EST. 1973
SACRAMENTO REGIONAL TRANSIT

STAFF REPORT

DATE:	October 27, 2025
TO:	Sacramento Regional Transit Board of Directors
FROM:	Jason Johnson, VP, Finance/CFO
SUBJ:	FIRST AMENDMENT TO THE FY26 OPERATING BUDGET – ENHANCED SECURITY SERVICES

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will increase the FY26 Operating Revenue and Expenditure Budgets by $1,000,000 to cover enhancements to SacRT's security services programs.

FISCAL IMPACT

This action will increase the FY26 Operating Expenditure Budget by $1,000,000. An offsetting adjustment to the FY26 Operating Revenue Budget will be achieved by increasing Urbanized Area Formula Funding Sec 5307 funds allocated to FY26 by $1,000,000. A detailed assessment of Staff's plan for how the funds will be spent is provided below.

DISCUSSION ON SECURITY ENHANCEMENTS

Passengers' safety and security are SacRT's top priorities. In accordance with this, Staff is recommending enhancements to SacRT's security services designed to help passengers feel safe and welcome on light rail trains and on surrounding platforms. This will be done by adding personnel within the Security Operations Center (SOC), Transit Ambassadors, and/or Security Guards. Below is a summary of these positions.

The Security Operation Center is responsible for monitoring more than 2,000 cameras on SacRT buses, light rail trains and stations and recovering footage from any incident that occurs on the system. The SOC receives calls from members of the public on the crime tip hotlines and the SacRT mobile reporting app. This provided patrons with a way of reporting incidents on the SacRT system. The proposed expenditure plan includes hiring two additional members to the SOC team to ensure better coverage of SacRT's vast network.

Transit Ambassadors provide continuous and consistent customer service to all passengers aboard light rail vehicles, at light rail stations and within light rail parking lots and other SacRT facilities. The Transit Ambassadors help resolve fare issues, address

customer inquiries, assist with understanding the system routines, and handle concerns and complaints all while maintaining a courteous and friendly attitude. The proposed expenditure plan includes increasing the number of authorized positions in the budget from 40 to 50 and provides for a modest salary increase for existing Transit Ambassadors to improve retention.

Security Guards patrol light rail stations and parking lots, on light rail vehicles, and at facilities. These guards respond to calls for service on SacRT's system and their presence helps to make patrons feel safer. The proposed expenditure plan will also increase spending for security guards. The actual number of security guards hired and retained will depend on how quickly Staff is able to fill the additional Transit Ambassador positions.

IMPACTS TO FY 2026 OPERATING BUDGET

On June 9, 2025, the SacRT Board adopted the FY26 Operating Budget of $266.3M. As previously mentioned, the additional security staff proposed is expected to cost approximately $1,000,000 above the Board approved FY26 Operating Budget. The additional expenses will impact the approved budget amounts for both the Labor and Services expense categories. If approved, Staff has identified potential funding available as discussed below.

SacRT receives revenue from several sources including fares, state & local revenues and federal revenues among others. Some revenues must be spent on specific cost categories. For example, Sec 5307 Federal revenues, when used for operating, must be spent on certain preventative maintenance and/or Americans with Disabilities Act (ADA) costs. Each year SacRT budgets a specific amount of the 5307 funds available to cover a portion of these eligible costs and uses other, more flexible revenues to cover the rest.

In FY25, SacRT budgeted $14.4M in 5307 funds to cover operating costs. However, savings throughout the year across the District reduced the actual amount of 5307 funds allocated to operating costs to approximately $10.2M. Nearly $4.2M in savings meant that the funds could be pushed back to SacRT's Capital Program or expended in future operating years. As part of this proposal, Staff is recommending that the Board use an additional $1M of 5307 funds from the prior year's savings to cover existing preventative maintenance costs in FY26. If approved, Staff will shift more flexible funds, such as fare revenues or Measure A from preventative maintenance to cover the safety and security enhancements previously discussed.

Table 1 below summarizes the proposal's impact on SacRT's FY26 Operating Expenses and Revenues:

Table 1

Categories	FY 2026 Budget (Adopt)	FY 2026 Budget (Amend)	$ Change	% Change
Operating Revenues				
Fare Revenue	$19,829	$19,829	$0	$0
Contracted Services	1,150	1,150	0	0.0%
State & Local	203,659	203,659	0	0.0%
Federal	34,710	35,710	1,000	2.9%
Other	6,990	6,990	0	0.0%
Total Operating Revenue	**$266,337**	**$267,337**	**$1,000**	**0.4%**
Operating Expenses				
Salaries & Benefits	185,346	186,034	688	0.4%
Professional Services	27,311	27,623	312	1.1%
Materials & Supplies	14,814	14,814	0	0.0%
Utilities	8,665	8,665	0	0.0%
Casualty & Liability	25,326	25,326	0	0.0%
Other	4,876	4,876	0	0.0%
Total Operating Expenses	**$266,337**	**$267,337**	**$1,000**	**0.4%**
Surplus/(Shortfall)	**0**	**0**	**0**	**0**

CONCLUSION

Staff recommend that the Board approve the attached Resolution amending the FY26 Operating Budget.

.

Docusign Envelope ID: 634336B5-0328-4287-BC79-64E5C9FEFB8D

RESOLUTION NO. 2025-10-110

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

October 27, 2025

FIRST AMENDMENT TO THE FY26 OPERATING BUDGET – ENHANCED SECURITY SERVICES

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 2026 Operating Budget increasing the Operating Budget by $1,000,000, is hereby approved.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2026 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.

DocuSigned by:
Rick Jennings
46CE0C1460FF462...
RICK JENNINGS, Chair

A T T E S T:

HENRY LI, Secretary

By: DocuSigned by:
Tabetha Smith
E1D44AD3E86A4E9...
Tabetha Smith, Assistant Secretary

EST. 1973
SACRAMENTO REGIONAL TRANSIT

STAFF REPORT

DATE:	September 28, 2026
TO:	Sacramento Regional Transit Board of Directors
FROM:	Jason Johnson, VP, Finance/CFO
SUBJ:	SECOND AMENDMENT TO THE FY 2026 OPERATING BUDGET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will increase the FY 2026 Operating Revenue and Expenditure Budgets by $2,400,000 (0.9%).

FISCAL IMPACT

This action will increase the FY 2026 Operating Expenditure Budget by $2,400,000 to cover higher than anticipated costs in the areas of labor, security services, and supplies. An offsetting adjustment to the FY 2026 Operating Revenue Budget will be achieved by recognizing investment income and sales of renewable identification numbers (RINs) credits above previously budgeted amounts as well as adjusting state and local revenues to match final apportionments for FY 2026.

DISCUSSION

During FY 2026, SacRT placed an emphasis on security enhancements and service reliability for our passengers. This focus led to higher than originally budgeted expenses in the areas of security services, purchased transportation, overtime costs (specifically related to SacRT Go), and bus parts.

In January 2026 SacRT brought on the Sacramento County Sheriff's Office under a new contract. The Sheriff's Office has been very diligent in deterring fare evaders and providing an increased security presence for everyday riders. The cost of these efforts is approximately $1.0m above previously budgeted amounts.

Demand for SacRT Go service has continued to increase at a faster pace than other SacRT modes of service. To meet this demand, SacRT continues to hire new drivers and offer overtime to existing operators to manage trip cancellations. Additionally, SacRT is utilizing purchased transportation (UZURV) at a higher rate than in prior years to meet the increasing demand. While there are additional costs associated with increasing UZURV trips, they come at a lower cost than in-house trips paid at an overtime rate. The

impact of increased demand for SacRT Go services in FY 2026 was an additional $800k above budget, $400k in labor costs and $400k in purchased transportation.

In addition to increases in security and demand response service costs, SacRT continues to incur higher than expected costs associated with bus parts. Parts availability and tariffs are the primary drivers of this. In FY 2026, bus parts cost SacRT $600k above the original budget amount. However, as SacRT continues to purchase new vehicles and remove older ones from the fleet, we expect these costs to decrease in future years.

In total, the costs related to security services, demand response, and parts discussed above were $2.4m above the budget. Staff plans to offset these additional expenditures with three primary adjustments to revenue. Investment income is greater than originally anticipated (+$1.7m), sales of RINs credits are above budget (+$478,192), and adjustments to state and local revenues to match final apportionments had a positive impact (+$221,808) as well.

Table 1 below presents a summary of the proposed amended FY 2026 Operating Budget and includes the adjustments discussed above.

Table 1

Categories	FY 2026 Budget (Amend 1)	FY 2026 Budget (Amend 2)	$ Change	% Change
Revenue				
Fare Revenue	$19,829,109	$19,829,109	$0	0.0%
Contract Services	1,149,730	1,149,730	0	0.0%
State/Local Assistance	203,658,591	203,880,399	221,808	0.1%
Federal Assistance	35,709,606	35,709,606	0	0.0%
Non-Operating Revenue	6,990,000	9,168,192	2,178,192	31.2%
Total	**$267,337,036**	**$269,737,036**	**$2,400,000**	**0.9%**
Expenses				
Salaries and Benefits	$186,033,672	$186,433,672	$400,000	0.2%
Services	27,623,059	29,023,059	1,400,000	5.1%
Supplies	14,813,800	15,413,800	600,000	4.1%
Utilities	8,665,000	8,665,000	0	0.0%
Insurance	25,325,855	25,325,855	0	0.0%
Other Expenses	4,875,650	4,875,650	0	0.0%
Total Expenses	**$267,337,036**	**$269,737,036**	**$2,400,000**	**0.9%**

Staff recommends that the Board approve the attached Resolution amending the FY 2026 Operating Budget.

Docusign Envelope ID: 4A507946-3EFF-8E94-83FE-25D9373580AB

RESOLUTION NO. 2026-09-115

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

September 28, 2026

SECOND AMENDMENT TO THE FY 2026 OPERATING BUDGET

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

THAT, the Second Amendment to the Fiscal Year 2026 Operating Budget increasing the Operating Budget by $2,400,000, is hereby approved.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2026 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.

Signed by:
Bobbie Singh-Allen
36C0B555CC024DE...
BOBBIE SINGH-ALLEN, Chair

A T T E S T:

HENRY LI, Secretary

By: DocuSigned by:
Tabetha Smith
E1D44AD3E86A4F9...
Tabetha Smith, Assistant Secretary