

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	04/13/09	Open	Action	03/27/09

Subject: Approving Amendments to the Fiscal Year 2009 Operating Budget

ISSUE

Whether or not to approve amendments to the Fiscal Year 2009 Operating Budget.

RECOMMENDED ACTION

Adopt Resolution No. 09-04-_____, Approving Amendments to the Fiscal Year 2009 Operating Budget.

FISCAL IMPACT

The proposed budget changes would increase Fiscal Year 2009 operating revenues by \$4,880,945 million and decrease operating expenses by \$3,119,055.

DISCUSSION

The purpose of this Issue Paper and associated staff presentation is: 1) to recommend specific amendments to RT's FY 2009 Operating Budget; 2) to highlight major impacts to RT resulting from the downward turn in local and State revenues projected over the current and next several years; and, 3) to identify potential future revenue and productivity enhancement and cost containment opportunities for future Board consideration.

Background

On June 9, 2008, staff presented a balanced Preliminary Operating Budget (POB) for the Fiscal Year 2009 which included an Operating Budget of \$151.0 million and Capital Budget of \$100.6 million. This budget was based on the transportation funding level provided within the State budget proposal issued in January 2008.

On August 25, 2008, the Board approved in concept a rebalancing strategy to manage a funding shortfall up to \$9.7 million and authorized staff to establish a preferred sequence of re-balancing options that the General Manager/CEO could initiate and implement (subject to further Board approval, where required) depending on the level of transportation funding available to RT in the final State Budget.

On October 27, 2008, the Board approved an Amended Operating Budget for Fiscal Year 2009, which includes a revised Operating Budget of \$149.1 million. This budget was based on the transportation funding level within the State budget approved in September 2008, which reduced RT's transportation funding by \$11.3 million from the state's budget proposal issued in January 2008.

Approved:


General Manager/CEO

Presented:

 
Chief Financial Officer

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Following adoption of the budget in October 27, 2008, the State has been working to amend its budget in FY 2009 for the second time, and it was revised again in January 2009. This revision reduced RT's State Transit Assistance (STA) funding by an additional \$3.7 million for FY 2009. RT staff has continued to evaluate revenue and expenditure projections and a number of modifications were found that are included in the final budget revision. A summary of all proposed budget adjustments by budget category is provided in this issue paper and the revised FY 2009 Operating budget (Exhibit A).

Economic Conditions

As previously reported, RT's overall revenue environment continued to shift during FY 2007-2008. While Federal funding is currently expected to remain constant in the near term, Local and State transportation funds – Local Transportation Funds (LTF) and Measure A revenue are expected to significantly decline due to the worsening economy. These funding sources are critical to RT in that they are considered to be "flexible dollars". Flexible dollars can be used at the discretion of the Board to fund operating budgets, capital budgets, or both. Today, approximately 47.7% of RT's revised FY 2009 operating budget is derived from these State and Local revenue sources.

State Revenues (STA) - The State Budget released January 2008 had a budget level of STA funding of \$743 million, which reflected a \$7 million cut in transportation funding to RT based on normal funding calculations for the Public Transportation Account (PTA) and RT's respective STA share. Subsequently, the Governor released the "May Revise", and updated State budget proposal that further cut PTA funding, representing an overall proposed \$1.4 billion reduction in transportation funding statewide, that included a reduction in the STA allocation to \$306 million. The impact to RT was a reduction of \$11.3 million in planned operating revenue needed to meet budget requirements at the POB level. The State budget adopted in September 2008 resulted in the same reduction of \$11.3 million to RT. The most recently adopted State budget further revised the STA allocation for FY 2009, reducing it by 50% and eliminating it for future years. This resulted in an additional \$3.7 million reduction in FY 2009 STA for RT.

Re -Balancing Strategies

Staff provided a summary of potential re-balancing strategies for Board consideration at the February 23, 2009 board meeting. These include the decrease in State STA funding of \$3.7 million and reductions in some expense categories from the current FY 2009 operating budget of \$149.1 million. In addition, there is an increase in Section 5307 Urbanized Area Formula Funds of \$8,000,000. The American Recovery and Reinvestment Act (ARRA) was signed into law February 17, 2009. The Act provides \$8.4 billion to public transit. The Sacramento region will receive about \$31 million. Of this amount, RT will receive \$8.0 million in FY 2009 and \$6.0 million in FY 2010 to cover preventive maintenance and ADA program costs. An additional sum of \$8.2 million was awarded for a capital project.

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Proposed Operating Budget Amendments

Staff proposes the following adjustments to the Fiscal Year 2009 Operating Budget:

Table 1
**Sacramento Regional Transit District
 Schedule of Proposed Operating Budget Changes**

Categories	FY 2009 Adopted 10-27-08	FY 2009 Revised 04-13-09	FY 2009 \$ Changes	FY 2009 % Changes
<u>Operating Revenue</u>				
Fare Revenue	\$36,807,726	\$36,807,726	-	0.0%
Contracted Services	4,743,945	4,743,945	-	0.0%
State & Local ¹	76,031,734	73,386,153	(2,645,581)	-3.5%
Federal ²	22,819,503	30,819,503	8,000,000	35.1%
Other ³	8,719,754	8,246,280	(473,474)	-5.4%
Total Operating Revenue	\$149,122,662	\$154,003,607	\$4,880,945	3.3%
<u>Operating Expenses</u>				
Salaries & Benefits ⁴	\$94,000,338	\$91,131,283	(2,869,055)	-3.1%
Professional Services	25,909,419	25,909,419	-	0.0%
Materials & Supplies ⁵	10,588,250	10,338,250	(250,000)	-2.4%
Utilities	5,592,000	5,592,000	-	0.0%
Casualty & Liability	10,144,889	10,144,889	-	0.0%
Other	2,887,766	2,887,766	-	0.0%
Total Operating Expenses	\$149,122,662	\$146,003,607	(\$3,119,055)	-2.1%
Carryover to FY 2010	\$0	\$8,000,000		

1. Net decrease of \$2,645,581 in State & Local revenue due to reduction of STA funding of \$3.7 million with amended State budget approved in February 2009; decrease of \$0.5 million in unrealized LTF revenue; increase of \$0.8 million in Measure A Folsom swap interest allocation; increase of \$0.8 million in supplemental Measure A funds.
2. Net increase of \$8,000,000 in Federal revenue due to ARRA funding received for Preventive Maintenance and ADA programs.

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3. Net decrease of \$473,474 in other revenue due to the inability to reprogram grant funding for the operating budget.
4. Net decrease of \$2,869,055 in salaries and benefits due to \$0.2 million in additional capital recovery from project # 4011 Facility Repairs; reduction of \$1.5 million as a result of Indirect Cost Allocation plan implementation which will shift overhead cost to capital projects, reduction of \$1.1 million as a result of additional vacancy savings; and reduction of \$0.075 million due to increase in capital recovery in Procurement department.
5. Net decrease of \$250,000 in Materials & Supplies due to \$0.4 million reduction in CNG cost; and \$0.15 million increase for contracted engine and transmission rebuilds.

Staff recommends adoption of the proposed revisions to the FY 2009 Operating Budget.

RESOLUTION NO. 09-04-_____

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

APRIL 13, 2009

APPROVING AMENDMENTS TO THE FISCAL YEAR 2009 OPERATING BUDGET

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

THAT, the fiscal year 2009 Operating Budget is hereby amended by making the following changes as further set forth in Exhibit A:

- Net Increase of \$4,880,945 to Revenues – decrease of \$2,645,581 to State & Local Revenues; increase of \$8,000,000 to Federal Revenue; and a decrease of \$473,474 to Other Revenues.
- Net Decrease of \$3,119,055 to Expenses – decrease of \$2,869,055 to Salaries and Benefits and decrease of \$250,000 to Materials and Supplies.

STEVE COHN, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary



Sacramento Regional Transit District

Abridged Proposed Budget Fiscal Year 2008-2009

Revised as of April 13, 2009

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Board of Directors

Steve Cohn, Chair
City of Sacramento

Steve Miller, Vice Chair
City of Citrus Heights

Roger Dickinson
County of Sacramento

Lauren Hammond
City of Sacramento

Pat Hume
City of Elk Grove

Roberta MacGlashan
County of Sacramento

Andy Morin
City of Folsom

Don Nottoli
County of Sacramento

Bonnie Pannell
City of Sacramento

David Sander, Ph.D.
City of Rancho Cordova

Ray Tretheway
City of Sacramento

Board of Directors Alternates

Steve Detrick
City of Elk Grove

Jeff Slowey
City of Citrus Heights

Robert McGarvey
City of Rancho Cordova

Executive Team

Mike Wiley
General Manager/CEO

Bruce Behrens
Chief Legal Counsel

Dee Brookshire
Chief Financial Officer

Larry Corcoran
Compliance and Quality Assurance Auditor

RoseMary Covington
Assistant General Manager, Planning & Transit System Development

Dan Bailey
Chief Administrative Officer

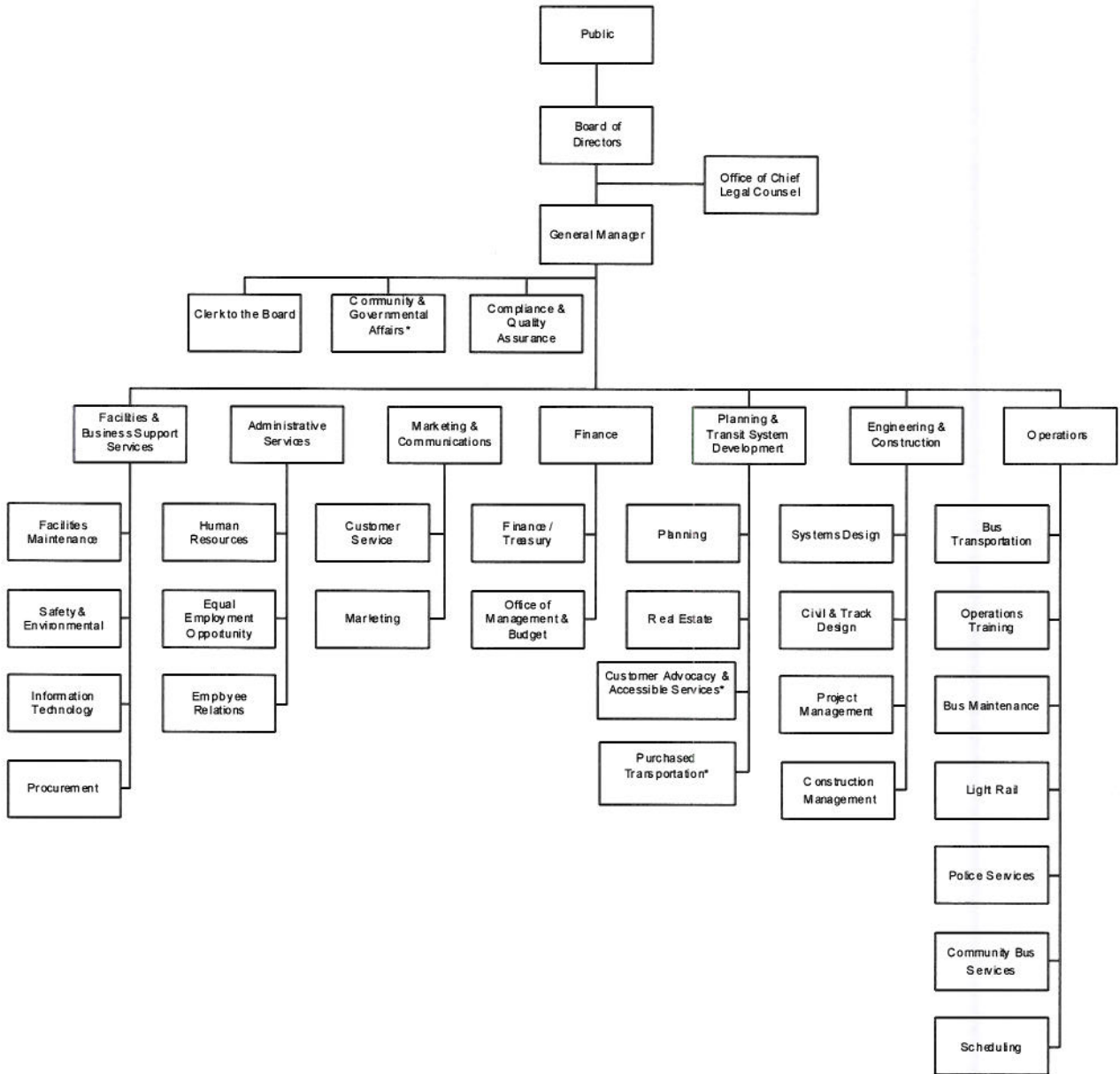
Mark Lonergan
Chief Operating Officer

Alane Masui
Assistant General Manager, Marketing and Communications

Mike Mattos
Chief of Facilities & Business Support Services

Diane Nakano
Assistant General Manager, Engineering and Construction

Organizational Structure



District Profile

Facts

Sacramento Regional Transit District	Constructs, operates, and maintains a comprehensive mass transportation system that serves 418 square miles in Sacramento County
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Bus Service	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	99
Schedule	5:00 am to 11:30 pm daily
Stops	3,600
Vehicles	242 CNG Buses; 8 CNG Replica Streetcars; 19 Shuttle Vans (12 diesel, 7 gasoline)
Annual Ridership	17,461,487

Light Rail Service	
Power	Electrical
Miles	37.42
Schedule	4:30 am to 1:00 am daily
Stops	48
Vehicles	76
Annual Ridership	14,489,691

Paratransit	
ADA Passenger Trips Provided	310,480
ADA Vehicle Revenue Miles	2,798,463
Vehicles	109

Passenger Amenities/ Customer Service	
Transfer Centers	26
Park & Ride	18
Annual Customer Service Calls	475,388
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

Strategic Plan

Adopted by the Board of Directors in January 2004, the RT strategic plan establishes RT's commitment to become a more efficient and competitive public transportation provider in the Sacramento region.

The Strategic Plan outlines the way RT will implement the Regional Metropolitan Transportation plan and defines RT's vision and mission. These purposes require that RT align its goals with the Region's, shape activities to support the goals, responsibly manage the things that are done, commit resources, and measure performance.

RT acts as the Region's focal point for transit research and development, strategic planning and system assessment, intermodal research coordination and facilitation, 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 to make their lives better. RT will accomplish this through regional leadership, ethical and sound business practices, and financial sustainability. 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, and will increase our readiness to respond to transportation emergencies that disrupt communities and affect our customers throughout the region. RT will continue to challenge itself to meet the growing transportation needs of the Sacramento Region.

The RT Strategic Plan on the following page is the result of the hard work of many of RT's employees and partners who are dedicated to leading the way to transportation excellence in the 21st Century. The plan is best seen as an evolving process, not a rigid or fixed document. This strategic plan will change as the needs of the Region change and reflect the transportation requirements of the Region.

Strategic Plan, cont.

Strategic Plan

Our Mission

To promote and enhance regional mobility and serve the public by providing quality transit services and solutions that improve the overall quality of life in the Sacramento region

A coordinated regional public transportation system that delivers quality and environmentally sensitive transit services that are an indispensable part of the fabric of communities throughout the Sacramento region

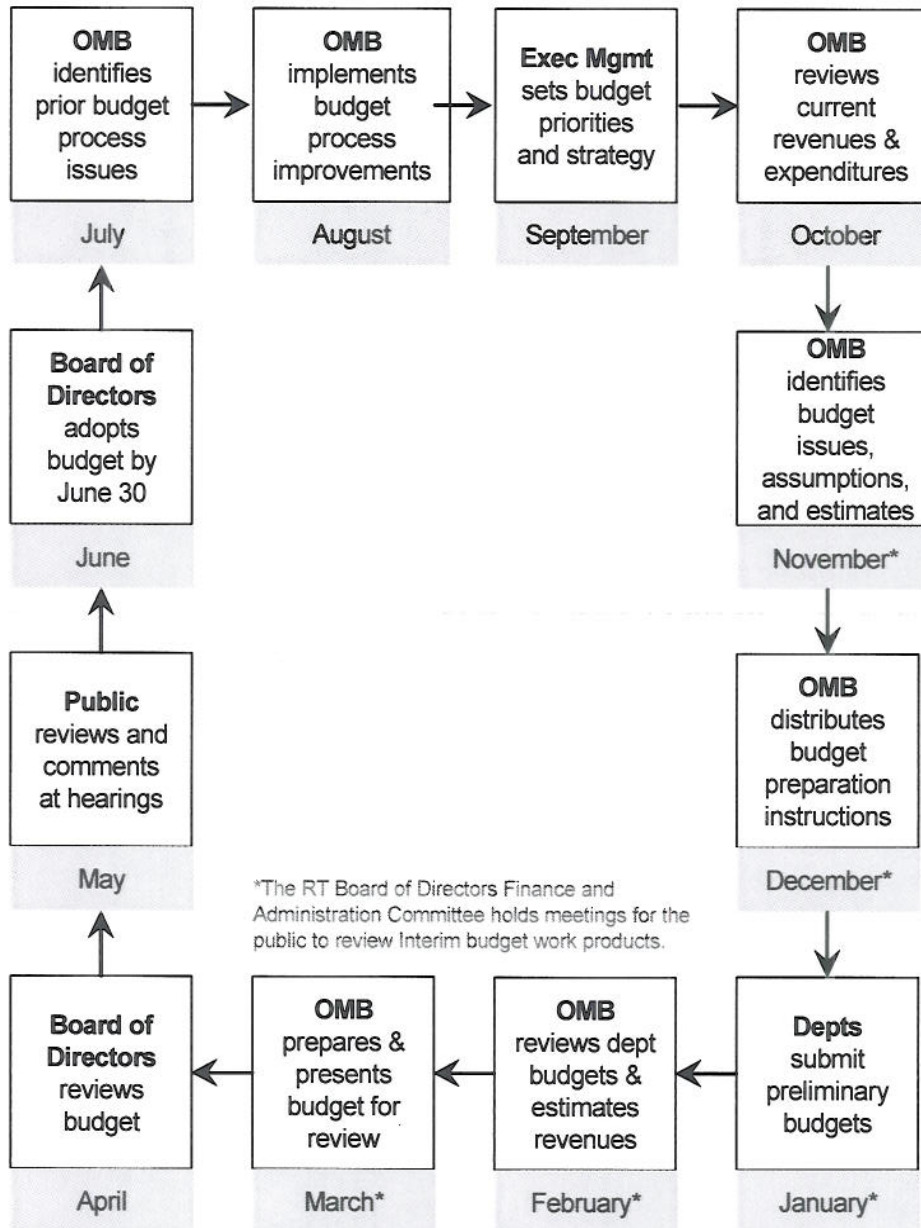
Our Vision

Our Values & Goals	
Values	Goals
Customer service	1. Provide total quality customer services.
Ethical & sound business practices	2. Conduct our business in a sound and ethical manner.
Financial sustainability	3. Secure the financial means to deliver our services and programs.
Quality workforce	4. Be a great workplace, attract and retain a qualified, talented, and committed workforce.
Regional leadership	5. Create a "world class" regional transit system.

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.

Budget Process



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 FY 2008 and proposed for FY 2009 is shown in the table below. A detailed Proposed FY 2009 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2008 Adopted	Shares – FY 2009 Adopted
County of Sacramento	Annex	42	42
City of Sacramento	Annex	37	36
City of Rancho Cordova	Annex	9	9
City of Citrus Heights	Contract	6	6
City of Elk Grove	Contract	3	4
City of Folsom	Contract	3	3
Total		100	100

Voting System, cont.

Fiscal Year 2009 Schedule of Weighted Voting Distribution
Base Values*

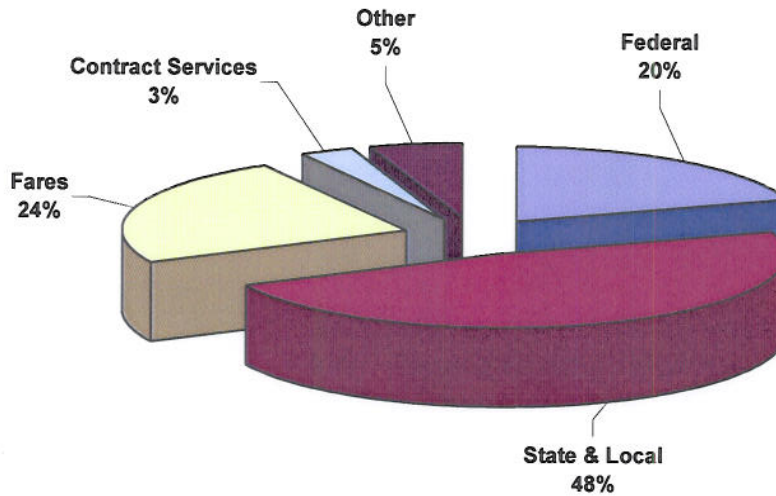
		Federal Financial Information						
Code Section:	<u>FY 08 Federal Funds Available in the Sacramento MSA</u>							
102205(b)(6)		25,944,533						
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	4,204,500						
102205(b)(8)	<u>FY 08 Federal Funds Available for use in RT Service Area:</u>	21,740,033						
		Jurisdiction Specific Values						
		City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102205(b)(10)	<u>Population:**</u>	467,343	561,951	59,056	87,017	70,835	136,318	1,382,520
	<u>Proportionate Population:</u>	33.80%	40.65%	4.27%	6.29%	5.12%	9.86%	100.00%
	<u>Member:</u>	Yes	Yes	Yes	No	No	No	
102100.2, 102100.	<u>Seats on the Board:</u>	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>	7,348,937	8,836,641	928,652	1,368,336	1,113,876	2,143,591	21,740,033
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 08 State TDA Funds Made Available to RT:</u>	14,646,107	16,472,778	1,850,579	0	0	0	32,969,464
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 08 Funds Provided Under Contract:</u>	0	0	0	3,031,008	1,155,430	557,507	4,743,945
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 08 Other Local Funds</u>	0	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	21,995,044	25,309,419	2,779,231	4,399,344	2,269,306	2,701,098	59,453,442
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	37.00%	42.57%	4.67%	7.40%	3.82%	4.54%	100.00%
		Voting Calculation						
		City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
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>	31.4461	36.1846	3.9734	6.2897	3.2444	3.8617	85.0000
102105.1(d)(3)	<u>Total Shares:</u>	36.4461	41.1846	8.9734	6.2897	3.2444	3.8617	100.0000
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	36	41	9	6	3	4	99
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	36	42	9	6	3	4	100
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):***</u>							
	Member 1	9	14	9	6	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	9	6	3	4	100

* In addition to the funding sources set forth below, RT projects following funds for operating purposes: \$36,464,588 - 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.

Revenues



Operating Revenue By Funding Source

(Dollars in Thousands)

	FY 2007 Actual	FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 to FY 2009 Revised	
					Variance	Percent
Federal	\$ 19,163	\$ 21,426	\$ 22,820	\$ 30,820	\$ 8,000	35.1%
State & Local	92,839	84,558	76,032	73,387	(2,645)	(3.5%)
Fares	27,101	29,866	36,808	36,808	-	0.0%
Contract Services	5,295	4,732	4,744	4,744	-	0.0%
Other	1,173	12,294	8,719	8,245	(474)	(5.4%)
Total	\$ 145,571	\$ 152,876	\$ 149,123	\$ 154,004	\$ 4,881	3.3%

Revenue cont.

Federal Funding

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

- The FY 2009 Revised Budget proposes \$30.8 million in federal funding, an increase of \$8.0 million (35.1%) from the FY 2009 Adopted Budget (\$22.8 million).
- This increase reflects an increase in Section 5307 Urbanized Area Formula funds of \$8.0 million. The American Recovery and Reinvestment Act (AARA) was signed into law February 17, 2009. The Act provides \$8.4 billion to public transit. About \$6 billion of this amount will be distributed according to Section 5307 and Section 5309 allocation rules. The Sacramento region will receive about \$31 million. Of this amount, RT will receive \$8.0 million in FY 2009 and \$6.0 million in FY 2010 to cover preventive maintenance and ADA program costs.

State and Local Funding

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 2009 Revised Budget proposes \$73.4 million in state and local funding revenue, a decrease of \$2.6 million (-3.5%) from the FY 2009 Adopted Budget (\$76.0 million).
- This reflects an increase in Measure A revenue (\$1.6 million) and a decrease in TDA revenue of \$4.2 million.
- The \$73.4 million allocation includes \$38.2 million Measure A funds and \$35.2 million TDA funds (\$33.1 million LTF and \$2.1 million STA).
- STA Funding decreased by \$3.7 million due to the February 2009 revision of the State Budget.

Fares

This category includes rider monies deposited in the fare box and the sale of tickets and passes.

- The FY 2009 Revised Budget proposes \$36.8 million in fare revenue, no change from the FY 2009 Adopted Budget (\$36.8 million).
- Transit fares, representing approximately 25% of all operating revenue, are the only significant revenue source that RT directly controls.

Contract Services

This category includes contracts with the cities of Citrus Heights, Elk Grove, and Folsom. These cities purchase RT transit services.

- The FY 2009 Revised Budget proposes \$4.7 million in contract revenue, no change from the FY 2009 Adopted Budget (\$4.7 million).

Revenues, cont.

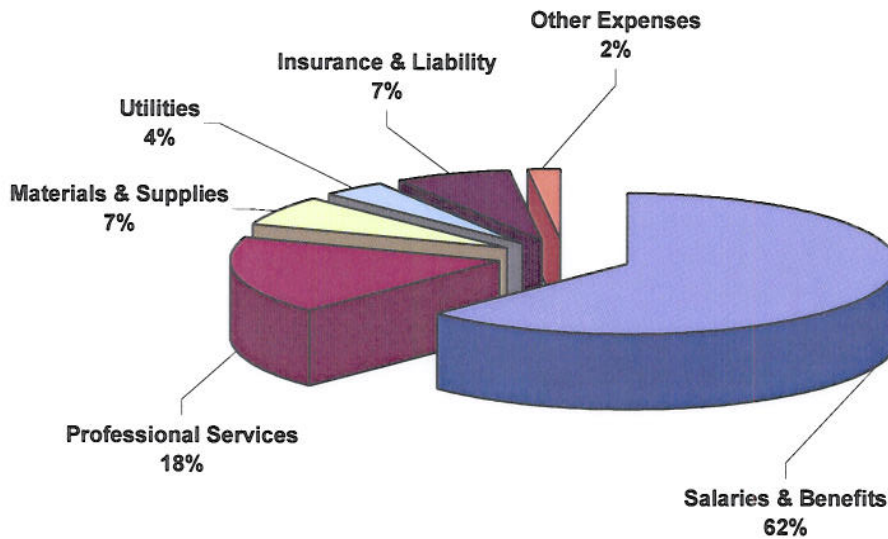
Other

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

- The FY 2009 Revised Budget proposes \$8.2 million in other revenue, a decrease of \$0.5 million (-5.4%) from the FY 2009 Adopted Budget (\$8.7 million).
- This decrease reflects a \$0.5 million reduction in carryover funds.

Expenses

Operating Expenses By Expense Category



Operating Expenses By Expense Category

(Dollars in Thousands)

	FY 2007 Actual	FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 to FY 2009 Revised	
					Variance	Percent
Salaries & Benefits	\$ 86,678	\$ 92,661	\$ 94,000	\$ 91,131	\$ (2,869)	(3.1%)
Professional Services	22,457	25,071	25,910	25,910	-	0.0%
Materials & Supplies	9,285	10,817	10,588	10,338	(250)	(2.4%)
Utilities	4,937	5,550	5,592	5,592	-	0.0%
Insurance & Liability	9,774	11,159	10,145	10,145	-	0.0%
Other Expenses	2,525	2,131	2,888	2,888	-	0.0%
Total	\$ 135,656	\$ 147,389	\$ 149,123	\$ 146,004	\$ (3,119)	(2.1%)
Carryover to FY 2010				8,000		
Grand Total				\$ 154,004		

Expenses, cont.

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 2009 Revised Budget proposes \$91.1 million for Salaries and Benefits, a decrease of \$2.9 million (-3.1%) from the FY 2009 Adopted Budget (\$94.0 million).
- Salaries and Benefits are proposed to decrease by approximately \$2.9 million mainly due to indirect cost allocation plan implementation and labor savings from vacant positions.

Professional Services

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

- The FY 2009 Revised Budget proposes \$25.9 million for services, no change from the FY 2009 Adopted Budget (\$25.9 million).

Materials and 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 2009 Revised Budget proposes \$10.3 million for materials and supplies, a decrease of \$0.3 million (-2.4%) from the FY 2009 Adopted Budget (\$10.6 million).
- This reflects a decrease in CNG cost.

Utilities

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

- The FY 2009 Revised Budget proposes \$5.6 million for utilities, no change from the FY 2009 Adopted Budget (\$5.6 million).

Expenses, cont.

Insurance and Liability

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

- The FY 2009 Revised Budget proposes \$10.1 million for casualty and liability insurance, no change from the FY 2009 Adopted Budget (\$10.1 million).

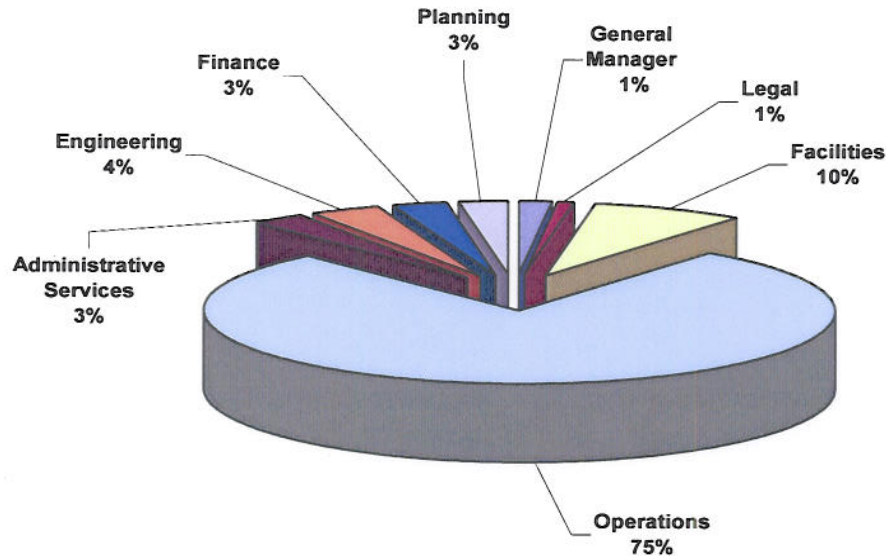
Other

This category includes travel and training, seminars, dues and subscriptions, building leases, equipment leases, taxes, freight, advertising, legal notices, and bad debt.

- The FY 2009 Revised Budget proposes \$2.9 million for other expenditures, no change from the FY 2009 Adopted Budget (\$2.9 million).

Positions

The Fiscal Year 2009 adopted Budget included 1,233 Board Authorized positions, a decrease of 2 positions from the Fiscal Year 2008 Adjusted Budget (1,235 positions). This reflects the elimination of a Director of Program Control and a Senior Project Control Engineer in the Engineering and Construction division.



	FY 2006 Actual	FY 2007 Actual	FY 2008 Budgeted	FY 2008 Adjusted	FY 2009 Proposed	FY 2009 Funded
General Manager	6	14	19	19	19	17
Legal	10	10	10	10	10	9
Facilities	93	93	94	95 ¹	95	95
Operations	899	934	934	933 ¹	933 ³	901
Administrative Services	63	33	33	33	33	32
Engineering	47	46	46	46	44 ²	43
Finance	32	32	32	32	32	32
Planning	82	31	31	31	31	30
Marketing		40	36	36	36	35
Total	1,232	1,233	1,235	1,235	1,233	1,194

1. Transferred 1.0 Video and Communications Systems Analyst from Operations to Facilities.
2. Eliminated 1.0 Director of Program Control and 1.0 Senior Project Control Engineer.
3. In January 2008 the District reduced operator positions from 584 to 552 a reduction of 32 operators. These positions remain vacant and unfunded in the 2009 FY Budget.

Capital Improvement Plan

This following table represents the Capital Budget spending plan for the FY 2009 operating budget for the projects listed. The full five year CIP will be adopted by a separate board action and will cover capital funding priorities between fiscal year 2009 and 2013, and beyond to 2039.

The FY 2009 Budget includes projects focused on the following capital priorities:

System Expansion:

- Northeast Corridor Enhancements (Phase 1)
- South Sacramento Phase 2 light rail extension
- Downtown-Natomas-Airport light rail extension

Fleet Program:

- Neighborhood Ride Vehicle Replacement

Facilities Program:

- Bus Maintenance Facility #2 (Phase 1)

Infrastructure Program:

- Watt Avenue Grade Separation
- Light Rail Crossing Enhancements

Transit Technologies Program:

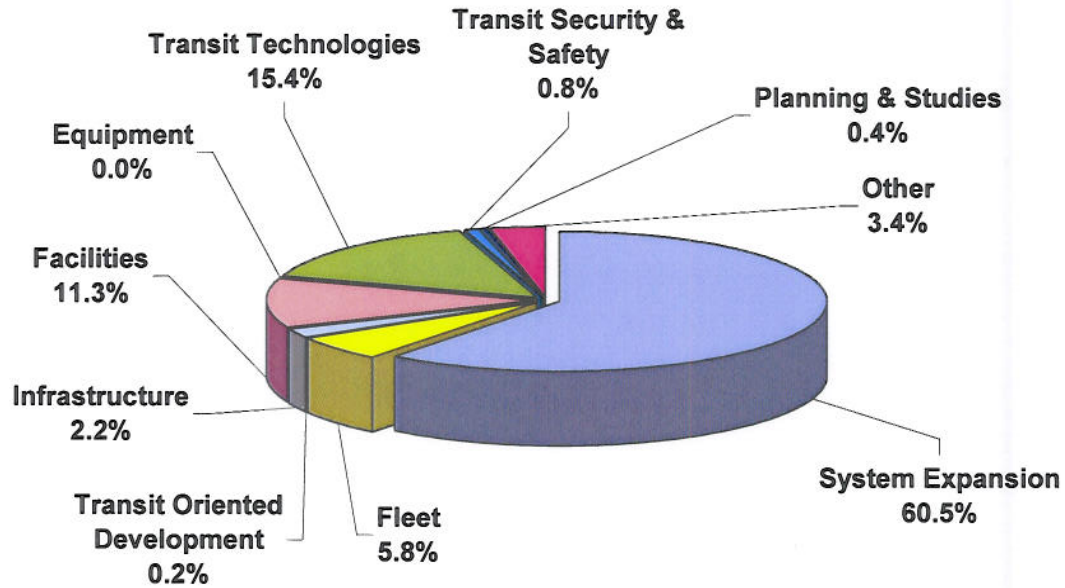
- Farebox Collection / Smart Media Implementation
- Light Rail Station Video Surveillance and Recording System

Impact of Capital Improvements on Operating Budget

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

1. Capital projects completed in the current year will require ongoing maintenance and, in case of New service lines, additional and ongoing operating costs.
2. Capital projects that are not completed in the current year will require additional capital funding that may require balancing operating funding to meet fiscal constraints.
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 ongoing operating and maintenance costs are projected using current year baseline dollars.

Capital Improvements By Category



Capital Improvements By Category

(Whole Dollars)

<u>Project Programs</u>	<u>FY 2009 Adopted</u>	
System Expansion	\$ 40,896,456	60.5%
Fleet	3,950,884	5.8%
Transit Oriented Development	110,000	0.2%
Infrastructure	1,483,823	2.2%
Facilities	7,642,048	11.3%
Equipment	-	0.0%
Transit Technologies	10,375,999	15.4%
Transit Security & Safety	520,000	0.8%
Planning & Studies	287,263	0.4%
Other	2,327,615	3.4%
Total	\$ 67,594,088	100.0%

Capital Improvement 2009 Funding Additions

Program	Project Name	Tier	Funded Through FY 2008	FY 2009 Adopted Funding	Future Funding Additions	Total Project Cost	
System Expansion Programs							
230	Northeast Corridor Enhancements (Phase 1)	I	\$ 18,940,566	\$ 12,781,000	\$ 2,778,434	\$ 34,500,000	
310-2	South Sacramento Phase 2 Light Rail Extension	I	18,060,023	23,000,844	228,939,133	270,000,000	
402	Downtown-Natomas-Airport Light Rail Extension	I	15,081,928	5,114,612	739,732,321	759,928,861	
System Expansion Total			52,082,517	40,896,456	971,449,888	1,064,428,861	
Fleet Programs							
4027	UTDC Light Rail Vehicle Acquisition & Retrofit	I	11,012,116	2,587,884	-	13,600,000	
B040	Neighborhood Ride Vehicle Replacement	I	2,255,000	1,363,000	10,572,000	14,190,000	
Fleet Program Total			13,267,116	3,950,884	10,572,000	27,790,000	
Transit Oriented Development							
TD02	TOD Development 65th Street Station Reconfiguration	0	70,000	110,000	-	180,000	
Transit Oriented Development Total			70,000	110,000	-	180,000	
Infrastructure Programs							
0534	13th & 16th St. LR Station Improvements	I	248,000	803,823	-	1,051,823	
R010	Light Rail Crossing Enhancements	I	-	500,000	200,000	700,000	
4017	Bus Stop Improvement Program	I	283,805	180,000	4,865,000	5,328,805	
Infrastructure Program Total			531,805	1,483,823	5,065,000	7,080,628	
Facilities Programs							
1	G145	New Headquarters Building	0	-	-	-	
	4007	ADA Transition Plan Improvements	I	154,314	300,000	5,333,686	5,788,000
	645	Major Light Rail Station Enhancements	I	5,349,535	2,500,000	40,734,747	48,584,282
	715	Bus Maintenance Facility #2 (Phase 1)	I	14,189,412	4,842,048	6,184,473	25,215,933
Facilities Program Total			19,693,261	7,642,048	52,252,906	79,588,215	
Equipment Programs							
	B015	Communication Equipment Replacement	I	-	-	2,055,000	2,055,000
	G095	Annual Hardware Replacement/Upgrade Program	I	-	-	2,170,000	2,170,000
Equipment Program Total			-	-	4,225,000	4,225,000	
Transit Technologies Programs							
	H015	Completing the Video Surveillance System	0	-	623,067	-	623,067
2	G155	Farebox Collection / Smart Media Implementation	I	-	7,200,000	1,325,000	8,525,000
	G240	Additional Fare Vending Machines/Spares	I	50,000	1,150,000	-	1,200,000
	G045	LR Station Video Surveillance & Recording System	I	-	1,402,932	155,767	1,558,699
Transit Technologies Program Total			50,000	10,375,999	1,480,767	11,906,766	
Transit Security & Safety							
	R020	General Order 95 System Upgrade	I	-	300,000	75,000	375,000
	R165	Ahern/12th Street Improvements	I	-	220,000	-	220,000
Transit Security & Safety Total			-	520,000	75,000	595,000	
Planning / Studies							
	0580	TMP Downtown Network Implementation Study	I	-	249,130	50,870	300,000
	PD09	Professional Development for RT Transit Planning Staff	I	-	38,133	9,117	47,250
Planning / Studies Total			-	287,263	59,987	347,250	
Other Programs							
	OPE2	Workforce Investment Technical Training	0	-	205,876	-	205,876
	OPE3	Train the Trainer-Homeland Security	0	-	42,706	-	42,706
	G230	Certificates of Participation Payments	I	8,466,580	2,079,033	12,476,912	23,022,525
Other Program Total			8,466,580	2,327,615	12,476,912	23,271,107	
Total			\$ 94,161,279	\$ 67,594,088	\$ 1,057,657,460	\$ 1,219,412,827	

1 G145 New Headquarters Building: Trade-for-value only with no net expense to RT. Total estimated cost is \$14,100,000.

2 G155 Farebox Collection / Smart Media Implementation: To be fully funded by SACOG

* All project expenditures are subject to available funding.

Capital Project 2009 Expenditure Plan

Program	Project Name	Tier	Expended Through FY 2008	FY 2009 Projected Expenditures	Future Expenditures	Total Project Cost through FY 2009
System Expansion Programs						
403	DNA Airport Advanced LR Conceptual Design	0	\$ 173,010	\$ 826,990	\$ -	\$ 1,000,000
230	Northeast Corridor Enhancements (Phase 1)	I	7,761,739	16,537,910	10,200,351	34,500,000
310-2	South Sacramento Phase 2 Light Rail Extension	I	4,188,732	32,588,291	233,222,977	270,000,000
402	Downtown-Natomas-Airport Light Rail Extension	I	10,613,725	2,995,150	746,319,986	759,928,861
404	Downtown-Natomas-Airport MOS-1 Construction	I	-	1,655,898	34,992,592	36,648,490
System Expansion Total			22,737,206	54,604,239	1,024,735,906	1,102,077,351
Fleet Programs						
771	Paratransit Vehicle Replacement (Up to 50)	0	4,546,461	642,543	-	5,189,004
660	Siemens LRV Retrofit Communication Kits	0	3,175,075	129,605	166,570	3,471,250
B005	CNG Bus Replacement (91 in 2008)	0	22,065,251	18,602,064	-	40,667,315
4027	UTDC Light Rail Vehicle Acquisition & Retrofit	I	8,254,377	3,785,642	1,559,981	13,600,000
R001	CAF Light Rail Vehicle Painting	I	-	995,000	-	995,000
651	Siemens Light Rail Vehicle Mid-Life Overhaul	I	5,399,383	4,934,431	-	10,333,814
B040	Neighborhood Ride Vehicle Replacement	I	-	1,440,000	12,750,000	14,190,000
P005	Paratransit Vehicle Replacement	I	779,017	2,511,668	96,271,872	99,562,557
R110	Siemens E & H Ramp Replacement	0	-	1,320,000	-	1,320,000
Fleet Program Total			44,219,564	34,360,953	110,748,423	189,328,940
Transit Oriented Development						
0536	TOD Development at Cemo Circle	0	82,686	17,314	-	100,000
0538	TOD Development at Butterfield LR Station	0	43,468	6,532	-	50,000
0542	TOD Development at 13th Street LR Station	0	27,000	48,000	-	75,000
0543	TOD Development at Power Inn LR Station	0	26,300	2,000	46,700	75,000
0544	TOD Development Support	0	297,317	49,676	289,922	636,915
TD02	TOD Development 65th Street Station Reconfiguration	0	46,166	133,834	-	180,000
0546	TOD Development at Florin & Meadowview LR Stations	I	-	200,000	75,000	275,000
Transit Oriented Development Total			522,937	457,356	411,622	1,391,915
Infrastructure Programs						
0518	K Street Mall Improvements	0	505,712	39,808	-	545,520
127	Sacramento Depot Parking & Circulation Improvements	0	211,498	1,047,614	-	1,259,112
4018	OCS/Substation Upgrades	0	72,084	11,916	26,619	110,619
990	Watt Avenue Grade Separation	0	1,745,822	798,238	-	2,544,060
R245	Downtown LR Station Enhancements	0	49,410	400,099	171,749	621,258
0534	13th & 16th St. LR Station Improvements	I	159,722	892,101	-	1,051,823
0578	Traction Power Upgrades	I	290,164	600,987	863,264	1,754,415
4017	Bus Stop Improvement Program	I	241,103	42,702	5,045,000	5,328,805
R010	Light Rail Crossing Enhancements	I	-	140,000	560,000	700,000
Infrastructure Program Total			3,275,515	3,973,465	6,666,632	13,915,612
Facilities Programs						
1	G145 New Headquarters Building	0	-	-	-	-
	4005 Butterfield/Mather Mills LR Station Rehabilitation	0	14,819	119,670	-	134,489
	TE07 Transit Enhancements	0	-	220,261	-	220,261
	4007 ADA Transition Plan Improvements	I	150,609	300,000	5,337,391	5,788,000
	4011 Facilities Maintenance & Improvements	I	1,646,040	300,333	19,329,747	21,276,120
	645 Major Light Rail Station Enhancements	I	4,960,968	473,965	43,149,349	48,584,262
	715 Bus Maintenance Facility #2 (Phase 1)	I	12,521,063	5,874,336	6,820,534	25,215,933
Facilities Program Totals			19,293,499	7,288,565	74,637,021	101,219,085
Equipment Programs						
	G225 Non-Revenue Vehicle Replacement	I	411	728,539	23,256,050	23,985,000
Equipment Program Totals			411	728,539	23,256,050	23,985,000
Transit Technologies Programs						
	964 Trapeze Implementation (TEAMS)	0	1,488,774	575,438	552,506	2,616,718
	G035 Fiber/50-Fig Installation, Maintenance, & Repair	0	11,789	116,481	349,140	477,410
	H015 Completing the Video Surveillance System	0	-	623,067	-	623,067
2	G155 Farebox Collection / Smart Media Implementation	I	-	7,200,000	1,325,000	8,525,000
	G240 Additional Fare Vending Machines/Spares	I	-	1,200,000	-	1,200,000
	G045 LR Station Video Surveillance & Recording System	I	-	808,699	750,000	1,558,699
	H010 In-Service LR Vehicle Data Retrieval (Security/Maintenance)	II	281,766	329,217	189,017	800,000
Transit Technologies Program Totals			1,782,329	10,852,902	3,165,663	15,800,894



Capital Project 2009 Expenditure Plan, Cont.

Program	Project Name	Tier	Expended Through FY 2008	FY 2009 Projected Expenditures	Future Expenditures	Total Project Cost through FY 2039
Transit Security & Safety						
R020	General Order 95 System Upgrade	I	-	375,000	-	375,000
R165	Ahern/12th Street Improvements	I	-	220,000	-	220,000
	Transit Security & Safety Total		-	595,000	-	595,000
Planning / Studies						
0580	TMP Downtown Network Implementation Study	I	-	300,000	-	300,000
PD09	Professional Development for RT Transit Planning Staff	I	-	47,250	-	47,250
	Planning / Studies Total		-	347,250	-	347,250
Other Programs						
OPE2	Workforce Investment Technical Training	0	-	205,876	-	205,876
OPE3	Train the Trainer-Homeland Security	0	-	42,706	-	42,706
4024	General Construction Management Support Services	I	350,535	10,000	3,124,465	3,485,000
4025	General Engineering Support Services	I	301,159	10,000	3,233,841	3,545,000
G020	Integrated Contract Admin System (ICAS) Replacement	I	-	30,000	145,000	175,000
G230	Certificates of Participation Payments	I	8,466,580	2,079,033	12,476,912	23,022,525
	Other Program Totals		9,118,274	2,377,615	18,980,218	30,476,107
Total			\$ 100,949,735	\$ 115,585,884	\$ 1,262,601,535	\$ 1,479,137,154

1 G145 New Headquarters Building: Trade-for-value only with no net expense to RT. Total estimated cost is \$14,100,000.

2 G155 Farebox Collection / Smart Media Implementation: To be fully funded by SACOG

* All project expenditures are subject to available funding.