

**SACRAMENTO REGIONAL TRANSIT DISTRICT
ACTIONS TO MEET STATE BUDGET REVENUE SHORTFALLS**

ACTIONS TO MITIGATE THE FY 2008 BUDGET SHORTFALL OF \$8 MILLION:

1. Deferred \$2.3 million in operating expenditures
2. Eliminated 5 non-operating positions and froze an additional 28 positions
3. Conducted a thorough review of employee medical dependent coverage eligibility which resulted in a cost reduction of \$300,000 per year by removing ineligible dependents from plans
4. Instituted cost reduction and cost containment measures in all discretionary spending in areas including supplies, professional services, travel, and non-essential meeting expenses
5. Non-labor cost increases were limited to 2.0% and labor and fringe benefit growth was limited to 4.0% over the prior year budget
6. Scaled back or indefinitely delayed 91 capital projects to reprogram flexible funding to operations
7. Eliminated 5% of unproductive bus service
8. Management cost-of-living increase for FY 2008 was cancelled

ACTIONS TO MITIGATE THE FY 2009 BUDGET SHORTFALL OF \$22 MILLION:

9. Filed and received CNG fuel rebates from the Federal Government (ongoing)
10. Reduced travel and participation in non-essential meetings and community events
11. Discontinued the Paratransit Group Pass effective 12-1-08
12. Further reduced staffing levels and froze all non-critical vacancies
13. Increased the pension amortization period from 20 to 30 years on both pension plans to reduce fringe benefit expenditures
14. Re-negotiating existing fare and transfer agreements to minimize cash outlay
15. Increased overall fare structure by 11.7% effective 1-1-09
16. Increased Paratransit Fares by 12.5% effective 1-1-09

ACTIONS TO MITIGATE THE FY 2010 BUDGET SHORTFALL OF \$9 MILLION:

17. Implemented class & pay study to bring salaries to a competitive level, then froze any possibility of movement through the improved ranges for over 18 months
18. Intensified the two years old hiring freeze with consideration of permanently eliminating positions that have remained unfilled for two years or more
19. Eliminated almost all contract workers and intern opportunities
20. Reduced community based memberships and sponsorships
21. Reduced remaining travel and training by two-thirds
22. Implemented “zero-base” salary and benefit program requiring each labor union to determine a combination of strategies to absorb rising costs so that total costs in FY 2010 are the same as the base year (FY 2009)
“Zero-Base” Strategies include:
 - a. Salary freeze
 - b. Suspension of vacation, sick leave, floating holiday sell backs
 - c. Furloughs of 9+ days over 18 months
 - d. Increased insurance premium payment share by employees from 8% to 10%
 - e. Increased insurance co-pays for office visits
 - f. Reduce RX replacements per co-pay from 90 day to 30 day supply
23. Reduce Professional Services costs and limit to prior year total for larger contracts such as Paratransit Inc., and Security Services, which make up 76% of this category
24. Reduce facilities services contracts for internal services such as janitorial services, for example, from 7 days to 5 days per week
25. Developed and planned implementation of a district-wide cost allocation plan that will provide a mechanism to legitimately shift indirect costs by as much as \$2 million each year from operations to capital projects (currently awaiting FTA approval)
26. Pursue additional grant opportunities for preventive maintenance and other purposes that will shift additional labor costs from operations to capital
27. Proposed elimination of Lifetime Pass for customers 75 and older or increase age to 85
28. Proposed modification or elimination of Paratransit Monthly Pass
29. Proposed fare structure adjustments (Increases to single fare and daily pass) on 9/1/09
30. Proposed additional service reductions in two phases on 9/6/09 and again on 1/1/10, if conditions do not improve

THIS PAGE LEFT INTENTIONALLY BLANK

Four-Year Trend Analysis

Budget and Major Operating Revenue Sources

Fiscal Year	Expense Total		CPI %	Sales Tax						STA			Total Sales Tax & STA		
	Budget	Actual		MSA	\$ change	% change	LTF	\$ change	% change	STA	\$ change	% change	Total	\$ change	% change
* 2007	\$ 148,538,052	\$ 134,356,800	2.89%	\$ 44,039,269			\$ 39,150,100			\$ 9,649,674			\$ 92,839,043		
2008	\$ 148,437,048	\$ 149,029,101	4.94%	\$ 44,945,670	\$ 906,401	2.06%	\$ 32,568,348	\$(6,581,752)	-16.81%	\$ 7,043,727	\$(2,605,947)	-27.01%	\$ 84,557,745	\$ (8,281,298)	-8.92%
2009	\$ 151,027,546	\$ 144,998,000	-2.66%	\$ 34,100,000	\$(10,845,670)	-24.13%	\$ 33,058,759	\$ 490,411	1.51%	\$ 2,828,090	\$(4,215,637)	-59.85%	\$ 69,986,849	\$(14,570,896)	-17.23%
2010	\$ 137,966,096			\$ 31,064,904	\$(3,035,096)	-8.90%	\$ 27,653,633	\$(5,405,126)	-16.35%	\$ -	\$(2,828,090)	-100.00%	\$ 58,718,537	\$(11,268,312)	-16.10%
				(12,974,365)			(11,496,467)			(9,649,674)			(34,120,506)		

* RT adjusted \$7.0 million in re-programming to balance budget for FY 2007.

Major Expense Line Items

Labor

Fiscal Year	Medical	% Change	OPEB	% Change	Pension	% Change	Total Salary & Benefits	% Change
2007	\$ 10,284,606		\$ 931,182		\$ 10,783,545		\$ 86,678,109	
2008	\$ 10,912,759	6.11%	\$ 1,065,720	14.45%	\$ 11,812,741	9.54%	\$ 92,720,297	6.97%
2009	\$ 11,615,027	6.44%	\$ 2,753,729	158.39%	\$ 10,792,801	-8.63%	\$ 91,731,000	-1.07%
2010	\$ 12,696,778	9.31%	\$ 2,768,201	0.53%	\$ 12,175,411	12.81%	\$ 90,193,787	-1.68%
Changes from 2007 to 2010	\$ 2,412,172	23.45%	\$ 1,837,019	197.28%	\$ 1,391,866	12.91%	\$ 3,515,678	4.06%

Non-Labor

Fiscal Year	Security	% Change	Paratransit	% Change	Insurance Premium	% Change	Claims Reserves	% Change	Traction Power	% Change	CNG	% Change
2007	\$ 6,957,165		\$ 10,254,777		\$ 2,720,724		\$ 7,053,035		\$ 3,521,802		\$ 3,418,362	
2008	\$ 7,439,416	6.93%	\$ 11,081,000	8.06%	\$ 2,733,897	0.48%	\$ 8,425,582	19.46%	\$ 3,931,823	11.64%	\$ 3,436,011	0.52%
2009	\$ 7,719,801	3.77%	\$ 11,965,603	7.98%	\$ 2,594,539	-5.10%	\$ 7,545,000	-10.45%	\$ 3,698,813	-5.93%	\$ 3,196,700	-6.96%
2010	\$ 7,600,000	-1.55%	\$ 11,465,603	-4.18%	\$ 2,504,370	-3.48%	\$ 8,018,748	6.28%	\$ 4,000,000	8.14%	\$ 2,755,000	-13.82%
Changes from 2007 to 2010	\$ 642,835	9.24%	\$ 1,210,826	11.81%	\$ (216,354)	-7.95%	\$ 965,713	13.69%	\$ 478,198	13.58%	\$ (663,362)	-19.41%