



# Fiscal Year 2010 Operating Budget and Fiscal Years 2011 to 2015 Financial Projections



Southeastern Pennsylvania Transportation Authority



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Fiscal Year Beginning

**July 1, 2008**

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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, 2008. 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.

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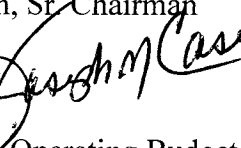
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TO: Pasquale T. Deon, Sr. Chairman  
FROM: Joseph M. Casey   
SUBJECT: Fiscal Year 2010 Operating Budget  
DATE: September 22, 2009  
CC: Board Members

**General Manager**

Joseph M. Casey

With the nation facing its worst economic crisis in decades, the Authority confronted many challenges developing the Fiscal Year 2010 Operating Budget. Among the most significant: declining state sales tax revenue; the collapse of the financial markets resulting in dramatic losses in the Authority's pension funds; the ongoing uncertainty of tolling Interstate 80 and its impact on State Act 44 transportation funding; and the impact of growing regional unemployment on the Authority's ridership.

While these economic realities demand fiscal prudence and careful budget planning, SEPTA can not lose the momentum gained since passage of Act 44 and the ridership increases achieved last year. In addition, the Authority must continue to advance the priorities of the recently adopted Five-Year Strategic Business Plan and to measure our progress against the key business indicators of the plan.

To that end, SEPTA made significant progress in restoring a mature transportation infrastructure to a state of good repair, introducing new technology, and building for ridership growth. Of particular note is the completion of the Market Street Elevated Line reconstruction. Facilities, some 100 years old, were replaced with new guideway structure, track, signals and six new ADA accessible stations. Safe operation of the SEPTA system remains of paramount importance and projects to install and upgrade signal systems are also underway.

With funds from the American Recovery and Reinvestment Act of 2009, SEPTA will have 32 capital construction projects underway by the end of Calendar Year 2009. Basic program development principles of the Authority's Stimulus Program included improving infrastructure throughout the region and across all modes, enhancing customer service and comfort and reducing long-term maintenance and operating costs. The projects will rehabilitate track, stations, bridges and substations throughout SEPTA's service region. Our Economic Stimulus program has become a national model that meets the program's overall objectives to advance shovel-ready projects, increase local economic activity and create jobs.

Sustainability is a major priority for the region and the Authority and SEPTA will advance many initiatives in the upcoming budget. In Fiscal Year 2010, an additional 120 hybrid buses will be delivered increasing the overall size of our “green” fleet to 372 vehicles. SEPTA is also focused on implementing green technologies system-wide including the installation of energy efficient lighting systems and fuel efficient boilers and chillers. To protect the environment, the Authority has established recycling programs at stations and shops, advanced systems for the reclamation of water on vehicle washers, and the safe disposal of waste material. Working with external stakeholders, SEPTA will continue to make environmental and fiscal sustainability priorities for the Authority.

Customer Service continues to be a top priority with a comprehensive Customer Service Training and Rewards Program being introduced to reinforce the message to all employees at all levels of the organization. Customer communications were enhanced with the Authority partnering with Google Transit to offer, on the SEPTA website, trip planning information using the Google Map system. In a major step to advance new technologies, SEPTA now offers real-time service information on Twitter.

SEPTA also unveiled a new Passenger Etiquette campaign that highlights the core of our customer service program – Communication, Cleanliness, Courtesy, and Convenience. Through colorful, visually appealing signage and posters on vehicles and in stations, this program focuses on our customer service priorities and promotes the overall goal of excellence in travel comfort and convenience while promoting good riding manners. SEPTA passengers have enthusiastically embraced the Regional Rail QuietRide Car program, an off-shoot of the etiquette campaign, which improves the quality of daily commuting by offering the option of a more relaxing and quiet atmosphere on peak hour trains.

Convenience on the SEPTA system was enhanced during Fiscal Year 2009 with the introduction of 65 new service initiatives to expand service and address overcrowding. The Fiscal Year 2010 Operating Budget continues to fund these initiatives; although additional service enhancements and expansion have been delayed until there are sustained improvements in the national and regional economies.

To encourage travel on the system and offer added convenience for new and existing riders, the Independence Pass, a one day pass was introduced in May, 2009. Available for an Individual or Family, the pass provides unlimited rides on all SEPTA services for a given day at a reduced fare. With proposals due in the near future for the New Payment Technology Project, SEPTA is advancing one of its major customer initiatives to modernize its fare collection equipment and processes systemwide.

While I am very encouraged by the significant progress achieved by the Authority, the dedication and support of our employees and continued support of external stakeholders, the economic challenges we face are real. The recession has dramatically impacted tax revenues throughout the country with many states, cities, and municipalities facing serious budget shortfalls. The Commonwealth of Pennsylvania has not been immune and continues to struggle to adopt a budget for the new fiscal year. The City of Philadelphia, also facing a significant budget shortfall, was prepared to layoff 3,000 employees until the Pennsylvania legislature recently granted the City's request to increase the state sales tax and defer pension payments.

Sales tax revenue, one of the key funding sources for the Pennsylvania Public Transportation Fund, has declined 7.1% since August, 2008. This places the long term fiscal stability of the Fund at risk and indicates a strong probability of reduced state operating assistance for transit from Act 44. This subsidy stream, along with the required local match, provides the most significant source (56%) of funding for the Authority's operations. The Commonwealth and City of Philadelphia provide the largest shares of subsidy funding for the Authority's operating budget and their budget problems present a major source of concern for SEPTA.

To date, the Pennsylvania Turnpike Commission has not received approval from the Federal Highway Administration to begin tolling Interstate 80 and must resubmit the application. Without full funding of Act 44, transportation programs throughout the Commonwealth will experience significant funding reductions. It is forecasted that SEPTA will experience a reduction in state operating and capital funding in the amount of \$120 million beginning next July. The fiscal health and stability of the Authority is threatened without stable and growing sources of subsidy dollars.

At the same time subsidy funds are at risk, healthcare and prescription drug coverage costs continue to increase at a rate significantly higher than inflation. Although fuel prices have declined from the highs of summer 2008, the market continues to be volatile and requires close attention. Electricity prices will soon be a concern given SEPTA's reliance on this energy source to propel electric-powered vehicles and power SEPTA's station and maintenance facilities. Currently electric rates are capped by state legislation, which expires in December, 2010. The market for electricity is dynamic, but early projections are that these costs will increase in the magnitude of 10%-30%.

The collapse of financial markets and poor performance of the stock market resulted in significant losses for the Authority's pension fund, exceeding more than 25% of the pension fund's value. To address this, the Authority must make an additional pension contribution of \$12 million, which translates into an 18% increase over last year.

Although ridership increased by one percent or 4.4 million trips in Fiscal Year 2009, the Authority's third consecutive year of ridership growth, the regional recession and higher unemployment brought fourth quarter ridership losses. With no strong indications of change in these economic trends, the Fiscal Year 2010 revenue budget assumes limited ridership growth.

As SEPTA and the nation face one of the worst economic environments in modern history, the Fiscal Year 2010 Operating Budget continues the practice of sound fiscal stewardship established by the Authority over the last decade while striving to improve operations and service to our customers. I remain optimistic and committed to ensure that SEPTA achieve the important goals set to deliver quality public transportation to the region. With the continued guidance and support of the SEPTA Board, staff and stakeholders, I am confident we can realize these objectives.



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## **Vice-Chairman**

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### **House Majority Leader Appointee**

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### **House Minority Leader Appointee**

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*Joseph M. Casey*

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### **General Counsel**

*Nicholas J. Staffieri, Esquire*

### **Controller to the Board**

*Stephen A. Jobs, CPA*

### **Secretary to the Board**

*Elizabeth M. Grant*

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# Southeastern Pennsylvania Transportation Authority

## Fiscal Year 2010 Operating Budget

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# Introduction and SEPTA Profile

## SEPTA Mission Statement

Our employees are dedicated to delivering safe, courteous, convenient and dependable public transportation services for the people of our region. We contribute to the region's economic vitality, sustainability and enhanced quality of life.

## 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:

- 117 Bus Routes
- 8 Trolley (light rail) Lines
- 3 Trackless Trolley Routes
- 2 Subway/Elevated (heavy rail) Lines
- 1 Interurban High-Speed Line (heavy rail)
- 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 30<sup>th</sup> 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 Pennsylvania Senate Majority Leader
- One member appointed by the Pennsylvania Senate Minority Leader
- One member appointed by the Pennsylvania House Majority Leader
- One member appointed by the Pennsylvania House Minority Leader

## SEPTA Strategic Business Plan

SEPTA, through its Five-Year Strategic Business Plan, has defined its vision, set its strategic direction, and will be making decisions on allocating resources to pursue the strategic objectives of the plan.

## Introduction and SEPTA Profile

This Plan describes SEPTA's vision, mission statement, strategic objectives and performance measures for Fiscal Years 2010-2014. The focus is macro-level as opposed to micro/tactics-based. The plan document explains the basic strategies for fulfilling the Authority's mission and achieving business goals. SEPTA has committed to focusing on seven key strategic objectives for the next five years:

- Customer Service
- Sustainability
- Ridership Growth for Transit
- Safety and Security
- New Technologies
- Rebuilding the System
- Human Capital Development

The Strategic Business Plan enables the organization to measure its progress toward the strategic objectives and serves as a management tool in directing the activities of the organization. SEPTA will use the plan as a mechanism to inform and assure stakeholders of the organization's successes and management's ability to direct the business by reporting its progress every six months through fourteen established key performance indicators.

As part of the strategic focus, SEPTA will look at planning beyond the 5-year horizon and how regional consensus and new decision-making modeling are key to investments and infrastructure expansion projects.

The strategic business plan is designed to drive management decision-making and other major planning processes of SEPTA, which include the Operating and Capital Budget Programs, as well as the Annual Service Plan.

### **Population and Trends**

The Southeastern Pennsylvania region has a population of 3.9 million (2008 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 region. Population increased by 4.5%, or 167,197 people, over the twenty year period in the 5-County area.

## Introduction and SEPTA Profile

### Population Count in 2000

County	Population 2000 U.S. Census
Bucks	597,635
Chester	433,501
Delaware	550,864
Montgomery	750,097
Philadelphia	1,517,550
<b>5-County Total</b>	<b>3,849,647</b>

Source: 2000 Census Population Count

Projections by the Delaware Valley Regional Planning Commission (DVRPC) indicate that from years 2005-2035, the five-county region will see overall population growth of 10%, representing growth in Bucks, Chester, Delaware and Montgomery Counties with Philadelphia projected to remain level.

### Population Forecasts 2005-2035

County	Population Change 2005-2035 (absolute)	Percent Change 2005-2035
Bucks	129,433	21%
Chester	148,618	31%
Delaware	4,750	1%
Montgomery	113,592	15%
Philadelphia	(3,828)	0%
<b>5-County Total</b>	<b>392,565</b>	<b>10%</b>

Source: DVRPC Population and Employment Forecasts (August 2007)

### 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 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.

## Introduction and SEPTA Profile

### 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 30<sup>th</sup> Street Station. The Comcast Center, adjacent to Suburban Station, was completed and officially opened in June, 2008. 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 2005-2035, there will be employment growth in the five-county region of 12%. The employment growth forecast is illustrated in the following table:

County	Absolute Change 2005-2035	Percent Change 2005-2035
Bucks	64,350	23%
Chester	83,465	33%
Delaware	5,965	3%
Montgomery	79,478	16%
Philadelphia	8,214	1%
<b>5-County Total</b>	<b>241,472</b>	<b>12%</b>

Source: DVRPC Population & Employment Forecasts (August 2007)

### SEPTA Ridership and Operating Statistics

In Fiscal Year 2009, SEPTA experienced gains in ridership in both City Transit and Suburban Transit. Compared to Fiscal Year 2008, average daily passengers (linked) increased by 2.9% in the City Transit Division, 0.4% in Suburban Transit (Victory and Frontier Divisions). Ridership on the regional rail lines was level with Fiscal Year 2008. Total annual SEPTA ridership increased by 5 million unlinked passenger trips.

### SEPTA Operating Facts

SEPTA Statistics At a Glance	
Annual Unlinked Trips (2009)	330 Million
Annual Passenger Miles (2009)	1.48 Billion
Annual Vehicle Revenue Miles (2009)	96.9 Million
Revenue Vehicles (2009)	2,765
Fixed Routes (2009)	144
Stations (2009)	280



## Introduction and SEPTA Profile

### 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 2008 Customer Satisfaction Survey. This survey was conducted between July 15, 2008 and August 18, 2008. During the survey period, 3,160 interviews were completed. Only persons aged 18 or older were interviewed during this process and all the exhibits represent SEPTA adult passengers.

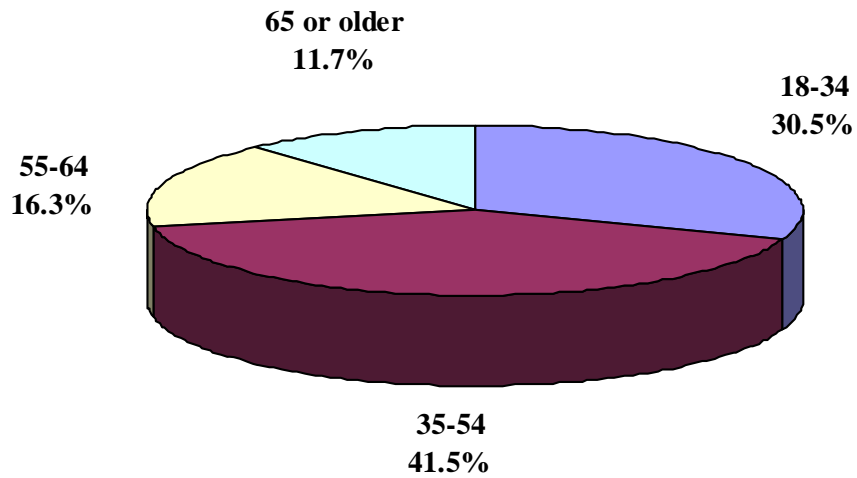
<b>Demographic Profile of SEPTA Passengers</b>				
	City Bus and Rail Transit	Suburban Bus and Rail Transit	Regional Railroad	Total SEPTA*
<b>Gender (Percent):</b>				
Male	36.5	37.8	39.0	35.8
Female	63.5	62.2	61.0	64.2
<b>Age (Percent):</b>				
18-34	31.6	31.4	30.2	30.5
35-54	41.8	39.9	42.4	41.5
55-64	15.7	17.1	19.0	16.3
65 or older	10.9	11.6	8.4	11.7
<b>Household Income (Percent):</b>				
Less than \$35,000	49.5	32.9	20.6	43.9
\$35,000 or more	50.5	67.1	79.4	56.1
<b>Ethnicity (Percent):</b>				
African American	56.7	37.4	34.6	50.6
Asian	1.6	2.3	2.3	1.8
Caucasian	34.8	54.1	59.4	41.4
Hispanic	3.6	2.3	1.4	3.1
Other (All Not Listed)	3.3	3.9	2.3	3.1

\*Weighted Average

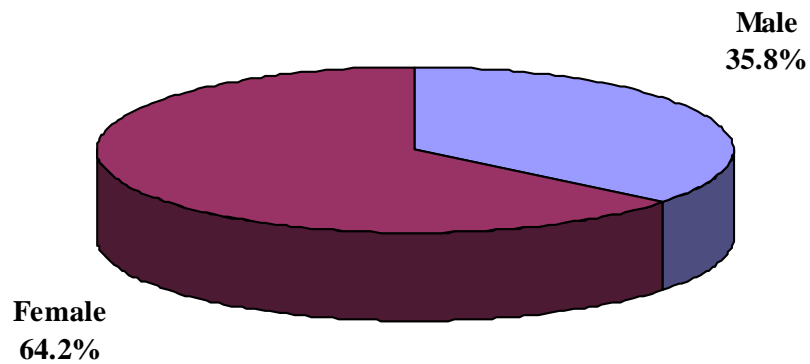
Source: 2008 SEPTA Customer Satisfaction Survey

## Introduction and SEPTA Profile

**Age of SEPTA Adult Passengers  
(Authority-wide)**

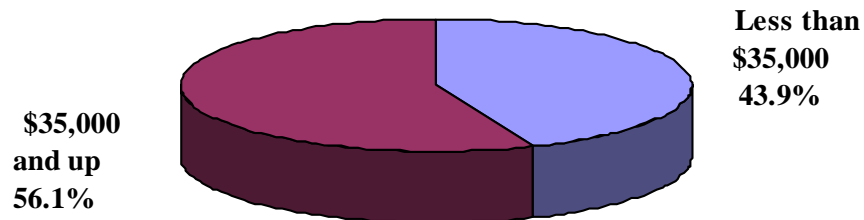


**Gender of SEPTA Passengers  
(Authority-wide)**

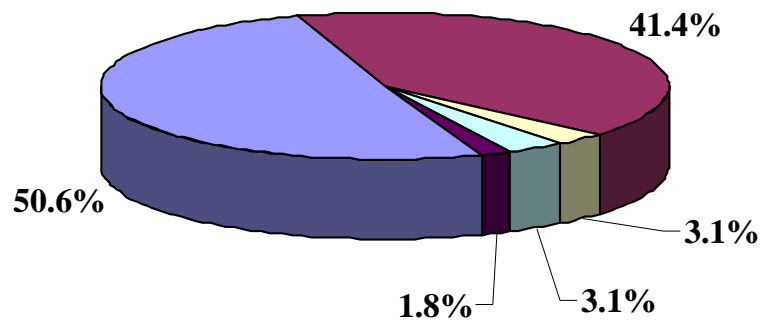







## Introduction and SEPTA Profile

**Annual Household Income of SEPTA Passengers  
(Authority-wide)**



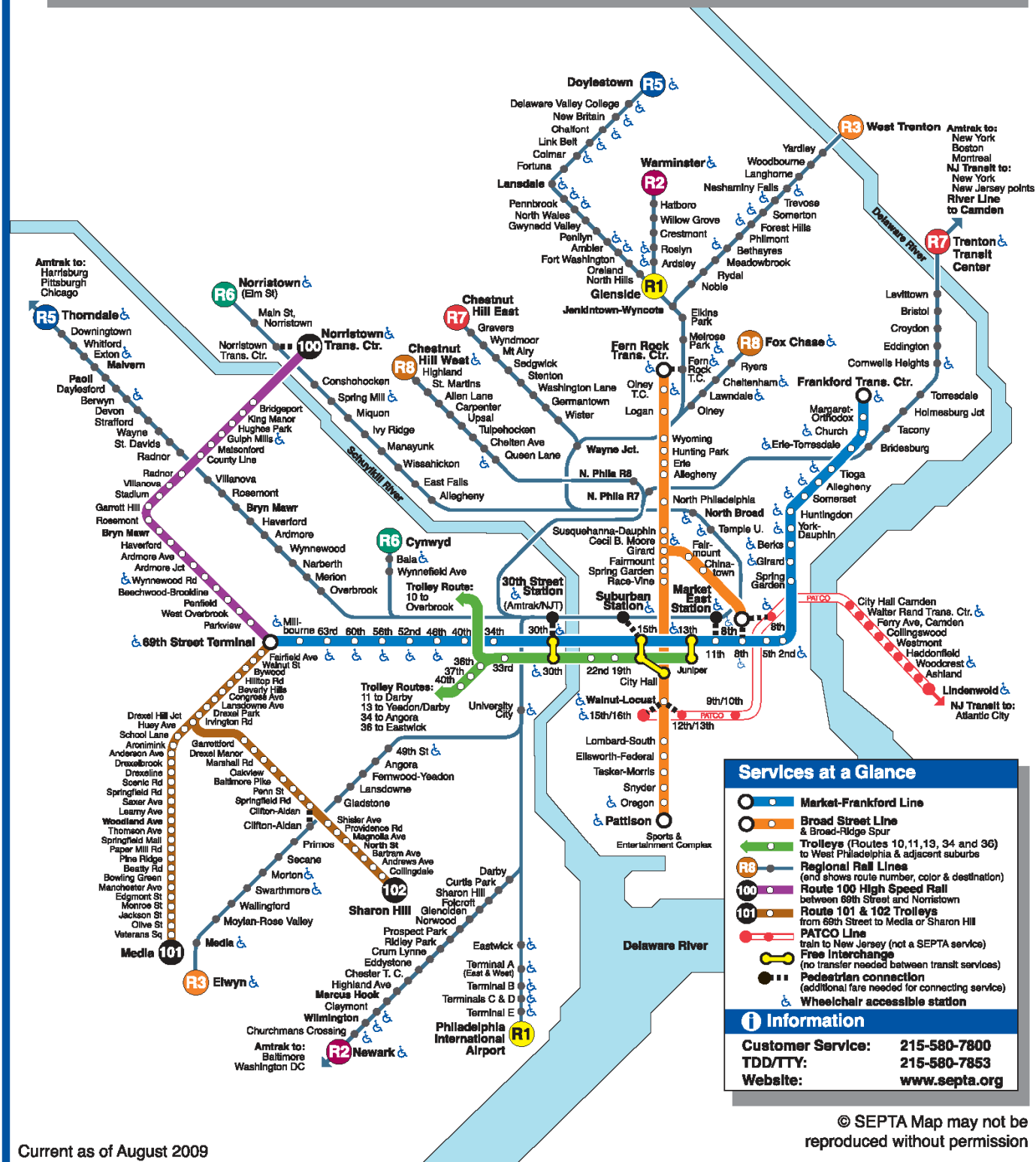
**Ethnicity of SEPTA Passengers**



 African American	 Caucasian
 Other (All Not Listed)	 Hispanic
 Asian	



# SEPTA Railroad & Rail Transit



## Summary of Assumptions

This document presents the Fiscal Year 2010 Operating Budget. The Fiscal Year 2009 and 2008 actual results are utilized for comparison throughout this budget document.

**Service** The Fiscal Year 2010 Operating Budget of \$1.132 billion in operating expenses includes the annualized effect of new transportation service initiatives implemented in Fiscal Year 2009.

**Revenue** Passenger revenue growth is projected to level off compared to Fiscal Year 2009 primarily as a result of the economic recession. In addition, decreases are projected in other income.

**Expenses** Expenses total \$1.132 billion, and reflect cost escalations in areas including, propulsion power, healthcare and prescription drugs as well as expenses incurred by other material and services.

**State and Local Subsidy** Fiscal Year 2010 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%. Lease Cost/Debt Service subsidy is funded by Sections 1517 and 1514 of the Trust Fund.

**Federal Subsidy** Federal Preventive Maintenance for Fiscal Year 2010 is level with the Fiscal Year 2009 Budget.

# Fiscal 2010 Consolidated Budget

<u>Amounts in Thousands ('000)</u>	<u>FY 2010 Budget</u>
<b>REVENUE</b>	
Passenger Revenue	\$ 414,326
Shared Ride Program	20,739
Investment Income	3,000
Other Income	<u>28,800</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 466,865</b>
<b>EXPENSES</b>	
Labor and Fringe Benefits	\$ 791,697
Materials and Services	209,215
Injuries & Damage Claims	37,000
Propulsion Power	33,400
Fuel	39,500
Vehicle and Facility Rentals	<u>2,183</u>
<b>OPERATING EXPENSE</b>	<b>\$ 1,112,995</b>
Depreciation/Contributed Capital	<u>\$ 18,849</u>
<b>TOTAL EXPENSES</b>	<b>\$ 1,131,844</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b><u>\$ (664,979)</u></b>
<b>OPERATING SUBSIDY</b>	
Federal	\$ 32,200
State	554,622
Local	75,457
Other	<u>2,700</u>
<b>TOTAL SUBSIDY</b>	<b>\$ 664,979</b>
<b>SURPLUS/(DEFICIT)</b>	<b><u>\$ -</u></b>

# 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.
- The net actuarially determined post employment benefit obligation recognized under Government Accounting Standards Board (GASB) Statement No. 45, which was implemented by the Authority in Fiscal Year 2008, has been excluded from the budget expenses. Such costs are included in operating expenses in the annual financial statements.

# **Financial and Budgetary Policies**

## **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 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 Supply Chain Management 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.



# **Financial and Budgetary Policies**

## **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.

## **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 at the management center level and managers are provided with detailed variance reports on a monthly basis.

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The Strategic Planning and Analysis group within the Finance and Planning 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 changes require approval of the Board.

### **Service 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 revenue/subsidy shortfalls and/or unanticipated one-time expenditures.

## Financial and Budgetary Policies

### 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, including all moneys distributed to the Authority from the Public 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.

## Financial and Budgetary Policies

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. The Bonds were initially issued in the Auction Mode. In July 2008, the Bonds were converted from the Auction Mode to the Weekly Mode.

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.

### **Debt Service Requirements** **(Amounts in Thousands)**

<b>Year Ending March 1</b>	<b>Interest*</b>	<b>Principal</b>	<b>Total Debt Service Requirements</b>
2010	16,786	15,885	32,671
2011	16,000	16,700	32,700
2012	15,186	17,545	32,731
2013	14,282	18,425	32,707
2014	13,367	19,310	32,677
2015	12,398	20,405	32,803
2016	11,381	21,450	32,831
2017	10,289	22,545	32,834
2018	9,162	23,715	32,877
2019	7,972	24,930	32,902
2020	6,759	26,210	32,969
2021	5,474	19,945	25,419
2022	4,534	20,920	25,454
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
<b>TOTAL</b>	<b>\$ 158,426</b>	<b>\$ 342,615</b>	<b>\$ 501,041</b>

\*Interest on the Series 2007 Bonds is a synthetic fixed interest rate of 4.706%

# 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**

<b><u>Amounts in thousands ('000)</u></b>	<b><u>FY 2008 Actual</u></b>	<b><u>FY 2009 Actual</u></b>	<b><u>FY 2010 Budget</u></b>
<b>Contributed Capital:</b>			
Balance at Beginning of Year	\$ 2,994,943	\$ 3,099,178	\$ 3,242,727
Capitalized Grant Property	361,327	416,109	370,000
Capitalized Grant Property - Retirements	(12,628)	(23,367)	(26,000)
Amortization	(256,979)	(270,604)	(280,000)
Amortization - Retirements	<u>12,515</u>	<u>21,411</u>	<u>25,000</u>
<b>Contributed Capital Balance at End of Year</b>	<b>\$ 3,099,178</b>	<b>\$ 3,242,727</b>	<b>\$ 3,331,727</b>
<b>Operating Surplus/(Deficit):</b>			
Accumulated Operating Surplus/(Deficit) at Beginning of Year	\$ (157,621)	\$ (156,823)	\$ (156,489)
Current Year Operating Surplus/(Deficit)	<u>798</u>	<u>334</u>	<u>-</u>
<b>Accumulated Operating Deficit at End of Year</b>	<b>\$ (156,823)</b>	<b>\$ (156,489)</b>	<b>\$ (156,489)</b>
<b>Total Equity</b>	<b><u>\$ 2,942,355</u></b>	<b><u>\$ 3,086,238</u></b>	<b><u>\$ 3,175,238</u></b>

# Annual Budget Process

## **Budget Development**

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

The Operating Budget 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 Operating Budget Department to all operating and staff departments in early February.

Operating and staff department personnel enter information into the Management Planning and Control (MPC) operating budget database for submission to the Operating Budget Department by mid-February. The Operating Budget Department reviews each budget submission and recommends corrections or revisions, if necessary. The Budget Department compiles this information and briefs the SEPTA Board.

## **Period for Public Comment**

The Operating Budget Department publishes SEPTA's Operating Budget Proposal on the Authority's Website and distributes it publicly in 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**

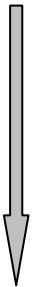
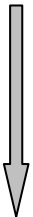
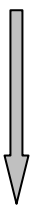
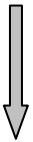
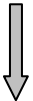
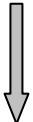
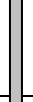

The hearing examiner evaluates the SEPTA staff proposal and public comments and issues a report to the Board in late April, which includes a recommendation on SEPTA's Operating Budget Proposal. The Board of Directors adopts a budget for the upcoming fiscal year at the regular May meeting on the fourth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

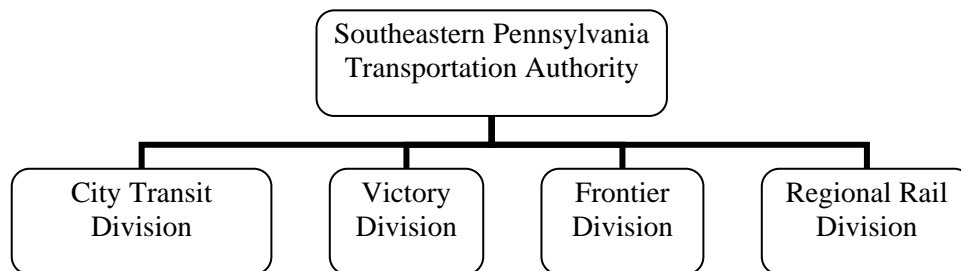
# Annual Budget Process

## Fiscal Year 2010 Operating Budget Proposal - Schedule of Key Activities

<b>December 2008</b>		<ul style="list-style-type: none"> <li>• Schedule Public Hearings (December 1-December 15, 2008)</li> <li>• Develop overall and department projections (December 8-December 18, 2008)</li> <li>• Meetings with SEPTA's operating and staff departments (January 12-February 4, 2009)</li> <li>• Develop draft service projection based on current service (January 2009)</li> <li>• Revise projections as necessary based on updated service projections (January 21-January 28, 2009)</li> </ul>
<b>January 2009</b>		
<b>February 2009</b>		<ul style="list-style-type: none"> <li>• Adjust overall and departmental projections (January 30-February 6, 2009)</li> <li>• Submit budget data to Budgets Department for review (January 31 - March 27, 2009)</li> <li>• Budget presentation to GM Team (February 2, 2009)</li> <li>• Budget submissions reviewed by Budgets Department (February 12-April 9, 2009)</li> <li>• Public hearing notice to press relations (February 19, 2009)</li> <li>• Review first draft of FY2010 Operating Budget Proposal (February 27, 2009)</li> </ul>
<b>March 2009</b>		<ul style="list-style-type: none"> <li>• Public hearing notice published/RICB Broadcast/Internet Posting/Distribution (March 16, 2009)</li> <li>• Publish and Distribute FY 2010 Operating Budget Proposal (March)</li> <li>• Distribute preliminary authorization letters to Staff Departments (Late March)</li> <li>• Distribute preliminary authorization letters to Operations (Late March)</li> <li>• Period for public comment (March 16-April 20, 2009)</li> </ul>
<b>April 2009</b>		<ul style="list-style-type: none"> <li>• Prepare public hearing testimony (April 1-April 8, 2009)</li> <li>• Public Hearings in City of Philadelphia and suburban counties (April 14-April 17, 2009)</li> <li>• Board briefing on proposed budget (April 23, 2009)</li> </ul>
<b>May 2009</b>		<ul style="list-style-type: none"> <li>• Report from Hearing Examiner (May 7, 2009)</li> <li>• SEPTA Board adopts budget (May 28, 2009)</li> </ul>
<b>June 2009</b>		<ul style="list-style-type: none"> <li>• Finalize and consolidate budget data in Management Planning and Control database (June – August, 2009)</li> </ul>
<b>July/August 2009</b>		<ul style="list-style-type: none"> <li>• Preparation of Final FY 2010 Operating Budget Book (July – September, 2009)</li> </ul>
<b>September 2009</b>		<ul style="list-style-type: none"> <li>• Publish and Distribute Final FY 2010 Operating Budget Book (September, 2009)</li> </ul>

# 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 73 bus routes, 6 trolley (light rail) lines, 3 trackless trolley lines and 2 subway-elevated (heavy rail) 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 21 bus routes, 2 trolley (light rail) lines and the Norristown High Speed Line (heavy rail).

## **Frontier Division**

The Frontier Division consists of 23 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 Railroad 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  
Bus Vehicle Engineering and Maintenance  
Rail Vehicle Engineering and Maintenance

## **AUDIT AND INVESTIGATIVE SERVICES DIVISION**

Internal Audit  
Office of the Inspector General

## **BUSINESS SERVICES DIVISION**

Information Technology  
Procurement and Supply Chain Management  
Disadvantaged Business Enterprise Program

## **CUSTOMER SERVICE DIVISION**

Communications  
Customer Service  
Administration and Advocacy  
Technical Analysis/Market Research

## **ENGINEERING, MAINTENANCE AND CONSTRUCTION DIVISION**

Capital Construction/Project Control and Capital Quality Assurance and Control  
Engineering and Maintenance  
New Payment Technology/Revenue Operations



# **Operating and Staff Departments**

## **FINANCE AND PLANNING DIVISION**

- Accounting and Public Finance
- Capital Budget
- Operating Budget
- Revenue, Ridership, Marketing and Sales
- Strategic Planning and Analysis
- Service Planning

## **HUMAN RESOURCES DIVISION**

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

## **LEGAL DIVISION**

- Corporate
- Commerce and Regulatory
- Litigation

## **PUBLIC AND GOVERNMENT AFFAIRS DIVISION**

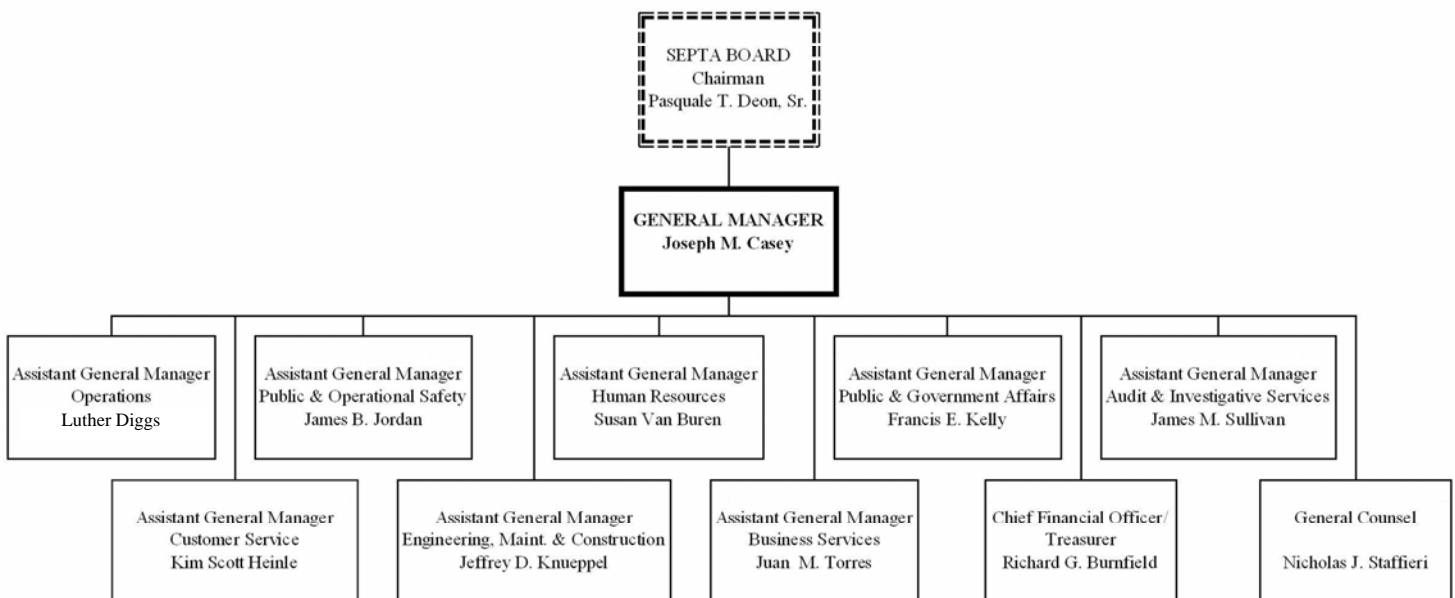
- Public Affairs – Administration/Communications
- Public Affairs – Media Relations
- Government Affairs – Region & Community
- Government Affairs – State & Federal

## **PUBLIC AND OPERATIONAL SAFETY DIVISION**

- Administration/Records Management
- Claims
- Real Estate
- System Safety and Risk Management
- Transit Police
- Workers' Compensation

# GM Team Organizational Chart

## Southeastern Pennsylvania Transportation Authority Executive Staff



# FY 2008 Actual, FY 2009 Actual and FY 2010 Budget Consolidated

<u>Amounts in thousands ('000)</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Budget</u>	<u>FY 2010 versus FY 2009</u>
<b>REVENUE</b>				
Passenger Revenue	\$ 391,013	\$ 403,257	\$ 414,326	\$ 11,069
Shared Ride Program	21,357	20,530	20,739	209
Investment Income	9,365	1,606	3,000	1,394
Other Income	<u>29,914</u>	<u>31,240</u>	<u>28,800</u>	<u>(2,440)</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 451,649</b>	<b>\$ 456,633</b>	<b>\$ 466,865</b>	<b>\$ 10,232</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 707,059	\$ 742,422	\$ 791,700	\$ 49,278
Materials and Services	199,092	212,922	209,212	(3,710)
Injuries & Damage Claims	39,700	38,960	37,000	(1,960)
Propulsion Power	30,837	32,384	33,400	1,016
Fuel	44,293	53,609	39,500	(14,109)
Vehicle and Facility Rentals	<u>2,087</u>	<u>2,323</u>	<u>2,183</u>	<u>(140)</u>
<b>OPERATING EXPENSE</b>	<b>\$ 1,023,068</b>	<b>\$ 1,082,620</b>	<b>\$ 1,112,995</b>	<b>\$ 30,375</b>
Depreciation/Contributed Capital	<u>\$ 18,555</u>	<u>\$ 18,877</u>	<u>\$ 18,849</u>	<u>\$ (28)</u>
<b>TOTAL EXPENSES</b>	<b>\$ 1,041,623</b>	<b>\$ 1,101,497</b>	<b>\$ 1,131,844</b>	<b>\$ 30,347</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b><u>\$ (589,974)</u></b>	<b><u>\$ (644,864)</u></b>	<b><u>\$ (664,979)</u></b>	<b><u>\$ (20,115)</u></b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 32,620	\$ 32,200	\$ 32,200	\$ -
State	489,909	537,210	554,622	17,412
Local	64,711	72,791	75,457	2,666
Other	<u>3,532</u>	<u>2,997</u>	<u>2,700</u>	<u>(297)</u>
<b>TOTAL SUBSIDY</b>	<b>\$ 590,772</b>	<b>\$ 645,198</b>	<b>\$ 664,979</b>	<b>\$ 19,781</b>
<b>SURPLUS/(DEFICIT)</b>	<b><u>\$ 798</u></b>	<b><u>\$ 334</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (334)</u></b>

<b>FY 2008 Actual, FY 2009 Actual and FY 2010 Budget</b> <b>City Transit Division</b>
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<u>Amounts in thousands ('000)</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Budget</u>	<u>FY 2010 versus FY 2009</u>
<b>REVENUE</b>				
Passenger Revenue	\$ 245,043	\$ 255,069	\$ 261,455	\$ 6,386
Shared Ride Program	21,357	20,530	20,739	209
Investment Income	7,659	883	1,622	739
Other Income	16,986	15,930	15,507	(423)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 291,045</b>	<b>\$ 292,412</b>	<b>\$ 299,323</b>	<b>\$ 6,911</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 482,767	\$ 507,692	\$ 544,467	\$ 36,775
Materials and Services	115,556	122,571	116,480	(6,091)
Injuries & Damage Claims	32,495	35,045	32,250	(2,795)
Propulsion Power	12,413	13,348	13,500	152
Fuel	36,061	42,995	31,518	(11,477)
Vehicle and Facility Rentals	1,598	1,720	1,591	(129)
<b>OPERATING EXPENSE</b>	<b>\$ 680,890</b>	<b>\$ 723,371</b>	<b>\$ 739,806</b>	<b>\$ 16,435</b>
Depreciation/Contributed Capital	\$ 13,227	\$ 13,383	\$ 13,188	\$ (195)
<b>TOTAL EXPENSES</b>	<b>\$ 694,117</b>	<b>\$ 736,754</b>	<b>\$ 752,994</b>	<b>\$ 16,240</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (403,072)</b>	<b>\$ (444,342)</b>	<b>\$ (453,671)</b>	<b>\$ (9,329)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 22,197	\$ 22,022	\$ 21,848	\$ (174)
State	336,440	371,747	379,408	7,661
Local	43,799	49,762	51,315	1,553
Other	1,176	1,040	1,100	60
<b>TOTAL SUBSIDY</b>	<b>\$ 403,612</b>	<b>\$ 444,571</b>	<b>\$ 453,671</b>	<b>\$ 9,100</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 540</b>	<b>\$ 229</b>	<b>\$ -</b>	<b>\$ (229)</b>

<b>FY 2008 Actual, FY 2009 Actual and FY 2010 Budget</b> <b>Victory Division</b>
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<u>Amounts in thousands ('000)</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Budget</u>	<u>FY 2010 versus FY 2009</u>
<b>REVENUE</b>				
Passenger Revenue	\$ 19,324	\$ 19,585	\$ 20,097	\$ 512
Shared Ride Program	-	-	-	-
Investment Income	186	94	130	36
Other Income	<u>2,054</u>	<u>2,074</u>	<u>2,025</u>	<u>(49)</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 21,564</b>	<b>\$ 21,753</b>	<b>\$ 22,252</b>	<b>\$ 499</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 51,544	\$ 54,495	\$ 57,731	\$ 3,236
Materials and Services	15,199	16,531	16,696	165
Injuries & Damage Claims	2,137	3,180	2,125	(1,055)
Propulsion Power	1,021	1,186	1,225	39
Fuel	4,993	6,361	4,818	(1,543)
Vehicle and Facility Rentals	<u>91</u>	<u>96</u>	<u>112</u>	<u>16</u>
<b>OPERATING EXPENSE</b>	<b>\$ 74,985</b>	<b>\$ 81,849</b>	<b>\$ 82,707</b>	<b>\$ 858</b>
Depreciation/Contributed Capital	<u>\$ 221</u>	<u>\$ 233</u>	<u>\$ 244</u>	<u>\$ 11</u>
<b>TOTAL EXPENSES</b>	<b>\$ 75,206</b>	<b>\$ 82,082</b>	<b>\$ 82,951</b>	<b>\$ 869</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b><u>\$ (53,642)</u></b>	<b><u>\$ (60,329)</u></b>	<b><u>\$ (60,699)</u></b>	<b><u>\$ (370)</u></b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 3,155	\$ 3,199	\$ 3,134	\$ (65)
State	44,107	49,826	50,248	422
Local	6,360	7,222	7,217	(5)
Other	<u>97</u>	<u>116</u>	<u>100</u>	<u>(16)</u>
<b>TOTAL SUBSIDY</b>	<b>\$ 53,719</b>	<b>\$ 60,363</b>	<b>\$ 60,699</b>	<b>\$ 336</b>
<b>SURPLUS/(DEFICIT)</b>	<b><u>\$ 77</u></b>	<b><u>\$ 34</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (34)</u></b>

<b>FY 2008 Actual, FY 2009 Actual and FY 2010 Budget</b> <b>Frontier Division</b>
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<u>Amounts in thousands ('000)</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Budget</u>	<u>FY 2010 versus FY 2009</u>
<b>REVENUE</b>				
Passenger Revenue	\$ 4,799	\$ 5,287	\$ 5,392	\$ 105
Shared Ride Program	-	-	-	-
Investment Income	48	27	35	8
Other Income	<u>505</u>	<u>535</u>	<u>531</u>	<u>(4)</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 5,352</b>	<b>\$ 5,849</b>	<b>\$ 5,958</b>	<b>\$ 109</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 17,334	\$ 19,446	\$ 20,166	\$ 720
Materials and Services	2,937	2,993	2,926	(67)
Injuries & Damage Claims	837	900	825	(75)
Propulsion Power	-	-	-	-
Fuel	3,045	4,038	2,978	(1,060)
Vehicle and Facility Rentals	<u>29</u>	<u>33</u>	<u>40</u>	<u>7</u>
<b>OPERATING EXPENSE</b>	<b>\$ 24,182</b>	<b>\$ 27,410</b>	<b>\$ 26,935</b>	<b>\$ (475)</b>
Depreciation/Contributed Capital	<u>\$ 43</u>	<u>\$ 51</u>	<u>\$ 49</u>	<u>\$ (2)</u>
<b>TOTAL EXPENSES</b>	<b>\$ 24,225</b>	<b>\$ 27,461</b>	<b>\$ 26,984</b>	<b>\$ (477)</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (18,873)</b>	<b>\$ (21,612)</b>	<b>\$ (21,026)</b>	<b>\$ 586</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 1,040	\$ 1,090	\$ 1,049	\$ (41)
State	14,533	16,980	16,569	(411)
Local	2,096	2,463	2,408	(55)
Other	<u>1,229</u>	<u>1,090</u>	<u>1,000</u>	<u>(90)</u>
<b>TOTAL SUBSIDY</b>	<b>\$ 18,898</b>	<b>\$ 21,623</b>	<b>\$ 21,026</b>	<b>\$ (597)</b>
<b>SURPLUS/(DEFICIT)</b>	<b><u>\$ 25</u></b>	<b><u>\$ 11</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (11)</u></b>

<b>FY 2008 Actual, FY 2009 Actual and FY 2010 Budget</b> <b>Railroad Division</b>
--

<u>Amounts in thousands ('000)</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Budget</u>	<u>FY 2010 versus FY 2009</u>
<b>REVENUE</b>				
Passenger Revenue	\$ 121,847	\$ 123,316	\$ 127,382	\$ 4,066
Shared Ride Program	-	-	-	-
Investment Income	1,472	602	1,213	611
Other Income	<u>10,369</u>	<u>12,701</u>	<u>10,737</u>	<u>(1,964)</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 133,688</b>	<b>\$ 136,619</b>	<b>\$ 139,332</b>	<b>\$ 2,713</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 155,414	\$ 160,789	\$ 169,336	\$ 8,547
Materials and Services	65,400	70,827	73,110	2,283
Injuries & Damage Claims	4,231	(165)	1,800	1,965
Propulsion Power	17,403	17,850	18,675	825
Fuel	194	215	186	(29)
Vehicle and Facility Rentals	<u>369</u>	<u>474</u>	<u>440</u>	<u>(34)</u>
<b>OPERATING EXPENSE</b>	<b>\$ 243,011</b>	<b>\$ 249,990</b>	<b>\$ 263,547</b>	<b>\$ 13,557</b>
Depreciation/Contributed Capital	<u>\$ 5,064</u>	<u>\$ 5,210</u>	<u>\$ 5,368</u>	<u>\$ 158</u>
<b>TOTAL EXPENSES</b>	<b>\$ 248,075</b>	<b>\$ 255,200</b>	<b>\$ 268,915</b>	<b>\$ 13,715</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b><u>\$ (114,387)</u></b>	<b><u>\$ (118,581)</u></b>	<b><u>\$ (129,583)</u></b>	<b><u>\$ (11,002)</u></b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 6,228	\$ 5,889	\$ 6,169	\$ 280
State	94,829	98,657	108,397	9,740
Local	12,456	13,344	14,517	1,173
Other	<u>1,030</u>	<u>751</u>	<u>500</u>	<u>(251)</u>
<b>TOTAL SUBSIDY</b>	<b>\$ 114,543</b>	<b>\$ 118,641</b>	<b>\$ 129,583</b>	<b>\$ 10,942</b>
<b>SURPLUS/(DEFICIT)</b>	<b><u>\$ 156</u></b>	<b><u>\$ 60</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (60)</u></b>

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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. However, subsidy growth is at risk beginning in Fiscal Year 2011 if the Pennsylvania Turnpike Commission is unable to obtain approval to begin tolling Interstate 80 or a suitable alternative is found to fund state-wide highway and transit systems.

### **Forecast Assumptions By Category:**

<b>Passenger Revenue</b>	The revenue growth for Fiscal 2010 is expected to level off as a result of the economic recession, as unemployment and decreased economic activity exerts a downward pressure on ridership. Inflationary fare increases are projected for Fiscal Year 2011 and Fiscal Year 2014.
<b>Other Revenue</b>	This revenue category is forecast to grow by approximately 8% 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.
<b>Expenses</b>	<p>Due to historical trends, medical rate caps, and recent market pressures, medical, prescription drug coverage, pension expenses 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 third party supplier's price increases. Fuel and utility costs are market driven and an allowance has been made for price volatility after Fiscal Year 2010.</p>
<b>Subsidy</b>	The subsidy categories reflect the anticipated growth potential of the Public Transportation Trust Fund. Subsidy growth is discussed in detail in the Operating Subsidy Section of this document.

# Financial Projections

## Consolidated Budget

<u>Amounts in thousands ('000)</u>	<u>FY 2010 Budget</u>	<u>FY 2011 Projection</u>	<u>FY 2012 Projection</u>	<u>FY 2013 Projection</u>	<u>FY 2014 Projection</u>	<u>FY 2015 Projection</u>
<b>REVENUE</b>						
Passenger Revenue	\$ 414,326	\$ 453,669	\$ 458,206	\$ 462,788	\$ 504,416	\$ 509,460
Shared Ride Revenue	20,739	20,946	21,155	21,367	21,581	21,797
Other / Investment Income	31,800	32,436	33,085	33,747	34,422	35,110
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 466,865</b>	<b>\$ 507,051</b>	<b>\$ 512,446</b>	<b>\$ 517,902</b>	<b>\$ 560,419</b>	<b>\$ 566,367</b>
<b>EXPENSES</b>						
Labor	\$ 497,877	\$ 505,524	\$ 507,835	\$ 517,992	\$ 528,352	\$ 538,919
Fringe Benefits	293,823	316,000	340,000	365,200	392,600	422,200
Materials and Services	209,212	214,068	224,757	235,995	247,779	260,155
Injuries & Damage Claims	37,000	37,000	37,000	37,000	37,000	37,000
Propulsion Power	33,400	34,569	35,779	36,852	38,142	39,286
Fuel	39,500	42,463	45,648	49,072	52,752	56,708
Other Expenses	21,032	21,663	22,313	22,982	23,671	24,381
<b>TOTAL EXPENSES</b>	<b>\$ 1,131,844</b>	<b>\$ 1,171,287</b>	<b>\$ 1,213,332</b>	<b>\$ 1,265,093</b>	<b>\$ 1,320,296</b>	<b>\$ 1,378,649</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (664,979)</b>	<b>\$ (664,236)</b>	<b>\$ (700,886)</b>	<b>\$ (747,191)</b>	<b>\$ (759,877)</b>	<b>\$ (812,282)</b>
<b>OPERATING SUBSIDY</b>						
Federal	\$ 32,200	\$ 32,200	\$ 32,200	\$ 32,200	\$ 32,200	\$ 32,200
State	554,622	554,178	586,256	626,665	637,841	683,485
Local	75,457	75,158	79,730	85,627	87,136	93,897
Other	2,700	2,700	2,700	2,700	2,700	2,700
<b>TOTAL SUBSIDY</b>	<b>\$ 664,979</b>	<b>\$ 664,236</b>	<b>\$ 700,886</b>	<b>\$ 747,191</b>	<b>\$ 759,877</b>	<b>\$ 812,282</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Operating Revenue

SEPTA receives revenues from several sources. These can generally be categorized as revenues derived from operations and those obtained from government grants. Government operating assistance grants are classified as Operating Subsidy and discussed in the Operating Subsidy Section of this document. The category of operating revenue is comprised of four major elements: Passenger revenue, shared ride, investment income and other income.

### **Revenue Assumptions:**

#### **Passenger Revenue**

The Fiscal Year 2010 Operating Budget includes passenger revenue of \$414 million, which represents a leveling off of ridership growth seen in recent years. The effects of the economic recession have negatively affected SEPTA ridership growth beginning in the fourth quarter of Fiscal Year 2009.

#### **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 \$20.7 million. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging, and Shared Ride fares. In Fiscal Year 2010, the Authority projects a total of 821,335 shared ride trips, slightly less than Fiscal Year 2009.

#### **Investment Income**

Investment income is budgeted at \$3.0 million for Fiscal Year 2010. Investment income results are tied directly to the financial market conditions. Recently, the national economic recession has caused rates earned on investments to decline significantly.

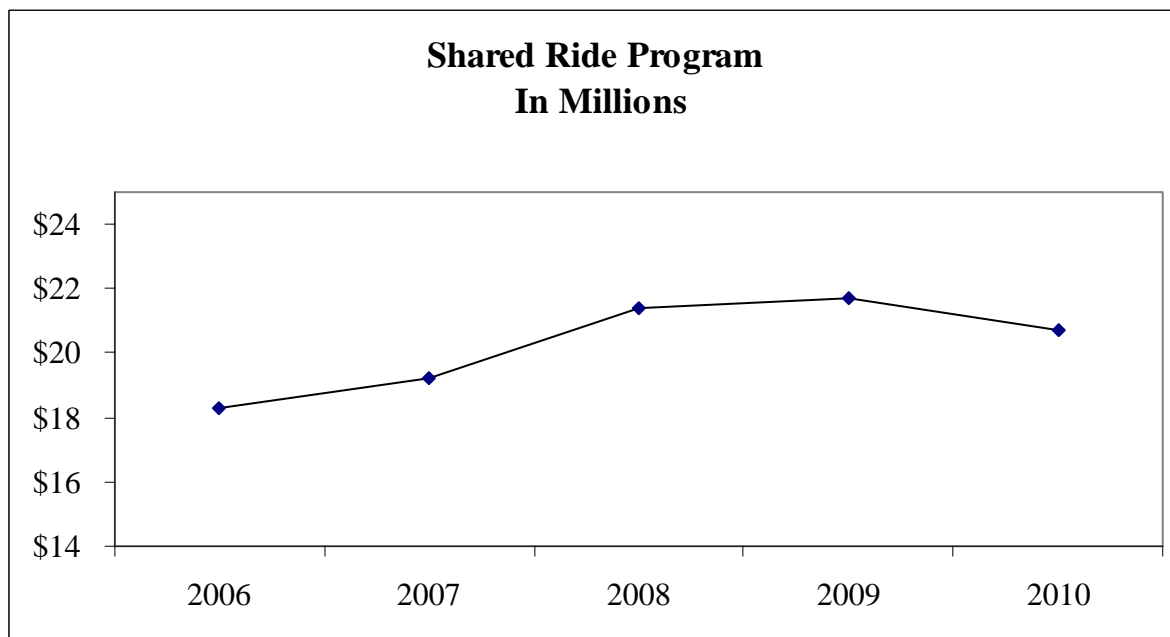
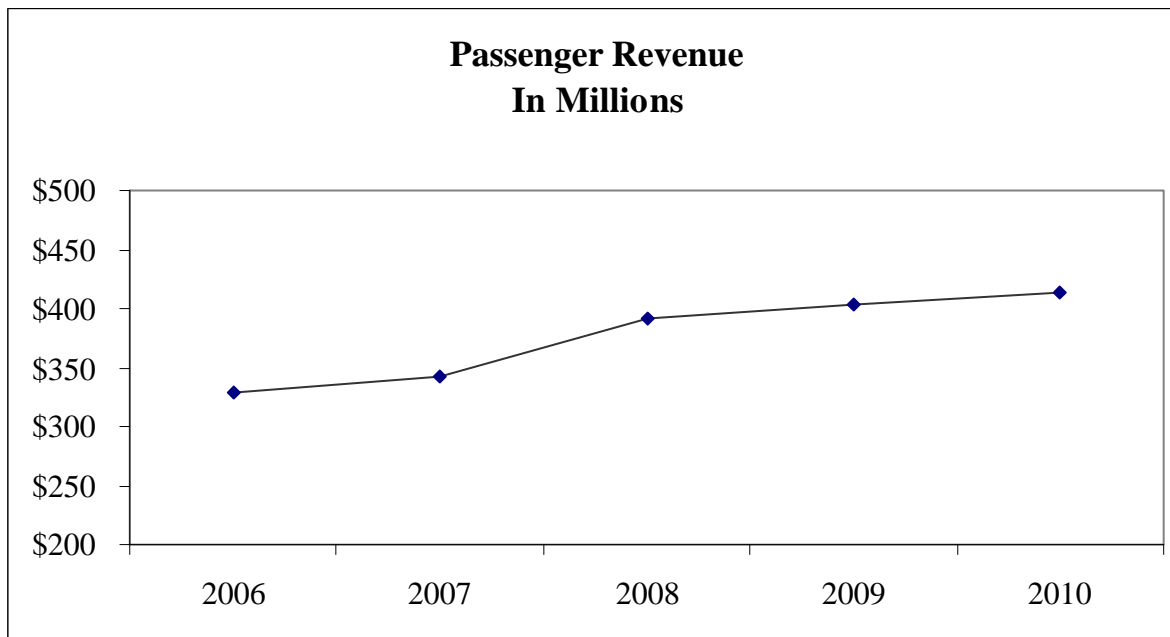
#### **Other Income**

Other revenue includes real estate lease income, parking lot fees, advertising income and income from scrap sales. Total projected revenue for this category is \$28.8 million. Advertising, real estate and parking income is budgeted to remain essentially level with Fiscal Year 2009. Income from the sale of scrap will be lower than Fiscal Year 2009, which included income from the removal and sale of rail on the out-of-service Bethlehem railroad branch.

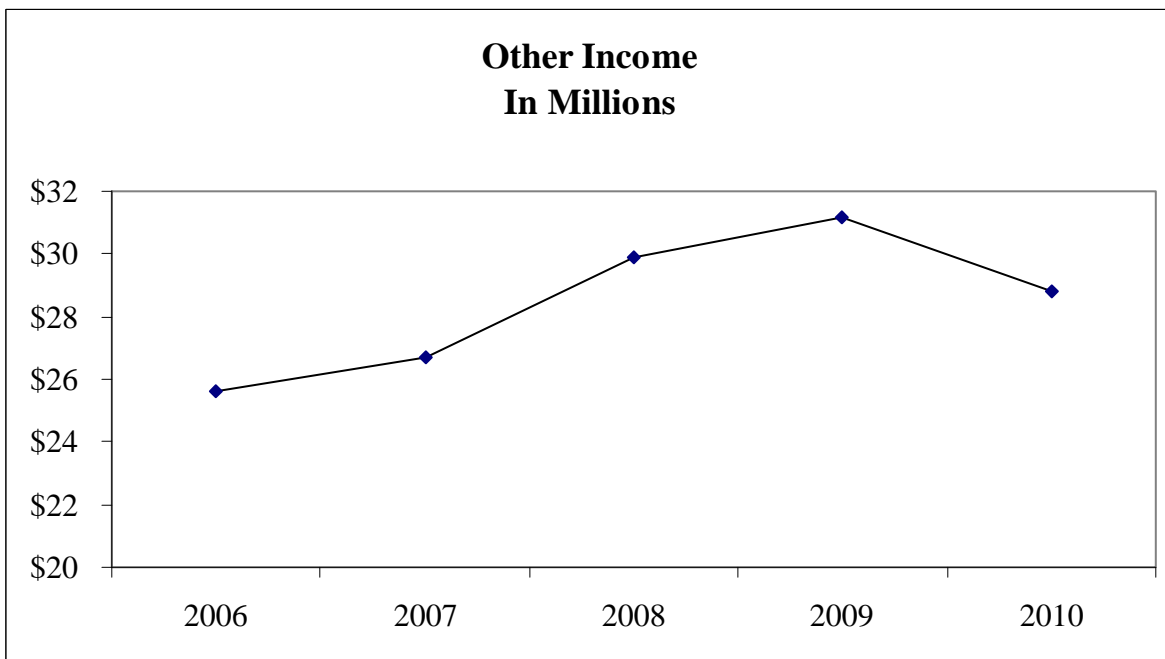
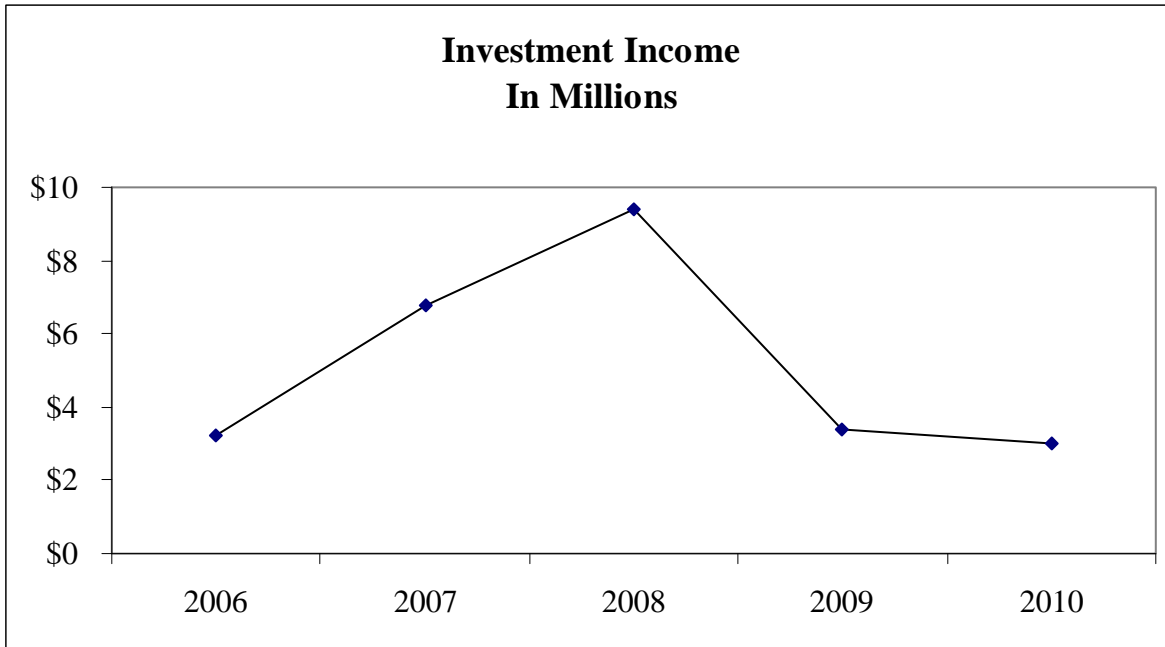
## Operating Revenue

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

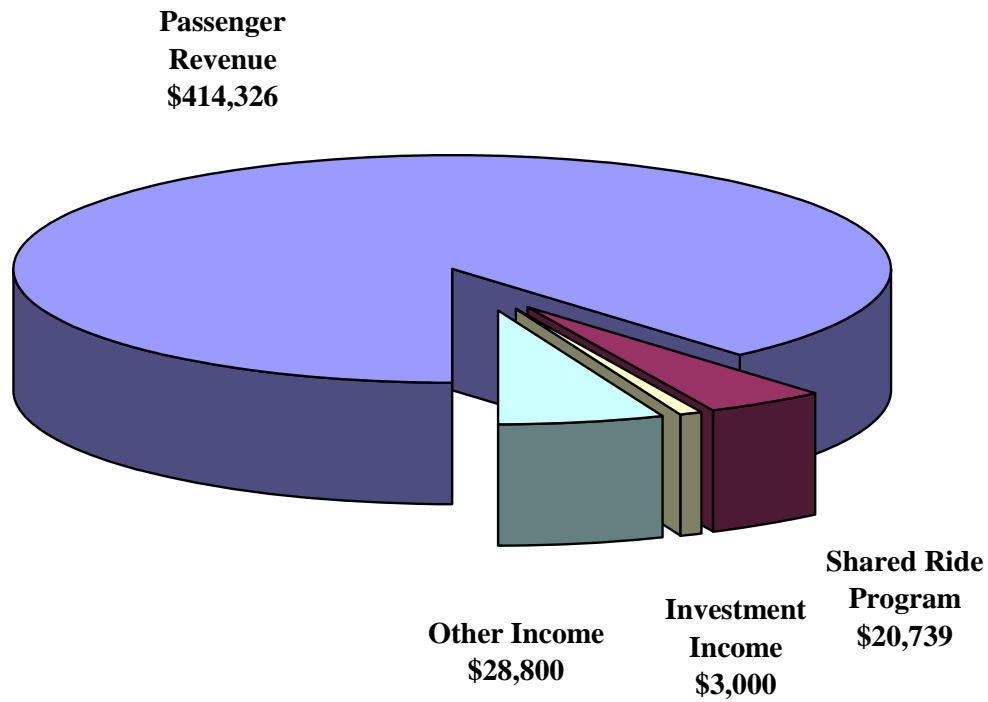


## Operating Revenue



## **SUMMARY OF OPERATING REVENUE**

**(DOLLARS IN THOUSANDS)**



**TOTAL OPERATING REVENUE = \$466,865**

# Operating Subsidy

## Introduction

Total subsidies in the Fiscal Year 2010 Operating Budget represent \$664.9 million and include the following categories: Federal, State, Local, and Other.

## Operating Subsidy Assumptions

**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 2010, the total Federal Operating Subsidy covers only 2.8% of the total budgeted operating expenses. The source of this subsidy is Federal Preventive Maintenance in the amount of \$32.2 million, which is made available for the operating budget from SEPTA's Section 5307 Capital Grant. This funding is available as a result of foregoing or delaying capital improvements. For Fiscal Year 2010, this funding will be level with Fiscal Year 2009.

**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. Initially intended to provide a long term funding solution for public transportation agencies throughout the Commonwealth of Pennsylvania, this legislation created the Pennsylvania Public Transportation Trust Fund which provides SEPTA and public transportation providers throughout the Commonwealth with dedicated annual funding for operating expenses. The Trust Fund is funded by both 4.4% of sales tax receipts in the Commonwealth of Pennsylvania and proceeds from bonds issued by the Pennsylvania Turnpike Commission. Trust Fund allocations are impacted by annual sales tax receipts and a legislated 2.5% annual increase in Trust Fund deposits from the Pennsylvania Turnpike Commission beginning in Fiscal Year 2011.

**SEPTA State Subsidy Funding Concerns** - The current economic recession has caused a sharp decline in statewide sales tax revenues, which are a key component to the Trust Fund's viability. To further exacerbate the potential funding problem, the Trust Fund's other key component, the proceeds from Turnpike Commission bonds, are also at risk. The current agreement between the Turnpike Commission and PennDOT expires June, 2010. If the Pennsylvania Turnpike Commission is unable to obtain approval to begin tolling Interstate 80, the Commission will be unable to meet its financial obligations to the Trust Fund, and will not be able to renew the agreement with PennDOT. This will put the Authority's operating assistance at significant risk. SEPTA and other state transit agencies are allocated funds as determined by the following formula:

Number of Passengers	25%
Number of Senior Citizen Passengers	10%
Revenue Vehicle Hours	35%
<u>Revenue Vehicle Miles</u>	<u>30%</u>
Total	100%

## Operating Subsidy

Operating assistance is provided through Section 1513 of the Trust Fund. In addition, the Commonwealth of Pennsylvania provides state funds for capital lease costs and debt service. SEPTA's debt service expenses and most lease costs are funded through the Capital Program (Section 1517) of the Pennsylvania Public Transportation Trust Fund. The remaining leases are funded through the Section 1514 Asset Improvement Program of the Trust Fund. Lease and Debt Service expenses are budgeted for nominal growth compared to Fiscal Year 2009. SEPTA will utilize available Section 1517 funds prior to utilizing Section 1514 funds for eligible lease expenses.

**Local** - The local operating subsidy amount is budgeted at the level of 15% of the operating assistance portion (Section 1513) of the Trust Fund grant. This is the requirement for SEPTA to receive the full amount from this state grant. Section 1517 Debt Service expenses must be matched at a 1:29 ratio. Capital leases under Section 1517 of the Trust Fund require no local match. Section 1514 funds must also be matched at a 1:29 ratio. 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:

<b><u>Local Operating Subsidy by County</u></b>				
	<b><u>City Transit</u></b>	<b><u>Victory</u></b>	<b><u>Frontier</u></b>	<b><u>Regional Rail</u></b>
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%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



## Operating Subsidy

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 from the Victory Division. A usage-based allocation formula has been established within the Victory Division for suburban county ADA service based on ADA usage. Each suburban county is billed based on the actual ADA Paratransit service used. The prospective utilization for Fiscal Year 2010 is as follows:

<b><u>Suburban Paratransit Usage by County</u></b>	
Bucks	12.06%
Chester	5.65%
Delaware	54.41%
Montgomery	27.88%
<b>Total</b>	<b>100%</b>

The City of Philadelphia also provides local match for the ADA Paratransit services as part of the City Transit Division match formula.

**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 2010 Route Guarantee Subsidy includes a University City partnership, which continues the "LUCY" circulator.

In the Frontier Division, a funding agreement with Montgomery County provides expanded evening and Sunday hours and additional peak service on Routes 94, 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.

## **Service Stabilization Fund**

Prior to passage of Act 44 in July 2007, the Governor established the Transportation Funding and Reform Commission. The Commission identified future operating and capital funding needs for highways and transit. Act 44 represented a major milestone for transit funding in the Commonwealth of Pennsylvania. The intent of this legislation was to create a long term funding source which was stable, predictable and with growth potential.

Until Act 44 passed, the majority of state operating subsidies were subject to the annual budget appropriations process. During the decade prior to Act 44, growth in operating subsidies was very limited. SEPTA, along with all public transit agencies in the Commonwealth, experienced very difficult challenges in balancing their operating budgets. In a number of years, SEPTA proposed significant fare increases and severe service reductions as initial measures to balance the Authority's budget. Through a number of one-time actions, the majority of these actions became unnecessary.

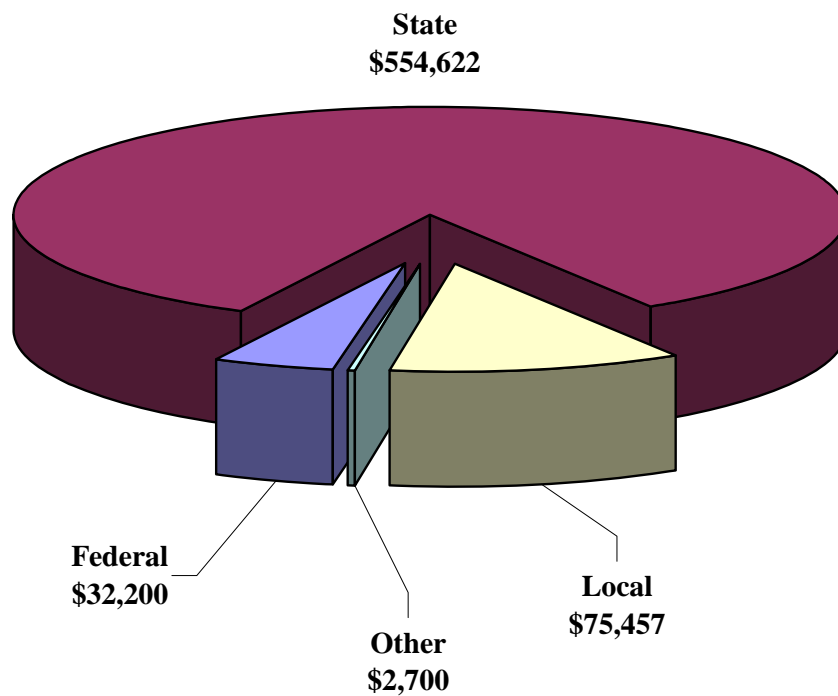
As the Act 44 funding program is intended to provide a long-term solution to operating subsidy requirements, it is critically important for SEPTA to budget the subsidy funds to ensure that this objective is achieved. The Service Stabilization Fund is necessary to: 1) ensure long-term fiscal stability for SEPTA's operating budget; 2) prevent a future budget crisis; and 3) maintain service levels. Based on future projected growth in Act 44 funding and the projected growth in SEPTA's operating expenses and revenues, there will be fiscal years in which the growth in expenses will exceed the growth in Act 44 funding. In those years the Service Stabilization Fund will be used to balance the operating budget avoiding substantial fare increases and/or service cuts. Therefore, prudent fiscal management requires that SEPTA maintain the Service Stabilization Fund to pay for future operating expenses when operating subsidy needs inevitably exceed the Act 44 subsidy funds allocated to SEPTA in a specific year.

<p align="center"><b>Fiscal 2010 Operating Budget</b>  <b>Consolidated Detail of Subsidies</b></p>
--

<u>Amounts in thousands ('000)</u>	<u>FY 2010 Budget</u>
<b>Source of Subsidy - Detail:</b>	
Federal Preventive Maintenance	\$ 32,200
State Operating Subsidy - PA Trust Fund (Section 1513)	489,040
Local Match - PA Trust Fund (Section 1513)	73,356
State Lease Cost Subsidy - PA Trust Fund (Section 1517)	3,807
State Lease Cost - PA Trust Fund (Section 1514)	25,096
Local Match - Lease Cost Trust Fund (Section 1514)	836
State Debt Service Subsidy - Trust Fund (Section 1517)	36,679
Local Match - Debt Service Subsidy (Section 1517)	1,265
Route Guarantees	<u>2,700</u>
<b>TOTAL SUBSIDIES</b>	<b><u>\$ 664,979</u></b>
 <b>Summary By Type of Subsidy:</b>	
Federal	\$ 32,200
State	554,622
Local	75,457
Other	<u>2,700</u>
<b>TOTAL SUBSIDIES</b>	<b><u>\$ 664,979</u></b>

## **SUMMARY OF OPERATING SUBSIDIES**

**(Dollars in Thousands)**



**Total Operating Subsidies = \$664,979**

## Local Operating Subsidies

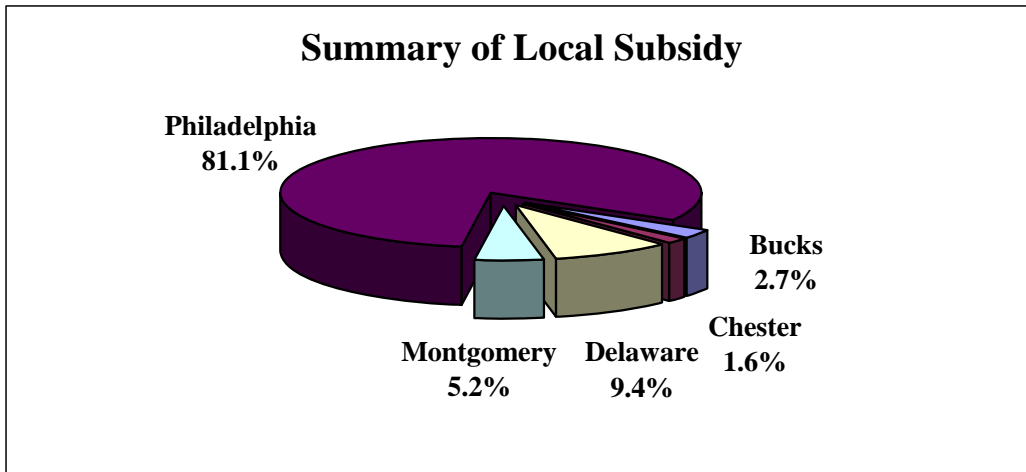
<u>Amounts in thousands ('000)</u>	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Railroad</u>	<u>Total SEPTA</u>
<b>Base PA Trust Fund Local Match</b>					
Bucks	\$ 134	\$ -	\$ 884	\$ 829	\$ 1,847
Chester	-	115	406	604	1,125
Delaware	-	4,946	-	1,237	6,183
Montgomery	124	690	1,099	1,546	3,459
Philadelphia	49,516	-	-	9,837	59,353
<b>Subtotal</b>	<b>\$ 49,774</b>	<b>\$ 5,751</b>	<b>\$ 2,389</b>	<b>\$ 14,053</b>	<b>\$ 71,967</b>
<b>Suburban Paratransit Local Match</b>					
Bucks	\$ -	\$ 168	\$ -	\$ -	\$ 168
Chester	-	78	-	-	78
Delaware	-	756	-	-	756
Montgomery	-	387	-	-	387
Philadelphia	-	-	-	-	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 1,389</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,389</b>
<b>Total Trust Fund Local Subsidy</b>					
Bucks	\$ 134	\$ 168	\$ 884	\$ 829	\$ 2,015
Chester	-	193	406	604	1,203
Delaware	-	5,702	-	1,237	6,939
Montgomery	124	1,077	1,099	1,546	3,846
Philadelphia	49,516	-	-	9,837	59,353
<b>Total Trust Fund Local Subsidy</b>	<b>\$ 49,774</b>	<b>\$ 7,140</b>	<b>\$ 2,389</b>	<b>\$ 14,053</b>	<b>\$ 73,356</b>
<b>Local Debt Service Subsidy</b>					
Bucks	\$ 3	\$ -	\$ -	\$ 14	\$ 17
Chester	-	-	-	10	10
Delaware	-	1	-	21	22
Montgomery	3	-	-	26	29
Philadelphia	1,020	-	-	167	1,187
<b>Local Debt Service Subsidy</b>	<b>\$ 1,026</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 238</b>	<b>\$ 1,265</b>

## 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>
<b>Local Lease Cost Subsidy</b>					
Bucks	\$ 1	\$ -	\$ 7	\$ 13	\$ 21
Chester	-	2	3	10	15
Delaware	-	65	-	20	85
Montgomery	1	9	9	25	44
Philadelphia	<u>513</u>	<u>-</u>	<u>-</u>	<u>158</u>	<u>671</u>
<b>Local Lease Cost Subsidy</b>	<b>\$ 515</b>	<b>\$ 76</b>	<b>\$ 19</b>	<b>\$ 226</b>	<b>\$ 836</b>

## 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>
<b>Total Local Subsidy</b>					
Bucks	\$ 138	\$ 168	\$ 891	\$ 856	\$ 2,053
Chester	-	195	409	624	1,228
Delaware	-	5,768	-	1,278	7,046
Montgomery	128	1,086	1,108	1,597	3,919
Philadelphia	51,049	-	-	10,162	61,211
<b>Total Local Subsidy</b>	<b>\$ 51,315</b>	<b>\$ 7,217</b>	<b>\$ 2,408</b>	<b>\$ 14,517</b>	<b>\$ 75,457</b>



**The total local subsidy required for the Fiscal 2010 Budget is comprised of the following:**

Total Trust Fund Local Subsidy (15%)	\$ 73,356
Lease Cost Subsidy Local Match (1:29)	836
Debt Service Subsidy Local Match (1:29)	1,265
<b>Total Local Subsidy Required</b>	<b><u>\$ 75,457</u></b>

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## Expense Assumptions

### **LABOR & BENEFITS**

The Fiscal Year 2010 Operating Budget reflects increases in the costs of healthcare and prescription drug coverage.

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.

### **MATERIAL & SERVICES**

Material & 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**

Fuel expense is based on budgeted miles of vehicle operation, projected miles per gallon consumption and anticipated prices for both gasoline and diesel fuel.

### **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.

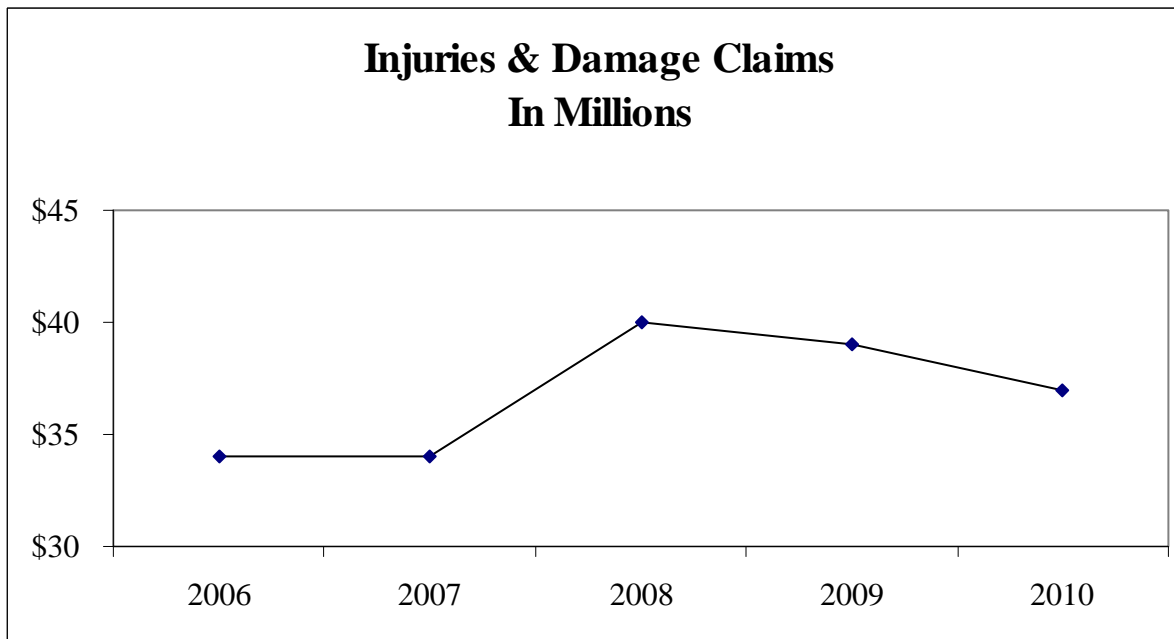
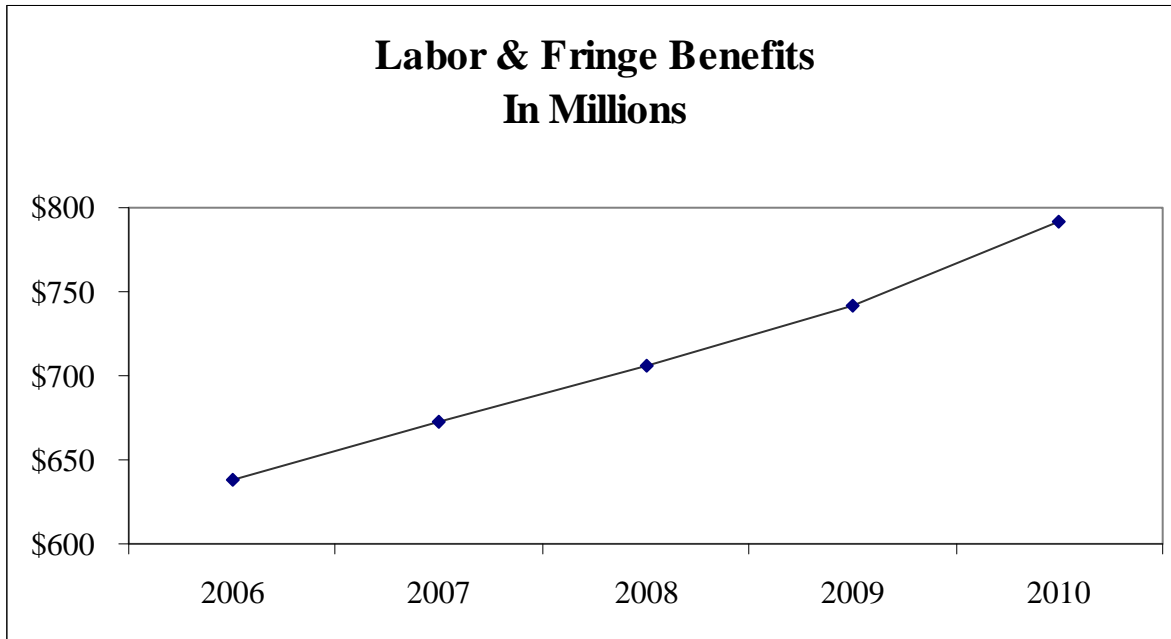
### **DEPRECIATION**

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.

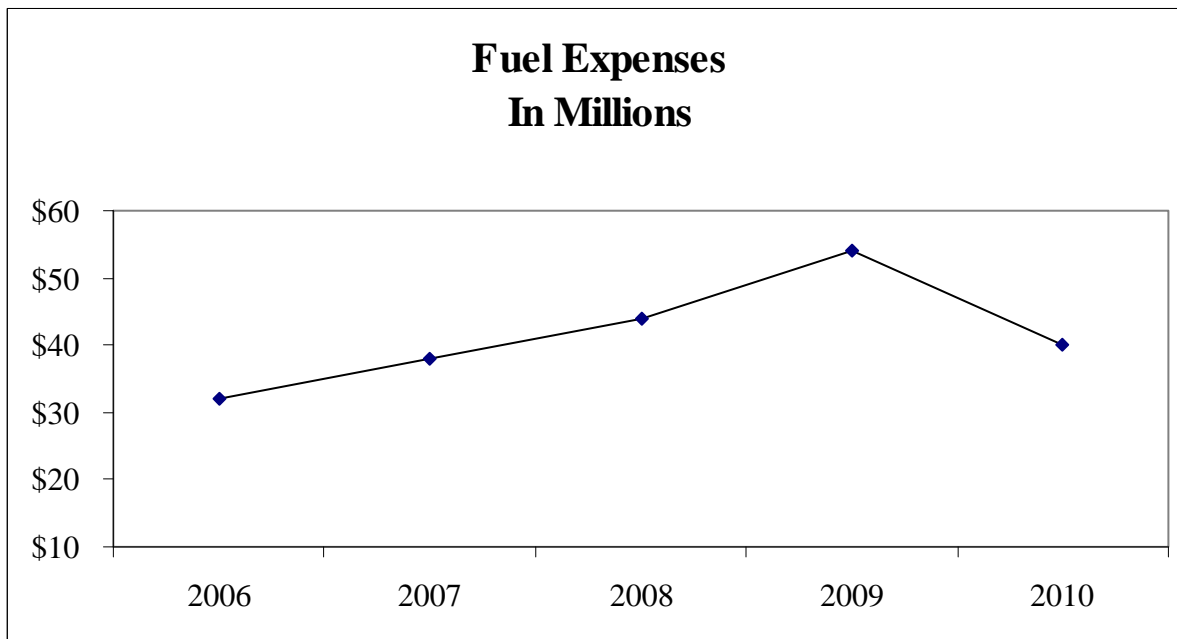
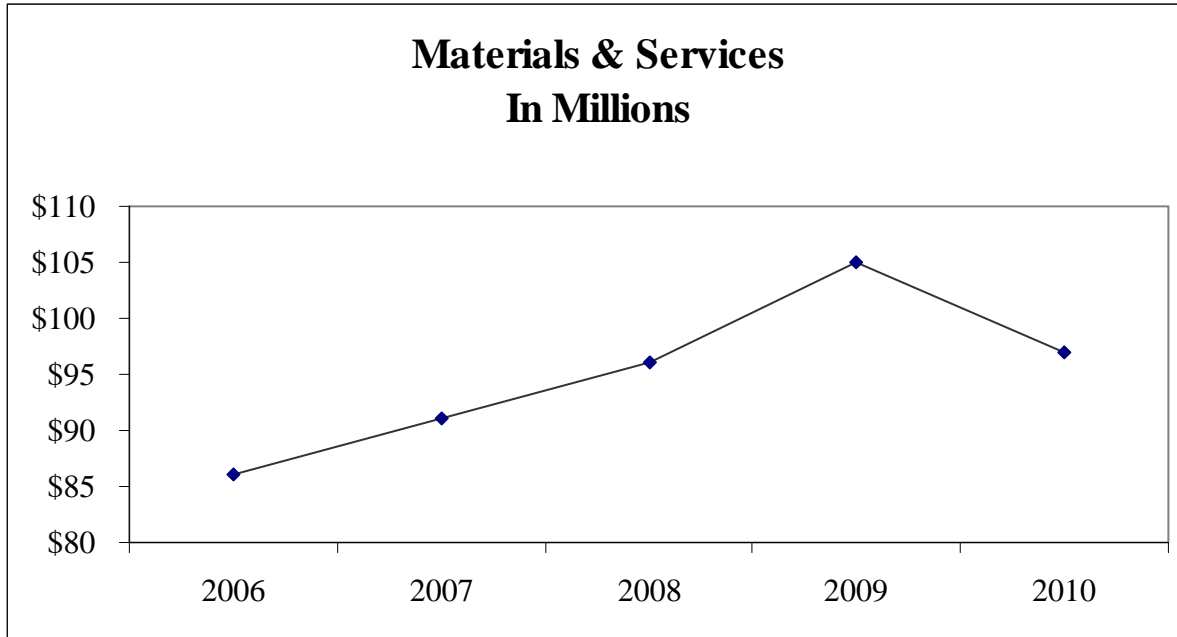
## Expense Assumptions

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.

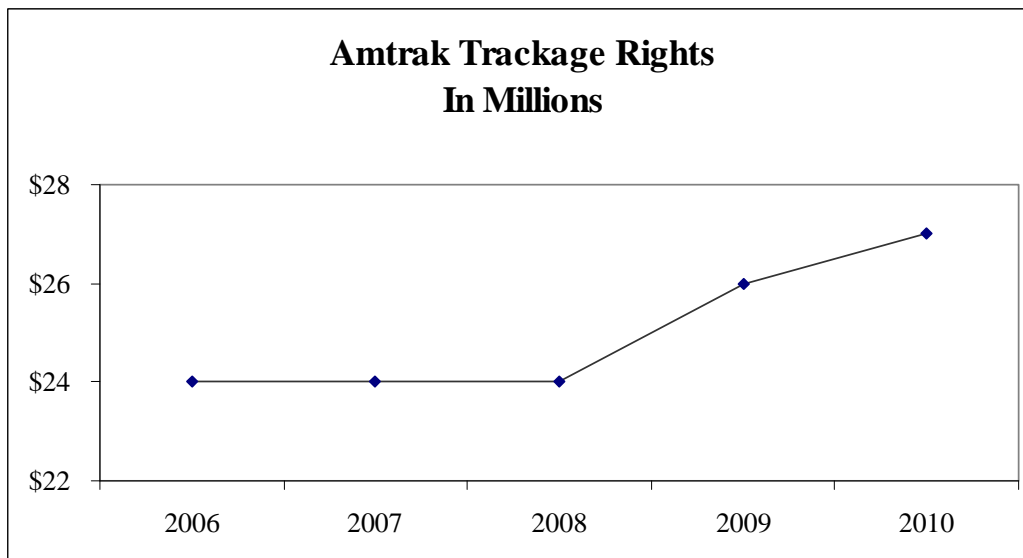
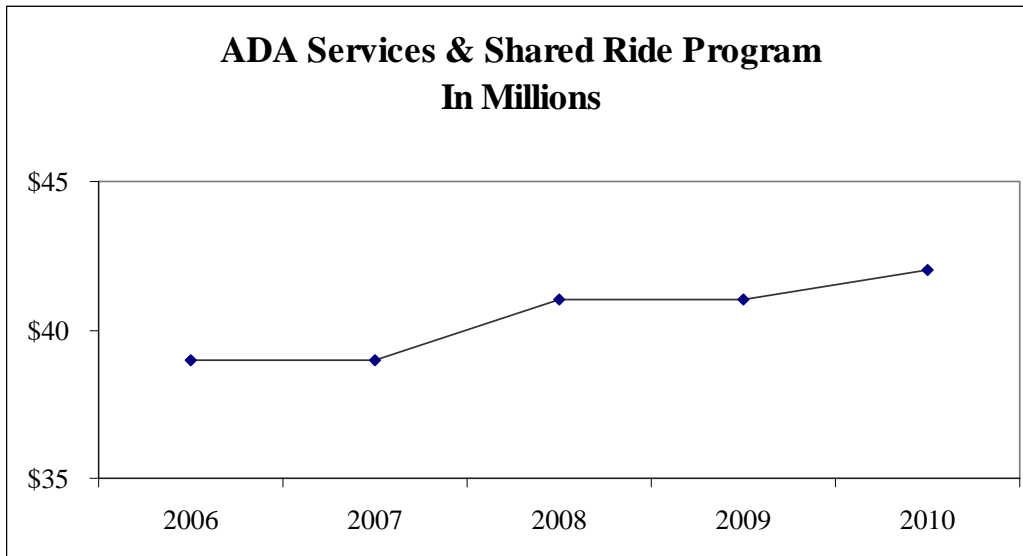
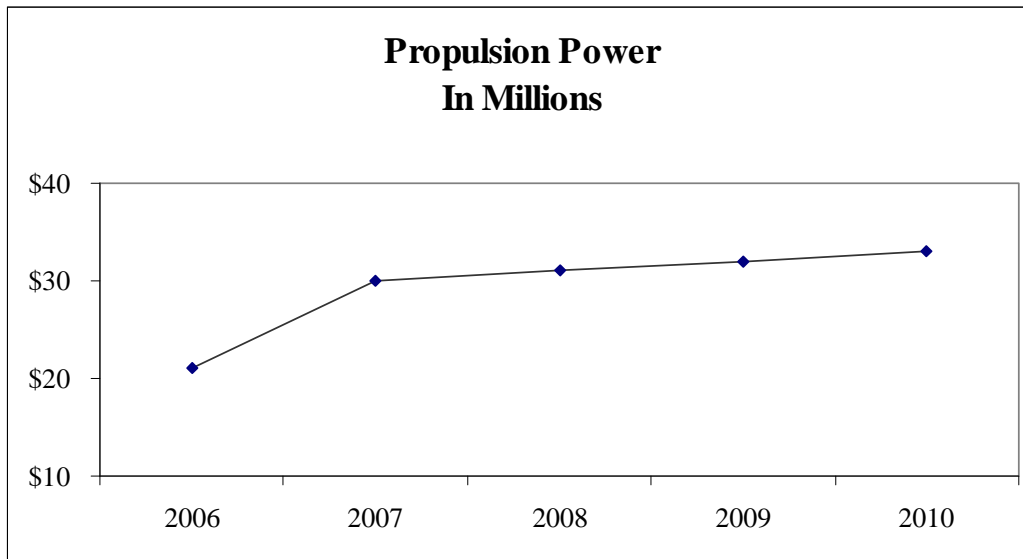
### Expense Trends At A Glance



## Expense Assumptions

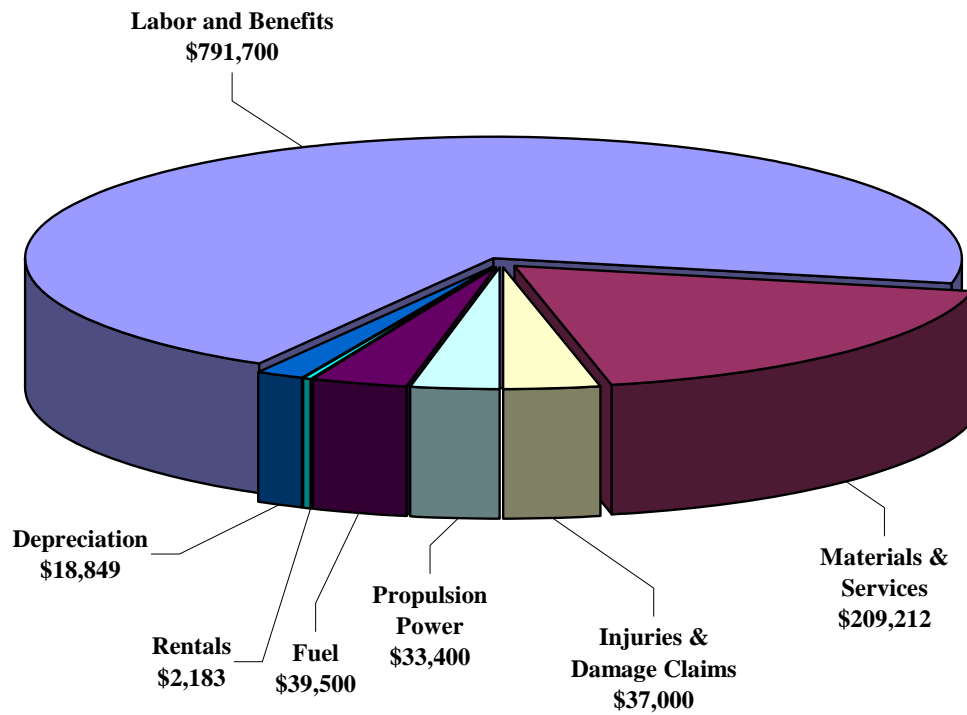


## Expense Assumptions



## SUMMARY OF TOTAL EXPENSES

(DOLLARS IN THOUSANDS)



**TOTAL EXPENSES = \$1,131,844**

## Detail of Expenses – Fiscal 2010 Budget

Amounts in Thousands ('000)	Net Labor	Material & Services	Total
<b>DEPARTMENTAL EXPENSES</b>			
<b>Operations Division</b>			
Administration	\$ 1,184	\$ 20	\$ 1,204
Bus Transportation	171,529	383	171,912
Control Center	7,001	722	7,723
Customized Community Transportation (CCT)	6,384	2,397	8,781
Labor Relations	1,023	426	1,449
Rail Transportation	95,490	14,435	109,925
Vehicle Engineering and Maintenance	95,036	39,333	134,369
<b>Total Operations</b>	<b>\$ 377,647</b>	<b>\$ 57,716</b>	<b>\$ 435,363</b>
<b>Staff Departments</b>			
Corporate Staff	\$ 2,360	\$ 194	\$ 2,554
Audit and Investigative Services	1,279	249	1,528
Business Services	12,744	4,206	16,950
Customer Service	4,854	1,414	6,268
Engineering, Maintenance and Construction	68,110	18,142	86,252
Finance and Planning	11,044	4,362	15,406
Human Resources	10,256	1,018	11,274
Legal	3,934	7,686	11,620
Public and Government Affairs	1,217	802	2,019
Public and Operational Safety	21,144	3,506	24,650
Capital Allocation, Rentals, and Fuel included below	(16,712)	(2,183)	(18,895)
Headquarters Allocation	-	-	-
<b>Total Staff Departments</b>	<b>\$ 120,230</b>	<b>\$ 39,396</b>	<b>\$ 159,626</b>
<b>TOTAL DEPARTMENTAL EXPENSES</b>	<b>\$ 497,877</b>	<b>\$ 97,112</b>	<b>\$ 594,989</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 293,823	\$ -	\$ 293,823
Amtrak	-	26,700	26,700
CCT - ADA Services	-	23,821	23,821
CCT - Shared Ride Program	-	17,739	17,739
Debt Service Interest and Fees	-	21,284	21,284
Property and Corporate Insurance	-	2,656	2,656
Services for 1234 Market Street	-	4,573	4,573
Snow Removal	-	2,300	2,300
Utilities	-	17,462	17,462
Capitalized/Other Costs	-	(4,435)	(4,435)
Headquarters Allocation	-	-	-
<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$ 293,823</b>	<b>\$ 112,100</b>	<b>\$ 405,923</b>
<b>OTHER OPERATING EXPENSES</b>			
Injuries & Damage Claims	\$ -	\$ 37,000	\$ 37,000
Propulsion Power	-	33,400	33,400
Fuel	-	39,500	39,500
Vehicle and Facility Rentals	-	2,183	2,183
Depreciation/Contributed Capital	-	18,849	18,849
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ 130,932</b>	<b>\$ 130,932</b>
<b>TOTAL EXPENSES</b>	<b>\$ 791,700</b>	<b>\$ 340,144</b>	<b>\$ 1,131,844</b>

# Fiscal 2010 Budget – Allocation by Division

Amounts in Thousands ('000)	Headquarters	City Transit	Victory	Frontier	Railroad	TOTAL
<b>DEPARTMENTAL EXPENSES</b>						
<b>Operations Division</b>						
Administration	\$ 1,059	\$ -	\$ -	\$ -	\$ 145	\$ 1,204
Bus Transportation	-	138,176	24,025	9,711	-	171,912
Control Center	660	3,339	405	-	3,319	7,723
Customized Community Transportation (CCT)	7,782	494	220	285	-	8,781
Labor Relations	1,057	318	-	-	74	1,449
Rail Transportation	68	42,274	-	-	67,583	109,925
Vehicle Engineering and Maintenance	667	90,340	8,596	4,713	30,053	134,369
<b>Total Operations</b>	<b>\$ 11,293</b>	<b>\$ 274,941</b>	<b>\$ 33,246</b>	<b>\$ 14,709</b>	<b>\$ 101,174</b>	<b>\$ 435,363</b>
<b>Staff Departments</b>						
Corporate Staff	\$ 2,554	\$ -	\$ -	\$ -	\$ -	\$ 2,554
Audit and Investigative Services	1,528	-	-	-	-	1,528
Business Services	15,519	284	-	-	1,147	16,950
Customer Service	6,045	124	-	-	99	6,268
Engineering, Maintenance and Construction	13,010	46,253	5,263	-	21,726	86,252
Finance and Planning	14,412	385	-	-	609	15,406
Human Resources	6,635	2,625	365	112	1,537	11,274
Legal	4,373	5,378	279	46	1,544	11,620
Public and Government Affairs	2,019	-	-	-	-	2,019
Public and Operational Safety	23,549	439	20	-	642	24,650
Capital Allocation, Rentals, and Fuel included below	(13,251)	(3,551)	(700)	(673)	(723)	(18,898)
Headquarters Allocation	(87,686)	63,162	5,403	1,966	17,155	-
<b>Total Staff Departments</b>	<b>\$ (11,293)</b>	<b>\$ 115,099</b>	<b>\$ 10,630</b>	<b>\$ 1,451</b>	<b>\$ 43,736</b>	<b>\$ 159,623</b>
<b>TOTAL DEPARTMENTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 390,040</b>	<b>\$ 43,876</b>	<b>\$ 16,160</b>	<b>\$ 144,910</b>	<b>\$ 594,986</b>
<b>NON-DEPARTMENTAL EXPENSES</b>						
Fringe Benefits	\$ 44,465	\$ 173,291	\$ 16,749	\$ 5,426	\$ 53,892	\$ 293,823
Amtrak	-	-	-	-	26,700	26,700
CCT - ADA Services	-	14,552	9,269	-	-	23,821
CCT - Shared Ride Program	-	17,739	-	-	-	17,739
Debt Service Interest and Fees	6,496	14,788	-	-	-	21,284
Property and Corporate Insurance	528	1,137	92	31	868	2,656
Services for 1234 Market Street	4,573	-	-	-	-	4,573
Snow Removal	-	-	-	-	2,300	2,300
Utilities	1,950	8,590	1,055	276	5,591	17,462
Capitalized/Other Costs	(2,298)	(429)	(308)	(127)	(1,270)	(4,432)
Headquarters Allocation - Non-Departmental	(55,714)	41,239	3,694	1,326	9,455	-
<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 270,907</b>	<b>\$ 30,551</b>	<b>\$ 6,932</b>	<b>\$ 97,536</b>	<b>\$ 405,926</b>
<b>OTHER OPERATING EXPENSES</b>						
Injuries & Damage Claims	\$ -	\$ 32,250	\$ 2,125	\$ 825	\$ 1,800	\$ 37,000
Propulsion Power	-	13,500	1,225	-	18,675	33,400
Fuel	-	31,518	4,818	2,978	186	39,500
Vehicle and Facility Rentals	-	1,591	112	40	440	2,183
Depreciation/Contributed Capital	-	13,188	244	49	5,368	18,849
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ 92,047</b>	<b>\$ 8,524</b>	<b>\$ 3,892</b>	<b>\$ 26,469</b>	<b>\$ 130,932</b>
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 752,994</b>	<b>\$ 82,951</b>	<b>\$ 26,984</b>	<b>\$ 268,915</b>	<b>\$ 1,131,844</b>

## Detail of Expenses – Fiscal 2009 Actual

Amounts in Thousands ('000)	Net Labor	Material & Services	Total
<b>DEPARTMENTAL EXPENSES</b>			
<b>Operations Division</b>			
Administration	\$ 1,041	\$ 37	\$ 1,078
Bus Transportation	134,406	352	134,758
Control Center	6,413	537	6,950
Customized Community Transportation (CCT)	6,081	2,066	8,147
Labor Relations	763	209	972
Rail Transportation	123,079	15,863	138,942
Vehicle Engineering and Maintenance	89,931	40,316	130,247
<b>Total Operations</b>	<b>\$ 361,714</b>	<b>\$ 59,380</b>	<b>\$ 421,094</b>
<b>Staff Departments</b>			
Corporate Staff	\$ 2,373	\$ 158	\$ 2,531
Audit and Investigative Services	957	192	1,149
Business Services	11,862	3,880	15,742
Customer Service	4,288	1,784	6,072
Engineering, Maintenance and Construction	63,875	19,521	83,396
Finance and Planning	9,714	5,458	15,172
Human Resources	9,912	903	10,815
Legal	3,434	12,333	15,767
Public and Government Affairs	1,007	726	1,733
Public and Operational Safety	20,262	2,853	23,115
Capital Allocation, Rentals, and Fuel included below	(14,003)	(2,323)	(16,326)
Headquarters Allocation	-	-	-
<b>Total Staff Departments</b>	<b>\$ 113,681</b>	<b>\$ 45,485</b>	<b>\$ 159,166</b>
<b>TOTAL DEPARTMENTAL EXPENSES</b>	<b>\$ 475,395</b>	<b>\$ 104,865</b>	<b>\$ 580,260</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 267,027	\$ -	\$ 267,027
Amtrak	-	25,767	25,767
CCT - ADA Services	-	22,853	22,853
CCT - Shared Ride Program	-	18,216	18,216
Debt Service Interest and Fees	-	21,368	21,368
Property and Corporate Insurance	-	2,058	2,058
Services for 1234 Market Street	-	4,218	4,218
Snow Removal	-	1,470	1,470
Utilities	-	18,433	18,433
Capitalized/Other Costs	-	(6,326)	(6,326)
Headquarters Allocation	-	-	-
<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$ 267,027</b>	<b>\$ 108,057</b>	<b>\$ 375,084</b>
<b>OTHER OPERATING EXPENSES</b>			
Injuries & Damage Claims	\$ -	\$ 38,960	\$ 38,960
Propulsion Power	-	32,384	32,384
Fuel	-	53,609	53,609
Vehicle and Facility Rentals	-	2,323	2,323
Depreciation/Contributed Capital	-	18,877	18,877
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ 146,153</b>	<b>\$ 146,153</b>
<b>TOTAL EXPENSES</b>	<b>\$ 742,422</b>	<b>\$ 359,075</b>	<b>\$ 1,101,497</b>



## Detail of Expenses – Fiscal 2008 Actual

Amounts in Thousands ('000)	Net Labor	Material & Services	Total
<b>DEPARTMENTAL EXPENSES</b>			
<b>Operations Division</b>			
Administration	\$ 916	\$ 15	\$ 931
Bus Transportation	126,045	241	126,286
Control Center	6,157	587	6,744
Customized Community Transportation (CCT)	5,669	2,027	7,696
Labor Relations	829	154	983
Rail Transportation	117,053	13,554	130,607
Vehicle Engineering and Maintenance	85,827	37,260	123,087
<b>Total Operations</b>	<b>\$ 342,496</b>	<b>\$ 53,838</b>	<b>\$ 396,334</b>
<b>Staff Departments</b>			
Corporate Staff	\$ 2,258	\$ 144	\$ 2,402
Audit and Investigative Services	959	139	1,098
Business Services	12,053	5,724	17,777
Customer Service	3,847	1,760	5,607
Engineering, Maintenance and Construction	62,385	18,864	81,249
Finance and Planning	9,756	3,846	13,602
Human Resources	9,176	822	9,998
Legal	3,485	10,172	13,657
Public and Government Affairs	1,000	525	1,525
Public and Operational Safety	18,735	2,187	20,922
Capital Allocation, Rentals, and Fuel included below	(12,216)	(1,861)	(14,077)
Headquarters Allocation	-	-	-
<b>Total Staff Departments</b>	<b>\$ 111,438</b>	<b>\$ 42,322</b>	<b>\$ 153,760</b>
<b>TOTAL DEPARTMENTAL EXPENSES</b>	<b>\$ 453,934</b>	<b>\$ 96,160</b>	<b>\$ 550,094</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 251,602	\$ -	\$ 251,602
Amtrak	-	24,345	24,345
CCT - ADA Services	-	21,766	21,766
CCT - Shared Ride Program	-	18,910	18,910
Debt Service Interest and Fees	-	20,790	20,790
Property and Corporate Insurance	-	2,359	2,359
Services for 1234 Market Street	-	4,305	4,305
Snow Removal	-	678	678
Utilities	-	16,970	16,970
Capitalized/Other Costs	-	(5,668)	(5,668)
Headquarters Allocation	-	-	-
<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$ 251,602</b>	<b>\$ 104,455</b>	<b>\$ 356,057</b>
<b>OTHER OPERATING EXPENSES</b>			
Injuries & Damage Claims	\$ -	\$ 39,700	\$ 39,700
Propulsion Power	-	30,837	30,837
Fuel	-	44,293	44,293
Vehicle and Facility Rentals	-	2,087	2,087
Depreciation/Contributed Capital	-	18,555	18,555
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ 135,472</b>	<b>\$ 135,472</b>
<b>TOTAL EXPENSES</b>	<b>\$ 705,536</b>	<b>\$ 336,087</b>	<b>\$ 1,041,623</b>

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# **Headcount Authorization Cause of Change Fiscal 2009 to Fiscal 2010**

The Authority remains committed to maintaining headcounts at a responsible level. The headcount increase shown for FY 2010 represents additional heads for additional transportation service, customer service and cleaning initiatives first implemented in Fiscal Year 2009. Additional heads are also included to support Federal Stimulus Program projects.

## **Fiscal Year 2009 Authorized Headcount: 9,401**

### **Overview of Headcount Changes from Fiscal Year 2009 to Fiscal Year 2010:**

- **Operations Division** – Increase of 59 heads:
  - Increase of 43 hourly (H) heads in bus transportation represents the annualized effect of service initiatives implemented in Fiscal Year 2009.
  - Increase of 17 hourly (H) heads to provide bus substitution for the Federal Stimulus Project on the Media/Sharon Hill Trolley Lines
  - Transfer of 1 management (A) head from Operations Administration to Human Resources.
  - Transfer of 41 management (A) heads, 2 b-roll (B) heads, and 508 hourly (H) heads to Bus Transportation from the Suburban/Light Rail group in Rail Transportation.
  - Transfer of 1 management (A) head from Bus VEM to Rail VEM.
- **Business Services Division** – Increase of 7 heads:
  - Net increase of 4 management (A) heads in Information Technology to support new Control Center projects and newly deployed video systems.
  - Increase of 3 b-roll (B) heads in the Procurement and Supply Chain Management section as a result of new vehicle stock requirements.
- **Customer Service Division** – Increase of 2 heads:
  - Addition of 2 management (A) heads for Administrative and Advocacy initiatives.
- **Engineering, Maintenance and Construction Division** – Increase of 29 heads:
  - Add 5 management (A) heads including 1 to support Federal Railroad Administration (FRA) regulations on bridge maintenance and inspection, 2 maintenance managers, and 1 safety specialist, and 1 project engineer.
  - Increase of 25 hourly (H) heads with 12 supporting Federal Stimulus Projects, and the remaining 13 supporting other capital projects, and maintenance of signal systems.
  - Decrease of 1 b-roll (B) head due to a reduction in drafting work.

## **Headcount Authorization Cause of Change Fiscal 2009 to Fiscal 2010**

- **Legal Division** – Decrease of 3 heads:
  - Decrease of 2 management (A) heads. This decrease is a direct result of a divisional reallocation of responsibilities intended to increase efficiency.
  - Decrease of 1 b-roll (B) head. This decrease is a direct result of a divisional reallocation of responsibilities intended to increase efficiency.
- **Human Resources** – Increase of 1 head:
  - Transfer of 1 management (A) head from Operations Administration to Medical.
- **Public and Government Affairs** – Decrease of 2 heads:
  - Decrease of 2 management (A) heads due to the completion of the Market Street Elevated Reconstruction Project.

**Fiscal Year 2010 Authorized Headcount: 9,494**

# 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 2010 Headcount Authorization

## OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate Staff	17	-	-	17
Operations	676	131	5,551	6,358
Audit and Investigative Services	21	-	-	21
Business Services	137	64	3	204
Customer Service	24	65	3	92
Engineering, Maintenance and Construction	253	113	816	1,182
Finance and Planning	130	64	-	194
Human Resources	136	17	-	153
Legal	54	1	-	55
Public and Government Affairs	16	-	-	16
Public and Operational Safety	119	27	209	355
<b>TOTAL OPERATING HEADS</b>	<b>1,583</b>	<b>482</b>	<b>6,582</b>	<b>8,647</b>

## CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate Staff	-	-	-	-
Operations	119	-	282	401
Audit and Investigative Services	-	-	-	-
Business Services	12	2	-	14
Customer Service	-	-	-	-
Engineering, Maintenance and Construction	147	8	271	426
Finance and Planning	4	-	-	4
Human Resources	-	-	-	-
Legal	-	-	-	-
Public and Government Affairs	1	-	-	1
Public and Operational Safety	1	-	-	1
<b>TOTAL CAPITAL HEADS</b>	<b>284</b>	<b>10</b>	<b>553</b>	<b>847</b>

## TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate Staff	17	-	-	17
Operations	795	131	5,833	6,759
Audit and Investigative Services	21	-	-	21
Business Services	149	66	3	218
Customer Service	24	65	3	92
Engineering, Maintenance and Construction	400	121	1,087	1,608
Finance and Planning	134	64	-	198
Human Resources	136	17	-	153
Legal	54	1	-	55
Public and Government Affairs	17	-	-	17
Public and Operational Safety	120	27	209	356
<b>TOTAL HEADS</b>	<b>1,867</b>	<b>492</b>	<b>7,135</b>	<b>9,494</b>

# Fiscal 2006 Through 2010 Headcount Authorizations

## OPERATING HEADS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Corporate Staff	16	16	16	17	17
Operations	7,078	6,125	6,128	6,270	6,358
Audit and Investigative Services	26	26	26	21	21
Business Services	302	299	299	196	204
Customer Service	-	-	-	90	92
Engineering, Maintenance and Construction	1	962	958	1,180	1,182
Finance and Planning	380	384	385	194	194
Human Resources	152	153	152	152	153
Legal	60	60	58	58	55
Public and Government Affairs	33	32	34	17	16
Public and Operational Safety	329	330	330	355	355
<b>TOTAL OPERATING HEADS</b>	<b>8,377</b>	<b>8,387</b>	<b>8,386</b>	<b>8,550</b>	<b>8,647</b>

## CAPITAL HEADS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Corporate Staff	-	-	-	-	-
Operations	728	411	409	430	401
Audit and Investigative Services	-	-	-	-	-
Business Services	17	15	15	15	14
Customer Service	-	-	-	-	-
Engineering, Maintenance and Construction	91	399	403	399	426
Finance and Planning	5	6	5	4	4
Human Resources	-	-	-	-	-
Legal	-	-	-	-	-
Public and Government Affairs	4	4	2	2	1
Public and Operational Safety	-	-	1	1	1
<b>TOTAL CAPITAL HEADS</b>	<b>845</b>	<b>835</b>	<b>835</b>	<b>851</b>	<b>847</b>

## TOTAL HEADS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Corporate Staff	16	16	16	17	17
Operations	7,806	6,536	6,537	6,700	6,759
Audit and Investigative Services	26	26	26	21	21
Business Services	319	314	314	211	218
Customer Service	-	-	-	90	92
Engineering, Maintenance and Construction	92	1,361	1,361	1,579	1,608
Finance and Planning	385	390	390	198	198
Human Resources	152	153	152	152	153
Legal	60	60	58	58	55
Public and Government Affairs	37	36	36	19	17
Public and Operational Safety	329	330	331	356	356
<b>TOTAL HEADS</b>	<b>9,222</b>	<b>9,222</b>	<b>9,221</b>	<b>9,401</b>	<b>9,494</b>

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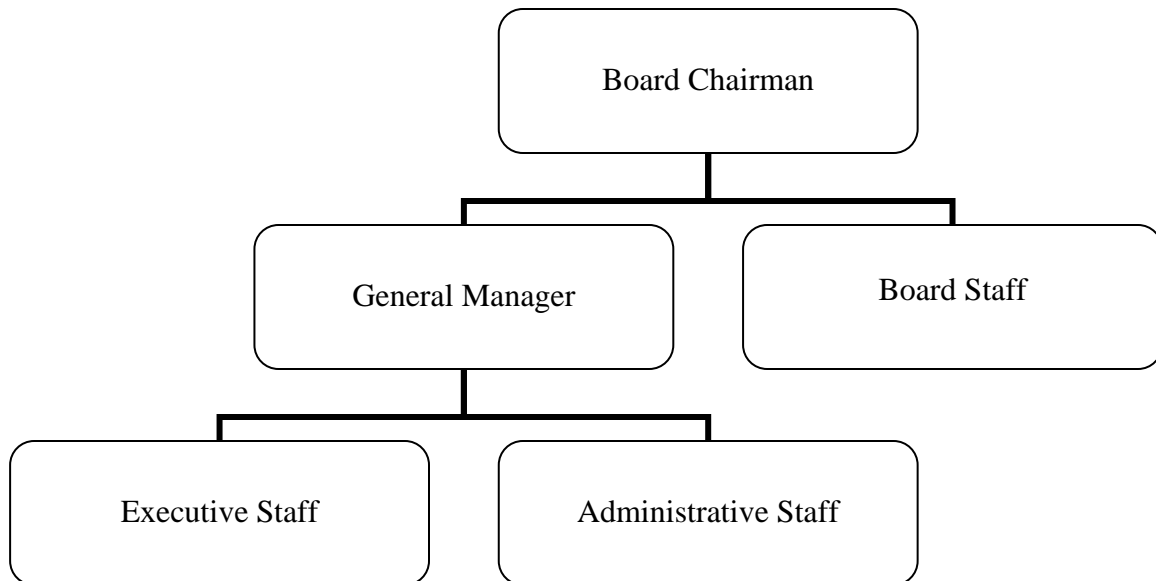
## **Corporate Staff**

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# Corporate Staff

## Overview

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.



# 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	10	-	-	10
Board Staff	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>TOTAL HEADS</b>	<b><u>17</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17</u></b>

### 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>
<b>TOTAL HEADS</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Office of the General Manager	3	-	-	3
Executive Staff	10	-	-	10
Board Staff	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>TOTAL HEADS</b>	<b><u>17</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17</u></b>

# Corporate Staff

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Office of the General Manager	\$ 373	\$ 112	\$ 485
Executive Staff	1,609	15	1,624
Board Staff	<u>378</u>	<u>67</u>	<u>445</u>
<b>TOTAL</b>	<b><u>\$ 2,360</u></b>	<b><u>\$ 194</u></b>	<b><u>\$ 2,554</u></b>

### 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.

### Goals and Business Initiatives

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 six corporate goals that will be undertaken during Fiscal Year 2010.

#### **Improve Service Quality and Customer Satisfaction**

- Emphasize Courtesy, Cleanliness, Communications and Convenience.
- Reinforce customer service as a priority for all SEPTA employees.
- Continue programs to improve the cleanliness of stations.
- Continue programs to improve on-time performance.
- Continue vehicle acquisition programs to replace rolling stock beyond its useful life.
- Continue programs that provide information and outreach, and assist customers in emergencies and special events.

## Corporate Staff

### **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.

### **Increase Ridership and Revenue**

- Respond to regional economic and customer market trends to retain existing riders and attract new customers without negatively impacting financial well-being.
- 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.
- Advance new payment technologies into our fare collection system.
- Support the long-term consideration and planning of new service.
- Complete ADA accessibility compliance work for key stations.
- Lend support and be responsive to state-initiated performance standards 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 well done.
- In cooperation with one of our bargaining units, continue the apprenticeship program for high school students.

## **Corporate Staff**

### **Maximize Authority participation in Federal Economic Stimulus package**

- Advance capital improvement projects which would otherwise be deferred or delayed.
- Utilize capital funds to cover all associated costs.
- Employ third-party private contractors to complete stimulus projects.

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## **Operations**

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# Operations Division

## Overview

SEPTA's Operations Division provided approximately 330 million annual (unlinked) passenger trips in fiscal year 2009, while operating 96.9 million vehicle miles. Total passenger miles exceeded 1.47 billion. SEPTA operates and maintains 2,728 revenue vehicles on 144 fixed routes, which have approximately 1,818 route miles. SEPTA also operates and maintains an inventory of 949 assorted non-revenue support vehicles and equipment, 280 stations and over 450 miles of track and related facilities.

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.

**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, light rail, trackless trolley) throughout the five county service area with service originating from eight 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.

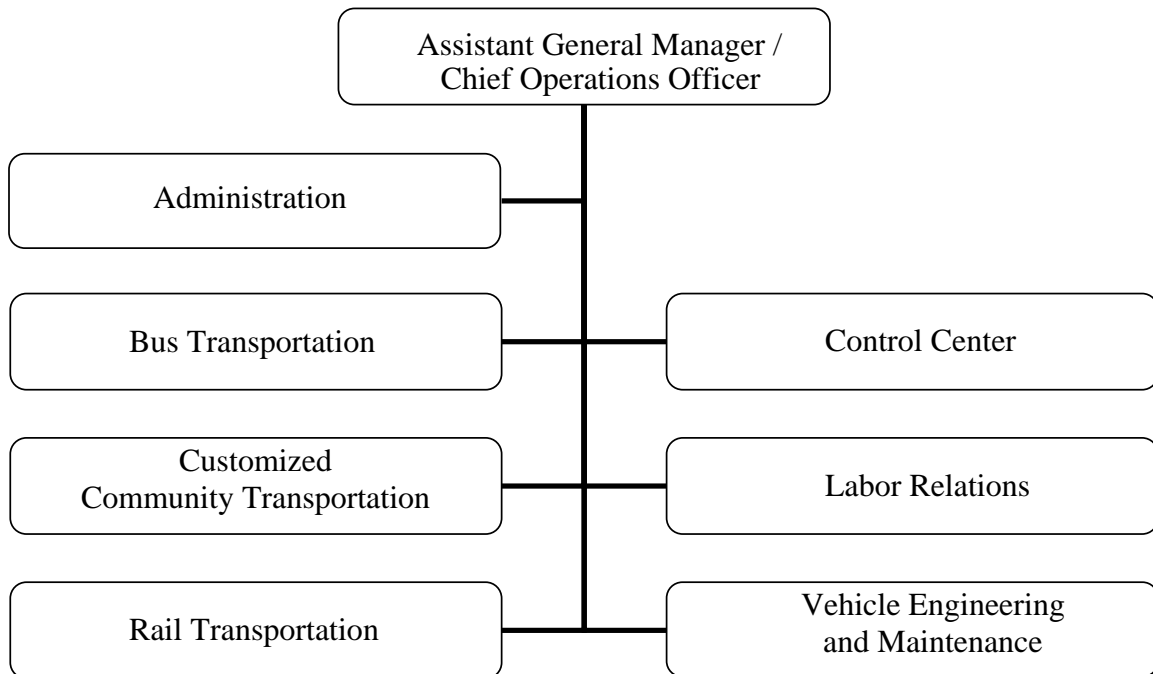
**Customized Community Transportation (CCT)** – Oversees the operation of SEPTA's ADA Paratransit, the Shared Ride Program, customized small bus operations and other public-private partnerships.

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

**Rail Transportation** – Operates subway-elevated and railroad service throughout the five county region. 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



# Operations Division

## HEADCOUNT

### OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>Maint.</u>	<u>Transp.</u>	<u>Cashiers</u>	<u>Total</u>
Administration	12	-	-	-	-	12
Bus Transportation	183	28	-	2,767	-	2,978
Control Center	86	12	-	5	-	103
Customized Community Transportation (CCT)	39	-	-	-	-	39
Labor Relations	10	-	5	-	-	15
Rail Transportation	140	53	169	733	347	1,442
Vehicle Engineering and Maintenance-Bus	89	18	782	-	-	889
Vehicle Engineering and Maintenance-Rail	117	20	743	-	-	880
<b>TOTAL OPERATING HEADS</b>	<b>676</b>	<b>131</b>	<b>1,699</b>	<b>3,505</b>	<b>347</b>	<b>6,358</b>

### 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	-	-	17	-	19
Control Center	1	-	-	-	-	1
Customized Community Transportation (CCT)	53	-	-	25	-	78
Labor Relations	-	-	-	-	-	-
Rail Transportation	3	-	1	2	-	6
Vehicle Engineering and Maintenance-Bus	29	-	70	-	-	99
Vehicle Engineering and Maintenance-Rail	30	-	167	-	-	197
<b>TOTAL CAPITAL HEADS</b>	<b>119</b>	<b>-</b>	<b>238</b>	<b>44</b>	<b>-</b>	<b>401</b>

### TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>Maint.</u>	<u>Transp.</u>	<u>Cashiers</u>	<u>Total</u>
Administration	13	-	-	-	-	13
Bus Transportation	185	28	-	2,784	-	2,997
Control Center	87	12	-	5	-	104
Customized Community Transportation (CCT)	92	-	-	25	-	117
Labor Relations	10	-	5	-	-	15
Rail Transportation	143	53	170	735	347	1,448
Vehicle Engineering and Maintenance-Bus	118	18	852	-	-	988
Vehicle Engineering and Maintenance-Rail	147	20	910	-	-	1,077
<b>TOTAL HEADS</b>	<b>795</b>	<b>131</b>	<b>1,937</b>	<b>3,549</b>	<b>347</b>	<b>6,759</b>

# Operations Division

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration	\$ 1,184	\$ 20	\$ 1,204
Bus Transportation	171,529	383	171,912
Control Center	7,001	722	7,723
Customized Community Transportation (CCT)	6,384	2,397	8,781
Labor Relations	1,023	426	1,449
Rail Transportation	95,490	14,435	109,925
Vehicle Engineering and Maintenance-Bus	47,118	22,501	69,619
Vehicle Engineering and Maintenance-Rail	<u>47,918</u>	<u>16,832</u>	<u>64,750</u>
<b>TOTAL</b>	<b><u>\$ 377,647</u></b>	<b><u>\$ 57,716</u></b>	<b><u>\$ 435,363</u></b>

In addition to the Fiscal 2010 expenses reflected here, Customized Community Transportation is responsible for carrier costs of \$23.8 million for ADA Paratransit and \$17.7 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 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.

Manage SEPTA's Ambassador deployment to mitigate service interruptions and provide customers with service information.

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

## **BUS TRANSPORTATION**

### **Principal Responsibilities**

Bus Transportation is comprised of seven operating locations in the City plus Frontier in Montgomery County and Victory in Delaware 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.

The nine operating districts operate a total of 126 bus, 3 trackless trolley routes, 8 light rail (trolley) routes and one high speed (heavy rail) line. It should be noted that the number of bus routes identified in this section differ than the total number reported in the SEPTA Profile section on Page 1 because 9 bus routes are operated out of more than one district, as operating conditions necessitate. These are the nine operating districts in Bus Transportation:

**Allegheny** - operates 7 bus routes.

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

**Comly** - operates 12 bus routes.

**Elmwood** - operates light rail (trolley) routes 11, 13, 34, and 36.

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

**Midvale** - operates 22 bus routes.

## Operations Division

**Southern** - operates 19 bus routes.

**Frontier** - operates 20 bus routes.

**Victory** - operates 20 bus routes, 2 light rail lines and 1 heavy rail line.

### 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 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.



## Operations Division

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

Actively participate in support of Location Safety Committee activities.

Monitor and manage the consistent application of labor agreements.

### Business Initiatives

- **Improve Customer Service Communication/Information**
  - 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, light rail (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.

# Operations Division

## 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.

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.

Evaluate and implement programs to share real time information with passengers.

Coordinate the integration of Smart Station technology into Control Center Operations with the goal of safer service and more passenger information.

## Business Initiatives

- **Improve Reliability, On-Time Performance and Travel Speeds.**
  - 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.**
  - Fully implement new Control Center Information section to enhance the efficiency of providing customer information.
- **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.
- **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 paratransit service 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 meet the needs of employers in SEPTA's suburban service area.

**LUCY:** Operates a fixed route bus loop 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 that upgrades reservations, scheduling and dispatching systems. Additionally, 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.

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.
- **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.
- **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**

Direct upcoming labor contract negotiations.

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

#### **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.

#### **Subway-Elevated**

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

The MFSE operates 370 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.

# Operations Division

## Goals

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

Achieve On-Time Performance and missed trip goals for 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.

Manage the impact of capital construction on passenger service.

Set and achieve high standards for station cleanliness.

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

Work to improve safety and security.

Actively participate in support of location safety committee activities.

Manage the administration of railroad third-party contracts (ticket sales, landscaping, janitorial and snow removal).

Manage the Service Guarantee Program and the Railroad Crew Remittance Office.

## Business Initiatives

- **Improve Customer Travel Environment**

- Enhance/Improve quality of transportation through implementing and monitoring of station cleanliness programs.
  - Develop and implement a station washdown program.

- **Review Training needs in Rail Transportation**

- Ensure all levels of management participate in the human resources learning center management development program.



# Operations Division

## 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.

**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.

**New Vehicles** – Oversees the purchase of all new vehicles for the Authority. Manages the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various contracts.

### 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 diesel and diesel/electric hybrid bus fleets.
- All engineering retrofit and testing campaigns.

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, 132 forty-foot low-floor hybrid diesel/electric buses, 18 remanufactured PCC cars, and 38 forty-foot low-floor electric trackless trolley buses.

Complete 2009 delivery (2<sup>nd</sup> year of 4 year contract) of forty-foot low floor hybrid diesel/electric buses.

## Operations Division

Advance the acquisition of 120 Silverliner V railroad cars.

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

Initiate procurement of sixty-foot articulated low-floor buses scheduled for delivery starting in 2011.

Acquire mini-buses for the replacement of CCT vehicles.

Continue to utilize VMIS and performance standards to improve productivity.

Continue timely replacement of utility fleet.

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 and ramp maintenance program to reduce 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.

Actively participate in support of location safety committee activities.

Monitor and manage the consistent application of labor agreements.

### **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 increases in railroad ridership levels.

## Operations Division

- Monitor hybrid diesel/electric fleet performance to support the acquisition of the next 120 hybrid diesel/electric buses.
- 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 2010 Capital Budget includes the following VOH projects:
    - Tool and Equipment Replacement Program.
    - New Flyer Hybrid VOH Program.
    - New Flyer Diesel VOH Program with Cummins conversion.
    - Neoplan Articulated campaign.
  - Establish productivity standards to measure bus maintenance performance.
    - As new bus models are purchased, establish updated productivity standards.
  - Review training needs.
    - 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 LRV fleet at the MSHL Shop at 69th Street
- Norristown High Speed Line N5 fleet at the NHSL Shop at Victory Avenue
- BSS B-IV fleet at the Fern Rock Car House
- Green Line Subway/Surface LRV fleet at the Callowhill and Elmwood Shops
- Route 15 PCC-II fleet at the Callowhill Shop

**Railroad Shops and Yards** – Provides all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of 304 EMU (electric multiple unit) cars and 53 coaches (push pull) propelled by 8 electric locomotives.

### Goals

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.

Improve customer satisfaction scores for vehicle cleanliness.

Actively participate in support of location safety committee activities.

Achieve reliability goals, as measured by Mean Distance Between Failures (MDBF), on-time performance and vehicle availability.

Strive for 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 production by reducing unproductive work hours.

## Operations Division

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

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

Monitor and manage the consistent application of labor agreements.

### 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 design, installation and testing of new B-IV Propulsion Controls System and Public Address System.
- 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.
    - Electronic Blending Valve Replacement.
    - AC Double-End Blowers.
    - Tread Brake Remanufacturing.
  - Advance the procurement of Silverliner V cars.
- Enhance/improve quality of transportation through implementation and monitoring of vehicle cleanliness programs.
  - Manage productivity against work standards.

- **Improve Customer Travel Environment**

- The Fiscal 2010 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.

## Operations Division

- **Review Training Needs**
  - Advance the new TWU apprenticeship program.
  - Support Keystone Partnership Training Program.

## **Audit and Investigative Services**

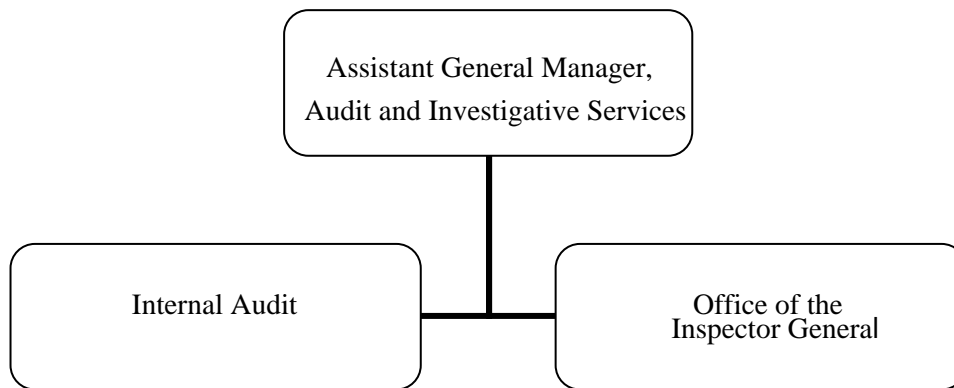
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## Audit and Investigative Services

### Overview

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.



# Audit and Investigative Services

## 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>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
<b>TOTAL HEADS</b>	<u><b>21</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>21</b></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>	<u>-</u>	<u>-</u>
<b>TOTAL HEADS</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></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>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
<b>TOTAL HEADS</b>	<u><b>21</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>21</b></u>

# Audit and Investigative Services

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Internal Audit	\$ 853	\$ 14	\$ 867
Office of the Inspector General	<u>426</u>	<u>235</u>	<u>661</u>
<b>TOTAL</b>	<b><u>\$ 1,279</u></b>	<b><u>\$ 249</u></b>	<b><u>\$ 1,528</u></b>

## INTERNAL AUDIT

### Principal Responsibilities

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.

# Audit and Investigative Services

## Goals

Provide independent and objective advice, special assistance, and information related to internal controls, special investigations, and other areas of concern.

## Business Initiatives

- **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 request for support services**
- **Perform audits of third-party cost reimbursement contracts**
- **Review pre-contract cost proposals, change orders and claims upon request**

## OFFICE OF THE INSPECTOR GENERAL

### Principal Responsibilities

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 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.

## Goals

Perform 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.

Ascertain compliance with laws, regulations, policies, procedures, rules and agreements through reviews and analyses.

## **Audit and Investigative Services**

### **Business Initiatives**

- **Perform investigations of those areas identified in the annual risk assessment**
- **Perform investigations of other areas based on events that occur during the year**
- **Perform random observations of operator performance, vehicle condition and station environment to improve customer service to ADA and other passengers.**
- **Perform special observation of operators as identified by Operations, Customer Service and public complaints.**

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## **Business Services**

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## Business Services Division

### Overview

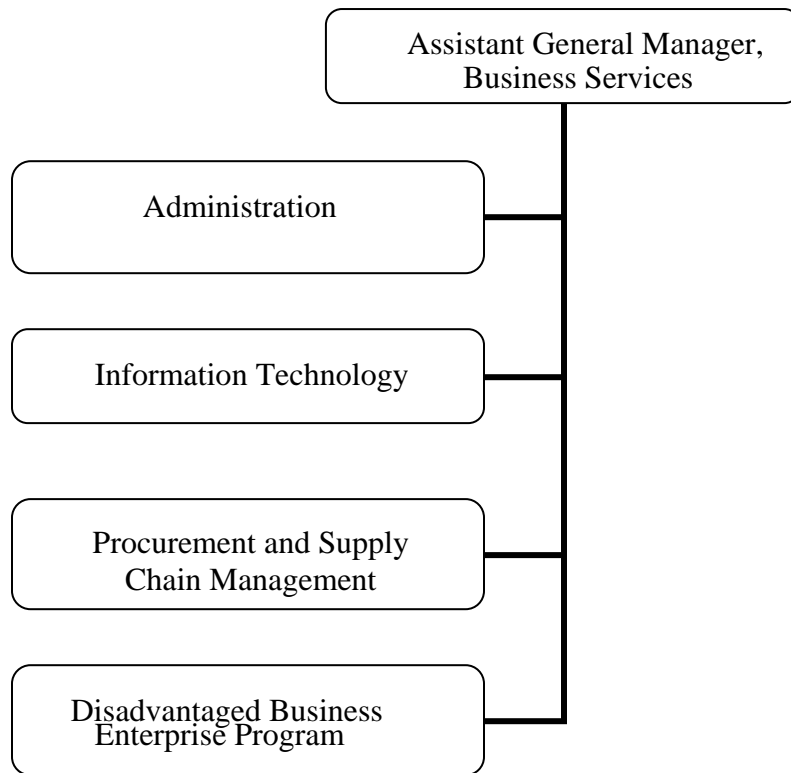
The Business Services Division includes Information Technology, Procurement and Supply Chain Management and Disadvantaged Business Enterprise Program. The individual departments are described briefly on this page. More detailed responsibilities, goals, and business initiatives are described later in this section.

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

**Procurement and Supply Chain Management** – 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.

**Disadvantaged Business Enterprise Program** – 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	5	-	-	5
Information Technology	54	5	-	59
Procurement and Supply Chain Management	73	59	3	135
Disadvantaged Business Enterprise Program	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>TOTAL OPERATING HEADS</b>	<b><u>137</u></b>	<b><u>64</u></b>	<b><u>3</u></b>	<b><u>204</u></b>

CAPITAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration	-	-	-	-
Information Technology	2	-	-	2
Procurement and Supply Chain Management	8	2	-	10
Disadvantaged Business Enterprise Program	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>TOTAL CAPITAL HEADS</b>	<b><u>12</u></b>	<b><u>2</u></b>	<b><u>-</u></b>	<b><u>14</u></b>

TOTAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration	5	-	-	5
Information Technology	56	5	-	61
Procurement and Supply Chain Management	81	61	3	145
Disadvantaged Business Enterprise Program	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
<b>TOTAL HEADS</b>	<b><u>149</u></b>	<b><u>66</u></b>	<b><u>3</u></b>	<b><u>218</u></b>

## Business Services Division

### EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration	\$ 505	\$ 14	\$ 519
Information Technology	4,236	3,647	7,883
Procurement and Supply Chain Management	7,688	265	7,953
Disadvantaged Business Enterprise Program	<u>315</u>	<u>280</u>	<u>595</u>
<b>TOTAL</b>	<b><u>\$ 12,744</u></b>	<b><u>\$ 4,206</u></b>	<b><u>\$ 16,950</u></b>

### INFORMATION TECHNOLOGY

#### **Principal Responsibilities**

The Information Technology Department consists of two 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.

**Technology 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. Maintains the technology infrastructure necessary for business critical systems, including: Enterprise E-mail services, Internet/Intranet Access, Payroll, Materials Management, General Accounting, Operations Control Centers, Disaster Recovery and Business Continuity. Supports SEPTA's enterprise data communication systems and the entire microcomputer environment. Sets standards for hardware and software used across the networks and installs, supports, and maintains the data network infrastructure throughout the entire Authority service area.

# Business Services Division

## Goals

Continue the technology infrastructure refreshment program.

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.
- Activate Wyoming Recovery Center to provide connectivity for back up servers for Exchange Email, Police Computer-Aided Dispatch (CAD), and selected critical applications and services.
- Standardize office technology applications and centralize management structure.
  - Deploy email, internet and file transfer program to all work locations.
- 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.
  - Enhance Travel Information Center's voice response system.
  - Extend Audio Visual/Public Address System via Smart Station Project.
  - Initiate rider information subscription service.
  - Upgrade the bus stop information database to enable participation in Google Transit.
  - Increase deployment of customer audio-visual paging systems.

### • Implement Maintenance Efficiencies

- Upgrade network performance enabling larger, faster file transport.
- Expand VMIS and maintenance productivity standards to rail modes.
- Expand VMIS and maintenance productivity standards to CCT vehicles.

## Business Services Division

- **Improve Reliability/On-Time Performance/Travel Speeds**
  - Implement Railroad crew management system.

### **PROCUREMENT AND SUPPLY CHAIN MANAGEMENT**

#### **Principal Responsibilities**

**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 requirements planning for vehicle overhaul programs and various maintenance projects.

**Supply Chain Management** – Responsible for storeroom operations, warehousing, distribution, and inventory replenishment. Leads integrated planning meetings with operational areas to ensure short and long term material requirements are understood. 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.

#### **Goals**

Coordinate with Operations and Finance to identify and dispose of surplus or obsolete material in inventory. Develop a forecast of yearly reductions and achieve a \$6 million inventory reduction by October, 2010.

## **Business Services Division**

Achieve a monthly average of 13 or less buses out-of-service due to a stock part outage and implement a regional and city rail out-of-service due to a stock part outage indicator.

### **Business Initiatives**

- **Implement Parts Management Efficiencies**
  - Begin the design process to construct a centralized distribution center at SEPTA's Midvale facility.
  - Generate \$2.5 million of revenue through the asset recovery process for the Authority.
- **Ensure customer satisfaction, cost savings, operational efficiencies, employee development/training, compliance and quality control.**
- **Customer Service**
  - Achieve high rating in internal customer and vendor satisfaction.
  - Complete procurements within established time parameters.
  - Implementation of a Vendor Performance Program (VPP) to evaluate quality of goods and services provided by vendors and identify issues such as late deliveries.
  - Maintain a monthly average of less than 15 buses out-of-service due to a stock part outage by decreasing transfer time and improving inventory accuracy.
  - Complete implementation of Vendor Managed Inventory (VMI) at all bus depots achieving \$5 million in cost savings.
- **Sustainability**
  - Continue with Inventory Reduction Plan of \$6 million by 2010.
  - Pursue the sale of assets and conduct auctions to vendors and employees to achieve \$2 million in revenue.
- **Human Capital Development**
  - Rewrite desk procedures to create a master electronic file for ease of use by staff.
  - Rewrite Procurement Manual.
  - Continued development of staff via internal and external training.
  - Receive high marks in audits concerning adherence to procedures and policies.

## **Business Services Division**

- **Safety & Security**
  - Continued improvements of security at storerooms.
  - Continued compliance with APTA and other safety audits.
  - Continued training on Material Safety Data Sheets (MSDS).
- **New Technologies**
  - Continued use of Internet for the posting of procurement documents.
  - Enhancement of several systems including ASI, PCard and ePS.
- **Rebuilding the System**
  - Support third party contracts to achieve milestones.
- **Ridership Growth for Transit**
  - Support of third party contracts to achieve milestones.

### **DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM**

#### **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**

Develop and implement outreach program to encourage and increase DBE participation in SEPTA's small procurements of \$100,000 and under.

Develop and implement process to withhold payment from prime contractors delinquent in submitting DBE compliance documents.

Develop formal presentation to familiarize internal customers of DBE compliance and operational requirements.

Develop and implement procedures to familiarize and encourage contractors in the use of Bizweb to consistently report DBE information.



## **Business Services Division**

Develop DBE Program marketing tools, i.e. contract opportunity notifications, newsletters, event fliers.

Develop and implement a program to partner with the DBE Supportive Services Centers and other small minority and women business enterprise advocacy agencies to maximize outreach efforts towards building a directory of resources to assist small minority and women business owners in growing their business.

Partner with EM&C and Contract Administration to ensure all DBE issues are resolved before the final closeout of projects with DBE goals.

### **Business Initiatives**

- **Enhance DBE Program Visibility**
- **Conduct training sessions for internal and external customers**
  - Explain factors related to DBE compliance.
  - Describe operational requirements.
- **Promote the DBE Program through outreach activities**
- **Enhance the DBE certification process to improve customer service**

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## **Customer Service**

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# Customer Service Division

## Overview

The Customer Service Division is responsible for the development, implementation, and coordination of all SEPTA customer service and advocacy initiatives. The Division is tasked with serving as the central point for all customer communications – both internal and external – and for coordinating and authorizing all Authority outreach efforts, programs, and training. The departments within the Customer Service Division will have direct responsibility for implementing all SEPTA customer service initiatives.

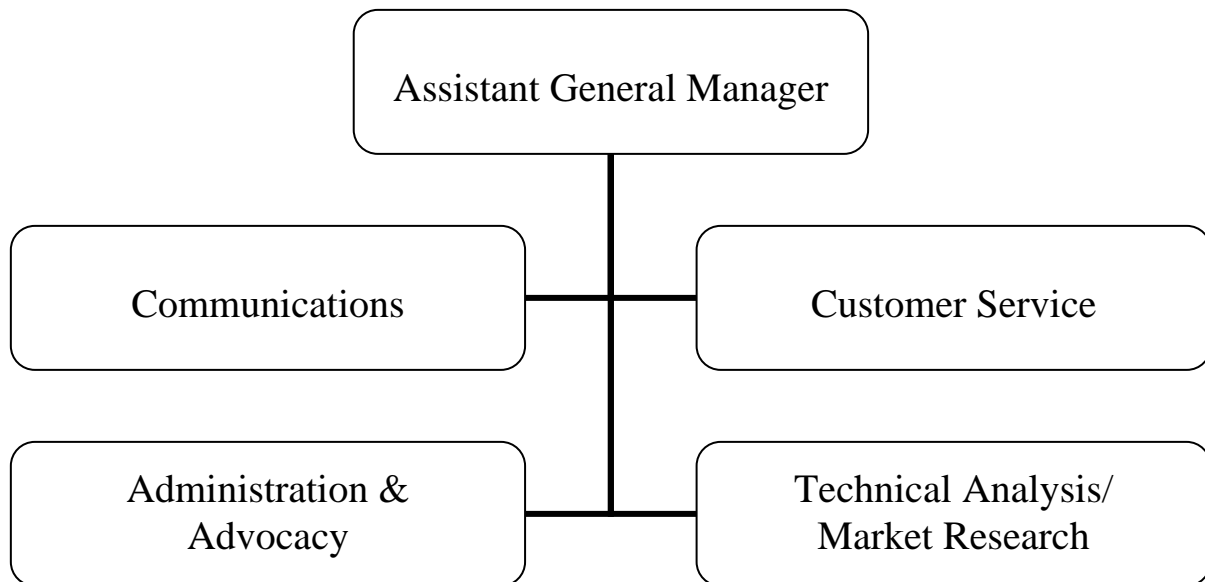
**Communications** – Responsible for corporate communications and customer communication including service and project-related information, website design and content, as well as Authority image and identity through system signage and maps. The Graphic Services, Print and Sign Shops, and the Legislative Database, a tool used to communication with elected officials and stakeholders, are part of the Communications Department.

**Customer Service** – Manages customer issues and inquiries concerning travel information, lost and found, complaints, suggestions, and commendations over the phone, email, U.S. mail, and other media. The department maintains satellite offices at the headquarters and selected transportation centers to provide in-person assistance to customers. The department is also responsible for administering the Senior Citizen Transit Program and Reduced Fare Program for Persons with Disabilities.

**Administration and Advocacy** – This group is responsible for coordinating the Division's personnel and financial tasks, as well as establishing and tracking performance objectives. Administration and Advocacy staff is responsible for the development and maintenance of the Authority's Customer Service Program and its calibration with the Strategic Business Plan. Activities related to the integration for Customer Service technology and the dissemination of information are managed in this section. Advocacy initiatives and stakeholder support is another key function.

**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 customer satisfaction survey and develops various qualitative studies involving focus groups and issue specific surveys.

## Customer Service Division



## Customer Service Division

### HEADCOUNT

OPERATING HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Communications	8	5	3	16
Customer Service	8	60		68
Market Research/Administration & Advocacy	8	-	-	8
<b>TOTAL OPERATING HEADS</b>	<b>24</b>	<b>65</b>	<b>3</b>	<b>92</b>

CAPITAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Communications	-	-	-	-
Customer Service	-	-	-	-
Market Research/Administration & Advocacy	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

TOTAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Communications	8	5	3	16
Customer Service	8	60	-	68
Market Research/Administration & Advocacy	8	-	-	8
<b>TOTAL HEADS</b>	<b>24</b>	<b>65</b>	<b>3</b>	<b>92</b>

# Customer Service Division

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Communications	\$ 919	\$ 1,132	\$ 2,051
Customer Service	3,277	42	3,319
Market Research/Administration & Advocacy	\$ 658	\$ 240	\$ 898
<b>TOTAL</b>	<b>\$ 4,854</b>	<b>\$ 1,414</b>	<b>\$ 6,268</b>

## COMMUNICATIONS

### Principal Responsibilities

Responsibilities include internal and external corporate communications including the development of 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. Develops new customer features and formats for public website including railroad real time information. 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.



## Customer Service 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. Install new content management system for both sites.

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

### 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.
  - Evaluate effectiveness of customer kiosk designed to provide fare and travel information at selected stations.

- **Continue External Communication/Information Outreach Program**

- Support ongoing outreach to elected officials and stakeholders.
  - Continue communication with elected officials using Legislative Database, mail merge, fax blast for key initiatives including service interruption, service enhancements and operating budget.
  - Create presentations, speeches, letters and information packages to support efforts.

## Customer Service Division

- **Manage Authority Image/Identity Program**

- Employ Graphic Standards Established for System Signage/Maps/Wayfinding.
  - Continue to update and add to Signage Graphics Standards.
  - Continue to use working group format established with EMC to review all signage packages for station upgrade and construction projects following 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.

### **CUSTOMER SERVICE**

#### **Principal Responsibilities**

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.

#### **Goals**

Implement customer service system updates and maintain quality control.

Ensure customer satisfaction by responding to customer inquiries and addressing customer concerns.

#### **Business Initiatives**

- **Ensure implementation of interactive voice response system**
  - Provide updated interactive travel information to customers.
- **Improve Customer Service Communications/Information**
  - Create clearinghouse for all customer service complaint and commendation communications.
    - Support the development and implementation of a formalized reporting system for customer complaints and commendations.
- **Maintain abandoned call rates at less than 3%**

# Customer Service Division

## **ADMINISTRATION & ADVOCACY**

### **Principal Responsibilities**

Leading the Authority's integrated Customer Service Program in coordination with SEPTA's Strategic Business Plan is this unit's key responsibility. In addition, it is responsible for coordinating all divisional administrative and personnel functions. It also directly manages key advocacy initiatives of the Customer Service Program, defines and evaluates divisional goals and objectives, customer service technology planning and project management.

### **Goals**

Fully implement and track the performance of the Customer Service Program.

Aggressively pursue outreach initiatives with key stakeholders, transit advocacy groups, businesses and individuals.

Develop customer-centric metrics for the division and the Authority.

### **Business Initiatives**

- **Manage and support the Customer Service Program**
  - Define and report upon progress towards goals.
  - Prepare key reports and presentations for both internal and external audiences.
  - Liaison with other Authority staff responsible for customer service initiatives.
- **Develop Advocacy Partnership with Stakeholders**
  - Support the activities of the SEPTA Citizens' Advisory Committee (CAC) and the Special Advisory Committee (SAC) for persons with disabilities.
  - Liaison with regional TMAs, municipalities and other transit agencies on customer service related programs.
- **Develop sustainability strategies in the SEPTA Region**
  - Maintain relationships with DVRPC, the Clean Air Council, the Pennsylvania Environmental Council and other "green" consumer groups.
  - Work closely with SEPTA staff and the City Sustainability Office on joint projects.
  - Investigate business opportunities for capitalizing on SEPTA's carbon footprint.

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## **Engineering, Maintenance and Construction**

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# Engineering, Maintenance and Construction

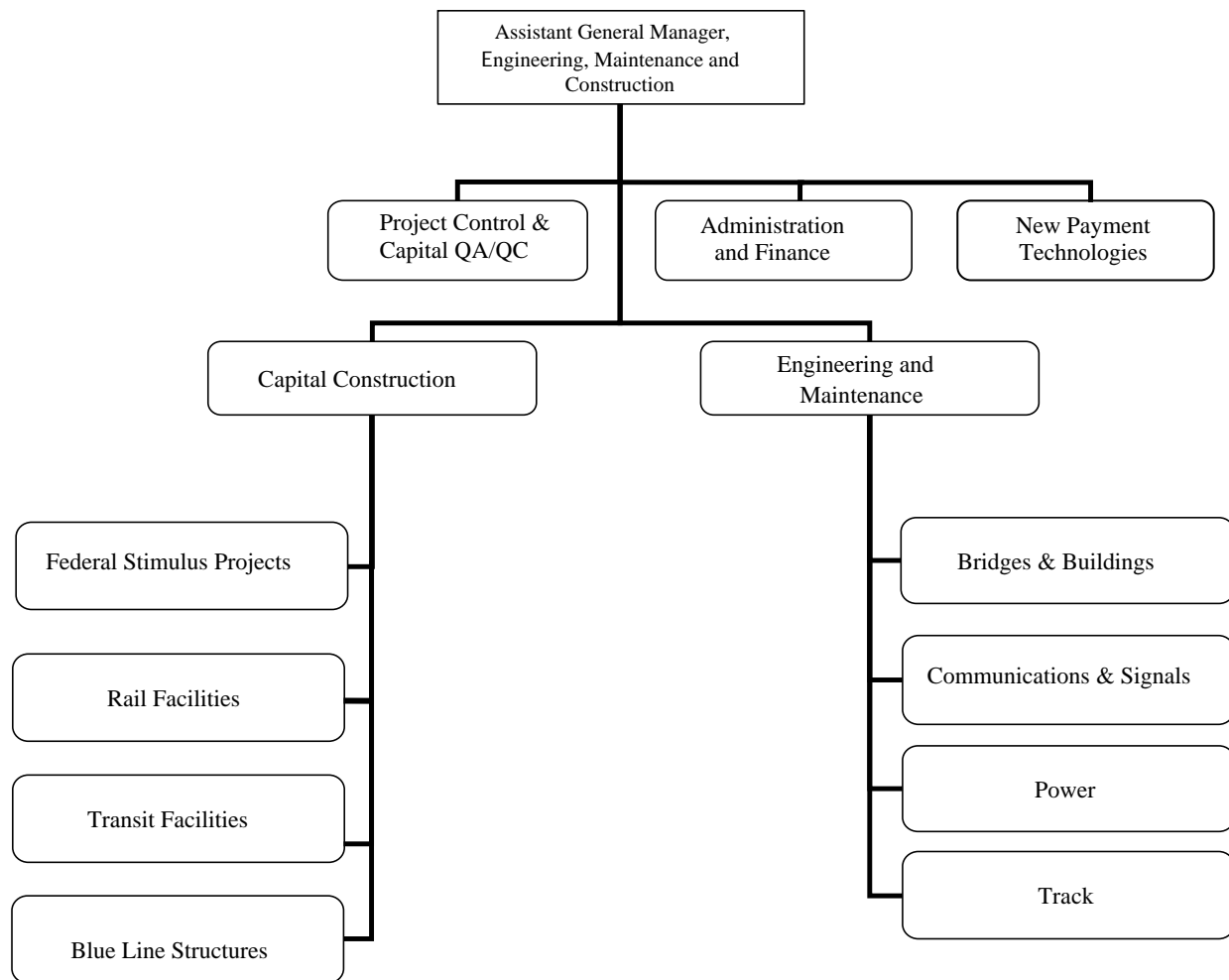
## Overview

The Engineering, Maintenance and Construction Division is responsible for all engineering and maintenance related to the Authority buildings, bridges, track, communications and signal systems and power systems. The Division is also responsible for capital construction of both transit and railroad facilities.

In addition, the Engineering, Maintenance and Construction Division oversees the New Payment Technologies Department. Within this department, 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. They are also responsible for control, compliance and audit of the collection process.

New Payment Technologies also manages the capital project to design, select, and implement a new state-of-the-art consumer payment program.

# 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	1	-	-	1
Engineering and Maintenance/Administration	167	63	767	997
Revenue Operations	<u>85</u>	<u>50</u>	<u>49</u>	<u>184</u>
<b>TOTAL OPERATING HEADS</b>	<b><u>253</u></b>	<b><u>113</u></b>	<b><u>816</u></b>	<b><u>1,182</u></b>

### CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Capital Construction/Blue Line/QA/QC	58	-	-	58
Engineering and Maintenance/Administration	83	8	271	362
Revenue Operations	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
<b>TOTAL CAPITAL HEADS</b>	<b><u>147</u></b>	<b><u>8</u></b>	<b><u>271</u></b>	<b><u>426</u></b>

### TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Capital Construction/Blue Line/QA/QC	59	-	-	59
Engineering and Maintenance/Administration	250	71	1,038	1,359
Revenue Operations	<u>91</u>	<u>50</u>	<u>49</u>	<u>190</u>
<b>TOTAL HEADS</b>	<b><u>400</u></b>	<b><u>121</u></b>	<b><u>1,087</u></b>	<b><u>1,608</u></b>

# Engineering, Maintenance and Construction

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Capital Construction/Blue Line/QA/QC	\$ 336	\$ 67	\$ 403
Engineering and Maintenance/Administration	57,887	16,080	73,967
New Payment Technologies	<u>9,887</u>	<u>1,995</u>	<u>11,882</u>
<b>TOTAL</b>	<b><u>\$ 68,110</u></b>	<b><u>\$ 18,142</u></b>	<b><u>\$ 86,252</u></b>

## ADMINISTRATION & FINANCE

### Principal Responsibilities

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

### 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.

### Business Initiatives

- **Consolidate SEPTA's Fire Safety Systems**
  - Place inspection and maintenance requirements under blanket third party contracts.

## **Engineering, Maintenance and Construction**

- Renew fire alarm contract, incorporating new systems provided under various capital projects.
- **Prepare capital funding requests for submittal to Capital Planning Committee for new state of good repair projects**
- **Coordinate agreements with Amtrak**
  - Develop agreement for the next phase of the Keystone Corridor improvements project.
  - Consider agreements for other cooperative initiatives.
- **Advance the New Payment Technologies Project**
  - Prepare contract documents and procedures.
  - Procure a system supplier to design and install the new fare collection system.

### **BLUE LINE STRUCTURES**

#### **Principal Responsibilities**

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.

#### **Goals**

Complete all major construction activities.

#### **Business Initiatives**

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

# **Engineering, Maintenance and Construction**

## **CAPITAL PROJECT CONTROL AND QUALITY ASSURANCE/QUALITY CONTROL**

### **Principal Responsibilities**

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.

### **Goals**

Finalize and publish railroad station design guidelines.

Update Capital Construction/Blue Line Structures manpower plan and spending forecast.

Develop project scope and estimates for state of good repair, system improvements, and infrastructure safety capital funding requests.

### **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.

## **Engineering, Maintenance and Construction**

- Achieve an actual versus budget performance expenditure shortfall of 10% or less for capital projects managed by Capital Construction.
- Achieve FY 2010 forecasted construction awards.

### **CAPITAL CONSTRUCTION – FEDERAL STIMULUS PROJECTS**

#### **Principal Responsibilities**

Manages the engineering and construction of capital projects for fixed plant facilities funded under the Federal American Recovery and Reinvestment Act (ARRA) of 2009. Projects include improvements to SEPTA's track, rights of way, grade crossings and yards; communications and signals systems; stations and parking lots; maintenance facilities; and fare collection equipment.

#### **Goals**

Award construction contracts for Gwynedd Cut Stabilization, North Wales Station Reconstruction, Philmont Station Rehabilitation, Tulpehocken Station Improvements, Chestnut Hill East Station Improvements, Chestnut Hill West Station Retaining Wall, Langhorne Station Building Replacement and the rehabilitation of Morton, Folcroft and Clifton-Aldan Stations.

Achieve substantial completion for Rehabilitation of Bridges 8.38, 13.04 and 18.87, Replacement of Bridge 20.25, Fox Chase Station Construction; 69th St. Terminal Restroom Renovations, North Wales Station Reconstruction and Philmont Station Rehabilitation.

#### **Business Initiatives**

- **Improve Customer Travel Environment**

- Reconstruct and renovate station facilities including North Wales Station, Philmont Station, Tulpehocken Station, Langhorne Station, Morton Station, Folcroft Station and Clifton-Aldan Station.
- Renovate 69th St. Terminal Restrooms.
- Stabilization of Gwynedd Cut on the Lansdale Line.

### **CAPITAL CONSTRUCTION – RAIL FACILITIES**

#### **Principal Responsibilities**

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.

# Engineering, Maintenance and Construction

## Goals

Complete design for Wayne Junction Station improvements and Malvern station parking expansion project.

Award construction contracts for Croydon Station, Queen Lane Station, Allen Lane Station and Jenkintown Bridge 10.12.

## Business Initiatives

- **Expand Rail Services**

- Continue the engineering and design of Elwyn-Wawa rail service restoration.

- **Improve Customer Travel Environment**

- Renovate railroad station facilities at Wayne Junction, Croydon, Levittown, Queen Lane, Allen Lane, and Wayne.

- Upgrade and expand parking facilities at Malvern and Exton.

## **CAPITAL CONSTRUCTION – TRANSIT FACILITIES**

### Principal Responsibilities

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

## Goals

Award construction contracts for ventilation improvements at Callowhill and Victory Avenue Shops, vehicle washers for Frankford and Fern Rock Shops and a fueling facility at Victory Avenue.

Achieve substantial completion for Walnut-Locust elevator installation, North Philadelphia Transportation Center, Germantown Shop roof replacement and Phase IV of the Escalator Modernization Program.

## Business Initiatives

- **Improve Customer Travel Environment**

- Renovate transit station facilities including ADA improvements at Margaret-Orthodox Station and Allegheny Station.

- Continue design for City Hall station renovations.

# Engineering, Maintenance and Construction

- Continue implementation of the Escalator Modernization Program.
- **Improve employee working conditions and safety**
  - Upgrade ventilation systems at Callowhill and Victory Avenue bus garages.
  - Upgrade Victory Avenue fueling facility and construct new central distribution center warehouse at Midvale Depot.

## **ENGINEERING AND MAINTENANCE – BRIDGES AND BUILDINGS**

### **Principal Responsibilities**

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

### **Business Initiatives**

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

# **Engineering, Maintenance and Construction**

## **ENGINEERING AND MAINTENANCE – COMMUNICATIONS AND SIGNALS**

### **Principal Responsibilities**

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.

### **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.

Improve reliability of elevator communications devices, emergency call boxes and other safety sensitive communications devices.

### **Business Initiatives**

- **Improve Customer Safety**
  - Advance Automatic Train Control system construction for “K” Interlocking and the Warminster Railroad Line.
  - Complete the Smart Stations Office Project that will manage the flow of information to the Control Center.

## **ENGINEERING AND MAINTENANCE – POWER**

### **Principal Responsibilities**

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.

### **Goals**

Reduce service delays due to power problems.

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



# Engineering, Maintenance and Construction

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.
    - Replace sectionalizing switches (including remote control) for faster troubleshooting and failure diagnosis (ISRP project).
    - Replace catenary from Gwynedd to Dale Interlockings on the Lansdale Line.

## ENGINEERING AND MAINTENANCE - TRACK

### Principal Responsibilities

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 Group which oversees the use of non-revenue and utility vehicles.

### Goals

Reduce service delays due to track problems.

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.

# Engineering, Maintenance and Construction

## Business Initiatives

- **Improve track safety and ride quality**
  - Install continuous welded rail and replace switches at “K” Interlocking.
  - Perform tie replacement at “K” Interlocking and on the Main Line from Portal to Carmel Interlockings.
  - Install new street track from 60<sup>th</sup> Street to 68<sup>th</sup> Street on Woodland Avenue.

## NEW PAYMENT TECHNOLOGIES

### 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.

**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.

**New Payment Technology Capital Program** – Continue the multi-phase New Payment Technologies Project to transform SEPTA’s aging revenue equipment into a modern, efficient and convenient system for customer payment and agency collection of fare revenue.

### Goals

Maintain an annual average expense of 8.9 cents or less per dollar collected in Revenue Operations.

## Engineering, Maintenance and Construction

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

Fareboxes	12,000
Turnstiles	30,000
Token Vending Machines	700
Change Machines	11,000

Ensure that cash processing errors are kept to a minimum. Improve upon FY 2008 goal of less than 77 cash processing errors.

Ensure that all Authority cash handlers are trained in the security features of new U.S. Treasury notes within 30 days of release by the Treasury.

Selection and award of a contract to a team of vendors, approval of final system design, implementation plan and schedule, oversight and coordination of implementation plan, design of an in-house test facility, development of change management and training activities, development of pricing/fare policies, and implementation of communication/marketing plan.

### Business Initiatives

- **Identify opportunities to extend the useful life of our present fare collection equipment**
  - State of Good Repair – overhaul programs for fareboxes, turnstiles, token vending machines and coin processing equipment.
- **Assist in the development of SEPTA's automated fare collection system for all modes of transportation**
  - Insure policies and procedures are well thought out to insure optimal passenger convenience, throughput and cash processing efficiency.
- **Expand internal controls and insure system improvements that safeguard SEPTA revenue and assets**
  - Upgrade Revenue Operations digital cameras and video capabilities.
  - Assist with Smart Stations upgrades and other modernization projects.

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## **Finance and Planning**

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## Finance and Planning Division

### Overview

**Accounting and Public Finance** – Manages the Authority's financial reporting and accounting activities. Accounts payable, 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.

**Capital Budget** – Manages the Authority's capital budget process and monitors financial performance throughout the year through forecasting and financial analysis.

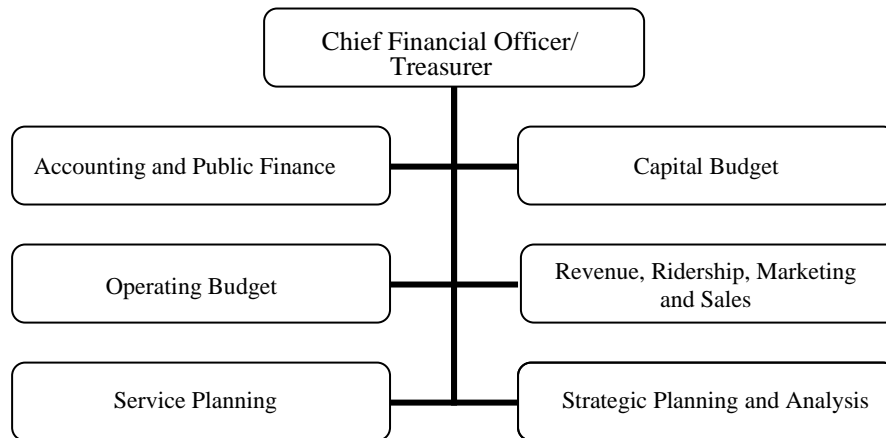
**Operating Budget** - Manages the Authority's operating budget process and monitors financial performance throughout the year through forecasting and financial analysis.

**Revenue, Ridership, Marketing and Sales** – Develops revenue and ridership budgets. Creates and manages long-term, short-term and guerilla marketing programs to increase awareness of Public Transit options. Administers all aspects of discounted fare media from the warehouse to the end user, including acquisition, receipt, distribution and reconciliation. Manages the on-line aspect of the sales network to include fare media and merchandise throughout the continental United States.

**Service Planning** – Plans and schedules service for City, Suburban and Railroad operations. 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.

**Strategic Planning and Analysis** – Directs, develops and implements SEPTA's Strategic Business and Long Range Planning activities. Manages the Authority's Sustainability Agenda supporting an environmental, social and economic focus. Performs operational analysis to improve productivity and efficiencies. Conducts selected analysis of business and best practices, re-engineers and re-designs functional activities in context of improving service delivery and enhancing customer experiences.

## Finance and Planning Division





# Finance and Planning Division

## HEADCOUNT

OPERATING HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Accounting and Public Finance	39	12	-	51
Capital Budget	5	-	-	5
Operating Budget	14	-	-	14
Revenue, Ridership, Marketing and Sales	35	29	-	64
Service Planning	31	23	-	54
Strategic Planning and Analysis	6	-	-	6
<b>TOTAL OPERATING HEADS</b>	<b>130</b>	<b>64</b>	<b>-</b>	<b>194</b>

CAPITAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Accounting and Public Finance	-	-	-	-
Capital Budget	3	-	-	3
Operating Budget	-	-	-	-
Revenue, Ridership, Marketing and Sales	1	-	-	1
Service Planning	-	-	-	-
Strategic Planning and Analysis	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

TOTAL HEADS				
	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Accounting and Public Finance	39	12	-	51
Capital Budget	8	-	-	8
Operating Budget	14	-	-	14
Revenue, Ridership, Marketing and Sales	36	29	-	65
Service Planning	31	23	-	54
Strategic Planning and Analysis	6	-	-	6
<b>TOTAL HEADS</b>	<b>134</b>	<b>64</b>	<b>-</b>	<b>198</b>

# Finance and Planning Division

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Accounting and Public Finance	\$ 3,096	\$ 702	\$ 3,798
Capital Budget	349	8	357
Operating Budget	980	206	1,186
Revenue, Ridership, Marketing and Sales	3,555	3,384	6,939
Service Planning	2,638	56	2,694
Strategic Planning and Analysis	<u>426</u>	<u>6</u>	<u>432</u>
<b>TOTAL</b>	<b><u>\$ 11,044</u></b>	<b><u>\$ 4,362</u></b>	<b><u>\$ 15,406</u></b>

## 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. Coordinates cash management activity in order to maximize investment earnings.

# Finance and Planning Division

## Goals

Manage the monthly financial close process and prepare required interim and annual financial reports timely and accurately, including distribution of monthly Financial Report. Annual financial reports include financial statements in accordance with Generally Accepted Accounting Principles, the Final Operating Assistance 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 departments and Information Technology efforts to improve financial reporting systems.

## CAPITAL BUDGET

### Principal Responsibilities

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, safety and security programs and other special grant programs, when available.

## Goals

Prepare the twelve-year Capital Program, ensuring that projects are progressing within projected funding resources.

Secure approval of changes to the programming amendments of SEPTA projects in the public transit section of Fiscal Year 2009-2012 Transportation Improvement Program.

Secure approval of Federal Transit Administration grant applications upon completion of Fiscal Year 2010 appropriations process.

Maximize funding opportunities through the use of innovative financing avenues, including leasing of assets.

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

Secure local funding for match on federal and state grants.

## Finance and Planning Division

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.

### OPERATING BUDGET

#### 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.

**Reports & Systems** - Maintain the Management Planning and Control (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.

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

## Finance and Planning Division

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 annual Operating Budget and five-year financial projections.

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

### Business Initiatives

- **Improve use of SEPTA's MPC Operating Budget Database System**
  - Through training and communication, encourage internal users to utilize MPC reporting systems to maximize the use of all available information.

### **REVENUE, RIDERSHIP, MARKETING AND SALES**

#### Principal Responsibilities

Forms a centralized leadership capacity to coordinate multifaceted operations including revenue generation via fare media, parking lots, and non-transportation related advertising income. Monitors and officially reports ridership levels and affiliated revenues. Develops and implements marketing tactics to support and enhance rider retention. Using open market analysis, this department suggests, designs and implements marketing sales programs to maximize new rider initiatives.

**Revenue and Ridership Management** – Develops and reports monthly on ridership and revenue levels. Manages all ridership and revenue data and issues reports as market conditions demand. Issues all required revenue and ridership reports to governmental and ancillary agencies. Administers and interprets all pricing tariffs including elementary, high school and college level student, the working public, the disabled, and senior citizens.

**Sales** – Administers and conducts the sale of all prepaid fare media, both within the SEPTA service area and to visitors throughout the continental United States. Directly manages five full service sales centers, the Transit Store and the online web sales portal designated shop.SEPTA.org. Manages sales to over 400 external sales locations, 150 corporate entities and all school districts. Develops and staffs all “Transit Fairs” and other outreach events. Handles all customer adjustments related to lost rides or fare media refund. Controls the quantity purchase of all fare media through the awarded third party contractors. Develops and maintains partnership agreements with cultural and business related partners.

## Finance and Planning Division

**Marketing** – Acts as central coordination for all promotional and marketing endeavors. Contracts with and administers contracts with third party agencies to target various Authority promotions which seek to maintain, develop and/or enhance ridership levels. Utilizes all current, innovative, and cutting edge promotional avenues to deliver messages. Generates non-transportation revenue through the sale of advertising space on passes, bridges, billboards, buses and other mediums.

**Parking** – Pursues opportunities to expand parking spaces and functions as the central coordinator for all parking related issues. Develops and directly maintains all aspects of suburban “Park and Ride” customers, including lot/garage maintenance. Actively seeks land acquisitions to develop and expand various parking lot capacities. Manages over 26,000 parking spaces and directly handles all coin and electronic cash collection from SEPTA owned meters, slot boxes and pre-paid permits.

### Goals

Develop long-range marketing plan

- Identify greatest opportunities for ridership development.
- Formulate measurable advertising strategies.
- Develop ridership retention tactics to address current capital projects.

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.
- 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

- 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.
  - Investigate new business leads by working closely with developers, public agencies and business organizations to incorporate public transit access into investment decisions.

## Finance and Planning Division

- 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.
- **Provide Strategic Decision Making Support Systems**
  - Develop Marketing/Public Relations strategies for SEPTA services.
    - Develop outreach campaigns to attract new 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 promoting new service initiatives.
  - 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.

# Finance and Planning Division

## **SERVICE PLANNING**

### **Principal Responsibilities**

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 Transportation Management Associations 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. Supports Capital Budget planning on transit and railroad service issues.

### **Goals**

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 project lists for application.

Enhance departmental computer capabilities.

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.
- **Address Authority's Objective of Improved Customer Service**
  - Work with Customer Service Division to promote new routes and service initiatives and address customer inquiries.
  - Participate in SEPTA's Customer Connection Program.



## Finance and Planning Division

- **Improve Reliability/On-Time Performance/Travel Speed**
  - Improve on-time performance.
    - 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 and service expansion.
    - Implement Annual Service Plan initiatives.
    - Implement Service Enhancement 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.
    - Coordinate establishment of Automatic Passenger Counter (APC) data collection system and manage data and reporting.
- **Coordinate Projects with Other Departments and Agencies**
  - Coordinate service planning and schedule elements of major capital projects.
  - Coordinate SEPTA scheduling elements of railroad projects involving Amtrak and New Jersey Transit.
  - Participate in long-range planning studies.

# Finance and Planning Division

## STRATEGIC PLANNING AND ANALYSIS

### Principal Responsibilities

**Strategic Business Planning** – Design, manage and execute Strategic Business Planning activities of the Authority. Develop and monitor key performance indicators relating to the corporate strategy and oversee divisional tactical plan initiatives. Lead development of SEPTA's Sustainability Plan and coordinate sustainability efforts relating to the Strategic Business Plan Agenda.

**Sustainable Planning, Policy & Community Development** - Lead development of SEPTA's Sustainability Plan and coordinate sustainability efforts relating to the Strategic Business Plan Agenda. Implement sustainable practices and establish measurements for returns on investment.

**Capital & Long Range Planning** – Initiates and directs studies and develops plans for building new lines and expanding the existing transit network to serve new markets and increase ridership. Manages key relationships and partnerships with the Metropolitan Planning Organization, city and county planning agencies, municipal organizations, Transportation Management Associations and transit stakeholders throughout the service region. Conducts planning studies to assess 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.

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

Implement Five-Year Strategic Business Plan (FY 2010-2014) and ensure accountability and transparency through 6-month reporting of key performance indicators to internal and external stakeholders. Work with internal and external customers to increase awareness of SEPTA's strategic planning and sustainability initiatives.

### Business Initiatives

- **Participate in regional collaboration efforts relating to strategic business and long-range planning that reflect the direction of the Authority.**
- **Coordinate sustainability policies and initiatives with internal divisions and external agencies to ensure the development of a comprehensive internal working plan.**

## **Finance and Planning Division**

- **Support initiatives for emerging priorities in the region and at the federal level for livable and sustainable community-building.**
- **Support long-range planning activities initiated by the City of Philadelphia and county planning commissions.**
- **Evaluate opportunities for transit-oriented development and coordinate SEPTA activities.**

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## **Human Resources**

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# Human Resources Division

## Overview

**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: employee programs, quality internal customer service, organization effectiveness, training, compliance with policies and procedures and the development of initiatives that promote our vision, mission and goals.

**Employee Services** – This group 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 active employees and retirees. The Benefits staff monitors Authority-wide benefits.
- 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 (HRIS).
- The Budget Manager for the division administers financial responsibilities and fiscal planning tasks.
- Human Resources Service Center (HRSC) provides support services to all active employees, retirees 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 maintains and manages 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 and harassment. Investigates complaints filed internally and with external government agencies. Handles responses to complaints of discrimination/harassment filed with external agencies or under SEPTA policies. 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.

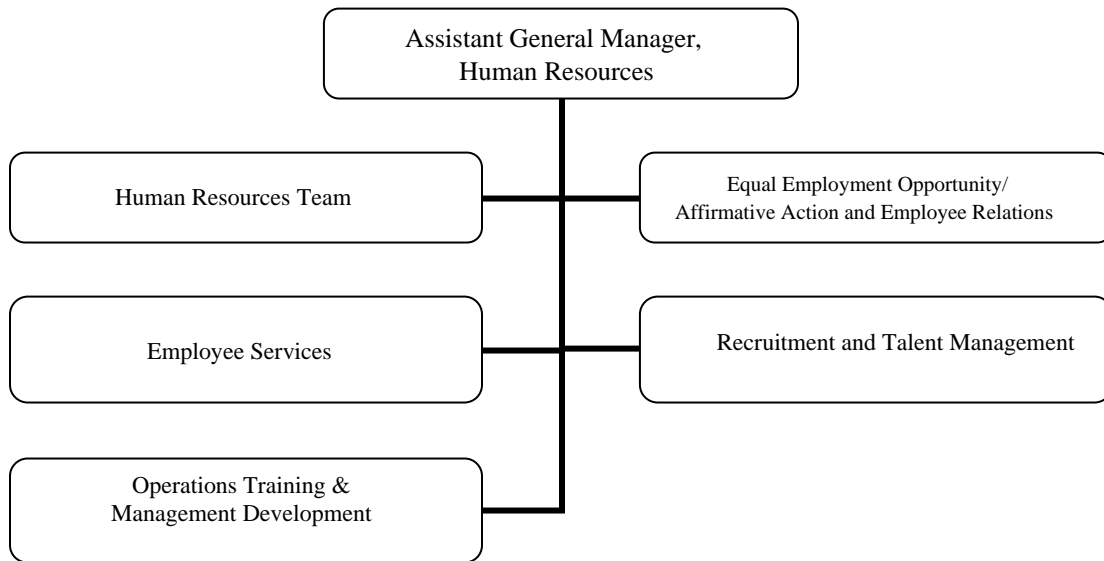
## Human Resources Division

**Recruitment and Talent Management** - Directs the recruitment, hiring, testing, transferring and retention of a diverse team of committed professionals. Responsible for the Authority's workforce, both unionized and management, of approximately 9,000 active employees.

**Training** – Provide training programs to improve employee performance. Teach new skills and retrain employees as required ensuring that the work force has a comprehensive understanding of regulations, procedures, policies and skills to provide service. Responsible for training and follow-up re-certification 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	19	17	-	36
EEO/AA and Employee Relations	5	-	-	5
Human Resources Team	5	-	-	5
Recruitment and Talent Management	14	-	-	14
Operations Training and Management Development	<u>93</u>	<u>-</u>	<u>-</u>	<u>93</u>
<b>TOTAL HEADS</b>	<u><b>136</b></u>	<u><b>17</b></u>	<u><b>-</b></u>	<u><b>153</b></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	-	-	-	-
Operations Training and Management Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL HEADS</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

### TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Employee Services	19	17	-	36
EEO/AA and Employee Relations	5	-	-	5
Human Resources Team	5	-	-	5
Recruitment and Talent Management	14	-	-	14
Operations Training and Management Development	<u>93</u>	<u>-</u>	<u>-</u>	<u>93</u>
<b>TOTAL HEADS</b>	<u><b>136</b></u>	<u><b>17</b></u>	<u><b>-</b></u>	<u><b>153</b></u>

# Human Resources Division

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Employee Services	\$ 2,363	\$ 440	\$ 2,803
EEO/AA and Employee Relations	323	11	334
Human Resources Team	523	20	543
Recruitment and Talent Management	919	248	1,167
Operations Training and Management Development	<u>6,128</u>	<u>299</u>	<u>6,427</u>
<b>TOTAL</b>	<b><u>\$ 10,256</u></b>	<b><u>\$ 1,018</u></b>	<b><u>\$ 11,274</u></b>

## HUMAN RESOURCES TEAM

### Principal Responsibilities

The Authority's 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.

### Goals

Implement labor efficiencies and new programs.

Improve customer service communications/information.

Review training needs throughout the Authority.

Improve career enhancement opportunities for SEPTA Employees.

Enhance and prioritize initiatives related to communications.

### Business Initiatives

- **Establish a Workplace Succession Strategic Plan**
  - Recruitment and Talent Management will continue to utilize E-Recruitment System, a tool that has streamlined the personnel requisition and hiring process.

## Human Resources Division

- Continue involvement in the joint SEPTA/TWU training program to upgrade skills of maintenance employees.
- Continue refinement of the Human Resources organization in order to promote efficiency.
- **Design and develop Management Training Programs**
  - Conduct Phase II of Management Development Training Program.
  - Continue implementation of computer based programs to minimize labor and training costs.
- **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.
- **Enhance 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 Self Service Network for use by all employees to gain direct access by computer to their personal employee benefits.
  - Continue the Human Resources Generalist Program, 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

## EMPLOYEE SERVICES

### **Principal Responsibilities**

**Medical** - Manage the Wellness Program. Conduct 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. Administer the Employee Assistance Program for all employees and their dependents.

**Benefits** - Design, negotiate and administer the benefits program, including medical, dental, prescription, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation, supplemental voluntary benefits and flexible benefits programs for 30,000 individuals, including employees, retirees and families. Conducts benefit orientations and information sessions concerning all employee benefits programs.

**Compensation/Human Resources Information Systems** – Develop, communicate and administer the compensation program for supervisory, administrative and management employees. Update information, monitor and train 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** - Develop 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 Human Resources customer needs.

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.

## Human Resources Division

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.

### **Business Initiatives**

- **Establish a Workplace Succession Strategic Plan to ensure adequate bench strength to address SEPTA's future staffing and leadership needs**
- **Assist in the implementation of the Employee Self Service Network for direct employee access to employee benefits information**

### **EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION AND EMPLOYEE RELATIONS (EEO/AA&ER)**

#### **Principal Responsibilities**

Implement and promote the Authority's EEO/AA Program to address the needs of an increasingly diverse workplace. Responds to complaints of discrimination/harassment filed internally and externally. Ensures compliance with SEPTA's EEO/AA Policies and the Federal Transit Administration's (FTA) regulations. Handles a wide variety of employee relations issues.

#### **Goals**

Prepare SEPTA's Affirmative Action and Title VI Plans.

Conduct Harassment Prevention and EEO training for Employee groups and individuals.

Monitor and audit EEO compliance.

Coordinate complaint-handling responsibilities.

Ensure consistency in the application of employee policies.

# Human Resources Division

## Business Initiatives

- **Extend “Harassment Prevention and Equal Employment Opportunity Training” to hourly employees**
- **Establish a SEPTA Inter-Departmental Advisory Committee to ensure a collaborative approach to decision making on complex employment issues**

## **RECRUITMENT AND TALENT MANAGEMENT**

### Principal Responsibilities

Directs and manages 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

Improve communication paths to internal and external employment candidates.

Assess and implement efficiencies in the employment candidacy process for internal and external candidates.

Establish a system of standardized recruitment reporting of metrics and process feedback.

### Business Initiatives

- **Create multi-media recruitment campaigns advertising employment opportunities at SEPTA**
- **Expand attendance at community and regional job fairs to ensure that SEPTA continue to attract a broad spectrum of diverse talent available in the five county regions that we service**
- **Establish a standard list of core recruitment metrics and their definitions to measure recruitment performance**
- **Create recruitment replacement planning strategies in correlation with authority wide succession planning efforts**
- **Expand computer based testing capabilities of the applicant testing center**

# Human Resources Division

## 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.

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

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

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

Implement 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.

### **Business Initiatives**

- **Ensure Railroad mechanics have prerequisite knowledge needed**
  - Provide Silverliner V skill/gap training.
- **Ensure smooth transition to Silverliner V for RRD operating employees**
  - Provide requisite training to engineers and conductors.
- **Implement learning management system to track corporate training initiatives**
- **Develop proposal for enhancing corporate customer service**
  - Focus on including:
    - Analyze impact of corporate mission and strategic plans.
    - Develop recommendations for consolidated approach for training.
    - Develop strategy to reinforce customer service at location level.



## Human Resources Division

- **Implement the Succession Planning initiative**
  - Identify competencies and values and identify key positions.
  - Design program selection methodology and criteria.
  - Develop Individual Development Plans.
  - Establish evaluation criteria.

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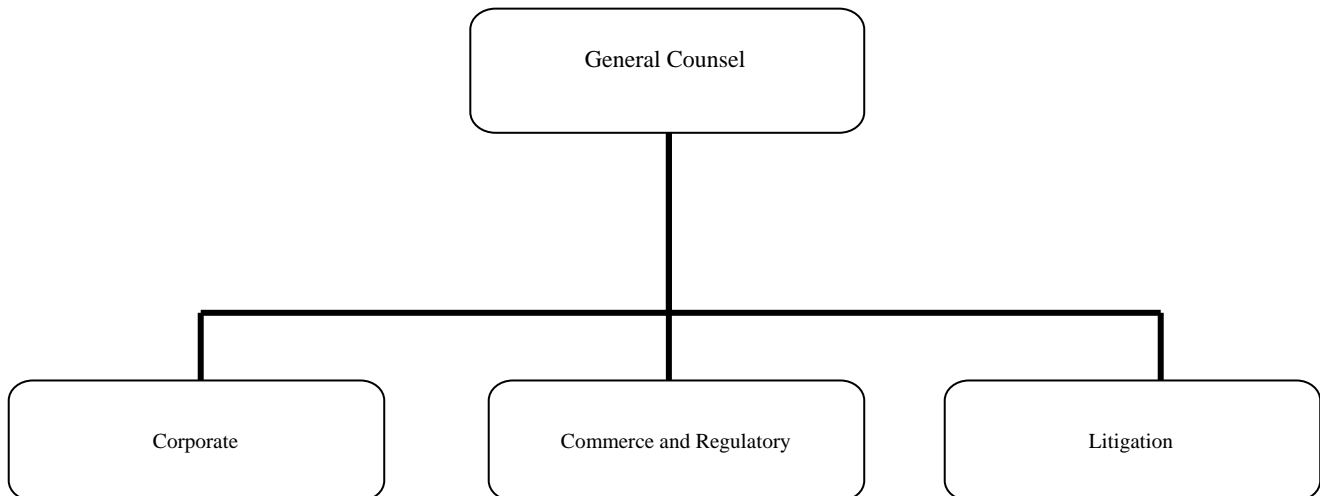
## **Legal**

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# Legal Division

## Overview

The Legal Division consists of the Corporate Department, The Commerce and Regulatory Department and the Litigation Department.



# Legal Division

## HEADCOUNT

### OPERATING HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate	7	-	-	7
Commerce and Regulatory	6	-	-	6
Litigation	<u>41</u>	<u>1</u>	<u>-</u>	<u>42</u>
<b>TOTAL HEADS</b>	<b><u>54</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>55</u></b>

### CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate	-	-	-	-
Commerce and Regulatory	-	-	-	-
Litigation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL HEADS</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Corporate	7	-	-	7
Commerce and Regulatory	6	-	-	6
Litigation	<u>41</u>	<u>1</u>	<u>-</u>	<u>42</u>
<b>TOTAL HEADS</b>	<b><u>54</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>55</u></b>

# Legal Division

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Corporate	\$ 534	\$ 5,536	\$ 6,070
Commerce and Regulatory	422	-	422
Litigation	<u>2,978</u>	<u>2,150</u>	<u>5,128</u>
<b>TOTAL</b>	<b><u>\$ 3,934</u></b>	<b><u>\$ 7,686</u></b>	<b><u>\$ 11,620</u></b>

## CORPORATE DEPARTMENT

### Principal Responsibilities

The Corporate Department represents SEPTA in a variety of legal matters that generally involve employment issues and contract law, such as interactions with utilities, employment/labor actions, construction contracts, procurement documents, right-to-know requests, and technology-related contracts. Lawyers within the Department counsel and advise management on matters that have legal implications, assist other departments in drafting documents that have legal-related elements and work with outside attorneys in the litigation of cases related to those areas for which the Corporate Department is responsible.

### Goals

Provide timely responses to the inquiries and requests from SEPTA management and the Board for legal advice and opinions.

Identify and pursue claims that SEPTA may have against third-parties including, but not limited to, claims for errors and omissions.

Assist the Procurement and Supply Chain Management Department in drafting documents associated with specialized procurements, such as a request for proposals for medical insurance. Review and approve tailored form or standardized contracts.

Work with the Workers' Compensation Department to ensure that SEPTA's subrogation interests are protected in third-party actions; assist that department in issuing requests for liens and in obtaining releases under the Workers' Compensation Act.

Participate as one of the four divisional members of SEPTA's policy development teams.

# **Legal Division**

## **COMMERCE AND REGULATORY DEPARTMENT**

### **Principal Responsibilities**

The Commerce and Regulatory Department provides legal guidance, advocacy and assistance to other SEPTA departments in such areas as environmental regulation, real estate transactions, insurance requirements, contract compliance, transit agency and railroad coordination, business contracting and financial activities. This Department also provides support services necessary to the day-to-day functioning of the overall Legal Division, such as administrative and office management, staffing and resource management, technology provisions, legal support contracts, strategic planning and budgetary development and financial monitoring. Lawyers in this Department will also oversee and work with outside counsel attorneys providing specialized legal services for certain matters.

### **Goals**

Provide timely responses to inquiries and requests from SEPTA management and the Board for legal advice and opinions.

Work with and provide legal guidance/assistance to System Safety, Enterprise Risk Management, Real Estate, Sales and Marketing, Procurement and Contracts, Engineering Maintenance and Construction, Strategic Planning and Finance.

Draft a strategic business plan for the Legal Division.

Ensure that Legal Division staff is adequately supported with regard to their use of technology tools.

## **LITIGATION DEPARTMENT**

### **Principal Responsibilities**

The Litigation Department is responsible for the legal representation of SEPTA through the use of in-house attorneys and outside attorneys in the defense of and prosecution of civil actions in all fields of law. The majority of claims against SEPTA are for personal injury and property damage. Of the lawyers in the Litigation Department, a number of lawyers handle cases being adjudicated through the Arbitration process, which in the City of Philadelphia is the mechanism for hearing all cases with damages estimated to be under \$50K. Other lawyers in the Department are generally responsible for “major cases” or those estimated to involve damages of \$50K and over.

### **Goals**

Settle those claims that should and can be settled at an appropriate and reasonable value, and do so in an appropriate timeframe in order to minimize litigation costs incurred by SEPTA.



## **Legal Division**

Manage litigation activities in order to engage in or undertake those activities that are appropriate for the sensible disposition of cases and for the prudent incurring of litigation costs.

Track and monitor litigation costs, especially costs for outside attorneys, and ensure that litigation cases are appropriately and wisely allocated (i) across in-house lawyers; (ii) between in-house lawyers and outside lawyers; and (iii) among outside law firms.

Continue to pursue legal and policy positions that SEPTA railroad employees who are injured on the job should be compensated through the Commonwealth's Workers' Compensation laws and that the Federal Employee's Liability Act does not apply to SEPTA as an agency and arm of the Commonwealth due to protections provided by sovereign immunity.

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## **Public and Government Affairs**

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## Public and Government Affairs Division

### Overview

**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.

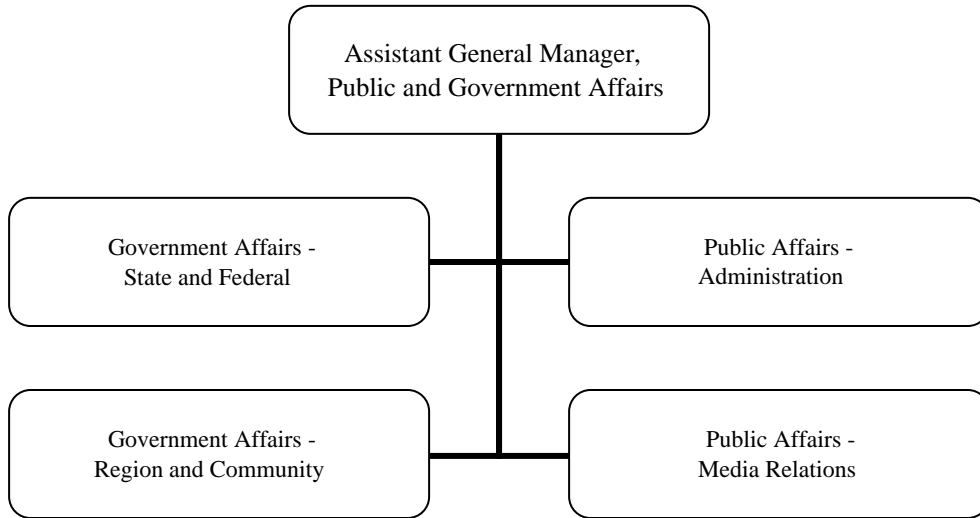
**Federal** – Work with the region’s Congressional Delegation and their staffs to assure that any federal legislation proposed and/or enacted is favorable to SEPTA’s interests. Respond to legislative and constituent inquiries from the federal level.

### 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	2	-	-	2
Public Affairs - Media Relations	5	-	-	5
Government Affairs - Region & Community	6	-	-	6
Government Affairs - State & Federal	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
<b>TOTAL OPERATING HEADS</b>	<b><u>16</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>16</u></b>

### CAPITAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Public Affairs - Administration	-	-	-	-
Public Affairs - Media Relations	-	-	-	-
Government Affairs - Region & Community	1	-	-	1
Government Affairs - State & Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CAPITAL HEADS</b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1</u></b>

### TOTAL HEADS

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Public Affairs - Administration	2	-	-	2
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>
<b>TOTAL HEADS</b>	<b><u>17</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17</u></b>

## Public and Government Affairs Division

### EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Public Affairs - Administration	\$ 102	\$ 707	\$ 809
Public Affairs - Media Relations	414	15	429
Government Affairs - Region & Community	381	21	402
Government Affairs - State & Federal	<u>320</u>	<u>59</u>	<u>379</u>
<b>TOTAL</b>	<b><u>\$ 1,217</u></b>	<b><u>\$ 802</u></b>	<b><u>\$ 2,019</u></b>

### MEDIA RELATIONS

#### Principal Responsibilities

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**
  - Work with commercial, academic, trade and hobby organizations seeking to produce films, documentaries, commercials and other media products throughout the 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 board member and liaison with the Pennsylvania Public Transportation Association (PPTA). Act as liaison with SEPTA's state legislative consultants. Work with PennDOT and PPTA to develop implementing regulations for Act 44 of 2007, the new dedicated funding source for public transportation and highways. Of particular importance in FY 10 is finding a funding source to replace the tolling of I-80 enacted by Act 44.

**Federal** - Work with the region's Congressional Delegation and their staffs and SEPTA's legislative consultants to assure that any federal legislation proposed and/or enacted is as favorable to SEPTA's interests as possible. Statutory areas of concern include but are not limited to transit reauthorizing legislation, transit appropriations, railroad legislation, environmental legislation and disabilities law. Work with SEPTA finance staff, federal legislative consultants, Council of Northeastern Governors, the American Public Transportation Association, and the National Business Coalition for Rapid Transit. The expected major issues are the Stimulus package providing federal funding for SEPTA shovel-ready capital projects to be completed in the next two years and continued work on the reauthorization of ISTEA-LU. Respond to legislative and constituent inquiries from the federal level.

### **Goals**

Work to assure the success of the new Act 44 funding provisions by working with PennDOT and the state transit industry to develop regulations to implement the statute. Current issues include distribution of capital funds and a source of funds if I-80 does not get tolled.

Undertake efforts to obtain passage of identified state legislative priorities that were not included in Act 44. Protect SEPTA from harmful legislation and seek passage of legislation that will promote more efficient, effective and safe public transportation in the SEPTA region.

Obtain favorable treatment for SEPTA during the reauthorization of transit programs through effective communication with SEPTA's federal delegation and other relevant Congressional members and staff.

Continue efforts to prevent serious operating and fiscal consequences of proposed changes to rail service requirements, including, but not limited to hours of service changes.

## Public and Government Affairs Division

Work with Congress members, staff and other affected parties to assure that the stimulus program provides an adequate and fair amount of funds and that the criteria and requirements are favorable to SEPTA.

### Business Initiatives

- **Develop ongoing relationships with regional delegations**
  - Enhance implementation of 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 including service and fare changes and contracts awarded by the SEPTA Board to companies in their districts.
- **Identify and pursue legislative issues at the federal level**
  - Work with Finance and Planning Division to assure inclusion of SEPTA-requested earmarks for capital projects in the region, if earmarks continue to exist. If not, work to assure most favorable dollar amounts, formulas and conditions for SEPTA funding.
  - 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).
  - Work with APTA, other commuter rail operators and appropriate internal staff to develop specific Hours of Service rules for commuter rail operators.
- **Identify and pursue legislative issues at the state level**
  - Participate in regulatory process to assure regulations drafted to implement Act 44 do not cause undue work, difficulty or expense for SEPTA and result in the maximum funding for which SEPTA is legally eligible. Proposed rules were being drafted in 2009 but PennDOT delayed them due to other priorities. The revival of the effort will take SEPTA participation.
  - Pursue relief from multi-contract bidding requirements (Separations Act), especially for Federal Stimulus projects.
  - Because the Federal DOT rejected the PA Turnpike's application to approve its application to toll I-80, substantial legislative effort will be necessary to either reverse that decision or find an alternate source of capital funds for transit and highways. Even as adopted, Act 44 did not provide adequate capital funds for either mode.

## Public and Government Affairs Division

- Because funding source enacted did not include the administrative proposals included in the PPTA funding proposal, seek independence enactment of the following proposals:
  - Advertising on exterior of rail vehicles
  - Clarification of tax exempt status when implementing alternative means of raising revenue
  - Transit vehicle preference for buses reentering traffic lane after picking up or dropping off passengers
  - Protection from treatment as private developers when implementing capital projects
  - Inclusion of SEPTA in a bill designed to prevent theft of copper wire
  - Language that makes an assault on a transit operator a felony
- 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.

### **GOVERNMENT AFFAIRS - 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.

## Public and Government Affairs Division

### 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, service route, or a project initiative.
- 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 and North Philadelphia Transportation Center Projects 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**

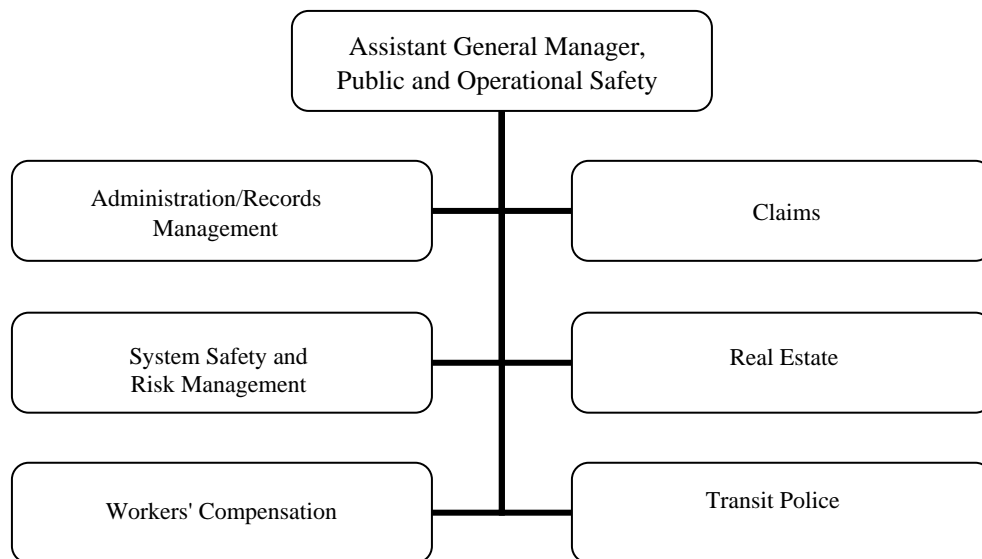
### **Overview**

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 equipment, facilities, and records. The Division also administers the Authority's Risk Management, Insurance, Workers' Compensation and Vocational Rehabilitation Programs, ensures SEPTA's compliance with environmental laws and regulations and regulatory and statutory reporting requirements, and investigates, evaluates and equitably resolves valid claims against the Authority in a prompt and courteous manner.

The Division also directs the acquisition and management of Authority-owned property, including 1234 Market Street headquarters. The primary management role of this section involves the securing of privately funded leases and improvement of station areas, land parcels and right-of-way for cash and in-kind revenues.

## Public and Operational Safety Division





# 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
Real Estate	12	4	-	16
System Safety and Risk Management	21	-	-	21
Transit Police	60	-	209	269
Workers' Compensation	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>TOTAL HEADS</b>	<u><b>119</b></u>	<u><b>27</b></u>	<u><b>209</b></u>	<u><b>355</b></u>

### **CAPITAL HEADS**

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

### **TOTAL HEADS**

	<u>A</u>	<u>B</u>	<u>H</u>	<u>Total</u>
Administration/Records Management	6	-	-	6
Claims	15	23	-	38
Real Estate	12	4	-	16
System Safety and Risk Management	22	-	-	22
Transit Police	60	-	209	269
Workers' Compensation	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>TOTAL HEADS</b>	<u><b>120</b></u>	<u><b>27</b></u>	<u><b>209</b></u>	<u><b>356</b></u>

# Public and Operational Safety Division

## EXPENSES

Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration/Records Management	\$ 603	\$ 146	\$ 749
Claims	1,785	269	2,054
Real Estate	820	2,369	3,189
System Safety and Risk Management	1,428	454	1,882
Transit Police	15,959	249	16,208
Workers' Compensation	<u>549</u>	<u>19</u>	<u>568</u>
<b>TOTAL</b>	<b><u>\$ 21,144</u></b>	<b><u>\$ 3,506</u></b>	<b><u>\$ 24,650</u></b>

## ADMINISTRATION/RECORDS MANAGEMENT

### Principal Responsibilities

Responsible for developing and implementing record management systems throughout the Authority, including record retention schedules, storage, retrieval and destruction protocols.

### Goal

Improve methods used to value, track and secure records in order to satisfy all administrative, legal, operational and historical retention requirements throughout the life cycle of the record.

### Business Initiatives

- **Develop and implement a records management policy**
  - Include procedures, schedules, training and audit mechanisms in order to assist all Authority Business Units to streamline the record keeping function.

## CLAIMS

### Principal Responsibilities

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.

# Public and Operational Safety Division

## Goals

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

## Business Initiatives

- **Reduce incoming lawsuits**
  - Aggressively pursue settlement of liability claims prior to their going into litigation.
  - Process Personal Injury Protection payments expeditiously to avoid Personal Injury Protection lawsuits.
- **Reduce number of incoming claims**
  - Analyze trends (with Risk Management) to determine different types of claims including their frequency and causes.
  - Target potential corrective action whether they are changes in operational behavior, maintenance, training initiatives, etc.
  - Assist System Safety Department with training sessions for Operations Supervisors.

## REAL ESTATE

### Principal Responsibilities

**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 in-house labor. Coordinate staff utilization of motor vehicles, and administration of all contracted vendateria services system-wide.

**Asset Management** – Manages the development and application of the Real Estate Management System by electronic storage of document and exhibit images and population of pertinent information. Products will include a property inventory, automated contract administration cues, and generation of qualitative and quantitative reports.

## Public and Operational Safety Division

**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.

### Goals

Coordinate all property appraisal and acquisition efforts in support of Authority initiatives including development-expansion projects at Wawa, Croyden, Olney, Ryers and Philmont stations.

Coordinate development of revenue agreements with communication carriers.

Coordinate efforts with Information Technology and Finance to develop an automated revenue report.

Research and determine property ownership, rights, and boundaries system-wide.

Coordinate implementation of the property inspection program.

Support litigation vs. Pennsylvania Power and Light regarding Authority's demand for increased rentals and consolidation of utility occupancy agreements and installation of a high-tension line over the Bethlehem branch.

Finalize terms and conditions regarding four 50-year term PECO rental agreements currently generating \$422,000 annually.

Oversee non-profits' use of station facilities.

### Business Initiatives

- **Improve Authority Real Property Asset Management**
  - Property-leasing program for stations and other real assets.
    - Continue program for lease development projects for railroad stations, including Rydal, Carpenter Lane and Fort Washington.
    - Initiate and finalize revenue development offerings of other facilities including right-of-way and undeveloped properties.
  - Manage SEPTA properties to ensure assets are utilized to maximum efficiency.
    - Developed proposed agreement for commercial-transit development of new station facilities and increased customer parking at Ambler station.
    - Coordinate development of a real property inventory.

## Public and Operational Safety Division

- Oversee 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.
  - Coordinate development of an agreement with the City of Philadelphia for MetroMarket letting of retail space in the City-owned 15<sup>th</sup> Street Courtyard.
- Enhanced revenue and cost efficiencies for 1234 Market Street Building.
  - Increase rental occupancy and revenues.
  - Coordinate office space planning-design, construction and facilities management to maximize operating efficiencies and cost avoidance.

### **SYSTEM SAFETY AND RISK MANAGEMENT**

#### **Principal Responsibilities**

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.

Manage the Property/Casualty Insurance Program and the risk treatment process. Work to obtain the most cost effective insurance coverage by reducing risk exposures and implementing effective risk control techniques at all Authority locations. Coordinate the collection and reporting of all safety statistics throughout the Authority and administers the reporting of those statistics to regulatory agencies.

#### **Goals**

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.

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.

Maintain favorable pricing of purchased insurance through aggressive premium negotiations

## Public and Operational Safety Division

and loss control efforts.

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

### 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.

- **Minimize the impact of financial market volatility on SEPTA and its vendor base as it relates to the purchase of insurance and bonds**

- Evaluate the cost effectiveness of changing insurance limits for purchased insurance and transferred risk.
- Develop and implement flexible risk transfer mechanisms.
- Evaluate the need for risk diversification in all lines of purchased insurance and retained risk.

- **Continue the analysis and documentation of internal controls and reporting cycles as they relate to all risk management reporting and data collection systems**

- Model a district accident database for transit and railroad operations.
- Begin the development of an internal control plan to monitor the third party absence management program.
- Design and implement an operational safety audit program for the System Safety Department.

# Public and Operational Safety Division

## TRANSIT POLICE

### Principal Responsibilities

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

**Uniformed Patrol** – 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.

### Goals

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.

### Business Initiatives

- **Improve Customer Security**
  - Increase visibility of uniformed personnel and enforce quality of life regulations.
- **Improve Productivity through Capital Investment Projects**
  - Enhance police radio equipment and communications.

## **Public and Operational Safety Division**

### **WORKERS' COMPENSATION**

#### **Principal Responsibilities**

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.

#### **Goals**

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.

#### **Business Initiatives**

- **Implement Workers' Compensation and Injury Claims Reduction Program**
  - Continued implementation of Workers' Compensation action plan.



## Fringe Benefits Expense

Fringe benefits are a major expense for SEPTA representing 26% of the Fiscal Year 2010 operating budget of \$1.132 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 reduce Workers' Compensation expenses.

Fiscal Year 2010 Operating Budget Fringe Benefit Expense (Amounts in Thousands)	
Medical & Life Insurance	\$ 159,789
Payroll and Unemployment Taxes	56,257
Pension	80,370
Workers' Compensation and FELA	<u>27,485</u>
Subtotal	\$ 323,901
Capital Support and Projects *	<u>(30,078)</u>
<b>Operating Expense</b>	<b><u>\$ 293,823</u></b>

\* The net fringe benefit cost of \$293.8 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 2010 Operating Budget			
Labor and Fringe Benefits			
Amounts in Thousands ('000)			
	<u>Net Labor</u>	<u>Net Fringe Benefits</u>	<u>Total</u>
Operations	\$ 377,647	\$ 222,869	\$ 600,516
Corporate Staff	2,360	1,393	3,753
Audit and Investigative Services	1,279	755	2,034
Business Services	12,744	7,521	20,265
Customer Service	4,854	2,865	7,719
Engineering, Maintenance and Construction	68,110	40,195	108,305
Finance and Planning	11,044	6,518	17,562
Human Resources	10,256	6,053	16,309
Legal	3,934	2,322	6,256
Public and Government Affairs	1,217	718	1,935
Public and Operational Safety	21,144	12,478	33,622
Other *	<u>(16,715)</u>	<u>(9,864)</u>	<u>(26,579)</u>
<b>TOTAL</b>	<b><u>\$ 497,874</u></b>	<b><u>\$ 293,823</u></b>	<b><u>\$ 791,697</u></b>

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

## Non-Departmental Expense

<b>Amtrak</b>	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.
<b>ADA</b>	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.
<b>Shared Ride Program</b>	The cost for contractor operated door-to-door service for senior citizens. The cost of administrative staff in the ADA program is included in the Customized Community Transportation budget.
<b>Debt Service Interest</b>	Interest expenses associated with the Authority's Special Revenue Bonds.
<b>Property and Corporate Insurance</b>	Reflects the projected premiums for insurance on various Authority assets.
<b>Services for 1234 Market Street</b>	Maintenance and administrative service expense for the operation of the offices at the 1234 Market Street Headquarters by an outside professional firm. These expenses cover both SEPTA and tenant-occupied space.
<b>Snow Removal</b>	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.
<b>Utilities</b>	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 2010 ridership is 697,100 trips for Philadelphia and 317,800 trips for the suburban communities.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2010 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 SEPTA-owned fleet of 418 vehicles is maintained to SEPTA's standards by the contract carriers. In addition, the Philadelphia 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 2010 include the 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 2010 is to provide a total of 821,335 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 2010 claims expense is budgeted at \$37 million. 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 held SEPTA's litigated case inventory to approximately 1,866 suits in Fiscal Year 2009, 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 goals for measurement of safety, customer satisfaction, and financial performance. These are described within this section.

## SAFETY GOALS

Safety related goals are developed and monitored by the Public and Operational Safety Division. The safety goals for Fiscal 2010 will be developed with targeted improvement. For comparison purposes in this document, SEPTA utilizes 12 months of actual data from Fiscal Years 2008 and 2009 as the benchmark period for the reporting of safety goals.

<b>Passenger Accidents Per 100,000 Miles</b>			
	<b>Fiscal 2008 Actual</b>	<b>Fiscal 2009 Actual</b>	<b>Fiscal 2010 Goal</b>
<b>Bus:</b>			
CTD Bus	2.53	3.21	2.45
CTD Trackless Trolley	N/A	5.87	6.25
Victory Bus	1.84	1.85	1.79
Frontier Bus	0.88	0.61	0.85
<b>Railroad:</b>			
Railroad	0.25	0.32	0.25
<b>Subway / Light Rail:</b>			
Broad Street Line	0.10	0.22	0.10
Market-Frankford Line	0.21	0.20	0.20
Norristown High Speed Line	1.40	2.30	1.36
Callowhill Light Rail	3.40	5.52	3.29
Elmwood Light Rail	2.98	2.59	2.90
Media/Sharon Hill Line	1.95	2.93	1.89

# Operating Goals

## Vehicular Accidents Per 100,000 Miles

	Fiscal 2008 Actual	Fiscal 2009 Actual	Fiscal 2010 Goal
<b>Bus:</b>			
CTD Bus	6.22	6.75	6.25
CTD Trackless Trolley	N/A	8.91	8.00
Victory Bus	2.91	3.38	2.96
Frontier Bus	1.08	1.11	1.13
<b>Railroad:</b>			
Railroad	0.47	0.25	0.38
<b>Subway / Light Rail:</b>			
Broad Street Line	0.00	0.08	0.01
Market-Frankford Line	0.00	0.01	0.01
Norristown High Speed Line	0.00	0.24	0.15
Callowhill Light Rail	14.07	17.05	15.00
Elmwood Light Rail	6.58	6.21	6.25
Media/Sharon Hill Line	6.05	7.14	6.75

## Station Accidents Per 1,000,000 Passengers

	Fiscal 2008 Actual	Fiscal 2009 Actual	Fiscal 2010 Goal
<b>Railroad:</b>			
Railroad	1.09	2.01	1.5
<b>Subway / Light Rail:</b>			
Broad Street Line	0.56	0.52	0.45
Market-Frankford Line	1.3	0.71	1.06
Norristown High Speed Line	0.37	0.00	0.25

## Employee Lost Time Injuries Per 200,000 Work Hours

	Fiscal 2008 Actual	Fiscal 2009 Actual	Fiscal 2010 Goal
Bus	7.70	7.14	7.37
Engineering, Maintenance & Construction	6.08	6.51	6.31
Railroad	4.13	4.71	4.30
Subway / Light Rail	7.89	7.12	7.12
Non-Operations	0.78	1.02	0.58



# Operating Goals

## CUSTOMER SATISFACTION

The 2008 Customer Satisfaction Survey was conducted between June 20, 2008 and August 18, 2008. A total of 2,481 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	398 interviews
Market-Frankford Line	489 interviews
City Bus and Trackless Trolleys	413 interviews
City Subway Surface	201 interviews
Suburban Light Rail	209 interviews
Frontier	199 interviews
Victory Bus	179 interviews
Railroad	372 interviews

Relating to SEPTA service being Convenient and Easy to Use, 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:

- All Riders: 8.0

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

<b>Divisional Goals for Revenue</b>		
Amounts in thousands ('000)		
City Transit	\$	278,584
Victory		22,252
Frontier		5,958
Railroad		139,332
Shared Ride Program		20,739
<b>Total</b>	<b>\$</b>	<b>466,865</b>

These goals include the budgeted passenger fare revenue, Shared Ride Revenue, Interest income and Other Income for Fiscal Year 2010. 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 Authority 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. 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.

As a part of the recently enacted Act 44 of 2007 covering public transit funding in Pennsylvania, all transportation agencies in the Commonwealth will be required to adopt and report specific performance measures as a condition of continued funding. These measures are:

- Passengers per vehicle hour
- Cost per passenger
- Revenue per vehicle hour
- Cost per vehicle hour

The method for reporting and evaluation these measures has been identified by PennDOT through temporary regulations issued in July, 2009. Each agency in the State will be evaluated for the four legislated marks listed above by mode operated within peer groups of not less than four other agencies for each mode. Those modes or measures below the minimum standard will be required to develop and submit for approval an action plan to achieve the peer minimum standard as part of the final step in their periodic PennDOT review.

# **Operating Standards and Performance Evaluation Measures**

## **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 first adopted by the SEPTA Board in April 1995 and amended in March 2007. If a route performs below 60% of the City Transit Division average route operating ratio, then corrective actions begin.

### **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 March of 2007 and is now comparable to other SEPTA divisions.

### **Railroad Division**

Each 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 March 2007 and is now comparable to other SEPTA divisions.

# Operating Standards and Performance Evaluation Measures

## **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.

<b>Minimum Vehicles Per Mechanic</b>			
	<b>Fiscal 2008 Actual</b>	<b>Fiscal 2009 Actual</b>	<b>Fiscal 2010 Goal</b>
Bus & Trackless Trolley	3.0	3.0	3.0
Trolley (Subway-Surface & Route 15)	1.6	1.6	1.6
Market-Frankford Line	3.4	3.5	3.3
Broad Street Line	2.3	2.2	2.5
Media-Sharon Hill Line	1.2	1.3	1.3
Norristown High Speed Line	1.7	1.7	1.7
Railroad	1.5	1.5	1.5

### **Operating Employees Ratio to Administrative Employees**

The Fiscal Year 2010 goal will continue as one administrative employee for every 20 operating employees at the adopted expense level of \$1.132 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 2010, the following productivity measures will be utilized:

### **Vehicle Miles Per Employee**

The Authority seeks to achieve at least 10,294 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 156,194 passenger miles per employee.

### **Passenger Accidents**

The Authority goal is to incur no more than 1.68 reported passenger accidents per 100,000 vehicle miles of service.

### **Employee Accidents**

The Authority goal is to experience less than 5.62 employee lost time accidents per 200,000 work hours.

<b>On-Time Performance</b>			
	<b>Fiscal 2008 Actual</b>	<b>Fiscal 2009 Actual</b>	<b>Fiscal 2010 Goal</b>
<b>Bus Transportation:</b>			
Bus City/Suburban	77.3%	76.7%	78.9%
Victory Bus	76.5%	75.5%	78.0%
<b>Rail Transportation:</b>			
Light Rail	73.5%	68.3%	75.0%
Media-Sharon Hill Line	91.1%	90.9%	92.0%
Norristown High Speed Line	99.0%	97.9%	97.0%
Broad Street Line	98.9%	99.3%	99.0%
Market-Frankford Line	98.3%	98.5%	98.0%
Railroad	91.7%	89.4%	92.0%

## Operating Standards and Performance Evaluation Measures

Mean Distance Between Failure			
	Fiscal 2008 Actual	Fiscal 2009 Actual	Fiscal 2010 Goal
<b>Bus Transportation:</b>			
Bus City/Suburban*	15,278	7,205	8,200
<b>Rail Transportation:</b>			
Trolley (Subway-Surface & Route 15)	11,284	8,301	13,000
Media-Sharon Hill Line	21,358	22,774	25,000
Norristown High Speed Line	31,811	26,277	35,000
Broad Street Line	92,928	112,808	145,000
Market-Frankford Line	107,041	146,333	120,000
Railroad	44,809	49,861	60,000

\* The MDBF for FY 2009 and FY 2010 was substantially reduced from FY 2008 after it was discovered that the Vehicle Maintenance Information System (VMIS) reporting contained inconsistencies regarding the classification of certain vehicle failures.

### **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 2010, the following fiscal measures will be monitored:

#### **Operating Cost Per Passenger**

The Authority proposes to provide a cost not to exceed \$3.48 per unlinked passenger trip.

#### **Operating Subsidy Per Passenger**

The Authority proposes to provide overall service operating subsidy not to exceed \$2.05 per unlinked passenger trip.

#### **Cost Per Vehicle Mile**

The Authority proposes to achieve an average cost for delivery of service not to exceed \$11.79 per vehicle mile.

## **Operating Standards and Performance Evaluation Measures**

### **PRODUCTIVITY GOALS**

The following productivity goals have been formally established to measure performance:

#### **Total Ridership**

The Authority's goal is to carry at least 329 million passengers (unlinked trips).

#### **Public Information Calls**

The Authority's goal is to satisfactorily respond to at least 97.5% 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. The Authority projects 697,100 trips for Philadelphia and 317,800 trips for the suburban counties for Fiscal Year 2010. For the Shared Ride Program, 821,335 trips are projected for Fiscal Year 2010.



# 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 2010 Capital Budget

<b><u>Project</u></b>	<b><u>FY 2010 Budget</u></b>
Bus Purchase Program	\$54,200,000
City Hall Station/15 <sup>th</sup> Street Station Rehabilitation	6,900,000
Congestion Relief and Railroad Grade Crossings	5,000,000
Elwyn to Wawa Rail Service	4,500,000
Infrastructure Safety and Renewal Program	33,000,000
Market Street Elevated Reconstruction	30,000,000
New Payment Technologies	14,400,000
Paoli Transportation Center	1,500,000
Paratransit Vehicle Acquisition	3,800,000
Parking Expansion Program	2,300,000
Railroad Signal System Modernization	23,800,000
Railroad Electrical Substation Improvements	11,504,000
Safety and Security Improvements	10,000,000
Smart Stations	12,306,000
State of Good Repair Initiatives	27,698,000
Station Accessibility	3,000,000
System Improvements Program	11,100,000
Transit and Railroad Station Program	26,300,000
Transit Enhancements	1,191,000
Utility Vehicle Renewal	3,500,000
<u>Vehicle Overhaul Program</u>	<u>53,600,000</u>
<b>TOTAL FY 2010 Capital Budget</b>	<b>\$339,599,000</b>

# 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.

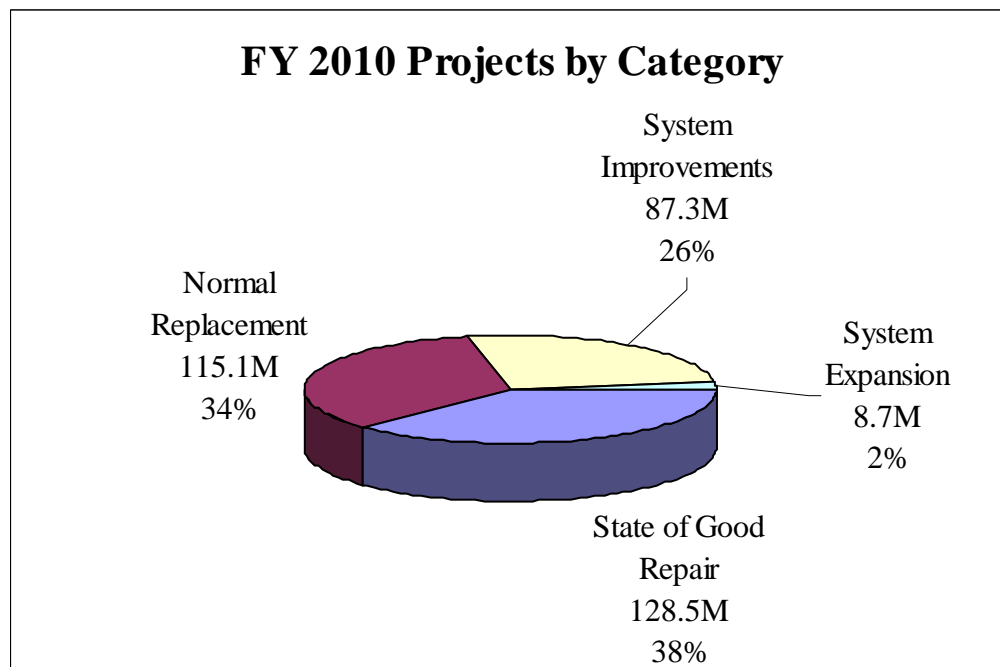
When projects contain elements of more than one category, the principal or dominant focus of the project will be used to classify the project.

## Fiscal Year 2010 Projects by Category

- State of Good Repair
  - Market Street Elevated Reconstruction
  - Regional Railroad Electrical Substation Improvements
  - Infrastructure Safety and Renewal Program
  - State of Good Repair Initiatives
  - Transit and Railroad Stations Program
- Normal Replacement
  - Bus Purchase Program
  - Paratransit Vehicle Purchase
  - Purchase of Utility Vehicles
  - Vehicle Overhaul Program
- System Improvement
  - City Hall Station/15<sup>th</sup> Street Station Rehabilitation
  - Congestion Relief and Highway Grade Crossings
  - New Payment Technologies
  - Paoli Transportation Center
  - Railroad Signal System Modernization
  - Safety and Security Improvements
  - Smart Stations

## Capital Improvement Program

- Station Accessibility Improvements
- System Improvements Program
- Transit Enhancements
- System Expansion
  - Elwyn to Wawa Rail Service Restoration
  - Parking Expansion Program



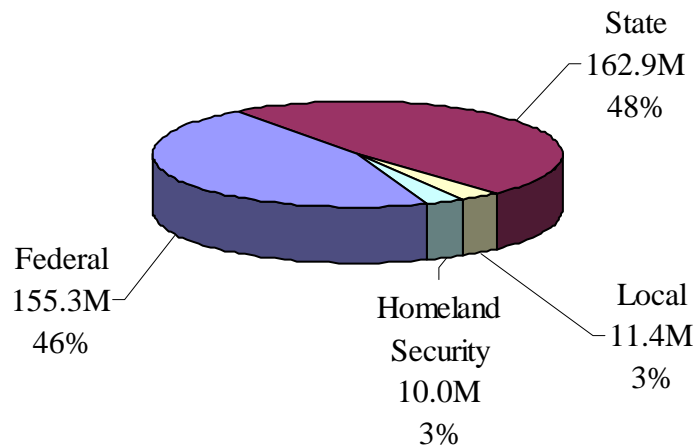
### Capital Sources of Funds

The funding levels included in the Capital Improvement Program are projected from the following components:

- Federal Formula Program (Sections 5307, 5340 and 5309) totaling \$127.0 million.
- Estimated Federal bus and bus facilities earmarks for \$6.4 million.
- Federal Flexible Funding based on an anticipated SEPTA share of regional flexible funds.
- U.S. Department of Homeland Security funding of \$10.0 million based on an anticipated SEPTA share of regional funds
- State funds from the Public Transportation Trust Fund at \$162.9 million for capital projects.
- Local matching funds totaling \$11.4 million from the five-county SEPTA service area used to match Federal and State grants.

## Capital Improvement Program

### FY 2010 Capital Funding Sources



### Fiscal Year 2010 Selected Project Descriptions

#### Bus Purchase Program

SEPTA's Bus Fleet Management Plan provides for the acquisition of different size buses based upon needs and route characteristics. The current order of buses is the acquisition of 400 low floor accessible 40 foot heavy duty diesel-electric hybrid transit buses. These buses will arrive in increments of 100 per year over four years. SEPTA also has ordered an additional 40 of a possible 80 option buses. The option buses are being funded by American Recovery and Reinvestment Act of 2009 (ARRA) transit funds. These new buses will replace SEPTA's NABI buses, which will have exceeded their 12 year useful life when they are retired.

#### City Hall Station/15<sup>th</sup> Street Station Rehabilitation

The renovation of City Hall Station on the Broad Street Subway Line and 15<sup>th</sup> Street Station on the Market-Frankford Subway-Elevated Line will be provided by this project. City Hall Station was built in 1928 and has deteriorated over the years and is in need of rehabilitation. In addition, both stations require accessibility improvement to meet ADA standards, as well as enhancements to improve the stations' overall appearance and appeal.

# Capital Improvement Program

## **Congestion Relief and Railroad Grade Crossings**

Funding under this project will provide for the installation or upgrading of warning devices and the renewal of highway grade crossing surfaces. Fiscal Year 2010 funds will continue to support several Media/Sharon Hill Line locations. In addition, certain congestion mitigation activities and special transportation service will support PennDOT reconstruction U.S. Route 202.

## **Elwyn to Wawa Rail Service Restoration**

This project will restore commuter rail service over approximately three miles between Elwyn, Delaware County to Wawa, Delaware County. Service restoration will require new track and catenary. A new bi-directional signal system will be installed and grade crossings will be reconstructed. Existing rail bridges will be repaired or replaced depending on condition. A storage/layover yard will be constructed at SEPTA's Lenni facility in Delaware County. A new, ADA compliant station and a 500 space parking facility will be constructed at Wawa.

## **Infrastructure Safety and Renewal Program**

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.
- Renewal of track on the Lansdale/Doylestown and Warminster Lines
- Track work and renewal on several Subway-Surface Lines.
- Grade crossing renewal at Tomlinson Avenue, Pine Road, Red Lion Road and Rydal Road on the West Trenton Line.
- Grade crossing renewal at Union Avenue and Wycombe Avenue on the Media/Elwyn Line.
- Grade crossing renewal at Main Street on the Norristown Line.
- Renewal of several railroad bridge timbers.
- Tie replacement and track surfacing on the West Trenton Line and Media/Elwyn Line.
- Replacement of worn curve rail along a variety of City, Suburban Transit and Railroad lines.

### Station Facilities

- Stairway replacements at Angora and 49<sup>th</sup> Street Stations.
- Selected improvements to various Lansdale/Doylestown stations.
- Selected improvements to various Wilmington Line stations.
- Reconstruction of Several Media/Sharon Hill Stations
- Improvements to Media/Sharon Hill signage.

# Capital Improvement Program

## Signals and Communications Systems

- Replacement of communications wires and installation of fiber optic cables on the Media/Elwyn Line.
- Implementation of a wireless data communications network throughout the railroad system.

## Power Systems

- Replacement of DC traction power cables for Broad, Elmwood and Woodland Substations.
- Replacement of AC cables on the Market-Frankford Line.
- Improvements to Broad Street Subway, Market-Frankford and Subway-Surface Line substations.
- Replacement of trolley wire on Subway-Surface Route 10 and Trackless Trolley Route 75.
- Improvements to the Railroad catenary power system at several locations to allow for improved sectionalization of the power.
- Upgrades to the catenary system on the Lansdale/Doylestown Line between Ambler and Glenside Stations.

## Maintenance/Support Facilities

- Emergency exit, tunnel lighting and vent well improvements on the Broad Street Subway and Market-Frankford Subway Elevated Lines.
- Installation of a new boiler for Frankford Depot.
- Expansion of Truck Repair Shop at Fern Rock.
- Installation of new tunnel lighting on the Broad Street Subway.

## Bridges

- Rehabilitation and replacement of bridges on rail lines and SEPTA right-of-way, including improvements to Bridge #7.63 on the Chestnut Hill East Line and Tunnel #11.31 at the Swarthmore Station.
- Rehabilitation of culverts and associated bridge support structures.

## **Market Street Elevated Reconstruction Project**

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

## **New Payment Technologies**

The upgrade of SEPTA's fare collection system and equipment will greatly improve customer service and convenience. Control, accountability and reconciliation will be made an integral part of the new fare collection system. The introduction of new fare collection technology will help customers move seamlessly throughout the system and facilitate more accurate gathering of

## **Capital Improvement Program**

ridership and revenue information. Improvements will also be made to the payment and collection procedures for SEPTA's parking and CCT operations.

### **Paoli Transportation Center**

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

### **Paratransit Vehicle Acquisition**

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 2010, 62 vehicles will be acquired consisting of 32 minibuses with wheelchair lifts and 30 12-passenger minibuses.

### **Parking Improvement and Expansion Program**

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 increasing the Authority's operating revenue and further assisting in the mitigation of traffic congestion and reducing air pollution for the region. The American Recovery and Reinvestment Act (ARRA) of 2009 will support expansion of parking at Malvern Station and Elwyn Station.

### **Railroad Signal System Modernization**

This project will install a modern signal system on the entire system. This Automatic Train Control (ATC) system will improve service quality, reliability and will expand opportunities to increase overall travel speeds and reduce travel time. In addition, a Positive Train Control (PTC) system will be superimposed atop the ATC on all lines. Working in unison, these two systems will provide the functionality the "Rail Safety Improvement Act of 2008" has mandated to be operational by December 31, 2015.

### **Regional Rail Substation Improvements**

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. The first four facilities to be addressed under this program are the replacement of 30<sup>th</sup> Street Switching Station (Sub 1-A) located in Amtrak's Penn Coach Yard, Callowhill Substation, which is located on the former Reading Railroad viaduct, Jenkintown Substation just north of Jenkintown Station in Montgomery County, and the construction of a new static frequency converter adjacent to the Jenkintown Substation.

# Capital Improvement Program

## **Safety and Security Improvements**

This program will enable SEPTA to enhance safety and security throughout the public transportation system. As part of this program, an interoperable communications system that will enable SEPTA to communicate with City Police, Fire and Emergency Services Personnel will be installed. This system will provide day to day communications capability between SEPTA and City Police operations as well as provide for improved coordination in all emergency responses to accidental, natural or terrorist incidents which may occur.

## **Smart Stations**

This project consists of several elements designed to improve passenger safety, security, communications and the station environment. Improvements include, but are not limited to, modern fire detection and reporting equipment, fire suppression systems in selected areas, security systems, emergency lighting and closed-circuit television surveillance. Additional improvements include platform emergency phones and emergency exits. Station lighting improvements will be completed at selected locations. Communications facilities at stations will be upgraded to provide the infrastructure to support the Smart Stations project, as well as future communications improvements.

## **State of Good Repair Initiatives**

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

- Overhaul of vehicle washer at Frazer Yard.
- Construction of a new fueling facility for Victory Bus Garage.
- Installation of fire detection equipment at Bridge Street El Shop, Callowhill Garage, Frankford Depot and Frontier Garage.
- Installation of car hoists and body stands at Fern Rock and Overbrook Shops.
- Improvements to 1234 Market Street Headquarters.
- Roof replacement at the Berridge Shop/2<sup>nd</sup> & Wyoming Office.

### Power, Signal and Communications Systems

- Improvements to Easton Road/Susquehanna Road grade crossing on the Warminster Railroad Line.
- Signal improvements on the Broad Street Subway.

### Station Facilities

- Rehabilitation of station buildings and associated facilities, including a regional signage program.
- Replacement and improvements to station escalators.
- Installation of fire detection equipment at Market East Station.



# Capital Improvement Program

## Track and Right of Way

- Purchase of steel wheel maintenance equipment.
- Train access accommodations for Silverliner V cars at stations on the Wilmington/Newark, Paoli/Thorndale and Trenton Lines.

## Bridges

- Rehabilitation of Bridge 0.35 on the Chestnut Hill West Line.

## Vehicles

- Replacement of Broad Street Subway car control boxes.
- Purchase of maintenance and construction vehicles to support various capital projects.

## **Station Accessibility**

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, Race-Vine, Erie and Snyder Stations on the Broad Street Subway and Margaret-Orthodox and 40<sup>th</sup> Street Stations on the Market-Frankford Subway-Elevated.

## **System Improvements Program**

### Customized Community Transportation (CCT) Communication Center

- Upgrade and enhance the dispatching and reservation operation of SEPTA's ADA and Shared Ride Program.
- Install Automatic Vehicle Locator (AVL) System.

### 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.

### Route 15 Turnback

- Construction of a trolley turnback along the Route 15 at Frankford Avenue.
- Traffic Signal improvements at Girard and Delaware Avenue.

### Information Technology

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

# Capital Improvement Program

## **Transit Enhancements**

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 2010.

## **Transit and Railroad Station Program**

This program provides for the reconstruction or rehabilitation of transit facilities and railroad stations. All improvements will fully comply with the Americans with Disabilities Act of 1990. Fiscal Year 2010 funds will mainly support improvements to Wayne, Queen Lane, Allen Lane, Ambler, Olney, Exton, Primos, Secane, Hatboro, Ryers, 5<sup>th</sup> Street, 8<sup>th</sup> Street (BSS Spur), Bells Corner, Parkside and 33<sup>rd</sup> and Dauphin Loops. American Recovery and Reinvestment Act (ARRA) of 2009 funds will support improvements to the station and parking facilities at Croydon, Girard, and Spring Garden Stations.

## **Utility Vehicle Renewal**

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.

## **Vehicle Overhaul Program**

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.

## **Capital Improvement Program Impact on Operating**

Several SEPTA capital improvement projects have a positive impact on the operating budget. For example, investing in vehicle overhaul programs provide for long-term operating savings, through reduced vehicle in-service failures. This ensures ongoing service quality, reliability and performance and reduces the need for ongoing repairs of vehicles with failures. Investment in new hybrid bus vehicles have a positive impact on the operating budget and the environment through reduced fuel consumption and reduced emissions

Projects which renovate, reconstruct, or replace existing facilities, stations and equipment often do not materially change the cost of operation over the life of the asset, if the replacement is functionally equivalent to its predecessor. These projects, when completed, generally require similar operating and maintenance costs.

## 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.  
ARRA - American Recovery and Reinvestment Act of 2009.  
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.  
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**

GASB – Government Accounting Standards Board.

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 - 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 8<sup>th</sup> 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

**Deficit** - The amount by which revenue and subsidy falls short of expenses during a given accounting period.

**Delaware Valley Regional Planning Commission** - The area-wide agency, or Metropolitan Planning Organization (MPO), 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.

## Glossary

**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 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 fixed 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.

## Glossary

### 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.

**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 on 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 69<sup>th</sup> 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.

## Glossary

### N

**Net Assets** - Total assets minus total liabilities of the Authority. Used in SEPTA's annual financial statements.

**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.

**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 or Revenue Vehicle Mile** - A single mile traveled by one car (or vehicle) 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.

## Glossary

**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 one-mile segment of a given fixed route in a fixed route network.

## 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.

**Surplus** - The amount by which revenue and subsidy exceeds total expenses during a given accounting period.

## Glossary

### 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.

**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”.