

General Manager's Report April 9, 2018

EMPLOYEE RECOGNITION

Presented by Henry Li

GOVERNMENT AFFAIRS UPDATE

On March 17, I traveled to Washington D.C. to participate in the American Public Transportation Association (APTA) annual Legislative Conference and Executive Committee meeting. The APTA Legislative Conference also coincided with the California Transit Association's federal lobby days. The focus of both the federal and state advocacy programs was to communicate the importance of continued federal investment for public transit as a major component in the country's transportation infrastructure, noting its positive effects on the economy. To voice our concerns, SacRT joined a small delegation from Northern California in meetings with federal officials.

During our time in the nation's capital, Congress came to an agreement on the FY2018 Omnibus Appropriations with public transit supportive elements. The House passed the spending bill by a vote of 256-167 (*90 Republicans opposed/111 Democrats in favor*) followed by the Senate passing the omnibus by a vote of 65-32 (*Both California senators voted against it*). President Trump signed the FY2018 Omnibus Appropriations Act (HR 1625) into law on March 23rd. The new law sets final spending levels for the remainder of FY2018. The omnibus provides a total of \$1.29 trillion for federal discretionary programs, a nearly ten percent increase over FY2017. The new law provides \$700 billion for defense and \$591 billion for non-defense programs. For transportation funding, the omnibus provides the Department of Transportation (DOT) with a total of \$27.4 billion in gross discretionary budget authority, an increase of \$7.9 billion from FY2017. Of the increase, \$3.0 billion goes to the major discretionary programs at DOT and \$4.4 billion is a General Fund transfer to support Highway Trust Fund programs. The spending bill fully funds FAST Act obligation limitations and provides \$9.733 billion for transit formula programs and \$2.645 billion for Capital Investment Grants (CIG), which fund New Starts/Small Starts projects. This is an increase of \$232 million over FY2017. The omnibus provides \$400 million to the Small Start [§5309(h)] program.

The final omnibus includes \$50 million for the Downtown Riverfront Streetcar project in the CIG Program. The omnibus includes language ordering the Secretary to "continue to administer the capital investment grant program in accordance with the procedural and substantive requirements of section 5309." The bill also orders the Federal Transit Administration (FTA) to obligate at least 85 percent of the FY2018 money by December 31, 2019, meaning that the Trump Administration must use most of the funding. Finally, the conference report orders FTA to give new ratings to project applicants whenever the project sponsor requests. Section 163 of the bill limits the CIG share of any new project to no more than 51 percent of the total cost.

The bill also provides an additional \$834 million to support more transit formula grants as follows:

§5337	State of Good Repair Formula	\$400,000,000
§5339(a)	Buses – Formula	\$209,104,000
§5339(b)	Buses – Discretionary	\$161,446,000
§5339(c)	Buses – Low/No Emission	\$29,450,000
§5340(d)	High Density State Formula	\$30,000,000
§5318	Bus Testing Center – Altoona	\$2,000,000
§5312(h)	Bus Testing Center – other	\$2,000,000
Total		\$834,000,000

The final bill provides another \$250 million for positive train control (PTC) grants as well as language to address the cost of the credit risk premium for Railroad Rehabilitation & Improvement Financing (RRIF) loans. It also triples funding for the Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program, bringing it to a total of \$1.5 billion in FY2018 (*equal to the first year of the program in 2008*). Congress has now appropriated a total of \$7.2 billion for TIGER. Of the \$1.5 billion total, \$25 million is set aside to administer the program. Of the remaining \$1.475 billion:

- 30 percent is set aside for rural areas (\$442.5 million).
- \$25 million remains the maximum project award.
- Maintains the 10 percent cap for any single state, but with the higher funding total, the maximum for any state is now \$147.5 million – far higher than any previous TIGER round.
- Maintains the 80 percent maximum federal share for non-rural projects.
- The Secretary of DOT may award up to \$15 million for planning grants.
- The final bill states that “the Secretary shall not use the Federal share as a selection criterion in awarding projects.” This is a partial rejection of the Administration’s goal to rank projects with a higher local share more favorably. It is also a rejection of the Senate language which sought to preserve the Obama-era funding criteria.
- DOT is required to issue the funding notice for TIGER by May 22. All grant applications must be received by August 20. DOT is required to announce grant recipients by December 18, 2018.

Congress is currently on spring break and expected to return on April 10.

SmaRT RIDE PROJECT UPDATE

Report presented by Mark Lonergan

FEBRUARY FINANCIAL REPORT

Report presented by Brent Bernegger

STUDENT FARE PILOT PROGRAM UPDATE

Report presented by Brent Bernegger

SacRT MEETING CALENDAR

Regional Transit Board Meeting

April 23, 2018
McGeorge School of Law
1:00 P.M
Pending Board Approval on April 9th*

May 14, 2018
SacRT Auditorium
5:30 P.M

Quarterly Retirement Board Meeting

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

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

Mobility Advisory Council Meeting

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

June 7, 2018
SacRT Auditorium
2:30 P.M.

April 5, 2018
SacRT Auditorium
2:30 P.M.

Microtransit Pilot In Sacramento



Mark Lonergan
Deputy General Manager/Chief Operating Officer
Sacramento Regional Transit
April 9, 2018

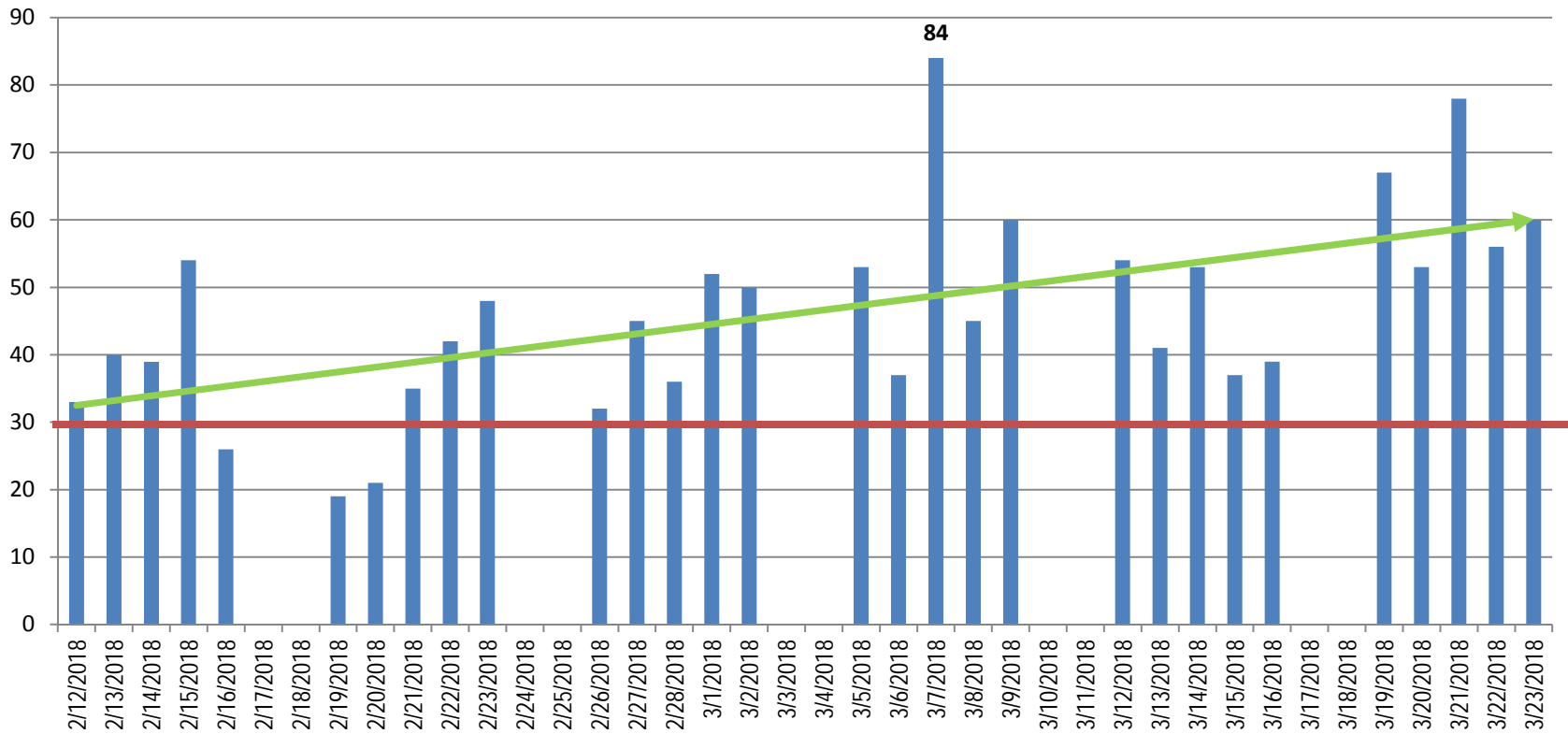


Launched on February 12, 2018

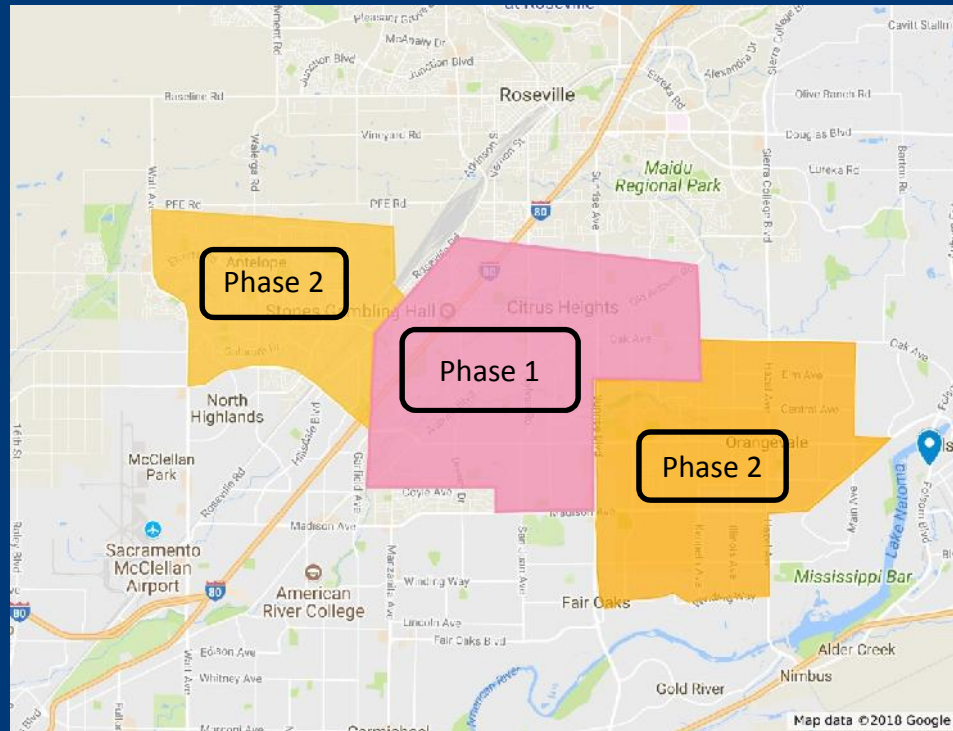
Microtransit Pilot Project



Daily Boardings



SmaRT Ride Phase II



Expansion to Antelope/Orangevale/Folsom Light Rail
Extend Service Hours 6 AM to 9 PM
Coming April 23, 2018

Microtransit Pilot Project

Early Findings:

- Daily boardings trending up
- Easy to use app, easy to transition
- Adoption by new customers
- No trip denials and less trip cancelations and no shows
- Easy for Dispatchers and Operators to operate
- Access to great data and statistics
- Positive customer feedback



Microtransit Pilot Project

Next Steps

- Survey SmarT Ride customers
- Continue to analyze data and value
- Watch impacts on wait times and ride duration times
- Watch for diversion of paratransit trips
- Conclude pilot project and determine implementing permanently in Citrus Heights/Orangevale/Folsom Light Rail Station
- Procure a permanent microtransit software solution
- Launch additional pilots in Downtown Sacramento and in other neighborhoods

Microtransit Pilot Project

Additional Pilot Locations

- Franklin Blvd.
- Downtown Sacramento
- Arden Arcade
- Carmichael
- Rancho Cordova
- CSUS Serving Student Housing/Connecting to River Park.

February 2018
Finance Update and
Key Performance Report

Brent Bernegger

VP of Finance/Chief Financial Officer

FY 2018 - Budget to Actual Comparison

Month Ended February 28, 2018

Categories (\$ in thousands)	Actual	Budget	\$ Variance	% Variance
Income				
Fare Revenue	\$2,254	\$2,383	(129)	-5.4%
Contracted Services	474	467	7	1.5%
Other Income	303	298	5	1.7%
State & Local Revenue	7,594	7,594	0	0.0%
Federal Revenue	2,588	2,588	0	0.0%
Total	13,213	13,330	(117)	-0.9%
Expenses				
Salaries/Fringes	8,862	9,176	314	3.4%
Services	2,009	1,950	(59)	-3.0%
Supplies	765	740	(25)	-3.4%
Utilities	530	501	(29)	-5.8%
Insurance/Liability	661	653	(8)	-1.2%
Other Expenses	213	321	108	33.6%
Total	13,040	13,341	301	2.3%
Net Operating Surplus (Deficit)	\$173			

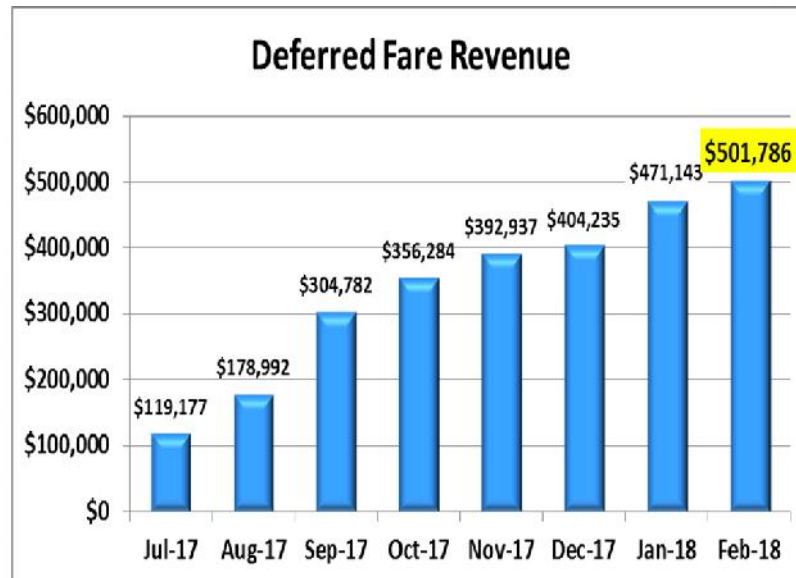
FY 2018 YTD

Actual	Budget	\$ Variance	% Variance
\$18,487	\$19,954	(\$1,467)	-7.4%
4,057	3,931	126	3.2%
2,586	2,385	201	8.4%
60,753	60,753	0	0.0%
20,705	20,705	0	0.0%
106,588	107,728	(1,140)	-1.1%
71,884	72,819	935	1.3%
14,479	15,696	1,217	7.8%
6,034	5,919	(115)	-1.9%
4,674	4,564	(110)	-2.4%
5,258	5,226	(32)	-0.6%
1,775	2,888	1,113	38.5%
104,104	107,112	3,008	2.8%
\$2,484			

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

Key Performance Indicators

Deferred Fare Revenue



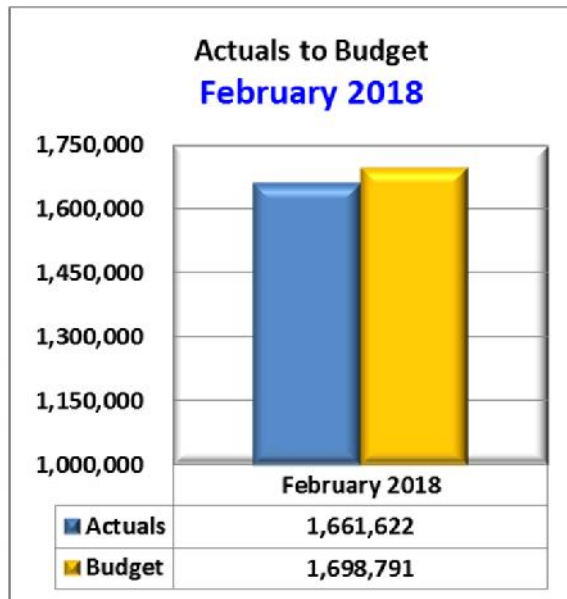
Key Performance Indicators

Farebox Recovery

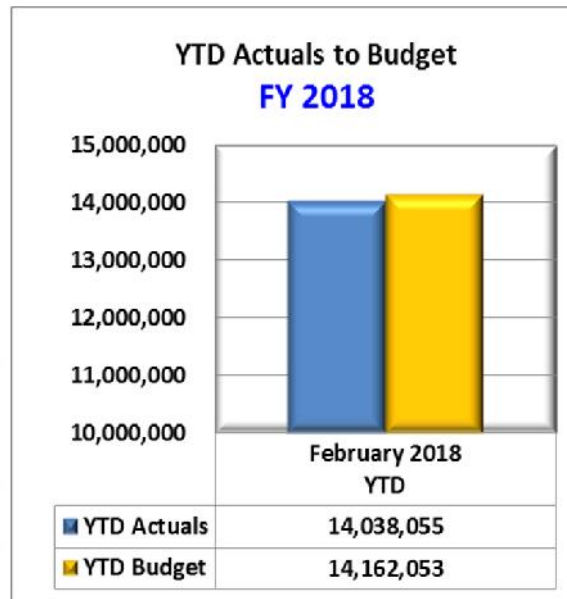
- SacRT exceeds 23% TDA farebox recovery at 47% with Measure A supplement;
- By seeking ridership increase, we implemented initiative to reduce farebox recovery from 22% to 19%.

Key Performance Indicators

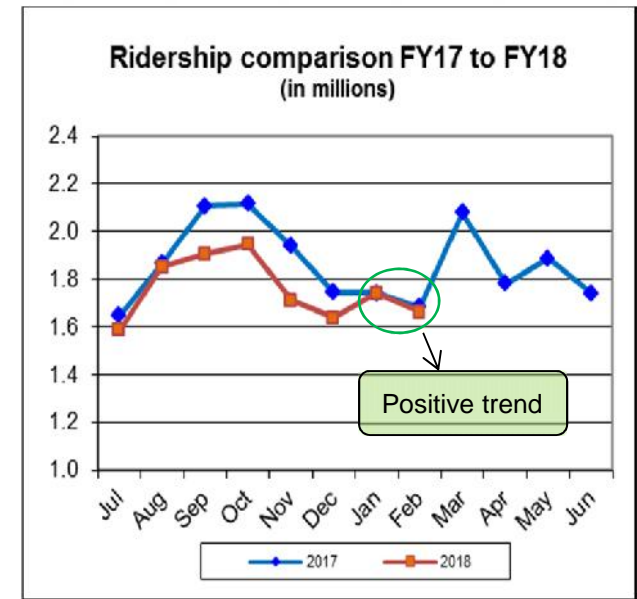
Total Ridership Comparison



↓ 2.2%



↓ -0.9%



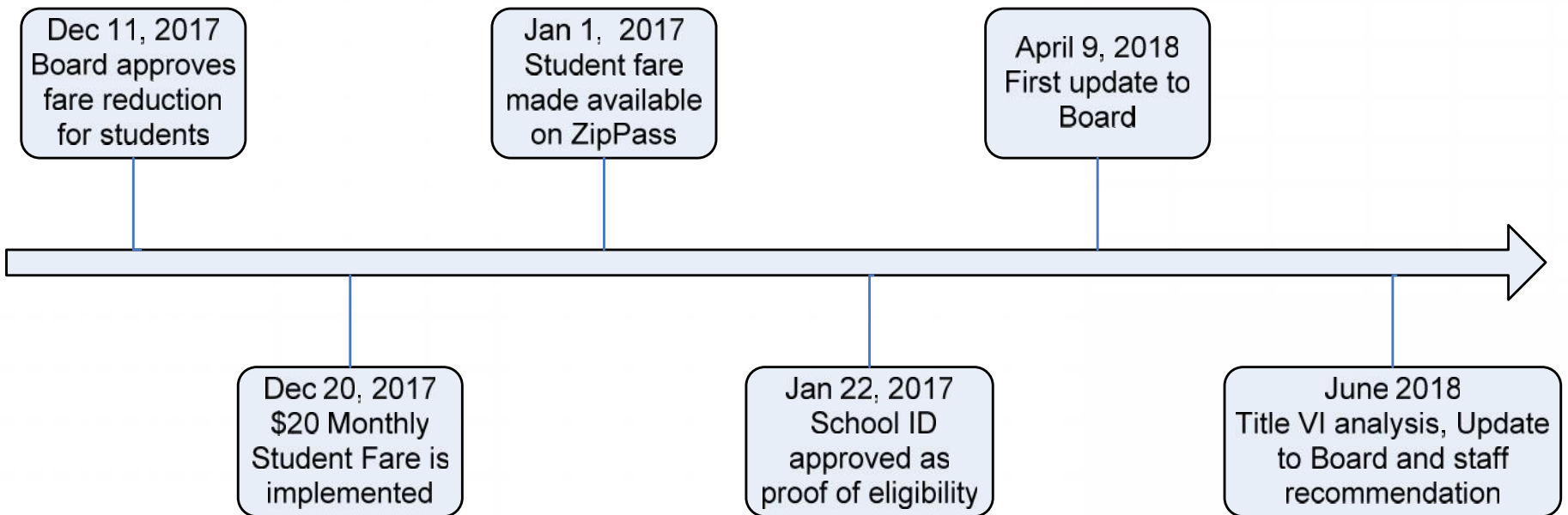
Update on Student Fare Reduction

April 9, 2018

Ridership initiative objective

- Find ways to improve ridership
- Improve system affordability
- Promote long term riders
- Understanding that new direction may result in small fare revenue losses today

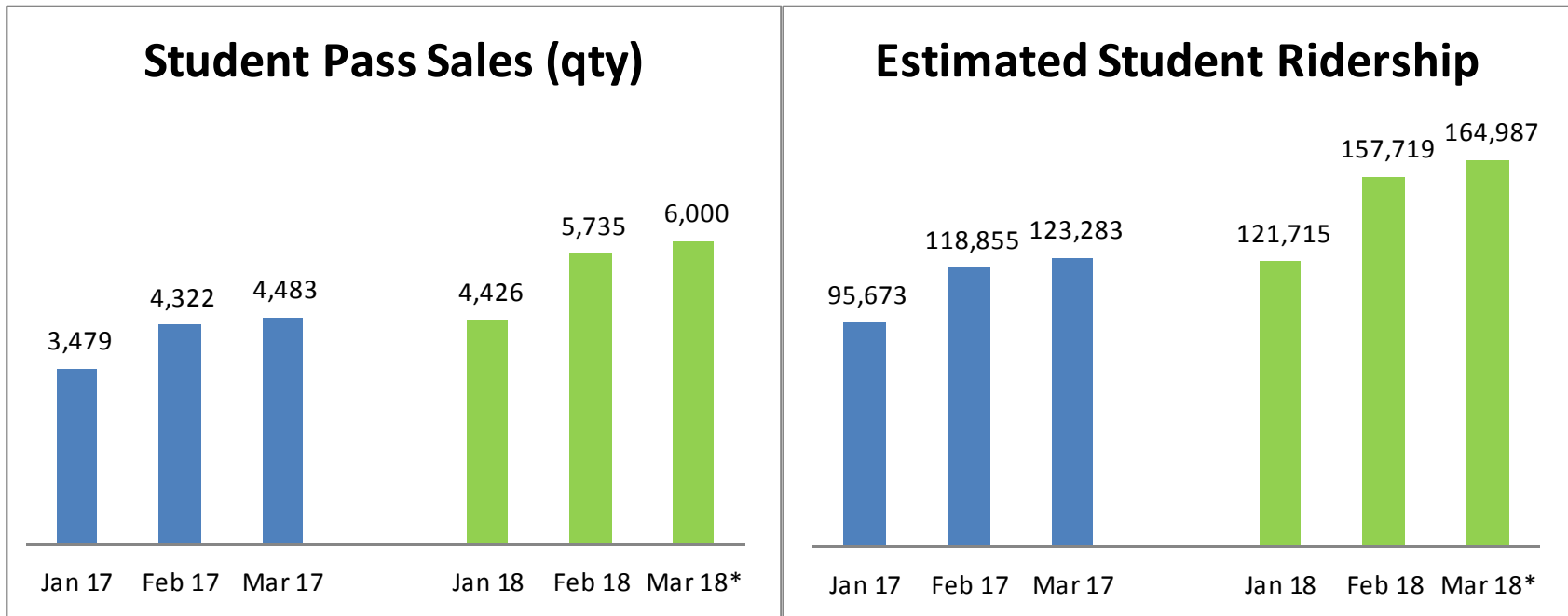
Student Fare Reduction Timeline



Marketing Efforts

- Issued press release that generated 14 news stories to date.
- Advertising on television, radio, social media and at local movie theatres.
- Dedicated student fares page on SacRT.com
- School campus outreach.
- Mini-Posters and Rack Cards (multi-language) on buses and trains.

Student Pass Sales/Ridership



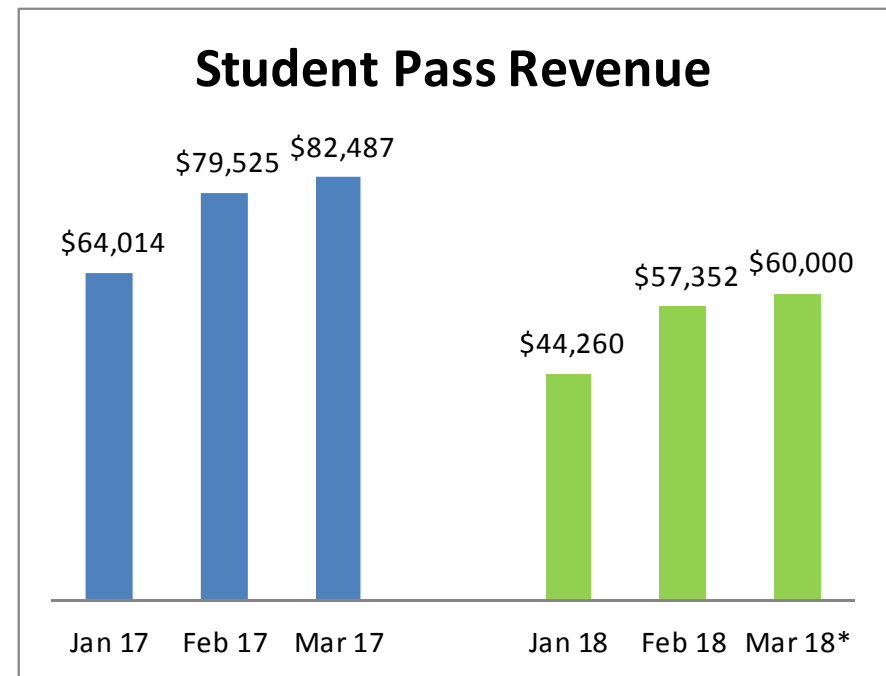
Year over year sales quantities increased 27% in January, 30% in February and 34% in March.

**March 2018 Outlet Sales are estimated here based on sales growth in February.*

***Ridership assumes 27.5 boardings per semi-monthly pass*

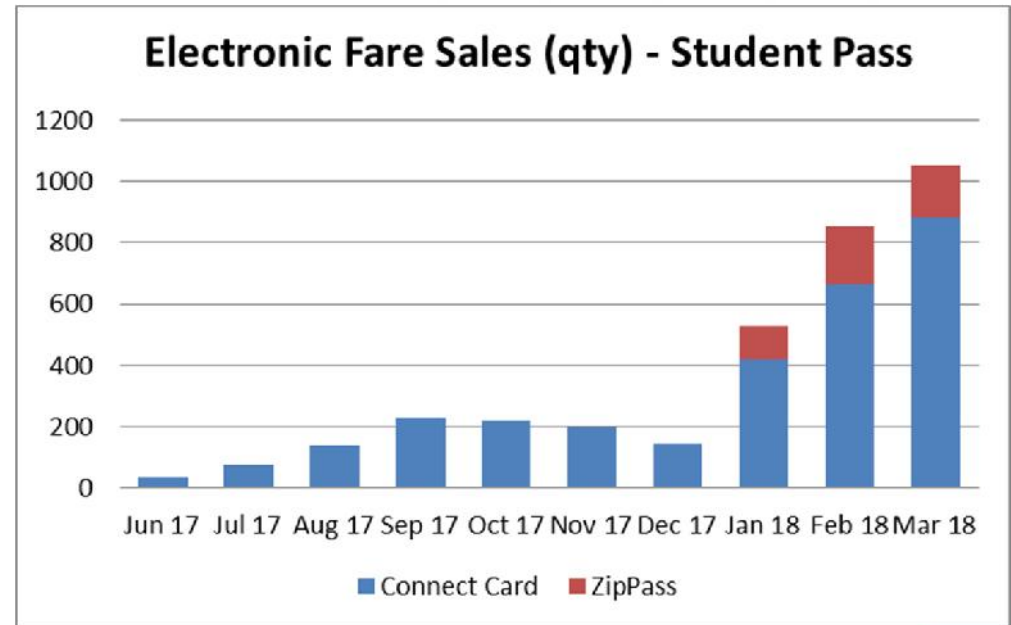
Impact on Revenues/Expenses

- Recent 3 months, student pass revenues lower by \$21,500 per month, but ridership gains were over 30,000 rides
- No additional direct operational service expenses were incurred, as of result of program



Students Prefer Electronic Fares

- Student pass sales of electronic fares up 400%
- Electronic fare usage grown to 18%, of all pass sales.
- 85% of students choose the student monthly pass over the student semi-month pass.



Conclusion

Successful Pilot!

- Program has worked as expected
- Look to expand program in the future