Transit Network Map Introduced



# FISCAL YEAR 2020 OPERATING BUDGET

Fiscal Year 2021-2025 • Financial Projections





GOVERNMENT FINANCE OFFICERS ASSOCIATION

# Distinguished Budget Presentation Award

PRESENTED TO

# Southeastern Pennsylvania Transportation Authority Pennsylvania

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morrill

Executive Director

a communications device.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Southeastern Pennsylvania Transportation Authority, for its Annual Budget for the fiscal year beginning July 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as

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



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Vice-Chairman

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Jeffrey D. Knueppel, P.E.

**Deputy General Manager -**

Treasurer

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**General Counsel** 

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Chairman Pasquale T. Deon, Sr. To: Pasquale T. Deon, Sr., Chairman

Vice Chairman Thomas E. Babcock From: Jeffrey D. Knueppel

Joseph E. Brion Michael A. Carroll Beverly Coleman Robert D. Fox Stewart J. Greenleaf Kevin L. Johnson John I. Kane Obra S. Kernodle, IV Daniel J. Kubik Kenneth Lawrence

William J. Leonard Charles H. Martin

Marcy Toepel

Subject: Fiscal Year 2020 Operating Budget

Date:

August 9, 2019

General Manager Jeffrey D. Knueppel, P.E. I am pleased to present the Southeastern Pennsylvania Transportation Authority (SEPTA) Operating Budget to Board Members, Elected Officials, customers, and stakeholders for Fiscal Year 2020.

The \$1.49 billion Operating Budget maintains existing levels of transportation service, preserves the current fare structure with no fare increase, and includes anticipated increases in labor, material and services costs associated with contractual obligations and inflationary trends.

The 2020 budget reflects our business vision and priorities as described in the *Building the Future* plan, which defines the five primary areas of strategic effort, including: The Customer Experience, SEPTA is a Business, Workforce Development and Support, Rebuilding the System, and Safety and Security as the Foundation.

#### The Customer Experience

The Customer Experience continues to be a core area of focus as we further emphasize customer convenience, reliability, and enhanced communication through advancements in both outreach and technology. The Authority recently launched an improved responsive SEPTA Key e-commerce website that is easier for customers to navigate, purchase fare products, and track balances. In addition, the SEPTA Key feature on the IOS and Android versions of the SEPTA App is set to launch mid-August. The roll-out of the SEPTA Key is principally complete on bus, trolley and the subway. The phased expansion of Key on Regional Rail continues with TrailPasses for all Zones along with Independence Passes now available for purchase on a Key Card; and the remaining features are expected to be completed by the end of Calendar Year 2019. The SEPTA Key Partner Program has been fully implemented offering social agencies the ability to purchase Partner pass fare products for their clients/members thereby eliminating bulk token purchases.

For customer convenience, all new buses added to the fleet will be equipped with the latest amenities including Wi-Fi and USB charging ports. New and intuitive communication tools to make transit easier to use have also been introduced. This includes a new Transit Network map

that displays the entire bus network by frequency, a 15-minute Transit Network Map that shows all routes that arrive every 15 minutes or less, 15 hours per day, 5 days per week, and new branding on the schedules make it easy for customers to identify routes with frequent service.

The Transit Network Map is in the process of being posted in stations and transportation centers. The maps serve a dual purpose of promoting SEPTA's existing bus network while laying the foundation to begin reimaging our services, frequencies and routings during the multi-year bus network optimization project. On February 24, 2019, SEPTA launched the new Bus Route 49 as part of the continuing efforts to improve transit access to employment destinations. This new route connects University City to the Philadelphia neighborhoods of Brewerytown, Fairmount, Grays Ferry and Strawberry Mansion. After five months of operation, weekday ridership has grown to 2,300 passenger trips per day, and is well on its way to achieving our first year goal of 3,000 passenger trips per day.

#### **SEPTA** is a Business

The Authority's commitment to operate as an efficient business through sustainable initiatives is demonstrated by the acquisition of new solar panels and the implementation of several Energy Service Company (ESCO) projects that use energy savings to pay for capital improvements. Solar panels being installed at four large bus and rail maintenance facilities are expected to be fully operational by the end of 2019. The latest ESCO project will reduce energy consumption at the Authority's headquarters' building through the installation of intelligent HVAC control systems, LED lighting, and solar controlled window shades. SEPTA's Southern Bus Depot, located in South Philadelphia, recently unveiled three new energy-saving projects including a comprehensive energy retrofit of the 100 year old facility, a new stormwater management system, and a pilot program to introduce the first zeroemission battery-electric buses to the fleet. Most recently, the Board approved a 20-year power purchase agreement that will enable the Authority to buy 19 percent of its annual electricity requirements from two solar farms that will generate 35 megawatts of power, which are being built to meet SEPTA specific requirements. Each of these projects are designed to reduce energy consumption and help reduce operating costs now and in the future.

#### **Workforce Development and Support**

SEPTA is committed to attracting, developing and retaining a diverse, highly-skilled, and versatile workforce. We offer a variety of training programs that enable employees to improve job performance and supplement their skill sets. SEPTA also strives to continue employee recognition and support initiatives to enhance workplace morale throughout the Authority.

A new Diversity and Inclusion program was introduced to enhance diversity efforts with a special focus on the "Tradeswomen of SEPTA". The Career Resource Connection opened in the location of the old testing center with an expanded program offering examinations and career development resources for all employees. The Human Resources Master Plan will also be implemented to build an exceptional transit workforce for the future through focused employee attraction and retention efforts.

#### Rebuilding the System

SEPTA's dedication to rebuilding the system was strengthened thanks to transportation funding received from the passage of legislation under Act 89. SEPTA is focused on maintaining a state of good repair for essential assets by rehabilitating or replacing critical infrastructure, including bridges, stations, substations, and vehicle maintenance facilities. Additionally, over the next three years, the Authority will take delivery on 139 new paratransit vehicles, 45 multi-level railcars for Regional Rail, and an additional 238 hybrid-electric buses. SEPTA is recognized as having an award-winning sustainability program with a fleet of nearly 1,000 hybrid-electric buses. With the recent delivery of 25 battery-electric buses now operating on Routes 29 and 79 and the existing 38 trackless trolley bus fleet, we are proud to have the largest zero-emission bus fleet on the East Coast.

#### Safety and Security as the Foundation

Safety and Security are fundamental principles of the transportation industry and a top priority at SEPTA. We are committed to a safety-first corporate culture for employees and customers. Our commitment to safety is demonstrated by the establishment of a variety of education programs, such as the employee-focused "Make the Safe Choice" and customer-focused "Never too Busy for Safety" campaigns. We also have invested capital in numerous safety-related projects including an Audible Bus Turn Warning System to help reduce pedestrian accidents, new bus shields for enhanced bus operator protection, and our nationally recognized efforts in the implementation of Positive Train Control (PTC) for Regional Rail.

These five fundamentals form the core of our Building the Future plan and provide the focus, at all levels of the organization, to advance the initiatives that support our business vision to become the region's preferred choice for transportation services. Our history of 20 consecutive years of balanced budgets is testimony to our commitment to achieving this goal.

The Fiscal Year 2020 Operating Budget affirms the Authority's mission to provide safe, reliable, sustainable, and convenient public transportation service for our customers in the Southeastern Pennsylvania five county region.

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#### **SEPTA's History**

Greater Philadelphia has evolved into a vibrant center of economic growth in the country and the Southeastern Pennsylvania Transportation Authority's (SEPTA) multi-modal transit system has been a catalyst for this development; providing service to three states and giving riders in the region easy access to work, school, healthcare appointments, recreational outings, and major shopping destinations. The policy makers' commitment to investing in transportation at the federal, state, and local level has enriched the lives of residents, visitors, and tourists.

SEPTA was created by the Pennsylvania General Assembly in 1964 as a solution to the need for a regional approach to transit, which would provide needed transportation for passengers, shared services to reduce expenses and greater access to financial



markets to help maintain and expand the system. On September 30, 1968, after five years of negotiations, SEPTA acquired the Philadelphia Transportation Company.

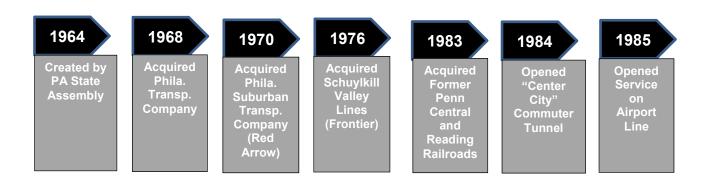


The Philadelphia Transportation Company was created January 1, 1940 and was responsible for the operation of buses, trolleys,

trackless trolleys, and subway elevated lines: the Market-Frankford line and the Broad Street line in the Philadelphia area.

In 1983, SEPTA was required to take over all operations of Conrail's passenger railroad to be integrated with the Authority's existing transit services. Conrail, which was federally funded, had originally assumed responsibility for the passenger services of the Pennsylvania Railroad and the Reading Company in 1976. Both railroads went bankrupt due to the decline in the demand for the transportation of coal, the introduction of superhighways, and the advance of air travel. After a difficult transition and a 108 day strike by Conrail railroad workers, SEPTA's Regional Rail Division was established. Between Fiscal Years 2012-2016, Regional Rail had outpaced transit in annual ridership growth and is a critical component in Southeastern Pennsylvania's economic engine.

#### INTEGRATING SOUTHEASTERN PENNSYLVANIA'S TRANSIT NETWORK





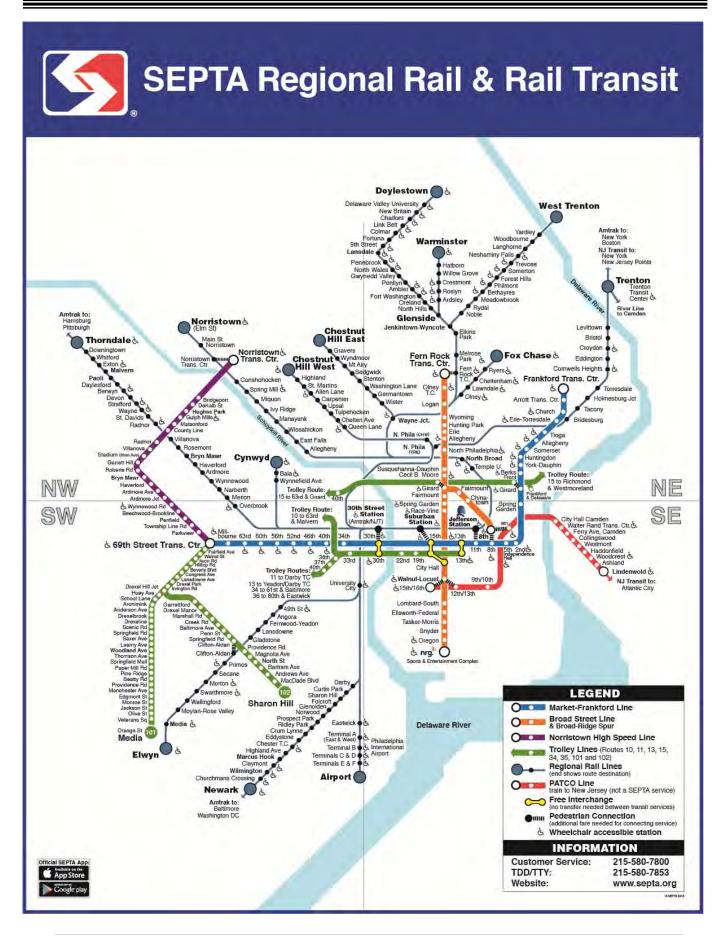
Today, 55 years after its creation by the Pennsylvania General Assembly, SEPTA is the nation's sixth largest transit system, with a vast network of fixed route services including bus, subway, light rail, trackless trolley (trolley bus), and Regional Rail, as well as ADA Paratransit and Shared Ride programs. This network provides service in Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties with connections into New Jersey and Delaware. SEPTA is also one of the region's largest employers, with a workforce of approximately 9,500 employees.



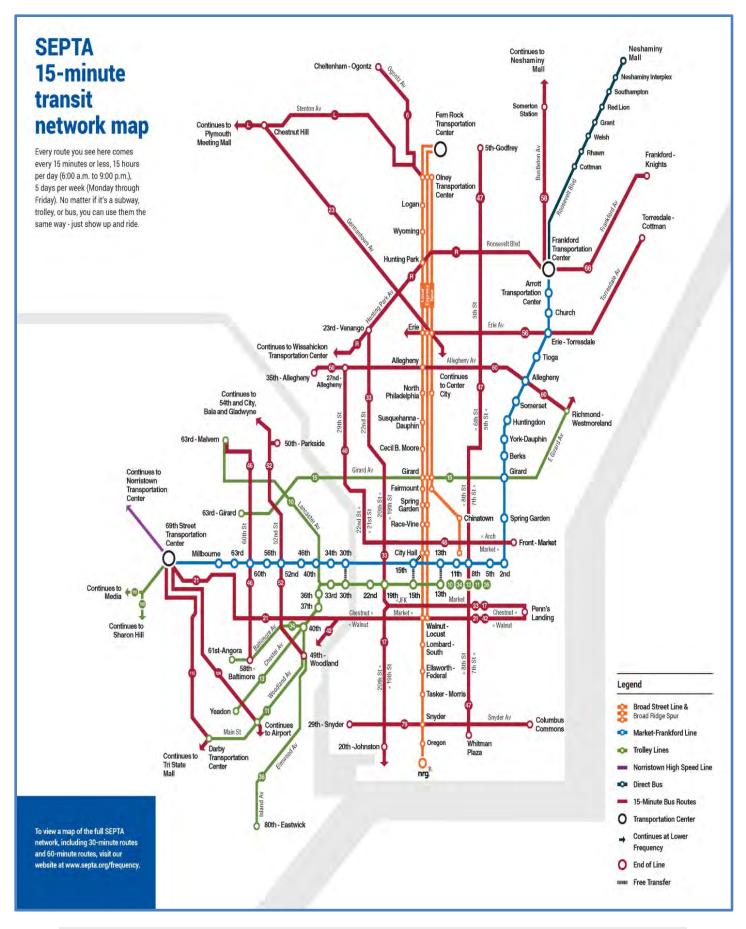
SEPTA SERVICE PROFILE AT A GLANCE						
	FIXED ROUTES	REVENUE VEHICLES	STATIONS & STOPS	ANNUAL TRIPS (in millions)		
BUS & TROLLEY BUS	128	1,500*	13,054	142.2		
MARKET-FRANKFORD LINE	1	218	28	52.0		
BROAD STREET LINE	1	125	25	35.5		
REGIONAL RAIL	13	396	155	34.2		
LIGHT RAIL	8	159	670	24.4		
NORRISTOWN HIGH SPEED LINE	1	26	22	3.1		
ADA PARATRANSIT/SHARED RIDE	N/A	460	N/A	1.5		

\*Exact number varies as new buses are acquired and old vehicles are retired.

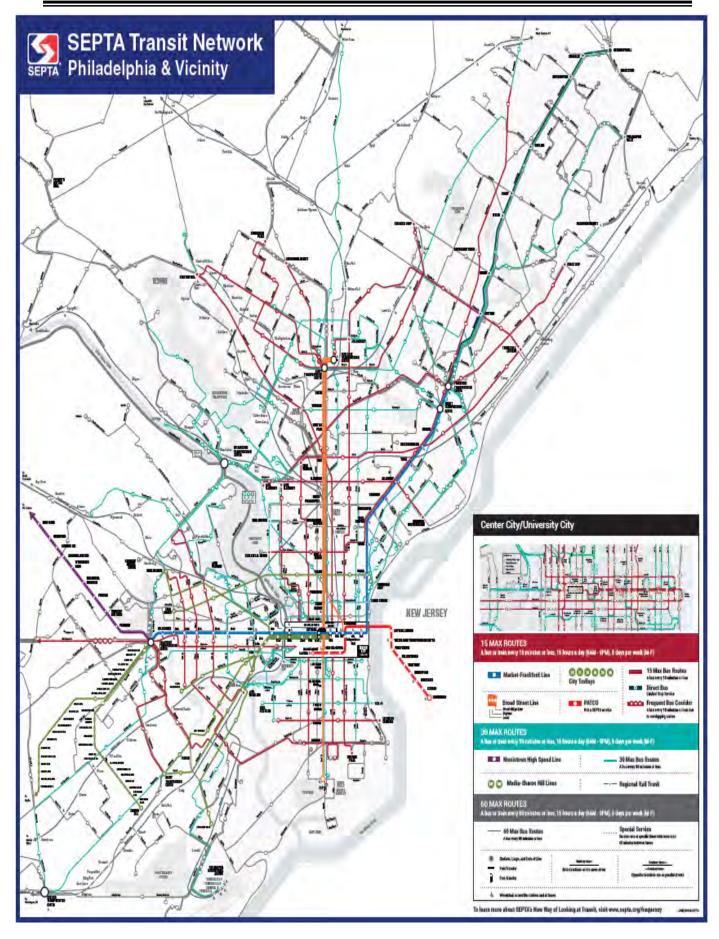










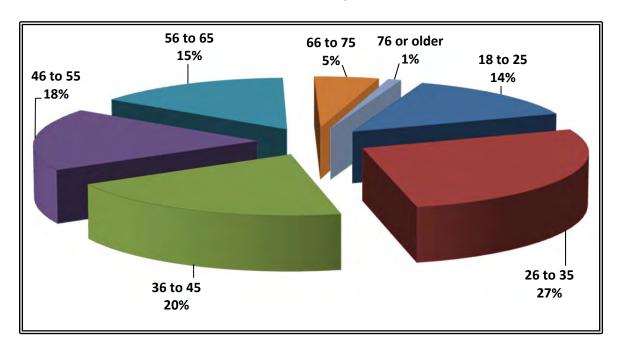




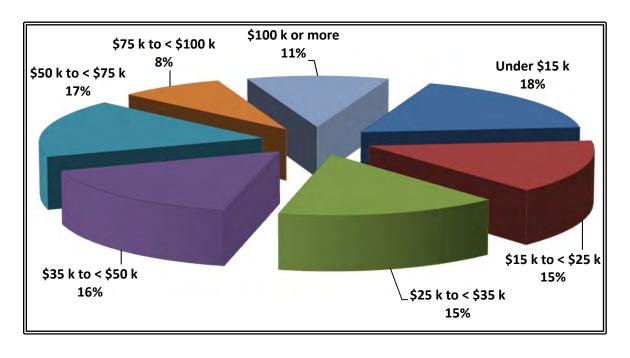
#### **SEPTA Passengers**

The following charts serve to illustrate the demographic distribution of SEPTA ridership. This data was recorded and compiled as part of the SEPTA 2018 Customer Satisfaction Survey. The next Customer Satisfaction survey is expected to commence in the Spring of 2020.

Age of Adult Passengers

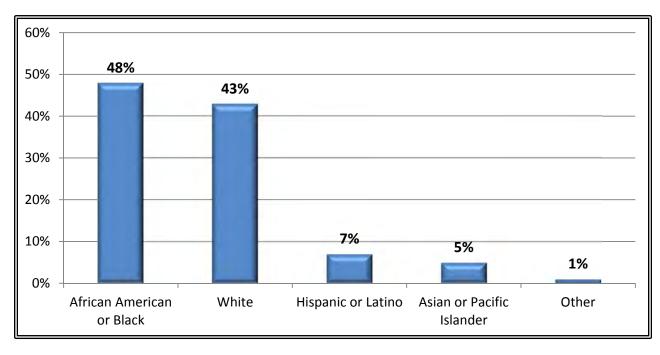


Annual Household Income of Passengers



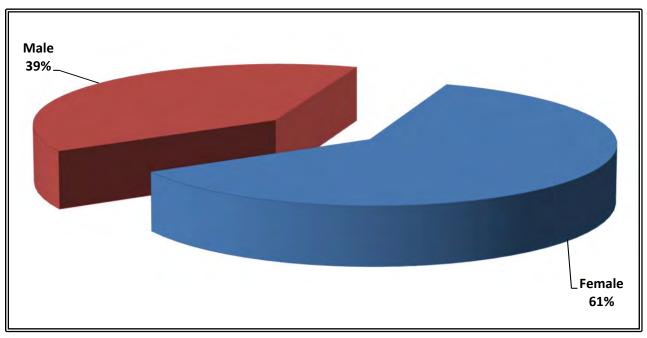


Ethnicity of Passengers



**Note:** In the above chart, percentages total more than 100% as respondents were able to select multiple responses to this question to more accurately reflect an individual's racial and ethnic background.

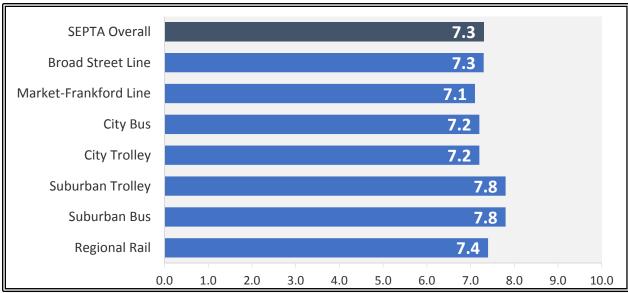
Gender of Passengers





#### **Customer Satisfaction Rating**

SEPTA conducted a Customer Satisfaction Survey from April 24, 2018 to May 4, 2018, resulting in 1,542 rider and 400 non-rider interviews (1,942 total respondents). Respondents had the option of taking the survey online or via telephone interview. Riders provided ratings on a scale of 0-10 and could provide observations on up to 3 modes taken within the last seven days prior to their interview. A total of 2,840 mode observations were collected. In 2018, the average overall SEPTA Modal Performance Satisfaction rating was a 7.3.

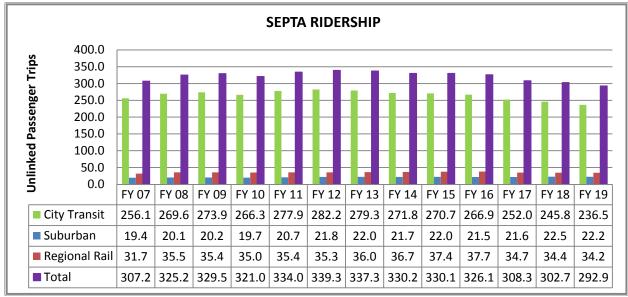


**Note**: In the above chart, "SEPTA Overall" score is weighted by mode ridership in order to be representative of overall rider population. Due to changes in methodology in how the survey was conducted, the results were deemed not comparable to previous years' results.

#### **Key Regional Transportation Trends**

#### Transit Ridership

Total ridership has decreased over the past five years due to a number of factors, such as increased competition, structural changes in ridership patterns, and moderate gas prices.

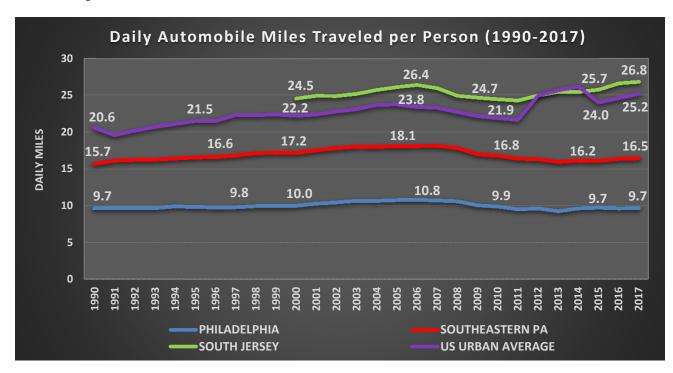


Note: Suburban includes both Victory and Frontier Transit Divisions.



#### **Driving Rates**

Automobile use trends underscore the extent to which transit is increasingly becoming a mode of choice for residents of Southeastern Pennsylvania. As transit ridership increases, driving rates decrease. Historically, the City of Philadelphia and Southeastern Pennsylvania driving rates have been roughly one-third and two-thirds the national urban average, respectively. In recent years, as national driving rates have rebounded with improving economic conditions, local driving rates have remained flat. The most recent miles traveled data available is 2017.





#### 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 key trends that will allow SEPTA to become a public transportation system that meets the region's evolving transportation needs. The plan is available at <a href="https://www.septa.org/strategic-plan">www.septa.org/strategic-plan</a> and represents a framework for all other SEPTA planning documents, including the Operating Budget. SEPTA is currently working on an update to the plan.

The framework includes 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, and to earn that choice by:

- Connecting the region for integrated mobility
- Sustaining our environment and preserving our system for future generations
- Committing to continuous improvement and 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:**

For our service:

- Safe
- Reliable
- Sustainable
- Accessible
- Customer-Focused

For our people:

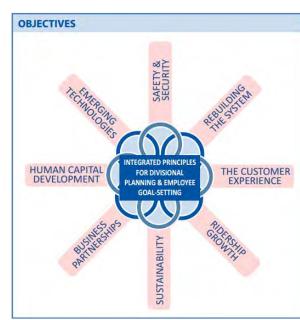
- Diverse
- Honest
- Creative
- Empowered
- Accountable

For our culture:

- Collaborative
- Constructive
- Respectful
- Engaging
- Transparent

These principles serve as a framework for approaches to pursue SEPTA's eight strategic objectives in the five-year plan:

- > Safety and Security
- Rebuilding the System
- > The Customer Experience
- Ridership Growth
- > Sustainability
- Business Partnerships
- Human Capital Development
- Emerging Technologies





#### **Balanced Scorecard of Key Performance Indicators**

SEPTA's Strategic Business Plan establishes a "balanced scorecard" approach to performance management. The Key Performance Indicators (KPIs) are designed to guide strategy development based on a quantitative evaluation of progress during plan implementation. The KPIs were carefully selected to represent meaningful measures of achievement towards strategic objectives across all business units.

Progress updates on each KPI are posted quarterly at www.septa.org/strategic-plan.

The balanced scorecard has six key focus areas:

- Safety & Security: develop a safety-first culture
- \* Financial Efficiency: responsibly manage resources
- \* The Customer Experience: provide best-in-class transportation services
- Resource Management: implement best management practices
- \* State of Good Repair & Reliability: reduce the backlog of capital repair needs
- Employee Growth: attract, develop, and retain a diverse, healthy, and versatile workforce

#### Safety & Security

**Goal Statement:** to develop a safety-first culture that results in fewer customer and employee incidents.

**Employee Lost Time Injuries per 200,000 Work Hours** 

Injuries causing missed work divided by work hours times 200,000							
	FY 2016 FY 2017 FY 2018 FY 2019 FY 2020						
	Actual Actual Actual Goal						
Non-Railroad				2.67	2.67		
<b>Railroad</b> 5.13 5.13							
Total	4.2	4.0	3.8	3.28	3.51		

**Note:** KPI reporting metrics were revised for FY 2019 to report lost time injury data by the railroad and non-railroad classification. Based on past trends, the total FY 2020 lost time goal was determined to be 3.51. Because of lack of comparative historical data, the FY 2020 goal for railroad and non-railroad classifications are kept the same as the FY 2019 actual.





#### Vehicle, Passenger, and Station Incidents

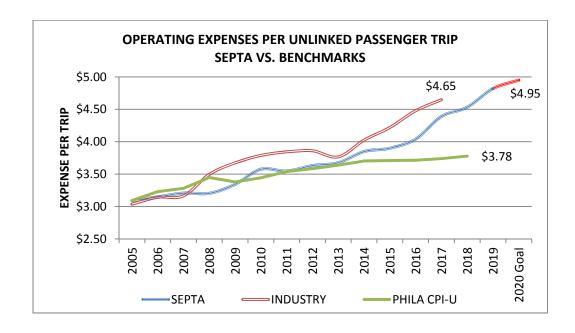
Reported vehicle and passenger incidents per 100,000 miles; reported station incidents per 1,000,000 passenger trips						
FY 2018 Actual FY 2019 Actual FY 2020 Goal						
Vehicle Incidents	5.21	5.13	5.06			
Passenger Incidents3.823.713.69						
Station Incidents	0.42	0.53	0.46			

#### **Financial Efficiency**

**Goal Statement:** to responsibly manage resources in a way that provides requisite budget stability to grow the system.

Operating Expenses per Unlinked Passenger Trip
Goal: Change in SEPTA is Below Change in Philadelphia CPI-U and Industry CPI-U

Total operating expenses divided by total unlinked passenger trips							
FY 2017 Actual FY 2018 Actual FY 2019 Actual FY 2020 Goal							
Operating Expenses (in thousands)	\$1,353,073	\$1,371,790	\$1,411,366	\$1,485,902			
Unlinked Passenger Trips (in thousands)	308,300	302,700	292,857	300,117			
Operating Expenses Per \$4.39 \$4.53 \$4.82 \$4.95 Unlinked Passenger Trip							

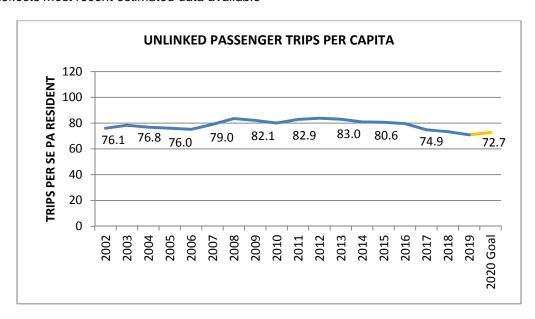




#### **Unlinked Passenger Trips per Capita**

Total unlinked passenger trips divided by total five county SEPTA population							
FY 2016 FY 2017 FY 2018 FY 2019 FY							
	Actual	Actual	Actual	Actual	Goal		
Unlinked Passenger Trips (in thousands)	326,100	308,300	302,700	292,857	300,117		
Regional Population (in thousands)	4,096	4,119	4,128	4,128*	4,128*		
Unlinked Passenger Trips per Capita	79.61	74.85	73.33	70.94	72.70		

<sup>\*</sup>Reflects most recent estimated data available



#### Other Measures

New Route Utilization Criteria – As part of the SEPTA FY 2020 Annual Service Plan, the SEPTA Service Standards and Process was revised to reflect new route utilization criteria. These criteria reflect a peer review of nearly a dozen large transit agencies in North America and metrics from PennDOT's performance review. While operating ratio data will still be collected and reported upon, the evaluation now focuses on passengers per revenue hour (measuring route productivity) and cost per passenger (measuring route effectiveness). In addition, comparative evaluations will be made based on a new route classification system, segmented into City, Suburban, Arterial, Expressway, Fixed and Special Purpose. Any route falling in the bottom 15<sup>th</sup> percentile for both passengers per revenue hour and cost per passenger will be identified as candidates for possible evaluation and intervention.

A minimum economic performance standard is used for Regional Rail stations. A station failing to meet this minimum standard will be targeted for evaluation as part of a future Annual Service Plan. The evaluation will consider the station(s) which have not met the minimum economic performance standard.



It will be done in context of the station's line, adjacent stations, available amenities including parking, nearby Regional Rail lines, other local SEPTA transit options, physical infrastructure constraints or opportunities for service, driving and non-driving access to the station and nearby stations, trip-time impacts on the overall line, planned or recent investments and the costs associated with those investments.

#### Other Financial and Productivity Goals

- Scheduled Service Requirements 98% or higher of service operating as scheduled.
- Accessibility by Elderly and Disabled Achieve 100% of total requests for ADA trips (622,000 ADA City Division and 295,000 ADA Suburban Division trips).
- Vehicle Miles per Employee 10,593 or more vehicle miles per employee (includes miles in contracted services, Shared Ride, and ADA Paratransit).
- Administrative-to-Operating Employee Ratio 1:20 ratio between administrative employees and operating employees.
  - Note: Operating employees includes anyone in the Operations, Vehicle Engineering and Maintenance, Transit Police, Engineering Maintenance and Construction, and System Safety Divisions, Revenue Operations, Training and Development, and Customer Experience and Advocacy.

#### Vehicles per Mechanic

A key staffing measure that establishes goals based on vehicle types reflecting the varying size, complexity, and condition of each fleet								
FY 2016 FY 2017 FY 2018 FY 2019 FY 2020								
	Actual	Actual	Actual	Actual	Goal			
Bus and Trackless Trolley	3.0	3.1	3.3	3.2	3.0			
City Trolley	1.8	1.8	1.9	2.0	1.6			
Market-Frankford Line	3.3	3.4	3.5	3.3	3.5			
Broad Street Line	<b>Broad Street Line</b> 1.9 1.9 2.1 2.5							
Media-Sharon Hill Line	<b>Media-Sharon Hill Line</b> 1.5 1.5 1.5 1.3							
<b>Norristown High Speed Line</b> 2.0 2.1 2.0 2.1 1.7								
Regional Rail	1.6	1.5	1.5	1.5	1.6			

**Note**: Mechanics assigned to SEPTA's vehicle overhaul program not included.

#### **The Customer Experience**

**Goal Statement:** provide best-in-class transportation services that meet or exceed customer expectations.

#### **Commendations-to-Complaints Ratio**

Total customer commendations divided by complaints received through media (mail, e-mail, phone, web)						
FY 2016 FY 2017 FY 2018 FY 2019 FY 2020 Actual Actual Actual Actual Goal						
Complaints	47,568	53,216	56,218	57,170	N/A	
Commendations-to-Complaints Ratio	0.053	0.055	0.058	0.0568	0.0570	



#### Service Reliability Goal: Varies by Mode

	Percentage of arrivals within 5 minutes, 59 seconds of schedule							
		FY 2017	FY 2018	FY 2019	FY 2020			
		Actual	Actual	Actual	Goal			
	City/Suburban Bus							
	Allegheny	78%	77%	79%	79%			
	Callowhill	74%	72%	73%	74%			
	Comly	81%	79%	81%	82%			
與	Frankford	81%	78%	82%	81%			
SURFAC	Midvale	76%	76%	78%	77%			
	Southern	77%	76%	77%	78%			
S	Frontier	82%	80%	83%	83%			
	Victory	80%	78%	81%	81%			
	City Trolley	78%	73%	75%	77%			
	Media-Sharon Hill Line	94%	93%	87%	96%			
	Norristown High Speed Line	100%	98%	92%	93%			
	Broad Street Line	99%	99%	99%	98%			
RAIL	Market-Frankford Line	97%	98%	97%	98%			
	Regional Rail	78%	87%	89%	90%			

#### **Uptime of Mission Critical IT Systems**

Percentage of time during which mission critical communication platforms are fully operational							
FY 2017 FY 2018 FY 2019 FY 2020							
Actual Actual Goal							
SEPTA.org	99.99%	99.99%	100%	99.99%			
Real-Time Application Program Interface (API)	99.76%	99.40%	99.68%	99.99%			

### **Communications Activity Index**

Composite index of activity on SEPTA's customer facing electronic communications platforms										
	FY 2017	FY 2018	FY 2019	FY 2020						
	Actual	Actual	Actual	Goal						
SEPTA.org 1K Page Views	108,930	109,225	100,073	N/A						
@SEPTA_Social Activity	61,868	56,941	52,801	N/A						
Mobile App Downloads	104,888	188,149	212,198	N/A						
Control Center Tweets	59,295	43,255	34,775	N/A						
Communications Activity Index	334,981	397,570	399,847	410,000						



#### **Resource Management**

**Goal Statement:** to implement best management practices that ensure SEPTA remains a sustainable, high-performance and outcome-driven agency.

Procurement Turnaround Time
Goal: 21 days for < \$25K, 40 days for \$25K-\$100K, and 0% variance to goal for > \$100K

Purchasing process efficiency within categories of procurements by dollar value												
	FY 2017 Actual FY 2018 Actual FY 2019 Actual FY 20											
< \$25,000 Procurements (in days)	19.2	19.0	18.3	21.0								
\$25,000 to \$100,000 Procurements (in days)	52.8	53.2	46.3	40.0								
> \$100,000 Procurements	-11.5%	29.1%	0.5%	0.0%								

#### **Carbon Footprint**

Emissions Per Passenger Mile Traveled = pounds of carbon dioxide equivalents emitted divided by passenger miles traveled (compared with single-occupancy vehicle)										
	FY 2017	FY 2020								
	Actual	Actual	Actual	Goal						
Diesel (in gallons)	13,819,198	13,653,993	13,300,565	N/A						
Electricity (in megawatt hours)	479,874	475,214	478,436	N/A						
Gasoline (in gallons)	2,215,447	2,435,652	2,498,435	N/A						
Natural Gas (in cubic feet)	2,479,102	2,638,509	2,700,210	N/A						
Heating Oil (in gallons)	287,403	227,002	188,262	N/A						
Steam (in millions of pounds)	25,261	29,768	30,097	N/A						
Total Emissions (in carbon dioxide equivalents)	808,948,112	806,650,084*	802,588,776	N/A						
Passenger Miles (in thousands)	1,422,029	1,366,276	1,317,865	N/A						
Emissions Per Passenger Mile Traveled	0.569	0.590	0.609	0.550						

<sup>\*</sup>Re-stated

Waste Diversion Rate Goal: 20% Diversion Rate

Diversion Rate = tons of recycled municipal waste divided by tons of total municipal waste										
	FY 2017 FY 2018 FY 2019 FY 201									
	Actual	Actual	Actual	Goal						
Recycled Municipal Waste (in tons)	567	344	360	N/A						
Other Municipal Waste (in tons)	2,569	2,909	2,755	N/A						
Diversion Rate	18.1%	10.6%	11.6%	20.0%						

Note: FY 2018 and FY 2019 actual results were lower due in part to stricter recycling standards.



#### State of Good Repair & Reliability

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

#### Major Capital Project Deadlines Achieved within 90 Days of Deadline

Number of major project deadlines achieved within 90 days divided by total major projects with deadlines									
	FY 2017	FY 2018	FY 2019	FY 2020					
	Actual	Actual	Actual	Goal					
Major Project Deadlines Achieved within 90 Days	80	66	56	N/A					
Total Major Project Deadlines	99	78	66	N/A					
Achievement Rate	80.8%	84.6%	84.8%	80.0%					

#### Mean Distance Between Failures Goal: Varies by Mode

	Fleet miles traveled divided by mechanical failures requiring vehicle to be removed from revenue service									
		FY 2017	FY 2018	FY 2019	FY 2020					
		Actual	Actual	Actual	Goal					
	City/Suburban Bus									
	Allegheny	6,925	7,525	6,842	7,000					
	Callowhill	6,723	7,817	7,855	7,500					
	Comly	13,182	13,867	12,497	12,000					
Щ	Frankford	14,604	4,604 14,702 14,302							
\ <u>\</u>	Midvale	7,339	7,184	7,297	7,000					
SURFACE	Southern	7,530	7,380	8,128	7,500					
S	Frontier	26,446	22,669	23,580	22,000					
	Victory	12,002	11,462	13,012	13,000					
	City Trolley	10,006	10,378	12,769	8,000					
	Media-Sharon Hill Line	26,174	17,139	24,073	20,000					
	Norristown High Speed Line	51,872	27,215	36,130	35,000					
	Broad Street Line	165,978	127,360	112,710	130,000					
RAIL	Market-Frankford Line	<b>tet-Frankford Line</b> 108,591 103,442								
	Regional Rail	23,546	41,718	35,269	30,000					

#### **Employee Growth**

Goal Statement: to attract, develop, and retain a diverse, healthy, and versatile workforce.

#### Incremental Improvement from Ongoing Focus on Women and Minority Hiring Efforts

		7/1/16 Actual	7/1/17 Actual	7/1/18 Actual	7/1/19 Actual	7/1/20 Goal
Management (% out of total	Minority	44.4%	46.1%	46.9%	49.0%	49.5%
management employees)	Women	19.0%	19.8%	20.3%	21.1%	21.5%
Professional (% out of total	Minority	38.1%	39.2%	39.4%	40.2%	40.5%
professional employees)	Women	35.2%	34.1%	33.9%	33.1%	35.0%

# 2. The Budget Process



#### **Budget Development**

The first step of the budget development process begins with a meeting attended by the Operating Budget, Office of Innovation and Strategic Planning staff in December 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 and the Deputy General Manager/Treasurer.

The next major step in the process occurs in January 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-February.

The Operating Budget Department also 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 departments in March.

Operating and staff department personnel then populate the Management Planning and Control (MPC) operating budget database template for submission. The Operating Budget Department reviews each submission and recommends corrections or revisions as necessary. The submissions are then compiled and the SEPTA Board is briefed.

#### **Period for Public Comment**

The Operating Budget Department publishes SEPTA's Operating Budget Proposal on the Authority's Website and distributes it publicly in late 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 of the five counties that SEPTA serves. Public hearings are then held in late April to inform the public and to solicit public comment on the proposal. SEPTA staff presents testimony and responds to inquiries from the public.

#### Adoption

The hearing examiner evaluates the SEPTA staff proposal together with public commentary and issues a report to the Board in the beginning of May. Included in this report are recommendations the hearing examiner may choose to make as a result of his review. The SEPTA Board adopts a budget for the upcoming fiscal year at its regular May Board meeting on the fourth Thursday of the month.

#### **Budget Amendment**

Subsequent amendments to the total 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 process: budget development, period for public comment and budget adoption.

# 2. The Budget Process



#### Fiscal Year Calendar July 1, 2019 to June 30, 2020

S	M	T	W	TH	F	S	1	S	M	T	W	TH	F	S	
			JLY 20				Days				UARY				Days
_	1	2	3	4	5	6	Cum	29	30	31	1	2	3	4	Cum
7	8	9	10	11	12	13	<u>27</u>	5	6	7	8	9	10	11	<u>28</u>
14	15	16	17	18	19	20	27	12	13	14	15	16	17	18	209
21	22	23	24	25	26	27		19	20	21	22	23	24	25	
		ΔΙΙ	GUST 2	2019			1			FFRE	RUARY	2020			
28	29	30	31	1	2	3	-	26	27	28	29	30	31	1	
4	5	6	7	8	9	10	<u>35</u>	2	3	4	5	6	7	8	<u>28</u>
11	12	13	14	15	16	17	62	9	10	11	12	13	14	15	237
18	19	20	21	22	23	24		16	17	18	19	20	21	22	
25	26	27	28	29	30	31									
		SEPT	EMBE	R 2019						MA	RCH 2	020			
1	2	3	4	5	6	7	-	23	24	25	26	27	28	29	
8	9	10	11	12	13	14	<u>28</u>	1	2	3	4	5	6	7	<u>35</u>
15	16	17	18	19	20	21	90	8	9	10	11	12	13	14	272
22	23	24	25	26	27	28		15	16	17	18	19	20	21	
								22	23	24	25	26	27	28	
		ОСТ	OBER	2019						AF	PRIL 20	20			
29	30	1	2	3	4	5		29	30	31	1	2	3	4	
6	7	8	9	10	11	12	<u>28</u>	5	6	7	8	9	10	11	<u>28</u>
13	14	15	16	17	18	19	118	12	13	14	15	16	17	18	300
20	21	22	23	24	25	26		19	20	21	22	23	24	25	
							_								
			EMBER								AY 202				
27	28		30		1	2		26	27	28	29	30		2	7
3	4	5	6	7	8	9	<u>35</u>	3	4	5	6	7	8	9	<u>35</u>
10	11	12	13	14	15	16	153	10	11	12	13	14	15	16	335
17	18	19	20	21	22	23		17	18	19	20	21	22	23	
24	25	26	27	28	29	30	-	24	25	26	27	28	29	30	
			EMBER				ļ	JUNE 2020							
1	2	3	4	5	6	7		31	1	2	3	4	5	6	
8	9	10	11	12	13	14	<u>28</u>	7	8	9	10	11	12	13	<u>31</u>
15	16	17	18	19	20	21	181	14	15	16	17	18	19	20	366
22	23	24	25	26	27	28		21	22	23	24	25	26	27	
								28	29	30					

# 2. The Budget Process



	Key Activities	Dec-18		Ja	n-19			Fel	b-19				Mar-1	9			Ар	r-19			Ma	y-19		Jun-19	Jul-19	Aug-19
	week or period ending date	31	5	12	19	26	2	9	16	23	2	9	16	23	30	6	13	20	27	4	11	18	25	30	31	10
	SEPTA Management discussion of priorities and																									
1	Strategic Plan Initiatives for the upcoming year																									
	Meetings with SEPTA's operating and staff departments																									
	Develop draft service projection based on current service and FY 2020 levels																									
4	Schedule Public Hearings																									
5	Develop overall and department projections																									
6	Budget Department review of submissions																									
7	Adjust overall and departmental projections																									
8	Budget Update Presentation to GM Team																									
9	Revise Service Projections as necessary																									
	Distribute preliminary budget authorization letters to all Staff and Operating Departments																									
	Budget adjustments are input into Management Planning and Control software (MPC)																									
12	Review first draft of FY 2020 Operating Budget Proposal																									
13	Public Hearing Notice to press relations																									
	Publish FY 2020 Operating Budget Proposal on SEPTA website																									
	Public Hearing Notice published in newspapers & SEPTA website/posted at major transportation centers/Associated Services for the Blind website																									
16	Prepare Public Hearing Testimony																									
17	Period for public commentary																									
	Public Hearings in City of Philadelphia and Suburban counties																									
19	Report from the Hearing Examiner to Board																									
20	Board Budget Committee Briefing																									
21	Board adopts FY 2020 Operating Budget																									
22	Final budget adjustments to MPC																									
	Publish Final FY 2020 Operating Budget Book on SEPTA website																									

# 3. Fiscal Year 2020 Assumptions & Consolidated Budget



This document presents the Fiscal Year 2020 Operating Budget. In section 6, Fiscal Year 2018 and 2019 actual results are also presented for comparison.

Service

The Fiscal Year 2020 Operating Budget of \$1.49 billion in operating expenses assumes transportation service levels will remain generally consistent with Fiscal Year 2019. The new Route 49 bus service, which was introduced in February 2019, has been incorporated into the budget.

Revenue

Operating Revenue for Fiscal Year 2020 is projected to increase \$10.0 million or 2.2% higher than Fiscal Year 2019 actual results and is comparable to results achieved in Fiscal Year 2018. The net change in the other revenue line items is expected to approximate FY 2019 actual results. Investment income and advertising income combined are expected to increase by 3.4% offset by a 1.1% decrease in shared ride program income and lower property damage recoveries and scrap receipts, both of which, were higher than anticipated in Fiscal Year 2019. The Authority will continue to aggressively pursue additional sources of non-farebox revenue such as increased advertising and real estate rentals.

**Expenses** 

Fiscal Year 2020 expenses total \$1.49 billion. Fiscal Year 2019 actual results included unanticipated expense savings from unsettled labor contracts, self-insured healthcare costs and claims while also benefiting from lower fuel prices. The Fiscal Year 2020 budget includes normalized labor, fringe benefit and claims costs while providing for higher Amtrak trackage access costs and other higher third party contract service costs.

State and Local Subsidy

Fiscal Year 2020 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 projected State Operating Subsidy for FY 2020 is \$717.9 million with a Local Match of \$107.7 million.

The Commonwealth and counties also provide a 20% match of \$11.6 million on federal subsidies received to fund Amtrak trackage lease expenses and certain debt service payments. Additionally, \$1.3 million of funds are provided for lease expenses for copiers, inventory warehousing, and communications antenna towers. Funding of \$31.9 million is also provided by the Commonwealth for Debt Service with a Local Match of \$1.1 million provided by the five counties.

**Federal Subsidy** 

Federal Subsidy includes Federal Preventive Maintenance funds of \$36.6 million, Federal Capital Lease Subsidy of \$41.6 million, and Capital Debt Service of \$4.8 million.

# 3. Fiscal Year 2020 Assumptions & Consolidated Budget



Amounts in Thousands ('000)		FY 2020 <u>Budget</u>
REVENUE		
Passenger Revenue	\$	467,700
Shared Ride Program		15,822
Other Income		40,688
Investment Income		3,620
TOTAL OPERATING REVENUE	\$	527,830
EXPENSES		
Labor and Fringe Benefits	\$	1,058,895
Material and Services		314,403
Injury and Damage Claims		23,720
Propulsion Power		29,505
Fuel		29,970
Vehicle and Facility Rentals		6,366
OPERATING EXPENSE	\$	1,462,859
Depreciation/Contributed Capital	\$	23,043
TOTAL EXPENSES	\$	1,485,902
DEFICIT BEFORE SUBSIDY	\$	(958,072)
OPERATING SUBSIDY		
Federal	\$	82,987
State	•	762,270
Local		109,195
Other		3,620
TOTAL SUBSIDY	\$	958,072
SURPLUS/(DEFICIT)	\$	



#### FINANCIAL PLANNING POLICIES

#### **Balanced Budget**

The SEPTA 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 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 reports 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 other post-employment benefit (OPEB) obligation recognized under Governmental Accounting Standards Board (GASB) Statement No. 45 in 2008, which was replaced by GASB 75 and implemented by the Authority in Fiscal Year 2018, has been excluded from budgeted expenses. The expense impact of the annual unfunded pension liability change under GASB 68, implemented by the Authority in Fiscal Year 2015, is also excluded from budgeted expenses. Such costs are included in operating expenses in the annual financial statements. The OPEB is funded and budgeted on a pay-as-you-go basis, whereas pensions are funded and budgeted based on actuarially determined contributions calculated by an independent actuary.



#### 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.

The five-year financial projection includes fare increases every three years and SEPTA anticipates the next fare increase will occur in Fiscal Year 2021. This, along with prudent oversight of expenditures, will facilitate balanced budgets in future years.

#### **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, Supply Chain Management and Disadvantaged Business Enterprise Division is responsible for 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 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 to finance ongoing operations.



#### **EXPENDITURE POLICIES**

#### **Accountability**

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

The spending plan is based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done at the management center level and managers are provided with detailed variance reports on a monthly basis.

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The Office of Innovation Department conducts assessments of various SEPTA operations and will recommend structural and process changes when deemed appropriate 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 & 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.

#### DESCRIPTION OF EXISTING DEBT AND DEBT SERVICE 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 (PTA) 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 commencing 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.

On October 11, 2017, the Authority issued \$59.97 million of Revenue Refunding Bonds, Series 2017 (the "2017 Bonds"). The 2017 Bonds are due in varying amounts with maturity dates of March 1, 2021 through and including March 1, 2028. The 2017 Bonds were issued at a premium and have yields ranging between 1.25% and 2.3%, and bear a 5% annual interest rate. The proceeds from the sale of the 2017 Bonds in the amount of \$71.88 million were used to (a) advance refund a portion of the Authority's Revenue Refunding Bonds, Series of 2010 ("Refunded 2010 Bonds") in the aggregate principal amount of \$65.84 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2017 Bonds. Concurrently with the issuance of the 2017 Bonds, a portion of the proceeds along with other available moneys of the Authority, were irrevocably deposited into an escrow account pursuant to the terms of an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2010 Bonds as such payments become due. Upon the deposit of the funds for the advance refunding of the Refunded 2010 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2010 Bonds were deemed to no longer be outstanding under the Indenture.



#### **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 were 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.

On October 19, 2017, the Authority issued \$102.30 million of Capital Grant Receipts Refunding Bonds, Series 2017 (Federal Transit Administration Section 5337 State of Good Repair Formula Program Funds), (the "2017 CGR Bonds"). The 2017 CGR Bonds are due in varying amounts with maturity dates of June 1, 2018, and June 1, 2022 through and including June 1, 2029. The 2017 CGR Bonds were issued with a premium and have yields ranging between 1.20% and 2.51%, and bear a 5% annual interest rate. The proceeds from the sale of the 2017 CGR Bonds in the amount of \$123.07 million, together with other available moneys of the Authority, were used to (a) advance refund a portion of the Authority's Capital Grant Receipts Bonds, Series 2011 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds) (the "2011 Bonds"), in the aggregate principal amount of \$110.45 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2017 CGR Bonds. Concurrently with the issuance of the 2017 CGR Bonds, a portion of the proceeds of the 2017 CGR Bonds and other moneys of the Authority were irrevocably deposited into an escrow account pursuant to an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2011 Bonds as such payments become due. Upon the deposit of the funds for the advance refunding of the Refunded 2011 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2011 Bonds were deemed to no longer be outstanding under the Indenture.

#### **EB-5 Loan for New Payment Technology**

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 SEPTA Key project. The SEPTA Key project is modernizing the Authority's fare payment system by allowing direct fare payment 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 the final drawdown occurred on January 31, 2017. This is an interest only loan with a rate of 1.75% and maturities ranging between 5 and 6 years. The Authority repaid the first tranche principal amount of \$35 million that matured on May 30, 2017. The Authority utilized Federal and State Grants with local match to repay the final two tranche amounts of \$75 million and \$65 million which were due on June 30, 2019 and July 1, 2019, respectively.

### 4. Financial & Budgetary Policies



### **Energy Service Company "ESCO" Lease/Purchase Agreement**

The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp on November 24, 2015. There are two tranches of debt; tranche 1 has a principal amount of \$4.2 million, and an interest rate of 2.37% and a final maturity of June 1, 2026; and tranche 2 has a principal amount of \$14.0 million, an interest rate of 3.2%, and a final maturity of June 1, 2033. The installed equipment will serve to reduce the Authority's energy consumption and the resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service and other annual project-related expenses throughout the term of the agreement.

The Authority entered into a Master Equipment Lease/Purchase Agreement with PNC Equipment Finance, LLC on November 30, 2016. The total amount financed is \$35.9 million, due in varying amounts through March 30, 2034 with an annual nominal interest rate of 2.83%. The equipment leased/purchased included the installation of various energy conservation measures through a third party agreement which will serve to reduce the Authority's energy consumption and operating expenses. The measures undertaken included the construction of a Combined Heat and Power Plant ("CHP") that will provide electricity to the Wayne Junction substation and Midvale bus maintenance facility, the installation of interior and exterior LED lighting upgrades to certain Authority owned buildings, and various other work to conserve energy. The resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service payments and other annual project related expenses throughout the term of the agreement.

The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp on July 30, 2019. The total amount financed is \$12.8 million, due in varying amounts through February 1, 2037 with an annual interest rate of 2.969%. The equipment to be leased/purchased will include various energy conservation measures to reduce energy consumption at SEPTA's 1234 Market Street Headquarters. The resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service and other annual project related expenses throughout the term of the agreement.

#### EB-5 Loan for Equipment and Infrastructure

On January 1, 2016, the Authority entered into an EB-5 loan agreement with Delaware Valley Regional Center, LLC, for an amount up to \$300 million to partially finance various capital projects. On April 28, 2017, SEPTA borrowed \$100 million under this agreement. This is an interest only loan with a rate of 2.0% and a maturity date of July 1, 2022. On November 1, 2017, the Authority borrowed an additional \$90 million under this agreement. The loan bears an interest rate of 2.0% and will mature on November 1, 2022. On September 20, 2018 the Authority borrowed an additional \$33 million under this agreement. The loan bears an interest rate of 2.0% and will mature on September 20, 2023. On March 11, 2019 the Authority borrowed an additional \$14 million under this agreement. The loan bears an interest rate of 2.0% and will mature on March 11, 2024.

#### **Revolving Line of Credit Agreement**

On September 1, 2018, the Authority entered into a \$100 million Revolving Line of Credit Agreement ("Committed Line of Credit Note") with PNC Bank, National Association, with an expiration date of August 31, 2019. The Note is unsecured and bears interest at the Daily Libor Rate plus a credit spread. The facility fee associated with the revolving line of credit varies depending upon the amount borrowed and outstanding during the one-year term. As of July 30, 2019, there was an outstanding balance of \$40 million related to the Revolving Line of Credit.

### 4. Financial & Budgetary Policies



#### **Debt Limit**

The Authority does not have a debt limit, but must demonstrate the ability to repay prior to entering into a loan agreement or issuing bonds.

### **Debt Service**

The Authority has three series of Revenue Refunding Bonds (issued in 2007, 2010 and 2017), and two series of Capital Grant Receipts Bonds (issued in 2011 and 2017) currently outstanding. In March 2012 the Authority entered into an EB-5 loan agreement to fund the SEPTA Key Project and in January 2016 entered into a second EB-5 loan agreement to partially finance various capital projects. In November of both 2015 and 2016, and July of 2019, the Authority entered into "ESCO" Lease/Purchase Agreements.

### **Debt Service Requirements**

Interest on the Series 2007, Series 2010 and Series 2017 Revenue Refunding Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2011 and Series 2017 Capital Grant Receipts Bonds is payable semi-annually on December 1 and June 1. The aggregate debt service requirements for the Revenue Refunding Bonds and Capital Grant Receipts Bonds, the ESCO Agreements, and the EB-5 Loans, are summarized in the following tables:

### **Bond Debt Service Requirements**

(Amounts in Thousands)

Fiscal Year	Interest*	Principal	Total
2020	\$ 12,711	\$ 37,455	\$ 50,166
2021	10,810	31,085	41,895
2022	9,217	31,480	40,697
2023	7,594	20,345	27,939
2024	6,577	21,375	27,952
2025	5,508	22,440	27,948
2026	4,386	23,555	27,941
2027	3,208	24,740	27,948
2028	1,971	24,720	26,691
2029	737	14,730	15,467
TOTAL	\$ 62,719	\$ 251,925	\$ 314,644

<sup>\*</sup>Interest on the Series 2007 Bonds is a synthetic fixed rate of 4.706%

### **ESCO Debt Service Requirements**

(Amounts in Thousands)

Fiscal Year	Interest	Principal	Total
2020	1,465	2,537	4,002
2021	1,960	2,950	4,910
2022	1,680	3,092	4,772
2023	1,588	3,734	5,322
2024	1,479	3,768	5,247
2025	1,368	4,103	5,471
2026	1,248	3,965	5,213
2027	1,136	3,943	5,079
2028	1,022	4,236	5,258
2029	899	4,318	5,217
2030	773	4,510	5,283
2031	642	4,594	5,236
2032	509	5,291	5,800
2033	355	5,281	5,636
2034	210	4,443	4,653
2035	82	963	1,045
2036	53	1,003	1,056
2037	23	1,043	1,066
TOTAL	\$16,492	\$63,774	\$80,266



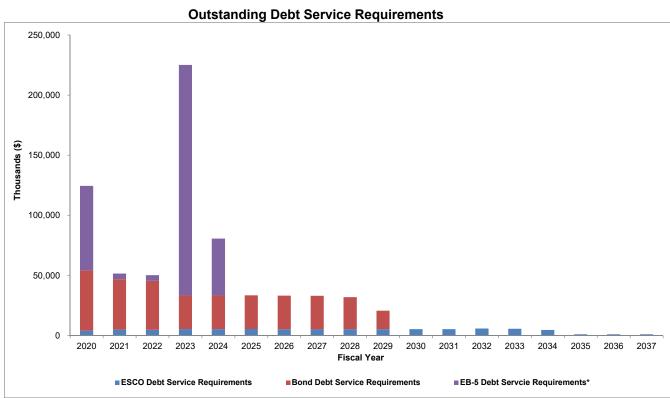


**EB-5 Loan Debt Service Requirements** 

(Amounts in Thousands)

	(		
Fiscal Year	Interest	Principal	Total
2020	\$ 5,312	\$ 65,000	\$ 70,312
2021	4,740	-	4,740
2022	4,740	-	4,740
2023	1,857	190,000	191,857
2024	418	47,000	47,418
TOTAL	\$ 17,067	\$ 302,000	\$ 319,067

A graph of the Authority's outstanding debt service requirements is illustrated below:



\*The EB-5 Loan for Equipment and Infrastructure matures in Fiscal Year 2023 and the Authority plans to refinance the amount due at this time.

### 4. Financial & Budgetary Policies



### STATEMENT OF CHANGES IN EQUITY

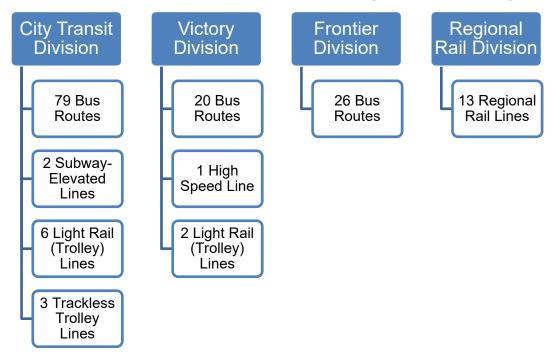
The comparative fiscal year Statement of Changes in Equity displays the Authority's change in contributed capital as well as the change in its accumulated operating deficit, including the fiscal year operating financial results on a balanced budget reporting basis. The equity amounts below exclude the post-employment benefit and unfunded pension obligations recognized under GASB 45, 75, and 68, respectively. Operating surpluses are reducing deficits accumulated in prior years.

	Statement of Changes in Equity (Amounts in Thousands)									
		FY 2018 Actual		FY 2019 Actual		FY 2020 Budget				
Contributed Capital:										
Balance at Beginning of Year Capitalized Grant Property	\$	3,620,848 540,151	\$	3,793,831 623,397	\$	4,030,383 538,531				
Capitalized Grant Property - Retirements Amortization		(37,573) (367,066)		(109,937) (386,845)		(48,850 (397,206				
Amortization - Retirements		37,471		109,937		48,552				
Contributed Capital Balance at End of Year	\$	3,793,831	\$	4,030,383	\$	4,171,410				
Operating Surplus/(Deficit):										
Accumulated Operating Deficit, Beginning of Year	\$	(183,714)	\$	(184,134)	\$	(182,054				
Operating Surplus		444		328		-				
Unrealized Investment Gain/(Loss)		(864)		1,752		_				
Operating Surplus/(Deficit) After Unrealized Investment Gain/(Loss)	\$	(420)	\$	2,080	\$	-				
Accumulated Operating Deficit, End of Year	\$	(184,134)	\$	(182,054)	\$	(182,054				
Total Equity	\$	3,609,697	\$	3,848,329	\$	3,989,356				

### 5. 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 in 1968, forming the current City Transit Division. The City Transit Division, which primarily serves the City of Philadelphia, operates 79 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 20 bus routes, 2 light rail (trolley) lines, and 1 high speed line.

#### **Frontier Division**

The Frontier Division consists of 26 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 Rail Division serves the City of Philadelphia, as well as Bucks, Chester, Delaware, and Montgomery Counties, with service to Newark, Delaware, and Trenton and West Trenton, New Jersey. The infrastructure and assets of regional rail were previously operated by the Pennsylvania and Reading Railroads. These regional rail lines were operated by Conrail from 1976 through 1982, and acquired by SEPTA in 1983.

### 5. Organizational Structure



### **SEPTA 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.

### **OPERATING AND STAFF DEPARTMENTS**

Corporate Staff  Board Staff  Executive Staff  Office of the General Manager  Deputy General Manager/Treasurer Admin.	Audit & Investigative Services Internal Audit Office of the Inspector General
Communications Communications and Website Management Fulfillment Services Graphic Services Print Services and Sign Shops	Customer Experience & Advocacy Administration Customer Development & Advocacy Consumer Market Research & Analysis Customer Service Center
Employee Development/Relations Administration Career Resource Connection EEO/AA and Employee Relations Labor Relations Training and Development	Engineering, Maintenance & Construction Administration & Finance Bridges & Buildings Project Compliance Project Control Project Development Real Estate Maintenance of Way Support Services
Finance & Planning Finance Administration Capital Budget and Grant Development Financial Services General Accounting Operating Budget Payroll Revenue, Ridership, Advertising and Sales Service Planning Strategic Planning and Analysis	Human Resources Administration Employee Medical Services Employee Services Compensation/HRIS Recruitment Employee Benefit Services Strategic Initiatives
Information Technology Emerging and Specialty Technologies Project Services Cyber Security Infrastructure Services Records Management	Office of Innovation
New Payment Technologies	Office of General Counsel Administration Claims Corporate and Business Operations Video and Intake Operations Litigation Corporate Litigation Risk Management

### 5. Organizational Structure



### **OPERATING AND STAFF DEPARTMENTS**

Operations Administration and Finance Customized Community Transportation Rail Transportation – Regional Rail AGM Staff
Planning and Coordination Control Center - Transit Rail Transportation – Subway/Elevated Surface Transportation

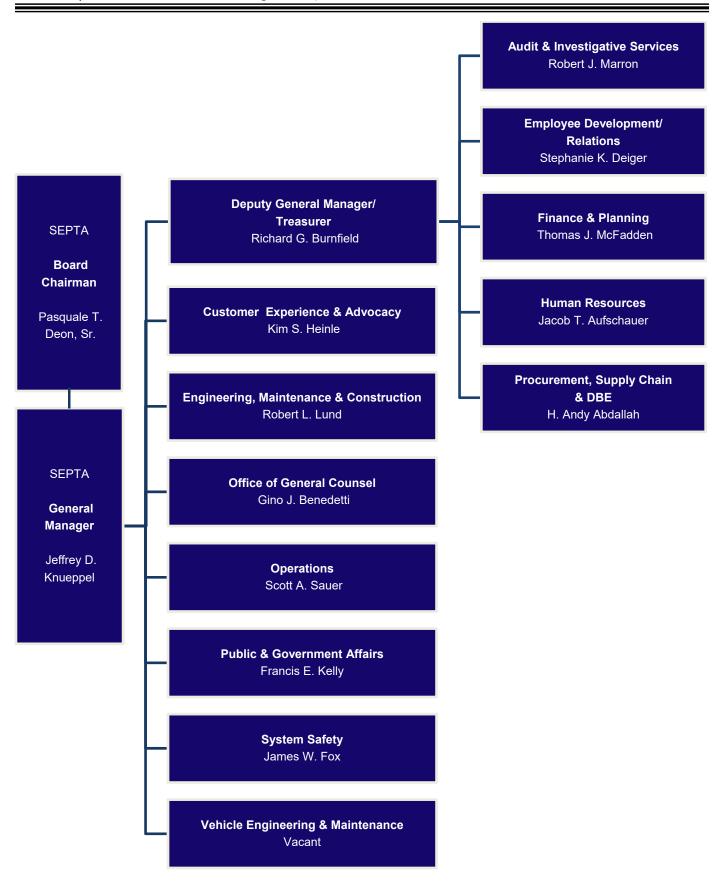
# **Public & Government Affairs Public and Government Affairs** Administration Media Relations Marketing and Promotions Government and Community Relations **Revenue Operations** Administration Revenue Transportation and Collections **Revenue Services** Revenue Equipment Maintenance Revenue Compliance Railroad Revenue and Parking **Transit Police** Administration Office of Professional Responsibility Patrol Bureau Special Operations Bureau

## Procurement, Supply Chain & **Disadvantaged Business Enterprise** (DBE) Administration **Contract Administration** Disadvantaged Business Enterprise Program Procurement and Supply Chain Management **System Safety** System Safety **Construction Safety** Vehicle Engineering & Maintenance Administration Bus Vehicle Engineering Rail Vehicle Engineering Vehicle Equipment Maintenance

# 5. Organizational Structure Corporate Team Organization Chart



(To Assistant General Manager level)



## Consolidated





Amounts in thousands ('000)	FY 2018 Actual			FY 2019 Actual		FY 2020 Budget		FY 2020 versus FY 2019
REVENUE				_				
Passenger Revenue	\$	466,569	\$	457,709	\$	467,700	\$	9,991
Shared Ride Program		16,351		15,992		15,822		(170)
Other Income		38,749		41,017		40,688		(329)
Investment Income	_	2,978	_	3,229		3,620		391
TOTAL OPERATING REVENUE	\$	524,647	\$	517,947	\$	527,830	\$	9,883
EXPENSES								
Labor and Fringe Benefits	\$	991,411	\$	1,008,830	\$	1,058,895	\$	50,065
Materials and Services		278,318		301,920		314,403		12,483
Injury and Damage Claims		21,930		16,490		23,720		7,230
Propulsion Power		29,976		29,807		29,505		(302)
Fuel		24,378		27,816		29,970		2,154
Vehicle and Facility Rental	_	5,297	_	6,376		6,366		(10)
OPERATING EXPENSE	\$	1,351,310	\$	1,391,239	\$	1,462,859	\$	71,620
Depreciation/Contributed Capital	<u>\$</u>	20,480	\$	20,127	<u>\$</u>	23,043	\$	2,916
TOTAL EXPENSES	\$	1,371,790	\$	1,411,366	\$	1,485,902	\$	74,536
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(847,143)	<u>\$</u>	(893,419)	<u>\$</u>	(958,072)	<u>\$</u>	(64,653)
OPERATING SUBSIDY								
Federal	\$	82,493	\$	83,409	\$	82,987	\$	(422)
State		666,645		705,688		762,270		56,582
Local		94,847		100,665		109,195		8,530
Other	_	3,602	_	3,985	_	3,620		(365)
TOTAL SUBSIDY	\$	847,587	\$	893,747	\$	958,072	\$	64,325
SURPLUS/(DEFICIT)	<u>\$</u>	444	\$	328	<u>\$</u>		\$	(328)

# **City Transit Division**

# 6. Three Year Comparison Fiscal Years 2018-2020



Amounts in thousands ('000)		FY 2018 Actual		FY 2019 Actual	FY 2020 Budget	FY 2020 versus FY 2019		
REVENUE	<del></del>							
Passenger Revenue	\$	291,038	\$	284,823	\$ 292,177	\$	7,354	
Shared Ride Program		16,351		15,992	15,822		(170)	
OtherIncome		22,395		24,417	23,185		(1,232)	
Investment Income		1,493		1,675	 1,868		193	
TOTAL OPERATING REVENUE	\$	331,277	\$	326,907	\$ 333,052	\$	6,145	
EXPENSES								
Labor and Fringe Benefits	\$	673,521	\$	678,376	\$ 723,539	\$	45,163	
Materials and Services		143,717		158,741	163,913		5,172	
Injury and Damage Claims		16,126		9,355	17,940		8,585	
Propulsion Power		11,232		11,128	12,080		952	
Fuel		18,806		21,380	23,127		1,747	
Vehicle and Facility Rental		3,822	_	4,908	 3,948		(960)	
OPERATING EXPENSE	\$	867,224	\$	883,888	\$ 944,547	\$	60,659	
Depreciation/Contributed Capital	<u>\$</u>	13,965	\$	14,222	\$ 16,043	<u>\$</u>	1,821	
TOTAL EXPENSES	\$	881,189	\$	898,110	\$ 960,590	\$	62,480	
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(549,912)	\$	(571,203)	\$ (627,538)	\$	(56,335)	
OPERATING SUBSIDY								
Federal	\$	27,092	\$	26,097	\$ 25,544	\$	(553)	
State		456,543		475,722	524,967		49,245	
Local		65,363		68,269	75,697		7,428	
Other		1,220	_	1,338	 1,330	_	(8)	
TOTAL SUBSIDY	\$	550,218	\$	571,426	\$ 627,538	\$	56,112	
SURPLUS/(DEFICIT)	<u>\$</u>	306	\$	223	\$ 	\$	(223)	

# **Victory Division**





Amounts in thousands ('000)		FY 2018 Actual	FY 2019 Actual		FY 2020 Budget	FY 2020 versus FY 2019		
REVENUE								
Passenger Revenue	\$	24,566	\$ 25,077	\$	25,594	\$	517	
Shared Ride Program		-	-		-		-	
Other Income		2,442	2,930		2,925		(5)	
Investment Income	_	68	 57	_	88		31	
TOTAL OPERATING REVENUE	\$	27,076	\$ 28,064	\$	28,607	\$	543	
EXPENSES								
Labor and Fringe Benefits	\$	75,559	\$ 75,848	\$	77,996	\$	2,148	
Materials and Services		20,083	20,294		21,301		1,007	
Injury and Damage Claims		866	661		889		228	
Propulsion Power		1,217	1,256		1,250		(6)	
Fuel		3,138	3,582		3,691		109	
Vehicle and Facility Rental		164	 179		187		8	
OPERATING EXPENSE	\$	101,027	\$ 101,820	\$	105,314	\$	3,494	
Depreciation/Contributed Capital	<u>\$</u>	210	\$ 222	\$	241	\$	19	
TOTAL EXPENSES	\$	101,237	\$ 102,042	\$	105,555	\$	3,513	
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(74,161)	\$ (73,978)	<u>\$</u>	(76,948)	<u>\$</u>	(2,970)	
OPERATING SUBSIDY								
Federal	\$	3,601	\$ 3,393	\$	3,227	\$	(166)	
State		61,406	61,417		64,116		2,699	
Local		9,197	9,199		9,605		406	
Other			 					
TOTAL SUBSIDY	\$	74,204	\$ 74,009	\$	76,948	\$	2,939	
SURPLUS/(DEFICIT)	<u>\$</u>	43	\$ 31	\$		\$	(31)	

### **Frontier Division**





Amounts in thousands ('000)		Y 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2020 versus FY 2019		
REVENUE							
Passenger Revenue	\$	6,254	\$ 6,443	\$ 6,670	\$	227	
Shared Ride Program		-	-	-		-	
Other Income		678	764	901		137	
Investment Income		20	 17	 26		9	
TOTAL OPERATING REVENUE	\$	6,952	\$ 7,224	\$ 7,597	\$	373	
EXPENSES							
Labor and Fringe Benefits	\$	26,986	\$ 27,659	\$ 28,390	\$	731	
Materials and Services		4,068	4,385	4,709		324	
Injury and Damage Claims		344	120	319		199	
Propulsion Power		-	-	-		-	
Fuel		2,028	2,371	2,524		153	
Vehicle and Facility Rental		55	 57	 60		3	
OPERATING EXPENSE	\$	33,481	\$ 34,592	\$ 36,002	\$	1,410	
Depreciation/Contributed Capital	\$	49	\$ <u>52</u>	\$ <u>54</u>	\$	2	
TOTAL EXPENSES	\$	33,530	\$ 34,644	\$ 36,056	\$	1,412	
DEFICIT BEFORE SUBSIDY	<u>\$</u>	(26,578)	\$ (27,420)	\$ (28,459)	\$	(1,039)	
OPERATING SUBSIDY							
Federal	\$	1,267	\$ 1,225	\$ 1,168	\$	(57)	
State		21,476	22,236	23,178		942	
Local		3,218	3,332	3,473		141	
Other		632	 638	 640		2	
TOTAL SUBSIDY	\$	26,593	\$ 27,431	\$ 28,459	\$	1,028	
SURPLUS/(DEFICIT)	<u>\$</u>	15	\$ 11	\$ 	\$	(11)	

# **Regional Rail Division**





Amounts in thousands ('000)		FY 2018 FY 2019 Actual Actual				FY 2020 Budget		FY 2020 versus FY 2019
REVENUE								_
Passenger Revenue	\$	144,711	\$	141,366	\$	143,259	\$	1,893
Shared Ride Program		-		-		-		-
Other Income		13,234		12,906		13,677		771
Investment Income		1,397		1,480	_	1,638		158
TOTAL OPERATING REVENUE	\$	159,342	\$	155,752	\$	158,574	\$	2,822
EXPENSES								
Labor and Fringe Benefits	\$	215,345	\$	226,947	\$	228,970	\$	2,023
Materials and Services	,	110,450	7	118,500	,	124,480	т	5,980
Injury and Damage Claims		4,594		6,354		4,572		(1,782)
Propulsion Power		17,527		17,423		16,175		(1,248)
Fuel		406		483		628		145
Vehicle and Facility Rental		1,256		1,232		2,171		939
OPERATING EXPENSE	\$	349,578	\$	370,939	\$	376,996	\$	6,057
Depreciation/Contributed Capital	\$	6,256	\$	5,631	\$	6,705	<u>\$</u>	1,074
TOTAL EXPENSES	\$	355,834	\$	376,570	\$	383,701	\$	7,131
DEFICIT BEFORE SUBSIDY	\$	(196,492)	\$	(220,818)	\$	(225,127)	\$	(4,309)
OPERATING SUBSIDY								
Federal	\$	50,533	\$	52,695	\$	53,048	\$	353
State		127,220		146,313		150,009		3,696
Local		17,069		19,864		20,420		556
Other		1,750	_	2,009		1,650	_	(359)
TOTAL SUBSIDY	\$	196,572	\$	220,881	\$	225,127	\$	4,246
SURPLUS/(DEFICIT)	\$	80	<u>\$</u>	63	\$		<u>\$</u>	(63)



### 7. Financial Projections Summary of Assumptions

Passenger Revenue Revenue is expected to grow by 1% per year, except in Fiscal

Years 2021 and 2024 when scheduled fare increases will take

effect.

**Shared Ride Revenue** This revenue category is forecasted to grow by approximately

1% each year over the five-year period.

Other Income The Other Income category is expected to increase by 1%

annually when compared to the Fiscal Year 2020 budget. Income that is generated primarily from investments, real estate rentals, scrap sales, property damage recoveries, advertising, and parking lot fees are reflected in this category.

**Expenses** The overall expense growth rate is approximately 3% annually

with fringe benefits expected to grow at a slightly higher rate due to the increased cost of healthcare. The other expense

categories anticipate third party supplier's price increases.

**Subsidy** The subsidy categories reflect the anticipated funding levels of

the Federal, State, and required local match needed to balance the operating budget in Fiscal Year 2020 and beyond. Due to scheduled fare increases in Fiscal Years 2021 and 2024, the subsidy growth rate is lower in those years as compared to

years with no increases.





		Budget						Projection				
Amounts in thousands ('000)	_	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025
			fa	are increase					f	are increase		
REVENUE												
Passenger Revenue	\$	467,700	\$	492,700	\$	497,625	\$	502,605	\$	529,605	\$	534,900
Shared Ride Revenue		15,822		15,980		16,140		16,300		16,465		16,630
Other Income		44,308	_	44,750	_	45,200	_	45,650	_	46,105	_	46,565
TOTAL OPERATING REVENUE	\$	527,830	\$	553,430	\$	558,965	\$	564,555	\$	592,175	\$	598,095
EXPENSES												
Labor and Fringe Benefits	\$	1,058,895	\$	1,095,570	\$	1,130,800	\$	1,164,385	\$	1,199,085	\$	1,234,945
Materials and Services		314,403		323,365		331,450		339,735		348,230		356,935
Injury and Damage Claims		23,720		24,310		24,920		25,545		26,180		26,835
Propulsion Power		29,505		30,095		30,700		31,310		31,935		32,575
Fuel		29,970		30,870		31,640		32,430		33,245		34,075
Other Expenses (Incl. Depreciation)		29,409		29,995	_	30,595		31,210		31,835	_	32,470
TOTAL EXPENSES	\$	1,485,902	\$	1,534,205	\$	1,580,105	\$	1,624,615	\$	1,670,510	\$	1,717,835
DEFICIT BEFORE SUBSIDY	\$	(958,072)	\$	(980,775)	\$	(1,021,140)	\$	(1,060,060)	\$	(1,078,335)	\$	(1,119,740)
OPERATING SUBSIDY												
Federal		82,987		83,854		87,320		89,163		90,193		91,244
State		762,270		779,851		811,962		842,959		857,916		892,966
Local		109,195		113,414		118,165		124,208		126,459		131,725
Other		3,620	_	3,656		3,693		3,730		3,767		3,805
TOTAL SUBSIDY	\$	958,072	\$	980,775	\$	1,021,140	\$	1,060,060	\$	1,078,335	\$	1,119,740
SURPLUS/(DEFICIT)	\$		\$		\$		\$		\$		\$	

### 8. Annual Service Plan Overview



The Annual Service Plan typically describes service proposals suggested by the general public, government agencies, elected officials and Authority staff, and presents the technical and financial analysis to determine whether the proposals merit implementation. Because SEPTA is about to embark on a multi-year study of its entire route structure, a general solicitation for projects was not conducted for Fiscal Year 2020. The Fiscal Year 2020 plan, which was adopted by the SEPTA Board at the June 27, 2019 meeting, includes minor route changes now operating under Experimental Orders for two operating divisions – City Transit and Suburban Transit, and a significant update of SEPTA's Service Standards and Process for all operating divisions. The final FY 2020 Annual Service Plan document includes an evaluation of service changes implemented as part of the FY 2019 Annual Service Plan.

# The following projects are operating under Experimental Order authority and were made permanent.

Route 40: A change to the alternate routing utilizing Pine Street during times when South Street is congested.

Route 73: A change to the routing to enter the Shoppes at Wissinoming Shopping Center during business hours for improved access to a full service supermarket.

Route 104: A change to the end of line at West Chester University to address a University proposal to close a street at the previous end of line at Church Street and University Avenue. The new end of line would keep buses on High Street to and from the Swope Preforming Arts Center.

Route 131: Added service to a portion of Egypt Road and Shannondell Boulevard to improve service to the Audubon Village Shopping Center and Shannondell at Valley Forge. This was implemented in conjunction with improved off-peak and weekend service.

### Amendments to SEPTA Service Standards and Process

For Surface Transportation, there are many changes, including: new performance metrics and a revised route classification system to evaluate route performance. The changes use network analysis tools that consider duplication, connectivity, proximity to people and jobs and impacts on customer access in the context of proposed routing and service changes. A route directness formula will be used to allow evaluation of requests for route deviations. The changes will support a Surface Transportation Service Development Process.

There were minor changes to the Regional Rail elements of the Service Standards and Process document.

The Fiscal Year 2020 Annual Service Plan does not include any major reductions in service levels or significant diminishment of transit service.

Two public hearings were conducted regarding the FY 2020 Annual Service Plan. Based on testimony at the public hearings and comments received during the public comment period, the Hearing Examiner issued his report and Recommendations on June 10, 2019. The Hearing Examiner recommended that the Fiscal Year 2020 Annual Service Plan be adopted.





SEPTA receives revenue from several different 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. Operating Revenue is comprised of four major elements: passenger revenue, shared ride, other income, and investment income.

Passenger Revenue

The Fiscal Year 2020 Operating Budget for passenger revenue is \$467.7 million and assumes a 2.2% growth in revenue which is comparable to results achieved in Fiscal Year 2018.

**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, revenue is budgeted at \$15.8 million or 1.1% lower than the FY 2019 actual results due to lower program ridership. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging, and Shared Ride fares. In Fiscal Year 2020, the Authority projects a total of 583,000 Shared Ride trips.

Other Income

Other income includes real estate rental income, parking lot fees, and advertising income. Total projected revenue for this category is \$40.7 million.

**Investment Income** 

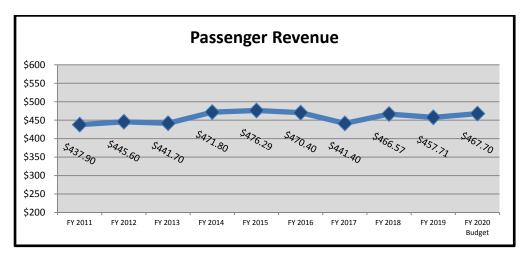
Investment income is budgeted at \$3.6 million for Fiscal Year 2020. Investment income results are correlated directly to financial market conditions and projected fund balances.

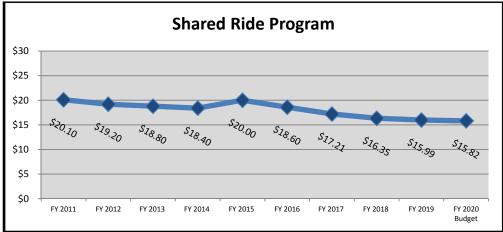


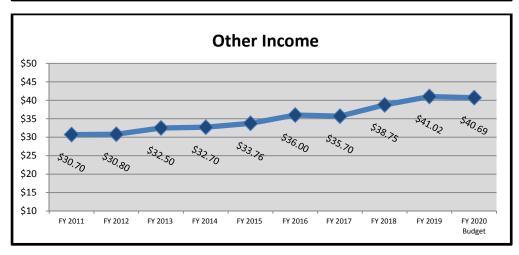


The Authority analyzes a number of factors that affect the Operating Revenue budget. This includes an examination of national, state, and local demographic, economic, travel, and development trends. In addition, SEPTA evaluates current and projected service levels and other factors affecting ridership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

### **Amounts in Millions**

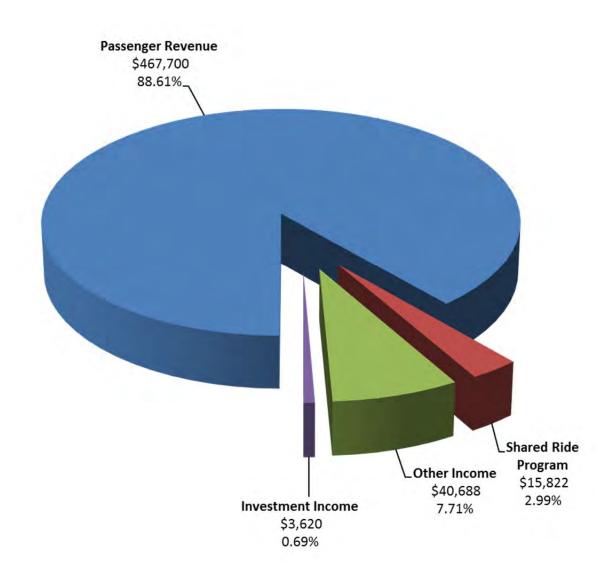








# TOTAL OPERATING REVENUE = \$527,830 In Thousands



### 9. Subsidy Allocation & Detail



#### Introduction

Total subsidies in the Fiscal Year 2020 Operating Budget represent \$958.1 million and include the following categories: Federal, State, Local, and Other.

### **Assumptions**

#### Federal

The Federal Government's role in providing operating assistance has steadily declined. In Fiscal Year 1980, Federal Subsidy covered 18.8% of SEPTA's operating expenses. For Fiscal Year 2020, the total Federal Subsidy of \$83.0 million covers only 5.6% of the total budgeted operating expense. The source of this subsidy is Federal Preventive Maintenance funds in the amount of \$36.6 million, Federal Capital Lease Subsidy in the amount of \$41.6 million, and Federal Capital Debt Service Subsidy of \$4.8 million.

#### State

On July 18, 2007, Act 44 of 2007 was signed into law by former Pennsylvania Governor Ed Rendell, and was 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 4.4% of state sales tax receipts and the proceeds from bonds issued by the Pennsylvania Turnpike Commission.

In November of 2013, the State Legislature passed Act 89. This legislation significantly increased funding for SEPTA's Capital Program, allowing SEPTA to address its backlog of unfunded capital projects.

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

#### **State Allocation Formula**

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

Operating assistance is provided through Section 1513 of the Trust Fund. In addition, the Commonwealth of Pennsylvania provides state funds for capital lease costs and debt service. SEPTA's debt service expenses and some lease costs are funded through the Capital Program 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 a requirement for SEPTA to receive its full allocation 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 Guarantees and Lease and Debt Service payments.

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

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





The operating budget also makes an allowance within the standard formula, shown on the previous page, to properly accommodate the four county utilization of SEPTA's Suburban Paratransit Service 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 2020 is as follows:

Suburban Paratransi Usage by County	t
Bucks	15%
Chester	10%
Delaware	45%
Montgomery	<u>30%</u>
Total	100%

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

#### **Route Guarantee**

Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2020 Route Guarantee Subsidy in the City Transit Division includes a University City partnership between Penn Health Systems, the University of the Sciences, and Children's Hospital, which continues the "LUCY" (Loop through University City) 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 as an extension of the Wilmington/Newark Line.





Prior to passage of Act 44 in July 2007, former Pennsylvania 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. These drastic measures were frequently diffused by eleventh hour, one-time actions.

The Act 44 and Act 89 funding programs are intended to provide a long-term funding solution. It is critically important for SEPTA to be prudent with the use of these 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 will be used to balance the operating budget avoiding substantial fare increases and/or service cuts.

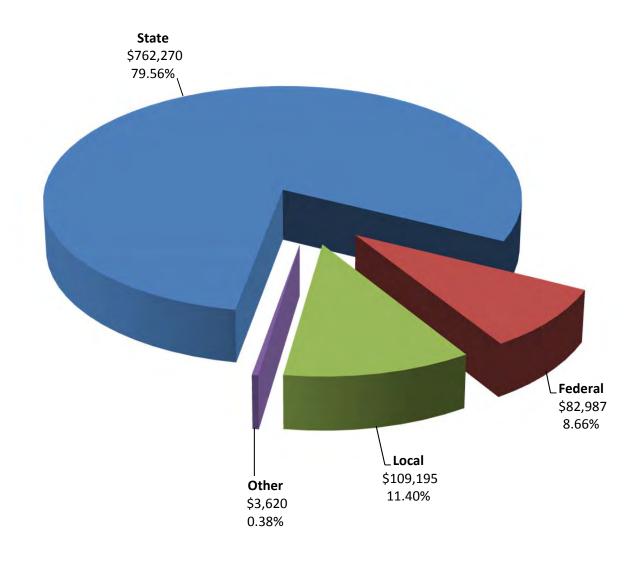
# 9. Detail of Subsidies



	Amounts in thousands ('000)									
		City Transit Victory		√ictory	ory Frontier		Regional atier Rail		_	Total SEPTA
Federal										
Preventive Maintenance	\$	25,543	\$	3,227	\$	1,168	\$	6,662	\$	36,600
Capital Lease Subsidy		-		-		-		41,636		41,636
Debt Service Subsidy		1	_		_			4,750	_	4,751
Subtotal Federal	\$	25,544	\$	3,227	\$	1,168	\$	53,048	\$	82,987
State										
Operating Subsidy - (Section 1513)	\$	498,608	\$	64,002	\$	23,149	\$	132,105	\$	717,864
Lease Cost Subsidy - (Section 1514)		978		92		29		227		1,326
Debt Service Subsidy - (Section 1514)		25,380		22		-		6,455		31,857
Match - Capital Lease Subsidy - (Section 1514)		-		-		-		10,073		10,073
Match - Capital Debt Service Subsidy- (Section 1514)		1	_		_		_	1,149	_	1,150
Subtotal State	\$	524,967	\$	64,116	\$	23,178	\$	150,009	\$	762,270
Local (Please see subsequent pages for Detail by County)	\$	75,697	\$	9,605	\$	3,473	\$	20,420	\$	109,195
Other - Route Guarantees	<u>\$</u>	1,330	\$	<del>-</del>	\$	640	<u>\$</u>	1,650	\$	3,620
TOTAL SUBSIDY	<u>\$</u>	627,538	\$	76,948	\$	28,459	\$	225,127	<u>\$</u>	958,072



# TOTAL SUBSIDIES = \$958,072 In Thousands





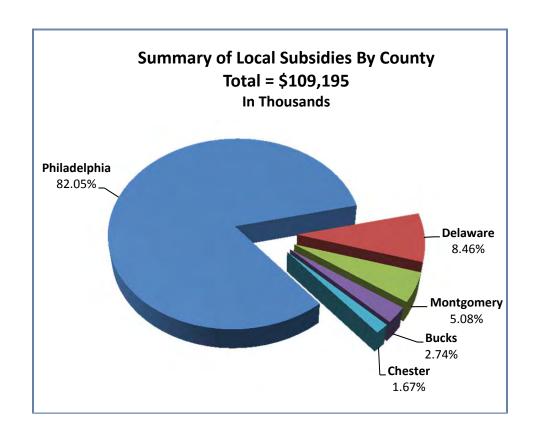


Amounts in thousands ('000)		City Transit	V	/ictory	Fı	rontier	R	Regional Rail		Total SEPTA
- Income in the second ( coop	=				=		_		=	
Base PA Trust Fund Local Match										
Bucks	\$	201	\$	-	\$	1,285	\$	1,168	\$	2,654
Chester		-		153		590		852		1,595
Delaware		-		6,536		-		1,744		8,280
Montgomery		188		912		1,597		2,180		4,877
Philadelphia		74,402						13,872		88,274
Subtotal	\$	74,791	\$	7,601	\$	3,472	\$	19,816	\$	105,680
Suburban Paratransit Local Match										
Bucks	\$	-	\$	300	\$	-	\$	-	\$	300
Chester		-		200		-		-		200
Delaware		-		900		-		_		900
Montgomery		-		600		-		_		600
Philadelphia		-		-		_		_		-
Subtotal	\$	_	\$	2,000	\$	_	\$	_	\$	2,000
Total Trust Fund Local Subsidy										
Bucks	\$	201	\$	300	\$	1,285	\$	1,168	\$	2,954
Chester	7	-	\$	353	\$	590	\$	852	Ψ.	1,795
Delaware		_	\$	7,436	\$	-	\$	1,744		9,180
Montgomery	\$	188	\$	1,512	\$	1,597	\$	2,180		5,477
Philadelphia	\$	74,402	\$	-	\$	-,557	\$	13,872		88,274
Total Trust Fund Local Subsidy	\$	74,791	\$	9,601	\$	3,472	\$	19,816	\$	107,680
Local Debt Service Subsidy		2						45	,	4-
Bucks	\$	2	\$	-	\$	-	\$	15	\$	17
Chester		-				-		11		11
Delaware		-		1		-		23		24
Montgomery		2		-		-		29		31
Philadelphia		870						182		1,052
Subtotal	\$	874	\$	1	\$	-	\$	260	\$	1,135
Local Lease Cost Subsidy										
Bucks	\$	-	\$	-	\$	-	\$	20	\$	20
Chester		-		-		-		15		15
Delaware		-		3		-		30		33
Montgomery		-		-		1		38		39
Philadelphia		32				_		241		273
Subtotal	\$	32	\$	3	\$	1	\$	344	\$	380
Total Debt Service and Lease Subsidy	\$	906	\$	4	\$	1	\$	604	\$	1,515
Total Local Subsidy Required	\$	75,697	\$	9,605	\$	3,473	\$	20,420	Ś	109,195
Total Scar Sussia y Required	Ÿ	75,051	Ÿ	- 5,005	Ÿ	- <sub>0)</sub> -17	Ÿ	20,720	Ÿ	100,100
Total Other Route Guarantees	\$	1,330	\$	-	\$	640	\$	1,650	\$	3,620





Amounts in thousands ('000)	 City Transit	_	Victory		Frontier		Regional Rail		Total SEPTA
Total Local Subsidy									
Bucks	\$ 203	\$	300	\$	1,285	\$	1,203	\$	2,991
Chester	-		353		590		878		1,821
Delaware	-		7,440		-		1,797		9,237
Montgomery	190		1,512		1,598		2,247		5,547
Philadelphia	 75,304	_					14,295		89,599
Total Local Subsidy	\$ 75,697	\$	9,605	\$	3,473	\$	20,420	\$	109,195



# The total local subsidy required for the Fiscal Year 2020 Operating Budget is comprised of the following:

Total Trust Fund Local Subsidy (15% Match of Section 1513)	\$ 107,680
Debt Service Subsidy Local Match	1,135
Lease Cost Subsidy Local Match	380
Total Local Subsidy Required	<u>\$ 109,195</u>

### 10. Expense Assumptions By Category



### **LABOR & FRINGE BENEFITS**

The Fiscal Year 2020 labor and fringe benefit growth reflects pattern labor wage increases and benefit expenses as a result of negotiated labor agreements. The headcount increased by 74 positions primarily due to added bus operators to support the new Route 49 bus service and Assistant Conductors to support compliance with FRA regulatory guidelines.

SEPTA's net labor cost includes a credit for labor expense from the operating to the capital budget for costs associated with capital projects.

### **MATERIAL & SERVICES**

Material & Services includes replacement parts for fleet and infrastructure inventory as well as various services including utilities, contract repairs, snow removal, Amtrak trackage rights, and paratransit contract services.

The Fiscal Year 2020 budget assumes increased consumption of parts and higher third party contract service and Amtrak trackage access costs.

SEPTA experienced an expense increase for Amtrak trackage access and costs with the implementation of PRIIA (Passenger Rail Investment and Improvement Act of 2008), effective October 2015. Through this Federal Act, Congress mandated that a standardized methodology be developed to allocate costs among Northeast Corridor (NEC) owners and operators that ensure each agency take full financial responsibility for its use of shared NEC infrastructure and related facilities.

### **INJURY & DAMAGE CLAIMS**

Claims expense includes self-insured payouts, insurance premiums, and reserve adjustments. Fiscal year 2019 results included a favorable \$6.1 million reserve adjustment and a 7% reduction in claim payouts versus Fiscal Year 2018. The Fiscal Year 2020 budget assumes no reserve adjustment based on recent favorable annual trends.

### **PROPULSION POWER**

Revenue vehicle propulsion power expense is calculated based on estimated kilowatt-hour usage and rates. The Fiscal Year 2020 budget decreased from the Fiscal Year 2019 budget due to savings anticipated with the Authority generating a portion of its propulsion power in the Regional Rail Division from its new Combined Heat and Power facility.

### 10. Expense Assumptions By Category



**FUEL** 

Fuel expense is based on budgeted miles of revenue vehicle operation, miles per gallon fuel economy, and estimated fuel rates. The Fiscal Year 2020 budget reflects an assumed increase in the cost of fuel that is partially offset by lower fuel consumption due to better fuel economy as additional hybrid and electric buses are entered into service.

**RENTAL EXPENSE** 

Rental expense covers all operating lease rentals for fixed facilities and short-term vehicle and equipment leases. The Fiscal Year 2020 budget is expected to be consistent with Fiscal Year 2019 actual results.

**DEPRECIATION** 

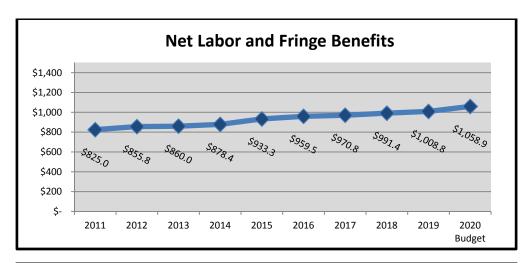
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital. The net increase in Fiscal Year 2020 includes depreciation on ESCO projects, tenant improvements and digital advertising displays which are being offset by increases in rental and advertising income and a reduction in utility costs.



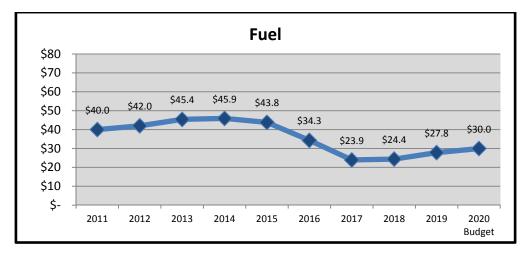


In developing the Operating Budget, the Authority considers issues that affect both the individual area of expense, as well as national, state, and local economic conditions. In addition, SEPTA focuses on historical trends in major expense categories, as illustrated in the following charts:

### **Amounts in Millions**



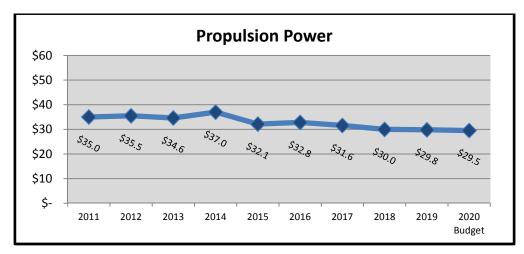


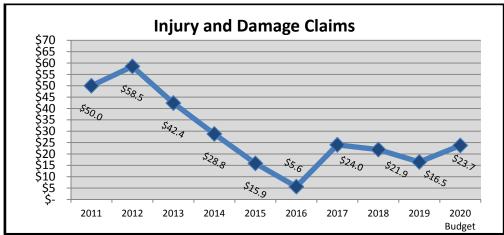


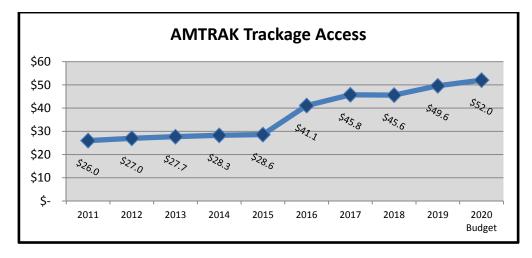
**Note:** Decrease in FY 2015-2017 is due to lower fuel prices which began to increase in FY 2018.



### **Amounts in Millions**







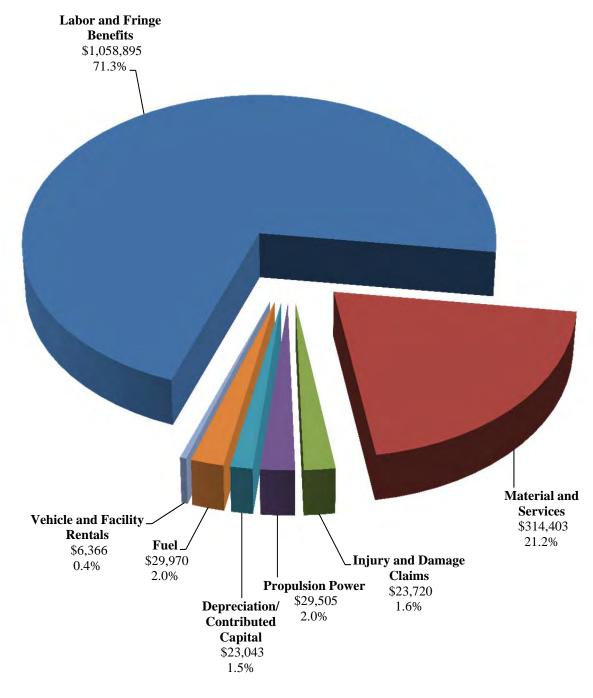
**Note:** (1) Injury and Damage Claims decreased dramatically in FY 2013-2016 due to the installation of surveillance cameras on vehicles and select stations.

(2) AMTRAK expense increase due to implementation of Passenger Railroad Investment and Improvement Act (PRIIA), effective October 2015.



# **TOTAL OPERATING EXPENSES = \$1,485,902**

In Thousands





# 10. FY 2020 Budget Detail of Expenses In 000's

			NA-t	
2: ::- /2		h 0 Foi	Material &	T. 1.1
Division/Departmental Expenses	La	bor & Fringe	Services	Total
OPERATIONS  Administration and Finance		322	271	593
Control Center - Transit	\$		\$ 275	5,136
Planning and Coordination	Ş	78	14	92
Customized Community Transportation		9,509	6,230	15,739
Assistant General Manager Staff		1,037	10	1,047
Rail Transportation-Subway-Elevated		55,017	1,211	56,228
Rail Transportation - Regional Rail		78,812	7,581	86,393
Surface Transportation		224,723	7,381	225,517
Total Operations	Ś		\$ 16,386	\$ 390,745
Total Operations		374,333	10,300	<del>y</del> 330,743
Vehicle Engineering & Maintenance	\$	122,974	\$ 55,091	\$ 178,065
Engineering, Maintenance & Construction	\$		\$ 27,466	\$ 109,127
Transit Police	<u> </u>	21,361		
Transit Fonce	<del>_</del>	21,301	7 1,137	7 22,430
STAFF DEPARTMENTS				
Audit and Investigative Services	\$	1,656	\$ 52	1,708
Corporate Staff	-	2,988	195	3,183
Communications		1,304	818	2,122
Customer Experience and Advocacy		5,628	358	5,986
Deputy General Manager/Treasurer Administration		1,705	20	1,725
Employee Development/Relations		11,383	1,016	12,399
Finance and Planning	'	12,101	6,612	18,713
Human Resources		4,206	808	5,014
Information Technology	'	6,222	6,406	12,628
New Payment Technologies		121	10,244	10,365
Revenue Operations		13,777	18,109	31,886
Office of Innovation		413	530	943
Office of General Counsel		8,979	15,337	24,316
Procurement, Supply Chain & DBE		10,579	339	10,918
Public and Government Affairs		1,752	3,868	5,620
System Safety		1,987	1,058	3,045
Total Staff Departments	\$	84,801	\$ 65,770	\$ 150,571
Capital Labor Allocation/Rental Reclassification		(9,779)	(6,366)	(16,145)
Total Departmental Expenses	\$	675,377		
NON-DEPARTMENTAL EXPENSES				
Fringe Benefits	\$	383,518	\$ -	383,518
Amtrak		-	52,045	52,045
CCT - ADA Services		-	33,100	33,100
CCT - Shared Ride Program		-	22,800	22,800
Debt Service Interest and Fees		-	15,302	15,302
Property Insurance/Other Claims Payouts, Net		-	3,396	3,396
Services for Headquarters' Building		-	5,345	5,345
Snow Removal and Other Weather Related Expenses		-	5,650	5,650
Utilities		-	19,738	19,738
Capitalized Costs and Other		-	(2,457)	(2,457)
Total Non-Departmental Expenses	\$	383,518	\$ 154,919	\$ 538,437
OTHER OPERATING EXPENSES				
Injury and Damage Claims	\$	-	\$ 23,720	23,720
Propulsion Power		-	29,505	29,505
Fuel		-	29,970	29,970
Vehicle and Facility Rentals		-	6,366	6,366
Depreciation/Contributed Capital			23,043	23,043
Total Other Expenses	\$		\$ 112,604	
TOTAL EXPENSES	\$	1,058,895	\$ 427,007	\$ 1,485,902



# 10. FY 2020 Budget Allocation By Company In 000's

Division/Departmental Expenses		1100		2100		2200		2300		3100		Total
OPERATIONS												
Administration and Finance	\$	593	\$	-	\$	_	\$	-	\$	-	\$	593
Control Center - Transit	T T	1,205	Ė	3,251	Ţ,	507		-		173		5,136
Planning and Coordination		-,		92		-		-				92
Customized Community Transportation		13,281		1,212		-		1,246		_		15,739
Assistant General Manager Staff		881				-		-		166		1,047
Rail Transportation-Subway-Elevated		- 561		56,161		-		_		67		56,228
Rail Transportation - Regional Rail				80						86,313		86,393
Surface Transportation				179,797		32,237		13,483		00,313		225,517
·	^		_				_	<u> </u>	_	06.740	_	
Total Operations	\$	15,960	<b>&gt;</b>	240,593	\$	32,744	>	14,729	\$	86,719	\$	390,745
Vehicle Engineering & Maintenance	\$	712		123,073	\$	11,639	\$	5,563	\$	37,078	\$	178,065
Engineering, Maintenance & Construction	\$	4,209	\$	66,939	\$	6,319	\$		\$	31,650	\$	109,127
Transit Police	\$	22,498	\$	-	\$	-	\$	-	\$	-	\$	22,498
STAFF DEPARTMENTS												
Audit and Investigative Services	\$	1,708	\$	-	\$	-	\$	-	\$	-	\$	1,708
Corporate Staff		3,183		_		-		-		-		3,183
Communications		1,992		-		-		-		130		2,122
Customer Experience and Advocacy		5,984		_		-		-		2		5,986
Deputy General Manager/Treasurer Administration		1,725		-		-		-		-		1,725
Employee Development/Relations		5,368		3,851		440		141		2,599		12,399
Finance and Planning		18,713		-		-		-		-		18,713
Human Resources		5,014		-		-		-		_		5,014
Information Technology		12,628		-		-		-		-		12,628
New Payment Technologies		10,365				_		_		_		10,365
Revenue Operations		14,141		355				_		17,390		31,886
Office of Innovation		943		- 333		_				-		943
Office of General Counsel		14,570		6,277		306		186		2,977		24,316
				367		- 300		100				10,918
Procurement, Supply Chain & DBE Public and Government Affairs		9,447		307		-				1,104		
		5,620		<u> </u>						-		5,620
System Safety	_	3,045			_		_	-	_	-	,	3,045
Total Staff Departments	\$	114,446	\$		\$	746	\$	327	\$	, -	\$	150,571
Capital Labor Allocation/Rental Reclassification	<u>.                                    </u>	(8,932)		(4,515)		(236)		(75)		(2,387)		(16,145)
Headquarters Allocation		(148,893)	_	109,823		10,289	_	3,291		25,490		-
Total Departmental Expenses	\$	-	\$	546,763	\$	61,501	\$	23,845	\$	202,752	\$	834,861
NON-DEPARTMENTAL EXPENSES												
Fringe Benefits	\$	60,614	\$	226,588	\$	21,058	\$	7,506	\$	67,752	\$	383,518
Amtrak										52,045		52,045
CCT - ADA Services		-		22,228		10,872		-		-		33,100
CCT - Shared Ride Program		-		22,800		-		-		-		22,800
Debt Service Interest and Fees		262		6,312		164		50		8,514		15,302
Property Insurance/Other Claims Payouts, Net				2,538		198		43		617		3,396
Services for Headquarters' Building		5,345										5,345
Snow Removal and Other Weather Related Expenses										5,650		5,650
Utilities				12,791		1,147		261		5,539		19,738
Capitalized Costs and Other		(2,725)		598		(31)		(9)		(290)		(2,457)
Headquarters Allocation		(63,496)		46,834		4,388		1,403		10,871		-,,
Total Non-Departmental Expenses	\$	-	Ś	340,689	Ś	37,796	\$	9,254	¢	150,698	Ś	538,437
OTHER OPERATING EXPENSES	,	<del></del>	7	340,003	7	_ <del>37,</del> 130	Ÿ	- J, <b>2J</b> 4	7	130,030	7	330,437
Injury and Damage Claims			\$	17,940	Ċ	889	\$	319	\$	4,572	\$	23,720
			ڊ		ې		۶	213	ې		ş	-
Propulsion Power				12,080		1,250		2 524		16,175		29,505
Fuel				23,127		3,691		2,524		628		29,970
Vehicle and Facility Rentals				3,948		187		60		2,171		6,366
Depreciation/Contributed Capital				16,043		241		54		6,705		23,043
Total Other Expenses	\$	-	\$	73,138		6,258	\$	2,957	\$		\$	112,604
TOTAL EXPENSES	\$	-	\$	960,590	\$	105,555	\$	36,056	\$	383,701	\$	1,485,902



# 10. FY 2019 Actual Detail of Expenses In 000's

			Material &	
Division/Departmental Expenses	La	bor & Fringe	Services	Total
OPERATIONS				
Administration and Finance	\$	333	\$ 72	405
Planning and Coordination		113		113
Control Center - Transit		4,967	11	4,978
Customized Community Transportation		8,727	5,310	14,037
Assistant General Manager Staff		678	3	681
Rail Transportation-Subway-Elevated		51,349	907	52,256
Rail Transportation - Regional Rail		76,309	6,812	83,121
Surface Transportation		214,091	703	214,794
Total Operations	Ś	356,567	\$ 13,818	·
Total Operations	7	330,307	7 13,010	370,303
Vehicle Engineering & Maintenance	<u> </u>	120.024	ć 40.040	ć 100.00A
Vehicle Engineering & Maintenance	\$	120,924	\$ 48,940	\$ 169,864
Engineering, Maintenance & Construction	\$	77,321	\$ 30,443	\$ 107,764
Transit Police	\$	20,224	\$ 859	\$ 21,083
STAFF DEPARTMENTS				
Audit and Investigative Services	\$	1,506	\$ 19	1,525
Corporate Staff		2,659	197	2,856
Communications		1,044	651	1,695
Customer Experience and Advocacy		5,125	377	5,502
Deputy General Manager/Treasurer Administration		1,667	6	1,673
Employee Development/Relations		10,358	1,022	11,380
Finance and Planning		10,890	5,484	16,374
Human Resources		4,066	709	4,775
Information Technology		5,718	4,761	10,479
3,		120	5,605	5,725
New Payment Technologies		_	,	32,227
Revenue Operations		12,356	19,871	,
Office of Innovation		335	779	1,114
Office of General Counsel		8,383	18,139	26,522
Procurement, Supply Chain & DBE		8,997	340	9,337
Public and Government Affairs		1,481	5,252	6,733
System Safety		1,981	1,004	2,985
Total Staff Departments	\$	76,686	\$ 64,216	\$ 140,902
Capital Labor Allocation/Rental Reclassification		(7,497)	(6,376)	(13,873)
Total Departmental Expenses	\$	644,225	\$ 151,900	\$ 796,125
NON-DEPARTMENTAL EXPENSES				
Fringe Benefits	\$	364,605	\$ -	364,605
Amtrak		-	49,608	49,608
CCT - ADA Services		-	32,078	32,078
CCT - Shared Ride Program		-	23,030	23,030
Debt Service Interest and Fees		-	14,741	14,741
Property Insurance/Other Claims Payouts, Net		_	7,464	7,464
			5,597	,
Services for Headquarters' Building Snow Removal and Other Weather Polated Expenses		-	·	5,597
Snow Removal and Other Weather Related Expenses		-	4,687	4,687
Utilities Contained Others		-	17,569	17,569
Capitalized Costs and Other			(4,754)	(4,754)
Total Non-Departmental Expenses	\$	364,605	\$ 150,020	\$ 514,625
OTHER OPERATING EXPENSES				
Injury and Damage Claims	\$	-	\$ 16,490	16,490
Propulsion Power			29,807	29,807
Fuel		-	27,816	27,816
Vehicle and Facility Rentals		-	6,376	6,376
Depreciation/Contributed Capital		-	20,127	20,127
Total Other Expenses	\$	_	\$ 100,616	\$ 100,616
TOTAL EXPENSES	\$	1,008,830		
			102)300	



# 10. FY 2018 Detail of Actual Expenses In 000's

			Material &	
Division/Departmental Expenses	La	bor & Fringe	Services	Total
OPERATIONS				
Administration and Finance	\$	242	\$ 144	\$ 386
Project & Control Center Coordination		1,008		1,008
Customized Community Transportation		7,842	4,021	11,863
Assistant General Manager Staff		1,096	7	1,103
Rail Transportation-Subway-Elevated		52,505	790	53,295
Rail Transportation - Regional Rail		72,691	6,159	78,850
Surface Transportation		213,280	491	213,771
Total Operations	\$	348,664	\$ 11,612	\$ 360,276
			, , , , , , , , , , , , , , , , , , , ,	, , , , ,
Vehicle Engineering & Maintenance	\$	117,708	\$ 49,556	\$ 167,264
Engineering, Maintenance & Construction	\$	79,283	\$ 32,022	\$ 111,305
Transit Police	\$	19,926	<u> </u>	\$ 20,817
Transit i once	<u> </u>	13,320	<del>y</del> 031	20,017
STAFF DEPARTMENTS				
Audit and Investigative Services	\$	1 202	\$ 32	\$ 1,425
	Ş	1,393	\$ 32 218	
Corporate Staff Communications		2,651 1,039	763	2,869 1,802
			418	
Customer Experience and Advocacy		5,076 1,583	418	5,494 1,589
Deputy General Manager/Treasurer Administration		•	927	
Employee Development/Relations		9,037		9,964
Finance and Planning		10,450	4,245	14,695
Human Resources		4,040	694	4,734
Information Technology		5,540	4,488	10,028
New Payment Technologies		167	240	407
Revenue Operations		11,854	18,360	30,214
Office of Innovation		330	752	1,082
Office of General Counsel		8,437	15,611	24,048
Procurement, Supply Chain & DBE		8,794	595	9,389
Public and Government Affairs	1	1,480	4,612	6,092
System Safety		1,708	1,187	2,895
Total Staff Departments	\$	73,579	\$ 53,148	\$ 126,727
Capital Labor Allocation/Rental Reclassification		(6,483)	(5,297)	(11,780)
Total Departmental Expenses	\$	632,677	\$ 141,932	\$ 774,609
	_			
NON-DEPARTMENTAL EXPENSES				
Fringe Benefits	\$	358,734		\$ 358,734
Amtrak		-	45,610	45,610
CCT - ADA Services			28,915	28,915
CCT - Shared Ride Program			20,451	20,451
Debt Service Interest and Fees		-	17,313	17,313
Property Insurance/Other Claims Payouts, Net		-	871	871
Services for Headquarters' Building		-	4,793	4,793
Snow Removal and Other Weather Related Expenses		-	5,327	5,327
Utilities		-	17,215	17,215
Capitalized Costs and Other		-	(4,109)	(4,109)
Total Non-Departmental Expenses	\$	358,734	\$ 136,386	\$ 495,120
OTHER OPERATING EXPENSES				
Injury and Damage Claims	\$	-	\$ 21,930	21,930
Propulsion Power		-	29,976	29,976
Fuel		-	24,378	24,378
Vehicle and Facility Rentals		-	5,297	5,297
Depreciation/Contributed Capital		-	20,480	20,480
Total Other Expenses	\$	-	\$ 102,061	\$ 102,061
TOTAL EXPENSES	\$	991,411	\$ 380,379	
TOTAL EXPENSES	\$	991,411	\$ 380,379	\$ 1,371,790

## 11. Fiscal Year 2020 Headcount Authorizations



#### **HEADCOUNT DESIGNATIONS**

#### **Organization Overview**

The organization, staffing, and expenses are shown for each division in the Departmental Summaries Section, including subtotals by department. Total headcount is further segregated by Operating versus Capital. The following definitions shall apply throughout this section:

Mgmt	Supervisory, administrative, and management employees.
Clerical	Unionized clerical, storeroom and customer service agent employees.
Maintenance Transportation, or Cashiers	Unionized maintenance and transportation employees, cashiers, and police officers.
Capital	Positions supported by Federal, State, or Local capital funding initiatives.

The Fiscal Year 2020 authorized headcount is at 9,727 employees and reflects an increase of 74 positions primarily due to additional Bus Operators to support Route 49 and additional Assistant Conductors to support Regional Rail Operations. SEPTA modified train service in 2016 to include additional crew members in order to staff the manual traps and doors of the Silverliner IV fleet. In 2018, additional crew members were added to further support this procedural modification.





		OPERATING HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total		
Audit & Investigative Services	16	-	4	-	-	20		
Corporate Staff	17			-		17		
Communications	10	5	3	-		18		
Customer Experience & Advocacy	24	60	-	-	-	84		
Deputy General Manager/Treasurer Admin.	10	-	-	-	-	10		
Employee Development/Relations	124	-	5	-	-	129		
Finance & Planning	117	54		-		171		
Human Resources	36	17		-		53		
Information Technology	66	5	-	-	-	71		
New Payment Technologies	1	-	-	-	-	1		
Revenue Operations	107	46	48	-	-	201		
Office of Innovation	6			-		6		
Office of General Counsel	94	23		-		117		
Operations	547	81	187	3,583	320	4,718		
Engineering, Maintenance & Construction	197	69	815	-	-	1,081		
Transit Police	63	-	210	-	-	273		
Procurement, Supply Chain & DBE	87	59	3	-		149		
Public & Government Affairs	21			-		21		
System Safety	24	-	-	-	-	24		
Vehicle Engineering & Maintenance	204	35	1,525			1,764		
Total Operating Headcount	1,771	454	2,800	3,583	320	8,928		

	CAPITAL HEADCOUNT						
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total	
Audit & Investigative Services	-						
Corporate Staff	-	-	-	-	-	-	
Communications	-	-	-	-	-	-	
Customer Experience & Advocacy	-	-	-	-	-	-	
Deputy General Manager/Treasurer Admin.	1	-				1	
Employee Development/Relations	-						
Finance & Planning	4	-	-	-	-	4	
Human Resources	-	-	-	-	-	-	
Information Technology	-	-	-	-	-	-	
New Payment Technologies	7	-				7	
Revenue Operations	-	-					
Office of Innovation	-	-	_	-	-	-	
Office of General Counsel	-	-	-	-	-	-	
Operations	6	-	-	15	-	21	
Engineering, Maintenance & Construction	152	7	306			465	
Transit Police	-	-					
Procurement, Supply Chain & DBE	13	2				15	
Public & Government Affairs	-	-	-	-	-	-	
System Safety	3	-	-	-	-	3	
Vehicle Engineering & Maintenance	59	3	221			283	
Total Capital Headcount	245	12	527	15	-	799	





	TOTAL HEADCOUNT					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Audit & Investigative Services	16		4			20
Corporate Staff	17					17
Communications	10	5	3			18
Customer Experience & Advocacy	24	60				84
Deputy General Manager/Treasurer Admin.	11					11
Employee Development/Relations	124		5			129
Finance & Planning	121	54				175
Human Resources	36	17				53
Information Technology	66	5				71
New Payment Technologies	8					8
Revenue Operations	107	46	48			201
Office of Innovation	6					6
Office of General Counsel	94	23				117
Operations	553	81	187	3,598	320	4,739
Engineering, Maintenance & Construction	349	76	1,121			1,546
Transit Police	63		210			273
Procurement, Supply Chain & DBE	100	61	3			164
Public & Government Affairs	21					21
System Safety	27					27
Vehicle Engineering & Maintenance	263	38	1,746			2,047
Total Headcount	2,016	466	3,327	3,598	320	9,727





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799

	OPERATING HEADCOUNT BY FISCAL YEAR				
	2016	2017	2018	2019	2020
Audit & Investigative Services	20	20	20	20	20
Corporate Staff	18	14	18	17	17
Communications		19	18	18	18
Customer Experience & Advocacy	82	84	84	84	84
Deputy General Manager/Treasurer Admin.		9	9	9	10
Employee Development/Relations			122	129	129
Finance & Planning	179	170	170	171	171
Human Resources	159	160	53	53	53
Information Technology	69	71	71	71	71
Labor Relations	0.5	14	, , , , , , , , , , , , , , , , , , ,	, <u>, , , , , , , , , , , , , , , , , , </u>	, _
New Payment Technologies		27		1	1
Revenue Operations		_	188	208	201
Office of Innovation		5	5	5	6
	115				
Office of General Counsel	115	118	117	117	117
Operations/Engr., Maint. & Construction	7,895	T 400	4.604	1.616	1 710
Operations		5,129	4,684	4,646	4,718
Engineering, Maintenance & Construction		1,068	1,065	1,073	1,081
Planning, Project Coordination & Safety		1			
Procurement, Supply Chain & DBE	149	149	147	147	149
Public & Government Affairs	20	20	21	21	21
System Safety	22	24	24	24	24
Transit Police			273	273	273
Vehicle Engineering & Maintenance		1,771	1,758	1,760	1,764
Total Operating Headcount	8,728	8,846	8,847	8,847	8,928
		CAPITAL HEAL	DCOUNT BY FIS	SCAL YEAR	
	2016	2017	2018	2019	2020
Audit & Investigative Services	-	-	-	-	-
Corporate Staff	-	1	2	-	-
Communications					
Customer Experience & Advocacy	-	<u>-</u> `	- 1	- 1	-
Deputy General Manager/Treasurer Admin.			1	1	1
Employee Development/Relations					
Finance & Planning	5	6	6	5	4
Human Resources	-				
Information Technology	-		-	-	-
Labor Relations		-	4.4	0	_
New Payment Technologies		_	11	9	7
Revenue Operations Office of Innovation					
Office of General Counsel					
Operations/Engr., Maint. & Construction	855				
Operations  Operations	633	36	20	21	21
Engineering, Maintenance & Construction		459	461	465	465
Planning, Project Coordination & Safety		3	101		103
Procurement, Supply Chain & DBE	13	13	15	15	15

876

807

806

**Total Capital Headcount** 

Public & Government Affairs

Vehicle Engineering & Maintenance

System Safety Transit Police





	TOTAL HEADCOUNT BY FISCAL YEAR				
	2016	2017	2018	2019	2020
Audit & Investigative Services	20	20	20	20	20
Corporate Staff	18	15	20	17	17
Communications		19	18	18	18
Customer Experience & Advocacy	82	84	84	84	84
Deputy General Manager/Treasurer Admin.		9	10	10	11
Employee Development/Relations			122	129	129
Finance & Planning	184	176	176	176	175
Human Resources	159	160	53	53	53
Information Technology	69	71	71	71	71
Labor Relations		14			
New Payment Technologies			11	10	8
Revenue Operations			188	208	201
Office of Innovation		5	5	5	6
Office of General Counsel	115	118	117	117	117
Operations/Engr., Maint. & Construction	8,750				
Operations		5,165	4,704	4,667	4,739
Engineering, Maintenance & Construction		1,527	1,526	1,538	1,546
Planning, Project Coordination & Safety		4			
Procurement, Supply Chain & DBE	162	162	162	162	164
Public & Government Affairs	20	20	21	21	21
System Safety	25	27	27	27	27
Transit Police			273	273	273
Vehicle Engineering & Maintenance		2,057	2,045	2,047	2,047
Total Headcount	9,604	9,653	9,653	9,653	9,727

# 11. Headcount Authorization Cause of Change Fiscal Year 2019 to Fiscal Year 2020



	Fiscal Year 2019 Authorized Headcount	9,653
Division / Department	Cause of Change	
Deputy General Manager/Treasurer (DGM) Administration	One management position added	+1
New Payment Technologies	Reduction of two management positions	-2
Revenue Operations	Reduction of seven positions	-7
Operations/Project and Control Center Coordination	<ul> <li>Two management positions transferred to Operations/Rail Transportation-Regional Rail</li> <li>Eight clerical positions transferred to Operations/Rail Transportation-Regional Rail</li> <li>Six management positions transferred to Operations/Control Center-Transit</li> <li>Three management positions transferred to Operations/Planning and Coordination</li> </ul>	-19
Operations/Rail Transportation-Regional Rail	<ul> <li>Reduction of one clerical position</li> <li>49 transportation positions added</li> <li>Two management positions transferred from Operations/Project and Control Center Coordination</li> <li>Eight clerical positions transferred from Operations/Project and Control Center Coordination</li> </ul>	+58
Operations/Surface Transportation	<ul> <li>24 transportation positions added</li> <li>44 management positions transferred to Operations/Control Center – Transit</li> <li>Four clerical positions transferred to Operations/Control Center – Transit</li> <li>Reduction of one clerical position</li> <li>One management position transferred to Operations/Rail Transportation-Subway Elevated</li> </ul>	-26
Engineering, Maintenance and Construction	<ul> <li>Two management positions added</li> <li>Six maintenance positions added</li> </ul>	+8

# 11. Headcount Authorization Cause of Change Fiscal Year 2019 to Fiscal Year 2020



Division / Department	Cause of Change	
Office of Innovation	One management position transferred from Finance and Planning	+1
Finance and Planning	One management position transferred to Office of Innovation	-1
Procurement, Supply Chain and DBE	Two management positions added	+2
Operations/Control Center-Transit	<ul> <li>44 management positions transferred from Operations/Surface Transportation</li> <li>Four clerical positions transferred from Operations/Surface Transportation</li> <li>Six management positions transferred from Operations/Project and Control Center Coordination</li> </ul>	+54
Operations/Rail Transportation-Subway- Elevated	One management position transferred from Operations/Surface Transportation	+1
Operations/Operations Staff	One management position added	+1
Operations/Planning and Coordination	Three management positions transferred from Operations/Project and Control Center Coordination	+3
	Total Increase/Decrease	+74
	Fiscal Year 2020 Authorized Headcount	9,727

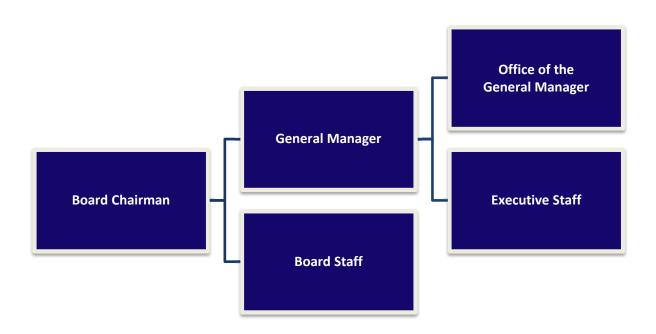
# 12. Departmental Summaries for Fiscal Year 2020

# SEPTA Corporate Staff



#### Overview

SEPTA's Corporate Staff consists of a team of experienced transit professionals who are dedicated to providing vision and guidance to the Authority, while optimizing the best use of limited resources. The Corporate Staff strives to partner with 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 Corporate Staff is also committed to operating and managing a system which meets the highest standards for customer and employee safety while providing quality services.



#### Headcount

	OPE	RATING HEADCO	DUNT
	Mgmt.	Clerical	Total
Board Staff	4		4
Executive Staff	8	-	8
Office of the General Manager	5		5
Total Operating Headcount	17	-	17



Budget
Amounts in Thousands ('000)

	Net Labor	<i>Material</i> Services	Total
Board Staff	\$ 537	\$ 66	\$ 603
Executive Staff	1,645	17	1,662
Office of the General Manager	806	112	918
Total	\$ 2,988	\$ 195	\$ 3,183

#### **Principal Responsibilities**

#### **Board Staff**

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

#### **Executive Staff**

Manages and directs the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager. Collectively, they are responsible for the operation, administration, and financial management of the Authority.

#### Office of the General Manager

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

#### Fiscal Year 2020 Goals and Business Initiatives

SEPTA's Strategic Business Plan for Fiscal Years 2015 through 2019 established the framework for corporate goal-setting. SEPTA is currently working on an update to the plan. The strategic plan is available at <a href="https://www.septa.org/strategic-plan">www.septa.org/strategic-plan</a>. SEPTA's "Building the Future" program features a series of initiatives directed towards these corporate goals, grouped into the following five focus areas:

GOAL	OVERVIEW
The Customer Experience	Meeting or exceeding rising customer expectations
Workforce Development & Support	Attracting and retaining a diverse, highly-skilled, and versatile workforce
Rebuilding the System	Reducing the backlog of capital repair needs
SEPTA is a Business	Responsibly managing resources to grow the system
Safety & Security as the Foundation	A safety-first corporate culture



FY 2020 GOALS	BUSINESS INITIATIVES
I. The Customer Experience	<ul> <li>a) Implement Customer Satisfaction Survey action plans in specific areas of focus, especially cleanliness &amp; communications</li> <li>b) Advance SEPTA Key deployment, finishing Regional Rail, initiating CCT and convening a task force to plan "Key 2.0"</li> <li>c) Progress countdown clocks on Broad Street &amp; Market-Frankford Lines</li> <li>d) Improve SEPTA mobile app by eliminating "ghost buses" and continue move towards a "single app" by integrating SEPTA Key account information</li> <li>e) Through BASCSC, coordinate a re-branding of the Airport Line; and, continue nurturing employee recognition, morale &amp; camaraderie</li> <li>f) Continue partnership with Project Home to provide resources to the homeless population in Center City</li> <li>g) Prepare facilities and provide ambassador support for major events, including Flower Show, Broad Street Run, and Welcome America</li> <li>h) Minimize customer disruption on major construction projects, including Southwest Connection, Trolley Blitz, 30th Street Station and 5th Street Station</li> <li>i) Intensify cleaning in Center City concourses and station areas</li> <li>j) Revamp public website, SEPTA.ORG</li> <li>k) Continue to implement Railroad Service Improvement Program</li> <li>l) Upgrade Silverliner IV public address system</li> <li>m) Complete Lansdale Station improved access to parking garage</li> <li>n) Advance Arsenal signal power redundancy project for improved reliability</li> </ul>
II. Workforce Development and Support	<ul> <li>a) Procure Human Resources Information Systems suite and begin to replace key modules</li> <li>b) Begin to implement Diversity &amp; Inclusion Program</li> <li>c) Implement Comprehensive Employee Communications Program through Innovation Team, including new intranet, digital screens at employee reporting locations</li> <li>d) Broaden approaches to advertise for job openings</li> <li>e) Educate employees, both current and new, about the changing competitive balance within the transportation industry and build a culture to compete for new customers</li> <li>f) Implement changes to management training programs as identified in consultant review</li> <li>g) Continue to implement employee facility improvement projects</li> <li>h) Implement other employment improvement projects, such as modifications to driver seats based on operator feedback</li> </ul>
III. Rebuilding the System	<ul> <li>a) Catenary: Initiate Norristown Line Catenary Replacement; Advance design for 30<sup>th</sup> Street West Catenary replacement</li> <li>b) Track: Replace 8,400 ties on the Airport Line and 9,600 ties on the Neshaminy Line; Renew 9,000 fixations between Berks and Allegheny on the Market-Frankford Line</li> <li>c) Bridges: Complete Woodland Avenue Bridge Construction; Continue next phase of Regional Rail Stone Arch Bridge rehabilitation program</li> </ul>



FY 2020 GOALS	BUSINESS INITIATIVES
III. Rebuilding the System (continued)	d) Power: Advance overhaul of Lansdale, Hatboro, 12 <sup>th</sup> & Portal railroad substations and Wayne Junction Static Frequency
	Converters e) Stations (RRD): Complete construction at Levittown, Secane,
	Exton High Level Platforms and Villanova (Phase 1); Advance
	construction at Ardmore Transportation Center; Complete design of Jenkintown-Wyncote; Advance design for Conshohocken and
	Willow Grove
	(MFL) Phase B; Continue construction at 5 <sup>th</sup> Street and 30 <sup>th</sup>
	Street (MFL) Phase A; City Hall Station inter-station connections and structural work
	g) Interlockings: Complete 16 <sup>th</sup> Street Interlocking design; Complete
	Phase 2 of the Southwest Connection Improvement Program h) Buses: Progress delivery of 525 Hybrid-Electric Buses; Advance
	delivery of 10 New Flyer Battery-Electric Buses
	<ul><li>i) Paratransit Vehicles: Advance delivery of 71 mini-buses</li><li>j) Rail Vehicles: Progress delivery of Multi-Level rail cars and</li></ul>
	advance Frazer Shop improvements to accommodate new rail fleets
	k) Trolleys: Advance conceptual design efforts including Pole Pan
	Conversion, Station Accessibility and Power Distribution Studies; Track and Clearance Study; Station Evaluation; Vehicle
	Specification Development; Conduct Tunnel Maintenance Blitz  I) MFL: Advance capacity expansion projects, including interior
	seating reconfiguration and planning for platform extensions
	m) NHSL King of Prussia Rail: Advance Project Development to 15% design; continue evaluating funding strategies to advance
IV OFFITA : Puringer	30% design
IV. SEPTA is a Business	a) Adopt frequency bus network plan, including maps and service adjustments to meet the frequency standard of every-15-minute
	service, 15 hours per day, 5 days per week b) Following Memorandum of Understanding with the City of
	Philadelphia, progress bus network optimization project with
	internal staff and some limited consultant assistance. c) Continue to partner with the City of Philadelphia on the
	implementation of its "Connect" transportation plan d) Continue to implement Energy Action Plan
	e) Advance Ridership Growth Innovation Team initiatives
	f) Begin to develop master plans for 69 <sup>th</sup> Street Complex that address customer experience and capacity issues
	g) Continue to implement recommendations in inventory
	management review
	h) Complete full deployment of Trapeze Ops software for Transportation Management
	<ul> <li>i) Continue to implement PennDOT performance review action items and report on progress</li> </ul>
	j) Advance digitization initiatives to support capital project
	management and asset management k) Continue to communicate the value of SEPTA to the city, region
	and state through economic impact analyses

## **Corporate Staff**



FY 2020 GOALS	BUSINESS INITIATIVES
V. Safety and Security as the Foundation	<ul> <li>a) Continue to implement Operational Safety Improvement Program</li> <li>b) Conduct "Make the Safe Choice" and "Never Too Busy For Safety" safety culture campaigns</li> <li>c) Continue to advance implementation of Audible Bus Turn Warning System</li> <li>d) Continue to implement operator refresher safety training program</li> <li>e) Execute Safety Culture &amp; Cyber Security Innovation Team Initiatives</li> <li>f) Complete First Responder Radio Interoperability Program in subway tunnels</li> <li>g) Advance Communications-Based Train Control (CBTC) installation on Media-Sharon Hill Lines</li> <li>h) Intensify focused campaign on track area falls</li> <li>i) Continue to advance track bumper replacement program</li> <li>j) Complete 3rd party vehicle inspections</li> <li>k) Implement recommendations from 3rd party review of roadway worker protection program</li> <li>i) Continue efforts to reduce signal violations</li> </ul>

# SEPTA

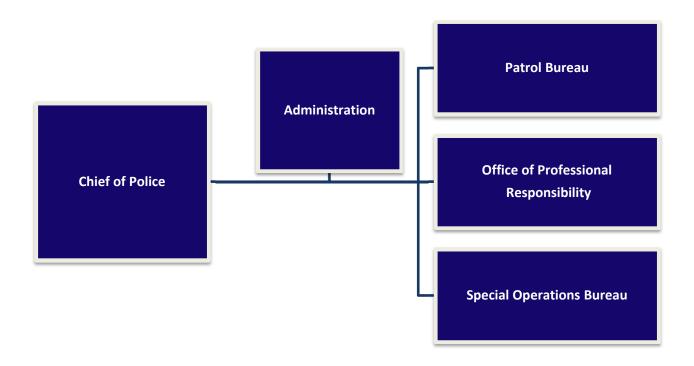


## **Transit Police**



#### Overview

SEPTA's Transit Police are tasked with preventing and investigating crime; establishing an atmosphere of safety and security throughout each of our transit modes; and serving as public safety ambassadors for the transit system.



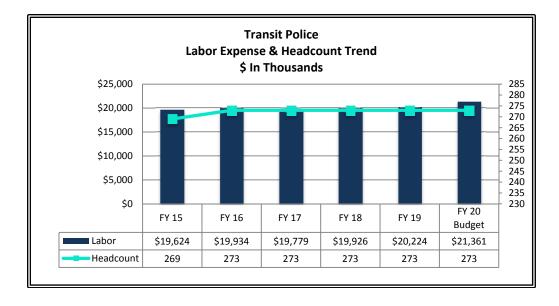
#### **Headcount**

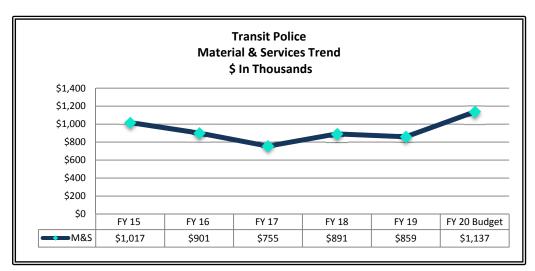
	OPERATING HEADCOUNT						
	Mgmt. Police						
Administration	10	9	19				
Patrol Bureau	22	127	149				
Office of Professional Responsibility	9	28	37				
Special Operations Bureau	22	46	68				
Total Headcount	63	210	273				



Budget Amounts in Thousands ('000)

	Net Labor	&	<i>Material</i> Services	Total
Administration	\$ 1,564	\$	-	\$ 1,564
Patrol Bureau	11,768		1,137	12,905
Office of Professional Responsibility	2,708		-	2,708
Special Operations Bureau	5,321		-	5,321
Total	\$ 21,361	\$	1,137	\$ 22,498





#### **Transit Police**



#### Principal Responsibilities

#### Patrol Bureau

Ensure a safe work and travel environment and enhance the quality of life through law enforcement and protection against crime. Manage the three Transit Police Districts and overnight shifts responsible for patrol (primarily in uniform) of the Broad Street Subway Line, Market-Frankford Line, trolley lines, Regional Rail, and all SEPTA stations and properties.

#### Office of Professional Responsibility

Ensure the delivery of professional police services, quality control and the continuing education of the department's members. Responsible for the investigation of Transit Police misconduct; management of the body camera program; training of members; recruitment and background investigations.

#### **Special Operations Bureau**

Responsible for counterterrorism prevention, specialized emergency response/rescue, criminal investigations, radio communications and records management. Manages SORT, VIPR, K9 operations, and respond to incidents requiring special weapons or equipment. Manages criminal investigation section, undercover operations, communications and records management.



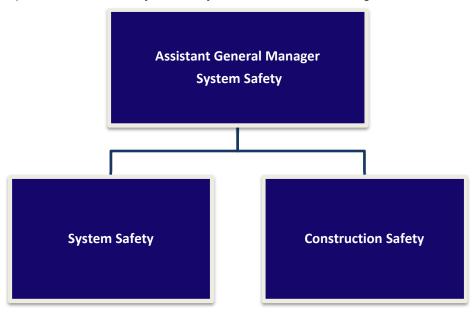


## **System Safety**



#### **Overview**

SEPTA's System Safety Division consists of a team of experienced safety professionals who are dedicated to ensuring and enhancing the safety of SEPTA's employees and customers. This department serves as the Corporate Safety Consultants for all employees to ensure regulatory compliance with a variety of Safety and Environmental Regulations.



#### **Headcount**

	OPERATING HEADCOUNT					
	Mgmt. Clerical Tota					
System Safety	24	-	24			
Construction Safety	-	-	-			
Total Headcount	24	-	24			

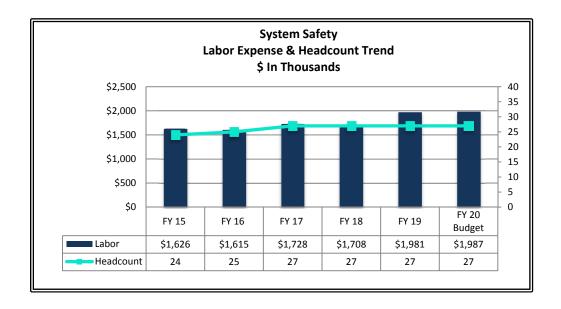
	CAPITAL HEADCOUNT					
	Mgmt. Clerical Tota					
System Safety			-			
Construction Safety	3		3			
Total Headcount	3	-	3			

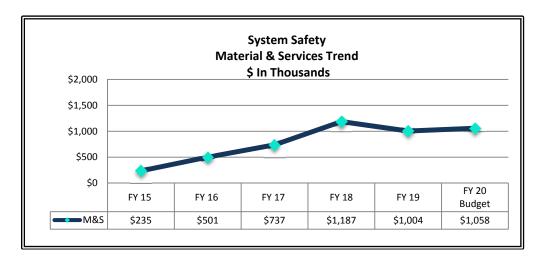
	TOTAL HEADCOUNT						
	Mgmt. Clerical Total						
System Safety	24	-	24				
Construction Safety	3		3				
Total Headcount	27	-	27				



Budget
Amounts in Thousands ('000)

	Net Labor	<i>Material</i> Services	Total
System Safety	\$ 1,987	\$ 1,058	\$ 3,045
Total	\$ 1,987	\$ 1,058	\$ 3,045





**Note:** The increase in FY 16 through FY 18 reflects third party services for safety training, testing, and consulting.



#### **Principal Responsibilities**

#### **SYSTEM SAFETY**

System Safety performs a wide range of tasks that are designed to ensure and enhance the safety of our employees, customers, and the community. 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, also conduct 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 oversee the Location Safety Committee (LSC) process.
- Assist in the coordination of multi-departmental initiatives to promote and internalize safety as the Authority's top priority.
- Provide consultation and support in the areas of environmental compliance and management of SEPTA's environmental activities.
- Oversee Environmental Site Characterization Assessments, Phase I & II Property Acquisition Assessments, and Remediation Projects.
- Oversee the Authority's Environmental and Sustainability Management System (ESMS).
- Manage the Property Conservation Program and the risk treatment process. Work to reduce risk exposure and implement effective risk control techniques at all Authority locations.
- Coordinate the collection and reporting of all safety statistics throughout the Authority and administer the reporting of those statistics to regulatory agencies.



#### Fiscal Year 2020 Goals and Business Initiatives

GOALS	BUSINESS INITIATIVES
l. Improve Employee Safety and Promote a Safe Work Environment	
II. Increase Customer Safety Awareness	<ul> <li>a) Continue to lead customer-focused safety campaigns ("Make the Safe Choice").</li> <li>b) Explore technology based solutions to reduce vehicle accidents.</li> <li>c) Reduce customer falls from subway/elevated platforms by 10%.</li> </ul>
III. Ensure Responsible Environmental Management Through the Authority's Environmenta and Sustainability Management System Program	
IV. Develop a Safety-First Culture	<ul> <li>a) Continue transition to Safety Management System (SMS)-compliant safety programs as required by FTA.</li> <li>b) Utilize a data-driven approach to safety decision making.</li> <li>c) Continue Safety Culture Innovation Team to enhance the Authority's overall safety culture.</li> </ul>



## Fiscal Year 2019 Accomplishments

	FY 2019 Goals	Accomplishments
I.	Improve Employee Safety and Promote a Safe Work Environment	<ul> <li>Developed over 25 new Safety training courses with the support of our Safety Training contract.</li> <li>Technology-based secondary warning systems for roadway workers implemented on NHSL and the Regional Rail.</li> <li>A new Safety Hazard Hot Line and web-based electronic hazard reporting system was made available to all employees.</li> </ul>
II.	Increase Customer Safety Awareness	<ul> <li>Customer Safety Day campaign held in FY 2019.</li> <li>Safe Turn Alert system now installed in over 800 of SEPTA's bus fleet.</li> <li>Partnered with Philadelphia's Vision Zero Campaign.</li> <li>Operation Lifesaver presentations continued in FY 2019.</li> <li>Implemented "Watch Their Step" Campaign to reduce falls into track area.</li> </ul>
111.	Ensure Responsible Environmental Management Through a Comprehensive ESMS Program	<ul> <li>Berridge Shop ISO 14001 certification was renewed under the new 2015 criteria.</li> <li>Wayne Shop received ISO 14001 certification on the first audit.</li> <li>Safety Data Sheet (SDS) Electronic Tracking system (3E) is being utilized Authority wide.</li> <li>Anti-Idling Campaign for vehicle engines showing favorable reduction in fuel consumption and costs.</li> </ul>
IV.	Develop a Safety First Culture	<ul> <li>Gap analysis completed and new Safety Program being developed to bring existing System Safety Program Plan into compliance with anticipated FRA regulations 49 CFR 270.</li> <li>Data analysis enhanced with regular meetings with General Manager/Deputy General Manager as well as Monthly Management Reports generated. This process will fulfill the data acquisition component of FTA's future SMS regulation under 49 CFR 673/674.</li> <li>Safety Culture Innovation teams championed our first ever Safety Culture Survey gathering input from over 4,500 employees. FY 2019 Safety Summit was conducted at over 52 reporting locations with all shifts providing feedback on the results of the safety culture survey. Educated employees on how to report hazards and discussed the successes of the location safety committees.</li> <li>Utilized the Safety Education Bus for both internal and external safety awareness.</li> </ul>

# SEPTA Operations

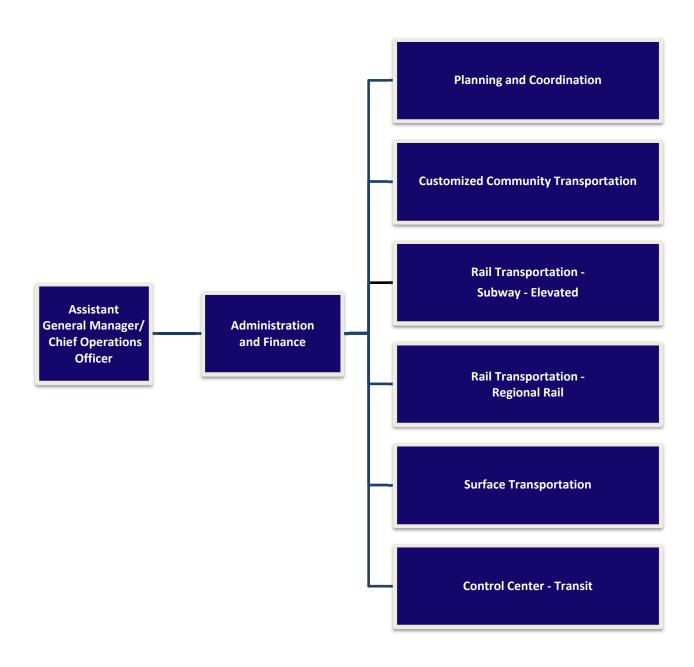
### **Operations**



#### Overview

The Operations Division includes the following departments: Planning & Coordination, Control Center – Transit, Customized Community Transportation (CCT), Operations Staff, Rail Transportation, Surface Transportation, and Administration & Finance. The Division provides long term goals related to these areas of responsibility.

The Operations Division provided 292.9 million annual passenger trips in Fiscal Year 2019, while operating 101.4 million vehicle miles. Total passenger miles exceeded 1.3 billion. The Division operates 2,884 revenue vehicles on 152 fixed routes, which have approximately 1,570 route miles and over 600 miles of track. The Operations Division also operates and provides service to 279 stations.





#### **Headcount**

	OPERATING HEADCOUNT					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration & Finance	4					4
Planning and Coordination	1	-	-	-	-	1
Control Center - Transit	49			4		53
Customized Community Transportation	90	-	-	24	-	114
Assistant General Manager Staff	7	-	-	-	-	7
Rail Transportation – Subway-Elevated	96	3	182	159	320	760
Rail Transportation – Regional Rail	110	54	5	625	-	794
Surface Transportation	190	24		2,771		2,985
Total Headcount	547	81	187	3,583	320	4,718

	CAPITAL HEADCOUNT					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration & Finance						
Planning and Coordination	2	-	-	-	-	2
Control Center - Transit	1					1
Customized Community Transportation	-	-	-	-	-	-
Assistant General Manager Staff	1					1
Rail Transportation – Subway-Elevated	1	-	-	-	-	1
Rail Transportation – Regional Rail	1	-	-	-	-	1
Surface Transportation				15		15
Total Headcount	6	-	-	15	-	21

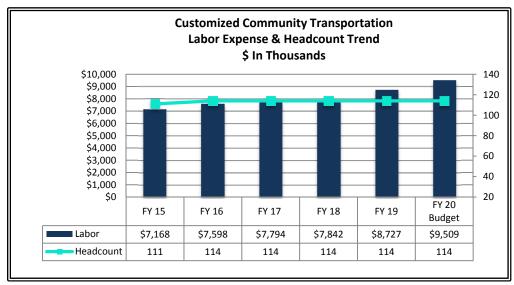
	TOTAL HEADCOUNT					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration & Finance	4					4
Planning and Coordination	3	-	-	-	-	3
Control Center - Transit	50	-	-	4	-	54
Customized Community Transportation	90	-	-	24	-	114
Assistant General Manager Staff	8	-	-	-	-	8
Rail Transportation – Subway-Elevated	97	3	182	159	320	761
Rail Transportation – Regional Rail	111	54	5	625		795
Surface Transportation	190	24		2,786		3,000
Total Headcount	553	81	187	3,598	320	4,739

**Note:** In FY 2019, Control Center was re-organized within Operations from Surface Transportation and Rail Transportation - Regional Rail to form Planning and Coordination and Control Center-Transit.



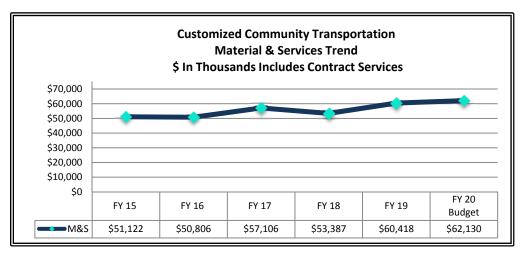
Budget
Amounts in Thousands ('000)

	Net Labor	&	Material Services	Total
Administration & Finance	\$ 322	\$	271	\$ 593
Planning and Coordination	78		14	92
Control Center - Transit	4,861		275	5,136
Customized Community Transportation	9,509		6,230	15,739
Assistant General Manager Staff	1,037		10	1,047
Rail Transportation – Subway-Elevated	55,017		1,211	56,228
Rail Transportation – Regional Rail	78,812		7,581	86,393
Surface Transportation	224,723		794	225,517
Total	\$ 374,359	\$	16,386	\$ 390,745

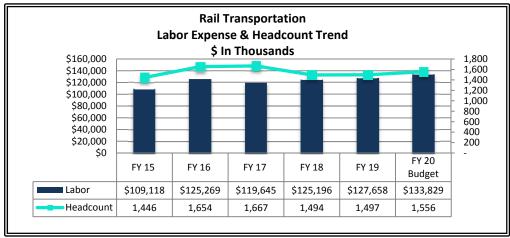


**Note:** FY 2020 includes additional labor dollars to support ADA/senior citizen eligibility screening utilizing part-time employees.

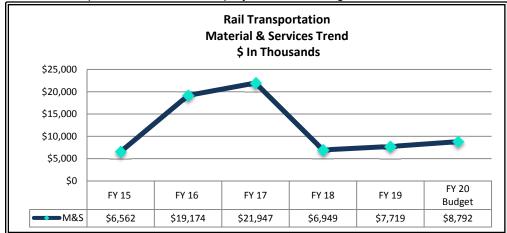




**Note:** Customized Community Transportation budget includes \$55.9 million ADA and Shared Ride contract services.

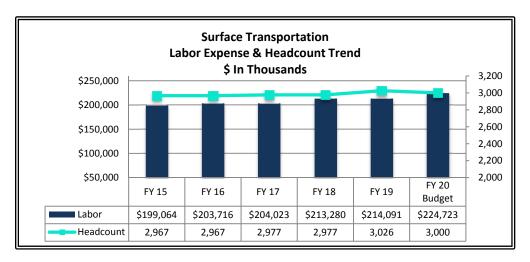


**Note:** New Payment Technology Integration transferred to Rail Transportation in FY 2016 and in FY 2018 was transferred and realigned with Revenue Operations under the Deputy General Manager.



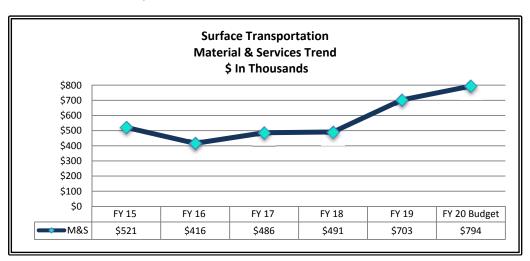
**Note:** Decrease in FY 2018 reflects New Payment Technologies transfer from Rail Transportation to the Deputy General Manager. FY 2020 increase reflects higher 3<sup>rd</sup> party contract maintenance service costs.





Note:

Increase in FY 2019 headcount reflects Project and Control Center Coordination transfer of positions to Surface Transportation. FY 2020 headcount decrease reflects transfers to new Control Center – Transit Department partially offset by added bus operators to support the new Route 49 service.



#### **Principal Responsibilities**

#### **ADMINISTRATION AND FINANCE**

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

#### **Cost Control**

Coordinate the development, submission, and monitoring of Operating and Capital Budgets for the Operations Division.

#### Performance Statistics Control

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

#### **Human Resource Administration**

Manage the process of hiring personnel for the Operations 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 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 Philadelphia Flower Show and Philly Spring Clean-Up.

#### **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 administers eligibility screening for the following programs: PA Disability Transit ID, Senior Citizen Transit ID and Personal Care Attendants on Transit ID. In addition, CCT provides travel training by certified professionals to instruct people how to travel independently on public transportation. It is offered one-to-one or as part of designed instruction for a group in partnership with several local universities and Philadelphia high schools. CCT 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

#### **Operations**



#### LUCY

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

#### **Cornwells Heights Shuttle**

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

#### **Contracted Services**

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

#### **CONTROL CENTER - TRANSIT**

The Control Center – Transit is a centralized facility that manages the safe and efficient movement of subway/elevated, light rail trolley, and bus operations and provides customer service alerts to our passengers. All Control Center – Transit functions and associated equipment are located at SEPTA's 1234 Market Street headquarters on the 19th floor. The Control Center –Transit personnel are responsible for ensuring that SEPTA's established service levels are maintained 24 hours a day, 7 days a week.

#### PLANNING AND COORDINATION

Works with internal and external groups on track outages, special events, weather events and other issues that require an integrated response by the Control Center.

#### **RAIL TRANSPORTATION - REGIONAL RAIL**

Oversee all transportation, Regional Rail control center operation, customer service, station operation and service planning for the railroad system. The Regional Rail system includes 280 route miles and 13 lines or branches. Approximately 780 trains service a total of 155 stations per average weekday.



#### **RAIL TRANSPORTATION - SUBWAY-ELEVATED**

#### **Transportation**

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

The MFL operates 380 revenue trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSL operates 598 revenue trains each weekday between the Fern Rock Transportation Center and NRG Station as well as along the Ridge Avenue Spur.

#### **Station Operations**

#### **Station Cleaning**

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

#### **System Access and Customer Service**

The stations group oversees the Customer Attendants who assist customers with fare instrument purchases and navigation of the Subway-Elevated system.

#### SURFACE TRANSPORTATION

Operates 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 120 bus, 3 trackless trolley routes, 8 trolley (light rail) routes, and 1 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, due to 12 bus routes that are operated out of more than one district as operating conditions necessitate. The 9 operating districts in Surface Transportation are:

- 1. Allegheny operates 9 bus routes
- 2. Callowhill operates 12 bus routes, in addition to trolley (light rail) Routes 10 and 15
- **3.** Comly operates 16 bus routes
- **4. Elmwood -** operates trolley (light rail) Routes 11, 13, 34, and 36
- 5. Frankford operates 13 bus routes and 3 trackless trolley routes
- **6.** Midvale operates 23 bus routes
- 7. **Southern** operates 17 bus routes
- 8. Frontier operates 22 bus routes
- **9. Victory** operates 20 bus routes, 2 trolley (light rail) Routes 101 and 102, and 1 heavy rail Route 100



### Fiscal Year 2020 Goals & Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. Improve Customer and Employee Safety and System Security	<ul> <li>a) Follow through on the Operational Safety Improvement Program (OSIP).</li> <li>b) Work with Human Resources, System Safety, and the Labor Unions to implement a sleep apnea monitoring program.</li> <li>c) Reduce signal violations by 10%.</li> <li>d) Monitor and improve compliance with SEPTA's Special Approval for Part 238 (Side Doors and Traps) until expiration.</li> <li>e) Reduce on-street collisions involving buses and trolleys.</li> <li>f) Successfully implement the Authority's Safety Management System (SMS) in compliance with FTA regulations and the State Safety Oversight Program.</li> <li>g) Execute full-scale and tabletop exercises to simulate train operations on BSL/MFL during Out-Of-Service signal system conditions at Fern Rock Transportation Center and other critical locations.</li> <li>h) Identify new initiatives to reduce Operator Assaults. Reduce instances of Operator assaults by 10%.</li> <li>i) Reduce falls to the track by 10%.</li> </ul>
II. Improve Service Quality and Customer Satisfaction	<ul> <li>a) Meet regularly with the Recruitment &amp; Training Departments to increase the pool of available candidates and to ensure an adequate supply of operators and Train &amp; Engine personnel.</li> <li>b) Engage potential CCT Connect participants as well as the participants' caretakers and the general public in their typical environments to familiarize them with SEPTA's services and encourage them to use SEPTA fixed-route services. Perform an average of 4 outreach events per month.</li> <li>c) Use a multi-faceted approach to improving customer communications during delays, service interruptions and detours.</li> </ul>



FY 2020 GOALS	BUSINESS INITIATIVES
II. Improve Service Quality and Customer Satisfaction (continued)	d) Continue hotspot cleaning blitzes and improve the overall cleaning program at Subway/Elevated Stations. Examine Maintenance Custodian and Manager scheduling to ensure that stations are maintained to a high level of cleanliness including night and weekend coverage.
	e) Successfully transition the cleaning of Commuter Rail Stations – especially Suburban and Jefferson Stations – to the new cleaning contractors. Implement an aggressive cleaning schedule with auditable elements to ensure that contractor personnel are meeting customer's expectations as well as their caregivers and encourage them to use SEPTA fixed-route services.
	<ul> <li>f) Improve the effectiveness and participation in the SEPTA Advisory Committee for Accessible Transportation (SAC).</li> </ul>
	g) Grow the Authority's reputation for friendly service through internal campaigns and specialized customer service training initiatives. Utilize high-performing customer friendly employees to assist in training and speaking with other employees about great customer service.
	<ul> <li>h) Develop and execute short, mid, and long range plan to address 2018 Customer Satisfaction Survey results.</li> <li>i) Improve wayfinding between interchanges at City Hall &amp; 15th Street.</li> </ul>
	j) Initiate focus groups for customers with disabilities beginning with customers who use wheelchairs. k) Support efforts to reduce fare evasion. Utilize multi-
	faceted approach including procedural changes, education and enforcement.
	Examine the feasibility of increased CCT feeder service for conditionally approved customers.      Support and advance the roll-out of SEPTA Key for
	CCT and Railroad. Continue to monitor SEPTA Key performance on Transit.
	<ul> <li>n) Explore the possibility of a rideshare-type experience for CCT customers through the utilization of improved technology (SEPTA App) and innovative scheduling to improve the reliability of short and medium length trips.</li> </ul>

## Operations



FY 2020 GOALS	BUSINESS INITIATIVES
II. Improve Service Quality and Customer Satisfaction (continued)	o) Expand work with City of Philadelphia, Parking Authority & Center City District on downtown traffic congestion management.
III. Support Capital Improvement Projects	Continue to support expanded capital construction activities across the system by providing exceptional transportation substitution efforts.
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	<ul> <li>a) Continue to expand Cleaner Recognition Program within the Authority.</li> <li>b) Continue to promote employee volunteerism through participation in Philly Spring Clean-up (April), and Yule Toy Drive (December).</li> <li>c) Visit all operating locations to promote recruitment into supervisory and first-level management positions for hourly personnel.</li> </ul>
V. Improve Productivity and Cost Effectiveness	a) Work with Police Operations, Communications,     Training and Revenue departments to reduce fare     evasion. Utilize multi-faceted approach including     procedural changes, education and enforcement.
VI. Support the Authority's Ridership Growth Efforts	<ul> <li>a) Participate in development of new Comprehensive Bus Network Optimization.</li> <li>b) Participate in the advancement of the Trolley Modernization Program</li> </ul>
VII. Support the Authority's Implementation of New Payment Technologies	Advance SEPTA KEY Deployment, finishing Regional Rail, Initiating CCT & convening a task force to plan "Key 2.0". Transition cashiers to new role as customer attendants in support of SEPTA Key.



# Fiscal Year 2019 Accomplishments

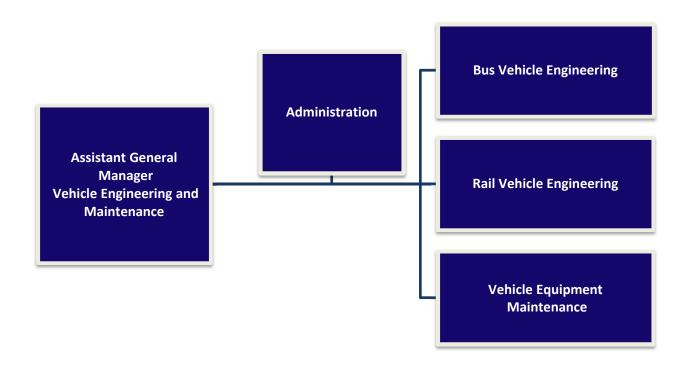
FY 2019 Goals	Accomplishments
I. Improve Customer and Employee Safety and System Security	<ul> <li>Implemented the updated Operator Assault Reduction Plan.</li> <li>Ensured completion of the Operational Safety Improvement Program (OSIP) to improve operational safety.</li> <li>Ensured 100% of Location Safety Committee meeting schedule was met.</li> <li>Created an updated Sleep Apnea Mitigation Plan, starting with Regional Rail.</li> <li>Reduced pedestrian knockdowns.</li> <li>Reduced signal violations.</li> <li>Implemented Bus Operator Refresher Safety Training Program on four-year cycle, including a module on human trafficking.</li> <li>Advanced Confidential Close Call Reporting System (C3RS).</li> </ul>
II. Improve Employee Satisfaction and Develop a Highly Qualified Staff	<ul> <li>Launched additional management training initiatives, from formal to informal. Increased succession planning efforts.</li> <li>Continued to promote on-the-job training efforts using Regional Rail Engineers.</li> <li>Engaged cashiers in focus groups during transition process to SEPTA Key.</li> <li>Expanded Cleaner Recognition Program within the Authority.</li> <li>Continued to promote employee volunteerism through participation in Philly Spring Clean-up (April), and Yule Toy Drive (December).</li> </ul>
III. Improve Productivity and Cost Effectiveness	Worked with Police Operations, Communications, Training and Revenue departments to reduce fare evasion. Utilized multi-faceted approach including procedural changes, education and enforcement.
IV. Support the Authority's Ridership Growth	<ul> <li>Participated in development of new Comprehensive Bus Network Optimization.</li> <li>Participated in the advancement of the Trolley Modernization Program</li> </ul>
V. Support the Authority's Implementation of New Payment Technologies	Supported and advanced the roll-out of SEPTA Key for CCT and Regional Rail.





# Overview

The Vehicle Engineering and Maintenance Division is responsible for the maintenance and engineering related to all Authority vehicles including buses, trolley buses, light rail, Market-Frankford and Broad Street Line, Regional Rail and Norristown High Speed Line cars and all non-revenue generating utility fleet vehicles and equipment. They also coordinate the procurement of ADA Paratransit and Shared Ride vehicles.





# **Headcount**

	OPERATING HEADCOUNT				
	Mgmt.	Clerical	Maint.	Total	
Administration	4	-	-	4	
Bus Vehicle Engineering	15			15	
Rail Vehicle Engineering	16	2	-	18	
Vehicle Equipment Maintenance	169	33	1,525	1,727	
Total Headcount	204	35	1,525	1,764	

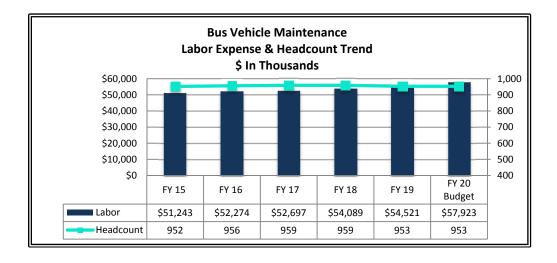
	CAPITAL HEADCOUNT			
	Mgmt. Clerical Maint. Tota			
Administration	1			1
Bus Vehicle Engineering	11			11
Rail Vehicle Engineering	23	2	-	25
Vehicle Equipment Maintenance	24	1	221	246
Total Headcount	59	3	221	283

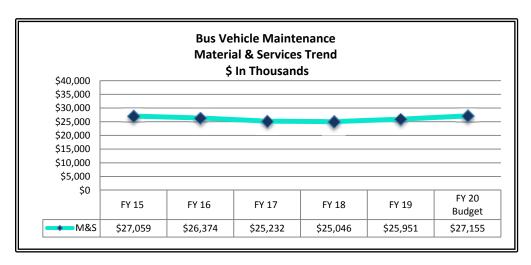
		TOTAL HEADCOUNT			
	Mgmt.	Clerical	Maint.	Total	
Administration	5	-	-	5	
Bus Vehicle Engineering	26	-	-	26	
Rail Vehicle Engineering	39	4	-	43	
Vehicle Equipment Maintenance	193	34	1,746	1,973	
Total Headcount	263	38	1,746	2,047	



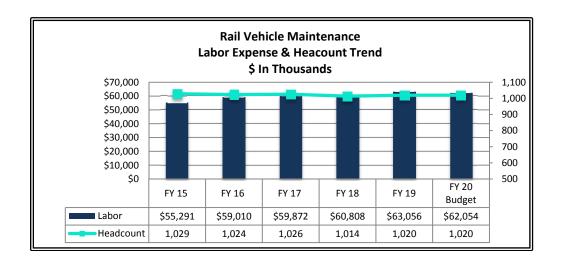
**Budget** Amounts in Thousands ('000)

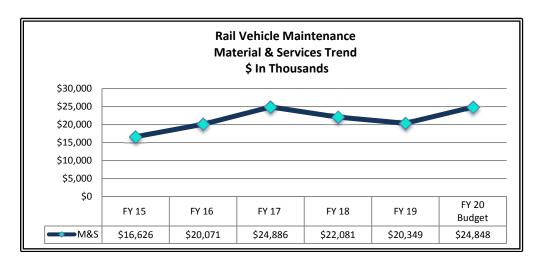
	Net Labor	&	Material Services	Total
Administration	\$ 426	\$	-	\$ 426
Bus Vehicle Engineering	1,387		2,998	4,385
Rail Vehicle Engineering	1,184		90	1,274
Vehicle Equipment Maintenance	119,977		52,003	171,980
Total	\$ 122,974	\$	55,091	\$ 178,065

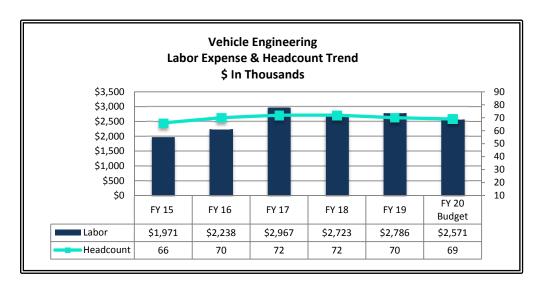




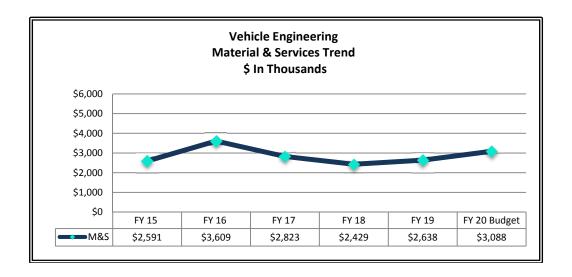












# **Principal Responsibilities**

# **VEHICLE ENGINEERING**

### **BUS VEHICLE ENGINEERING**

Oversees the engineering for bus, trackless trolley, and non-revenue generating vehicle fleets. Responsible for the acquisition of new fleets of vehicles including bus, CCT, and utility vehicles. Manages administrative, personnel and budgetary elements of Bus Vehicle Engineering, Rail Vehicle Engineering, and Vehicle Maintenance groups.

# Engineering

Provides all engineering support including specifications, drawings, vehicle modifications, and system upgrades for all bus fleets. Investigates and resolves bus and fleet technical issues. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

# **New Vehicles**

Oversees the purchase of all new bus, trackless trolley, CCT, and utility vehicles. Manages the procurement, production, inspection, acceptance, and contract deliverables (e.g. spare parts, manuals, and warranty administration) for various automotive vehicle contracts.

# RAIL VEHICLE ENGINEERING

Oversees the engineering for light rail, subway-elevated, and Regional Rail fleets and is responsible for all new rail vehicle acquisitions.

# **Engineering**

Provides all engineering support including specifications, drawings, vehicle modifications, and system upgrades for all rail fleets. Investigates and resolves rail fleet technical issues. Support is provided to heavy maintenance facilities.



# **New Vehicles**

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

# **VEHICLE MAINTENANCE**

### **BUS MAINTENANCE**

Oversees all maintenance aspects for bus, trackless trolley, and non-revenue generating fleets and responsible for bus and utility vehicle preventive maintenance overhauls.

Consists of the following nine locations:

- Six (6) maintenance locations in the Philadelphia area
- 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 1,500 vehicles.

# **Automotive Backshops**

Perform overhaul and heavy maintenance activities on bus, trackless trolley, and non-revenue generating utility vehicle fleets.

# RAIL MAINTENANCE

Oversees all maintenance aspects for light rail, subway-elevated, and regional rail fleets and responsible for rail vehicle preventive maintenance overhauls.

# **Rail Equipment Maintenance**

Perform programmed vehicle and component overhauls of various Regional Rail fleets as well as the inspection, maintenance, and running repairs of the following rail fleets:

- ➤ MFL 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
- BSL 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



# Regional Rail Backshops and Yards

Provide all maintenance and overhaul activities on the Regional Rail car fleet. The fleet is comprised of Silverliner 4 and 5 EMU (electric multiple unit) cars and non-powered coaches (push-pull) propelled by ACS-64 electric locomotives. Shop locations include:

- Overbrook
- Powelton Yard
- Roberts Yard
- Frazer
- Wayne Junction

# Fiscal Year 2020 Goals & Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. Improve Customer and Employee Safety and System Security	<ul> <li>a) Improve the safety culture at SEPTA. Safety is the foundation for all that we do.</li> <li>b) Fully support new efforts to implement Safety Management Systems for VEM Division. Adjust headcount where necessary to support the Program.</li> <li>c) Support effort to enhance the NHSL On-Board ATC to reduce the reaction time to speed codes.</li> <li>d) Bring Market-Frankford Line bolster repair to final design and initiate repairs.</li> <li>e) Install operator security shields on bus fleet.</li> <li>f) Install barriers on exterior ladders on Regional Rail fleet.</li> <li>g) Advance effort to procure simulators for rail transit mode.</li> <li>h) Contract for third party inspections of random vehicles from each fleet.</li> <li>i) Continue implementation of audible bus turn warning system.</li> </ul>
II. Improve Service Quality and Customer Satisfaction	<ul> <li>a) Monitor MDBF performance of all vehicles and aggressively address adverse trends as they arise. Look for opportunities to improve performance, including the review of best practices from other transit agencies.</li> <li>b) Promote Standards of Excellence for cleanliness on vehicles. Expand programs to address night time and weekend service levels.</li> <li>c) Develop Action Plan to aggressively address areas of improvement identified by the 2018 Customer Satisfaction Survey.</li> </ul>





FY 2020 GOALS	BUSINESS INITIATIVES
III. Support Capital Improvement Projects	<ul> <li>a) Continue to support expanded capital construction activities across the Authority by providing vehicles for bus substitution efforts.</li> <li>b) Support planning and preliminary engineering efforts for the trolley modernization program and the procurement of electric work cars.</li> <li>c) Continue to implement Market-Frankford Line capacity enhancement initiatives, such as interior seating reconfiguration and conceptual study for 8-car platforms.</li> <li>d) Support the roll-out of the SEPTA Key.</li> </ul>
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	<ul> <li>a) Support the Women-In-Trades initiative.</li> <li>b) Work to provide improved training for new managers.</li> <li>c) Develop a phased three year plan for increasing mechanic staffing. Take into consideration the newly acquired locomotives, the arrival of the multi-level railcar fleet, and the increase in bus fleet size.</li> <li>d) Continue to promote employee volunteerism through participation in programs such as Philly Spring Cleanup (April) and Yule Toy Drive (December).</li> </ul>
V. Improve Productivity and Cost Effectiveness	<ul> <li>a) Support a program to reduce fare evasion across all modes.</li> <li>b) Support recycling efforts as well as other critical sustainability initiatives.</li> <li>c) Continue with efforts to foster data driven management decision making. Work to create or improve data dashboards for the various groups in VEM.</li> <li>d) Support efforts to reverse ridership declines experienced on portions of the Surface network.</li> </ul>
VI. Support Ridership Growth Efforts	<ul> <li>a) Advance the following ongoing vehicle procurements: <ul> <li>525 hybrid bus order with New Flyer</li> <li>10 battery-electric buses with New Flyer</li> <li>45 multi-level push-pull rail cars for Regional Rail</li> <li>225 CCT Paratransit vehicles</li> </ul> </li> <li>b) Expedite Frazer Shop Improvement Program to prepare for new multi-level railcar fleet.</li> </ul>



FY 2020 GOALS	BUSINESS INITIATIVES
VII. Support the Implementation of New Payment Technologies	Continue to support the rollout of SEPTA Key.

# Fiscal Year 2019 Accomplishments

	FY 2019 Goals	Accomplishments
I.	Improve Customer and Employee Safety and System Security	<ul> <li>Prepared facilities and provided Ambassador support for major special events, including: Philadelphia Flower Show, Broad Street Run and Philly Spring Clean-up.</li> <li>Conducted regular safety meetings and supported the Joint Health and Safety Committee (JHSC) Process.</li> <li>Analyzed movement of vehicles in all districts, shops and garages, particularly in the garage bays, and made recommendations to improve vehicle speed compliance.</li> <li>Enhanced the Vehicle Quality Assurance and Quality Control Program with focus on safety critical items.</li> <li>Reduced lost time injuries and accident rates by analyzing injury data to identify high risk areas.</li> </ul>
II.	Improve Service Quality and Customer Satisfaction	<ul> <li>Supported installation of equipment on vehicles to provide real time vehicle location.</li> <li>Continued improvement of fleet reliability.</li> </ul>
111.	Improve Productivity and Cost Effectiveness	<ul> <li>Developed the Fleet Management Plan and monitored its effectiveness towards maximizing the utilization of all fleets.</li> <li>Managed warranty compliance in specifications for SEPTA's new bus procurement contracts with OEMs and suppliers.</li> <li>Advanced the evaluation of innovative vehicle technologies, focusing on energy savings.</li> <li>Continued the conversion of incandescent to LED lights on all vehicle fleets.</li> <li>Researched vehicle material upgrades to increase fleet durability and reliability</li> <li>Advanced technologies to support extended low voltage DC battery life.</li> </ul>
IV.	Support Capital Improvement Projects	<ul> <li>Supported the modernization of the CBTC (Communications-Based Train Control) system on the MSHL.</li> <li>Coordinated the impact of construction with alternate substitute transportation to minimize customer and service disruptions.</li> </ul>





	FY 2019 Goals	Accomplishments
V.	Improve Employee Satisfaction and Develop a Highly Qualified Staff	<ul> <li>Proactively addressed organizational turnover.</li> <li>Continued incremental improvement to workforce diversity among the organization</li> <li>Worked with Employee Development and Relations to develop and conduct workshops designed to increase and improve managers' expertise in contract compliance, discipline assessment, and grievance handling.</li> </ul>
VI.	Support Ridership Growth Efforts	Continued to advance the following ongoing vehicle procurements:         -525 hybrid-electric buses         -25 battery-electric buses (order completed)         -225 paratransit vehicles         -15 ACS-64 electric locomotives (order completed)         -45 multi-level push-pull railcars           Achieved key VOH production goals.           Awarded second major contract for Frazer yard improvements.           Provided support for trolley tunnel blitz.
VII.	Support Implementation of New Payment Technologies	<ul> <li>Completed rollout of SEPTA Key for City and Suburban Transit Divisions.</li> <li>Supported the advancement of the SEPTA Key Program.</li> </ul>
VIII.	Nurture Stakeholder Relationships	Conducted periodic briefings with Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups.



# Engineering, Maintenance & Construction





The Engineering, Maintenance & Construction (EM&C) 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.

# **Headcount**

		OPERATNG HEADCOUNT				
	Mgmt.	Clerical	Maint.	Total		
Administration & Finance	3	-	-	3		
Bridges & Buildings	61	9	304	374		
Civil Engineering	4	1		5		
Communications & Signals	27	38	143	208		
Support Services	16		5	21		
Power	40	11	130	181		
Project Compliance						
Project Control						
Project Development	1	-	-	1		
Rail Facilities						
Real Estate	12	4	-	16		
Track & Utility	33	6	233	272		
Transit Facilities						
Total Operating Headcount	197	69	815	1,081		

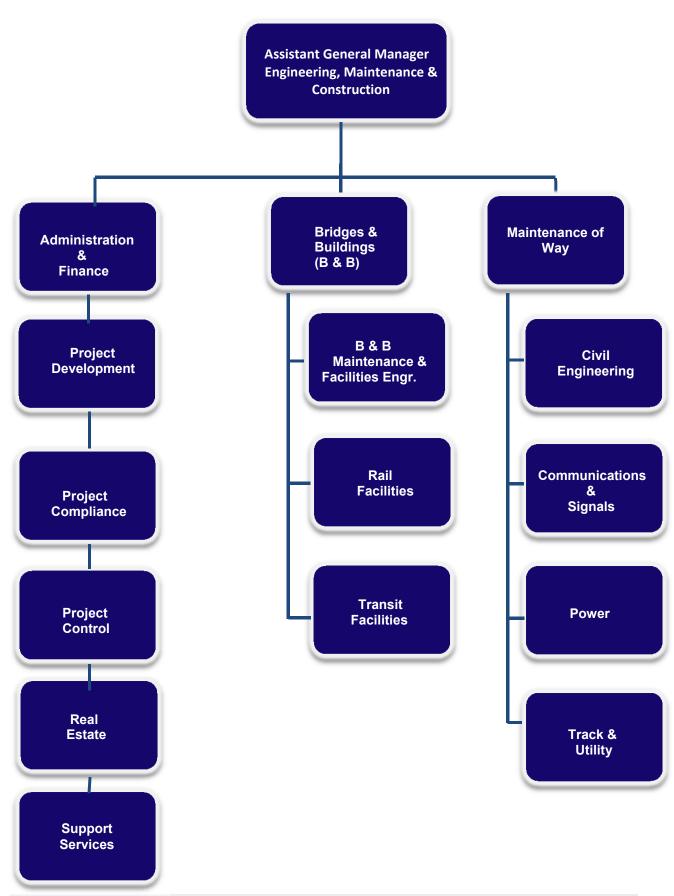
	CAPITAL HEADCOUNT				
	Mgmt.	Clerical	Maint.	Total	
Administration & Finance	5			5	
Bridges & Buildings	29	1	110	140	
Civil Engineering	4			4	
Communications & Signals	16	5	38	59	
Support Services	17			17	
Power	21	1	38	60	
Project Compliance	2			2	
Project Control	8			8	
Project Development	8	-	-	8	
Rail Facilities	12			12	
Real Estate				-	
Track & Utility	17	-	120	137	
Transit Facilities	13			13	
Total Capital Headcount	152	7	306	465	



# Engineering, Maintenance & Construction

		TOTAL HE	ADCOUNT	
	Mgmt.	Clerical	Maint.	Total
Administration & Finance	8			8
Bridges & Buildings	90	10	414	514
Civil Engineering	8	1		9
Communications & Signals	43	43	181	267
Support Services	33	-	5	38
Power	61	12	168	241
Project Compliance	2			2
Project Control	8	-	-	8
Project Development	9			9
Rail Facilities	12	-	-	12
Real Estate	12	4	-	16
Track & Utility	50	6	353	409
Transit Facilities	13	-	-	13
Total Headcount	349	76	1,121	1,546



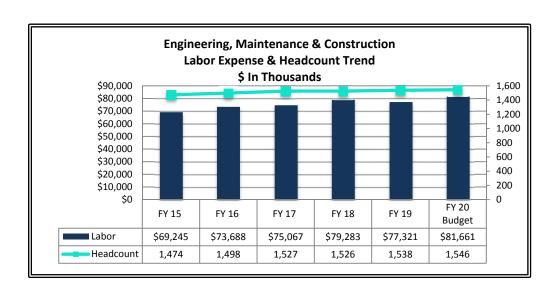




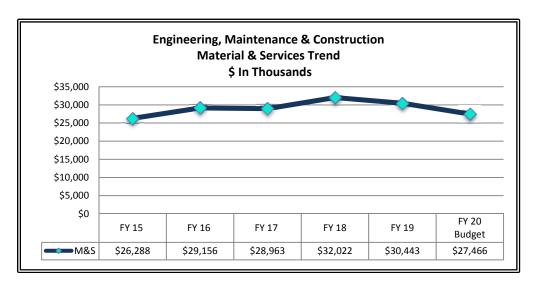
Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration & Finance	\$ 480	\$ 49	\$ 529
Bridges & Buildings	28,191	8,783	36,974
Civil Engineering	326	95	421
Communications & Signals	16,977	2,886	19,863
Support Services	1,547	7,343	8,890
Power	14,672	1,599	16,271
Project Compliance			
Project Control		17	17
Project Development	52		52
Rail Facilities	57	3	60
Real Estate	1,077	3,330	4,407
Track & Utility	18,065	3,357	21,422
Transit Facilities	217	4	221
Total	\$ 81,661	\$ 27,466	\$ 109,127

Note: Departments with minimal or zero dollars are funded through the Capital budget.







**Note:** FY 2018 included unbudgeted facility maintenance costs that did not continue into FY 2019 and is not anticipated for FY 2020.

# **Principal Responsibilities**

# **ADMINISTRATION & FINANCE**

Coordinate and manage the financial and administrative activities for the Engineering, Maintenance & Construction Division. Primary responsibilities include: the division's operating budget; Infrastructure Safety Renewal Program (ISRP) development, analysis and reporting; Human Resource administration; Contract Management; and Asset Maintenance Management System development.

# PROJECT DEVELOPMENT

Develop conceptual designs, cost estimates, 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. Manage the coordinated advancement of construction on major projects such as the expansion of the Media/Elwyn Regional Rail line to Wawa.

# 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.

# PROJECT COMPLIANCE

Provide Quality Assurance/Quality Control and oversight for the capital program. Responsible for the development and implementation of document control procedures and Project/ Construction Management Standards. Also prepares submittals for environmental and historical regulatory approvals.

# **Engineering, Maintenance & Construction**



### 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 ongoing maintenance of employee locations that have received Facilities Improvement Team (FIT) remodels, ensuring that this substantial investment in workplace quality and morale is continually improved throughout the Authority.

### **BRIDGES AND BUILDINGS**

# **Bridges and Buildings Maintenance/Facilities Engineering**

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, other structures, and fixed plant infrastructure.

# **Rail Facilities Capital Construction**

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

# **Transit Facilities Capital Construction**

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

# MAINTENANCE OF WAY

# **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 requirements for routine and specialty track design and fabrication. Operate Midvale Utility Group, which oversees the deployment of non-revenue and utility vehicles.

### **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 involving communication and signals infrastructure.

# **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 involving power and electrical infrastructure.

# **Civil Engineering**

Provide civil engineering services for all maintenance and renewal projects. Provide coordination and oversight for public agency, utility, and private third party work on, over, or adjacent to SEPTA's right-of-ways.

# **Engineering, Maintenance & Construction**



# **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 (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 pool 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 maintenance 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.



# Fiscal Year 2020 Goals & Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
l. Rebuilding the System	<ul> <li>a) Control capital project spending by keeping costs within budget.</li> <li>b) Achieve targets for major capital project milestones for all architectural, engineering and construction projects.</li> <li>c) Pursue Project Control initiatives and General Engineering Consultant (GEC) contracts.</li> <li>d) Commence, advance, and complete all scheduled EM&amp;C Division 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 Building the Future Program, including new traction power substations, bridge and viaduct replacements/rehabilitations, station improvements, and maintenance facility roof replacements.</li> </ul>
II. Sustainability	<ul> <li>a) Promote cost effective implementation of sustainability projects by incorporating Leadership in Energy and Environmental Design (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 Projects (ESCO). Conduct energy audits to determine additional savings opportunities.</li> <li>c) Continue to improve material recycling programs at stations and operating locations.</li> <li>d) Continue the hardening of at risk infrastructure to combat severe weather events.</li> </ul>
III. Safety and Security	<ul> <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 Media/Sharon Hill Positive Train Control, Regional Rail and transit substations, 30<sup>th</sup> Street to Arsenal (Southwest Connection) interlocking catenary, signals and interlocking improvements.</li> </ul>





FY 2020 GOALS	BUSINESS INITIATIVES
III. Safety and Security (continued)	<ul> <li>c) Ensure ongoing infrastructure maintenance by ensuring 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 Original Equipment Manufacturer recommendations.</li> <li>d) Measure and monitor employee Injuries on Duty (IOD) lost time and establish target for future reductions.</li> </ul>
IV. Expand System Capacity	a) Advance projects that support ridership growth.     b) Advance Frazer Shop expansion to accommodate new locomotives and multi-level coaches, and Elwyn to Wawa Regional Rail service restoration.
V. Customer Service	<ul> <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 Exton, Levittown and 15<sup>th</sup> Street Stations.</li> </ul>
VI. New Technologies	Pursue communications-based technological upgrades including wireless delivery of real time service information, cell phone access in SEPTA tunnels, Wi-Fi Internet access hotspots, and new asset management software.





FY 2020 GOALS	BUSINESS INITIATIVES
VII. Human Capital Development	<ul> <li>a) Minimize employee turnover and improve hiring process management.</li> <li>b) Implement and encourage employee training through a Rotational Training Program for new entry level professional engineers, an elevator/escalator maintenance apprentice program, and full utilization of internal management training seminars. Support the AIM training and succession planning program.</li> <li>c) Assist the Division's professional engineers in obtaining continuing education credits required to maintain Pennsylvania licensure.</li> <li>d) Continuously review and update the relevant skills qualification tests administered by Employee Development/Relations.</li> </ul>



# Fiscal Year 2019 Accomplishments

	FY 2019 Goals	Accomplishments
I.	Rebuild the System	<ul> <li>Continued the design of Substation Program, Wayne Junction Static frequency converter and 30<sup>th</sup> St. West catenary replacement.</li> <li>Completed the construction of the Frontier Garage and the 69<sup>Th</sup> Street Substation.</li> <li>Completed Overbrook roof replacement, advanced construction of Comly and Frankford garage roof replacements.</li> <li>Completed Warminster and Doylestown Line tie replacement and surfacing.</li> </ul>
II.	Sustainability	<ul> <li>Advanced ESCO Projects.</li> <li>Completed Combined Heat and Power Project.</li> <li>Completed Southern Depot storm water improvements partnering with the Philadelphia Water Department (PWD).</li> </ul>
III.	Safety and Security	Continued the design of grade separated pedestrian access and station improvements at Lawndale Station.
IV.	Expand System Capacity	<ul> <li>Advanced construction of Elwyn to Wawa service restoration project.</li> <li>Completed Frazer Shop and Yard Construction – Contract #2 Yard Critical Work. Advanced design for Frazer Shop and Yard Phase 3.</li> <li>Awarded Preliminary Design for NHSL King of Prussia Line Extension.</li> </ul>
V.	Customer Service	<ul> <li>Advancing ADA station improvements on the Market-Frankford Line at 15<sup>th</sup> Street, Margaret-Orthodox, and 30<sup>St</sup> Street Station Elevators. Advancing station improvements at Yardley, Levittown, Exton, Secane, and Villanova on Regional Rail.</li> </ul>
VI.	New Technologies	<ul> <li>Installing bridge monitoring program on three Media/Elwyn viaducts.</li> <li>Asset Management Program implemented, and Infrastructure Maintenance Management System departmental roll outs continued throughout FY 2019.</li> </ul>
VII.	Human Capital Development	<ul> <li>Rapid Assimilation Program for new EM&amp;C SAM employees</li> <li>Rotational Training Program for new entry level professional engineers</li> <li>Supervising Hourly Employees Program</li> <li>Tour de EM&amp;C Program</li> <li>AIM training program for Assistant Directors</li> </ul>



# **Deputy General Manager/Treasurer Organization Chart**



# **Overview**

The Deputy General Manager/Treasurer's Staff includes divisional assistant general managers and department heads who are responsible for various administrative functions that support the operations of the Authority.

The Deputy General Manager/Treasurer's Staff includes six departments that are reported upon in this section, namely Deputy General Manager/Treasurer Administration, Communications, Information Technology, New Payment Technologies, Revenue Operations, and Office of Innovation.

There are five divisions with assistant general managers who report within the Deputy General Manager/Treasurer Administration Department. The divisions they are responsible for include: Audit and Investigative Services, Employee Development/Relations, Finance and Planning, Human Resources, and Procurement, Supply Chain & Disadvantaged Business Enterprise. Details concerning these five divisions are summarized separately within this document.

# **Headcount**

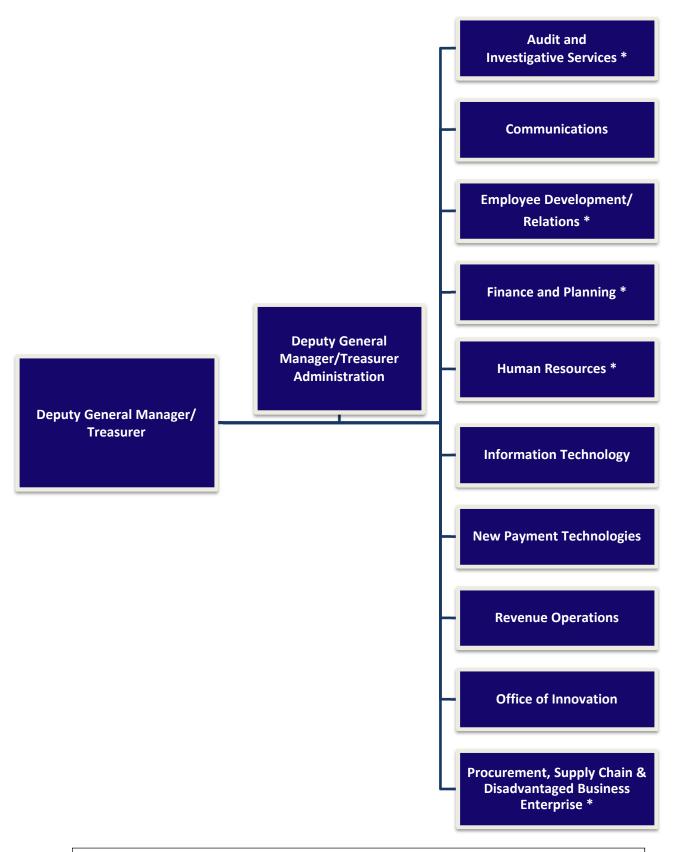
		<b>OPERATING</b>	HEADCOUNT	
	Mgmt.	Clerical	Maint.	Total
Administration	10			10
Communications	10	5	3	18
Information Technology	66	5		71
New Payment Technologies	1	-	-	1
Revenue Operations	107	46	48	201
Office of Innovation	6			6
Total Operating Headcount	200	56	51	307

		CAPITAL HE	ADCOUNT	
	Mgmt.	Clerical	Maint.	Total
Administration	1	-	-	1
Communications				
Information Technology	-	-	-	-
New Payment Technologies	7			7
Revenue Operations				
Office of Innovation	-	-	-	-
Total Capital Headcount	8	-	-	8

		TOTAL HE	ADCOUNT	
	Mgmt.	Clerical	Maint.	Total
Administration	11			11
Communications	10	5	3	18
Information Technology	66	5	-	71
New Payment Technologies	8			8
Revenue Operations	107	46	48	201
Office of Innovation	6			6
Total Headcount	208	56	51	315

# **Deputy General Manager/Treasurer Organization Chart**





The Deputy General Manager/Treasurer has five divisions and six departments that are direct reports. \*Indicates divisions which are reported separately in this document.



# Budget Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	\$ 1,705	\$ 20	\$ 1,725
Communications	1,304	818	2,122
Information Technology	6,222	6,406	12,628
New Payment Technologies	121	10,244	10,365
Revenue Operations	13,777	18,109	31,886
Office of Innovation	413	530	943
Total	\$ 23,542	\$ 36,127	\$ 59,669

# **Principal Responsibilities**

# **COMMUNICATIONS**

Responsibilities include internal and external communications, including the development of customer information, brochures, posters and notices, system signage, wayfinding information, and maps. Manages the content, graphics, navigation, and editorial content for SEPTA's public website and social media outlets. Develops new customer features and format for public website including real time service information and Smartphone apps. Responsible for the redesign and editorial content of the Authority's employee Intranet site and new employee electronic newsletter — SEPTALife. Also responsible for preparing testimony, speeches, articles, General Manager communications and other correspondence. Directs the Art in Transit program and manages Graphic Services, Printing Services, the Sign Shop, Fulfillment Services, Communications and Website Management.

# **Printing Services and Sign Shop**

Serves as the internal print production operation for all Authority departments. Printing Services is responsible for printing approximately nine million transit schedules each year as well as customer brochures, posters, leaflets, maps, forms, corporate business cards, and stationery. The Sign Shop is responsible for producing facility and vehicle signs, decals, and banners, including system-wide transit stop signage.

# **Graphic Services**

Provides creative concept, design, layout, and pre-production services for all departments for a variety 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**

Provides direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit schedules, customer service notices, and other brochures and leaflets produced by the Authority. Manages production contract for schedules not produced internally.



# **Communications and Website Management**

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

# INFORMATION TECHNOLOGY

# **Emerging & Specialty Technologies**

Provides the short and long term strategy, direction, management and implementation of the core enterprise architecture and critical operations systems for the Authority. Manage new technologies and the support of Control Center specialty technology systems, real-time systems and public-facing applications. Responsible for the strategic design and development of advanced web applications to service SEPTA customers.

# **Project Services**

Supports the development, integration, and implementation of new software systems to business units throughout the Authority. Maintains and enhances existing systems Authority-wide. This section responds to application software problems.

# Cyber Security

Manages and supports the effort of protecting customer and employee data from intrusion or data breach. Engages cyber security committee meetings with key stakeholders that focus on business applications, enterprise databases, operational systems, and fare collection to ensure protocols and procedures are in place to minimize the threat of intrusions, malware, and data breaches. Works with outside agencies and professional affiliations, including law enforcement, to aid in understanding new cyber security risks/threats and determining what remedies are available to protect and minimize the impact.

# Infrastructure Services

Provides computer operations stability and access security on a 7-day/24-hour basis including problem management, disaster recovery, technical infrastructure management/support and change control. Maintains the technology infrastructure necessary for business critical systems, including: enterprise e-mail services, Internet/Intranet access, payroll, materials management, general accounting, operations control centers, disaster recovery and business continuity. Supports enterprise data communication systems and the entire personal computer environment. Sets standards for hardware and software used across the networks and installs, supports and maintains the entire data network infrastructure.

# **Records Management**

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



# **NEW PAYMENT TECHNOLOGIES**

Directs the multi-phase SEPTA Key Project to transform SEPTA's aging revenue collection system into a modern, efficient, and convenient system for customer payment and agency collection of fare revenue.

# **REVENUE OPERATIONS**

# **Revenue Transportation and Collections**

Manages the collection, transportation, and deposit of passenger revenues and fare instruments for the transit division.

### **Revenue Services**

Ensures timely processing, counting, and reconciliation of passenger revenue, as well as the distribution of fare instruments.

# **Revenue Equipment Maintenance**

Performs preventive maintenance and overhaul of fare collection equipment and devices. Provides engineering and design support for the revenue system including specifications, drawings, equipment modifications, and system upgrades.

# **Revenue Compliance**

Ensures that effective controls are in place to safeguard revenue and assets.

# Regional Rail Revenue and Parking

Oversees ticket sales, on-board fare collection and parking for the Regional Rail Division. Responsible for managing third party contractors for maintenance on all parking lots and garages. Also, pursue opportunities to expand parking spaces and function as the central coordinator for all parking related issues.

# OFFICE OF INNOVATION

# **Data-Driven Decision Making**

Works with business units to develop, track, and report on Key Performance Indicators that measure progress towards strategic goals and objectives. Consult with those business units to develop forward-looking master plans to better align policies, procedures and practices with SEPTA's Strategic Business Plan and "Building the Future" program.

# Corporate Performance Management

Measures progress towards goals and targets pursuant to SEPTA's Strategic Business Plan and its balanced scorecard of corporate Key Performance Indicators. The Key Performance Indicators are tracked and reported on a monthly, quarterly, and annual basis by a core team of representatives from each division and then reported to the public through the SEPTA website at <a href="https://www.septa.org/strategic-plan">www.septa.org/strategic-plan</a>.

# **Vision-Casting and Employee Engagement**

Collaboratively develops forums for communication of SEPTA's strategic priorities to employees. Includes facilitating General Manager Team Site Visits and quarterly updates to The Roadmap Forward (a digital summary of corporate initiatives underway). Continue to develop PowerPoint presentation content for articulation of SEPTA's strategic priorities and vision for dissemination among stakeholder groups.



# **Innovation Teams, Including Sustainability**

Executing strategic initiatives through the facilitation of collaborative, cross-departmental, multi-disciplinary teams focused on key themes associated with the SEPTA Strategic Business Plan and "Building the Future" program. Key focus areas include: Ridership Growth, Safety Culture, Cyber Security, Procurement, Employee Communications, and Sustainability. For Sustainability, serves as both staff support and subject matter expert, managing key initiatives and updating progress through the SEPTA website at <a href="https://www.septa.org/sustain">www.septa.org/sustain</a>.

# Fiscal Year 2020 Goals & Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
l. The Customer Experience	<ul> <li>a) Improve SEPTA mobile app by eliminating "ghost buses" and continue move towards a "single app" by integrating SEPTA Key account information</li> <li>b) Initiate revamp of SEPTA.org</li> <li>c) Initiate a comprehensive system-wide wayfinding and signage needs assessment</li> <li>d) Modernize SEPTA transit store at 1234 Market Street</li> </ul>
II. Workforce Development & Support	<ul> <li>a) Launch revamped employee Intranet, starting with mini-beta launch with several select user groups</li> <li>b) Deliver "Looking Ahead at our Business" presentation to all SEPTA management employees</li> <li>c) Complete installation of Wi-Fi at all SEPTA employee locations</li> <li>d) Achieve 60% SEPTANow penetration for all SEPTA employees</li> </ul>
III. Rebuilding the System	Provide continuing support to advance programs outlined in the Fiscal Year 2020 Capital Budget. For extensive details of the FY 2020 Capital Budget go to septa.org/strategic-plan/reports/fy-2020-cap-budget-2020-2031-program.pdf
IV. SEPTA is a Business	<ul> <li>a) Continue to implement Energy Action Plan</li> <li>b) Advance Ridership Growth Innovation Team initiatives</li> <li>c) Implement PennDOT Performance Review Action Plan and report on progress</li> <li>d) Publish updated Economic Impact Analysis and associated materials</li> </ul>
V. Safety as the Foundation	a) Advance Cyber Security Innovation Team initiatives





# Fiscal Year 2019 Accomplishments

	FY 2019 Goals	Accomplishments
I.	The Customer Experience	Advanced SEPTA Key rollout     Launched improvements to the SEPTA mobile app and developed a verification program for continual improvement
II.	Workforce Development & Support	<ul> <li>Advanced installation of Wi-Fi at SEPTA employee locations</li> <li>Designed revamp of employee Intranet</li> <li>Developed multi-year rollout program for digital screens at employee locations</li> <li>Published Welcome Book and began to distribute as part of revamped New Employee Orientation process</li> </ul>
III.	Rebuilding the System	Advanced planning process for replacement of Computer Aided Radio Dispatch (CARD) system
IV.	SEPTA is a Business	<ul> <li>Finalized Ridership Growth Innovation Team strategic plan and began to implement</li> <li>Supported efforts to reduce downtown congestion and tracked progress</li> <li>Tracked progress towards implementation of recommendations in management reviews</li> <li>Published update to economic impact analysis, including "cost of congestion" study</li> <li>Held major press event to celebrate signature Sustainability Program initiatives (battery-electric buses, energy efficient retrofit, and stormwater management) at Southern District</li> </ul>
V.	Safety as the Foundation	<ul> <li>Advanced Safety Culture Innovation Team initiatives</li> <li>Advanced Cyber Security Innovation Team initiatives</li> </ul>



# **Finance and Planning**



# **Overview**

The Finance and Planning Division develops and then monitors results for the Authority's Annual Service Plan, Operating and Capital Budgets, and federal, state, and local grants. The Division oversees all financial services and long-term planning activities, including the preparation of monthly and annual financial statements for outside stakeholders as well as the management of advertising contracts.

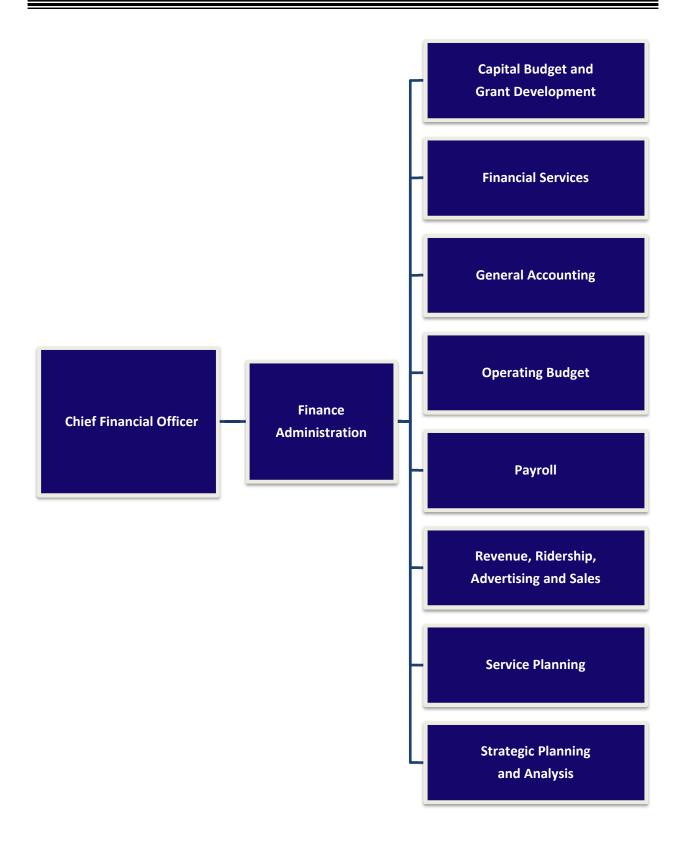
# **Headcount**

	OPERATING HEADCOUNT				
	Mgmt.	Clerical	Total		
Administration	9		9		
Capital Budget and Grant Development	7		7		
Financial Services	24	8	32		
General Accounting	9	2	11		
Operating Budget	9	-	9		
Payroll	3	2	5		
Revenue, Ridership, Advertising and	25	27	52		
Sales					
Service Planning	27	15	42		
Strategic Planning and Analysis	4	-	4		
Total Operating Headcount	117	54	171		

	CAPITAL HEADCOUNT			
	Mgmt.	Clerical	Total	
Administration				
Capital Budget and Grant Development	1		1	
Financial Services	-	-	-	
General Accounting				
Operating Budget				
Payroll				
Revenue, Ridership, Advertising and	2		2	
Sales				
Service Planning	-	-	-	
Strategic Planning and Analysis	1	-	1	
Total Capital Headcount	4	-	4	

	TOTAL HEADCOUNT			
	Mgmt.	Clerical	Total	
Administration	9	-	9	
Capital Budget and Grant Development	8		8	
Financial Services	24	8	32	
General Accounting	9	2	11	
Operating Budget	9		9	
Payroll	3	2	5	
Revenue, Ridership, Advertising and	27	27	54	
Sales				
Service Planning	27	15	42	
Strategic Planning and Analysis	5		5	
Total Headcount	121	54	175	

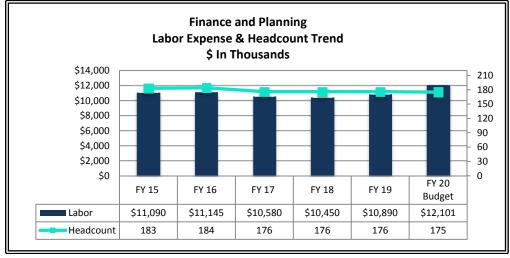


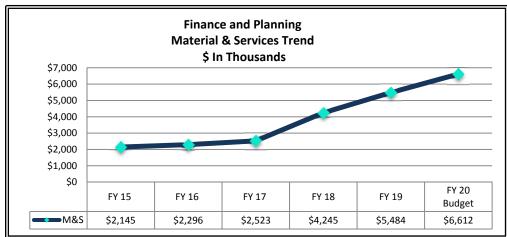




Budget Amounts in Thousands ('000)

		Net Labor	laterial ervices	Total
Administration	\$	1,200	\$ 50	\$ 1,250
Capital Budget and Grant Development		489	3	492
Financial Services		2,235	672	2,907
General Accounting		780	317	1,097
Operating Budget		733	91	824
Payroll		338	2	340
Revenue, Ridership, Advertising and Sales		3,459	4,028	7,487
Service Planning		2,516	237	2,753
Strategic Planning and Analysis		351	1,212	1,563
Total	<b>\$</b> 1	12,101	\$ 6,612	\$ 18,713





**Note:** FY 2018 to FY 2020 increase is primarily due to a planned initiative in Strategic Planning and Analysis and Service Planning Departments for a Comprehensive Bus Network Optimization Project, which will require outside consultant services. In addition, bank transaction fees are expected to continue to rise with the increased rollout of the SEPTA Key Card.



#### **Principal Responsibilities**

#### **CAPITAL BUDGET and GRANT DEVELOPMENT**

Develop the 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 and maintain the transit capital projects of the regional Transportation Improvement Program (TIP). Provide oversight and prepare analyses of the Vehicle Overhaul Program (VOH), Infrastructure Safety Renewal Program (ISRP), 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 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, Accounts Receivable, Billings and Cash Management

Process vendor payments, ensure items processed are correctly recorded, generate all billing invoices, ensure that all receipts due are received and properly applied, and capture and report capital project costs. Provide accurate reporting and maintain accounting controls for operating receivables. Manage cash resources to ensure sufficient liquidity while maximizing investment income within a prudent level of risk.

#### **Financing and Pensions**

Manage the Authority's debt portfolio to ensure compliance with covenants of indentures and loan agreements and the 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 Employee Deferred Compensation Plan 457b assets.

#### Revenue Accounting, Operating Grants, Accounts Receivable and Fixed Assets

Provide accurate reporting and maintain accounting controls for operating revenues, operating subsidy grants, route guarantees, and fixed assets. Prepare applications and billings for operating subsidies, provide pass-through funding to sub grantees and monitor compliance and accounts for capitalization and disposition of grant and nongrant property and related depreciation and contributed capital. Works closely with various teams to ensure the proper recording for the sales of boarding instruments and parking fees during transition from legacy fare system to SEPTA Key.

#### **GENERAL ACCOUNTING**

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



#### **OPERATING BUDGET**

Develop a budget plan based upon an evaluation of each department's operating needs in relation to the Authority's overall available 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 document 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 utility accounts including the review and approval of utility invoices for payment. Conduct monthly analysis to track and forecast financial performance.

#### **Financial Reporting and Systems**

Maintain the Corporate Performance Management (CPM) 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 bargaining unit contract negotiations, propulsion power, utilities, fuel contracts and income generating contracts. Provide financial analysis for internal discussions and Board briefings.

#### **PAYROLL**

Process the Authority's payroll in a timely and accurate manner. Ensure that payroll-related data has been balanced and reconciled. Process all wage deductions and tax withholdings. Responsible for reporting of tax withholdings and all quarterly and annual tax returns. Prepares all bargaining unit contractual wage increases. Ultimately responsible for all payroll-related record keeping as well as verifying the reliability of the data.

#### REVENUE, RIDERSHIP, ADVERTISING AND SALES

Form a centralized leadership capacity to coordinate multifaceted operations including revenue generation via fare media, parking garages, and non-transportation related advertising income. Monitors and officially reports ridership levels and affiliated revenues. Coordinate the Division's participation in all financial, operational and customer facing aspects to further the advancement of the SEPTA Key Program.

#### **Revenue and Ridership Management**

Develop and report monthly ridership and revenue levels. Manage all ridership and revenue data and issue reports as market conditions demand. Issue all required revenue and ridership reports to governmental and ancillary agencies. Develop and support all passenger revenue pricing and tariffs and incorporate data received from the SEPTA Key Program into the data stream.

#### Sales

Administers and/or 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 *www.shop.septa.org* and SEPTA Key web portals. Manages and coordinates sales to over 1,000 external sales venues such as corporate entities, school districts, and Social Service agencies. Validates and issues refunds and adjustments for lost rides and fare instruments. Works closely with various teams to ensure the effective transition from legacy fare system to new SEPTA Key media.



#### **Advertising**

Responsible for administration of transit and Regional Rail advertising, which includes station naming, bus and railcar exterior wraps, station and interior vehicle digital screens, station and street level digital screens, and static posters. Responsible for administration of outdoor advertising which includes an extensive static and digital billboard network.

#### **SERVICE PLANNING**

Plan and schedule service for City and Suburban (Victory and Frontier) transit division 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 implement improvements to existing service and develop new service. Prepare the Annual Service Plan, which includes new service proposals and an annual economic review of all routes. Serve as liaison with city and county planning agencies, municipal governments, and Transportation Management Associations (TMA) regarding service planning issues. Coordinate tariff and public hearing process for all proposed route changes. Manage central transit stop database and Automatic Passenger Counter (APC) data and reporting. Provide Authority-wide Geographical Information Systems (GIS) support.

#### STRATEGIC PLANNING AND ANALYSIS

The efforts of the Strategic Planning and Analysis Department helps to create a shared vision for the future among the various communities, prioritizing capital funding, and the advancement of enhanced service.

#### Long-Range Planning

Long-range plans emphasize comprehensive analysis of existing systems, ridership trends, and demographic analysis to make strategic investments to serve current and future transit needs. Such long-range plans include studies of rail system expansion, existing facilities improvements to support long-term growth, and analysis of bus service networks.

#### **Municipal and Regional Plan Coordination**

SEPTA currently participates in many comprehensive plans, transportation studies, neighborhood plans, streetscape designs, and station area or Transit Oriented Development (TOD) plans. All of these studies impact SEPTA and customers in some manner, from how a roadway functions, to envisioning new development at a train station, to recommending new or improved service concepts.

#### **Comprehensive Station and Service Analysis**

This type of plan enables high-quality, community-supported improvements to SEPTA stations and service. Comprehensive plans look holistically at infrastructure and service, not only to improve the customer experience and increase ridership, but also to identify ways to encourage economic development and improved multi-modal (pedestrian, bicycle, bus, and vehicular) access.

#### Strategic Business Plan

SEPTA adopted its most recent 5-year Strategic Business Plan in 2014. This plan establishes a vision, mission, core values, and set of corporate objectives for strategy development for the Authority. SEPTA is currently working on an update to the plan.



# Fiscal Year 2020 Goals and Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. The Customer Experience	<ul> <li>a) Focus on strategic initiatives to improve transit service reliability and route changes to address changing ridership levels.</li> <li>b) Continue to nurture stakeholder relationships through periodic briefings with federal, state and local officials, Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups.</li> <li>c) Complete SEPTA Key rollout for transit and all Regional Rail stations.</li> <li>d) Continue to provide Ambassador support for major events.</li> </ul>
II. Employee Development	a) Proactively improve employee communications.     b) Continue to invest in workplace improvements.
III. Rebuilding the System	<ul><li>a) Continue to develop, advance, and seek funding for a 12-year capital program that focuses on achieving a state of good repair.</li><li>b) Complete software upgrade of the Operating Budget financial system.</li></ul>
IV. SEPTA is a Business	<ul> <li>a) Continue to produce a balanced operating budget and improve the economic efficiency of business processes.</li> <li>b) Provide financial analysis to support labor contract negotiations.</li> <li>c) Initiate new project proposals from the "Frequent Rider", "Occasional Rider" and "New Rider" working groups, using the results of the Customer Satisfaction Survey as an important input for brainstorming and project development.</li> <li>d) Increase ridership capacity in key growth areas and align additional parking capacity with regional transportation needs.</li> <li>e) Leverage investments to maximize ridership growth.</li> <li>f) Develop long-range plans to prioritize future system improvement and expansion opportunities.</li> <li>g) Continue to advance Bus Network Optimization analysis.</li> <li>h) Support efforts to reduce downtown congestion through partnering with the City of Philadelphia and Center City District on innovative solutions.</li> <li>i) Pursue innovative financing techniques to advance state of good repair and other core capacity initiatives.</li> </ul>



V. Safety as the Foundation

- a) Advance capital projects with safety as a key objective
- b) Continue implementation of employee-focused safety and security campaigns

#### Fiscal Year 2019 Accomplishments

FY 2019 Goals	Accomplishments
	·
I. The Customer Experience	<ul> <li>Implemented Route 49 bus route that began operation on February 24, 2019 as part of continuing efforts to improve transit rider access to employment centers. This new route connects University City to the Philadelphia neighborhoods of Fairmount, Brewerytown, Strawberry Mansion and Grays Ferry. It also connects Amtrak 30<sup>th</sup> Street Station to the Parkway attractions. Route 49 ridership has been very encouraging with daily ridership averaging close to 2,300 passenger trips after only five months of operation.</li> </ul>
	Many employees served as SEPTA Ambassadors at various events, including the 2019 Philadelphia Flower Show, Southwest Connection Improvement, etc.
	Launched TransPass, Day Pass and Travel Wallet Sales options for SEPTA Key and adjusted policy for use of Quick Trips on Transit. Began pilot program for Regional Rail which includes Zone 3 and Zone 4 Trailpasses.
	After the launch of the External Retail Network in February 2018, there are over 500 retailers currently in place.
	Accelerated the issuance of Senior and Disabled Fare Cards along with replacements for lost/stolen cards.
	Launched Agency Disposable Smart Media (DSM) Partners     Portal in February 2018. Approximately 300 agencies     participating with annual orders in excess of \$4.2 million.     Expanded both the types of products offered and payment methods in 2019.
	SEPTA completed the Alternative Analysis and Draft Environmental Impact Statement (DEIS) for the King of Prussia Rail Project. The King of Prussia Rail Project is an extension of the Norristown High Speed Line to the King of Prussia area in Upper Merion Township, serving the King of Prussia Mall, Business Park and residential communities of this part of the region. The DEIS document was released in October 2017, and SEPTA Board adopted the Locally Preferred Alternative in January 2018. Work on the Final Environmental Impact Statement has begun, and will continue through 2019. SEPTA also awarded a contract to advance 15% engineering in early 2019, and will continue through the end of 2019.      SEPTA Key Partner Program was implemented offering social.
	SEPTA Key Partner Program was implemented offering social agencies the ability to purchase Partner pass fare products for their clients or members.





	FY 2019 Goals	Accomplishments
l.	The Customer Experience (continued)	Developed innovative transit maps that show SEPTA's bus network by frequency, and serve to promote our routes that have a frequency of 15 minutes or less, 15 hours per day and 5 days per week. The transit maps will be crucial communication tools through the upcoming bus network optimization process.
II.	Workplace Development and Support	Developed partnerships with community groups, business associations, transportation agencies, and other stakeholders to evaluate opportunities to serve new markets.
	Rebuilding the System	<ul> <li>Consistent with SEPTA's mandate to seek alternative sources of revenue in support of transit operations, multiple digital screen programs were introduced to partially offset static advertising. The screens enable continuous streaming of SEPTA service information on a small portion of the screens, while rotating advertising and weather on the majority of the screen. The pilot program for station information kiosks began in March 2018 at three high volume stations. Pending the outcome of the pilot, expansion is slated for almost every Regional Rail station throughout the service area, consisting of up to 300 station information kiosks. The delivery of new buses equipped with 2 digital screens and Wi-Fi capability began in July 2017. A total of 525 buses equipped with 1,050 screens will be delivered by the year 2021.</li> <li>Secured Board adoption of a balanced comprehensive twelve year capital program.</li> <li>Automated the posting of SEPTA Key journal entries into the General Ledger through the implementation of the SEPTA Key Weekly General Ledger Feeder.</li> <li>Purchased Remix planning software in the Fall of 2018. The software is being used to evaluate alternative bus route proposals, estimate the costs of route and schedule changes, and calculate how changes impact overall transit network access and mobility.</li> <li>SEPTA was awarded a \$1.5 million grant from the Federal Transit Administration's Low or No Emission (LoNo) Grant Program. The Authority plans to leverage these funds with an additional \$19.7 million of state and local funding to purchase ten battery-electric buses to be operated on various routes in the City of Philadelphia. SEPTA received delivery of 25 battery-electric buses for operation on Bus Routes 29 and 79 in South Philadelphia. SEPTA's commitment to clean vehicle technology through the implementation of battery-electric and hybrid-diesel buses has achieved measurable reductions in fuel usage and emissions. The advancement of battery-electric buses into S</li></ul>



FY 2019	9 Goals	Accomplishments
III. Rebuildii System (continue	_	SEPTA was selected to receive a U.S. Department of Transportation Better Utilizing Investments to Leverage Development (BUILD) grant in the amount of \$15 million to assist in the modernization of the 30 <sup>th</sup> Street Station of the Market-Frankford Line. This project will increase capacity, accessibility and support private sector investments. This award leverages \$23.8 million in additional state, local, and private funds.
IV. SEPTA i Busines		<ul> <li>Continued to implement the Five-Year Strategic Business Plan.</li> <li>Three working groups made their first round of proposals to the Ridership Growth Steering Committee. Two proposals, one looking at a process to address legibility of station signage and the other, developing a How to Ride Guide for the SEPTA website, are moving forward into implementation.</li> <li>Participated in numerous comprehensive long-range plans involving SEPTA assets throughout the region, including the DVRPC 2045 Connection Plan, the City of Philadelphia Connect Plan, City of Philadelphia District Plans, County Comprehensive Plans, and local municipality comprehensive and station area planning. Plans identify Greater Philadelphia's vision for land use, the equipment, economic development, equity, and transportation.</li> </ul>
	nd Security oundation	<ul> <li>Provided planning and schedule support for rail shuttle operations during reconstruction projects, for example the Southwest Connection Improvement Program and the Woodland Avenue bridge replacement project.</li> <li>SEPTA was selected to receive a \$3.6 million grant from the Federal Emergency Management Agency (FEMA) to fund specialized transit police units. These units are deployed to protect critical infrastructure and customers from acts of terrorism and other emergencies.</li> <li>Included funding for the Bus and Trolley Operator Safety Shields project in the Twelve Year Capital Program. Installation of these shields will help protect the operator in the event of an emergency. The shields will be installed on SEPTA's bus, trolley, and Norristown High Speed Line vehicles.</li> </ul>



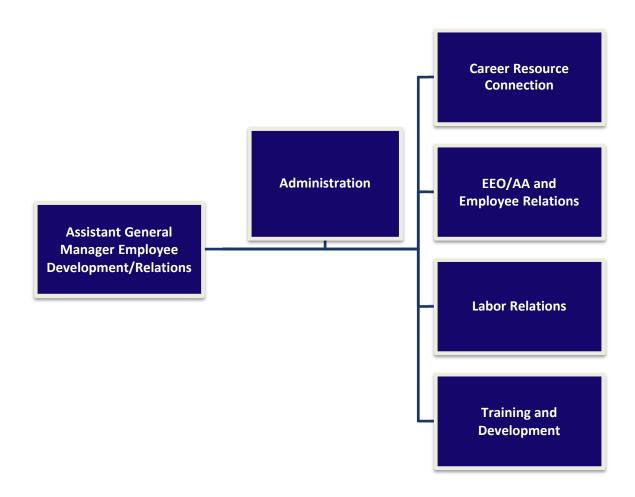
# **Employee Development/Relations**

# **Employee Development/Relations**



#### Overview

This business unit was newly created in Fiscal Year 2017 with a focus on training, personnel development and employee relations for our administrative, management and bargaining unit employees.



#### **Headcount**

	OPERA	TING HEADCO	<b>JNT</b>
	Mgmt.	Maint.	Total
Administration	5		5
Career Resource Connection	1	-	1
EEO/AA and Employee Relations	7		7
Labor Relations	9	5	14
Training and Development	102	-	102
Total Headcount	124	5	129



#### Budget Amounts in Thousands ('000)

	Net Labor	Material Services	Total
Administration	\$ 969	\$ -	\$ 969
Career Resource Connection	55	60	115
EEO/AA and Employee Relations	614	14	628
Labor Relations	1,195	240	1,435
Training and Development	8,550	702	9,252
Total	\$ 11,383	\$ 1,016	\$ 12,399

#### **Principal Responsibilities**

#### CAREER RESOURCE CONNECTION (CRC)

Serves as a centralized operation and resource for external candidates interested in joining SEPTA and/or learning about job opportunities, and equips internal employees with resources to further develop and manage their career paths including career coaching and counseling. In addition, the CRC supports the Recruitment Department in pre-employment assessment/ selection by scheduling and conducting pre-employment assessments, interviews and New Employee Orientation (onboarding) sessions. The CRC also works interdepartmentally with hiring managers to assess and provide job task analysis and assessment overhauls.

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

Implements and oversees the Authority's policies related to equal employment opportunity, anti-discrimination, and diversity and inclusion to address the needs of an increasingly diverse workplace.

#### **Diversity and Inclusion Initiatives**

Promotes employee engagement, inclusivity and a celebration of diversity through trainings, workshops, targeted discussions and other activities.

#### **Anti-Harassment Trainings**

Provides education and training for employees on harassment prevention, protected classes and workplace violence.

#### **Hiring and Promotion**

Ensures compliance with SEPTA's EEO/AA Policies and the Federal Transit Administration's (FTA) regulations with respect to fair and equal practices in the hiring, interview and promotion of SAM employees.

#### SAM Discipline and Appeals

Provides guidance and oversees the administration of discipline and performance improvement plans to ensure fair and consistent application of the Discipline and Appeals Policy.

# **Employee Development/Relations**



#### **Accommodations**

Provides accommodations for those whose disability, religious beliefs, observances or practices conflict with a specific task or requirement of the position or an application process.

#### Investigations

Responds to complaints of discrimination/harassment filed internally and externally. Handles a wide variety of employee relations issues as well as workplace trainings.

#### LABOR RELATIONS

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

#### **Negotiations**

Serves as lead negotiator for all labor agreements with the Authority's collective bargaining units in accordance with State and Federal Laws.

#### **Grievances, Arbitrations and Special Board of Adjustment (SBA)**

Hears all third level and Labor Relations step grievances and represents the Authority in all arbitrations, SBA Appeals, and related litigation. Serves as primary liaison with all attorneys retained on special arbitration cases or other litigation.

#### Case Presentation to the Pennsylvania Labor Relations Board (PLRB)

Prepares and presents all cases associated with the PLRB as they are filed by bargaining units and the Authority.

#### Job Classification/Wage Administration

Directs preparation of new and revised job descriptions for hourly classification and coordinates evaluations of bargaining unit positions and negotiates job restructuring and classification issues. Prepares and publishes all bargaining unit and non-supervisory wage rate manuals.

#### **Contract Training**

Conducts relevant training of supervisors in bargaining unit contract interpretation and enforcement.

#### **Joint Labor Management Relations**

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

#### **Unemployment Compensation**

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

#### TRAINING AND DEVELOPMENT

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





# Fiscal Year 2020 Goals and Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. Implement a Succession Planning Process	<ul> <li>a) Establish learning curriculum by SAM employee grade level.</li> <li>b) Develop and launch Employee Learning Plan.</li> <li>c) Conduct lessons learned review of AIM for Assistant Directors.</li> <li>d) Support multi-transit agency Leadership Exchange Development Program (LEAD).</li> </ul>
II. Provide Leadership for Human Capital Development	<ul> <li>a) Provide trainings, workshops and events designed to promote inclusivity and celebrate diversity within the workplace.</li> <li>b) Incorporate AIM AD curriculum into the general Learning Connection curriculum.</li> <li>c) Research e-learning/micro-learning for leadership training continuing education unit and professional engineer education requirements.</li> <li>d) Develop a curriculum that aligns with the succession plan's key positions leadership competency gaps.</li> <li>e) Support the Career Resource Connection center and employee development with career counseling sessions including advanced education, resume writing and interviewing.</li> <li>f) Minimize labor and training costs by implementing simulators in engineer/conductor and rail transit training programs.</li> <li>g) Continue tuition reimbursement program counseling in fields of study appropriate for career opportunities.</li> </ul>
III. Implementing Career Coaching and Counseling	Assist with succession planning efforts by counseling employees to attain their career goals.
IV. Establish In- House Test-Prep Sessions	Provide in-house test preparation sessions to help familiarize candidates with the automated e-testing process.





# Fiscal Year 2019 Accomplishments

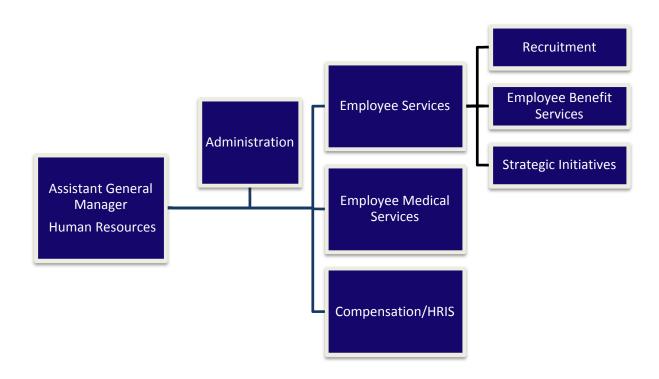
FY 2019 Goa	5	Accomplishments
I. Provide Leade for Human Ca Development	• Partic Devel • Partic curric	nued to implement five day 1st level supervisor's program. ipated in multi-transit agency Leadership Exchange opment Program (LEAD). ipated in multiple initiatives to provide information and ulum assistance to high schools and trade schools. iated second AIM Assistant Directors training class.
II. Other Accomplishm	remed Reach engine Launce to Mai Comp Contin collect unsett Impro by lev Impro impler Strear new of Impro survei Comp Cente Overh asses Condu Condu Scheo for inte	porated Regional Rail Division simulators for conductor dial training and introduction to engineer training. The dial training and introduction to engineer training. The dial training and introduction to engineer training. The dial training and pre-qualification testing for transfer reserved. The dial training and Broad Street Lines. Interest of Rail Transit training simulators. The died contracts of Rail Transit training simulators of the dial training agreed-upon the died contracts. The died contracts of testing function eraging technology. The died contracts of testing through the mentation of e-testing. The died contracts of testing through the mentation of e-testing. The died contracts of testing through the mentation of e-testing. The died contracts of testing through the mentation of e-testing. The died contracts of testing through the mentation of e-testing. The died contracts of testing through the mentation of e-testing. The died contracts of testing through the mentation of a notice scheduling process via the implementation of a notice scheduling system. The died contracts of the died contracts of testing through the mentation of a notice of the died contracts of the died contract

# SEPTA Human Resources



#### Overview

The Human Resources Division provides recruitment and talent management, cost effective benefits and pension programs, handles salary administration and the human resources information systems, management of Authority policies and divisional budget, as well as directing the medical department and related programs. The Division is charged with recruiting new employees and helping them assimilate, grow, learn and remain productive assets to the Authority. Support is sustained from the onset of initial interest in the Authority, until long after their departure from employment.



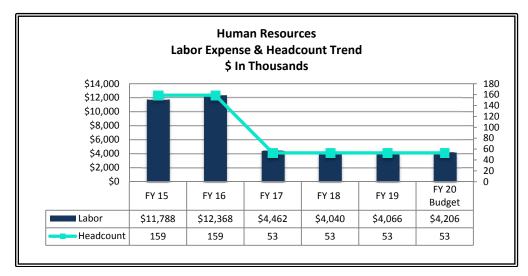
#### Headcount

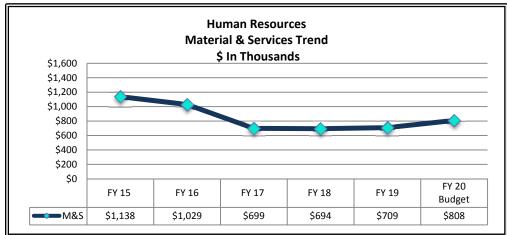
	OPERATING H	EADCOUNT	
	Mgmt.	Clerical	Total
Administration	3	-	3
Employee Services	24	3	27
Employee Medical Services	5	10	15
Compensation/HRIS	4	4	8
Total Headcount	36	17	53



Budget Amounts in Thousands ('000)

	Net Labor	Material Services	Total
Administration	\$ 348	\$ 6	\$ 354
Employee Services	2,325	383	2,708
Employee Medical Services	1,052	259	1,311
Compensation/HRIS	481	160	641
Total	\$ 4,206	\$ 808	\$ 5,014





**Note**: Human Resources was re structured in FY 2017, resulting in the creation of a new department: Employee Development/Relations.

#### **Human Resources**



#### Principal Responsibilities

#### **HUMAN RESOURCES TEAM**

The Authority's dynamic business environment requires that Human Resources develop and implement employee initiatives that support the business strategy (HR Services) and sustain the needs of our employees amidst the consistently high operational tempo of transportation.

#### **Human Resources (HR) EMPLOYEE SERVICES**

Human Resources Administration focuses on Strategic Initiatives, Recruitment, and Employee Benefit Services.

#### Recruitment

Direct and manage recruitment, hiring and transferring of a 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 position vacancies.

#### **Strategic Initiatives**

Identify, develop, foster and maintain working relationships with external workforce organizations, educational and non-profit institutions to build partnerships that create synergistic efforts to produce qualified work-ready employment candidates. Provide basic Human Resources support to SEPTA's employee population on an enterprise-wide scale (HR Connection). Conduct research on new avenues to address human capital issues and provide feedback on trends and issues facing potential new hire populations. Inform management of new catalyst programs available to expand the sphere of potential employment influence the Authority has in developing skilled employees for future hire.

#### **Employee Benefits Services**

Design, negotiate and administer the benefits program, including medical, dental, prescription drug, life insurance, long term disability, short 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 benefit programs.

#### **EMPLOYEE MEDICAL SERVICES**

Execute, maintain and provide regular reports on the drug and alcohol testing requirements in accordance with Authority policy and U.S. Department of Transportation regulations.

#### **Employee Medical Services**

Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical monitoring/surveillance programs (e.g. hypertension, asbestos), hearing conservation, etc. as required by the Authority. Administer the Employee Assistance Program (EAP) for all employees and their dependents. Manage the Wellness Program and medical case management.

#### **SEPTA Wellness Outreach**

Good health and wellness improves the quality of employees' personal and professional lives, can reduce workplace injuries, absenteeism, and health care costs, and enhance employee morale through individual and group participation. The wellness program develops efforts to raise employees' awareness about lifestyle behaviors that promote good health and prevent disease, and provide information and resources to assist employees to achieve their optimum mental and physical health.

#### **Human Resources**



#### **COMPENSATION/HRIS**

Develop, communicate and administer the compensation program for supervisory, administrative and management (SAM) employees. Evaluate SAM positions utilizing the Hay Evaluation System. Update employee and position-related data in the personnel system, monitor and train employees on the use of the Human Resource Information System (HRIS). Maintain personnel files for approximately 9,500 employees. Verify current and past employment for employees, and handle inquiries regarding mortgage and car loans, lost wages, and other supplemental insurance coverage. Oversee the assignment of employee photo ID's for new employees and the replacement of ID's when reported lost or damaged. Prepare SEPTA-wide Organizational Charts.

#### Fiscal Year 2020 Goals and Business Initiatives

FY 2020 GOALS	BUSINESS INITATIVES
l. Benefits Changes	<ul> <li>a) Implement new Vendor Flexible Spending Accounts</li> <li>b) Increase Health Care Spending Account limits to \$2,300</li> <li>c) Conduct Medical Claims audit</li> <li>d) Conduct a Retiree Prescription audit</li> <li>e) Renew Voluntary Benefits Program</li> <li>f) Market dental insurance for SAM and Non-TWU unions</li> <li>g) Market Life and Long Term Disability Insurance RFP's</li> <li>h) Obtain new stop loss insurance for catastrophic medical claims</li> </ul>
II. Wellness Programs	<ul><li>a) Expand Sleep Apnea Program to a Fitness For Duty Program Pilot</li><li>b) Expand Nutrition Counseling by instituting a Tele Nutrition Application</li></ul>
III. HR Systems Updates	<ul> <li>a) Expand Text Recruiter to Transit</li> <li>b) Complete RFP's on legacy system replacement</li> <li>c) Migrate HR information and content to Intranet</li> <li>d) Complete Suburban Transit spouse and student ID process within SEPTA Key implementation</li> </ul>
IV. Strategic Initiatives	<ul> <li>a) Expand outreach to colleges and regional initiatives including but not limited to Careerlink, West Philadelphia Skills Initiative and other community and faith based organizations</li> <li>b) Continue to improve the New Employee Orientation Program</li> <li>c) Transition content to new Employee Intranet making the employee experience more enjoyable</li> </ul>



IV.	Strategic Initiatives (continued)		Continue to promote the GM's initiative of holding an annual Women in Trades Job Fair to attract women who have trades skills and to educate those who have an interest in the trades  Invite top schools who provide training in the trades to the event to provide information to those who show the interest and/or aptitude to enroll in the training
V.	New Programs	a) b) c)	implement new HR systems

# Fiscal Year 2019 Accomplishments

FY 2019 Goals	Accomplishments
I. Continue Ongoing Wellness Program Initiatives	<ul> <li>Worked with vendor to expand Wellness Coach Program at different locations.</li> <li>Continue to implement sleep apnea program within the Regional Rail Division.</li> </ul>
II. Development and Updating of Systems	<ul> <li>Integrated Performance Management System as part of the Human Resources IT Systems Review Scope.</li> <li>New pension system in Beta testing. Calculations created in new system, and SharePoint was expanded to incorporate benefits and employment information.</li> <li>Worked with consultant in development of next generation Employment Applicant Tracking Software.</li> </ul>
III. Expand the Employee Wellness Program	Implemented initiatives to improve employee health including:     Weight Watchers @ Work, on-site health and wellness activities, dietician advisory, Farm to SEPTA, walking programs, prevention and management programs, and Intranet health and wellness classes.
IV.Development of Workforce Pipeline	<ul> <li>Developed a strategy to build partnerships with external workforce development organizations.</li> <li>Continued to explore expansion of the Philadelphia Teacher School District externship program.</li> </ul>





# V. Brand SEPTA as a Choice Employer Promote Human Resources Division branding of "It's Your Move" in advertisements to attract job applicants Social Media messaging listing specific SEPTA jobs Implement New Employee Orientation program, including: welcome letter, employee welcome book, new employee orientation portal, and improved first day experience.



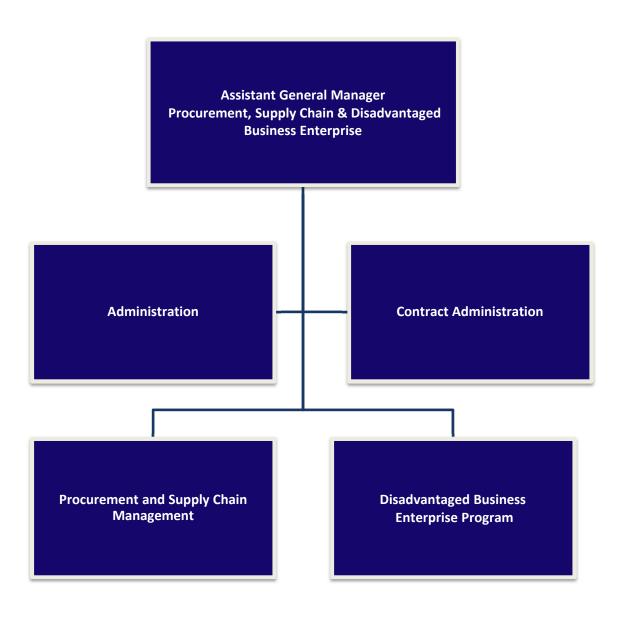
# Procurement, Supply Chain & Disadvantaged Business Enterprise





#### Overview

The Procurement, Supply Chain & Disadvantaged Business Enterprise (PSC & DBE) Division is responsible for SEPTA's procurement, materials management, compliance and quality assurance, supply chain management, contract administration, and disadvantaged business enterprise programs.





# <u>Headcount</u>

	OPERATING HEADCOUNT				
	Mgmt.	Clerical	Maint.	Total	
Administration	5	-	-	5	
Contract Administration	16			16	
Disadvantaged Business Enterprise	4	-	-	4	
Program					
Procurement & Supply Chain	62	59	3	124	
Management					
Total Operating Headcount	87	59	3	149	

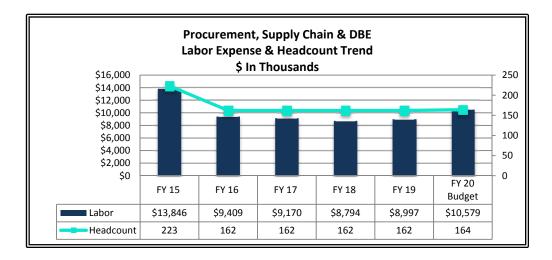
	CAPITAL HEADCOUNT				
	Mgmt.	Clerical	Maint.	Total	
Administration					
Contract Administration					
Disadvantaged Business Enterprise	5			5	
Program					
Procurement & Supply Chain	8	2		10	
Management					
Total Capital Headcount	13	2	-	15	

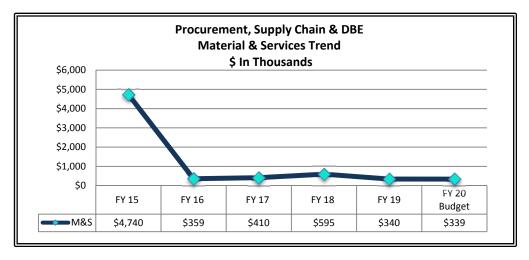
	TOTAL HEADCOUNT				
	Mgmt.	Clerical	Maint.	Total	
Administration	5	-	-	5	
Contract Administration	16			16	
Disadvantaged Business Enterprise	9			9	
Program Procurement & Supply Chain	70	61	3	134	
Management					
Total Headcount	100	61	3	164	



Budget Amounts in Thousands ('000)

	Net Labor	&	Material Services	Total
Administration	\$ 573	\$	15	\$ 588
Contract Administration	1,371		25	1,396
Disadvantaged Business Enterprise Program	301		32	333
Procurement & Supply Chain Management	8,334		267	8,601
Total	\$ 10,579	\$	339	\$ 10,918





**Note:** Information Technology Department transferred from the Division in FY 2016.

### **Procurement, Supply Chain & DBE**



Principal Responsibilities

#### 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 reports, system administration, enhancements, contract processing, records management, and training support for the department. Audit procurement packages pertaining to the Authority's purchasing process and funding regulations. Monitor Certified Payrolls for all SEPTA construction projects in accordance with the Davis-Bacon and related acts. Administer Authority-wide programs such as e-procurement, electronic stockless stationery, Procurement Card, and the Materials Management/Purchasing system.

#### Materials Management (Automotive & Rail)

Perform analysis, forecasting, and identification of inventory requirements to determine adequate stocking levels to effectively purchase/lease stock and non-stock rail and vehicle parts, material, equipment, supplies, and services, except for major vehicle procurements. Provide direct field support to maintenance directors and shop personnel. Coordinate Authority-wide inventory reduction and control programs. Maximize return on investment through Asset Recovery programs and long term, market-based scrap metal contracts. Perform inventory requirements planning for vehicle overhaul programs and various maintenance projects.

#### Materials Management (Infrastructure)

Perform analysis, forecasting, and identification of inventory requirements to determine adequate stocking levels to effectively purchase/lease stock and non-stock infrastructure, material, equipment, supplies, and services. Provide direct field support to maintenance directors and shop personnel. Perform requirements planning for various capital project programs and various maintenance projects.

#### **Supply Chain Management**

Plan and coordinate inventory requirements with all Operations areas to meet short and long-term material needs. Administer storeroom operations, warehousing and distribution functions, including receipt, storage, issuance and control of all stock materials for the Authority's diversified fleet of vehicles, for vehicle overhaul programs and for infrastructure maintenance requirements. Administer SEPTA's Vendor Managed Inventory Program.

#### **CONTRACT ADMINISTRATION**

Perform solicitations, contract awards, and post-award administration including change orders, dispute resolution and contract closeout. Administer contracts by overseeing vendors to fulfill contractual obligations.

#### **Construction and Vehicle Acquisition**

Perform procurement and administration of project-specific architectural, engineering and associated construction-related services, new construction, and renovations of the facilities and structures. Responsible for solicitation, award and administration of large scale new construction projects as a result of Act 89 funding, infrastructure hardening and resiliency programs, as well as major equipment purchases, including rail and bus fleets.

### **Procurement, Supply Chain & DBE**



#### **Professional and Technical Services**

Procure and administer revenue producing vehicles (buses and rail cars), employee benefits, insurance and associated passenger services such as paratransit and fixed route. Solicit, award, and administer professional services contracts including state and federal legislative services, advertising, brokers and lease and management services. Also includes technical services such as landscaping, janitorial, IT support maintenance and pest extermination.

#### DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OFFICE (DBEPO)

#### **Disadvantaged Business Enterprise (DBE) Certification**

Participates as one of five principal 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 Parts 26 and 23. Represents the Authority as a managing member of the Commonwealth of Pennsylvania's Unified Certification Program (PA UCP).

#### Small Business Enterprise (SBE) Program

Administers the Small Business Enterprise Program to meaningfully involve small business concerns in procurement and contracting activities towards increasing the race-neutral portion of the Authority's overall DBE goal.

#### **DBE Compliance**

Reviews solicitations to ensure the meaningful involvement of DBE firms in the Authority's procurement and contracting activities; establishes goals for applicable projects, evaluates bid/proposal submissions for adherence to DBE requirements, monitors projects for DBE goal achievement, and ensures equitable treatment of DBE firms performing on contracts.

#### **DBE Program Outreach**

Provides technical assistance, guidance, and resources to all small businesses interested in pursuing contracting opportunities; coordinates internal and external outreach events; facilitates workshops and networking events for prime contractors, DBEs, and SBEs.



# Fiscal Year 2020 Goals & Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
l. The Customer Experience	<ul> <li>a) Ensure inventory accuracy of 95% or better.</li> <li>b) Host/participate in small business outreach events.</li> <li>c) Disseminate contracting/networking/outreach related opportunities via e-Blasts.</li> <li>d) Publish quarterly DBE Program Office Newsletter.</li> <li>e) Maintain the monthly average of the number of vehicles out of service due to material availability issues to less than 10 per month.</li> </ul>
II. Employee Development	<ul> <li>a) Improve professionalism and quality of departmental performance: enhance the support desk experience for staff, ensure quick turnaround time for staff requests, and continue to build and maintain relationships with peers throughout the organization.</li> <li>b) Conduct ongoing procurement training sessions.</li> <li>c) Expand use of web-based training programs.</li> <li>d) Encourage participation in professional development classes.</li> </ul>
III. Rebuilding the System	Analyze and study feasibility of new blanket contracts or group purchases.
IV. SEPTA is a Business	<ul> <li>a) Implement an asset security program.</li> <li>b) Achieve \$1.5 million revenue in asset recovery.</li> <li>c) Continue to streamline and expedite procurement processes.</li> <li>d) Finalize implementation of Management Consultant Study recommendations for the DBE Program Office.</li> </ul>
V. Safety as the Foundation	<ul> <li>a) Conduct operations training and refreshers for storeroom personnel.</li> <li>b) Conduct regular safety briefings at all material distribution centers.</li> <li>c) Facilitate dissemination of safety briefings</li> <li>d) Promote safety awareness and ensure staff participation in safety events.</li> </ul>





# **Fiscal Year 2019 Accomplishments**

FY 2019 Goals	Accomplishments
I. Provide Best-in-Class Transportation Services that Meet or Exceed Rising Customer Expectations	<ul> <li>Achieved an overall satisfaction rating of 3.8 in the User Department Survey which exceeded the goal of 3.5 established in CY 2016.</li> <li>Maintained material availability to ensure minimum number of vehicles out of service (an average of 6.3 vehicles out of service per month against a goal of less than 10).</li> <li>Continued small business advocacy and outreach programs. Hosted and participated in several outreach events.</li> <li>Supported Ambassador events.</li> <li>Utilized on-line asset disposal firms for selling surplus or obsolete assets.</li> <li>Implemented the new electronic solicitation system for sealed bids.</li> </ul>
II. Attract, Develop and Retain a Diverse, Skilled and Versatile Workforce	<ul> <li>Continued staff development, ownership, and a sense of urgency in accomplishing tasks with customer focus.</li> <li>Continued to build and maintain relationships with peers throughout the organization: biweekly and monthly meetings ongoing with the user departments.</li> <li>Conducted divisional tours, Procurement trainings, system trainings, Vehicle Engineering and Maintenance, and Engineering Maintenance and Construction partnership sessions.</li> <li>Conducted Lessons of Late ("LOL") training sessions.</li> </ul>
III. Reduce SEPTA's  Backlog of Capital  Repair Needs in the  Way that Improves  Safety, Reliability,  Capacity, and the  Customer Experience	<ul> <li>Continued to ensure enhanced technology availability to allow efficiency and smoother work flow.</li> <li>Implemented a requirement for ePS vendors to identify a small business certification status, if applicable, and upload the supporting documentation.</li> <li>Prepared a Vendor Quality Performance Program as a pilot with bus stock material inventory.</li> </ul>





	FY 2019 Goals	Accomplishments
111.	Reduce SEPTA's Backlog of Capital Repair Needs in the Way that Improves Safety, Reliability, Capacity, and the Customer Experience (continued)	<ul> <li>Implemented divisional dashboards.</li> <li>Surveillance cameras installed at 15 of 27 storeroom locations.</li> <li>Supported management consultant review of inventory management process and began implementing recommendations.</li> <li>Reduced the backlog of DBE certification applications.</li> </ul>
IV.	Responsibly Manage Resources in a Way that Provides Budget Stability to Grow the System	<ul> <li>Reduced obsolete inventory.</li> <li>Achieved asset recovery in the amount of \$2.1 million.</li> <li>Improved accuracy and return of the asset recovery efforts at Wheatsheaf Warehouse.</li> <li>Reduced liability by streamlining core exchange program on rebuildable parts.</li> </ul>
V.	Implement Initiatives to Promote Maximum Safety and Security for Infrastructure, Systems, and Personnel	<ul> <li>Conducted safety briefings at all distribution centers and all regularly scheduled Safety Meetings.</li> <li>Supported cross functional team efforts to develop and maintain a safety critical item determination and inspection process.</li> <li>Obtained roadway worker certifications for personnel visiting field locations.</li> </ul>

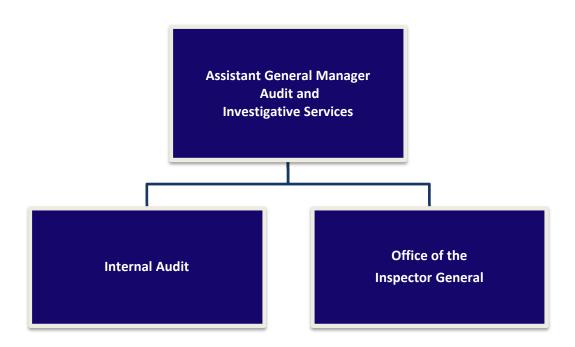


# Audit and Investigative Services



#### Overview

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



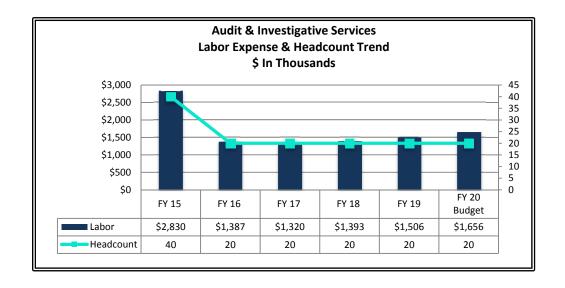
#### **Headcount**

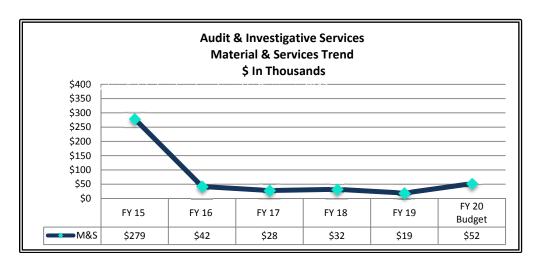
	OPERATING HEADCOUNT			
	Mgmt.	Police	Total	
Internal Audit	12		12	
Office of the Inspector General	4	4	8	
Total Headcount	16	4	20	



Budget
Amounts in Thousands ('000)

	Net Labor	Material ervices	Total
Internal Audit	\$ 953	\$ 19	\$ 972
Office of the Inspector General	703	33	736
Total	\$ 1,656	\$ 52	\$ 1,708





**Note:** System Safety Division was previously included in Audit and Investigative Services. It became a Division in FY 2016.

## **Audit and Investigative Services**



#### <u>Principal Responsibilities</u>

#### **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 established policies and federal requirements. The work includes reviews of precontract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

#### 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.



# Fiscal Year 2020 Goals and Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. SEPTA is a Business	<ul> <li>a) Develop a Statement of Change between fiscal years to isolate audit focus as a source in developing the audit schedule as part of the yearly Risk Analysis process.</li> <li>b) Determine the value and cost of developing a data warehouse to link disparate systems as a method to providing useful dashboards.</li> </ul>
II. Workplace Development and Support	Pursue cooperation throughout the Authority concerning the investigational efforts of the Inspector General.
III. Customer Experience	Advance daily public communications impacting the disabled community through facility inspection following reports of elevator/escalator outages.
IV. Rebuilding the System	Continuous participation in the SEPTA Key program development to create the system documentation and identify areas for audit review.



# Fiscal Year 2019 Accomplishments

F	Y 2019 Goals	Accomplishments
I.	Risk Assessment Audits	Acceptance of Board Audit Committee risk criteria and execution of planned audits.
II.	Asset Protection	Audit program developed for key areas of concern. Video analysis to be incorporated into the storeroom reviews.
III.	Employee Accountability	Monitored employees' compliance to Authority absence policies.
IV.	Quarterly Follow-up for Identified Issues	Provided audit activity progress updates in scheduled quarterly meetings with the General Manager.
V.	Financial Responsibility	<ul> <li>Initiated and successfully instituted the receipt of a monthly electronic file of Unemployment Compensation payments from the Pennsylvania Department of Labor and Industry to strengthen controls over payments.</li> <li>Collaborated with Office of General Counsel and Transit Police departments to identify the population of restitution payments due.</li> </ul>



# Customer Experience and Advocacy

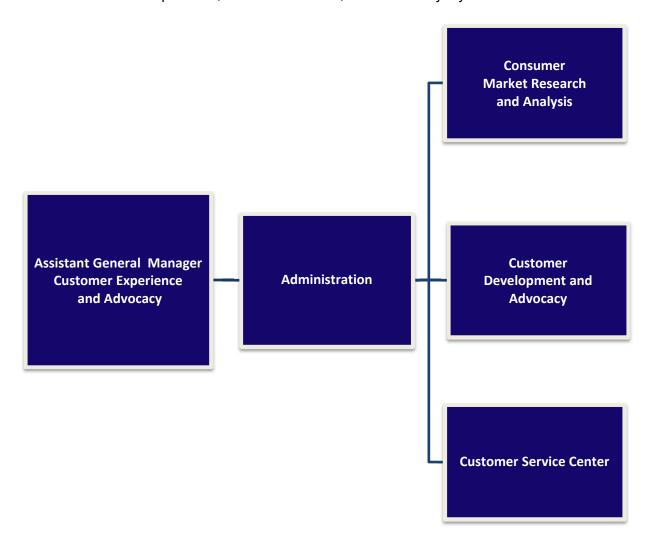


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### **Customer Experience and Advocacy**

### Overview

Customer Experience 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 gathered across various channels, for collecting "customer intelligence", for advancing the Authority's "Customer-Focused" agenda, and for performing consumer research to help the organization ascertain customer priorities, satisfaction levels, and overall loyalty.



### **Headcount**

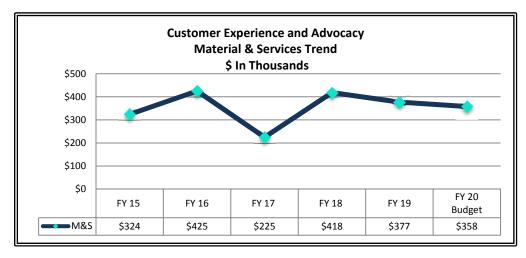
	OPERATING HEADCOUNT			
	Mgmt.	Clerical	Total	
Administration	4		4	
Consumer Market Research and Analysis	2		2	
Customer Development and Advocacy	4		4	
Customer Service Center	14	60	74	
Total Headcount	24	60	84	



Budget Amounts in Thousands ('000)

	Net Labor	Material ervices	Total
Administration	\$ 375	\$ 346	\$ 721
Consumer Market Research and Analysis	157		157
Customer Development and Advocacy	327		327
Customer Service Center	4,769	12	4,781
Total	\$ 5,628	\$ 358	\$ 5,986





### **Customer Experience and Advocacy**



### **Principal Responsibilities**

#### **ADMINISTRATION**

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

### **CONSUMER MARKET RESEARCH AND ANALYSIS**

Understanding the needs and expectations of a business' customers is vital to success. This unit uses qualitative and quantitative research, plus audits by service quality staff, to support the goals of the Division as well as other SEPTA business units.

### CUSTOMER DEVELOPMENT AND ADVOCACY

This group champions focus of the Customer Experience through interdivisional initiatives, customer outreach/engagement, and new market development. Department staff is responsible for leading the "Building a SEPTA Culture of Service and Creativity" (BASCSC) program, the Downtown Link Customer Experience, and the College Travel Center initiative. The Advocacy unit of Customer Development works with key stakeholder groups such as the Citizens Advisory Committee (CAC), Youth Advisory Council (YAC), and Delaware Valley Association of Rail Passengers (DVARP), to foster transparency and broader customer involvement into the Authority's decision making process.

### **CUSTOMER SERVICE**

The Contact Center is responsible for responding to customer issues and inquiries received via telephone, email, mail, fax and walk-ins concerning travel information, lost and found, complaints, suggestions, and commendations. It coordinates use and analysis of the Customer Relations Management (CRM) program VERITAS as a critical tool to meet both customer expectations and assist internal units with their performance goals. The department also manages various "Social Customer Services" engagement channels on assorted social media platforms. The Contact Center is the primary conduit for coordinated activity with the SEPTA Key call center.



### **Customer Experience and Advocacy**

### Fiscal Year 2020 Goals and Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. Nourish and advance a wide array of Customer-Focused initiatives	<ul> <li>a) Provide updates on the status of Customer Experience goals 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 initiatives, such as strategic planning, the SEPTA Key, and the capital program.</li> <li>d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Experience and Advocacy Division interaction.</li> </ul>
II. Develop Customer- Focused workforce	<ul> <li>a) Provide leadership to internal culture change initiatives, such as BASCSC, that emphasize customer-focused decision making and innovation.</li> <li>b) Advocate and support creation of customer-focused organizational goals.</li> <li>c) Recognize SEPTA team members that have made a significant contribution to customer satisfaction and/or loyalty.</li> <li>d) Participation in Employee Training Programs related to SEPTA Key and culture change initiatives.</li> </ul>
III. Employ technological advancements to improve Customer Service	<ul> <li>a) Continue efforts to expand SEPTA's reputation as the industry forerunner 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 basic "Customer Service" to "Customer Intelligence and Analytics" by adopting new business models and technology.</li> <li>d) Implement innovative use of translation technology tools and support English as a Second Language (ESL) outreach.</li> </ul>





### Fiscal Year 2019 Accomplishments

	FY 2019 Goals	Accomplishments
I.	Nourish and advance a wide array of Customer-Focused Initiatives	<ul> <li>Increased customer engagement thru a refreshed SEPTA         Customer Connection (SCC) program merged within the         BASCSC program with an expanded cross-section of internal         SEPTA employee support at many new venues.</li> <li>Expanded dialogue with area colleges/universities to advocate         a heightened SEPTA presence within the campus environment.</li> <li>Redesigned SEPTA's current Performers Program to enhance         the customer experience and exposure to a varied array of         talent, including professional musicians and after school         performance programs as part of the "Music &amp; Moves" initiative.</li> <li>Continue to grow the "behind the scenes" exposure to SEPTA         by connecting to regional educational programs and various         stakeholder groups.</li> <li>Lead and coordinated efforts to redefine the customer         experience underground and in stations.</li> <li>Internal Customer</li> <li>Expanded and promoted employee recognition through         SEPTAcular, GM Awards program and other divisional         recognition initiatives.</li> <li>Continued to cultivate the BASCSC Morale and Camaraderie         efforts that enhance employee satisfaction and grow new         opportunities for employee engagement.</li> </ul>
II.	Develop Customer- Focused Workforce	<ul> <li>Supported training programs that are designed to consistently support SEPTA's Customer Service goals.</li> <li>Expanded interactions within various divisions by providing presentations that focus on the Customer Experience with strategies to enhance workforce engagement.</li> </ul>
III.	Employ technological advancements to improve Customer Service	Our social media team (@SEPTA_SOCIAL) continues to be the best in class at customer engagement. New channels were introduced to support @SEPTAKey. We also continue to grow our user base for VERITAS, the official customer database for the Authority, to focus on customer engagement.

# SEPTA

# Office of General Counsel

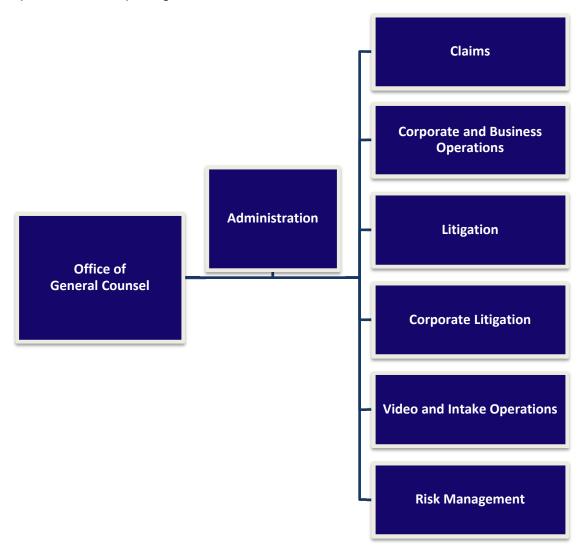


### **Office of General Counsel**



### **Overview**

The Office of General Counsel Division consists of the Corporate and Business Operations, Video and Intake Operations, Litigation, Corporate Litigation, Claims, and Risk Management Departments, all reporting to the Office of General Counsel.



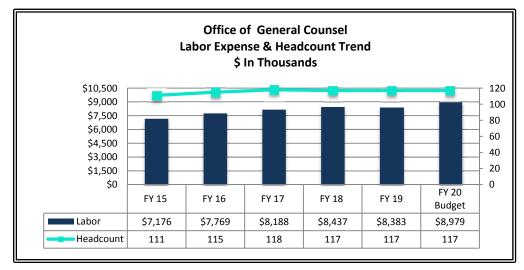
### **Headcount**

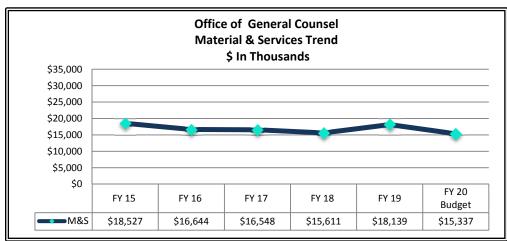
	OPERATING HEADCOUNT				
	Mgmt.	Clerical	Total		
Administration	7		7		
Claims	16	11	27		
Corporate and Business Operations	11		11		
Litigation	29		29		
Corporate Litigation	4	-	4		
Video and Intake Operations	20	12	32		
Risk Management	7	-	7		
Total Headcount	94	23	117		



Budget Amounts in Thousands ('000)

	Net Labor	&	Material Services	Total
Administration	\$ 930	\$	20	\$ 950
Claims	1,831		1,750	3,581
Corporate and Business Operations	984		6,081	7,065
Litigation	2,333		3,152	5,485
Corporate Litigation	343		2,429	2,772
Video and Intake Operations	2,033		1,869	3,902
Risk Management	525		36	561
Total	\$ 8,979	\$	15,337	\$ 24,316





### **Office of General Counsel**



### Principal Responsibilities

### CORPORATE AND BUSINESS OPERATIONS

Lawyers within the Corporate Department negotiate and draft legal contracts and other documents that support and promote the activities of client departments. Counsel advises management on matters that have legal implications, assists other departments in drafting documents that have legal-related elements, and works with outside attorneys handling matters involving specialty areas of the law. The Corporate Department is involved in all transactional legal matters such as those related to procurements, construction, technology contracts, real estate, environmental law, energy, sustainability, and railroads and property use. The Business Operations Unit within this Department is responsible for the administrative and business functions that support the Office of General Counsel (OGC), such as staffing and employment management, training, budget development, administering legal services contracts and managing office equipment and supplies.

### VIDEO AND INTAKE OPERATIONS

This Department is responsible for performing intake functions for all matters, claims and requests that come into the Office of General Counsel; seeking and compiling all information, data and records needed to handle all OGC matters; and featuring those functions associated with carrying-out the Authority's video surveillance program. The video program includes planning, collecting, reviewing, preserving, storing and producing data from video systems on SEPTA vehicles and in stations. Staff within this Department also respond to and handle requests for, notification of, and production of employee witnesses for court matters.

### 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 and prosecution of civil actions, with the majority of cases involving personal injury and property damage.

### CORPORATE LITIGATION DEPARTMENT

Lawyers within the Corporate Litigation Department represent SEPTA in civil actions that are other than personal injury and property damage. Corporate litigation actions include, labor and employment matters, civil rights cases, contracts and construction suits, and trademark registration and infringements. This Department also provides legal counsel to management on employment matters and statutes (including Title VI, ADAAA, ADEA, FMLA, FLSA, and USERRA) and employment concerns before state and federal administrative agencies. Additionally, staff within this Department handles the intake, response, and appeal of requests for Authority records submitted under the Pennsylvania Right-to-Know Law, third party subpoena requests for records and litigation holds.

### **CLAIMS DEPARTMENT**

Claims Department staff is responsible for the handling of personal injury and property damage claims. Many claims are handled in tandem with attorneys in the Litigation Department, from first notice of the claim through its final resolution. Claim handling involves: thorough and detailed examination of evidence, a determination of liability and assessment of potential damages. The existence of pertinent video provides a key piece of beneficial evidence, one which often provides a dispositive defense to a claim. If the Authority is liable to an individual for injuries or property damage, then staff will attempt to settle the claim in an equitable and prudent manner. For claims where the Authority either is not liable or is not able to obtain a just settlement, the case is defended in court by the attorneys of the Litigation Department.



### **RISK MANAGEMENT**

The Risk Management Department manages SEPTA's programs to compensate injured employees who have claims under the Commonwealth's workers' compensation laws or under the Federal Employers Liability Act (FELA). Department staff oversee a third party administrator of workers' compensation claims, handling medical and indemnity management, coordinating internal vocational rehabilitation, and managing all alternative and transitional duty programs. Staff also administers supplemental benefits as prescribed by labor contracts. FELA Unit staff oversee a third party administrator of FELA claims which monitors, settles, and oversees litigation of claims of injured railroad workers. The Insurance Unit staff helps to manage the Authority's exposure to risk under transactional situations, through the application of risk management tools such as insurance programs, self-insurance administration, performance bonds, and letters of credit.

### Fiscal Year 2020 Goals & Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
I. Establish a Pilot Program for Managing of Tort Claims by Claims Managers.	<ul> <li>a) Establish a set of guidelines to manage tort claims assigned to outside counsel, wherein each matter in the Pilot Program is handled by a Claims Supervisor under the supervision of a Claims Manager.</li> <li>b) All requests for surveillance, Insurance Medical Examinations or other experts will be directed to the Claims Supervisor for review and a summary with a recommendation given to the Claims Manager.</li> <li>c) Critical Event Review approach being used to target the following events: <ul> <li>New Case Assessments</li> <li>Phone Conferences with Claims Supervisors</li> <li>Case Management Conferences</li> <li>Discovery Responses</li> <li>Depositions</li> <li>Settlement Conferences</li> </ul> </li> <li>d) General Counsel and Deputy General Counsel will continue to oversee the litigation of these matters.</li> </ul>

### **Office of General Counsel**



- II. Implement Document

  Management for the

  Corporate Department
  using Share Point.
- a) Corporate staff will work with technology specialists to develop a SharePoint application that will be used to track, monitor, organize, and store the various documents and other data for corporate legal matters.
- b) Application will have functionality to organize matters based on a unique identification scheme, to organize and store information by matter, to readily manage emails, to provide tickler reminders, and to allow for queries and reporting.
- III. Take next steps in disseminating Litigation Loan "Pitfalls & Dangers" education.
- a) Research and pull information from sister transit agencies on similar issues/educational materials.
- b) Use those materials, if any, to develop our own media campaign.
- c) Meet with upper management of rail employees to receive input/feedback for "roll-out" of poster media campaign to be displayed in work areas.

- IV. Develop a continuing plan to update Vehicle Video Program
- a) Utilize capital expenses for replacement.
- b) Secure contract for reliable maintenance and troubleshooting of video equipment.
- V. Complete the RFP process to secure 3<sup>rd</sup>
  Party Administrators for Workers' Comp, FELA and Claims
- a) Process to secure a 3rd Party Administrator for Workers' Comp/FELA matters.
- b) Claims Department in beginning stages of securing a 3rd Party Administrator for Personal Injury Protection payouts.



### Fiscal Year 2019 Accomplishments

FY 2019 Goals	Accomplishments
I. Issue an Authority-wide litigation loan "pitfalls and dangers" educational notice to rail employees educating them about the hazards of taking litigation loans against potential future FELA judgments or settlement funds.	Currently developing literature/advertisements to educate rail employees about the dangers of securing litigation loans against potential judgements or settlements.
II. Work with internal Government Relations Department, local political partners and sister transit agencies to develop, cultivate and execute a viable challenge to the Federal Employment Liability Act ("FELA") statute.	Retained a consultant to assist in developing a strategy to work with local agencies and federal government to develop an alternative to the current statute.
III. Evaluate and update as necessary, the process to review proposed advertisements and to comply with advertising standards.	The process for timely evaluation of proposed advertisements for compliance with advertising standards has been outlined and is in use.
IV. Implement necessary cross- training of attorneys, paralegals and support personnel in the handling of such areas as RTKL and Board agenda/resolution process, aimed toward lending more flexibility amongst staff and efficiency to the Department.	<ul> <li>A software program has been developed with the assistant of the Records Management team to manage RTKL requests.</li> <li>The program is linked with Legal Files, OGC's case management software, as the foundation to begin the process of increasing productivity, flexibility and efficiency across the Department.</li> </ul>
V. Continue to monitor federal, state and city legislation that impacts the Authority.	<ul> <li>Ongoing responsibility</li> <li>Reviewed and analyzed the impact of current and/or proposed legislation</li> <li>Worked with a consultant to propel SEPTA's interests forward.</li> </ul>

### **Office of General Counsel**



VI.	Implement departmental Subpoena Unit Administration, tracking and record production into a SharePoint software program to be developed by the IT Department.	<ul> <li>Subpoena Unit Administration mailbox created solely for the receipt of incoming subpoenas for employees.</li> <li>All requests are logged with the date of receipt, cancellations (if any), no-shows, etc.</li> <li>Report created to track the demographic information of the requested employee (location, title, reason for subpoena, etc.)</li> <li>Quarterly reports distributed to General Counsel, AGM of Operations and the Director of the Claims Department.</li> </ul>
VII.	Continue handling and coordinate production of Authority records in response to RTKL requests, and/or articulate the legal denials against said production, consistent with the imposed time limitations and duplication fee structure as set forth in the Act.	<ul> <li>Ongoing responsibility</li> <li>Process in place to ensure compliance with RTKL Act, as follows: <ul> <li>RTKL requests received via e-mail, fax or regular mail;</li> <li>Claimant is searched in Legal Files database,</li> <li>Requests for documents sent to designated person based on nature of the request;</li> <li>If the request is permissible according to the Act, the documents are sent with a cover letter to the requesting party outlining the amount due for the documents;</li> <li>If the requests are not permissible, a response is sent with reason(s) for denial; and</li> <li>Once fees are received, payments are checked against the fee log and sent to Finance for handling.</li> </ul> </li> </ul>
VIII.	Assist Human Resources with the rollout and maintenance of the new individualized assessment employment application review process.	<ul> <li>Drafted/revised existing policy to move towards an individual assessment of each applicant.</li> <li>Established a "Best Practices" documentation manual, currently in use by Human Resources Department.</li> </ul>
IX.	Continue to implement the use of Legal Files to manage pertinent documents in our effort to maintain a near paperless OGC.	<ul> <li>Improved the flow of information across the Litigation, Claims and Video and Intake Operations Departments within the OGC.</li> <li>Refined Best Practices, resulting in OGC being 80% paperless in handling of matters in defense of the Authority.</li> </ul>



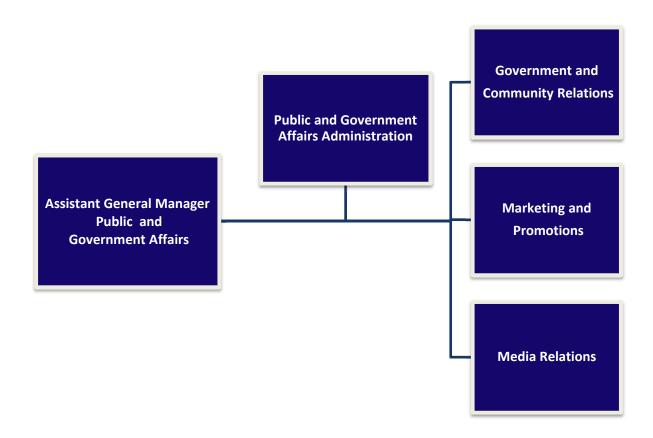
# Public and Government Affairs

### **Public and Government Affairs**



### Overview

The Public and Government Affairs Division – comprised of Administration, Government and Community Relations, Marketing and Promotions, and Media Relations – is responsible for communicating the Authority's official position on key issues, enhancing public perception, and developing campaigns that promote transit awareness and ridership growth. The Division builds and maintains strong working relationships with federal, state, and local elected officials, members of the media and transit stakeholders to ensure SEPTA's priorities and message effectively reach lawmakers and the public.



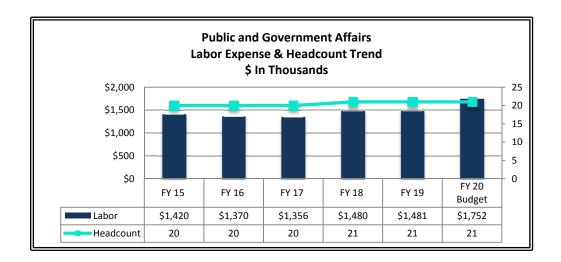
### **Headcount**

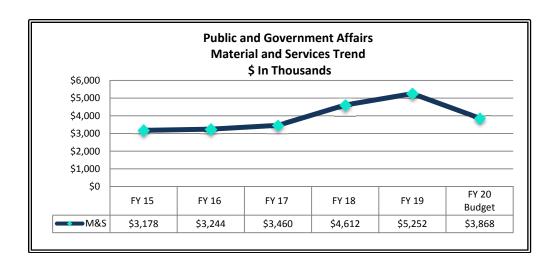
	OPERATING HEADCOUNT				
	Mgmt.	Clerical	Total		
Administration	5		5		
Government and Community Relations	9	-	9		
Marketing and Promotions	3		3		
Media Relations	4		4		
Total Headcount	21	-	21		



Budget Amounts in Thousands ('000)

	Net Labor	&	Material Services	Total
Administration	\$ 568	\$	991	\$ 1,559
Government and Community Relations	696		21	717
Marketing and Promotions	181		2,849	3,030
Media Relations	307		7	314
Total	\$ 1,752	\$	3,868	\$ 5,620





### **Public and Government Affairs**



### **Principal Responsibilities**

### **ADMINISTRATION**

Coordinate, manage, and direct the financial and administrative activities for the Public and Government Affairs Division.

### **GOVERNMENT and COMMUNITY RELATIONS**

#### State

Build and maintain effective relationships with members of the Pennsylvania General Assembly from the five county region, legislative leaders, members of relevant committees, the Governor's administration, and appropriate state departments. Review and analyze legislation and work with senior management to assess and address impacts on SEPTA. Serve as the Authority's point of contact for legislative and constituent inquiries and represent SEPTA on the board of the Pennsylvania Public Transportation Association (PPTA).

### **Federal**

Work with the region's Congressional Delegation, relevant Committees, and various federal agencies to advance SEPTA's interests and priorities both legislatively and administratively. Review and analyze legislation and regulations and work with senior management to assess and address impacts on SEPTA. Areas of focus include, but are not limited to, transportation authorization and annual appropriations, as well as safety, environmental, and disabilities law and regulations. Represent SEPTA on American Public Transportation Association (APTA) committees.

### **Local / Community**

Work with members of Philadelphia City Council and local officials to advance transit related initiatives and capital projects. Provide proactive outreach, before and during SEPTA projects, and respond to issues impacting Council Districts and communities throughout the service area. Other activities include attending city, county, and municipal meetings to update the public on SEPTA projects. Staff also works with a variety of community groups to address various transit-related issues.

### MARKETING and PROMOTIONS

Use innovative and attention-grabbing promotional campaigns to build awareness about SEPTA service. Interact with current and potential customers to build and maintain ridership across all modes and in all counties. Effectively market SEPTA by utilizing offline and online media, event marketing, loyalty programs, industry-leading social media engagement, and strategic partnerships with area sports teams, businesses, and cultural institutions. Execute contracts and coordinate activities with third-party agencies to maximize the effectiveness of the Authority's promotional and marketing portfolio.

### **MEDIA RELATIONS**

Responsible for managing communication between the Authority and news media outlets. Facilitate coverage through press releases and news conferences, transit publications, SEPTA's website, and various social media platforms, while responding to daily inquiries and breaking news. Respond to media inquiries 24 hours a day, seven day a week (24/7) in coordination with key internal departments: Government and Community Relations, Marketing, and Communications. The department continually looks for ways to tell SEPTA's story by being accessible and transparent.



### Fiscal Year 2020 Goals and Business Initiatives

FY 2020 GOALS	BUSINESS INITIATIVES
Advocate for SEPTA's funding and policy priorities in Congress and the Pennsylvania General Assembly	<ul> <li>a) Continue efforts to ensure the preservation and successful implementation of ACT 89 and the FAST Act.</li> <li>b) Work with APTA, PPTA, MRDG, KTFC and other stakeholders to maintain sustainable multimodal transportation funding solutions at the state and federal levels.</li> <li>c) Respond to legislative constituent inquiries and provide timely service and capital project information to elected officials and stakeholders.</li> </ul>
II. Demonstrate the impact and importance of public infrastructure investment – Act 89 and the FAST Act – by highlighting the success of SEPTA's "Rebuilding the System" Capital program	<ul> <li>a) Work with regional elected officials to highlight the economic impact generated by SEPTA infrastructure investment in communities throughout southeastern Pennsylvania and the Commonwealth.</li> <li>b) Continue to promote the economic impact of transit in large metro regions and highlight the need to bring systems to a state of good repair and enhanced capacity.</li> </ul>
III. Continue proactive approach to community and media relations	<ul> <li>a) Create a cycle of media tours that educate the public on SEPTA projects.</li> <li>b) Provide outreach to community groups and general public.</li> <li>c) Utilize SEPTA's Bilingual Constituent / Community Relations Coordinator to develop new outreach opportunities and outlets to reach new and diverse communities of customers.</li> <li>d) Establish methods to highlight the Authority's diversity and positive contributions to the region.</li> </ul>
IV. Promote regional awareness of SEPTA's progress	<ul> <li>a) Communicate and promote the rider benefits of using the SEPTA Key Card.</li> <li>b) Facilitate meaningful partnerships that support the Authority's mission and overall brand.</li> <li>c) Identify and highlight the advantages of riding SEPTA.</li> </ul>



### Fiscal Year 2019 Accomplishments

FY 2019 Goals	Accomplishments
I. Continue to advocate for SEPTA's funding and policy priorities in Congress and the Pennsylvania General Assembly	<ul> <li>Worked with state and national partners and coalitions to build upon successful messaging on the importance of multi-modal infrastructure investment</li> <li>Reinforced the understanding of SEPTA's essential role in the regional and statewide economy and how the region's livability and competitiveness are directly tied to SEPTA's ability to meet future growth</li> <li>Highlighted how the core business principles – The Customer Experience, Workplace Development and Support, Rebuilding the System, SEPTA is a Business and Safety and Security as the Foundation – are shaping SEPTA's strategic vision</li> </ul>
II. Demonstrate the impact and importance of public infrastructure investment – Act 89 and the FAST Act – by highlighting the success of the Authority's "Rebuilding the System" Capital program	SEPTA's successful use of Act 89 funds to invest in system-wide state of good repair projects was highlighted via public events, such as ribbon cuttings and ground breakings, and through outreach to elected officials and stakeholders
III. Expand opportunities to build customer base, expand SEPTA Key adoption, and engage stakeholders through public outreach and marketing initiatives	<ul> <li>Division played a critical role in customer adoption of SEPTA Key through customer engagement and education – in-market, online and in person.</li> <li>Partnership with legislative offices resulted in nearly half of all SEPTA Key Senior Photo ID registrations.</li> <li>Elevated SEPTA brand through expansion of Perks Program, as well as increased collaboration with hospitality partners.</li> <li>Generated increased ridership on the Broad Street Line on game days through marketing partnerships and sponsorships.</li> </ul>

# 13. Summary of Interdepartmental Expenses

### 13. Fringe Benefits



Fringe Benefits are a major expense for SEPTA representing 25.8% of the Fiscal Year 2020 Operating Budget of \$1.49 billion. Responsibility for management of fringe benefit costs rests with all Authority departments, however, Finance and Human Resources take the lead in cost control. Expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations and have been significantly influenced by national trends.

Listed below are the various Fringe Benefit categories:

### **Medical and Life Insurance**

SEPTA provides medical, prescription drug, dental, vision, and life insurance benefits for union employees, management employees, and retirees in accordance with SEPTA policy and labor agreements negotiated with each respective bargaining unit.

### **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 and 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 2020 Operating Budget Fringe Benefit Expense (Amounts in Thousands)	;	
Medical, Prescription, Dental, Vision & Life Insurance	\$	207,874
Payroll and Unemployment Taxes		76,075
Pension		115,730
Workers' Compensation and FELA		26,868
Subtotal	\$	426,547
Capital Support and Projects		(43,029)
Fringe Benefit Expense	\$	383,518



# Fiscal Year 2020 Operating Budget Labor and Fringe Benefits Amounts in Thousands (000's)

<u>Department</u>	Net Labor	Net Fringe Benefits	Total
Audit and Investigative Services	\$ 1,656	\$ 940	\$ 2,596
Communications	1,304	740	2,044
Corporate Staff	2,988	1,697	4,685
Customer Experience and Advocacy	5,628	3,196	8,824
Deputy General Manager/Treasurer Administration	1,705	968	2,673
Employee Development/Relations	11,383	6,464	17,847
Engineering, Maintenance & Construction	81,661	46,372	128,033
Finance and Planning	12,101	6,872	18,973
Human Resources	4,206	2,388	6,594
Information Technology	6,222	3,533	9,755
New Payment Technologies	121	69	190
Office of General Counsel	8,979	5,099	14,078
Office of Innovation	413	235	648
Operations	374,359	212,583	586,942
Procurement, Supply Chain & DBE	10,579	6,007	16,586
Public and Government Affairs	1,752	995	2,747
Revenue Operations	13,777	7,823	21,600
System Safety	1,987	1,128	3,115
Transit Police	21,361	12,130	33,491
Vehicle Engineering & Maintenance	122,974	69,832	192,806
Capital Allocation & Other	(9,779)	(5,553)	(15,332)
Total	<u>\$ 675,377</u>	\$ 383,518	\$ 1,058,895

### 13. Non-Departmental Expenses



**Amtrak** 

The 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 Passenger Rail Investment & Improvement Act of 2008 (PRIIA) was implemented October 1, 2015. The budget reflects PRIIA mandates and cost assumptions developed by the Northeast Corridor Commission with input from SEPTA and other commuter agencies on the corridor.

**ADA** 

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

**Shared Ride Program** 

The budgeted cost for contractor door-to-door service for senior citizens. The cost of administrative staff in the Shared Ride Program is included in the Customized Community Transportation budget.

**Debt Service Interest and Fees** 

Interest expenses and amortization of insurance premiums associated with the Authority's outstanding debt.

Property Insurance/Other Claims Payouts, Net

Reflects the projected premiums for insurance on various Authority assets, as well as other claims payouts net of recoveries.

Services for Headquarters' Building

Maintenance and administrative service expense for the operation of the corporate offices at the 1234 Market Street headquarters by a professional real estate management firm. These expenses cover both SEPTA and tenant-occupied space.

Snow Removal/ Severe Weather Contingencies Includes snow removal and deicing at Regional Rail parking lots and station platforms only. Snow removal for all other facilities is accomplished in-house with existing forces and the related labor expense is included in the departmental budgets.

**Utilities** 

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 are expenses for telephone, cellular service and trash removal, which are based on our current contractual agreements.

### 13. Non-Departmental Expenses



### **CCT Connect - 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 the 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 2020 ridership is 622,000 for ADA City Division and 295,000 for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2020 will be the continuation of 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 upon proactive steps taken during recent years. The entire SEPTA-owned fleet of 460 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 mobile data terminal (MDT) swipe card readers on all CCT Connect vehicles.

ADA Program initiatives continuing during Fiscal Year 2020 include the fleet replacement program for optimizing fleet reliability and an enhanced patron eligibility certification. This process will enable those CCT riders who are able, to use fixed route service for some or all of their travel. The training was 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 2020 is to provide a total of 583,000 Shared Ride trips.

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

### Injury and Damage Claims

Fiscal Year 2020 claims expense is budgeted at \$23.7 million. Staff from the Authority's Office of General Counsel, in cooperation with various outside agencies, including the City of Philadelphia and Suburban Counties District Attorney's offices, aggressively defend against fraudulent claims.

### **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.



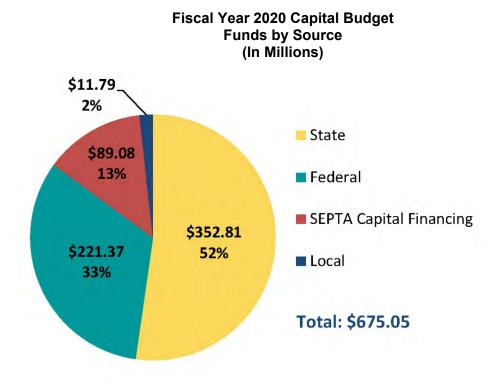
# Summary of Capital Improvement Program

### 14. Capital Improvement Program



SEPTA's approved FY 2020 capital budget totals \$675.05 million and the 12-year capital program totals \$7.24 billion. The FY 2020 capital budget and 12-year capital program takes into account Federal funding authorized under the Fixing America's Surface Transportation (FAST) Act; funding from the Commonwealth of Pennsylvania generated by Act 89 legislation; as well as anticipated capital financing.

The passage of Act 89 in 2013 provided a long-term transportation funding solution for the Commonwealth of Pennsylvania. This allowed SEPTA to initiate the "Rebuilding the System" capital program, and advance improvements throughout the transit network to bring transit assets into a state of good repair, modernize critical systems and accommodate current and future ridership growth. For the FY 2020 capital budget, SEPTA will continue to advance the "Rebuilding the System" capital program including improvements to critical infrastructure such as substations, bridges, track and stations. The program provides for safety and security enhancements, along with modernization of communications and signal equipment. The SEPTA Key project is ongoing, and is replacing SEPTA's antiquated fare collection systems with modern payment technology. The Authority is replacing rail vehicles that have far exceeded their useful life, while enhancing accessibility and expanding capacity to address ridership growth on the Regional Rail network. The fleet of hybrid diesel-electric buses being expanded and vehicle overhauls are being performed to optimize vehicle performance. SEPTA is also preparing to restore rail service between Elwyn and a new station in Wawa, Delaware County. The program includes annual financial obligations such as debt service and capital lease payments. SEPTA's capital program makes vital investments in the region's transportation infrastructure and is necessary to maintain transit assets in a state of good repair.



### 14. Capital Improvement Program



### **Capital Sources of Funds**

Sources of capital funds included in the FY 2020 Capital Budget are projected as follows:

Source	Amount In Millions	Description
State Capital Funds Section 1514	\$352.81	Asset Improvement Program
Federal Transit Administration	\$203.29	Section 5307, 5340, 5337 and 5339 Formula Programs
Employment Based Immigration Loan; short- and long-term financing	\$89.08	5 <sup>th</sup> Preference (EB-5) Program in addition to short and long-term financing tools.
Federal Highway Flexible Funds	\$17.08	Anticipated share of the regional flexible funds that are flexed to transit operators
U.S. Department of Homeland Security	\$1.00	Based on SEPTA's anticipated share of Fiscal Year 2020 Transit Security Grant Program funds
City of Philadelphia, Bucks, Chester, Delaware and Montgomery Counties	\$11.79	Local Matching Funds required for Federal and State Capital Grants.
Total	\$675.05	

# Fiscal Year 2020 Capital Budget (In Millions)

Capital Programs	F	Y 2020
Bridge Improvements	\$	5.47
Communications, Signal Systems and Technology Improvements		67.67
Infrastructure Safety Renewal Program		47.50
Maintenance/Transportation Shops and Offices		48.60
Safety & Security Improvements		20.94
SEPTA Key		38.92
Service Restorations		43.95
Stations, Loops and Parking Improvements		62.04
Substations and Power Improvements		39.62
Track and Right-of-Way Improvements		6.63
Vehicle Acquisitions and Overhauls		192.39
Subtotal Capital Programs	\$	573.73
Financial Obligations		
Capital Leases		53.41
Debt Service		47.91
Total Capital Budget	\$	675.05





# Fiscal Year 2020-2023 Capital Program (In Millions)

Y 2020	FY	2021	F	Y 2022	F	Y 2023
\$ 5.47	\$	7.98	\$	9.70	\$	31.48
67.67		59.34		35.46		23.70
47.50		47.50		48.50		49.50
48.60		37.69		41.66		38.32
20.94		19.18		12.61		16.18
38.92		15.00		-		-
43.95		41.58		32.53		-
62.04		59.18		61.89		51.59
39.62		40.81		49.44		64.35
6.63		6.28		7.09		6.32
192.39		219.79		192.30		177.87
\$ 573.73	\$	554.33	\$	491.18	\$	459.31
53.41		55.00		59.87		62.73
47.91		84.80		47.05		64.06
\$ 101.32	\$	139.80	\$	106.92	\$	126.79
\$ 675.05	\$	694.13	\$	598.12	\$	586.12
\$	67.67 47.50 48.60 20.94 38.92 43.95 62.04 39.62 6.63 192.39 \$ 573.73	67.67  47.50  48.60  20.94  38.92  43.95  62.04  39.62  6.63  192.39  \$ 573.73 \$  53.41  47.91  \$ 101.32 \$	67.67       59.34         47.50       47.50         48.60       37.69         20.94       19.18         38.92       15.00         43.95       41.58         62.04       59.18         39.62       40.81         6.63       6.28         192.39       219.79         \$ 573.73       \$ 554.33         53.41       55.00         47.91       84.80         \$ 101.32       \$ 139.80	67.67       59.34         47.50       47.50         48.60       37.69         20.94       19.18         38.92       15.00         43.95       41.58         62.04       59.18         39.62       40.81         6.63       6.28         192.39       219.79         \$ 573.73       \$ 554.33         53.41       55.00         47.91       84.80         \$ 101.32       \$ 139.80	67.67       59.34       35.46         47.50       47.50       48.50         48.60       37.69       41.66         20.94       19.18       12.61         38.92       15.00       -         43.95       41.58       32.53         62.04       59.18       61.89         39.62       40.81       49.44         6.63       6.28       7.09         192.39       219.79       192.30         \$ 573.73       \$ 554.33       \$ 491.18         53.41       55.00       59.87         47.91       84.80       47.05         \$ 101.32       \$ 139.80       \$ 106.92	67.67       59.34       35.46         47.50       47.50       48.50         48.60       37.69       41.66         20.94       19.18       12.61         38.92       15.00       -         43.95       41.58       32.53         62.04       59.18       61.89         39.62       40.81       49.44         6.63       6.28       7.09         192.39       219.79       192.30         \$ 573.73       \$ 554.33       \$ 491.18         \$ 53.41       55.00       59.87         47.91       84.80       47.05         \$ 101.32       \$ 139.80       \$ 106.92





# FY 2020 Capital Budget and FY 2020 - 2031 Capital Program (In Millions)

Capital Programs /	Prior	Budget Year		Progran	Voars		FY 2025-	12-Year Program	Beyond	Total
Financial Obligations	Funding	FY 20	FY 21	FY 22	FY 23	FY 24	2031	Total	FY 2031	Budget
					\$Mi	llions				
Capital Programs										
Bridge Program	\$2.43	\$5.47	\$7.98	\$9.70	\$31.48	\$42.98	\$148.86	\$246.47	\$0.00	\$248.90
Communications, Signal Systems and Technology Improvements	\$273.79	\$67.67	\$59.34	\$35.46	\$23.70	\$20.60	\$87.15	\$293.92	\$0.00	\$567.71
Infrastructure Safety Renewal Program	\$0.00	\$47.50	\$47.50	\$48.50	\$49.50	\$50.50	\$381.50	\$625.00	\$0.00	\$625.00
Maintenance/Transportation Shops and Offices	\$142.71	\$48.60	\$37.69	\$41.66	\$38.32	\$27.51	\$144.54	\$338.32	\$56.65	\$537.68
Safety and Security Improvements	\$53.93	\$20.94	\$19.18	\$12.61	\$16.18	\$25.25	\$133.89	\$228.05	\$0.00	\$281.98
SEPTA Key	\$248.38	\$38.92	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53.92	\$0.00	\$302.30
Service Restorations	\$59.80	\$43.95	\$41.58	\$32.53	\$0.00	\$0.00	\$0.00	\$118.06	\$0.00	\$177.86
Stations, Loops and Parking Improvements	\$366.54	\$62.04	\$59.18	\$61.89	\$51.59	\$49.18	\$529.62	\$813.50	\$34.50	\$1,214.54
Substations and Power Improvements	\$29.60	\$39.62	\$40.81	\$49.44	\$64.35	\$59.82	\$94.16	\$348.20	\$19.00	\$396.80
Track and Right-of-Way Improvements	\$19.73	\$6.63	\$6.28	\$7.09	\$6.32	\$5.07	\$75.77	\$107.16	\$16.55	\$143.44
Vehicle Acquisitions and Overhauls	\$475.54	\$192.39	\$219.79	\$192.30	\$177.87	\$176.55	\$1,646.70	\$2,605.60	\$2,358.03	\$5,439.17
Financial Obligations										
Capital Leases	\$0.00	\$53.41	\$55.00	\$59.87	\$62.73	\$64.60	\$509.77	\$805.38	\$0.00	\$805.38
Debt Service	\$6.23	\$47.91	\$84.80	\$47.05	\$64.06	\$64.06	\$350.81	\$658.69	\$276.25	\$941.17
Total Capital Budget	\$1,678.68	\$675.05	\$694.13	\$598.12	\$586.12	\$586.12	\$4,102.78	\$7,242.32	\$2,760.98	\$11,681.98

### 14. Capital Improvement Program



### Capital Projects Impact Analysis on Operating Budget FY 2020 – FY 2025 SEPTA CAPITAL PROGRAM

		Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands							
Capital Projects and Description of Impacts	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			
Hybrid Bus Purchase Program	\$1,299	\$1,560	\$1,734	\$1,734	\$1,734	\$1,734			

In 2002, SEPTA began purchasing hybrid diesel-electric buses designed to reduce fuel consumption and SEPTA's carbon footprint through lower emissions. In 2016, SEPTA completed the acquisition and delivery of 275 new 40-foot and 60-foot hybrid buses. In 2017, SEPTA started to take delivery of another 525 40-foot hybrid buses. By FY 2021, more than 95 percent of SEPTA's bus fleet will be hybrid or battery electric.

Battery-Electric Bus Program \$222 \$224 \$293 \$293 \$293 \$293	Battery-Electric Bus Program	\$222	\$224	\$293	\$293	\$293	\$293
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In 2016, SEPTA received a \$2.6 million grant from the Federal Transit Administration (FTA) to aid in the purchase of 25 Proterra Catalyst Zero Emission buses. Delivery of these all-electric buses is currently underway. The buses will be used to service South Philadelphia Bus Routes 29 and 79. The Proterra buses feature regenerative braking systems, which save both energy and brake linings by capturing energy that would otherwise be lost and storing it in the onboard battery.

In 2018, SEPTA received an additional \$1.5 million grant from the FTA to aid in the purchase of 10 New Flyer Zero Emission battery electric buses. The electric buses will be delivered by FY 2022 and will operate on routes originating from Midvale Bus Garage.

As a result of utilizing electricity to power buses rather than diesel fuel, the cost per mile decreases significantly, which may generate savings exceeding \$293,000 annually. Additional savings are expected from reduced maintenance costs over the life of the fleet.

LED Conversion Projects	\$100	\$103	\$103	\$103	\$103	\$103
•	=	-	-	-	-	=

In FY 2017 & FY 2018, SEPTA retrofitted a large portion of its rail cars with Light Emitting Diode (LED) lighting, reducing ongoing labor and material expenses while improving energy efficiency and the customer experience. Conversion of the Market-Frankford Line cars with the new fixtures is currently underway. SEPTA is also retrofitting maintenance facilities and rail stations with LED lighting. In addition to benefiting from lower energy expenses, SEPTA has also received rebates from PECO via the Smart Ideas energy efficiency programs associated with Pennsylvania Act 129.

Southern District Stormwater Project	\$51	<b>\$51</b>	\$51	\$51	\$51	\$51

In FY 2019, SEPTA completed construction on the largest green stormwater infrastructure project todate. More than 7.8 acres of stormwater is managed at Southern District in South Philadelphia. This project not only has environmental benefits – capturing stormwater and slowly releasing it into the City of Philadelphia's combined sewer system – but it has financial benefits as well. In addition to eliminating all future stormwater fees from the Philadelphia Water Department, SEPTA received a grant of \$842,500 from the Philadelphia Water Department to manage stormwater.





### Capital Projects Impact Analysis on Operating Budget FY 2020 – FY 2025 SEPTA CAPITAL PROGRAM

	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
Capital Projects and Description of Impacts	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Wyoming Complex Stormwater Project	\$0	\$0	\$94	\$94	\$94	\$94

This project, which is currently in design, will reconfigure stormwater management and improve pavement conditions at SEPTA's Wyoming Complex. When completed, it will manage more than 20 acres of stormwater at SEPTA's Wyoming, Berridge and Courtland shops. Anticipated savings due to the elimination of stormwater fees is \$94,000 annually. Additionally, like the stormwater project at Southern, SEPTA anticipates receiving a grant from the Philadelphia Water Department to assist in the construction of the infrastructure.

Video Surveillance \$23,593 \$23,593 \$23,593 \$23,593 \$23,593

SEPTA has purchased and installed more than 28,500 cameras on vehicles and at stations. These cameras have been used in conjunction with a partnership between SEPTA and the City of Philadelphia District Attorney's Office to reduce fraudulent claims on the system. Savings are expected to continue in future years.

Revenue Locomotive Replacement \$412 \$412 \$412 \$412 \$412 \$412

In July 2015, a contract was awarded to Siemens Industry Inc., for thirteen ACS-64 locomotives with an option to purchase up to an additional five. Fifteen of these vehicles have been delivered and placed into revenue service. These locomotives feature regenerative braking, which enables energy from the train's braking to be fed back to the power grid for use by other trains. The new locomotives' regenerative braking capability is expected to reduce electric power use by approximately 3% (as compared to a comparable fleet without regenerative braking).

### 14. Capital Improvement Program



### Capital Projects Impact Analysis on Operating Budget FY 2020 – FY 2025 OUTSIDE FUNDING

	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
Capital Projects and Description of Impacts	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Energy Retrofits Master Plan – Facilities & Railcars	\$153	\$1,017	\$1,015	\$1,023	\$1,022	\$1,021

In FY 2016, SEPTA began to implement a comprehensive energy retrofit master plan, including: \$18.2 million energy efficiency retrofit in partnership with Constellation NewEnergy, Inc. at five major vehicle maintenance facilities (Berridge, Courtland, Fern Rock, Germantown, Southern) and on five railcar fleets (B-IV on Broad Street Line, N-5 on Norristown High Speed Line, Silverliner IV, V and Push-Pull on Regional Rail Lines). Energy savings will more than pay for the project over a period of 17 years. This phase of the installation was completed in August 2017.

Additionally, SEPTA is awarding a contract for an energy efficiency retrofit at SEPTA Headquarters, 1234 Market Street. The energy retrofit project, which is scheduled to be completed in Q1 of 2021, is budget neutral / cash flow positive pursuant to the PA Guaranteed Energy Savings Act (GESA).

SEPTA has commissioned a 8.8 MW combined heat and power (CHP) plant at the Midvale Complex in North Philadelphia. The CHP plant will provide base load propulsion power to Regional Rail at the Wayne Junction Substation, base load electrical power for the Midvale Bus Maintenance Facility, and heating load for the surrounding facilities. Energy conservation measures were included at surrounding facilities to extend the positive impact of the project.

Wayside Energy Storage Program Buildout	\$22	\$92	\$92	\$92	\$92	\$92
Frogram Bundout						

In FY 2016, SEPTA, Viridity Energy, and Constellation executed a partnership to install 8.75 MW of battery capacity to capture, store, and reuse energy created by the regenerative braking systems on the Market-Frankford Line and Broad Street Line cars. The batteries will also be used to participate in the PJM Interconnection's Frequency Regulation revenue market. The partnership will be budget neutral / cash flow positive and build upon the existing 1.8 MW of battery capacity SEPTA has already installed on the Market-Frankford Line. Combined, the 10.55 MW of battery capacity could generate \$92,000 per year in energy savings and new revenue for SEPTA. Installation is anticipated to be complete by the end of Calendar Year 2019.

Investments in Renewable Energy \$1 \$193 \$385 \$385 \$
--

In May 2017, SEPTA entered into a 20-year Power Purchasing Agreement with Sunvest Solar, Inc., Under the Power Purchasing Agreement, SEPTA commits to purchase the power generated from Solar Photovoltaic Systems installed at four SEPTA facilities (2nd & Wyoming, Callowhill, Fern Rock, and Roberts). SEPTA estimates a savings of \$13,000 in utility costs over the life of the project while increasing the use of renewable energy.

In July 2019, SEPTA's Board approved a 20-year Power Purchase Agreement with Lightsource BP. Under the Power Purchase agreement, SEPTA will purchase more than 71 MWh of renewable energy generated from a solar farm in Franklin County Pennsylvania. SEPTA estimates a savings of \$385,000 in utility costs per year over the life of the project while increasing our use of renewable energy to 19% of the total electricity procurement.

### **Glossary of Acronyms**

CRC

CRM

CY



	A	
ACS-64	Electric locomotives used on Regional Rail lines	
ACSES II	Advanced Civil Speed Enforcement System	
ADA	The Americans with Disabilities Act of 1990	
ADAAA	ADA Amendments Act of 2008	
ADEA	Age Discrimination in Employment Act of 1967	
AGM	Assistant General Manager	
AIM	Advancing Internal Management	
APC	Automatic Passenger Count	
APTA	American Public Transportation Association	
ATC	Automatic Train Control	
AVL	Automatic Vehicle Locator	
В		
BASCSC	Building a SEPTA Culture of Service and Creativity	
B-IV	Heavy Rail Vehicle used on the Broad Street Subway	
BSL	Broad Street Line	
BSS	Broad Street Subway (also referred to as the Broad Street Line)	
С		
C3RS	Confidential Close Call Reporting System	
CAC	Citizen Advisory Committee	
CARD	Computer Aided Radio Dispatch	
CBNR	Comprehensive Bus Network Redesign	
CBTC	Communications-Based Train Control	
CCT Connect	Customized Community Transportation Services	
CHP	Combined Heat and Power	
COBRA	Consolidated Omnibus Budget Reconciliation Act	

	D
DEIS	Draft Environmental Impact Statement
DGM	Deputy General Manager
DBE	Disadvantaged Business Enterprise
DSM	Disposable Smart Media
DVRPC	Delaware Valley Regional Planning Commission

Career Resource Connection

Calendar Year

Customer Relations Management

	E
EAP	Employee Assistance Program





EMU	Electric Multiple Unit
EEO/AA	Equal Employment Opportunity / Affirmative Action
ESCO	Energy Service Company
ESL	English as a Second Language
ESMS	Environmental and Sustainability Management System

	F
FELA	Federal Employers Liability Act
FHWA	Federal Highway Administration
FICA	Federal Insurance Contributions Act
FIT	Facilities Improvement Team
FLSA	Fair Labor Standards Act
FMLA	Family and Medical Leave Act
FTA	Federal Transit Administration
FTC	Frankford Transportation Center
FTE	Full-Time Equivalent Position
FY	Fiscal Year

	G
GASB	Governmental Accounting Standards Board
GEC	General Engineering Consultant
GESA	Guaranteed Energy Savings Agreement
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GM	General Manager

	Н
HIPAA	Health Insurance Portability and Accountability Act of 1996
HRIS	Human Resources Information System

l l	
IOD	Injuries on Duty
ISRP	Infrastructure Safety Renewal Program
IVR	Interactive Voice Response System

	J
JHSC	Joint Health and Safety Committee

K	
KTFC	Keystone Transportation Funding Coalition



L	
LEAD	Leadership Exchange Development Program
LEED	Leadership in Energy and Environmental Design
LIBOR	London Interbank Offered Rate
LRV	Light Rail Vehicle
LSC	Location Safety Committee
LUCY	Loop Through University City

M		
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	
MRDG	Metropolitan Rail Discussion Group	
MSHL	Media-Sharon Hill Line	
MW	Megawatt	
MWh	Megawatt-Hour	
N		
N5	Heavy Rail Vehicle used on the Norristown High Speed Line	
NEC	Northeast Corridor	
NHSL	Norristown High Speed Line	
NJT	New Jersey Transit	
NPT	New Payment Technology	

0	
OCIP	Owner Controlled Insurance Program
OEM	Original Equipment Manufacturer
OGC	Office of General Counsel
OSIP	Operational Safety Improvement Program

Р	
PA UCP	Commonwealth of Pennsylvania's Unified Certification Program
PCC	President's Conference Committee streetcar or trolley
PECO	Philadelphia Electric Company
PennDOT	Pennsylvania Department of Transportation
PLRB	Pennsylvania Labor Relations Board
PPE	Personal Protective Equipment
PPTA	Pennsylvania Public Transportation Association
PRIIA	Passenger Rail Investment and Improvement Act of 2008
PTAF	Public Transportation Assistance Fund
PTC	Positive Train Control
PWD	Philadelphia Water Department

## Glossary of Acronyms



R	
RAP	Rapid Assimilation Program
RFP	Request for Proposal
ROI	Return on Investment
RRD	Regional Rail Division
RRT	Railroad Retirement Taxes
RTKL	Right-To-Know Law

S	
SAC	SEPTA Advisory Committee For Accessible Transportation
SAM	Supervisory, Administrative and Management Employees
SBA	Special Board of Adjustment
SBE	Small Business Enterprise
SEPTA	Southeastern Pennsylvania Transportation Authority
SL4	Silverliner 4 EMU Railcar used on Regional Rail Lines
SL5	Silverliner 5 EMU Railcar used on Regional Rail Lines
SOG	State of Good Repair
SORT	Special Operations Response Team
SRP	Shared Ride Program
SRPAC	Shared Ride Program Advisory Council
SSPP	System Safety Program Plan

Т	
TIP	Transit Improvement Program
TMA	Transportation Management Associations
TOD	Transit Oriented Development
TWU	Transport Workers Union

	U
USERRA	Uniformed Services Employment and Reemployment Rights Act of 1994

V	
VEM	Vehicle Engineering and Maintenance
VIPR	Visible Intermodal Prevention Response Team
VOH	Vehicle Overhaul Program

W	
WIT	Women in Transit

Υ	
YAC	Youth Advisory Committee



### Α

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

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

**Accrual Basis** - A basis of accounting in which expenses are recognized at the time they are incurred and revenue is recognized when earned, as opposed to disbursed or received.

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

**Ambassador** - SEPTA management employees temporarily enlisted during special events or emergencies to serve as customer service representatives to aid in crowd control and passenger way findings.

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.

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

### В

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

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

**Bombardier** – Aerospace and Engineering

**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 fixed asset item with an expected life of three or more years, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.

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

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

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

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

**Contributed Capital** - Reflects capital grants received for the acquisition of fixed assets. Assets acquired with grants are depreciated over the estimated life of the applicable asset. Contributed Capital is also amortized over the same estimated life of the asset.

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.

**Customer Satisfaction Survey** – A survey that is conducted every 2-3 years to collect rating observations about the various modes of SEPTA transit from approximately 2,800 riders and non-riders in the SEPTA region.

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 outstanding debt and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

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



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

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

Ε

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

F

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

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

**Fast Act** – Fixing America's Surface Transportation Act. Passed by Congress and signed into law by President Obama on December 7, 2015, providing long-term federal funding for critical transportation needs.

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

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.

**Fringe Benefits** - Payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments or accruals direct to an employee arising from something other than the performance of a duty. These payments are costs over and above "labor" costs, but still arising from the employment relationship.



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

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

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

G

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

Green Line - See "Subway-Surface Lines"

Н

**Hay Evaluation System** – A job performance evaluation method used by SEPTA.

**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.

ı

**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.

**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.

**Interlocking** – An arrangement of signal apparatus and turnouts that prevents conflicting movements through an arrangement of tracks such as junctions or crossings.



**ISO 14001 Environmental Certification** – The international standard that specifies requirements for an effective environment management system (EMS).

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-ofway. 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.

Ν

**Net Position** - Total assets and deferred outflows of resources minus total liabilities and deferred inflows of resources of the Authority. This term is used in SEPTA's annual financial statements.

**Non-Revenue Vehicle** - Vehicles and equipment that are used for construction, vehicle and facility maintenance, and service supervision. These vehicles are not used for passenger revenue service.

0

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

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



**Operating Ratio** - Operating revenue divided by operating expense. For this purpose, the Commonwealth has defined operating revenue to include Passenger Revenue, 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"

Ρ

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

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

R

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

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

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

**Ridership** - Each passenger counted each time that person boards a vehicle. See also unlinked passenger trips.

**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 vehicle types—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.

**Subway-Surface Lines** - A combination of five trolley lines serving various neighborhoods in West Philadelphia or nearby suburban communities above ground, reaching Center City Philadelphia through a subway tunnel partially shared with the Market-Frankford Line.

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

Т

**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".

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VERITAS - Authority's Customer Relations Management (CRM) program