

# FISCAL YEAR 2015 OPERATING BUDGET & FISCAL YEARS 2016 TO 2020 FINANCIAL PROJECTIONS



Southeastern Pennsylvania Transportation Authority



Act 89 Signing  
Dedicated Funding to Rebuild the System



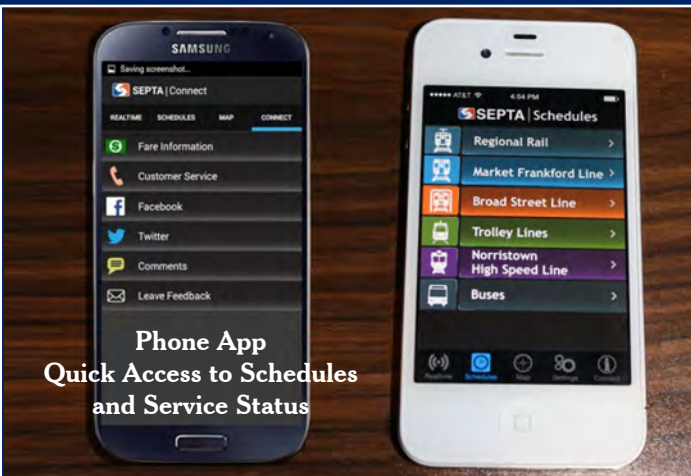
Bridge  
Rehabilitation  
and Track  
Improvement  
Project



69th Street Shop Maintains  
Subway Elevated Vehicles



Station Naming Rights Generate Revenue



Phone App  
Quick Access to Schedules  
and Service Status



The Safety of  
Riders and Our  
Employees is  
a Priority



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Southeastern Pennsylvania Transportation Authority  
Pennsylvania**

For the Fiscal Year Beginning

**July 1, 2013**

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, 2013. 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.



# **Southeastern Pennsylvania Transportation Authority**

## **Board Members**

### **Chairman**

**Pasquale T. Deon, Sr.**

*Winner of the APTA 2014 Outstanding*

*Public Transportation Association Board Member Award*

### **Vice-Chairman**

**Thomas E. Babcock**

### **Bucks County**

**Pasquale T. Deon, Sr.**

**Honorable Charles H. Martin**

### **Chester County**

**Kevin L. Johnson, P.E.**

**Cuyler H. Walker, Esquire**

### **Delaware County**

**Thomas E. Babcock**

**Daniel J. Kubik**

### **Montgomery County**

**Kenneth Lawrence, Jr.**

**Honorable Leslie S. Richards**

### **City of Philadelphia**

**Beverly Coleman**

**Rina Cutler**

### **Governor's Appointee**

**Thomas Jay Ellis, Esquire**

### **Senate Majority**

#### **Leader Appointee**

**Honorable Stewart J. Greenleaf**

### **House Majority**

#### **Leader Appointee**

**Christopher H. Franklin**

### **Senate Minority**

#### **Leader Appointee**

**James C. Schwartzman, Esquire**

### **House Minority**

#### **Leader Appointee**

**John I. Kane**

## **SEPTA Officers**

### **General Manager**

**Joseph M. Casey**

### **Chief Financial Officer/Treasurer**

**Richard G. Burnfield**

### **General Counsel**

**Gino J. Benedetti, Esquire**

### **Controller to the Board**

**Stephen A. Jobs**

### **Secretary to the Board**

**Carol R. Looby**





**Chairman**

Pasquale T. Deon, Sr.

**Vice Chairman**

Thomas E. Babcock

Beverly Coleman

Rina Cutler

Thomas Jay Ellis

Christopher H. Franklin

Stewart J. Greenleaf

Kevin L. Johnson

John I. Kane

Daniel J. Kubik

Kenneth Lawrence, Jr.

Charles H. Martin

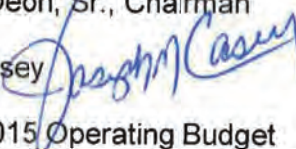
Leslie S. Richards

James C. Schwartzman

Cuyler H. Walker

**General Manager**

Joseph M. Casey

To: Pasquale T. Deon, Sr., Chairman  
From: Joseph M. Casey   
Subject: Fiscal Year 2015 Operating Budget  
Date: September 29, 2014

I am pleased to present to Board Members, customers, and stakeholders the Southeastern Pennsylvania Transportation Authority (SEPTA) Operating Budget Book for Fiscal Year 2015.

The Fiscal Year 2015, \$1.327 billion Operating Budget adheres to the objectives of the Authority's current Five Year Strategic Business Plan. This plan sharpens our strategic roadmap, by reshaping corporate objectives into three overarching themes – innovation, integration, and renewal – and defining business initiatives that will be advanced over the next five years. With innovation, SEPTA seeks to apply business models that are adaptable to ever-changing technological and societal circumstances; integration aims to connect the region's mobility options; and renewal focuses on accelerating core infrastructure improvements and upgrades.

In November of 2013, the General Assembly passed legislation and Governor Corbett signed into law Pennsylvania Act 89. This creates, for the first time, a long term funding solution that is predictable, bondable, and inflation-indexed that will begin to address critical highway and transit infrastructure needs across the Commonwealth. This bold action makes it possible for SEPTA to launch its **Rebuilding for the Future** capital program to tackle a \$5 billion backlog of projects including work on critical infrastructure such as power substations, bridges, track, maintenance facilities, and customer stations. The Authority is also beginning the process to replace an aging trolley fleet, acquired in 1980, which has far exceeded its useful service life. Silverliner IV Regional Rail cars and push-pull fleet electric locomotives are also in line for replacement. Additionally, SEPTA is studying the feasibility of bi-level rail cars, which would offer additional capacity to address ridership growth and improve customer accessibility. These projects will make it possible for SEPTA to reinvest in our system, continue to provide safe, reliable service, enhance the travel experience for customers, attract new riders, and create new contract and employment opportunities.

As the Authority tackles the challenge of strengthening our regional transit network, we will continue to maintain the corporate culture of strong fiscal discipline and responsible resource oversight. Despite the second snowiest winter on record with consecutive days of below freezing temperatures and 16 snow and ice storms in January 2014, passengers took more than 330 million trips on SEPTA buses, trains and trolleys last year - the fifth highest total since 1989. Regional Rail ridership set a new record for FY



2014 with 36.7 million trips, an increase of nearly 2 percent compared to FY 2013. Overall, Regional Rail has experienced a 50 percent ridership growth in the last 15 years. Even with the added resource allocations to combat the severe winter weather, the Authority ended Fiscal Year 2014 with a balanced budget and has now ended the year with balanced budgets for the fifteenth consecutive year.

With innovation as one of the core principles of the Strategic Business Plan, SEPTA continues to seek creative ways to maximize non-fare box revenue resources. In a recent agreement, Thomas Jefferson University Hospital entered into a five year naming rights deal to rebrand Market East Station as Jefferson Station. Philadelphia City Council President Darrell Clarke lauded the Authority for this effective business approach saying...“SEPTA is doing a great job of maximizing its advertising revenue”.

SEPTA engineers have also partnered with Viridity Energy to devise a method to capture and store electricity generated by regenerative braking systems on rail cars. This pioneering effort, first installed at the Market Frankford Line Letterly Substation, was among the first attempts ever to harness this previously wasted energy. Letterly, just one of 30 Substations, is saving SEPTA close to \$60,000 in propulsion power expense per year and generating about \$200,000 in revenue via the frequency regulation market. Following the success at this location, a second installation at the Market Frankford Line Griscom Substation is expected to come online by December 2014.

In October 2011, SEPTA and the Philadelphia District Attorney's Office launched an aggressive campaign to reduce fraudulent injury claims through the use of surveillance videos. To date, almost 85 percent of the Bus fleet is equipped with video cameras, 100 percent of the Transit rail fleet is camera equipped, and there are 1600 cameras installed in SEPTA Stations. By deploying our more than 15,000 camera network for security and incident investigation purposes, the Authority has realized a significant reduction in the cost of injury claims payouts.

The Authority has also expanded its customer communication and service information tool kit by employing new technologies and Social Media. Following the launch of the official SEPTA iPhone App last fall, a SEPTA app was developed and released as a public beta test for Android device users this past summer. Both of these free customer products bring the many travel resources – Next To Arrive, TrainView, TransitView, schedules, and real time information – already available on the SEPTA website to a convenient, mobile tool for our tech savvy customers. The @SEPTA\_Social team continues to grow our Social Media connection to the youth market through our Twitter feed while Communications reaches out through Facebook and Instagram, and Marketing through Foursquare.

This year marks the 50<sup>th</sup> Golden Jubilee anniversary of the first organizational meeting of the new formed Southeastern Pennsylvania Transportation Authority held on February 18<sup>th</sup>, 1964. Recognizing the need for a robust regional transportation system, the General Assembly created SEPTA to provide transit services for Philadelphia, Bucks, Chester, Delaware and Montgomery counties, from the assets of the bankrupt

Philadelphia Transit Company. From these austere beginnings, SEPTA has grown into the 6<sup>th</sup> largest public transportation system in the U.S. and the only truly multi-modal system in the nation.

SEPTA has become a leader in the transit industry thanks to innovative thinking, a solid business approach, and the commitment and dedication of our employees. Our ability to effectively serve customers and the region is possible only because of the steadfast support of the SEPTA Board and the Elected Officials representing southeastern Pennsylvania. Your leadership in the effort to pass Act 89 will now make it possible for SEPTA to complete critical investments to grow and sustain our transit infrastructure for the future.



# SEPTA FY 2015 Operating Budget Table of Contents



## PREFACE

GFOA Award .....	1
SEPTA Board Members and Officers.....	2
General Manager's Memorandum .....	3

## 1. INTRODUCTION AND PROFILE

Background .....	9
Strategic Business Plan.....	10
Key Performance Indicators.....	11
Population and Trends.....	13
SEPTA Regional Rail & Rail Transit Map.....	14
Ridership and Operating Statistics.....	15
Passenger Profile .....	16
Customer Satisfaction Survey.....	18
Summary of Assumptions .....	20
Fiscal Year 2015 Consolidated Budget.....	21

## 2. FINANCIAL AND BUDGETARY POLICIES

Financial Policies .....	23
Revenue Policies .....	24
Expenditure Policies .....	25
Reserve and Financing Policies.....	26
Debt Service Requirements .....	28
Statement of Changes in Equity.....	29
Fiscal Year 2015 Budget Calendar .....	30
Annual Budget Process .....	31
Key Activities in the Budget Process.....	32

## 3. ORGANIZATIONAL STRUCTURE

Organizational Structure .....	33
Operating and Staff Departments .....	34
General Manager Team Organization Chart .....	36

## 4. OPERATING GOALS AND PERFORMANCE EVALUATION MEASURES

Financial Performance Goals and Measures .....	37
Productivity Goals and Measures .....	39
Safety Goals and Measures.....	40
Staffing Ratios .....	42
Service Delivery Goals and Measures .....	43

# SEPTA FY 2015 Operating Budget Table of Contents



<b>5.</b>	<b>THREE YEAR COMPARISON FISCAL YEARS 2013-2015</b>	
	FY 2013 and FY 2014 Consolidated Actual and FY 2015 Budget .....	45
	FY 2013 and FY 2014 City Transit Division Actual and FY 2015 Budget .....	46
	FY 2013 and FY 2014 Victory Division Actual and FY 2015 Budget .....	47
	FY 2013 and FY 2014 Frontier Division Actual and FY 2015 Budget .....	48
	FY 2013 and FY 2014 Regional Rail Division Actual and FY 2015 Budget .....	49
<b>6.</b>	<b>FINANCIAL PROJECTIONS</b>	
	Summary of Assumptions .....	51
	Financial Projections Consolidated Budget .....	52
<b>7.</b>	<b>OPERATING REVENUE AND SERVICE PLAN OVERVIEW</b>	
	Annual Service Plan Overview .....	53
	Revenue Assumptions by Category .....	54
	Ten Year Revenue Trends .....	55
	Summary of Operating Revenue .....	56
<b>8.</b>	<b>OPERATING SUBSIDIES</b>	
	Subsidy Allocation and Detail .....	57
	Service Stabilization Fund .....	60
	Consolidated Detail of Subsidies .....	61
	Summary of Operating Subsidies .....	62
	Local Subsidies by County .....	63
	Summary of Local Subsidies by County .....	64
<b>9.</b>	<b>OPERATING EXPENSES</b>	
	Expense Assumptions by Category .....	65
	Ten Year Expense Trends .....	66
	Summary of Operating Expenses .....	69
	FY 2015 Budget – Detail of Expenses .....	70
	FY 2015 Budget – Allocation By Company .....	71
	FY 2014 Actual – Detail of Expenses .....	72
	FY 2013 Actual – Detail of Expenses .....	73



# SEPTA FY 2015 Operating Budget Table of Contents



## 10. HEADCOUNT AUTHORIZATIONS

Headcount Designations.....	75
FY 2015 Headcount Authorization .....	76
FY 2011-2015 Headcount Authorization .....	77
Cause of Change.....	78

## 11. DEPARTMENTAL SUMMARIES BY DIVISION

a) Corporate Staff .....	84
b) Operations/Engineering, Maintenance and Construction .....	91
c) Operations.....	101
d) Engineering, Maintenance and Construction.....	119
e) Audit, Safety and Investigative Services .....	127
f) Business Services .....	133
g) Customer Service and Advocacy .....	141
h) Finance and Planning .....	148
i) Human Resources .....	159
j) The Office of the General Counsel.....	167
k) Public and Government Affairs .....	173

## 12. INTERDEPARTMENTAL

Fringe Benefits .....	181
Non-Departmental Expense.....	183
CCT Connect ADA and Shared Ride Programs.....	184
Other Operating Expenses .....	185

## 13. CAPITAL IMPROVEMENT PROGRAM

Capital Sources of Funds.....	187
Fiscal Year 2015 Capital Budget.....	188
Fiscal Year 2015 to 2018 Capital Investment Plan.....	189
Capital Projects Impact Analysis on the Operating Budget .....	190

## GLOSSARY

Acronyms .....	191
Terms .....	195



# 1. Introduction and SEPTA Profile

---

## Introduction

Southeastern Pennsylvania grew up around its transit system. From famed city streetcars to classic railroad towns, the region has been enriched by a legacy left by generations of investment in public transportation.

In the second half of the 20<sup>th</sup> century, the world changed. The advent of the interstate highway system and an era of low energy prices, combined with policies that encouraged decentralized growth and sprawl, made public transit – and many of the communities it served – less economically competitive. The private companies that collectively owned and operated the region's transit infrastructure went bankrupt. With generations of investment at risk, SEPTA was created to inherit and manage what remained. For 50 years, SEPTA has focused on doing exactly that: methodically piecing together and rebuilding Southeastern Pennsylvania's transit system.

Now, the world is changing again. Increasing resource scarcity, societal changes, and 21<sup>st</sup>-century policy shifts have resulted in a renewed appreciation of transit's value to the region. The system SEPTA inherited, once considered obsolete, is increasingly receiving recognition as a catalyst for economic prosperity, sustainability, and enhanced quality of life in communities across Southeastern Pennsylvania.



Today, now more than 50 years after the Pennsylvania General Assembly established the Southeastern Pennsylvania Transportation Authority, SEPTA has become the nation's sixth largest transit system, with a vast network of fixed route services including bus, subway, trolley, trackless trolley and Regional Rail, as well as ADA paratransit and shared ride programs. SEPTA is one of the region's largest employers, providing service to Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties with connections into New Jersey and Delaware with a workforce of more than 9,000 employees.





# 1. Introduction and SEPTA Profile

---

## SEPTA Strategic Business Plan

In July 2014, the SEPTA Board adopted a five-year Strategic Business Plan for Fiscal Years 2015 through 2019. The plan positions SEPTA to evaluate and take advantage of technological and demographic trends in becoming a public transportation system that meets the region's safety and mobility needs.

## Guiding Principles

The plan establishes a vision, mission, core values and strategic objectives to guide organizational planning and development for the next five years:

## VISION

### TO BE THE REGION'S PREFERRED CHOICE FOR TRANSPORTATION.

- Connecting the region for integrated mobility
- Sustaining our environment & preserving our system for future generations
- Committing to continuous improvement & innovation
- Providing safe, excellent service by a team of dedicated employees

## MISSION

*SEPTA is dedicated to delivering safe, reliable, sustainable, accessible, and customer focused public transit services, contributing to the region's economic vitality, sustainability, and enhanced quality of life.*

## CORE VALUES

OUR SERVICE	OUR PEOPLE	OUR CULTURE
<ul style="list-style-type: none"><li>• SAFE</li><li>• RELIABLE</li><li>• SUSTAINABLE</li><li>• ACCESSIBLE</li><li>• CUSTOMER-FOCUSED</li></ul>	<ul style="list-style-type: none"><li>• DIVERSE</li><li>• HONEST</li><li>• CREATIVE</li><li>• EMPOWERED</li><li>• ACCOUNTABLE</li></ul>	<ul style="list-style-type: none"><li>• COLLABORATIVE</li><li>• CONSTRUCTIVE</li><li>• RESPECTFUL</li><li>• ENGAGING</li><li>• TRANSPARENT</li></ul>



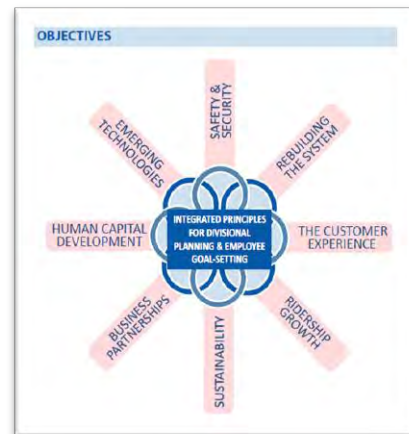
# 1. Introduction and SEPTA Profile

## Balanced Scorecard of Key Performance Indicators

The plan document is organized based on a balanced scorecard of key performance indicators. The balanced scorecard structure reflects SEPTA's intention to adopt a business-oriented approach to performance measurement in plan implementation. Progress updates and results towards each performance target will be regularly reported to the public through a new Strategic Business Plan microsite at: [www.septa.org/strategic-plan](http://www.septa.org/strategic-plan).

The balanced scorecard has six key focus areas:

1. Safety & Security
2. Resource Management
3. The Customer Experience
4. Financial Efficiency
5. Infrastructure State of Good Repair & Reliability
6. Employee Growth



### SAFETY & SECURITY

**GOAL STATEMENT:** To develop a safety-first culture that results in fewer customer and employee incidents.

#### MEASURES OF SUCCESS (ACHIEVED BY 2019):

- 10% ↓ Vehicular Accidents per 100,000 Miles
- 10% ↓ Passenger Accidents per 100,000 Miles
- 10% ↓ Station Accidents per 1,000,000 Riders
- 10% ↓ Employee Lost Time per 200,000 Hours
- 10% ↓ Employee Non-Lost Time per 200,000 Hours
- Continued Ongoing Reduction in Operator Assaults

### RESOURCE MANAGEMENT

**GOAL STATEMENT:** To implement best management practices that ensure SEPTA remains a sustainable, high-performance, outcome-driven agency.

#### MEASURES OF SUCCESS (ACHIEVED BY 2019):

- 10% ↓ Carbon Footprint (Lbs CO<sub>2</sub> - E per PMT)
- 20% Municipal Waste Diversion Rate
- 12.5 Vehicles Out of Service Due to "No Stock"
- Goal ↓ for Procurement Turnaround Time (Varies By Size of Procurement)
- 5%↑ Internal Satisfaction Rating for Business Services Division

### THE CUSTOMER EXPERIENCE

**GOAL STATEMENT:** To provide best-in-class transportation services that meet or exceed customer expectations.

#### MEASURES OF SUCCESS (ACHIEVED BY 2019):

- 10% ↑ Commendations to Complaints Ratio
- 0-4% ↑ Service Reliability (Varies By Mode)
- 50% ↑ Communications Activity Index (All Sources)
- Goal ↑ TBD Customer Satisfaction Rating (All Modes)
- 99.99% Uptime of Mission Critical IT Systems

### FINANCIAL EFFICIENCY

**GOAL STATEMENT:** To responsibly manage resources in a way that provides requisite budget stability to grow the system.

#### MEASURES OF SUCCESS (ACHIEVED BY 2019):

- 5% ↑ Unlinked Passenger Trips Per Capita
- Δ Operating Expenses per Unlinked Passenger Trip Below Δ CPI-U for Philadelphia Region

### INFRASTRUCTURE STATE OF GOOD REPAIR & RELIABILITY

**GOAL STATEMENT:** To reduce SEPTA's backlog of capital repair needs in a way that improves safety, reliability, capacity, and the customer experience.

#### MEASURES OF SUCCESS (ACHIEVED BY 2019):

- 80% of Major Capital Project Deadlines Within 90 Days
- 0-20%↑ Mean Distance Between Failures (Varies By Mode)
- Goal ↑ TBD for State of Good Repair Asset Condition (Based on Federal MAP-21 Guidance)

### EMPLOYEE GROWTH

**GOAL STATEMENT:** To attract, develop and retain a diverse, healthy and versatile workforce.

#### MEASURES OF SUCCESS (ACHIEVED BY 2019):

- 50% Fill Rate for Key Vacant Positions from Advancing Internal Management ("AIM") Succession Planning Pool
- Continued Incremental Improvement from Ongoing Focus on Women and Minority Hiring Efforts (Varies by Goal Area)





# 1. Introduction and SEPTA Profile

## RESOURCE MANAGEMENT

**GOAL STATEMENT:**  
MANAGEMENT PRACTICES THAT ENSURE SEPTA REMAINS A SUSTAINABLE, HIGH-PERFORMANCE, OUTCOME-DRIVEN AGENCY



### METRIC DEFINITIONS:

#### CARBON FOOTPRINT

- An emissions & energy metric, measured by greenhouse gases from energy used by SEPTA vehicles and facilities, converted to carbon dioxide-equivalents, and divided by passenger miles travelled aggregated across all modes.

#### MUNICIPAL WASTE DIVERSION RATE

- A resource conservation metric, measured by tons of recycled municipal waste material divided by the sum of recycled and landfilled municipal waste material, at all SEPTA passenger stations and employee operating locations. (Note: This metric does not include construction and demolition debris, which SEPTA also recycles.)

#### VEHICLES OUT OF SERVICE DUE TO "NO STOCK"

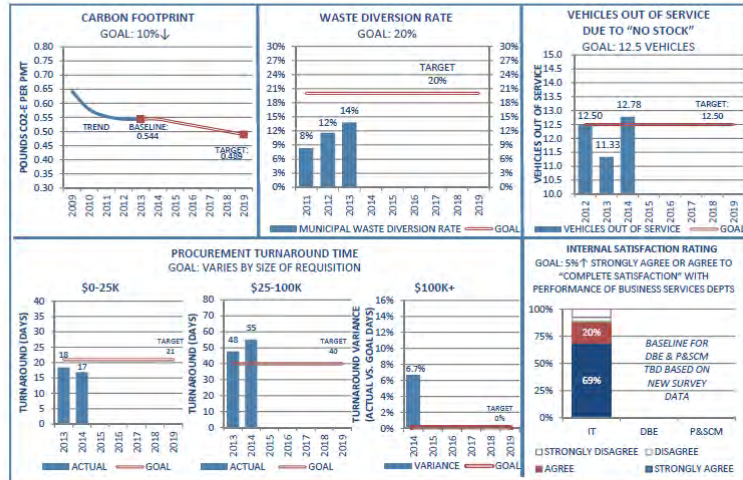
- A supply chain effectiveness metric, measured initially by the average monthly number of buses out of service due to lack of parts availability in stock. Performance towards this metric does not impact revenue service, as vehicles affected are covered by a spare fleet at each operating location. (Note: This metric will be expanded to include all fleet vehicles in subsequent fiscal years.)

#### PROCUREMENT TURNAROUND TIME

- A process efficiency metric, measured in three categories: turnaround time for procurements from \$0 to \$25,000 (initially Procurement & Supply Chain Management only); turnaround time for procurements from \$25,000 to \$100,000 (initially Procurement & Supply Chain Management only), and actual vs. goal variance for procurements \$100,000 and above (all business units).

#### INTERNAL SATISFACTION RATING

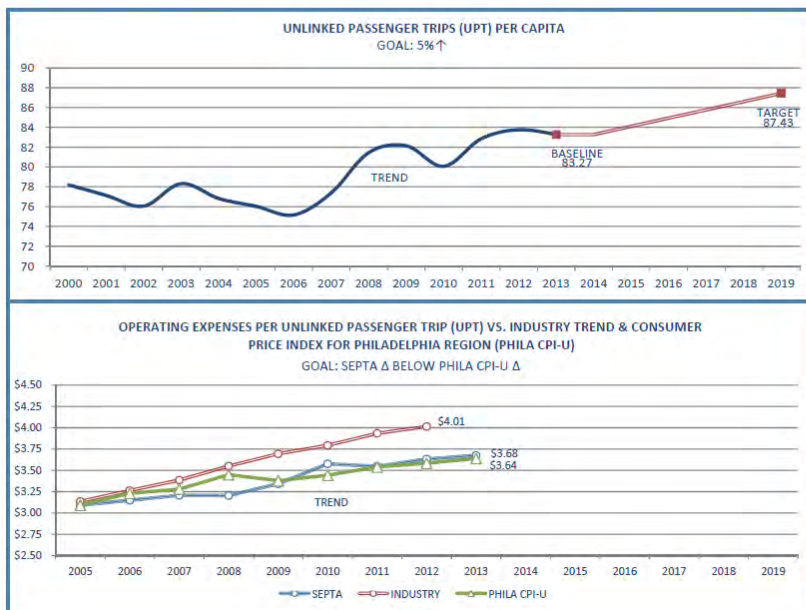
- A process effectiveness metric, measured initially by the Information Technology (IT) Department's Help Desk satisfaction score. (Note: This metric will be expanded with scores for the Disadvantaged Business Enterprise (DBE) Program Office and Procurement & Supply Chain Management (P&SCM) in subsequent fiscal years.)



SEPTA STRATEGIC BUSINESS PLAN - FISCAL YEARS 2015 THROUGH 2019

## FINANCIAL EFFICIENCY

**GOAL STATEMENT:**  
TO RESPONSIBLY MANAGE RESOURCES IN A WAY THAT PROVIDES REQUISITE BUDGET STABILITY TO GROW THE SYSTEM



### METRIC DEFINITIONS:

#### UNLINKED PASSENGER TRIPS (UPT) PER CAPITA

- A ridership growth metric, measured by UPT aggregated across all SEPTA modes, divided by the total residential population of the five counties (Bucks, Chester, Delaware, Montgomery, and Philadelphia) of Southeastern Pennsylvania.

#### OPERATING EXPENSES PER UPT VS. INDUSTRY TREND & CONSUMER PRICE INDEX FOR PHILADELPHIA REGION (CPI-U)

- A fiscal efficiency metric, measured by agency-wide operating expenses, divided by UPT aggregated across all SEPTA modes; annualized growth is compared with: 1) the U.S. Transit Industry growth rate (reported on a one-year lag by the National Transit Database); and 2) the Greater Philadelphia Urbanized Area Consumer Price Index (CPI-U) (reported by the Bureau of Labor Statistics).



# 1. 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 10 percent over the last five years, while highway trips have declined by 2 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 percent 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 percent 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

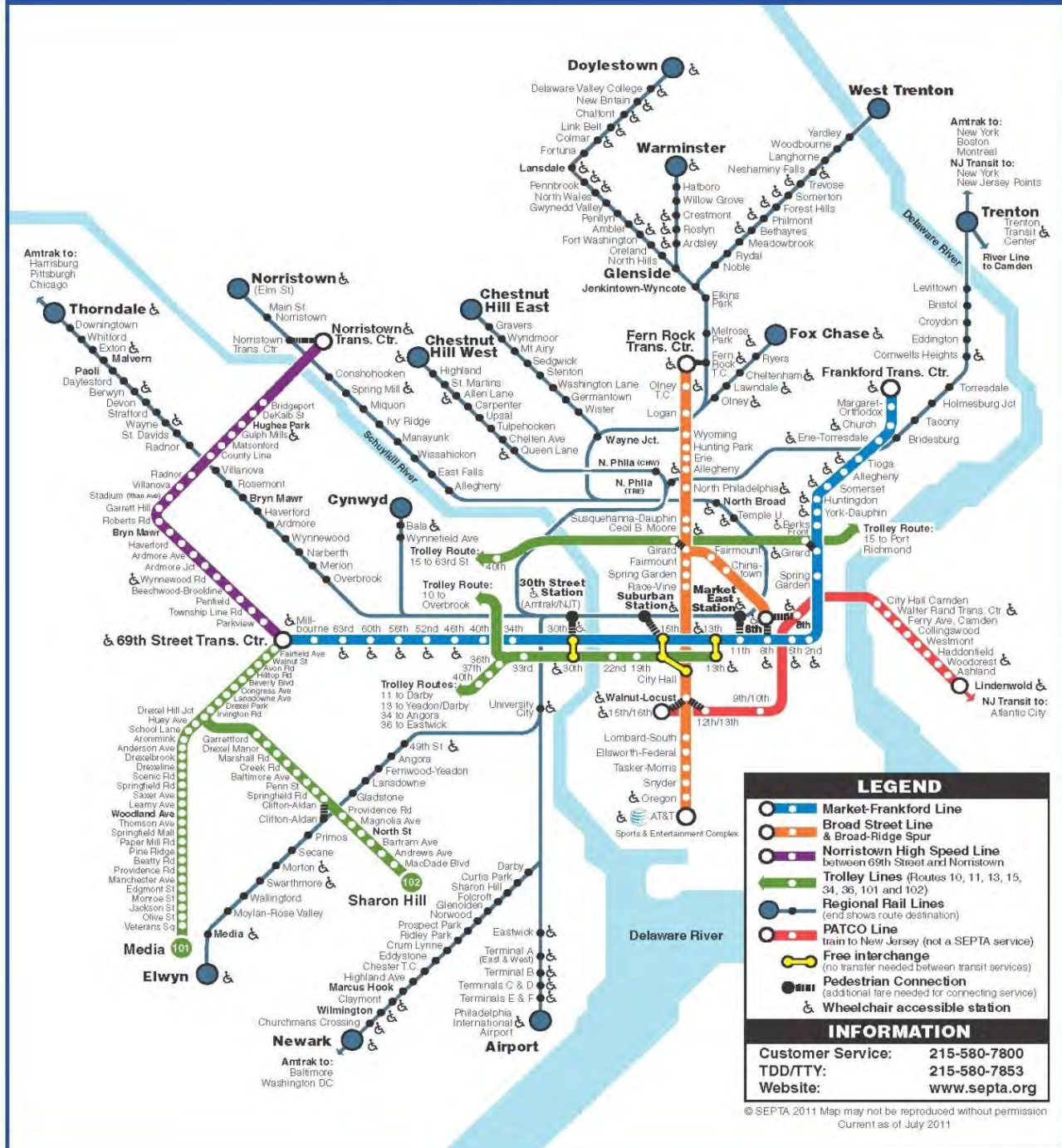
Metropolitan Area	Zero-Vehicle Households	Metropolitan Area Share
New York-Northern New Jersey-Long Island	2,093,861	28.0%
Chicago-Naperville-Joliet	399,927	5.3%
Los Angeles-Long Beach-Santa Ana	358,705	4.8%
Philadelphia-Camden-Wilmington	310,583	4.1%
Boston-Cambridge-Quincy	223,207	3.0%
San Francisco-Oakland-Fremont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



# 1. Introduction and SEPTA Profile



## SEPTA Regional Rail & Rail Transit





# 1. Introduction and SEPTA Profile

## SEPTA Ridership and Operating Statistics

The region experienced some of the worst winter weather in decades with more than fourteen snow storms impacting travel throughout the region. As a result, SEPTA experienced a decline in system-wide ridership of 2.1% in Fiscal Year 2014: Regional Rail ridership, however, grew 1.8 %. Compared to Fiscal Year 2013, average daily unlinked passengers in City Transit Division decreased 2.7% and 0.8% in Suburban Transit.

### AT A GLANCE:

### 50 YEARS OF SERVICE TO SOUTHEASTERN PENNSYLVANIA



On February 18, 1964, the Pennsylvania General Assembly established the Southeastern Pennsylvania Transportation Authority (SEPTA) to provide public transportation services for Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties.

Now 50 years later, SEPTA is the nation's sixth largest transit system, with a vast network of fixed route services including bus, subway, trolley, trackless trolley and Regional Rail, as well as ADA paratransit and shared ride programs. SEPTA is one of the region's largest employers, with a workforce of more than 9,000 employees.

	ROUTES	VEHICLES	STATIONS & STOPS	SHOPS & YARDS	ANNUAL RIDERS
BUS	118	1,355	13,230	9	158.0M
TROLLEY	8	159	8	4	31.9M
TRACKLESS TROLLEY	3	38	275	1	5.4M
REGIONAL RAIL	13	404	154	9	36.7M
MARKET FRANKFORD LINE	1	218	28	2	56.0M
BROAD STREET LINE	1	125	25	1	37.4M
NORRISTOWN HIGH SPEED LINE	1	26	22	1	3.0M
ADA PARATRANSIT & SHARED RIDE	N/A	445	N/A	N/A	1.8M
SEPTA SYSTEM	145	2,770			330.2M

### INTEGRATING SOUTHEASTERN PENNSYLVANIA'S TRANSIT NETWORK

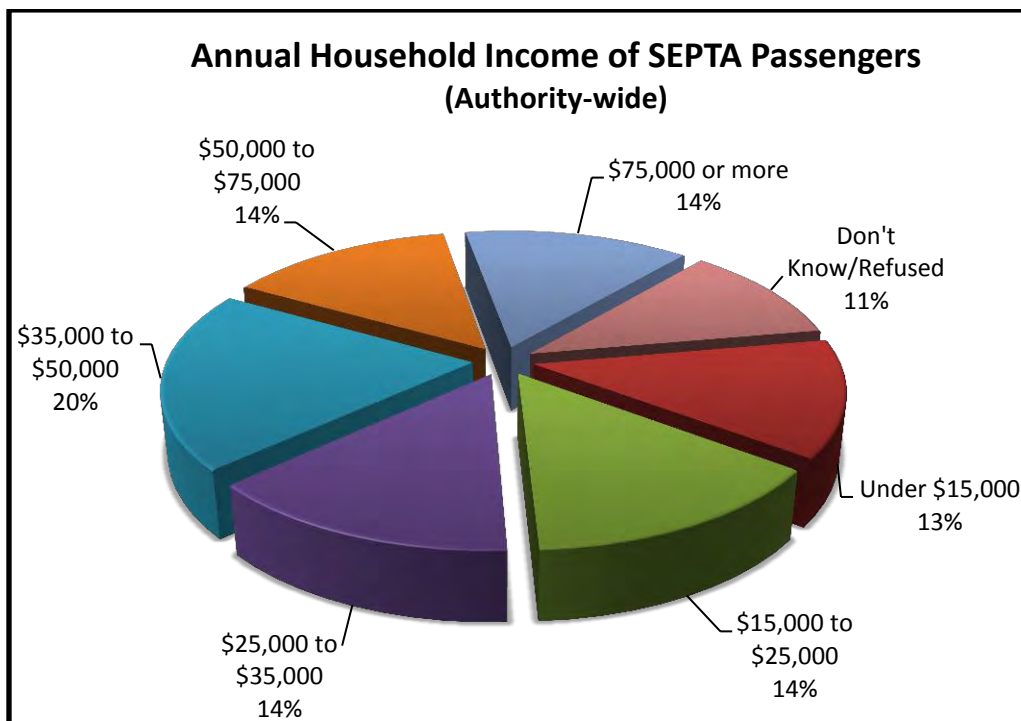
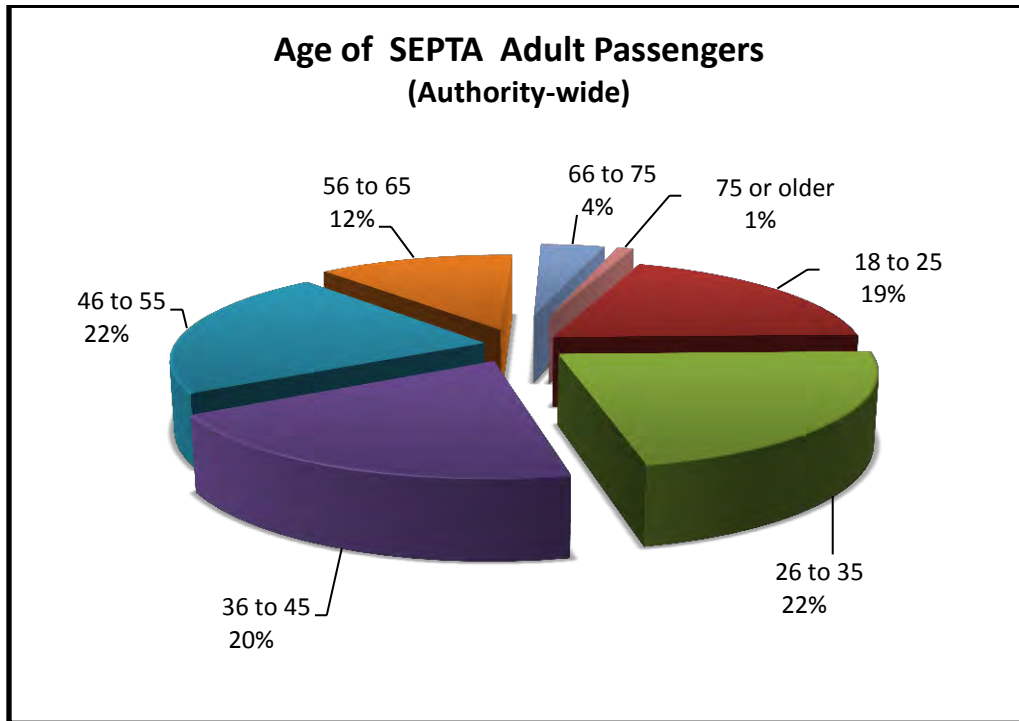




# 1. Introduction and SEPTA Profile

## SEPTA Passengers

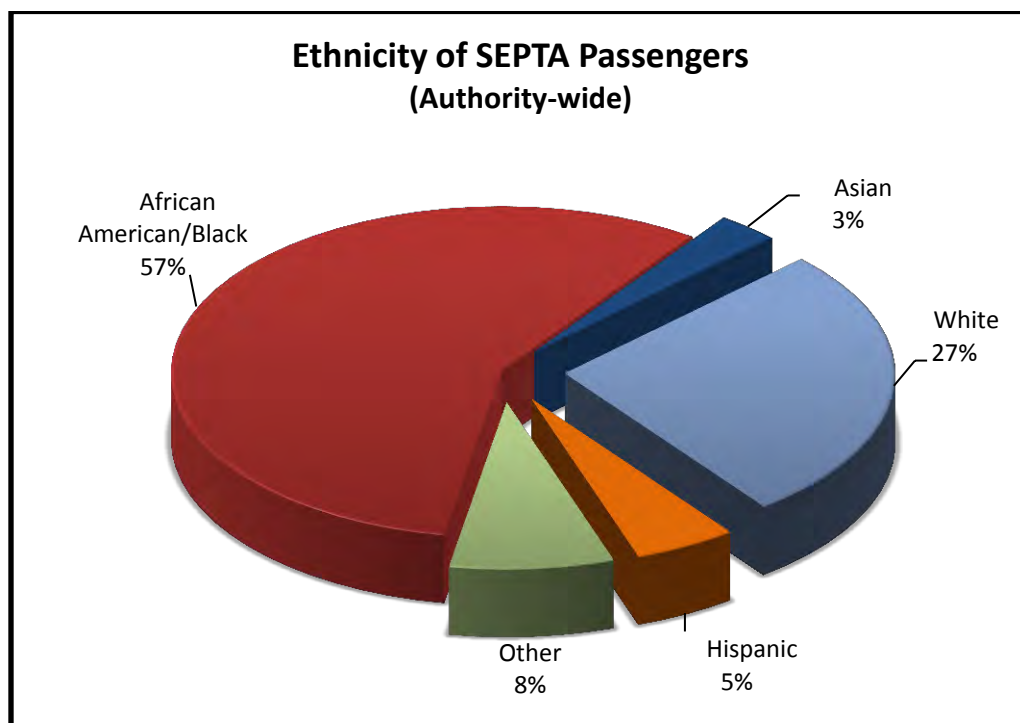
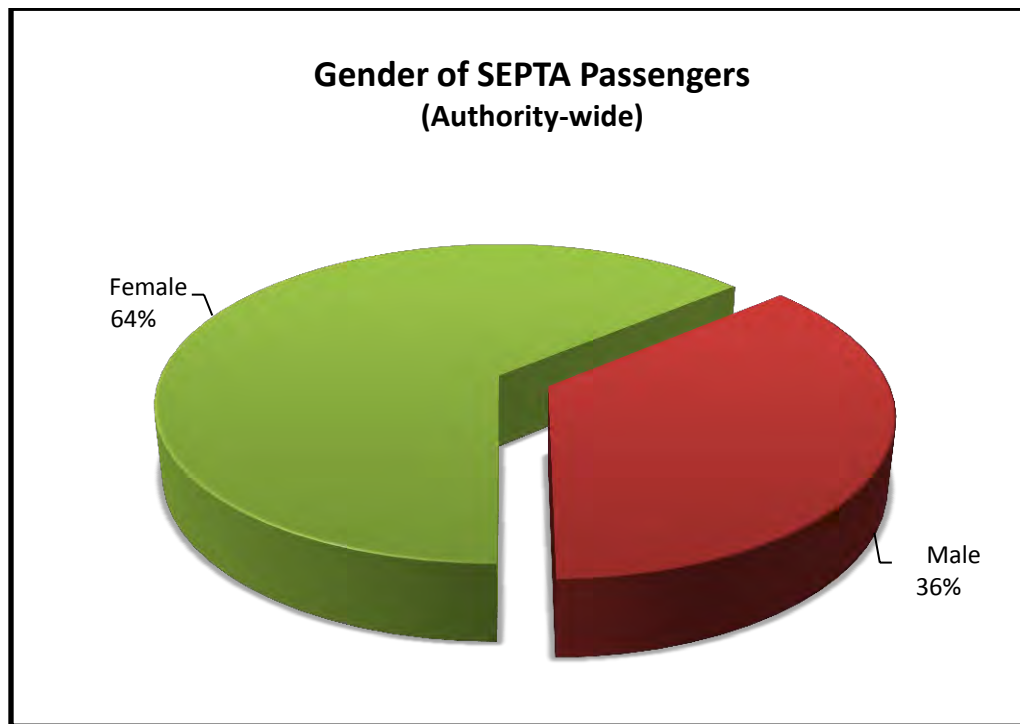
The following charts serve to illustrate the typical SEPTA customer. The demographic data was recorded and compiled as part of the SEPTA 2012 Customer Satisfaction Survey.







## 1. Introduction and SEPTA Profile





# 1. Introduction and SEPTA Profile

---

## SEPTA Customers

SEPTA contracted with a consultant to conduct a SEPTA Customer Satisfaction Survey between the period November 24, 2012 to December 30, 2012. During the survey period, 1,616 interviews were completed. Only persons aged 18 or older were interviewed during the process, therefore all exhibits represent adult passengers.

The following outlines the criteria used in the survey:

- ❖ Phone Survey period: November 24, 2012 through December 30, 2012
- ❖ Random digit dialing across the region until non-rider quota was met
- ❖ 4,917 Customers provided phone numbers when intercepted at SEPTA locations
- ❖ Interviewed 1,616 people
  - 1,210 Riders
  - 406 Non-Riders
- ❖ Completed 2,822 sets of questions on specific modes for riders and on SEPTA overall non-riders
- ❖ Organized the rider survey questions around the SEPTA 4Cs:
  - Communications
  - Cleanliness
  - Courtesy
  - Convenience
  - And, Personal Security

## Survey Results

SEPTA customers experienced a slightly lower rate of overall satisfaction from the previous survey conducted in 2010. On a scale of 0 to 10, with 10 being the best possible rating, the overall mode average for SEPTA was 7.7 in 2012, compared to 7.9 in 2010.

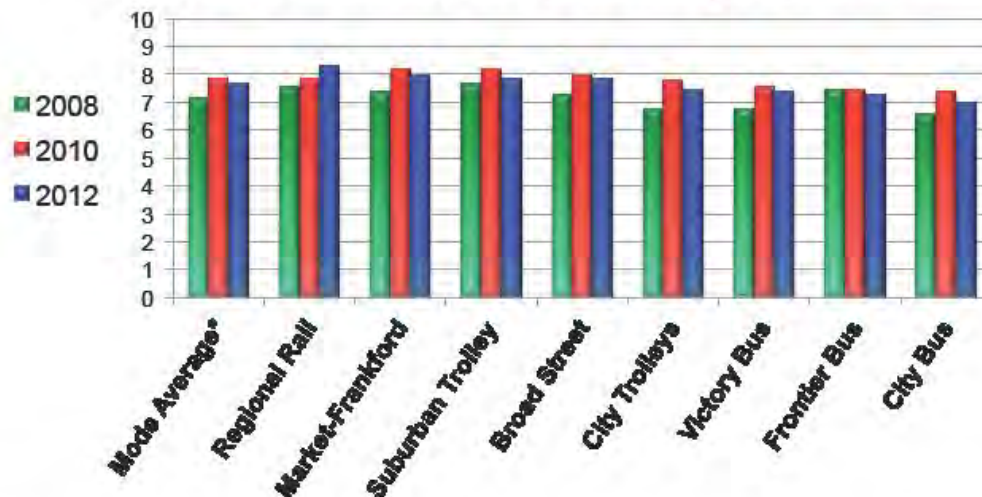
The slight decline is partly attributed to the fact that 45% of the 2012 respondents indicated they ***“expect more from SEPTA”*** than they did in 2010. This raised level of expectations is not surprising, given how SEPTA’s well documented achievements since 2010 have fueled a general positive change in public perception.

The next survey will be conducted in December 2014 and these statistics will be updated once the data is compiled and report complete. The following charts display the results from the 2012 Customer Satisfaction Survey, with Regional Rail riders experiencing an overall improvement in the quality of their SEPTA experience.



## 1. Introduction and SEPTA Profile

### Overall Performance by Mode



\*2008 – Average of Averages,  
2010, 2012 – Average of Ratings

### Overall Performance by Mode

	'08	'10	'12	Diff.	Statistical Significance
Mode Average - SEPTA	7.2	7.9	7.7	-0.2	*
<span style="color: blue;">+</span> Regional Rail	7.6	7.9	8.3	0.4	*
Market-Frankford	7.4	8.2	8.0	-0.2	NS
Suburban Trolley	7.7	8.2	7.9	-0.3	NS
Broad Street	7.3	8.0	7.9	-0.1	NS
City Trolleys	6.8	7.8	7.5	-0.3	NS
Victory Bus	6.8	7.6	7.4	-0.2	NS
Frontier Bus	7.5	7.5	7.3	-0.2	NS
<span style="color: red;">-</span> City Bus	6.6	7.4	7.0	-0.4	*

The Statistical Significance column notes whether the change in rating falls within the statistical margin of error based on the number of survey respondents who answered that question.

+ Greatest increase from '10

- Greatest decrease from '10

Diff. – 2010 vs. 2012  
NS – Not significant





# 1. Summary of Assumptions

---

This document presents the Fiscal Year 2015 Operating Budget. Fiscal Year 2013 and Fiscal Year 2014 actual results are utilized for comparison throughout this document.

<b>Service</b>	The Fiscal Year 2015 Operating Budget of \$1.33 billion in operating expenses includes minor changes to transportation service as compared to Fiscal Year 2014.
<b>Revenue</b>	Passenger revenue is projected to increase by \$7-million or 1.5% in FY 2015 and ridership is projected to remain level. Other Income is expected to increase 4%.
<b>Expenses</b>	Expenses total \$1.33 billion.
<b>State and Local Subsidy</b>	<p>Fiscal Year 2015 state and local subsidies include a grant from the Pennsylvania Public Transportation Trust Fund. Act 44 of 2007 established the trust fund and Act 89 of 2013 amended Act 44. These acts dedicate state funding for public transportation agencies across the Commonwealth of Pennsylvania. Trust fund grants are required to be matched locally at 15%. Total State Operating Subsidy for FY 2015 is \$586.3 million, with a Local Match of \$88.0 million.</p> <p>The Commonwealth also provides 20% or \$6.7 million for funding Amtrak Lease expenses and funding of \$1.2 million to fund lease expenses for copiers and radio antennas. In addition, funding of \$32.8 million is also provided by the Commonwealth for Debt Service on bonds with a Local Match of \$1.1 million provided by the five counties.</p>
<b>Federal Subsidy</b>	Federal Preventive Maintenance for Fiscal Year 2015 will increase slightly to \$36.5 million. This category also includes Federal Capital Lease Subsidy of \$27.6 million and Capital Debt Service of \$8.5 million.



# 1. Fiscal Year 2015 Consolidated Budget

Amounts in Thousands ('000)		<b>FY 2015 Budget</b>
<b>REVENUE</b>		
Passenger Revenue	\$	478,950
Shared Ride Program		19,100
Other Income		34,000
Investment Income		<u>1,000</u>
<b>TOTAL OPERATING REVENUE</b>	<b>\$</b>	<b>533,050</b>
<b>EXPENSES</b>		
Labor and Fringe Benefits	\$	935,857
Materials and Services		250,875
Injuries & Damage Claims		38,400
Propulsion Power		35,500
Fuel		45,754
Vehicle and Facility Rentals		<u>2,831</u>
<b>OPERATING EXPENSE</b>	<b>\$</b>	<b>1,309,217</b>
Depreciation/Contributed Capital	\$	<u>17,988</u>
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>1,327,205</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$</b>	<b><u>(794,155)</u></b>
<b>SUBSIDY SOURCE</b>		
Federal	\$	72,643
State		629,098
Local		89,409
Other		<u>3,005</u>
<b>TOTAL SUBSIDY</b>	<b>\$</b>	<b>794,155</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$</b>	<b><u>-</u></b>

**This Page Intentionally Left Blank**





## 2. Financial and Budgetary Policies

---

### FINANCIAL PLANNING POLICIES

#### **Balanced Budget**

The Board adopts a balanced budget or short term operating spending plan, 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 grant funding.
- The budget includes a resultant Surplus or Deficit, while the annual financial statement report treats this as a Change in Net Position.
- The budget includes investment income in operating revenue; while the annual financial statements treat this item, and all other subsidies, as non-operating. Conversely, route guarantees classified as operating revenue commencing in Fiscal Year 2013 in the annual financial statements continue to be classified as an operating subsidy within the Budget. Additionally, interest expense is treated as non-operating in the annual financial statements.
- The net actuarially determined post-employment benefit obligation recognized under Government Accounting Standards Board (GASB) Statement No. 45, which was implemented by the Authority in Fiscal Year 2008, has been excluded from budgeted expenses. Such costs are included in operating expenses in the annual financial statements.



## 2. 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 (GAAP). 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 Authority. 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.



## 2. 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 Operating Budget 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 Board approval.

#### **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.





## 2. Financial and Budgetary Policies

---

### **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 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.

On November 25, 2013, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2013 – 89 (-Act 89"), which increased available Capital funding for transportation in FY 2014. Act 89 has no effect on the amounts that the Authority is otherwise entitled to receive under Act 44 for repayment of its Revenue Refunding Bond obligations.

The Authority's policy is to issue debt periodically to supplement federal and state 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 December 2012, the Authority converted the \$97.95 million remaining outstanding principal amount of the 2007 bonds from the Daily Rate Mode to the Indexed Mode.

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.



## 2. 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 5337 State of Good Repair Funding, and for each Federal Fiscal Year thereafter. FTA Section 5337 State of Good Repair Funding is the successor to FTA Section 5309 Fixed Guideway Modernization Formula Funding.

### **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). The loan has three separate tranches of \$35 million, \$75 million and \$65 million and is being drawn down over a period of approximately four years. As of June 30, 2014, the authority has drawn down \$45.5 million in loan proceeds. This is an interest only loan with maturities ranging between 5 and 6 years. The Authority anticipates utilizing Federal Grants to repay the loan as each tranche matures.



## 2. Financial and Budgetary Policies

### Debt Service

The Authority has two series of Revenue Refunding Bonds (issued in 2007 and 2010), and a series of Capital Grant Receipts Bonds (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”).

### 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. The aggregate debt service for all three bond issues is listed below on a fiscal year basis.

Debt Service Requirements (Amounts in Thousands)			
Year Ending June 30	Interest *	Principal	Total Debt Service Requirements
2015	21,382	30,005	51,387
2016	20,139	31,180	51,319
2017	18,661	32,590	51,251
2018	17,112	34,075	51,187
2019	15,440	35,670	51,110
2020	13,611	37,455	51,066
2021	11,715	31,700	43,415
2022	10,098	33,230	43,328
2023	8,349	22,185	30,534
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	16,270	17,068
<b>TOTAL</b>	<b>\$ 160,865</b>	<b>\$ 431,800</b>	<b>\$ 592,665</b>

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



## 2. 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.

Amounts in thousands ('000)

	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget
<b>Contributed Capital:</b>			
Balance at Beginning of Year	\$ 3,365,122	\$ 3,267,354	\$ 3,204,818
Capitalized Grant Property	214,670	249,154	311,279
Capitalized Grant Property - Retirements	(40,157)	(26,716)	(30,118)
Amortization	(309,580)	(311,672)	(320,223)
Amortization - Retirements	37,299	26,699	29,817
<b>Contributed Capital Balance at End of Year</b>	<b>\$ 3,267,354</b>	<b>\$ 3,204,818</b>	<b>\$ 3,195,573</b>
<b>Operating Surplus/(Deficit):</b>			
Accumulated Operating (Deficit)	\$ (183,442)	\$ (186,042)	\$ (184,929)
<i>&gt;at Beginning of the Year</i>			
Operating Surplus	90	129	-
Investment Gain/(Loss) re: SWAPS	470	984	-
Operating Surplus/(Deficit)	\$ 560	\$ 1,113	\$ -
Equity Impact on Prior Years re: GASB 65	\$ (3,160)	\$ -	\$ -
<i>&gt;after Investment Gain/Loss</i>			
<b>Accumulated Operating Deficit at End of Year</b>	<b>\$ (186,042)</b>	<b>\$ (184,929)</b>	<b>\$ (184,929)</b>
<b>Total Equity</b>	<b>\$ 3,081,312</b>	<b>\$ 3,019,889</b>	<b>\$ 3,010,644</b>





## 2. Annual Budget Process

### Fiscal Year 2015 Budget Calendar July 1, 2014 to June 30, 2015

S	M	T	W	TH	F	S		S	M	T	W	TH	F	S	
JULY 2014							DAYS	AUGUST 2014							
		1	2	3	4	5	CUM	27	28	29	30	31	1	2	<u>35</u>
6	7	8	9	10	11	12	<u>26</u>	3	4	5	6	7	8	9	<u>61</u>
13	14	15	16	17	18	19	26	10	11	12	13	14	15	16	
20	21	22	23	24	25	26		17	18	19	20	21	22	23	
								24	25	26	27	28	29	30	
SEPTEMBER 2014								OCTOBER 2014							
31	1	2	3	4	5	6		28	29	30	1	2	3	4	<u>28</u>
7	8	9	10	11	12	13	<u>28</u>	5	6	7	8	9	10	11	<u>117</u>
14	15	16	17	18	19	20	89	12	13	14	15	16	17	18	
21	22	23	24	25	26	27		19	20	21	22	23	24	25	
NOVEMBER 2014								DECEMBER 2014							
26	27	28	29	30	31	1		30	1	2	3	4	5	6	<u>28</u>
2	3	4	5	6	7	8	<u>35</u>	7	8	9	10	11	12	13	<u>180</u>
9	10	11	12	13	14	15	152	14	15	16	17	18	19	20	
16	17	18	19	20	21	22		21	22	23	24	25	26	27	
23	24	25	26	27	28	29									
JANUARY 2015								FEBRUARY 2015							
28	29	30	31	1	2	3		25	26	27	28	29	30	31	<u>28</u>
4	5	6	7	8	9	10	<u>28</u>	1	2	3	4	5	6	7	<u>236</u>
11	12	13	14	15	16	17	208	8	9	10	11	12	13	14	
18	19	20	21	22	23	24		15	16	17	18	19	20	21	
MARCH 2015								APRIL 2015							
22	23	24	25	26	27	28		29	30	31	1	2	3	4	<u>28</u>
1	2	3	4	5	6	7	<u>35</u>	5	6	7	8	9	10	11	<u>299</u>
8	9	10	11	12	13	14	271	12	13	14	15	16	17	18	
15	16	17	18	19	20	21		19	20	21	22	23	24	25	
22	23	24	25	26	27	28									
MAY 2015								JUNE 2015							
26	27	28	29	30	1	2		31	1	2	3	4	5	6	<u>31</u>
3	4	5	6	7	8	9	<u>35</u>	7	8	9	10	11	12	13	<u>365</u>
10	11	12	13	14	15	16	334	14	15	16	17	18	19	20	
17	18	19	20	21	22	23		21	22	23	24	25	26	27	
24	25	26	27	28	29	30		28	29	30					



## 2. Annual Budget Process

---

### **Budget Development**

The first step of the budget development process begins with a meeting attended by the Operating Budget and Strategic Planning staff in November to discuss the key initiatives for the upcoming fiscal year. These initiatives are incorporated into each division's goals and funding is provided within the financial constraints determined by the Chief Financial Officer.

The next step in the process occurs in December with the 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 then meets with personnel from each staff and operating department to review specific budget requirements and potential issues for the following fiscal year. Based on these meetings and the Strategic Planning Initiatives, the service projection may then be revised if necessary. Departmental expense levels are set accordingly and preliminary authorization letters and the budget database template are distributed to all operating and staff departments in February or March.

Operating and staff department personnel enter detailed information into the Management Planning and Control (MPC) operating budget database for submission to the Operating Budget Department, beginning February and continuing through June, when the budget has been finalized. The Operating Budget Department reviews each budget submission and recommends corrections or revisions as 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 mid-March, thus beginning the period for public comment, which is open until the end of April. SEPTA's Board Chairman appoints an independent hearing examiner to conduct public hearings in each county that SEPTA serves. Public hearings are then held 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 together with public commentary and issues a report to the Board in late April. Included in this report are recommendations the hearing examiner may choose to make as a result of his review. 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.



## 2. Annual Budget Process

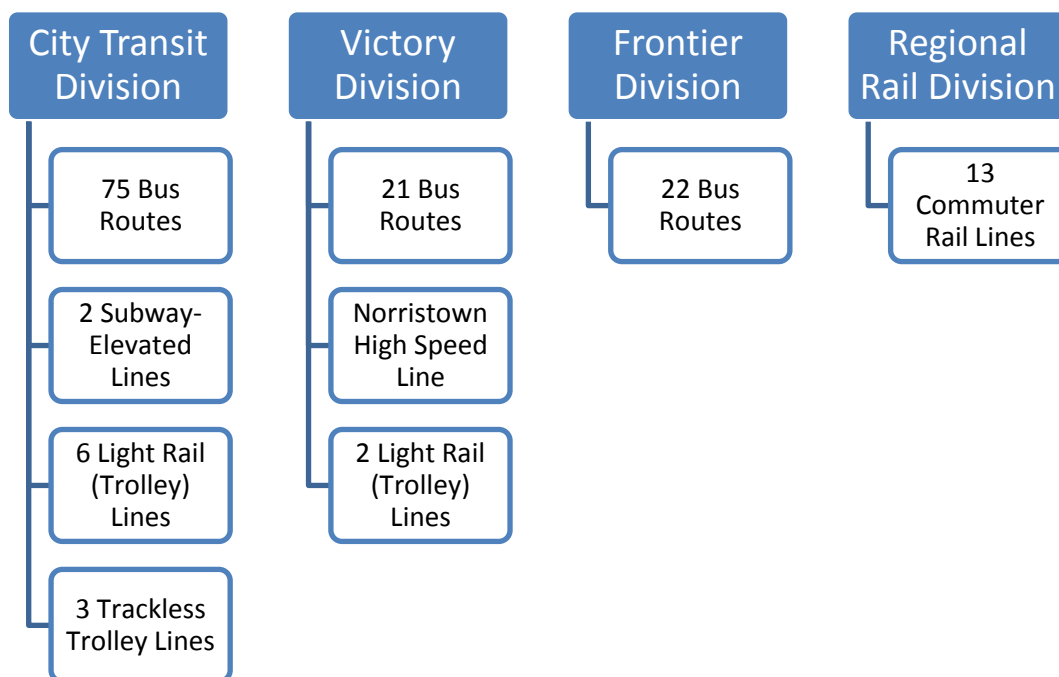
### Key Activities

		Nov. 13	Dec. 13	Jan. 14	Feb. 14	March 14	April 14	May 14	June 14	July 14	Aug. 14	Sept. 14
1	Operating Budget Staff Meeting to discuss priorities and Strategic Plan Initiatives for the upcoming year											
2	Develop draft service projection based on current service and FY15 levels											
3	Meetings with SEPTA's operating and staff departments											
4	Develop overall and department projections for FY15											
5	Schedule Public Hearings											
6	FY14/15 Budget Update Presentation to GM Team											
7	Operating and Staff Departments submit budget data to Budget Department for review											
8	Adjust overall and departmental projections											
9	Revise Service Projections as necessary based on Cut 1											
10	Review first draft of FY15 Operating Budget Proposal											
11	Public Hearing Notice to press relations											
12	Public Hearing Notice published /Location Postings/RICB Broadcast/Internet Posting/Distribution											
13	Publish and distribute FY15 Operating Budget Proposal											
14	Period for public comments											
15	Distribute preliminary budget authorization letters to all Staff and Operating Departments											
16	Prepare Public Hearing Testimony											
17	Public Hearings in City of Philadelphia and Suburban counties											
18	Report from the Hearing Examiner											
19	Board Budget Committee Briefing											
20	Board adopts FY 2015 Operating Budget											
21	All divisions/departments input final detailed budget into Management Planning and Control Software (MPC)											
22	Update FY 2015 Budget Proposal to reflect final budget adjustments											
23	Publish Final FY 2015 Budget Book											



### 3. 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 as Red Arrow until 1970, SEPTA's 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 22 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.



### 3. 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

#### **AUDIT, SAFETY & INVESTIGATIVE SERVICES DIVISION**

- Internal Audit
- Office of the Inspector General
- System Safety

#### **BUSINESS SERVICES DIVISION**

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

#### **CUSTOMER SERVICE & ADVOCACY DIVISION**

- Administration
- Advocacy
- Customer Development
- Customer Service

#### **FINANCE & PLANNING DIVISION**

- Capital Budget and Grant Development
- Financial Services
- General Accounting
- Operating Budget
- Payroll
- Revenue, Ridership, Advertising, Marketing 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





### **3. Operating and Staff Departments**

---

#### **OFFICE OF THE GENERAL COUNSEL**

- Claims
- Corporate
- Litigation
- Video & Evidence Production
- Workers' Compensation and Insurance

#### **OPERATIONS/ ENGINEERING, MAINTENANCE & CONSTRUCTION DIVISION**

- Administration and Finance
- Communications
- Deputy General Manager Staff
- Labor Relations
- New Payment Technology
- New Payment Technology Integration
- Planning, Project Coordination & Safety

#### **OPERATIONS**

- Control Center
- Customized Community Transportation
- Operations Staff
- Rail Transportation
- Surface Transportation
- Transit Police
- Vehicle Engineering
- Vehicle Maintenance

#### **ENGINEERING, MAINTENANCE & CONSTRUCTION**

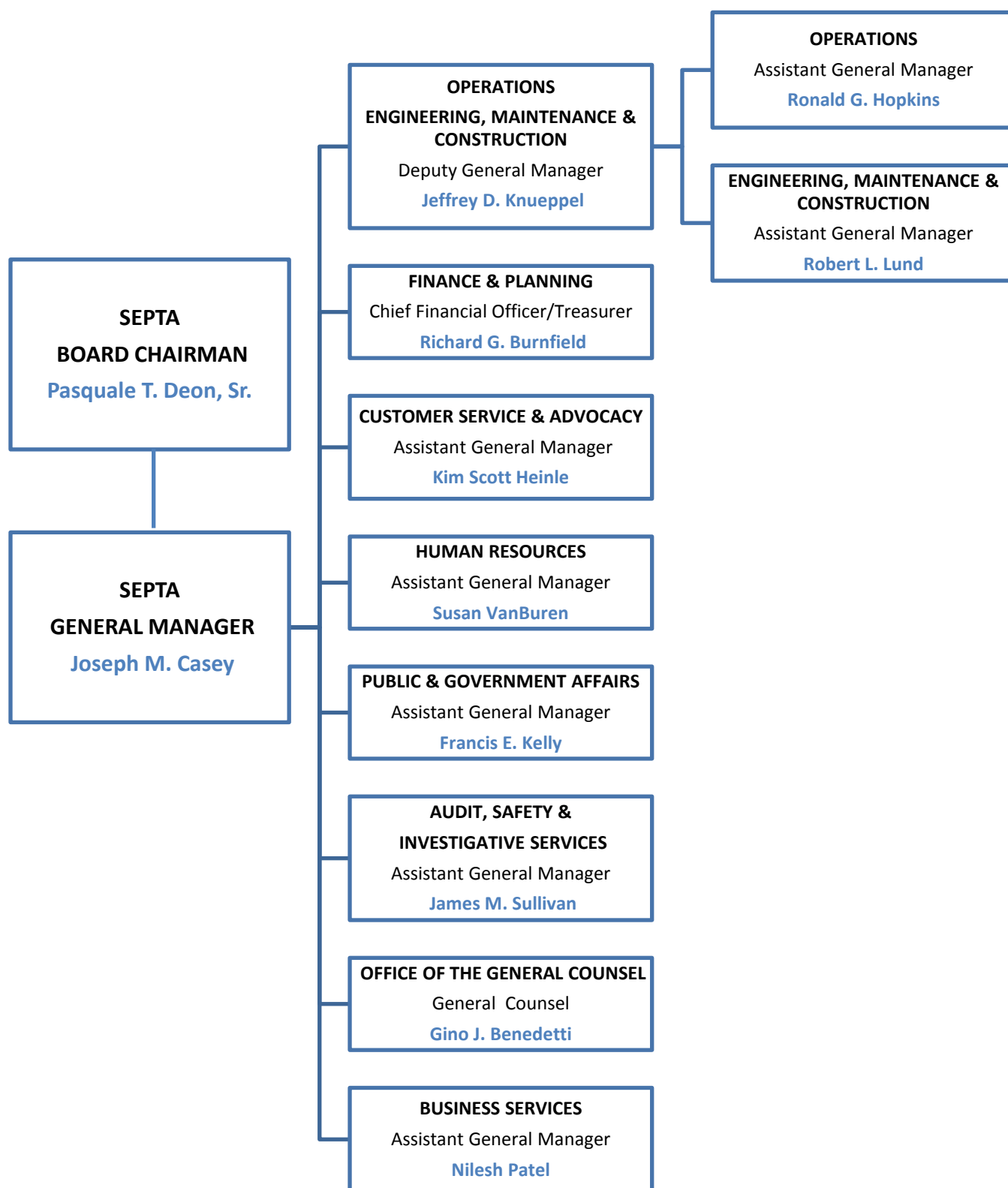
- Capital Projects
- Operations Support

#### **PUBLIC & GOVERNMENT AFFAIRS DIVISION**

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



### 3. General Manager Team Organization Chart



# Operating Goals and

## 4. Performance Evaluation Measures



### 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 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. Listed below are SEPTA's reported performance measures:

Measure	Goal
Operating Cost Per Passenger	The Authority proposes to provide a cost not to exceed <b>\$3.99</b> per unlinked passenger trip.
Operating Subsidy Per Passenger	The Authority proposes to provide overall service operating subsidy not to exceed <b>\$2.39</b> per unlinked passenger trip.
Cost Per Vehicle Mile	The Authority proposes to achieve an average cost for delivery of service not to exceed <b>\$13.10</b> per vehicle mile.

# Operating Goals and

## 4. Performance Evaluation Measures

---



### ROUTE UTILIZATION

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

#### City Transit Division

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

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

SEPTA's "City Transit Division Service Standards and Process Document" 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 2013's financial results will be approved for action in Fiscal Year 2015. City Transit Division's average was 35% and the substandard performance mark was 19%.

#### 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 2013's financial results will be approved for action in Fiscal Year 2015. Suburban Transit Division's average was 23 % and the substandard performance mark was 14%.

#### 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 Document" 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 2013's financial results will be approved for action in Fiscal Year 2015. Railroad Division's average was 47% and the substandard performance mark was 28%.

# Operating Goals and

## 4. Performance Evaluation Measures



### PRODUCTIVITY GOALS

Measure	Goal
Total Ridership	The Authority's goal is to carry at least <b>332.1 million</b> passengers (unlinked trips.)
Public Information Calls	The Authority's goal is to satisfactorily respond to at least <b>97.5%</b> of all public information calls.
Scheduled Service Requirements	The Authority's goal is to maintain its performance of <b>98%</b> of service being operated as scheduled.
Complaints	The Authority seeks to minimize passenger complaints and anticipates that complaints received will be less than <b>5</b> per 100,000 passenger trips.
Accessibility By Elderly and Disabled	The Authority intends to achieve <b>100%</b> of the total requests for ADA trips. The Authority projects <b>748,000</b> ADA City Division and <b>306,677</b> ADA Suburban trips for Fiscal Year 2015. For the Shared Ride Program, <b>796,000</b> trips are projected.

### 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 transit authorities 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 <b>10,600</b> 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 <b>159,600</b> passenger miles per employee.
Passenger Accidents	The Authority goal is to incur no more than <b>4.73</b> reported passenger accidents per 100,000 vehicle miles of service for City Transit Bus Operations and no more than <b>.01</b> for Regional Rail. All other modes are listed on the following page.
Employee Accidents	The Authority goal is to experience less than <b>5.09</b> employee lost time accidents per 200,000 work hours.



# Operating Goals and

## 4. Performance Evaluation Measures



### SAFETY GOALS

Safety related goals are developed and monitored by the System Safety Department. The safety goals for Fiscal 2015 were developed with targeted improvement. For comparison purposes in this document, SEPTA utilizes 12 months of actual data from Fiscal Years 2012, 2013 and 2014 and Budgeted Goals for Fiscal Year 2015 as the benchmark period for the reporting of safety goals.

Passenger Accidents Per 100,000 Miles				
	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
<b>Surface Transportation</b>				
City Division Bus	4.95	4.91	4.83	4.59
City Division Trackless Trolley	6.55	6.31	4.78	5.34
Victory Bus	4.23	3.09	2.72	3.87
Frontier Bus	1.65	1.55	1.07	1.26
<b>Regional Rail</b>	.02	.05	.01	.01
<b>Subway/Light Rail</b>				
Broad Street Line	.37	.25	.27	.34
Market-Frankford Line	.75	.28	.21	.68
Norristown High Speed Line	.00	.00	.00	.00
Callowhill Light Rail	3.01	3.32	8.08	2.82
Elmwood Light Rail	1.42	1.72	1.93	1.35
Media/ Sharon Hill Line	5.74	5.28	5.95	5.05

Station Accidents Per 100,000 Passengers				
	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
<b>Regional Rail</b>	.00	.00	.00	.12
<b>Subway/Light Rail</b>				
Broad Street Line	.98	1.26	.83	.77
Market-Frankford Line	1.20	.89	.88	1.13
Norristown High Speed Line	.00	.00	.00	.00

# Operating Goals and

## 4. Performance Evaluation Measures



Vehicular Accidents Per 100,000 Miles				
	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
<b>Surface Transportation</b>				
City Division Bus	6.96	6.92	6.84	6.36
City Division Trackless Trolley	7.30	6.09	6.02	6.87
Victory Bus	3.73	3.29	3.04	3.22
Frontier Bus	1.20	1.53	1.91	1.10
<b>Regional Rail</b>	.04	.04	.03	.02
<b>Subway/Light Rail</b>				
Broad Street Line	.03	.03	.04	.02
Market-Frankford Line	.02	.04	.03	.01
Norristown High Speed Line	.00	.00	.00	.00
Callowhill Light Rail	13.93	10.90	15.37	13.06
Elmwood Light Rail	3.52	2.98	2.99	3.30
Media/ Sharon Hill Line	5.92	3.46	4.69	5.39

Employee Lost Time Injuries Per 200,000 Work Hours				
	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
Surface Transportation	7.34	6.38	7.19	6.74
Engineering, Maintenance & Construction	5.49	3.62	3.32	4.58
Regional Rail	9.13	4.79	3.70	4.12
Subway/Light Rail	3.46	5.20	3.06	3.26
Non-Operations	1.61	2.10	1.79	1.51

## Operating Goals and

### 4. Performance Evaluation Measures



#### 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 2015 goal will continue as one administrative employee for every 20 operating employees at the expense level of \$1.33 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

##### 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 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
Bus & Trackless Trolley	3.0	3.0	3.1	3.0
Trolley - Subway-Surface & Route 15	1.6	1.6	1.6	1.6
Market-Frankford Line	4.0	3.9	3.5	3.5
Broad Street Line	1.9	1.8	2.0	2.5
Media-Sharon Hill Line	1.3	1.3	1.4	1.3
Norristown High Speed Line	1.7	1.8	1.9	1.7
Regional Rail	1.6	1.6	1.7	1.6

# Operating Goals and

## 4. Performance Evaluation Measures



### 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 2015 goals:

On-Time Performance				
	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
<b>Surface Transportation</b>				
City/Suburban Bus	76.6%	76.6%	75.6%	78.7%
Victory Bus	75.8%	76.1%	74.8%	77.0%
<b>Rail Transportation</b>				
Light Rail	76.2%	78.7%	75.2%	79.0%
Media-Sharon Hill Line	90.6%	92.8%	91.6%	94.0%
Norristown High Speed Line	99.8%	99.6%	99.7%	98.0%
Broad Street Line	98.8%	99.2%	99.1%	98.0%
Market-Frankford Line	98.0%	97.8%	98.0%	98.0%
Regional Rail	88.2%	92.6%	90.1%	92.0%

# Operating Goals and

## 4. Performance Evaluation Measures



### 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 Years 2015 goals for all SEPTA transportation modes follow:

Mean Distance Between Failure (in miles)				
	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Actual	Fiscal Year 2015 Goal
<b>Surface Transportation</b>				
City/Suburban Bus	9,283	7,954	7,420	*10,250
<b>Rail Transportation</b>				
Trolley - Subway-Surface & Route 15	6,718	5,634	6,358	6,500
Media-Sharon Hill Line	26,624	30,539	19,120	25,000
Norristown High Speed Line	37,803	45,802	42,863	35,000
Broad Street Line	151,314	120,906	117,989	120,000
Market-Frankford Line	76,311	58,357	70,942	80,000
Regional Rail	48,956	55,683	44,775	50,000

\*Represents Bus average annual MDBF goal and not individual district performances which are impacted by different service patterns and fleet sizes.



# Consolidated

## 5. Three Year Comparison Fiscal Years 2013-2015



	FY 2013	FY 2014	FY 2015	FY 2015
	Actual	Actual	Budget	versus
Amounts in thousands ('000)				FY 2014
<b>REVENUE</b>				
Passenger Revenue	\$ 441,656	\$ 471,787	\$ 478,950	\$ 7,163
Shared Ride Program	18,786	18,432	19,100	668
Other Income	32,497	32,716	34,000	1,284
Investment Income	559	1,323	1,000	(323)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 493,498</b>	<b>\$ 524,258</b>	<b>\$ 533,050</b>	<b>\$ 8,792</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 859,989	\$ 878,374	\$ 935,857	\$ 57,483
Materials and Services	233,485	259,219	250,875	(8,344)
Injuries & Damage Claims	42,425	28,844	38,400	9,556
Propulsion Power	34,642	37,031	35,500	(1,531)
Fuel	45,380	45,884	45,754	(130)
Vehicle and Facility Rental	2,611	3,211	2,831	(380)
<b>OPERATING EXPENSE</b>	<b>\$ 1,218,532</b>	<b>\$ 1,252,563</b>	<b>\$ 1,309,217</b>	<b>\$ 56,654</b>
Depreciation/Contributed Capital	\$ 21,354	\$ 17,873	\$ 17,988	\$ 115
<b>TOTAL EXPENSES</b>	<b>\$ 1,239,886</b>	<b>\$ 1,270,436</b>	<b>\$ 1,327,205</b>	<b>\$ 56,769</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (746,388)</b>	<b>\$ (746,178)</b>	<b>\$ (794,155)</b>	<b>\$ (47,977)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 72,860	\$ 68,314	\$ 72,643	\$ 4,329
State	587,252	591,498	629,098	37,600
Local	83,060	83,549	89,409	5,860
Other	3,306	2,946	3,005	59
<b>TOTAL SUBSIDY</b>	<b>\$ 746,478</b>	<b>\$ 746,307</b>	<b>\$ 794,155</b>	<b>\$ 47,848</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 90</b>	<b>\$ 129</b>	<b>\$ -</b>	<b>\$ (129)</b>

# City Transit Division

## 5. Three Year Comparison Fiscal Years 2013-2015



	FY 2013	FY 2014	FY 2015	FY 2015
	Actual	Actual	Budget	versus FY 2014
<b>Amounts in thousands ('000)</b>				
<b>REVENUE</b>				
Passenger Revenue	\$ 276,632	\$ 293,486	\$ 295,444	\$ 1,958
Shared Ride Program	18,786	18,432	19,100	668
Other Income	17,363	17,862	18,172	310
Investment Income	122	865	610	(255)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 312,903</b>	<b>\$ 330,645</b>	<b>\$ 333,326</b>	<b>\$ 2,681</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 591,661	\$ 603,218	\$ 645,397	\$ 42,179
Materials and Services	134,260	150,441	134,710	(15,731)
Injuries & Damage Claims	29,865	24,021	31,200	7,179
Propulsion Power	14,897	16,112	14,800	(1,312)
Fuel	36,027	36,265	36,245	(20)
Vehicle and Facility Rentals	1,944	2,428	2,110	(318)
<b>OPERATING EXPENSE</b>	<b>\$ 808,654</b>	<b>\$ 832,485</b>	<b>\$ 864,462</b>	<b>\$ 31,977</b>
Depreciation/Contributed Capital	\$ 12,342	\$ 12,414	\$ 12,410	\$ (4)
<b>TOTAL EXPENSES</b>	<b>\$ 820,996</b>	<b>\$ 844,899</b>	<b>\$ 876,872</b>	<b>\$ 31,973</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (508,093)</b>	<b>\$ (514,254)</b>	<b>\$ (543,546)</b>	<b>\$ (29,292)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 26,333	\$ 27,837	\$ 27,216	\$ (621)
State	420,222	424,792	450,465	25,673
Local	59,907	60,328	64,430	4,102
Other	1,695	1,390	1,435	45
<b>TOTAL SUBSIDY</b>	<b>\$ 508,157</b>	<b>\$ 514,347</b>	<b>\$ 543,546</b>	<b>\$ 29,199</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 64</b>	<b>\$ 93</b>	<b>\$ -</b>	<b>\$ (93)</b>

# Victory Division

## 5. Three Year Comparison Fiscal Years 2013-2015



	FY 2013	FY 2014	FY 2015	FY 2015
	Actual	Actual	Budget	versus FY 2014
<b>Amounts in thousands ('000)</b>				
<b>REVENUE</b>				
Passenger Revenue	\$ 21,894	\$ 22,866	\$ 23,177	\$ 311
Shared Ride Program	-	-	-	-
Other Income	1,914	2,186	2,078	(108)
Investment Income	(27)	29	23	(6)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 23,781</b>	<b>\$ 25,081</b>	<b>\$ 25,278</b>	<b>\$ 197</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 63,855	\$ 65,326	\$ 67,070	\$ 1,744
Materials and Services	17,592	19,795	19,154	(641)
Injuries & Damage Claims	2,850	2,581	2,690	109
Propulsion Power	1,445	1,683	1,450	(233)
Fuel	5,117	5,308	4,956	(352)
Vehicle and Facility Rentals	94	109	111	2
<b>OPERATING EXPENSE</b>	<b>\$ 90,953</b>	<b>\$ 94,802</b>	<b>\$ 95,431</b>	<b>\$ 629</b>
Depreciation/Contributed Capital	\$ 194	\$ 186	\$ 203	\$ 17
<b>TOTAL EXPENSES</b>	<b>\$ 91,147</b>	<b>\$ 94,988</b>	<b>\$ 95,634</b>	<b>\$ 646</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (67,366)</b>	<b>\$ (69,907)</b>	<b>\$ (70,356)</b>	<b>\$ (449)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 3,808	\$ 3,959	\$ 3,487	\$ (472)
State	55,164	57,283	58,158	875
Local	8,404	8,678	8,711	33
Other	-	-	-	-
<b>TOTAL SUBSIDY</b>	<b>\$ 67,376</b>	<b>\$ 69,920</b>	<b>\$ 70,356</b>	<b>\$ 436</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 10</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ (13)</b>

# Frontier Division

## 5. Three Year Comparison Fiscal Years 2013-2015



	FY 2013	FY 2014	FY 2015	FY 2015
	Actual	Actual	Budget	versus
Amounts in thousands ('000)				FY 2014
<b>REVENUE</b>				
Passenger Revenue	\$ 5,764	\$ 6,512	\$ 6,551	\$ 39
Shared Ride Program	-	-	-	-
Other Income	651	626	675	49
Investment Income	(6)	9	7	(2)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 6,409</b>	<b>\$ 7,147</b>	<b>\$ 7,233</b>	<b>\$ 86</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 24,578	\$ 24,704	\$ 25,572	\$ 868
Materials and Services	2,548	5,258	3,279	(1,979)
Injuries & Damage Claims	2,126	(26)	760	786
Propulsion Power	-	-	-	-
Fuel	3,645	3,698	3,765	67
Vehicle and Facility Rentals	35	41	40	(1)
<b>OPERATING EXPENSE</b>	<b>\$ 32,932</b>	<b>\$ 33,675</b>	<b>\$ 33,416</b>	<b>\$ (259)</b>
Depreciation/Contributed Capital	\$ 50	\$ 50	\$ 49	\$ (1)
<b>TOTAL EXPENSES</b>	<b>\$ 32,982</b>	<b>\$ 33,725</b>	<b>\$ 33,465</b>	<b>\$ (260)</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (26,573)</b>	<b>\$ (26,578)</b>	<b>\$ (26,232)</b>	<b>\$ 346</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 1,415	\$ 1,471	\$ 1,326	\$ (145)
State	21,247	21,294	21,139	(155)
Local	3,240	3,238	3,167	(71)
Other	671	581	600	19
<b>TOTAL SUBSIDY</b>	<b>\$ 26,573</b>	<b>\$ 26,584</b>	<b>\$ 26,232</b>	<b>\$ (352)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ (6)</b>

# Regional Rail Division

## 5. Three Year Comparison Fiscal Years 2013-2015



	FY 2013	FY 2014	FY 2015	FY 2015
	Actual	Actual	Budget	versus
Amounts in thousands ('000)				FY 2014
<b>REVENUE</b>				
Passenger Revenue	\$ 137,366	\$ 148,923	\$ 153,778	\$ 4,855
Shared Ride Program	-	-	-	-
Other Income	12,569	12,042	13,075	1,033
Investment Income	470	420	360	(60)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 150,405</b>	<b>\$ 161,385</b>	<b>\$ 167,213</b>	<b>\$ 5,828</b>
<b>EXPENSES</b>				
Labor and Fringe Benefits	\$ 179,895	\$ 185,126	\$ 197,818	\$ 12,692
Materials and Services	79,085	83,725	93,732	10,007
Injuries & Damage Claims	7,584	2,268	3,750	1,482
Propulsion Power	18,300	19,236	19,250	14
Fuel	591	613	788	175
Vehicle and Facility Rentals	538	633	570	(63)
<b>OPERATING EXPENSE</b>	<b>\$ 285,993</b>	<b>\$ 291,601</b>	<b>\$ 315,908</b>	<b>\$ 24,307</b>
Depreciation/Contributed Capital	\$ 8,768	\$ 5,223	\$ 5,326	\$ 103
<b>TOTAL EXPENSES</b>	<b>\$ 294,761</b>	<b>\$ 296,824</b>	<b>\$ 321,234</b>	<b>\$ 24,410</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (144,356)</b>	<b>\$ (135,439)</b>	<b>\$ (154,021)</b>	<b>\$ (18,582)</b>
<b>OPERATING SUBSIDY</b>				
Federal	\$ 41,305	\$ 35,047	\$ 40,614	\$ 5,567
State	90,617	88,129	99,336	11,207
Local	11,508	11,305	13,101	1,796
Other	940	975	970	(5)
<b>TOTAL SUBSIDY</b>	<b>\$ 144,370</b>	<b>\$ 135,456</b>	<b>\$ 154,021</b>	<b>\$ 18,565</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 14</b>	<b>\$ 17</b>	<b>\$ -</b>	<b>\$ (17)</b>



**This Page Intentionally Left Blank**



## 6. Financial Projections Summary of Assumptions

---

<b>Passenger Revenue</b>	Revenue is expected to grow approximately 1% per year, except in Fiscal Year 2017 when the next forecasted increase is scheduled to take effect.
<b>Shared Ride Revenue</b>	This revenue category is forecasted to grow by approximately 1% over the five-year period.
<b>Other Revenue</b>	This other revenue category is expected to increase slightly when compared to Fiscal Year 2014. Income from advertising, parking lot fees and station naming rights is reflected in this category. Investment income is also included.
<b>Expenses</b>	<p>SEPTA began medical self-insurance effective August 1, 2012 to mitigate the effects of rising health insurance expense and mandates of the Affordable Care Act.</p> <p>The Other Expense categories anticipate third party supplier's price increases, while aggressive management of claims and installation of cameras on SEPTA's vehicles and at stations have resulted in a significant savings in Injury and Damages expense.</p> <p>Decreases have been budgeted for Propulsion Power and Fuel.</p>
<b>Subsidy</b>	The subsidy categories reflect the anticipated funding levels of the Public Transportation Trust Fund established by Act 44 of 2007 and as amended by Act 89 of 2013.



## 6. Financial Projections Consolidated Budget

<u>Amounts in thousands ('000)</u>	<b>Budget</b>	<b>Projection</b>				
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b> fare increase	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b> fare increase
<b>REVENUE</b>						
Passenger Revenue	\$ 478,950	\$ 483,740	\$ 513,577	\$ 518,713	\$ 523,900	\$ 554,139
Shared Ride Revenue	19,100	19,291	19,484	19,679	19,876	20,075
Other Income	35,000	35,350	35,704	36,061	36,422	36,786
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 533,050</b>	<b>\$ 538,381</b>	<b>\$ 568,765</b>	<b>\$ 574,453</b>	<b>\$ 580,198</b>	<b>\$ 611,000</b>
<b>EXPENSES</b>						
Labor & Fringe Benefits	\$ 935,857	\$ 964,679	\$ 982,696	\$ 1,027,181	\$ 1,059,608	\$ 1,093,281
Materials and Services	250,875	258,401	266,153	274,138	282,362	290,833
Injury & Damage Claims	38,400	38,400	38,400	38,400	38,400	38,400
Propulsion Power	35,500	36,000	36,000	37,100	37,100	37,700
Fuel	45,754	45,754	45,754	45,754	45,754	45,754
Other Expenses (Incl. Depreciation)	20,819	21,408	22,013	22,635	23,275	23,933
<b>TOTAL EXPENSES</b>	<b>\$ 1,327,205</b>	<b>\$ 1,364,642</b>	<b>\$ 1,391,016</b>	<b>\$ 1,445,208</b>	<b>\$ 1,486,499</b>	<b>\$ 1,529,901</b>
<b>DEFICIT BEFORE SUBSIDY</b>	<b>\$ (794,155)</b>	<b>\$ (826,261)</b>	<b>\$ (822,251)</b>	<b>\$ (870,755)</b>	<b>\$ (906,301)</b>	<b>\$ (918,901)</b>
<b>OPERATING SUBSIDY</b>						
Federal	72,643	76,700	78,000	79,525	81,550	82,950
State	629,098	653,535	648,877	689,752	718,902	728,645
Local	89,409	93,001	92,324	98,428	102,799	104,256
Other	3,005	3,025	3,050	3,050	3,050	3,050
<b>TOTAL SUBSIDY</b>	<b>\$ 794,155</b>	<b>\$ 826,261</b>	<b>\$ 822,251</b>	<b>\$ 870,755</b>	<b>\$ 906,301</b>	<b>\$ 918,901</b>
<b>SURPLUS/ (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## 7. Annual Service Plan Overview

---

The Fiscal Year 2015 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 2015 Annual Service Plan. A Community Benefit Analysis has been performed for all projects.

### **City Transit Operations**

- Route 35 – Modify service frequency to increase efficiency
- Route 43 – Adopt new routing on Cumberland Street and Aramingo Avenue

### **Suburban Transit Operations**

- Route 91 – Change detour routing to reduce overlap with Route 93
- Route 108 and 116 – Combine certain trips into Route 68. Improve 108's weekend service
- Route 201 – Extend route to new commercial site on Susquehanna Road
- Route 205 – Discontinue trips to Phoenixville; extend service to Chesterbrook
- Route 206 – Extend service north to Great Valley for selected trips

The Fiscal Year 2015 Annual Service Plan does not include any major reductions in the service levels or significant diminishment of transit service.



## 7. Revenue Assumptions By Category

---

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 2015 Operating Budget includes passenger revenue of \$478.95 million, which includes an increase of \$7.1 million over the FY 2014 Actual results.

### **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 \$19.1 million. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging and Shared Ride fares. In Fiscal Year 2015, the Authority projects a total of 748,934 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 \$34.0 million.

### **Investment Income**

Investment Income is budgeted at \$1 million for Fiscal Year 2015. Investment income results are correlated directly to the financial market conditions.

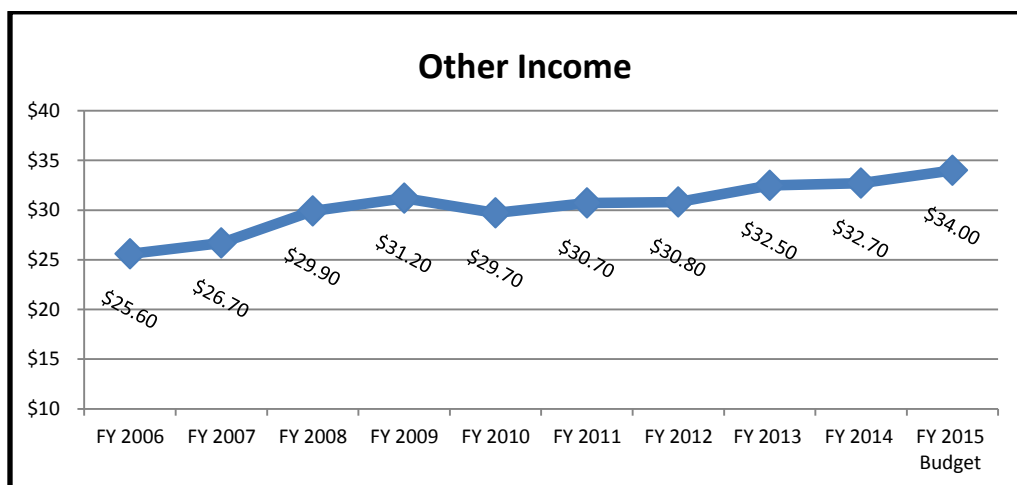
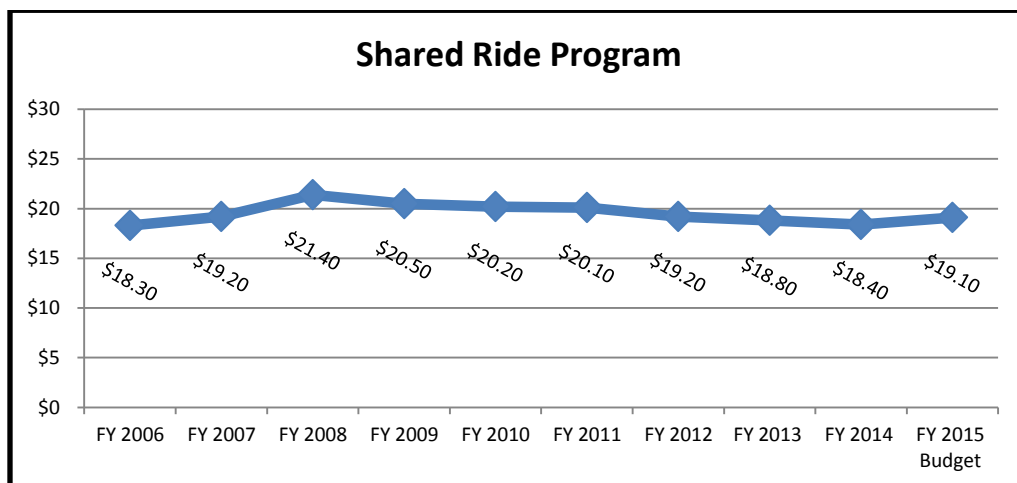
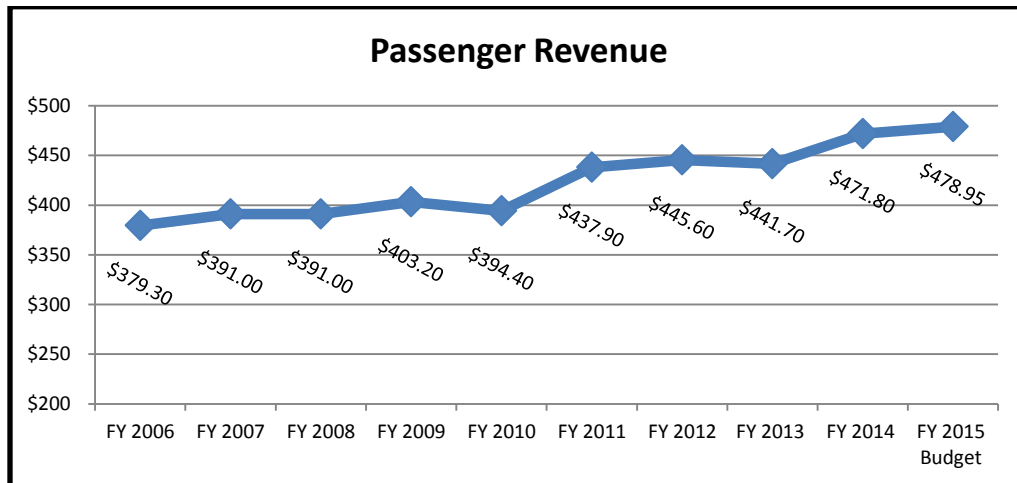




## 7. Ten Year Revenue Trends

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:

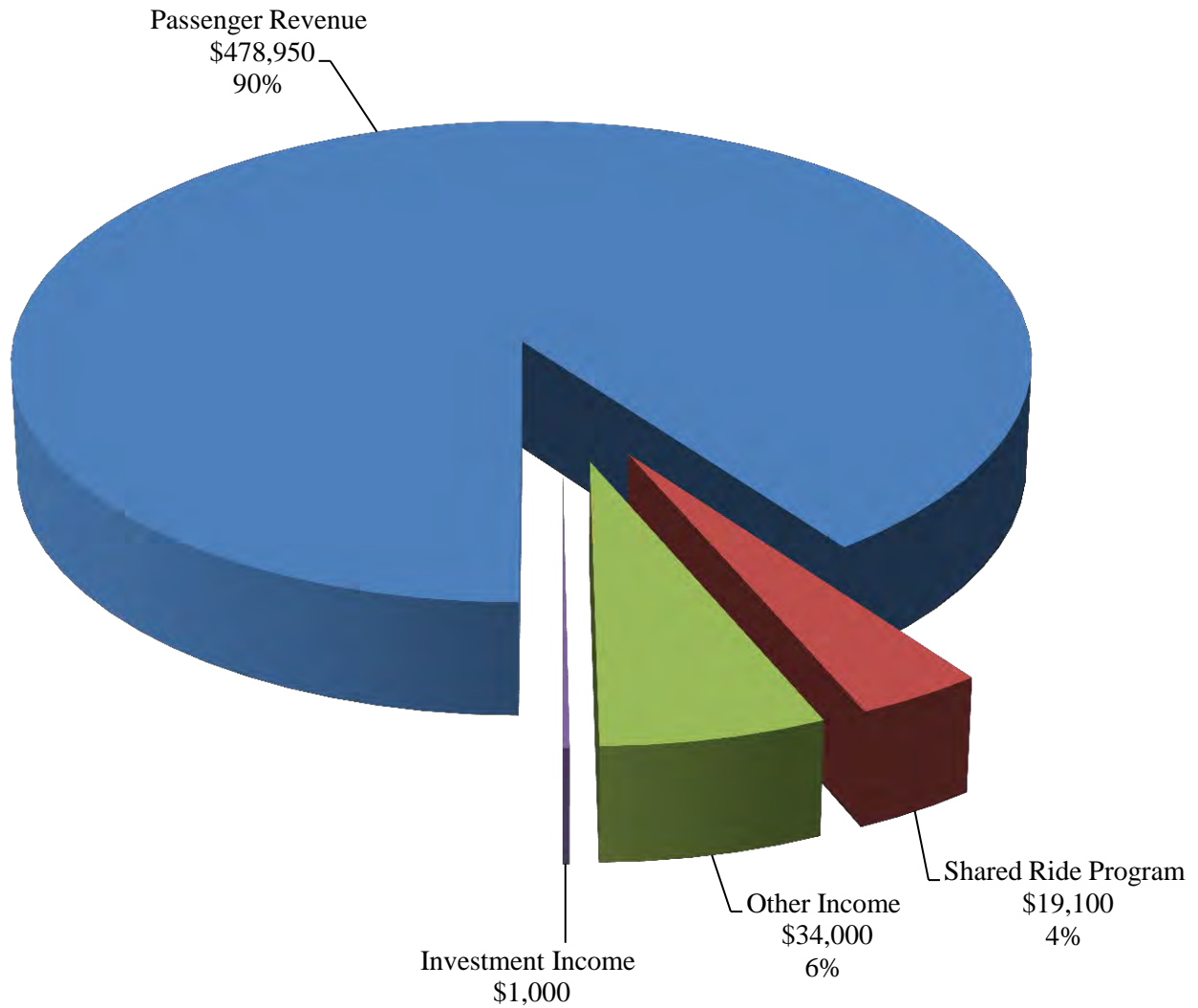
### Amounts In Millions



## 7. Summary of Operating Revenue



**TOTAL OPERATING REVENUE = \$533,050**  
In Thousands





## 8. Subsidy Allocation and Detail

---

### Introduction

Total subsidies in the Fiscal Year 2015 Operating Budget represent \$794.2 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 2015, the total Federal Subsidy of \$72.6 million covers only 5.5% of the total budgeted operating expenses. The source of this subsidy is Federal Preventive Maintenance in the amount of \$36.5 million, Federal Capital Lease Subsidy in the amount of \$27.6 million and Federal Capital Debt Service Subsidy of \$8.5 million.

#### 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 (PTTF) 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.

In November of 2013, the Legislature passed an Act 89 funding bill which significantly increased funding for the SEPTA Capital Program and will begin to address SEPTA's backlog of Capital needs.



## 8. 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%
<b>Total</b>	<b>100%</b>

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 of the Pennsylvania Public Transportation Trust Fund. The remaining leases are funded through Federal Capital Lease Subsidy and Federal Capital Debt Service Subsidy.

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

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

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



## 8. Subsidy Allocation and Detail

In addition, the operating budget makes an allowance within the standard formula (on previous page) 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 2015 is as follows:

<b>Suburban Paratransit Usage by County</b>	
Bucks	12%
Chester	7%
Delaware	46%
Montgomery	<u>35%</u>
<b>Total</b>	<b>100%</b>

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

### **Route Guarantee**

Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2015 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 "UCY" circulator.

In the Frontier Division, the Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001. 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.



## 8. 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 was intended to provide a long-term solution to operating subsidy requirements, and as amended by Act 89, 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 state 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 state 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 state subsidy funds allocated to SEPTA in a specific year.

# Fiscal Year 2015 Operating Budget

## 8. Consolidated Detail of Subsidies



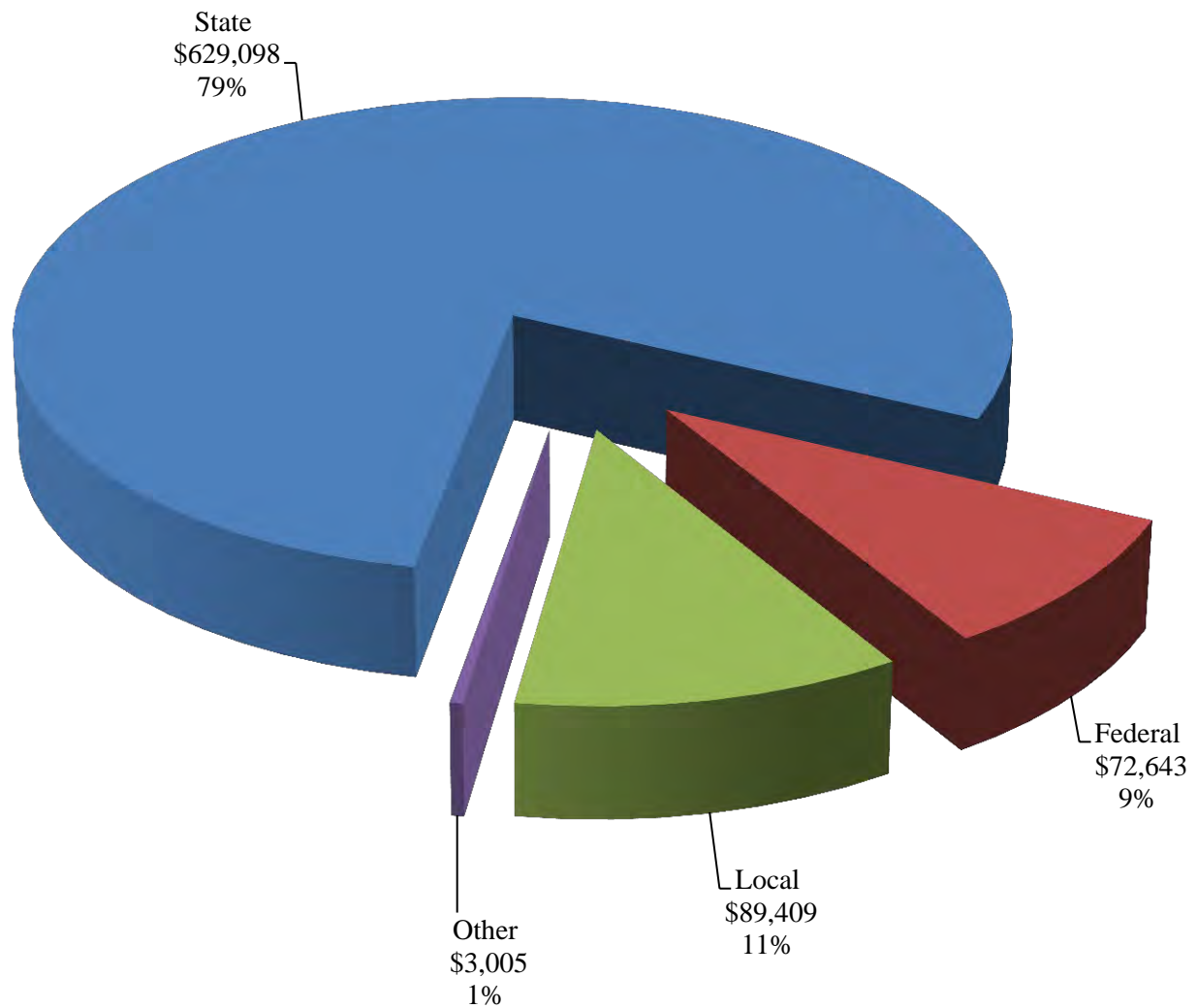
<b>Amounts in thousands ('000)</b>	<b>FY 2015 Budget</b>
<b>Source of Subsidy - Detail:</b>	
Federal Preventive Maintenance	\$ 36,500
State Operating Subsidy - PA Trust Fund (Section 1513)	586,301
Local Match - PA Trust Fund (Section 1513)	87,945
State Lease Cost Subsidy - PA Trust Fund (Section 1514)	1,217
Local Match State Leases	41
Federal Capital Lease Subsidy	27,640
State Match - Capital Lease Subsidy (Section 1514)	6,687
Local Match - Capital Lease Subsidy	223
Federal Capital Debt Service Subsidy	8,503
State Match - Capital Debt Service Subsidy (1514)	2,057
Local Match- Federal Debt Service	69
State Debt Service Subsidy - Trust Fund (Section 1514)	32,836
Local Match - Debt Service Subsidy	1,131
Route Guarantees	3,005
<b>TOTAL SUBSIDIES</b>	<b>\$ 794,155</b>
<b>Summary By Source of Subsidy:</b>	
Federal	\$ 72,643
State	629,098
Local	89,409
Other	3,005
<b>TOTAL SUBSIDIES</b>	<b>\$ 794,155</b>



## 8. Summary of Operating Subsidy



**TOTAL SUBSIDIES = \$794,155**  
In Thousands





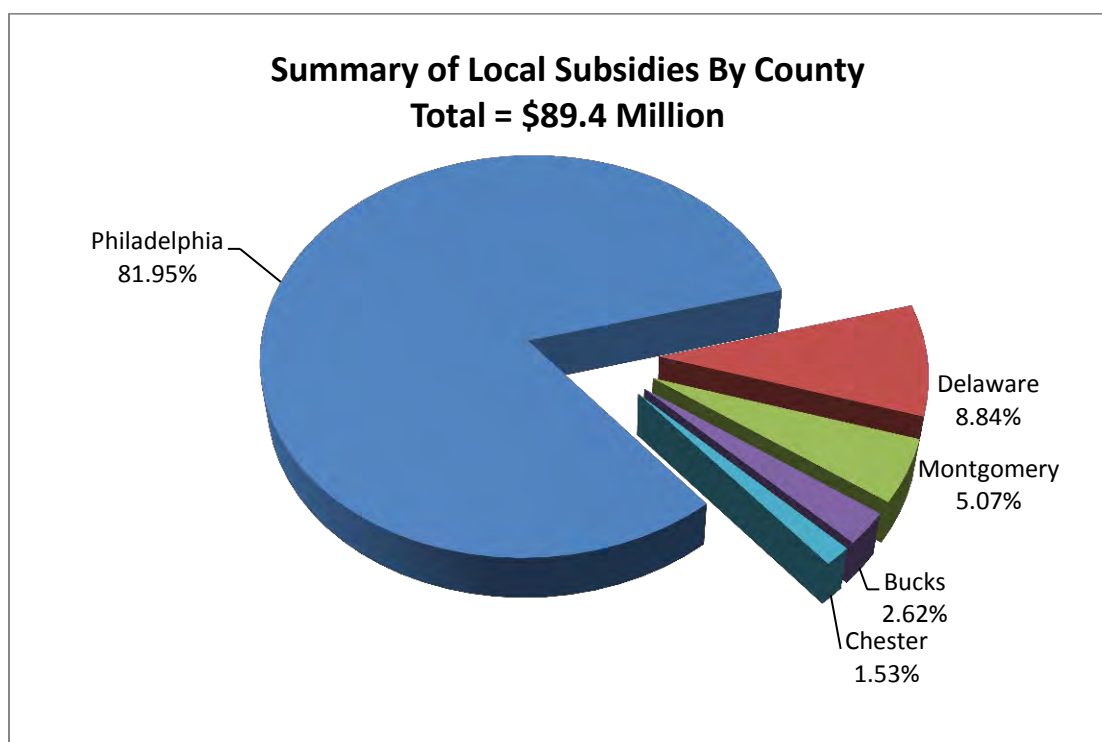
## 8. Local Subsidies By County

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
<b>Base PA Trust Fund Local Match</b>					
Bucks	\$ 171	\$ -	\$ 1,172	\$ 742	\$ 2,085
Chester	-	137	538	541	1,216
Delaware	-	5,893	-	1,105	6,998
Montgomery	159	822	1,456	1,383	3,820
Philadelphia	63,166	-	-	8,805	71,971
<b>Subtotal</b>	<b>\$ 63,496</b>	<b>\$ 6,852</b>	<b>\$ 3,166</b>	<b>\$ 12,576</b>	<b>\$ 86,090</b>
<b>Suburban Paratransit Local Match</b>					
Bucks	\$ -	\$ 223	\$ -	\$ -	\$ 223
Chester	-	130	-	-	130
Delaware	-	853	-	-	853
Montgomery	-	649	-	-	649
Philadelphia	-	-	-	-	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 1,855</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,855</b>
<b>Total Trust Fund Local Subsidy</b>					
Bucks	\$ 171	\$ 223	\$ 1,172	\$ 742	\$ 2,308
Chester	-	267	538	541	1,346
Delaware	-	6,746	-	1,105	7,851
Montgomery	159	1,471	1,456	1,383	4,469
Philadelphia	63,166	-	-	8,805	71,971
<b>Total Trust Fund Local Subsidy</b>	<b>\$ 63,496</b>	<b>\$ 8,707</b>	<b>\$ 3,166</b>	<b>\$ 12,576</b>	<b>\$ 87,945</b>
<b>Local Debt Service Subsidy</b>					
Bucks	\$ 2	\$ -	\$ -	\$ 17	\$ 19
Chester	-	-	-	13	13
Delaware	-	1	-	26	27
Montgomery	2	-	-	32	34
Philadelphia	900	-	-	207	1,107
<b>Local Debt Service Subsidy</b>	<b>\$ 904</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 295</b>	<b>\$ 1,200</b>
<b>Local Lease Cost Subsidy</b>					
Bucks	\$ -	\$ -	\$ -	\$ 14	\$ 14
Chester	-	-	-	10	10
Delaware	-	3	-	20	23
Montgomery	-	-	1	25	26
Philadelphia	30	-	-	161	191
<b>Local Lease Cost Subsidy</b>	<b>\$ 30</b>	<b>\$ 3</b>	<b>\$ 1</b>	<b>\$ 230</b>	<b>\$ 264</b>
<b>Total Debt Service and Lease Subsidy</b>	<b>\$ 934</b>	<b>\$ 4</b>	<b>\$ 1</b>	<b>\$ 525</b>	<b>\$ 1,464</b>
<b>Total Local Subsidies</b>	<b>\$ 64,430</b>	<b>\$ 8,711</b>	<b>\$ 3,167</b>	<b>\$ 13,101</b>	<b>\$ 89,409</b>



## 8. Local Subsidies By County

<u>Amounts in thousands ('000)</u>	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Regional Rail</u>	<u>Total SEPTA</u>
<b>Total Local Subsidy</b>					
Bucks	\$ 173	\$ 223	\$ 1,172	\$ 773	\$ 2,341
Chester	-	267	538	564	1,369
Delaware	-	6,750	-	1,151	7,901
Montgomery	161	1,471	1,457	1,440	4,529
Philadelphia	64,096	-	-	9,173	73,269
<b>Total Local Subsidy</b>	<b>\$ 64,430</b>	<b>\$ 8,711</b>	<b>\$ 3,167</b>	<b>\$ 13,101</b>	<b>\$ 89,409</b>



**The total local subsidy required for the Fiscal 2015 Budget is comprised of the following:**

Total Trust Fund Local Subsidy (15%)	\$ 87,945
Debt Service Subsidy Local Match	1,200
Lease Cost Subsidy Local Match	<u>264</u>
<b>Total Local Subsidy Required</b>	<b><u>\$ 89,409</u></b>



## 9. Expense Assumptions By Category

---

### **LABOR & BENEFITS**

The Fiscal Year 2015 Operating Budget reflects pattern labor wage increases as a result of existing negotiated labor agreements.

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.

### **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**

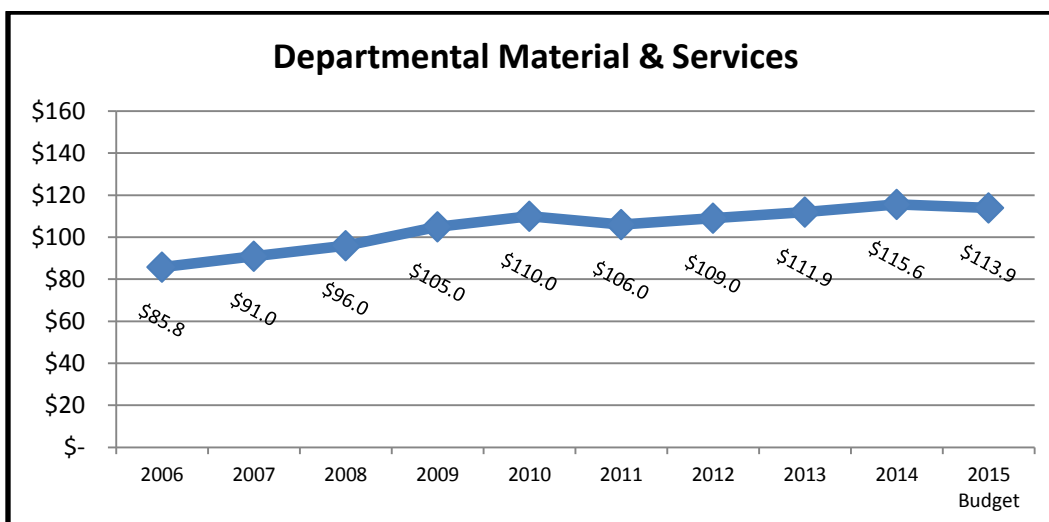
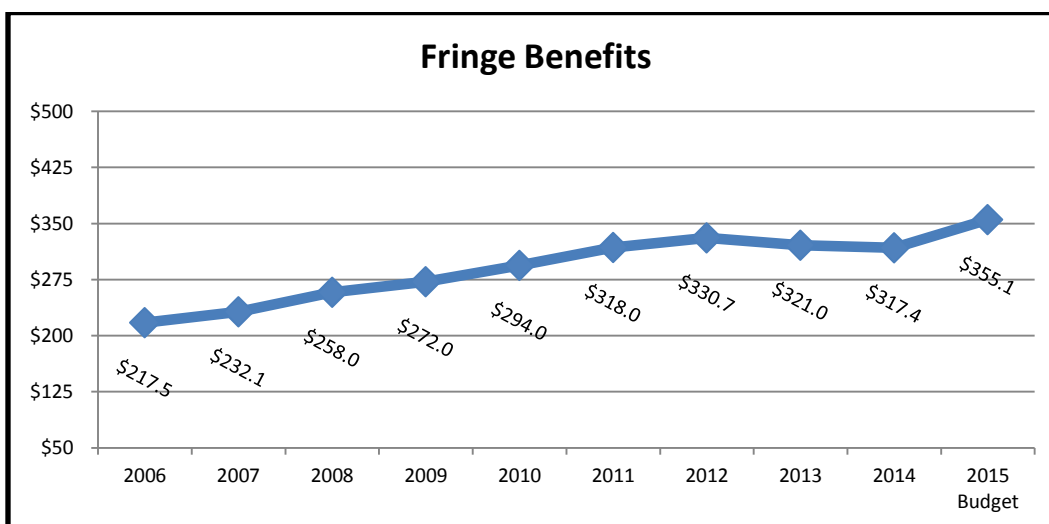
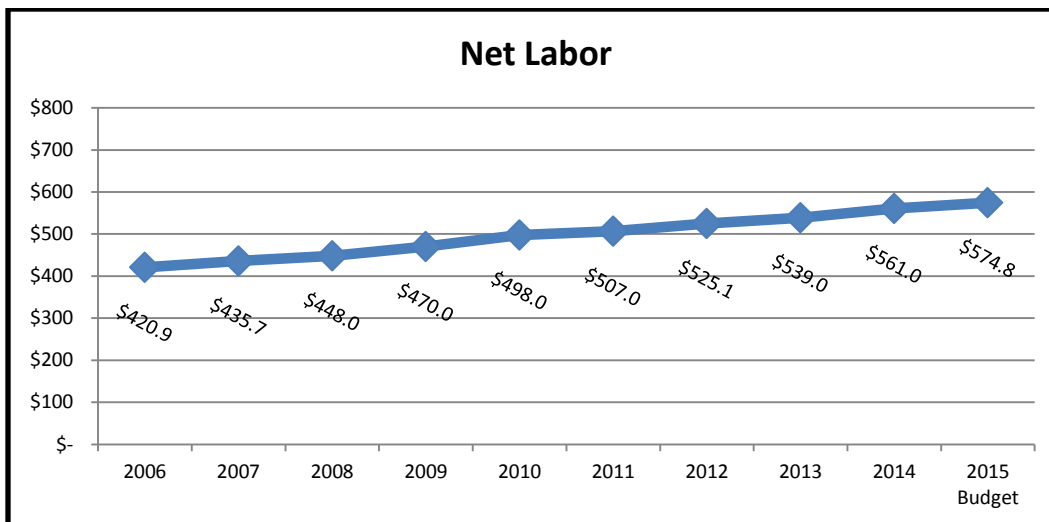
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital.



## 9. Ten Year Expense Trends

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:

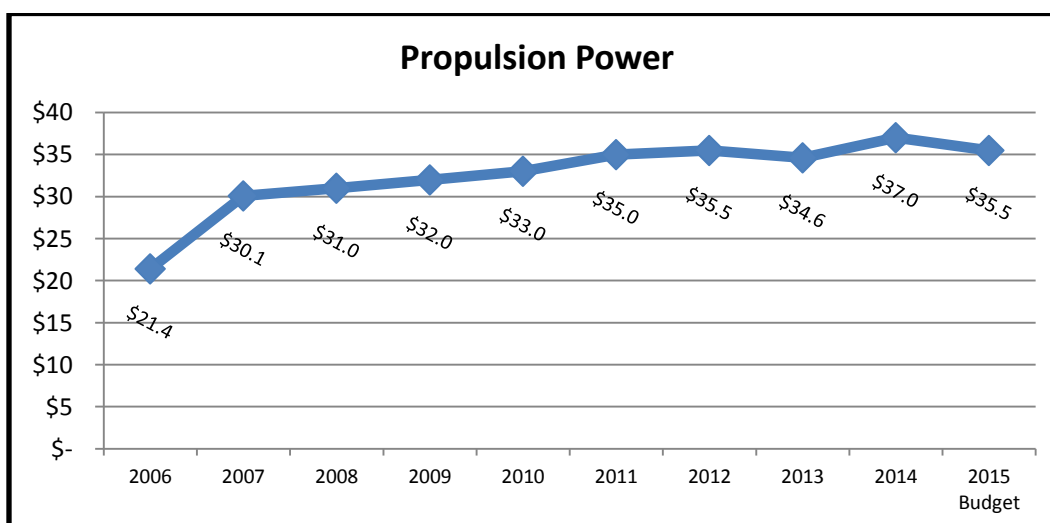
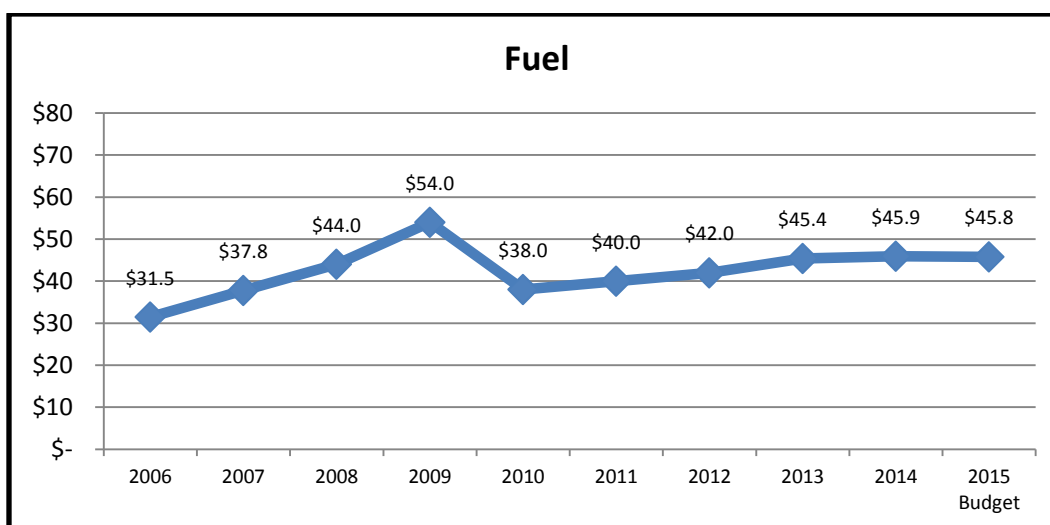
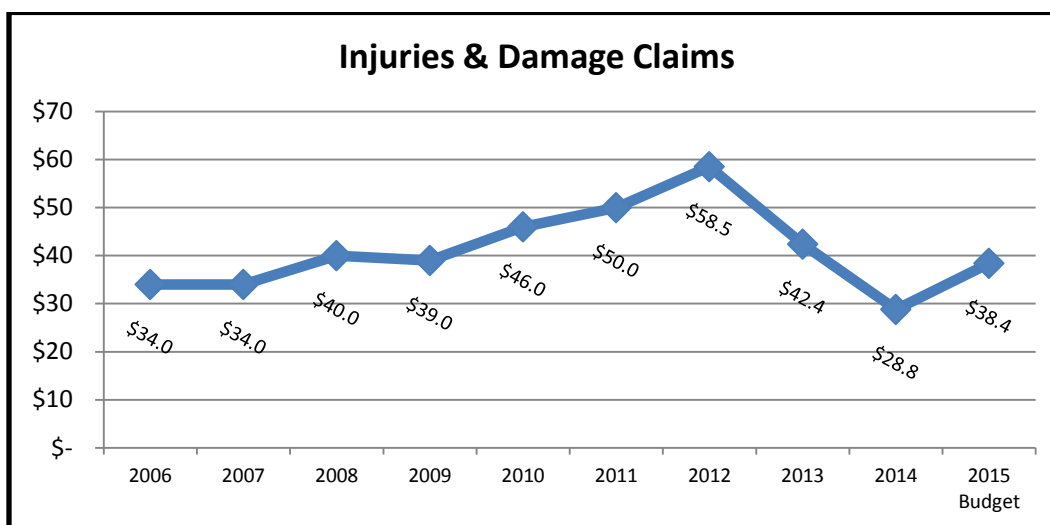
### Amounts in Millions





## 9. Ten Year Expense Trends

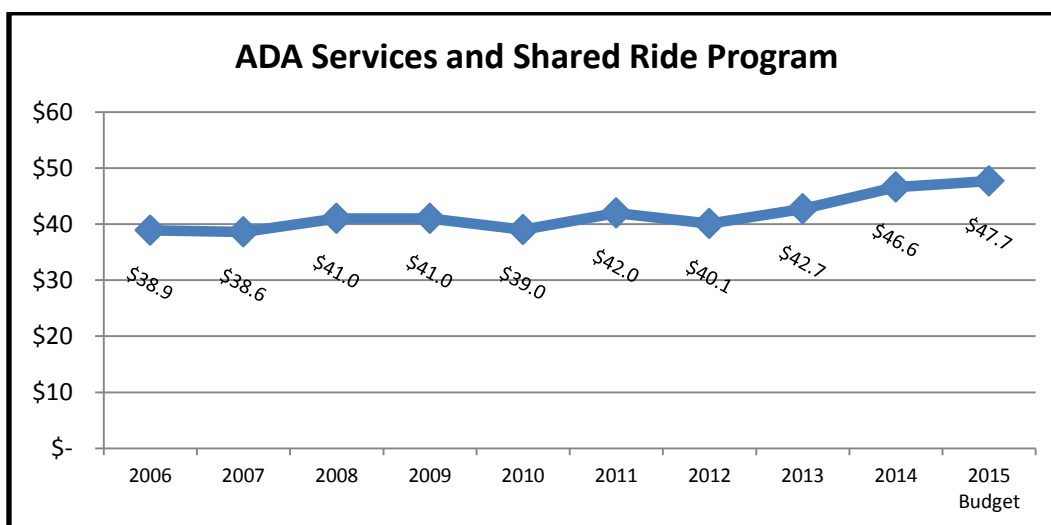
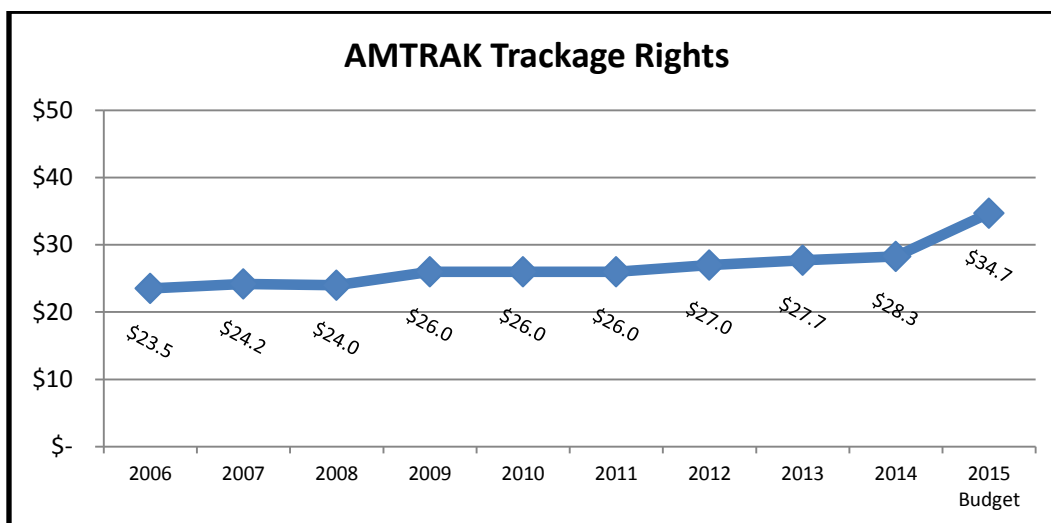
Amounts in Millions





## 9. Ten Year Expense Trends

Amounts in Millions

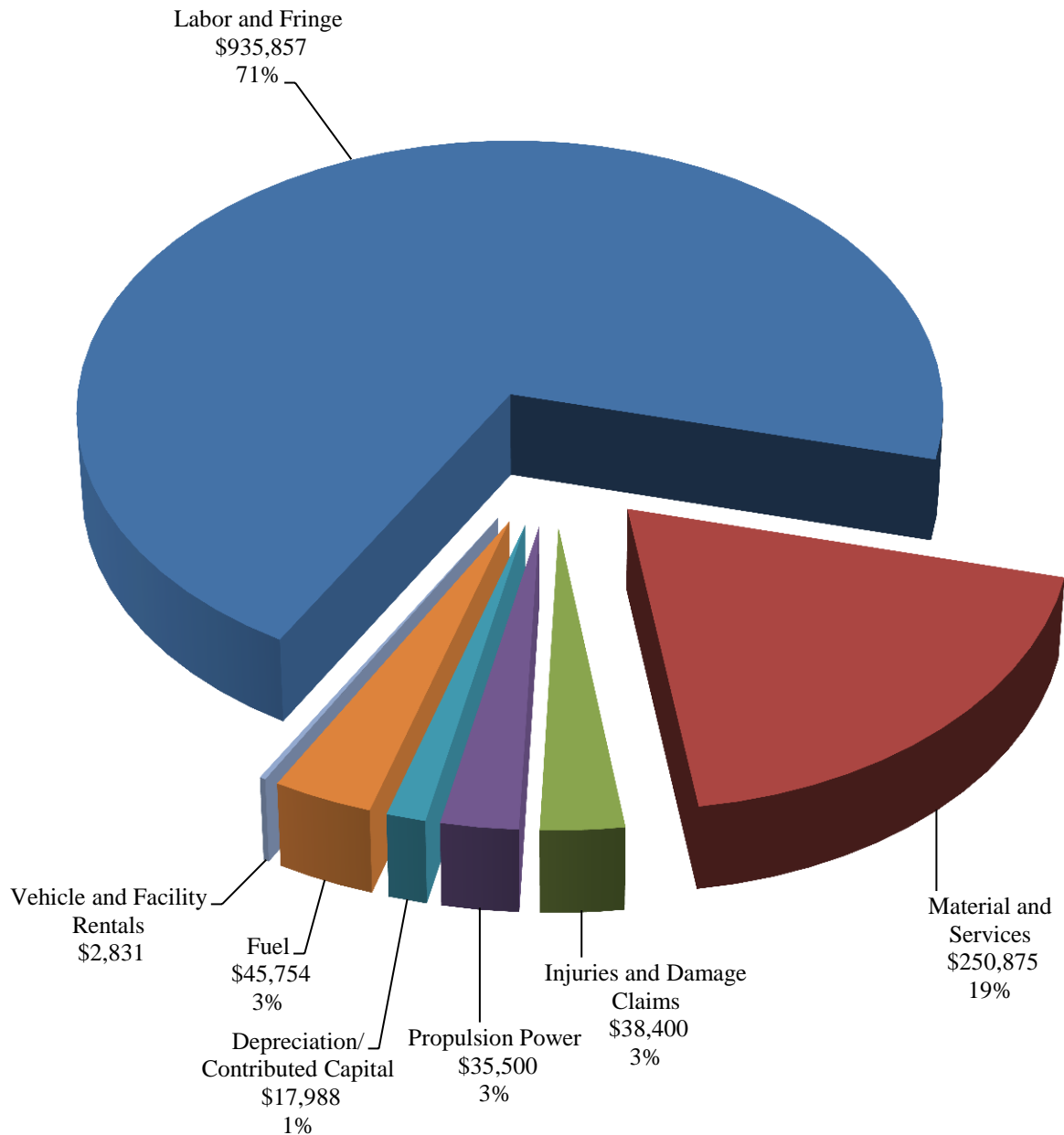






## 9. Summary of Operating Expenses

**TOTAL OPERATING EXPENSES = \$1,327,205**  
In Thousands





## 9. FY 2015 Budget Detail of Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
<b>OPERATIONS/ENGINEERING, MAINTENANCE &amp; CONSTRUCTION DIVISION</b>			
Administration and Finance	\$ 240	\$ 86	\$ 326
Communications	1,218	1,032	2,250
Deputy General Manager Staff	1,098	131	1,229
Labor Relations	1,076	261	1,337
New Payment Technology	107	1	108
New Payment Technology Integration	12,160	12,008	24,168
Planning, Project Coordination & Safety	141	14	155
<b>Total DGM Departments</b>	<b>\$ 16,040</b>	<b>\$ 13,533</b>	<b>\$ 29,573</b>
<b>OPERATIONS</b>			
Vehicle Engineering	\$ 2,069	\$ 2,790	\$ 4,859
Vehicle Maintenance	103,888	41,126	145,014
Control Center	8,359	250	8,609
Customized Community Transportation	7,333	2,551	9,884
Operations Staff	1,138	10	1,148
Rail Transportation	108,678	7,467	116,145
Surface Transportation	198,746	387	199,133
Transit Police	20,069	839	20,908
<b>Total Operations</b>	<b>\$ 450,280</b>	<b>\$ 55,420</b>	<b>\$ 505,700</b>
Capital Projects	1,146	2,618	3,764
Operations Support	68,099	18,961	87,060
<b>Total Engineering, Maintenance &amp; Construction</b>	<b>\$ 69,245</b>	<b>\$ 21,579</b>	<b>\$ 90,824</b>
<b>Total Operations/Engineering, Maintenance &amp; Construction</b>	<b>\$ 535,565</b>	<b>\$ 90,532</b>	<b>\$ 626,097</b>
<b>STAFF DEPARTMENTS</b>			
Corporate Staff	\$ 2,698	\$ 200	\$ 2,898
Audit, Safety and Investigative Services	2,918	386	3,304
Business Services	14,493	5,956	20,449
Customer Service and Advocacy	5,027	458	5,485
Finance and Planning	11,370	2,401	13,771
Human Resources	12,130	1,378	13,508
Office of the General Counsel	7,711	10,641	18,352
Public and Government Affairs	1,578	4,748	6,326
<b>Total Staff Departments</b>	<b>\$ 57,925</b>	<b>\$ 26,168</b>	<b>\$ 84,093</b>
Capital Allocation	(12,694)	(2,832)	(15,526)
<b>Total Departmental Expenses</b>	<b>\$ 580,796</b>	<b>\$ 113,868</b>	<b>\$ 694,664</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 355,061	\$ -	\$ 355,061
Amtrak	-	34,653	34,653
CCT - ADA Services	-	28,000	28,000
CCT - Shared Ride Program	-	19,700	19,700
Debt Service Interest and Fees	-	19,843	19,843
Property and Corporate Insurance	-	3,273	3,273
Services for 1234 Market Street	-	4,800	4,800
Snow Removal	-	4,000	4,000
Utilities	-	18,991	18,991
Capitalized/Other Costs	-	3,747	3,747
<b>Total Non-Departmental Expenses</b>	<b>\$ 355,061</b>	<b>\$ 137,007</b>	<b>\$ 492,068</b>
<b>OTHER OPERATING EXPENSES</b>			
Injuries & Damage Claims	\$ -	\$ 38,400	\$ 38,400
Propulsion Power	-	35,500	35,500
Fuel	-	45,754	45,754
Vehicle and Facility Rentals	-	2,831	2,831
Depreciation/Contributed Capital	-	17,988	17,988
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 140,473</b>	<b>\$ 140,473</b>
<b>TOTAL EXPENSES</b>	<b>\$ 935,857</b>	<b>\$ 391,348</b>	<b>\$ 1,327,205</b>



## 9. FY 2015 Budget Allocation By Company In 000's

Division/Departmental Expenses	City				Regional	
	Headquarters	Transit	Victory	Frontier	Rail	Total
<b>OPERATIONS/ENGINEERING, MAINTENANCE &amp; CONSTRUCTION DIVISION</b>						
Administration and Finance	\$ 326	\$ -	\$ -	\$ -	\$ -	\$ 326
Communications	1,970	150	-	-	130	2,250
Deputy General Manager Staff	1,063	-	-	-	166	1,229
Labor Relations	972	365	-	-	-	1,337
New Payment Technology	108	-	-	-	-	108
New Payment Technology Integration	13,246	6	-	-	10,916	24,168
Planning, Project Coordination & Safety	-	155	-	-	-	155
<b>Total DGM Departments</b>	<b>\$ 17,685</b>	<b>\$ 676</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,212</b>	<b>\$ 29,573</b>
<b>OPERATIONS</b>						
Vehicle Engineering	\$ 379	\$ 4,420	\$ -	\$ -	\$ 60	\$ 4,859
Vehicle Maintenance	58	99,048	9,239	4,952	31,717	145,014
Control Center	780	3,207	455	-	4,167	8,609
Customized Community Transportation	8,671	881	-	332	-	9,884
Operations Staff	1,148	-	-	-	-	1,148
Rail Transportation	-	50,727	-	-	65,418	116,145
Surface Transportation	-	159,708	27,341	12,084	-	199,133
Transit Police	20,908	-	-	-	-	20,908
<b>Total Operations</b>	<b>\$ 31,944</b>	<b>\$ 317,991</b>	<b>\$ 37,035</b>	<b>\$ 17,368</b>	<b>\$ 101,362</b>	<b>\$ 505,700</b>
Capital Projects	3,252	37	5	-	470	3,764
Operations Support	1	56,530	4,978	-	25,551	87,060
<b>Total Engineering, Maintenance &amp; Construction</b>	<b>\$ 3,253</b>	<b>\$ 56,567</b>	<b>\$ 4,983</b>	<b>\$ -</b>	<b>\$ 26,021</b>	<b>\$ 90,824</b>
<b>Total Operations/Engrng., Maint. &amp; Construction</b>	<b>\$ 52,882</b>	<b>\$ 375,234</b>	<b>\$ 42,018</b>	<b>\$ 17,368</b>	<b>\$ 138,595</b>	<b>\$ 626,097</b>
<b>STAFF DEPARTMENTS</b>						
Corporate Staff	\$ 2,898	\$ -	\$ -	\$ -	\$ -	\$ 2,898
Audit, Safety and Investigative Services	3,304	-	-	-	-	3,304
Business Services	18,966	266	-	-	1,217	20,449
Customer Service and Advocacy	5,485	-	-	-	-	5,485
Finance and Planning	12,986	302	-	-	483	13,771
Human Resources	8,111	2,850	413	124	2,010	13,508
Office of the General Counsel	10,676	5,853	294	47	1,482	18,352
Public and Government Affairs	6,326	-	-	-	-	6,326
<b>Total Staff Departments</b>	<b>\$ 68,752</b>	<b>\$ 9,271</b>	<b>\$ 707</b>	<b>\$ 171</b>	<b>\$ 5,192</b>	<b>\$ 84,093</b>
Capital Allocation	(12,695)	(2,110)	(111)	(40)	(570)	(15,526)
Headquarters Allocation	(108,939)	81,258	7,244	2,713	17,724	-
<b>Total Departmental Expenses</b>	<b>\$ -</b>	<b>\$ 463,653</b>	<b>\$ 49,858</b>	<b>\$ 20,212</b>	<b>\$ 160,941</b>	<b>\$ 694,664</b>
<b>NON-DEPARTMENTAL EXPENSES</b>						
Fringe Benefits	\$ 51,770	\$ 211,374	\$ 20,198	\$ 6,783	\$ 64,936	\$ 355,061
Amtrak	-	-	-	-	34,653	34,653
CCT - ADA Services	-	17,409	10,591	-	-	28,000
CCT - Shared Ride Program	-	19,700	-	-	-	19,700
Debt Service Interest and Fees	-	9,521	45	10	10,267	19,843
Property and Corporate Insurance	-	1,944	181	59	1,089	3,273
Services for 1234 Market Street	4,800	-	-	-	-	4,800
Snow Removal	-	-	-	-	4,000	4,000
Utilities	-	11,905	1,089	284	5,713	18,991
Capitalized/Other Costs	10,604	(5,523)	(186)	(170)	(978)	3,747
Headquarters Allocation	(67,174)	50,124	4,448	1,673	10,929	-
<b>Total Non-Departmental Expenses</b>	<b>\$ -</b>	<b>\$ 316,454</b>	<b>\$ 36,366</b>	<b>\$ 8,639</b>	<b>\$ 130,609</b>	<b>\$ 492,068</b>
<b>OTHER OPERATING EXPENSES</b>						
Injuries & Damage Claims	\$ -	\$ 31,200	\$ 2,690	\$ 760	\$ 3,750	\$ 38,400
Propulsion Power	-	14,800	1,450	-	19,250	35,500
Fuel	-	36,245	4,956	3,765	788	45,754
Vehicle and Facility Rentals	-	2,110	111	40	570	2,831
Depreciation/Contributed Capital	-	12,410	203	49	5,326	17,988
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 96,765</b>	<b>\$ 9,410</b>	<b>\$ 4,614</b>	<b>\$ 29,684</b>	<b>\$ 140,473</b>
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 876,872</b>	<b>\$ 95,634</b>	<b>\$ 33,465</b>	<b>\$ 321,234</b>	<b>\$ 1,327,205</b>



## 9. FY 2014 Actual Detail of Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
<b>OPERATIONS/ENGINEERING, MAINTENANCE &amp; CONSTRUCTION DIVISION</b>			
Deputy General Manager Staff	\$ 666	\$ 15	\$ 681
Administration and Finance	232	96	328
Communications	1,003	899	1,902
Labor Relations	985	213	1,198
Revenue Operations & New Payment Technology	10,729	1,650	12,379
Planning, Project Coordination & Safety	108	2	110
<b>Total DGM Departments</b>	<b>\$ 13,723</b>	<b>\$ 2,875</b>	<b>\$ 16,598</b>
<b>OPERATIONS</b>			
Bus Vehicle Maintenance	49,976	25,695	75,671
Vehicle Engineering	1,884	2,236	4,120
Control Center	7,758	124	7,882
Customized Community Transportation	6,381	2,723	9,104
Operations Staff	1,380	21	1,401
Rail Transportation	102,130	16,669	118,799
Rail Vehicle Maintenance	53,337	17,327	70,664
Surface Transportation	192,901	426	193,327
Transit Police	17,382	503	17,885
<b>Total Operations</b>	<b>\$ 433,129</b>	<b>\$ 65,724</b>	<b>\$ 498,853</b>
<b>ENGINEERING, MAINTENANCE &amp; CONSTRUCTION</b>	<b>68,341</b>	<b>28,496</b>	<b>96,837</b>
<b>Total Operations/ Engineering, Maintenance &amp; Construction</b>	<b>\$ 515,193</b>	<b>\$ 97,095</b>	<b>\$ 612,288</b>
<b>STAFF DEPARTMENTS</b>			
Corporate Staff	\$ 2,596	\$ 91	\$ 2,687
Audit, Safety and Investigative Services	2,981	222	3,203
Business Services	13,302	4,938	18,240
Customer Service and Advocacy	5,120	673	5,793
Finance and Planning	10,597	2,197	12,794
Human Resources	11,252	1,082	12,334
Legal, Real Estate and Claims	6,934	15,525	22,459
Public and Government Affairs	1,415	2,632	4,047
<b>Total Staff Departments</b>	<b>\$ 54,197</b>	<b>\$ 27,360</b>	<b>\$ 81,557</b>
Capital Allocation	(8,360)	(3,211)	(11,571)
<b>Total Departmental Expenses</b>	<b>\$ 561,030</b>	<b>\$ 121,244</b>	<b>\$ 682,274</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 317,344	\$ -	\$ 317,344
Amtrak	-	28,300	28,300
CCT - ADA Services	-	26,999	26,999
CCT - Shared Ride Program	-	19,560	19,560
Debt Service Interest and Fees	-	19,145	19,145
Property and Corporate Insurance	-	24,185	24,185
Services for 1234 Market Street	-	4,173	4,173
Snow Removal	-	5,647	5,647
Utilities	-	17,712	17,712
Capitalized/Other Costs	-	(7,746)	(7,746)
<b>Total Non-Departmental Expenses</b>	<b>\$ 317,344</b>	<b>\$ 137,975</b>	<b>\$ 455,319</b>
<b>OTHER OPERATING EXPENSES</b>			
Injuries & Damage Claims	\$ -	\$ 28,844	\$ 28,844
Propulsion Power	-	37,031	37,031
Fuel	-	45,884	45,884
Vehicle and Facility Rentals	-	3,211	3,211
Depreciation/Contributed Capital	-	17,873	17,873
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 132,843</b>	<b>\$ 132,843</b>
<b>TOTAL EXPENSES</b>	<b>\$ 878,374</b>	<b>\$ 392,062</b>	<b>\$ 1,270,436</b>



## 9. FY 2013 Actual Detail of Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
<b>OPERATIONS/ENGINEERING, MAINTENANCE &amp; CONSTRUCTION DIVISION</b>			
Administration and Analysis	\$ 188	\$ 112	\$ 300
Labor Relations	897	217	1,114
Revenue Operations & New Payment Technology	9,762	1,622	11,384
Communications	923	993	1,916
<b>Total DGM Departments</b>	<b>\$ 11,770</b>	<b>\$ 2,944</b>	<b>\$ 14,714</b>
<b>OPERATIONS</b>			
Bus Vehicle Maintenance	\$ 47,669	\$ 23,030	\$ 70,699
Vehicle Engineering	1,944	2,669	4,613
Control Center	7,026	63	7,089
Customized Community Transportation	6,833	2,068	8,901
Operations Staff	1,279	9	1,288
Rail Transportation	99,069	16,543	115,612
Rail Vehicle Maintenance	52,221	17,148	69,369
Surface Transportation	186,555	447	187,002
Transit Police	16,930	191	17,121
<b>Total Operations</b>	<b>\$ 419,526</b>	<b>\$ 62,168</b>	<b>\$ 481,694</b>
<b>ENGINEERING, MAINTENANCE &amp; CONSTRUCTION</b>	63,787	20,141	83,928
<b>Total Operations/Engineering, Maintenance &amp; Construction</b>	<b>\$ 495,083</b>	<b>\$ 85,253</b>	<b>\$ 580,336</b>
<b>STAFF DEPARTMENTS</b>			
Corporate Staff	\$ 2,637	\$ 84	\$ 2,721
Audit, Safety and Investigative Services	2,727	214	2,941
Business Services	12,541	4,672	17,213
Customer Service and Advocacy	4,058	399	4,457
Finance and Planning	10,361	2,350	12,711
Human Resources	11,581	1,054	12,635
Legal, Real Estate and Claims	6,292	17,511	23,803
Public and Government Affairs	1,566	2,927	4,493
<b>Total Staff Departments</b>	<b>\$ 51,763</b>	<b>\$ 29,211</b>	<b>\$ 80,974</b>
Capital Allocation	(7,819)	(2,611)	(10,430)
<b>Total Departmental Expenses</b>	<b>\$ 539,027</b>	<b>\$ 111,853</b>	<b>\$ 650,880</b>
<b>NON-DEPARTMENTAL EXPENSES</b>			
Fringe Benefits	\$ 320,962	\$ -	\$ 320,962
Amtrak	-	27,704	27,704
CCT - ADA Services	-	24,124	24,124
CCT - Shared Ride Program	-	18,641	18,641
Debt Service Interest and Fees	-	28,163	28,163
Property and Corporate Insurance	-	2,086	2,086
Services for 1234 Market Street	-	4,145	4,145
Snow Removal	-	1,326	1,326
Utilities	-	17,345	17,345
Capitalized/Other Costs	-	(1,902)	(1,902)
<b>Total Non-Departmental Expenses</b>	<b>\$ 320,962</b>	<b>\$ 121,632</b>	<b>\$ 442,594</b>
<b>OTHER OPERATING EXPENSES</b>			
Injuries & Damage Claims	\$ -	\$ 42,425	\$ 42,425
Propulsion Power	-	34,642	34,642
Fuel	-	45,380	45,380
Vehicle and Facility Rentals	-	2,611	2,611
Depreciation/Contributed Capital	-	21,354	21,354
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ 146,412</b>	<b>\$ 146,412</b>
<b>TOTAL EXPENSES</b>	<b>\$ 859,989</b>	<b>\$ 379,897</b>	<b>\$ 1,239,886</b>

**This Page Intentionally Left Blank**



## 10. Headcount Authorizations

---

### 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:

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





## 10. Fiscal Year 2015 Headcount Authorization

	OPERATING HEADS			
	A	B	H	Total
Corporate Staff	17	-	-	17
Audit, Safety & Investigative Services	37	-	-	37
Business Services	144	64	3	211
Customer Service & Advocacy	23	59	-	82
Operations/ Engineering, Maintenance & Construction	1,030	253	6,591	7,874
Finance & Planning	123	56	-	179
Human Resources	142	17	-	159
Office of the General Counsel	87	24	-	111
Public & Government Affairs	20	-	-	20
<b>TOTAL OPERATING HEADS</b>	<b>1,623</b>	<b>473</b>	<b>6,594</b>	<b>8,690</b>

	CAPITAL HEADS			
	A	B	H	Total
Corporate Staff	-	-	-	-
Audit, Safety & Investigative Services	3	-	-	3
Business Services	10	2	-	12
Customer Service & Advocacy	-	-	-	-
Operations/ Engineering, Maintenance & Construction	272	9	544	825
Finance & Planning	4	-	-	4
Human Resources	-	-	-	-
Office of the General Counsel	-	-	-	-
Public & Government Affairs	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>289</b>	<b>11</b>	<b>544</b>	<b>844</b>

	TOTAL HEADS			
	A	B	H	Total
Corporate Staff	17	-	-	17
Audit, Safety & Investigative Services	40	-	-	40
Business Services	154	66	3	223
Customer Service & Advocacy	23	59	-	82
Operations/ Engineering, Maintenance & Construction	1,302	262	7,135	8,699
Finance & Planning	127	56	-	183
Human Resources	142	17	-	159
Office of the General Counsel	87	24	-	111
Public & Government Affairs	20	-	-	20
<b>TOTAL HEADS</b>	<b>1,912</b>	<b>484</b>	<b>7,138</b>	<b>9,534</b>

## 10. Fiscal Year 2011 - 2015 Headcount Authorization



	OPERATING HEADS				
	2011	2012	2013	2014	2015
Corporate Staff	17	17	16	17	17
Audit, Safety & Investigative Services	19	17	40	39	37
Business Services	210	210	211	211	211
Customer Service & Advocacy	92	94	95	90	82
Engineering, Maint. & Construction	1,179	1,183	1,182	-	-
Operations	6,342	6,627	6,628	-	-
Operations/Engineering, Maintenance & Construction	-	-	-	7,824	7,874
Finance & Planning	191	187	186	182	179
Human Resources	153	153	159	159	159
Office of the General Counsel	53	53	107	117	111
Public & Government Affairs	17	21	21	20	20
Public & Operational Safety	352	83	-	-	-
<b>TOTAL OPERATING HEADS</b>	<b>8,625</b>	<b>8,645</b>	<b>8,645</b>	<b>8,659</b>	<b>8,690</b>

	CAPITAL HEADS				
	2011	2012	2013	2014	2015
Corporate Staff	-	-	-	-	-
Audit, Safety & Investigative Services	-	-	-	-	3
Business Services	12	12	12	12	12
Customer Service & Advocacy	-	-	-	-	-
Engineering, Maint. & Construction	426	410	414	-	-
Operations	382	366	357	-	-
Operations/Engineering, Maintenance & Construction	-	-	-	763	825
Finance & Planning	4	4	5	6	4
Human Resources	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-
Public & Government Affairs	-	-	-	-	-
Public & Operational Safety	-	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>824</b>	<b>792</b>	<b>788</b>	<b>781</b>	<b>844</b>

	TOTAL HEADS				
	2011	2012	2013	2014	2015
Corporate Staff	17	17	16	17	17
Audit, Safety & Investigative Services	19	17	40	39	40
Business Services	222	222	223	223	223
Customer Service & Advocacy	92	94	95	90	82
Engineering, Maint. & Construction	1,605	1,593	1,596	-	-
Operations	6,724	6,993	6,985	-	-
Operations/Engineering, Maintenance & Construction	-	-	-	8,587	8,699
Finance & Planning	195	191	191	188	183
Human Resources	153	153	159	159	159
Office of the General Counsel	53	53	107	117	111
Public & Government Affairs	17	21	21	20	20
Public & Operational Safety	352	83	-	-	-
<b>TOTAL HEADS</b>	<b>9,449</b>	<b>9,437</b>	<b>9,433</b>	<b>9,440</b>	<b>9,534</b>

# Headcount Authorization

## Cause of Change



### 10. Fiscal Year 2014 to Fiscal Year 2015

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

Division/Department	Cause of Change	Increase/ Reduction
	<b>Fiscal Year 2014 Authorized Headcount</b>	<b>9,440</b>
Audit, Safety and Investigative Services	<ul style="list-style-type: none"> <li>Addition of (1) SAM Manager of Construction Safety and (2) SAM Safety Officers to monitor safety programs on capital projects</li> <li>Transfer (2) SAM positions to Legal: Program Manager Insurance Loss Control and Risk Management Administrator</li> </ul>	+1
Communications	<ul style="list-style-type: none"> <li>Addition of (1) SAM Project Designer for Capital Funded Signage Improvements</li> </ul>	+1
Customer Service and Advocacy	<ul style="list-style-type: none"> <li>Transfer (8) SAM positions to CCT</li> </ul>	-8
Customized Community Transportation (CCT)	<ul style="list-style-type: none"> <li>Transfer (8) SAM positions from Customer Service and Advocacy</li> </ul>	+8
Deputy General Manager's Staff	<ul style="list-style-type: none"> <li>Addition of (2) SAM positions: Director of Support Services and Maintenance Manager</li> <li>Eliminate (2) SAM positions: Deputy Director of Stations and Chief Officer of NPT</li> <li>Transfer (1) SAM position: Chief Engineer from EM&amp;C</li> <li>Transfer (1) SAM position: Deputy Chief Officer of NPT Integration from Operations Staff</li> <li>Transfer (1) SAM position: Senior Program Manager of NPT from NPT</li> </ul>	+3
Finance and Planning	<ul style="list-style-type: none"> <li>Reduction of (3) B Traffic Checkers fulltime equivalents and the addition of (1) SAM Data Analyst.</li> <li>Transfer (5) SAM positions to NPT Integration : Supervisor Collection Equipment , Revenue Data Specialist, Parking Revenue Specialist, Supervisor of Administration and Sales and Supervisor of Parking Lot Development</li> <li>Eliminate (1) SAM Manager of Public Finance</li> <li>Addition of (1) SAM Project Analyst to Capital Budgets</li> <li>Addition of (1) SAM Operations Planner and (1) SAM Senior Accountant</li> <li>Eliminate (1) SAM Management Analyst position and add (1) SAM Budget Analyst</li> </ul>	-5

# Headcount Authorization

## Cause of Change



### 10. Fiscal Year 2014 to Fiscal Year 2015

Division/Department	Cause of Change	Increase/ Reduction
Engineering, Maintenance and Construction	<ul style="list-style-type: none"> <li>• Addition of (12) SAM positions for Capital Project Construction</li> <li>• Addition of (1) SAM Maintenance Manager and (6) M positions for Track Work on the Norristown High Speedline and Surface Transportation</li> <li>• Addition of (1) SAM Maintenance Manager and (5) Track Flaggers for Railroad capital projects</li> <li>• Addition of (3) Engineering Managers and (2) Engineers to support capital projects</li> <li>• Addition of (3) SAM and (6) M positions to support Substation Maintenance</li> <li>• Addition of (6) Signal Maintainers for Cable Inspection</li> <li>• Addition of (1) SAM Maintenance Manager and (4) M for Elevator/Escalator repair to be reimbursed by PATCO.</li> <li>• Addition of (2) SAM Maintenance Managers and (4) Electricians, (6) Painters and (2) Flagmen for the Facilities Improvement Capital Program</li> <li>• Transfer (1) SAM Project Management Specialist to NPT</li> <li>• Transfer (1) SAM Project Manager to NPT</li> <li>• Transfer (1) SAM Chief Engineer to Deputy General Manager's Staff</li> <li>• Eliminate (1) IBT Clerk Dispatcher</li> <li>• Eliminate (1) M Painter and (1) M Electrician</li> <li>• Addition of (1) M First Class Carpenter</li> <li>• Addition of (1) SAM Railroad Maintenance Manager</li> <li>• Addition of (4) M Signal Maintainers</li> <li>• Transfer (14) SAM and (4) IBTB from Real Estate</li> </ul>	+82
Human Resources	<ul style="list-style-type: none"> <li>• Transfer (5) SAM Workers' Compensation positions to the Legal, Real Estate and Claims Division</li> <li>• Addition of (4) SAM Railroad Trainers</li> <li>• Addition of (1) SAM Administrative Assistant I from Public and Government Affairs</li> </ul>	-

# Headcount Authorization

## Cause of Change



### 10. Fiscal Year 2014 to Fiscal Year 2015

Division/Department	Cause of Change	Increase/ Reduction
Office of the General Counsel	<ul style="list-style-type: none"> <li>Transfer (5) SAM Workers Compensation positions to the Legal, Real Estate and Claims Division from Human Resources</li> <li>Addition of (4) SAM Video and Evidence Analysts and (1) SAM Video and Evidence Manager</li> <li>Transfer (2) SAM positions from Audit, Safety and Investigative Services: Program Manager Insurance Loss Control and Risk Management Administrator</li> <li>Transfer (14) SAM and (4) IBT Real Estate positions to EM&amp;C</li> </ul>	-6
New Payment Technology	<ul style="list-style-type: none"> <li>Transfer (12) SAM positions from New Payment Technology Integration to create new department</li> </ul>	+12
New Payment Technology Integration	<ul style="list-style-type: none"> <li>Transfer (12) SAM positions to NPT to create new department</li> <li>Transfer (1) SAM position to Deputy General Manager's Staff: Senior Program Manager of New Payment Technology</li> <li>Transfer (6) SAM and (8) IBT positions from Rail Transportation for NPT</li> <li>Transfer (1) SAM Project Management Specialist from EM&amp;C</li> <li>Transfer (1) SAM Project Manager from EM&amp;C</li> <li>Transfer (5) SAM positions from Finance: Supervisor Collection Equipment , Revenue Data Specialist, Parking Revenue Specialist, Supervisor of Administration and Sales and Supervisor of Parking Lot Development</li> <li>Transfer (1) SAM Operations Administrator from Operations Staff</li> </ul>	+9
Operations Staff	<ul style="list-style-type: none"> <li>Transfer (1) SAM Deputy Chief Officer of NPT Integration to Deputy General Manager Staff</li> <li>Transfer (1) Operation Administrator to NPT Integration</li> <li>Eliminate (1) SAM Chief Officer Bus Vehicle Maintenance</li> </ul>	-3
Planning Project Coordination and Safety	<ul style="list-style-type: none"> <li>Addition of (1) SAM Engineer for Amtrak Coordination on Capital Projects</li> </ul>	+1

# Headcount Authorization

## Cause of Change



### 10. Fiscal Year 2014 to Fiscal Year 2015

Division/Department	Cause of Change	Increase/ Reduction
Rail Transportation	<ul style="list-style-type: none"> <li>Addition of (8) Maintenance Custodians and (2) SAM Station Managers for concourse cleaning.</li> <li>Transfer (6) SAM and (8) IBT positions to NPT</li> </ul>	-4
Surface Transportation	<ul style="list-style-type: none"> <li>Addition of (2) SAM Transportation Managers for Qualified Protection for the Norristown High Speedline work and PennDOT work</li> </ul>	+2
Vehicle Engineering	<ul style="list-style-type: none"> <li>Transfer (2) SAM positions to Vehicle Maintenance: Engineer I and Project Designer</li> </ul>	-2
Vehicle Maintenance	<ul style="list-style-type: none"> <li>Transfer (2) SAM positions from Vehicle Engineering: Engineer I and Project Designer</li> <li>Eliminate (1) SAM Maintenance Manager</li> <li>Addition of (1) SAM Manager of Vehicle Equipment &amp; Rebuilt Inventory</li> <li>Addition of (1) SAM Director of Maintenance</li> </ul>	+3
	<b>Net Change</b>	<b>+94</b>
	<b>Fiscal Year 2015 Authorized Headcount</b>	<b>9,534</b>

**This Page Intentionally Left Blank**



# **11. Departmental Summaries By Division**



## **(a) Corporate Staff**

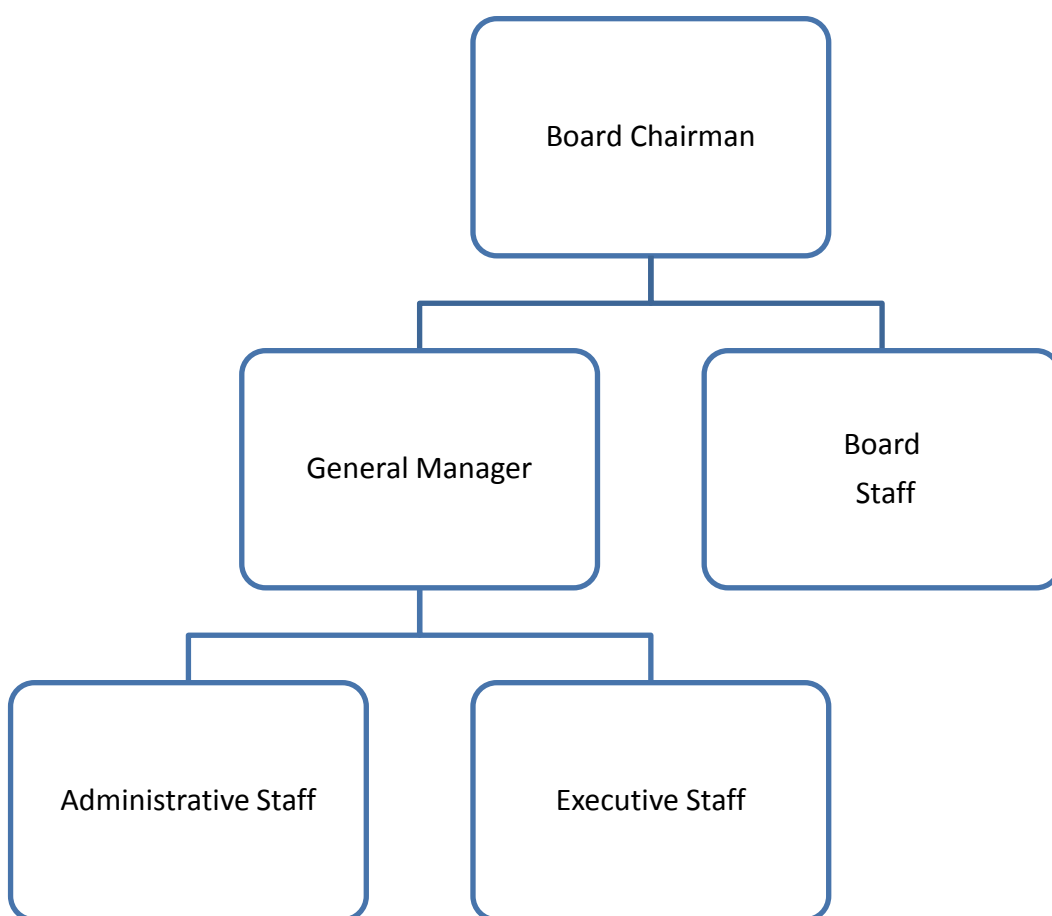
---



## (a) Corporate Staff

### Overview

SEPTA's Executive Staff consists of a team of experienced transit professionals who are dedicated to providing vision and guidance to 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**

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

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

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



## (a) Corporate Staff

### Corporate Staff Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Office of the General Manager	\$ 442	\$ 120	\$ 562
Executive Staff	1,822	15	1,837
Board Staff	<u>434</u>	<u>65</u>	<u>499</u>
<b>TOTAL</b>	<b><u>\$ 2,698</u></b>	<b><u>\$ 200</u></b>	<b><u>\$ 2,898</u></b>

## PRINCIPAL RESPONSIBILITIES

### **General Manager**

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

### **Executive Staff**

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.



## (a) Corporate Staff

### 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
<b>I. Improve Service Quality and Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>a) Emphasize Courtesy, Cleanliness, Communications and Convenience.</li> <li>b) Reinforce Customer Service as a priority for all SEPTA employees.</li> <li>c) Continue programs to improve the cleanliness of stations.</li> <li>d) Continue programs to improve on-time performance.</li> <li>e) Continue vehicle acquisition programs to replace rolling stock beyond its useful life.</li> <li>f) Build and expand relationships with customers – both internal and external – outlined in the Building a SEPTA Customer Service Culture (BASCSC) initiative.</li> <li>g) Advance technology initiatives, including website features, social media, and subscription notification program for service alterations. Expand customer communication programs using tools that match rider preferences.</li> <li>h) Continue programs that provide information, outreach, and assistance to customers during emergencies and special events.</li> </ul>
<b>II. Improve Customer and Employee Safety</b>	<ul style="list-style-type: none"> <li>a) Continue to enhance security of passengers, employees and infrastructure.</li> <li>b) Continue and strengthen public safety education programs including Operation Lifesaver.</li> <li>c) Continue to improve employee training and certification programs.</li> <li>d) Continue to rigorously enforce employee drug and alcohol policies.</li> <li>e) Maintain existing relationships and develop new partnerships with local agencies and universities to enhance security.</li> </ul>



## (a) Corporate Staff

Current Goals	Initiatives
<b>III. Improve Productivity and Cost Effectiveness</b>	<ul style="list-style-type: none"><li>a) Maximize the effectiveness of resources, personnel, equipment, vehicles and facilities to improve productivity while improving the delivery and quality of service for customers.</li><li>b) Continue reductions, as appropriate, in non-revenue vehicle fleet.</li><li>c) Facilitate decision-making support systems through effective use of customer market research and other market research instruments.</li><li>d) Continue aggressive fraud campaign programs to reduce Workers' Compensation, Medical and Injury Claims.</li><li>e) Implement projects that provide an integrated approach to strategic planning throughout the Authority.</li></ul>
<b>IV. Improve Ridership and Revenue</b>	<ul style="list-style-type: none"><li>a) Respond to regional economic and customer market trends to retain existing riders and attract new customers staying within our financial boundaries.</li><li>b) Reinforce and build relationships with outside stakeholders to develop service in response to special markets including visitors, tourists and businesses.</li><li>c) Strategically enhance existing service and develop new service to meet access to job needs throughout the region.</li><li>d) Develop partnership initiatives to address mobility needs through a cost-effective/cost sharing program.</li><li>e) Promote existing Authority fare incentives – passes and Ride-ECO to existing and new riders.</li><li>f) Advance new payment technologies into our fare collection system.</li><li>g) Support the long-term consideration and planning of new service.</li><li>h) Continue preventive maintenance on elevator/escalators to minimize amount of service expense.</li><li>i) Lend support and be responsive to state-initiated performance standards and various audits.</li></ul>



## (a) Corporate Staff

Current Goals	Initiatives
V. Advance Sustainability Agenda	<ul style="list-style-type: none"><li>a) Promote environmental stewardship with introduction of energy appropriate and sensitive practices that have economic returns.</li><li>b) Implement energy efficient and socially responsible construction and maintenance practices throughout our organization.</li><li>c) Further advance awareness of transit as a sustainability solution for the continued economic vitality of our service region.</li><li>d) Work with partners and stakeholders to foster transit oriented development opportunities where sustainability and livability goals may be achieved at a community level.</li></ul>
VI. Improve Employee Satisfaction and Workplace Excellence	<ul style="list-style-type: none"><li>a) Advance the Succession Planning Program and development of employee education programs to ensure continuity of operations in key positions and provide promotional opportunities.</li><li>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.</li><li>c) In cooperation with our bargaining units, continue to develop programs that enhance skills and create opportunities for employee growth.</li></ul>





**(b) Operations/  
Engineering, Maintenance  
& Construction Division**

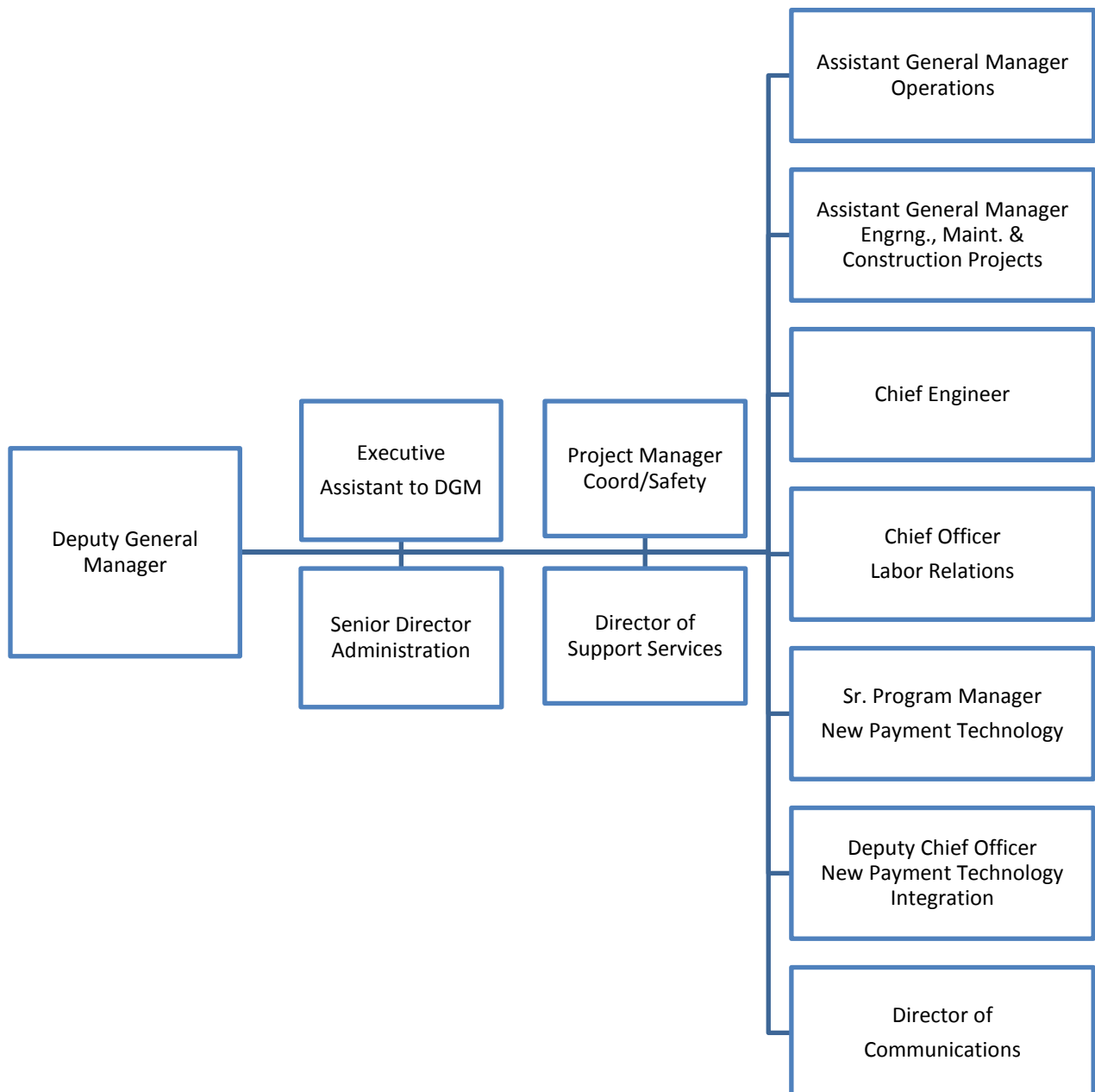
---

# Operations/ (b) Engineering, Maintenance & Construction



## Overview

The Operations/Engineering, Maintenance & Construction Division reports directly to SEPTA's Deputy General Manager who is directly responsible for the Authority's core business. The Deputy General Manager's areas of responsibility include Operations, Engineering, Maintenance & Construction, Project Coordination & Safety, New Payment Technology and Integration, Labor Relations, Communications and Administration & Analysis. The Division provides the leadership for the daily operating decisions and long term goals related to these areas of responsibility.



# Operations/ (b) Engineering, Maintenance & Construction



## HEADCOUNT

	OPERATING HEADS					
	A	B	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	8	-	4	-	-	12
Administration & Finance	3	-	-	-	-	3
Communications	11	5	3	-	-	19
Labor Relations	9	-	5	-	-	14
New Payment Technology	1	-	-	-	-	1
New Payment Technology Integration	99	58	48	-	-	205
Project Coordination/Safety	2	-	-	-	-	2
<b>TOTAL OPERATING HEADS</b>	<b>133</b>	<b>63</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>256</b>

	CAPITAL HEADS					
	A	B	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	3	-	-	-	-	3
Administration & Finance	-	-	-	-	-	-
Communications	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-
New Payment Technology	11	-	-	-	-	11
New Payment Technology Integration	-	-	-	-	-	-
Project Coordination/Safety	4	-	-	-	-	4
<b>TOTAL CAPITAL HEADS</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>

	TOTAL HEADS					
	A	B	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	11	-	4	-	-	15
Administration & Finance	3	-	-	-	-	3
Communications	11	5	3	-	-	19
Labor Relations	9	-	5	-	-	14
New Payment Technology	12	-	-	-	-	12
New Payment Technology Integration	99	58	48	-	-	205
Project Coordination/Safety	6	-	-	-	-	6
<b>TOTAL HEADS</b>	<b>151</b>	<b>63</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>274</b>

**Note:** The Assistant General Manager of Operations and the Assistant General Manager of Engineering, Maintenance and Construction are included in the headcount of Corporate Staff.

# Operations/ (b) Engineering, Maintenance & Construction



## Deputy General Manager Staff Amounts in Thousands (,000)

		Net <u>Labor</u>	Material <u>&amp; Services</u>	<u>Total</u>
Deputy General Manager Staff	\$	1,098	\$ 131	\$ 1,229
Administration & Finance		240	86	326
Communications		1,218	1,032	2,250
Labor Relations		1,076	261	1,337
New Payment Technologies		107	1	108
New Payment Technology Integration		12,160	12,008	24,168
Planning, Project Coordination/Safety		141	14	155
<b>TOTAL</b>	<b>\$</b>	<b>16,040</b>	<b>\$ 13,533</b>	<b>\$ 29,573</b>

## PRINCIPAL RESPONSIBILITIES

### ADMINISTRATION AND FINANCE

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

#### Cost Control

Coordinate the development, submission and monitoring of Operating and Capital Budget Proposals for the Operations/Engineering, Maintenance and Construction Division.

#### Performance Statistics Control

Develop and monitor performance statistic goals for Operations/Engineering, Maintenance and Construction Division which support SEPTA's mission and strategic goals.

#### Human Resource Administration

Manage the process of hiring personnel for Operations/Engineering, Maintenance and Construction Division 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/Engineering, Maintenance and Construction Division.

#### Record Retention

Coordinate 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, and Philadelphia Food Drive.



## **COMMUNICATIONS**

Responsibilities include internal and external 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 public website and social media outlets. Develop new customer features and format for public website including real time service information and smart phone apps. 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**

Serve as 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, 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 sites including specialty micro-sites.

### **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. Manages timetable production contract.

### **Communications and Website Management**

Responsible for all customer communications initiatives including all SEPTA service and project related information using a variety of tools including web, video, and social media. This unit is also responsible for the design, content, and management of the SEPTA website and Authority social media tools.

# Operations/ (b) Engineering, Maintenance & Construction

---



## **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.

# Operations/

## (b) Engineering, Maintenance & Construction

---



### **NEW PAYMENT TECHNOLOGY**

Direct 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.

### **NEW PAYMENT TECHNOLOGY INTEGRATION**

#### **Revenue Transportation**

Manage the collection and transportation and deposit of the Authority's passenger revenues and fare instruments.

#### **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 the collection, handling and processing of 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.

#### **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.

#### **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.



**PLANNING, PROJECT COORDINATION & SAFETY**

**Planning**

Responsible for long-range planning for critical infrastructure maintenance and improvement projects on the Regional Rail Division, Suburban Transit Division, and Light Rail Lines in the City Transit Division. This group develops and maintains the 5-Year EM&C Infrastructure Renewal Plans for the Regional Rail Division and Light-Rail Lines on the Suburban Transit and City Transit Divisions.

Responsible for developing the capital needs assessment for compliance with the FTA's MAP-21 State-of-Good Repair (SOGR) requirements, along with coordinating FTA Quarterly Meetings.

**Project Coordination**

Responsible for interface between the EM&C and Operations Divisions for scheduling and coordination of all project-driven outages and support. Based on the EM&C 5-Year Infrastructure Plan for the Regional Rail Division, this group twice-yearly develops and distributes the Priority Track Outage Memo for key projects that require major operational or service adjustments, such as bus substitution, timetable schedule adjustments, or train crew run changes. Also oversees the daily coordination efforts for track outages to balance safety and production, while minimizing service impact to our customers.

**Safety**

Responsible for developing and implementing the EM&C/TWU/UTU Safety Initiative Program to reduce injuries and improve overall safety for EM&C employees. This group is also the interface between EM&C and System Safety for addressing System Safety-initiated Corrective Action Plans, participating in the Joint Health & Safety Committees for Railroad and Transit Divisions, and attending routine joint-safety inspections.

**SUPPORT SERVICES**

Support Services manages and supports all of EM&C's external and internal customer service efforts ensuring that all EM&C departments are responsive, aware of and sensitive to issues affecting customers, neighbors and stakeholders. Responsible for serving as a liaison with all external and internal customers outside EM&C, Support Services also provides on-going maintenance of employee locations that have received Facilities Improvement Team remodels, ensuring that this substantial investment in workplace quality and morale is continually improved throughout the Authority.





## GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
<b>I. Improve Service Quality and Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>a) Manage the Authority's Ambassador Program and personnel deployments for New Payment Technologies (NPT) and Customer Service and Advocacy initiatives.</li> <li>b) Work with EM&amp;C on new video franchise - "Riding the Lines" focused on capital improvement work completed and upcoming projects.</li> <li>c) Expand customer information video library to include Safety Issues, Passenger Etiquette, and How to Ride Guides.</li> <li>d) Continue to analyze and develop Action Plans to address the Customer Service Survey Results.</li> <li>e) Ensure EM&amp;C departments are aware of, responsive, and sensitive to issues affecting customers, neighbors and stakeholders.</li> </ul>
<b>II. Improve Productivity and Cost Effectiveness</b>	<ul style="list-style-type: none"> <li>a) Ensure Operations Departments' spending is within budget for VOH, Operating and Capital.</li> <li>b) Establish Operations and EM&amp;C Metrics Website, including Key Indicator metrics and safety statistics.</li> <li>c) Continue to work towards reaching a mutually agreed-upon collective bargaining agreement with outstanding unions.</li> </ul>
<b>III. Improve Customer and Employee Safety and System Security</b>	<ul style="list-style-type: none"> <li>a) Work with System Safety, Legal and Government and Public Affairs on Hours of Service issues.</li> <li>b) Continue developing EM&amp;C/TWU/UTU Safety Initiative Program to reduce injuries and improve overall safety of EM&amp;C employees.</li> </ul>
<b>IV. Support the Authority's Implementation of New Technologies</b>	<ul style="list-style-type: none"> <li>a) Ensure the New Payment Technology Program is rolled out on-time and within budget.</li> <li>b) Work with Training Departments on the development of employee specific NPT training/information materials.</li> <li>c) Develop and implement customer communications program for NPT.</li> </ul>

# Operations/ (b) Engineering, Maintenance & Construction



Current Goals	Initiatives
V. Support Capital Improvement Projects	<ul style="list-style-type: none"> <li>a) Continue Infrastructure capital needs assessment consistent with MAP-21 State-of-Good-Repair (SOGR) requirements.</li> <li>b) Develop EM&amp;C 5-Year Plan to better plan for and implement key projects on the City and Suburban Trolley Lines.</li> </ul>
VI. Improve Employee Satisfaction and Develop a Highly Qualified Staff	<ul style="list-style-type: none"> <li>a) Establish Employee Recognition Program specifically tailored to individual Operating and EM&amp;C Departments.</li> <li>b) Ensure that Succession Planning and Workforce Planning efforts are properly carried out for Operations and EM&amp;C.</li> </ul>



## **(c) Operations**

---



## (c) Operations

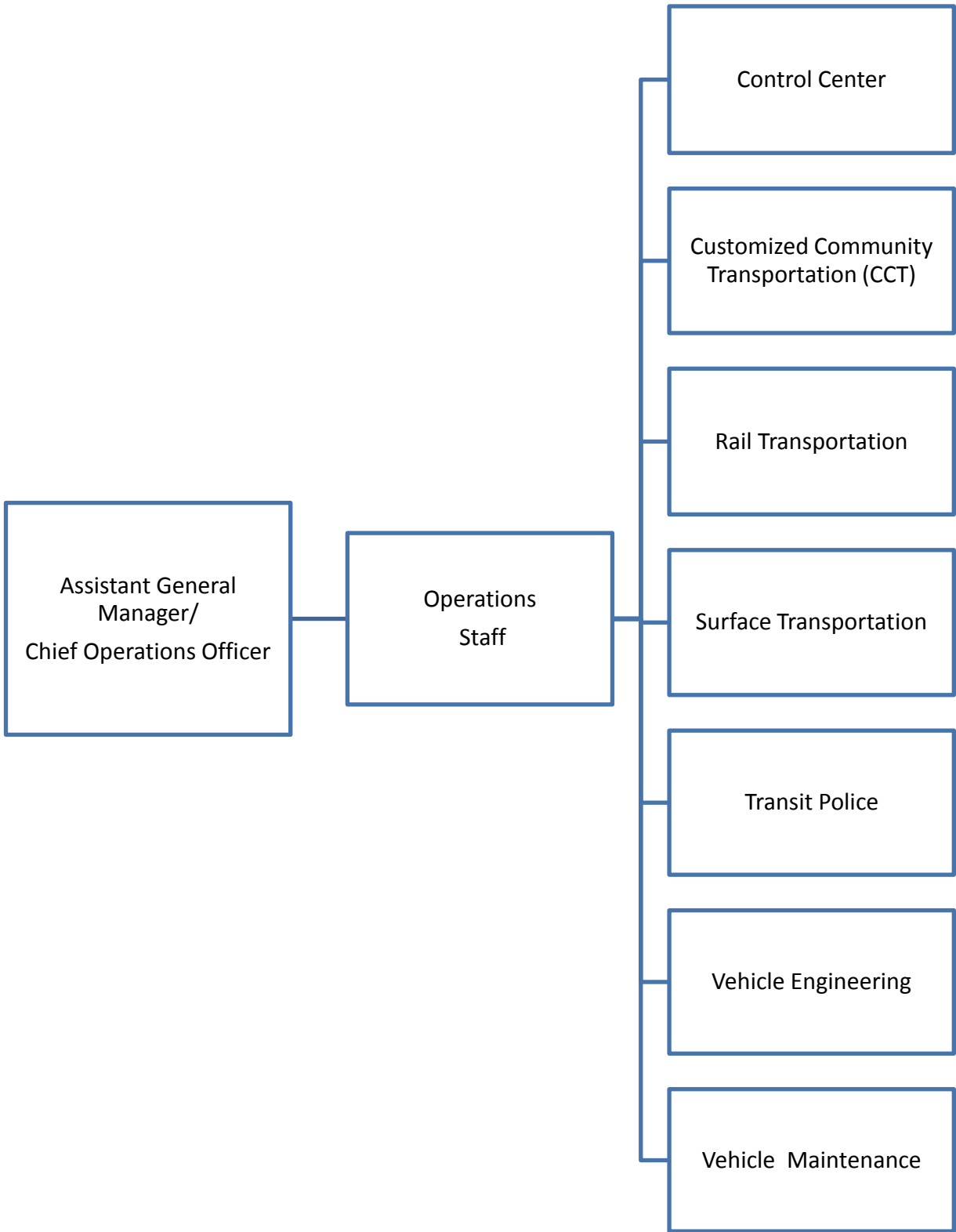
---

### Overview

The Operations Division provided 330.2 million annual passenger trips in Fiscal Year 2014, while operating 100.2 million vehicle miles. Total passenger miles exceeded 1.5 billion. The Division operates and maintains 2,770 revenue vehicles on 145 fixed routes, which have approximately 1,860 route miles, operates and maintains an inventory of 1,009 assorted non-revenue support vehicles and equipment, and provides service to 282 stations using over 450 miles of track and related facilities. In addition, Operations ensures law enforcement within the transportation system.

The Operations Division includes: Control Center, Customized Community Transportation, Operations Staff, Rail Transportation, Surface Transportation, Transit Police, Vehicle Engineering, and Vehicle Maintenance.

(c) Operations



## (c) Operations



### HEADCOUNT

	OPERATING HEADS					
	A	B	Maint.	Transp.	Cashiers	Total
Control Center	87	12	-	4	-	103
Customized Community Trans. (CCT)	46	-	-	-	-	46
Operations Staff	8	-	-	-	-	8
Rail Transportation	131	47	183	744	338	1,443
Surface Transportation	184	28	-	2,754	-	2,966
Transit Police	60	-	209	-	-	269
Vehicle Engineering	24	4	-	-	-	28
Bus Vehicle Maintenance	79	12	774	-	-	865
Rail Vehicle Maintenance	103	19	748	-	-	870
<b>Total Vehicle Maintenance</b>	<b>182</b>	<b>31</b>	<b>1,522</b>	<b>-</b>	<b>-</b>	<b>1,735</b>
<b>TOTAL OPERATING HEADS</b>	<b>722</b>	<b>122</b>	<b>1,914</b>	<b>3,502</b>	<b>338</b>	<b>6,598</b>

	CAPITAL HEADS					
	A	B	Maint.	Transp.	Cashiers	Total
Control Center	2	-	-	-	-	2
Customized Community Trans. (CCT)	41	-	-	24	-	65
Operations Staff	-	-	-	-	-	-
Rail Transportation	3	-	-	-	-	3
Surface Transportation	1	-	-	-	-	1
Transit Police	-	-	-	-	-	-
Vehicle Engineering	36	-	-	-	-	36
Bus Vehicle Maintenance	9	1	77	-	-	87
Rail Vehicle Maintenance	14	1	144	-	-	159
<b>Total Vehicle Maintenance</b>	<b>23</b>	<b>2</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>246</b>
<b>TOTAL CAPITAL HEADS</b>	<b>106</b>	<b>2</b>	<b>221</b>	<b>24</b>	<b>-</b>	<b>353</b>

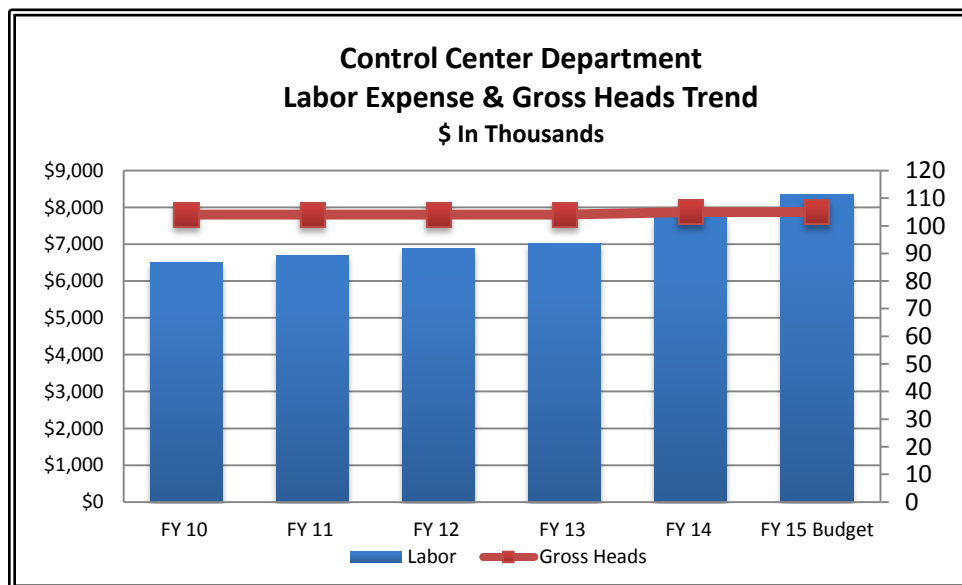
	TOTAL HEADS					
	A	B	Maint.	Transp.	Cashiers	Total
Control Center	89	12	-	4	-	105
Customized Community Trans. (CCT)	87	-	-	24	-	111
Operations Staff	8	-	-	-	-	8
Rail Transportation	134	47	183	744	338	1,446
Surface Transportation	185	28	-	2,754	-	2,967
Transit Police	60	-	209	-	-	269
Vehicle Engineering	60	4	-	-	-	64
Bus Vehicle Maintenance	88	13	851	-	-	952
Rail Vehicle Maintenance	117	20	892	-	-	1,029
<b>Total Vehicle Maintenance</b>	<b>205</b>	<b>33</b>	<b>1,743</b>	<b>-</b>	<b>-</b>	<b>1,981</b>
<b>TOTAL HEADS</b>	<b>828</b>	<b>124</b>	<b>2,135</b>	<b>3,526</b>	<b>338</b>	<b>6,951</b>

## (c) Operations

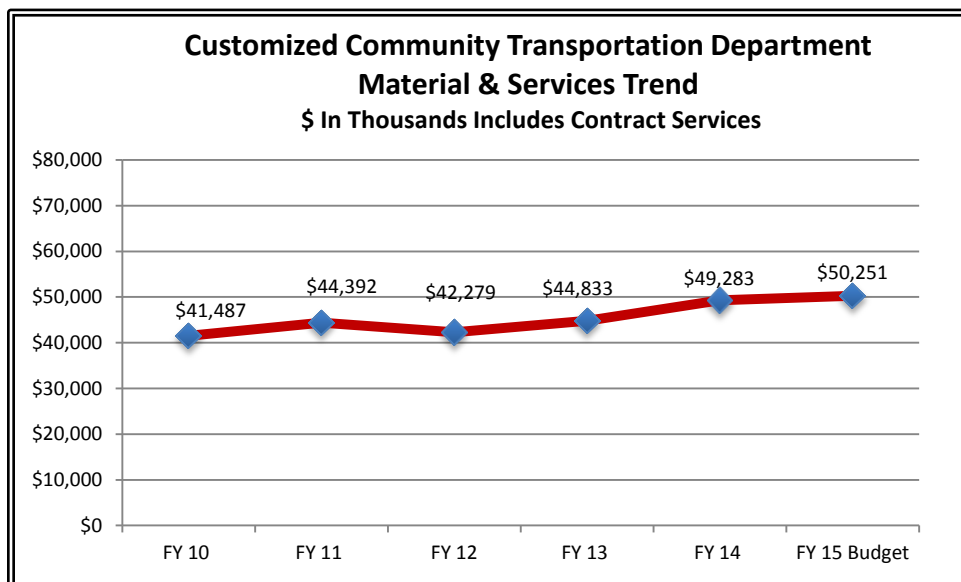
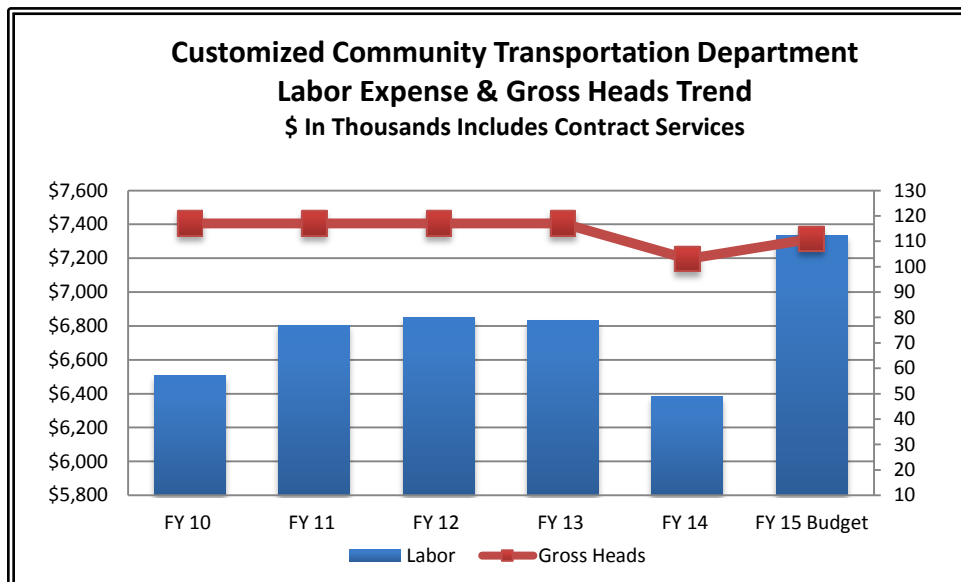
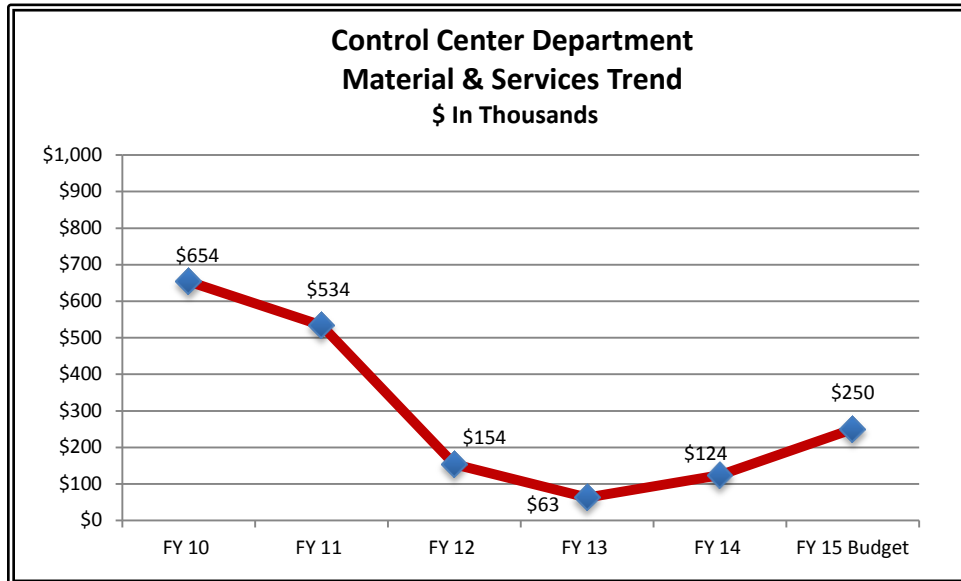


### Operations Amounts in Thousands (,000)

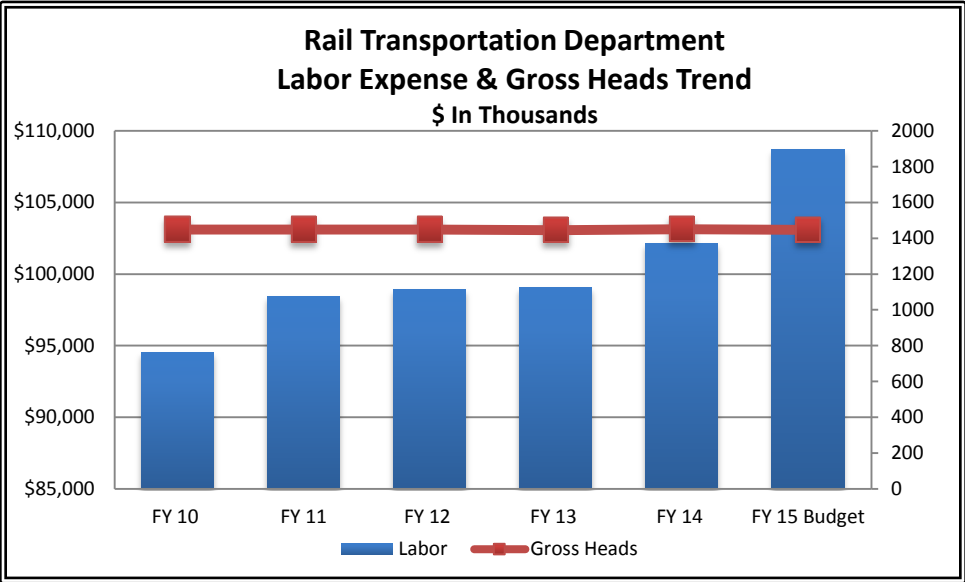
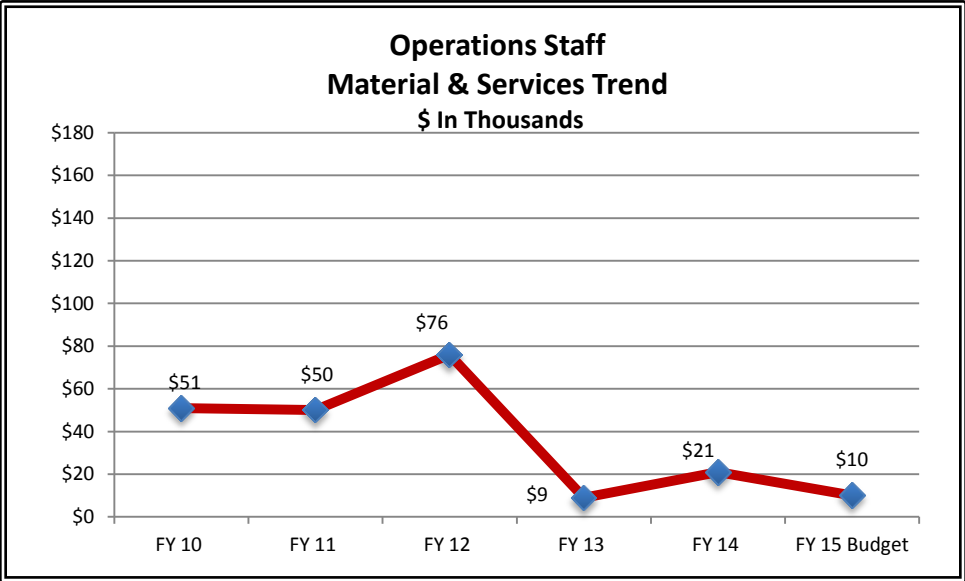
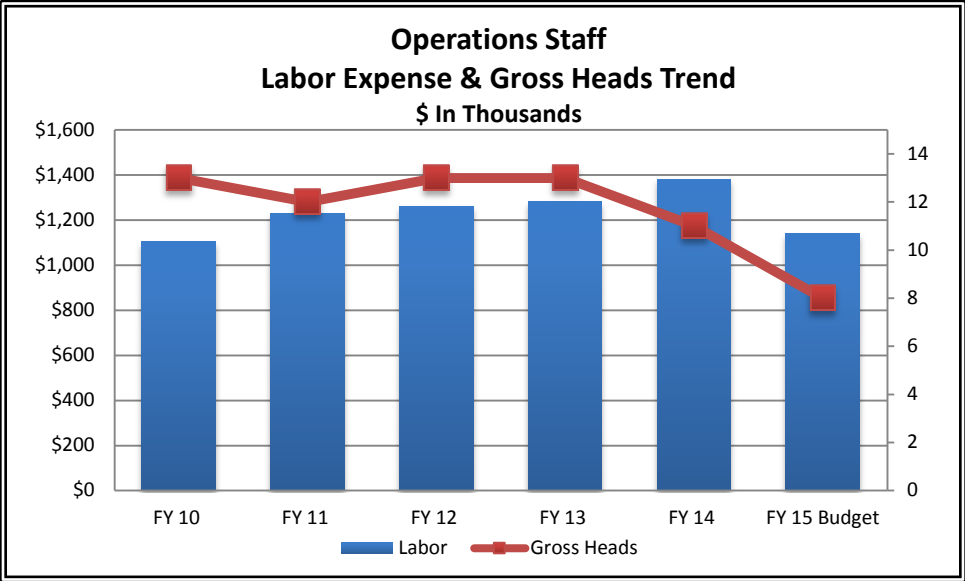
	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Control Center	\$ 8,359	\$ 250	\$ 8,609
Customized Community Trans. (CCT)	7,333	2,551	9,884
Operations Staff	1,138	10	1,148
Rail Transportation	108,678	7,467	116,145
Surface Transportation	198,746	387	199,133
Transit Police	20,069	839	20,908
Vehicle Engineering	2,069	2,790	4,859
Bus Vehicle Maintenance	51,676	22,810	74,486
Rail Vehicle Maintenance	52,212	18,316	70,528
<b>Total Vehicle Maintenance</b>	<b><u>103,888</u></b>	<b><u>41,126</u></b>	<b><u>145,014</u></b>
<b>TOTAL</b>	<b><u>\$ 450,280</u></b>	<b><u>\$ 55,420</u></b>	<b><u>\$ 505,700</u></b>

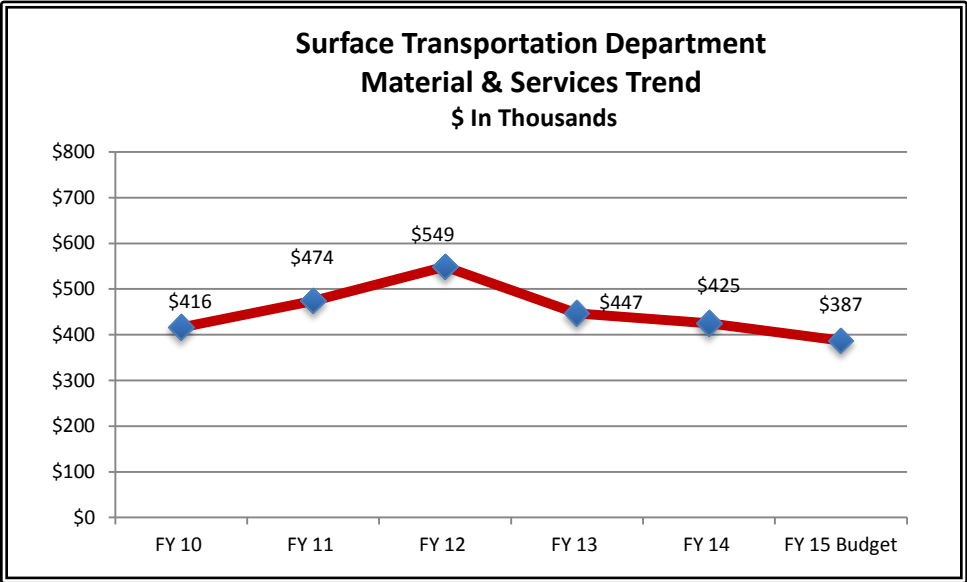
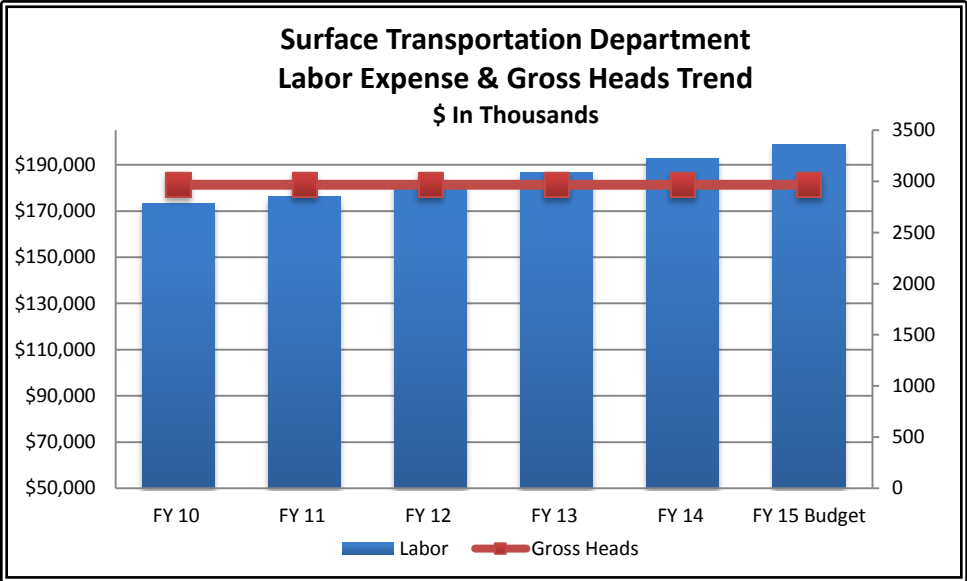
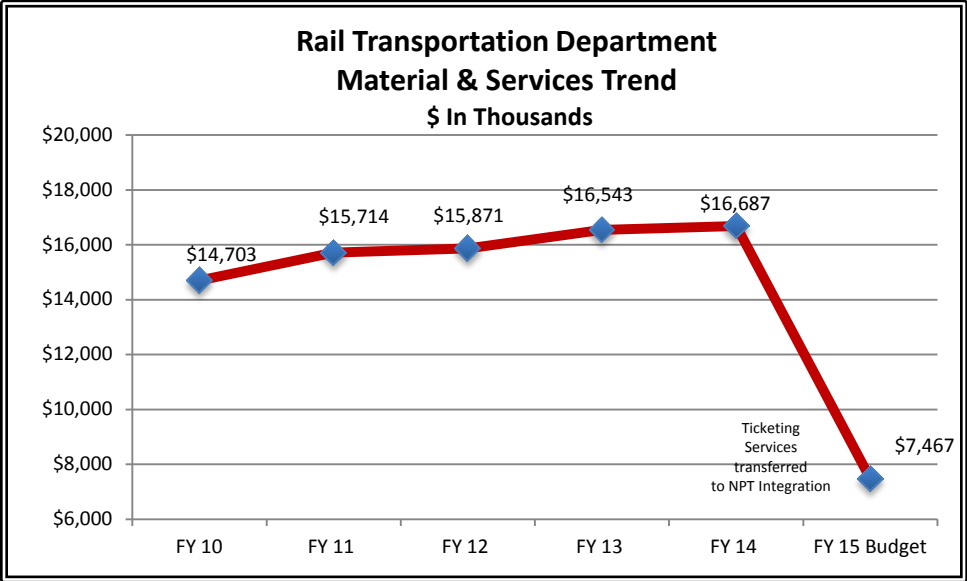


## (c) Operations

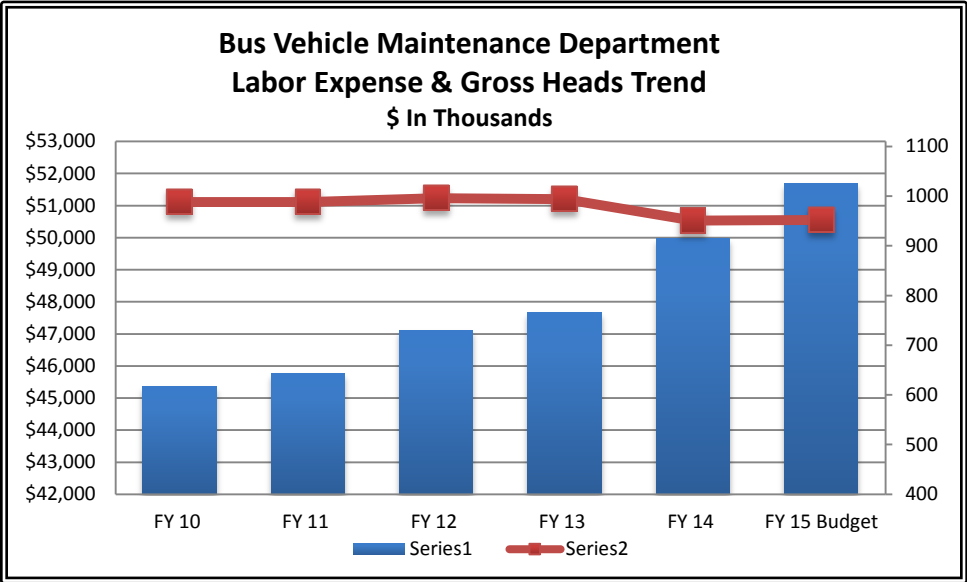
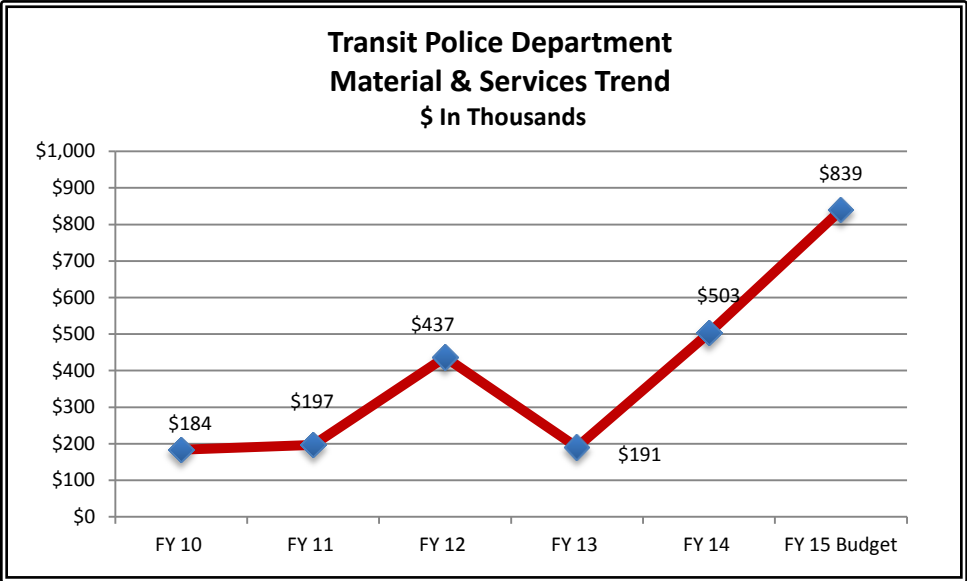
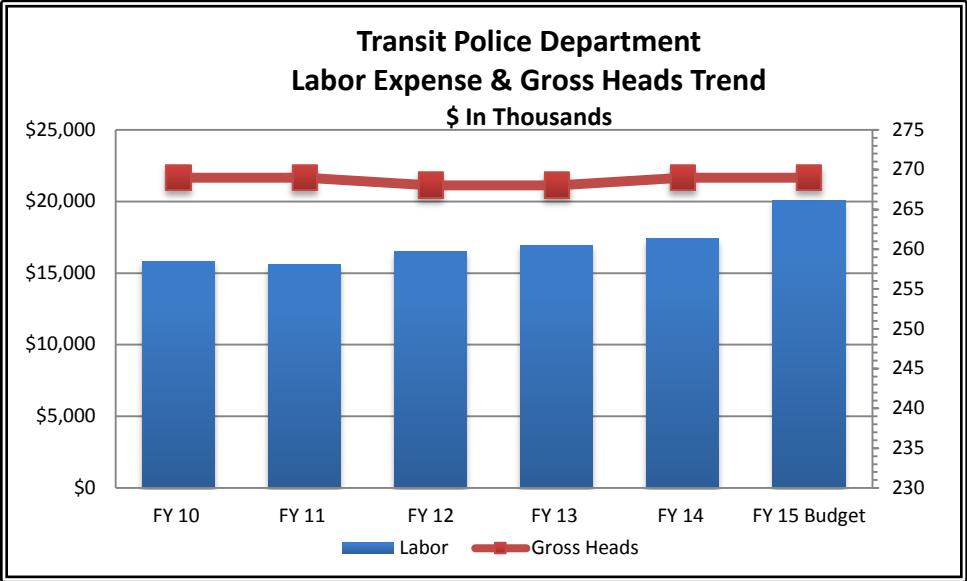




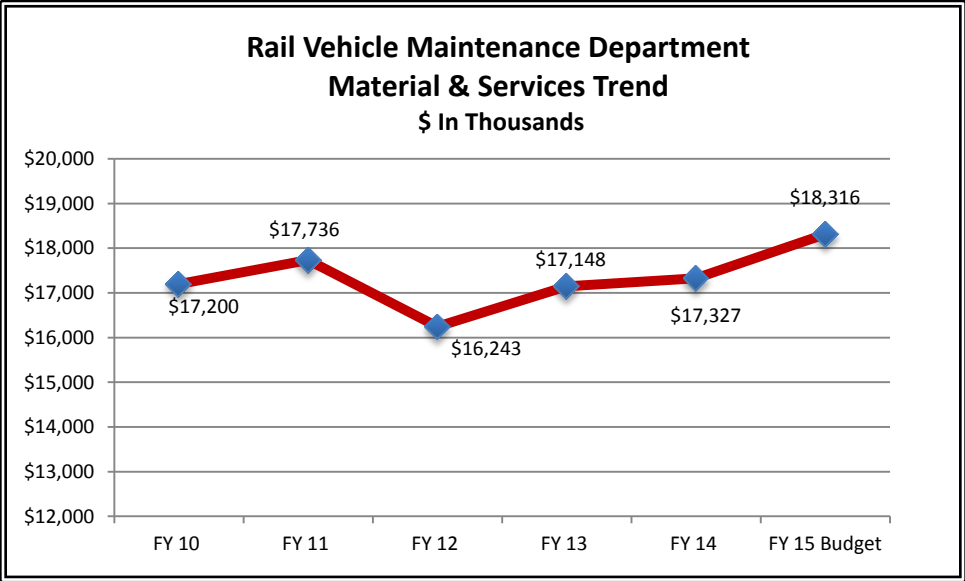
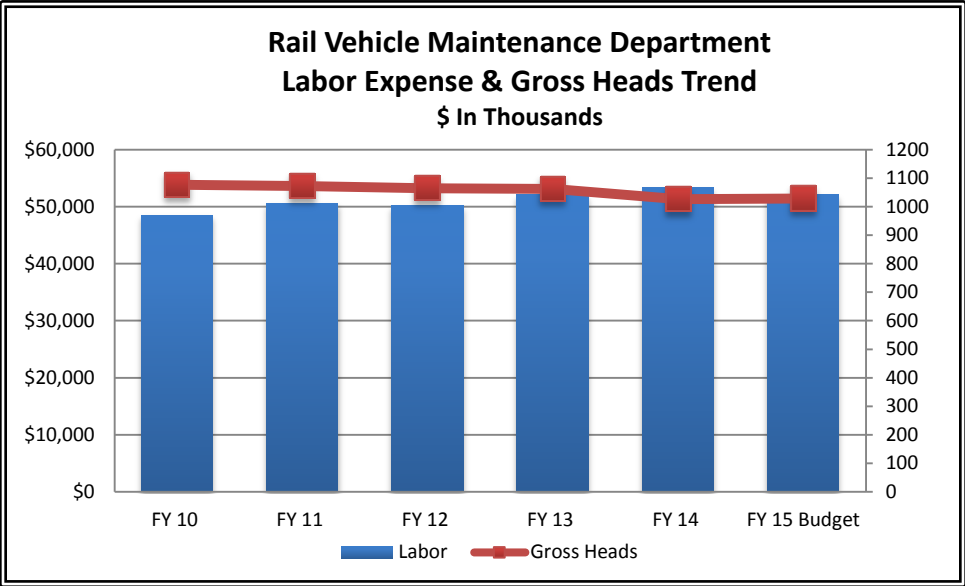
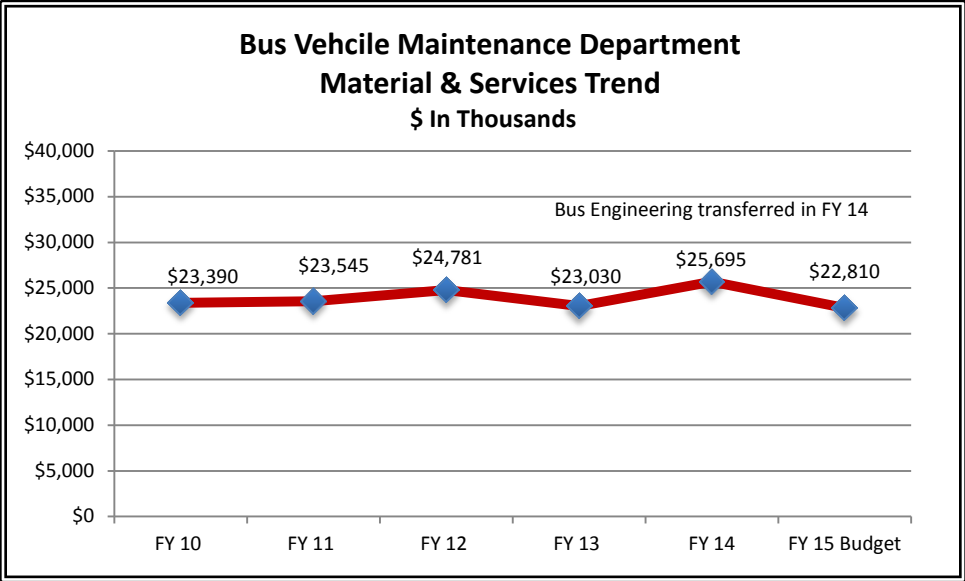




(c) Operations



(c) Operations





---

### PRINCIPAL RESPONSIBILITIES

#### **CONTROL CENTER**

The Control Center is a centralized facility that manages the safe and efficient movement of all of SEPTA's operating modes and provides customer service alerts to our passengers. All Control Center functions and associated equipment are located at SEPTA's 1234 Market Street headquarters on the 19<sup>th</sup> floor. The Control Center personnel are responsible for ensuring that SEPTA's established service levels are maintained 24 hours a day, 7 days a week. The Control Center functions include:

##### **Subway/Elevated Control**

Train Dispatchers control the Market-Frankford Subway Elevated (MFSE) and the Broad Street - Ridge Avenue Subway (BSS).

On the MFSE, the train dispatcher can view the status of the entire line on a model board. Train Dispatchers have remote control over all thirteen (13) interlockings via the computer system. These thirteen (13) are Bridge, Erie-Torresdale, Allegheny, Huntingdon, Berks, Spring Garden, 5<sup>th</sup> Street, 15<sup>th</sup> Street, 30<sup>th</sup> Street, 40<sup>th</sup> Street, 52<sup>nd</sup> Street, 63<sup>rd</sup> Street and 69<sup>th</sup> Street.

On the BSS, the Train Dispatchers have a model board – and supervisory control of the Broad Street Subway interlockings including: Fern Rock Yard, Olney, Erie, Fairmount, Walnut-Locust, Snyder, Patterson and 8<sup>th</sup> & Market.

##### **Light Rail Trolley Control**

The Light Rail Trolley Controller utilizes a combination of radio consoles and computerized control systems to manage the six Center City trolley lines, the Routes 101 and 102 Media/Sharon Hill lines and the Route 100 NHSL. A Communications-Based Train Control (CBTC) system tracks train location and control to the Center City subway portion and GPS systems have been installed to track trolleys on the street.

Controllers of the Norristown High Speed Line have total supervisory control and complete monitoring capability of the line. The SCADA system providing this control includes both computer terminals and an overview screen.

##### **Bus Control**

The Bus Control Center utilizes a Computer-Aided radio Dispatch (CARD) system to communicate with the entire bus fleet, supervisory and maintenance vehicles. The communications infrastructure includes 6 radio towers and a trunked radio system that has 7 voice channels and 2 data channels. All vehicles have Automatic Vehicle Location (AVL) systems.

##### **Commuter Railroad Control**

The Railroad Control Center utilizes a Centralized Train Control System to provide real time information and control functions to the 19th floor. Six (6) train dispatcher positions have the responsibility to manipulate switches and display signals on SEPTA-controlled territory managing the movement of 740 scheduled trains a day.

##### **Control Center Information**

Control Center Information Managers and Passenger Service Specialists monitor real time service delays and provide instant updates to customers through a variety of communication media. From station announcements and updates to the web site to posts on Twitter and PA Ready Notify, the Control Center information staff helps to keep our customers informed of real time service disruptions.



## (c) Operations

---

### **Command Center**

The Command Center serves as the central coordination room that allows SEPTA staff to manage all emergencies and major service disruptions.

The following Control Center Operations areas are also part of SEPTA's centralized Control Center facility but report to different Chiefs in the organization:

- Railroad Power Dispatching
- Subway/Light Rail Power Dispatching
- Police Radio Room
- CCT Control Operations
- Cashier Dispatching

### **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**

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

#### **LUCY**

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



## (c) Operations

---

### **Cornwells Heights Shuttle**

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

### **Contracted Services**

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

## **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, station operation, ticket sales and on-board fare collection 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 380 revenue trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSS operates 598 revenue trains each weekday between the Fern Rock Transportation Center and AT&T Station as well as along the Ridge Avenue Spur.

#### **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.



## (c) Operations

---

### **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 118 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 elsewhere 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 24 bus routes.
7. **Southern** - operates 18 bus routes.
8. **Frontier** - operates 22 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 enhance the quality of life through law enforcement and protection against crime.

#### **Operations Division**

Responsible for patrol (primarily in uniform) of the Broad Street Subway Line, Market Frankford Line, Trolley Lines, Regional Rail and all SEPTA properties.

#### **Quality Control Division**

Investigate complaints of transit police misconduct and ensure that the service being provided is at the expected level. Maintain professional and interoperable communications. Manage Record Management System.

#### **Special Operations Division**

Responsible for counterterrorism prevention and training; hot spot policing initiative with Team One personnel. Recruit and train new officers. Conduct criminal investigations and engage in undercover operations; conduct background investigations for new hire candidates.





## (c) Operations

---

---

### VEHICLE MAINTENANCE

#### **Bus Vehicle Maintenance**

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

Consists of the following nine locations:

- Philadelphia has six maintenance 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.

#### **Mechanical, Utility, and Brake Shops**

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

#### **Rail Vehicle Maintenance**

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

#### **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:
  - 69<sup>th</sup> Street Shop
  - 69<sup>th</sup> 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.



## (c) Operations

---

### **VEHICLE ENGINEERING**

Oversee the engineering for bus, trackless trolley, light rail, subway-elevated, railroad and non-revenue fleets and is responsible for the bus, rail and utility vehicle acquisitions. Manage administrative, personnel and budgetary elements of Bus, Rail and New Vehicle Engineering and the Bus and Rail Maintenance groups.

#### **Automotive and Rail Vehicle Engineering**

Provide all engineering support including specifications, drawings, vehicle modifications and system upgrades for all bus and rail fleets. Investigate and resolve bus and fleet technical issues. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

#### **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.



## GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
<b>I. Improve Service Quality and Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>a) Maintain the cleanliness of all vehicles, stations and loops at a high level.</li> <li>b) Continue to improve the process of delay notifications to passengers.</li> <li>c) Continue to analyze and develop Action Plans to address the most recent Customer Service Survey Results.</li> <li>d) Continue to improve on time performance on all modes.</li> <li>e) Continue to improve mean distance between failures on all modes.</li> <li>f) Coordinate efforts for all track outages minimizing impact to customers.</li> </ul>
<b>II. Improve Productivity and Cost Effectiveness</b>	<ul style="list-style-type: none"> <li>a) Continue to support the Authority's Sustainability initiatives.</li> <li>b) Continue to support advancement of ESMS Program and ISO 14001 Certification for Berridge Shop. Expand ESMS practices to all Bus Maintenance locations and two Rail Maintenance locations.</li> <li>c) Continue to advance the Regenerative Braking capacities of the Market-Frankford and Broad Street Subway fleets.</li> <li>d) Continue to advance the evaluation of vehicle modifications such as LED lighting and other energy saving innovations/modifications.</li> <li>e) Ensure fiscal responsibility, implement process analysis and LEAN system recommendations.</li> </ul>
<b>III. Improve Customer and Employee Safety and System Security</b>	<ul style="list-style-type: none"> <li>a) Maximize transit police coverage based on seasonal crime spikes/patterns and other factors.</li> <li>b) Continue efforts for identifying stations and routes with high reports of fare evasion and develop plans for police enforcement.</li> <li>c) Continue working to reduce lost time injuries by 2% by working with System Safety to review accident and injury data and developing programs to reduce incident rates.</li> <li>d) Continue to evaluate operator assaults and assess additional programs to reduce occurrences across all modes.</li> <li>e) Conduct Safety Days for customers focusing on rider/public safety issues and for employees focusing on employee safety issues.</li> <li>f) Provide support to complete for Media/Sharon Hill Communications Based Train Control (CBTC) Project.</li> </ul>

## (c) Operations



Current Goals	Initiatives
<b>IV. Support the Authority's Implementation of New Technologies</b>	<ul style="list-style-type: none"> <li>a) Work with Information Technology and Customer Service to continue to improve the performance of the new reservation optimization system for Customized Community Transportation.</li> <li>b) Work with Information Technology and Customer Service to integrate Amtrak feed of Northeast Corridor to SEPTA.</li> <li>c) Continue the advancement of the New Payment Technology Program.</li> <li>d) Continue to improve Customer Service and Communications by investigating new methods to share Real Time Information.</li> <li>e) Advance RRD Positive Train Control (PTC) Project in order to meet the federal mandated deadline.</li> </ul>
<b>V. Support Capital Improvement Projects</b>	<ul style="list-style-type: none"> <li>a) Support EM&amp;C efforts to perform both major and minor capital improvements on the system.</li> <li>b) Complete successful delivery of the Nova bus fleet.</li> <li>c) Advance the delivery of new 60 foot low floor articulated buses and 40 foot buses to replace balance of Neoplan and NABI buses.</li> <li>d) Coordinate utility fleet vehicle replacements and provide engineering support for vehicle procurements.</li> <li>e) Support the Separation Plan with CSX on the West Trenton Line.</li> </ul>
<b>VI. Improve Employee Satisfaction and Develop a Highly Qualified Staff</b>	<ul style="list-style-type: none"> <li>a) Evaluate cleaning efforts at shop and district locations and develop a plan for improvements to the process.</li> <li>b) Continue to enhance internal communication through messaging system (SEPTA NOW) and improved Intranet.</li> <li>c) Ensure all 9000+ employees receive NPT Project Overview Training.</li> <li>d) Develop training and rules requirements for Positive Train Control (PTC).</li> </ul>



## **(d) Engineering, Maintenance and Construction**

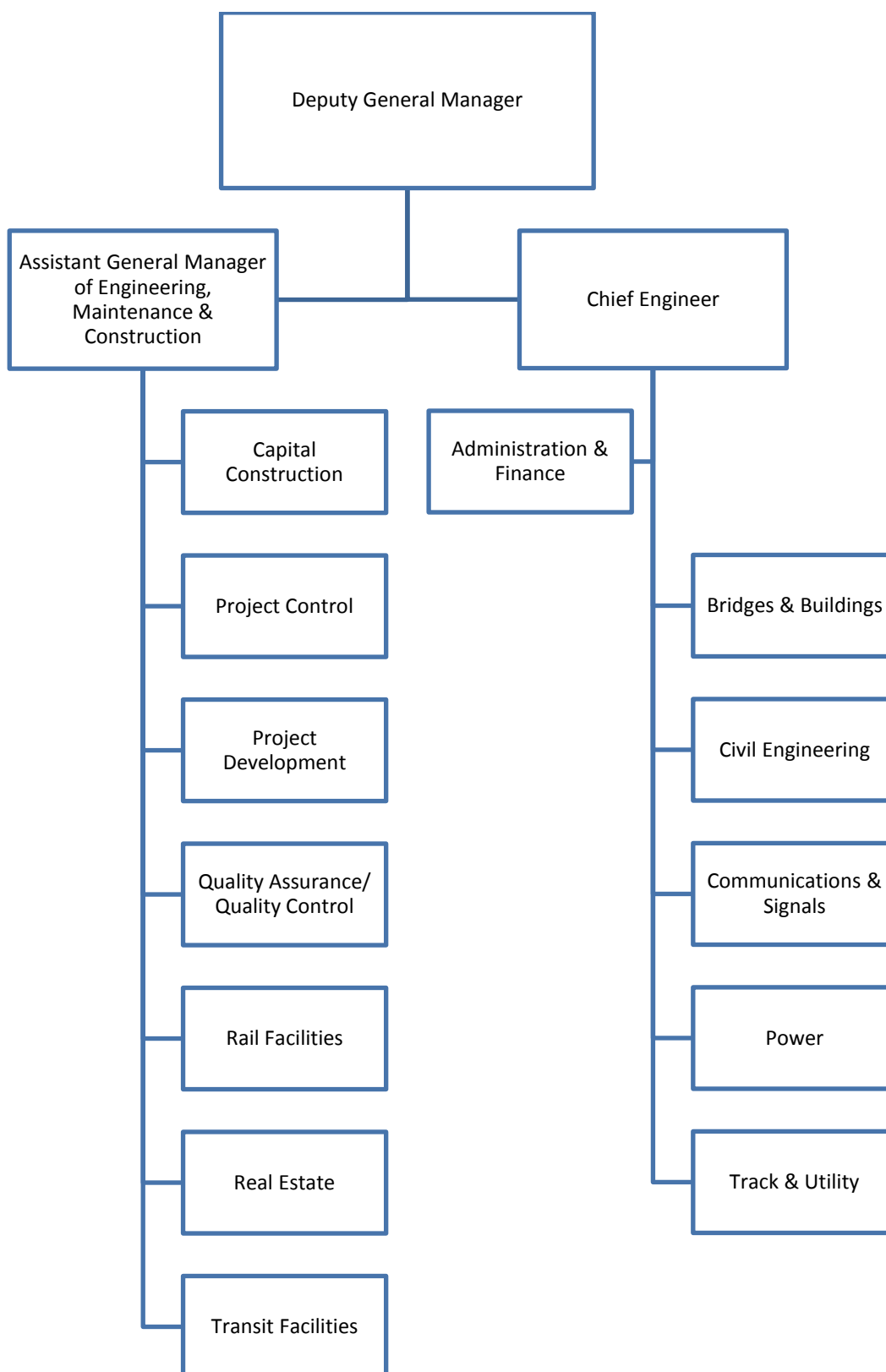
---



## (d) Engineering, Maintenance and Construction

### Overview

The Engineering, Maintenance and Construction Division is responsible for all engineering and maintenance related to the Authority's 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.



## (d) Engineering, Maintenance and Construction



### HEADCOUNT

	OPERATING HEADS			
	A	B	H	Total
Capital Projects	14	4	-	18
Operations Support	169	64	777	1,010
<b>TOTAL OPERATING HEADS</b>	<b>183</b>	<b>68</b>	<b>777</b>	<b>1,028</b>

	CAPITAL HEADS			
	A	B	H	Total
Capital Projects	54	-	-	54
Operations Support	86	7	299	392
<b>TOTAL CAPITAL HEADS</b>	<b>140</b>	<b>7</b>	<b>299</b>	<b>446</b>

	TOTAL HEADS			
	A	B	H	Total
Capital Projects	68	4	-	72
Operations Support	255	71	1,076	1,402
<b>TOTAL HEADS</b>	<b>323</b>	<b>75</b>	<b>1,076</b>	<b>1,474</b>

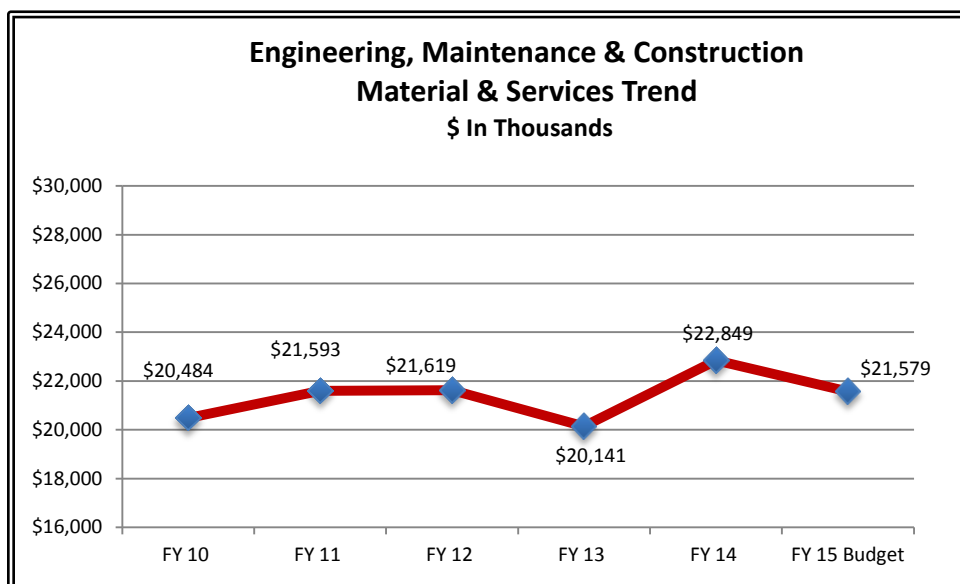
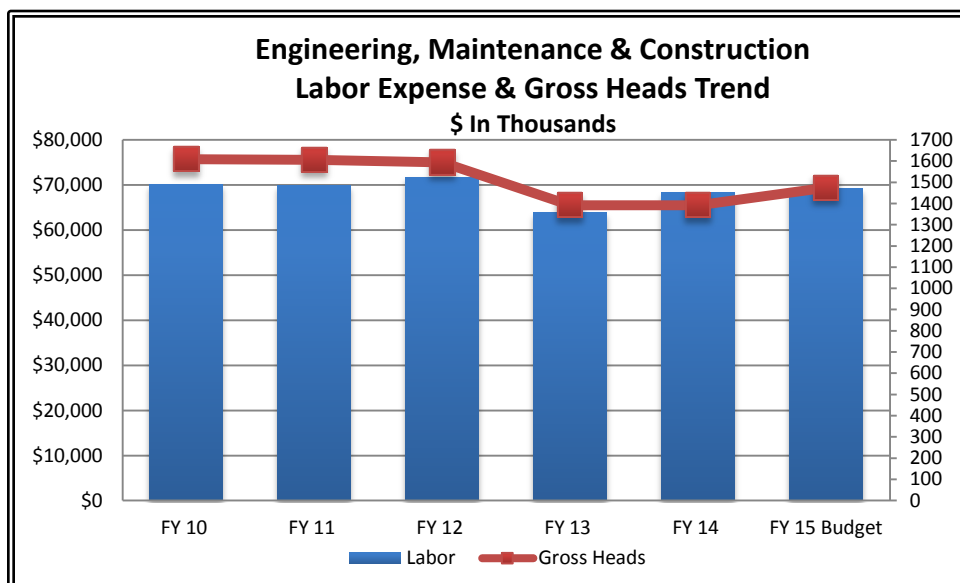


## (d) Engineering, Maintenance and Construction

### Engineering, Maintenance and Construction

Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Capital Projects	\$ 1,146	\$ 2,618	\$ 3,764
Operations Support	\$ 68,099	\$ 18,961	\$ 87,060
<b>TOTAL</b>	<b>\$ 69,245</b>	<b>\$ 21,579</b>	<b>\$ 90,824</b>







## **(d) 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.

#### **PROJECT CONTROL**

Provide budgeting, cost control, scheduling, 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.

#### **QA/QC**

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

#### **CAPITAL CONSTRUCTION – PROJECT DEVELOPMENT**

Develop conceptual designs, cost estimates, submittals for environmental and historical regulatory approvals, and Request for Proposal documents for design projects. Manage the awarded design projects through to completion of design phase. Provide Cost estimating services for Divisional projects.

#### **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 – 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. Perform regular inspection of all bridges, tunnels, buildings and other structures, and fixed plant 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 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.



## **(d) Engineering, Maintenance and Construction**

---

### **ENGINEERING AND MAINTENANCE – TRACK AND UTILITY**

Perform inspection, maintenance and reconstruction of track and right-of-way areas; provide track 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.

### **ENGINEERING AND MAINTENANCE – CIVIL ENGINEERING**

Provide Civil engineering services for all maintenance and renewal projects. Coordinate and provide oversight for public agency, utility, and private work on, over, or adjacent to SEPTA's right of ways.

## **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.

### **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.



## (d) Engineering, Maintenance and Construction

### GOALS AND BUSINESS INITIATIVES

Current Goal	Initiatives
<b>I. Rebuild the system</b>	<ul style="list-style-type: none"> <li>a) Control capital project spending by keeping costs within 5% of budget.</li> <li>b) Achieve targets (80% within 90 days of schedule) for NTP's, substantial completion, and interim milestones for all A&amp;E and Construction.</li> <li>c) Pursue Capital Project Control initiatives focusing on VEC and GEC contracts.</li> <li>d) Commence, advance and complete all scheduled Engineering and Maintenance Department ISRP projects.</li> <li>e) Maintain State of Good Repair database to provide a Capital Asset Inventory and an analysis of Capital Investment backlog and investment alternatives.</li> <li>f) Advance design and construction projects under SEPTA's Catching-Up Capital Plan including new traction power substations, bridge and viaduct replacements/rehabilitations, station improvements, and maintenance facility roof replacements.</li> </ul>
<b>II. Sustainability</b>	<ul style="list-style-type: none"> <li>a) Promote cost effective implementation of sustainability projects by incorporating LEED and Energy Star design standards, while adhering to budgets.</li> <li>b) Manage capital investments to reduce long term utility costs by completing energy efficient lighting improvement projects. Advance Guaranteed Energy Savings Project (ESCO). Conduct energy audits to find additional savings opportunities.</li> <li>c) Continue to improve the Authority's recycling program at stations and operating locations.</li> <li>d) Advance Wayside Energy Storage Project.</li> <li>e) Continue to harden our infrastructure to combat severe weather.</li> <li>f) Advance Combined Heat and Power project.</li> </ul>
<b>III. Safety and Security</b>	<ul style="list-style-type: none"> <li>a) Conduct Internal and External Safety Days to focus on employee and rider/public safety issues.</li> <li>b) Advance System Modernization Projects including ATC/PTC (RR and M/SH), elevator control modernization, Frankford haunch repairs, City Hall Cameras, and Bus Lift Replacement.</li> <li>c) 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.</li> </ul>



## (d) Engineering, Maintenance and Construction

Current Goal	Initiatives
IV. Expand System Capacity	<ul style="list-style-type: none"> <li>a) Advance projects that support ridership growth.</li> <li>b) Advance Secane and other station Parking Expansion projects.</li> </ul>
V. Customer Service	<ul style="list-style-type: none"> <li>a) Support customer service related operating and maintenance projects including railroad snow removal, cleanliness of facilities, loops, and stations, maintenance blitzes at multi-modal transportation centers, maintenance to elevators and escalators to meet reliability targets, timely response to Veritas reports/Customer Service issues, and the coordination of maintenance and construction activities to minimize track outages.</li> <li>b) Support customer service related capital projects such as construction at Wayne Junction Station, and City Hall Dilworth Plaza Early Action project.</li> </ul>
VI. New Technologies	<ul style="list-style-type: none"> <li>a) Pursue 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.</li> </ul>
VII. Human Capital Development	<ul style="list-style-type: none"> <li>a) Minimize employee turnover and improve hiring process management.</li> <li>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, and support the AIM training / succession planning program.</li> <li>c) Assist the Division's Professional Engineers in obtaining continuing education credits required to maintain Pennsylvania license.</li> <li>d) Review and update at least 50% of the relevant skills qualification tests administered by the Testing Center.</li> </ul>



**(e) Audit, Safety and  
Investigative Services  
Division**

---

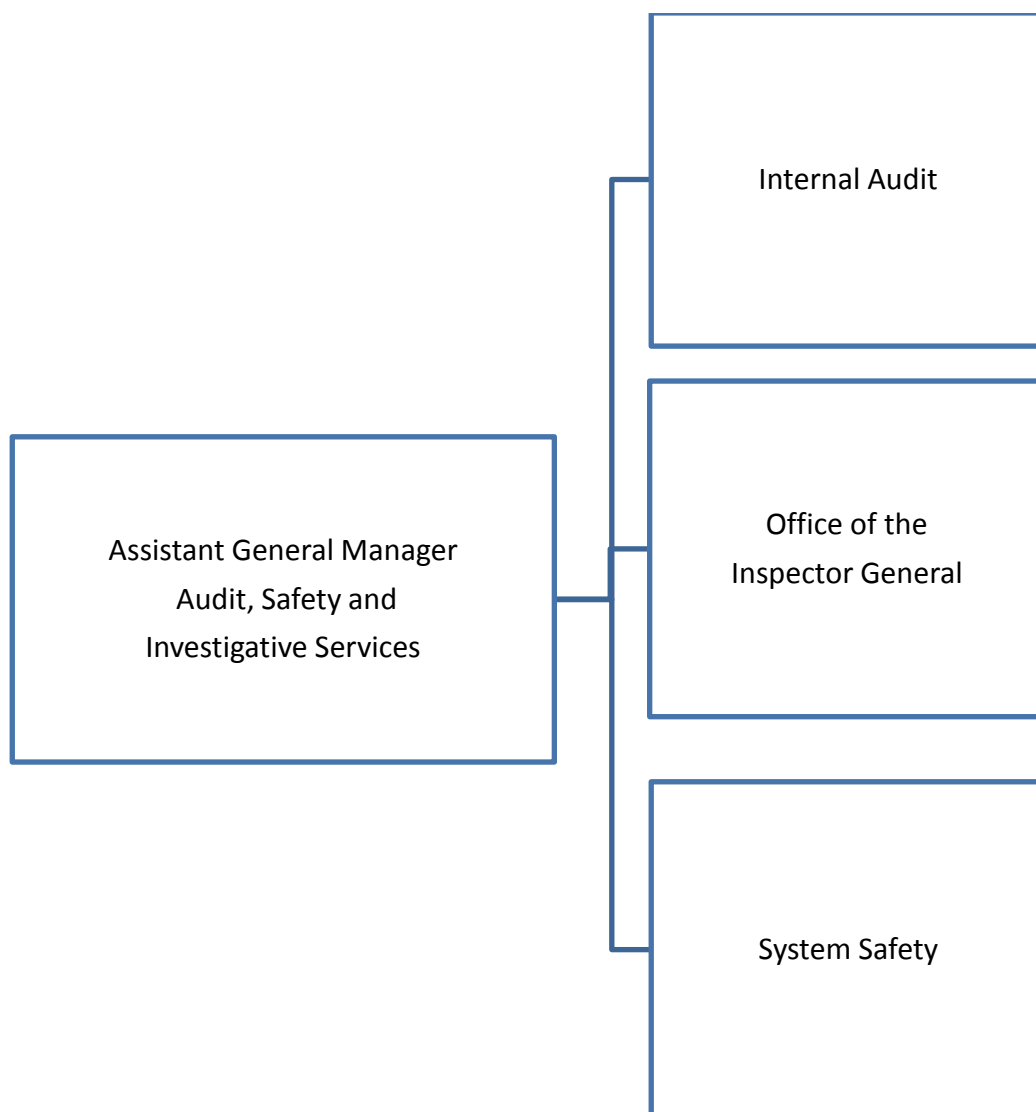


## (e) Audit, Safety and Investigative Services

### 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 includes the Internal Audit Department, Office of Inspector General and System Safety.



**HEADCOUNT**

	OPERATING HEADS			
	A	B	H	Total
Internal Audit	12	-	-	12
Office of the Inspector General *	4	-	-	4
System Safety	21	-	-	21
<b>TOTAL OPERATING HEADS</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>37</b>

	CAPITAL HEADS			
	A	B	H	Total
Internal Audit	-	-	-	-
Office of the Inspector General	-	-	-	-
System Safety	3	-	-	3
<b>TOTAL CAPITAL HEADS</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>

	TOTAL HEADS			
	A	B	H	Total
Internal Audit	12	-	-	12
Office of the Inspector General	4	-	-	4
System Safety	24	-	-	24
<b>TOTAL HEADS</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>

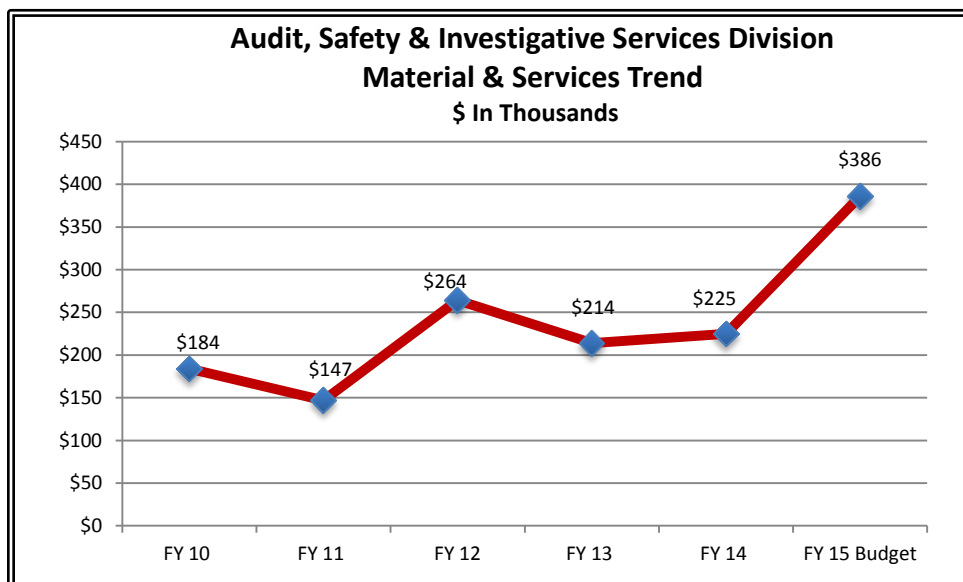
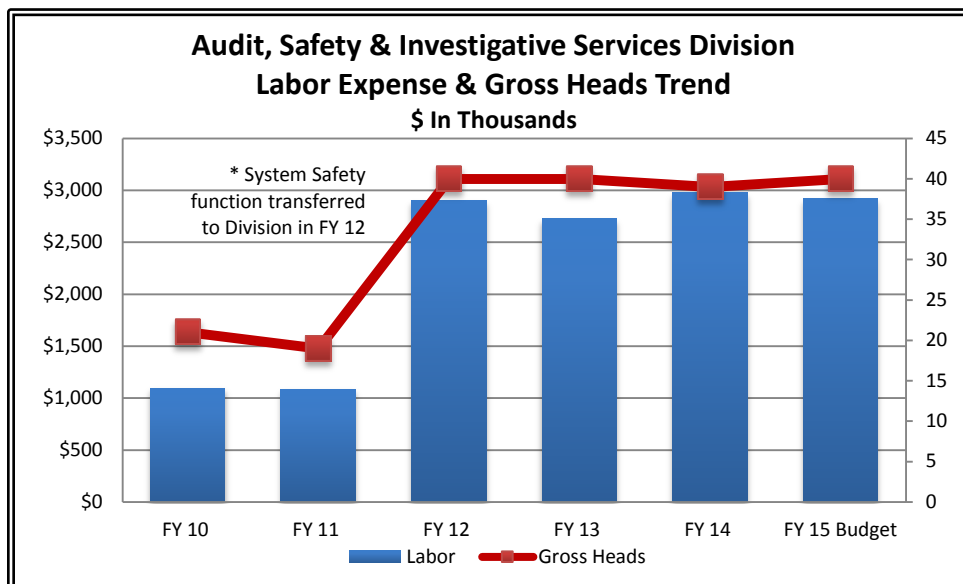
\* The Office of the Inspector General also has four police officers assigned on a full time basis.

## (e) Audit, Safety and Investigative Services



### Audit, Safety and Investigative Services Amounts in Thousands ('000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Internal Audit	\$ 863	\$ 17	\$ 880
Office of the Inspector General	345	35	380
System Safety	1,710	334	2,044
<b>TOTAL</b>	<b>\$ 2,918</b>	<b>\$ 386</b>	<b>\$ 3,304</b>







## **(e) 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 pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

#### **SYSTEM SAFETY**

System Safety performs a wide range of tasks that are designed to ensure and enhance the safety of our passengers and employees. These tasks include the following:

- 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.
- Routinely 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.
- Direct 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.



## (e) Audit, Safety and Investigative Services

- 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.

### OFFICE OF THE INSPECTOR GENERAL

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

### GOALS AND BUSINESS INITIATIVES

	Current Goals
	I. 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.



## **(f) Business Services Division**

---



## **(f) Business Services**

---

### **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.

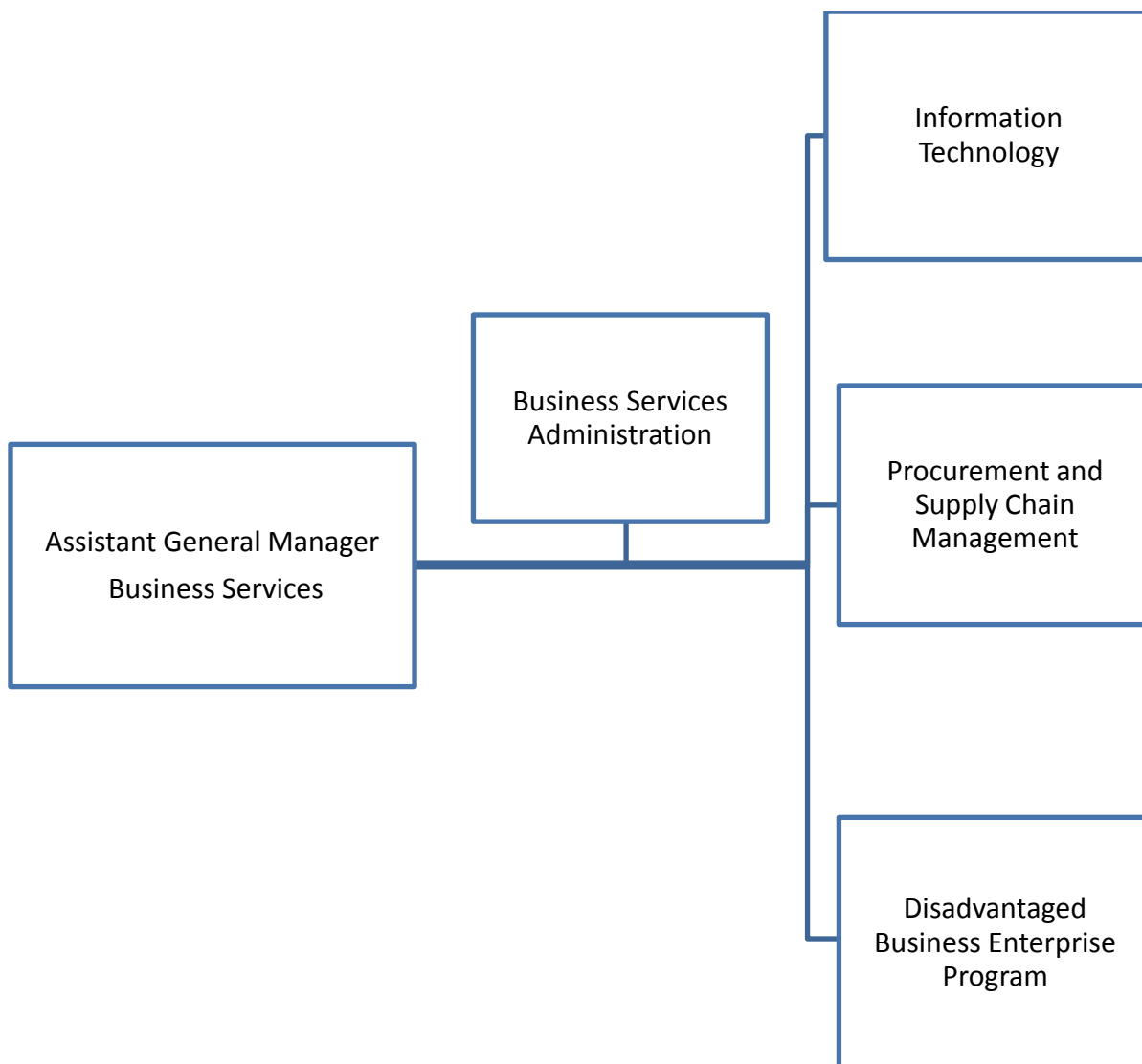
#### **Disadvantaged Business Enterprise Program**

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.



## (f) Business Services

---



**HEADCOUNT**

	<b>OPERATING HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	5	-	-	5
Information Technology	62	5	-	67
Procurement and Supply Chain Management	72	59	3	134
Disadvantaged Business Enterprise Program	5	-	-	5
<b>TOTAL OPERATING HEADS</b>	<b>144</b>	<b>64</b>	<b>3</b>	<b>211</b>

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

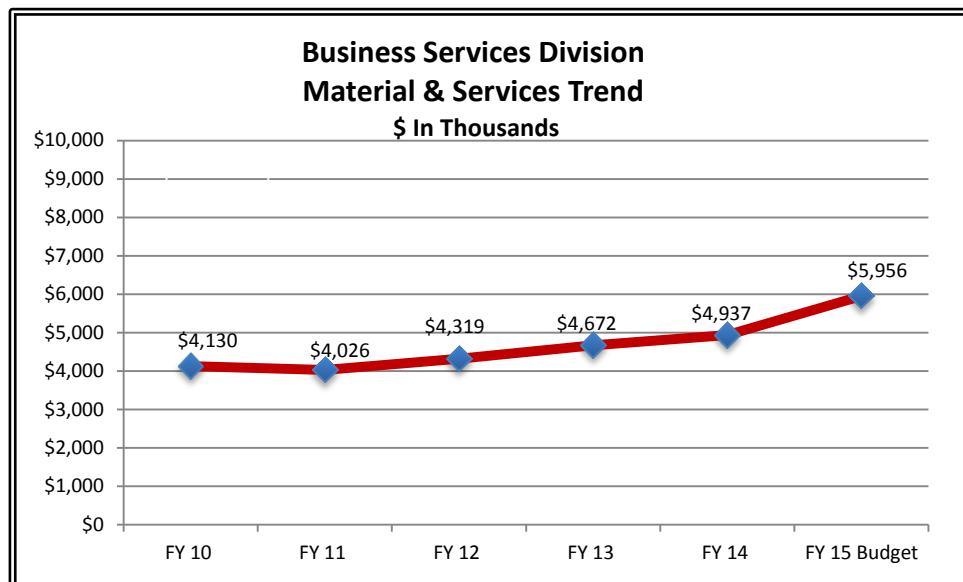
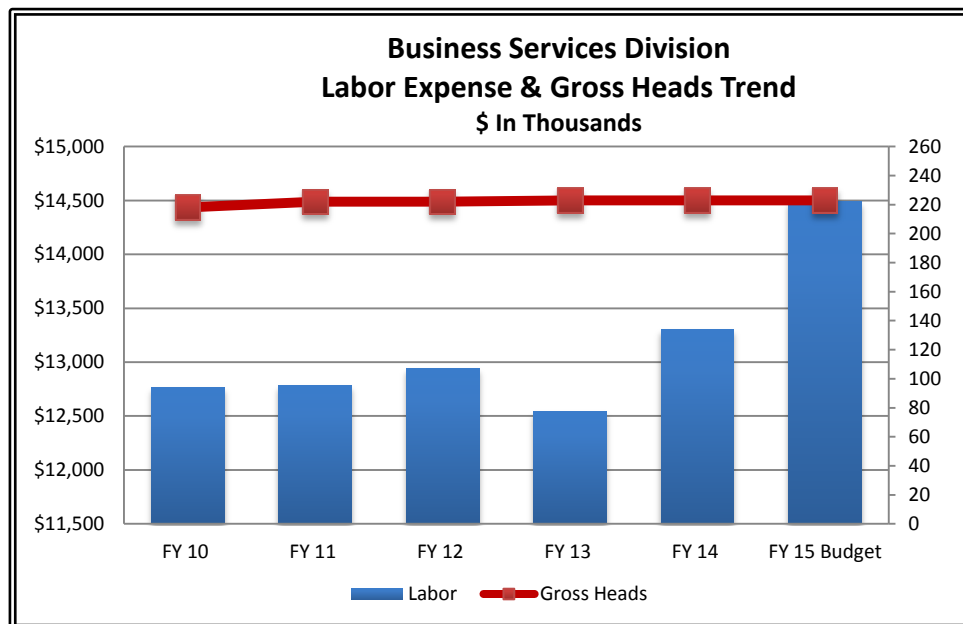
	<b>TOTAL HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	5	-	-	5
Information Technology	62	5	-	67
Procurement and Supply Chain Management	80	61	3	144
Disadvantaged Business Enterprise Program	7	-	-	7
<b>TOTAL HEADS</b>	<b>154</b>	<b>66</b>	<b>3</b>	<b>223</b>

## (f) Business Services



### Business Services Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration	\$ 583	\$ 15	\$ 598
Information Technology	5,200	5,642	10,842
Procurement and Supply Chain Management	8,393	267	8,660
Disadvantaged Business Enterprise Program	<u>317</u>	<u>32</u>	<u>349</u>
<b>TOTAL</b>	<b><u>\$ 14,493</u></b>	<b><u>\$ 5,956</u></b>	<b><u>\$ 20,449</u></b>





## **(f) Business Services**

---

### **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 and web applications to service the riding public.

##### **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.

##### **Infrastructure 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 Quality Assurance**

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.

##### **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.





## **(f) Business Services**

---

### **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. Responsible for maintenance, enhancement and control of the asset recovery process for the Authority.

## **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.



## (f) Business Services

### GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Provide best-in-class service delivery to customers	<ul style="list-style-type: none"> <li>a) Strengthen DBE Business Outreach Program.</li> <li>b) Improve DBE Communication, Training, Instructional programs.</li> <li>c) Administer a Small Business Program.</li> <li>d) Ensure inventory accuracy and parts availability.</li> <li>e) Implement Regional Rail and City Rail Vendor Managed Inventory (VMI) Program.</li> <li>f) Reduce monthly average vehicles out of service due to non-availability of parts.</li> <li>g) Implement and evaluate Vendor Performance Program.</li> <li>h) Promote professional excellence and improve support of all IT user systems.</li> </ul>
II. Implement new systems to automate processing, retrieval and storage of data	<ul style="list-style-type: none"> <li>a) Implement procurement software upgrades.</li> <li>b) Introduce browser-based Vehicle Maintenance Information System (VMIS).</li> <li>c) Refresh the core e-computing infrastructure.</li> <li>d) Support implementation of the New Payment Technologies.</li> <li>e) Replace BizTrak System and pursue a single point of entry concept.</li> <li>f) Develop business case for expansion of communication devices.</li> <li>g) Develop enterprise architectural planning framework.</li> </ul>
III. Ensure disaster recovery, operational systems backup, infrastructure and maintenance capabilities	<ul style="list-style-type: none"> <li>a) Implement Network Management and Incident Detection/ Response tool.</li> <li>b) Enhance security of IT Network and Infrastructure Systems.</li> </ul>
IV. Achieve “green” status by installing energy efficient technologies	<ul style="list-style-type: none"> <li>a) Achieve inventory reduction of \$1.5M.</li> <li>b) Achieve \$3M revenue in asset recovery.</li> <li>c) Pursue pilot program for deployment of stock item vending machines.</li> </ul>
V. Enhance Operational Efficiency	<ul style="list-style-type: none"> <li>a) Implement a Windows-based VMIS platform for Authority Asset Management.</li> </ul>
VI. Participate in outreach programs designed to increase ridership	<ul style="list-style-type: none"> <li>a) Support ridership improvement efforts.</li> </ul>



## **(g) Customer Service and Advocacy Division**

---



## **(g) Customer Service and Advocacy**

---

### **Overview**

The Customer Service and Advocacy Division is responsible for the development, implementation, and coordination of SEPTA customer service and customer advocacy initiatives. The Division acts as the clearing house for all customer information shared across various channels, for gathering customer intelligence, for advancing the Authority's "Customer-Focused" agenda and performing consumer research to help the organization ascertain customer priorities, satisfaction levels and overall loyalty.

### **Administration**

Coordinates, manages and directs the financial and administrative activities for the Customer Service and Advocacy Division.

### **Advocacy**

The Advocacy unit is responsible for coordinating Authority-wide customer service initiatives and representing the customers' point of view with internal stakeholders. It also serves as staff liaison for the SEPTA Citizen Advisory Committee and Youth Advisory Council, and assists the Advisory Committee for Accessible Transportation and the Retiree Concierge Customer Service Program.

### **Consumer & Market Research**

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.

### **Customer Development**

This group champions the SEPTA "Customer Experience" through interdivisional initiatives, customer outreach & engagement, assessments for transit eligibility programs, and 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. Department staff are also responsible for leading key culture change initiatives that are centered around innovative applications of internal and external service.

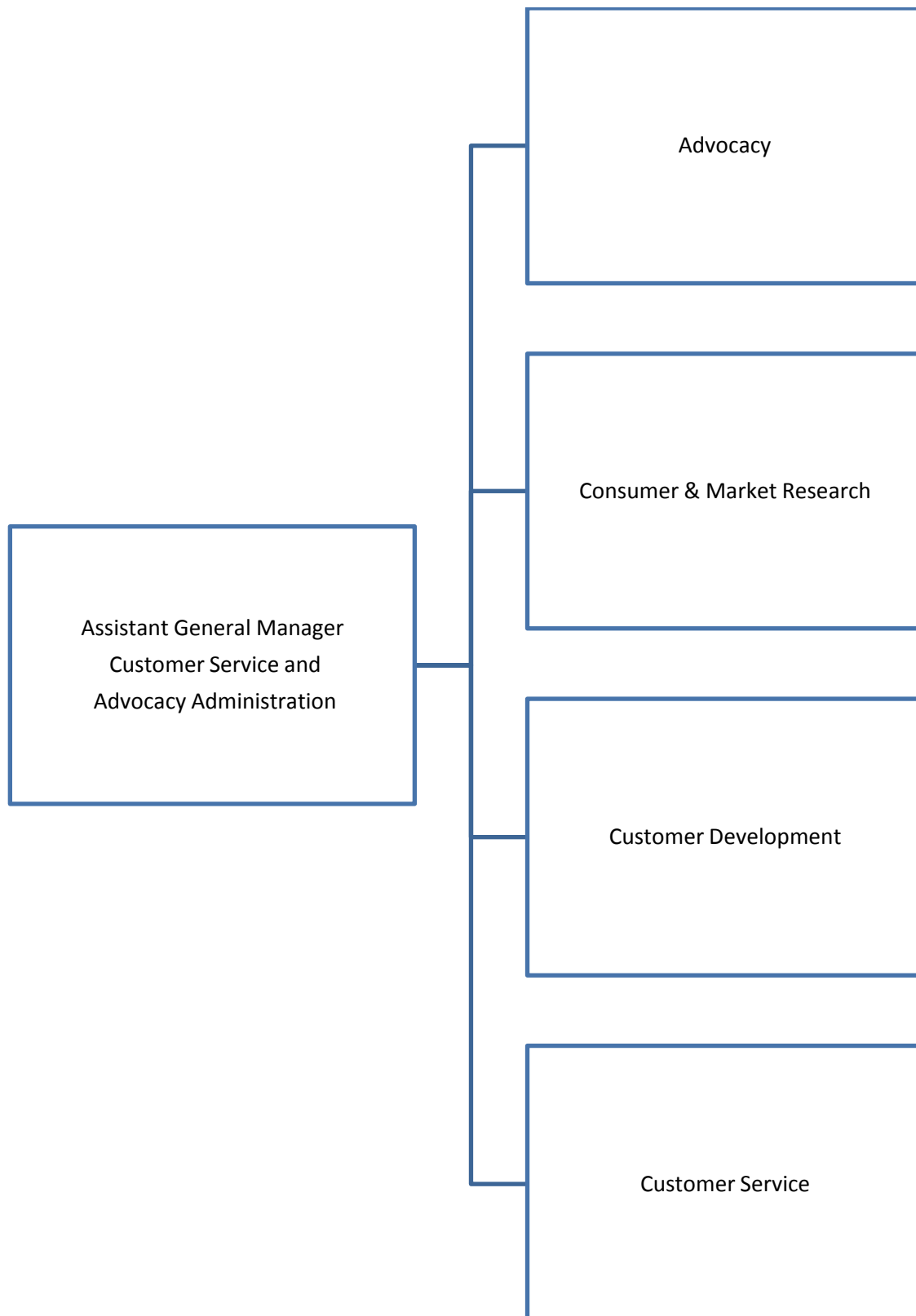
### **Customer Service**

The Customer Service Department manages customer issues and inquiries, for all fixed route services as well as SEPTA's Shared Ride and ADA customers. This includes travel information, lost and found, complaints, commendations, and suggestions conveyed over the phone, through U.S. mail, via email, by internet chat and through several social media channels. 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 Social Customer Service Team is based in the Customer Service Department.



## (g) Customer Service and Advocacy

---



**HEADCOUNT**

	<b>OPERATING HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	4	-	-	4
Customer Development	6	-	-	6
Customer Service	8	59	-	67
ADA & SRP Customer Service	5	-	-	5
	-			
<b>TOTAL OPERATING HEADS</b>	<b>23</b>	<b>59</b>	<b>-</b>	<b>82</b>

	<b>CAPITAL HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	-	-	-	-
Customer Development	-	-	-	-
Customer Service	-	-	-	-
ADA & SRP Customer Service	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

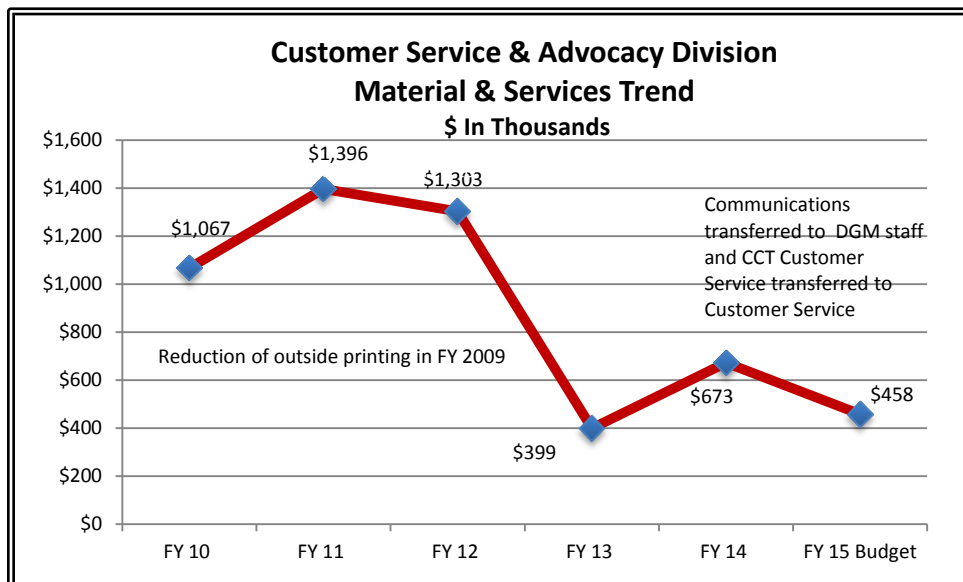
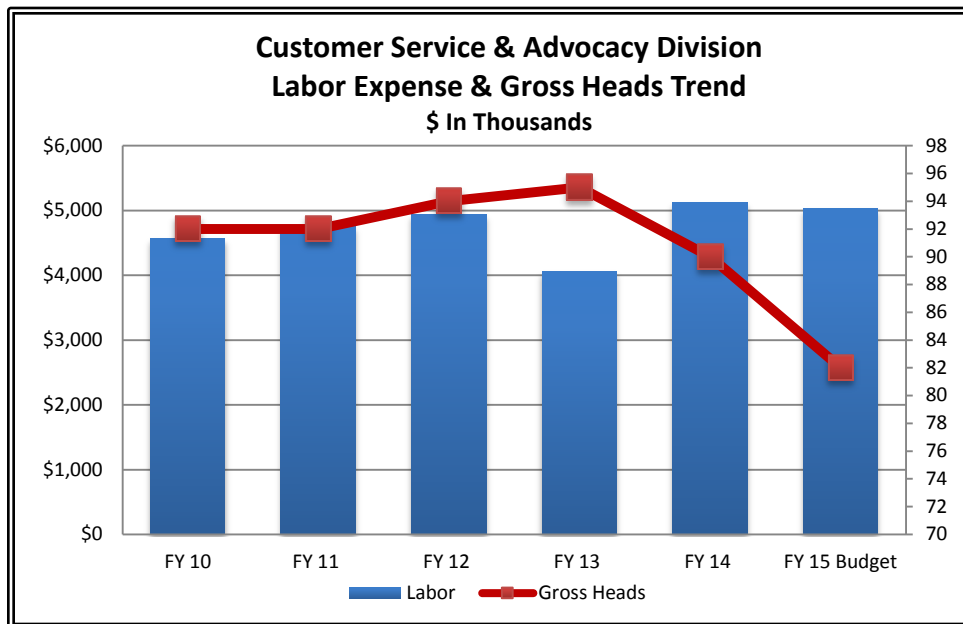
	<b>TOTAL HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	4	-	-	4
Customer Development	6	-	-	6
Customer Service	8	59	-	67
ADA & SRP Customer Service	5	-	-	5
<b>TOTAL HEADS</b>	<b>23</b>	<b>59</b>	<b>-</b>	<b>82</b>



## Customer Service and Advocacy

Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration	\$ 339	\$ 440	\$ 779
Customer Development	398	-	398
Customer Service	3,900	17	3,917
ADA & SRP Customer Service	390	1	391
<b>TOTAL</b>	<b>\$ 5,027</b>	<b>\$ 458</b>	<b>\$ 5,485</b>





## **(g) Customer Service and Advocacy**

---

### **PRINCIPAL RESPONSIBILITIES**

#### **ADMINISTRATION**

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

#### **ADVOCACY**

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 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. Performs outreach to non-english markets, employs social gaming and supports internal clients with research.

#### **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.





## (g) Customer Service and Advocacy

### GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Nourish and advance a wide array of Customer-Focused initiatives throughout the Authority	<ul style="list-style-type: none"><li>a) Provide updates on the status of the Customer Service Program to the General Manager, the GM Team and Board members.</li><li>b) Work with other divisions to ensure that customer service remains vital and relevant by closing out completed initiatives and introducing new ones.</li><li>c) Closely coordinate customer service programs with other key initiatives, such as strategic planning and the capital program.</li><li>d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Service Division interaction.</li></ul>
II. Develop Customer-Focused workforce	<ul style="list-style-type: none"><li>a) Provide leadership to internal culture change initiatives, such as -BASCSC", that emphasizes customer-focused decision making and innovation.</li><li>b) Advocate and support creation of customer-focused organizational and personal goals.</li><li>c) Recognize SEPTA team members that have made a significant contribution to customer satisfaction and/or loyalty.</li></ul>
III. Employ technological advancements to improve Customer Service	<ul style="list-style-type: none"><li>a) Continue efforts to expand SEPTA's reputation as the industry leader in the provision of social customer service.</li><li>b) Provide enhanced -Real Time" tools to customer service staff to provide for accurate and timely dissemination of information.</li><li>c) Move from -Customer Service" to -Customer Intelligence &amp; Analytics by adopting new business models that meet customer expectations for immediate information, and also provide decision makers with valuable information.</li></ul>



## **(h) Finance and Planning Division**

---



## (h) Finance and Planning

---

### Overview

#### **Capital Budgeting and Programming**

Develop SEPTA's annual Capital Budget and the twelve-year Capital Program. Develop and maintain corresponding programming of transit capital projects for the regional Transportation Improvement Program.

#### **Grants and Funding Requests**

Prepare, maintain, execute and monitor federal, state and local funding requests from inception to grant close out.

#### **Program Specific Management and Oversight**

Manage the regional Job Access and Reverse Commute and New Freedom Programs. Responsible for oversight of the safety and security grant programs. Provide oversight and prepare analyses of the Vehicle Overhaul and Infrastructure Safety Renewal 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.

#### **Financing and Pension Management**

Ensure access to capital markets, manage debt portfolio, implement new financing agreements and coordinate management of pension assets.

#### **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 nine 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, Advertising 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.



## **(h) Finance and Planning**

---

### **Service Planning**

Plan and schedule service for City, Suburban and Railroad operations. Prepare the Annual Service Plan and Service Standards which includes all major budget-related route and service proposals and the annual economic review of all SEPTA routes.

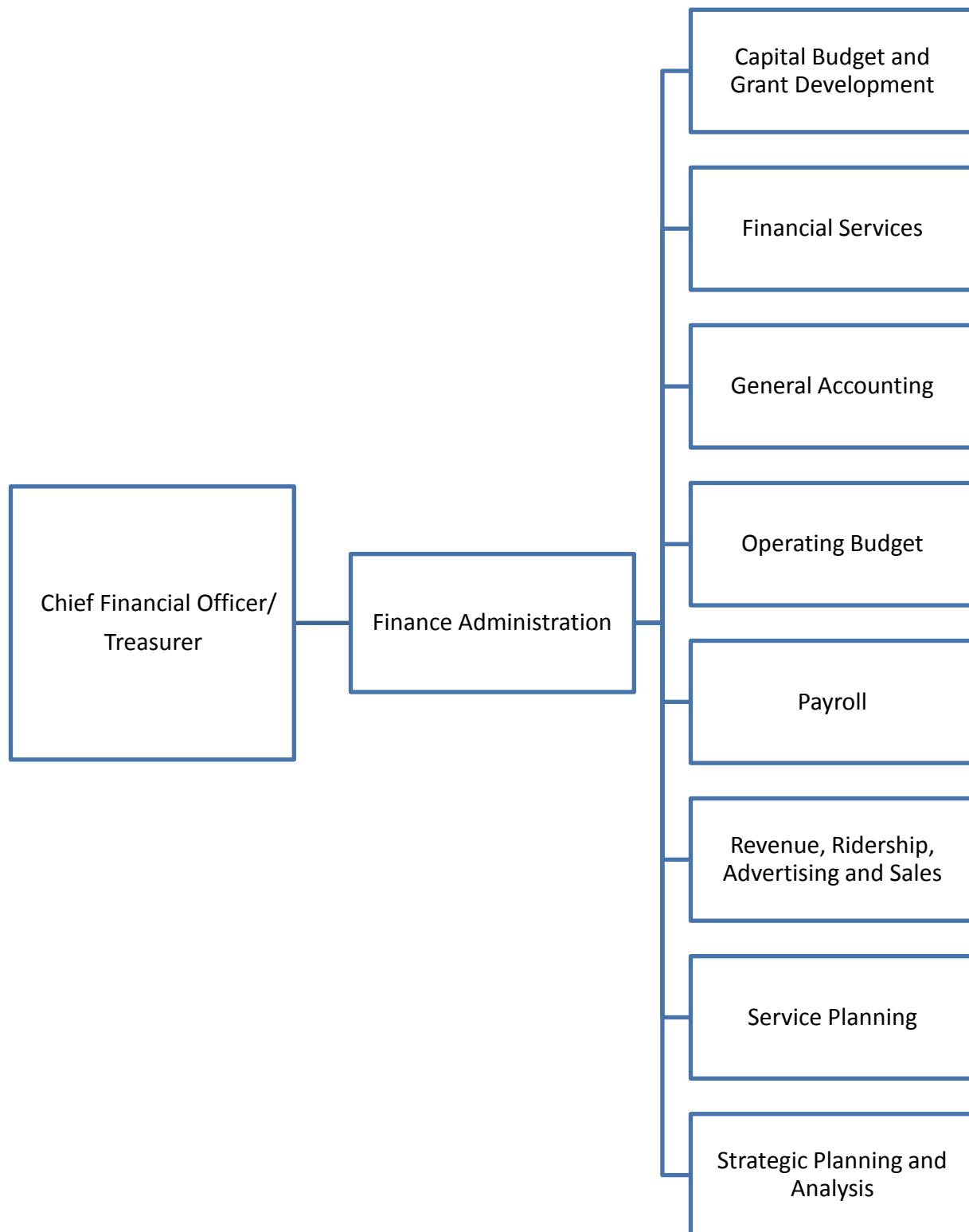
### **Strategic Planning and Analysis**

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.



## (h) Finance and Planning

---





## (h) Finance and Planning

### HEADCOUNT

	OPERATING HEADS			
	A	B	H	Total
Capital Budget and Grant Development	6	-	-	6
Finance Administration	9	-	-	9
Financial Services	23	8	-	31
General Accounting	9	2	-	11
Operating Budget	10	-	-	10
Payroll	3	2	-	5
Revenue, Ridership, Advertising and Sales	25	29	-	54
Service Planning	34	15	-	49
Strategic Planning and Analysis	4	-	-	4
<b>TOTAL OPERATING HEADS</b>	<b>123</b>	<b>56</b>	<b>-</b>	<b>179</b>

	CAPITAL HEADS			
	A	B	H	Total
Capital Budget and Grant Development	2	-	-	2
Finance Administration	-	-	-	-
Financial Services	-	-	-	-
General Accounting	-	-	-	-
Operating Budget	-	-	-	-
Payroll	-	-	-	-
Revenue, Ridership, Advertising and Sales	1	-	-	1
Service Planning	-	-	-	-
Strategic Planning and Analysis	1	-	-	1
<b>TOTAL CAPITAL HEADS</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

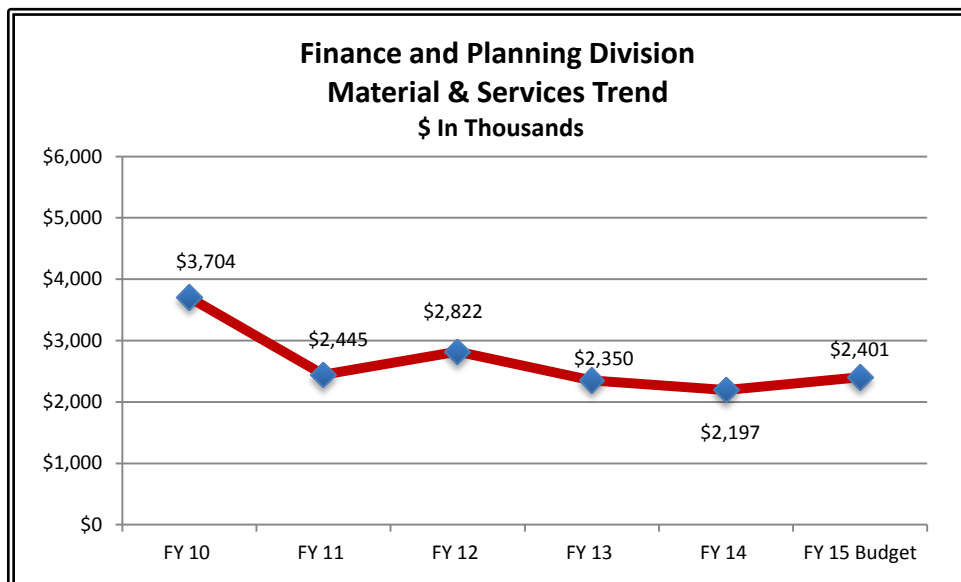
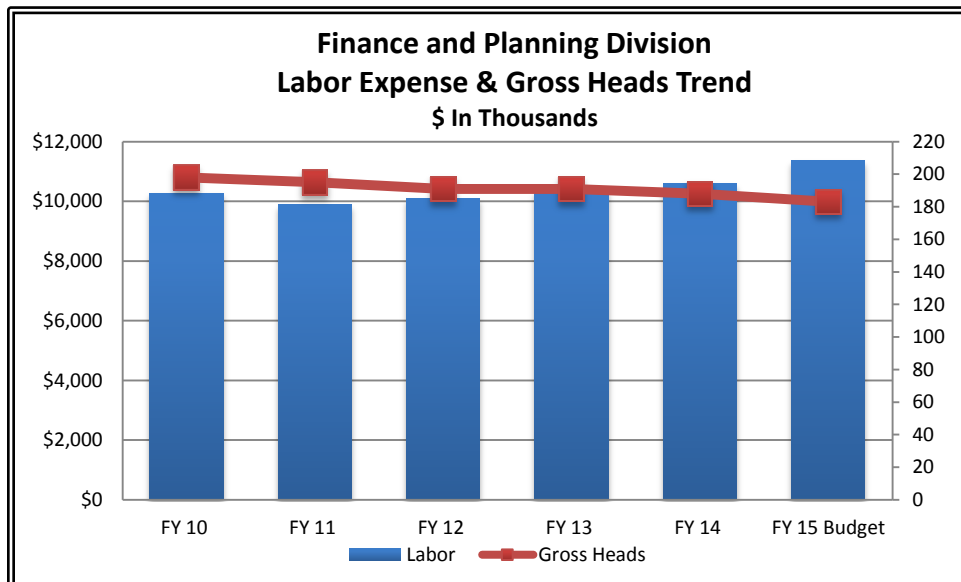
	TOTAL HEADS			
	A	B	H	Total
Capital Budget and Grant Development	8	-	-	8
Finance Administration	9	-	-	9
Financial Services	23	8	-	31
General Accounting	9	2	-	11
Operating Budget	10	-	-	10
Payroll	3	2	-	5
Revenue, Ridership, Advertising and Sales	26	29	-	55
Service Planning	34	15	-	49
Strategic Planning and Analysis	5	-	-	5
<b>TOTAL HEADS</b>	<b>127</b>	<b>56</b>	<b>-</b>	<b>183</b>

## (h) Finance and Planning



### Finance and Planning Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Capital Budget and Grant Development	\$ 381	\$ 3	\$ 384
Finance Administration	1,085	240	1,325
Financial Services	1,885	521	2,406
General Accounting	675	287	962
Operating Budget	749	167	916
Payroll	292	2	294
Revenue, Ridership, Advertising and Sales	3,166	1,139	4,305
Service Planning	2,820	37	2,857
Strategic Planning and Analysis	317	5	322
<b>TOTAL</b>	<b>\$ 11,370</b>	<b>\$ 2,401</b>	<b>\$ 13,771</b>





## **(h) Finance and Planning**

---

### **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, New Freedom Programs, and Transit Security Grant Programs; Also responsible for 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. Ensure that the Authority's resources are used effectively to maximize capital investments and to maintain access to the capital markets on reasonable terms and conditions.

#### **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 to maximize investment income with an acceptable level of risk.

##### **Financing and Pensions**

Manage the Authority's debt portfolio to ensure compliance with covenants of indentures and loan agreements and timely payment of debt service. Analyze potential financing transactions and manage the negotiation and implementation of transactions utilizing public municipal debt markets or private placements and loan agreements. Negotiate pension investment management contracts, manage relationships with pension managers, and act as liaison among pension committee, consultants and pension managers. Provide oversight of investment options and manager/fund performance of 457B Plan assets.

##### **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.





## **(h) Finance and Planning**

---

### **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.



## **(h) Finance and Planning**

---

### **REVENUE, RIDERSHIP, ADVERTISING 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. Manage third party contractors for SEPTA parking garages. Develop and support all Passenger Revenue pricing and tariffs.

#### **Sales**

Administers and conducts the sale of all prepaid fare instruments, within the SEPTA service area. Manage the daily operation of five full service sales centers, the Transit Store and the Shop.SEPTA web portal. Manages and coordinates sales to over 1,000 external sales venues such as corporate entities, school districts, and retailers. Validates and issues refunds and adjustments for lost rides and fare instruments.

#### **Advertising**

Responsible for administration of Transit and Railroad Advertising which includes station naming, bus and rail wraps, station and interior train digital screens, and static posters. Responsible for administration of outdoor advertising which includes an extensive static and digital billboard network. SEPTA's advertising contracts generate non fare box revenue for the authority.

### **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. 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.



## **(h) Finance and Planning**

---

### **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 environmental, social and economic initiatives that advance SEPTA's triple bottom line commitment to sustainability. Prepare financial analysis and provide support to develop sustainability projects with funding plans and prepare grant applications. SEPTA's Sustainability Plan and supporting materials can be found at [www.septa.org/sustain](http://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**

Conduct studies and analyze transformational investment plans to identify business opportunities to reduce costs, improve the customer experience and advance the sustainability of SEPTA as an organization. A primary emphasis is placed on leveraging vehicle and energy procurements to unlock efficiencies from fleet modernization.



## (h) Finance and Planning

### GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Improve internal and external customer responsiveness	<ul style="list-style-type: none"> <li>a) Participate in SEPTA's Customer Service programs.</li> <li>b) Ensure employee attendance at Customer Service training sessions.</li> <li>c) Improve access to information through new technologies.</li> <li>d) Proactively evaluate schedule and route changes to improve service reliability.</li> <li>e) Respond quickly and effectively to customer inquiries.</li> </ul>
II. Strategically allocate resources and streamline processes to ensure cost effective service	<ul style="list-style-type: none"> <li>a) Decrease paper usage.</li> <li>b) Continue to evaluate alternative funding opportunities.</li> </ul>
III. Expand and strengthen the Authority's stakeholder network	<ul style="list-style-type: none"> <li>a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities to serve new markets.</li> </ul>
IV. Support the economic, financial, social and environmental sustainability of the Authority	<ul style="list-style-type: none"> <li>a) Support and promote SEPTA's Sustainability Program (<a href="http://www.septa.org/sustain">www.septa.org/sustain</a>).</li> <li>b) Support Capital development and State of Good Repair projects now possible with the passage of Act 89 in November 2013.</li> <li>c) Support transit-oriented development and other neighborhood sustainability projects.</li> <li>d) Together with SEPTA's Legal Division, work to optimize the impact of deregulation in the natural gas and market generation electricity industries.</li> </ul>
V. Strengthen accountability, transparency and visibility	<ul style="list-style-type: none"> <li>a) Implement the FY 2015-2019 Five-Year Strategic Business Plan.</li> <li>b) Publish a greater volume of ridership and revenue information on SEPTA intranet.</li> <li>c) Coordinate internally to ensure compliance with new reporting standards.</li> <li>d) Proactively develop communications strategies and public relations campaigns around strategic initiatives.</li> </ul>
VI. Act as a steward for the Authority's short, mid and long-term planning efforts	<ul style="list-style-type: none"> <li>a) Support efforts to achieve targets set forth in the Five-Year Strategic Business Plan.</li> <li>b) Incorporate other targeted planning efforts as an integrated component of the Strategic Business Plan.</li> <li>c) Develop capacity for long-range planning and alternatives analysis.</li> <li>d) Oversee Norristown High Speed Extension Study planning efforts.</li> </ul>
VII. Build a highly skilled, diversified, versatile workforce	<ul style="list-style-type: none"> <li>a) Cross-train employees among departments to break down decision-making silos.</li> <li>b) Conduct comprehensive succession planning.</li> </ul>



## **(i) Human Resources Division**

---



## **(i) 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 and implementation of initiatives based on the Strategic Business Plan, which 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.

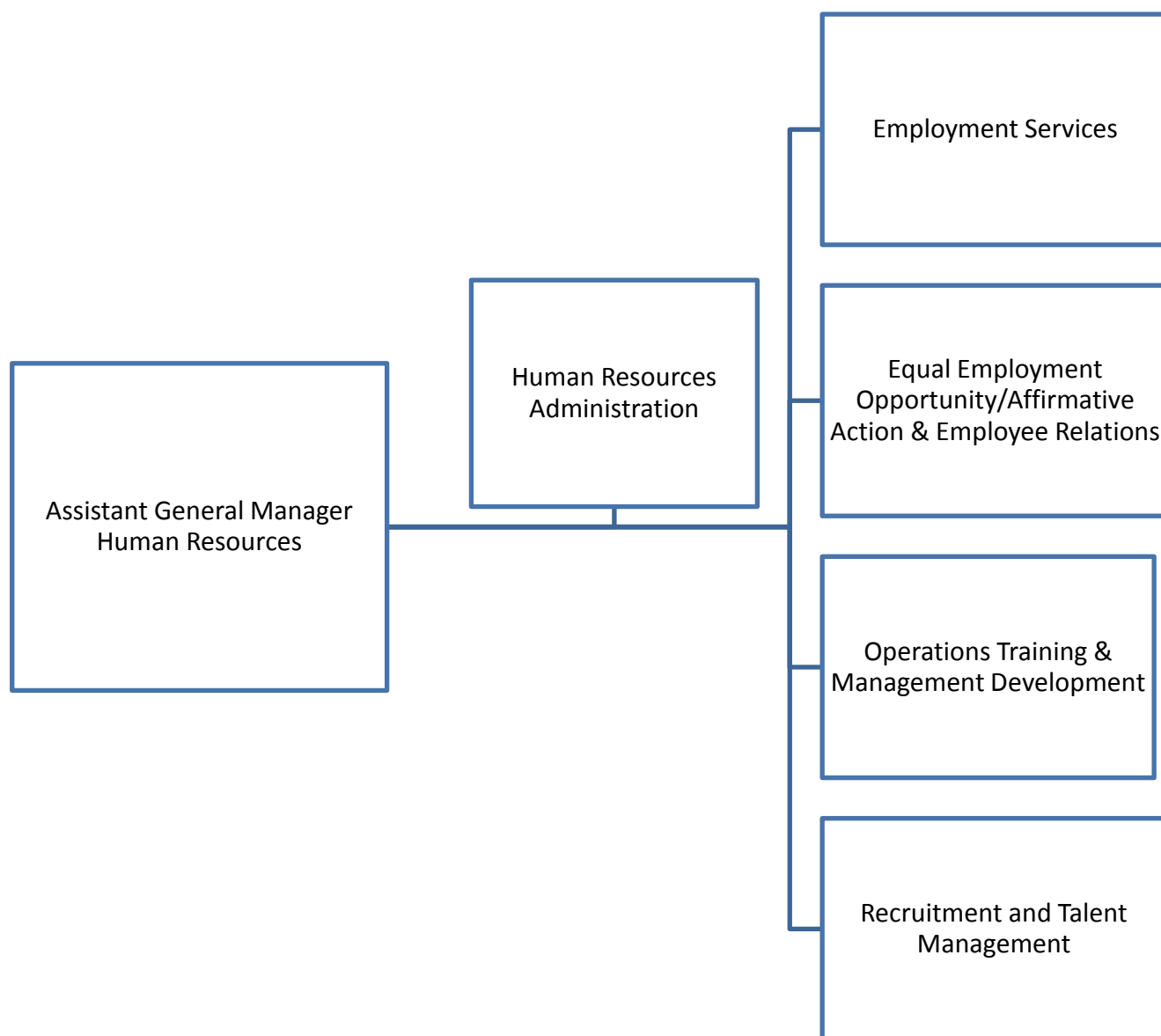
#### **Operations Training and Management Development**

Provide training and development programs to reinforce high performance. Teach new skills and retrain 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.



## (i) Human Resources

---





## (i) Human Resources

### HEADCOUNT

	OPERATING HEADS			Total
	A	B	H	
Employee Services	20	17	-	37
EEO/AA and Employee Relations	5	-	-	5
Human Resources Administration	5	-	-	5
Recruitment and Talent Management	14	-	-	14
Operations Training & Management Develop.	98	-	-	98
<b>TOTAL OPERATING HEADS</b>	<b>142</b>	<b>17</b>	<b>-</b>	<b>159</b>

	CAPITAL HEADS			Total
	A	B	H	
Employee Services	-	-	-	-
EEO/AA and Employee Relations	-	-	-	-
Human Resources Administration	-	-	-	-
Recruitment and Talent Management	-	-	-	-
Operations Training & Management Develop.	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	TOTAL HEADS			Total
	A	B	H	
Employee Services	20	17	-	37
EEO/AA and Employee Relations	5	-	-	5
Human Resources Administration	5	-	-	5
Recruitment and Talent Management	14	-	-	14
Operations Training & Management Develop.	98	-	-	98
<b>TOTAL HEADS</b>	<b>142</b>	<b>17</b>	<b>-</b>	<b>159</b>

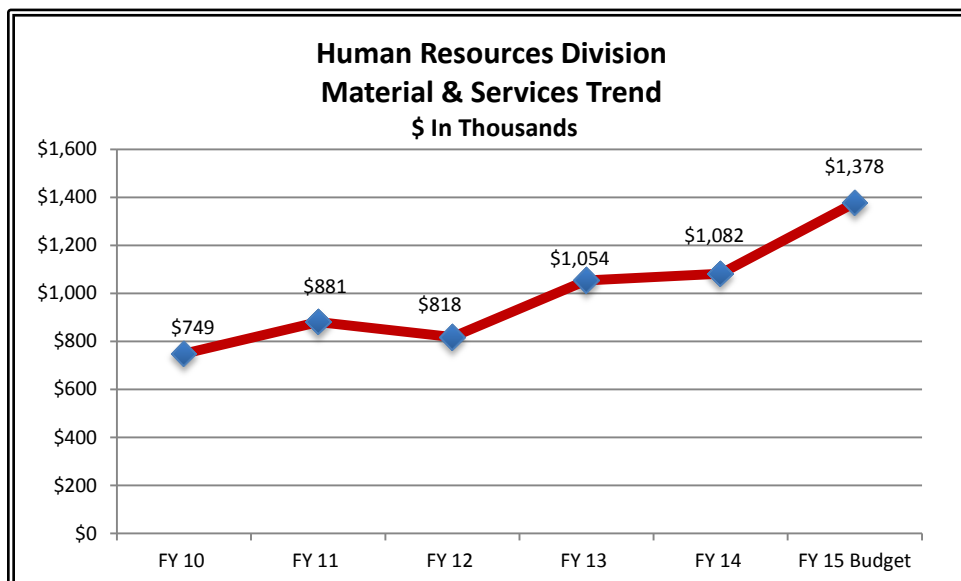
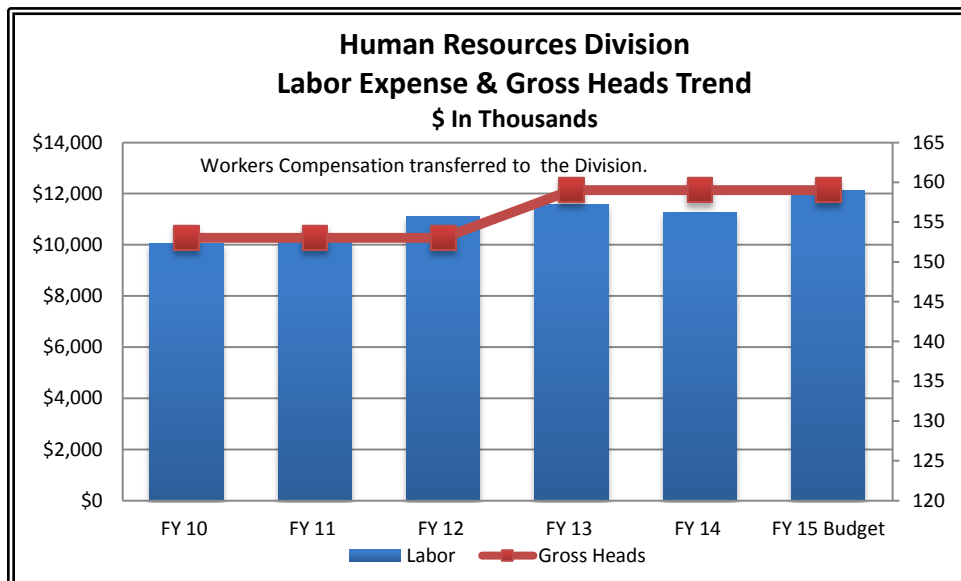




## (i) Human Resources

### Human Resources Amounts in Thousands (,000)

	<u>Net</u> <u>Labor</u>	<u>Material</u> <u>&amp; Services</u>	<u>Total</u>
Employee Services	\$ 2,879	\$ 438	\$ 3,317
EEO/AA and Employee Relations	379	13	392
Human Resources Administration	607	12	619
Recruitment and Talent Management	1,029	224	1,253
Operations Training & Management Development	7,236	691	7,927
<b>TOTAL</b>	<b>\$ 12,130</b>	<b>\$ 1,378</b>	<b>\$ 13,508</b>





## **(i) Human Resources**

---

### **PRINCIPAL RESPONSIBILITIES**

---

#### **HUMAN RESOURCES TEAM**

The Authority's dynamic business environment requires that Human Resources be responsive by developing and implementing employee initiatives that support the business strategy.

#### **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 (457B Plan), 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 9,400 employees and evaluate salaried 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. Develop, maintain and communicate policies and updates to all employees.

#### **EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION/TITLE VI 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.

#### **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.



## (i) Human Resources

### 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.

### GOALS AND BUSINESS INITIATIVES

Current Goals	Initiatives
I. Implement a Succession Planning Process	<ul style="list-style-type: none"> <li>a) Identify competencies and values and identify key positions.</li> <li>b) Design program selection methodology and criteria.</li> <li>c) Create a talent pool and individual development plans.</li> <li>d) Establish evaluation criteria.</li> <li>e) Execute succession plans for all divisions.</li> <li>f) Target goal 50 percent of vacant positions filled from AIM Succession Planning Pool by 2019.</li> </ul>
II. Provide Leadership for Human Capital Development	<ul style="list-style-type: none"> <li>a) Review training needs throughout the Authority.</li> <li>b) Assess targeted position's leadership and competency gaps across divisions.</li> <li>c) Develop a curriculum that aligns with the succession plan's key positions leadership competency gaps.</li> <li>d) Create individual development plans including alternative learning and development opportunities.</li> <li>e) Continue implementation of Management Development Training Programs.</li> <li>f) Minimize labor and training costs by utilizing computer-based training programs.</li> <li>g) Develop programs to support career development/equal employment opportunities.</li> <li>h) Continue tuition program counseling in fields of study appropriate for career opportunities at SEPTA.</li> </ul>
III. Expand and strengthen the Authority's stakeholder network	<ul style="list-style-type: none"> <li>a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities that ensure a diverse labor force.</li> </ul>
IV. Provide leadership for Divisional Replacement Planning	<ul style="list-style-type: none"> <li>a) Initiate bi-annual workforce planning meeting with managers throughout the Authority to monitor and reduce turnover in key positions.</li> <li>b) Document and track short and long-term recruitment requirements to meet the needs of Strategic Hiring Initiatives.</li> <li>c) Identify creative sourcing strategies.</li> <li>d) Continued incremental improvement from ongoing focus on women and minority hiring efforts.</li> </ul>



## (i) Human Resources

Current Goals	Initiatives
V. Reinforce Customer Service Authority-Wide	<ul style="list-style-type: none"><li>a) Administer the employee recognition program for outstanding customer service.</li><li>b) Reinforce the customer focus in hiring, on passenger boarding and training processes.</li><li>c) Continue to improve the Customer Service Center in Human Resources to better serve employees with customer satisfaction as a priority.</li><li>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.</li></ul>
VI. Expand the Employee Wellness Program	<ul style="list-style-type: none"><li>a) Stage and implement various initiatives to improve employee health:<ul style="list-style-type: none"><li>• Weight Watchers at Work</li><li>• On-site health and wellness activities</li><li>• Dietician advisory</li><li>• Farm to SEPTA</li><li>• Walking Programs</li><li>• Prevention and management programs</li></ul></li></ul>



**(j) Office of the  
General Counsel**

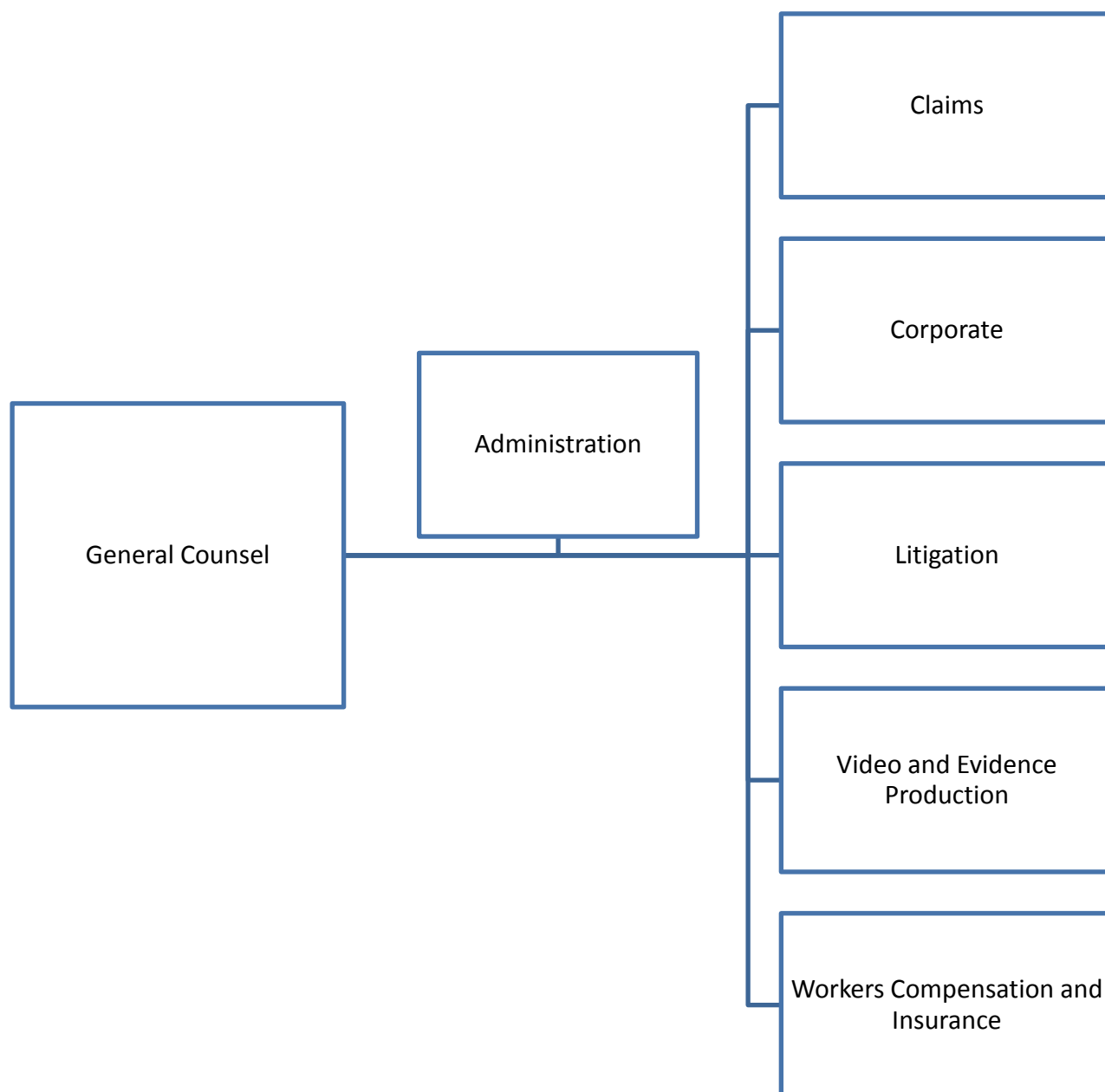
---



## (j) Office of the General Counsel

### Overview

The Office of the General Counsel Division consists of the Corporate, Video and Evidence Production, Litigation, Claims, Workers Compensation and Insurance Departments, all reporting to the Office of the General Counsel.





## HEADCOUNT

	OPERATING HEADS			Total
	A	B	H	
Administration	8	-	-	8
Claims	15	22	-	37
Corporate	7	-	-	7
Litigation	35	1	-	36
Video & Evidence Production	16	1	-	17
Workers Compensation & Insurance	6	-	-	6
<b>TOTAL OPERATING HEADS</b>	<b>87</b>	<b>24</b>	<b>-</b>	<b>111</b>

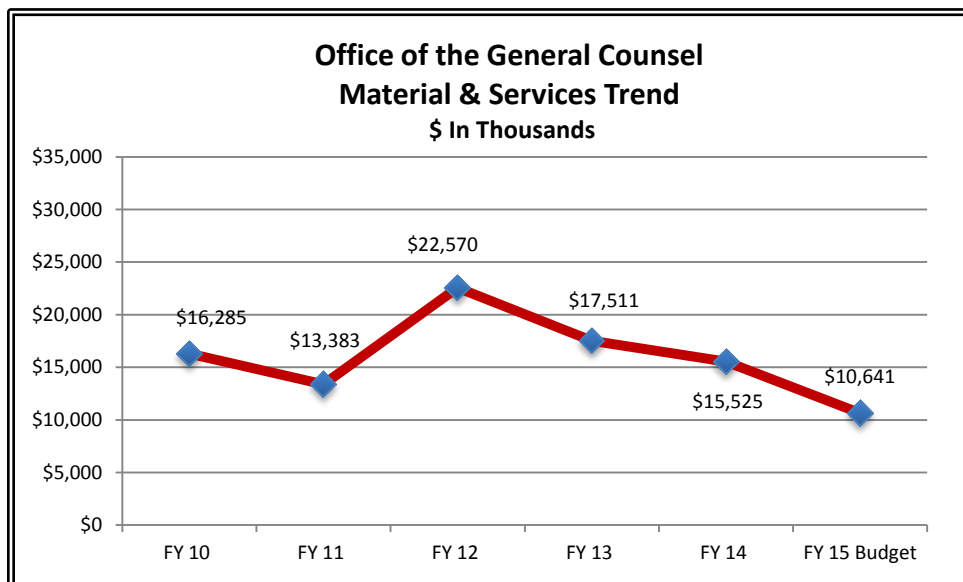
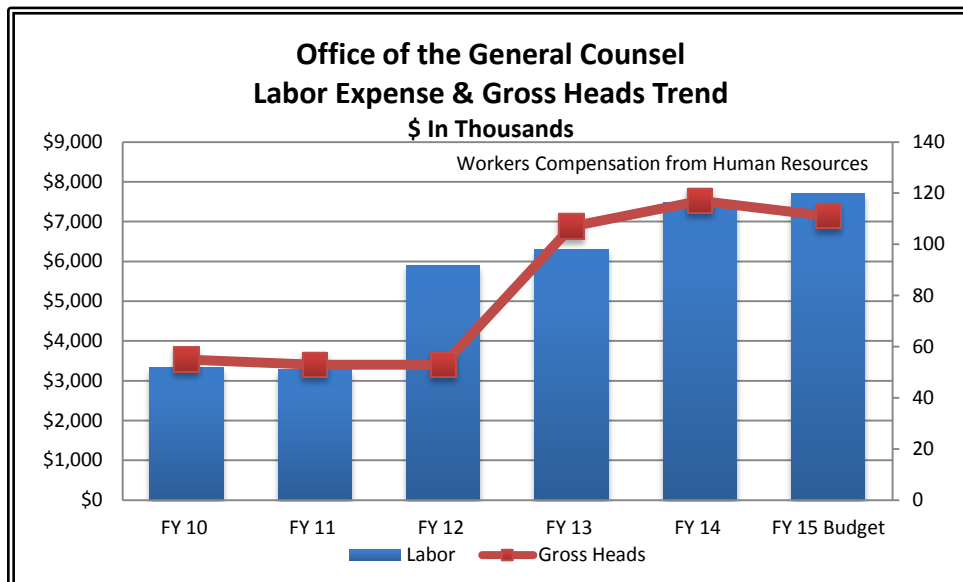
	CAPITAL HEADS			Total
	A	B	H	
Administration	-	-	-	-
Claims	-	-	-	-
Corporate	-	-	-	-
Litigation	-	-	-	-
Video & Evidence Production	-	-	-	-
Workers Compensation & Insurance	-	-	-	-
<b>TOTAL CAPITAL HEADS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	TOTAL HEADS			Total
	A	B	H	
Administration	8	-	-	8
Claims	15	22	-	37
Corporate	7	-	-	7
Litigation	35	1	-	36
Video & Evidence Production	16	1	-	17
Workers Compensation & Insurance	6	-	-	6
<b>TOTAL HEADS</b>	<b>87</b>	<b>24</b>	<b>-</b>	<b>111</b>



**Office of the General Counsel**  
Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration	\$ 831	\$ -	\$ 831
Corporate	620	5,304	5,924
Litigation	2,603	2,440	5,043
Video & Evidence Production	1,127	1,365	2,492
Claims	2,111	1,496	3,607
Workers Compensation & Insurance	419	36	455
<b>TOTAL</b>	<b>\$ 7,711</b>	<b>\$ 10,641</b>	<b>\$ 18,352</b>







## **(j) Office of the General Counsel**

---

### **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, environmental law, railroads and right-to-know requests.

#### **VIDEO AND EVIDENCE PRODUCTION**

This unit is responsible for all of the functions associated with carrying-out the Authority's video surveillance program. This includes planning, collecting, reviewing, preserving, storing and producing data from the expanding universe of video cameras on SEPTA vehicles and in stations. Unit staff also respond to subpoenas and other discovery requests, handle the notification and production of witnesses, and provide other litigation support functions such as court filings and document collection.

#### **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, and claims under the Federal Employer's Liability Act.

#### **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.

#### **WORKERS' COMPENSATION & INSURANCE**

Manage workers' compensation 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. Manage the Authority's exposure to risk in certain situations through the application of tools such as insurance, performance, bonds, letters of credit, etc.



## (j) Office of the General Counsel

### GOALS AND BUSINESS INITIATIVES

	Current Goals and Initiatives
I.	Improve the management and handling of claims and lawsuits to secure settlement or judgments that are in the best interest of SEPTA.
II.	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.
III.	Make the best use of data from cameras on vehicles and in facilities to defend and protect SEPTA in potential claims and lawsuits.
IV.	Continue to monitor federal, state and city legislation that impacts the Authority.
V.	Plan and prepare for future human capital resource availability and capability within the division.
VI.	Together with SEPTA's Finance Division, work to optimize the impact of deregulation in the natural gas and market generation electricity industries.



**(k) Public and  
Government Affairs  
Division**

---



## **(k) 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).

##### **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.

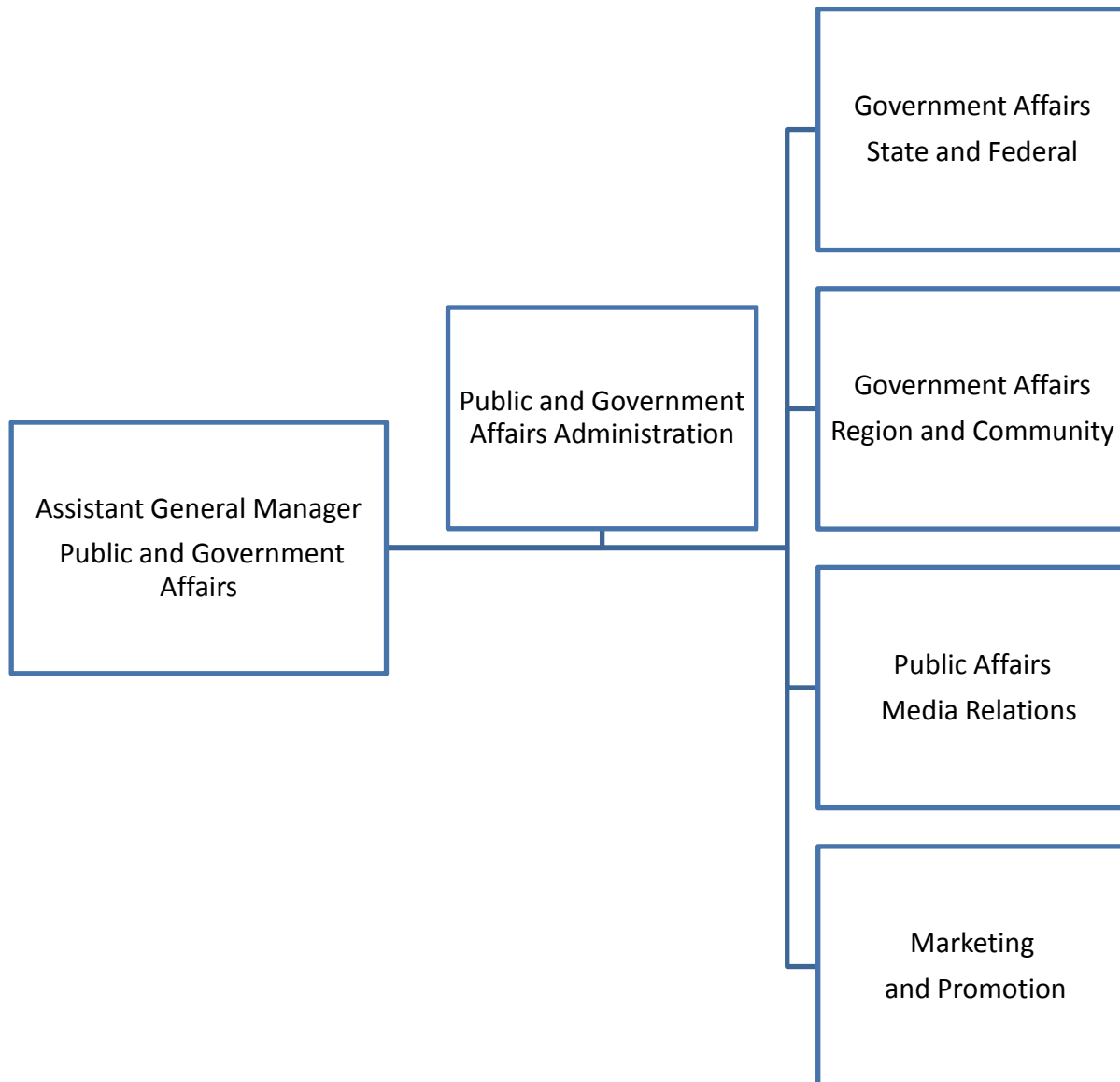
#### **Marketing and Promotion**

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.



## (k) Public and Government Affairs

---



**HEADCOUNT**

	<b>OPERATING HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	2	-	-	2
Public Affairs - Media Relations	5	-	-	5
Marketing and Promotion	5	-	-	5
Government Affairs - Region & Community	4	-	-	4
Government Affairs - State & Federal	4	-	-	4
<b>TOTAL OPERATING HEADS</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>

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

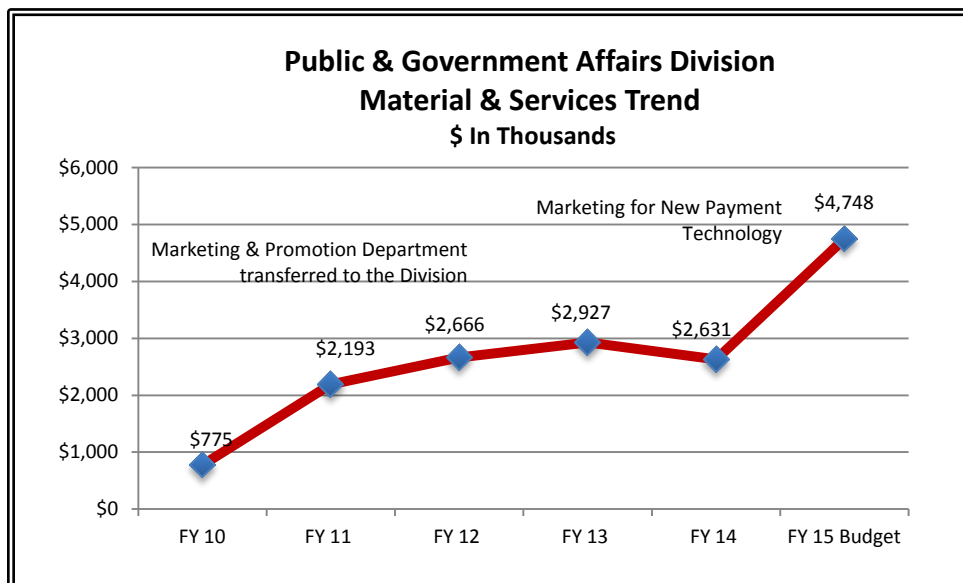
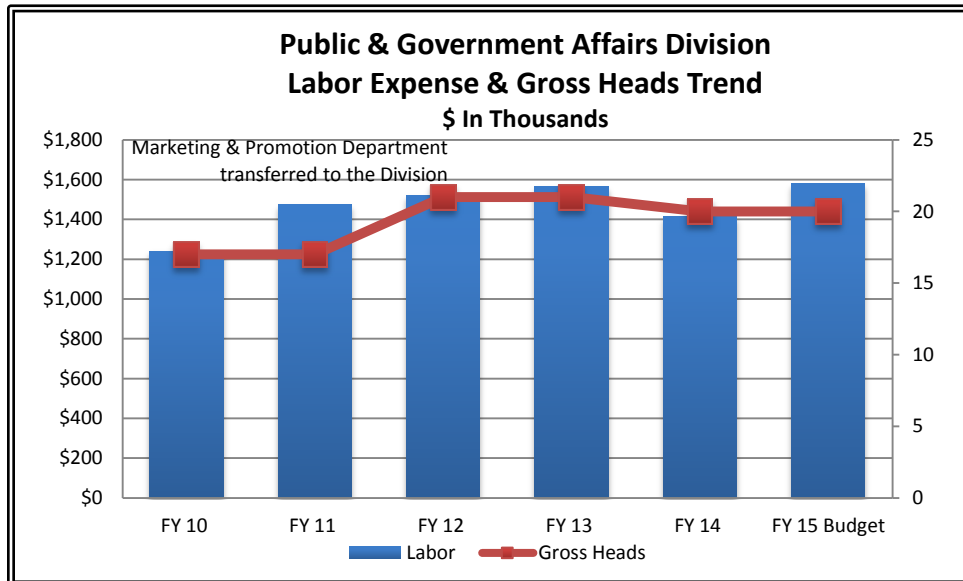
	<b>TOTAL HEADS</b>			
	<b>A</b>	<b>B</b>	<b>H</b>	<b>Total</b>
Administration	2	-	-	2
Public Affairs - Media Relations	5	-	-	5
Marketing and Promotion	5	-	-	5
Government Affairs - Region & Community	4	-	-	4
Government Affairs - State & Federal	4	-	-	4
<b>TOTAL HEADS</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>

## (k) Public and Government Affairs



### Public and Government Affairs Amounts in Thousands (,000)

	<u>Net Labor</u>	<u>Material &amp; Services</u>	<u>Total</u>
Administration	\$ 123	\$ 851	\$ 974
Public Affairs - Media Relations	404	7	411
Marketing and Promotion	392	3,849	4,241
Government Affairs - Region & Community	368	20	388
Government Affairs - State & Federal	291	21	312
<b>TOTAL</b>	<b>\$ 1,578</b>	<b>\$ 4,748</b>	<b>\$ 6,326</b>





## **(k) Public and Government Affairs**

---

### **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).

##### **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**

Utilize all current, innovative, and cutting edge promotional avenues to deliver messages. This includes offline and online media, event marketing, strategic partnerships, social media and lifestyle.





## **(k) Public and Government Affairs**

### **GOALS AND BUSINESS INITIATIVES**

<b>Current Goals</b>	<b>Initiatives</b>
<b>I. Advocate for more robust funding for the Capital Program</b>	a) Working with other transit authorities, advocate for reauthorization of the Federal Transportation Program.
<b>II. Advocate for increased funding for the largest, oldest metropolitan rail systems</b>	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.
<b>III. Develop proactive approach to media relations</b>	a) Create a regularly reoccurring cycle of events and outreach opportunities for media coverage. b) Provide outreach to community groups and general public.
<b>IV. Promote regional awareness of SEPTA's progress</b>	a) Communicate and promote the rider benefits of New Payment Technology (NPT). b) Facilitate meaningful partnerships that support the Authority's mission (s) and overall brand.

**This Page Intentionally Left Blank**



## 12. Fringe Benefits

Fringe benefits are a major expense for SEPTA representing 26.8% of the Fiscal Year 2015 Operating Budget of \$1.33 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.

Listed below are Fringe Benefit categories:

### **Medical and Life Insurance**

SEPTA provides medical, prescription, dental, vision and life insurance benefits for union, 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**

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

Fiscal Year 2015 Operating Budget Fringe Benefit Expense (Amounts in Thousands)	
Medical, Prescription, Dental, Vision & Life	\$ 197,446
Payroll and Unemployment Taxes	65,365
Pension	90,800
Workers' Compensation and FELA	<u>33,783</u>
Subtotal	\$ 387,394
Capital Support and Projects	<u>(32,333)</u>
<b>Fringe Operating Expense</b>	<b><u>\$ 355,061</u></b>



## 12. Fringe Benefits

### Fiscal Year 2015 Operating Budget

#### Labor and Fringe Benefits

Amounts in Thousands (000's)

	<u>Net Labor</u>	<u>Net Fringe Benefits</u>	<u>Total</u>
Corporate Staff	\$ 2,698	\$ 1,649	\$ 4,347
Deputy General Manager Staff	1,098	671	1,769
Administration and Finance	240	147	387
Communications	1,218	745	1,963
Labor Relations	1,076	658	1,734
New Payment Technology	107	65	172
New Payment Technology Integration	12,160	7,434	19,594
Planning/Coordination & Safety	141	86	227
Operations	450,280	275,272	725,552
Engineering, Maintenance and Construction	69,245	42,332	111,577
Audit, Safety and Investigative Services	2,918	1,784	4,702
Business Services	14,493	8,860	23,353
Customer Service and Advocacy	5,027	3,073	8,100
Finance and Planning	11,370	6,951	18,321
Human Resources	12,130	7,415	19,545
Office of the General Counsel	7,711	4,714	12,425
Public and Government Affairs	1,578	965	2,543
Other	<u>(12,694)</u>	<u>(7,760)</u>	<u>(20,454)</u>
<b>Total</b>	<b><u>\$ 580,796</u></b>	<b><u>\$ 355,061</u></b>	<b><u>\$ 935,857</u></b>



## 12. Non-Departmental Expense

---

<b>Amtrak</b>	This expense is for the maintenance and use of Amtrak-owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli/Thorndale 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.
<b>ADA</b>	The cost for paratransit carriers under contract to SEPTA is shown here. The staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is referenced in the Operations Division under Customized Community Transportation.
<b>Shared Ride Program</b>	The cost for contractor operated door-to-door service for senior citizens. The cost of administrative staff in the ADA program is included in the Customized Community Transportation budget.
<b>Debt Service Interest</b>	Interest expenses associated with the Authority's Bonds.
<b>Property and Corporate Insurance</b>	Reflects the projected premiums for insurance on various Authority assets.
<b>Services for 1234 Market Street</b>	Maintenance and administrative service expense for the operation of the offices at the 1234 Market Street headquarters by an outside professional firm. These expenses cover both SEPTA and tenant-occupied space.
<b>Snow Removal</b>	Reflects outside contractor expense for snow removal and salting at railroad parking lots and station platforms only. The snow removal for all other facilities is accomplished in-house by SEPTA forces and the related labor expense is included in the departmental budgets.
<b>Utilities</b>	Expense reflects the cost of Non-Propulsion Electricity, Heating Oil, Water and Sewer, Natural Gas and Steam Heat. All are based on projected rates of consumption and contractual or tariff based rates. Also included is Telephone Expense which is based on our current contractual agreements.



## 12. 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 are under contract with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2015 ridership is 725,892 for ADA City Division and 306,677 for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2015 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 438 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 2015 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 2015 is to provide a total of 748,934 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.



## 12. Other Operating Expenses

---

### Claims

Fiscal Year 2015 claims expense is budgeted at \$38.4 million. Staff from the Authority's Legal and Claims Division, with support throughout the organization, aggressively defend 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 rentals and depreciation. A further description of these items can be found in the Operating Expense Section.

**This Page Intentionally Left Blank**





## 13. Capital Improvement Program

### Capital Sources of Funds

Sources of capital funds included in the FY 2015 Capital Budget are projected as follows:

\$330.7 million in state capital funds, primarily via Section 1514, the Asset Improvement Program;

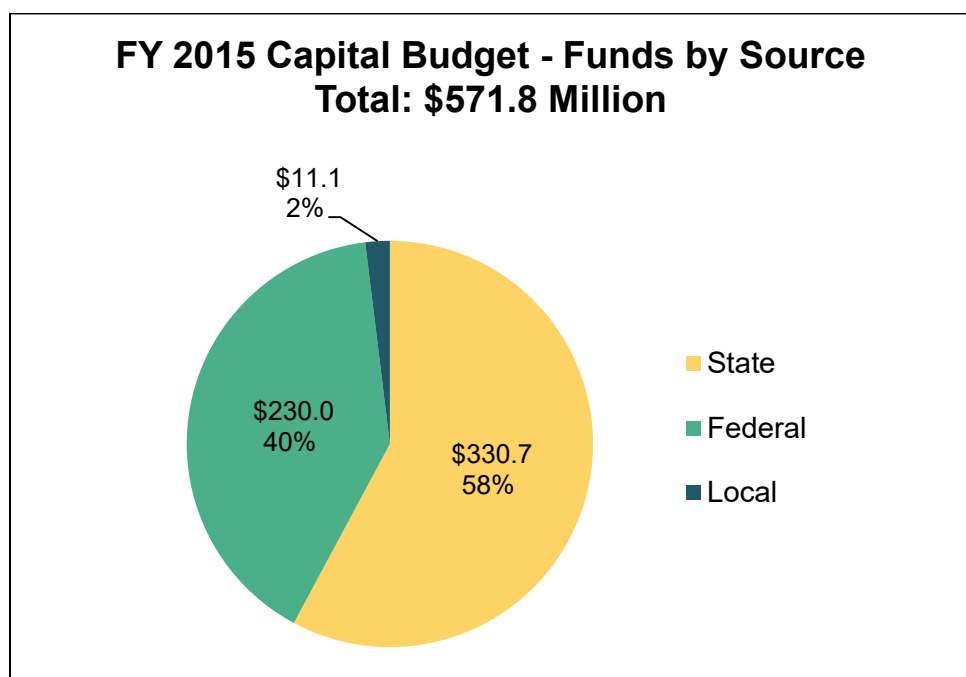
\$174.6 million from the Federal Transit Administration via the Section 5307, 5340, 5337 and 5339 formula programs;

\$17.1 million in Federal Highway Flexible Funds, based on SEPTA's anticipated share of the regional flexible funds that are flexed to transit operators;

\$35.8 million in Congestion Mitigation funding related to the reconstruction of I-95, to be provided by the Commonwealth to increase Regional Rail capacity;

\$2.5 million from the U.S. Department of Homeland Security based on SEPTA's anticipated share of Fiscal Year 2015 Transit Security Grant Program funds; and

\$11.1 million in local matching funds from the City of Philadelphia and Bucks, Chester, Delaware, and Montgomery Counties. Local matching funds are required for federal and state capital grants.





## 13. Capital Improvement Program

### Fiscal Year 2015 Capital Budget (In Millions)

Capital Programs	FY 2015
Bridge Improvements	\$43.43
Communications, Signal Systems and Technology Improvements	\$58.39
I-95 Congestion Mitigation Strategies	\$35.80
Infrastructure Safety Renewal Program	\$35.50
Maintenance/Transportation Shops and Offices	\$22.85
New Payment Technologies	\$21.34
Safety & Security Improvements	\$2.50
Service Restorations	\$0.00
Stations, Loops and Parking Improvements	\$68.33
Substations and Power Improvements	\$60.99
Track and Right-of-Way Improvements	\$10.76
Vehicle Acquisitions and Overhauls	\$116.89
<b>Subtotal Capital Programs</b>	<b>\$476.78</b>
<b>Financial Obligations</b>	
Debt Service and Capital Leases	\$94.99
<b>Total Capital Budget</b>	<b>\$571.77</b>



## 13. Capital Improvement Program

### Fiscal Year 2015-2018 Capital Program (In Millions)

<b>Capital Programs</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Bridge Improvements	\$43.43	\$35.03	\$22.42	\$17.18
Communications, Signal Systems and Technology Improvements	\$58.39	\$17.54	\$18.29	\$14.91
I-95 Congestion Mitigation Strategies	\$35.80	\$5.10	\$0.00	\$0.00
Infrastructure Safety and Renewal Program	\$35.50	\$35.50	\$35.50	\$35.50
Maintenance/Transportation Shops and Offices	\$22.85	\$20.99	\$19.40	\$16.10
New Payment Technologies	\$21.34	\$38.00	\$67.50	\$76.50
Safety & Security Improvements	\$2.50	\$2.50	\$2.50	\$2.50
Service Restorations	\$0	\$0	\$2.00	\$5.50
Stations, Loops and Parking Improvements	\$68.33	\$55.47	\$57.00	\$55.53
Substations and Power Improvements	\$60.99	\$53.74	\$34.60	\$24.58
Track and Right-of-Way Improvements	\$10.76	\$7.72	\$4.00	\$4.00
Vehicle Acquisitions and Overhauls	\$116.89	\$171.50	\$174.00	\$215.00
<b>Subtotal Capital Programs</b>	<b>\$476.78</b>	<b>\$443.09</b>	<b>\$437.21</b>	<b>\$467.30</b>
<b>Financial Obligations</b>				
Debt Service and Capital Leases	\$94.99	\$100.54	\$101.99	\$102.64
<b>Total Capital Budget</b>	<b>\$571.77</b>	<b>\$543.63</b>	<b>\$539.20</b>	<b>\$569.94</b>



## 13. Capital Improvement Program

### Capital Projects Impact Analysis on Operating Budget FY 2015 – FY 2020

Capital Projects and Description of Impacts	Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>[Diesel-Electric Hybrid] Bus Purchase Program</b>	<b>\$1,705</b>	<b>\$2,792</b>	<b>\$2,792</b>	<b>\$2,792</b>	<b>\$2,792</b>	<b>\$2,792</b>
In 2002, SEPTA began purchasing hybrid diesel-electric vehicles designed to reduce fuel consumption, increase engine and fuel efficiency, and reduce SEPTA's carbon footprint through lower emissions. The Authority currently operates 472 hybrid buses. An additional 235 hybrid buses are scheduled for delivery through FY 2016. Each of these hybrid vehicles are projected to save more than 3,800 gallons of diesel fuel per year, reducing annual operating costs in proportion to the number of hybrids in revenue service.						
<b>MiniHybrid Retrofit Campaign</b>	<b>\$269</b>	<b>\$269</b>	<b>\$269</b>	<b>\$269</b>	<b>\$269</b>	<b>\$269</b>
SEPTA's MiniHybrid retrofit campaign improved the efficiency of existing diesel buses. Electric engine cooling systems, or "MiniHybrids," were installed on 119 diesel buses as part of their regularly scheduled midlife overhaul. In Fiscal Year 2013, these electronic electric engine cooling systems produced an additional 8.4 percent fuel savings on each retrofitted vehicle, reducing annual diesel fuel costs.						
<b>Broad Street Line Propulsion Power Reductions</b>	<b>\$1,144</b>	<b>\$1,885</b>	<b>\$1,885</b>	<b>\$1,885</b>	<b>\$1,885</b>	<b>\$1,885</b>
Since 2010, SEPTA has been undertaking a comprehensive effort to improve the utilization of regenerative braking across its propulsion power system. By reusing energy created by braking trains, SEPTA can reduce its demand for grid-based electricity. Investments in new propulsion control boxes on the Broad Street Line and adjustments to the maximum regen voltage have saved millions of kilowatt hours (kWh) per year, resulting in energy cost savings.						
<b>Market Frankford Line Propulsion Power Reductions and Wayside Energy Storage</b>	<b>\$1,016</b>	<b>\$1,266</b>	<b>\$1,266</b>	<b>\$1,266</b>	<b>\$1,266</b>	<b>\$1,266</b>
Regenerative braking initiatives are now being supplemented by a cutting-edge project to capture, store, and reuse excess "regen" in a giant battery. This "wayside energy storage project" leverages advancements in vehicle, battery, and smart grid technology to create an innovative business model for wayside storage. The combined effects are lower energy consumption, cost savings, and a new stream of smart-grid revenue that can be reinvested in the program. SEPTA's first wayside energy storage device is online at the Letterly Substation on the Market-Frankford Line in Kensington; the second will be installed at the Griscom Substation on the Market-Frankford Line in Frankford.						
<b>GenSet Locomotive Re-Power Program</b>	<b>\$15</b>	<b>\$34</b>	<b>\$39</b>	<b>\$39</b>	<b>\$39</b>	<b>\$39</b>
SEPTA is in the midst of repowering two of its diesel-powered maintenance locomotives. Funded by two competitively awarded federal grants, the repower projects will reduce fuel consumption and improve air quality by utilizing "GenSet" technology to synchronize power output and demand. Industry estimates project that switching from Tier 0 diesel locomotives to Tier 3 dual GenSet engines will reduce diesel fuel consumption by 40 to 65 percent. Employing a conservative 40 percent estimate, this project will reduce diesel fuel consumption by 12,556 gallons annually (6,278 each).						



## Glossary of Acronyms

---

### A

ADA - The Americans with Disabilities Act of 1990  
AGM - Assistant General Manager  
AIRS - Automated Itinerary and Reporting System  
APTA - American Public Transportation Association  
ARRA - American Recovery and Reinvestment Act of 2009  
ATDS - Automated Train and Crew Dispatch System  
AVL - Automatic Vehicle Locator.

### B

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

### C

CARD - Computer Aided Radio Dispatch  
CCT Connect- Customized Community Transportation Services  
COBRA - Consolidated Omnibus Budget Reconciliation Act  
CSX - CSX Corporation, a freight railroad and transportation company  
CTD - City Transit Division

### D

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.

### H

HIPAA - Health Insurance Portability and Accountability Act of 1996  
HRIS - Human Resources Information System  
HRSC - Human Resources Service Center  
HVAC – Heating, Ventilation and Air Conditioning Systems

### I

IAMAW - International Association of Machinists and Aerospace Workers  
IBEW - International Brotherhood of Electrical Workers  
IBT Local 500 - International Brotherhood of Teamsters Local 500  
ITS - Intelligent Transportation Systems  
ISRP - Infrastructure Safety Renewal Program

### J

JARC - Job Access and Reverse Commute Program  
JHSC - Joint Health and Safety Committee

### L

LRV - Light Rail Vehicle  
LSC - Location Safety Committee  
LUCY - Loop Through University City.

### M

MDBE - Minority or Disadvantaged Business Enterprise  
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  
NPT – New Payment Technology  
NTP – Notice to Proceed

### O

OEM - Original Equipment Manufacturer



## Glossary of Acronyms

---

### P

PCC Car – President's Conference Committee streetcar or trolley  
PIP - Performance Improvement Program  
PLRB - Pennsylvania Labor Relations Board  
PPTA - Pennsylvania Public Transportation Association

### R

RFP - Request for Proposal  
RRD - Regional Railroad Division  
RRT - Railroad Retirement Taxes  
RSA - Route Schedule Adherence

### S

SAC - SEPTA Advisory Committee For Accessible Transportation  
SAFETEA-LU - Safe, Accountable, Flexible, Efficient Transportation Equity Act  
SAM – Supervisory, Administrative and Management  
SBA - Special Board of Adjustment  
SDBE - Small or Disadvantaged Business Enterprise  
SDBU - Small and Disadvantaged Business Utilization  
SEPTA - Southeastern Pennsylvania Transportation Authority  
SMWIA - Sheet Metal Workers International Association  
SRP - Shared Ride Program  
SRPAC - Shared Ride Program Advisory Council  
SPP - Subsidy Per Passenger  
SSPP - System Safety Program Plan  
STD - Suburban Transit Division 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

**This Page Intentionally Left Blank**





## Glossary of Terms

---

**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 "GCT Connect".

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

### B

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

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

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

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

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

### 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.



## Glossary of Terms

---

**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.



## Glossary of Terms

---

### E

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

### F

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

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

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

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

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

**Flexible Funds** - Federal funds made available by MAP-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.



## Glossary of Terms

---

### 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"

### H

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

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

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

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

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

### I

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

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

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



## Glossary of Terms

---

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

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

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

### M

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

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

### N

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

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

### O

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

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

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

**Orange Line** – See “Broad Street Line”



## Glossary of Terms

---

### P

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

**Public Transportation** - As defined in the Federal Transit Act, transportation provided by bus or rail, or other conveyance, either publicly or privately owned, providing to the public general or special service (but not including school buses or charter or sightseeing service) on a regular continuing basis. Public transportation is also synonymous with the terms mass transportation and transit.

### R

**Revenue Car Mile or Revenue Vehicle Mile** - A single mile traveled by one car (or vehicle) during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

**Revenue Vehicle** - A single vehicle or a single car in a multiple car consist during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

**Reverse Commute** - City to suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

**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

**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 two variations—Silverliner IV and V. 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.



## Glossary of Terms

---

**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.

### T

**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.”