximum benefit from the centralization of Control Center operations through promotion of seamless service, enhanced intermodal communications and improved interaction with the SEPTA Transit Police.

Operations Division

Strengthen the role of the Control Center by improving communication internally between the Control Center, operating field personnel and involved departments, and externally with passengers, especially during service delays.

Manage operational factors influenced by the implementation of capital projects.

Evaluate and recommend enhancements of new technology (such as the Automatic Vehicle Location program) to improve efficiency of Control Center Operations.

Improve on-time performance of railroad, bus and trolley operations utilizing real time data generated by new Control Center systems.

Coordinate the transition of the Broad Street Subway control from the towers to the Control Center with minimal disruption of service.

Develop programs and procedures for the operation of the Emergency Backup Control Center.

Business Initiatives

- **Improve Service Quality and Customer Satisfaction**

- Improve Reliability, On-Time Performance and Travel Speeds.
 - Improve inter-modal service coordination and connections.
 - Continue seamless service initiatives to improve intermodal coordination at key transfer locations in the SEPTA system.
 - Implement recommendations developed during detailed trend analyses to improve system on-time performance.
 - Improve the dissemination of service information to passengers, especially during service disruptions.

- **Improve Productivity and Cost Effectiveness**

- Continue to update Control Center technology.
 - Closely monitor and control projects that are underway such as the integration of new signals, communications and power systems that affect all modes of operation.

- **Improve Employee Satisfaction and Workplace Excellence**

- Review training needs in the Control Center.
 - Develop cross-training program for Control Center personnel.

Operations Division

Customized Community Transportation (CCT)

Principal Responsibilities

Customized Community Transportation (CCT) is responsible for the operation of SEPTA's two demand response services, ADA Paratransit and Shared Ride Program transportation. This full service operation, from advance reservations and customer service to shared trip completion, operates under the name "CCT Connect". It coordinates development of Requests for Proposals to contract for private operation of new services and provides for the efficient administration of existing contract carrier operations.

CCT coordinates SEPTA's compliance with the Americans with Disabilities Act (ADA) as it pertains to service, equipment and facilities, advising other operating departments on implementing accessible fixed-route service and facility improvements. It serves as liaison between other SEPTA divisions and the SEPTA Advisory Committee for Accessible Transportation (SAC).

CCT also oversees the Authority's customized small bus operations and public-private partnerships via its Contract Operations Department.

CCT Connect:

ADA Services: Provides advance-reservation, ride-sharing transportation for eligible disabled riders in Bucks, Chester, Delaware, Montgomery and Philadelphia counties.

Shared Ride Program (SRP): Provides advance-reservation, ride-sharing transportation for Philadelphia County riders age 65 and older, regardless of income or disability status.

Contract Operations:

Breeze: Operates SEPTA's small bus service known as the Horsham "Breeze". This service provides transportation designed to the needs of employers in SEPTA's suburban service area.

LUCY: Operates a loop service in the University City area of West Philadelphia. The service is funded by subsidies from the University City District and operates weekdays between 7:00 a.m. and 7:00 p.m.

Cornwells Heights Shuttle: Operates a small bus shuttle within the 1,600-space park-and-ride lot at Cornwells Heights train station.

Contracted Services: Provides management oversight and compliance of contracts between SEPTA and third party providers of fixed route services (Routes 204, 205, 306 and 314).

Operations Division

Goals

Improve service quality and customer satisfaction through new technologies and consumer- based service monitoring.

Manage service to provide zero ADA trip denials.

Achieve on-time performance goals.

Reduce customer and vehicle accidents through an ongoing driver training program.

Continue re-certification of CCT Connect ADA registrants, and refine the eligibility process to achieve optimum results. Continue the implementation of conditional eligibility by transitioning customers to the most appropriate mode of transportation based on their ADA eligibility.

Enhance outreach and education initiatives to existing and potential customers to promote fixed route usage in accordance with the ADA.

Increase the focus on accessible transportation within the Authority.

Integrate new technology in order to upgrade reservations, scheduling and dispatching systems. Implement an Automatic Vehicle Location system to improve the delivery of ADA service.

Manage service demand and enhance service design to reflect customer needs and regulatory requirements.

Manage post-key station ADA accessibility plan.

Manage the CCT Fleet Replacement Program.

Strengthen Shared Ride Program community relationships.

Manage service demand and enhance service designs to reflect customer needs and regulatory requirements.

Ensure the provision of quality service on fixed route services operated contractually by SEPTA for specific third party subsidy providers.

Continue monitoring of third party purchased transportation services (i.e. Routes 204, 205, 306 and 314) to ensure that SEPTA service standards are being achieved.

Manage staffing needs to ensure proper combination of part-time and full-time operators.

Operations Division

Business Initiatives

- **Improve Reliability/On-Time Performance**

- Achieve peak performance and consistent utilization of Mobile Data Terminals.
 - Implement new contracts for existing services.
 - Promote continuous improvements in service and enhance suburban service quality.
- Improve Customer Safety System-wide.
 - Promote disabled rider concerns in safety/emergency planning and drills.
 - Enhance CCT driver training program to increase awareness of safety concerns.

- **Develop Marketing/Public Relations Strategy for SEPTA Services**

- Promote use of fixed route service by disabled riders
 - Educate operators, customers, SEPTA staff, elected officials and general public about the accessibility of the SEPTA system and the Shared-Ride Program.
 - Improve the conditional eligibility process to facilitate fixed route usage wherever possible.
- Promote Shared Ride Program for eligible senior riders.
- Effectively meet demand for CCT service.
 - Design service to address customer transportation needs based on eligibility and regulatory requirements.
 - Manage re-certification of CCT Connect ADA registrants.

- **Improve System Access**

- Pursue ADA compliance improvements at key stations.
 - Promote and support facilities, service and equipment accessibility system-wide.

- **Improve Customer Safety System-wide**

- Promote senior rider concerns in safety/emergency planning and drills.
 - Enhance CCT driver training program to increase awareness of safety concerns.

- **Improve Customer Travel Environment**

- Develop fleet plan to match capacity of present and anticipated passenger demand.
 - Increase ridership and revenue by identifying opportunities to serve new markets.

- **Improve Customer Satisfaction/Quality of Service**

- Improve Customer Service Driver Training Program to increase awareness of customer needs and expectations.

Operations Division

Labor Relations

Principal Responsibilities

Negotiations - Serves as lead negotiator for all Labor Agreements with the Authority's Collective Bargaining units in accordance with State and Federal Laws.

Grievances, Arbitrations and Special Boards of Adjustment (SBAs) - Hears all third level and Labor Relations step grievances and represents the Authority in all arbitrations, SBAs and related litigation. Serves as primary liaison with all attorneys retained on special arbitration cases or other litigation.

Case Presentation to the Pennsylvania Labor Relations Board (PLRB) - Prepares and presents all cases associated with the PLRB as they are filed by unions and the Authority.

Job Classification/Wage Administration - Directs preparation of new and revised job descriptions for hourly classifications. Coordinates evaluations of bargaining unit positions and negotiates job restructuring and classification issues. Prepares and publishes all hourly and non-supervisory wage rate manuals.

Training - Conducts relevant training of supervisors in contract interpretation and enforcement.

Joint Labor Management Relations - Conducts joint productivity meetings with labor representatives to promote the safe, efficient and economical operations of the Authority.

Unemployment Compensation - Directs all internal Unemployment Compensation activities, including administration of all claims and representations of Authority positions in hearings and appeals.

Goals

Continue the successful settlement of the current round of labor contracts.

Continue Labor-Management cooperative efforts with the railroad.

Direct the TWU Joint Labor Management efforts.

Continue regular interaction between union leadership and Operations staff to address mutual concerns.

Develop and negotiate health insurance and other benefit cost containment programs.

Operations Division

Business Initiatives

- **Implement Labor Efficiencies**
 - Reduce lost-time provisions within Labor Contract.
 - Continue implementation of productivity improvements.
 - Increase productivity through work rule changes.
 - Implement further productivity improvements as agreed to in labor negotiations.
 - Increase management rights to assign work.
 - Continue proactive labor relations approach through regular interface with front-line operating management.

Rail Transportation

Principal Responsibilities

Administration

Manages administrative, personnel and budgetary elements of Rail Transportation. This includes administration of railroad third party landscaping, janitorial and snow removal contracts. Responsible for monitoring and analyzing expenditures to adhere to budget.

Manages and administers third party railroad ticket sale contracts, the Service Guarantee Program and the Railroad Crew Remittance Office. Performs railroad revenue training and ridership/revenue data collection and statistical analysis.

Light Rail/Suburban

Victory Transportation Operations – Operates all bus and rail service originating from Victory Avenue Depot at 69th Street which includes routes servicing portions of Delaware, Chester, Montgomery and Philadelphia counties.

Light Rail Operations – Operates trolley service from the Elmwood District within the City of Philadelphia as well as Darby and Yeadon Boroughs in Delaware County. Present operation consists of Subway-Surface Trolley Routes 11, 13, 34 and 36.

Railroad

Oversees all transportation, customer service and station operation for the railroad system. The commuter rail system includes 280 route miles on 13 lines or branches. Approximately 735 trains service a total of 153 stations per average weekday.

Operations Division

Subway-Elevated

Transportation – Subway-Elevated Transportation is organized into two sections: Market–Frankford Subway-Elevated (MFSE) and Broad Street Subway (BSS).

The MFSE operates 340 revenue trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSS operates 600 revenue trains each weekday between the Fern Rock Transportation Center and Pattison Avenue Station as well as along the Ridge Avenue Spur.

Fare Collection – The fare collection group is also organized into BSS and MFSE sections. MFSE stations oversee fare sales and collections and provide service information at 28 stations. BSS stations provide this service at 25 stations.

Stations – The Subway-Elevated stations group oversees the cleaning of 28 Market-Frankford Subway-Elevated stations and 25 Broad Street Subway and 8 Light Rail stations.

Goals

Achieve On-Time Performance goals on all lines.

Work with Service Planning to monitor and adjust schedules to improve service.

Improve customer service by monitoring operator compliance to rules and by responding to passenger complaints and suggestions and continue customer satisfaction training.

Monitor and manage the consistent application of labor agreements.

Utilize SEPTA-on-Site events to brief passengers and communities about scheduled service interruptions and adjustments.

Manage the impact of capital construction on passenger service.

Improve customer satisfaction scores.

Set and achieve high standards for station cleanliness.

Increase safety and productivity by reducing unproductive work hours and by insuring compliance with safety rules.

Identify and implement initiatives that will improve emergency response time.

Develop and implement programs to improve the overall performance of subway/elevated cashiers. Specific areas include the condition of ticket booths, customer service skills, uniform compliance and attention to duty.

Operations Division

Continue customer service training.

Work to improve safety and security.

Vehicle Engineering and Maintenance - Automotive

Principal Responsibilities

Automotive Engineering – Provides all engineering support including specifications, drawings, vehicle modifications and system upgrades. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

New Vehicles – Oversees the purchase of buses, trackless trolleys, CCT vehicles and Silverliner V Railroad cars for the Authority. Manages the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various contracts.

Utility, Brake Shop and Mechanical – Performs overhaul and heavy maintenance on bus and trackless trolley fleets. Performs maintenance on SEPTA's non-revenue utility fleet.

Automotive Vehicle Maintenance – Consists of six operating locations in the City, Victory in Delaware County and Frontier in Montgomery County, and the Contract Operations location in the Germantown section of Philadelphia. These nine locations are responsible for all aspects of daily maintenance, cleaning, inspection and servicing for a fleet of over 1,300 vehicles.

Goals

Administer the provisions of SEPTA's bus warranty program.

- Monitor all current engineering campaigns and OEM (original equipment manufacturer) fleet defects through successful completion.
- Monitor buses under warranty to ensure vehicle repair in a timely manner and to minimize costs to the Authority.
- Collect and analyze operational and vehicle failure data to be used in decision making process.
- Identify cumulative failures to vehicle components in similar applications for use in the declaration of fleet defects.

Facilitate completion of the following major engineering projects:

- Vehicle Overhaul (VOH) of New Flyer and Neoplan articulated bus fleets.
- All engineering retrofit and testing campaigns.

Provide support for new vehicle procurement, including the 2008 bus and trackless trolley acquisitions.

Operations Division

Monitor performance, track modification campaigns and fleet defects, ensure warranty compliance and provide engineering support related to the operation of 638 forty-foot low-floor New Flyer buses, 32 forty-foot low-floor hybrid diesel/electric buses and 18 remanufactured PCC cars.

Advance the procurement of Silverliner V railroad cars and trackless trolley buses.

Advance procurement of next order of 400 low-floor buses scheduled for delivery starting in 2008.

Acquire mini-buses for the replacement of CCT vehicles.

Continue to utilize VMIS and performance standards to improve productivity.

Implement strategies to increase customer and employee safety.

Continue to improve productivity levels of work performed at Berridge Shop in an effort to decrease "out of service" time for revenue and non-revenue vehicles.

Identify and budget for all bus vehicle overhaul requirements. Develop, implement and complete necessary programs. Insure that all programs are completed on a timely basis and within budget.

Implement strategies to increase customer and employee safety.

Implement strategies to improve reliability, as measured by Mean Distance Between Failures (MDBF), on-time performance and bus availability, and re-evaluate operating fleet size.

Continue wheelchair lift maintenance program to ensure lift equipped bus availability and reduced in-service failures.

Integrate vehicle types for optimal utilization of mixed bus fleet.

Improve fleet appearance by expanding cleanliness, body repairs and painting programs.

Implement program to improve safe towing of buses.

Business Initiatives

- **Improve Customer Travel Environment**

- Modernize railroad car fleet.
 - Continue design review for new Silverliner V cars to replace superannuated Silverliner II and Silverliner III railroad cars and to accommodate projected increases in railroad ridership levels.

Operations Division

- Monitor hybrid diesel/electric fleet performance to support the acquisition of the NABI fleet replacement and the next bus procurement specification.
- Enhance/improve quality of transportation through implementation and monitoring of vehicle cleanliness program.
- **Implement Maintenance Efficiencies**
 - Utilize bus Vehicle Maintenance Information System (VMIS).
 - Improve tracking and monitoring of vehicle maintenance and condition utilizing VMIS.
 - Enhance and improve productivity through monitoring performance standards for maintenance of the bus fleet.
 - Increase consistency of VMIS use for managing productivity against work standards.
 - The Fiscal Year 2008 Capital Budget includes the following VOH projects:
 - Tool and Equipment Replacement Program
 - New Flyer Four Year Overhaul Program
 - NABI Eight Year Light Overhaul Program
 - Neoplan Articulated 8-Year Overhaul Program
 - Establish productivity standards to measure bus maintenance performance.
 - As new bus models are purchased, establish updated productivity standards.
 - Improve employee satisfaction and workplace excellence.
 - Implement a more effective bus maintenance technician recruiting and training plan.
 - Advance the new TWU apprenticeship program.
 - Support Keystone Partnership Training Program.
- **Implement Parts Management Efficiencies**
 - Introduce Vendor Managed Inventory throughout the bus maintenance locations.

Vehicle Engineering and Maintenance - Rail

Principal Responsibilities

Headquarters – Manages administrative, personnel and budgetary elements of Rail Equipment Engineering and Maintenance.

Rail Equipment Engineering – Provides engineering support including specifications, drawings, vehicle modifications and system upgrades for all rail fleets. Investigate and resolve rail fleet technical issues.

Operations Division

Rail Equipment Maintenance – Performs programmed vehicle and component overhauls of various rail fleets as well as the inspection, maintenance and running repairs of the following rail fleets:

- MFSE M-IV fleet at the 69th Street and Bridge Street Car Houses
- Media-Sharon Hill Line (MSHL) fleet at the MSHL Shop at 69th Street
- Norristown High Speed Line (NHSL) fleet at the NHSL Shop at Victory Avenue
- BSS B-IV fleet at the Fern Rock Car House
- Green Line Subway/Surface fleet at the Callowhill and Elmwood Shops
- Route 15 PCC fleet at the Callowhill Shop

Railroad Vehicle Maintenance – Provides all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of 304 EMU (electric multiple unit) cars and 45 coaches (push pull) propelled by 8 electric locomotives.

Goals

Reduce customer complaints and increase commendations through continued customer service communications.

Identify and undertake efforts to improve safety with a continued emphasis on reductions in lost-time injuries and employee lost-time.

Identify and budget engineering support for all rail vehicle requirements. Continue to develop necessary overhaul and upgrade programs and follow through to completion. Insure that all major programs are completed on a timely basis and within budget.

Focus efforts on customer service. Continue to work diligently in cooperation with the Rail Transportation Department in providing a safe, clean and attractive rail car service.

Furnish technical support to enhance the highest standards of quality and productivity within the Rail Shops.

Improve fleet performance through analyzing and targeting problem areas.

Enhance inspection, preventive maintenance and general repair programs to ensure sufficient vehicle availability to satisfy service requirements.

Evaluate processes to streamline work functions and determine optimal headcount needs.

Increase safety and production by reducing unproductive work hours (e.g. Workers' Compensation and lost-time) by the introduction of the safety rules compliance program.

Update both overhaul and preventive maintenance programs to achieve highest vehicle reliability. Consider failure trends, wear-analysis and safety issues in program revisions.

Operations Division

Participate in the advancement of the procurement of Silverliner V railroad cars.

Business Initiatives

- **Implement Maintenance Efficiencies**

- Enhance and improve reliability through engineering support programs for vehicle maintenance of rail fleets.
 - Oversee vehicle modifications and system upgrades for rail fleets.
 - Provide field support for new light rail vehicle low voltage inverters and propulsion microprocessors.
 - Continue reverse engineering of replacement parts.
 - Oversee contract award and preliminary design of new B-IV propulsion controls and Public Address System.

- **Improve Customer Travel Environment**

- Enhance/improve quality of transportation through implementation and monitoring of vehicle cleanliness programs.
- The Fiscal 2008 Capital Budget includes overhaul to the following vehicles and/or components:
 - CTD and STD Light Rail Vehicles – Full Car Overhaul Program
 - NHSL Vehicles – Full Car Overhaul Program
 - M-IV Vehicles – Full Car Overhaul Program
 - B-IV Vehicles – Full Car Overhaul Program
- Improve employee satisfaction and workplace excellence.
 - Advance the new TWU apprenticeship program.
 - Support Keystone Partnership Training Program.
- Implement maintenance efficiencies.
 - Implement rail vehicle maintenance information system (VMIS).
 - Improve tracking and monitoring of vehicle maintenance and fleet condition utilizing VMIS.
- Modernize railroad car fleet.
 - Develop and install new equipment for Silverliner IV cars.
 - Blending valve replacement
 - Door Relay Control Panel
 - HVAC Control Upgrade
 - Advance the procurement of Silverliner V cars.
- Enhance/improve quality of transportation through implementation and monitoring of vehicle cleanliness program.
 - Manage productivity against work standards.

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Audit and Investigative Services

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Audit and Investigative Services

Principal Responsibilities

The Audit and Investigative Services Division conducts audits, reviews and investigations of the Authority's operations to promote economy, efficiency and effectiveness and to detect and deter waste, fraud, abuse and mismanagement. The Division includes the Internal Audit Department and the Office of Inspector General.

Internal Audit

Internal Audit is an independent, objective internal review and consulting activity designed to add value and improve the organization's operations. It provides a systematic, disciplined approach to evaluate financial risk/exposure and improve the effectiveness of risk management, internal control and governance processes.

Internal Audit conducts financial, compliance and operational audits of departments within the Authority. The department is also responsible for the review of cost proposals and audits of cost reimbursement contracts and change order/claims. Additionally, Internal Audit provides a wide range of internal consulting support to departments upon request. The Department is comprised of Internal Audit, Information Technology and Contract Audit sections.

Internal Audit - Internal Audit is responsible for reviewing all areas within the Authority by performing formal audits of an entire process or independent reviews of a particular activity or account balance.

Information Technology - is a specialized sub-unit of Internal Audit that is responsible for reviewing new and existing computer applications, access security and hardware. Independent data extracts and reporting support are also generated for Internal Audit and other divisions.

Contract Audit - Contract Audit is responsible for auditing or reviewing third-party cost data in accordance with Authority's policies and federal requirements. The work includes reviews of pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

Office of Inspector General

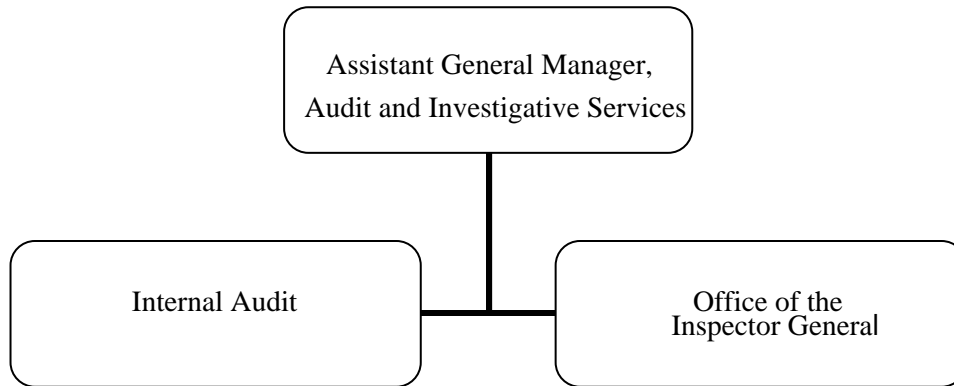
The Office of the Inspector General is responsible for conducting investigations relating to waste, fraud, abuse and mismanagement. The department is comprised of Investigations and Service Quality sections.

Investigations – Conducts independent investigations to detect and deter waste, fraud, abuse and mismanagement. This is accomplished through continuous monitoring and investigations directed at specific concerns.

Service Quality – Oversees the quality assurance of the service provided to the Authority's passengers. This is accomplished through discrete daily monitoring of

Audit and Investigative Services

driver/crew performance and visual inspections of vehicles to ensure conditions are attractive, clean and pleasing to our customers. The observation data is tracked and reported to responsible management.



HEADCOUNT

OPERATING HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Internal Audit	14	-	-	14
Office of the Inspector General	<u>12</u>	-	-	<u>12</u>
TOTAL HEADS	<u>26</u>	-	-	<u>26</u>

CAPITAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Internal Audit	-	-	-	-
Office of the Inspector General	<u>-</u>	-	-	<u>-</u>
TOTAL HEADS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOTAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Internal Audit	14	-	-	14
Office of the Inspector General	<u>12</u>	-	-	<u>12</u>
TOTAL HEADS	<u>26</u>	-	-	<u>26</u>

Audit and Investigative Services

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Internal Audit	\$ 805	\$ 14	\$ 819
Office of the Inspector General	<u>540</u>	<u>146</u>	<u>686</u>
TOTAL	<u>\$ 1,345</u>	<u>\$ 160</u>	<u>\$ 1,505</u>

INTERNAL AUDIT

Goals

Perform audits of those areas identified by the audit plan.

Perform other audits and audit follow-up based on events that occur during the year.

Provide timely response to requests for support services.

Perform audits of third-party cost reimbursement contracts.

Provide timely response to requests for review of pre-contract cost proposals, change orders and claims.

OFFICE OF THE INSPECTOR GENERAL

Goals

Perform investigations of those areas identified in the annual risk assessment.

Perform investigations of other areas based on events that occur during the year.

Monitor operating personnel for compliance with all Authority rules, especially regarding ADA, customer service and fare collection. Conduct special observations on operators as identified by Operations, Customer Service and public complaints.

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Business Services

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Business Services Division

Principal Responsibilities

Customer Service – Responsible for SEPTA’s customer service functions. Responds to service-related customer inquiries concerning travel information, lost and found, complaints, suggestions and commendations. Also manages the Senior Citizen Free Fare Program and the Reduced Fare Program for persons with disabilities.

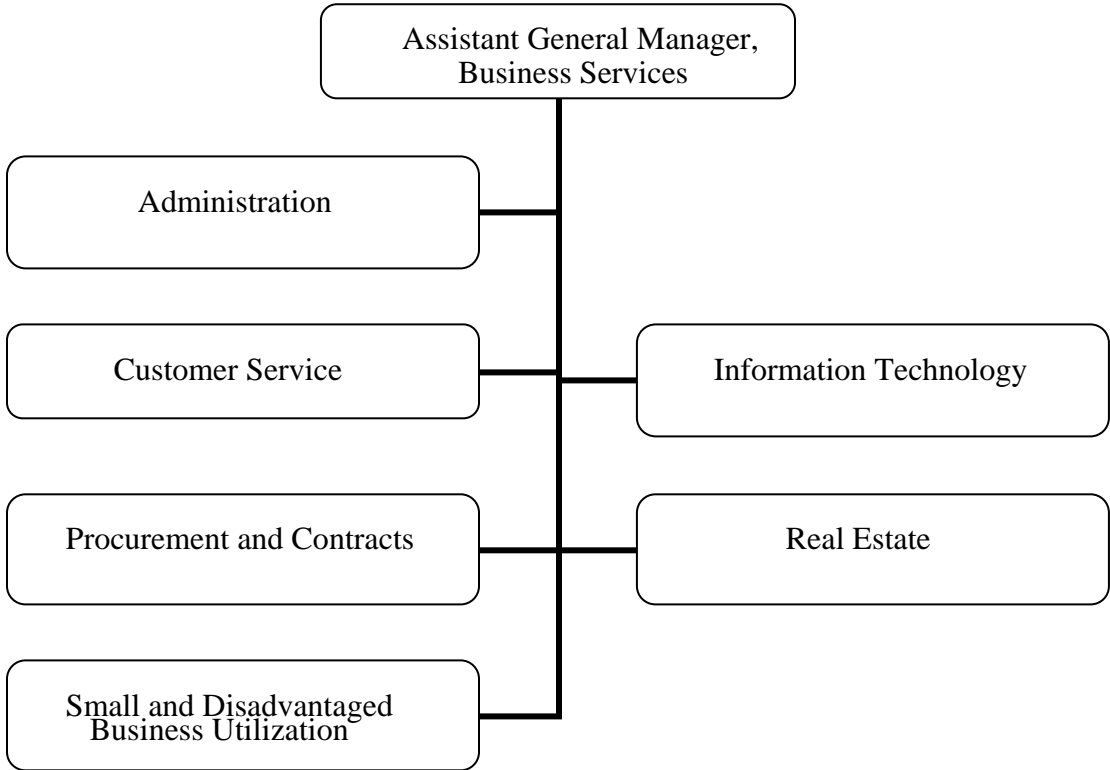
Information Technology – Maintains the enterprise data center, which includes mainframe, mid-range and network server computer systems and the enterprise voice and data communication infrastructure.

Procurement and Contracts – Performs the purchase, lease, sale, and disposal of parts, vehicles, equipment, supplies, repairs, and services utilized by the organization. Responsible for contract administration, automated Materials Management/Purchasing System, electronic material requisitions, procurement cards and stockless stationery. Provides coordination and enforcement of SEPTA’s compliance with Federal, State and local funding agency regulations for capital projects, planning studies and other non-operating projects. Participates in the updating of standard form contracts, procurement manual and related policy instructions. Responsible for storeroom operations, warehousing and distribution, inventory replenishment forecasting and control, procurements to support fleet maintenance operations and production, material planning and control.

Real Estate – Directs the acquisition and management of Authority-owned property, including 1234 Market Street headquarters. The primary management role involves the development of privately funded lease and improvement of station areas, land parcels and right-of-way for cash and in-kind revenues.

Small and Disadvantaged Business Utilization – Ensures implementation of the Department of Transportation’s Disadvantaged Business Enterprise Program regulations to provide contracting opportunities for small, minority, and women-owned business. Provides technical assistance, training, and dissemination of resource information for those firms interested in establishing a business relationship with SEPTA.

Business Services Division



Business Services Division

HEADCOUNT

OPERATING HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration	7	-	-	7
Customer Service	8	61	-	69
Information Technology	52	18	-	70
Procurement and Contracts	72	56	4	132
Real Estate	12	4	-	16
Small and Disadvantaged Business Utilization	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
TOTAL OPERATING HEADS	<u>156</u>	<u>139</u>	<u>4</u>	<u>299</u>

CAPITAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration	-	-	-	-
Customer Service	-	-	-	-
Information Technology	3	-	-	3
Procurement and Contracts	8	2	-	10
Real Estate	-	-	-	-
Small and Disadvantaged Business Utilization	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
TOTAL CAPITAL HEADS	<u>13</u>	<u>2</u>	<u>-</u>	<u>15</u>

TOTAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration	7	-	-	7
Customer Service	8	61	-	69
Information Technology	55	18	-	73
Procurement and Contracts	80	58	4	142
Real Estate	12	4	-	16
Small and Disadvantaged Business Utilization	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
TOTAL HEADS	<u>169</u>	<u>141</u>	<u>4</u>	<u>314</u>

Business Services Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Administration	\$ 716	\$ 14	\$ 730
Customer Service	3,172	50	3,222
Information Technology	4,640	5,995	10,635
Procurement and Contracts	7,272	265	7,537
Real Estate	797	2,037	2,834
Small and Disadvantaged Business Utilization	<u>299</u>	<u>25</u>	<u>324</u>
TOTAL	<u>\$ 16,896</u>	<u>\$ 8,386</u>	<u>\$ 25,282</u>

CUSTOMER SERVICE

Responsible for responding to customer issues and inquiries received via telephone, email, U.S. mail, fax and walk-ins concerning travel information, lost and found, complaints, suggestions and commendations. The department also manages the Senior Citizen Free Fare Program and the Reduced Fare Program for Persons with Disabilities.

INFORMATION TECHNOLOGY

The Information Technology Department consists of three principal units:

Project Services – Supports the development, integration and implementation of new software systems in support of business units throughout the Authority and maintains, supports and enhances existing systems Authority-wide. This section responds to application software problems, which have the potential to seriously impact the Authority's ability to conduct business.

Network Services - Supports SEPTA's voice, data and video communication systems and the entire microcomputer environment. Sets standards for hardware and software used across the networks (voice, video and data) and installs, supports, and maintains the communications infrastructure throughout the entire Authority service area including all remote locations.

Business Services Division

Data Center Services - Provides computer operations stability and access security on a seven day, 24-hour basis including problem management, disaster recovery, database administration and change control. This section maintains the technology infrastructure necessary for business critical systems including Payroll, Materials Management, General Accounting, and Operations Control Centers.

Goals

Continue the technology infrastructure refreshment program, including the proliferation of Intranet services.

Extend the deployment of the high-capacity data network and continue the server consolidation program within the Data Center.

Maintain financial systems, Control Center systems (CARD, ATDS, AVPA), and Vehicle Maintenance Information System (VMIS) and data network and mainframe servers at 99.5% uptime.

Business Initiatives

- **Improve Use of Information Technology Authority-Wide**
 - Streamline financial systems for ease of access by internal users.
 - Implement inventory management system improvements, including real-time VMIS interface.
 - Implement system for travel and miscellaneous expense management
 - Implement new budget software package.
 - Standardize office technology applications and centralize management structure.
 - Deploy email, internet and file transfer program to all work locations.
 - Implement new email system with central storage and management.
 - Use computer-scheduling system to achieve operating savings.
 - Enhance reservation and dispatch system for CCT.
 - Implement latest release of fixed route scheduling system.
- **Improve Customer Service Communication / Information**
 - Upgrade customer communications at Subway/Light Rail and Railroad stations.
 - Upgrade Automated Itinerary and Reporting System (AIRS) and extend the Transitquest project.
 - Enhance Travel Information Center's voice response system.
 - Extend Audio Visual/Public Address System via Smart Station Project.
 - Initiate rider information subscription service.
 - Improve Emergency Call Box response time.

Business Services Division

- **Implement Maintenance Efficiencies**
 - Expand VMIS and maintenance productivity standards to rail modes.
- **Improve Reliability / On-Time Performance / Travel Speeds**
 - Implement Railroad crew management system.

PROCUREMENT AND CONTRACTS

Compliance and Support Services – Provides coordination and enforcement of SEPTA's compliance with Federal, State and local funding agency regulations for approved capital projects, planning studies and other non-operating projects. Participates in updating standard form contracts, procurement manual and related policy instructions. Provides analytical, budgetary, system administration and enhancements, and contract processing support for the department. Administers Authority-wide programs such as e-procurement, electronic stockless stationary and the Material Management/Purchasing system. Responsible for maintenance, enhancement and control of the asset recovery process for the Authority.

Contract Administration – Responsible for “cradle to grave” contract administration of construction, technical, professional services and vehicle/special service contracts including assembling of bid packages, solicitations, awards, and post-award administration (change orders, disputes and closeout). Responsible for handling the Authority's relationship with contractors including negotiations, contractual obligations of both parties and settling performance disputes.

Purchasing and Resource Control – Responsible for the purchase/lease of parts, material, equipment, supplies, and services utilized by the Authority, except for major vehicle procurements. Provides cost savings through value analysis and negotiations, and expedites orders with suppliers. Provides direct field support to Maintenance Directors and shop personnel. Performs planning and utilization forecasting for material campaigns.

Supply Chain Management – Responsible for storeroom operations, warehousing, distribution, and inventory replenishment. Performs analysis, forecasting and identification of inventory needs to determine adequate stocking levels at a minimum carrying cost in support of repairs and services utilized by the Authority. Directs receiving, documenting, storing, issuing, tracking and inventorying of all stock material for the Authority's diversified fleet and infrastructure maintenance. Coordinates and controls the Authority-wide inventory reduction program.

Business Services Division

Goals

Coordinate with Operations and Finance to identify and dispose of property, and to write-off \$1 million in obsolete/excess inventory.

Maintain service level of 95% or better for vehicles held out of service waiting for stock parts.

Implement cost savings through outsourcing, value analysis and negotiations.

Improve cash flow through planned scheduled material deliveries.

Perform inventory cycle counting and implement procedures to increase accuracy rate of 96% or better at closed storerooms.

Manage maintenance campaign procurement planning.

Effect cost reductions in material and services through the development of new sources of supply, negotiating professional services contracts, promoting earlier supplier involvement, analyzing potential value, establishing long term/blanket contracts and developing an e-commerce capability.

Maintain average procurement turnaround time under \$25,000 (requisition to purchase order awards) to ten working days.

Maintain an aggressive program of buyer involvement in meeting with customers, review of procurement methodology, and Procurement Action Plan reporting.

Improve the Contracts Administration function through training, recovery of Errors and Omission costs, increased oversight of contract administrative tasks for grant related procurements and centralization of contract files.

Promote Disadvantaged Business Enterprise (DBE) participation in accordance with the Authority's goal.

Establish effective controls of Standard Form Contracting to ensure the proper version is utilized.

- **Implement Parts Management Efficiencies**

- Develop comprehensive parts inventory program based on commodity and type of vehicle.
- Continue establishment of blanket procurement contracts and OEM sole source contracts.
- Advance full stock of materials for new fleet vehicles including capital spare material.

Business Services Division

- Establish material availability plans through the use of computerized maintenance system information.
- Reduce excess/obsolete inventory.
 - Continue analysis and reduction of obsolete inventory.
 - Continue to monitor material purchased for major projects/campaigns to minimize potential inventory excesses.
- Centralize SEPTA's warehousing operation and provide increased parts replenishment distribution.
- **Establish Innovative Procurement Program**
 - Revise current system for outsourcing, solicitation and awards.
 - Develop additional blanket orders.
 - Reduce the under \$25,000 requisition processing cycle.
 - Expand E-commerce capability for procurements.
 - Expand procurement information on the Authority's web site.
 - Reduce cost of procured materials and services by \$1 million through negotiation and other procurement techniques.
 - Effect aggressive negotiations for sole source, RFP's, change orders and amendments.
 - Improve outsourcing through new vendors and alternative products.
 - Expand scope of Contract Administration involvement in major procurements.
 - Maintain an Early Purchasing Involvement (EPI) Program.
 - Maintain attendance at user meetings, planning sessions, etc.
 - Continue issuance of Purchasing Action Plans and other contract status reports.

REAL ESTATE

Property Development and Acquisition - Effects and manages all real property dealings including property development and acquisition agreements. Roles include joint development of rental and public improvements, revenue generating utility occupancy agreements, as well as land and facilities acquisitions in support of infrastructure and ridership enhancements.

Headquarters Support Services Management/Administration - Oversees office space planning, design and facilities management. Acts as liaison with contracted building operations management and SEPTA labor. Coordinate staff utilization of motor vehicles, and administration of all contracted vendateria services system-wide.

Mail and Document Reproduction Services - Manages the operation of mail services in compliance with labor contract and U.S. Postal requirements. Manages document reproduction services in accordance with Authority initiatives.

Business Services Division

Goals

Coordinate all property appraisal and acquisition efforts in support of Authority initiatives.

Amend the forty-seven railroad station lease to increase SEPTA's leasehold and enable the relocation of an Amtrak storage shed to accommodate construction of high-level platforms and ramps at Wayne Station.

Determine terms and conditions regarding the purchase of property to accommodate increased customer parking at Holmesburg Junction Station.

Lead negotiations with Amtrak to secure property rights enabling installation of a SEPTA electrical duct and manhole in Powelton Yard for traction power cables. The installations are required to enable use of a new SEPTA electrical switching station to eliminate dependence on Amtrak's aged equipment.

Conclude negotiations on revenue agreements with Pennsylvania Power and Light regarding the consolidation of utility occupancy agreements and installation of a high-tension line over the Bethlehem Branch.

Finalize terms and conditions regarding renegotiation of three 50-year term PECO rental agreements presently generating \$262,000 annually.

Develop a property inspection program.

Business Initiatives

- **Improve Authority Real Property Asset Maintenance**

- Manage SEPTA properties to ensure assets are utilized to maximum efficiency.
 - Develop proposed agreements for joint commercial-transit development of variously owned properties to result in new station facilities and increased customer parking at Amtrak's Devon and Paoli Stations, and SEPTA's Ambler Station.
- Property-leasing program for stations and other facilities.
 - Continue program for lease development projects for railroad stations, including Ardsley, Rydal and Carpenter Lane Stations.
 - Initiate and finalize lease development offerings of other existing facilities or undeveloped property.

Business Services Division

- Implement Suburban Station Development and Management program.
 - Continue improved Suburban Station cash flow and tenant-funded improvements through management of the Master Lease Agreement with MetroMarket for its development and leasing of retail space.
- Enhance revenue and cost efficiencies for 1234 Market Street Building.
 - Increase rental occupancy and rental revenues.

SMALL AND DISADVANTAGED BUSINESS UTILIZATION (SDBU)

Principal Responsibilities

Administers the U. S. Department of Transportation's Disadvantaged Business Enterprise Program Regulations to ensure that small, minority and women-owned businesses have an equal opportunity to participate in contract and procurement activities. Provides technical assistance, training, and dissemination of resource information to those firms interested in doing business with SEPTA.

Goals

Partner with other Minority or Disadvantaged Business Enterprise advocacy agencies to maximize outreach efforts towards building a directory of resources to assist minorities in growing their businesses.

Improve DBE monitoring of major SEPTA projects.

Increase potential for DBE firms to participate in procurement and contracting opportunities with SEPTA.

Business Initiatives

- **Enhance DBE Program Visibility**

Engineering, Maintenance and Construction

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Engineering, Maintenance and Construction

Principal Responsibilities

Administration

Coordinate and manage the financial and administrative activities for the Engineering, Maintenance and Construction Department.

Blue Line Structures

Provides a comprehensive, multi-disciplinary approach to the design and construction of complex fixed plant facilities, including improvements to transit stations, power conversion, distribution, substations, signals, track and elevated structures for the Market-Frankford Subway-Elevated (Blue Line) from 69th Street to the Frankford Transportation Center.

Capital Quality Assurance/Quality Control

Provides Quality Assurance/Quality Control and Project Management/Construction standards for the capital program. Responsible for the development and implementation of document control and safety procedures. Provides budgeting, cost control, scheduling, cost estimating, claims management and capital program systems support to project management staff. Responsible for the centralized monitoring and reporting of SEPTA's Capital Spending Program including the publication of the monthly Fiscal Year Capital Performance Report and the annual Fiscal Year Capital Spending Forecast for the Authority.

Capital Construction

Electrical Facilities - Manages the engineering and construction of capital projects for fixed plant facilities including improvements to power conversion distribution and substations, signals, catenary and communications for both railroad and transit operations.

Rail Facilities - Manages the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, track, signals, bridges and parking facilities for railroad operations.

Transit Facilities - Manages the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, maintenance facilities and garages for transit operations.

Engineering, Maintenance and Construction

Engineering and Maintenance

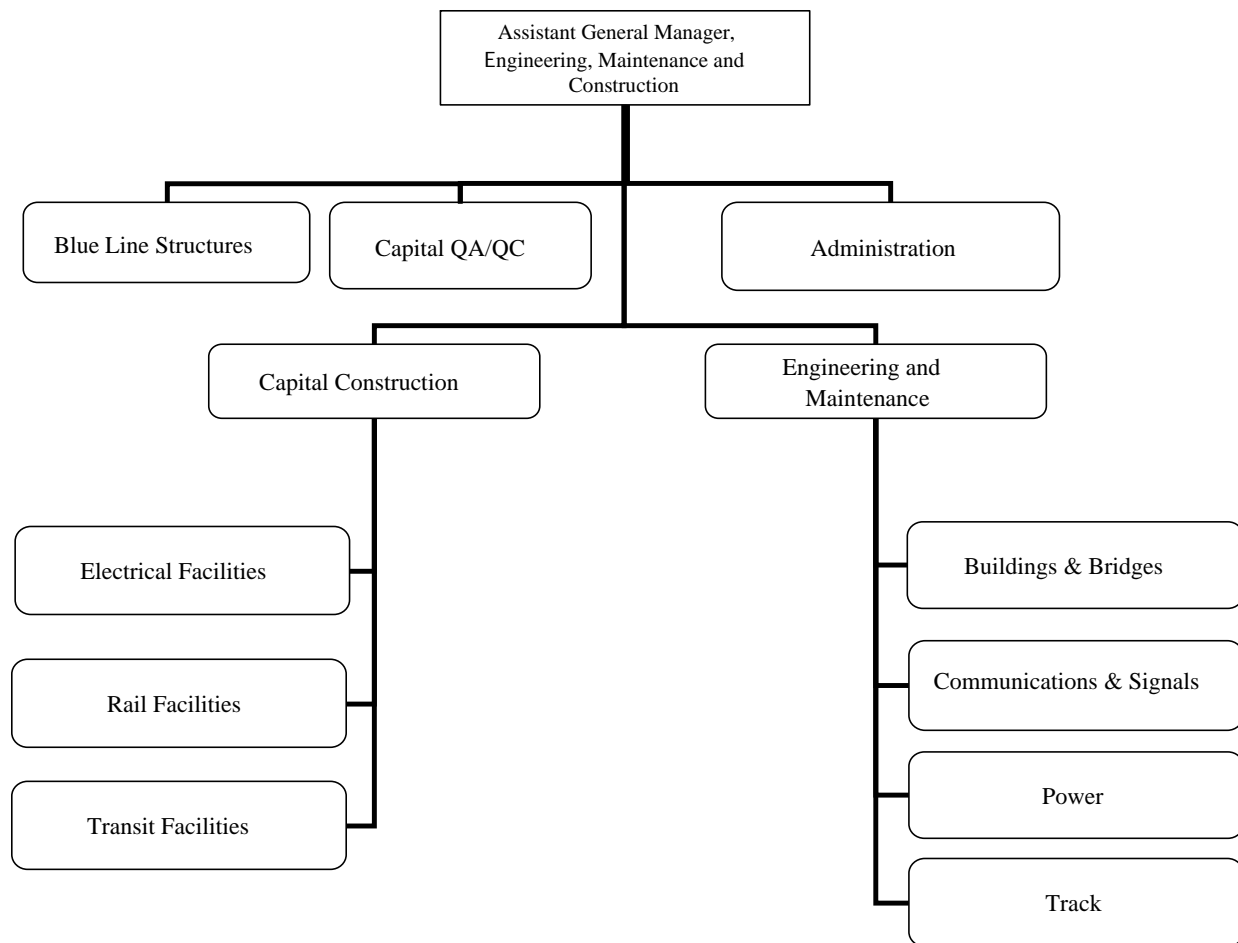
Bridges and Buildings - Provides structural, architectural and mechanical engineering services; performs all major force account construction projects and maintenance of stations, buildings and bridges.

Communications and Signals - Performs regular inspection, testing, maintenance, and reconstruction of the signal system; provides engineering and design services for all signal maintenance and renewal projects; performs all radio maintenance and railroad communication maintenance.

Power - Performs regular inspection, maintenance and reconstruction of electric traction and signal power systems and electrical infrastructure; provides engineering and design services for all related maintenance and renewal projects.

Track - Performs inspection, maintenance and reconstruction of track and right-of-way areas; provides engineering and design services for all track maintenance and renewal projects; operates Track Shop to support Authority's requirements for routine and specialty track design and fabrication; operates Midvale Utility Shop which oversees the use of non-revenue and utility vehicles.

Engineering, Maintenance and Construction



Engineering, Maintenance and Construction

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Capital Construction / Blue Line / QA/QC	3	-	-	3
Engineering and Maintenance / Administration	<u>149</u>	<u>48</u>	<u>758</u>	<u>955</u>
TOTAL OPERATING HEADS	<u>152</u>	<u>48</u>	<u>758</u>	<u>958</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Capital Construction / Blue Line / QA/QC	81	-	-	81
Engineering and Maintenance / Administration	<u>67</u>	<u>6</u>	<u>249</u>	<u>322</u>
TOTAL CAPITAL HEADS	<u>148</u>	<u>6</u>	<u>249</u>	<u>403</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Capital Construction / Blue Line / QA/QC	84	-	-	84
Engineering and Maintenance / Administration	<u>216</u>	<u>54</u>	<u>1,007</u>	<u>1,277</u>
TOTAL HEADS	<u>300</u>	<u>54</u>	<u>1,007</u>	<u>1,361</u>

Engineering, Maintenance and Construction

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Capital Construction / Blue Line / QA/QC	\$ 487	\$ 70	\$ 557
Engineering and Maintenance / Administration	<u>52,660</u>	<u>11,939</u>	<u>64,599</u>
TOTAL	<u>\$ 53,147</u>	<u>\$ 12,009</u>	<u>\$ 65,156</u>

Administration

Goals

Monitor and analyze expenditures to adhere to operating and capital budgets.

Evaluate processes to streamline work functions and determine optimal headcount needs.

Promote integration of maintenance and engineering staff to ensure goal achievement.

Oversee Divisional Contract Administration - equipment rentals, blanket materials orders, service contracts, Amtrak force account activity and trackage rights and reimbursement agreements with PennDOT, other railroads and municipalities.

Administer SEPTA's Infrastructure Safety Renewal Program (ISRP) program by coordinating program planning, project scope development, progress reporting, PennDOT invoice documentation and PennDOT field audits.

Blue Line Structures Department

Business Initiatives

- **Improve Customer Travel Environment**
 - Continue the reconstruction of stations on the Market Elevated segment of the Market Frankford Line.
- **Improve Customer Safety**
 - Continue the replacement of Market Elevated Guideway.

Engineering, Maintenance and Construction

Capital Quality Assurance/Quality Control Department

Business Initiatives

- **Improve Project Management**
 - Streamline project design phase.
 - Reduce change order rates.
 - Finalize formal QA Procedures in conjunction with publication of revised Project Management Program Guidelines.
 - Review third party Consultant's and Contractor's specified QA/QC Programs.
- **Improve Productivity & Cost Effectiveness**
 - Provide cost control and budgetary oversight on all Capital Construction projects.
 - Provide and update scheduling reports to track progress on all Capital Construction projects.
 - Provide independent cost estimates for capital construction contracts.
 - Provide independent cost estimates for potential change orders.
 - Achieve an actual versus budget performance expenditure shortfall of 10% or less for capital projects managed by Capital Construction.
 - Achieve FY 2008 forecasted construction awards.

Capital Construction - Electrical Facilities

Business Initiatives

- **Improve Customer Security**
 - Implement Smart Station Program to enhance life safety and security at all Subway/Elevated and Light Rail Stations.
- **Improve Customer Service Communication/Information**
 - Upgrade customer communications at Subway/Light Rail Stations (Smart Station Program).

Engineering, Maintenance and Construction

- Continue with upgrade of Customized Community Transportation system.
- Complete upgrade of CARD to microwave-based system.
- **Improve Customer Safety**
 - Upgrade Broad Street Subway Signal System.
 - Continue working on substation renovation projects.

Capital Construction - Rail Facilities

Business Initiatives

- **Expand Rail Services**
 - Continue the engineering and design of Elwyn-Wawa rail service restoration.
- **Improve Customer Travel Environment**
 - Renovate railroad and transit station facilities at Wayne Junction, Croydon, Levittown, Queen Lane, Allen Lane, Wayne and Gulph Mills.
 - Upgrade and expand parking facilities at Norristown Transportation Center, Trevose, Malvern, Exton and Gwynedd Valley.

Capital Construction - Transit Facilities

Business Initiatives

- **Improve Customer Travel Environment**
 - Renovate transit station facilities including ADA improvements at 13th Street/Juniper Station, 8th Street Station, North Philadelphia Transportation Center, Margaret-Orthodox Station and Allegheny Station.
 - Continue design for City Hall station renovations.
 - Continue implementation of the Escalator Modernization Program.
- **Improve employee working conditions and safety**
 - Replace roofs at Elmwood, Germantown, and Midvale Depots, as well as Subway-Surface (green line) portals.

Engineering, Maintenance and Construction

Engineering and Maintenance - Buildings and Bridges

Goals

Provide Facilities Engineering services as required by Operations and Capital Construction.

Increase safety and productivity by reducing unproductive work hours (e.g. Workers' Compensation and lost-time).

Perform operating maintenance of fire prevention systems, roofing, vent wells, emergency exits, elevators, escalators and electro-mechanical devices (pumps, compressors, motor generators, etc.).

Maintain city transit and suburban transit facilities and stations. Provide janitorial services for suburban transit stations.

Successfully complete capital and operating projects in accordance with schedules and budgets while minimizing use of overtime.

Monitor and manage the consistent application of labor agreements.

Business Initiatives

- **Improve Customer Travel Environment**
 - Build and renovate stations.
 - Continue City Transit and railroad station renovations within ISRP Program.
- **Improve Customer Safety**
 - Improve escalator/elevator inspection, maintenance and reliability.

Engineering and Maintenance - Communications and Signals

Goals

Reduce service delays due to communications and signal problems.

Increase safety and productivity by reducing unproductive work hours (e.g. Workers' Compensation and lost-time).

Successfully complete communications and signal work components of capital and operating projects in accordance with schedules and budgets while minimizing use of overtime.

Engineering, Maintenance and Construction

Business Initiatives

- **Improve Customer Safety**
 - Complete installation of Positive Train Control System in the Light Rail Tunnel.
 - Prevent rear-end collisions.
 - Prevent derailment in curves due to speed.
 - Advance Automatic Train Control system construction for “K” Interlocking and the R2 Warminster Railroad Line.
 - Retire open-line signal wire and replace copper communications lines with fiber-optic cables.
 - Complete construction between Glenside and Lansdale Stations on the R5 Lansdale/Doylestown Line.

Engineering and Maintenance - Power

Goals

Reduce service delays due to power problems.

Increase safety and productivity by reducing unproductive work hours (e.g. Workers' Compensation and lost-time).

Successfully complete power-related work components of capital and operating projects in accordance with schedules and budgets while minimizing use of overtime.

Monitor and manage the consistent application of labor agreements.

Business Initiatives

- **Improve Reliability/On-Time Performance/Travel Speeds**
 - Improve reliability of the power distribution system.
 - Complete the replacement of the West Trenton Line catenary wire and on the Airport Line Viaduct (Track #2).
 - Replace sectionalizing switches (including remote control) for faster troubleshooting and failure diagnosis (ISRP project).
 - Retire open line signal wire on the R5 Lansdale Railroad Line.

Engineering and Maintenance - Track

Goals

Reduce service delays due to track problems.

Engineering, Maintenance and Construction

Increase safety and productivity by reducing unproductive work hours (e.g. Workers' Compensation and lost-time).

Successfully complete track work components of capital and operating projects in accordance with schedules and budgets while minimizing use of overtime.

Improve methods of track inspection utilized in the subway and elevated portions of the system in order to better locate wide gauge and geometric deficiencies.

Implement scheduling improvements (including those provided in labor contracts) to better meet customer demand.

Monitor and manage the consistent application of labor agreements.

Finance and Planning

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Finance and Planning Division

Principal Responsibilities

Accounting and Public Finance – Manages the Authority's financial reporting and accounting activities. Expense management, payroll processing, subsidy/grant billing and accounting are included in this area. Coordinates the Authority's access to the capital markets for proposed debt financing. Coordinates cash management activity in order to maximize investment earnings.

Budgets & Capital and Long Range Planning– Manages the Authority's operating and capital budget process and monitors financial performance throughout the year through forecasting and financial analysis. Serves as a liaison between the capital budgeting function and federal, state and local funding agencies. Develops long range capital plan, including evaluation, analysis and prioritization of capital projects. Conducts planning studies and provides support and direction on transportation policy issues. Serves as the primary unit for capital funding agreements.

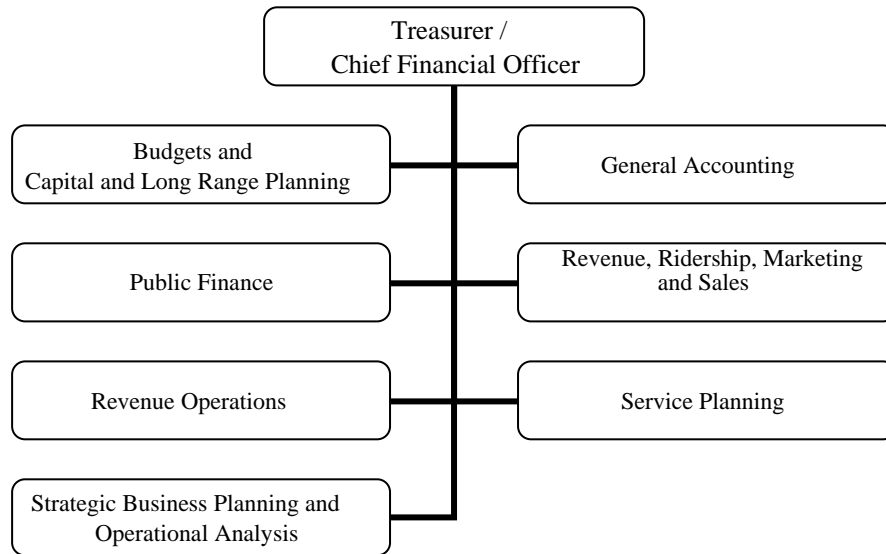
Revenue Operations – Ensures that the Authority's fare instruments are distributed, the fare collection system is maintained and revenue is collected, transported, secured, counted, processed and deposited. The department is responsible for control, compliance and audit of the collection process.

Revenue, Ridership, Marketing and Sales – Develops, compiles and disseminates revenue and ridership budgets, statistics and trends. Performs market research and customer satisfaction studies. Administers pricing policies, tariffs and fare information. Assesses opportunities for revenue growth and designs and implements long-term strategic and focused marketing initiatives, promotional partnerships and ridership retention programs. Manages other income-producing opportunities including vehicle, station and billboard advertising, and parking facilities. Administers the distribution and sale of fare instruments throughout the five-county service area, including major sales offices, the Transit Museum Store, corporate sales, convention services, Commuter Choice and business outreach initiatives.

Service Planning – Plans and schedules service for City, Suburban and Railroad operations. Monitors and analyzes route performance (in accordance with applicable service standards) to develop proposals for service improvements. Works with public and private partners to develop new services. Prepares the Annual Service Plan and Service Standards which include all major budget-related route and service proposals and the annual economic review of all SEPTA routes. Serves as liaison with City and County Planning Agencies and Transportation Management Associations (TMA's) regarding service planning issues. Coordinates SEPTA's tariff and public hearing process for all route changes. Responsible for planning SEPTA Job Access/Reverse Commute (JARC) and Congestion Mitigation/Air Quality (CMAQ) services and sub-grantee invoicing. Coordinates all SEPTA charter service requests. Supports Capital Budget planning on transit and railroad service issues.

Finance and Planning Division

Strategic Business Planning and Operational Analysis – Directs, develops and implements SEPTA’s Strategic Business Plan activities. Performs operational analysis to improve productivity and efficiencies. Performs selected analysis of business practices, re-engineers and re-designs functional activities in context of improving service delivery.



Finance and Planning Division

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Accounting / Public Finance	39	12	-	51
Budgets / Operational Analysis / Capital & Long Range Planning	25	-	-	25
Revenue, Ridership, Marketing, and Sales	39	29	-	68
Revenue Operations	88	50	49	187
Service Planning	<u>30</u>	<u>24</u>	<u>-</u>	<u>54</u>
TOTAL OPERATING HEADS	<u>221</u>	<u>115</u>	<u>49</u>	<u>385</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Accounting / Public Finance	-	-	-	-
Budgets / Operational Analysis / Capital & Long Range Planning	4	-	-	4
Revenue, Ridership, Marketing, and Sales	1	-	-	1
Revenue Operations	-	-	-	-
Service Planning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CAPITAL HEADS	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Accounting / Public Finance	39	12	-	51
Budgets / Operational Analysis / Capital & Long Range Planning	29	-	-	29
Revenue, Ridership, Marketing, and Sales	40	29	-	69
Revenue Operations	88	50	49	187
Service Planning	<u>30</u>	<u>24</u>	<u>-</u>	<u>54</u>
TOTAL HEADS	<u>226</u>	<u>115</u>	<u>49</u>	<u>390</u>

Finance and Planning Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Accounting / Public Finance	\$ 3,004	\$ 612	\$ 3,616
Budgets / Operational Analysis / Capital & Long Range Planning	1,682	38	1,720
Revenue, Ridership, Marketing, and Sales	3,695	3,165	6,860
Revenue Operations	9,622	3,050	12,672
Service Planning	<u>2,492</u>	<u>58</u>	<u>2,550</u>
TOTAL	<u>\$ 20,495</u>	<u>\$ 6,923</u>	<u>\$ 27,418</u>

ACCOUNTING AND PUBLIC FINANCE

Principal Responsibilities

General Accounting - Produces timely and accurate financial reports and properly maintains the accounting system and related internal control structure.

Accounts Payable, Billings and Cash Management - Processes vendor payments; ensures items processed are correctly recorded; generates billings, captures and reports capital project costs. Manages the Authority's cash resources.

Payroll - Processes Authority payroll in a timely and accurate manner. Also ensures that payroll-related contractual entitlements are properly reflected in accounting records and paid to individual employees.

Revenue Accounting, Operating Grants, Accounts Receivable and Fixed Assets - Maintains accounting controls over operating revenues, operating subsidy grants, operating receivables and fixed assets. Prepares applications and billings for operating and senior citizen subsidies and accounts for capitalization and disposition of grant and non-grant property and related depreciation and contributed capital.

Public Finance - Coordinates the Authority's access to the capital markets for proposed debt financing and leasing. Coordinates the strategic leverage of limited resources to maintain a reasonable level of access to capital markets.

Finance and Planning Division

Goals

Prepare required interim and annual financial reports timely and accurately, including distribution of monthly Treasurer's Report. Annual financial reports include the Urban Grant Financial Report to the State, National Transit Database Report, Single Audit Report, and City Special Purpose Report, all of which are audited.

Business Initiatives

- **Improve Use of Information Technology Throughout Authority**
 - Streamline financial systems for ease of access by internal users
 - Support Information Technology efforts to improve financial reporting, executive information and asset management.

BUDGETS / CAPITAL AND LONG RANGE PLANNING

Principal Responsibilities

Operating Budget - Develop a budget plan based upon an evaluation of each department's operating needs in relation to the Authority's overall resources. Review and modify the consolidated results of all proposals to ensure that projected expenditures are balanced with projected revenues and subsidies. Develop annual Operating Budget and multi-year forecast. Evaluate proposed financial commitments and personnel requests on an ongoing basis to ensure sufficient funding and adherence to budget. Oversee SEPTA's utility accounts, and review and approve utility bills. Conduct analysis to track and forecast financial performance. Manage and maintain the new MPC Budget System.

Capital Budget - Develop annual Capital Budget and the twelve-year Capital Program. Prepare, maintain and execute federal, state and local grant applications from inception to execution. Provide oversight and prepare analyses of the Vehicle Overhaul Program; Infrastructure Safety Renewal Programs; Regional Job Access and Reverse Commute Programs and safety and security programs.

Capital & Long Range Planning - Analyzes, evaluates and prioritizes capital projects. Initiates studies and develops plans for building new lines and expanding the existing transit network to serve new markets and increase ridership. Assesses the consequences of national, state and local demographic, economic, travel and development trends and forecasts for SEPTA's current and future markets, services and capital projects. Continues participation in the Transit Cooperative Research Program (TCRP) and similar research efforts to advance studies and ideas that solve problems, provide practical guidance and expand the knowledge base of the transit community.

Finance and Planning Division

Reports & Systems - Maintain the MPC software used to produce the annual operating budget at the expense object level and integrate with the mainframe environment. Support and train the departmental users of the budgeting system. Coordinate with Information Technology to produce, maintain and distribute monthly and annual internal financial reports.

Special Projects - Provides financial analysis and forecasting for substantive financial issues impacting the Authority including labor negotiations, power and fuel contracts, income generating contracts, etc. Provides financial analysis for internal discussions and Board briefings.

Goals

Monitor and report actual versus budgeted expenditures. Research areas of potential overspending and work with departments to develop an action plan that will achieve intended results, while staying within overall budget.

Prepare the Fiscal Year 2008 Operating Budget Proposal, ensuring the expenses are balanced with revenue and operating subsidies. Manage the budget process to ensure timely public hearings, approval and publication of the Fiscal Year 2008 Budget Document.

Complete the development of an enhanced Operating Budget Financial Database System.

Identify and analyze modifications to operations as well as staff functions that will achieve cost savings without decreasing the level of service or reporting.

Continue to pursue economic opportunities presented by the deregulation of the electric industry.

Prepare the Fiscal Year 2008 Capital Budget and twelve-year Capital Program, ensuring that projects are progressing within projected grant resources.

Finalize and distribute Fiscal Year 2008 Capital Budget and Fiscal Year 2008-2019 Capital Program.

Secure approval of public transit section of Fiscal Year 2008 Transportation Improvement Program.

Secure approval of Federal Transit Administration grant applications within first quarter upon completion of Fiscal Year 2008 appropriations process.

Participate in efforts to secure sufficient state funding for SEPTA's capital and operating budgets.

Finance and Planning Division

Maximize funding opportunities through use of “Letters of No Prejudice” and any other innovative financing avenues, including leasing of assets.

Identify alternative fuel funding opportunities at the federal and state levels.

Coordinate Act 44 funding process including internal approvals and PennDOT grant approvals.

Monitor ongoing capital projects and expenditure requirements.

Pursue appropriate advancement for the Authority’s regional new start initiatives.

Participate and represent the Authority in intergovernmental planning and project development activities.

Business Initiatives

- **Identify Opportunities to Serve New Markets**

- Investigate methods for funding/promoting new service initiatives.
 - Maximize funding opportunities for the region’s Access to Jobs initiatives.

- **Expand Rail Services**

- Evaluate new transit services.

- **Provide Strategic Decision Making Support Systems**

- Establish evaluation program to prioritize capital investments.
 - Continue implementation of the capital planning methodology, policies and procedures, including capital project analysis and evaluation criteria.
 - Continue assessment of fare collection modernization needs and prepare recommendation.

REVENUE OPERATIONS

Principal Responsibilities

Revenue Transportation – Ensures the collection and safe transportation of the Authority’s passenger revenues and fare instruments. Deposits processed revenue.

Revenue Services – Ensures timely processing, counting and reconciliation of the Authority’s passenger revenue, as well as the distribution of fare instruments.

Finance and Planning Division

Revenue Equipment Maintenance and Engineering – Performs preventive maintenance and overhaul of the Authority's fare collection equipment and devices. Provides engineering and design support for the revenue system including specifications, drawings, equipment modifications and system upgrades.

Revenue Compliance – Ensures that the collection of farebox revenue is performed efficiently and safely.

Revenue, Audit and Control – Ensures that effective controls are in place to safeguard the Authority's revenue and assets.

Goals

Maintain an annual average expense of 8.7 cents or less per dollar collected in Revenue Operations.

Ensure that the following revenue collection equipment maintains an average number of transactions between failures at or above the following goals:

Fareboxes	11,000
Turnstiles	36,000
Token Machines	700

Improve management of Revenue Operations overtime budget with at least a favorable budget to actual variance of 8% surplus and manage the sick and paid absence budget with at least a 3% surplus.

REVENUE, RIDERSHIP, MARKETING AND SALES

Principal Responsibilities

The Revenue, Ridership, Marketing and Sales Department is responsible for managing passenger and non-passenger revenue. Assesses opportunities for ridership growth, designs and implements long-term strategic marketing initiatives, business development tactics, promotional partnership and ridership retention programs. Through trend analysis, research and other assessments, implements marketing programs or recommends service enhancements as appropriate.

Finance and Planning Division

Revenue and Ridership Management – Develops revenue and ridership budgets and tracks performance. Compiles and disseminates revenue and ridership data, statistics and trends. Fulfills reporting requirements of government and ancillary agencies. Administers pricing policies, associated tariffs and dissemination of fare information. Administers Senior Citizen Free Transportation Program.

Sales – Administers the distribution of sales instruments throughout the five-county service area. Manages three major sales centers, the Transit Museum Store, corporate sales, convention sales, internet sales and over 400 vendor agreements. Performs ongoing financial and quality assessments of vendors. Administers contracts with schools and school districts. Conducts transit fairs and informational outreach to employees, and develops promotional partnerships.

Marketing – Develops and manages long and short-term marketing programs. Creates marketing campaigns and messages, and places advertising in various media forms as appropriate. Manages or develops other income-producing opportunities including vehicle, station and billboard advertising. Prepares communications designed to retain customers and enhance ridership.

Market Research – Directs Authority-wide qualitative and quantitative research programs executed both internally and externally. Prepares and disseminates summary reports and recommendations to internal customers. Conducts annual customer satisfaction program.

Business Development – Coordinates Authority-wide plans to support major service changes as well as recommending and/or reviewing service changes to address new or transitional market conditions.

Parking Operations and Development – Manages fee collection, maintenance and construction programs. Develops, implements and expands the Authority's parking program. Chairs the Authority's Interdepartmental Parking Task Force.

Goals

Develop long-range marketing plan

- Identify greatest opportunities for ridership development.
- Formulate measurable advertising strategies.
- Develop ridership retention tactics to address capital projects to be implemented this fiscal year.

Identify and strengthen opportunities for revenue enhancement

- Expand commuter choice programs to employers within SEPTA's service area.
- Develop new business and community partnerships.
- Expand electronic billboard, station and vehicle advertising.

Finance and Planning Division

- Explore opportunities to develop naming rights for stations, routes and other facilities and services.

Improve information delivery systems

- Publish a greater volume of ridership information on the SEPTA intranet.
- Explore new electronic media forms.

Evaluate pricing policies

- Begin implementation of a strategy to improve and modernize fare collection processes.
- Identify opportunities for cross-development with external partners.

Business Initiatives

• Identify Opportunities to Serve New Markets

- Identify opportunities for service to new and growing work sites.
 - Develop relationships with partner agencies in the Access-to-Jobs arena, employer associations and other organizations with an interest in mobility.
 - Provide strategic decision making support systems through the use of market research to guide business decision making.
 - Investigate new business leads by working closely with developers, public agencies and business organizations to incorporate public transit access into investment decisions.
- Develop visitor and tourist markets.
 - Identify opportunities to serve new markets, such as service to new and growing work sites and visitor and tourist markets.
- Develop community and business partnerships.
 - Participate in efforts to improve our customers' ability to purchase SEPTA fare instruments and retail products over the Internet, by mail, from neighborhood stores and through their employer.
 - Evaluate opportunities to generate new ridership and revenue through partnerships with other transportation providers through the use of technology, information sharing and promotions.

Finance and Planning Division

- **Provide Strategic Decision Making Support Systems**
 - Use customer market research to guide business decision making.
 - Conduct market research to identify and prioritize customer amenities and to incorporate these results into investment decisions.
 - Develop Marketing/Public Relations strategies for SEPTA services.
 - Develop outreach campaigns to attract new, long-term riders.
- **Develop Marketing/Public Relations Strategy for SEPTA Services**
 - Develop public relations campaign to strengthen SEPTA's regional visibility.
 - Strengthen awareness of SEPTA's importance to the region.
 - Develop promotional campaigns for targeted markets, such as special events for SEPTA passholders.
 - Develop Public Relations campaign responding to customer surveys.
 - Provide marketing initiatives to support Authority programs.
 - Provide public communications campaign for the Authority's capital projects.
- **Improve Authority Real Property Asset Management**
 - Develop electronic advertising opportunities for vehicles, stations and facilities.
 - Solicit proposals concerning advertising opportunities along rights-of-way.
 - Manage SEPTA advertising contracts to obtain the optimum amount of revenue.
- **Improve System Access**
 - Expand parking facility development program for Railroad and Rail Transit locations.
 - Pursue parking initiatives to encourage and support increasing SEPTA ridership by expanding the 26,600 spaces currently available.
 - Solicit proposals concerning management of Norristown Transportation Center garage.

Finance and Planning Division

SERVICE PLANNING

Principal Responsibilities

Service Planning - Plans and schedules service for City, Suburban and Railroad operations. Monitors and analyzes route performance in accordance with applicable service standards to develop proposals for service improvements. Works with public and private partners to develop new services. Prepares the Annual Service Plan which includes all major budget-related route and service proposals and annual economic review of all SEPTA routes. Serves as liaison with City and County Planning Agencies and TMA's regarding service planning issues. Coordinates SEPTA's tariff and public hearing process for all route changes. Responsible for planning SEPTA Job Access/Reverse Commute (JARC) and Congestion Mitigation/Air Quality (CMAQ) services and sub-grantee invoicing. Coordinates all SEPTA charter service requests. Supports Capital Budget planning on transit and railroad service issues.

Goals

Complete planning studies and implement non-budget related route projects including Job Access/Reverse Commute Initiatives, CMAQ initiatives and other projects.

Monitor route changes and new routes and make revisions, as necessary.

Oversee management of SEPTA and sub-recipient Job Access/Reverse Commute Grants. Approve grant invoices for sub-recipients and finalize new project lists for application.

Enhance departmental computer capabilities.

Develop alternative schedules for capital projects to be advanced this fiscal year.

Provide support to Bus Operations, Control Center and Information Technology for Authority wide implementation of the Computer Aided Radio Dispatch-Automatic Vehicle Locator (CARD-AVL) System.

Business Initiatives

- **Improve Customer Travel Environment**
 - Support planning for Authority's Bike-on-SEPTA Program for all modes.
 - Support coordination of Accessible Route network for all modes.
- **Improve Reliability / On-Time Performance / Travel Speed**
 - Improve on-time performance.

Finance and Planning Division

- Participate on Bus Route Schedule Adherence (RSA) Committee with Bus Operations and Control Center to improve on-time performance on selected routes.
- Participate on Railroad On-Time Performance Committee and Schedules Sub-Committee to improve the on-time performance of selected trains.
- **Allocate Resources Based on Passenger Demand**
 - Identify opportunities for route service expansion.
 - Implement Annual Service Plan initiatives.
- **Identify Opportunities to Serve New Markets**
 - Identify service opportunities for new and growing work sites.
 - Develop, implement and monitor Congestion Mitigation/Air Quality Program (CMAQ) and Access-to-Jobs service initiatives.
- **Improve Use of Information Technology Authority-Wide**
 - Use computer scheduling to achieve operational efficiencies.
 - Use Trapeze FX Upgrade to prepare transit and rail transportation schedules and vehicle requirement statistics.
 - Utilize MultiRail software to prepare railroad schedules.
 - Expansion of departmental Geographic Information System (GIS) capabilities as part of the Delaware Valley Regional Planning Commission (DVRPC) regional program.
 - Process acquisition of OpCrew Optimization software.
- **Coordinate Projects with Other Departments**
 - Coordinate service planning and schedule elements of major capital projects.
 - Coordinate SEPTA scheduling elements of railroad projects involving Amtrak and New Jersey Transit.

STRATEGIC BUSINESS PLANNING AND OPERATIONAL ANALYSIS

Principal Responsibilities

Strategic Business Planning – Design, manage and coordinate Strategic Business Planning activities of the Authority. Develop measurement indicators and coordinate with external agencies on Strategic Business Plan agenda.

Operational Analysis - Perform operational and cost benefit analyses to improve productivity and efficiencies. Analyzes policy and procedure, organizational structure and

Finance and Planning Division

functional design. Redesign processes and functional activities to achieve efficiencies and generate operating savings. Conduct analyses to determine potential for third party opportunities and other situations resulting in work being contracted out.

Goals

Introduce a Strategic Business Plan for the next three to five years designed within the context of a predictable and stable funding environment.

Business Initiatives

- Coordinate several projects that support an integrated approach to strategic planning throughout the Authority.
- Work with Authority Divisions in development of a specific Strategic Business Plan that reflects the overall goals and direction of the Authority.
- **Implement Labor Efficiencies**
 - Identify competitive bid work opportunities (especially in non-core business areas).
 - Identify alternative strategies for further cost containment.
 - Conduct cost benefit analysis on existing functions to determine future business strategies.

Human Resources

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Human Resources Division

Principal Responsibilities

Human Resources Team – Directs the Authority's initiatives toward adding value and being responsive to the demands of a dynamic business environment. The principal areas of focus are employees, customer service, organization effectiveness and service quality, training, uniform compliance to policies and procedures and the development of measures that promote our vision, mission and goals.

Employee Services – This entity is responsible for the following services:

- The Medical Department administers the Employee Assistance Program, drug-testing programs, all functions related to the Authority's Wellness Program and services for all employees to meet fitness for duty standards.
- Benefit Services administers benefits programs for all employees, including medical, dental, prescription, life insurance, pensions, deferred compensation, flexible benefit program, Cobra and absence management for approximately 8,900 employees and 4,000 retirees. The Benefits staff monitors the \$252 million Authority-wide consolidated benefits budget.
- Compensation administers the salary program for 1,700 supervisory, administrative and management employees and maintains the job evaluation process as well as the Human Resources Information System.
- The Budget Manager for the division administers financial responsibilities and fiscal planning tasks.
- Human Resources Service Center (HRSC) provides support services to all employees and their families.
- Project Management and Organization Effectiveness exercises responsibility for the development, implementation and management of the Human Resources Business Plan. Coordinates projects related to system's metrics intended to enhance overall division and Authority performance. Also manages the effort to maintain the currency of policies and management directives related to the human resource function.

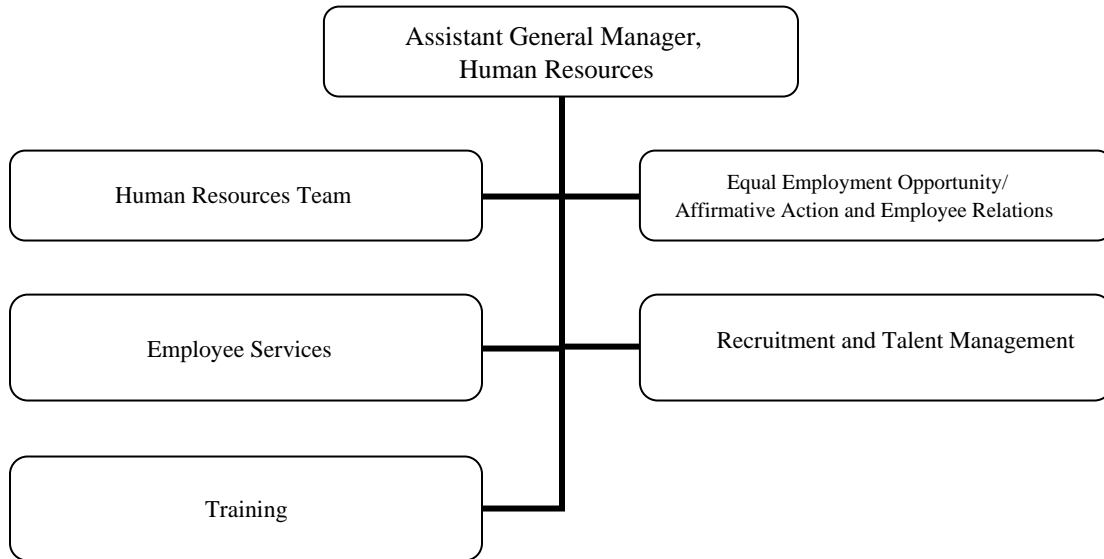
Equal Employment Opportunity/Affirmative Action and Employee Relations – Facilitates programs to ensure the Authority's compliance with applicable policies, employment laws and regulations to prevent discrimination. Investigates discrimination complaints filed internally and with external enforcement agencies. Responsible for the oversight of the Authority's "due process" obligations for Supervisory, Administrative and Management (SAM) personnel as required under the current policies and procedures. Conducts employee problem counseling, dispute resolutions and monitors the Authority's Performance Improvement Plan (PIP) to ensure consistency with established procedures. Responsible for handling responses to complaints of discrimination filed with external agencies or under SEPTA policies.

Human Resources Division

Recruitment and Talent Management - Directs the recruitment, hiring, testing, transferring and retention of a diverse team of highly competent and committed professionals. Responsible for the Authority's workforce, both unionized and management, of approximately 8,900 employees.

Training – Provides training programs to improve employee performance, to teach new skills, or to retrain employees as required ensuring that the work force has a comprehensive understanding of regulations, procedures, policies and skills to provide service. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance and management employees.

Human Resources Division



Human Resources Division

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Employee Services	18	17	-	35
EEO/AA and Employee Relations	5	-	-	5
Human Resources Team	5	-	-	5
Recruitment and Talent Management	14	-	-	14
Training	<u>93</u>	<u>-</u>	<u>-</u>	<u>93</u>
TOTAL HEADS	<u>135</u>	<u>17</u>	<u>-</u>	<u>152</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Employee Services	-	-	-	-
EEO/AA and Employee Relations	-	-	-	-
Human Resources Team	-	-	-	-
Recruitment and Talent Management	-	-	-	-
Training	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL HEADS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Employee Services	18	17	-	35
EEO/AA and Employee Relations	5	-	-	5
Human Resources Team	5	-	-	5
Recruitment and Talent Management	14	-	-	14
Training	<u>93</u>	<u>-</u>	<u>-</u>	<u>93</u>
TOTAL HEADS	<u>135</u>	<u>17</u>	<u>-</u>	<u>152</u>

Human Resources Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Employee Services	\$ 2,270	\$ 369	\$ 2,639
EEO/AA and Employee Relations	300	10	310
Human Resources Team	502	21	523
Recruitment and Talent Management	894	249	1,143
Training	<u>6,046</u>	<u>152</u>	<u>6,198</u>
TOTAL	<u>\$ 10,012</u>	<u>\$ 801</u>	<u>\$ 10,813</u>

HUMAN RESOURCES TEAM

Principal Responsibilities

The demands of the Authority's constantly changing dynamic business environment, requires that Human Resources be responsive by directing the initiatives that add value. The principal areas of focus are employees, customer service, organization effectiveness and service quality, training, compliance with policies and procedures and the development of measures that promote our vision, mission and goals.

Business Initiatives

- **Improve Customer Service Communication/ Information**
 - Enhance and prioritize initiatives related to communications.
 - Continue to improve the Customer Service Center in Human Resources to better serve employees with customer satisfaction as a priority.
 - Continue to implement an interactive Employee Communications Network for use by all employees to gain direct access by computer to their personal employee benefits.
 - Continue the Human Resources Generalist Program Phase Two, to assist in the achievement of Authority goals by increasing deployment of business partners to provide enhanced customer services to on-site managers and employees.
 - Improve customer service and communication skills of rail employees through the implementation of Quality Service Project initiatives.

Human Resources Division

- **Implement Labor Efficiencies**
 - Continue refinement of the Human Resources organization in order to promote efficiency through project management and organizational effectiveness.
 - Recruitment and Talent Management will utilize the new E- Recruitment System, a tool that will streamline the personnel requisition and hiring process.
 - Continue involvement in the joint SEPTA/TWU training program to upgrade skills of maintenance employees.
- **Review Training Needs Throughout the Authority**
 - Design and develop Management Training Programs.
 - Establish corporate core competencies to drive training needs.
 - Conduct training classes for first level supervisors, mid-level managers and senior managers.
 - Continue implementation of computer based programs to minimize labor and training costs.
- **Improve Career Enhancement Opportunities for SEPTA Employees**
 - Develop and initiate Career Counseling/Employee Programs to support career development opportunities.
 - Continue to use tuition program to counsel employees in fields of study appropriate for career opportunities at SEPTA.
 - Continue with efforts to link technical and professional internal training programs to college accreditation.
 - Develop programs to support career development/equal employment opportunities.

EMPLOYEE SERVICES

Principal Responsibilities

Medical - Manages the Wellness Program. Conducts drug and alcohol testing in accordance with Authority policy and U.S. Department of Transportation regulations. Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical surveillance programs (i.e. PCBs, asbestos), hearing conservation, etc as required by the Authority. Administers the Employee Assistance Program for all employees and their dependents. Responsible for review, compliance and tracking of medical documentation to ensure compliance with the Family Medical Leave Act.

Benefits - Designs, negotiates and administers the benefits program, including medical, dental, prescription, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation, supplemental voluntary benefits and flexible benefits

Human Resources Division

programs for 30,000 individuals including employees, retirees and families. Conduct benefit orientations and training and information sessions concerning all employee benefits programs.

Compensation/Human Resources Information Systems - Develops, communicates and administers the compensation program for supervisory, administrative and management employees. Updates information, monitors and trains employees on the use of the Human Resource Information System (HRIS). Maintains files for all 1,700 SAM employees and the Hay Evaluation System that is utilized to evaluate SAM positions.

Project Management And Organization Effectiveness - Develops initiatives throughout the Authority to improve quality, service and efficiency. These projects are designed to effectuate positive change in a corporate culture through best practices, strategies and new work processes.

Goals

Promote the use of Human Resources Intranet to enhance communication.

Communicate benefits programs to all employees through the use of open enrollments, seminars and other means to educate employees of the current benefits that are available to them and their families.

Improve the customer service center that will increase our efficiency in responding to HR customer needs.

Bid Life Insurance, Long Term Disability, Dental Vision, Prescription Drugs and Medical.

Ensure compliance with fitness for duty standards and increase wellness educational information to promote employee health care.

Design, implement and manage a Human Resources five-year business plan.

Introduce the plan to SEPTA managers to gain professional support for new initiatives.

Initiate programs to support metrics, cost reduction, culture, best practices, change management, employee recognition and various programs to support the Human Resources mission.

Manage and direct HIPAA Program.

Coordinate Human Resources program ensuring the currency and accuracy of policies and management directives.

Train staff in statistical measurement and the use of metrics and their relationship to corporate performance.

Human Resources Division

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION AND EMPLOYEE RELATIONS

Principal Responsibilities

Develops implements, maintains and promotes a responsive Equal Employment Opportunity/Affirmative Action Program to address the changing needs of an increasingly diverse workplace. Responsible for handling responses to complaints of discrimination filed with external agencies or under SEPTA policies and procedures.

Goals

Prepare SEPTA's Affirmative Action Program Plan. (Title VI Plan)

Conduct Affirmative Action, Civil Rights and Sexual Harassment training in group and individual settings.

Monitor and audit EEO compliance.

Effectively coordinate complaint-handling responsibilities.

Ensure consistency in the application of employee policies.

RECRUITMENT AND TALENT MANAGEMENT

Principal Responsibilities

Directs and is responsible for the recruitment, hiring, testing and transferring of qualified and competent workforce ensuring equal opportunities by applying controls and compliance to applicable laws throughout the recruitment and hiring process. Continue to assure communication, documentation and a fair selection process in filling Authority vacancies.

Goals

Continue utilization and improvement of contracted E-Recruitment system that will better facilitate the evaluation and hiring of candidates.

Expand and consolidate Strategic Hiring Plans to additional areas within the Authority, allowing for the replacement of positions in a predictable and programmed manner.

Enhance relationships with area technical schools to increase SEPTA's profile as an employer of choice for highly desirable tech school graduates.

Continue to attend community job fairs to ensure that candidates for positions with SEPTA represent the broad spectrum of talent available within the Philadelphia region.

Human Resources Division

Increase investigation, surveillance and testing to support the Operations Division's projected need to double the new-hire pool of operators.

TRAINING

Principal Responsibilities

Provides training programs to improve employee performance, teach new skills or retrain employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures, policies and skills to perform their assigned duties. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance and management employees.

Goals

Improve flexibility and efficiency of the department to respond to the changing needs of the Authority.

Establish mechanisms that result in improved forecasting training needs relative to attrition, vehicles, equipment, systems and routes.

Enhance and prioritize training initiatives related to communication/customer service.

Improve career enhancement opportunities through tuition program and internal training programs.

Design and enhance training programs for mid-level and senior management using the Core Competency Model.

Develop and implement computer based training programs to reduce the cost of training.

Participate in joint union/management partnership to establish a TWU Maintenance Apprenticeship Program.

Prepare and present a business case for the implementation of a corporate Succession Management System.

Conduct out reach effort to standardize training being conducted outside the control of the Training Department of the Human Resources Division.

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Legal

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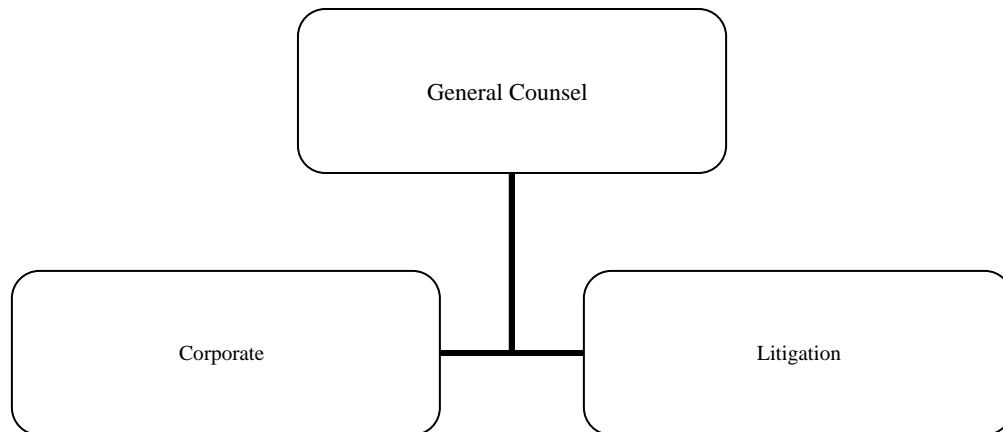
Legal Division

Principal Responsibilities

The Legal Division consists of the Corporate Department and Litigation Department.

Corporate Department - The Corporate Department counsels and advises SEPTA management on day-to-day corporate legal matters. This department also monitors outside counsel in the handling of cases involving procurement and contracts, construction, real estate, employment/labor, constitutional and civil rights, public utility and environmental law. The Corporate Department also prepares and monitors the divisional operating budget and provides administrative services to the Litigation Department.

Litigation Department - The Litigation Department represents SEPTA with in-house attorneys and outside counsel in the defense of and prosecution of civil actions in all fields of law. Most of the claims are for personal injury (including claims under the Federal Employers' Liability Act) and property damage.



Legal Division

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate	14	-	-	14
Litigation	<u>42</u>	<u>2</u>	<u>-</u>	<u>44</u>
TOTAL HEADS	<u>56</u>	<u>2</u>	<u>-</u>	<u>58</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate	-	-	-	-
Litigation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL HEADS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate	14	-	-	14
Litigation	<u>42</u>	<u>2</u>	<u>-</u>	<u>44</u>
TOTAL HEADS	<u>56</u>	<u>2</u>	<u>-</u>	<u>58</u>

Legal Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Corporate	\$ 997	\$ 5,099	\$ 6,096
Litigation	<u>2,951</u>	<u>2,041</u>	<u>4,992</u>
TOTAL	<u>\$ 3,948</u>	<u>\$ 7,140</u>	<u>\$ 11,088</u>

CORPORATE

Goals

Provide timely responses to the inquiries and requests of management for advice and direction on all corporate-related legal matters.

Monitor outside counsel who represent SEPTA and employees who have acted on its behalf in claims and civil actions that are not personal injury actions.

Advise the Board on legal and procedural matters; draft resolutions.

In coordination with SEPTA's Workers' Compensation Department, continue to monitor third-party actions/claims brought by employees who are on injured on duty status in order to protect SEPTA's subrogation interests; where appropriate, continue to assist the Workers' Compensation Department with requests to compromise SEPTA's statutory liens, and enter into releases which would relieve SEPTA from further obligations under the Workers' Compensation Act.

Provide timely review for all contracts submitted to Corporate Department.

Counsel managers/supervisors to ensure compliance with the law and applicable SEPTA policy/procedures as to employment issues; advise as to proposed disciplinary demotions and discharges of SAM employees; assist in the preparation of all required notices under policy/procedure relating to the discipline of SAM employees.

Identify and pursue claims by SEPTA against others.

Legal Division

LITIGATION

Goals

Close out 1,600 civil actions in FY 2008 to maintain level caseload.

Maintain payouts below FY 2005 level.

Business Initiatives

- **Implement Workers' Compensation and Injury Claims Reduction Campaign**
 - Aggressively defend Federal Employers' Liability Act ("FELA") claims (compensation claims for railroad workers injured on the job) where appropriate.
 - Conduct thorough investigations early in the claims process.
 - Continue to implement recommendations made by the inter-departmental committee that addresses FELA claims.
 - Challenge the applicability of FELA, a federal statute, to SEPTA, a Commonwealth agency, on sovereign immunity grounds.
- **Reduce Third Party Claims**
 - Aggressively pursue early settlement of legal claims.
 - Pursue settlement of probable liability claim promptly after the claims go into suit. This should reduce the number of cases that proceed to costly litigation.
 - Continue to decrease the inventory of active lawsuits against SEPTA.

Public and Government Affairs

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Public and Government Affairs Division

Principal Responsibilities

Communications – Responsible for internal and external communications outreach to inform customers and employees about SEPTA initiatives and programs, and the presentation of a consistent public corporate image.

Media Relations – Responsible for communicating SEPTA's official position and statements on all key Authority topics, communications with consumer and trade media and the presentation of a consistent public corporate image.

Government Affairs – State and Federal

State – Maintain continuous contact with members of the Senate and House from the five county delegation, legislative leaders and members of relevant Committees, the Administration and appropriate staff. Review and analyze all legislation and regulations introduced in both houses for potential impact on SEPTA and respond accordingly to all proposed legislation. Serve as focal point for legislative inquiries on both legislative and constituent issues. Serve as liaison with Pennsylvania Public Transportation Association (PPTA), as well as with SEPTA's state legislative consultants.

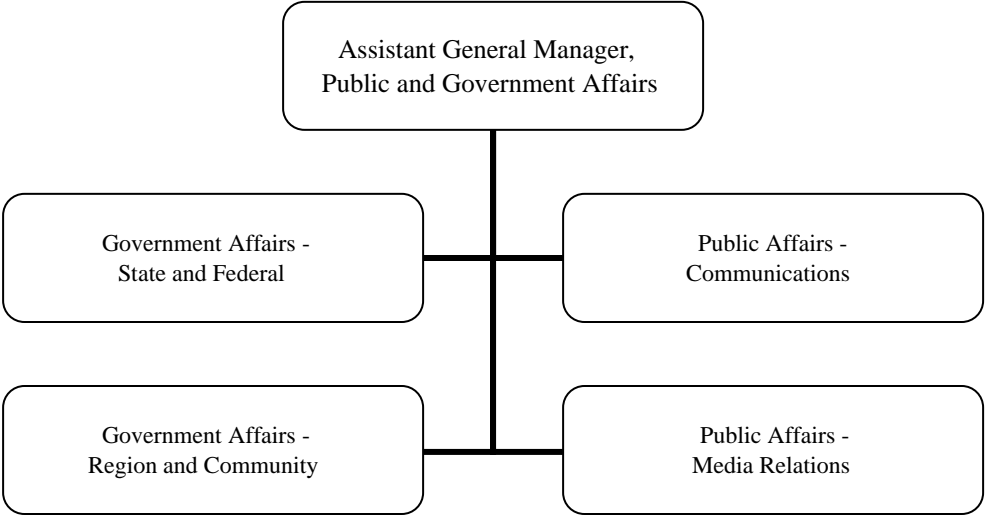
Federal – Work with the region's Congressional Delegation and their staffs to assure that any federal legislation proposed and/or enacted is favorable to SEPTA's interests. Respond to legislative and constituent inquiries from the federal level.

Government Affairs – Region and Community Relations

Region – The Government Affairs staff works closely with local elected officials to advance transit-related initiatives and legislation in the five (5) county service area. The coordination includes the involvement of outside consultants, as needed, to assist with SEPTA's agenda on the city and regional level. Activities include attending County Council and Philadelphia City Council meetings to keep abreast of legislation and maintain a rapport with local elected officials.

Community Relations – The Community Relations staff is proactive in its outreach in the region on SEPTA related projects and information dissemination. Responsible for responding to transit issues impacting the community on a day-to-day basis as well as participation in special events.

Public and Government Affairs Division



Public and Government Affairs Division

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Public Affairs - Administration/Communications	11	5	3	19
Public Affairs - Media Relations	5	-	-	5
Government Affairs - Region & Community	7	-	-	7
Government Affairs - State & Federal	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
TOTAL OPERATING HEADS	<u>26</u>	<u>5</u>	<u>3</u>	<u>34</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Public Affairs - Administration/Communications	-	-	-	-
Public Affairs - Media Relations	-	-	-	-
Government Affairs - Region & Community	2	-	-	2
Government Affairs - State & Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CAPITAL HEADS	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Public Affairs - Administration/Communications	11	5	3	19
Public Affairs - Media Relations	5	-	-	5
Government Affairs - Region & Community	9	-	-	9
Government Affairs - State & Federal	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
TOTAL HEADS	<u>28</u>	<u>5</u>	<u>3</u>	<u>36</u>

Public and Government Affairs Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Public Affairs - Administration/Communications	\$ 1,055	\$ 1,635	\$ 2,690
Public Affairs - Media Relations	376	37	413
Government Affairs - Region & Community	477	24	501
Government Affairs - State & Federal	<u>254</u>	<u>45</u>	<u>299</u>
TOTAL	<u>\$ 2,162</u>	<u>\$ 1,741</u>	<u>\$ 3,903</u>

COMMUNICATIONS

Principal Responsibilities

Communications – Responsibilities include internal and external corporate communications including developing customer information brochures, posters and notices, system signage, way-finding information, and maps. Manages the content, graphics, navigation, and editorial content for SEPTA's Internet website and is responsible for the redesign and editorial content of the Authority's employee Intranet site. Also responsible for preparing testimony, speeches, articles, General Manager communications with employees, Board Commendations and other correspondence. Directs Art in Transit program, Legislative Database and Elected Official/Stakeholder Outreach initiatives; manages Graphics, Printing Services, the Sign Shop and Fulfillment operations.

- **Print Services and Sign Shops** are the internal production operations for Authority departments and operations. The Print Shop is responsible for printing approximately 9 million transit schedules each year as well as customer brochures, posters, leaflets, maps, mass distribution employee memos, forms and corporate business cards and stationery. The Sign Shop is responsible for producing a range of system and vehicle signs, decals, posters and banners.
- **Graphic Services** provides creative concept, design, layout and pre-production services for all departments in the Authority for a vast range of projects including brochures, leaflets, posters, transit passes, maps, signage, marketing and sales materials, and the Annual Report. Responsible for graphic design of SEPTA's Internet and Intranet Websites.

Public and Government Affairs Division

- **Fulfillment Services** provides direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit timetables, customer service notices and other brochures and leaflets produced by the Authority.

Goals

Direct internal employee communications program.

Oversee General Manager and Board Chair external communications efforts to elected officials and stakeholders and Authority outreach to customers about service, system enhancement, and fare initiatives.

Coordinate all graphics, signage and printed material programs for the Authority.

Manage content, graphics and image aspects of Internet and Intranet websites.

Implement new, web-focused, customer communications outreach efforts including language translation capabilities and real time service information.

Business Initiatives

- **Continue Customer Communication/Information Outreach Program**
 - Employ existing communications tools as appropriate.
 - Continue station/vehicle notice posting program to advise customers of planned service and schedule alterations due to construction projects.
 - Support Operations and Internal Staff Capital/Force Account Projects through development, production and dissemination of customer information – leaflets, signage and posters.
 - Continue management of editorial content and graphic standards for SEPTA Internet website.
 - Advance production and distribution of customer maps, leaflets, brochures and timetables.
- **Continue External Communication/Information Outreach Program**
 - Support on-going outreach to elected officials and stakeholders.
 - Continue communication with elected officials using Legislative Database, mailmerge, fax blast for key initiatives including dedicated funding, service interruption and operating budget.
 - Create presentations, speeches, letters and information packages to support efforts.

Public and Government Affairs Division

- **Manage Authority Image/Identity Program**

- Employ Graphic Standards Established for System Signage/Maps/Wayfinding.
 - Continue to update and add to Signage Graphics Standards.
 - Establish working group with EMC to review all signage packages for station upgrade and construction projects based upon established Signage Graphic Standards.
 - Work with EMC to complete Railroad station re-signing program.
- Continue implementation of Art-In-Transit Program.
 - Complete Call for Artist for current roster of station upgrade programs with permanent art components.
 - Establish work programs and Call for Art for new capital projects with art component.

MEDIA RELATIONS

Principal Responsibilities

Media Relations - Development and distribution of news releases, direction of emergency response communications and generation of advocacy speeches and articles are among the communications responsibilities of this department. This department also manages and oversees other corporate and external public events such as coordinating with the Philadelphia Film office for filming on SEPTA property.

Goals

Proactively enhance communications with national, regional, city, community and trade media on all aspects of SEPTA business, particularly regarding transit operations and funding.

Continue to improve real-time communications of system operating status to broadcast and web-based media.

Encourage greater media attention to transit safety issues.

Business Initiatives

Encourage greater marketing and public relations opportunities through commercial, academic, trade and hobby organizations seeking to produce films, documentaries, commercials and other media products throughout the transit system.

Public and Government Affairs Division

GOVERNMENT AFFAIRS – STATE AND FEDERAL

Principal Responsibilities

State - Maintain continuing contact with members of the Senate and House from the five county delegation, legislative leaders and members of relevant Committees, including but not limited to Appropriations and Transportation, the Administration and appropriate staff. Review and analyze all legislation and regulations introduced in both houses for potential impact on SEPTA. Notify SEPTA senior management and appropriate staff of such legislation. Where the impact is negative, work to amend or defeat proposed legislation. Where impact is positive, work toward passage. Serve as focal point for legislative inquiries on both legislative and constituent issues. Serve as liaison for the Pennsylvania Public Transportation Association (PPTA). Act as liaison with SEPTA's state legislative consultants. Work with PennDOT and PPTA to develop appropriate funding formulae as part of any funding program.

Federal - Work with the region's Congressional Delegation and their staffs to assure that any federal legislation proposed and/or enacted is as favorable to SEPTA's interests as possible. Work with SEPTA finance staff, federal legislative consultants, Council of Northeastern Governors and the American Public Transportation Association to prevent harm to SEPTA as a result of legislated changes to Amtrak's funding and organizational structure. Respond to legislative and constituent inquiries from the federal level.

Goals

Obtain adequate, dedicated state funding source with growth potential for operating and state of good repair capital.

Obtain favorable treatment for SEPTA during the rulemaking of Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU) programs and during the implementation of language contained in Amtrak's appropriation legislation that requires reallocation of Northeast Corridor costs.

Business Initiatives

- **Develop ongoing relationships with regional delegations**
 - Institute delegation meetings to be held twice annually for general information sharing on activities and concerns in each county.
 - Initiate annual visitation program to local offices of state and federal elected officials from the SEPTA region to put a face with a name for constituent inquiries.
 - Continue regular communication with elected officials via mass mailings, faxes and electronic mail when there is an issue affecting their districts.
 - Educate newly elected officials about SEPTA and the role of transit in their districts.

Public and Government Affairs Division

- Initiate program to visit and establish relationships with boroughs and townships for purposes of constituent issues.
- Monitor regulatory issues resulting from mandates contained in federal reauthorizing legislation.
- Work with Finance Division to assure inclusion of SEPTA-requested earmarks for capital projects in the region.
- Monitor proposed changes to Amtrak legislation at both the authorizing and appropriations stages.
- Work with SEPTA Counsel to pursue release from select federal legislation, including the Federal Employees Labor Act (FELA).
- **Identify and pursue legislative issues at the state level**
 - Continue efforts to secure adequate, dedicated funding for operating and capital assistance with growth potential for transit in the Commonwealth. Work closely with PPTA, PennDOT, the General Assembly and the Governor to secure enactment of dedicated funding.
 - Pursue relief from multi-contract bidding requirements as part of the Separations Modernization Initiative (SMI), which provides a choice of procurement methods for public entities, including transit authorities.
 - If funding source enacted does not include the administrative proposals, seek independent enactment. Proposals include:
 - Advertising on exterior of rail vehicles;
 - Clarification of tax exempt status when implementing alternative means of raising revenue;
 - Transit vehicle preference provisions including trolley-passing prohibition and right-of-way for buses reentering traffic lane after picking up or dropping off passengers;
 - Multi-state procurement; and,
 - Review all state bills for potential impact on SEPTA, notify potentially impacted managers, obtain input and communicate SEPTA position to appropriate legislators.
 - Draft needed legislative provisions.
 - Serve as liaison with PPTA in leadership capacity on legislative issues.

Public and Government Affairs Division

REGION AND COMMUNITY RELATIONS

Principal Responsibilities

Region – The Government Affairs staff works closely with local elected officials to advance transit related initiatives and legislation in the five county service area. The coordination includes the involvement of outside consultants, as needed, to assist with SEPTA's agenda on the city and regional level. Activities include attending County Council and Philadelphia City Council meetings to keep abreast of legislation and maintain a rapport with the local elected officials.

Community Relations – The Community Relations staff is proactive in its outreach in the region on SEPTA related projects and information dissemination. Responsible for responding to transit issues impacting the community on a day-to-day basis as well as participation in special events.

Goals

Improve the interaction between the Authority's internal and external stakeholders and gain support for mass transit.

Enhance relationships with City and county elected officials, especially as it relates to impact of our capital and force account projects, service delivery and regulatory/legal issues.

Work with other Authority departments to improve Authority's image by developing relationships with community leaders in the five-county region.

Business Initiatives

- **Develop Regional Outreach Program**

- Improve working relationships with elected officials and community organizations.
 - Develop Authority-wide protocol to identify community outreach needs for major Authority initiatives particularly capital projects.
 - Meet quarterly with operating departments to exchange project related information.
 - Forward applicable information to impacted communities as soon as possible.
 - Participate in community-based events particularly when in close proximity to SEPTA facility or service or a project initiative.

Public and Government Affairs Division

- Support other SEPTA operating departments in their outreach needs for major Authority initiatives.
 - Review and enhance existing community outreach initiatives to advance improvement projects including the Market Street Elevated Projects and North Philadelphia Transportation Center as examples.
 - Continue community relations presence as projects proceed.
 - Collaborate with operating departments on problems or issues that could affect the project in any way.
 - Develop specific lines of communication in the event of unexpected occurrences.
 - Work with local approving authorities to assist with obstacles that impact SEPTA initiatives.
- **Advance Legislative Initiatives to Enhance Ability to Conduct Business**
 - Review, analyze and track all legislation, resolutions and ordinances introduced at the local level for potential impact on the Authority. Where there is a potential for negative impact, work with stakeholders, elected officials and others to modify provision.

Public and Operational Safety

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Public and Operational Safety Division

Principal Responsibilities

The Public and Operational Safety Division is responsible for ensuring the safety and security of the Authority's riders, personnel, equipment, property and facilities.

The Division is responsible for the development and implementation of cost effective safety initiatives to promote employee health and welfare, the safety of the Authority's patrons, and the integrity of all equipment and facilities. The Division also administers the Workers' Compensation and Vocational Rehabilitation Programs, ensures SEPTA's compliance with environmental laws and regulations and investigates, evaluates and equitably resolves valid claims against the Authority in a prompt and courteous manner.

System Safety – Develops, implements, maintains and updates the multi-modal System Safety Program Plan (SSPP). Orchestrates all functions related to safety throughout the Authority, including the potential for environmental and workplace health exposures. Performs an enhanced level of safety inspections and audits, in addition to major accident investigations, occupational injury investigations and safety/risk management assessments. Conducts fire drills and evacuation exercises at all Authority locations. Directs the activities of the Joint Health and Safety Committee (JHSC) and oversees the Location Safety Committee (LSC) process. Assists in the coordination of multi-departmental initiatives to promote and internalize safety as the Authority's top priority.

Enterprise Risk Management – Manages the Property/Casualty Insurance Program and the risk treatment process. Works to obtain the most cost effective insurance coverage by reducing risk exposures and implementing effective risk control techniques at all Authority locations. Coordinates the collection and reporting of all safety statistics throughout the Authority and administers the reporting of those statistics to regulatory agencies.

Workers' Compensation – Manages the workers' compensation cases through the third party administrator, including the management of all medical and indemnity claims. Coordinates internal vocational rehabilitation and the management of all alternative and transitional duty programs. Administers supplemental benefits as prescribed by labor contracts.

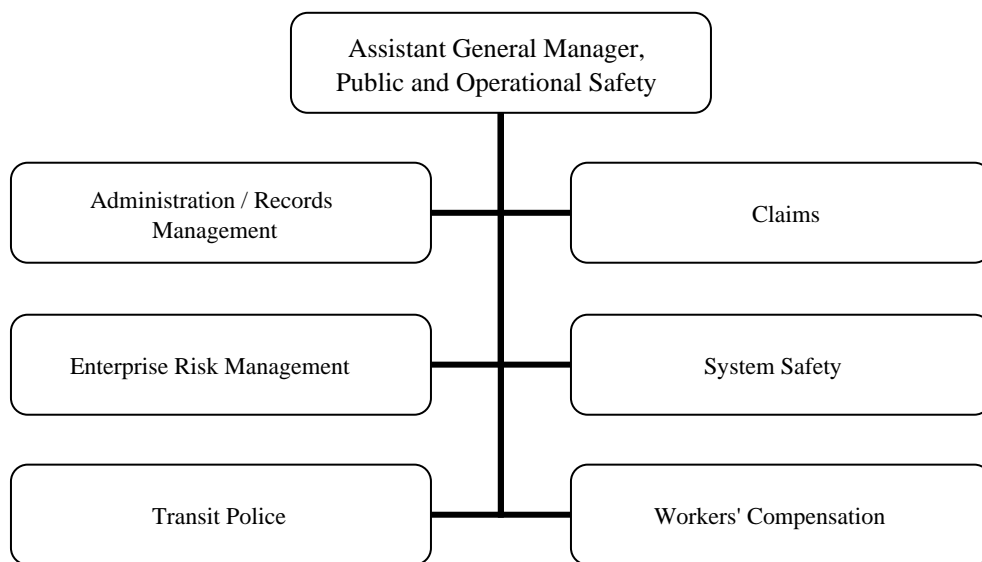
Claims – Investigates, evaluates and equitably resolves valid claims against the Authority in a prompt and courteous manner; assesses and collects non-litigated property damage claims from third parties.

Records Management – Responsible for developing and implementing record management systems throughout the Authority, including record retention schedules and records storage and retrieval protocols.

Public and Operational Safety Division

Transit Police – Ensures a safe work and travel environment and enhances the quality of life through law enforcement and protection against crime.

- **Broad Street and Market Frankford lines** – Patrols the Broad Street and Market Frankford lines, the Subway Surface and Railroad lines, stations and other SEPTA properties.
- **Internal Affairs** – Investigates all complaints of transit police misconduct.
- **Support Services** – Conducts criminal investigations and plainclothes patrol. Recruits and trains police personnel, maintains communication systems and oversees automotive equipment and supplies.
- **Special Operations Response Unit** – Gathers intelligence, and develops and implements policy, training, preventive strategies and responses relating to terrorist threats and incidents.



Public and Operational Safety Division

HEADCOUNT

OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration/Records Management	6	-	-	6
Claims	15	23	-	38
Enterprise Risk Management	6	-	-	6
System Safety	17	-	-	17
Transit Police	59	-	201	260
Workers' Compensation	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
TOTAL HEADS	<u>106</u>	<u>23</u>	<u>201</u>	<u>330</u>

CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration/Records Management	-	-	-	-
Claims	-	-	-	-
Enterprise Risk Management	1	-	-	1
System Safety	-	-	-	-
Transit Police	-	-	-	-
Workers' Compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL HEADS	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration/Records Management	6	-	-	6
Claims	15	23	-	38
Enterprise Risk Management	7	-	-	7
System Safety	17	-	-	17
Transit Police	59	-	201	260
Workers' Compensation	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
TOTAL HEADS	<u>107</u>	<u>23</u>	<u>201</u>	<u>331</u>

Public and Operational Safety Division

EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material & Services</u>	<u>Total</u>
Administration/Records Management	\$ 490	\$ 159	\$ 649
Claims	1,686	44	1,730
Enterprise Risk Management	339	14	353
System Safety	1,238	155	1,393
Transit Police	14,267	249	14,516
Workers' Compensation	<u>438</u>	<u>9</u>	<u>447</u>
TOTAL	<u>\$ 18,458</u>	<u>\$ 630</u>	<u>\$ 19,088</u>

Goals

Continue strong claim management practices to further reduce costs of third-party claims.

Continue programs for random safety audits, station audits, and facility and team inspections throughout the operating environment.

Plan and execute emergency evacuation drills for the Railroad and Subway/Light Rail systems.

Continue to reduce the number of open Workers' Compensation claims, lost work days and liability and medical costs through the effective management of the Managed Care Workers' Compensation Program, including aggressive case management, litigation, and settlement strategies.

Maintain favorable pricing of purchased insurance through aggressive premium negotiations and loss control efforts.

Strengthen the loss control program to reduce/eliminate contractor induced hazards that may affect safe vehicle operations, SEPTA passengers and equipment, the general public, and Authority property.

Implement improved system for reporting and tracking accidents and safety-related incidents.

Public and Operational Safety Division

Reduce Part I crime on the Subway-Elevated lines through the implementation of community policing efforts such as the bike patrol, the development of community town watch programs, heightened visibility of police officers, aggressive enforcement of quality of life violations and utilization of directed enforcement initiatives.

Increase intelligence gathering capabilities and update crime detection equipment.

Develop training programs and enhance capabilities to identify training needs of police officers.

Provide police coverage for special events as requested by various departments.

Improve methods of valuing, tracking and storing records in order to consolidate Authority owned storage space and reduce vendor activity costs.

Business Initiatives

- **Improve Customer Safety**

- Improve customer/public safety information dissemination.
 - Conduct “Safety Blitzes” at rail stations to advise customers/public about track safety and the dangers of crossing tracks.
 - Promote infrastructure improvements such as grade crossing protection, pedestrian crosswalk protection and automatic train control signal systems.

- **Improve Employee Safety**

- Revise employee safety training programs and develop occupational and operational safety programs.
- Implement safety audit standards for all construction, renovation and fleet projects.
- Continue review of all significant incidents before the incident review board.
 - Implement accident investigation policy.
 - Provide accident investigation training to Operations supervisors.

- **Implement Workers’ Compensation and Injury Claims Reduction Program**

- Continued implementation of Workers’ Compensation action plan.

- **Improve Customer Security**

- Increase visibility of uniformed personnel and enforce quality of life regulations.

Public and Operational Safety Division

- **Improve Productivity through Capital Investment Projects**
 - Continue implementation of police computer aided dispatch system.
 - Enhance police radio equipment and communications.

Fringe Benefits Expense

Fringe benefits are a major expense for SEPTA representing 24.6% of the Fiscal Year 2008 operating budget of 1.022 billion. Responsibility for management of fringe benefit costs rests with all Authority departments; however, the Employee Benefits, Public and Operational Safety, Labor Relations, Legal and Finance Departments take the lead in cost control. Authority expenditures for fringe benefits are largely controlled by statutory and contractual obligations, and significantly influenced by national trends in the cost of health coverage. These costs may be divided into the following categories:

- **Medical and Life Insurance** – SEPTA provides medical, prescription, dental, vision and life insurance benefits for union and management employees and retirees in accordance with the labor agreements negotiated with each respective union.
- **Payroll Taxes** – This represents the required employer contribution for Social Security (FICA) and Railroad Retirement Taxes (RRT).
- **Unemployment** – SEPTA is required to pay into the State and Railroad unemployment compensation funds. SEPTA is self insured for non-railroad employees.
- **Pension** – This includes pension obligations, excluding Railroad employees who are covered by the Railroad Retirement System.
- **Workers' Compensation and FELA** – This is the statutory obligation to employees injured on duty for their medical bills and lost wages. Employees of the Railroad Division are covered by the Federal Employers' Liability Act (FELA). SEPTA's management has instituted programs to address Workers' Compensation expenses.

Fiscal Year 2008 Operating Budget Fringe Benefit Expense (Amounts in Thousands)	
Medical & Life Insurance	\$ 139,103
Payroll and Unemployment Taxes	52,378
Pension	67,898
Workers' Compensation and FELA	<u>19,361</u>
Subtotal	\$ 278,740
Capital Support and Projects *	<u>(27,288)</u>
Operating Expense	<u>\$ 251,452</u>

* The net fringe benefit cost of \$251.5 million includes a credit for the portion of employee benefits applicable to capital project labor. For management oversight purposes, the fringe benefits budget is tracked separately from departmental labor. A fully allocated net labor and fringe benefits budget appears on the following page.

Fringe Benefits Expense

Fiscal Year 2008 Operating Budget Labor and Fringe Benefits Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Net Fringe Benefits</u>	<u>Total</u>
Operations	\$ 344,955	\$ 189,224	\$ 534,179
Corporate Staff	2,165	1,188	3,353
Audit and Investigative Services	1,345	738	2,083
Business Services	16,896	9,268	26,164
Engineering, Maintenance and Construction	53,147	29,154	82,301
Finance and Planning	20,495	11,242	31,737
Human Resources	10,012	5,492	15,504
Legal	3,948	2,166	6,114
Public and Government Affairs	2,162	1,186	3,348
Public and Operational Safety	18,458	10,125	28,583
Other *	<u>(15,187)</u>	<u>(8,331)</u>	<u>(23,518)</u>
TOTAL	<u>\$ 458,396</u>	<u>\$ 251,452</u>	<u>\$ 709,848</u>

* The "Other" category includes Authority-wide capital support labor costs and credit for the Job Access Reverse Commute (JARC) program.

Non-Departmental Expense

Amtrak	This expense is for the maintenance and use of Amtrak-owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli / Thorndale Branch). The amount shown is calculated on projected miles of service using rates based on the Authority's 1982 operating agreement with Amtrak, as amended.
ADA	The cost for paratransit carriers under contract to SEPTA is shown here. The staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is referenced in the Operations Division under Customized Community Transportation.
Shared Ride Program	The cost for contractor operated door-to-door service for senior citizens is shown here. The cost of administrative staff in the ADA program is included in the Customized Community Transportation budget.
Debt Service Interest	Interest expenses associated with the Authority's Special Revenue Bonds.
Property and Corporate Insurance	Reflects the projected premiums for insurance on various Authority assets.
Service for the 1234 Market Street Headquarters	Maintenance and administrative service expense for the operation of offices at 1234 Market Street by an outside professional firm. These expenses cover both SEPTA and tenant-occupied space.
Snow Removal	Reflects outside contractor expense for snow removal and salting at railroad parking lots and station platforms. The snow removal for all other facilities is accomplished in-house by SEPTA forces, and the related labor expense is included in the departmental budgets.
Utilities	Expense reflects the cost of heating oil, natural gas and steam heating; water and sewer expenses; and non-propulsion electricity, based on projected rates and consumption.

Customized Community Transportation

ADA Program

In compliance with the Americans with Disabilities Act, CCT Connect provides ADA complementary Paratransit transportation for persons who cannot use or access regular SEPTA fixed route service. Throughout SEPTA's five-county service area, private carriers under contract to SEPTA furnish door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2008 ridership is 630,266 trips for Philadelphia and 299,714 trips for the suburban communities.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2008 will be to continue providing 100% next day rides to ADA program patrons. SEPTA is committed to maintaining a "zero trip denial" policy.

The next-day trip initiative will build on proactive steps taken during recent years. The entire Philadelphia SEPTA-owned fleet of 418 vehicles is maintained to SEPTA's standards by the contract carriers. In addition, the Philadelphia operation of trip reservation, scheduling and dispatch was centralized under SEPTA supervision – along with driver training and testing. Other programs were instituted to enhance contractor accountability and customer satisfaction, including patron service monitoring and the mobile data terminal (MDT) swipe card readers on all Philadelphia vehicles.

ADA Program initiatives continuing during Fiscal Year 2008 include the cycled fleet replacement program for optimizing fleet reliability, and an enhanced patron eligibility certification. This process will enable those CCT riders who can do so to use fixed route service for some or all of their travel – after completion of training developed in cooperation with the SEPTA Advisory Committee (SAC) and the disabled community.

Shared Ride Program

The Shared Ride Program (SRP) provides shared, advance-reservation, door-to-door transportation for Pennsylvanians age 65 and older. SEPTA's CCT Connect Department is the SRP county coordinator for Philadelphia County. The Pennsylvania Lottery Fund reimburses SEPTA for 85% of the cost of each eligible CCT Connect Shared Ride Program trip according to pre-established rates, with the balance coming from patron fares and/or third party agency sponsors. The Shared Ride Program's goal for Fiscal Year 2008 is to provide a total of 871,890 senior trips.

The Philadelphia Shared Ride Program Advisory Council (SRPAC), an independent advisory group, provides advice and information to SEPTA on Shared Ride Program service.

Job Access and Reverse Commute Program

The Job Access and Reverse Commute Program was initially authorized in the Transportation Equity Act for the 21st Century (TEA-21). This program is intended to establish a regional approach to job access challenges through the establishment of a Regional Job Access and Reverse Commute Transportation Plan. Projects derived from this plan support the implementation of a variety of transportation services that may be needed to connect welfare recipients to jobs and related employment activities. The program has two major goals: to provide transportation services in urban, suburban and rural areas to assist welfare recipients and low-income individuals in accessing employment opportunities during both traditional and non-traditional work hours, and to increase collaboration among the transportation providers, human service agencies, employers, metropolitan planning organizations (MPOs), states and affected communities and individuals. Job Access projects implement new transportation services, or extend existing services to fill the transportation gaps in areas between where welfare recipients and low-income persons live and employment opportunities. Reverse Commute projects are designed to transport the general public from urban, suburban, and rural areas to suburban employment opportunities.

Pursuant to federal Job Access and Reverse Commute Program requirements, the Delaware Valley Regional Planning Commission (DVRPC) adopted a revised regional Job Access and Reverse Commute Transportation Plan, "Improving Access to Opportunities in the Delaware Valley Region" on October 28, 2004. The revised plan serves as a focal point for identifying potential projects to address the commuting needs of the region's welfare recipients and low-income individuals. Service providers include SEPTA, local transportation management associations, and non-profit organizations. Activities were selected to provide new or expanded bus, train, or van service to transport transitioning welfare recipients and low-income individuals to employment centers in southeastern Pennsylvania.

Other Operating Expense

Claims

Fiscal Year 2008 claims expense is budgeted at \$34 million. A relatively consistent level of claims is anticipated in SEPTA's five year projection. Critical to our continued success in the reduction of claims expense is SEPTA's internal program of settling new suits as soon as possible when circumstances indicate. The effectiveness of this program combined with maintaining the number of verdicts in favor of SEPTA has reduced SEPTA's liability exposure. The Legal Division has reduced SEPTA's litigated case inventory to approximately 1,696 suits in Fiscal Year 2007, which is among our lowest level in many years. For comparison, in July of 1997, the Legal Division litigation inventory was 2,777 cases.

Other Expenses

The Other Expenses category also includes propulsion power, fuel, vehicle and facility rental and depreciation. Further description of these items can be found in the Operating Expense Section.

Operating Goals

INTRODUCTION

SEPTA has developed a series of internal goals for measurement of safety, customer satisfaction, and financial performance. These are described below and utilized by staff along with the standards and measures shown in the section entitled “Performance Evaluation Measures”, which are adopted as part of the requirements of the Commonwealth of Pennsylvania.

SAFETY GOALS

Safety related goals are developed and monitored by the Public and Operational Safety Division. The safety goals for Fiscal 2008 will be developed with targeted improvement for each year over a five-year period. For comparison purposes in this document, SEPTA utilizes 12 months of actual data from Fiscal 2007 as the benchmark period for the reporting of safety goals.

Passenger Accidents Per 100,000 Miles			
	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Bus:			
CTD Bus	2.46	2.54	2.46
CTD Trackless Trolley	N/A	N/A	N/A
Victory Bus	1.62	1.70	1.65
Frontier Bus	0.93	1.04	1.01
Railroad:			
Railroad	0.39	1.25	1.21
Subway / Light Rail:			
Broad Street Line	0.05	0.16	0.16
Market-Frankford Line	0.32	0.40	0.38
Norristown High Speed Line	2.18	2.23	2.17
Callowhill Light Rail*	N/A	6.50	6.30
Elmwood Light Rail	2.09	2.84	2.75
Media/Sharon Hill Line	2.35	2.16	2.10

*The Callowhill District was reactivated as light rail with the re-establishment of the Route 15 Trolley and the transfer of Route 10 to this District in September 2005.

Operating Goals

Vehicular Accidents Per 100,000 Miles			
	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Bus:			
CTD Bus	6.50	6.56	6.36
CTD Trackless Trolley	N/A	N/A	N/A
Victory Bus	3.40	3.08	2.99
Frontier Bus	1.38	1.18	1.15
Railroad:			
Railroad	0.00	0.04	0.03
Subway / Light Rail:			
Broad Street Line	0.02	0.01	0.01
Market-Frankford Line	0.04	0.02	0.02
Norristown High Speed Line	0.12	0.05	0.46
Callowhill Light Rail*	N/A	26.92	26.11
Elmwood Light Rail	4.31	6.00	5.82
Media/Sharon Hill Line	6.08	4.52	4.39

*The Callowhill District was reactivated as light rail with the re-establishment of the Route 15 Trolley and the transfer of Route 10 to this District in September 2005.

Station Accidents Per 1,000,000 Riders			
	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Railroad:			
Railroad	3.22	2.65	2.57
Subway / Light Rail:			
Broad Street Line	0.68	0.90	0.87
Market-Frankford Line	1.29	1.17	1.14
Norristown High Speed Line	1.18	0.00	0.00

Employee Lost Time Injuries Per 200,000 Work Hours			
	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Bus	8.95	9.22	8.95
Infrastructure / Operations Support	7.84	8.54	8.28
Railroad	4.84	4.61	4.47
Subway / Light Rail	8.39	9.07	8.79
Non-Operations	0.85	0.67	0.65

Operating Goals

CUSTOMER SATISFACTION

The 2006 Customer Satisfaction Survey was conducted between February 2, 2007 and March 5, 2007. A total of 2,306 telephone surveys were conducted to determine customer satisfaction levels. Respondents who were classified as SEPTA Riders were interviewed regarding the various modes of SEPTA transportation they utilize. However, respondents were asked about no more than three SEPTA modes, as follows:

Broad Street Subway	400 interviews
Market-Frankford Line	400 interviews
City Bus and Trackless Trolleys	402 interviews
City Subway Surface	200 interviews
Suburban Light Rail	180 interviews
Frontier	178 interviews
Victory Bus	200 interviews
Regional Rail	395 interviews

Relating to the value of SEPTA service for the money paid, based on a weighted average rating on a scale of 0 to 10, where 0 is the worst possible rating and 10 is the best possible rating:

- City Riders: 7.8
- Suburban Operations Riders: 7.9
- Regional Rail Riders: 7.7

Relating to the likelihood of recommending SEPTA (a surrogate for customer loyalty), based on a weighted average rating on a scale of 1 to 5, where 5 represents “definitely would recommend to a family member or friend” and 1 represents “definitely would not recommend SEPTA”:

- City Riders: 4.2
- Suburban Operations Riders: 4.3
- Regional Rail Riders: 4.2

The general information presented above is merely a summary of the 15 minute interviews that are conducted with riders and non-riders in the SEPTA operating region; covering 22 service delivery attributes. The associated reports are generated with 95% confidence and have been used to track SEPTA service delivery for the past seven years.

Operating Goals

REVENUE GOALS

Divisional Goals for Revenue		
Amounts in thousands ('000)		
City Transit	\$	257,617
Victory		21,305
Frontier		5,158
Regional Rail		121,963
Shared Ride Program		18,800
Total	\$	424,843

These goals include budgeted passenger revenue, Shared Ride Revenue, Interest income and Other Income for Fiscal Year 2008. Further discussion of revenue is included in the Operating Revenue Section.

Operating Standards and Performance Evaluation Measures

INTRODUCTION

In developing the Operating Budget, SEPTA has formalized a goal setting process. Goals developed from measures of safety, customer satisfaction and financial performance have been presented in the Operating Goals section. In addition, there are more general measures which evaluate system design and effectiveness within the public transportation service industry.

The Commonwealth of Pennsylvania requires that all transit authorities within the State formally adopt and report upon a standard set of service and performance evaluation measures. This section provides a summary of those measures.

The Authority also maintains a wide variety of data to monitor both service and the overall performance of various aspects of the operation. Financial data and operating statistics are reported to various governmental bodies and regulatory agencies in the routine course of business. Management utilizes other statistics to measure internal system performance.

As part of SEPTA's Business Plan, a set of evaluation measures has been developed. These indicators have been selected to measure specific progress and achievement in advancing the business plan goals.

While the Business Indicators encompass many of the state reporting requirements, additional measures including customer satisfaction ratings of service quality and the completion of major Business Plan Project milestones are also incorporated.

ROUTE UTILIZATION

Route utilization is a measure of service performance on a route-by-route basis. The standards SEPTA has adopted are summarized below.

City Transit Division

To assess utilization, each route is measured for three key criteria:

- Fully allocated cost
- Total passenger revenue (calculated at CTD average fare)
- Operating Ratio (passenger revenue divided by fully allocated cost)

SEPTA's "City Transit Division Service Standards and Process" contains the details to apply these standards as adopted by the SEPTA Board in April 1995 and amended in March 2003. If a route performs below 60% of the City Transit Division average route operating ratio, then corrective actions begin. The City Transit Division average route operating ratio was 45% for the Fiscal 2007 plan.

Operating Standards and Performance Evaluation Measures

Suburban Transit Division (Victory and Frontier Divisions)

Each route is measured for three important criteria:

- Fully allocated costs
- Total passenger revenue (calculated at the appropriate Victory or Frontier District average fare)
- Operating ratio (passenger revenue divided by fully allocated costs)

A minimum operating ratio standard for a route is set at 60% of the average Suburban Transit combined operating ratio. This includes Victory and Frontier operations. All routes are reviewed annually. SEPTA's "Suburban Transit Division Service Standards and Process" contains the details for application of the standards adopted by the SEPTA Board in May 1999.

Railroad Division

Each and every railroad branch is measured annually as to its economic performance. The criteria for measurement are:

- Fully allocated costs
- Total revenue
- Operating ratio (revenue divided by fully allocated costs)

A minimum operating ratio standard for a branch is set at 60% of the total Railroad Division's operating ratio. SEPTA's "Regional Rail Service Standards and Process" contains the details of the application for the standards adopted by the SEPTA Board in May 1999.

STAFFING RATIOS

Staffing ratios are one measure of employee effectiveness. These ratios are influenced by many factors, including the types and modes of service operated, the amount of work handled by outside contractors, local environment and operating conditions, area served, as well as the condition of the physical plant and vehicles.

Vehicles Per Mechanic

Performance measures are established by vehicle type reflecting the varying fleet size, complexity and condition of Authority vehicles. Mechanics currently scheduled to work in SEPTA's Vehicle Overhaul Program are not included in this calculation.

Operating Standards and Performance Evaluation Measures

Minimum Vehicles Per Mechanic				
	Fiscal 2005 Actual	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Bus	3.3	3.3	3.0	3.0
Trolley (Subway-Surface & Route 15)*	3.2	1.5	1.6	1.6
Market-Frankford Line*	4.6	3.6	3.5	3.3
Broad Street Line*	5.2	2.3	2.2	2.5
Media-Sharon Hill Line*	2.2	1.2	1.2	1.3
Norristown High Speed Line	1.7	1.6	1.7	1.7
Railroad	1.6	1.5	1.5	1.5

*The significant change in these modes between Fiscal 2005 and Fiscal 2006 was due to a change in methodology to include mechanics in back shop operations, which increased the number of mechanics in the calculation.

Operating Employees Ratio to Administrative Employees

The Fiscal Year 2008 goal will continue as one administrative employee for every 20 operating employees at the adopted expense level of \$1.022 billion. In computing this ratio, operating employees include all employees contained within the Operations Division as well as employees involved in sales and distribution, operations trainers, the Public and Operational Safety Division and Customer Service Agents in the Business Services Division.

PRODUCTIVITY MEASURES

Various statistics are used to measure different aspects of operating performance. Just as with staffing ratios, these indicators are affected by many factors which make comparisons to other properties difficult and often misleading. Factors such as area roadways, traffic congestion, terrain, local traffic engineering and enforcement, together heavily influence system operating speed and hence productivity. As noted in the section on staffing ratios, the amount of work performed in-house versus work contracted out or "privatized" can cause wide variation in the number of employees within an organization. The physical condition of a system's infrastructure and vehicles also determine staffing needs for maintenance operations.

Operating Standards and Performance Evaluation Measures

For Fiscal 2008, the following productivity measures will be utilized:

Vehicle Miles Per Employee

The Authority seeks to achieve at least 10,190 vehicle miles per employee. This goal includes miles in contract services, Shared Ride and ADA Paratransit.

Passenger Miles Per Employee

The Authority goal is to realize at least 142,840 passenger miles per employee.

Passenger Accidents

The Authority goal is to incur no more than 1.4 reported passenger accidents per 100,000 vehicle miles of service.

Employee Accidents

The Authority goal is to experience less than 5.43 employee lost time accidents per 200,000 work hours.

On-Time Performance				
	Fiscal 2005 Actual	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Bus Transportation:				
Bus City / Suburban*	92.3%	72.4%	75.7%	78.4%
Victory Bus*	93.0%	75.4%	76.0%	80.0%
Rail Transportation:				
Light Rail*	95.2%	84.8%	72.5%	75.0%
Media-Sharon Hill Line	96.3%	94.4%	90.9%	92.0%
Norristown High Speed Line	96.0%	96.6%	96.1%	97.0%
Broad Street Line	98.9%	99.2%	98.8%	99.0%
Market-Frankford Line	98.5%	98.5%	99.0%	98.0%
Railroad	89.4%	88.4%	91.1%	91.0%

*The Fiscal 2008 budget for Bus and Light Rail is based on performance results after implementation of Automatic Vehicle Locator (AVL) and Route Schedule Adherence (RSA) systems in March 2006.

Operating Standards and Performance Evaluation Measures

Mean Distance Between Failure				
	Fiscal 2005 Actual	Fiscal 2006 Actual	Fiscal 2007 Actual	Fiscal 2008 Goal
Bus Transportation:				
Bus City / Suburban	7,315	7,827	8,025	9,875
Rail Transportation:*				
Trolley (Subway-Surface & Route 15)	13,656	14,589	11,675	12,000
Media-Sharon Hill Line	18,059	20,399	24,387	20,000
Norristown High Speed Line	32,295	63,654	34,118	35,000
Broad Street Line	122,919	138,824	126,883	120,000
Market-Frankford Line	110,263	108,302	134,459	110,000
Railroad	53,067	41,463	48,355	60,000

FISCAL INDICATORS

Indicators of the fiscal status of a transportation authority are commonly employed throughout the industry to assess financial position. These indicators are influenced by many factors, including overall operating subsidy funding, fare policy, route structure, cost recovery policy, condition of infrastructure, availability of sufficient capital funding, etc.

For Fiscal Year 2008, the following fiscal measures will be monitored:

Operating Cost Per Passenger

The Authority proposes to provide a cost not to exceed \$3.26 per unlinked passenger trip.

Operating Subsidy Per Passenger

The Authority proposes to provide overall service operating subsidy not to exceed \$1.47 per unlinked passenger trip.

Cost Per Vehicle Mile

The Authority proposes to achieve an average cost for delivery of service not to exceed \$10.62 per vehicle mile.

Operating Standards and Performance Evaluation Measures

PRODUCTIVITY GOALS

In compliance with requirements of the Commonwealth of Pennsylvania, which requires that a set of operating standards and performance evaluation measures be formally adopted, the following productivity goals have been submitted to PennDOT:

Total Ridership

The Authority's goal is to carry at least 301.9 million passengers (unlinked trips).

Public Information Calls

The Authority's goal is to satisfactorily respond to at least 97% of all public information calls.

Scheduled Service Requirements

The Authority's goal is to maintain its performance of 98% of service being operated as scheduled.

Complaints

The Authority seeks to minimize passenger complaints and anticipates that complaints received will be less than 5 per 100,000 passenger trips.

Accessibility By Elderly And Disabled

The Authority intends to achieve 100% of the total requests for ADA trips and at least 95% for Shared Ride. For ADA Paratransit trips, the Authority projects 630,266 trips for Philadelphia and 299,714 trips for the suburban counties for Fiscal Year 2008. For the Shared Ride Program, 871,890 trips are projected for Fiscal Year 2008.

Capital Improvement Program

Improving Our System

A major factor in achieving SEPTA's business goals is long term investment of capital dollars to maintain the system in a state of good repair, upgrade its vehicles and infrastructure and implement service improvements. Consistent investment in vehicles and infrastructure has a positive effect on the operating budget. Infrastructure and vehicles that are in a state of good repair reduce maintenance costs, increase operating efficiency and improve customer satisfaction. This is especially true with some of the aging facilities, structures, stations and vehicles that SEPTA acquired over the years from private operators since its creation in 1964.

Capital Expenditures

Capital expenditures are those that acquire, improve, or extend the useful life of any item with an expected life of three or more years and a value of more than \$5,000. Such expenditures include but are not limited to rolling stock, track and structure, signals, bridges, support facilities, depots and shops, equipment, stations and passenger facilities.

Fiscal Year 2008 Capital Budget

<u>Project</u>	<u>FY 2008 Budget</u>
Bus Purchase Program	\$49,500,000
Flexible Highway Funding	6,686,000
Infrastructure Safety and Renewal Program	33,000,000
Market Street Elevated Reconstruction Program	100,644,000
New Starts Program	31,250,000
Paoli Transportation Center	2,741,700
Paratransit Vehicle Acquisition	3,000,000
Paoli Line Improvements	15,000,000
Rail Stations and Parking Improvement Program	7,885,300
Regional Rail Car Acquisition	10,000,000
Regional Rail Substation Improvements	12,000,000
Safety and Security Improvements	10,000,000
State of Good Repair Initiatives	23,000,000
Station Accessibility	4,000,000
System Improvements Program	6,000,000
Transit Enhancements	1,064,000
Utility Vehicle Renewal	3,000,000
<u>Vehicle Overhaul Program</u>	<u>47,000,000</u>
TOTAL FY 2008 Capital Budget	\$365,771,000

Capital Improvement Program

Capital Investment Categories

- State of Good Repair – These projects correct past deferred maintenance, or replace capital assets that have exceeded their useful life. An asset or system is considered in a state of good repair when no backlog of needs exists and no component is beyond its useful life.
- Normal Replacement of Assets – These projects will replace assets at the end of their normal useful life. Normal replacement investments are based on the age and life cycle of capital assets, and are made according to a scheduled program of replacement to keep assets in a state of good repair.
- System Improvement – These projects will expand or improve operations, or add new system capabilities or service. Applied to a pre-existing function, a system improvement represents a major advancement over current technology, with the express purpose of adding new system capabilities.
- System Expansion – These projects will expand the current system to serve new markets. For example, this category includes new bus or rail lines, additional tracks, or service extensions beyond existing terminals.

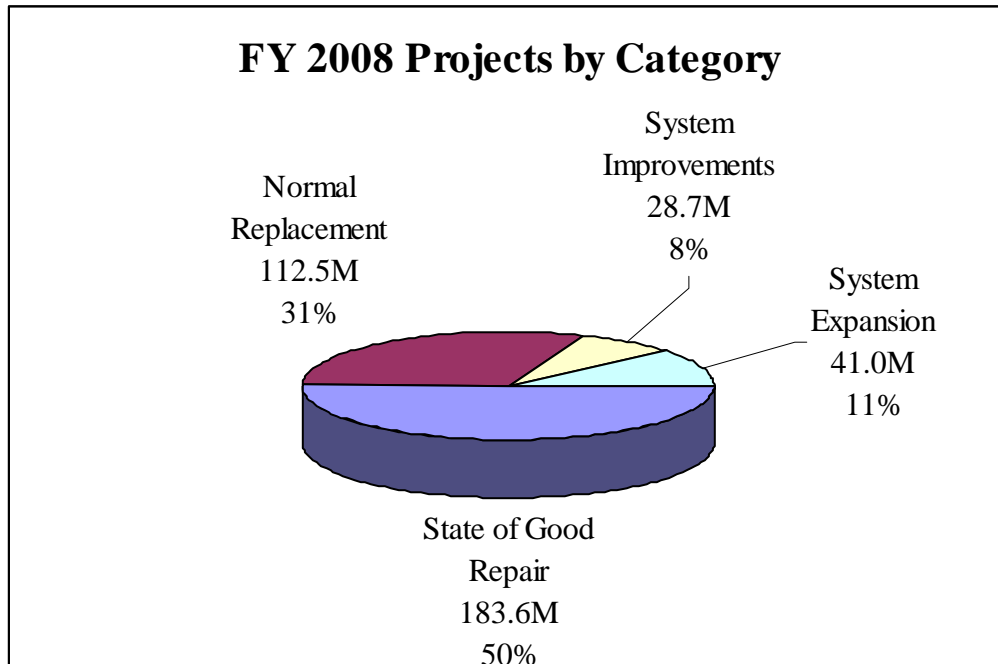
When projects contain elements of more than one category, the principal or dominant focus of the project will be used to classify the project.

Fiscal Year 2008 Projects by Category

- State of Good Repair
 - Market Street Elevated Reconstruction
 - Paoli Line Improvements
 - Regional Rail Power Substation Improvements
 - Infrastructure Safety and Renewal Program
 - State of Good Repair Initiatives
- Normal Replacement
 - Bus Purchase Program
 - Regional Rail Car Acquisition
 - Paratransit Vehicle Purchase
 - Purchase of Utility Vehicles
 - Vehicle Overhaul Program
- System Improvement
 - Station Accessibility Improvements
 - Paoli Transportation Center
 - System Improvements Program
 - Transit Enhancements
 - Railroad/Highway Grade Crossing Improvements
 - Safety and Security Improvements

Capital Improvement Program

- System Expansion
 - New Starts Program
 - Rail Stations and Parking Expansion Program



Selected Fiscal Year 2008 Project Descriptions

Bus Purchase Program - \$49,500,000

SEPTA's Bus Fleet Management Plan provides for the acquisition of different size buses based upon needs and route characteristics. The next order of buses will be the acquisition of 400 low floor accessible 40 foot heavy duty diesel-electric hybrid transit buses. These new buses will replace SEPTA's NABI buses, which will have exceeded their 12 year useful life when they are retired.

Infrastructure Safety and Renewal Program - \$33,000,000

This project provides for the restoration of SEPTA's transit and railroad infrastructure. Projects under this program include:

Track and Right-of-Way

- Renewal of Broad Street Subway track
- Track work and renewal on several Subway-Surface Lines
- Grade crossing renewal at several Railroad and Media-Sharon Hill Line locations
- Tie replacement and track surfacing on the Lansdale railroad line

Capital Improvement Program

Station Facilities

- Renewal of Logan and Oregon subway stations and stairway improvements at the Margaret-Orthodox Elevated Station
- Installation of new emergency power systems at several locations on the Broad Street Subway, Subway-Surface Lines, and Market-Frankford Subway-Elevated Line
- Improvements to the Torresdale/Cottman Loop and Arrott Street Terminal
- Reconstruction of Olney and Cheltenham Railroad stations on the Fox Chase line and improvements to the Wister and Gravers Station on the Chestnut Hill East Line
- Construction of mini-high platforms at Overbrook, Radnor and Strafford Stations on the Paoli/Thorndale Line and at Chester Station on the Wilmington/Newark Line
- Installation of a new shelter at the Fernwood Station on the Media Line and replacement of inter-track fencing at several locations

Signals and Communications Systems

- Replacement of communications wires and installation of fiber optic cables on the Main Line North between Glenside and Lansdale Stations
- Replacement of pneumatic switch machines and the refurbishment of electric track switch machines at selected railroad locations and improvements to the switch heaters at Wayne Junction Interlocking

Power Systems

- Replacement of DC emergency cable on the Broad Street Subway Line
- Replacement of traction power feeder cables for the Subway-Surface Lines
- Improvements to Broad Street Subway, Market-Frankford and Subway-Surface Line substations.
- Replacement of trolley wire on Subway-Surface Route 11
- Improvements to the Railroad catenary power system at several locations to allow for improved sectionalization of the power and upgrades to the catenary system on the Airport Line Viaduct.

Maintenance/Support Facilities

- Emergency Exit, tunnel lighting and vent well improvements on the Broad Street Subway
- Improvements to communications rooms, compressed air rooms and transformer rooms
- Fern Rock Transportation Building roof replacement

Bridges

- Rehabilitation and replacement of bridges on rail lines and SEPTA right-of-way
- Rehabilitation of culverts and associated bridge support structures.

Capital Improvement Program

Market Street Elevated Reconstruction Project - \$100,644,000

This will provide for the complete reconstruction of the Market Street Elevated superstructure, sub-structure and foundations, and the rehabilitation of abutments and bearings. Passenger stations located at 46th, 52nd, 56th, 60th, 63rd Streets and Milbourne Station will be completely reconstructed and comply with requirements set forth by the Americans with Disabilities Act.

Paoli Transportation Center - \$2,741,700

This project provides for the engineering and construction of a transportation center in Paoli, Chester County.

The project includes:

- Construction of an intermodal station facility with new platforms, waiting area, ticket offices and passenger amenities
- Construction of bus facilities
- Erection of a 1,200-space new commuter parking facility
- Reconfiguration of access roads and entrances to the station
- Construction of new pedestrian linkages throughout the station area including sidewalks, crosswalks and a concourse linking inbound and outbound station platforms.

Paratransit Vehicle Acquisition - \$3,000,000

SEPTA routinely acquires new revenue vehicles for its paratransit and shared-ride services to replace vehicles that have exceeded their useful life of five years. In Fiscal Year 2008, 60 vehicles will be acquired consisting of minibuses with and without wheelchair lifts.

Paoli Line Improvements - \$15,000,000

SEPTA, PennDOT, and Amtrak are working together to improve the infrastructure of the Amtrak owned Keystone Corridor between Philadelphia and Harrisburg. This corridor hosts SEPTA's Paoli/Thorndale Regional Rail Line. This project will restore the infrastructure to a state of good repair, eliminate more than 150 track miles of slow orders, improve operating speeds and enhance service reliability.

This project includes the installation of 85,000 concrete ties and new continuous welded rail, improvements to signal, communications, and electric traction systems, and track interlockings.

Rail Stations and Parking Improvement Program - \$7,885,300

Currently, approximately eighty SEPTA Railroad stations have parking facilities that, on a daily basis, are 90 to 100 percent filled or have fewer than 10 open spaces. Previous parking expansion projects have resolved some of these limitations, however, many more locations need attention. By providing additional parking, SEPTA will be better able to attract new customers, thus

Capital Improvement Program

increasing the Authority's operating revenue and further assisting in the mitigation of traffic congestion and reducing air pollution for the region.

Regional Rail Car Acquisition - \$10,000,000

This project provides for the acquisition of 120 new rail cars for SEPTA Regional Rail Service. These new electric multiple-unit (EMU) cars will replace the existing Silverliner II and Silverliner III cars which are currently 40 to 44 years old, and will provide additional cars to supplement the regional rail car fleet in response to the projected ridership increases.

Regional Rail Substation Improvements - \$12,000,000

This project provides for the replacement of critical components of the traction power supply system for SEPTA's Regional Rail Service. Over the next decade and a half, this program will provide for the replacement of sixteen substations. Two facilities to be addressed under this program are the replacement of 30th Street Switching Station located in Amtrak's Penn Coach Yard, and Callowhill Substation, which is located on the former Reading Railroad viaduct and is over 70 years old.

State of Good Repair Initiatives - \$23,000,000

This program is designed to bring transit and railroad facilities to a state of good repair. Projects included in this program are categorized as follows:

Maintenance/Support Facilities

- Replacement or overhaul of vehicle washers at various bus and rail shops.
- Construction of a new fueling facility for Victory Bus Garage.
- Roof replacement for Subway-Surface Portals at 36th Street and 40th Street.

Power Systems

- Replacement of a static frequency converter at Wayne Junction Station.

Signal/Communications Systems

- Signal improvements on the Warminster and Norristown railroad lines.

Station Facilities

- Improvements to Wayne Junction, Wayne, North Wales, Queen Lane and Allen Lane Railroad Stations.

Track and Right of Way

- Improvements to "K" Interlocking, which is a portion of Zoo Interlocking.
- Access improvements to the Cynwyd Line.
- Renewal of the grade crossing at Main Street on the Lansdale/Doylestown Line adjacent to Lansdale Station.

Capital Improvement Program

Bridges

- Replacement of Bridge 10:12 over Tacony Creek on the Railroad Mainline North, near Jenkintown Station.
- Replacement of Bridge 8.53 on the Doylestown Line, near Delaware Valley College Station.

Station Accessibility - \$4,000,000

This project further expands the network of accessible stations. Additional stations were selected based on a number of factors including ridership, intermodal connections, and recommendations from the SEPTA Advisory Committee for Accessible Transportation (SAC), including identification of disability magnet sites. These stations include Allegheny, Erie and Snyder Stations on the Broad Street Subway and Margaret-Orthodox and 40th Street Stations on the Market-Frankford Subway-Elevated.

System Improvements Program - \$6,000,000

Customized Community Transportation (CCT) Communication Center

- Upgrade and enhance the dispatching and reservation operation of SEPTA's ADA and Shared Ride Program.

Rail Transit Stations Fiber Optic Platform (Phase II)

- Provide for design, purchase, and installation of fiber optic platforms to be deployed at locations throughout SEPTA's Subway-Elevated and Subway-Surface rail systems.
- Supports future installation of Audio/Visual Public Address Systems, Closed Circuit TV, alarms, and phone services at subway stations.

Information Technology

- Improvements to SEPTA information infrastructure.
- Replacement of aged computer systems, servers, and equipment.

Transit Enhancements – \$1,064,000

Three historic stations were selected to receive renovations under this program. The Allen Lane Station, Queen Lane Station, and Wayne Station will be rehabilitated and improved. The next round of projects selected for this program will be determined in Fiscal Year 2008.

Utility Vehicle Renewal - \$3,000,000

This project will provide for the replacement of supervisory vehicles, police vehicles, forklifts, dump trucks, maintenance utility trucks and vans, and a backhoe that have all exceeded their useful life.

Capital Improvement Program

Vehicle Overhaul Program - \$47,000,000

The Vehicle Overhaul Program provides for the major overhaul of SEPTA's rolling stock. Vehicles are scheduled for overhauls during their service lives based on vehicle type. A vehicle must receive periodic overhauls if it is to achieve or exceed, its full, useful service life.

Glossary of Acronyms

A

ADA - The Americans with Disabilities Act of 1990.
AGM - Assistant General Manager.
AIRS - Automated Itinerary and Reporting System.
APTA - American Public Transportation Association.
ATDS - Automated Train and Crew Dispatch System.
AVL - Automatic Vehicle Locator.

B

B-IV Car - Heavy Rail Vehicle used on the Broad Street Subway.
BMWE - Brotherhood of Maintenance of Way Employees.
BRC - Brotherhood of Railway Carmen.
BRS - Brotherhood of Railway Signalmen.
BSL - Broad Street Line.
BSS - Broad Street Subway.

C

CARD - Computer Aided Radio Dispatch.
CCT - Customized Community Transportation.
CMAQ - Congestion Mitigation/Air Quality Program.
COBRA - Consolidated Omnibus Budget Reconciliation Act.
CSX - CSX Corporation, a freight railroad and transportation company.
CTD - City Transit Division.

D

DBE - Disadvantaged Business Enterprise.
DVRPC - Delaware Valley Regional Planning Commission.

E

EMU - Electric Multiple Unit.
EEO/AA - Equal Employment Opportunity / Affirmative Action.
EPI - Early Purchasing Involvement.
ERM - Enterprise Risk Management.

F

FELA - Federal Employers' Liability Act.
FHWA - Federal Highway Administration.
FICA - Federal Insurance Contributions Act.
FLSA - Fair Labor Standards Act.
FMLA - Family and Medical Leave Act.
FOTP - Fraternal Order of Transit Police.
FRA - Federal Railroad Administration.
FRT - Frontier Division.
FTA - Federal Transit Administration.

Glossary of Acronyms

FTC - Frankford Transportation Center.

FTE - Full-Time Equivalent Position.

G

GIS - Geographic Information System.

GM - General Manager.

H

HIPAA - Health Insurance Portability and Accountability Act of 1996.

HRIS - Human Resources Information System.

HRSC - Human Resources Service Center.

HVAC – Heating, Ventilation and Air Conditioning Systems.

I

IAMAW - International Association of Machinists and Aerospace Workers.

IBEW - International Brotherhood of Electrical Workers.

IBT Local 500 - International Brotherhood of Teamsters Local 500.

ITS - Intelligent Transportation Systems.

ISRP - Infrastructure Safety Renewal Program.

J

JARC - Job Access and Reverse Commute Program.

JHSC - Joint Health and Safety Committee.

L

LRV - Light Rail Vehicle.

LSC - Location Safety Committee.

LUCY - Loop Through University City.

M

MDBE - Minority or Disadvantaged Business Enterprise.

MDT - Mobile Data Terminal.

M-IV - Heavy Rail Vehicle used on the Market-Frankford Subway-Elevated Line.

MPC – Management Planning and Control Operating Budget Software.

MPO - Metropolitan Planning Organization.

MSE - Market Street Elevated.

MFSE - Market-Frankford Subway-Elevated.

MSHL - Media-Sharon Hill Line.

N

N5 Car - Light Rail Vehicle used on the Norristown High Speed Line.

NHSL - Norristown High Speed Line.

NJT - New Jersey Transit.

Glossary of Acronyms

O

OEM - Original Equipment Manufacturer.

P

PCC Car – President’s Conference Committee streetcar or trolley.

PIP - Performance Improvement Program.

PLRB - Pennsylvania Labor Relations Board.

PPTA - Pennsylvania Public Transportation Association.

R

RFP - Request for Proposal.

RRD - Regional Railroad Division.

RRT - Railroad Retirement Taxes.

RSA - Route Schedule Adherence.

S

SAC - SEPTA Advisory Committee For Accessible Transportation.

SAFETEA-LU - Safe, Accountable, Flexible, Efficient Transportation Equity Act

SAM – Supervisory, Administrative and Management.

SBA - Special Board of Adjustment.

SDBE - Small or Disadvantaged Business Enterprise.

SDBU - Small and Disadvantaged Business Utilization.

SEPTA - Southeastern Pennsylvania Transportation Authority.

SMWIA - Sheet Metal Workers International Association.

SRP - Shared Ride Program.

SRPAC - Shared Ride Program Advisory Council.

SPP - Subsidy Per Passenger.

SSPP - System Safety Program Plan.

STD - Suburban Transit Division. Combination of Victory and Frontier Divisions.

T

TCRP - Transit Cooperative Research Program.

TCU - Transportation Communication International Union.

TIP - Transportation Improvement Program.

TEA-21 - The Transportation Equity Act for the 21st Century.

TMA - Transportation Management Association.

TPC - Transport Workers Union Local 234, Trenton-Philadelphia Coach Division.

TWU Local 234 - Transport Workers Union Local 234.

TWU Local 290 - Transport Workers Union Local 290.

TWU 2013 - Transport Workers Union Local 2013.

Glossary of Acronyms

U

UCP - PA Unified Certification Program.

UTU 61 - United Transportation Union Local 61.

UTU Local 1594 - United Transportation Union Local 1594.

V

VIC - Victory Division.

VMIS - Vehicle Maintenance Information System.

VOH - Vehicle Overhaul Program.

Glossary

A

Americans with Disabilities Act of 1990 - This federal act requires many changes to transit vehicles, operations and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

Accessible - As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accessible Service - A term used to describe service that is accessible to non-ambulatory riders with disabilities. This includes fixed-route bus service with wheelchair lifts or ADA Paratransit service with wheelchair lift equipped vehicles.

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is actually received or spent.

ADA Paratransit Service - In accordance with the Americans with Disabilities Act (ADA), SEPTA provides comparable service for people with disabilities who are functionally unable to use regular accessible fixed-route bus service for some or all of their transportation needs. Eligible individuals can travel whenever and wherever buses operate in SEPTA's five-county service region. See also "CCT Connect".

Amtrak – Service Mark of the National Railroad Passenger Corporation and subsidiaries. Primarily provides nationwide intercity passenger railroad service.

B

Balanced Budget - A budget in which expected revenues equal expected expenses during a fiscal period. SEPTA's enabling legislation requires the Board of Directors to adopt a balanced budget before the beginning of each fiscal year.

Blue Line - See "Market-Frankford Subway-Elevated".

Broad Street Line - A rapid transit subway running under Philadelphia's main north-south street. The Broad Street Subway opened in 1928 with several extensions over the years. A spur under Ridge Avenue to 8th and Market Streets opened in 1932. Also referred to as the BSL, BSS and "Orange Line".

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenditures for the budget period.

Bus - A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways. Vehicles are powered by diesel, gasoline, battery or alternative fuel engines contained within the vehicle.

Glossary

C

Capital Expenditure - Expenses that acquire, improve, or extend the useful life of any item with an expected life of three or more years and a value of more than \$5,000, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.

Car-Mile - A single mile traveled by either a single vehicle or a single rail car in a multiple car consist.

CCT Connect - SEPTA Customized Community Transportation (CCT) provides paratransit service — CCT Connect — to individuals with disabilities and senior citizens. In addition, SEPTA's bus fleet is 100% accessible.

CMAQ (Congestion Mitigation/Air Quality) Program - A federal grant program in which FHWA funds are transferred to FTA for transit projects designed to improve air quality and reduce traffic congestion.

Commuter Rail - Local and regional passenger train operations between a central city, its suburbs and/or another central city. It may be either locomotive-hauled or self-propelled, and is characterized by multi-trip tickets, specific station-to-station fares, railroad employment practices and usually only one or two stations in the central business district. Also referred to locally as Railroad, Regional Rail and RRD.

Contributed Capital – Reflects capital grants received for the acquisition of fixed assets. Assets acquired with grants are depreciated over the estimated life of the applicable asset. Contributed Capital is reduced by the amount of applicable depreciation amount.

Cost Per Mile - Operating expense divided by vehicle miles for a particular program or in total.

Cost Per Passenger - Operating expense divided by ridership for a particular program or in total.

D

Deadhead - The miles and hours that a vehicle travels when out of revenue service. Deadhead includes leaving or returning to the garage or yard facility; or changing routes and when there is no expectation of carrying revenue passengers. However, deadhead does not include charter service, operator training or maintenance training.

Debt Service - The payment of interest on and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

Glossary

Delaware Valley Regional Planning Commission - The area-wide agency, or Metropolitan Planning Organization, charged with the conduct of the urban transportation planning process. It is also the single, region-wide recipient of Federal funds for transportation planning purposes. Together with the state, it carries out the planning and programming activities necessary for Federal capital funding assistance. The MPO is designated by agreement among the various units of local government and the governor.

Depreciation and Amortization - The charges that reflect the loss in service value of the transit agency's assets. Depreciated items have a high initial cost and a useful life of more than one accounting period. In order to account for the reduction in value (usefulness) of this type of asset, a portion of the cost is expensed each year of the asset's life.

E

Enterprise Funds - Funds to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

F

Farebox Revenue - Revenues obtained from passengers and other fare subsidies except the state reduced fare subsidy program. Also referred to as Passenger Revenue.

Fares - The amount charged to passengers for use of various services.

Fiscal Year - SEPTA's fiscal year runs from July 1 through June 30.

Fixed Guideway - A mass transportation facility using and occupying a separate right-of-way or rail for the exclusive use of mass transportation and other high occupancy vehicles; or using a fixed catenary system useable by other forms of transportation.

Fixed Route Service - Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand responsive and taxicabs.

Flexible Funds - Federal funds made available by TEA-21 that can be used for various transportation projects, including both highway and mass transit projects. Allocation of these funds is at the discretion of regional Metropolitan Planning Organizations (MPOs) and state governments.

Federal Transit Administration - The FTA is the federal agency which provides financial assistance to cities and communities to provide mobility to their citizens.

Fringe Benefits - Payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments or accruals direct to an employee arising from something

Glossary

other than the performance of a duty. These payments are costs over and above “labor” costs, but still arising from the employment relationship.

Full-Time Equivalent Position (FTE) - A measurement equal to one staff person working a full schedule for one year.

Fully Allocated Costs - The distribution of operating expenses to each mode by type of service and function. Fully allocated costs account for all direct costs plus the assignment of any joint or shared expenses.

Funding Formula - A specific formula used to determine a subsidy level.

G

Green Line – See “Subway-Surface Lines”.

H

Headquarters Allocation – A method used to allocate the costs associated with operation and administration of SEPTA’s headquarters division to the other four operating divisions.

Headway - Time interval between vehicles moving in the same direction on a particular route.

Heavy Rail – A transit mode that is an electric railway with the capacity for a heavy volume of traffic. It is characterized by high speed and rapid acceleration passenger rail cars operating individually or in multi-car trains on fixed rails; separate rights-of-way from which all other vehicular and foot traffic are excluded; sophisticated signaling, and high platform loading.

Heavy Rail Cars – Rail cars with motive capability, driven by electric power taken from overhead lines or third rails, configured for passenger traffic and usually operated on exclusive rights-of-way.

Hybrid Bus - A bus that is powered by a combination of electricity and diesel, gasoline or alternative fuel.

I

Infrastructure - The physical assets of the Authority, e.g., rail lines and yards, power distribution, signaling, switching, and communications equipment, passenger stations, information systems, and roadways, upon which the continuance and growth of transit depend.

Intelligent Transportation Systems (ITS) - The application of advanced sensor, computer, electronics, and communication technologies and management strategies in an integrated manner to increase the safety and efficiency of the surface transportation system. ITS is a national effort designed to promote the use of advanced technologies in multimodal transportation.

Glossary

Interest Expense – The charges for the use of borrowed capital incurred by the transit agency, including interest on long term and short term debt obligations.

L

Leases and Rentals - The payments for the use of capital assets not owned by the transit agency.

Light Rail - A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails in shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

Light Rail Car - A rail car with motive capability, usually driven by electric power taken from overhead lines, configured for passenger traffic and usually operating on non-exclusive right-of-way. Also known as “streetcar,” “trolley car” and “trolley”.

Linked Trip - A single, one-way trip without regard for the number of vehicles boarded to make the trip (i.e., a home-to work trip taken by boarding a bus, to a train, to another bus represents one linked trip or three unlinked trips).

M

Market-Frankford Subway-Elevated - The Market-Frankford Line runs on an elevated guideway from the Frankford Transportation Center in Northeast Philadelphia, through Center City Philadelphia as a subway, and continuing on an elevated guideway above Market Street in West Philadelphia into 69th Street Terminal in Upper Darby, Delaware County. Also referred to as the Market Street Elevated (MSE), MFSE and “Blue Line”.

Mean Distance Between Failure – A measure of vehicle availability and reliability, equal to the average distance between failures for all vehicles within a particular mode.

N

Non-Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is not in revenue service (i.e., picking up and/or dropping off passengers).

O

Operating Assistance - Financial assistance for transit operations (as opposed to capital) expenditures.

Operating Budget - The planning of revenues and expenses for a given period of time to maintain daily operations.

Glossary

Operating Ratio - Operating revenue divided by operating expense. For this purpose, the Commonwealth has defined operating revenue to include Passenger Revenue, Senior Citizen free transportation, the Shared Ride program, Investment Income, Other Income, Asset Maintenance and Route Guarantees. Also for this purpose, the Commonwealth excludes Depreciation from operating expenses.

Orange Line – See “Broad Street Line”.

P

Passenger Miles - The cumulative sum of the distance ridden by each passenger.

Public Transportation – As defined in the Federal Transit Act, transportation provided by bus or rail, or other conveyance, either publicly or privately owned, providing to the public general or special service (but not including school buses or charter or sightseeing service) on a regular continuing basis. Public transportation is also synonymous with the terms mass transportation and transit.

R

Revenue Car Mile - A single mile traveled by one car during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Reverse Commute - City to suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership - Each passenger counted each time that person boards a vehicle. See also unlinked passenger trips.

Rider Report Card – This Customer Satisfaction Survey is an annual survey and associated report conducted by SEPTA in the fall of each year. More than 3,000 fifteen minute interviews are conducted with riders and non-riders in the SEPTA operating region, covering 22 service delivery attributes. The associated reports are generated with 95% confidence and have been in use to track SEPTA service delivery for six years.

Rolling Stock - Public transportation vehicles including commuter rail cars, locomotives, rapid transit cars, light rail cars, trolleybuses, buses, and vans.

Route Mile - A single mile traveled by a revenue vehicle.

Glossary

S

Service Guarantee - SEPTA has enacted a service guarantee policy on all Regional Rail Lines, the Broad Street Subway, the Market-Frankford Line, the Route 100 Norristown High Speed Line, and the Route 101 (Media) and the Route 102 (Sharon Hill) trolleys. SEPTA guarantees that the Lines noted above will arrive at their final destination within 15 minutes of the scheduled arrival time or riders will receive a free future trip. This guarantee applies to weekday service only and does not apply when service operates on a Saturday or Sunday schedule, subject to certain other restrictions.

Shared-Ride Program - The Shared-Ride program is a door-to-door, advance-reservation, ride-sharing service, offered to senior citizens 65 years of age and residents of Philadelphia. This service can be used to travel within the City of Philadelphia and to any location in the surrounding counties within three miles of the City's border. Pennsylvania's Lottery Fund contributes to the cost of operating this program.

Silverliner – A multiple unit self-propelled railroad passenger car, powered by electricity collected from overhead catenary wires. The Silverliner fleet was acquired over time and currently consists of three variations—Silverliner II, III, and IV. These railroad cars feature stainless steel construction and represent the majority of SEPTA's railroad fleet.

Streetcar - See "Trolley".

Subsidy - Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

Subway-Surface Lines - A combination of five trolley lines serving various neighborhoods in West Philadelphia or nearby suburban communities above ground, reaching Center City Philadelphia through a subway tunnel partially shared with the Market-Frankford Line.

T

TEA-21 (The Transportation Equity Act for the 21st Century) - TEA-21 was signed into law by President Clinton on June 9, 1998, and provided a six-year reauthorization of the federal transit program and the necessary contract authority needed to fully fund the fiscal year 1998 obligation limitations contained in the fiscal year 1998 Department of Transportation Appropriations Act.

Total Vehicle Miles - The sum of all miles operating by passenger vehicles, including mileage when no passengers are carried.

Trackless Trolley - See "Trolleybus".

Trapeze - Software utilized by SEPTA for scheduling and management of transportation operations.

Glossary

Trolley – A powered rail car, usually driven by electric power drawn from overhead wires via a trolley pole or pantograph. The vehicle usually operates on shared rights-of-way. Also known as “trolley car,” “streetcar” and “light rail car”.

Trolleybus - An electric, rubber-tired transit vehicle, manually steered, propelled by a motor drawing current through overhead wires from a central power source not on board the vehicle. Also known locally as “Trackless Trolley” or “Trolley Coach”.