



# Sacramento Regional Transit District Agenda

**SPECIAL CLOSED SESSION MEETING**  
**5:15 p.m., Monday, December 9, 2019**  
**REGIONAL TRANSIT CONFERENCE ROOM,**  
**ROOM #221 (2<sup>nd</sup> FLOOR)**  
**1400 – 29<sup>TH</sup> STREET, SACRAMENTO, CALIFORNIA**

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

Alternates: Directors Detrick, Kozlowski, Sander and Slowey

1. **Announce Closed Session Items:**

A. Conference with Real Estate Negotiator  
Pursuant to Gov. Code Section 54956.8

- (1) Property: McCormack Avenue  
Description: APN 001-0141-001  
Agency Negotiator: Traci Canfield, Senior Manager, TOD/Real Estate  
Under Negotiations: Price and Terms of Payment

2. **Recess To Closed Session**

3. **Open Session**

4. **Closed Session Report**



# Sacramento Regional Transit District Agenda

**BOARD MEETING**  
**5:30 P.M., MONDAY, December 9, 2019**  
**REGIONAL TRANSIT AUDITORIUM**  
**1400 29<sup>TH</sup> STREET, SACRAMENTO, CALIFORNIA**  
**Website Address: [www.sacrt.com](http://www.sacrt.com)**  
(29th St. Light Rail Station/Bus 38, 67, 68)

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

Alternates: Directors Detrick, Kozlowski, Sander and Slowey

**1. PLEDGE OF ALLEGIANCE**

**2. CONSENT CALENDAR**

- 2.1 Motion: Approval of the Action Summary of November 18, 2019
- 2.2 Resolution: Adoption of the 2020 Board Meeting Calendar (C. Brooks/S. Valenton)
- 2.3. Resolution: Approving the Workplace Violence Policy (L. Hinz)
- 2.4. Resolution: Delegating Authority to the General Manager/CEO to Approve and Execute a Software License and Services Agreement with Ecolane USA, Inc. for Complementary Paratransit Scheduling and Dispatching Software Under the National Cooperative Purchasing Alliance (NCPA) and to Approve Amendments to the Agreement for Additional Licenses and Services (D. Cook)
- 2.5. Resolution: Approving the Fourth Amendment to the Contract for Purchase of Fare Vending Machines with Parkeon, Inc. (B. Bernegger)
- 2.6. Resolution: Approving a Sole Source Procurement, Ratifying Execution of Fuel Card Credit Application, and Approving CNG Fuel Price Agreement with Clean Energy (B. Bernegger)
- 2.7. Resolution: Delegating Authority to the General Manager/CEO to Approve a License Agreement with the State of California Franchise Tax Board for Use of a Portion of the Butterfield Park and Ride Lot (B. Bernegger)

- 2.8. Resolution: Rescind Resolution No. 19-08-0096, Award a Contract for Low-Floor Light Rail Vehicles with Siemens Mobility, Inc., and Delegate Authority to the General Manager/CEO to Execute Contract Change Orders or Amendments to the Contract (D. Cook)
- 2.9 Resolution: Approving a Sole Source and Second Amendment to the Contract for Security Guard Services with First Alarm Security and Patrol, Inc. (L. Hinz)
- 2.10 Resolution: Suspending Fares for the Month of January on the New Airport Bus Route 142 to Encourage Ridership (D. Selenis)
- 2.11 Resolution: Annual Renewal of Health and Welfare Benefits (Delta Dental, Vision Service Plan, Navia Benefits and The Hartford Life Insurance Company) for SacRT Employees (S. Booth/S. Valenton)

**3. INTRODUCTION OF SPECIAL GUESTS**

- 3.1 Special Recognition: American Public Transportation Association Manager of the Year Award (S. Valenton)
- 3.2 Special Presentation: Certificates of Recognition – Green Energy Program (Assembly Member Kiley and Supervisor Susan Frost)
- 3.3 Special Presentation: Awarding Certificates of Appreciation to Individuals of SacRT Police Services (J. Risley/L. Hinz)

**4. UNFINISHED BUSINESS**

- 4.1 Approving the Causeway Connection Intercity Bus Service (L. Ham)
  - A. Resolution: Approving a Title VI Service and Fare Equity Analysis; and
  - B. Resolution: Conditionally Adopting Service Changes to Establish a New Causeway Connection Bus Service to UC Davis Medical Center; and
  - C. Resolution: Delegating Authority to the General Manager/CEO to Approve a Memorandum of Understanding between the Sacramento Regional Transit District, the Yolo County Transportation District, and the University of California, Davis for Operation of the Causeway Connection; and
  - D. Resolution: Conditionally Recognizing the University of California, Davis Undergraduate Student ID Card as Fare Equivalent for the Causeway Connection

**5. PUBLIC HEARING**

- 5.1 Hold a Public Hearing on the Initial Study/Proposed Mitigated Negative Declaration for the Folsom Light Rail Modernization 15 Minute Service Project (L. Ham)

**6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA\***

**7. NEW BUSINESS**

- 7.1 Intent Motion: Selection of the Chair and Vice Chair of the SacRT Board of Directors for 2020 (C. Brooks/S. Valenton)
- 7.2 Resolution: Receive and File the Comprehensive Financial Report (CAFR), Reports on Compliance and Internal Controls as Required by Uniform Guidance and the Transportation Development Act (TDA), the Report to the Board of Directors for the Fiscal Year Ended June 30, 2019 and Designate \$3,296,647 to SacRT's Operating Reserve. (B. Bernegger)

**8. GENERAL MANAGER'S REPORT**

- 8.1. General Manager's Report
- a. Safety and Security Update
  - b. Paratransit Service Update
  - c. Quarterly Financial Report (1<sup>st</sup> Quarter Fiscal Year 2020)
  - d. SacRT Meeting Calendar

**9. REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**

- 9.1. Capitol Corridor Joint Powers Authority Meeting – November 20, 2019 (Miller)
- 9.2. San Joaquin Joint Powers Authority Meeting – November 22, 2019

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

**11. ANNOUNCEMENT OF CLOSED SESSION ITEMS**

**12. RECESS TO CLOSED SESSION**

**13. CLOSED SESSION**

**14. RECONVENE IN OPEN SESSION**

**15. CLOSED SESSION REPORT**

**16. ADJOURN**

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\*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 29<sup>th</sup> 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.sacmetroable.tv](http://www.sacmetroable.tv) on December 11 @ 6:00 p.m. and replayed on December 15 @ 2:00 p.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 29<sup>th</sup> 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.



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Cindy Brooks, Clerk to the Board  
**SUBJ:** APPROVAL OF THE ACTION SUMMARY OF NOVEMBER 18, 2019

### RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
BOARD OF DIRECTORS  
BOARD MEETING  
November 18, 2019**

**ROLL CALL:** Roll Call was taken at 5:33 p.m. PRESENT: Directors Harris, Howell, Hume, Miller, Nottoli, Schenirer, and Chair Kennedy. Director Jennings arrived at 5:35 p.m. and Director Hansen arrived at 5:45 p.m. Absent: Directors Budge and Serna.

**PLEDGE OF ALLEGIANCE**

**CONSENT CALENDAR**

1. Motion: Approval of the Action Summary of October 7, 2019
2. Resolution: Awarding a Contract to Aramark Uniform & Career Apparel LLC for Uniform Rental and Laundry Services (D. Cook)
3. Resolution: Awarding a Contract for 1225 R Street Roof Replacement to Barth Roofing Company, Inc. (D. Abansado/L. Ham)
4. Resolution: Awarding a Contract for the Tree Mitigation, Bus Stop Demolition and Landscape Restoration to Swierstok Enterprise, Inc. Doing Business as Pro Builders (D. Abansado/L. Ham)
5. Resolution: Approving a Sole Source Procurement and Approving a Contract for Purchase of CAF Couplers with Voith Turbo, Inc. (D. Cook)
6. Resolution: Delegating Authority to the General Manager/CEO to Award and Execute a Contract for Bidwell Street Instrument House Replacement (S. Arya/L. Ham)
7. Resolution: Approving the First Amendment to Ground Lease for Parking Purposes with R11 Properties, LLC. (B. Bernegger)
8. Resolution: Approving the Second Amendment to the Contract for Transit Consulting Services with Carpi & Clay, Inc. (C. Garcia-Weinhardt)
9. Resolution: Approving a Sole Source Procurement and the First Amendment to the Contract for Insurance Broker Services with Alliant Insurance Services, Inc. (A. Steele/B. Bernegger)
10. There is no item for this number.

11. Resolution: Approving a Records Retention Policy (S. Valenton)
12. Resolution: Delegating Authority to the General Manager/CEO to Award and Execute Procurement Contracts Necessary to the Provision of ADA Complementary Paratransit Service by SacRT (J. Adelman/B. Bernegger)

**ACTION: APPROVED - Director Howell moved; Director Harris seconded approval of consent calendar Items 1-3, 6 - 9 and 11, noting that Item 10 had been removed from the agenda. Motion was carried by voice vote. Absent: Directors Budge, Hansen, Jennings and Serna.**

4. Resolution: Awarding a Contract for the Tree Mitigation, Bus Stop Demolition and Landscape Restoration to Swierstok Enterprise, Inc. Doing Business as Pro Builders (D. Abansado/L. Ham)

Speaker: Jeffery Tardaguila

5. Resolution: Approving a Sole Source Procurement and Approving a Contract for Purchase of CAF Couplers with Voith Turbo, Inc. (D. Cook)

Speaker: Helen O'Connell

12. Resolution: Delegating Authority to the General Manager/CEO to Award and Execute Procurement Contracts Necessary to the Provision of ADA Complementary Paratransit Service by SacRT (J. Adelman/B. Bernegger)

Speaker: Jeffery Tardaguila

**ACTION: APPROVED - Director Howell moved; Director Schenirer seconded approval of Items 4, 5 and 12. Motion was carried by voice vote. Absent: Directors Budge, Hansen and Serna.**

## **INTRODUCTION OF SPECIAL GUESTS**

## **UNFINISHED BUSINESS**

## **PUBLIC HEARING**

13. Resolution: Approving a Title VI Service Change Equity Analysis and Adopting Service Changes for April 2020 (L. Ham)

Laura Ham indicated that the service changes are primarily for April 2020, with the exception of the proposed Airport service which would take effect on January 6, 2020. The funding for the Airport service comes from funds from the Sacramento Area Council of Governments Green Region Program.



James Drake explained that the current Airport service is provided by Yolo Bus (Routes 42A&B) (Yolo) and runs once an hour, seven days per week. SacRT's service (Route 142) will run once an hour; however, is scheduled to run between Yolo trips, so service between the two agencies provides 30 minute headways. During peak hours, SacRT will run two buses an hour, so that customers will have 20 minute headways to/from the Airport.

James Drake indicated that the remainder of the service changes for April 2020 are route and schedule modifications from SacRT Forward, and are cost neutral. Staff continues to monitor ridership and has accumulated a number of other modifications which have a budget impact that will be addressed at a future time.

Speakers (Comments Summarized):

Helen O'Connell – She is happy to hear about it and wants to make sure that the Mobility Advisory Council is aware of all service changes, so they can provide their opinions.

Mike Barnbaum – Mr. Barnbaum wants to make sure that patrons in outlying communities utilize the Airport service since it only travels from downtown Sacramento.

Jeffery Tardaguila – Mr. Tardaguila is concerned there is not enough space at several downtown bus stops for multiple buses serving the Airport, and what can be done about it.

Rosalie Rashid – Ms. Rashid indicated that the change to Route 30 has changed her and others lives “upside down.” Ms. Rashid would like changes to routes announced on the buses.

Glenda Marsh – Ms. Marsh is excited about all of the proposed changes. She is glad to have more bus service to/from Davis, and that it is a service open to everyone.

Bonnie Lindemann\* - Ms. Lindemann is concerned about the changes in Citrus Heights, and that the Sunrise Mall Transit Center lost 4 fixed routes, believed that there were no public meetings in District 3 and 4, and no equity analysis done. She believes that Microtransit is not a substitute for fixed route service.

Director Hansen asked staff to follow up with Mr. Rashid about the Route 30 service after the Board meeting.

Director Hansen is happy to see SacRT implementing Airport service. The Airport service will be a benefit for the San Joaquin service as well as the existing Capitol Corridor.

**ACTION: APPROVED - Director Hansen moved the item with the following direction**

**for staff to prioritize the bus on shoulder legislation for the I-5 corridor, the Causeway Intercity Bus Service and Highway 80; Director Howell seconded approval of the item as written. Motion was carried by voice vote. Absent: Directors Budge and Serna.**

14. Approving the Causeway Connection Intercity Bus Service (L. Ham)
  - A. Resolution: Approving a Title VI Service and Fare Equity Analysis; and
  - B. Resolution: Conditionally Adopting Service Changes to Establish a New Causeway Connection Bus Service to UC Davis Medical Center; and
  - C. Resolution: Delegating Authority to the General Manager/CEO to Approve a Memorandum of Understanding between the Sacramento Regional Transit District, the Yolo County Transportation District, and the University of California, Davis for Operation of the Causeway Connection; and
  - D. Resolution: Conditionally Recognizing the University of California, Davis Undergraduate Student ID Card as Fare Equivalent for the Causeway Connection

Laura Ham introduced this item and indicated that the same item was agendaized at the Yolo County Transportation District meeting tonight. Passage of both items as well as approval by Chancellor Gary May of UC Davis would approve this project. Ms. Ham introduced key project partners: Matt Dulcich of UC Davis, Will Barry of Electrify America and Julia Burrows, City of Sacramento. The service will be operated in tandem with Yolo Bus and SacRT, and Ms. Ham recognized the contributions from Terry Bassett and Jose Perez from the Yolo County Transportation District.

James Drake provided the proposed schedule: 3 stops in Davis and a total of 5 stops in Sacramento, noting that not all stops would be served on every trip providing a more direct route on some trips (non-stop and limited stop options).

Director Nottoli asked how the current service is being operated and what the change to travel time would be. Mr. Drake explained the current service. Mr. Drake noted that the vehicle type on the proposed service is smaller; however, SacRT is proposing to run 3 trips per hour during peak service whereby the current service is only once an hour (on a larger bus). Mr. Drake noted that ridership on the current shuttle is strong; however, the ridership has been declining.

Director Harris asked for the total ridership, how often the buses are currently at capacity and whether there is a possibility to retrofit the buses for more bike capacity. Mr. Drake indicated that the current ridership is approximately 380 riders per day – 50/50 between Davis and Sacramento. The peak hour trips average between 23 and 28 riders per trip. The existing buses hold 9 bicycles and the new buses will hold 3

bicycles on the rack, noting that with 3 buses per hour that is a total capacity of 9 per hour during peak. There have been discussions about rear bicycle racks; however, Mr. Drake indicated that other transit agencies have not been happy with them.

Director Miller wanted to know how other buses carry 9 bicycles. Mr. Drake noted that the current buses are larger charter style bus and bicycles are stowed below, and that the existing fleet powered by diesel.

Speakers:

Chris Dougherty – Mr. Dougherty, from the Sacramento Area Council of Governments, was present to support the Causeway Connection, and looks forward to the launch of this zero emission vehicle project.

Julia Burrows – Ms. Burrows, from the City of Sacramento, was present to offer support from the Mayor's Office for the project because of emission reductions and the partnership that the City has with Electrify America.

Matt Dulcich – Mr. Dulcich, on behalf of UC Davis, are excited about the launch of the Causeway Connection. UC Davis believes that public agencies should collaborate to build efficient partnerships and this effort does accomplish these goals. Mr. Dulcich acknowledges that the existing UC Davis charter service has some attributes that will not be included in the Causeway Connection service. UC Davis has listened carefully to the comments from the existing riders during October and November, and attempted to address those concerns with substantial revisions to the routing, planning and scheduling of the service. UC Davis appreciates the extra consideration of those issues and concerns from the staff at SacRT and YCTD. UC Davis continues to listen to the riders now and in the future. UC Davis will continue to find other options to help address the concerns of the riders.

Director Nottoli asked Mr. Dulcich why UC Davis waited to engage the current ridership in the planning of this project. Mr. Dulcich agrees that UC Davis was late in engaging the riders. UC Davis, in their workshops, has apologized for their late initiation and has continued to take input and make changes to the schedule to accommodate riders.

Helen O'Connell – Ms. O'Connell noted that a number of her peers brought up the issue of not enough room for the bicycles.

Mike Barnbaum – Mr. Barnbaum noted that the education provided at the workshop was invaluable. Mr. Barnbaum provided his suggested recommendations for schedules through the day.

Jeffery Tardaguila – Mr. Tardaguila is uncertain as to whether other routes can have a direct connection with this service.

Jason Moore – Mr. Moore was in attendance with others (in red shirts) who are current

riders of the shuttle. Mr. Moore noted that at the December 12, 2017 City Council meeting that Mayor Steinberg's unanimously declared that there shall be an electric shuttle running 15 minute frequency from UC Davis to Sacramento. Mr. Moore stated that this was not part of the approved electric vehicle strategy, and believes that this is a misappropriation of the VW Emission money. Mr. Moore believes that UC Davis is abandoning the riders and their lives. Mr. Moore indicated that the riders first learned about this change on October 25. Mr. Moore wants the item postponed, asked for staff to collect data, working with the current and potential riders of the shuttle.

Yemi Olowoyeye – Ms. Olowoyeye, staff member at UC Davis, lives in Sacramento. Ms. Olowoyeye read a statement from a second year undergraduate student that indicated that he would be unable to take classes and go to his volunteer internship on the same day because of the longer time commitment, traffic issues and no guarantee spot on the bus. Ms. Olowoyeye echoes his colleagues' statement and is concerned that UC Davis has not been able to produce any data.

Alissa Magorian – Ms. Magorian, graduate student and full time staff member, takes the shuttle 5 days per week noting that traffic across the causeway has increased over the last few years. Ms. Magorian believes that added stops on the proposed routes may find it challenging for her schedule and wonders whether it is worth it to her.

Amy Fletcher – Ms. Fletcher noted that she would like to see a delay in the proposed project. She is concerned about the number of bicycles that would be allowed on the new service because she has seen a number of people turned away before because of capacity issues, and the fact that the riders were just informed about the change.

Lisa Rosenthal\* - Ms. Rosenthal, Ph.D. candidate at UC Davis, noted that she has collected data from 214 rides. She would like "honest" information to evaluate the proposed plans, and asked that the Board delay until the information is provided.

Sarah Kerber – Ms. Kerber, Sacramento Transit Riders Union (SacTRU), noted that they had received comments and requests for assistance from UC Davis bus riders who feel that they have not been provided an opportunity for public engagement. Ms. Kerber indicated that the Mobility Advisory Council at SacRT was presented with a presentation and asked for bus specifications to make sure that the bus was accessible, and it was her understanding that the requested information has not been provided.

Rose Cabral – Ms. Cabral wanted to know if SacRT riders know about the UC Davis shuttle. Ms. Cabral noted that had the current riders of the shuttle been provided an opportunity to participate in the project two years ago, then riders would not be here protesting the change in the shuttle service. Ms. Cabral noted that she believes the routes times are not accurate due to her own current experience.

Rachel (on behalf of Natalie Butcher, Esq.) – Rachel, staff member at UC Davis, read a statement from an Associate Director of Career Services in Judicial Clerkships at UC

Davis– summarized here. Ms. Butcher has 2 young children who attend school in Sacramento and the shuttle allows her to go in early to work, and return in time to pick up her children from afterschool care. The extra stops and traffic might likely double her commute. She would like an express bus with no stops during the 6:00 a.m. and 2 – 3 p.m. that would allow her to fulfil her commitments.

Alana Firl\* - Ms. Firl has been riding since 2007 and is concerned about the bike capacity on the electric buses. She uses her bike to/from the shuttle and to various locations within Davis. She believes it should a priority to increase bike capacity. She would be very happy to help provide information.

David Doty – Mr. Doty, faculty member at UC Davis, lives in Sacramento and is concerned about the cost because graduate students will pay more - \$100 per month, versus a parking pass on campus at \$50.00. Mr. Doty supports electric vehicles. Mr. Doty noted that his work/life balance is important and if he spends time on transit he wants it to be productive time and also safe by using a seat belt.

Mike Tentis – Mr. Tentis is staff member from UC Davis for 8 years. Safety is very important to him and the new buses will not have seat belt. He does not believe it is a good idea to mandate riders to ride a bus going 70 mph without seat belts. Mr. Tentis stated that it took him 56 minutes to get home on Friday, November 15<sup>th</sup> leaving the Mondavi Center to the Medical Center, and noted that this Friday was a good Friday.

Joe Bolté – Mr. Bolté, resident of Davis, but not a member of the UC Davis community, so he cannot take the current shuttle. He believes there is a high amount of unmet demand for a rapid express bus between the highest demand locations in Davis and Sacramento including UC Davis Health. He believes it is a shame to drive past downtown Sacramento without allowing people to stop there. He does not believe that the parties have a collaborative system for getting information to passengers such as how telephone calls about the service will be distributed between SacRT and YCTD to answer.

Mikel Delgado – Ms. Delgado is an employee at UC Davis and travels on non-peak hours often. Ms. Delgado requested that the route include more than the Mondavi stop because it is a 25 minute walk to the Vet campus if she is unable to take her bicycle on every route. Ms. Delgado would like more input on the schedule and routes.

Signed up but did not speak:  
Bonnie Lindemann  
Glenda Marsh

Director Nottoli wanted to know whether the Board could delay the action tonight, and whether there is any jeopardy of financial loss. Laura Ham noted that staff could bring the item back at the December 9, 2019 meeting and still be able to implement in April 2020, although it would not be ideal. If the item goes beyond December 9, it would postpone implementation until June 2020. Ms. Ham indicated that she believes that the

grant funding would flow with the services and operation; however the capital investment would not be used as soon as it could.

Director Miller asked when graduation was held in Davis. A response was provided that it was June 2020.

Director Howell asked staff to get confirmation of the estimated current travel times for each trip because based on public comment, the buses are frequently late.

Director Harris noted that there is a tremendous amount of change on the Causeway minute by minute. Director Harris would like an analysis about the possibility of putting more bikes per bus. The reason to go electric is to change mobility options for people and reduce greenhouse gas emissions. Director Harris wanted to know how staff arrived at the stops on the schedule. James Drake noted that the stops evolved throughout the project, and provided a timeline on how the schedule developed.

Director Harris wanted to know how flexible SacRT is if adjustments need to be made after implementation. James Drake noted that adjustments are normally adjusted on a quarterly basis because of printed materials and budgetary concerns.

Director Harris wanted to know the impact of postponing the decision. James Drake noted that postponing takes time away from the schedulers and operations trainers, noting that December 1 is normally the drop dead date (for April implementation) to get any changes to the schedulers so they can optimize schedules for 450 drivers, vehicles. Additionally driver shifts have to be made and pay properly and schedules have to be prepared for bid documents, and then the Union has to approve the schedules. SacRT Training staff is involved because operators are driving in new areas and the areas need to be learned. Additionally, this service is a bit more complicated as it is coordinated with Yolo Bus. If the Board does not make a decision on December 9, then staff would miss the April round of service changes and implementation would have to occur in June.

Director Hume supports the concept of this program and what it is hoping to achieve, and that it is opening itself to greater ridership than is currently enjoyed. He understands that change is always scary and the unknown is always an issue. Director Hume moved the item with direction to staff to come back in December with better information regarding scheduling and other items discussed, and that the Board put over the service change until June 2020 so that it fits the University schedule better, it gives those trainers and drivers extra time to implement, and that we have real time data with which to make decisions. Director Nottoli seconded the motion.

Director Schenirer agrees with Director Harris on his bicycle rack issue. Director Schenirer noted that traffic is traffic, and it would be the same whether it was a bus or car on the road. Director Schenirer asked why the riders cannot work on the shuttle. The answer provided was whether the rider might be standing versus sitting. Director Schenirer noted that this shuttle is the right thing to do for climate control, and supports

the postponement of the decision to December 9<sup>th</sup> leaving it up to staff to see if we can implement in April, and he wondered whether Director Hume would accept that as an amendment to his motion. Director Schenirer noted that there will be complaints with changes in service and schedule, and staff will have to accept that try to mitigate the complaints.

Director Hansen thinks that this is an exciting but said that we have all gotten off on the wrong foot with people holding signs and protesting the action because this is the region's first opportunity to invest in a fully electric bus service. Some of the questions raised have merit, and he can sympathize with those people who have adapted their lives to the schedules and amenities, but also that the current service is not typical for public transit. Director Hansen supports the decision on how this service gets implemented (i.e. date) to the December 9 meeting. Director Hansen asked to have the answers to the following questions brought back in the staff report on December 9: 1) would like to see an overlay on a map with evolving stops, 2) the bike rack issue, 3) the addition of seat belts and their cost, 4) whether the bus on shoulder legislation can become an urgency bill with the help of the Mayor's office, 5) set some metrics for performance on emission reductions, 6) make a note in the staff report that the buses will have Wi-Fi, and 7) have some public meetings to be able to get to the riders to embrace and accept the change.

Director Hume noted that he has considered the situation and noted that the seconder of the motion, Director Nottoli, has left the meeting, and he is not interested in changing his motion because it makes more sense to start in June when it may be quieter, so that staff can work out the kinks before there is undue pressure.

Director Hansen provided a substitute motion to delay the item for three weeks allowing staff to meet with the stakeholders, and provide a report back on the questions asked by the Board, as well as provide a recommendation on what is most feasible best plan for the riders based on those responses. Director Harris seconded the motion.

Director Hume explained Robert's Rules of Order which requires that the Board hear the substitute motion first, before hearing the original motion, so he is going to vote "no" against the substitute motion because he believes June makes more sense. Director Hansen noted that the Board could still decide a June implementation date on December 9<sup>th</sup> and that is why he wanted that flexibility if the issues are worked out.

Director Jennings clarified the motion to look at all implementation option dates at the December 9<sup>th</sup> meeting.

**ACTION: SUBSTITUTE MOTION - Director Hansen provided a substitute motion to delay the item for three weeks allowing staff to meet with the stakeholders, provide a report back on the questions asked by the Board, and provide a recommendation on what is the most feasible best plan for the riders based on those responses. Director Harris seconded the motion. Ayes: Directors Hansen, Harris, Howell, Jennings, Schenirer and Chair Kennedy. Noes: Directors Hume and Miller. Absent:**

**Directors Budge, Nottoli and Serna. Motion carried with 78 roll call votes.**

**PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

Speakers:

Mike Barnbaum – Mr. Barnbaum read a note from Board Member Serna reporting that he would not be attending the SacRT Board meeting because he was home recovering. Mr. Barnbaum provided event information for Causeway Week.

Jeffery Tardaguila – Mr. Tardaguila noted that rider input is essential. Mr. Tardaguila wants a transportation tax. He wants the Board to look at the “CBC Bus 11,” a light rail vehicle which has been converted over, noted that SACOG has produced an audio sign, and that the Board needs to look into their pilot projects. Mr. Tardaguila noted that youth are walking between couplers at 13<sup>th</sup> Street and reported to the Board that a “yellow shirt” saw the incident and followed the proper procedures. Mr. Tardaguila would like Director Hume to continue on the Paratransit Board.

Sarah Kerber – Ms. Kerber, representing SacTRU, is requesting staff to provide a report back to the Board, the Mobility Advisory Council and members of the public on a variety of pilot projects that have been implemented in recent years.

Dane Palmer – Ms. Palmer addressed safety and security issues on light rail as she has had problems on Saturday and Sunday evenings. Ms. Palmer believes there is no one to deter criminal behavior on the light rail trains because she does not see many transit agents during those times. She suggested that SacRT look at some of these safety and security issues.

**NEW BUSINESS**

**GENERAL MANAGER’S REPORT**

15. General Manager’s Report
  - a. Service Animal Update
  - b. Paratransit Services Update
  - c. Quarterly Financial Report (1<sup>st</sup> Quarter Fiscal Year 2020)
  - d. SacRT Meeting Calendar

General Manager Li deferred his General Manager’s Report until the December 9, 2019 Board Meeting.

Speaker: Jeffery Tardaguila – Mr. Tardaguila indicated that he needs to know more about the projects that SacRT is pursuing.



**REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**

16. Paratransit Special Board Meeting – November 4, 2019 (Hume)

Director Hume noted that Kevin Welch of Paratransit, Inc. will be retiring at the beginning of January 2020, and that he will be sorely missed in the transit community.

Speaker: Jeffery Tardaguila – Mr. Tardaguila indicated that he had never (this year) seen a written report from a Paratransit meeting. Mr. Tardaguila wanted to know if there was any consultation with Paratransit on free ride days. Mr. Tardaguila wants Director Hume to continue on the Paratransit Board.

**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**

\*Handout

As there was no further business to be conducted, the meeting was adjourned at 7:50 p.m.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

## **STAFF REPORT**

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Cindy Brooks, Clerk to the Board  
**SUBJ:** ADOPT THE 2020 BOARD MEETING CALENDAR

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

This action will result in establishing the Sacramento Regional Transit District Board of Directors meeting calendar for 2020.

### FISCAL IMPACT

There is no fiscal impact associated with this action.

### DISCUSSION

The Board's Rules of Procedure require the Board to set forth its regular meeting schedule for the following year.

The attached schedule provides for two regular meetings on the second and fourth Monday of each month with the following exceptions:

- April: No meeting on April 27 due to Annual Cap to Cap Trip
- May: No Meeting on May 25 due to the Memorial Day Holiday
- June: No meeting on June 22 due to City and County recesses
- July: No Meeting on July 13 due to City and County recesses
- October: No Meeting on October 12 due to County recess
- November: No Meeting on November 23 due to the Thanksgiving holiday
- December: No meeting on December 28 due to the holiday season

Staff recommends approval of the 2020 Board Meeting calendar attached to the Resolution as Exhibit A.

RESOLUTION NO. 19-12-0127

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

December 9, 2019

**ADOPT THE 2020 BOARD MEETING CALENDAR**

WHEREAS, the Sacramento Regional Transit Board of Directors desires to establish its regular meeting schedule for calendar year 2020; and

WHEREAS, Section 3.111 of Article 1 (Meetings) of Chapter 1 (Board Rules) of Title III of the Sacramento Regional Transit District Administrative Code Relating to Rules of Procedure provides in relevant part as follows:

Unless otherwise specified in the resolution establishing the Board's regular meeting schedule, the Board will conduct its regular meetings in the first floor Auditorium at Regional Transit's Administrative Headquarters located at 1400 29<sup>th</sup> Street, Sacramento, CA. Regular meetings of the Board will start at 5:30 p.m.

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

THAT, the regular meeting schedule set out in attached Exhibit A for the meetings of the Sacramento Regional Transit Board of Directors for calendar year 2020 is hereby adopted.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

## 2020 BOARD MEETING CALENDAR

**SACRAMENTO REGIONAL TRANSIT BOARD OF DIRECTORS  
REGIONAL TRANSIT AUDITORIUM (ROOM 114) - 1400 29TH STREET  
SACRAMENTO, CALIFORNIA**

**5:30 P.M.**

Monday	Regular Meeting	January 13, 2020
Monday	Regular Meeting	January 27, 2020
Monday	Regular Meeting	February 10, 2020
Monday	Regular Meeting	February 24, 2020
Monday	Regular Meeting	March 9, 2020
Monday	Regular Meeting	March 23, 2020
Monday	Regular Meeting	April 13, 2020
Monday	NONE	April 27, 2020
Monday	Regular Meeting	May 11, 2020
Monday	NONE	May 25, 2020
Monday	Regular Meeting	June 8, 2020
Monday	NONE	June 22, 2020
Monday	NONE	July 13, 2020
Monday	Regular Meeting	July 27, 2020
Monday	Regular Meeting	August 10, 2020
Monday	Regular Meeting	August 24, 2020
Monday	Regular Meeting	September 14, 2020
Monday	Regular Meeting	September 28, 2020
Monday	NONE	October 12, 2020
Monday	Regular Meeting	October 26, 2020
Monday	Regular Meeting	November 9, 2020
Monday	NONE	November 23, 2020
Monday	Regular Meeting	December 14, 2020
Monday	NONE	December 28, 2020



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Lisa Hinz, VP, Safety, Security and Customer Satisfaction  
**SUBJ:** APPROVING THE WORKPLACE VIOLENCE POLICY

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Workplace Violence Policy to be implemented for SacRT.

### FISCAL IMPACT

There is no fiscal impact associated with this action.

### DISCUSSION

SacRT is committed to preventing workplace violence and to maintaining a safe work environment for all employees.

Workplace violence is a growing concern for employers and employees nationwide. Workplace violence is violence or the threat of violence against workers. This can occur at or outside the workplace and can range from threats and verbal abuse to physical assaults.

The best protection employers can offer is to establish and enforce a policy regarding workplace violence.

Staff hereby recommends that the Board approve the Workplace Violence Policy as described in Exhibit A.

RESOLUTION NO. 19-12-0128

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

December 9, 2019

**APPROVING THE WORKPLACE VIOLENCE POLICY**

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

THAT, the Board of Directors hereby approves the "Workplace Violence Policy" attached hereto as Exhibit A.

THAT, the Board hereby directs the General Manager/CEO to implement and enforce said policy.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

## **POLICY FOR THE PREVENTION, REPORTING AND RESPONSE OF VIOLENCE IN THE WORKPLACE**

### **POLICY STATEMENT**

SacRT is committed to preventing workplace violence and to maintaining a safe work environment for all employees. Workplace violence can take many forms including; oral and written statements, gestures, "horseplay" and other expressions that communicate a direct or indirect threat of physical harm as well as damage to property or any other behavior that may cause a person to feel threatened.

SacRT requires employees to treat each other professionally, with civility and respect. Violent, threatening, harassing, intimidating, bullying or other disruptive behavior will not be tolerated. Violations of this policy may lead to progressive discipline of an employee including termination of employment. If you observe such behavior, report it as soon as possible to your supervisor, a Labor Relations representative or other authority as designated by this policy.

The cooperation of all employees is needed to implement this policy successfully and to create and maintain a work environment where all employees are able to work effectively and feel safe from harm.

### **PURPOSE**

To establish procedures for the prevention, reporting and response to threats and incidents of any type of violence in the SacRT workplace. The protocols and procedures created by this policy are intended to provide guidance to employees so they are properly informed of roles and responsibilities in a workplace violence incident.

### **SCOPE**

This policy is applicable to all SacRT employees.

### **DEFINITIONS**

#### Weapon:

For the purposes of this policy, "weapon" includes:

- Firearms as defined by California Penal Code (PC) section 16520(a).
- Knives with a blade longer than 4 inches
- Any instrument that is capable of ready use as a stabbing weapon that may produce great bodily injury or death
- Destructive devices as defined by PC section 16460(a)
- Stun guns as defined by PC section 17230
- Any object defined as a dangerous weapon by state or federal law
- Any item with the potential to inflict harm that has no common purpose

### Workplace:

For the purposes of this policy, "workplace" includes but is not limited to:

- Buildings, light rail stations, bus stops, storage areas, parking lots and all outdoor areas controlled by SacRT
  - o Revenue, and non-revenue vehicles
  - o Light-Rail vehicles
- The nature of the occupancy or possession of the workplace whether owned, rented, leased or otherwise controlled or operated by SacRT does not affect this policy

### Workplace Violence:

For the purpose of this policy, "workplace violence" includes but is not limited to:

- Making threatening remarks or creating threats by using pictures, drawings, plans or other similar devices either verbally, written or electronically produced
- Aggressive or hostile acts such as; shouting, using profanity, throwing objects at another person or fighting
- Intentionally damaging property belonging to SacRT or another employee, contractor, customer or visitor
- Intimidating or harassing another person by making obscene phone calls, using threatening body language or gestures or blocking a person's movement
- Behavior that when known, causes another emotional distress or creates a reasonable fear of harm
- Threatening to assault, inappropriately touch or harm another person or actually assaulting, inappropriately touching or harming another person regardless of whether injury occurs
- Brandishing a non-firearm weapon
- Brandishing or otherwise using a firearm, destructive device or other similar item while on SacRT premises or engaged in SacRT business unless such item is specifically authorized to perform SacRT job duties and the employee is using the item consistent with and in furtherance of their job duties and not in an inappropriate and threatening manner.
- Possessing, brandishing or otherwise using any other weapon designated as illegal by state or federal law while on SacRT premises or engaged in SacRT job duties

## **1.0 PROHIBITED ACTS**

### **1.1 General**

All SacRT employees are responsible for maintaining a safe and respectful work environment. Employees are expected to refrain from all forms of workplace violence as defined by this policy. Additionally, SacRT resources may not be used to threaten, stalk, harass or otherwise engage in any form of workplace



violence directed towards anyone within or outside of the workplace. Retaliation against an employee who reports real or implied threats or acts of workplace violence is prohibited.

### **1.2 Weapons in the Workplace**

To contribute to the safety of all of its employees and the public, SacRT prohibits employees from possessing any weapon while on-duty or at the workplace unless possession of the weapon is specifically authorized by SacRT for the performance of job duties. Weapons may not be stored in a SacRT employee locker, work vehicle, office or other area defined as a "workplace."

Employees who are off-duty may not possess a weapon if they are wearing a SacRT uniform or parts of a uniform that readily identify them as an employee of SacRT.

This policy does not prohibit otherwise legal acts by off-duty, non-uniformed employees using the SacRT public transportation system.

## **2.0 PROCEDURES**

### **2.1 General Reporting**

- Prompt and accurate reporting of all workplace violence incidents, whether physical injury has occurred or not, is required by this policy. All reports should be made as soon as possible. Never hesitate to call 911 if you have a security concern or are confronted with an immediately violent or threatening situation.
- All employees must notify their supervisor and/or the SacRT Labor Relations Department when they experience or witness an act of workplace violence as defined by this policy
- If the employee is uncomfortable talking to their direct supervisor or if the supervisor is the source of the threat, the next level of management and/or Labor Relations should receive the report
- Failure of a supervisor to notify Labor Relations of any report of workplace violence they receive is a violation of this policy and could result in disciplinary action being taken against the supervisor who fails to report the incident of workplace violence to Labor Relations
- Failure of any employee to report acts of workplace violence is a violation of this policy and could result in disciplinary action being taken against the employee who fails to report the incident of workplace violence to Labor Relations.

### **2.2 Crisis Reporting**

If an incident is an emergency and requires immediate attention, employees should:

- Secure their personal safety
- Call 911 and, if possible, contact the Security Operations Center (SOC) by telephone
- Provide available details including their location and the nature of the incident as well as a description of the perpetrator
- Notify their supervisor or next level of management or Labor Relations as soon as possible

### **2.3 False Reports**

Employees making intentionally false and/or malicious complaints of workplace violence is a violation of this policy and could result in disciplinary action being taken against the employee making such complaint. Good faith complaints will not be subject to disciplinary action, even if unintentionally erroneous.

### **2.4 Threat Assessment Team (TAT)**

The TAT will be established to assess threatening workplace situations and direct the appropriate response. The TAT will include a representative(s) from:

- Environmental Health and Safety
- Labor Relations
- Legal Services
- Police Services (Lead)
- Risk Management
- Others as needed

The TAT will be convened to review all credible threats and acts of workplace violence unless otherwise protected by a confidential criminal investigation or otherwise protected by law. The TAT will direct the course of the investigation.

The TAT will oversee the implementation of this policy and will provide an annual status report to the GM/CEO. The report will include tracking and trending data as described in section 2.10. The TAT will meet at least annually to review and report on the policy.

The TAT may also be used by managers as a resource and advisory committee to help identify workplace violence security hazards, assess and/or develop procedures for investigating workplace violence or injury resulting from workplace violence, the development of training materials or training procedures associated with workplace violence as well as the processes used to communicate with employees about such hazards.

### **2.5 Management Support and Investigations**

The support of management from the GM/CEO down to the first-line supervisor is crucial to the effective implementation of this policy. A guidance document will

be made available. The GM/CEO will make available to the TAT the resources necessary for the successful implementation of this policy.

Supervisors must take all reports seriously and initiate a prompt investigation (performed by Police Services) of the incident including notification to Labor Relations (who will supervise the investigation). The "Guidance for Management Investigating Workplace Violence" is found in appendix 1 of this policy.

The Labor Relations Department will notify the TAT which will promptly convene and direct the course of the investigation.

Interviews with a victim of workplace violence should be minimized to those essential in order to limit stress that may be experienced in retelling their report.

Failure of a supervisor to receive and/or a report such complaint to Labor Relations is a violation of this policy and could result in disciplinary action being taken against the supervisor.

## **2.6 Protective or Restraining Orders**

Employees must promptly inform the Labor Relations Department of any protective or restraining order that could impact the workplace. The employee must provide the following to Labor Relations who will provide the information to Police Services:

- A copy of the protective order and, if available, proof of service of the order.
- A recent photo of the person(s) the order has been issued against, if available.

Employees are required to report violations of protective or restraining orders that occur in the workplace to their supervisor or Labor Relations.

Employees are encouraged to report safety concerns with regard to intimate partner violence. No retaliation for a good faith report will be taken against an employee making such a report. SacRT is committed to supporting victims of domestic violence by providing referrals to its employee assistance program or providing leave as required by state law.

SacRT may seek restraining orders on behalf of an employee(s) who has been the subject of a workplace violence incident, committed by either a co-worker or member of the public, when supported by a sufficient legal basis under California law.

## **2.7 Threatening Communication**

Employees should save any threatening electronic communication (e-mail, text, voicemail, social media messages, etc.). Threatening letters, notes, pictures or other physical correspondence should be handled as little as possible and placed in a sealed envelope. All threatening communication must be reported and

evidence, if any, must be turned in to the Labor Relations Department as soon as possible.

### **2.8 Indicators of Potentially Violent Behavior**

If an employee observes any of the indicators of potentially violent behavior, they are required to notify their supervisor or Labor Relations as outlined in section 2.1 so that the situation may be addressed and the chance of escalation reduced. Indicators can include the following examples of conduct:

- Threats of harm or any act defined as "workplace violence" by this policy
- Numerous conflicts with supervisors or other employees
- Threatening to bring a weapon to work, brandishing a weapon or making inappropriate references to weapons
- Statements showing a fascination with incidents of workplace violence, statements indicating approval of the use violence in the workplace or statements indicating identification with perpetrators of workplace violence
- Statements indicating desperation to the point of contemplating suicide
- Drug and/or alcohol abuse
- Extreme changes in behavior

### **2.9 Policy Violation**

Violations of this policy may lead to progressive discipline of an employee, including termination of employment.

### **2.10 Tracking and Trending of Workplace Violence Incidents**

All reports of workplace violence, except those protected as described in section 2.4, will be reported to SacRT Environmental Health and Safety (EHS) within 30 days. EHS will provide tracking and trending of workplace violence incidents and will provide a report annually to the TAT and the GM/CEO. Responsibility for providing the necessary tracking data will reside with the Labor Relations Department or their designee.



## STAFF REPORT

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**DATE:** December 9, 2019

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Doug Cook, VP, Operations

**SUBJ:** DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE A SOFTWARE LICENSE AND SERVICES AGREEMENT WITH ECOLANE USA, INC. FOR COMPLEMENTARY PARATRANSIT SCHEDULING AND DISPATCHING SOFTWARE UNDER THE NATIONAL COOPERATIVE PURCHASING ALLIANCE (NCPA) AND TO APPROVE AMENDMENTS TO THE AGREEMENT FOR ADDITIONAL LICENSES AND SERVICES

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Under this authorization, the General Manager/CEO would be able to obtain complementary paratransit scheduling and dispatching software needed for SacRT to assume responsibility for directly providing complementary paratransit service and, in addition, the General Manager/CEO would be able to obtain add licenses and services up to an aggregate additional amount of \$250,000.

### FISCAL IMPACT

The \$491,430.00 initial cost for the scheduling and dispatching software was budgeted and funded under Capital Project P011, Paratransit Service Start Up. The initial cost includes the first year of the license fee, but after the first year of the contract the annual license fees of approximately \$23,999 per year will be included in future operating budgets.

### DISCUSSION

SacRT began to provide complementary paratransit and demand-response service to Folsom customers on February 4, 2019. As SacRT prepared to provide this service, Staff reviewed and evaluated two demand-response/paratransit scheduling software solutions (TripSpark and Ecolane). At that time, Staff determined that the Ecolane software solution best met SacRT's needs. On July 1, 2019, SacRT expanded paratransit service to Elk Grove and again determined that the Ecolane software best met the needs of that service.

On September 23, 2019, the SacRT Board of Directors voted to authorize the General Manager/CEO to provide notice to Paratransit, Inc. of SacRT's intent to terminate the

Americans with Disabilities Act (ADA) Paratransit Service Agreement. SacRT will offer complementary paratransit services directly to paratransit customers beginning April 1, 2020. The transition date was subsequently revised to on or around March 29, 2020.

Due to the tight time-frame for commencing the services, SacRT does not have sufficient time to conduct its own full and open procurement for complementary paratransit dispatching and scheduling software. However, on February 9, 2019, the Region 14 Education Service Center issued a Request for Proposal (RFP) for Transportation Software on behalf of itself and other government agencies through the National Cooperative Purchasing Alliance (“NCPA”). NCPA is a leading national government purchasing cooperative that works to reduce the cost of goods and services by leveraging the purchasing power of public agencies in all 50 states.

The evaluation factors for the RFP included pricing, ability to provide services, references, technology and value added products and services. Two proposals were received and, on the basis the specified factors, Ecolane was determined to be the most-qualified and was awarded a Master Agreement effective as of April 1, 2019, with a term through March 31, 2022 and an NCPA option to extend for two additional one-year periods.

Section 1.407 of the Procurement Ordinance allows the use of cooperative purchasing agreements without separate competitive bidding if the procedures followed by the cooperative satisfy the requirements that would otherwise apply to a SacRT procurement. The NCPA RFP and Master Agreement satisfy those criteria.

Ecolane has provided SacRT with a cost proposal with an annual license fee proposal that is lower than the price specified in the NCPA RFP. Other aspects of the pricing are consistent with the pricing proposed under the Master Agreement; however, in order to offer the most favorable pricing, Ecolane has requested a deviation from the standard payment terms, which specify that 75% of the initial costs is due at system set up, 25% is due at completion of training and 5% is due at system acceptance.

Ecolane has instead requested full payment of the \$491,430 initial set up cost prior to the end of December 31, 2019, which creates some risk of non-delivery or delayed performance due to the removal of financial leverage to complete the work. However, based on the ongoing relationship with Ecolane, Staff believes this risk is remote.

SacRT has been satisfied with Ecolane’s performance for the Folsom and Elk Grove paratransit services, and SacRT believes that building on this solution will benefit SacRT’s paratransit customers.

Paratransit customers will have:

- A single, uniform solution to engage the paratransit service regardless of their service area and/or if they change service area.
- Software from the same vendor typically follows the same style of usability. Similar controls and functionality means new features and applications can be rolled out and customers will not require a lot of training.
- A single application to interact with creating a great customer experience as features and applications are developed.

- Minimized compatibility issues as all paratransit services will be managed from a single software platform.

SacRT Staff will:

- Eliminate double data entry as all records can be maintained in the Ecolane solution.
- Allow software issues to be handled through the same vendor which will reduce the complexity of troubleshooting problems with multiple vendors and increase overall application availability.
- Use a single, uniformed solution to manage all aspects of paratransit services, which will increase staff productivity, maximize efficiency and improve the rider experience.
- Be able to take advantage quickly and provide to all paratransit customers new features or applications as they become available.
- Reduce or eliminate the need for intensive training to learn new features or applications.

**Summary of Costs**

<b>One-Time Cost for 85 Vehicles</b>	
Software Licenses	\$ 340,000
Self Service Trip Booking Website	\$19,995
SMS Text Messaging Arrival Notification	\$19,995
Pre/Post Trip functionality on MDT	\$19,995
GTFS Interface for Coordinated Transit	\$19,995
Self Service Trip Booking App with Credit Card Capability	\$59,995
Tablets, Mounting, SMS Bundle	\$ 43,405
Professional Services, Training & Travel	\$ 58,050
Discount	(\$ 90,000)
<b>Total One-Time Costs due prior to December 31, 2019</b>	<b>\$ 491,430.00</b>
Year 2 - Annual Licensing Charges (April 2021-March 2022)	\$ 23,999
Year 3 - Annual Licensing Charges* (April 2022-March 2023)	\$ 23,999
Year 4 - Annual Licensing Charges* (April 2023-March 2024)	\$ 23,999
<b>Total Year 2 - 4 Annual Licensing &amp; Maintenance</b>	<b>\$71,997</b>

\*The Year 3 and Year 4 License fees would be added, if at all, through an amendment(s) to the Software License & Service Agreement if the NCPA exercises its options to extend the Master Agreement beyond March 30, 2022.

In addition to delegating authority to the General Manager/CEO to approve and execute the Software License & Services Agreement, Staff is requesting a delegation of authority to the General Manager/CEO to execute amendments to the agreement as necessary to furnish: (1) complementary paratransit service that is required to be provided by SacRT under the Americans with Disabilities Act; (2) demand-response service offered by SacRT to the elderly and disabled that exceeds the requirements of the ADA or (3) demand-response service required to be provided by SacRT under the terms of an operating contract with an entity outside of SacRT's boundaries (e.g., Elk Grove) up to an aggregate amount of \$250,000.



RESOLUTION NO. 19-12-0129

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

December 9, 2019

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE A SOFTWARE LICENSE AND SERVICES AGREEMENT WITH ECOLANE USA, INC. FOR COMPLEMENTARY PARATRANSIT SCHEDULING AND DISPATCHING SOFTWARE UNDER THE NATIONAL COOPERATIVE PURCHASING ALLIANCE (NCPA) AND TO APPROVE AMENDMENTS TO THE AGREEMENT FOR ADDITIONAL LICENSES AND SERVICES**

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

THAT, the Board hereby delegates authority to the General Manager/CEO to enter into a Software License and Services Agreement with Ecolane USA, Inc. for complementary paratransit services under the National Cooperative Purchasing Alliance (NCPA) whereby Ecolane agrees to provide 85 Software Licenses and implementation services for SacRT's complementary paratransit service and annual licenses for an amount not to exceed \$ 515,429.

THAT, the Board hereby delegates authority to the General Manager/CEO to execute amendments to the foregoing Agreement as necessary to furnish: (1) complementary paratransit service that is required to be provided by SacRT under the Americans with Disabilities Act; (2) demand-response service offered by SacRT to the elderly and disabled that exceeds the requirements of the ADA; or (3) demand-response service required to be provided by SacRT under the terms of an operating contract with an entity outside of SacRT's boundaries (e.g., Elk Grove) up to an aggregate amount of \$250,000.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR PURCHASE OF FARE VENDING MACHINES WITH PARKEON, INC.

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The Fourth Amendment to the Contract will approve increasing the Total Consideration of the Contract to pay the current annual software licensing fee of \$20,160, which is required to continue use of the Parkeon fare vending machines (FVMs).

### FISCAL IMPACT

Funding is budgeted and available for the expenditure.

### DISCUSSION

In 2016, SacRT purchased approximately 30 Parkeon fare vending machines (FVMs) to expand credit/debit capable sales presence on the light rail platforms prior to the opening of the Golden 1 Center. These machines were viewed as a relatively inexpensive and potentially temporary solution to bolster SacRT credit/debit functionality. Additionally, these machines were used to support SacRT's pay, park and ride program at the time. Maintaining the software for these machines requires payment of annual software license fees for software updates and hosting. While SacRT obtained pricing for the annual license fee as part of the solicitation in 2016, SacRT did not include funding in the initial contract for these fees beyond the first year and Board approval was not obtained for the payment of these fees on an ongoing basis.

In prior years, payment of the annual license was done through Purchase Orders issued by Procurement Staff. Upon review, it was determined that the annual license fee should be incorporated into the contract total consideration as a non-severable contract expense.

With the Board's decision to eliminate the pay, park and ride program and allow free parking in all SacRT lots (with the exception of the shared Cosumnes River College parking garage) the need for these machines to support parking payments was discontinued. Since that time, SacRT has reduced the number of Parkeon FVMs in

service from 30 to 12. The 12 remaining machines are located primarily in stations where no other credit/debit payment option is available.

In addition to the Parkeon FVMs, SacRT has in service 104 larger, more robust FVMs. SacRT has a contract in place with Scheidt & Bachmann to replace 62 of these machines, with delivery to occur early next year. Staff anticipates bringing an action to the Board in January to authorize the acquisition of at least 20 additional new FVMs, which would be delivered within the next year. The new FVMs will be 100% debit/credit capable and will integrate with SacRT's Connect Card system and ZipPass, among other features. As these machines are deployed, SacRT will be removing the remaining Parkeon machines from service. Once all of the Parkeon machines are removed, SacRT plans to terminate the Parkeon contract and, therefore, will no longer be required to pay the support and hosting fees. The decommissioning is anticipated to occur next summer but even if it is delayed, the decommissioning will be complete prior to the next annual license fee due date.

Approval of the Fourth Amendment to the Contract for Purchase of Fare Vending Machines with Parkeon, Inc. approves the annual software license fee of \$20,160 for the period of October 30, 2019 to October 29, 2020.

Staff recommends the Board approve amending the Parkeon contract to increase the total consideration by \$20,160 from \$421,303.40 to \$441,463.40 to pay the annual license fee.

RESOLUTION NO. 19-12-0130

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

December 9, 2019

**APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR PURCHASE OF FARE VENDING MACHINES WITH PARKEON, INC.**

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

THAT, the Fourth Amendment to the Contract for Purchase of Fare Vending Machines by and between the Sacramento Regional Transit District (therein "RT") and Parkeon, Inc. (therein "Contractor"), whereby the Total Consideration is increased by \$20,160, from \$421,303.40 to \$441,463.40 to provide for payment of the Annual Software License Fees, as further specified in the Contract and the Amendment, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Amendment.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** APPROVING A SOLE SOURCE PROCUREMENT, RATIFYING EXECUTION OF FUEL CARD CREDIT APPLICATION, AND APPROVING CNG FUEL PRICE AGREEMENT WITH CLEAN ENERGY

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Approving the sole source procurement and ratifying the prior actions of the General Manager/CEO will allow Sacramento Regional Transit District ("SacRT") to continue the relationship with Clean Energy to obtain Compressed Natural Gas (CNG) fuel for the City of Elk Grove ("City") cutaway buses used to provide paratransit service under the service contract with the City.

### FISCAL IMPACT

SacRT spends approximately \$120,000 per year on fuel for the Elk Grove paratransit operations. Reimbursement for these costs is through the fixed revenue-hour rate paid by the City.

### DISCUSSION

The agreement between SacRT and the City for Fixed Route, ADA Paratransit/Dial-a-Ride, and Maintenance Operations specifies that the City will provide the fuel for all fixed route service vehicles and that SacRT will be responsible for the fuel costs for all other City-owned vehicles related to the Contract, specifically the paratransit vehicles.

The agreement also specifies that "SacRT must procure a fuel contract with a fuel provider within the City of Elk Grove's boundaries." The fixed route service vehicles are fueled at a facility located at 9050 Elkmont Drive, Elk Grove CA 95624, a short distance from the City corporation yard. The fueling facility is owned and operated by Interstate Oil, which has a relationship with Clean Energy to allow Clean Energy to vend CNG fuel at this location. This is the only CNG fueling facility located within the City's boundaries and, therefore, the only location that would satisfy the condition of the Elk Grove agreement.

On May 31, 2019, to be prepared for the July 1, 2019 service transition, the General Manager/CEO signed a Fuel Card Credit Application for Clean Energy to allow for

fueling of the paratransit cutaways at the Elkmont Drive facility. Based on the volume of fuel required and the intent to procure the fuel from Clean Energy for the five-year term of the Elk Gove agreement, both a sole source procurement and the credit card should have been approved by the Board of Directors, but were not. In addition, at this time Staff desires to enter into a fuel pricing agreement with Clean Energy that would provide a discount from the retail purchase rate for CNG.

At this time, Staff is requesting that the Board approve a sole source procurement of CNG fuel from Clean Energy for Elk Grove paratransit vehicles, ratify the General Manager/CEO's execution of the Fuel Card Credit Application, and approve the CNG Fuel Price Agreement to provide a discount for CNG fuel.

RESOLUTION NO. 19-12-0131

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

December 9, 2019

**APPROVING A SOLE SOURCE PROCUREMENT, RATIFYING EXECUTION OF FUEL CARD CREDIT APPLICATION, AND APPROVING CNG FUEL PRICE AGREEMENT WITH CLEAN ENERGY**

WHEREAS, pursuant to California Public Utilities Code Section 102222, contracts for the acquisition of supplies and equipment must be awarded only after competitive bidding; and

WHEREAS, Section 1.405.B.1 of the SacRT Procurement Ordinance (18-08-01) permits noncompetitive procurement if the supplies can be provided only by one firm and efforts to seek competition would be futile; and

WHEREAS, the agreement between the Sacramento Regional Transit District (SacRT) and the City of Elk Grove for Fixed Route, ADA Paratransit/Dial-a-Ride, and Maintenance Operations specifies that Compressed Natural Gas (CNG) fuel for paratransit cutaway vehicles owned by the City of Elk Grove must be obtained by SacRT from a fuel supplier within the boundaries of the City of Elk Grove.

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

THAT, because Clean Energy is the only CNG fuel provider within the boundaries of the City of Elk Grove, through its relationship with Interstate Oil to vend fuel at the facility at 9050 Elkmont Way, it would be futile to seek competition for CNG fuel for Elk Grove paratransit cutaway vehicles and, therefore, pursuant to Section 1.405.B.1 of the Procurement Ordinance a sole source procurement with Clean Energy is approved for CNG fuel necessary to meet the requirements of the Elk Grove agreement; and

THAT, the action of the General Manager/CEO in executing the Fuel Card Credit Application with Clean Energy is hereby ratified.

THAT, the CNG Fuel Price Agreement by and between the Sacramento Regional Transit District (therein "Customer") and Clean Energy (therein "CE"), whereby CE agrees to provide a discount on CNG fuel from the retail rate for a term of five years, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing Agreement.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary





## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE A LICENSE AGREEMENT WITH THE STATE OF CALIFORNIA FRANCHISE TAX BOARD FOR USE OF A PORTION OF THE BUTTERFIELD PARK AND RIDE LOT

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Entering into a License Agreement for a new three-year term will allow Franchise Tax Board (FTB) employees to continue parking in a portion of SacRT's park and ride lot on the southeast corner of Folsom Boulevard and Butterfield Way (APN 068-0580-010) and generate revenue for SacRT.

### FISCAL IMPACT

SacRT will receive monthly license fee revenue of \$2,970 for the three-year term. It is possible that the availability of this parking reduces the likelihood that FTB employees purchase SacRT media and use SacRT services as an alternative to driving, but SacRT has no evidence to substantiate potential lost fare revenue.

### DISCUSSION

SacRT has had license agreements in place since 2014 with the FTB for use of a portion of the Butterfield Station Park and Ride lot for employee parking (110 spaces). The portion of the lot that is the subject of the License Agreement is across Butterfield Way from the station platform and is not currently needed to serve existing parking demand from SacRT patrons. Because this site has future transit-oriented development potential, Staff does not recommend a surplus property disposition at this time and proposes continuation of the existing relationship with the FTB. The License Agreement has not yet been finally approved by the FTB; therefore, Staff is recommending delegation of authority to the General Manager/CEO to enter into a new license agreement for a three-year term, as the current license agreement will expire on December 31, 2019. Currently the revenue from this incidental use is used to offset other operating expenses, as permitted by federal grant management requirements, and, therefore, it is Staff's recommendation to authorized the General Manager/CEO to enter into a new parking license with the Franchise Tax Board for another three years upon approval by the FTB.

RESOLUTION NO. 19-12-0132

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

December 9, 2019

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE A LICENSE AGREEMENT WITH THE STATE OF CALIFORNIA FRANCHISE TAX BOARD FOR USE OF A PORTION OF THE BUTTERFIELD PARK AND RIDE LOT**

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

THAT, the Board of Directors hereby delegates authority to the General Manager/CEO to approve and execute a License Agreement by and between the Sacramento Regional Transit District (therein "SacRT") and the State of California, by and through the Franchise Tax Board (therein "Licensee"), whereby SacRT agrees to permit the use of 110 parking spaces at its Butterfield Park and Ride lot on APN 068-0580-011-0000 by Licensee's employees in consideration for the payment by Licensee of the amount of \$2,970 per month for a three-year term.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** December 9, 2019

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Doug Cook, VP, Operations

**SUBJ:** RESCIND RESOLUTION NO. 19-08-0096; AWARD A CONTRACT FOR LOW-FLOOR LIGHT RAIL VEHICLES WITH SIEMENS MOBILITY INC.; AND, DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE CONTRACT CHANGE ORDERS OR AMENDMENTS TO THE CONTRACT

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

In August 2019, the Board conditionally approved a contract award to Siemens for an order of 23 light rail vehicles (LRVs), with four to be delivered in 2020 and the remainder to be delivered in 2023. Due to both funding and vehicle compatibility issues, the Board is now being asked to approve a reduced order of 20 vehicles with a slightly higher cost for the first four vehicles.

### FISCAL IMPACT

This Contract will be funded in part with Transit and Intercity Rail Capital Program (TIRCP) funds. SacRT has a funding plan in place for the initial order of 20 LRVs in this contract.

### DISCUSSION

The August 26, 2019 Board Issue Paper and Resolution summarized this procurement in detail; however, over the past three months a few changes have been made such that Board Resolution No. 19-08-0096 must be repealed and a new Resolution adopted to move forward with a Contract with Siemens Mobility, Inc.

The changes include the reduction of the number of LRVs for this initial order from 23 to 20 due to a concern about the adequacy of the funding plan for 23 vehicles.

In addition, subsequent to the Board action in August, Siemens identified a compatibility issue with respect to the communications systems between the first four vehicles to be delivered in 2020 and the remaining 16 LRVs to be delivered beginning January 2023 and continue until April 2024. The first four vehicles will have a system (SIBAS 32) that is being phased out by Siemens; Siemens has committed to SacRT that the four vehicles will be retrofitted to ensure compatibility with the newer equipment (SIBAS

32C) that will be in the subsequent 16 vehicles (and any future option vehicles ordered under this Contract) at a cost of \$50,000 per LRV (\$200,000 total) to allow for full interoperability between all 20 vehicles.

The August action was conditioned on the allocation of funding by the California Transportation Commission (CTC) which was anticipated to occur in October 2019. The allocation was moved to the December meeting, but will still occur prior to this Board action, meaning it is no longer necessary for the award to be conditional.

Staff recommends the Board approve the Contract for Low Floor Light Rail Vehicle Procurement with Siemens Mobility Inc. for the purchase of a base order of 20 light rail vehicles, training, manuals, associated spare parts and special tooling for an amount not to exceed \$101,066,901 plus applicable state and local sales tax, with an option to order an additional 56 vehicles through future amendments and provide a limited delegation of authority for the General Manager/CEO to approve amendments or contract change orders up to \$250,000 to account for configuration changes during production, including Protran safety equipment.

RESOLUTION NO. 19-12-0133

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

December 9, 2019

**RESCIND RESOLUTION NO. 19-08-0096; AWARD A CONTRACT FOR LOW-FLOOR LIGHT RAIL VEHICLES WITH SIEMENS MOBILITY INC.; AND, DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE CONTRACT CHANGE ORDERS OR AMENDMENTS TO THE CONTRACT**

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

THAT, due to a change in the proposed procurement action, Resolution No. 19-08-0096 is hereby repealed.

THAT, the Contract for Low Floor Light Rail Vehicle (LRV) Procurement by and between the Sacramento Regional Transit District (therein "SacRT") and Siemens Mobility, Inc. (therein "Contractor") whereby Siemens agrees to furnish a base order of 20 LRVs associated manuals, training, spare parts and special tooling, with a SacRT option to purchase an additional 56 LRVs, on the terms and conditions set forth therein, for an amount not to exceed \$101,066,901, plus applicable sales tax, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the Contract.

THAT, the General Manager/CEO is hereby authorized to execute contract change orders or amendments to the Contract for LRV configuration changes, not to exceed \$250,000 in aggregate.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** December 9, 2019

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Lisa Hinz, VP, Safety, Security and Customer Satisfaction

**SUBJ:** APPROVING A SOLE SOURCE AND SECOND AMENDMENT TO THE CONTRACT FOR SECURITY GUARD SERVICES WITH FIRST ALARM SECURITY AND PATROL, INC.

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Approving a sole source procurement and the second amendment to the contract for security guard services with First Alarm Security and Patrol Inc. will allow for the continuation of security guard services currently being provided to SacRT through June 30, 2022, fund an increase in the number of guards, establish new project manager and guard job descriptions, and clarify payment for guard lunch periods.

### FISCAL IMPACT

The Second Amendment will increase the total consideration by \$6.5M for the time period FY2020 through FY2022. The actual expenses are expected to be below this amount, but the \$6.5M will provide some contingency funding if additional staff are needed to address emergencies, special events and/or crime series.

### DISCUSSION

On May 22, 2017, the Board awarded a Contract for Security Guard Services to Paladin Private Security for an amount not to exceed \$900,000 for a 3-year term with an option to renew for up to two additional one-year periods. The intent at that time was to rely on the newly-created pilot "Transit Agent" program to provide a SacRT presence on trains and in stations. Therefore, the initial contract included very limited funding, primarily for overnight mobile patrols (using Paladin-furnished vehicles) and "as needed" supplementary services.

On October 22, 2018, the Board approved the First Amendment to the contract for Security Guard Services with Paladin Private Security. The First Amendment increased the contract consideration to a not to exceed amount from \$900,000 to \$1,484,893 for the three-year term (FY2018-FY2020). SacRT Police Services (RTPS) increased police and security guard presence at the Watt/I-80 Light Rail Station in response to the rise in criminal activities in the summer of 2017.

On May 1, 2019, SacRT was notified by Paladin Private Security of its intent to assign the security guard services contract to First Alarm Security and Patrol, Inc. (FASP) effective June 1, 2019. Paladin's CEO, Vice President, mid-level management, dispatch team and field personnel became employees of FASP. Their dispatch center, phone number and their records management system remained intact and continued to serve SacRT's contract. SacRT's contract terms, conditions, service profile and rates remain unchanged with this new assignment.

On July 1, 2019, SacRT transitioned the former Transit Agent pilot program to the permanent Transit Ambassador (TA) program. The TAs provide a combination of fare inspection and customer related functions to fulfill SacRT's customers' first initiative. Due to this transition, SacRT Staff requested the assignment of one project manager, two guard supervisors, and 27 "mobile station guards" whose job duties differ from those of the "mobile guards" as described in the original contract. The new mobile station guard job description is to be assigned to three to four stations. The mobile station guard will patrol a station then board the train to patrol the next station. The mobile station guard will ride back and forth to their assigned stations throughout their shift.

The addition of the project manager and mobile station guards was not included in the original scope of work in the Contract and would normally require that the new work be bid out in a new solicitation due to both the magnitude of the addition to the total consideration and the inclusion of a new scope of work. However, SacRT's Procurement Ordinance, Article 1.405 B.2., SacRT's Board may approve a noncompetitive procurement for contracts that are non-federally funded when it determines that it is in SacRT's best interest to solicit one consultant or to amend an existing service contract. Because SacRT already has a contractual relationship with FASP, and because SacRT is satisfied with the services provided by FASP, as the successor to Paladin, as more fully described below, Staff believes that it would be in SacRT's best interest to enter into a sole source amendment to its existing contract with FASP.

FASP staff have met the requirements as SacRT's security guard services provider. They are responsive to SacRT's needs for security guard services. They address SacRT's concerns in a timely manner. They have a more "hands on" approach, offering a more robust security presence, protecting passengers and employees. They offer more visibility to the passengers and have an around-the-clock presence at most light rail stations.

Staff is amending the agreement to add station guards and light rail guards to the scope of work. Station guards discourage unruly, disruptive behavior and vandalism at light rail stations by their presence and duty to report. Station guards also ensure the facilities are free from hazards such as broken glass and damaged fencing. Light rail guards discourage unruly, disruptive behavior and vandalism on light rail vehicles by their presence and duty to report.

In addition, during a review of contract invoices, it was determined that SacRT was being billed the contracted hourly rate for guard lunches, which was unanticipated at the time the parties entered into the Contract. This is customary in the security guard

industry, as it may be difficult to entirely relieve guards of their duties, as required by law to justify an unpaid meal period. The Second Amendment will add language to clarify the payment for lunch periods.

Staff is satisfied with FASP and desires to extend the contract for two additional one-year periods. While the Contract contained two one-year options to extend, due to the magnitude of the changes to the Contract, the extension of the Contract is also a sole source procurement.

Staff has reviewed the cost of the contract extension and finds that it is fair and reasonable since it is consistent with the price proposed in the Principal Agreement.

Staff recommends the Board make a finding that it is in SacRT's best interest to approve a contract extension with FASP and approve the Second Amendment to the Contract for Security Guard Services with FASP, to add new job descriptions, extends the contract for two additional years, commencing July 1, 2020 and terminating on June 30, 2022, clarify payment for lunch periods, and increase the total consideration by \$6,500,000, from \$1,484,893 to \$7,984,893.



RESOLUTION NO. 19-12-0134

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

December 9, 2019

**APPROVING A SOLE SOURCE AND SECOND AMENDMENT TO THE CONTRACT FOR SECURITY GUARD SERVICES WITH FIRST ALARM SECURITY AND PATROL, INC.**

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

THAT, in accordance with Section 1.405.B.2. of SacRT's Procurement Ordinance, a sole source procurement is permitted upon determination by the Board that it is in SacRT's best interest to amend an existing service contract without compliance with the competitive solicitation procedures set forth in the Article III of the Procurement Ordinance.

THAT, the Board hereby determines and finds that it is in SacRT's best interest to award a contract extension to First Alarm Security & Patrol, Inc., because the firm has been providing satisfactory security guard services over the first two and a half years of the contract and continuation and expansion of the existing Contract will ensure more cohesive guard services SacRT needs to complement the Transit Ambassador program.

THAT, the Second Amendment to the Contract between Sacramento Regional Transit District, therein referred to as "SacRT," and First Alarm Security & Patrol, Inc., therein referred to as "Contractor," whereby additional job descriptions are added, the term is extended by two years, commencing July 1, 2020 and terminating June 30, 2022, payment for lunch periods is clarified, and the total consideration is increased by \$6,500,000, from \$1,484,893 to \$7,984,893 to provide for continued and expanded guard services, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Second Amendment.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



# STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Devra Selenis, Chief Communications Officer  
**SUBJ:** SUSPENDING FARES FOR THE MONTH OF JANUARY ON THE NEW AIRPORT BUS ROUTE 142 TO ENCOURAGE RIDERSHIP

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving free rides for the month of January 2020 to promote SacRT’s new airport express service, Route 142, will build awareness and encourage ridership for the service.

FISCAL IMPACT

The fiscal impact for free rides on Route 142 for the month of January is estimated at approximately \$4,219. The estimate is based on an anticipated 125 boardings per day on the service and SacRT’s systemwide average fare of \$1.25 for the 27 days in January that the service will operate.

DISCUSSION

In an effort to generate interest in SacRT’s new airport express bus service, Route 142, launching on Sunday, January 5, 2020, Staff is seeking Board approval to institute free rides for the first month of service. Free rides provide a great opportunity to build awareness and encourage ridership of new service. The free rides will be valid only on SacRT airport bus Route 142 for customers traveling to and from downtown Sacramento to the Sacramento International Airport from Sunday, January 5, 2020 through Friday, January 31, 2020.

RESOLUTION NO. 19-12-0135

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

December 9, 2019

**SUSPENDING FARES FOR THE MONTH OF JANUARY ON THE NEW AIRPORT  
BUS ROUTE 142 TO ENCOURAGE RIDERSHIP**

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

THAT, to promote ridership on the Sacramento Regional Transit District's (SacRT) new Airport Bus Route 142, from January 5, 2020 to January 31, 2020 no person will be charged the otherwise Applicable Fare to ride on Route 142.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Steve Booth, AVP, Human Resources and Labor Relations  
**SUBJ:** ANNUAL STAFF REPORT REGARDING EMPLOYEE BENEFITS

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The effect of the Board approving the renewal of all of the Health and Welfare insurance coverages is that employees will continue to receive the health and welfare benefits described below in accordance with SacRT's collective bargaining agreements and employment contracts.

### FISCAL IMPACT

Total Fiscal Year (FY) 2020 increase will be \$778.74. Savings in other General Ledger Accounts will be used to cover these costs.

### DISCUSSION

Each year, SacRT must determine whether to continue its current insurance benefit policies with its current benefit providers. The following is a summary of the results of the 2020 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates ("Keenan"), providing details on all the renewal information. The rates are renewed on a calendar year basis as opposed to how funds are budgeted on a fiscal year basis.

#### **Dental:**

The Delta Dental PPO plan renewed with a rate pass and a two-year rate guarantee. The Delta HMO Dental plan renewed with a 3% rate increase of \$1,087.68 for calendar year 2020 and a two-year rate guarantee. If the Board approves renewing for an additional year, the next plan renewal will be January 1, 2022.

#### **Vision:**

Current rates and benefits for all employees enrolled in the VSP Basic or Enhanced Plans will remain the same for the 2020 plan year. The rates are in the second year of a two-year rate guarantee. If the Board approves renewing for an additional year, the

next renewal will be effective January 1, 2021.

**Flexible Spending Account (FSA) and COBRA Administration:**

The current rate of \$4.25 per month per participant will increase to \$4.40 per month per participant for calendar year 2020, which is a rate increase of \$469.80 for calendar year 2020. The contract with Navia Benefit Solutions is an evergreen contract meaning that it continues in force indefinitely, but may be terminated with a 30 day notice of cancellation.

**Life Insurance/Accidental Death & Dismemberment (AD&D/Long Term Disability (LTD) Insurance:**

The rates for Basic Life, Voluntary Life and Long Term Disability plans will remain the same for the 2020 plan year. The rates are in the second year of a two-year rate guarantee. If approved by the Board this year, the next renewal for all lines of coverage will be January 1, 2021.



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Sacramento Regional Transit District  
 2020 Health & Welfare Renewal  
 Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2020 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

Keenan's primary goal continues to negotiate and provide Sacramento Regional Transit District with ancillary benefit programs that are affordable and have multi-year rate guarantees which will provide predictability in rates and benefit designs.

Dental and Vision Care Trends

Keenan & Associates is forecasting the following Trend increases for Dental and Vision benefits:

<u>Dental</u>	<u>Vision</u>
PPO – 5.0%	3.0%
Prepaid – 4.0%	

Affordable Care Act (ACA)

Although components of the ACA are being questioned the law remains in effect with no changes in the offering of employee benefits. Keenan & Associates will continue to provide any applicable updates to RT to assist with on-going compliance of the ACA.

Delta Dental

The Delta Dental PPO renewal came in with a rate pass and a two-year rate guarantee. The DHMO renewal came in with a 3% increase and a two-year rate guarantee. The next plan renewal will be January 1, 2022.

VSP

VSP is going into the second year of a two-year rate guarantee. Current rates and benefits for all employees enrolled in the VSP Basic or Enhanced plans will remain the same for the 2020 plan year. The next plan renewal will be January 1, 2021.

The Hartford

The rates for the District's Basic Life, Voluntary Life and Long Term Disability plans will remain the same for the 2020 plan year. This will be the second year of a two-year rate guarantee. The next renewal for all lines of coverage will be January 1, 2021.

Flexible Spending Account

Navia Benefits has increased the rate for plan year 2020 by \$0.15 for a total of \$4.40 per participant per month.

Summary

We appreciate the long-term partnership we've had with Sacramento Regional Transit District and look forward to working with the District during the next plan year. We will continue to work with the current lines of coverage while keeping the District informed of new regulations and changes that affect the employee benefits offered to District employees.

Sincerely,



Stacey Comerchero  
Assistant Vice President  
Employee Benefits

RESOLUTION NO. 19-12-0136

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

December 9, 2019

**ANNUAL STAFF REPORT REGARDING EMPLOYEE BENEFITS**

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

THAT, the Board hereby approves the 2020 Health and Welfare Renewals for dental coverage with Delta Dental, vision coverage with Vision Services Plan, flexible spending account management with Navia Benefits, life insurance and long term disability insurance with The Hartford Life Insurance Company; and

THAT, the Board hereby authorizes the General Manager/CEO to fill out, execute and submit any and all forms, applications, documents, and agreements necessary to effectuate the renewal of all insurance coverages herein approved.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary





## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Shelly Valenton, VP, Integrated Services and Strategic Initiatives  
**SUBJ:** SPECIAL RECOGNITION - AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA) MANAGER OF THE YEAR AWARD

### RECOMMENDATION

No Recommendation — For Information Only.

### FISCAL IMPACT

None.

### DISCUSSION

Henry Li, Sacramento Regional Transit District's (SacRT) General Manager/CEO, received the 2019 Outstanding Public Transportation Manager Award from the American Public Transportation Association (APTA). This prestigious and highly competitive award, described by APTA as the equivalent of an Oscar award to the industry, is presented to a manager who has made outstanding contributions to the advancement of public transportation in North America.

APTA is the leading force in advancing public transportation entities providing bus, rail, subway, ferry and paratransit services throughout North America, representing 1,500 member organizations.

"Li is a visionary and transformational leader who is well deserving of this award, which is given to the best public transit CEO in North America. His leadership at SacRT has created phenomenal results not only in the quality of service, but also in the restoration of positive financial ratings, increase in ridership, implementation of innovations, and the rebuilding of public trust. It takes a true leader with a focused vision to achieve the impressive results seen in his three year term at SacRT," said APTA President and CEO Paul P. Skoutelas.

Li's selection is a testament to his vision, dedication and leadership to take SacRT to the next level as a world-class transit agency. He implemented historic improvements over the last three years as GM/CEO, including ridership growth for SacRT, as our industry is still struggling with downward trends. He is highly praised by the Sacramento community and the industry for implementing a solid and comprehensive transformation of SacRT in record speed. Li has proved to be a powerful change agent, overseeing a massive transformation to a solid culture of "Customers First and Business Optimization," and dramatically improving key aspects of organizational performance,

including safety, security, cleanliness, fiscal health, rail system modernization, service reliability, customer satisfaction and ridership improvements.

Li received the award at APTA's national conference in October in New York City, attended by over 2,000 transit industry leaders. At the same conference, he was also elected to serve on APTA's Executive Committee, APTA's highest governing body.



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Cindy Brooks, Clerk to the Board  
**SUBJ:** CERTIFICATES OF RECOGNITION

### RECOMMENDATION

No Recommendation — For Information Only.

### RESULT OF RECOMMENDED ACTION

None as a result of this item.

### FISCAL IMPACT

None as a result of this item.

### DISCUSSION

The Sacramento Regional Transit District was presented with a Green Energy Award at the Folsom Chamber of Commerce's Annual Awards in March 2019.

Assembly Member Kevin Kiley and County Board of Supervisor Sue Frost will attend the SacRT Board Meeting to present Certificates of Recognition to Mr. Li on behalf of Sacramento Regional Transit's Green Energy Award.



# STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Lisa Hinz, VP, Safety, Security and Customer Satisfaction  
**SUBJ:** AWARDING CERTIFICATES OF APPRECIATION TO INDIVIDUALS OF SACRT POLICE SERVICES

## RECOMMENDATION

No Recommendation — For Information Only.

## RESULT OF RECOMMENDED ACTION

Present certificates of appreciation to individuals assigned to the SacRT Police Services Department for their response during the light rail vs. light rail accident on August 22, 2019.

## FISCAL IMPACT

There is no fiscal impact associated with this action.

## DISCUSSION

During the light rail vs. light rail accident on August 22, 2019 the individuals listed below from SacRT Police Services responded to the incident and assisted passengers, employees and first responders.

Terrance Harris, Transit Ambassador  
Juan Fernandez, Transportation Supervisor  
Aswad Hanson, Transportation Supervisor  
Mark Egeland, Police Officer  
Ryan Bellamy, Sheriff Deputy  
Brian Gadd, Sheriff Deputy

To recognize their response and dedication, each will be presented with a certificate of appreciation by the Board of Directors.



# STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Laura Ham, VP, Planning and Engineering  
**SUBJ:** CAUSEWAY CONNECTION INTERCITY BUS SERVICE

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approves Title VI analysis, service changes, memorandum of understanding, and fare changes to establish new Causeway Connection intercity bus service, effective April 6, 2020.

FISCAL IMPACT

Estimated operating costs are \$1,620,000 per year and would be funded by: (1) a \$3 million Congestion Mitigation and Air Quality Improvement (CMAQ) grant; (2) operating assistance from University of California, Davis (UCD); (3) fare revenue; and (4) SacRT operating funds. This program is a 3-year commitment. Parties will work together to evaluate future year increases and determine the appropriate funding.

Gross operating cost	\$1,620,000
Estimated fare revenue	(\$200,000)
CMAQ contribution	(\$710,000)
Estimated UCD contribution*	(\$615,000)
City of Sacramento contribution**	(\$47,500)
Estimated SacRT net fiscal impact	(\$47,500)

\* The MOU would provide for UCD to pay a fixed annual contribution not-to-exceed \$715,000, regardless of SacRT or YCTD’s actual costs. Fifty percent of the fare revenue received for the service would be deducted from this UCD contribution. If the fares received equal the estimate of \$200,000, the UCD contribution would be reduced to \$615,000 per year.

\*\* This funding contribution has been pledged by City of Sacramento representatives as a means to provide more frequent peak-hour service and is approvable by the City Manager.

New vehicle costs are fully funded by Electrify America (EA) through the Cooperative Agreement approved by the Board of Directors on September 24, 2018. The service would total approximately 13,500 revenue hours per year, split approximately evenly between SacRT and YCTD.

## DISCUSSION

This item was presented to the SacRT Board of Directors on November 18, 2019, but the Board declined to take action at that time and directed staff to re-examine the route, stops, and schedules, the data and assumptions on which the schedule was based, and on other concerns raised by riders of the existing UC Davis Medical Center (Medical Center) shuttle.

The Resolutions before the Board are the same in terms of dollar amount, parties, and basic scope of work; however, the stops and schedule have been revised significantly, as a result of the work staff has done following the Board's direction on November 18. Part I of the report below provides a history and overview of the project and key terms of the recommended actions. Part II discusses public engagement efforts and responses, both before and after November 18.

### **Part I: Project History, Overview, and Key Terms**

UCD currently runs an hourly shuttle bus between the UCD main campus in Davis and the Medical Center in Sacramento. The shuttle bus operates Monday through Friday on hourly headways, is funded by UCD, and is operated by a private carrier.

Over the past year, staff from SacRT, UCD, Yolo County Transportation District (YCTD), the City of Sacramento, Electrify America (EA), and the Sacramento Area Council of Governments (SACOG) developed a plan to change the service from a private closed-door intercampus shuttle to an open-door public intercity express bus. The route will have stops in Downtown Sacramento and, Davis, and the Medical Center. The service will be provided using a new all-electric bus fleet. Under the proposed plan, SacRT will operate half the vehicles and trips and YCTD will operate the other half.

#### Service Description

Upon approval, the new service would begin on April 6, 2020 and operate hourly Monday through Friday from approximately 6:00 am to 8:00 pm, with approximate 20-minute frequency during morning and afternoon peak hours (i.e., three trips per hour). Travel times would be approximately 45 minutes from end to end, consistent with the existing service. The number of round trips would increase from 15 to 26 per day.

#### Davis Stops

Silo Terminal  
Genome Facility  
Mondavi Center  
Mace Park-and-Ride

#### Sacramento Stops

UC Davis Medical Center  
P/7th Streets\*  
P/16th Streets\*  
29th/R Streets\*  
T/34th Streets

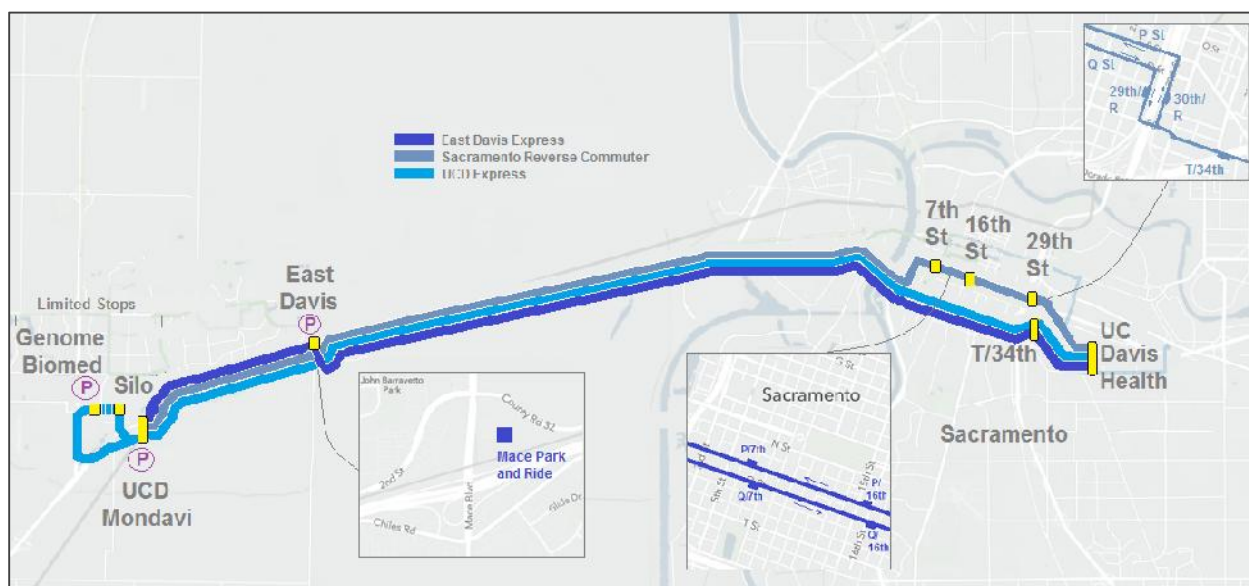
\* P Street stops would be on Q Street in reverse direction  
29th/R stop would be at 30th/R in reverse direction

There would be a total of four Davis stops and five Sacramento stops; however, the Mondavi Center and the Medical Center are the only two stops that would be served by every trip. The remainder of the stops would be served only on certain trips. As shown in the map on Page 3, there would be a variety of express options, each of which would have limited stops.

Compared to the existing route and schedule, the new service would add: (1) an East Davis park-and-ride stop (at Mace Blvd.) for commuters working in Sacramento, (2) a reverse commuter option, picking up in Downtown and Midtown Sacramento in the morning for commuters working in Davis; and (3) frequent peak-hour service (e.g., three trips per hour or approximate 20-minute headways) to provide a greater variety of departure and arrival times.

The schedules would also be updated to account for the increase in traffic over the past several years. The proposed schedule is shown on Pages 12 and 13.

### Causeway Connection Route Map



### Fare Structure

SacRT fares would be in effect (i.e., \$2.50 base fare, \$1.25 discount fare, \$100 monthly passes, free for TK-12 students). Connect Card and Zip Pass would both be accepted. Like many major employers, UCD currently subsidizes employee monthly pass purchases, which will reduce the out-of-pocket monthly pass price to \$35 per month for employees at the Medical Center and \$70 for UCD main campus employees (for Medical Center employees, this would be a reduction in out-of-pocket price from the existing \$45 monthly pass for the shuttle and the pass would be valid throughout the SacRT and YCTD systems, other than on YCTD express service.) UCD undergraduate student ID cards would be valid for unlimited rides on the service, but not on other SacRT routes.

### Fleet and Charging

The fleet will consist of 12 full-size Proterra Catalyst E2 battery-electric buses. Six buses will belong to SacRT, six to YCTD. Overnight charging will take place at SacRT and at Yolobus bus yards. In-service charging will also be available at the Med Center

terminal and at the Mondavi Center. The charging infrastructure is being paid for, purchased, and constructed by EA with the assistance of SacRT and YCTD, and pursuant to the Volkswagen settlement with the California Air Resources Board (CARB), as detailed in the Cooperative Agreement approved by the SacRT Board September 24, 2018. Buses will be 40-foot low-floor transit buses with 33 seats, two wheelchair spaces, three bicycle racks, free WiFi, and USB charging ports at all seats.

### **Example 40-Foot Proterra Catalyst E2**



#### Paratransit

Initiation of the Causeway Connection service would enlarge the SacRT service area (i.e., along I-80 and into Davis, along the new route). Accordingly, SacRT would acquire a legal duty under the Americans with Disabilities Act (ADA) to provide complementary paratransit service within 3/4 of a mile of the route. Staff expects demand for these trips to be around 150 passenger trips per year, costing approximately \$6,500 per year; however, if ridership proves substantial, SacRT and YCTD would arrange for paratransit trips across the Sacramento River to be directed to and provided solely by YCTD, with an appropriate cost-sharing arrangement in place.

#### Marketing and Customer Information

The new service would be branded as the Causeway Connection and jointly operated by SacRT and YCTD. Telephone information, web page, and real-time customer information would be centralized, with details to be worked out following approval of the new service.

#### Future Changes

As proposed, the Causeway Connection would become a service of both SacRT and YCTD. The SacRT Board would have the authority to make alterations, subject to SacRT's major service change policy; however, under the terms of the MOU, SacRT would agree to make a good faith effort to synchronize any changes with YCTD and SacRT would be bound to provide the approximate level of service, route, and schedule set forth in the MOU.

#### Title VI Analysis

Under SacRT's major service change policy, initiation of this new route would be considered a major service change and required a 30-day public review of the proposed changes, as well as a Title VI service equity analysis which considers the impacts of the new service and fare changes on low-income and minority populations. The proposed changes and a draft Title VI analysis was made available for public comment on October 14, 2019. A revised version was presented on November 18, 2019 for



approval, but the Board did not take action at that time. That version has been included in this report for consideration once again.

### Title VI Finding

Although the users of the service are expected to be higher-income and lower percentage minority than the existing SacRT system, the analysis concluded that initiation of this service and the related fare changes would be more beneficial to minority and low-income populations than the no-action scenario (i.e., continuation of the existing service as closed-door service), and that the no-action scenario is the only realistic alternative to the new service.

With respect to Title VI and SacRT's public review requirements, the proposal has not been changed materially—the level of service, number of round trips, vehicle hours and miles, and service area are unchanged or negligibly changed. What has changed are some of the stops, as well as the time points in the proposed schedule. These factors are not significant enough to alter the Title VI results.

### **Causeway Connection Bus Wrap**



### **Part II: Public Engagement**

A total of 46 public comments were received by SacRT from October 14 through November 12 through SacRT's formal public review process, and were included in the November 18 agenda item.

In addition to SacRT's formal process, UCD coordinated two rounds of open houses, four in October, four in November, which were directed primarily at existing shuttle riders. The open houses were attended by SacRT and YCTD staff and were well-attended by riders, generating significant discussion and follow-up correspondence. There was also extended public comment and discussion on this item at the November 18 Board meeting.

On November 19, the project team met with a group of approximately a dozen riders on campus at UCD for additional discussion on their concerns. On November 22, the riders sent to the project team a "Path to Yes" document outlining their preferences in each of five areas: (1) seatbelts, (2) bicycle racks, (3) governance and monitoring, (4) fares, and (5) stops and schedule.

The letter from the riders requested responses by midnight, the night of November 25. The project team provided responses on the subjects of seatbelts, bike racks, fares, and stops/schedule on or in advance of that time, which are summarized below.

## Seatbelts

Riders expressed concern about the lack of seatbelts on the proposed fleet. SacRT and YCTD explored the cost and feasibility of a seatbelt retrofit with EA, the bus manufacturer, and its equipment vendors:

- Seatbelts cannot be retrofitted onto the existing seats; therefore, replacement seats would need to be procured
- Seatbelt-equipped seats could not be mounted to the floor at the existing mounting points; new mounting points would have to be installed.
- There may not be adequate space under the floor to install new mounting points, because the electric battery array is located under the floor. It is also uncertain if steel mounting points can be retrofitted onto the composite shell of the vehicle.
- The battery array would likely need to be removed as part of the retrofit, adding time and labor cost to the installation.
- Seatbelt-equipped seats are wider than the existing seats, which would change the dimensions of the ADA area and the aisle ways, potentially in unacceptable ways.
- Seatbelt-equipped seats would be heavier than the existing seats. Given that the battery array and composition of the frame make the bus heavy to begin with, additional weight could violate regulatory limits or result in performance-related safety problems (e.g., with braking, acceleration, turning/handling, etc.)
- The cost was estimated at between \$240,000 and \$480,000 for parts, installation labor, and engineering design for the twelve bus fleet.
- The buses have already been built and testing/acceptance is under way. EA considers the buses paid for as specified and would not pay for a retrofit. Between limited engineering support from the manufacturer and a complicated installation, the timeline for a retrofit could be protracted.
- YCTD would also need to approve any retrofit, to assure uniformity of the fleet.

A summary of these issues was relayed to the rider group on November 25. For the reasons, expressed above, it is not feasible to retrofit the current vehicles with seatbelts. At the time of vehicle procurement, higher capacity, freeway-style over-the-road coaches (as used on the current shuttle) which would typically be designed more for longer journeys (including seatbelts) were not widely available in a battery electric format. In the long run (i.e., if the Causeway Connection became a permanent service beyond the three-year term of the MOU and if the existing buses were repurposed to another route satisfying EA's use conditions) SacRT and YCTD could seek funds for over-the-road coaches for the service.

## Bike Racks

The buses used for the existing Medical Center shuttle have capacity for nine bicycles in the baggage area under the coach. The buses procured for the Causeway Connection will be equipped with a three-bike rack in the front of the bus.

During peak hours, there would be three Causeway Connection buses per hour, so the bicycle capacity is equivalent to existing capacity (at nine bikes per hour); however, staff and the riders remain concerned that bicycle capacity could be an issue, particularly for commuters going to Davis, where bicycle use is greater. Staff investigated the cost and feasibility of retrofitting rear bicycle racks:

- At least one major manufacturer offers a rear bicycle rack with capacity for five bicycles; however, this model has not been installed on a Proterra Catalyst.
- The vehicle code does not allow a rear bicycle rack if a front bicycle rack is also installed, so total bicycle capacity would only increase from three to five.
- Bicycle theft can reportedly be an issue with rear bicycle racks and there have been reported incidents of people trying to ride on a rear bicycle rack or skateboarders grabbing hold of the rack to be “towed.”
- The bus operator may need to exit the bus to assist customers with loading, unloading, and securement and to assure that no one is near the rear bike rack when the bus resumes the route. This would also add dwell time at each stop with bicycle activity.
- Rear bicycle racks may obstruct access to maintenance compartments.
- The turning radius would be reduced.
- Staff estimates a retrofit would cost between \$25,000 and \$50,000; EA considers the buses paid for and built to specification and would not pay for the retrofit.
- YCTD would also need to approve a retrofit, to assure uniformity of the fleet.

A summary of these issues was relayed to the rider group on November 22. Several first/last mile solutions also exist or are in development, which may help mitigate potential bicycle capacity issues and give customers more options. The Medical Center stop will feature a bicycle storage area with space for about 40 bicycles which will be available to University affiliates via free badge-controlled access. JUMP bike share is also available in Davis and several shared mobility device providers now serve the Medical Center area.

### Fares

Riders of the existing shuttle currently pay \$1.50 for a single ride or \$45 for a monthly pass. Existing SacRT fares would be in effect on the Causeway Connection, including free rides for TK-12 students and other discount programs available to the general public. Many Causeway Connection riders would likely be eligible for additional discount programs through UCD, according to their affiliation:

*Undergraduates* – Undergraduates would ride the Causeway Connection for free with their student ID cards, as an extension of an existing program that is funded by undergraduate student fees.

*Sacramento Employees* - For employees working at the Medical Center in Sacramento, the out-of-pocket price for a monthly pass would decrease from \$45 to \$35 (and the pass they receive would also allow unlimited rides on SacRT system-wide). The Sacramento campus subsidizes \$65 of the full cost of a \$100 monthly pass, consistent with the tax code’s maximum allowable tax deduction for employee transportation subsidies (and comparable to most other large public employers in Sacramento).

*Davis Employees* - The Davis campus currently subsidizes \$35 of a \$100 monthly pass, so the out-of-pocket price for Davis employees would increase from \$45 to \$65 per month; however, UCD has pledged to increase the employer subsidy to at least \$55. This would keep out-of-pocket costs at parity with the existing shuttle at \$45 per month for Davis employees.

*Graduate Students* - Graduate students have not opted into a student fee program, so if they are not also employees of UCD, they are subject to the general public price of

\$100 for a monthly pass. UCD has pledged to implement a program to keep graduate student out-of-pocket costs at today's \$45 per month price.

Members of the general public (i.e., not affiliated with UCD) would be subject to existing SacRT fares, including existing discount programs. Staff has maintained that both transit agencies intend to adhere to the existing fare structure. SacRT encourages all employers to subsidize employee transit passes; however, staff has maintained that this is an issue for UCD to pursue unilaterally, like any other major employer.

**Out-Of-Pocket Monthly Pass Price  
For Major Causeway Connection Rider Groups**

	Existing Shuttle	Original Proposal	Updated UC Davis Proposal
UC Davis Undergraduates	\$45/mo	Free	Free
UC Davis Sacramento Employees	\$45/mo	\$35/mo *	\$35/mo *
UC Davis Davis Employees	\$45/mo	\$65/mo *	<b>\$45/mo **</b>
UC Davis Graduate Students	\$45/mo	\$100/mo	<b>\$45/mo **</b>

\* Reflects UC Davis subsidy from nominal \$100/month transit pass

\*\* UC Davis pledges to implement new program to achieve equal or better out of pocket price.

**Governance and Monitoring**

The “Path to Yes” letter from the Causeway riders group outlined a number of monitoring and accountability measures they requested of UCD. Areas included performance monitoring, a plan for continuity of service after the three-year term of the MOU, UCD having a formal role in SacRT/YCTD decision making, and riders having the opportunity to review the MOU prior to finalization.

*Data Analysis and Monitoring* – All Causeway Connection buses will be equipped with electronic fareboxes and SacRT’s fleet will include Automatic Passenger Counters (APCs) that provide stop-by-stop boarding, alighting, and schedule adherence data. This will be a significant improvement over the manually collected rider tallies on the existing shuttle. SacRT will share this data with UCD or anyone who requests it.

*Governance* – SacRT would retain authority to alter the Causeway Connection, subject to SacRT’s own major service change policy; however, the proposed MOU would obligate SacRT to provide service meeting the specified route and level of service description and to work in good faith with YCTD and UCD to coordinate any changes. Were UCD to become dissatisfied with SacRT’s performance, UCD would have the option to not renew the agreement or to pursue termination, subject to concurrence from YCTD and other relevant conditions.

Although the actual MOU language has not been finalized, the principle terms have been outlined and included in this agenda item (as well as in the November 18, 2019

agenda item) which have been available online for public review (in accordance with SacRT's open meeting requirements under California law). The Resolution would direct the General Manager/CEO to execute an agreement adhering to those principle terms.

### Stops and Schedule

Draft schedules were shared with members of the public during open houses that took place in November. Based on feedback, revised schedules were included in the November 18 agenda item. Since that time, staff has made additional revisions, based considerably on additional engagement with members of the public, and which are reflected in the final proposed schedule on Pages 12 and 13 and in the Resolution to approve the service.

Since November 18, staff had multiple meetings with representatives from the existing shuttle riders, both by phone and in person, on both the stops and schedule as well as running time data. Staff believes that the revised schedule reflects both a sound strategy for attracting new riders as well as an approach that is more favorable to and more likely to retain riders from the existing shuttle.

*Schedule Highlights* - As proposed, the Causeway Connection route and schedule would resemble the existing shuttle, but would be augmented in several key ways, including:

- Additional trips during peak hours (up to 3-4 trips per hour) would provide a greater variety of stops and time slots during popular commuting hours.
- Reverse commuter service from Downtown Sacramento to Davis and back in the afternoon, would serve a potentially large and underserved market.
- New peak-hour stops in East Davis would provide a free park-and-ride option that would not require East Davis residents to backtrack to the Mondavi Center.
- Updated running times would make the schedule more accurate and make departure times more consistently reliable.

*Express Trips* – Throughout the public review process, existing shuttle riders urged that the Causeway Connection maximize the number of express trips and minimize the number of trips with stops in Downtown Sacramento, due to both a preference for faster, more direct service, as well as concern about schedule reliability.

Although prior versions of the schedule did feature a significant amount of express service during peak hours, more recent versions of the schedule provide an even greater level of express service as shown in the current proposal. Although the final schedule features fewer new stops, staff believes that the issues raised by the existing shuttle riders are legitimate concerns, and that this more cautious approach will maximize retention of riders from the existing shuttle. Staff believes that the modified schedule is sound, provides genuine opportunities for ridership growth, and achieves a considerable improvement in schedule reliability over the existing service.

*Reverse Commute Service* - Currently, YCTD provides numerous commuter bus routes into Sacramento, but only one trip on one commuter route from Sacramento to Davis, with service to the UCD Memorial Union. The only other public transit options from Sacramento into Davis are the Capitol Corridor and hourly local-stop service on YCTD Route 42, with numerous stops in West Sacramento and throughout Davis. Based on ridership data from the existing Med Center shuttle, which shows 50/50 ridership splits

between Davis and Sacramento, staff believes the reverse commuter service proposed for the Causeway Connection would serve a major untapped market.

*Running Times* - As existing shuttle riders have pointed out, schedules on the existing shuttle are outdated, with an assumed 25 minute travel time across the causeway, regardless of time of day. The proposed schedules for the Causeway Connection adjust running times by both direction and time of day and range from 24 minutes at night to 46 minutes in the afternoon, headed eastbound, when traffic congestion is heaviest.

Using data from the existing service provider, drive time data by hour of the day, running time data recorded by existing shuttle riders, as well as field testing, each trip in the schedule was re-timed. In the afternoon, median running times back to Sacramento approach 50 minutes across the causeway. There is also an extreme amount of variance, with times ranging from 35 to 80 minutes.

To account for the extreme variance in running times, schedules have been rebuilt to not only allow more time across the causeway, but to also add fairly generous schedule recovery at each end of the route. This helps assure that longer-than-usual delays on one trip do not jeopardize the on-time departure of the next trip and that operators can expect reasonable break time throughout their shifts.

*Davis Stops* – The original concept for the Causeway Connection was to eliminate two of the three stops on the UCD campus—the Silo terminal and the Genome Biomedical Science Facility (GBSF)—to allow time for new stops in Downtown Davis and Downtown Sacramento. The Mondavi Center was proposed to be the single UCD stop, based on its proximity to I-80, and the ability to install charging infrastructure at this location for the electric vehicles. Although the Mondavi Center is not within convenient walking distance of many campus destinations, it was felt that first/last-mile solutions could be used by riders to complete their journeys.

Over the course of several revisions, the Downtown Davis stop was dropped to allow for other stops or more direct service. As discussed above, service to the Downtown Sacramento stops was also reduced over several schedule iterations as well.

Originally, the Downtown Sacramento stops were to be served bi-directionally throughout the entire day. In the November 18 schedule, they were to be served mono-directionally at peak and bi-directionally off-peak. With the new current version, the off-peak service has been dropped, so that the Downtown Sacramento stops are served strictly as a reverse commute service. This has essentially allowed the new schedule to continue to include the Silo and GBSF stops on an all-day, hourly basis, consistent with the existing shuttle.

The GBSF is located on the west end of campus and is used as a park-and-ride by commuters working in Sacramento as well as a destination for veterinary and medical center employees. The Silo is located closer to the center of campus. Although it is farther from the freeway, it is closer to more destinations, and is currently the most popular Davis stop, accounting for 40 percent of Davis boardings. Staff felt that the limited bicycle capacity of the new fleet was another reason to continue direct service to the Silo (i.e., because biking would be less feasible as a first/last-mile solution from the Mondavi Center).

In the long run, the parties may want to consider elimination of one or more of the Davis stops, to allow time for more stops in Downtown Sacramento, but for the initial launch, staff believes that maintaining greater similarity to the existing shuttle is a prudent strategy to maximize ridership retention and customer satisfaction, while still allowing some opportunities for growth. This also makes evaluation of the new service easier. With fewer changes, it will be easier to pinpoint what is working well and what is not.

*Capacity* – Seat and bicycle capacity have been areas of concern for existing riders related to the route and schedule. The over-the-road coaches used on the existing shuttle seat 47 or 56 persons and have capacity for 9 bicycles. In comparison, the new electric transit buses seat 33 passengers with bicycle capacity limited to a 3-slot bicycle rack.

With three trips per hour, seat capacity on the new service will actually be greater, and bicycle capacity will be equal to the existing shuttle during peak hours; however, if there is uneven distribution of passengers or especially bicycles, there could still be capacity problems. For this reason, during peak hours, the schedule has been written to essentially have two buses shadow one another, to provide double the capacity, with a third bus slotted within twenty minutes.

Compared to the original plan of even 20 minute headways throughout the peak hours, this provides fewer time slots to choose from, but greater assurance of capacity for the busy 8:00 am and 9:00 am shifts. Again, this strategy represents a shift to a more cautious approach, partly to compensate for the reduced capacity of the vehicles. This approach was urged by existing shuttle riders and staff felt it was reasonable to initiate the service with a more cautious approach such as this.

## **Next Steps**

Staff recommends the Board approve the four attached resolutions, which would: (1) approve the Title VI analysis of the service and fare changes; (2) approve creation of the new service; (3) delegate authority to the General Manager/CEO to approve the MOU, which would secure operating funding, establish the general parameters for operation of the service, and authorize YCTD and SacRT to serve bus stops at UCD and the Medical Center; and (4) recognize the UCD undergraduate student ID as Fare Equivalent for use only on the Causeway Connection service.

## Causeway Connection Proposed Schedule

### Eastbound to Sacramento

<u>Silo</u>	<u>Davis</u>			<u>Downtown Sacramento</u>			<u>UC Davis</u>	
	<u>GBSF</u>	<u>Mondavi</u>	<u>Mace</u>	<u>Q/7th</u>	<u>Q/16th</u>	<u>29th/R</u>	<u>T/34th</u>	<u>Health</u>
--	6:09a	6:15a	6:23a	--	--	--	6:45a	6:50a
--	--	7:00a	7:10a	--	--	--	7:32a	7:37a
7:07a	--	7:15a	--	--	--	--	7:40a	7:45a
--	7:13a	7:20a	--	--	--	--	7:45a	7:50a
--	--	8:00a	8:10a	--	--	--	8:33a	8:38a
8:07a	--	8:15a	--	--	--	--	8:40a	8:45a
--	8:13a	8:20a	--	--	--	--	8:45a	8:50a
--	--	9:00a	9:10a	--	--	--	9:32a	9:37a
9:10a	9:14a	9:21a	--	--	--	--	9:41a	9:46a
10:10a	10:14a	10:21a	--	--	--	--	10:41a	10:46a
11:10a	11:14a	11:21a	--	--	--	--	11:41a	11:46a
12:10p	12:14p	12:21p	--	--	--	--	12:41p	12:46p
1:10p	1:14p	1:21p	--	--	--	--	1:41p	1:46p
2:10p	2:14p	2:21p	--	--	--	--	2:41p	2:46p
3:10p	3:14p	3:21p	--	--	--	--	3:50p	3:55p
--	--	3:45p	--	4:15p	4:18p	4:22p	--	4:30p
4:10p	--	4:20p	--	--	--	--	5:00p	5:06p
--	4:13p	4:21p	--	--	--	--	5:01p	5:07p
--	--	4:30p	--	5:09p	5:12p	5:16p	--	5:24p
--	--	4:50p	--	5:29p	5:32p	5:36p	--	5:44p
5:10p	--	5:20p	--	--	--	--	6:00p	6:06p
--	5:13p	5:21p	--	--	--	--	6:01p	6:07p
--	--	5:50p	--	6:20p	6:23p	6:37p	--	6:45p
6:14p	6:18p	6:25p	--	--	--	--	6:50p	6:55p
7:10p	7:14p	7:21p	--	--	--	--	7:41p	7:46p
8:10p	8:14p	8:21p	--	--	--	--	8:41p	8:45p

East Davis Express trips

Sacramento Reverse Commuter trips



## Causeway Connection Proposed Schedule

### Westbound to Davis

UC Davis Health	Downtown Sacramento			Davis			
	<u>30th/R</u>	<u>P/16th</u>	<u>P/7th</u>	<u>Mace</u>	<u>Mondavi</u>	<u>GBSF</u>	<u>Silo</u>
5:30a	--	--	--	--	5:53a	5:58a	--
6:17a	--	--	--	--	6:45a	6:50a	6:55a
6:57a	7:05a	7:09a	7:12a	--	7:39a	--	--
7:10a	--	--	--	--	7:40a	--	7:47a
7:10a	--	--	--	--	7:40a	7:46a	--
7:57a	8:05a	8:09a	8:12a	--	8:39a	--	--
8:10a	--	--	--	--	8:40a	8:46a	--
8:10a	--	--	--	--	8:40a	--	8:47a
8:57a	9:05a	9:09a	9:12a	--	9:39a	--	--
9:10a	--	--	--	--	9:40a	9:45a	9:50a
10:10a	--	--	--	--	10:35a	10:40a	10:45a
11:10a	--	--	--	--	11:35a	11:40a	11:45a
12:10p	--	--	--	--	12:35p	12:40p	12:45p
1:10p	--	--	--	--	1:35p	1:40p	1:45p
2:10p	--	--	--	--	2:35p	2:40p	2:45p
3:10p	--	--	--	--	3:35p	3:40p	3:45p
3:50p	--	--	--	4:15p	4:25p	--	--
4:10p	--	--	--	--	4:40p	4:45p	--
4:10p	--	--	--	--	4:40p	--	4:45p
4:50p	--	--	--	5:16p	5:26p	--	--
5:20p	--	--	--	--	5:55p	--	6:02p
5:20p	--	--	--	--	5:55p	6:01p	--
5:45p	--	--	--	6:10p	6:20p	--	6:27p
6:20p	--	--	--	--	6:45p	6:51p	--
7:20p	--	--	--	--	7:45p	7:50p	7:55p
8:20p	--	--	--	--	8:45p	8:50p	--

East Davis Express trips

Sacramento Reverse Commuter trips

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## **Attachment 1**

**“Path to Yes” Letter  
From Medical Center Shuttle Riders**

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## Across the Causeway Transit Riders Collective

### Safety

**WHAT YES LOOKS LIKE: All bus seats have lap and shoulder belts.**

**Point person: Mike Tentis ( [REDACTED] )**

- Unlike intra-city buses, these buses travel at 70 mph on the freeway, increasing the risk to riders by not having seat belts or forcing them to stand
- "Because of safety concerns, the university does not allow people to ride while standing in the aisle," Contreras said. In other words: no seat, no ride ([UCD Shuttle Article 2008](#))
- In 2017, Governor Brown signed a law (SB20) requiring passengers to use seatbelts on transit buses when they are provided, indicating the risk in not wearing a seatbelt is recognized by California. In the very near future, *all* transit buses will be required to have seatbelts.
- Seatbelts are the single most effective traffic safety device for preventing death and injury in the event of a crash. ([US Department of Transportation, National Highway Traffic Safety Administration](#))
- For example, Russell (long time rider with accessibility needs) and patients at UCDMC require a seatbelt. From Russell: "[T]he reduced seating capacity and lack of seat belts on the new electric buses recently purchased by the University, through a grant from Electrify America, present safety concerns for me and other shuttle users with disabilities because riders could be required to stand, which could result in falling, or be thrown forward if seated, when the driver needs to suddenly stop to avoid a collision with another vehicle."



Example of seatbelts on public transit

**YES**

## Across the Causeway Transit Riders Collective

### Bicycles

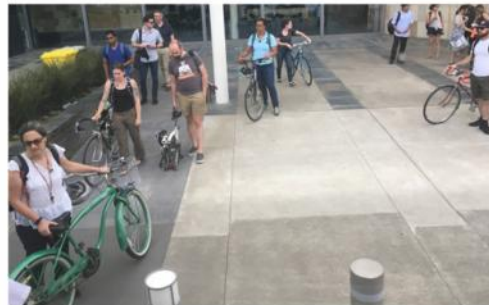
**WHAT YES LOOKS LIKE:** Current capacity for direct hourly express service should be at least matched (8 full size bikes per vehicle).

**Point Person:** Alana Firl ( [REDACTED] )

- Environmentally friendly: Since we are looking to reduce overall emissions and be a model of environmentally responsible transit in the future, this is an opportunity to showcase the future of public transit by being as green as possible.
- Increases ridership: This is an effective way to solve the issue of “First Mile, Last Mile” which can be a barrier to transit and aligns with Davis’s notability as the Bicycle Capital of the USA. Given the number of riders who currently take bikes (and the fact that frequently bikes are turned away even with a capacity of 8 and previous capacity of 15), it is clear the demand is present for bike capacity on this route. Allowing more bikes expands the distance around each stop where riders are willing/able to travel from home/work to the stop, which will increase ridership.
- Current bike capacity is 120 full sized bikes per day (15 runs and 8 bikes per bus) while new bike capacity is only 78 (26 runs with only 3 bikes per run) leaving unacceptably limited bike capacity in the express service where it is most needed.
- While helpful, more storage isn’t an adequate solution since many people use bikes on both sides of their commute, to/from home and to/from work. Both secure storage at the bus stops and use of public bike share (as suggested by UCD administration) increases costs.
- Increasing bike capacity decreases the need for people to drive to the shuttle which represents a cost savings to the university as they will need to build fewer parking structures/lots (along with the added health benefit of biking)



Example: Swiss Poste Bus - Six bike rack capacity



Six bicycles wait to board at UC Davis Mondavi Center



### Across the Causeway Transit Riders Collective

## UCD's Commitment to Students, Employees, Patients

**WHAT YES LOOKS LIKE:** UCD makes a formal commitment that it will continue to provide direct connectivity between campuses and that the form of connectivity (e.g., public transit, charter buses) will be driven by UCD affiliate needs. UCD will collect and analyze data.

**Point Person:** Tara Ursell (██████████)

The MOU should include:

- UCD will develop a data collection plan and measurable criteria for determining whether the new transit model can meet the needs of current and potential future riders.
- UCD will monitor UCD affiliate transit usage separately, so that it can determine whether UCD needs are being met.
- UCD will adjust routes or modes of transit to meet UCD stakeholder needs (based on data findings).
- State explicitly how UCD will ensure its stakeholders retain access to intercampus express transit if SacRT and YCTD cease to provide intercampus express transit service during or at the end of the MOU period.
- UCD will retain FTEs dedicated to analyzing data and using the data to represent the needs of UCD employees/students/staff/faculty/patients on both campuses. Communication and collaboration across campuses is key.
- UCD will have a formal role in SacRT/YCTD decision making
- State explicitly what UCD will do to meet its stakeholders' needs if there is a significant reduction in mass transit usage after the shuttle is cancelled.
- UCD will adequately advertise service using printed and electronic communications
- *Current riders will be given the opportunity to review the MOU prior to finalization to confirm that it meets the needs of current riders.*



UC Davis Sacramento connection (including future Aggie Square)



Values and green goals



**Across the Causeway Transit Riders Collective**

**Fare**

**WHAT YES LOOKS LIKE:** Maintain current fare structure (\$1.50/single ride and \$45/month) for UCD affiliates. If SacRT/YCTD change fares in the future, UC Davis affiliates will continue to pay a proportionally scaled fare. This arrangement should be explicitly stated in the MOU.

**Point People:** Abbey Hart ( [REDACTED] ), Clare Cannon ( [REDACTED] )

- In order to better connect the UC Davis and UCDCM campus, fares should be consistent. Asking one campus to pay more/less than other can create uncomfortable dynamics and asymmetries.

**BOARDING PASSES**

ONE WAY PASS	\$1.50
TEN RIDE PASS	\$15.00
MONTHLY PASS (unlimited rides)	\$45.00

Current Fare Structure as displayed on UC Davis Intercampus Shuttle Website

UC Davis is continuing to evaluate options for equalizing the fare structure for Davis and Sacramento-based employees.

UC Davis is working to ensure UC Davis affiliates pay the same low fares for the Causeway Connection as they currently pay on the intercampus shuttle. We expect to announce a final fare structure in December.

Announcement regarding fare structure for proposed Causeway Connection as displayed on Causeway Connection UC Davis website





**Across the Causeway Transit Riders Collective**

## Schedule, Route, and Passenger Capacity

**WHAT YES LOOKS LIKE:** Hourly (or more frequent) direct service that is capable of meeting current demand (i.e. no UCD affiliate is left at the curb). We propose that the best way to ensure this is by doing a pilot study blending existing service and the proposed new service.

**Point Person:** Alana Firl (██████████)

- A pilot study that has been optimized using objective measures of usage and surveys of riders should be used to design any new service (e.g. run during the academic year, tested for long enough to allow riders to try options).
- Since this is also incorporating new service areas, SacRT and Yolobus should provide data that shows a current unmet need from their existing ridership.
- Comparing the existing service directly with the new service will provide clear evidence whether this new service solves an unmet transit need, while not eliminating any needed attributes from existing ridership during the trial.
- The trial should maintain three existing UCD stops OR equivalent stops so that no UC Davis affiliates have to travel more than they currently do to their final destination or if that's not possible UCD will provide means to add travel around campus (e.g. shuttles similar to the UCDCM shuttles around the parking lots).
- The trial period should not end until the long-term service begins operating following the parameters and findings determined by the pilot.



Autonomous Olli bus at Sacramento State transports community throughout campus



UCD Health System Shuttles transport community to parking, light rail, Midtown

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RESOLUTION NO. 19-12-0137

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

December 9, 2019

**APPROVING A TITLE VI SERVICE AND FARE EQUITY ANALYSIS**

WHEREAS, SacRT is considering introducing new bus service, known as the Causeway Connection, which would meet the definition of a major service change, as defined in Resolution 15-12-0137, and which would also allow undergraduate students with a University of California, Davis student ID to ride the service at no cost, resulting in a fare change, as defined in Resolution 15-11-0129; and

WHEREAS, a Title VI service and fare equity analysis of the proposed changes has been prepared, was made available for public review on October 14, 2019 for a 30-day comment period, and was publicized in accordance with SacRT policy on major service changes and on fare changes; and

WHEREAS, the Title VI change equity analysis has been revised to reflect adjustments to the proposed changes; and

WHEREAS, the Title VI equity analysis found that there might be potential disparate impacts to minority populations and that there might be potential disproportionate burdens to low-income populations from adopting the proposed service changes because the proposed service is expected to be less utilized by minority and low-income populations than SacRT's overall system; and

WHEREAS, the Title VI equity analysis found that there were no potential disparate impacts to minority populations and that there were no potential disproportionate burdens to low-income populations from the proposed fare change.

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

THAT, the Board of Directors has reviewed, is aware of, and approves the Title VI equity analysis set forth in Exhibit A; and

THAT, the Board of Directors recognizes that the proposed service will effect a transition of an existing private, closed-door shuttle service into a public, open-door service, which will be more beneficial to minority and low-income populations than existing conditions; and

THAT, the Board of Directors recognizes that the operating and maintenance cost of the proposed service would be fully funded for a three-year period by a discretionary grant and by third-party operating assistance from the University of California, Davis, both of which are conditioned upon the new service being implemented as planned; and

THAT, recognizing these facts, the Board of Directors finds that the only alternative to the proposed new service would be a no-action scenario, which would confer fewer benefits to minority and low-income populations; and

THAT, the Board of Directors therefore finds that there is a substantial legitimate justification to implement the service and amend the fare structure as specified in the Title VI analysis.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

## **Exhibit A**

### **Title VI Service and Fare Equity Analysis**



Title VI Service and Fare Equity Analysis  
for Causeway Connection Bus Service

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FINAL

December 9, 2019

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2. Project Description ..... 1  
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3. Minority Population Density ..... 5  
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## 1. Purpose of Analysis

Pursuant to RT's major service change policy and in accordance with federal Title VI civil rights requirements, the purpose of this analysis is to identify and document any potential disparate impacts on minority populations or disproportionate burdens on low-income populations (DI/DB) resulting from initiation of the service and related changes to the SacRT fare structure.<sup>1</sup>

## 2. Project Description

The University of California, Davis (UCD) currently runs an hourly shuttle bus between the UCD main campus in Davis and the UC Davis Medical Center (Med Center) in Sacramento. The shuttle operates Monday through Friday on hourly headways, is funded by UCD, and is operated by a private carrier.

Over the past year, staff from SacRT, UCD, the Yolo County Transportation District (YCTD), the City of Sacramento, Electrify America (EA), and the Sacramento Area Council of Governments (SACOG) have been developing a plan to change the service from being a private, closed-door intercampus shuttle to being an open-door public intercity express service with stops in Downtown Sacramento and Davis, using a new all-electric bus fleet. Under the proposed plan, ownership of the fleet and operation of the service would be split 50/50 between SacRT and YCTD.

The fleet will consist of 12 full-size Proterra Catalyst E2 battery-electric buses. Six buses will be owned by SacRT, six by YCTD. Overnight charging will take place at SacRT and at Yolobus yards. In-service charging will also be available at the Med Center terminal and at Mondavi Center terminal in Davis. The fleet and charging infrastructure is being paid for, purchased, and constructed by EA with the assistance of SacRT and YCTD, pursuant to the Volkswagen settlement with the California Air Resources Board (CARB), as approved by the SacRT Board on February 25, 2019. Buses will be 40-foot low-floor transit buses with 33 seats, two wheelchair spaces, three bicycle racks, free WiFi, and USB charging ports at all seats.

Operating Cost – The gross annual operating cost of the new service is estimated at \$1,620,000. For the three year term of the Memorandum of Understanding (MOU), CMAQ funds would pay half the operating cost, net of fares. The remainder of the \$1,620,000 budgeted operating cost, minus fare revenue, would be paid by UCD, except for a minor contribution not to exceed \$47,500 by SacRT and a matching contribution from the City of Sacramento.

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<sup>1</sup> RT's major service change policy is stated in Resolution No. 13-08-0125. The Federal Transit Administration's (FTA's) guidance related to Title VI of the Civil Rights Act of 1964 and Executive Order 12898 is specified in FTA Circular 4702.1B.

**Figure 1**  
**Example 40-Foot Proterra Catalyst E2**



Service Description – The new service would take effect on April 6, 2020 and operate Monday through Friday every hour from approximately 6:00 am to 8:00 pm with 20 minute frequency during morning and afternoon peak hours. It is expected to have three stops in Davis and approximately three stops in Sacramento. Travel times will be approximately 45 minutes from end to end, consistent with the existing service.

Fare Structure – SacRT fares would be in effect (i.e., \$2.50 base fare, \$1.25 discount fare, \$100 monthly passes, free for TK-12 students) and Connect Card and Zip Pass would both be accepted. Like many major employers, UCD is planning on subsidizing employee pass purchases, reducing the out-of-pocket price to \$35 per month. (This would be a reduction in out-of-pocket price from the existing \$45 monthly pass for the shuttle.) UCD undergraduate student ID cards would be valid for unlimited rides on the service, but not on other SacRT routes.

Marketing and Customer Information – The new service will be rebranded as the “Causeway Connection” and jointly operated by SacRT and YCTD. UCD will maintain a central web page for the service. To create a seamless customer experience, (1) both agencies will use the same route number, (2) timetables will show trips operated by either agency, and (3) customers will be directed to a single third party app which will integrate both operators’ real-time vehicle location data.

Approval Authority - As proposed, the Causeway Connection would become a service of both SacRT and YCTD. The SacRT Board would acquire the authority to make alterations to the service and/or fare structure, subject to SacRT’s major service change and fare change policies; however, SacRT would agree to synchronize changes with YCTD and conform to the approximate service description set forth in the three-party MOU.

### 3. Title VI Requirements

Under SacRT's major service change policy, initiation of this new route is considered a major service change and requires a Title VI service change equity analysis. The SacRT fare structure would also be amended to include the UC Davis Undergraduate Student ID as a valid group fare for customers boarding the Causeway Connection. This change requires a Title VI fare equity analysis. These two analyses have been combined into this single document.

SacRT policy requires Title VI analyses be made available for a 30-day public review and comment period, that the SacRT Board of Directors and staff review public comments and take them into consideration, and that the SacRT Board of Directors approve a final equity analysis prior to adoption of major service changes or amendment of the fare structure.

SacRT plans to present a revised and final version of this report to the SacRT Board of Directors on November 18, 2019 and seek approval at that time of the new service, the fare changes, and the MOU with YCTD and UCD.



#### 4. Existing Conditions

Based on Census data, the SacRT service area is 53.2 percent minority<sup>2</sup> and 20.1 percent low-income.<sup>3</sup> Figures 3 and 4 illustrate minority and low-income population density in the SacRT service area. Based on passenger surveys, prior to the major changes for SacRT Forward in September 2019, actual SacRT ridership is 69.0 percent minority and 47.8 percent low-income.<sup>4</sup> Based on how service levels changed on particular routes, staff estimated that with the SacRT Forward changes now in effect, SacRT ridership is now 72.3 percent minority and 55.8 percent low-income.

**Figure 2  
Existing SacRT Demographics**

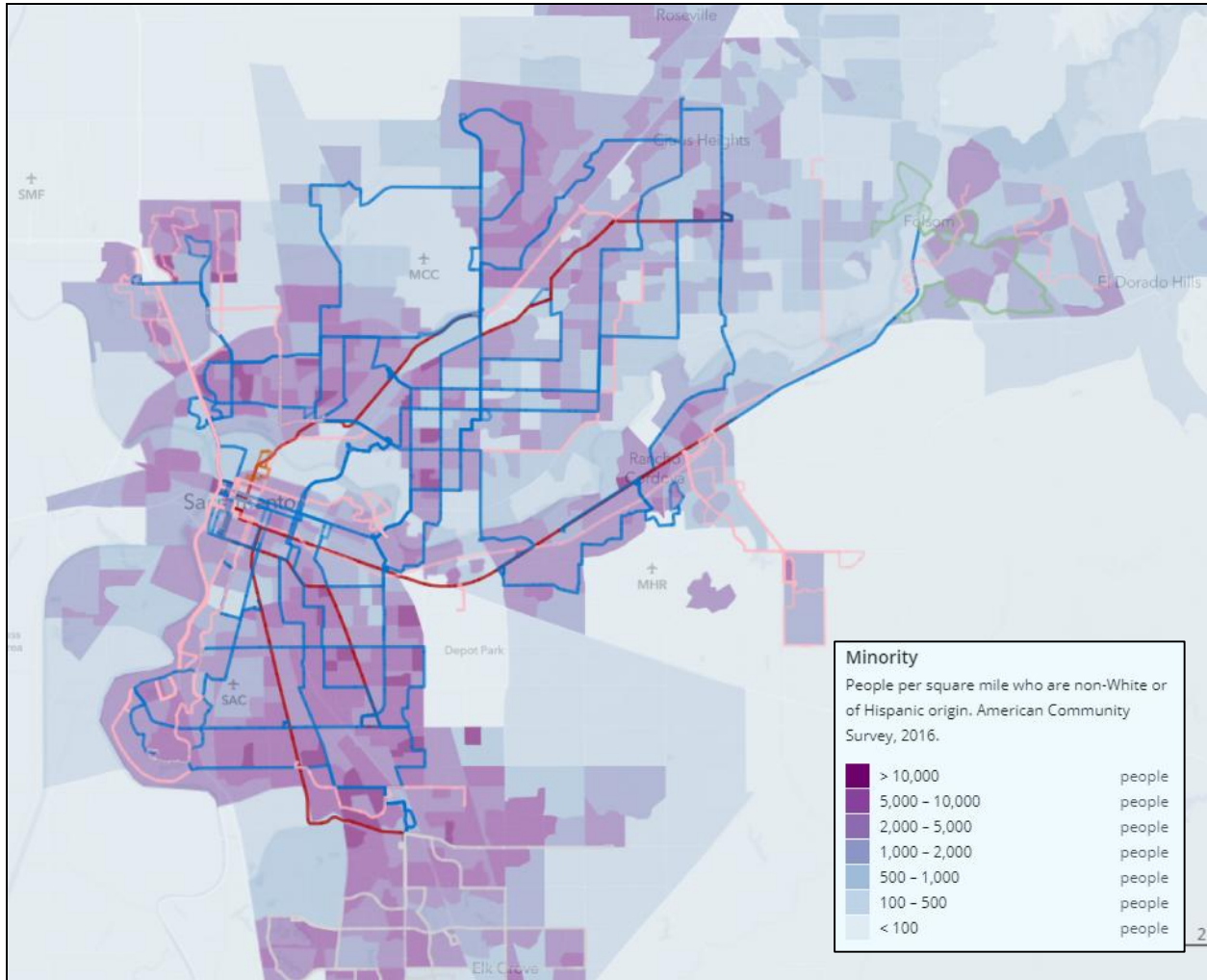
	Service Area	Actual Customers (Post SacRT Forward)
Minority	53.2%	72.3%
Low-Income	20.1%	55.8%

<sup>2</sup> FTA defines a minority person as anyone who is American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or other Pacific Islander.

<sup>3</sup> FTA defines a low-income person as a person whose household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines. The HHS definition varies by year and household size. For the purpose of this analysis, RT used HHS poverty guidelines from 2013. Survey participants were asked their household size and their household income from a list of ranges. For the purposes of this survey, the participant's income is assumed to be the midpoint of the range selected. For example, if a passenger selected a household income range of \$25,000 to \$35,000, that passenger's income was assumed to be \$30,000 for the purposes of this analysis.

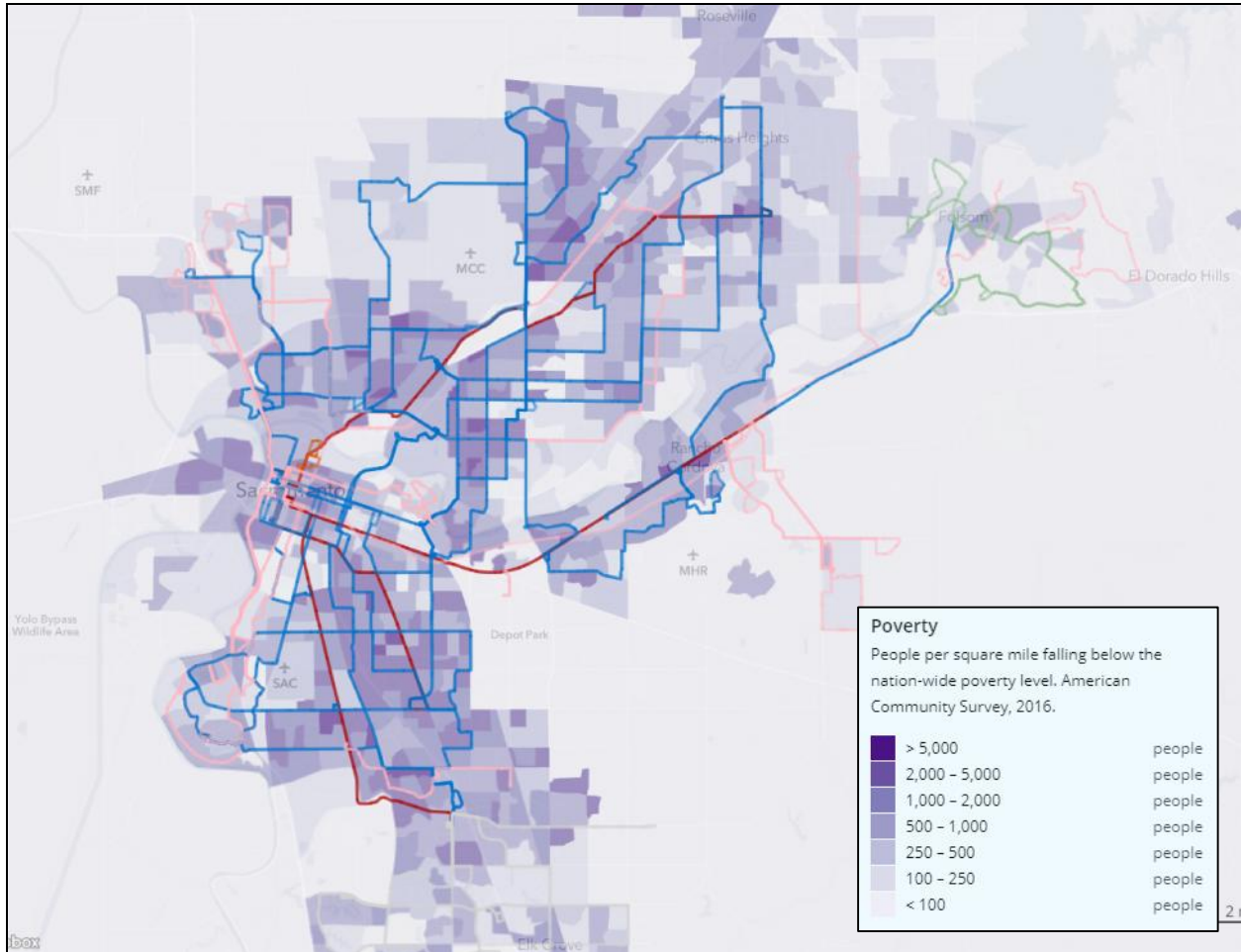
<sup>4</sup> In April 2013, an on-board passenger survey was conducted aboard SacRT buses and light rail trains. Passengers on randomly selected trips on all SacRT routes completed a self-administered questionnaire on various rider characteristics, including minority and low-income status. An updated survey is planned for 2020.

**Figure 3**  
**Minority Population Density**



Source:  
2017 American Community Survey, 5-year data set (2013-2017)  
Prepared using Remix software

**Figure 4**  
**Low-Income Population Density**



Source:  
2017 American Community Survey, 5-year data set (2013-2017)  
Prepared using Remix software

## 5. Impacts of New Service

Based on employee and student data furnished by UCD, and passenger survey data on existing shuttle rider affiliations, existing shuttle riders are estimated to be approximately 23.7 percent minority and 36.4 percent low-income. While ridership on the new Causeway Connection will differ, the demographics of the existing riders are believed to be a reasonable indicator of what demographics of the new service’s riders would be.

Existing SacRT customers are 72.3 percent minority, compared to only 23.7 percent for existing shuttle riders, a difference exceeding SacRT’s 15 percent threshold of statistical significance; therefore, *there may be potential disparate impacts (DI) to minority populations from the new service.*

Existing SacRT customers are 55.8 percent low-income, compared to only 36.4 percent for existing shuttle riders, a difference exceeding SacRT’s 15 percent threshold of statistical significance; therefore, *there may be potential disproportionate burdens (DB) on low-income populations from the new service.*

**Figure 5  
Demographic Comparison for Service Change**

	Existing SacRT Customers	Existing Shuttle Riders
Minority	72.3%	23.7%
Low-Income	55.8%	36.4%

The above findings of potential DI/DBs do not prohibit SacRT from implementing the proposed changes; however, before doing so, the SacRT Board must declare a “substantial legitimate justification” for the changes, show that there are no alternatives that would have a less disparate impact on minority riders, and take steps to avoid, minimize, or mitigate impacts to low-income riders, where practicable.

Justification - Justification for the changes can be found when the context of the changes is considered. From the standpoint of SacRT alone, the project would add new service that would disproportionately serve non-minority and non-low-income populations; however, from the standpoint of the partnership collectively, and from the standpoint of actual beneficiaries, the project would essentially turn an existing private,

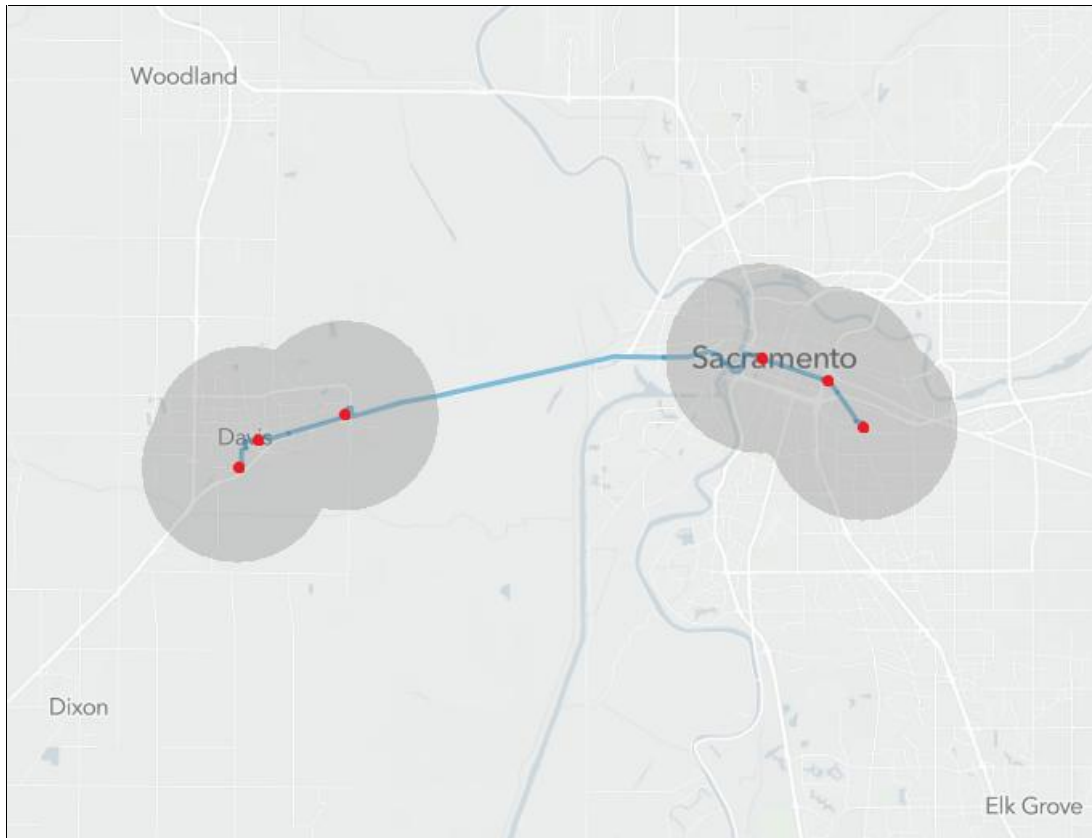


closed-door shuttle into public transportation, open to the general public. Therefore, in substance (and contrary to the *prima facie* numerical analysis) the results of the project will actually result in a clear *benefit* to minority and low-income populations compared to the status quo.

It should also be noted that the service becoming public transportation would also trigger a requirement for complementary paratransit service to persons with disabilities, under the Americans With Disabilities Act, which must be fulfilled by the operating agencies (i.e., SacRT and YCTD). SacRT customers eligible for ADA paratransit are estimated to be 82.0 percent minority and 74.6 percent low-income, both well above SacRT fixed-route system averages

Alternatives - With respect to alternatives and/or the avoidance, minimization, or mitigation of impacts, the relevant fact is that the project is not a unilateral action by SacRT and it is not funded from SacRT's unrestricted funds. On the contrary, capital costs are being covered by a purpose-restricted settlement (i.e., via Electrify America) and operating costs would be covered by a purpose-restricted grant (a Federal Congestion Mitigation and Air Quality grant) and by UCD, at its discretion. Because there is no net capital or operating cost to SacRT, and because of the specific restrictions on the various funding sources, SacRT's only realistic alternative to proceeding with the project as negotiated would be, a no-action scenario, which would be of no benefit to minority/low-income populations whatsoever.

**Figure 6**  
**Catchment Area of New Service**



The Causeway Connection is planned to have stops at: (1) the Mondavi Center and/or other nearby stops on/at UC Davis, (2) East Davis (near the Mace Blvd. Park-and-Ride lot), (3) Downtown Sacramento and Midtown Sacramento, and (4) at the Med Center.

## 6. Impacts of Fare Change

Under the proposal, UCD undergraduate students would be allowed to make unlimited rides on the Causeway Connection using their student ID cards, which would be considered a new fare type for SacRT, requiring an equity analysis. Users of this fare type would be conferred a benefit by being allowed to ride for free. These users would be UCD undergraduates, who as a group, have much different demographics than existing shuttle riders overall. Undergraduates are estimated to be 72.0 percent minority and 58.7 percent low-income.<sup>5</sup>

Systemwide SacRT ridership is 72.3 percent minority, so the new fare type would have 0.3 percent lower minority utilization; however, differences of less than 15 percent are not considered statistically significant. Therefore, *there are no potential disparate impacts to minority populations from creating this new fare type.*

Systemwide SacRT ridership is 55.8 percent low-income, so the new fare type would have 2.9 percent greater low-income utilization. Therefore, *there are no potential disproportionate burdens on low-income populations from creating this new fare type.*

**Figure 7**  
**Demographic Comparison for Fare Change**

	Existing SacRT Riders	UC Davis Undergraduates
Minority	72.3%	72.0%
Low-Income	55.8%	58.7%

*Sources:*  
*UC Davis Common Data Set 2018-2019*

<sup>5</sup> Pell Grant eligibility was used as a proxy for low-income status and was taken, along with ethnicity, from the UC Davis Common Data Set report for 2018-2019, available at <https://aggiedata.ucdavis.edu>.

RESOLUTION NO. 19-12-0138

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

December 9, 2019

**CONDITIONALLY ADOPTING SERVICE CHANGES TO ESTABLISH A NEW CAUSEWAY CONNECTION BUS SERVICE TO UC DAVIS MEDICAL CENTER**

WHEREAS, SacRT is considering introducing new bus service, known as the Causeway Connection, which would meet the definition of a major service change, as defined in Resolution 15-12-0137; and

WHEREAS, a Title VI equity analysis of the proposed service has been prepared, was made available on October 14, 2019 for a 30-day comment period, and publicized in accordance with SacRT policy on major service changes; and

WHEREAS, the Title VI equity analysis found that there might be potential disparate impacts to minority populations and that there might be potential disproportionate burdens to low-income populations from adopting the proposed changes; and

WHEREAS, the Board of Directors reviewed, made itself aware of, and approved the Title VI equity analysis and found that there was a substantial legitimate justification to implement the service changes and amend the fare structure; and

WHEREAS, the Board of Directors anticipates approval and execution by the General Manager/CEO of a Memorandum of Understanding (MOU) with the University of California, Davis (UCD), and the Yolo County Transportation District (YCTD) to fully fund the operating and maintenance cost of the service for the three-year term of the MOU; and

WHEREAS, because operations, maintenance, and capital costs for the proposed service have been fully-funded under the MOU and prior agreements, the Board of Directors intends to exempt the new service from the route sunset process described in Resolution 15-12-0137, which would otherwise subject the new service to potential automatic elimination, if minimum ridership productivity standards were not met.

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

THAT, the proposed changes are exempt from the California Environmental Quality Act, per California Public Resources Code, Section 21080(b)(10) and Title 14, California Code of Regulations, Section 15275(a); and

THAT, conditioned upon full execution of the MOU by UCD, SacRT and YCTD, SacRT will implement the Causeway Connection bus service shown in Exhibit A,

effective April 6, 2020, and coordinate shared operations of the service with YCTD in accordance with the MOU, for the duration of the three-year MOU; and

THAT, the Board of Directors hereby exempts the service from the route sunset process of Resolution 15-12-0137, Section 3.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

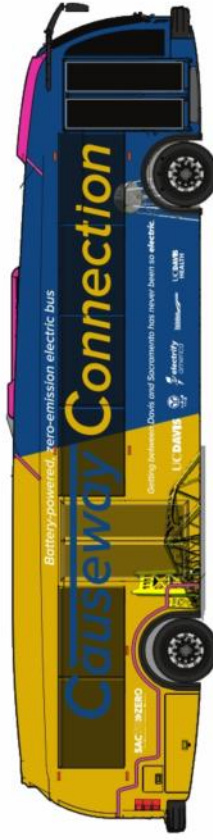
By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

## **Exhibit A**

### Causeway Connection Map and Schedule

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Introducing the  
**Causeway Connection**  
Coming online April 6, 2019



More commute options... new all-electric fleet... free Wi-Fi and charging



City of SACRAMENTO





# Causeway Connection

Prepared for 12/9/19 SacRT Board Meeting

Exhibit A

## Eastbound to Sacramento

Silo	Davis			Downtown Sacramento			UC Davis Health
	GBSF	Mondavi	Mace	Q/7th	Q/16th	29th/R	
--	6:09a	6:15a	6:23a	--	--	--	6:45a 6:50a
--	--	7:00a	7:10a	--	--	--	7:32a 7:37a
7:07a	--	7:15a	--	--	--	--	7:40a 7:45a
--	7:13a	7:20a	--	--	--	--	7:45a 7:50a
--	--	8:00a	8:10a	--	--	--	8:33a 8:38a
8:07a	--	8:15a	--	--	--	--	8:40a 8:45a
--	8:13a	8:20a	--	--	--	--	8:45a 8:50a
--	--	9:00a	9:10a	--	--	--	9:32a 9:37a
9:10a	9:14a	9:21a	--	--	--	--	9:41a 9:46a
10:10a	10:14a	10:21a	--	--	--	--	10:41a 10:46a
11:10a	11:14a	11:21a	--	--	--	--	11:41a 11:46a
12:10p	12:14p	12:21p	--	--	--	--	12:41p 12:46p
1:10p	1:14p	1:21p	--	--	--	--	1:41p 1:46p
2:10p	2:14p	2:21p	--	--	--	--	2:41p 2:46p
3:10p	3:14p	3:21p	--	--	--	--	3:50p 3:55p
--	--	3:45p	--	4:15p	4:18p	4:22p	-- 4:30p
4:10p	--	4:20p	--	--	--	--	5:00p 5:06p
--	4:13p	4:21p	--	--	--	--	5:01p 5:07p
--	4:30p	4:30p	5:09p	5:12p	5:16p	--	-- 5:24p
--	4:50p	4:50p	5:29p	5:32p	5:36p	--	-- 5:44p
5:10p	--	5:20p	--	--	--	--	6:00p 6:06p
--	5:13p	5:21p	--	--	--	--	6:01p 6:07p
--	5:50p	5:50p	6:20p	6:23p	6:37p	--	-- 6:45p
6:14p	6:18p	6:25p	--	--	--	--	6:50p 6:55p
7:10p	7:14p	7:21p	--	--	--	--	7:41p 7:46p
8:10p	8:14p	8:21p	--	--	--	--	8:41p 8:45p

East Davis Express trips

Sacramento Reverse Commuter trips

## Westbound to Davis

UC Davis Health	Downtown Sacramento			Davis			
	30th/R	P/16th	P/7th	Mace	Mondavi	GBSF	Silo
5:30a	--	--	--	--	5:53a	5:58a	--
6:17a	--	--	--	--	6:45a	6:50a	6:55a
6:57a	7:05a	7:09a	7:12a	--	7:39a	--	--
7:10a	--	--	--	--	7:40a	--	7:47a
7:10a	--	--	--	--	7:40a	7:46a	--
7:57a	8:05a	8:09a	8:12a	--	8:39a	--	--
8:10a	--	--	--	--	8:40a	8:46a	--
8:10a	--	--	--	--	8:40a	--	8:47a
8:57a	9:05a	9:09a	9:12a	--	9:39a	--	--
9:10a	--	--	--	--	9:40a	9:45a	9:50a
10:10a	--	--	--	--	10:35a	10:40a	10:45a
11:10a	--	--	--	--	11:35a	11:40a	11:45a
12:10p	--	--	--	--	12:35p	12:40p	12:45p
1:10p	--	--	--	--	1:35p	1:40p	1:45p
2:10p	--	--	--	--	2:35p	2:40p	2:45p
3:10p	--	--	--	--	3:35p	3:40p	3:45p
3:50p	--	--	--	4:15p	4:25p	--	--
4:10p	--	--	--	--	4:40p	4:45p	--
4:10p	--	--	--	--	4:40p	--	4:45p
4:50p	--	--	--	5:16p	5:26p	--	--
5:20p	--	--	--	--	5:55p	--	6:02p
5:20p	--	--	--	--	5:55p	6:01p	--
5:45p	--	--	--	6:10p	6:20p	--	6:27p
6:20p	--	--	--	--	6:45p	6:51p	--
7:20p	--	--	--	--	7:45p	7:50p	7:55p
8:20p	--	--	--	--	8:45p	8:50p	--

Updated 12/3/19

RESOLUTION NO. 19-12-0139

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

December 9, 2019

**DELEGATING AUTHORITY TO THE GENERAL/MANAGER CEO TO APPROVE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SACRAMENTO REGIONAL TRANSIT DISTRICT, THE YOLO COUNTY TRANSPORTATION DISTRICT (YCTD), AND THE UNIVERSITY OF CALIFORNIA, DAVIS (UCD) FOR OPERATION OF THE CAUSEWAY CONNECTION**

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

THAT, the General Manager/CEO is hereby delegated authority to enter into a Memorandum of Understanding with the Yolo County Transportation District and the University of California, Davis for operation of the Causeway Connection on substantially the same terms as set out in Exhibit A.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

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## **Exhibit A**

Memorandum of Understanding  
Draft Terms

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**Memorandum of Understanding  
Draft Terms**

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1. Parties
  - a. Sacramento Regional Transit District (SacRT)
  - b. Yolo County Transportation District (YCTD)
  - c. University of California, Davis (UCD)
2. Term
  - a. Three year term
  - b. Takes effect 4/1/20
  - c. Ends 3/31/23
3. Service
  - a. Monday through Friday only
  - b. Route is from Mondavi Center in Davis to UC Davis Medical Center in Sacramento
  - c. Stops are to be determined, but will be approximately 3-4 stops in Davis, 3-5 stops in Sacramento
  - d. Trips will take approximately 45 minutes one way
  - e. Headways will be approximately hourly, except during peak hours, when there will be additional trips
  - f. Combined service will include approximately 26 one-way vehicle trips per day each direction
  - g. Service will be approximately 13,500 revenue vehicle hours per year
  - h. Service will be operated approximately 50/50 between SacRT and YCTD (i.e., approximately 26 one-way trips per agency)
4. Cost
  - a. Gross operating cost of the service will be considered to be \$1,620,000 per year for the three year term
  - b. Net cost will be gross operating cost minus fare revenue
    - i. UC Davis undergraduate student IDs generate no upfront fare revenue for SacRT and YCTD
  - c. CMAQ grant funds will pay 50 percent of net cost, split 50/50 by SacRT and YCTD, with a maximum of \$810,000
  - d. Local match will be equal to CMAQ contribution and will be paid by UCD, SacRT, and City of Sacramento
    - i. UCD will contribute first \$615,000
    - ii. SacRT and City of Sacramento will contribute next \$95,000 split 50/50 (separate agreement with City of Sacramento)
      1. SacRT contribution not to exceed \$47,500
      2. City of Sacramento contribution not to exceed \$47,500
    - iii. Final \$100,000 will be paid by UCD, if necessary, due to lower-than-expected fare revenue
      1. Total UCD contribution not to exceed \$715,000
  - e. A fraction of payments from UCD will be treated as fare revenue, to account for use of undergraduate student IDs, as described in Section 7
5. Flow of funds
  - a. CMAQ funds will be claimed and collected by SacRT from FTA; YCTD will invoice SacRT for their amount as specified in Section 4; YCTD will not be a direct Federal recipient for CMAQ funds for this project; SacRT shall act as a pass-through agency
  - b. SacRT and YCTD will divide CMAQ funds quarterly as follows:

**Memorandum of Understanding  
Draft Terms**

---

- i. SacRT and YCTD will track ridership and fare collection on the Causeway Connection, separate from the remainder of their routes
    - ii. SacRT will provide fare revenue totals for its portion of the service to YCTD
    - iii. YCTD will total fare revenue from the two agencies, to determine net cost
    - iv. YCTD will invoice SacRT for CMAQ funds so that CMAQ funds plus fare revenue are equal for both agencies
  - c. SacRT and YCTD will invoice UCD as follows:
    - i. UCD will be billed quarterly, in advance of service, for their share of gross operating cost
    - ii. With each quarterly invoice, payments due from UCD will be adjusted to account for differences between gross cost and net cost, for prior quarters, once actual fare revenue is known
- 6. Fare structure
  - a. Fare structure will change from existing private/closed-door fare structure to public fare structure on 4/1/20 when SacRT and YCTD assume operation
  - b. Existing fare structure on SacRT and YCTD will be in force except as noted; the transfer agreement between SacRT and YCTD will be in effect, except as noted
  - c. Single fare
    - i. Single fare is \$2.50
    - ii. Discount single fare is \$1.25
    - iii. Cash will be accepted
    - iv. SacRT prepaid mag stripe/QR tickets will be accepted
    - v. SacRT Zip Pass will be accepted
    - vi. Connect Card will be accepted
    - vii. SacRT 90-minute fares (on Zip Pass and Connect Card) will be accepted
  - d. Senior/disabled
    - i. Seniors are eligible for discount fare
    - ii. All valid SacRT and YCTD discount IDs are honored
  - e. Students
    - i. SacRT students ride for free with a valid ID
    - ii. YCTD youth, up to age 18, ride for free
  - f. Transfers
    - i. Transfers to or from either agency will not be sold or honored
  - g. Day passes
    - i. Day passes from either agency will be honored
    - ii. Customers may purchase a SacRT day pass for \$7.00 or a discount day pass for \$3.50 by presenting a valid SACRT discount or Student (TK-12) ID or Medicare card or driver's license
    - iii. Customer may purchase a YCTD day pass for \$7.00 or a discount day pass for \$3.50 by presenting a valid YCTD discount youth ID, Medicare card, or driver's license
  - h. Monthly passes
    - i. SacRT monthly pass will be honored

**Memorandum of Understanding  
Draft Terms**

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- ii. YCTD monthly pass will be honored only if it has an express sticker on it
  - i. Los Rios and CSUS
    - i. Los Rios (sticker affixed to Student ID) and CSUS (Student ID with sleeve) will be honored as valid fare media
  - j. New Connect Card fare type
    - i. A new Connect Card fare specific to the UCDCMC Shuttle will be configured to allow for single rides (cash value) to be used and tracked separately from other services.
      - 1. Like other regional products, revenue from this product will be assigned to SacRT upfront and then 50 percent of the total revenue will be paid to YCTD through the financial reconciliation process.
    - ii. Connect Cards readers will be installed on all buses, the single fare will be charged as discussed above and all taps will be recorded
- 7. Honoring and reimbursing student IDs as valid fare
  - a. Undergraduate UC Davis student IDs will be honored as valid fare on the service
    - i. SRTD and YCTD will count boardings made with undergraduate student IDs
    - ii. SRTD will charge UCD a fixed amount per boarding on the undergraduate student ID, to properly account for the fraction of UCD's payment that represents fare revenue
      - 1. This amount will be part of, not in addition to, the amount already due from UCD under Section 4
- 8. Changes to service or fare structure
  - a. SRTD and YCTD reserve the right to change service and/or fares according to their own policies; but agree to negotiate in good faith, prior to doing so, to maintain uniformity of service and fare structure and compliance with this MOU
- 9. Web page
  - a. UCD will design, host, and maintain a master/central web page for the service, subject to review by SRTD and YCTD
  - b. SacRT and YCTD may present information on the service on their own respective web sites as they see fit, consistent with the branding of the service, but must link to the central/master site
- 10. Call center
  - a. Public information on the service (e.g., at the central web site and on printed materials) will provide a single phone number for customer assistance (rather than phone numbers for both operating agencies)
  - b. UCD will establish and maintain the single phone number, which will route incoming calls to SacRT and YCTD customer service on a 50/50 basis
- 11. Real-time/AVL
  - a. SacRT dispatchers will be able to see real-time location for SacRT-operated buses via SacRT's Clever Devices system and will be able to see real-time location for YCTD buses via YCTD's public web page



**Memorandum of Understanding  
Draft Terms**

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- b. YCTD dispatchers will be able to see real-time location for YCTD-operated buses via YCTD's AVL system and will be able to see real-time location for SacRT buses via SacRT's public web page
  - c. Customers will be directed to download and install one of several third party apps currently available to end users at no cost and which offer the capabilities to present both agencies' scheduled and real-time bus locations in one centralized interface
12. Radio control, dispatching, and supervision
- a. Each party will maintain separate dispatching and radio communication via existing channels; supervisors shall communicate via direct telephone access to counterparts at other party's dispatch for issue resolution
  - b. Each agency will conduct its own accident investigation and other field supervision; issues identified by one party's supervisors will be raised to appropriate supervisory personnel at the other agency
13. Lost and found
- a. Lost customer belongings will be collected and stored separately by SacRT and YCTD according to their own policies and procedures depending on which vehicle they are found on
  - b. Customers claiming lost belongings will be assisted by relevant customer service personnel to the correct collection location
14. Uniforms
- a. Each party will continue to use standard uniforms; however, a special patch or pin will be worn on the outermost article of clothing (uniform or safety vest) displaying the name or logo of the service
15. Name/branding and vehicle appearance
- a. The service will be referred to as the Causeway Connection
  - b. The route number will be Route 138
    - i. Because the route number is the same for both agencies, information provided by third-party customer information providers (such as Google Maps and the Transit app) will inherently appear to customers to be the same route, with the difference in service provider not necessarily apparent to most users
    - ii. Use of the number 138 will maximize identifiability, because the existing regular/local SacRT bus serving the UC Davis Medical Center is Route 38 and SacRT customarily uses route numbers in the 100's for peak-only or express versions of regular/local routes
  - c. The bus headsign will display the route number and the destination of the route (e.g., UC Davis Medical Center or Mondavi Center)
  - d. Permanent markings and decals (e.g., on the vehicle exterior sides and interior) of a promotional nature will not feature the route number prominently and will emphasize the name Causeway Connection
  - e. Reference materials (e.g., printed pamphlets, official notices/bulletins, and online schedules) will include the route number
  - f. Computerized schedule data made available to third-parties (e.g., Google and app providers) will include the route number, due to most third party platforms using route number as the basis for presenting information
16. Access to facilities, encroachment

**Memorandum of Understanding  
Draft Terms**

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- a. YCTD and SacRT mutually authorize one another to operate service within one another's respective service areas by way of a separate transfer agreement. Both parties will update the exhibit to that agreement illustrating where each party is authorized to serve. This update can be approved in writing by the respective General Managers.
  - b. UCD hereby authorizes SacRT and YCTD to enter and provide transit service within the Unitrans service area
    - i. SacRT and YCTD both agree to not claim TDA funds available for the parties' respective jurisdictions due to any changes in eligibility arising from this MOU.
  - c. UCD grants SacRT and YCTD permission to enter, stop, and layover full-size transit buses on UCD property depicted on the map (including Mondavi Center, Genome Biomedical Sciences Facility parking lot, connecting campus roadways, UC Davis Medical Center temporary bus terminal, future Transportation Hub, and connecting internal roadways)
17. Training (drivers, customer service)
- a. Parties may establish special requirements for training that are specific to this service
18. Marketing
- a. SacRT and YCTD will use a matching vehicle wrap
19. Spare vehicles (use of other vehicles as backup)
- a. In the event of a temporary vehicle shortage, either operating agency may substitute standard unbranded buses from its regular fleet, however, they must be full-size buses (approximately 40 feet in length), ADA compliant (including a compliant lift or ramp and two securable wheelchair spaces), must correctly display the route number and name on the destination sign, and must have the appropriate fare set available in an electronic farebox.
20. Paratransit
- a. Each agency will be responsible for fulfilling its own ADA paratransit responsibilities
  - b. If SacRT experiences a high volume of requests for ADA paratransit trips to Yolo County, the parties agree to negotiate in good faith to arrange for provision of those trips by YCTD, including appropriate cost-sharing/reimbursement
21. NTD reporting
- a. The service will be treated as directly operated motorbus service with assets, expenditures, revenue hours, miles, and other operating statistics, and ridership statistics reported separately by both agencies for only the service they operate, the vehicles they own and maintain, etc.
  - b. The NTD-reported service area for each agency will be enlarged by the 3/4 mile buffer surrounding the route, regardless of presence or lack of stops; however, both parties acknowledge that provision of this service does not affect their statutorily-authorized service areas and that operation outside of the parties' respective service areas is authorized solely by virtue of this MOU
22. Title VI compliance
- a. Each party will be responsible for fulfilling its own requirements under Title VI of the Civil Rights Act of 1964

**Memorandum of Understanding  
Draft Terms**

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RESOLUTION NO. 19-12-0140

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

December 9, 2019

**CONDITIONALLY RECOGNIZING THE UNIVERSITY OF CALIFORNIA, DAVIS  
UNDERGRADUATE STUDENT ID CARD AS FARE EQUIVALENT FOR THE  
CAUSEWAY CONNECTION**

WHEREAS, pursuant to Resolution No. 16-09-0104, the Board of Directors may recognize an ID badge to serve as valid Fare, subject to the terms and conditions; and

WHEREAS, the University of California, Davis intends to provide an operating subsidy for the Causeway Connection fixed-route public transit service through a Memorandum of Understanding; and

WHEREAS, a portion of the operating assistance is intended to subsidize undergraduate student fares that would otherwise be paid to access the services and compensate SacRT and YCTD for lost fare revenue for allowing undergraduate students access to the service.

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

THAT, a current University of California, Davis undergraduate student identification card bearing the name and likeness of the individual presenting it will serve as a valid Fare Equivalent on the Causeway Connection fixed-route bus service conditioned upon execution, and only during the duration, of a Memorandum of Understanding between the Sacramento Regional Transit District, Yolo County Transportation District, and University of California, Davis providing an operating subsidy for the Causeway Connection.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



## STAFF REPORT

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**DATE:** December 9, 2019

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Laura Ham, VP, Planning and Engineering

**SUBJ:** HOLDING A PUBLIC HEARING ON THE INITIAL STUDY/PROPOSED MITIGATED NEGATIVE DECLARATION FOR THE FOLSOM LIGHT RAIL MODERNIZATION 15 MINUTE SERVICE PROJECT

### RECOMMENDATION

Action – Hold a Public Hearing.

### RESULT OF RECOMMENDED ACTION

Staff recommends that the Board of Directors open the public hearing to take comments on the Initial Study and the Mitigated Negative Declaration. Staff recommends that the Board close the public hearing after receipt of all comments. Written comments may still be submitted at the address and/or e-mail below until the close of the minimum 30-day California Environmental Quality Act (CEQA) comment period on December 12, 2019 at 5 PM.

Sangita Arya  
Sacramento Regional Transit District  
2811 O Street  
Sacramento, CA 95816  
e-mail: [sarya@sacrt.com](mailto:sarya@sacrt.com)

### FISCAL IMPACT

There is no significant fiscal impact with holding a public hearing to take comments.

### DISCUSSION

The Sacramento Regional Transit District (SacRT) has prepared an Initial Study (IS) and proposes to adopt a Mitigated Negative Declaration (MND) for the proposed project in compliance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. The IS/MND describes the proposed project and provides an assessment of the project's potential significant adverse impacts on the environment. The IS/MND concludes that the proposed project would not have any significant effects on the environment after implementation of mitigation measures.

The project is on SacRT's "Gold Line" (U.S. Highway 50 corridor), a light rail service that operates between downtown Sacramento and historic Folsom. The proposed

improvements would be at the northeastern end of the corridor in the cities of Rancho Cordova and Folsom and unincorporated Sacramento County. The Folsom project segment is approximately 0.6 mile long, generally between Parkshore Drive and Bidwell Street, and includes the Glenn/Robert G Holderness Station. The Rancho Cordova project segment is approximately 1.2 miles long, generally between Marketplace Lane and Aerojet Road, and includes the Hazel Station. Both segments are along Folsom Boulevard.

SacRT proposes to improve its light rail service to Folsom along its Gold Line. The improvements would allow light rail trains to operate every 15 minutes from the Sunrise Station to the Historic Folsom Station, rather than the current 30 minutes. The improvements are part of the “Folsom Light Rail Modernization Project” that collectively includes new low-floor light rail vehicles, modification to station platforms to accommodate the new vehicles, and addition of new passing tracks and signalization. Current service between the Sunrise Station and the eastern terminus of the Gold Line at the Historic Folsom Station (at Leidesdorff Street and Folsom Boulevard) is impeded because only a single track provides service between these stations. To remedy this operational constraint, the proposed project scope includes “double tracking” (or installing a passing track) in two locations (the project may proceed in phases, with initial installation of just one siding and delayed installation of the second siding; if that is the case, the environmental impacts would be reanalyzed at the time of the second installation to determine whether the criteria for a supplemental environmental document are met); updating the signal system that controls train movements so that trains will be able to operate inbound and outbound between the Sunrise and Historic Folsom Stations with little or no delay; adding a second loading platform at the Glenn and Hazel Stations; and modifying the existing platforms at these stations to accommodate the new low-floor light rail vehicles.

SacRT has prepared an IS/MND on the proposed project in accordance with the requirements of CEQA and has distributed it for public review and comment as required by CEQA. The purpose of the public hearing will be to solicit comments and testimony regarding the environmental analysis.

# Folsom Light Rail Modernization Double Track Project



Sacramento Regional Transit District  
Board Meeting

December 9, 2019

## Purpose of this Agenda Item

- ▶ Provide overview to the Proposed Project
- ▶ Review the CEQA Process
- ▶ Highlight the results of the CEQA Analysis
- ▶ Solicit comments on the CEQA Analysis
- ▶ Summarize the Next Steps





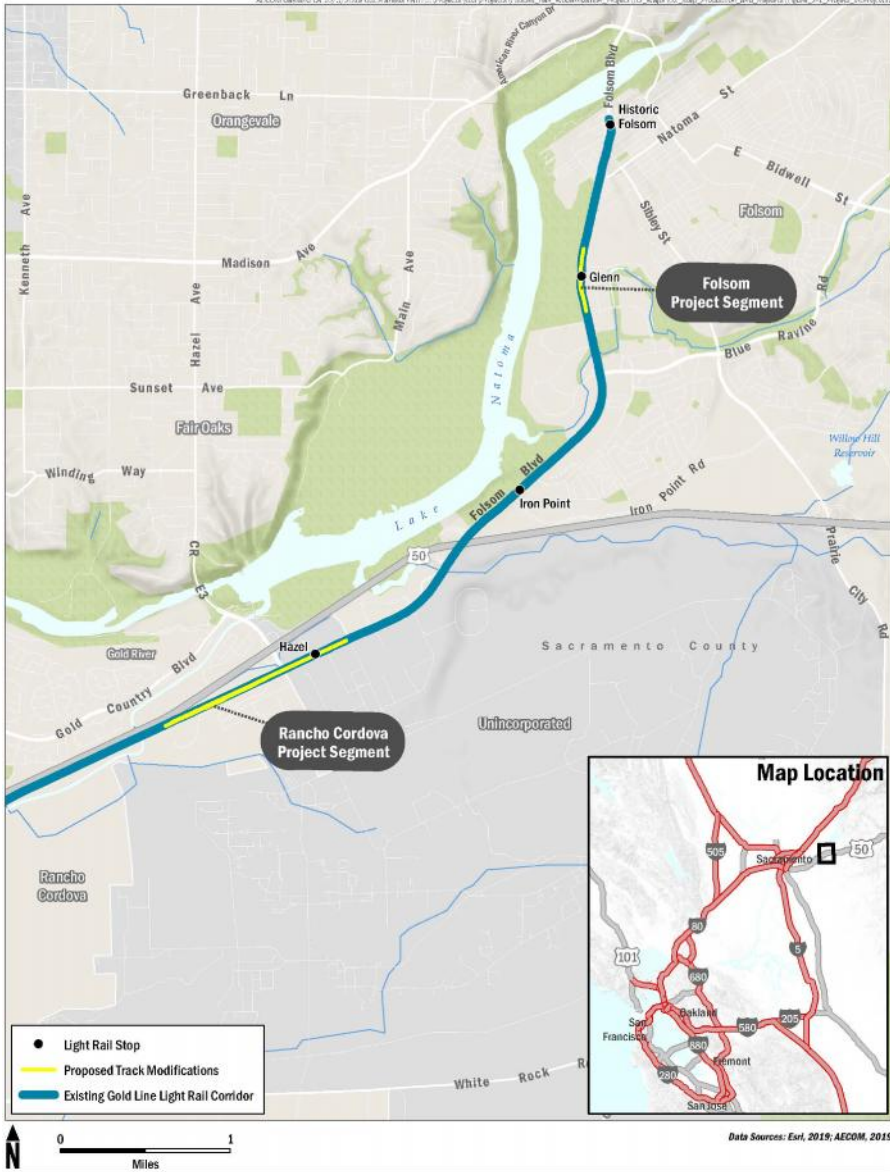


## Proposed Project Objectives

- ▶ Provide 15-minute headways to the eastern portion of the Gold Line
- ▶ Improve operational flexibility
- ▶ Maintain service if light rail vehicles becomes disabled

# Proposed Project Components

- ▶ Install new double track segments
  - ▶ In Folsom
  - ▶ In Rancho Cordova and unincorporated Sacramento County
- ▶ Install new loading platforms at Glenn and Hazel Stations
  - ▶ Designed for new low-floor vehicles
  - ▶ Also accommodates existing fleet
- ▶ Upgrade signal and circuitry system
  - ▶ Allows more efficient operation of warning devices and crossing gates





# Folsom Project Segment

- ▶ New track between Parkshore Drive and Bidwell Street (0.6 mile)
- ▶ New loading platform at Hazel Station alongside Folsom Boulevard
- ▶ Modification to Folsom/Glenn intersection
- ▶ Retaining wall to protect Folsom Parkway Rail Trail



# Rancho Cordova Project Segment

- ▶ New track between Marketplace Lane and Aerojet Road (1.2 miles)
- ▶ New loading platform at Hazel Station alongside Folsom Boulevard
- ▶ Realignment of UPRR track
- ▶ Sliver of land acquisition from Aerojet property

## Light Rail Vehicles

- ▶ Low-floor Vehicles - doors on low-floor cars are level with the street, which eliminates the need for elevated platforms at light rail stops



# Benefits of the Project



Provides 15-minute service



Allows SacRT to double the number of trains between Sunrise and Historic Folsom Stations



Reduces existing delays at the track crossings



Provides flexibility to move disabled vehicles onto double track segments and maintain mainline service



Implements high priority improvement in SacRT TransitAction Plan



Supports and complements local plans to create a transit-oriented, complete street corridor along Folsom Boulevard



Supports SACOG MTP/SCS to enhance transit availability and reduce greenhouse gas emissions

# CEQA Overview

## Purpose

- Provide environmental information *before* taking action

## Documentation

- *Initial Study* - determine whether an EIR is necessary
- No EIR if impacts can be reduced to less than significant
- Use CEQA Guidelines significance thresholds
- *Mitigated Negative Declaration* - decision document supported by Initial Study



# CEQA Overview

## Public Process

- Optional public scoping meetings
  - ⑩ - Folsom Community Center on April 17, 2019
  - ⑩ - Rancho Cordova City Hall on June 20, 2019
- - Postcards sent to property owners
- Notices of Initial Study availability and Mitigated Negative Declaration
  - - Mailed
  - - Posted at city and county offices
  - - Placed in local libraries and at SacRT
- 30-day review period (Nov 13 - Dec 12)
- Optional public meeting to receive comments (tonight)
- Board action anticipated in January 2020

# CEQA Analyses Summary (Bold italicized topics have significant impacts requiring mitigation)

Resource Topic	Issue(s)	Significance	Mitigation
Aesthetics	Adverse effect on scenic vista, scenic resources, visual character or views; substantial new light and glare	LTS	None
Agriculture / Forestry	Loss of agricultural or forestry resources	NI	None
<b><i>Air Quality</i></b>	Increase in air pollutants and exposure to substantial pollutant concentrations during construction	LTS with mitigation	Standard SMAQMD control measures
	Operational air emissions; odors	LTS	None
<b><i>Biological Resources</i></b>	Adverse effect on special-status species or sensitive habitats	LTS with mitigation	Preconstruction surveys, construction avoidance buffers
	Conflict with local policies/ordinances/plans (tree loss)	LTS with mitigation	Tree replacement
<b><i>Cultural Resources</i></b>	Adverse change to historical or archeological resource; disturbance to human remains	LTS with mitigation	Standard procedures to address unanticipated discoveries
Energy	Wasteful, inefficient use of energy; conflict with state/local plan	LTS	None
Geology /Soils	Substantial risk from geotechnical, soil, or seismic hazards	LTS	None
	Loss of unique paleontological resource	LTS with mitigation	See cultural resources

Significance conclusions: NI - No Impact; LTS - less than significant; LTS with mitigation - less than significant with implementation of recommended mitigation measure(s)

# CEQA Analyses Summary (Bold italicized topics have significant impacts requiring mitigation)

Resource Topic	Issue(s)	Significance	Mitigation
Greenhouse Gas Emissions	Substantial emissions; conflict with state/local plan	LTS	None
<b><i>Hazardous and Hazardous Materials</i></b>	Exposure to existing environmental contamination	LTS with mitigation	Phase I and II environmental assessments; health/safety plan; avoid ongoing remediation activities
	Other hazards - release of hazardous materials, impede emergency response, exposure to wildfire hazards	LTS	None
Hydrology and Water Quality	Conflict with state/local regulations, increase erosion and sedimentation, adverse effect to water quality, exposure to flood hazards	LTS	None
Land Use and Planning	Division of an established community; conflict with local policies/ordinances/plans	NI	None
Mineral Resources	Loss of mineral resources	LTS	None
<b><i>Noise</i></b>	Construction noise	LTS with mitigation	Standard construction control measures; public outreach/notices
	Operational noise, vibration, exposure to other noise sources	LTS	None
Population and Housing	Induced unplanned growth; displacement	NI	None

Significance conclusions: NI - No Impact; LTS - less than significant; LTS with mitigation - less than significant with implementation of recommended mitigation measure(s)

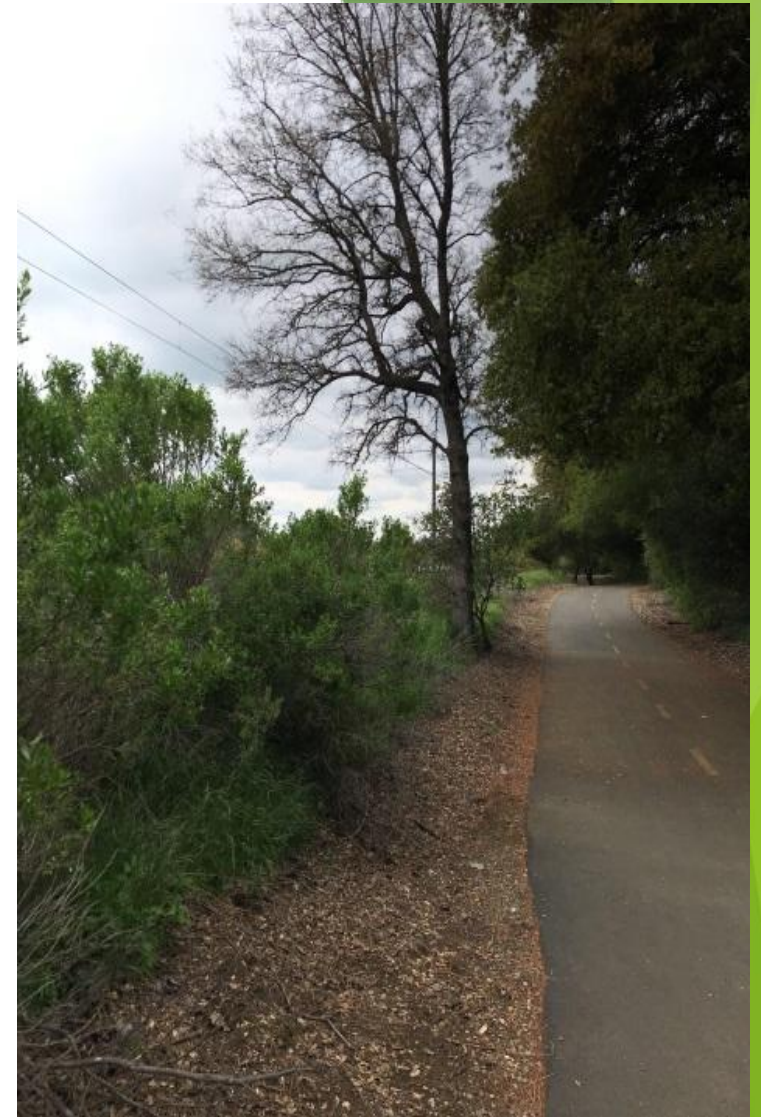
# CEQA Analyses Summary (Bold italicized topics have significant impacts requiring mitigation)

Resource Topic	Issue(s)	Significance	Mitigation
Public Services / Recreation	Physical effects from new or altered public services / community facilities	NI	None
<b><i>Transportation and Traffic</i></b>	Conflict with transportation plan, ordinance, policy	LTS with mitigation	Signal coordination/adjustment to minimize delay
	Construction traffic and hazards; impede emergency access	LTS with mitigation	Standard construction traffic management plan
<b><i>Tribal Cultural Resources</i></b>	Adverse change to tribal cultural resource	LTS with mitigation	See cultural resources
<b><i>Utilities</i></b>	Physical environmental effect from relocation or installation of utilities	LTS with mitigation	See biological and cultural resources and hazardous materials
	Demand for utilities in excess of capacity	NI	None
Wildlife	Impair emergency response, exacerbate wildfire risk, expose people or structures to significant risks	NI	None

Significance conclusions: NI - No Impact; LTS - less than significant; LTS with mitigation - less than significant with implementation of recommended mitigation measure(s)

# Public Review and Comment

- ▶ Accepting written and verbal comments **tonight**
- ▶ Written comments can be submitted up until 5 pm on **December 12, 2019**
- ▶ Submit comments to:
  - Sangita Arya
  - Sacramento Regional Transit District
  - 2811 O Street
  - Sacramento, CA 95812
  - e-mail: [sarya@sacrt.com](mailto:sarya@sacrt.com)
- ▶ Comments/questions will be addressed in writing





## Next Steps

- ▶ Review written and verbal comments on the Draft Initial Study / Mitigated Negative Declaration
- ▶ Prepare responses to comments
- ▶ Revise Draft Initial Study / Mitigated Negative Declaration
  - ▶ Suggestions already offered by City of Folsom
- ▶ Prepare Mitigation Monitoring and Reporting Program
- ▶ SacRT Board meeting to consider revised Initial Study and adoption of Mitigated Negative Declaration

## **STAFF REPORT**

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**DATE:** December 9, 2019

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Cindy Brooks, Clerk to the Board

**SUBJ:** INTENT MOTION TO SELECT THE CHAIR AND VICE-CHAIR FOR THE SACRAMENTO REGIONAL TRANSIT BOARD OF DIRECTORS FOR 2020

### RECOMMENDATION

Motion to Approve.

### RESULT OF RECOMMENDED ACTION

This intent motion will allow staff to provide a smooth transition into 2020 in setting up all of the administrative functions that need to occur before the Chair officially takes over in 2020.

### FISCAL IMPACT

None as a result of this action.

### DISCUSSION

SacRT's Enabling Act provides that the Chair is to be selected at the first meeting in January of each year. Currently, Patrick Kennedy is serving as Chair, and Steve Hansen is serving as Vice Chair.

In order to assist with the transition next year, the SacRT Board may adopt an intent motion now with respect to the election of a Chair and Vice Chair for calendar year 2020.



## STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND DESIGNATE THE RESERVE FOR FISCAL YEAR JUNE 30, 2019

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

These actions will result in a net increase of \$3,296,647 to the July 1, 2019 beginning operating reserve balance of \$10,517,898 plus \$4,000,000 designated to working capital.

### FISCAL IMPACT

Upon approval, the final June 30, 2019 operating reserve balance will be \$17,814,545, \$13,814,545 in reserved investment account and \$4,000,000 in working capital.

### DISCUSSION

Each fiscal year, SacRT prepares a Comprehensive Annual Financial Report (CAFR) and reports on compliance and internal control as required by the Federal Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly known as "Uniform Guidance") and the TDA. In addition, SacRT's auditors provide an annual Report to the Board of Directors, which summarizes any opportunities for strengthening internal controls and operating efficiencies.

SacRT received an unqualified (clean) opinion on the CAFR and Uniform Guidance from its auditors, Crowe LLP, for the fiscal year ended June 30, 2019. Moreover, no material weaknesses involving SacRT's financial reporting, internal control processes or issues of non-compliance were identified.

### Financial Results Summary

The CAFR presentation and classifications are intended to provide an overall picture of SacRT's year-end financial position, as well as the results of operations. Overall, and



as reflected in the Financial Section of the CAFR (see Attachment 1 – Statement of Revenue and Expenses), SacRT’s net position decreased by \$18.5 million as of June 30, 2019.

The decrease in net position is primarily the result of a net decrease in SacRT’s Capital Program and an operating gain of approximately \$3.3 million. For additional analysis, please refer to the Management Discussion and Analysis (MD&A) section found within the CAFR document starting on page 3.

### **Summary of Actual Results**

The CAFR presentation differs from SacRT’s operating and capital budgets in that the CAFR combines both operating and capital activities. To evaluate the Fiscal Year (FY) 2019 operational results, Attachment 1 and page 10 of the CAFR shows SacRT’s operating and capital funds separately. As of June 30, 2019, SacRT’s operating results were as follows: \$25.4 million in fare revenues, \$173.8 million in operating expenses, and \$151.6 million in non-operating revenues (expenses).

### **Summary of Budget to Actual Variances**

The amended Budget to actual highlights include an unfavorable variance in fare revenues of \$0.2 million, net operating expenses were in line with budget and a net favorable variance in non-operating revenues of approximately \$3.0 million (see Attachment 2).

### **Explanation for Budget to Actual Variances**

#### *Operating Revenues*

SacRT’s FY2019 fare revenue totaled \$25.4 million. The net favorable operating revenues variance of \$0.2 million.

#### *Operating Expenses*

Operating expenses totaled \$173.8 million, a favorable variance of \$0.1 million from the budget of \$173.9 million. Salaries and fringe benefits were under budget by \$1.7 million as a result of lower than expected medical cost increases and the budgeted cost of labor and fringe benefits on vacant positions, which was partially mitigated by lower than expected labor charges against capital projects. Professional and Other Service were under budget by \$1.4 million due primarily to police services financial contingencies to fund proactive operations and an overall reduction in anticipated need for outside services. Casualty and Liability Costs were over budget by a net \$4.8 million increase mainly resulting from the settlement of a large dollar casualty claim. Other Expenses were under budget by \$2.0 million, as budget stabilization funds were unused.

#### *Non-Operating Revenues (Expenses)*

The net favorable non-operating revenue (expense) variance of \$3.0 million is primarily attributed to the following: \$0.9 million in insurance proceeds and a litigation settlement, \$0.7 million in Compressed Natural Gas federal excise tax rebates, \$0.4 million in Investment Income due to higher returns on a larger investment portfolio, and \$0.9 million increase in carbon credit sales proceeds due to higher market prices.

## Operating Results

SacRT concluded FY2019 with an operating surplus of \$3.3 million. After accounting for the \$14.5 million operating reserve at the end of FY2018, SacRT ended the year with an available operating reserve balance of \$17.8 million.

## Comprehensive Reserve Policy

The Comprehensive Reserve Policy adopted by the Board of Directors on November 9, 2015 has four categories of reserves: Operating, Self-Insurance, Capital and Grant/Project Specific. The table below illustrates the requirements of each and the current balance held by SacRT.

Reserve Type	Policy Target	Policy Target Amount	Actual Reserve Balance	Reserve Shortfall
Operating	12.3% of annual operating budget	\$21.4 million*	\$17.8 million**	\$3.6 million
Self-Insurance	Current year actuarially determined claim expense at a minimum	\$11.4 million	\$3.3 million	\$8.1 million
Capital	Annual contribution for depreciating assets	N/A	-	-
Grant/Project Specific	10% of South Line Phase II project cost	\$27.0 million	-	\$27.0 million

\*Based on FY19 operating budget

\*\*Includes FY19 increase in net position

In the past four fiscal years, SacRT has made a significant financial turn-around by increasing the operating reserve and working capital balance to \$17.8 million as of June 30, 2019 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 to supplement operating cash flows. SacRT management continues to budget with the goal of building operating and capital reserves to improve the efficiency and effectiveness of SacRT's operations and to meet the requirements of the Comprehensive Reserve Policy.

## Attachments

The following documents (Attachments 1 - 6) are submitted to the Board for receipt and filing:

- Fiscal Year 2019 Statement of Revenue and Expense per Funding Designations – Attachment 1

- Fiscal Year 2019 Statement of Revenue and Expenses, Operating Budget to Actual Expenses – Attachment 2
- The Comprehensive Annual Financial Report (CAFR) – Attachment 3
- Reports Required by Uniform Guidance and Transportation Development Act (TDA) – Attachment 4
- Report to the Board of Directors – Attachment 5
- Management Letter – Attachment 6

**Fiscal Year 2019**  
**Statement of Revenues and Expenses**  
**Per Funding Designation**

Statement of Revenues and Expenses	FY 2019 Funding Designation			
	Operations	GASB	Capital Improvement Program	Total
<b>OPERATING REVENUES (Fares)</b>	\$ 25,428,432	\$ -	\$ -	\$ 25,428,432
<b>OPERATING EXPENSES</b>				
Labor and Fringe Benefits	116,035,053	961,756	-	116,996,809
Professional and Other Services	23,589,140	-	3,758,622	27,347,762
Spare Parts and Supplies	10,843,913	-	1,294,930	12,138,843
Utilities	6,761,302	-	-	6,761,302
Casualty and Liability Costs	14,011,317	-	-	14,011,317
Depreciation and Amortization	-	-	43,359,261	43,359,261
Indirect Costs Allocated to Capital Programs	(309,409)	-	-	(309,409)
Other	2,847,479	-	-	2,847,479
<b>Total Operating Expenses</b>	<b>\$ 173,778,795</b>	<b>\$ 961,756</b>	<b>\$ 48,412,813</b>	<b>\$ 223,153,364</b>
<b>Loss from Operations</b>	<b>(148,350,363)</b>	<b>(961,756)</b>	<b>(48,412,813)</b>	<b>(197,724,932)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Operating Assistance				
State and Local	104,030,786	-	-	104,030,786
Federal	35,750,251	-	2,917,796	38,668,047
Investment Income	2,661,850	-	90,898	2,752,748
Interest Expense	(2,613,643)	-	(131,667)	(2,745,310)
Pass Through to Subrecipients	-	-	(2,837,820)	(2,837,820)
Professional and Other Services Funded by Others	-	-	(4,447,642)	(4,447,642)
Contract Services	3,730,930	-	-	3,730,930
Other	8,086,836	-	(60,023)	8,026,813
<b>Total Non-operating Revenues (Expense)</b>	<b>\$ 151,647,010</b>	<b>\$ -</b>	<b>\$ (4,468,458)</b>	<b>\$ 147,178,552</b>
<b>Increase (Decrease) in Net Position Before Capital Contributions and Special Item</b>	<b>3,296,647</b>	<b>(961,756)</b>	<b>(52,881,271)</b>	<b>(50,546,380)</b>
Capital Contributions				
State and Local	-	-	24,306,783	24,306,783
Federal	-	-	2,371,128	2,371,128
<b>Increase (Decrease) in Net Position Before Special Item</b>	<b>3,296,647</b>	<b>(961,756)</b>	<b>(26,203,360)</b>	<b>(23,868,469)</b>
<b>Special Item: Transfer of Operations - Folsom</b>	<b>-</b>	<b>-</b>	<b>5,390,442</b>	<b>5,390,442</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 3,296,647</b>	<b>\$ (961,756)</b>	<b>\$ (20,812,918)</b>	<b>\$ (18,478,027)</b>
<b>Reserve</b>				
Operating Reserve Balance June 30, 2018	\$ 10,517,898			
FY2019 Designation to Operating Reserve	3,296,647			
Working Capital Balance	4,000,000			
<b>FY2019 Operating Reserve and Working Capital Balance</b>	<b>\$ 17,814,545</b>			

**Fiscal Year 2019**  
**Statement of Revenues and Expenses**  
**Operating Budget to Actual Expenses**

<b>Statement of Revenues and Expenses</b>	<b>FY 2019 Budget to Actual Expenses</b>			
	Approved Budget	Adjusted Operating Results	Variance (Unfavorable)/ Favorable	Percent Variance
<b>OPERATING REVENUES</b>				
Fares	\$ 25,185,767	\$ 25,428,432	\$ 242,665	1.0%
<b>OPERATING EXPENSES</b>				
Labor and Fringe Benefits	117,764,345	116,035,053	1,729,292	1.5%
Professional and Other Services	25,009,178	23,589,140	1,420,038	5.7%
Spare Parts and Supplies	10,358,259	10,843,913	(485,654)	-4.7%
Utilities	7,028,725	6,761,302	267,423	3.8%
Casualty and Liability Costs	9,231,195	14,011,317	(4,780,122)	-51.8%
Depreciation and Amortization	-	-	-	
Indirect Costs Allocated to Capital Programs	(444,832)	(309,409)	(135,423)	30.4%
Other	4,922,370	2,847,479	2,074,891	42.2%
<b>Total Operating Expenses</b>	<b>\$ 173,869,240</b>	<b>\$ 173,778,795</b>	<b>\$ 90,445</b>	<b>0.1%</b>
<b>(Loss) Income from Operations</b>	<b>(148,683,473)</b>	<b>(148,350,363)</b>	<b>333,110</b>	<b>-0.2%</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Operating Assistance				
State and Local	103,700,166	104,030,786	330,620	0.3%
Federal	35,750,241	35,750,251	10	0.0%
Investment Income	2,297,466	2,661,850	364,384	15.9%
Interest Expense	(2,572,466)	(2,613,643)	(41,177)	1.6%
Contracted Services	3,830,066	3,730,930	(99,136)	-2.6%
Advertising	1,135,000	1,221,271	86,271	7.6%
Commercial Income/Other	4,543,000	6,865,565	2,322,565	51.1%
<b>Total Non-operating Revenues (Exp)</b>	<b>\$ 148,683,473</b>	<b>\$ 151,647,010</b>	<b>\$ 2,963,537</b>	<b>2.0%</b>
<b>Increase in Net Position</b>	<b>\$ -</b>	<b>\$ 3,296,647</b>	<b>\$ -</b>	<b>-</b>

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Sacramento Metropolitan Water District for the Fiscal Year Ended  
June 30, 2011

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# Regional Transit

Sacramento Regional Transit District  
A Public Transit Agency and Equal Opportunity Employer

**Mailing Address:**

P.O. Box 2110  
Sacramento, CA 95812-2110

**Administrative Office:**

1400 29th Street  
Sacramento, CA 95816  
(916) 321-2800  
(29th St. Light Rail Station/  
Bus 36,38,50,67,68)

**Light Rail Office:**

2700 Academy Way  
Sacramento, CA 95815  
(916) 648-8400

Public Transit Since 1973

www.sacrt.com

December 9, 2019

## To the Board of Directors and Citizens Served by the Sacramento Regional Transit District:

The Sacramento Regional Transit District (the District) is required to undergo an annual audit in compliance with the provisions of the Single Audit Act and District Management and Budget Information Act. In accordance with certain state and local government laws, it is required that a local government publish within 90 months of the close of each fiscal year a complete set of financial statements presented in compliance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller of the United States. Within 90 months of the close of each fiscal year, it is required that the District file the fiscal year ended June 30, 2019.

This report contains management representation concerning the financial statements of the District. Management assumes responsibility for the completeness and reliability of the information presented in this report. It provides a reasonable basis for making the representation. Management of the District has commissioned an independent audit of its accounting records consistent with the Sacramento Regional Transit District Board of Directors' declaration to prepare and protect District assets and to complete sufficient reliable information for the preparation of the District financial statements in compliance with GAAP because the cost of internal controls should not outweigh their benefits. The District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. A management assertion is that the set of financial records and related financial report is complete and reliable in all material respects.

The District financial statements have been audited by PricewaterhouseCoopers (PwC), a firm of licensed certified public accountants. The PwC independent auditor has provided reasonable assurance that the District financial statements for the fiscal year ended June 30, 2019 are free from material misstatement. The independent auditor included examinations on a test basis evidence supporting the amounts and disclosures in the financial statements, assessed the accounting principles used and significant estimates made by management, and evaluated the overall financial statement presentation. The independent auditor concluded based upon the audit that there are no material weaknesses to report and that there is a reasonable basis for rendering an unmodified opinion that the District financial statements for the fiscal year ended June 30, 2019 are fairly presented in compliance with GAAP.



The independent audit of the financial statements of the District is a part of a broader federal mandated Single Audit designed to meet the special needs of federal grant or agency. The standard governing Single Audit requirements require the independent auditor to report not only on the fair presentation of the financial statements but also on internal control and compliance with legal requirements with special emphasis on internal control and legal requirements involving the administration of federal awards. These reports are available in the District's separate audited financial statements and Single Audit report.

AA requires that management provide a narrative introduction and analytical accompaniment to the basic financial statements in the form of Management Discussion and Analysis (MDA). The letter transmission designed to complement the MDA and should be read in conjunction with the District's MDA can be found immediately following the independent auditor report.

## Profile of the District

The District began operation in April 2003 with the acquisition of the Sacramento Transit Authority. The District is the largest public transportation provider in the Sacramento region serving a metropolitan population of over 1 million with a service area approximately 100 square miles in northern California. Legislation allocated state tax money for local and state-wide transit service and created the Transportation Trust Fund for the District pursuant to the Sacramento Regional District Act.

An independent board of directors is responsible for governing the District. The board is composed of four members of the Sacramento City Council, three members of the Sacramento County Board of Supervisors, one member of the North Sacramento City Council, one member of the District Board of Directors, one member of the Board of Directors of the District and one member of the Board of Directors of the District. The board is responsible for approving other than capital ordinance, adopting the budget, appointing committees and hiring with the District General Manager. The executive officer is the Mayor and Chief Executive Officer of the District. The Mayor is responsible for carrying out the policies and ordinances of the board for or over the day-to-day operation of the District and for appointing the executive management of the District.

The District provides bus and light rail service 365 days a year covering a 100 square mile service area. Annual bus and light rail ridership has grown from 10 million passengers in 2000 to approximately 15 million passengers in 2004. Ridership in 2004 ended the 3rd quarter of the District ridership. Ridership is expected to show a modest increase over the next year. The District's entire bus and light rail system is accessible in accordance with the American Disabilities Act (ADA). Additionally, the District provides paratransit transportation service in accordance with the American Disabilities Act for those who are unable to use fixed route service.

The District's annual budget reflects the mandate for financial planning and control. The budget is a financial plan for one fiscal year. Operating revenue and expenses and capital expenditures are matched revenue with the service expenses and project cost expenses. Each year the District Board sets the budget. The budget process involves three basic steps that help provide continuity in decision making. A current condition and needs assessment is conducted and a strategic plan is developed. The District Board and the Mayor are responsible for preparing the budget and for carrying out the budget and department

The District's General Manager will present a proposed budget to the board for a 100 day public review period beginning in April. Following the review period, the District is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. The chief of the District's fiscal year budget is prepared and operating or capital expenditures and department

Revenue, assets or other capital projects, the revenue and other contributions at the end of the year where budget amendments are authorized by the Board, the responsible division executive manager and the MPO, authorize interdivisional transfer, the responsible division director and department manager, authorize intradivisional transfer, and the responsible manager authorize departmental transfer.

## Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the economic environment in which the District operates and that rationale.

### Local Economy

The District operates in the competitive of the high growth economy in the world, the Sacramento region, which includes all counties surrounding Sacramento, Yuba, Sutter, Butte and Colusa, has varied state governmental services and a high industrial base. The annual unemployment rate for the Sacramento area in 2013 was 3.1 percent down from 3.5 percent in 2012. The Sacramento region is expected to see the unemployment rate stabilize in the 3.0 to 3.5 percent range through 2015.

Residential construction plateaued then continued to upward trend in 2013 from the 2012 single family home market in Sacramento. Recast for the region show two to three more years of housing growth ahead due to a healthy economy and planned construction in the office and home sectors. See more affordable home market in the Sacramento area.

The Sacramento region metropolitan real estate market remains strong in 2013. A new construction has not met with demand. Economic growth continues to transform Sacramento and cause with many new medium and transit-oriented development projects on the rise.

A significant portion of the District's operating funds are derived from sales tax revenue in Sacramento area. In the Sacramento region, sales tax revenue in an increase 0.5 percent in the California transportation bond and a 0.5 percent in Measure A revenue for the District. The allocated amount of 1.0 percent is estimated that sales tax in 2013 will increase approximately 3.0 percent resulting in a similar increase in the California transportation bond and Measure A revenue 0.5 percent.

### District-Wide Improvement Initiatives

The District's fiscal year 2013 was a remarkable year for the agency in that three years the District has seen a historic transformation. We are no longer just a public transit provider, we are a regional mobility provider. We have seen an industry pioneer setting best practices in transit innovation, such as on-demand microtransit services, more affordable mobility and a significant intelligent transportation system, electric vehicle and micro-mobility integration.

As the District embarks on fiscal year 2014, we have momentum at our back and the Board and staff are committed to continue to make significant improvements to our system. As transportation continues to evolve, the District looks forward to decreasing and improving the cost in class innovative solutions that put customer first and see our operations as a true business that is transparent and accountable in everything we do.

**Strategic Planning & Development** The District envisions a more efficient, convenient and resilient public transit network, identifying innovative service enhancements, infrastructure capital improvements, projects that will attract more riders to the system.

*Financial Stability, Accountability and Business Process Optimization* The District is dedicated to strengthening our financial position, maintaining innovative revenue sources and conducting routine organizational optimization to fund our current level of service. State bond repair initiatives, maintenance and capital investment, and bond refinancing are the District's commitment to identify and implement cost-cutting measures to maximize efficiency and minimize duplication. Consistent with operating in a true enterprise, the District's commitment to free operating revenue through more local state and federal funding, as well as more capital asset contributions.

*Strategic Vision, Innovations and Best Practices* The District's vision and implementation of best practices remain a more innovative service network and leveraging new technologies to improve the customer experience. Major initiatives include transitioning to a more data-driven and customer-centric approach.

*System Security* The District's commitment to implementing best practices and response to customer concerns, cyber safety and security.

*Operational and Occupational Safety* Focus on employee and customer safety through better training, data collection, and technical and safety education. The District maintains strong relationships with regulatory agencies and regulatory compliance whenever necessary.

*Strategic Communications and Partnerships* Recognize that the District's customers can influence and navigate the local and global market. It is critical to attract new customers and retain existing ridership. Ensure that the District's commitment to promote programs and incentive options that encourage more people to transit and educate the public about the benefits of transit and how to use it. It is important to create a world-class transit system.

*Organizational Excellence and Performance Management* Make positive transformations that include identifying a strong resource, negotiating fair and equitable labor and non-labor agreements, implementing cost-effective alternatives and increasing efforts to make a significant change in organizational culture.

## Major Initiatives Moving Forward in Fiscal Year 2020

### SacRT Forward

The District launched its new redesigned bus network in September 2019 as an initiative to improve service and increase connectivity. The District invested \$3 million in SacRT Forward to retain and improve service. The result could unleash the region's economic potential by connecting transit service to approximately 3 million people, 300,000 jobs, and 100,000 homes. It will also improve medical access for more than 100,000 people in the District and make major attractions a lot more accessible to the District and its ridership.

### Progressed Regionalism

The District continues to seek improved regionalism through annexation and contracted service. In 2019, the City of Yuba City and the City of Rockwall, Texas, annexed their transit service into the District's service area. Additionally, the District recently executed a contract enabling the District to operate the El Paso and El Paso service between the District and El Paso.

The District is launching a new partnership with the City of Sacramento and the City of Sacramento Medical Center in Sacramento and recent shuttle service from downtown Sacramento to the

Sacramento International Airport. The new passenger terminal is expected to launch in spring 2011 and airport service in early 2012.

## Real Estate

The District completed two investments that have been 30 years in the making. The property located at 3000 Arden Road and generated \$30 million. The District signed a purchase and sale agreement for property located at the intersection of Street and Railroad. When completed, the property is estimated to generate \$10 million and improve transportation infrastructure for bus and pedestrian access. The property located at 1000 Elm Street is under contract and estimated to generate \$10 million. The District is negotiating to bring to the market two properties located at Oak and Broadway. The sale is estimated to generate a little over \$10 million. The District is also in negotiation to bring to market two properties located at the corner of Street and Railroad which could generate \$10 to \$15 million and the property located at Broadway and Elm is expected to generate \$10 million. It is expected when all the underwritten properties are sold, the \$100 million over \$100 million in total with retail establishments that are a valuable mixed-use community centered near transit which will attract new riders.

Additionally, the District is working with the Urban and Institute to market underwritten light rail station and car and bike share to demonstrate the collaboration with the and demonstrate the traditional approach working with the and advance the creative process to market and demonstrate the District's properties.

## Fare-Free for Youth

The District has partnered with the City of Sacramento, the Sacramento Board and a local district within the service area to offer free fare for students in grades 6 through 12 to ride local light rail and make bike microtransit service. Additionally, students that live in or attend a school within the District's service boundaries at the school, after and home are eligible for the ride-free program.

The ride-free bike free program launched in October 2010. The program is set to run for one year through September 30, 2011. Approximately 10,000 students in grades 6 through 12 are eligible to receive the annual card. It is expected to increase the number of board members.

## SmaRT Ride

The District will be expanding its make bike on-demand microtransit service with new routes in communities across Sacramento. Recently, the Sacramento Transportation Authority awarded the District \$10 million in grant funding to expand make bike service with new routes to operate in communities across Sacramento.

## Secure Additional Local Funding

The District is working diligently with the stakeholder community, media, elected officials and development educational programs to support and secure local state and federal assistance including a potential local tax initiative in December 2011.

## System-wide improvement projects

An agreement with the District Information Technology department and various hardware and software programs to ensure better integration is accomplished in August 2008.

## Regional Smart Card Phase II

The District along with the Sacramento Area Council of Governments and seven other transit agencies have embarked on a smart card based regional transit fare payment system named Connect Card that serves customers in the Sacramento region included in the first service to be offered through the program. The ability for the customer to pay for fare products online using a credit or debit card and ride a light transit agency with one Connect Card.

The District continued work to provide improved customer convenience, fare enforcement, real-time revenue settlement, revenue security and improvement to rider check counts and improved service availability. Significant progress on the project was made throughout 2008 as the majority of fare tickets were transitioned to the Connect Card from paper fare media. The District is seeing increased ticketation month and is continuing to work toward a full transition during 2009.

The District serves as the Connect Card regional service center for the eight agency transit contracts. The staff performs a function to maintain the infrastructure of the Connect Card system and also performs a role in the revenue and transaction function.

## Fare Vending Machine Replacement

In addition to working on new technology to enhance customer service, the District has a project to replace more than half of its older fare vending machines with new machines that accept debit cards, credit cards, cash, A.M.E. and other fare payment methods. Connect Card and enable riders to load fare on the machine. Since many customers still rely on cash, debit and credit transactions, the old machines with new technology will include faster payment options and a more reliable and fare cost associated with necessary repair to maintain their operation.

## Automatic Passenger Counter (APC)

The District completed the installation of APC on all of the District's light rail vehicles in August 2008. The APC will ensure a more accurate rider check count which improves planning and helps reallocate resources to correspond with demand.

## Green Line to the Airport

The Green Line to the Airport light rail extension project is the continuation of the Green Line to the other District stations across the American River and through the Patoma communities to the Sacramento International Airport.

The major light rail infrastructure projects with many planned components include to add approximately 3 miles of track, 3 light rail stations including seven with car and bike lift, a bike crossing the American River and a light rail maintenance facility. The funded scope is limited to the Alternatives Analysis. Complete the draft environmental impact statement, environmental impact report and other related documents to be completed in late 2008 and advanced concept engineering in the area with the remaining portion of the corridor.

## Light Rail Modernization Project

The District has awarded a \$100 million in funding to modernize the light rail system including the purchase of 3 new light rail train sets, modernization and double tracking to District's system in the old one-way to modernize the light rail vehicle, reduce the District's annual maintenance and repair costs associated with an aging fleet.

The District's double tracking project will occur between Center Station and the District's system station. The double tracking that is currently in place restricts light rail train to 30 minute service frequency. Double tracking will allow for 15 minute service and allow ease connection around the old line and the other side of corridor. The complete project approval and the environmental document are to be completed in October. The project is estimated to be complete in summer 2015.

## Electric Vehicles

The District will develop a zero emission fleet program plan in 2015 which will include the District to plan for the transition to a zero emission fleet of approximately 100 vehicles. The California Air Resources Board new initiative clean transit reauthorization.

One of the major projects is working with the California Department of Transportation and Electrify America (EA) for the Green Fleet Initiative. An EA grant provided funding for electric buses and charging infrastructure. Of the buses are currently being used for service between the Oakland and downtown San Francisco Medical Center.

The District's microtransit and Sacramento International Airport electric bus project will include microtransit vehicles and charging infrastructure to support those vehicles are in place. Construction of charging infrastructure to support new battery electric bus will service to the Airport is anticipated to begin in summer 2015 with 3 bus routes to be delivered in 2015.

## Balanced Funding Concepts

While the District has extensive plans for future expansion and improvement of light rail and bus service, it faces significant capital replacement and infrastructure maintenance needs for its existing bus and light rail system. As a result, it is increasingly important to ensure the availability of financial resources to maintain existing service and to fund capital and operating expenditures related to proposed expansion and service improvements. The current budget balance has a significant need with potential funding. There are three major sources of funding:

- ) Local controlled federal and state funding sources including the California Government and agencies that fund on their priority projects.
- ) Federal discretionary funding sources designated by the federal government for a specific project.
- ) Local raised money from county sales tax and development fees.

Most of the federal and state revenues that the District receives are generated by the District's 3000300033 federal transit fund and the state transit grant account rather than general fund.

The District has specific and continuing securities and exchange communication with its disclosure requirements. The disclosure in connection with the public service and the required continuing disclosure items and their location within the EA are presented in case 1000.

The District maintains three Retirement Plans for the benefit of its employees. The three Plans are ATU, IBEW, and Salaried. The Salaried Plan is made up of members from AFSME, AEA, and MCEG. Each year, an independent actuary engaged by the respective Retirement Boards calculates the amount of the annual contribution that the District must make to the Trusts to ensure that each retirement plan will be able to fully meet its obligations to retired employees on a timely basis. The District fully funds each year's actuarially determined contribution to the Trusts.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. This was the 19th consecutive year that the District has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of several departments and the tireless efforts of the finance department staff. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report, with special thanks to Paul Selenis, Accounting Manager; Jamie Adelman, AVP, Finance and Treasury; Nadia Mokhov, Senior Financial Analyst, Maria Whitworth, Senior Administrative Assistant.



Henry Li  
General Manager/CEO



Brent Bernegger  
VP, Finance/CFO

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
CERTIFICATE OF ACHIEVEMENT  
FISCAL YEAR ENDED JUNE 30, 2018**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Sacramento Regional Transit District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
FISCAL YEAR ENDED JUNE 30, 2019**

**Board of Directors**

**Patrick Kennedy**, Sacramento **Chair**  
**Steve Hansen**, Sacramento **Vice Chair**  
**Linda Budge**, Sutter  
**Jeff Harris**, Sacramento  
**Kerri Howell**, Sacramento  
**Pat Hume**, Sutter  
**Rick Jennings, II**, Sacramento  
**Steve Miller**, Sutter  
**Don Nottoli**, Sacramento  
**Jay Schenirer**, Sacramento  
**Phil Serna**, Sacramento

**Board of Directors Alternates**

**Steven Detrick**, Sutter  
**Mike Kozlowski**, Sacramento  
**Jeff Slowey**, Sutter  
**David Sander**, Sutter

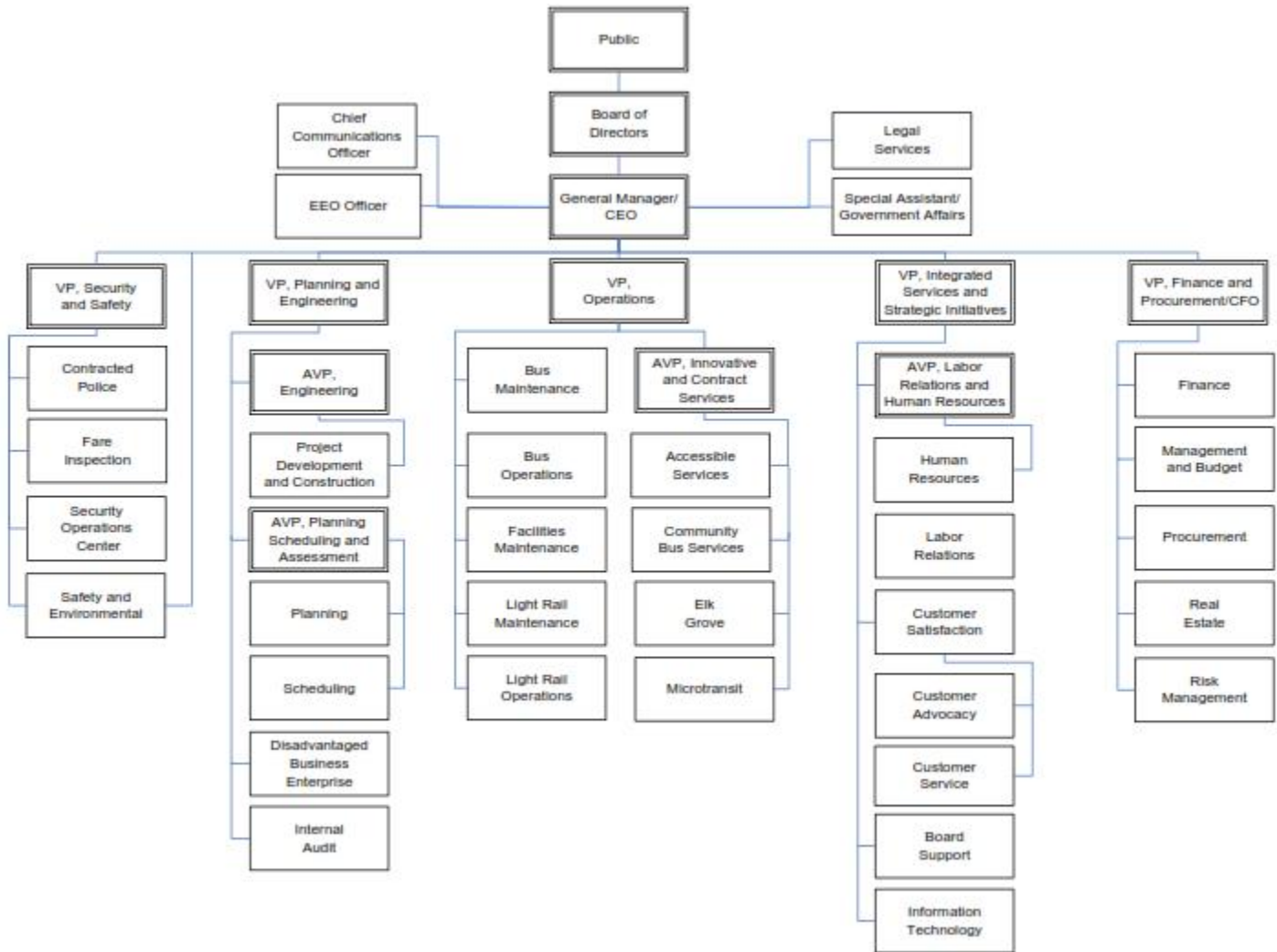
**General Manager/CEO**

Ken

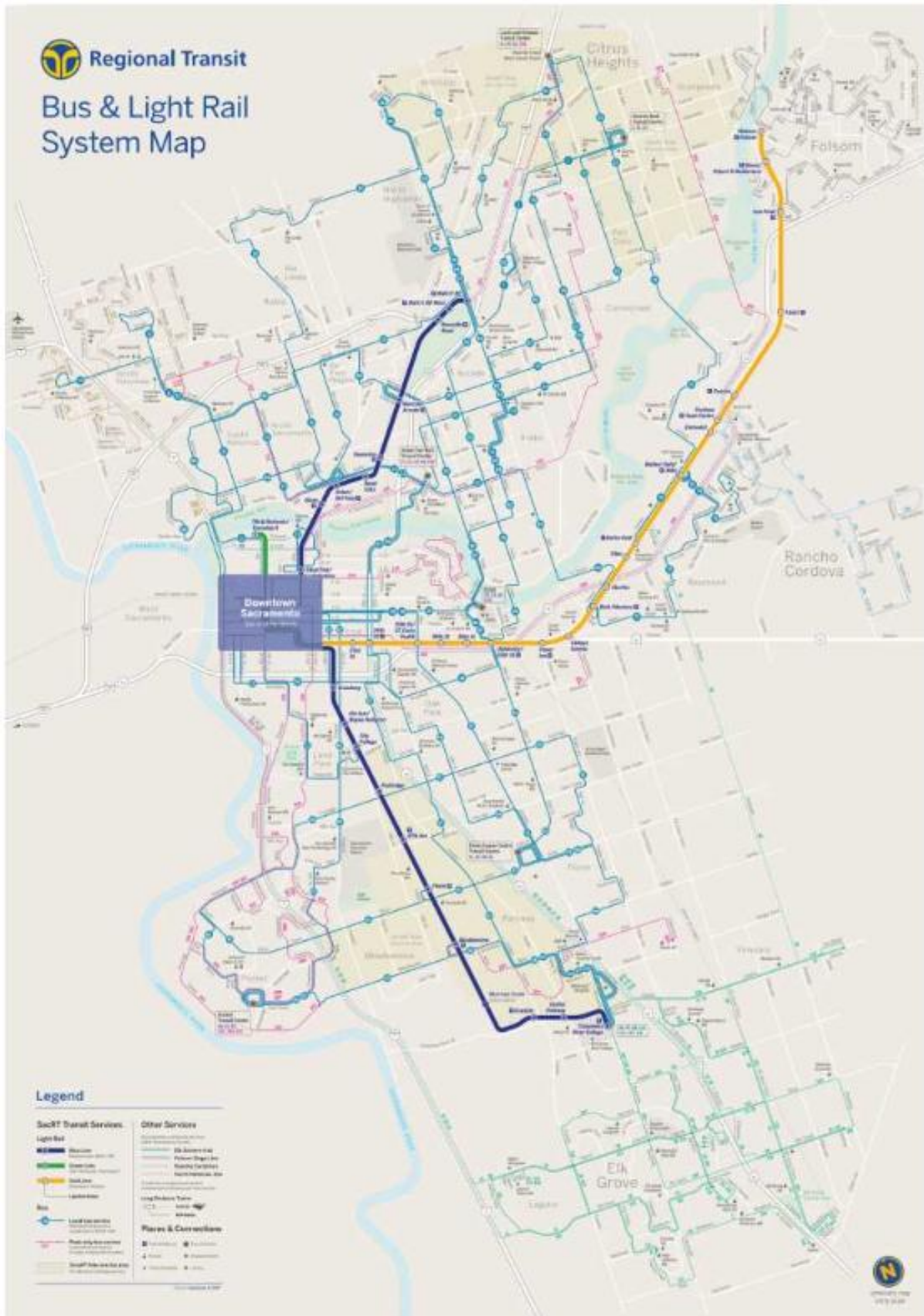
**Executive Management Team**

**Brent Bernegger**, Vice President Finance  
**Doug Cook**, Vice President Operations  
**Laura Ham**, Vice President Planning and Engineering  
**Justin Risley**, Vice President Security and Capital  
**Shelly Valenton**, Vice President Integrated Service and Strategic Initiatives

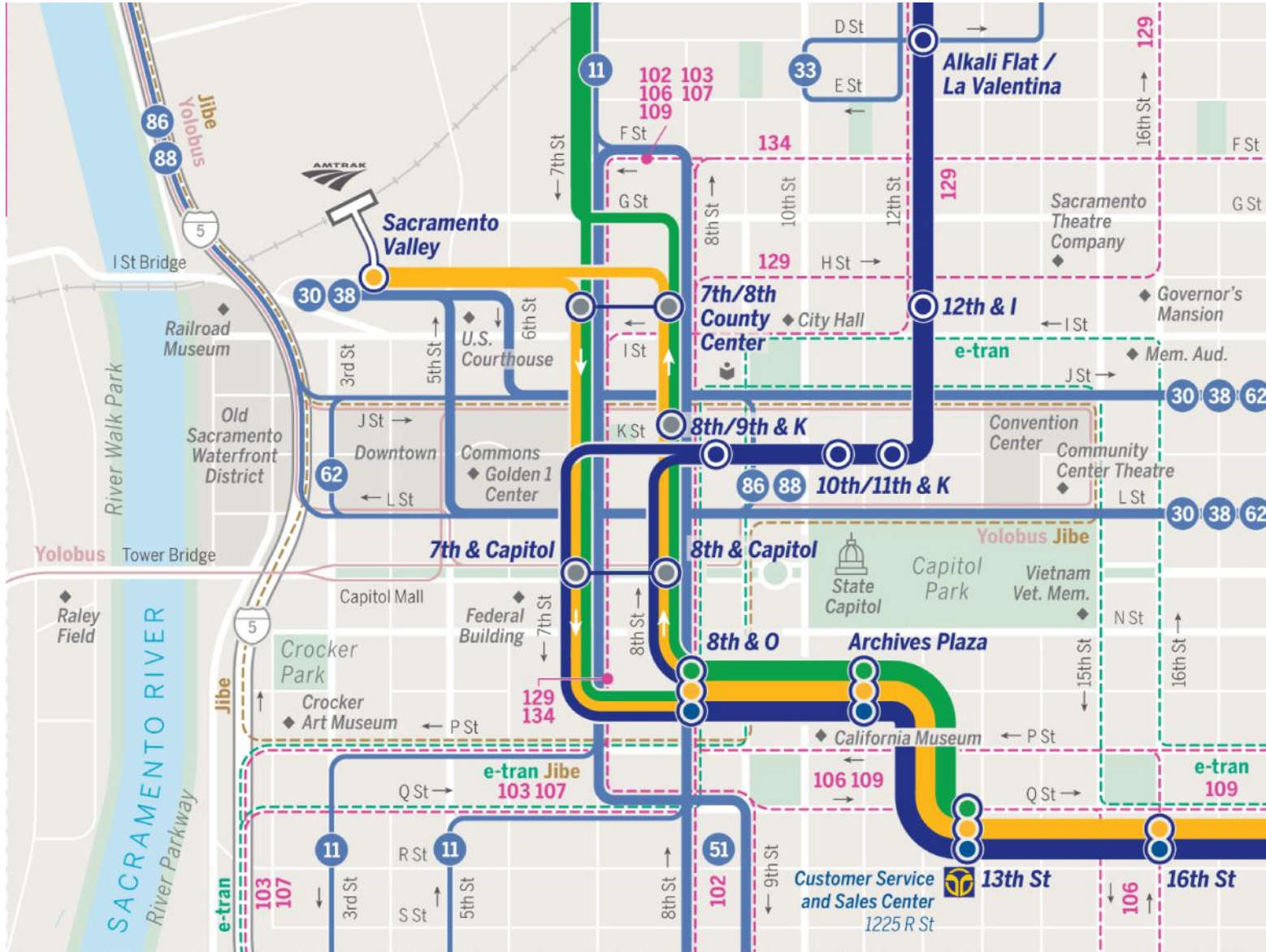
**SACRAMENTO REGIONAL TRANSIT DISTRICT  
ORGANIZATIONAL CHART  
FISCAL YEAR ENDED JUNE 30, 2019**



# SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



# SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



## INDEPENDENT AUDITOR'S REPORT

Member of the Board of Directors  
Sacramento Metropolitan District  
Sacramento, California

Member of the Board of Directors  
Sacramento Area Council of Governments  
Sacramento, California

### REPORT OF FIDUCIARIES

We have audited the accompanying financial statements of the operations and the fiduciary activities of the Sacramento Metropolitan District (the District) and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America that include the definition of management and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. According to the evidence, not each account. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the reflected financial position of the operations and the fiduciary activities of the District as of June 30, 2014, and the reflected changes in financial position and where applicable, each other therefor, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discuss the scheduled change in the net pension liability and related ratio and the scheduled change in the net pension liability and related ratio and the scheduled change in the net pension liability and related ratio in the table of content presented to supplement the basic financial statement which information although not a part of the basic financial statement is required by Governmental Accounting Standards Board. We consider it to be an essential part of financial reporting for each of the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries of the basic financial statements and other information obtained during our audit of the basic financial statements. We do not express an opinion or provide an assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

*Supplementary Information*

An audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying introductory section, scheduled connect card contract balance, scheduled connect card contract activities and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, scheduled connect card contract balance, scheduled connect card contract activities and statistical section have not been subjected to the additional procedures applied in the audit of the basic financial statements and accordingly do not express an opinion or provide an assurance on them.

**Other Required Report of Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have applied our report dated December 2018 on our consideration of the District's internal control over financial reporting and on our tests of compliance with certain provisions of applicable laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Crowe LLP*  
CPA Firm

Sacramento, California  
December 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our management of the Sacramento Metropolitan Water District is intended to provide the reader with the financial statements, the narrative description and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmission letter and financial statements which are included in this report.

### Financial Highlights

- 1) The assets and deferred resources of the District exceeded the liabilities and deferred resources at June 30, 2019. The net position of the District at the end of the fiscal year ended June 30, 2019 was \$13.3 million, an increase of \$1.3 million from the net position of \$12.0 million at the end of the fiscal year ended June 30, 2018. The net increase was primarily due to an increase in net pension liability resulting from changes in actuarial assumptions and an increase in capital and liability claim reserves as a result of a large claim. The increase was partially offset by a decrease in the credit reserve due to both improved cash flow management including the use of the advanced grant and the District's radio communication system upgrade service to the Denver Center and increased revenue from rate increases.
- 2) The District's total net position decreased for the year ended June 30, 2019 by 3 percent compared to the year ended June 30, 2018. The decrease was primarily due to depreciation on District assets which was mitigated by capital contributions provided for the acquisition of the District assets.
- 3) The District's total liabilities and deferred resources increased by \$1.3 million for the fiscal year ended June 30, 2019. The net increase was primarily attributed to an increase in the net pension liability resulting from changes in actuarial assumptions and an increase in capital and liability claim reserves as a result of a large claim. The increase was partially offset by a decrease in the credit reserve due to both improved cash flow management including the use of the advanced grant and the District's radio communication system upgrade service to the Denver Center and increased revenue from rate increases.
- 4) For the fiscal year ended June 30, 2019, the net increase of 3 percent from the fiscal year ended June 30, 2018 was attributed to a hard earned fare reduction which commenced in October 2018. Nonoperating revenue increased by 10 percent for the fiscal year due to increases in fare tax generated by transportation and Measure A funds.
- 5) Operating costs increased by \$3.33 million or 3 percent for the fiscal year ended June 30, 2019. The increase was due to labor and fringe benefits and capital and liability costs. The increase in labor and fringe benefits was due to a rise in labor cost resulting from contract rate escalation, the increased overtime to provide operations and an increase in the District's actuarially determined pension contribution. Capital and liability costs increased as a result of the rise in claim reserves primarily due to one large claim.

### Overview of Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of the financial statements and the notes to the financial statements.

**Basic Financial Statements** The financial statements are designed to provide readers with a broad overview of the district's finances in a manner similar to a state sector.

The statement of net position presents information on the district's assets, deferred resources, liabilities, and deferred resources with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the district's financial position is improving or deteriorating.

The statement of revenues, expenses, and change in net position presents information showing how the district's net position changed during the fiscal year ended June 30, 2014. Changes in net position are reported as shown on the underlying event items, net of the change in the receipt of assets and services or commitments for capital and operating expenses recorded on the timing of related cash flows in other words, the district reports expenses and revenues on an accrual basis rather than a cash basis since the district's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges. The financial statements include non-recurring activities. The district serves in a fiduciary capacity for the pension trust and the fiduciary and statements are presented on an accrual basis and are included in the financial statements. The resources of the fiduciary and are not available to support district programs.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the financial statements.

**Statistical Section** In addition to the basic financial statements, this report also includes a statistical section selected financial information over a three-year period when available.

### Analysis of the Financial Statements

The financial statements provide both short-term and long-term information about the district's overall financial condition. The following addresses the financial statements of the district as a whole.

An increased year-over net position may serve as a useful indicator of a government's financial position over time. In the case of the district, assets and deferred resources exceeded liabilities and deferred resources.

The fact that the district's total net position reflects investment in capital assets and related debt and needed proceeds used to acquire those assets (total fundings). These capital assets are used to provide and maintain services to the greater Sacramento area. In general, these assets are not available for future spending. Although the district's net investment in its capital assets is reported, net related debt resources are needed to repay that debt and must be provided from other sources since the capital assets themselves cannot be used to fund the liabilities. The decrease in net position is primarily the result of depreciation on district assets.

The district's negative unrestricted net position is attributed to recording its net pension and net liabilities per GASB statement 34 and 35 requirements.



## SACRAMENTO REGIONAL TRANSIT DISTRICT NET POSITION

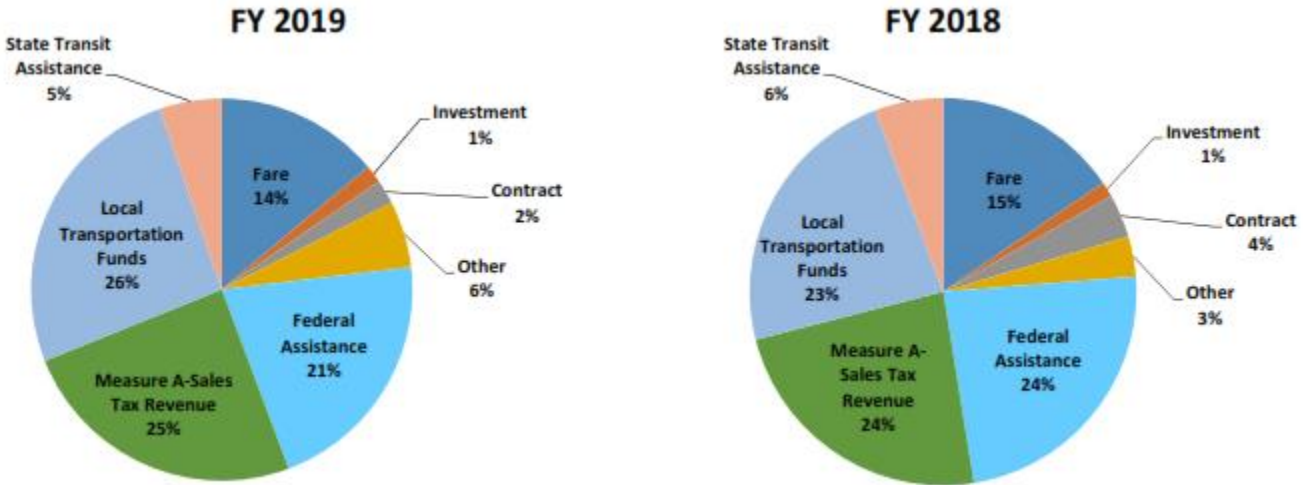
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase or Decrease</u>	<u>Dollar</u>	<u>Percent</u>
Current and Other Assets	\$ 1,000,000	\$ 1,000,000	\$		
Capital Assets	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>		<u>3</u>
Capital Assets	1,000,000	1,000,000	1,000,000		100
Deferred Contribution Expense	1,000,000	3,000,000	1,000,000		33
Current Liability	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,000,000</u>		33
Non-current Liability	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>		100
Capital Liability	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>		100
Deferred Contribution Expense	1,000,000	1,000,000	3,000,000		300
<b>Net Position</b>					
Net Investment in Capital Assets	1,000,000	1,000,000	3,000,000		300
Restricted for					
Debt Service	3,000,000	3,000,000	1,000,000		33
Unrestricted	<u>1,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>		300
Capital Asset Contribution	<u>1,000,000</u>	<u>3,000,000</u>	<u>1,000,000</u>		33

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

	June 30, 2019	June 30, 2018	Increase or Decrease	
			Dollar	Percent
<b>Operating Revenue</b>				
Fare	\$ 1,000,000	\$ 1,000,000	\$ -	0%
<b>Non-Operating Revenues</b>				
Operating Assistance	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Investment Income	\$ 1,000,000	\$ 1,000,000	\$ -	0%
Other Revenue	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Operating and Non-Operating Revenue	\$ 3,000,000	\$ 3,000,000	\$ -	0%
<b>Operating and Non-Operating Expenses</b>				
Administrative Expense	\$ 1,000,000	\$ 1,000,000	\$ -	0%
Interest Expense	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Operating Expense	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Depreciation	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Other	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Indirect Cost Allocated to Operating Program	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Interest Expense	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Capital Contribution	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Other	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Operating and Non-Operating Expense	\$ 33,000,000	\$ 33,000,000	\$ -	0%
Operating and Non-Operating Revenue	\$ 3,000,000	\$ 3,000,000	\$ -	0%
<b>Capital Contributions</b>				
State and Local	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Federal	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Capital Contribution	\$ 3,000,000	\$ 3,000,000	\$ -	0%
<b>Decrease in Net Position</b>				
Other Item	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Other Item	\$ 3,000,000	\$ -	\$ 3,000,000	300%
<b>Decrease in Net Position</b>	\$ 3,000,000	\$ 3,000,000	\$ -	0%
<b>Net Position</b>				
Beginning	\$ 3,000,000	\$ 3,000,000	\$ -	0%
Ending	\$ 3,000,000	\$ 3,000,000	\$ -	0%

## SACRAMENTO REGIONAL TRANSIT DISTRICT REVENUES BY SOURCE

### Operating Revenue by Source



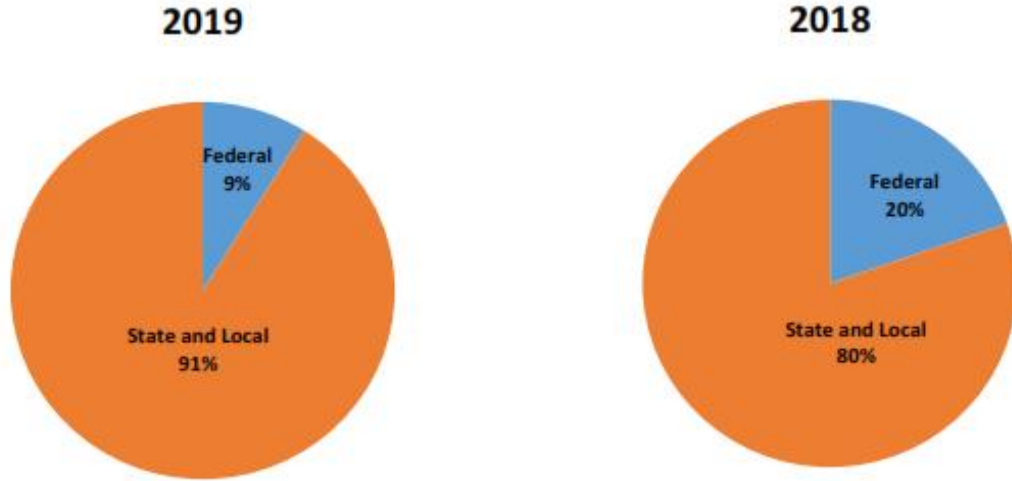
The significant changes in operating revenue sources are described below.

Local Transportation Funds, Measure A-Sales Tax Revenue, and other revenue decreased as a combined 3% for the fiscal year ended June 30, 2019. The decrease is primarily attributed to a 2% decrease in other revenue and a 1% decrease in Measure A-Sales Tax Revenue.

Operating assistance increased 3% or 3 percent for the fiscal year ended June 30, 2019 due to both an increase in fare to receipt a fare for local transportation and Measure A funds and the recognition of transportation development Act funds for the annexed transit operations of the district from the debt and program that occurred in January 2019.

## SACRAMENTO REGIONAL TRANSIT DISTRICT REVENUES BY SOURCE

### Capital Revenue by Source

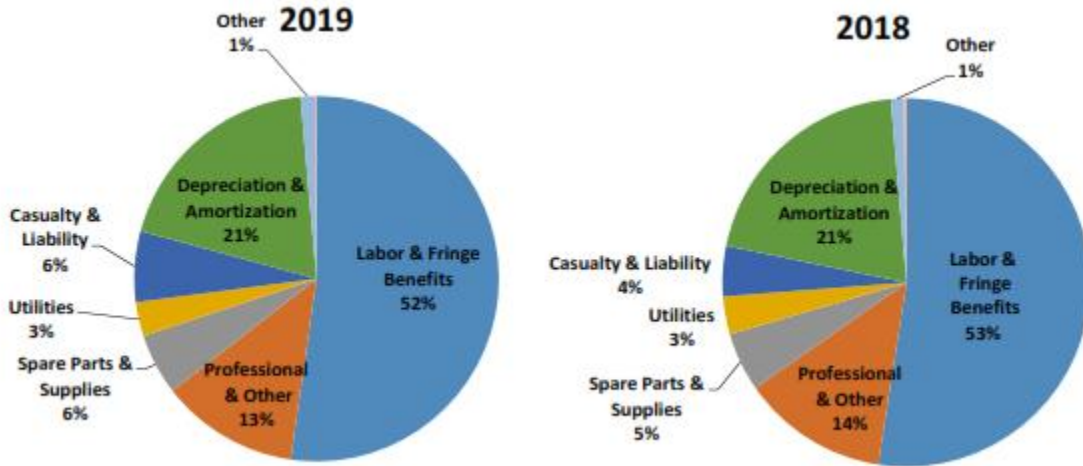


The significant change in capital revenue sources are described below.

The majority of construction and acquisition activities are funded with capital contributions from other governmental units such as federal, state, and local agencies. Capital contributions increased by approximately million or percent during the fiscal year ended June 30, 2019. The increase for the fiscal year ended June 30, 2019 is the result of the additional capital contribution generated from the bond and allocation of certain state grant assistance and capital projects.

## SACRAMENTO REGIONAL TRANSIT DISTRICT OPERATING EXPENSES

### Operating Expenses by Source



The significant changes in operating expenses by source are described below.

Total operating costs increased by \$3.33 million or 3 percent for the calendar year ended June 30, 2019. This increase is due to labor and fringe benefits and casualty and liability costs. The increase in labor and fringe benefits is due to a rise in labor costs resulting from contractual rate escalation, the increased use of overtime to maintain service operations and an increase in the district's actuarially determined pension contribution amount and liability cost increased as a result of the rise in claim reference primarily due to the large claim.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
FISCAL YEAR 2019  
STATEMENT OF REVENUES AND EXPENSES BY FUNDING DESIGNATION**

Statement of Revenues and Expenses	FY 2019 Funding Designation		
	Operation	Capital Improvement Program and Special Item	Other
<b>OPERATING REVENUES (Fares)</b>	<b>\$ 25,428,432</b>	<b>\$ -</b>	<b>\$ 25,428,432</b>
<b>OPERATING EXPENSES</b>			
Labor and fringe benefit	3,000,000		3,000,000
Maintenance and other services	3,000,000	3,000,000	3,000,000
Care part and supplies	3,000,000	3,000,000	3,000,000
Utilities	3,000,000		3,000,000
Capital and maintenance	3,000,000		3,000,000
Depreciation		3,300,000	3,300,000
Indirect cost allocated to capital program	3,000,000		3,000,000
Other	3,000,000		3,000,000
<b>Total Operating Expenses</b>	<b>173,778,795</b>	<b>49,374,569</b>	<b>223,153,364</b>
<b>Loss from Operations</b>	<b>(148,350,363)</b>	<b>(49,374,569)</b>	<b>(197,724,932)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Operation Assistance			
State and local	3,000,000		3,000,000
Federal	3,000,000		3,000,000
Investment income			
Interest income	3,000,000	3,000,000	3,000,000
Gain/loss on sale of equipment		3,000,000	3,000,000
Maintenance and other services provided other			
Contract services	3,300,000		3,300,000
Other	3,000,000	3,000,000	3,000,000
<b>Total Non-operating Revenues (Expense)</b>	<b>151,647,010</b>	<b>(4,468,458)</b>	<b>147,178,552</b>
<b>Loss Before Capital Contributions</b>	<b>3,296,647</b>	<b>(53,843,027)</b>	<b>(50,546,380)</b>
Capital Contributions			
State and local		3,000,000	3,000,000
Federal		3,000,000	3,000,000
<b>Total Capital Contributions</b>	<b>-</b>	<b>26,677,911</b>	<b>26,677,911</b>
<b>Special Item: Transfer of Operations</b>	<b>-</b>	<b>5,390,442</b>	<b>5,390,442</b>
<b>Change in Net Position</b>	<b>\$ 3,296,647</b>	<b>\$ (21,774,674)</b>	<b>\$ (18,478,027)</b>

The Comprehensive Annual Financial Report of the Sacramento Regional Transit District is derived from the District's operating and capital budgets in that the ACFR combines both operating and capital activities and accounts the

District Board and readers in their review a statement of performance and performance of findings of operations provided to show the District's operating and capital fund separate. At the end of the year the District's operating results were a 3% increase in revenue and 3% increase in operating expenses and 3% increase in non-operating revenue resulting in a 3% increase in operating results. Additional information regarding the statement of performance of findings of operations can be found in the District's 2013-14 Annual Report.

### Analysis of the District's Financial Position

The District's net position provides information on near term liquidity and balance of the fundable resources. The District's reporting net position at the end of the year 2013 shows a decrease of 3 percent.

### Capital Asset and Long-Term Debt Activity

At the end of the year the District's investment in capital assets such as land and right of way, vehicle fleet, and buildings and equipment decreased to 3% from 2012 representing a 3% percent decrease as depreciation exceeded capital acquisition activity. Additional information on capital assets can be found in footnote 3 to the financial statements.

The District's long-term debt decreased to 3% for the fiscal year ended June 30, 2013 or 3 percent. At the end of the year the 2013 balance represents that remains of the 2008 bond issue. The 2008 bond issue was repaid in the fiscal year 2013 to primary and construction in the month of June. The District recorded a profit and a corresponding asset of 3% representing from the participation in three lease-leaseback transactions. Additional information on debt activity can be found in footnote 4 and 5 to the financial statements.

The District's cash balance at the end of the year includes 3% of the total received in December 2013 from the State Grant Account. The cash balance extended to the State temporary replacement a Federal Grant Administration Grant that applied due to the application of the Federal Grant Act. 3% of the total to the California State Committee General Term Act of 2013. Additional information on long-term debt can be found in footnote 5 to the financial statements.

### Current Economic Factors and Conditions

The District has an overall strong economic and improvement in right of way and service. At the end of the year the District has construction contracts and property acquisition commitments approximately 3%.

### Request for Information

Please address a question or request for additional information to the Finance and Operations Department, Attention: Chief Financial Officer, Sacramento, California, District Office, 10th Street, P.O. Box 100000, Sacramento, CA 95834.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
JUNE 30, 2019**

---

**ASSETS**

Current Assets	
Cash and Cash Equivalents	\$ 3,000,000
Restricted Cash and Cash Equivalents	3,000,000
Investment	3,000,000
Receivables	
State and Local Government	0
Federal Government	0
Other	0
Share Part and Other Investment	3,000,000
Other Current Assets	0
	\$ 9,000,000

Total Current Assets \$ 9,000,000

Non-current Assets	
Restricted Cash and Cash Equivalents	0
Investment	3,000,000
Equipment or Leasehold Assets	0
Non-depreciated Intangible Assets	3,000,000
Depreciated Intangible Assets	0
	\$ 3,000,000

Total Non-current Assets \$ 3,000,000

Total Assets \$ 12,000,000

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows from Pension	\$ 3,000,000
Deferred Outflows from Other Post	
Employee Benefit	3,000,000
Deferred Outflows from Other	0
Total Deferred Outflows from Resources	\$ 6,000,000

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** \$ 18,000,000

See accompanying notes to the financial statements



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
JUNE 30, 2019**

**LIABILITIES**

Current liabilities	
Due	
Accounts payable	
Other Accrued liabilities	3
Contingent Liabilities	3
Interest payable	
Unearned revenue	3
Advance from other government	33
Lease payable	33
Loan payable	3
Revenue bond	33
Total current liabilities	<u>3</u>

Noncurrent liabilities	
Contingent Liabilities	3
Advance from other government	
Lease payable	
Revenue bond	
Loan payable	
Lease liability	
Retirement liability	
Retirement benefit liability	33
Total noncurrent liabilities	<u>3</u>
Total liabilities	<u>3</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred income from other	
Retirement benefit	3
Deferred gain on lease liability	3
Deferred income from pension	33
Total deferred inflows of resources	<u></u>

**NET POSITION**

Net investment in capital assets	3
Restricted	
Net service	33
Unrestricted	<u></u>
Total net position	<u></u>

**TOTAL LIABILITIES, DEFERRED INFLOWS**

<b>OF RESOURCES, AND NET POSITION</b>	<u>    33</u>
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See accompanying notes to the financial statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**OPERATING REVENUES**

fare 3

**OPERATING EXPENSES**

capital and maintenance 3

contractual and other services 3

contract and other 3 3

utilities 3

capital and maintenance 3

recreation 3 3

indirect cost allocated to capital 3

program 3

other 3

total operating expense 3 3 3

operating expense 3

**NON-OPERATING REVENUES  
(EXPENSES)**

operating assistance 3

state and local 3

federal 3

investment income 3

interest expense 3

capital purchase to replacement 3

contractual and other services provided 3

contract services 3 3 3

other 3

total non-operating expense 3

other capital contribution 3

capital contribution 3

state and local 3 3 3

federal 3

total capital contribution 3

increase in net position due to special item 3

special item transfer operating 3

increase in net position 3

net position beginning year 3

net position end year 3

See accompanying notes to the financial statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	3,000,000
Cash received from contract services	3,000,000
Cash paid to employees	(3,000,000)
Cash paid to employees and employee benefits	(3,000,000)
Cash received from other sources	3,000,000
<b>Net Cash Used in Operating Activities</b>	<b>(3,000,000)</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State and local certificates	3,000,000
Federal certificates	3,000,000
Payment of accrued interest on debt	(3,000,000)
Advance on the line credit	(3,000,000)
Payment on the line credit	3,000,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>3,000,000</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(3,000,000)
Interest paid	(3,000,000)
Proceeds from sale of capital assets	3,000,000
State and local capital grants	3,000,000
Federal capital grants	3,000,000
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>3,000,000</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale and maturity of investments	3,000,000
Purchase of investments	(3,000,000)
Investment income	3,000,000
<b>Net Cash Provided by Investing Activities</b>	<b>3,000,000</b>

Net increase in cash and cash equivalents	3,000,000
Cash and cash equivalents, June 30	3,000,000
	<b>3,000,000</b>

**RECONCILIATION TO STATEMENT OF NET POSITION**

Cash and cash equivalents	3,000,000
Restricted cash and cash equivalents - current	3,000,000
Restricted cash and cash equivalents - non-current	(3,000,000)
<b>Total Cash and Cash Equivalents</b>	<b>3,000,000</b>

See accompanying notes to the financial statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED IN OPERATING ACTIVITIES:**

Operating loss	\$ 3,000,000
Adjustment to reconcile net income from operating to net cash used in operating activities	
Depreciation	3,300,000
Amortization and other non-cash operating expenses	3,300,000
Contract revenue on operating income	3,300,000
Miscellaneous operating income	3,000,000
Effect of exchange rate	
Other receivables	3,000,000
Share-based and restricted stock	3,000,000
Other current assets	3,000,000
Accounts payable and accrued liabilities	3,000,000
Deferred assets and other	3,000,000
Earned revenue	3,000,000
Gain on sale	3,000,000
Net pension benefit and related deferred	3,300,000
income and tax	
Net other assets and related deferred	3,000,000
income and tax	
<b>Net Cash Used in Operating Activities</b>	<b>\$ 3,000,000</b>

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

Interest income from investment held to maturity	\$ 3,000,000
Debt	
Equity	3,000,000
Interest expense on capital lease	3,000,000
Capital assets included in Accounts payable	3,000,000
Capital contributions included in receivables	3,000,000

See accompanying notes to the financial statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
JUNE 30, 2019**

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**ASSETS**

Cash and cash equivalents	\$ 3,000,000
Investments	
Securities held	\$ 3,000,000
Interest and dividends	\$ 0
Other receivables and prepaid	\$ 0
Total investments	<u>\$ 3,000,000</u>
Investment	
Fixed securities	\$ 3,000,000
Fixed income securities	<u>\$ 3,000,000</u>
Total investment	<u>\$ 3,000,000</u>
Total Assets	\$ 3,000,000

**LIABILITIES**

Securities purchased payable	\$ 3,000,000
Accounts payable	<u>\$ 0</u>
Total liabilities	<u>\$ 3,000,000</u>

**NET POSITION RESTRICTED FOR PENSION  
BENEFITS**

\$ 3,000,000

See accompanying notes to the financial statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**ADDITIONS**

Contributions	
Member	\$ 33,333
Member	0
Change in actuarial accrual	3,333
Total contributions	\$ 36,666
Net investment income	
Net appreciation in fair value investments	0
Interest, dividend and other income	0
Investment expense	3,333
Net investment income	\$ 0
Total Additions	\$ 36,666

**DEDUCTIONS**

Benefit paid to participant	\$ 3,333
Change in actuarial accrual	3,333
Administrative expense	0
Total deductions	\$ 6,666
Increase in net position	\$ 30,000
Net position restricted for pension benefit obligations at year	\$ 3,333
Net position restricted for pension benefit obligations at year	\$ 3,333

See accompanying notes to the financial statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**THE REPORTING ENTITY**

The Sacramento Regional Transit District ("District") was established in 1983 pursuant to the Sacramento Regional Transit District Act. The District has the responsibility to develop, maintain and operate a public mass transit transportation system for the benefit of the residents of the Sacramento area. The District is governed by a Board of Directors appointed by the Sacramento City Council. The Sacramento Board of Directors is the governing body of the District. The District is a public entity and is subject to the provisions of the California Governmental Accounting Standards Board ("GASB") Statement No. 34, "Financial Reporting for Public Entities."

As required by governmental accounting standards, the District has adopted *The Financial Reporting Entity* and its amendment. GASB Statement No. 34 requires the District to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria included are not limited to whether the entity has a significant operating and financial relationship with the District.

The District has determined that no other outside entities meet the above criteria and therefore no other entities have been included as a component unit in the District's financial statements. In addition, the District is not aware of any entities that have such a relationship to the District that would result in the District being considered a component unit of that other entity.

**BASIS OF PRESENTATION**

The accounts of the District are organized and operated on the cash basis and each is considered an independent accounting entity. The activities of each and are accounted for with a separate set of separate financial statements that comprise the assets, deferred resources, liabilities, deferred income, resources, net position, revenue and expense. A separate statement is defined in each set between the operating and declared activities of the District. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which ongoing activities are controlled. The District's statements are organized into the following fund types:

**Proprietor Fund Type**

The ***Enterprise Fund*** defines the operating revenue and expense from non-operating items. The District's operating revenue are generated directly from its transit operations and contract income. Other operating revenue are operating revenue for the transit operation include a cost related to providing transit service. These costs include administrative benefit materials, operating expense, title lease, rental and depreciation on capital assets. All other revenue and expense not meeting these definitions are reported as non-operating revenue and expense. Unrestricted net position for the enterprise fund represents the net position available for future operations.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

disclosure and

The ***Pension Trust Funds*** are used to account for assets held by the District in a trustee capacity. The District maintains the following pension trust funds:

The ***Amalgamated Transit Union (ATA) Local 1000 Retirement Plan*** and ***ATA Local 1000*** account for the retirement and member ATA Local 1000

The ***International Brotherhood of Electrical Workers (IBEW) Local 1000 Member Retirement Plan*** and ***IBEW Local 1000*** account for the retirement and member IBEW Local 1000

The ***Unified Employee Retirement Plan*** and ***Unified*** account for the retirement and the District's unified employees

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund and the pension trust funds are accounted for on a full economic resources measurement focus. Other measurement focus emphasizes the determination of increased/decreased net position. The accrual accounting method used for the enterprise fund and the pension trust funds under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. District contributions to the pension trust funds are recognized in the period in which contributions are due. The benefits and refunds are recognized when due and payable in accordance with the pension trust fund plan agreement.

**BUDGETARY INFORMATION**

State law requires the adoption of an annual budget for the enterprise funds which must be approved by the Board of Directors. The budget is prepared on an accrual basis and a separate control maintained at general level. The separate controls at the fund level. The Board of Directors authorizes budget amendments to the fund level. The item reclassification amendments to the budget must be authorized by the responsible manager. Operations expenses are monitored by department manager who are assigned responsibility for controlling their budget. Changes are placed on the total budget for the duration of a fiscal year. Expenses operate under the control of a project budget.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CASH AND CASH EQUIVALENTS**

Cash on the statement of cash flows of the District is considered a cash equivalent if it has a maturity of three months or less when purchased to be cash and cash equivalent.

**INVESTMENTS**

Investments consist of securities or other assets that the District holds primarily for the purpose of income or profit and to prevent service capacity from being used in a way that generates cash or to be used to generate cash. Investments are recorded at fair value.

**RESTRICTED ASSETS**

Restricted assets consist of monies and other resources the use of which is legally restricted for capital projects and debt service.

**RECEIVABLES**

Receivables are reported at present value less the estimated portion that is estimated to be uncollectible. A 3% allowance management has estimated that no allowance for uncollectible accounts is needed.

**INVENTORIES**

Inventories are stated at average cost and charged to expense at the time individual items are withdrawn from inventory. Inventory consists primarily of parts and supplies related to transportation vehicles and facilities.

**CAPITAL ASSETS**

Capital assets are stated at historical cost. Capital assets are recorded at acquisition value. The cost of normal maintenance and repairs is charged to operations as incurred. Infrastructure which includes light rail vehicle track has been capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related properties. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings and improvements	30 to 40 years
Equipment and maintenance vehicles	5 to 10 years
Light rail infrastructure and light rail vehicles	30 to 40 years
Other operating equipment	5 to 10 years

Depreciation is recorded in construction in progress until construction is completed and the asset is placed in service. If the District acquires capital assets with an individual useful life of more than one year and a useful life in excess of one year.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**COMPENSATED ABSENCES**

The District accrues a liability for employees to accumulate earned unused vacation and sick leave which can be paid to employees upon separation from the District. These compensated absences are reported and accrued as a liability in the period incurred.

The current portion of the compensated absences is estimated as a percentage of the percentage to the end of the year compensated absences. The percentage is calculated as a percentage of the vacation and sick leave that has accumulated and cashed out during the year of the beginning vacation and sick leave balance.

**FEDERAL, STATE, AND LOCAL GRANT FUNDS**

Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land and buildings and equipment are recorded as capital contributions as the related grant conditions are met. Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met.

Advances received on grants are recorded as a liability until related grant conditions are met. The Transportation Reimbursement Act provides that any funds not earned and not used may be required to be returned to their source.

When both restricted and unrestricted resources are available for the same purpose, the District uses restricted resources first.

**SELF-INSURANCE AND CLAIMS PAYABLE**

The District is required to record limits for worker's compensation claims, general liability claims, and major property damage. The District accrues the estimated cost of the self-insured portion of claims in the period in which the amount of the estimated cost is incurred.

**PENSION**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense information about the fiduciary net position of the ARO plan and the plan and related plan assets and additions to the net position of the ARO plan have been determined in the same manner as they are reported in the financial statements. The benefit payments included in the net position of the plan are recognized when due and payable in accordance with the benefit terms.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Our OPEB is measured in the net OPEB liability, deferred OPEB liability, and deferred income expense related to OPEB and OPEB expense information about the OPEB net position of the California Municipal Employees Benefit Trust Program and additions to deductions from OPEB net position have been determined in the same manner as they are reported in OPEB financial statements. Recognition of OPEB expense and liability in accordance with the benefit term commitments are reported at fair value for money market investments and participation interest earning investment contracts that have a maturity at the time of purchase of one year or less which are reported at cost.

**SPECIAL ITEM - TRANSFER OF OPERATIONS**

Under an annexation agreement between the City of Sacramento and the District, the City agreed to continue to provide transit service with the District. The transfer operation included all the assets of the City transit and continuing cash, state grant revenue received and related to the current year of the net position transferred as of the transfer date as determined to be 3/31/2019.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NEW PRONOUNCEMENTS**

In 2019, the District adopted GASB Statement No. 89, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which requires the District to increase the information that is disclosed in notes to the District financial statements related to debt including direct borrowings and direct placements of a capital which require the District should include when disclosing information related to debt.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS**

The total cash and investment as of June 30, 2019 are reported in the accompanying financial statements as follows:

	<u>Interim Fund</u>	<u>Ordinary Fund</u>	<u>Total</u>
Unrestricted			
Cash and cash			
equivalent	\$ 3,000,000	\$	\$ 3,000,000
Cash on hand	1,000,000	\$	1,000,000
Investment	<u>3,300,000</u>	<u>\$</u>	<u>3,300,000</u>
Total unrestricted	<u>7,300,000</u>	<u>\$</u>	<u>7,300,000</u>
Restricted			
Cash and cash			
equivalent	\$ 33,000	\$ 3,000,000	\$ 3,033,000
Investment	<u>\$</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Total restricted	<u>\$ 33,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,033,000</u>
Total cash and investment	<u>\$ 3,333,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,033,000</u>

**INVESTMENTS**

The District entered a program asset liability and held in the cash management and investment program in order to achieve maximum return on the interim fund available and the interim fund investment portfolio certain to investment portfolio and concerned as an annual board adopted policy which is in compliance with the provisions of Article 1 and 2 character of part of the California Government Code.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2 CASH AND INVESTMENTS (Continued)**

The following table identifies the investment types that are authorized by the California Government Code. The table also identifies certain restrictions on the California Government Code that address interest rate risk, credit risk, and concentration risk.

Authorized investment type	Maximum Maturity	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
California Government Bonds	1 Year	A	None	None
Municipal Revenue Bonds	1 Year	A	None	None
California Government Securities	1 Year	A	None	None
Banker's Acceptance	90 days	A	None	3%
Commercial Paper	90 days	A-1	None	None
U.S. Treasury Certificate of Deposit	1 Year	A	3%	None
U.S. Treasury Purchase Agreement	90 days	A	None	None
Medium-Term Note	1 Year	A	3%	None
Mutual Fund Investment in U.S. Government Securities	A	AAA	None	None
Mortgage Backed Securities	1 Year	AA	None	None
California Government Investment Fund	A	A	None	None
All Other Investment	A	A	None	None

A retirement board adopted policy the investment objective and policy guidelines for the Sacramento Metropolitan Transit District pension plan. The pension profit and investment risk policy objective in the continued effort to achieve and the appropriateness of the Asset Allocation policy the investment objective, the investment policy and guidelines and the investment restrictions.

The following table identifies the investment types that are authorized by the retirement board. The table also identifies certain restrictions on the investment objective and policy that address interest risk, credit risk, and concentration risk.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

Authorized investment type	Maximum Maturity	Maximum Maturity (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	NA	None	None
Money market funds	None	NA	None	None
Agency commercial notes	None	NA	None	None
Certificate of deposit	None	NA	None	None
Banker's Acceptance	None	NA	None	None
Commercial paper	None	180	None	None
Asset-backed commercial paper	None	180	None	None
Money Market Fund and Short-term Investment Fund	None	NA	None	None
Repurchase Agreement	None	NA	None	None
U.S. Government and Agency securities	None	NA	None	None
Credit securities (Corporate Debt)	None	NA	None	None
Secitized investment	None	NA	None	None
Money Market	None	NA	None	None
International Income Securities	None	NA	None	None
Other Fixed Income Securities	None	NA	None	None
Mutual Fund	NA	NA	100%	0%
Real Estate Investment Trust	NA	NA	100%	0%
Preferred Stock	NA	NA	100%	0%
Other	NA	NA	100%	0%

None of the fixed income portion of the Agency commercial paper and banked paper shall be limited in duration to between 90 and 180 days of the benchmark.

None of more than 10% of the fair value of the repurchase contract shall be the total common stock portfolio weight of securities shall be invested in a single industry at the time of purchase.

(3) The investment manager shall maintain a minimum coverage ratio of 1.05 to 1.00 or better at all times placed in market weighted portfolio average. Minimum quality at purchase must be at least AAA or higher.

None of credit securities and corporate debt include debt restructured medium term note capital securities, trust preferred securities, annuity and structured securities, rate notes and certificate of deposit, structured notes, municipal and preferred stock, corporate placement, bank and other securities and other.

None of secitized investment include agency and non-agency mortgage backed securities, asset backed securities, other securities and commercial mortgage backed securities.

None of other fixed income securities include fixed income commingled and mutual fund, structured and other, a agreement and reverse repurchase agreement.

**INVESTMENT RISK FACTORS**

There are many factors that can affect the value of investment, such as interest rate risk, credit risk, concentration risk, credit risk, and reinvestment risk. These factors may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions and dividend, earnings performance, and market conditions. The fixed income securities are particularly sensitive to credit risk and changes in interest rate.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

**INTEREST RATE RISK**

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The price of fixed income securities with a longer time to maturity measured in duration tend to be more sensitive to changes in interest rates and therefore more volatile than those with a shorter duration.

The following table provides information about the interest rate risk associated with available investments as of June 30, 2019.

<b>Enterprise Fund</b>	Maturity in Year				
	Less than 1	1-3	3-5	More than 5	Total
Interest Rate Sensitive Investments	\$ 0	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000
Fixed Rate Bonds	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Fixed Rate	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Asset-Backed Securities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Government Agency Investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Government Fixed Investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Interest Rate</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,000,000</b>

<b>Fiduciary Fund</b>	Maturity in Year				
	Less than 1	1-3	3-5	More than 5	Total
Interest Rate Sensitive Investments	\$ 0	\$ 0	\$ 3,000,000	\$ 3,000,000	\$ 6,000,000
Fixed Rate Bonds	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 0	\$ 6,000,000
Municipal Bonds	\$ 0	\$ 0	\$ 3,000,000	\$ 0	\$ 3,000,000
State Government Agency Investments	\$ 0	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 6,000,000
State Government Fixed Investments	\$ 0	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 6,000,000
Asset-Backed Securities	\$ 0	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 6,000,000
<b>Total Fiduciary</b>	<b>\$ 3,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 0</b>	<b>\$ 15,000,000</b>

**MORTGAGE PASS-THROUGH SECURITIES**

These securities disclosed as State Government Agency Investments in the interest rate risk table above are issued by government sponsored enterprises (GSEs) which are a group of financial service corporations created by the United States Congress. The GSEs include the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Bank System. Another institution that issues these securities is the Government National Mortgage Association (GNMA). These securities are highly sensitive to interest rate fluctuations because they are subject to early payments in a period of declining interest rates, the resulting reduction in expected cash flows affects the value of these securities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**2 CASH AND INVESTMENTS (Continued)**

**COLLATERALIZED MORTGAGE OBLIGATIONS**

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flows from large pools of home mortgages. The stream of principal and interest payments on the mortgages are distributed to the different classes of CMO interest.

CMOs are often highly sensitive to changes in interest rates and an increase in the rate at which home owners refinance their properties or otherwise prepay their loans increases the value of the securities made but may be expected to reach prepayment rates not expected to significant market and credit risk.

**ASSET-BACKED SECURITIES**

Asset-backed securities generate a return based upon either the payment of interest or principal in arrears in an underlying pool. The relationship between interest rates and prepayment make the value of these highly sensitive to changes in interest rates.

**CALLABLE BONDS**

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem or call a bond earlier than its maturity date. The District or the pension trust bonds may then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. At June 30, 2019, the District held callable bonds in the amount of \$3,000,000. The pension trust held callable bonds in the amount of \$3,000,000.

**INVESTMENT IN STATE INVESTMENT POOL AND CALTRUST**

The District is a joint participant in the California Investment Fund (CAIF) that is regulated by the California Government Code Section 50000 under the oversight of the California Investment Advisory Board (CAIB). The CAIB consists of nine members appointed by state statute. The value of the District's investment in the CAIF is reported in the accompanying financial statements at amount paid upon the District's pro-rata share of the value credited to CAIF for the entire CAIF portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is recorded in the account record maintained by CAIF which are recorded in an amortized cost basis. The District's total investment in the CAIF at June 30, 2019 was \$3,000,000.

The District is also a joint participant in the Investment Fund of California (IFCA) which is a joint employer/authority governed by a board of trustees made up of California Treasurer and Investment Officer. The board of trustees set operational policies for investments and select and oversee the activities of the Investment Manager and other agents. The District's investment in IFCA are measured at net asset value (NAV) as described in page 3 of the CAIF. The District's investment in IFCA were \$3,000,000 which is reflected in the short term bond.



## SACRAMENTO REGIONAL TRANSIT DISTRICT NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

### 2 CASH AND INVESTMENTS (Continued)

#### CREDIT RISK

Fixed income securities are subject to credit risk which is the chance that a bond issuer might not pay interest or principal in a timely manner or that negative changes in the issuer's ability to make the payment will cause security price to decline. The circumstances may arise due to a variety of factors such as financial weakness, an restructuring and/or adverse political developments.

A bond credit rating is an assessment of the issuer's ability to pay interest on the bond and to make the principal credit rating is evaluated by one of the independent and rating agencies such as Moody's Investor Service (Moody's). The lower the rating the greater the chance in the rating agency's opinion that the bond issuer will default or fail to meet its payment obligations. Generally the lower a bond credit rating the higher the yield should be to compensate for the additional risk.

Certain fixed income securities included in the portfolio of the District are those effectively guaranteed by the issuer's government and are not considered to have credit risk. The District's investment in AA and Aaa municipal securities are not rated.

For the fiscal year ending June 30, 2019, management has reported that the District's investments are in adherence with the credit risk requirements of the Statement of Investments and are in compliance.

The following table provides information on the credit ratings associated with investment as of June 30, 2019.

Moody Rating	Intermediate Bond		Moody Rating	Municipal Bond	
	Amount	Percentage		Amount	Percentage
Not rated	0	0%	Not rated	33,333,333	100%
Aaa	0	0%	Aaa	33,333,333	100%
Aa1	3,000,000	9%	Aa1	3,000,000	9%
Aa2	0	0%	Aa3	3,333,333	10%
Aa3	0	0%	A	33,333,333	100%
A	0	0%	A	33,333,333	100%
A-	33,333,333	100%	A-	33,333,333	100%
A3	0	0%	A3	0	0%
	0	0%	aa1	3,333,333	10%
	33,333,333	100%	aa3	0	0%
			a	3,333,333	10%
			a-	3,333,333	10%
			a3	3,333,333	10%
				0	0%
				0	0%
				0	0%
				0	0%
				0	0%
				0	0%
				0	0%
				0	0%
				33,333,333	100%

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

**CONCENTRATION OF CREDIT RISK**

Concentration of credit risk is the risk associated with a lack of diversification which has the potential to result in a loss of individual assets there is the potential to create risk retention from adverse economic conditions or other factors credit default

The investment portfolio of the District contains no limitation on the amount that can be invested in any one issuer or bond that is rated by the Standard & Poor's Government Grade or in any other issuer that the District had the investment in one issuer that comprised more than 10% of total investment in a single issuer

Federal National Mortgage Association	0	\$3,000,000
Federal Home Loan Mortgage Corporation	0	\$0
Federal Home Loan Bank	0	\$33,000,000

The investment portfolio of the District does not state that an investment in domestic or international debt and managed securities of a single issuer shall exceed 10% of total portfolio at cost the same as the portfolio and the combined total of total and in share of A-1 or one 30% of the total had the investment in one issuer that comprised more than 10% of total investment

Federal Home Loan Mortgage Corporation	0	\$0
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**CUSTODIAL CREDIT RISK**

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution a government might be able to recover its deposits or might be able to recover collateral securities that are in the possession of an outside party

All of the \$3,000,000 of the District's deposits were in excess of Federal deposit insurance limits and were held in collateralized accounts with securities collateralized in the financial institution name

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**2. CASH AND INVESTMENTS (Continued)**

The consolidated credit risk for *investments* is the risk that in the event of the failure of the counterparty or issuer or dealer of a transaction a government might be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District investment policy do not contain explicit requirements that would limit the exposure to consolidated credit risk or deposits or investments other than the minimum provision for deposits. The California Government Code requires that a financial institution receive deposits made of state or local governmental units of pledged securities in an undivided collateral account as a deposit or related under state law. The pledged securities of the governmental unit are the same as the pledged securities in the collateral account. At least 10% of the total amount deposited of the public agency California is a public financial institution to receive public agency deposits of pledged trust deed mortgage notes has a same account of the secured public deposits.

As of June 30, 2019, the District had no investment securities exposed to consolidated credit risk. The pension trust bond investment securities are not exposed to consolidated credit risk because all securities are held of the pension trust bond and are in the District name.

**FOREIGN CURRENCY RISK**

The current District investment policy does not address foreign currency risk which is the risk that changes in exchange rates would adversely affect the fair value of an investment or a deposit. As of June 30, 2019, the District does not have any deposits or investments in a foreign currency.

The pension trust bond investment policy states that international debt should be comprised of American depository receipts (ADR) or common stock of American common stock companies referred to as common stock companies. The pension trust bond investment policy includes debt or common stock and cash equivalents. As of June 30, 2019, the pension trust bond did not have any deposits or investments in a foreign currency.

**FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established in ASC 820. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. The inputs are quoted market prices in active markets for identical assets or liabilities, are significant other observable inputs, and 3 inputs are significant unobservable inputs. The District had the minimum recurring fair value measurements as of June 30, 2019.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

**Investments measured at fair value**

	6/30/2019	Level 1	Level 2	Level 3
<b>Enterprise fund</b>				
Debt securities				
Collateralized mortgage investment	\$ 3,000,000		\$ 3,000,000	
Corporate bond	3,000,000		3,000,000	
Creative rate	1,000,000		1,000,000	
Asset backed securities	1,000,000		1,000,000	
State Government Agency investment	1,000,000		1,000,000	
State Government insured investment	1,000,000		1,000,000	
Various credit investments	1,000,000	1,000,000		
Total enterprise fund	<u>\$ 11,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 11,000,000</u>	
<b>Fiduciary fund</b>				
Debt securities				
Collateralized mortgage investment	\$ 1,000,000		\$ 1,000,000	
Corporate bond	1,000,000		1,000,000	
Municipal	1,000,000		1,000,000	
State Government Agency investment	1,000,000		1,000,000	
State Government insured investment	1,000,000		1,000,000	
Asset backed investment	1,000,000		1,000,000	
Equity securities				
Common stock	\$ 3,000,000	\$ 3,000,000		
Deferred receipt	1,000,000	1,000,000		
Real estate investment trust	1,000,000	1,000,000		
Total fiduciary fund	<u>\$ 11,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 11,000,000</u>	
Total investment measured at fair value	<u>\$ 22,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 22,000,000</u>	

**Investments measured at the net asset value (NAV)**

<b>Enterprise fund</b>	
Various	\$ 3,000,000
<b>Fiduciary fund</b>	
State index fund	1,000,000
Municipal index fund	1,000,000
International equity fund	1,000,000
International macro alternative fund	1,000,000
International emerging Market fund	1,000,000
Total fiduciary fund	<u>5,000,000</u>
Total investment measured at NAV	<u>\$ 3,000,000</u>
Total investment	<u>\$ 3,000,000</u>

Balance included in receivable other on the statement of net position

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**2 CASH AND INVESTMENTS (Continued)**

Net and effective yields are calculated in accordance with the fair value hierarchy are based on prices quoted in active markets for those securities. Net effective yields are calculated in accordance with the fair value hierarchy are based on a matrix pricing technique. Matrix pricing is used to value securities listed on the Securities Relationship to Benchmark quoted price net asset value. All securities are valued based on the net asset value of the quoted investment. The NAV is determined as divided in the total value of the securities and other assets less any liabilities of the total fund and share of the fund.

	Amount	Unfunded Commitment	Redemption Preference	Redemption Notice Period
<b>Enterprise fund</b>				
California State	\$ 3,000,000	-	None	None
<b>Fiduciary fund</b>				
California State	\$ 3,000,000	-	None	None
Morgan Stanley	\$ 3,000,000	-	None	None
International	\$ 3,000,000	-	None	None
International	\$ 3,000,000	-	None	None
International	\$ 3,000,000	-	None	None
<b>Total</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The California State investment includes an investment in an external investment that is governed by the California Government Investment Code. The investment is benchmarked against the California Short-Term Government Rate Index. The fair value of the investment in this time has been determined based on the NAV. The NAV is calculated based on divided in the total value of the securities and other assets less any liabilities of the total fund and share of the fund.

The California State investment includes an investment in an external investment that is intended to match the California State investment. The investment is made as a primary or common stock. The fair value of the investment in this time has been determined based on the NAV. The NAV of the investment is determined each business day. The amount and redemption of the investment can be made on each business day based on the current market value on the valuation date of the investment, either on or off and the NAV of the fund.

The Morgan Stanley investment includes an investment in the Morgan Stanley California International Corporate Bond Index. The investment is made as a primary or common stock. The fair value of the investment in this time has been determined based on the NAV. The NAV of the investment is determined each business day. The amount and redemption of the investment can be made on each business day based on the current market value on the valuation date of the investment, either on or off and the NAV of the fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**2. CASH AND INVESTMENTS (Continued)**

are made on each date based upon the closing market value on the valuation date of the investment portfolio and the fair value per unit of the fund.

International investment funds may include an investment in an international fund that seeks to return from long-term capital growth and income while attempting to outperform the MSCI ACSI index over a market cycle. The fair value of the investment in the fund has been determined upon the fair value per unit of the investment. The fund has one deadline date per month which is the first business day and notice are required based upon a valuation on the first business day of the preceding month.

International investment funds may intend to provide a set of valuation information and economic factors to generate an investment portfolio based on specific selection procedures based to assist the fund in meeting its investment objectives and generate the managed performance and performance securities relative to the benchmark. The investment objective is to outperform the MSCI ACSI index over a market cycle. The fair value of the investment in the fund has been determined upon the fair value per unit of the investment. The fund has one deadline date per month which is the first business day and notice is required at least two business days in advance of a distribution or withdrawal.

International Emerging Market funds invest in companies listed in the Emerging Market Series of the Emerging Market Series. The fund purchases a broad market basket of larger companies associated with emerging markets which may include frontier markets, emerging market countries in an earlier stage of development, authorized for investment by the Advisory Investment Committee. As a non-fundamental objective under normal circumstances, the Emerging Market Series invests at least 80% of its net assets in emerging market investments that are defined in the Prospectus as Approved Market Securities. The fair value of the investment in the fund has been determined upon the fair value per share of the investment. The fund may purchase or redeem shares of the fund on any business day.

**RESTRICTED CASH AND INVESTMENTS**

Interfund Fund

At June 30, 2019, cash and investments include restricted amounts of \$3,000,000. Amounts represent money restricted for debt service requirements and capital projects of \$3,000,000 and grant-related projects of \$0.

Discretionary Fund

At June 30, 2019, restricted cash and investments of the pension trust fund totaled \$3,000,000. Amounts represent and restricted for employee retirement.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**3. CAPITAL ASSETS**

The following table summarizes the changes in the net book value of capital assets for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Transfers	Deletions	Balance June 30, 2019
Non-depreciated Capital Assets					
Land	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Contract in progress	3,000,000	0	0	0	3,000,000
Capitalized interest	3,000,000	0	0	0	3,000,000
Depreciated Capital Assets					
Buildings and improvements	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Equipment and other	3,000,000	0	0	0	3,000,000
Capitalized interest	3,000,000	0	0	0	3,000,000
Accumulated Depreciation					
Buildings and improvements	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Equipment and other	3,000,000	0	0	0	3,000,000
Capitalized interest	3,000,000	0	0	0	3,000,000
Capital Assets Held for Sale	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Land and buildings on the date of the land and buildings at McEwan Park approximately 3.3 million and 3.3 million respectively are included in the year-end financial statements of the District. The land and buildings are subject to a purchase agreement with the City of Sacramento. The purchase agreement provides for the transfer of the land and buildings to the District within the next two years to the year where the current lease is in furtherance of the purchase agreement. The purchase agreement also provides for the transfer of the land and buildings to the District within the next two years to the year where the current lease is in furtherance of the purchase agreement.

Pursuant to such transaction, the District acquired a leasehold interest in multiple buildings and some exterior parking and the right to use certain common areas at McEwan Park. Formerly, McEwan Park was owned by the City of Sacramento. The purchase agreement provides for the transfer of the land and buildings to the District within the next two years to the year where the current lease is in furtherance of the purchase agreement. The purchase agreement also provides for the transfer of the land and buildings to the District within the next two years to the year where the current lease is in furtherance of the purchase agreement.

Buildings on the date of the buildings and improvements include 3.3 million in improvements. The improvements were made pursuant to a Lease and Joint Use Agreement with the City of Sacramento. The agreement provides for the construction of a parking structure at the McEwan Park. The District and the City of Sacramento have agreed to make joint use of the parking structure and adjacent space. The District's lease payments are the cost of construction which have already been paid in full and there are no future payments due to the City of Sacramento. The District is responsible for maintaining and repairing and capitalizing and title associated with the structure. The term of the lease which commenced in August 2011 with the opening of the South Sacramento Corridor shall be ten years for a period of ten years with the option to extend for two consecutive five-year terms. The lease meets the conditions of a capital lease since the lease term exceeds the useful life of the asset and the lease commenced on the date of the purchase agreement in June 2013.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**4. LEASES**

**OPERATING LEASES**

The District lease owned transportation equipment and office facilities under noncancelable operating lease contracts for each lease on a straight-line basis for the fiscal year ended June 30, 2019. The future minimum lease payments for the lease are as follows:

Year ending June 30	Amount
2019	\$ 3,000,000
2020	3,000,000
2021	3,000,000
2022	3,000,000
2023	3,000,000
Thereafter	3,000,000
Total	\$ 18,000,000

**CAPITAL LEASES**

**FINANCE OBLIGATIONS UNDER CAPITAL LEASE/LEASEBACK**

In December 2013, January 2014 and September 2014 the District entered into separate leveraged lease/leaseback transactions over a total of three light rail vehicles. The commitments for each transaction are structured as a head lease of the equipment, the head lease is a special purpose trust created as an entity in order and a simultaneous lease of the equipment back to the District. The lease is under the lease agreement, the District retains the right to use the light rail vehicle and is also responsible for their continued maintenance and insurance. Each lease agreement provides the District with an option to purchase the equipment at the end of the applicable lease term on specified dates between June 30, 2019 and September 30, 2019 for an approximate purchase price of \$3,000,000.

At the closing of the lease/leaseback transactions, the light rail vehicle had a fair value of approximately \$3,000,000 and a net book value of \$0. The District received an approximate \$3,000,000 from the entity in order in order to acquire the head lease. The District deposited a portion of the prepaid head lease payment with debt payment undertaker whose repayment obligations were guaranteed by American International Group, Inc. (AIG). The District also deposited a portion of the prepaid head lease payment with an entity payment undertaker whose obligations which were collateralized with collateral securities and guaranteed by AIG. At each time and in each amount that corresponds to the purchase option payment date and amount for the equipment under each lease. Although these escrows do not represent a liability of the District, obligations under the lease management require that these transactions were structured in such a way that it is not probable that the District would need to accept other money to make lease payments.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**4. LEASES (Continued)**

In addition, the District purchased retirement bonds from Amfac Assurance Corporation. Amfac is a bond insurance company that guarantees certain termination payments that are in the nature of estimated damage in the event the lease/leaseback transactions were terminated in whole or in part prior to each lease expiration payment date.

The lease/leaseback transactions resulted in a net cash gain to the District of \$3 million which was deferred and then amortized over the life of the lease in the fiscal year ending June 30, 2019. The District amortized \$3 million of deferred gain. At June 30, 2019, the District had a balance of \$3 million of deferred gain on the lease/leaseback transactions. The District's lease/leaseback transactions have been recorded similar to capital leases in that the present value of the future lease payments has been recognized on the statement of net position as a lease liability liability.

The original terms of the lease/leaseback transactions required the District to replace AA and A debt payment undertaker with ratings were to include AA3 from Moody's, investment grade from Moody's or A from Standard & Poor's rating or AA from Moody's and A from Standard & Poor's in each case within a specified period of time upon demand of the entity in the contract.

In 2018, the lease/leaseback transactions were restricted to determine a minimum rating requirement applicable to Amfac. To reduce the minimum rating requirement applicable to AA and A debt payment undertaker, Amfac agreed to AA3 from Moody's and investment grade from Moody's to replace AA and A debt payment undertaker and guarantee with investment grade obligation that matured on each date and in each amount that correspond to the purchase option date and amount for the commitment under each lease and extend the time period for any of the District's remaining replacement obligations to one year of payments under the debt payment undertaker agreement remain.

Under the terms of the 2018 contract restriction, the District was required to replace the investment grade obligation with the rating of AA3 from Moody's or AAA from Standard & Poor's. In August 2019, Moody's downgraded the investment grade obligation to AA from investment grade. The District and Amfac agreed to amend the minimum rating requirement for the investment obligation to AA3 from Moody's and AA from Standard & Poor's (the October Amendment).

As a result of the October Amendment, the District is in compliance with the terms of the lease/leaseback transactions.

As investment obligations held in trust, the District is required to purchase option for the commitment under each lease. The District has recorded the amount held in the trust as a liability and a deferred lease liability liability on the statement of net position. The obligations under the lease agreement and the investments held to pay the lease/leaseback obligations are adjusted annually to reflect the change in the net present value of the related lease and investment option. At June 30, 2019, the balance of the deferred liability is \$3 million.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**4. LEASES (Continued)**

The following table sets forth the approximate amount due under the lease agreements:

Future minimum payments due in each year ending one 3	Amount
2019	-
2020	-
2021	-
2022	-
2023	-
2024	-
2025	-
2026	-
2027	-
2028	-
2029	3,000,000
2030	3,000,000
Total future minimum payments	6,000,000
Less imputed interest	(3,000,000)
Present value minimum lease payments	3,000,000

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**5. DIRECT BORROWINGS**

**LINE OF CREDIT**

For the purpose of short-term borrowing, the District has an unsecured line of credit agreement with the State of California. The purpose of the line of credit is to meet the District's working capital needs from the time cash receipts from Federal and State awards are due to the District until they are received. The line of credit has a maximum amount and matures on September 30, 2019. The interest rate for the line of credit is the prime rate plus 1.00 percent. The line of credit is secured by the District's cash and investments as of June 30, 2019.

As of June 30, 2019, the District reported compliance with the short-term borrowing requirements stated under the California Government Code and with the financial covenants required by the agreement.

The line of credit contains a provision that in event of default, the line of credit is automatically terminated and a provision that in an event of default, the line of credit can be immediately terminated or the terms of repayment of the outstanding amount become immediately due if the District is unable to make payment. The District's average receivable ratio (as defined by the California Transportation Development Act requirements) the District does not maintain a net operating ratio for the most recent ended fiscal year of at least 100 percent. The District does not maintain a fixed charge coverage ratio for the most recent ended fiscal year of at least 100 percent. The District does not maintain unrestricted working capital in an amount at least equal to the amount of the line of credit. At least 100 percent of the cash on hand and the balance of the line of credit in cash and/or accounts receivable or other current assets must be maintained in cash or in a bank account.

The District's line of credit contains a protective acceleration clause that allows the lender to immediately terminate the line of credit or accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change has occurred.

The unsecured line of credit balance at June 30, 2019 was \$0.

**LOANS PAYABLE**

Grant awards at June 30, 2019 include \$3,000,000 received in December 2013 from the State Transportation Account (STA) in the State Transportation and Grant to Section of the California State Transportation Agency (ASTA). The STA is a state-owned and operated entity that replaced a Federal Transit Administration (FTA) grant that lapsed due to the expiration of the Federal Transit Act of 1964. In connection with the STA, the District committed a grant amendment to the STA to enable the District to draw down the grant and needed to repay the STA. The STA approved the amendment to provide a portion of the grant for which the grant award awarded had not yet been completed.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**5. DIRECT BORROWINGS (Continued)**

Under the terms of the loan agreement, once the District receives the funds, it must repay the loan on or before 90 days after it receives the grant funds, or within an additional 90 days later than 90 days if the District intends to re-augment a project. The District has a 3% interest rate on the outstanding loan balance. Within the term of the grant and available to draw down in calendar years 2019 and 2020, the remaining balance of the loan is subject to the Maturity Date of the loan. The District has a 3% interest rate on the remaining balance of the loan. The District is working with the State to determine how repayment will occur once the District begins to receive a portion of the grant amount at that time.

The SRA has accrued interest at the rate earned on the State Funded Money Investment Account at the time of the loan which is a 3% interest rate. The principal balance of the SRA has a 3% interest rate and accrued interest is a 3% interest rate.

All of the 3% interest rate direct borrowings debt service requirements to maturity are as follows:

Calendar Year	Principal	Interest	Total
2019	\$ 3,000,000	\$ 90,000	\$ 3,090,000
2020	3,000,000	90,000	3,090,000
2021	3,000,000	90,000	3,090,000
Total	\$ 9,000,000	\$ 270,000	\$ 9,270,000

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**6. LONG-TERM DEBT**

**FAREBOX REVENUE BONDS (Revenue Bonds), SERIES 2012**

In December 2012, the District issued General Obligation Bonds with interest rate ranging from 3% to 4% to finance the General Obligation Bonds were issued to finance a portion of the cost of an extension to the District Light Rail System and related improvements and acquisition of certain street and other vehicle and other capital projects and to refund all of the outstanding General Obligation Bonds. The Series 2012 Bonds are secured by the revenue of the District and are secured by a pledge of the revenue through

The Series 2012 Bonds mature on and after March 31, 2013. The District has the right to redeem prior to their respective stated maturities at the option of the District from any source available and the bond matures on March 31, 2013. The District has the right to redeem in part from mandatory sinking account payments required by the indenture on each March 31 or after March 31 at the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest and the Series 2012 Bonds mature on March 31, 2013. The District has the right to redeem in part from mandatory sinking account payments required by the indenture on each March 31 or after March 31 at the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest.

All Series 2012 debt service requirements to maturity are as follows:

Calendar Year Ending June 30	Principal	Interest	Total
2013	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2014	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2015	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2016	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2017	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2018	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2019	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2020	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2021	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2022	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2023	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2024	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2025	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2026	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2027	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2028	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2029	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
2030	\$ 3,300,000	\$ 3,300,000	\$ 6,600,000
Total	\$ 33,000,000	\$ 33,000,000	\$ 66,000,000

All Series 2012 debt service requirements to maturity are associated with the General Obligation Bonds. The amount of the principal for calendar year ending June 30, 2013 and is amortized to interest expense.

All Series 2012 debt service requirements to maturity are associated with a financial covenant of the General Obligation Bonds.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**6. LONG-TERM DEBT (Continued)**

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liabilities at the beginning of the fiscal year ended June 30, 2019 are as follows:

	Beginning Balance	Addition	Deduction	Ending Balance	Due Within One Year
Other debt					
Deferred bond premium	\$ 1,000,000	\$ 0	\$ 3,000,000	\$ 2,000,000	\$ 3,000,000
Tax-exempt bond	\$ 1,000,000	\$ 0	\$ 3,000,000	\$ 2,000,000	\$ 3,000,000
Direct borrowing					
Line credit	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000	\$ 3,000,000
Tax-exempt direct borrowing	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000	\$ 3,000,000
Other long-term liability					
Mortgage insurance	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Lease liability	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000	\$ 0
Long-term liability	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**7. FUNDING SOURCES**

The District is dependent upon funds from federal resources to meet its operating maintenance and capital requirements. The receipt of such funds is controlled by statute, the provisions of various grant contracts, regulations, and in some instances is dependent on the availability of grantor and local matching funds.

**FEDERAL GRANTS**

Federal grant funds are obtained from the Federal Transit Administration (FTA) and Department of Transportation (DOT) Federal funds for the fiscal year ended June 30, 2019, comprised of the following:

Operating assistance grant		\$ 0
FTA Section 3		\$ 0
FTA Section 33		\$ 3,000,000
FTA Section 33		\$ 3,000,000
FTA Section 3		\$ 3,000,000
DOT Departmental and Sectional		\$ 0
Total Federal operating assistance grant		\$ 3,000,000
Capital grant		
FTA Section 3		\$ 0
FTA Section 33		\$ 3,000,000
FTA Section 3		\$ 3,000,000
Total Federal capital grant		\$ 3,000,000
Total Federal operating and capital grant		\$ 3,000,000

The FTA retains its interest in assets acquired with Federal funds should they be disposed of before the end of the economic life or not used for public transit.

Under provisions of Section 3 of the Urban Mass Transportation Act, as amended, Federal resources are made available for planning, capital and operating assistance projects to certain transit systems and are appropriated annually based on a statutory formula and are available for a period of one year commencing on the date of the fiscal year for which they were appropriated. An unexpended amount at the end of each period reverts to the Federal Government in general funds received for operating costs at a minimum, one matched with local contributions and funds for capital projects must be matched with local contributions.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**7. FUNDING SOURCES (Continued)**

**STATE AND LOCAL GRANTS**

The District receives and receives distribution from California State Grant Assistance and Senate Bill State Bond Repair under claim approved by the Sacramento Area Council of Governments (ACOG) in accordance with provisions of the Transportation Reinvestment Act (TRA).

State and California grants ending for the California year ended June 30, 2019 are summarized in the following:

Operating assistance grants	
California State Grant Assistance	\$ 1,000,000
Measure A Sales Tax Refund	\$ 1,000,000
State Grant Assistance	\$ 3,000,000
Senate Bill State Bond Repair	\$ 3,000,000
San Joaquin Transit Operations Program	\$ 3,000,000
California State and California Operating Assistance Grants	<u>\$ 13,000,000</u>
Capital grants	
State Grant Assistance	\$ 1,000,000
Recreation	\$ 1,000,000
Transit Connection Reinvestment Program	\$ 3,300,000
Transit Development Sacramento	\$ 3,000,000
Transit Sacramento	\$ 1,000,000
Measure A Sales Tax Refund	\$ 1,000,000
Recreation Fee	\$ 1,000,000
Senate Bill California Partnership Program	\$ 3,000,000
California Department Transportation	\$ 1,000,000
North State	\$ 1,000,000
Other	\$ 1,000,000
California State and California Capital Grants	<u>\$ 13,300,000</u>
California State and California Grants	<u>\$ 26,300,000</u>



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**7. FUNDING SOURCES (Continued)**

**ADVANCES FROM OTHER GOVERNMENTS**

Advances from other governments at June 30, 2019 consisted of the following:

Revenue	\$ 3,000,000
Grant	3,000,000
Interagency	3,000,000
San Francisco	3,000,000
Sacramento	3,000,000
Sacramento Metropolitan District	3,000,000
San Francisco Metropolitan Program	3,000,000
Sacramento Merced Clean Air Transportation Authority	3,000,000
Other	3,000,000
Total advances from other governments	<u>\$ 30,000,000</u>

The advances from other governments are restricted cash from grant agreements from area developer designated for transit improvement and a portion of settlement proceeds received not yet recognized in accordance with California Management and an estimate of the amount that will be recognized in the next fiscal year and classified as a current liability.

**PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)**

In December 2018, California enacted a bond measure, the California State Transportation Authority and Port Security Bond Act, which authorized the State General Fund to issue bonds to finance the construction of the State and instructed the State to use the proceeds to fund the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation or modernization, improvement, capital service enhancement, or expansion of new California rail transit improvement or for rapid transit improvement, rehabilitation or replacement. MTA references are included as part of the California and California contracts in the statement of revenues and expenses and changes in net position. MTA activities for the fiscal year ended June 30, 2019 are as follows:

Revenue	\$ 3,000,000
Expenditures	
Capital	\$ 3,000,000
Debt	3,000,000
Interest	3,000,000
Maintenance	3,000,000
Program	3,000,000
Light Rail Vehicle Mileage	3,000,000
Other	3,000,000
Net Change	<u>\$ 3,000,000</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
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**8. FARE RECOVERY RATIO**

The District is required to maintain a fare recovery ratio of 100% in accordance with the Transportation Reform Act to demonstrate compliance with the fare recovery that the District has implemented per California Public Utilities Code Section 54900.000. A certain portion of the Measure A and in order to meet the required ratio the fare recovery ratio for the District is calculated as follows for the fiscal year ended June 30, 2019:

Fare Revenue	\$ 3,000,000
Capital Expenditures	\$ 3,000,000
Measure A	\$ 3,000,000
Transfer Revenue	<u>\$ 3,000,000</u>
Operating Expense	\$ 3,333,333
Depreciation Expense	\$ 3,333,333
Operating Expense	<u>\$ 3,000,000</u>
Fare Revenue Ratio	<u>100%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS**

**DESCRIPTION OF PLANS**

The District contributes to three non-employer defined benefit pension plans:

- The Sacramento Regional Transit District Retirement Plan for members of AAACA Plan
- The Sacramento Regional Transit District Retirement Plan for members of CA and Plan and
- The Sacramento Regional Transit District Retirement Plan for salaried employees married or unmarried are members of the
  - ) Administrative Employees Association (AEA)
  - ) Management and Confidential Employees or M&C
  - ) American Federation of State, County and Municipal Employees (AFM) which is further broken down into the following groups for bargaining and contract purposes
    - o AFM Technica
    - o AFM Member

The plans are administered by the District under the direction of the separate retirement board which reports each reporting one of the aforementioned bargaining and employee groups to AAACA, AEA, M&C and M&C. The District's administrative functions include payment to retirees, account, financial management, plan document management, correspondence with retirees, pension calculation and other administrative tasks. The retirement board reports are responsible for investment decisions, the annual actuarial valuation and annual contribution, the annual audited financial statement, retirement and other tax-related expenses incurred in the administration of the plans are paid by the plan.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

Each retirement plan is administered by a representative of District Management or a member from the District Board of Directors and General Manager and two members from the represented groups. Each plan member receives a four-year term with no limit on the amount of term that can be earned. The Actuarial and Valued Plan files a public available combined financial report that includes audited financial statements and required supplemental information. The report may be obtained by writing to Sacramento Regional Transit District, Attention: Chief Financial Officer, 1000 Sacramento Street, Sacramento, CA 95833 or online at [sacrt.com](http://sacrt.com).

**Change in Bargaining Group** – Changes in bargaining groups occur when an active employee can or can accept a new position with a bargaining unit that participates in another plan. When a change in bargaining group occurs, contributions made on behalf of that employee must be adjusted to determine if the assets need to be moved to the new plan. Amounts related to a change in bargaining group are recorded upon notification and a prorated calculated amount on the District and the related bargaining group retirement plan. During the year ending June 30, 2018, assets were moved from the Actuarial Plan to the Valued Plan in the amount of \$3.3 million. The effect of the change can be seen on the statement of changes in net position as a change in bargaining groups within the additions and deductions category.

**Plan Tier Definition** – As a result of labor negotiations and the court ruling on the Public Employees Pension Reform Act (PEPRA) that was created in the Actuarial and Valued Plan as well as a Tier 3 for the Actuarial Plan. The tier effective date was directly affected by labor negotiations and whether the non-employee groups are under a current Memorandum of Understanding (MOU). As of December 31, 2018, the Actuarial and Actuarial-Mechanical groups were found to be under a current MOU. Hereafter, the Actuarial and Actuarial-Mechanical groups had not settled negotiations and were not found to be under a current MOU. Thereafter, a plan required to be implemented for these groups:

- 1) Actuarial and Actuarial-Mechanical Tier 1 consist of employees hired on or before December 31, 2018 or consist of employees hired on or after January 1, 2019.
- 2) Actuarial Tier 2 consist of employees hired on or before December 31, 2018 or consist of employees hired on or after January 1, 2019 or consist of employees hired during the time period January 1, 2019 to December 31, 2019.
- 3) Actuarial-Mechanical and Actuarial-Mechanical-Tier 3 Tier 1 consist of employees hired on or before December 31, 2018 or consist of employees hired on or after December 31, 2019.

Tier 1 and Tier 3 are coded to new entrant available hired employees which are placed into the respective Tier 1 plan.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

**Plan Termination** If the ARO or a vested plan are terminated the plan net position must be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, both active and inactive, on the basis of the actuarial present value of their benefits.

**BENEFITS PROVIDED**

Contributions to the ARO and a vested plan are authorized or amended by the Retirement Board based on an actuarial valuation. The authority under which benefits provisions are established and amended rests with the District Board of Directors as a result of labor negotiations.

The ARO and a vested plan provide defined pension and death benefits to employees who are members of the ARO, AA, MA, AM, Mechanical and AM members, including non-union.

The benefit for tier 1 and tier 3 members begins at retirement and continues for the participant with no cost to the participant. The participant can elect to receive reduced benefits with continued benefits to a beneficiary after death.

**Disability Benefits** A participant may receive a disability benefit if the participant is unable to perform the duties of his or her job with the District and has committed satisfactory medical evidence of permanent disability from his or her job. Members are required to be elected in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance as defined by the ARO or a vested plan, including service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant. The participant elects to receive reduced benefits with continued benefits to a beneficiary after death.

**Pre-Retirement Death Benefit** A participant's accrued benefit is payable for a pre-retirement death benefit if the participant is elected based on the respective bargaining agreement. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

AROs and a vested plan members, tier 1 and tier 3 at age 30, are

Retirees and beneficiaries receive current benefits	3
Terminated members entitled to cost-free net cost-of-living benefits	0
Current active members	0
	3
	3

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS (Continued)**

The following represents a summary of the retirement benefits for Tier 1 and Tier 3 employees for each of the employees represented on the Actuarial and related plan for each year ending June 30, 2019.

**Table 1**

TIER 1 & TIER 3 Employee Information Plan Term	ATU Plan	IBEW Plan	Salaries Plan			
	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
	M	M	M	M	M	M
Effective period Year covered Retired						
Age used in Benefit Calculation	Age from the month ending on date of separation as an documented or actual retirement					
Accrual and Leave Toward Calculation Rate Retirement Multiplier	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual
	Rate at actual retirement multiplier or rate and service are not met Retired					

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

The following table presents a summary of the retirement benefits for each of the employees represented by the AFSCME and the United Brotherhood of Carpenters and Joiners of America (UBA) for the fiscal year ended June 30, 2019.

**Table 2**

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
			AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Employee	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Term	Open-Ended	Open-Ended	Open-Ended	Open-Ended	Open-Ended	Open-Ended
Retirement Period	Open-Ended	Open-Ended	Open-Ended	Open-Ended	Open-Ended	Open-Ended
Age-Related Pension Calculation	The contribution is based on the employee's age and years of service.					
Accrual and Contribution	Actuarial	Actuarial	Actuarial	Actuarial	Actuarial	Actuarial
Retirement Mortality	The actuarial assumptions used in the pension plan are based on the mortality table for the year ended June 30, 2019.					

The retirement benefits for each employee and pension calculation mortality are based on the employee's age and years of service. The mortality and years of service range from 10 years of service to 30 years of service for the AFSCME and 10 years of service to 30 years of service for the UBA. Retirement benefits and mortality are mandated by the AFSCME and UBA at the time of the fiscal year ended June 30, 2019.

**Contributions**

The AFSCME and the United Brotherhood of Carpenters and Joiners of America (UBA) determined periodic contribution and contribution rate for retirement benefits are determined using the entry age normal cost method and are accrued to the retirement fund. The district made contributions to the AFSCME and UBA for the fiscal year ended June 30, 2019. The district made contributions to the AFSCME and UBA for the fiscal year ended June 30, 2018. The district made contributions to the AFSCME and UBA for the fiscal year ended June 30, 2017. The district made contributions to the AFSCME and UBA for the fiscal year ended June 30, 2016.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS (Continued)**

Table 3 presents the employer and employee contribution rates and Tier 1 and Tier 3 employee salary ranges.

**Table 3**

Employee Group	Tier 1		Tier 3	
	Employer	Employee	Employer	Employee
A	3.00%	0.00%	3.00%	3.00%
B	3.00%	0.00%	0.00%	0.00%
A, A-M and A-M	3.00%	0.00%	0.00%	0.00%

All plan participants are required to contribute to the pension plan on the term of the California State or based on the A salary range. The employer and employee contribution rates for Tier 1 employee salary ranges are:

**Table 4**

Employee Group	Tier 2	
	Employer	Employee
A	0.00%	0.00%
B	0.00%	0.00%
A, A-M and A-M	0.00%	0.00%

The employee contribution to the A and A-M and A-M plan for the calendar year ended June 30, 2019 were 3.00% and 3.00% and 3.00% respectively.

The employee contribution rates calculated in compliance with the A or the 3 were actuarially determined as part of the actuarial dated actuarial employer contribution rates are calculated and change annually after the employee contribution rates for Tier 1 employee salary ranges are calculated annually. The total normal cost change is more than 1 percent.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

**NET PENSION LIABILITY**

The District's net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined on an actuarial valuation as of that date and projected to June 30, 2019 for the Actuarial and actuarial liability date. The District's net pension liability as of the measurement date is the net pension liability as of the reporting date as of June 30, 2019.

**Actuarial Assumptions** The total pension liability was measured as of June 30, 2019 and determined on the actuarial valuation as of that date included in the measurement for the Actuarial and actuarial liability date. The actuarial assumptions used to determine the net pension liability were made between the fiscal year ending June 30, 2019 and June 30, 2018 for the Actuarial and actuarial liability date. The inflation rate decreased from 3.00% to 3.00%, the amortization growth rate decreased from 3.00% to 3.00%, the salary increase growth rate decreased from 3.00% to 3.00% and the investment rate of return and discount rate was reduced from 8.00% to 8.00%.

Inflation	3.00%
Amortization growth rate	3.00%
Salary increase	3.00% (merit component)
Investment rate of return	8.00% net investment expense
Discount rate	8.00%

Mortality rates were based on the 2010 Combined Single Mortality Table adopted as of June 30, 2019 for male and 30% for female with generation projection on a 2010 table for the Actuarial and actuarial liability date and the 2010 retired pensioner Mortality Table adopted as of June 30, 2019 for male with generation projection on a 2010 table for the actuarial liability date.

The actuarial assumptions used in the 2019 actuarial valuation were based on the results of an actuarial experience study for the period from 2010 through June 30, 2019 for the economic assumptions which were based on the retirement record for the 2010 actuarial valuation as a result of an analysis completed in 2019.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS (Continued)**

For the Actuarial and assumed plan the long-term expected rate of return on pension plan investments is determined using a stochastic method in which the estimate range of expected future real rate of return, expected return net pension plan investment expense and inflation are determined for each major asset class. These ranges are combined to produce the long-term expected rate of return. In addition, the expected future real rate of return on the target asset allocation percentage and the expected inflation on the target asset allocation and the estimate of arithmetic real rate of return for each major asset class are summarized below.

Asset Class	Target Allocation	Long-term Expected Real Rate Return
Domestic Equity	30%	6%
Domestic Fixed Income	10%	4%
International Equity	10%	6%
International Emerging Market	5%	8%
Domestic Fixed Income	30%	3%
Total	100%	

**Discount rate** - The discount rate used to measure the total pension liability is the rate that would be used to determine the discount rate assumed that the employee contributions would be made at the current contribution rate and that the district contributions would be made at rates equal to the difference between actuarially determined contribution rates and the employee rates. In those assumptions, the pension plan's debt is assumed to be a liability to make a projected future benefit payment. Current active and inactive employees therefore use the long-term expected rate of return on pension plan investments as applied to a projected benefit payment to determine the total pension liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS (Continued)**

**CHANGES IN THE NET PENSION LIABILITY**

Table 5 presents the changes in the net pension liability for the ATU Plan as an amount of \$3,000,000.

**Table 5**

	<b>ATU Plan</b>		
	<b>Increase (Decreases)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 7/1/2018</b>	\$ 3,300,000	\$ 3,000,000	\$ 300,000
<b>Changes for the year:</b>			
Service cost	1,000,000	-	1,000,000
Interest	1,000,000	-	1,000,000
Difference between expected and actual experience	1,000,000	-	1,000,000
Change in assumptions	3,300,000	-	3,300,000
Contribution - employer	-	3,000,000	3,000,000
Contribution - member	-	33,000,000	33,000,000
Change in actuarial assumptions	1,000,000	1,000,000	-
Net investment income	-	1,000,000	1,000,000
Benefit payments including refunds - employee contribution	3,000,000	3,000,000	-
Administrative expense	-	1,000,000	1,000,000
<b>Net Changes</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Balances at 6/30/2019</b>	<b>\$ 4,300,000</b>	<b>\$ 33,000,000</b>	<b>\$ 28,700,000</b>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS (Continued)**

Table 6 represents the changes in the net pension liability for the year ended June 30, 2019.

**Table 6**

	<b>IBEW Plan</b>		
	<b>Increase (Decreases)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 7/1/2018</b>	\$ 3,000,000	\$ 2,000,000	\$ 1,000,000
<b>Changes for the year:</b>			
Service cost	\$ 1,000,000	\$ -	\$ 1,000,000
Interest	\$ 330,000	\$ -	\$ 330,000
Difference between expected and actual experience	\$ 330,000	\$ -	\$ 330,000
Change in assumptions	\$ 300,000	\$ -	\$ 300,000
Contributions - employer	\$ -	\$ 3,000,000	\$ 3,000,000
Contributions - member	\$ -	\$ 300,000	\$ 300,000
Net investment income	\$ -	\$ 3,000,000	\$ 3,000,000
Benefit payments including refunds - employee contributions	\$ 3,000,000	\$ 3,000,000	\$ -
Administrative expense	\$ -	\$ 100,000	\$ 100,000
<b>Net Changes</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>
<b>Balances at 6/30/2019</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

Table 7 represents the change in net pension liability for the calendar year as of June 30, 2019.

**Table 7**

	<b>Salaried Plan Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 7/1/2018</b>	\$ 3,000,000	\$ 3,000,000	\$ 0
<b>Changes for the year:</b>			
Service cost	3,000,000	-	3,000,000
Interest	1,000,000	-	1,000,000
Difference between expected and actual experience	(1,000,000)	-	(1,000,000)
Change in assumptions	3,000,000	-	3,000,000
Contribution employer	-	1,000,000	(1,000,000)
Contribution member	-	(3,000,000)	(3,000,000)
Change in actuarial accrual	(1,000,000)	(3,000,000)	(2,000,000)
Net investment income	-	(3,000,000)	(3,000,000)
Benefit payment including refund employee contribution	(1,000,000)	(1,000,000)	-
Administrative expense	-	1,000,000	(1,000,000)
<b>Net Changes</b>	<u>3,000,000</u>	<u>(6,000,000)</u>	<u>(3,000,000)</u>
<b>Balances at 6/30/2019</b>	<u>\$ 6,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

There are no related party transactions for the ATU, IBEW and Salaried Plan and Salaried Plan for the year ended June 30, 2019.

**Table 8**

	<b>ATU, IBEW and Salaried Plan Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 7/1/2018</b>	\$ 3,000,000	\$ 3,000,000	\$ 0
<b>Changes for the year:</b>			
Service cost	\$ 1,000,000	\$ 0	\$ 1,000,000
Interest	\$ 1,000,000	\$ 0	\$ 1,000,000
Change in benefit	\$ 0	\$ 0	\$ 0
Difference between expected and actual experience	\$ 0	\$ 0	\$ 0
Change in assumption	\$ 0	\$ 0	\$ 0
Contribution member	\$ 0	\$ 1,000,000	\$ 1,000,000
Contribution member	\$ 0	\$ 3,000,000	\$ 3,000,000
Net investment income	\$ 0	\$ 1,000,000	\$ 1,000,000
Benefit payment including reduced employee contribution	\$ 1,000,000	\$ 1,000,000	\$ 0
Administrative expense	\$ 0	\$ 3,000,000	\$ 3,000,000
<b>Net Changes</b>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 0</u>
<b>Balances at 6/30/2019</b>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 0</u>

There are no related party transactions for the ATU, IBEW and Salaried Plan for the year ended June 30, 2019.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

**Sensitivity of the net pension liability to changes in the discount rate** - The following table represents the net pension liability of the District calculated using the discount rate of 7.25%. It is assumed that the District's net pension liability would be if were calculated using a discount rate that is 1% percent lower or 1% percent higher than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
District net pension liability			
Act plan	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other plan	1,000,000	1,000,000	1,000,000
Unfunded plan	1,000,000	1,000,000	3,000,000
Total	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 5,000,000</u>

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separate audited retirement plan for the Sacramento Regional Transit District's financial report. The plan's investment portfolio has been committed to reduce investment expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. PENSION PLANS (Continued)**

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

The total pension expense recognized by the District for the A period and related plan for the fiscal year ended June 30, 2019, was \$3,000,000 and \$3,000,000, respectively. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments		
A period plan	\$3,000,000	
Other plan	\$3,000,000	
Related plan	\$3,000,000	
Difference between expected and actual experience		
A period plan	\$3,000,000	\$3,000,000
Other plan	\$3,000,000	\$3,000,000
Related plan	\$3,000,000	\$3,000,000
Change in assumptions		
A period plan	\$3,000,000	
Other plan	\$3,000,000	
Related plan	\$3,000,000	\$3,000,000
Actuarial gain and loss before employer contribution	\$3,000,000	\$3,000,000
Employer contribution expense to the measurement date of the net pension liability		
A period plan	\$3,000,000	
Other plan	\$3,000,000	
Related plan	\$3,000,000	
Actuarial employer contribution	\$3,000,000	\$3,000,000
Actuarial deferred inflows and outflows	\$3,000,000	\$3,000,000



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**9. PENSION PLANS (Continued)**

Deferred contributions are recorded as a liability from contributions made subsequent to the measurement date in the amount of \$3,333,333. The amount recorded as a reduction of the net pension liability in the year ending June 30, 2019 is \$3,333,333. Amounts reported as deferred contributions are recorded as a liability and deferred income is recorded as a liability related to pension contributions recorded in pension expense as follows:

Year ended June 30	<b>ATU Plan</b>	<b>IBEW Plan</b>	<b>Salaried Plan</b>	<b>Total</b>
2019	\$ 3,333,333	\$ 3,333,333	\$ 3,333,333	\$ 3,333,333
2018	3,333,333	3,333,333	3,333,333	3,333,333
2017	3,333,333	3,333,333	3,333,333	3,333,333
2016	3,333,333	3,333,333	3,333,333	3,333,333
Total	<u>\$ 3,333,333</u>	<u>\$ 3,333,333</u>	<u>\$ 3,333,333</u>	<u>\$ 3,333,333</u>

**PAYABLE TO THE PENSION PLAN**

At June 30, 2019, the District reported a net receivable from the ATU and IBEW plans of \$3,333,333 and \$3,333,333, respectively. At June 30, 2019, the District reported a net payable to the salaried plan of \$3,333,333. The net receivable and net payable to and from the plans are the difference between required contributions and payments to vendors made by the District on behalf of the plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**10. OTHER POST-EMPLOYMENT BENEFITS**

**GENERAL INFORMATION ABOUT THE OPEB PLAN**

**Plan Description** - The District defined benefit pension plan provides benefits under provisions of District Personnel Code and related collective bargaining Agreements and certain California public employee retirement system contribution requirements for active and retired members of AAAMMA and the District established an irrevocable trust under the California Public Employees Retirement Benefit Trust Program for the purpose of receiving employer contributions to fund benefits for retirees and their beneficiaries in the contracted amount and income thereon and disburse contracted amount and income thereon to pay for cost of administration of the fund and to pay for other in accordance with the terms of the District plan and the fund are administered as a trust as an agent of the employer and benefit provisions are established and may be amended by District labor agreements which are approved by the Board Director.

**Benefits Provided** - The District provides medical care benefits for active and retired members of AAAMMA and the District also provides dental care and life insurance benefits to active and retired members of the AAAMMA and MMA. The benefits are mandated by contracted agreements between the District and the respective employer and may be amended at any time. Employees and their dependents may become eligible for such benefits when the employee reach normal retirement age. The cost for the District Medical and life insurance benefits for active employees are provided through an insurance company whose premiums are paid on the benefit paid during the year.

The District contribute to or for the cost for retired members of AAAMMA and MMA hired after 2003 and 2004 for plan members hired prior to 2003. The District is required to contribute the one percent minimum required contribution set under the California Public Employees Medical Insurance Act (MIA) for retired members of the AAAMMA and MMA.

**Employees Covered by Benefit Terms** - At June 30, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	3
Terminated members entitled to but not yet collected benefits	0
Current active members	0
	0
	0

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Contributions** - The contribution of the District to contribute to the plan is established by the Board of Directors of the District current period and the plan at the actuary determined contribution for the year ended June 30, 2019. The District contribution as of 3/31/2019 employees are not required to contribute to the plan.

**NET OPEB LIABILITY**

The District net OPEB liability is measured as of June 30, 2019 and the total net liability used to calculate the net OPEB liability is determined an actuarial valuation dated 6/30/2019. There were no changes in benefit or assumptions since the prior measurement period.

**Actuarial Assumptions** - The total net liability in the 2019 actuarial valuation is determined using the following actuarial assumptions applied to a period in the measurement:

- Generation Skew Rate: 0.00 Percent
- Salary Increase: 3.00 Percent
- Investment Rate of Return: 0.00 Percent net of plan investment expense including inflation
- Healthcare Cost Trend Rate: Medical 10.00 Percent or 1.00 Percent decrease 1.00 Percent per year to an ultimate rate of 3.00 Percent or 3.00 and later years. Dental and required MMA minimum employer contribution 0.00 Percent per year

Mortality rates were based on the Macred 0 att 0 case which is a derivative of the District actuarial from a blending of data and methods used in the 2019 Actuarial Society Mortality Improvement Scale Model. The demographic assumptions used in the 2019 Actuarial Society Mortality Improvement Scale Model are based on the demographic assumptions used in the 2019 Actuarial Society Mortality Improvement Scale Model and the demographic assumptions used in the 2019 Actuarial Society Mortality Improvement Scale Model.

Demographic actuarial assumptions used in the 2019 actuarial valuation were based on the 2019 Actuarial Society Mortality Improvement Scale Model and the demographic assumptions used in the 2019 Actuarial Society Mortality Improvement Scale Model. The demographic assumptions used in the 2019 Actuarial Society Mortality Improvement Scale Model are based on the 2019 Actuarial Society Mortality Improvement Scale Model and the demographic assumptions used in the 2019 Actuarial Society Mortality Improvement Scale Model.

The long-term expected rate of return on plan investments is determined using a stochastic method in which estimate ranges of expected future real rates of return (expected return net of plan investment expense and inflation) are determined for each major asset class. The ranges are combined to produce the long-term expected rate of return.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The expected future real rate of return on the target asset allocation percentage and the expected inflation on the target asset allocation and best estimate of demographic real rate of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Real estate	30%	5.00%
Fixed income	30%	4.00%
Equity	10%	6.00%
Alternative investment protected securities	10%	4.00%
Commodities	3%	4.00%
	<u>83%</u>	
	17%	

**Discount Rate** – The discount rate used to measure the total OPEB liability is the percentage the projection cash flows used to determine the discount rate assumed that the district contribution would be made at rate equal to the actuarially determined contribution rate based on those assumptions. The plan and declared net position is a projected to be available to make a projected benefit payment for current active and inactive employees where the long-term expected rate of return on plan investment is applied to a period of projected benefit payments to determine the total OPEB liability.

**CHANGES IN THE NET OPEB LIABILITY**

	Increase (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balances at 7/1/2018</b>	\$ 3,000,000	\$ 3,000,000	\$ 0
<b>Changes for the year:</b>			
Service cost	1,000,000	0	1,000,000
Interest	330,000	0	330,000
Contribution from employer	0	3,000,000	(3,000,000)
Net investment income	0	1,000,000	(1,000,000)
Benefit payments	(330,000)	(330,000)	0
Other expense	0	(30,000)	30,000
Administrative expense	0	(30,000)	(30,000)
<b>Net Changes</b>	<u>770,000</u>	<u>2,640,000</u>	<u>(1,870,000)</u>
<b>Balances at 6/30/2019</b>	<u>\$ 3,770,000</u>	<u>\$ 5,640,000</u>	<u>\$ 1,870,000</u>

Based on the data Market Assumptions for the program

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following table presents the net OPEB liability of the District as of year end 2018 and 2017, and the sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability is calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate.

1% Decrease	Discount Rate	1% Increase
6.0%	7.0%	8.0%

Net OPEB liability as of year end 2018: \$3,333,333; 2017: \$3,333,333

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following table presents the net OPEB liability of the District as of year end 2018 and 2017, and the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability is calculated using a healthcare cost trend rate that is one percentage point higher or one percentage point lower than the current discount rate.

Current Trend	Current Trend	Current Trend
-1.0%	7.0% Medical / 4.5% Dental	+1.0%

Net OPEB liability as of year end 2018: \$3,333,333; 2017: \$3,333,333

**OPEB Plan Fiduciary Net Position** – Detailed information about the plan and its net position is available in the separate audited financial statements that are included in the annual AARP report of the Sacramento AARP and are obtained from the Sacramento Office of the District of Sacramento AARP.

**OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,333,333. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$3,333,333	\$3,333,333
Contribution made subsequent to the measurement date	3,333,333	-
	\$6,666,666	\$3,333,333

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The 2018 reported a deferred net pension liability related to the pension liability from contributions made subsequent to the measurement date. The liability was recognized as a reduction of the net pension liability in the calendar year ending on June 30, 2018. Other amounts reported as deferred net pension liability and deferred net pension liability related to the pension liability recognized in the calendar year ending on June 30, 2018.

Year Ending June 30	Deferred Inflows of Resources
2018	\$
2017	\$
2016	\$
2015	\$
Total	\$

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**11. SELF-INSURANCE**

The District is exposed to various risks of loss related to tort liability, damage to and destruction of assets, errors and omissions, injury to employees and natural disasters. Coverage is provided as described and effective coverage is generally as follows as of June 30, 2019:

Coverage	Retained Risk	Commercial Insurance Coverage
Automobile Liability	\$0	\$3,000,000
Commercial General Liability	\$0	\$3,000,000
Professional Liability	\$0	\$3,000,000
Workers Compensation	\$0	\$3,000,000
Health Care	\$0	\$3,000,000
Directors and Officers	\$0	\$3,000,000
Crime	\$0	\$3,000,000
Property	\$0	\$3,000,000
Public Liability	\$0	\$3,000,000
Product	\$0	\$3,000,000

Include reference and non-reference vehicle

The District purchases commercial insurance for claims in excess of the retained amount and for a further risk amount to a stated maximum amount. Settled claims have not exceeded the commercial coverage in any of the past three calendar years. There have been no significant reductions in insurance coverage from the preceding year.

The claim liability as of June 30, 2019 reported at June 30, 2019 is based on estimates of the amount needed to pay for and current year claims and to fully accrue estimated incurred but not reported claims. Non-incremental claim adjustment expense have been included as part of the liability. As of June 30, 2019, the public liability and workers' compensation liability is discounted using a discount factor of 0.95 as the District holds in a reserve fund of \$33,000,000 at June 30, 2019. The automobile liability is not discounted.

These claim estimates are actuarially determined and based on the requirements of GASB Statement 38 and 39 which require that a liability for claims be reported in information prior to the issuance of the financial statement and that it is probable that a liability has been incurred at the date of the financial statement and the amount of the liability can be reasonably estimated. Changes in the District's claim liability amount during the calendar year ended June 30, 2019 and 2018 are as follows:

Calendar Year Ended	Beginning of the Year Liability	Current Year Claims and Change in Estimate	Payment	End of the Year Liability
June 30, 2019	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
June 30, 2018	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**12. CONTINGENT LIABILITIES AND COMMITMENTS**

The District is involved in various claims and litigation arising from its operations. District management, after consultation with the District General Counsel, believes that the resolution of such matters will not have a material adverse effect on the District's financial position or results of operations.

The District receives and/or records orders that it expects to receive and add to the grantin agency or funding source. Such additions could result in a receipt or reimbursement for expenses incurred under the terms and conditions of the contract. Management is of the opinion that no material liability will result from such potential additions.

The District has contractin contracts and contract acquisition commitments of \$3,000,000 at June 30, 2019. Federal, state and local grant funds have been approved for such contractin.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**13. TRANSFER OF OPERATIONS**

Under an annexation agreement between the City of Sacramento and the District, the City agreed to combine its public transit service with the District for the purpose of improving operations for the citizens of the region, new service opportunities, increasing operational efficiency and improving transportation and fare collection. On January 1, 2019, the City transferred the assets and liabilities comprising its public transit service to the District. The transfer included all the assets of the City's transit fund and continuing cash state grant revenue receivable and related to the carrying value of the net position transferred as of the transfer date as determined to be \$3,000,000.

<b>Transferred Assets</b>	<b>Carrying Value</b>
Cash	\$ 0
State and local government receivable	\$ 0
Capital Assets	\$ 0
Capital Assets	<u>\$ 3,000,000</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**ATU Plan**

	<b>2019</b>	<b>2018</b>
<b>Total pension liability</b>		
Service cost	\$ 1,000,000	\$ 3,000,000
Interest	1,000,000	1,000,000
Change in benefit term	0	1,000,000
Difference between expected and actual return	1,000,000	1,000,000
Change in assumptions	3,000,000	0
Change in certain items	1,000,000	3,000,000
Benefit payments including refunds to members	(3,000,000)	(3,000,000)
Contributions	(3,000,000)	(3,000,000)
<b>Net change in total pension liability</b>	<b>(3,000,000)</b>	<b>(3,000,000)</b>
<b>Total pension liability - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Total pension liability - ending</b>	<b>0</b>	<b>0</b>
 <b>Plan fiduciary net position</b>		
Contributions employer	\$ 3,000,000	\$ 3,000,000
Contributions member	33,000,000	33,000,000
Change in certain items	1,000,000	3,000,000
Net investment income	1,000,000	1,000,000
Benefit payments including refunds to members	(3,000,000)	(3,000,000)
Contributions	(3,000,000)	(3,000,000)
Administrative expense	(3,000,000)	(3,000,000)
<b>Net change in plan fiduciary net position</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Plan fiduciary net position - ending</b>	<b>4,000,000</b>	<b>4,000,000</b>
 <b>Net pension liability - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Net pension liability - ending</b>	<b>0</b>	<b>0</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>100%</b>	<b>133%</b>
 <b>Covered payroll</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>0%</b>	<b>0%</b>

**Notes to Schedule:**

Assumptions are based on actuarial assumptions and information from the employer.

The amount reported for each year is based on the information in the schedule and is not required to be presented retroactively.

The amounts presented for each year were determined as of the year end that occurred one year prior to the end of the reporting period.

The amounts are reported as a change in assumptions reported from the discount rate from 3% and inflation rate from 3% to 3%.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**IBEW Plan**

	<b>2019</b>	<b>2018</b>
<b>Total pension liability</b>		
Service cost	\$ 33,000,000	\$ 33,000,000
Interest	33,000,000	33,000,000
Change in discount term	-	3,000,000
Difference between expected and actual return	33,000,000	-
Change in assumptions	3,000,000	-
Change in actuarial assumptions	-	3,000,000
Benefit payments including refunds to member contributors	3,000,000	3,000,000
<b>Net change in total pension liability</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Total pension liability - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Total pension liability - ending</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Plan fiduciary net position</b>		
Contributions from employer	\$ 3,000,000	\$ 3,000,000
Contributions from member	3,000,000	3,000,000
Change in actuarial assumptions	-	3,000,000
Net investment income	3,000,000	33,000,000
Benefit payments including refunds to member contributors	3,000,000	3,000,000
Administrative expense	3,000,000	3,000,000
<b>Net change in plan fiduciary net position</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Plan fiduciary net position - ending</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Net pension liability - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Net pension liability - ending</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>100%</b>	<b>100%</b>
<b>Covered payroll</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>200%</b>	<b>200%</b>

**Notes to Schedule:**

Amounts are based on actuarial assumptions and estimates from the employer.

The amount reported for each fiscal year were determined as of the year end that occurred one year prior to the amount reported and may differ from the amount reported in the schedule.

The amount reported for each fiscal year were determined as of the year end that occurred one year prior to the amount reported and may differ from the amount reported in the schedule. The amount reported for each fiscal year were determined as of the year end that occurred one year prior to the amount reported and may differ from the amount reported in the schedule. The amount reported for each fiscal year were determined as of the year end that occurred one year prior to the amount reported and may differ from the amount reported in the schedule.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**ATU/IBEW PLAN**

	2017	2016	2015
<b>Total pension liability</b>			
Service cost	\$ 1,000,000	\$ 3,333,333	\$ 1,000,000
Interest	3,000,000	3,000,000	3,000,000
Difference between expected and actual return	3,000,000	1,000,000	-
Change in assumptions	1,000,000	1,000,000	-
Transfer of actuarial plan	-	-	1,000,000
Benefit payment incurred in refund member contribution	3,000,000	3,000,000	1,000,000
<b>Net change in total pension liability</b>	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>Total pension liability - beginning</b>	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>Total pension liability - ending</b>	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000
<b>Plan fiduciary net position</b>			
Contribution member	\$ 1,000,000	\$ 3,333,333	\$ 1,000,000
Contribution member	1,000,000	3,000,000	1,000,000
Net investment income	1,000,000	1,000,000	3,000,000
Transfer of actuarial plan	-	-	1,000,000
Benefit payment incurred in refund member contribution	3,000,000	3,000,000	1,000,000
Administrative expense	1,000,000	1,000,000	3,333,333
<b>Net change in plan fiduciary net position</b>	\$ 1,000,000	\$ 3,000,000	\$ 3,333,333
<b>Plan fiduciary net position - beginning</b>	\$ 1,000,000	\$ 3,000,000	\$ 3,000,000
<b>Plan fiduciary net position - ending</b>	\$ 2,000,000	\$ 6,000,000	\$ 6,333,333
<b>Net pension liability - beginning</b>	\$ 1,000,000	\$ 1,000,000	\$ 3,333,333
<b>Net pension liability - ending</b>	\$ 2,000,000	\$ 3,000,000	\$ 2,000,000
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	66.67%	300.00%	316.67%
<b>Covered payroll</b>	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
<b>Net pension liability as a percentage of covered payroll</b>	66.67%	100.00%	66.67%

**Notes to Schedule:**

Benefit changes were not significant a change to the benefit in assumptions of the interest rate, discount rate, and demographic assumptions of the plan were reduced from 8% to 7% during the year ended June 30, 2017 which is the measurement year for reporting the amount presented for each fiscal year were determined at the year end that occurred the year prior.

It is a year schedule however the information in this schedule is not required to be presented retroactively. All and are reported as stand alone financial statement.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**SALARIED PLAN**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>					
Service cost	\$ 3,000,000	\$ 3,300,000	\$ 3,000,000	\$ 3,000,000	\$ 3,300,000
Interest income on service cost	(1,000,000)	(1,000,000)	(1,000,000)	(1,300,000)	(1,000,000)
Change in benefit term	0	(300,000)	0	0	0
Difference between expected and actual return	(1,000,000)	(1,000,000)	(1,000,000)	(300,000)	0
Change in assumptions	3,000,000	0	(1,000,000)	(300,000)	0
Change in certain items	(300,000)	0	0	0	(1,000,000)
Benefit payment incurred in refund member contribution	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Net change in total pension liability</b>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
<b>Total pension liability - beginning</b>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
<b>Total pension liability - ending</b>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>
<b>Plan fiduciary net position</b>					
Contribution member	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000
Contribution member	(300,000)	(300,000)	(1,000,000)	(1,000,000)	(1,000,000)
Change in certain items	(300,000)	0	0	0	(1,000,000)
Net investment income	(300,000)	(300,000)	(300,000)	(300,000)	(1,000,000)
Benefit payment incurred in refund member contribution	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Administrative expense	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Net change in plan fiduciary net position</b>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 300,000</u>	<u>\$ 1,000,000</u>
<b>Plan fiduciary net position - beginning</b>	<u>\$ 3,000,000</u>	<u>\$ 3,300,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
<b>Plan fiduciary net position - ending</b>	<u><u>\$ 4,000,000</u></u>	<u><u>\$ 4,300,000</u></u>	<u><u>\$ 4,000,000</u></u>	<u><u>\$ 3,300,000</u></u>	<u><u>\$ 4,000,000</u></u>
<b>Net pension liability - beginning</b>	<u>\$ 3,000,000</u>	<u>\$ 3,300,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,300,000</u>
<b>Net pension liability - ending</b>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>	<u><u>\$ 6,000,000</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	66.67%	71.67%	66.67%	55.00%	66.67%
<b>Covered payroll</b>	\$ 3,000,000	\$ 3,300,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
<b>Net pension liability as a percentage of covered payroll</b>	200.00%	181.82%	200.00%	200.00%	200.00%

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

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**Notes to Schedule:**

Information for each year scheduled hereafter in the information in this schedule is not required to be presented retroactively for years prior to the year added to this schedule in future calendar years unless information is available.

The amounts presented for each calendar year were determined as of the year end that occurred one year prior.

The investment rate of return and discount rate was reduced from 8.00% to 6.00%.

The investment rate of return and discount rate was reduced from 6.00% to 5.00% and updated demographic and economic assumptions that were adopted in an experience study.

The amounts are reported as a change in assumptions resulting from lowering the discount rate from 8.00% to 6.00% and inflation rate from 3.00% to 3.50%.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
ATU Plan  
(Dollar amounts in thousands)**

	2013	2012	2011
Actuarial determined contribution	3,000	3,000	3,000
Contribution in relation to the actuarial			
determined contribution	3,000	3,000	3,000
Contribution deficiency/excess	0	0	0
Covered payroll	3,000	3,000	3,000
Contribution as a percentage	100%	100%	100%
Covered payroll	3,000	3,000	3,000

None of the covered payroll which is different than actual payroll and therefore the contribution as a percentage of covered payroll differs from that of actual contribution.

**Notes to Schedule:**

Contribution rate  
 The contribution rate is determined by the actuarial determined contribution rate are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Method and assumptions used to determine contribution rate

Actuarial cost method      Unit-Add  
 Amortization method      Level percentage of payroll over the year period as of 1/1/11  
 Asset valuation method      Year ended market  
 Discount rate      3% reduced from 3% in the 1st valuation year  
 Amortization growth rate      3% reduced from 3% in the 1st valuation year  
 Price inflation      3% reduced from 3% in the 1st valuation year  
 Salary increase      3% merit component in employee classification and year-over-year  
 Mortality      2000 mortality table adopted for males and 2000 for females

Other information  
 A complete description of the method and assumptions used to determine contribution rate for the year ending 12/31/13 can be found in the 2013 actuarial valuation report, the financial report for the ATR and 2013 financial audit report for the year information for the ATR plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
IBEW Plan  
(Dollar amounts in thousands)**

	2019	2018	2017
Actuarially determined contribution	\$ 3,000	\$ 3,000	\$ 3,300
Contribution in relation to the actuarially determined contribution	3,000	3,000	3,300
Contribution deficiency/excess	-	-	-
Covered payroll	\$3,300	\$3,300	\$3,300
Contribution as a percentage	90.9%	90.9%	90.9%
Covered payroll	\$3,300	\$3,300	\$3,300

The scheduled covered payroll which is different than actual payroll and therefore the contribution as a percentage covered payroll differs from that of actual contribution.

**Notes to Schedule:**

Contribution rate information: Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Method and assumptions used to determine contribution rate:

Actuarial cost method	EntrAge
Amortization method	Level percentage actuarial cost method
Asset valuation method	Year smoothed market
Discount rate	3% reduced from 3% in the actuarial valuation
Amortization period rate	3% reduced from 3% in the actuarial valuation
Price inflation	3% reduced from 3% in the actuarial valuation
Salary increase	3% merit component in employee classification and year-over-year
Mortality	IPED mortality table adopted for males and 3% for females

Other information:

A complete description of the method and assumptions used to determine contribution rate for the year ending June 30, 2019 can be found in the actuarial valuation report, the financial report for the A and B plan and the financial information for the plan in the financial statements.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
ATU/IBEW Plan  
(Dollar amounts in thousands)**

	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Contribution in relation to the actuarially determined contribution	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Contribution deficiency/excess							
Assumed rate	3.333	3.333	3.333	3.333	3.333	3.333	3.333
Contribution as a percentage	3.333	3.333	3.333	3.333	3.333	3.333	3.333
Assumed rate	3.333	3.333	3.333	3.333	3.333	3.333	3.333

The scheduled assumed rate which is different than actual rate and therefore the contribution as a percentage assumed rate differs from that actually contributed.

**Notes to Schedule:**

Assumed rate: Actuarially determined contribution rate are calculated based on the actuarial assumption one year prior to the beginning of the plan year.

Method and assumption used to determine contribution rate

Actuarial cost method: IntrAde  
 Amortization method: Level percentage amortized over year period as specified  
 Asset valuation method: Year ended market  
 Discount rate: 3.000  
 Amortization growth rate: 3.000  
 Price inflation: 3.000  
 Salary increase: 3.000 merit component on employee classification and year experience  
 Mortality: Red distinct assumed 5 hte Year Mortality 3 Year Retiree Remain

Other information

A complete description of the method and assumption used to determine contribution rate for the year ending 3/31/2019 can be found in the 2019 actuarial valuation report A-1 and are reported as stand alone plan experience in the 2019

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
SALARIED PLAN  
(Dollar amounts in thousands)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Contribution in relation to the actuarially determined contribution	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution deficiency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deferred liability	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Contribution as a percentage of deferred liability	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

There is no scheduled or deferred liability which is different than actuarial liability and therefore the contribution as a percentage of deferred liability differs from that of actuarial liability.

**Notes to Schedule:**

Actuarial rate  
 Actuarially determined contribution rates are calculated based on the actuarial assumption one year prior to the beginning of the plan year.

Method and assumption used to determine contribution rate

Actuarial cost method	EntrAge
Amortization method	Level percentage unamortized cost over period as determined
Asset valuation method	Year smoothed market
Discount rate	3.00% reduced from 3.00% in the 2011-2012 valuation
Amortization growth rate	3.00% reduced from 3.00% in the 2011-2012 valuation
Price inflation	3.00% reduced from 3.00% in the 2011-2012 valuation
Salary increase	3.00% merit component in employee classification and year-over-year
Mortality	2010 table Male and Female

Other information

A complete description of the method and assumption used to determine contribution rate for the year ending June 30, 2020 can be found in the actuarial valuation report.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

	<b>2019</b>	<b>2018</b>
<b>Total OPEB liability</b>		
Service cost	\$ 1,000,000	\$ 1,000,000
Interest	3,300,000	3,000,000
Change in benefit term	-	-
Difference between expected and actual experience	-	-
Change in assumptions	-	-
Benefit payment	(3,000,000)	(3,000,000)
<b>Net change in total OPEB liability</b>	<b>1,300,000</b>	<b>1,000,000</b>
<b>Total OPEB liability - beginning</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 4,300,000</b>	<b>\$ 4,000,000</b>
<b>Plan fiduciary net position</b>		
Contribution from employer	\$ 3,000,000	\$ 1,000,000
Net investment income	1,000,000	1,000,000
Benefit payment	(3,000,000)	(3,000,000)
Other expense	300,000	-
Administrative expense	(300,000)	(1,000,000)
<b>Net change in plan fiduciary net position</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b>Net OPEB liability - beginning</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>
<b>Net OPEB liability - ending</b>	<b>\$ 4,300,000</b>	<b>\$ 4,000,000</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>47%</b>	<b>50%</b>
<b>Covered employee payroll</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>
<b>Net OPEB liability as a percentage of covered employee payroll</b>	<b>43%</b>	<b>40%</b>

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior to the end of the fiscal year. The information in this schedule is not required to be presented retroactively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

(Dollar amounts in thousands)

	2019	2018
Actuarially determined contribution	\$ 3,000	\$ 3,000
Contribution in relation to the actuarially determined contribution	3,000	3,000
Contribution deficiency/excess	\$ 0	\$ (3)
Deferred employee contributions	\$ (3,000)	\$ 0
Contribution as a percentage of covered employee salaries	0.00%	0.00%

The scheduled deferred employee contributions which differ than actuarial and there are the contribution as a percentage of covered salaries that is actuarially determined.

**Notes to Schedule:**

Contribution rate is determined by the Actuarially determined contribution rate are calculated based on the actuarial contribution not more than 3 months prior to the close of the fiscal year end per Act.

Methods and assumptions used to determine contribution rate

Actuarial cost method	Projected
Amortization method	Level percentage
Asset valuation method	Market value
Discount rate	3.00%
Amortization period rate	30 years
Generational	3.00%
Salary increase	3.00%
Mortality	2010 mortality experience table

The fiscal year scheduled hereafter the information in this schedule is not required to be presented retroactively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
SCHEDULE OF CONNECT CARD CONSORTIUM BALANCES  
JUNE 30, 2019**

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**ASSETS**

Current Assets	
Cash and Cash Equivalents	\$ 3,300,000
Invested Receivables	300,000
Accrued Receivables	300,000
Total Current Assets	\$ 3,900,000

Noncurrent Assets	
Restricted Cash and Cash Equivalents	\$ 300,000
	\$ 300,000

Total Assets	\$ 4,200,000
--------------	--------------

**LIABILITIES**

Due to Connect Card Consortium Member	\$ 0
---------------------------------------	------

**DEFERRED INFLOWS OF RESOURCES**

Deferred Income from Fare Sale	\$ 300,000
	\$ 300,000

**NET POSITION**

Restricted for Connect Card Consortium Member	\$ 300,000
	\$ 300,000

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
SCHEDULE OF CONNECT CARD CONSORTIUM ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**ADDITIONS**

Care	00000000
Interest Income	000000
Other Income	00
Total Additions	00000300

**DEDUCTIONS**

Contribution to Consortium Member	00000000
Expense Allocation	00000000
Expense for Capital Asset	00000000
Net Contribution to Consortium Member	00000000
Administrative Expense	003000
Information Technology	000000
Insurance	003000
Other Expense	000000
Total Deductions	00000000
Increase/Decrease in Net Position	000030
Net Position Restricted for Connect Card Consortium Member Beginning Year	000000
Net Position Restricted for Connect Card Consortium Member End Year	00003300

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

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This part of the Sacramento Regional Transit District's comprehensive annual financial report presents detailed information as a context for understanding that the information in the financial statements note disclosures and required supplementary information is about the District's overall financial health.

<b>CONTENTS</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>77</b>
These schedules contain information to help the reader understand how the District's financial performance and conditions have changed over time.	
<b>Revenue Capacity</b>	<b>79</b>
These schedules contain information to help the reader assess the factors affecting the District's ability to generate fare.	
<b>Debt Capacity</b>	<b>81</b>
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>83</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other government.	
<b>Operating Information</b>	<b>86</b>
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities performed.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The District implemented GASB Statements No. 63 and 65 in the fiscal year ended June 30, 2013, GASB Statement No. 68 in the fiscal year ended June 30, 2015 and GASB Statement No. 75 in the fiscal year ended June 30, 2018. Schedules comparative results are retroactively presented.

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## Net Position Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Position										
Net Investment in Capital Assets										
Restricted for Capital Projects										
Deferred										
Unrestricted Capital Position										
	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>333</u>

The fiscal year decrease is due to the implementation of the Statement of Activities which reduced net position. The increase in net position in 2013 that is primarily the result of capital contributions to the District. The other changes represent the effect and the deferred 2013 net position.

Source: Comprehensive Annual Financial Report



# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting) (expressed in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Expenses										
Care	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Operating Expenses										
Labor and fringe benefit	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Depreciation and other expense	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Fuel and other	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Maintenance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Materials and supplies	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Depreciation	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Indirect cost allocated to capital	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Program	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Other	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total operating expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Operating income	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Non-Operating Expenses										
Operating Assistance										
State and local	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Federal	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Investment income	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Interest expense	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Gain through disposal of asset	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Depreciation and other expense										
Contract expense		3,000			3,000					3,000
Other		3,000			3,000					3,000
Total non-operating expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Increase (decrease) in net position	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Capital contribution										
State and local	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Federal		3,000								3,000
Increase (decrease) in net position										
Retirement plan										
Contribution										
Benefit										
Total										
Increase (decrease) in net position										
Total after retirement and extraordinary items										

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**Operating Revenues by Source  
Last Ten Fiscal Years**

		fare reimbursement ticket sale	seca contracted	other	total
2011	3,000,000	1,000,000	1,000,000	3,000,000	3,000,000
2012	3,000,000	1,000,000	3,000,000	3,000,000	3,000,000
2013	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2014	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2015	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2016	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2017	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2018	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2019	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2020	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**Principal Fare Revenue Payers  
Current Year and Nine Years Ago**

Customer	Fiscal Year		Fiscal Year	
	Amount	%	Amount	%
City of Sacramento	1,000,000	33%	1,000,000	33%
Department of Transportation	1,000,000	33%	1,000,000	33%
California State Department of Transportation	1,000,000	33%	1,000,000	33%
Department of Health and Adult Services	1,000,000	33%	1,000,000	33%
Branch of the State	1,000,000	33%	1,000,000	33%
Department of Education	1,000,000	33%	1,000,000	33%
Branch of the State	1,000,000	33%	1,000,000	33%
California Health System	1,000,000	33%	1,000,000	33%
Assembly of the State	1,000,000	33%	1,000,000	33%
California Department of Transportation	1,000,000	33%	1,000,000	33%
Department of Transportation	1,000,000	33%	1,000,000	33%
California Environmental Protection Agency	1,000,000	33%	1,000,000	33%
Alta California Health Center	1,000,000	33%	1,000,000	33%
Department of Health and Adult Services	1,000,000	33%	1,000,000	33%
California Department of Transportation	1,000,000	33%	1,000,000	33%
Balance from other customers	1,000,000	33%	1,000,000	33%
Grand Total	3,000,000	100%	3,000,000	100%

Grand Total Source: Comprehensive Annual Financial Report

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificate of Participation	Special Tax	Industrial Development	Percentage of General Fund Income	Total
2010	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0

Revenue bonds are not included in Percentage of General Fund Income or Total Debt as they are self-amortizing and represent debt of the district's operating divisions.

Special Tax is not included in Percentage of General Fund Income or Total Debt as they are self-amortizing and represent revenue accruing to the district's operating divisions.

Source: Comprehensive Annual Financial Report

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Non-Operating Revenue	Total Revenue	Operating Expenses	Net Available Revenue	Debt Service		Reserve
						Principal	Interest	
2010	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2011	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2012	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2013	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2014	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2015	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2016	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2017	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2018	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0
2019	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$3,000,000	\$0

**Notes:** Details regarding the District's debt can be found in the notes to the financial statements. Operating expenses do not include depreciation and capital funded expenses.

A portion of the operating and interest is funded with federal assistance.

Capital expense has been excluded from the schedule.

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## Demographic and Economic Indicators Last Ten Fiscal Years

Population		Personal Income in Household		Per Capita Personal Income		Unemployment Rate <sup>3</sup>	
Sacramento County	County Wide	Sacramento County	County Wide	Sacramento County	County Wide	Sacramento County	County Wide
2000	380,000	10,000	10,000	3,000	3,000	3%	3%
2001	380,000	10,000	10,000	3,000	3,000	3%	3%
2002	380,000	10,000	10,000	3,000	3,000	3%	3%
2003	380,000	10,000	10,000	3,000	3,000	3%	3%
2004	380,000	10,000	10,000	3,000	3,000	3%	3%
2005	380,000	10,000	10,000	3,000	3,000	3%	3%
2006	380,000	10,000	10,000	3,000	3,000	3%	3%
2007	380,000	10,000	10,000	3,000	3,000	3%	3%
2008	380,000	10,000	10,000	3,000	3,000	3%	3%
2009	380,000	10,000	10,000	3,000	3,000	3%	3%
2010	380,000	10,000	10,000	3,000	3,000	3%	3%
2011	380,000	10,000	10,000	3,000	3,000	3%	3%
2012	380,000	10,000	10,000	3,000	3,000	3%	3%
2013	380,000	10,000	10,000	3,000	3,000	3%	3%
2014	380,000	10,000	10,000	3,000	3,000	3%	3%
2015	380,000	10,000	10,000	3,000	3,000	3%	3%
2016	380,000	10,000	10,000	3,000	3,000	3%	3%
2017	380,000	10,000	10,000	3,000	3,000	3%	3%
2018	380,000	10,000	10,000	3,000	3,000	3%	3%
2019	380,000	10,000	10,000	3,000	3,000	3%	3%
2020	380,000	10,000	10,000	3,000	3,000	3%	3%

Source: Census Bureau, U.S. Department of Commerce, Bureau of Economic Analysis, CAINC1 Personal income population, per capita personal income.

3. State Department of Finance, Office of the Controller and State Department of Finance, Statewide Unemployment Rate.

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## Principal Employers Current Year and Nine Years Ago

Agency Name	Current Year			Nine Years Ago		
	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total			of Total
State of California	3	-	-	3	-	-
State of California	-	-	-	-	-	-
California State	-	3	-	-	-	-
Sacramento County	33	-	-	33	-	-
County of Sacramento	-	-	-	-	-	-
City of Sacramento	-	-	-	-	3	-
City of Sacramento	-	-	-	-	-	-
City of Sacramento	3	-	-	3	-	-
City of Sacramento	-	-	-	-	-	-
City of Sacramento	-	-	-	-	-	-
Sacramento Metropolitan	-	-	-	-	-	-
<b>Total</b>	33	-	-	33	-	-

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**CONTINUING DISCLOSURE REQUIREMENTS**

**SEC Rule 15c2-12**

The following summary provides the district's fiscal and continuing debt and change in communication disclosure requirements. The disclosure in connection with the series reference and AUC disclosure requirements can be found in the district's Comprehensive Annual Financial Report (AUC) and the district's Audited Budget.

	30000 30000 Audited 30000 30000 Audited
Management Discussion and Analysis Audited Financial Statements and Statistical Information	30003
Qualitative or numerical information in the table contained in the financial statement relating to the series reference and under the following description:	
Order and fare reference	30000
Statistical operating debt	3000000
Fare reference rate	30000
Statistical operating reference per year end	30000
Measure A fare rate and end	30000
Reference claimed and extended in the district	30000
A bond claimed and added in the district	30000
Federal bond added in the district	30000
Audited operating debt	30000
Capital project budget plan	30000

**Covenants of the Issuer**

The following summary provides the district's fiscal and continuing covenant of the issuer in connection with the series reference and AUC disclosure requirements can be found in the financial statement, the district's Comprehensive Annual Financial Report (AUC).

	30000 30000 30000	30000 30000 30000
Contract agreement	30000	30000
Application fare reference	30000	30000



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**DISTRICT PROFILE  
As of June 30, 2019**

State the Authority's Organizational  
Form of Governance  
Metropolitan Organization  
Statutory Basis  
Service Area

Organization of Service Area  
Capital Financing Authority

Number of Routes  
Number of Stations  
Mileage  
Seated Capacity per Vehicle  
Seated Capacity per Mile  
Average Seated Capacity and Load  
Number of Vehicles in Service

Paratransit  
Car and Ride Out  
Bike and Light Rail Operator Station  
Bike Station  
Bike Station

Area 3  
Cardholder Directorship General Manager  
Mileage  
Mileage

Area Sacramento County with Service to  
Frisco Heights Carmichael Fair Oaks  
Roseville and Ranch Cordova

Approximate Mileage  
Capital Investment Fund  
Measure A Sale of Bonds

3  
Mileage  
Mileage  
Mileage  
3000 Vehicles  
1000 Vehicles  
1000 Vehicles

30  
3000  
Mileage





# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## FARE RECOVERY LAST TEN FISCAL YEARS

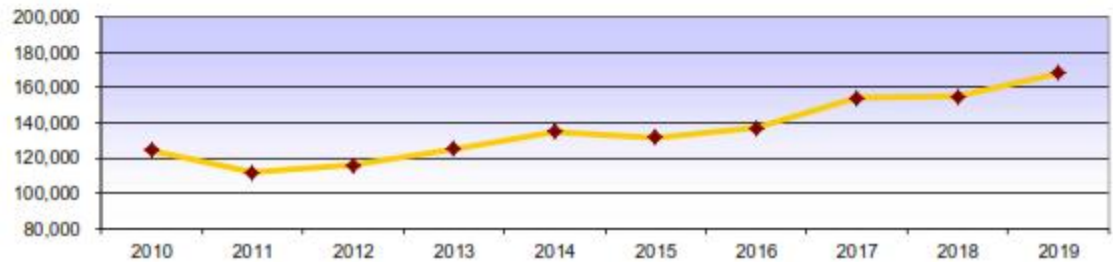
Amount reported in thousands

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fare Revenue	\$30,864	\$28,967	\$28,964	\$29,759	\$29,156	\$28,396	\$28,056	\$30,487	\$27,276	\$25,428
Local Fund Supplementation	818	-	535	2,201	5,322	5,208	3,436	4,948	8,321	13,258
Total Operating Expenses	124,242	111,946	115,684	125,332	135,094	131,779	136,920	154,067	154,770	168,201
Fare Recovery Ratio	25.5%	25.9%	25.5%	25.5%	25.5%	25.5%	23.0%	23.0%	23.0%	23.0%

### FARE REVENUE



### TOTAL OPERATING EXPENSES



**Notes:** Operating expenses do not include depreciation and amortization

Source: Comprehensive Annual Financial Report

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## RIDERSHIP LAST TEN FISCAL YEARS Amount reported in thousands

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ridership	33,060	26,161	26,338	27,298	26,368	25,768	24,330	22,050	20,890	19,989
% change	(5.68%)	(20.87%)	0.68%	3.64%	(3.41%)	(2.28%)	(5.58%)	(9.37%)	(5.26%)	(4.31%)

## RIDERSHIP



Sacramento Regional Transit District Planning Department  
Statistical

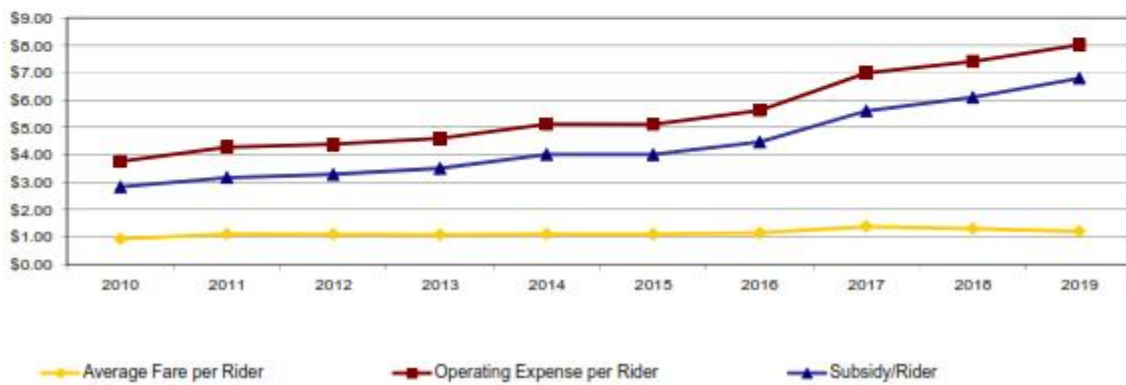
# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## OPERATING SUBSIDY LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Average Fare per Rider	\$0.93	\$1.11	\$1.10	\$1.09	\$1.11	\$1.10	\$1.15	\$1.38	\$1.31	\$1.21
Operating Expense per Rider <sup>1</sup>	\$3.76	\$4.28	\$4.39	\$4.60	\$5.12	\$5.11	\$5.63	\$6.99	\$7.41	\$8.01
Subsidy/Rider	\$2.83	\$3.17	\$3.29	\$3.51	\$4.02	\$4.01	\$4.47	\$5.60	\$6.10	\$6.80

<sup>1</sup> Operating expense per rider excludes Paratransit and depreciation costs.

### OPERATING EXPENSE & SUBSIDY PER RIDER



# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## SERVICE PERFORMANCE DATA LAST TEN FISCAL YEARS

as presented in the and

### SERVICE PROVIDED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>BUS</b>										
Revenue Vehicle Miles - Bus*	7,032	5,590	6,632	5,893	6,002	6,023	6,152	6,269	6,288	6,646
Revenue Vehicle Hours*	628.2	501.2	506.0	532.0	548.0	549.8	558.0	558.5	559.2	580.9
# Vehicles	271	229	229	232	232	232	223	223	225	237
<b>RAIL</b>										
Revenue Vehicle Miles - Rail*	4,120	3,697	3,823	3,921	3,947	3,936	4,370	4,422	4,418	4,344
Revenue Vehicle Hours*	208.6	191.1	203.3	217.2	218.6	218.1	245.2	248.9	248.7	243.2
Train Revenue Hours*	81.4	69.3	70.0	82.0	83.2	83.2	93.0	94.9	94.7	99.9
# of Vehicles	76	76	76	76	76	76	87	96	97	97

### SERVICE PROVIDED



### SERVICE CONSUMED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>BUS</b>										
Passengers*	17,579	13,617	13,146	13,784	13,658	13,706	12,114	10,608	10,517	10,008
Passenger Miles*	61,417	47,525	46,521	49,440	53,133	52,346	43,911	39,468	37,925	35,382
<b>RAIL</b>										
Passengers*	15,481	12,544	13,192	13,513	12,710	12,062	12,216	11,442	10,373	9,981
Passenger Miles*	83,409	72,860	74,706	75,797	74,580	68,717	69,171	68,760	65,531	63,074
<b>TOTAL</b>										
Passengers*	33,060	26,161	26,338	27,298	26,368	25,768	24,330	22,050	20,890	19,989
Passenger Miles*	144,826	120,385	121,227	125,237	127,713	121,063	113,082	108,228	103,456	98,456
<b>FLEET</b>										
Bus	233	229	229	232	232	232	223	223	225	237
Rail	76	76	76	76	76	76	87	96	97	97
<b>TOTAL EMPLOYEES</b>	<b>907</b>	<b>901</b>	<b>901</b>	<b>940</b>	<b>933</b>	<b>937</b>	<b>982</b>	<b>974</b>	<b>997</b>	<b>1091</b>

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA (Continued)  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue Miles/Revenue Hour-Bus	11	11	13	11	11	11	11	11	11	11
Revenue Miles/Revenue Hour-Rail	20	19	19	18	18	18	18	18	18	18

**SERVICE PERFORMANCE DATA**



Sacramento Regional Transit District Planning Department  
Statistical



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**FARES  
As of June 30, 2019**

**Single and Daily Pass Fares**

<u>Fare Type</u>	<u>Fare Code</u>	<u>Zone Code</u>	<u>Amount</u>
Adult	AD	1	\$2.50
Senior 65+ / Disabled	SD	1	\$3.00
Individual with Disability	SD	1	\$3.00
Medicare Cardholder	SD	1	\$3.00
Student / Trade / Apprentice	SD	1	\$3.00

**Bus:** Passengers are required to pay a basic or discount zone fare for each trip or may purchase a daily pass card for unlimited ride on that day.

**Light Rail:** Zone fare tickets are valid for 90 minutes from time of validation on light rail network and the 50 cent transfer fee when boarding a Sacramento area bus or purchasing a basic or discount zone fare may purchase a transfer for 90 minutes or may purchase a daily pass card for unlimited ride on that day.

**Pre-Paid Ticket Books**

<u>Fare Type</u>	<u>Fare Code</u>	<u>Quantity</u>	<u>Price</u>
Zone Fare	AD	10	\$25.00
Zone Fare	SD	10	\$30.00
Adult Fare	AD	10	\$25.00
Adult Fare	SD	10	\$30.00

**Monthly Passes and Stickers**

<u>Fare/Pass Type</u>	<u>Price</u>
Adult Monthly Pass	\$60.00
Adult Senior/Monthly Pass	\$60.00
Senior/Disabled Monthly Sticker	\$60.00
Senior/Disabled Senior/Monthly Sticker	\$60.00
Other Senior Monthly Sticker (Age 65+)	\$60.00
Student Monthly Sticker	\$60.00
Student Senior/Monthly Sticker	\$60.00
Trade/Trade Sticker	\$60.00

\*Yolobus Express stickers are available for transferring between SacRT and Yolobus Express buses to Davis, Winters, and Woodland. Requires a SacRT Monthly Pass.

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

## PERFORMANCE MEASURES

Performance Measures in Sacramento's Peer Transit Agencies						
City State	2010 Urban Area Population	2017 Statistics				
		Cost per passenger	Cost per Revenue Mile	Cost per Revenue Hour	Subsidy per Passenger	Farebox Recovery Ratio
	(A)	(B)	(C)	(D)	(E)	(F)
<b>BUS PEERS</b>						
<b>Sacramento, CA</b>	<b>1,723,634 (28)</b>	<b>\$ 7.96 (3)</b>	<b>\$ 13.06 (6)</b>	<b>\$ 146.68 (6)</b>	<b>\$ 6.43 (3)</b>	<b>19.3% (3)</b>
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Albany	(A)	(B)	(C)	(D)	(E)	(F)
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Average for Bus Peers	<b>4,048,501</b>	<b>6.20</b>	<b>15.92</b>	<b>161.83</b>	<b>5.11</b>	<b>19.7%</b>
<b>RAIL PEERS</b>						
<b>Sacramento, CA</b>	<b>1,723,634 (28)</b>	<b>5.93 (2)</b>	<b>15.34 (4)</b>	<b>272.55 (4)</b>	<b>4.64 (2)</b>	<b>21.8% (2)</b>
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Alameda	(A)	(B)	(C)	(D)	(E)	(F)
Average for Rail Peers	<b>4,355,417</b>	<b>5.87</b>	<b>23.22</b>	<b>352.27</b>	<b>4.92</b>	<b>21.8%</b>

*Source: National Transit Database, 2017 Transit Profiles - All Agencies*

In the Sacramento Urban Area ranked 28th in the nation based on population, the District's performance to other peer transit agencies and other rail peer transit agencies highlighted indicate the following:

- The District ranked 3rd in Cost per Passenger, Cost per Revenue Mile and Farebox Recovery Ratio among peer transit agencies.
- The District ranked 1st in Cost per Revenue Mile and Cost per Revenue Hour among peer transit agencies.

Table

The District ranked 1st in Cost per Passenger, Cost per Revenue Mile and Farebox Recovery Ratio among peer transit agencies.

**SACRAMENTO REGIONAL TRANSIT DISTRICT**  
Sacramento Regional Transit District

**REPORTS REQUIRED BY UNIFORM GUIDANCE  
AND TRANSPORTATION DEVELOPMENT ACT**  
Year ended June 30, 2014



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Member of the Board of Directors  
Sacramento Metropolitan Water District  
Sacramento, California

Member of the Board of Directors  
Sacramento Area Council of Governments  
Sacramento, California

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the combined activities and the fiduciary activities of Sacramento Metropolitan Water District (the District) and for the year ended June 30, 2013 and the related notes to the financial statements which collectively comprise the District's basic financial statements and have issued our report thereon dated September 10, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements we considered the District's internal controls over financial reporting in order to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls. According to the District's internal control over financial reporting, we did not identify any deficiencies in the effectiveness of the District's internal controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect and correct misstatements in a timely fashion. A *material weakness* is a deficiency or a combination of deficiencies in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected in a timely fashion. A *significant deficiency* is a deficiency or a combination of deficiencies in internal controls that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given the limitations on our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses or significant deficiencies. Material weaknesses that have not been identified

**Control Objectives and Materiality**

A part of our reasonable assurance audit is to determine whether the financial statements are free of material misstatements. We performed tests of compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements in accordance with which we could have a direct and material effect on the determination of financial statement amounts. Our procedures are designed to obtain an opinion on compliance with those provisions, but not an objective audit and accordingly we do not express such an opinion on the results of our tests disclosed in this financial statement or other matters that are required to be reported under *Government Auditing Standards*.

**Program Objectives Report**

The purpose of this report is to describe the scope of our tests of internal controls over financial reporting and compliance and the results of those tests and not to provide an opinion on the effectiveness of the entity's internal controls or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal controls and compliance. Accordingly, this communication is not to be used for any other purpose.

*Crowe LLP*

Orange, CA

Sacramento, California  
December 31, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Member of the Board of Directors  
Sacramento Metropolitan District  
Sacramento Area

Member of the Board of Directors  
Sacramento Area Independent Member since 2014  
Sacramento Area

**Report on Compliance for Each Major Federal Program**

We have audited Sacramento Metropolitan District's (the District) compliance with the title 41 compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's report section of the accompanying schedule of expenditures and allocated costs.

**Management's Responsibility**

Management is responsible for compliance with federal laws, regulations, and the terms and conditions of federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the title 41 compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements set forth in Code of Federal Regulations, Part 101-11.6 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Our compliance audit standards and the uniform compliance requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the title 41 compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis evidence about the District's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a reasonable determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied in all material respects with the title 41 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Required Internal Control**

Management of the district is responsible for establishing and maintaining effective internal control compliance with the title compliance requirements referred to above in planning and determining our audit compliance. We considered the district's internal control compliance with the title requirements that could have a direct and material effect on each major federal program to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control compliance in accordance with the uniform guidance set forth in the purpose of expressing an opinion on the effectiveness of internal control compliance. According to the do not express an opinion on the effectiveness of the district's internal control compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees in the normal course of performing their assigned functions to prevent or detect and correct non-compliance with a title compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material non-compliance with a title compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a title compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance but is important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance is based on the limited scope described in the first paragraph of this section and is not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or other material weaknesses that have not been identified.

The purpose of this report on internal control over compliance is to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the uniform guidance. According to this report is not to be used for any other purpose.

**Required Supplemental Federal Audit Required or Unaudited Guidance**

We have audited the financial statements of the operations of the district and the fiduciary activities of the district as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the district's basic financial statements. We issued our report thereon dated December 20, 2017, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures for federal awards is presented for purposes of additional analysis as required by the uniform guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and is derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures including comparison and reconciliation of such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures for federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Crowe LLP*  
Firm

Sacramento, California  
December 20, 2017



A AM  
 A A  
 Year ended June 30

Federal Grant Program or Contract	CFDA Number	Group Title Number	Federal Elementary	Period Termination Schedule
<b>Direct Program</b>				
<b>Federal Transfer</b>				
<b>Federal Transfer Administration</b>				
Direct Program		na	3	3
Federal Transfer Administration Grant		na	3	3
State and Local Government Grant Program		na	3	3
Federal Transfer Administration Grant		na	3	3
<b>Passed through Sacramento Area Council of Government</b>				
Federal Transfer Administration Grant		A	3	3
Federal Transfer Administration Grant		not included	3	3
State and Local Government			3	3
<b>State Department Administration</b>				
State Department Administration			3	3
<b>Direct Program</b>				
State and Local Government Grant Program		M	3	3
<b>State and Local Government</b>				
State and Local Government			3	3



**SECTION I SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Does the auditor report on whether the financial statements audited were prepared in accordance with GAAP

Indicated

Internal control over financial reporting

Material weaknesses identified

\_\_\_\_\_ Yes \_\_\_\_\_ No

Significant deficiencies identified

\_\_\_\_\_ Yes \_\_\_\_\_ No (None reported)

Compliance material to financial statements noted

\_\_\_\_\_ Yes \_\_\_\_\_ No

*Federal Awards*

Internal control over major federal programs

Material weaknesses identified

\_\_\_\_\_ Yes \_\_\_\_\_ No

Significant deficiencies identified not considered to be material weaknesses

\_\_\_\_\_ Yes \_\_\_\_\_ No (None reported)

Does the auditor report on compliance for major federal programs

Indicated

Any audit findings disclosed that are required to be reported in accordance with OIG regulations

\_\_\_\_\_ Yes \_\_\_\_\_ No

Identification of major federal programs

GA program  
Program description

Federal grant number

Bar threshold used to determine between type A and type B programs

3

Audit fee billed and prior audit fee

\_\_\_\_\_ Yes \_\_\_\_\_ No

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Member of the Board of Directors  
Sacramento Metropolitan District  
Sacramento, California

Member of the Board of Directors  
Sacramento Area Economic Development  
Sacramento, California

### Report on Compliance with Transportation Development Act

We have audited Sacramento Metropolitan District's compliance with the title 11 compliance requirements described in the Transportation Development Act (TDA) and the Transportation Modernization and Service Enhancement Account (MSEA) and the State Grant Administration Program (SAP) administered by the State of California Department of Transportation (Caltrans) that could have a direct and material effect on the district's compliance with the Transportation Development Act for the year ended June 30, 2014.

#### Management's Responsibility

Management is responsible for compliance with the requirements of the TDA and SAP and for the preparation of the financial statements.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance with the TDA and SAP program based on our audit of the title 11 compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, and the standards of the Comptroller General of the United States, and the Transportation Development Act. These standards require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the title 11 compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act program occurred. An audit includes examining, on a test basis, evidence about the district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Transportation Development Act program. However, our audit does not provide a reasonable determination of the district's compliance.

**Opinion on the Transportation Development Act Program**

In our opinion, the District's compliance with the time compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act Program for the year ended June 30, 2011.

**Required Internal Control Comments**

Management of the District is responsible for establishing and maintaining effective internal control compliance with the time compliance requirements referred to above in planning and determining our audit compliance. We considered the District's internal control compliance with the time compliance requirements that could have a direct and material effect on the Transportation Development Act Program to determine the additional procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with the Transportation Development Act Program and to test and report on internal control compliance in accordance with the Transportation Development Act and the provisions of the Code of Governmental Accounting. We did not evaluate an opinion on the effectiveness of internal control compliance. According to the provisions of the Code of Governmental Accounting, the District's internal control compliance.

A deficiency in internal control compliance exists when the design or operation of a control or compliance does not allow management or employees to prevent or detect and correct non-compliance with a time compliance requirement of the Transportation Development Act Program in a timely manner. A material weakness in internal control compliance is a deficiency or combination of deficiencies in internal control compliance such that there is a reasonable possibility that material non-compliance with a time compliance requirement of the Transportation Development Act Program will not be prevented or detected and corrected in a timely manner. A significant deficiency in internal control compliance is a deficiency or a combination of deficiencies in internal control compliance with a time compliance requirement of the Transportation Development Act Program that is less severe than a material weakness in internal control compliance but important enough to merit attention by those charged with governance.

Our consideration of internal control compliance is as of the limited purpose described in the first paragraph of this report and is not intended to identify a deficiency in internal control compliance that might be a material weakness or significant deficiency. We did not identify a deficiency in internal control compliance that we consider to be a material weakness or significant deficiency or material weakness that have not been identified.

The purpose of this report on internal control compliance is solely to describe the scope of our testing of internal control compliance and the results of that testing based on the requirements of the Transportation Development Act. According to this report, we do not provide for any other purpose.

*Crowe LLP*  
Firm Name

Sacramento, California  
Firm Address



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Independent Member Crowe Global

Members of the Board of Directors  
Sacramento Regional Transit District  
Sacramento, CA

Members of the Board of Directors  
Sacramento Area Council of Governments  
Sacramento, CA

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

#### **AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA**

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the District for further information on the responsibilities of management and of Crowe LLP.

#### **AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **PLANNED SCOPE AND TIMING OF THE AUDIT**

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.

- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
  - The allocation of responsibilities between you and management.
  - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
  - Significant communications with regulators.
  - Other matters you believe are relevant to the audit of the financial statements.

**SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES**

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance in its oversight role, we also provide the following.

<b>Accounting Standard</b>	<b>Impact of Adoption</b>
<p><b>GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”</b></p> <p>This Statement was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt as a liability that arises from a contractual obligation to pay cash or other assets in one or more payments to settle an amount that is fixed as the date the contractual obligation is established. Required debt disclosures include unused lines of credit, assets pledged as collateral for debt, and terms specified in debt agreements (e.g., events of default, termination events, and subjective acceleration clauses). Disclosure requirements also include existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.</p>	<p>Adoption of this Statement did not have a material impact on the District’s financial position or results of operations.</p>
<p><b>Significant Unusual Transactions</b></p>	<p>No such matters noted.</p>
<p><b>Significant Accounting Policies in Controversial or Emerging Areas</b></p>	<p>No such matters noted.</p>

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management’s current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management’s current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the District's year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

#### **AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES**

We are to discuss with you our comments about the following matters related to the District's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.



## CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

## OTHER COMMUNICATIONS

Communication Item	Results
<p><b>Other Information In Documents Containing Audited Financial Statements</b> Information may be prepared by management that accompanies the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether such information, or the manner of its presentation, is materially inconsistent with information in the financial statements. If we consider the information materially inconsistent based on this reading, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared such information to accompany the audited financial statements.</p>
<p><b>Significant Difficulties Encountered During the Audit</b> We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p><b>Disagreements With Management</b> We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the District's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p><b>Consultations With Other Accountants</b> Management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>

Communication Item	Results
<p><b>Representations The Auditor Is Requesting From Management</b> We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p><b>Significant Issues Discussed, or Subject to Correspondence, With Management</b> We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed or subject to correspondence with management.</p>
<p><b>Significant Related Party Findings and Issues</b> We are to communicate to you significant findings and issues arising during the audit in connection with the District's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p><b>Other Findings or Issues We Find Relevant or Significant</b> We are to communicate to you other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve the District as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities, and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe LLP*  
Crowe LLP

Sacramento, California  
November 15, 2019



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Independent Member Crowe Global

Members of the Board of Directors  
Sacramento Regional Transit District  
Sacramento, California

Members of the Board of Directors  
Sacramento Area Council of Governments  
Sacramento, California

In planning and performing our audit of the financial statements of Sacramento Regional Transit District ("District") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the District's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

The purpose of this letter is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. This letter is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.

*Crowe LLP*  
Crowe LLP

Sacramento, California  
November 15, 2019

RESOLUTION NO. 19-12-0141

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

December 9, 2019

**RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND  
DESIGNATE THE RESERVE FOR FISCAL YEAR JUNE 30, 2019**

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

THAT, the Board hereby receives and files the Comprehensive Financial Report (CAFR), Reports on Compliance and Internal Controls for the Fiscal Year Ended June 30, 2019, as required by the Uniform Guidance and the Transportation Development Act;

THAT, the Board hereby directs the General Manager/CEO to designate \$3,296,647 to SacRT's Operating Reserve, which funds may only be used as governed by the Board adopted Comprehensive Reserve Policy of 2015.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary



# STAFF REPORT

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Henry Li, General Manager/CEO  
**SUBJ:** GENERAL MANAGER'S REPORT

## RECOMMENDATION

No Recommendation — For Information Only.

### **Safety and Security Update**

Oral Presentation by Lisa Hinz, VP, Safety, Security and Customer Satisfaction

### **Paratransit Service Update**

Oral Presentation by Laura Ham, VP, Planning and Engineering

### **Quarterly Financial Report (1<sup>st</sup> Quarter Fiscal Year 2020)**

Power Point Presentation by Brent Bernegger, VP, Finance/CFO

### **SacRT Meeting Calendar**

#### **Regional Transit Board Meeting**

January 13, 2020\*  
SacRT Auditorium  
5:30 P.M

#### **Quarterly Retirement Board Meeting**

December 11, 2019  
SacRT Auditorium  
9:00 A.M.

#### **Mobility Advisory Council Meeting**

January 9, 2020  
SacRT Auditorium  
2:30 P.M

\*Pending Approval of the 2020 Board Meeting Calendar

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1<sup>st</sup> Quarter FY 2020  
Finance Update and  
Key Performance Report

**Brent Bernegger**

VP of Finance/Chief Financial Officer

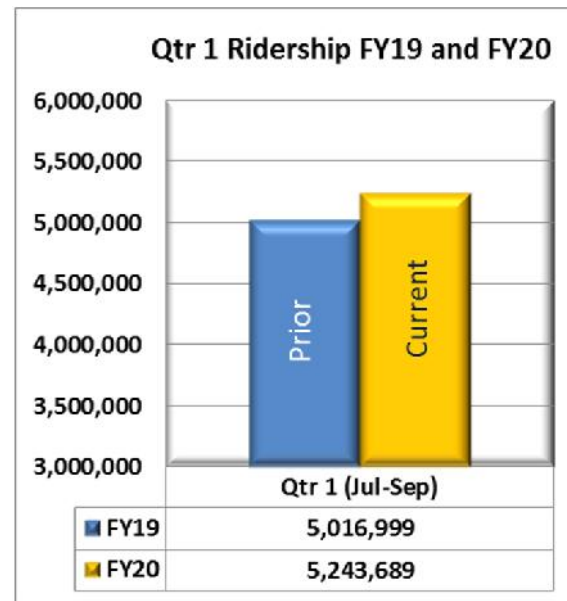
## FY 2020 - Budget to Actual Comparison

1st Quarter Ended September 30, 2019					September 2019	
Categories (\$ in thousands)	Actual	Budget	\$ Variance	% Variance	Actual	
<b>Income</b>						
Fare Revenue	\$6,330	\$7,148	(818)	-11.4%	\$1,936	
Contracted Services	1,834	1,889	(55)	-2.9%	590	
Other Income	1,349	1,209	140	11.6%	409	
State & Local Revenue	29,138	29,138	0	0.0%	9,712	
Federal Revenue	8,986	8,986	0	0.0%	2,995	
<b>Total</b>	<b>47,637</b>	<b>48,370</b>	<b>(733)</b>	<b>-1.5%</b>	<b>15,642</b>	
<b>Expenses</b>						
Salaries/Fringes	31,853	32,446	593	1.8%	10,391	
Services	6,274	6,796	522	7.7%	2,364	
Supplies	2,482	2,816	334	11.9%	876	
Utilities	2,153	2,341	188	8.0%	758	
Insurance/Liability	2,707	2,710	3	0.1%	913	
Other Expenses	766	862	96	11.1%	220	
<b>Total</b>	<b>46,235</b>	<b>47,971</b>	<b>1,736</b>	<b>3.6%</b>	<b>15,522</b>	
<b>Net Operating Surplus (Deficit)</b>	<b>\$1,402</b>				<b>\$120</b>	

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

# Key Performance Indicators

## Quarterly Ridership Comparisons



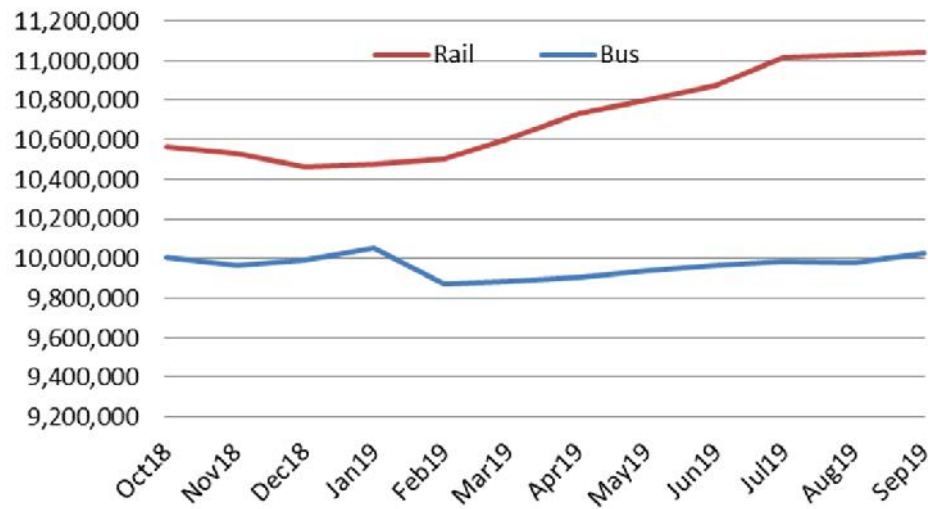
↑ 4.5%



# 1<sup>st</sup> Quarter Ridership Summary

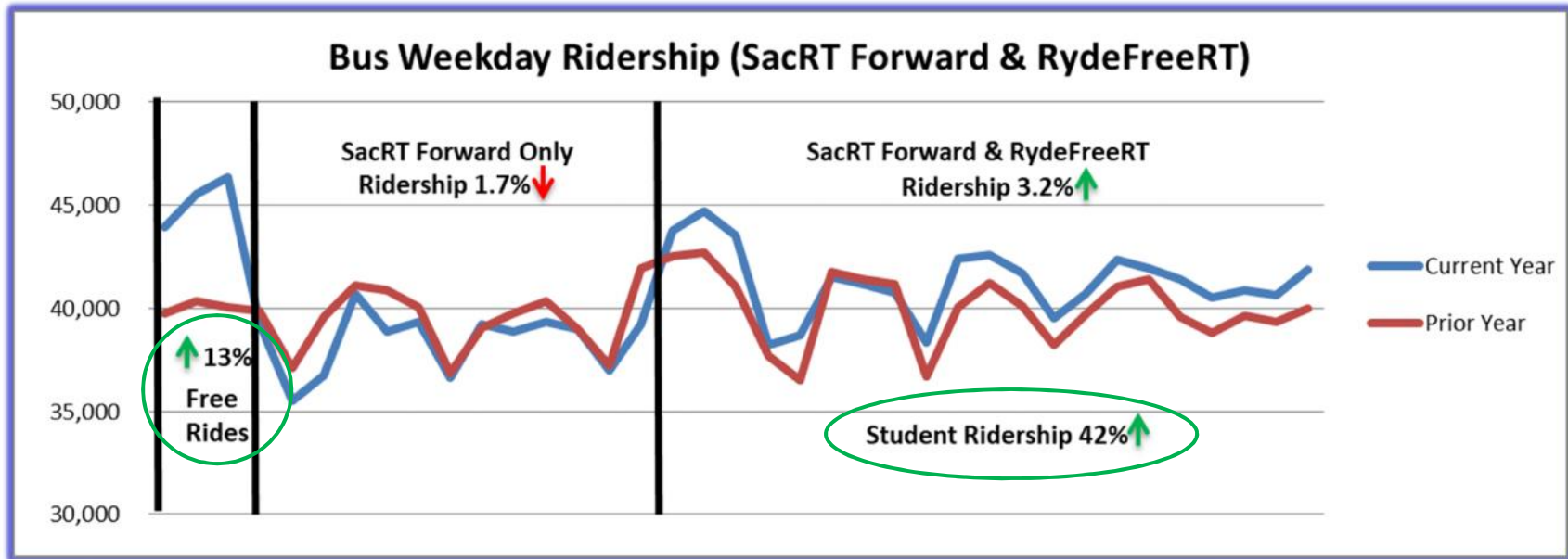


Rolling 12 Month Trend



Category	FY20 YTD	FY19YTD	Difference	% Difference
Bus	2,459,253	2,401,500	57,753	2.4%
Light Rail	2,784,436	2,615,499	168,937	6.5%
System Total	5,243,689	5,016,999	226,690	4.5%

# SacRT Forward & RydeFreeRT



# Jan-Sep 2019 Crime Summary



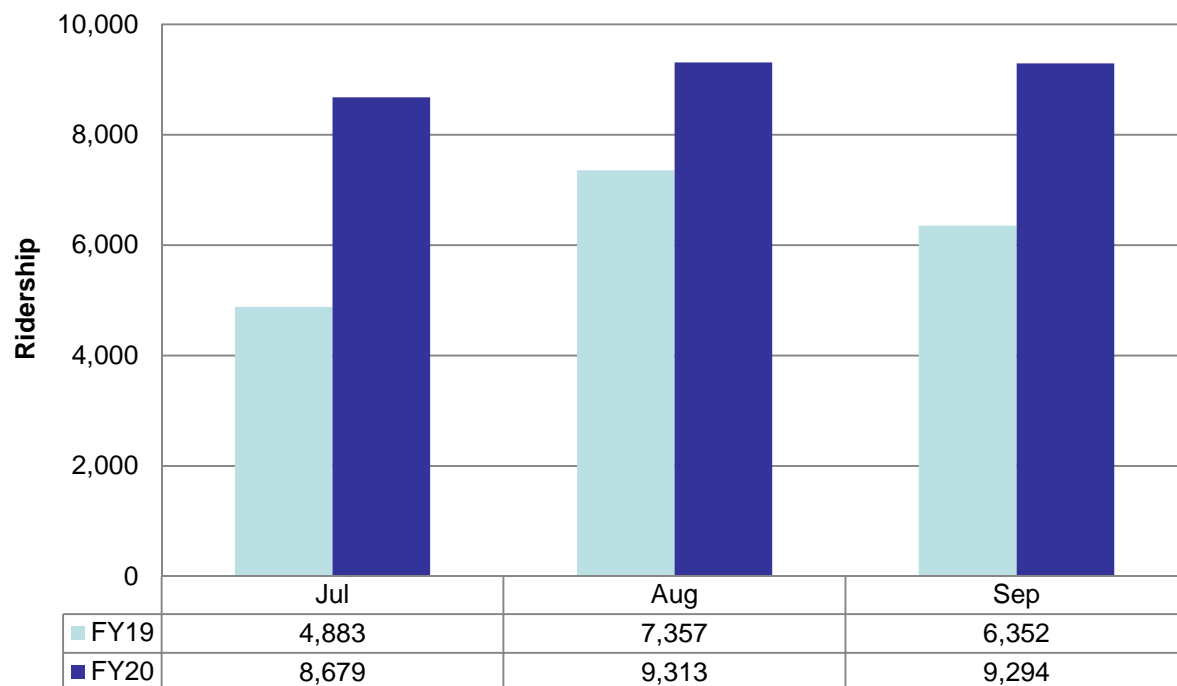
Total UCR Statistics **Decreased 19.7%** year-to-year  
excluding events at Franklin station on 7/23/19

(UCR – Uniform Crime Reporting)

Jan - Sept (adjusted)	2018	2019	%
Homicide	0	0	n/a
Rape	0	0	n/a
Robbery	25	20	-20.0%
Aggravated Assault	15	7	-53.3%
Burglary	1	0	-100.0%
Auto Theft	15	14	-6.7%
Arson	0	2	n/a
Total Larceny	61	51	-16.4%
<i>felony larceny</i>	11	9	-18.2%
<i>misdemeanor larceny</i>	29	20	-31.0%
* <i>theft from autos</i>	21	22	4.8%
<b>Total UCR Crimes</b>	<b>117</b>	<b>94</b>	<b>-19.7%</b>

\* Total UCR crimes are adjusted for one day auto burglary crimes at Franklin Station on 7/23/19 (All suspects are arrested). Total UCR statistics, including events on 7/23/19, are increased 6% year-to-year.

### SmaRT Ride FY19 vs FY20 Q1 Ridership

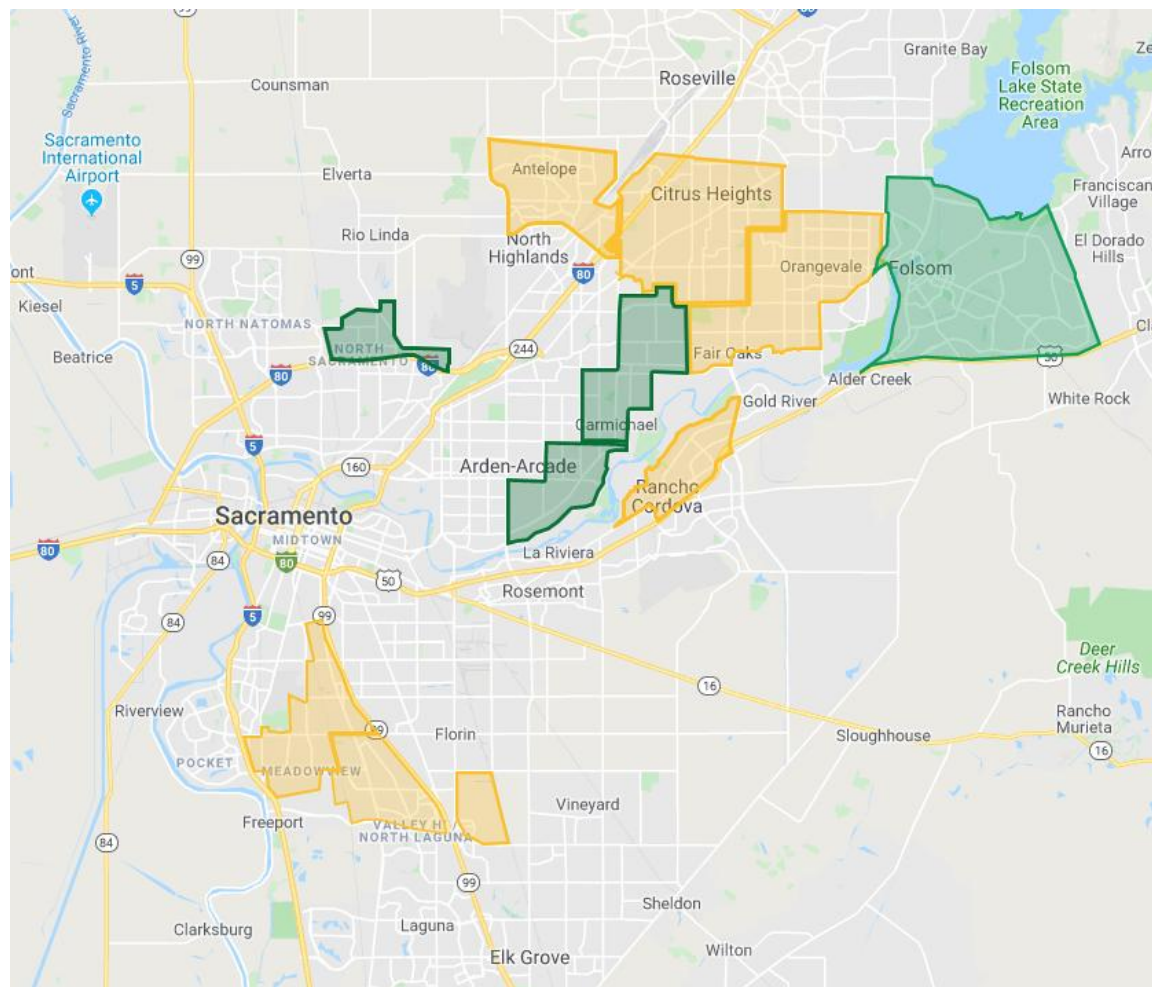





**Smart Ride**  
ON-DEMAND TRANSIT

1. Antelope
2. Citrus Heights
3. Orangevale
4. Rancho Cordova

- January 2020:**
5. Arden
  6. Carmichael
  7. Downtown
  8. Folsom
  9. North Sacramento





## STAFF REPORT

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**DATE:** December 9, 2019

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Michael Cormiae, Director, Light Rail Maintenance

**SUBJ:** CAPITOL CORRIDOR JOINT POWER AUTHORITY MEETING  
SUMMARY OF NOVEMBER 20, 2019

### RECOMMENDATION

No Recommendation — For Information Only.

### RESULT OF RECOMMENDED ACTION

Provides a summary of the Capitol Corridor Joint Powers Authority Meeting of November 20, 2019.

### FISCAL IMPACT

None as a result of this action.

### DISCUSSION

The summary below was provided by Michael Cormiae, Director of Light Rail Maintenance.

SacRT Board member Steve Miller was present.

- I. Call to Order – 10:31
- II. Roll Call and Pledge of Allegiance
- III. Report of the Chair
- IV. Consent Calendar – All items approved.
- V. Action and Discussion Items
  - a. Capitol Corridor Annual Performance Report was approved. Board member comments in regards to graphics of the report and enhancements to the on-time performance. Passed Unanimously.
  - b. CCJPA Managing Agency Selection - Selected an Ad Hoc subcommittee to make recommendations. BART continues to have high confidants among members. Committee made two selections, 1) Customer Service Improvement Plan and levels of Service to CCJPA, 2) The GM of that agency shall consult with the Board of the CCJPA when selecting the Managing Director position or Equiv. Passed Unanimously.  
\*Public Comment – Mike Barnbaum addressed the Board.
  - c. TIRCP Application Authorization – Comments made to the Board for the multiple pieces to the application for improvements. Also comments were

made to the improvements to the railyards (\$200M) a joint effort between the City of Sacramento and SacRT. Director Miller made a motion to move forward. Passed Unanimously.

\*Public Comment – Mike Barnbaum addressed the Board.

- d. Davis Crossovers – Comments were made to consolidate the Signal Improvement project with the Track project to better utilize funds and provide efficiencies. Passed Unanimously.  
Legislative Matters – Overview Provided on AB752, SB 742. Passed Unanimously.
- I. Capital Projects Update – Review all listed 2019 projects. Noted item was Sacramento to Roseville third mainline track and the CPUC review requirement for the 5 grade crossings effected.
- II. Placer Sacramento Gateway Plan – Reviewed current modes of transportation and solutions for congested corridor.
- III. Managing Directors Report – FY19 1.7m riders, 6% increase. Continued focus on PTC, and heat related summer issues. Also facing new challenges with fires and PG&E power safety program. Reviewed trespasser problems in high traffic areas, ROW clean-up efforts. The large effort to provide back-up power with the PG&E outages. No trains were adversely effected, just occasional slow-downs.
- VI. Board Member Reports – None
- VII. Public Comments – Comments made by members of the public.
- VIII. Adjournment – 11:54 am.

## **STAFF REPORT**

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**DATE:** December 9, 2019  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Cindy Brooks, Clerk to the Board  
**SUBJ:** SAN JOAQUIN JOINT POWERS AUTHORITY MEETING SUMMARY OF NOVEMBER 22, 2019

### RECOMMENDATION

No Recommendation — For Information Only.

### RESULT OF RECOMMENDED ACTION

Provides a summary of the San Joaquin Joint Powers Authority Meeting of November 22, 2019.

### FISCAL IMPACT

None as a result of this action.

### DISCUSSION

The summary below was provided by Rene Gutierrez of the San Joaquin Joint Powers Authority.

Meeting start at: 1:17pm with Board Member Quorum

Consent Calendar items 2.1 - 2.7 were all approved.

Item 4: SJJPA & SJRRC Managing Services Agreement - Approved.

Item 5: 2020 TIRCP Grant Application Submittal – Approved.

Item 6: Design and Construction of Oakley Station Platform Project – Approved.

Item 7: Funding for Rail Maintenance Facility Expansion and Improvements – Approved.

Items 8-12 are informational; staff reports are included in Board Packet link including PowerPoint presentation in [SJJPA.com](http://SJJPA.com)

Next SJJPA Board Meeting scheduled for January 24, 2019. Time TBD.