

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	06/11/18	Open	Action	05/31/18

Subject: Approving the Third Amendment to the FY 2018 Operating Budget and the Eighth Amendment to the FY 2018 Capital Budget in Order to Claim Federal Section 5307 and 5337 Funding.

ISSUE

Whether or not to approve the Third Amendment to the Fiscal Year 2018 Operating Budget and the Eighth Amendment to the Fiscal Year 2018 Capital Budget in order to claim Federal Section 5307 and 5337 funding.

RECOMMENDED ACTION

Adopt Resolution No. 18-06-____, Approving the Third Amendment to the Fiscal Year 2018 Operating Budget and the Eighth Amendment to the Fiscal Year 2018 Capital Budget in Order to Claim Federal Section 5307 and 5337 Funding.

FISCAL IMPACT

Fiscal Year (FY) 2018 Operating Budget Impact. Net impact = \$0

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

- Increase the Federal Transit Administration (FTA) Section 5307 Urbanized Area revenues by \$848,030;
- Increase the FTA Section 5337 State of Good Repair revenues by \$558,126; and
- Decrease the Fare Revenue account by \$1,406,156 to reflect current trends.

Fiscal Year 2018 Capital Budget Impact. Net increase = \$1,348,395

Adjust the funding on the Siemens 1st Series Light Rail Vehicle (LRV) Replacement project (R115) as follows:

- Add \$1,869,880 of Section 5307 Urbanized Area Formula funds;
- Add \$2,274,057 of Section 5337 State of Good Repair funds; and
- Reduce state funding from \$3,800,000 to \$237,009 based on actual funds made available by the State and allocated by formula by the Sacramento Area Council of Governments (SACOG) and transfers to other projects.

Add the following subrecipient projects and associated federal funding to the FY 2018 Capital Budget:

- Add \$321,196 of FTA Section 5307 funds for Folsom's Preventive Maintenance project;
- Add \$250,000 of FTA Section 5307 funds El Dorado Transit's Urban Commuter Preventive Maintenance project; and
- Add \$196,253 of FTA Section 5307 funds for El Dorado Transit's Urban Bus Replacement project.

Approved:

Presented:

Final 06/05/18

General Manager/CEO

Director, Office of Management & Budget

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DISCUSSION

SacRT’s annual budgeting process includes Board adoption of budgets that reflect SacRT’s expected funding at the time of preparation. Periodically, changes to funding sources or amounts require revisions to the project budget. Staff has identified necessary revisions due to recent appropriations activity at the federal level and project developments for SacRT and subrecipients.

On June 12, 2017, SacRT’s Board approved the FY 2018 Capital and Operating Budgets, which included the following Operating Budget revenues:

- \$18,182,822 in FTA Section 5307 Urbanized Area; and
- \$11,022,179 in FTA Section 5337 State of Good Repair funds

These revenue estimates were based on historical federal funding levels. On May 8, 2018, FTA released the full year FY 2018 apportionments, which reflected a significant increase in funding for Section 5307 and 5337 formula funding programs as a result of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act of 2018 (the 2018 Omnibus Spending Bill).

In order to claim these funds, staff recommends allocating \$1,406,156 million of the higher than anticipated FY 2018 FTA Section 5307 and 5337 revenues toward the operating budget to compensate for lower than anticipated fare revenues, resulting in no net impact on the operating budget. See table below.

Categories	Current FY 2018 Budget	FY 2018 Budget with Amendment	\$ Change	% Change
Operating Revenues				
Fare Revenue	\$ 29,763,303	\$ 28,357,147	\$(1,406,156)	-4.7%
Contracted Services	5,799,311	5,799,311	-	0.0%
Other	3,578,000	3,578,000	-	0.0%
State & Local	91,130,065	91,130,065	-	0.0%
Federal	31,057,159	32,463,315	1,406,156	4.5%
<i>JARC</i>	<i>1,053,871</i>	<i>1,053,871</i>	<i>-</i>	
<i>5337 SGR</i>	<i>11,022,176</i>	<i>11,580,302</i>	<i>558,126</i>	
<i>5307 PM</i>	<i>18,182,822</i>	<i>19,030,852</i>	<i>848,030</i>	
<i>CMAQ for South Line</i>	<i>798,290</i>	<i>798,290</i>	<i>-</i>	
Total Operating Revenue	\$161,327,838	\$161,327,838	\$ -	0.0%

Staff further recommends that the remaining balance of FY 2018 FTA Section 5307 and 5337 revenues (\$4,143,947) be added to the FY 2018 Capital Budget for the Siemens 1st Series Light Rail Vehicle (LRV) Replacement project (R115). These funds will be a source of match funding for the recently awarded state Transit and Intercity Rail Capital Program (TIRCP) grant for Light Rail Vehicle replacements. After this addition, Project R115 will have a budget of \$4,380,946.

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Staff recommends the Board approve the Third Amendment to the FY 2018 Operating Budget and the Eighth Amendment to the FY 2018 Capital Budget.

RESOLUTION NO. 18-06-_____

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

June 11, 2018

APPROVING THE THIRD AMENDMENT TO THE FISCAL YEAR 2018 OPERATING BUDGET AND THE EIGHTH AMENDMENT TO THE FISCAL YEAR 2018 CAPITAL BUDGET IN ORDER TO CLAIM FEDERAL SECTION 5307 AND 5337 FUNDING

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

THAT, the Third Amendment to the Fiscal Year 2018 Operating Budget to increase the federal funds by \$1,406,156, and decrease the Fare Revenue account by \$1,406,156, for a net zero change to the total Operating Revenue budget, is hereby approved.

THAT, the Eighth Amendment to the Fiscal Year 2018 Capital Budget to increase the Capital Budget in the amount of \$1,517,395, is hereby approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary