

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	05/11/09	Open	Action	04/17/09

Subject: Accepting Public Comment on Proposed Fiscal Year 2010 Budget

ISSUE

Whether to accept public comment on Proposed Fiscal Year 2010 Budget

RECOMMENDED ACTION

1. Accept public comment on the Proposed Fiscal Year 2010 Budget; and
2. Motion: To continue the Public Hearing to June 22, 2009.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

The Proposed Fiscal Year 2010 Budget was released for public review on April 13, 2009. The public is offered an opportunity to express opinions regarding the proposed Fiscal Year 2010 Budget (Attachment 1). As of this date, staff has received no public comments. On June 22, 2009, staff will recommend that the Board close the public hearing and adopt the Fiscal Year 2010 Budget.

Staff is still working with all departments within RT to refine the budgeted expenses at the Division level. It is a work in progress, and staff is working to trim expenses even further.

In February, staff presented a preliminary financial assessment for Fiscal Years 2009 and 2010 to the Executive Committee and the Board of Directors identifying areas of concern and various budget deficit reduction strategies for RT in preparing its Fiscal Year 2010 Operating and Capital budgets.

Since the Proposed FY 2010 Budget was released for public review, one change was made in the Operating budget. Proposed Light-Rail Park & Ride parking revenue in the amount of \$500,000 was removed from the Operating revenue projections.

Due to the current state of the economy, RT continues to receive notifications about further reductions in sales tax related revenue sources. The potential reductions in Measure A and LTF funds, as well as fare revenue reductions, could total \$7.0 million by the end of the current fiscal year. This revenue shortfall could reduce the Fiscal Year 2010 carryover amount of \$8.0 million. These circumstances have prompted RT's Planning, Operations, and Finance staff to continue working on Fiscal year 2010 Budget reduction strategies, including potential service cuts and fare adjustments.

Approved:


General Manager/CEO

Presented:


Chief Financial Officer

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	05/11/09	Open	Action	04/17/09

Subject: Accepting Public Comment on Proposed Fiscal Year 2010 Budget

Financial Forecast for Operations

The financial forecast below uses the Fiscal Year 2010 Operating Budget as a base for future year projections up to Fiscal Year 2013. The revenue forecast assumes an increase in fare revenues in Fiscal Year 2011, with the implementation of smart card technology. The expense forecast reflects service level changes and adjustments for inflation.

Revenues and Expense Forecast

	FY 2010	FY 2011	FY 2012	FY 2013
Revenues				
Federal	\$30,032	\$26,595	\$30,459	\$34,036
State & Local	58,719	59,325	61,171	63,700
Fares	40,826	46,973	48,555	51,301
Contracted Services	4,130	4,171	4,296	4,468
Other	11,259	7,195	5,368	5,530
Total	144,966	144,259	149,849	159,035
Expenses				
Salaries & Benefits	91,874	93,519	96,389	102,158
Professional Services	25,125	25,575	26,360	27,937
Materials & Supplies	9,513	9,683	9,981	10,578
Utilities	5,451	5,549	5,719	6,061
Insurance & Liability	10,271	10,455	10,776	11,421
Other	2,732	2,781	2,866	3,038
Total	144,966	147,562	152,090	161,192
Surplus/Shortfall	\$0	-\$3,303	-\$2,241	-\$2,157

Service Plan Forecast

(Revenue Hours)

	FY 2010	FY 2011	FY 2012	FY 2013
Service Plan				
Fixed Route Bus	621,300	621,300	627,400	633,570
Community Bus Service	31,000	31,000	31,000	31,000
Light Rail	216,700	222,980	224,190	235,150

Assumptions

- FY 2011 - Smart card implementation
- FY 2012 - Increase in Fixed Guideway allocation (5309)
- July 1, 2010 - Sunrise to St. Rose peak service begins
- December 1, 2012 - South Line Phase 2 service begins

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	05/11/09	Open	Action	04/17/09

Subject: Accepting Public Comment on Proposed Fiscal Year 2010 Budget

With regard to the Capital Budget, the total proposed budget includes all known and estimated funding sources. The Fiscal Year 2010 Capital Budget represents the first year of the 5-Year Capital Improvement Plan (CIP). The CIP is a separate, comprehensive document encompassing all of RT's existing and planned future capital projects. Staff will bring the CIP to the Board at a future date.



Sacramento Regional Transit District

Abridged Proposed Budget Fiscal Year 2009-2010

Table of Contents

Board of Directors	3
Executive Team	4
Organizational Structure	5
District Overview	
District Profile	6
Strategic Plan	7
Budget Process	9
Voting System	10
Operating Budget Summary	
Revenues	12
Expenses	15
Positions	18
Capital Improvement Plan	19
Capital Improvements By Category	20
Capital Improvement Funding Additions	21

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

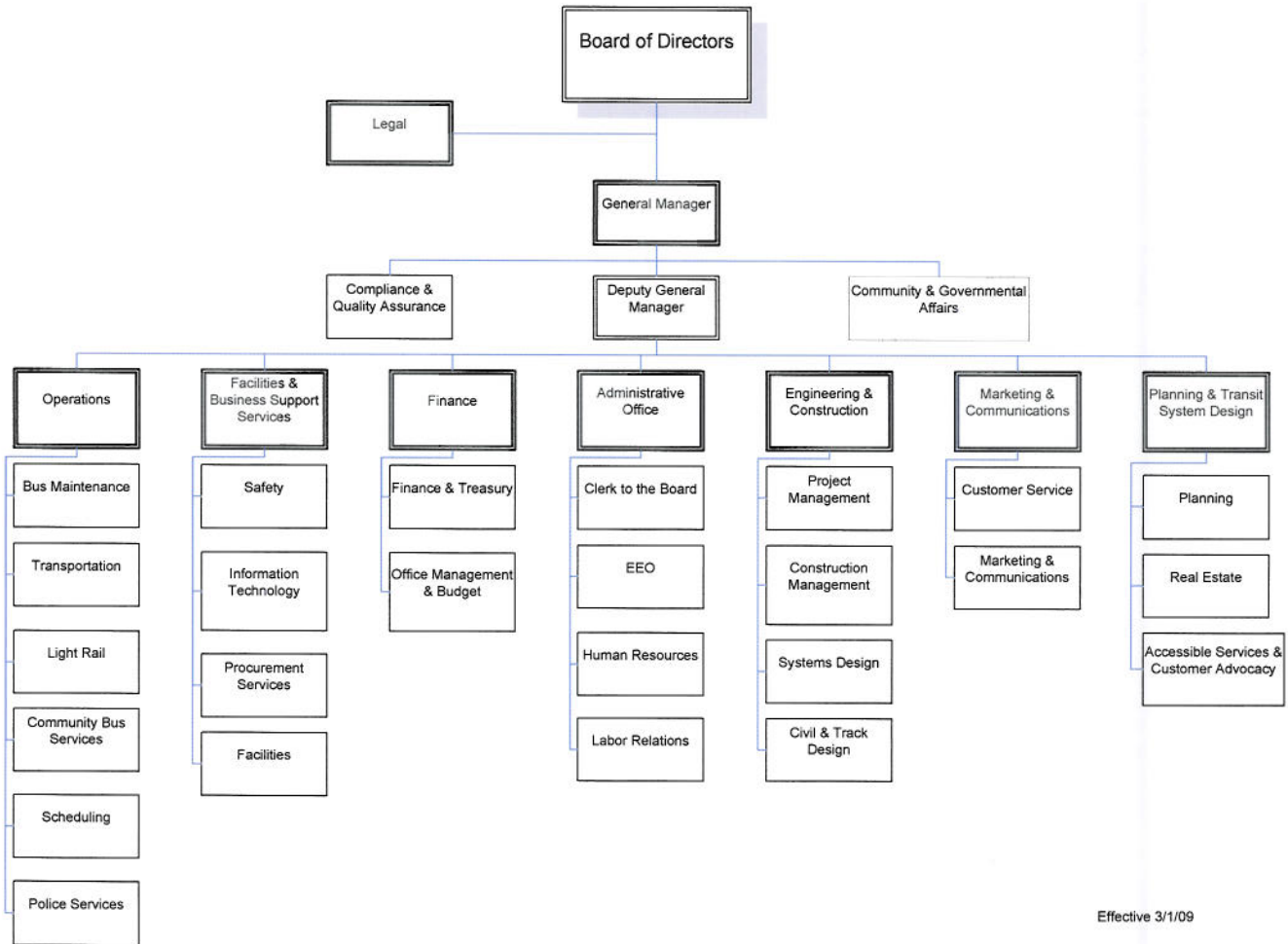
Mark Lonergan
Chief Operating Officer

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



Effective 3/1/09

District Profile

Facts

Sacramento Regional Transit District	Constructs, operates, and maintains a comprehensive mass transportation system that serves 418 square miles in Sacramento County
---	--

Bus Service	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	94
Schedule	5:04 am to 11:33 pm daily
Stops	3,500
Vehicles	216 CNG Buses; 4 CNG Replica Streetcars; 20 Shuttle Vans (11 diesel, 9 gasoline)
Annual Ridership	17,465,817

Light Rail Service	
Power	Electrical
Miles	37.42
Schedule	3:50 am to 12:50 am daily
Stops	48
Vehicles	76
Annual Ridership	15,484,670

Paratransit	
ADA Passenger Trips Provided	330,616
ADA Vehicle Revenue Miles	3,102,585
Vehicles	109

Passenger Amenities/ Customer Service	
Transfer Centers	26
Park & Ride	18
Annual Customer Service Calls	950,904
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

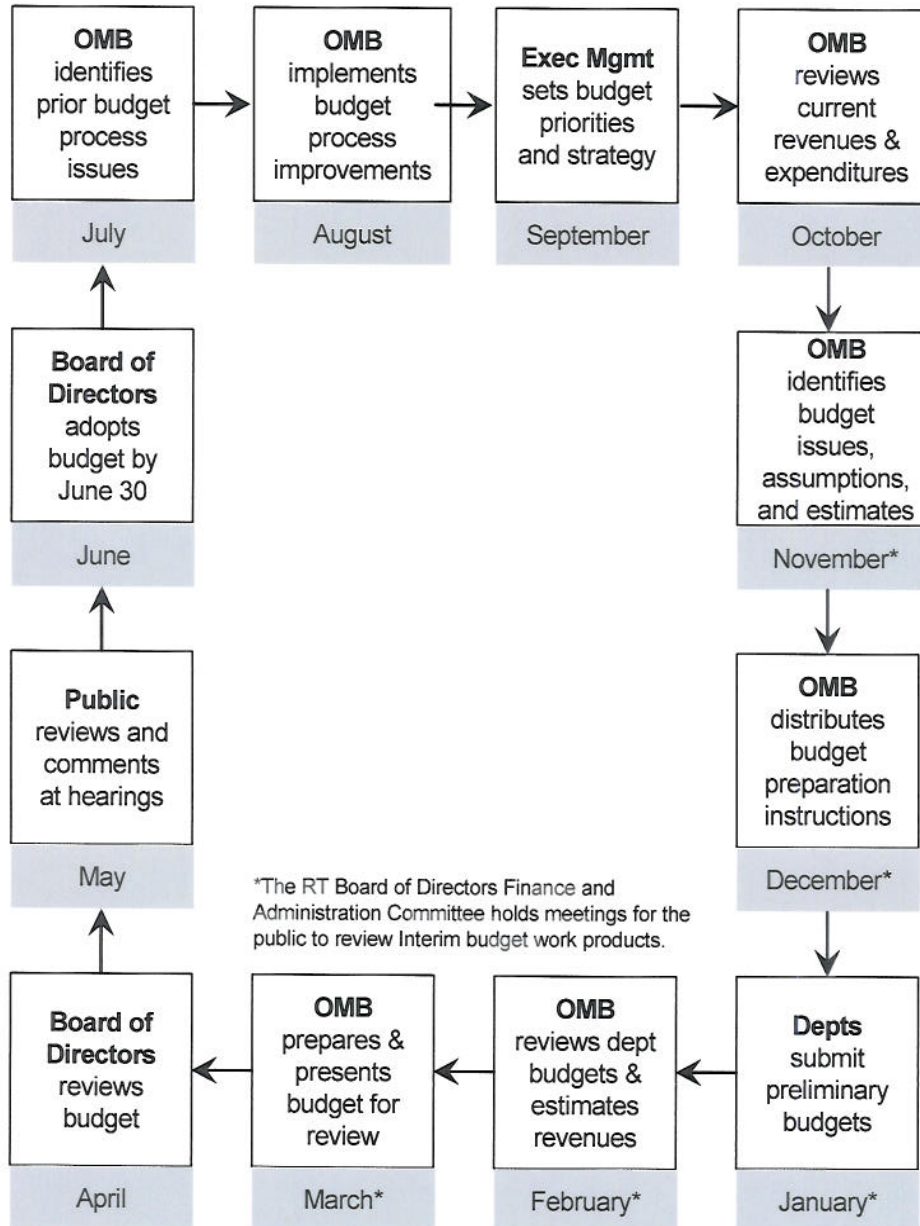
Our Vision

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 2009 and proposed for FY 2010 is shown in the table below. A detailed Proposed FY 2010 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2009 Adopted	Shares – FY 2010 Proposed
County of Sacramento	Annex	42	42
City of Sacramento	Annex	36	36
City of Rancho Cordova	Annex	9	9
City of Citrus Heights	Contract	6	6
City of Elk Grove	Contract	4	4
City of Folsom	Contract	3	3
Total		100	100

Voting System, cont.

Fiscal Year 2010 Schedule of Weighted Voting Distribution Base Values*

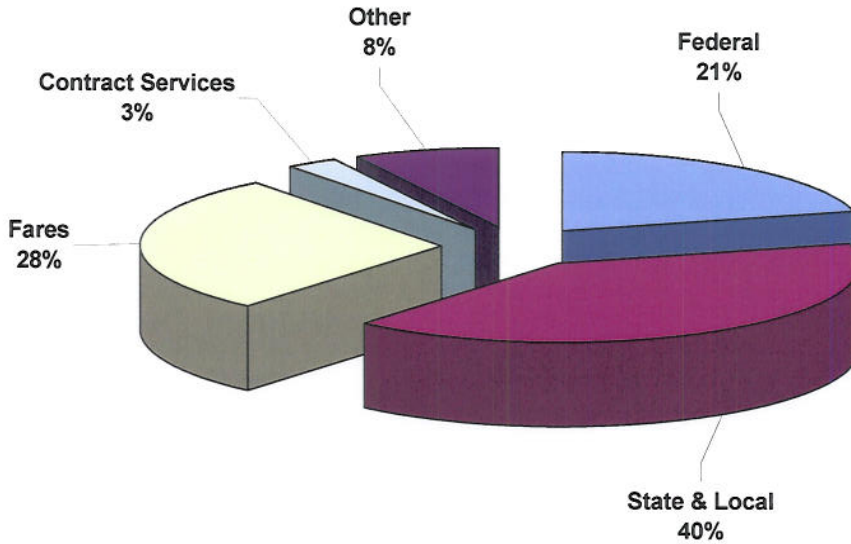
		<u>Federal Financial Information</u>						
Code Section:	<u>FY 09 Federal Funds Available in the Sacramento MSA</u>	29,811,349						
102205(b)(6)								
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	3,912,446						
102205(b)(8)	<u>FY 09 Federal Funds Available for use in RT Service Area:</u>	25,898,903						
		<u>Jurisdiction Specific Values</u>						
		City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102205(b)(10)	<u>Population:**</u>	475,743	563,514	60,975	87,321	75,590	139,542	1,402,685
	<u>Proportionate Population:</u>	33.92%	40.17%	4.35%	6.23%	5.39%	9.95%	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>	8,784,026	10,404,613	1,125,831	1,612,278	1,395,679	2,576,476	25,898,903
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 10 State TDA Funds Made Available to RT:</u>	13,162,328	14,884,535	1,686,770	0	0	0	29,733,633
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 10 Funds Provided Under Contract:</u>	0	0	0	2,561,589	971,400	596,633	4,129,622
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 10 Other Local Funds</u>	0	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	21,946,354	25,289,148	2,812,601	4,173,867	2,367,079	3,173,109	59,762,158
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	36.72%	42.32%	4.71%	6.98%	3.96%	5.31%	100.00%
		<u>Voting Calculation</u>						
		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>	31.2144	35.9689	4.0004	5.9365	3.3667	4.5131	85.0000
102105.1(d)(3)	<u>Total Shares:</u>	36.2144	40.9689	9.0004	5.9365	3.3667	4.5131	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: \$31,064,904 - 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 2010 Proposed	FY 2010 to FY 2009 Variance	FY 2010 to FY 2009 Percent
Federal	\$ 19,163	\$ 21,426	\$ 22,820	\$ 22,820	\$ 30,032	\$ 7,212	31.6%
State & Local	92,839	84,558	76,032	73,387	58,719	(14,668)	(20.0%)
Fares	27,101	29,866	36,808	36,808	40,826	4,018	10.9%
Contract Services	5,295	4,732	4,744	4,744	4,130	(614)	(12.9%)
Other	1,173	12,294	8,719	8,245	11,259	3,014	36.6%
Total	\$ 145,571	\$ 152,876	\$ 149,123	\$ 146,004	\$ 144,966	\$ (1,038)	(0.7%)

Federal Economic Stimulus Funds (ARRA)

8,000

Grand Total

\$ 154,004

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 2010 Budget proposes \$30.0 million in federal funding, a decrease of \$0.8 million (-2.6%) from the FY 2009 Revised Budget (\$30.8 million).
- The American Recovery and Reinvestment Act (ARRA) 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.
- The FY 2010 Budget reflects a decrease in ARRA funding of \$2.0 million and an increase in Section 5307 Urbanized Area Formula of \$1.2 million.

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 2010 Budget proposes \$58.7 million in state and local funding revenue, a decrease of \$14.7 million (-20.0%) from the FY 2009 Revised Budget (\$73.4 million).
- This reflects a decrease in Measure A revenue of \$7.2 million and a decrease in TDA revenue of \$7.5 million.
- The \$58.7 million allocation includes \$31.0 million in Measure A funds and \$27.7 million in LTF funds.
- The revisions to the State budget provide STA funding through FY 2008-09, then the STA funding is eliminated in FY 2009-10 and future years.

Fares

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

- The FY 2010 Budget proposes \$40.8 million in fare revenue, an increase of \$4.0 million (10.9%) from the FY 2009 Revised Budget (\$36.8 million).
- Transit fares, representing approximately 28% of all operating revenue, are the only significant revenue source that RT directly controls.
- In response to an \$18.3 million loss in state funds for Fiscal Year 2009, RT implemented the fare increase beginning January 1, 2009. This increase will provide additional revenue of \$4.0 million for FY 2010 budget.

Revenues, cont.

Contract Services

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

- The FY 2010 Budget proposes \$4.1 million in contract revenue, a decrease of \$0.6 million (-12.9%) from the FY 2009 Budget (\$4.7 million).
- This decrease is due to the Folsom contract decrease of \$0.18 million and Citrus Heights decrease of \$.47 million. Elk Grove contract is slightly increased by \$0.04 million.

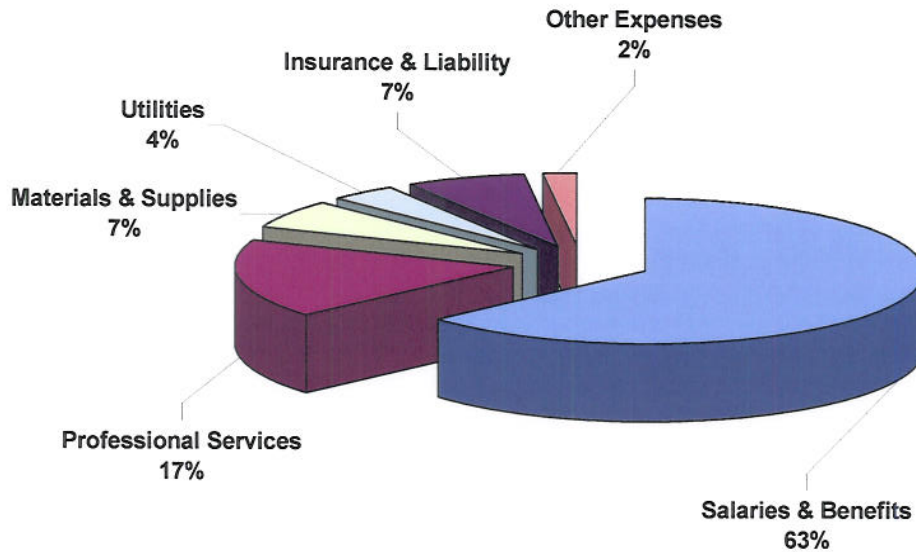
Other

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 2010 Budget proposes \$11.3 million in other revenue, a increase of \$3.0 million (36.6%) from the FY 2009 Revised Budget (\$8.2 million).
- This increase reflects a \$3.6 million increase in carryover funds.
- An increase in advertising revenue of \$0.2 million.
- A decrease in CNG tax rebate of \$0.8 million.

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 2010 Proposed	FY 2009 to FY 2010 Variance	FY 2009 to FY 2010 Percent
Salaries & Benefits	\$ 86,678	\$ 92,661	\$ 94,000	\$ 91,131	\$ 91,874	\$ 743	0.8%
Professional Services	22,457	25,071	25,910	25,910	25,125	(785)	(3.0%)
Materials & Supplies	9,285	10,817	10,588	10,338	9,513	(825)	(8.0%)
Utilities	4,937	5,550	5,592	5,592	5,451	(141)	(2.5%)
Insurance & Liability	9,774	11,159	10,145	10,145	10,271	126	1.2%
Other Expenses	2,525	2,131	2,888	2,888	2,732	(156)	(5.4%)
Total	\$ 135,656	\$ 147,389	\$ 149,123	\$ 146,004	\$ 144,966	\$ (1,038)	(0.7%)
Carryover to FY 2010				8,000			
Grand Total				<u>\$ 154,004</u>			

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 2010 Budget proposes \$91.9 million for salaries and benefits, an increase of \$0.7 million (0.8%) from the FY 2009 Revised Budget (\$91.1 million).
- Salaries and Benefits are proposed to increase by approximately \$0.7 million, due to step increase budgeted for certain bargaining groups.

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 2010 Budget proposes \$25.1 million for services, a decrease of \$0.8 million (-3.0%) from the FY 2009 Revised Budget (\$25.9 million).
- The Paratransit, Inc. and Security Services contract costs will stay the same as in FY 2009 Budget.
- Paratransit and security services contract costs make up 80.0% of this category.
- The decrease in Professional Services is partly due to decreases in the following accounts: consultants and outside services.

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 2010 Budget proposes \$9.5 million for materials and supplies, a decrease of \$0.8 million (-8.0%) from the FY 2009 Revised Budget (\$10.3 million).
- This reflects a decrease in CNG cost, gasoline and diesel fuel costs, and a decrease in LR vehicle parts.

Utilities

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

- The FY 2010 Budget proposes \$5.5 million for utilities, a decrease of \$0.1 million (-2.5%) from the FY 2009 Revised Budget (\$5.6 million).
- This decrease primarily results from a decrease in traction power cost.

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 2010 Budget proposes \$10.3 million for casualty and liability insurance, an increase of \$0.1 million (1.2%) from the FY 2009 Revised Budget (\$10.1 million).
- This increase primarily results from an increase in insurance premiums.

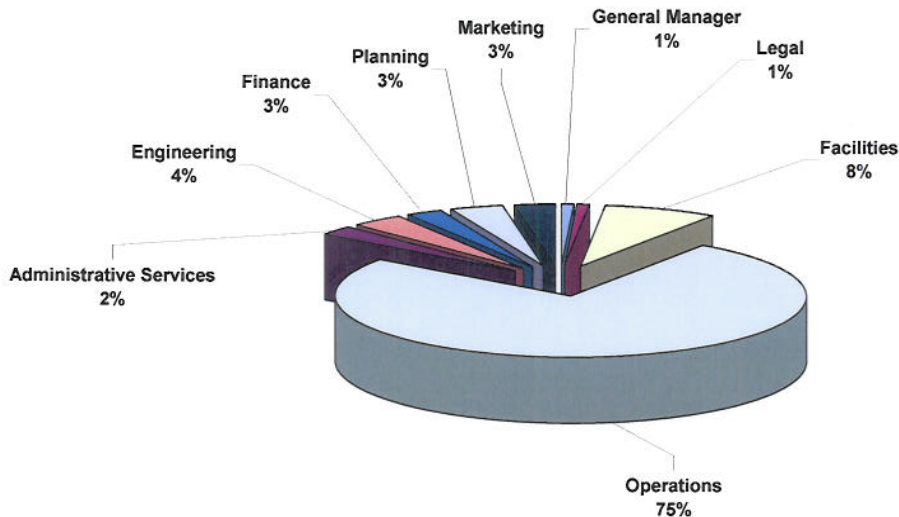
Other

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

- The FY 2010 Budget proposes \$2.7 million for other expenditures, a decrease of \$0.2 million (-5.4%) from the FY 2009 Revised Budget (\$2.9 million).
- This decrease primarily results from a decrease in dues and subscription and awards and ceremonies costs.

Positions

The Fiscal Year 2010 Budget proposes 1,234 Board authorized positions, a increase of one position from the Fiscal Year 2009 Adopted Budget (1,233 positions). This reflects the addition of a Maintenance Supervisor in the Operations Division. There are 79 vacant positions, which leaves 1,155 funded positions for FY 2010.



Division	FY 2006 Actual	FY 2007 Actual	FY 2008 Budgeted	FY 2009 Adopted	FY 2010 Proposed	FY 2009 to FY 2010
General Manager	6	14	19	23	11	¹ -12
Legal	10	10	10	10	10	0
Facilities	93	93	94	95	95	0
Operations	899	934	934	933	934	² 1
Administrative Services	63	33	33	30	30	0
Engineering	47	46	46	44	44	0
Finance	32	32	32	32	32	0
Planning	82	31	31	31	43	³ 12
Marketing		40	36	35	35	0
Total	1,232	1,233	1,235	1,233	1,234	1

¹ Transfer Accessible Services (-12) to Planning Division.

² Add Maintenance Supervisor (+1) in Operations Division.

³ Transfer Accessible Services (+12) from General Manager Division.

Capital Improvement Plan

This following table represents the Capital Budget spending plan for the FY 2010 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 2010 and 2014, and beyond to 2039.

The FY 2010 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
- UTDC Light Rail Vehicle Retrofit

Facilities Program:

- Bus Maintenance Facility #2 (Phase 1)

Infrastructure Program:

- Watt Avenue Grade Separation
- Light Rail Crossing Enhancements

Transit Technologies Program:

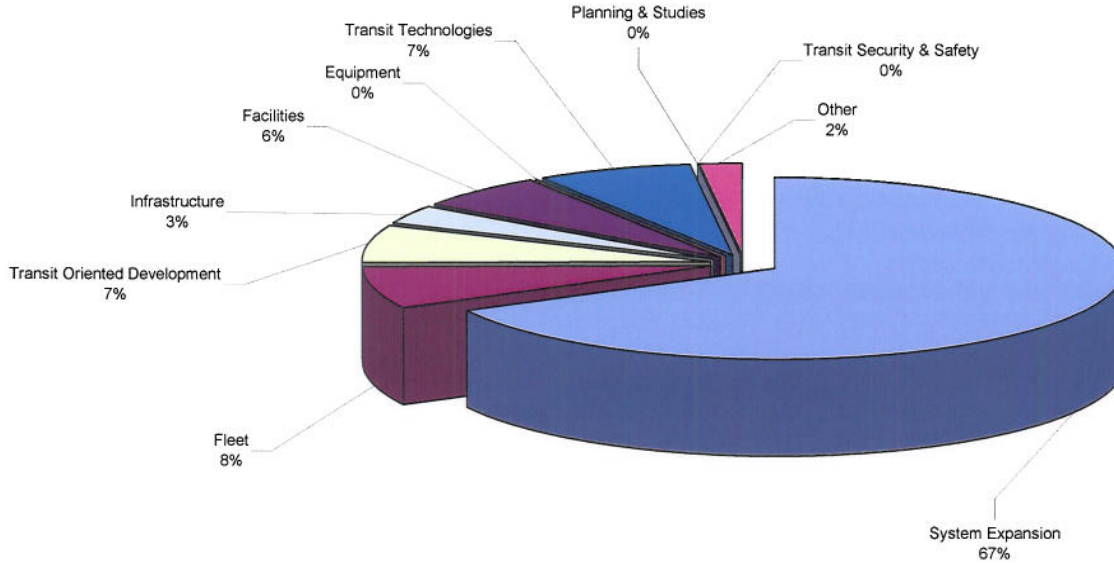
- Farebox Collection / Smart Media Implementation
- Light Rail Station Video Surveillance and Recording System

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)

Category	FY 2010	
	Proposed	
System Expansion	\$ 78,707	67.22%
Fleet	8,873	7.58%
Transit Oriented Development	7,800	6.66%
Infrastructure	3,900	3.33%
Facilities	6,990	5.97%
Equipment	-	0.00%
Transit Technologies	8,603	7.35%
Transit Security & Safety	-	0.00%
Planning & Studies	-	0.00%
Other	2,212	1.89%
Total	\$ 117,085	100%

Capital Improvement FY 2010 Funding Additions

Program	Project Name	Tier	Funded Through FY 2009	FY 2010 Proposed Funding	Future Funding Additions	Total Project Cost
System Expansion Programs						
230	Northeast Corridor Enhancements (Phase 1)	I	\$ 23,885,739	\$ 2,429,000	\$ 8,185,261	\$ 34,500,000
310-2	South Sacramento Phase 2 Light Rail Extension	I	12,992,334	38,996,114	218,011,552	270,000,000
402	Downtown-Natomas-Airport Light Rail Extension	I	3,699,777	37,282,000	718,947,084	759,928,861
System Expansion Total			40,577,850	78,707,114	945,143,897	1,064,428,861
Fleet Programs						
4027	UTDC Light Rail Vehicle Acquisition & Retrofit	I	2,757,739	8,240,000	2,602,261	13,600,000
B040	Neighborhood Ride Vehicle Replacement	I	2,078,409	-	12,111,591	14,190,000
B041	Neighborhood Ride Vehicle Replacement - Hybrid	I	825,000	632,628	-	1,457,628
Fleet Program Total			5,661,148	8,872,628	14,713,852	29,247,628
Transit Oriented Development						
TD02	TOD Development 65th Street Station Reconfiguration	0	579,199	3,800,000	-	4,379,199
NEW	LaValentina TOD	I	-	4,000,000	-	4,000,000
Transit Oriented Development Total			579,199	7,800,000	-	8,379,199
Infrastructure Programs						
R280	Folsom Limited Stop Service	I	-	3,900,000	-	3,900,000
0534	13th & 16th St. LR Station Improvements	I	186,225	-	865,598	1,051,823
R010	Light Rail Crossing Enhancements	I	550,000	-	150,000	700,000
4017	Bus Stop Improvement Program	I	45,780	-	5,283,025	5,328,805
Infrastructure Program Total			782,005	3,900,000	6,298,623	10,980,628
Facilities Programs						
1 G145	New Headquarters Building	0	-	-	-	-
4011	Facilities Maintenance & Improvements	I	78,173	500,000	20,697,947	21,276,120
4007	ADA Transition Plan Improvements	I	300,020	-	5,487,980	5,788,000
645	Major Light Rail Station Enhancements	I	379,399	-	48,204,883	48,584,282
715	Bus Maintenance Facility #2 (Phase 1)	I	1,934,371	6,300,000	16,981,562	25,215,933
NEW	Transit Enhancements Project	I	-	189,980	-	189,980
Facilities Program Total			2,691,963	6,989,980	91,372,372	101,054,315
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	-	5,908,253	2,616,747	8,525,000
G240	Additional Fare Vending Machines/Spares	I	-	1,150,000	50,000	1,200,000
G105	Bus Fleet AVL	I	-	1,544,887	-	1,544,887
G045	LR Station Video Surveillance & Recording System	I	1,558,699	-	-	1,558,699
Transit Technologies Program Total			1,558,699	8,603,140	3,289,814	13,451,653
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			220,000	-	375,000	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	147,933	-	57,943	205,876
OPE3	Train the Trainer-Homeland Security	0	42,706	-	-	42,706
G230	Certificates of Participation Payments	I	4,160,541	2,077,533	16,784,451	23,022,525
NEW	"See it, Hear It, Report It" Public Awareness	I	-	78,500	-	78,500
NEW	WMD/IED Exercise	I	-	55,674	-	55,674
Other Program Total			4,351,180	2,211,707	16,842,394	23,405,281
Total			\$ 56,422,044	\$ 117,084,569	\$ 1,082,608,202	\$ 1,256,114,815

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.



Regional Transit

FY 2010 Preliminary Budget Proposal

RT Board of Directors

May 11, 2009

FY 2010 Preliminary Revenues

(in Thousands)

Total Revenue	\$262,051
Operating Revenue	\$144,966
Capital Revenue	\$117,085



FY 2010 Operating Revenue

(in Thousands)

Federal	\$	30,032	21%
State & Local		58,719	41%
Fares		40,826	28%
Contract Services		4,130	3%
Other		11,259	8%
Total	\$	144,966	100%



FY 2010 Operating Expenses

(in Thousands)

Salaries & Benefits	\$ 91,874	63%
Professional Services	25,125	17%
Materials & Supplies	9,513	7%
Utilities	5,451	4%
Insurance & Liability	10,271	7%
Other Expenses	2,732	2%
Total	\$ 144,966	100%

Operating Expenses by Category

(in Thousands)

	FY 2007 Actual	FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2010 Proposed	FY 2009 to FY 2010 Variance	Percent
Salaries & Benefits	\$ 86,678	\$ 92,661	\$ 94,000	\$ 91,131	\$ 91,874	\$ 743	0.8%
Professional Services	22,457	25,071	25,910	25,910	25,125	(785)	(3.0%)
Materials & Supplies	9,285	10,817	10,588	10,338	9,513	(825)	(8.0%)
Utilities	4,937	5,550	5,592	5,592	5,451	(141)	(2.5%)
Insurance & Liability	9,774	11,159	10,145	10,145	10,271	126	1.2%
Other Expenses	2,525	2,131	2,888	2,888	2,732	(156)	(5.4%)
Total	\$ 135,656	\$ 147,389	\$ 149,123	\$ 146,004	\$ 144,966	\$ (1,038)	(0.7%)

Carryover to FY 2010

Grand Total

8,000
\$ 154,004



Additional Operating Budget Contingencies

Revenue

- Reduction in sales tax receipts in FY 2009
 - Measure A revenue estimated shortfall ~ \$4.1 million
 - LTF revenue estimated shortfall ~ \$0.75 million
 - Fare revenue potentially decrease ~ \$2.0 million
- Available Carryover for FY 2010 may be reduced

Potential re-balancing strategies

- Service Reductions in FY 2010
- Additional Fare increase FY 2010



FY 2010 Capital Plan

(in Thousands)

System Expansion	\$ 78,707	67.2%
Fleet	8,873	7.6%
Transit Oriented Development	7,800	6.7%
Infrastructure	3,900	3.3%
Facilities	6,990	6.0%
Transit Technologies	8,603	7.3%
Other	2,212	1.9%
Total	\$ 117,085	100.0%



Next Steps

- May 11** **RT Board of Directors Meeting**
Public Hearing on Budget
- June 22** **RT Board of Directors Meeting**
Continuation of Public Hearing and Adoption
of Budget