

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	10/22/18	Open	Action	10/09/18

Subject: Approving the Fourth Amendment to the FY18 Operating Budget and the First Amendment to the FY19 Capital Budget

ISSUE

Whether or not to approve the Fourth Amendment to the Fiscal Year (FY)18 Operating Budget and the First Amendment to the FY19 Capital Budget.

RECOMMENDED ACTION

Adopt Resolution No. 18-10-____, Approving the Fourth Amendment to the FY18 Operating Budget and the First Amendment to the FY19 Capital Budget.

FISCAL IMPACT

Fiscal Year (FY) 2018 Operating Budget Impact: Increase of \$3,914,959

Revenues

- Increase Federal Transit Administration (FTA) Section 5307 Urbanized Area revenues by \$1,690,902.
- Increase FTA Section 5337 State of Good Repair revenues by \$2,224,057.

Expenses

- Increase Budget Stabilization account by \$3,914,959 for budget balancing purposes.

Fiscal Year (FY) 2019 Capital Budget Impact: Increase of \$828,022

- Transfer \$690,000 in State Senate Bill 1 (SB1) –State Transit Assistance (STA) funds from the Light Rail Vehicle Fleet Repair and Replacement Project (R115) to the Expansion Services Startup Costs Project.
- Add \$67,199 in Federal Transit Security Grant Program funds for the Emergency Preparedness Exercises Project.
- Add \$70,823 in Federal Transit Security Grant Program funds for the Anti-Terrorism Directed Surge Patrols Project.

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, funding amounts or District priorities require revisions to the budget. Staff has identified necessary revisions due to increased preventive maintenance requirements and award of federal funding for two SacRT transit security projects.

Approved:

Presented:

Final 10/15/18

General Manager/CEO

Director, Office of Management and Budget

J:\Board Meeting Documents\2018\14 October 22, 2018\4th Amendment to FY18 Operating Budget and 1st Amend to FY19 Capital Budget.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	10/22/18	Open	Action	10/09/18

Subject: Approving the Fourth Amendment to the FY18 Operating Budget and the First Amendment to the FY19 Capital Budget

Fiscal Year (FY) 2018 Operating Budget Amendment:

As a result of the Federal Fiscal Year (FFY) 2018 appropriation budget cycle (April), SacRT was pleased to learn that Federal preventative maintenance funds would be increased by 13.5% (\$4,143,937 Million) over budget. This increase was welcomed, but unusual and not anticipated. Therefore, to claim these dollars for this purpose, SacRT must amend the operating budget.

These funds were initially set aside in the capital project titled Light Rail Vehicle Fleet Repair and Replacement Project (R115), as it was initially undetermined what amount of these funds could be applied to preventative maintenance operating costs. Now that year-end expenses have been finalized, the amount available to fund preventative maintenance operating costs is \$3,914,959. Therefore, staff recommends the transfer of \$3,914,959 of federal funds from the Light Rail Vehicle Fleet Repair and Replacement Project to the FY 2018 Operating Budget to fund the additional preventive maintenance costs. The Light Rail Vehicle Fleet Repair and Replacement Project budget will remain unchanged but the funding will now be left open for future funding sources.

Fiscal Year (FY) 2019 Capital Budget Amendment:

SacRT needs to be able to capture startup costs related to expansion of service. Staff recommends a new capital project be created, Expansion Service Startup Costs, with a budget of \$690,000 funded by the transfer of \$690,000 of STA funds available through SB1 from the Light Rail Vehicle Fleet Repair and Replacement Project (R115). This would result in a \$690,000 increase to the Capital Budget since the Light Rail Vehicle Fleet Repair and Replacement Project (R115) budget remains unchanged and will be funded by future funding sources.

In addition, SacRT was awarded \$138,022 from the Federal 2018 Transit Security Grant Program. The award included \$67,199 to conduct Emergency Preparedness Exercises, and \$70,823 for Anti-Terrorism Directed Surge Patrols (Overtime Patrols).

Per Article VI of the Administrative Code, the SacRT Board must approve a change to the Capital Budget that results in the addition or deletion of a project.

CONCLUSION

Staff recommends the Board approve the Fourth Amendment to the FY18 Operating Budget to add \$3,914,959 in federal funds to the Operating budget and increase the Budget Stabilization account by the same amount; and the First Amendment to the FY19 Capital Budget to add the Expansion Service Startup Costs Project (\$690,000), the Emergency Preparedness Exercises Project (\$67,199), and Anti-Terrorism Directed Surge Patrols Project (\$70,823).

RESOLUTION NO. 18-10-_____

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

October 22, 2018

**APPROVING THE FOURTH AMENDMENT TO THE FY18 OPERATING BUDGET
AND THE FIRST AMENDMENT TO THE FY19 CAPITAL BUDGET**

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

THAT, the Fourth Amendment to the Fiscal Year 2018 Operating Budget to increase the federal funds by \$3,914,959 to be balanced by the Budget Stabilization account, is hereby approved.

THAT, the First Amendment to the Fiscal Year 2019 Capital Budget to add the Expansion Service Startup Costs Project in the amount of \$690,000, add the Emergency Preparedness Exercises Project in the amount of \$67,199 and add the Anti-Terrorism Directed Surge Patrols Project in the amount of \$70,823, increasing the Capital Budget by \$828,022, is hereby approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary