



Sacramento Regional Transit District Agenda

BOARD MEETING
5:30 P.M., MONDAY, APRIL 8, 2019
REGIONAL TRANSIT AUDITORIUM
1400 29TH STREET, SACRAMENTO, CALIFORNIA
Website Address: www.sacrt.com
(29th St. Light Rail Station/Bus 38, 67, 68)

ROLL CALL — Directors Budge, Hansen, Harris, Howell, Hume, Jennings, Miller, Nottoli, Schenirer, Serna and Chair Kennedy

Alternates: Directors Detrick, Kozlowski, Sander and Slowey

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR

1. Motion: Approval of the Action Summary of March 25, 2019
2. Resolution: Authorizing the Execution of the Low Carbon Transit Operations Program (LCTOP) Project(s) and Certifications and Assurances, and Submittal of Project Nominations and Allocation Requests to Caltrans, for Fiscal Year 2017/18 and 2018/19 Low Carbon Transit Operations Program (D. Goldman/B. Bernegger)
3. Resolution: Approving the Fifth Amendment to the Fiscal Year 2018/19 Budget (D. Goldman/B. Bernegger)

INTRODUCTION OF SPECIAL GUESTS

4. Gold Standard Award for Security, U.S. Department of Homeland Security (H. Li)

UNFINISHED BUSINESS

PUBLIC HEARING

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA*

NEW BUSINESS

5. Resolution: Authorizing Staff to Release the Sacramento Regional Transit District Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019 (D. Goldman/B. Bernegger)

6. Information: Update on the Sacramento Area Council of Government's Green Means Go Pilot-Program (B. Bernegger)

GENERAL MANAGER'S REPORT

7. General Manager's Report
 - a. SacRT Meeting Calendar

REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS

8. San Joaquin Joint Powers Authority Meeting – March 22, 2019 (Hume)

**CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA
(If Necessary)**

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS TO CLOSED SESSION

CLOSED SESSION

RECONVENE IN OPEN SESSION

CLOSED SESSION REPORT

ADJOURN

*NOTICE TO THE PUBLIC

It is the policy of the Board of Directors of the Sacramento Regional Transit District to encourage participation in the meetings of the Board of Directors. At each open meeting, members of the public will be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board of Directors. Please fill out a speaker card and give it to the Board Clerk if you wish to address the Board. Speaker cards are provided on the table at the back of the auditorium.

Public comment may be given on any agenda item as it is called and will be limited by the Chair to 3 minutes or less per speaker. Speakers using a translator will be provided twice the allotted time. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item the Chair of the Board will announce the maximum amount of time that will be allowed for public comment.

Matters under the jurisdiction of the Board and not on the posted agenda may be addressed under the Item "Public addresses the Board on matters not on the agenda." Up to 30 minutes will be allotted for this purpose. The Board limits public comment on matters not on the agenda to 3 minutes per person and not more than 15 minutes for a particular subject. If public comment has reached the 30 minute time limit, and not all public comment has been received, public comment will resume after other business has been conducted as set forth on the agenda. The Board will not act upon or discuss an item that is not listed on the agenda except as provided under Section 3.1.3.6.

This agenda may be amended up to 72 hours prior to the meeting being held. An Agenda, in final form, is located by the front door of Regional Transit's building at 1400 29th Street, Sacramento, California, and is posted on the SacRT website.

The Regional Transit Board of Directors Meeting is being videotaped. A replay of this meeting can be seen on Metrocable Channel 14 and will be webcast at www.sacmetrochannel14.com on April 10 @ 1:00 p.m. and replayed on April 11 @ 9:00 a.m.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Clerk of the Board at 916/556-0456 or TDD 916/483-4327 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on SacRT's website, on file with the Clerk to the Board of Directors of the Sacramento Regional Transit District, and are available for public inspection at 1400 29th Street, Sacramento, California. Any person who has any questions concerning any agenda item may call the Clerk to the Board of Sacramento Regional Transit District.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
March 25, 2019**

ROLL CALL: Roll Call was taken at 5:31 p.m. PRESENT: Directors Budge, Hansen, Howell, Hume, Jennings, Miller, Nottoli, Serna and Chair Kennedy. Director Harris arrived at 5:38. Absent: Director Schenirer.

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR

1. Motion: Approval of the Action Summary of March 11, 2019
2. Resolution: Approving a Sole Source Procurement and First Amendment to the Contract for Purchase of Siemens Coupler Components with Dellner, Inc. (A. Carrasco)
3. Approving Work Order No. 21 for Preliminary Engineering and Delegating Authority to the General Manager/CEO to Execute a Work Order for Final Design with Psomas for General Engineering Support Services for the Low Floor Vehicle Platform Conversion Project (D. Abansado/N. Nance)
 - A. Resolution: Approving Work Order No. 21 to the Contract for General Engineering Support Services – 2016 with Psomas for Preliminary Engineering for the Low Floor Vehicle Platform Conversion Project; and
 - B. Resolution: Conditionally Delegating Authority to the General Manager/CEO to Approve a Work Order to the Contract for General Engineering Support Services – 2016 with Psomas for Final Design Services for the Low Floor Vehicle Platform Conversion Project
4. Resolution: Approving the First Amendment to the Personal Services Contract with Michael Smith for Capital Project Technical Assistance (R. Thorn/H. Li)
5. Resolution: Approving the Sixth Amendment to the Personal Services Contract with Robin Haswell for Capital Project Management and Coordination Services (R. Thorn/H. Li)
6. Resolution: Adopting the Policy for Acceptance of Gifts and Donations (J. Adelman/B. Bernegger)

7. Resolution: Approving the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood with Electrify America and Delegating Authority to the General Manager/CEO to Execute Ancillary Agreements with Electrify America Related to the Cooperative Agreements (A. Carrasco)
8. Resolution: Approving a Non-Developmental Lease Agreement with the State of California Department of Transportation (Caltrans) for the Use of State Property for Parking Located Under the Capital City Freeway and Bordered by P, Q, 29th and 30th Streets, Sacramento, CA (B. Bernegger)
9. Approval of the Title VI Analysis, Permanently Adopting the Fare Reductions, Cash Transfers, and Folsom Only Fares (D. Goldman/B. Bernegger)
 - A. Resolution: Approving a Title VI Fare Equity Analysis for Fare Reductions, Transfer Fares, Los Rios Pass Program Changes, and Folsom-Only Fares; and
 - B. Resolution: Modifying the Fare Structure (Resolutions No. 09-10-0174 and 18-06-0061 as Amended) to (1) Reduce Fares, (2) Include Transfers as Valid Prepaid Fare Media, and (3) Add Fares for Folsom Dial-A-Ride and Fixed-Route Service.
 - C. Resolution: Repealing Resolution No. 16-03-0025, and Modifying Fares For Complementary Paratransit Service

ACTION: APPROVED - Director Hansen moved; Director Howell seconded approval of the consent calendar as written. Motion was carried by voice vote. Absent: Directors Harris and Schenirer.

INTRODUCTION OF SPECIAL GUESTS

UNFINISHED BUSINESS

PUBLIC HEARING

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Speakers:

Mike Barnbaum – Mr. Barnbaum provided an update on the San Joaquin Joint Powers Authority Meeting of March 22, 2019. The May 31 scheduled meeting is being moved to Sacramento.

Jeffery Tardaguila – Mr. Tardaguila indicated that the Sac Valley terminal does not work

(east location); wants improved signage around the Arena area; hopes transfer points are planned better.

Charles Trombley – Mr. Trombley would like to help homeless veterans get access to reliable transportation. SacRT does not offer a service like that to veterans or for those of low income.

John Perryman – Mr. Perryman is encouraging staff to work with Sacramento City Unified School District (SCUSD) prior to any contract with the City of Sacramento being signed regarding the homeless shelter being placed near a school. He believes there is no evidence that SCUSD is legally responsible for the safety of the children walking home; no evidence of the consideration of Penal Code 30037(g) which says you cannot house or place sex offenders within a ¼ mile of the school, no evidence you have considered the 1,000 foot drug free zone established by federal law around the school, and no evidence that the staff or Board has reached out to the official administrators and school boards members regarding a major social institution which will be deeply impacted by SacRT being a landlord. He believes as SacRT is the landlord they are SacRT's tenants and will be a nuisance in the community. As he understands it, SacRT is legally responsible for the activities of their tenants.

NEW BUSINESS

GENERAL MANAGER'S REPORT

10. General Manager's Report
 - a. SacRT Meeting Calendar

Mr. Li updated the Board on the launch of the Folsom Stage Line Service, now operated by SacRT beginning February 4, 2019. SacRT formed a Transition Task Force with the residents and riding public to communicate and solicit feedback.

On March 13, 2019, the Elk Grove Council Meeting unanimously approved a five year contract with SacRT. We have already began preparing for the service transition and anticipate offering positions to all of their operators.

On February 25, 2019, the SacRT Board of Directors approved SacRT Forward, a bus network redesign. Staff remains busy behind the scenes working to be ready to implement the launch in September. One of the things being considered is bus stop spacing.

Mr. Li introduced a number of new staff to the SacRT family.

Doug Cook, SacRT's new Vice President of Operations. In that position, Mr. Cook oversees the daily operations of both our light rail system and bus network. He has risen through the ranks of the District... starting as a bus driver. He is already making

an impact on the day to day operations.

Alva Carrasco, Vice President of Maintenance. Alva was previously our Deputy COO and now has the monumental task of overseeing our maintenance departments for both bus and light rail. With the aging of our light rail fleet and the future conversion to zero emission buses, she certainly has her work cut out for her.

Matthew Pinkerton, Director of Legal Services/Legal Counsel was introduced. Before that, he served as a legal attorney, in our legal department and as SacRT's Accountability and Compliance Auditor. He has risen to the top rank from two rounds of interview, including a final round interview with Chair Kennedy. In his new role, he will be responsible for managing the Legal Department and overseeing the delivery of legal services in support of the District's priorities.

SacRT's new Chief of Staff and the newest member of the Executive Management Team, Shelly Valenton. Shelly previously worked for San Joaquin Regional Transit and Delta Community College District. In her role, she will help to move a number of our key initiatives forward.

REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS

Director Hansen noted that there is some public art at 9th & O. There have been challenges with the maintenance of that piece which belongs to SacRT. To remove the piece and save it will cost \$70-80,000 versus removing it and offering it at a public sale.

Director Serna noticed that the SacRT website does not provide information on SacRT's future plans for service to the Sacramento Airport, and he would like information placed on the website with our future plans.

Director Miller indicated that the next CCJPA meeting scheduled for April 17th has been canceled.

CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS TO CLOSED SESSION

CLOSED SESSION

RECONVENE IN OPEN SESSION

CLOSED SESSION REPORT

ADJOURN

As there was no further business to be conducted, the meeting was adjourned at 5:57 p.m.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	04/08/19	Open	Action	03/28/19

Subject: Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) and Certifications and Assurances for Fiscal Year 2018/19

ISSUE

Whether or not to: 1) authorize the submittal of project nominations and allocation requests to Caltrans for Fiscal Year 2017/18 and 2018/19 Low Carbon Transit Operations Program (LCTOP) for the South Line Phase 2 Light Rail Expansion, Connect Card Implementation, Golden 1 Center Special Event Service, and Folsom Late Evening Light Rail Service projects, and 2) authorize execution of the certifications and assurances for fiscal year 2017/18 and 2018/19 LCTOP.

RECOMMENDED ACTION

Adopt Resolution No. 19-04-_____, Authorizing the Execution of the Low Carbon Transit Operations Program (LCTOP) Project(s) and Certifications and Assurances, and Submittal of Project Nominations and Allocation Requests to Caltrans, for Fiscal Year 2017/18 and 2018/19 Low Carbon Transit Operations Program.

FISCAL IMPACT

Approval of authority to apply for and receive funds will enable SacRT to access \$102,260 in FY 2017/18 and \$3,555,662 in FY 2018/19 LCTOP funds to continue operating the South Line Phase 2 Light Rail Extension, Connect Card Implementation, Golden 1 Center Special Event Service, and Late Evening Folsom Light Rail Service projects.

DISCUSSION

The Low Carbon Transit Operations Program was created in 2014 by Senate Bill 862 to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities (DACs). Eligible LCTOP projects support new or expanded bus or rail service, expand intermodal transit facilities; increase transit mode share; and/or support the purchase of zero emission buses (ZEBs) and related equipment/infrastructure. Each project is required to reduce greenhouse gas emissions. For transit agencies serving disadvantaged communities, at least 50% of the LCTOP monies received must be spent on projects that benefit disadvantaged communities, However, SB 1119 waives the 50% requirement for: a) LCTOP funded transit service connecting other transit service serving DACs; b) fare subsidies; c) network/fare integration; and d) purchase of ZEBs and supporting infrastructure. Assembly Bill 1550 creates additional requirements for low income communities and residents. Beginning in FY 2015/16, Senate Bill 862 continuously appropriates five percent of the annual Cap and Trade auction to LCTOP.

SacRT's share of FY 2017/18 and FY 2018/19 LCTOP funding is \$3,657,922, which includes \$102,260 unspent FY 2017/18 and \$153,352 FY 2018/19 LCTOP funds from the City of Folsom,

Approved:

Presented:

Final 04/01/19

General Manager/CEO

Director, Office of Management and Budget

J:\Board Meeting Documents\2019\06 April 8, 2019\FY18_19 LCTOP Allocation Request_Draft.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	04/08/19	Open	Action	03/28/19

Subject: Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) and Certifications and Assurances for Fiscal Year 2018/19

Folsom’s transit service area was annexed into SacRT’s transit service area effective January 1, 2019.

LCTOP funds are divided between four continuing projects:

- 1) The South Line Phase 2 Light Rail Extension project started operations in August 2015. SacRT is requesting FY 2018/19 LCTOP funds to help cover FY 2019/20 operations costs of this light rail expansion project.
- 2) The Connect Transit Card project commenced operations in November 2016. SacRT is requesting FY 2018/19 LCTOP funds to help cover operations cost in FY 2019/20.
- 3) The Golden 1 Center Special Event Service commenced operations in October 2016. SacRT is requesting FY 2018/19 LCTOP funds to help cover operations costs in FY 2019/20.
- 4) The Folsom Late Night Light Rail Service began operations in June 2018. SacRT is requesting FY 2017/18 and FY 2018/19 LCTOP funds to help cover operations costs in FY 2019/20.

SacRT’s service area includes multiple disadvantaged communities and low income communities. Except for the Folsom service, all of the above projects are located in, or near, one or more disadvantaged communities or low income communities. SacRT meets all LCTOP statutory requirements for these communities.

The LCTOP program requires a SacRT Board Resolution approving projects for which SacRT is requesting LCTOP funds. The Resolution includes the amount of LCTOP funds requested, a description of the project, and the contributing sponsors. In addition, the Resolution is required to approve the self-certification that SacRT will meet all requirements of the LCTOP guidelines, including reporting deadlines (Exhibit B- “Certifications and Assurances”).

Staff recommends that the Board: 1) authorize the submittal of project nominations and allocation requests to Caltrans for Fiscal Year 2017/18 and 2018/19 Low Carbon Transit Operations Program (LCTOP) for the South Line Phase 2 Light Rail Expansion, Connect Card Implementation, Golden 1 Center Special Event Service, and Folsom Late Night Light Rail Service, for the amounts indicated in Exhibit A; and 2) approve certification that SacRT will meet all requirements of the FY 2018/19 LCTOP guidelines (Certifications and Assurances).

RESOLUTION NO. 19-04-_____

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

April 8, 2019

AUTHORIZING THE EXECUTION OF THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT(S), AND CERTIFICATIONS AND ASSURANCES, AND SUBMITTAL OF PROJECT NOMINATIONS AND ALLOCATION REQUESTS TO CALTRANS FOR FISCAL YEAR 2017/18 AND 2018/19 LOW CARBON TRANSIT OPERATIONS PROGRAM

WHEREAS, the Sacramento Regional Transit District is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the Sacramento Regional Transit District wishes to implement the LCTOP projects listed in Exhibit A; and

WHEREAS, the Sacramento Regional Transit District wishes to delegate authorization to execute these documents and any amendments thereto to Henry Li, SacRT's General Manager/CEO.

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

THAT, the Board hereby agrees to comply with all conditions and requirements, including Disadvantaged Community and Low Income Community requirements, set forth in the applicable statutes, regulations, and guidelines for all LCTOP funded transit projects.

THAT, the Board hereby authorizes the submittal of the project nominations and allocation requests to the Department in FY 2017/18 and FY 2018/19 LCTOP funds for the projects listed in Exhibit A.

THAT, the Board hereby agrees to comply with all the conditions and requirements set forth in the Certifications and Assurances listed in Exhibit B for all Fiscal Year 2017/18 and FY 2018/19 LCTOP funded transit projects.

THAT, the Board hereby authorizes Henry Li, SacRT General Manager/CEO be authorized to execute all required documents of the LCTOP program and any amendments thereto with the California Department of Transportation.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

Exhibit A

SACRAMENTO REGIONAL TRANSIT DISTRICT FY 2017/18 AND FY 2018/19 LOW CARBON OPERATIONS PROGRAM (LCTOP) ALLOCATION REQUEST PROJECT LIST

1) South Line Phase 2 Light Rail Expansion

FY 18/19 LCTOP Funds requested: \$ 3,330,603

Description: Operate the Phase 2 segment in FY 2019/20

Contributing Sponsor: SACOG

DAC Status: In or near multiple DACs, low income communities

2) Connect Transit Card

FY 18/19 LCTOP Funds requested: \$ 50,845

Description: Operate universal fare card system in the Sacramento region in FY 2019/20

Contributing Sponsor: SACOG

DAC Status: In or near multiple DACs, low income communities

3) Golden 1 Center Special Event Service

FY 18/19 LCTOP Funds requested: \$ 20,862

Description: Operate Light Rail Service after major events at the downtown Golden 1 Center in FY 2019/20

Contributing Sponsor: SACOG

DAC Status: In or near multiple DACs, low income communities

4) Folsom Late Night Light Rail Service

FY 17/18 LCTOP Funds requested: \$ 102,260

FY 18/19 LCTOP Funds requested: \$ 153,352

Description: Operate late night Light Rail Service along the Folsom segment of the Gold Line in FY 2019/20

Contributing Sponsors: SACOG, City of Folsom

DAC Status: Not in or near a DAC, low income community



FY 2018-2019 LCTOP (Exhibit B)
Certifications and Assurances

Lead Agency: Sacramento Regional Transit District
South Line Phase 2 Light Rail Extension- Operations, Golden One Center Special
Project Title: Event Service, Connect Card Operations, Folsom Light Rail Expanded Evening
Service

Prepared by: Joe Paglieroni

The California Department of Transportation (Caltrans) has adopted the following Certifications and Assurances for the Low Carbon Transit Operations Program (LCTOP). As a condition of the receipt of LCTOP funds, Lead Agency must comply with these terms and conditions.

A. General

1. The Lead Agency agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
2. The Lead Agency must submit to Caltrans a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

1. The Lead Agency certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The Lead Agency assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The Lead Agency certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The Lead Agency certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The Lead Agency certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The Lead Agency certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The Lead Agency must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
7. Any interest the Lead Agency earns on LCTOP funds must be used only on approved LCTOP projects.



FY 2018-2019 LCTOP (Exhibit B)

8. The Lead Agency must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).

Certifications and Assurances

9. Under extraordinary circumstances, a Lead Agency may terminate a project prior to completion. In the event the Lead Agency terminates a project prior to completion, the Lead Agency must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

C. Reporting

1. The Lead Agency must submit the following LCTOP reports:
 - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
 - b. A Final Report within six months of project completion.
 - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to Caltrans within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
 - d. Project Outcome Reporting as defined by CARB Funding Guidelines.
2. Other Reporting Requirements: CARB is developing Funding Guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with CARB's Funding Guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

D. Cost Principles

1. The Lead Agency agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. The Lead Agency agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
 - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
 - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and



FY 2018-2019 LCTOP (Exhibit B)

Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with

Certifications and Assurances

Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3. Any project cost for which the Lead Agency has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the Lead Agency to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs subject to repayment by the Lead Agency to the State. Should the Lead Agency fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the Lead Agency from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

A. Record Retention

1. The Lead Agency agrees and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the Lead Agency, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP) and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the Lead Agency, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the "Project Closeout" report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the Lead Agency, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Lead Agency pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the Lead Agency's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.



FY 2018-2019 LCTOP (Exhibit B)

2. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the Lead Agency’s contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the Lead Agency shall furnish copies thereof if requested.

3. The Lead Agency, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

Caltrans may perform an audit and/or request detailed project information of the project sponsor’s LCTOP funded projects at Caltrans’ discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

Henry Li

(Print Authorized Agent)

General Manager/CEO

(Title)

(Signature)

(Date)

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	04/08/19	Open	Action	04/01/19

Subject: Approve the Fifth Amendment to the FY 2019 Capital Budget

ISSUE

Whether or not to approve the Fifth Amendment to the Fiscal Year (FY) 2019 Capital Budget.

RECOMMENDED ACTION

Adopt Resolution No. 19-04-____, Approving the Fifth Amendment to the FY 2019 Capital Budget.

FISCAL IMPACT

Increase of \$792,500 to the FY 2019 Capital Budget. Funding will be applied as it becomes available and as the projects progress.

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 SacRT's priorities require revisions to the budget.

Staff has identified necessary revisions to the Capital Budget:

- **\$312,500 for the Bus Maintenance Management Software Program (B147)**
The Bus Maintenance Division currently uses several redundant systems to manage and track bus fleet maintenance activities, many of which are paper-heavy and rely on aging in-house software systems. Because SacRT receives Federal funds the FTA will audit maintenance records to ensure compliance. Without a proper tracking system, SacRT runs the risk of failing these requirements which can jeopardize funding. With this project, Bus Maintenance will purchase a new Fleet Maintenance Software Program that will have the following benefits: (1) remove redundancies in existing systems and aggregate all relevant data into a single system; (2) provide reliable and timely diagnostics on bus fuel consumption, fluid levels, mileage, engine hours and other information necessary to identify performance problems before they become major issues and cause service interruptions; (3) assist with bus maintenance scheduling, thereby reducing operating costs, saving time and improving bus performance; (4) streamline reporting processes, including federally-required National Transit Database (NTD) reporting processes, by replacing manually generated reports and manually aggregated data with built-in and customizable reports; and (5) assist with the reporting requirements per the Elk Grove service contract.

Approved:

Presented:

Final 04/03/19

General Manager/CEO

Director, Office of Management & Budget

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	04/08/19	Open	Action	04/01/19

Subject: Approve the Fifth Amendment to the FY 2019 Capital Budget

- \$450,000 for the 1225 R Street Roof Replacement (F029)**
 This project will replace the roof at the Customer Service and Sales Center building (1225 R Street), which is beyond its useful life expectancy and has had multiple problems with leaks causing structural damage, potential mold, and employee/office relocations. We retained a consultant to evaluate the roof and they recommended that it be replaced.
- \$30,000 for the Building Access System Upgrade Project (T018)**
 Parking capacity is becoming a problem in the P/Q Parking Lot under Business 80 as the number of District employees grows. SacRT needs to restrict parking access to SacRT employees only. Increasing the budget for the Building Access System Upgrade project will allow SacRT to install an employee badge access gate at the entrance to the P/Q parking lot, which will restore parking capacity and prevent the need to hire new staff to monitor and enforce parking restrictions.

The FY 2019 Capital Budget was adopted by the Board on June 11, 2018 and has been amended five times as described in Table 1.

Table 1. FY 2019 Capital Budget Summary

Status	Action	Total FY19 Budget Request	Amendment Amount	Detail
Done	Adopted FY 2019 Capital Budget – June 11	\$186,100,320		
Done	Amendment 1 – October 22	\$186,928,342	\$ 828,022	Added two new grant-funded security projects, and one new project for expansion services startup costs.
Done	Amendment 2 – December 10	\$207,248,324	\$20,319,982	Added new grant-funded projects, and added new critical maintenance and state of good repair projects that are now possible due to increased stability of Senate Bill 1 (SB1) funds.
Done	Amendment 3 – January 28	\$232,859,037	\$25,610,713	Added \$20.2M in new grant-funded projects, increased budget authority by \$5.2M for several projects to allow SacRT staff to pursue additional grant funding, and increased budget for a critical path project.
Done	Amendment 4 – February 25	\$244,959,037	\$12,100,000	Added budget authority to allow Electrify America grant funds for Zero Emissions Buses to flow through SacRT.
Action Needed	Amendment 5 – April 8	\$245,751,537	\$ 792,500	See Discussion section of Issue Paper for details.

Staff recommends approving the Fifth Amendment to the FY 2019 Capital Budget.

RESOLUTION NO. 19-04-_____

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

April 8, 2019

**APPROVING THE FIFTH AMENDMENT TO THE FISCAL YEAR 2019 CAPITAL
BUDGET**

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

THAT, the Fifth Amendment to the Fiscal Year 2019 Capital Budget to increase the Capital Budget in the amount of \$792,500 for the Bus Maintenance Management Software Program, 1225 R Street Roof Replacement, and Building Access System Upgrade projects, is hereby approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

Agenda Item 4

INTRODUCTION OF SPECIAL GUEST

Gold Standard Award for Security
U.S. Department of Homeland Security

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

ISSUE

Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary Fiscal Year (FY) 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

RECOMMENDED ACTION

Adopt Resolution 19-04-___, Authorizing Staff to Release the Sacramento Regional Transit District Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Preliminary FY 2020 Budget

The proposed preliminary FY 2019 Budget includes projections for revenues and expenses based on the current information of conditions and expectations. Major factors for the 8.5% increase in the budget from FY 2019 include costs associated with the annexations of Citrus Heights and Folsom, providing bus service for the City of Elk Grove, implementation of additional service with SacRT Forward service changes in September, continued expansion of microtransit SmarT Ride service, added light rail service on weekends and during evenings, and on-going operations.

FY 2020 marks the year that debt service for the 2012 bond issue returns. The monthly required debt service payments will be funded by Transportation Development Act State Transit Assistance Program revenues with the net amount of these revenues being included in the operating budget. The total payments for debt service for FY 2020 is \$3.4 million and will be included as debt service in the capital budget.

The budget will be updated as conditions change until it is adopted at the June 10, 2019 Board meeting. Table 1 includes a comparison of the previous years' actual expenses, current year amended budget, and the FY 2020 preliminary budget amounts.

Approved:

Presented:

Final 04/03/19

General Manager/CEO

Director, Office of Management and Budget

J:\Board Meeting Documents\2019\06 April 8, 2019\4-8-19 - FY 2020 Operating and Capital Budget IP.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

Table 1 (Millions)

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Budget	FY 2019 to FY 2020	
					\$ Change	% Change
Revenues	\$ 162.5	\$ 169.1	\$ 175.7	\$ 190.7	\$ 15.0	8.5 %
Expenses	\$ 160.3	\$ 159.9	\$ 175.7	\$ 190.7	\$ 15.0	8.5 %
Addition to Working Capital	-	\$4.0	-	-	-	-
Addition to Operating Reserve	\$2.2	\$5.2	-	-	-	-

Note: Ending FY 2018 operating reserve balance is \$10.5 million, see Table 4.

Budget Process and History

The development process for the FY 2020 Budget consists of a concept referred to as a “base budget.” The base budget is defined as holding costs to approximately the same level as the current year, with adjustments for inflation and trends. Any requests for increases above the base needed to be explained and linked to one of SacRT’s major goals and objectives. These requests were then vetted by staff and scrutinized by the General Manager/CEO and, if approved, incorporated in the proposed budget.

Operating Revenues

FY 2020 operating revenues are projected to be \$190.7 million compared to the FY 2019 Amended Budget of \$175.7 million. Table 2 includes a comparison of the previous years’ actual expenses, current year amended budget, and the FY 2020 preliminary budget amounts.

Table 2 (Thousands)

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Budget	FY 2020 to FY 2019 \$ Change	FY 2020 to FY 2019 % Change
Fare Revenue	\$ 30,487	\$ 27,276	\$ 25,946	\$ 27,052	\$ 1,106	4.3%
Contract Services	6,260	6,420	3,830	7,686	3,856	100.7%
State & Local	86,911	93,339	104,105	115,511	11,406	11.0%
Federal	34,467	37,060	36,085	35,623	(462)	-1.3%
Other	4,357	5,006	5,778	4,835	(943)	-16.3%
Total	\$ 162,482	\$ 169,101	\$ 175,744	\$ 190,707	\$ 14,963	8.5%
Operating Surplus/(Deficit)	2,159	9,172				
Operating Revenue	\$ 160,323	\$ 159,929	\$ 175,744	\$ 190,707	\$ 14,963	8.5%
<i>Working Capital</i>	-	4,000				
<i>Operating Reserve Change</i>	2,159	5,172				

Fare Revenue

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

This category includes the passenger fare revenue. Fare Revenue is projected to increase by \$1.1 million, primarily due to SacRT’s multiple ridership initiatives which include: Los Rios College fare adjustments, monthly student fare reduction, overall fare reductions, Smart Ride microtransit service, 15 minute weekend light rail service, Folsom late night light rail service and annexation, and route adjustments from SacRT Forward.

Contracted Services

This category includes contracts with the Cities of Elk Grove and Rancho Cordova, as well as North Natomas shuttle services. They included Citrus Heights and Folsom in FY19, but those contracts will no longer be in effect in FY20 since those two cities were annexed in FY19. The City of Elk Grove and SacRT entered into an agreement, effective July 1, 2019, for SacRT to operate the City’s bus service. The net effect of these changes results in an increase in Contracted Services of \$3.9 million dollars over FY19.

State and Local

This category includes formula-based allocations to SacRT from state and local government sales taxes. SacRT receives funding from Sacramento County Measure A, the California Transportation Development Act Local Transportation Fund (TDA-LTF), the Transportation Development Act State Transit Assistance Program (TDA-STA), and various other programs that are not always available from year to year. The TDA-STA is further split into three subcategories: Traditional (pre-SB1 2017 transportation tax), SB1 (2017 transportation tax), and SGR (State of Good Repair – SB1 transportation fees).

The largest source of local revenue, the Measure A transportation sales tax, is projected to increase by 3.7% or almost \$1.6 million over the current year budget based on Sacramento Transportation Authority projections. This is due to a combination of the continued strong California economy and population growth. In addition, we anticipate growth in microtransit service, which should generate an additional \$1.3 million of Measure A funds.

Based on Statewide growth with TDA-LTF, the allocation provided by Sacramento Area Council of Governments (SACOG) to SacRT increased by 7.3% or \$3.1 million. A full year of TDA-LTF is also included per the annexations of Citrus Heights and Folsom, minus the 5% that is allocated to Paratransit Inc. for senior and disabled transportation services, this is an increase of approximately \$3.3 million.

As discussed previously, the 2012 Bond issue debt will be deducted from TDA-STA funds. The good news is that the state allocation for TDA-STA funds has been very favorable. Before the reduction due to debt service, the TDA-STA-Traditional allocation increased by 16% from last year. \$1.9 million of TDA-STA funds derived from the SB1 tax measure are included in the budget as are \$2.4 million of TDA-STA-SGR funds. TDA-STA funds related to the annexations of

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

Folsom and Citrus Heights have also been included in the budget. The net impact from the SB1 fund is an approximate increase of \$800,000.

Due to the continued stellar results of the State auctions, Cap and Trade – Low Carbon Transit Operations Program (LCTOP) revenues are projected to increase by 59% over last year or \$1.3 million. This also includes \$153,352 attributed to the annexation of Folsom.

Federal

This category includes formula-based allocations to SacRT from the federal government. Each year Congress authorizes the appropriation, and the Federal Transit Administration (FTA) allocates the dollars to the region. The majority of this category is comprised of US Code Section 5307 Urbanized Area Formula funds and US Code Section 5337 State of Good Repair funds. Based on the full year allocations released by the FTA and draft share calculations produced by SACOG, this revenue source is anticipated to change by less than 1% compared to last year.

Jobs Access/Reverse Commute funds were awarded by SACOG as part of their Federal discretionary competitive grant program. These funds are anticipated to increase by 5% in FY 2020.

Sacramento Clean Air funds from the Sacramento Emergency Clean Air Transportation (SECAT) program are anticipated to be fully expended in FY 2019; therefore, no funding from this program is included in the FY 2020 budget, which results in an overall reduction to the Federal funding category of \$0.5 million.

Other

This category includes cap and trade, investment income, commercial real estate leases, advertising income, fare evasion fines, promotional item sales, photo identification activities, and parking revenue. FY 2019 included one-time settlement fund revenues of approximately \$1 million, which are not anticipated for FY 2020.

Operating Expenses

FY 2020 total operating expenses are projected to be \$190.7 million, which is an increase of 8.5% from the current year. The majority of this increase is due to the annexations of Citrus Heights and Folsom, providing bus service for the City of Elk Grove, implementation of SacRT Forward, increased light rail frequency on weekends, continued expansion of microtransit service, and standard operating costs. The following table includes a comparison of the previous years' actual expenses, current year amended budget, and the FY 2020 preliminary budget amounts.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

Table 3 (Thousands)

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Budget	FY 2020 to FY 2019 \$ Change	FY 2020 to FY 2019 % Change
Salaries & Benefits	\$ 106,940	\$ 109,150	\$ 117,905	\$ 131,813	\$ 13,908	11.8%
Professional Services	26,423	22,331	24,327	25,830	1,503	6.2%
Materials & Supplies	8,932	9,309	10,390	11,251	861	8.3%
Utilities	6,619	6,995	7,029	7,505	476	6.8%
Insurance & Liability	9,317	9,300	9,231	10,025	794	8.6%
Other	2,092	2,845	6,862	4,283	(2,579)	-37.6%
Operating Expenses	\$ 160,323	\$ 159,930	\$ 175,744	\$ 190,707	\$ 14,963	8.5%

Salaries & Benefits

This category is projected to increase by 11.8%. Cost increases are primarily due to the annexations and service expansions highlighted above. The budget includes 1,240.5 funded positions. The vast majority, 85%, are employed in operations, while 15% are assigned to support functions. The budget also includes new authorized positions primary due to annexations and service expansions.

Professional Services

This category includes purchased transportation (ADA paratransit) to comply with the Americans with Disabilities Act (ADA), transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants. This category is projected to increase by 6.2% due to maintenance, security, and marketing costs.

Materials & Supplies

This category includes fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies. This category is projected to increase by 8.3% primarily due to costs associated with annexations, service enhancements, and fuel increases.

Utilities

This category includes electricity, water, gas, refuse, and telephone for bus, light rail, and administrative facilities. This category is projected to increase by 6.8% due to the additional cost of electricity needed to run late night and more frequent weekend light rail service.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

Insurance & Liability

This category includes premiums, claims, and attorney fees related to personal liability insurance, property damage insurance, workers' compensation claims, and commercial insurance for amounts in excess of self-insured amounts. This category is projected to increase by 8.6% due to mandatory insurance needed per the contract for service with Elk Grove.

Other

This category includes but is not limited to travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and bad debt. This category is projected to decrease by 38% primarily due to the reduction in the budget stabilization account that was created during mid-year FY 2019.

Capital Budget – Capital Improvement Plan (CIP)

The FY 2020 proposed preliminary Capital Improvement Budget is \$227.3 million, including approximately \$4.5 million in State funding and \$222.8 million in unidentified funding for which SacRT has submitted, or intends to submit, competitive grant applications. Funding is budgeted in the following projects:

Facilities Program

- **HVAC Replacements - Admin & Maintenance Buildings (F020)** - \$40,625 of STA funds for HVAC replacements at the Administrative Building, Wayside Building, and Metro Building.
- **Facilities Maintenance & Improvements (F021)** - \$400,000 of STA funds to make general facilities enhancements and maintain facilities throughout the district. Scope includes building repairs, equipment repair/replacement, etc.
- **Fare Vending Machine (FVM) Enhancements (R354)** - \$600,000 of STA funds for the purchase and installation of approximately twelve (12) new Fare Vending Machines (FVMs) at light rail stations along the Gold and Green Lines. New FVMs will be more reliable and less expensive to maintain, and will accept debit/credit payment. Previously the budget included only the cost to purchase and install FVMs in the Northeast Corridor NEC/Blue Line because the available grant funding was restricted to those lines.

Fleet Program

- **Existing Bus Fleet Replacement (2020 - 2035) (B100)** - \$21,499,000 of budget authority to seek competitive grant funds for the replacement of 31, or approximately one-third, of the 91 Model Year 2008 CNG 40-foot buses with new CNG buses. The remaining 60 buses will be budgeted for replacement in FY21 and FY22.
- **Siemens 1st Series LRV Fleet Replacement (R115)** - \$79,800,000 of budget authority to seek competitive grant funds for the replacement of all 26 LRVs in the Siemens 1st Series

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

Fleet (1987 vehicles). Previously the budget only included the 13 1st Series Siemens vehicles that received partial funding from the 2018 Transit and Intercity Rail Capital Program (TIRCP) grant. This action will increase the budget to reflect the latest cost estimate to replace all 26 LRVs.

- **CAF Fleet Mid-Life Component Overhaul (R125)** - \$24,000,000 of budget authority to seek competitive grant funds for the overhaul of major subsystems/components on the CAF Light Rail Vehicle fleet. The 40 CAF LRVs were placed in service in 2003 and are 15 years old, which is beyond halfway through their FTA-defined 25-year useful life. This level of funding will be adequate to overhaul all components of eight LRVs, or to overhaul just select components of a greater number of vehicles. The remaining CAF vehicles and/or components will be budgeted for overhaul in FY21 through FY24
- **Gold Line Service Expansion Light Rail Vehicles (R358)** - \$20,200,000 of budget authority to seek competitive grant funds for the procurement of all ten (10) expansion LRVs that are needed to enable Gold Line frequency enhancements (increasing service frequencies from 30 minutes to 15 minutes between Sunrise Station and Historic Folsom Station). The previous budget included only the seven expansion LRVs that received partial funding from the 2018 TIRCP grant. This action will increase the budget to reflect the latest cost estimate to purchase all 10 expansion LRVs.

Infrastructure Program

- **Electric Bus Charging Infrastructure (B165)** - \$4,165,950 of budget authority to seek competitive grant funds for the implementation of Phases 1 and 2 of SacRT’s electric bus charging infrastructure project. In Phase 1, SacRT will install a 4000 Amp service for charging buses at Bus Maintenance Facility 1 (BMF1), which will provide capacity for SacRT’s initial electric bus procurements. In Phase 2, SacRT will install a 21 kV Primary Service at BMF1, which will have the capacity to charge a significant number of electric buses.
- **Light Rail Station Low Floor Vehicle Conversion (R314)** - \$54,250,000 of budget authority to seek competitive grant funds for the conversion of all light rail stations systemwide to low-floor. Previously the budget only included the cost to convert the stations along the Gold Line to low-floor because the 2018 TIRCP and Congested Corridors grant awards were focused on delivering enhanced service frequencies on the Gold Line. With this action, the budget will be increased to reflect the latest cost estimate to convert all stations systemwide to low-floor.
- **Gold Line Side Track (R359)** – Increase the budget for the Gold Line Side Track by \$18,900,000 to reflect the latest cost estimate, which is consistent with the high construction costs that are being seen nationwide. This project will enable 15 minute service on the Gold Line between Sunrise station and Historic Folsom station.

The Abridged Budget document (Attachment 1, beginning on page 23) includes additional details regarding the capital projects proposed for new funding authorizations, including previously budgeted amounts.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

Reserves

The Comprehensive Reserve Policy was adopted by the Board on 11/09/2015. It states that if reserves fall below minimum levels, staff will prepare a feasible catch-up plan to cover the shortfall. The reserve policy consists of four categories: Operating, Self-insurance, Capital, and Grant/Project Specific. Reserve policy consists of the following levels:

Operating: 60 days (best practice amount)

Self-insurance: Equal to current year actuarially determined claim expense

Capital: Under Development

Grant/Project Specific: Included in project estimates

Table 4 – Reserve Amounts (Millions)*

Reserve Category	Amount Needed	Current Amount	Shortfall
Operating	\$27.5	\$10.5	\$17.0
Self-Insurance	\$11.4	\$3.1	\$8.3

* Per FY 2018 Comprehensive Annual Financial Report

In the past three fiscal years, SacRT has made a significant financial turn-around by increasing SacRT’s total reserve to \$13.6 million. The operating reserve balance to \$10.5 million as of June 30, 2018 from a low of \$3.1 million as of June 30, 2015. The increase in operating reserves is vital for financial health, cash liquidity, and credit rating reviews of SacRT. The operating reserve target presented above is the minimum requirement per the comprehensive reserve policy; however, SacRT currently has a \$27 million Line of Credit (LOC) to supplement operating cash flows. Maintaining a large reserve without reducing the LOC is not fiscally prudent. The goal for the operating reserve is to eliminate the need for the LOC by building sufficient unrestricted cash balance while continuing to build operating reserves.

FY 2020 Budget Timeline

Staff will continue to work diligently to confirm and refine budget assumptions until the FY 2020 Operating Budget is adopted by the Board.

- April 8, 2019 Release of the Preliminary FY 2020 Budget for 60-day Public Review.
- May 13, 2019 Public Hearing accepting public comment on the Preliminary FY 2020 Budget and continue the Public Hearing to June 10, 2019.
- June 10, 2019 Continue Public Hearing to accept public comment on the Preliminary FY 2020 Budget and adopt the FY 2020 Budget.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	4/8/19	Open	Action	04/03/19

Subject: Authorizing staff to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2020 Operating and Capital Budgets and Set Notice of a Public Hearing for May 13, 2019.

In keeping with the timeline presented above, Staff recommends the release of the FY 2020 Budget for 60-day public review.



Sacramento Regional Transit District

Abridged Budget
Fiscal Year 2019-2020

April 8, 2019

Table of Contents

Board of Directors.....	3
Executive Management Team	4
Office of Management & Budget Team.....	4
Organizational Structure	5
District Overview.....	6
District Profile.....	6
Strategic Plan	7
Budget Process	10
Voting System.....	11
SacRT Major Goals and Objectives in FY 2020.....	13
Operating Budget Summary	15
Revenues.....	15
Expenses.....	18
Positions.....	21
Capital Improvement Plan.....	23
Project Overview.....	23
Impact of Capital Improvements on the Operating Budget	24
Capital Improvements by Category.....	25
Capital Project Funding Addition Descriptions	27



Board of Directors

Patrick Kennedy, Chair
County of Sacramento

Steve Hansen, Vice Chair
City of Sacramento

Linda Budge
City of Rancho Cordova

Jeff Harris
City of Sacramento

Kerri Howell
City of Folsom

Pat Hume
City of Elk Grove

Rick Jennings II
City of Sacramento

Steve Miller
City of Citrus Heights

Don Nottoli
County of Sacramento

Jay Schenirer
City of Sacramento

Phil Serna
County of Sacramento

Board of Directors Alternate

Steven Detrick
City of Elk Grove

Mike Kozlowski
City of Folsom

David Sander
City of Rancho Cordova

Jeff Slowey
City of Citrus Heights

Executive Management Team

Henry Li
General Manager/CEO

Brent Bernegger
VP, Finance/CFO

Alva Carrasco
VP, Transit Maintenance

Douglas Cook
VP, Transit Operations

Laura Ham
VP, Planning and Accountability

Neil Nance
VP, Engineering and Facilities

Justin Risley
Chief, Security Operations and Police Services

Devra Selenis
VP, Communications and Partnerships

Shelly Valenton
Chief of Staff

Office of Management & Budget Team

David Goldman
Director, Office Management & Budget

Maureen Ring
Grants Manager

Nadia Mokhov
Senior Financial Analyst

Carol Cherry
Senior Grants Analyst

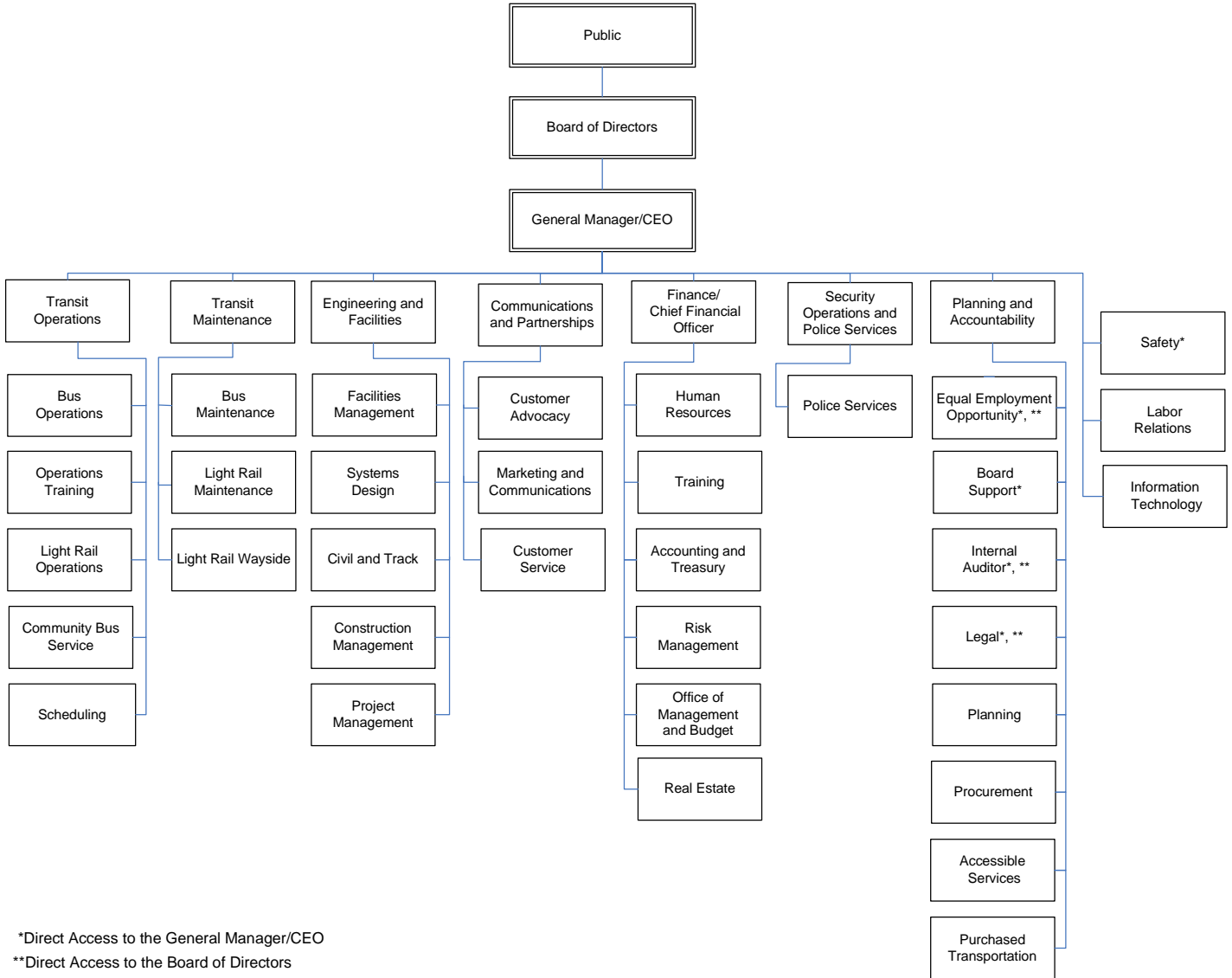
Judy Wong
Senior Financial Analyst

Joe Paglieroni
Senior Grants Analyst

Kristen Mazur
Senior Grants Analyst

Organizational Structure

(Cost Center Based)



*Direct Access to the General Manager/CEO

**Direct Access to the Board of Directors

District Overview District Profile

Facts

<p style="text-align: center;">Sacramento Regional Transit District (SacRT)</p>	<p>Constructs, operates, and maintains a comprehensive mass transportation system that serves 367 square miles in Sacramento County</p>
--	---

Bus Service	
Power	Compressed Natural Gas, Diesel, Gasoline
Routes	70
Schedule	4:41 am to 11:38 pm daily
Stops	3,100+
Vehicles	192 - 40' CNG Buses 34 - Shuttle Vans
Annual Ridership	10,500,000

Light Rail Service	
Power	Electrical
Miles	44.9
Schedule	3:49 am to 12:59 am daily
Stops	52
Vehicles	97
Annual Ridership	10,400,000

Paratransit	
ADA Passenger Trips Provided	282,909
ADA Vehicle Revenue Miles	3,427,446
Vehicles	101

Passenger Amenities/ Customer Service	
Transfer Centers	32
Park & Ride	22
Annual Customer Service Calls	118,961
Customer Info Line	(916) 321-2877
Website	www.sacrt.com

History	
Apr 1, 1973	Began operations by acquiring the assets of Sacramento Transit Authority
1973	Completed new maintenance facility and purchased 103 new buses
1987	Opened the 18.3-mile light rail system, linking the northeastern Interstate 80 and southeastern Highway 50 corridors with Downtown Sacramento
Sep 1998	Completed the first light rail extension to Mather Field/Mills Station along the Gold Line corridor
Sep 2003	Opened the South Line, extending light rail to South Sacramento
Jun 2004	Extended light rail from Mather Field/Mills to Sunrise Boulevard
Oct 2005	Extended light rail from Sunrise Boulevard to Folsom, including four new stations
Dec 2006	Extended light rail from downtown Sacramento to Sacramento Amtrak station
Jun 2012	Opened the Green Line, connecting downtown Sacramento to the River District
September 2015	Extended light rail from Meadowview to Cosumnes River College
February 2018	Started Microtransit/SmarRT Ride services
January 2019	Annexed Citrus Heights and Folsom services
July 2019	Will provide Elk Grove services under contract

Strategic Plan

Adopted by the Board of Directors in January 2015, SacRT's Strategic Plan reaffirms SacRT's commitment to improve access in the Sacramento region by providing fiscally responsible transit service.

The Strategic Plan outlines the way SacRT will navigate challenges and explore opportunities as it seeks to connect people to resources with consideration and support of regional goals.

SacRT's Strategic Plan requires SacRT to shape activities to support identified Values and Goals, responsibly manage all agency actions and commitment of resources, and measure performance.

SacRT acts as the Region's focal point for transit research and development, strategic planning and system assessment, and transit education and safety training. SacRT's programs involve multiple modes of transportation.

This plan is SacRT's commitment to the people of the Sacramento Region. SacRT will accomplish this through regional leadership and by providing quality service in a respectful and sustainable manner. SacRT will continue to focus on customer service and provide safe, clean, and reliable transportation service. To prepare for future needs in the 21st Century, SacRT will build and continuously develop a highly skilled transportation workforce. SacRT will continue to challenge itself to meet the growing transportation needs of the Sacramento Region.

The SacRT Strategic Plan's Mission, Vision, Values, and Goals are listed on the following page. The plan is best seen as an evolving process, not a rigid or fixed document. This plan will change as the needs of the Region change and will reflect the transportation requirements of the Region.



Strategic Plan (continued)

Mission Statement

The purpose of the Sacramento Regional Transit District is to promote and improve access in the Sacramento region by providing safe, reliable, and fiscally responsible transit service that links people to resources and opportunities.

Vision Statement

The Sacramento Regional Transit District strives to connect people to resources and opportunities while stimulating livable communities and supporting economic development by providing an efficient and fiscally sustainable transit system that attracts and serves riders by offering an appealing transportation choice.

Values

- Quality Service & Innovation: SacRT is committed to providing safe, reliable, and cost efficient public transit services, and initiating innovative technologies to improve service effectiveness.
- Customer Service: SacRT places customers first by providing quality transit services and amenities with convenient and easily understood access at an affordable price.
- Respect & Professionalism: SacRT is committed to treating its customers and employees with dignity and respect, recognizing the importance and value of each individual.
- Fiscal Responsibility: SacRT is committed to the pursuit of efficient use of resources and of secure and stable funding sources.
- Integrity & Accountability: SacRT acknowledges its responsibility for actions and performance with an uncompromising commitment to truth, honesty and high ethical standards. SacRT is committed to compliance with regulatory requirements and industry standards and efforts to improve upon existing practices.
- Quality, Diverse & Positive Work Force: SacRT is committed to increasing employee effectiveness and satisfaction through effective communication, teamwork, appropriate resource availability, appreciation of varied abilities, and professional development opportunities.
- Regional Leadership & Coordination: SacRT is committed to work with area stakeholders to create a “world class” transit system that supports livable communities and related efforts.
- Health and Safety: SacRT is committed to achieve an optimal level of safety for our employees, customers and the general public by minimizing risk of injury and property loss and promoting a sound safety culture throughout the organization.
- Sustainability: SacRT is committed to environmentally sensitive services and practices.

Goals

Fundamental Goals

- Ensure Financial Stability
- Meet or Exceed Expectations for Safe & Quality Service in a Cost-Effective Manner
- Operate in an Ethical Manner
- Invest in the Attraction, Development & Retention of a Quality Workforce

Strategic Plan (continued)

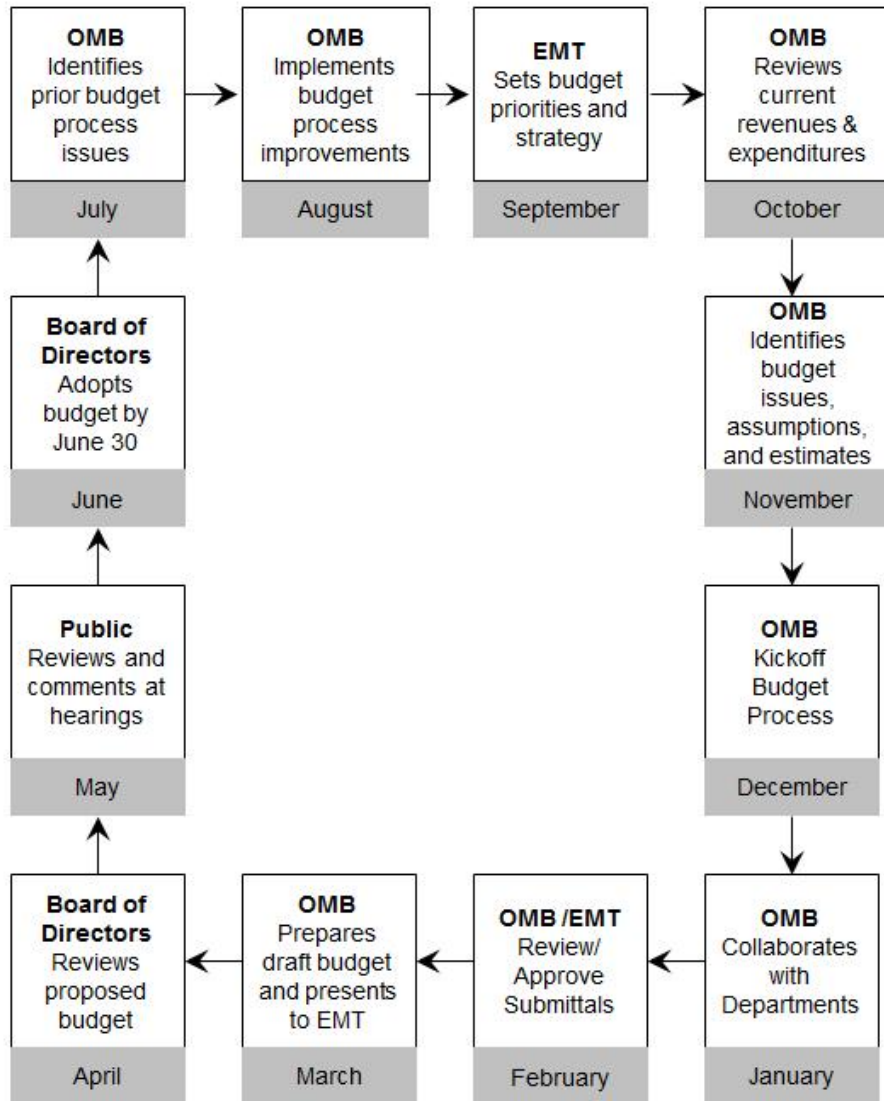
Growth Goals

- Improve Access Within and Between Communities in the Sacramento Region in a Cost-Effective Manner
- Increase Transit Market Share in the Sacramento Region
- Adjust to Legislative & Regulatory Changes and to Stakeholder & Community Initiatives, and Support Complementary Efforts



Budget Process

SacRT uses the annual budget to help measure and account for taxpayer dollars. The budget, as adopted by the Board of Directors, authorizes SacRT to spend funds. It details how SacRT allocates tax resources to expenditures, and serves as a benchmark for evaluating accomplishments and assessing fiscal responsibility.



Voting System

SacRT is governed by an eleven-member Board of Directors. Six entities (5 cities and 1 county) make appointments to SacRT’s Board. Eight directors are appointed by “member entities” and represent jurisdictions annexed into SacRT’s district. Three directors are appointed by “participating entities” and represent jurisdictions that contract with SacRT to receive transit service.

In January 2006, the SacRT Board directed staff to pursue legislation to change the voting system from a one-member-one-vote system to one that provides for weighted voting based upon the financial contribution made by each entity to SacRT. Assembly Bill 2137 established the new weighted voting system.

The system creates 100 voting shares. SacRT allocates the shares to jurisdictions and their members as follows:

- Five shares to each annexed jurisdiction
- Remaining shares to all jurisdictions based on financial contribution of Transit Development Act funds, funds through contracts, other local funds, and federal funds

On March 12, 2007, the SacRT Board of Directors adopted the new Schedule of Weighted Voting Distribution for the remainder of FY 2007. For all subsequent years, the Schedule is to be included in the Preliminary budget document and distributed to voting entities at least 60 days in advance of budget adoption. A summary of the tabulated vote shares effective for FY 2019 and for the FY 2020 Preliminary Abridged Budget is shown in the table below. A detailed FY 2020 Schedule of Weighted Voting is shown on the next page.

Vote Shares By Jurisdiction

Jurisdiction	Status	Shares - FY 2019 Budget Annexations	Shares – FY 2020 Preliminary
County of Sacramento	Annex	37	37
City of Sacramento	Annex	32	32
City of Rancho Cordova	Annex	9	9
City of Citrus Heights	Contract	10	10
City of Elk Grove	Contract	3	3
City of Folsom	Contract	9	9
Total		100	100

Voting System (continued)

Fiscal Year 2020 Schedule of Weighted Voting Distribution

Base Values*

Federal Financial Information

Code Section:	<u>FY 19 Federal Funds Available in the Sacramento MSA¹</u>	40,039,523	1. Federal Funds are draft only and subject to change based on SACOG's approval of the apportionments prior to final budget adoption.				
102205(b)(6)							
102205(b)(7)	<u>Allocation of Federal Funds to jurisdictions other than RT</u>	4,633,763					
102205(b)(8)	<u>FY 19 Federal Funds Available for use in RT Service Area:</u>	35,405,760					

Jurisdiction Specific Values

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:	
102205(b)(10) Population:**	501,344	588,798	74,210	87,731	78,447	172,116	1,502,646	
Proportionate Population:	33.36%	39.18%	4.94%	5.84%	5.22%	11.45%	100%	
Member:	Yes	Yes	Yes	Yes	Yes	No		
102100.2, 102100.3	4	3	1	1	1	1	11	
102105.1(d)(2)(D)	<u>Federal Funds Attributed to Entity (Total Federal Funding x Share of Population):</u>	11,811,362	13,871,977	1,749,045	2,067,696	1,848,181	4,053,960	35,402,221
102105.1(d)(2)(A), 102205(b)(3)	<u>FY 20 State TDA Funds Made Available to RT:</u>	25,453,320	28,309,025	3,767,654	4,335,527	4,027,295	0	65,892,821
102105.1(d)(2)(B), 102205(b)(4)	<u>FY 20 Funds Provided Under Contract:</u>	350,000	-	450,000	0	0	350,000	1,150,000
102105.1(d)(2)(C), 102205(b)(5)	<u>FY 20 Other Local Funds</u>	0	0	0	0	0	0	0
102105.1(d)(2)	<u>Total Financial Contribution:</u>	37,614,682	42,181,002	5,966,699	6,403,223	5,875,476	4,403,960	102,445,042

102105.1(d)(2)	<u>Proportionate Financial Contribution:</u>	36.72%	41.17%	5.82%	6.25%	5.74%	4.30%	100%
----------------	--	--------	--------	-------	-------	-------	-------	------

Voting Calculation

	City of Sacramento	County of Sacramento	Rancho Cordova	Citrus Heights	Folsom	Elk Grove	Totals:	
102105.1(d)(1)	<u>Incentive Shares (5 for member jurisdictions)</u>	5	5	5	5	0	25	
102105.1(d)(2)	<u>Financial Contribution Shares (Proportionate Financial Share x Remainder of 100 shares):</u>	27.5400	30.8775	4.3650	4.6875	4.3050	3.2250	75
102105.1(d)(3)	<u>Total Shares:</u>	32.5400	35.8775	9.3650	9.6875	9.3050	3.2250	100
102105.1(d)(4)(i)	<u>Shares After Rounding:</u>	32	36	9	10	9	3	99
102105.1(d)(4)(i), 102105.1(d)(4)(ii)	<u>Share Adjustment (To Ensure 100 Shares):</u>	32	37	9	10	9	3	100
102105.1(d)(7)	<u>Distribution of Shares Among Members (Assuming All Members Present to Vote):***</u>							
Member 1	8	13	9	10	9	3		
Member 2	8	12	N/A	N/A	N/A	N/A		
Member 3	8	12	N/A	N/A	N/A	N/A		
Member 4	8	N/A	N/A	N/A	N/A	N/A		
Member 5	N/A	N/A	N/A	N/A	N/A	N/A		
	<u>Total Votes:</u>	32	37	9	10	9	3	100

* In addition to the funding identified above, RT projects the following funds for operating purposes: \$48,413,127 - Measure A

** Population as measured by the population statistics used by SACOG to allocate TDA funds for the same fiscal year for which the budget is adopted.

*** If, in any vote allocation, any member would have more than 15 votes, that jurisdiction will be given an additional seat and the votes will be reallocated to the larger number of members.

SacRT Major Goals and Objectives in FY 2020

- Operator Attendance Control – As part of negotiations with the Amalgamated Transit Union (ATU), SacRT and ATU have agreed to work together to put into place new attendance control measures with the objective of reducing missed trips, improving customer service, reducing costs, streamline SacRT's processes, and improving service reliability.
- Route Optimization Study (ROS) - With recent downward ridership trends, staff is working on a project to find ways to increase ridership. This project will have many phases and include extensive community engagement. The goal will be to re-imagine SacRT's system to be consistent with current travel patterns, increase ridership, and reallocate any additional resources. The effort will also seek public input regarding the expansion and customer service priorities for SacRT with increases in funding. We will be implementing the first phase of the ROS in FY 2020.
- Paratransit Business Model – SacRT understands that lower costs means additional funding, which can be put into service improvements. Finding new ways to provide high quality service to the public, as well as individuals with disabilities, and seniors, in the most cost effective manner will ensure the sustainability of this critical service.
- IT Modernization – SacRT wants to be on the cutting edge of technology. Offering innovative rider tools to our customers will improve the customer experience by making it easier to ride, quicker to get train information, and provide for faster payment options, including a permanent mobile fare app; real time light rail train arrival information; smart card fare payment system; free Wi-Fi; expanded public information systems; and a secondary light rail warning system.
- Security Program – SacRT has been very focused on making our system more secure. This starts with additional staff presence on the trains and 24 hour monitoring in the security operations center. There will be increased inspections to reduce theft on the system and improved crime reporting statistics.
- Safety Program – Using technology to improve safety efforts is critical. Better training, and employee and community safety awareness is key. The goal will be to reduce the number of accidents per mile and reduce any findings and recommendations from the Public Utilities Commission (PUC).
- Strategic Communications – Ensuring that our customers can easily navigate SacRT's bus and light rail system and understand how easy it is to pay and ride is critical to attracting new customers. This will involve launching new programs and incentive options that will encourage more people to try transit. This will be done through creative partnership and incentive programs. This effort will also serve to educate the general public regarding the benefits of transit to the community as a whole.
- Employee and Labor Relations – Salaries and benefits continue to be the largest cost factor for transit agencies, as this is the operational engine behind a successful system. Maintaining an open line of communication with our employees improves productivity and morale, which equates to new ideas and dedication that benefits all. We will develop our priorities and provide new forums for members to give feedback and listen to their concerns.

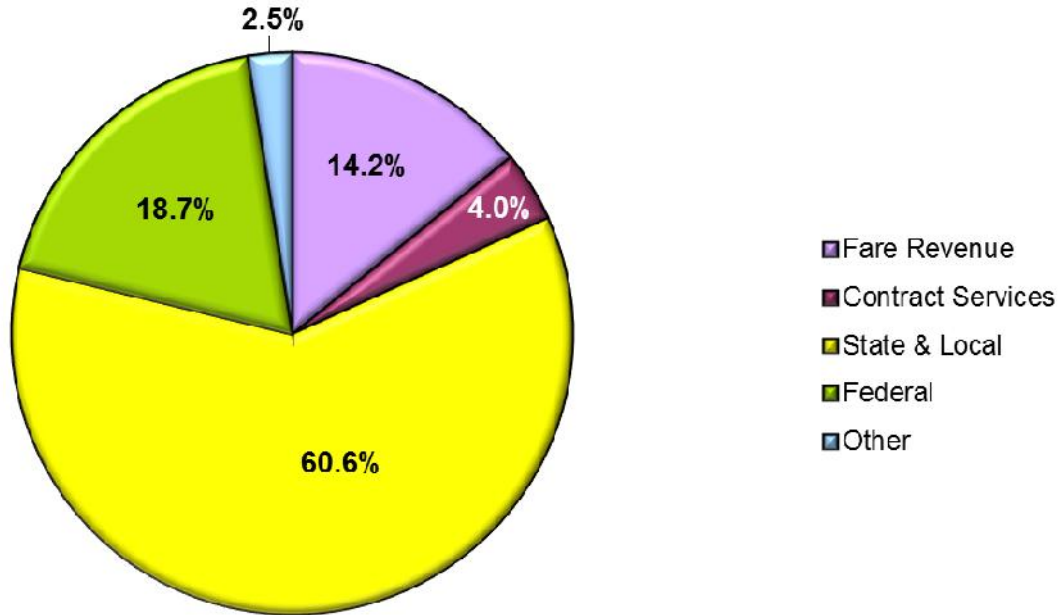
SacRT Major Goals and Objectives in FY 2020 (continued)

- Organizational Excellence and Culture Change – We are striving to be a “world class” organization that attracts and retains a quality workforce while providing the necessary training and mobility opportunities for employees to succeed. We will foster professional development and keep up with industry best practices. Motivation, partnership and teamwork will be a message that all employees will hear. All of this will help improve performance in areas such as increased revenues, reduced expenses, improved on time performance, increased inspection rates, and the creation of new jobs.
- Campus Master Plan – SacRT will examine ways to modernize our facilities. This will include a comprehensive plan to relocate all administrative staff to one central facility to improve communication. This will improve morale and efficiency.
- Transit Oriented Development – We are examining our various surplus properties to determine if they can be sold to developers that could use the land for purposes that encourage transit use and potentially increase our ridership.
- Sustainability and Business Process Optimization – SacRT has adopted new fiscal policies to improve its long-term financial position. We are dedicated to strengthening our finances by tapping innovative revenue sources and conducting relentless organizational optimization to fund maintenance and capital investments and to build reserves. Moving forward, we will continue to strive to find new ways to improve our business processes, keep expenses down, and generate opportunities to boost operating revenues. We are implementing a strategic effort to educate the public about the benefits of transit and how local funding is important to create a “world class” public transit system.

Operating Budget Summary

Revenues

FY 2020 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Budget	FY 2020 to FY 2019	
					\$ Change	% Change
Fare Revenue	\$ 30,487	\$ 27,276	\$ 25,946	\$ 27,052	\$ 1,106	4.3%
Contract Services	6,260	6,420	3,830	7,686	3,856	100.7%
State & Local	86,911	93,339	104,105	115,511	11,406	11.0%
Federal	34,467	37,060	36,085	35,623	(462)	-1.3%
Other	4,357	5,006	5,778	4,835	(943)	-16.3%
Total	\$ 162,482	\$ 169,101	\$ 175,744	\$ 190,707	\$ 14,963	8.5%
Operating Surplus/(Deficit)	2,159	9,172				
Operating Revenue	\$ 160,323	\$ 159,929	\$ 175,744	\$ 190,707	\$ 14,963	8.5%
<i>Working Capital</i>	-	4,000				
<i>Operating Reserve Change</i>	2,159	5,172				

Revenues (continued)

Fare Revenue

This category includes the revenues from carrying passengers. This is money paid by the transit riders to use transit services, but also includes special transit fares from Los Rios Community College District (Los Rios) and California State University, Sacramento (CSUS) Student pass programs.

The FY 2020 Preliminary Budget proposes \$27.0 million in Fare Revenue, an increase of \$1.1 million (4.3%) from the FY 2019 Amended Budget of \$25.9 million.

- Fare Revenue is anticipated to increase due to implementation of additional SmarT ride service, full year of operating Folsom service.
- This also assumes an increase in ridership as a result of implementation of numerous ridership initiatives.

Contracted Services

This category includes contracts with the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, as well as North Natomas shuttle services. These cities and service areas purchase SacRT transit services.

The FY 2020 Preliminary Budget proposes \$7.7 million in Contracted Services revenue, an increase of \$3.9 million (100.7%) from the FY 2019 Amended Budget of \$3.8 million.

- This reflects an increase of \$6.4 million in Elk Grove contracted services due a new contract for e-Tran services..
- This also reflects a decrease of \$0.7 million and \$2.0 million in Folsom and Citrus Heights contracted services respectively due to annexation agreements with Cities of Folsom and Citrus Heights effective January 1, 2019.
- This reflects an increase of \$0.2 million in North Natomas contract due to service level for the second year of the contract.

State & Local

This category includes formula-based allocations to SacRT from state and local government sales taxes. SacRT receives funding from the California Transportation Development Act Local Transportation Fund (TDA-LTF), the Transportation Development Act State Transit Assistance Program (TDA-STA), Sacramento County Measure A and State Cap and Trade Program revenue.

The FY 2020 Preliminary Budget proposes \$115.5 million in state and local funding revenue, an increase of \$11.4 million (11.0%) from the FY 2019 Amended Budget of \$104.1 million.

- This reflects a \$1.6 million or 3.7% increase in sales tax estimates for Measure A over the FY 2019 Amended Budget.
- This also reflects a \$1.3 million increase in Neighborhood Shuttle Measure A for SmarT Ride service.
- This includes a \$2.9 million or 5.5% increase in TDA revenue (LTF and STA) allocated to SacRT not including Cities of Folsom and Citrus Heights.
- This budget includes \$4.3 million of TDA revenue for City of Citrus Heights and \$4.0 million for City of Folsom.

Revenues (continued)

- This also includes a \$1.3 million increase in the Low Carbon Transit Operations Program (LCTOP) revenue, which is a State Cap and Trade program established in 2014 that provides funds to public transportation agencies throughout California for operations that reduce greenhouse gas emissions.
- This includes a reduction of \$3.4 million in TDA-STA for Revenue Bond payment.

Federal

This category includes formula-based allocations to SacRT from the federal government. Each year Congress authorizes the appropriation, and the FTA allocates the dollars to the region. SacRT can use the funds for operating, planning, and capital, subject to specific regulations.

The FY 2020 Preliminary Budget proposes \$35.6 million in federal funding, a reduction of \$0.5 million (1.4%) from the FY 2019 Amended Budget of \$36.1 million.

- This includes \$1.1 million in Job Access/Reverse Commute funding, which is the similar level of funding as in FY 2019.
- Section 5307 Urbanized Area federal funding is projected to increase \$0.5 million (2.5%) compared to last year.
- Section 5337 State of Good Repair funding is projected to decrease \$0.5 million (3.8 %) compared to last year.
- This budget reflects elimination of Sacramento Energy Clean Air (SECAT) funding due to the expenditure of funds in FY 2019..

Other

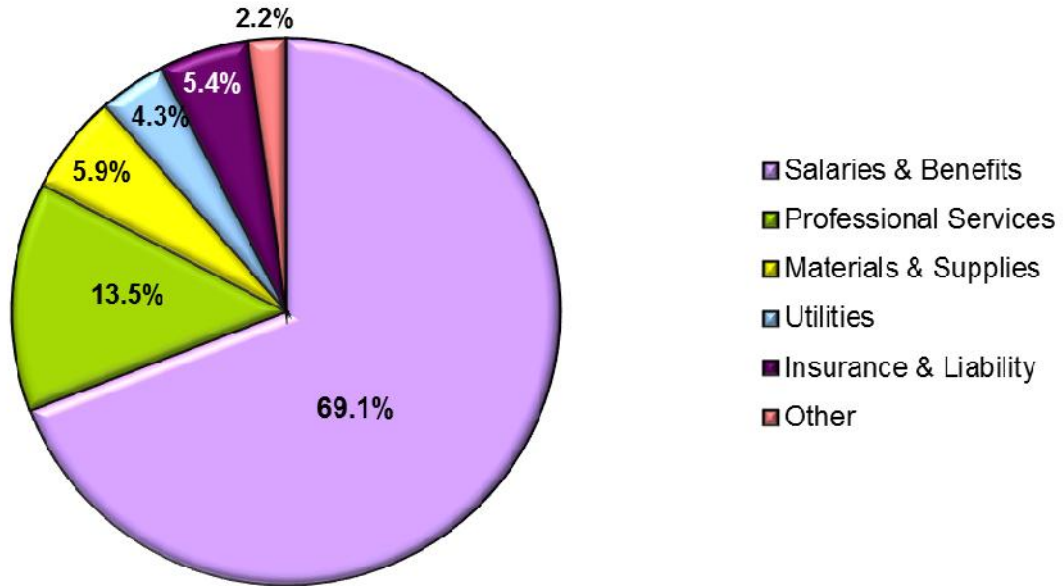
This category includes investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities, and parking revenue.

The FY 2020 Preliminary Budget includes \$4.8 million in other revenue, which is a reduction of \$0.9 million (22.3%) from the FY 2019 Amended Budget of \$5.8 million.

- This includes \$0.6 million in ECOS settlement revenue for Folsom late night service.
- This includes \$1.7 million for the sale of Low Carbon Credits through the State Cap and Trade program, which is the same as FY 2019 Amended Budget.
- This includes elimination of Park N Ride revenue.
- This includes a reduction of \$0.8 million in Miscellaneous Income due to one-time revenue received in FY 2019 and eliminating those revenue sources in FY 2020.

Expenses

FY 2020 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Budget	FY 2020 to FY 2019	
					\$ Change	% Change
Salaries & Benefits	\$ 106,940	\$ 109,150	\$ 117,905	\$ 131,813	\$ 13,908	11.8%
Professional Services	26,423	22,331	24,327	25,830	1,503	6.2%
Materials & Supplies	8,932	9,309	10,390	11,251	861	8.3%
Utilities	6,619	6,995	7,029	7,505	476	6.8%
Insurance & Liability	9,317	9,300	9,231	10,025	794	8.6%
Other	2,092	2,845	6,862	4,283	(2,579)	-37.6%
Operating Expenses	\$ 160,323	\$ 159,930	\$ 175,744	\$ 190,707	\$ 14,963	8.5%

Expenses (continued)

Salaries & Benefits

This category includes payroll and benefits for all positions authorized by the Board of Directors. It accounts for wages, overtime, pension, dental, medical, FICA, vision, and all other SacRT-paid employee benefits.

The FY 2020 Preliminary Budget proposes \$131.8 million for salaries and benefits, an increase of \$13.9 million (11.8%) from the FY 2019 Amended Budget of \$117.9 million.

- The Fiscal Year 2020 Preliminary Budget includes 1,260 funded positions, which is an increase of 70 funded positions from the Fiscal Year 2019 Amended Budget of 1,190 funded positions. See Positions section on page 21 for details.
- Total salaries, overtime and personal service contract costs increased by \$8.3 million (12.3%) from the FY 2019 Amended Budget of \$67.4 million. This reflects various District position salary adjustments and the cost of additional positions for SacRT new services such as Elk Grove, Folsom, SacForward and expansion of SmaRT ride services.
- Fringe Benefit costs increased by \$5.0 million (9.3%) from the FY 2019 Amended Budget of \$54.1 million. This reflects an increase of \$0.7 million in FICA costs, \$1.2 million in pension costs, \$1.8 million in medical, dental and vision costs, and \$0.7 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect savings have resulted in a reduction of \$0.6 million (17.2%) compared to the FY 2019 Amended Budget. This represents labor charged to capital projects and other initiatives such as the Connect Card Consortium which results in a reduction in costs.

Professional Services

This category includes purchased transportation (ADA paratransit) to comply with the Americans with Disabilities Act (ADA), transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants.

The FY 2020 Preliminary Budget proposes \$25.8 million for Professional Services, an increase of \$1.5 million (6.2%) from the FY 2019 Amended Budget of \$24.3 million.

- This reflects the same cost for ADA Paratransit cost as in FY 2019 Amended Budget.
- This includes a \$0.3 million increase in security services cost due to contractual wage increases and Folsom late night service.
- This includes a \$0.9 million increase for Media Advertising for public outreach events to promote new services.
- This includes additional cost for SacForward, SmaRT Ride, Folsom and Elk Grove services.
- This reflects the FY 2020 portion of multi-year contracts for professional services.

Materials & Supplies

This category includes fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies.

The FY 2020 Preliminary Budget proposes \$11.3 million for materials and supplies, an increase of \$0.9 million (8.3%) from the FY 2019 Amended Budget of \$10.4 million.

Expenses (continued)

- This reflects an increase in CNG cost of \$0.5 million.
- This includes a \$0.2 million increase in bus parts due to new services.

Utilities

This category includes electricity, water, gas, refuse, and telephone for bus, light rail, and administrative facilities.

The FY 2020 Preliminary Budget proposes \$7.5 million for Utilities, an increase of \$0.5 million (6.8%) from the FY 2019 Amended Budget of \$7.0 million.

- This includes increases in costs for natural gas, water, electricity, garbage, and LRV traction power.
- It also includes an increase of \$0.3 million in traction power due to annualized impact of Folsom late night service and light rail 15-minute weekend service.

Insurance & Liability

This category includes premiums, claims, and attorney fees related to personal liability insurance, property damage insurance, workers' compensation claims, and commercial insurance for amounts in excess of self-insured amounts.

The FY 2020 Preliminary Budget proposes \$10.0 million for Insurance & Liability, an increase of approximately \$0.8 million (8.6%) from the FY 2019 Amended Budget of \$9.2 million.

- This reflects an increase of \$0.5 million in the projected claims reserves for Property and Liability for FY 2020 related to new service.
- This also reflects a decrease of \$0.1 million in the projected claims reserves for Workers' Compensation for FY 2020.
- This also reflects the estimated FY 2020 insurance premium costs.

Other

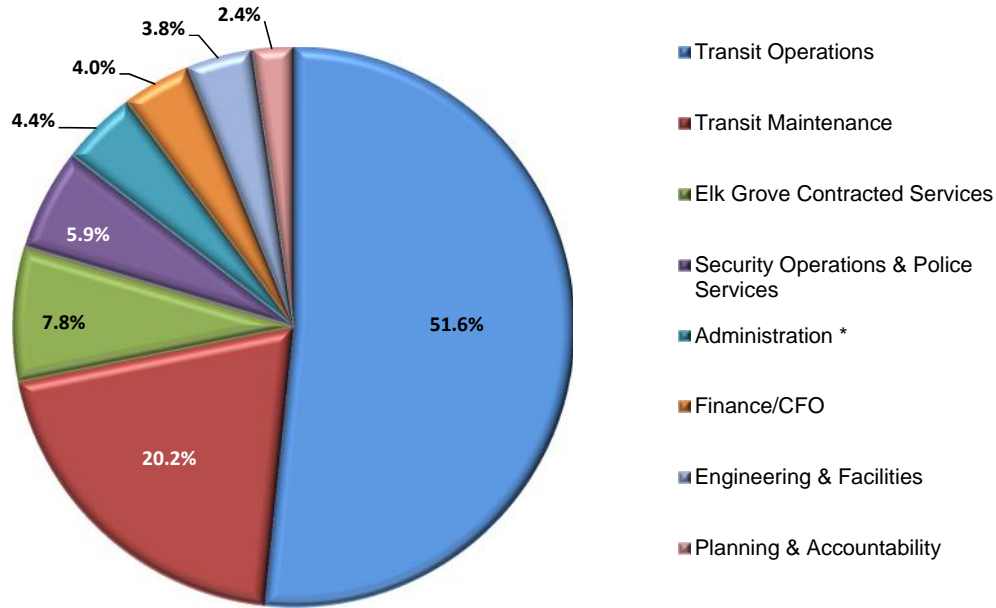
This category includes but is not limited to travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and banking fees.

The FY 2020 Preliminary Budget proposes \$4.3 million for other expenditures, a decrease of \$2.6 million (-37.6%) from the FY 2019 Amended Budget of \$6.9 million.

- This includes \$0.85 million in Connect Card fees, which is SacRT's portion of running the Connect Card Regional Service Center. This is a \$0.1 million increase in cost compared to FY 2019 Amended Budget. It should be noted that most of these costs are recovered via cost recovery in the salary and benefits section.
- This reflects an increase of \$0.1 million in events and sponsorships.
- This also reflects a reduction of \$3.5 million for the Budget Stabilization account and an increase of \$0.5 million in Contingency.

Positions

The Fiscal Year 2020 Preliminary Budget includes total of 1,260 full time and part time positions, which is an increase of 70 positions from the Fiscal Year 2019 Amended Budget of 1,190 positions .



* Administration includes Office of the General Manager, Office of the Chief Counsel, Administration and Communications & Partnerships

Division	FY 2017 Funded	FY 2018 Funded	FY 2019 Funded	FY 2020 Funded	FY 2020 to FY 2019
Office of the General Manager	6	7	26	26	0
Office of the Chief Counsel	16	11	0	0	0
Planning & Accountability	4	20	28	30	2
Transit Operations	779	792	856	651	-205
Transit Maintenance	0	0	0	254	254
Administration	73	25	0	0	0
Engineering & Facilities	57	46	48	48	0
Finance/CFO	0	39	48	50	2
Communications & Partnerships	33	28	30	29	-1
Security Operations & Police Services	37	70	73	74	1
Elk Grove Contracted Services	0	0	81	98	17
Total	1,005	1,038	1,190	1,260	70

Positions (continued)

From FY 2019 to FY 2020, SacRT had a net increase of 71 funded positions. The changes reflected in the FY 2020 Proposed budget are as follows:

Planning and Accountability Division had a net increase of 2 funded positions. The position change is as follows:

- Added 1 Assistant VP, Planning & Accountability
- Added 1 Senior Manager Procurement Services

During FY 2019, continuing GM reorganization, the Transit Services/COO Division was split into two divisions: Transit Operations and Transit Maintenance. Furthermore, Light Rail department was also split into three departments: Light Rail Operations, Light Rail Maintenance, and Light Rail Wayside.

Transit Operations Division had a net decrease of 205 funded positions. The position changes are as follows:

- Added 20 Bus Operators: 15 Sac Forward initiatives and 5 for Route 51x and new school trippers.
- Funded 27 positions: 2 Transportation Supervisors in Light Rail, 24 Community Bus Service Operator – SmartRT Ride and 1 Community Bus Services Operator - Folsom
- Unfunded 1 Director, Operations Projects.
- Transferred 251 positions to Transit Maintenance: 111 in Bus Maintenance, 1 in Transit Operations, 100 and 39 in Transit and Light Rail Operations to Light Rail Maintenance and Light Rail Wayside respectively.

Transit Maintenance Division had a net increase of 254 funded positions. The position changes are as follows:

- Transferred 251 positions from Transit Operations: 111 in Bus Maintenance, 1 in Transit Maintenance, 100 in Light Rail Maintenance and 39 in Light Rail Wayside.
- Funded 3 positions: 1 Bus Service Worker and 2 Storekeepers.

Finance/Chief Financial Officer (CFO) Division had a net increase of 3 funded position. The position changes are as follows:

- Funded 2 positions: 1 Administrative Assistant I in Human Resources, and 1 Capital and Project Control Administrator in Office of Management and Budget.
- Transferred 1 Treasury Clerk from Communication and Partnerships Division and converted to Accounts Payable Clerk.
- Unfunded 1 Revenue Analyst in Finance.

Communications and Partnerships Division had a net decrease of 1 funded position. The position changes are as follows:

- Transferred 1 Treasury Clerk to Finance Division.

Security Operations and Police Services Division had a net increase of 1 funded positions:

- Added 1 VP, Security Operations and Police Services.

Elk Grove Contracted Services had a net increase of 17 positions: Effective July 1, 2019, SacRT will provide services for City of Elk Grove e-Tran services. SacRT created four departments: Vehicle Operations, Vehicle Maintenance, Facilities Maintenance, and General Administrations in line with NTD reporting for better cost tracking purposes. The positions changes are as follows:

- Funded 17 positions: 5 Mechanic A, 1 Mechanic B, 2 Mechanic C, 8 Bus service Workers and 1 Facilities Service Worker.

Capital Improvement Plan

Project Overview

The following tables and chart represent the Capital Budget as it pertains to the FY 2020 Budget for the projects listed. The full five-year Capital Improvement Program (CIP) will be adopted by a separate Board action and will cover capital funding priorities between fiscal years 2020 through 2024, and beyond to 2050.

The amounts contained in the FY 2020 Preliminary Budget only pertain to items where anticipated funding sources have been identified and are programmed for FY 2020, or where SacRT has applied for, or intends to apply for, competitive grant funds for the project, and grant funds will be available in FY 2020 if awarded.

The FY 2020 Capital Budget includes projects focused on the following priority programs:

Facilities Program

- F020 HVAC Replacements - Admin & Maintenance Buildings
- F021 Facilities Maintenance & Improvements
- R354 Fare Vending Machine (FVM) Enhancements

Fleet Program

- B100 Existing Bus Fleet Replacement (2020 - 2035)
- R115 Siemens 1st Series LRV Fleet Replacement (26 LRVs)
- R125 CAF Fleet Mid-Life Component Overhaul
- R358 Gold Line Service Expansion Light Rail Vehicles

Infrastructure Program

- B165 Electric Bus Charging Infrastructure
- R314 Light Rail Station Low Floor Vehicle Conversion
- R359 Gold Line Side Track

Other Program

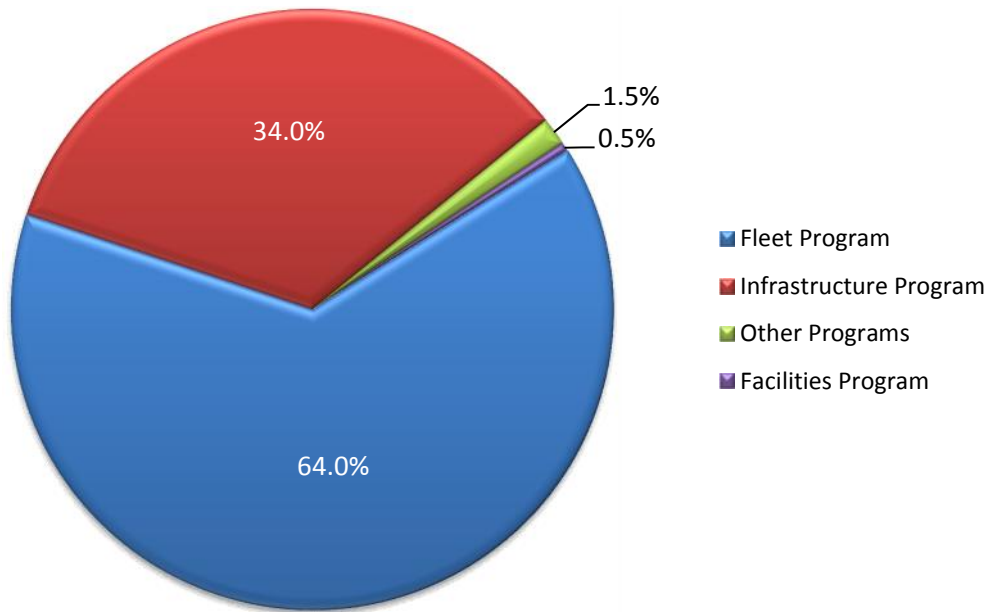
- M004 Revenue Bond, Series 2012 Payment

Impact of Capital Improvements on the Operating Budget

Capital projects that are approved in the current year budget will impact future operating and capital budgets as follows:

1. Capital projects completed in the current year will require on-going maintenance and, in case of new services, additional and on-going operating costs.
2. Capital projects that are not completed in the current year will require additional capital funding that may require balancing with operating funding if additional capital funds are not available.
3. Capital projects that are not completed in the current year will affect future years' budgets with increased operating costs in the year of completion. Future on-going operating and maintenance costs are projected using current year baseline dollars.

Capital Improvements by Category



Program	FY20 Budget Request (\$ in Thousands)	
Fleet Program	145,499	64.0%
Infrastructure Program	77,316	34.0%
Other Programs	3,433	1.5%
Facilities Program	1,041	0.5%
Grand Total	227,288	100.0%

Capital Improvement Revenues and Expenditures

Program	Project Name	Previously Budgeted (Board-Approved)	FY20 Budget Request	Funding Additions ¹		Board Authorized Amount
				State	TBD	
Facilities Program						
F020	HVAC Replacements - Admin & Maint Bldgs	-	40,625	40,625		40,625
F021	Facilities Maintenance & Improvements	507,379	400,000	400,000		907,379
R354	Fare Vending Machine (FVM) Enhancements	7,526,000	600,000	600,000		8,126,000
		<u>8,033,379</u>	<u>1,040,625</u>	<u>1,040,625</u>	-	<u>9,074,004</u>
Fleet Program						
B100	Existing Bus Fleet Replacement (2020 - 2035)	500,000	21,499,000		21,499,000	21,999,000
R115	Siemens 1st Series LRV Fleet Replacement	68,400,000	79,800,000		79,800,000	148,200,000
R125	CAF LRV Fleet Mid-Life Component Overhaul	-	24,000,000		24,000,000	24,000,000
R358	Gold Line Service Expansion LRVs	36,800,000	20,200,000		20,200,000	57,000,000
		<u>105,700,000</u>	<u>145,499,000</u>	-	<u>145,499,000</u>	<u>251,199,000</u>
Infrastructure Program						
B165	Electric Bus Charging Infrastructure	2,834,050	4,165,950		4,165,950	7,000,000
R314	Light Rail Station Low Floor Vehicle Conversion	32,000,000	54,250,000		54,250,000	86,250,000
R359	Gold Line Side Track	48,400,000	18,900,000		18,900,000	67,300,000
		<u>83,234,050</u>	<u>77,315,950</u>	-	<u>77,315,950</u>	<u>160,550,000</u>
Other Program						
M004	Revenue Bond, Series 2012 Payment	13,429,925	3,432,725	3,432,725	-	16,862,650
		<u>13,429,925</u>	<u>3,432,725</u>	<u>3,432,725</u>	-	<u>16,862,650</u>
Total		<u>210,397,354</u>	<u>227,288,300</u>	<u>4,473,350</u>	<u>222,814,950</u>	<u>437,685,654</u>

Notes:

1. There are no funding additions in the Federal or Local funding category

Capital Project Funding Addition Descriptions

- B100 Existing Bus Fleet Replacement (2020 - 2035) – Replace 31, or approximately one-third, of the 91 Model Year 2008 CNG 40-foot buses with new CNG buses. The remaining 60 buses will be budgeted for replacement in FY21 and FY22.
- B165 Electric Bus Charging Infrastructure – Implement Phases 1 and 2 of SacRT’s electric bus charging infrastructure project. In Phase 1, SacRT will install a 4000 Amp service for charging buses at Bus Maintenance Facility 1, which will provide capacity for SacRT’s initial electric bus procurements. In Phase 2, SacRT will install a 21 kV Primary Service at Bus Maintenance Facility 1, which will have the capacity to charge a significant number of electric buses.
- F020 HVAC Replacements - Admin & Maintenance Buildings – HVAC replacements at the Administrative Building, Wayside Building, and Metro Building.
- F021 Facilities Maintenance & Improvements – Make general facilities enhancements and maintain facilities throughout the district. Scope includes building repairs, equipment repair/replacement, etc.
- M004 Revenue Bond, Series 2012 Payment – Annual payment for Revenue Bond issuance from FY 2013 to FY 2042.
- R115 Siemens 1st Series LRV Fleet Replacement (26) – Increase the budget to reflect the latest cost estimate to replace all 26 replacement LRVs for Siemens 1st Series Fleet (1987 vehicles). Previously the budget only included the 13 1st Series Siemens vehicles that received partial funding from the 2018 Transit and Intercity Rail Capital Program (TIRCP) grant.
- R125 CAF LRV Fleet Mid-Life Component Overhaul – Overhaul of major subsystems/components on the CAF Light Rail Vehicle fleet. The 40 CAF LRVs were placed in service in 2003 and are 15 years old, which is beyond halfway through their FTA-defined 25-year useful life. This level of funding will be adequate to overhaul all components of eight LRVs, or to overhaul just select components of a greater number of vehicles. The remaining CAF vehicles and/or components will be budgeted for overhaul in FY21 through FY24.
- R314 Light Rail Station Low Floor Vehicle Conversion – Increase the budget to reflect the latest cost estimate to convert all light rail stations systemwide to low-floor. Previously the budget only included the cost to convert the stations along the Gold Line to low-floor because the 2018 TIRCP and Congested Corridors grant awards were focused on delivering enhanced service frequencies on the Gold Line.
- R354 Fare Vending Machine (FVM) Enhancements – Increase the budget to include the purchase and installation of approximately twelve (12) new Fare Vending Machines (FVMs) at light rail stations along the Gold and Green Lines. Previously the budget included only the cost to purchase and install FVMs in the Northeast Corridor NEC/Blue Line because the available grant funding was restricted to those lines. New FVMs will be more reliable and inexpensive to maintain, and will accept debit/credit payment.
- R358 Gold Line Service Expansion Light Rail Vehicles – Increase the budget to reflect the latest cost estimate to procure all ten of the expansion LRVs that are needed to enable Gold Line frequency enhancements (increasing service frequencies from 30 minutes to 15 minutes between Sunrise Station and Historic Folsom Station). The previous budget included only the seven expansion LRVs that received partial funding from the 2018 TIRCP grant.
- R359 Gold Line Side Track – Increase the budget to reflect the latest cost estimate. The cost estimate has been increased to be consistent with the high construction costs that are being seen nationwide

RESOLUTION NO. 19-04-_____

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

April 8, 2019

AUTHORIZING STAFF TO RELEASE THE SACRAMENTO REGIONAL TRANSIT DISTRICT PRELIMINARY FY 2020 OPERATING AND CAPITAL BUDGETS AND SET NOTICE OF A PUBLIC HEARING FOR MAY 13, 2019

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

THAT, the General Manager/CEO or his designee is hereby authorized to release the proposed Operating and Capital Budgets for FY 2020, including the information described in paragraphs (3) to (10) of Public Utilities Code Section 102205(b) and a draft apportionment of votes, and notice a public hearing for said budgets be held on May 13, 2019.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/08/19	Open	Information	04/04/19

Subject: SACOG’s Green Means Go Pilot Program

ISSUE

Update the Board on the Sacramento Area Council of Government’s (SACOG’s) Green Means Go Pilot Program.

RECOMMENDED ACTION

None at this time. The Board may direct staff to return with an Action Item on this topic at a later meeting.

FISCAL IMPACT

None.

DISCUSSION

SACOG is making efforts to secure implementation funding in the 2019-20 State Budget for a new *Green Means Go* pilot project in the Sacramento region. Toward that end, Senator Dr. Richard Pan, Sixth District, and Assemblymember Ken Cooley, Eighth District, have submitted a budget request letter to the relevant Senate and Assembly Subcommittees seeking funding in the amount of \$400 million for such a program (see Attachment 1 – Budget Request Letter).

In summary, the initiative proposes to move the region from an 18% greenhouse gas (GHG) reduction target by 2035 to a 19% target by accelerating infill development, reducing vehicle trips, and electrifying remaining vehicle trips in specific areas identified as “Green Zones” (see Attachment 2 – Green Means Go Fact Sheet).

Developments of the Green Means Go Pilot Program

Activities that have already taken place:

- SACOG member jurisdictions (cities, counties, etc.) were invited to submit pre-applications for proposed Green Zones.
- SACOG member jurisdictions were asked to submit letters of support.
- Although SacRT is not a member jurisdiction and was not invited to submit a formal pre-application, SacRT was encouraged to submit ideas for Green Zones regardless of jurisdiction, and submitted a pre-application despite the initial indication that it was for member entities only. As the program is currently proposed, SacRT will be unable to apply to the program, directly should it be funded, and would have to partner with a member

Approved:

Presented:

Final 04/04/19
General Manager/CEO

VP, Finance/Chief Financial Officer
J:\Board Meeting Documents\2019\06 April 8, 2019\Green Means Go Pilot Program IP - Final 040519.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/08/19	Open	Information	04/04/19

Subject: SACOG’s Green Means Go Pilot Program

organization on an application. However, SacRT was invited to submit a supportive resolution passed by the SacRT Board.

Activities that would take place if the pilot program receives funding in the state budget:

- SACOG will administer the *Green Means Go* funds through an application process open to SACOG’s member jurisdictions in the six county region.
 - Transit providers cannot apply on their own. Transit providers would need to partner with SACOG member jurisdictions on applications.
- Transit providers may establish a Transit Green Zone within a city or county Green Zone.
 - Transit Green Zones must focus on transit investments that support efforts within the larger Green Zone.

Potential funding impacts on SacRT

Given the limited information we have at this time, it is not certain how much funding SacRT or transit projects in general would receive through the Green Means Go pilot project. Staff’s primary concern is that, while SACOG is requesting funding for Green Means Go through a state budget bill, it is not clear as to how this project funding might impact the existing level of funding SacRT receives or how it might impact any future opportunities to increase much needed funding for SacRT. Without clear guidelines or pre-established funding percentages for transit, a large state investment in the Sacramento region through Green Means Go could have unintended consequences on SacRT’s funding.

SacRT has been very successful in securing SB1 competitive funds, including \$64.3 million in the 2018 Transit and Intercity Rail Capital Program (TIRCP) funding round and \$20.3 million in the 2018 Congested Corridors funding round for the Light Rail Modernization and Gold Line Frequency Enhancements projects. Staff is concerned that, in upcoming TIRCP and Congested Corridors competitive funding rounds, if the committees scoring the applications or administering the programs perceive that some of the Sacramento region’s transit needs are being met—or should be met—through Green Means Go, SacRT’s needs could be viewed as less urgent or deserving than other needs statewide.

Staff believes that one way to ensure transit is not disadvantaged by this pilot program is to set aside a share of the pilot program funds for public transit operators, and further believes that setting aside 30 percent of the Green Means Go funds for public transit providers is a reasonable request given the information below.

Determining a reasonable share for transit

SacRT staff conducted an analysis to see how the SACOG region’s flexible funds, including Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) and State

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/08/19	Open	Information	04/04/19

Subject: SACOG’s Green Means Go Pilot Program

Transportation Improvement Program (STIP) apportionments, have been distributed over the past decade.¹

The following are the key findings from that analysis:

- During FY11-FY19, the average annual apportionment to the **SACOG region** was approximately **\$75 million**
- During FY11-FY19, the region’s **transit providers**, including SacRT, received an annual average of **\$12 million** of these funds (approx. 16%)
- During FY11-FY19, **SacRT** received an annual average of **\$6.7 million** of these funds (approx. 9%)

Note: Of the \$12 million of transit funding, SacRT only received 58% of the funds, despite providing nearly 74% of the passenger trips in the four-county region covered by the Regional Funding competition. Because SacRT carries the majority of ridership, it has the ability to have the most significant impact on reducing greenhouse gas emissions and therefore would like to see this percentage be increased.

When a similar modal analysis was done of the major funding sources (STP, CMAQ and STIP) programed by our peer Metropolitan Planning Organizations (MPOs) in California, **SacRT staff found that the share of funds programmed to transit was 27%**. (See Attachment 3 – Peer Review). Having 27% of the region’s flexible funding for transit would allow SacRT to really attract and retain new riders by providing reliable service, updating our fleets, and making necessary investments in state of good repair.

SACOG’s most recent long range plan, the 2016 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), calls for **30% of the region’s transportation investments over the 20 year period, or \$10.6 billion of the \$35.2 billion total, to go toward transit operations and transit capital**. This is in addition to a 5% or \$1.7 billion investment in transit supportive activities such as transportation demand management (TDM), traveler information, transportation enhancements, Community Design, and Air Quality programs.

Next steps and other ideas to consider

Staff is seeking guidance from the SacRT Board related to SACOG’s *Green Means Go* pilot project. Some options have been provided for the Board’s consideration:

- Submitting a resolution in support of the *Green Means Go* pilot program, contingent upon one or more of the following:

¹ This analysis was performed using SACOG’s Metropolitan Transportation Improvement Program (MTIP), which is a comprehensive database that tracks the projects and project sponsors that received certain federal and state funds. The MTIP is required by state and federal regulations to be an accurate accounting of programming activity.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/08/19	Open	Information	04/04/19

Subject: SACOG's Green Means Go Pilot Program

- As one of the largest contributors to reducing greenhouse gas (GHG) emissions for the region, SacRT must be eligible to apply on its own for projects that would reduce GHG.
 - The region's transit providers must be guaranteed a certain percentage of the Green Means Go pilot funds. Staff believes that setting aside 30% of the funds for transit would be a reasonable request.
 - This new funding source must not replace or negatively impact our existing funding.
- Submitting a resolution in support of the Green Means Go pilot program, as is.

Conclusion

Staff is seeking guidance from the Board on whether the steps discussed above should be progressed or if there are other approaches or recommendations to pursue.

CAPITOL OFFICE
STATE CAPITOL
ROOM 5114
SACRAMENTO, CA 95814
TEL (916) 651-4006
FAX (916) 651-4906

DISTRICT OFFICE
2251 FLORIN ROAD
SUITE 156
SACRAMENTO, CA 95822
TEL (916) 262-2904
FAX (916) 914-2179

California State Senate

SENATOR
DR. RICHARD PAN
SIXTH SENATE DISTRICT



CHAIR
HEALTH
BUDGET SUBCOMMITTEE
#3 ON HEALTH
& HUMAN SERVICES
COMMITTEES
BUDGET & FISCAL REVIEW
EDUCATION
BUSINESS, PROFESSIONS
& ECONOMIC DEVELOPMENT
HUMAN SERVICES
LABOR, PUBLIC EMPLOYMENT
& RETIREMENT

Senator Bob Wieckowski
Chair, Subcommittee 2 on Resources,
Environmental Protection, Energy and
Transportation
State Capitol, Room 5050

Assemblymember Richard Bloom
Chair, Subcommittee 3 Resources and
Transportation
State Capitol, Room 6026

Re: SACOG Green Means Go Funding

Dear Chairs Weickowski and Bloom,

We write to request funding in the amount of \$400 million for the Green Means Go program to pair targeted housing and transportation investments together to spur catalyst infill projects in the Sacramento region and reduce greenhouse gas (GHG) emissions.

Green Means Go is a four-year pilot program to accelerate infill development in the Sacramento region and compliment that development with transportation changes to reduce and electrify passenger vehicle trips. The Sacramento Area Council of Governments (SACOG) forecasts its six-county region (El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba) will need 11,000 housing units a year to meet projected demand, with about 7,000 of those units needed in infill areas in order to help the region meet its ambitious SB 375 GHG reduction goals. This is significantly less than the region's current average, despite efforts by local jurisdictions to attract infill development. The state's investment, paired with additional local policy changes, will help spur the infill needed to meet these targets. Additionally, pairing that investment with funding to provide additional travel options will further reduce vehicle trips and reduce GHG emissions.

With Green Means Go, local jurisdictions will designate Green Zones, in which they must take specific actions to promote infill development and reduce existing barriers, while also providing new transportation options. Examples include reducing impact fees, zoning and other policy changes, infrastructure investments, transit improvements, micro transit programs, and enhanced bike and pedestrian infrastructure.

State funding is needed to help implement these actions and further incentivize local development and housing production. \$400 million, spread over four years, will help spur catalyst infill development projects in the six-county region that pair accelerated infill

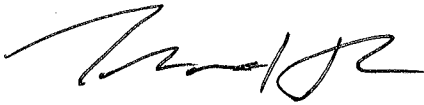


development with accelerated transportation options. Green Zones, in a partnership of state funding and local government action, create areas targeted for infill and compact development, increasing housing and transportation options and promoting shorter, fewer, and cleaner vehicle trips.

SACOG developed Green Means Go to enhance implementation of its SB 375 Sustainable Communities Strategy (SCS) and help the region achieve its new GHG emission reduction target of 19% by 2035. In early 2018, the California Air Resources Board (CARB) established the 19% target and, acknowledging the challenges for the SACOG region to meet this target, directed SACOG to develop a pilot program to help it reach a 19% reduction. SACOG developed the pilot in partnership with CARB in order to effectively coordinate growth with transportation investments within SACOG's unique region to achieve the 19% goal.

Green Means Go provides an opportunity to identify the impacts of targeted infill investments and local policy changes on the development of new housing and infill projects when paired with targeted investments in additional travel options. As CARB's recent SB 150 report noted, we need to make significant changes to how we build and invest in communities if we are going to meet our climate goals. Across all levels of government, we must recognize the "interconnected relationship of land use, housing, economic and workforce development, transportation investments, and travel choices." Green Means Go does this and provides an opportunity to learn how to best to make the investments needed to meet our state's climate goals.

Sincerely,



Dr. Richard Pan
Senator, Sixth District



Assemblymember Ken Cooley
Eighth District



Christina Lokke
Policy Manager
916-340-6230
clokke@sacog.org



Sacramento Region Greenhouse Gas Reduction Program

Green Means Go is a multi-year pilot program to lower greenhouse gas emissions in the six-county Sacramento region by accelerating infill development, reducing vehicle trips, and electrifying remaining trips. Local jurisdictions will designate Green Zones, in which they must take specific actions to promote infill development and reduce existing barriers and provide new transportation options. State funding is needed to help implement these actions and further incentivize local development and housing production. Green Zones, in a partnership of state funding and local government action, create areas targeted for infill and compact development, increasing housing and transportation options and promoting shorter, fewer, and cleaner vehicle trips.

Green Zones:

- Established by local jurisdictions; must have infill capacity, be in an area planned for intensification, and in a SACOG identified center/corridor or established community
- Transit providers may work with a city or county to establish a Transit Green Zone within the city/county's Green Zone
- Jurisdictions must make targeted actions in Green Zones in at least one of the three program areas to qualify for funding

Program Areas

Accelerate Infill	Accelerate Travel Options	Accelerate EV Deployment
Accelerate development within areas of existing communities by prioritizing incentives and removing barriers.	Increase transit, bicycle and walking trips through programs, infrastructure improvements, and new mobility options.	Expand options for zero emissions transportation options by increasing access to EV charging, and shared EV programs and fleets.



Illustrative Local Green Zone Actions

Accelerate Infill

- Implement tools in SACOG housing policy toolkit
 - Reduce impact fees
 - Reduce parking requirements
 - Increase density
 - Incentivize Accessory Dwelling Units
 - Expedite zoning variances
- Establish a land bank
- Develop or implement specific plans or studies
- Develop or implement specific infrastructure plan
- Establish a Transportation Demand Management program

Accelerate Travel Options

- Transportation Demand Management program
 - Incentivize alternative transportation options
- Safety improvements that encourage walking
- Bicycle and pedestrian improvements and plans
- Microtransit
- Car share
- Fare prepay system
- Express buses serving the Green Zone
- Additional increased transit options

Accelerate EV Deployment

- Electric Vehicle infrastructure investment
- Electric Vehicle carshare program
- Electric Vehicle TNC/ride hailing fleet

Potential State-Funded Green Zone Investments

Accelerate Infill

- Financial support of specific local actions
- Infrastructure improvements that serve a Green Zone
- Financial assistance directed at small, infill projects (e.g. guaranteeing or facilitating low interest construction loans or gap funding for qualifying projects)
- Land acquisition fund to prepare for an impending recession to help communities rebound more quickly
- Grants to enhance infill markets (e.g. building façade renewal or building community assists such as a park, community center, or library)

Accelerate Travel Options

- Financial support of specific local actions

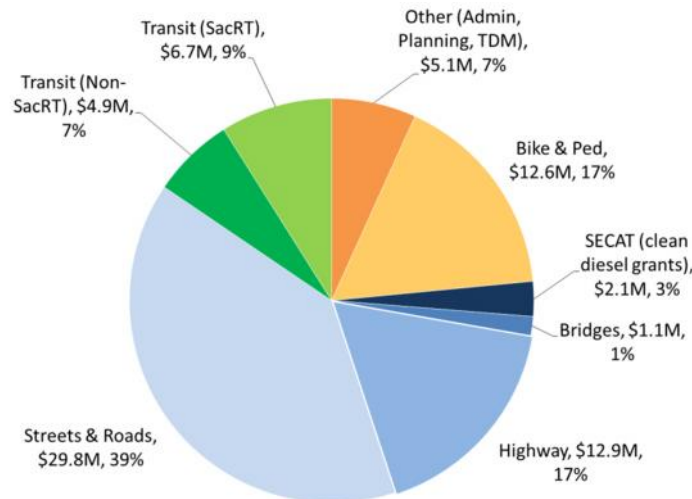
Accelerate EV Deployment

- Financial support of specific local actions

MPO/RTPA Peer Review:
STP, CMAQ & STIP Programming by Mode

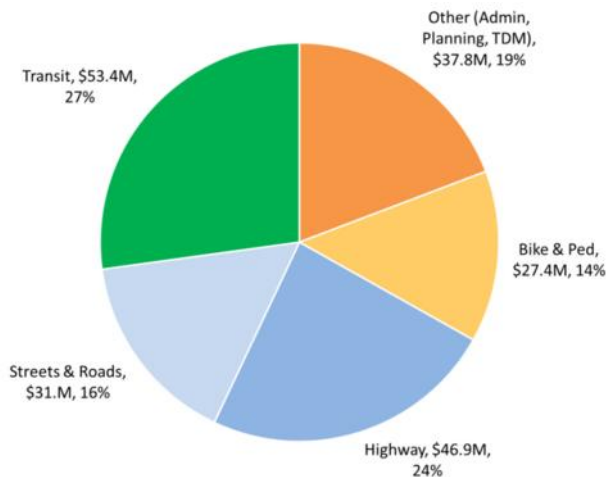
SACOG 9-Year Annual Average (FY11-FY19)

Average Annual Apportionment: \$75.4M*



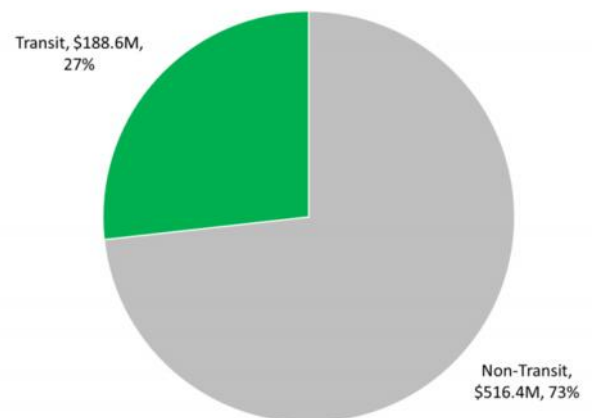
MTC (9-County SF Bay Area Region) Annual Amounts

Average Annual Apportionment: \$196M



SCAG (6-County So. Cal. Region) Annual Amounts

Average Annual Apportionment: \$705M



Data Sources:

- SACOG: 2011, 2013, 2015, 2017 MTIP data from SacTrak plus CMAQ amounts programmed to transit operators in December 2018 as part of 2015 Round Tier 2 Transit Lump Sum Programming
- MTC: CTC 2018 STIP; MTC Resolution No. 4035 (STP/CMAQ)
- SCAG: CTC 2018 STIP; SCAG's "Summary of FFY 2016-17 Annual Listing of Obligations" (STP/CMAQ)

**General Manager's Report
April 8, 2019**

SacRT MEETING CALENDAR

Regional Transit Board Meeting

April 22, 2019
SacRT Auditorium
5:30 P.M

Quarterly Retirement Board Meeting

June 12, 2019
SacRT Auditorium
9:00 A.M

Mobility Advisory Council Meeting

May 2, 2019
SacRT Auditorium
2:30 P.M.

San Joaquin Joint Powers Authority Meeting Summary
March 22, 2019
San Joaquin Council of Governments

Meeting began at 10:30 a.m. at the San Joaquin Council of Governments Board Room in Stockton, CA. All action items were approved unanimously.

1. Roll Call, Pledge of Allegiance.
2. Consent Calendar – Unanimously approved by the Board
 - a. Approved minutes from the January 25, 2019 Board meeting.
 - b. Discussed next Board meeting location. Sacramento is likely location.
 - c. SJJPA Operating Expense Report.
 - d. San Joaquin Operations Update.
 - e. Approved a resolution of the Governing Board of the SJJPA recognizing Michael Snyder for his dedication, professionalism and passion for the San Joaquin service and for his role on the San Joaquin Valley Rail Committee.
3. Public Comments were received (3 speakers).
4. Reviewed Public Comments for the Draft 2019 San Joaquin Joint Powers Authority Business Plan Update.
5. Board approved a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Approving the Draft 2019 San Joaquin Joint Powers Authority Business Plan Update and Authorizing and Directing the Executive Director to Execute Any and All Documents Associated with the Master Fund Transfer Agreement Supplements for Operations, Administration, and Marketing Budgets for Fiscal Year 2019/2020.
6. Board heard and commented on the following information items:
 - a. Spring 2019 Schedule Change Update.
 - b. Café Car Performance Update.
 - c. Update on the Valley Rail Program.
 - d. Report on the Transit Cross-Promotion Advertisements.
 - e. Presentation on SB 804 (the Perata Law).
 - f. Executive Director's Report.