



## STAFF REPORT

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**DATE:** December 14, 2020  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** FIRST AMENDMENT TO FY 20-21 OPERATING BUDGET

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The result of this action will increase the FY 2020-2021 Operating Budget by \$730,000.

### FISCAL IMPACT

The FY 2020-2021 Operating Budget will be increased by \$730,000. Funding for this increase will be through the Federal CARES Act monies previously allocated to FY 2019-2020 that were not expended. Staff is also pursuing reimbursement of these expenditures through FEMA.

### DISCUSSION

On June 8, 2020, the Board adopted the FY 2021 Operating Budget of \$200.3 million in revenues and \$200.3 million in expenses. The adopted budget incorporated all known revenues and estimates of expenditures at that time.

Since the adoption of the FY 2021 Operating Budget COVID-19 has continued to impact the Sacramento region. In response to this pandemic, SacRT continues to be proactive in the actions it takes to mitigate exposure for employees and the public. As part of this response, SacRT is required to make regular purchases of masks, cleaning and disinfecting supplies, and other consumables and non-consumables to fight against the spread of COVID-19. Funding for these expenditures was not originally budgeted for based upon a forecasted reduction in COVID-19 cases and a significantly lessened response requirement. Based upon updates regarding the continued impact of the pandemic, COVID-19 related expenditures are forecast to remain high throughout the fiscal year. Staff estimates that additional COVID-19 expenditures for FY 2021 will be approximately \$730,000 and recommends increasing the Operating Budget to support this forecast.

Staff is also recommending a restructuring of the budgeted operating revenues for FY 2021. This restructuring is based upon revenue updates provided by State and Local entities, and also fulfills a change in accounting practices as required by the

Governmental Accounting Standards Boards (GASB) statement 95. While there is no direct fiscal impact from this change in accounting practices, it will allow SacRT to significantly reduce its dependency on lines of credit to meet operating needs, which in turn will reduce the fees paid by SacRT. Table 1 below summarizes the budget amendment and the restructuring of the operating revenues.

**Table 1**  
**Sacramento Regional Transit District**  
**FY 2021 Operating Revenues and Expense Summary**

<b>Categories</b>	<b>FY 2021 Adopted Budget</b>	<b>FY 2021 Budget Amendment #1</b>	<b>\$ Changes</b>	<b>% Changes</b>
<b>Operating Revenues</b>				
Fare Revenue	\$ 12,176,775	\$ 12,176,775	\$ -	0.0%
Contracted Services	6,380,312	6,380,312	\$ -	0.0%
Other	4,876,400	4,876,400	\$ -	0.0%
State & Local	73,103,817	107,077,566	\$ 33,973,749	46.5%
Federal	103,790,314	70,546,565	\$ (33,243,749)	-32.0%
<b>Total Operating Revenue</b>	<b>\$ 200,327,618</b>	<b>\$ 201,057,618</b>	<b>\$ 730,000</b>	<b>0.4%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$ 142,875,152	\$ 142,875,152	\$ -	0.0%
Professional Services	16,611,918	16,761,918	\$ 150,000	0.9%
Materials & Supplies	12,962,800	13,542,800	\$ 580,000	4.5%
Utilities	7,827,600	7,827,600	\$ -	0.0%
Casualty & Liability	14,916,501	14,916,501	\$ -	0.0%
Other	5,133,647	5,133,647	\$ -	0.0%
<b>Total Operating Expenses</b>	<b>\$ 200,327,618</b>	<b>\$ 201,057,618</b>	<b>\$ 730,000</b>	<b>0.4%</b>
<b>Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	

RESOLUTION NO. 20-12-0147

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

December 14, 2020

**APPROVING THE FIRST AMENDMENT TO FY 20-21 OPERATING BUDGET**

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

THAT, the First Amendment to the Fiscal Year 20-21 Operating Budget increasing the Operating Budget by \$730,000 in Federal CARES Act funds is hereby approved; and

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2021 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.

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STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

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