



**Regional
Transit**

Sacramento Regional Transit District

**Abridged Budget
Fiscal Year 2018-2019**

April 9, 2018

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Board of Directors

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County of Sacramento

Steve Hansen, Vice Chair
City of Sacramento

Linda Budge
City of Rancho Cordova

Jeff Harris
City of Sacramento

Pat Hume
City of Elk Grove

Rick Jennings II
City of Sacramento

Steve Miller
City of Citrus Heights

Andy Morin
City of Folsom

Don Nottoli
County of Sacramento

Jay Schenirer
City of Sacramento

Phil Serna
County of Sacramento

Board of Directors Alternate

Steve Detrick
City of Elk Grove

David Sander
City of Rancho Cordova

Jeff Slowey
City of Citrus Heights

Executive Management Team

Henry Li
General Manager/CEO

Tim Spangler
Chief Counsel

Mark Lonergan
Deputy General Manager/COO

Brent Bernegger
VP, Finance/CFO

Suzanne Chan
VP, Administration

Laura Ham
VP, Planning and Accountability

Lisa Hinz
Chief, Security Operations and Police Services

Neil Nance
VP, Engineering and Facilities

Devra Selenis
VP, Communications and Partnerships

Alva Carrasco
Deputy Chief Operating Officer

Olga Sanchez-Ochoa
Deputy Chief Counsel

Management & Budget Team

David Goldman
Director of Management & Budget

Maureen Ring
Grants Manager

Nadia Mokhov
Senior Financial Analyst

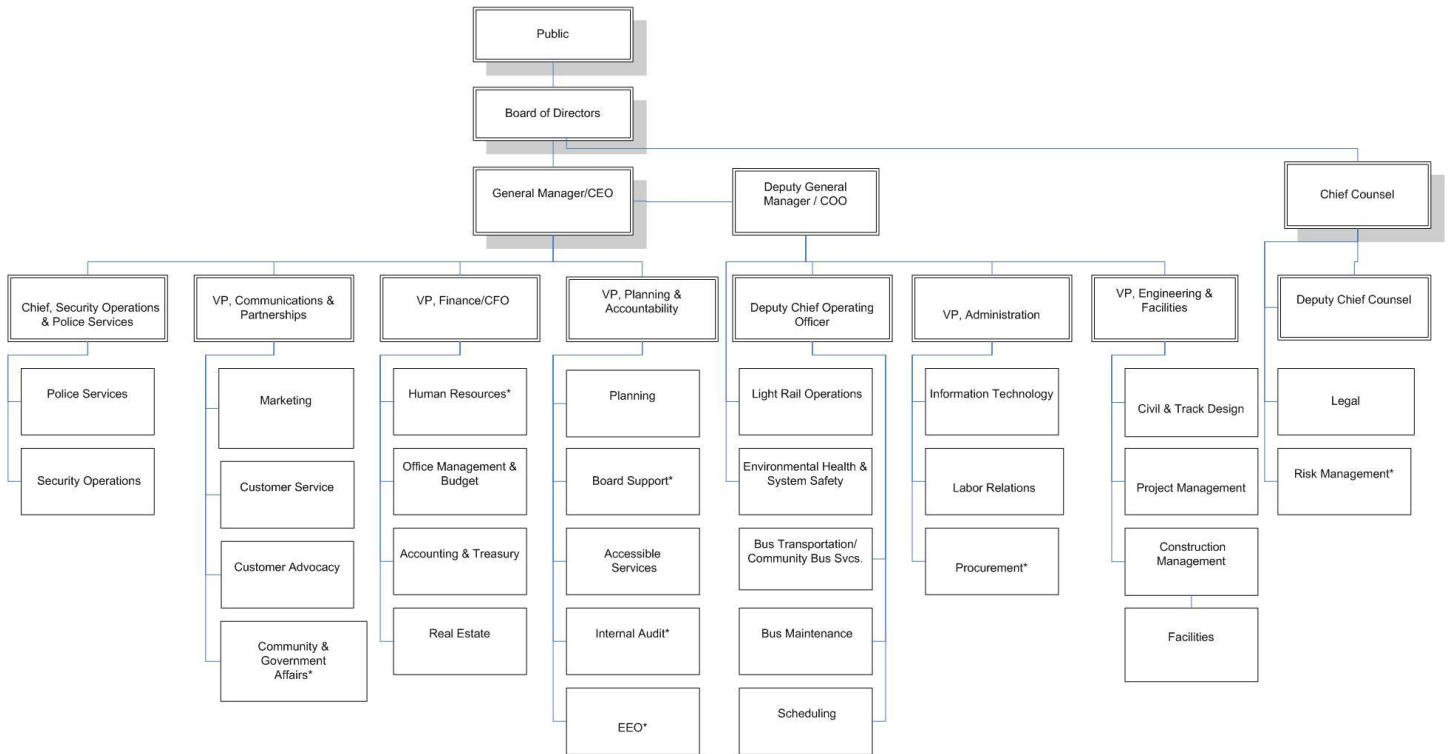
Carol Cherry
Senior Grants Analyst

Judy Wong
Senior Financial Analyst

Joe Paglieroni
Senior Grants Analyst

Kristen Mazur
Grants Analyst

Organizational Structure



* Direct Access to the General Manager/CEO

District Overview District Profile

Facts

Sacramento Regional Transit District (SacRT)	Constructs, operates, and maintains a comprehensive mass transportation system that serves 367 square miles in Sacramento County
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Bus Service	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	69
Schedule	4:41 am to 11:38 pm daily
Stops	3,100+
Vehicles	192 - 40' CNG Buses 27 – Shuttle Vans
Annual Ridership	10,100,000

Light Rail Service	
Power	Electrical
Miles	42.9
Schedule	3:49 am to 12:59 am daily
Stops	53
Vehicles	88
Annual Ridership	10,900,000

Paratransit	
ADA Passenger Trips Provided	286,939
ADA Vehicle Revenue Miles	3,424,497
Vehicles	112

Passenger Amenities/ Customer Service	
Transfer Centers	32
Park & Ride	22
Annual Customer Service Calls	170,806
Customer Info Line	(916) 321-2877
Website	www.sacrt.com

History	
Apr 1, 1973	Began operations by acquiring the assets of Sacramento Transit Authority
1973	Completed new maintenance facility and purchased 103 new buses
1987	Opened the 18.3-mile light rail system, linking the northeastern Interstate 80 and southeastern Highway 50 corridors with Downtown Sacramento
Sep 1998	Completed the first light rail extension to Mather Field/Mills Station along the Gold Line corridor
Sep 2003	Opened the South Line, extending light rail to South Sacramento
Jun 2004	Extended light rail from Mather Field/Mills to Sunrise Boulevard
Oct 2005	Extended light rail from Sunrise Boulevard to Folsom, including four new stations
Dec 2006	Extended light rail from downtown Sacramento to Sacramento Amtrak station
Jun 2012	Opened the Green Line, connecting downtown Sacramento to the River District
September 2015	Extended light rail from Meadowview to Cosumnes River College

Strategic Plan

Adopted by the Board of Directors in January 2015, SacRT's Strategic Plan reaffirms SacRT's commitment to improve access in the Sacramento region by providing fiscally responsible transit service.

The Strategic Plan outlines the way SacRT will navigate challenges and explore opportunities as it seeks to connect people to resources with consideration and support of regional goals.

SacRT's Strategic Plan requires SacRT to shape activities to support identified Values and Goals, responsibly manage all agency actions and commitment of resources, and measure performance.

SacRT acts as the Region's focal point for transit research and development, strategic planning and system assessment, and transit education and safety training. SacRT's programs involve multiple modes of transportation.

This plan is SacRT's commitment to the people of the Sacramento Region. SacRT will accomplish this through regional leadership and by providing quality service in a respectful and sustainable manner. SacRT will continue to focus on customer service and provide safe, clean, and reliable transportation service. To prepare for future needs in the 21st Century, SacRT will build and continuously develop a highly skilled transportation workforce. SacRT will continue to challenge itself to meet the growing transportation needs of the Sacramento Region.

The SacRT Strategic Plan's Mission, Vision, Values, and Goals are listed on the following page. The plan is best seen as an evolving process, not a rigid or fixed document. This plan will change as the needs of the Region change and will reflect the transportation requirements of the Region. The updated SacRT Strategic Plan was recently adopted by the Board of Directors and is currently being implemented.

Strategic Plan (continued)

Mission Statement

The purpose of the Sacramento Regional Transit District is to promote and improve access in the Sacramento region by providing safe, reliable, and fiscally responsible transit service that links people to resources and opportunities.

Vision Statement

The Sacramento Regional Transit District strives to connect people to resources and opportunities while stimulating livable communities and supporting economic development by providing an efficient and fiscally sustainable transit system that attracts and serves riders by offering an appealing transportation choice.

Values

- Quality Service & Innovation: SacRT is committed to providing safe, reliable, and cost efficient public transit services, and initiating innovative technologies to improve service effectiveness.
- Customer Service: SacRT places customers first by providing quality transit services and amenities with convenient and easily understood access at an affordable price.
- Respect & Professionalism: SacRT is committed to treating its customers and employees with dignity and respect, recognizing the importance and value of each individual.
- Fiscal Responsibility: SacRT is committed to the pursuit of efficient use of resources and of secure and stable funding sources.
- Integrity & Accountability: SacRT acknowledges its responsibility for actions and performance with an uncompromising commitment to truth, honesty and high ethical standards. SacRT is committed to compliance with regulatory requirements and industry standards and efforts to improve upon existing practices.
- Quality, Diverse & Positive Work Force: SacRT is committed to increasing employee effectiveness and satisfaction through effective communication, teamwork, appropriate resource availability, appreciation of varied abilities, and professional development opportunities.
- Regional Leadership & Coordination: SacRT is committed to work with area stakeholders to create a “world class” transit system that supports livable communities and related efforts.
- Health and Safety: SacRT is committed to achieve an optimal level of safety for our employees, customers and the general public by minimizing risk of injury and property loss and promoting a sound safety culture throughout the organization.
- Sustainability: SacRT is committed to environmentally sensitive services and practices.

Goals

Fundamental Goals

- Ensure Financial Stability
- Meet or Exceed Expectations for Safe & Quality Service in a Cost-Effective Manner
- Operate in an Ethical Manner
- Invest in the Attraction, Development & Retention of a Quality Workforce

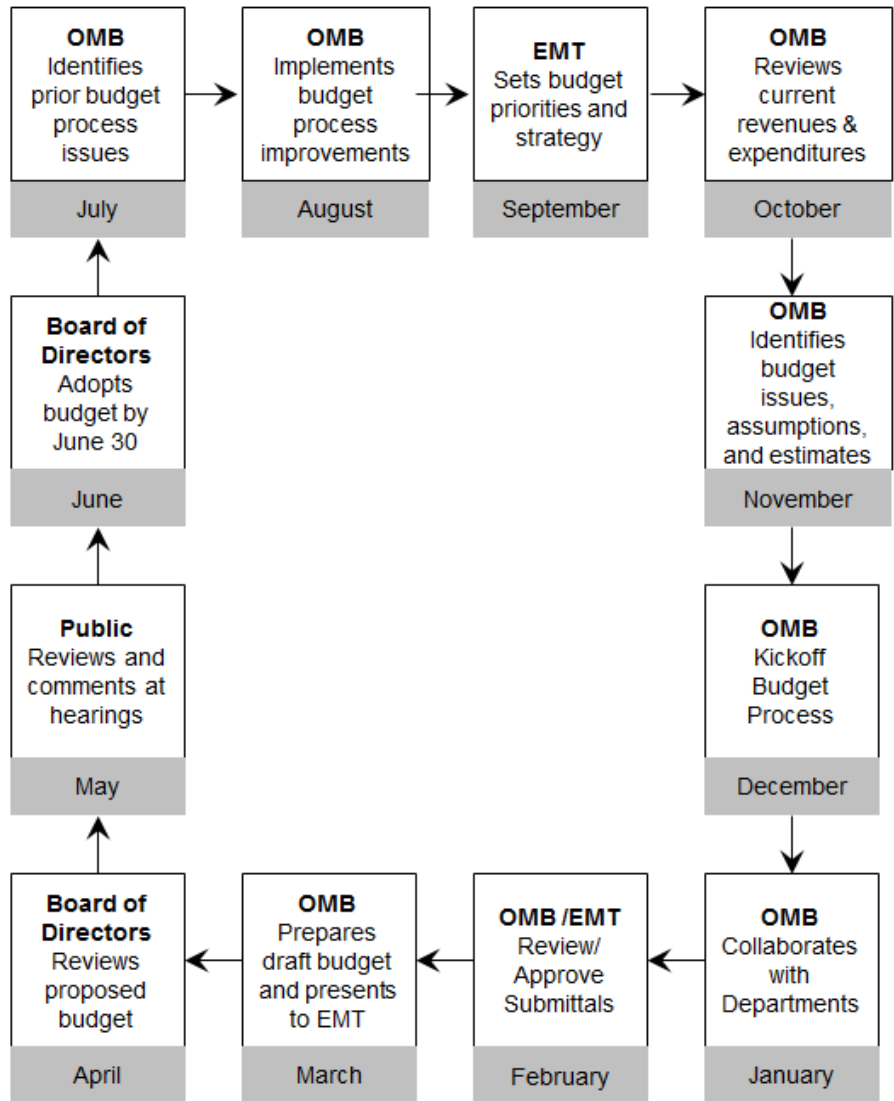
Strategic Plan (continued)

Growth Goals

- Improve Access Within and Between Communities in the Sacramento Region in a Cost-Effective Manner
- Increase Transit Market Share in the Sacramento Region
- Adjust to Legislative & Regulatory Changes and to Stakeholder & Community Initiatives, and Support Complementary Efforts

Budget Process

SacRT uses the annual budget to help measure and account for taxpayer dollars. The budget, as adopted by the Board of Directors, authorizes SacRT to spend funds. It details how SacRT allocates tax resources to expenditures, and serves as a benchmark for evaluating accomplishments and assessing fiscal responsibility.



Voting System

SacRT is governed by an eleven-member Board of Directors. Six entities (5 cities and 1 county) make appointments to SacRT's Board. Eight directors are appointed by "member entities" and represent jurisdictions annexed into SacRT's district. Three directors are appointed by "participating entities" and represent jurisdictions that contract with SacRT to receive transit service.

In January 2006, the SacRT Board directed staff to pursue legislation to change the voting system from a one-member-one-vote system to one that provides for weighted voting based upon the financial contribution made by each entity to SacRT. Assembly Bill 2137 established the new weighted voting system.

The system creates 100 voting shares. SacRT allocates the shares to jurisdictions and their members as follows:

- Five shares to each annexed jurisdiction
- Remaining shares to all jurisdictions based on financial contribution of Transit Development Act funds, funds through contracts, other local funds, and federal funds

On March 12, 2007, the SacRT Board of Directors adopted the new Schedule of Weighted Voting Distribution for the remainder of FY 2007. For all subsequent years, the Schedule is to be included in the Preliminary budget document and distributed to voting entities at least 60 days in advance of budget adoption. A summary of the tabulated vote shares adopted for the FY 2018 Budget and for the FY 2019 Preliminary Abridged Budget is shown in the table below. A detailed FY 2019 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2018 Budget	Shares – FY 2019 Preliminary
County of Sacramento	Annex	41	41
City of Sacramento	Annex	37	37
City of Rancho Cordova	Annex	10	10
City of Citrus Heights	Contract	5	5
City of Elk Grove	Contract	4	4
City of Folsom	Contract	3	3
Total		100	100



Voting System (continued)

Fiscal Year 2019 Schedule of Weighted Voting Distribution

Base Values*

		<u>Federal Financial Information</u>						
Code Section:								
102205(b)(6)	<u>FY 18 Federal Funds Available in the Sacramento MSA</u>	35,382,442						
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	3,075,923						
102205(b)(8)	<u>FY 18 Federal Funds Available for use in RT Service Area:</u>	32,306,519						
		<u>Jurisdiction Specific Values</u>						
		<u>City of Sacramento</u>	<u>County of Sacramento</u>	<u>Rancho Cordova</u>	<u>Citrus Heights</u>	<u>Folsom</u>	<u>Elk Grove</u>	<u>Totals:</u>
102205(b)(10)	<u>Population:**</u>	493,025	584,729	73,872	87,013	78,525	171,059	1,488,223
	<u>Proportionate Population:</u>	33.13%	39.29%	4.96%	5.85%	5.28%	11.49%	100.00%
	<u>Member:</u>	Yes	Yes	Yes	No	No	No	
102100.2, 102100.3		4	3	1	1	1	1	11
	<u>Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):</u>	10,702,644	12,693,366	1,603,622	1,888,888	1,704,630	3,713,369	32,306,519
102105.1(d)(2)(D)								
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 19 State TDA Funds Made Available to RT:</u>	22,518,546	25,425,120	3,374,049	0	0	0	51,317,715
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 19 Funds Provided Under Contract:</u>	409,619	75,000	420,000	3,434,923	1,218,211	350,000	5,907,753
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 19 Other Local Funds</u>	0	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	33,630,809	38,193,485	5,397,671	5,323,811	2,922,841	4,063,369	89,531,987
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	37.56%	42.66%	6.03%	5.95%	3.26%	4.54%	100.00%
		<u>Voting Calculation</u>						
		<u>City of Sacramento</u>	<u>County of Sacramento</u>	<u>Rancho Cordova</u>	<u>Citrus Heights</u>	<u>Folsom</u>	<u>Elk Grove</u>	<u>Totals:</u>
102105.1(d)(1)	<u>Incentive Shares (5 for member jurisdictions)</u>	5	5	5	0	0	0	15
102105.1(d)(2)	<u>Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):</u>	31.9285	36.2602	5.1244	5.0543	2.7749	3.8577	85.0000
102105.1(d)(3)	<u>Total Shares:</u>	36.9285	41.2602	10.1244	5.0543	2.7749	3.8577	100.0000
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	37	41	10	5	3	4	100
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	37	41	10	5	3	4	100
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):***</u>							
	Member 1	10	14	10	5	3	4	
	Member 2	9	14	N/A	N/A	N/A	N/A	
	Member 3	9	13	N/A	N/A	N/A	N/A	
	Member 4	9	N/A	N/A	N/A	N/A	N/A	
	Member 5	N/A	N/A	N/A	N/A	N/A	N/A	
	<u>Total Votes:</u>	37	41	10	5	3	4	100

* In addition to the funding identified above, RT projects the following funds for operating purposes: \$43,824,000 - Measure A
 ** Population as measured by the population statistics used by SACOG to allocate TDA funds for the same fiscal year for which the budget is adopted.
 *** If, in any vote allocation, any member would have more than 15 votes, that jurisdiction will be given an additional seat and the votes will be reallocated to the larger number of members.

SacRT Major Goals and Objectives in FY 2019

- **Operator Attendance Control** – As part of the recent negotiations with the Amalgamated Transit Union (ATU), SacRT and ATU have agreed to work together to put into place new attendance control measures with the objective of reducing missed trips, improving customer service, reducing costs, streamline SacRT's processes, and improving service reliability.
- **Route Optimization Study (ROS) - Phase 1.** With recent downward ridership trends, staff is working on a project to find ways to increase ridership. This project will have many phases and include extensive community engagement. The goal will be to re-imagine SacRT's system to be consistent with current travel patterns, increase ridership, and reallocate any additional resources. The effort will also seek public input regarding the expansion and customer service priorities for SacRT with increases in funding.
- **Paratransit Business Model** – SacRT understands that lower costs means additional funding, which can be put into service improvements. Finding new ways to provide high quality service to the public, as well as individuals with disabilities, and seniors, in the most cost effective manner will ensure the sustainability of this critical service.
- **IT Modernization** – SacRT wants to be on the cutting edge of technology. Offering innovative rider tools to our customers will improve the customer experience by making it easier to ride, quicker to get train information, and provide for faster payment options, including a permanent mobile fare app; real time light rail train arrival information; smart card fare payment system; free Wi-Fi; expanded public information systems; and a secondary light rail warning system.
- **Security Program** – Phase 1. SacRT has been very focused on making our system more secure. This starts with additional staff presence on the trains and 24 hour monitoring in the security operations center. There will be increased inspections to reduce theft on the system and improved crime reporting statistics.
- **Safety Program** – Phase 1. Using technology to improve safety efforts is critical. Better training, and employee and community safety awareness is key. The goal will be to reduce the number of accidents per mile and reduce any findings and recommendations from the Public Utilities Commission (PUC).
- **Strategic Communications** – Ensuring that our customers can easily navigate SacRT's bus and light rail system and understand how easy it is to pay and ride is critical to attracting new customers. This will involve launching new programs and incentive options that will encourage more people to try transit. This will be done through creative partnership and incentive programs. This effort will also serve to educate the general public regarding the benefits of transit to the community as a whole.
- **Employee and Labor Relations** – Salaries and benefits continue to be the largest cost factor for transit agencies, as this is the operational engine behind a successful system. Maintaining an open line of communication with our employees improves productivity and morale, which equates to new ideas and dedication that benefits all. We will develop our priorities and provide new forums for members to give feedback and listen to their concerns.

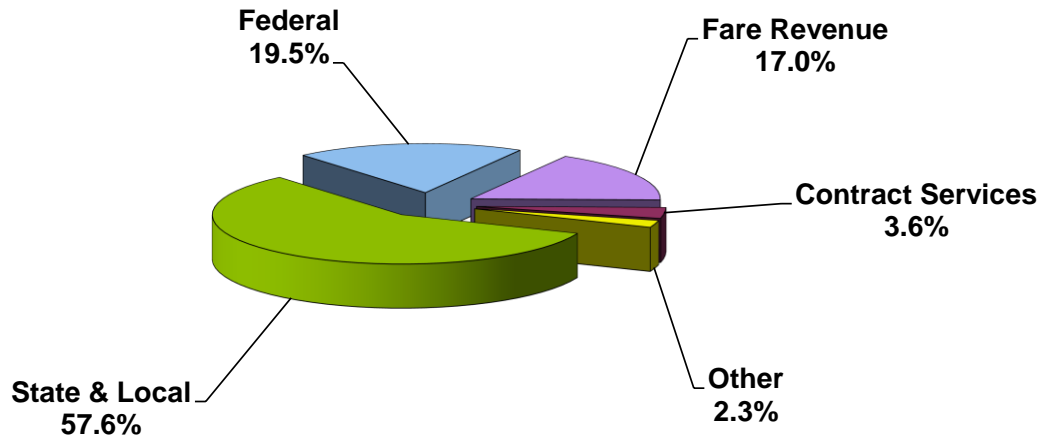
SacRT Major Goals and Objectives in FY 2019 (continued)

- **Organizational Excellence and Culture Change** – We are striving to be a “world class” organization that attracts and retains a quality workforce while providing the necessary training and mobility opportunities for employees to succeed. We will foster professional development and keep up with industry best practices. Motivation, partnership and teamwork will be a message that all employees will hear. All of this will help improve performance in areas such as increased revenues, reduced expenses, improved on time performance, increased inspection rates, and the creation of new jobs.
- **Campus Master Plan** – SacRT will examine ways to modernize our facilities. This will begin with a comprehensive plan to relocate all administrative staff to one central facility to improve communication. This will improve morale and efficiency.
- **Transit Oriented Development** – We are examining our various surplus properties to determine if they can be sold to developers that could use the land for purposes that encourage transit use and potentially increase our ridership.
- **Sustainability and Business Process Optimization** – SacRT has adopted new fiscal policies to improve its long-term financial position. We are dedicated to strengthening our finances by tapping innovative revenue sources and conducting relentless organizational optimization to fund maintenance and capital investments and to build reserves. Moving forward, we will continue to strive to find new ways to improve our business processes, keep expenses down, and generate opportunities to boost operating revenues. We are implementing a strategic effort to educate the public about the benefits of transit and how local funding is important to create a “world class” public transit system.

Operating Budget Summary

Revenues

FY 2019 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	FY 2019 to FY 2018	
					\$ Change	% Change
Fare Revenue	\$ 28,056	\$ 30,487	\$ 29,763	\$ 28,122	\$ (1,641)	-5.5%
Contract Services	6,110	6,260	5,799	5,908	108	1.9%
Other	5,333	4,357	3,578	3,778	200	5.6%
State & Local	79,659	86,911	91,130	95,378	4,248	4.7%
Federal	34,097	34,467	31,057	32,307	1,249	4.0%
Total	\$ 153,255	\$ 162,482	\$ 161,328	\$ 165,492	\$ 4,165	2.6%
Operating Reserve*	\$ (71)	\$ (2,159)				
Operating Revenue	\$ 153,184	\$ 160,323	\$ 161,328	\$ 165,492	\$ 4,165	2.6%

*Operating Reserve: Positive indicates use of the reserve. Negative indicates an increase in the reserve.

Revenues (continued)

Fare Revenue

This category includes the revenues from carrying passengers. This is money paid by the transit riders to use transit services, but also includes special transit fares from Los Rios Community College District (Los Rios) and California State University, Sacramento (CSUS) Student pass programs.

The FY 2019 Preliminary Budget proposes \$28.1 million in Fare Revenue, a decrease of \$1.6 million (5.5%) from the FY 2018 Amended Budget of \$29.7 million.

- Fare Revenue is anticipated to decrease due to a full year of a student discount program, changes to fare media buying patterns, and electronic fare media implementation.
- This also assumes a slight reduction in ridership.

Contracted Services

This category includes contracts with the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, as well as North Natomas shuttle services. These cities and service areas purchase SacRT transit services.

The FY 2019 Preliminary Budget proposes \$5.9 million in Contracted Services revenue, an increase of \$0.1 million (1.9%) from the FY 2018 Budget of \$5.8 million.

- This reflects a reduction of \$0.16 million in Folsom Light Rail Operating and Maintenance cost due to the change to net billing for services as well as a result of true up calculation for FY 2017 billing.
- This also reflects an increase of \$0.1 million in the Citrus Heights contract due to higher LTF allocation.
- This also reflects an increase of \$0.1 million in the Rancho Cordova contract due to higher service utilization.

Other

This category includes investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities, and parking revenue.

The FY 2019 Preliminary Budget includes \$3.8 million in other revenue, which is an increase of \$0.2 million (5.6%) from the FY 2018 Budget of \$3.6 million.

- This includes \$0.2 million for the sale of Federal Renewable Identification Numbers for SacRT's Compressed Natural Gas (CNG) Bio-Gas fuel and \$1.2 million for the sale of Low Carbon Credits through the State Cap and Trade program.

Revenues (continued)

State & Local

This category includes formula-based allocations to SacRT from state and local government sales taxes. SacRT receives funding from the California Transportation Development Act Local Transportation Fund (TDA-LTF), the Transportation Development Act State Transit Assistance Program (TDA-STA), and Sacramento County Measure A.

The FY 2019 Preliminary Budget proposes \$95.4 million in state and local funding revenue, an increase of \$4.2 million (4.7%) from the FY 2018 Amended Budget of \$91.1 million.

- This reflects a 10.0% or \$4.0 million increase in sales tax estimates for Measure A over the FY 2018 Budget.
- This also reflects a 3.9% or \$1.6 million increase in sales tax estimates for TDA-LTF.
- This includes a 26.7% or \$2.7 million decrease in the TDA-STA Revenue compared to the FY 2018 Budget. Due to the uncertainty surrounding State Transit Assistance funds derived from the Road Repair and Accountability Act of 2017 (SB1) tax measure adopted by the State last year, it would not be fiscally prudent to rely on them to fund ongoing operations; therefore, the equivalent amount of these funds will be used for capital projects as detailed in the capital section below.
- This includes \$2.2 million in the Low Carbon Transit Operations Program (LCTOP) revenue, which is a State Cap and Trade program established in 2014 that provides funds to public transportation agencies throughout California for operations that reduce greenhouse gas emissions.

Federal

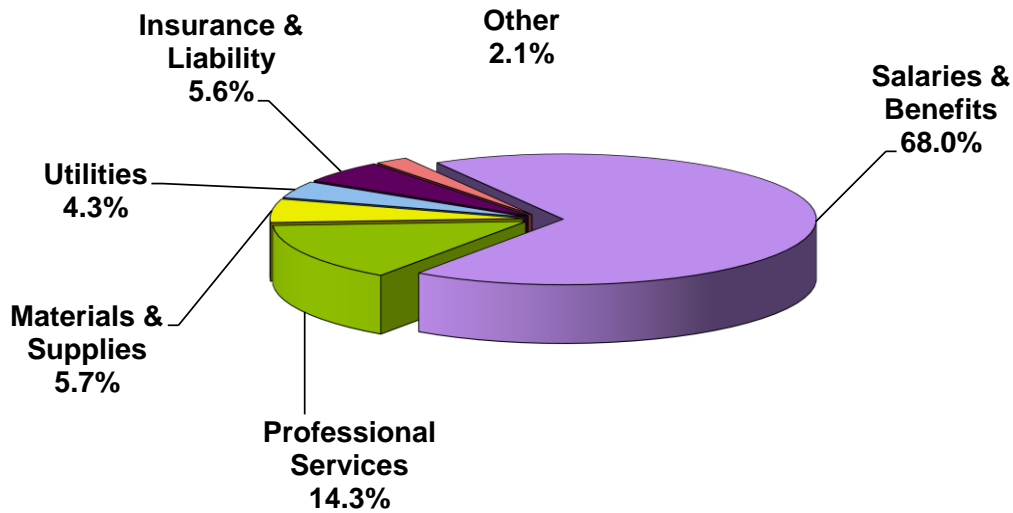
This category includes formula-based allocations to SacRT from the federal government. Each year Congress authorizes the appropriation, and the FTA allocates the dollars to the region. SacRT can use the funds for operating, planning, and capital, subject to specific regulations.

The FY 2019 Preliminary Budget proposes \$32.3 million in federal funding, an increase of \$1.2 million (4.0%) from the FY 2018 Budget of \$31.1 million.

- This includes \$1.1 million in Job Access/Reverse Commute funding, which is the same funding as in FY 2018.
- Section 5307 Urbanized Area federal funding is projected to increase \$1.3 million (6.9%) compared to last year.
- Section 5337 State of Good Repair funding is projected to increase \$0.8 million (7.2%) compared to last year.
- This budget reflects elimination of Congestion Mitigation and Air Quality Improvement (CMAQ) funding for Blue Line extension to Cosumnes River College due to depletion of allocated funding.

Expenses

FY 2019 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	FY 2019 to FY 2018 \$ Change	FY 2019 to FY 2018 % Change
Salaries & Benefits	\$ 102,133	\$ 106,940	\$ 109,879	\$ 112,544	\$ 2,665	2.4%
Professional Services	27,861	26,423	23,623	23,724	101	0.4%
Materials & Supplies	7,823	8,932	9,016	9,511	494	5.5%
Utilities	6,288	6,619	6,762	6,923	161	2.4%
Insurance & Liability	7,160	9,317	7,839	9,298	1,459	18.6%
Other	1,919	2,092	4,209	3,493	(716)	-17.0%
Operating Expenses	\$ 153,184	\$ 160,323	\$ 161,328	\$ 165,492	\$ 4,165	2.6%

Expenses (continued)

Salaries & Benefits

This category includes payroll and benefits for all positions authorized by the Board of Directors. It accounts for wages, overtime, pension, dental, medical, FICA, vision, and all other SacRT-paid employee benefits.

The FY 2019 Preliminary Budget proposes \$112.5 million for salaries and benefits, an increase of \$2.7 million (2.4%) from the FY 2018 Budget of \$109.8 million.

- The Fiscal Year 2019 Preliminary Budget includes funding for 1049 full time funded positions, which is an increase of 11 funded positions from the Fiscal Year 2018 Budget of 1038 funded positions. See Positions section on page 20 for details.
- Total salaries, overtime and personal service contract costs increased by \$1.7 million (2.7%) from the FY 2018 Budget of \$61.8 million. This reflects various District position salary adjustments and salaries for new positions. This also reflects cost of additional 11 funded positions as well as 25 personal service contractors.
- Fringe Benefit costs increased by \$1.4 million (2.7%) from the FY 2018 Budget of \$50.9 million. This reflects increase of 0.2 million in FICA costs, increases of 0.7 million in pension costs, increases of \$0.3 million in medical, dental and vision costs, increase of \$0.2 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect costs have increased by \$0.5 million over the FY 2018 Budget. This represents labor charged to capital projects and other initiatives such as the Connect Card Consortium.

Professional Services

This category includes purchased transportation (ADA paratransit) to comply with the Americans with Disabilities Act (ADA), transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants.

The FY 2019 Preliminary Budget proposes \$23.7 million for Professional Services, an increase of \$0.1 million (0.4%) from the FY 2018 Budget of \$28.3 million.

- This reflects a decrease in ADA paratransit cost of \$0.3 million due to business optimization improvements.
- This includes a \$0.5 million increase in security services cost due to contractual wage increases.
- There are other minor increases in various general ledger (GL) accounts that make up the difference.

Materials & Supplies

This category includes fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies.

The FY 2019 Preliminary Budget proposes \$9.5 million for materials and supplies, an increase of \$0.5 million (5.5%) from the FY 2018 Budget of \$9.0 million.

- This reflects a decrease in CNG cost of \$0.27 million.
- This includes a \$0.15 million increase in bus parts.

Expenses (continued)

- This includes a \$0.7 million increase in light rail parts and a \$0.1 million increase in Fare vending machine parts.
- There are other minor changes in various general ledger (GL) accounts that make up the difference.

Utilities

This category includes electricity, water, gas, refuse, and telephone for bus, light rail, and administrative facilities.

The FY 2019 Preliminary Budget proposes \$6.9 million for Utilities, an increase of \$0.1 million (2.4%) from the FY 2018 Budget of \$6.8 million.

- This includes increases in costs for natural gas water, electricity, garbage, and LRV traction power.

Insurance & Liability

This category includes premiums, claims, and attorney fees related to personal liability insurance, property damage insurance, workers' compensation claims, and commercial insurance for amounts in excess of self-insured amounts.

The FY 2019 Preliminary Budget proposes \$9.3 million for Insurance & Liability, an increase of approximately \$1.5 million (18.6%) from the FY 2018 Budget of \$7.8 million.

- This reflects an increase of \$0.4 million in the projected claims reserves for Property and Liability for FY 2019.
- This also reflects a decrease of \$0.7 million in the projected claims reserves for Workers' Compensation for FY 2019.
- This also reflects the updated insurance premium costs.

Other

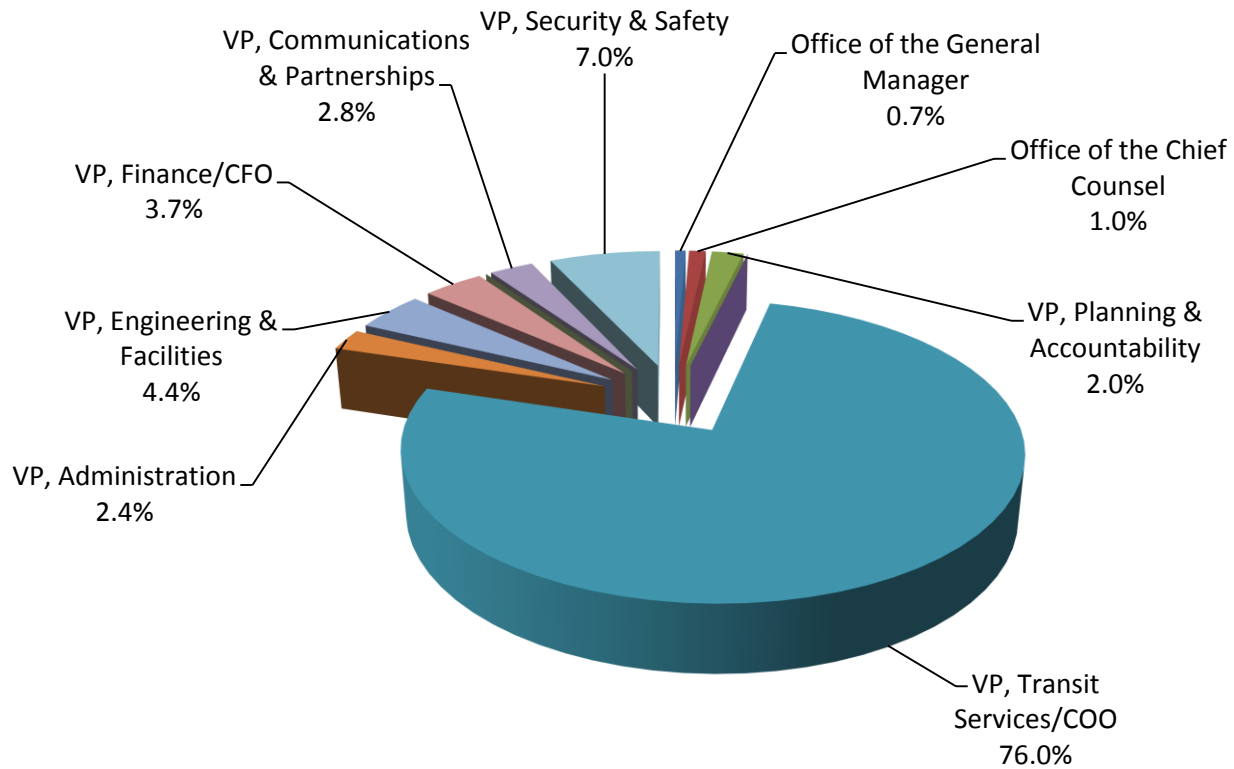
This category includes but is not limited to travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and bad debt.

The FY 2019 Preliminary Budget proposes \$3.5 million for other expenditures, a decrease of \$0.7 million (17.0%) from the FY 2018 Budget of \$4.2 million.

- This includes \$0.75 million in Connect Card fees, which is SacRT's portion of running the Connect Card Regional Service Center. This is a \$0.4 million reduction in cost compared to FY 2018 Budget.
- This reflects an increase of \$0.1 million in banking fees.
- This also reflects a reduction of \$0.47 million for the Budget Stabilization account.

Positions

The Fiscal Year 2019 Preliminary Budget includes 1,049 fully or partially funded positions, which is an increase of 11 funded positions from the Fiscal Year 2018 Adopted Budget of 1,038 funded positions.



Division	FY 2016 Funded	FY 2017 Funded	FY 2018 Funded	FY 2018 Amended	FY 2019 Funded
Office of the General Manager	17	6	2	7	7
Office of the Chief Counsel	18	16	11	11	11
VP, Planning & Accountability	0	4	19	20	21
Facilities & Business Support Services	85	0	0	0	0
VP, Transit Services/COO	792	779	807	792	797
VP, Administration	0	73	25	25	25
VP, Engineering & Facilities	19	57	48	46	46
VP, Finance/CFO	25	0	25	39	40
Planning & Transit System Development	24	0	0	0	0
VP, Communications & Partnerships	26	33	28	28	29
VP, Security & Safety	0	37	73	70	73
Total	1,006	1,005	1,038	1,038	1,049

Positions (continued)

From FY 2018 to FY 2019, SacRT had a net increase of 11 funded positions. The changes reflected in the FY 2019 Preliminary budget are as follows:

VP, Planning and Accountability Division had a net increase of 1 funded positions. The position change is as follows:

- Added 1 EEO Specialist in EEO

VP, Transit Services/Chief Operating Officer (COO) Division had a net increase of 5 funded positions. The position changes are as follows:

- Added 8 Positions: 1 Black Box Maintenance Trainer-Bus Maintenance, 1 Maintenance Superintendent – Bus, 1 Black Box Maintenance Superintendent – Light Rail, 1 Black Box Light Rail Assistant Mechanic, 3 Black Box Light Rail Service Workers, and 1 Black Box Maintenance Trainer-Light Rail.
- Funded 1 Light Rail Assistant Mechanic.
- Unfunded 3 positions: 3 Lineworker Technicians in Light Rail.
- Transferred 1 Senior Administrative Assistant to VP, Finance Division.

VP, Finance/Chief Financial Officer (CFO) Division had a net increase of 1 funded position. The position changes are as follows:

- Added 3 positions: 1 Accountant I, 1 Electronic Fare Collections Systems Analyst, and 1 Manager, Real Estate.
- Unfunded 3 positions: 1 Program Analyst, 1 Accounts Payable Clerk and 1 Senior Accountant.
- Transferred 1 Senior Administrative Assistant from VP, Transit Service/COO Division.

VP, Communications and Partnerships Division had a net increase of 1 funded position. The position changes are as follows:

- Funded 2 Customer Service Representatives.
- Unfunded 1 Marketing and Communications Specialist.

Security Operations and Police Services Division had a net increase of 3 funded positions:

- Funded 3 Transit Agents.

Capital Improvement Plan

Project Overview

The following tables and chart represent the Capital Budget as it pertains to the FY 2019 Budget for the projects listed. The full five-year Capital Improvement Program (CIP) will be adopted by a separate Board action and will cover capital funding priorities between fiscal years 2019 through 2023, and beyond to 2049.

Please keep in mind the amounts contained in the FY 2019 Preliminary Budget only pertain to items where anticipated funding sources have been identified and are programmed for FY 2019, or where SacRT has applied for competitive grant funds for the project, and grant funds will be available in FY 2019 if awarded.

The FY 2019 Capital Budget includes projects focused on the following priority programs:

Equipment Program

R324 Light Rail Portable Jacking System

Facilities Program

B134 Fulton Ave. Bus Shelters
F028 Administrative Equipment Optimization
F021 General Facilities Improvements

Fleet Program

R115 Light Rail Vehicle Fleet Repair and Replacement
B105 Bus Expansion (through 2042)

Infrastructure Program

R334 Rail Capital Maintenance - State of Good Repair
A016 Caltrans Route 160 N. Sacramento Seismic Retrofit
R314 Light Rail Stations - Low Floor Vehicle Conversions
R280 Signal-Infrastructure Improvements for Future Gold Line Limited Stop Service
835 30th/R Pedestrian Traffic Signal
G238 Repairs per Biennial Bridge Inspection

Planning/Studies

M012 Route Optimization

System Expansion

R322 Green Line Draft EIS/EIR and Project Development
R055 Light Rail Station at Dos Rios

Transit Technologies Program

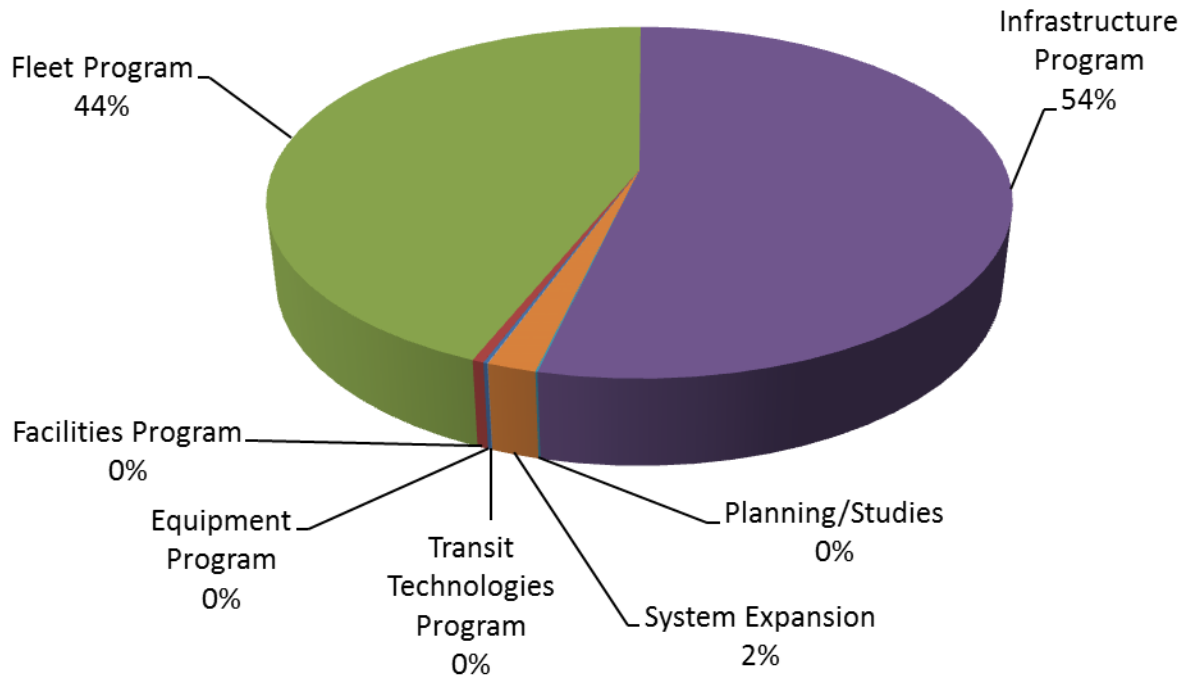
T030 Revenue Center Security Camera Upgrade

Impact of Capital Improvements on the Operating Budget

Capital projects that are approved in the current year budget will impact future operating and capital budgets as follows:

1. Capital projects completed in the current year will require on-going maintenance and, in case of new services, additional and on-going operating costs.
2. Capital projects that are not completed in the current year will require additional capital funding that may require balancing with operating funding if additional capital funds are not available.
3. Capital projects that are not completed in the current year will affect future years' budgets with increased operating costs in the year of completion. Future on-going operating and maintenance costs are projected using current year baseline dollars.

Capital Improvements by Category



Category	FY19 Budget Request	
	(\$ in Thousands)	
Equipment Program	150	0.2%
Facilities Program	413	0.4%
Fleet Program	42,234	43.9%
Infrastructure Program	51,536	53.6%
Planning/Studies	75	0.1%
System Expansion	1,732	1.8%
Transit Technologies Program	21	0.0%
Grand Total	96,161	100.0%

Capital Improvement Revenues and Expenditures

ID	Project Name	Previously Budgeted	FY19 Budget Request	Funding Sources			
				Federal	State	Local	TBD
Equipment Program							
R324	Light Rail Portable Jacking System	0	150,000		150,000		
		0	150,000		150,000		
Facilities Program							
B134	Fulton Ave. Bus Shelters	169,435	12,500			12,500	
F021	General Facilities Improvements	258,379	200,000		200,000		
F028	Administrative Equipment Optimization	0	200,000		200,000		
		427,814	412,501		400,000	12,500	
Fleet Programs							
B105	Bus Expansion (through 2042)	0	26,034,192				26,034,192
R115	Light Rail Vehicle Fleet Repair and Replacement	3,800,000	16,200,000		6,259,206		9,940,794
		3,800,000	42,234,192		6,259,206		35,974,986
Infrastructure Program							
835	30th/R Pedestrian Traffic Signal	31,478	114,717		114,717		
A016	Caltrans Route 160 N. Sacramento Seismic Retrofit	0	25,000		25,000		
G238	Repairs per Biennial Bridge Inspection	156,000	45,873		45,873		
R280	Signal - Infrastructure Improvements for Future Gold Line Limited Stop Service	3,900,000	41,955,126				41,955,126
R331	Light Rail Stations - Low Floor Vehicle Conversions	0	9,195,000				9,195,000
R334	Rail Capital Maintenance-State of Good Repair	35,000	200,000		200,000		
		4,122,478	51,535,716		385,590		51,150,126
Planning/Studies							
M012	Route Optimization	428,567	75,130				75,130
		428,567	75,130				75,130
System Expansion							
R055	Light Rail Station at Dos Rios	1,700,000	1,046,737				1,046,737
R322	Green Line Draft EIS/EIR and Project Development	3,679,119	685,627	684,630	997		
		5,379,119	1,732,364	684,630	997		1,046,737
Transit Technologies Program							
T030	Revenue Center Security Camera Upgrade	29,000	21,000		21,000		
		29,000	21,000		21,000		
Total		14,186,978	96,160,903	684,630	7,216,793	12,500	88,246,979

Capital Project Funding Addition Descriptions

- 835 30th/R Pedestrian Traffic Signal - Install a traffic signal at the intersection of 30th Street and R street, which will improve safety for SacRT passengers walking and bicycling to the adjacent SacRT light rail station and bus stops.
- A016 Caltrans Route 160 N. Sacramento Seismic Retrofit (A016) – Caltrans DOT to reimburse SacRT for any time spent supporting this Caltrans project, which will seismically retrofit the N. Sacramento underpass at Route 160.
- B105 Bus Expansion (through 2042) - Purchase electric buses and charging infrastructure to provide expanded neighborhood shuttle services in currently unserved areas.
- B134 Fulton Ave. Bus Shelters (B134) – Construct two additional shelters and related improvements.
- F021 General Facilities Improvements - Perform general maintenance of facilities throughout the district to address safety issues as they arise, make needed repairs, and replace items that have exceeded their useful life.
- F028 Administrative Equipment Optimization - Purchase/replace old office equipment/furnishings on an as needed basis, not to exceed this amount in FY19.
- G238 Repairs per Biennial Bridge Inspection - Perform bridge and structure repairs identified in the CPUC-required biennial inspection report.
- M012 Route Optimization – Continuation of and/or implementation of Route Optimization activities, including further study of High Capacity Bus Corridors.
- R055 Light Rail Station at Dos Rios – Design and construct a new light rail station on the NE corridor between North B Street and Richards Blvd. on North 12th Street in downtown Sacramento. The Dos Rios station would provide transit service for a neighborhood that is largely transit dependent. The closest light rail stations are Alkali Flat/La Valentina light rail station approximately 1 mile south and the Globe station approximately 1 mile north. The nearby Twin Rivers housing project has received HUD funding for a major renovation project.
- R115 Light Rail Vehicle Fleet Repair and Replacement - Replace the 1st Series Siemens vehicles at the end of their useful life.
- R280 Signal-Infrastructure Improvements for Future Gold Line Limited Stop Service - Make modifications to the Gold Line to enable more frequent service and/or limited stop express service to the city of Folsom (e.g., double-tracking of single track segments of the line, signal improvements). SacRT has applied for state TIRCP funds and state Solutions for Congested Corridors Program (SCCP) funds for this project.
- R314 Light Rail Stations - Low Floor Vehicle Conversions - Design and construct modifications to existing light rail station platforms to accommodate the planned acquisition of low floor LRVs
- R322 Green Line Draft EIS/EIR and Project Development - Complete the Draft EIS/EIR for the entire Green Line to the Airport light rail extension project
- R324 Light Rail Portable Jacking System - Replace aging, unreliable jacks that are needed for light rail vehicle repair.

- R334 Rail Capital Maintenance-State of Good Repair - Implement various projects needed to maintain the state of good repair of SacRT's light rail infrastructure.
- T030 Revenue Center Security Camera Upgrade - Upgrade the security cameras at the Revenue Center to digital to improve picture quality and help with video storage time.