



FY2004 Adopted Budget

OPERATING & CAPITAL BUDGET

SACRAMENTO REGIONAL TRANSIT DISTRICT

Sacramento, California

FISCAL YEAR 2003-2004

Sacramento Regional Transit District

Board of Directors

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Z. Wayne Johnson, *Chief Administrative Officer*

John Segerdell, *Assistant General Manager, Engineering & Construction*

Mike Wiley, *Assistant General Manager, Planning & Transit System Development*



1400 29th Street, P.O. Box 2110
Sacramento, CA 95812-2110
916-321-2800
www.sacrt.com

SPECIAL ACKNOWLEDGEMENTS

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Z. Wayne Johnson, *Chief Administrative Officer*

Joan Drayton, *Controller/Treasurer*
William Draper, *Public Information Manager*

Bill Griffiths, *Finance Administrator/Operating Budget*
Teri Sheets, *Finance Administrator/Capital Budget*
Gloria Boyce, *Finance Administrator/Accounting*

Elaine Sanchez, *Administrative Analyst*
Nadia Mokhov, *Administrative Analyst*

Cindy Brooks, *Executive Assistant/Clerk to the Board*

Elaine Robinson, *Graphic Designer*

LaDonna Lee, *Administrative Assistant*

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Letter From the Chairman

On behalf of the Sacramento Regional Transit District's Board of Directors, I am very pleased to present RT's FY 2004 Operating and Capital Budget proposals. I am also pleased to again welcome Dr. Beverly A. Scott as the new General Manager/CEO of RT. Under her leadership RT implemented a zero-based budgeting process this year, which has provided for a balanced budget, despite the economic downturn which has eroded our State economy and impacted the District's overall financial outlook.

The District's FY 2004 Budget Proposal is based on a Service Plan, which provides for significant growth of transit services over the fiscal year – an 8% increase in bus service miles, a 34.5% increase in rail service miles and a 13% increase in RT's ADA paratransit funding to Paratransit, Inc.

As RT celebrates its 30th Anniversary, we can take pride in our accomplishments since those early days and reflect back on the tremendous progress made in improving the mobility needs of the Sacramento region. Today, the District carries more than 27 million passengers annually. Construction is well underway to open 6.3 miles of light rail service from Downtown Sacramento to Meadowview Road in September 2003. Later in FY 2004, RT will extend rail service from Mather Field to Sunrise with further service expansion to historic Folsom in 2005. Very importantly, over this next year, RT's entire bus fleet will be converted to 100% CNG (compressed natural gas).

The future holds many challenges for RT, and all of us, to redefine our commitment to maintaining our core transit services and infrastructure, as we continue to plan and build for the future. Ensuring stable, predictable funding which is sufficient to operate and maintain an expanded transit system is one of the greatest challenges facing Regional Transit. As highlighted in our region's Metropolitan Transportation Plan (MTP), voters will need to agree to increase the current 1/2 percent Measure A sales tax to at least 2/3 percent, with half of that going to transit in order to build, operate and maintain the new rail lines and expanded bus and paratransit services included in the MTP.

Public transit makes a difference! We look forward to celebrating the South Line opening soon, and to working together to plan and deliver future transit improvements.

Don Nottoli, *Chairman*
Sacramento Regional Transit Board of Directors

Letter From The General Manager

I am pleased to have joined Regional Transit at this important point in its thirty-year history. People in communities across the Sacramento region are focused on the critical issues of *quality of life, community livability, economic competitiveness, growth, and future regional vitality*. A balanced, environmentally-sensitive regional transportation system that effectively moves both people and goods – and provides quality personal mobility options – is an important part of the solution to every one of these issues.

Today, with the tremendous growth occurring in our region, new patterns of development, and more complex travel demands – RT is challenged (*not unlike other transit systems throughout the country*) – to *do more, innovate, and improve services to our customers*. This year, we began a serious strategic “thinking” process to help us position the District to successfully address the challenges facing us today and over the next 10-15-20 years. We started with our FY 2004 Budget preparation process – by looking carefully at our customer and employee input as well as critically examining every aspect of our operation to:

- Increase Ridership
- Improve Overall Customer Satisfaction and Service Quality
- Improve Internal Productivity
- Enhance Revenue Opportunities

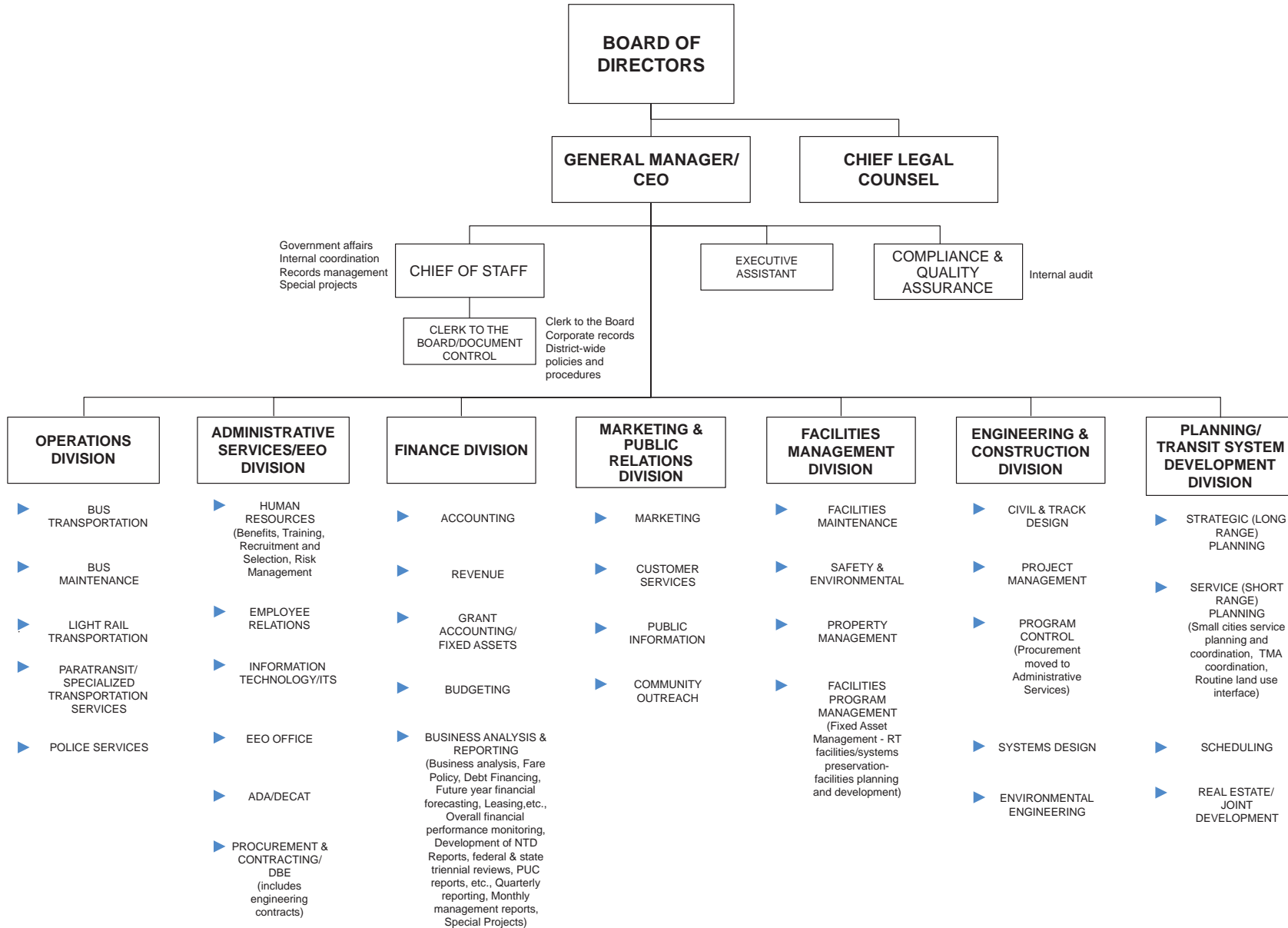
The result is the District’s FY 2004 Operating & Capital Budget Proposal which focuses attention on key initiatives and performance measures that will enable us to move forward.

First and foremost, safe and reliable service is the hallmark of any successful transit agency. As we continue to plan for the future, this Budget places appropriate emphasis on the importance of total quality service – and, providing for investment in the preservation of our existing transit services and infrastructure – *“ensuring a state of good repair.”*

We welcome your review and comments on this proposed budget, and look forward to serving you in the coming years. We want to be your mode of choice!

Beverly A. Scott
General Manager/CEO

SACRAMENTO REGIONAL TRANSIT DISTRICT ORGANIZATIONAL STRUCTURE



FY 2003 – 2004 BUDGET INTRODUCTION

Organizational Structure

Governance

The Board of Directors is currently made up of seven members who serve four-year terms. The Sacramento City Council appoints four of the Directors; three of the Directors are appointed by the Sacramento County Board of Supervisors. The District currently employs a workforce of approximately 1,163 employees, 78 percent of whom are dedicated to operations and maintenance of the bus and light rail systems. The District operates two maintenance and operations facilities – one for buses and one for the light rail system.

RT Management – Organization

In FY 2004, the District's management-organization has been restructured to clarify accountability and responsibility and focus management attention in key areas.

The operations of the District are organized under nine major divisions depicted in the management-organization chart on page 11. The major divisions are:

- General Manager (9 positions)
- Facilities Management (43 positions)
- Operations (902 positions)
- Administration (88 positions)
- Engineering & Construction (54 positions)
- Finance (37 positions)
- Planning & Transit System Development (35 positions)
- Marketing & Public Relations (42 positions)
- Legal (11 positions)

In FY 2003, the total authorized personnel strength for the District is 1,169 positions. During FY 2004, the District proposes to increase bus service by approximately 8% and rail service by approximately 34%. The District's FY 2004 Operating and Capital Budget Proposal adds a total of 52 positions.

Key Organizational Initiatives

During FY 2003, RT implemented a strategic planning process, including a comprehensive review of the District's mission, goals, etc. Attention District-wide will be focused on increasing ridership and improving overall customer service with an emphasis on clearly defined goals, performance measures and indicators at both District-wide and departmental levels.

RT's key initiatives, performance measures and indicators for FY 2004 are outlined below:

- (1) INCREASE RIDERSHIP THROUGHOUT THE SYSTEM
 - Increase bus ridership by 3.5%.
 - Increase rail ridership by 25%.
- (2) IMPROVE SYSTEM SAFETY & SECURITY
 - Increase RT's Police & Security presence in the system (*on trains, at targeted facilities and on problem bus routes*).
 - Complete an independent transit police peer review by August 2003.



- Enact and enforce the new ordinance on non-patron use of RT's light rail stations by August 2003.
- Develop and implement a "zero tolerance"/"community-oriented policing" program focused on safety from crime and nuisance behavior.
- Implement a program to improve the collection, analysis and reporting of crime/security-related data by December 2003.
- Install cameras and observation towers at Meadowview and Florin stations by September 2003.
- Conduct an independent review of RT's fare collection practices and evasion rate by December 2003.
- Install 68 new light rail Fare Vending Machines (FVMs) by September 30, 2003 (South Line and Starter Line); +5 by April 2004 (Sunrise extension).
- MANDATORY POLICY: No RT vehicles placed in service with a known safety or security defect.
- Implement emergency drills at all RT facilities (including Light Rail).
- Reduce bus accidents by 15%.

(3) IMPROVE TRANSIT SERVICE RELIABILITY

- Achieve 90,000 vehicle miles between road calls (Light Rail); up from 80,473.
- Increase bus mean distance between road calls by 25% to 7700 miles.
- Reduce the average number of light rail missed trips by 25%.
- 100% preventive maintenance inspections completed on-time (bus & rail).
- Implement Phase 1 of mid-life overhaul program for Siemen's light rail vehicles.
- Complete a system-wide "On-Time Performance Assessment" for RT's fixed route bus service in FY 2004.
- Increase the percent of customer service calls answered from 80% to 90% on weekdays; 90% to 95% on weekends.
- Make ADA compliant stop announcements.

(4) PROVIDE A CLEANER AND MORE ATTRACTIVE PASSENGER ENVIRONMENT

- Implement a system-wide passenger environment survey program by October 2003, i.e., cleanliness of bus/rail interiors, litter condition, graffiti, exterior cleanliness (vehicles and facilities), accessibility, lighting/illumination, operable equipment (FVMs).
- Pressure wash all light rail stations weekly.
- Remove all graffiti within 48 hours.
- Develop and implement a comprehensive District signage program, including facilities, stations and bus stops.
- Increase the number of bus shelters and benches by a minimum of 20%.

(5) INCREASE PRODUCTIVITY, REDUCE COSTS AND ENHANCE REVENUES

- Implement a comprehensive employee availability improvement program; target \$1 million savings in FY 2004.
- Increase income from asset management by 10%.
- Complete Transit Fare Equity Study by October 2003.
 - Goal to implement an “Eco Pass” pilot program in FY 2004.

- Pursue opportunities to enhance District revenue.
 - Complete leverage lease financing transaction by December 2003.
 - Complete fare payment and collection systems study by June 2003.
 - Complete analysis of county development fee and Mello-Roos revenue enhancement potential (January 2004).
 - Begin negotiations to establish transit service agreements with the cities of Rancho Cordova and Folsom.

- Move RT's Joint Development/Transit for Livable Communities Program forward; target the following facilities – Power Inn, Swanston, Florin and Mather Field/Mills or Sunrise.

- Complete evaluation of property inventory for potential sales.

- Implement a joint-labor management committee to review methods for containing health care costs.

- Develop and maintain a comprehensive performance reporting system.
 - Establish base-line performance averages for key service delivery metrics in the first quarter of FY 2004.

(6) INCREASE EFFECTIVENESS OF RT BUSINESS PRACTICES

- Complete RT's strategic plan; implement recommendations of the organizational effectiveness study.

- Develop a comprehensive information systems/ITS plan for the District.

- Update RT's Short-Range Transit Service Plan and Long-Range Transit Master Plan.

- Implement the automatic passenger counters (APCs) to monitor and evaluate bus service more efficiently.
- Convert RT's schedule and runcutting software to the Trapeze package.

(7) IMPROVE EMPLOYEE DEVELOPMENT

- Update and upgrade the District's "hands-on" Journeyman Mechanic A training program.
- Implement a District-wide employee suggestion, recognition and awards program.
- Increase light rail level 1 Operator efficiency testing by 15% (exceeds minimum requirements).
- Establish a "Lead Operator" mentoring program for new operators during their first year of driving.
- Establish a supervisory development program.

(8) PERFORM A VITAL ROLE IN EFFORTS TO IMPROVE AIR QUALITY IN THE SACRAMENTO REGION

- Convert RT's bus fleet to 100% CNG.
- Open the South Line (6.3 miles) to Meadowview by September 30, 2003.
- Implement the Stockton enhanced bus service in January 2004.

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(8) **PERFORM A VITAL ROLE IN EFFORTS TO IMPROVE AIR QUALITY IN THE SACRAMENTO REGION**

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- Open the South Line (6.3 miles) to Meadowview by September 30, 2003.
- Implement the Stockton enhanced bus service in January 2004.
- Extend light rail from Mather Field to Sunrise by April 2004.
- Complete Downtown Natomas Airport AA/DEIS phases.
- Complete South Line Phase 2 DEIS and PE/FEIS phases.
- Work with the City of Elk Grove to include South Line Phase 3 Corridor recommended alignment in the City of Elk Grove General Plan.
- Complete Regional Rail service implementation plan.
- Support Measure A renewal efforts.

DISTRICT OVERVIEW

Reporting Entity

The Sacramento Regional Transit District (District) is the largest public transportation provider in the Sacramento valley, serving a metropolitan population of over 1 million in a service area of 418 square miles encompassing northern Sacramento County. The District was created by the California State Legislature in 1971. Concurrent with its' creation, the California Legislature enacted the Transit Development Act (TDA), which allocates gasoline tax revenues for funding local transit service.

Service Description

The District provides bus and light rail services 365 days a year. Annual ridership has steadily increased on both the bus and light rail system - from 14 million passengers in 1987, when light rail operations began, to nearly 27.7 million passengers in Fiscal Year ended June 30, 2002. The District's entire bus and light rail system is accessible to the disabled community. Additionally, through its contract with Paratransit, Inc., the District provides door-to-door transportation service for Sacramento area residents who are unable to use fixed-route service. Since 1993, this specialized service has increased over 100 percent.

Bus Transit System: The District operates fixed-route bus service on 77 routes in Sacramento County on weekdays, with a combination of 55 local or base routes and 22 peak-period express routes. Twenty-eight of the local bus routes continue service on weekends and holidays. The peak bus fleet is 192 vehicles, with a total fleet of 225 vehicles. Today the District's bus fleet is comprised of 152 CNG (compressed natural gas) vehicles, 56 diesel buses, 10 diesel vans and 7 gasoline vans. In 2004, RT's entire bus fleet will be converted to 100% CNG buses.

Enhanced Bus Service: Low-cost investments in infrastructure, equipment, operational improvements and technology provide the foundation for significantly improved bus service in high volume areas. Such enhancements provide for significantly faster operating speeds, greater service reliability and increased convenience when implemented in appropriate settings. Stockton Boulevard will be the first corridor for implementation of enhanced bus service in January 2004.

Light Rail Transit System: The light rail system is 20.6 miles with 31 stations: 9 of these offer bus transfer services and 10 have free park-and-ride lots. The system has two “trunkline” corridors, which extend in a radial pattern from the central city parallel to Highway 50 (Folsom Corridor) and Interstate 80 (Northeast Corridor). The system has 15.9 miles of double track and 4.7 miles of single track. Service is provided 365 days a year with a fleet of 36 light rail vehicles from 4:00 a.m. to midnight, seven days a week.

Paratransit System: In addition to fixed route service, the District operates a complementary door-to-door service provided by Paratransit, Inc. The District established a contract with Paratransit, Inc. in 1992. This service complements Regional Transit fixed-route bus and rail service in accordance with the requirements of the Americans with Disabilities Act (ADA). Paratransit, Inc. currently has 58 paratransit vehicles exclusively dedicated to the provision of ADA complementary paratransit service.

Service Enhancements for FY 2004: The South Line extension will add 6.3 miles of track, 7 new stations, 3 park and ride lots and 663,390 service vehicle miles. The Sunrise Light Rail extension will add 3 additional miles of track, another 3 stations and 71,650 vehicle service miles in FY 2004. Work is underway to extend rail service further, by adding an extension to the Amtrak Rail station and into the City of Folsom. Bus service will also expand. Bus service in support of the South Line rail extension will add 246,240 vehicle miles; shuttle service will increase by 41,036 service miles. The downtown circulator shuttle will add 131,320 service miles.

Fleet Increases: RT's rail vehicle fleet will increase by 61 vehicles. Forty (40) CAF cars and 21 VTA cars will be added to our existing fleet of 36. RT's remaining diesel buses (56) will be retired with the arrival of 106 new low floor CNG buses. RT's overall bus fleet will increase by 50 buses.

BUDGET PROCESS SUMMARY

The budget is the primary performance tool used to measure and control accountability of public agencies for taxpayer dollars. The budget communicates to all stakeholders (i.e. elected officials, regional agencies, board members and citizens) how their investment will be put to use by providing detailed information on expenditures and resource allocation. Progress is monitored monthly and revisions are made if necessary to accommodate unplanned requests. Program goals and key performance indicators are established in conjunction with budget requests. The budget document serves as a benchmark against which to evaluate accomplishments and to assess compliance with fiscal accountability.

Strategic Plan Process

While the District has extensive plans for future expansion and improvement of light rail and bus services, it faces significant capital replacement and infrastructure maintenance needs for its existing bus and light rail systems. With constrained and limited resources, it becomes increasingly important to develop a strategic plan which is aligned with the District's vision, goals and key objectives.

The process incorporated the following fundamental steps:

1. Re-examining the District's major goals and objectives (strategic planning process).

2. Developing a FY 2004 Service Plan which meets current and existing commitments and provides the foundation for the District's operating budget proposal, i.e., labor, vehicle, facility requirements.
3. Evaluating the existing capital improvement program (CIP) to ensure it adequately addresses current needs. Recognizing that the District's current CIP does not adequately address all capital programs and projects nor replacement and maintenance needs, efforts are underway to identify and develop a comprehensive CIP which incorporates all existing and future capital programs and projects.
4. Identifying productivity savings, costs reductions and revenue enhancement opportunities.
5. Establishing key performance indicators.
6. Evaluating the organizational structure of the District and implementing an Action Plan to improve overall organizational effectiveness.

Zero-Based Budgeting

The starting point in developing the actual budget is based on the District-wide business plan, which is primarily driven by the service plan and specific program and project initiatives.

A zero-based budgeting methodology was employed in developing the FY 2004 budget. This methodology essentially calls for starting with a clean slate. All Department Heads and Division Managers were required to identify all resources and estimate costs to carry out their department operations.

Resource Identification and Allocation Phase: Balancing the FY 2004 budget was particularly challenging in the current sluggish economic environment. The need to fund additional operating expenses predominately driven by service expansion and dramatically increased insurance costs placed tremendous strain on the District's available revenues.

Major Operational Changes from FY 2003.

- Opening of the 6.3 miles South Line Rail Extension.
- Another year of double digit increases to employee healthcare insurance.
- Significant increases in the District's total liability coverage and associated premiums.
- Significant increases in fuel and traction power cost and projected consumption.
- Increase in the bus fleet and rail fleet size.
- Increase in paratransit service for ADA compliance.

Capital Initiatives

- Technology improvements, including automatic passenger counters, fiber optic transmission and satellite telecommunications systems.
- Enhanced streetside passenger amenity program, i.e., development of a comprehensive bus stop and signage program.
- Acquisition of new light rail vehicles.
- Continued mid-life overhaul of the initial rail fleet.

Ad Hoc Budget and Audit Committee

Regional Transit's Ad Hoc Budget and Audit Committee was involved in the development of the FY 2004 budget. Since January 2003, staff met monthly with the Committee to inform and seek opinion on the development of the FY 2004 Budget.

Key Budget Assumptions on Revenues and Expenses

Revenues

- Farebox +17.5%
- MSA & LTF (sales tax revenues; + 5.3%)
 - Measure A (STA calculations; \$29.5 million)
 - Local Transportation Funds (SACOG calculations); \$32.6 million

- New Revenue
 - Downtown Circulator Shuttle \$1.7 million
 - Folsom MSA (restricted to South Line Operations) \$7.7 million
- Federal Formula + 5.9%
- FY03 Budget carry forward \$2,000,000.

Expenses

- Significant Transit Service Expansion in FY 2004
- Labor
 - Negotiated 3% COLA and step increases
 - Addition of 58 FTEs
- Medical 18% increases in employee health care costs.
- Fuel and Traction Power
 - CNG (+ \$1.1 million)
 - Traction (+ 1.2 million)
- Insurance (+ \$3.5 Million)
 - \$100 million excess liability coverage (+ \$2.65 million)
 - Other casualty and liability insurance (+ \$863,095)
- Police/Security (+ 619,000)
 - + 8 Police officers (34% increase)
 - Security
- ADA/ Paratransit, Inc. (+ \$984,000)
- Productivity Savings
 - Employee Availability (\$1 million savings)
 - Accident Reduction (\$500,000 savings)
 - Nonproductive Service Elimination (\$427,000 savings)

Adoption/Implementation Phase

The proposed Budget is submitted to the Regional Transit Board of Directors in April to open a required 60-day public review period. Following this action, a public hearing is held in May to accept public comment on the proposed budget. In June the public hearing is closed and staff presents the budget for Board adoption.

SACRAMENTO REGIONAL TRANSIT DISTRICT FISCAL YEAR 2004 BUDGET PREPARATION CALENDAR

September 2002

Initiate capital budget development; conduct capital budget strategy session with Capital Programming Committee; distribute call for capital project nominations

January 2003

Expenditure outlook presented to Senior Staff; close operating budget preparation process; summarize submitted operating budgets from all departments and units; Board adopts preliminary capital budget for submittal of Measure A Expenditure Plan

October 2002

Conduct budget strategy meeting with Senior Staff for direction on budget development; present revenue outlook for the development of the capital budget

February 2003

Review submitted operating budgets with Senior Staff and respective department/units

November 2002

Present revenue and expenditure outlook for the development of the operating budget; Capital Programming Committee reviews and scores nominated capital projects; present preliminary draft capital budget to Senior Staff

March 2003

Budget staff presents the draft Operating Budget and Preliminary Capital Budget to the Board's Ad Hoc Budget Committee

December 2002

Develop and distribute operating budget preparation package to the respective departments and units. Operating budget preparation begins

April 2003

Draft budget is released for 60 day public review



May 2003
A Public Hearing is opened and held to accept public comment on the proposed budget

June 2003
Public hearing closed, and staff presents the budget for Board adoption

July 2003
The Adopted Capital and Operating Budget is established as the official operating plan for the new fiscal year

July 2003 - January 2004
RT submits federal, state, and local grant applications based on Adopted Capital and Operating Budgets

June-July 2003
Measure A Expenditure Plan, TDA Claims approved and funds available for drawdown

January 2004 - June 2004
FTA processing/approval of federal grant applications



FUNDING SOURCES

As described in the budget document, the District begins its budgetary process by estimating funding for the next fiscal year. In accordance with established policy, Board direction and regulatory restrictions, these funding sources are allocated between capital and operating expenses. As shown in Exhibit A, Measure A is the largest flexible funding source, which is allocated between capital and operating expenses.

Fiscal Year 2004 Revenue Projections

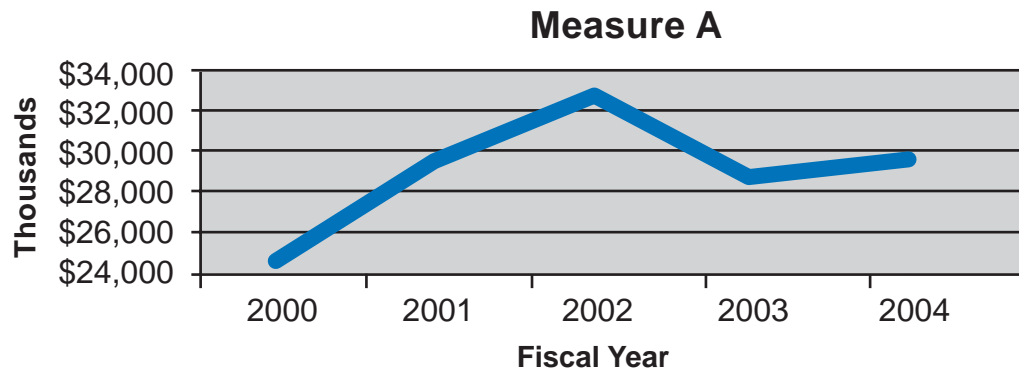
Funding Source	Total	Operating	Capital
Local			
Measure A (1)	\$ 29,500,295	\$ 25,031,177	\$ 4,469,118
TDA-LTF	32,881,524	32,881,524	0
TDA-STA	2,136,814	0	2,136,814
Farebox (Cash/FPP)	24,000,000	24,000,000	0
Contracted Services – EG* & CH	5,813,466	5,813,466	0
Special Services (TMP, CSUS, Shuttles)	2,060,000	2,060,000	0
Central City Annual Pass	1,700,000	1,700,000	0
Folsom Measure A – South Line	7,700,000	7,700,000	0
Federal			
Section 3037 Access to Jobs	1,000,000	1,000,000	0
Section 5303 Planning	50,000	50,000	0
Section 5307 Formula (2003)	7,921,682	7,921,682	0
Section 5307 Formula (2004)	8,389,061	921,960	7,467,101
Section 5309 Fixed Guideway	3,571,880	0	3,571,880
CMAQ/STP/TE	655,000	655,000	0
Other			
Advertising	855,470	855,470	0
Investments	1,000,000	1,000,000	0
Developer Fees	7,758,204	0	7,758,204
Commercial	800,000	800,000	0
FY03 Operating Budget Carryforward	2,000,000	2,000,000	0
TOTAL	\$139,793,396	\$114,390,279	\$ 25,403,117

(1) Assumes 82/18 split of Measure A between Operating and Capital.

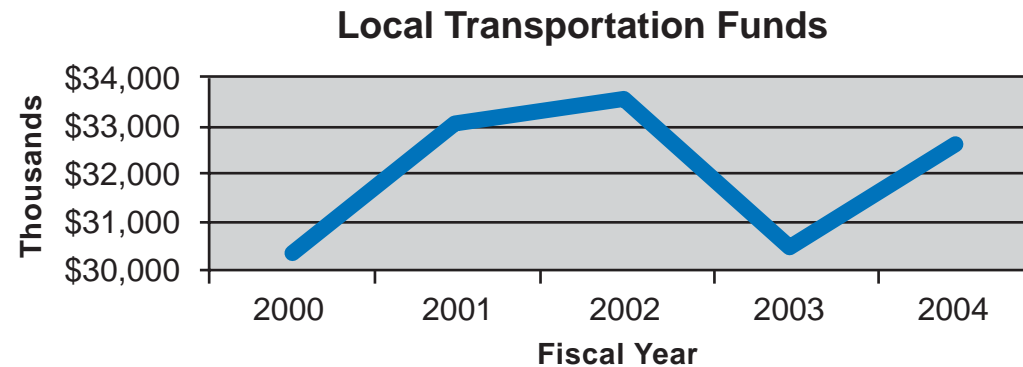
A detailed description of local, state and federal funding sources, uses of funds and fund equity is provided below:

State and Local Funding Sources

Measure A Sales Tax: A county-wide one-half cent sales tax for transportation improvements collected by the State Board of Equalization and administered locally through the Sacramento Transportation Authority. The District currently receives approximately one-third of the revenues from this one-half cent levy (i.e. 1/6 cent). The remaining two-thirds of Measure A revenue is used to fund street and highway improvements and Paratransit, Inc. service in the Sacramento County area. This tax was authorized by the voters of Sacramento County in 1988 and imposes the one-half cent sales tax increases for a twenty-year period. Measure A will expire in 2008 unless it is renewed by the voters. Measure A is a flexible funding source that can be used for either operating or capital expenses.



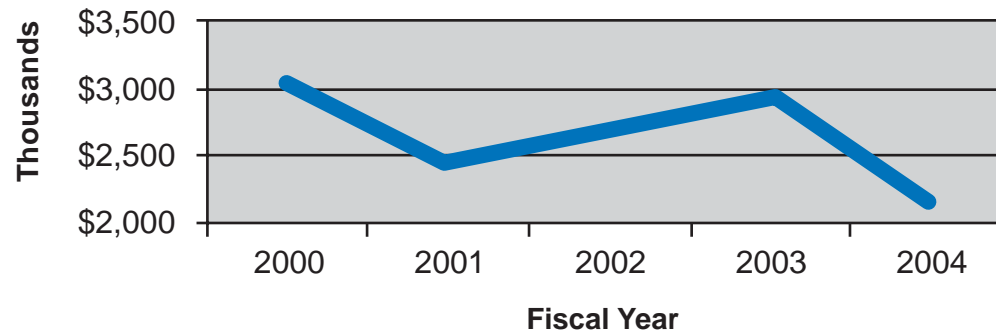
Local Transportation Fund: A one-quarter cent sales tax, which is also collected by the State Board of Equalization but administered locally through the Metropolitan Planning Organization (MPO) – Sacramento Area Council of Governments (SACOG). The one-quarter cent program is based on the Local Transportation Fund component of the Transportation Development Act (TDA). TDA provides that one-quarter cent of the State's current 7.25% sales tax is allocated for transit purposes. Local Transportation Funds (LTF) are the District's largest source of revenue and are distinct from revenues derived from the local Measure A sales tax. LTF is a flexible funding source that can be used for either operating or capital expenses.



County Developer Fees: The fee is levied against new development and can only be used for capital projects within each of the districts in which it is collected. These revenues are collected via the County of Sacramento. The purpose of the fee is to have new development share the cost of providing public services required to respond to increased traffic congestion and diminished air quality. The level of revenue fluctuates from year-to-year depending on development activity.

State Transit Assistance Program: *The only available source of state funds that can be used for operating assistance is the State Transit Assistance (STA) Program. Under the STA program, a portion of gasoline sales tax revenues is appropriated by the State Legislature to the State Transportation Planning and Development Account for transportation planning and mass transportation purposes. STA funds are allocated to the region based upon two factors: (1) 50% of the funds on the basis of population and (2) 50% of the funds on the basis of operator (fare) revenues for the prior fiscal year. Within the SACOG region, the revenue-basis funds are allocated among transit agencies on the same basis (fare revenues) to all transit operators. The population-basis funds are considered discretionary funds and may be allocated not only to fixed-route transit services, but also to paratransit, regional coordination and demonstration projects and to support unmet capital and operating needs.*

State Transit Assistance



Federal Funding Sources

Formula Funds: Section 5307 funds are appropriated annually by Congress to transit agencies based upon population served and the amount of transit service provided. FTA allows the District flexibility to use these funds either for capital projects or for bus and rail vehicle maintenance. FTA also allows up to 10% of the formula funds to be used to fund paratransit service to disabled persons.

Fixed Guideway Modernization: This program provides annual Section 5309 funding to upgrade and improve the District's light rail vehicles, stations and maintenance equipment.

Federal New Starts Funds: The New Starts program authorizes funding for fixed guideway projects, such as light rail extensions. Although funds for projects are actually appropriated on an annual basis, the authorization represents Congress' intent to fund the federal share of these projects during the authorization period. RT received New Start funds to extend light rail to Meadowview Road in South Sacramento.

Federal Bus Discretionary Funds: The Bus Discretionary Program is comprised of funds earmarked by Congress for bus vehicle and facility project. RT has received approximately \$1 million annually from this program since 1998.

SECTION ONE

FY 2004 OPERATING BUDGET PROPOSAL

PROPOSED FY 2004 OPERATING BUDGET

Total funding for the District's FY 2004 Operating Budget is \$114.3 million. The revenue sources allocated to support this plan are noted below. The expenses described herein represent a 17.52% increase over last year's budget. Forty percent (40%) of the cost increases are due to the September 2003 opening of the South Line Light Rail service to Meadowview (6.3 miles) and the extension of rail service from Mather Field to Sunrise in April 2004 (3 miles). Other significant contributing factors include increased bus and paratransit service, as well as increased costs related to labor, utilities, general liability insurance and employee health care premiums.

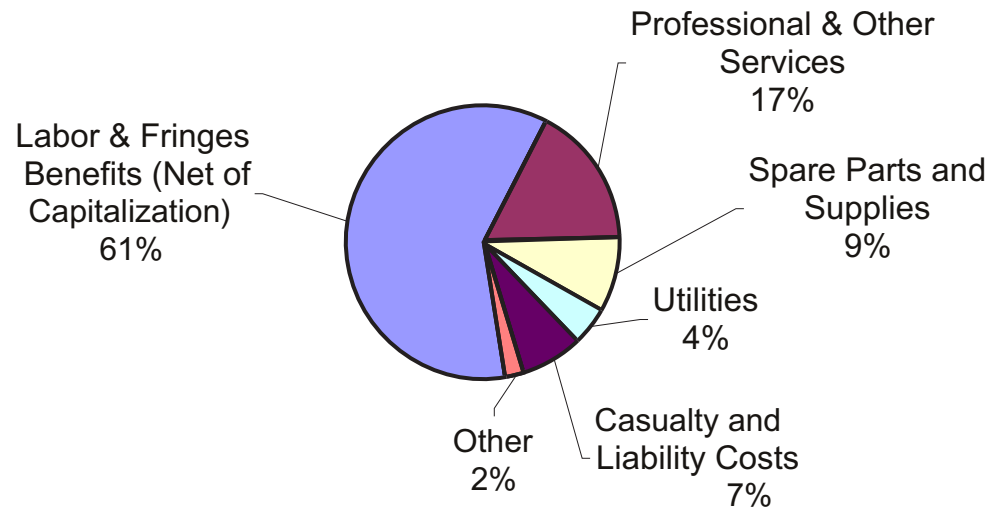
Funding Sources

Fare Revenue	\$24,000,000
Contracted Services	9,573,466
State and Local Funding	57,912,701
South Line (Folsom Measure A)	7,700,000
Federal Funding	10,548,642
Investment Income	1,000,000
Other	<u>3,655,470</u>
Total Revenues	<u>\$114,390,279</u>

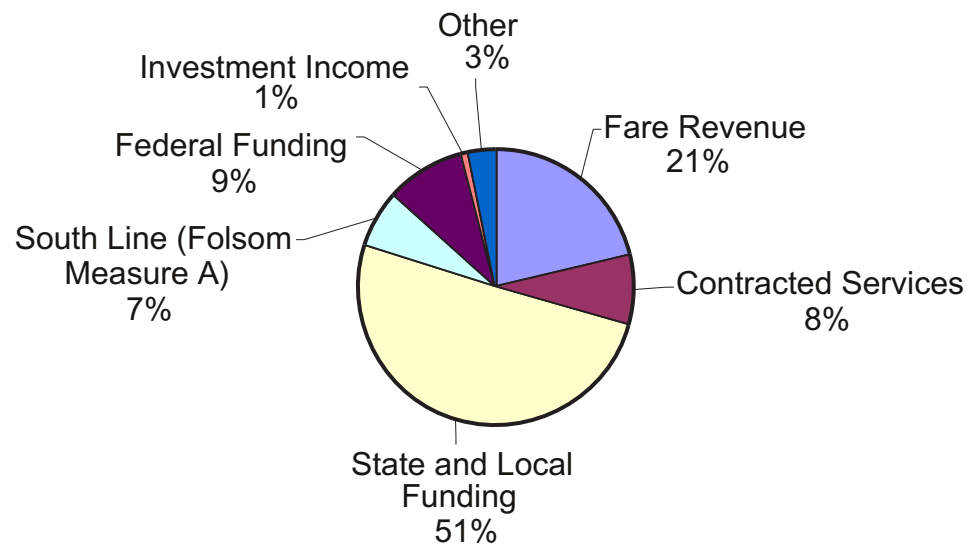
Proposed Expenses

Labor/Fringes/Benefits (Net of Capitalization)	\$69,117,120
Professional & Other Services	19,125,701
Spare Parts and Supplies	10,420,504
Utilities	5,057,625
Casualty and Liability Costs	8,091,094
Other	<u>2,578,235</u>
Total Expenses	<u>\$114,390,279</u>

FY 2004 Expenses

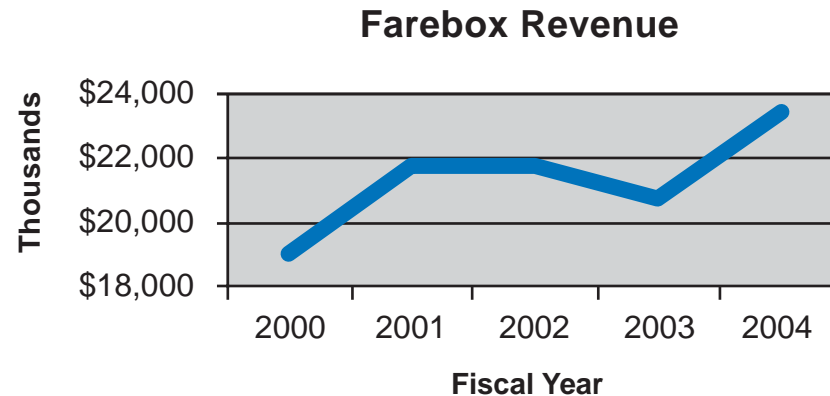


FY 2004 Revenues



Description of Funding Sources

Fare Revenue: Fare revenue includes fare receipts collected from monies deposited in the farebox by riders and through the sale of tickets and passes to the public.

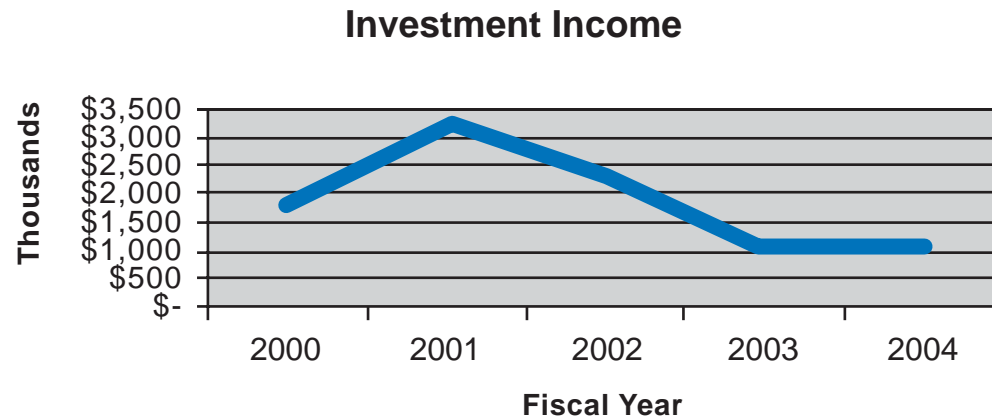


Contracted Services Revenue: Revenues negotiated with external entities for transportation services. Major service agreements include neighborhood shuttles to Carmichael and Del Paso Heights, City of Elk Grove, City of Citrus Heights and the Raley Field/River Cats shuttle service.

State and Local Funding: Funds derived from sales taxes collected within Sacramento County by the State of California and returned back to the county for transit programs based on established formulas.

Federal Funding: Funding is subject to an annual appropriation by Congress and administered by the Federal Transit Administration. The monies can be used for operating, planning and capital projects, but are subject to specific guidelines and regulations.

Investment Income: Revenue derived from investing available funds.



Other: This revenue is derived from a variety of activities - commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities.

Description of Operating Expenses

Labor/Fringes/Benefits: This category includes payroll costs associated with all full-time and part-time positions authorized by the Board of Directors. The District has three contractual labor agreements: Amalgamated Transit Union (ATU), International Brotherhood of Electrical Workers (IBEW) and Administrative Employees Association (AEA). This category accounts for wages, overtime, FICA, pension, post-retirement benefits, workers' compensation, dental, hospital and vision care.

Professional and Other Services: Includes legal fees, consultant costs, temporary help, maintenance agreements for upkeep of bus and light rail stations and other specialized professional services. This category also includes the support services to Paratransit, Inc., in compliance with the Americans with Disabilities Act (ADA), to provide and extend service to the disabled community.

Spare Parts and Supplies: Includes general office supplies, printing materials, cleaning supplies, bus/light rail parts and small maintenance tools and equipment. The District's capitalization threshold is \$1,000 and above.

Utilities: Utilities include electricity, water, gas, refuse and telephone expenses for the bus, light rail and administrative facilities of the District.

Casualty and Liability Costs: The District is self-insured on general liability and workers' compensation, however, the District purchases excess commercial insurance for amounts in excess of self-insured amounts. This category includes insurance premiums, claim expenses and attorney costs.

Other: Other expenditures include travel and training, seminars, dues and subscriptions, and other expenditures that cannot be classified as any of the foregoing categories. It also includes building and equipment leases.

COMPARATIVE ANALYSIS OF FUNDING

FY 2004 PROPOSED BUDGET TO FY 2003 BUDGET

Funding Source	FY 2004 Budget	FY 2003 Budget	Difference	% Change
Local				
Measure A	\$ 29,500,295	\$ 28,641,064	\$ 859,231	3.0%
TDA-LTF (3)	32,881,524	30,479,489	2,402,035	7.8%
TDA-STA	2,136,814	2,600,000	(463,186)	-17.8%
Farebox (Cash/FPP)	24,000,000	22,000,000	2,000,000	9.0%
Contracted Services *	5,813,466	5,458,445	355,021	6.5%
Special Services (TMP, CSUS, Shuttles)	2,060,000	2,000,000	60,000	3.0%
Central City Annual Pass	1,700,000	1,400,000	300,000	21.4%
South Line Measure A	7,700,000	0	7,700,000	100%
Federal				
Section 3037 Access to Jobs	1,000,000	550,000	450,000	81.8%
Section 5303 Planning	50,000	50,000	-	0.0%
Section 5307 Formula (2003)	7,921,682	7,711,331	210,351	2.7%
Section 5307 Formula (2004)	8,389,061	7,921,682	467,379	5.9%
Section 5309 Fixed	3,571,880	3,401,790	170,090	5.0%
Guideway				
CMAQ/STP/TE	655,000	655,000	-	0.0%
Other				
Advertising	855,470	777,000	78,470	10.1%
Investments	1,000,000	1,700,000	(700,000)	-41.2%
Developer Fees**	7,758,204	2,077,000	5,681,204	273.5%
Commercial	800,000	800,000	-	0.0%
FY 03 Operating Budget carry forward	2,000,000	0	2,000,000	100%
TOTAL	\$ 139,793,396	\$ 118,222,801	\$ 21,570,595	18.2%

* Elk Grove and Citrus Heights

** Developer fee spending is restricted to capital projects in developer fee districts identified in countywide developer fee ordinances.



COMPARATIVE ANALYSIS OF EXPENSES

Account Description	FY 2004 Budget	FY 2003 Budget	\$ and % change from FY 2003	
Labor & Fringe	\$ 69,117,120	\$ 61,532,405	\$ 7,584,715	12.3%
Professional & Contract Services	19,125,701	16,514,867	2,610,834	15.8%
Materials & Supplies	10,420,504	8,536,010	1,884,494	22.0%
Utilities	5,057,625	3,998,200	1,059,425	26.5%
Casualty & Liability	8,091,094	4,562,933	3,528,161	77.3%
Other	2,578,235	2,192,014	386,221	17.6%
TOTAL	<u>\$114,390,279</u>	<u>\$ 97,336,429</u>	<u>\$17,053,850</u>	17.52%

Explanation of Changes

Labor and Fringes: Labor and fringe benefit costs are up \$7.6 million or 12.3% over the budgeted expenses for FY 2003. FY 2004 new positions are \$2.8 million, fully realized annual costs of mid-year additions are \$2.5 million, previously negotiated and authorized contract salary increases to existing staff are \$2.8 million and medical cost increases are \$1.3 million. Cost savings initiatives to reduce labor by \$1.6 million have been budgeted.

The key factors contributing to this increase are as follows:

- Addition of 52 new full-time positions at a cost of \$2.8 million dollars for the 2004 fiscal year. Sixteen (16) of the new positions, (\$1.0 million) and 35 fully funded positions from the mid-year budget adjustment (\$1.4 million), are directly related to the South Line and Sunrise rail service expansion. Nine (9) positions for station cleaners (\$300, 548) replace an existing contract for these services. Ten (10) operators (\$242,190) have been added for bus enhancement to support the South Line rail extension. Seventeen (17) new positions have been added at a cost of \$790,000 to strengthen other departments. Additionally, five new positions were authorized at the May 12, 2003 Board meeting at a cost of approximately \$700,000 in fiscal year 2004.

- Salary increases based on negotiated labor agreements with the ATU, IBEW unions and AEA.
- Employee health care and workers compensation insurance premiums have increased dramatically in the past several years. The cost of health care benefits is projected to increase 18% over fiscal year 2003.

Professional and Other Services: Professional services are projected to increase by 15.8%. This increase is primarily attributable to the following:

- The District is contracting for services to assist with federal lobbying/advocacy efforts, joint development projects, computer conversion implementation, planning, legal services and promotional efforts.
- The contracted service with Paratransit, Inc. will provide ADA passenger service at a projected cost of \$7.8 million (13% increase).
- The Operations Division outsourcing activities account for 37% or \$6.8 million of this category. The outsourcing activities range from light rail station cleaning, custodial services, police security, landscape maintenance, machine shop work, machine repairs and rebuilds and light rail vehicle repairs. Police and security services will increase \$619,848 (16.8%) above FY 2003 expenditures. [NOTE: A 3-year COPS grant agreement nets RT an annual savings of \$390,000 against the expense of 8 additional uniformed officers (34% increase). When the grant expires, RT must retain and pay these 8 officers for a minimum of one year.]

Materials and Supplies: This expense category includes bus and light rail service parts, tools, cleaning supplies, CNG bus fuel, gasoline for service equipment, maintenance and office equipment and supplies. Nearly 50% of the 22.08% increase is due to the price increase of CNG fuel. CNG per therm cost for March 2002 was \$.24 rising to almost double at \$.54 per therm in February 2003. Parts to support the 17.8% increase in fleet size makes up the balance of the increase.

RT will add 50 CNG buses to its fleet in fiscal year 2004. RT's rail fleet will increase by 169.4%, or 61 vehicles (i.e., 40 new CAF cars and 21 VTA cars).

Utilities: Four percent (4%) of the increase in utilities is inflationary. This category contains \$3.2 million of power costs in support of the light rail system. The traction power expense increase directly related to the South Line Rail extension is estimated at \$1.2 million. Another major component of this line item is the telephone and internet system of the District, which has a budget of approximately \$365,750. The remainder of the budget, \$1.65 million provides electricity, gas, water and funding support for other utility functions in the District.

Casualty and Liability Costs: Insurance premiums continue to reflect the effects of September 11, 2001. Significant increases are again expected for fiscal year 2004. Broker quotes have indicated that insurance rates will increase dramatically in FY 2004. Excess liability for \$100 million coverage is still being negotiate. Layers of insurance are being acquired. It is estimated that total premiums will be \$3.43 million (+ \$2.66 million, or 347% increase over FY 2003 actuals). Other insurance coverage includes employment practices \$380,113 (62% over FY 2003 actuals). Excess workers compensation \$690,933 (307% over FY 2003 actuals), property premiums \$471,403 (21% over FY 03 actuals), additional ancillary insurances \$7,696 (25% over FY 2003 actuals).

Contingency & Other: There is no significant budgetary increase in this expense category, which includes taxes, dues & subscriptions, bad debt, freight charges, road expense, advertising, SAR services, training, legal notices, meeting, seminars and conferences. This expense category also contains a General Manager's operating contingency of \$635,588.

Sacramento Regional Transit District

FY 2004 Operating Budget

District-Wide

	FY 2004 Proposed Budget	FY 2003 Budget	Difference	% Change
General Manager/CEO				
General Manager	\$ 1,901,506	\$ 2,311,997	\$ (410,491)	-17.8%
Chief of Staff	\$ 137,685	\$ -	\$ 137,685	100%
Quality Assurance	\$ 103,837	\$ -	\$ 103,837	100%
Board of Directors	\$ 71,200	\$ 166,590	\$ (95,390)	-57.26%
Division Total	\$ 3,199,831	\$ 2,478,587	\$ 721,244	29.10%
Legal	\$ 1,290,988	\$ 796,153	\$ 494,835	62.2%
Facilities Management				
Chief of Facilities Mgmt	\$ 137,685	\$ -	\$ 137,685	100%
Safety Unit	\$ 455,239	\$ 289,022	\$ 166,217	57.50%
Facilities Management	\$ 7,610,373	\$ 6,274,106	\$ 1,336,267	21.3%
Property Management	\$ 16,624	\$ 13,901	\$ 2,723	19.6%
Division Total	\$ 8,219,921	\$ 6,577,029	\$ 1,642,892	25.0%
Operations				
Chief Operating Officer	\$ 626,475	\$ 621,977	\$ 4498	.7%
Transportation	\$ 29,047,490	\$ 27,975,927	\$ 1,071,563	3.8%
Maintenance	\$ 15,105,569	\$ 12,958,433	\$ 2,147,136	16.6%
Light Rail	\$ 18,568,527	\$ 14,279,088	\$ 4,289,439	30%
Police Services	\$ 5,189,411	\$ 4,481,841	\$ 707,570	14.6%
Purchased Transportation	\$ 7,909,203	\$ 6,900,000	\$ 1,009,203	14.6%
Division Total	\$ 76,446,675	\$ 67,217,266	\$ 9,229,409	13.7%

	FY 2004 Proposed Budget	FY 2003 Budget	Difference	% Change
Administration				
Chief Administrative Office	\$ 216,427	\$ 318,271	\$(101,844)	-32.0%
Human Resources	\$ 1,535,154	\$ 1,364,995	\$ 170,159	12.5%
HR - Training Unit	\$ 1,044,038	\$ 769,790	\$ 274,248	35.6%
HR - Claims Unit	\$ 8,429,546	\$ 5,241,341	\$ 3,188,205	60.8%
Employee Relations	\$ 493,377	\$ 359,323	\$ 134,054	37.3%
Information Systems	\$ 1,196,913	\$ 1,226,375	\$ (29,462)	-2.4%
EEO	\$ 219,070	\$ 156,644	\$ 62,426	39.9%
Procurement	\$ 1,926,800	\$ 1,737,298	\$ 189,502	10.9%
Accessible Services Unit	\$ 724,998	\$ 508,738	\$ 216,260	42.5%
Division Total	\$15,786,323	\$11,682,775	\$4,103,548	35.1%
Engineering				
Dir of Engineering	\$ 179,735	\$ 113,573	\$ 66,162	58.3%
Systems Engineering	\$ 214,952	\$ 217,186	\$ (2,234)	-1.0%
Civil & Track Engineering	\$ 301,666	\$ 175,815	\$ 125,851	71.6%
Program Control	\$ 384,604	\$ 363,557	\$ 21,047	5.8%
Project Management	\$ 317,897	\$ 173,761	\$ 144,136	83.0%
Environmental Engineering	\$ 19,891	\$ 17,149	\$ 2,742	16.0%
Division Total	\$ 1,418,745	\$ 1,061,041	\$ 357,704	33.7%
Finance				
Chief Finance Officer	\$ 144,220	\$ -	\$ 144,220	100%
Finance	\$ 2,574,632	\$ 2,335,867	\$ 238,765	10.2%
Business Analysis	\$ 374,153	\$ 303,351	\$ 70,802	23.3%
Division Total	\$ 3,093,005	\$ 2,639,218	\$ 453,787	17.2%

	FY 2004 Proposed Budget	FY 2003 Budget	Difference	% Change
<i>Planning</i>				
Asst. GM of Planning	\$ 180,420	\$ 169,930	\$ 10,490	6.2%
Strategic Planning	\$ 205,608	\$ 185,917	\$ 19,691	10.6%
Real Estate Unit	\$ 521,799	\$ 466,290	\$ 55,509	11.9%
Planning	\$ 1,866,778	\$ 1,342,381	\$ 524,397	39.1%
Division Total	\$ 2,774,605	\$ 2,164,518	\$ 610,087	28.2%
<i>Marketing & Public Relations</i>				
Asst. GM of Marketing & PR	\$ 137,685	\$ -	\$ 137,685	100%
Marketing	\$ 57,818	\$ -	\$ 57,818	100%
Public Information	\$ 1,209,649	\$ 1,116,574	\$ 93,075	8.3%
Customer Relations	\$ 1,740,636	\$ 1,603,269	\$ 137,367	8.6%
Division Total	\$ 3,145,788	\$ 2,719,843	\$ 425,945	15.7%
DISTRICT TOTAL	\$114,390,279	\$97,336,429	\$17,053,850	17.52%

Operating Expenses	FY2004 Proposed Budget	FY2003 Budget	Difference	% Change
General Manager/CEO				
11 General Manager				
Labor & Fringes	414,528	1,032,316	-617,788	-59.8%
Services	654,000	326,999	327,001	100.00%
Supplies	8,000	75,600	-67,600	-89.4%
Other Expenses	<u>824,978</u>	<u>877,082</u>	<u>-52,104</u>	<u>-5.9%</u>
Department Total	\$1,901,506	\$2,311,997	\$ 410,491	17.8%
14 Board of Directors				
Services	61,000	156,090	-95,090	-60.92%
Supplies	4,000	4,500	-500	-11.11%
Other Expenses	<u>6,200</u>	<u>6,000</u>	<u>200</u>	<u>3.33%</u>
Department Total	\$ 71,200	\$ 166,590	(\$ 95,390)	-57.26%
17 Chief of Staff				
Labor & Fringes	137,685	0	0	100%
18 Quality Assurance				
Labor & Fringes	103,837	0	0	100%
DIVISION TOTAL	\$2,214,228	\$2,478,587	\$-264,359	10.7%

Operating Expenses	FY2004 Proposed Budget	FY2003 Budget	Difference	% Change
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Legal

61 Chief Legal

Labor & Fringes	1,060,488	542,088	518,400	95.6%
Services	177,500	207,280	-29,780	-14.4%
Supplies	42,500	44,725	-2,225	-5.0%
Other Expenses	<u>10,500</u>	<u>2,060</u>	<u>8,440</u>	<u>409.7%</u>
DIVISION TOTAL	\$ 1,290,988	\$796,153	\$494,835	62.2%

Facilities Management

21 Chief of Facilities Management

Labor & Fringes	137,685	0	137,685	100%
Department Total	\$ 137,685	\$ 0	\$ 137,685	100%

44 Safety Unit

Labor & Fringes	240,239	153,712	86,527	56.3%
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Operating Expenses	FY2004 Proposed Budget	FY2003 Budget	Difference	% Change
Services	177,000	74,310	102,690	138.2%
Supplies	26,000	61,000	-35,000	-57.4%
Other Expenses	12,000	0	12,000	100%
Department Total	\$ 455,239	\$2 89,022	\$ 166,217	57.5%

37 Facilities Management

Labor & Fringes	2,226,801	1,658,237	568,564	34.3%
Services	1,852,500	1,675,000	177,500	10.6%
Supplies	482,500	418,053	34,447	8.2%
Utilities	2,014,250	2,038,200	-23,950	-1.18%
Leases & Freight	832,322	474,553	357,769	75.39%
Other Expenses	232,000	10,063	221,937	2205.48%
Department Total	\$7,610,373	\$6,274,106	\$ 1,336,267	21.3%

28 Property Management

Labor & Fringes	16,624	15,852	772	4.9%
DIVISION TOTAL	\$8,219,921	\$6,577,029	\$ 1,642,892	25.0%

Operating Expenses	FY2004 Proposed Budget	FY2003 Budget	Difference	% Change
Operations				
31 Chief Operating Officer				
Labor & Fringes	5550,475	537,977	12,498	2.3%
Services	25,000	30,000	-5,000	-16.7%
Supplies	8,000	14,000	-6,000	-42.9%
Other Expenses	43,000	40,000	3,000	7.50%
Department Total	\$ 626,475	\$ 621,977	\$ 4,498	.7%
32 Transportation				
Labor & Fringes	28,762,990	27,737,427	1,025,563	3.7%
Services	240,000	179,500	60,500	33.70%
Supplies	13,000	36,500	-23,500	-64.4%
Other Expenses	31,500	22,500	9,000	40.0%
Department Total	\$29,047,490	\$27,975,927	\$ 1,071,563	3.8%
34 Maintenance				
Labor & Fringes	7,865,860	7,207,358	658,502	9.1%
Services	642,000	326,488	315,513	96.6%
Supplies	6,514,209	5,281,887	1,232,322	23.3%
Insurances	0	0	0	0.00%

Operating Expenses	FY2004 Proposed Budget	FY2003 Budget	Difference	% Change
Taxes	50,000	108,500	-58,500	-53.92%
Other Expenses	33,500	34,200	-700	-2.0%
Department Total	\$ 15,105,569	\$12,958,433	\$2,147,136	16.6%

35 Light Rail

Labor & Fringes	13,453,652	10,219,073	3,234,579	31.7%
Services	105,500	387,950	-282,450	-72.81%
Supplies	1,875,000	1,623,840	251,160	15.53%
Utilities	3,043,375	1,960,000	1,083,375	55.27%
Insurances	0	0	0	0.00%
Leases & Freight	12,000	10,225	1,775	17.36%
Other Expenses	79,000	78,000	1,000	0.00%
Department Total	\$ 18,568,527	\$14,279,088	\$4,289,439	30.0%

36 Police Services

Labor & Fringes	876,563	793,841	82,722	10.4%
Services	4,307,848	3,688,000	619,848	16.81%
Supplies	5,000	0	5,000	100%
Department Total	\$ 5,189,411	\$ 3,688,000	\$ 707,570	19.18%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
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38 Purchase Transportation

Services	7,909,203	6,900,000	1,009,203	14.6%
DIVISION TOTAL	\$ 76,446,675	\$67,217,265	\$ 9,229,410	13.7%

Administration

41 Chief Administrative Officer/EEO

Labor & Fringes	152,927	126,291	26,636	21.1%
Services	1,500	118,920	-117,420	-98.7%
Insurances	5,500	51,060	-45,560	-89.2%
Other Expenses	56,500	22,000	34,500	156.82%
Department Total	\$ 216,427	\$ 318,271	-\$ 101,844	-32.0%

Operating Expenses

Proposed Budget

FY2004
BudgetFY2003
Difference

% Change

42 Human Resources

Labor & Fringes	1,076,004	841,840	234,164	27.8%
Services	336,550	283,350	53,200	18.8%
Supplies	27,350	157,155	-129,805	-82.6%
Insurances	0	0	0	0.00%
Other Expenses	95,250	82,650	12,600	15.2%

Department Total

\$ 1,535,154

\$ 1,364,995

\$ 170,159

12.5%

46 HR - Training Unit

Labor & Fringes	712,038	550,314	161,724	29.4%
Services	0	0	0	0.00%
Supplies	15,000	103,350	-88,350	-85.5%
Other Expenses	317,000	116,126	200,874	173.0%

Department Total

\$ 1,044,038

\$ 769,790

\$ 274,248

35.6%

47HR - Claims Unit

Labor & Fringes	273,452	636,468	-368,016	-57.0%
Services	120,000	0	120,000	100%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
Insurances	7,986,094	4,511,873	3,474,221	70.0%
Other Expenses	50,000	93,000	-43,000	-46.24%
Department Total	\$8,429,546	\$5,241,341	\$3,188,205	60.8%

43 Employee Relations

Labor & Fringes	247,222	189,823	57,399	30.2%
Services	221,000	161,500	59,500	36.84%
Supplies	5,000	6,000	-1,000	-16.7%
Other Expenses	20,155	2,000	18,155	907.8%
Department Total	\$ 493,377	\$ 359,323	\$ 134,054	37.3%

76 Information Systems

Labor & Fringes	754,913	833,442	-78,529	-9.4%
Services	391,600	383,933	7,667	2.00%
Supplies	50,400	9,000	41,400	460.00%
Department Total	\$1,196,913	\$1,226,375	(\$ 29,462)	-2.4%

Operating Expenses

Proposed Budget

FY2004
BudgetFY2003
Difference

% Change

12 EEO

Labor & Fringes	168,600	154,624	13,976	9.0%
Services	31,000	0	31,000	100%
Supplies	1,500	2,020	-520	-25.7%
Other Expenses	17,970	0	17,970	100%

Department Total

\$ 219,070

\$ 156,644

\$ 62,426

39.9%

88 Procurement

Labor & Fringes	1,732,800	1,475,998	256,802	17.4%
Services	90,000	156,000	-66,000	-42.31%
Supplies	75,500	87,000	-7,500	-8.62%
Leases & Freight	22,000	15,800	6,200	39.24%
Other Expenses	6,500	2,500	4,000	160%

Department Total

\$1,926,800

\$1,737,298

\$189,502

10.9%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
86 Accessible Services Unit				
Labor & Fringes	452,498	427,173	25,325	5.9%
Services	260,000	67,000	193,000	288.1%
Supplies	9,000	11,565	-2,565	-22.2%
Other Expenses	3,500	3,000	500	16.7%
Department Total	\$ 724,998	\$ 508,738	\$ 216,260	42.5%
DIVISION TOTAL	\$15,786,323	\$11,682,775	\$4,103,548	35.1%

Engineering

51 Dir. of Engineering and Construction

Labor & Fringes	91,735	62,073	29,662	47.8%
Services	55,000	30,000	25,000	83.33%
Supplies	5,000	1,500	3,500	233.33%
Other Expenses	28,000	20,000	8,000	40.0%
Department Total	\$ 179,735	\$ 113,573	\$ 66,162	58.3%

Operating Expenses

Proposed Budget

FY2004
BudgetFY2003
Difference

% Change

52 Systems Engineering

Labor & Fringes	200,952	213,686	-12,734	-6.0%
Supplies	10,000	1,500	8,500	566.7%
Other Expenses	4,000	2,000	2,000	100%
Department Total	\$214,952	\$217,186	(\$ 2,234)	-1.0%

53 Civil & Track Engineering

Labor & Fringes	298,166	170,515	127,651	74.9%
Supplies	1,500	2,800	-1,300	-46.43%
Other Expenses	2,000	2,500	-500	-20.00%
Department Total	\$301,666	\$175,815	\$125,851	71.6%

54 Program Control

Labor & Fringes	281,104	286,057	-4,953	-1.7%
Supplies	100,000	74,500	25,500	34.2%
Other Expenses	3,500	3,000	500	16.7%
Department Total	\$384,604	\$363,557	\$ 21,047	5.8%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
56 Project Management				
Labor & Fringes	268,897	168,261	100,636	59.8%
Services	25,000	0	25,000	100%
Supplies	20,000	2,500	17,500	700%
Other Expenses	4,000	3,000	1,000	33.33%
Department Total	\$ 317,897	\$ 173,761	\$ 144,136	83.0%
57 Environmental Engineering				
Labor & Fringes	19,891	17,149	2,742	16.0%
	\$1,418,745	\$1,061,041	\$ 357,704	33.7%
Finance				
23 Chief Financial Officer				
Labor & Fringes	144,220	0	144,220	100%
Department Total	\$ 144,220	\$ 0	\$144,220	100%

Operating Expenses

	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
45 Finance				
Labor & Fringes	1,891,292	1,630,968	260,324	16.0%
Services	347,000	377,858	-30,858	-8.2%
Supplies	242,000	305,041	-63,041	20.7%
Other Expenses	94,340	22,000	72,340	328.8%
Department Total	\$2,574,632	\$2,335,867	\$238,765	10.2%
71 Business Analysis				
Labor & Fringes	298,653	229,851	68,802	29.9%
Services	59,000	59,000	0	0.00%
Supplies	3,000	5,000	-2,000	-40.00%
Other Expenses	13,500	9,500	4,000	42.1%
Department Total	\$ 374,153	\$ 303,351	\$ 70,802	23.3%
	\$3,093,005	\$2,639,218	\$453,787	17.2%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
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Planning

24 Asst. GM of Planning & Transit System Development

Labor & Fringes	149,520	142,496	7,024	4.9%
Services	1,000	0	1,000	100%
Supplies	5,800	6,834	-1,034	-15.1%
Other Expenses	24,100	20,600	3,500	17.0%
Department Total	<u>\$180,420</u>	<u>\$169,930</u>	<u>\$10,490</u>	6.2%

72 Strategic Planning

Labor & Fringes	205,608	185,917	19,691	10.6%
Department Total	<u>\$205,608</u>	<u>\$185,917</u>	<u>\$19,691</u>	10.6%

84 Real Estate Unit

Labor & Fringes	260,199	97,690	162,509	166.4%
Services	225,000	260,000	-35,000	-13.5%
Supplies	10,000	11,600	-1,600	-13.8%
Taxes	20,000	60,000	-40,000	-66.7%
Other Expenses	6,600	37,000	-30,400	-82.2%
Department Total	<u>\$521,799</u>	<u>\$466,290</u>	<u>\$55,509</u>	11.9%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
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79 Planning

Labor & Fringes	1,346,778	1,296,771	50,007	3.9%
Services	510,000	37,000	473,000	1278.4%
Supplies	7,000	4,000	3,000	75.0%
Other Expenses	3,000	4,610	-1,610	-34.92%
Department Total	\$ 1,866,778	\$1,342,381	\$524,397	39.1%
DIVISION TOTAL	\$2,774,605	\$2,164,518	\$610,087	28.2%

Marketing & Public

81 Asst. GM of Marketing and Public

Labor & Fringes	137,685	0	137,685	100%
Department Total	\$ 137,685	\$0	\$ 137,685	100%

82 Marketing

Labor & Fringes	57,818	0	57,818	100%
Department Total	\$ 57,818	\$0	\$ 57,818	100%

Operating Expenses	Proposed Budget	FY2004 Budget	FY2003 Difference	% Change
87 Public Information				
Labor & Fringes	580,004	523,274	56,730	10.8%
Services	587,175	562,700	24,475	4.35%
Supplies	22,470	24,600	-2,130	-8.7%
Other Expenses	20,000	6,000	14,000	233.3%
Department Total	\$ 1,209,649	\$ 1,116,574	\$ 93,075	8.3%
89 Customer Relations				
Labor & Fringes	1,517,416	1,375,794	141,622	10.3%
Services	56,875	65,990	-9,115	-13.81%
Supplies	163,495	159,940	3,555	2.2%
Other Expenses	2,850	1,545	1,305	84.5%
Department Total	\$ 1,740,636	\$ 1,603,269	\$ 137,367	8.6%
DIVISION TOTAL	\$ 3,145,788	\$ 2,719,843	\$ 137,367	8.6%
DISTRICT TOTAL	\$114,390,279	\$97,336,429	\$17,053,850	17.52%

SECTION TWO

**FY 2004 CAPITAL IMPROVEMENT
PLAN BUDGET PROPOSAL**

PROPOSED FY 2004 CAPITAL BUDGET

The Capital Improvement Program, outside the new starts funding is for the preservation, replacement and improvement of RT's existing system.

Funding Sources

	<u>Amount</u>	<u>% of Capital Budget Funding</u>
Measure A	\$ 4,469,118	17.5%
TDA-STA	2,136,814	8.4%
Federal 5307 Formula funds	7,467,101	29.4%
Federal 5309 Fixed Guideway	3,571,880	14.1%
Developer Fees	<u>7,758,204</u>	<u>30.5%</u>
Total Revenues	<u>\$25,403,117</u>	100.00%

Proposed Funding

Program Funding	\$19,547,960	76.95%
Capital Reserves*	<u>5,855,157</u>	<u>23.05%</u>
Total Funding	<u>\$25,403,117</u>	100.00%

* Capital funds received but not yet programmed or funds whose availability for programming are restrictive.

PROPOSED FY 2004 CAPITAL BUDGET

FY 2004 Capital Improvement Budget - Mandatory Items	Project ID	Proposed Funding
47th Ave Traffic Signal	0402	\$ 207,500
ADA Transition Plan Improvements	024	125,000
Amtrak/Folsom Corridor Light Rail Project	F	1,003,084
Capital Project Reserve to be used for Cap Labor	975	1,403,436
General Engineering Support Services	995	185,000
General Construction Management Support Services	996	185,000
Paratransit Capital Equipment	0301	100,000
Paratransit Vehicle Acquisition	771	824,000
Radio Backbone Payment	945	325,000
Roseville Pass-Through	0426	325,000
Routier Road Sewer Reconstruction	0400	500,000
Sacramento Urbanized Area Pass-Through*	TBD	400,000
Soundwalls	TBD	350,000
Tire Lease	0304.07.TL	391,000
Yolo County Pass-Through	0425	1,050,000
SubTotal		\$ <u>7,374,020</u>

Mandatory Items are items that must be funded through contractual obligation, regulatory requirement, or prior agreement or commitment.

FY 2004 Capital Budget - Capital Items	Proposed Funding
<u>Existing Capital Projects Recommended for Funding, Depending on Available Funding</u>	
Bus Stop Improvement Program	\$ 250,000
Facilities Rehabilitation & Repair	550,000
Facility Enhancements & Improvements	140,000
LRV Midlife Overhaul	3,000,000
Metro Heavy Repair Facility (infloor jacks)	1,035,000
Non Revenue Vehicle Acquisition	1,000,000
OCS/Substation Upgrades	84,000
Regional Rail	750,000
South Sacramento Corridor Phase 2 Supplement	708,000
South Sacramento Corridor Phase 3 Evaluation	220,940
Starter Line Signal/Light Improvements	56,000
Transportation Efficiency & Management System	685,000
Fare Vending Machines	\$ 350,000

FY 2004 Capital Improvement Budget - Mandatory Items	Project ID	Proposed Funding
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SubTotal - Existing Capital Projects Recommended for Funding \$ 8,828,940

New Initiatives Recommended for Funding, Depending on Available Funding

Automatic Passenger Counters on Light Rail	0420	\$ 400,000
Computing & Telecommunications Systems	0412	150,000
COPs Payment for Light Rail Vehicle Acquisition	0421	2,000,000
Interactive Voice Response System	0410	150,000
Optical Fiber Transmission Equipment	0423	220,000
Software & Hardware Asset Enhancement	0413	50,000
Supervisory Control & Data Acquisition	0422	300,000
Wayside Backhoe	0416	<u>75,000</u>

SubTotal - New Initiatives Recommended for Funding \$ 3,345,000

TOTAL PLANNED PROJECTS \$ 19,547,960

PROJECT RESERVES 5,855,157

TOTAL PROPOSED FY 2004 CAPITAL BUDGET \$ 25,403,117

Proposed FY 2004 Capital Improvement Budget

Project ID	Project Name	FY 2004	Section Funding	Section 5307	Measure A 5309	STA	Developer Fees
0422	Supervisory Control & Data Acquisition (SCADA) System	\$300,000	\$0	\$240,000	\$0	\$60,000	\$0
Project Description: Design, procure and install SCADA equipment into traction power substations to control and monitor traction power distribution.							
054	Starter Line Signal/Light Improvements	\$56,000	\$0	\$0	\$0	\$56,000	\$0
Project Description: Purchase and install lighting fixtures where poor nighttime lighting exists, and install new/improved signal crossings. Funds to be used to construct a pedestrian crossing at 29th & R Streets.							
676	OCS/Substation Upgrades	\$84,000	\$0	\$67,200	\$0	\$16,800	\$0
Project Description: Replace various components of the overhead catenary system for safer operations and to reduce maintenance requirements.							
0410	Interactive Voice Response System	\$150,000	\$0	\$0	\$150,000	\$0	\$0
Project Description: Seamless implementation of an integrated program with RT's scheduling software to provide transit customers with real time travel information.							
0421	Certificates of Participation for Light Rail Cars	\$2,000,000	\$0	\$0	\$2,000,000	\$0	\$0
Project Description: Enter into a new COPs issue to purchase and rehabilitate the VTA cars.							
605	Fare Vending Machines	\$350,000	\$0	\$0	\$350,000	\$0	\$0
Project Description: Purchase and install fare vending machines and validators to replace the system's current equipment which has exceeded its useful life.							

Project ID	Project Name	FY 2004 Funding	Section 5307	Section 5309	Measure A	STA	Developer Fees
780	Bus Stop Improvement Program	\$250,000	\$0	\$0	\$0	\$0	\$250,000
	Project Description: Produce new design for RT's bus stops, and make various infrastructure improvements for better accessibility, visibility, and aesthetics.						
0412	Computing & Telecommunications Systems	\$150,000	\$120,000	\$0	\$0	\$30,000	\$0
	Project Description: Retire and replace computer and network systems due to obsolescence, in addition to purchasing new equipment necessary to accommodate RT's work force.						
0413	Software & Hardware Asset Enhancement	\$50,000	\$40,000	\$0	\$10,000	\$0	\$0
	Project Description: Labor capitalization for enhancements and augmentation made to major software/hardware systems after initial procurement and implementation has been completed.						
0416	Wayside Backhoe	\$75,000	\$60,000	\$0	\$15,000	\$0	\$0
	Project Description: Procure a backhoe for maintenance of track, drainage, and roadways. Attachments for demolition and boring are included in the project estimate.						
0420	Automatic Passenger Counters on Light Rail	\$400,000	\$320,000	\$0	\$80,000	\$0	\$0
	Project Description: Install automatic passenger counters on each door of the light rail vehicles.						
0423	Optical Fiber Transmission Equipment	\$220,000	\$176,000	\$0	\$44,000	\$0	\$0
	Project Description: Procure single mode transmitters and receivers in the traction power substations, instrument houses, and communication cabinets along the South and Folsom Corridors.						

Proposed FY 2004 Capital Improvement Budget

Project ID	Project Name	FY 2004 Funding	Section 5307	Section 5309	Measure A	STA	Developer Fees
964	Transportation Efficiency and Management System	\$685,000	\$548,000	\$0	\$0	\$137,000	\$0
Project Description: Purchase and install a consolidated software suite for automated trip planning, bus dispatching, and vehicle tracking.							
973	Non-Revenue Vehicle Acquisition	\$1,000,000	\$800,000	\$0	\$0	\$200,000	\$0
Project Description: Acquire non-revenue vehicles for fleet replacement and expansion as needed.							
FXX	Metro Heavy Repair Facility	\$1,035,000	\$0	\$828,000	\$0	\$207,000	\$0
Project Description: Various activities in support of the Amtrak/Folsom Corridor Light Rail Project, including the design and construction of an additional maintenance facility at existing RT Metro.							
0314	Regional Rail	\$750,000	\$0	\$0	\$0	\$0	\$750,000
Project Description: Develop a conceptual plan and project study report for regional rail from Auburn to Dixon							
310	South Sacramento Corridor Project-Phase 2 Extension	\$708,000	\$0	\$0	\$708,000	\$0	\$0
Project Description: Complete preliminary engineering and environmental analysis for the construction of a light rail extension from Meadowview Road further south toward Elk Grove.							
F	Amtrak/Folsom Corridor Light Rail Project	\$1,003,084	\$0	\$0	\$0	\$0	\$1,003,084
Project Description: Extend light rail from the 7th/8th & K stations to the Amtrak Station, and from Mather Field Road to the City of Folsom							

<i>Project ID</i>	<i>Project Name</i>	<i>FY 2004 Funding</i>	<i>Section 5307</i>	<i>Section 5309</i>	<i>Measure A</i>	<i>STA</i>	<i>Developer Fees</i>
0428	South Sacramento Corridor Phase 3 Evaluation	\$220,940	\$176,752	\$0	\$0	\$44,188	\$0
	Project Description: Complete alternative analysis and draft environmental analysis for major transit investment corridor alternatives.						
024	ADA Transition Plan Improvements	\$125,000	\$100,000	\$0	\$25,000	\$0	\$0
	Project Description: Facility modifications necessary to make all areas in RT's administrative facilities accessible.						
0301	Paratransit Capital Equipment	\$100,000	\$90,000	\$0	\$10,000	\$0	\$0
	Project Description: Purchase a variety of office and shop equipment for Paratransit, Inc. operations						
0304.08.TL	Tire Lease	\$391,000	\$391,000	\$0	\$0	\$0	\$0
	Project Description: Lease tires for the entire revenue vehicle fleet.						
0402	47th Ave Station Traffic Signal	\$207,500	\$166,000	\$0	\$41,500	\$0	\$0
	Project Description: Construct a traffic signal at the intersection of 47th Ave and 27th Street adjacent to the 47th Ave Light Rail Station.						
771	Paratransit Vehicle Acquisition	\$824,000	\$741,600	\$0	\$0	\$82,500	\$0
	Project Description: Purchase paratransit vehicles and communication equipment.						
945	Radio System Backbone Payment	\$325,000	\$260,000	\$0	\$65,000	\$0	\$0
	Project Description: Annual payments for RT's share of the county's radio communications system.						

Proposed FY 2004 Capital Improvement Budget

Project ID	Project Name	FY 2004 Funding	Section 5307	Section Measure A 5309	STA	Developer Fees
975	Capital Project Reserve	\$1,403,436	\$1,146,748	\$0	\$286,687	\$0
Project Description: Provide for unplanned minor District capital improvement projects, adding needed flexibility in managing the Capital Improvement Program.						
995	General Engineering Support Services	\$185,000	\$148,000	\$0	\$0	\$37,000
Project Description: Provide outside engineering support services for civil, structural, systems, architectural, traffic, noise, and other engineering related task assignments.						
996	General Construction Management Support Services	\$185,000	\$0	\$0	\$0	\$185,000
Project Description: Assist Project Management staff with as needed, on call support in the areas of contract administration, inspection, materials sampling and testing services, and other related support services during construction of RT's capital projects.						
0400	Routier Road Sewer Reconstruction	\$500,000	\$0	\$0	\$500,000	\$0
Project Description: Reconstruct approximately 400 linear feet of sewer at Routier Road and Folsom Blvd.						
0425	Yolo County Pass Through	\$1,050,000	\$1,050,000	\$0	\$0	\$0
Project Description: Annual pass-through of federal funds to the Yolo County Transportation District						
0426	Roseville Pass Through	\$325,000	\$325,000	\$0	\$0	\$0
Project Description: Annual pass through of federal funds to the City of Roseville						
0435	Sacramento Urbanized Area Pass Throughs	\$400,000	\$0	\$0	\$0	\$400,000

Project ID	Project Name	FY 2004 Funding	Section 5307	Section 5309	Measure A	STA	Developer Fees
	Project Description: Pass through of funds to additional jurisdictions that have now been included in an expanded Sacramento urbanized area.						
510	Facilities Management & Improvements	\$180,000	\$144,000	\$0	\$36,000	\$0	\$0
	Project Description: Complete various facility repair projects, including the installation of additional access hardware, and relocation of the Human Resources Department						
637	Facilities Management & Improvements	\$140,000	\$112,000	\$0	\$28,000	\$0	\$0
	Project Description: Purchase replacement cameras and monitors, construct protective steel canopy for the wayside parts washer/steam cleaner, install security lighting around wayside storage, and design/procure/install heaters and ventilation systems.						
651	LRV Mid-Life Overhaul	\$3,000,000	\$0	\$2,400,000	\$0	\$600,000	\$0
	Project Description: Overhaul and rebuild the first series of light rail vehicles at their mid-life interval.						
980	Facilities Management & Improvements	\$370,000	\$296,000	\$0	\$0	\$74,000	\$0
	Project Description: Provide for rehabilitation and repair of various facilities throughout the District.						
TBD	Construction SoundWall	\$350,000	\$280,000	\$0	\$70,000	\$0	\$0
Total FY 2004 Capital		Total Funding	Section 5307	Section 5309	Measure A Fees	STA	Developer
Budget		\$19,547,960	\$7,467,101	\$3,535,200	\$4,413,187	\$2,129,488	\$2,003,084
Project Reserves			\$0	\$36,680	\$55,931	\$7,326	\$5,755,120



**Regional
Transit**

Sacramento Regional Transit District
1400 29th Street
P.O. Box 2110
Sacramento, CA 95812-2110
Phone: 916.321.2800
Web: www.sacrt.com