

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	01/22/18	Open	Action	01/10/18

Subject: Approving the Second Amendment to the FY 2018 Operating Budget

ISSUE

Whether or not to approve the Second Amendment to the Fiscal Year 2018 Operating Budget to reflect changes in the LTF Apportionment forecast.

RECOMMENDED ACTION

Adopt Resolution No. 18-01-____, Approving the Second Amendment to the Fiscal Year 2018 Operating Budget.

FISCAL IMPACT

This amendment will result in no change to the FY 2018 Operating Budget total. The changes to the operating budget are as follows:

1. Increase in the State and Local Revenue category by \$614,131 due to increase in Local Transportation Funds (LTF).
2. Decrease in the Fare Revenue category by \$808,330 due to current trend.
3. Increase in the Contracted Services category by \$194,199 due to a change in billing methodology.

DISCUSSION

On June 12, 2017, SacRT's Board approved the Fiscal Year 2018 Operating Budget. The FY 2018 approved operating budget included \$39,755,998 in LTF operating revenues. This amount was based on the Sacramento Area Council of Governments (SACOG) FY 2018 Findings of Apportionment, published during February 2017. After reviewing the Apportionment, SacRT staff discovered a calculation error in the February Apportionment schedule which if not caught, would have resulted in less revenue for SacRT. The correction was made and approved by the SACOG Board of Directors in December 2017. As a result of the SACOG Board's corrective action, SacRT proposes a revision to the FY 2018 Operating Budget to include additional LTF revenue in the amount of \$614,131 in the State and Local Revenue category.

In addition, the FY 2018 Operating Budget assumed a net billing methodology for the Folsom operating and maintenance agreement to commence at the beginning of the fiscal year. After working with Folsom staff, the switch to net billing will take place effective January 1, 2018 instead. As a result of this, the Contracted Services category will need to be increased by \$194,199 for the first six months of FY 2018. Thereafter, SacRT will net the fare revenues collected against the operating and maintenance costs. There is no additional net cost to either the City of Folsom and SacRT as a result of this action. Making this change is anticipated to simplify and streamline the billing process.

Approved:

Presented:

Final 01/16/18

General Manager/CEO

Director, Office of Management and Budget

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The two changes noted above would increase the operating budget. However, since Fare Revenues have been trending under budget almost every month since the beginning of this fiscal year and SacRT has been seeing a decrease in ridership (national trend), it would be prudent to decrease fare revenues accordingly. Therefore, staff recommends a corresponding total decrease in the fare revenue budget of \$808,330, see Table 1 below.

Table 1 - FY 2018 Adopted Budget with Amendments

Categories	FY 2018 Adopted Budget with First Amendment	FY 2018 Second Amendment	\$ Change	% Change
Operating Revenues				
Fare Revenue	\$ 30,571,633	\$ 29,763,303	\$ (808,330)	-2.6%
Contracted Services	5,605,112	5,799,311	194,199	3.5%
Other	3,578,000	3,578,000	-	0.0%
State & Local	90,515,934	91,130,065	614,131	0.7%
Federal	31,057,159	31,057,159	-	0.0%
Total Operating Revenue	\$ 161,327,838	\$ 161,327,838	\$ -	0.0%

Staff recommends the Board approve the Second Amendment to the FY 2018 Operating Budget.

RESOLUTION NO. 18-01-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

January 22, 2018

**APPROVING THE SECOND AMENDMENT TO THE
FISCAL YEAR 2018 OPERATING BUDGET**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Second Amendment to the Fiscal Year 2018 Operating Budget to increase the Local Transportation Fund account by \$614,131, increase the Contracted Services account by \$194,199, and to decrease the Fare Revenue account by \$808,330, for a net zero change to the total Operating Revenue budget, is hereby approved.

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary