

General Manager's Report January 23, 2017

GOVERNMENT AFFAIRS UPDATE

STATE UPDATE

Governor's Budget Released

Overview

On January 10th, the Governor unveiled his 2017 state spending plan that keeps General Fund spending flat at \$122.5 billion, while warning of a potential \$1.6 billion deficit. Revenue forecast, compared to what we thought when the Governor signed the budget in June, the 2016 budget, is down by 5.8 billion dollars. The Governor also proposed increasing the state's Rainy Day Fund to \$7.9 billion, which is 73% of its constitutional target.

Transportation

The Governor's budget also includes a renewed commitment to addressing the state's transportation infrastructure crisis. The Budget included a revised transportation-funding package, which would invest \$43 billion in transportation over the next decade (an increase of approximately \$600 million annually from his 2016-17 proposal). The Governor's Budget states... "the repair, maintenance, and efficient operation of the state's transportation system are vital to California's economic growth" and once again emphasizes a few key principles:

- Focusing new revenue primarily on "fix it first" investments to repair neighborhood roads and state highways and bridges;
- Making key investments in trade corridors to support continued economic growth and implementing a sustainable freight strategy;
- Continuing measures to improve performance, accountability and efficiency at Caltrans;
- Investing in passenger rail and public transit modernization and improvement; and
- **Avoiding an impact on the General Fund.**

Transportation Plan

The plan would provide approximately \$4.2 billion, annually, for a number of programs. Of this amount, approximately \$1.8 billion would be available for local streets and roads, \$1.8 billion for state highways, \$250 million for goods movement, and **\$400 million** for transit.

Key aspects of this for transit include:

The Governor proposes investing \$400 million per year in Cap and Trade revenues to the **Transit and Intercity Rail Capital Program (TIRCP)**; however, this dedication to annualized

spending is contingent on his other proposal, to extend Cap and Trade with a supermajority vote.

The Governor also proposes \$256 million in additional loan repayments from the General Fund, directing this amount to the TIRCP, in 2017-18.

Ongoing State Transit Assistance Program Estimate

- The proposed budget projects \$466.5 million for the Public Transportation Account in 2017-18.
- Of this amount, \$293.8 million will be available to the State Transit Assistance program, an increase of \$31.3 million over the current year projection of \$262.5 million; and,
- \$173 million will be available to Caltrans for intercity passenger rail service allocations.

As a result of the uptick in STA funding, noted previously, Sacramento Regional Transit may anticipate about a 10% increase in the quarterly state allocations from this program.

FEDERAL UPDATE

The Senate Commerce, Science and Transportation Committee conducted a hearing on January 11 on the confirmation of Elaine Chao for Secretary of Transportation. The hearing was largely an opportunity for Senators to put their issues before her to see if they could elicit a response/commitment. However, her confirmation is not in doubt.

Key points from the hearing are as follows:

- In response to a question from Cory Booker (D-NJ), she stated that she believes at least some part of President-elect Donald Trump's \$1 trillion infrastructure vision will include direct federal investment. She also promised to provide details within thirty days of Trump taking office.
- She indicated that Trump will convene an Infrastructure Task Force to develop the proposal.
- She also called for changes in a few areas such as speeding up project delivery, finding "innovative" strategies around funding, incentivizing private investment, and bolstering public-private partnerships.
- Rural Senators expressed concern about how a P3 project would benefit their states when they are struggling to provide match to federal funds today.
- She declined to comment on proposals in the House to privatize air traffic control and take it away from the Federal Aviation Administration.
- She expressed enthusiasm for autonomous vehicles and the promise of providing freedom for people who are currently unable to drive. But she also expressed concerns about safety and privacy, and the need to strike a balance between innovation and regulation.
- On the issue of federal regulations, she espoused the view that the regulations should be based on sound science and real data and the need to promote competitiveness.

- Finally, without making any promises, she noted that the TIGER grant program and TIFIA loan program have many fans on Capitol Hill.

CHARITY CHECK PRESENTATION TO SHRINERS HOSPITAL

During the holiday season, RT operates its popular Holiday Bus on various routes throughout the Sacramento region offering the gift of a free ride as a thank you to riders and promotes good will.

In the spirit of giving, RT offered passengers the opportunity to place a cash donation in the farebox to benefit Shriners Hospitals for Children of Northern California from December 1, 2016 through January 2, 2017. In total, RT collected \$1,728.08 on the Holiday Bus this year. A check will be presented during the RT Board of Directors meeting on Monday, January 23, 2017.

Shriners Hospitals for Children - Northern California, is a hospital committed to providing the finest care for children with orthopedic problems, spinal cord injuries, burns, cleft lip, gastrointestinal disorders, and other complex surgical needs. All care is provided regardless of a family's ability to pay. For more information, visit <http://www.shrinershospitalsforchildren.org/locations/northerncalifornia>.

DISTRICTWIDE PERFORMANCE UPDATE

PowerPoint presentation attached.

RT CALENDAR

Regional Transit Board Meeting

February 27, 2017
RT Auditorium
9:00 A.M.*

*pending Board approval

March 13, 2017
RT Auditorium
5:30 P.M

April 10, 2017
RT Auditorium
5:30 P.M

Quarterly Retirement Board Meeting

March 15, 2017
RT Auditorium
9:00 A.M

June 14, 2017
RT Auditorium
9:00 A.M

September 13, 2017
RT Auditorium
9:00 A.M

December 13, 2017
RT Auditorium
9:00 A.M

Mobility Advisory Council Meeting

March 2, 2017
RT Auditorium
2:30 P.M.

May 4, 2017
RT Auditorium
2:30 P.M.

July 6, 2017
RT Auditorium
2:30 P.M

Paratransit, Inc. Board Meeting

January 26, 2017
2501 Florin Road
Sacramento, CA
6:00 p.m.

March 23, 2017
Developmental Disabilities Service Organization (DDSO)
5051 47th Avenue
Sacramento, CA
6:00 p.m.

May 25, 2017
2501 Florin Road
Sacramento, CA
6:00 p.m.

Martin Luther King Jr. March for the Dream January 16, 2017



Downtown Sacramento Ice Rink Partnership



80s Day



Princess Day



December 2016
Finance Update and
Key Performance Report

Brent Bernegger

Acting VP of Business Services/Chief Financial Officer

Budget Updates – December 2016

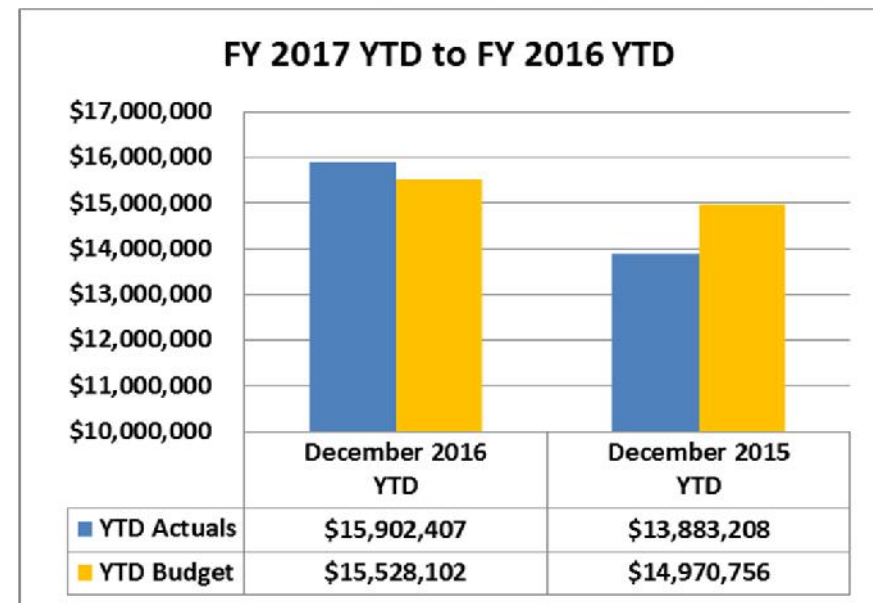
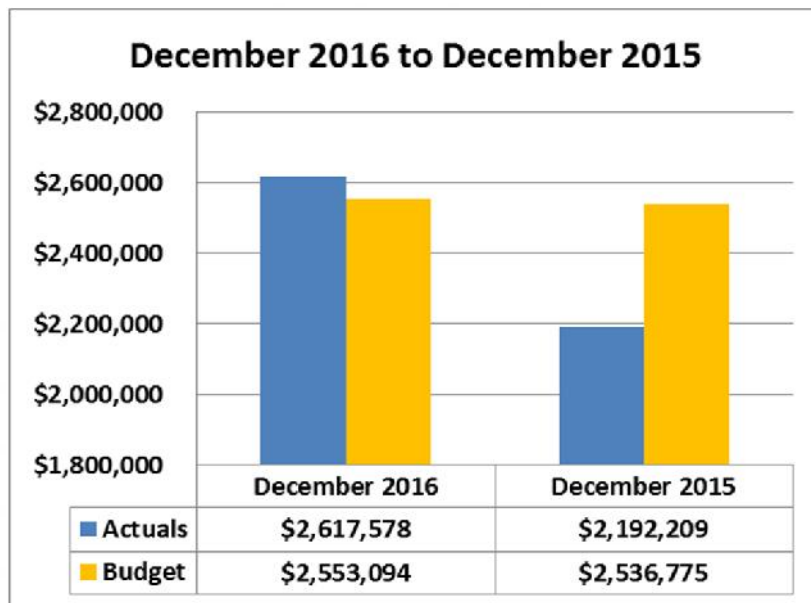
FY 2017 - Budget to Actual Comparison

In thousands Categories	December 2016			FY 2017 YTD		
	Actual	Budget*	Variance	Actual	Budget*	Variance
Income						
Fare Revenue	\$ 2,618	\$ 2,553	\$ 65	\$ 15,902	\$ 15,528	\$ 374
Contracted Services	557	508	49	3,148	3,046	102
Other Income	269	385	(116)	1,950	2,282	(332)
State & Local Revenue	7,259	7,176	83	43,137	43,055	82
Federal Revenue	2,856	2,856	-	17,136	17,136	-
Total	13,559	13,478	81	81,273	81,047	226
Expenses						
Salaries/Fringes	8,551	8,943	392	52,496	53,487	991
Services	2,092	2,334	242	13,442	14,016	574
Supplies	679	716	37	4,110	4,156	46
Utilities	480	346	(134)	3,471	3,501	30
Insurance/Liability	744	755	11	4,527	4,529	2
Other Expenses	175	146	(29)	1,160	1,115	(45)
Total	\$ 12,721	\$ 13,240	\$ 519	\$ 79,206	\$ 80,804	\$ 1,598
Net Operating Surplus (Deficit)	838	238	600	2,067	243	1,824

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

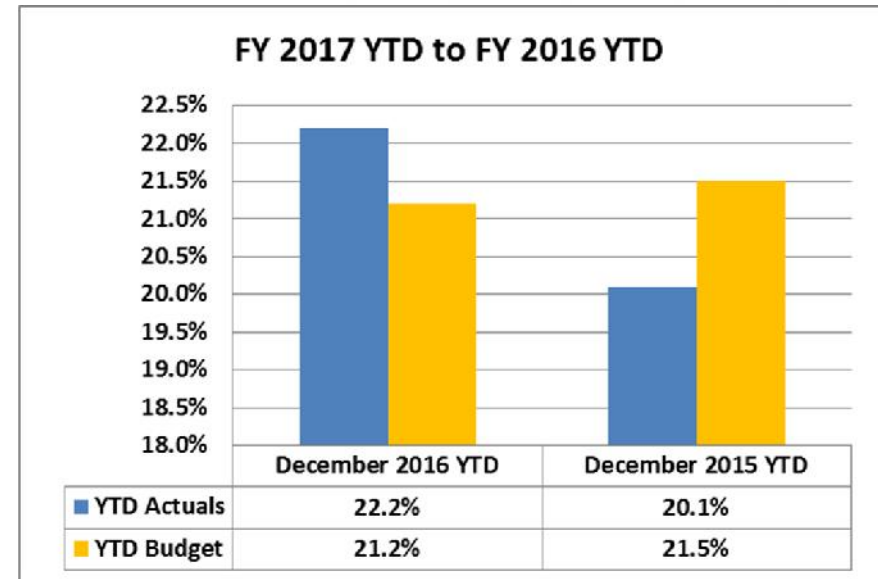
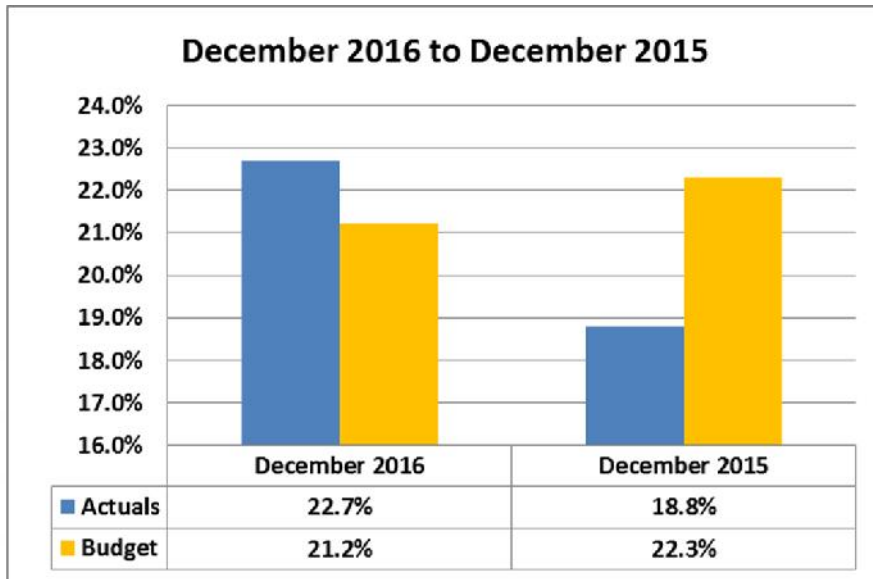
Key Performance Indicators

Fare Revenue Comparison



Key Performance Indicators

Farebox Recovery Comparison



Note:
Farebox Recovery ratio excludes Paratransit cost

Key Performance Indicators

Total Ridership Comparison

