



**DATE:** July 30, 2020

**TO:** South Hayward BART Station Access Authority Board

**FROM:** Co-Executive Directors

**SUBJECT** Adoption of FY 21 Proposed Budget

### **RECOMMENDATION**

That the Board approves the attached resolutions approving the FY 2021 (Attachment II) Proposed Budget and appropriating the necessary funds.

### **DISCUSSION**

Due to the COVID crisis and extremely reduced ridership, Bay Area Rapid Transit (BART) has cut \$190 million from the FY 21 agency operating budget, primarily through deferring capital costs and a hiring freeze. Ridership is currently trending lower than even the lowest forecasts prepared at the start of the fiscal year, and the agency is currently facing approximately \$40-\$100 million in additional shortfalls for FY 21.

BART is in the process of updating its ridership and parking revenue forecasts, and is currently forecasting total District-wide parking revenue in the \$5 to \$10 million range for FY21, compared to \$37 million received in FY19. Since April, parking revenues at South Hayward have comprised about 0.7% of the District-wide total, suggesting that parking revenues for the year could amount to between \$35,000 and \$70,000, compared to more than \$500,000 in a typical year. To help mitigate the expected shortfall, BART will be seeking additional sources of parking revenue, for example, by exploring opportunities to permit third parties to use BART facilities after hours.

Rather than use the JPA fund balance to cover operations and maintenance costs, BART and City of Hayward staff are proposing to pause JPA operations for FY21. This will mean that neither the City of Hayward nor BART will contribute revenue to the JPA nor withdraw funds to cover operating costs of either agency. Operating cost deficits will be absorbed by the respective agencies. JPA finances will be re-examined in early 2021 when revenue trends will be better understood. In the meantime, staff will examine options for restructuring the JPA to create future financial stability and to minimize fiscal impacts on both agencies.

The Authority will continue to retain Goldfarb & Lipman, LLP as legal counsel for FY 2021 at an annual estimated cost of \$3,500. The JPA will utilize the City's auditor Maze and Associates to conduct the annual audit of the Authority at a cost of \$6,000 that will be paid for out of the existing fund balance of over \$1 million.

As a result, the proposed FY 2021 budget estimates an end-of-year fund balance decrease of \$9,500, or 1%.

## **NEXT STEPS**

Following adoption of the FY2021 budgets, the Co-Executive directors will take all necessary actions to administer and execute the affairs of the Authority in a manner consistent with the budget.

*Prepared by:* Ryan Greene Roesel, Parking Manager, BART  
Laurel James, Management Analyst II, City of Hayward

*Recommended by:* Kelly McAdoo, City Manager, City of Hayward  
Sean Brooks, Real Estate & Property Development, BART

Approved by:



---

Kelly McAdoo, City Manager