

STAFF REPORT

DATE: September 23, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: FIRST AMENDMENT TO THE FY 2024 OPERATING BUDGET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will increase the FY 2024 Operating Revenue and Expenditure Budgets by \$1,500,000 to cover increases in the costs of Personal Liability & Property Damage (PLPD).

FISCAL IMPACT

This action will increase the FY 2024 Operating Expenditure Budget by \$1,500,000. An offsetting adjustment to the FY 2024 Operating Revenue Budget will be achieved by increasing other income (investment revenue) funding by an equal amount.

DISCUSSION

The actuarial valuations for FY 2024 saw a larger than expected increase in the PLPD liability which resulted in an increase in the current year claims expense. SacRT met multiple times with the actuary to determine the underlying cause of the increase and the actuary stated that SacRT is not alone in claims liability increases. Transit agencies across the country continue to face similar increases in claims cost.

The increase in claims expense for the PLPD program for FY 2024 is approximately \$2.7M. A portion of this increase (\$1.2M) will be offset by other insurance savings. Exhibit A displays the proposed amendment to the Insurance/Liability category as well as the offsetting revenue achieved through higher than anticipated investment returns in FY 2024.

Staff recommends that the Board approve the attached Resolution amending the FY 2024 Operating Budget.

RESOLUTION NO. 2024-09-092

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 23, 2024

FIRST AMENDMENT TO THE FY 2024 OPERATING BUDGET

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment to the Fiscal Year 2024 Operating Budget increasing the Operating Budget by \$1,500,000, as further set out in Exhibit A, is hereby approved.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2024 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

Exhibit A

	FY 2024		FY 2024		\$ Change	% Change
Revenues	Adopted Budget	Amended Budget	Adopted Budget	Amended Budget		
Fare Revenue	\$ 17,300	\$ 17,300	\$ 17,300	\$ 17,300	-	0.0%
Contracted Services	800	800	800	800	-	0.0%
Other Income	4,365	5,865	5,865	5,865	1,500	34.4%
State and Local	168,495	168,495	168,495	168,495	-	0.0%
Federal	58,540	58,540	58,540	58,540	-	0.0%
Total	\$ 249,500	\$ 251,000	\$ 249,500	\$ 251,000	\$ 1,500	0.6%
Expenses						
Labor/Fringes	\$ 171,645	\$ 171,645	\$ 171,645	\$ 171,645	-	0.0%
Services	24,918	24,918	24,918	24,918	-	0.0%
Supplies	16,897	16,897	16,897	16,897	-	0.0%
Utilities	8,458	8,458	8,458	8,458	-	0.0%
Insurance/Liabilities	21,988	23,488	23,488	23,488	1,500	6.8%
Other expenses	5,594	5,594	5,594	5,594	-	0.0%
Total	\$ 249,500	\$ 251,000	\$ 249,500	\$ 251,000	\$ 1,500	0.6%