The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Southeastern Pennsylvania Transportation Authority for its annual budget for the fiscal year beginning July 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

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

Board Members

Chairman
Pasquale T. Deon, Sr.

Vice-Chairman
Thomas E. Babcock

Bucks County
Pasquale T. Deon, Sr.
Honorable Charles H. Martin

Chester County
Kevin L. Johnson, P.E.
William M. McSwain, Esquire

Delaware County
Thomas E. Babcock
Daniel J. Kubik

Montgomery County
Honorable Kenneth Lawrence, Jr.
Robert D. Fox, Esquire

City of Philadelphia
Beverly Coleman
Clarena I.W. Tolson

Governor’s Appointee
Honorable Dwight E. Evans

Senate Majority
Leader Appointee
Honorable Stewart J. Greenleaf, Esquire

House Majority
Leader Appointee
Michael A. Vereb

Senate Minority
Leader Appointee
William J. Leonard, Esquire

House Minority
Leader Appointee
John I. Kane

SEPTA Officers

General Manager
Jeffrey D. Knueppel

Deputy General Manager - Treasurer
Richard G. Burnfield

General Counsel
Gino J. Benedetti, Esquire

Controller to the Board
Stephen A. Jobs

Secretary to the Board
Carol R. Looby
## Table of Contents

**PREFACE**
- GFOA Award ................................................................................................................ i
- SEPTA Board Members and Officers ........................................................................ ii

1. **INTRODUCTION AND PROFILE**
   - SEPTA History ........................................................................................................ 1
   - SEPTA Service Profile at a Glance ....................................................................... 2
   - SEPTA Regional Rail & Rail Transit Map .............................................................. 3
   - Passenger Profile .................................................................................................. 4
   - Key Regional Transportation Trends .................................................................... 6
   - Strategic Business Plan ....................................................................................... 7
   - Key Performance Indicators ................................................................................ 8

2. **THE BUDGET PROCESS**
   - Budget Development .......................................................................................... 17
   - Fiscal Year 2018 Calendar .................................................................................. 18
   - Key Activities in the Budget Process ................................................................ 19

3. **FISCAL YEAR 2018 ASSUMPTIONS & CONSOLIDATED BUDGET**
   - Assumptions ....................................................................................................... 20
   - Fiscal Year 2018 Consolidated Budget ................................................................ 21

4. **FINANCIAL & BUDGETARY POLICIES**
   - Financial Planning Policies ............................................................................... 22
   - Revenue Policies .................................................................................................. 23
   - Expenditure Policies ............................................................................................. 24
   - Description of Existing Debt and Debt Service Policies ................................... 25
   - Statement of Changes in Equity .......................................................................... 29

5. **ORGANIZATIONAL STRUCTURE**
   - Operating Divisions ............................................................................................. 30
   - Operating and Staff Departments ......................................................................... 31
   - Corporate Team Organization Chart .................................................................... 33
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>THREE YEAR COMPARISON FISCAL YEARS 2016 - 2018</td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>City Transit Division</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Victory Division</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Frontier Division</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Regional Rail Division</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>FINANCIAL PROJECTIONS</td>
<td></td>
</tr>
<tr>
<td>Summary of Assumptions</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Financial Projections of Consolidated Budget</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>OPERATING REVENUE AND SERVICE PLAN OVERVIEW</td>
<td></td>
</tr>
<tr>
<td>Annual Service Plan Overview</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Revenue Assumptions by Category</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Ten Year Revenue Trends</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>Summary of Operating Revenue</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>OPERATING SUBSIDIES</td>
<td></td>
</tr>
<tr>
<td>Subsidy Allocation and Detail</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Service Stabilization Fund</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Consolidated Detail of Subsidies</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Summary of Operating Subsidies</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Local Subsidies by County</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Summary of Local Subsidies by County</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>OPERATING EXPENSES</td>
<td></td>
</tr>
<tr>
<td>Expense Assumptions by Category</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Ten Year Expense Trends</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Summary of Operating Expenses</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>FY 2018 Budget Proposal – Detail of Expenses</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>FY 2018 Budget Proposal – Allocation By Company</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>FY 2017 Budget – Detail of Expenses</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>FY 2016 Actual – Detail of Expenses</td>
<td>61</td>
<td></td>
</tr>
</tbody>
</table>
11. HEADCOUNT AUTHORIZATIONS
   Headcount Designations ........................................................................................... 62
   Fiscal Year 2018 Headcount Authorization ............................................................. 63
   Fiscal Year 2014-2018 Headcount Authorization ..................................................... 65
   Headcount Authorization Cause of Change ............................................................. 67

12. DEPARTMENTAL SUMMARIES BY DIVISION
   Corporate Staff........................................................................................................ 70
   Transit Police.......................................................................................................... 77
   System Safety......................................................................................................... 81
   Operations............................................................................................................... 87
   Engineering, Maintenance & Construction ............................................................ 110
   Deputy General Manager/Treasurer’s Staff ............................................................ 121
   Finance and Planning ............................................................................................ 131
   Employee Development/Relations ......................................................................... 143
   Human Resources .................................................................................................. 150
   Procurement, Supply Chain & Disadvantaged Business Enterprise .................... 157
   Audit and Investigative Services ............................................................................. 166
   Customer Service and Advocacy .......................................................................... 171
   Office of General Counsel ..................................................................................... 178
   Public and Government Affairs ............................................................................. 187

13. INTERDEPARTMENTAL
   Fringe Benefits ...................................................................................................... 194
   Non-Departmental Expense .................................................................................... 196
   CCT Connect ADA and Shared Ride Programs ...................................................... 197
   Other Operating Expenses ...................................................................................... 198

GLOSSARY
   Acronyms .............................................................................................................. 199
   Terms ...................................................................................................................... 202
1. Introduction and Profile

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. Over the past few years, Regional Rail has outpaced transit in annual ridership growth and is a critical component in Southeastern Pennsylvania’s economic engine.

INTEGRATING SOUTHEASTERN PENNSYLVANIA’S TRANSIT NETWORK

- **1964**: Created by PA State Assembly
- **1968**: Acquired Phila. Transp. Company
- **1976**: Acquired Schuylkill Valley Lines (Frontier)
- **1983**: Acquired Former Penn Central and Reading Railroads
- **1984**: Opened “Center City” Commuter Tunnel
- **1985**: Opened Service on Airport Line
1. Introduction and Profile

Today, more than 50 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, trolley, trackless trolley, 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 9,400 employees.

SEPTA SERVICE PROFILE AT A GLANCE

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Fixed Routes</th>
<th>Revenue Vehicles</th>
<th>Stations &amp; Stops</th>
<th>Annual Trips (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus &amp; Trolley Bus</td>
<td>121</td>
<td>1,457*</td>
<td>13,100</td>
<td>161.7</td>
</tr>
<tr>
<td>Market-Frankford Line</td>
<td>1</td>
<td>218</td>
<td>28</td>
<td>56.9</td>
</tr>
<tr>
<td>Broad Street Line</td>
<td>1</td>
<td>125</td>
<td>25</td>
<td>37.6</td>
</tr>
<tr>
<td>Regional Rail</td>
<td>13</td>
<td>404</td>
<td>155</td>
<td>37.7</td>
</tr>
<tr>
<td>Trolleys</td>
<td>8</td>
<td>159</td>
<td>670</td>
<td>27.1</td>
</tr>
<tr>
<td>Norristown High Speed Line</td>
<td>1</td>
<td>26</td>
<td>22</td>
<td>3.3</td>
</tr>
<tr>
<td>ADA Paratransit/Shared Ride</td>
<td>N/A</td>
<td>457</td>
<td>N/A</td>
<td>1.8</td>
</tr>
</tbody>
</table>

*Exact number varies as new buses are acquired and old vehicles are retired.
1. Introduction and Profile
1. Introduction and Profile

SEPTA Passengers

The following charts serve to illustrate the typical SEPTA customer. The demographic data was recorded and compiled as part of the SEPTA 2015 Customer Satisfaction Survey.

**Age of Adult Passengers**

- 18 to 25: 17%
- 26 to 35: 24%
- 36 to 45: 18%
- 46 to 55: 20%
- 56 to 65: 15%
- 66 to 75: 5%
- 76 or Older: 1%
- 18 to 25: 17%
- 26 to 35: 24%
- 36 to 45: 18%
- 46 to 55: 20%
- 56 to 65: 15%
- 66 to 75: 5%
- 76 or Older: 1%

**Annual Household Income of Passengers**

- Under $15 k: 15%
- $15 K to < $25 k: 14%
- $25 k to < $35 k: 13%
- $35 k to < $50 k: 14%
- $50 k to < $75 k: 12%
- $75 k to < $100 k: 6%
- $100 k or more: 10%
- Under $15 k: 15%
- $15 K to < $25 k: 14%
- $25 k to < $35 k: 13%
- $35 k to < $50 k: 14%
- $50 k to < $75 k: 12%
- $75 k to < $100 k: 6%
- $100 k or more: 10%
- Don't Know/Refused: 16%
- Don't Know/Refused: 16%
1. Introduction and Profile

Ethnicity of Passengers

- White: 33%
- African-American/Black: 49%
- Asian: 3%
- Hispanic/Latino: 6%
- Other: 6%
- Refused: 3%

Gender of Passengers

- Male: 38%
- Female: 62%
1. Introduction and Profile

Key Regional Transportation Trends

Transit Ridership
Fiscal Year 2016 ridership broke an all-time record for Regional Rail at 37.7 million unlinked passenger trips. However, total ridership has decreased over the past five years due to a number of factors, including Fiscal Year 2017 year to date.

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.
1. Introduction and Profile

Strategic Business Plan for Fiscal Years 2015 through 2019

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 www.septa.org/strategic-plan and represents a framework for all other SEPTA planning documents, including the Operating Budget.

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

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Transportation</td>
<td>7.2</td>
<td>5.9</td>
<td>7.5</td>
<td>6.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Vehicle Maintenance–Bus</td>
<td>3.3</td>
<td>4.6</td>
<td>2.9</td>
<td>3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Rail Transportation</td>
<td>3.9</td>
<td>3.8</td>
<td>3.2</td>
<td>3.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Vehicle Maintenance–Rail</td>
<td>3.1</td>
<td>2.6</td>
<td>5.1</td>
<td>2.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Non-Operations</td>
<td>1.8</td>
<td>1.7</td>
<td>1.9</td>
<td>1.7</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Graph: Employee Lost-Time Per 200,000 Hours

- Trend
- Goal
- Through December
1. Introduction and Profile

Vehicle, Passenger, and Station Incidents

<table>
<thead>
<tr>
<th></th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Incidents</td>
<td>5.33</td>
<td>5.16</td>
<td>4.16</td>
</tr>
<tr>
<td>Passenger Incidents</td>
<td>4.03</td>
<td>3.89</td>
<td>2.97</td>
</tr>
<tr>
<td>Station Incidents</td>
<td>1.94</td>
<td>1.88</td>
<td>1.37</td>
</tr>
</tbody>
</table>

*Note: FY 2016 used as baseline for goals due to a change in data sources.*

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

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses (in thousands)</td>
<td>$1,287,658</td>
<td>$1,318,576</td>
<td>$1,406,539</td>
<td>$1,445,936</td>
</tr>
<tr>
<td>Unlinked Passenger Trips (in thousands)</td>
<td>330,100</td>
<td>326,100</td>
<td>333,500</td>
<td>309,880</td>
</tr>
<tr>
<td>Operating Expenses Per Unlinked Passenger Trip</td>
<td>$3.90</td>
<td>$4.04</td>
<td>$4.22</td>
<td>$4.67</td>
</tr>
</tbody>
</table>

*Note: “Unlinked Passenger Trips” for fiscal year goals uses budget projections, so “Operating Expenses per Unlinked Passenger Trip” according to this budget statistic will differ from the long-term KPI goal published.*
1. Introduction and Profile

Unlinked Passenger Trips per Capita

Total unlinked passenger trips divided by total five county SEPTA population

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlinked Passenger Trips (in thousands)</td>
<td>330,200</td>
<td>330,100</td>
<td>326,100</td>
<td>333,500</td>
<td>309,880</td>
</tr>
<tr>
<td>Regional Population (in thousands)</td>
<td>4,060</td>
<td>4,070</td>
<td>4,080</td>
<td>4,080</td>
<td>4,080</td>
</tr>
<tr>
<td>Unlinked Passenger Trips per Capita</td>
<td>81.33</td>
<td>81.11</td>
<td>79.93</td>
<td>81.74</td>
<td>75.95</td>
</tr>
</tbody>
</table>

Note: “Unlinked Passenger Trips” for fiscal year goals uses budget projections, so “Unlinked Passenger Trips per Capita” according to this budget statistic will differ from the long-term KPI goal published.

• Other Measures
  o **Route Utilization** – Measured based on three criteria: 1) Fully allocated cost; 2) Total passenger revenue (calculated at average fare); and, 3) Operating ratio (passenger revenue divided by fully allocated cost).
    ▪ **City Transit Division**: According to the “City Transit Division Service Standards and Process” adopted by the SEPTA Board in April 1995 and amended in March 2007: If a route performs below 60% of the average route operating ratio, remedial action is taken. Fiscal Year 2016’s financial results will be approved for action in Fiscal Year 2018. City Transit Division’s average was 30% and the substandard performance mark was 17%.
    ▪ **Regional Rail Division**: According to the “Regional Rail Service Standards and Process” adopted by the SEPTA Board in March 2007: If a route performs below 60% of the average route operating ratio, remedial action is taken. Fiscal Year 2016’s financial results will be approved for action in Fiscal Year 2018. Regional Rail Division’s average was 47% and the substandard performance mark was 27%.
    ▪ **Suburban Transit (represents Victory and Frontier combined) Division**: According to the “Suburban Transit Division Service Standards and Process” adopted by the SEPTA Board in March 2007: If a route performs below 60% of the average route operating ratio, remedial action is taken. Fiscal Year 2016’s financial results will be approved for action in Fiscal Year 2018. Suburban Transit Division’s average was 24% and the substandard performance mark was 14%.
1. Introduction and Profile

- 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 (750,000 ADA City Division and 330,000 ADA Suburban Division trips).
  - **Vehicle Miles per Employee** – 10,600 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 “Operating Division,” fare media sales & distribution, operations training, and customer service.

Vehicles per Mechanic

<table>
<thead>
<tr>
<th>Fleet</th>
<th>FY 2014 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus and Trackless Trolley</td>
<td>3.1</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>City Trolley</td>
<td>1.6</td>
<td>1.8</td>
<td>1.8</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Market-Frankford Line</td>
<td>3.5</td>
<td>3.3</td>
<td>3.3</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Broad Street Line</td>
<td>2.0</td>
<td>1.9</td>
<td>1.9</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Media-Sharon Hill Line</td>
<td>1.4</td>
<td>1.4</td>
<td>1.5</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Norristown High Speed Line</td>
<td>1.9</td>
<td>2.0</td>
<td>2.0</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Regional Rail</td>
<td>1.7</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

*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**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commendations</td>
<td>2,610</td>
<td>2,446</td>
<td>2,518</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Complaints</td>
<td>37,130</td>
<td>41,056</td>
<td>47,568</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Commendations-to-Complaints Ratio</strong></td>
<td><strong>0.070</strong></td>
<td><strong>0.060</strong></td>
<td><strong>0.053</strong></td>
<td><strong>0.058</strong></td>
<td><strong>0.059</strong></td>
</tr>
</tbody>
</table>
1. Introduction and Profile

Customer Satisfaction Rating
SEPTA conducted a Customer Satisfaction Survey in 2015, resulting in 1,294 rider and 401 non-rider interviews (1,695 total respondents). 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 2,853 mode observations were collected. In 2015, the overall SEPTA Modal Average satisfaction rating maintained at 7.5 from 2012.

<table>
<thead>
<tr>
<th>Mode</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suburban Trolley</td>
<td>7.7</td>
<td>8.2</td>
<td>7.9</td>
<td>8.0</td>
</tr>
<tr>
<td>Market-Frankford Line</td>
<td>7.4</td>
<td>8.2</td>
<td>8.0</td>
<td>7.8</td>
</tr>
<tr>
<td>Broad Street Line</td>
<td>7.3</td>
<td>8.0</td>
<td>7.9</td>
<td>7.7</td>
</tr>
<tr>
<td>Frontier Bus</td>
<td>7.5</td>
<td>7.5</td>
<td>7.3</td>
<td>7.7</td>
</tr>
<tr>
<td>Regional Trolley</td>
<td>7.6</td>
<td>7.9</td>
<td>8.3</td>
<td>7.6</td>
</tr>
<tr>
<td>City Trolley</td>
<td>6.8</td>
<td>7.8</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>City Bus</td>
<td>6.6</td>
<td>7.4</td>
<td>7.0</td>
<td>7.3</td>
</tr>
<tr>
<td>Victory Bus</td>
<td>6.8</td>
<td>7.6</td>
<td>7.4</td>
<td>7.3</td>
</tr>
<tr>
<td><strong>Unweighted Average</strong></td>
<td>7.2</td>
<td>7.8</td>
<td>7.7</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>Weighted Average</strong></td>
<td>7.0</td>
<td>7.7</td>
<td>7.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Note: Data is weighted by mode ridership in order to be representative of overall rider population; unweighted scores are included as this is how Modal Average scores have been reported in previous Customer Satisfaction Surveys.

Service Reliability
Goal: Varies by Mode

<table>
<thead>
<tr>
<th>Mode</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City/Suburban Bus</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allegheny</td>
<td>76%</td>
<td>77%</td>
<td>76%</td>
<td>77%</td>
</tr>
<tr>
<td>Callowhill</td>
<td>78%</td>
<td>76%</td>
<td>77%</td>
<td>76%</td>
</tr>
<tr>
<td>Comly</td>
<td>80%</td>
<td>80%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>Frankford</td>
<td>83%</td>
<td>81%</td>
<td>84%</td>
<td>83%</td>
</tr>
<tr>
<td>Midvale</td>
<td>76%</td>
<td>75%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>Southern</td>
<td>80%</td>
<td>77%</td>
<td>79%</td>
<td>78%</td>
</tr>
<tr>
<td>Frontier</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>81%</td>
</tr>
<tr>
<td>Victory</td>
<td>79%</td>
<td>78%</td>
<td>79%</td>
<td>79%</td>
</tr>
<tr>
<td>City Trolley</td>
<td>80%</td>
<td>79%</td>
<td>79%</td>
<td>80%</td>
</tr>
<tr>
<td>Media-Sharon Hill Line</td>
<td>95%</td>
<td>94%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Norristown High Speed Line</td>
<td>99%</td>
<td>100%</td>
<td>98%</td>
<td>98%</td>
</tr>
<tr>
<td><strong>RAIL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broad Street Line</td>
<td>99%</td>
<td>99%</td>
<td>98%</td>
<td>98%</td>
</tr>
<tr>
<td>Market-Frankford Line</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
</tr>
<tr>
<td>Regional Rail</td>
<td>87%</td>
<td>84%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>
1. Introduction and Profile

Uptime of Mission Critical IT Systems

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEPTA.org</strong></td>
<td>99.99%</td>
<td>100.00%</td>
<td>99.99%</td>
<td>99.99%</td>
</tr>
<tr>
<td><strong>Real-Time Application Program Interface (API)</strong></td>
<td>98.67%</td>
<td>98.37%</td>
<td>99.99%</td>
<td>99.99%</td>
</tr>
</tbody>
</table>

Communications Activity Index
Goal: 50% increase from FY 2014 by FY 2019

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEPTA.org 1K Page Views</strong></td>
<td>119,263</td>
<td>117,649</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>@SEPTA_Social Activity</strong></td>
<td>45,653</td>
<td>54,357</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Mobile App Downloads</strong></td>
<td>149,452</td>
<td>118,656</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Control Center Tweets</strong></td>
<td>28,068</td>
<td>41,862</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Communications Activity Index</strong></td>
<td>342,436</td>
<td>332,524</td>
<td>388,498</td>
<td>418,383</td>
</tr>
</tbody>
</table>

Resource Management

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

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

<table>
<thead>
<tr>
<th>Purchasing process efficiency within categories of procurements by dollar value</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $25,000 Procurements (in days)</td>
<td>19.5</td>
<td>19.4</td>
<td>21.0</td>
<td>21.0</td>
</tr>
<tr>
<td>$25,000 to $100,000 Procurements (in days)</td>
<td>55.6</td>
<td>51.2</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td>&gt; $100,000 Procurements</td>
<td>-1.3%</td>
<td>-11.4%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
1. Introduction and Profile

Carbon Footprint
Goal: 10% decrease in Emissions per Passenger Mile Traveled from FY 2013 by FY 2019

<table>
<thead>
<tr>
<th>Emissions Per Passenger Mile Traveled</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Goal</th>
<th>FY 2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel (in gallons)</td>
<td>14,660,967</td>
<td>14,076,028</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Electricity (in megawatt hours)</td>
<td>491,416</td>
<td>475,324</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Gasoline (in gallons)</td>
<td>2,393,837</td>
<td>2,394,112</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Natural Gas (in cubic feet)</td>
<td>2,660,262</td>
<td>2,105,821</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Heating Oil (in gallons)</td>
<td>314,040</td>
<td>257,793</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Steam (in millions of pounds)</td>
<td>38,490</td>
<td>29,333</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Emissions (in carbon dioxide equivalents)</td>
<td>843,200,000</td>
<td>809,300,000</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Passenger Miles (in thousands)</td>
<td>1,530,300</td>
<td>1,511,600</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Emissions Per Passenger Mile Traveled</td>
<td>0.551</td>
<td>0.535</td>
<td>0.511</td>
<td>0.500</td>
</tr>
</tbody>
</table>

Waste Diversion Rate
Goal: 20% Diversion Rate

| Diversion Rate = tons of recycled municipal waste divided by tons of total municipal waste |
|--------------------------------------------------|----------------|----------------|--------------|--------------|
| FY 2015 Actual                                  | FY 2016 Actual | FY 2017 Goal   | FY 2018 Goal |
| Recycled Municipal Waste (in tons)              | 1,247          | 1,407          | N/A          | N/A          |
| Other Municipal Waste (in tons)                 | 5,013          | 5,064          | N/A          | N/A          |
| Diversion Rate                                  | 19.9%          | 21.7%          | 20.0%        | 20.0%        |

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 2015 Actual                                  | FY 2016 Actual | FY 2017 Goal   | FY 2018 Goal |
| Major Project Deadlines Achieved within 90 Days  | 72             | 102            | N/A          | N/A          |
| Total Major Project Deadlines                   | 84             | 120            | N/A          | N/A          |
| Achievement Rate                                | 85.7%          | 85.0%          | 85.0%        | 85.0%        |

Note: The original goal as established in the FY 2015 - 2019 Strategic Business Plan has been achieved, and new goals have been established accordingly.
1. Introduction and Profile

Mean Distance between Failures
Goal: Varies by Mode

<table>
<thead>
<tr>
<th>Fleet miles traveled divided by mechanical failures requiring vehicle to be removed from revenue service</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 Actual</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td><strong>City/Suburban Bus</strong></td>
</tr>
<tr>
<td>Allegheny</td>
</tr>
<tr>
<td>Callowhill</td>
</tr>
<tr>
<td>Comly</td>
</tr>
<tr>
<td>Frankford</td>
</tr>
<tr>
<td>Midvale</td>
</tr>
<tr>
<td>Southern</td>
</tr>
<tr>
<td>Frontier</td>
</tr>
<tr>
<td>Victory</td>
</tr>
<tr>
<td>City Trolley</td>
</tr>
<tr>
<td>Media-Sharon Hill Line</td>
</tr>
<tr>
<td>Norristown High Speed Line</td>
</tr>
<tr>
<td>Broad Street Line</td>
</tr>
<tr>
<td>Market-Frankford Line</td>
</tr>
<tr>
<td>Regional Rail</td>
</tr>
</tbody>
</table>

Note: Methodology of data collection was revised in FY 2016 to capture all failures so that appropriate action can be taken to continuously improve service reliability.

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

<table>
<thead>
<tr>
<th>7/1/14 Actual</th>
<th>7/1/15 Actual</th>
<th>7/1/16 Actual</th>
<th>7/1/19 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management (% out of total management employees)</td>
<td>Minority</td>
<td>39.8%</td>
<td>42.0%</td>
</tr>
<tr>
<td></td>
<td>Women</td>
<td>16.9%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Professional (% out of total professional employees)</td>
<td>Minority</td>
<td>38.1%</td>
<td>36.5%</td>
</tr>
<tr>
<td></td>
<td>Women</td>
<td>35.9%</td>
<td>36.0%</td>
</tr>
</tbody>
</table>

Note: The original goal as established in the FY 2015 - 2019 Strategic Business Plan has been achieved, and new goals have been established accordingly.
1. Introduction and Profile

“Advancing Internal Management” (AIM)
Goal: 50% Fill Rate for Key Vacant Positions by 2019

2011-2013
• FTA Workforce Development Grant Received
• AIM Planning Initiated
• Transit Leadership Toolkit Created
• Executive Development Certificate

2014
• Begin Candidate Pool Development
• Mentoring Program Begins
• Development Goals Established
• Monthly Programming Offered

2015
• Monthly Program Continued
• Development Goals Achieved
• Quarterly Mentor/Manager Reviews
• 22 Participants Graduate

2016
• Program Reviewed
• 27 Participants Graduate: 11 promoted & 3 in pools

2017
• Procurement of New Courses for Executive/Senior Management

2018-2019
• Phase II Program Development
• 50% Fill Rate for Key Vacant Positions from Pool
2. The Budget Process

Budget Development

The first step of the budget development process begins with a meeting attended by the Operating Budget and Strategic Planning staff in 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 then meets with personnel from each staff and operating department to review specific budget requirements and potential issues for the following fiscal year. Based on these meetings and the Strategic Planning Initiatives, the service projection may then be revised if necessary. Departmental expense levels are set accordingly and preliminary authorization letters and the budget database template are distributed to all departments in February.

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 beginning of May. 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 Board of Directors 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, 2017 to June 30, 2018

<table>
<thead>
<tr>
<th>S</th>
<th>M</th>
<th>T</th>
<th>W</th>
<th>TH</th>
<th>F</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>29</td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| AUGUST 2017 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 |

| SEPTEMBER 2017 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| OCTOBER 2017 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| NOVEMBER 2017 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| DECEMBER 2017 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 |

| JANUARY 2018 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| FEBRUARY 2018 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| MARCH 2018 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| APRIL 2018 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| MAY 2018 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| JUNE 2018 | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | 1 | 2 | 3 | 4 |

Return to Table of Contents
## 2. The Budget Process

<table>
<thead>
<tr>
<th>Key Activities</th>
<th>14-Dec</th>
<th>17-Jan</th>
<th>17-Feb</th>
<th>17-Mar</th>
<th>17-Apr</th>
<th>17-May</th>
<th>1-Jun</th>
<th>1-Jul</th>
<th>1-Aug</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>week ending</strong></td>
<td>17  31  7  14  21  28  4  11  18  25  4  11  18  25  1  8  15  22  29  6  13  20  27  30  31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>SEPTA Management discussion of priorities and Strategic Plan Initiatives for the upcoming year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Meetings with SEPTA's operating and staff departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Develop draft service projection based on current service and FY 2018 levels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Schedule Public Hearings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Develop overall and department projections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Budget Department review of submissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Adjust overall and departmental projections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Budget Update Presentation to GM Team</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Revise Service Projections as necessary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Distribute preliminary budget authorization letters to all Staff and Operating Departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Budget adjustments are input into Management Planning and Control software (MPC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Review first draft of FY 2018 Operating Budget Proposal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Public Hearing Notice to press relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Prepare Public Hearing Testimony</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Public Hearing Notice published in newspapers &amp; SEPTA website; posted at major transportation centers/Associated Services for the Blind website</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Publish FY 2018 Operating Budget Proposal on SEPTA website</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Period for public commentary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Public Hearings in City of Philadelphia and Suburban counties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Report from the Hearing Examiner to Board</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Board Budget Committee Briefing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Board adopts FY 2018 Operating Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Final budget adjustments to MPC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Publish Final FY 2018 Operating Budget Book on SEPTA website</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Fiscal Year 2018 Assumptions & Consolidated Budget

This document presents the Fiscal Year 2018 Operating Budget Proposal. Fiscal Year 2016 actual results and Fiscal Year 2017 budget are also presented for comparison.

**Service**

The Fiscal Year 2018 Operating Budget Proposal of $1.45 billion in operating expenses assumes transportation service levels will remain generally consistent with Fiscal Year 2017.

**Revenue**

Operating revenue for Fiscal Year 2018 is projected to decrease $5.2 million or 1.0% below the current year budget driven by a ridership decline that is being experienced within transit, regional rail, and the Shared Ride program. The passenger revenue decrease resulting from the ridership decline is partially offset by the scheduled fare increase in Fiscal Year 2018. Other revenue is expected to increase 4.3%. Investment and Other Income are expected to increase, due to higher investment return rates, advertising income, and real estate rental income.

**Expenses**

Expenses total $1.45 billion. The Fiscal Year 2018 expense growth of 2.8% is driven primarily by a 2.1% labor and fringe benefit increase as well as higher third party supplier costs for parts, fuel, and services.

**State and Local Subsidy**

Fiscal Year 2018 state and local subsidies include a grant from the Pennsylvania Public Transportation Trust Fund. Act 44 of 2007 established the trust fund and Act 89 of 2013 amended Act 44. These acts dedicate state funding for public transportation agencies across the Commonwealth of Pennsylvania. Trust fund grants are required to be matched locally at 15%. Total State Operating Subsidy for FY 2018 is $680.4 million with a Local Match of $102.1 million. The Commonwealth and counties also provide a 20% match on federal funds received or $11.4 million for funding Amtrak trackage lease expenses and certain debt service payments. Additionally, $1.2 million of funds are provided for lease expenses for copiers, inventory warehousing, and communications antenna towers. Funding of $32.6 million is also provided by the Commonwealth for Debt Service with a Local Match of $1.2 million provided by the five counties.

**Federal Subsidy**

Federal Preventive Maintenance for Fiscal Year 2018 will increase slightly to $36.8 million. This category also includes Federal Capital Lease Subsidy of $37.6 million and Capital Debt Service of $7.9 million.
3. Fiscal Year 2018 Assumptions & Consolidated Budget

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>FY 2018 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Revenue</td>
<td>$ 475,197</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>18,500</td>
</tr>
<tr>
<td>Other Income</td>
<td>36,050</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,625</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$ 531,372</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$ 1,036,785</td>
</tr>
<tr>
<td>Material and Services</td>
<td>292,656</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>29,894</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>33,725</td>
</tr>
<tr>
<td>Fuel</td>
<td>27,848</td>
</tr>
<tr>
<td>Vehicle and Facility Rentals</td>
<td>4,405</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSE</strong></td>
<td>$ 1,425,313</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>$ 20,623</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 1,445,936</td>
</tr>
</tbody>
</table>

| DEFICIT BEFORE SUBSIDY           | $ (914,564)     |

<table>
<thead>
<tr>
<th>OPERATING SUBSIDY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$ 82,262</td>
</tr>
<tr>
<td>State</td>
<td>725,304</td>
</tr>
<tr>
<td>Local</td>
<td>103,598</td>
</tr>
<tr>
<td>Other</td>
<td>3,400</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$ 914,564</td>
</tr>
</tbody>
</table>

| SURPLUS/(DEFICIT)                | $ -             |
4. Financial & Budgetary Policies

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 obligation recognized under Governmental Accounting Standards Board (GASB) Statement No. 45, which was implemented by the Authority in Fiscal Year 2008, 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.
4. Financial & Budgetary Policies

Long-Range Planning
SEPTA continually assesses the consequences of national, state, and local demographic, economic, travel, and development trends for SEPTA’s current and future operations, services, and capital projects. This assessment includes the evaluation of current and potential service levels in accordance with SEPTA’s Annual Service Plan and the City Transit, Suburban Transit, and Regional Rail Service Standards and Processes. This assessment forms the backdrop for SEPTA’s long-range planning and the basis for the five-year financial projections, which are included in the adopted budget for each fiscal year.

The five-year financial projection includes fare increases every three years, with the exception of Fiscal Year 2017, which was delayed one year due to the implementation of SEPTA Key. SEPTA anticipates the next fare increase will occur in Fiscal Year 2020, which would return the schedule to every three years. 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.
4. Financial & Budgetary Policies

EXPENDITURE POLICIES

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

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

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The 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.
DESCRIPTİON OF EXİSTİNG DEBT AND DEBT SERVICE POLICİES

Revenue Refunding Bonds
The Revenue Refunding Bonds are limited obligations of the Authority and the principal and interest thereon are payable solely from the revenues received by the Authority from the Pennsylvania Consolidated Statutes, including all moneys distributed to the Authority from the Public Transportation Assistance Fund created under Article XXIII of the Pennsylvania Tax Reform Code of 1971, as amended.

On July 18, 2007, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2007-44 (“Act 44”), which, effective July 1, 2007, among other things, (a) repealed 74 Pa.C.S. Ch. 13 (which included Section 1310); and (b) provides, in pertinent part that, notwithstanding such repeal, (i) the PTA Fund shall continue to receive the revenue the PTA Fund was entitled to receive on June 30, 2007, (ii) despite the repeal of 74 Pa. C.S. Ch. 13 and, in particular, Section 1310, transit entities that have outstanding obligations shall continue to receive money from the PTA Fund calculated and paid in the same manner as was provided on June 30, 2007, and (iii) money remaining in the PTA Fund after amounts are disbursed as described in (ii) above shall be transferred monthly to the Public Transportation Trust Fund established under 74 Pa. C.S. Ch. 1506.

The Authority, as a transit entity under Act 44, will continue to receive amounts distributed from the PTA Fund that are calculated and paid in the same manner as was prescribed prior to the repeal of Section 1310.

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

The Authority’s policy is to issue debt periodically to supplement federal and state grants in support of the Authority’s capital plan. There are no requirements to establish legal debt limits.

In March 2007, the Authority issued $131.7 million of Variable Rate Revenue Refunding Bonds, Series of 2007. The net proceeds from the sale of the 2007 Bonds were used to currently refund the Authority’s outstanding Special Revenue Bonds, Series of 1997 and to pay the premium for a debt service reserve fund insurance policy. The net proceeds of the 1997 bonds had been used to reimburse the Authority for a portion of the costs of certain capital projects; refund certain leases entered into by the Authority for a building and related equipment; pay the costs of certain capital projects and pay the premium for a debt service reserve fund insurance policy. In December 2012, the Authority converted the $97.95 million remaining outstanding principal amount of the 2007 bonds from the Daily Rate Mode to the Indexed Mode.

In October 2010, the Authority issued $222.5 million Revenue Refunding Bonds, Series of 2010 due in varying amounts through 2028, with annual interest rates ranging from 2% to 5%. The net proceeds from the sale of the 2010 Bonds, together with other funds of the Authority, were used to (a) currently refund the outstanding principal amount of the 1999 Special Revenue Bonds, Series A and Series B, (b) fund the termination payments and accrued amounts payable in connection with the termination of certain swap agreements and, (c) fund certain costs and expenses incurred in connection with the issuance and sale of the 2010 Bonds. The net proceeds of the 1999 Bonds had been used to finance a portion of the Market-Frankford subway-elevated line vehicle acquisition program; refinance a bridge loan for payment of a portion of the vehicle acquisition program; refund $73.2 million of the 1995A Bonds; reimburse
4. Financial & Budgetary Policies

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.

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.

New Payment Technology Loan
On March 29, 2012, the Authority entered into an agreement with PIDC Regional Center LP XXVIII for a low cost, construction-like loan for an amount not to exceed $175 million to fund the SEPTA Key project. The SEPTA Key project will modernize SEPTA’s current fare payment system by allowing direct fare with a variety of contactless devices including debit cards, credit cards and smart phones. The loan was made available to SEPTA under guidelines of the U.S. Immigrant Investor Program, sponsored by the United States Citizenship and Immigration Services (USCIS). The loan has three separate tranches of $35 million, $75 million and $65 million and 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 first tranche in the principal amount of $35 million matures on May 30, 2017. The Authority anticipates utilizing Federal Grants with state and local match, to repay the loan as each tranche matures.

Energy Savings Company “ESCO” Lease/Purchase Agreement
The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corporation on November 24, 2015. There are two tranches of debt; tranche 1 has a principal amount of $4.2 million, and interest rate of 2.37% and a final maturity in 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 equipment to be installed will serve to reduce the Authority’s energy consumption and the resultant operating savings are guaranteed by the ESCO to equal or exceed the debt service payments 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 to be leased/purchased will include 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 to be taken include 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 other work to conserve energy. The resultant operating savings are guaranteed by the ESCO to equal or exceed the debt service
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 over an approximate 7-year time frame. SEPTA has not yet drawn any loan proceeds but does expect to begin borrowing funds during Fiscal Year 2018.

Revolving Line of Credit Agreement
On September 1, 2016, the Authority entered into a $50 million Revolving Line of Credit Agreement (“Committed Line of Credit Note”) with PNC Bank, National Association, with an expiration date of August 31, 2017. 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. At March 1, 2017, $25 million of the available facility had been borrowed and remained outstanding.

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 two series of Revenue Refunding Bonds (issued in 2007 and 2010), and a series of Capital Grant Receipts Bonds (issued in 2011) currently outstanding. In March 2012 the Authority entered into a loan agreement to fund the SEPTA Key Project. In November of both 2015 and 2016, the Authority entered into “ESCO” Lease/Purchase Agreements.

Debt Service Requirements
Interest on the Series 2007 and Series 2010 Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2011 Bonds is payable semi-annually on December 1 and June 1. The aggregate debt service requirements for the 3-bonds and 2-ESCO Agreements are summarized in the following tables:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Interest*</th>
<th>Principal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$17,011</td>
<td>$34,075</td>
<td>$51,086</td>
</tr>
<tr>
<td>2019</td>
<td>15,334</td>
<td>35,670</td>
<td>51,004</td>
</tr>
<tr>
<td>2020</td>
<td>13,500</td>
<td>37,455</td>
<td>50,955</td>
</tr>
<tr>
<td>2021</td>
<td>11,598</td>
<td>31,700</td>
<td>43,298</td>
</tr>
<tr>
<td>2022</td>
<td>9,975</td>
<td>33,230</td>
<td>43,205</td>
</tr>
<tr>
<td>2023</td>
<td>8,265</td>
<td>22,185</td>
<td>30,450</td>
</tr>
<tr>
<td>2024</td>
<td>7,155</td>
<td>23,300</td>
<td>30,455</td>
</tr>
<tr>
<td>2025</td>
<td>5,990</td>
<td>24,460</td>
<td>30,450</td>
</tr>
<tr>
<td>2026</td>
<td>4,777</td>
<td>25,670</td>
<td>30,447</td>
</tr>
<tr>
<td>2027</td>
<td>3,493</td>
<td>26,960</td>
<td>30,453</td>
</tr>
<tr>
<td>2028</td>
<td>2,145</td>
<td>27,050</td>
<td>29,195</td>
</tr>
<tr>
<td>2029</td>
<td>798</td>
<td>16,270</td>
<td>17,068</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$100,041</strong></td>
<td><strong>$338,025</strong></td>
<td><strong>$438,066</strong></td>
</tr>
</tbody>
</table>

*Interest on the Series 2007 Bonds is a synthetic fixed rate of 4.706%
### ESCO Debt Service Requirements
(Amounts in Thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Interest</th>
<th>Principal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 514</td>
<td>$ 1,074</td>
<td>$ 1,588</td>
</tr>
<tr>
<td>2019</td>
<td>839</td>
<td>3,064</td>
<td>3,903</td>
</tr>
<tr>
<td>2020</td>
<td>1,465</td>
<td>2,537</td>
<td>4,002</td>
</tr>
<tr>
<td>2021</td>
<td>1,390</td>
<td>2,612</td>
<td>4,002</td>
</tr>
<tr>
<td>2022</td>
<td>1,314</td>
<td>2,538</td>
<td>3,852</td>
</tr>
<tr>
<td>2023</td>
<td>1,239</td>
<td>3,155</td>
<td>4,394</td>
</tr>
<tr>
<td>2024</td>
<td>1,147</td>
<td>3,165</td>
<td>4,312</td>
</tr>
<tr>
<td>2025</td>
<td>1,054</td>
<td>3,473</td>
<td>4,527</td>
</tr>
<tr>
<td>2026</td>
<td>953</td>
<td>3,306</td>
<td>4,259</td>
</tr>
<tr>
<td>2027</td>
<td>861</td>
<td>3,254</td>
<td>4,115</td>
</tr>
<tr>
<td>2028</td>
<td>767</td>
<td>3,517</td>
<td>4,284</td>
</tr>
<tr>
<td>2029</td>
<td>666</td>
<td>3,566</td>
<td>4,232</td>
</tr>
<tr>
<td>2030</td>
<td>563</td>
<td>3,725</td>
<td>4,288</td>
</tr>
<tr>
<td>2031</td>
<td>455</td>
<td>3,776</td>
<td>4,231</td>
</tr>
<tr>
<td>2032</td>
<td>346</td>
<td>4,438</td>
<td>4,784</td>
</tr>
<tr>
<td>2033</td>
<td>219</td>
<td>4,392</td>
<td>4,611</td>
</tr>
<tr>
<td>2034</td>
<td>99</td>
<td>3,517</td>
<td>3,616</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$13,891</strong></td>
<td><strong>$55,109</strong></td>
<td><strong>$69,000</strong></td>
</tr>
</tbody>
</table>
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 and 68, respectively. Operating surpluses are reducing deficits accumulated in prior years.

<table>
<thead>
<tr>
<th>Statement of Changes in Equity (Amounts in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016 Actual</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td><strong>Contributed Capital:</strong></td>
</tr>
<tr>
<td>Balance at Beginning of Year</td>
</tr>
<tr>
<td>Capitalized Grant Property</td>
</tr>
<tr>
<td>Capitalized Grant Property - Retirements</td>
</tr>
<tr>
<td>Amortization</td>
</tr>
<tr>
<td>Amortization - Retirements</td>
</tr>
<tr>
<td><strong>Contributed Capital Balance at End of Year</strong></td>
</tr>
</tbody>
</table>

| **Operating Surplus/(Deficit):** | | | |
| Accumulated Operating Surplus/(Deficit) at Beginning of Year | $ (182,271) | $ (181,989) | $ (181,989) |
| Operating Surplus | 194 | - | - |
| Unrealized Investment Gain/(Loss) | 88 | - | - |
| Operating Surplus/(Deficit) | $ 282 | $ - | $ - |

| Accumulated Operating Deficit at End of Year | $ (181,989) | $ (181,989) | $ (181,989) |

| Total Equity | $3,282,533 | $3,494,341 | $3,718,842 |
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 75 bus routes, 6 light rail (trolley) lines, 3 trackless trolley lines, and 2 subway-elevated lines.

**Victory Division**
The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware, and Montgomery Counties. Also known as Red Arrow until 1970, SEPTA’s Victory Division is comprised of 20 bus routes, 2 light rail (trolley) lines, and 1 high speed line.

**Frontier Division**
The Frontier Division consists of 23 bus routes serving Bucks, Chester, and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

**Regional Rail Division**
The Regional Railroad serves the City of Philadelphia, as well as Bucks, Chester, Delaware, and Montgomery Counties, with service to Newark, Delaware, and Trenton and West Trenton, New Jersey. The infrastructure and assets of the Regional Railroad were previously operated by the Pennsylvania and Reading Railroads. These 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

<table>
<thead>
<tr>
<th>Corporate Staff</th>
<th>Audit &amp; Investigative Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Staff</td>
<td>Internal Audit</td>
</tr>
<tr>
<td>Executive Staff</td>
<td>Office of the Inspector General</td>
</tr>
<tr>
<td>Office of the General Manager</td>
<td></td>
</tr>
<tr>
<td>Deputy General Manager Staff</td>
<td></td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communications</th>
<th>Customer Service &amp; Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications and Website</td>
<td>Administration</td>
</tr>
<tr>
<td>Management</td>
<td>Customer Development &amp; Advocacy</td>
</tr>
<tr>
<td>Fulfillment Services</td>
<td>Customer/Market Research &amp; Analysis</td>
</tr>
<tr>
<td>Graphic Services</td>
<td>Customer Service</td>
</tr>
<tr>
<td>Print Services and Sign Shops</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Development/Relations</th>
<th>Engineering, Maintenance &amp; Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEO/AA and Employee Relations</td>
<td>Administration &amp; Finance</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>Capital Projects</td>
</tr>
<tr>
<td>Test Center</td>
<td>Civil Engineering</td>
</tr>
<tr>
<td>Training and Development</td>
<td>Operations Support</td>
</tr>
<tr>
<td></td>
<td>Project Compliance</td>
</tr>
<tr>
<td></td>
<td>Project Control</td>
</tr>
<tr>
<td></td>
<td>Real Estate</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance &amp; Planning</th>
<th>Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget and Grant Development</td>
<td>Compensation</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Employee Services</td>
</tr>
<tr>
<td>General Accounting</td>
<td>Recruitment</td>
</tr>
<tr>
<td>Operating Budget</td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td></td>
</tr>
<tr>
<td>Revenue, Ridership, Advertising and Sales</td>
<td></td>
</tr>
<tr>
<td>Service Planning</td>
<td></td>
</tr>
<tr>
<td>Strategic Planning and Analysis</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information Technology</th>
<th>Office of Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging and Specialty Technologies</td>
<td></td>
</tr>
<tr>
<td>Project Services</td>
<td></td>
</tr>
<tr>
<td>Technical Services</td>
<td></td>
</tr>
<tr>
<td>Network Services</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Payment Technologies/Revenue Operations</th>
<th>Office of General Counsel</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Payment Technologies Staff</td>
<td>Claims</td>
</tr>
<tr>
<td>Revenue Operations</td>
<td>Corporate</td>
</tr>
</tbody>
</table>

|                                  | Intake and Intel            |
|                                  | Litigation                 |
|                                  | Workers’ Compensation and Insurance |
## 5. Organizational Structure

**OPERATING AND STAFF DEPARTMENTS**

<table>
<thead>
<tr>
<th>Operations</th>
<th>Public &amp; Government Affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration and Finance</td>
<td>Public Affairs-</td>
</tr>
<tr>
<td>Bus Vehicle Engineering</td>
<td>Administration/Communications</td>
</tr>
<tr>
<td>Rail Vehicle Engineering</td>
<td>Media Relations</td>
</tr>
<tr>
<td>Control Center</td>
<td>Marketing and Promotion</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>Government Affairs-</td>
</tr>
<tr>
<td>Regional Rail Transportation</td>
<td>Federal, State, Region and Community</td>
</tr>
<tr>
<td>Subway-Elevated Transportation</td>
<td>Relations</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td></td>
</tr>
<tr>
<td>Vehicle Equipment Maintenance</td>
<td></td>
</tr>
</tbody>
</table>

| Procurement, Supply Chain & | System Safety |
| Disadvantaged Business Enterprise | System Safety |
| (DBE) | Construction Safety |
| Administration | |
| Disadvantaged Business Enterprise | |
| Program | |
| Procurement and Supply Chain | |
| Management | |

| Transit Police | |
| Operations Bureau | |
| Quality Control | |
| Security Agents | |
| Special Operations Bureau | |
5. Organizational Structure
Corporate Team Organization Chart
(To Assistant General Manager level)
## Consolidated

### 6. Three Year Comparison Fiscal Years 2016-2018

<table>
<thead>
<tr>
<th>Amounts in thousands (‘000)</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Budget</th>
<th>FY 2018 Proposal</th>
<th>FY 2018 versus FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$ 470,445</td>
<td>$ 481,500</td>
<td>$ 475,197</td>
<td>$(6,303)</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>18,575</td>
<td>19,000</td>
<td>18,500</td>
<td>(500)</td>
</tr>
<tr>
<td>Other Income</td>
<td>35,950</td>
<td>34,900</td>
<td>36,050</td>
<td>1,150</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,497</td>
<td>1,150</td>
<td>1,625</td>
<td>475</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$ 526,467</td>
<td>$ 536,550</td>
<td>$ 531,372</td>
<td>$(5,178)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$ 959,502</td>
<td>$ 1,015,016</td>
<td>$ 1,036,785</td>
<td>$ 21,769</td>
</tr>
<tr>
<td>Material and Services</td>
<td>263,335</td>
<td>278,306</td>
<td>292,656</td>
<td>14,350</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>5,636</td>
<td>28,700</td>
<td>29,894</td>
<td>1,194</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>32,804</td>
<td>35,184</td>
<td>33,725</td>
<td>(1,459)</td>
</tr>
<tr>
<td>Fuel</td>
<td>34,336</td>
<td>25,757</td>
<td>27,848</td>
<td>2,091</td>
</tr>
<tr>
<td>Vehicle and Facility Rental</td>
<td>4,504</td>
<td>4,076</td>
<td>4,405</td>
<td>329</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSE</strong></td>
<td>$ 1,300,117</td>
<td>$ 1,387,039</td>
<td>$ 1,425,313</td>
<td>$ 38,274</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>$ 18,459</td>
<td>$ 19,500</td>
<td>$ 20,623</td>
<td>$ 1,123</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 1,318,576</td>
<td>$ 1,406,539</td>
<td>$ 1,445,936</td>
<td>$ 39,397</td>
</tr>
<tr>
<td><strong>DEFICIT BEFORE SUBSIDY</strong></td>
<td>$ (792,109)</td>
<td>$ (869,989)</td>
<td>$ (914,564)</td>
<td>$ (44,575)</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 77,468</td>
<td>$ 82,327</td>
<td>$ 82,262</td>
<td>$(65)</td>
</tr>
<tr>
<td>State</td>
<td>625,064</td>
<td>686,615</td>
<td>725,304</td>
<td>38,689</td>
</tr>
<tr>
<td>Local</td>
<td>86,548</td>
<td>97,797</td>
<td>103,598</td>
<td>5,801</td>
</tr>
<tr>
<td>Other</td>
<td>3,223</td>
<td>3,250</td>
<td>3,400</td>
<td>150</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$ 792,303</td>
<td>$ 869,989</td>
<td>$ 914,564</td>
<td>$ 44,575</td>
</tr>
<tr>
<td><strong>SURPLUS/(DEFICIT)</strong></td>
<td>$ 194</td>
<td>$ ( )</td>
<td>$ ( )</td>
<td>$ ( )</td>
</tr>
</tbody>
</table>
## City Transit Division
### 6. Three Year Comparison Fiscal Years 2016-2018

<table>
<thead>
<tr>
<th>Amounts in thousands ('000)</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Budget</th>
<th>FY 2018 Proposal</th>
<th>FY 2018 versus FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$ 288,965</td>
<td>$ 297,335</td>
<td>$ 294,340</td>
<td>$(2,995)</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>18,575</td>
<td>19,000</td>
<td>18,500</td>
<td>(500)</td>
</tr>
<tr>
<td>Other Income</td>
<td>21,076</td>
<td>20,317</td>
<td>20,834</td>
<td>517</td>
</tr>
<tr>
<td>Investment Income</td>
<td>801</td>
<td>618</td>
<td>706</td>
<td>88</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$ 329,417</td>
<td>$ 337,270</td>
<td>$ 334,380</td>
<td>$(2,890)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$ 661,842</td>
<td>$ 703,378</td>
<td>$ 716,102</td>
<td>$ 12,724</td>
</tr>
<tr>
<td>Material and Services</td>
<td>145,174</td>
<td>144,842</td>
<td>152,688</td>
<td>7,846</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>8,560</td>
<td>24,600</td>
<td>22,702</td>
<td>(1,898)</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>12,933</td>
<td>13,548</td>
<td>12,375</td>
<td>(1,173)</td>
</tr>
<tr>
<td>Fuel</td>
<td>26,580</td>
<td>20,083</td>
<td>21,654</td>
<td>1,571</td>
</tr>
<tr>
<td>Vehicle and Facility Rental</td>
<td>3,269</td>
<td>2,675</td>
<td>3,060</td>
<td>385</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSE</strong></td>
<td>$ 858,358</td>
<td>$ 909,126</td>
<td>$ 928,581</td>
<td>$ 19,455</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>$ 12,819</td>
<td>$ 13,210</td>
<td>$ 14,282</td>
<td>$ 1,072</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 871,177</td>
<td>$ 922,336</td>
<td>$ 942,863</td>
<td>$ 20,527</td>
</tr>
<tr>
<td><strong>DEFICIT BEFORE SUBSIDY</strong></td>
<td>$(541,760)</td>
<td>$(585,066)</td>
<td>$(608,483)</td>
<td>$(23,417)</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 27,551</td>
<td>$ 27,494</td>
<td>$ 27,225</td>
<td>$(269)</td>
</tr>
<tr>
<td>State</td>
<td>450,359</td>
<td>486,495</td>
<td>507,059</td>
<td>20,564</td>
</tr>
<tr>
<td>Local</td>
<td>62,882</td>
<td>69,847</td>
<td>72,929</td>
<td>3,082</td>
</tr>
<tr>
<td>Other</td>
<td>1,110</td>
<td>1,230</td>
<td>1,270</td>
<td>40</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$ 541,902</td>
<td>$ 585,066</td>
<td>$ 608,483</td>
<td>$ 23,417</td>
</tr>
<tr>
<td><strong>SURPLUS/DEFICIT</strong></td>
<td>$ 142</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Victory Division
#### 6. Three Year Comparison Fiscal Years 2016-2018

<table>
<thead>
<tr>
<th>Amounts in thousands ('000)</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Budget</th>
<th>FY 2018 Proposal</th>
<th>FY 2018 versus FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$22,943</td>
<td>$23,275</td>
<td>$22,379</td>
<td>$(896)</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,457</td>
<td>2,163</td>
<td>2,421</td>
<td>258</td>
</tr>
<tr>
<td>Investment Income</td>
<td>40</td>
<td>33</td>
<td>34</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$25,440</td>
<td>$25,471</td>
<td>$24,834</td>
<td>$(637)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$67,216</td>
<td>$72,573</td>
<td>$74,294</td>
<td>$1,721</td>
</tr>
<tr>
<td>Material and Services</td>
<td>19,422</td>
<td>18,599</td>
<td>19,756</td>
<td>1,157</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>(1,770)</td>
<td>1,600</td>
<td>1,070</td>
<td>(530)</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>1,219</td>
<td>1,344</td>
<td>1,225</td>
<td>(119)</td>
</tr>
<tr>
<td>Fuel</td>
<td>4,463</td>
<td>2,997</td>
<td>3,293</td>
<td>296</td>
</tr>
<tr>
<td>Vehicle and Facility Rental</td>
<td>152</td>
<td>144</td>
<td>146</td>
<td>2</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSE</strong></td>
<td>$90,702</td>
<td>$97,257</td>
<td>$99,784</td>
<td>$2,527</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>$198</td>
<td>$215</td>
<td>$220</td>
<td>$5</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$90,900</td>
<td>$97,472</td>
<td>$100,004</td>
<td>$2,532</td>
</tr>
<tr>
<td><strong>DEFICIT BEFORE SUBSIDY</strong></td>
<td>$(65,460)</td>
<td>$(72,001)</td>
<td>$(75,170)</td>
<td>$(3,169)</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$3,392</td>
<td>$3,394</td>
<td>$3,370</td>
<td>$(24)</td>
</tr>
<tr>
<td>State</td>
<td>54,170</td>
<td>59,670</td>
<td>62,447</td>
<td>2,777</td>
</tr>
<tr>
<td>Local</td>
<td>7,916</td>
<td>8,937</td>
<td>9,353</td>
<td>416</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$65,478</td>
<td>$72,001</td>
<td>$75,170</td>
<td>$3,169</td>
</tr>
<tr>
<td><strong>SURPLUS/(DEFICIT)</strong></td>
<td>$18</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Frontier Division
6. Three Year Comparison Fiscal Years 2016-2018

<table>
<thead>
<tr>
<th>Amounts in thousands ('000)</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Budget</th>
<th>FY 2018 Proposal</th>
<th>FY 2018 versus FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$ 6,629</td>
<td>$ 6,827</td>
<td>$ 6,613</td>
<td>($214)</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>717</td>
<td>727</td>
<td>877</td>
<td>150</td>
</tr>
<tr>
<td>Investment Income</td>
<td>11</td>
<td>9</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$ 7,357</td>
<td>$ 7,563</td>
<td>$ 7,499</td>
<td>($64)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$ 26,102</td>
<td>$ 26,558</td>
<td>$ 27,290</td>
<td>$ 732</td>
</tr>
<tr>
<td>Material and Services</td>
<td>3,133</td>
<td>3,671</td>
<td>4,260</td>
<td>589</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>(691)</td>
<td>300</td>
<td>522</td>
<td>222</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fuel</td>
<td>2,809</td>
<td>2,163</td>
<td>2,351</td>
<td>188</td>
</tr>
<tr>
<td>Vehicle and Facility Rental</td>
<td>52</td>
<td>49</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSE</strong></td>
<td>$ 31,405</td>
<td>$ 32,741</td>
<td>$ 34,472</td>
<td>$ 1,731</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>$ 46</td>
<td>$ 51</td>
<td>$ 53</td>
<td>$ 2</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 31,451</td>
<td>$ 32,792</td>
<td>$ 34,525</td>
<td>$ 1,733</td>
</tr>
<tr>
<td><strong>DEFICIT BEFORE SUBSIDY</strong></td>
<td>$ (24,094)</td>
<td>$ (25,229)</td>
<td>$ (27,026)</td>
<td>$ (1,797)</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 1,215</td>
<td>$ 1,184</td>
<td>$ 1,168</td>
<td>($16)</td>
</tr>
<tr>
<td>State</td>
<td>19,428</td>
<td>20,372</td>
<td>21,940</td>
<td>1,568</td>
</tr>
<tr>
<td>Local</td>
<td>2,839</td>
<td>3,053</td>
<td>3,288</td>
<td>235</td>
</tr>
<tr>
<td>Other</td>
<td>618</td>
<td>620</td>
<td>630</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$ 24,100</td>
<td>$ 25,229</td>
<td>$ 27,026</td>
<td>$ 1,797</td>
</tr>
<tr>
<td><strong>SURPLUS/(DEFICIT)</strong></td>
<td>$ 6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Regional Rail Division
6. Three Year Comparison Fiscal Years 2016-2018

<table>
<thead>
<tr>
<th>Amounts in thousands ('000)</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Budget</th>
<th>FY 2018 Proposal</th>
<th>FY 2018 versus FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$151,908</td>
<td>$154,063</td>
<td>$151,865</td>
<td>$(2,198)</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Other Income</td>
<td>$11,700</td>
<td>$11,693</td>
<td>$11,918</td>
<td>$225</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$645</td>
<td>$490</td>
<td>$876</td>
<td>$386</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$164,253</td>
<td>$166,246</td>
<td>$164,659</td>
<td>$(1,587)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$204,342</td>
<td>$212,507</td>
<td>$219,099</td>
<td>$6,592</td>
</tr>
<tr>
<td>Material and Services</td>
<td>$95,606</td>
<td>$111,194</td>
<td>$115,952</td>
<td>$4,758</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>$(463)</td>
<td>$2,200</td>
<td>$5,600</td>
<td>$3,400</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>$18,652</td>
<td>$20,292</td>
<td>$20,125</td>
<td>$(167)</td>
</tr>
<tr>
<td>Fuel</td>
<td>$484</td>
<td>$514</td>
<td>$550</td>
<td>$36</td>
</tr>
<tr>
<td>Vehicle and Facility Rental</td>
<td>$1,031</td>
<td>$1,208</td>
<td>$1,150</td>
<td>$(58)</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSE</strong></td>
<td>$319,652</td>
<td>$347,915</td>
<td>$362,476</td>
<td>$14,561</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>$5,396</td>
<td>$6,024</td>
<td>$6,068</td>
<td>$44</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$325,048</td>
<td>$353,939</td>
<td>$368,544</td>
<td>$14,605</td>
</tr>
<tr>
<td><strong>DEFICIT BEFORE SUBSIDY</strong></td>
<td>$(160,795)</td>
<td>$(187,693)</td>
<td>$(203,885)</td>
<td>$(16,192)</td>
</tr>
<tr>
<td><strong>OPERATING SUBSIDY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$45,310</td>
<td>$50,255</td>
<td>$50,499</td>
<td>$244</td>
</tr>
<tr>
<td>State</td>
<td>$101,107</td>
<td>$120,078</td>
<td>$133,858</td>
<td>$13,780</td>
</tr>
<tr>
<td>Local</td>
<td>$12,911</td>
<td>$15,960</td>
<td>$18,028</td>
<td>$2,068</td>
</tr>
<tr>
<td>Other</td>
<td>$1,495</td>
<td>$1,400</td>
<td>$1,500</td>
<td>$100</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$160,823</td>
<td>$187,693</td>
<td>$203,885</td>
<td>$16,192</td>
</tr>
<tr>
<td><strong>SURPLUS/(DEFICIT)</strong></td>
<td>$28</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
7. Financial Projections Summary of Assumptions

**Passenger Revenue**  
Revenue is expected to grow by 1% per year, except in Fiscal Years 2020 and 2023 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 Revenue**  
This other revenue category is expected to increase slightly when compared to the Fiscal Year 2018 budget. Income that is generated primarily from investments, real estate rentals, scrap sales, fuel tax rebates, 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 higher rate due to prescription drugs and medical costs.

The other expense categories anticipate third party supplier’s price increases, while aggressive management of claims and installation of additional cameras on SEPTA’s vehicles and at stations are expected to continue to curtail cost increases in this area.

**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 2018 and beyond. Due to scheduled fare increases in Fiscal Years 2020 and 2023, the subsidy growth rate is lower in those years as compared to other years.
### 7. Financial Projections Consolidated Budget

#### Amounts in thousands (’000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>fare increase</td>
<td>fare increase</td>
<td>fare increase</td>
<td>fare increase</td>
<td>fare increase</td>
<td>fare increase</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$475,197</td>
<td>$479,949</td>
<td>$504,949</td>
<td>$509,998</td>
<td>$515,098</td>
<td>$540,098</td>
</tr>
<tr>
<td>Shared Ride Revenue</td>
<td>18,500</td>
<td>18,685</td>
<td>18,872</td>
<td>19,061</td>
<td>19,252</td>
<td>19,445</td>
</tr>
<tr>
<td>Other Income</td>
<td>37,675</td>
<td>38,052</td>
<td>38,433</td>
<td>38,817</td>
<td>39,205</td>
<td>39,597</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>$531,372</td>
<td>$536,686</td>
<td>$562,254</td>
<td>$567,876</td>
<td>$573,555</td>
<td>$599,140</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Fringe Benefits</td>
<td>$1,036,785</td>
<td>$1,065,284</td>
<td>$1,097,489</td>
<td>$1,136,662</td>
<td>$1,179,053</td>
<td>$1,219,889</td>
</tr>
<tr>
<td>Materials and Services</td>
<td>292,656</td>
<td>302,252</td>
<td>312,334</td>
<td>317,137</td>
<td>320,066</td>
<td>325,931</td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>29,894</td>
<td>30,193</td>
<td>30,495</td>
<td>30,800</td>
<td>31,108</td>
<td>31,419</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>33,725</td>
<td>34,231</td>
<td>34,744</td>
<td>35,127</td>
<td>35,513</td>
<td>35,904</td>
</tr>
<tr>
<td>Fuel</td>
<td>27,848</td>
<td>28,683</td>
<td>29,401</td>
<td>30,136</td>
<td>30,889</td>
<td>31,661</td>
</tr>
<tr>
<td>Other Expenses (Incl. Depreciation)</td>
<td>25,028</td>
<td>25,779</td>
<td>26,552</td>
<td>27,083</td>
<td>27,625</td>
<td>28,177</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$1,445,936</td>
<td>$1,486,422</td>
<td>$1,531,015</td>
<td>$1,576,945</td>
<td>$1,624,254</td>
<td>$1,672,981</td>
</tr>
<tr>
<td><strong>Deficit Before Subsidy</strong></td>
<td>$ (914,564)</td>
<td>$ (949,736)</td>
<td>$ (968,761)</td>
<td>$ (1,009,069)</td>
<td>$ (1,050,699)</td>
<td>$ (1,073,841)</td>
</tr>
<tr>
<td><strong>Operating Subsidy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>82,262</td>
<td>87,040</td>
<td>87,800</td>
<td>88,704</td>
<td>89,725</td>
<td>90,764</td>
</tr>
<tr>
<td>State</td>
<td>725,304</td>
<td>751,839</td>
<td>766,964</td>
<td>801,207</td>
<td>835,269</td>
<td>854,480</td>
</tr>
<tr>
<td>Local</td>
<td>103,598</td>
<td>107,423</td>
<td>110,529</td>
<td>115,655</td>
<td>122,167</td>
<td>125,024</td>
</tr>
<tr>
<td>Other</td>
<td>3,400</td>
<td>3,434</td>
<td>3,468</td>
<td>3,503</td>
<td>3,538</td>
<td>3,573</td>
</tr>
<tr>
<td><strong>Total Subsidy</strong></td>
<td>$914,564</td>
<td>$949,736</td>
<td>$968,761</td>
<td>$1,009,069</td>
<td>$1,050,699</td>
<td>$1,073,841</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
8. Annual Service Plan Overview

The Fiscal Year 2018 Annual Service Plan 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. The plan includes items for two operating divisions – City Transit and Suburban Transit. There are no proposals for the Regional Rail Division.

Listed below are the proposed projects for inclusion in the proposed SEPTA FY 2018 Annual Service Plan:

**City Transit Operations**

- Enhanced bus service along Roosevelt Boulevard
- Route 49 – New bus route, from Brewerytown and Fairmount to Grays Ferry via University City

**Suburban Transit Operations**

- Adjustment to Bus Route 132 in Hilltown Township, Bucks County to serve a retail district along PA Route 113 east of Souderton

**Conceptual Route and Service Proposals under Consideration**

- Route rationalization from Norristown Transportation Center to points west, to include King of Prussia, Trooper, Oaks, and Phoenixville

**Proposed Amendments to SEPTA Service Standards and Process**

- None proposed at this time

The Fiscal Year 2018 Annual Service Plan does not include any major reductions in service levels or significant diminishment of transit service.
8. Revenue Assumptions By Category

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, investment income, and other income.

Passenger Revenue

The Fiscal Year 2018 Operating Budget Proposal includes passenger revenue of $475.2 million, which represents a $6.3 million or 1.3% decrease compared to the FY 2017 Budget.

Shared Ride Program

SEPTA assumed responsibility for the operation of the state funded Shared Ride Program in the City of Philadelphia during Fiscal Year 1993. This year, the program is budgeted at $18.5 million. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging, and Shared Ride fares. In Fiscal Year 2018, the Authority projects a total of 650,000 Shared Ride trips.

Other Income

Other revenue includes real estate rental income, parking lot fees, advertising income, income from the sale of scrap material, and fuel tax rebates. Total projected revenue for this category is $36.1 million.

Investment Income

Investment income is budgeted at $1.6 million for Fiscal Year 2018. Investment income results are correlated directly to financial market conditions.
8. Ten Year Revenue Trends

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

Amounts in Millions

**Passenger Revenue**

**Shared Ride Program**

**Other Income**
TOTAL OPERATING REVENUE = $531,372
In Thousands

- Passenger Revenue: $475,197 (89.43%)
- Shared Ride Program: $18,500 (3.48%)
- Other Income: $36,050 (6.78%)
- Investment Income: $1,625 (0.31%)

TOTAL OPERATING REVENUE = $531,372
9. Subsidy Allocation & Detail

Introduction
Total subsidies in the Fiscal Year 2018 Operating Budget Proposal represent $914.6 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 2018, the total Federal Subsidy of $82.3 million covers only 5.7% of the total budgeted operating expense. The source of this subsidy is Federal Preventive Maintenance in the amount of $36.8 million, Federal Capital Lease Subsidy in the amount of $37.6 million, and Federal Capital Debt Service Subsidy of $7.9 million.

State
On July 18, 2007, Act 44 of 2007 was signed into law by former 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 in the Commonwealth of Pennsylvania and proceeds from bonds issued by the Pennsylvania Turnpike Commission.

In November of 2013, the State Legislature passed Act 89. This 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:

<table>
<thead>
<tr>
<th>Allocation Category</th>
<th>Allocation Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Passengers</td>
<td>25%</td>
</tr>
<tr>
<td>Number of Senior Citizen Passengers</td>
<td>10%</td>
</tr>
<tr>
<td>Revenue Vehicle Hours</td>
<td>35%</td>
</tr>
<tr>
<td>Revenue Vehicle Miles</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

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.
9. Subsidy Allocation & Detail

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:

<table>
<thead>
<tr>
<th>County</th>
<th>City Transit</th>
<th>Victory</th>
<th>Frontier</th>
<th>Regional Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bucks</td>
<td>0.27%</td>
<td>0.00%</td>
<td>37.00%</td>
<td>5.90%</td>
</tr>
<tr>
<td>Chester</td>
<td>0.00%</td>
<td>2.00%</td>
<td>17.00%</td>
<td>4.30%</td>
</tr>
<tr>
<td>Delaware</td>
<td>0.00%</td>
<td>86.00%</td>
<td>0.00%</td>
<td>8.80%</td>
</tr>
<tr>
<td>Montgomery</td>
<td>0.25%</td>
<td>12.00%</td>
<td>46.00%</td>
<td>11.00%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>99.48%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>70.00%</td>
</tr>
</tbody>
</table>

| 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 2018 is as follows:

<table>
<thead>
<tr>
<th>Suburban Paratransit Usage by County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bucks</td>
</tr>
<tr>
<td>Chester</td>
</tr>
<tr>
<td>Delaware</td>
</tr>
<tr>
<td>Montgomery</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

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 2018 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.
9. Service Stabilization Fund

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

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>Transit</th>
<th>$</th>
<th>Victory</th>
<th>$</th>
<th>Frontier</th>
<th>$</th>
<th>Rail</th>
<th>$</th>
<th>SEPTA</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preventive Maintenance</td>
<td>$26,155</td>
<td>$3,335</td>
<td>$1,158</td>
<td>$6,152</td>
<td></td>
<td>$36,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Lease Subsidy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$37,600</td>
<td></td>
<td>$37,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Subsidy</td>
<td>$1,070</td>
<td>35</td>
<td>10</td>
<td>$6,747</td>
<td></td>
<td>$7,862</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Federal</strong></td>
<td>$27,225</td>
<td>$3,370</td>
<td>$1,168</td>
<td>$50,499</td>
<td></td>
<td>$82,262</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Subsidy - (Section 1513)</td>
<td>$479,989</td>
<td>$62,329</td>
<td>$21,910</td>
<td>$116,221</td>
<td></td>
<td>$680,449</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease Cost Subsidy - (Section 1514)</td>
<td>$928</td>
<td>83</td>
<td>28</td>
<td>$206</td>
<td></td>
<td>$1,245</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Subsidy - (Section 1514)</td>
<td>$25,882</td>
<td>26</td>
<td>-</td>
<td>$6,703</td>
<td></td>
<td>$32,611</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Match - Capital Lease Subsidy - (Section 1514)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$9,097</td>
<td></td>
<td>$9,097</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Match - Capital Debt Service Subsidy - (Section 1514)</td>
<td>$260</td>
<td>9</td>
<td>2</td>
<td>$1,631</td>
<td></td>
<td>$1,902</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal State</strong></td>
<td>$507,059</td>
<td>$62,447</td>
<td>$21,940</td>
<td>$133,858</td>
<td></td>
<td>$725,304</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Please see subsequent pages for Detail by County)</td>
<td>$72,929</td>
<td>$9,353</td>
<td>$3,288</td>
<td>$18,028</td>
<td></td>
<td>$103,598</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other - Route Guarantees</td>
<td>$1,270</td>
<td>-</td>
<td>$630</td>
<td>$1,500</td>
<td></td>
<td>$3,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY</strong></td>
<td>$608,483</td>
<td>$75,170</td>
<td>$27,026</td>
<td>$203,885</td>
<td></td>
<td>$914,564</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. Detail of Subsidies

TOTAL SUBSIDIES = $914,564
In Thousands

- State: $725,304 (79%)
- Federal: $82,262 (9%)
- Local: $103,598 (11%)
- Other: $3,400 (1%)

TOTAL SUBSIDIES = $914,564
In Thousands
## 9. Detail of Local Subsidies & Other

<table>
<thead>
<tr>
<th>Amounts in thousands ('000)</th>
<th>City</th>
<th>Transit</th>
<th>Victory</th>
<th>Frontier</th>
<th>Regional</th>
<th>SEPTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base PA Trust Fund Local Match</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bucks</td>
<td>$</td>
<td>194</td>
<td>$</td>
<td>$1,216</td>
<td>$1,028</td>
<td>$2,438</td>
</tr>
<tr>
<td>Chester</td>
<td>-</td>
<td>148</td>
<td>$</td>
<td>559</td>
<td>750</td>
<td>1,457</td>
</tr>
<tr>
<td>Delaware</td>
<td>-</td>
<td>6,305</td>
<td>$</td>
<td></td>
<td>1,533</td>
<td>7,838</td>
</tr>
<tr>
<td>Montgomery</td>
<td>180</td>
<td>880</td>
<td>$1,512</td>
<td>$1,918</td>
<td></td>
<td>4,490</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>71,623</td>
<td>1,216</td>
<td>$</td>
<td></td>
<td>1,028</td>
<td>2,438</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$</td>
<td>71,997</td>
<td>$7,333</td>
<td>$3,287</td>
<td>$17,434</td>
<td>$100,051</td>
</tr>
<tr>
<td>Suburban Paratransit Local Match</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bucks</td>
<td>$</td>
<td>-</td>
<td>$222</td>
<td></td>
<td></td>
<td>222</td>
</tr>
<tr>
<td>Chester</td>
<td>-</td>
<td>181</td>
<td>$</td>
<td></td>
<td></td>
<td>181</td>
</tr>
<tr>
<td>Delaware</td>
<td>-</td>
<td>847</td>
<td>$</td>
<td></td>
<td></td>
<td>847</td>
</tr>
<tr>
<td>Montgomery</td>
<td>-</td>
<td>766</td>
<td>$</td>
<td></td>
<td></td>
<td>766</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$</td>
<td>-</td>
<td>$2,016</td>
<td></td>
<td></td>
<td>2,016</td>
</tr>
<tr>
<td>Total Trust Fund Local Subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bucks</td>
<td>$</td>
<td>194</td>
<td>$222</td>
<td>$1,216</td>
<td>$1,028</td>
<td>$2,660</td>
</tr>
<tr>
<td>Chester</td>
<td>-</td>
<td>329</td>
<td>$</td>
<td>559</td>
<td>750</td>
<td>1,638</td>
</tr>
<tr>
<td>Delaware</td>
<td>-</td>
<td>7,152</td>
<td>$</td>
<td></td>
<td>1,533</td>
<td>8,685</td>
</tr>
<tr>
<td>Montgomery</td>
<td>180</td>
<td>1,646</td>
<td>$1,512</td>
<td>$1,918</td>
<td></td>
<td>5,256</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>71,623</td>
<td>1,216</td>
<td>$</td>
<td></td>
<td>1,028</td>
<td>2,438</td>
</tr>
<tr>
<td>Total Trust Fund Local Subsidy</td>
<td>$</td>
<td>71,997</td>
<td>$9,349</td>
<td>$3,287</td>
<td>$17,434</td>
<td>$102,067</td>
</tr>
<tr>
<td>Local Debt Service Subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bucks</td>
<td>$</td>
<td>2</td>
<td>$</td>
<td>$</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Chester</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Delaware</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Montgomery</td>
<td>2</td>
<td>-</td>
<td>$</td>
<td>31</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>897</td>
<td>-</td>
<td></td>
<td>199</td>
<td></td>
<td>1,096</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$</td>
<td>901</td>
<td>$1</td>
<td>$284</td>
<td></td>
<td>1,186</td>
</tr>
<tr>
<td>Local Lease Cost Subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bucks</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Chester</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td></td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Delaware</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>27</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Montgomery</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>34</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>31</td>
<td>-</td>
<td></td>
<td>218</td>
<td></td>
<td>249</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$</td>
<td>31</td>
<td>$3</td>
<td>$1</td>
<td>310</td>
<td>345</td>
</tr>
<tr>
<td>Total Debt Service and Lease Subsidy</td>
<td>$</td>
<td>932</td>
<td>$4</td>
<td>$1</td>
<td>594</td>
<td>1,531</td>
</tr>
<tr>
<td>Total Local Subsidy Required</td>
<td>$</td>
<td>72,929</td>
<td>$9,353</td>
<td>$3,288</td>
<td>$18,028</td>
<td>$103,598</td>
</tr>
<tr>
<td>Total Other Route Guarantees</td>
<td>$</td>
<td>1,270</td>
<td>$-</td>
<td>$630</td>
<td>$1,500</td>
<td>$3,400</td>
</tr>
</tbody>
</table>
The total local subsidy required for the Fiscal 2018 Budget Proposal is comprised of the following:

- Total Trust Fund Local Subsidy (15% Match of Section 1513) $ 102,067
- Debt Service Subsidy Local Match 1,186
- Lease Cost Subsidy Local Match 345
- Total Local Subsidy Required $ 103,598
## 10. Expense Assumptions By Category

### LABOR & FRINGE BENEFITS

The Fiscal Year 2018 labor and fringe growth of 2.1% reflects pattern labor wage increases as a result of negotiated labor agreements. Higher pension expenses, partially offset by lower medical and prescription drug savings accounts for a majority of the increase in fringe benefit costs.

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 2018 budget increase reflects higher vehicle replacement part costs and usage as well as higher third party contract service costs associated with the ADA and Shared Ride Program, revenue collections, and planned infrastructure repair 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. The program will continue to be phased in over the next several years and impacts the Authority’s budget for both Amtrak trackage access and certain station rental costs.

### INJURY & DAMAGE CLAIMS

Claims expense includes self-insured claim payouts, insurance premiums, and reserve adjustments. The Fiscal Year 2018 increase reflects additional insurance coverage obtained to better manage the Authority’s risk exposure.

### PROPULSION POWER

Revenue vehicle propulsion power expense is calculated based on estimated kilowatt-hour usage and rates, both of which are expected to be lower due to expense reduction initiatives that were implemented.

### FUEL

Fuel expense is based on budgeted miles of revenue vehicle operation, mile per gallon fuel economy, and estimated fuel rates. The Fiscal Year 2018 budget assumes an anticipated increase in the price of fuel.
10. Expense Assumptions By Category

**RENTAL EXPENSE**
Rental expense covers all operating lease rentals for fixed facilities and short-term non-revenue vehicle and equipment leases.

**DEPRECIATION**
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital. The net increase in costs reflects capital cost incurred for tenant improvements and energy savings projects, which are expected to be offset by higher real estate rental income and reduced 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**

**Net Labor and Fringe Benefits**

**Departmental Material & Services**

**Fuel**

**Note:** Decrease in recent years is due to lower fuel prices.
10. Ten Year Expense Trends

Amounts in Millions

**Propulsion Power**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$32.0</td>
<td>$33.0</td>
<td>$35.0</td>
<td>$35.5</td>
<td>$34.6</td>
<td>$37.0</td>
<td>$32.1</td>
<td>$32.8</td>
<td>$35.2</td>
<td>$33.7</td>
</tr>
<tr>
<td>Proposal</td>
<td>$60.0</td>
<td>$50.0</td>
<td>$40.0</td>
<td>$30.0</td>
<td>$20.0</td>
<td>$10.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

**Injury and Damage Claims**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$39.0</td>
<td>$46.0</td>
<td>$50.0</td>
<td>$58.5</td>
<td>$42.4</td>
<td>$38.8</td>
<td>$15.9</td>
<td>$28.6</td>
<td>$26.7</td>
<td>$29.9</td>
</tr>
<tr>
<td>Proposal</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
<td>$55.0</td>
</tr>
</tbody>
</table>

**AMTRAK Trackage Access**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$26.0</td>
<td>$26.0</td>
<td>$26.0</td>
<td>$27.0</td>
<td>$27.0</td>
<td>$28.3</td>
<td>$28.6</td>
<td>$28.6</td>
<td>$28.6</td>
<td>$28.6</td>
</tr>
<tr>
<td>Proposal</td>
<td>$50.0</td>
<td>$40.0</td>
<td>$30.0</td>
<td>$20.0</td>
<td>$10.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

**Note:** Injury and Damage Claims have decreased dramatically due to the installation of cameras on vehicles and select stations.

**Note:** AMTRAK expense increase due to implementation of Passenger Railroad Investment and Improvement Act (PRIIA), effective October 2015.
10. Summary of Operating Expenses

**TOTAL OPERATING EXPENSES = $1,445,936**

*In Thousands*

- **Labor and Fringe**: $1,036,785 (71.7%)
- **Material and Services**: $292,656 (20.3%)
- **Injury and Damage Claims**: $29,894 (2.1%)
- **Propulsion Power**: $33,725 (2.3%)
- **Depreciation/Contributed Capital**: $20,623 (1.4%)
- **Fuel**: $27,848 (1.9%)
- **Vehicle and Facility Rentals**: $4,405 (0.3%)

**TOTAL OPERATING EXPENSES = $1,445,936**

In Thousands
## 10. FY 2018 Budget Proposal Detail of Expenses In 000’s

<table>
<thead>
<tr>
<th>Division/Departmental Expenses</th>
<th>Labor &amp; Fringe</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>$234</td>
<td>$271</td>
<td>$505</td>
</tr>
<tr>
<td>Bus Engineering</td>
<td>$1,338</td>
<td>$2,998</td>
<td>$4,336</td>
</tr>
<tr>
<td>Rail Engineering</td>
<td>$1,441</td>
<td>$90</td>
<td>$1,531</td>
</tr>
<tr>
<td>Control Center</td>
<td>$8,529</td>
<td>$275</td>
<td>$8,804</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>$8,349</td>
<td>$4,158</td>
<td>$12,507</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>$1,508</td>
<td>$10</td>
<td>$1,518</td>
</tr>
<tr>
<td>Rail Transportation-Subway-Elevated</td>
<td>$52,928</td>
<td>$1,136</td>
<td>$54,064</td>
</tr>
<tr>
<td>Rail Transportation - Regional Rail</td>
<td>$67,649</td>
<td>$19,869</td>
<td>$87,518</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>$213,564</td>
<td>$529</td>
<td>$214,093</td>
</tr>
<tr>
<td>Vehicle Equipment Maintenance</td>
<td>$112,173</td>
<td>$48,203</td>
<td>$160,376</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td>$467,713</td>
<td>$77,539</td>
<td>$545,252</td>
</tr>
<tr>
<td><strong>Engineering, Maintenance &amp; Construction</strong></td>
<td>$76,870</td>
<td>$26,551</td>
<td>$103,421</td>
</tr>
<tr>
<td><strong>Transit Police</strong></td>
<td>$20,181</td>
<td>$1,137</td>
<td>$21,318</td>
</tr>
<tr>
<td><strong>STAFF DEPARTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit and Investigative Services</td>
<td>$1,594</td>
<td>$52</td>
<td>$1,646</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>$2,677</td>
<td>210</td>
<td>2,887</td>
</tr>
<tr>
<td>Communications</td>
<td>$1,307</td>
<td>1,112</td>
<td>2,419</td>
</tr>
<tr>
<td>Customer Service and Advocacy</td>
<td>$5,344</td>
<td>458</td>
<td>5,802</td>
</tr>
<tr>
<td>Deputy General Manager/Treasurer Administration</td>
<td>$1,566</td>
<td>20</td>
<td>1,586</td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>$9,914</td>
<td>980</td>
<td>10,894</td>
</tr>
<tr>
<td>Finance and Planning</td>
<td>$11,429</td>
<td>4,922</td>
<td>16,351</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$4,217</td>
<td>638</td>
<td>4,855</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$5,869</td>
<td>5,596</td>
<td>11,465</td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>$11,678</td>
<td>2,116</td>
<td>13,794</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>$329</td>
<td>580</td>
<td>909</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>$8,579</td>
<td>13,836</td>
<td>22,415</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>$9,759</td>
<td>339</td>
<td>10,098</td>
</tr>
<tr>
<td>Public and Government Affairs</td>
<td>$1,525</td>
<td>4,868</td>
<td>6,393</td>
</tr>
<tr>
<td>System Safety</td>
<td>$1,959</td>
<td>1,081</td>
<td>3,040</td>
</tr>
<tr>
<td><strong>Total Staff Departments</strong></td>
<td>$77,746</td>
<td>$36,808</td>
<td>$114,554</td>
</tr>
<tr>
<td>Capital Allocation</td>
<td>(6,026)</td>
<td>(4,405)</td>
<td>(10,431)</td>
</tr>
<tr>
<td><strong>Total Departmental Expenses</strong></td>
<td>$636,484</td>
<td>$137,630</td>
<td>$774,114</td>
</tr>
<tr>
<td><strong>NON-DEPARTMENTAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$400,301</td>
<td>-</td>
<td>$400,301</td>
</tr>
<tr>
<td>Amtrak/Capitalized Cost and Other</td>
<td>-</td>
<td>$49,830</td>
<td>49,830</td>
</tr>
<tr>
<td>CCT - ADA Services</td>
<td>-</td>
<td>32,350</td>
<td>32,350</td>
</tr>
<tr>
<td>CCT - Shared Ride Program</td>
<td>-</td>
<td>22,100</td>
<td>22,100</td>
</tr>
<tr>
<td>Debt Service Interest and Fees</td>
<td>-</td>
<td>19,087</td>
<td>19,087</td>
</tr>
<tr>
<td>Property Insurance/Other Claims Payouts, Net</td>
<td>-</td>
<td>2,828</td>
<td>2,828</td>
</tr>
<tr>
<td>Services for 1234 Market Street</td>
<td>-</td>
<td>5,150</td>
<td>5,150</td>
</tr>
<tr>
<td>Snow Removal and Other Weather Related Expenses</td>
<td>-</td>
<td>5,850</td>
<td>5,850</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Expenses</strong></td>
<td>$400,301</td>
<td>$155,026</td>
<td>$555,327</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>-</td>
<td>$29,894</td>
<td>29,894</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>-</td>
<td>33,725</td>
<td>33,725</td>
</tr>
<tr>
<td>Fuel</td>
<td>-</td>
<td>27,848</td>
<td>27,848</td>
</tr>
<tr>
<td>Vehicle and Facility Rentals</td>
<td>-</td>
<td>4,405</td>
<td>4,405</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>-</td>
<td>20,623</td>
<td>20,623</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>-</td>
<td>$116,495</td>
<td>$116,495</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$1,036,785</td>
<td>$409,151</td>
<td>$1,445,936</td>
</tr>
</tbody>
</table>
## 10. FY 2018 Budget Proposal Allocation By Company In 000’s

<table>
<thead>
<tr>
<th>Company</th>
<th>1100</th>
<th>2100</th>
<th>2200</th>
<th>2300</th>
<th>3100</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>505</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>505</td>
</tr>
<tr>
<td>Bus Engineering</td>
<td>331</td>
<td>4,005</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,336</td>
</tr>
<tr>
<td>Rail Engineering</td>
<td>-</td>
<td>1,521</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,531</td>
</tr>
<tr>
<td>Control Center</td>
<td>914</td>
<td>3,338</td>
<td>402</td>
<td>-</td>
<td>4,060</td>
<td>8,804</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>9,917</td>
<td>1,229</td>
<td>-</td>
<td>1,361</td>
<td>-</td>
<td>12,507</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>1,361</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,361</td>
</tr>
<tr>
<td>Rail Transportation-Subway-Elevated</td>
<td>181</td>
<td>53,821</td>
<td>-</td>
<td>-</td>
<td>62</td>
<td>54,046</td>
</tr>
<tr>
<td>Rail Transportation - Regional Rail</td>
<td>342</td>
<td>185</td>
<td>-</td>
<td>-</td>
<td>86,991</td>
<td>87,518</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>-</td>
<td>172,439</td>
<td>28,623</td>
<td>13,031</td>
<td>-</td>
<td>214,093</td>
</tr>
<tr>
<td>Vehicle Equipment Maintenance</td>
<td>8</td>
<td>109,447</td>
<td>11,030</td>
<td>5,413</td>
<td>34,478</td>
<td>160,376</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td>$13,559</td>
<td>$345,985</td>
<td>$40,145</td>
<td>$19,805</td>
<td>$125,758</td>
<td>$545,252</td>
</tr>
<tr>
<td>Engineering, Maintenance &amp; Construction</td>
<td>$3,743</td>
<td>$63,982</td>
<td>$5,800</td>
<td>-</td>
<td>$29,896</td>
<td>$103,421</td>
</tr>
<tr>
<td>Transit Police</td>
<td>$21,318</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,318</td>
</tr>
<tr>
<td>STAFF DEPARTMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit and Investigative Services</td>
<td>1,646</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,646</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>2,798</td>
<td>89</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,887</td>
</tr>
<tr>
<td>Communications</td>
<td>2,139</td>
<td>150</td>
<td>-</td>
<td>-</td>
<td>130</td>
<td>2,419</td>
</tr>
<tr>
<td>Customer Service and Advocacy</td>
<td>5,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>5,802</td>
</tr>
<tr>
<td>Deputy General Manager/Treasurer Administration</td>
<td>1,586</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,586</td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>4,555</td>
<td>3,439</td>
<td>425</td>
<td>133</td>
<td>2,342</td>
<td>10,894</td>
</tr>
<tr>
<td>Finance and Planning</td>
<td>15,393</td>
<td>502</td>
<td>-</td>
<td>-</td>
<td>456</td>
<td>16,351</td>
</tr>
<tr>
<td>Human Resources</td>
<td>4,855</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,855</td>
</tr>
<tr>
<td>Information Technology</td>
<td>11,465</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,465</td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>13,788</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,794</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>909</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>909</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>12,843</td>
<td>4,458</td>
<td>-</td>
<td>-</td>
<td>5,114</td>
<td>22,415</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>8,685</td>
<td>355</td>
<td>-</td>
<td>-</td>
<td>1,058</td>
<td>10,098</td>
</tr>
<tr>
<td>Public and Government Affairs</td>
<td>6,393</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,393</td>
</tr>
<tr>
<td>System Safety</td>
<td>3,040</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,040</td>
</tr>
<tr>
<td><strong>Total Staff Departments</strong></td>
<td>$95,895</td>
<td>$8,999</td>
<td>$425</td>
<td>$133</td>
<td>9,102</td>
<td>$114,554</td>
</tr>
<tr>
<td>Capital Allocation</td>
<td>-</td>
<td>(7,513)</td>
<td>(559)</td>
<td>(184)</td>
<td>(2,175)</td>
<td>(10,431)</td>
</tr>
<tr>
<td>Headquarters Allocation</td>
<td>$(134,515)</td>
<td>$(100,335)</td>
<td>$(8,932)</td>
<td>$2,973</td>
<td>$22,275</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Departmental Expenses</strong></td>
<td>$ -</td>
<td>$511,788</td>
<td>$54,743</td>
<td>$22,727</td>
<td>$184,856</td>
<td>$774,114</td>
</tr>
<tr>
<td>NON-DEPARTMENTAL EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>58,042</td>
<td>241,549</td>
<td>22,806</td>
<td>7,136</td>
<td>70,768</td>
<td>400,301</td>
</tr>
<tr>
<td>Amtrak/Capitalized Cost and Other</td>
<td>(1,929)</td>
<td>4,418</td>
<td>(24)</td>
<td>(8)</td>
<td>47,373</td>
<td>49,830</td>
</tr>
<tr>
<td>CCT - ADA Services</td>
<td>-</td>
<td>21,150</td>
<td>11,200</td>
<td>-</td>
<td>-</td>
<td>32,350</td>
</tr>
<tr>
<td>CCT - Shared Ride Program</td>
<td>-</td>
<td>22,100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,100</td>
</tr>
<tr>
<td>Debt Service Interest and Fees</td>
<td>-</td>
<td>8,991</td>
<td>119</td>
<td>33</td>
<td>9,944</td>
<td>19,087</td>
</tr>
<tr>
<td>Property Insurance/Other Claims Payouts, Net</td>
<td>128</td>
<td>1,796</td>
<td>185</td>
<td>49</td>
<td>670</td>
<td>2,828</td>
</tr>
<tr>
<td>Services for 1224 Market Street</td>
<td>5,150</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,150</td>
</tr>
<tr>
<td>Snow Removal and Other Weather Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,850</td>
<td>5,850</td>
</tr>
<tr>
<td>Utilities</td>
<td>4,515</td>
<td>7,839</td>
<td>645</td>
<td>156</td>
<td>4,676</td>
<td>17,831</td>
</tr>
<tr>
<td>Headquarters Allocation</td>
<td>(65,906)</td>
<td>49,159</td>
<td>4,376</td>
<td>1,457</td>
<td>10,914</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Expenses</strong></td>
<td>$ -</td>
<td>$357,002</td>
<td>$39,307</td>
<td>$8,823</td>
<td>150,195</td>
<td>$555,327</td>
</tr>
<tr>
<td>OTHER OPERATING EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>22,702</td>
<td>1,070</td>
<td>522</td>
<td>-</td>
<td>6,600</td>
<td>29,894</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>12,975</td>
<td>1,225</td>
<td>-</td>
<td>-</td>
<td>20,125</td>
<td>33,725</td>
</tr>
<tr>
<td>Fuel</td>
<td>21,654</td>
<td>3,293</td>
<td>2,351</td>
<td>550</td>
<td>27,848</td>
<td></td>
</tr>
<tr>
<td>Vehicle and Facility Rentals</td>
<td>3,060</td>
<td>146</td>
<td>49</td>
<td>1,150</td>
<td>4,405</td>
<td></td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>14,282</td>
<td>220</td>
<td>53</td>
<td>-</td>
<td>6,068</td>
<td>20,623</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>$ -</td>
<td>$74,073</td>
<td>$5,954</td>
<td>$2,975</td>
<td>$33,493</td>
<td>$116,495</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ -</td>
<td>$942,863</td>
<td>$100,004</td>
<td>$34,525</td>
<td>$368,544</td>
<td>$1,445,936</td>
</tr>
</tbody>
</table>
## 10. FY 2017 Budget Detail of Expenses In 000’s

<table>
<thead>
<tr>
<th>Division/Departmental Expenses</th>
<th>Labor &amp; Fringe</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>$256</td>
<td>$271</td>
<td>$527</td>
</tr>
<tr>
<td>Bus Engineering</td>
<td>1,326</td>
<td>2,858</td>
<td>4,184</td>
</tr>
<tr>
<td>Rail Engineering</td>
<td>1,440</td>
<td>90</td>
<td>1,530</td>
</tr>
<tr>
<td>Control Center</td>
<td>8,243</td>
<td>275</td>
<td>8,518</td>
</tr>
<tr>
<td>Customized Community Transport</td>
<td>8,341</td>
<td>3,454</td>
<td>11,795</td>
</tr>
<tr>
<td>New Payment Technologies</td>
<td>113</td>
<td>1</td>
<td>114</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>1,674</td>
<td>10</td>
<td>1,684</td>
</tr>
<tr>
<td>Rail Transportation-Subway-Elevated</td>
<td>63,496</td>
<td>3,251</td>
<td>66,747</td>
</tr>
<tr>
<td>Rail Transportation - Regional Rail</td>
<td>65,592</td>
<td>17,369</td>
<td>82,961</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>209,547</td>
<td>529</td>
<td>210,076</td>
</tr>
<tr>
<td>Transit Police</td>
<td>20,499</td>
<td>1,137</td>
<td>21,636</td>
</tr>
<tr>
<td>Vehicle Equipment Maintenance</td>
<td>109,241</td>
<td>44,276</td>
<td>153,517</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td>$489,768</td>
<td>$73,521</td>
<td>$563,289</td>
</tr>
<tr>
<td><strong>Total Engineering, Maintenance &amp; Construction</strong></td>
<td>$76,063</td>
<td>$25,135</td>
<td>$101,198</td>
</tr>
<tr>
<td><strong>STAFF DEPARTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit and Investigative Services</td>
<td>$1,560</td>
<td>$52</td>
<td>1,612</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>2,236</td>
<td>201</td>
<td>2,437</td>
</tr>
<tr>
<td>Communications</td>
<td>1,282</td>
<td>1,132</td>
<td>2,414</td>
</tr>
<tr>
<td>Customer Service and Advocacy</td>
<td>5,289</td>
<td>458</td>
<td>5,747</td>
</tr>
<tr>
<td>Deputy General Manager Staff</td>
<td>1,402</td>
<td>20</td>
<td>1,422</td>
</tr>
<tr>
<td>Finance and Planning</td>
<td>11,341</td>
<td>2,489</td>
<td>13,830</td>
</tr>
<tr>
<td>Human Resources</td>
<td>12,977</td>
<td>1,378</td>
<td>14,355</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5,781</td>
<td>5,996</td>
<td>11,777</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>1,114</td>
<td>241</td>
<td>1,355</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>397</td>
<td>230</td>
<td>627</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>8,547</td>
<td>13,826</td>
<td>22,373</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>108</td>
<td>14</td>
<td>122</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>9,730</td>
<td>389</td>
<td>10,119</td>
</tr>
<tr>
<td>Public and Government Affairs</td>
<td>1,541</td>
<td>4,748</td>
<td>6,289</td>
</tr>
<tr>
<td>System Safety</td>
<td>1,948</td>
<td>1,081</td>
<td>3,029</td>
</tr>
<tr>
<td><strong>Total Staff Departments</strong></td>
<td>$65,253</td>
<td>$31,855</td>
<td>$97,108</td>
</tr>
<tr>
<td>Capital Allocation</td>
<td>(8,492)</td>
<td>(4,076)</td>
<td>(12,568)</td>
</tr>
<tr>
<td><strong>Total Departmental Expenses</strong></td>
<td>$62,762</td>
<td>$27,780</td>
<td>$94,530</td>
</tr>
<tr>
<td><strong>NON-DEPARTMENTAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$392,424</td>
<td>-</td>
<td>$392,424</td>
</tr>
<tr>
<td>Amtrak/Capitalized Cost and Other</td>
<td>-</td>
<td>49,644</td>
<td>49,644</td>
</tr>
<tr>
<td>CCT - ADA Services</td>
<td>-</td>
<td>30,450</td>
<td>30,450</td>
</tr>
<tr>
<td>CCT - Shared Ride Program</td>
<td>-</td>
<td>20,900</td>
<td>20,900</td>
</tr>
<tr>
<td>Debt Service Interest and Fees</td>
<td>-</td>
<td>18,487</td>
<td>18,487</td>
</tr>
<tr>
<td>Property Insurance/Other Claims Payouts,Net</td>
<td>-</td>
<td>3,036</td>
<td>3,036</td>
</tr>
<tr>
<td>Services for 1234 Market Street</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Snow Removal and Other Weather Related Expenses</td>
<td>-</td>
<td>5,850</td>
<td>5,850</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>18,504</td>
<td>18,504</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Expenses</strong></td>
<td>$392,424</td>
<td>$151,871</td>
<td>$544,295</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>-</td>
<td>$28,700</td>
<td>28,700</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>-</td>
<td>35,184</td>
<td>35,184</td>
</tr>
<tr>
<td>Fuel</td>
<td>-</td>
<td>25,757</td>
<td>25,757</td>
</tr>
<tr>
<td>Vehicle and Facility Rentals</td>
<td>-</td>
<td>4,076</td>
<td>4,076</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>-</td>
<td>19,500</td>
<td>19,500</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>-</td>
<td>$113,217</td>
<td>$113,217</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$1,015,016</td>
<td>$391,523</td>
<td>$1,406,539</td>
</tr>
</tbody>
</table>
## 10. FY 2016 Detail of Actual Expenses In 000’s

<table>
<thead>
<tr>
<th>Division/Departmental Expenses</th>
<th>Labor &amp; Fringe</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATIONS/ENGINEERING, MAINTENANCE &amp; CONSTRUCTION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>$239</td>
<td>$469</td>
<td>$708</td>
</tr>
<tr>
<td>Communications</td>
<td>$1,098</td>
<td>884</td>
<td>1,982</td>
</tr>
<tr>
<td>Deputy General Manager Staff</td>
<td>$1,300</td>
<td>56</td>
<td>1,356</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>$1,098</td>
<td>140</td>
<td>1,238</td>
</tr>
<tr>
<td>New Payment Technologies</td>
<td>81</td>
<td>2</td>
<td>83</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>79</td>
<td>-</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total DGM Departments</strong></td>
<td><strong>$3,895</strong></td>
<td><strong>$1,551</strong></td>
<td><strong>$5,446</strong></td>
</tr>
<tr>
<td><strong>OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus Engineering</td>
<td>$1,171</td>
<td>$3,545</td>
<td>$4,716</td>
</tr>
<tr>
<td>Rail Engineering</td>
<td>$1,067</td>
<td>64</td>
<td>1,131</td>
</tr>
<tr>
<td>Bus Vehicle Maintenance</td>
<td>52,274</td>
<td>26,374</td>
<td>78,648</td>
</tr>
<tr>
<td>Rail Vehicle Maintenance</td>
<td>59,010</td>
<td>20,071</td>
<td>79,081</td>
</tr>
<tr>
<td>Control Center</td>
<td>7,508</td>
<td>2,287</td>
<td>10,796</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>1,539</td>
<td>10</td>
<td>1,549</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td><strong>$3,895</strong></td>
<td><strong>$1,551</strong></td>
<td><strong>$5,446</strong></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>1,663</td>
<td>3,716</td>
<td>5,379</td>
</tr>
<tr>
<td>Operations Support</td>
<td>72,025</td>
<td>25,440</td>
<td>97,465</td>
</tr>
<tr>
<td><strong>Total Engineering, Maintenance &amp; Construction</strong></td>
<td><strong>$479,828</strong></td>
<td><strong>$73,682</strong></td>
<td><strong>$553,510</strong></td>
</tr>
<tr>
<td><strong>Total Operations/Engineering, Maintenance &amp; Construction</strong></td>
<td><strong>$557,411</strong></td>
<td><strong>$104,389</strong></td>
<td><strong>$661,800</strong></td>
</tr>
<tr>
<td><strong>STAFF DEPARTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>$2,744</td>
<td>126</td>
<td>2,870</td>
</tr>
<tr>
<td>Audit and Investigative Services</td>
<td>1,387</td>
<td>42</td>
<td>1,429</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>9,409</td>
<td>359</td>
<td>9,768</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5,023</td>
<td>4,826</td>
<td>9,849</td>
</tr>
<tr>
<td>Customer Service and Advocacy</td>
<td>4,919</td>
<td>425</td>
<td>5,344</td>
</tr>
<tr>
<td>Finance and Planning</td>
<td>11,145</td>
<td>2,296</td>
<td>13,441</td>
</tr>
<tr>
<td>Human Resources</td>
<td>12,368</td>
<td>1,029</td>
<td>13,397</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>126</td>
<td>43</td>
<td>169</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>7,769</td>
<td>16,644</td>
<td>24,413</td>
</tr>
<tr>
<td>Public and Government Affairs</td>
<td>1,370</td>
<td>3,244</td>
<td>4,614</td>
</tr>
<tr>
<td>System Safety</td>
<td>1,615</td>
<td>501</td>
<td>2,116</td>
</tr>
<tr>
<td><strong>Total Staff Departments</strong></td>
<td><strong>$57,875</strong></td>
<td><strong>$29,535</strong></td>
<td><strong>$87,410</strong></td>
</tr>
<tr>
<td>Capital Allocation/Other</td>
<td>(6,545)</td>
<td>(3,067)</td>
<td>(9,612)</td>
</tr>
<tr>
<td><strong>Total Departmental Expenses</strong></td>
<td><strong>$608,741</strong></td>
<td><strong>$130,857</strong></td>
<td><strong>$739,598</strong></td>
</tr>
<tr>
<td><strong>NON-DEPARTMENTAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$350,761</td>
<td>-</td>
<td>$350,761</td>
</tr>
<tr>
<td>Amtrak/Capitalized Cost and Other</td>
<td>-</td>
<td>41,785</td>
<td>41,785</td>
</tr>
<tr>
<td>CCT - ADA Services</td>
<td>-</td>
<td>27,777</td>
<td>27,777</td>
</tr>
<tr>
<td>CCT - Shared Ride Program</td>
<td>-</td>
<td>20,151</td>
<td>20,151</td>
</tr>
<tr>
<td>Debt Service Interest and Fees</td>
<td>-</td>
<td>18,297</td>
<td>18,297</td>
</tr>
<tr>
<td>Property Insurance/Other Claims Payouts,Net</td>
<td>-</td>
<td>849</td>
<td>849</td>
</tr>
<tr>
<td>Services for 1234 Market Street</td>
<td>-</td>
<td>4,191</td>
<td>4,191</td>
</tr>
<tr>
<td>Snow Removal</td>
<td>-</td>
<td>1,899</td>
<td>1,899</td>
</tr>
<tr>
<td><strong>Total Non-Departmental Expenses</strong></td>
<td><strong>$350,761</strong></td>
<td><strong>$132,478</strong></td>
<td><strong>$483,239</strong></td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injury and Damage Claims</td>
<td>-</td>
<td>5,636</td>
<td>5,636</td>
</tr>
<tr>
<td>Propulsion Power</td>
<td>-</td>
<td>32,804</td>
<td>32,804</td>
</tr>
<tr>
<td>Fuel</td>
<td>-</td>
<td>34,336</td>
<td>34,336</td>
</tr>
<tr>
<td>Vehicle and Facility Rentals</td>
<td>-</td>
<td>4,504</td>
<td>4,504</td>
</tr>
<tr>
<td>Depreciation/Contributed Capital</td>
<td>-</td>
<td>18,459</td>
<td>18,459</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>-</td>
<td>95,739</td>
<td>95,739</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$959,502</strong></td>
<td><strong>$359,074</strong></td>
<td><strong>$1,318,576</strong></td>
</tr>
</tbody>
</table>
11. 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 and storeroom employees.

Maintenance, ……………… Unionized maintenance and transportation employees, cashiers, and police officers.
Transportation, or Cashiers

Capital………………………… Positions supported by Federal, State, or Local capital funding initiatives.

HEADCOUNT AUTHORIZATION CAUSE OF CHANGE SUMMARY

The Fiscal Year 2018 authorized headcount is at 9,653 employees and reflects no increase from the Fiscal Year 2017 level. In the interest of operational efficiencies, effectiveness, and expense consolidation, the following divisional areas have been realigned or rebalanced:

EMPLOYEE DEVELOPMENT/RELATIONS
Employee retirements and the need for continuing technological training has put pressure on SEPTA’s Human Resources functions. As a result, a new division, Employee Development/Relations, has been created to focus efforts on employee training, testing, personnel development, and employee relations.

TRANSIT POLICE
In light of increased concern for quality of travel and security issues for our ridership, SEPTA’s Transit Police Department has been assigned directly to the General Manager’s Staff.

DEPUTY GENERAL MANAGER STAFF
The Deputy General Manager currently serves as the management lead for the SEPTA Key fare program. To enhance the full implementation of the program to transit, Regional Rail, and CCT, the New Payment Technology Staff Department and Revenue Operations will report to his organization.
### Fiscal Year 2018 Headcount Authorization

#### Operating Heads

<table>
<thead>
<tr>
<th>Category</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Transp.</th>
<th>Cashiers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Investigative Services</td>
<td>16</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Communications</td>
<td>11</td>
<td>5</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Customer Service &amp; Advocacy</td>
<td>23</td>
<td>61</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>Deputy General Manager /Treasurer Admin.</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>117</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>122</td>
</tr>
<tr>
<td>Finance &amp; Planning</td>
<td>114</td>
<td>56</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>170</td>
</tr>
<tr>
<td>Human Resources</td>
<td>35</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Information Technology</td>
<td>66</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>89</td>
<td>50</td>
<td>48</td>
<td>-</td>
<td>-</td>
<td>187</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>95</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>118</td>
</tr>
<tr>
<td>Operations</td>
<td>757</td>
<td>124</td>
<td>1,713</td>
<td>3,507</td>
<td>338</td>
<td>6,439</td>
</tr>
<tr>
<td>Engineering, Maintenance &amp; Construction</td>
<td>196</td>
<td>69</td>
<td>803</td>
<td>-</td>
<td>-</td>
<td>1,068</td>
</tr>
<tr>
<td>Transit Police</td>
<td>61</td>
<td>-</td>
<td>212</td>
<td>-</td>
<td>-</td>
<td>273</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>85</td>
<td>59</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>147</td>
</tr>
<tr>
<td>Public &amp; Government Affairs</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>System Safety</td>
<td>24</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Total Operating Heads</td>
<td>1,740</td>
<td>469</td>
<td>2,791</td>
<td>3,507</td>
<td>338</td>
<td>8,845</td>
</tr>
</tbody>
</table>

#### Capital Heads

<table>
<thead>
<tr>
<th>Category</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Transp.</th>
<th>Cashiers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Investigative Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Communications</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer Service &amp; Advocacy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deputy General Manager /Treasurer Admin.</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance &amp; Planning</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Human Resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Information Technology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operations</td>
<td>65</td>
<td>5</td>
<td>222</td>
<td>18</td>
<td>-</td>
<td>310</td>
</tr>
<tr>
<td>Engineering, Maintenance &amp; Construction</td>
<td>152</td>
<td>7</td>
<td>300</td>
<td>-</td>
<td>-</td>
<td>459</td>
</tr>
<tr>
<td>Transit Police</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>13</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Public &amp; Government Affairs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>System Safety</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total Capital Heads</td>
<td>254</td>
<td>14</td>
<td>522</td>
<td>18</td>
<td>-</td>
<td>808</td>
</tr>
</tbody>
</table>
## 11. Fiscal Year 2018 Headcount Authorization

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Transp.</th>
<th>Cashiers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Investigative Services</td>
<td>16</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Communications</td>
<td>11</td>
<td>5</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Customer Service &amp; Advocacy</td>
<td>23</td>
<td>61</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>Deputy General Manager/Treasurer Admin.</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>117</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>122</td>
</tr>
<tr>
<td>Finance &amp; Planning</td>
<td>120</td>
<td>56</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>176</td>
</tr>
<tr>
<td>Human Resources</td>
<td>35</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Information Technology</td>
<td>66</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>100</td>
<td>50</td>
<td>48</td>
<td>-</td>
<td>-</td>
<td>198</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>95</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>118</td>
</tr>
<tr>
<td>Operations</td>
<td>822</td>
<td>129</td>
<td>1,935</td>
<td>3,525</td>
<td>338</td>
<td>6,749</td>
</tr>
<tr>
<td>Engineering, Maintenance &amp; Construction</td>
<td>348</td>
<td>76</td>
<td>1,103</td>
<td>-</td>
<td>-</td>
<td>1,527</td>
</tr>
<tr>
<td>Transit Police</td>
<td>61</td>
<td>-</td>
<td>212</td>
<td>-</td>
<td>-</td>
<td>273</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>98</td>
<td>61</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>162</td>
</tr>
<tr>
<td>Public &amp; Government Affairs</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>System Safety</td>
<td>27</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>1,994</strong></td>
<td><strong>483</strong></td>
<td><strong>3,313</strong></td>
<td><strong>3,525</strong></td>
<td><strong>338</strong></td>
<td><strong>9,653</strong></td>
</tr>
</tbody>
</table>
# 11. Fiscal Year 2014 - 2018 Headcount Authorization

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Investigative Services</td>
<td>39</td>
<td>37</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>17</td>
<td>17</td>
<td>18</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Communications</td>
<td></td>
<td>19</td>
<td></td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Customer Service &amp; Advocacy</td>
<td>90</td>
<td>82</td>
<td>20</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Deputy General Manager Staff</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td>6,900</td>
<td>6,439</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>122</td>
<td>122</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering, Maintenance &amp; Construction</td>
<td>1,068</td>
<td>1,068</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations/Engineering, Maintenance &amp; Construction</td>
<td>7,824</td>
<td>7,874</td>
<td>7,895</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance &amp; Planning</td>
<td>182</td>
<td>179</td>
<td>179</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Human Resources</td>
<td>159</td>
<td>159</td>
<td>159</td>
<td>160</td>
<td>52</td>
</tr>
<tr>
<td>Information Technology</td>
<td>71</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Relations</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>187</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>117</td>
<td>111</td>
<td>115</td>
<td>118</td>
<td>118</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit Police</td>
<td>273</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>211</td>
<td>211</td>
<td>218</td>
<td>149</td>
<td>147</td>
</tr>
<tr>
<td>Public &amp; Government Affairs</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>System Safety</td>
<td>22</td>
<td>24</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>8,659</strong></td>
<td><strong>8,690</strong></td>
<td><strong>8,728</strong></td>
<td><strong>8,846</strong></td>
<td><strong>8,845</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Investigative Services</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Communications</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Customer Service &amp; Advocacy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deputy General Manager Staff</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td>322</td>
<td>310</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering, Maintenance &amp; Construction</td>
<td>459</td>
<td>459</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations/Engineering, Maintenance &amp; Construction</td>
<td>763</td>
<td>825</td>
<td>855</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance &amp; Planning</td>
<td>6</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Human Resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Information Technology</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Relations</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td>-</td>
<td></td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Planning, Project Control &amp; Safety</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit Police</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>12</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Public &amp; Government Affairs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>System Safety</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>781</strong></td>
<td><strong>844</strong></td>
<td><strong>876</strong></td>
<td><strong>807</strong></td>
<td><strong>808</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Investigative Services</td>
<td>39</td>
<td>40</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Corporate Staff</td>
<td>17</td>
<td>17</td>
<td>18</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Service &amp; Advocacy</td>
<td>90</td>
<td>82</td>
<td>82</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Deputy General Manager’s Staff</td>
<td>9</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations/Engineering, Maintenance &amp; Construction</td>
<td>8,587</td>
<td>8,699</td>
<td>8,750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance &amp; Planning</td>
<td>188</td>
<td>183</td>
<td>184</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>Human Resources</td>
<td>159</td>
<td>159</td>
<td>159</td>
<td>160</td>
<td>52</td>
</tr>
<tr>
<td>Information Technology</td>
<td>71</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Relations</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Payment Technologies/Revenue Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>117</td>
<td>111</td>
<td>115</td>
<td>118</td>
<td>118</td>
</tr>
<tr>
<td>Planning, Project Control &amp; Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit Police</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>223</td>
<td>223</td>
<td>231</td>
<td>162</td>
<td>162</td>
</tr>
<tr>
<td>Public &amp; Government Affairs</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>System Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>9,440</strong></td>
<td><strong>9,534</strong></td>
<td><strong>9,604</strong></td>
<td><strong>9,653</strong></td>
<td><strong>9,653</strong></td>
</tr>
</tbody>
</table>
### Headcount Authorization Cause of Change

#### 11. Fiscal Year 2017 to Fiscal Year 2018

<table>
<thead>
<tr>
<th>Division / Department</th>
<th>Fiscal Year 2017 Authorized Headcount</th>
<th>Cause of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations/Control Center</strong></td>
<td>9,653</td>
<td>• One MGMT position transferred from Planning, Project Coordination &amp; Safety +1</td>
</tr>
<tr>
<td><strong>Corporate Staff</strong></td>
<td></td>
<td>• Three MGMT positions transferred from Planning, Project Coordination &amp; Safety +4</td>
</tr>
<tr>
<td><strong>Deputy General Manager (DGM) Staff</strong></td>
<td></td>
<td>• One MGMT position transferred from Operations/Rail Transportation-Subway-Elevated +2</td>
</tr>
<tr>
<td><strong>Employee Development/Relations</strong></td>
<td></td>
<td>• Nine MGMT positions and five Maintenance positions transferred from Deputy General Manager/Labor Relations +122</td>
</tr>
<tr>
<td><strong>Transit Police</strong></td>
<td></td>
<td>• 61 MGMT positions and 212 Police Officer positions transferred from Operations/Transit Police +273</td>
</tr>
<tr>
<td><strong>Operations/Transit Police</strong></td>
<td></td>
<td>• 61 MGMT positions and 212 Police Officer positions transferred to the General Manager -273</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td></td>
<td>• 108 MGMT positions transferred to newly created Employee Development/Relations Division -108</td>
</tr>
<tr>
<td><strong>Operations/New Payment Technologies</strong></td>
<td></td>
<td>• 12 MGMT positions transferred to Deputy General Manager/New Payment Technologies/Revenue Operations -12</td>
</tr>
<tr>
<td><strong>Deputy General Manager/New Payment Technologies/Revenue Operations</strong></td>
<td></td>
<td>• 88 MGMT positions, 50 Clerical positions, and 48 Maintenance positions transferred from Operations/Rail Transportation-Subway-Elevated +198</td>
</tr>
</tbody>
</table>
### Headcount Authorization Cause of Change

#### 11. Fiscal Year 2017 to Fiscal Year 2018

<table>
<thead>
<tr>
<th>Division / Department</th>
<th>Cause of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Manager/Labor Relations</td>
<td>-14</td>
</tr>
<tr>
<td>- Nine MGMT positions and five Maintenance positions transferred to Employee Development/Relations</td>
<td></td>
</tr>
<tr>
<td>Operations/Operations Staff</td>
<td>-2</td>
</tr>
<tr>
<td>- One MGMT position transferred to DGM Staff</td>
<td></td>
</tr>
<tr>
<td>- One MGMT position (Chief of Police) transferred to Corporate Staff</td>
<td></td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>-4</td>
</tr>
<tr>
<td>- Three MGMT positions transferred to Corporate Staff</td>
<td></td>
</tr>
<tr>
<td>- One position transferred to the Control Center</td>
<td></td>
</tr>
<tr>
<td>Operations/Rail Transportation-Subway-Elevated</td>
<td>-187</td>
</tr>
<tr>
<td>- 88 MGMT positions, 50 Clerical positions, and 48 Maintenance positions transferred to Deputy General Manager/New Payment Technologies/Revenue Operations</td>
<td></td>
</tr>
<tr>
<td>- One MGMT position transferred to DGM Staff</td>
<td></td>
</tr>
<tr>
<td><strong>Total Increase/Decrease</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Fiscal Year 2018 Authorized Headcount</strong></td>
<td>9,653</td>
</tr>
</tbody>
</table>
12. Departmental Summaries for Fiscal Year 2018
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 making the best use of limited resources. The Corporate Staff strives to be a 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

### Operating Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Staff</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Executive Staff</td>
<td>7</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Office of the General Manager</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>16</strong></td>
<td>-</td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

### Capital Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Staff</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Executive Staff</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office of the General Manager</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>3</strong></td>
<td>-</td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

### Total Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Staff</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Executive Staff</td>
<td>7</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Office of the General Manager</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>19</strong></td>
<td>-</td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>
Budget Proposal
Amounts in Thousands (‘000)

<table>
<thead>
<tr>
<th></th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Staff</td>
<td>$515</td>
<td>$66</td>
<td>$581</td>
</tr>
<tr>
<td>Executive Staff</td>
<td>1,334</td>
<td>15</td>
<td>1,349</td>
</tr>
<tr>
<td>Office of the General Manager</td>
<td>753</td>
<td>115</td>
<td>868</td>
</tr>
<tr>
<td>Planning, Project Coordination &amp; Safety</td>
<td>75</td>
<td>14</td>
<td>89</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,677</strong></td>
<td><strong>$210</strong></td>
<td><strong>$2,887</strong></td>
</tr>
</tbody>
</table>

Principal Responsibilities

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

**Executive Staff**
Manage and direct the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager. They, along with the General Manager, are responsible for the operation, administration, and financial management of the Authority.

**Board Staff**
Prepare and attest 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.

**Planning, Project Coordination & Safety**
SEPTA’s Strategic Business Plan for Fiscal Years 2015 through 2019 established the framework for corporate goal-setting. The strategic plan is available at www.septa.org/strategic-plan. SEPTA’s “Building the Future” program features a series of initiatives towards these corporate goals, grouped into five focus areas:

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

**The Customer Experience**

a) Complete real-time improvements for Regional Rail and all Surface vehicles; advance Subway/Elevated & Trolley Tunnel Countdown Clocks for Calendar Year 2018 completion.

b) Implement BASCSC Initiatives & hold Annual Summit to update on progress.

c) Implement Regional Rail Service Improvement Program and publicly report progress on key initiatives, including schedule adjustments, AMTRAK coordination, and conductor training with emphasis on communication during service delays. Launch Emergency Response Team Project in first quarter.

d) Prepare facilities and provide Ambassador support for major events, including the Philadelphia Flower Show, NFL Draft, Broad Street Run, and Welcome America.

e) Conduct Subway/Elevated Hotspot Blitzes to ensure high level of station cleanliness, with priority given to bench areas, trash cans, stairways, and track area. Develop a strong Spring Cleaning Campaign for both Subway/Elevated and Trolley stations.

f) Develop comprehensive Regional Rail Wayfinding and Signage Improvement Program, starting with focus on Airport Terminal Stations and Trenton Transit Center.

g) Complete rollout of SEPTA Key on City and Suburban Transit. Initiate Early Adopters Program on Regional Rail.

h) Successfully manage and plan for outages to minimize customer disruption, including 30th Street to Philadelphia, Trolley Tunnel Blitz, City Hall Station, and 15th Street Station.

i) Improve Customer Experience at Frankford Transportation Center, including completion of construction on a new customer service office.
<table>
<thead>
<tr>
<th>GOAL</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce Development &amp; Support</td>
<td>a) Implement key initiatives in Five-Year Human Resources Master Plan, including modernization of recruitment, testing center, and employee onboarding.</td>
</tr>
<tr>
<td></td>
<td>b) Continue to advance Women-In-Trades Program, including workshops.</td>
</tr>
<tr>
<td></td>
<td>c) Implement key initiatives of Employee Communications Innovation Team, especially those focused on better communication with hourly personnel.</td>
</tr>
<tr>
<td></td>
<td>d) Complete Railroad Simulator Project for training engineers.</td>
</tr>
<tr>
<td></td>
<td>e) Work to keep Engineer Conductor and Assistant Conductor headcount at required levels.</td>
</tr>
<tr>
<td></td>
<td>f) Implement new programming for ongoing Workforce Development, including Lunchtime Learning and Mentorship Programs.</td>
</tr>
<tr>
<td></td>
<td>g) Advance Phase II of AIM AD Program.</td>
</tr>
<tr>
<td></td>
<td>h) Implement monthly training modules for EM&amp;C third-party construction managers.</td>
</tr>
<tr>
<td></td>
<td>i) Submit Program Plan for mandated Railroad Safety Training Standards pursuant to FRA Title 49 Part 243.</td>
</tr>
<tr>
<td>Rebuilding the System</td>
<td>a) Advance elements of Accelerated Construction Program based on availability of funding from incoming Federal Administration.</td>
</tr>
<tr>
<td></td>
<td>b) Advance purchase of 525-Hybrid buses with New Flyer, 232 Paratransit vehicle purchase with Shepard Brothers, and 25 Battery-Electric bus purchase with Proterra, including charging infrastructure.</td>
</tr>
<tr>
<td></td>
<td>c) Advance locomotive contract and multi-level railcar contract. Fast-track Frazer Shop Improvement Program to prepare for new railcar fleet.</td>
</tr>
<tr>
<td></td>
<td>d) Advance Center City Concourse Program, including completion of Construction Phase 1 (South Penn) and start of design and/or construction on next phases.</td>
</tr>
<tr>
<td></td>
<td>e) Continue to advance Trolley Modernization Program, including complete Power Distribution Study, Bridge Loading Assessment, and Dynamic Envelope Analysis.</td>
</tr>
<tr>
<td></td>
<td>f) Complete land acquisition and start design of Wissahickon Transportation Center Project.</td>
</tr>
<tr>
<td></td>
<td>g) Develop a framework for Capital Project Planning and Future Project Prioritization.</td>
</tr>
</tbody>
</table>
## GOAL
### SEPTA is a Business

<table>
<thead>
<tr>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Implement PennDOT Performance Review Action Plan and report on progress quarterly to SEPTA Board.</td>
</tr>
<tr>
<td>b) Launch Ridership Growth Innovation Team and implement key initiatives, including Transit Oriented Development (TOD).</td>
</tr>
<tr>
<td>c) Implement a fair and reasonable fare increase on July 1, 2017 that takes into consideration SEPTA Key launch across all modes.</td>
</tr>
<tr>
<td>d) Conduct Fare Evasion Reduction Program across all modes.</td>
</tr>
<tr>
<td>e) Conduct management performance reviews of CCT Paratransit Services, DBE Certification/Monitoring Process, and Storeroom Inventory Controls.</td>
</tr>
<tr>
<td>f) Identify strengths and address weaknesses, where appropriate.</td>
</tr>
<tr>
<td>g) Launch Sustainability Innovation Team to accelerate key initiatives of second-generation Sustainability Program.</td>
</tr>
<tr>
<td>h) Conduct pilot project for enhanced storeroom security at select locations.</td>
</tr>
<tr>
<td>i) Launch Sustainability Innovation Team to accelerate key initiatives of second-generation Sustainability Program.</td>
</tr>
<tr>
<td>j) Successfully negotiate AMTRAK Agreements.</td>
</tr>
<tr>
<td>k) Continue to implement Trapeze Ops Program for operations scheduling efficiency.</td>
</tr>
<tr>
<td>l) Fully comply with Federal Administration Door Waiver.</td>
</tr>
<tr>
<td>m) Conduct major emergency drill.</td>
</tr>
<tr>
<td>n) Create an updated Sleep Apnea Mitigation Plan.</td>
</tr>
</tbody>
</table>

## GOAL
### Safety & Security as the Foundation

<table>
<thead>
<tr>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Conduct “NEVER TOO BUSY FOR SAFETY” Employee Awareness Day.</td>
</tr>
<tr>
<td>b) Implement updated Operator Assault Reduction Plan.</td>
</tr>
<tr>
<td>c) Fully implement Positive Train Control (PTC) on the Railroad, including AMTRAK Territory.</td>
</tr>
<tr>
<td>d) Advance implementation of Audible Bus Turn Warning System.</td>
</tr>
<tr>
<td>e) Launch retrofit of Nova Buses for additional stanchions at front of bus.</td>
</tr>
<tr>
<td>f) Advance design for safer pedestrian access.</td>
</tr>
<tr>
<td>g) Advance construction of First Responder Radio Interoperability.</td>
</tr>
<tr>
<td>h) Roll out new Personal Protective Equipment Policy and ensure compliance.</td>
</tr>
<tr>
<td>i) Accelerate Cybersecurity Innovation Team progress.</td>
</tr>
<tr>
<td>j) Conduct major emergency drill.</td>
</tr>
<tr>
<td>k) Create an updated Sleep Apnea Mitigation Plan.</td>
</tr>
</tbody>
</table>
Overview

SEPTA’s Transit Police ensures law enforcement within the transportation system.

Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt</th>
<th>Police</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Administration</td>
<td>8</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Patrol Division</td>
<td>30</td>
<td>140</td>
<td>170</td>
</tr>
<tr>
<td>Quality Assurance Division</td>
<td>13</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Special Operations Division</td>
<td>10</td>
<td>72</td>
<td>82</td>
</tr>
<tr>
<td>Total Operating Heads</td>
<td>61</td>
<td>212</td>
<td>273</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt</th>
<th>Police</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Patrol Division</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quality Assurance Division</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Operations Division</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Heads</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt</th>
<th>Police</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Administration</td>
<td>8</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Patrol Division</td>
<td>30</td>
<td>140</td>
<td>170</td>
</tr>
<tr>
<td>Quality Assurance Division</td>
<td>13</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Special Operations Division</td>
<td>10</td>
<td>72</td>
<td>82</td>
</tr>
<tr>
<td>Total Heads</td>
<td>61</td>
<td>212</td>
<td>273</td>
</tr>
</tbody>
</table>
## Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th>Division</th>
<th>Net</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Administration</td>
<td>$695</td>
<td>$179</td>
<td>$874</td>
</tr>
<tr>
<td>Patrol Division</td>
<td>12,542</td>
<td>934</td>
<td>13,476</td>
</tr>
<tr>
<td>Quality Assurance Division</td>
<td>825</td>
<td>1</td>
<td>826</td>
</tr>
<tr>
<td>Special Operations Division</td>
<td>6,119</td>
<td>23</td>
<td>6,142</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$20,181</td>
<td>$1,137</td>
<td>$21,318</td>
</tr>
</tbody>
</table>

---

## Transit Police

### Labor Expense & Gross Heads Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor (Thousands)</th>
<th>Gross Heads</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>$16,930</td>
<td>268</td>
</tr>
<tr>
<td>FY 14</td>
<td>$17,382</td>
<td>268</td>
</tr>
<tr>
<td>FY 15</td>
<td>$19,624</td>
<td>269</td>
</tr>
<tr>
<td>FY 16</td>
<td>$19,934</td>
<td>269</td>
</tr>
<tr>
<td>FY 17 Budget</td>
<td>$20,499</td>
<td>273</td>
</tr>
<tr>
<td>FY 18 Proposal</td>
<td>$20,181</td>
<td>273</td>
</tr>
</tbody>
</table>

### Material & Services Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>M&amp;S (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>$191</td>
</tr>
<tr>
<td>FY 14</td>
<td>$503</td>
</tr>
<tr>
<td>FY 15</td>
<td>$1,017</td>
</tr>
<tr>
<td>FY 16</td>
<td>$901</td>
</tr>
<tr>
<td>FY 17 Budget</td>
<td>$1,137</td>
</tr>
<tr>
<td>FY 18 Proposal</td>
<td>$1,137</td>
</tr>
</tbody>
</table>
Principal Responsibilities

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

**Patrol Division**
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.

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

**Special Operations Division**
Responsible for counterterrorism prevention and training, hot spot policing initiative using Team One, personnel conducting criminal investigations, and undercover operations. Responsible for new recruitment training and background investigations for officer candidates.
SEPTA System Safety
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.

Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Safety</td>
<td>24</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Construction Safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Operating Heads</td>
<td>24</td>
<td>-</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction Safety</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total Capital Heads</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Safety</td>
<td>24</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Construction Safety</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total Heads</td>
<td>27</td>
<td>-</td>
<td>27</td>
</tr>
</tbody>
</table>
System Safety

Budget Proposal
Amounts in Thousands (‘000)

<table>
<thead>
<tr>
<th></th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Safety</td>
<td>$1,959</td>
<td>$1,081</td>
<td>$3,040</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,959</td>
<td>$1,081</td>
<td>$3,040</td>
</tr>
</tbody>
</table>

Note: The increase in FY 16 and 17 reflect 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 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. Improve Employee Safety and Promote a Safe Work Environment | a) Continue to lead employee-focused safety initiatives ("Never Too Busy for Safety").  
    b) Implement FRA-compliant System Safety Plan (SSP).  
    c) Reduce signal violations on rail modes by 10%. |
| II. Increase Customer Safety Awareness | a) Continue to lead customer-focused safety campaigns ("Make the Safe Choice").  
    b) Explore technology based solutions to reduce vehicle accidents.  
    c) Reduce customer falls from subway/elevated platforms by 10%. |
| III. Ensure Responsible Environmental Management Through a Comprehensive ESMS Program | a) Maintain ISO 14001 certification at Berridge Shop.  
    b) Advance the ISO 14001 certification process at Wayne Junction Shop.  
    c) Reduce vehicle idling at shops, facilities, loops, and terminals. |
| IV. Develop a Safety-First Culture | a) Continue transition to Safety Management System (SMS)-compliant safety programs as required by FTA.  
    b) Utilize a data-driven approach to safety decision making.  
    c) Continue Safety Culture Innovation Team to enhance the Authority’s overall safety culture. |
## Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I.  Improve Employee Safety and Promote a Safe Work Environment</strong></td>
<td>• Two (2) employee safety days were held in FY 17.</td>
</tr>
<tr>
<td></td>
<td>• FRA-compliant Confidential Close Call Reporting System (C3RS) established.</td>
</tr>
<tr>
<td></td>
<td>• Safety training contract executed and new training implemented.</td>
</tr>
<tr>
<td></td>
<td>• Technology-based secondary warning systems for roadway workers implemented.</td>
</tr>
<tr>
<td><strong>II.  Increase Customer Safety Awareness</strong></td>
<td>• Customer Safety Day campaign held in FY 17.</td>
</tr>
<tr>
<td></td>
<td>• Safe Turn Alert system being installed in SEPTA’s bus fleet.</td>
</tr>
<tr>
<td></td>
<td>• Operation Lifesaver presentations continued in FY 17.</td>
</tr>
<tr>
<td><strong>III. Ensure Responsible Environmental Management Through a Comprehensive ESMS Program</strong></td>
<td>• Berridge Shop ISO 14001 certification renewed in FY 17.</td>
</tr>
<tr>
<td></td>
<td>• ISO 14001 process continued at Wayne Shop.</td>
</tr>
<tr>
<td></td>
<td>• Safety Data Sheet (SDS) system procured in FY 17.</td>
</tr>
<tr>
<td><strong>IV. Develop a Safety First Culture</strong></td>
<td>• Gap analysis underway to bring existing System Safety Program Plan into compliance with new regulations.</td>
</tr>
<tr>
<td></td>
<td>• Data analysis enhanced with regular STAT meetings with General Manager/Deputy General Manager as well as Monthly Management Reports generated.</td>
</tr>
<tr>
<td></td>
<td>• Safety Culture Innovation teams continue to address issues raised at CY 16 Safety Summit.</td>
</tr>
</tbody>
</table>
SEPTA
Operations
Overview
The Operations Division provided 326.1 million annual passenger trips in Fiscal Year 2016, while operating 101.2 million vehicle miles. Total passenger miles exceeded 1.5 billion. The Division operates and maintains 2,846 revenue vehicles on 145 fixed routes, which have approximately 1,570 route miles. The Operations Division also operates and maintains an inventory of assorted non-revenue support vehicles and equipment and provides service to 279 stations using over 600 miles of track and related facilities. In addition, Operations ensures law enforcement within the transportation system.

The Operations Division includes: Control Center, Customized Community Transportation, Operations Staff, Rail Transportation, Surface Transportation, Vehicle Engineering, Vehicle Equipment Maintenance, and Administration & Finance. The Division provides the leadership for the daily operating decisions and long term goals related to these areas of responsibility.
Operations

Assistant General Manager/Chief Operations Officer

Operations Administration & Finance

Bus Vehicle Engineering

Rail Vehicle Engineering

Vehicle Equipment Maintenance

Control Center

Customized Community Transportation

Rail Transportation - Subway/Elevated

Rail Transportation - Regional Rail

Surface Transportation
### Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Transp.</th>
<th>Cashiers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Administration &amp; Finance</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Bus Vehicle Engineering</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Rail Vehicle Engineering</td>
<td>17</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Bus Vehicle Maintenance</td>
<td>81</td>
<td>12</td>
<td>774</td>
<td>-</td>
<td>-</td>
<td>867</td>
</tr>
<tr>
<td>Rail Vehicle Maintenance</td>
<td>98</td>
<td>19</td>
<td>752</td>
<td>-</td>
<td>-</td>
<td>869</td>
</tr>
<tr>
<td>Control Center</td>
<td>89</td>
<td>12</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>105</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>90</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>-</td>
<td>114</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Rail Transportation - Subway-Elevated</td>
<td>95</td>
<td>3</td>
<td>182</td>
<td>159</td>
<td>-</td>
<td>338</td>
</tr>
<tr>
<td>Rail Transportation - Regional Rail</td>
<td>68</td>
<td>51</td>
<td>576</td>
<td>-</td>
<td>-</td>
<td>700</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>190</td>
<td>25</td>
<td>-</td>
<td>2,744</td>
<td>-</td>
<td>2,959</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td>757</td>
<td>124</td>
<td>1,713</td>
<td>3,507</td>
<td>338</td>
<td>6,439</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Transp.</th>
<th>Cashiers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Administration &amp; Finance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bus Vehicle Engineering</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Rail Vehicle Engineering</td>
<td>22</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Bus Vehicle Maintenance</td>
<td>9</td>
<td>1</td>
<td>82</td>
<td>-</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>Rail Vehicle Maintenance</td>
<td>16</td>
<td>1</td>
<td>140</td>
<td>-</td>
<td>-</td>
<td>157</td>
</tr>
<tr>
<td>Control Center</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rail Transportation - Subway-Elevated</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Rail Transportation - Regional Rail</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td>65</td>
<td>5</td>
<td>222</td>
<td>18</td>
<td>-</td>
<td>310</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Transp.</th>
<th>Cashiers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Administration &amp; Finance</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Bus Vehicle Engineering</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td>Rail Vehicle Engineering</td>
<td>39</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>43</td>
</tr>
<tr>
<td>Bus Vehicle Maintenance</td>
<td>90</td>
<td>13</td>
<td>856</td>
<td>-</td>
<td>-</td>
<td>959</td>
</tr>
<tr>
<td>Rail Vehicle Maintenance</td>
<td>114</td>
<td>20</td>
<td>892</td>
<td>-</td>
<td>-</td>
<td>1,026</td>
</tr>
<tr>
<td>Control Center</td>
<td>92</td>
<td>12</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>108</td>
</tr>
<tr>
<td>Customized Community Transportation</td>
<td>90</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>-</td>
<td>114</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Rail Transportation - Subway-Elevated</td>
<td>96</td>
<td>4</td>
<td>182</td>
<td>159</td>
<td>-</td>
<td>338</td>
</tr>
<tr>
<td>Rail Transportation - Regional Rail</td>
<td>69</td>
<td>51</td>
<td>576</td>
<td>-</td>
<td>-</td>
<td>701</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>190</td>
<td>25</td>
<td>-</td>
<td>2,762</td>
<td>-</td>
<td>2,977</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td>822</td>
<td>129</td>
<td>1,935</td>
<td>3,525</td>
<td>338</td>
<td>6,749</td>
</tr>
</tbody>
</table>
## Budget Proposal

**Amounts in Thousands (’000)**

<table>
<thead>
<tr>
<th></th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Administration &amp; Finance</td>
<td>$234</td>
<td>$271</td>
<td>505</td>
</tr>
<tr>
<td>Bus Vehicle Engineering</td>
<td>1,338</td>
<td>2,998</td>
<td>4,336</td>
</tr>
<tr>
<td>Rail Vehicle Engineering</td>
<td>1,441</td>
<td>90</td>
<td>1,531</td>
</tr>
<tr>
<td>Bus Vehicle Maintenance</td>
<td>55,191</td>
<td>27,087</td>
<td>82,278</td>
</tr>
<tr>
<td>Rail Vehicle Maintenance</td>
<td>56,982</td>
<td>21,116</td>
<td>78,098</td>
</tr>
<tr>
<td>Control Center</td>
<td>8,529</td>
<td>275</td>
<td>8,804</td>
</tr>
<tr>
<td>Customized Community Transportation (CCT)</td>
<td>8,349</td>
<td>4,158</td>
<td>12,507</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>1,508</td>
<td>10</td>
<td>1,518</td>
</tr>
<tr>
<td>Rail Transportation- Subway-Elevated</td>
<td>52,928</td>
<td>1,136</td>
<td>54,064</td>
</tr>
<tr>
<td>Rail Transportation- Regional Rail</td>
<td>67,649</td>
<td>19,869</td>
<td>87,518</td>
</tr>
<tr>
<td>Surface Transportation</td>
<td>213,564</td>
<td>529</td>
<td>214,093</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$467,713</strong></td>
<td><strong>$77,539</strong></td>
<td><strong>$545,252</strong></td>
</tr>
</tbody>
</table>

### Bus Vehicle Maintenance

**Labor Expense & Gross Heads Trend**

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$47,669</td>
<td>$49,976</td>
<td>$51,243</td>
<td>$52,274</td>
<td>$54,263</td>
<td>$55,191</td>
</tr>
<tr>
<td>Gross Heads</td>
<td>994</td>
<td>951</td>
<td>952</td>
<td>956</td>
<td>959</td>
<td>959</td>
</tr>
</tbody>
</table>
Operations

Rail Transportation
Labor Expense & Gross Heads Trend
$ In Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor</th>
<th>Gross Heads</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>$99,069</td>
<td>1,445</td>
</tr>
<tr>
<td>FY 14</td>
<td>$102,130</td>
<td>1,450</td>
</tr>
<tr>
<td>FY 15</td>
<td>$109,118</td>
<td>1,446</td>
</tr>
<tr>
<td>FY 16</td>
<td>$125,269</td>
<td>1,654</td>
</tr>
<tr>
<td>FY 17 Budget</td>
<td>$136,205</td>
<td>1,667</td>
</tr>
<tr>
<td>FY 18 Proposal</td>
<td>$120,577</td>
<td>1,480</td>
</tr>
</tbody>
</table>

Note: New Payment Technology Integration transferred to Rail Transportation in FY 2016.

Rail Transportation
Material & Services Trend
$ In Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>M&amp;S</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>$16,543</td>
</tr>
<tr>
<td>FY 14</td>
<td>$16,687</td>
</tr>
<tr>
<td>FY 15</td>
<td>$6,562</td>
</tr>
<tr>
<td>FY 16</td>
<td>$19,174</td>
</tr>
<tr>
<td>FY 17 Budget</td>
<td>$20,735</td>
</tr>
<tr>
<td>FY 18 Proposal</td>
<td>$21,005</td>
</tr>
</tbody>
</table>

Control Center
Labor Expense & Gross Heads Trend
$ In Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor</th>
<th>Gross Heads</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>$7,026</td>
<td>104</td>
</tr>
<tr>
<td>FY 14</td>
<td>$7,758</td>
<td>105</td>
</tr>
<tr>
<td>FY 15</td>
<td>$7,886</td>
<td>105</td>
</tr>
<tr>
<td>FY 16</td>
<td>$8,250</td>
<td>105</td>
</tr>
<tr>
<td>FY 17 Budget</td>
<td>$8,243</td>
<td>107</td>
</tr>
<tr>
<td>FY 18 Proposal</td>
<td>$8,529</td>
<td>108</td>
</tr>
</tbody>
</table>
Operations

Control Center
Material & Services Trend
$ In Thousands

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S</td>
<td>$63</td>
<td>$124</td>
<td>$194</td>
<td>$249</td>
<td>$275</td>
<td>$275</td>
</tr>
</tbody>
</table>

Customized Community Transportation
Labor Expense & Gross Heads Trend
$ In Thousands

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$6,833</td>
<td>$6,381</td>
<td>$7,168</td>
<td>$7,598</td>
<td>$8,341</td>
<td>$8,349</td>
</tr>
<tr>
<td>Gross Heads</td>
<td>117</td>
<td>103</td>
<td>111</td>
<td>114</td>
<td>114</td>
<td>114</td>
</tr>
</tbody>
</table>

Customized Community Transportation
Material & Services Trend
$ In Thousands Includes Contract Services

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S</td>
<td>$44,789</td>
<td>$49,239</td>
<td>$51,122</td>
<td>$50,806</td>
<td>$54,804</td>
<td>$58,609</td>
</tr>
</tbody>
</table>
Vehicle Engineering
Material & Services Trend
$ In Thousands

<table>
<thead>
<tr>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S</td>
<td>$2,669</td>
<td>$2,236</td>
<td>$2,591</td>
<td>$3,609</td>
<td>$2,948</td>
</tr>
</tbody>
</table>

Operations
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 Budget Proposals 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, Philly Spring Clean-Up, and Philabundance Food Drive.

**BUS VEHICLE ENGINEERING**
Oversee the engineering for bus, trackless trolley, and non-revenue vehicle fleets. Responsible for the acquisition of new fleets of vehicles including bus, CCT, and utility vehicles. Manage administrative, personnel and budgetary elements of Bus Vehicle Engineering, Rail Vehicle Engineering, and Vehicle Maintenance groups.

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

**New Vehicles**
Oversee the purchase of all new bus, trackless trolley, CCT, and utility vehicles for the Authority. Manage the procurement, production, inspection, acceptance, and contract deliverables (e.g. spare parts, manuals, and warranty administration) for various vehicle automotive contracts.
RAIL VEHICLE ENGINEERING
Oversee the engineering for light rail, subway-elevated, and railroad fleets and is responsible for all new rail vehicle acquisitions.

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

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

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

Subway/Elevated Control
Train Dispatchers control the Market-Frankford Subway Elevated (MFL) and the Broad Street - Ridge Avenue Subway (BSL).

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

On the BSL, Train Dispatchers have a model board and supervisory control over all the interlockings, including: Fern Rock Yard, Olney, Erie, Fairmount, Walnut-Locust, Snyder, Patterson, and 8th & Market.

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

Controllers of the Route 100 Norristown High Speed Line have total supervisory control and complete monitoring capability of the line. The SCADA system providing this control includes both computer terminals and an overview screen.
Bus Control
The Bus Control Center utilizes a Computer-Aided Radio Dispatch (CARD) system to communicate with the entire bus fleet as well as supervisory and maintenance vehicles. The communications infrastructure includes 6 radio towers and a trunked radio system that has 7 voice channels and 2 data channels. All vehicles have Automatic Vehicle Location (AVL) systems.

Railroad Control
The Railroad Control Center utilizes a Centralized Train Control System to provide real-time information and control functions to the 19th floor. Six (6) train dispatchers have the responsibility to operate switches and display signals on SEPTA-controlled territory, managing the movement of 780 scheduled trains a day.

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

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

The following Control Center Operations areas are also part of SEPTA’s centralized Control Center facility but report to different Chiefs in the organization:
- Railroad Power Dispatching
- Subway/Light Rail Power Dispatching
- Police Radio Room
- Customized Community Transportation
CUSTOMIZED COMMUNITY TRANSPORTATION (CCT)
Customized Community Transportation (CCT) is responsible for the operation of SEPTA’s two demand response services, ADA Paratransit and Shared Ride Program transportation. This full service operation, from advance reservations and customer service to shared trip completion, operates under the name “CCT Connect”. It coordinates development of Requests for Proposals to contract for private operation of new services and provides for the efficient administration of existing contract carrier operations.

CCT coordinates SEPTA’s compliance with the Americans with Disabilities Act (ADA) as it pertains to service, equipment and facilities, advising other operating departments on implementing accessible fixed-route service, and facility improvements. It serves as liaison between other SEPTA Divisions and the SEPTA Advisory Committee for Accessible Transportation (SAC).

CCT also oversees the Authority’s customized small bus operations and public-private partnerships via its Contract Operations Department.

CCT Connect

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

Shared Ride Program (SRP)
Provide advance-reservation, ride-sharing transportation for Philadelphia County riders age 65 and older, regardless of income or disability status.

Contract Operations

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

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

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).
REGIONAL RAIL
Oversee all transportation, customer service, station operation, service planning, ticket sales, and on-board fare collection and parking for the railroad system. The Regional Rail system includes 280 route miles on 13 lines or branches. Approximately 780 trains service a total of 155 stations per average weekday.

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

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 AT&T Station as well as along the Ridge Avenue Spur.

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

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

The nine operating districts operate a total of 118 bus, 3 trackless trolley routes, 8 trolley (light rail) routes, and 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 14 bus routes that are operated out of more than one district as operating conditions necessitate. These are the 9 operating districts in Surface Transportation:

1. Allegheny - operates 8 bus routes
2. Callowhill - operates 12 bus routes, in addition to trolley (light rail) Routes 10 and 15
3. Comly - operates 14 bus routes
4. Elmwood - operates trolley (light rail) Routes 11, 13, 34, and 36
5. Frankford - operates 13 bus routes and 3 trackless trolley routes
6. Midvale - operates 24 bus routes
7. Southern - operates 18 bus routes
8. Frontier - operates 23 bus routes
9. Victory - operates 20 bus routes, 1 trolley (light rail) Routes 101 and 102, and 1 heavy rail Route 100
VEHICLE EQUIPMENT MAINTENANCE

BUS VEHICLE MAINTENANCE
Oversee all maintenance aspects for bus, trackless trolley, and non-revenue 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 1,450 vehicles.

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

RAIL VEHICLE MAINTENANCE
Oversee all maintenance aspects for light rail, subway-elevated, and railroad fleets and responsible for rail vehicle preventive maintenance overhauls.

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

➢ 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-ll fleet at the Callowhill Shop
➢ The following backshops perform vehicle component overhauls:
  • 69th Street Shop
  • 69th Street Motor Shop
  • Fern Rock Shop
  • Woodland Shop

Railroad Shops and Yards
Provide all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of SL-IV and SL-V EMU (electric multiple unit) cars and coaches (push-pull) propelled by AEM-7 electric locomotives. Shop locations include:
• Overbrook
• Roberts Yard
• Wayne Electric Car Yard
• Powelton Yard
• Frazer
## Fiscal Year 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. Improve Customer and Employee Safety and System Security | a) Improve the safety culture at SEPTA. Safety is the foundation for all that we do.  
b) Reduce the incidence of signal violations across all modes.  
c) Support the LSC/JHSC process and address deficiencies identified in a timely fashion.  
d) Support ongoing efforts to update the current Personal Protective Equipment (PPE) Policy.  
e) Address attendance issues on all modes in conjunction with Labor Relations.  
f) Continue to support efforts to provide full Positive Train Control (PTC) implementation on SEPTA territory by the end of 2017.  
g) Comply with the recently obtained FRA Door Waiver.  
h) Work to achieve success on the new C3RS (Confidential Close Call Reporting System) initiative.  
i) Maintain a year-round emphasis on reducing the incidence of falls into the track area.  
j) Reduce the incidence of operator assaults, especially those that are physical in nature.  
k) Bring the Silverliner V equalizer beam issue safely to a close.  
l) Contract for third party inspections of random vehicles from each fleet.  
m) Continue improvement of new trip-stop system to be utilized on the NHSL to better protect Roadway Workers.  
n) Advance implementation of audible bus turn warning system.  
o) Implement bus operator refresher safety program on three-year cycle, including a module on human trafficking.  
p) Initiate annual randomized third-party inspections of vehicles from each fleet.  
q) Reduce track-area falls by 25% vs. CY 2016 baseline.  
r) Reduce signal violations by 25% vs. CY 2016
## GOALS

<table>
<thead>
<tr>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>baseline and provide monthly updates on progress.</td>
</tr>
<tr>
<td>s) Continue pedestrian awareness campaign.</td>
</tr>
<tr>
<td>t) Reduce lost-time across all modes by 2% vs. FY 2016 baseline.</td>
</tr>
</tbody>
</table>

## II. Improve Service Quality and Customer Satisfaction

<table>
<thead>
<tr>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Support the Railroad Service Reliability Program. Major elements include: improved scheduling of service, intensified Amtrak coordination efforts, better communication with customers, increasing qualified locomotive engineer headcount to 213, continuation of dispatcher training and mentoring efforts, and creation of a conductor training initiative.</td>
</tr>
<tr>
<td>b) Improve cleaning efforts, including a greater emphasis on “hot spot” cleaning at shorter intervals for bench areas (around trash cans and in stairways).</td>
</tr>
<tr>
<td>c) Work to decrease the downtime of escalators.</td>
</tr>
<tr>
<td>d) Support efforts to increase the peak capacity of the MFSE Line.</td>
</tr>
<tr>
<td>e) Monitor the performance of contracted third party CCT service providers.</td>
</tr>
<tr>
<td>f) In conjunction with the Office of Innovation, assemble a report on best practices for CCT service from across the country. Make recommendations for both improvements to service and possible cost saving opportunities where appropriate.</td>
</tr>
<tr>
<td>g) 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.</td>
</tr>
<tr>
<td>h) Prepare facilities and provide Ambassador support for major events in 2017, including: Flower Show (March), Safety Day (April), NFL Draft (April), Broad Street Run (May), and Welcome America (July).</td>
</tr>
<tr>
<td>i) Manage and plan for outages to minimize customer disruption, including: Trolley Tunnel Blitz, City Hall Station, and 15th Street Station.</td>
</tr>
<tr>
<td>j) Extend personal companion care ridership privileges to fixed-route service.</td>
</tr>
</tbody>
</table>
### GOALS

### III. Support Capital Improvement Projects

- **Support Capital Improvement Projects**: Continue to support expanded capital construction activities across the system. Bus substitution efforts must be high quality.
- **Bus substitution efforts must be high quality**: Support planning and preliminary engineering efforts for the trolley modernization program.
- **Support planning and preliminary engineering efforts for the trolley modernization program**: Continue to implement MFL capacity enhancement initiatives, such as interior reconfiguration and conceptual study for 8-car platforms.
- **Continue to implement MFL capacity enhancement initiatives, such as interior reconfiguration and conceptual study for 8-car platforms**: Support the roll-out of the SEPTA Key.

### IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff

- **Improve Employee Satisfaction and Develop a Highly Qualified Staff**: Support the Women-In-Trades initiative.
- **Support the Women-In-Trades initiative**: Work to provide improved training for new managers.
- **Work to provide improved training for new managers**: Accomplish bus operator refresher training, include a segment on Human Trafficking in the training.
- **Accomplish bus operator refresher training, include a segment on Human Trafficking in the training**: Extend Cleaner Recognition Program to new groups, including B&B and City cleaners.
- **Extend Cleaner Recognition Program to new groups, including B&B and City cleaners**: Continue to promote employee volunteerism through participation in Philly Spring Clean-up (April), Philabundance (June), and Yuletoy Drive (December).

### V. Improve Productivity and Cost Effectiveness

- **Improve Productivity and Cost Effectiveness**: Quantify and carefully develop a program to reduce fare evasion across all modes.
- **Quantify and carefully develop a program to reduce fare evasion across all modes**: Support recycling efforts as well as other critical sustainability initiatives.
- **Support recycling efforts as well as other critical sustainability initiatives**: Continue with efforts to foster data driven management decision making. Work to create or improve data dashboards for the various groups in Operations.
- **Continue with efforts to foster data driven management decision making. Work to create or improve data dashboards for the various groups in Operations**: Support efforts to reverse a loss of ridership experienced on portions of the Surface network.
- **Support efforts to reverse a loss of ridership experienced on portions of the Surface network**: Support efforts to launch the new Direct Bus initiative for Roosevelt Boulevard service.

### VI. Support the Authority’s Ridership Growth Efforts

- **Support the Authority’s Ridership Growth Efforts**: Advance ongoing vehicle procurements:
  - 525 Hybrid Bus order with New Flyer
  - Pilot contract for 25 battery-electric buses with Proterra
  - 15 ACS 64 electric locomotives from Siemens
  - Multi-level cars for the railroad
## GOALS |

### BUSINESS INITIATIVES

- Advance locomotive contract; award contract and issue notice to proceed (NTP) for 45 multi-level rail cars; fast-track Frazer Shop Improvement Program to prepare for new fleet.

### VII. Support the Authority’s Implementation of New Payment Technologies

- a) Continue rollout of SEPTA Key for City and Suburban transit.
- b) Continue to work with Communications/Marketing, Government Affairs, and Press Relations to develop and implement a comprehensive communications plan for the SEPTA Key.

### VIII. Nurture Stakeholder Relationships

- a) Work to improve the relationships with disabled groups, such as Liberty Resources and ADAPT.
## Fiscal Year 2017 Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| I. Improve Customer and Employee Safety and System Security | - Implemented a plan for improving customer communications and response during service interruptions and major special events.  
- Implemented process of continual scheduling adjustments for Regional Rail.  
- Prepared facilities and provided Ambassador support for major special events, including: Philadelphia Flower Show, Broad Street Run, Spring Clean Up, Philabundance, and Democratic National Convention.  
- Produced informational video for SEPTA workforce addressing terrorism identification and response.  
- Conducted regular safety meetings and supported the Joint Health and Safety Committee (JHSC) Process.  
- Analyzed movement of vehicles in all districts, shops and garages, particularly in the bays, and made recommendations to improve vehicle speed compliance.  
- Focused on the reduction of signal violations and work zone incursions/violations.  
- Conducted a pedestrian awareness campaign.  
- Enhanced the Vehicle Quality Assurance and Quality Control Program with focus on safety critical items.  
- Reduced lost time injuries and accident rates by analyzing accident and injury data to identify high risk. |
| II. Improve Service Quality and Customer Satisfaction | - Designed and implemented a plan to more effectively communicate bus route detours.  
- Expanded the audit of passenger communications equipment functionality to ensure every station is tested each month.  
- Expanded the use of TECT (Targeted Enforcement and Compliance Team) focusing on specific operators and high profile rules.  
- Evaluated the impact of Regional Rail PTC (Positive Train Control) on Operations including throughput speeds, running times, and signal clearance times.  
- Created a “Clean in 2017” station campaign that focuses on cleanliness around benches, trash cans, and stairways.  
- Conducted the Customer Impact Program for city station cleaners.  
- Developed improvements in CCT’s patron eligibility process. |
### Prior Year Goal

<table>
<thead>
<tr>
<th>III. Improve Productivity and Cost Effectiveness</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Developed the Fleet Management Plan and monitored its effectiveness towards maximizing the utilization of all fleets.</td>
<td></td>
</tr>
<tr>
<td>• Managed warranty compliance in specifications for SEPTA’s new bus procurement contracts with OEMs and suppliers.</td>
<td></td>
</tr>
<tr>
<td>• Advanced the evaluation of innovative vehicle technologies, focusing on energy savings.</td>
<td></td>
</tr>
<tr>
<td>• Continued the conversion of incandescent to LED lights on bus and fleet.</td>
<td></td>
</tr>
<tr>
<td>• Researched vehicle material upgrades to increase fleet durability and reliability.</td>
<td></td>
</tr>
<tr>
<td>• Advanced technologies to support extended low voltage DC battery life.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV. Support Capital Improvement Projects</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Supported the modernization of the CBTC (Communications-Based Train Control) system on the MSHL.</td>
<td></td>
</tr>
<tr>
<td>• Coordinated the impact of construction with alternate substitute transportation to minimize customer and service disruptions.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>V. Improve Employee Satisfaction and Develop a Highly Qualified Staff</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Awarded a contract for Regional Rail simulators to be utilized by Training Department.</td>
<td></td>
</tr>
<tr>
<td>• Proactively addressed organizational turnover.</td>
<td></td>
</tr>
<tr>
<td>• Continued incremental improvement to workforce diversity among the organization.</td>
<td></td>
</tr>
<tr>
<td>• Focused on BLET engineer hiring and training to fully staff budgeted headcount.</td>
<td></td>
</tr>
<tr>
<td>• Worked with Labor Relations to develop and conduct workshops designed to increase and improve managers' expertise in contract compliance, discipline assessment, and grievance handling.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VI. Support the Authority’s Ridership Growth Efforts</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Awarded contract for 525 hybrid-electric buses.</td>
<td></td>
</tr>
<tr>
<td>• Awarded contract for 25 battery-electric buses, pending receipt of low or no emissions grant funding.</td>
<td></td>
</tr>
<tr>
<td>• Advanced contract for CCT Paratransit vehicles.</td>
<td></td>
</tr>
<tr>
<td>• Completed 22 Bombardier push-pull overhauls by vendor Hyundai-Rotem.</td>
<td></td>
</tr>
<tr>
<td>• Opened bids for 45 multi-level railcars and awarded contract.</td>
<td></td>
</tr>
<tr>
<td>• Achieved key VOH production goals.</td>
<td></td>
</tr>
<tr>
<td>• Publish trolley modernization feasibility and clearance studies in preparation for infrastructure upgrades.</td>
<td></td>
</tr>
<tr>
<td>• Awarded first major contract for Frazer yard improvements.</td>
<td></td>
</tr>
<tr>
<td>• Conducted trolley tunnel blitz.</td>
<td></td>
</tr>
<tr>
<td>Prior Year Goal</td>
<td>Accomplishments</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------</td>
</tr>
</tbody>
</table>
| VII. Support the Authority's Implementation of New Payment Technologies | • Continued rollout of SEPTA Key for City and Suburban transit.  
• Worked with Communications/Marketing, Government Affairs, and Press Relations to develop and implement a comprehensive communications plan for SEPTA Key.  
• Supported the advancement of the SEPTA Key Program. |
| VIII. Nurture Stakeholder Relationships | • Conducted periodic briefings with state, local, and federal officials.  
• Conducted periodic briefings with Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups.  
• Continued working with Philadelphia Streets Departments, MOTU, DVRPC, Service Planning, and PennDOT towards the implementation of the Traffic Signal Prioritization (TSP) initiative on Routes 6, 11, 52, 8, 60, and 66. |
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

#### Operating Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Finance</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Operations Support</td>
<td>173</td>
<td>64</td>
<td>803</td>
<td>1,040</td>
</tr>
<tr>
<td>Project Compliance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Project Control</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real Estate</td>
<td>11</td>
<td>4</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>196</strong></td>
<td><strong>69</strong></td>
<td><strong>803</strong></td>
<td><strong>1,068</strong></td>
</tr>
</tbody>
</table>

#### Capital Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Finance</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>37</td>
<td>-</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>4</td>
<td>-</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Operations Support</td>
<td>96</td>
<td>7</td>
<td>300</td>
<td>403</td>
</tr>
<tr>
<td>Project Compliance</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Project Control</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>152</strong></td>
<td><strong>7</strong></td>
<td><strong>300</strong></td>
<td><strong>459</strong></td>
</tr>
</tbody>
</table>

#### Total Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Finance</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>44</td>
<td>-</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>8</td>
<td>1</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Operations Support</td>
<td>269</td>
<td>71</td>
<td>1,103</td>
<td>1,443</td>
</tr>
<tr>
<td>Project Compliance</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Project Control</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Real Estate</td>
<td>11</td>
<td>4</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>348</strong></td>
<td><strong>76</strong></td>
<td><strong>1,103</strong></td>
<td><strong>1,527</strong></td>
</tr>
</tbody>
</table>
### Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Finance</td>
<td>$51</td>
<td>$0</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$446</td>
<td>$54</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>$337</td>
<td>$95</td>
</tr>
<tr>
<td>Operations Support</td>
<td>$75,151</td>
<td>$22,911</td>
</tr>
<tr>
<td>Project Compliance</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Project Control</td>
<td>$1</td>
<td>$17</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$884</td>
<td>$3,474</td>
</tr>
</tbody>
</table>

**TOTAL** | $76,870 | $26,551 | $103,421 |

---

#### Engineering, Maintenance & Construction

**Labor Expense & Gross Heads Trend**

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$63,787</td>
<td>$68,341</td>
<td>$70,245</td>
<td>$73,688</td>
<td>$76,063</td>
<td>$76,870</td>
</tr>
<tr>
<td>Gross Heads</td>
<td>$1,392</td>
<td>$1,392</td>
<td>$1,474</td>
<td>$1,498</td>
<td>$1,527</td>
<td>$1,527</td>
</tr>
</tbody>
</table>

#### Engineering, Maintenance & Construction

**Material & Services Trend**

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S</td>
<td>$20,141</td>
<td>$22,849</td>
<td>$26,288</td>
<td>$29,156</td>
<td>$25,135</td>
<td>$26,551</td>
</tr>
</tbody>
</table>

---

**Note:** Telephone expense was transferred to Non-Departmental Utilities in FY 2016.
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; ISRP development, analysis and reporting; Human Resource administration; Contract Management; and Asset Maintenance Management System development.

CAPITAL PROJECTS

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.

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

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

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

OPERATIONS SUPPORT

Bridges and Buildings
Provide structural, architectural, and mechanical engineering services. Perform all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops and electrical/mechanical infrastructure. Perform regular inspection of all bridges, tunnels, buildings, other structures, and fixed plant infrastructure.

Communications and Signals
Perform regular inspection, testing, maintenance, and reconstruction of the signal system. Provide engineering and design services for all signals and communications maintenance and renewal projects. Perform all radio, telecommunications, and railroad communication maintenance. Manage the engineering and construction for capital projects for communication and signals infrastructure.
Power
Perform regular inspection, maintenance, and reconstruction of electric traction and signal power systems and electrical infrastructure. Provide engineering and design services for all related maintenance and renewal projects. Manage engineering and construction for capital projects for power and electrical infrastructure.

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

PROJECT CONTROL
Provide budgeting, cost control, scheduling, claims management, and capital program systems support to project management staff. Responsible for the centralized monitoring and reporting of SEPTA’s Capital Spending Program, including the publication of the monthly Fiscal Year Capital Performance Report and the annual Fiscal Year Capital Spending Forecast for the Authority.

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.

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.

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.
## Goals & Business Initiatives

### I. Rebuilding the System
- a) Control capital project spending by keeping costs within budget.
- b) Achieve targets for major Capital Project milestones for all Architectural and Engineering and construction projects.
- c) Pursue Project Control initiatives focusing on and General Engineering Consultant (GEC) contracts.
- d) Commence, advance, and complete all scheduled Engineering, Maintenance & Construction Division ISRP projects.
- e) Maintain State of Good Repair database to provide a capital asset inventory and an analysis of capital investment backlog and investment alternatives.
- 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.

### II. Sustainability
- 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.
- 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.
- c) Continue to improve the Authority’s recycling program at stations and operating locations.
- d) Continue to harden infrastructure to combat severe weather.
- e) Advance Combined Heat and Power (CHP) project.
### GOALS

<table>
<thead>
<tr>
<th>III. Safety and Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Conduct internal and external Safety Days to focus on employee and rider/public safety issues.</td>
</tr>
<tr>
<td>b) Advance system modernization projects including ATC/PTC (RR and M/SH), Railroad and Transit Substations, and 30th to Arsenal Catenary, Signals and Interlocking Improvements.</td>
</tr>
<tr>
<td>c) Insure ongoing infrastructure maintenance by insuring strict compliance with all mandated standards, agency regulations and internal policies and procedures for rail and transit safety. Regular inspections and preventive maintenance to be performed in accordance with all codes, regulations and OEM recommendations.</td>
</tr>
<tr>
<td>d) Measure and monitor employee Injuries on Duty (IOD) Lost Time and establish target for future reductions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV. Expand System Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Advance projects that support ridership growth.</td>
</tr>
<tr>
<td>b) Advance Frazer Shop Expansion and Elwyn-Wawa service restoration.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>V. Customer Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>b) Support customer service related capital projects such as construction at Villanova Station, Levittown Station, and 15th Street.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VI. New Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Pursue communications-based technological upgrades including Positive Train Control (PTC), wireless delivery of real time service information, cell phone access in SEPTA tunnels, Wi-Fi internet access hotspots, and new Asset Management software.</td>
</tr>
</tbody>
</table>
## VII. Human Capital Development

### GOALS

#### BUSINESS INITIATIVES

| a) Minimize employee turnover and improve hiring process management. |
| b) Implement and encourage employee training through a Rapid Assimilation Program for new engineers, an elevator/escalator maintenance apprentice program, and full utilization of internal management training seminars. Support the AIM training and succession planning program. |
| c) Assist the Division’s Professional Engineers in obtaining continuing education credits required to maintain Pennsylvania licensure. |
| d) Review and update at least 50% of the relevant skills qualification tests administered by the Testing Center. |
Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Rebuild the system</td>
<td>• Replaced Crum Creek Viaduct&lt;br&gt;• Rehabilitated 9 Stone Arch Bridges and 3 Media/Elwyn Viaducts&lt;br&gt;• Completed the rehabilitation of Morton, Lenni, and Clifton-Alden Substations</td>
</tr>
<tr>
<td>II. Sustainability</td>
<td>• Advanced ESCO Projects&lt;br&gt;• Advanced Combined Heat and Power Project&lt;br&gt;• Advanced Southern Depot stormwater improvements partnering with the Philadelphia Water Department (PWD)</td>
</tr>
<tr>
<td>III. Safety and Security</td>
<td>• Advanced the design of grade separated pedestrian access and station improvements at Lawndale Station&lt;br&gt;• Implemented Positive Train Control (PTC)</td>
</tr>
<tr>
<td>IV. Expand System Capacity</td>
<td>• Advancing Elwyn to Wawa service restoration project with anticipated start of construction in CY18&lt;br&gt;• Lansdale Parking Garage to be completed in April 2017</td>
</tr>
<tr>
<td>V. Customer Service</td>
<td>• Advancing ADA Station Improvements at MFSE 40th Street, 15th Street, Margaret-Orthodox Stations, and RRD Stations at Yardley, Fortuna, Levittown, Exton, Secane, Villanova, Bala, and Wynnewfield (all under construction)</td>
</tr>
<tr>
<td>VI. New Technologies</td>
<td>• Installing bridge monitoring program on 3 Media/Elwyn viaducts&lt;br&gt;• Asset Management Program implemented, with Infrastructure Maintenance Management System to come on line Spring 2017</td>
</tr>
<tr>
<td>VII. Human Capital Development</td>
<td>• Rapid Assimilation Program for new EM&amp;C management and administration employees&lt;br&gt;• Supervising Hourly Employees Program&lt;br&gt;• Tour de EM&amp;C Program</td>
</tr>
</tbody>
</table>
Overview
The Deputy General Manager/Treasurer’s Staff includes divisional assistant general managers and department chiefs who are responsible for various administrative functions that support the operations of the Authority.

The Deputy General Manager/Treasurer’s Staff includes five 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 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.
The Deputy General Manager/Treasurer has five divisions and five departments that are direct reports. * Indicates divisions, which are reported separately in this proposal.
## Headcount

### Operating Heads

<table>
<thead>
<tr>
<th>Department</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Manager/Treasurer Administration</td>
<td>10</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Communications</td>
<td>11</td>
<td>5</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Information Technology</td>
<td>66</td>
<td>5</td>
<td></td>
<td>71</td>
</tr>
<tr>
<td>New Payment Technologies / Revenue Operations</td>
<td>89</td>
<td>50</td>
<td>48</td>
<td>187</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>5</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td>181</td>
<td>60</td>
<td>51</td>
<td>292</td>
</tr>
</tbody>
</table>

### Capital Heads

<table>
<thead>
<tr>
<th>Department</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Manager/Treasurer Administration</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Payment Technologies / Revenue Operations</td>
<td>11</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td>12</td>
<td></td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

### Total Heads

<table>
<thead>
<tr>
<th>Department</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Manager/Treasurer Administration</td>
<td>11</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Communications</td>
<td>11</td>
<td>5</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Information Technology</td>
<td>66</td>
<td>5</td>
<td></td>
<td>71</td>
</tr>
<tr>
<td>New Payment Technologies / Revenue Operations</td>
<td>100</td>
<td>50</td>
<td>48</td>
<td>198</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>5</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td>193</td>
<td>60</td>
<td>51</td>
<td>304</td>
</tr>
</tbody>
</table>
### Deputy General Manager/Treasurer Administration

<table>
<thead>
<tr>
<th>Action</th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Manager /Treasurer Administration</td>
<td>$1,566</td>
<td>$20</td>
<td>$1,586</td>
</tr>
<tr>
<td>Communications</td>
<td>1,307</td>
<td>1,112</td>
<td>2,419</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5,869</td>
<td>5,596</td>
<td>11,465</td>
</tr>
<tr>
<td>New Payment Technologies &amp; Revenue Operations</td>
<td>11,678</td>
<td>2,116</td>
<td>13,794</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>329</td>
<td>580</td>
<td>909</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$20,749</td>
<td>$9,424</td>
<td>$30,173</td>
</tr>
</tbody>
</table>
Deputy General Manager/Treasurer

**Fulfillment Services**
Provide direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit timetables, customer service notices, and other brochures and leaflets produced by the Authority. Manages timetable production contract.

**Communications and Website Management**
Responsible for all customer 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 Authority social media tools.

**INFORMATION TECHNOLOGY**

**Emerging & Specialty Technologies**
Provide 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**
Support the development, integration, and implementation of new software systems of business units throughout the Authority. Maintain and enhance existing systems Authority-wide. This section responds to application software problems.

**Cyber Security**
Manage and support the effort of protecting customer and employee data from intrusion or data breach. Engage 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 on SEPTA systems. Work 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**
Provide 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. Maintain the technology infrastructure necessary for business critical systems, including: enterprise e-mail services, internet/intranet access, payroll, materials management, general accounting, operations control centers, disaster recovery and business continuity. Support SEPTA’s enterprise data communication systems and the entire microcomputer environment. Set standards for hardware and software used across the networks and install, support and maintain the 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 / REVENUE OPERATIONS
Direct the multi-phase New Payment Technologies Project to transform SEPTA’s aging revenue equipment into a modern, efficient, and convenient system for customer payment and agency collection of fare revenue.

Revenue Transportation
Manage the collection, transportation, and deposit of the Authority’s passenger revenues and fare instruments.

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

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

Revenue Compliance
Ensure the collection, handling, and processing of revenue is performed efficiently and safely.

Revenue, Audit and Control
Ensure that effective controls are in place to safeguard the Authority’s revenue and assets.

OFFICE OF INNOVATION

Data-Driven Decision-Making
Work with business units through the “SEPTA Stat” process 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
Measure progress towards goals and targets pursuant to SEPTA’s Strategic Business Plan for Fiscal Years 2015-2019 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 SEPTA division and then reported to the public through the SEPTA website at www.septa.org/strategic-plan.

Vision-Casting & Employee Engagement
Collaboratively develop forums for communication of SEPTA’s strategic priorities to employees. Includes facilitating GM Team Site Visits, GM/DGM Breakfasts, 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 to 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, Cybersecurity, 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 www.septa.org/sustain.
### Fiscal Year 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. Improve Productivity and Cost Effectiveness | a) Establish Operations and EM&C Metrics Website, including Key Indicator metrics and safety statistics  
b) Continue to work towards reaching a mutually agreed-upon collective bargaining agreement with outstanding unions  
c) Continue to support SEPTA's sustainability initiatives |
| II. Nurture Stakeholder Relationships | a) Continue to participate and be engaged with initiatives and activities related to the American Public Transportation Association (APTA) and Pennsylvania Public Transportation Association (PPTA) |
| III. Implement Initiatives to promote maximum safety and security for our infrastructure, systems and personnel | a) Identify critical applications and systems and quantify Recovery Time Point Objectives and Recovery Point Objectives  
b) Harden Network and Computer Infrastructure against cyber-attacks or unauthorized intrusions on all systems connected to the SEPTA and OTN network  
c) Implement Single Sign-On to enhance security and improve the user experience |
| IV. Ensure best-in-class service delivery to exceed customer expectations | a) Complete the Mainframe Integration Suite  
b) Improve functionality of the Interactive Voice Response (IVR) System  
c) Implement redundant strategies for critical systems for operations and customer facing systems  
d) Replace “Plan My Trip” option with “Trip Planner” on SEPTA’s website  
e) Create direct access link to the Procurement section of the “Doing Business with SEPTA” portion of the Internet to capture customer questions, concerns, and comments |
## Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| **I. Improve Productivity and Cost Effectiveness** | • Convened and provided staff support for the Procurement Innovation Team  
• Achieved SEPTA Board adoption of second-generation Sustainability Program Plan, SEP-TAINABLE 2020  
• Managed management consulting tasks to evaluate SEPTA business processes and identify opportunities for improvement  
• Convened “SEPTA Stat” for performance management and supported divisional master planning efforts associated with the new process |
| **II. Nurture Stakeholder Relationships** | • Developed presentation content for GM presentations on SEPTA’s strategic priorities among stakeholder groups  
• Held sustainability roundtables and a public open house attended by more than 80 members of the general public  
• Continued to work with MOTU to develop SEPTA route maps and service information panels based on structural changes to the transit shelter designs |
| **III. Implement Initiatives to Promote Maximum Safety and Security for Our Infrastructure, Systems and Personnel** | • Convened the Safety Culture Innovation Team & Cyber Security Innovation Teams; provided staff support for associated initiatives, such as the Safety Summit and Cyber Security Safety Day  
• Developed customer information outreach campaign for annual Make the Safe Choice – Safety Day program. Collateral materials including posters, handouts, video, and web game for children all focused on a safety theme |
| **IV. Ensure Best-in-Class Service Delivery to Exceed Customer Expectations** | • Worked with Marketing Department on a partnership with Uber, which provided 40% discounts to customers accessing Regional Rail stations during Summer 2016  
• Worked with Operations Department on rethinking the interior configuration of the Market-Frankford Line railcars to improve capacity and the customer experience  
• Launched Early Adopters phase of new SEPTA Key Fare program. Developed special microsite with information about the Key program. Produced how-to videos for customers showcasing: the ease of using a reloadable contactless chip Key Card, putting SEPTA products on the Card at Fare Kiosks, and using the Card to travel on Transit services. Posters and brochures prepared as companion pieces to microsite. |
| **V. Other** | • Advancing comprehensive rebranding and wayfinding signage/map program to support improvements for the pedestrian concourse network in Center City |
SEPTA
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. 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

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget and Grant Development</td>
<td>6</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Finance Administration</td>
<td>9</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Financial Services</td>
<td>24</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>General Accounting</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Payroll</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Revenue, Ridership, Advertising and Sales</td>
<td>25</td>
<td>29</td>
<td>54</td>
</tr>
<tr>
<td>Service Planning</td>
<td>27</td>
<td>15</td>
<td>42</td>
</tr>
<tr>
<td>Strategic Planning and Analysis</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>114</strong></td>
<td><strong>56</strong></td>
<td><strong>170</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget and Grant Development</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Finance Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Accounting</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payroll</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue, Ridership, Advertising and Sales</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Service Planning</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Strategic Planning and Analysis</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>6</strong></td>
<td>-</td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget and Grant Development</td>
<td>8</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Finance Administration</td>
<td>9</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Financial Services</td>
<td>24</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>General Accounting</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Payroll</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Revenue, Ridership, Advertising and Sales</td>
<td>27</td>
<td>29</td>
<td>56</td>
</tr>
<tr>
<td>Service Planning</td>
<td>27</td>
<td>15</td>
<td>42</td>
</tr>
<tr>
<td>Strategic Planning and Analysis</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>120</strong></td>
<td><strong>56</strong></td>
<td><strong>176</strong></td>
</tr>
</tbody>
</table>
### Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget and Grant Development</td>
<td>$469</td>
<td>$3</td>
<td>$472</td>
</tr>
<tr>
<td>Finance Administration</td>
<td>1,146</td>
<td>240</td>
<td>1,386</td>
</tr>
<tr>
<td>Financial Services</td>
<td>2,125</td>
<td>496</td>
<td>2,621</td>
</tr>
<tr>
<td>General Accounting</td>
<td>727</td>
<td>305</td>
<td>1,032</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>770</td>
<td>86</td>
<td>856</td>
</tr>
<tr>
<td>Payroll</td>
<td>320</td>
<td>2</td>
<td>322</td>
</tr>
<tr>
<td>Revenue, Ridership, Advertising and Sales</td>
<td>3,369</td>
<td>2,522</td>
<td>5,891</td>
</tr>
<tr>
<td>Service Planning</td>
<td>2,394</td>
<td>62</td>
<td>2,456</td>
</tr>
<tr>
<td>Strategic Planning and Analysis</td>
<td>109</td>
<td>1,206</td>
<td>1,315</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$11,429</strong></td>
<td><strong>$4,922</strong></td>
<td><strong>$16,351</strong></td>
</tr>
</tbody>
</table>

**Note:** FY 2018 increase is primarily due to a planned initiative in Strategic Planning and Analysis and Service Planning Departments for a Comprehensive Bus Network Redesign Project which will require outside consultant services. In addition, transaction fees are expected to be higher 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 transit capital projects for 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 the Authority’s resources are used effectively to maximize capital investments and to maintain access to the capital markets on reasonable terms and conditions.

FINANCIAL SERVICES

Accounts Payable, Billings and Cash Management
Process vendor payments, ensure items processed are correctly recorded, generate all billing invoices, ensure that all receipts due are received and properly applied, and capture and report capital project costs. Manage the Authority’s 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
Maintain accounting controls over operating revenues, operating subsidy grants, operating receivables, and fixed assets. Prepare applications and billings for operating and senior citizen subsidies and accounts for capitalization and disposition of grant and non-grant property and related depreciation and contributed capital.
Finance and Planning

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

OPERATING BUDGET
Develop a budget plan based upon an evaluation of each department’s operating needs in relation to the Authority’s overall resources. Review and modify the consolidated results of all proposals to ensure that projected expenditures are balanced with projected revenues and subsidies. Develop annual Operating Budget and multi-year financial forecast. Evaluate proposed financial commitments and personnel requests on an ongoing basis to ensure sufficient funding and adherence to budget. Oversee SEPTA’s utility accounts and review and approve utility bills. Conduct analysis to track and forecast financial performance.

Reports & Systems
Maintain the Management Planning and Control (MPC) software used to produce the annual operating budget at the expense object level and integrate with the mainframe environment. Support and train the departmental users of the budgeting system. Coordinate with Information Technology to produce, maintain and distribute monthly and annual internal financial reports.

Specialized Support Assignments
Provide financial analysis and forecasting for substantive financial issues impacting the Authority including bargaining unit contract negotiations, propulsion power, utilities, fuel contracts and income generating contracts. Provide financial analysis for internal discussions and Board briefings.

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

REVENUE, RIDERSHIP, ADVERTISING AND SALES
Form a centralized leadership capacity to coordinate multifaceted operations including revenue generation via fare media, parking lots, and non-transportation related advertising income. Monitors and officially reports ridership levels and affiliated revenues. Coordinate Finance and Planning Division’s participation in all financial, operational and customers 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. Manage third party contractors for SEPTA parking garages. Develop and support all passenger revenue pricing and tariffs and matriculate data received from the SEPTA Key Program into the data stream.

Sales
Administers and conducts the sale of all prepaid fare instruments, within the SEPTA service area. Manage the daily operation of five full-service sales centers, the Transit Store, and the www.shop.septa.org web portal. Manages and coordinates sales to over 1,000 external sales venues such as corporate entities, school districts, and retailers. Validates and issues refunds and adjustments for lost rides and fare instruments. 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 railroad advertising, which includes station naming, bus and rail wraps, station and interior train digital screens, and static posters. Responsible for administration of outdoor advertising which includes an extensive static and digital billboard network.

SERVICE PLANNING
Plan and schedule service for City and Suburban operations. Monitor and analyze route performance in accordance with applicable service standards to develop proposals for service improvements. Work with public and private partners to develop new services. Prepare the Annual Service Plan, which includes the service proposals and annual economic review of all routes. Serve as liaison with city and county planning agencies and Transportation Management Associations regarding service planning issues. Coordinate tariff and public hearing process for all route changes. Manage central transit stop database and Automatic Passenger Count (APC) data and reporting. Provide Authority-wide Geographical Information Systems (GIS) support. Support Capital Budget planning on transit service issues.
STRATEGIC PLANNING AND ANALYSIS
The efforts of the Strategic Planning and Analysis Department help SEPTA and the communities it serves create a shared vision for the future, prioritize capital funding, and provide 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.
## Fiscal Year 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. The Customer Experience | a) Focus on strategic initiatives to improve transit service reliability and route changes to address changing ridership levels  
  b) Continue to nurture stakeholder relationships – periodic briefings with local officials, state officials, federal officials, Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups |
| II. Employee Development | a) Proactively improve employee communications  
  b) Continue to invest in workplace improvements  
  c) Continue to incrementally improve on increasing diversity across organizational business units |
| III. Rebuilding the System | a) Continue to develop, advance, and seek funding for a 12-year capital program that focuses on achieving a state of good repair |
| IV. SEPTA is a Business | a) Continue to balance the budget and improve the economic efficiency of business processes  
  b) Provide financial analysis to support labor contract negotiations  
  c) Actively pursue comprehensive ridership growth strategy  
  d) Increase capacity of system in key growth areas – align additional parking capacity with regional transportation needs  
  e) Leverage investments to maximize ridership growth  
  f) Develop long-range plans to prioritize future system improvement and expansion opportunities |
| 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 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| I. Improve internal and external customer responsiveness | • Implemented numerous route running time adjustments and headway improvements to increase System wide On-Time Performance.  
• Many employees served as SEPTA Ambassadors at various events, including the 2017 Philadelphia Flower Show, 2016 Democratic National Convention, 2016 Santa Express, etc. |
| II. Strategically allocate resources and streamline processes to ensure cost effective service | • On February 26, an extension of bus Route 2 peak hour service commenced, connecting to the newly renovated Wayne Junction Regional Rail station to facilitate “reverse commute” opportunities to suburban employment locations along the Lansdale/Doylestown, Warminster and West Trenton Regional Rail Lines.  
• Rolled out the SEPTA Key Program for City Transit customers. This initially included the ability to add TransPasses to SEPTA Key Cards and was expanded to add Travel Wallet features for customers using tokens. For the first time, customers are able to register their cards and receive balance protection on cash and products added to the card. This expansion is ongoing and will include other Key program aspects and further expansion to the Regional Rail Lines.  
• New services include splitting of Route 310 into two routes and the diversion of Route 120 to serve Crozer-Keystone at Broomall medical center.  
• SEPTA made significant progress in completing 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. Key milestones reached within the project include: introduction of design options for the recommended locally preferred alternative in response to public and stakeholder comments, backyard visits and neighborhood meetings to discuss the project with residents, the creation of a Community Working Group for the project, drafting of the DEIS document, as well as SEPTA and FTA review of the DEIS. The DEIS is expected to be released in Spring/Summer 2017. |
## Prior Year Goal

<table>
<thead>
<tr>
<th>III.</th>
<th>Expand and strengthen the Authority’s stakeholder network</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV.</td>
<td>Support the economic, financial, social and environmental sustainability of the Authority</td>
</tr>
<tr>
<td>V.</td>
<td>Strengthen accountability, transparency and visibility</td>
</tr>
<tr>
<td>VI.</td>
<td>Act as a steward for the Authority’s short, mid and long-term planning efforts</td>
</tr>
</tbody>
</table>

## Accomplishments

- Developed partnerships with community groups, business associations, transportation agencies, and other stakeholders to evaluate opportunities to serve new markets.

- Urban Digital Panel program was introduced consistent with SEPTA’s mandate to seek alternative sources of revenue in support of transit operations. The program expanded from the initial eleven double-sided 55” digital screens at certain subway and railroad stations to a total of fifty screens. The screens enable continuous streaming of SEPTA service information on a small portion of the screens, while rotating advertising, weather and news on the majority of the screen. If proven successful, the Authority will consider an expansion of the screens throughout other portions of the system.

- Implemented the Five-Year Strategic Business Plan.

- Provided planning and schedule support for rail shuttle operations during reconstruction projects, for example the Media/Elwyn Crum Creek bridge replacement.

- SEPTA was awarded several competitive grants to advance capital projects including station improvements and vehicle acquisitions:
  - SEPTA was selected to receive a $1.61 million grant award from the Federal Railroad Administration (FRA) to enhance safety at Lawndale Station on the Fox Chase Regional Rail Line. SEPTA’s proposal to construct a new pedestrian underpass will receive competitive funding under the Railroad Safety Infrastructure Improvements Grant. The $9.59 million project will help separate pedestrian access from commuter and freight rail service, and will also include the installation of a high-level platform and passenger shelters.
  - SEPTA was selected to receive a $4 million discretionary grant under the FTA’s Section 5339 Bus and Bus Facilities program to support expansion of the Wissahickon Transportation Center. The center is served by 11 bus routes with nearly 7,000 boards and alights per weekday. This $13.25 million project will address capacity constraints and operational concerns, allowing vehicles and pedestrians to navigate the facility more safely.
<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Authority was also awarded competitive funding under the FTA’s “Low or No Emission Vehicle Deployment Program” to assist in the acquisition of 25 all-electric buses. This $2.6 million grant will assist in funding the purchase of Proterra battery-electric buses and associated charging equipment, a $30 million project. The buses are scheduled for delivery in 2017-2018 and will operate on routes 29 and 79 in South Philadelphia.</td>
<td></td>
</tr>
<tr>
<td>SEPTA’s second Guaranteed Energy Savings Contract and related financing agreement were executed in November 2016. The GESA contract, with an ESCO company, provides for the design, construction, and future operation and maintenance of a Combined Heat and Power (CHP) generator near SEPTA’s Midvale Depot. Additional Energy Conservation Measures (ECMs) to be completed as part of the project include LED lighting at Midvale, Liberty Yard, and Roberts Yard. The total cost for this project is $35.9 million and guaranteed energy savings will be used to pay the debt service and other annual costs associated with the project. This project is expected to be completed in the Spring of 2019.</td>
<td></td>
</tr>
<tr>
<td>Supported efforts to achieve targets set forth in the Five-Year Strategic Business Plan.</td>
<td></td>
</tr>
<tr>
<td>Incorporate other targeted planning efforts as an integrated component of the Strategic Business Plan, the Operating Budget and the Capital Budget.</td>
<td></td>
</tr>
</tbody>
</table>

VII. Build a highly skilled, diversified, versatile workforce
SEPTA

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 union employees.
# Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Development/Relations Administration</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>EEO/AA and Employee Relations</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>9</td>
<td>-</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Test Center</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Training and Development</td>
<td>98</td>
<td>-</td>
<td>-</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td>117</td>
<td>-</td>
<td>5</td>
<td>122</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Development/Relations Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EEO/AA and Employee Relations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Test Center</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Training and Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Development/Relations Administration</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>EEO/AA and Employee Relations</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>9</td>
<td>-</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Test Center</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Training and Development</td>
<td>98</td>
<td>-</td>
<td>-</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td>117</td>
<td>-</td>
<td>5</td>
<td>122</td>
</tr>
</tbody>
</table>
Principal Responsibilities

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION/TITLE VI AND EMPLOYEE RELATIONS (EEO/AA&ER)
Implement and promote the Authority’s EEO/AA Program to address the needs of an increasingly diverse workplace. Respond to complaints of discrimination/harassment filed internally and externally. Ensure compliance with SEPTA’s EEO/AA Policies and the Federal Transit Administration’s (FTA) regulations. Handle a wide variety of employee relations issues.

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

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

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

Case Presentation to the Pennsylvania Labor Relations Board (PLRB)
Prepare and present all cases associated with the PLRB as they are filed by bargaining units and the Authority.
Employee Development/Relations

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

**Training**
Conduct relevant training of supervisors in contract interpretation and enforcement.

**Joint Labor Management Relations**
Conduct joint productivity meetings with labor representatives to promote the safe, efficient, and economical operation of the Authority.

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

**TEST CENTER**
Administer testing for those seeking employment with the Authority and current employees pursuing positions that require a set level of competency that has been established by Human Resources and the hiring department.

**TRAINING AND DEVELOPMENT**
Provide training programs to improve employee performance, teach new skills, or retrain employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures, policies, and skills to perform their assigned duties. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance, and management employees.
## Fiscal Year 2018 Goals and Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. Implement a Succession Planning Process | a) Continue development phase for Group I AIM participants  
b) Establish executive level curriculum to replace AIM  
c) Develop and launch expanded 1st Level Supervisor’s program  
d) Conduct lessons learned review of AIM AD  
e) Support multi-transit agency Leadership Exchange Development Program (LEAD) |
| II. Provide Leadership for Human Capital Development | a) Implement second session of management transition program (AIM & Assistant Director) for developing first to second level transportation and SAM managers  
b) Review training needs throughout the Authority  
c) Develop a curriculum that aligns with the succession plan’s key positions leadership competency gaps  
d) Continue implementation of Management Development Training Programs  
e) Minimize labor and training costs by implementing simulators in Engineer and Conductor training programs  
f) Develop programs to support career development/equal employment opportunities  
g) Continue tuition reimbursement program counseling in fields of study appropriate for career opportunities at SEPTA |
### Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| I. Implement a Succession Planning Process | • Launched first class of AIM for Assistant Directors, 26 participants graduated.  
• Revised AIM program to become an annual executive development program. |
| II. Provide Leadership for Human Capital Development | • Developed five day 1st level supervisor’s program to launch January 2017.  
• Participated in multi-transit agency Leadership Exchange Development Program (LEAD).  
• Women in the Trades program launched. |
| III. Other | • Completed Key training for 2,000 bus operators prior to pilot launch.  
• Reached settlements on transit labor union contracts that had expired. Continuing to negotiate to reach settlements with railroad unions whose contracts have expired.  
• Over 1,300 employees (Conductors, Engineers, Supervisors, Dispatchers, and Roadway Workers) trained to support PTC system operation and regulation.  
• Developed new training plan to accommodate larger and more frequent classes of new RRD Locomotive Engineers. |
Overview
The Human Resources Division provides recruitment, cost effective benefits and pension programs, and manages employment law programs. The Division is charged with locating prospective new employees and assisting them to assimilate, grow, learn and remain productive assets to the Authority. Human Resources supports employees from the onset of initial interest in the Authority until long after they depart.
## Human Resources

### Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Recruitment</td>
<td>12</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Compensation</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Employee Services</td>
<td>16</td>
<td>13</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>35</strong></td>
<td><strong>17</strong></td>
<td><strong>52</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recruitment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compensation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Recruitment</td>
<td>12</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Compensation</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Employee Services</td>
<td>16</td>
<td>13</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>35</strong></td>
<td><strong>17</strong></td>
<td><strong>52</strong></td>
</tr>
</tbody>
</table>
### Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th></th>
<th>Net</th>
<th>Material</th>
<th>Labor &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$380</td>
<td>$6</td>
<td>$386</td>
<td></td>
</tr>
<tr>
<td>Recruitment</td>
<td>907</td>
<td>194</td>
<td>1,101</td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>464</td>
<td>123</td>
<td>587</td>
<td></td>
</tr>
<tr>
<td>Employee Services</td>
<td>2,466</td>
<td>315</td>
<td>2,781</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$4,217</td>
<td>$638</td>
<td>$4,855</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** New division created in FY 2017: Employee Development/Relations. See Headcount Cause of Change.
Principal Responsibilities

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

EMPLOYEE SERVICES

Medical
Conduct drug and alcohol testing in accordance with Authority policy and U.S. Department of Transportation regulations. Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical surveillance programs (i.e. PCBs, asbestos), hearing conservation, etc. as required by the Authority. Administer the Employee Assistance Program for all employees and their dependents. Manage the Wellness Program, Family & Medical Leave Act (FMLA) program, and medical case management.

Benefits
Design, negotiate and administer the benefits program, including medical, dental, prescription drug, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation (457B Plan), supplemental voluntary benefits, and flexible benefits programs for 30,000 individuals, including employees, retirees and families. Conducts benefit orientations and information sessions concerning all employee benefits programs.

Compensation/Human Resources Information Systems
Develop, communicate and administer the compensation program for supervisory, administrative and management employees. Update information, monitor and train employees on the use of the Human Resource Information System (HRIS). Maintain files for 9,400 employees and evaluate salaried positions, utilizing the Hay Evaluation System.

Project Management and Organization Effectiveness
Develop initiatives throughout the Authority to improve quality, service and efficiency. These projects are designed to effectuate positive change in a corporate culture through best practices, strategies and new work processes. Develop, maintain, and communicate policies and updates to all employees.

RECRUITMENT AND TALENT MANAGEMENT
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 Authority vacancies.
## Fiscal Year 2018 Goals and Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Implementation of Benefit Changes</td>
<td>a) Implement changes resulting from labor contracts</td>
</tr>
<tr>
<td></td>
<td>b) Pension, Health, &amp; Welfare changes to include Independence Blue Cross &amp; CVS (other changes include: copays, broker contract, stop-loss contract)</td>
</tr>
<tr>
<td>II. Continue Ongoing Wellness Program Initiatives</td>
<td>a) Implementation and acclimation of new Wellness Coach, as offered by Independence Blue Cross contract</td>
</tr>
<tr>
<td></td>
<td>b) Wellness Coach will provide expertise at the following locations: 69th Street Complex, Victory, Suburban Station, and Fern Rock</td>
</tr>
<tr>
<td></td>
<td>c) Sleep apnea assessment to be added to metrics</td>
</tr>
<tr>
<td>III. Development and Updating of Systems</td>
<td>a) Review and edit current intranet – leading to development of new intranet</td>
</tr>
<tr>
<td></td>
<td>b) Research new HRIS system</td>
</tr>
<tr>
<td></td>
<td>c) Build data warehouse per review and assessment of current and future needs</td>
</tr>
</tbody>
</table>
Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Expand and strengthen the Authority’s stakeholder network</td>
<td>• Established outreach to JEVs organization, primarily focusing on their adult learning program in building trades at Orleans Technical College. Additionally, expanded network by adding America Works of Pennsylvania, INC. to our list of partner agencies.</td>
</tr>
<tr>
<td></td>
<td>• Held inaugural “Women in Trades” career event at SEPTA Headquarters which brought together interested employment applicants, SEPTA construction and mechanical trades departmental leadership, and educational and social agencies that provide training to women preparing for careers in non-traditional roles.</td>
</tr>
<tr>
<td></td>
<td>• Initiated relationship with the Philadelphia School District’s Office of Career and Technical Education to focus efforts on curriculum review and potential future apprenticeships.</td>
</tr>
<tr>
<td>II. Provide leadership for Divisional Replacement Planning</td>
<td>• Held monthly meetings to review and discuss current headcounts and hiring plans, full cycle recruitment, and hiring strategies.</td>
</tr>
<tr>
<td>III. Reinforce Customer Service Authority-Wide</td>
<td>• Participated in a variety of customer initiatives including operations support for Papal visit, DNC, Flower Show and Philabundance.</td>
</tr>
<tr>
<td>IV. Expand the Employee Wellness Program</td>
<td>• Implemented initiatives to improve employee health including: Weight Watchers at Work, on-site health and wellness activities, dietician advisory, Farm to SEPTA, Walking Programs, prevention and management programs, and Intranet Health and Wellness classes.</td>
</tr>
</tbody>
</table>
Overview
The Procurement, Supply Chain & Disadvantaged Business Enterprise (DBE) Program Division is responsible for SEPTA's procurement, materials management, compliance and quality assurance, supply chain management, contracts administration, and disadvantaged business enterprise programs and relevant initiatives.
## Headcount

### Operating Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement, Supply Chain &amp; DBE Administration</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Contracts Administration</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Disadvantaged Business Enterprise Program</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Procurement &amp; Supply Chain Management</td>
<td>60</td>
<td>59</td>
<td>3</td>
<td>122</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>85</strong></td>
<td><strong>59</strong></td>
<td><strong>3</strong></td>
<td><strong>147</strong></td>
</tr>
</tbody>
</table>

### Capital Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement, Supply Chain &amp; DBE Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contracts Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disadvantaged Business Enterprise Program</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Procurement &amp; Supply Chain Management</td>
<td>8</td>
<td>2</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>13</strong></td>
<td><strong>2</strong></td>
<td>-</td>
<td><strong>15</strong></td>
</tr>
</tbody>
</table>

### Total Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Maint.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement, Supply Chain &amp; DBE Administration</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Contracts Administration</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Disadvantaged Business Enterprise Program</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Procurement &amp; Supply Chain Management</td>
<td>68</td>
<td>61</td>
<td>3</td>
<td>132</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>98</strong></td>
<td><strong>61</strong></td>
<td><strong>3</strong></td>
<td><strong>162</strong></td>
</tr>
</tbody>
</table>
## Procurement, Supply Chain & DBE

### Budget Proposal
Amounts in Thousands (‘000)

<table>
<thead>
<tr>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement, Supply Chain &amp; DBE Administration</td>
<td>$566</td>
<td>$15</td>
</tr>
<tr>
<td>Contract Administration</td>
<td>1,244</td>
<td>27</td>
</tr>
<tr>
<td>Disadvantaged Business Enterprise Program</td>
<td>274</td>
<td>32</td>
</tr>
<tr>
<td>Procurement &amp; Supply Chain Management</td>
<td>7,675</td>
<td>265</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,759</strong></td>
<td><strong>$339</strong></td>
</tr>
</tbody>
</table>

### Labor Expense & Gross Heads Trend

<table>
<thead>
<tr>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$12,541</td>
<td>$13,301</td>
<td>$13,846</td>
<td>$9,409</td>
<td>$9,730</td>
</tr>
<tr>
<td>Gross Heads</td>
<td>223</td>
<td>223</td>
<td>223</td>
<td>162</td>
<td>162</td>
</tr>
</tbody>
</table>

Note: Information Technology transferred from the division in FY 2016.
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, and training support for the department. 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 needs to determine adequate stocking levels to effectively purchase/lease stock and non-stock rail and vehicle parts, material, equipment, supplies, and services utilized by SEPTA, except for major vehicle procurements. Provide direct field support to maintenance directors and shop personnel. Maximize return on investment through Asset Recovery programs and long term, market-based scrap metal contracts. Perform requirements planning for vehicle overhaul programs and various maintenance projects.

Materials Management (Infrastructure)
Perform analysis, forecasting, and identification of inventory needs to determine adequate stocking levels to effectively purchase/lease stock and non-stock infrastructure, material, equipment, supplies, and services utilized by SEPTA. 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 with all Operations areas to meet short and long-term material needs. Coordinate Authority-wide inventory reduction and control programs. Administer Storeroom operations, warehousing and distribution functions, including receipt, storage, issue, and control of all stock materials for the Authority’s diversified fleet of vehicles and infrastructure maintenance and overhaul programs.
CONTRACTS ADMINISTRATION
Administer contracts by overseeing contractors to fulfill contractual obligations. Perform solicitations, contract awards, and post-award administration including change orders, dispute resolutions, and closeout.

Construction Contracts
Perform procurement and administration of project-specific Architectural, Engineering and associated construction-related services, new construction, and renovations of the authority’s facilities and structures.

Vehicles & Special Services Contracts
Procure and administer revenue-rolling stock (buses and rail cars), employee benefits, insurance, and associated passenger services such as paratransit and fixed route.

Professional Services Contracts
Solicit, award, and administer professional services contracts such as state and federal legislative services, advertising, brokers and lease and management services, and technical services such as brush cutting, janitorial, IT support & maintenance services, pest control services, and Architectural & Engineering services.

Rebuilding Projects Contracts
Responsible for solicitation, award and administration of large scale new construction projects as a result of Act 89 funding, resiliency program, as well as major equipment purchases such as static frequency controllers, wheel truing, and drop tables.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OFFICE (DBEPO)

Disadvantaged Business Enterprise (DBE) Certification
Participate 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, and represent the Authority as a managing member of the Commonwealth of Pennsylvania’s Unified Certification Program (PA UCP).

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

DBE Compliance
Review solicitations to ensure the meaningful involvement of DBE firms in the Authority’s procurement and contracting activities; establish goals for applicable projects, evaluate bid/proposal submissions for adherence to DBE requirements, monitor projects for DBE goal achievement, and ensure equitable treatment of DBEs performing on contracts.

DBE Program Outreach
Provide technical assistance, guidance, and resources to all small businesses interested in pursuing contracting opportunities; coordinate internal and external outreach events; facilitate workshops and networking events for majority prime contractors, DBEs, and SBEs.
### Fiscal Year 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. The Customer Experience</td>
<td>a) Ensure inventory accuracy of 95% or better.</td>
</tr>
<tr>
<td></td>
<td>b) Continue to develop relationships with small business advocacy organizations and</td>
</tr>
<tr>
<td></td>
<td>development centers with the focus of providing support for small businesses to</td>
</tr>
<tr>
<td></td>
<td>compete on projects.</td>
</tr>
<tr>
<td></td>
<td>c) Maintain the monthly average of the number of vehicles out of service due to</td>
</tr>
<tr>
<td></td>
<td>Material Availability to &lt;10.0 per month.</td>
</tr>
<tr>
<td>II. Employee Development</td>
<td>a) Improve professionalism and quality of departmental performance: enhance the</td>
</tr>
<tr>
<td></td>
<td>support desk experience for staff, ensure quick turnaround time for staff requests,</td>
</tr>
<tr>
<td></td>
<td>and continue to build and maintain relationships with peers throughout the</td>
</tr>
<tr>
<td></td>
<td>organization.</td>
</tr>
<tr>
<td></td>
<td>b) Conduct monthly Lessons of Late (“LOL”) sessions.</td>
</tr>
<tr>
<td></td>
<td>c) Develop a web based training program.</td>
</tr>
<tr>
<td>III. Rebuilding the System</td>
<td>a) Analyze and Study feasibility of new blanket contracts or group purchases.</td>
</tr>
<tr>
<td></td>
<td>b) Expedite process for Change orders similar to Task order process.</td>
</tr>
<tr>
<td></td>
<td>c) Update the Authority’s DBE Program Plan.</td>
</tr>
<tr>
<td></td>
<td>d) Develop the Authority’s triennial DBE goal for FFY 2017-2019.</td>
</tr>
<tr>
<td>IV. SEPTA is a Business</td>
<td>a) Improve efforts regarding the timely payment of consultants and contractors.</td>
</tr>
<tr>
<td></td>
<td>b) Implement and evaluate asset security pilot.</td>
</tr>
<tr>
<td></td>
<td>c) Support management consultant review of inventory management process.</td>
</tr>
<tr>
<td></td>
<td>d) Implement and evaluate Vending Machine Pilot.</td>
</tr>
<tr>
<td></td>
<td>e) Conduct analysis of historic procurement activities to determine existing level</td>
</tr>
<tr>
<td></td>
<td>of SBE/DBE contract awards to develop potential increased participation in</td>
</tr>
<tr>
<td></td>
<td>support of the SBE plan.</td>
</tr>
<tr>
<td>V. Safety as the Foundation</td>
<td>a) Promote safety awareness and ensure staff participation in safety events.</td>
</tr>
<tr>
<td></td>
<td>b) Conduct Safety Briefings.</td>
</tr>
<tr>
<td></td>
<td>c) Support Cross Functional team efforts to develop and maintain a Safety Critical</td>
</tr>
<tr>
<td></td>
<td>Item determination and inspection process.</td>
</tr>
</tbody>
</table>
### Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| I. Ensure the best in class service delivery to exceed customer expectations | • Achieved an overall rating of 3.8 in the User Department Survey which exceeded the goal of 3.5 in CY16.  
• Implemented measures to monitor staff accuracy, details and timely processing of bids, change orders, and amendments.  
• Reached out to other Departments/User Groups:  
  o Conducted information training sessions with the User Groups.  
  o Conducted ASI training classes to assist other departments.  
  o Implemented and maintained partnership meetings with Track, C&S, Power, and B&B.  
• Supported Outreach and Ambassador events.  
• Developed and implemented DBE Program marketing and communication tool.  
• Continued to develop relationships with small business advocacy organizations and development centers. |
| II. Develop highly motivated and skilled workforce | • Continued staff development, ownership, and a sense of urgency in accomplishing the tasks on hand with extreme customer focus.  
• Continued to build and maintain relationships with peers throughout the organization: biweekly and monthly meetings ongoing with the user departments.  
• Conducted divisional tours, Procurement trainings, system trainings, and the Operations partnership sessions.  
• Working group to develop the P&SCM business processes.  
• Conducted monthly Lessons of Late ("LOL") sessions in ten different business topics. |
| III. Improve facilities, structures, and work environments | • Supported the Rebuilding for the future program projects.  
• Facilitated enhanced technology availability to allow efficiency and smoother workflow.  
• Implemented document management system (NGN) and new workflow process.  
• Implemented Master calendar to centrally track staff availability.  
• Implemented ePO, the electronic purchase order delivery via e-mail automatically from the ASI system.  
• Tested eBid (and conducted a third party security assessment).  
• Implemented requirement for W-9: upload for ePS set-up to ensure that proper legal names are on all contracts & staff summaries.  
• Coordinated with IT to review options for developing Phase II of the Procurement Schedule. |
## Prior Year Goal

### IV. Responsibly manage resources in a way that provides budget stability to grow the system

- Reduced Obsolete Inventory.
- Initiated work scope and contract documents for the Vending Machine Pilot.
- Accomplished 95% of procurement packages within 5 days of PO execution.
- Achieved savings through competitive process and the negotiation of sole source contracts.
- Achieved $3.51 million in cost avoidance.

### V. Implement initiatives to promote maximum safety and security for our infrastructure systems, and personnel

- Conducted Safety Briefings at all Distribution Centers and all regularly scheduled Safety Meetings.
- Supported Cross Functional team efforts to develop and maintain a Safety Critical Item determination and inspection process.
Audit and Investigative Services
Audit and Investigative Services

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

Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Police</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Office of the Inspector General</td>
<td>4</td>
<td>-</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>16</strong></td>
<td>-</td>
<td>4</td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Police</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office of the Inspector General</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Police</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Office of the Inspector General</td>
<td>4</td>
<td>-</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>16</strong></td>
<td>-</td>
<td>4</td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>
## Audit and Investigative Services

### Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th></th>
<th>Net</th>
<th>Material</th>
<th>Labor</th>
<th>&amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit</td>
<td>$895</td>
<td>$19</td>
<td></td>
<td></td>
<td>$914</td>
</tr>
<tr>
<td>Office of the Inspector General</td>
<td>699</td>
<td>33</td>
<td></td>
<td></td>
<td>732</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,594</strong></td>
<td><strong>$52</strong></td>
<td><strong>$1,646</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Note 1**  
System Safety Department was previously in Audit and Investigative Services. It became a division in FY 2016.
Principal Responsibilities

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

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

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

Information Technology
A specialized sub-unit of Internal Audit that is responsible for reviewing new and existing computer applications, access security, and hardware. Independent data extracts and reporting support are also generated for Internal Audit and other divisions.

Contract Audit
Contract Audit is responsible for auditing or reviewing third-party cost data in accordance with Authority's policies and federal requirements. The work includes reviews of pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

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.
Audit and Investigative Services

Fiscal Year 2018 Goals & Business Initiatives

Current Goals

- Perform audits of those areas identified in the risk assessment plan
- Advance the Asset Protection initiative for storerooms and fare evasion
- Perform quarterly follow-up investigation/audits in areas previously identified with instances of waste, fraud, abuse, or control deficiency
- Provide timely response to request for support services
- Provide audits of third-party cost reimbursement contracts
- Review pre-contract cost proposals, change orders, and claims upon request
- Advance structured approach to recovery and monitoring restitution payments

Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Authority Policy</td>
<td>• Advanced compliance with existing Policies &amp; promoted issues to be addressed in new or updated Policies</td>
</tr>
<tr>
<td>II. Regulatory Compliance</td>
<td>• Addressed compliance issues for the FTA, FRA, and PADOT</td>
</tr>
<tr>
<td>III. Financial Responsibility</td>
<td>• Identified financial exposures to potential and actual loss</td>
</tr>
<tr>
<td>IV. Employee Accountability</td>
<td>• Investigated issues in various divisions that impacted integrity, safety, policy, revenue, &amp; Authority assets, resulting in improved governance</td>
</tr>
</tbody>
</table>
SEPTA
Customer Service and Advocacy
Customer Service and Advocacy

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

### Headcount

#### Operating Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Consumer/Market Research &amp; Analysis</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Customer Development &amp; Advocacy</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Customer Service</td>
<td>13</td>
<td>61</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>23</strong></td>
<td><strong>61</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>

#### Capital Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumer/Market Research &amp; Analysis</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer Development &amp; Advocacy</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### Total Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Consumer/Market Research &amp; Analysis</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Customer Development &amp; Advocacy</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Customer Service</td>
<td>13</td>
<td>61</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>23</strong></td>
<td><strong>61</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>
## Customer Service and Advocacy

### Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th>Service</th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$265</td>
<td>$441</td>
<td>$706</td>
</tr>
<tr>
<td>Consumer/Market Research &amp; Analysis</td>
<td>153</td>
<td>-</td>
<td>153</td>
</tr>
<tr>
<td>Customer Development &amp; Advocacy</td>
<td>385</td>
<td>-</td>
<td>385</td>
</tr>
<tr>
<td>Customer Service</td>
<td>$4,541</td>
<td>17</td>
<td>$4,558</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$5,344</td>
<td>$458</td>
<td>$5,802</td>
</tr>
</tbody>
</table>

### Customer Service & Advocacy

#### Labor Expense & Gross Heads Trend

<table>
<thead>
<tr>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor $4,058</td>
<td>$5,120</td>
<td>$4,736</td>
<td>$4,919</td>
<td>$5,289</td>
<td>$5,344</td>
</tr>
<tr>
<td>Gross Heads 95</td>
<td>90</td>
<td>82</td>
<td>82</td>
<td>84</td>
<td>84</td>
</tr>
</tbody>
</table>

### Customer Service & Advocacy

#### Material & Services Trend

<table>
<thead>
<tr>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 2016</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S $399</td>
<td>$673</td>
<td>$324</td>
<td>$425</td>
<td>$458</td>
<td>$458</td>
</tr>
</tbody>
</table>
Customer Service and Advocacy

Principal Responsibilities

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

CONSUMER/MARKET RESEARCH 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 SEPTA’s Divisional goals.

CUSTOMER DEVELOPMENT & ADVOCACY
This group champions the SEPTA Customer Experience through interdivisional initiatives, customer outreach/engagement, and new market developments. Department staff is responsible for the Building a SEPTA Customer Service Culture (BASCSC) program, the Station Musician program, 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 Counsel (YAC), and Delaware Valley Association of Rail Passengers (DVARP), to foster transparency and broader involvement of customer groups.

CUSTOMER SERVICE
Responsible for responding to customer issues and inquiries received via telephone, email, U.S. mail, fax and walk-ins concerning travel information, lost and found, complaints, suggestions, and commendations. Coordinates use and analysis of Authority’s Customer Relations Management (CRM) program, VERITAS, as a critical tool to meet both customer expectations and assist internal units with their performance goals. Department also manages various “Social Customer Services” engagement channels on assorted social media platforms.
## Fiscal Year 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. **Nourish and advance a wide array of Customer-Focused initiatives throughout the Authority** | a) Provide updates on the status of Roadmap Customer experience goals to the General Manager, the GM Team, and Board members  
b) Work with other divisions to ensure that customer service remains vital and relevant by closing out completed initiatives and introducing new ones  
c) Closely coordinate customer service programs with other initiatives, such as strategic planning, the SEPTA Key, and the capital program  
d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Service Division interaction |
| II. **Develop Customer-Focused workforce** | a) Provide leadership to internal culture change initiatives, such as “BASCSC”, that emphasize customer-focused decision making and innovation  
b) Advocate and support creation of customer-focused organizational goals  
c) Recognize SEPTA team members that have made a significant contribution to customer satisfaction and/or loyalty  
d) Participation in Employee Training Programs related to SEPTA Key and culture change |
| III. **Employ technological advancements to improve Customer Service** | a) Continue efforts to expand SEPTA’s reputation as the industry leader in the provision of “social customer service”  
b) Provide enhanced real time tools to Customer Service staff to provide for accurate and timely dissemination of information  
c) Move from “Customer Service” to “Customer Intelligence & Analytics” by adopting new business models and technology  
d) Implement innovative use of translation technology tools and English as a Second Language (ESL) outreach |
## Fiscal Year 2017 Major Accomplishments

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| **I. Nourish and advance a wide array of Customer-Focused Initiatives throughout the Authority** | **External Customer**  
- Implemented Google translator at 1234 Market Customer Service office and expanded to 69th Street and FTC.  
- Continued to support SEPTA Customer Connection events that are focused on customer impact.  
- Opened the first College Travel Center at University of Pennsylvania to expand SEPTA’s presence with the university’s student and employee base.  
- Realigned the Customer Service Quality team observation efforts to meet the needs of the customer, The Customer Experience initiative.  
- Provided “behind the scenes” access to a variety of regional stakeholders.  
**Internal Customer**  
- Expanded BASCSC concepts that impact internal customers, such as recognition initiatives and morale/camaraderie events.  
- Development of Customer Service Lead Team to expand engagement with customers. |
| **II. Develop Customer-Focused Workforce** |  
- Supported SEPTA training programs that are designed to consistently support SEPTA’s Customer Service goals.  
- Expanded interactions within various divisions of SEPTA by providing presentations that focus on the Customer Experience with strategies to enhance workforce engagement. |
| **III. Employ technological advancements to improve Customer Service** |  
- Our Social Media team (@SEPTA_SOCIAL) continues to be the best in class at customer engagement. They have received numerous accolades throughout the year for their accomplishments. We also continue to grow our user base for VERITAS, the official customer database for the Authority, to focus on customer engagement. |
Overview
The Office of General Counsel Division consists of the Corporate, Intake & Intel, Litigation, Corporate Litigation, Claims, and Workers’ Compensation and Insurance Departments, all reporting to the Office of General Counsel.
## Headcount

<table>
<thead>
<tr>
<th>Operating Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>7</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Claims</td>
<td>17</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td>Corporate</td>
<td>11</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Litigation</td>
<td>28</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>Corporate Litigation</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Intake &amp; Intel</td>
<td>20</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Workers' Compensation &amp; Insurance</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td>95</td>
<td>23</td>
<td>118</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Litigation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Litigation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intake &amp; Intel</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Workers' Compensation &amp; Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Heads</th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>7</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Claims</td>
<td>17</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td>Corporate</td>
<td>11</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Litigation</td>
<td>28</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>Corporate Litigation</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Intake &amp; Intel</td>
<td>20</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Workers' Compensation &amp; Insurance</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td>95</td>
<td>23</td>
<td>118</td>
</tr>
</tbody>
</table>
# Budget Proposal

**Amounts in Thousands (‘000)**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$6,292</td>
<td>$7,474</td>
<td>$7,176</td>
<td>$7,769</td>
<td>$8,547</td>
<td>$8,579</td>
</tr>
<tr>
<td>Claims</td>
<td>107</td>
<td>117</td>
<td>111</td>
<td>115</td>
<td>118</td>
<td>118</td>
</tr>
<tr>
<td>Corporate</td>
<td>$17,511</td>
<td>$15,525</td>
<td>$18,527</td>
<td>$16,644</td>
<td>$13,826</td>
<td>$13,836</td>
</tr>
<tr>
<td>Litigation</td>
<td>$17,511</td>
<td>$15,525</td>
<td>$18,527</td>
<td>$16,644</td>
<td>$13,826</td>
<td>$13,836</td>
</tr>
<tr>
<td>Litigation</td>
<td>$17,511</td>
<td>$15,525</td>
<td>$18,527</td>
<td>$16,644</td>
<td>$13,826</td>
<td>$13,836</td>
</tr>
</tbody>
</table>
Principal Responsibilities

CORPORATE DEPARTMENT
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.

INTAKE & INTEL DEPARTMENT
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 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 of 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.

WORKERS’ COMPENSATION & INSURANCE
The Workers’ Compensation and Insurance 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 manage, monitor, settle, and oversee 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.
## BUSINESS INITIATIVES

<table>
<thead>
<tr>
<th>a)</th>
<th>Develop and implement a program, which includes regular periodic reporting, to identify instances for and carry-out the handling of subrogation claims.</th>
</tr>
</thead>
<tbody>
<tr>
<td>b)</td>
<td>Develop and implement an early settlement intervention program to best determine how claims should be handled and to settle those claims that should and can be reasonably settled prior to litigation.</td>
</tr>
<tr>
<td>c)</td>
<td>Fully employ metrics, regular reporting and trial team management, with regard to tort litigation, in order to ensure consistent and effective management practices, to improve and develop of staff trial attorneys’ handling of cases and written work products.</td>
</tr>
<tr>
<td>d)</td>
<td>Optimize the use, availability, and incorporation of video footage products in the handling of tort cases and establish mechanism to ensure that the court can review video that is relevant to motion filings.</td>
</tr>
<tr>
<td>e)</td>
<td>Establish and implement a process that includes analyzing FELA claims in a manner that allows for identification of patterns and repeat claims, and notification of relevant departments and management who need to be aware of these patterns and repetitions.</td>
</tr>
<tr>
<td>f)</td>
<td>Research, analyze, identify, negotiate, and implement a railroad insurance program that cost-effectively helps SEPTA to manage its risk exposure regarding rail operations and its liability and indemnification obligations pertaining to railroad operations that occur on the rail properties owned by others.</td>
</tr>
<tr>
<td>g)</td>
<td>Complete installation of video camera systems, specifically Inward/Outward Facing cameras, on the Silverliner IV, Bombardier, and Locomotive rail cars in SEPTA’s regional rail service fleet.</td>
</tr>
<tr>
<td>h)</td>
<td>Implement audio recording system to capture and record telephone conversations with individuals asserting claims against SEPTA, so that those statements can be used to evaluate and defend against claims or lawsuits.</td>
</tr>
<tr>
<td>i)</td>
<td>Develop and implement a program to track, monitor, analyze, and report quarterly on vendor spending for legal support services, continuing legal education and other training, organization memberships and licensing, library expenses, offices, supplies, and other repetitive cost resources.</td>
</tr>
<tr>
<td>j)</td>
<td>Implement a training and development program that allows managers to identify developmental needs and assess the benefit of training and instructional offerings, that allows for monitoring of all developmental initiatives and associated costs, and that provides feedback on the benefits gained from investment in training.</td>
</tr>
</tbody>
</table>
Fiscal Year 2017 Major Accomplishments

- Completed restructuring and streamlining work flow processes by realigning personnel, employing technology, participating in workshops designed to improve relationships and customer service, and developed training plans designed to enable staff to flourish in new or redesigned roles.

- Reduced tort loss payout by $3.1 million dollars (Non-FELA, Non-Employment, and Non-Workers Comp) from the prior year level. In excess of more than $600,000 in damages to SEPTA owned property was recovered.

- Tort Litigation Department has established "Best Practices" guidelines for staff attorneys, paralegals and legal assistants. Guidelines include regular reporting by staff attorneys to their managers during the life of a lawsuit. In conjunction with institutionalized use of case management software, regular reporting enables the managers to review attorneys’ written work product, to make informed decisions about cases, and to more expeditiously identify which cases should be tried and which cases should be resolved early in litigation.

- With new and improved monitoring and reporting mechanisms, as well as the introduction and close management of third party administrators, more realistic reserves are being identified for workers compensation claims and FELA matters.

- The approximate number of corporate matters underway on any given day has increased by more than 60% over previous years’ estimates, primarily as a result of the aggressive Building for the Future capital program and the increase in projects under that program. Methods to streamline drafting and particularly review processes are being examined. Examples of such methods are an increase in the use of agreement templates, electronic construction of agreements, and closer monitoring of review processes.

- In order to increase the efficiency and timeliness of handling corporate matters, the Corporate attorneys have established “expertise” areas so that they can develop a deeper knowledge within their respective areas, be able to handle their matters more expeditiously and be able to advise other lawyers so as to save time. Additionally, a matter tracking and monitoring database has been employed to better manage matter handling.

- Expansion of fixed and mobile video systems, with an increase in camera count, is ongoing as each month new video equipped vehicles or stations/facilities are placed into service. The Inward Facing Camera project, an element of the Video Program, continues to progress, and it is anticipated that the regional rail cab equipped cars will have cameras installed ahead of the targeted date of late 2017. As of January 2017, the Authority’s total camera count was 22,242.

- In order to keep pace with the rising count of mobile video systems installed on the various operating vehicles fleets, in March, 2017 the Video Unit will begin a 3rd shift operation. This initiative is an act of efficiency, which will afford a greater opportunity to visit/retrieve video during hours when the fleets are most available. Estimates project a demand for more than 16,000 video production jobs during the 2017 calendar year.

- An early resolution program for FELA claims was put in place and has been enhanced by the hiring of a third party administrator tasked to quickly resolve FELA matters that do not need to be litigated. Regular, frequent monitoring and reporting of the TPA for FELA, as well as the TPAs for workers’ compensation and primary insurance payments allow for proper management and direction of these areas.
Office of General Counsel

Fiscal Year 2017 Major Accomplishments

- Owner-Controlled Insurance Program (OCIP) has been established, and to fully leverage the program, loss control, and claims handling activities are being closely monitored. To-date, no major losses have occurred, indicating that the OCIP has the potential to have a strong ROI and be highly profitable.

- In partnership with Human Resource Division’s Learning Connection Program, conducted two comprehensive “Guide to Employment Law” seminars for all 200+ SEPTA managers. Program provided tools and resources to recognize and avoid violations of law, and reminded managers of relevant obligations, regarding the following areas of employment law:
  - Title VII
  - The Americans with Disabilities Act
  - Family & Medical Leave Act
  - Genetic Information Nondiscrimination Act
  - The Age Discrimination in Employment Act
SEPTA
Public and Government Affairs
**Overview**
The Public and Government Affairs Division – comprised of Administration, Government & Community Relations, Marketing & 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 Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Government &amp; Community Relations</td>
<td>8</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Media Relations</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Operating Heads</strong></td>
<td><strong>20</strong></td>
<td>-</td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

## Capital Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government &amp; Community Relations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Media Relations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Heads</strong></td>
<td><strong>-</strong></td>
<td>-</td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

## Total Heads

<table>
<thead>
<tr>
<th></th>
<th>Mgmt.</th>
<th>Clerical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Government &amp; Community Relations</td>
<td>8</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Media Relations</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Heads</strong></td>
<td><strong>20</strong></td>
<td>-</td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>
## Budget Proposal

Amounts in Thousands (‘000)

<table>
<thead>
<tr>
<th></th>
<th>Net Labor</th>
<th>Material &amp; Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$526</td>
<td>$992</td>
<td>$1,518</td>
</tr>
<tr>
<td>Government &amp; Community Relations</td>
<td>548</td>
<td>20</td>
<td>568</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>163</td>
<td>3,849</td>
<td>4,012</td>
</tr>
<tr>
<td>Media Relations</td>
<td>288</td>
<td>7</td>
<td>295</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,525</strong></td>
<td><strong>$4,868</strong></td>
<td><strong>$6,393</strong></td>
</tr>
</tbody>
</table>

### Public & Government Affairs

#### Labor Expense & Gross Heads Trend

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$1,566</td>
<td>$1,415</td>
<td>$1,420</td>
<td>$1,370</td>
<td>$1,541</td>
<td>$1,525</td>
</tr>
<tr>
<td>Gross Heads</td>
<td>21</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

### Public & Government Affairs

#### Material & Services Trend

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17 Budget</th>
<th>FY 18 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S</td>
<td>$2,927</td>
<td>$2,631</td>
<td>$3,178</td>
<td>$3,244</td>
<td>$4,748</td>
<td>$4,868</td>
</tr>
</tbody>
</table>
Principal Responsibilities

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

GOVERNMENT & 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 all 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. Serve as board member and liaison with the Pennsylvania Public Transportation Association (PPTA).

Federal
Work with the region’s Congressional Delegation and various federal agencies to ensure SEPTA’s interests are represented legislatively and administratively. Review and analyze all legislation 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 to issues impacting Council Districts and communities throughout the region. 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 addressing various transit-related issues.

MARKETING & 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 coordinates 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, website, social media, and blogs, while being responsive to daily news inquiries and emergencies. The departmental director oversees a team who coordinates high-level communication between SEPTA’s top management and media affiliates. Provide responsive informational service 24 hours a day, seven day a week (24/7), while coordinating its public image with key departments: Legislative Affairs, Marketing, and Communications. The department is always looking for ways to creatively tell SEPTA’s story or partner with organizations that can share its unique and compelling narrative with surrounding stakeholders.
### FYSEPTA 2018 Goals & Business Initiatives

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BUSINESS INITIATIVES</th>
</tr>
</thead>
</table>
| I. Advocates for SEPTA’s funding and policy priorities in Congress and the Pennsylvania General Assembly | a) Continue efforts to ensure the successful implementation of ACT 89 and the FAST Act  
b) Work with APTA, MRDG, PPTA, and other stakeholders to maintain sustainable multi-modal transportation funding solutions at the state and federal levels  
c) 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 enhance capacity |
| II. Demonstrate the impact and importance of public infrastructure investment – Act 89 and the FAST Act – by highlighting the success of SEPTA’s “Building the System” Capital program | a) Continue working with regional elected officials to highlight the economic impact generated by SEPTA infrastructure investment in communities throughout southeastern Pennsylvania and the Commonwealth |
| III. Develop proactive approach to media relations                    | a) Create a regularly reoccurring cycle of events and outreach opportunities for media coverage  
b) Provide outreach to community groups and general public     |
| IV. Promote regional awareness of SEPTA’s progress                    | a) Communicate and promote the rider benefits of SEPTA’s Key Card  
b) Facilitate meaningful partnerships that support the Authority’s mission and overall brand |
**Fiscal Year 2017 Major Accomplishments**

<table>
<thead>
<tr>
<th>Prior Year Goal</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Continue to advocate for SEPTA’s funding and policy priorities in Congress and the Pennsylvania General Assembly</td>
<td>• Worked with state and national partners and coalitions to build upon successful messaging on the importance of multi-modal infrastructure investment</td>
</tr>
<tr>
<td></td>
<td>• Reinforced the understanding of SEPTA’s essential role in the regional and statewide economy</td>
</tr>
<tr>
<td></td>
<td>• Highlighted how SEPTA’s core business principles – Customer Experience, Employee Development, Rebuilding the System, SEPTA is a Business and Safety as the Foundation – are shaping SEPTA’s strategic vision</td>
</tr>
<tr>
<td>II. Demonstrate the impact and importance of public infrastructure investment-Act 89 and the FAST ACT by highlighting the success of SEPTA’s “Building the Future” Capital program</td>
<td>• 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 the ribbon cutting on the Crum Creek Viaduct project, and through outreach to elected officials and stakeholders</td>
</tr>
<tr>
<td></td>
<td>• SEPTA received the 2016 Community Transportation Excellence Award from 10,000 Friends of Pennsylvania in recognition of the Authority’s efforts to advocate for and utilize Act 89 investment</td>
</tr>
</tbody>
</table>
13. Fringe Benefits

Fringe Benefits are a major expense for SEPTA representing 27.7% of the Fiscal Year 2018 Operating Budget of $1.45 billion. Responsibility for management of fringe benefit costs rests with all Authority departments, however, Finance and Human Resources take the lead in cost control. Authority expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations and have been significantly influenced by national trends.

Listed below are 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 union.

Payroll Taxes
This represents the required employer contribution for Social Security (FICA) and Railroad Retirement Taxes (RRT).

Unemployment
SEPTA is required to pay into the State and Railroad unemployment compensation funds 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.

<table>
<thead>
<tr>
<th>Fiscal Year 2018 Operating Budget Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefit Expense</td>
</tr>
<tr>
<td>(Amounts in Thousands)</td>
</tr>
<tr>
<td>Medical, Prescription, Dental, Vision &amp; Life</td>
</tr>
<tr>
<td>Payroll and Unemployment Taxes</td>
</tr>
<tr>
<td>Pension</td>
</tr>
<tr>
<td>Workers’ Compensation and FELA</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
<tr>
<td>Capital Support and Projects</td>
</tr>
<tr>
<td>Fringe Benefit Expense</td>
</tr>
</tbody>
</table>
## 13. Fringe Benefits

### Fiscal Year 2018 Operating Budget Proposal

#### Labor and Fringe Benefits

*Amounts in Thousands (000's)*

<table>
<thead>
<tr>
<th>Division</th>
<th>Net Labor</th>
<th>Net Fringe Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Staff</td>
<td>$2,677</td>
<td>$1,684</td>
<td>$4,361</td>
</tr>
<tr>
<td>Deputy General Manager/Treasurer Administration</td>
<td>1,566</td>
<td>985</td>
<td>2,551</td>
</tr>
<tr>
<td>Office of Innovation</td>
<td>329</td>
<td>207</td>
<td>536</td>
</tr>
<tr>
<td>Audit and Investigative Services</td>
<td>1,594</td>
<td>1,003</td>
<td>2,597</td>
</tr>
<tr>
<td>Communications</td>
<td>1,307</td>
<td>822</td>
<td>2,129</td>
</tr>
<tr>
<td>Customer Service and Advocacy</td>
<td>5,344</td>
<td>3,361</td>
<td>8,705</td>
</tr>
<tr>
<td>Employee Development/Relations</td>
<td>9,914</td>
<td>6,235</td>
<td>16,149</td>
</tr>
<tr>
<td>Engineering, Maintenance and Construction</td>
<td>76,870</td>
<td>48,346</td>
<td>125,216</td>
</tr>
<tr>
<td>Finance and Planning</td>
<td>11,429</td>
<td>7,188</td>
<td>18,617</td>
</tr>
<tr>
<td>Human Resources</td>
<td>4,217</td>
<td>2,652</td>
<td>6,869</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5,869</td>
<td>3,691</td>
<td>9,560</td>
</tr>
<tr>
<td>New Payment Tech/Revenue Operations</td>
<td>11,678</td>
<td>7,345</td>
<td>19,023</td>
</tr>
<tr>
<td>Office of General Counsel</td>
<td>8,579</td>
<td>5,396</td>
<td>13,975</td>
</tr>
<tr>
<td>Operations</td>
<td>467,713</td>
<td>294,157</td>
<td>761,870</td>
</tr>
<tr>
<td>Procurement, Supply Chain &amp; DBE</td>
<td>9,759</td>
<td>6,138</td>
<td>15,897</td>
</tr>
<tr>
<td>Public and Government Affairs</td>
<td>1,525</td>
<td>959</td>
<td>2,484</td>
</tr>
<tr>
<td>System Safety</td>
<td>1,959</td>
<td>1,232</td>
<td>3,191</td>
</tr>
<tr>
<td>Transit Police</td>
<td>20,181</td>
<td>12,692</td>
<td>32,873</td>
</tr>
<tr>
<td>Other</td>
<td>(6,026)</td>
<td>(3,792)</td>
<td>(9,818)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$636,484</strong></td>
<td><strong>$400,301</strong></td>
<td><strong>$1,036,785</strong></td>
</tr>
</tbody>
</table>
## 13. Non-Departmental Expense

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amtrak</td>
<td>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 &amp; 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.</td>
</tr>
<tr>
<td>ADA</td>
<td>The 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.</td>
</tr>
<tr>
<td>Shared Ride Program</td>
<td>The 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.</td>
</tr>
<tr>
<td>Debt Service Interest and Fees</td>
<td>Interest expenses and amortization of insurance premiums associated with the Authority’s bonds.</td>
</tr>
<tr>
<td>Property Insurance/Other Claims Payouts, Net</td>
<td>Reflects the projected premiums for insurance on various Authority assets, as well as other claims payouts net of recoveries.</td>
</tr>
<tr>
<td>Services for 1234 Market Street</td>
<td>Maintenance and administrative service expense for the operation of the offices at the 1234 Market Street headquarters by a professional real estate management firm. These expenses cover both SEPTA and tenant-occupied space.</td>
</tr>
<tr>
<td>Snow Removal/Severe Weather Contingencies</td>
<td>Snow removal and deicing at Regional Rail parking lots and station platforms only. Snow removal for all other facilities is accomplished in-house by SEPTA forces and the related labor expense is included in the departmental budgets.</td>
</tr>
<tr>
<td>Utilities</td>
<td>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 and trash removal, which are based on our current contractual agreements.</td>
</tr>
</tbody>
</table>
13. Non-Departmental Expense

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 SEPTA's five-county service area, private carriers are under contract with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2018 ridership is 750,000 for ADA City Division and 330,000 for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2017 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 457 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 2018 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 2017 is to provide a total of 650,000 senior trips.

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

Injury and Damage Claims

Fiscal Year 2018 claims expense is budgeted at $29.9 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.
# Glossary of Acronyms

<table>
<thead>
<tr>
<th>A</th>
<th>The Americans with Disabilities Act of 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADA</td>
<td>ADA Amendments Act of 2008</td>
</tr>
<tr>
<td>ADEA</td>
<td>Age Discrimination in Employment Act of 1967</td>
</tr>
<tr>
<td>AGM</td>
<td>Assistant General Manager</td>
</tr>
<tr>
<td>AIM</td>
<td>Advancing Internal Management</td>
</tr>
<tr>
<td>APC</td>
<td>Automatic Passenger Count</td>
</tr>
<tr>
<td>APTA</td>
<td>American Public Transportation Association</td>
</tr>
<tr>
<td>ATC</td>
<td>Automatic Train Control</td>
</tr>
<tr>
<td>AVL</td>
<td>Automatic Vehicle Locator</td>
</tr>
<tr>
<td>BASCSC</td>
<td>Building a SEPTA Customer Service Culture</td>
</tr>
<tr>
<td>B-IV</td>
<td>Heavy Rail Vehicle used on the Broad Street Subway</td>
</tr>
<tr>
<td>BSL</td>
<td>Broad Street Line</td>
</tr>
<tr>
<td>BSS</td>
<td>Broad Street Subway (also referred to as the Broad Street Line)</td>
</tr>
<tr>
<td>C</td>
<td>Citizen Advisory Committee</td>
</tr>
<tr>
<td>CARD</td>
<td>Computer Aided Radio Dispatch</td>
</tr>
<tr>
<td>CCT Connect</td>
<td>Customized Community Transportation Services</td>
</tr>
<tr>
<td>CHP</td>
<td>Combined Heat and Power</td>
</tr>
<tr>
<td>COBRA</td>
<td>Consolidated Omnibus Budget Reconciliation Act</td>
</tr>
<tr>
<td>CSX</td>
<td>CSX Corporation, a freight railroad and transportation company</td>
</tr>
<tr>
<td>CY</td>
<td>Calendar Year</td>
</tr>
<tr>
<td>D</td>
<td>Draft Environmental Impact Statement</td>
</tr>
<tr>
<td>DGM</td>
<td>Deputy General Manager</td>
</tr>
<tr>
<td>DBE</td>
<td>Disadvantaged Business Enterprise</td>
</tr>
<tr>
<td>DVRPC</td>
<td>Delaware Valley Regional Planning Commission</td>
</tr>
<tr>
<td>E</td>
<td>Electric Multiple Unit</td>
</tr>
<tr>
<td>EEO/AA</td>
<td>Equal Employment Opportunity / Affirmative Action</td>
</tr>
<tr>
<td>ESCO</td>
<td>Energy Savings Company</td>
</tr>
<tr>
<td>F</td>
<td>Federal Employers Liability Act</td>
</tr>
<tr>
<td>FHWA</td>
<td>Federal Highway Administration</td>
</tr>
<tr>
<td>FICA</td>
<td>Federal Insurance Contributions Act</td>
</tr>
<tr>
<td>FIT</td>
<td>Facilities Improvement Team</td>
</tr>
<tr>
<td>FLSA</td>
<td>Fair Labor Standards Act</td>
</tr>
<tr>
<td>FMLA</td>
<td>Family and Medical Leave Act</td>
</tr>
<tr>
<td>FTA</td>
<td>Federal Transit Administration</td>
</tr>
<tr>
<td>FTC</td>
<td>Frankford Transportation Center</td>
</tr>
</tbody>
</table>
### Glossary of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>Full-Time Equivalent Position</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
</tbody>
</table>

#### G

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASB</td>
<td>Governmental Accounting Standards Board</td>
</tr>
<tr>
<td>GEC</td>
<td>General Engineering Consultant</td>
</tr>
<tr>
<td>GFOA</td>
<td>Government Finance Officers Association</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic Information System</td>
</tr>
<tr>
<td>GM</td>
<td>General Manager</td>
</tr>
</tbody>
</table>

#### H

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIPAA</td>
<td>Health Insurance Portability and Accountability Act of 1996</td>
</tr>
<tr>
<td>HRIS</td>
<td>Human Resources Information System</td>
</tr>
</tbody>
</table>

#### I

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBEW</td>
<td>International Brotherhood of Electrical Workers</td>
</tr>
<tr>
<td>IBT</td>
<td>International Brotherhood of Teamsters</td>
</tr>
<tr>
<td>IIA</td>
<td>The Institute of Internal Auditors</td>
</tr>
<tr>
<td>IOD</td>
<td>Injuries on Duty</td>
</tr>
<tr>
<td>ISRP</td>
<td>Infrastructure Safety Renewal Program</td>
</tr>
</tbody>
</table>

#### J

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>JHSC</td>
<td>Joint Health and Safety Committee</td>
</tr>
</tbody>
</table>

#### L

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEED</td>
<td>Leadership in Energy and Environmental Design</td>
</tr>
<tr>
<td>LIBOR</td>
<td>London Interbank Offered Rate</td>
</tr>
<tr>
<td>LRV</td>
<td>Light Rail Vehicle</td>
</tr>
<tr>
<td>LSC</td>
<td>Location Safety Committee</td>
</tr>
<tr>
<td>LUCY</td>
<td>Loop Through University City</td>
</tr>
</tbody>
</table>

#### M

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDBF</td>
<td>Mean Distance Between Failures</td>
</tr>
<tr>
<td>MDT</td>
<td>Mobile Data Terminal</td>
</tr>
<tr>
<td>M-IV</td>
<td>Heavy Rail Vehicle used on the Market-Frankford Subway-Elevated Line</td>
</tr>
<tr>
<td>MOTU</td>
<td>Philadelphia Mayor’s Office of Transportation and Utilities</td>
</tr>
<tr>
<td>MPC</td>
<td>Management Planning and Control Operating Budget Software</td>
</tr>
<tr>
<td>MPO</td>
<td>Metropolitan Planning Organization</td>
</tr>
<tr>
<td>MFSE</td>
<td>Market-Frankford Subway-Elevated</td>
</tr>
<tr>
<td>MRDG</td>
<td>Metropolitan Rail Discussion Group</td>
</tr>
<tr>
<td>MSHL</td>
<td>Media-Sharon Hill Line</td>
</tr>
</tbody>
</table>

#### N

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>N5</td>
<td>Heavy Rail Vehicle used on the Norristown High Speed Line</td>
</tr>
<tr>
<td>NEC</td>
<td>Northeast Corridor</td>
</tr>
<tr>
<td>NHSL</td>
<td>Norristown High Speed Line</td>
</tr>
</tbody>
</table>
## Glossary of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NJT</td>
<td>New Jersey Transit</td>
</tr>
<tr>
<td>NPT</td>
<td>New Payment Technology</td>
</tr>
<tr>
<td>OCIP</td>
<td>Owner Controlled Insurance Program</td>
</tr>
<tr>
<td>OEM</td>
<td>Original Equipment Manufacturer</td>
</tr>
<tr>
<td>OGC</td>
<td>Office of General Counsel</td>
</tr>
<tr>
<td>PCC</td>
<td>President’s Conference Committee streetcar or trolley</td>
</tr>
<tr>
<td>PLRB</td>
<td>Pennsylvania Labor Relations Board</td>
</tr>
<tr>
<td>PPTA</td>
<td>Pennsylvania Public Transportation Association</td>
</tr>
<tr>
<td>PRIIA</td>
<td>Passenger Rail Investment and Improvement Act of 2008</td>
</tr>
<tr>
<td>PWD</td>
<td>Philadelphia Water Department</td>
</tr>
<tr>
<td>PTC</td>
<td>Positive Train Control</td>
</tr>
<tr>
<td>RAP</td>
<td>Rapid Assimilation Program</td>
</tr>
<tr>
<td>RRD</td>
<td>Regional Railroad Division</td>
</tr>
<tr>
<td>RRT</td>
<td>Railroad Retirement Taxes</td>
</tr>
<tr>
<td>SAC</td>
<td>SEPTA Advisory Committee For Accessible Transportation</td>
</tr>
<tr>
<td>SAM</td>
<td>Supervisory, Administrative and Management</td>
</tr>
<tr>
<td>SBA</td>
<td>Special Board of Adjustment</td>
</tr>
<tr>
<td>SBE</td>
<td>Small Business Enterprise</td>
</tr>
<tr>
<td>SEPTA</td>
<td>Southeastern Pennsylvania Transportation Authority</td>
</tr>
<tr>
<td>SOG</td>
<td>State of Good Repair</td>
</tr>
<tr>
<td>SRP</td>
<td>Shared Ride Program</td>
</tr>
<tr>
<td>SRPAC</td>
<td>Shared Ride Program Advisory Council</td>
</tr>
<tr>
<td>SSPP</td>
<td>System Safety Program Plan</td>
</tr>
<tr>
<td>TIP</td>
<td>Transit Improvement Program</td>
</tr>
<tr>
<td>TWU</td>
<td>Transport Workers Union</td>
</tr>
<tr>
<td>UCP</td>
<td>Unified Certification Program</td>
</tr>
<tr>
<td>USERRA</td>
<td>Uniformed Services Employment and Reemployment Rights Act of 1994</td>
</tr>
<tr>
<td>UTU</td>
<td>United Transportation Union</td>
</tr>
<tr>
<td>VOH</td>
<td>Vehicle Overhaul Program</td>
</tr>
<tr>
<td>YAC</td>
<td>Youth Advisory Committee</td>
</tr>
</tbody>
</table>
Americans with Disabilities Act of 1990 - This federal act requires many changes to transit vehicles, operations and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

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

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

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

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

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

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

Blue Line - See “Market-Frankford Subway-Elevated”

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

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

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

Capital Expenditure - Expenses that acquire, improve, or extend the useful life of any item with an expected life of three or more years and a value of more than $5,000, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.
Glossary of Terms

**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 1,700 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.
Glossary of Terms

**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.

**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.

**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.

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

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

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

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

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

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

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

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

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”

H

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

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

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

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

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

I

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

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

L

Leases and Rentals - The payments for the use of capital assets not owned by the transit agency.

Light Rail - A transit mode that typically is an electric railway with a 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.
Glossary of Terms

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

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

M

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

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

N

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.

O

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

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

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

Orange Line – See “Broad Street Line”

P

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

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

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.

T

Total Vehicle Miles - The sum of all miles operating by passenger vehicles, including mileage when no passengers are carried.

Trackless Trolley - See “Trolleybus”

Trapeze - Software utilized by SEPTA for scheduling and management of transportation operations.
Glossary of Terms

**Trolley** - A powered rail car, usually driven by electric power drawn from overhead wires via a trolley pole or pantograph. The vehicle usually operates on shared rights-of-way. Also known as “trolley car,” “streetcar” and “light rail car”.

**Trolleybus** - An electric, rubber-tired transit vehicle, manually steered, propelled by a motor drawing current through overhead wires from a central power source not on board the vehicle. Also known locally as “Trackless Trolley” or “Trolley Coach.”

**VERITAS** - Authority’s Customer Relations Management (CRM) program