

STAFF REPORT

DATE: June 8, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, Director, Office of Management and Budget
SUBJ: APPROVING THE SIXTH AMENDMENT TO THE FISCAL YEAR (FY)
2020 CAPITAL BUDGET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approves Amendment 6 to the FY 2020 Capital Budget.

Accepts Notification of General Manager (GM)-Authorized Adjustments Made to FY 2020 Capital Budget During Fiscal Year 2020.

FISCAL IMPACT

Approval of Amendment 6 to the FY 2020 Capital Budget would increase the FY 2020 Capital Budget by ~~\$83,062,158~~ **\$84,440,303** for ~~two~~ *three* capital projects as detailed in Exhibit A. This action does not imply that funding is available for all projects; this decision is based upon available funding. See notes below.

Any impacts to the FY 2020 Capital Budget that were the result of GM-authorized adjustments have already taken place. This item simply fulfills the requirement to notify the Board of adjustments to the Capital Budget under the GM's authority.

DISCUSSION

Sixth Amendment to FY 2020 Capital Budget

SacRT's annual budgeting process includes Board adoption of a budget that reflects SacRT's expected funding at the time of preparation. Periodically, changes to funding sources, funding amounts, or District priorities require revisions to the budget. Staff has identified necessary revisions as described below:

- J **Light Rail Wheel Truing Machine (R362)** – This project currently has a Board-approved budget of \$3.4M for an in-floor wheel truing machine to replace the existing in-floor wheel truing machine that is beyond its useful life and cannot true UTDC tires or the new Siemens S700 tires. This amendment will increase the Wheel Truing Machine budget by \$831,881 to make it a two phased project:

- Phase 1: Above the Ground Machine \$831,881
- Phase 2: In-Floor Wheel Truing Machine \$3.4M

SacRT does not have adequate funding to move forward with the Phase 2 in-floor solution at this time, so is seeking a near-term solution that can be used to true the tires on the new low-floor Siemens S700 vehicles as soon as they arrive, and can be used immediately to true UTDC tires in-house, which will mitigate the cost and time associated with having those tires removed and shipped to an outside contractor for truing. Being able to true more tires in-house will help with mitigation/noise reduction, help maintain more vehicles in service, improve traction and braking, and improve the quality of the customer ride.

The Above the Ground machine will continue to be used after the Phase 2 In-Floor Wheel Truing project is complete. It can be used as backup and/or used to expand SacRT's wheel truing capacity. Staff will seek permission from the Sacramento Area Council of Governments (SACOG) and Caltrans to use \$832K in previously unused Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds for the above the ground machine.

-) **CAF Fleet Midlife Component Overhaul (R125)** – Numerous major subsystems on the CAF light rail vehicle fleet must be returned to the factory service centers authorized for tear down, inspection and to be repaired, as necessary, at the 450,000 - 500,000-mile interval. This scheduled maintenance will ensure continued service reliability and availability. The 40 CAF vehicles in SacRT's light rail fleet reached midlife beginning in 2018. The actual mileage on the CAF vehicles is greater than anticipated due to increased service demands. The CAF fleet currently averages almost 900,000 miles per LRV. The highest mileage is over 1 million miles.

This project currently has a Board-approved budget of \$24M. This budget was authorized in FY20 to allow SacRT staff to begin to seek funding for this major overhaul project, but it was always known that the cost to overhaul the entire 40-vehicle CAF light rail vehicle fleet would be significantly higher than \$24M. Light Rail staff has performed a thorough analysis of all of the major subsystems of the CAF fleet, and prepared detailed cost estimates for subsystem. The total estimate for all subsystems is as follows:

- Subsystem Cost: \$106,001,189 (for 40 LRVs)
- SacRT Labor: \$229,088
- Total Estimate \$106,230,277

This amendment will increase the budget by \$82,230,277 to \$106,230,277, to allow staff to seek funding for the entire amount needed for the CAF Fleet midlife component overhaul.

-) **Folsom Cut-a-Way Vehicle Replacement (B175)** - *The current six cutaways being used in Folsom are over six years old and beyond useful service life. Ownership of these vehicles was transferred from the City of Folsom to SacRT when Folsom annexed in 2019. SacRT needs to replace and increase this fleet to improve service reliability and on-time performance. The service needs have*

increased and justifies the expansion from six to eight cutaways. The two additional vehicles will increase reliability and allow an additional vehicle on the Route 10, which routinely runs behind schedule. The reliability will increase with the replacement of the older Chevrolet E4500 vehicles with Ford F550s. This will standardize the SacRT fleet and decrease the need for additional parts stocking, as SacRT currently uses the Ford F550 in the Community Bus and SmaRT Ride services.

This project currently has no Board approved budget, however SacRT has funding from the City of Folsom to move this project forward and fund the purchase of the (8) new cut-a-way vehicles.

- *Subsystem Cost: \$1,353,145 (for 8 cut-a-ways)*
- *SacRT Labor: \$25,000*
- *Total Estimate: \$1,378,145*

Adjustments to the FY 2020 Capital Budget

Pursuant to Section 6.2.1.3 of Title VI of SacRT's Administrative Code, with this Staff Report, SacRT staff is reporting prior GM-authorized adjustments that have been made to the FY 2020 Capital Budget, as detailed in Attachment 1 – Summary of GM-Authorized Adjustments to FY 2020 Capital Budget.

Staff hereby recommends that the Board approve the Sixth Amendment to the FY20 Capital Budget, making the changes described above and in Exhibit A, and accept Notification of GM-Authorized Adjustments to FY 2020 Capital Budget as detailed in Attachment 1.

Attachment 1 - Summary of GM-Authorized Adjustments to FY 2020 Capital Budget

Consistent with Section 6.2.1.3 of the SacRT Administrative Code related to Budget Procedures

ID	Project Name	<u>Administrative Adjustment</u>			FY20 Budget <u>with</u> Admin Adjustment
		FY20 Budget <u>without</u> Admin Adjustment	Amount	Percent	
Increase to FY20 Budget Amount					
M011	Cemo Circle Environmental	845,000	16,000	2%	861,000
Increase to FY20 Budget Amount due to Accrual of Interest on State Grant Funds					
H021	Enhancement of Emergency Power Generation	582,298	871	0%	583,169
T018	P/Q Lot Badge Access	144,904	2,510	2%	147,414
T022	Handheld Smart Card Reader	118,726	1,729	1%	120,455
T025	Surveillance and Security Facilities Enhancement	266,127	2,536	1%	268,663
T051	Telephone System Replacement	319,447	756	0%	320,203
T052	Track Warrant Controlled Access System	195,168	3,617	2%	198,785
T054	Upgrade Security/Systems/Comm. Infrastructure	417,900	432	0%	418,332
M009	Radio Communications System Upgrade	2,143,123	5,951	0%	2,149,074
FY20 Budget amount split out from project and/or moved onto another project					
F021	Facilities Maintenance and Improvements	400,000	(88,383)		311,617
F020	HVAC Replacements - Admin & Maint Buildings	40,625	54,700	0%	95,325
B153	BMF1 Remediation	120,000	33,683		153,683
B100	Existing Bus Fleet Replacement (2020 - 2035)	21,999,000	(21,999,000)	0%	0
B170	CNG Tank Replacements - 2006 Orion Buses	0	370,000		370,000
B173	40-ft CNG Bus Replacement (91 Orion Buses)		21,629,000		21,629,000
R400	Light Rail State of Good Repair Maintenance	450,000	(450,000)		0
G238	Biennial Bridge Inspections / Repairs	201,873	50,000	0%	251,873
R010	Light Rail Crossing Enhanc. - 65th Street & Gate Mechanisms	592,716	400,000		992,716
M018	Capital Improvements for Real Estate Development	250,000	(250,000)	0%	0
M011	Cemo Circle Environmental	595,000	250,000		845,000

RESOLUTION NO. 20-06-0050

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

June 8, 2020

APPROVING THE SIXTH AMENDMENT TO THE FISCAL YEAR (FY) 2020 CAPITAL BUDGET

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 Sixth Amendment to the Fiscal Year 2020 Capital Budget, as set out in Exhibit A.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

Exhibit A: Summary of Amendment 6 changes to FY20 Capital Budget

ID	Project Name	FY20 Budget Through Amend 5	FY20 Budget - with Amend 6	FY20 Capital Budget Change					Fund Source
				FY20 Capital Budget Change	Federal	State	Local	TBD	
B175	Folsom Service Cut-a-Way Replacement	\$0	\$1,378,145	\$1,378,145	\$ -	\$ -	\$ 1,378,145		City of Folsom annexation funding
R362	Light Rail Wheel Truing Machine	\$ 3,400,000	\$ 4,231,881	\$ 831,881	\$ -	\$ -	\$ -	\$ 831,881	TBD. Staff is seeking permission from SACOG and Caltrans to use of previously unused Prop 1B PTMISEA funds
R125	CAF Fleet Midlife Component Overhaul	\$ 24,000,000	\$ 106,230,277	\$ 82,230,277	\$ -	\$ -	\$ -	\$ 82,230,277	TBD. Staff will be pursuing funding opportunities.
		\$ 27,400,000	\$ 111,840,303	\$ 84,440,303	\$ -	\$ -	\$ 1,378,145	\$ 83,062,158	