Southeastern Pennsylvania Transportation Authority





FISCAL YEAR 2013
OPERATING BUDGET
& FISCAL YEARS 2014
TO 2018 FINANCIAL
PROJECTIONS







GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Southeastern Pennsylvania Transportation Authority

For the Fiscal Year Beginning

July 1, 2011

Line C. Davidon Offing P. Ener

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Southeastern Pennsylvania Transportation Authority for its annual budget for the fiscal year beginning July 1, 2011. 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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Vice-Chairman

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James B. Jordan, Esquire

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Stephen A. Jobs, CPA

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> General Manager Joseph M. Casey

To:

Pasquale T. Deon, Sr. Chairman

From:

Joseph M. Casey Jaseph Mary

Subject:

Fiscal Year 2013 Operating Budget

Date:

August 31, 2012

cc:

SEPTA Board Members

I am pleased to present the Southeastern Pennsylvania Transportation Authority Fiscal Year 2013 Operating Budget to Board Members, customers and stakeholders. SEPTA has gained national attention for being among the top transit authorities in the country. SEPTA was selected by the American Public Transportation Association (APTA) to receive the 2012 "Outstanding Public Transportation System Achievement Award." The award recognizes our efforts to enhance service, efficiencies and overall effectiveness. SEPTA was singled out for the recognition by APTA in a category that includes more than 20 million trips annually, which means that SEPTA is being recognized as the best large transportation system in North America.

Our customers have continued to respond to improvements in service, with ridership on SEPTA reaching more than 339.3 million trips in Fiscal Year 2012. This level amounted to an increase of 5.3 million passengers, or 1.6% over the prior year and is the highest ridership in more than 23 years. In the last five years, SEPTA's annual ridership has grown by more than 32 million trips. The Authority anticipates that ridership growth will continue in Fiscal Year 2013 with our continued attention on customer service improvements.

This budget continues to demonstrate the Authority's focus and priority to adhere to the objectives of the Authority's FY 2010 – 2014 Five-Year Strategic Business Plan. Our primary goal remains providing excellent customer service while ensuring the highest level of safety to our riders. The budget totals \$1.283 billion and does not include any fare increases or significant changes in service.

With SEPTA's strong commitment to fiscal discipline and sustainability, the Authority has balanced its operating budget for thirteen consecutive fiscal years. One major contributing factor is that based on recommendations from the Act 44 legislation, SEPTA has implemented a policy of increasing fares every three years as part of its revenue enhancement plan. In addition to farebox revenue, SEPTA aggressively pursues other sources of revenue to balance the Authority's budget and reduce the need for additional subsidies. In Fiscal Year 2013, advertising revenue is expected to continue to increase as a result of additional revenues from website, billboard and exterior train advertising. Scrap income is expected to generate additional income as SEPTA disposes of the Silverliner II and III rail cars which had been in revenue service since the early 1960's.

Over the past four years, the Authority has made customer service an organizational priority, with emphasis on courtesy, cleanliness, communication and convenience. SEPTA must continue to further improve its services to meet the ever-growing needs of our customers. The SEPTA team has demonstrated their commitment to customer service by refreshing the public website to showcase new customer real time information tools, including: TrainView, Next to Arrive, TransitView and SMS Transit Schedules. SEPTA communicates with customers via the popular Social Media sites Facebook and Twitter and encourages new riders to try public transit by offering enhanced information access through Google Transit, On-line chat with Customer Service representatives and Dynamic Website Language Translation.

In March 2009, SEPTA's Board adopted a comprehensive Five-Year Strategic Business Plan for Fiscal Years 2010-2014 that established the main goals and objectives of the plan. Key components of sustainability emphasize innovation and opportunity. SEPTA's program encompasses a wide range of issues from energy storage, high efficiency vehicles, recycling, and partnerships to create farmers markets at transit hubs in order to reduce community food shortfalls. Current annual savings from these programs total \$5.6 million and another \$1 million in annual savings is projected for various other facility and vehicle programs including Energy Performance Contracts, expanded recycling, expanded use of regenerative braking and Wayside energy storage. SEPTA was recently honored by the American Public Transportation Association for achieving the Gold Recognition Level of the APTA Sustainability Commitment program. SEPTA is one of only four transit agencies in North America to receive the APTA Gold Recognition Level.

Another important development occurred in November 2011 when SEPTA awarded a contract for a new state-of-the-art fare system. The New Payment Technologies (NPT) initiative will replace outdated fare collection payment systems with contactless payment devices. While other major metropolitan areas such as Boston, Chicago and New York also recognize the importance of fare modernization, SEPTA will take it one step further by extending our New Payment Technologies to include regional rail and parking operations. SEPTA utilized innovative financing to fund this project by securing a low-cost loan of \$175 million under the U.S. Immigrant Investor Program.

The economic recession of the last few years has resulted in flat or declining operating subsidies for transit authorities nationally. With several federal and state reports citing the need for additional funding for highways, bridges and transit, Governor Tom Corbett established the Transportation Funding Advisory Commission (TFAC) in April 2011. Governor Corbett stated in February of this year that the transportation funding issue was too huge to include in the budget, and that it would have to be addressed separately at a future date. SEPTA is prepared to work with Governor Corbett, PADOT Secretary of Transportation, Barry J. Schoch, and members of the Pennsylvania General Assembly to find a long-term solution to address the financial needs of transportation and invest in the transportation infrastructure and economy of the Commonwealth.

In closing, the Fiscal Year 2013 Operating Budget encapsulates my commitment and the Authority's dedication to provide quality public transportation to Southeastern Pennsylvania. SEPTA continues to be proud of its employees' strong leadership and teamwork efforts within the organization and values its strong relationships with stakeholders and peers. This budget is consistent with prior year's budgets in maintaining and continuing the Authority's commitment to controlling costs and providing budget stability despite the ongoing funding uncertainties.

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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:

- 119 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 30th Street Station. SEPTA also provides direct rail service to Delaware, Trenton, New Jersey and the Philadelphia International Airport. SEPTA passengers are able to 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 are 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





Introduction and SEPTA Profile

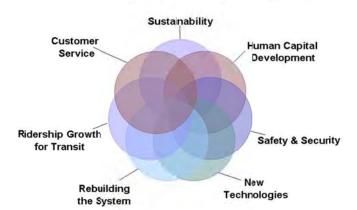


SEPTA Strategic Business Plan

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

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:

- 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 uses 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. In many areas, SEPTA has thrived. Ridership has steadily grown across all modes, in part a reflection of transit's increasing global recognition as an economically sensible and environmentally responsible choice for transportation. For SEPTA, ridership growth is also a trend that underscores the success of targeted customer initiatives designed to improve the "4 C's" of SEPTA's service: cleanliness, communication, courtesy, and convenience. Since 2008, customer satisfaction has improved by nearly 10 percent; formal commendations from passengers to SEPTA employees have increased by nearly 50 percent. The fourteen indicators are labeled on the following pages.

And yet, challenges remain. Funding from Act 44, which for two years was a reliable and sufficient source of dedicated funding, was cut by \$110 million – a 25 percent gap in SEPTA's capital budget. With the concurrent sunsetting of ARRA funds, SEPTA has been forced to defer dozens of capital projects indefinitely. Continued underinvestment in transit infrastructure will limit future progress.

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.





Listed below are the results for the 14 Strategic Business Indicators for the six month period January 1, 2012 to June 30, 2012:

FY	x-Month Report on C /2010-2014 Strategic I outheastern Pennsylv	Busin	ess Pl	an				ors	Strategic Business Plannina
No		Į		Corpo	rate Ol	jective		velopment	Notes
		Customer Service	Sustainability	Safety & Security	Ridership Growth for Transit	New Technologies	Rebuilding the System	Human Capital Development	Most Recent Reporting Period
1	Achieve system-wide on-time performance at 90%	×							Goal not achieved for reporting period: System-wide on-time performance increased by 0.4 percentage points in FY 2012 over FY 2011, and a full percentage point over the FY 2009 baseline of 88.7 percent.
2	Increase commendations by 20% per year	×							Goal achieved for reporting period: Commendations increased by 45.8 percent in FY 2012 over FY 2011. FY 2012 commendation totals are 88 percent above the FY 2009 baseline.
3	Reduce carbon footprint by 5% per year		x						Goal not achieved for reporting period: However, progress made, with CY 2011 GHG intensity improving by 4.4 percent per passenger mile, 2.6 percent per revenue vehicle hour, and 2.1 percent per revenue vehicle hour over CY 2010.
4	Achieve 90% of major TOD project deadlines within 90 days		x						Goal achieved for reporting period: Participation in station-area planning processes has encouraged :ransit-oriented development projects.
.5	Reduce accidents for customers and employees by 5% per year			x					Goal achieved for reporting period: SEPTA safety & security performance improved by more 33 percent in FY 2012 compared to FY 2011 based on an an index measure that equally weights each of the five indicators.
6	Increase customer satisfaction level relating to safety & security perception by 10%			x					Goal not reported during period: The next SEFTA Customer Satisfaction Survey will be conducted in November/December 2012.
7	Achieve 1% ridership growth per year				x				Goal achieved for reporting period: Ridership increased by 1.6 percent in FY 2012 over FY 2011.





No. Metric			Corpo	rate Ol	jective			Notes
	Customer Service	Sustainability	Safety & Security	Ridership Growth for Transit	New Technologies	Rebuilding the System	Human Capital Development	Most Recent Reporting Period
Introduce 1 new major service initiative per year to serve new markets				x				Goal achieved for reporting period: The City of Philadelphia received State and Feoeral funding to implement Transit Signal Priorty (TSP) measures on several transit corridors.
Introduce 1 new technology initiative per year for operational efficiencies					x			Goal achieved for reporting period: Control Center and Customer Service worked together on the successful development of the new alerts and advisories web page.
Achieve 90% of major deadlines within 90 days relating to new payment system					x			Goal achieved for reporting period: Each of nine (9) discrete deadlines have been met related to the New Payment Technologies program since the Notice to Proceed was issued on February 14, 2012.
Achieve 80% of all 11 major deadlines within 90 days of goal						×		Goal achieved for reporting period: 46 of 53 major project milestones met during FY 2012, a rate that is more than four percentage points higher than FY 2010 and FY 2011.
12 Introduce 5 new green technologies per year						x		Goal achieved for reporting period: Initiatives include: Partnerships with Waste Management, Inc. and Philadelphia International Airport to manage recyclable materials at City Transit locations and on Airport Line Platforms; Adopted Sustainability Stormwater Retrofits Program; Received FTA grants and EPA grant totaling \$22.64M for hybrid-electric buses and wayside energy storage and to power diesel locomotive engines with an emissions- reducing technology.
Achieve increased customer service training attendance by 5% per year							x	Goal achieved for reporting period: 332 of 1,853 supervisory, administrative, and management employees trained for FY2012, a 57 percent increase over the 212 trained in FY 2011.
Reduce turnover rate 14 by 10% for front-line employees							×	Goal achieved for reporting period. New hire operator turnover measured 14.8 percent for the six month period ending June 30, 2012, a 66 percent improvement over the baseline of 24.6 percent in FY 2009.

Introduction and SEPTA Profile



Population and Trends

Southeastern Pennsylvania has a population of 4.0 million and is the most populous region in the Commonwealth, representing nearly one-third (32 percent) of its population. SEPTA's service area covers the five county area's 2,202 square miles. With 1,821 people per square mile, Southeastern Pennsylvania is one of the densest regions in the United States.

According to the U.S. Census, the region has experienced strong growth since 1980, increasing by 8.9 percent over the period of three decades. Much of this population growth has occurred in Bucks, Chester, and Montgomery Counties. While the City of Philadelphia's population decreased by 9.6 percent between 1980 and 2000, in the most recent 10-year period between 2000 and 2010 the City recorded its first net population gain in 60 years. According to the Center City District (CCD), the growth of Center City Philadelphia was one significant reason for the City's population gain. Center City's population has increased by 10.2 percent since 2000 and 26 percent since 1990.

Southeastern Pennsylvania Population – U.S. Census (1980-2010)									
County	1980	1990	2000	2010	Δ ' 80- '10	%∆ '80-'10			
Bucks	479,211	541,174	597,635	625,249	146,038	30.5%			
Chester	316,660	376,396	433,501	498,886	182,226	57.5%			
Delaware	555,007	547,651	550,864	558,979	3,972	0.7%			
Montgomery	643,621	678,111	750,097	799,874	156,253	24.3%			
Philadelphia	1,688,210	1,585,577	1,517,550	1,526,006	(162,204)	(9.6%)			
Five-County Total	3,682,709	3,728,909	3,849,647	4,008,994	326,285	8.9%			

Source: US Census Bureau

The Delaware Valley Regional Planning Commission (DVRPC) projects that regional population growth will continue. Current projections indicate that from years 2010-2040, the five-county region will see overall population growth of 11.5 percent (net gain of 460,544 residents), reflecting expectations for double-digit growth in Bucks, Chester, and Montgomery Counties, and single-digit growth in Philadelphia and Delaware Counties.

Southeastern Pennsylvania Population Forecast – DVRPC (2010-2040)							
County	2010	2040 Forecast	Δ '10-'40	%∆ '10-'40			
Bucks	625,249	727,150	101,901	16.3%			
Chester	498,886	647,330	148,444	29.8%			
Delaware	558,979	569,982	11,003	2.0%			
Montgomery	799,874	894,487	94,613	11.9%			
Philadelphia	1,526,006	1,630,589	104,583	6.9%			
Five-County Total	4,008,994	4,469,538	460,544	11.5%			

Introduction and SEPTA Profile



Philadelphia Travel Trends

DVRPC data shows that for the first time since 1960, public transportation ridership entering and leaving Philadelphia's Central Business District is increasing, while highway volumes are decreasing. Public transportation trips have increased by ten percent over the last five years, while highway trips have declined by two percent. A significant reason for this shift in travel patterns to public transportation is growth in transit usage among residents and employees of Center City Philadelphia, where recent studies show that up to 70% of employees use SEPTA to access their Center City employment site from throughout the city and region.

Supporting this shift in travel patterns to public transportation is a predominance of zero-vehicle households. According to a 2011 Brookings Institution report, the Philadelphia-Camden-Wilmington Metropolitan Statistical Area (MSA) has the fourth largest share of zero-vehicle households of the largest 100 metropolitan areas in the United States. The 2000 U.S. Census also found that 35.7% of all households within the City of Philadelphia area do not have access to a vehicle. SEPTA provides a key source of mobility for these residents.

Zero-Vehicle Households, by Metropolitan Area

Metropolitan Area	Zero-Vehicle Households	Metropolitan Area Share
New York-Northern New Jersey-Long Island	2,093,861	28.0%
Chicago-Naperville-Joliet	399,927	5.3%
Los Angeles-Long Beach-Santa Ana	358,705	4.8%
Philadelphia-Camden-Wilmington	310,583	4.1%
Boston-Cambridge-Quincy	223,207	3.0%
San Francisco-Oakland-Freemont	195,997	2.6%
Washington-Arlington-Alexandria	193,558	2.6%

Economy

Center City Philadelphia is the largest center of commerce in the Commonwealth of Pennsylvania. Leisure and hospitality, education, and health care are among the fastest growing employment sectors within the city and region.

Transit oriented development is taking hold across the SEPTA service area. In 2005, the Cira Centre opened with a direct connection to 30th Street Station. The Comcast Center, adjacent to Suburban Station, opened in June 2008. Now, a \$48 million mixed use redevelopment project is being constructed adjacent to the Temple University Regional Rail Station. Together, these projects represent the increasing appeal of co-locating new development and major transit hubs in the five-county region.

DVRPC projects that employment growth will largely mirror regional population growth. Current projections indicate that from years 2005-2035, the five-county region will see overall employment growth of 12 percent (net gain of 241,472 jobs), reflecting expectations for double-digit growth in Bucks, Chester, and Montgomery Counties and single-digit growth in Philadelphia and Delaware Counties.



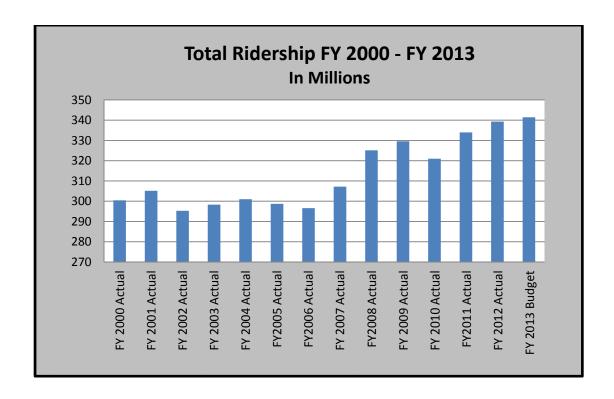
SEPTA Ridership and Operating Statistics

In Fiscal Year 2012, SEPTA experienced ridership growth across all Transit divisions. Compared to Fiscal Year 2011, average daily unlinked passengers increased by 1.6% in the City Transit Division, and 5.3% in Suburban Transit (Victory and Frontier Divisions).

The rising cost of fuel has had a favorable impact on SEPTA ridership during the past few years. This trend is expected to continue during Fiscal Year 2013.

SEPTA Fiscal Year 2012 Operating Facts						
Annual Unlinked Trips	339.3 Million					
Annual Passenger Miles	1.53 Billion					
Annual Revenue Vehicle Miles	97.8 Million					
Revenue Vehicles	2,750					
Fixed Routes	146					
Stations	280					
Number of Bus /Trolley Stops & Stations	13,775					

- ❖ Highest ridership in 23 years
- ❖ 32 million more annual trips taken in FY 2012 than in FY 2007



Introduction and SEPTA Profile



SEPTA Passengers

The following charts in this section serve to illustrate the typical SEPTA customer. The demographic data was recorded and compiled as part of the SEPTA 2010 Customer Satisfaction Survey. This survey was conducted between November 24, 2010 and December 29, 2010. During the survey period, 1,412 interviews were completed. Only persons aged 18 or older were interviewed during this process and all the exhibits represent SEPTA adult passengers.

The following outlines the criteria used for the survey:

- Conducted Phone Survey from November 24, 2010 to December 29, 2010
 - Random digit dialing across the region
 - > 5,053 Intercepts
- Interviewed 1,412 people, 1,009 riders and 403 non-riders
- Completed 2,659 sets of questions for riders and non-riders
- Organized survey questions around the 4Cs:
 - Communications
 - Cleanliness
 - Courtesy
 - Convenience

Survey Results

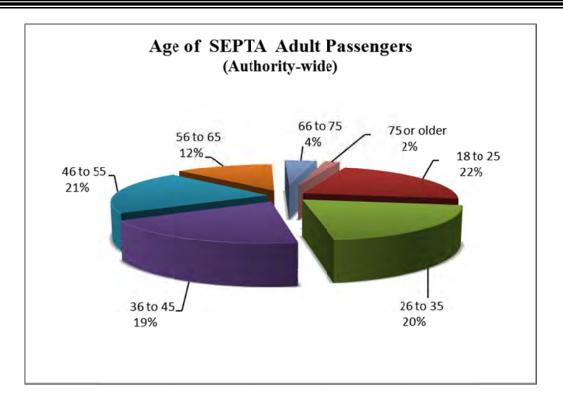
SEPTA riders experienced a higher overall satisfaction from the previous survey conducted in 2008. On a scale of 1 to 10, with 10 being most satisfied, the overall scores increased from 7.2 in 2008 to 7.9 in 2010, which reflects a 9.7 % increase.

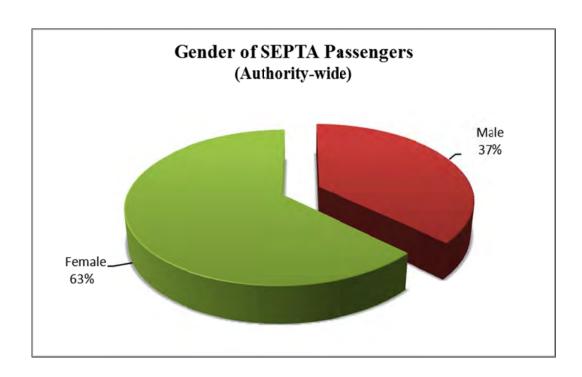
> The next survey will be conducted during December 2012 and these statistics will be updated once the data is compiled and the report complete.

Passenger Demographics

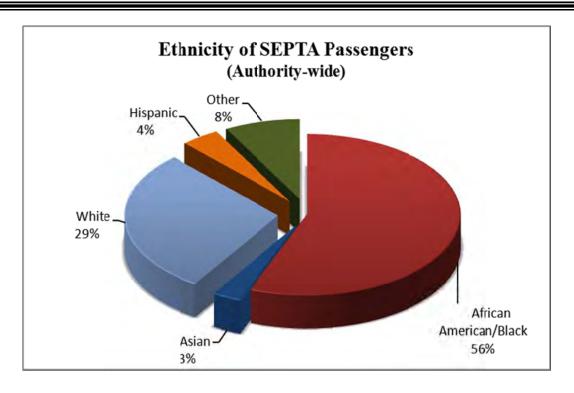
The following four charts in this section serve to illustrate the typical SEPTA customer, based on data recorded and complied from the 2010 Customer Satisfaction Survey.

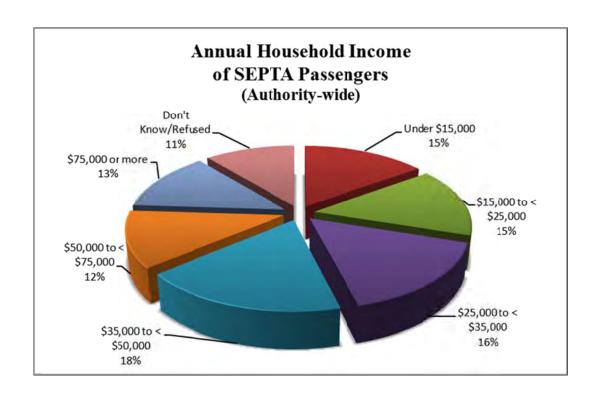












Summary of Assumptions



This document presents the Fiscal Year 2013 Operating Budget. The Fiscal Year 2011 and 2012 actual results are utilized for comparison throughout this budget document.

Service

The Fiscal Year 2013 Operating Budget of \$1.28 billion in operating expenses includes minor changes to transportation service as compared to Fiscal Year 2012.

Revenue

Passenger revenue is projected to grow an additional one percent in FY 2013. In addition, a decrease is projected in Shared Ride Revenue, Investment Income remains level and a slight increase is expected in Other Income, primarily driven by advertising income.

Expenses

Expenses total \$1.28 billion and reflect cost escalations in areas including prescription drugs, expenses incurred for other material and services and fuel. Propulsion is expected to remain level and a conversion to self-insurance status for healthcare is projected to yield savings and slow the growth of expense.

State and Local Subsidy

Fiscal Year 2013 state and local subsidy include 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%. Debt Service subsidy is funded by Section 1517, of the Trust Fund and Federal Capital Debt Service Subsidy. Leases are also partially funded by Section 1517, with the remainder being funded with Federal Capital Lease funds.

Federal Subsidy

Federal Preventive Maintenance for Fiscal Year 2013 will increase slightly. This category also includes Federal Capital Lease and Debt Service Subsidy of \$36 million.



Fiscal Year 2013 Consolidated Budget

Amounts in Thousands ('000)		FY 2013 Budget
REVENUE		
Passenger Revenue	\$	450,015
Shared Ride Program		19,416
Other Income		34,090
Investment Income		1,100
TOTAL OPERATING REVENUE	\$	504,621
EXPENSES		
Labor and Fringe Benefits	\$	897,116
Materials and Services		220,260
Injuries & Damage Claims		54,120
Propulsion Power		37,515
Fuel		48,946
Vehicle and Facility Rentals		2,586
OPERATING EXPENSE	\$	1,260,543
Depreciation/Contributed Capital	\$	22,183
TOTAL EXPENSES	\$	1,282,726
DEFICIT BEFORE SUBSIDY	\$	(778,105)
SUBSIDY SOURCE		
Federal	\$	72,065
State	•	615,757
Local		86,974
Other		3,309
TOTAL SUBSIDY	\$	778,105
SURPLUS/(DEFICIT)	\$	

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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 transportation 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 nonoperating 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 principles. 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, selling naming rights of transit stations, identifying opportunities to serve new markets and pursuing parking initiatives to increase ridership and parking revenue.

Fees and Charges

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

One-time Revenues

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

Unpredictable Revenues

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

Financial and Budgetary Policies



EXPENDITURE POLICIES

Accountability

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

The spending plan is based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done 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 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.

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 and Planning 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.

Debt Service

The Authority has two series of Revenue Refunding Bonds issued in 2007 and 2010, respectively, and a series of Capital Grant Receipts Bonds that were issued in 2011, currently outstanding. Additionally, in March 2012 the Authority entered into a loan agreement to fund the construction of its New Payment Technology project ("NPT").

Revenue Refunding Bonds

The Revenue Refunding 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 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

Financial and Budgetary Policies

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 March 2007, the Authority issued \$131.7 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 net proceeds of the 1997 bonds had been 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 October 2010, the Authority issued \$222.5 million Revenue Refunding Bonds, Series of 2010 due in varying amounts through 2028, with annual interest rates ranging from 2% to 5%. The net proceeds from the sale of the 2010 Bonds, together with other funds of the Authority, were used to (a) currently refund the outstanding principal amount of the 1999 Special Revenue Bonds, Series A and Series B, (b) fund the termination payments and accrued amounts payable in connection with the termination of certain swap agreements and, (c) fund certain costs and expenses incurred in connection with the issuance and sale of the 2010 Bonds. The net proceeds of the 1999 Bonds had been 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; refund \$73.2 million of the 1995A Bonds; 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.

Financial and Budgetary Policies

Capital Grant Receipts Bonds

On August 16, 2011, the Authority issued \$201.6 million of Capital Grant Receipts Bonds, Series 2011 due in varying amounts through 2029 with annual interest rates ranging from 3% to 5%. The net proceeds from the sale of the 2011 Capital Grant Receipts Bonds are being used to (a) finance the acquisition of 116 Silverliner V Regional Railcars, (b) finance the rehabilitation of Wayne Junction Intermodal Facility, (c) fund a deposit to the Debt Service Reserve Fund, and (d) fund certain costs and expenses in connection with the issuance and sale of the 2011 Bonds.

The Capital Grant Receipts Bonds, Series 2011 are limited obligations of the Authority and are payable solely from and secured solely by (I) all amounts received by the Authority from the "Grant Receipts", (II) amounts on deposit in certain funds and accounts established under the Indenture, including investment earnings thereon, and (III) any and all other moneys and securities furnished from time to time to the Trustee by the Authority. Grant Receipts consist of all amounts received by the Authority after the date of issuance of the 2011 Bonds from its share of FTA Section 5309 Fixed Guideway Modernization Formula Funds or its successor grant program, commencing October 1, 2011, and for each Federal Fiscal Year thereafter.

New Payment Technology Loan

On March 29, 2012, the Authority entered into an agreement with PIDC Regional Center LP XXVIII for a low cost, construction-like loan for an amount not to exceed \$175 million to fund the NPT project. The NPT project will modernize SEPTA's current fare payment system by allowing direct fare with a variety of contactless devices including debit cards, credit cards and smart phones. The loan was made available to SEPTA under guidelines of the U.S. Immigrant Investor Program, sponsored by the United States Citizenship and Immigration Services (USCIS).

Debt Service Requirements

Interest on the Series 2007 and Series 2010 Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2011 Bonds is payable semi-annually on December 1 and June 1. Interest payments on the NPT loan are payable semi-annually on January 1 and July 1 of each year. The aggregate debt service for all three bond issues and the May 31, 2012 outstanding balance related to the NPT loan, is listed on the following page on a fiscal year basis.



Debt Service Requirements (Amounts in Thousands)

			Total
Year Ending			Debt Service
June 30	Interest *	Principal	Requirements
2013	22,900	27,555	50,455
2014	21,684	28,730	50,414
2015	20,533	30,005	50,538
2016	19,377	31,180	50,557
2017	17,991	36,590	54,581
2018	16,469	34,075	50,544
2019	14,898	35,670	50,568
2020	13,175	37,455	50,630
2021	11,391	31,700	43,091
2022	9,891	33,230	43,121
2023	8,265	22,185	30,450
2024	7,155	23,300	30,455
2025	5,990	24,460	30,450
2026	4,777	25,670	30,447
2027	3,493	26,960	30,453
2028	2,145	27,050	29,195
2029	798	<u>16,270</u>	<u>17,068</u>
TOTAL	\$ 200,932	\$ 492,085	\$ 693,017

^{*} Interest on the Series 2007 Bonds is a synthetic fixed 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					
Amounts in thousands ('000)						
		FY 2011		FY 2012		FY 2013
Contributed Capital:		Actual		Actual		Budget
Balance at Beginning of Year	\$	3,392,893	\$	3,439,627	\$	3,365,123
Capitalized Grant Property		323,744		236,217		347,185
Capitalized Grant Property - Retirements		(24,824)		(13,513)		(28,380)
Amortization		(302,328)		(310,721)		(293,171)
Amortization - Retirements		50,142		13,513		40,769
Contributed Capital Balance at End of Year	\$	3,439,627	\$	3,365,123	\$	3,431,526
Operating Surplus/(Deficit):						
Accumulated Operating (Deficit)	\$	(194,022)	\$	(185,693)	\$	(183,442)
>at Beginning of the Year						
Operating Surplus		322		491		-
Investment Gain/(Loss) re: SWAPS	_	8,007		1,760		<u> </u>
Operating Surplus/(Deficit)	\$	8 ,32 9	\$	2,251	\$	-
>after Investment Gain/Loss						
Accumulated Operating Deficit at End of Year	\$	(185,693)	\$	(183,442)	\$	(183,442)
Total Equity (excludes OPEB)	\$	3,253,934	\$	3,181,681	\$	3,248,084

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 February or March.

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 Schedule of Key Activities

December 2011

- •Schedule Public Hearings (December 1, 2011- December 9, 2011)
- Meetings with SEPTA's operating and staff departments (December 15, 2011 January 27, 2012)

January

- Develop overall and department projections (January, 2012)
- Develop draft service projection based on current service (January, 2012)
- •FY 2012/2013 Budget Update Presentation to GM Team (January 26, 2012)

February/ March

- Adjust overall and departmental projections (February 1, 2012 February 15, 2012)
- Revise projections as necessary based on Cut 1 (February 15, 2012)
- Operating and Staff Divisions submit budget data to Budget Department for review (February 17, 2012 -March 30, 2012)
- Budget submissions reviewed by Budget Department (February 17, 2012 March 30, 2012)

March 2012

- Public hearing notice to press relations (March 1, 2012)
- Review first draft of FY 2013 Operating Budget Proposal (March 8, 2012)
- Public hearing notice published/Location Postings/RICB Broadcast/Internet Posting/Distribution (March 8, 2012)
- Publish and Distribute FY 2013 Operating Budget Proposal (March 16, 2012)
- •Period for public comments begins (March 16, 2012)
- Distribute preliminary budget authorization letters to all Staff and Operating Departments (March 23, 2012)

April

- Prepare public hearing testimony (April 11, 2012)
- Public Hearings in City of Philadelphia and suburban counties (April 16, 2012 April 20, 2012)
- •Period for public comments ends (April 27, 2012)

May 2012

- •Report from Hearing Examiner (May 4, 2012)
- •SEPTA Board Budget Committee Briefing (May 17, 2012)
- •SEPTA Board adopts budget (May 24, 2012)

June to August • Finalize and consolidate MPC budget data (June 1, 2012 - August 10, 2012)

July to August • Preparation of Final FY 2013 Operating Budget Book (July 1, 2012 – August 31, 2012)

2012

September 2012

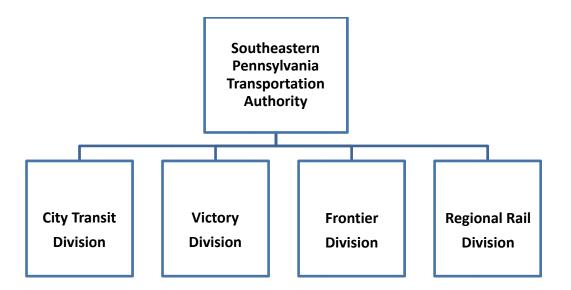
• Publish and Distribute Final FY 2013 Operating Budget Book (September 5, 2012)

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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 75 bus routes, 6 light rail (trolley) lines, 3 trackless trolley lines and 2 subway-elevated lines.

Victory Division

The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware and Montgomery Counties. Also known colloquially as the Red Arrow Division, the Victory Division is comprised of 21 bus routes, 2 light rail (trolley) lines and the Norristown High Speed Line.

Frontier Division

The Frontier Division consists of 23 bus routes serving Bucks, Chester 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 Railroad 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

Bus Vehicle Engineering and Maintenance Control Center Customized Community Transportation Labor Relations Operation Administration Rail Transportation Rail Vehicle Engineering and Maintenance Surface Transportation Transit Police

AUDIT, SAFETY AND INVESTIGATIVE SERVICES DIVISION

Internal Audit
Office of the Inspector General
System Safety and Risk Management

BUSINESS SERVICES DIVISION

Administration
Information Technology
Procurement and Supply Chain Management
Disadvantaged Business Enterprise Program

CUSTOMER SERVICE AND ADVOCACY DIVISION

Administration
Communications/Advocacy
Customer Development
Customer Service

ENGINEERING, MAINTENANCE AND CONSTRUCTION DIVISION

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

Operating and Staff Departments



FINANCE AND PLANNING DIVISION

Capital Budget and Grant Development Financial Services General Accounting Operating Budget Payroll Revenue, Ridership and Sales Service Planning Strategic Planning and Analysis

HUMAN RESOURCES DIVISION

Employee Services
Equal Employment Opportunity/Affirmative Action
Human Resources Administration
Recruitment and Talent Management
Training
Workers' Compensation

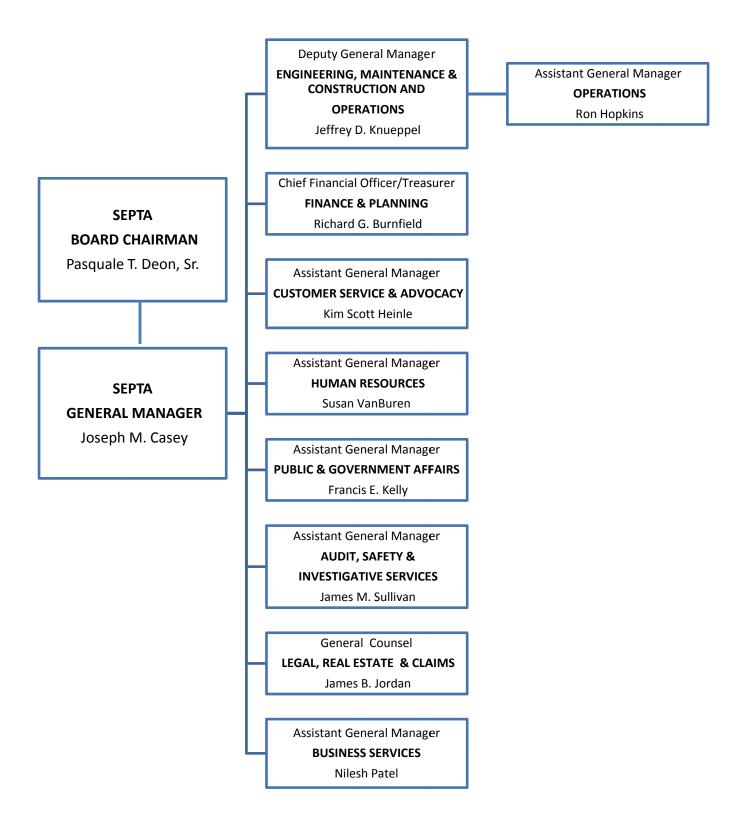
LEGAL, REAL ESTATE AND CLAIMS DIVISION

Corporate
Commerce and Regulatory
Litigation
Real Estate
Claims

PUBLIC AND GOVERNMENT AFFAIRS DIVISION

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







INTRODUCTION

SEPTA has developed a series of goals for measurement of safety, customer satisfaction, and financial performance. These are described within this 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.

FINANCIAL PERFORMANCE MEASURES

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 and availability of sufficient capital funding. Below are reported performance measures:

Measure	Goal
Operating Cost Per Passenger	The Authority proposes to provide a cost not to exceed \$3.76 per unlinked passenger trip.
Operating Subsidy Per Passenger	The Authority proposes to provide overall service operating subsidy not to exceed \$2.28 per unlinked passenger trip.
Cost Per Vehicle Mile	The Authority proposes to achieve an average cost for delivery of service not to exceed \$13.00 per vehicle mile.



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. Fiscal 2011's financial results will be approved for action in Fiscal Year 2013. City Transit Division's average was 36% and the substandard performance mark was 22%.

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. Fiscal 2011's financial results will be approved for action in Fiscal Year 2013. Suburban Transit Division's average was 25.4% and the substandard performance mark was 15%.

Regional Rail 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 Regional Rail 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. Fiscal 2011's financial results will be approved for action in Fiscal Year 2013. Railroad Division's average was 49% and the substandard performance mark was 29%.



PRODUCTIVITY GOALS

Measure	Goal
Total Ridership	The Authority's goal is to carry at least 341.5 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 718,300 trips for Philadelphia and 315,400 trips for the suburban counties for Fiscal Year 2013. For the Shared Ride Program, 765,000 trips are projected for Fiscal Year 2013.

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.

Measure	Goal					
Vehicle Miles Per Employee	The Authority seeks to achieve at least 10,345 vehicle miles per employee. This goal includes miles in contracted services; Shared Ride and ADA Paratransit.					
Passenger Miles Per Employee	The Authority goal is to realize at least 159,265 passenger miles per employee.					
Passenger Accidents	The Authority goal is to incur no more than 4.94 reported passenger accidents per 100,000 vehicle miles of service for City Transit Bus Operations and no more than .08 for Regional Rail. All other modes are listed on the following page.					
Employee Accidents	The Authority goal is to experience less than 5.62 employee lost time accidents per 200,000 work hours.					



SAFETY GOALS

Safety related goals are developed and monitored by the System Safety and Risk Management Department. The safety goals for Fiscal 2013 were developed with targeted improvement. For comparison purposes in this document, SEPTA utilizes 12 months of actual data from Fiscal Year 2011 and Budgeted Goals for Fiscal Year 2012 as the benchmark period for the reporting of safety goals.

Passenger Accidents Per 100,000 Miles								
	Fiscal Year 2010 Actual	Fiscal Year 2013 Goal						
Surface Transportation								
City Division Bus	2.70	5.12	4.95	4.80				
City Division Trackless Trolley	2.43	4.95	6.55	4.80				
Victory Bus	3.49	4.22	4.23	4.00				
Frontier Bus	1.18	1.06	1.65	1.03				
Regional Rail	.23	.08	.02	.01				
Subway/Light Rail								
Broad Street Line	.85	.91	.37	.35				
Market-Frankford Line	.49	1.22	.75	.70				
Norristown High Speed Line	.11	.00	.00	.00				
Callowhill Light Rail	11.24	3.28	3.01	3.00				
Elmwood Light Rail	2.00	2.81	1.42	1.40				
Media/ Sharon Hill Line	4.34	4.26	5.74	5.00				

Station Accidents Per 100,000 Passengers									
	Fiscal Fiscal Fiscal Fiscal Year 2010 Year 2011 Year 2012 Year 2013 Actual Actual Goal								
Regional Rail	2.25	.76	0.0	.25					
Subway/Light Rail									
Broad Street Line	.44	.67	.98	.65					
Market-Frankford Line	.97	1.37	1.20	1.20					
Norristown High Speed Line	.00	.00	.00	.00					



Vehicular Accidents Per 100,000 Miles								
	Fiscal Year 2010 Actual	Fiscal Year 2013 Goal						
Surface Transportation								
City Division Bus	7.87	8.81	6.96	6.56				
City Division Trackless Trolley	7.18	7.69	7.30	7.30				
Victory Bus	3.93	4.31	3.11					
Frontier Bus	1.15	1.32	1.20	1.12				
Regional Rail	.42	.15	.04	.00				
Subway/Light Rail								
Broad Street Line	.05	.04	.03	.01				
Market-Frankford Line	.01	.04	.02	.01				
Norristown High Speed Line	.00	.00	.00	.00				
Callowhill Light Rail	24.62	11.39	13.93	13.00				
Elmwood Light Rail	6.04	5.59 3.52		3.50				
Media/ Sharon Hill Line	6.25	7.45	5.92	5.90				

Employee Lost Time Injuries Per 200,000 Work Hours								
	Fiscal Year 2010 Actual	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Goal				
Surface Transportation	6.69	7.14	7.34	7.00				
Engineering, Maintenance & Construction	4.46	4.44	5.49	4.24				
Regional Rail	8.40	9.72	9.13	9.10				
Subway/Light Rail	3.97	3.76	3.46	3.46				
Non-Operations	1.80	2.53	1.61	1.61				



STAFFING RATIOS

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.

Operating Employees Ratio to Administrative Employees

The Fiscal Year 2013 goal will continue as one administrative employee for every 20 operating employees at the proposed expense level of \$1.28 billion. In computing this ratio, operating employees include all employees contained within the Operations Division as well as employees involved in fare media sales and distribution, operations trainers, and Customer Service Agents in the Business Services Division.

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.

Minimum Vehicles Per Mechanic								
	Fiscal Year 2010 Actual	Fiscal Year 2013 Goal						
Bus & Trackless Trolley	3.2	3.2	3.0	3.0				
Trolley - Subway-Surface & Route 15	1.5	1.5	1.6	1.6				
Market-Frankford Line	3.4	3.5	4.0	4.0				
Broad Street Line	2.3	2.0	1.9	2.5				
Media-Sharon Hill Line	1.4	1.3	1.3	1.3				
Norristown High Speed Line	1.7	1.7	1.7	1.7				
Regional Rail	1.5	1.5	1.6	1.6				



SERVICE DELIVERY GOALS AND MEASURES

On-Time Performance

Adherence to schedule is an important part of the Authority's delivery of quality public transportation service. Although weather, maintenance work, and unanticipated activities by third parties make it nearly impossible to achieve 100% service reliability, service dependability is a key operational objective. For all transit modes except the commuter railroad, a vehicle may arrive 4 minutes and 59 seconds after its scheduled arrival time and still be considered "on-time." For railroad operations, the Authority follows the industry standard that a train or vehicle may arrive 5 minutes and 59 seconds after its scheduled time and still be considered "on-time." Three years of on-time performance data appear below, with the Fiscal Year 2013 goal:

On-Time Performance								
	Fiscal Year 2010 Actual	Fiscal Year 2013 Goal						
Surface Transportation								
City/Suburban Bus	76.3%	75.1%	76.6%	79.7%				
Victory Bus	75.0%	76.0%	75.8%	78.0%				
Rail Transportation								
Light Rail	72.2%	74.6%	76.2%	79.0%				
Media-Sharon Hill Line	90.5%	90.1%	90.6%	94.0%				
Norristown High Speed Line	99.7%	99.7%	99.8%	99.9%				
Broad Street Line	99.0%	98.8%	98.8%	99.0%				
Market-Frankford Line	97.6%	97.8%	98.0%	99.0%				
Regional Rail	88.9%	89.3%	88.2%	92.0%				



Mean Distance Between Failure (MDBF)

This is a measure of reliability often used in both rail and roadway transportation. The measure expresses the average distance (in miles) travelled by a bus or a rail vehicle before preventive maintenance or repairs are required. A table illustrating the Mean Distance Between Failure rates and Fiscal Year 2013 goals for all SEPTA transportation modes follows:

Mean Distance Between Failure (in miles)								
	Fiscal Year 2010 Actual	Fiscal Year 2013 Goal						
Surface Transportation								
City/Suburban Bus	7,066	8,753	9,283	10,875				
Rail Transportation								
Trolley - Subway-Surface & Route 15	5,963	5,431	6,718	7,500				
Media-Sharon Hill Line	15,892	22,372	26,624	27,000				
Norristown High Speed Line	32,211	34,099	37,803	38,000				
Broad Street Line	123,883	150,370	151,314	160,000				
Market-Frankford Line	71,107	76,373	76,311	80,000				
Regional Rail	42,828	38,965	48,956	50,000				



CUSTOMER STATISFACTION

The 2010 Customer Satisfaction Survey was conducted during calendar year 2010. A total of 2,659 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 to travel throughout the region.

Mode of Transportation	Interviews Conducted	Weighted Average 0 to 10 Satisfaction 0 = Worst
All SEPTA	2,256	7.9
Broad Street Subway	402	8.0
Market-Frankford Line	406	8.2
City Bus and Trackless	414	7.4
City Light Rail	209	7.8
Suburban Light Rail	201	8.2
Frontier Bus	74	7.5
Victory Bus	148	7.6
Regional Rail	402	7.9

Relating to SEPTA service in general, 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:

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 several years.

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Fiscal Year 2011 and 2012 Consolidated Actual Fiscal Year 2013 Consolidated Budget

Amounts in thousands ('000)	_	FY 2011 Actual		FY 2012 Actual		FY 2013 Budget	,	Y 2013 versus Y 2012
REVENUE								
Passenger Revenue	\$	437,953	\$	445,559	\$	450,015	\$	4,456
Shared Ride Program		20,130	•	19,225	-	19,416	•	191
Other Income		30,703		30,831		34,090		3,259
Investment Income	_	2,495		551		1,100		549
TOTAL OPERATING REVENUE	\$	491,281	\$	496,166	\$	504,621	\$	8,455
EXPENSES								
Labor and Fringe Benefits	\$	824,343	\$	855,790	\$	897,116	\$	41,326
Materials and Services		214,388		218,128		220,260		2,132
Injuries & Damage Claims		50,085		58,534		54,120		(4,414)
Propulsion Power		35,256		35,518		37,515		1,997
Fuel		39,860		42,025		48,946		6,921
Vehicle and Facility Rentals		2,443	_	2,625		2,586		(39)
OPERATING EXPENSE	\$	1,166,375	\$	1,212,620	\$	1,260,543	\$	47,923
Depreciation/Contributed Capital	\$	18,176	<u>\$</u>	19,642	\$	22,183	\$	<u> 2,541</u>
TOTAL EXPENSES	\$	1,184,551	\$	1,232,262	\$	1,282,726	\$	50,464
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(693,270)	\$	(736,096)	<u>\$</u>	(778,105)	<u>\$</u>	(42,009)
OPERATING SUBSIDY								
Federal	\$	67,874	\$	68,956	\$	72,065	\$	3,109
State		543,717		581,975		615,757		33,782
Local		78,780		82,263		86,974		4,711
Other		3,221	_	3,393		3,309		(84)
TOTAL SUBSIDY	\$	693,592	\$	736,587	\$	778,105	\$	41,518
SURPLUS/(DEFICIT)	<u>\$</u>	322	<u>\$</u>	491	\$		\$	(491)



Fiscal Year 2011 and 2012 City Division Actual Fiscal Year 2013 City Division Budget

Amounts in thousands ('000)	_	FY 2011 Actual		FY 2012 Actual		FY 2013 Budget	,	Y 2013 versus Y 2012
<u> </u>								
REVENUE	\$	275 020	Ļ	202 610	Ļ	207.017	ç	2 200
Passenger Revenue	\$	275,828	\$	283,619	\$	287,017	\$	3,398
Shared Ride Program Other Income		20,130		19,225		19,416		191
		16,868		16,813		18,198		1,385
Investment Income	_	1,542		385		500		115
TOTAL OPERATING REVENUE	\$	314,368	\$	320,042	\$	325,131	\$	5,089
EXPENSES								
Labor and Fringe Benefits	\$	566,769	\$	583,154	\$	618,161	\$	35,007
Materials and Services		125,038		124,121		119,030		(5,091)
Injuries & Damage Claims		44,686		41,342		45,982		4,640
Propulsion Power		14,922		15,682		16,165		483
Fuel		32,011		33,342		38,557		5,215
Vehicle and Facility Rentals		1,797		1,990	_	1,876		(114)
OPERATING EXPENSE	\$	785,223	\$	799,631	\$	839,771	\$	40,140
Depreciation/Contributed Capital	<u>\$</u>	12,739	\$	12,572	\$	12,831	<u>\$</u>	259
TOTAL EXPENSES	\$	797,962	\$	812,203	\$	852,602	\$	40,399
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(483,594)	<u>\$</u>	<u>(492,161)</u>	<u>\$</u>	(527,471)	<u>\$</u>	(35,310)
OPERATING SUBSIDY								
Federal	\$	40,234	\$	24,608	\$	25,814	\$	1,206
State		387,707	•	408,493	•	437,534	•	29,041
Local		54,531		57,961		62,457		4,496
Other		1,347		1,444		1,666		222
TOTAL SUBSIDY	\$	483,819	\$	492,506	\$	527,471	\$	34,965
SURPLUS/(DEFICIT)	<u>\$</u>	225	\$	345	\$		\$	(345)



Fiscal Year 2011 and 2012 Victory Division Actual Fiscal Year 2013 Victory Division Budget

Amounts in thousands ('000)	FY 2011 Actual			FY 2012 Actual		FY 2013 Budget	FY 2013 versus FY 2012	
REVENUE								
Passenger Revenue	\$	21,241	\$	21,801	\$	22,018	\$	217
Shared Ride Program		-		_		_		-
Other Income		2,119		1,867		2,436		569
Investment Income		119	_	33		50	_	17
TOTAL OPERATING REVENUE	\$	23,479	\$	23,701	\$	24,504	\$	803
EXPENSES								
Labor and Fringe Benefits	\$	58,492	\$	61,517	\$	63,637	\$	2,120
Materials and Services		15,279		16,286		16,611		325
Injuries & Damage Claims		2,730		5,230		4,305		(925)
Propulsion Power		1,382		1,412		1,450		38
Fuel		4,571		4,781		5,623		842
Vehicle and Facility Rentals		107		104		118		14
OPERATING EXPENSE	\$	82,561	\$	89,330	\$	91,744	\$	2,414
Depreciation/Contributed Capital	\$	217	\$	189	\$	192	\$	3
TOTAL EXPENSES	\$	82,778	\$	89,519	\$	91,936	\$	2,417
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(59,299)	<u>\$</u>	(65,818)	<u>\$</u>	(67,432)	<u>\$</u>	(1,614)
OPERATING SUBSIDY								
Federal	\$	5,522	\$	3,496	\$	3,491	\$	(5)
State		46,677		54,094		55,614		1,520
Local		7,115		8,236		8,327		91
Other		114		42				(42)
TOTAL SUBSIDY	\$	59,428	\$	65,868	\$	67,432	\$	1,564
SURPLUS/(DEFICIT)	\$	129	\$	50	\$		\$	(50)



Fiscal Year 2011 and 2012 Frontier Division Actual Fiscal Year 2013 Frontier Division Budget

A manufaction the aureau de (1990)	FY 2011 Actual			FY 2012 Actual		FY 2013 Budget	FY 2013 versus FY 2012	
Amounts in thousands ('000)								
REVENUE								
Passenger Revenue	\$	5,535	\$	5,835	\$	5,880	\$	45
Shared Ride Program		-		-		-		-
Other Income		568		627		681		54
Investment Income		35		10		10		
TOTAL OPERATING REVENUE	\$	6,138	\$	6,472	\$	6,571	\$	99
EXPENSES								
Labor and Fringe Benefits	\$	22,598	\$	24,100	\$	23,933	\$	(167)
Materials and Services		2,507		2,444		2,766		322
Injuries & Damage Claims		1,109		1,303		1,421		118
Propulsion Power		-		-		-		-
Fuel		3,051		3,431		4,109		678
Vehicle and Facility Rentals		38		38		45		7
OPERATING EXPENSE	\$	29,303	\$	31,316	\$	32,274	\$	958
Depreciation/Contributed Capital	\$	49	\$	48	\$	<u>52</u>	\$	4
TOTAL EXPENSES	\$	29,352	\$	31,364	\$	32,326	\$	962
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(23,214)	<u>\$</u>	(24,892)	<u>\$</u>	(25,755)	<u>\$</u>	(863)
OPERATING SUBSIDY								
Federal	\$	1,781	\$	1,269	\$	1,296	\$	27
State		17,783		19,626		20,638		1,012
Local		2,744		2,992		3,090		98
Other		916		1,024		731		(293)
TOTAL SUBSIDY	\$	23,224	\$	24,911	\$	25,755	\$	844
SURPLUS/(DEFICIT)	\$	10	\$	19	\$	_	\$	(19)



Fiscal Year 2011 and 2012 Regional Rail Division Actual Fiscal Year 2013 Regional Rail Division Budget

Amounts in thousands ('000)	FY 2011 Actual			FY 2012 Actual		FY 2013 Budget	FY 2013 versus FY 2012		
Amounts in thousands (000)									
REVENUE									
Passenger Revenue	\$	135,349	\$	134,304	\$	135,100	\$	796	
Shared Ride Program		_		_		_		-	
Other Income		11,248		11,524		12,775		1,251	
Investment Income		799	_	123	_	540		417	
TOTAL OPERATING REVENUE	\$	147,396	\$	145,951	\$	148,415	\$	2,464	
EXPENSES									
Labor and Fringe Benefits	\$	176,484	\$	187,019	\$	191,385	\$	4,366	
Materials and Services		71,564		75,277		81,853		6,576	
Injuries & Damage Claims		1,560		10,659		2,412		(8,247)	
Propulsion Power		18,952		18,424		19,900		1,476	
Fuel		227		471		657		186	
Vehicle and Facility Rentals	_	501	_	493		547		54	
OPERATING EXPENSE	\$	269,288	\$	292,343	\$	296,754	\$	4,411	
Depreciation/Contributed Capital	<u>\$</u>	<u>5,171</u>	\$	6,833	\$	9,108	\$	2,275	
TOTAL EXPENSES	\$	274,459	\$	299,176	\$	305,862	\$	6,686	
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(127,063)	<u>\$</u>	(153,225)	<u>\$</u>	(157,447)	<u>\$</u>	(4,222)	
OPERATING SUBSIDY									
Federal	\$	20,337	\$	39,583	\$	41,464	\$	1,881	
State	·	91,550	•	99,762	•	101,971	•	2,209	
Local		14,390		13,074		13,100		26	
Other		844	_	883	_	912		29	
TOTAL SUBSIDY	\$	127,121	\$	153,302	\$	157,447	\$	4,145	
SURPLUS/(DEFICIT)	<u>\$</u>	58	\$	77	\$		\$	(77)	

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Financial Projections Summary of Assumptions

With the passage of Act 44 of 2007, the Commonwealth of Pennsylvania created the Public Transportation Trust Fund. This legislation promised to end years of uncertainty with regard to SEPTA's operating subsidy. The growth potential of the new funding initially allowed SEPTA to project balanced budgets for the foreseeable future. However, subsidy levels have remained constant or declined since the Pennsylvania Turnpike Commission was unable to obtain approval to begin tolling Interstate 80 and a suitable alternative has yet to be found to fund statewide highway and public transportation systems. The problem is further exacerbated by state tax receipts, which have also not grown as originally expected. SEPTA projects that expenses will exceed available subsidy in Fiscal Year 2014 through 2018 unless an alternate source of funding is identified.

Passenger Revenue

The revenue growth for Fiscal Year 2013 includes the effect and continuation of ridership growth. Additional fare increases are projected for Fiscal Years 2014 and 2018.

Other Revenue

This revenue category is forecast to grow by approximately 10% over the five-year period. Income from advertising, parking lot fees, station naming rights and right-of-way leasing for fiber optics is reflected in this category. Investment income is also included.

Expenses

Due to historical and national trends, healthcare, prescription drug coverage, and other fringe benefit costs are forecast to rise at a rate twice that of general inflation. SEPTA has begun medical self-insurance effective August 1, 2012 to mitigate the effects of rising health insurance expense.

The Other Expense categories anticipate third party supplier's price increases. SEPTA has a one-year diesel fuel hedge contract in place for the entire fiscal year through June 30, 2013. Injury and Damages continues to be a challenge, as claims increase.

Subsidy

The subsidy categories reflect the anticipated growth potential of the Public Transportation Trust Fund and other subsidy sources. Subsidy growth is discussed in detail in the Operating Subsidy Section of this document.



Financial Projections Summary of Assumptions

Amounts in thousands ('000)		FY 2013 Budget		FY 2014 Projection		FY 2015 Projection		FY 2016 Projection		FY 2017 Projection		FY 2018 Projection
REVENUE			Fa	are Increase					Fa	are Increase		
Passenger Revenue	\$	450,015	\$	483,318	\$	490,567	\$	497,926	\$	545,826	\$	554,014
Shared Ride Revenue		19,416		19,610		19,806		20,004		20,205		20,407
Other Income	_	35,190		35,894		36,612		37,344		38,091		38,853
TOTAL OPERATING REVENUE	\$	504,621	\$	538,822	\$	546,986	\$	555,274	\$	604,122	\$	613,273
EXPENSES												
Labor	\$	543,689	\$	560,000	\$	576,800	\$	594,104		611,927		630,285
Fringe Benefits		353,427		374,194		393,219		412,700		433,200		454,800
Materials and Services		220,260		226,868		233,674		240,684		250,311		260,324
Injuries & Damage Claims		54,120		55,908		57,585		59,313		61,092		62,925
Propulsion Power		37,515		38,078		39,220		40,397		41,609		42,857
Fuel		48,946		49,925		50,923		51,942		52,981		54,040
Other Expenses	_	24,769		25,512	_	26,277	_	27,066	_	27,878	_	28,714
TOTAL EXPENSES	\$	1,282,726	\$	1,330,484	\$	1,377,699	\$	1,426,205	\$	1,478,997	\$	1,533,944
DEFICIT BEFORE SUBSIDY	\$	(778,105)	\$	(791,662)	\$	(830,713)	<u>\$</u>	(870,931)	<u>\$</u>	(874,875)	<u>\$</u>	(920,671)
OPERATING SUBSIDY												
Federal	\$	72,065	\$	72,786	\$	73,514	\$	74,249	\$	74,991	\$	75,741
State	Ψ	615,757	Ψ	593,638	Ψ	579,729	Ψ	590,446	Ψ	601,477	Ψ	612,829
Local		86,974		83,830		81,927		83,531		85,182		86,882
Other		3,309		3,309		3,309	_	3,309	_	3,309	_	3,309
TOTAL SUBSIDY	\$	778,105	\$	753,563	\$	738,479	\$	751,535	\$	764,959	\$	778,761
SURPLUS/(DEFICIT)	<u>\$</u>		<u>\$</u>	(38,099)	<u>\$</u>	(92,234)	<u>\$</u>	(119,396)	\$	(109,916)	\$	(141,910)

Annual Service Plan Overview



The Fiscal Year 2013 Annual Service Plan describes the service proposals suggested by the general public, government agencies, elected officials and Authority staff, and presents the technical and financial analyses to determine whether the proposals merit implementation. The Plan includes items for two operating divisions – City and Suburban Transit. There are no proposals for the Regional Rail Division (RRD).

Listed below are the recommended projects and descriptions included in SEPTA's FY 2013 Annual Service Plan. A Community Benefit Analysis has been performed for all projects. The SEPTA Board approved the FY 2013 Annual Service Plan as proposed, at the May 24, 2012 meeting. Projects will be implemented beginning with the Fall 2013 schedule change.

City Transit Operations

- ➤ Routes 56 and R Service to Baker's Centre Shopping Complex
- Route 88 Discontinue poorly patronized Late Night Trips

Suburban Transit Operations

- ➤ Route 90 Routing revision to serve Einstein Medical Center in East Norriton
- Route 92 Routing revision in the West Chester area to streamline service
- Route 114- Routing revision in Chester City and Chester Township

The Post Implementation Review section of the Annual Service Plan discusses items which were initiated through the Annual Service Plan process and have been operating for at least one year. The following projects are presented in the FY 2013 Plan although some will require further evaluation:

Route C (Now Routes 4 & 16) – Extension to AT&T Station, Routes 43 and 52 – Parkside Rerouting; Route 44 – Cynwyd Spur; Route 79 – Extension to Pier 70; Route 97 changes; Greater Ardmore Area Service Evaluation; Changes to Routes 93, 95, 98 and 139; Changes to Routes 93 and 139; Changes to Routes 95 and 98; Route 112 split into Routes 112 and 126; Route 115 rerouting to Delaware County Community College; Route 119 routing and schedule adjustments; Bucks County Route Rationalization (Routes 127, 130 and 133.)





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.

Passenger Revenue

The Fiscal Year 2013 Operating Budget includes passenger revenue of \$450 million, which includes the effect and continuation of ridership increases experienced in which annual ridership has increased by more than 32 million trips over the last five years: Fiscal Year 2012 compared to Fiscal Year 2007.

Shared Ride Program

SEPTA assumed responsibility for the operation of the state funded Shared Ride Program in the City of Philadelphia during Fiscal Year 1993. This year, the program is budgeted at \$19.4 million. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging, and Shared Ride fares. In Fiscal Year 2013, the Authority projects a total of 765,000 shared ride trips.

Other Income

Other revenue includes real estate lease income, parking lot fees, advertising income, station naming rights and income from scrap sales. Total projected revenue for this category is \$34.1 million. Advertising income is budgeted to grow by approximately 13% compared to Fiscal Year 2012 due to various initiatives including; website advertising, exterior advertising on Regional Rail cars, billboard rentals and station naming rights. Income from the sale of scrap is projected to grow by over 25% primarily due to the sale of SEPTA's Silverliner II and III railcars, as the Authority completes the delivery of new Silverliner V railcars

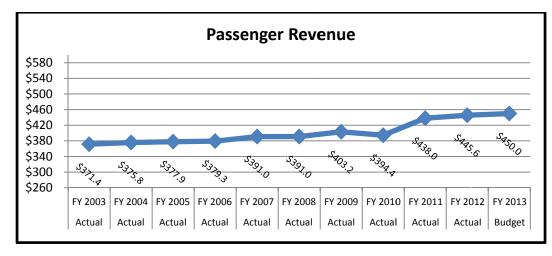
Investment Income

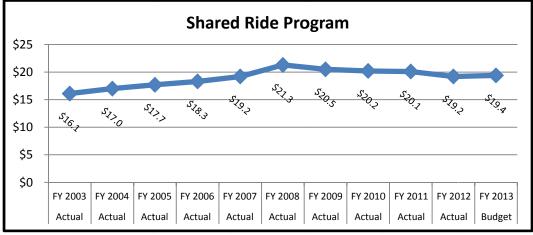
Investment Income is budgeted at \$1.1 million for Fiscal Year 2013. Investment income results are tied directly to the financial market conditions.

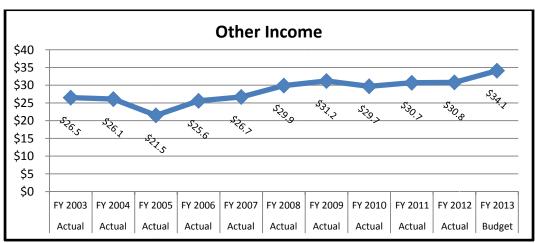


The Authority analyzes a number of factors that affect the Operating Revenue budget. This includes an examination of national, state and local demographic, economic, travel and development trends. In addition, SEPTA evaluates current and potential service levels and other factors affecting ridership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

In Millions

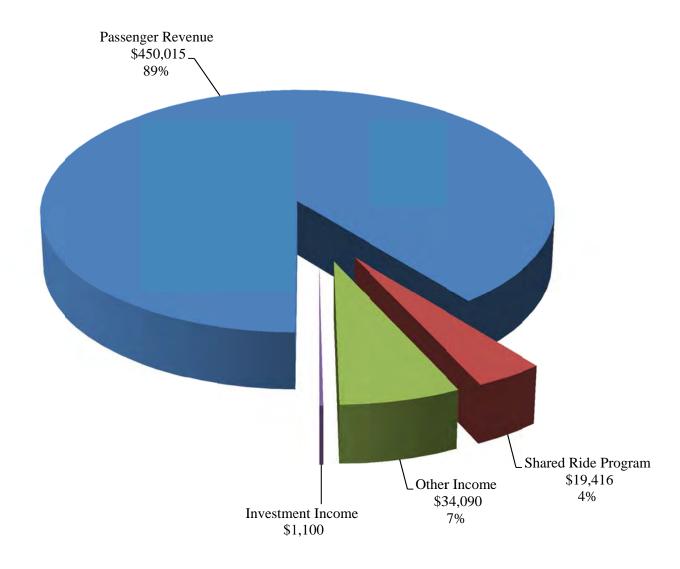








TOTAL OPERATING REVENUE = \$504,621In Thousands



Subsidy Allocation and Detail



Introduction

Total subsidies in the Fiscal Year 2013 Operating Budget Proposal represent \$778.1 million and include the following categories: Federal, State, Local, and Other.

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 2013, the total Federal Subsidy covers only 5.6% of the total budgeted operating expenses. The source of this subsidy is Federal Preventive Maintenance in the amount of \$36 million, Federal Capital Lease Subsidy in the amount of \$22 million, and Federal Capital Debt Service Subsidy in the amount of \$14 million, which is made available for the operating budget from SEPTA's Section 5307 Capital Grant. This funding is only available as a result of foregoing or delaying capital improvements. In Fiscal Year 2013, SEPTA will use Federal Capital Lease and Capital Debt Service dollars in lieu of Section 1514 State Lease Cost/Debt Service Subsidy. This is because the Federal Highway Administration has rejected the Pennsylvania Turnpike Commission's application to toll Interstate 80. These toll revenues were intended to be a key source of transportation funding under Act 44 of 2007.

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 former Governor Ed Rendell. 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 that would have begun beginning in Fiscal Year 2011 provided all required conditions were met. Since the Turnpike Commission's application to toll Interstate 80 was rejected, the proposed 2.5% annual cost increases did not and will not occur.

State Subsidy Funding Concerns

The current economic recession has caused a decline or very limited growth in statewide sales tax revenue during recent years, which is a key component to the Trust Fund's viability. Although sales tax revenue has slowly begun to recover beginning in Fiscal 2012, it has not grown at a rate consistent with inflation and economic growth over the last decade. To further exacerbate the funding problem, the Trust Fund's other key component, the proceeds from Turnpike Commission bonds, remain at constant levels. The Pennsylvania Turnpike Commission was unable to obtain approval to begin tolling Interstate 80, and the Commission will be unable to meet its future financial obligations to the Trust Fund. These facts put growth of the Commonwealth's operating assistance to transit at significant risk.

Subsidy Allocation and Detail



SEPTA and other state transit agencies are allocated funds as determined by the following formula:

State Allocation Formula

Allocation Category	Allocation Percent
Number of Passengers	25%
Number of Senior Citizen Passengers	10%
Revenue Vehicle Hours	35%
Revenue Vehicle Miles	30%
Total	100%

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 some lease costs are funded through the Capital Program (Section 1517) of the Pennsylvania Public Transportation Trust Fund. The remaining leases and debt service are funded through Federal Capital Lease Subsidy and Federal Capital Debt Service Subsidy. Lease expenses are budgeted for nominal increases when compared to Fiscal Year 2012. Debt service expenses are budgeted to increase when compared to Fiscal Year 2012 to support financing for the Silverliner V acquisition. SEPTA will utilize available Section 1517 funds prior to utilizing any Federal Capital Lease or Debt Service dollars.

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. 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:

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



Subsidy Allocation and Detail

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. Each suburban county is billed based on the actual ADA Paratransit service used. The prospective utilization for Fiscal Year 2013 is as follows:

Suburban Pa Usage by (-
Bucks	13%
Chester	6%
Delaware	57%
Montgomery	<u>24%</u>
Total	100%

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 2013 Route Guarantee Subsidy in the City Transit Division includes a University City partnership of Penn Health Systems, University of the Sciences and Children's Hospital, which continues the "LUCY" circulator.

In the Victory Division, Route 314 which provided service in Chester County has been eliminated and represents a loss of \$100,000 in route guarantee. Riders have been directed to routes 92 and 104 as alternatives.

In the Frontier Division, the route guarantee funding agreement with Montgomery County that provided expanded evening and Sunday hours and additional peak service on Routes 94, 132 and 134 was eliminated. The Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001, and it represented the restructuring of six routes with funding provided through a separate agreement with the County. Routes 127, 128, 129 and 130 are guaranteed under this agreement.

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

Service Stabilization Fund



Prior to passage of Act 44 in July 2007, former Governor Ed Rendell 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 has been 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.

SEPTA deposited \$20.4 million in the Service Stabilization account in FY 2011 as a result of increased ridership revenue. In Fiscal Years 2012 and 2013 the Authority will be required to use Service Stabilization funds amounting to \$29 and \$57 million respectively in order to balance the budget. By Fiscal 2014, if no other new transportation funding is established, the fund will have been fully depleted.

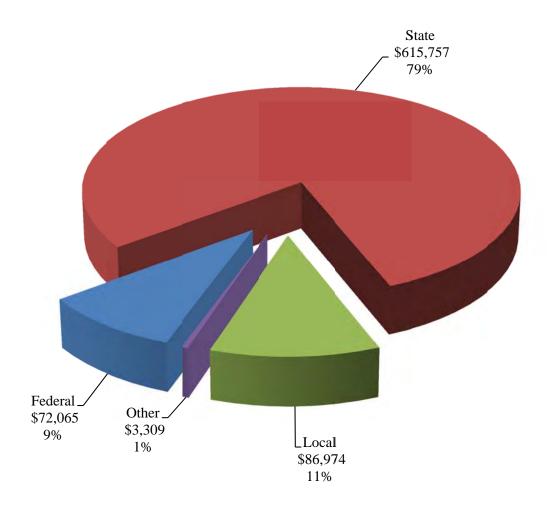
Fiscal Year 2013 Operating Budget Consolidated Detail of Subsidies



Amounts in thousands ('000)		FY 2013 Budget				
Amounts in thousands (000)		24.0.601				
Source of Subsidy - Detail:						
Federal Preventive Maintenance	\$	35,994				
State Operating Subsidy - PA Trust Fund (Section 1513)		572,156				
Local Match - PA Trust Fund (Section 1513)		85,824				
State Lease Cost Subsidy - PA Trust Fund (Section 1517)		1,226				
Federal Capital Lease Subsidy		22,438				
State Match - Capital Lease Subsidy (Section 1517)		5,610				
Federal Capital Debt Service Subsidy		13,633				
State Match - Capital Debt Service Subsidy (Section 1517)		3,408				
State Debt Service Subsidy - Trust Fund (Section 1517)		33,357				
Local Match - Debt Service Subsidy		1,150				
Route Guarantees		3,309				
TOTAL SUBSIDIES	<u>\$</u>	778,105				
Summary By Source of Subsidy:						
Federal	\$	72,065				
State	Ş	615,757				
Local		86,974				
Other		3,309				
		·				
TOTAL SUBSIDIES	\$	778,105				



TOTAL OPERATING SUBSIDIES = \$778,105 In Thousands



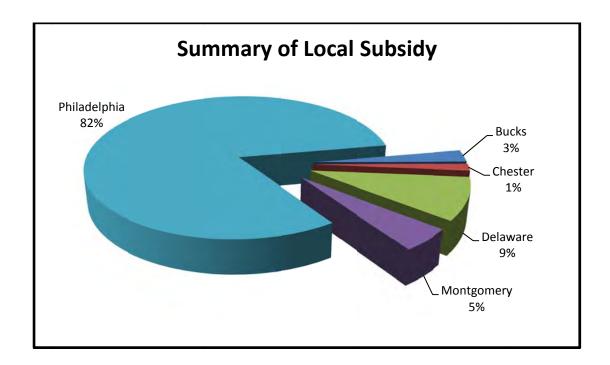




Amounts in thousands ('000)	City Transit			ictory	Fr	ontier	_	Regional Rail	_	Total SEPTA
Base PA Trust Fund Local Match										
Bucks	\$	166	\$	-	\$	1,143	\$	759	\$	2,068
Chester		-		139		525		553		1,217
Delaware		-		5,976		-		1,132		7,108
Montgomery		154		834		1,421		1,414		3,823
Philadelphia		61,230						9,001		70,231
Subtotal	\$	61,550	\$	6,949	\$	3,089	\$	12,859	\$	84,447
Suburban Paratransit Local Match										
Bucks	\$	-	\$	179	\$	-	\$	-	\$	179
Chester		-		83		-		-		83
Delaware		-		785		-		-		785
Montgomery		-		330		-		-		330
Philadelphia		-		-				-		
Subtotal	\$	-	\$	1,377	\$	-	\$	-	\$	1,377
Total Trust Fund Local Subsidy										
Bucks	\$	166	\$	179	\$	1,143	\$	759	\$	2,247
Chester		-		222		525		553		1,300
Delaware		-		6,761		-		1,132		7,893
Montgomery		154		1,164		1,421		1,414		4,153
Philadelphia	_	61,230	_					9,001	_	70,231
Total Trust Fund Local Subsidy	\$	61,550	\$	8,326	\$	3,089	\$	12,859	\$	85,824
		City					ı	Regional		Total
Amounts in thousands ('000)	_	Transit		ictory_	Fr	ontier	_	Rail	_	SEPTA
Local Debt Service Subsidy										
Bucks	\$	2	\$	-	\$	-	\$	14	\$	16
Chester		-		-		-		10		10
Delaware		-		1		-		21		22
Montgomery		2		-		-		28		30
Philadelphia		903						169		1,072
Local Debt Service Subsidy	\$	907	\$	1	\$	-	\$	242	\$	1,150
Total Local Subsidies	\$	62,457	\$	8,327	\$	3,089	\$	13,101	\$	86,974



Amounts in thousands ('000)	 City Transit		Victory		Frontier		Regional Rail		Total SEPTA
Total Local Subsidy									
Bucks	\$ 168	\$	179	\$	1,143	\$	773	\$	2,263
Chester	-		222		525		563		1,310
Delaware	-		6,762		-		1,153		7,915
Montgomery	156		1,164		1,421		1,442		4,183
Philadelphia	 62,133		-				9,170		71,303
Total Local Subsidy	\$ 62,457	\$	8,327	\$	3,089	\$	13,101	\$	86,974



The total local subsidy required for the Fiscal 2013 Budget Proposal is comprised of the following:

Total Local Subsidy Required	<u>\$ 86,974</u>
Debt Service Subsidy Local Match	<u>1,150</u>
Total Trust Fund Local Subsidy (15%)	\$ 85,824





LABOR & BENEFITS

The Fiscal Year 2013 Operating Budget reflects patterned labor wage increases as a result of negotiated labor agreements and increased costs of prescription drug coverage. The Authority will self-insure healthcare beginning August 2012, which is expected to reduce and slow the growth of healthcare expense.

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 infrastructure 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 rates.

FUEL

Fuel expense is based on budgeted miles of vehicle operation, projected miles per gallon consumption, and diesel fuel hedge contracts locked-in prices for gasoline.

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

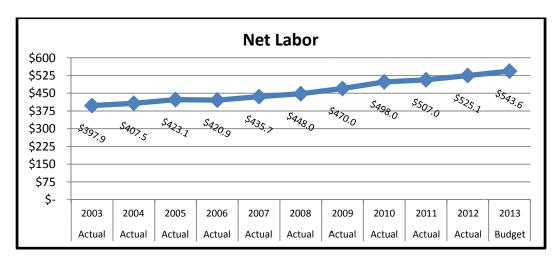
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital.

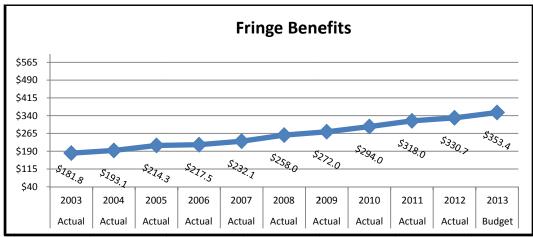
SEPTA Fiscal Year 2013 Operating Budget

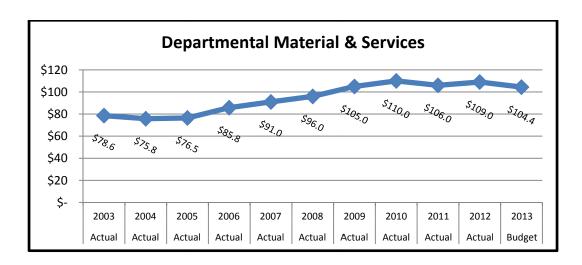


In developing the Operating Budget, the Authority considers issues that affect both the individual area of expense, as well as national, state and local economic conditions. In addition, SEPTA focuses on historical trends in major expense categories, as illustrated in the following charts.

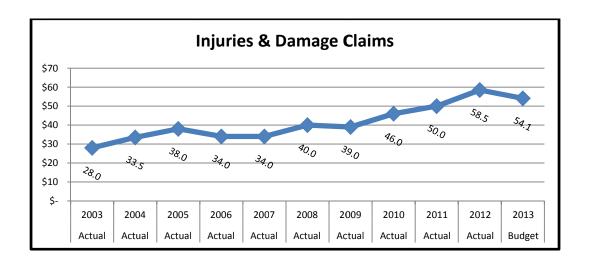
In Millions

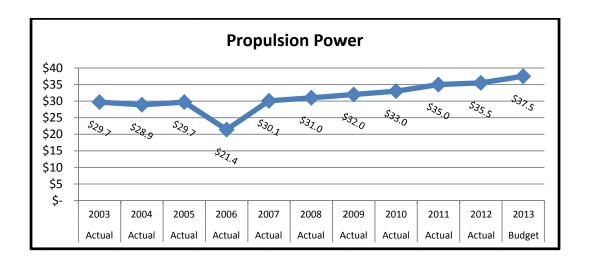


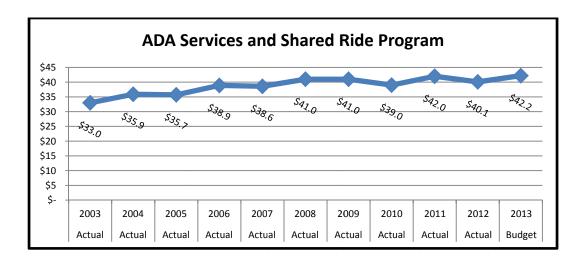






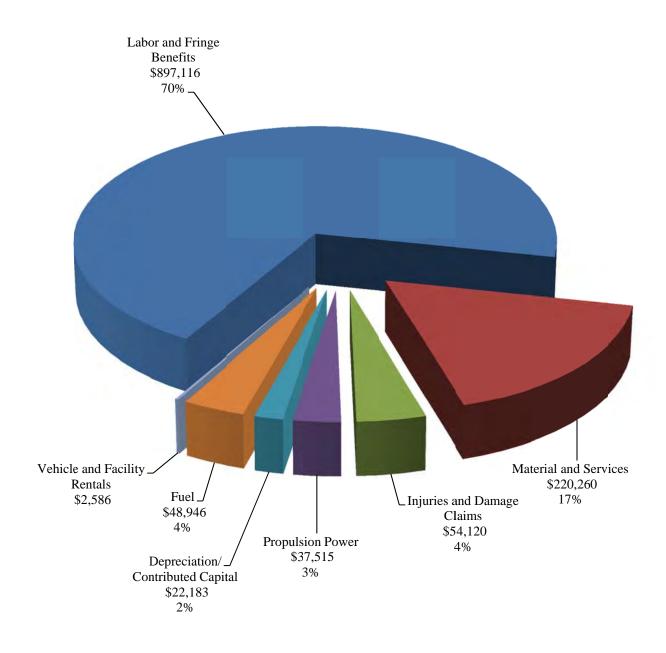








TOTAL OPERATING EXPENSES =\$1,282,726 In Thousands





Detail of Expenses – Fiscal Year 2013 Budget

Amounts in Thousands ('000)			N	laterial &		
Departmental Expenses		Net Labor		Services		Total
Operations Division						
Bus Vehicle Engineering and Maintenance	\$	50,80 2	\$	24,554	\$	75,356
Control Center		7,482		173		7,655
Customized Community Transportation		7,365		2,591		9,956
Labor Relations		1,027		261		1,288
Operation Administration		1,416		120		1,536
Rail Transportation		102,337		16,935		119,272
Rail Vehicle Engineering and Maintenance		52,850		16,205		69,055
Surface Transportation		186,955		372		187,327
Transit Police		16,992		316		17,308
Total Operations	\$	427,226	\$	61,527	\$	488,753
Staff Departments						
Corporate Staff	\$	2,637	\$	210	\$	2,847
Audit, Safety and Investigative Services		2,944		338		3,282
Business Services		14,096		5,166		19,262
Customer Service and Advocacy		5,379		1,507		6,886
Engineering, Maintenance and Construction		73,186		20,679		93,865
Finance and Planning		11,039		2,624		13,663
Human Resources		11,833		1,259		13,092
Legal, Real Estate and Claims		7,043		10,932		17,975
Public and Government Affairs		1,678		2,748		4,426
Capital Allocation		(13,372)		(2,586)		(15,958)
Headquarters Allocation	_	-	_	<u>-</u>	_	-
Total Staff Departments	\$	116,463	\$	42,877	\$	159,340
Total Departmental Expenses	\$	543,689	\$	104,404	\$	648,093
Non-Departmental Expenses						
Fringe Benefits	\$	353,427	\$	-	\$	353,427
Amtrak		-		28,200		28,200
CCT - ADA Services		-		24,660		24,660
CCT - Shared Ride Program		-		17,213		17,213
Debt Service Interest and Fees		-		20,874		20,874
Property and Corporate Insurance		-		2,895		2,895
Services for 1234 Market Street		-		4,800		4,800
Snow Removal		-		2,300		2,300
Utilities		-		18,302		18,302
Capitalized/Other Costs Headquarters Allocation		-		(3,388)		(3,388)
Total Non-Departmental Expenses	\$	353,427	\$	115,856	\$	469,283
Other Operating Expenses	Ą	333,427	Ţ	113,030	Y	405,205
Injuries & Damage Claims	\$	_	\$	54,120	\$	54,120
Propulsion Power	Y	_	Ψ	37,515	7	37,515
Fuel		_		48,946		48,946
Vehicle and Facility Rentals		_		2,586		2,586
Depreciation/Contributed Capital		_		22,183		22,183
	\$		\$	165,350	\$	165,350
Total Other Expenses TOTAL EXPENSES	ç	- 907 11 <i>6</i>	•	-	•	-
IOIAL EAPENSES	<u>ې</u>	897,116	<u>Ş</u>	385,610	γ .	L,282,726



Allocation By Division – Fiscal Year 2013 Budget

Amounts in Thousands ('000)		City			Regional	
Departmental Expenses	HDQ	Transit	Victory	Frontier	Rail	Total
Operations Division Bus Vehicle Engineering and Maintenance Control Center Customized Community Transportation Labor Relations Operation Administration Rail Transportation Rail Vehicle Engineering and Maintenance Surface Transportation Transit Police	\$ - 660 8,877 860 1,536 72 604 - 17,308	\$ 64,126 3,051 780 348 - 46,743 36,199 151,139	\$ 6,537 434 - - - 2,305 25,043	\$ 4,690 - 299 - - - - - 11,145	\$ 3 3,510 - 80 - 72,457 29,947 -	\$ 75,356 7,655 9,956 1,288 1,536 119,272 69,055 187,327 17,308
Total Operations	\$ 29,917	\$302,386	\$ 34,319	\$ 16,134	\$105,997	\$ 488,753
Staff Departments						
Corporate Staff Audit, Safety and Investigative Services Business Services Customer Service and Advocacy	\$ 2,847 3,282 17,718 6,605	\$ - - 286 150	\$ - - -	\$ - - -	\$ - - 1,258 131	\$ 2,847 3,282 19,262 6,886
Engineering, Maintenance and Construction Finance and Planning	14,668 12,477	51,051 333	5,679 -	-	22,467 853	93,865 13,663
Human Resources Legal, Real Estate and Claims	7,989 9,776	2,746 5,931	388 298	117 47	1,852 1,923	13,092 17,975
Public and Government Affairs Capital Allocation Headquarters Allocation	4,426 (9,851) (99,854)	(3,596) 72,677	(775) 6,212	(860) 2,339	(876) 18,626	4,426 (15,958)
Total Staff Departments	\$ (29,917)	\$129,578	\$ 11,802	\$ 1,643	\$ 46,234	\$ 159,340
Total Departmental Expenses	\$ -	\$431,964	\$46,121	\$ 17,777	\$152,231	\$ 648,093
Non-Departmental Expenses						
Fringe Benefits Amtrak	\$ 51,662 -	\$208,083 -	\$ 19,973 -	\$ 7,222 -	\$ 66,487 28,200	\$ 353,427 28,200
CCT - ADA Services	-	15,461	9,199	-	-	24,660
CCT - Shared Ride Program Debt Service Interest and Fees	- 5,714	17,213 7,321	-	-	- 7,839	17,213 20,874
Property and Corporate Insurance Services for 1234 Market Street	504 4,800	1,070	93	28	1,200	2,895 4,800
Snow Removal Utilities Capitalized/Other Costs	1,775 (2,063)	9,640 100	1,093 (330)	- 235 (110)	2,300 5,559 (985)	2,300 18,302 (3,388)
Headquarters Allocation	<u>(62,392</u>)	46,339	4,099	1,547	10,407	
Total Non-Departmental Expenses Other Operating Expenses	\$ -	\$305,227	\$ 34,127	\$ 8,922	\$121,007	\$ 469,283
Injuries & Damage Claims Propulsion Power Fuel	\$ - -	\$ 45,982 16,165	\$ 4,305 1,450	\$ 1,421	\$ 2,412 19,900	\$ 54,120 37,515
Vehicle and Facility Rentals Depreciation/Contributed Capital	- - -	38,557 1,876 12,831	5,623 118 192	4,109 45 52	657 547 <u>9,108</u>	48,946 2,586 22,183
Total Other Expenses TOTAL EXPENSES	\$ - \$ -	\$115,411 \$852,602	\$ 11,688 \$ 91,936	\$ 5,627 \$ 32,326	\$ 32,624 \$305,862	\$ 165,350 \$1,282,726



Detail of Expenses – Fiscal Year 2012 Actual

Amounts in Thousands ('000)			N	laterial &		
Departmental Expenses		Net Labor		Services		Total
Operations Division						
Bus Vehicle Engineering and Maintenance	\$	47,115	\$	24,781	\$	71,896
Control Center	Ψ	6,872	۲	154	Υ	7,026
Customized Community Transportation		6,852		2,172		9,024
Labor Relations		857		200		1,057
Operation Administration		1,261		76		1,337
Rail Transportation		98,916		15,871		114,787
Rail Vehicle Engineering and Maintenance		50,185		16,243		66,428
Surface Transportation		181,881		549		182,430
Transit Police		16,489		437		16,926
Total Operations	\$	410,428	\$	60,483	\$	470,911
Staff Departments	•	•	·	•		,
Corporate Staff	\$	2,544	\$	84	\$	2,628
Audit, Safety and Investigative Services	,	2,904	,	264	т.	3,168
Business Services		12,945		4,319		17,264
Customer Service and Advocacy		4,927		1,303		6,230
Engineering, Maintenance and Construction		71,731		21,624		93,355
Finance and Planning		10,096		2,822		12,918
Human Resources		11,122		818		11,940
Legal, Real Estate and Claims		5,885		17,322		23,207
Public and Government Affairs		1,520		2,666		4,186
Capital Allocation		(9,011)		(2,625)		(11,636)
Headquarters Allocation						
Total Staff Departments	\$	114,663	\$	48,597	\$	163,260
Total Departmental Expenses	\$	525,091	\$	109,080	\$	634,171
Non-Departmental Expenses	•	•	•	•		,
Fringe Benefits	\$	330,699	\$	-	\$	330,699
Amtrak		-		26,971		26,971
CCT - ADA Services		_		23,099		23,099
CCT - Shared Ride Program		-		17,008		17,008
Debt Service Interest and Fees		-		19,063		19,063
Property and Corporate Insurance		-		7,733		7,733
Services for 1234 Market Street		-		4,090		4,090
Snow Removal		-		482		482
Utilities		-		15,528		15,528
Capitalized/Other Costs				(4,926)		(4,926)
Headquarters Allocation					_	
Total Non-Departmental Expenses	\$	330,699	\$	109,048	\$	439,747
Other Operating Expenses						
Injuries & Damage Claims	\$	-	\$	58,534	\$	58,534
Propulsion Power		-		35,518		35,518
Fuel		-		42,025		42,025
Vehicle and Facility Rentals		-		2,625		2,625
Depreciation/Contributed Capital				19,642	_	19,642
Total Other Expenses	\$	-	\$	158,344	\$	158,344
TOTAL EXPENSES	\$	855,790	\$	376,472	\$:	1,232,262
		_				



Detail of Expenses – Fiscal Year 2011 Actual

Amounts in Thousands ('000)			N	laterial &		
Departmental Expenses		Net Labor	9	Services		Total
·						
Operations Division Pus Vohislo Engineering and Maintenance	\$	45,747	\$	23,545	\$	69,292
Bus Vehicle Engineering and Maintenance Control Center	Ş	6,697	Ş	534	Ş	7,231
Customized Community Transportation		6,805		2,426		9,231
Labor Relations		949		154		1,103
Operation Administration		1,229		50		1,279
Rail Transportation		98,427		15,730		114,157
Rail Vehicle Engineering and Maintenance		50,613		17,736		68,349
Surface Transportation		176,115		474		176,589
Transit Police		15,600		197		15,797
Total Operations	\$	402,182	\$	60,846	\$	463,028
Staff Departments						
Corporate Staff	\$	2,386	\$	60	\$	2,446
Audit, Safety and Investigative Services	•	1,084	•	147	•	1,231
Business Services		12,778		4,026		16,804
Customer Service and Advocacy		4,745		1,396		6,141
Engineering, Maintenance and Construction		69,780		21,593		91,373
Finance and Planning		9,894		2,446		12,340
Human Resources		10,198		881		11,079
Legal, Real Estate and Claims		3,273		13,383		16,656
Public and Government Affairs		1,475		2,193		3,668
Public and Operational Safety		4,610		1,750		6,360
Capital Allocation		(15,836)		(2,443)		(18,279)
Headquarters Allocation						
Total Staff Departments	\$	104,387	\$	45,432	\$	149,819
Total Departmental Expenses	\$	506,569	\$	106,278	\$	612,847
Non-Departmental Expenses		•				-
Fringe Benefits	\$	317,774	\$	-	\$	317,774
Amtrak		-		26,426		26,426
CCT - ADA Services		-		23,336		23,336
CCT - Shared Ride Program		-		18,630		18,630
Debt Service Interest and Fees		-		17,237		17,237
Property and Corporate Insurance		-		2,178		2,178
Services for 1234 Market Street		-		4,112		4,112
Snow Removal		-		2,867		2,867
Utilities		-		17,117		17,117
Capitalized/Other Costs		-		(3,793)		(3,793)
Headquarters Allocation	_				_	<u>-</u>
Total Non-Departmental Expenses Other Operating Expenses	\$	317,774	\$	108,110	\$	425,884
Injuries & Damage Claims	ċ		\$	50,085	\$	50,085
Propulsion Power	\$	-	Ş	35,256	Ş	35,256
Fuel		-		39,860		39,860
Vehicle and Facility Rentals		_ _		2,443		2,443
Depreciation/Contributed Capital		-		18,176		18,176
·	<u>.</u>		<u>.</u>		<u>.</u>	
Total Other Expenses	\$ \$	024 242	\$ ¢	145,820	\$ ¢ ^	145,820
TOTAL EXPENSES	<u>></u>	824,343	\$	360,208	<u>ې .</u>	L,184,551

Headcount Authorization Cause of Change Fiscal Year 2012 to Fiscal Year 2013



The Authority remains committed to maintaining headcount at a responsible level.

Division	Cause of Change	Increase/ Reduction
	Fiscal Year 2012 Authorized Headcount	9,437
Audit, Safety and Investigative Services	Transfer of (23) SAM heads from Public and Operational Safety: System Safety and Risk Management to Audit, Safety, and Investigative Services due to re-organization. Includes (1) director and (1) administrative assistant.	23
Business Services	Addition of (1) SAM position for Purchasing & Supply Chain Management. Vacancy transferred from Rail VEM to fund.	1
Bus-Vehicle Engineering & Maintenance (VEM)	Transfer of (2) Hourly heads to fund (2) positions for New Payment Technology (NPT).	-2
Corporate Staff	Elimination of (1) Assistant General Manager of Public and Operational Safety Addition of (1) new SAM Position; Deputy General Manager. Elimination of (1) SAM position, Assistant General Manager of Engineering, Maintenance and Construction.	-1
Customer Service and Advocacy	Addition of (1) SAM position for Customer Outreach. Vacancy transferred from Rail VEM.	1
Engineering, Maintenance and Construction (EMC)	Transfer of (1) Millwright position from Rail Transportation. Additional (2) Hourly heads from Bus VEM to support New Payment Technology (NPT) project.	3
Human Resources	Transfer of (6) SAM heads from Public and Operational Safety/ Workers' Compensation Department to Human Resources due to reorganization. Includes (1) director.	6
Legal, Real Estate and Claims	Transfer of (54) heads from Public and Operational Safety to Legal. • Claims (14) SAM heads and (23) IBT heads • Real Estate (13) SAM heads and (4) IBT heads Includes one director from each department	54

Headcount Authorization Cause of Change Fiscal Year 2012 to Fiscal Year 2013



Division	Cause of Change	Increase/ Reduction
Public and Operational Safety	The entire division was eliminated through a re-organization. All staff was transferred to other divisions as follows: • Claims to Legal (14) SAM/ (23) IBT • Real Estate to Legal (13) SAM/ (4) IBT • System Safety and Risk Management to Audit, Safety and Investigative Services (23) SAM • Workers' Compensation to Human Resources (6) SAM	-83
Rail Transportation	Reduction of (3) Capital Heads due to reduction in Capital work. (1) Millwright position transferred to EMC.	-4
Rail-Vehicle Engineering & Maintenance (VEM)	Reduction of (2) Hourly heads to fund (1) position in Customer Service for Customer Outreach and (1) position in Purchasing and Supply Chain Management.	-2
	Fiscal Year 2013 Authorized Headcount	9,433
	Net Change	-4

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 Year 2013 Headcount Authorization

	OPERATING HEADS						
	Α	В	Н	Total			
Corporate Staff	16	-	-	16			
Operations	741	131	5,756	6,628			
Audit, Safety and Investigative Services	40	-	-	40			
Business Services	144	64	3	211			
Customer Service and Advocacy	28	64	3	95			
Engineering, Maint. and Construction	254	113	815	1,182			
Finance and Planning	122	64	-	186			
Human Resources	142	17	-	159			
Legal, Real Estate and Claims	79	28	-	107			
Public and Government Affairs	21	-	-	21			
Public and Operational Safety	-	-	-	-			
TOTAL OPERATING HEADS	1,587	481	6,577	8,645			

	CAPITAL HEADS						
_	Α	В	Н	Total			
Corporate Staff	-	-	-	-			
Operations	111	2	244	357			
Audit, Safety and Investigative Services	-	-	-	-			
Business Services	10	2	-	12			
Customer Service and Advocacy	-	-	-	-			
Engineering, Maint. and Construction	140	9	265	414			
Finance and Planning	5	-	-	5			
Human Resources	-	-	-	-			
Legal, Real Estate and Claims	-	-	-	-			
Public and Government Affairs	-	-	-	-			
Public and Operational Safety	-	-	-	-			
TOTAL CAPITAL HEADS	266	13	509	788			

	TOTAL HEADS					
	Α	В	Н	Total		
Corporate Staff	16	-	-	16		
Operations	852	133	6,000	6,985		
Audit, Safety and Investigative Services	40	-	-	40		
Business Services	154	66	3	223		
Customer Service and Advocacy	28	64	3	95		
Engineering, Maint. and Construction	394	122	1,080	1,596		
Finance and Planning	127	64	-	191		
Human Resources	142	17	-	159		
Legal, Real Estate and Claims	79	28	-	107		
Public and Government Affairs	21	-	-	21		
Public and Operational Safety	-	-	-			
TOTAL HEADS	1,853	494	7,086	9,433		
_						



Fiscal Year 2009 - 2013 Headcount Authorization

	OPERATING HEADS							
	2009	2010	2011	2012	2013			
Corporate Staff	17	17	17	17	16			
Operations	6,270	6,358	6,342	6,627	6,628			
Audit, Safety and Investigative Services	21	21	19	17	40			
Business Services	196	204	210	210	211			
Customer Service and Advocacy	90	92	92	94	95			
Engineering, Maint. and Construction	1,180	1,182	1,179	1,183	1,182			
Finance and Planning	194	194	191	187	186			
Human Resources	152	153	153	153	159			
Legal, Real Estate and Claims	58	55	53	53	107			
Public and Government Affairs	17	16	17	21	21			
Public and Operational Safety	355	355	352	83	-			
TOTAL OPERATING HEADS	8,550	8,647	8,625	8,645	8,645			

	CAPITAL HEADS							
	2009	2010	2011	2012	2013			
Corporate Staff	-	-	-	-	-			
Operations	430	401	382	366	357			
Audit, Safety and Investigative Services	-	-	-	-	-			
Business Services	15	14	12	12	12			
Customer Service and Advocacy	-	-	-	-	-			
Engineering, Maint. and Construction	399	426	426	410	414			
Finance and Planning	4	4	4	4	5			
Human Resources	-	-	-	-	-			
Legal, Real Estate and Claims	-	-	-	-	-			
Public and Government Affairs	2	1	-	-	-			
Public and Operational Safety	1	1	-	-	-			
TOTAL CAPITAL HEADS	851	847	824	792	788			

	TOTAL HEADS						
	2009	2010	2011	2012	2013		
Corporate Staff	17	17	17	17	16		
Operations	6,700	6,759	6,724	6,993	6,985		
Audit, Safety and Investigative Services	21	21	19	17	40		
Business Services	211	218	222	222	223		
Customer Service and Advocacy	90	92	92	94	95		
Engineering, Maint. and Construction	1,579	1,608	1,605	1,593	1,596		
Finance and Planning	198	198	195	191	191		
Human Resources	152	153	153	153	159		
Legal, Real Estate and Claims	58	55	53	53	107		
Public and Government Affairs	19	17	17	21	21		
Public and Operational Safety	356	356	352	83			
TOTAL HEADS	9,401	9,494	9,449	9,437	9,433		

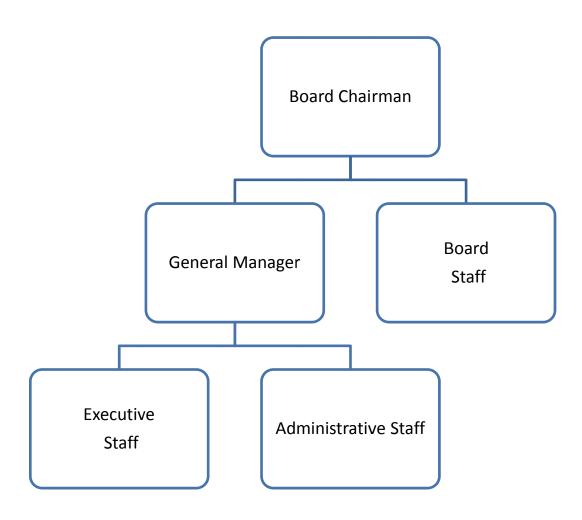
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SEPTACorporate Staff



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.





HEADCOUNT

	OPE	RATING	HEAD	S
	Α	В	Н	Total
Office of the General Manager	3	-	-	3
Executive Staff	9	-	-	9
Board Staff	4			4
TOTAL OPERATING HEADS	16	<u> </u>		16

	CA	APITAL H	IEADS	
	Α	В	Н	Total
Office of the General Manager	-	-	-	-
Executive Staff	-	-	-	-
Board Staff				
TOTAL CAPITAL HEADS			_	

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



FY 2013 Corporate Staff Budget

Amounts in Thousands ('000)

	Net <u>Labor</u>	-	Material ervices	<u>Total</u>
Office of the General Manager Executive Staff	\$ 448 1,590	\$	133 15	\$ 581 1,605
Board Staff	 599		62	 661
TOTAL	\$ 2,637	\$	210	\$ 2,847

PRINCIPAL RESPONSIBILITIES

General Manager

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

Executive Staff

Manage and direct 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

Prepare 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 SEPTA's Strategic Business Plan define the Authority's guiding framework, and ultimately constitute the goals of the Executive Staff, who function as SEPTA's decision-makers. The following are key initiatives and achievements for the six defined Corporate Goals:

Current Goals	Initiatives
I. Improve Service Quality and Customer Satisfaction	 a) Emphasize Courtesy, Cleanliness, Communications and Convenience. b) Reinforce Customer Service as a priority for all SEPTA employees. c) Continue programs to improve the cleanliness of stations. d) Continue programs to improve on-time performance. e) Continue vehicle acquisition programs to replace rolling stock beyond its useful life. f) Build and expand relationships with customers – both internal and external – through initiatives outlined in the Building a SEPTA Customer Service Culture (BASCSC) g) Advance technology initiatives, including website features, social media, and subscription notification program for service alterations, to expand customer communication programs using tools that match rider preferences. h) Continue programs that provide information, outreach, and assistance to customers during emergencies and special events.
II. Improve Customer and Employee Safety	 a) Continue to enhance security of passengers, employees and infrastructure. b) Continue safety education programs including Operation Lifesaver. c) Continue to improve employee training and certification programs. d) Continue to rigorously enforce employee drug and alcohol policies. e) Maintain existing relationships and develop new partnerships with local agencies and universities to enhance security.





Current Goals	Initiatives
III. Improve Productivity and Cost Effectiveness	 a) Maximize the effectiveness of resources, personnel, equipment, vehicles and facilities to improve productivity while improving the delivery and quality of service for customers. b) Continue reductions, as appropriate, in non-revenue vehicle fleet. c) Facilitate decision-making support systems through effective use of customer market research and other market research instruments. d) Continue aggressive fraud campaign programs to reduce Workers' Compensation, Medical and Injury Claims. e) Implement projects that provide an integrated approach to strategic planning throughout the Authority.
IV. Improve Ridership and Revenue	 a) Respond to regional economic and customer market trends to retain existing riders and attract new customers staying within our financial boundaries. b) Reinforce and build relationships with outside stakeholders to develop service in response to special markets including visitors, tourists and businesses. c) Strategically enhance existing service and develop new service to meet access to job needs throughout the region. d) Develop partnership initiatives to address mobility needs through a cost-effective/cost sharing program. e) Promote existing Authority fare incentives – passes and TransitChek to existing and new riders. f) Advance new payment technologies into our fare collection system. g) Support the long-term consideration and planning of new service. h) Complete ADA accessibility compliance work for key stations. i) Lend support and be responsive to state-initiated performance standards and various audits.



Current Goals	Initiatives
V. Advance Sustainability Agenda	 a) Promote environmental stewardship with introduction of energy appropriate and sensitive practices that have economic returns. b) Implement energy efficient and socially responsible construction and maintenance practices throughout our organization. c) Further advance awareness of transit as a sustainability solution for the continued economic vitality of our service region. d) Work with partners and stakeholders to foster transit oriented development opportunities where sustainability and livability goals may be achieved at a community level.
VI. Improve Employee Satisfaction and Workplace Excellence	 a) Advance the implementation of the Succession Planning Program and development of employee education programs to ensure continuity of operations in key positions and provide promotional opportunities. b) Create a high performance workforce culture by enhancing our employee recognition program to include a sound strategic management method of employee engagement and foster a commitment to excellence and professional pride. c) In cooperation with our bargaining units, continue to develop programs that enhance skills and create opportunities for employee growth.

SEPTAOperations Division



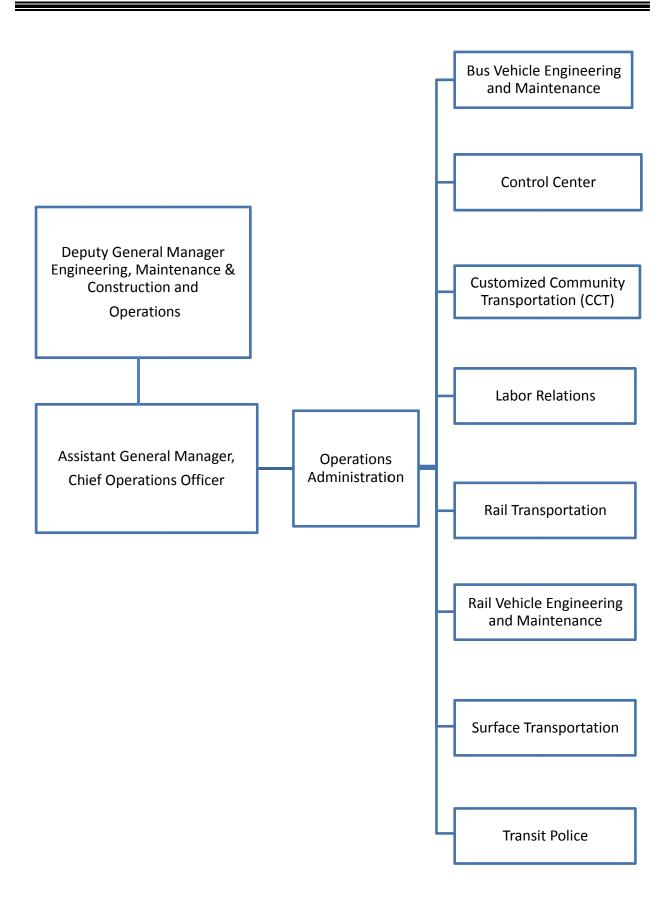
Overview

The Operations Division provided 339.3 million annual passenger trips in Fiscal Year 2012, while operating 97.8 million vehicle miles. Total passenger miles exceeded 1.5 billion. The Division operates and maintains 2,750 revenue vehicles on 146 fixed routes, which have approximately 1,860 route miles, operates and maintains an inventory of 985 assorted non-revenue support vehicles and equipment, and provides service to 280 stations using over 450 miles of track and related facilities. In addition, Operations ensures law enforcement within the transportation system.

The ridership projection for Fiscal Year 2013 is 341.5 million unlinked passenger trips. The increase in fuel prices and improvements in the customer service experience continue to have a favorable impact on ridership.

The Operations Division includes Administration and Finance, Surface Transportation, Control Center, Customized Community Transportation, Labor Relations, Transit Police, Rail Transportation and Vehicle Engineering and Maintenance.







HEADCOUNT

	OPERATING HEADS					
	Α	В	Maint.	Transp.	Cashiers	Total
Bus Vehicle Engineering and Maint.	94	17	784	-	-	895
Control Center	87	12	-	4	-	103
Customized Community Trans. (CCT)	39	-	-	-	-	39
Labor Relations	9	-	5	-	-	14
Operation Administration	12	-	-	-	-	12
Rail Transportation	136	55	169	735	347	1,442
Rail Vehicle Engineering and Maint.	118	19	751	-	-	888
Surface Transportation	185	28	-	2,754	-	2,967
Transit Police	59	-	209	-	-	268
TOTAL OPERATING HEADS	739	131	1,918	3,493	347	6,628

	CAPITAL HEADS					
	Α	В	Maint.	Transp.	Cashiers	Total
Bus Vehicle Engineering and Maint.	27	1	71	_	-	99
Control Center	1	-	-	-	-	1
Customized Community Trans. (CCT)	53	-	-	25	-	78
Labor Relations	-	-	-	-	-	-
Operation Administration	1	-	-	-	-	1
Rail Transportation	3	-	-	-	-	3
Rail Vehicle Engineering and Maint.	26	1	148	_	-	175
Surface Transportation	-	-	-	_	-	-
Transit Police		-	-	-	-	-
TOTAL CAPITAL HEADS	111	2	219	25	-	357

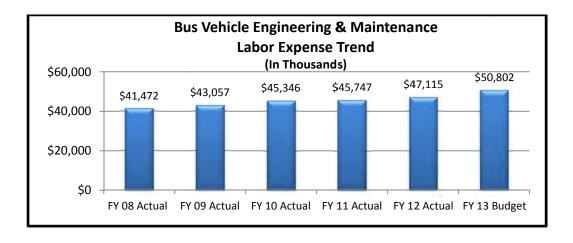
	TOTAL HEADS					
	Α	В	Maint.	Transp.	Cashiers	Total
Bus Vehicle Engineering and Maint.	121	18	855	-	-	994
Control Center	88	12	-	4	-	104
Customized Community Trans. (CCT)	92	-	-	25	-	117
Labor Relations	9	-	5	-	-	14
Operation Administration	13	-	-	-	-	13
Rail Transportation	139	55	169	735	347	1,445
Rail Vehicle Engineering and Maint.	144	20	899	-	_	1,063
Surface Transportation	185	28	-	2,754	-	2,967
Transit Police	59	-	209	-	=	268
TOTAL HEADS	850	133	2,137	3,518	347	6,985

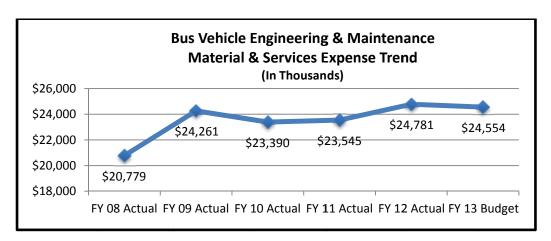


FY 2013 Operations Budget

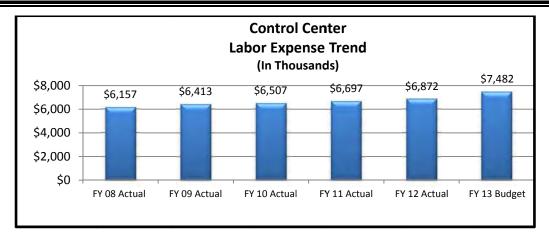
Amounts in Thousands ('000)

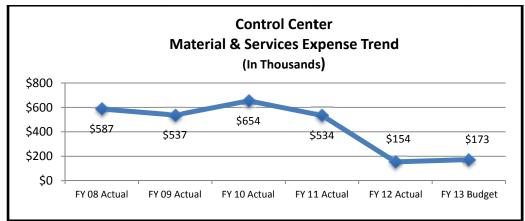
	Net	Material	
	Labor	& Services	<u>Total</u>
Bus Vehicle Engineering and Maintenance	\$ 50,802	\$ 24,554	\$ 75,356
Control Center	7,482	173	7,655
Customized Community Trans. (CCT)	7,365	2,591	9,956
Labor Relations	1,027	261	1,288
Operation Administration	1,416	120	1,536
Rail Transportation	102,337	16,935	119,272
Rail Vehicle Engineering and Maintenance	52,850	16,205	69,055
Surface Transportation	186,955	372	187,327
Transit Police	 16,992	316	 17,308
TOTAL	\$ 427,226	\$ 61,527	\$ 488,753

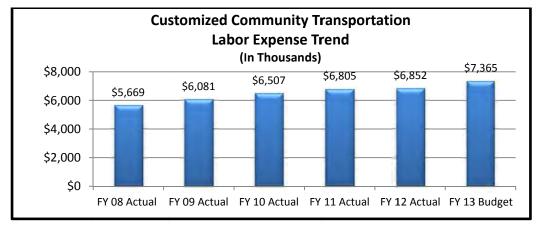


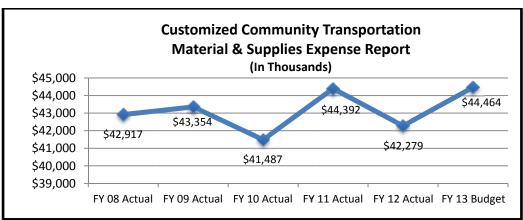




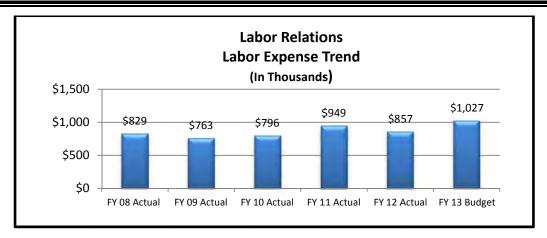


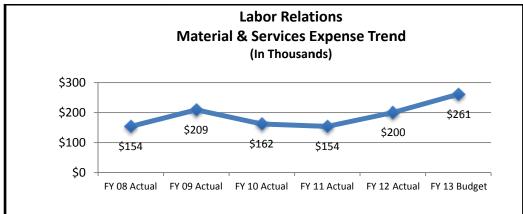




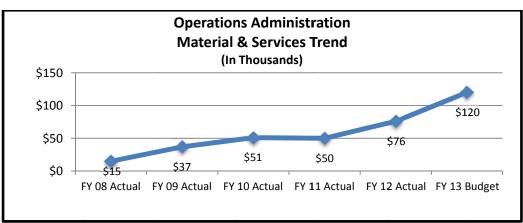




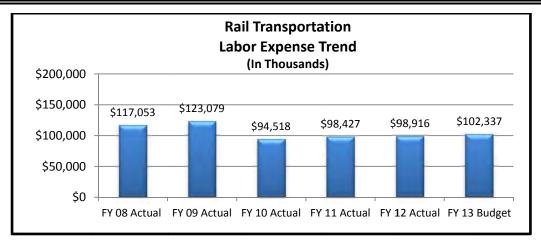


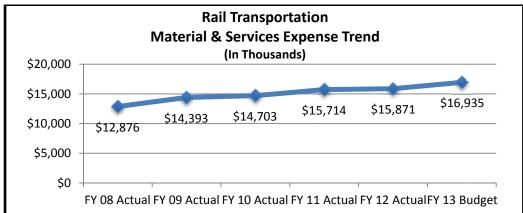


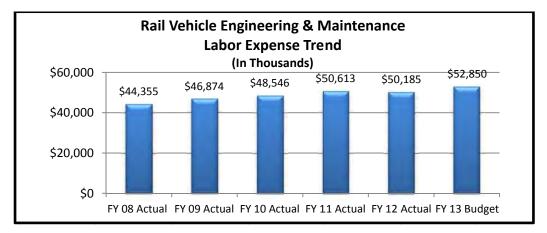


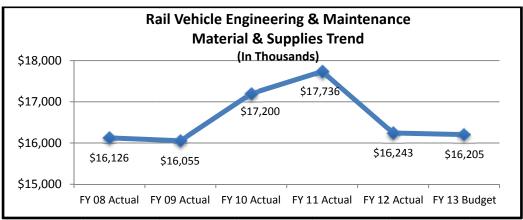




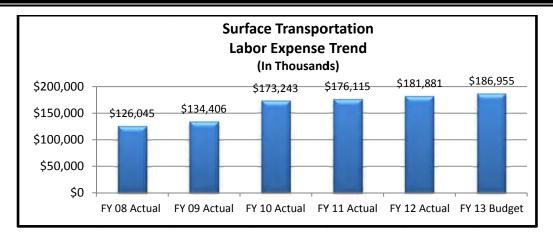


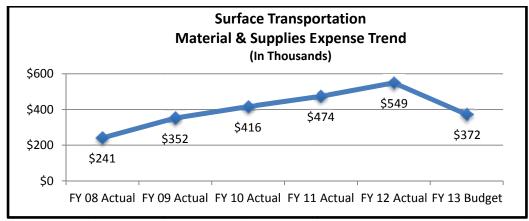


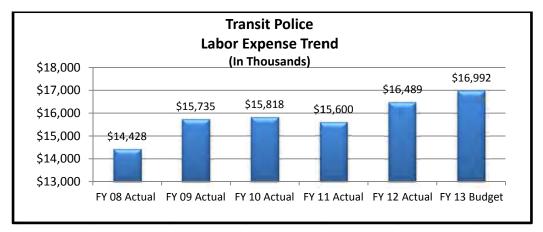


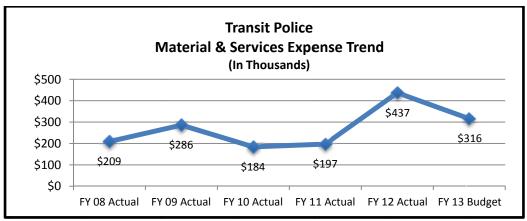














PRINCIPAL RESPONSIBILITIES

BUS VEHICLE ENGINEERING AND MAINTENANCE

Oversee the engineering and maintenance for bus, trackless trolley, and non-revenue fleets and responsible for bus and utility vehicle acquisitions and overhauls.

Automotive Engineering

Provide 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

Perform overhaul and heavy maintenance on bus and trackless trolley fleets. Perform maintenance on SEPTA's non-revenue utility fleet.

Automotive Vehicle Maintenance

Consists of the following nine locations:

- Philadelphia has six operating locations
- Victory in Delaware County
- Frontier in Montgomery County
- Contract Operations located 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 1,400 vehicles.

New Vehicles

Oversee the purchase of all new vehicles for the Authority. Manage the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various contracts.

CONTROL CENTER

The Control Center is a centralized facility that manages rail and bus movements Authority-wide. The Market-Frankford Line, Broad Street Line, bus and trackless trolley routes, trolley (light rail) lines, and Railroad lines are controlled by train dispatchers and bus controllers at 1234 Market Street. This group is also responsible for making service alerts and other announcements.

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.



CUSTOMIZED COMMUNITY TRANSPORTATION (CCT)

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

Provide advance-reservation, ride-sharing paratransit service for eligible disabled riders in Bucks, Chester, Delaware, Montgomery and Philadelphia counties.

Shared Ride Program (SRP)

Provide advance-reservation, ride-sharing transportation for Philadelphia County riders age 65 and older, regardless of income or disability status.

Contract Operations

Breeze

Operate 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

Operate 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

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

Contracted Services

Provide management oversight and compliance of contracts between SEPTA and third party providers of fixed route services (Routes 204 and 205).



LABOR RELATIONS

Conduct all labor negotiations with the bargaining units, handles all grievances, arbitrations, unemployment claims and Labor Board cases.

Negotiations

Serve 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)

Hear all third level and Labor Relations step grievances and represent the Authority in all arbitrations, SBAs and related litigation. Serve as primary liaison with all attorneys retained on special arbitration cases or other litigation.

Case Presentation to the Pennsylvania Labor Relations Board (PLRB)

Prepare and present all cases associated with the PLRB as they are filed by unions and the Authority.

Job Classification/Wage Administration

Direct preparation of new and revised job descriptions for hourly classification and coordinate evaluations of bargaining unit positions and negotiate job restructuring and classification issues. Prepare and publish all hourly and non-supervisory wage rate manuals.

Training

Conduct relevant training of supervisors in contract interpretation and enforcement.

Joint Labor Management Relations

Conduct joint productivity meetings with labor representatives to promote the safe, efficient and economical operation of the Authority.

Unemployment Compensation

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

OPERATION ADMINISTRATION

Coordinate and manage the administrative and financial activities for the Operations Division.

Cost Control

Coordinate the development, submission and monitoring of Operating and Capital Budget Proposals for all Operations.

Performance Statistics Control

Develop and monitor performance statistic goals for Operations which support SEPTA's mission and strategic goals.

Human Resource Administration

Manage the process of hiring personnel for Operations in accordance with service requirements. Ensure compliance with SEPTA's Human Resource policies.

Customer Service

Process and expedite all customer correspondence routed through the Operations Division.



Record Retention

Coordinate Operations' compliance with record retention policies.

Special Projects

Coordinate all logistics and activities related to service interruptions, major sporting events and various other annual events including the International Flower Show, Philly Spring Clean-Up, Philadelphia Food Drive and APTA conference.

RAIL TRANSPORTATION

Rail Transportation operates railroad and subway-elevated service throughout the five county region. Rail Transportation also includes revenue collection, station staffing and cleaning.

Railroad

Oversee all transportation, customer service and station operation for the railroad system. The regional 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 AT&T Station as well as along the Ridge Avenue Spur.

Fare Collection and Station Cleaning

Fare Collection

The fare collection stations group is also organized into BSS and MFSE sections. The MFSE section oversees fare sales and collections and provides service information at 28 stations. The BSS section provides these services at 25 stations.

Station Cleaning

The Subway-Elevated stations group oversees the cleaning of 28 Market-Frankford Subway-Elevated stations, 25 Broad Street Subway and 8 trolley stations.



RAIL-VEHICLE ENGINEERING AND MAINTENANCE

Oversee the engineering and maintenance for light rail, subway-elevated, and railroad fleets and are responsible for rail vehicle acquisitions and overhauls.

Headquarters

Manage administrative, personnel and budgetary elements of Vehicle Equipment Engineering and Maintenance.

Rail Equipment Engineering

Provide engineering support including specifications, drawings, vehicle modifications and system upgrades for all rail fleets. Investigate and resolve rail fleet technical issues.

Rail Equipment Maintenance

Perform 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
- Subway/Surface LRV fleet at the Callowhill and Elmwood Shops
- Route 15 PCC-II fleet at the Callowhill Shop
- ➤ The following backshops perform vehicle component overhauls:
 - 69th Street Shop
 - 69th Street Motor shop
 - Fern Rock Shop
 - Woodland Shop

Railroad Shops and Yards

Provide all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of EMU (electric multiple unit) cars and coaches (push pull) propelled by electric locomotives.

SURFACE TRANSPORTATION

Operate surface transit modes throughout the five county service area with service originating from nine operating locations in the region. Each operating district has full responsibility for transportation service of the transit fleet in that location.

The nine operating districts operate a total of 119 bus, 3 trackless trolley routes, 8 trolley (light rail) routes and one interurban high speed (heavy rail) line. It should be noted that the number of bus routes identified by operating district in this section differs from the total number reported because 13 bus routes are operated out of more than one district as operating conditions necessitate. These are the nine operating districts in Surface Transportation:

- **1. Allegheny** operates 8 bus routes.
- 2. Callowhill operates 12 bus routes, in addition to trolley (light rail) routes 10 and 15.
- 3. Comly operates 14 bus routes.
- **4.** Elmwood operates trolley (light rail) routes 11, 13, 34, and 36.
- **5.** Frankford operates 13 bus routes and 3 trackless trolley routes.
- 6. Midvale operates 23 bus routes.
- 7. Southern operates 18 bus routes.
- 8. Frontier operates 23 bus routes.
- 9. Victory operates 21 bus routes, 2 trolley (light rail) lines and 1 heavy rail line.



TRANSIT POLICE

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

Uniformed Patrol

Patrol the Broad Street and Market-Frankford lines, the Trolley and Railroad lines, stations and other SEPTA properties.

Internal Affairs

Investigate all complaints of transit police misconduct.

Support Services

Conduct criminal investigations and plainclothes patrol. Recruit and train police personnel, maintain communication systems and oversee automotive equipment and supplies.

Special Operations Response Unit

Gather intelligence, and develop and implement policy, training, preventive strategies and responses relating to terrorist threats and incidents.



GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Improve Service Quality and Customer Satisfaction	 a) Manage the deployment of Ambassadors for customer service and advocacy initiatives.
	b) Continue to improve customer service by
	investigating new methods to share "real
	time" information with customers, and
	coordinate efforts with IT and
	Communications.
	c) Develop a process to monitor the
	effectiveness of public address
	announcements and service alerts
	distributed to the public.
	d) Continue to improve the process of delay
	notifications to passengers.
	e) Develop a strategy to implement "Lean"
	principles at subway-elevated stations
	ensuring that station cleaning is
	accomplished in the most comprehensive,
	cost efficient manner as possible.
	f) Develop a long-range plan to increase the
	number of qualified engineers to comply with FRA Hours-of-Service regulations and
	prepare for employee retirements.
	g) Continue to expand usage and efforts of
	Targeted Enforcement and Compliance
	Team (TECT) paying particular attention to
	operator performance and service quality
	issues.
	h) Finalize and implement the no-show and late
	cancellation policy in coordination with the
	new CCT Communications System.
	i) Manage the CCT fleet replacement plan to
	include purchase of additional vehicles for
	ridership growth.
	j) Improve railroad on-time performance using
	a comprehensive approach. k) Meet on-time performance goals for all
	modes.
	modes.





Current Goals	Initiatives
II. Improve Customer and Employee Safety and System Safety	 a) Continue to improve the use of camera systems during service delays to assist in efficient incident management. b) Improve underground communication with Philadelphia Police and Fire Departments. c) Continue participation with local, state, and federal agencies in the regional intelligence sharing program to combat terrorism and crime. d) Continue to work with System Safety and Operations Training to further develop and implement an accident reduction program to include identifying root causes for pedestrian accidents.
III. Support Capital Improvement Projects	 a) Participate in the development of positive train control. b) Develop and implement a departmental operational strategy to effectively manage the logistical challenges of the I-95 reconstruction project, including efficient use of shuttle buses. c) Support implementation of New Payment Technology projects.
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	 a) Develop succession plans. b) Continue to evaluate both the newly hired operator social skills program and the current employee conflict and de-escalation training program, while developing a similar program designed specifically for managers. c) Continue to develop subordinates for future needs of the organization through increased responsibilities, accountability, management training classes, and mentoring.

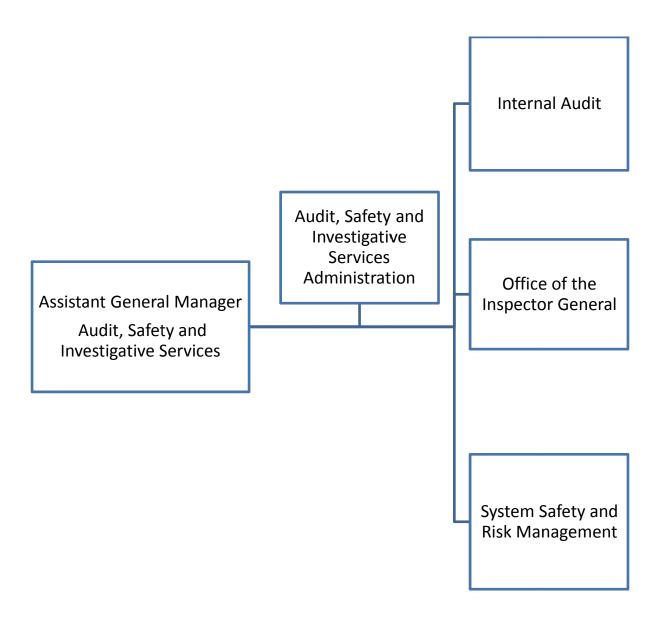
Audit, Safety and Investigative Services Division



Overview

The Audit, Safety 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 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 and facilities and ensures SEPTA's compliance with environmental laws and regulations. The Division also administers the Authority's Risk Management and Insurance Programs.

The Division includes the Internal Audit Department, Office of Inspector General and System Safety and Risk Management.





HEADCOUNT

	O!	PERATING I	HEADS	
	Α	В	Н	Total
Internal Audit	13	-	-	13
Office of the Inspector General *	4	-	-	4
System Safety and Risk Management	23	-	-	23
TOTAL OPERATING HEADS	40	-	-	40

	CAPITAL HEADS				
	Α	В	Н	Total	
Internal Audit	-	-	-	-	
Office of the Inspector General	-	-	-	-	
System Safety and Risk Management	-	-	-	-	
TOTAL CAPITAL HEADS		-	-	<u> </u>	

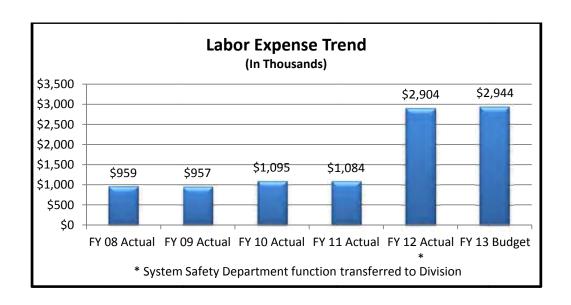
	TOTAL HEA	ADS	
Α	В	Н	Total
13	-	-	13
4	-	-	4
23	-	-	23
40	-	-	40
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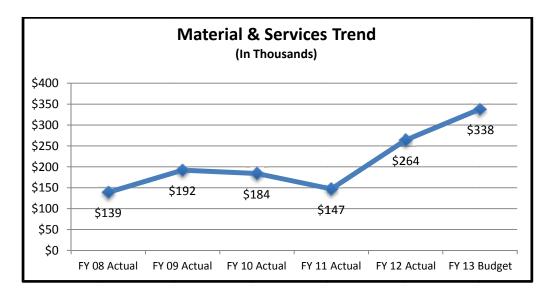
^{*} The Office of the Inspector General also has four police officers assigned on a fulltime basis.



FY 2013 Audit, Safety and Investigative Services Budget Amounts in Thousands ('000)

	Net <u>Labor</u>	 aterial ervices	<u>Total</u>
Internal Audit	\$ 824	\$ 18	\$ 842
Office of the Inspector General	326	34	360
System Safety and Risk Management	 1,794	 286	 2,080
TOTAL	\$ 2,944	\$ 338	\$ 3,282





Audit, Safety and Investigative Services

PRINCIPAL RESPONSIBILITIES

INTERNAL AUDIT

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

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

Internal Audit

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

Information Technology

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 precontract 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.

SYSTEM SAFETY AND RISK MANAGEMENT

Develop, implement, maintain and update the multi-modal System Safety Program Plan (SSPP). Coordinate all functions related to safety throughout the Authority, including the potential for environmental and workplace health exposures. Perform an enhanced level of safety inspections and audits, in addition to major accident investigations, occupational injury investigations and safety/risk management assessments. Conduct 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.

Provide consultation and support in the area of environmental compliance and management of SEPTA's environmental activities. Oversee Environmental Site Characterization Assessments, Phase I & II Property Acquisition Assessments and Remediation Projects. Oversee the Authority's Environmental and Sustainability Management System (ESMS).

Manage the Property/Casualty Insurance Program and the risk treatment process. Work to obtain the most cost effective insurance coverage by reducing risk exposure 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.

Audit, Safety and Investigative Services

OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General is responsible for conducting independent investigations relating to waste, fraud, abuse and mismanagement. This is accomplished through continuous monitoring and investigations directed at specific concerns.

GOALS AND BUSINESS INITIATIVES

	Current Goals
l.	Perform audits/investigations of those areas identified in the risk assessment plan. a. Includes one audit related to a Customer Service Process
II.	Performs audits/investigations of other areas based on events that occur during the year.
III.	Provide timely response to request for support services.
IV.	Provide audits of third-party cost reimbursement contracts.
V.	Review pre-contract cost proposals, change orders and claims upon request.
VI.	 Improve organizational sustainability, focused on waste minimization and recycling. a. Develop global residual/hazardous waste disposal contracts, to allow management on a global scale and baseline data about waste disposal practices on a by-location basis. b. Initiate three-phase approach to recycling system wide:
	 1. 1234 Market Street Headquarters 2. Center City rail stations 3. All SEPTA facilities that generate solid waste

SEPTA 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

Responsible for the leadership, project management, implementation, and support of technology initiatives for SEPTA and external customers. Administer and manage the enterprise data center, including mainframe/mid-range systems and network server architecture and the enterprise network infrastructure services (wired and wireless) for all SEPTA locations. Manage and maintain the disaster recovery and contingency tasks for SEPTA digital assets.

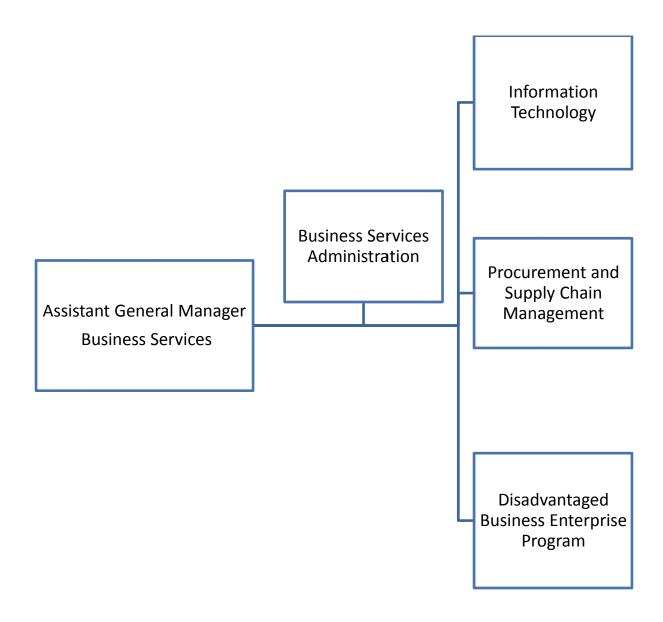
Procurement and Supply Chain Management

Perform 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. Provide 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. Participate in the updating of standard form contracts, the 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, infrastructure material planning and control.

Disadvantaged Business Enterprise Program

Administer the U.S. Department of Transportation's Disadvantaged Business Enterprise Program regulations to ensure a level playing field and equal opportunity for small, minority and women-owned businesses to participate in contract and procurement activities. Provide outreach, technical assistance, training and dissemination of resource information to those firms interested in doing business with SEPTA.







HEADCOUNT

	0	PERATING I	HEADS	
	Α	В	Н	Total
Administration	5	-	-	5
Information Technology	62	5	-	67
Procurement and Supply Chain Management	73	59	3	135
Disadvantaged Business Enterprise Program	4	-	-	4
TOTAL OPERATING HEADS	144	64	3	211

		CAPITAL HE	ADS	
	Α	В	Н	Total
Administration	-	-	-	-
Information Technology	-	-	-	-
Procurement and Supply Chain Management	8	2	-	10
Disadvantaged Business Enterprise Program	2	-	-	2
TOTAL CAPITAL HEADS	10	2	-	12

		TOTAL HEA	ADS	
	Α	В	Н	Total
Administration	5	-	-	5
Information Technology	62	5	-	67
Procurement and Supply Chain Management	81	61	3	145
Disadvantaged Business Enterprise Program	6	-	-	6
TOTAL HEADS	154	66	3	223

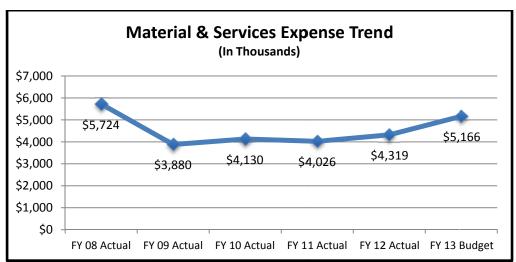


FY 2013 Business Services Budget

Amounts in Thousands ('000)

	Net <u>Labor</u>	<u>&</u>	Material Services	<u>Total</u>
Administration	\$ 576	\$	15	\$ 591
Information Technology	5,026		4,832	9,858
Procurement and Supply Chain Management	8,220		287	8,507
Disadvantaged Business Enterprise Program	 274		32	 306
TOTAL	\$ 14,096	\$	5,166	\$ 19,262







PRINCIPAL RESPONSIBILITIES

INFORMATION TECHNOLOGY

Emerging & Specialty Technologies

Provide the short and long term strategy, direction, management, and implementation of the core enterprise architecture and technical infrastructure for the Authority. Manage new technologies and the support of Control Center specialty technology systems. Responsible for the strategic design and development of advanced network architecture using both wired and wireless technologies.

Project Services

Support the development, integration and implementation of new software systems of business units throughout the Authority and maintain and enhance 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

Provide computer operations stability and access security on a 7-day/24-hour basis including problem management, disaster recovery, database administration and change control. Maintain 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. Support SEPTA's enterprise data communication systems and the entire microcomputer environment. Set standards for hardware and software used across the networks and install, support, and maintain the data network infrastructure throughout the entire Authority service area.

Records Management

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

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Compliance and Support Services

Provide 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. Participate in updating standard form contracts, the procurement manual and related policy instructions. Provide analytical, budgetary, system administration and enhancements, and contract processing support for the department. Administer Authority-wide programs such as e-procurement, electronic stockless stationary, toner and paper, P-Card and the Material Management/Purchasing system. Responsible for maintenance, enhancement and control of the asset recovery process for the Authority.

Contract Administration

Responsible for proactive 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 overseeing contractors and owners to ensure both parties meet their contractual obligations.



Purchasing and Resource Control

Perform analysis, forecasting, identification of inventory needs to determine adequate stocking levels to effectively purchase/lease Non-Stock Infrastructure, Rail and Vehicle parts, material, equipment, supplies, and services utilized by the Authority, except for major vehicle procurements. Provide cost savings through value analysis and negotiations, and expedite orders with suppliers. Provide direct field support to Maintenance Directors and shop personnel. Perform requirements planning for vehicle overhaul programs and various maintenance projects.

Supply Chain Management

Perform analysis, forecasting, identification of inventory needs to determine adequate stocking levels to effectively purchase/lease Stock Infrastructure items. Responsible for storeroom operations, warehousing, distribution, and inventory replenishment. Lead integrated planning meetings with operational areas to ensure short and long term material requirements are understood. Direct receiving, documenting, storing, issuing, tracking and inventorying of all stock material for the Authority's diversified fleet and infrastructure maintenance. Coordinate and control the Authority-wide inventory reduction program.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OFFICE (DBEPO)

DBE Certification

Participate as one of five principal DBE certifying agencies within the Commonwealth of Pennsylvania to provide one stop shopping for firms seeking certification as a Disadvantaged Business Enterprise (DBE) in accordance with 49 CFR Part 26, and represent the Authority as a managing member of the Commonwealth of Pennsylvania's Unified Certification Program (PA UCP).

SBE Program

Implement a Small Business Enterprise (SBE) Program designed to meaningfully involve small business concerns who are ready, willing and able to participate in the Authority's procurement and contracting activities and to meet the maximum feasible portion of the Authority's overall goal by using race-neutral means of obtaining DBE participation.

DBE Compliance

Establish goals for applicable projects, review bids/proposals, monitor projects for goal attainment, and ensure equitable treatment to DBEs performing on contracts.

DBE Program Outreach

Provide assistance, guidance and resources to all small businesses interested in pursuing contracting opportunities; coordinate internal and external outreach events; facilitate workshops and networking events for prime contractors, SBEs and DBEs.



GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Provide best-in-class service delivery to customers	 a) Strengthen DBE Business Outreach Program. b) Improve DBE Communication, Training, Instructional programs. c) Implement a Small Business Program. d) Ensure inventory accuracy and parts availability. e) Implement Regional Rail and City Rail Vendor Managed Inventory (VMI) Program. f) Reduce monthly average vehicles out of service due to non-availability of parts. g) Implement and evaluate Vendor Performance Program. h) Promote professional excellence and improve support of all IT user systems. i) Conduct Lean exercises on Material Inspection and Bid/RFP processes.
II. Implement new systems to automate processing, retrieval and storage of data	 a) Complete implementation of the Rail Crew Management System. b) Complete implementation of the procurement software upgrades. c) Introduce browser-based Vehicle Maintenance Information System (VMIS). d) Refresh the core e-computing infrastructure. e) Support implementation of the New Payment Technologies. f) Replace BizTrak System and pursue a single point of entry concept. g) Develop business case for expansion of communication devices. h) Develop enterprise architectural planning framework.
III. Ensure disaster recovery, operational systems backup, infrastructure and maintenance capabilities	 a) Implement Network Management and Incident Detection/ Response tool. b) Develop a plan to enhance security of IT Network and Infrastructure Systems.
IV. Achieve "green" status by installing energy efficient technologies	 a) Reduce the number of printer devices enterprise-wide. b) Achieve inventory reduction of \$1.5M. c) Achieve \$3M revenue in asset recovery. d) Develop business case for stock item vending machines.
V. Enhance Operational Efficiency	a) Implement a Windows-based VMIS platform for Authority Asset Management.
VI. Participate in outreach programs designed to increase ridership	a) Support ridership improvement efforts.

Customer Service and Advocacy Division

Customer Service and Advocacy



Overview

The Customer Service and Advocacy 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 have direct responsibility for implementing all SEPTA customer service initiatives.

Administration

Coordinate, manage and direct the financial and administrative activities for the Customer Service and Advocacy Division.

Communications/Advocacy

The Communications Department is comprised of Graphic Services, the Print and Sign Shops, Fulfillment Services, Communications and Website Management, and Advocacy Services. The Department is responsible for all aspects of corporate and customer communications including: preparation of service and project information publications and postings, system signage, maps, corporate branding, website and social media management and the SEPTA Art in Transit Program. The Advocacy unit is responsible for coordinating Authority-wide customer service initiatives and representing the customers' point of view with internal stakeholders. They also serve as staff liaison for the SEPTA Citizen Advisory and Youth Advisory Committees, and manage the Retiree Concierge customer service program.

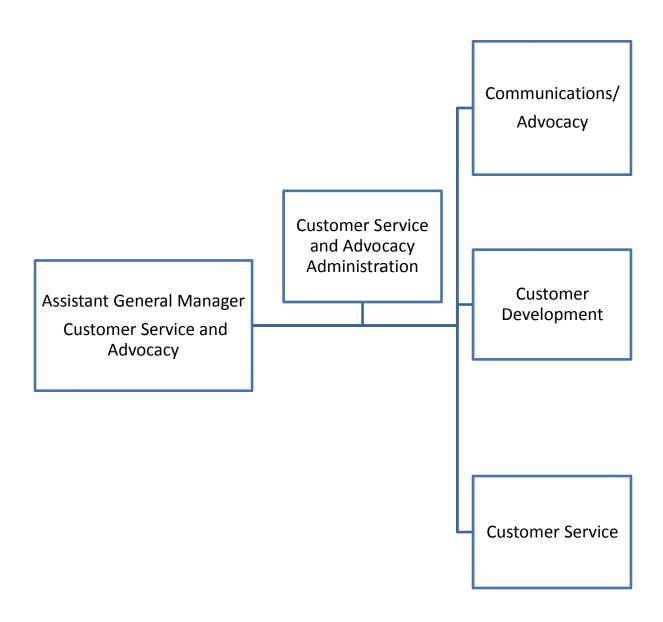
Customer Development

This section directs Authority-wide qualitative and quantitative market research for the division as well as other internal customers. This includes customer surveys, website surveys and focus groups. The unit stays current with trends in customer service and technology in both the transportation industry and the service industry at large. It also oversees the SEPTA customer experience through the use of service quality agents that ride the system to assess performance and attention to all standards related to courtesy, communications, cleanliness and safety.

Customer Service

The Customer Service Department manages customer issues and inquiries concerning travel information, lost and found, complaints, commendations, and suggestions over the phone, U.S. mail, email and internet chat. The department maintains satellite offices at 1234 Market Street and at several transportation hubs in the region. Customer Service agents are also deployed to staff special events. The department's personnel administer the Senior Citizen Free Transit Program and the Reduced Fare Program for people with disabilities.







HEADCOUNT

	OPERATING HEADS			
	Α	В	Н	Total
Administration	6	-	-	6
Communications/Advocacy	10	5	3	18
Customer Development	3	-	-	3
Customer Service	9	59	-	68
TOTAL OPERATING HEADS	28	64	3	95

		CAPITAL HEA	ADS	
	A	В	Н	Total
Administration	-	-	-	-
Communications/Advocacy	-	-	-	-
Customer Development	-	-	-	-
Customer Service	-	-	-	-
TOTAL CAPITAL HEADS		-	-	

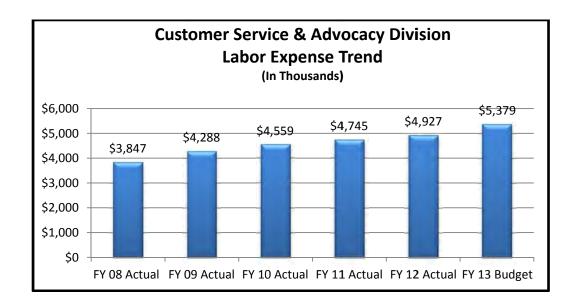
	TOTAL HEA	DS	
Α	В	Н	Total
6	-	-	6
10	5	3	18
3	-	-	3
9	59	-	68
28	64	3	95
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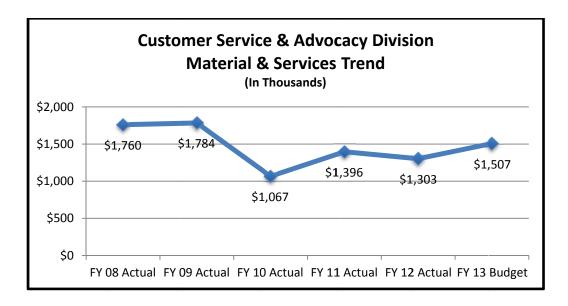


FY 2013 Customer Service and Advocacy Budget

Amounts in Thousands ('000)

	Net <u>Labor</u>	Material & Services	<u>Total</u>
Administration	\$ 549	\$ 444	\$ 993
Communications/Advocacy	1,106	1,031	2,137
Customer Development	179	-	179
Customer Service	 3,545	 32	 3,577
TOTAL	\$ 5,379	\$ 1,507	\$ 6,886





Customer Service and Advocacy



PRINCIPAL RESPONSIBILITIES

ADMINISTRATION

Coordinate, manage and direct the financial and administrative activities for the Customer Service and Advocacy Division.

COMMUNICATIONS/ADVOCACY

Responsibilities include internal and external corporate communications including the development of customer information brochures, posters and notices, system signage, way-finding information, and maps. Manage the content, graphics, navigation, and editorial content for SEPTA's Internet website. Develop new customer features and format for public website including real time service 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. Direct the Art in Transit program. Manage Graphics, Printing Services, the Sign Shop, Fulfillment Services and Communications.

Print Services and Sign Shops

They 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 system and vehicle signs, decals, and banners, including system-wide transit stop signage.

Graphic Services

Provide 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. Responsible for graphic design of SEPTA's Internet and Intranet.

Fulfillment Services

Provide 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.

Communications and Website Management

Responsible for all corporate and customer communications including all SEPTA services and project-related information. This unit is also responsible for the design, content, and management of the SEPTA website and Authority Social Media tools.

Advocacy Services

Responsible for presenting the customer's point of view as it relates to internal programs and initiatives. Also responsible for working with external advocacy groups to support and promote SEPTA and public transit. Manage the Authority's Visitor and Hospitality Outreach Programs and Retiree Customer Service Corp.

Customer Service and Advocacy



CUSTOMER DEVELOPMENT

Responsible for directing Authority-wide qualitative and quantitative market research. The department is responsible for managing customer surveys, focus groups, and website surveys. The department also utilizes service quality agents that navigate the system from the passenger's perspective in order to assess the performance and attention to all standards related to the customer experience.

CUSTOMER SERVICE

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

GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Nourish and advance a wide array of Customer-Focused initiatives throughout the Authority	 a) Provide updates on the status of the Customer Service Program to the General Manager, the GM Team and Board. b) Work with other divisions to ensure that customer service remains vital and relevant by closing out completed initiatives and introducing new ones. c) Sustain the Passenger Etiquette program and support other Customer Service programs including the QuietRide Car program on the regional railroad. d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Service Division interaction.
II. Develop Customer-Focused workforce	 a) Coordinate the Retiree Hospitality Concierge Program. b) Implement Goals and Performance System (Employee Customer Service Goals). c) Continue Employee Eye on SEPTA Program.
III. Employ technological advancements to improve Customer Service	a) Develop and implement a website strategic plan for SEPTA.b) Add at least two web site features.

ESSEPTAEngineering, Maintenance and Construction Division

Engineering, Maintenance and Construction

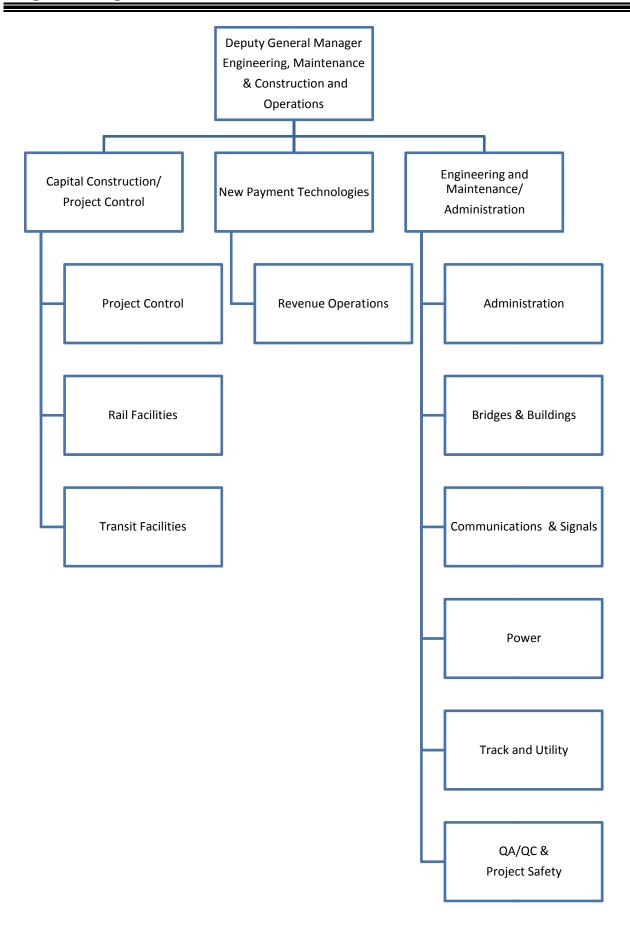
Overview

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

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 and implement a new state-of-the-art consumer payment program.

Engineering, Maintenance and Construction





HEADCOUNT

	OPERATING HEADS				
	Α	В	Н	Total	
Capital Construction/Project Control	4	-	-	4	
ngineering & Maintenance/Administration	163	65	768	996	
New Payment Technologies/Revenue Operations	83	50	49	182	
OTAL OPERATING HEADS	250	115	817	1,182	

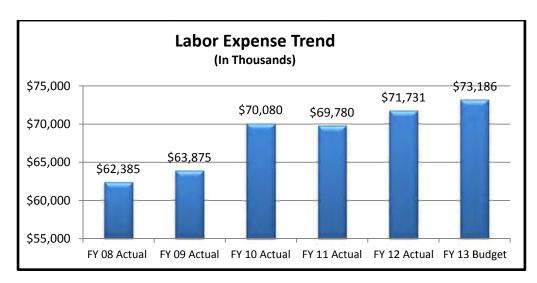
_				
	Α	В	Н	Total
Capital Construction/Project Control	49	-	-	49
Engineering & Maintenance/Administration	83	7	263	353
New Payment Technologies/Revenue Operations	12	-	-	12
TOTAL CAPITAL HEADS	144	7	263	414

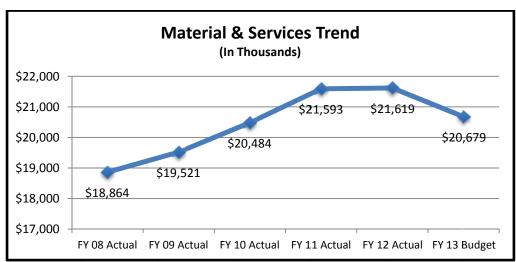
	TOTAL HEADS			
	Α	В	Н	Tota
Capital Construction/Project Control	53	-	-	53
Engineering & Maintenance/Administration	246	72	1,031	1,349
New Payment Technologies/Revenue Operations	95	50	49	194
TOTAL HEADS	394	122	1,080	1,596



FY 2013 Engineering, Maintenance and Construction Budget Amounts in Thousands ('000)

	Net <u>Labor</u>	8	Material Services	<u>Total</u>
Capital Construction/Project Control Engineering and Maintenance/Administration	\$ 482 62,394	\$	62 18,621	\$ 544 81,015
New Payment Technologies/Revenue Operations TOTAL	\$ 73,186	\$	1,996 20,679	\$ 12,306 93,865





Engineering, Maintenance and Construction

PRINCIPAL RESPONSIBILITIES

ADMINISTRATION & FINANCE

Coordinate and manage the financial and administrative activities for the Engineering, Maintenance and Construction Division. Primary responsibilities include: Operating Budget; ISRP development, analysis and reporting; Human Resource administration; Contract Management; and Asset Maintenance Management System development.

CAPITAL CONSTRUCTION - PROJECT CONTROL

Provide 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. This group is also responsible for the Federal ARRA reporting requirements.

CAPITAL CONSTRUCTION – QA/QC

Provide Quality Assurance/Quality Control and Project Management/Construction standards for the capital program. Also responsible for the development and implementation of document control procedures.

CAPITAL CONSTRUCTION – RAIL FACILITIES

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

CAPITAL CONSTRUCTION – TRANSIT FACILITIES

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

ENGINEERING AND MAINTENANCE – PLANNING, COORDINATION & SAFETY

Responsible for long range planning, master scheduling and inter-departmental coordination of Railway Improvement Projects. Also manage Divisional Safety and State of Good Repair Planning Programs.

ENGINEERING AND MAINTENANCE – BRIDGES AND BUILDINGS

Provide structural, architectural and mechanical engineering services; perform all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops, and electrical/mechanical infrastructure.

ENGINEERING AND MAINTENANCE - COMMUNICATIONS AND SIGNALS

Perform regular inspection, testing, maintenance, and reconstruction of the signal system; provide engineering and design services for all signals and communications maintenance and renewal projects; perform all radio, telecommunications and railroad communication maintenance. Manage the engineering and construction for capital projects for communication and signals infrastructure.

Engineering, Maintenance and Construction

ENGINEERING AND MAINTENANCE - POWER

Perform regular inspection, maintenance and reconstruction of electric traction and signal power systems and electrical infrastructure; provide engineering and design services for all related maintenance and renewal projects. Manage engineering and construction for capital projects for power and electrical infrastructure.

ENGINEERING AND MAINTENANCE – TRACK AND UTILITY

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

NEW PAYMENT TECHNOLOGIES

Revenue Transportation

Ensure the collection and safe transportation of the Authority's passenger revenues and fare instruments. Deposit processed revenue.

Revenue Services

Ensure timely processing, counting and reconciliation of the Authority's passenger revenue, as well as the distribution of fare instruments.

Revenue Equipment Maintenance and Engineering

Perform preventive maintenance and overhaul of the Authority's fare collection equipment and devices. Provide engineering and design support for the revenue system including specifications, drawings, equipment modifications and system upgrades.

Revenue Compliance

Ensure that the collection of farebox revenue is performed efficiently and safely.

Revenue, Audit and Control

Ensure 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.

Engineering, Maintenance and Construction

GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Provide leadership in the Authority's efforts to rebuild its system	 a) Control capital project spending by keeping costs within 5% of budget. b) Achieve targets (80% within 90 days of schedule) for NTP's, substantial completion, and interim milestones for all A&E and Construction. c) Pursue Capital Project Control initiatives focusing on VEC and GEC contracts. d) Commence, advance and complete all scheduled Engineering and Maintenance Department ISRP projects. e) Implement State of Good Repair database to provide a Capital Asset Inventory and an analysis of Capital Investment backlog and investment alternatives.
II. Contribute to the Authority's economic, environmental, and social sustainability	 a) Promote cost effective implementation of sustainability projects by incorporating LEED and Energy Star design standards, while adhering to budgets. b) Manage capital investments to reduce long term utility costs by completing energy efficient lighting improvement projects and conducting energy audits to find additional savings opportunities. c) Expand Authority recycling program to include stations and operating locations.
III. Ensure Safety and Security throughout the SEPTA system	 a) Advance System Modernization Projects including ATC/PTC, new fire alarms at Frontier and Market East, Escalator Modernization, and new fire sprinklers at Frankford. b) Insure ongoing infrastructure maintenance by insuring strict compliance with all mandated standards, agency regulations, and internal policies and procedures for rail and transit safety. Regular inspections and preventive maintenance to be performed in accordance with all codes, regulations and OEM recommendations. Employee IOD lost time to be measured and monitored with targets for reduction established.
IV. Expand System Capacity	a) Advance projects that support ridership growth including the Levittown Station Phase 1 Parking Expansion, 69 th St Parking Garage Phase 1 site work, and the Paoli Transportation Center.

Engineering, Maintenance and Construction

Current Goals	Initiatives
V. Support the Authority's Internal and External Focus on Customer Service	 a) Support customer service related operating and maintenance projects including railroad snow removal, Silverliner V boarding platform construction, maintenance blitzes at multimodal transportation centers, maintenance to elevators and escalators to meet reliability targets, maintenance to revenue equipment to meet reliability targets, and the coordination of maintenance and construction activities to minimize track outages. b) Support customer service related capital projects such as the Wayne Junction Station construction, City Hall Dilworth Plaza Early Action project, 69th St. Terminal NHSL Platforms, Primos Station construction and 33rd & Dauphin Loop Construction.
VI. Support the Authority's Implementation of New Technologies	 a) Advance New Payment Technologies (NPT) contract. Complete conceptual, preliminary, and final designs for NPT system elements. Begin acceptance testing of all NPT devices. Complete final designs for zone offices and begin the initial phase of construction. b) Pursue other communications-based technological upgrades including Positive Train Control, wireless delivery of real time service information, cell phone access in SEPTA tunnels, Wi-Fi internet access hotspots, and new Asset Management software.
VII. Build a Highly Qualified, Versatile Staff	 a) Minimize employee turnover and improve hiring process management. b) Implement and encourage Employee Training through a Rapid Assimilation Program for new Engineers, elevator/escalator maintenance apprentice program, and full utilization of SEPTA Human Resources SAM Training seminars. c) Assist the Division's Professional Engineers in obtaining continuing education credits required to maintain Pennsylvania license.

ESSEPTAFinance and Planning Division

Finance and Planning



Overview

Capital Budget and Grant Development

Manage the Authority's capital budget and monitors financial performance throughout the year through forecasting and financial analysis. Manage the Authority's multi-source grant programs throughout the year and monitors grant cycle from development to close out. Manage the Southeastern Pennsylvania Job Access and Reverse Commute and New Freedom Programs.

Finance Administration

Coordinate, manage and direct the day-to-day activities of the Finance and Planning Division.

Financial Services

Manage the Authority's finances including billings and cash management, accounts payable, accounts receivable and fixed assets, revenue accounting and operating grants.

General Accounting

Manage the Authority's financial reporting and accounting activities.

Operating Budget

Manage the Authority's operating budget process and monitor financial performance throughout the year through forecasting and financial analysis. Prepare Operating Budget Proposal and Final Operating Budget Book on an annual basis.

Recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the past seven fiscal years' budgets.

Payroll

Process Authority payroll in a timely and accurate manner. Ensure that payroll-related contractual entitlements are properly reflected in accounting records and paid to individual employees.

Revenue, Ridership and Sales

Develop revenue and ridership budgets. Administer all aspects of discounted fare media from the warehouse to the end user, including acquisition, receipt, distribution and reconciliation. Manage the on-line aspect of the sales network to include fare media and merchandise availability throughout the continental United States. Create and manage long and short term agreements to maximize advertising revenues.

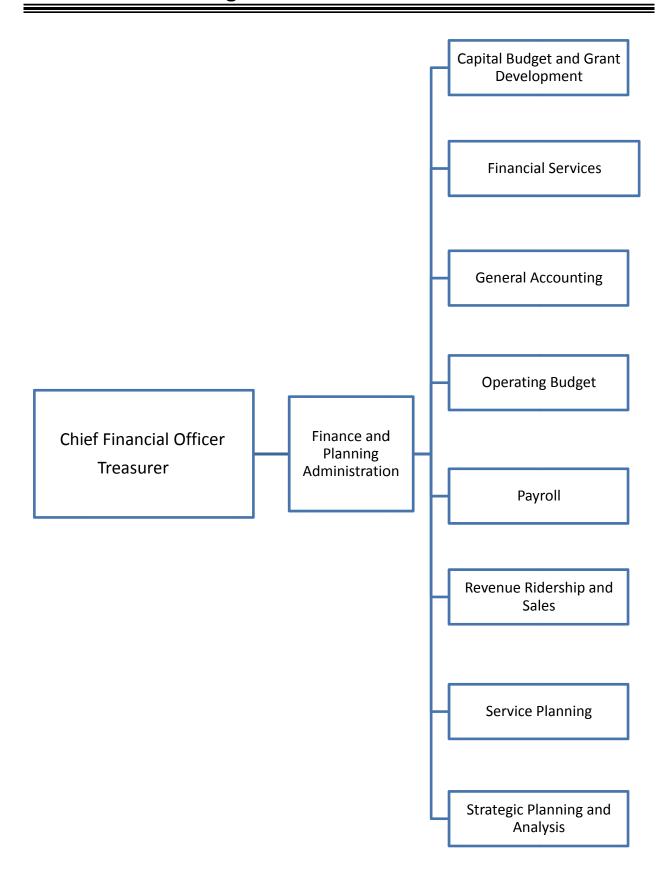
Service Planning

Plan and schedule service for City, Suburban and Railroad operations. Prepare 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

Direct, develop and implement SEPTA's Strategic Business and Long Range Planning activities. Manage the Authority's Sustainability Agenda supporting an environmental, social and economic focus. Lead all long range rail restoration planning efforts, station transportation oriented development efforts and coordinate with the Metropolitan Planning Organization and city and county planning agencies within the region. Conduct selected analysis of business and best practices, re-engineer and re-design functional activities in context of improving service delivery and enhancing customer experiences.







HEADCOUNT

	OPERATING HEADS				
	Α	В	Н	Total	
Capital Budget and Grant Development	3	_	_	3	
Finance Administration	9	-	_	9	
Financial Services	23	8	-	31	
General Accounting	9	2	-	11	
Operating Budget	10	-	-	10	
Payroll	3	2	-	5	
Revenue, Ridership and Sales	30	29	-	59	
Service Planning	30	23	_	53	
Strategic Planning and Analysis	5	-	_	5	
TOTAL OPERATING HEADS	122	64	-	186	

	CAPITAL HEADS					
	A	В	Н	Total		
Capital Budget and Grant Development	4	-	-	4		
Finance Administration	-	-	-	-		
Financial Services	-	-	-	-		
General Accounting	-	-	-	-		
Operating Budget	-	-	-	-		
Payroll	-	-	-	-		
Revenue, Ridership and Sales	1	-	-	1		
Service Planning	-	-	-	-		
Strategic Planning and Analysis		-	-	_		
TOTAL CAPITAL HEADS	5	_	_	5		

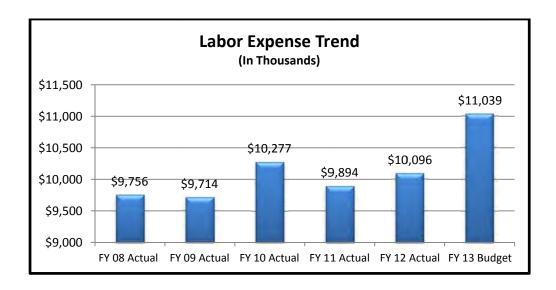
	TOTAL HEADS				
	Α	В	Н	Total	
Capital Budget and Grant Development	7	-	-	7	
Finance Administration	9	-	-	9	
Financial Services	23	8	-	31	
General Accounting	9	2	-	11	
Operating Budget	10	-	-	10	
Payroll	3	2	-	5	
Revenue, Ridership and Sales	31	29	-	60	
Service Planning	30	23	-	53	
Strategic Planning and Analysis	5	-	-	5	
TOTAL HEADS	127	64	_	191	

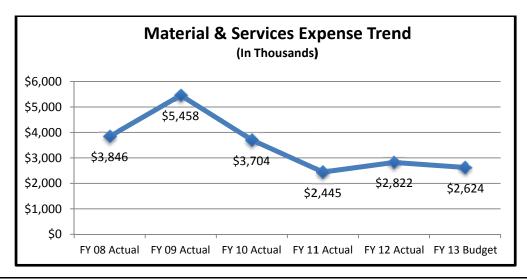


FY 2013 Finance and Planning Budget

Amounts in Thousands ('000)

		Net <u>Labor</u>	<u>&</u>	Material Services		<u>Total</u>
Capital Budget and Grant Development	\$	199	\$	5	\$	204
Finance Administration	Y	1,029	7	-	Y	1,029
Financial Services		1,832		563		2,395
General Accounting		641		289		930
Operating Budget		736		169		905
Payroll		276		3		279
Revenue, Ridership and Sales		3,313		1,528		4,841
Service Planning		2,703		56		2,759
Strategic Planning and Analysis		310		11		321
TOTAL	\$	11,039	\$	2,624	\$	13,663







PRINCIPAL RESPONSIBILITIES

CAPITAL BUDGET and GRANT DEVELOPMENT

Develop annual Capital Budget and the twelve-year Capital Program. Prepare, maintain, execute and monitor federal, state and local grants from inception to grant close out. Develop transit capital projects for the regional Transportation Improvement Program. Provide oversight and prepare analyses of the Vehicle Overhaul Program; Infrastructure Safety Renewal Program; Regional Job Access and Reverse Commute and New Freedom Programs. Also responsible for safety and security programs and other special grant programs.

FINANCE ADMINISTRATION

Coordinate, manage, and direct the activities of the Finance and Planning Division. Oversee the development and implementation of the operating and capital budgets, strategic business plans and sustainability plan. Manage financial reporting and develop revenue strategies and fare policies. Coordinate all long range planning and service planning initiatives. Coordinate the Authority's access to the capital markets for proposed debt financing and leasing. Coordinate the strategic leverage of limited resources to maintain a reasonable level of access to capital markets.

FINANCIAL SERVICES

Accounts Payable, Billings and Cash Management

Process vendor payments; ensure items processed are correctly recorded; generate billings, capture and report capital project costs. Manage the Authority's cash resources.

Revenue Accounting, Operating Grants, Accounts Receivable and Fixed Assets Maintain accounting controls over operating revenues, operating subsidy grants, operating receivables and fixed assets. Prepare 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.

GENERAL ACCOUNTING

Manage the Authority's financial reporting and accounting activities. Produce timely and accurate financial reports and properly maintain the accounting system and related internal control structure which includes managing the monthly and annual financial general ledger close process. Prepare and issue monthly financial and statistical reports to the SEPTA Board and senior management. Prepare required quarterly and audited financial reports that are issued to various financial institutions and government agencies that provide debt financing or subsidies to the Authority.



OPERATING BUDGET

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 financial 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.

Specialized Support Assignments

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

PAYROLL

Process Authority payroll in a timely and accurate manner. Ensure that payroll-related contractual entitlements are properly reflected in accounting records and paid to individual employees.



REVENUE, RIDERSHIP AND SALES

Form 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.

Revenue and Ridership Management

Develop and report monthly ridership and revenue levels. Manage all ridership and revenue data and issue reports as market conditions demand. Issue all required revenue and ridership reports to governmental and ancillary agencies. Develop and support all Passenger Revenue pricing and tariffs.

Sales

Administer and conduct the sale of all prepaid fare media, both within the SEPTA service area and to visitors throughout the continental United States. Manage five full service sales centers, the Transit Store and the online web sales portal designated shop.SEPTA.org. Manage sales to over 1,000 external sales venues such as corporate entities, school districts, retail establishments and businesses authorized to purchase fares on demand. Develop and staff all "Transit Fairs" and other outreach events. Handle all customer adjustments related to lost rides or fare media refund. Determine the quantity of all dated fare media purchases. Develop and maintain partnership agreements with cultural and business related partners. Generate non-transportation revenue through the sale of advertising space on passes, bridges, billboards, website, vehicles and at stations.

Parking

Pursue opportunities to expand parking spaces and function as the central coordinator for all parking related issues. Responsible for managing third party contractors for maintenance on all lots and garages. Actively seek land acquisitions to develop and expand various parking lot capacities. Manage over 26,000 parking spaces and directly handle all coin and electronic cash collection from SEPTA owned meters, slot boxes and pre-paid permits.

SERVICE PLANNING

Plan and schedule service for City, Suburban and Railroad operations. Monitor and analyze route performance in accordance with applicable service standards to develop proposals for service improvements. Work with public and private partners to develop new services. Prepare the Annual Service Plan which includes the service proposals and annual economic review of all SEPTA routes. Serve as liaison with City and County Planning Agencies and Transportation Management Associations regarding service planning issues. Coordinate 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. Manage SEPTA central transit stop data base and Automatic Passenger Count (APC) data and reporting. Provide authority-wide Geographical Information Systems (GIS) support. Support Capital Budget planning on transit and railroad service issues.



STRATEGIC PLANNING AND ANALYSIS

Strategic Business Planning

Design, develop, 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. Research and recommend best practices relating to organizational initiatives supporting the Authority's strategic objectives and serve as consultant for divisional implementation.

Sustainable Planning, Policy & Community Development

Develop and manage 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. Prepare financial analysis and provide support to develop sustainability projects with funding plans and prepare grant applications. SEPTA's Sustainability Plan can be found at www.septa.org/sustain.

Capital & Long Range Planning

Initiate studies and develop plans for expanding and improving the existing transit network to serve new markets and increase ridership. Manage key relationships and partnerships with the Metropolitan Planning Organization, city and county planning agencies, municipal organizations, Transportation Management Associations and other transit stakeholders throughout the service region to implement capital and long range planning projects. Coordinate with local governments, community organizations, and developers to encourage transit supportive development patterns and land uses. Conduct studies to assess the impacts 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. Analyze 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 AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Improve internal and external customer responsiveness	 a) Participate in SEPTA's Customer Service programs. b) Ensure employee attendance at Customer Service training sessions. c) Improve access to information through new technologies. d) Proactively evaluate schedule and route changes to improve service reliability. e) Respond quickly and effectively to customer inquiries.
II. Strategically allocate resources and streamline processes to ensure cost effective service	 a) Hedge against future financial liabilities. b) Decrease paper usage. c) Continue to evaluate alternative funding opportunities.
III. Expand and strengthen the Authority's stakeholder network	 a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities to serve new markets.
IV. Support the economic, financial, social and environmental sustainability of the Authority	 a) Support and promote SEPTA's Sustainability Program (www.septa.org/sustain). b) Coordinate advocacy efforts internally towards mitigating the Pennsylvania Act 44 of 2007 funding gap. c) Support transit-oriented development and other neighborhood sustainability projects. d) Together with SEPTA's Legal Division, work to optimize the impact of deregulation in the natural gas and market generation electricity industries.
V. Strengthen accountability, transparency and visibility	 a) Develop and standardize reporting protocols for Five-Year Strategic Business Plan and Sustainability Plan. b) Publish a greater volume of ridership and revenue information on SEPTA intranet. c) Coordinate internally to ensure compliance with new reporting standards. d) Proactively develop communications strategies and public relations campaigns around strategic initiatives.



	Current Goals	Initiatives
VI.	Act as a steward for the Authority's short, mid and long-term planning efforts	 a) Support efforts to achieve targets set forth in the Five-Year Strategic Business Plan. b) Incorporate other targeted planning efforts as an integrated component of the Strategic Business Plan. c) Develop capacity for long-range planning and alternatives analysis. d) Oversee Norristown High Speed Extension Study planning efforts.
VII.	Build a highly skilled, diversified, versatile workforce	a) Cross-train employees among departments to break down decision-making silos.b) Conduct comprehensive succession planning.

ESSEPTAHuman Resources Division

Human Resources



Overview

Human Resources Administration

Direct 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

Administer the employee benefits programs, including medical, dental, prescription, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation, supplemental voluntary benefits and flexible benefits, compensation, and Medical Department services including employee assistance program, absence management, wellness, drug testing, salary compensation, and Human Resources Information System (HRIS).

Recruitment and Talent Management

Direct the recruitment, hiring, testing, transferring and retention of a diverse workforce including union and management employees.

Equal Employment Opportunity/Affirmative Action/Employee Relations

Implement and promote the Authority's EEO/AA Program to address the needs of an increasingly diverse workplace. Ensure compliance with applicable policies, employment laws and regulations to prevent discrimination and harassment. Investigates complaints filed internally and externally. Handle a wide variety of employee relations and monitors the Authority's Performance Improvement Plan.

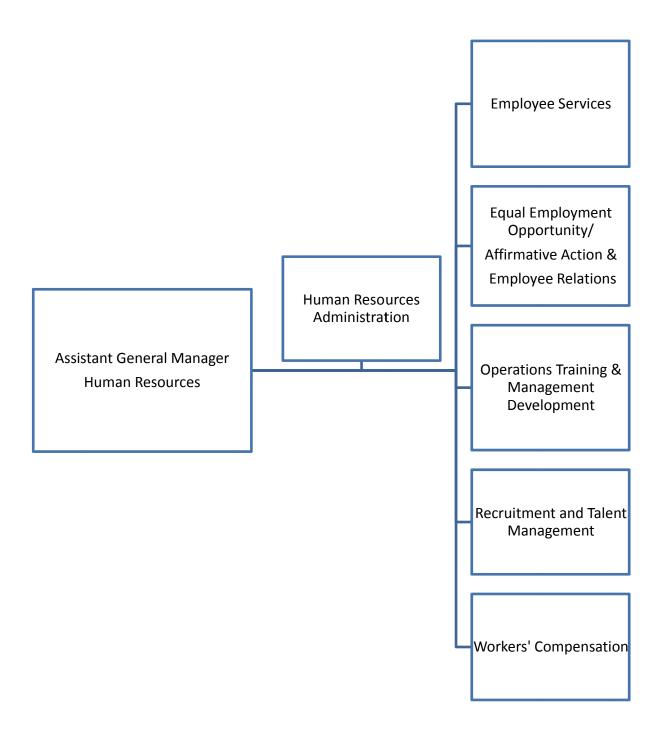
Operations Training and Management Development

Provide training and development programs to reinforce high performance. Teach new skills and retrains employees as required to ensure a comprehensive understanding of regulations, procedures, policies and skills to provide quality customer service in a safe environment. Prepare a customer-focused, multigenerational workforce to assume critical roles and responsibilities in the organization.

Workers' Compensation

Ensure SEPTA's compliance with laws and regulations, including statutory reporting requirements as required. Investigate, evaluate and resolve valid claims against the Authority in a prompt and courteous manner. This department manages the Vocational Rehabilitation Programs and Medical Programs.







HEADCOUNT

<u> </u>	OPERATING HEADS			
	Α	В	Н	Total
Employee Services	18	17	-	35
EEO/AA and Employee Relations	5	-	-	5
Human Resources Administration	6	-	-	6
Recruitment and Talent Management	14	-	-	14
Operations Training & Management Develop.	94	-	-	94
Workers' Compensation	5	-	-	5
TOTAL OPERATING HEADS	142	17	-	159

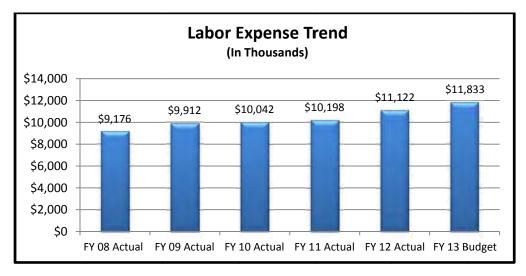
	Α	В	Н	Total
Employee Services	-	-	-	-
EEO/AA and Employee Relations	-	-	-	-
Human Resources Administration	-	-	-	-
Recruitment and Talent Management	-	-	-	-
Operations Training & Management Develop.	-	-	-	-
Workers' Compensation	-	-	-	-
TOTAL CAPITAL HEADS	-	-	-	

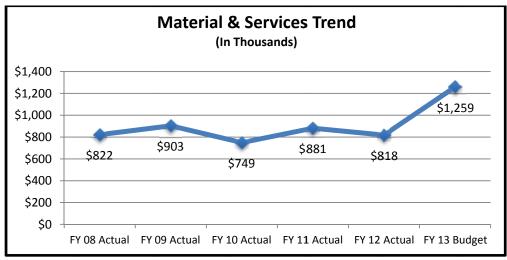
	TOTAL HEADS				
	Α	В	Н	Total	
Employee Services	18	17	-	35	
EEO/AA and Employee Relations	5	-	-	5	
Human Resources Administration	6	-	-	6	
Recruitment and Talent Management	14	-	-	14	
Operations Training & Management Develop.	94	-	-	94	
Workers' Compensation	5	-	-	5	
TOTAL HEADS	142	17		159	



FY 2013 Human Resources Budget Amounts in Thousands ('000)

		Net <u>Labor</u>	Material & Services	<u>Total</u>
Employee Services	\$	2,462	\$ 408	\$ 2,870
EEO/AA and Employee Relations		356	13	369
Human Resources Administration		694	12	706
Recruitment and Talent Management		990	224	1,214
Operations Training & Management Development		6,774	583	7,357
Workers' Compensation		557	19	576
TOTAL	<u>\$</u>	11,833	\$ 1,259	\$ 13,092







PRINCIPAL RESPONSIBILITIES

HUMAN RESOURCES TEAM

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.

EMPLOYEE SERVICES

Medical

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. Manage the Wellness Program.

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). Maintain files for all 1,700 SAM employees and evaluate positions utilizing the Hay Evaluation System.

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. Responsible for the establishment, maintenance and approval of Authority policies.

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

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

Human Resources



RECRUITMENT AND TALENT MANAGEMENT

Direct and manage 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.

TRAINING

Provide 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.

WORKERS' COMPENSATION

Manage workers' compensation and Family Medical Leave Act claims through third party administrator, including the management of all medical and indemnity claims. Coordinate internal vocational rehabilitation and the management of all alternative and transitional duty programs. Administer supplemental benefits as prescribed by labor contracts.



GOALS AND BUSINESS INITIATIVES

	Current Goals	Initiatives
I.	Implement a Succession Planning Process	 a) Identify competencies and values and identify key positions. b) Design program selection methodology and criteria. c) Create a talent pool and individual development plans. d) Establish evaluation criteria. e) Execute succession plans for all divisions.
11.	Provide Leadership for Human Capital Development	 a) Review training needs throughout the Authority. b) Assess targeted position's leadership and competency gaps across divisions. c) Develop a curriculum that aligns with the succession plan's key positions leadership competency gaps. d) Create individual development plans including alternative learning and development opportunities. e) Continue implementation of Management Development Training Programs. f) Minimize labor and training costs by utilizing computer-based training programs. g) Develop programs to support career development/equal employment opportunities. h) Continue tuition program counseling in fields of study appropriate for career opportunities at SEPTA.
III.	Expand and strengthen the Authority's stakeholder network	a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities to serve new markets.
IV.	Provide leadership for Divisional Replacement Planning	 a) Initiate bi-annual workforce planning meeting with managers throughout the Authority to monitor and reduce turnover in key positions. b) Document and track short and long-term recruitment requirements to meet the needs of Strategic Hiring Initiatives. c) Identify creative sourcing strategies. d) Continue involvement in the joint SEPTA/TWU training partnership to upgrade skills of maintenance employees.



	Current Goals	Initiatives
V.	Reinforce Customer Service Authority-Wide	 a) Administer the employee recognition program for outstanding customer service. b) Reinforce the customer focus in hiring, on passenger boarding and training processes. c) Continue to improve the Customer Service Center in Human Resources to better serve employees with customer satisfaction as a priority. d) Continue the Human Resources Generalist Program to assist in the achievement of Authority goals by increasing the number of HR business partners to assist on-site managers and employees.
VI.	Reduce the number of accidents on the SEPTA System	 a) Issue safety, health and environmental performance report providing injury trend analyses. b) Perform ergonomic studies to identify causes of workplace injuries. c) Conduct emergency response drills.

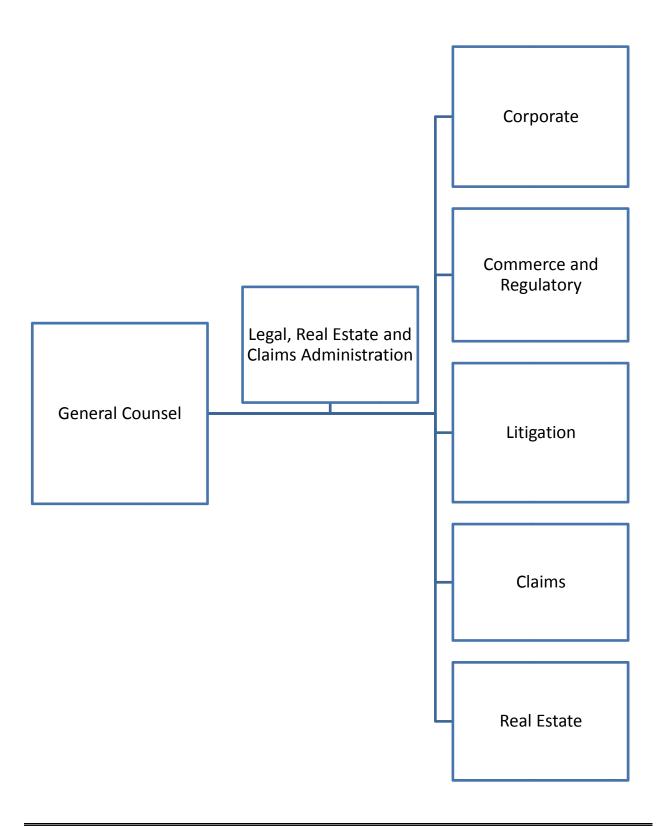
SEPTA

Legal, Real Estate and Claims Division



Overview

The Legal Division consists of the Corporate Department, the Commerce and Regulatory Department, the Litigation Department, the Claims Department and the Real Estate Department, all reporting to the Office of the General Counsel.





HEADCOUNT

	OPERATING HEADS				
	Α	В	Н	Total	
Legal Administration	3	-	-	3	
Corporate	5			5	
Commerce and Regulatory	4	-	-	4	
Litigation	42	1	-	43	
Claims	13	23	-	36	
Real Estate	12	4	-	16	
TOTAL OPERATING HEADS	79	28	-	107	

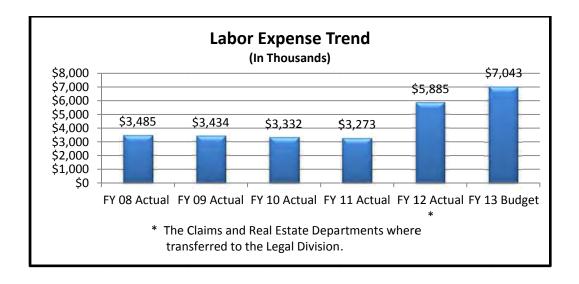
	CAPITAL HEADS			
	Α	В	Н	Total
Legal Administration	-	-	-	-
Corporate	-	-	-	-
Commerce and Regulatory	-	-	-	-
Litigation	-	-	-	-
Claims	-	-	-	-
Real Estate	-	-	-	-
TOTAL CAPITAL HEADS	-	-	-	

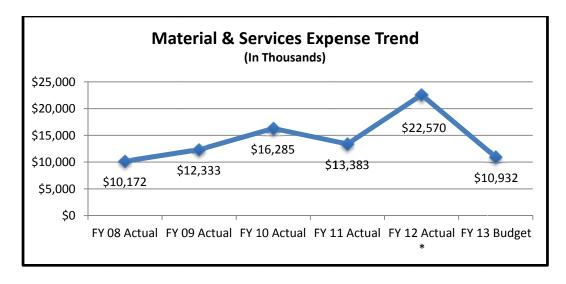
		TOTAL HEADS				
	A	В	Н	Total		
Legal Administration	3	-	-	3		
Corporate	5	_	-	5		
Commerce and Regulatory	4	-	-	4		
Litigation	42	1	-	43		
Claims	13	23	-	36		
Real Estate	12	4	-	16		
TOTAL HEADS	79	28	-	107		



FY 2013 Legal, Real Estate and Claims Budget Amounts in Thousands ('000)

	Net <u>Labor</u>		Material & Services	<u>Total</u>
Legal Administration	\$ 307	\$	-	\$ 307
Corporate	428		5,405	5,833
Commerce and Regulatory	333		-	333
Litigation	3,328		2,299	5,627
Claims	1,754		730	2,484
Real Estate	 893	_	2,498	3,391
TOTAL	\$ 7,043	\$	10,932	\$ 17,975







PRINCIPAL RESPONSIBILITIES

CORPORATE DEPARTMENT

Lawyers within the Corporate Department negotiate and draft legal contracts and other documents that promote the activities of client departments, 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 handling business litigation. Generally, the Corporate Department is involved in legal matters related to procurements, construction, technology contracts, real estate and right-to-know requests.

COMMERCE AND REGULATORY DEPARTMENT

The lawyers in the Commerce and Regulatory Department represent SEPTA's interests in matters involving compliance with environmental law and other governmental oversight and regulatory laws, relationships with other railroads and transit entities, insurance and risk management support, capital project support, and legal technology such as e-discovery, case management, etc. The Department also provides administrative and technology support for the functioning of the Legal Division, such as budgeting, information management, expense tracking and processing and employee assistance.

LITIGATION DEPARTMENT

Lawyers in the Litigation Department are responsible for the legal representation of SEPTA (both with in-house attorneys and by managing outside counsel) in the defense of and prosecution of civil actions, with the majority of cases involving personal injury and property damage.

CLAIMS

Claims Department staff performs the various activities necessary to promptly investigate, evaluate and equitably resolve valid personal injury and property damage claims against the Authority. The Department also assesses and collects non-litigated property damage claims brought by SEPTA against third parties.

REAL ESTATE

Property Development and Acquisition

This unit within the Real Estate Department manages real property dealings on behalf of the Authority, including carrying-out activities pertaining to the acquisition, development, leasing and sale of SEPTA-owned properties. Department staff also works with external parties in the joint development of leased properties, undertaking of public improvements, the establishment of revenue generating utility occupancy arrangements, and the transaction of land and facility acquisitions that provide for and support infrastructure and ridership enhancements.

Headquarters Support Services Management/Administration

This unit oversees office space planning, design and implementation, and day-to-day facilities management (which is performed by third party contractors) for SEPTA Headquarters at 1234 Market Street. Unit staff acts as liaison with contracted building operations management and SEPTA in-house labor. Coordinating the utilization of motor vehicles and the administration of all contracted vendateria services are also conducted by the staff of this unit.

Legal, Real Estate and Claims



Asset Management

The key responsibility of the Asset Management unit is the use and upkeep of the Real Estate Management System which stores, organizes and makes available an electronic version of real property documents, diagrams and maps. The system can provide a property inventory, automated contract administration cues, and the generation of qualitative and quantitative reports.

Mail and Document Reproduction Services

This unit manages the operation of the mail room and the performance of mail services in compliance with the applicable labor contract and U.S. Postal requirements. Staff also oversee and manage centralized document reproduction services.

GOALS AND BUSINESS INITIATIVES

Current Goals and Initiatives

- I. Strive to have SEPTA's status as an arm-of-the-state be well established within the courts, and recognized by all other entities, and accordingly, have SEPTA not be subject to claims under the Federal Employers' Liability Act (FELA) due to that status.
- II. Improve the management and handling of claims and lawsuits to secure settlement or judgments that are in the best interest of SEPTA. Comply with E-discovery rules and practices so as to establish and secure the best possible legal position in claims and litigation.
- III. Develop a long-range staffing resource plan that optimizes the headcount levels, the types and numbers of the various job titles, and the allocation and delineation of duties and responsibilities associated with claims and litigation work. Enhance and fine-tune the approach to lawsuit management decision-making.
- IV. Make the best use of data from cameras on vehicles and in facilities to defend and protect SEPTA in potential claims and lawsuits.
- V. Continue to monitor federal, state and city legislation that impacts the Authority.
- VI. Plan and prepare for future human capital resource availability and capability within the division.
- VII. Together with SEPTA's Finance Division, work to optimize the impact of deregulation in the natural gas and market generation electricity industries.

Public and Government Affairs Division

Public and Government Affairs



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). Advocate for a long-term, dedicated, inflation sensitive funding source that fully funds Act 44 of 2007 and addresses Authority's State-of-Good-Repair Capital Funding needs.

Federal

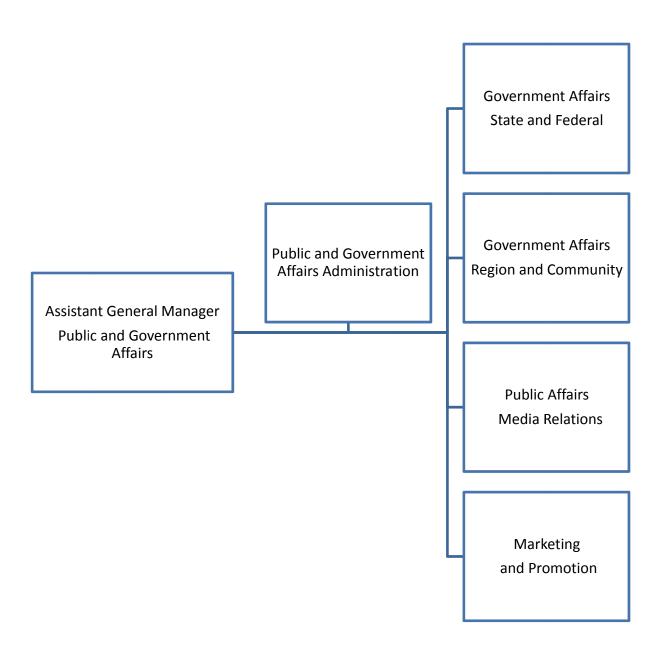
Work with the region's Congressional Delegation and their staffs to assure that any federal legislation proposed and/or enacted is favorable to SEPTA's interests. Respond to legislative and constituent inquiries from the federal level.

Government Affairs – Region and Community Relations

The Government Affairs and Community Relations staff works closely with local elected officials to advance transit-related initiatives and legislation in the five county service area. Activities include attending County Council and Philadelphia City Council meetings to keep abreast of legislation and maintain a rapport with local elected officials.

In addition, 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.







HEADCOUNT

_	OPERATING HEADS			
	Α	В	Н	Total
Public Affairs - Administration	2	-	-	2
Public Affairs - Media Relations	5	-	-	5
Marketing and Promotion	4	-	-	4
Government Affairs - Region & Community	5	-	-	5
Government Affairs - State & Federal	5	-	-	5
TOTAL OPERATING HEADS	21	-	_	21

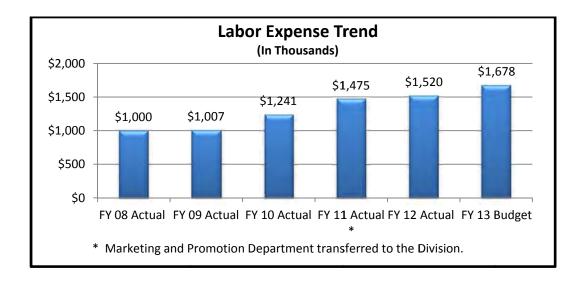
_	CAPITAL HEADS			
_	Α	В	Н	Total
Public Affairs - Administration	-	-	-	-
Public Affairs - Media Relations	-	-	-	-
Marketing and Promotion	-	-	-	-
Government Affairs - Region & Community	-	-	-	-
Government Affairs - State & Federal	-	-	-	-
TOTAL CAPITAL HEADS				

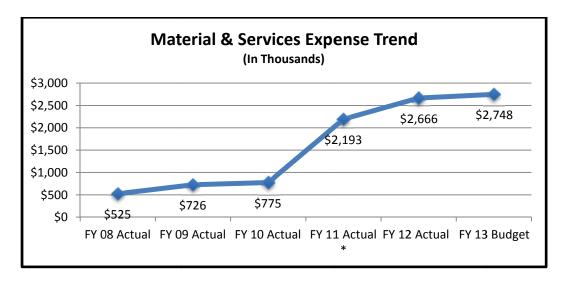
_	TOTAL HEADS			
	Α	В	Н	Total
Public Affairs - Administration	2	-	_	2
Public Affairs - Media Relations	5	-	-	5
Marketing and Promotion	4	-	-	4
Government Affairs - Region & Community	5	-	-	5
Government Affairs - State & Federal	5	-	-	5
TOTAL HEADS	21	-	_	21



FY 2013 Public and Government Affairs Budget Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
		<u>u 00111000</u>	<u> </u>
Public Affairs - Administration	\$ 111	\$ 776	\$ 887
Public Affairs - Media Relations	467	7	474
Marketing and Promotion	320	1,927	2,247
Government Affairs - Region & Community	409	18	427
Government Affairs - State & Federal	 371	 20	 391
TOTAL	\$ 1,678	\$ 2,748	\$ 4,426







PRINCIPAL RESPONSIBILITIES

MEDIA RELATIONS

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

GOVERNMENT AFFAIRS – STATE AND FEDERAL

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. Serve as point of contact for legislative inquiries on both legislative and constituent issues. Serve as board member and liaison with the Pennsylvania Public Transportation Association (PPTA). Continue to advocate for a statewide, comprehensive transportation package which would allow SEPTA to address its \$5 billion state of good repair backlog.

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, railroad legislation, environmental legislation and disabilities law. Work with SEPTA finance staff, federal legislative consultants, and the American Public Transportation Association. 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 county service area. 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.

MARKETING AND PROMOTION

Act 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. Utilize all current, innovative, and cutting edge promotional avenues to deliver messages.



GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Advocate for long-term, dedicated, inflation-sensitive funding that provides at least the equivalent level of funding provided under Act 44	Educate and engage members of the Pennsylvania General Assembly on the importance of addressing the shortfalls in Act 44 funding.
II. Advocate for more robust funding for the Capital Program	a) Prioritize a program that will fund bringing the system to a state of good repair.
III. Advocate for increased funding for the largest, oldest metropolitan rail systems	 a) Continue to participate with APTA and other similarly situated old rail systems to advocate for increased funding to bring systems to a state of good repair.
IV. Develop proactive approach to media relations	a) Create a regularly reoccurring cycle of events and outreach opportunities for media coverage.b) Provide outreach to community groups and general public.
V. Promote regional awareness of SEPTA's progress	a) Host ribbon cutting events with regional elected officials and community leaders.b) Work with Human Resources to publicize "GM Customer Service Program".

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Fringe Benefits



Fringe benefits are a major expense for SEPTA representing 27.6% of the Fiscal Year 2013 operating budget of \$1.28 billion. Responsibility for management of fringe benefit costs rests with all Authority departments; however, Finance and Human Resources take the lead in cost control. Authority expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations, and have been significantly influenced by national trends. Beginning August 2012, SEPTA will self-insure healthcare coverage: a decision made to reduce and slow the growth of healthcare expense. Listed below are Fringe Benefit 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

An obligation to transit and railroad employees injured on duty for their medical bills and lost wages.

Fiscal Year 2013 Operating Budget Fringe Benefit Expense (Amounts in Thousands)						
Medical, Prescription, Dental, Vision & Life	\$	196,981				
Payroll and Unemployment Taxes		62,276				
Pension		90,370				
Workers' Compensation and FELA		32,377				
Subtotal	\$	382,004				
Capital Support and Projects *		(28,577)				
Fringe Operating Expense	\$	353,427				

^{*} The net fringe benefit cost of \$353.4 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.



Fiscal Year 2013 Operating Budget Labor and Fringe Benefits Amounts in Thousands (000's)

	Net Labor	Benefits	Total
Operations	\$ 427,226	\$ 277,721	\$ 704,947
Corporate Staff	2,637	1,714	4,351
Audit, Safety and Investigative Services	2,944	1,914	4,858
Business Services	14,096	9,163	23,259
Customer Service and Advocacy	5,379	3,497	8,876
Engineering, Maintenance and Construction	73,186	47,575	120,761
Finance and Planning	11,039	7,176	18,215
Human Resources	11,833	7,692	19,525
Legal, Real Estate and Claims	7,043	4,578	11,621
Public and Government Affairs	1,678	1,091	2,769
Other *	(13,372)	(8,694)	(22,066)
Total	<u>\$ 543,689</u>	\$ 353,427	\$ 897,116

^{*} The "Other" category includes Authority-wide capital support labor costs and credit for the Job Access Reverse Commute (JARC) program as well as the fringe costs associated with these programs.

Non-Departmental Expense



Amtrak This expense is for the maintenance and use of Amtrak-

owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli/Thorndale Line). The amount shown is calculated on projected miles of service using rates based on the Authority's 1982 operating

agreement with Amtrak, as amended.

ADA The cost for paratransit carriers under contract to

SEPTA is shown here. The staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is referenced in the Operations Division under Customized Community

Transportation.

Shared Ride Program The cost for contractor operated door-to-door service

for senior citizens. The cost of administrative staff in the ADA program is included in the Customized

Community Transportation budget.

Debt Service Interest Interest expenses associated with the Authority's

Special Revenue Bonds, and Capital Grant Receipt

Bonds.

Property and Corporate

Insurance

Reflects the projected premiums for insurance on

various Authority assets.

Services for 1234 Market Street 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.

Snow Removal Reflects outside contractor expense for snow removal

and salting at railroad parking lots and station platforms. The snow removal for all other facilities is accomplished in-house by SEPTA forces, and the related labor

expense is included in the departmental budgets.

Utilities Expense reflects the cost of heating oil, natural gas and

steam heating; water and sewer expenses; and nonpropulsion electricity, based on projected rates and

consumption.

Non-Departmental Expense



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 with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2013 ridership is 718,300 trips for Philadelphia and 315,400 trips for the suburban communities.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2013 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 425 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 CCT Connect vehicles.

ADA Program initiatives continuing during Fiscal Year 2013 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 2013 is to provide a total of 765,000 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.

5

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" in January of 2007. 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 Expenses



Claims

Fiscal Year 2013 claims expense is budgeted at \$54.1 million. The Authority's budget and staff from the Authority's Legal, Real Estate and Claims Division, with support throughout the organization, aggressively defends against fraudulent claims. The Authority cooperates with various outside agencies including the City of Philadelphia and Suburban Counties District Attorney's offices, in this matter.

Other Expenses

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

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 which had not been adequately maintained or improved.

Capital Investments

Capital investments 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 investments include but are not limited to rolling stock, track and structure, signals, bridges, support facilities, depots and shops, equipment, stations and passenger facilities.

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.

Capital Improvement Program



Capital Projects Impact Analysis on Operating Budget FY 2013 – FY 2018

		Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands						
Capital Projects and Description of Impacts	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018		
[Diesel-Electric Hybrid] Bus Purchase Program	\$4,319	\$5,047	\$6,630	\$6,630	\$6,630	\$6,630		

SEPTA placed in service two diesel-electric hybrid buses in October 2002 designed to reduce fuel consumption, increase engine and fuel efficiency, and reduce SEPTA's carbon footprint through lower emissions. By FY 2012, the Authority operated a total of 472 hybrid buses with another 160 expected for delivery between September 2013 and March 2014. Each hybrid bus saves the Authority roughly 3,400 gallons of diesel fuel, directly reducing the annual operating budget in proportion to the number of hybrids in revenue service. Over the six year period, the Authority has saved over \$15M cumulatively. Fuel cost assumes a 2% increase in price per year from FY 2013 to FY 2018 starting at \$2.90/gallon.

Wayne Junction Combined Heat & Power (CHP) Plant

- \$596 \$677 \$760 \$846 \$933

SEPTA will solicit proposals from third-party developers to finance, design, build, own, and maintain a combined heat and power plant on SEPTA's property. The intent is for the developer to sell electricity and heat back to SEPTA under a long-term energy agreement. A feasibility study cost analysis indicated that SEPTA may realize operational cost savings by using natural gas to generate power and heat compared with current utility costs (electricity and heating oil).

Parking Expansion Projects

\$(185) \$(184) \$(183) \$(183) \$(182) \$(182)

During the last five years SEPTA has increased parking at stations to meet customer demand by 961 additional parking spots since FY 2008. Most of the new parking spaces generate revenue through the sale of daily or monthly parking permits. The revenue is offset by an increase in ongoing maintenance costs such as snow removal / salting, re-striping, and management fees for garages.

Silverliner V Rail Car Acquisition

\$140 \$140 \$140 \$140 \$140 \$140

\$117

\$117

SEPTA purchased new electric multiple-unit (EMU) rail cars to replace existing Silverliner II and III rail cars that were 46 to 50 years old. This project has replaced railcars that exceeded their useful life. It is anticipated that by FY 2013 SEPTA will consume 1% less electricity once 120 cars are placed in service. At the FY 2011 base of 200 million kWh's, this amounts to 2 million kWh's in reduced consumption. At \$.07/kWh, this amounts to \$140,000 of savings/year beginning FY 2013. Also, this project is expected to reduce maintenance costs because the new cars will require less labor and materials to maintain.

Wayne Junction Substation

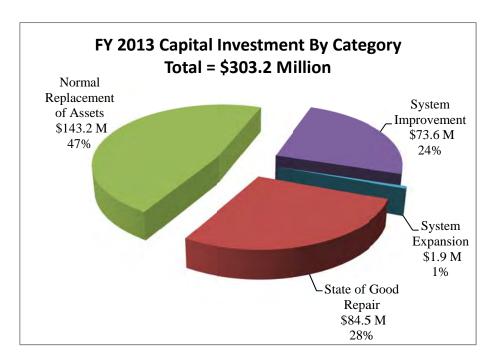
Most of the original electrical components at Wayne Junction Substation are still in operation, which makes repairs difficult because replacement parts are no longer available. This project will replace equipment that is past its useful life with modern equipment, which is expected to reduce regular maintenance labor and equipment expenses. Resources can be reallocated to improve the state of good repair of other assets.

\$117

\$ 117

\$117





Fiscal Year 2013 Capital Investments In Thousands

Bus Purchase Program	\$43,100
Capital Asset Lease Program	28,993
Congestion Relief	1,922
Debt Service	51,122
Infrastructure Safety Renewal Program	34,700
New Payment Technologies	2,600
Paratransit Vehicle Acquisition	4,700
Regional Rail Signal System Modernization	53,000
Safety and Security Improvements	2,500
State of Good Repair Initiatives	17,000
Station Accessibility	1,500
Station and Parking Improvements Program	1,500
System Improvements Program	4,000
Utility Fleet Renewal	3,000
Vehicle Overhaul Program	<u>53,600</u>
TOTAL Fiscal Year 2013	\$303,237





Fiscal Year 2013 – 2016 Capital Investment Plan In Thousands

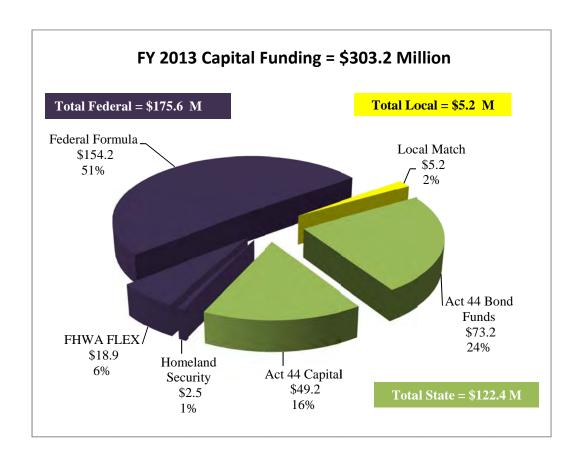
Project	FY 2013	FY 2014	FY 2015	FY 2016	<u>Total</u>
Bus Purchase Program	\$43,100	\$48,000	\$43,100	\$49,800	\$184,000
Capital Asset Lease Program	28,993	29,854	30,726	31,764	121,338
Congestion Relief	1,922	2,006	2,091	2,178	8,197
Debt Service	51,122	51,173	51,118	51,056	204,469
Infrastructure Safety Renewal Program	34,700	34,700	34,700	34,700	138,800
New Payment Technologies (Loan Repayment)	2,600	3,000	23,306	49,800	78,706
Paratransit Vehicle Acquisition	4,700	5,000	5,000	5,000	19,700
Regional Rail Signal System Modernization	53,000	62,000	41,100	3,500	159,600
Safety and Security Improvements	2,500	2,500	2,500	2,500	10,000
State of Good Repair Initiatives	17,000	10,300	10,300	6,300	43,900
Station Accessibility	1,500	643	0	0	2,143
Station and Parking Improvements Program	1,500	2,400	0	0	3,900
System Improvements Program	4,000	1,000	8,500	15,700	29,200
Utility Fleet Renewal	3,000	3,000	3,000	3,000	12,000
Vehicle Overhaul Program	53,600	53,000	53,000	53,000	212,600
Total 2013- 2016 Projected Investments	\$303,237	\$308,576	\$308,441	\$308,298	\$1,228,552



Capital Sources of Funds

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

- Estimated federal formula program totaling \$154.2 million.
- Federal Highway Flexible funding projection of \$18.9 million based on an anticipated SEPTA share of regional flexible funds and additional Federal Highway Flex funds committed by the Commonwealth.
- U.S. Department of Homeland Security funding of \$2.5 million based on an anticipated SEPTA share of available funds.
- State funds from the Public Transportation Trust Fund at \$122.4 million for capital projects.
- Local matching funds totaling \$5.2 million from the five-counties: City of Philadelphia, Delaware, Montgomery, Bucks and Chester, service area used to match Federal and State grants.



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Glossary of Acronyms



Α

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.

В

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

ח

DGM - Deputy General Manager

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

FTC - Frankford Transportation Center

FTE - Full-Time Equivalent Position

Glossary of Acronyms



G

GASB – Government Accounting Standards Board GFOA – Government Finance Officers Association

GIS - Geographic Information System

GM - General Manager.

Н

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

ı

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.

М

MDBE - Minority or Disadvantaged Business Enterprise

MDBF - Mean Distance Between Failures

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

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

NTP - New Payment Technology

NTP - Notice to Proceed

<u></u>

OEM - Original Equipment Manufacturer

Glossary of Acronyms



Р

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 is a 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 29

TWU 2013 - Transport Workers Union Local 2013

U

UCP - PA Unified Certification Program

UTU 61 - United Transportation Union Local 61 – Conductors and Assistant Conductors UTU Local 1594 - United Transportation Union Local 1594 – Victory Division Operators

V

VIC - Victory Division

VMIS - Vehicle Maintenance Information System

VOH - Vehicle Overhaul Program

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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 expenses are recognized at the time they are incurred and revenue is recognized when earned, as opposed to disbursed or received.

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.

В

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

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

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

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

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

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.

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.



Ε

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

F

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

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

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

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

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

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

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

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

Government Finance Officers Association Mission Statement (GFOA)

The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Government Accounting Standards Board Statement No. 51 (GASB 51) - A Standard implemented by the Authority in Fiscal Year 2010 relating to Accounting and Financial Reporting for Intangible Assets.

Government Accounting Standards Board Statement No. 53 (GASB 53) - A Standard implemented by the Authority in Fiscal Year 2010 relating to Accounting and Financial Reporting for Derivative Instruments.

Green Line - See "Subway-Surface Lines"

Н

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.

ī

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 69th Street Terminal in Upper Darby, Delaware County. Also referred to as the Market Street Elevated (MSE), MFSE and "Blue Line"

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

Ν

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).

0

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"



Ρ

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.

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.

Т

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".