



Sacramento Regional Transit District

Abridged Budget
Fiscal Year 2017-2018

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Board of Directors

Andrew J. Morin, Chair
City of Folsom

Patrick Kennedy, Vice Chair
County of Sacramento

Linda Budge
City of Rancho Cordova

Jeff Harris
City of Sacramento

Steve Hansen
City of Sacramento

Pat Hume
City of Elk Grove

Rick Jennings II
City of Sacramento

Steve Miller
City of Citrus Heights

Don Nottoli
County of Sacramento

Jay Schenirer
City of Sacramento

Phil Serna
County of Sacramento

Board of Directors Alternates

Steve Detrick
City of Elk Grove

Jeff Slowey
City of Citrus Heights

David Sander
City of Rancho Cordova

Executive Management Team

Henry Li
General Manager/CEO

Tim Spangler
Chief Counsel

Laura Ham
VP, Accountability and Performance

Mark Lonergan
VP, Transit Service/Chief Operating Officer

Suzanne Chan
VP, Administration

Neil Nance
VP, Strategic Planning and System Development

Brent Bernegger
VP, Finance/Chief Financial Officer

Devra Selenis
VP, Communications and Partnerships

Norm Leong
VP, Security and Safety

Olga Sanchez-Ochoa
Deputy Chief Counsel

Management and Budget Team

David Goldman
Director, Office Management and Budget

Maureen Ring
Grants Manager

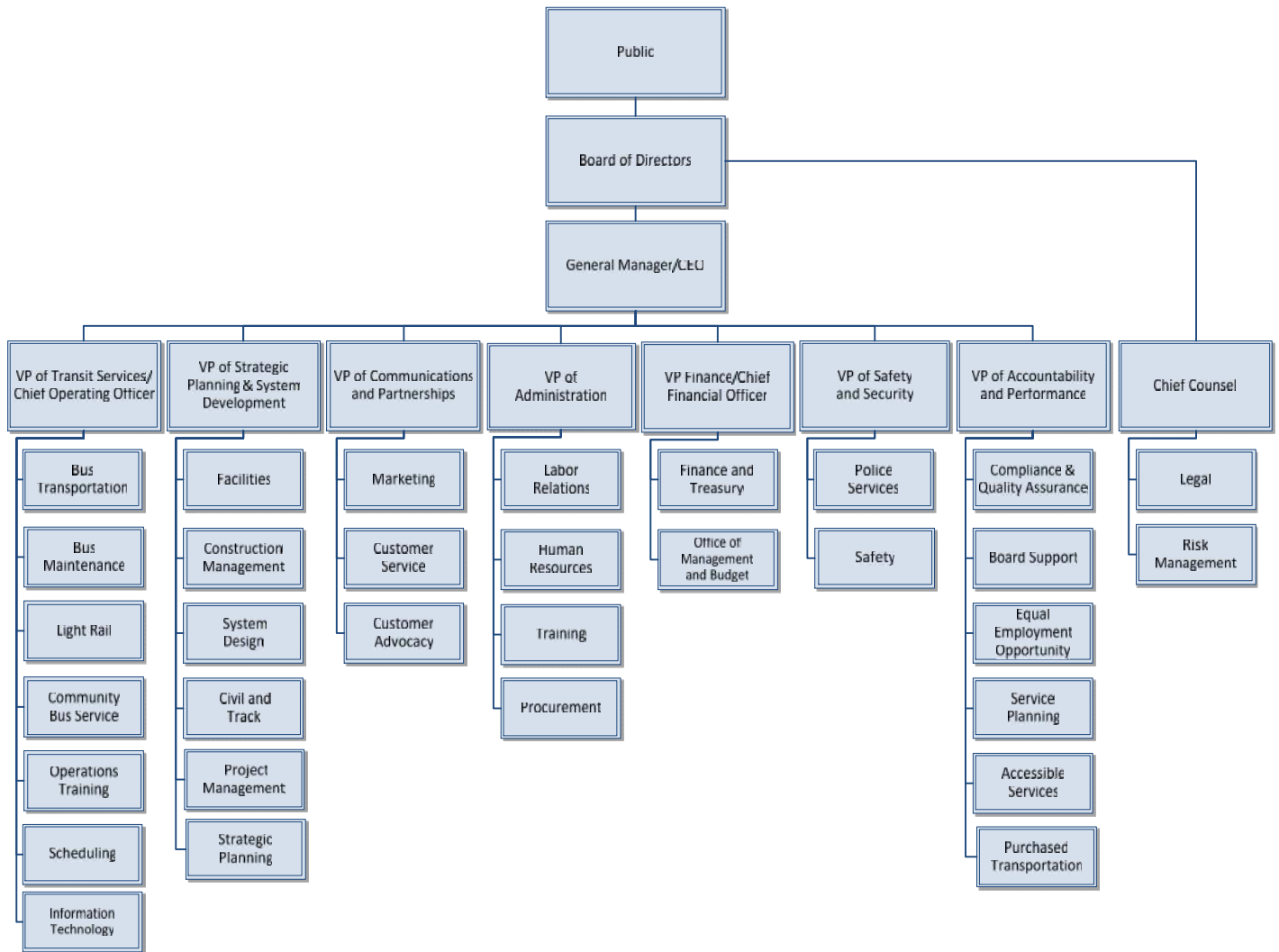
Nadia Mokhov
Senior Financial Analyst

Lynda Volk
Senior Grants Analyst

Judy Wong
Senior Financial Analyst

Joe Paglieroni
Senior Grants Analyst

Organizational Structure



District Profile

Facts

Sacramento Regional Transit District	Constructs, operates, and maintains a comprehensive mass transportation system that serves 367 square miles in Sacramento County
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Bus Service	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	69
Schedule	4:41 am to 11:38 pm daily
Stops	3,100+
Vehicles	211 - 40' CNG Buses 29 - Shuttle Vans
Annual Ridership	11,600,000

Light Rail Service	
Power	Electrical
Miles	42.9
Schedule	3:49 am to 12:59 am daily
Stops	53
Vehicles	87
Annual Ridership	12,400,000

Paratransit	
ADA Passenger Trips Provided	340,370
ADA Vehicle Revenue Miles	3,501,434
Vehicles	102

Passenger Amenities/ Customer Service	
Transfer Centers	32
Park & Ride	22
Annual Customer Service Calls	233,132
Customer Info Line	(916) 321-2877
Website	www.sacrt.com

History	
Apr 1, 1973	Began operations by acquiring the assets of Sacramento Transit Authority
1973	Completed new maintenance facility and purchased 103 new buses
1987	Opened the 18.3-mile light rail system, linking the northeastern Interstate 80 and southeastern Highway 50 corridors with Downtown Sacramento
Sep 1998	Completed the first light rail extension to Mather Field/Mills Station along the Gold Line corridor
Sep 2003	Opened the South Line, extending light rail to South Sacramento
Jun 2004	Extended light rail from Mather Field/Mills to Sunrise Boulevard
Oct 2005	Extended light rail from Sunrise Boulevard to Folsom, including four new stations
Dec 2006	Extended light rail from downtown Sacramento to Sacramento Amtrak station
Jun 2012	Opened the Green Line, connecting downtown Sacramento to the River District
September 2015	Extended light rail from Meadowview to Cosumnes River College

Strategic Plan

Adopted by the Board of Directors in January 2015, RT's Strategic Plan reaffirms RT's commitment to improve access in the Sacramento region by providing fiscally responsible transit service.

The Strategic Plan outlines the way RT will navigate challenges and explore opportunities as it seeks to connect people to resources with consideration and support of regional goals.

RT's Strategic Plan requires RT to shape activities to support identified Values and Goals, responsibly manage all agency actions and commitment of resources, and measure performance.

RT acts as the Region's focal point for transit research and development, strategic planning and system assessment, and transit 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. RT will accomplish this through regional leadership and by providing quality service in a respectful and sustainable manner. 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. RT will continue to challenge itself to meet the growing transportation needs of the Sacramento Region.

The RT Strategic Plan's Mission, Vision, Values, and Goals are listed on the following page. The plan is best seen as an evolving process, not a rigid or fixed document. This plan will change as the needs of the Region change and will reflect the transportation requirements of the Region. The updated RT Strategic Plan was recently adopted by the Board of Directors and is currently being implemented.

Strategic Plan (continued)

Mission Statement

The purpose of the Sacramento Regional Transit District is to promote and improve access in the Sacramento region by providing safe, reliable, and fiscally responsible transit service that links people to resources and opportunities.

Vision Statement

The Sacramento Regional Transit District strives to connect people to resources and opportunities while stimulating livable communities and supporting economic development by providing an efficient and fiscally sustainable transit system that attracts and serves riders by offering an appealing transportation choice.

Values

- Quality Service & Innovation: RT is committed to providing safe, reliable, and cost efficient public transit services, and initiating innovative technologies to improve service effectiveness.
- Customer Service: RT places customers first by providing quality transit services and amenities with convenient and easily understood access at an affordable price.
- Respect & Professionalism: RT is committed to treating its customers and employees with dignity and respect, recognizing the importance and value of each individual.
- Fiscal Responsibility: RT is committed to the pursuit of efficient use of resources and of secure and stable funding sources.
- Integrity & Accountability: RT acknowledges its responsibility for actions and performance with an uncompromising commitment to truth, honesty and high ethical standards. RT is committed to compliance with regulatory requirements and industry standards and efforts to improve upon existing practices.
- Quality, Diverse & Positive Work Force: RT is committed to increasing employee effectiveness and satisfaction through effective communication, teamwork, appropriate resource availability, appreciation of varied abilities, and professional development opportunities.
- Regional Leadership & Coordination: RT is committed to work with area stakeholders to create a “world class” transit system that supports livable communities and related efforts.
- Health and Safety: RT is committed to achieve an optimal level of safety for our employees, customers and the general public by minimizing risk of injury and property loss and promoting a sound safety culture throughout the organization.
- Sustainability: RT is committed to environmentally sensitive services and practices.

Goals

Fundamental Goals

- Ensure Financial Stability
- Meet or Exceed Expectations for Safe & Quality Service in a Cost-Effective Manner
- Operate in an Ethical Manner
- Invest in the Attraction, Development & Retention of a Quality Workforce

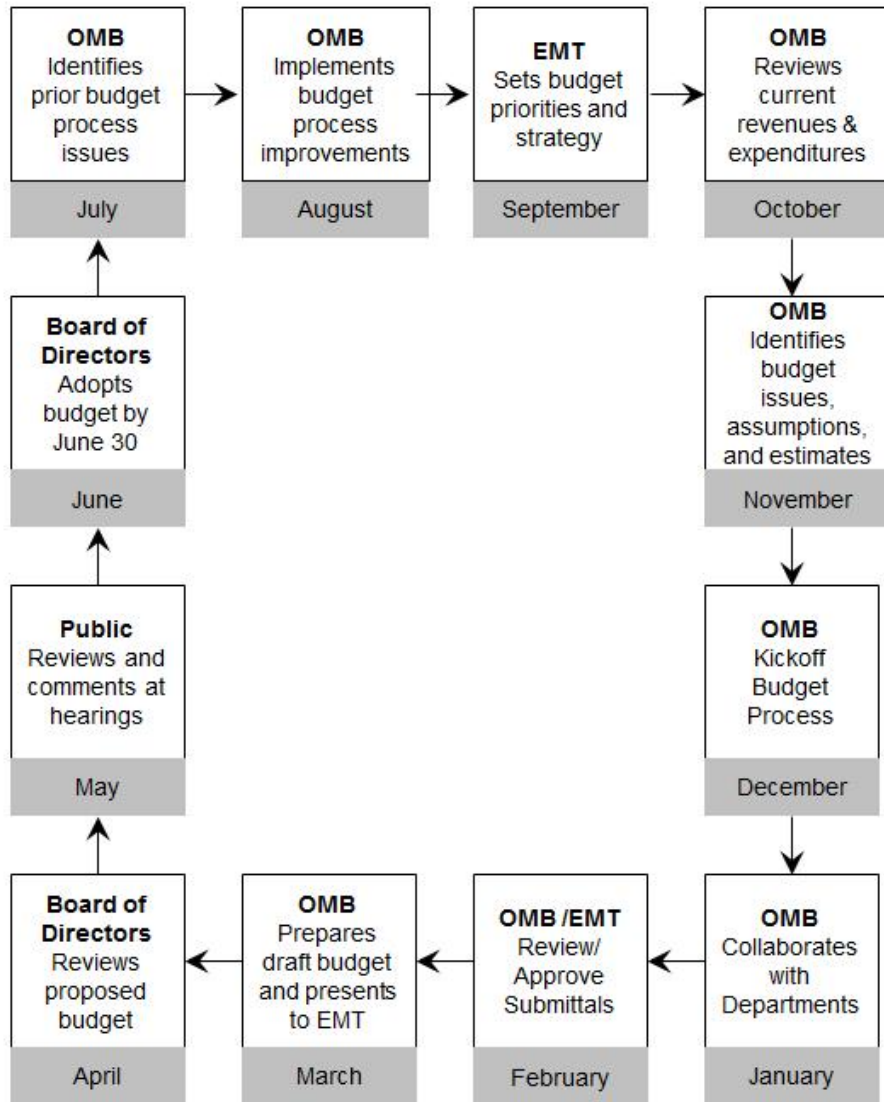
Strategic Plan (continued)

Growth Goals

- Improve Access Within and Between Communities in the Sacramento Region in a Cost-Effective Manner
- Increase Transit Market Share in the Sacramento Region
- Adjust to Legislative & Regulatory Changes and to Stakeholder & Community Initiatives, and Support Complementary Efforts

Budget Process

RT uses the annual budget to help measure and account for taxpayer dollars. The budget, as adopted by the Board of Directors, authorizes RT to spend funds. It details how RT allocates tax resources to expenditures, and serves as a benchmark for evaluating accomplishments and assessing fiscal responsibility.



Voting System

RT is governed by an eleven-member Board of Directors. Six entities (5 cities and 1 county) make appointments to RT's Board. Eight directors are appointed by "member entities" and represent jurisdictions annexed into RT's district. Three directors are appointed by "participating entities" and represent jurisdictions that contract with RT to receive transit service.

In January 2006, the RT Board directed staff to pursue legislation to change the voting system from a one-member-one-vote system to one that provides for weighted voting based upon the financial contribution made by each entity to RT. Assembly Bill 2137 established the new weighted voting system.

The system creates 100 voting shares. RT allocates the shares to jurisdictions and their members as follows:

- Five shares to each annexed jurisdiction
- Remaining shares to all jurisdictions based on financial contribution of Transit Development Act funds, funds through contracts, other local funds, and federal funds

On March 12, 2007, the RT Board of Directors adopted the new Schedule of Weighted Voting Distribution for the remainder of FY 2007. For all subsequent years, the Schedule is to be included in the proposed budget document and distributed to voting entities at least 60 days in advance of budget adoption. A summary of the tabulated vote shares adopted for the FY 2017 Budget and for the FY 2018 Proposed Abridged Budget is shown in the table below. A detailed FY 2018 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2017 Budget	Shares – FY 2018 Proposed
County of Sacramento	Annex	42	41
City of Sacramento	Annex	36	37
City of Rancho Cordova	Annex	10	10
City of Citrus Heights	Contract	5	5
City of Elk Grove	Contract	4	4
City of Folsom	Contract	3	3
Total		100	100



Voting System (continued)

Fiscal Year 2018 Schedule of Weighted Voting Distribution
Base Values*

Federal Financial Information								
Code Section:								
102205(b)(6)	FY 17 Federal Funds Available in the Sacramento MSA	37,432,440						
102205(b)(7)	Allocation of Federal Funds to jurisdictions other than RT	4,746,353						
102205(b)(8)	FY 17 Federal Funds Available for use in RT Service Area:	32,686,087						
Jurisdiction Specific Values								
	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:	
102205(b)(10)	Population:**	482,110	575,928	70,968	85,653	76,122	1,455,902	
	Proportionate Population:	33.11%	39.56%	4.87%	5.88%	5.23%	11.34%	100.00%
	Member:	Yes	Yes	Yes	No	No	No	
102100.2, 102100.3		4	3	1	1	1	11	
102105.1(d)(2)(D)	Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):	10,823,730	12,930,014	1,593,285	1,922,974	1,708,996	3,707,090	32,686,087
102105.1(d)(2)(A), 102205(b)(3)	FY 18 State TDA Funds Made Available to RT:	21,498,798	24,240,221	3,164,685	0	0	0	48,903,704
102105.1(d)(2)(B), 102205(b)(4)	FY 18 Funds Provided Under Contract:	397,688	0	289,818	3,334,877	1,182,729	350,000	5,555,112
102105.1(d)(2)(C), 102205(b)(5)	FY 18 Other Local Funds	0	0	0	0	0	0	0
102105.1(d)(2)	Total Financial Contribution:	32,720,216	37,170,235	5,047,788	5,257,851	2,891,725	4,057,090	87,144,903
102105.1(d)(2)	Proportionate Financial Contribution:	37.55%	42.65%	5.79%	6.03%	3.32%	4.66%	100.00%
Voting Calculation								
	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:	
102105.1(d)(1)	Incentive Shares (5 for member jurisdictions)	5	5	5	0	0	0	15
102105.1(d)(2)	Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):	31.9149	36.2554	4.9235	5.1284	2.8206	3.9572	85.0000
102105.1(d)(3)	Total Shares:	36.9149	41.2554	9.9235	5.1284	2.8206	3.9572	100.0000
102105.1(d)(4)(i)	Shares After Rounding:	37	41	10	5	3	4	100
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	Share Adjustment (To Ensure 100 Shares):	37	41	10	5	3	4	100
Distribution of Shares Among Members (Assuming All Members Present to Vote):***								
102105.1(d)(7)	Member 1	10	14	10	5	3	4	
	Member 2	9	14	N/A	N/A	N/A	N/A	
	Member 3	9	13	N/A	N/A	N/A	N/A	
	Member 4	9	N/A	N/A	N/A	N/A	N/A	
	Member 5	N/A	N/A	N/A	N/A	N/A	N/A	
	Total Votes:	37	41	10	5	3	4	100

* In addition to the funding identified above, RT projects the following funds for operating purposes: \$39,811,470 - Measure A

** Population as measured by the population statistics used by SACOG to allocate TDA funds for the same fiscal year for which the budget is adopted.

*** If, in any vote allocation, any member would have more than 15 votes, that jurisdiction will be given an additional seat and the votes will be reallocated to the larger number of members.

RT Major Goals and Objectives in FY 2018

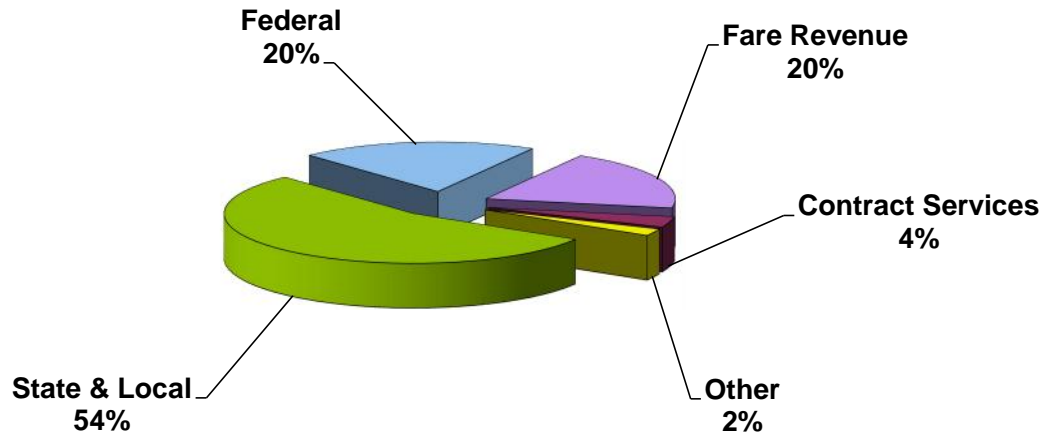
- Operator Attendance Control – As part of the recent negotiations with the Amalgamated Transit Union (ATU), RT and ATU have agreed to work together to put into place new attendance control measures with the objective of reducing missed trips, improving customer service, reducing costs, streamline RT's processes, and improving service reliability.
- Route Optimization Study (ROS) - Phase 1. With recent downward ridership trends, staff is working on a project to find ways to increase ridership. This project will have many phases and include extensive community engagement. The goal will be to re-imagine RT's system to be consistent with current travel patterns, increase ridership, and reallocate any additional resources.
- Paratransit Business Model – RT understands that lower costs means additional funding, which can be put into service improvements. Finding new ways to provide high quality service to the public, as well as individuals with disabilities, and seniors, in the most cost effective manner will ensure the sustainability of this critical service.
- IT Modernization – RT wants to be on the cutting edge of technology. Offering innovative rider tools to our customers will improve the customer experience by making it easier to ride, quicker to get train information, and provide for faster payment options, including a permanent mobile fare app; real time light rail train arrival information; smart card fare payment system; free Wi-Fi; expanded public information systems; and a secondary light rail warning system.
- Security Program – Phase 1. RT has been very focused on making our system more secure. This starts with additional staff presence on the trains and 24 hour monitoring in the security operations center. There will be increased inspections to reduce theft on the system and improved crime reporting statistics.
- Safety Program – Phase 1. Using technology to improve safety efforts is critical. Better training, and employee and community safety awareness is key. The goal will be to reduce the number of accidents per mile and reduce any findings and recommendations from the Public Utilities Commission (PUC).
- Strategic Communications – Ensuring that our customers can easily navigate RT's bus and light rail system and understand how easy it is to pay and ride is critical to attracting new customers. This will involve launching new programs and incentive options that will encourage more people to try transit. This will be done through creative partnership and incentive programs.
- Employee and Labor Relations – Salaries and benefits continue to be the largest cost factor for transit agencies, as this is the operational engine behind a successful system. Maintaining an open line of communication with our employees improves productivity and morale, which equates to new ideas and dedication that benefits all. We will develop our priorities and provide new forums for members to give feedback and listen to their concerns.
- Organizational Excellence and Culture Change – We are striving to be a “world class” organization that attracts and retains a quality workforce while providing the necessary training and mobility opportunities for employees to succeed. We will foster professional development and keep up with industry best practices. Motivation, partnership and teamwork will be a message that all employees will hear. All of this will help improve performance in areas such as increased revenues, reduced expenses, improved on time performance,, increased inspection rates, and the creation of new jobs.

RT Major Goals and Objectives in FY 2018 (continued)

- Campus Master Plan – RT will examine ways to modernize our facilities. This will begin with a comprehensive plan to relocate all administrative staff to one central facility to improve communication. This will improve morale and efficiency.
- Transit Oriented Development – We are examining our various surplus properties to determine if they can be sold to developers that could use the land for purposes that encourage transit use and potentially increase our ridership.
- Sustainability and Business Process Optimization – RT has adopted new fiscal policies to improve its long-term financial position. We are dedicated to strengthening our finances by tapping innovative revenue sources and conducting relentless organizational optimization to fund maintenance and capital investments and to build reserves. Moving forward, we will continue to strive to find new ways to improve our business processes, keep expenses down, and generate opportunities to boost operating revenues. We are implementing a strategic effort to educate the public about the benefits of transit and how local funding is important to create a “world class” public transit system.

Revenues

FY 2018 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2018 to FY 2017	
					\$ Change	% Change
Fare Revenue	\$ 28,396	\$ 28,056	\$ 31,165	\$ 31,610	\$ 445	1.4%
Contract Services	5,810	6,110	6,092	5,605	(487)	-8.0%
Other	4,002	78,493	4,840	3,578	(1,262)	-26.1%
State & Local	77,394	34,097	86,110	87,541	1,431	1.7%
Federal	29,767	5,333	34,272	32,570	(1,702)	-5.0%
Total	\$ 145,369	\$ 152,089	\$ 162,479	\$ 160,904	\$ (1,575)	-1.0%
Operating Reserve*	\$ 1,446	\$ 1,095				
Operating Revenue	\$ 146,815	\$ 153,184	\$ 162,479	\$ 160,904	\$ (1,575)	-1.0%

*Operating Reserve: Positive indicates use of the reserve. Negative indicates an increase in the reserve.

Revenues (continued)

Fare Revenue

This category includes the revenues from carrying passengers. This is money paid by the transit riders to use transit services, but also include special transit fares from Los Rios Community College District (Los Rios) and California State University, Sacramento (CSUS) Student pass programs.

The FY 2018 Proposed Budget proposes \$31.6 million in Fare Revenue, an increase of \$0.4 million (1.4%) from the FY 2017 Budget of \$31.2 million.

- Fare Revenue is anticipated to increase mainly due to the change to net billing for Folsom service effective July 1, 2017.
- This also assumes a reduction in Transfer Agreement pay outs based on the recent trend.

Contracted Services

This category includes contracts with the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, as well as North Natomas shuttle services. These cities and service areas purchase RT transit services.

The FY 2018 Proposed Budget proposes \$5.6 million in Contracted Services revenue, a decrease of \$0.5 million (8.0%) from the FY 2017 Budget of \$6.1 million.

- This reflects a reduction of \$0.5 million in Folsom Light Rail Operating and Maintenance cost due to the change to net billing for services as well as a result of true up calculation for FY 2016 billing.
- This also reflects a decrease in the Granite Park contract of \$0.1 million due to expiration of the contract.
- This also reflects an increase of \$0.1 million in Citrus Heights contract due to higher LTF allocation.

Other

This category includes investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities, and parking revenue.

The FY 2018 Proposed Budget includes \$3.6 million in other revenue, which is a decrease of \$1.3 million (26.1%) from the FY 2017 Budget of \$6.1 million.

- The FY 2018 Proposed Budget includes a reduction in advertising revenue of \$0.5 million due to removing revenue from Arena sponsorship agreement and replacing it with advertising revenue from light rail stations, and from interior and exterior light rail vehicles.
- This includes \$0.2 million for the sale of Federal Renewable Identification Numbers for RT's Compressed Natural Gas (CNG) Bio-Gas fuel and \$1.0 million for the sale of Low Carbon Credits through the State Cap and Trade program.
- This proposal eliminates \$0.65 million in revenue received from the CNG tax rebate program due to expiration of the program on December 31, 2016.

Revenues (continued)

State & Local

This category includes formula-based allocations to RT from state and local government sales taxes. RT receives funding from the California Transportation Development Act Local Transportation Fund (TDA-LTF), the Transportation Development Act State Transit Assistance Program (TDA-STA), and Sacramento County Measure A.

The FY 2018 Proposed Budget proposes \$87.5 million in state and local funding revenue, an increase of \$1.4 million (1.7%) from the FY 2017 Budget of \$86.1 million.

- This reflects a 3.9% or \$1.5 million increase in sales tax estimates for Measure A over the FY 2017 Budget.
- This also reflects a 4.4% or \$1.7 million increase in sales tax estimates for TDA-LTF.
- This includes a 9.5% or \$0.7 million decrease in the TDA-STA Revenue compared to the FY 2017 Budget due to low diesel prices.
- This Budget assumes that Traffic Congestion Relief Program (TCRP) funds will be used for the annual Revenue Bond payment in the amount of \$5.5 million.
- This includes \$0.9 million in the Low Carbon Transit Operations Program (LCTOP) revenue, which is a State Cap and Trade program established in 2014 that provides funds to public transportation agencies throughout California for operations that reduce greenhouse gas emissions.

Federal

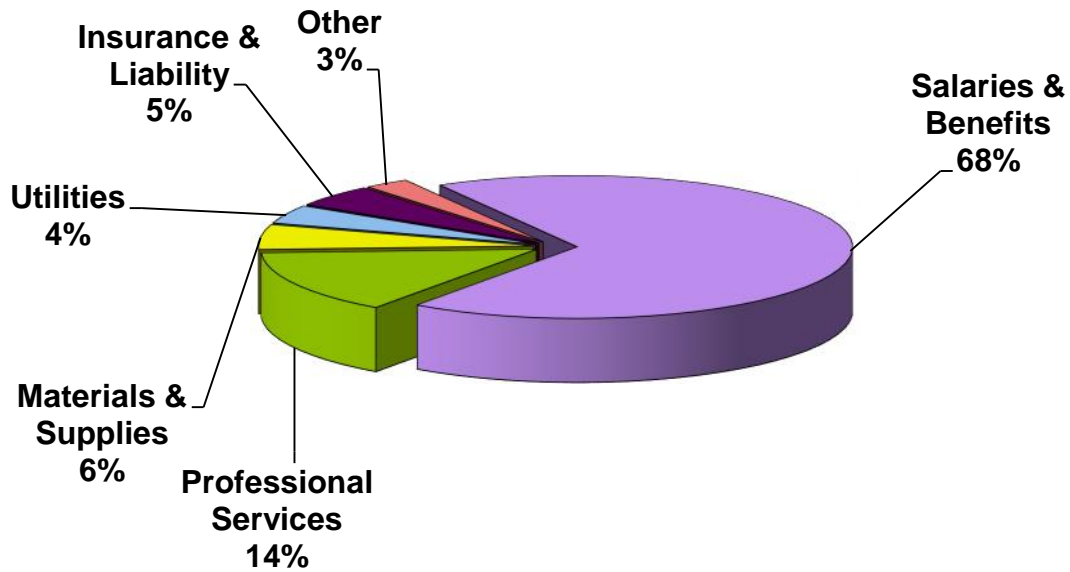
This category includes formula-based allocations to RT from the federal government. Each year Congress authorizes the appropriation, and the FTA allocates the dollars to the region. RT can use the funds for operating, planning, and capital, subject to specific regulations.

The FY 2018 Proposed Budget proposes \$32.6 million in federal funding, a reduction of \$1.7 million (5.0%) from the FY 2017 Budget of \$34.3 million.

- This includes \$0.8 million in Congestion Mitigation Air Quality (CMAQ) revenue for South Line Phase 2, which is a \$1.2 million reduction over FY 2017.
- This includes \$1.0 million in Job Access/Reverse Commute funding, which is an increase of \$0.5 million over FY 2017.
- \$1.0 million of limited-time grant revenues associated with the Sacramento Energy Clean Air Transportation Program (SECAT) was used in FY 2017. This funding source is not available for FY 2018.
- Section 5307 Urbanized Area federal funding is projected to stay the same as last year.
- Section 5337 State of Good Repair funding is projected to stay the same as last year.

Expenses

FY 2018 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2018 to FY 2017	
					\$ Change	% Change
Salaries & Benefits	\$ 96,267	\$ 102,133	\$ 107,805	\$ 109,756	\$ 1,951	1.8%
Professional Services	26,338	27,861	28,273	23,031	(5,242)	-18.5%
Materials & Supplies	8,556	7,823	8,450	9,031	581	6.9%
Utilities	5,816	6,288	6,711	6,762	51	0.8%
Insurance & Liability	7,906	7,160	9,057	8,060	(997)	-11.0%
Other	1,932	1,919	2,183	4,264	2,081	95.3%
Operating Expenses	\$ 146,815	\$ 153,184	\$ 162,479	\$ 160,904	\$ (1,575)	-1.0%

Expenses (continued)

Salaries & Benefits

This category includes payroll and benefits for all positions authorized by the Board of Directors. It accounts for wages, overtime, pension, dental, medical, FICA, vision, and all other RT-paid employee benefits.

The FY 2018 Proposed Budget proposes \$109.8 million for salaries and benefits, an increase of \$2.0 million (1.8%) from the FY 2017 Budget of \$107.8 million.

- The Fiscal Year 2018 Proposed Budget includes funding for 1038 full time funded positions, which is an increase of 33 funded positions from the Fiscal Year 2017 Budget of 1005 funded positions. See Positions section on page 21 for details.
- Total salaries, overtime and personal service contract costs increased by \$4.1 million (7.1%) from the FY 2017 Budget of \$57.9 million. This reflects various District position salary adjustments, salaries for new positions, increase in overtime cost based on higher wages. This also reflects additional 35 funded positions as well as 13 personal service contractors to move security services in house.
- Fringe Benefits cost decreased by \$2.1 million (4.0%) from the FY 2017 Budget of \$53.1 million. This reflects increases of 0.7 million in pension costs, decreases of \$0.2 million in medical costs, decrease of 3.1 million in post-retirement benefits, decrease of \$0.4 million in unemployment cost, increase of \$0.5 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect costs have increased by \$0.1 million over the FY 2017 Budget. This represents labor charged to capital projects and other initiatives such as the Connect Card Consortium.

Professional Services

This category includes purchased transportation (ADA paratransit) to comply with the Americans with Disabilities Act (ADA), transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants.

The FY 2018 Proposed Budget proposes \$23.0 million for Professional Services, a reduction of \$5.2 million (18.5%) from the FY 2017 Budget of \$28.3 million.

- This reflects a decrease in ADA paratransit cost of \$3.6 million due to business optimization improvements.
- This includes a \$2.2 million decrease in security services cost due to bringing security services in-house.
- There are other minor increases in various general ledger (GL) accounts that make up the difference.

Materials & Supplies

This category includes fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies.

The FY 2018 Proposed Budget proposes \$9.0 million for materials and supplies, an increase of \$0.6 million (6.9%) from the FY 2017 Budget of \$8.4 million.

- This reflects an increase in CNG cost of \$0.8 million.
- This also includes a \$0.3 million reduction in bus parts due to new buses.
- There are other minor increases in various general ledger (GL) accounts that make up the difference.

Expenses (continued)

Utilities

This category includes electricity, water, gas, refuse, and telephone for bus, light rail, and administrative facilities.

The FY 2018 Proposed Budget proposes \$6.8 million for Utilities, an increase of \$0.1 million (0.8%) from the FY 2017 Budget of \$6.7 million.

- This includes increases in costs for water, sanitation, and communications.

Insurance & Liability

This category includes premiums, claims, and attorney fees related to personal liability insurance, property damage insurance, workers' compensation claims, and commercial insurance for amounts in excess of self-insured amounts.

The FY 2018 Proposed Budget proposes \$8.1 million for Insurance & Liability, a decrease of approximately \$1.0 million (11.0%) from the FY 2017 Budget of \$9.1 million.

- This reflects a decrease of \$0.6 million in the projected claims reserves for Property and Liability for FY 2018.
- This also reflects a decrease of \$0.3 million in the projected claims reserves for Workers' Compensation for FY 2018.
- This reflects the updated insurance premium costs.

Other

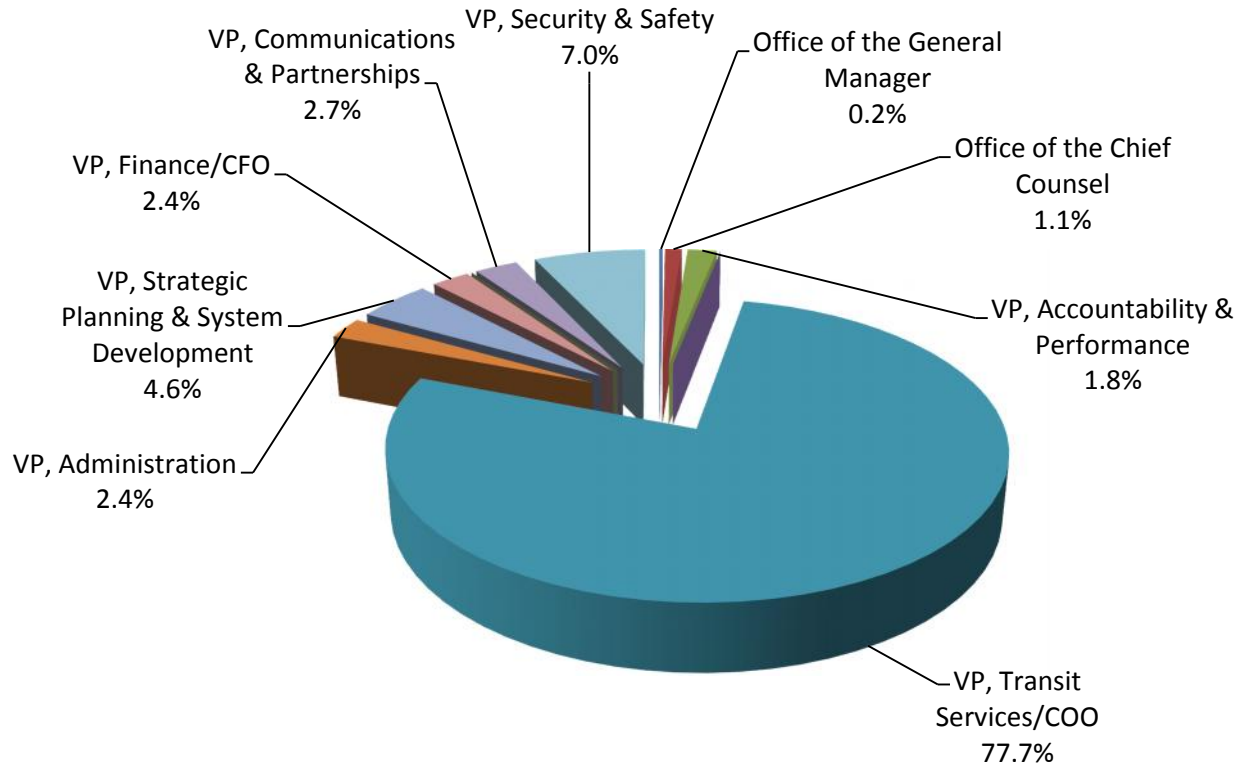
This category includes but is not limited to travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and bad debt.

The FY 2018 Proposed Budget proposes \$4.3 million for other expenditures, an increase of \$2.1 million (95.3%) from the FY 2017 Budget of \$2.2 million.

- This includes \$1.1 million in Connect Card fees, which is RT's portion of running the Connect Card Regional Service Center. About half of this cost is offset by Connect Card labor recovery.
- This reflects an increase of \$0.1 million in property taxes.
- This also reflects creation of Budget Stabilization account with a balance of \$0.45 million in order to address the reserve shortfall, per the adopted Reserve Policy.

Positions

The Fiscal Year 2018 Proposed Budget includes 1,038 fully or partially funded positions, which is an increase of 33 funded positions from the Fiscal Year 2017 Adopted Budget of 1,005 funded positions.



Division	FY 2015 Funded	FY 2016 Funded	FY 2017 Funded	FY 2018 Funded
Office of the General Manager	4	17	6	2
Office of the Chief Counsel	10	18	16	11
VP, Accountability & Performance	0	0	4	19
Facilities & Business Support Services	86	85	0	0
VP, Transit Services/COO	790	792	779	807
VP, Administration	27	0	73	25
VP, Strategic Planning & System Development	23	19	57	48
VP, Finance/CFO	26	25	0	25
Planning & Transit System Development	24	24	0	0
VP, Communications & Partnerships	27	26	33	28
VP, Security & Safety	0	0	37	73
Total	1,017	1,006	1,005	1,038

Positions (continued)

From FY 2017 to FY 2018, the district had a net increase of 33 funded positions. During FY2017, there were additional GM reorganizations to realign some departments and divisions. The changes reflected in the FY 2018 proposed budget are as follows:

General Manager Division had a net decrease of 4 funded positions. The position changes are as follows:

- Unfunded 1 General Manager Special Assistant position.
- Transferred total of 3 positions in Safety to VP, Security and Safety Division.

Chief Counsel Division had a net decrease of 5 funded positions. The position changes are as follows:

- Transferred total of 4 positions in Labor Relations to VP, Administration Division.
- Unfunded 1 Claims Technician in Risk.

VP, Accountability and Performance Division had a net increase of 15 funded positions. The position changes are as follows:

- Added 1 Internal Auditor in Quality Assurance.
- Transferred total of 6 positions in Accessible Services from VP, Communications and Partnerships Division.
- Transferred total of 7 positions in Service Planning from VP, Strategic Planning and System Development Division.
- Added Director, Planning position which was a swap from the Director, Long Range Planning.
- Unfunded 1 Service Planner position.

VP, Transit Services/Chief Operating Officer (COO) Division had a net increase of 28 funded positions. The position changes are as follows:

- Added 1 Deputy Chief Operating Officer in VP, Transit Services/COO Division
- Funded 3 positions: 1 Operations Trainer, 1 Bus Service Worker, and 1 Mechanic A Body/Fender.
- Unfunded 1 Administrative Assistant II in Bus Transportation, 1 Maintenance Superintendent – Bus in Bus Maintenance, 1 Rail Maintenance Worker – HLC in Light Rail, and 1 Director, Community Bus Services in Community Bus Service.
- Transferred total of 16 positions in Information Technology from VP, Administration Division. 2 positions were unfunded: 1 Senior Programmer Analyst and 1 IT Software Technician.
- Transferred 2 Materials Management Superintendent and 10 Storekeepers to Bus Maintenance and Light Rail Department from Procurement.
- Converted 5 funded Light Rail Services Workers to Facilities Service Workers. Additionally, the Board authorized to add and fund 3 Facilities Service Workers.
- Converted 1 Maintenance Supervisor-Wayside and 2 Rail Laborer to 3 Rail Maintenance Workers and unfunded 1 Rail Maintenance Worker.

VP, Administration Division had a net decrease of 48 funded positions due to GM reorganization that split into two divisions: VP, Administration and VP, Finance/Chief Financial Officer (CFO). The position changes are as follows:

- 1 Senior Administrative Assistant was transferred to VP, Finance Division.
- Transferred total of 4 positions in Labor Relations from Chief Counsel Division and unfunded 1 Senior Labor Relations Analyst in Labor Relations.
- Transferred total of 15 positions in Finance and 7 positions in Office Management and Budget to VP, Finance/CFO Division.
- Transferred total of 16 positions in Information Technology to VP, Transit Services/COO Division.
- Transferred total of 2 Materials Management Superintendents and 10 Storekeepers in Procurement to VP, Transit Service/COO Division.

Positions (continued)

VP, Strategic Planning and System Development Division had a net decrease of 9 funded positions. The position changes are as follows:

- Transferred 1 Senior Administrative Assistant to VP, Accountability and Performance Division.
- Deauthorized and Unfunded 1 Director, Long Range Planning in Strategic Planning.
- Transferred total of 7 positions in Service Planning to VP, Accountability and Performance Division.

VP, Finance/Chief Financial Officer (CFO) Division had a net increase of 25 funded positions that was split from the VP, Administration Division due to the GM reorganization. The position changes are as follows:

- 1 VP, Finance/CFO was reinstated and 1 Senior Administrative Assistant was transferred from VP, Administration Division.
- Transferred total of 15 positions in Finance from VP, Administration Division and added 1 Electronic Fare Collections Systems Administrator.
- Transferred total of 7 positions in Office of Management and Budget from VP, Administration Division.

VP, Communications and Partnerships Division had a net decrease of 5 funded positions. The position changes are as follows:

- Transferred total of 6 positions in Accessible Services to VP, Accountability and Performance Division.
- Added 1 Director, Marketing, Communications and Public Information and unfunded 1 Manager, Marketing and Communications.
- Funded 1 Senior Marketing and Communications Specialist.
- Created Customer Advocacy department and transferred 3 Customer Advocacy positions from Customer Services.

VP, Security and Safety Division had a net increase of 36 funded positions due to bringing security services in house. The position changes are as follows:

- The Board authorized and funded an additional 32 Transit Agents and 3 Transportation Supervisors.
- Unfunded 2 Transit Fare Inspectors.
- Transferred total of 3 positions in Safety from General Manager Division.
- Added 1 Chief, Environmental Health and System Safety and unfunded 1 Senior Safety Specialist.

Capital Improvement Plan

The following tables and chart represent the Capital Budget as it pertains to the FY 2018 Budget for the projects listed. The full five-year Capital Improvement Program (CIP) will be adopted by a separate Board action and will cover capital funding priorities between fiscal years 2018 through 2022, and beyond to 2048.

Please keep in mind the amounts contained in the FY 2018 Preliminary Budget only pertain to items where anticipated funding sources have been identified and are programmed for FY 2018. There are other capital needs that were outlined during the February strategic planning session where funding has yet to be identified.

The FY 2018 Capital Budget includes projects focused on the following priority programs:

Project Development

S030 Downtown/Riverfront Streetcar Project (Small Starts)

Equipment Program

M009 Radio Communications System Upgrade

Transit Security & Safety

T000 Transit Security Project

Impact of Capital Improvements on the Operating Budget

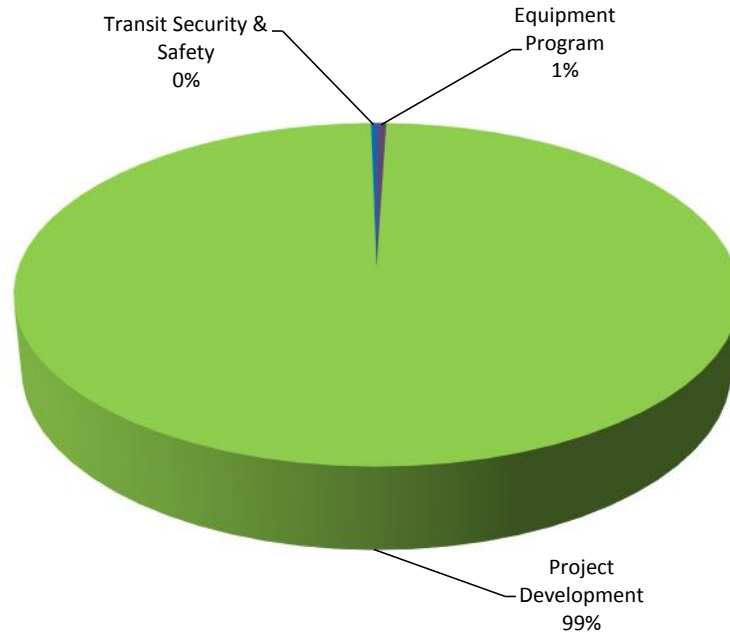
Capital projects that are approved in the current year budget will impact future operating and capital budgets as follows:

1. Capital projects completed in the current year will require on-going maintenance and, in case of new service lines, additional and on-going operating costs.
2. Capital projects that are not completed in the current year will require additional capital funding that may require balancing with operating funding if additional capital funds are not available.
3. Capital projects that are not completed in the current year will affect future years' budgets with increased operating costs in the year of completion. Future on-going operating and maintenance costs are projected using current year baseline dollars.

Capital Improvement Plan (continued)

PROGRAM	PROJECT NAME	FY 2018 PROJECT BUDGET	FUNDING SOURCE		
			FEDERAL	STATE	LOCAL
Project Development					
S030	Downtown/Riverfront Streetcar Project (Small Starts)	194,001,310	100,000,000	55,000,000	39,001,310
	System Expansion Total	\$ 194,001,310	\$ 100,000,000	\$ 55,000,000	\$ 39,001,310
Equipment Program					
M009	Radio Communications System Upgrade	973,064	-	973,064	-
	Equipment Program Total	\$ 973,064	\$ -	\$ 973,064	\$ -
Transit Security & Safety					
T000	Transit Security Project - TBD Formula & Regional	565,206	-	565,206	-
	Transit Security & Safety Total	\$ 565,206	\$ -	\$ 565,206	\$ -
Total		\$ 195,539,580	\$ 100,000,000	\$ 56,538,270	\$ 39,001,310

Capital Improvements by Category



\$ in Thousands

Category	FY2018	
	Proposed	%
Project Development	\$ 194,001	99.2%
Equipment Program	973	0.5%
Transit Security & Safety	565	0.3%
Grand Total	\$ 195,539	100.0%