



Sacramento Regional Transit District

Abridged Budget
Fiscal Year 2018-2019

June 11, 2018

Table of Contents

Board of Directors.....	3
Executive Management Team	4
Management & Budget Team	4
Organizational Structure	5
District Overview.....	6
District Profile.....	6
Strategic Plan	7
Budget Process	10
Voting System.....	11
SacRT Major Goals and Objectives in FY 2019	13
Operating Budget Summary	14
Revenues.....	14
Expenses.....	17
Positions	20
Capital Improvement Plan.....	22
Project Overview.....	22
Impact of Capital Improvements on the Operating Budget	23
Capital Improvements by Category.....	24
Capital Project Funding Addition Descriptions	31
Capital Project Funding Addition Descriptions (continued)	32

Board of Directors

Patrick Kennedy, Chair
County of Sacramento

Steve Hansen, Vice Chair
City of Sacramento

Linda Budge
City of Rancho Cordova

Jeff Harris
City of Sacramento

Pat Hume
City of Elk Grove

Rick Jennings II
City of Sacramento

Steve Miller
City of Citrus Heights

Andy Morin
City of Folsom

Don Nottoli
County of Sacramento

Jay Schenirer
City of Sacramento

Phil Serna
County of Sacramento

Board of Directors Alternate

Steve Detrick
City of Elk Grove

David Sander
City of Rancho Cordova

Jeff Slowey
City of Citrus Heights

Executive Management Team

Henry Li
General Manager/CEO

Tim Spangler
Chief Counsel

Mark Lonergan
Deputy General Manager/COO

Brent Bernegger
VP, Finance/CFO

Suzanne Chan
VP, Administration

Laura Ham
VP, Planning and Accountability

Lisa Hinz
Chief, Security Operations and Police Services

Neil Nance
VP, Engineering and Facilities

Devra Selenis
VP, Communications and Partnerships

Alva Carrasco
Deputy Chief Operating Officer

Olga Sanchez-Ochoa
Deputy Chief Counsel

Management & Budget Team

David Goldman
Director of Management & Budget

Maureen Ring
Grants Manager

Nadia Mokhov
Senior Financial Analyst

Carol Cherry
Senior Grants Analyst

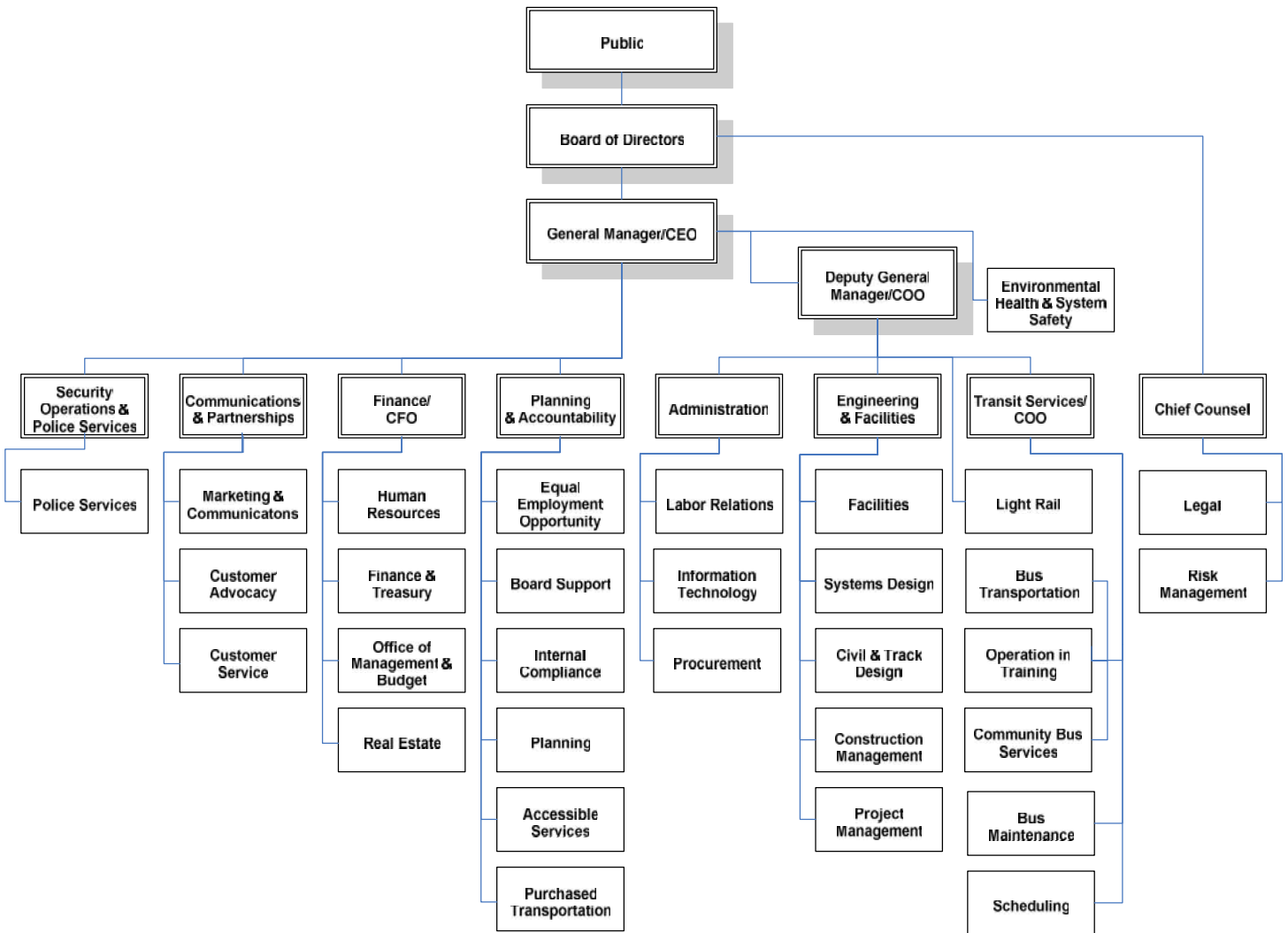
Judy Wong
Senior Financial Analyst

Joe Paglieroni
Senior Grants Analyst

Kristen Mazur
Grants Analyst

Organizational Structure

(Cost Center Based)



District Overview District Profile

Facts

<p style="text-align: center;">Sacramento Regional Transit District (SacRT)</p>	<p>Constructs, operates, and maintains a comprehensive mass transportation system that serves 367 square miles in Sacramento County</p>
--	---

Bus Service	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	70
Schedule	4:41 am to 11:38 pm daily
Stops	3,100+
Vehicles	192 - 40' CNG Buses 27 - Shuttle Vans
Annual Ridership	9,400,000

Light Rail Service	
Power	Electrical
Miles	44.9
Schedule	3:49 am to 12:59 am daily
Stops	52
Vehicles	88
Annual Ridership	10,000,000

Paratransit	
ADA Passenger Trips Provided	286,939
ADA Vehicle Revenue Miles	3,424,497
Vehicles	112

Passenger Amenities/ Customer Service	
Transfer Centers	32
Park & Ride	22
Annual Customer Service Calls	170,806
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, SacRT's Strategic Plan reaffirms SacRT's commitment to improve access in the Sacramento region by providing fiscally responsible transit service.

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

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

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

This plan is SacRT's commitment to the people of the Sacramento Region. SacRT will accomplish this through regional leadership and by providing quality service in a respectful and sustainable manner. SacRT will continue to focus on customer service and provide safe, clean, and reliable transportation service. To prepare for future needs in the 21st Century, SacRT will build and continuously develop a highly skilled transportation workforce. SacRT will continue to challenge itself to meet the growing transportation needs of the Sacramento Region.

The SacRT 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 SacRT 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: SacRT is committed to providing safe, reliable, and cost efficient public transit services, and initiating innovative technologies to improve service effectiveness.
- Customer Service: SacRT places customers first by providing quality transit services and amenities with convenient and easily understood access at an affordable price.
- Respect & Professionalism: SacRT is committed to treating its customers and employees with dignity and respect, recognizing the importance and value of each individual.
- Fiscal Responsibility: SacRT is committed to the pursuit of efficient use of resources and of secure and stable funding sources.
- Integrity & Accountability: SacRT acknowledges its responsibility for actions and performance with an uncompromising commitment to truth, honesty and high ethical standards. SacRT is committed to compliance with regulatory requirements and industry standards and efforts to improve upon existing practices.
- Quality, Diverse & Positive Work Force: SacRT 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: SacRT is committed to work with area stakeholders to create a “world class” transit system that supports livable communities and related efforts.
- Health and Safety: SacRT 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: SacRT 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

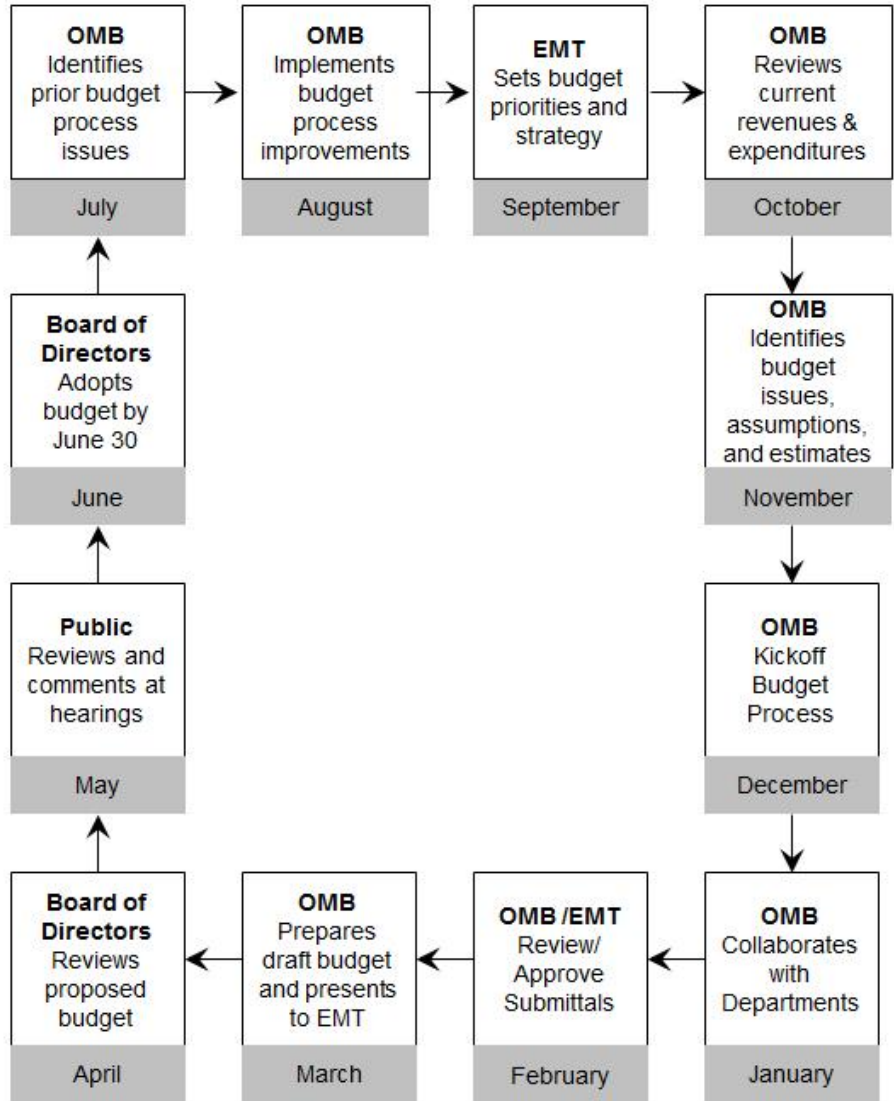
Strategic Plan (continued)

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

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



Voting System

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

In January 2006, the SacRT 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 SacRT. Assembly Bill 2137 established the new weighted voting system.

The system creates 100 voting shares. SacRT 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 SacRT 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 2018 Budget and for the FY 2019 Proposed Abridged Budget is shown in the table below. A detailed FY 2019 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2018 Budget	Shares – FY 2019 Proposed
County of Sacramento	Annex	41	42
City of Sacramento	Annex	37	36
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 2019 Schedule of Weighted Voting Distribution

Base Values*

Federal Financial Information

Code Section:		
102205(b)(6)	<u>FY 18 Federal Funds Available in the Sacramento MSA</u>	40,894,483
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	5,085,521
102205(b)(8)	<u>FY 18 Federal Funds Available for use in RT Service Area:</u>	35,808,962

Jurisdiction Specific Values

	City of	County of	Rancho	Citrus Heights	Folsom	Elk Grove	Totals:	
	Sacramento	Sacramento	Cordova					
102205(b)(10)	<u>Population:**</u>	493,025	584,729	73,872	87,013	78,525	171,059	1,488,223
	<u>Proportionate Population:</u>	33.13%	39.29%	4.96%	5.85%	5.28%	11.49%	100.00%
	<u>Member:</u>	Yes	Yes	Yes	No	No	No	
102100.2, 102100.3		4	3	1	1	1	1	11
102105.1(d)(2)(D)	<u>Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):</u>	11,862,949	14,069,490	1,777,475	2,093,668	1,889,434	4,115,946	35,808,962
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 19 State TDA Funds Made Available to RT:</u>	22,518,546	25,425,120	3,374,049	0	0	0	51,317,715
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 19 Funds Provided Under Contract:</u>	364,853	75,000	450,000	3,785,417	1,354,186	350,000	6,379,456
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 19 Other Local Funds</u>	0	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	34,746,348	39,569,609	5,601,524	5,879,085	3,243,620	4,465,946	93,506,133
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	37.16%	42.32%	5.99%	6.29%	3.47%	4.78%	100.00%

Voting Calculation

	City of	County of	Rancho	Citrus Heights	Folsom	Elk Grove	Totals:	
	Sacramento	Sacramento	Cordova					
102105.1(d)(1)	<u>Incentive Shares (5 for member jurisdictions)</u>	5	5	5	0	0	0	15
102105.1(d)(2)	<u>Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):</u>	31.5855	35.9700	5.0920	5.3443	2.9486	4.0597	85.0000
102105.1(d)(3)	<u>Total Shares:</u>	36.5855	40.9700	10.0920	5.3443	2.9486	4.0597	100.0000
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	36	41	10	5	3	4	99
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	36	42	10	5	3	4	100
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):***</u>							
	Member 1	9	14	10	5	3	4	
	Member 2	9	14	N/A	N/A	N/A	N/A	
	Member 3	9	14	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	
	<u>Total Votes:</u>	36	42	10	5	3	4	100

* In addition to the funding identified above, RT projects the following funds for operating purposes: \$43,824,000 - 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.

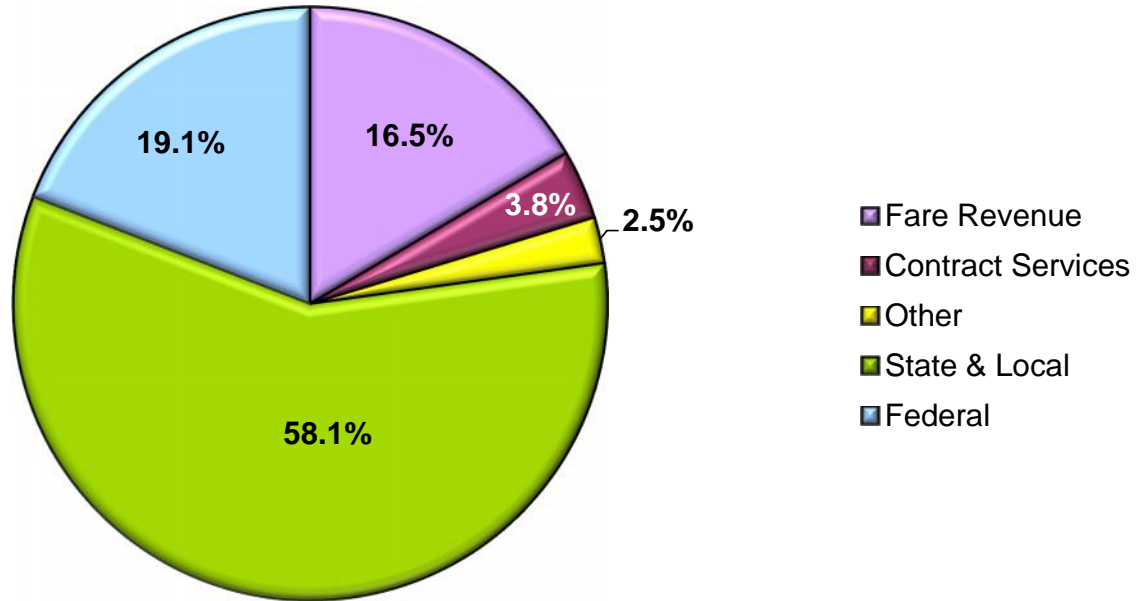
SacRT Major Goals and Objectives in FY 2019

- **STRATEGIC PLANNING & SYSTEM DEVELOPMENT**
Envision a more expansive, convenient and frequent public transit network. Identify service enhancements, infrastructure, capital improvements project that will attract more riders to the SacRT system.
- **FINANCIAL STABILITY, ACCOUNTABILITY AND BUSINESS PROCESS OPTIMIZATION**
SacRT is dedicated to strengthening our financial footing by tapping innovative revenue sources and conducting relentless organizational optimization to fund our current level of service, state of good repair initiatives, maintenance and capital investments, and build reserves. Moving forward, SacRT will continue to identify and implement cost-cutting measures to maximize efficiencies and minimize duplication, consistent with operating like a true business. SacRT will continue to seek operating revenues through more local, state and federal funding, as well as pursue capital grant opportunities.
- **STRATEGIC VISION, INNOVATIONS & BEST PRACTICES**
Develop and implement industry best practices by re-imagining a more innovative service network and leveraging new technologies to improve the customer experience by making it easier to ride transit, receive information, and pay fare.
- **SYSTEM SECURITY**
Prioritize security efforts by implementing industry best practices and response to customer concerns over safety and security.
- **OPERATIONAL AND OCCUPATIONAL SAFETY**
Focus on employee and customer safety through better training, data collection, use of technology, and public education. SacRT will maintain strong relationships with regulatory agencies and seek guidance whenever necessary.
- **STRATEGIC COMMUNICATIONS AND PARTNERSHIPS**
Ensuring that SacRT customers can intuitively navigate the bus and light rail system is critical to attracting new customers and building ridership. To ensure this, SacRT will continue to promote programs and incentive options that will encourage more people to try transit, and educate the public about the benefits of transit and how local funding is important to create a “world class” public transit system.
- **ORGANIZATIONAL EXCELLENCE AND PERFORMANCE MANAGEMENT**
Make positive transformations that include building a strong workforce, negotiating fair and equitable labor and non-labor agreements, implementing cost-saving alternatives and progressing efforts to make a significant change in organizational culture.

Operating Budget Summary

Revenues

FY 2019 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	FY 2019 to FY 2018 \$ Change	FY 2019 to FY 2018 % Change
Fare Revenue	\$ 28,056	\$ 30,487	\$ 29,763	\$ 27,942	\$ (1,822)	-6.1%
Contract Services	6,110	6,260	5,799	6,379	580	10.0%
State & Local	78,493	86,911	91,130	98,161	7,031	7.7%
Federal	34,097	34,467	31,057	32,307	1,250	4.0%
Other	5,333	4,357	3,578	4,228	650	18.2%
Total	\$ 152,089	\$ 162,482	\$ 161,328	\$ 169,017	\$ 7,689	4.8%
Operating Surplus/(Deficit)	(1,095)	2,159				
Operating Revenue	\$ 153,184	\$ 160,323	\$ 161,328	\$ 169,017	\$ 7,689	4.8%
<i>STA Reclass</i>	1,166	-				
<i>Operating Reserve Change</i>	71	2,159				

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 includes special transit fares from Los Rios Community College District (Los Rios) and California State University, Sacramento (CSUS) Student pass programs.

The FY 2019 Proposed Budget proposes \$27.9 million in Fare Revenue, a decrease of \$1.8 million (6.1%) from the FY 2018 Amended Budget of \$29.7 million.

- Fare Revenue is anticipated to decrease due to a full year of a student discount program, changes to fare media buying patterns, and electronic fare media implementation.
- This also assumes a slight reduction in ridership.

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 SacRT transit services.

The FY 2019 Proposed Budget proposes \$6.4 million in Contracted Services revenue, an increase of \$0.6 million (10.0%) from the FY 2018 Budget of \$5.8 million.

- This reflects an increase of \$0.4 million in the Citrus Heights contract due to higher LTF and STA allocations.
- This also reflects an increase of \$0.2 million in the Rancho Cordova contract due to higher service utilization.
- This reflects a reduction of \$0.02 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 2017 billing.

State & Local

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

The FY 2019 Proposed Budget proposes \$98.2 million in state and local funding revenue, an increase of \$7.1 million (7.7%) from the FY 2018 Amended Budget of \$91.1 million.

- This reflects a 10.0% or \$4.0 million increase in sales tax estimates for Measure A over the FY 2018 Budget.
- This also reflects a 3.9% or \$1.6 million increase in sales tax estimates for TDA-LTF.
- This includes a 28.2% or \$2.2 million decrease in the TDA-STA Revenue compared to the FY 2018 Budget. Due to the uncertainty surrounding State Transit Assistance funds derived from the Road Repair and Accountability Act of 2017 (SB1) tax measure adopted by the State last year, it would not be fiscally prudent to rely on them to fund ongoing operations; therefore, the equivalent amount of these funds will be used for capital projects as detailed in the capital section below.

Revenues (continued)

- This also includes a \$1.4 million increase 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.
- This includes \$2.3 million in Measure A Neighborhood Shuttle revenue for Microtransit service.

Federal

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

The FY 2019 Proposed Budget proposes \$32.3 million in federal funding, an increase of \$1.2 million (4.0%) from the FY 2018 Budget of \$31.1 million.

- This includes \$1.1 million in Job Access/Reverse Commute funding, which is the same level of funding as in FY 2018.
- Section 5307 Urbanized Area federal funding is projected to increase \$1.3 million (6.9%) compared to last year.
- Section 5337 State of Good Repair funding is projected to increase \$0.8 million (7.2%) compared to last year.
- This budget reflects elimination of Congestion Mitigation and Air Quality Improvement (CMAQ) funding for Blue Line extension to Cosumnes River College due to depletion of allocated funding.

Other

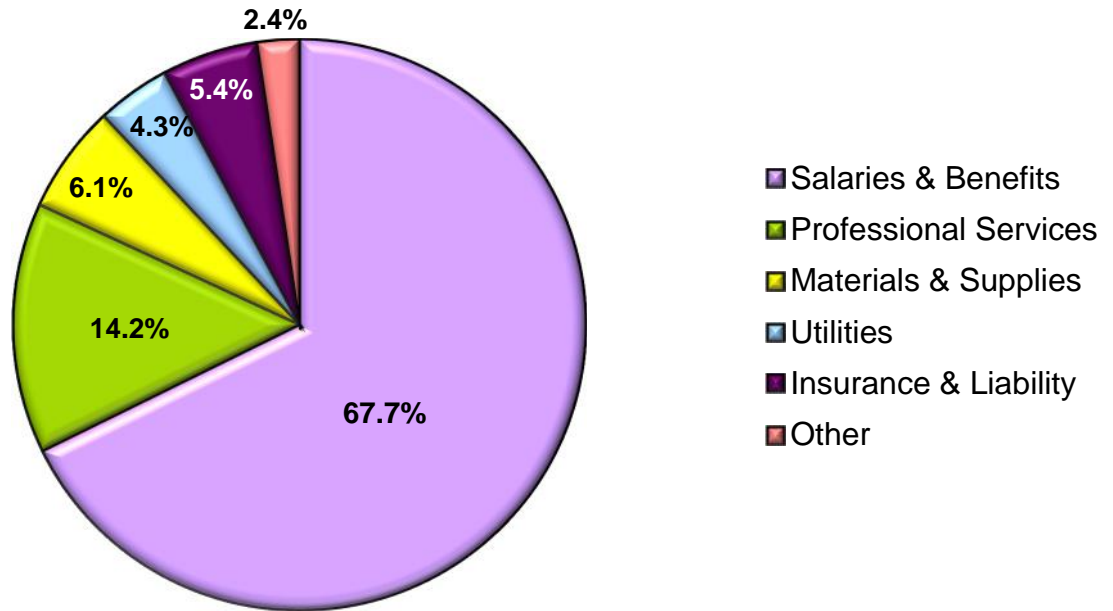
This category includes investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities, and parking revenue.

The FY 2019 Proposed Budget includes \$4.2 million in other revenue, which is an increase of \$0.6 million (18.2%) from the FY 2018 Budget of \$3.6 million.

- This includes \$0.4 million in ECOS settlement revenue for Folsom late night service.
- This includes \$1.2 million for the sale of Low Carbon Credits through the State Cap and Trade program, which is an increase of \$0.2 million from FY 2018 Budget.

Expenses

FY 2019 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	FY 2019 to FY 2018	
					\$ Change	% Change
Salaries & Benefits	\$ 102,134	\$ 106,940	\$ 109,954	\$ 114,449	\$ 4,495	4.1%
Professional Services	27,861	26,423	23,723	23,990	267	1.1%
Materials & Supplies	7,823	8,932	8,879	10,347	1,468	16.5%
Utilities	6,288	6,619	6,762	7,029	267	4.0%
Insurance & Liability	7,160	9,317	7,839	9,183	1,344	17.2%
Other	1,918	2,092	4,172	4,019	(153)	-3.7%
Operating Expenses	\$ 153,184	\$ 160,323	\$ 161,328	\$ 169,017	\$ 7,689	4.8%

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 SacRT-paid employee benefits.

The FY 2019 Proposed Budget proposes \$114.5 million for salaries and benefits, an increase of \$4.5 million (4.1%) from the FY 2018 Budget of \$110.0 million.

- The Fiscal Year 2019 Proposed Budget includes 1081 full time funded positions, which is an increase of 43 funded positions from the Fiscal Year 2018 Budget of 1038 funded positions. See Positions section on page 20 for details.
- Total salaries, overtime and personal service contract costs increased by \$3.0 million (4.8%) from the FY 2018 Budget of \$62.0 million. This reflects various District position salary adjustments and the cost of an additional 33 Microtransit related positions and other funded positions.
- Fringe Benefit costs increased by \$2.4 million (4.7%) from the FY 2018 Budget of \$50.9 million. This reflects an increase of \$0.3 million in FICA costs, \$0.9 million in pension costs, \$0.8 million in medical, dental and vision costs, and \$0.4 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect savings have resulted in a reduction of \$0.9 million (29.8%) compared to the FY 2018 Budget. This represents labor charged to capital projects and other initiatives such as the Connect Card Consortium which results in a reduction in costs.

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 2019 Proposed Budget proposes \$24.0 million for Professional Services, an increase of \$0.3 million (1.1%) from the FY 2018 Budget of \$23.7 million.

- This reflects a decrease in ADA paratransit cost of \$0.3 million due to business optimization improvements.
- This includes a \$0.6 million increase in security services cost due to contractual wage increases and Folsom late night service.
- This reflects the FY 2019 portion of multi-year contracts for professional services.

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 2019 Proposed Budget proposes \$10.4 million for materials and supplies, an increase of \$1.5 million (16.5%) from the FY 2018 Budget of \$8.9 million.

- This reflects a decrease in CNG cost of \$0.14 million.
- This includes a \$0.47 million increase in gasoline due to new Microtransit service.
- This also includes a \$0.44 million increase in bus parts.

Expenses (continued)

- This also includes a \$0.76 million increase in light rail parts and a \$0.1 million increase in Fare vending machine parts.
- There are other minor changes in various general ledger (GL) accounts that make up the difference.

Utilities

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

The FY 2019 Proposed Budget proposes \$7.0 million for Utilities, an increase of \$0.3 million (4.0%) from the FY 2018 Budget of \$6.7 million.

- This includes increases in costs for natural gas, water, electricity, garbage, and LRV traction power.
- It also includes \$0.1 million for Folsom late night service traction power.

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 2019 Proposed Budget proposes \$9.18 million for Insurance & Liability, an increase of approximately \$1.3 million (17.2%) from the FY 2018 Budget of \$7.83 million.

- This reflects an increase of \$0.5 million in the projected claims reserves for Property and Liability for FY 2019.
- This also reflects a decrease of \$0.8 million in the projected claims reserves for Workers' Compensation for FY 2019.
- This also reflects the updated insurance premium costs.

Other

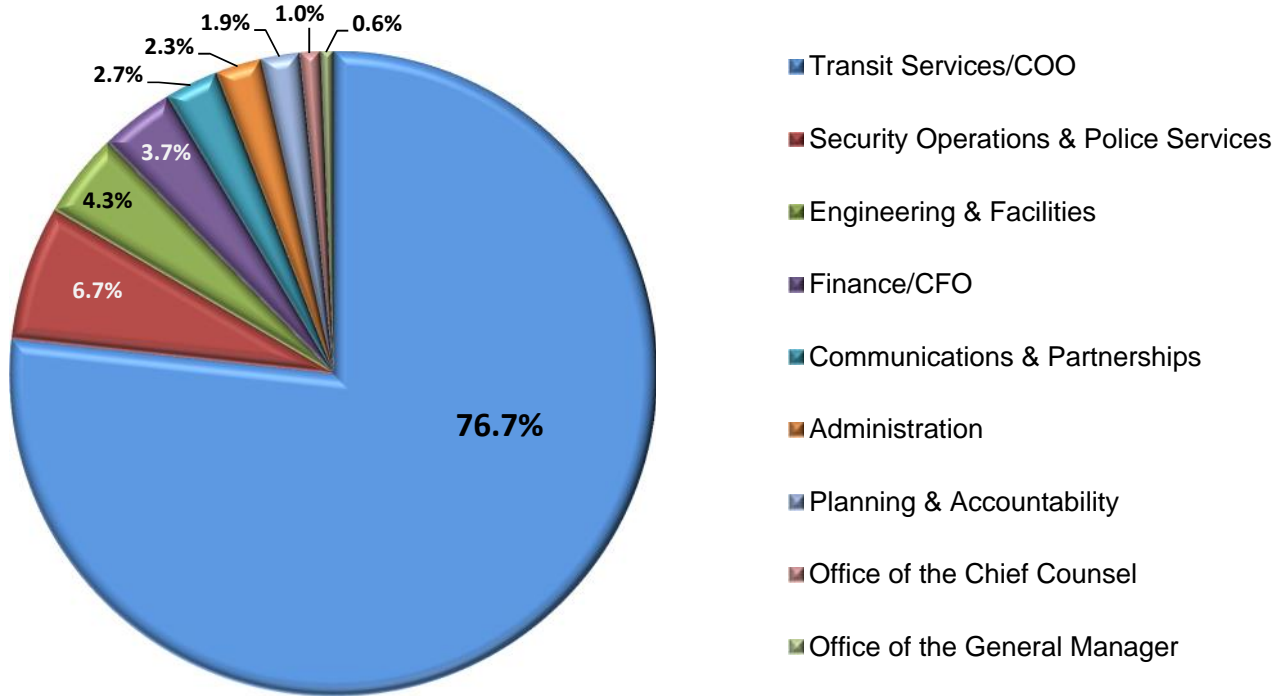
This category includes but is not limited to travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and banking fees.

The FY 2019 Proposed Budget proposes \$4.0 million for other expenditures, a decrease of \$0.2 million (-3.7%) from the FY 2018 Budget of \$4.2 million.

- This includes \$0.75 million in Connect Card fees, which is SacRT's portion of running the Connect Card Regional Service Center. This is a \$0.4 million reduction in cost compared to FY 2018 Budget. It should be noted that most of these costs are recovered via cost recovery in the salary and benefits section.
- This reflects an increase of \$0.1 million in banking fees.
- This also reflects a reduction of \$0.47 million for the Budget Stabilization account and an increase of \$0.6 million in Contingency.

Positions

The Fiscal Year 2019 Proposed Budget includes 1,081 fully or partially funded positions, which is an increase of 43 funded positions from the Fiscal Year 2018 Adopted Budget of 1,038 funded positions.



Division	FY 2016 Funded	FY 2017 Funded	FY 2018 Funded	FY 2018 Amended	FY 2019 Funded
Office of the General Manager	17	6	2	7	7
Office of the Chief Counsel	18	16	11	11	11
Planning & Accountability	0	4	19	20	21
Transit Services/COO	792	779	807	792	829
Administration	0	73	25	25	25
Engineering & Facilities	19	57	48	46	46
Finance/CFO	25	0	25	39	40
Communications & Partnerships	26	33	28	28	29
Security Operations & Police Services	0	37	73	70	73
Total	897	1,005	1,038	1,038	1,081

Positions (continued)

From FY 2018 to FY 2019, SacRT had a net increase of 43 funded positions. The changes reflected in the FY 2019 Proposed budget are as follows:

Planning and Accountability Division had a net increase of 1 funded positions. The position change is as follows:

- Added 1 EEO Specialist in EEO

Transit Services/Chief Operating Officer (COO) Division had a net increase of 37 funded positions. The position changes are as follows:

- Added 7 Positions: 1 Maintenance Superintendent – Bus, 1 Maintenance Superintendent – Light Rail, 1 Light Rail Assistant Mechanic, 3 Light Rail Service Workers, and 1 Maintenance Trainer-Light Rail.
- Funded 1 Light Rail Assistant Mechanic.
- Unfunded 3 positions: 3 Lineworker Technicians in Light Rail.
- Transferred 1 Senior Administrative Assistant to VP, Finance Division.
- Added 33 Microtransit related Positions: 27 Community Bus Service Operator – SmartRide, 3 Mechanic C – SmartRide, 2 Bus Service Worker – SmartRide, and 1 Community Bus Service Dispatcher – SmartRide.

Finance/Chief Financial Officer (CFO) Division had a net increase of 1 funded position. The position changes are as follows:

- Added 3 positions: 1 Accountant I, 1 Revenue Analyst, and 1 Manager, Real Estate.
- Unfunded 3 positions: 1 Program Analyst, 1 Accounts Payable Clerk and 1 Senior Accountant.
- Transferred 1 Senior Administrative Assistant from Transit Service/COO Division.

Communications and Partnerships Division had a net increase of 1 funded position. The position changes are as follows:

- Funded 2 Customer Service Representatives.
- Unfunded 1 Marketing and Communications Specialist.

Security Operations and Police Services Division had a net increase of 3 funded positions:

- Funded 3 Transit Agents.

Capital Improvement Plan

Project Overview

The following tables and chart represent the Capital Budget as it pertains to the FY 2019 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 2019 through 2023, and beyond to 2049.

Please keep in mind the amounts contained in the FY 2019 Proposed Budget only pertain to items where anticipated funding sources have been identified and are programmed for FY 2019, or where SacRT has applied for competitive grant funds for the project, and grant funds will be available in FY 2019 if awarded.

The FY 2019 Capital Budget includes projects focused on the following priority programs:

Equipment Program

R324 Light Rail Portable Jacking System

Facilities Program

B134 Fulton Ave. Bus Shelters

F021 General Facilities Improvements

F028 Administrative Equipment Optimization

Fleet Program

B105 Bus Expansion (through 2042)

B152 North Natomas Flyer Bus Procurement

R115 Light Rail Vehicle Fleet Repair and Replacement

R358 Expansion LRVs for Folsom Gold Line Service Enhancements

Infrastructure Program

835 30th/R Pedestrian Traffic Signal

B153 Bus Maintenance Facility 1 (BMF1) Remediation

G238 Biennial Bridget Inspections/Repairs

R314 Light Rail Stations - Low Floor Vehicle Conversions

R334 Rail Capital Maintenance - State of Good Repair

R359 Gold Line Double Tracking

Other Programs

M011 Cemo Circle Environmental Remediation

Planning/Studies

M012 Bus Route Optimization

System Expansion

R135 Horn Light Rail Station

Transit Technologies Program

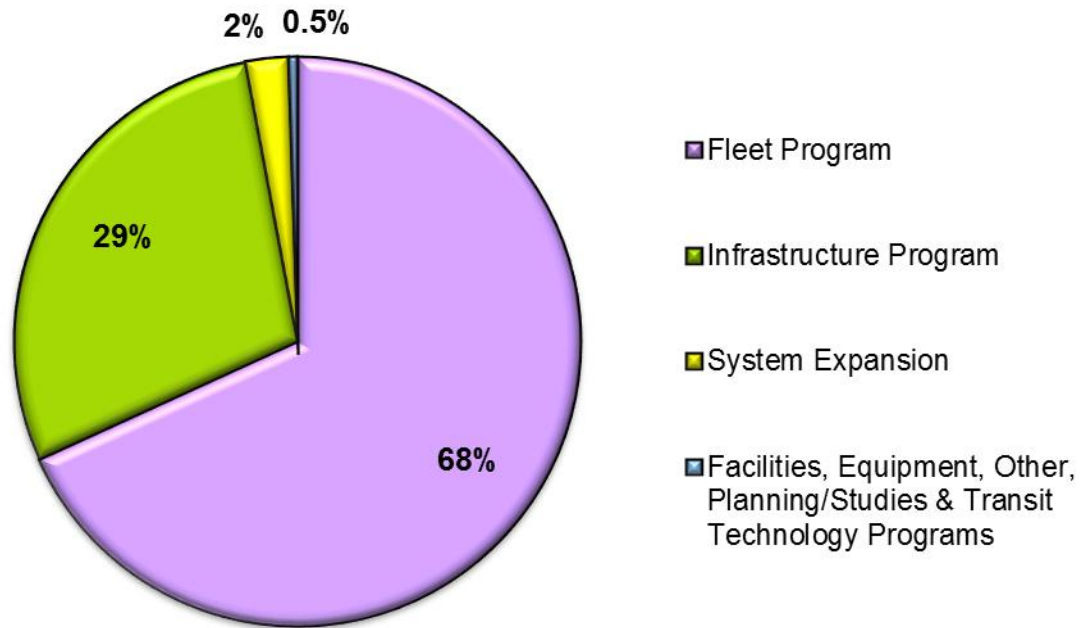
T030 Revenue Center Security Camera Upgrade

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 services, 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 Improvements by Category



Program	FY19 Budget Request	
	(\$ in Thousands)	
Fleet Program	126,915	68.2%
Infrastructure Program	53,745	28.9%
System Expansion	4,518	2.4%
Facilities Program	413	0.2%
Equipment Program	150	0.1%
Planning/Studies	300	0.2%
Other Programs	40	0.0%
Transit Technologies Program	21	0.0%
Grand Total	186,100	100.0%



Capital Improvement Revenues and Expenditures

Program	Project Name	Previously Budgeted (Board-Approved)	Carryforward	FY19 Budget Request	Funding Additions			
					Federal	State	Local	TBD
Equipment Program								
B143	Fare Box Replacements	3,707,357	94,609	-				
F024	Chiller Control Replacement	235,000	42,522	-				
M009	Radio Communications System Upgrade	2,098,951	1,612,936	-				
R324	Light Rail Portable Jacking System	-	-	150,000		150,000		
R341	Fare Vending Machines	41,500	4,151	-				
R343	Whiting In-Floor Hoist Inspection and Repair	94,817	8,060	-				
R344	Enhanced Employee Protection Warning System	870,000	870,000	-				
		<u>7,047,625</u>	<u>2,632,278</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Facilities Program								
715	Bus Maintenance Facility 2 (Phase 1 & 2)	25,404,772	1,761,315	-				
4005	Butterfield/Mather Mills LR Station Rehabilitation	134,489	6,749	-				
B134	Fulton Avenue Bus Shelters	169,435	50,095	12,500			12,500	
B147	Bus Maintenance Management Software Program	102,000	91,305	-				
F018	Rancho Cordova Landscaping	141,641	12,627	-				
F019	Instrument House and Signal Case Wraps	225,000	177,904	-				
F021	Facilities Maintenance & Improvements	257,379	44,621	200,000		200,000		
F025	Office Relocation: Bell Building to 1225 R Street	407,000	95,372	-				
F026	Mold Remediation--Engineering Bldg.	97,500	73,880	-				
F027	Metro Roof Replacement	343,000	752	-				
F028	Administrative Equipment Optimization	-	-	200,000		200,000		
Q029	Citrus Heights Bus Stop Improvements	893,992	46,999	-				
R175	Watt / I-80 Station Improvements	263,482	7,733	-				
R313	Mini-High Shelter Improvements: 29th Street	280,500	25,590	-				
R340	LRV Train Wash Replacement	785,500	62,205	-				
R347	Watt I-80 Elevator Replacement	900,000	899,946	-				
		<u>30,405,690</u>	<u>3,357,093</u>	<u>412,500</u>	<u>-</u>	<u>400,000</u>	<u>12,500</u>	<u>-</u>

Capital Improvement Revenues and Expenditures (continued)

Program	Project Name	Previously Budgeted (Board- Approved)	Carryforward	FY19 Budget Request	Funding Additions			
					Federal	State	Local	TBD
Fleet Program								
651	Siemens Light Rail Vehicle Mid-Life Overhaul	9,946,412	2,506,062	-				
B105	Bus Expansion (through 2042)	-	-	26,034,192				26,034,192
B141	Non-Revenue Vehicles - P1B Restricted	4,727,425	1,336,046	-				
B142	Neighborhood Ride Vehicle Replacements	2,807,302	1,007,343	-				
B144	BMF CNG Fueling Facility Upgrades	4,285,684	4,009,118	-				
B146	Update Design Guidelines for Bus	6,214	335	-				
B149	Circulator Bus/Microtransit Service Expansion	5,460,000	5,460,000	-				
B151	Shuttle Buses/Above Ground Gas Tank P1B	2,000,000	2,000,000	-				
B152	North Natomas Flyer Bus Procurement	1,113,745	1,113,745	61,255			61,255	
F015	Mini-High Shelter Improvements: 65th / Marconi	610,299	8,426	-				
G225	Non-Revenue Police Vehicle Replacement	2,227,042	240,305	-				
P007	Paratransit Vehicle Replacement (approx. 11)	1,571,200	141,640	-				
P009	Paratransit Vehicle Replacement (approx. 40+)	7,297,205	7,295,346	-				
R001	CAF/Siemens LR Vehicle Painting/Exterior Work	995,000	551,922	-				
R085	UTDC Light Rail Vehicle Retrofit - 14 vehicles	25,628,676	1,562,577	-				
R086	UTDC Light Rail Vehicle Retrofit - 7 Vehicles	8,034,000	325,613	-				
R115	Light Rail Vehicle Fleet Repair and Replacement	4,380,946	4,380,946	64,019,054	33,600,000	30,419,054		
R353	UTDC LRV Fleet Improvement	1,690,161	680,104	-				
R358	Expansion LRVs for Folsom Gold Line Service Enhancements	-	-	36,800,000	5,500,000	16,800,000		14,500,000
		<u>82,781,311</u>	<u>97,814,770</u>	<u>126,914,501</u>	<u>39,100,000</u>	<u>47,219,054</u>	<u>61,255</u>	<u>40,534,192</u>



Capital Improvement Revenues and Expenditures (continued)

Program	Project Name	Previously Budgeted (Board-Approved)	Carryforward	FY19 Budget Request	Funding Additions			
					Federal	State	Local	TBD
Infrastructure Program								
835	30th/R Pedestrian Traffic Signal	146,296	114,818	28,704		28,704		
A005	City College Pedestrian/Bicycle Crossing	1,683	1,683	-				
A007	Easton Development Grade Crossing	50,000	28,333	-				
A008	Regional Bike Share System	100,000	100,000	-				
A009	Folsom Streetscape	75,000	32,714	-				
A016	Caltrans Route 160 N. Sac. Seismic Retrofit	50,000	48,885	-				
B150	Watt I-80 Station Improvements	3,511,358	-	-				
B153	BMF1 Remediation	-	-	70,000		70,000		
G237	Across the Top System Modification	360,135	40,652	-				
G238	Biennial Bridge Inspections / Repairs	156,000	10,345	45,873		45,873		
M002	University/65th Street Transit Center Relocation	387,647	16,266	-				
R010	Light Rail Crossing Enhancements	592,716	93,622	-				
R280	Folsom Gold Line Service Enhancements	3,900,000	3,044,875	-				
R314	Light Rail Stations - Low Floor Vehicle Conversions	-	-	5,000,000	2,900,000	2,000,000	100,000	
R334	Rail Capital Maintenance-State of Good Repair	134,122	120,104	200,000		\$ 200,000		
R336	Systemwide LR Station Enhancements	6,628,000	227,190	-				
R359	Gold Line Double Tracking	-	-	48,400,000		44,000,000	4,400,000	
		<u>16,092,957</u>	<u>3,879,486</u>	<u>53,744,577</u>	<u>2,900,000</u>	<u>46,344,577</u>	<u>4,500,000</u>	<u>-</u>



Capital Improvement Revenues and Expenditures (continued)

Program	Project Name	Previously Budgeted (Board-Approved)	Carryforward	FY19 Budget Request	Funding Additions			
					Federal	State	Local	TBD
Other Programs								
A012	65th St. / Jackson Properties Oversight	77,000	51,124	-				
A015	Brighton Overhead Design Services	262,209	204,550	-				
A018	Ramona Avenue Extension	5,000	5,000					
M011	Cemo Circle Environmental Remediation	530,500	254,919	39,500		39,500		
Q023	Paratransit Inc. Replacement Vehicles	1,763,750	539,008					
Q027	Paratransit Inc. Transit Asset Management	249,000	163,292					
Q034	City of Elk Grove Buses	687,745	57,648					
Q040	Paratransit Inc. - Mobile Data Computers	300,000	171,094					
Q042	Paratransit Inc. - JARC	125,000	125,000					
Q047	El Dorado Transit Bus Procurement	73,101	73,101	-				
Q049	El Dorado Transit Bus Replacement	1,457,430	1,457,430	-				
Q050	FY 2016 Section 5339 Paratransit Inc. - Bus	384,000	384,000					
Q053	FY 2018 Section 5307 City of Folsom - PM	321,196	321,196	-				
Q054	FY 2018 Section 5307 El Dorado Transit - PM	250,000	250,000	-				
Q055	FY 2018 Section 5307 El Dorado Transit Urban Bus Replacement Project	196,253	196,253	-				
		<u>6,682,184</u>	<u>4,253,615</u>	<u>39,500</u>	<u>-</u>	<u>39,500</u>	<u>-</u>	<u>-</u>
Planning/Studies								
M012	Bus Route Optimization	400,000	224,857	300,000	265,590			34,410
M013	Campus Master Plan	53,540	3,272					
R345	CPID - Station Planning	350,000	312,081	-				
		<u>803,540</u>	<u>540,210</u>	<u>300,000</u>	<u>265,590</u>	<u>-</u>	<u>-</u>	<u>34,410</u>



Capital Improvement Revenues and Expenditures (continued)

Program	Project Name	Previously Budgeted (Board-Approved)	Carryforward	FY19 Budget Request	Funding Additions			
					Federal	State	Local	TBD
System Expansion								
230	Northeast Corridor Enhancements (Phase 1)	31,803,760	5,193,074	-				
410	South Sacramento Corridor Phase 2 LR Extension	270,000,000	8,589,019	-				
R055	Dos Rios Light Rail Station	1,700,000	800,141	-				
R135	Horn Light Rail Station	1,350,000	817,605	4,518,242				4,518,242
R322	Green Line Draft EIS/EIR and Project Development	4,584,292	1,262,358	-				
R327	Sacramento Valley Station Loop Design/Construct.	1,264,000	1,263,054	-				
R350	TPSS A1 / A055 RC Relocation	5,307,958	4,718,873	-				
R354	FVM Enhancements (NEC/Blue Line)	7,526,000	7,456,600	-				
R357	Dynamic Message Signs (NEC/BlueLine)	500,000	500,000	-				
S010	Downtown/Riverfront Streetcar Project Development	6,810,742	57,903	-				
S030	Downtown/Riverfront Streetcar Project (Small Starts)	200,000,000	195,511,827	-				
		<u>530,846,752</u>	<u>226,170,454</u>	<u>4,518,242</u>	-	-	-	4,518,242
Transit Security & Safety								
T013	SacRT - Staff Security Training - Overtime/Backfill	64,979	1,380	-				
T055	Anti-terrorism Patrols (2017)	63,805	63,805	-				
T043	Emergency Drills	65,430	27,356	-				
T008	Completion Fiber Optics Communications	530,671	779	-				
T038	Upgrades to Security Video and Data Systems	179,030	30,162	-				
T027	Video Surveillance System Upgrades	118,031	2,856	-				
T026	Wi-Fi Security Systems Enhancement	145,497	9,315	-				
T018	Building Access System Upgrade	113,441	103,781	-				
H021	Enhancement of Emergency Power Generation	576,914	80,002	-				
T006	LRV System AVL Equipment	452,114	13,390	-				
T025	Surveillance and Security Facilities Enhancement	255,889	233,018	-				
T036	Facilities Safety, Security & Comm. Infr. Upgrades	390,763	166,950	-				
T054	Security, Systems & Comm Infr. Upgrade	413,827	207,144	-				
		<u>3,370,391</u>	<u>939,937</u>	-	-	-	-	-

Capital Improvement Revenues and Expenditures (continued)

Program	Project Name	Previously Budgeted (Board- Approved)	Carryforward	FY19 Budget Request	Funding Additions			
					Federal	State	Local	TBD
Transit Technologies Program								
964	Trapeze Implementation (TEAMS)	2,164,212	1,758	-				
G035	Fiber/50-Fig Installation, Maintenance, & Repair	330,368	64,220	-				
R355	Automatic Passenger Counters for LRT	1,100,000	1,100,000	-				
T004	Connect Card Light Rail Platform Preparations	1,673,000	92,265	-				
T017	Audio Light Rail Passenger Information Signs	1,261,250	11,943	-				
T022	Handheld Smart Card Reader	117,678	38,969	-				
T030	Revenue Center Security Camera Upgrade	29,000	2,001	21,000		21,000		
T041	Upgrade for Connect Card	35,000	35,000	-				
T046	Connect Card Implementation-Consultant (Part 2)	118,000	20,836	-				
T050	Upgrades to Transit Security Systems	15,598	15,598	-				
T051	Telephone System Replacement	307,568	281,592	-				
T052	Track Warrant Controlled Access System	188,873	176,336	-				
T053	Connect Card Initial Project Launch	175,000	27,665	-				
		<u>7,515,547</u>	<u>1,868,183</u>	<u>21,000</u>	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>-</u>
Total		<u>685,545,997</u>	<u>341,456,027</u>	<u>186,100,320</u>	<u>42,265,590</u>	<u>94,174,131</u>	<u>4,573,755</u>	<u>45,086,844</u>

Capital Project Funding Addition Descriptions

- 835 30th/R Pedestrian Traffic Signal - Install a traffic signal at the intersection of 30th Street and R street, which will improve safety for SacRT passengers walking and bicycling to the adjacent SacRT light rail station and bus stops.
- B105 Bus Expansion (through 2042) - Purchase electric buses and charging infrastructure to provide expanded bus services in currently unserved areas.
- B134 Fulton Ave. Bus Shelters (B134) – Construct two additional shelters and related improvements.
- B152 North Natomas Flyer Bus Procurement – Purchase new cutaway buses for North Natomas contract services.
- B153 Bus Maintenance Facility #1 (BMF1) Remediation – Complete the environmental site cleanup at BMF1, as required by the County of Sacramento Environmental Management Department.
- F021 General Facilities Improvements - Perform general maintenance of facilities throughout the district to address safety issues as they arise, make needed repairs, and replace items that have exceeded their useful life.
- F028 Administrative Equipment Optimization - Purchase/replace old office equipment/furnishings on an as needed basis, not to exceed this amount in FY19.
- G238 Biennial Bridge Inspections/Repairs - Perform bridge and structure repairs identified in the CPUC-required biennial inspection report.
- M011 Cemo Circle Environmental Remediation - Conduct environmental assessment and environmental remediation related to the Cemo Circle Surplus disposition.
- M012 Bus Route Optimization – Continuation of and/or implementation of Route Optimization activities, including further study of High Capacity Bus Corridors.
- R115 Light Rail Vehicle Fleet Repair and Replacement - Replace the 1st Series Siemens vehicles at the end of their useful life.
- R135 Horn Light Rail Station – Plan, design, and build a light rail station near Horn Road and Folsom Boulevard in the City of Rancho Cordova.
- R314 Light Rail Stations - Low Floor Vehicle Conversions - Design and construct modifications to existing light rail station platforms to accommodate the planned acquisition of low floor LRVs
- R324 Light Rail Portable Jacking System - Replace aging, unreliable jacks that are needed for light rail vehicle repair.
- R334 Rail Capital Maintenance-State of Good Repair - Implement various projects needed to maintain the state of good repair of SacRT's light rail infrastructure.
- R358 Expansion LRVs for Folsom Gold Line Service Enhancements – Purchase expansion low-floor light rail vehicles (LRVs) that are needed to provide enhanced 15-minute service frequencies on the Gold Line to Folsom.

Capital Project Funding Addition Descriptions (continued)

- R359 Gold Line Double Tracking – Construct double tracking on Gold Line that is needed to provide 15 minute service between Sunrise and Sutter stations.

- T030 Revenue Center Security Camera Upgrade - Upgrade the security cameras at the Revenue Center to digital to improve picture quality and help with video storage time.