

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
16	06/25/12	Open	Action	06/01/12

Subject: Adopt Fiscal Year 2013 Operating and Capital Budget

## ISSUE

Adopt the Fiscal Year 2013 Operating and Capital Budgets and Authorize the filing of the Transportation Development Act (TDA) claim based on the Adopted Fiscal Year 2013 Budget.

## RECOMMENDED ACTION

- A. Accept Public Comment; and
- B. Adopt Resolution No. 12-06-\_\_\_\_, Approving the Sacramento Regional Transit District Fiscal Year 2013 Operating and Capital Budgets and Vote Allocation; and
- C. Adopt Resolution No.12-06-\_\_\_\_, Authorizing the Filing of the Fiscal Year 2013 Transportation Development Act (TDA) Claim Based on the Adopted Budget.

## FISCAL IMPACT

Budgeted:	No	This FY:	\$ N/A
Budget Source:	Operating/Capital	Next FY:	\$ 287.5 million
Funding Source:	Various	Annualized:	\$ N/A
Cost Cntr/GL Acct(s) or Capital Project #:	Various	Total Amount:	\$ 287.5 million
Total Budget:	Operating \$134.3 million Capital \$153.2 million		

## DISCUSSION

This report presents RT's Fiscal Year 2013 Operating and Capital Budgets for adoption. These are steady-state budgets that control costs and include the revenue and expenses associated with TransitRenewal Phase 1, which will begin in September 2012. The Fiscal Year 2013 Operating and Capital Budgets are based on conservative assumptions and plan for a year-end operating reserve of \$4.2 million. When combined with the currently projected FY 2012 reserve of \$5.7 million, the total projected FY 2013 cumulative reserve is \$9.9 million.

The Proposed Fiscal Year 2013 Operating and Capital Budgets (see Exhibit A) were released for a sixty-day public review on April 9, 2012. The Public Hearing was opened on May 14, 2012, and the public was offered an opportunity to express opinions regarding the proposed Fiscal Year 2012 Abridged Budget. Staff reported to the Board on public comments via letter or emails at that time. Cumulative responses as of this date, include two e-mails, which were discussed at the May 14<sup>th</sup> Board meeting and public hearing on the FY Operating and Capital Budgets.

Approved:

  
General Manager/CEO

Presented:

  
Chief Financial Officer

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Staff has continued to refine the expenditure plan and monitor revenue projections since the release of the Preliminary Fiscal Year 2013 Operating and Capital Budgets. Both revenue and expenditure projections have fluctuated and, as a result, staff proposes the following summary changes in the revenue and expenditure budgets for the upcoming fiscal year.

**Table 1  
FY 2013 Operating Budget Comparison**

Categories	FY 2013 Preliminary Budget	FY 2013 Final Budget	FY 2013 \$ Changes	FY 2013 % Changes
<b><u>Operating Revenue</u></b>				
Fare Revenue	\$ 30,964,536	\$ 30,964,536	\$ -	0.0%
Contracted Services	5,651,412	5,651,412	-	0.0%
State & Local	73,244,320	73,244,320	-	0.0%
Federal	25,684,226	25,684,226	-	0.0%
Other	3,245,292	2,920,292	(325,000)	-10.0%
<b>Total Operating Revenue</b>	<b>\$ 138,789,786</b>	<b>\$ 138,464,786</b>	<b>\$ (325,000)</b>	<b>-0.2%</b>
<b><u>Operating Expenses</u></b>				
Salaries & Benefits	\$ 87,298,111	\$ 86,705,915	(592,196)	-0.7%
Professional Services	22,635,741	22,600,663	(35,078)	-0.2%
Materials & Supplies	8,601,206	8,451,206	(150,000)	-1.7%
Utilities	6,430,950	6,430,950	-	0.0%
Casualty & Liability	8,063,500	7,820,812	(242,688)	-3.0%
Other	2,140,785	2,290,785	150,000	7.0%
<b>Total Operating Expenses</b>	<b>\$ 135,170,293</b>	<b>\$ 134,300,331</b>	<b>\$ (869,962)</b>	<b>-0.6%</b>
<b>Potential Reserve</b>	<b>\$ 3,619,493</b>	<b>\$ 4,164,455</b>	<b>\$ 544,962</b>	

**Major Operating Budget Revisions:**

Decrease of projected total revenues of \$0.3 million due to:

- A decrease of \$0.3 million in Other Revenue due to a reduction in advertising revenue for FY 2013 based on a new vehicle advertisement contract after recent RFP process.

Net decrease of \$0.9 million in projected total operating expenses due to:

- A net decrease of \$0.6 million in Salaries & Benefits due to a pension cost reduction of \$719 thousand based on revisions to pension calculations combined with additional adjustments to positions which resulted in an increase of \$127 thousand.

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- A net decrease of \$35 thousand in Professional Services due to a reduction in Paratransit cost of \$217 thousand and an increase in Outside and Legal Services of \$182 thousand.
- A decrease of \$150 thousand in Material & Supplies due to lower CNG cost per therm.
- A decrease of \$243 thousand in Casualty & Liability due to a reduction to the insurance premiums over earlier estimates.
- An increase of \$150 thousand in Other expenses due to an increase in GM's contingency.

### Summary of Revenues and Expenses

The Fiscal Year 2012 Revised Operating Budget and FY 2013 Operating Budget is provided below in Table 2.

**Table 2  
Summary of Revenues and Expenses**

Categories	FY 2012 Revised Budget	FY 2013 Budget	% change
Revenues	\$ 132,358,315	\$ 138,464,786	4.6%
Expenses			
Labor	81,493,669	86,705,915	6.4%
Non-labor	45,170,262	47,594,416	5.4%
Total cost	126,663,931	134,300,331	6.0%
<b>Budgeted Reserve</b>	<b>\$ 5,694,384</b>	<b>\$ 4,164,455</b>	
<b>Budgeted Cumulative Reserve</b>	<b>\$ 5,694,384</b>	<b>\$ 9,858,839</b>	
Other potential factors:			
<b>Revenues</b>			
CNG tax rebate elimination	(600,000)	(1,200,000)	
Local Measure A	447,281		
Local LTF	592,807	625,411	
<b>Projected Reserve</b>	<b>\$ 6,134,472</b>	<b>\$ 3,589,866</b>	
<b>Projected Cumulative Reserve</b>	<b>\$ 6,134,472</b>	<b>\$ 9,724,338</b>	

The budgeted potential cumulative reserves at the end of FY 2013 total \$9.9 million, which is in line with the average reserve contribution of \$4.5 million per year in RT's Financial Forecasting Model, with the goal of reaching a total 1.5 month operating expenditure reserve at the end of FY 2016.

The other potential factors noted on Table 2 show the impact of these potential changes in revenue to the projected reserves. The most significant of these is the CNG tax rebate.

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The CNG tax rebate and revenue adjustments to FY 2012 will occur through the annual audit and will be reported to the Board with the audit report later this year. Both the CNG and revenue adjustments to FY 2013 will be proposed as mid-year revisions next February.

Personnel Changes

The Fiscal Year 2013 Preliminary Budget includes 984 Board authorized positions, an increase of 33 authorized positions and 14 positions that were not funded from the Fiscal Year 2012 Revised Budget (951 authorized and 937 funded positions). 23 Positions in the 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.

TransitRenewal

The FY 2013 Operating Budget includes Phase 1 of TransitRenewal, which is the first year of a five year effort to restore RT service levels to the pre-2010 service-cut level. Phase 1 will be implemented on September 1, 2012. The FY 2013 Operating Budget includes \$2.3 million in costs for Phase 1 of TransitRenewal, which represents 1.7% of the total 6% increase in expenses in FY 2013 over FY 2012 as shown in Table 2.

Other Service Changes

In addition to the added service with TransitRenewal Phase 1, the FY 2013 budget includes the following new service and related costs compared to current year FY 2012:

- A full year of operation of the Green Line to the River District light rail extension and an additional 8<sup>th</sup> Train for the Gold Line, both of which are added service with additional costs over FY 2012 of \$620,000, and also represent 8 of the added positions in FY 2013.
- A full year of Granite Park and North Natomas shuttle service. Both are added service with costs over FY 2012 of \$420,000, and also represent 8 of the added positions in FY 2013.
- Paratransit costs have increased as a result of some of these service changes, and the projected increase in FY 2013 over FY 2012 is approximately \$400,000.

The dollar impact of these changes total \$1.5 million in costs in FY 2013 over FY 2012 for these additional services. These costs represent 1.2% of the total 6% increase in expenses in FY 2013 over FY 2012 as shown in Table 2.

In summary, approximately 2.9% of the 6.0% increase in operating expenses in the FY 2013 Operating Budget over the revised FY 2012 Operating Budget are due to adding back or enhancing service in FY 2013.

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Fiscal Year 2013 Capital Budget

The Fiscal Year 2013 Capital Funding Budget is \$153,196,585. This amount reflects an increase over the revised FY 2012 Capital Funding Budget of \$81,685,151. The Fiscal Year 2013 Capital Expenditure Budget for all projects is \$138,444,892. The Capital Funding Budget changes year-to-year based on available funding, project development and timing. Details on the Capital Budget are included on pages 20 to 23 in Exhibit A, the FY 2013 Abridged Budget.

Recommended Board Action

Staff recommends that the Board close the Public Hearing and adopt the Fiscal Year 2013 Operating and Capital Budgets and vote allocation.

Consistent with past practice, staff recommends the Board delegate authority to the General Manager/CEO to file the Fiscal Year 2013 Transportation Development Act (TDA) claim in an amount not to exceed the District's apportionment sufficient to claim all available current and prior year funds available for RT.

Note: The District's TDA claim includes the annual allocation amount of \$1,304,751 to SACOG for transportation planning purposes. These funds are not included in the District's Fiscal Year 2013 Operating Budget as they are paid directly to SACOG.



# **Sacramento Regional Transit District**

**Abridged Budget  
Fiscal Year 2012-2013**

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## **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

**Dan Bailey**  
Chief Administrative Officer/EEO Officer

**Dee Brookshire**  
Chief Financial Officer

**RoseMary Covington**  
Assistant General Manager of Planning and Transit System Development

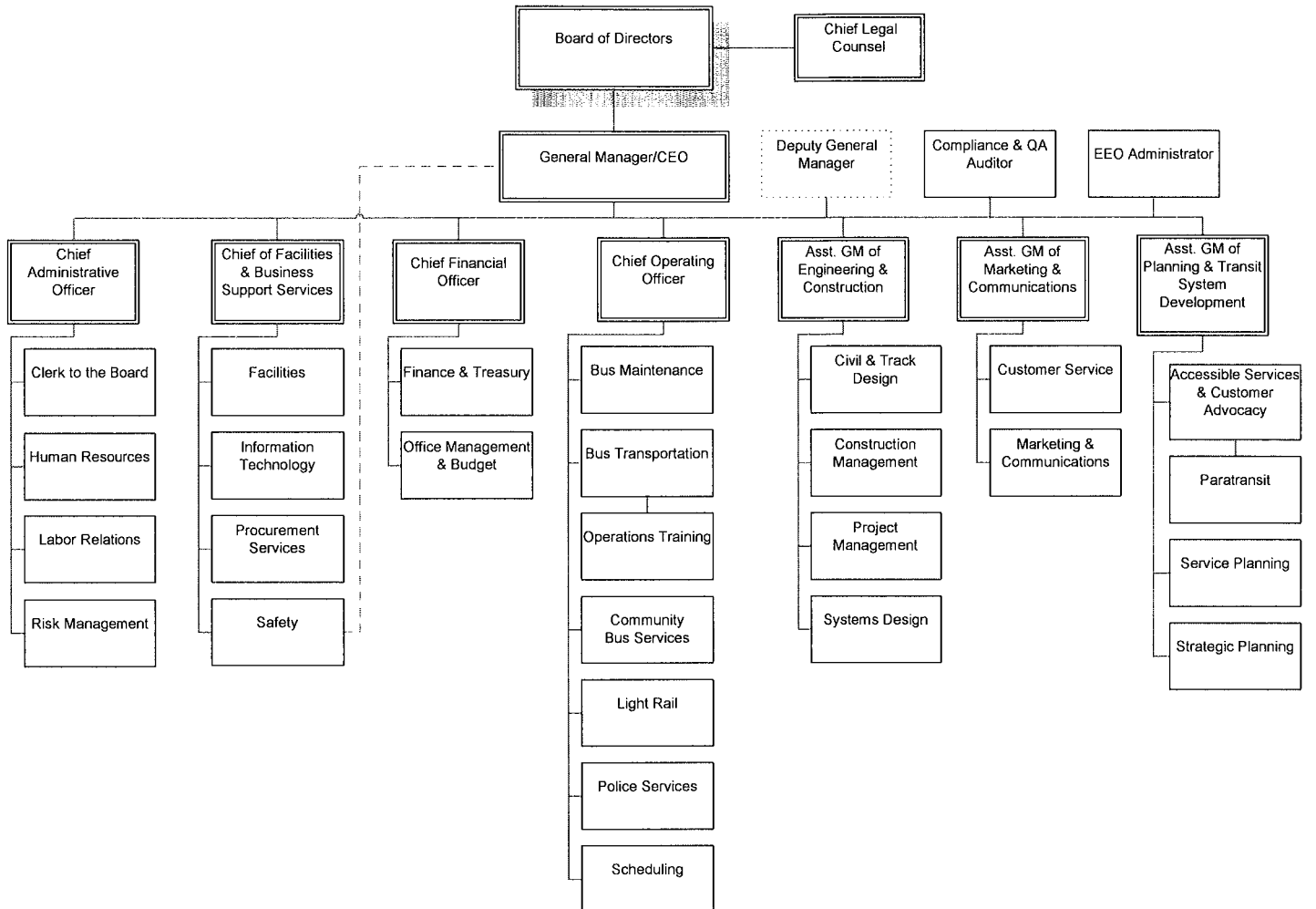
**Mark Lonergan**  
Chief Operating Officer

**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

<b>Sacramento Regional Transit District</b>	Constructs, operates, and maintains a comprehensive mass transportation system that serves 418 square miles in Sacramento County
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<b>Bus Service</b>	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	65
Schedule <i>Effective 9/1/12</i>	4:38 am to 10:00 pm daily 3:50 am to 12:47 am daily
Stops	3,500
Vehicles *	212 CNG buses; 4 CNG replica "trolleys"; 14 shuttle vans; 3 29' diesel buses
Annual Ridership	14,500,000

<b>Light Rail Service</b>	
Power	Electrical
Miles	37.99
Schedule <i>Effective 9/1/12</i>	4:58 am to 10:47 pm daily 4:58 am to 12:47 am daily
Stops	50
Vehicles	76
Annual Ridership	14,500,000

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

<b>Passenger Amenities/ Customer Service</b>	
Transfer Centers	26
Park & Ride	18
Annual Customer Service Calls	950,904
Customer Info Line	(916) 321-2877
Website	www.sacrt.com

\* Total Fleet

<b>History</b>	
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
Jun 2012	Opened the Green Line, connecting downtown Sacramento to the River District

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## **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 21<sup>st</sup> 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 21<sup>st</sup> Century. The plan is best seen as an evolving process, not a rigid or fixed document. This strategic plan will change as the needs of the Region change and reflect the transportation requirements of the Region.

## Strategic Plan, cont.

### 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

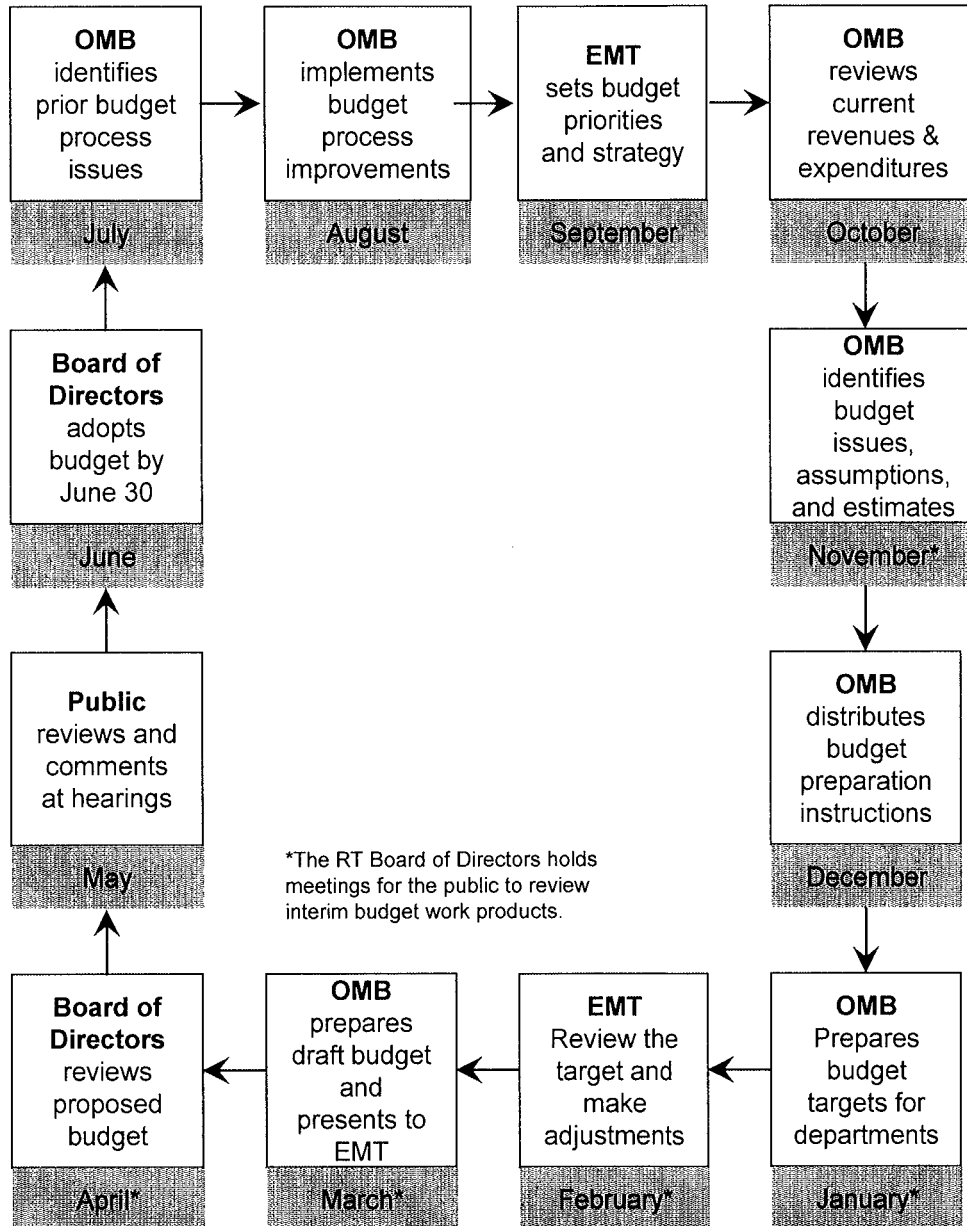
- Financial Sustainability
- Customer Service
- Regional Leadership
- Quality Workforce
- Ethical and Sound Business Practices

### 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

<b>Jurisdiction</b>	<b>Status</b>	<b>Shares - FY 2012 Budget</b>	<b>Shares – FY 2013 Proposed</b>
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
<b>Total</b>		<b>100</b>	<b>100</b>



**Regional  
Transit**

Fiscal Year 2012-2013 Abridged Budget

**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

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102205(b)(10) Population:**	489,566	558,061	65,502	83,618	72,439	154,594	1,403,780
Proportionate Population:	33.45%	39.75%	4.67%	5.96%	5.16%	11.01%	100.00%
Member:	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) Total Financial Contribution:	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) Proportionate Financial Contribution:	36.59%	42.16%	5.10%	6.70%	4.83%	4.62%	100.00%

Voting Calculation

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:
102105.1(d)(1) Incentive Shares (5 for member jurisdictions)	5	5	5	0	0	0	15
102105.1(d)(2) Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):	31.0986	35.8336	4.3381	5.6980	4.1051	3.9266	85.0000
102105.1(d)(3) Total Shares:	36.0986	40.8336	9.3381	5.6980	4.1051	3.9266	100.0000
102105.1(d)(4)(i) Shares After Rounding:	36	41	9	6	4	4	100
102105.1(d)(4)(i), 102105.1(d)(4)(ii) Share Adjustment (To Ensure 100 Shares):	36	41	9	6	4	4	100
102105.1(d)(7) Distribution of Shares Among Members (Assuming All Members Present to Vote):***							
Member 1	9	13	9	6	4	4	
Member 2	9	14	9	6	4	4	
Member 3	9	13	N/A	N/A	N/A	N/A	
Member 4	9	N/A	N/A	N/A	N/A	N/A	
Member 5	N/A	N/A	N/A	N/A	N/A	N/A	
Total Votes:	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.

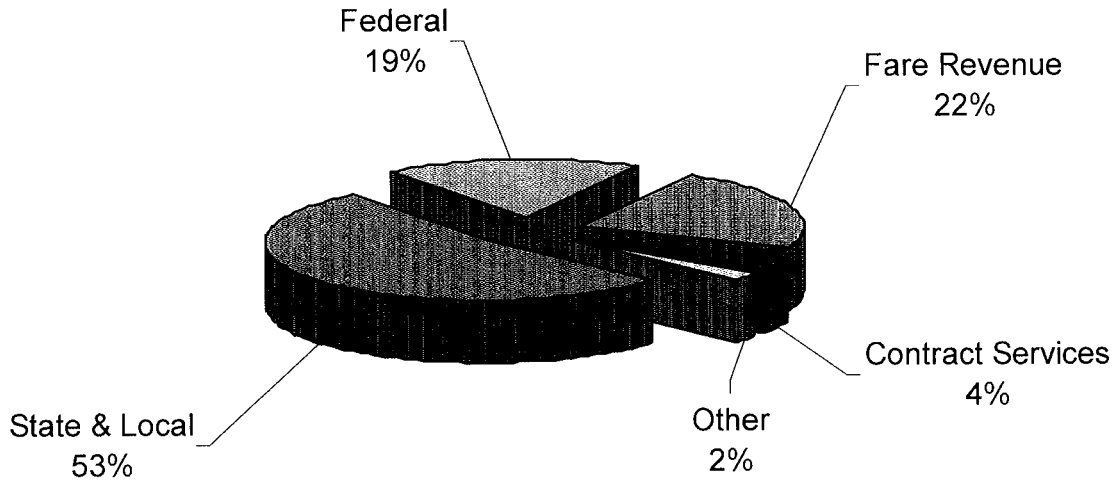
\*\*\* If, in any vote allocation, any member would have more than 15 votes, that jurisdiction will be given an additional seat and the votes will be reallocated to the larger number of members.



**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	2,920	(325)	-10.0%
State & Local	58,134	58,109	69,596	73,245	3,649	5.2%
Federal	30,914	23,331	24,215	25,684	1,469	6.1%
Carryover	-	-	(379)	-		
<b>Total</b>	<b>\$ 127,473</b>	<b>\$ 120,390</b>	<b>\$ 131,389</b>	<b>\$ 138,465</b>	<b>\$ 7,076</b>	<b>5.4%</b>
Potential Reserve			\$ (4,725)	\$ (4,165)		
<b>Operating Revenue</b>	<b>\$ 127,473</b>	<b>\$ 120,390</b>	<b>\$ 126,664</b>	<b>\$ 134,300</b>	<b>\$ 7,636</b>	<b>6.0%</b>

## 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 8<sup>th</sup> train operation.
- This includes Fare Revenue estimates associated with Phase I Transit Renewal service changes.

### Contracted Services

This category includes contracts with such entities as City of Citrus Heights, City of Elk Grove, City of Folsom, City of Rancho Cordova, Granite Park and North Natomas shuttle services. These entities 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 \$2.9 million in other revenue, a decrease of \$0.3 million (10.0%) from the FY 2012 Revised Budget (\$3.2 million).
- This reflects a decrease in a vehicle advertisement contract of \$0.3 million.
- 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

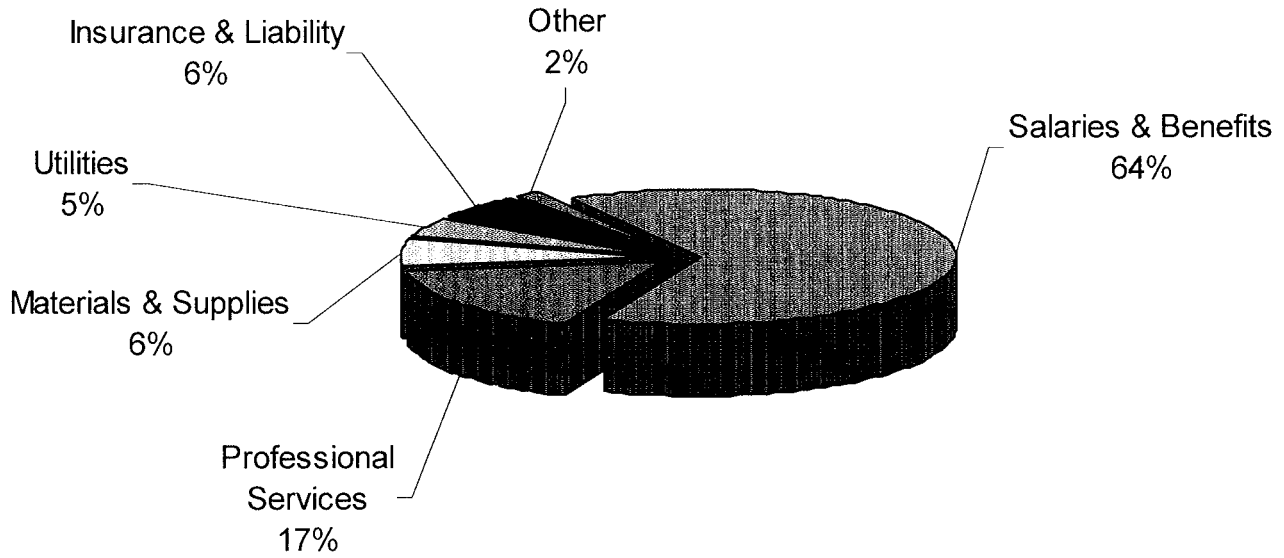
This category includes formula-based allocations to RT from the federal government. Each year Congress authorizes the appropriation and the Federal Transit Administration allocates the dollars to RT. RT can use the funds for operating, planning, and capital, subject to specific regulations.

- 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	FY 2013 to FY 2012 Percent
Salaries & Benefits	\$ 90,548	\$ 78,690	\$ 81,494	\$ 86,706	\$ 5,212	6.4%
Professional Services	22,511	20,069	21,702	22,601	899	4.1%
Materials & Supplies	9,128	7,915	7,670	8,451	781	10.2%
Utilities	5,531	5,741	5,986	6,431	445	7.4%
Insurance & Liability	2,286	6,540	7,891	7,821	(70)	-0.9%
Other	1,728	1,790	1,921	2,290	369	19.2%
<b>Total Expenses</b>	<b>\$ 131,732</b>	<b>\$ 120,746</b>	<b>\$ 126,664</b>	<b>\$ 134,300</b>	<b>\$ 7,636</b>	<b>6.0%</b>

## 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 \$86.7 million for salaries and benefits, an increase of \$5.2 million (6.4%) from the FY 2012 Revised Budget (\$81.5 million).
- Labor increased by \$3.0 million (6.3%) from the FY 2012 Revised Budget (\$47.1 million).
- Fringe Benefits increased by \$3.8 million (10.0%) from the FY 2012 Revised Budget (\$38.4 million). This reflects a \$2.2 million (17.7%) 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 authorized positions and 14 positions that were not funded from the Fiscal Year 2012 Revised Budget (951 authorized and 937 funded 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 (4.1%) from the FY 2012 Revised Budget of \$21.7 million.
- This reflects an increase in purchased transportation (Paratransit) of \$0.7 million.
- This includes an increase of \$0.3 million for Phase I Transit Renewal security services.
- This also includes a reduction of \$0.1 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 \$8.5 million for materials and supplies, an increase of \$0.8 million (10.2%) 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 8<sup>th</sup> 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 \$7.8 million for casualty and liability insurance, a decrease of \$0.07 million (0.9%) from the FY 2012 Revised Budget (\$7.9 million).

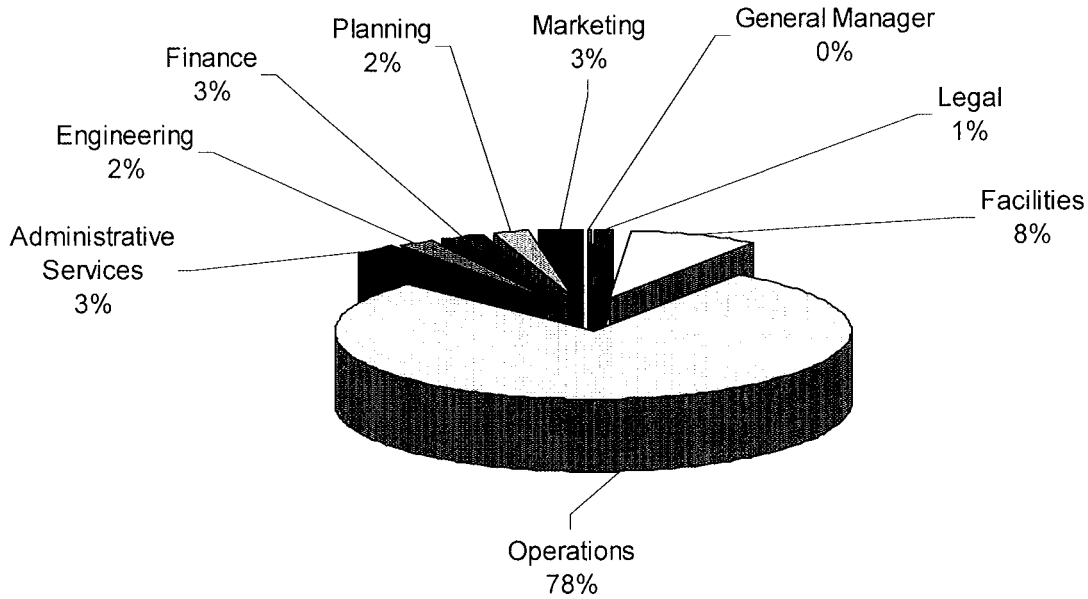
### Other

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 \$2.3 million for other expenditures, an increase of \$0.4 million (19.2%) from the FY 2012 Revised Budget (\$1.9 million).
- This reflects an increase of \$0.3 million in General Manager's Contingency.
- This includes \$0.1 million for Rodeo competitions.

## Positions

The Fiscal Year 2013 Preliminary Budget includes 984 Board authorized positions, an increase of 33 authorized positions and 14 positions that were not funded from the Fiscal Year 2012 Revised Budget (951 authorized and 937 funded 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.



Division	FY 2010 Funded	FY 2011 Funded	FY 2012 Funded	FY 2012 Authorized	FY 2013 Funded
General Manager	2	2	2	3	4
Legal	9	10	10	10	10
Facilities	90	73	74	75	81
Operations	870	719	734	741	765
Administrative Services	25	22	23	24	25
Engineering	34	24	21	22	22
Finance	29	25	26	27	27
Planning	35	21	21	22	23
Marketing	35	26	26	27	27
<b>Total</b>	<b>1,129</b>	<b>922</b>	<b>937</b>	<b>951</b>	<b>984</b>

## 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

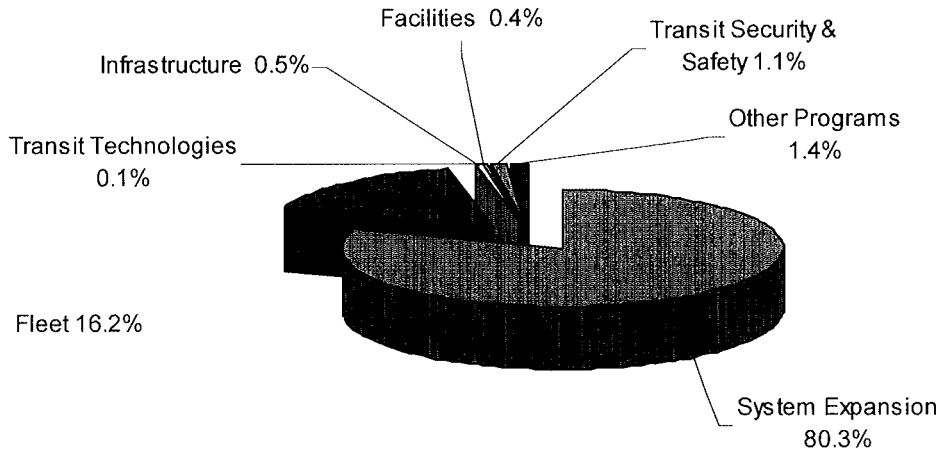
## Impact of Capital Improvements on Operating Budget

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%
<b>Total</b>	<b>\$ 153,197</b>	<b>100%</b>



## 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
<b>System Expansion Programs</b>						
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
<b>System Expansion Total</b>			<b>369,672,146</b>	<b>123,079,835</b>	<b>1,367,683,203</b>	<b>1,860,435,184</b>
<b>Fleet Programs</b>						
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
<b>Fleet Program Total</b>			<b>23,087,888</b>	<b>24,834,731</b>	<b>431,811,384</b>	<b>479,734,003</b>
<b>Infrastructure Programs</b>						
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
<b>Infrastructure Program Total</b>			<b>1,472,484</b>	<b>827,202</b>	<b>4,861,922</b>	<b>7,161,608</b>
<b>Facilities Programs</b>						
F015	Facilities New Freedom-Add Mini-Hi's to Light Rail Station	0	-	625,000	-	625,000
<b>Facilities Program Total</b>			<b>-</b>	<b>625,000</b>	<b>-</b>	<b>625,000</b>
<b>Transit Technologies Programs</b>						
T003	Google Transit Trip Planner	0	47,747	84,855	10,994	143,596
<b>Transit Technologies Program Total</b>			<b>47,747</b>	<b>84,855</b>	<b>10,994</b>	<b>143,596</b>
<b>Transit Security &amp; Safety</b>						
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
<b>Transit Security &amp; Safety Total</b>			<b>-</b>	<b>1,665,900</b>	<b>-</b>	<b>1,665,900</b>
<b>Other Programs</b>						
G230	Certificates of Participation Payments	I	16,783,213	2,079,062	4,160,250	23,022,525
<b>Other Programs Total</b>			<b>16,783,213</b>	<b>2,079,062</b>	<b>4,160,250</b>	<b>23,022,525</b>
<b>Total</b>			<b>\$ 411,063,478</b>	<b>\$ 153,196,585</b>	<b>\$ 1,808,527,753</b>	<b>\$ 2,372,787,816</b>

\* 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 2013
<b>System Expansion Programs</b>						
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
<b>System Expansion Total</b>			<b>411,268,366</b>	<b>95,094,283</b>	<b>1,437,572,536</b>	<b>1,943,935,184</b>
<b>Fleet Programs</b>						
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	763,890	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
<b>Fleet Program Total</b>			<b>9,594,599</b>	<b>11,095,465</b>	<b>56,800,894</b>	<b>77,490,957</b>
<b>Infrastructure Programs</b>						
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
<b>Infrastructure Program Total</b>			<b>970,857</b>	<b>16,966,407</b>	<b>45,117,539</b>	<b>63,054,803</b>
<b>Transit Oriented Development</b>						
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
<b>Transit Oriented Development Total</b>			<b>26,300</b>	<b>56,146</b>	<b>67,554</b>	<b>150,000</b>
<b>Facilities Programs</b>						
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-Audiable 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
<b>Facilities Program Total</b>			<b>24,590,494</b>	<b>10,228,253</b>	<b>90,009,791</b>	<b>124,828,538</b>
<b>Transit Technologies Programs</b>						
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
<b>Transit Technologies Program Total</b>			<b>608,782</b>	<b>169,855</b>	<b>1,052,370</b>	<b>1,821,006</b>

### 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
<b>Transit Security &amp; Safety</b>						
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
<b>Transit Security &amp; Safety Total</b>			<b>195,427</b>	<b>2,733,718</b>	<b>997,941</b>	<b>3,927,086</b>
<b>Other Programs</b>						
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
<b>Other Program Total</b>			<b>17,454,205</b>	<b>2,110,765</b>	<b>9,166,244</b>	<b>28,731,214</b>
<b>Total</b>			<b>\$ 464,709,029</b>	<b>\$ 138,444,892</b>	<b>\$ 1,640,784,868</b>	<b>\$ 2,243,938,788</b>

\* All project expenditures are subject to available funding.

RESOLUTION NO. 12-06-\_\_\_\_\_

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

June 25, 2012

**APPROVING THE SACRAMENTO REGIONAL TRANSIT DISTRICT  
FISCAL YEAR 2013 OPERATING AND CAPITAL BUDGETS AND VOTE  
ALLOCATION**

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

THAT, the Board hereby finds the level of service to be rendered in each city and county in which the Sacramento Regional Transit District will operate is commensurate with the level of tax and financial support to be derived from each such city and county.

THAT, the Sacramento Regional Transit District's Fiscal Year 2013 Operating Budget of \$134.3 million and Capital Budget of \$153.2 million as set forth in attached Exhibit A is hereby approved.

THAT, the following voting distribution for Fiscal Year 2013 as tabulated in the "Schedule of Weighted Voting Distribution" in the attached Exhibit A, is hereby approved.

Jurisdiction	Votes
County of Sacramento	41
City of Sacramento	36
City of Rancho Cordova	9
City of Citrus Heights	6
City of Elk Grove	4
City of Folsom	4
Total	100

\_\_\_\_\_  
BONNIE PANNELL, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 12-06-\_\_\_\_\_

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

June 25, 2012

**AUTHORIZING THE FILING OF THE FISCAL YEAR 2013 TRANSPORTATION  
DEVELOPMENT ACT CLAIM BASED ON THE ADOPTED BUDGET**

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

THAT, the Board hereby authorizes the General Manager/CEO to file a claim with the Sacramento Area Council of Governments (SACOG) for Transportation Development Act funds in the amount not to exceed SACOG's funding apportionments for RT for Fiscal Year 2013 and from said amount, RT may claim \$1,304,751 on behalf of SACOG for transportation planning purposes.

\_\_\_\_\_  
BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary