

General Manager's Report

March 13, 2017

GOVERNMENT AFFAIRS UPDATE

FEDERAL UPDATE

On February 28, 2017, President Trump announced in his address to the Joint Session of Congress that he supported a \$1 trillion investment in infrastructure that would include both "public and private capital" but assured Congress that it would not be bankrolled exclusively by Congress. It will also be guided by "buy American and hire American." The emphasis will be on public-private partnerships (P3s). Recently, Department of Transportation (DOT) Secretary Elaine Chao demurred when Governors at the National Governors Association (NGA) pressed her on the details of the Trump Administration Infrastructure Plan. She said that the plan will look to promote public-private partnerships, but acknowledged that P3s are not the answer for all situations. Secretary Chao said they are looking at the "pay for" but none of them are very attractive alternatives to augment current funding.

President Trump is proposing a FY 18 Budget that would increase spending for defense, local law enforcement, Border Control and veterans by \$53.7 billion that would be paid for by corresponding cuts in domestic spending and foreign aid. Office of Management and Budget (OMB) Director Mick Mulvaney has stated that the full budget will be printed to Congress on March 17th. President Trump has specifically targeted the Environmental Protection Agency (EPA) for a 20 percent reduction, and a 37 percent reduction for the State Department. It is also being reported that the Federal Transit Administration (FTA) will be submitting a 20 percent staff reduction. The adoption of defense increases would require an amendment to the Budget Control Act to exceed the current federal budget caps for defense.

There is growing uncertainty over the impact of the President's Executive Order on Sanctuary Cities. Many cities with infrastructure projects are concerned over the impact such an action would have on major capital projects and the funding necessary to operate and maintain transit systems. Further, there is concern over the impact on cities that operate airports and Army Corps of Engineers' projects that dredge canals and rivers or build other water projects. Likewise, there are multiple cities with significant projects in FTA's Capital Investment Grants (CIG) program that are concerned that their projects may be slowed or stopped altogether. How the Trump Administration will implement the Executive Order is unclear, and it bears watching as the year progresses.

The week of March 12, I will travel to Washington D.C. to participate in the Capital Region Executive Leadership Mission. The continued investment transportation infrastructure will be a major topic that the delegation on this Mission will be discussing in meetings with federal officials. Many transit supporters are scheduled to be in D.C. as recent federal reports indicate that the FTA's programs are being targeted for an extreme budget cut to the point of elimination. The American Public Transportation Association (APTA) will be holding their annual 2017 Legislative Conference during this same week with a host of public transit advocates voicing their concerns to continue funding federal programs related to public transit by emphasizing the

importance of continued investment in the country's transportation infrastructure, noting its positive effects on the economy through the creation of jobs.

DISTRICTWIDE PERFORMANCE UPDATE

PowerPoint presentation attached.

RT CALENDAR

Regional Transit Board Meeting

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

April 24, 2017
RT Auditorium
5:30 P.M.

May 8, 2017
RT Auditorium
5:30 P.M.

Quarterly Retirement Board Meeting

March 22, 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

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

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

September 7, 2017
RT Auditorium
2:30 P.M.

Paratransit, Inc. Board Meeting

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.

January 2017
Finance Update and
Key Performance Report

Brent Bernegger

Acting VP of Finance/Chief Financial Officer

Budget Updates – January 2017

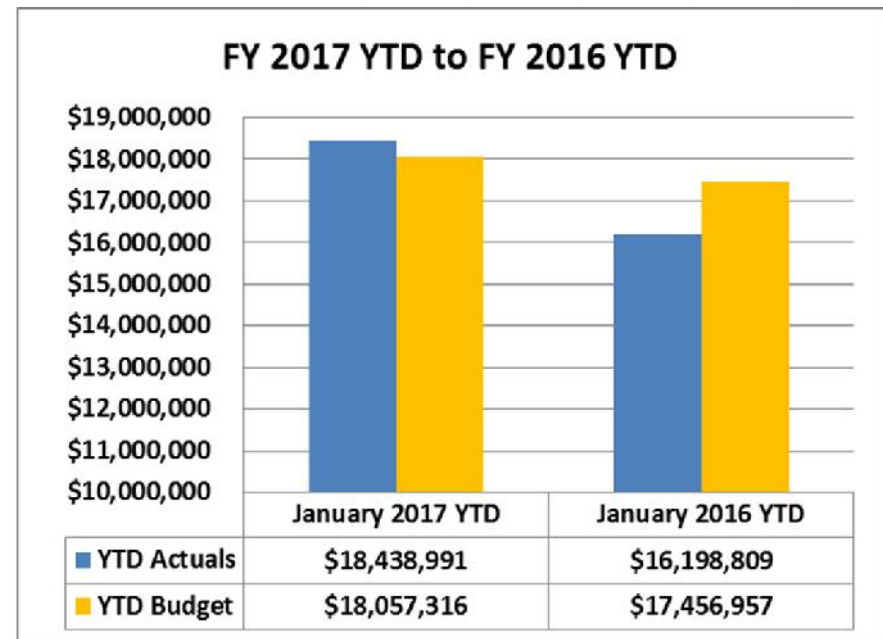
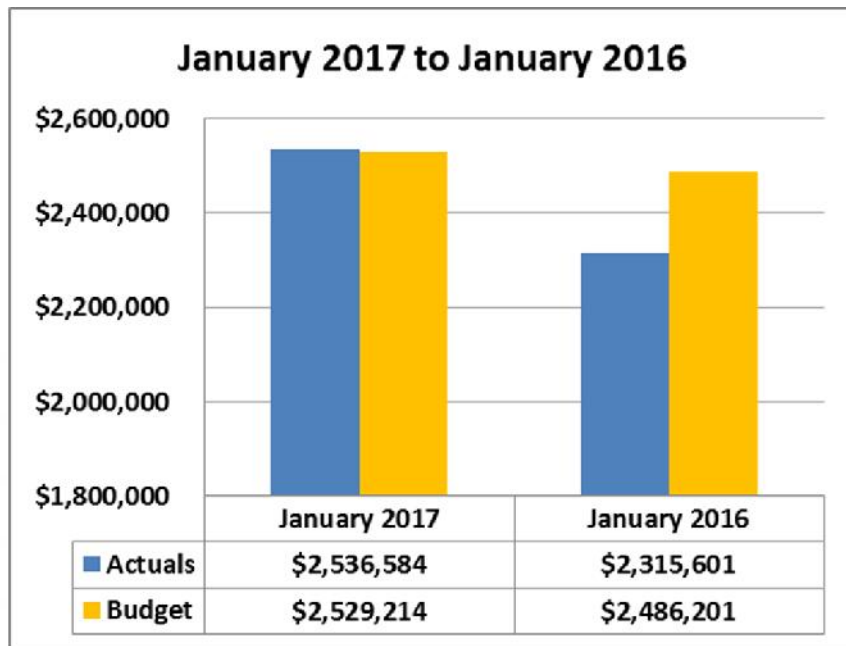
FY 2017 - Budget to Actual Comparison

In thousands Categories	January 2017			FY 2017 YTD		
	Actual	Budget*	Variance	Actual	Budget*	Variance
Income						
Fare Revenue	\$ 2,537	\$ 2,529	\$ 8	\$ 18,439	\$ 18,057	\$ 382
Contracted Services	537	508	29	3,686	3,554	132
Other Income	233	277	(44)	2,183	2,559	(376)
State & Local Revenue	7,176	7,176	-	50,313	50,231	82
Federal Revenue	2,856	2,856	-	19,992	19,992	-
Total	13,339	13,346	(7)	94,613	94,393	220
Expenses						
Salaries/Fringes	9,107	8,963	(144)	61,604	62,451	847
Services	2,145	2,393	248	15,587	16,400	813
Supplies	594	716	122	4,704	4,872	168
Utilities	554	527	(27)	4,025	4,029	4
Insurance/Liability	731	755	24	5,258	5,283	25
Other Expenses	119	148	29	1,279	1,271	(8)
Total	\$ 13,250	\$ 13,502	\$ 252	\$ 92,457	\$ 94,306	\$ 1,849
Net Operating Surplus (Deficit)	89	(156)	245	2,156	87	2,069

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

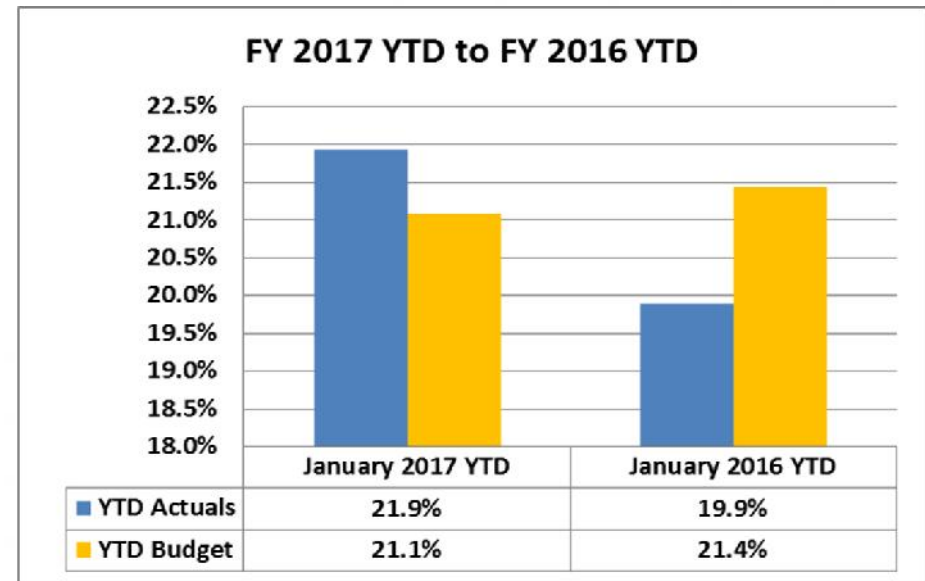
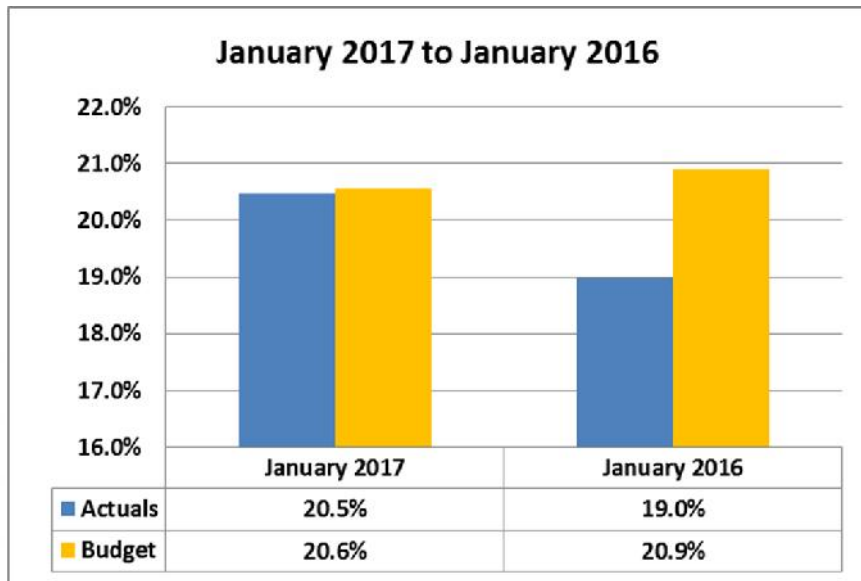
Key Performance Indicators

Fare Revenue Comparison



Key Performance Indicators

Farebox Recovery Comparison



Note:
Farebox Recovery ratio excludes Paratransit cost

Key Performance Indicators

Total Ridership Comparison

