

General Manager’s Report December 11, 2017

GOVERNMENT AFFAIRS UPDATE

FEDERAL UPDATE

FY18 Budget

The month of November began with no budget deal to fund the Federal government in FY18 and beyond and to avoid the impact of sequestration on defense and non-defense spending. With so little progress made on FY18 and beyond spending levels, a government shutdown loomed. The focus of the House and the Senate was to pass legislation to reform the tax code and not on future spending levels. As the House and Senate Appropriations Committees allocated spending for FY18 to initiate mark-up, there were wide apart on the defense spending levels (more than \$70 billion) and separated by nearly \$8 billion for non-defense spending levels.

As the month of November closed, there was talk of a two week extension of the Continuing Resolution to December 22nd but with recognition that final appropriations bills will not be completed until mid-January 2018 due to the lack of time to complete mark-up.

Further, there was initial talk about raising spending caps by \$54 billion in FY 18 to \$603 billion and by \$37 billion for non-defense to \$552.7 billion.

No action was taken on FY18 appropriations bills since the current Continuing Resolution (CR) funds the government until December 8th. House leadership is seeking to get agreement within the Republican Caucus to vote for a two week extension to December 22nd. The Senate has not set a time to vote on an extension but Senate Majority Leader Mitch McConnell has committed to avoiding a government shutdown. It appears that even an extension of the CR until December 22nd will not provide time to complete action on FY18 Appropriations bills resulting in a delay to finalize bills until mid-January 2018. This complicates the FY19 Budget process as the Trump Administration won’t have baseline budget numbers in time to finalize a budget by early February 2018.

Tax Reform

The House adopted its tax reform bill on November 16th by a vote of 227-205 with Thirteen Republicans, mostly from California, New York and New Jersey opposing the legislation. The Senate adopted their tax reform bill on December 2nd by a vote 51-49 with retiring Senator Bob Corker (R-TN) the only Republican opposed to the bill along with every Democratic Senator.

The House and Senate version of the tax reform bill impact the following issues of important to surface transportation:

Issue	House	Senate
Repeal authority to issue Private Activity Bonds (PABs) after 2017	Yes	No
Repeal deductibility of commuter tax benefits for employers of all transportation fringes benefits	Yes	Yes

Repeal tax exclusion for employees of bicycle commute cost reimbursement from employers	No	Yes
End tax credit for the purchase of plug-in electric vehicles	Yes	No
Fails to renew or extend federal tax credits for alternative fuels and related infrastructure.	Yes	Yes
Eliminate early refutability of PABs	Yes	Yes

The House and Senate leadership are expected to name conferees the week of December 4th and work aggressively to complete conference before Christmas.

Infrastructure

The Tax Reform made no provision to identify a source of funding for an Infrastructure bill. Senator Ben Cardin (D-MD) offered an amendment to the Senate Tax Reform bill to deem revenue from repatriation to be used for infrastructure but it was defeated by a vote 57-43. Further, the two bills would potentially eliminate Private Activity Bonds (PABs) which were part of President Trump’s initial Infrastructure Plan.

Department of Transportation Secretary Elaine Chao continues to insist that an infrastructure bill will be introduced early 2018. However, frustration over inaction on an Infrastructure bill led Marty Kipper, the head of the Build America Bureau, to resign his position in late November.

STATE OF CALIFORNIA UPDATE

SB 1 REPEAL INITIATIVES - UPDATE

The most pressing and concerning matter affecting all transportation organizations within the state is the introduction of two separate initiative measures earlier in 2017 to repeal Senate Bill 1 (Beall – SB 1). These two initiative measures recently received their respective official Title and Summary prepared by the Attorney General’s office to be affixed on the signature petitions. This provides the authorization for the initiative sponsors to begin gathering the requisite signatures to qualify to place the measures before the voters on the November 2018 Statewide ballot.

For reference, the two **Title and Summary** statements are set forth here:

SB 1 Repeal Initiatives	Title & Summary, Prepared by California Attorney General
Assembly Member T. Allen Initiative: Statutory measure - 365,000 valid signatures needed	Title & Summary (Initiative # 17-0004): ELIMINATES RECENTLY ENACTED ROAD REPAIR AND TRANSPORTATION FUNDING BY REPEALING REVENUES DEDICATED FOR THOSE PURPOSES. Eliminates recently enacted state and local transportation funding for repair and maintenance of streets, highways, bridges, safety projects, and public transportation by repealing portions of the tax on gasoline (\$0.12 per gallon) and diesel fuel (\$0.20 per gallon), sales and excise taxes on diesel fuel (4% per gallon), vehicle registration fees (\$25 -\$175, dep

<p>Carl DeMaio (Give Voters A Voice) Initiative: Constitutional Measure - 585,000 valid signatures needed</p>	<p>ending on vehicle value), and \$100 zero- emission vehicle fee. Title & Summary (Initiative # 17-033; Amendment #1): ELIMINATES RECENTLY ENACTED ROAD REPAIR AND TRANSPORTATION FUNDING BY REPEALING REVENUES DEDICATED FOR THOSE PURPOSES. Requires any measure to enact certain vehicle fuel taxes and vehicle fees be submitted to and approved by the electorate.</p>
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As similar as these two measures are in their targeted effort to repeal the SB 1 taxes, the proponents of the two initiatives to repeal SB 1 have undertaken different tacks this past week.

First, Assemblymember Travis Allen, author of the initiative that would directly repeal all sections of SB 1 (Initiative # 17-0004) has attacked the Court of Appeal which had upheld the Title and Summary for the initiative issued by the Attorney General (AG) and announced that he would seek review of the appellate decision in the state Supreme Court. This may delay the onset of signature gathering for the proponent.

On the other hand, the proponents of the second initiative that would amend the state constitution to repeal the funding under SB 1, have begun their signature gathering efforts. Carl DeMaio, the former Congressional Candidate and radio talk show host in San Diego, presented himself as the face of the initiative by recently launching a media campaign to solicit signatures. Moreover, it is estimated that \$675,000 has been contributed to the campaign committee supporting this initiative, so it is being taken quite seriously by the active *Fix Our Roads Coalition* that played an important support and advocacy role in the enactment of SB 1.

The *Fix Our Roads Coalition* (which includes CSAC, League of Cities, Transportation California, CTA and many other organizations) has been mobilized to develop a campaign effort to oppose the initiatives, should they qualify.

RT MEETING CALENDAR

Regional Transit Board Meeting

January 22, 2018*
RT Auditorium
5:30 P.M

February 26, 2018*
RT Auditorium
5:30 P.M

*TBD at 12/11 Board Meeting

Quarterly Retirement Board Meeting

March 14, 2018
RT Auditorium
9:00 A.M.

June 20, 2018
RT Auditorium
9:00 A.M

September 12, 2018
RT Auditorium
9:00 A.M

Mobility Advisory Council Meeting

January 11, 2018
RT Auditorium
2:30 P.M.

March 1, 2018
RT Auditorium
2:30 P.M.

May 3, 2018
RT Auditorium
2:30 P.M.

October 2017

Finance Update and Key Performance Report

Brent Bernegger

VP of Finance/Chief Financial Officer

FY 2018 - Budget to Actual Comparison

Month Ended October 31, 2017

Categories (\$ in thousands)	Actual	Budget	\$ Variance	% Variance
Income				
Fare Revenue	\$2,474	\$2,689	(\$215)	-8.0%
Contracted Services	516	467	49	10.5%
Other Income	499	298	201	67.4%
State & Local Revenue	7,543	7,543	0	0.0%
Federal Revenue	2,588	2,588	0	0.0%
Total	13,620	13,585	35	0.3%
Expenses				
Salaries/Fringes	8,832	9,103	271	3.0%
Services	1,960	2,028	68	3.4%
Supplies	698	753	55	7.3%
Utilities	525	610	85	13.9%
Insurance/Liability	661	653	(8)	-1.2%
Other Expenses	143	324	181	55.9%
Total	12,819	13,471	652	4.8%
Net Operating Surplus (Deficit)	\$801			

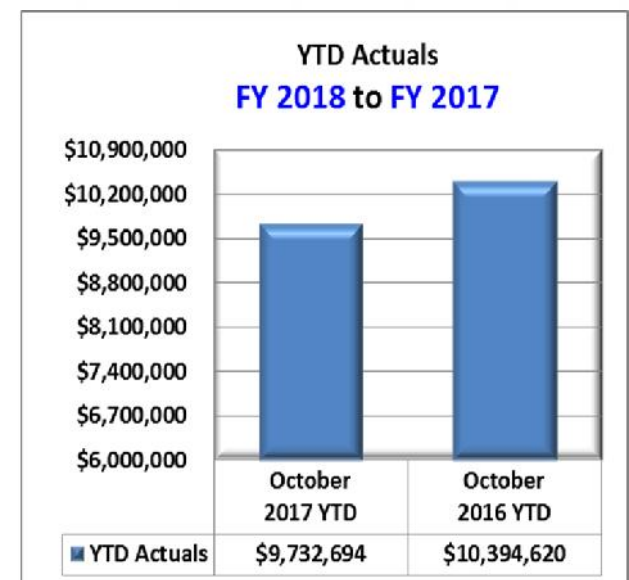
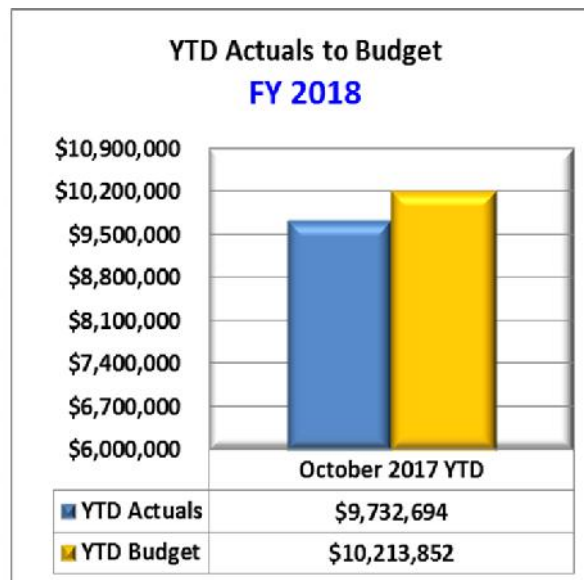
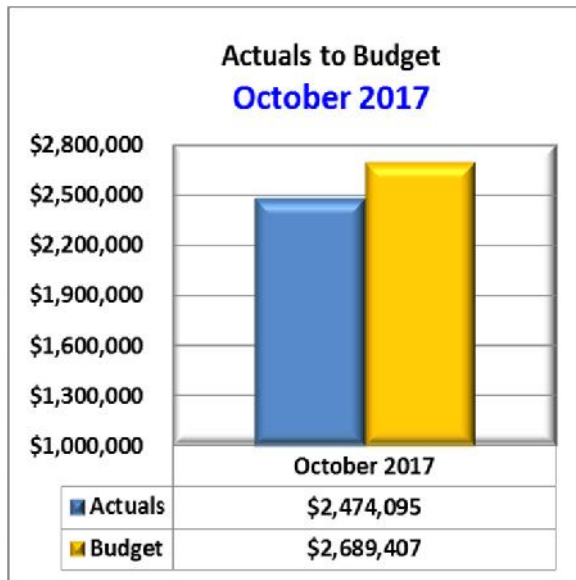
FY 2018 YTD

Actual	Budget	\$ Variance	% Variance
\$9,733	\$10,214	(\$481)	-4.7%
2,076	1,868	208	11.1%
1,358	1,193	165	13.8%
30,172	30,172	0	0.0%
10,352	10,352	0	0.0%
53,691	53,799	(108)	-0.2%
35,629	36,267	638	1.8%
7,300	7,891	591	7.5%
3,177	3,014	(163)	-5.4%
2,656	2,737	81	3.0%
2,633	2,613	(20)	-0.8%
701	1,296	595	45.9%
52,096	53,818	1,722	3.2%
\$1,595			

* Budget is seasonally adjusted (not straight-line budget)

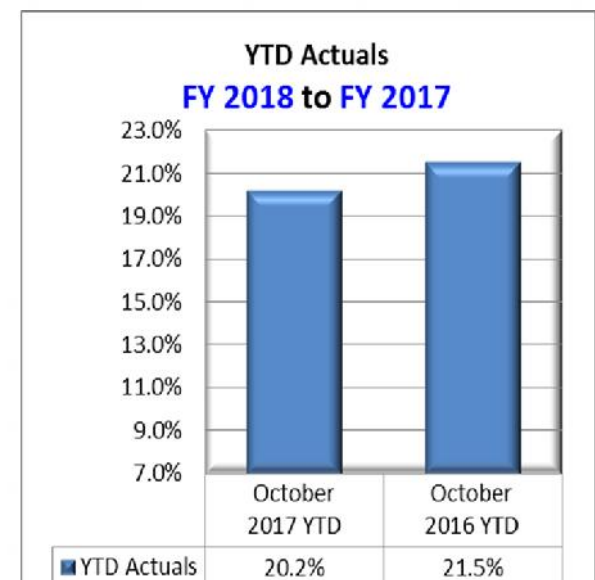
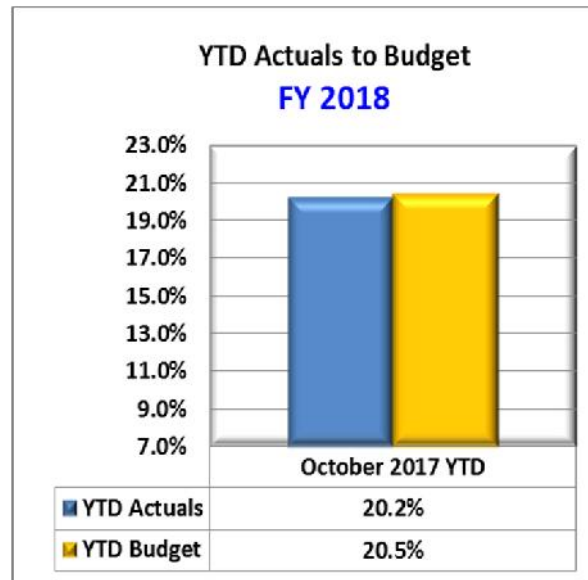
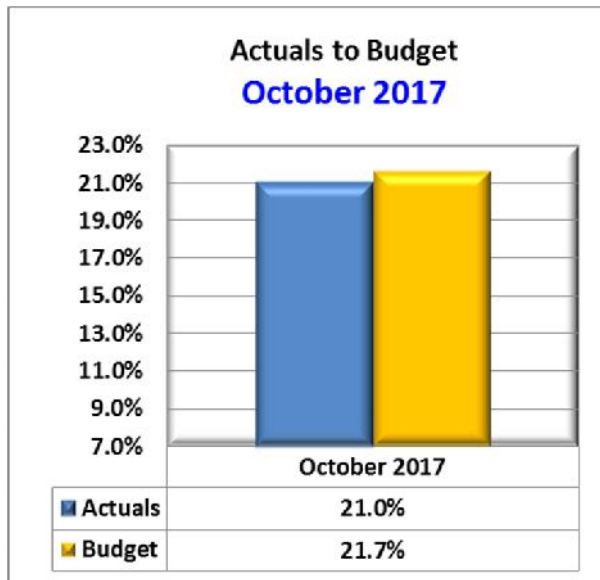
Key Performance Indicators

Fare Revenue Comparison



Key Performance Indicators

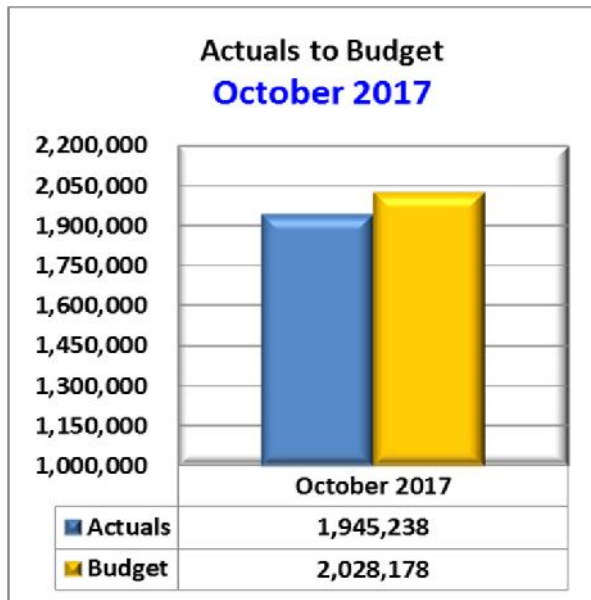
Farebox Recovery Comparison



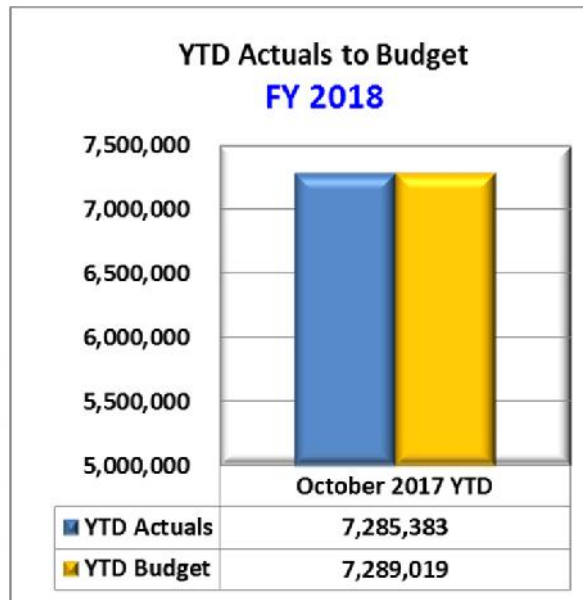
Note: Farebox Recovery ratio excludes Paratransit cost.

Key Performance Indicators

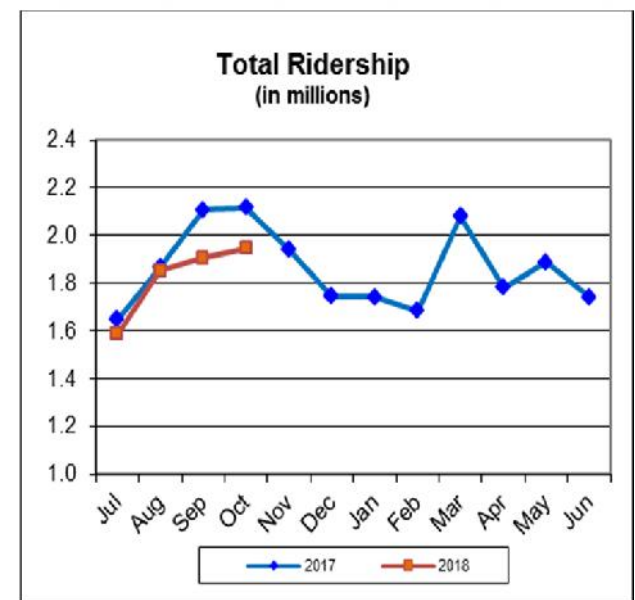
Total Ridership Comparison



↓ -4.1%



↓ -0.05%



A New Flagship Station

December 11, 2017

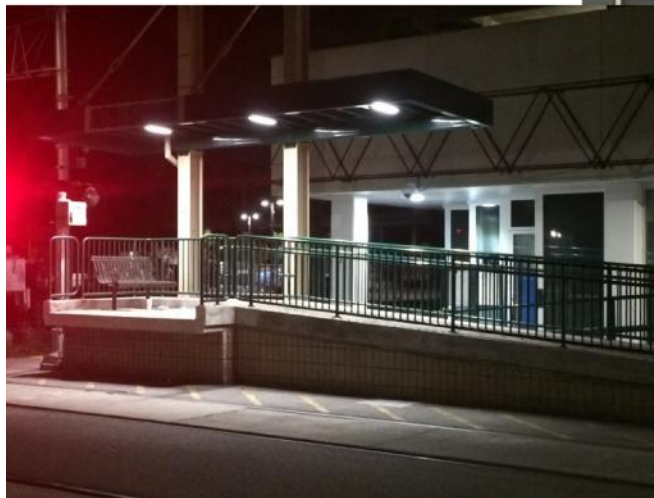


Station Improvements

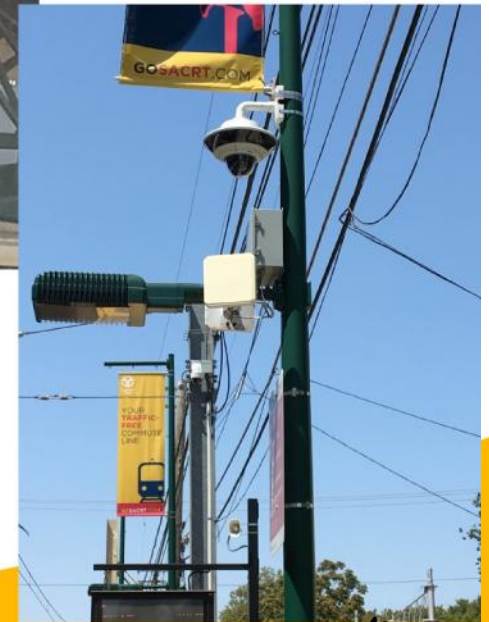
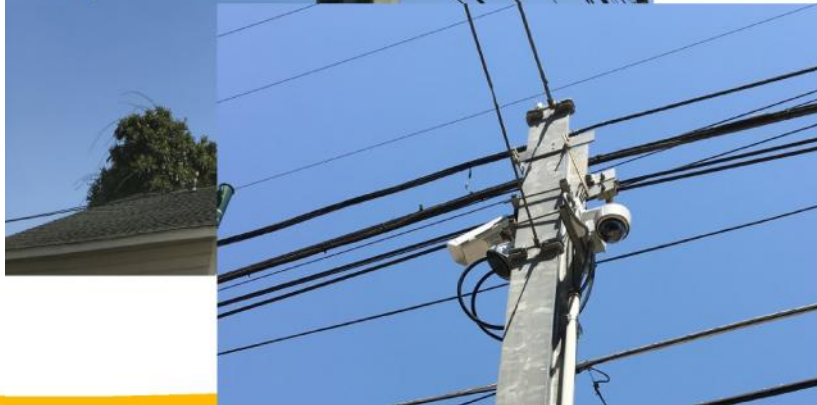
SacRT work	Property Owners' work
Lighting (pole lights, shelter lights, receptacles)	Mural on parking structure
Security camera upgrades	New landscaping
Site furniture (benches, trash receptacles, ash urn)	Decorative string lights
Artwork (banners, window decals)	Artwork on utility boxes
Station painting	Total Property Owner Cost:
Increased cleaning	\$70,000 +/-
Total SacRT Cost: \$88,000 +/- (plus Transit Officers' substation - \$63,000 +/-)	

LED Shelter Lighting

After: New LED lights are much brighter!



Security camera replacement

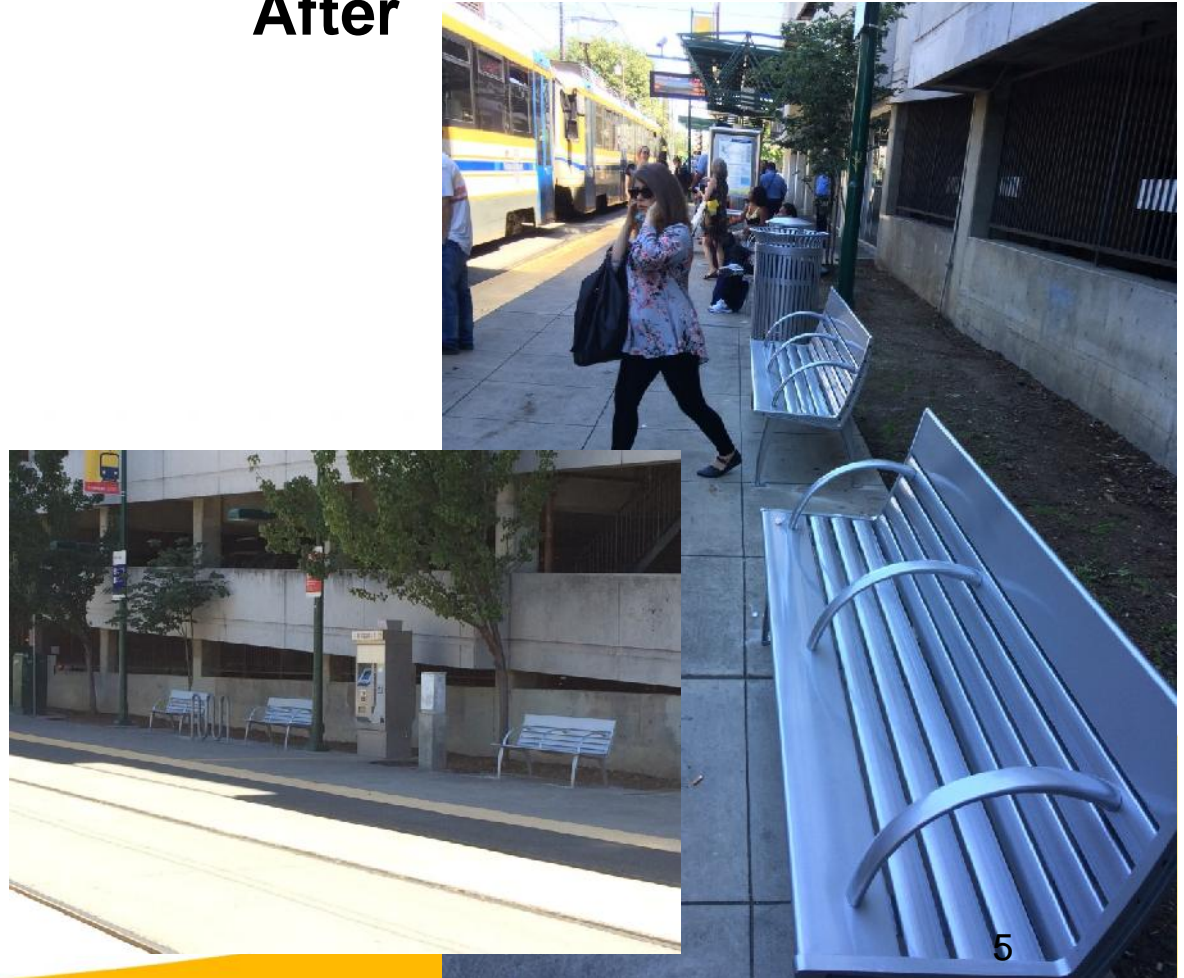


Replaced existing benches

Before



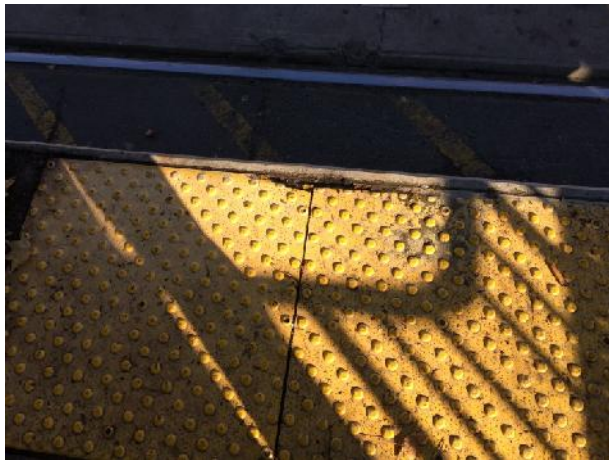
After



New trash receptacles



Replaced detectable warning tiles



**Before: Broken DWT
on outbound mini-
high platform**



After: Replaced DWT

Repaired concrete block wall

Before: Broken blocks, missing cap



After: Replaced blocks and cap



Banners on light poles



Transit Officers' Substation



Mural on parking structure

Mural (completed 10/10/17)
Artist: Jake Castro



Landscape Improvements



Old landscaping was unkept



SacRT removed groundcover to clear the way for new planting

Artwork on utility boxes

Existing boxes to receive artwork wrap (mid-Oct 2017)



Painting Upgrades



Complete Station



16th Street Station

- **Station Upgrades completed in 2010**
 - Installation of Mini-high shelters
 - Installation of cameras, lighting, message signs
- **Daily station visits for**
 - Inspections
 - Trash clean-up and removal
 - Maintenance
- **Weekly station cleaning**
- **Operating rule prohibited 2 trains in the station**
- **Transit Agent office**

Thank you!

Questions?



CPTED Update for Arden Del Paso and
Royal Oaks Light Rail Station
Lieutenant Lisa Hinz
12/11/2017

Arden Del Paso



Arden Del Paso



- Conditions are acceptable and station is well used.
- Improvements such as landscaping (tree/shrub trimming) would enhance the quality/experience for the passenger.

Arden Del Paso

- Daily station visits for
 - Inspections
 - Trash clean-up and removal
 - Maintenance
- Weekly station cleaning
- Concrete repairs underway as part of the Station Improvement Project

Royal Oaks



Royal Oaks



- Smaller station located in a busy neighborhood.
- Improvements such as repainting would enhance the quality/experience for the passenger.

Royal Oaks

- Daily station visits for
 - Inspections
 - Trash clean-up and removal
 - Maintenance
- Weekly station cleaning
- Concrete repairs completed as part of the Station Improvement Project

Royal Oaks

- Review and development of path of travel from station to future City of Sacramento shelters
- Create a effective path of travel to prevent trespassing