



## STAFF REPORT

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**DATE:** December 14, 2020  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** FIRST AMENDMENT TO FY 20-21 OPERATING BUDGET

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The result of this action will increase the FY 2020-2021 Operating Budget by \$730,000.

### FISCAL IMPACT

The FY 2020-2021 Operating Budget will be increased by \$730,000. Funding for this increase will be through the Federal CARES Act monies previously allocated to FY 2019-2020 that were not expended. Staff is also pursuing reimbursement of these expenditures through FEMA.

### DISCUSSION

On June 8, 2020, the Board adopted the FY 2021 Operating Budget of \$200.3 million in revenues and \$200.3 million in expenses. The adopted budget incorporated all known revenues and estimates of expenditures at that time.

Since the adoption of the FY 2021 Operating Budget COVID-19 has continued to impact the Sacramento region. In response to this pandemic, SacRT continues to be proactive in the actions it takes to mitigate exposure for employees and the public. As part of this response, SacRT is required to make regular purchases of masks, cleaning and disinfecting supplies, and other consumables and non-consumables to fight against the spread of COVID-19. Funding for these expenditures was not originally budgeted for based upon a forecasted reduction in COVID-19 cases and a significantly lessened response requirement. Based upon updates regarding the continued impact of the pandemic, COVID-19 related expenditures are forecast to remain high throughout the fiscal year. Staff estimates that additional COVID-19 expenditures for FY 2021 will be approximately \$730,000 and recommends increasing the Operating Budget to support this forecast.

Staff is also recommending a restructuring of the budgeted operating revenues for FY 2021. This restructuring is based upon revenue updates provided by State and Local entities, and also fulfills a change in accounting practices as required by the

Governmental Accounting Standards Boards (GASB) statement 95. While there is no direct fiscal impact from this change in accounting practices, it will allow SacRT to significantly reduce its dependency on lines of credit to meet operating needs, which in turn will reduce the fees paid by SacRT. Table 1 below summarizes the budget amendment and the restructuring of the operating revenues.

**Table 1**  
**Sacramento Regional Transit District**  
**FY 2021 Operating Revenues and Expense Summary**

<b>Categories</b>	<b>FY 2021 Adopted Budget</b>	<b>FY 2021 Budget Amendment #1</b>	<b>\$ Changes</b>	<b>% Changes</b>
<b>Operating Revenues</b>				
Fare Revenue	\$ 12,176,775	\$ 12,176,775	\$ -	0.0%
Contracted Services	6,380,312	6,380,312	\$ -	0.0%
Other	4,876,400	4,876,400	\$ -	0.0%
State & Local	73,103,817	107,077,566	\$ 33,973,749	46.5%
Federal	103,790,314	70,546,565	\$ (33,243,749)	-32.0%
<b>Total Operating Revenue</b>	<b>\$ 200,327,618</b>	<b>\$ 201,057,618</b>	<b>\$ 730,000</b>	<b>0.4%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$ 142,875,152	\$ 142,875,152	\$ -	0.0%
Professional Services	16,611,918	16,761,918	\$ 150,000	0.9%
Materials & Supplies	12,962,800	13,542,800	\$ 580,000	4.5%
Utilities	7,827,600	7,827,600	\$ -	0.0%
Casualty & Liability	14,916,501	14,916,501	\$ -	0.0%
Other	5,133,647	5,133,647	\$ -	0.0%
<b>Total Operating Expenses</b>	<b>\$ 200,327,618</b>	<b>\$ 201,057,618</b>	<b>\$ 730,000</b>	<b>0.4%</b>
<b>Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	

RESOLUTION NO. 20-12-0147

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

December 14, 2020

**APPROVING THE FIRST AMENDMENT TO FY 20-21 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 20-21 Operating Budget increasing the Operating Budget by \$730,000 in Federal CARES Act funds is hereby approved; and

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2021 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.

  
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STEVE HANSEN, Chair

ATTEST:

HENRY LI, Secretary

By:   
\_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** February 22, 2021  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** SECOND AMENDMENT TO THE FY 20-21 OPERATING BUDGET

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The result of this action will increase the FY 2020-2021 Operating Budget by \$3,350,000.

### FISCAL IMPACT

The FY 2020-2021 Operating Budget will be increased by \$1,350,000 to cover transitional costs related to the potential annexation of Elk Grove. Allowing this change will provide Staff the ability and direction to begin working on administrative procurement type processes related to the implementation. Additionally, contracts that are specific to only Elk Grove will not be executed/signed unless an annexation agreement is approved by the Board. Funding for this increase will be taken from SacRT's surplus revenues received between July 1, 2020 and December 31, 2020 identified to be in excess of the amount budgeted for FY 2020-2021. If the annexation is finalized, the use of these SacRT surplus revenues will be recouped from future Elk Grove Operating revenues.

The FY 2020-2021 Operating Budget will be increased by \$700,000 to cover projected overtime expenditures that will be incurred due to the continued impact of COVID-19. Funding for this increase will be from available unbudgeted CARES Act monies.

The FY 2020-2021 Operating Budget will be increased by \$1,300,000 to cover information technology expenditures identified within the discussion below. Funding for this increase will be from Measure A revenues received between July 1, 2020 and December 31, 2020 identified to be in excess of the amount budgeted for FY 2020-2021.

The sum of these actions will increase the FY 2020-2021 Operating Budget by \$3,350,000 and the respective funding has been identified and is available for this increase, as noted above.

### DISCUSSION

SacRT and the City of Elk Grove have been proactively and productively negotiating an annexation agreement since April 2020. Based on the anticipated annexation, SacRT

staff across all divisions have been developing budgets for the anticipated costs to integrate the e-tran and e-van service into SacRT's operating systems and infrastructure.

Currently, the e-van and e-tran vehicles have different on-board systems, including cameras, radios, automatic passenger counters, fareboxes, automated stop announcements, etc. However, SacRT will not be doing a full upgrade to the vehicles as it is cost prohibitive based on the age and size of the fleet; some of the systems need to be updated immediately for safety and security. The primary upgrades will be to the radio system, to bring the radio system into the SacRT structure and be compliant with the Sacramento Regional Radio Communication System maintained by Sacramento County, and the on-board camera systems.

Other up-front transition costs include vehicle licensing fees, miscellaneous vehicle equipment, vehicle branding materials, shop equipment, bus stop signage and equipment, backup generator, phones, servers, and other IT equipment, and marketing materials.

If an annexation agreement is approved by the SacRT Board of Directors and the City of Elk Grove City Council, staff will begin procuring equipment and materials immediately to ensure an efficient and timely service transition.

Due to COVID-19, SacRT has experienced significantly higher than normal absences related to illness and/or required quarantines. To mitigate these impacts, SacRT has implemented several strategic responses designed to reduce the transmission of the virus. The impact of these factors has increased the amount of overtime worked by staff at all levels of the organization. The projected cost of this increase is estimated at \$700,000 for FY 20-21. These expenditures are CARES Act funding eligible.

COVID-19 has created an increased need for mobile and remote access to the network for a number of employees in the organization to ensure business continuity. COVID-19 has also highlighted the critical need to accelerate the update of the District's cybersecurity and end-of-life information enterprise applications and technology infrastructure. The projected cost to expedite these upgrades in the current fiscal year is \$1,300,000. These upgrades will be funded through surplus Measure A funding realized in the first six months of FY 20-21.

Table 1 below summarizes the budget amendment and the restructuring of the operating revenues.

**FY 2021 Second Amendment Operating Revenues and Expense Summary**

Categories	FY 2021 Budget Amendment #1	FY 2021 Budget Amendment #2	\$ Changes	% Changes	Comments
<b>Operating Revenues</b>					
Fare Revenue	\$ 12,176,775	\$ 12,176,775	\$ -	0.0%	
Contracted Services	6,380,312	6,380,312	\$ -	0.0%	
Other	4,876,400	4,876,400	\$ -	0.0%	
State & Local	107,077,566	109,727,566	\$ 2,650,000	2.5%	Increase to Measure A based on trend
Federal	70,546,565	71,246,565	\$ 700,000	1.0%	Increase in CARES Act funding
<b>Total Operating Revenue</b>	<b>\$ 201,057,618</b>	<b>\$ 204,407,618</b>	<b>\$ 3,350,000</b>	<b>1.7%</b>	
<b>Operating Expenses</b>					
Salaries & Benefits	\$ 142,875,152	\$ 143,575,152	\$ 700,000	0.5%	OT increase to Bus and LR transportation
Professional Services	16,890,918	19,465,458	\$ 2,574,540	15.2%	Increase in IT cost and EG annexation cost
Materials & Supplies	13,642,800	13,718,260	\$ 75,460	0.6%	Increase for EG annexation cost
Utilities	7,827,600	7,827,600	\$ -	0.0%	
Casualty & Liability	14,916,501	14,916,501	\$ -	0.0%	
Other	4,904,647	4,904,647	\$ -	0.0%	
<b>Total Operating Expense</b>	<b>\$ 201,057,618</b>	<b>\$ 204,407,618</b>	<b>\$ 3,350,000</b>	<b>1.7%</b>	
<b>Balance</b>	<b>\$ -</b>	<b>0</b>	<b>\$ 0</b>		

Staff recommends that the Board approve the second amendment to the Operating Budget for Fiscal Year 2020-2021.

RESOLUTION NO. 21-02-0012

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

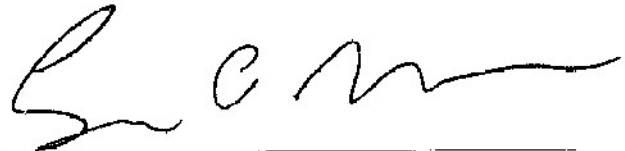
February 22, 2021

**SECOND AMENDMENT TO THE FY 20-21 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 20-21 Operating Budget increasing the Operating Budget by \$3,350,000 is hereby approved.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2021 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.



STEVE MILLER, Chair

ATTEST:

HENRY LI, Secretary

By:   
Cindy Brooks, Assistant Secretary



**Regional  
Transit** **STAFF REPORT**

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**DATE:** May 24, 2021  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** THIRD AMENDMENT TO THE FY 20-21 OPERATING BUDGET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the attached Resolution will increase Local Transportation Funding (LTF) for fiscal year 2020-21 by \$5,431,907 and decrease CARES Act funding for fiscal year 2020-21 by the same amount.

FISCAL IMPACT

There is no net impact on the fiscal year 2020-21 operating budget. The increase in budgeted LTF funds is offset by a budgeted decrease in CARES Act funds

DISCUSSION

In March of 2021, the Sacramento Area Council of Governments (SACOG) Board of Directors approved an increase in LTF allocations to the region. This increase was based upon greater than expected sales tax revenue results and projections through the end of the fiscal year. SacRT's LTF allocation was increased by \$5,431,907 from an original allocation of \$45,726,597 to a revised allocation of \$51,158,504. Approval of this amendment to SacRT's FY 2020-21 Operating Budget is required for SacRT to submit a revised claim to SACOG and receive the additional available funding.

Revenue	Current Budget	Amended Budget	Changes
LTF	\$ 45,726,597	\$ 51,158,504	\$ 5,431,907
CARES Act	\$ 69,430,000	\$ 63,998,093	\$ (5,431,907)



RESOLUTION NO. 21-05-0057

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


May 24, 2021

**THIRD AMENDMENT TO THE FY 20-21 OPERATING BUDGET**

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

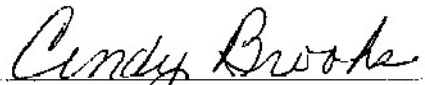
THAT, the third amendment to the FY 2020-21 Operating Budget is hereby approved.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2021 by increasing LTF revenues by \$5,431,907 and decreasing CARES Act revenues by \$5,431,907 for no net change to total Fiscal Year 2021 operating budget.

 for  
STEVE MILLER, Chair

ATTEST:

HENRY LI, Secretary

By:   
Cindy Brooks, Assistant Secretary