

**MINUTES OF REGULAR BOARD MEETING
OF
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
JANUARY 25, 2018**

The Regular Meeting of the Board of the Southeastern Pennsylvania Transportation Authority was held on Thursday, January 25, 2018 at 3:07 P.M., in the Board Room of the Authority, with the Vice Chairman in the Chair.

Present

Attending the meeting were the following Board Members:

Pasquale T. Deon, Sr., Chairman
Thomas E. Babcock, Vice Chairman
Michael A. Carroll, P.E.
Beverly Coleman
Honorable Stewart J. Greenleaf (via telephone)
Kevin L. Johnson, P.E.
John I. Kane
Obra S. Kernodle
Daniel J. Kubik (via telephone)
Honorable Kenneth Lawrence
William J. Leonard, Esquire
Honorable Charles H. Martin
William M. McSwain, Esquire (via telephone)
Honorable Marcy Toepel

Present from the staff:

Jeffrey D. Knueppel, General Manager
Richard G. Burnfield, Deputy General Manager/Treasurer
Gino J. Benedetti, Esquire, General Counsel
Stephen A. Jobs, Controller
Carol R. Looby, Secretary
Stephanie Deiger, AGM, Employee Development Relations
Kim Scott Heinle, AGM, Customer Service
Francis E. Kelly, AGM, Government & Public Affairs
Robert E. Lund, AGM, Engineering, Maintenance & Construction
Scott A. Sauer, AGM, Operations

Mr. Deon called the Regular Meeting of the Board to order. He announced that Senator Stewart Greenleaf, Daniel J. Kubik and William McSwain have remained on the telephone following their participation in the Special Board Meeting.

Mr. Deon stated that if there were speakers who wished to address agenda items they would be called before the Board voted on the items and asked that they limit their remarks to two minutes. He said speakers wishing to address items not on the agenda would be called after the regular business of the Board was completed.

Minutes of the Regular Board Meeting
January 28, 2018

Approval of Minutes

Mr. Deon entertained a Motion regarding the Minutes of the December 21st Regular and Special Board Meetings, which had been circulated. Mr. Leonard moved, Commissioner Lawrence seconded, and the Minutes were unanimously approved.

Financial Report

Mr. Burnfield reported that in December, revenue exceeded budget by \$500,000. He also reported that expenses for the month were under budget by \$1.5 million, with fringe benefits less than budget.

Mr. Burnfield stated that for the month there was a surplus of \$2 million and year-to-date there was a surplus of \$7.2 million.

Mr. Deon entertained a Motion to adopt the Financial Report. Mr. Kernodle moved, Mr. Johnson seconded and it was unanimously adopted.

The December Financial Report is received and filed and is attached to these Minutes as Exhibit "A."

Mr. Deon then called for speakers wishing to address agenda items. There was no response. He stated that the next item on the agenda was the Consent Calendar.

Consent Calendar

Mr. Deon then presented the Consent Calendar, which consisted of:

"Approval of SEPTA's 2018 Title VI Program";

"Award of Contracts Pursuant to Request for Proposals";

"Adoption of a Locally Preferred Alternative as Set Forth in the King of Prussia Rail Project Draft Environmental Impact Statement to Extend the Norristown High Speed Line to King of Prussia";

"First Amendment to Lease by SEPTA to the City of Philadelphia for a Portion of the 18th Floor of 1234 Market Street";

"Acquisition from the County of Delaware of a Parcel of Property Situated in the Borough of Chester Heights, Delaware County, for Use in the Elwyn to Wawa Service Restoration Project;"

Minutes of the Regular Board Meeting
January 28, 2018

"Finding of Special Opportunity Approving Use of a Request for Proposals for Potential Development of a Specialty Manufacturing, Production and Office Building to be Located within SEPTA's Powelton Yard Location;"

"Authorization to Award Contracts for Various Procurements";

"Award of Contracts for Sole Source Procurements"; and

"Authorization to Execute Change Orders."

Mr. Deon noted that Item II.A.1., "Adoption of a Locally Preferred Alternative as Set Forth in the King of Prussia Rail Project Draft Environmental Impact Statement to Extend the Norristown High Speed Line to King of Prussia" has been revised and that copies of the revised Resolution were provided to the Board. He stated that all of the remaining items on the Consent Calendar were reviewed by the appropriate Board Committees in public session.

Mr. Deon then entertained a Motion to adopt the Resolutions. Commissioner Lawrence moved, Mr. Kernodle seconded and the following Resolutions were unanimously adopted. Mr. Deon abstained on Item I.B.3.

I.A. APPROVAL OF SEPTA'S 2018 TITLE VI PROGRAM

"WHEREAS, Title VI of the Civil Rights Act of 1964 ("Title VI"), *inter alia*, requires SEPTA to ensure that its transit services and related benefits are distributed to the public in a fair and equitable manner, and does not discriminate against any person (or group of persons) because of their race, color or national origin; and

WHEREAS, SEPTA prepares and submits its Title VI Program to the Federal Transit Administration ("FTA") every three (3) years, with the 2018 Title VI Program covering activities for calendar years 2015-2017; and

WHEREAS, in October 2012 the FTA issued a revised Title VI Circular (4702.1B) which requires Board consideration, awareness and approval of various regulatory components, as well as certain policies to establish thresholds determining the impact upon minority and low-income populations created by fare and major service changes; and

WHEREAS, specifically included in the proposed 2018 Title VI Program would be (i) a revised Title VI Notice; (ii) updated information concerning SEPTA's expanded access to services with limited English proficiency (LEP); (iii) updated information concerning minority representation on planning/advisory boards; (iv) a system-wide Service Standards and Process; (v) revised Vehicle Assignment Plans; (vi) updated demographic and service

Minutes of the Regular Board Meeting
January 28, 2018

profile maps; (vii) a service equity analysis for major service changes and a fair equity analysis for fare changes over the past three years; and (viii) a report that SEPTA had no Title VI complaints or lawsuits during the period under review; and

WHEREAS, staff requested that the General Manager recommend that the Board approve the proposed 2018 Title VI Program as set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and adopts SEPTA's 2018 Title VI Program to ensure compliance with the requirements of the FTA and other appropriate agencies as management has proposed, as set forth in the pertinent staff summary; and

FURTHER RESOLVED, that the Board authorizes the General Manager or his designee, and other proper officers of SEPTA, to enter into and execute all documents and such agreements, in form approved by the Office of General Counsel, and to do any and all things as shall be necessary and proper, in order to effectuate the purpose of this Resolution."

I.B. AWARD OF CONTRACTS PURSUANT TO REQUEST FOR PROPOSALS

"WHEREAS, SEPTA, which has need for the services as described below, has advertised and solicited proposals from firms wishing to propose; and

WHEREAS, SEPTA staff has requested that the General Manager recommend that the Board authorize the award contracts to the firms listed below because said firms were the successful proposers in the area for which the request for proposals were issued; and

WHEREAS, the General Manager recommended that the Board authorize the award of the contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award subject to the following conditions and the General Manager to execute the following contracts in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and contingent upon and subject to the proposers satisfactorily meeting all requirements of the terms and conditions of the relevant request for proposals, including the provision of any required insurance certificates and full compliance with any applicable Disadvantaged Business Enterprise (DBE) requirements:

**Minutes of the Regular Board Meeting
January 28, 2018**

1. To Faiveley Vapor Stone Rail Systems, a Wabtec Company, for the provision of design, fabrication and commissioning services for the HVAC system replacement upgrade of the B-IV car fleet, with services to be performed and delivery of units scheduled for the prototypes being tested after the duration of the hot/cold season, and after successful demonstration thereof, the balance (124 units) over the course of a four year period (approximately five per month), as described in the staff summary on this subject, for a total contract amount not to exceed \$16,587,322, Request For Proposals No. 16-00299-ACAC - BIV HVAC System Upgrade.

2. To FormFox, Inc., for the provision of third-party technical and administrative services for SEPTA's Drug-Free Workplace Program currently managed by the Employee Medical Services Department, which is required to outsource some services in order to protect the integrity of the Program in accordance with Federal regulations, with services to be performed over a period of five years scheduled to commence in March 2018, as described in the staff summary on this subject, for a total contact amount not to exceed \$162,475, Request For Proposals No. 17-00024-ACKR - Drug and Alcohol Third Party Administrator Services.

3. To Constellation NewEnergy, Inc., to perform an Investment Grade Audit (IGA) to fully evaluate energy conservation measures (ECMs) at SEPTA's 1234 Market Street Building in required compliance with the Pennsylvania Guaranteed Energy Saving Act (GESA), and based upon a compliant IGA, thereafter enter into a GESA agreement incorporating such ECMs, as described in the staff summary on this subject, for a total contract amount for the IGA not to exceed \$48,923, Request for Proposals No. 17-00031-AMJP - Guaranteed Energy Savings Project for SEPTA's Main Office Building, 1234 Market Street, Philadelphia.

4. To CVS/Caremark, for the provision of Pharmacy Benefit Manager services to administer prescription benefit coverage for all union and non-union SEPTA employees, retirees and their eligible dependents, with services to be performed over a period of five years commencing on March 1, 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$343,170,853, Request for Proposals No. 16-00295-AHAC - Pharmacy Benefit Manager services."

**II.A.1. ADOPTION OF A LOCALLY PREFERRED ALTERNATIVE
AS SET FORTH IN THE KING OF PRUSSIA RAIL PROJECT
DRAFT ENVIRONMENTAL IMPACT STATEMENT TO EXTEND THE
NORRISTOWN HIGH SPEED LINE TO KING OF PRUSSIA**

"WHEREAS, the need for increased transit service to King of Prussia has been identified in many studies, and continues to be included in both the Delaware Valley Regional Planning

Minutes of the Regular Board Meeting
January 28, 2018

Commission's (DVRPC's) Long Range Plan Connections 2045, as well as the Montgomery County Comprehensive Plan Montco 2040; and

WHEREAS, in 2012 SEPTA initiated the King of Prussia Rail Project ("Project") to evaluate an extension of the Norristown High Speed Line ("NHSL") to the King of Prussia area; and

WHEREAS, the NHSL currently provides service between the 69th Street Transportation Center and the Norristown Transportation Center, serving Delaware and Montgomery Counties and connecting to Center City Philadelphia; and

WHEREAS, an extension of the NHSL to King of Prussia would provide many benefits to the region, including (i) providing travelers with a rail transit service option as an alternative to congested roadway travel; (ii) attracting new transit riders; and (iii) supporting economic development opportunities and meeting regional sustainability and livability goals; and

WHEREAS, the Project has evaluated various alternatives for a new rail connection between the existing NHSL and destinations in King of Prussia which were detailed in the Draft Environmental Impact Statement ("DEIS") released in October 2017, which included some 30 alternatives; and

WHEREAS, after thorough analysis of said alternatives by SEPTA, the list was eventually reduced down to five (referred to as Action Alternatives in the DEIS) and after utilizing 40 different technical factors and input from the public and Project stakeholders, and it was ultimately determined that the PECO-Turnpike-1st Avenue alternative was the best performing; and

WHEREAS, in March 2016 the PECO-Turnpike-1st Avenue alternative was presented to the public as the Recommended Locally Preferred Alternative ("LPA"), which after hearing significant concern at that time regarding alignments impact to residential areas and the 9/11 Memorial, prompted SEPTA to develop two additional design options to potentially alter the recommended LPA; and

WHEREAS, these two options consisted of the (i) North/South option which will shift the alignment away from residential areas of concern adjacent to the Pennsylvania Turnpike, and the (ii) 9/11 Memorial Avoidance Option which will shift the alignment further away and on the other side of the 9/11 Memorial to significantly reduce visual impacts; and

WHEREAS, based upon comments heard at the DEIS Public Hearing in November 2017, it was recommended that both design options be incorporated into the LPA; and

WHEREAS, overall the LPA is 4.5 miles in length, primarily elevated in nature and is proposed to have five station stops

Minutes of the Regular Board Meeting
January 28, 2018

with total ridership projected at 9,500 trips per day at a total capital cost estimated at \$1.2 billion, and will produce significant travel time savings of about 30 minutes each way as compared to current travel times between Center City and King of Prussia; and

WHEREAS, once a LPA has been adopted by the Board, staff will then seek an amendment to the DVRPC's Connection 2045 Long Range Plan, which in tandem will allow the Project to continue moving forward on the potential path to fund part of the Federal Transit Administration's New Start Program, and will allow work to begin on the Final Environmental Impact Statement ("FEIS"); and

WHEREAS, staff has recommended that (i) the Board adopt the LPA set forth in the Project DEIS dated October 2017, as referred to therein as the PECO-Turnpike-1st Avenue alternative with North/South and 9/11 Memorial Avoidance options; and (ii) SEPTA submit the LPA to the Board of Directors of the DVRPC and the Metropolitan Planning Organization for inclusion in the regional Long Range Plan.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby adopts the Locally Preferred Alternative as set forth in the King of Prussia Rail Project (an extension of the Norristown High Speed Line) Draft Environmental Impact Statement dated October 2017, also referred to as the PECO-Turnpike-1st Avenue alternative with North/South and 9/11 Memorial Avoidance options.

FURTHER RESOLVED, that SEPTA submit the Locally Preferred Alternative to both the Board of Directors of the Delaware Valley Regional Planning Commission for adoption and inclusion in the regional Long Range Plan.

FURTHER RESOLVED, that the Board hereby authorizes the proper officer of SEPTA to execute all documents, in form approved by the Office of General Counsel, and to do any and all things necessary to effectuate the purpose of this Resolution."

**II.A.2. FIRST AMENDMENT TO LEASE BY SEPTA
TO THE CITY OF PHILADELPHIA FOR A PORTION OF
THE 18th FLOOR OF 1234 MARKET STREET**

"WHEREAS, by authorization of the Board on March 27, 2014, SEPTA presently leases to the City of Philadelphia ("City") a total of approximately 42,567 rentable square feet of space in SEPTA's headquarters building at 1234 Market Street ("Building"), consisting of the entire 15th Floor (33,538 square feet), part of the 18th floor (8,378 square feet) and the rear plaza (700 square feet)(collectively, the "Demised Premises"), the term of which will expire on June 30, 2024;

Minutes of the Regular Board Meeting
January 28, 2018

WHEREAS, the Flynn Company, SEPTA's contracted leasing broker for the Building, has negotiated a proposed First Amendment to the lease agreement with the City whereby they will expand the Demised Premises and their current square footage to lease an additional 12,387 rentable square feet of office space on the 18th floor; and

WHEREAS, the proposed First Amendment will specify a base term of six (6) years and five (5) months to be co-terminus with the existing term, commencing upon full execution of the First Amendment or February 1, 2018, whichever occurs later; and

WHEREAS, the rental rate for the base term of the First Amendment will be \$278,707.50 (or \$22.50 per rentable square foot), plus monthly electricity based upon actual sub-metered usage, with no free rent required; and

WHEREAS, the proposed base rent will increase by \$1.50 per square foot annually, beginning the second year of the base term and each year thereafter, resulting in rental revenues totaling \$1,896,759.38 (and \$1,168,541.06 in net revenue) over the base term, which includes operating expenses projected at a rate of \$8.45 per square foot (or \$104,670.15) for 2018; and

WHEREAS, pursuant to SEPTA's broker management contract with the Flynn Company, the First Amendment will call for a 3% commission payment of \$56,902.78 to be paid to the Flynn Company, which will be funded through SEPTA's Operating Budget; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed First Amendment with the City under the terms and conditions that are set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to enter into the proposed First Amendment to the lease agreement to the City of Philadelphia increasing the Demised Premises by an additional 12,387 rentable square feet (to a total of 20,542 rentable square feet) of space on the 18th floor of 1234 Market Street, resulting in a minimum of \$1,896,759.38 in gross income (\$1,168,541.06 net income) to SEPTA over the base term, under the terms and conditions that are set forth within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be necessary and proper in order to effectuate the purpose of this Resolution."

**Minutes of the Regular Board Meeting
January 28, 2018**

**II.A.3. ACQUISITION FROM THE COUNTY OF DELAWARE
OF A PARCEL OF PROPERTY SITUATED
IN THE BOROUGH OF CHESTER HEIGHTS, DELAWARE COUNTY,
FOR USE IN THE ELWYN TO WAWA SERVICE RESTORATION PROJECT**

"WHEREAS, Wawa Station is located on SEPTA's West Chester Branch in the Borough of Chester Heights in Delaware County, and abuts Middletown Township adjacent to US Route 1 (Baltimore Pike); and

WHEREAS, in 1986 poor track conditions necessitated SEPTA's discontinuation of regional rail service between Elwyn and Wawa located in Middleton Township; and

WHEREAS, SEPTA intends to restore regional rail service from Elwyn to Wawa, as well as construct a new Wawa Station facility and a bi-level customer parking garage deck with approximately 600 spaces along with an access road, as part of the Elwyn to Wawa Service Restoration Improvement Project ("Project") scheduled from approximately June 2018 through 2021; and

WHEREAS, the County of Delaware ("County") owns a landlocked parcel of property located at 362 South Station Road in the Borough of Chester Heights ("Oxbow Parcel") in the vicinity of the Project limits, which is surrounded by the Chester Creek and SEPTA's railroad right-of-way with no alternate access; and

WHEREAS, the County previously acquired the Oxbow Parcel for \$90,000 in 2007 via a condemnation proceeding prior to the County removing the bridge which provided sole access to the Oxbow Parcel; and

WHEREAS, in connection with the Project, a NPDES Permit is required, and as such, SEPTA requires the Oxbow Parcel for operations and maintenance of certain post-construction storm water management best management practices ("BMPs"); and

WHEREAS, a SEPTA commissioned independent appraisal determined that the current fair market valuation (FMV) of the Oxbow Parcel is \$15,500; and

WHEREAS, acquisition of the Oxbow Parcel is crucial for the culmination of this Project; and

WHEREAS, if required, SEPTA will obtain the concurrence of the Federal Transportation Administration ("FTA") in acquiring the Oxbow Parcel; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to purchase the Oxbow Parcel in fee from the County for a FMV or estimated just compensation capped at \$15,500, in lieu of condemnation or, if not successful,

Minutes of the Regular Board Meeting
January 28, 2018

to acquire by condemnation, under such terms as set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to either (i) purchase from the County of Delaware, the fee simple interests in the parcel of property located at 362 South Station Road in Chester Heights Borough in lieu of condemnation or, if not successful, to acquire by condemnation under such terms as set forth within the pertinent staff summary, for a fair market value or estimated just compensation capped at \$15,500 or such alternative consideration as may be adjusted at the discretion of the General Manager to be in the best interests of the Authority, plus costs that are incidental to the acquisition of real estate.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution."

II.A.4. FINDING OF SPECIAL OPPORTUNITY APPROVING USE OF A REQUEST FOR PROPOSALS FOR POTENTIAL DEVELOPMENT OF A SPECIALTY MANUFACTURING, PRODUCTION AND OFFICE BUILDING TO BE LOCATED WITHIN SEPTA'S POWELTON YARD LOCATION

"WHEREAS, pursuant to Section 1741(a)(24) of SEPTA enabling act, the Public Transportation Law, the Authority may determine a finding of special opportunity ("FOSO") with respect to prospective real estate related matters; and

WHEREAS, FOSO's are exempt from the competitive bidding process in favor of solicitation via a Request for Proposals, which allows for the negotiation of terms and conditions of the transaction; and

WHEREAS, the SEPTA-owned portion of Powelton Yard is bounded by North 32nd Street and the Amtrak railroad right-of-way directly north of the 3000 block of West Market Street, and the development comprises approximately 27,165 square feet; and

WHEREAS, a FOSO has been identified in a determination that the subject property would be offered for the development of a 90,000 - 100,000 square foot multi-level building intended for potential use as a specialty manufacturing, production and/or office facility; and

WHEREAS, SEPTA desires to pursue a Request for Proposals for the project offering wherein the selected developer will be responsible for all private development aspects of the project,

Minutes of the Regular Board Meeting
January 28, 2018

as well as all necessary improvements, in order to incorporate a minimum 4,000 square foot railroad crew quarters/reporting location (along with 50 dedicated parking spaces) to be provided exclusively for the use and occupancy by SEPTA employees via a 'lease-leaseback' agreement; and

WHEREAS, developer will also be responsible for all zoning, permitting, design, construction and maintenance of the project; and

WHEREAS, SEPTA will receive income by way of recurring lease payments based upon the fair market valuation appraisal of the property, and will reciprocate as rental income credits to the selected developer for its continued use and occupancy of the newly constructed crew quarters/reporting location and dedicated on-site parking spaces, with Federal Transit Administration (FTA) concurrence being required; and

WHEREAS, staff requested that the General Manager recommend that the Board approve a FOSO based upon the information presented in the pertinent staff summary, to enable the issuance of a Request for Proposals for potential development of a specialty manufacturing, production and/or office building in conjunction with the reconstruction of the railroad crew quarters/reporting station and employee parking lot at SEPTA's Powelton Yard by the developer, and subsequent occupancy by SEPTA via a 'lease-leaseback' agreement; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a Finding of Special Opportunity pursuant to Section 1741(a)(24) of the Public Transportation Law, and thereby authorizes SEPTA to issue a Request for Proposals for the potential development of a specialty manufacturing, production and/or office building in conjunction with the reconstruction of the railroad crew quarters/reporting station and employee parking lot at SEPTA's Powelton Yard, as set forth above and more fully described within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution."

II.B. AUTHORIZATION TO AWARD CONTRACTS FOR VARIOUS PROCUREMENTS

"WHEREAS, SEPTA advertised and invited bids for the supplies identified below; and

Minutes of the Regular Board Meeting
January 28, 2018

WHEREAS, the firms listed below was the lowest responsive and responsible bidders to the invitations for bids; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to award the contracts identified below; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and for the General Manager or his designee to execute the contracts identified below in form approved by the Office of General Counsel, subject to and contingent upon the concurrence of the funding agencies, if required, and contingent upon and subject to the vendors satisfactorily meeting all requirements of the bid terms and specifications, including full compliance with any applicable Disadvantaged Business Enterprise requirements:

1. To Independence Construction Corp., for the provision of emergency tree trimming, brush cutting and right-of-way cleanup, with services to be performed over a period of 1,095 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$1,946,970, Sealed Bid No. 17-00229-ATMM - Emergency Tree Trimming, Brush Cutting & Right-of-Way Clean-Up 3 Year Contract.

2. To RailWorks Track Services, Inc., for the provision of construction work on the Doylestown and Warminster Tie Renewal, Surfacing and Brush Cutting Project, with services to be performed over a period of 320 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$4,950,000, Sealed Bid No. 17-00230-AJEB - RRD Doylestown & Warminster Tie Renewal, Surfacing & Brush Cutting.

3. To Sheridan Ford Sales, Inc., for Item No. 1, for the purchase of light duty and medium duty motor vehicle parts to be used by SEPTA's Operations Division (Utility Vehicle Department) in the repair and maintenance of its fleet of Ford light and medium duty vehicles, with delivery of materials on an "as requested" basis over a period of 36 months commencing in April 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$1,507,750, Sealed Bid No. 17-00226-ABRV - Ford Light & Medium Duty Vehicle Parts.

4. To Anixter, Inc., for the purchase of various telecommunications cables to support IRSP installation programs of SEPTA's Communications & Signal Department, with delivery of material scheduled for eight weeks after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a

Minutes of the Regular Board Meeting
January 28, 2018

total contract amount not to exceed \$254,943, Sealed Bid No. 17-00204-ATJM - Telecom Cable."

II.C. AWARD OF CONTRACTS FOR SOLE SOURCE PROCUREMENTS

"WHEREAS, SEPTA has need for the supplies and services described below and those supplies and services are available only from the firms listed below; and

WHEREAS, staff reviewed the cost of the supplies and services and the General Manager recommended that the Board authorize SEPTA to award the contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the contracts identified below, all in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and contingent upon and subject to the vendors/contractors satisfactorily providing any required bonds, insurance certificates and/or other documents, and complying with any applicable Disadvantaged Business Enterprise requirements:

1. To Wabtec Railway Electronics Corporation, for the provision of software design and engineering services for the Positive Train Control Data Communications System (PTCDCS) in support of the Elwyn to Wawa rail service extension, with services to be performed over a period of 220 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$143,116.

2. To Tyco Integrated Security LLC, for the installation of new local servers and storage equipment for the Levittown Train Station, with delivery and installation of material within 60 days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$48,907.34.

3. To Irwin Transportation Products Corporation, for Item Nos. 1-7, for the purchase of various replacement parts to be used for the general maintenance of the T3 Electric Switch Boxes throughout the SEPTA trolley fleets, at unit prices of \$504, \$256, \$225, \$100, \$228, \$756 and \$125, respectively, with delivery of material in April 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$27,170.

4. To S4 Worldwide, LLC, for the provision of maintenance and support of the Sentry Mobile Surveillance System units which record, store and retrieve video from surveillance cameras throughout the Authority, with services to be performed over a period of three years made effective retroactively from November

Minutes of the Regular Board Meeting
January 28, 2018

15, 2017 through November 14, 2020, as described in the staff summary on this subject, for a total contact amount not to exceed \$254,925.

5. To Kone, Inc. for the purchase of various non-stock replacement parts to be used for the ongoing maintenance of escalators and elevators throughout the Authority, with delivery of material on an "as required" basis over a period of 36 months commencing in February 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$97,966.04.

6. To Brookville Equipment Corporation, for the purchase of various currently stocked replacement parts to be used for the maintenance of the PCC II trolley fleet, with delivery of material on an "as required" basis over a period of three years commencing in February 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$196,670.

7. To QEI, LLC, for the provision of system upgrades, technical assistance and correction of software problems for the Control Center (CTD, STD & RRD) Supervisory Control and Data Acquisition (SCADA) computer software and after hours service 5-year blanket contract, with services to be performed over a period of 1,825 calendar days commencing on June 1, 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$823,300.

8. To Diversified Metal Fabricators, Inc. for Items Nos. 1 and 2, for the purchase of four (each) rail replacement parts to be used for the repair of 2009 Freightliner Roto Dump Vehicles "Hi-Rail" equipment, at unit prices of \$24,500 and \$106.50, respectively, with delivery of material within 30-45 days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$98,426.

9. To ARINC, Incorporated, for the renewal of the software maintenance and support service agreement for the Centralized Traffic Control (CTC) System for the Railroad Operations Control Center (ROCC), with services to be performed over a period of three years made effective retroactively from July 1, 2017 through July 30, 2020, as described in the staff summary on this subject, for a total contract amount not to exceed \$968,427.

10. To Routematch Software, Inc., for the provision of the "RM Pay" platform automated fare collection system that will upgrade the current CCT fare collection process consistent with the SEPTA Key system installed on fixed route services, as well as include a bi-directional integration with Conduent as part of the overall SEPTA Key Project and initiatives, with services to be performed over a period of five years commencing on February 1, 2018 through January 31, 2023, as described in the staff

Minutes of the Regular Board Meeting
January 28, 2018

summary on this subject, for a total contract amount not to exceed \$4,062,736."

II.D. AUTHORIZATION TO EXECUTE CHANGE ORDERS

"WHEREAS, additional work is required to complete the projects identified below; and

WHEREAS, staff reviewed the cost of the additional work and the General Manager recommended that the Board authorize SEPTA to order the additional work.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the change orders identified below in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and to any applicable Disadvantaged Business Enterprise requirements:

1. To Mulhern Electric Company, Inc., for Change Order No. 3, which provides for additional electrical construction work on the Suburban Station Revenue Equipment Maintenance Renovation and Accessible Travel Center Expansion Project, at an increase in cost not to exceed \$19,697, bringing the total contract price, including all change orders to date, to an amount not to exceed \$506,274, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments."

2. To Nucero Electrical Construction Company, Inc., for Change Order No. 1, which provides for additional electrical construction work on the Concourse Vertical Transportation Phase 1 (Elevator) Project, at an increase in cost not to exceed \$55,096, bringing the total contract price, including this change order, to an amount not to exceed \$154,896.

3. To Conduent, Inc. (formerly XEROX Transport Solutions, Inc.), for Change Order No. 17, which provides for additional scope of integration and construction work under the New Payment Technologies (NPT) Systems contract, at an increase in cost not to exceed \$1,377,217, bringing the total contract price, including all change orders to date, to an amount not to exceed \$158,869,534.

4. To Philips Brothers Electrical Contractors, Inc., for Change Order No. 2, which provides for additional electrical construction work on the Frazer Shop and Yard Expansion - Contract 2 Project, at an increase in cost not to exceed \$24,448, bringing the total contract price, including all change orders to

Minutes of the Regular Board Meeting
January 28, 2018

date, to an amount not to exceed \$2,602,083, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments."

5. To Edens Corporation, for Change Order No. 10, which provides for additional funding required to support increased services and credit card fees for ticket sales in Center City and outlying Regional Rail Division Stations and insure continuation of the SEPTA Key Project integration and implementation, at an increase in cost not to exceed \$4,244,621, bringing the total contract price, including all change orders to date, to an amount not to exceed \$68,864,031.

6. To Mulhern Electric Company, Inc., for Change Order No. 1, which provides for additional electrical construction work on the 40th Street ADA Improvements Project, at an increase in cost not to exceed \$102,792.82, bringing the total contract price, including this change order, to an amount not to exceed \$554,792.82.

7. To Digital Printing Systems, Inc., for Change Order No. 2, which provides for a six-month time extension to the contract for the printing of transit transfer tickets for passengers, thereby establishing a new contract completion date of June 30, 2018, at an increase in cost not to exceed \$110,000, bringing the total contract price, including all change orders to date, to an amount not to exceed \$587,700."

Report of General Manager

Mr. Knueppel stated that the past Sunday's National Conference Championship game marked new milestones for both the Eagles and SEPTA. He said the Eagles were now heading to Minneapolis and the Super Bowl; and SEPTA had provided safe trips down and back on our Broad Street Line to AT&T Station for a record breaking 29,045 excited fans. He thanked all of the SEPTA employees who did a tremendous job moving the crowds on game day.

Mr. Knueppel stated that on January 30th, a celebration would take place, when Project Home officially opens the doors to their new Homeless Engagement Center, located in our pedestrian concourse. He commented that this new Hub of Hope was the product of a strong partnership with the City of Philadelphia and Project Home and a shared commitment to make a material change in the lives of individuals facing homelessness in our City. He mentioned that it was completed in only five months and was an 11,000 square foot facility that would offer social and health services in an environment offering dignity and respect. He

Minutes of the Regular Board Meeting
January 28, 2018

thanked everyone who generously supported this important project.

Mr. Deon thanked Mr. Knueppel and then called for speakers.

Speakers

Anne C. Croisier

Ms. Croisier read directly from a letter that she submitted and is attached to the Minutes as Exhibit "B."

The Chairman called for the next speaker, Mitch Chanin.

Mitch Chanin

Mr. Chanin said he was from 350 Philadelphia and has addressed the Board many times. He wanted to note before he began that many of the folks who were usually present with him were with a couple hundred of other people at the Delaware River Basin Commission hearing testifying in support of a proposal for a permanent ban on fracking at the Delaware River Basin. He said they were really pleased to see more and more people speaking out for climate justice and for clean air and water.

Mr. Chanin thanked SEPTA for issuing the Request for Information to Renewable Energy Industry for ideas for supplying electricity for SEPTA from renewable sources through the grid. He mentioned that they were very pleased by that and hope that there would be some contracts for wind, solar and other renewable sources of electricity coming out very soon.

Mr. Chanin then said he wanted to follow up on discussions that they had at yesterday's Capital Budget Open House. He said they hope that there would be more serious planning for full electrification of SEPTA's bus fleet. He commented that they were very glad that the 25 Proterra buses would be in service, but said they hope that there would be a much more serious and in-depth plan coming out soon that, at a minimum, explores the feasibility of full electrification of the bus fleet. Mr. Chanin said that they understand that there would likely be an RFI for a bus procurement either at the end of this year, or the beginning of next year. He added that they also hope that SEPTA could complete whatever assessment work was required before that, such that the Request could be for electric buses. Mr. Chanin mentioned that they felt that the report that Seattle's King County Metro published last year was a very comprehensive feasibility study for full electrification of the bus fleet looking at technology options, financing options, route assessment, and everything else as an excellent model. He stated that they urge SEPTA to do that kind of serious planning this year and not issue another RFP for any more buses until that has been completed.

Minutes of the Regular Board Meeting
January 28, 2018

Mr. Deon then called for the next speaker, Herbert S. Rodwell.

Herbert S. Rodwell

Mr. Rodwell introduced himself and said he lives on the 5700 block of Wynnefield Avenue. He said the Route 52 bus still cuts off at 54th Street, coming down Wynnefield Avenue and waking up people at night. He stated that he would like to know what the status was concerning this issue.

Mr. Knueppel responded and informed Mr. Rodwell that the Authority has a project that would change the Route 52 routing in that area. He explained that staff was presently working on both the land procurement and the design of a new facility which would accommodate the routing change. Mr. Knueppel informed Mr. Rodwell that staff was available to meet with him following the meeting.

Mr. Deon called for the next speaker, Jim McGinnis of the Courier Times Newspaper.

Jim McGinnis

Mr. McGinnis introduced himself as a reporter with the Bucks County Courier Times. He said he and his team have been working on a story regarding access to mass transit in the suburbs. He said he had three general questions: "1. Few people in Bucks use mass transit and according to the U.S. Census, fewer than five percent of people in Bucks County use mass transit. He asked what would it take, and what does staff think, to actually increase the number of people in Bucks County that use mass transit and how much money would that cost to really expand mass transit in the suburbs so more people would use it? 2. We spoke with men and woman who ride the bus or take the train and SEPTA and sometimes they describe the stations or the bus stops as maybe not being that safe or maybe not feeling too safe or too comfortable at those stations. So, I'm just curious if SEPTA can maybe give a sense of: How you characterize some of the bus stops or some of the trains' stations in the suburbs? Are all of them safe for people who are maybe waiting for the bus on a piece of grass on the side of the highway? 3. My third question is that SEPTA receives government subsidies and funding, and that is understandable. We were wondering what would the fares have to be and what would the service have to be for SEPTA not to accept government subsidies?"

Mr. Deon replied that they were all good questions and it would take more time than we presently have to respond. He then asked Mr. Kelly to set up an interview with Mr. McGinnis to meet with him and Mr. Knueppel. He inform Mr. McGinnis that they would meet and provide the data that he was requesting. Mr. McGinnis replied that he would say that Mr. Deon had no comment

Minutes of the Regular Board Meeting
January 28, 2018

for now. Mr. Kelly stated that he would meet with Mr. McGinnis following the Board meeting. Mr. Deon added that he would have his answers today, but if he wanted something more in depth, then a meeting would need to be scheduled. Mr. McGinnis then thanked Mr. Deon.

Mr. Deon recognized Scott Petri, the new Executive Director of the Philadelphia Parking Authority. He said Mr. Petri was a Bucks County native and he welcomed him to the City.

Mr. Deon wished the Eagles good luck.

Adjournment

There being no further business to come before the Board at this Regular Meeting, it was moved by Commissioner Lawrence seconded by Mr. Kernodle, and unanimously adopted that the meeting be adjourned at 3:21 PM. A transcript of this meeting was made by an official court reporter and is made a part of the original Minutes.

Carol R. Looby
Secretary

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

FINANCIAL REPORT

DECEMBER 2017

For Period Ended December 30, 2017

January 16, 2018

EXHIBIT "A"

FINANCIAL REPORT - DECEMBER 2017

COMMENTARY

Summary of Financial Results and Commentary

GROUP 1 - CONSOLIDATED OPERATIONS

- (1.1) Consolidating Statement of Income - (YTD)
- (1.2) Consolidating Statement of Revenue and Expense - (YTD)
- (1.3) Consolidating Statement of Income - (One Month)
- (1.4) Consolidating Statement of Revenue and Expense - (One Month)

GROUP 2 - CITY TRANSIT DIVISION

- (2.1) Comparative Statement of Income
- (2.2) Detail Income Statement - (One Month)
- (2.3) Detail Income Statement - (YTD)

GROUP 3 - VICTORY DIVISION

- (3.1) Comparative Statement of Income
- (3.2) Detail Income Statement - (One Month)
- (3.3) Detail Income Statement - (YTD)

GROUP 4 - FRONTIER DIVISION

- (4.1) Comparative Statement of Income
- (4.2) Detail Income Statement - (One Month)
- (4.3) Detail Income Statement - (YTD)

GROUP 5 - REGIONAL RAIL DIVISION

- (5.1) Comparative Statement of Income
- (5.2) Detail Income Statement - (One Month)
- (5.3) Detail Income Statement - (YTD)

FINANCIAL REPORT - DECEMBER 2017

COMMENTARY

Summary of Financial Results and Commentary

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
DECEMBER AND YEAR-TO-DATE RESULTS OF OPERATIONS

SUMMARY

The following is a summary of Divisional operating results (i.e. deficit before operating subsidies) and consolidated results after subsidies for December 2017 and the six-month period then ended. The results are compared to the Fiscal Year 2018 budget and to the prior year results in the accompanying financial statements.

<u>DIVISION</u>	(IN THOUSANDS)			
	<u>MONTH OF DECEMBER</u>		<u>SIX MONTHS ENDED DECEMBER</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
City Transit	\$ (49,509)	\$ (46,561)	\$ (290,828)	\$ (292,826)
Victory	(5,495)	(6,025)	(35,371)	(36,140)
Frontier	(2,244)	(2,017)	(13,557)	(12,264)
Regional Rail	<u>(16,575)</u>	<u>(15,520)</u>	<u>(101,272)</u>	<u>(101,163)</u>
Total Deficit Before Subsidies	(73,823)	(70,123)	(441,028)	(442,393)
Operating Subsidies	<u>75,870</u>	<u>70,787</u>	<u>448,234</u>	<u>425,512</u>
Surplus/(Deficit) After Subsidies	<u>2,047</u>	<u>664</u>	<u>7,206</u>	<u>(16,881)</u>
Unrealized Investment Gain/(Loss)	<u>(246)</u>	<u>(270)</u>	<u>(588)</u>	<u>(1,578)</u>
Surplus/(Deficit) after Investment Gain/(Loss)	<u>\$ 1,801</u>	<u>\$ 394</u>	<u>\$ 6,618</u>	<u>\$ (18,459)</u>

The surplus after subsidies for the month of December was \$2.0 million and the cumulative surplus for the six months was \$7.2 million. Passenger revenue for the month was \$462 thousand (or 1.4%) higher than budget. Passenger revenue for the six months of Fiscal 2018 was \$5.8 million (or 2.5%) lower than budget. Shared Ride Program revenue was \$237 thousand lower than budget for the month of December and was \$824 thousand (or 8.8%) lower than budget for December year-to-date. Operating expenses for the month of December were \$1.5 million lower than budget. For the six-month period, operating expenses were \$10.5 million (or 1.5%) lower than budget.

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
DECEMBER AND YEAR-TO-DATE RESULTS OF OPERATIONS**

DIVISIONAL COMMENTARY ON DECEMBER AND YEAR-TO-DATE RESULTS

CITY TRANSIT DIVISION

The Division's operations for December 2017 resulted in a deficit before subsidies of \$49.5 million for the month and a year-to-date deficit before subsidies of \$290.8 million, which is 1.7% lower than budget.

Passenger revenue for the month of December was \$58 thousand (or 0.3%) higher than budget. For the six months of Fiscal 2018 total passenger revenue was \$3.5 million (or 2.5%) lower than budget. Shared Ride Program revenue for December year-to-date was \$824 thousand (or 8.8%) lower than budget. Operating expenses for the six-month period were lower than budget.

For the six months of the fiscal year, the operating surplus after subsidies was \$5.0 million.

VICTORY DIVISION

The Division's operations for December resulted in a deficit before subsidies of \$5.5 million bringing the cumulative deficit before subsidies for the six months of the fiscal year to \$35.4 million, which is 5.3% lower than budget.

Passenger revenue for December was \$226 thousand (or 13.8%) higher than budget, and for the six months of Fiscal 2018 was \$1.3 million (or 11.3%) higher than budget. Operating expenses for the six-month period were lower than budget.

For the six months of the fiscal year, the operating surplus after subsidies was \$648 thousand.

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
DECEMBER AND YEAR-TO-DATE RESULTS OF OPERATIONS

FRONTIER DIVISION

Operations for the month of December resulted in a deficit before subsidies of \$2.2 million bringing the cumulative deficit before subsidies for the six months of the fiscal year to \$13.6 million, which is 1.6% higher than budget.

Passenger revenue for December was \$85 thousand lower than budget, and for the six months of Fiscal 2018 was \$153 thousand (or 4.7%) lower than budget. Operating expenses for the six-month period were lower than budget.

For the six months of the fiscal year, the operating surplus after subsidies was \$242 thousand.

REGIONAL RAIL DIVISION

Operations for the month of December resulted in a deficit before subsidies of \$16.6 million bringing the cumulative deficit before subsidies for the six-month period to \$101.3 million, which is 1.2% higher than budget.

December passenger revenue was \$263 thousand (or 2.4%) higher than budget, and year-to-date passenger revenue was \$3.4 million (or 4.5%) lower than budget. Operating expenses for the six-month period were lower than budget.

For the six months of the fiscal year, the operating surplus after subsidies was \$1.3 million.

FINANCIAL REPORT - DECEMBER 2017

GROUP 1 - CONSOLIDATED OPERATIONS

- (1.1) Consolidating Statement of Income - (YTD)
- (1.2) Consolidating Statement of Revenue and Expense - (YTD)
- (1.3) Consolidating Statement of Income - (One Month)
- (1.4) Consolidating Statement of Revenue and Expense - (One Month)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF INCOME
SIX MONTHS ENDED DECEMBER 30, 2017

(THOUSANDS)

	CITY TRANSIT DIVISION	VICTORY DIVISION	FRONTIER DIVISION	REGIONAL RAIL DIVISION	TOTAL SEPTA	BUDGET AMOUNT	BUDGET VARIANCE	
							AMOUNT	PERCENT
<u>OPERATING REVENUES</u>								
Passenger Revenue	\$ 139,113	\$ 12,326	\$ 3,122	\$ 71,205	\$ 225,766	\$ 231,537	\$ (5,771)	(2.49)
Other Operating Revenue	<u>11,205</u>	<u>1,154</u>	<u>352</u>	<u>7,342</u>	<u>20,053</u>	<u>18,198</u>	<u>1,855</u>	10.19
Sub-Total - Operating Revenue	150,318	13,480	3,474	78,547	245,819	249,735	(3,916)	(1.57)
Shared Ride Program	<u>8,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,528</u>	<u>9,352</u>	<u>(824)</u>	(8.81)
TOTAL REVENUE AVAILABLE FOR OPERATIONS	158,846	13,480	3,474	78,547	254,347	259,087	(4,740)	(1.83)
<u>OPERATING EXPENSES</u>								
	<u>449,674</u>	<u>48,851</u>	<u>17,031</u>	<u>179,819</u>	<u>695,375</u>	<u>705,888</u>	<u>10,513</u>	1.49
DEFICIT BEFORE SUBSIDIES	(290,828)	(35,371)	(13,557)	(101,272)	(441,028)	(446,801)	5,773	1.29
OPERATING SUBSIDIES	<u>295,875</u>	<u>36,019</u>	<u>13,799</u>	<u>102,541</u>	<u>448,234</u>	<u>446,801</u>	<u>1,433</u>	0.32
SURPLUS AFTER SUBSIDIES	<u>\$ 5,047</u>	<u>\$ 648</u>	<u>\$ 242</u>	<u>\$ 1,269</u>	<u>\$ 7,206</u>	<u>\$ -</u>	<u>\$ 7,206</u>	
Unrealized Investment Gain/(Loss)	<u>(324)</u>	<u>(18)</u>	<u>(4)</u>	<u>(242)</u>	<u>(588)</u>	<u>-</u>	<u>(588)</u>	
<u>SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)</u>	<u>\$ 4,723</u>	<u>\$ 630</u>	<u>\$ 238</u>	<u>\$ 1,027</u>	<u>\$ 6,618</u>	<u>\$ -</u>	<u>\$ 6,618</u>	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF REVENUES AND EXPENSES
SIX MONTHS ENDED DECEMBER 30, 2017

	(THOUSANDS)									
	CITY TRANSIT DIVISION		VICTORY DIVISION		FRONTIER DIVISION		REGIONAL RAIL DIVISION		TOTAL SEPTA	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
OPERATING REVENUES										
Passenger Revenue	\$ 142,603	\$ 139,113	\$ 11,073	\$ 12,326	\$ 3,275	\$ 3,122	\$ 74,586	\$ 71,205	\$ 231,537	\$ 225,766
Shared Ride Program	9,352	8,528	-	-	-	-	-	-	9,352	8,528
Investment Income	354	708	17	38	5	11	438	697	814	1,454
Other Income	10,041	10,497	1,130	1,116	433	341	5,780	6,645	17,384	18,599
TOTAL OPERATING REVENUE	162,350	158,846	12,220	13,480	3,713	3,474	80,804	78,547	259,087	254,347
OPERATING EXPENSES										
Labor, including Paid Absences	211,218	208,277	23,033	23,772	9,270	9,126	69,253	70,277	312,774	311,452
Fringe Benefits	139,661	132,476	13,967	12,850	4,273	4,591	39,883	38,955	197,784	188,872
Material & Services	72,024	74,135	9,630	9,377	2,146	2,021	55,395	54,534	139,195	140,067
Injuries & Damages	11,444	11,444	539	539	263	263	2,799	2,799	15,045	15,045
Propulsion Power	5,802	5,492	577	557	-	-	9,705	8,802	16,084	14,851
Fixed Rent	1,512	1,701	79	80	27	27	616	626	2,234	2,434
Fuel	9,583	9,208	1,622	1,572	1,055	979	248	223	12,508	11,982
Depreciation	7,098	6,941	110	104	26	24	3,030	3,603	10,264	10,672
TOTAL OPERATING EXPENSES	458,342	449,674	49,557	48,851	17,060	17,031	180,929	179,819	705,888	695,375
DEFICIT BEFORE SUBSIDIES	(295,992)	(290,828)	(37,337)	(35,371)	(13,347)	(13,557)	(100,125)	(101,272)	(446,801)	(441,028)
OPERATING SUBSIDIES										
Federal	12,716	13,309	1,647	1,582	575	603	3,040	4,001	17,978	19,495
State	233,423	232,800	30,969	29,879	10,816	11,184	57,185	58,530	332,393	332,393
Local	35,014	34,920	4,645	4,482	1,622	1,678	8,578	8,779	49,859	49,859
Lease Cost/Debt Service	14,204	14,208	76	76	19	19	30,572	30,568	44,871	44,871
Other-Route Guarantees	635	638	-	-	315	315	750	663	1,700	1,616
TOTAL SUBSIDIES	295,992	295,875	37,337	36,019	13,347	13,799	100,125	102,541	446,801	448,234
SURPLUS AFTER SUBSIDIES	\$ -	\$ 5,047	\$ -	\$ 648	\$ -	\$ 242	\$ -	\$ 1,269	\$ -	\$ 7,206
Unrealized Investment Gain/(Loss)	-	(324)	-	(18)	-	(4)	-	(242)	-	(588)
SURPLUS AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 4,723	\$ -	\$ 630	\$ -	\$ 238	\$ -	\$ 1,027	\$ -	\$ 6,618

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF INCOME
ONE MONTH ENDED DECEMBER 30, 2017

(THOUSANDS)

	CITY TRANSIT DIVISION	VICTORY DIVISION	FRONTIER DIVISION	REGIONAL RAIL DIVISION	TOTAL SEPTA	BUDGET AMOUNT	BUDGET VARIANCE	
							AMOUNT	PERCENT
<u>OPERATING REVENUES</u>								
Passenger Revenue	\$ 21,361	\$ 1,862	\$ 384	\$ 11,091	\$ 34,698	\$ 34,236	\$ 462	1.35
Other Operating Revenue	<u>1,916</u>	<u>220</u>	<u>55</u>	<u>1,111</u>	<u>3,302</u>	<u>3,001</u>	<u>301</u>	10.03
Sub-Total - Operating Revenue	23,277	2,082	439	12,202	38,000	37,237	763	2.05
Shared Ride Program	<u>1,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186</u>	<u>1,423</u>	<u>(237)</u>	(16.65)
TOTAL REVENUE AVAILABLE FOR OPERATIONS	24,463	2,082	439	12,202	39,186	38,660	526	1.36
<u>OPERATING EXPENSES</u>	<u>73,972</u>	<u>7,577</u>	<u>2,683</u>	<u>28,777</u>	<u>113,009</u>	<u>114,531</u>	<u>1,522</u>	1.33
DEFICIT BEFORE SUBSIDIES	(49,509)	(5,495)	(2,244)	(16,575)	(73,823)	(75,871)	2,048	2.70
OPERATING SUBSIDIES	<u>50,955</u>	<u>5,672</u>	<u>2,312</u>	<u>16,931</u>	<u>75,870</u>	<u>75,871</u>	<u>(1)</u>	(0.00)
SURPLUS AFTER SUBSIDIES	\$ 1,446	\$ 177	\$ 68	\$ 356	\$ 2,047	\$ -	\$ 2,047	
Unrealized Investment Gain/(Loss)	<u>(88)</u>	<u>(5)</u>	<u>(1)</u>	<u>(152)</u>	<u>(246)</u>	<u>-</u>	<u>(246)</u>	
<u>SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)</u>	<u>\$ 1,358</u>	<u>\$ 172</u>	<u>\$ 67</u>	<u>\$ 204</u>	<u>\$ 1,801</u>	<u>\$ -</u>	<u>\$ 1,801</u>	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CONSOLIDATING STATEMENT OF REVENUES AND EXPENSES
ONE MONTH ENDED DECEMBER 30, 2017

	(THOUSANDS)									
	CITY TRANSIT DIVISION		VICTORY DIVISION		FRONTIER DIVISION		REGIONAL RAIL DIVISION		TOTAL SEPTA	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
OPERATING REVENUES										
Passenger Revenue	\$ 21,303	\$ 21,361	\$ 1,636	1,862	469	\$ 384	\$ 10,828	\$ 11,091	\$ 34,236	\$ 34,698
Shared Ride Program	1,423	1,186	-	-	-	-	-	-	1,423	1,186
Investment Income	54	119	3	7	-	2	67	89	124	217
Other Income	1,650	1,797	189	213	73	53	965	1,022	2,877	3,085
TOTAL OPERATING REVENUE	24,430	24,463	1,828	2,082	542	439	11,860	12,202	38,660	39,186
OPERATING EXPENSES										
Labor, including Paid Absences	33,230	33,233	3,614	3,824	1,429	1,454	10,673	11,064	48,946	49,575
Fringe Benefits	23,257	20,501	2,325	1,953	697	721	6,221	5,012	32,500	28,187
Material & Services	11,943	14,785	1,490	1,346	330	318	10,163	10,031	23,926	26,480
Injuries & Damages	1,741	1,741	82	82	40	40	450	450	2,313	2,313
Propulsion Power	1,032	1,022	123	119	-	-	1,639	1,462	2,794	2,603
Fixed Rent	278	217	13	13	5	4	99	92	395	326
Fuel	1,474	1,311	262	223	164	142	38	31	1,938	1,707
Depreciation	1,190	1,162	19	17	4	4	506	635	1,719	1,818
TOTAL OPERATING EXPENSES	74,145	73,972	7,928	7,577	2,669	2,683	29,789	28,777	114,531	113,009
DEFICIT BEFORE SUBSIDIES	(49,715)	(49,509)	(6,100)	(5,495)	(2,127)	(2,244)	(17,929)	(16,575)	(75,871)	(73,823)
OPERATING SUBSIDIES										
Federal	2,135	2,189	270	250	91	100	557	514	3,053	3,053
State	39,183	40,214	5,060	4,704	1,722	1,875	10,484	9,656	56,449	56,449
Local	5,878	6,032	758	705	258	282	1,573	1,448	8,467	8,467
Lease Cost/Debt Service	2,413	2,414	12	13	3	3	5,190	5,188	7,618	7,618
Other-Route Guarantees	106	106	-	-	53	52	125	125	284	283
TOTAL SUBSIDIES	49,715	50,955	6,100	5,672	2,127	2,312	17,929	16,931	75,871	75,870
SURPLUS AFTER SUBSIDIES	\$ -	\$ 1,446	\$ -	\$ 177	\$ -	\$ 68	\$ -	\$ 356	\$ -	\$ 2,047
Unrealized Investment Gain/(Loss)	-	(88)	-	(5)	-	(1)	-	(152)	-	(246)
SURPLUS AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 1,358	\$ -	\$ 172	\$ -	\$ 67	\$ -	\$ 204	\$ -	\$ 1,801

FINANCIAL REPORT - DECEMBER 2017

GROUP 2 - CITY TRANSIT DIVISION

- (2.1) Comparative Statement of Income
- (2.2) Detail Income Statement - (One Month)
- (2.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CITY TRANSIT DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED DECEMBER 30, 2017

(THOUSANDS)

ONE MONTH ENDED DECEMBER 30, 2017					SIX MONTHS ENDED DECEMBER 30, 2017				
THIS YEAR			LAST YEAR		THIS YEAR			LAST YEAR	
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/(WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/(WORSE) LAST YEAR %	BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/(WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/(WORSE) LAST YEAR %
OPERATING REVENUES									
\$ 21,303	\$ 21,361	0.27	\$ 20,831	2.54	\$ 142,603	\$ 139,113	(2.45)	\$ 132,508	4.98
1,704	1,916	12.44	1,760	8.86	10,395	11,205	7.79	11,094	1.00
23,007	23,277	1.17	22,591	3.04	152,998	150,318	(1.75)	143,602	4.68
1,423	1,186	(16.65)	1,281	(7.42)	9,352	8,528	(8.81)	8,770	(2.76)
24,430	24,463	0.14	23,872	2.48	162,350	158,846	(2.16)	152,372	4.25
74,145	73,972	0.23	70,433	(5.02)	458,342	449,674	1.89	445,198	(1.01)
(49,715)	(49,509)	0.41	(46,561)	(6.33)	(295,992)	(290,828)	1.74	(292,826)	0.68
49,715	50,955	2.49	47,012	8.39	295,992	295,875	(0.04)	280,973	5.30
-	1,446		451		-	5,047		(11,853)	
-	(88)		(166)		-	(324)		(728)	
\$ -	\$ 1,358		\$ 285		\$ -	\$ 4,723		\$ (12,581)	
4,980	4,736	(4.90)	4,864	(2.63)	32,175	31,146	(3.20)	30,770	1.22
388	351	(9.54)	381	(7.87)	2,725	2,452	(10.02)	2,611	(6.09)
11,740	11,071	(5.70)	13,248	(16.43)	80,349	77,477	(3.57)	86,047	(9.96)
51	43	(15.69)	49	(12.24)	334	316	(5.39)	342	(7.60)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CITY TRANSIT DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		BUDGET AMOUNT	ACTUAL AMOUNT	AMOUNT	%
\$ 20,831	\$ 530	2.54	<u>OPERATING REVENUES</u>				
81	38	46.91	Passenger Revenue	\$ 21,303	\$ 21,361	\$ 58	0.27
1,679	118	7.03	Investment Income	54	119	65	-
22,591	686	3.04	Other Income	1,650	1,797	147	8.91
1,281	(95)	(7.42)	SUB-TOTAL	23,007	23,277	270	1.17
23,872	591	2.48	Shared Ride Program	1,423	1,186	(237)	(16.65)
			TOTAL REVENUE AVAILABLE FOR OPERATIONS	24,430	24,463	33	0.14
			<u>OPERATING EXPENSES</u>				
54,265	531	0.98	Labor & Fringe Benefits	56,487	53,734	2,753	4.87
10,467	(4,318)	(41.25)	Material & Services	11,943	14,785	(2,842)	(23.80)
1,893	152	8.03	Injuries & Damages	1,741	1,741	-	-
1,082	60	5.55	Propulsion Power	1,032	1,022	10	0.97
168	(49)	(29.17)	Fixed Rent	278	217	61	21.94
1,460	149	10.21	Fuel	1,474	1,311	163	11.06
1,098	(64)	(5.83)	Depreciation	1,190	1,162	28	2.35
70,433	(3,539)	(5.02)	TOTAL OPERATING EXPENSES	74,145	73,972	173	0.23
(46,561)	(2,948)	(6.33)	DEFICIT BEFORE SUBSIDIES	(49,715)	(49,509)	206	0.41
			<u>OPERATING SUBSIDIES</u>				
2,129	60	2.82	Federal	2,135	2,189	54	2.53
36,886	3,328	9.02	State	39,183	40,214	1,031	2.63
5,533	499	9.02	Local	5,878	6,032	154	2.62
2,360	54	2.29	Lease Cost/Debt Service	2,413	2,414	1	0.04
104	2	1.92	Other - Route Guarantees	106	106	-	-
47,012	3,943	8.39	TOTAL OPERATING SUBSIDIES	49,715	50,955	1,240	2.49
451	995	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	1,446	1,446	-
(166)	78		Unrealized Investment Gain/(Loss)	-	(88)	(88)	
\$ 285	\$ 1,073		SURPLUS/(DEFICIT) After Investment Gain/(Loss)	\$ -	\$ 1,358	\$ 1,358	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
CITY TRANSIT DIVISION
DETAIL INCOME STATEMENT
SIX MONTHS ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		BUDGET AMOUNT	ACTUAL AMOUNT	AMOUNT	%
\$ 132,508	\$ 6,605	4.98	<u>OPERATING REVENUES</u>	\$ 142,603	\$ 139,113	\$ (3,490)	(2.45)
444	264	59.46	Passenger Revenue	354	708	354	-
10,650	(153)	(1.44)	Investment Income	10,041	10,497	456	4.54
143,602	6,716	4.68	Other Income	152,998	150,318	(2,680)	(1.75)
8,770	(242)	(2.76)	SUB-TOTAL	9,352	8,528	(824)	(8.81)
152,372	6,474	4.25	Shared Ride Program	162,350	158,846	(3,504)	(2.16)
			TOTAL REVENUE AVAILABLE FOR OPERATIONS				
			<u>OPERATING EXPENSES</u>				
337,316	(3,437)	(1.02)	Labor & Fringe Benefits	350,879	340,753	10,126	2.89
72,071	(2,064)	(2.86)	Material & Services	72,024	74,135	(2,111)	(2.93)
12,300	856	6.96	Injuries & Damages	11,444	11,444	-	-
5,765	273	4.74	Propulsion Power	5,802	5,492	310	5.34
1,483	(218)	(14.70)	Fixed Rent	1,512	1,701	(189)	(12.50)
9,737	529	5.43	Fuel	9,583	9,208	375	3.91
6,526	(415)	(6.36)	Depreciation	7,098	6,941	157	2.21
445,198	(4,476)	(1.01)	TOTAL OPERATING EXPENSES	458,342	449,674	8,668	1.89
(292,826)	1,998	0.68	DEFICIT BEFORE SUBSIDIES	(295,992)	(290,828)	5,164	1.74
			<u>OPERATING SUBSIDIES</u>				
12,729	580	4.56	Federal	12,716	13,309	593	4.66
220,381	12,419	5.64	State	233,423	232,800	(623)	(0.27)
33,058	1,862	5.63	Local	35,014	34,920	(94)	(0.27)
14,184	24	0.17	Lease Cost/Debt Service	14,204	14,208	4	0.03
621	17	2.74	Other - Route Guarantees	635	638	3	0.47
280,973	14,902	5.30	TOTAL OPERATING SUBSIDIES	295,992	295,875	(117)	(0.04)
(11,853)	16,900	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	5,047	5,047	-
(728)	404		Unrealized Investment Gain/(Loss)	-	(324)	(324)	
\$ (12,581)	\$ 17,304		SURPLUS/(DEFICIT) After Investment Gain/(Loss)	\$ -	\$ 4,723	\$ 4,723	

FINANCIAL REPORT - DECEMBER 2017

GROUP 3 - VICTORY DIVISION

- (3.1) Comparative Statement of Income
- (3.2) Detail Income Statement - (One Month)
- (3.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
VICTORY DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED DECEMBER 30, 2017

(THOUSANDS)

ONE MONTH ENDED DECEMBER 30, 2017					SIX MONTHS ENDED DECEMBER 30, 2017					
THIS YEAR			LAST YEAR			THIS YEAR			LAST YEAR	
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %		BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %
					<u>OPERATING REVENUES</u>					
\$ 1,636	\$ 1,862	13.81	\$ 1,748	6.52	Passenger Revenue	\$ 11,073	\$ 12,326	11.32	\$ 11,591	6.34
192	220	14.58	183	20.22	Other Operating Revenue	1,147	1,154	0.61	1,044	10.54
<u>1,828</u>	<u>2,082</u>	<u>13.89</u>	<u>1,931</u>	<u>7.82</u>	TOTAL REVENUE AVAILABLE FOR OPERATIONS	<u>12,220</u>	<u>13,480</u>	<u>10.31</u>	<u>12,635</u>	<u>6.69</u>
<u>7,928</u>	<u>7,577</u>	<u>4.43</u>	<u>7,956</u>	<u>4.76</u>	OPERATING EXPENSES	<u>49,557</u>	<u>48,851</u>	<u>1.42</u>	<u>48,775</u>	<u>(0.16)</u>
<u>(6,100)</u>	<u>(5,495)</u>	<u>9.92</u>	<u>(6,025)</u>	<u>8.80</u>	DEFICIT BEFORE SUBSIDIES	<u>(37,337)</u>	<u>(35,371)</u>	<u>5.27</u>	<u>(36,140)</u>	<u>2.13</u>
<u>6,100</u>	<u>5,672</u>	<u>(7.02)</u>	<u>6,068</u>	<u>(6.53)</u>	OPERATING SUBSIDIES	<u>37,337</u>	<u>36,019</u>	<u>(3.53)</u>	<u>34,600</u>	<u>4.10</u>
<u>-</u>	<u>177</u>		<u>43</u>		SURPLUS/(DEFICIT) AFTER SUBSIDIES	<u>-</u>	<u>648</u>		<u>(1,540)</u>	
<u>-</u>	<u>(5)</u>		<u>(9)</u>		Unrealized Investment Gain/(Loss)	<u>-</u>	<u>(18)</u>		<u>(37)</u>	
<u>\$ -</u>	<u>\$ 172</u>		<u>\$ 34</u>		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	<u>\$ -</u>	<u>\$ 630</u>		<u>\$ (1,577)</u>	
941	882	(6.27)	888	(0.68)	TOTAL VEHICLE MILES	6,138	5,757	(6.21)	6,028	(4.50)
861	958	11.27	998	(4.01)	REVENUE PASSENGER JOURNEYS	5,936	6,608	11.32	6,739	(1.94)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
VICTORY DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		BUDGET AMOUNT	ACTUAL AMOUNT	AMOUNT	%
\$ 1,748	\$ 114	6.52	<u>OPERATING REVENUES</u>	\$ 1,636	\$ 1,862	\$ 226	13.81
4	3	75.00	Passenger Revenue	3	7	4	-
179	34	18.99	Investment Income	189	213	24	12.70
<u>1,931</u>	<u>151</u>	<u>7.82</u>	Other Income	<u>1,828</u>	<u>2,082</u>	<u>254</u>	<u>13.89</u>
			TOTAL REVENUE AVAILABLE FOR OPERATIONS				
			<u>OPERATING EXPENSES</u>				
6,198	421	6.79	Labor & Fringe Benefits	5,939	5,777	162	2.73
1,268	(78)	(6.15)	Material & Services	1,490	1,346	144	9.66
123	41	33.33	Injuries & Damages	82	82	-	-
100	(19)	(19.00)	Propulsion Power	123	119	4	3.25
12	(1)	(8.33)	Fixed Rent	13	13	-	-
238	15	6.30	Fuel	262	223	39	14.89
17	-	-	Depreciation	19	17	2	10.53
<u>7,956</u>	<u>379</u>	<u>4.76</u>	TOTAL OPERATING EXPENSES	<u>7,928</u>	<u>7,577</u>	<u>351</u>	<u>4.43</u>
			DEFICIT BEFORE SUBSIDIES	(6,100)	(5,495)	605	9.92
(6,025)	530	8.80					
			<u>OPERATING SUBSIDIES</u>				
283	(33)	(11.66)	Federal	270	250	(20)	(7.41)
5,020	(316)	(6.29)	State	5,060	4,704	(356)	(7.04)
753	(48)	(6.37)	Local	758	705	(53)	(6.99)
12	1	8.33	Lease Cost/Debt Service	12	13	1	8.33
-	-	-	Other - Route Guarantees	-	-	-	-
<u>6,068</u>	<u>(396)</u>	<u>(6.53)</u>	TOTAL OPERATING SUBSIDIES	<u>6,100</u>	<u>5,672</u>	<u>(428)</u>	<u>(7.02)</u>
			SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	177	177	-
43	134	-					
(9)	4		Unrealized Investment Gain/(Loss)	-	(5)	(5)	
\$ <u>34</u>	\$ <u>138</u>		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ <u>172</u>	\$ <u>172</u>	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
VICTORY DIVISION
DETAIL INCOME STATEMENT
SIX MONTHS ENDED DECEMBER 30, 2017

(THOUSANDS)

<u>LAST YEAR</u> <u>AMOUNT</u>	<u>THIS YEAR ACTUAL</u> <u>BETTER (WORSE) LAST YEAR</u>			<u>THIS YEAR</u>		<u>THIS YEAR ACTUAL</u> <u>BETTER (WORSE) BUDGET</u>	
	<u>AMOUNT</u>	<u>%</u>		<u>BUDGET</u> <u>AMOUNT</u>	<u>ACTUAL</u> <u>AMOUNT</u>	<u>AMOUNT</u>	<u>%</u>
\$ 11,591	\$ 735	6.34	<u>OPERATING REVENUES</u>				
20	18	90.00	Passenger Revenue	\$ 11,073	\$ 12,326	\$ 1,253	11.32
1,024	92	8.98	Investment Income	17	38	21	-
12,635	845	6.69	Other Income	1,130	1,116	(14)	(1.24)
			TOTAL REVENUE AVAILABLE FOR OPERATIONS	12,220	13,480	1,260	10.31
			<u>OPERATING EXPENSES</u>				
36,026	(596)	(1.65)	Labor & Fringe Benefits	37,000	36,622	378	1.02
9,582	205	2.14	Material & Services	9,630	9,377	253	2.63
800	261	32.63	Injuries & Damages	539	539	-	-
549	(8)	(1.46)	Propulsion Power	577	557	20	3.47
73	(7)	(9.59)	Fixed Rent	79	80	(1)	(1.27)
1,642	70	4.26	Fuel	1,622	1,572	50	3.08
103	(1)	(0.97)	Depreciation	110	104	6	5.45
48,775	(76)	(0.16)	TOTAL OPERATING EXPENSES	49,557	48,851	706	1.42
(36,140)	769	2.13	DEFICIT BEFORE SUBSIDIES	(37,337)	(35,371)	1,966	5.27
			<u>OPERATING SUBSIDIES</u>				
1,613	(31)	(1.92)	Federal	1,647	1,582	(65)	(3.95)
28,621	1,258	4.40	State	30,969	29,879	(1,090)	(3.52)
4,293	189	4.40	Local	4,645	4,482	(163)	(3.51)
73	3	4.11	Lease Cost/Debt Service	76	76	-	-
-	-	-	Other - Route Guarantees	-	-	-	-
34,600	1,419	4.10	TOTAL OPERATING SUBSIDIES	37,337	36,019	(1,318)	(3.53)
(1,540)	2,188	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	648	648	-
(37)	19		Unrealized Investment Gain/(Loss)	-	(18)	(18)	
\$ (1,577)	\$ 2,207		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 630	\$ 630	

FINANCIAL REPORT - DECEMBER 2017

GROUP 4 - FRONTIER DIVISION

- (4.1) Comparative Statement of Income
- (4.2) Detail Income Statement - (One Month)
- (4.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FRONTIER DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED DECEMBER 30, 2017

(THOUSANDS)

ONE MONTH ENDED DECEMBER 30, 2017					SIX MONTHS ENDED DECEMBER 30, 2017					
THIS YEAR			LAST YEAR			THIS YEAR			LAST YEAR	
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %		BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %
					<u>OPERATING REVENUES</u>					
\$ 469	\$ 384	(18.12)	\$ 576	(33.33)	Passenger Revenue	\$ 3,275	\$ 3,122	(4.67)	\$ 3,477	(10.21)
73	55	(24.66)	67	(17.91)	Other Operating Revenue	438	352	(19.63)	384	(8.33)
542	439	(19.00)	643	(31.73)	TOTAL REVENUE AVAILABLE FOR OPERATIONS	3,713	3,474	(6.44)	3,861	(10.02)
2,669	2,683	(0.52)	2,660	(0.86)	OPERATING EXPENSES	17,060	17,031	0.17	16,125	(5.62)
(2,127)	(2,244)	(5.50)	(2,017)	(11.25)	DEFICIT BEFORE SUBSIDIES	(13,347)	(13,557)	(1.57)	(12,264)	(10.54)
2,127	2,312	8.70	2,033	13.72	OPERATING SUBSIDIES	13,347	13,799	3.39	11,755	17.39
-	68		16		SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	242		(509)	
-	(1)		(1)		Unrealized Investment Gain/(Loss)	-	(4)		(8)	
\$ -	\$ 67		\$ 15		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 238		\$ (517)	
421	421	-	426	(1.17)	TOTAL VEHICLE MILES	2,786	2,779	(0.25)	2,794	(0.54)
244	202	(17.21)	296	(31.76)	REVENUE PASSENGER JOURNEYS	1,732	1,607	(7.22)	1,852	(13.23)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FRONTIER DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		AMOUNT	AMOUNT	AMOUNT	%
\$ 576	\$ (192)	(33.33)	<u>OPERATING REVENUES</u>	\$ 469	\$ 384	\$ (85)	(18.12)
2	-	-	Passenger Revenue	-	2	2	-
65	(12)	(18.46)	Investment Income	73	53	(20)	(27.40)
643	(204)	(31.73)	Other Income	542	439	(103)	(19.00)
			TOTAL REVENUE AVAILABLE FOR OPERATIONS				
			<u>OPERATING EXPENSES</u>				
2,197	22	1.00	Labor & Fringe Benefits	2,126	2,175	(49)	(2.30)
281	(37)	(13.17)	Material & Services	330	318	12	3.64
23	(17)	(73.91)	Injuries & Damages	40	40	-	-
4	-	-	Fixed Rent	5	4	1	20.00
150	8	5.33	Fuel	164	142	22	13.41
5	1	20.00	Depreciation	4	4	-	-
2,660	(23)	(0.86)	TOTAL OPERATING EXPENSES	2,669	2,683	(14)	(0.52)
(2,017)	(227)	(11.25)	DEFICIT BEFORE SUBSIDIES	(2,127)	(2,244)	(117)	(5.50)
			<u>OPERATING SUBSIDIES</u>				
93	7	7.53	Federal	91	100	9	9.89
1,639	236	14.40	State	1,722	1,875	153	8.89
246	36	14.63	Local	258	282	24	9.30
3	-	-	Lease Cost/Debt Service	3	3	-	-
52	-	-	Other - Route Guarantees	53	52	(1)	(1.89)
2,033	279	13.72	TOTAL OPERATING SUBSIDIES	2,127	2,312	185	8.70
16	52	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	68	68	-
(1)	-	-	Unrealized Investment Gain/(Loss)	-	(1)	(1)	-
\$ 15	\$ 52		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 67	\$ 67	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FRONTIER DIVISION
DETAIL INCOME STATEMENT
SIX MONTHS ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		AMOUNT	AMOUNT	AMOUNT	%
\$ 3,477	\$ (355)	(10.21)	<u>OPERATING REVENUES</u>	\$ 3,275	\$ 3,122	\$ (153)	(4.67)
6	5	83.33	Passenger Revenue	5	11	6	-
378	(37)	(9.79)	Investment Income	433	341	(92)	(21.25)
3,861	(387)	(10.02)	Other Income	3,713	3,474	(239)	(6.44)
			TOTAL REVENUE AVAILABLE FOR OPERATIONS				
			<u>OPERATING EXPENSES</u>				
13,135	(582)	(4.43)	Labor & Fringe Benefits	13,543	13,717	(174)	(1.28)
1,729	(292)	(16.89)	Material & Services	2,146	2,021	125	5.82
150	(113)	(75.33)	Injuries & Damages	263	263	-	-
24	(3)	(12.50)	Fixed Rent	27	27	-	-
1,063	84	7.90	Fuel	1,055	979	76	7.20
24	-	-	Depreciation	26	24	2	7.69
16,125	(906)	(5.62)	TOTAL OPERATING EXPENSES	17,060	17,031	29	0.17
			DEFICIT BEFORE SUBSIDIES	(13,347)	(13,557)	(210)	(1.57)
(12,264)	(1,293)	(10.54)	<u>OPERATING SUBSIDIES</u>				
534	69	12.92	Federal	575	603	28	4.87
9,471	1,713	18.09	State	10,816	11,184	368	3.40
1,421	257	18.09	Local	1,622	1,678	56	3.45
19	-	-	Lease Cost/Debt Service	19	19	-	-
310	5	1.61	Other - Route Guarantees	315	315	-	-
11,755	2,044	17.39	TOTAL OPERATING SUBSIDIES	13,347	13,799	452	3.39
(509)	751	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	242	242	-
(8)	4		Unrealized Investment Gain/(Loss)	-	(4)	(4)	
\$ (517)	\$ 755		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 238	\$ 238	

FINANCIAL REPORT - DECEMBER 2017

GROUP 5 - REGIONAL RAIL DIVISION

- (5.1) Comparative Statement of Income
- (5.2) Detail Income Statement - (One Month)
- (5.3) Detail Income Statement - (YTD)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
REGIONAL RAIL DIVISION
COMPARATIVE STATEMENT OF INCOME
PERIOD ENDED DECEMBER 30, 2017

(THOUSANDS)

ONE MONTH ENDED DECEMBER 30, 2017					SIX MONTHS ENDED DECEMBER 30, 2017					
THIS YEAR			LAST YEAR			THIS YEAR			LAST YEAR	
BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %		BUDGET AMOUNT	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) BUDGET %	ACTUAL AMOUNT	ACTUAL BETTER/ (WORSE) LAST YEAR %
					<u>OPERATING REVENUES</u>					
\$ 10,828	\$ 11,091	2.43	\$ 10,559	5.04	Passenger Revenue	\$ 74,586	\$ 71,205	(4.53)	\$ 67,158	6.03
1,032	1,111	7.66	1,071	3.73	Other Operating Revenue	6,218	7,342	18.08	5,479	34.00
<u>11,860</u>	<u>12,202</u>	<u>2.88</u>	<u>11,630</u>	<u>4.92</u>	TOTAL REVENUE AVAILABLE FOR OPERATIONS	<u>80,804</u>	<u>78,547</u>	<u>(2.79)</u>	<u>72,637</u>	<u>8.14</u>
<u>29,789</u>	<u>28,777</u>	<u>3.40</u>	<u>27,150</u>	<u>(5.99)</u>	OPERATING EXPENSES	<u>180,929</u>	<u>179,819</u>	<u>0.61</u>	<u>173,800</u>	<u>(3.46)</u>
<u>(17,929)</u>	<u>(16,575)</u>	<u>7.55</u>	<u>(15,520)</u>	<u>(6.80)</u>	DEFICIT BEFORE SUBSIDIES	<u>(100,125)</u>	<u>(101,272)</u>	<u>(1.15)</u>	<u>(101,163)</u>	<u>(0.11)</u>
<u>17,929</u>	<u>16,931</u>	<u>(5.57)</u>	<u>15,674</u>	<u>8.02</u>	OPERATING SUBSIDIES	<u>100,125</u>	<u>102,541</u>	<u>2.41</u>	<u>98,184</u>	<u>4.44</u>
<u>-</u>	<u>356</u>		<u>154</u>		SURPLUS/(DEFICIT) AFTER SUBSIDIES	<u>-</u>	<u>1,269</u>		<u>(2,979)</u>	
<u>-</u>	<u>(152)</u>		<u>(94)</u>		Unrealized Investment Gain/(Loss)	<u>-</u>	<u>(242)</u>		<u>(805)</u>	
<u>\$ -</u>	<u>\$ 204</u>		<u>\$ 60</u>		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	<u>\$ -</u>	<u>\$ 1,027</u>		<u>\$ (3,784)</u>	
1,620	1,624	0.25	1,546	5.05	TOTAL VEHICLE MILES	10,672	10,652	(0.19)	10,059	5.90
2,447	2,541	3.84	2,552	(0.43)	REVENUE PASSENGER JOURNEYS	17,322	16,901	(2.43)	16,920	(0.11)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
REGIONAL RAIL DIVISION
DETAIL INCOME STATEMENT
ONE MONTH ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR BUDGET ACTUAL		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%		AMOUNT	AMOUNT	AMOUNT	%
\$ 10,559	\$ 532	5.04	<u>OPERATING REVENUES</u>	\$ 10,828	\$ 11,091	\$ 263	2.43
77	12	15.58	Passenger Revenue	67	89	22	32.84
994	28	2.82	Investment Income	965	1,022	57	5.91
11,630	572	4.92	Other Income	11,860	12,202	342	2.88
			TOTAL REVENUE AVAILABLE FOR OPERATIONS				
			<u>OPERATING EXPENSES</u>				
16,297	221	1.36	Labor & Fringe Benefits	16,894	16,076	818	4.84
8,094	(1,937)	(23.93)	Material & Services	10,163	10,031	132	1.30
172	(278)	-	Injuries & Damages	450	450	-	-
1,615	153	9.47	Propulsion Power	1,639	1,462	177	10.80
451	359	79.60	Fixed Rent	99	92	7	7.07
27	(4)	(14.81)	Fuel	38	31	7	18.42
494	(141)	(28.54)	Depreciation	506	635	(129)	(25.49)
27,150	(1,627)	(5.99)	TOTAL OPERATING EXPENSES	29,789	28,777	1,012	3.40
(15,520)	(1,055)	(6.80)	DEFICIT BEFORE SUBSIDIES	(17,929)	(16,575)	1,354	7.55
			<u>OPERATING SUBSIDIES</u>				
489	25	5.11	Federal	557	514	(43)	(7.72)
8,668	988	11.40	State	10,484	9,656	(828)	(7.90)
1,300	148	11.38	Local	1,573	1,448	(125)	(7.95)
5,101	87	1.71	Lease Cost/Debt Service	5,190	5,188	(2)	(0.04)
116	9	7.76	Other - Route Guarantees	125	125	-	-
15,674	1,257	8.02	TOTAL OPERATING SUBSIDIES	17,929	16,931	(998)	(5.57)
154	202	-	SURPLUS/(DEFICIT) AFTER SUBSIDIES	-	356	356	-
(94)	(58)		Unrealized Investment Gain/(Loss)	-	(152)	(152)	
\$ 60	\$ 144		SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)	\$ -	\$ 204	\$ 204	

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
REGIONAL RAIL DIVISION
DETAIL INCOME STATEMENT
SIX MONTHS ENDED DECEMBER 30, 2017

(THOUSANDS)

LAST YEAR AMOUNT	THIS YEAR ACTUAL BETTER (WORSE) LAST YEAR			THIS YEAR BUDGET AMOUNT		THIS YEAR ACTUAL BETTER (WORSE) BUDGET	
	AMOUNT	%			AMOUNT	AMOUNT	%
<p>\$ 67,158</p> <p>414</p> <p>5,065</p> <hr style="border: 0.5px solid black;"/> <p>72,637</p> <p>106,950</p> <p>48,838</p> <p>1,100</p> <p>9,645</p> <p>4,199</p> <p>212</p> <p>2,856</p> <hr style="border: 0.5px solid black;"/> <p>173,800</p> <p>(101,163)</p> <p>3,122</p> <p>55,383</p> <p>8,307</p> <p>30,672</p> <p>700</p> <p>98,184</p> <hr style="border: 0.5px solid black;"/> <p>(2,979)</p> <hr style="border: 0.5px solid black;"/> <p>(805)</p> <hr style="border: 0.5px solid black;"/> <p>\$ (3,784)</p>	<p>\$ 4,047</p> <p>283</p> <p>1,580</p> <hr style="border: 0.5px solid black;"/> <p>5,910</p> <p>(2,282)</p> <p>(5,696)</p> <p>(1,699)</p> <p>843</p> <p>3,573</p> <p>(11)</p> <p>(747)</p> <hr style="border: 0.5px solid black;"/> <p>(6,019)</p> <p>(109)</p> <p>879</p> <p>3,147</p> <p>472</p> <p>(104)</p> <p>(37)</p> <p>4,357</p> <hr style="border: 0.5px solid black;"/> <p>4,248</p> <hr style="border: 0.5px solid black;"/> <p>563</p> <hr style="border: 0.5px solid black;"/> <p>\$ 4,811</p>	<p>6.03</p> <p>68.36</p> <p>31.19</p> <hr style="border: 0.5px solid black;"/> <p>8.14</p> <p>(2.13)</p> <p>(11.66)</p> <p>-</p> <p>8.74</p> <p>85.09</p> <p>(5.19)</p> <p>(26.16)</p> <hr style="border: 0.5px solid black;"/> <p>(3.46)</p> <p>(0.11)</p> <p>28.16</p> <p>5.68</p> <p>5.68</p> <p>(0.34)</p> <p>(5.29)</p> <p>4.44</p> <hr style="border: 0.5px solid black;"/> <p>-</p> <hr style="border: 0.5px solid black;"/> <p>-</p> <hr style="border: 0.5px solid black;"/> <p>-</p>	<p><u>OPERATING REVENUES</u></p> <p>Passenger Revenue</p> <p>Investment Income</p> <p>Other Income</p> <p>TOTAL REVENUE AVAILABLE FOR OPERATIONS</p> <p><u>OPERATING EXPENSES</u></p> <p>Labor & Fringe Benefits</p> <p>Material & Services</p> <p>Injuries & Damages</p> <p>Propulsion Power</p> <p>Fixed Rent</p> <p>Fuel</p> <p>Depreciation</p> <p>TOTAL OPERATING EXPENSES</p> <p>DEFICIT BEFORE SUBSIDIES</p> <p><u>OPERATING SUBSIDIES</u></p> <p>Federal</p> <p>State</p> <p>Local</p> <p>Lease Cost/Debt Service</p> <p>Other - Route Guarantees</p> <p>TOTAL OPERATING SUBSIDIES</p> <p>SURPLUS/(DEFICIT) AFTER SUBSIDIES</p> <p>Unrealized Investment Gain/(Loss)</p> <p>SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)</p>	<p>\$ 74,586</p> <p>438</p> <p>5,780</p> <hr style="border: 0.5px solid black;"/> <p>80,804</p> <p>109,136</p> <p>55,395</p> <p>2,799</p> <p>9,705</p> <p>616</p> <p>248</p> <p>3,030</p> <hr style="border: 0.5px solid black;"/> <p>180,929</p> <p>(100,125)</p> <p>3,040</p> <p>57,185</p> <p>8,578</p> <p>30,572</p> <p>750</p> <p>100,125</p> <hr style="border: 0.5px solid black;"/> <p>-</p> <hr style="border: 0.5px solid black;"/> <p>-</p> <hr style="border: 0.5px solid black;"/> <p>\$ -</p>	<p>\$ 71,205</p> <p>697</p> <p>6,645</p> <hr style="border: 0.5px solid black;"/> <p>78,547</p> <p>109,232</p> <p>54,534</p> <p>2,799</p> <p>8,802</p> <p>626</p> <p>223</p> <p>3,603</p> <hr style="border: 0.5px solid black;"/> <p>179,819</p> <p>(101,272)</p> <p>4,001</p> <p>58,530</p> <p>8,779</p> <p>30,568</p> <p>663</p> <p>102,541</p> <hr style="border: 0.5px solid black;"/> <p>1,269</p> <hr style="border: 0.5px solid black;"/> <p>(242)</p> <hr style="border: 0.5px solid black;"/> <p>\$ 1,027</p>	<p>\$ (3,381)</p> <p>259</p> <p>865</p> <hr style="border: 0.5px solid black;"/> <p>(2,257)</p> <p>(96)</p> <p>861</p> <p>-</p> <p>903</p> <p>(10)</p> <p>25</p> <p>(573)</p> <hr style="border: 0.5px solid black;"/> <p>1,110</p> <p>(1,147)</p> <p>961</p> <p>1,345</p> <p>201</p> <p>(4)</p> <p>(87)</p> <p>2,416</p> <hr style="border: 0.5px solid black;"/> <p>1,269</p> <hr style="border: 0.5px solid black;"/> <p>(242)</p> <hr style="border: 0.5px solid black;"/> <p>\$ 1,027</p>	

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page 1

EXHIBIT "B"

SEPTA needs to get State
Government Funding to
get persons not SEPTA
privies to do get other
persons when big
snowstorm to get
snow off edge of
roads and edges of
sidewalk get
all edge of snow
off edge of road and
edge of ~~the~~ sidewalk
so safety emergency
can get on and off
all safe all SEPTA
rides when it snows

snowstorm dangerous
if travel snowstorm
to get on SEPTA bus
could trip and fall
and be injured

need STATE GOVERNMENT
~~to~~ spendings for SEPTA
to get same work
to get all snowstorm
off ~~the~~ edge of sidewalk
and edge of road so
everyone can safely get
on and off all SEPTA rides

need STATE Government
funding for SEPTA
for people living in
street so all people
living in street and
face SEPTA buses
do go to all places
of worship that serve
maills

The welfare office
S8 and market, ~~S740~~
member 2012, said
huge cut ~~to~~ food shops
REPUBLICANS want
to end food shops shop
2022
welfare office ~~S8~~ and
member S710 market
said 2012 huge cuts
foodshops so all
places of worship that
serve maills.

for people living in the
street and many people
living in the street have
no money need to get
STATE GOVERNMENT funding
for people living in the street
so people living in street
get STATE GOVERNMENT ~~FIN~~
funding for SEPTA
so all people living in street
face SEPTA ~~to~~ all worship ~~places~~

at home of some maills
can be
people
welfare office
SEPTA
for