

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
1	03/29/10	Open	Action	03/25/10

Subject: Adoption of Service Reduction Proposals

ISSUE

The adoption of staff recommendations for service reductions.

RECOMMENDED ACTION

Adopt Resolution 10-03-_____, Adoption of Service Reduction Proposals

DISCUSSION

On March 22, 2010, the Board adopted a resolution declaring a Fiscal Emergency, formally finding that absent action, RT is projected to have negative working capital within one year; the fiscal shortfall was projected to be \$24,978,892. Since the Governor was expected to sign a bill that evening that could provide as much as \$11.8 million in State Transit Assistance (STA) funding for RT in FY 2011, the question was asked whether RT would still need to declare a Fiscal Emergency if that bill was signed. The answer was yes. The question was later asked why staff had brought \$13.4 million in proposed service reductions to fill a \$25 million deficit, and what RT would do if the Governor did not sign the bill. This report addresses those questions in providing revised service reduction recommendations.

Potential service reductions were assessed with the primary goal of preserving as much service as possible while meeting productivity standards and revenue generation objectives. In evaluating the RT system, staff found that it could not make a recommendation for deeper service cuts than was presented without jeopardizing the integrity of the service and viability of the system itself. Therefore, a recommendation of \$13.4 million was formulated and presented with the hope and expectation that the STA money would be made available.

At the same time, staff continued to evaluate the potential of squeezing even more internal cost savings from the operating budget. Cutting the operating budget has been an ongoing effort for RT staff since 2007, when projected revenues first began to decline. Considerable effort has gone into reducing staff, instituting a hiring freeze, consolidating jobs, deferring all but necessary maintenance, as well as taking other steps to reduce the operating budget to the lowest possible level to avoid service cuts. Training, travel, professional development, and all other discretionary budget items have been cut to only critically essential levels. Management and Confidential (MCEG) and Administrative (AEA) employees have also contributed through foregone salary increases and pay cuts through furloughs and increased insurance premium contributions. In an effort to close the gap in FY 2010, RT has been forced to develop a plan to shrink the organization further. Unfortunately, this plan includes significant layoffs not only of service reduction related employees, but for management and administrative staff as well. Internally, the agency is pushed to the limit but continues to look for ways to save more.

This report provides information in six areas: 1) how the operating budget has evolved over time;

Approved:

Presented:

FINAL 3/26/10

General Manager/CEO

AGM of Planning & Transit System Development

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2) a discussion of the assumptions that went into the development of the budget and the 18-Month Rebalancing Plan; 3) management and administrative compensation cost reductions; 4) the potential for additional cutbacks and resulting consequences; 5) an update of the 18-Month Rebalancing Plan; and 6) an update of the service reduction proposal.

Budget – Historical Perspective

RT does not have operating reserves to draw upon to balance revenue shortfalls. As revenues have declined, RT’s operating budget has been reduced correspondingly. However, the level of service, both internal and external, has not declined in the same measure. RT has placed a priority on service and has worked hard to maintain high levels of service for both internal and external customers. Unfortunately, the most recent funding declines have taken a profound toll on RT’s ability to continue to maintain service levels. Table 1 illustrates how the RT operating budget has changed over time. The major cost-drivers within each classification are listed.

Table 1

Non-Labor Operating Budgets with Major Cost Drivers					
Budget Classification	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Forecast	FY2011 Preliminary
Professional Services	22,456,747	25,070,826	25,643,105	23,372,267	18,445,330
Security Services	6,957,165	7,439,416	7,740,491	7,500,000	6,635,036
Purchased Transportation	10,254,777	11,081,000	11,965,602	11,180,903	8,314,129
* All other professional services	5,244,805	6,550,410	5,937,012	4,691,364	3,496,165
Materials & Supplies	9,285,086	10,816,533	9,848,243	9,161,625	8,391,840
CNG	3,418,362	3,436,011	3,189,553	2,755,000	2,350,000
Parts Rev Veh (Bus)	1,830,411	2,514,893	2,334,506	2,150,000	2,150,000
Parts LRV	975,945	1,532,035	1,343,040	1,475,000	1,475,000
* All other materials & supplies	3,060,368	3,333,594	2,981,144	2,781,625	2,416,840
Utilities	4,936,760	5,550,144	5,544,739	5,574,200	5,393,002
LRV Traction power	3,521,802	3,931,823	3,955,932	4,000,000	4,000,000
* All other utilities	1,414,958	1,618,321	1,588,807	1,574,200	1,393,002
Other Expenses	1,692,881	2,131,431	2,053,941	2,462,030	1,814,285
Property Leases	538,692	573,113	596,515	590,000	550,000
* All other expenses	1,154,189	1,558,318	1,457,426	1,872,030	1,264,285
Insurance & Liability	9,773,758	11,159,479	7,104,114	10,363,118	7,381,642
PLPD Accrual	3,626,263	2,444,878	2,519,288	3,326,833	2,437,000
WC Accrual	3,426,772	5,980,704	2,011,596	4,691,915	2,995,040
* All other insurance & liability	2,720,723	2,733,897	2,573,230	2,344,370	1,949,602
Non-Labor Budget Totals	48,145,232	54,728,413	50,194,142	50,933,240	41,426,099

* A full summary is provided as Attachment 1

One notably successful budget reduction strategy was an employee dependent and retiree audit performed in 2008 to ensure that only eligible dependents and retirees were covered by the RT insurance plans. The fiscal result was an ongoing annual savings of \$367,848 per year. Since FY 2008, this savings alone has had a cumulative effect of saving RT \$1.1 million in fringe benefit costs.

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Current District-wide operational budget strategies to meet the unprecedented revenues shortfall, including layoffs that have been implemented, are underway, or planned for the near future, are summarized by Division on Attachment 2. The first round of layoffs will occur in April. Two additional phases of layoffs are planned once the level of service reductions has been determined.

Key Budget Assumptions

CNG Fuel Rebate Continuation

RT has learned that a second federal “Jobs Bill” contains a continuation of the CNG fuel rebate and would be retroactive to January 1, 2010. Transit lobbyists indicate that there is no opposition to the language in the bill that continues this rebate. Although it is still classified as a tax credit, it is closely tied to clean air initiatives and its continuation into the future is likely. As a result, a revenue assumption that RT will receive \$750,000 for FY 2010 and \$1.5 million in FY 2011 for this rebate has been made in the calculation of revenues to determine both the FY 2010 shortfall carryover and the FY 2011 estimated year-end shortfall.

Labor Concessions

An integral part of both the FY 2010 and FY 2011 Operating Budgets is the expectation of labor savings through the cooperation and concessions of RT’s five employee groups. At the onset of calendar year 2009, the following parameters for the “zero-base” salary and benefit program were established. Each employee group was required to determine a combination of strategies to absorb rising costs to keep FY 2010 and FY 2011 labor and fringe benefit costs the same as the FY 2009 base year.

Suggested “Zero-Base” Strategies include:

- a. Salary freeze;
- b. Suspension of vacation, sick leave, floating holiday sell backs;
- c. Furloughs of 11+ days over 22 months;
- d. Increased insurance premium payment share by employees from 8% to 10%;
- e. Increased insurance co-pays for office visits; and
- f. Reduce RX replacements per co-pay from 90 day to 30 day supply.

The Management and Confidential Employee Group (MCEG) and the Administrative Employee Association (AEA) have complied with the “zero-base” concession requirement and all of the above strategies were implemented to achieve the desired salary and benefit reduction level. Initial estimates indicate concessions from these groups will result in more than \$3.1 million per year in savings to RT. Concessions include 11 or 12 furlough days, depending upon the group; frozen salary increases and sell-back of vacation hours; increased contributions to employee medical insurance programs and other medical plan changes; and, most recently, CalPERS medical plan adoption.

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The FY 2010 Budget was balanced on the expectation that in addition to the savings from MCEG and AEA concessions, \$2,330,630 in combined concessions would be received from ATU, IBEW, and AFSCME. An additional \$6,194,461 will be necessary to balance FY 2011.

A total of \$8,525,091 in labor union concessions is included in the 18-Month Rebalancing Plan and the current estimated shortfall of \$10,673,779 is dependent upon the successful conclusion of labor negotiations to achieve the required level of concessions.

Staffing Reductions

RT has kept staffing levels well below authorized levels since 2008 when authorized positions numbered 1233, 1223 of which were filled. The number of agency-wide filled positions began to decline steadily in 2009. With 1233 authorized positions, only 1164 were filled. FY 2010 will end with 1204 authorized positions of which 1007 will be filled. This represents an 18% reduction in filled positions over a two-year period. Second and third phase layoffs now identified and scheduled will further reduce the number of filled positions.

Reduction in Paratransit Costs

Although the Board will hear further discussion on the issue of complementary paratransit service and the potential for additional savings at a special meeting scheduled for April 5th, staff has incorporated an expectation of savings over FY 2010. The FY 2011 Operating Budget assumes at least a 30% total reduction in contract costs in this area. This reduction represents a combination of savings achieved through improved trip scheduling, reduced trips related to the RT service reductions, and improved efficiencies achieved cooperatively with Paratransit, Inc.

Additional Cost Reductions

RT's executive staff has worked to identify where additional internal cost reductions could be found and to define the consequences of further reductions. While impossible to determine fully until the extent of the shortfall is determined by the Board's decision on service reductions, staff provides discussion here on where additional internal adjustments could be made. The FY 2011 budget already assumes reductions in purchased transportation (Paratransit) and security services over FY 2010.

With little else but labor and fringe benefits to cut from the budget, it is worth considering what additional layoffs will mean to RT. Employee layoffs identified and scheduled in phases through September 2010, will take the agency to the limit of its ability to provide and maintain the current level of service, meet all regulatory compliance requirements, keep internal controls intact, and continue to provide the technical capacity to deliver on RT's capital program, including the Green Line and South Line light rail projects. Additional layoffs will require corresponding reductions in RT's ability to perform its own vital functions, participate in the community, and provide for its employees. To go beyond current levels will severely hamper RT's ability to manage grants; to deliver on the capital program, maintain technical capacity in both engineering and finance; to communicate with the public; to manage planning of future projects; and to manage labor and recovery from a recruiting standpoint.

However, if the Board chooses not to reduce service, hard choices will have to be made to increase the number of management and administrative employees scheduled to be laid off, cut

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Paratransit further, and cut security services, as discussed below.

Security Services

Contracted security for RT is composed of three elements: a contract for private security guards, currently with Wackenhut; a contract for Sacramento City Police Officers (SPD); and a contract for Sacramento County Sheriff Deputies (SSD). The budget for these three contracts in FY 09 was \$8.1M. This budget was reduced by \$.6M in FY 10 as a part of balancing the FY 10 budget. This savings was taken through a reduction in the number of security guards, a reduction in the number of SSD deputies, and retaining several unfilled positions from SPD officers.

In response to the current fiscal emergency, further reductions in security were taken effective March 1. These reductions saved \$.3M for the current fiscal year and approximately \$1.0M for FY 11. These reductions were taken from security guard coverage through the elimination of guards assigned to RT administrative facilities and the service center, as well as overlapping coverage at light rail stations.

The contract security budget for FY 11 is \$6.6M. Reductions in security corresponding specifically to reductions in service are captured in the savings estimate for the service reductions. RT staff has looked at additional reductions in security in four \$.5M “steps”, totaling \$2.0M for all four steps. These reductions result in over a 30% reduction in RT’s security program, creating coverage gaps or eliminating security at a number of light rail stations, and significantly increasing RT’s response time to problems reported on the light rail system. These reductions would also limit RT’s ability to address specific security issues that have either been reported to RT or are identified as a result of RT’s crime statistics. Specific impacts are as follows:

First \$0.5M step eliminates station guards, or coverage hours as noted, at the following stations;

- Roseville Road
- Marconi
- Power Inn
- Broadway
- Florin Road
- Arden/Del Paso-Reduction of 9 hours per shift
- Alkali Flat-Reduction of 4 hours per shift
- Mather Field-Reduction of 8 hours per shift Monday thru Friday, 5 hours per shift Saturday and Sunday
- 16th Street-Reduction of 8 hours per shift
- Meadowview-Reduction of 5 hours per shift Saturday and Sunday

Second \$0.5M step eliminates guards, or coverage hours as noted, for the following shifts;

- Alkali Flat
- 3 evening Train Guards

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- Mobile Guard-Reduce hours by 50%
- 1 Video Control Center Guard

The second level also eliminates 1 SSD deputy.


Third \$0.5M step eliminates 2 SSD deputies and 2 SPD officers .

Fourth \$0.5M step eliminates an additional 2 SSD deputies and 2 SPD officers.

The actual staffing changes made to achieve these reductions could be modified to include a different mix of guards, SSD, and SPD personnel. This will be based upon a pending discussion with the SSD over a contractual rate increase for FY 11.

Table 2 provides a summary of cost information on security service reduction scenarios.

Table 2

 RT Police Services Security Service Reduction Scenarios		
Position	Unit Cost	Annual Cost
Sacramento Police Dept:		
Lieutenant (1)	\$213,782	\$213,782
Sergeants (2)	\$154,669	\$309,338
Officers (16)*	\$128,099	\$2,049,590
SPD Total		\$2,572,710
Sacramento Sheriff Dept:		
Sergeant (1)	\$189,384	\$189,384
Deputies (7)*	\$172,015	\$1,204,102
SSD Total		\$1,393,486
Wackenhut:		
Project Manager (1)	\$112,474	\$112,474
Supervisors (3)	\$69,028	\$207,085
Station Guards (15)	\$65,108	\$976,621
Video Control Ctr Guards (5)	\$56,242	\$281,212
Train Guards (9)	\$64,369	\$579,323
Mobile Unit Guards (3)	\$107,726	\$323,178
Add'l Guard Svcs*	\$123,995	\$123,995
Wackenhut Total		\$2,603,887
Community Prosecutor:		
Community Prosecutor Total		\$40,125
SECURITY SERVICES TOTAL		\$6,610,208

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Management and Administrative Compensation Cost Reductions

During public comment on March 22, 2010, it was suggested that cutting management and administrative salaries by 20% would be desirable and a way to save routes. The following information is provided to illustrate the wage cuts and losses voluntarily experienced by management and administrative employees since January 2007, in an effort to help RT withstand the financial crisis.

Starting with the General Manager/CEO and Chief Legal Counsel, management and administrative employees have not had cost of living related wage increases in the last three years. A bargained 2% increase scheduled for January of 2007 was pulled back. The Consumer Price Index (CPI) – All Urban Users West reports an increase of 12.2% since January 2007. Wage increases that would have been experienced by movement through salary ranges were frozen in 2009 and will remain frozen, at a minimum, through December 2010. Annual wage increases for successful performance are authorized in 5% increments. This freeze represents the loss of as much as 15% in lost wages for many employees due to the inability to move through their salary ranges. Additionally, MCEG and AEA employees have agreed to take furlough days through December of 2010 that equate to an annual 3.8% cut in salary.

Management Wage Cuts/Losses Since 2007:

Bargained Increase Pulled Back	- 2.0%
Wage increases foregone:	-15.0%
Impact of furloughs on wages:	<u>- 3.8%</u>
Sub-total	<u>-20.8%</u>
Inflation (CPI) losses since 1/2007:	<u>-12.2%</u>
Total	<u>-33.0%</u>

In addition to these losses, the ability for management and administrative employees to convert vacation, sick leave and floating holidays has also been frozen since early 2009, continuing through December 2010.

Reductions in Management Staff

Much has been said about the increase in management at RT, especially over the last few years. At the end of FY 2007, the General Manager had ten executive management staff reporting to the position directly. By FY 2010, this number has been reduced to seven. At the end of FY 2007, RT had a total of 35 management positions. After the first phase of layoffs, this number will be 29. Positions in these numbers include executive and senior management.

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Re-Balancing Plan Update

Staff has revised the 18-Month Rebalancing Plan to reflect changes that have occurred in the areas of revenue expectations and changes to both the FY 2010 and FY 2011 Operating Budgets. Changes in revenue assumptions and additional budget cuts have reduced the fiscal deficit from \$24,978,892 to \$10,673,779.

18-Month Rebalancing Plan Worksheet	
Carryover Shortfall from FY 2010 (includes Labor Union concessions necessary for FY 2010)	\$ 12,079,096
Estimated non-labor operating for FY 2011	\$ 41,426,099
Estimated FY 2011 labor budget with first phase Admin Layoffs before Service Cuts	83,398,168
Sub-total	\$ 136,903,363
*Less necessary labor union concessions for 2010	(2,330,630)
*Less necessary labor union concessions for 2011	(6,194,461)
Sub-total	\$ 128,378,272
Estimated FY 2011 Revenue	(117,124,493)
Short-Fall Sub total	\$ 11,253,779
Estimated Later Phases of Admin Layoffs in FY 2011 based on 10/12ths of a year	(580,000)
Base Level of service or other operating cuts needed for Re-Balancing by 6/30/2011 without additional revenue	\$ 10,673,779

*Labor negotiations have been underway since April 2009 to come to zero-over-base agreements. AEA and MCEG have negotiated zero-over-base agreements for FY 2010 & FY 2011; ATU, IBEW, and AFSCME are still in negotiations with RT.

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Service Reduction Strategy

On March 8, 2010, RT staff presented a list of service reduction options to be used to shape a strategy for closing a portion of the \$25M budget shortfall projected through FY 2011. On March 22, 2010, RT staff returned to the Board with a Recommended Option for service reduction. In response to Board direction, staff has developed a Revised Recommended Option described in detail below.

March 8, 2010 Options

Staff applied Board-adopted productivity standards as a first step in the route reduction strategy. This standard is applied by taking the average passengers per revenue hour for each route, and measuring it against its “group average.” Routes falling below 70 percent of the group average are considered “low productivity” routes and are candidates for elimination. The “group” is a class of service, such as Peak Express, or Community Bus and Central City. Under this standard, staff estimated savings of \$2 million from reduced drivers and related expenses. Application of a more stringent productivity standard, services falling below 70 percent of systemwide average passengers per revenue hour, is projected to yield \$4 million in savings, again from fewer drivers and related cost reductions. Many additional options were considered, including elimination of service after 7:00 pm weekdays and weekends, and combinations of these options.

March 22, 2010

Recommended Option - Staff presented a package of recommendations to address \$13.4M of the projected shortfall. The recommendation included eliminating low productivity routes everyday; eliminating 5 non-core, medium productivity routes on weekdays; eliminating a few parallel routes on weekdays; eliminating bus or rail trips starting after 9 pm, everyday; reducing frequency on one route during weekdays and several routes during weekends; and reducing frequency on rail during weekends.

Board Direction

The Board directed staff to re-examine its recommendation, accounting for State action to restore \$11.8 Million in STA funding and reductions in RT’s administrative cost. Specific Board direction included restoring routes to provide increased connectivity and coverage; insuring service to lifeline activity centers and hospitals; reducing frequency on routes rather than whole route elimination; combining routes; and detailing strategies for rebuilding the route network as new funding is obtained.

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Staff Revisions to Recommended Option

Routes Restored

In response to the Board direction, staff recommends removing the following 10 routes from consideration for elimination on weekdays:

6, 13, 16, 24, 28, 34, 38, 47, 74, 75

Saturday

19, 38, 82, 93

Sunday

19, 38, 55, 72, 82, 93

Reduced Frequency

To account for the savings needed to restore weekday service on these 11 routes staff recommends spreading headways on the following additional routes:

Weekday

1, 2, 6, 34, 38, 61

Summary - Revised Recommended Option

The Recommended Option is comprised of the following service reductions:

Late-Night Service Reduction

All bus service currently scheduled to leave the end of the line Monday through Sunday after 9:00 p.m. will be discontinued. The last trips on light rail will depart from Downtown Sacramento no later than 9:00 p.m.

Weekday

Eliminate the following routes that include low productivity by group or system-wide or are overlapping other more productive routes:

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All day routes

4, 8, 9,10,18, 20, 36, 50E, 63, 73, 83, 94, 95, 141, and 142

Peak only routes

89, 100, 101, 102, 104, 106, and 107

Supplemental School Routes

200, 201, 210, 226, 251, and 261

Reduce Frequency on the following routes:

1, 2, 6, 34, 38, and 61

Shorten route 28 to terminate at the Cordova Town Center light rail station and peak route 109 at the Hazel light rail station.

Saturday

Eliminate the following routes due to low productivity:

5, 6, 8, 13, 14, 16, 24, 28, 54, 61, 65, 74, and 143

Reduce frequency on the following routes:

1, 30, 81, and light rail

Sunday

Eliminate the following routes due to low productivity:

8, 13, 14, and 22

Reduce frequency on the following routes:

23, 30, 56, 81, and light rail

These service reductions are projected to provide a net savings of \$11.6 million in FY 2011.

In the longer term, staff will propose strategies for restoring service. The restoration will be accomplished through a detailed analysis of travel patterns, major travel destinations, vehicle running times, and proper location of bus stops and vehicle connections. This process is generally called a Comprehensive Operational Analysis and will lead to the develop of a route network designed to address the changing needs of Sacramento area residents and to develop a restructured RT route network which improves the overall transit travel experience and efficiency of the RT route network.

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Schedule

The timing for the Revised Recommended Option may appear very long to some. However, the implementation dates of a service change are tied to provisions of union contracts and the complexities of the runcutting process discussed below.

The current ATU labor agreement requires that Operators be allowed to pick their work four times a year. The start of each one of these periods is the first Sunday in January, April and September, and the first Sunday in June after schools have closed for the year (this year the date is June 20th). Each one of these periods is called a "Signup."

Operators choose their work for each Signup in seniority order. This process begins approximately two months in advance of the start of a Signup and consists of three rounds to make sure that all the work is picked by an Operator and to allow enough time to train any operators that move between Bus and Rail divisions.

Before runs can be created, Scheduling has to finalize any changes that are part of a service change adopted by the Board. This process includes finalizing any routing issues, creating time points and run times for a route, and then building trips for the route that match the level of service that has been approved. When service is added or headways are shifted, Scheduling attempts to maximize the connections between the altered route and any intersecting rail or bus route.

After all the trips are built, Scheduling creates blocks of trips that are assigned to a particular type of bus for a Signup period. Trips are hooked into blocks in an attempt to minimize the amount of vehicles required to provide a given level of service and still provide the State mandated amount of meal and rest break time to our Operators.

After the trips are blocked, Scheduling creates specific operator work shifts that are as efficient as possible and compliant with the requirements of the labor agreement with the ATU. These work shifts are what are offered to the operators to bid on at each operator Signup. This process of creating actual work shifts from blocks of trips is called "runcutting."

Per the labor agreement, seventy-two hours before the sign up process begins, Scheduling is required to give the ATU a copy of all the runs (operator assignments) that Operators will be choosing for a Signup period. These runs are checked by the ATU to make sure that they meet the run provisions that are prescribed in the ATU labor agreement.

This complex process takes between three and four months from the time a decision is made to change service until that service is actually implemented. As described above, the process of creating operator work shifts takes from one to two months, depending upon the complexity of the service changes, and the process of operators selecting work and training operators that move between the bus and rail divisions takes approximately an additional 2 months.

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- Complete run cut - April 16
- Operator Sign-up - April 20 to June 7
- Survey work for COA – May
- Service change - June 20
- Public Information campaign through - July 15
- COA process begins - September
- COA completed - Spring 2011

**Sacramento Regional Transit
Non-Labor Operating Budgets with Major Cost Drivers**

Attachment 1

		FY2002 Actuals	FY2003 Actuals	FY2004 Actuals	FY2005 Actuals	FY2006 Actuals	FY2007 Actuals	FY2008 Actuals	FY2009 Actuals	FY2010 Forecast	FY2011 Preliminary
Professional Services											
630002	Consultants	(485)	298	18,277	130,950	129,775	287,711	945,943	579,899	102,100	62,100
630003	Outside Service	884,164	1,022,741	1,273,251	1,242,359	1,116,059	1,006,177	1,078,547	786,751	710,000	317,000
630008	WC Management Fees	28,519	115,651	107,510	255,156	269,000	279,796	288,789	299,000	310,000	310,000
630020	Contract Maint Rev Veh	93,731	120,425	42,699	140,148	107,308	188,844	213,498	295,287	180,000	160,000
630021	Contract Maintenance	-	102,349	111,432	184,211	150,656	146,808	245,490	259,163	251,500	253,000
630024	Service Maintenance	16,739	120,439	68,943	490,592	559,923	462,914	627,102	663,630	573,250	543,250
630026	Contract Radio Mainten	81,766	80,686	92,375	287,299	323,409	189,965	341,829	294,752	350,000	315,000
630027	Contract Custodial	221,934	314,211	256,995	253,733	326,459	279,904	238,156	255,247	200,000	140,000
630040	Work program	190,048	256,189	167,078	239,317	251,246	357,448	453,418	490,089	180,000	140,000
630045	Security Services	3,174,873	3,789,581	4,341,510	3,936,071	5,749,393	6,957,165	7,439,416	7,740,491	7,500,000	6,635,036
630089	Advocacy Services	-	54,035	38,472	153,369	165,736	184,563	189,937	255,597	260,000	170,000
630091	Purch Trans	6,449,503	6,413,169	8,034,203	8,900,773	9,632,982	10,254,777	11,081,000	11,965,602	11,180,903	8,314,129
	Other Services	2,256,559	2,445,418	2,169,481	1,637,476	2,148,440	1,860,675	1,927,701	1,757,597	1,574,514	1,085,815
	Subtotal	13,397,351	14,835,192	16,722,226	17,851,454	20,930,386	22,456,747	25,070,826	25,643,105	23,372,267	18,445,330
Materials & Supplies											
640002	Gasoline	204,977	307,860	364,479	402,869	532,416	501,018	678,431	531,919	580,000	580,000
640004	CNG	849,023	1,774,882	2,556,786	2,933,314	3,480,387	3,418,362	3,436,011	3,189,553	2,755,000	2,350,000
640006	Lubricants	110,858	92,854	116,693	126,584	156,041	206,706	150,191	224,403	180,000	140,000
640008	Parts Rev Veh (Bus)	2,170,468	1,268,300	2,413,033	2,664,309	2,276,258	1,830,411	2,514,893	2,334,506	2,150,000	2,150,000
640010	Parts LRV	891,614	476,016	949,212	1,010,045	1,137,050	975,945	1,532,035	1,343,040	1,475,000	1,475,000
640017	WaysideSpares/supply	252,871	177,748	281,670	315,536	422,326	159,309	396,715	206,237	225,700	215,000
640021	Printing Tickets	158,192	150,656	286,533	204,028	254,172	266,507	210,299	339,966	287,000	220,000
640025	Office Supplies	305,311	302,624	273,965	225,544	298,915	238,828	223,724	188,242	170,700	128,560
640031	Other Supplies	266,719	291,129	564,457	612,904	523,462	346,521	317,986	305,525	350,225	316,900
640033	Consumables LR	304,682	208,982	302,581	273,398	302,954	244,045	248,716	239,447	250,000	250,000
	Other Supplies accounts	1,190,715	1,603,597	1,216,326	1,506,795	1,364,753	1,097,434	1,107,532	945,405	738,000	566,380
	Subtotal	6,705,430	6,654,648	9,325,735	10,275,326	10,748,734	9,285,086	10,816,533	9,848,243	9,161,625	8,391,840
Utilities											
650002	Water	4,318	83,492	121,940	138,861	176,743	137,815	221,729	189,830	210,000	209,325
650003	Electricity	524,368	1,054,107	883,773	464,330	876,235	566,440	688,162	645,979	739,200	600,000
650006	Telephone	335,448	373,900	526,135	512,352	465,686	602,751	529,095	577,326	460,000	435,807
650007	LRV Traction	1,440,732	1,530,238	2,700,589	3,104,545	3,840,063	3,521,802	3,931,823	3,955,932	4,000,000	4,000,000
	Other Utilities	335,206	141,084	122,969	171,179	220,343	107,952	179,335	175,672	165,000	147,870
	Subtotal	2,640,072	3,182,821	4,355,406	4,391,267	5,579,070	4,936,760	5,550,144	5,544,739	5,574,200	5,393,002
Other Expenses											
680002	Property Leases	151,847	160,697	335,613	432,021	493,910	538,692	573,113	596,515	590,000	550,000
630013	Uniforms	134,565	176,021	152,165	142,229	162,652	150,554	119,845	97,310	90,000	69,500
690001	Dues & Subscriptions	126,113	120,039	297,839	209,196	124,117	280,511	190,912	180,426	195,330	137,155
690072	Interest Expense	-	-	-	-	146,406	307,847	76,464	217,351	275,600	189,200
	Other accounts	816,869	1,040,698	1,335,378	1,520,673	1,423,494	415,277	1,171,097	962,339	1,311,100	868,430
	Subtotal	1,229,394	1,497,455	2,120,995	2,304,119	2,350,579	1,692,881	2,131,431	2,053,941	2,462,030	1,814,285
Insurance & Liability											
660004	PLPD Accrual	2,832,511	7,906,454	1,993,546	1,362,332	2,250,695	3,626,263	2,444,878	2,519,288	3,326,833	2,437,000
660022	WC Accrual	2,094,912	1,500,000	3,906,399	2,620,001	2,799,544	3,426,772	5,980,704	2,011,596	4,691,915	2,995,040
660038	Recoveries	(134,448)	(254,726)	(125,482)	(159,056)	(206,845)	(295,177)	(187,897)	(186,158)	(160,000)	(160,000)
	Insurance Premiums	989,872	1,509,963	3,533,729	3,353,339	2,944,232	3,015,900	2,921,794	2,759,388	2,504,370	2,109,602
	Subtotal	5,782,847	10,661,691	9,308,192	7,176,616	7,787,626	9,773,758	11,159,479	7,104,114	10,363,118	7,381,642
	Grand Total	29,755,094	36,831,807	41,832,554	41,998,782	47,396,395	48,145,232	54,728,413	50,194,142	50,933,240	41,426,099

Sacramento Regional Transit District
Report on Budget Reduction Strategies 2010

The following changes have been made or are underway to meet the continuing funding shortfall:

FACILITIES AND BUSINESS SUPPORT SERVICES DIVISION:

Facilities Department

- Station cleaning crews have been reduced from 3 to 2 crews of two people each effective with the April layoffs. Crews now clean stations twice a week. Last year stations were cleaned a minimum of twice a week, with key and problem stations cleaned up to four times per week.
- Janitorial service District-wide has been reduced from everyday to 3 days or less during the work week.
- Significant impact: weekends in 24/7 operations areas.
 - Building maintenance crews have been down one staff member for the last year and will be reduced in April by two additional mechanics.
 - Maintenance back log will increase and only critical work will be accomplished.
 - Deferrable repairs will be deferred.
 - All CNG work will remain the priority of the team.
- The person responsible for the security system, leased property, employee parking and other projects is on the April layoff list.
 - Duties will be divided among remaining staff and accomplished on a time available basis.
- The bus stop maintenance team of 4 has been short one person for the last year and will be further reduced to 1 person.
 - Regular maintenance and bus stop checking will be terminated.
 - Stops will be repaired and maintained on a complaints and trouble call basis. Other staff will be diverted as possible.

Procurement Department

- One of four procurement clerk positions has been frozen for the past year, this position will remain unfilled and the group will be further reduced by one, leaving two positions to handle courier, receiving and front desk functions.
 - The front desk will not be staffed (a phone will be in place for visitors to call for assistance).
 - Courier service will be reduced to 3 days a week in the morning only.
 - Mail and other deliveries will be reduced to mornings only, 3 times a week.

- Storekeepers have been operating with two vacancies for over a year managing parts support and warehousing for our maintenance operations. In April, this group of 13 will be formally reduced to 9. This staffing level will not cover all shifts.
 - Procurement will work with operations supervisors to provide access to parts during unmanned shifts.
 - Most recurring purchasing for parts will shift to the buyers and other procurement staff.

Safety

- Safety team of 5 will be reduced by 1. This person monitors safety and environment programs.
 - Duties will be divided among the remaining staff.
 - Safety has been able to perform most of the analysis and documentation for large rail projects.
 - Response times and delivery of this work will be impacted.

Information Technology (IT)

- IT staff that supports mainframes, networks and surveillance remains intact.
- Project staff (1 person) for the surveillance equipment and new message signs will also remain. Internal support and customer support staff has been frozen at 4 employees below the authorized 5. In April, 3 additional employees are being cut from this roll.
 - Internal IT customers will receive very limited support.
- One of two business analysts who now support the data functions and support for SAP and Trapeze will be cut in April.
 - Support will be limited to critical and emergency work.
 - The Senior Programmer and Supervisor of the area will be assisting in covering this work.

LEGAL DIVISION:

In 2008-2009, Legal consolidated its previously separate offices and embarked upon an effort to cross-train and return previously out-sourced legal work to RT legal staff.

- As a result, significant legal work in several areas, including environmental review, property acquisition, construction contracts, and personnel matters have been performed in-house.
- Over the past 18 months, this has avoided costs for comparable work of approximately \$50,000.

ENGINEERING AND CONSTRUCTION DIVISION

The Engineering and Construction Division's (ECD) role within the organization is to provide technical support to the Transportation and Facilities Business Support Services Divisions. This work includes the support of day-to-day activities, as well as the implementation of capital improvement projects. The technical nature of light rail operations and maintenance functions depend upon ECD staff to provide the needed expertise. All layoffs were considered and are recommended to minimize negative impacts to project work as well as the Operating budget.

AGM, Engineering and Construction

- One Administrative Assistant is included in the April layoff.
 - Timely processing of correspondence, submittals, and consultant/contractor payments associated with design and construction projects may be affected.
 - The work will be divided among the remaining Administrative Assistants.

Systems Design and Civil & Track Design Departments

- The two departments provide distinct design functions, but the coordination and management of design efforts will be consolidated under the direction of the Director, Civil & Track Design. The Director, System Design, position will be eliminated.
 - Train signaling expertise will be significantly diminished through this layoff, however RT relies heavily upon a contracting methodology to complete project work and based upon an evaluation of needs on a project by project basis, RT needs will be met.
 - When federal grant monies are utilized for capital projects, the Federal Transit Administration (FTA) have and will continue to evaluate RT's technical capability and capacity to manage the work.
- One Engineering Technician is included in the April layoff.
 - Work to provide updates to the construction drawings to reflect construction record drawings will be deferred or reprioritized.
 - The work will be divided among the remaining Engineering Technicians.
- One Associate Civil Engineer retired and one Associate Engineer (Systems Design) left for employment elsewhere in January and February, respectively.
 - These positions will remain vacant.
 - The technical expertise lost by departure of these people may also be subject to the FTA technical capability and capacity review.

Construction Management Department

- One Senior Project Control Engineer is included in the April layoff.
 - The current number of capital projects in progress will be reduced in the upcoming year.
 - Work to monitor project schedules and project costs will be divided among remaining project controls, design and construction management staff.

MARKETING AND COMMUNICATIONS DIVISION

Customer Service

Staffing Reductions:

- 1 FT Customer Service Supervisor position eliminated, 1 FT position remaining
- 3 FT Customer Service Representatives on April layoff
 - 15 FT positions remaining
 - 4 additional FT positions currently frozen
- Action: Reduction of Call Center hours
Current hours: Weekdays 6 a.m. to 9 p.m., Saturdays from 7 a.m. to 6:30 p.m., Sundays from 8 a.m. to 5:30 p.m.

New hours effective April 20, 2010: Weekdays from 6:30 a.m. to 6:30 p.m.

Result: Average wait time per call will increase

Mitigation: Implementation of automated “next scheduled arrival time” information could reduce volume of calls; implementation of Transit Alerts for light rail could reduce calls regarding service disruptions.

- Action: Reduction of Sales Center hours
Current hours: Weekdays from 8 a.m. to 6 p.m., Saturdays 10 a.m. to 2 p.m.

New hours effective April 20, 2010: Weekdays from 9 a.m. to 5:30 p.m.

Result: Average wait time will increase

Mitigation: Future implementation of online pass sales

Marketing and Communications

Staffing Reductions:

- 1 PT Graphic Designer, 2 FT positions remaining
- 1 Administrative Assistant II

In addition to the staffing reductions, 1 FT Administrative Assistant II will be transferred from Community and Government Affairs Department to Marketing and Communications Department

- Action: Reduction of graphic design support

Result: Increase workload for employees remaining and longer lead time to complete projects

Mitigation: None

Community and Government Affairs

Staffing Reductions:

- 1 FT Manager, Community and Government Affairs position eliminated
 - Incumbent's acting appointment ends,
 - FT employee to return to Senior Community and Government Affairs position effective April 1, 2010
- 1 of 3 FT Senior Community and Government Affairs Officer positions on April layoff
 - 1 FT employee to transfer to Marketing and Communications department,
 - 1 FT employee to transfer to AGM of Marketing and Communications division

- Action: Reduction or elimination of cash sponsorships for community events

Result: Limited sponsorships of community events

Mitigation: None

- Action: Reduction of staffing for participation at community and outreach events

Result: Limited participation at community and outreach events

Mitigation: Transition some duties to Marketing and Communications staff

PLANNING AND TRANSIT SYSTEM DEVELOPMENT

Planning Department

- The Planning staff has been reduced from 23 authorized positions to 6 positions effective with the April layoff.

- All Route Checker positions have been eliminated effective with April layoff. This will eliminate any special surveys, including fare surveys. Required National Transit Data Reports will be accomplished through the use of the Automated Passenger Counters (APC) on buses supplemented by the work of the Route Check Supervisor and others in anticipation of APCs being installed on rail.
- One Senior Planner and one Planner position will be eliminated effective with the April layoffs. This will limit analysis needed relative to relationships with other public organizations, fare payment and ridership. Also, planning for major capital projects, route modifications, and strategic initiatives will be curtailed. Required activity such as the Short Range Transit Plan, the Fleet Management Plan, Title VI Reviews, Transit Master Plan Updates and Environmental Analyses will be shared among remaining staff.

Real Estate Department

- Five of the 6 positions in the Real Estate Department will be reduced with the implementation of the April layoff.
- TOD/Joint development activities will be handled by the AGM's office with assistance from the remaining Planning staff. Asset Management will be handled by the Facilities and Business Support Division and the one remaining staff person in Real Estate will be transferred to that Division. Property Acquisition activities not associated with the engineering phase and construction of major capital projects will be handled by the AGM's office with support from other RT staff as necessary.
- While most of the activities will continue, they may not have the immediate response and follow-up previously provided by the Real Estate staff. Also, coordination with other organizations involved in TOD activities will experience a lower level of RT participation.

Accessible Services Department

- Two positions in the Accessible Services Department will be eliminated with the April lay off.
- One Position will be eliminated in Customer Advocacy; this could lower the timeliness of response to dissatisfied customers.
- The other position will be eliminated in Accessible Services. This will increase the burden on remaining staff to provide timely service to disabled persons seeking services, including ADA certification. This will also shift the responsibility for ADA reports and analysis to other staff within the Department, causing the reports to be less timely. Support for the MAC will be somewhat lower.

RESOLUTION NO. 10-03-_____

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

March 29, 2010

ADOPTION OF SERVICE REDUCTION PROPOSALS

WHEREAS, on February 22, 2010, this Board scheduled a public hearing for March 8, 2010 to consider proposed service reductions; and

WHEREAS, on March 8, 2010, this Board conducted a public hearing to receive public comment on proposed service reductions; and

WHEREAS, the public hearing on March 8, 2010, was attended by over 250 members of the public, resulted in public testimony on proposed service cuts by 82 participants, and receipt of approximately 350 written comments; and

WHEREAS, RT responded to suggestions made at the March 8, 2010 public hearing at its regular public meeting on March 22, 2010; and

WHEREAS, on March 22, 2010, this Board adopted Resolution No. 10-03-0029, finding that a fiscal emergency exists as defined under Public Resources Code Section 21080.32; and

WHEREAS, this Board heard additional public comment on the proposed service reductions at the Board's regular meeting on March 22, 2010; and

WHEREAS, RT has assessed the proposed service reductions under Title VI of the Civil Rights Act.

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

THAT, the General Manager/CEO is authorized to implement the service reduction described in Exhibit A of this resolution, effective June 20, 2010.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

Routes Proposed for Weekday Elimination

Route	Name	Boardings	Cost
4	Meadowview - Gerber	255	\$1,233
8	Power Inn - Florin Mall	499	\$2,776
9	Carmichael - Walnut	121	\$955
10	Carmichael - Dewey	100	\$1,335
18	Del Paso Hts - Bell	108	\$1,100
20	Cottage	237	\$1,492
36	Folsom	188	\$1,159
50E	Stockton Blvd	641	\$3,867
63	24th St - Hogan	172	\$1,179
73	White Rock	196	\$1,900
83	14th Ave	290	\$1,123
89	Gateway Oaks	24	\$109
94	Citrus Hts - Auburn	66	\$1,079
95	Citrus Hts - Antelope	70	\$1,091
100	Antelope Express	79	\$362
101	Don Julio	46	\$203
102	Hillsdale Express	61	\$267
104	Sunset	51	\$252
106	Madison Express	43	\$210
107	Greenback Express	36	\$194
141	3rd/16th Streets	110	\$1,082
142	9th/10th Streets	140	\$547
200	Florin Rd./Freeport Blvd.	28	\$92
201	South Land Park Dr.	4	\$86
210	La Riviera Dr.	3	\$100
226	Pocket Rd./Riverside Blvd.	51	\$159
251	Freeport/Fruitridge/24th	16	\$49
261	La Riviera/Rosemont/Lincoln Vill	51	\$166

Routes Proposed for Saturday Elimination

Route	Name	Boardings	Cost
5	Meadowview/Valley Hi	176	\$3,022
6	Land Park	217	\$1,914
8	Power Inn/Florin Mall	214	\$1,140
13	Northgate	181	\$1,345
14	Norwood	270	\$1,626
16	Del Paso Hts/Norwood	94	\$861
24	Madison/Greenback	73	\$484
28	Fair Oaks/Folsom	298	\$2,338
54	Center Parkway	138	\$2,052
61	Fruitridge	313	\$1,483
65	Franklin South	128	\$1,490
74	International	106	\$1,053
143	Old Sac. Convention Ctr.	112	\$724

Routes Proposed for Sunday Elimination

Route	Name	Boardings	Cost
8	Power Inn/Florin Mall	155	\$1,141
13	Northgate	138	\$1,345
14	Norwood	214	\$1,626
22	Arden	194	\$981

Routes Proposed for Frequency Adjustments

Weekdays			
Route	Name	Boardings	Cost
1	Greenback	3,234	\$9,563
2	Riverside	727	\$3,431
6	Land Park	559	\$3,487
34	McKinley	732	\$3,891
38	P/Q Streets	1,140	\$4,568
61	Fruitridge	882	\$4,103
Saturdays			
1	Greenback	1263	\$6,016
30	J St. Dash	686	\$3,632
81	Florin	3,578	\$9,312
	Light Rail	4,504	\$6,970
Sundays			
23	El Camino	1258	\$4,833
30	J St. Dash	473	\$2,340
56	Pocket/CRC	876	\$3,691
81	Florin/65th St.	1209	\$5,413
	Light Rail	4,504	\$6,970