



**Annual
Operating and Capital
Budget
Fiscal Year 2006**

Sacramento Regional Transit District

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Sacramento Regional Transit District
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LETTER FROM THE BOARD CHAIR

On behalf of the Sacramento Regional Transit District (RT) Board of Directors, I am pleased to present RT's fiscal year 2006 Operating and Capital Budget proposals. With the Sacramento region's population increasing by one million people by 2025, Regional Transit has set forth several key initiatives to meet the growing regional transportation needs.

Regional Transit must secure solvent financial means to deliver our services and programs today and in the future. Financial sustainability requires self-assessment and prudent budgeting through the establishment of a multi-year capital program, a five-year capital budget and a three-year operating budget.

A review of RT's fare structure is also underway, and we are striving to improve a dwindling fare recovery ratio as well as implement a new fare system that will sustain current service levels and provide more equitable rates for all passengers.

Regional Transit is completing the Transit Equity Process, working with RT's participating jurisdictions and reviewing revenues and operational costs within those jurisdictions. The conclusion of this process will create a standard model of RT operations and priorities for growth that will be fair to all participating jurisdictions and the region's taxpayers. RT is reviewing underperforming routes in this same context, so that we can equitably revise or eliminate them in order to cut any wasteful spending and maximize our limited resources.

The Board is very committed to improving RT's quality customer service. RT, through this budget continues to develop and implement a comprehensive security enhancement program with specific plans, activities and performance measures. RT intends to put officers on trains and at stations to reassure passengers that their safety is Regional Transit's number-one concern.

Regional Transit is committed to Regional Leadership. This year, the RT Board welcomed Directors from the city of Elk Grove, Citrus Heights and Folsom, which increases the Board to eleven members and reflects a more accurate representation of the region RT serves. Regional representation with Board consensus on governance issues of matters with "region-wide" significance is particularly important as RT expands light rail to the city of Folsom. The extension will provide thousands of commuters a new transportation option as well as an opportunity to easily transfer to Capitol Corridor trains for destinations outside the region.

The challenges facing the Sacramento Region today do not differ much from last year- rapid regional growth, declining air quality, significant demographic changes, limited transit funding, changing regional transportation needs - and those challenges continue to impact public transit. All of these initiatives and accomplishments are part of RT's commitment to meet the challenges facing our community while adding to the quality of life for all residents.



David Sander, Ph.D.,
Sacramento Regional Transit District
Board of Directors, Chair

LETTER FROM THE GENERAL MANAGER/CEO

In response to the tremendous growth in the Sacramento region, the Sacramento Regional Transit District (RT) has expanded service significantly in the past several years to help meet the growing demands of our region, the third fastest growing community in California. Light rail has expanded service 74 percent, and bus service has increased 32 percent. Paratransit/ADA which provides services for seniors and disabled customers who cannot use Regional Transit services is funded in large by Regional Transit. This service has grown 28 percent in order to meet the transit needs of persons with disabilities and a large senior population. On October 15th of this fiscal year, RT will expand light rail service an additional 7.4 miles to the historic downtown Folsom area.

The good news is that transit ridership is up over 5 percent, As importantly, despite increasing operating costs due to service expansion and inflation, RT's overall cost efficiency has improved greatly over the past several years. Specifically, RT's "Cost per Revenue Service Hour" (RSH), a key transit industry cost effectiveness measure, has improved significantly on both bus and rail over the past three (3) years.

The 2006 budget also includes a number of internal measures to help reduce costs, increase revenue and improve internal productivity. Measures include staffing reductions in non-operating areas; major cost containment changes in employee health care coverage including additional employee contributions; significant improvements in operator attendance; implementation of a significantly lower wage rate for small bus operators (effective January 1, 2006); and reductions in travel and outside consultants; and sale of surplus property. The same budget includes a significant increase in transit security costs of \$6,283,670, up an additional \$1.82 million, 41 percent over last year.

While ridership has increased, RT's fare box recovery, the money collected from RT customers, has remained flat over the past eight (8) years - not even keeping up with the rate of inflation. And, RT has only raised fares once in the past 18 years. To address the farebox trend, this past year, RT commissioned a comprehensive study to examine RT's overall fare structure with the objective of increasing fare revenue. As part of the study, a series of stakeholder interviews with a cross section of the general public, including many transit users and advocates, took place. Transit fare data from peer transit systems across the country was also examined in developing a recommendation.

Following an extensive series of community meetings, the fiscal year 2006 budget includes a comprehensive fare restructuring plan, which will increase the amount of system-generated revenue. The budget also eliminates very low-performing transit services (approximately 2.5% of current bus service) which carry few riders - which falls below RT's transit service productivity standards.

While difficult decisions, these cost cutting measures combined with the implementation of the new fare structure were necessary to balance the budget. There were also necessary to effectively position the District for the future.

At Regional Transit, we are proud to have the opportunity to serve you.



Beverly A. Scott, Ph.D.
General Manager/CEO

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.

Service Description

The Sacramento Regional Transit District (RT) operates 119 bus routes and 30.25 miles of light rail. Buses and light rail run 365 days a year using 275 buses (254 CNG powered buses, 4 CNG Replica Streetcars and 17 Shuttle Vans) and 76 light rail vehicles. Buses operate daily from 5 a.m. to 11:30 p.m. every 15 to 75 minutes, depending on the route. Light rail trains operate from 4:00 a.m. to 1:00 a.m. daily with service every 15 minutes during the day and every 30 minutes in the evening.

Passenger amenities include 41 light rail stops or stations, 21 bus and light rail transfer centers and 14 free park-and-ride lots. RT also serves approximately 3,860 bus stops throughout Sacramento County.

Annual ridership has steadily increased on both the bus and light rail systems from 14 million passengers in 1987 to more than 30 million passengers in FY 2004. Weekday light rail ridership averages 42,500 which accounts for approximately 40% of the total system ridership. Bus weekday ridership has reached an average of 64,000 passengers per day.

RT's entire bus and light rail system is accessible to the disabled community. RT also provides a door-to-door transportation service (in accordance with its responsibilities under the Americans with Disabilities Act) for Sacramento area residents who are unable to use fixed-route service. RT provides this service through a contract with Paratransit, Incorporated. At 281,091, Paratransit ridership has more than doubled since 1993.

Governance

The District's Board of Directors is currently made up of eight regular members and three regional members who serve four-year terms. The regular members include four from the City of Sacramento, three from the County of Sacramento and one from the City of Rancho Cordova. The three regional members include one member each from the Cities of Citrus Heights, Elk Grove and Folsom.

RT Management — Organization

The District's management organization is structured to clarify accountability and responsibility and focus management attention in key functional areas. District operations are organized under eight divisions (see the following Organization Structure Chart):

Office of the General Manager

General Manager's Office is managed by the General Manager/CEO. The Office is responsible for the overall functions of the District. The General Manager/CEO is directly responsible for ensuring the implementation and compliance of all District policies, as well as providing leadership and guidance on all operational aspects of the organization. The District's internal audit functions are managed by the Compliance and Quality Assurance Auditor.

Operations Division

Operations is managed by the Chief Operating Officer. This Division is responsible for providing and maintaining bus and light rail service. The Division includes the following departments: Chief Operating Officer, Bus Maintenance, Bus Transportation, Light Rail, Operations Training, Police Services and Scheduling.

Facilities & Business Support Services Division

Facilities & Business Support Services is managed by the Chief of Facilities and Business Support Services. This Division is responsible for providing clean and safe buildings, stations and service stops for RT and its patrons. The Division includes the following departments: Facilities Management, Information Technology, Procurement Services, and Safety.

Engineering & Construction Division

Engineering & Construction is managed by the Assistant General Manager (AGM) of Engineering and Construction. This Division is responsible for the design, engineering and construction of major and minor capital improvement projects on both bus and light rail systems and District facilities. The Division includes the following departments: AGM of Engineering and Construction, Civil & Track Design, Environmental Engineering, Program Control, Project Management, and Systems Design.

Planning & Transit Systems Development Division

Planning & Transit Systems Development is managed by the AGM of Planning and Transit System Development (TSD). The Division is responsible for developing the short-term and long-term District goals. The Division includes the following departments: AGM of Planning and TSD, Accessible Services, Community Bus Service, Planning, Public Information, Real Estate Departments, and Purchased Transportation (ADA – Paratransit).

Administrative Services Division

Administrative Services is managed by the Chief Administrative Officer/Equal Employment Officer (EEO). This Division is responsible for the management of administrative support functions which includes recruitment, administration of employee benefits, labor relations, and for compliance of the District with government regulations such as the Americans with Disabilities Act. This division also supports the overall management of the CEO's initiatives, serves as a liaison with Board Members and maintains inter-governmental relationships. The Division includes the following departments: Chief Administrative/EEO Officer (plus Clerk to the Board and Government & Community Relations Units), Customer Relations, Employee Relations, Equal Employment Opportunity, and Human Resources.

Finance Division

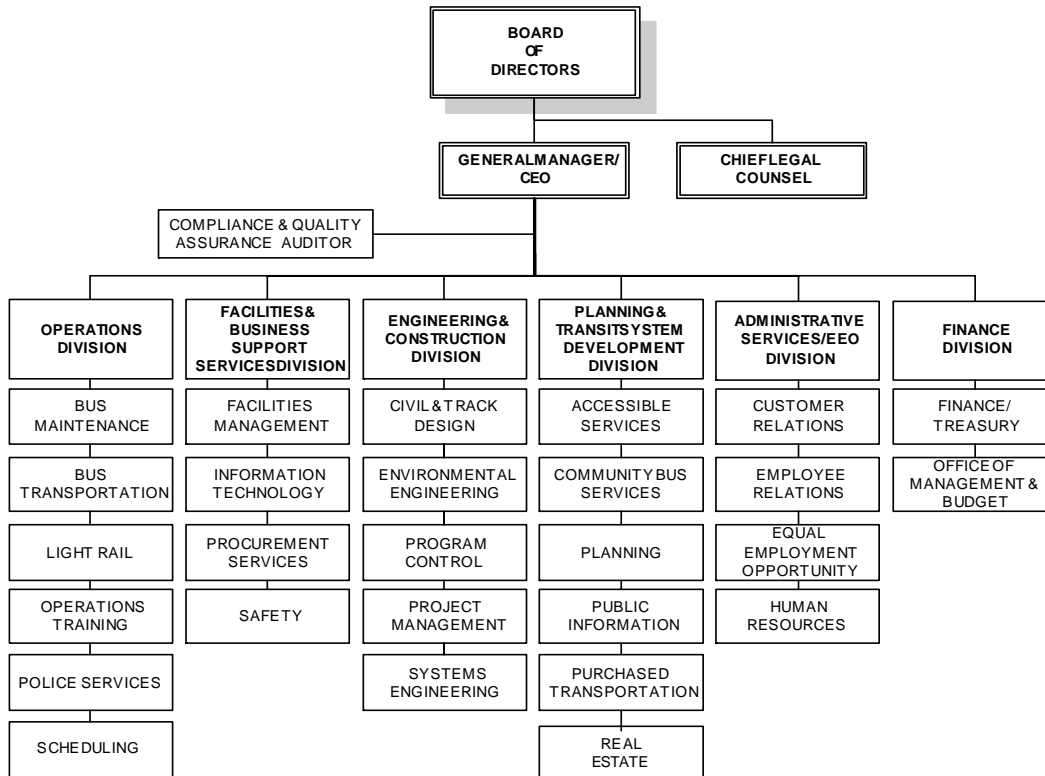
Finance is managed by the Chief Financial Officer. The Division is responsible for providing the District with the highest level of professional accounting and operational financial services, forecasts, and performance reporting. The Division comprises the following departments: Chief Financial Officer, Finance and Treasury, and the Office of Management and Budget.

Legal Division

Legal is managed by the Chief Legal Counsel. This Division represents the District in all legal matters, and is responsible for providing the Board, General Manager and staff with legal advice.

SACRAMENTO REGIONAL TRANSIT DISTRICT

ORGANIZATIONAL STRUCTURE



FISCAL YEAR 2005 ACCOMPLISHMENTS

RT identified Key Initiatives for Fiscal Year 2005. These initiatives 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. This focused approach resulted in the following significant accomplishments in FY 2005:

- (1) **INCREASE RIDERSHIP THROUGHOUT THE SYSTEM**
 - Bus and rail ridership has increased 6% (Fiscal Year-to date data through May 2005)
 - Begin rail activation activities for Light Rail extension to City of Folsom in October 2005
 - Began planning for Community Bus Service implementation in January 2006

- (2) **IMPROVE SYSTEM SAFETY & SECURITY**
 - Increased RT's Police & Security presence in the system (on trains, at targeted facilities and on problem bus routes)
 - Redeployed police and transit officers to address after school juvenile problems
 - No RT vehicle placed in service with a known safety or security defect
 - Pre-trip inspections were performed daily
 - Installed detectable warning tile for visually impaired at Meadowview Station
 - Installed fiber at Meadowview, Florin, 13th Street, and 29th Street Stations as part of network project for communication and security enhancements
 - Developed and revised several safety programs, including Injury and Illness Prevention Program, Respiratory Protection, Hearing Conservation Program, Rail Accident Investigation Plan, Rail System Safety Plan

- (3) **IMPROVE TRANSIT SERVICE RELIABILITY**
 - 99.75% of all scheduled weekday bus trips completed
 - Improved bus mean distance between road calls to 9,300 miles
 - Bus schedule reliability improved to 85% on-time
 - Light Rail schedule reliability improved to 95% on-time
 - Improved ADA trip denials to less than 2%

- (4) **PROVIDE A CLEANER AND MORE ATTRACTIVE PASSENGER ENVIRONMENT**
 - All graffiti removed within 24 hours of notification
 - Installed new Light Rail Vehicle wash system
 - Installed new signage at all bus stops
 - Designed new bus stop shelter (prototype at 29th and N streets)
 - Installed solar lights at 12 bus stops

- (5) **INCREASE PRODUCTIVITY, REDUCE COSTS AND ENHANCE REVENUES**
 - Designed and implemented a new rail parts storage warehouse at Metro (Land Ave.)
 - Revised Purchase Card procedures
 - Vacated all warehouse operations at the 27th Street facility (consolidated operations)
 - Disposed of 50 old non-revenue vehicles and other obsolete equipment
 - Continued centralization of procurement functions
 - Expanded outreach events to small business/DBE suppliers
 - Increased and maintained operator availability to within 4% of authorized positions
 - Operator attendance rate has reached 82%, an increase from FY04 rate of 70%
 - Implemented changes to the health plans and reduced costs for dental and vision benefits
 - Received FTA approval to begin preliminary engineering on South Sacramento Corridor Project Phase 2
 - Year-end Audit completed within 90 days

- (6) **INCREASE EFFECTIVENESS OF RT BUSINESS PRACTICES**
 - Expanded the use of the Contract File Management system for easier access to documents
 - Performed actuarial study of general liability and workers' compensation claims reserves

- (7) **IMPROVE EMPLOYEE DEVELOPMENT**
- Developed in-house training courses in basic leadership skills, conflict resolution, interpersonal communications and ethics
 - Provided 165 professional development training opportunities to RT employees
 - Conducted mandatory Supervisor training on Drug and Alcohol Policy and other required management oversight responsibilities
 - Provided Basic SAP training for managers
 - Trained Facility Workers on CNG fueling system programmable logic controllers
 - Trained programmers on Trapeze software support
 - Rolled out training on procurement policies
- (8) **PERFORM A VITAL ROLE IN EFFORTS TO IMPROVE AIR QUALITY IN THE SACRAMENTO REGION**
- Retired last diesel bus completing conversion of bus fleet to CNG
 - Obtained Negative Declaration clearance for the Bus Maintenance Facility at McClellan
 - Completed hazards analysis for Limited Stop Light Rail Service
 - Participated in identifying land use alternatives for the SACOG Blueprint study
 - Participated in the Sacramento County Mobility Study
 - Began discussions with SACOG to incorporate RT's updated Transit Master Plan with the Blueprint Study



BUDGET PROCESS

BUDGET PROCESS SUMMARY

The budget is the primary performance tool used by public agencies to measure and control accountability of taxpayer dollars. The budget communicates to all stakeholders (i.e. elected officials, regional agencies, funding partners, board members, RT staff and citizens of Sacramento County) how their investment will be put to use by providing detailed information on expenditures and resource allocation. The budget serves as a benchmark against which to evaluate accomplishments and to assess fiscal accountability.

The chart below details RT's budget development calendar. The Fiscal Year 2006 budget development process included increased participation by the Board of Directors through the Finance & Administration Committee. Beginning in September 2004 and continuing through April 2005, staff made six presentations on issues impacting the budget and progress toward producing the proposed balanced budget. Committee agendas included presentations on budget assumptions and major budget drivers, a 10-year historical overview of operating revenue and cost trends, forecasts of operating revenues and expenditures and a review of the capital program.

The final step in the budget process is the adoption and implementation of the Budget. 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 final budget proposal for Board adoption.

FY2006 BUDGET DEVELOPMENT CALENDAR

September 2004

- * Initiate capital Budget development
- * Conduct capital budget strategy session with Capital Programming Committee
- * Present Fiscal Year 2006 Budget calendar to Finance & Administration Committee

March 2005

- * Expenditure outlook presented to Executive Management Team
- * Board adopts preliminary capital budget for submittal of Measure A Expenditure Plan
- * Present the draft Operating and Preliminary Capital Budget to Finance & Administration Committee

October 2004

- * Conduct budget strategy meetings with Executive Management Team for direction on budget development
- * Present revenue outlook for the development of the operating and capital budgets
- * Develop Service Plan

April 2005

- * Draft budget is released or 60 day public review

November 2004

- * Present revenue and expenditure outlook for the development of the operating budget
- * Present budget process and assumptions to the Finance & Administration Committee
- * Distribute operating budget preparation

May 2005

- * A Public Hearing is opened and held to accept public comment on the proposed budget

December 2004 -January 2005

- * Department develop operating budgets

June 2005

- * Public Hearing is closed and staff presents budget for Board adoption

February 2005

- * Operating budget process is closed
- * Summarize submitted operating budgets
- * Review submitted operating budgets with Executive Management Team
- * Revenue projections presented to Finance & Administration Committee

July 2005

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

STRATEGIC PLAN PROCESS

The Strategic Plan defines the ways in which RT will implement the District's part of the Metropolitan Transportation Improvement Program and sets out RT's vision and mission. These two purposes require that the organization align its goals with the Region's, shape activities to support those goals, responsibly manage the things that are done, commit resources and, above all, measure performance.

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

This plan is RT's commitment to the people of the Sacramento Region to make their lives better. RT will do this by Regional Leadership, Ethical and Sound Business Practices and Financial Sustainability. RT will continue to focus on customer service and provide safe, clean, and reliable transportation service. To prepare for future needs in the 21st Century, RT will build and continuously develop a highly skilled transportation workforce. We will increase our readiness to respond to transportation emergencies that disrupt communities and affect our customers throughout the region. RT will continue to challenge itself to meet the growing transportation needs of the Sacramento Region.

The RT strategic plan is the result of the hard work of many of RT's employees and partners who are dedicated to leading the way to transportation excellence in the 21st Century. The plan is best seen as an evolving process, not a rigid or fixed document. This strategic plan will change as the needs of the Region change and reflect the transportation requirements of the Region.

The Strategic Plan established the organization's commitment to become a more efficient and competitive provider of public transportation. In September 2004, based on the goals and objectives included in the Strategic Plan, staff began planning for the Fiscal Year 2006 Budget. In October 2004, major cost drivers were identified, the Finance Department developed preliminary revenue estimates, the Planning Department developed the transit service plan and each RT department began developing expenditure plans based on the proposed service plan and for specific programs and project initiatives. In November 2004, staff made the first of several presentations to the Finance & Administration Committee. This presentation identified the assumptions, activities and issues that would be addressed in the Fiscal Year 2006 Budget. In early February 2005, staff brought to the committee a comprehensive 10 year historical overview of operating revenue and cost trends. In early March 2005, revenue projections were discussed and at a meeting in late March 2005, staff presented a review of planned Fiscal Year 2006 expenditures and updated performance targets for the Vital Statistics identified in the Strategic Plan.

RT's Strategic Plan was adopted by the Board of Directors in January 2004 and is included in the following pages. Also included is the Vital Statistics used to measure district-wide performance on key elements of the Strategic Plan.

STRATEGIC PLAN

△ VISION

A coordinated regional public transportation system that delivers quality and environmentally sensitive transit services that are an indispensable part of the fabric of communities throughout the Sacramento region.

△ PURPOSE

The purpose of the Sacramento Regional Transit District is to promote and enhance regional mobility and serve the public by providing quality transit services and solutions that improve the overall quality of life in the Sacramento region.

△ VALUES

Values are the things the organization holds most important and will not compromise. These are RT's values:

Financial Sustainability

- We continuously assess operational and financial performance across key areas – *and raise the bar.*
- We are resourceful in preserving and increasing local funding for transit.
- We maximize the region's ability to attract federal and state funding for regional transit improvements.
- We prepare for future funding fluctuations and needs.
- We advance the introduction of new technologies to improve operational efficiency, effectiveness and overall customer service.

Customer Service

- *OUR CUSTOMERS ARE FIRST* – we continuously work to ensure effective communications with our customers and first- line employees.
- We provide safe, reliable and on-time service.
- We provide a clean, attractive and comfortable passenger environment.
- We provide for our customers' security.
- We offer affordable and competitive fares.
- We maintain our infrastructure and equipment in a "state of good repair."
- We provide employees the tools and resources to be responsive.

Regional Leadership

- We are committed to creating a "world class" transit system in the Sacramento region.
- We are advocates for regional investment and policy decisions that are positive for our environment and community livability.
- We take the lead to promote a strong, coordinated regional transit network with effective linkages across jurisdictional boundaries; and advance the deployment of "state-of-the-art" technologies.
- We provide a "lifeline" to people who need it, including reduced fares, where possible, to persons without access to automobiles – students, senior citizens and persons with disabilities.

- We make every reasonable effort to provide at least minimum levels of transit service to all areas in the District.
- We offer integrated services through a variety of partnering arrangements.
- We engage a broad spectrum of regional stakeholders – including public, private sector, community-based, and non-profit partners to promote regional mobility and enhance the role of regional transit services.

**Quality
Workforce**

- We are able to attract and retain a qualified, talented and committed workforce.
- We maintain a positive work environment – *a place employees want to work.*
- We work hard to increase employee satisfaction and loyalty.
- We strongly encourage and reward personal professional development.
- We are a competitive employer.

**Ethical & Sound
Business Practices**

- We are ethical.
- We comply with regulatory and statutory requirements.
- We review our core business practices and performance; and benchmark the transit industry/peer transit systems for “lessons learned” and “best practices.”

VITAL STATISTICS

Performance Indicators		FY 2005 Estimates	FY 2006 Goals	Change	%
FINANCIAL SUSTAINABILITY					
Operating Cost	Bus	\$76,412,085	\$80,361,702	\$3,949,617	5.2%
	Light Rail	\$38,562,458	\$43,892,240	\$5,329,782	13.8%
	Paratransit	\$8,842,781	\$9,590,404	\$747,623	8.5%
	Total	\$123,817,323	\$133,844,346	\$10,027,023	8.1%
Operating Revenue	Fare Revenue	\$21,700,000	\$27,033,000	\$5,333,000	24.6%
	State and Local	\$72,532,214	\$78,753,379	\$6,221,165	8.6%
	Federal	\$16,177,564	\$19,155,873	\$2,978,309	18.4%
	Other	\$6,937,217	\$8,902,094	\$1,964,877	28.3%
Total	\$117,346,995	\$133,844,346	\$16,497,351	14.1%	
Surplus/(Shortfall)		(\$6,470,328)			
Farebox Recovery Ratio	District	18.9%	21.8%	2.9%	15.3%
Cost per Vehicle Service Hour	Bus	103.40	113.03	\$9.63	9.3%
	Light Rail	214.24	230.04	\$15.81	7.4%
Cost per Vehicle Mile	Bus	9.16	10.49	\$1.33	14.6%
	Light Rail	11.97	12.85	\$0.88	7.4%
Cost per Passenger	Bus	4.20	4.48	\$0.29	6.8%
	Light Rail	3.02	3.14	\$0.12	4.1%
Passengers per Mile	Bus	2.18	2.34	0.2	7.2%
	Light Rail	3.97	4.09	0.1	3.1%
Subsidy per Passenger	Bus/Light Rail	2.86	3.07	\$0.21	7.2%
Employee Availability Data	ATU	206	211	5	2.4%
	IBEW	228	229	1	0.4%
	AEA	229	229	0	0.0%
	Non-Represented	229	229	0	0.0%
	AFSCME	N/A	223	N/A	N/A
CUSTOMER SERVICE					
In-Service On-Time Performance		86.0%	88.0%	2.0%	2.3%
Percentage of Completed Trips	Bus	99.8%	99.8%	0.0%	0.0%
	Light Rail	99.8%	99.8%	0.0%	0.0%
Mean Distance Between Failures (miles)	Bus	9,314	9,500	186	2.0%
	Light Rail	15,054	16,000	946	6.3%
% ADA Trip Denials	Paratransit (ADA only)	1.9%	0.0%	-1.9%	-100.0%
Accidents/100,000 miles	Bus	8.6	8.2	(0.4)	-5.0%
	Light Rail	3.9	3.7	(0.2)	-5.6%
Complaints/Million Passengers		78.7	74.8	(3.9)	-5.0%
Commendations/Million Passengers		8.5	14.0	5.5	64.7%
Average Days to Respond to ADA Customer Complaints (30- day window)		19.7	19.7	0	0.0%
Paratransit Assessments Completed On-Time (21-day goal)		17.8	21.0	3.2	18.0%
Crimes Committed on RT System/ Million Passengers		13.6	13.6	0	0.0%
Lost Time Accidents (per 100 Employees)		0.6	0.5	-0.1	-5.0%
REGIONAL LEADERSHIP					
Average Daily Ridership (Weekdays)	Bus	63,325	63,515	190	0.3%
	Light Rail	42,500	47,792	5,292	12.5%
Accomplishment of EEO/AA Goals	Varies by job classification; reference EEO/AA Plan			On Target (Quarterly Reports)	

BUDGET ASSUMPTIONS

Service Plan

Revenue Service Hours

Bus Service	711,000
Rail Service	190,800

- Begin revenue operations of Light Rail service to City of Folsom in October 2005
- Begin operation of Community Bus Service Division in January 2006
- Agency-wide review to improve internal productivity, reduce and contain agency costs
- Implement reduction of non-productive/low-performing transit service
- Implement fare restructuring in January 2006
- Implement efficiencies in ADA/Paratransit services contracting
- Improve operator employee availability by 5 days
- Implement Transit Oriented Development plans
- Complete Trapeze Software implementation
- Enhance Transit Security
- Labor and benefit increases consistent with negotiated contracts
- Prepare a three-year annual budget forecast

Capital Initiatives

- Prepare a comprehensive multi-year Capital Improvement Program
- Complete construction on the Amtrak/Folsom light rail extension
- Acquire and make ready for operation the second bus maintenance facility at McClellan Facility
- Implement technology improvements, including automatic passenger counters, fiber optic transmission and satellite telecommunications systems
- Continue mid-life overhaul of the initial Siemens rail fleet
- Continue work on the South Line Phase II preliminary engineering Light Rail Extension
- Continue environmental studies for the Downtown-Natomas-Airport Light Rail Extension
- Develop financial plans to provide for first generation CNG bus replacement and advancing the South Line Phase II

Accounting Basis

The accounts of RT are organized and operated on the basis of funds, each of which is considered an independent fiscal and accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprises assets, liabilities, fund equity (or retained earnings), revenues and expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

RT is a single enterprise fund and maintains its records on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

RT has elected under Governmental Accounting Standards Board's (GASB) Statement No. 20 (*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*) to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Effective July 1, 2000, the District adopted GASB Statement No. 33 (*Accounting and Financial Reporting for Non-exchange Transactions*). The implementation of GASB No. 33 requires RT to change its accounting for its contributed capital. This statement requires governments to recognize capital contributions to proprietary funds as revenues and not contributed capital. Capital contributions had been reported as contributed capital prior to the implementation of GASB No. 33. The impact of this accounting change to RT was to not recognize capital grants as contributed capital during the year ended June 30, 2001. RT restated contributed capital arising from prior periods with the FY05 implementation of GASB Statement No. 34 (*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*).

Accordingly, RT does not have traditional "Fund Balances" similar to other governmental agencies. RT conducts both short-term and long-term financial analysis and planning through the budgeting process and through maintenance of RT's Financial Capacity Model, respectively.

RT's accounts are organized into the following fund types:

Proprietary Fund Type

The ***Enterprise Fund*** is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Unreserved retained earnings for the enterprise fund represents the net assets available for future operations.

Fiduciary Fund Type

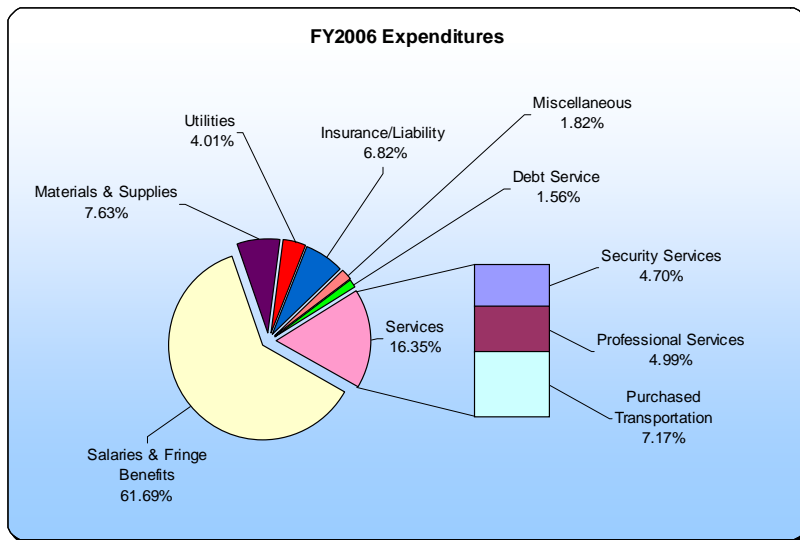
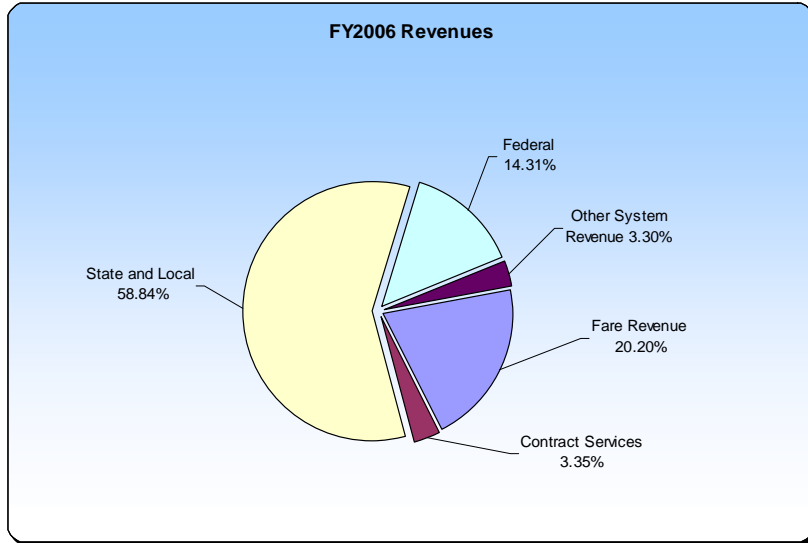
The ***Pension Trust Funds*** are used to account for assets held by the District in a trustee capacity. The District maintains the following Pension Trust Funds:

The Amalgamated Transit Union (ATU) Local 256 and International Brotherhood of Electrical Workers (IBEW) Local 1245 Member Retirement Plan Fund accounts for the retirement funds of members of ATU Local 256 and IBEW Local 1245.

The Salaried Employees Retirement Plan Fund accounts for the retirement funds of the District's salaried employees.

SOURCES & USES OF FUNDS

SOURCES AND USES PERCENTAGE DISTRIBUTION



OPERATING AND CAPITAL REVENUE PROJECTIONS

As described in the budget document, the District begins the 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 operating and capital expenses.

Funding Source	Carryover Resources	New FY 2006 Resources	Applied to FY 2006 Operating Budget	Applied to FY 2006 Capital	Carryover To FY 2007
Fare Revenues					
Cash Fares	-	10,437,063	10,292,247	-	144,816
Prepaid Sales	-	16,301,314	16,075,130	-	226,184
Contracted Special Fares	-	1,157,165	1,157,165	-	-
Transfer Agreements	-	(639,000)	(639,000)	-	-
Subsidized Fare Agreements	-	147,458	147,458	-	-
Subtotal - Fare Revenues	-	27,404,000	27,033,000	-	371,000
Other System Revenues					
Advertising	-	842,000	842,000	-	-
Investments	-	475,000	475,000	-	-
Real Estate					
Commercial	-	634,357	634,357	-	-
TOD	-	1,025,000	1,025,000	-	-
Sales	-	2,023,660	1,000,000	-	1,023,660
Excess Fiber Revenue (FIG 50)	-	220,000	220,000	-	-
Miscellaneous Income	-	225,000	225,000	-	-
Debt Proceeds	-	10,000,000	-	10,000,000	-
Subtotal - Other System Revenues	-	15,445,017	4,421,357	10,000,000	1,023,660
Local / Measure A					
Measure A - RT General	4,678,385	33,010,069	31,105,843	6,582,611	-
Measure A - Supplemental	-	225,000	225,000	-	-
Measure A - South Sacramento	-	7,700,000	7,700,000	-	-
Subtotal - Local/Measure A	4,678,385	40,935,069	39,030,843	6,582,611	-
Transportation Development Act (TDA)					
Local Transportation Fund	-	37,861,087	37,861,087	-	-
State Transit Assistance	-	3,507,370	1,861,449	1,645,921	-
SubTotal - TDA	-	41,368,457	39,722,536	1,645,921	-
Contracted Service Areas					
Folsom - Light Rail	-	648,454	648,454	-	-
Citrus Heights	-	3,344,932	3,344,932	-	-
Elk Grove	-	487,351	487,351	-	-
Subtotal - Contracted Service Areas	-	4,480,737	4,480,737	-	-
Local Capital (Developer Fees)	6,160,551	745,946	-	1,308,562	5,597,935
Federal					
Section 3037 Access to Jobs	237,991	2,092,498	2,330,489	-	-
FY 05 Section 5307 Formula	10,436,214	-	10,299,714	136,500	-
FY 06 Section 5307 Formula	-	13,950,000	3,487,500	1,000,000	9,462,500
Section 5307 STP	-	8,000,000	-	8,000,000	-
Section 5309 Bus/Rail	-	1,770,585	-	1,770,585	-
Section 5309 Fixed Guideway	-	3,038,170	3,038,170	-	-
Subtotal - Federal	10,674,205	28,851,253	19,155,873	10,907,085	9,462,500
Grand Total	21,513,141	159,230,479	133,844,346	30,444,179	16,455,095

COMPARATIVE ANALYSIS OF OPERATING REVENUES AND EXPENSES

(Thousands)

Funding Sources	FY 2004 Actual	FY 2005 Budget	FY 2006 Proposed	Budget to Proposed
Operating Revenue				
Fare Revenue	\$ 22,004	\$ 25,271	\$ 27,033	\$ 1,762
Contract Services	5,697	5,313	4,480	(833)
State and Local	66,877	68,078	78,753	10,675
Federal	11,853	17,558	19,156	1,598
Other System Revenue	2,943	1,909	4,422	2,513
Total	109,374	118,129	133,844	15,715
Operating Cost by Mode				
Bus	71,962	70,615	79,873	9,258
Light Rail	35,453	38,747	44,381	5,634
Paratransit	8,034	8,767	9,590	823
Total	115,449	118,129	133,844	15,715
Surplus/(Shortfall)	\$ (6,075)	\$ -	\$ -	\$ -
Expenditure Category				
Expenditure Category	FY 2004 Actual	FY 2005 Budget	FY 2006 Proposed	Budget to Proposed
Labor Costs				
Salaries	\$ 53,111	\$ 58,700	\$ 59,406	\$ 706
Fringe Benefits	24,990	22,645	28,113	5,468
Capitalized Labor	(4,472)	(6,689)	(5,443)	1,246
Labor Subtotal	73,629	74,656	82,076	7,420
Non-Labor Costs				
Services	8,688	10,983	12,959	1,976
Purchased Transportation	8,034	8,767	9,590	823
Materials & Supplies	9,200	9,495	10,208	713
Utilities	4,355	5,034	5,364	330
Insurance & Liability	9,434	6,502	9,133	2,631
Miscellaneous	2,109	2,692	2,432	(260)
Debt Service	-	-	2,082	2,082
Non-Labor Subtotal	41,820	43,473	51,768	8,295
Grand Total	\$ 115,449	\$ 118,129	\$ 133,844	\$ 15,715

DESCRIPTION OF OPERATING FUNDING SOURCES AND EXPENSES

Funding Sources

Fare Revenue: Fare revenue includes fare receipts collected from monies deposited in the fare box by riders and through the sale of tickets and passes. Fare revenue for Fiscal Year 2006 (excluding \$0.4 million carryover to FY 2007) is budgeted \$1.8 million greater than Fiscal Year 2005 Budget, an increase of 7.0 %. However, actual fare revenue for Fiscal Year 2005 has not met the budgeted level. Fare Revenue for Fiscal Year 2005 is forecast to be \$22.0 million. Since the implementation of the last fare change five years ago, RT fare revenue has remained virtually flat (\$21.8 million in Fiscal Year 2000 to \$22.0 million forecast for Fiscal Year 2005). Transit fares, while representing approximately 20% of all operating revenue, are the only significant revenue source that is under RT's direct control. Consistent with RT's financial plans and the need to generate additional revenue for Fiscal Year 2006, the proposed budget includes increasing fare revenue through fare restructuring and pricing. The fare restructuring and pricing proposal incorporated into the Fiscal Year 2006 Proposed Budget is expected to be approved by the Board on June 27, 2005. It is a comprehensive plan that includes changes in service-based fares, fare media and pricing. If approved as proposed, the fare changes will increase RT's fare revenue by \$5.4 million from the Fiscal Year 2005 forecast.

Contract Services: The Cities of Citrus Heights and Elk Grove contract with RT for fixed route transit services. In Fiscal Year 2006, the City of Folsom will initiate a contract with RT for Light Rail service. Despite the increase of revenue related to the City of Folsom contract, revenue for Contracted Services will decrease \$0.8 million (15.7%). This is consistent with mid-year transfer of local bus service from RT to the City of Elk Grove.

State and Local: 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. Included in this category is RT's one-third share of the Measure A, a local half cent sales tax initiative authorized by Sacramento County voters in 1987. Measure A is a flexible funding source that can be used for either operating or capital expenses. Also included in this category are Transportation Development Act (TDA) and State Transit Assistance (STA) allocations from the State of California. State and Local Funding will increase \$10.7 million (15.7%). This increase is the result of estimated 8.3% growth in sales tax related revenues and the reallocation of \$4.7 million in prior year Measure A revenue previously allocated to a variety of small capital projects to the Fiscal Year 2006 operating budget. RT is recognizing 0.2 million in anticipated Measure A supplemental (actual above allocation) that is not usually budgeted. Also, \$1.9 million of STA funds are included in the operating budget. In previous years all STA revenues were applied to capital.

Federal: Funds are subject to an annual appropriation by Congress and allocated on a formula basis by the Federal Transit Administration. These funds can be used for operating, planning and capital projects, but are subject to specific guidelines and regulations. The \$1.6 million (9.1%) is the result of an increase in Section 5307 formula funds appropriation between Fiscal Year 2004 and Fiscal Year 2005. As a result of the timing of fund availability from the Federal Transit Administration (FTA), 75% of the Federal Fiscal Year 2005 grant funds are budgeted in Fiscal Year 2006. The Fiscal Year 2006 Budget also included 25% of RT's federal anticipated appropriation of Federal Fiscal Year 2006 grant funds.

Other: Revenue derived from a variety of activities – investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales and photo identification activities. The Fiscal Year 2006 budget projects an increase of \$2.5 million compared to Fiscal Year 2005 budget. This increase is attributable to anticipated revenues generated through Transit Oriented Development (TOD), increasing RT's Vendor Program and one time revenues generated through the sale of surplus property.

Operating Expenses

Labor & Fringe Benefits: Includes payroll and fringe benefit costs for all positions authorized by the Board of Directors. This category accounts for wages, overtime, pension, dental, medical, FICA, vision and all other RT paid employee benefits. Salary and fringe benefit costs increased by \$7.4 million from the Fiscal Year 2005 budget to the Fiscal Year 2006 budget. Cost of living and step increases associated with negotiated labor agreements represent nearly half of the labor cost growth (\$4.7 million). Additional staffing for Amtrak/Folsom and Community Bus Services (CBS) account for another \$1.3 million. Reduced labor charges to capital projects accounts for an increase of \$1.2 million over Fiscal Year 2005. Increases

in pension contributions, medical and other fringe benefits driven by both higher wage rates and anticipated increases in medical and other benefit costs resulted in the remaining \$2.2 million in increased labor related expenses. The increases in labor costs were somewhat offset by the reduction in vacant positions (\$0.9 million) as well as continued improvement in operator availability (\$0.6 million).

Professional and Other Services: Paratransit, Inc and Transit Security Services account for 70% of the costs in this category (42% and 28%, respectively). The remaining 30% is made up of a variety of other professional and contract services include legal fees, consultant costs, temporary help, and maintenance agreements for the upkeep of bus and light rail stations and other specialized professional services. Police and Security contract increases, primarily the result of higher contract rates, result in \$1.8 million in additional costs. The Paratransit, Inc., contract is expected to increase from \$8.8 million in Fiscal Year 2005 to \$9.6 million (\$0.8 million) in Fiscal Year 2006. These increases are offset by a 1.7% reduction in the use of outside consulting services, temporary help and other miscellaneous contract services throughout the organization.

Materials and Supplies: Includes fuels, parts, general office supplies, printing materials, cleaning supplies, bus/light rail parts and small maintenance tools and equipment. Increases in bus and rail parts costs and usage, and the anticipated need to increase the number of engine rebuilds on first-generation CNG buses, add \$1.4 million to the Fiscal Year 2006 budget. Additionally, revenue vehicle maintenance and facilities maintenance account for an additional \$0.9 million of operating costs. These cost increases are offset by reductions of \$1.5 million in non-revenue vehicle parts and maintenance, building and grounds maintenance and other consumables. These reductions are attributable to a focused effort to more accurately forecast needs based on past expenditure patterns.

Casualty and Insurance Costs: This represents the District's Personal Liability/Property Damage and Worker's Compensation funding reserves, the purchase of commercial insurance for amounts in excess of self-insured amounts. This category includes insurance premiums, claim expenses, and attorney costs and other corporate insurance. The Fiscal Year 2006 Budget is \$2.6 million more than the Fiscal Year 2005 Budget. This increase reflects a change in budget methodology. Historically, RT has not fully budgeted for either actuarial liability or full anticipated claims payout. The budget includes sufficient funds to fully expense anticipated claims payouts.

Utilities: Utilities includes electricity, water, gas, refuse, and telephone expenses for the bus, light rail and administrative facilities of the District. Following the NTD categories, traction power for the light rail vehicles is also included in the Utilities total. The \$330,000 increase is the result of anticipated rate increases.

Debt: In Fiscal Year 2004 RT issued Certificates of Participation (COPs) for \$18.0 million. The proceeds from this financing were used to purchase 21 rail cars from Santa Clara Valley Transit Authority, 4 Trolley Buses from Dallas Area Rapid Transit, the Specialty Steel property to support Light Rail operations, and various other small capital projects. In Fiscal Year 2005 the debt service on these COPs was capitalized. In Fiscal Year 2006 the debt service must be recognized as an operating expense. This accounts for a \$2.1 million increase.

Miscellaneous: Other expenditures include travel and training, seminars, dues and subscriptions, and other expenditures that cannot be classified as any of the foregoing categories including taxes, dues & subscriptions, bad debt, freight charges, travel, advertising, training, legal notices, meeting, seminars and conferences. Building and equipment leases are also included in this category. The \$260,000 decrease is the result of a concerted effort to reduce discretionary spending and budgeting expenditures at a level commensurate with recent actual experience.

Major Procurements

Select Procurements Budgeted in FY2006 Operating Budget

<i>Procurement Item</i>	<i>Budget</i>	<i>Division</i>	<i>Amount</i>
Spider Coupling Blocks for the U2a Fleet	Operating	Operations	\$250,000
Printing cost for Fare Media	Operating	Finance	\$160,000
Transit Master Plan - Transit Equity Study consultant	Operating	Planning	\$300,000

THREE YEAR BUDGET FORECAST

The following chart projects operating revenues and expenditures for three years beyond the Fiscal Year 2006 Proposed Budget. These projections are based on known operational issues and historical revenue and expenditure patterns. With the exception of full year annualization of the Light Rail and Bus service adjustments included in the Fiscal Year 2006 Proposed Budget, no service changes are assumed. Major assumptions used to develop the out-year forecasts are listed on the following page.

	(Thousands)			
	FY 2006 Budget	FY 2007 Estimated	FY 2008 Estimated	FY 2009 Estimated
Revenues				
Fare Revenues	\$ 27,033	\$ 31,853	\$ 32,910	\$ 34,164
Other Revenue	4,421	3,231	3,271	3,306
State & Local Funding	78,753	80,648	84,892	89,388
Contracted Services	4,481	5,147	5,301	5,460
Federal Funding	19,156	17,440	19,546	20,719
Total Revenue	\$ 133,844	\$ 138,319	\$ 145,920	\$ 153,037
Expenditures				
Salaries & Fringe Benefits	\$ 82,076	\$ 83,408	\$ 85,910	\$ 88,487
Purchased Transportation	9,590	10,023	10,524	11,050
Regional Rail	-	-	-	1,000
Security Services	6,284	6,912	7,603	8,364
PLPD & WC	5,548	5,841	8,479	8,606
Insurance	3,585	3,628	3,682	3,737
Building Maint Facility Operating	-	1,077	1,403	1,381
Parts	3,999	4,119	4,243	4,370
Utilities	5,364	5,525	5,691	5,862
Fuel	3,344	3,607	3,716	3,827
Other	11,972	12,214	12,644	13,087
Debt Service	2,082	2,622	2,622	2,622
Total Expenditures	\$ 133,844	\$ 138,976	\$ 146,517	\$ 152,393
Surplus/(Shortfall)	\$ -	\$ (657)	\$ (597)	\$ 644

Three Year Preliminary Budget Forecast Assumptions

Revenue

- o Fares growth consistent with fare structure in Fiscal Year 2006 Proposed Budget
- o 6% increase in sales tax based revenues (Measure A and TDA), consisting of 3% for inflation and 3% growth in taxable sales
- o 15% of RT's Measure A allocated to Capital
- o 3% increase in contract services, plus full year of revenue from the City of Folsom
- o 6% increase in Federal funding; this is a conservative estimate pending reauthorization of Transportation Equity Act (TEA)
- o STA funds allocated to operating costs

Expenditure

- o Steady state bus and rail service
- o 3% inflation on major expenditure items, including salaries, parts, fuel and utilities
- o Begin operation of second bus maintenance facility in January 2007
- o Full year operation of Community Bus Service Division
- o 5% annual increase in ADA-Paratransit contract
- o Fiscal Years 2006 and 2007 assume continuation of General Liability and Workers' Compensation funding at level equal to, or greater than, annual claims payouts. Fiscal Years 2008 and 2009 assume funding at 100% of annual actuarial liability. Forecast assumes that proceeds from RT's Leveraged Lease transaction will resolve unfunded liability through 2007
- o Increase in debt service as a result of the acquisition of the second bus maintenance facility

AUTHORIZED POSITIONS

POSITION SUMMARY

The Fiscal Year 2006 Budget Proposal includes a personnel strength level of 1230 positions versus an approved staffing level of 1239 positions in FY 2005. This represents a net reduction of 9 positions- notwithstanding both the Amtrak/Folsom service expansion (+14 positions) and the one-time conversion of existing Neighborhood Ride shuttle services (+7 positions) to a more competitive operator wage rate negotiated in the last ATU contract, i.e., 60% of the top operator wage rate.

As part of cost savings measures, the District's Fiscal Year 2006 Budget Proposal includes the elimination of 22 vacant positions, the reduction of 8 positions attributable to the proposed bus service eliminations; and the layoff/elimination of 9 positions in the Engineering & Construction department during the fiscal year directly related to downsizing of the District's capital construction program as the Amtrak/Folsom project is completed.

The following table provides a comparison of authorized positions by Division for the Fiscal

Division	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004
General Manager/CEO	5	3	3
Operations	899	920	906
Facilities & Business Support Services	91	91	90
Engineering & Construction	47	54	54
Planning & Transit Systems Development	82	55	53
Administrative Services	64	69	70
Finance	32	36	36
Legal	10	11	11
Total	1,230	1,239	1,223

AUTHORIZED POSITION LIST BY DIVISION/DEPARTMENT

Division/Department	FY06		
<u>OFFICE OF THE GENERAL MANAGER</u>			
GENERAL MANAGER/CEO	4	OPERATIONS TRAINING	7
Administrative Assistant II	1	Human Resources Administrator	1
Executive Assistant	1	Senior Trainer - (SS)	1
General Manager	1	Trainer I (SS)	3
Senior Administrative Assistant	1	Trainer II (SS)	2
COMPLIANCE & QUALITY ASSURANCE	1	POLICE SERVICES	23
Compliance & Quality Assurance Auditor	1	Administrative Assistant I	1
<i>Full-time Equivalent</i>	5	Administrative Assistant II	1
		Transit Officer	20
		Transit Officer Supervisor	1
<u>OPERATIONS</u>		SCHEDULING	5
BUS MAINTENANCE	124	Director of Scheduling	1
Administrative Assistant II	1	Schedule Analyst I	1
Administrative Technician II	2	Schedule Analyst II	2
Bus Service Worker	32	Senior Schedule Analyst	1
Director of Maintenance	1	CHIEF OPERATING OFFICER	3
Electronic Mechanic	2	Chief of Operations Support	0
Maintenance Superintendent	1	Chief Operating Officer	1
Maintenance Supervisor	9	Transportation Supervisor	2
Maintenance Trainer	1	<i>Full-time Equivalent</i>	899
Mechanic A	31		
Mechanic A Body/Fender	6	<u>FACILITIES & BUSINESS SUPPORT SERVICES</u>	
Mechanic A Gasoline/Propane	1	FACILITIES MANAGEMENT	42
Mechanic B	16	Administrative Assistant II	1
Mechanic C	18	Director of Facilities	1
Painter	2	Facilities Supervisor	3
Upholsterer	1	Facilities Technician	1
BUS TRANSPORTATION	521	Facilities Worker	13
Administrative Assistant II	3	Facilities Worker I	3
Director of Transportation	1	Facilities Worker II	3
Operators - Bus/Rail	489	Facilities Worker III	15
Senior Administrative Assistant	1	Senior Facilities Analyst	1
Transportation Superintendent	3	Senior Property Analyst	1
Transportation Supervisor	24		
LIGHT RAIL	216	INFORMATION TECHNOLOGY	14
Administrative Assistant II	4	Director of Information Technology	1
Director of Light Rail	1	Information Technology Analyst I	2
Light Rail Mechanic A	34	Information Technology Analyst II	4
Light Rail Mechanic C	6	Information Technology Training Coor	1
Light Rail Service Worker	19	Programmer Analyst II	1
Line Worker	20	Senior Information Technology Analyst	2
Maintenance Superintendent	2	Senior Programmer Analyst	2
Maintenance Supervisor	12	Software Development Administrator	1
Maintenance Trainer	1	PROCUREMENT SERVICES	29
Mechanic A Body/Fender	2	Administrative Assistant II	1
Mechanic A Gasoline/Propane	1	Buyer	1
Operators - Bus/Rail	70	Clerk II	2
Painter	1	Materiels Management Supervisor	3
Rail Laborer	0	Partsperson	13
Rail Maintenance Worker	12	Procurement & DBE Administrator	1
Senior Rail Maintenance Worker	1	Procurement Analyst II	3
Transportation Superintendent	2	Procurement Services Manager	1
Transportation Supervisor	27	Purchasing/Materiels Administrator	1
Vehicle Equipment Maintenance Specialist	1	Senior Procurement Analyst	3

Facilities & Business Support Services**(cont'd)****PROPERTY MANAGEMENT 0****SAFETY 5**

Administrative Assistant II	1
Director of Safety	1
Safety Specialist I	1
Safety Specialist II	1
Senior Safety Specialist	1

CHIEF OF FACILITIES & BUSINESS SUPPORT 1

Chief of Facilities Management	1
<i>Full-time Equivalent</i>	91

ENGINEERING & CONSTRUCTION**CIVIL & TRACK DESIGN 12**

Architect	1
Associate Civil Engineer	3
Chief Engineer	1
Engineering Technician II	3
Senior Architect	1
Senior Civil Engineer	2
Senior Engineering Technician	1

ENVIRONMENTAL ENGINEERING 3

Administrative Assistant II	1
Environmental Services Manager	1
Senior Environmental Compliance Analyst	1

PROGRAM CONTROL 7

Administrative Assistant II	2
Cost Analyst	1
Director of Program Control	1
Engineering Systems Support Specialist	0
Senior Project Control Engineer	3

PROJECT MANAGEMENT 12

Administrative Assistant II	1
Assistant Project Manager	1
Construction Admin/Resident Engineer	1
Construction Tech II/Senior Inspector	4
Construction Tech III/Assist Resident Engineer	4
Director of Project Management	1

SYSTEMS ENGINEERING 9

Administrative Assistant II	1
Associate Systems Engineer	5
Director of Systems Design	1
Senior Systems Engineer	2

AGM OF ENGINEERING 4

Asst GM of Engineering & Construction	1
Quality Assurance Administrator	1
Senior Administrative Assistant	1
Senior Quality Assurance Specialist	1
<i>Full-time Equivalent</i>	47

PLANNING & TRANSIT SYSTEM DEVELOPMENT**ACCESSIBLE SERVICES 8**

Accessible Services Administrator	1
Accessible Services Analyst I	1
Administrative Assistant I	1
Administrative Assistant II	1
Administrative Technician II	4

COMMUNITY BUS SERVICE 34

Administrative Analyst II	0
Administrative Assistant II	1
Bus Service Worker	1
CBS Dispatcher	5
CBS Manager	1
CBS Operators - Bus	25
Director of Community Bus Services	1

PLANNING 22

Administrative Assistant II	1
Assistant Planner	2
Director of Planning	1
Part-Time Route Checker	12
Planner	2
Planning Manager	0
Route Check Supervisor	1
Senior Administrative Analyst	0
Senior Planner	3

PUBLIC INFORMATION 9

Administrative Assistant II	1
Graphic Designer	2
Public Information Manager	1
Public Information Officer I	0
Public Information Officer II	2
Senior Graphics Designer	1
Senior Public Information Officer	2

REAL ESTATE 6

Administrative Assistant II	1
Director of Real Estate	1
Real Estate Administrator, Acquisitions & Joint	1
Real Estate Administrator, Asset Management	1
Real Estate Analyst II	2

STRATEGIC PLANNING 0**AGM OF MARKETING & PUBLIC RELATIONS 1**

Asst GM of Marketing & Communications (Not Funded)	1
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AGM OF PLANNING 2

Asst GM of Planning & Transit System	1
Senior Administrative Assistant	1
<i>Full-time Equivalent</i>	82

ADMINISTRATIVE SERVICES

CUSTOMER RELATIONS	30
Administrative Assistant II	1
Customer Service Administrator	1
Customer Service Representative I	2
Customer Service Representative II (FT/PT)	22
Customer Service Representative III	1
Customer Service Supervisor	2
Senior Customer Service Supervisor	1
EMPLOYEE RELATIONS	4
Administrative Technician II	1
Employee Relations Manager	1
Human Resources Analyst I	1
Senior Human Resources Analyst	1
EQUAL EMPLOYMENT OPPORTUNITY	2
EEO Administrator	1
Senior Human Resources Analyst	1
HUMAN RESOURCES	17
Administrative Assistant I	2
Administrative Assistant II	1
Administrative Technician II	3
Benefits Administrator	1
Human Resources Analyst I	2
Human Resources Analyst II	4
Human Resources Manager	1
Senior Human Resources Analyst	2
Trainer I	1
RISK	4
Claims Analyst I	1
Claims Technician	1
Human Resources Administrator	1
Senior Claims Analyst	1
TRAINING	0
CHIEF OF STAFF	1
Chief of Staff (Not Funded)	1
CHIEF ADMINISTRATIVE OFFICER	6
Chief Administrative Officer/EEO	1
Clerk to the Board/Document Coordinator	1
Public Information Officer II	1
Senior Administrative Analyst	1
Senior Administrative Assistant	1
Senior Public Information Officer	1
<i>Full-time Equivalent</i>	64
FINANCE	
FINANCE/TREASURY	22
Accountant I	1
Accountant II	4
Accounting Manager	1
Accounting Technician	2
Administrative Analyst I	1
Clerk II	8
Director of Finance/Treasury	1
Payroll Analyst	1
Payroll Technician	1
Revenue Manager	1
Senior Clerk	1

OFFICE OF MANAGEMENT AND BUDGET	8
Administrative Analyst I	1
Budget Manager	0
Director of Office Management & Budget	1
Grants Manager	1
Senior Financial Analyst	4
Senior Grants Analyst	1
CHIEF FINANCIAL OFFICER	2
Administrative Assistant II	1
Chief Financial Officer	1
<i>Full-time Equivalent</i>	32
OFFICE OF CHIEF LEGAL COUNSEL	
Legal	10
Administrative Assistant II	2
Attorney II	2
Attorney III	2
Chief Legal Counsel	1
Chief Litigation Counsel	1
Senior Paralegal	2
<i>Full-time Equivalent</i>	10
Total Regional Transit Staff	
<i>Full-time Equivalent</i>	1,230

EXPENSE SUMMARY BY DIVISION

OFFICE OF THE GENERAL MANAGER



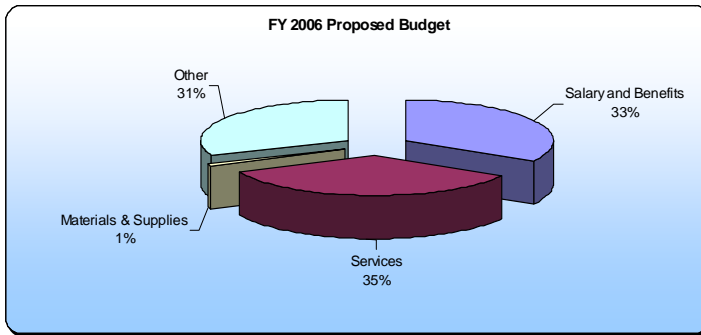
Office of the General Manager, managed by the General Manager/CEO, is responsible for the overall functions of the District. The General Manager/CEO is accountable to the Board of Directors and is responsible for ensuring the implementation of the directives issued and approved by the Board of Directors. The General Manager/CEO provides management over the Compliance and Quality Assurance Auditor.

Compliance and Quality Assurance Auditor is responsible for the internal audit function of the District. Duties include: operational, compliance, and quality assurance audits of the District Departments and functions; review of District operations to ensure: adequacy of internal controls, safeguarding of assets, compliance with policies and procedures and Federal, state and local agency grant requirements, effectiveness of operations and consistency with organizational objectives; pre-award audits of cost proposals; performance and compliance audits of District contractors; other audits and reviews as required.

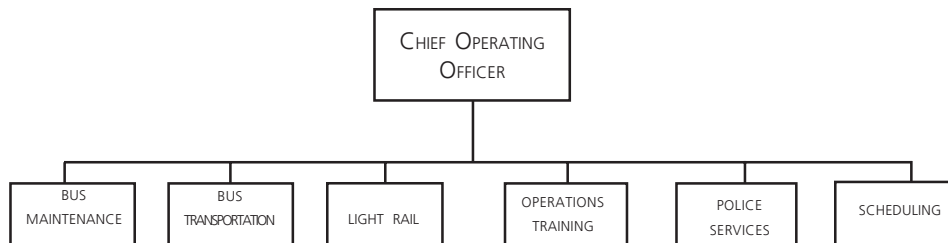
OFFICE OF THE GENERAL MANAGER

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
General Manager/CEO	4	2	2
Compliance & Quality Assurance	1	1	1
Division Total	5	3	3

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 532,031	\$ 410,568	\$ 635,009
Services	557,400	919,000	383,761
Materials & Supplies	9,500	9,200	6,705
Other	494,625	520,996	388,551
Division Total	\$ 1,593,556	\$ 1,859,764	\$ 1,414,026



OPERATIONS DIVISION



Operations, managed by the Chief Operating Officer, is responsible for the delivery of safe and secure transit services throughout our community.

Bus Maintenance ensures the bus fleet is safe and available for daily operations.

Bus Transportation is responsible for the daily operation of all Regional Transit bus service. All Transportation Department employees are responsible for safe, reliable, and courteous service to the public.

Light Rail operates and maintains the light rail transit system. This department also works with Engineering Services Division in delivering service extensions and system improvements into operations.

Operations Training is responsible for providing training for all bus and rail operators, including drivers' training, defensive driving, and safety.

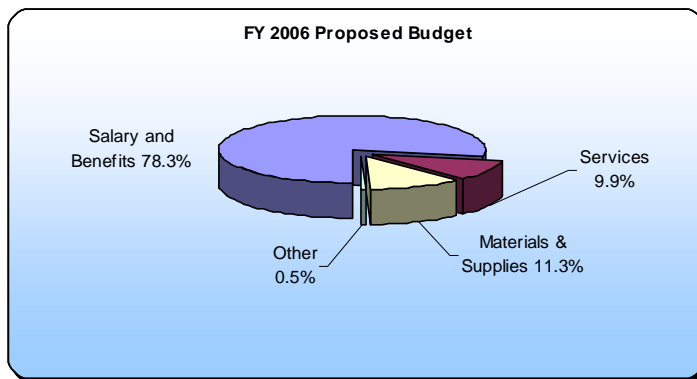
Police Services provides protection and security to all District operations, employees and the public.

Scheduling plans and maintains bus and rail schedules for the District.

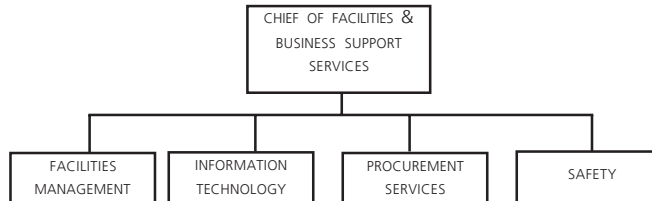
OPERATIONS DIVISION

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Bus Maintenance	124	124	125
Bus Transportation	521	554	554
Light Rail	216	208	199
Operations Training	7	-	-
Police Services	23	25	19
Scheduling	5	6	6
Chief Operating Officer	3	3	3
Division Total	899	920	906

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 63,210,394	\$ 56,695,734	\$ 54,877,253
Services	7,966,805	5,578,312	4,881,016
Materials & Supplies	9,143,080	8,391,896	8,048,617
Other	411,476	521,850	372,729
Utilities	3,750,000	3,500,000	2,684,270
Division Total	\$ 84,481,755	\$ 74,687,792	\$ 70,863,886



FACILITIES & BUSINESS SUPPORT SERVICES DIVISION



Facilities & Business Support Services, managed by the Chief of Facilities & Business Support Services, is responsible for facilities, capital programs, procurement and safety.

Facilities Management, managed by the Director of Facilities, is responsible for maintaining the District's fixed facilities, real property, and related assets and equipment, excluding rail and systems such as track and structure, traction power, signaling, and associated equipment and assets.

Information Technology plans, organizes, directs, and coordinates the full range of duties related to overseeing the selection, deployment, use, and administration of information.

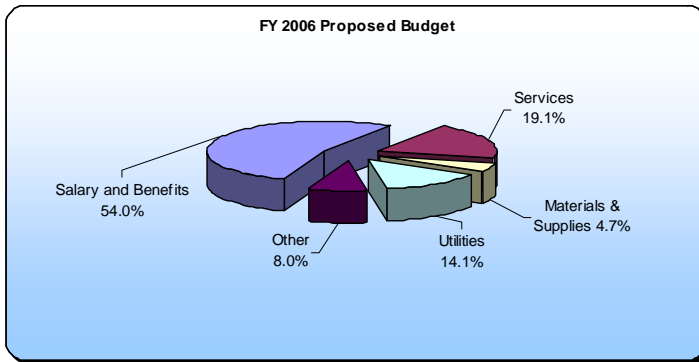
Procurement Services plans, organizes, directs, and coordinates the full range of duties related to overseeing the acquisition of goods, services, and capital assets and oversees the administration of the District's Disadvantaged Business Enterprise (DBE) program. This includes compliance with all statutes, ordinances, rules, decrees, and other regulations associated with procurement, contracting, and DBE administration.

Safety advises, assists and audits the development of the District's safety, loss prevention and health programs to assure that employees, patrons, contractors and the general public can enjoy a transporta-

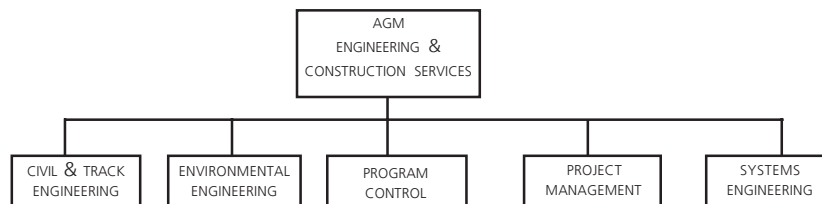
FACILITIES & BUSINESS SUPPORT SERVICES DIVISION

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Facilities Management	42	37	38
Information Technology	14	16	15
Procurement Services	29	30	30
Property Management	0	1	1
Safety	5	4	4
Chief, Facilities & Business Support	1	3	2
Division Total	91	91	90

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 6,184,696	\$ 5,864,999	\$ 5,818,530
Services	2,191,289	2,209,952	1,515,357
Materials & Supplies	541,750	554,190	528,610
Utilities	1,614,457	1,534,385	1,668,717
Other	915,404	891,300	619,080
Division Total	\$ 11,447,596	\$ 11,054,826	\$ 10,150,294



ENGINEERING AND CONSTRUCTION DIVISION



Engineering and Construction, managed by the Assistant General Manager of Engineering and Construction, is responsible for the environmental and project planning, design, engineering, construction, project management and program control of the District's capital improvement projects (CIP) on both bus and light rail systems, and the facilities of the District. The primary function of the Division is to provide environmental and preliminary engineering, final design, construction/project management, and program/project monitoring and control, and quality assurance expertise through its staff and third party contractors.

Civil & Track Engineering is responsible for the design, engineering and architecture of civil, track, bridge & structures, concrete, earthwork, light rail stations and major facilities on major and minor capital improvement projects (CIP). In addition, this department provides engineering support for bus and light rail systems maintenance including trackway, pavement, stations, station artwork, structural repairs, enhancements and improvements.

Environmental Engineering manages compliance with the California Environmental Quality Act, the National Environmental Policy Act, and other environmental laws and regulations. It conducts RT's environmental reviews and environmental planning studies, prepares the environmental documentation necessary to advance the projects into the design phase and the preliminary engineering phase for new start projects. Environmental mitigation monitoring activities are also performed by this unit through the design and construction phase of the projects.

Program Control provides the project management tools for monitoring and managing RT's Capital Improvement Program of Projects including capital projects within the Engineering & Construction Division as well as projects throughout the District. Functions include preparation of Project Management Plans, project work plans, budgeting, cost control, project scheduling, trending, performance measurements and progress reporting, vendor/contractor payments and general office administration.

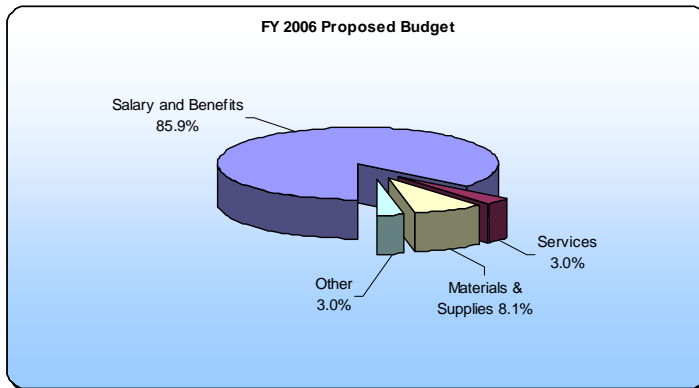
Project Management provides overall project management and administers and manages the construction activities of capital improvement projects including construction administration, contracts implementation, inspection, quality assurance, safety, community relations, utilities coordination, governmental permitting agency coordination, project completion and closeout.

Systems Engineering is responsible for the design and engineering of electrification systems including wayside signaling, grade crossing controls, traction power, overhead catenary systems, systems communication, bus and light rail controls and electrical systems on major and minor capital improvement projects (CIP) for both bus and light rail systems. In addition, this unit is also responsible for design, procurement and installation of light rail vehicles and fare vending machines.

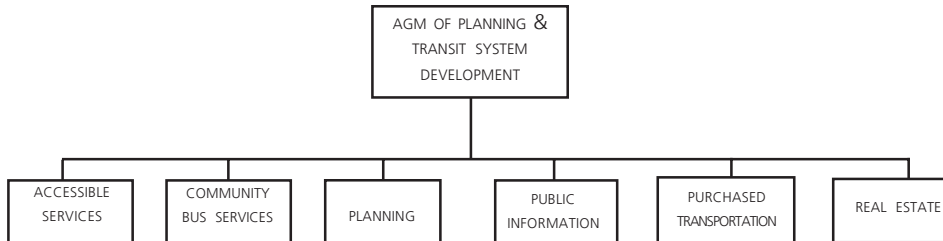
ENGINEERING AND CONSTRUCTION DIVISION

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Civil & Track Design	12	14	14
Environmental Engineering	3	3	3
Program Control	7	10	10
Project Management	12	13	13
Systems Engineering	9	10	10
AGM of Engineering	4	4	4
Division Total	47	54	54

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 865,134	\$ 204,848	\$ 1,372,260
Services	30,000	-	17,401
Materials & Supplies	82,000	-	73,344
Other	30,500	-	34,206
Division Total	\$ 1,007,634	\$ 204,848	\$ 1,497,211



PLANNING & TRANSIT SYSTEM DEVELOPMENT DIVISION



Planning and Transit System Development, managed by the Assistant General Manager of Planning and Transit Systems Development, is responsible for the District's long and short-range planning, real estate acquisition/disposition, and joint development functions.

Accessible Services plans, organizes, directs, and coordinates all duties relating to overseeing ADA intake and DECAT liaison.

Community Bus Services is responsible for the start-up and operations (including the scheduling, dispatch, vehicle maintenance and staffing) of RT's fleet of Neighborhood Ride Service.

Planning develops the District's short- and long-range transportation planning programs, schedule development, and route review functions.

Public Information plans and implements a comprehensive proactive marketing, public information, media relations and community relations program to support the needs of the organization and the region; this includes marketing communication with customers and potential customers and communicating with the general public.

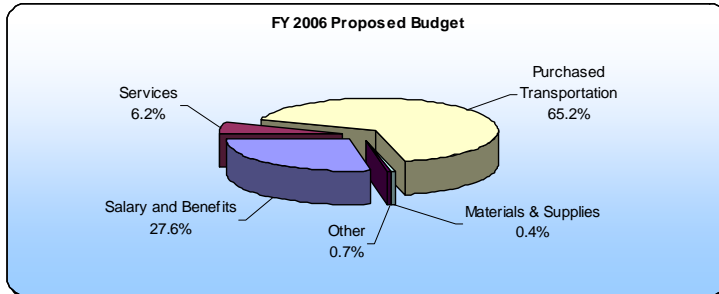
Purchased Transportation has been under contract to the District since 1992, Paratransit, Inc. operates a curb-to-curb transportation service for Sacramento area residents who are unable to use fixed-route service. This service complements Regional Transit fixed-route bus and rail service and is in accordance 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.

Real Estate is responsible for real estate acquisition, development (including Transit Oriented Development program) and disposition activities for the construction, maintenance and operation of public transit.

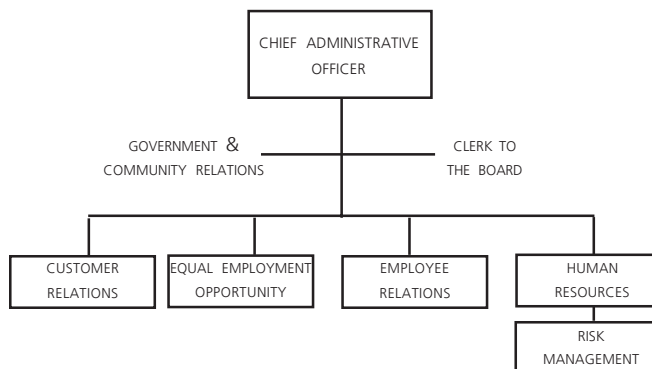
PLANNING & TRANSIT SYSTEM DEVELOPMENT

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Accessible Services	8	8	8
Community Bus Services	34	2	-
Planning	22	21	21
Public Information	9	12	12
Real Estate	6	6	6
Strategic Planning	-	2	2
AGM of Marketing & Public Relations	1	2	2
AGM of Planning	2	2	2
Division Total	82	55	53

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 4,054,165	\$ 3,348,733	\$ 3,128,034
Services	911,800	1,207,332	896,278
Purchased Transportation	9,590,404	8,767,438	8,034,203
Materials & Supplies	60,700	96,832	34,656
Other	97,995	121,150	58,294
Division Total	\$ 14,715,064	\$ 13,541,485	\$ 12,151,465



ADMINISTRATIVE SERVICES/EEO DIVISION



Administrative Services, managed by the Chief Administrative/EEO Officer, is responsible for administrative support functions to the District.

- o **Clerk to the Board** unit is responsible for maintaining records (contracts, resolutions, issue papers, and standard operating procedures) for the District and providing support to the Board of Directors. The Clerk is the point of contact for the Board members, and is responsible for preparing and distributing agenda material, verifying document authenticity, and coordinating Board related activities.
- o **Government & Community Relations** unit is responsible for reviewing capital and operating projects and initiatives for community-sensitive designs and construction methods, formulation of appropriate community involvement and governmental briefings, input and updates, as well as tracking of public concerns. Serves as community liaison back to RT staff, and public forum facilitators.

Customer Relations provides a high level of customer service at every point of contact; this includes the Call Center, Photo ID Center, Downtown Service Center, Reception Desk, and Customer Satisfaction Unit.

Equal Employment Opportunity plans, organizes, directs, and coordinates the administration of the District's compliance with all EEO statutes, ordinances, rules, decrees, and other regulations. This includes responsibility for overseeing the investigation and settlement of complaints, claims, and other EEO related grievances.

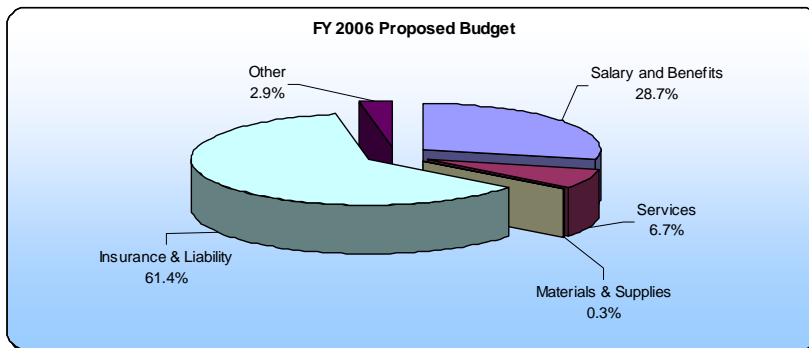
Employee Relations manages and administers the employee and labor relations programs and policies of the District. This department represents the District in grievances, arbitration, collective bargaining and other related proceedings. This department provides daily assistance and guidance to all other District staff on the interpretations and application of employee rules, regulations, labor agreements, and related policies. In addition, the Employee Relations Department provides training to administrative and supervisory staff on various employee and labor relations issues to ensure compliance with external regulations and consistent application of internal rules, policies and agreements.

Human Resources provides for employee needs through planning and implementing programs and services leading to hiring, development and retention of employees. This department is responsible for administering employee benefits, designing and monitoring employee performance appraisal and developing and maintaining consistent recruitment and promotion practices. Funds off-site specialized training for employees. In addition, the department is responsible for the Risk (Management) unit, which establishes guidelines for protecting and maintaining the District's assets, reducing risk of injury to employees and to the public, and minimizing costs.

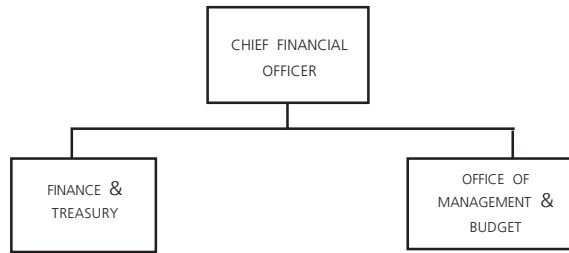
ADMINISTRATIVE SERVICES

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Customer Relations	30	29	29
Employee Relations	4	4	4
Equal Employment Opportunity	2	2	2
Human Resources	17	15	15
Risk	4	4	4
Training	-	8	9
Chief of Staff	1	5	5
Chief Administrative Officer	6	2	2
Division Total	64	69	70

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 4,261,847	\$ 5,017,747	\$ 4,610,475
Services	996,600	688,700	602,212
Materials & Supplies	41,400	171,900	156,127
Insurance & Liability	9,133,369	6,501,637	9,433,674
Other	438,326	537,648	479,490
Utilities	-	-	2,254
Division Total	\$ 14,871,542	\$ 12,917,632	\$ 15,284,232



FINANCE DIVISION



Finance, managed by the Chief Financial Officer, is responsible for direction and management of the accounting, revenue, grant accounting, fixed assets, budgeting and business analysis & reporting functions.

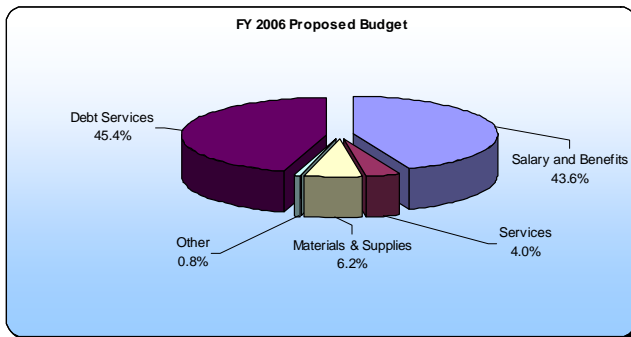
Finance and Treasury administers the day to day functions of Treasury management, accounts payable, payroll, revenue operations, and general accounting.

Office of Management and Budget is responsible for grants administration, preparing the annual budget, monitoring expenditures to the adopted budget, providing analytical support to District's management, and reporting financial results to management and regulatory agencies.

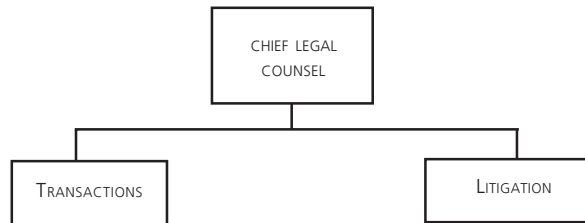
FINANCE DIVISION

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Finance and Treasury	22	24	25
Office of Management and Budget	8	10	9
Chief Financial Officer	2	2	2
Division Total	32	36	36

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 1,999,929	\$ 2,086,391	\$ 2,316,230
Services	183,355	301,741	329,287
Materials & Supplies	286,100	228,000	310,500
Other	37,850	90,150	152,470
Debt Services	2,082,258	-	-
Utilities	-	-	(5)
Division Total	\$ 4,589,492	\$ 2,706,282	\$ 3,108,482



OFFICE OF THE CHIEF LEGAL COUNSEL



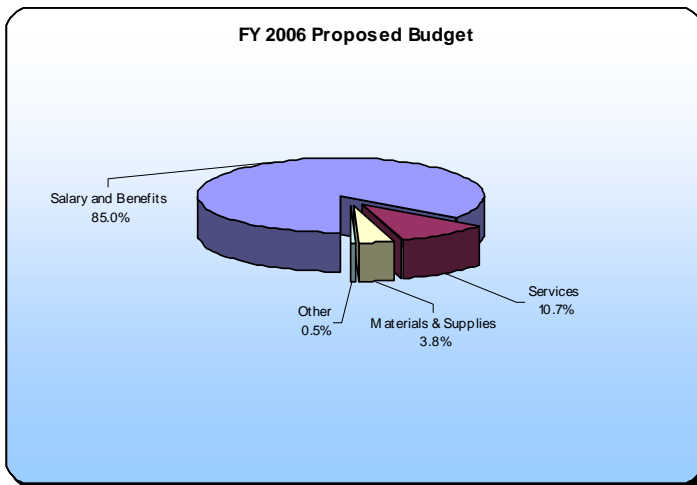
Office of the Chief Legal Counsel, managed by the Chief Legal Counsel, is accountable to the Board of Directors. This division represents the District in all legal matters. The Legal Division prepares ordinances, contracts, policies and other administrative documents and is responsible for litigious and procedural functions.

The Chief Legal Counsel is responsible for interpretations of federal, state and local laws, and for providing oversight and coordination of all litigation that is assigned to outside counsel.

OFFICE OF THE CHIEF LEGAL COUNSEL

Staffing by Department	FY 2006 Proposed	FY 2005 Authorized Positions	FY 2004 Budget
Legal	10	11	11
Division Total	10	11	11

Expense Category	FY 2006 Proposed	FY 2005 Budget	FY 2004 Actuals
Salary and Benefits	\$ 966,857	\$ 1,026,503	\$ 870,718
Services	121,500	77,500	62,710
Materials & Supplies	43,500	42,500	41,695
Other	5,850	9,500	4,345
Division Total	\$ 1,137,707	\$ 1,156,003	\$ 979,467



CAPITAL BUDGET



CAPITAL PROGRAM FUNDING AND CAPITAL PROJECTS EXPENDITURE PLAN

The Fiscal Year 2006 Proposed Capital Budget programs \$29.3 million of new capital revenue. The largest source of new capital revenue is from anticipated proceeds of \$19.0 million from debt issued for the Bus Maintenance Facility (BMF) at McClellan (total project budget is \$22.9 million). Measure A funding for the Amtrak/Folsom Project accounts for another \$6.6 million. A listing of the proposed capital projects for new expenditure authorization is detailed on the following page. The budget document also includes a complete list of all currently funded capital projects and a forecasted spending plan of \$71.0 million for Fiscal Year 2006.

A comprehensive Capital Improvement Program (CIP) is being developed and will be presented to the RT Board of Directors in early fall. The CIP will include a prioritized list of all RT-approved capital needs for the next 20 years with designations of Track 1 and Track 2. Fully funded projects would be deemed "Track 1". Revenues and expenditures for these projects will be fully detailed for the next five years. "Track 2" projects are those projects that remain unfunded and would become the basis for RT's capital advocacy efforts. Depending on funding constraints and rules of eligibility, some high priority RT projects may require partial or full Track 2 designation, thereby delaying high priority projects until a revenue source can be identified.

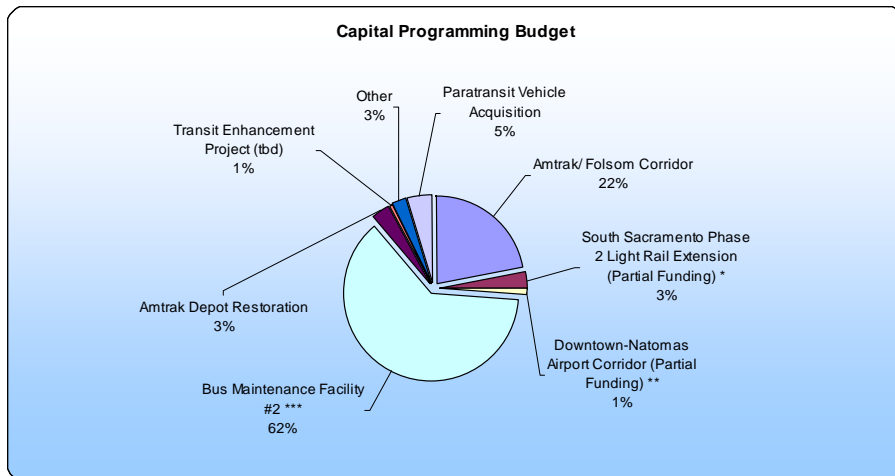
NEW CAPITAL PROGRAMMING BUDGET

Description	Total	Federal			State		Local		Other
		5307	5309 (Bus/Rail)	STP	STA	Measure A	Debt Proceeds		
Major Construction									
Amtrak/ Folsom Corridor	\$ 6,756,218	\$ 173,607	\$ -	\$ -	\$ -	\$ 6,582,611	\$ -	\$ -	-
South Sacramento Phase 2 Light Rail Extension (Partial Funding)*	919,880	-	-	-	-	-	-	-	919,880
Downtown-Natomas Airport Corridor (Partial Funding)**	388,682	-	-	-	-	-	-	-	388,682
Bus Maintenance Facility #2***	18,971,325	-	971,325	8,000,000	-	-	10,000,000	-	-
Amtrak Depot Restoration	999,075	-	799,260	-	199,815	-	-	-	-
Transit Enhancement Project (tbd)	170,625	136,500	-	-	34,125	-	-	-	-
Paratransit									
Paratransit Vehicle Acquisition	826,393	826,393	-	-	-	-	-	-	-
Other									
Engineering & Administrative Capitalized Labor	1,411,981	-	-	-	1,411,981	-	-	-	-
FY06 Capital Project Funding	\$ 30,444,179	\$ 1,136,500	\$ 1,770,585	\$ 8,000,000	\$ 1,645,921	\$ 6,582,611	\$ 10,000,000	\$ 1,308,562	

* Funding Source is the Elk Grove-West Vineyard Developer Fees

** Funding Source is North Natomas Financing Plan, Transit Fees

*** Pursuant to the June 10, 2005 agreement with SACOG, \$8M of 2009 STIP funds have been reprogrammed to Fiscal Year 2006



CAPITAL PROGRAM EXPENDITURE PLAN

Program/ Project	Total Project Cost	Costs Thru FY 2005	FY 2006 Costs	Future Costs
Major Construction				
Amtrak Depot Restoration Project	\$ 1,221,495	\$ -	\$ 1,221,495	\$ -
Amtrak/Folsom Light Rail Extension	237,000,000	221,023,000	14,578,000	1,399,000
Bus Maintenance Facility #2	23,429,032	529,032	15,001,770	7,898,230
Downtown-Natomas-Airport Light Rail Extension (AA/PE/FEIS)	27,510,189	9,216,547	1,104,400	17,189,242
South Sacramento Phase 1 Light Rail Extension	222,000,000	221,093,760	906,240	-
South Sacramento Phase 2 Light Rail Extension (Partial Funding)	82,885,000	5,478,000	6,702,209	70,704,791
	\$ 594,045,716	\$ 457,340,339	\$ 39,514,114	\$ 97,191,263
Light Rail				
13th St. LR Pedestrian Improvements w/ Sac. CADA	50,000	-	50,000	-
16th Street Joint Development w/ Sac. CADA	50,000	-	50,000	-
47th Ave. Station Traffic Signal	207,500	97,177	110,323	-
Amtrak/Folsom Related Projects	-	345,015	45,000	-
Butterfield/Mather Mills LR Station Improvements	134,489	27,000	54,000	53,489
Central Train Tracking	1,485,309	1,027,309	458,000	-
Cordova Town Center LR Station Improvements	137,700	100,000	37,700	-
Crossing Protection Modifications	362,500	106,500	256,000	-
Dos Rios Light Rail Station Study (AA/PE)	470,000	114,000	228,000	128,000
Existing System Soundwalls	952,325	902,220	50,105	-
Florin Road Grade Separation	6,446,751	6,359,513	87,238	-
K Street Mall Improvements	545,520	417,500	128,020	-
Light Rail Fleet Improvements	3,786,000	1,857,469	1,928,531	-
Light Rail Vehicle Procurement	5,575,000	3,939,366	1,135,634	500,000
LRT System Noise Attenuation	790,717	740,717	50,000	-
LRV Communication Kits-LRT Security Cameras	600,000	200,000	400,000	-
LRV Mid-Life Overhaul (Partial Funding)	4,941,000	1,964,108	2,976,892	-
LRV Retrofit Communication Kits	3,471,250	1,436,723	2,034,527	-
Major LRT Station Rehabilitation	4,900,000	4,031,073	868,927	-
Midtown Dispatch Facility	1,566,210	1,516,210	50,000	-
North Line Substation Upgrade (Phase 1)	900,000	373,175	526,825	-
OCS/Substation Upgrades	607,000	186,294	284,000	136,706
South Sacramento Light Rail Related Projects	1,540,454	1,497,084	43,370	-
Starter Line Signal/Light Improvements	156,000	80,000	76,000	-
Track & Grade Crossing Improvements	633,278	463,673	169,605	-
UTDC Light Rail Vehicle Acquisition & Retrofit	11,340,000	7,340,000	4,000,000	-
Wayside Signal Reconfiguration	500,000	468,350	31,650	-
	\$ 52,149,003	\$ 35,590,476	\$ 16,130,347	\$ 818,195
Bus				
Bus Stop Improvement Program	257,146	114,842	142,304	-
CNG Bus Acquisition	37,013,875	36,787,355	120,000	106,520
Countywide Neighborhood Shuttle	275,000	175,000	100,000	-
Trolley and Neighborhood Ride Vehicle Acquisition	985,262	397,819	315,000	272,443
	\$ 38,531,283	\$ 37,475,016	\$ 677,304	\$ 378,963
Paratransit				
Paratransit Capital Equipment	76,910	35,875	41,035	-
Paratransit Vehicle Acquisition	5,615,397	3,342,830	1,950,000	322,567
	\$ 5,692,307	\$ 3,378,705	\$ 1,991,035	\$ 322,567
Other				
ADA Transition Plan Improvements	195,154	113,232	81,922	-
Engineering & Administrative Overhead Support (FY 2006)	2,981,317	1,769,336	1,211,981	-
Facilities Maintenance and Improvements	1,305,224	461,865	421,680	421,679
Fare Vending Machines	7,375,509	6,141,814	33,695	1,200,000
Farebox Collection System	137,082	100,022	37,060	-
Fiber Optics Program (Phase 1)	1,502,500	1,468,117	34,383	-
General Construction Management Support Services	385,000	325,000	60,000	-
General Engineering Support Services	345,000	245,000	100,000	-
Incremental Lighting of Fiber	300,000	60,695	120,000	119,305
JPA Project	25,000	5,000	20,000	-
Regional Rail (RT is a partner)	972,853	305,930	320,000	346,923
SAP Fixed Asset Tracking	10,000	5,000	5,000	-
Subrecipients on RT grants (JARC et. al.)	5,886,948	1,500,000	2,000,000	2,386,948
Transportation Efficiency & Management System	2,001,000	1,184,248	816,752	-
Watt Ave Grade Separation (RT is a partner)	556,000	100,000	200,000	256,000
Wayside Backhoe	75,000	-	75,000	-
	\$ 24,053,587	\$ 13,785,259	\$ 5,537,473	\$ 4,730,855
Total Capital Program:	\$ 714,471,896	\$ 547,569,795	\$ 63,850,273	\$ 103,441,843

GLOSSARY

The following explanations of terms are presented to aid in understanding the narrative discussions and illustrations included in this budget document and the terminology generally used in governmental accounting, auditing, financial reporting and budgeting.

Accountability

The state of being obliged to explain one's actions, to justify what one does. Accountability requires governments to answer to the citizenry to justify the raising of public resources and the purposes for which they are used.

Accounting System

The methods and records established to identify, assemble, analyze, classify, record and report a government's transactions and to maintain accountability for the related assets and liabilities.

Accrual Basis

The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ADA

Americans with Disabilities Act. Federal law passed in 1990 that prohibits discrimination against individuals with disabilities in service facilities and employment.

Annual Budget

A budget applicable to a single fiscal year. See Budget and Operating Budget.

Audit

A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries and confirmations with third parties. See Internal Auditing and Financial Audit.

Basis of Accounting

A term used to refer to when revenues, expenditures, expenses, transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually

indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body of adoption, and sometimes, the plan finally approved by the body. See *Annual Budget*.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

Budget Process

A cycle involving a series of recurrent and continuous planning steps to arrive at a viable financial plan.

Budgetary Control

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Capital Outlay

Expenditures resulting in the acquisition of or addition to the government's general fixed assets.

Capital Projects Fund

A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Capitalization

The classification of an expense as an asset because it benefits the agency for more than a year.

Debt

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

Expenditures

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Farebox Revenue

Fares paid by passengers traveling aboard transit vehicles.

Federal

United States government.

Fiscal Year

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. District's Fiscal Year begins July 1 and ends on June 30.

Fund

A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

General Ledger

A record containing the accounts needed to reflect the financial position and the results of operations of a government. In double-entry bookkeeping, the debits and credits in the general ledger are equal (i.e., the debit balances equal the credit balances).

Internal Control Structure

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

Internal Service Fund

A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Level of Budgetary Control

One of the three possible levels of budgetary control and authority to which organizations, programs, activities and functions may be subject. These levels of budgetary control are (a) appropriate budget, (b) legally authorized non-appropriated budget review and approval process, which is outside the appropriated budget process, or (c) non-budgeted financial activities, which are not subject to the appropriated budget and the appropriation process or to any legally authorized non-appropriated budget review and approval process, but still are relevant for sound financial management and oversight.

LTF

Local Transportation Funds. Tax revenues derived from one-quarter cent sales tax collected by the State of California and distributed to the cities and counties to support transit projects.

Measure A

Passed in 1988, this measure approved a half-cent sales tax increase to fund local transportation projects. Sales tax receipts are administered by the Sacramento Transportation Authority.

Operating

Maintaining the ongoing functions of an agency or service. "Operating expenses" include wages, benefits, supplies, and services. "Operating Assistance" is used to pay for the costs of providing public transit service.

Operating Budget

Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing, acquisition, spending and service delivery activities of government are controlled. The use of annual operating budget is usually required by law. Even when not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government. See Budget.

Operating Cost

The total costs to operate and maintain a transit system including labor, fuel, maintenance, wages and salaries, employee benefits, taxes, etc.

Operating Expense

Monies paid in salaries and wages, settlement of claims, maintenance of equipment and buildings, and rentals of equipment and facilities.

Overhead

Those elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. Usually these costs related to objects of expenditure that does not become an integral part of the finished product or service, such as rent, heat, light, supplies, management and supervision.

Paratransit

Comparable transportation service required by the ADA for individuals with disabilities who are unable to use fixed-route service.

Prepaid Items

Payment in advance of the receipt of goods and services in an exchange transaction. Prepaid items (e.g., prepaid rent and un-expired insurance premiums) differ from deferred charges (e.g., unamortized issuance costs) in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operations.

Principal

In the context of bonds other than deep-discount debt, the face value or par value of a bond or issue of bonds payable on stated dates of maturity.

Program

Group activities, operations or organizational units directed to attaining specific purposes or objectives.

Program Budget

A budget wherein expenditures are based primarily on programs of work and secondarily on character and object class, on the one hand, and performance, on the other.

Public Transit

Provision of general or special transportation service by a public agency to the public on a regular and continuing basis.

Purchase Order

A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Reserved Fund Balance

Those portions of fund balance that are not appropriate for expenditure or that are legally segregated for a specific future use.

Revenue

Receipts derived from or for the operation of transit service including farebox revenue, revenue from other commercial sources, and operating assistance from governments. Farebox revenue includes all fare, transfer charges, and zone charges paid by transit passengers.

Section 5303

Section of the FTA that authorizes funds for special studies and federally required planning studies, which support and justify transit related equipment and facilities, such as the development of the SRTP.

Section 5307

Section of the FTA that authorizes grants to public transportation systems in urbanized areas for both capital and operating programs based on formulas set out in the statute.

Section 5309

Section of the FTA that authorizes discretionary funds for capital public transportation projects.

Special Revenue Fund

A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require the use of special revenue funds when legally mandated.

STA

State Transit Assistance. Provides funding for mass transit operations and capital projects.

Subsidy

Funds granted by federal, state or local government.

TDA

Transportation Development Act. Generates funds from a one-quarter percent sales tax in each county to be used for transit, paratransit, bicycle, and pedestrian purposes (streets and road repairs in rural areas). These funds are collected by the state and allocated by the MPO to projects and programs within the county of origin.

ACRONYMS

ADA	Americans with Disabilities Act
AMTRAK	American Tracks Railroad (National Railroad Passenger Corporation)
CAF	Construcciones Y Auxiliario De Ferrocarriles.
CALTRANS	California Department of Transportation
CCJPB	Capitol Corridor Joint Powers Board
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CMSA	Consolidated Metropolitan Statistical Area
COG	Council of Governments
CTC	California Transportation Commission
CTP	California Transportation Plan
DBE	Disadvantaged Business Enterprise
DOT	Department of Transportation
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FTE	Full-Time Equivalent
FTIP	Federal (Metropolitan) Transportation Improvement Program
FY	Fiscal Year
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
JPA	Joint Powers Agreement
LRT	Light Rail Transit
LTF	Local Transportation Fund
MTIP	Federal Metropolitan Transportation Improvement Program
MTP	Metropolitan Transportation Plan
NEPA	National Environmental Policy Act
RFP	Request for Proposal
RIP	Regional Improvement Program
RT	See SRTD
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agency
RTIP	Regional Transportation Improvement Program
SABA	Sacramento Area Bicycle Advocates

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