

## **General Manager's Report January 9, 2017**

### **GOVERNMENT AFFAIRS UPDATE**

#### **STATE UPDATE**

Nothing to report at this time.

#### **FEDERAL UPDATE**

##### **Continuing Appropriations/Budget FY16**

With the Republicans capturing the Presidency and retaining the House and Senate, there was no great interest in adopting an Omnibus Appropriations bill for FY 17. At one point Congress was considering extending the Continuing Resolution to March 31st, but the Senate Majority Mitch McConnell (R-KY) requested additional time to consider and confirm Trump Administration Cabinet nominees. Thus, Congress adopted a short term Continuing Resolution (CR) that will fund the government through April 28th at FY 16 funding levels with an across-the-board reduction for highway and transit programs.

##### **Transportation, Housing and Urban Development (THUD) FY 17**

The decision to extend the FY 16 THUD Bill to April 28th means that the Federal Transit Administration (FTA) will likely publish an Apportionments Notice in late January or early February providing approximately seven months of funding at FY 16 formula levels and will likely delay release of Capital Investment Grants (CIG) monies until a full-year bill is adopted and Congress identifies the funding for each project in the Conference Report.

##### **Looking Ahead to 115th Congress/Trump Administration**

Early in the 115th Congress the Republicans intent to advance a Budget Reconciliation bill that repeals the Affordable Care Act (ACA) but no timetable has been given for when a replacement to the ACA will be proposed and what it will contain. This Budget Reconciliation will also seek to rescind many of the Obama Administration Executive Orders and other rules that the Republicans oppose. The Budget Reconciliation requires only a simple majority to be adopted but must be focused on mandatory spending and propose instructions to the authorizing committees to adopt program changes that would achieve budget savings. Thus, it will be critical to understand what programmatic changes are included in the bill and how they may, or may not, affect surface transportation programs.

To that end, the House and Senate Budget Committees have been working on changes to the budget process so that annual budgets actually get adopted by both the House and Senate. It has been some time since a Budget Bill has been adopted. Among the reforms being considered would be to adopt two-year budgets, a biennial appropriations process, to bring the

Highway Trust Fund and Mass Transit Account into the domestic spending caps subjecting them to proposed reductions in those caps, and setting enforceable long term budget targets.

A second Budget Reconciliation bill would be proposed this Spring that intends to address comprehensive tax reform. The second Budget Reconciliation bill would propose reforms to both the personal and corporate tax codes and reduce the number of tax brackets. This may be a more difficult process since reform can be accomplished only by eliminating many cherished tax breaks for both individuals and businesses.

The Trump Administration will not likely introduce the FY18 Budget until late Spring. There is talk of eliminating the budget sequester for defense spending to allow for an increase of defense spending and break from the practice of the Obama Administration where defense and domestic spending were treated equally in the budget process. Expect domestic spending to be proposed for reductions and the impact on transportation programs will have to carefully monitored to assess the impact.

### **Trump Infrastructure Proposal**

Both Republicans and Democrats believe that President-Elect Trump is determined to push a trillion dollar infrastructure bill that includes, highways, ports, airports, water systems, electric utilities and transit. Most of the discussion focuses on reducing federal regulations and "red-tape" associated with project approvals and using the tax code to incentivize private sector investment. How this will be accomplished at the same time Congress is seeking to reduce spending, reform the tax code, etc., will be the challenge facing President-Elect Trump to advance a campaign priority. A key issue for local governments is how these proposals will affect the tax exemption for municipal bonds. Early signals from President-Elect Trump are that he supports retaining the tax exemption for municipal bonds.

### **Department of Transportation Secretary-Designate Elaine Chao**

Expect that the nomination of Elaine Chao will be submitted to Congress in early January with hearings held as early as the week of January 2nd. History would suggest that her nomination will be confirmed by the Inauguration on January 20th or no later than the end of January. In response to questions submitted to her by the Senate Commerce, Science and Transportation Committee, she identified her priorities as follows;

- Effective enforcement of safety measures
- Expediting the process for making repairs and building new construction and eliminating or decreasing regulatory burdens
- Strive for equity between urban and rural areas, among different modes of transportation, and other equally deserving stakeholders.

### **SYSTEM-WIDE IMPROVEMENT INITIATIVES PRESENTATION**

PowerPoint presentation attached.

RT CALENDAR

**Regional Transit Board Meeting**

January 23, 2017  
RT Auditorium  
5:30 P.M

February 27, 2017  
RT Auditorium  
5:30 P.M

March 13, 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**

January 12, 2017  
RT Auditorium  
2:30 P.M.

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

May 4, 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.

## New Year's Eve Service – Post Kings Game December 31, 2016



7<sup>th</sup> & Capitol

## New Year's Eve Service – Post Fireworks December 31, 2016



7<sup>th</sup> & Capitol



9<sup>th</sup> & K

November 2016  
Finance Update and  
Key Performance Report

**Brent Bernegger**

Acting VP of Business Services/Chief Financial Officer



# Budget Updates – November 2016

## FY 2017 - Budget to Actual Comparison

In thousands Categories	November 2016			FY 2017 YTD		
	Actual	Budget*	Variance	Actual	Budget*	Variance
<b>Income</b>						
Fare Revenue	\$ 2,890	\$ 2,648	\$ 242	\$ 13,285	\$ 12,975	\$ 310
Contracted Services	511	508	3	2,591	2,538	53
Other Income	399	492	(93)	1,681	1,896	(215)
State & Local Revenue	7,176	7,176	-	35,879	35,879	-
Federal Revenue	2,856	2,856	-	14,280	14,280	-
<b>Total</b>	<b>13,832</b>	<b>13,680</b>	<b>152</b>	<b>67,716</b>	<b>67,568</b>	<b>148</b>
<b>Expenses</b>						
Salaries/Fringes	8,778	8,917	139	43,945	44,543	598
Services	2,199	2,329	130	11,350	11,682	332
Supplies	656	716	60	3,432	3,440	8
Utilities	317	437	120	2,992	3,155	163
Insurance/Liability	767	755	(12)	3,783	3,774	(9)
Other Expenses	413	376	(37)	985	969	(16)
<b>Total</b>	<b>\$ 13,130</b>	<b>\$ 13,530</b>	<b>\$ 400</b>	<b>\$ 66,487</b>	<b>\$ 67,563</b>	<b>\$ 1,076</b>
<b>Net Operating Surplus (Deficit)</b>	<b>702</b>	<b>150</b>	<b>552</b>	<b>1,229</b>	<b>5</b>	<b>1,224</b>

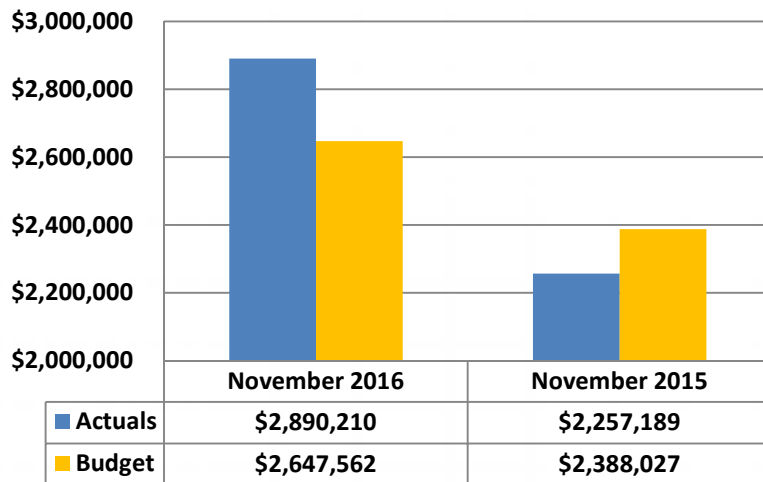
\* Budget is seasonally adjusted (not straight-line budget)



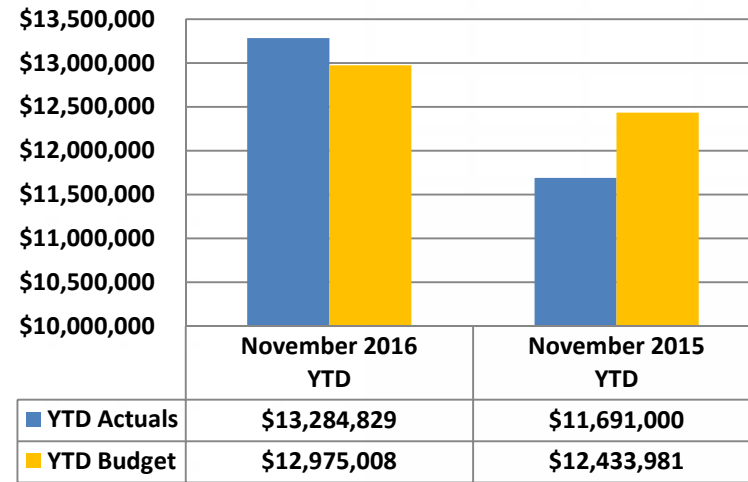
# Key Performance Indicators

## Fare Revenue Comparison

**November 2016 to November 2015**



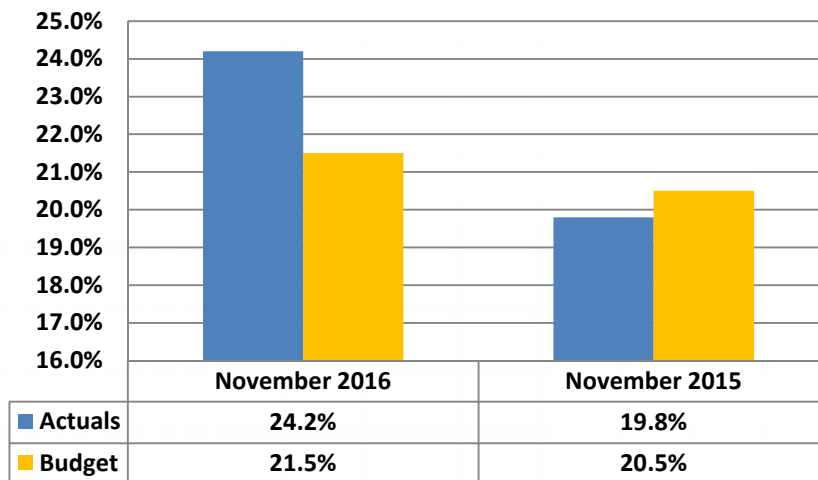
**FY 2017 YTD to FY 2016 YTD**



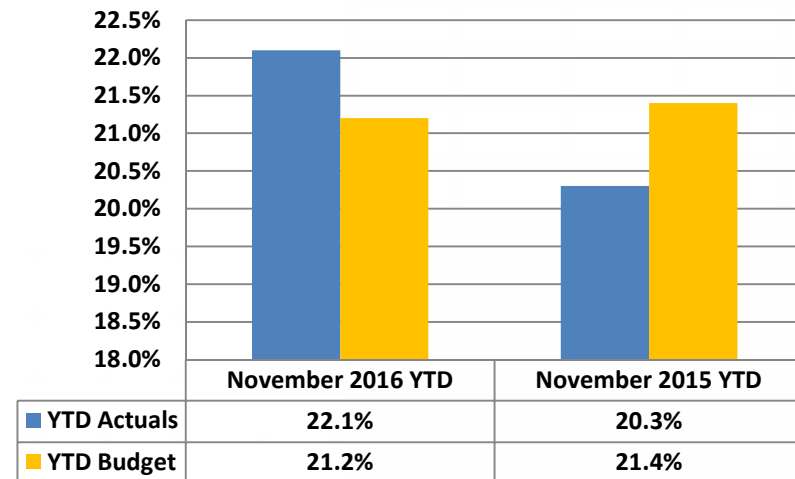
# Key Performance Indicators

## Farebox Recovery Comparison

November 2016 to November 2015



FY 2017 YTD to FY 2016 YTD

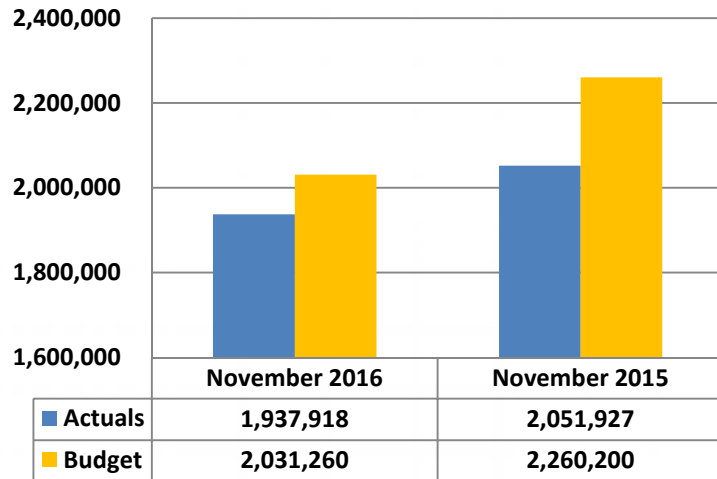


Note:  
Farebox Recovery ratio excludes Paratransit cost

# Key Performance Indicators

## Total Ridership Comparison

**November 2016 to November 2015**



**FY 2017 YTD to FY 2016 YTD**

