

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

ISSUE

Authorizing Staff to Release the Sacramento Regional Transit District Proposed FY 2013 Operating and Capital Budgets and Notice of a Public Hearing for May 14, 2012.

RECOMMENDED ACTION

Adopt Resolution 12-04-____, Authorizing Staff to Release the Sacramento Regional Transit District Proposed FY 2013 Operating and Capital Budgets and Set Notice of a Public Hearing for May 14, 2012.

FISCAL IMPACT

None as a result of this report.

DISCUSSION

We begin this FY 2013 budget presentation with projections for revenues and expenditures based on current knowledge and expectations, recognizing that several areas of uncertainty remain. This report attempts to address the potential variables and provide scenarios that will play out based on the ultimate resolution of those areas of uncertainty. The FY 2013 Operating and Capital Budgets will be updated over the next two months as conditions change until June 25th, when the final result of all updates to both budgets will be presented for adoption.

More detail will be provided in the report, but to summarize, the primary areas of uncertainty remain the level of Federal funding RT will receive in both FY 2012 and FY 2013; whether or not the CNG rebate is reinstated with retroactivity to January, 2012; the level of State Transit Assistance (STA) realized state-wide in both FY 2012 and FY 2013; whether or not RT is awarded Joint Access Reserve Commute (JARC) funding at the level requested of the Sacramento Area Council of Governments (SACOG) through the JARC grant process; whether or not regional sales tax projections will hold or exceed the budgeted level; and whether or not the RT Retirement Boards will amend recent action regarding the adoption of changed actuarial assumptions.

Reserves Discussion

On March 12, 2012, the Board discussed budget priorities for FY 2013. The priorities discussed included: (1) reserves, (2) service restoration, (3) improve internal services such as weed abatement, graffiti removal, etc., (4) investment in personnel, and (5) capital funding. Most Board members expressed that the key priorities are FTA's requirement for RT to develop operating and capital reserves and service restoration.

When the RT Board adopted the Comprehensive Reserves Policy in September of 2011, the

Approved:

Presented:

Final 4/3/12

General Manager/CEO

Chief Financial Officer

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

basis for establishing an operating reserve policy was two-fold; to adopt a process and methodology to accumulate reserves to satisfy the FTA requirement that RT develop and maintain an operating reserve equal to 1.5 months of operating expenditures for the Blue Line to Cosumnes River College (South Line Phase 2) by the end of FY 2015; and to establish a reserve fund that the Board would have available to sustain RT through financially hard times and help weather the kind of fiscal crisis that in 2010 resulted in severe service cutbacks and layoffs.

RT’s Financial Forecasting Model (FFM) projects that with financial discipline and careful planning, RT will be able to accumulate enough reserves by the end of FY 2015 to satisfy the FTA requirement. Demonstrating the political will to direct available funds to the reserve fund (as the FFM calls for) will stand RT in good stead as the process to get the South Line Phase 2 project through the New Starts Process to the ultimate goal of negotiating a Full Funding Grant Agreement (FFGA) continues.

The FFM requires that an average of \$4.6 million per year must be designated as reserves over the four year period of FY 2012 – FY 2015. RT is well on its way to meeting the average annual reserve requirement in FY 2012. As the tables in this report will indicate, a potential reserve of \$6.6 million is projected at year-end FY 2012 and the proposed operating budget for FY 2013 includes a potential reserve of \$3.6 million, which is a cumulative reserve of \$10.2 million at the end of FY 2013.

The level of reserve funds available for accumulation in the Reserve Fund in future years will depend heavily on the level of service additions adopted over the same time frame and whether or not the revenue and expenditure assumptions within the FFM are achieved. RT has demonstrated to FTA that the assumptions within the FFM are conservative and achievable. The FFM also provides for service additions over time from FY 2013 to FY 2017 that will equal the level of service cut in FY 2010. To achieve both the accumulation of operating reserves and the projected level of service additions will require a careful balancing of available resources. This presentation will attempt to illustrate this for Board consideration.

Budget Process and History

FY 2013 Budget discussions with RT’s General Manager began in mid January and non-labor cost discussions with EMT’s began on February 28, 2012. FY 2012 year-to-date performance in revenues and expenditures were reviewed thoroughly, and preliminary FY 2013 projections were developed. Staff from Operations, Planning and Finance worked together to estimate the cost of proposed service increases for Phase I of TransitRenewal.

The first look at the FY 2013 Preliminary Operating budget was presented to the Board on March 26, 2012. The presentation included the initial projections for FY 2013 revenues and expenses before service additions, and the projected net costs of TransitRenewal Phase 1, as presented at the “Public Hearing to consider September 2012 service changes and strategies described in the TransitRenewal Comprehensive Operational Analysis”, at the same Board meeting.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

As previously reported, the major cost drivers in the FY 2013 Operating Budget before service increase considerations include a dramatic increase in pension costs; a full year of Green line operations; the Gold Line 8th train operations; increased Paratransit costs; and the end of negotiated labor agreement concessions in March 2013.

This report provides in depth information on FY 2013 revenue and expense projections as well as the supplementary information upon which the annual budgets are developed. See Abridged Budget for FY 2013, attachment 1 in this issue paper.

Service Plan

The budget development process starts with a service plan for the year. The FY 2013 Service Plan assumes, before service additions, that the District will operate 486,204 annual revenue hours of bus service, 22,039 revenue hours of CBS service and 214,912 revenue vehicle hours of light rail service. The programmed level of bus and light rail service in the preliminary budget is at the level the District provided in FY 2011 with the exception of the additional service hours related to a full year of Granite Park and North Natomas shuttle service, the Green Line to the River District, and 8th train operations. Adoption of Phase 1 of TransitRenewal as proposed will increase annual revenue hours by 13,589 for bus service, 3,188 revenue hours for CBS service and 6,563 for light rail service.

Voting System

Each year as part of the budget process, staff evaluates potential changes in the voting distribution among RT Board members. On March 12, 2007, the Board of Directors adopted the new Schedule of Weighted Voting Distribution. The schedule for all subsequent years is included in the proposed budget document and distributed to the voting agencies at least 60 days in advance of budget adoption. A detailed Proposed FY 2013 Schedule of Weighted Voting is included in the budget document. The schedule is subject to change as revenues change.

Operating Revenues

The following table includes revenue for FY 2012 Revised Operating Budget, and the FY 2013 preliminary (Baseline) Operating budget before consideration of additional service:

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

Table 1
 Sacramento Regional Transit District
 FY 2012- 2013 Operating Revenue
 (Dollars in thousands)

Categories	FY 2012 Revised	FY 2013 Base Budget	FY 2013 % Changes
Operating Revenues			
Fare Revenue	\$ 29,518,043	\$ 30,113,534	2.0%
Contracted Services	5,194,479	5,651,412	8.8%
State & Local	69,594,842	73,244,320	5.2%
Federal	24,214,766	25,184,226	4.0%
Other	3,245,292	3,245,292	0.0%
Carryover	(378,567)	-	
Total Operating Revenue	\$ 131,388,855	\$ 137,438,784	4.6%

Fare Revenue

The revised FY 2012 budget amendment in February 2012, included a reduction in fare revenue to \$29.5 million, based on current year ridership trends as of the end of December 2011. The preliminary budget estimate for fare revenues for FY 2013 includes an increase of 2.0% or \$0.6 million over FY 2012 projected fare revenues. This projected increase is based on anticipated increases in ridership due to gasoline prices rising over \$4.20 per gallon and a full year of operations for the Green Line to the River District light rail extension. In addition, we would expect that the service reductions have been in place for nearly two years and riders have had more time to adjust and use the reduced levels of bus and light rail service. If fares were to increase by one percent more than the projected 2.0% in FY 2013, this would generate an additional \$300,000 in fare revenue.

Contract Services

The Cities of Citrus Heights, Elk Grove, and Folsom contract with RT for transit services. The FY 2013 preliminary budget estimate for contract services for FY 2013 is \$5.6 million, which is an increase of \$0.5 million (8.8%) from the FY 2012 revised budget. This reflects an increase in the Folsom contract of \$0.3 million and an increase for Granite Park and North Natomas TMA service of \$0.2 million for a full year of operations in FY 2013.

State & Local

Funds are derived from sales taxes collected within Sacramento County by the State of California and returned to the County for transit programs based on established formulas. This category includes the District's 38.2% share of the revenues from Measure A, a local half cent sales tax

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

initiative originally authorized by Sacramento County voters in 1988 and renewed in 2004. This Category also includes the State of California Transportation Development Act (TDA), Local Transportation Fund (LTF) and State Transit Assistance allocations. The Measure A and Local Transportation Funds are sales tax based revenues. Sales tax receipts county-wide were posted on March 15th. RT tracks the numbers several different ways including month-to-month (prior year), quarter-to-quarter (prior year), and current fiscal year-to-date to prior fiscal year-to-date comparison. Indications are the trend continues to remain steady near or slightly over 5%.

The Sacramento Transportation Authority has sent RT revenue projections for FY 2013 Measure A allocations that reflect that STA will use 5.5% growth in FY 2013 for their budget planning purposes. RT's projected Measure A revenue for FY 2012 is \$30.3 million; the FY 2013 Preliminary Operating Budget currently reflects a 5.5% growth factor as projected by the Sacramento Transportation Authority for FY 2013 above FY 2012 year-end projections to \$33.1 million. Each one percent change in Measure A sales tax growth over current projection would generate approximately \$310,000 of increase/(decrease) in Measure A revenue.

Information received from the Sacramento Area Council of Governments (SACOG) indicates that sales tax projections for FY 2013 are basically flat compared to FY 2012 sales tax projections. The SACOG Board of Directors adopted the Findings of Apportionment of Local Transportation Funds (LTF) for FY 2013. RT's proposed LTF revenue for FY 2013 is \$32.0 million which is a 5.5% growth factor over FY 2012 year-end projections, which is consistent with the Sacramento Transportation Authority's projections for FY 2013 growth in revenue. Each one percent change in LTF sales tax growth over current projection would generate approximately \$310,000 in increase/(decrease) in revenue.

The State Transit Assistance funding (STA) is currently projected for FY 2013 at \$420 million statewide, which is the same level as the Governor's January proposed state budget for FY 2013 from this funding source. The current RT projection for FY 2012 for STA funding is also at the \$420 million statewide amount. This may change as projections at the state level become more certain. Staff is monitoring the State budget closely along with projections of diesel fuel sales projections for FY 2012 and FY 2013.

Federal Funding

Federal funding from Section 5307 Urbanized Area Formula funds are projected at \$18.4 million for FY 2013. The Federal Government has done a partial year appropriation for FY 2012 Section 5307 funding. Our current FY 2013 estimate is based on SACOG's – Transit Coordinating Committee recommended funding level for the Sacramento Urbanized Area for FY 2012, which includes \$22.8 million for the Region, and \$18.4 million for RT's portion. The FY 2013 proposed budget is flat compared to this projected \$18.4 million amount for FY 2012. RT staff is monitoring this area closely to determine what our actual FY 2012 funding will be once the full 2012 year apportionment is completed.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

Other

Revenue derived from a variety of sources such as investment income, CNG rebate, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities and parking revenue. The FY 2013 Operating Budget proposes \$3.2 million in other revenue, which is the same projection as the FY 2012 revised budget.

Operating Expenditures

The following table includes expenses for FY 2012 Revised Operating Budget, and the FY 2013 Preliminary (Baseline) Operating budget before consideration of additional service:

Table 4 2
Sacramento Regional Transit District
FY 2013 Operating Expenses
(Dollars in thousands)

Categories	FY 2012 Revised	FY 2013 Base Budget	FY 2013 % Changes
Operating Expenses			
Salaries & Benefits	\$ 81,493,669	\$ 85,956,213	5.5%
Professional Services	10,740,526	10,484,278	-2.4%
Paratransit	10,961,292	11,573,145	5.6%
Materials & Supplies	7,670,250	8,400,300	9.5%
Utilities	5,986,260	6,285,000	5.0%
Insurance & Liability	7,891,094	8,063,500	2.2%
Other Expenses	1,920,840	2,140,785	11.5%
Total Operating Expenses	\$ 126,663,931	\$ 132,903,221	4.9%

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 2013 Preliminary Base Budget proposes \$86.0 million for salaries and benefits, an increase of \$4.5 million (5.5%) from the FY 2012 Revised Budget of (\$81.5 million).
- The FY 2013 Preliminary Base Budget includes 961 Board authorized positions that are partially or fully funded compared to FY 2012 Amended Budget that had 951 authorized and 937 funded positions. These additional funded positions are to support current service levels and to support additional projects in the upcoming year, which include Smart Card technology, 84 electronic signs, 186 fare vending machines, tap devices, 7 new servers plus 6 sales centers (Smart Card), and 247 station and Park and Ride cameras, and the new fueling facility at BMF 2. Two existing Transportation Supervisors positions were removed from the base budget and allocated to TransitRenewal Phase 1.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

- Labor increases by \$1.8 million (3.7%) from the FY 2012 Revised Budget projections (\$47.1 million). Overtime increases \$0.4 million (11.6%). In addition, all 961 authorized positions are funded with a 3% vacancy factor compared to FY 2012 Revised Budget that funded 937 positions of the 951 authorized positions.
- Fringe Benefits increased by \$3.3 million (8.5%) from the FY 2012 Revised Budget projections (\$38.4 million). This increase reflects a \$2.8 million (21.9%) combined increase in pension costs, and a \$0.3 million (2.9%) increase in medical costs. Although the rates were adopted on March 19, 2012 by the five Retirement Boards, there is a chance the proposed pension increase could be reduced by approximately \$1.3 million based on additional information requested by the Retirement Boards from the Actuary on alternative scenarios to the one proposed by the Actuary and adopted by the Retirement Boards.

Professional Services category includes: transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants.

- The FY 2013 Preliminary Base Operating Budget proposes \$10.5 million for Professional Services, a decrease of \$0.2 million (2.4%) from the Amended FY 2012 Operating Budget projections of \$10.7 million. The reduction is due to reduced outside services for FY 2013 compared to current year.

Paratransit includes services for the Americans with Disabilities Act (ADA).

- The FY2013 Preliminary Base Operating Budget proposes \$11.6 million for Paratransit services which reflects an increase of \$0.6 million (5.6%) from the Amended FY 2012 Operating Budget projections at \$11.0 million, based on projections of increased demand for ADA service and a cost per trip CPI increase provided by Paratransit, Inc.

Materials & Supplies category includes: fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies.

- The FY 2013 Preliminary Base Operating Budget proposes \$8.4 million for materials and supplies which is an increase of \$0.7 million (9.5%) from the Amended FY 2012 Operating Budget projections of \$7.7 million. This change reflects increases in gasoline and diesel fuel, and an increase in light rail and fare vending parts.

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

- The FY 2013 Preliminary Base Operating Budget proposes \$6.3 million for utilities, an increase of \$0.3 million (5.0%) from the Amended FY 2012 Operating Budget projection of \$6.0 million. This reflects an increase in light rail traction costs due to a full year of Green Line and Gold Line 8th train operation and Kwh rate change.

Insurance & Liability category includes: premiums, claims, and attorney fees related to personal liability insurance, property damage insurance, worker's compensation claims, and commercial

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

insurance for amounts in excess of self-insured amounts.

- The FY 2013 Preliminary Base Operating Budget proposes \$8.1 million for casualty and liability insurance, an increase of \$0.2 million (2.2%) from the Amended FY 2012 Operating budget of \$7.9 million. This reflects an increase in Excess Liability Premium of \$0.18 million (11.1%).

Other 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 2013 Preliminary Base Operating Budget proposes \$2.1 million for other expenditures, an increase of \$0.2 million (11.5%) from the Amended FY 2012 Operating Budget (\$1.9 million). This reflects the continuation of the General Manager’s (GM) Contingency in the amount of \$0.25 million. Year-end projections assume that funds allocated to the GM Contingency in FY 2012 will be fully expended and a new reserve is re-established to cover FY 2013 uncertainties. This also includes \$0.1 million for Roadeo Competition in FY 2013.

Positions

The FY 2013 Budget proposes personnel strength of 984 Board authorized positions which are funded or partially funded. This is 33 more than the authorized positions of 951 in the FY 2012 revised Budget. The abridged budget document contains a summary of all positions. Out of 984 authorized positions, 23 positions are for the TransitRenewal Phase 1 and all positions are funded or partially funded in the FY 2013 Preliminary Budget.

Summary Recap of FY 2013 Preliminary Base Operating Budget

Table 3 on the following page provides a summary of the projected financial results with the assumptions described in this report. Revenue assumptions are based on current estimates from state and local sources and non-labor expenditures, exclusive of Paratransit, are just 4.4% over prior year. Before consideration of service restoration, the first look at the FY 2013 Preliminary Base Operating Budget reflects a potential budgeted reserve at year-end of \$4.5 million.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

Table 3
FY 2013 Preliminary Base Operating Budget
Financial Summary

Categories	FY 2012 Revised	FY 2013 Base Budget	FY 2013 \$ Changes	FY 2013 % Changes
Operating Revenues				
Fare Revenue	\$ 29,518,043	\$ 30,113,534	\$ 595,491	2.0%
Contracted Services	5,194,479	5,651,412	456,933	8.8%
State & Local	69,594,842	73,244,320	3,649,478	5.2%
Federal	24,214,766	25,184,226	969,460	4.0%
Other	3,245,292	3,245,292	-	0.0%
Carryover	(378,567)	-	378,567	
Total Operating Revenue	\$ 131,388,855	\$ 137,438,784	\$ 6,049,929	4.6%
Operating Expenses				
Salaries & Benefits	\$ 81,493,669	\$ 85,956,213	\$ 4,462,544	5.5%
Professional Services	10,740,526	10,484,278	(256,248)	-2.4%
Paratransit	10,961,292	11,573,145	611,853	5.6%
Materials & Supplies	7,670,250	8,400,300	730,050	9.5%
Utilities	5,986,260	6,285,000	298,740	5.0%
Insurance & Liability	7,891,094	8,063,500	172,406	2.2%
Other Expenses	1,920,840	2,140,785	219,945	11.5%
Total Operating Expenses	\$ 126,663,931	\$ 132,903,221	\$ 6,239,290	4.9%
Budgeted Reserve	\$ 4,724,924	\$ 4,535,563		

Risk Analysis

One area of continuing concern is the CNG tax rebate, which is included in both the Revised FY 2012 Operating Budget (\$600,000) and is assumed in the FY 2013 Preliminary Base Operating Budget (\$1.2 million). Continuation of the CNG tax rebate seems increasingly less likely given the current political climate at the national level. If no action is taken to restore the rebate by June, 2012, staff will adjust the FY 2013 Preliminary Operating Budget to take it out of the revenue projections.

An additional area of exposure exists with regard to the sales tax projections assumed in the FY 2013 Preliminary Operating Budget. Growth in Measure A in FY 2013 is based on a projection of 5.5% issued by the Sacramento Transportation Authority this week. If this projection proves to be too optimistic, the level of sales tax revenue in the budget will not be realized.

Another area of uncertainty exists in determining the level of State Transit Assistance to use to calculate RT's share of statewide STA revenue. It is largely dependent on the sales tax on Diesel fuel and the price of Diesel fuel has fluctuated significantly over time. State wide projections for FY 2012 currently range dramatically. The Legislative Analyst's Office (LAO) projections for FY 2013

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

range upward to \$420 million, while the California Transit Association is recommending that we use \$376 million. The FY 2013 Preliminary Operating Budget projection for STA is currently based on \$420 million. As the remainder of FY 2012 progresses and the Governor’s May Revise Budget is issued for the FY 2013 State budget, we may have a better sense of where this number will land.

Another factor that will determine the final revenue projections is whether or not the Retirement Boards revise the action taken on March 19, 2012 and direct the Actuary to revise the actuarial study with changed yet reasonable investment and inflation assumptions. The Retirement Boards accepted an actuarial study that will significantly increase the level of required pension funding in FY 2013 due to changed assumptions in the actuarial methodology used to prepare the study. The Actuary did not offer an acceptable range of assumptions for consideration by the Retirement Boards, instead offering up only one scenario for consideration in the study. This resulted in the adoption of the study by the Retirement Boards as presented. RT staff had no choice but to include the resulting funding levels in the FY 2013 Preliminary Operating Budget. The Retirement Boards did ask the Actuary to return with alternatives to the assumptions used in the study for their consideration. This may result in a change to the FY 2013 Actuarial Study. Restoring prior year assumptions for both the investment and inflation rates to the actuarial study would return approximately \$1.3 million to the FY 2013 Preliminary Operating Budget.

TransitRenewal/COA - Phase 1 Projected Revenue and Expenditures

This section outlines the projected fiscal impact of Phase 1 of TransitRenewal. The projected service changes, if adopted in the proposed form, would be implemented on September 2, 2012. The fiscal impact represents 10/12th of the annualized revenue and costs.

Table 4 illustrates the projected revenues and expenses associated with the current TransitRenewal Phase 1 plan.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

Table 4
TransitRenewal Phase 1
Revenue and Expenses FY 2013

Categories	FY 2013 Phase I
Operating Revenues	
Fare Revenue	\$ 851,002
Federal	500,000
Total Operating Revenues	\$ 1,351,002
Operating Expenses	
Salaries & Benefits	\$ 1,341,898
Professional Services	305,000
Paratransit	273,318
Materials & Supplies	200,906
Utilities	145,950
Total Operating Expenses	\$ 2,267,072
Balance	\$ (916,070)

Revenues:

Fares

The Fare Revenue projections are based on bus and rail ridership estimates for phase 1 of TransitRenewal and before service reduction average fare of \$0.94. RT's staff estimated that bus and rail ridership will increase by 905,321. Assuming \$0.94 average fare, fare revenue associated with Phase 1 of TransitRenewal is projected to be \$851,002.

Federal

RT has submitted a Job Access/ Reverse Commute commute grant (JARC) to SACOG which is currently under review and consideration. The grant application request was for operating funds to support for certain routes and hours of operations included in our TransitRenewal Phase 1 service restoration. The current estimated amount of funding we are currently budgeting from this funding source is \$500,000. Staff anticipates that RT will know the final results for the JARC Regional grant applications in the near future.

Expenses:

Salaries & Benefits - The staffing needs for the Phase 1 of TransitRenewal require an additional 23 positions, which include 10 CBS bus operators, 5 light rail operators, 5 big bus operators, 2 Transportation Supervisors and 1 Bus Service Worker. The Salary and Benefit costs for these positions total \$1,341,898.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

Professional Services - Professional services include primarily security costs and the estimated increase in security costs for the additional light rail service is \$300,000.

Paratransit - The projected increase in Paratransit costs associated with the Phase 1 of TransitRenewal is \$273,318.

Materials & Supplies - The projected increase in supplies is \$200,906, which includes an increase in gasoline costs of \$64,906, lubricants of \$96,000, parts of \$40,000 and other supplies.

Utilities - The traction power costs for light rail are projected to increase by \$145,950.

Summary of FY 2013 Preliminary Base Operating Budget with TransitRenewal Phase 1:

Table 5 provides a summary comparison of the Amended FY 2012 Operating Budget and projected FY 2012 year end reserves, and the FY 2013 Preliminary Base Operating Budget with the TransitRenewal Phase 1 fiscal impact:

Table 5
FY 2013 Preliminary Operating Budget with TransitRenewal Phase 1
Revenue and Expense Summary

Categories	FY 2012 Revised Budget	FY 2013 Base Budget	Phase 1 Transit Renewal	FY 2013 Budget with Phase 1
Revenues	\$ 131,388,855	\$ 137,438,784	\$ 1,351,002	\$ 138,789,786
Expenses				
Labor	81,493,669	85,956,213	1,341,898	87,298,111
Non-labor	34,208,970	35,373,863	651,856	36,025,719
Paratransit	10,961,292	11,573,145	273,318	11,846,463
Total cost	126,663,931	132,903,221	2,267,072	135,170,293
Budgeted Reserve	\$ 4,724,924	\$ 4,535,563	\$ (916,070)	\$ 3,619,493
Other potential factors				
Revenues				
CNG rebate elimination	(600,000)	(1,200,000)		
State STA increase	509,648			
Federal 5307 increase	969,460			
Local Measure A	447,281			
Local LTF	592,807	625,411		
Expenses				
Pension cost reduction		(1,333,000)		
Projected Reserve	6,644,120	5,293,974	(916,070)	4,377,904
Cumulative Projected Reserve	\$ 6,644,120	\$ 11,938,094	\$ 11,022,024	\$ 11,022,024

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

Capital Improvement Plan

In February 2012, the Board adopted a comprehensive 5-Year CIP, which represents the District's efforts to strategically plan and prioritize capital projects from FY 2012 to FY 2016. The CIP is reviewed, updated, and reissued in its entirety on an annual basis, as one year drops and a new year is added. As part of the annual budget development cycle, the current year (FY 2013) proposed Capital Budget will become the first year of the update CIP for FY 2013 to FY 2017, which will be updated sometime in the fall of 2012.

Capital Budget

The Abridged Budget document includes a comprehensive list of proposed capital projects for new expenditure authorization and a complete list of all currently funded capital projects. The FY 2013 Capital Budget projects \$153.1 million of new funding for capital projects; \$76.0 million Federal, \$38.0 million State and \$39.1 million Local funding. The largest funding category is System Expansion (\$123.0 million). The project represented in this category is: Blue Line to Cosumnes River College (\$120.8 million).

Looking Ahead

Staff will continue to work diligently to confirm and modify plans with the Federal and State budget constraints. This will include monitoring fare revenue projections, and sales tax growth projections for FY 2013. The FY 2013 preliminary budget goal is to accumulate a reserve of \$3.6 million with a cumulative reserve at the end of FY 2013 of \$10.2 million. This includes the revenue assumptions for State Transit Assistance at the January 2012 Governor's proposed funding level for FY 2013 budget year, as well as estimates for sales tax growth for FY 2013. As mentioned in this issue paper, staff will continue to monitor these closely over the coming months.

BUDGET SCHEDULE:

- 5/14/12 Public Hearing accepting Public Comment on Proposed FY 2013 Budgets and Continue Public Hearing to June 25, 2012
- 6/25/12 Continue Public Hearing to accept Public Comment on the Proposed FY 2013 Operating and Capital Budgets, and Adopt the FY 2013 Operating and Capital Budgets

Public Hearing Process:

Pursuant to Section 102205(c) and (d) of the District's enabling legislation, the proposed budget must be submitted to each voting entity represented on the Board not less than 60 days prior to its adoption, and the Board must adopt the budget at a public hearing that is advertised in a newspaper of general circulation 15 days prior to the hearing. Staff is requesting Board

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	04/09/12	Open	Action	04/02/12

Subject: Release Fiscal Year 2013 Operating and Capital Budgets

authorization to release the FY 2013 Budget on April 9, 2012. In addition to the hearing required by District’s enabling legislation when the budget is adopted, staff recommends that the Board set a budget hearing prior to the adoption of the budget in order to obtain public comments earlier in the budget development process. Staff recommends that a hearing on the preliminary budget be conducted at the District’s regular meeting beginning at 6:00 p.m. on May 14, 2012. The public hearing will be advertised in a newspaper of general circulation, on District’s web site www.sacrt.com, and in an RT news release.

In addition to the foregoing, District’s Standard Operating Procedure FI-SOP-03-001 contains notification procedures required by FTA regulations pertaining to a grant recipient’s program of projects (capital projects). Since the District adopts a combined operating and capital budget, RT must comply with the FTA’s notification requirements pertaining to RT’s program of projects. Pursuant to FI-SOP-03-001, the preliminary capital budget must be released for at least a 30-day review period before action is taken by the Board of Directors. The notice of availability for the preliminary capital budget will be distributed via first-class mail to incorporated cities within the District, the County of Sacramento, neighboring cities adjacent to the District, interested special districts within the District, public transit operators, and private transportation providers. The notice will also be published in a newspaper of general circulation and minority-focused newspapers, as well as on mini-posters for display inside bus and light rail vehicles.

Staff Recommendation:

Staff recommends that the Board authorize staff to release the Sacramento Regional Transit District Proposed FY 2013 Operating and Capital Budgets for a sixty day review and set notice of a Public Hearing for May 14, 2012.



Sacramento Regional Transit District

**Abridged Budget
Fiscal Year 2012-2013**

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
Capital Project 2013 Expenditure Plan	22

Board of Directors

Bonnie Pannell, Chair

City of Sacramento

Pat Hume, Vice Chair

City of Elk Grove

Don Nottoli

County of Sacramento

Steve Miller

City of Citrus Heights

Steve Cohn

City of Sacramento

Phil Serna

County of Sacramento

Jay Schenirer

City of Sacramento

Darrell Fong

City of Sacramento

Roberta MacGlashan

County of Sacramento

Andy Morin

City of Folsom

Linda Budge

City of Rancho Cordova

Board of Directors Alternates

Steve Detrick

City of Elk Grove

David Sander

City of Rancho Cordova

Jeff Slowey

City of Citrus Heights

Executive Team

Mike Wiley
General Manager/CEO

Bruce Behrens
Chief Counsel

Dee Brookshire
Chief Financial Officer

RoseMary Covington
Assistant General Manager of Planning and Transit System Development

Dan Bailey
Chief Administrative Officer/EEO Officer

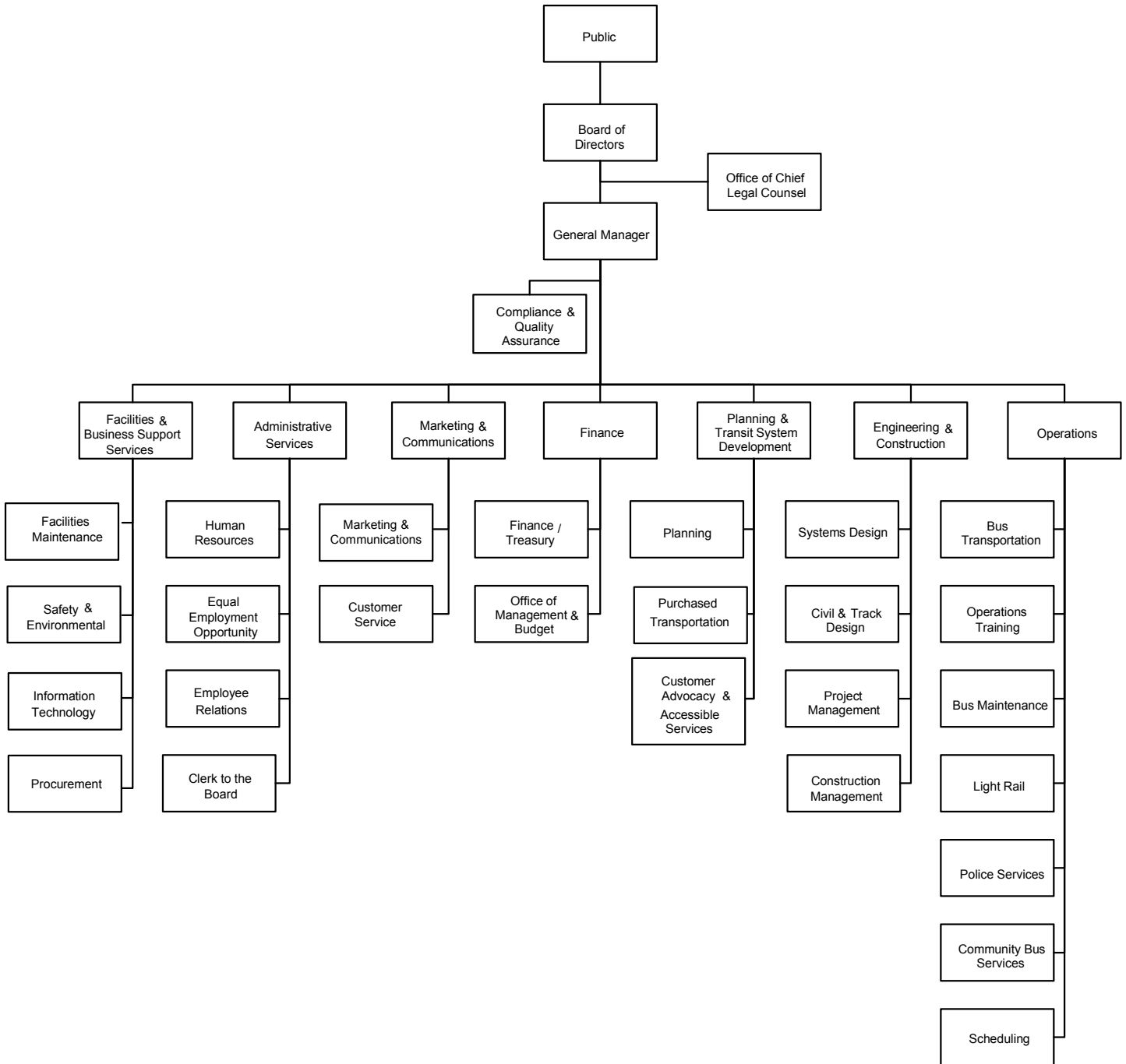
Mark Lonergan
Chief Operating Officer

Alane Masui
Assistant General Manager of Marketing and Communications

Mike Mattos
Chief of Facilities and Business Support Services

Diane Nakano
Assistant General Manager of 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	65
Schedule	4:38 am to 9:46 pm daily
Stops	3,500
Vehicles *	212 CNG buses; 4 CNG replica "trolleys"; 14 shuttle vans; 3 29' diesel buses
Annual Ridership	14,010,000

Light Rail Service	
Power	Electrical
Miles	36.89
Schedule	3:50 am to 10:38 pm daily
Stops	48
Vehicles	76
Annual Ridership	13,124,000

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

* Total Fleet

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's Strategic Plan summary of Mission, Vision, Values, and Goals are on the following page and 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. The strategic plan is currently under review and will be updated in the near future.

Strategic Plan, cont.

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.

Our Vision

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 Values

- Financial Sustainability
- Customer Service
- Regional Leadership
- Quality Workforce
- Ethical and Sound Business Practices

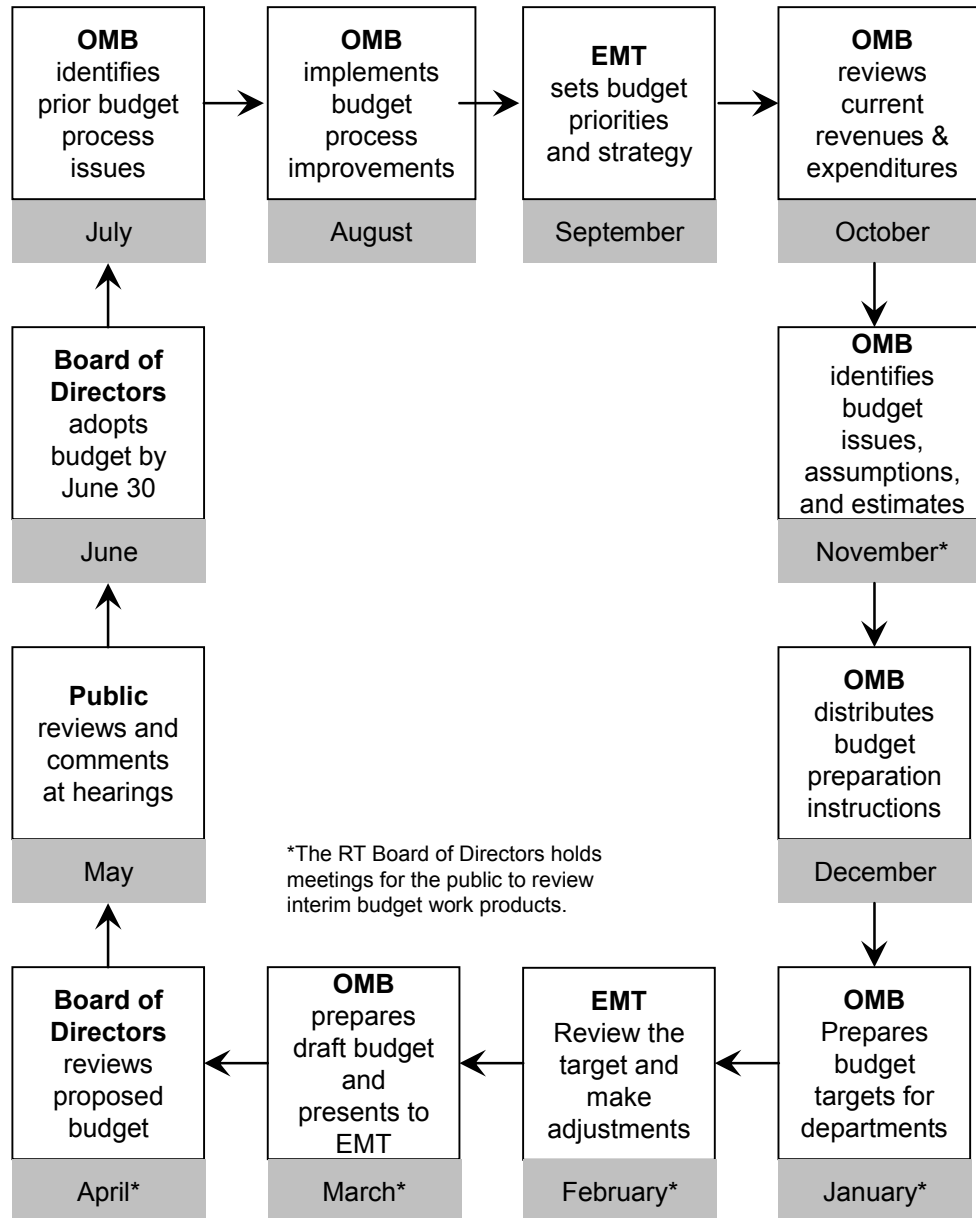
Our Goals

1. Secure the financial means to deliver our services and programs.
2. Provide total quality customer service.
3. Create a “World Class” regional transit system.
4. Be a great workplace, attract and retain a qualified, talented and committed workforce.
5. Conduct our business in a sound and ethical matter.



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.



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 2012 and for FY 2013 is shown in the table below. A detailed FY 2013 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2012 Budget	Shares – FY 2013 Proposed
County of Sacramento	Annex	42	41
City of Sacramento	Annex	38	36
City of Rancho Cordova	Annex	9	9
City of Citrus Heights	Contract	5	6
City of Elk Grove	Contract	3	4
City of Folsom	Contract	3	4
Total		100	100



Voting System, cont.

Fiscal Year 2013 Schedule of Weighted Voting Distribution Base Values*

Federal Financial Information								
Code Section:	<u>FY 12 Federal Funds Available in the Sacramento MSA</u>							30,067,970
102205(b)(6)								
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>							4,383,744
102205(b)(8)	<u>FY 12 Federal Funds Available for use in RT Service Area:</u>							25,684,226
Jurisdiction Specific Values								
	<u>City of Sacramento</u>	<u>County of Sacramento</u>	<u>Rancho Cordova</u>	<u>Citrus Heights</u>	<u>Folsom</u>	<u>Elk Grove</u>	<u>Totals:</u>	
102205(b)(10)	<u>Population:**</u>	469,566	558,061	65,502	83,618	72,439	154,594	1,403,780
	<u>Proportionate Population:</u>	33.45%	39.75%	4.67%	5.96%	5.16%	11.01%	100.00%
	<u>Member:</u>	Yes	Yes	Yes	No	No	No	
102100.2, 102100.3		4	3	1	1	1	1	11
102105.1(d)(2)(D)	<u>Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):</u>	8,591,403	10,210,549	1,198,456	1,529,915	1,325,378	2,828,525	25,684,226
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 13 State TDA Funds Made Available to RT:</u>	15,513,345	17,564,336	2,164,030	0	0	0	35,241,711
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 13 Funds Provided Under Contract:</u>	0	0	0	2,886,663	1,856,551	215,000	4,958,214
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 13 Other Local Funds</u>	0	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	24,104,748	27,774,885	3,362,486	4,416,578	3,181,929	3,043,525	65,884,151
102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	36.59%	42.16%	5.10%	6.70%	4.83%	4.62%	100.00%
Voting Calculation								
	<u>City of Sacramento</u>	<u>County of Sacramento</u>	<u>Rancho Cordova</u>	<u>Citrus Heights</u>	<u>Folsom</u>	<u>Elk Grove</u>	<u>Totals:</u>	
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>	31.0986	35.8336	4.3381	5.6980	4.1051	3.9266	85.0000
102105.1(d)(3)	<u>Total Shares:</u>	36.0986	40.8336	9.3381	5.6980	4.1051	3.9266	100.0000
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	36	41	9	6	4	4	100
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	36	41	9	6	4	4	100
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):**</u>							
	Member 1	9	13	9	6	4	4	
	Member 2	9	14	9	6	4	4	
	Member 3	9	14	N/A	N/A	N/A	N/A	
	Member 4	9	13	N/A	N/A	N/A	N/A	
	Member 5	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	41	9	6	4	4	100

* In addition to the funding sources set forth below, RT projects following funds for operating purposes: \$33,143,231 - Measure A

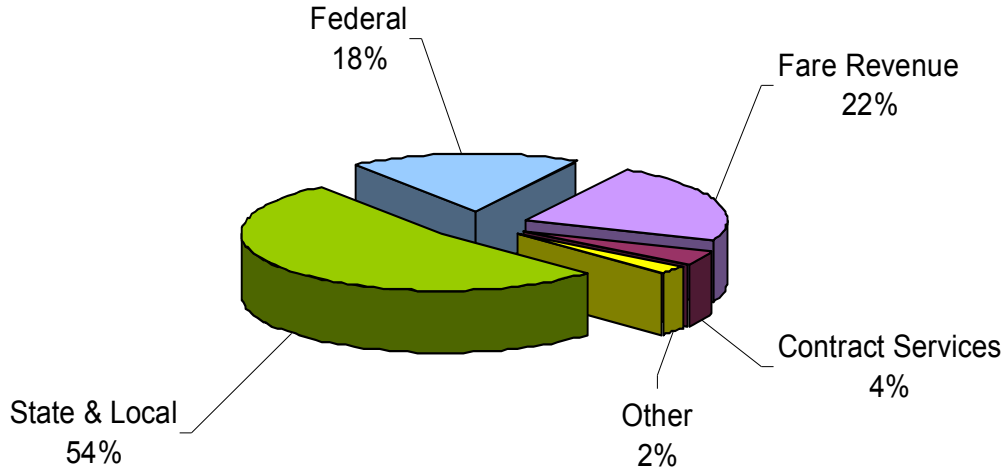
** Population as measured by the population statistics used by SACOG to allocate TDA funds for the same fiscal year for which the budget is adopted.

*** 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 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2013 Budget	FY 2013 to FY 2012 Amount	FY 2013 to FY 2012 Percent
Fare Revenue	\$ 30,864	\$ 28,967	\$ 29,518	\$ 30,965	\$ 1,447	4.9%
Contract Services	4,599	4,362	5,194	5,651	457	8.8%
Other	2,962	5,621	3,245	3,245	-	0.0%
State & Local	58,134	58,109	69,595	73,245	3,650	5.2%
Federal	30,914	23,331	24,215	25,684	1,469	6.1%
Carryover	-	-	(379)	-		
Total	\$ 127,473	\$ 120,390	\$ 131,388	\$ 138,790	\$ 7,402	5.6%
Reserve			\$ (4,725)	\$ (3,620)		
Operating Revenue	\$ 127,473	\$ 120,390	\$ 126,663	\$ 135,170	\$ 7,402	5.8%

Revenue cont.

Fare Revenue

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

- The FY 2013 Preliminary Budget proposes \$31.0 million in Fare revenue, an increase of \$1.4 million (4.9%) from the FY 2012 Revised Budget (\$29.5 million).
- This reflects a slight increase in ridership projections due to a full year of Green Line and 8th train operation.
- This includes Fare Revenue estimates associated with Phase I Transit Renewal service changes.

Contracted Services

This category includes contracts with the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, Granite Park and North Natomas shuttle services. These cities purchase RT transit services.

- The FY 2013 Preliminary Budget proposes \$5.7 million in Contracted Services revenue, an increase of \$0.5 million (8.8%) from the FY 2012 Revised Budget (\$5.2 million).
- This reflects a full year of Granite Park and North Natomas shuttle service operations.
- This also reflects increase in Folsom contract due to catch-up provision for the prior year.
- This also includes increase in Citrus Heights due to an increase in LTF projections.

Other

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

- The FY 2013 Preliminary Budget proposes \$3.2 million in other revenue, no change from FY 2012 Revised Budget.
- This includes a full year of CNG tax rebate 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 2013 Preliminary Budget proposes \$73.2 million in state and local funding revenue, an increase of \$3.7 million (5.2%) from the FY 2012 Revised Budget of \$69.6 million.
- This reflects a 5.5% increase in sales tax growth estimates for Measure A and LTF revenues from FY 2012 year-end projections.
- This also reflects an increase in STA funding of 5.3% based on \$420 million state-wide allocation.

Revenues, cont.

Federal Funding

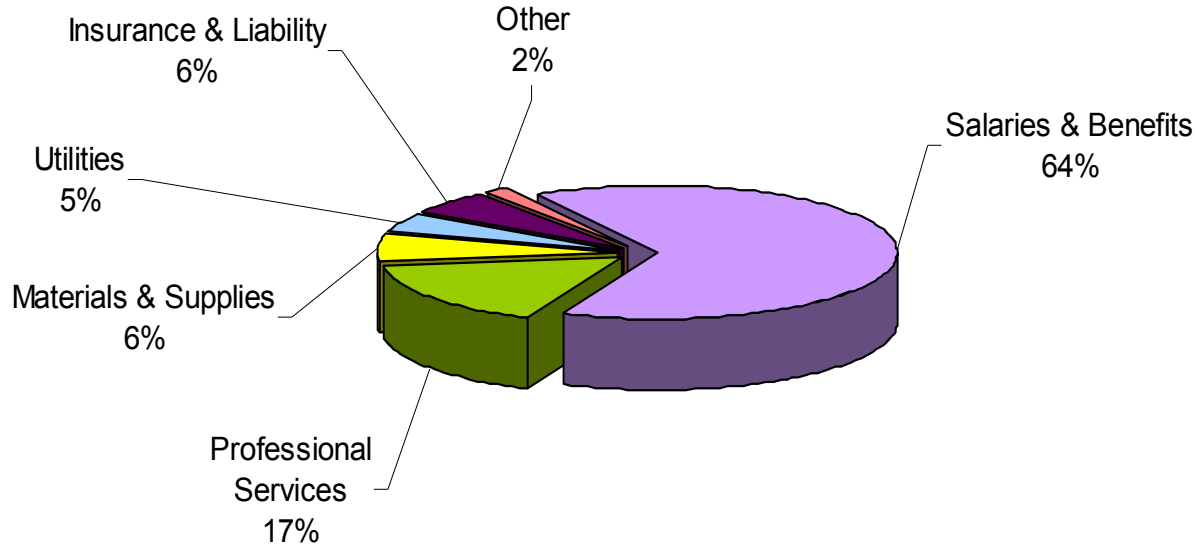
This category includes formula-based allocations to RT from the federal government. Each year Congress authorizes the appropriation and the Federal Transit Administration allocates the dollars to RT. RT can use the funds for operating, planning, and capital, subject to specific regulations.

- The FY 2013 Preliminary Budget proposes \$25.6 million in federal funding, an increase of \$1.5 million (6.1%) from the FY 2012 Revised Budget of \$24.2 million.
- Section 5307 Urbanized Area federal funding is projected to increase by \$1.0 million due to higher allocation to RT.

Expenses

Operating Expenses by Expense Category

(Dollars in Thousands)



	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2013 Budget	FY 2013 to FY 2012 Amount	Percent
Salaries & Benefits	\$ 90,548	\$ 78,690	\$ 81,494	\$ 87,298	\$ 5,804	7.1%
Professional Services	22,511	20,069	21,702	22,636	934	4.3%
Materials & Supplies	9,128	7,915	7,670	8,601	931	12.1%
Utilities	5,531	5,741	5,986	6,431	445	7.4%
Insurance & Liability	2,286	6,540	7,891	8,063	172	2.2%
Other	1,728	1,790	1,921	2,141	220	11.5%
Total Expenses	\$ 131,732	\$ 120,746	\$ 126,664	\$ 135,170	\$ 8,506	6.7%

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 2013 Preliminary Budget proposes \$87.3 million for salaries and benefits, an increase of \$5.8 million (7.1%) from the FY 2012 Revised Budget (\$87.3 million).
- Labor increased by \$2.9 million (6.2%) from the FY 2012 Revised Budget (\$47.1 million).
- Fringe Benefits increased by \$4.5 million (11.8%) from the FY 2012 Revised Budget (\$38.4 million). This reflects a \$2.9 million (23.3%) increase in pension costs and a \$0.6 million increase in Medical cost. Capital recovery and indirect costs have increased by \$1.6 million over FY 2012 Revised Budget. This represents labor charged to capital projects, which reduces the operating budget labor costs.
- The Fiscal Year 2013 Preliminary Budget includes 984 Board authorized positions, an increase of 33 positions from the Fiscal Year 2012 Revised Budget (951 positions). 23 positions in FY 2013 Preliminary Budget are related to Phase 1 TransitRenewal. All 984 authorized positions are fully or partially funded in the FY 2013 Preliminary Budget.

Professional Services

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

- The FY 2013 Preliminary Budget proposes \$22.6 million for Professional Services, an increase of \$0.9 million (4.3%) from the FY 2012 Revised Budget of \$21.7 million.
- This reflects an increase in purchased transportation (Paratransit) of \$0.9 million. Out of \$0.9 million increase in cost, \$0.3 million are related to Phase I TransitRenewal.
- This includes an increase of \$0.3 million for Phase I Transit Renewal security services.
- This also includes a reduction of \$0.2 million in outside services.

Materials & Supplies

This category includes fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies.

- The FY 2013 Preliminary Budget proposes \$8.6 million for materials and supplies, an increase of \$0.9 million (12.1%) from the FY 2012 Revised Budget of \$7.7 million.
- This includes \$0.2 million in Phase I operating cost for materials and supplies.
- This reflects an increase in fuel costs, and bus, light rail and fare vending machine parts.

Expenses, cont.

Utilities

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

- The FY 2013 Preliminary Budget proposes \$6.4 million for Utilities, an increase of \$0.4 million (7.4%) from the FY 2012 Revised Budget (\$6.0 million).
- This reflects an increase in Light Rail Traction costs due to Kwh rate change and a full year of Green Line and 8th train operations.
- This includes \$0.14 million in Phase I TransitRenewal related costs.

Insurance & 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 2013 Preliminary Budget proposes \$8.1 million for casualty and liability insurance, an increase of \$0.2 million (2.2%) from the FY 2012 Revised Budget (\$7.9 million).
- This reflects an increase in Excess Liability Premium of \$0.2 million.

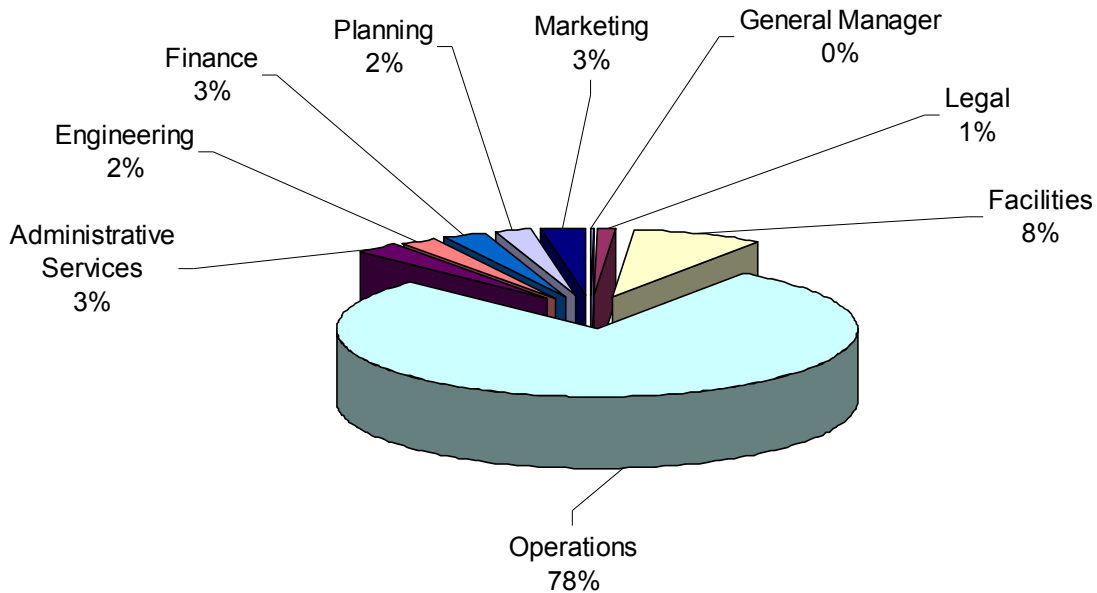
Other

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 2013 Preliminary Budget proposes \$2.1 million for other expenditures, an increase of \$0.2 million (11.5%) from the FY 2012 Revised Budget (\$1.9 million).
- This reflects an increase of \$0.1 million in General Manager's Contingency.
- This includes \$0.1 million for Rodeo competitions.

Positions

The Fiscal Year 2013 Preliminary Budget proposes 984 Board authorized positions, an increase of 33 positions from the Fiscal Year 2012 Revised Budget (951 positions). Out of 984 authorized positions, 23 positions are related to Phase I TransitRenewal. All authorized positions are fully or partially funded in the FY 2013 Preliminary Budget.



Division	FY 2010 Funded	FY 2011 Funded	FY 2012 Funded	FY 2012 Authorized	FY 2013 Funded
General Manager	2	2	2	3	3
Legal	9	10	10	10	10
Facilities	90	73	74	75	81
Operations	870	719	734	741	765
Administrative Services	25	22	23	24	26
Engineering	34	24	21	22	22
Finance	29	25	26	27	27
Planning	35	21	21	22	23
Marketing	35	26	26	27	27
Total	1,129	922	937	951	984

Capital Improvement Plan

This following table represents the Capital Budget spending plan for the FY 2013 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 2013 and 2017, and beyond to 2043.

The FY 2013 Budget includes projects focused on the following capital priorities:

System Expansion:

- Blue Line to Cosumnes River College
- Green Line to the River District (GL-1)

Fleet Program:

- UTDC Light Rail Vehicle Retrofit

Infrastructure Program:

- Light Rail Crossing Enhancements

Facilities Program:

- Bus Maintenance Facility #2 (Phase 1)

Transit Technologies Program:

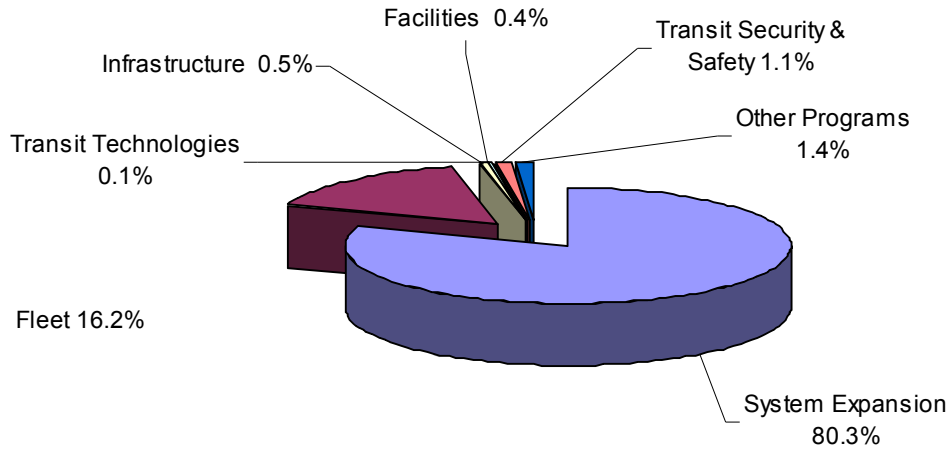
- Light Rail Station Video Surveillance and Recording System
- Connect Card Light Rail Platform Preparations

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



(Dollars in Thousands)

Category	FY 2013	
	Proposed	
System Expansion	\$ 123,080	80.3%
Fleet	24,835	16.2%
Infrastructure	827	0.5%
Facilities	625	0.4%
Transit Technologies	85	0.1%
Transit Security & Safety	1,666	1.1%
Other Programs	2,079	1.4%
Total	\$ 153,197	100%

Capital Improvement FY 2013 Funding Additions

Program	Project Name	Tier	Funded Through FY 2012	FY 2013 Budget Funding	Future Funding Additions	Total Project Cost Through FY 2043
System Expansion Programs						
402	Green Line Light Rail Extension	I	\$ 20,572,590	\$ 640,000	\$ 1,080,896,410	\$ 1,102,109,000
410	Blue Line to Cosumnes River College	I	80,965,350	120,805,984	68,228,666	270,000,000
F	Amtrak/Folsom Light Rail Extension	I	268,134,206	278,851	-	268,413,057
S010	South Loop Streetcar Phase I & II	IV	-	1,355,000	218,558,127	219,913,127
System Expansion Total			369,672,146	123,079,835	1,367,683,203	1,860,435,184
Fleet Programs						
B040	Neighborhood Ride Vehicle Replacement (Gasoline)	II	2,078,409	500,000	17,702,207	20,280,616
B100	CNG Existing Bus Fleet Replacement (2013 - 2042)	II	6,250,000	9,375,000	378,973,842	394,598,842
G225	Non-Revenue Vehicle Replacement	I	1,378,940	4,423,044	35,135,335	40,937,319
R085	UTDC LR Vehicle Retrofit and Mid Life Refurbishment	I	13,380,539	10,536,687	-	23,917,226
Fleet Program Total			23,087,888	24,834,731	431,811,384	479,734,003
Infrastructure Programs						
4017	Bus Stop Improvement Program	I	286,883	180,000	4,861,922	5,328,805
R255	Richards Blvd/12th & 16th St Grade Xing	0	1,185,601	647,202	-	1,832,803
Infrastructure Program Total			1,472,484	827,202	4,861,922	7,161,608
Facilities Programs						
F015	Facilities New Freedom-Add Mini-Hi's to Light Rail Station	0	-	625,000	-	625,000
Facilities Program Total			-	625,000	-	625,000
Transit Technologies Programs						
T003	Google Transit Trip Planner	0	47,747	84,855	10,994	143,596
Transit Technologies Program Total			47,747	84,855	10,994	143,596
Transit Security & Safety						
T005	CPUC General Order 172 - LRV Camera	0	-	305,482	-	305,482
T006	LRV System AVL Equipment	0	-	401,025	-	401,025
T007	Rail Infrastructure Hardening, Surveillance and Monitoring #2	0	-	317,000	-	317,000
T008	Completion Fiber Optics Communications Backbone	0	-	417,900	-	417,900
T009	Data Center Redundancy & Reliability	0	-	53,709	-	53,709
T010	Light Rail Facility Hardening	0	-	170,784	-	170,784
Transit Security & Safety Total			-	1,665,900	-	1,665,900
Other Programs						
G230	Certificates of Participation Payments	I	16,783,213	2,079,062	4,160,250	23,022,525
Other Programs Total			16,783,213	2,079,062	4,160,250	23,022,525
Total			\$ 411,063,478	\$ 153,196,585	\$ 1,808,527,753	\$ 2,372,787,816

* All project expenditures are subject to available funding.

Capital Project 2013 Expenditure Plan

Program	Project Name	Tier	Expended Through FY 2012	FY 2013 Budget Expenditures	Future Expenditures	Total Project Cost through FY 2043
System Expansion Programs						
410	Blue Line to Cosumnes River College	I	\$ 56,947,123	\$ 90,000,000	\$ 123,052,877	\$ 270,000,000
230	Northeast Corridor Enhancements (Phase 1)	I	23,451,071	749,984	10,298,946	34,500,000
404	Green Line to the River District (GL-1)	0	48,057,881	942,120	-	49,000,000
402	Green Line Light Rail Extension	I	15,025,145	2,000,000	1,085,083,855	1,102,109,000
F	Amtrak/Folsom Light Rail Extension	I	267,787,147	317,179	308,731	268,413,057
S010	Sacramento-West Sacramento Streetcar Starter Line	IV	-	1,085,000	218,828,127	219,913,127
System Expansion Total			411,268,366	95,094,283	1,437,572,536	1,943,935,184
Fleet Programs						
651	Siemens Light Rail Vehicle Mid-Life Overhaul	0	7,198,425	1,388,944	1,359,043	9,946,412
G225	Non-Revenue Vehicle Replacement	I	763,690	1,702,683	38,470,947	40,937,319
R001	CAF Light Rail Vehicle Painting	0	-	447,500	547,500	995,000
R085	UTDC Light Rail Vehicle Retrofit and Mid Life Refurbishment	I	1,632,282	6,646,338	15,638,607	23,917,226
R110	Siemens E & H Ramp Replacement	0	117	660,000	659,883	1,320,000
R320	Light Rail Bucket & Platform Trucks	0	86	250,000	124,915	375,000
Fleet Program Total			9,594,599	11,095,465	56,800,894	77,490,957
Infrastructure Programs						
G238	Repairs per Biennial Bridge Inspection	II	44,789	111,212	1,721,000	1,877,000
M002	University/65th Street Transit Center Relocation	I	267,484	452,517	2,925,000	3,645,000
R255	Richards Blvd/12th & 16th St Grade Xing	0	422,944	647,202	762,657	1,832,803
R280	Amtrak-Folsom Limited Stop Service	0	235,641	460,477	11,303,882	12,000,000
R321	Sacramento Intermodal Facility High Speed Rail (HSR) Connectivity	0	-	15,295,000	28,405,000	43,700,000
Infrastructure Program Total			970,857	16,966,407	45,117,539	63,054,803
Transit Oriented Development						
0542	Transit Oriented Development at 13th Street LR Station	0	-	37,500	37,500	75,000
0543	Transit Oriented Development at Power Inn LR Station	0	26,300	18,646	30,054	75,000
Transit Oriented Development Total			26,300	56,146	67,554	150,000
Facilities Programs						
4007	ADA Transition Plan Improvements	I	294,757	157,062	5,336,181	5,788,000
4011	Facilities Maintenance & Improvements	I	2,239,856	438,143	18,898,121	21,576,120
645	Major Light Rail Station Enhancements	I	5,184,474	-	43,399,808	48,584,282
715	Bus Maintenance Facility #2 (Phase 1)	I	16,871,407	8,555,229	20,771,701	46,198,337
B017	Citrus Heights Transit Enhancements	II	-	363,450	1,136,550	1,500,000
F011	Facilities New Freedom Tasks-Audible Feature Signal	0	-	257,799	-	257,799
F012	Facilities New Freedom Tasks-DWT's & Guidestrips RT bus loops	0	-	40,000	-	40,000
F013	Facilities New Freedom Tasks-Upgrade Startline Mini-Hi's	0	-	100,000	-	100,000
F015	Facilities New Freedom Tasks-Add Mini-Hi's to Light Rail Stations	0	-	237,070	387,930	625,000
R319	Light Rail Station Rehab Project	0	-	79,500	79,500	159,000
Facilities Program Total			24,590,494	10,228,253	90,009,791	124,828,538
Transit Technologies Programs						
G035	Fiber/50-Fig Installation, Maintenance, & Repair	II	174,335	25,000	278,075	477,410
G240	Additional Fare Vending Machines/Spares	0	386,700	50,000	763,301	1,200,000
T003	Google Transit Trip Planner	0	47,747	84,855	10,994	143,596
Transit Technologies Program Total			608,782	159,855	1,052,370	1,821,006

Capital Project 2013 Expenditure Plan Cont.

Program	Project Name	Tier	Expended Through FY 2012	FY 2013 Budget Expenditures	Future Expenditures	Total Project Cost through FY 2013
Transit Security & Safety						
B133	Bus Lot Improvements	0	66,306	319,900	253,795	640,000
H022	Completing Electronic Messaging Sign Deployment	I	129,122	423,463	294,343	846,927
H023	Rail Infrastructure Hardening, Surveillance and Monitoring #1	I	-	124,455	124,454	248,909
T001	LRV Video Surveillance System Upgrade	0	-	200,000	325,350	525,350
T005	CPUC General Order 172 - LRV Camera	0	-	305,482	-	305,482
T006	LRV System AVL Equipment	0	-	401,025	-	401,025
T007	Rail Infrastructure Hardening, Surveillance and Monitoring #2	0	-	317,000	-	317,000
T008	Completion Fiber Optics Communications Backbone	0	-	417,900	-	417,900
T009	Data Center Redundancy & Reliability	0	-	53,709	-	53,709
T010	Light Rail Facility Hardening	0	-	170,784	-	170,784
Transit Security & Safety Total			195,427	2,733,718	997,941	3,927,086
Other Programs						
4024	General Construction Management Support Services	II	357,303	21,673	3,106,024	3,485,000
4025	General Engineering Support Services	II	313,689	10,030	1,899,970	2,223,689
G230	Certificates of Participation Payments	I	16,783,213	2,079,062	4,160,250	23,022,525
Other Program Total			17,454,205	2,110,765	9,166,244	28,731,214
Total			\$ 464,709,029	\$ 138,444,892	\$ 1,640,784,868	\$ 2,243,938,788

* All project expenditures are subject to available funding.

RESOLUTION NO. 12-04-_____

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

April 9, 2012

AUTHORIZING STAFF TO RELEASE THE SACRAMENTO REGIONAL TRANSIT DISTRICT PROPOSED FY 2013 OPERATING AND CAPITAL BUDGETS AND SET NOTICE OF A PUBLIC HEARING FOR MAY 14, 2012

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

THAT, the General Manager/CEO or his designee is hereby authorized to release the proposed Operating and Capital Budgets for FY 2013, including the information described in paragraphs (3) to (10) of Public Utilities Code Section 102205(b) and a draft apportionment of votes, and notice a public hearing for said budgets for May 14, 2012.

BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary