



Sacramento Regional Transit District

BOARD MEETING NOTICE TO THE PUBLIC

This meeting will be teleconferenced in compliance with the Brown Act pursuant to Government Code Section 54953 as amended by Assembly Bill 361, during the COVID-19 Pandemic.

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**Submit written public comments relating to the attached Agenda no later than 2:00 p.m. on the day of the Board meeting to
Boardcomments@sacrt.com**

Please place the Item Number in the Subject Line of your correspondence. Comments are limited to 250 words or less.

Members of the public may also address the Board via Zoom to submit public comment. Please call 253-215-8782 or join the meeting online by logging into zoom.us. The Meeting ID is 851 7056 4085. Please note you will not be able to join the live stream until the posted meeting start time. If you wish to make a comment on an item, press the “raise a hand” button. If you are joining the meeting by phone, press *9 to indicate a desire to make a comment. By participating in this meeting, you acknowledge that you are being recorded.



Sacramento Regional Transit District Agenda

BOARD MEETING
5:30 P.M., MONDAY, DECEMBER 13, 2021
VIRTUAL MEETING

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

Alternates: Directors Kozlowski, Nguyen, Sander, Schaefer

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of October 25, 2021
- 2.2 Resolution 21-12-0124: Authorize the Board of Directors to Teleconference from December 13, 2021 through January 12, 2022, in Compliance with the Brown Act Pursuant to Government Code Section 54953 as Amended by Assembly Bill 361, During the COVID-19 Pandemic (O. Sanchez-Ochoa/T. Smith)
- 2.3 Resolution 21-12-0125: 2022 Board Meeting Calendar (T. Smith/S. Valenton)
- 2.4 Resolution 21-12-0126: Conditionally Approving a Contract for Security Guard Services with Blue Knight Security & Patrol, Inc. (L. Hinz)
- 2.5 Ordinance 21-12-01: Adopt the Amended and Restated Title V Ordinance No. 21-12-01, "Providing a Special Claims Procedure" of SacRT's Administrative Code and to Rescind Ordinance No. 06-02-01 and Resolution Nos. 98-12-3249 and 21-03-0015 (B. Bernegger)
- 2.6 Resolution 21-12-0127: First Amendment to FY 2022 Operating Budget (B. Bernegger)
- 2.7 Resolution 21-12-0128: Approving the Renewal of All SacRT Health and Welfare Benefits for 2022 (S. Valenton)
- 2.8 Resolution 21-12-0129: Awarding a Contract for On-Call Revenue Vehicle Towing Services to North Valley Fleet Services Inc. (C. Alba)
- 2.9 Resolution 21-12-0130: Award Contract for Purchase and Installation of Above-Ground Floor-Mounted Wheel Truing Machine to HJR Equipment Rentals, Inc. DBA Delta Wheel Truing Solutions (E. Stanley)

- 2.10 Approving a Title VI Analysis and Amending the Fare Structure (B. Bernegger)
 - A. Resolution 21-12-0131: Approving a Title VI Fare Equity Analysis; and
 - B. Resolution 21-12-0132: Amending the Fare Structure to Add On-Board Light Rail and Elk Grove Fares
- 2.11 Resolution 21-12-0133: Approving a Sole Source Contract for Pre-Employment and DOT-DMV Certification Medical Examinations, Prescription Drug Safety Reviews, and Evaluation of Job Description Physical Requirements with Dignity Health Medical Foundation DBA Mercy Medical Group, A Service of Dignity Health Medical Foundation (S. Valenton)
- 2.12 Resolution 21-12-0134: Approving the First Amendment to the Personal Services Contract with Priscilla Vargas (C. Alba)
- 2.13 Resolution 21-12-0136: Fourth Amendment to FY 2022 Capital Budget (B. Bernegger)
- 2.14 Resolution 21-12-0137: Amending and Restating Title XIII of the SacRT Administrative Code (O. Sanchez-Ochoa)
- 2.15 Resolution 21-12-0138: Approving the Fourth Amendment to the Contract for Low Floor Light Rail Vehicle Procurement with Siemens Mobility, Inc. for Purchase of Eight Additional S700 Low-Floor Light Rail Vehicles (E. Stanley)
- 2.16 Resolution 21-12-0139: Delegating Authority to the General Manager/CEO to Award a Contract for the Design-Build Equipment Replacement & Rehabilitation of Bus Maintenance Facility 1 Compressed Natural Gas (CNG) Fueling Facility with EFS West (L. Ham)
- 2.17 Resolution 21-12-0140: Ratifying the General Manager/CEO's Execution of Software Maintenance Agreements with Trapeze Software Group, Inc. and Delegating Authority to the General Manager/CEO to Pay Annual Software Support Fees for Trapeze Software Group, Inc. Products (S. Valenton)
- 2.18 Resolution 21-12-0141: Approving a Sole Source Procurement, Ratifying the General Manager/CEO's 2015 Execution of Two Authorization to Order Contracts Under State of California CALNET 3 Master Agreements C3-A-12-10-TS-01 and C3-B-12-10-TS-01 and Delegating Authority to the General Manager/CEO to Bind SacRT to Contracts for Legacy Telecommunications Voice and Data Networks and Communications Services with AT&T Under State of California NEXTGEN Master Agreement (S. Valenton)
- 2.19 Resolution 21-12-0142: Award Contract for Insurance Broker Services to Alliant Insurance Services (B. Bernegger)

2.20 Resolution 21-12-0143: Approving the Second Amendment to the Contract for Bus Shelter and Bench Acquisition, Installation and Maintenance, and Advertising Services with Clear Channel Outdoor to Include Shelters and Benches within the City of Elk Grove and Exercise the Option Years 11-15 (L. Ham)

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

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

7. NEW BUSINESS

7.1 Intent Motion: Extend the Term of the Current Chair (Steve Miller) and Vice Chair (Patrick Kennedy) for One More Year as Chair and Vice Chair for the SacRT Board of Directors for 2022. (T. Smith/S. Valenton)

7.2 Resolution 21-12-0135: Receive and File the Annual Comprehensive Financial Report, Reports on Compliance and Internal Controls as Required by Uniform Guidance, and the Transportation Development Act Report to the Board of Directors for the Fiscal Year Ended June 30, 2021, and Designate \$5,943,570 to SacRT's Operating Reserve (B. Bernegger)

7.3 Information: Board Composition (O. Sanchez-Ochoa/S. Valenton)

8. GENERAL MANAGER'S REPORT

8.1 General Manager's Report

a. Major Project Updates

b. Capitol Corridor Joint Powers Authority – Meeting of November 17, 2021

c. San Joaquin Joint Powers Authority – November 19, 2021 (Hume)

d. SacRT Meeting Calendar

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

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**

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

- | | |
|----------------------|---|
| 1) Property: | 1102 Q Street, Sacramento, CA 95811 |
| Agency Negotiator: | Brent Bernegger, VP, Finance/Chief Financial Officer,
Traci Canfield, Sr. Manager, Real Estate/TOD |
| Negotiating Parties: | The Evergreen Company |
| Under Negotiation: | Price and Terms |
| | |
| 2) Property: | 1201 K Street, Sacramento, CA 95814 |
| Agency Negotiator: | Brent Bernegger, VP, Finance/Chief Financial Officer,
Traci Canfield, Sr. Manager, Real Estate/TOD |
| Negotiating Parties: | California Dental Association |
| Under Negotiation: | Price and Terms |
| | |
| 3) Property: | 980 9 th Street, Sacramento, CA 95814 |
| Agency Negotiator: | Brent Bernegger, VP, Finance/Chief Financial Officer,
Traci Canfield, Sr. Manager, Real Estate/TOD |
| Negotiating Parties: | Prime US REIT |
| Under Negotiation: | Price and Terms |
| | |
| 4) Property: | 2710 R Street, Sacramento, CA 95816 |
| Agency Negotiator: | Brent Bernegger, VP, Finance/Chief Financial Officer,
Traci Canfield, Sr. Manager, Real Estate/TOD |
| Negotiating Parties: | James R Day Trust |
| Under Negotiation: | Price and Terms |

14. **RECONVENE IN OPEN SESSION**

15. **CLOSED SESSION REPORT**

16. **ADJOURN**

*NOTICE TO THE PUBLIC

It is the policy of the Board of Directors of the Sacramento Regional Transit District to encourage participation in the meetings of the Board of Directors.

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

The Regional Transit Board of Directors Meeting is being videotaped. A replay of this meeting can be seen on Metrocable Channel 14 and will be webcast at www.sacmetrocalable.tv on December 17 @ 2:00 p.m. and December 18th @ 2:00 p.m.

Any person(s) requiring accessible formats of the agenda should contact the Clerk of the Board at 916/556-0456, 279/234-8382 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. Any person who has any questions concerning any agenda item may call the Clerk to the Board of Sacramento Regional Transit District.



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: APPROVAL OF THE ACTION SUMMARY OF OCTOBER 25, 2021

RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
October 25, 2021**

ROLL CALL: Roll Call was taken at 5:37 p.m. via Zoom. PRESENT: Directors Budge, Harris, Howell, Hume, Jennings, Kennedy, Nottoli, Schenirer, Serna, Valenzuela, and Chair Miller. Absent: None.

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of September 27, 2021
- 2.2 Resolution 21-10-0114: Authorize the Board of Directors to Conduct Its Board Meetings for the Next 30 Days Via Teleconference as Authorized Under the Brown Act Pursuant to Government Code Section 54953 as Amended by Assembly Bill 361, During the COVID-19 Pandemic (O. Ochoa-Sanchez/T. Smith)
- 2.3 Ordinance: Adopt Ordinance 21-10-01, Amending and Restating Title I, "Procurement Ordinance" of SacRT's Administrative Code (O. Ochoa-Sanchez)
- 2.4 Resolution 21-10-0115: Approving the Third Amendment to the Contract for Light Rail Vehicle and Station Advertising with Lamar Transit, LLC (D. Selenis)
- 2.5 Resolution 21-10-0116: Approving the First Amendment to the Contract for Naming Rights Negotiation Services with the Superlative Group, Inc. (D. Selenis)
- 2.6 Resolution 21-10-0117: Third Amendment to Fiscal Year 2022 Capital Budget (B. Bernegger)
- 2.7 Resolution 21-10-0118: Approving a Contract for Light Rail Maintenance Facility Wheel Truing Machine Inspection, Preventative Maintenance, and Repair Services with NSH USA Corporation (E. Stanley)
- 2.8 Resolution 21-10-0119: Delegating Authority to the General Manager/CEO to Award Contract(s) for Supplemental Paratransit Services (C. Alba)

- 2.9 Resolution: 21-10-0120: Delegate Authority to the General Manager/CEO to Approve the Third Amendment to Contract for Low Floor Light Rail Vehicle Procurement with Siemens Mobility, Inc. (E. Stanley)
- 2.10 Resolution 21-10-0121: Conditionally Delegating Authority to the General Manager/CEO to Execute the First Amendment to the Memorandum of Understanding for Pilot Public Transit Route Between Davis and Sacramento (The “Causeway Connection” Bus Route) (L. Ham)
- 2.11 Resolution 21-10-0122: Delegating Authority to the General Manager/CEO to Execute a Contract to Conduct Special Services for the Sacramento Metropolitan Air Quality Management District (B. Bernegger)
- 2.12 Motion: Waive the First Reading of Ordinance No. 21-12-01, Amending and Restating Title V, “Providing a Special Claims Procedure” of Sacramento Regional Transit District’s (SacRT) Administrative Code (B. Bernegger)

Director Budge moved; Director Howell seconded approval of the consent calendar with the exception of Item 2.8 which was pulled for discussion. Motion was carried by roll call vote. Ayes: Directors Budge, Harris, Howell, Hume, Jennings, Kennedy, Nottoli, Schenirer, Serna, Valenzuela, and Chair Miller. Noes: None; Abstain: None; Absent: None.

- 2.8 Resolution 21-10-0119: Delegating Authority to the General Manager/CEO to Award Contract(s) for Supplemental Paratransit Services (C. Alba)

Written public comment was read into the record by the Clerk on the following item:

Item 2.8 – Helen O’Connell

Is the supplemental paratransit service going to be put in effect in January and how will it be implemented, do people have to be outside the window a certain length of time before they are qualified for supplemental service or does the supplemental service automatically get implemented because SacRT is short drivers?

Director Budge requested an explanation to Helen’s question.

Carmen Alba, Vice President Bus Operations, responded that SacRT is in the RFP process, which are confidential negotiations. Ms. Alba mentioned SacRT is able to say that the trips covered by supplemental service providers will not be determined by a pick-up window. The trips will be identified by SacRT Staff the day prior and then SacRT will notice the service providers. SacRT will control those trips and is expecting to make these supplemental services available shortly after January 2022.

Ms. Alba then explained that there will be an opportunity for SacRT Go customers and the Mobility Advisory Council to ask questions and learn more about the service prior to implementation; open houses and discussions with the MAC Committee will be scheduled in the fall.

Director Schenirer moved; Director Howell seconded approval of Item 2.8 as written. Motion was carried by roll call vote. Ayes: Directors Budge, Harris, Howell, Hume, Jennings, Kennedy, Nottoli, Schenirer, Serna, Valenzuela, and Chair Miller. Noes: None; Abstain: None; Absent: None.

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

4.1 Motion: Approval of the SacRT Final Network Integration Plan (L. Ham)

Laura Ham started her presentation saying this item would finalize the SacRT Network Integration Plan, a requirement of the 2018 TIRCP Grant for new light rail vehicles for the Gold Line. The draft plan was presented at the July 27th Board meeting and was available for public review from June 7th through July 31st.

Ms. Ham mentioned that the plan's goal is to ensure that major state-funded rail projects connect cohesively with the state rail system. The primary subject is future Gold Line service, future bus service to the Sacramento Valley Station (SVS) and the Railyards, and integration affairs into a statewide system.

Ms. Ham went on to say that The Network Plan is primarily a technical study and does not propose service changes. Before implementing any major service changes SacRT would conduct additional public engagement and Title VI analysis as required.

Comments from partner agencies were received and are included in Appendix D. SacRT believes all comments have been responded to. One of the key outcomes of the comment process is that SacRT decided to scale back the number of bus routes to extend into the Railyards from four to two bus routes which will reduce future operating costs and avoid the need for a larger scale multi-block on-street bus terminal. Lastly, it was stated by Ms. Ham that once approved, the final plan would be transmitted to Caltrans which would complete SacRT's requirement under the TIRCP Grant.

Phone in public comment by Sabrina Hocker (relating to Consent Item 2.8 above):

Ms. Hocker wanted to know what the Board/SacRT management is doing to address the issues related to the ongoing violations with the ADA?

Ms. Hocker agrees that subcontracting is a great first step and wonders if staff has

contacted other jurisdictions (East Bay Transit or San Diego MTS) because they do not seem to be having the same issues.

Ms. Hocker inquired as to the loss related to driver turnover, having to train new staff, losses related to losing riders versus giving a slight increase in pay to drivers, whether riders have considered not buying anymore passes as a result of getting stranded for an hour or an hour in a half.

Chair Miller asked Ms. Hocker if it would be all right for staff to contact her. Ms. Hocker responded that it would be fine.

Director Howell moved; Director Hume seconded approval of Item 4.1 as written. Motion was carried by roll call vote. Ayes: Directors Budge, Harris, Howell, Hume, Jennings, Kennedy, Nottoli, Schenirer, Serna, Valenzuela, and Chair Miller. Noes: None; Abstain: None; Absent: None.

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Written public comment was read into the record by the clerk:

Regina Marie, ACB Capital Chapter of CCB Inclusive Diversity of CA Government Affairs

Ms. Marie requested that an item about service problems including delays and long rides be added to the Board agenda. Ms. Marie indicated that driver shortage that was anticipated by the Mobility Advisory Council and is concerned that it will continue in the future.

Phone in public comment from Barbara Stanton:

Ms. Stanton is happy that the Board meetings are on Zoom now and the public can participate in the meeting.

7. NEW BUSINESS

- 7.1 Resolution 21-10-0123: Delegating Authority to the General Manager/CEO to Negotiate and Execute a Facilities Use Agreement with the City of Sacramento for Use of the Roseville Road Light Rail Station as a Temporary Safe Parking Site (C. Flores/B. Bernegger)

Chris Flores noted that Staff is back before the Board to discuss a proposal regarding the temporary safe parking in a portion of the SacRT Roseville Road Light Rail Station parking lot which was initially brought to the Board at the July 26th meeting as an informational update regarding the City of Sacramento's

comprehensive homeless masterplan. On August 10th, Sacramento City Council unanimously adopted their plan which includes three SacRT parking lots. During the July SacRT board meeting, staff was instructed to conduct additional community outreach and identify operational details to safeguard SacRT riders and ensure a successful program. Since that time, SacRT staff has had many meetings with the City, Caltrans and FTA to discuss details.

Mr. Flores continued to say that the City of Sacramento has focused attention on the Roseville Road Light Rail Station. The station parking lot is long and linear with 1087 spaces. On average, pre-COVID, the station was over 50 percent full and well utilized by commuters. Mr. Flores then mentioned that because of the nature of how SacRT received the encroachment permit from Caltrans, the site has numerous interests from various agencies, complicating the approval process.

Mr. Flores explained the boundaries of the program at the Roseville Road Station, stating it is about 300 yards from the platform to the shelter fence. The majority of people using the station park as close to the station platform as possible and noted that there would be space for administrative staff, restrooms, showers, storage, and dog kennels.

Mr. Flores stated that in July the Board directed staff to talk with community groups and neighborhoods in the nearby vicinity of each site to get feedback and listen to concerns. The Watt PBID sent an extensive letter to the City and SacRT regarding the proposal in July and then all parties met on September 29th and went through each question in the letter and more. Furthermore, in conjunction with the City and Councilmember Loloee's office, a community and neighborhood meeting were held on the evening of October 7th. Both meetings were well attended, and excellent feedback was provided. Some key takeaways and questions included the following:

- What is the City's long-term vision for addressing homelessness?
- What are the boundaries of the Public Safety Zone?
- The need for additional security measures dedicated to the site.
- The impact on businesses and homes in the surrounding area.

Mr. Flores announced that the City and SacRT staff have been working on the operational details for the Roseville Site. The city has agreed to the terms included in the program guidelines and the city operator will adhere to these stipulations should the program launch. Mr. Flores then highlighted some key provisions:

- The program shall serve between 80 and 100 guests at one time.
- The site shall operate for one year with an option to extend.
- All parties shall reserve the right to terminate contract withing 30 days.
- A curfew shall be enforced between 8:00 pm and 8:00 am daily.
- The operators shall have trained staff on site 24 hours a day seven days a week.

- The city will provide full indemnification to SacRT, as well as provide insurance or commitment to cover costs, should any accidents or liabilities occur.

Lisa Hinz noted that additional security will be needed with the introduction of the safe ground at the Roseville Road Light Rail Station. SacRT is requesting security guards inside and outside the safe ground. In accordance with the California Public Utility Commission (CPUC) recommendations, SacRT has asked the City to reimburse SacRT for an external security guard. The City will staff a security guard inside the safe ground around the clock. SacRT is concerned about the amount of area designated as the public safety priority zone surrounding the safe parking location.

Ms. Hinz then recognized that a safe parking priority zone prohibits additional encampments within the designated area. SacRT is proposing that the safe parking priority zone be large enough to prevent encampments from backfilling the entrance to Roseville Road Light Rail Station as well as under the freeway and bridge. A recent fire that occurred on September 8, 2021, from homeless encampments that were directly under the Grand Avenue Bridge resulted in serious structural damage to the bridge. SacRT is contractually obligated to pay for repairs. The goal for SacRT would be to prevent a further incident such as this by asking the City to maintain a large enough area free of encampments. SacRT and the public have not yet been provided with the safety priority zone radius.

Brent Bernegger stated that for the past two months there have been several discussions with Caltrans and the FTA, and now SacRT has a good understanding of what is required to move forward. Caltrans has an internal process that must be completed before consideration and approvals can be made. The City of Sacramento will need to complete a review process called the District Airspace Review Committee (DARC). Caltrans has started that process and once completed, they can make a final determination. While waiting to hear back from Caltrans, SacRT has had several discussions with the FTA. SacRT has prepared a draft letter that will be sent which includes the guidelines as well as a map of the area. Through briefings with the FTA SacRT learned that the top concern is maintaining continuing control as well as the ridership and security at that site.

Olga Sanchez-Ochoa stated that SacRT's presence at Roseville Road is governed by an encroachment permit issued to SacRT in 1984 for the Light Rail Starter Line. The property was an abandoned freeway right-of-way and Caltrans agreed to allow SacRT to build on that site. The site was improved by SacRT using FTA funds because SacRT does not own the underlying fee at Roseville Road, and it is there by encroachment. SacRT approached Caltrans to seek permission to allow the City to install a safe parking facility at our Roseville Road Light Rail Station. The facilities use agreement that the parties have been negotiating is structured to be compliant with this arrangement. Unfortunately, late last week Caltrans advised SacRT that it cannot allow SacRT to transfer the encroachment rights to the City

and that the only path forward would be for Caltrans to revoke our existing encroachment permit, carve out the area the City wants to use for safe parking and then deal directly with the City through a lease agreement or another arrangement.

Ms. Sanchez-Ochoa stated that the new proposed arrangement is problematic for SacRT for two reasons. First, the parking lot was constructed with FTA funding and FTA has a financial interest in the parking lot. If SacRT no longer has continuing control as the guidelines require over the parking lot because it has lost its encroachment permit, SacRT may be immediately required to reimburse the FTA for the value of the facility. The second concern is if SacRT is no longer able to be in privity of contract with the City, SacRT will be limited in its ability to ensure the safety of the remainder of the station, its patrons, and its employees.

Ms. Sanchez-Ochoa then recognized that with this change in arrangement, the Resolution attached to the staff report is no longer viable. Given that, staff recommends revising the Resolution to allow this project to continue moving forward while protecting SacRT's interest. Staff recommends that the Board direct and authorize the General Manager to negotiate a three-party lease agreement between and among the City, Caltrans and SacRT, that would include the protections included in the facilities use agreement and the program guidelines that the parties have previously negotiated. Execution of such agreement would have to be contingent upon the FTA concurring in the action without the requirement that SacRT reimburse the FTA for the facility.

Ms. Sanchez-Ochoa explained that the final agreement should also include resolution over the following outstanding issues. First, finalizing the type of agreement that will replace the facilities use agreement, probably a lease. Second, whether an environmental clearance was appropriately performed and provided for SacRT's indemnification if it was not. Third, securing clarity from the City about the scope of the public safety zone. Fourth, ensuring that the City identify and provide a 24/7 point of contact that can resolve issues that may arise at the safe parking site. Fifth, the City providing a final good neighbor policy document. Sixth, the Grand Avenue Bridge area be cleaned up. An additional issue that staff would like direction from is the public safety priority zone. This issue has been raised as a very important issue to members of the public and to SacRT staff because SacRT wants to ensure that the area surrounding the safe parking site does not attract additional uncontrolled encampments, thereby affecting the ability to provide clean safe and convenient transit to our passengers. SacRT staff would like to see a zone of at least half a mile radius around the Roseville site. As Ms. Hinz noted previously, SacRT has asked the City for clarity on this but to date they have not shared their plans with SacRT on what the zone would look like. Staff is asking that the Board provide guidance on what would be an acceptable radius.

Mr. Flores mentioned that Councilmember Loloee, who nominated this site during the council approval process, was available for questions as well as City staff from various departments

Director Serna pointed out that he was also in attendance virtually at the October 7th community meeting in his capacity as a SacRT Board member.

Mr. Flores apologized and stated it was a very productive meeting and Director Serna's comments along with Supervisor Desmond who attended the previous meeting were great. He then thanked Director Serna.

Director Howell had a concern with regard to the FTA money and if it having to be repaid would result in a lease payment. She suggested that because this is being done at the request of the City of Sacramento that if there is a payment required on leasing of the property, that it should be paid by the City of Sacramento.

Director Budge agreed with Director Howell and mentioned because there were so many questions, that she believes it is not time to take a vote.

Director Howell requested more information about the safe zone and the ability to limit encampments within a distance of the entrance. She was concerned as to whether the City of Sacramento can legally do that because it is public property.

Mr. Flores mentioned that Chris Conlon from the City, who's been taking the lead in the public safety zone, may have additional comment on that. In terms of the lease there have been no discussions about the payment on the lease. The initial thought was SacRT would have a lease agreement with the City but after research, it was a Facilities Use Agreement and has now turned back into a lease.

Director Howell stated that she is pretty sure that from a legal standpoint there has to be some payment for the lease to be valid.

Mr. Flores introduced Assistant City Manager, Chris Conlin to talk about the public safety zone.

Mr. Conlin stated that the public safety zone is already in place in two other locations, Meadowview Navigation Center and the newly built Broadway Alhambra Navigation Center. Mr. Conlin noted that the public safety zone is designed after something done in Los Angeles and basically puts a perimeter around the site and outlines boundaries and explained that it has an increased enforcement zone for camping and storing personal property, and then also increases enforcement of state and local laws prohibiting illegal conduct.

Mr. Conlin then gave a quick explanation of a public safety zone. In order for it to be legally defensible it has to be related to the site. He described the location and talked about why it is important to the people that are inside, in order to protect them against certain activities. The public safety zone has to have finite boundaries. It cannot be arbitrary like a half mile circle around the area. The site

was walked last week and there is a draft that hasn't been sent out or made public but is contingent upon what the lease and the site look like.

Mr. Conlin noted that input from the surrounding community is important because the City wants to develop a good neighbor policy. Mr. Conlin explained that this site is complex because there are various sectors of state, railroad, and county properties. Mr. Conlin noted that it is difficult for the City to enforce the public safety zone because the City cannot enforce state and federal laws. He explained that the City would work with entities like Caltrans and SacRT in order to allow them to adopt this zone and allow SacRT to do enforcement in some of these other areas.

Director Howell thanked Mr. Flores and mentioned she was unaware that the City of Sacramento had done this at other locations and then complimented his work.

Director Schenirer mentioned that the City opened the Broadway and Alhambra Shelter about a month ago. The shelter will eventually serve 100 individuals, there are 57 right now. The City is currently waiting to install security cameras, however, there have been minimal incidents. People are not loitering at the gate or outside the shelter. The people who are in the shelter are appreciative of what is happening.

Chair Miller noticed that propane was not allowed and questioned how they would cook and feed themselves.

Mr. Conlin responded that the people housed there are not allowed to cook on their own. Meals are brought to them. It is the same for the internal restrooms and showers. The City provides these services.

Director Schenirer added that the meals provided at the shelter are primarily purchased in the neighborhood, recycling the funds within the community.

Councilmember Loloee thanked members of the Board and stated that this site is very critical. This would create a safe environment for the unhoused. They will be registered and then laws will be able to be enforced which would minimize loitering and other unlawful activity. There are minimal options within the county. Mr. Loloee's office has conducted at least 15-20 meetings regarding this site making sure the community gets engaged and as he stated he is here to answer any questions.

Chair Miller then asked if there would be residency time limits?

Councilmember Loloee replied that the purpose is to bring them in, register them and then try to find more permanent housing. Mr. Loloee indicated that working through partners within the County and the City of Sacramento, that they are hoping to find more permanent housing much faster and move these individuals into a more conducive environment.

Chair Miller questioned again if there is no time limit?

Councilmember Loloee responded that there is potential for a year, but the objective is a push to get them in a more permanent situation and get the district back to normality. He stated that there are already encampments in SacRT's parking lots and the idea is to clean those out and make one location the center.

Director Schenirer stated the goal is four to six months indicating that the process would be to bring someone in, get them services and find them permanent housing. Low barrier shelter is the model being used.

Chair Miller recalled when the City of Placer tried this a few years back and the difficulty they had.

Director Valenzuela commented that they have already moved 100 people out of the safe ground site at W and X Streets, and that it was not perfectly implemented because they only had ten days to get it organized. They did not get the chance to do safety zones and all the things they plan to do with this site. The City team is getting pretty good in terms of building these relationships and getting people out.

Chair Miller responded that is what they have identified in Citrus Heights. There is a certain amount of quick, easy success with those that want help.

Director Budge wondered whether the City or SacRT staff had surveyed other SacRT property that have the unhoused located on the property, and what the numbers showed, given the population cap at Roseville Road.

Councilmember Loloee responded to Director Budge noting that the Swanston Station at the beginning of this year had about three tents, and today there are about ten to fifteen tents. He questioned, could it create a safe environment at the Roseville location? And, answered, absolutely.

Director Budge asked SacRT staff where this station ranks in terms of boardings.

Mr. Flores responded that the station is quite large with 1,087 parking spaces. Pre-COVID boardings were 500+ per day.

Ms. Hinz is concerned about the drawing shared by the City because it allows for illegal encampments that could jeopardize the infrastructure for SacRT. Staff would like to ask the Board for very specific direction of how large that safety priority zone would be?

Director Serna commented that there are different layers of political geography involved. He explained that the jurisdiction of the use, which is SacRT, and the site itself lies at the border of two different County Supervisorial districts. His direct constituents have expressed their concerns about the growing challenge of homelessness, impacts to their burdening business park and the interest of the property owners there.

Director Serna asked if there was an alternative? If the choice is to not take advantage of a site, that arguable is one of the more optimal sites based on its size and given what we know about the history of the people that are suffering from being unsheltered immediately adjacent to the site, the alternative is the status quo. Director Serna does not want to see an overreaction to the challenge that this poses, some referenced by Directors Valenzuela and Schenirer but as they mentioned, those shelters are making progress. He went on to say that he does not think anyone has the expectation that progress is going to be made overnight, but something has to be done to mitigate the impacts associated with homelessness. He is very supportive of this. Director Serna commended Councilmember Loloee for his community outreach, mentioning he attended one of the meetings, and each question was responded to in a way that was not confrontational and did not try to dismiss what real concerns are. He hopes the right decision will be made.

Director Harris agreed with Director Serna and explained that the Directors here should know that they have been doing safe ground sites and they have been going very well. People near Roseville Road are living in squalor, there is a tremendous number of drugs and violent crimes. Director Harris believes that Roseville Road is an exceptional site to use. The public safety zone is also an essential piece to make this work. Director Harris stressed that this is an important project. This parking lot has greater capacity but was scaled back due to skepticism. Director Harris went on to say that he took a couple of business members from the Watt I-80 PBID to 6th and W to the safe ground sites in Director Valenzuela's District. They were skeptical and against doing anything like this out at Roseville Road. When they came away, their opinion was greatly changed. If you bring people into safety, hygiene and give them regular meals it changes a lot of things. Director Harris supports this item.

Director Valenzuela thanked SacRT staff for the methodical nature of the analysis and all the work they have done on the project. She thanked Councilmember Loloee who has been doing a fantastic job with this in his district. Director Valenzuela mentioned her Front Street site that the unhoused are moving in and out of, noting their sense of home and peace and being able to sleep through the night without worrying about what is going on outside changes their manner and attitudes quickly. Director Valenzuela mentioned the growing partnership with the county makes her think they are on the precipice of making a big impact. She drove Roseville Road last weekend to familiarize herself with it and stated it's awful over there. Director Valenzuela commended the Board and thinks part of the reason SacRT got the transit system of the country award is because of trying new things.

Director Budge mentioned she was sympathetic to Director Serna's comment, "What's the alternative?" but wanted some of the open-ended questions to be answered before voting. She then asked Ms. Hinz for specific direction given her law enforcement perspective about the safety zone that is proposed.

Ms. Hinz responded that she is highly concerned about the encampments and the liability. SacRT cannot get to the bridge they are responsible for maintaining because the encampments are blocking the ability for an engineer to come and look at the bridge. Ms. Hinz stated that SacRT would prefer a half a mile, based upon the city's unique ability to create that safety zone.

Director Budge mentioned because of the shape of the area there are places where half a mile is much larger than what is proposed.

Director Howell, in response to Director Budge, said a good part of that area is the golf course and that a homeless encampment is not going to show up in the middle of the golf course.

Director Hume expressed that he did not want to delve into the whole complexity of trying to address homelessness as a whole except to say that it is not a monolithic issue and there is not a panacea that will solve it directly. It's an environmental, humanitarian and an economic crisis. He wanted to key in on something that Director Harris mentioned that ought to be at the forefront when thinking about this, discussing this and when actually deploying public funds and that is that the ultimate goal in this ought to be to change the trajectory of the individual's life. To recognize that these people are not living their best lives and that the City and SacRT have an obligation to help with that. Director Hume continued by mentioning that when trying to attract riders you want to not have any reasons for them to avoid the service and putting them in a situation where they may feel uncomfortable next to where you're trying to entice them is somewhat counterproductive. In looking at the layout of this site, the bridges, and the linear nature of it, it looks like a fairly good opportunity to utilize what is probably otherwise an underutilized portion of the SacRT property. Director Hume supports looking at this but wanted to touch upon points raised by Ms. Hinz and Director Budge. He stated that there must be an ironclad agreement that does not put SacRT's FTA funding at risk or that would put SacRT on the hook to repay FTA and that SacRT should be mindful of the relationship with Caltrans. Next, he pointed out the public safety zone stating that the things called out on the letter that is signed ought to be illegal. Furthermore, the encampment piece is a big one because as somebody referenced with the Boise decision, if there is not an alternative to relocate then you cannot displace them. Director Hume said he would be in favor of a larger public safety zone and thinks there is more than can be hammered out tonight but is in favor of the general concept.

Mr. Bernegger then followed up on a question that Director Budge brought up which was the parking lot utilization. Mr. Bernegger shared a spreadsheet on the screen showing Roseville Road as one of the larger SacRT site with 1087 parking spots. Mr. Bernegger referenced a concern of Director Hume's stating that when the FTA or Caltrans comes back with some nuances that SacRT will make sure that they are not out of pocket for any of those costs and if it required SacRT to pay back the FTA that would be the big concern.

Director Schenirer thanked SacRT and City staff. Director Schenirer complimented Mr. Li for being a great General Manager, thanking him, and stating that Mr. Li is trusted to run quite a large system and that he should be trusted to not make any decisions that would imperil the existence of SacRT at that site or any other. Director Schenirer is very happy to delegate authority to Mr. Li knowing he has the best interest of SacRT at heart and the community. He thanked his colleagues, especially Supervisor Serna for his comments and then touched upon what Director Hume said, that we need to remember these are individuals, and this is not just about safe parking, RVs, or the safety zone. It is about residents of Sacramento. He is very supportive and looks forward to voting yes on this issue. Director Schenirer thanked Mr. Loloee for speaking.

Councilmember Loloee thanked the Board members. Mr. Loloee shared that there are families at Roseville Road, some with children varying in age from one to about thirteen years old. Mr. Loloee expressed his concern for these youth and noted that once they come into a safe environment their defensive guards will come down and they will be more eager to get help.

Director Howell thanked everybody for their work on this and hopes no one misunderstood where she was coming from. If the details get worked out, she thinks this is a great use of that space and thinks Sacramento is doing a really good job at trying to address the issues.

Chair Miller mentioned he is for all these efforts but noted that his concern is that SacRT cannot afford to lose funding from FTA. He stated he really wants to view this as a pilot project, if SacRT can get over the Caltrans and FTA issues.

Director Kennedy mentioned that a couple of years ago something similar was proposed at the Florin site, and Director Schenirer and himself had many conversations about that project. Director Kennedy did not support the project because he was wearing his SacRT hat only at that time. He is no longer of the position to look first at the viability and the health of SacRT because it is such a societal/humanitarian issue that transcends transit. Director Kennedy stated he has come full circle and now supports this project and will when they come forward with it in the district that he represents. He feels SacRT Board Members need to look at the health and viability of transit, but as human beings, they need to look at helping fellow neighbors who are unhoused.

Director Nottoli commented that he was prepared to support the staff recommendation.

Ms. Sanchez-Ochoa wanted to clarify what the motion was so that it could be reduced to a Resolution. She stated that staff recommended that the Board direct and authorize the General Manager to negotiate a three-party agreement between and among the City, Caltrans and SacRT that would include the protections

included in the Facilities Use Agreement and program guidelines that the party previously negotiated, and that such delegation would be contingent upon the FTA concurring in the action without the requirement that SacRT reimburse FTA for the facility.

Director Budge expressed concern about the direction that Ms. Hinz asked for in terms of the size of the safe barrier zone.

Director Howell mentioned what the City of Sacramento Assistant City Manager said which was that the safe barrier zone has to be legally defensible or what can be defended legally given the Boise decision. And, if there must be a payment of the lease, Director Howell stated that needs to be the responsibility of the City of Sacramento. She also wants Mr. Li, as the delegated authority for the negotiations, to be aware that is what she would like to see, and if the maker and the seconder of the motion are good with that then hopefully it is clear.

Director Schenirer added in regard to the size of the safe barrier zone that the bigger it can be made the better we are.

Ms. Sanchez-Ochoa then stated for clarification that the safety zone should be as large as legally permissible.

Chair Miller said it should be included in the motion and it should be an alternate motion.

Director Howell then said it should be as big as it needs to be that is legally defensible.

Chair Miller asked if Directors Harris and Serna were alright with the revised motion.

Director Harris, as the maker of the motion, wanted clarification from Chris Conlin. Director Harris stated that he would tend to agree with Ms. Hinz that if the defense area can be expanded to include the critical infrastructure of SacRT, that is legally defensible that SacRT should do so. He continued by saying there was very significant damage done to the underpass and SacRT needs to prevent this and one of the reasons for doing this project is to make a defense of critical infrastructure. That is in fact one of the legal bases upon which the defense zone can be predicated.

Chris Conlin stated that the SacRT Roseville Road station under the City Ordinance is already critical infrastructure and is considered to be defensible just by its own right to include 25 feet around the entire perimeter per the City's critical infrastructure Ordinance. The road crossings, the overpasses and the railroad tracks are also considered to be critical infrastructure under the City Ordinance. What is undefined is ownership. In the case of the SacRT rail line, it is owned by SacRT and policed by SacRT but that SacRT rail line within 25 feet of the station is

already defensible. The roads are owned by Caltrans, and if they so choose, can adopt a City Ordinance on infrastructure and use it. As far as underneath of the area, the one that Ms. Hinz talked about several times, that property is owned by Caltrans. They have already fenced a portion of it because PG&E is doing some work there. There is still a portion that they have not fenced for cleaning. The City is in discussions with them about the fact that they should clean that, and staff has recommended that they do fence the area to protect the infrastructure, however staff only has so much leeway as a City when we are dealing with a state agency.

Director Harris thanked Mr. Conlin for the clarification and stated that instead of micromanaging this, that the Board delegate authority to the General Manager, Mr. Li, to work out the details with Mr. Conlon and the various jurisdictions. Director Harris asked Director Serna if he would accept the clarification and move forward with the staff recommendation.

Director Serna accepted the clarification.

Director Budge mentioned she is concerned about the number of loose ends that everyone has identified but she has a great deal of confidence in Mr. Li.

Director Harris moved; Director Serna seconded and Director Valenzuela provided a third to the approval of Item 7.1 with a modified Resolution. Motion was carried by roll call vote. Ayes: Directors Budge, Harris, Howell, Hume, Jennings, Kennedy, Nottoli, Schenirer, Serna, Valenzuela, and Chair Miller. Noes: None; Abstain: None; Absent: None.

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. Major Project Updates
 - b. San Joaquin Joint Powers Authority – September 24, 2021 (Hume)
 - c. SacRT Meeting Calendar

Mr. Li stated that SacRT has experienced a sharp increase in ADA paratransit trips with SacRT GO carrying nearly as many riders daily as it carried pre-pandemic. Mr. Li mentioned that as a result of the labor shortage, SacRT has received a few complaints from paratransit riders regarding scheduling challenges. While workforce shortages are impacting all sectors of economy locally and nationally, SacRT has implemented several new processes to improve recruitment and incentivize employment with SacRT. The SacRT GO Team provided an update to the Mobility Advisory Committee earlier this year. Mr. Li thanked the MAC Chair, Pam Flohr and other partners for their support.

Mr. Li stated that today's action by the Board will allow SacRT to broker SacRT GO trips with other private sector providers to meet the increased demand and realize efficiencies in the service. He went on to say that more than half of SacRT's paratransit riders is ambulatory and these brokered services will allow SacRT to meet increased

mobility demands. SacRT is hopeful these actions and improvements will better serve customers.

Mr. Li then highlighted that SacRT, YoloBus and UC Davis will be entering into an MOU to better serve the Causeway Connection service from UC Davis campus to the UC Davis Medical Center. Ridership on the Causeway has increased from an average of 40 riders a day to over 110 passengers recently. This is an important transit connection that links Davis with Sacramento, and this agreement will allow SacRT to operate the entire service for over 8 months, starting next month or later. SacRT is happy to help SacRT partners and fulfill the needs of students, faculty, and riders.

Mr. Li. stated that after a year of event cancellations due to the pandemic, the region is safely reopening and holding major festivals, concerts and community gatherings are returning. At the beginning of October, SacRT provided supplemental bus service to assist the Aftershock Music Concert. The four-day concert helped generate over \$30 million in economic activity and SacRT carried over 5,000 passengers, greatly mitigating traffic impacts at the end of each evening. SacRT also provided special service to assist with the Folsom City Blues half marathon, the California Clean Air Day, and the homeless transfer during the rainy weather. SacRT is proud to help support the Sacramento region on these important events.

Mr. Li provided a SacRT ridership update which continues an upward trajectory. In September 2021, compared to ridership in September 2020, SacRT saw a 34% increase in trips. Specifically, bus ridership was up 57%, light rail was up 10% and demand response was up 40%. For the 1st quarter of this fiscal year (July through Sept), SacRT total ridership is up 21.8%. The uptick in ridership is driven largely from SacRT's RydeFreeRT Program and students returning to the classroom and traveling to other destinations. SacRT has been working hard to raise awareness for the program and staff has distributed nearly 250,000 RydeFreeRT cards to the community. In September, there were over 210,000 student boardings, accounting for approximately 25% of all riders in the system. Student ridership is seven times higher now than it was a year ago.

Next, Mr. Li reminded everyone that SacRT has relaunched airport bus service as of September. On October 4, California Transportation Commission Chair Norton flew to Sacramento Airport to meet with the Governor's Office and CalSTA Secretary Kim. Secretary Kim shared positive reviews of her experience. Secretary Kim was pleased that SacRT service was on time, well utilized by other passengers, and had a very informative operator.

Mr. Li announced that in two weeks, SacRT will be honored by the American Public Transportation Association (APTA) as the Outstanding Transit Agency for 2021. Chair Miller and Director Valenzuela will join staff to accept the award. SacRT is truly proud of this achievement, the progress made in recent years and the innovations that have been implemented to lead the industry. Mr. Li concluded his remarks by sharing a short video.

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

Director Serna thanked Mr. Li for highlighting the economic contribution that the Aftershock event contributes to the region. Director Serna has worked with promoters since the inception of Aftershock. One of the last-minute challenges this year was the need for shuttle service from the former Sleep Train Amphitheatre parking lot. Director Serna thanked Mr. Li again for his quick response and problem solving as it relates to the endeavors that are being pursued in the County and the City.

Director Hume asked for staff to bring back a discussion regarding the allocation of the seats on the Board now that we are moving from weighted voting to one seat, one vote. He is requesting to look at the allocation of those votes.

Mr. Li replied to Director Hume that staff will conduct some analysis and bring it back to the Board.

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

The Board recessed to Closed Session at 7:28 p.m.

13. CLOSED SESSION

13.1 Conference with Legal Counsel
Pursuant to Gov. Code Section 54956.9
Existing Litigation

a.) One Case

14. RECONVENE IN OPEN SESSION

15. CLOSED SESSION REPORT

There was no Closed Session report.

16. ADJOURN

As there was no further business to be conducted, the meeting was adjourned at 7:40 p.m.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Olga Sanchez-Ochoa, General Counsel/ Tabetha Smith, Clerk to the Board

SUBJ: AUTHORIZE THE BOARD OF DIRECTORS TO TELECONFERENCE FROM DECEMBER 13, 2021 THROUGH JANUARY 12, 2022, IN COMPLIANCE WITH THE BROWN ACT PURSUANT TO GOVERNMENT CODE SECTION 54953 AS AMENDED BY ASSEMBLY BILL 361, DURING THE COVID-19 PANDEMIC

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution will authorize implementation of AB 361 for Board meetings conducted between December 13, 2021 and January 11, 2022. Meetings conducted during this 30-day time period will be conducted via teleconference due to the Covid-19 pandemic.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION

Governor Newsom signed an executive order on September 17, 2021 waiving the application of Assembly Bill 361 ("AB 361") until October 1, 2021, when the provisions of a prior executive order that established certain requirements for public agencies to meet remotely during the COVID-19 emergency would expire. AB 361 amended the Ralph M. Brown Act to authorize modified procedures for remote (teleconference) meetings held during a state of emergency and when state or local officials impose or recommend measures to promote social distancing. See *Cal. Gov. Code* § 54953(e). These new rules supersede and replace similar rules in the Governor's Executive Order No. N-29-20, which the SacRT Board has been adhering to since its adoption at the onset of the COVID-19 pandemic. In order to avail itself of these modified procedures, the Brown Act requires the Board find, by a majority vote, that it has reconsidered the circumstances of the state of emergency, and (i) the state of emergency continues to directly impact the

ability of the members to meet safely in person and/or (ii) state or local officials continue to impose or recommend measures to promote social distancing. The findings must be made no later than 30 days after using the modified procedures, and every 30 days thereafter. Unlike many of SacRT's member agencies, SacRT's auditorium is significantly small, making it difficult to safely space out members of the Board, staff and the public to meet in person. Because the peril of transmission has not significantly declined, the safest course of action is to continue meeting virtually for the next 30 days. Therefore, staff recommends that the Board adopt the attached Resolution authorizing the Board to meet virtually as allowed under AB 361, beginning and including December 13, 2021 through January 12, 2022.

An additional requirement of AB 361 is that members of the public be allowed to participate in real time during the virtually held Board meeting. Thus, members of the public are able to virtually participate in the Board meetings in real time.

RESOLUTION NO. 21-12-0124

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

December 13, 2021

AUTHORIZE THE BOARD OF DIRECTORS TO TELECONFERENCE FROM DECEMBER 13, 2021 THROUGH JANUARY 12, 2022, IN COMPLIANCE WITH THE BROWN ACT PURSUANT TO GOVERNMENT CODE SECTION 54953 AS AMENDED BY ASSEMBLY BILL 361, DURING THE COVID-19 PANDEMIC

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

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

THAT, on November 10, 2021, Governor Gavin Newsom signed Executive Order N-21-21 extending the declaration of a State of Emergency in response to the novel coronavirus to March 31, 2022; and

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020. The County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 4, 2021, the Governor clarified that the “reopening” of California on June 15, 2021, did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as “AB 361”); and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the County Health Officer has confirmed that continued local rates of transmission of the virus and variants causing COVID-19 are such that meeting in person would present imminent risks to the health or safety of attendees of public meetings; and

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows: 1. The Board of Directors hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution; 2. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1). 3. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Board of Directors determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate beginning and including December 13, 2021, and continuing through January 12, 2022. 4. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists: (a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board / Shelly Valenton, VP,
Integrated Services and Strategic Initiatives
SUBJ: 2022 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 2022.

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:

- January: No meeting on January 24; to be consolidated with the January 10 meeting
- June: No meeting on June 27 due to City and County recesses
- July: No Meeting on July 11 due to City and County recesses
- October: No Meeting on October 10 due to the Columbus Day holiday
- November: No Meeting on November 28 due to the Thanksgiving holiday
- December: No meeting on December 26 due to the Holiday season

Staff recommends approval of the 2022 Board Meeting calendar attached to the Resolution as Exhibit A.

RESOLUTION NO. 21-12-0125

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

December 13, 2021

2022 BOARD MEETING CALENDAR

WHEREAS, the Sacramento Regional Transit Board of Directors desires to establish its regular meeting schedule for calendar year 2022; 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 29th Street, Sacramento, CA. Regular meetings of the Board will start at 5:30 p.m.

WHEREAS, notwithstanding 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, requiring meetings be held in SacRT's Auditorium, a Board meeting may be held virtually, in accordance with California Government Code Section 54953, if the conditions set forth therein are met.

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 2022 is hereby adopted.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

EXHIBIT A

2022 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 10, 2022
Monday	..... NONE	..... January 24, 2022
Monday	..... Regular Meeting	..... February 14, 2022
Monday	..... Regular Meeting	..... February 28, 2022
Monday	..... Regular Meeting	..... March 14, 2022
Monday	..... Regular Meeting	..... March 28, 2022
Monday	..... Regular Meeting	..... April 11, 2022
Monday	..... Regular Meeting	..... April 25, 2022
Monday	..... Regular Meeting	..... May 9, 2022
Monday	..... Regular Meeting	..... May 23, 2022
Monday	..... Regular Meeting	..... June 13, 2022
Monday	..... NONE	..... June 27, 2022
Monday	..... NONE	..... July 11, 2022
Monday	..... Regular Meeting	..... July 25, 2022
Monday	..... Regular Meeting	..... August 8, 2022
Monday	..... Regular Meeting	..... August 22, 2022
Monday	..... Regular Meeting	..... September 12, 2022
Monday	..... Regular Meeting	..... September 26, 2022
Monday	..... NONE	..... October 10, 2022
Monday	..... Regular Meeting	..... October 24, 2022
Monday	..... Regular Meeting	..... November 14, 2022
Monday	..... NONE	..... November 28, 2022
Monday	..... Regular Meeting	..... December 12, 2022
Monday	..... NONE	..... December 26, 2022

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Lisa Hinz, VP, Safety, Security and Customer Satisfaction
SUBJ: CONDITIONALLY APPROVING A CONTRACT FOR SECURITY GUARD SERVICES WITH BLUE KNIGHT SECURITY & PATROL INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The SacRT General Manager/CEO will be authorized to execute a Contract with Blue Knight Security & Patrol Inc., contingent upon Board approval of an Operating budget amendment providing funding for the Contract for the current fiscal year.

FISCAL IMPACT

Contract Year 1 (FY22: January 2022 – June 2022): \$1,567,408
(FY23: July 2022 – December 2022): \$1,704,300

Contract Year 2 (FY23: January 2023 – June 2023): \$1,701,133
(FY24: July 2023 – December 2023): \$1,728,722

Contract Year 3 (FY24 January 2024 – June 2024): \$1,734,798
(FY25 July 2024 – December 2024): \$1,757,684

The above amounts add up to a maximum not to exceed amount of \$10,194,045 for a 3-year contract. These amounts include a contingency for emergencies and possible shifts to add future guard positions as the SacRT system continues to grow. Staff will work to keep the costs within the budget and adjust other spending when needed. If the future need will exceed the budget, then a budget amendment will be brought to the Board for approval.

DISCUSSION

SacRT uses security guard services to patrol its light rail stations and parking lots, on light rail vehicles, and at facilities. These guard services also respond to calls for service on SacRT's system. 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. That contract has been assigned twice through the consolidation of security firms and is now held by Universal Protection Service, LP, dba Allied Universal Security Services. While the current contract continues until June 30, 2022, Staff opted to proactively seek a new contractor, with the intent to terminate the existing contract when a new contractor is selected.

A Request for Proposals (RFP) was released on PlanetBids on May 14, 2021, with proposals due June 18, 2021. SacRT received 10 proposals, 8 of which were deemed responsive.

The qualifying criteria included Proposer's understanding of the contract scope, staffing and experience, work plan, response to the pre-qualification questionnaire, and price. After completion of written evaluations, two firms (Blue Knight Security & Patrol Inc. and Patrol Solutions, LLC) were deemed to be within the competitive range and invited to oral presentations. After final evaluations were completed, Blue Knight Security & Patrol Inc. ranked number one. A Notice of Intent to Award was issued on October 12, 2021.

If the Board approves the attached resolution, the General Manager/CEO will be authorized to execute a Contract with Blue Knight Security & Patrol Inc., contingent upon the Board approving an Operating Budget amendment providing funding for the current fiscal year.

RESOLUTION NO. 21-12-0126

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

December 13, 2021

CONDITIONALLY APPROVING A CONTRACT FOR SECURITY GUARD SERVICES WITH BLUE KNIGHT SECURITY & PATROL INC.

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

THAT, the Contract for Security Guard Services by and between the Sacramento Regional Transit District ("SacRT") and Blue Knight Security & Patrol Inc. ("Contractor") whereby Contractor agrees to provide security guard services, as further specified therein, for a 3-year period, for an amount not to exceed \$10,194,045 is hereby approved, contingent upon adoption of an Operating Budget amendment providing funding for the contract for Fiscal Year 2022

THAT, the General Manager/CEO is hereby authorized to execute the Contract upon satisfaction of the foregoing condition.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: ADOPT THE AMENDED AND RESTATED TITLE V ORDINANCE NO. 21-12-01, "PROVIDING A SPECIAL CLAIMS PROCEDURE" OF SACRT'S ADMINISTRATIVE CODE AND TO RESCIND ORDINANCE NO. 06-02-01 AND RESOLUTION NOS. 98-12-3249 AND 21-03-0015

RECOMMENDATION

Adopt Ordinance.

Adopt the amended and restated Title V Ordinance No. 21-12-01, "Providing A Special Claims Procedure" of SacRT's Administrative Code and to rescind Ordinance No. 06-02-01 and Resolution Nos. 98-12-3249, and 21-03-0015.

RESULT OF RECOMMENDED ACTION

Would adopt recommended changes to Title V of the Administrative Code and rescind one Ordinance and two previously adopted claims related Resolutions, the terms of which either conflict with or will now be incorporated into Title V of the Administrative Code.

FISCAL IMPACT

Some minimal cost savings, as a result of not having to prepare or incur additional documentation, support, and administrative expenses associated with bringing settlement items to closed session and would increase operational efficiency by allowing settlement offers to be processed more quickly.

DISCUSSION

At the October 25, 2021 meeting, the Board of Directors waived the First Reading of Ordinance No. 21-12-01, Amending and Restating Title V, Providing A Special Claims Procedure, of the SacRT Administrative Code. The proposed changes to Title V are described in detail in the Staff Report for the October 25, 2021 Board meeting, but are summarized below.

Government Code sections 935.4 and 949 provide that a public entity by Ordinance or Resolution, may authorize an employee of the public entity to allow, compromise, or settle

claims on behalf of the Board, if the amount to be paid pursuant to the allowance, compromise, or settlement exceeds \$50,000.

In December 1998, the Board authorized the General Manager/CEO to reject or settle claims up to the amount of \$50,000 (Reso.98-12-3249).

In 2006, the Board adopted Title V to the SacRT Administrative Code delegating authority to the General Manager/CEO to settle claims up to \$100,000 (Ordinance 06-02-01).

In March 2021, the Board authorized the General Manager/CEO to reject most unreasonable settlement offers in excess of GM/CEO authority (Reso.21-03-0015).

Within the current resolution, the General Manager/CEO would have the authority to settle claims up to \$150,000.

If the Board votes to adopt the Amended and Restated Title V, it will result in the rescission of Ordinance No. 06-02-01 and Resolution Nos. 98-12-3249 and 21-03-0015 and the adoption of an amended and restated claims procedure.

ORDINANCE 21-12-01

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

December 13, 2021

**AMENDING AND RESTATING TITLE V,
PROVIDING A SPECIAL CLAIMS PROCEDURE,
OF THE SACRT ADMINISTRATIVE CODE**

THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT DO ORDAIN AS FOLLOWS:

SECTION 1:

This Ordinance is adopted pursuant to the authority set forth in Public Utilities Code section 102121(d). This Section authorizes the SacRT Board of Directors to adopt an Administrative Code prescribing the powers and duties of District officers. Public Utilities Code section 102107 provides, in part, that: No ordinance shall be passed by the Board on the day of its introduction, nor within three days thereafter, nor at any time other than at a regular or adjourned regular meeting.

SECTION 2:

Ordinance No. 06-02-01, Resolution No. 98-12-3249, and Resolution No. 21-03-0015 are hereby repealed.

SECTION 3:

Title V of the Administrative Code is hereby amended and restated. Title V of the Administrative Code of Sacramento Regional Transit District shall read as follows:

TITLE V – CLAIMS PROCEDURE

**Article I
Claims**

§ 5.101 Authority

This Title is enacted pursuant to Section 935 of the California Government Code.

§ 5.102 Claims Required

All claims against the Sacramento Regional Transit District (“SacRT”) for money or damages which are excepted by Section 905 of the Government Code from the provision of Division 3.6 of the Government Code (Sec. 810 et seq.), and which are not governed by any other statutes or regulations expressly relating thereto, shall be governed by the procedure prescribed in this Article.

Unless otherwise provided in this Title, the manner and timing of the presentation and consideration of claims filed pursuant to this Title shall be as provided in Part 3 of Division 3.6 of Title I of the Government Code (Sec. 900 et seq.) as those provisions now exist or may hereafter be amended.

Pursuant to Chapter 5 of Part 3 of Division 3.6 of Title 1 of the Government Code (Sec. 930 et seq.) written agreements entered into by or on behalf of SacRT may provide that all claims arising out of or related to the agreement must be presented not later than six months after the accrual of the cause of action, and such claims shall be governed by the provisions of this section.

§ 5.103 Form of Claim

All Claims shall be made in writing and verified by the claimant or by their guardian, conservator, executor or administrator. No claim may be filed on behalf of a class of persons unless verified by every member of that class. In addition, all claims shall contain the information required by California Government Code Section 910.

§ 5.104 Claim Prerequisite to Suit

In accordance with California Government Code Sections 935(b) and 945.6, all claims shall be presented as provided in this section and acted upon by SacRT prior to the filing of any action on such claim; and no such action may be maintained by a person who has not complied with the requirements of this Title.

§ 5.105 Late Filing

The late filing of claims governed by this Title will be subject to the procedures set forth in those provisions of the Government Code referred to in subsection (e) of Government Code Section 935.

§ 5.106 General Manager/CEO Settlement Authority

The General Manager/CEO is delegated authority to finally settle any claim or lawsuit brought against SacRT for monetary damages where present value of the settlement does not exceed \$150,000. The General Manager/CEO may further delegate all or a portion of such authority to other SacRT officers or employees, but any such delegation must be made in writing. The form of any such settlement must be approved as to legal

form by the General Counsel of SacRT or their designee. The General Manager/CEO is delegated authority to reject any offer to settle a claim by a claimant or plaintiff in any amount, even if the offer to settle exceeds the General Manager/CEO's settlement authority. Notwithstanding the foregoing, any Offers to Compromise served on SacRT pursuant to Cal. Code Civ. Pro. §998 for an amount that exceeds the General Manager/CEO's settlement authority, may only be rejected by the Board of Directors.

§ 5.107 Suit

Any action brought against SacRT upon any claim or demand shall conform to the requirements of Sections 940-949 of the California Government Code. Any action brought against any employee of SacRT shall conform to the requirements of Sections 950-951.

Article II

Effective Date

§ 5.201 No Reinstatement or Revival

Nothing in this section revives or reinstates any cause of action which, on the effective date of the ordinance codified in this section, is barred by either: (1) failure to comply with an applicable statute, regulation, or ordinance requiring the presentation of a claim; or (2) failure to commence an action thereon within the period prescribed by an applicable statute of limitations.

§ 5.202 Effective Date; Retroactivity

This Title shall be effective upon adoption. Subject to Section 5.201 of this Article, as of the effective date of this Title, the provisions of this Title shall be applicable to any claim described in this Title which is not otherwise time-barred. If the application of the time periods established by this Article would extinguish an existing claim which is not otherwise time-barred, then the date by which that claim must be presented to SacRT shall be the sooner of:

- (i) The date any applicable claims period would have expired; or
- (ii) Six months after the effective date of this Title for claims described in the first sentence of Government Code Section 911.2 or one year after the effective date of this Title for claims described in the second sentence of that Section. Nothing in this Title shall be construed to extend the time for presentation of any claim which time was established by statute, ordinance, or other law in effect prior to the adoption of this Title.

SECTION 4:

This Ordinance shall become effective immediately upon its enactment.

SECTION 5:

Within 15 calendar days after adoption, the SacRT Secretary is hereby directed to publish this Ordinance, in full, in a newspaper of general circulation published within SacRT's activated boundaries or on SacRT's Internet Website as authorized under California Public Utilities Code section 102107.

Passed and adopted at a regular meeting of the Sacramento Regional Transit District on this 13th day of December 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: FIRST AMENDMENT TO THE FY 2022 OPERATING BUDGET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The result of this action will increase the FY 2022 Operating Budget by \$3,875,000.

FISCAL IMPACT

Revenues:

Total increase in anticipated revenues of \$3,875,000. The FY 2022 Operating Revenue Budget increases consist of the following: \$700,000 to include TK-12 RydeFreeRT contracted revenue, \$49,730 to add Sacramento County contract for Elk Grove SmaRT Ride service, \$2,998,161 to capture increases in sales tax receipts and Measure A tax collections, and \$127,109 to realign federal stimulus revenue.

Expenses:

Total increase in anticipated expenses of \$3,875,000. The FY 2022 Operating Budget will be increased by \$1,600,000 to account for the Board approved changes to the security guards' contract with Blue Knight and the Sacramento Police Department (SacPD) officers' contract. It also will be increased by \$775,000 for supplemental ADA transportation services, by \$600,000 for increased Compressed Natural Gas (CNG) cost, and by \$900,000 for increased gasoline cost.

DISCUSSION

The adopted FY 2022 Operating budget included total revenues and expenses of \$214,287,233. Since the budget was adopted in June 2021, SacRT has seen a continued positive trend in sales tax based revenues, there have been several contract negotiations completed, and inflation has significantly affected fuel prices, both CNG and gasoline.

The details of Operating Revenue adjustments are outlined in the Table 1 below.

FY 2022 Operating Budget Amendment #1

Table 1

Categories	Current FY 2022 Budget	FY 2022 Budget with Amendment	\$ Change	% Change
Operating Revenues				
Fare Revenue	\$ 11,847,000	\$ 12,547,000	\$ 700,000	5.9%
Contracted Services	600,000	649,730	49,730	8.3%
Other	5,540,000	5,540,000	-	0.0%
State & Local	124,094,885	127,093,046	2,998,161	2.4%
<i>Measure A - RT General</i>	<i>51,636,000</i>	<i>54,036,000</i>	<i>2,400,000</i>	4.6%
<i>Measure A - Neighborhood Shuttle</i>	<i>5,040,000</i>	<i>5,739,689</i>	<i>699,689</i>	13.9%
<i>Local Transp Funds (LTF)</i>	<i>60,528,418</i>	<i>60,528,418</i>	-	0.0%
<i>State Transit Assistance</i>	<i>101,528</i>	-	<i>(101,528)</i>	NA
<i>LCTOP</i>	<i>2,341,900</i>	<i>2,341,900</i>	-	NA
<i>Measure A - SacRT GO</i>	<i>4,447,039</i>	<i>4,447,039</i>	-	0.0%
Federal	72,205,348	72,332,457	127,109	0.2%
<i>JARC</i>	<i>1,106,565</i>	<i>1,106,565</i>	-	0.0%
<i>CMAQ UCD</i>	<i>710,000</i>	<i>710,000</i>	-	0.0%
<i>5307 PM RT</i>	<i>1,395,459</i>	-	<i>(1,395,459)</i>	-100.0%
<i>CRRSAA Funds</i>	<i>37,854,695</i>	<i>32,869,458</i>	<i>(4,985,237)</i>	NA
<i>CARES Act</i>	<i>31,138,629</i>	<i>37,646,434</i>	<i>6,507,805</i>	20.9%
Total Operating Revenue	\$ 214,287,233	\$ 218,162,233	\$ 3,875,000	1.8%

The increase in fare revenue is attributable to an increase of \$700,000 from the agreement executed with the City of Sacramento, to continue funding the RydeFreeRT program in September 2021. The contracted services increase of \$49,730 is additional funding from the County of Sacramento to partially fund the Elk Grove SmarT Ride zone. The increase of \$2,900,000 in State & Local revenue is primarily attributable to the continued increase in Measure A sales tax revenue collections.

The net increase of \$127,000 in federal revenues is needed to fund the remaining increase in expenses.

The details of Operating expense adjustments are outlined below.

The current budget for security services needs to be increased by \$1,200,000 to include the higher cost for the new security guard contract. While the current contract continues until June 30, 2022, Staff opted to proactively seek a new vendor, with the intent to terminate the existing contract when the new contract is executed. An additional \$400,000 is needed to pay for wage adjustments for SacPD Officers agreed to in the new contract executed in September 2021.

The current budget includes \$200,000 for supplemental ADA transportation services. The new contract, that is under development, will require an additional \$775,000 for FY 2022.

This amount will grow in future years as complementary ADA paratransit service demands continues to increase.

The adopted FY 2022 Operating budget for CNG and gasoline was based on the three-year spending trend adjusted for usage. The current budget did not account for the unforeseen inflation and increase in fuel pricing. Therefore, there is a request for additional funding of \$1,500,000 to cover potential increases in CNG and gasoline costs.

Table 2 below summarizes the budget amendment and the restructuring of the operating revenues.

**FY 2022 First Amendment Operating Revenues and Expense Summary
Table #2**

Categories	FY 2022 Adopted Budget	FY 2022 Budget Amendment #1	\$ Changes	% Changes	Comments
Operating Revenues					
Fare Revenue	\$ 11,847,000	\$ 12,547,000	\$ 700,000	5.9%	Update Tk-12 RydeFree RT contracted revenue
Contracted Services	600,000	649,730	\$ 49,730	8.3%	County payment for EG SmaRT Ride
Other	5,540,000	5,540,000	\$ -	0.0%	
State & Local	124,094,885	127,093,046	\$ 2,998,161	2.4%	Increase Measure A
Federal	72,205,348	72,332,457	\$ 127,109	0.2%	Realign federal stimulus revenue
Total Operating Revenue	\$ 214,287,233	\$ 218,162,233	\$ 3,875,000	1.8%	
Operating Expenses					
Salaries & Benefits	\$ 152,505,536	\$ 152,505,536	\$ -	0.0%	
Professional Services	18,954,051	21,329,051	\$ 2,375,000	12.5%	\$1.6M for Security Services, \$0.8M for ADA purch transp.
Materials & Supplies	13,303,750	14,803,750	\$ 1,500,000	11.3%	\$0.6M to CNG, \$0.9M to Gasoline.
Utilities	8,018,000	8,018,000	\$ -	0.0%	
Casualty & Liability	17,036,033	17,036,033	\$ -	0.0%	
Other	4,469,863	4,469,863	\$ -	0.0%	
Total Operating Expenses	\$ 214,287,233	\$ 218,162,233	\$ 3,875,000	1.8%	
Balance	\$ -	\$ -	\$ -		

Staff is seeking Board approval of the budget adjustments mentioned which would increase the FY 2022 Operating Budget by \$3,875,000.

RESOLUTION NO. 21-12-0127

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

December 13, 2021

FIRST AMENDMENT TO THE FY 2022 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 FY2021-22 Operating Budget is hereby approved.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to restructure the budgeted operating revenues for Fiscal Year 2022 consistent with the requirements contained in Governmental Accounting Standards Board (GASB) Statement 95.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives
SUBJ: APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2022

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

No fiscal impact. There will be no increase to 2022 rates.

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 2022 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates, 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 and Delta HMO plans both renewed with a rate pass and another two-year rate guarantee. Current rates and benefits for all employees enrolled remain the same through the 2023 plan year. The next plan renewal will be January 1, 2024.

Vision

Current rates and benefits for all employees enrolled in the VSP Basic or Enhanced Plans will remain the same for the 2022 plan year. This is the second year of a two-year rate guarantee. The next plan renewal will be January 1, 2023.

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

The Hartford Life Insurance Company rates for Basic Life, Voluntary Life, and Long-Term Disability plans will remain the same for the 2022 plan year. This is the second year of a three-year rate guarantee. The next plan renewal will be January 1, 2024.

Flexible Spending Account (FSA) and COBRA Administration

Current rates will remain the same for the 2022 plan year. 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.

Employee Assistance Program

In July 2021, SacRT entered into a contract with Optum, as the new Employee Assistance Program provider for employees, with a rate guarantee for three years. The next renewal will be July 1, 2024.



Sacramento Regional Transit District
2022 Health & Welfare Renewal
Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2022 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

Keenan's primary goal has been and will continue to be negotiating on behalf of Sacramento Regional Transit District in order to provide ancillary benefit programs that bring value to the employees while being affordable and include multi-year rate guarantees in order to provide stability to the rates.

Dental and Vision Care Trends

Keenan & Associates is forecasting the following dental and vision trend increases for the second year in a row:

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

Delta Dental

The Delta Dental PPO and DHMO plans both renewed with a rate pass and another 2-year rate guarantee. All current rates will remain the same until the next renewal effective January 1, 2024.

VSP

The current vision rates are going into the second year of a two-year rate guarantee that started January 1, 2021. All rates and benefits will remain the same until the next renewal effective January 1, 2023.

The Hartford

The Hartford offered a rate pass in 2021 along with a three-year rate guarantee. The rates for the District's Basic Life, Voluntary Life and Long-Term Disability plans will remain the same until the next renewal effective January 1, 2024.

Flexible Spending Account

Navia Benefits administration will remain at \$4.40 per participant per month for the 2022 plan year.

Optum EAP

As a result of marketing that was done in 2020, Optum was chosen to replace MHN as the Employee Assistance Program for the District's employees effective July 1, 2021. The total rate of \$1.66 per employee per month includes five (5) sessions per problem per year, along with Worklife services and Critical Incident hours. The rate is guaranteed for 3 years and will renew July 1, 2024.

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 2022 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. 21-12-0128

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

December 13, 2021

APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2022

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 2022 Health and Welfare Renewals for dental coverage with Delta Dental, vision coverage with Vision Services Plan, life insurance and long-term disability insurance with The Hartford Life Insurance Company, flexible spending account management with Navia Benefit Solutions, and employee assistance program services with Optum; 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.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Carmen Alba, VP, Bus Operations
SUBJ: AWARDING A CONTRACT FOR ON-CALL REVENUE VEHICLE TOWING SERVICES TO NORTH VALLEY FLEET SERVICES, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will provide for necessary on-call towing services for revenue vehicles.

FISCAL IMPACT

The proposed contract is budgeted at \$252,375.00 for a 5-year term, of which \$25,237.50 is included in the FY 2022 Operating Budget. FY 2023 – 2026 will be budgeted at \$50,475 per year and 6 months of Fiscal Year 2027 will be budgeted at \$25,237.50.

DISCUSSION

Sacramento Regional Transit District (SacRT) operates bus service on 66 fixed routes in addition to 9 SmaRT Ride on-demand microtransit zones, ADA paratransit service (SacRT GO), and Elk Grove service (fixed service and SacRT e-van) all within a 400 square mile service area throughout the Sacramento region, including service in Sacramento, Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Davis.

SacRT's current fleet consists of 252 large buses (104 Orion, 99 Gillig, 6 Proterra, 38 New Flyer, 5 Eldorado) as well as 193 small buses (52 Eldorado cutaways, 132 Starcraft cutaways, and 9 GreenPower shuttles).

SacRT has historically contracted out towing services due to the specialized equipment, training, and insurance necessary for this type of work.

On September 8, 2021, Staff released an Invitation for Bid (IFB) on PlanetBids e-Procurement System and notified 67 vendors of the bid opportunity. On October 7, 2021, SacRT received the following bids:

North Valley Fleet Services, Inc.	\$252,375
George Little Investments	\$450,000

Both bids were reviewed and determined to be responsive. Based on the two bids, North Valley Fleet Services, Inc. is the lowest responsive and responsible bidder. The bid price of \$252,375 is considered fair and reasonable in comparison to the other bid received and is comparable to the Independent Cost Estimate established prior to receipt of bids.

Staff requests that the Board award the Contract for On-Call Revenue Vehicle Towing Services to North Valley Fleet Services, Inc. for a 5-year term for an amount not to exceed \$252,375.

RESOLUTION NO. 21-12-0129

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

December 13, 2021

AWARDING A CONTRACT FOR ON-CALL REVENUE VEHICLE TOWING SERVICES TO NORTH VALLEY FLEET SERVICES, INC.

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

THAT, the Contract for On-Call Revenue Vehicle Towing Services between Sacramento Regional Transit District, therein referred to as "SacRT," and North Valley Fleet Services, Inc., therein referred to as "Contractor," whereby Contractor agrees to provide On-Call Revenue Vehicle Towing Services for 5 year, as further specified in the Contract, for an amount not to exceed \$252,375, is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Edna Stanley, VP Light Rail Operations

SUBJ: AWARD CONTRACT FOR PURCHASE AND INSTALLATION OF ABOVE-GROUND FLOOR-MOUNTED WHEEL TRUING MACHINE TO HJR EQUIPMENT RENTALS, INC. DBA DELTA WHEEL TRUING SOLUTIONS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The action would approve procurement and installation of an above-ground wheel truing machine needed to provide wheel truing for the new Siemens LRVs currently under production, which will also be capable of truing the wheels for Sacramento Regional Transit District's (SacRT) existing fleet.

FISCAL IMPACT

The fiscal impact of the above ground wheel truing machine purchase and installation will be \$1,038,204.75, plus applicable state and local sales tax, which is funded through a grant from the Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA).

DISCUSSION

SacRT is currently under contract for the purchase of new Siemens S700 low floor light rail vehicles (LRVs). The design of the new vehicle is not compatible with SacRT's existing wheel truing equipment that is used to maintain the wheels on the current fleet. The purchase of this above-ground wheel truing machine is necessary to properly maintain the wheel profile on the new S700 LRVs. It can also be used to maintain SacRT's existing legacy fleet. The new wheel truing machine will also allow for the maintenance of other components, such as the brake rotors. The addition of this new equipment will improve the in-house maintenance capability of SacRT's Light Rail Division by reducing the costs associated with performing maintenance off site. The Contract includes a software license and maintenance for a period of 5 years. Additional expenditures may be required after that time to update or maintain the software for the machine.

RESOLUTION NO. 21-12-0130

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

December 13, 2021

AWARD CONTRACT FOR PURCHASE AND INSTALLATION OF ABOVE-GROUND FLOOR-MOUNTED WHEEL TRUING MACHINE TO HJR EQUIPMENT RENTALS, INC. DBA DELTA WHEEL TRUING SOLUTIONS

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

THAT, the Contract to Provide and Install Above-Ground Floor-Mounted Wheel Truing Machine by and between Sacramento Regional Transit District (therein "SacRT") and HJR Equipment Rentals, Inc. dba Delta Wheel Truing Solutions (therein "Contractor"), whereby Contractor agrees to provide and install an above-ground floor-mounted wheel truing machine for the amount of \$1,038,204.75, plus applicable state and local sales tax, is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: APPROVING A TITLE VI ANALYSIS AND AMENDING THE FARE STRUCTURE

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Adopting the resolutions will make permanent several previously temporary fare types, specifically: the On-Board Single Ride Fare, On-Board Discount Single Ride Fare, and a number of Elk Grove only fares.

FISCAL IMPACT

There will be no fiscal impact if the proposed Resolutions are approved. The proposed Resolutions assume a continuation of the Elk Grove only fares and therefore is not a fare change. The FY 2022 budgeted fare revenues were based on this assumption.

If the proposed Resolutions are not approved, SacRT's existing fares would apply to service within the City of Elk Grove, which would result in a fare increase for passengers riding Elk Grove service. Although a potential fare increase could generate an additional estimated \$16,000 in fare revenues, it is projected that this would reduce ridership by approximately 6,000 boardings annually.

DISCUSSION ON FARE STRUCTURE CHANGES

On April 12, 2021 and June 14, 2021, the Board approved Resolutions (Resolution Nos. 21-04-0032, 21-06-0073, and 21-06-0074) that added new fares temporarily to SacRT's Fare Structure. The new fares included full fare and discount fare On-Board Single Ride fares as well as multiple fares specific to service that was previously operated by the City of Elk Grove (see Exhibit B-7 to the Resolution for a full listing).

The On-Board Light Rail fares were adopted as part of a demonstration project in partnership with the California Integrated Travel Program (Cal-ITP). The program was implemented on the Green Line only in July and expanded to the rest of SacRT's light rail vehicles in September.

Participation in the Program has been relatively low to this point in time, but the purpose of the demonstration in Sacramento was focused on feasibility of the technology on board light rail vehicles and not necessarily on the volume of use. In this regard, the technology has proven quite successful. There has been no major defects or bugs reported by either the hardware or software used in the demonstration. Additionally, passengers have given great feedback on the system.

Staff is working on an extension to the demonstration project that would exceed the six-month limitation on temporary fare items. Therefore, the Board must approve a Title VI analysis related to these fares and permanently add them to the Fare Structure. Results of the Title VI analysis can be found in Exhibit A.

The new fares temporarily added to the Fare Structure as part of the City of Elk Grove annexation also require approval of a Title VI analysis before the fares can be permanently added. SacRT is proposing no changes to these fares at this time and is recommending that the prior Elk Grove fares be added to the Fare Structure permanently at this time.

DISCUSSION OF TITLE VI ANALYSIS

Pursuant to SacRT's Fare Change Policy (Resolution No. 15-11-0129) and in accordance with federal Title VI civil rights requirements, SacRT must conduct a Title VI fare equity analysis prior to implementing any fare change (with some exceptions, including promotional fare programs lasting up to six months). The purpose of a Title VI fare equity analysis is to identify and document any potential disparate impacts on minority populations or disproportionate burdens on low-income populations resulting from changes to SacRT's Fare Structure.

Prior to a fare change proposal being implemented beyond the six-month period, a draft Title VI fare equity analysis of the proposed changes must be made available for a 30-day public review period, members of the public must be invited to comment, Staff and the Board of Directors are required to take public comments into consideration, and the Board must approve the findings (see Attachment 1 for public outreach efforts undertaken).

In accordance with Title VI requirements, a draft Title VI fare equity analysis was published on SacRT's website on November 10, 2021 for a 30-day public review addressing the fare changes previously discussed. The analysis found that there would not be potential disparate impacts or potential disproportionate burdens related to the On-Board Light Rail Single Ride Fare or On-Board Light Rail Discount Single Ride Fare. The analysis found that there would be no potential disproportionate burden in regards to the Elk Grove fares; however, the analysis indicates that there could be a disparate impact to minority populations from the Elk Grove fare changes. A brief explanation has been included below. Further details can be found in the Title VI analysis (Exhibit A).

As Staff prepared the Title VI analysis for the Elk Grove fares, Staff encountered an interesting anomaly that contributed to the potential disparate impact previously mentioned. Historical ridership data was used to perform the analysis and found that the *average* fare paid by Elk Grove riders was higher than that of SacRT's traditional fares

despite the fact that *individual* fares are actually lower in Elk Grove. This occurred because Elk Grove ridership has a higher proportion of commuters than the remainder of SacRT's service. Commute riders tend to not qualify for discount programs (students, seniors, persons with disabilities, etc.) and therefore pay a higher out-of-pocket cost. Additionally, the single seat trip that Elk Grove's commuter service provides does not require the need for transfers. All of this leads to commute riders on Elk Grove service paying a higher average fare than the rest of the system, which is justifiable given that it can be viewed as a premium service (single seat trip, longer trip length, etc.).

From a demographic perspective, Staff found that Elk Grove passengers tend to be higher income and higher percentage minority than existing SacRT passengers. The higher percentage minority and higher average fare is what has led to the conclusion that there is a potential disparate impact in this case. This does 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 minority riders, where practicable.

When assessing potential alternatives to the proposed fare changes, Staff considered several options. The simplest alternative would be to rescind the creation of all Elk Grove fares. Such a "no project" scenario would be more averse to minority population, given that fares would increase for minority populations. Further reductions to the fares could resolve the potential disparate impact but are counterintuitive in this case. As previously discussed, the average fare for Elk Grove service is higher than SacRT because the passengers themselves less frequently qualify for discount programs. The discount programs are equally applied, but the higher share of commute riders in Elk Grove raises the average fare. The Title VI analysis reviews the fare changes on a macro level and does not consider some of the intricacies involved in this instance. Due to these circumstances, Staff has concluded that the fare changes are justified despite the Title VI analysis finding of a potential disparate impact.

This analysis therefore recommends that the SacRT Board find that there is a substantial, legitimate justification to maintain the Elk Grove fares as-is. Further details regarding the justification and alternative approaches can be found in the Title VI analysis attached as Exhibit A to the approving Resolution.

Public Outreach Examples

E-Mail Announcement
November 11, 2021



Public Outreach Examples

E-Mail Announcement
November 11, 2021

SacRT is seeking public comments on a fare equity analysis related to two fare changes: separate fares for Elk Grove transit routes and a credit card-only single ride fare on light rail. This analysis was prepared in accordance with Title VI of the Civil Rights Act of 1964. Comments may be submitted online through Friday, December 10, 2021. Please visit sacrt.com/titlevi for more information.

SacRT solicita comentarios del público con respecto al análisis de equidad en las tarifas relacionadas con dos cambios en las tarifas: tarifas separadas para las rutas de tránsito de Elk Grove y una tarifa de un solo viaje con tarjeta de crédito en el tren liviano. Este análisis se elaboró de acuerdo con el Título VI de la Ley de Derechos Civiles de 1964. Visite sacrt.com para conocer más información. Se pueden enviar los comentarios en línea hasta el viernes 10 de diciembre de 2021.

للحصول على تعليقات الجمهور حول تحليل منصف لقيمة الأجرة المرتبطة SacRT تسعى هيئة النقل العام في سكرامنتو ورسوم رحلة واحدة فقط ببطاقة الائتمان على القطار Elk Grove بتغييرين في الرسوم: رسوم منفصلة لمسارات عبور الخفيف. جرى اعداد هذه التحليل وفقاً للمادة السادسة من قانون الحقوق المدنية لعام 1964. لمزيد من المعلومات يرجى زيارة الموقع. يمكن ارسال التعليقات عبر الانترنت حتى الموافق 10 ديسمبر 2021. sacrt.com الإلكتروني

SacRT 正就票價公平性分析徵詢公眾意見，內容與兩項票價變動有關：為麁鹿林路線設立獨立票價，以及為輕軌設立只適用於信用卡的單程票價。此分析根據 1964 年《民權法案》第六章編制。請瀏覽 sacrt.com 了解更多資訊。你可於 2021 年 10 月 10 日（星期五）或之前於網上提交意見。

Public Outreach Examples

Web Site
November 10, 2021

The screenshot shows a web browser window displaying the Sacramento Regional Transit website. The page title is "SacRT TITLE VI". The main heading is "Sacramento Regional Transit District Title VI Policy and Program Update" with a sub-heading "SacRT Accepting Comments on Title VI Fare Equity Analysis". The text explains that SacRT is seeking public comments on a fare equity analysis related to two fare changes: separate fares for Elk Grove transit routes and a credit card-only single ride fare on light rail. Comments can be submitted online through Friday, December 10, 2021. The page includes translations in Spanish and Chinese.

Sacramento Regional Transit District Title VI Policy and Program Update
SacRT Accepting Comments on Title VI Fare Equity Analysis

SacRT is seeking public comments on a fare equity analysis related to two fare changes: separate fares for Elk Grove transit routes and a credit card-only single ride fare on light rail. This analysis was prepared in accordance with Title VI of the Civil Rights Act of 1964. Comments may be submitted online through Friday, December 10, 2021.

Review the report here (link to PDF).

SacRT solicita comentarios del público con respecto al análisis de equidad en las tarifas relacionadas con dos cambios en las tarifas: tarifas separadas para las rutas de tránsito de Elk Grove y una tarifa de un solo viaje con tarjeta de crédito en el tren liviano. Este análisis se elaboró de acuerdo con el Título VI de la Ley de Derechos Civiles de 1964. Visite sacrt.com para conocer más información. Se pueden enviar los comentarios en línea hasta el viernes 10 de diciembre de 2021.

للحصول على تعليقات الجمهور حول تحليل منصف لقيمة الأجرة المرتبطة بتغييرين في الرسوم: رسوم SacRT تسعى هيئة النقل العام في سكرامنتو ورسوم رحلة واحدة فقط ببطاقة الائتمان على القطار الخفيف Elk Grove منفصلة لمسارات عبور sacrt.com. جرى اعداد هذه التحليل وفقاً للمادة السادسة من قانون الحقوق المدنية لعام 1964. لمزيد من المعلومات يرجى زيارة الموقع الإلكتروني. يمكن ارسال التعليقات عبر الانترنت حتى المواعيد 10 ديسمبر 2021.

SacRT 正就票價公平性分析徵詢公眾意見，內容與兩項票價變動有關：為鹿林路線設立獨立票價，以及為輕軌設立只適用於信用卡的單程票價。此分析根據 1964 年《民權法案》第六章編制。請瀏覽 sacrt.com 了解更多資訊。你可於 2021 年 10 月 10 日（星期五）或之前於網上提交意見。

SacRT tab tom nrhiav zej tsoom li kev tawm tswv yim hais txog kev ntaus nqi qhov ua tau zoo cuam tshuam ob tus nqi caij tsheb uas hloov: cais nyias muaj nyias cov nqi caij tsheb rau cov kev uas khiav tsheb Elk Grove

Public Outreach Examples

Web Site November 10, 2021

SacRT tab tom nrhiav zej tsoom li kev tawm tswv yim hais txog kev ntaus nqi qhov ua tau zoo cuam tshuam ob tus nqi caij tsheb uas hloov: cais nyias muaj nyias cov nqi caij tsheb rau cov kev uas khiav tsheb Elk Grove thiab siv daim npav khes div-nkaus xwb rau tus nqi caij tsheb ciav hlau me xwb. Qhov kev ntaus nqi tau muab npaj tseg raws li Tshooj VI ntawm Tsab Cai Pej Xeem Qhov Muaj Cai xyoo 1964 (Title VI of the Civil Rights Act of 1964). Thov mus saib sacrt.com rau kev paub ntxiv. Cov lus qhia tswv yim yuav muab xa hauv oos lais mus txog hnuv Friday, Lub Kaum Ob Hlis Ntuj Tim 10, 2021.

SacRT заинтересованы в открытых замечаниях относительно анализа справедливой платы за проезд, связанного с двумя видами оплаты: отдельная оплата для транзитных маршрутов Elk Grove и разовая оплата проезда кредитной картой рельсового городского транспорта. Анализ был подготовлен в соответствии с разделом VI закона о гражданских правах 1964 г. Дополнительную информацию можно найти на сайте sacrt.com. Комментарии можно оставлять онлайн до пятницы, 10 декабря 2021 г.

SacRT đang lấy ý kiến cộng đồng về việc phân tích giá vé liên quan đến hai thay đổi giá vé: giá vé riêng cho các tuyến đường chuyển tuyến Elk Grove và giá vé đi một chuyến chỉ dùng thẻ tín dụng trên đường sắt nhẹ. Phân tích này được chuẩn bị theo Tiêu đề VI của Đạo luật Dân Quyền năm 1964. Vui lòng truy cập sacrt.com để biết thêm thông tin. Các ý kiến có thể được gửi trực tuyến đến hết ngày Thứ Sáu, ngày 10 tháng 12 năm 2021.

Public Outreach Examples

**Mobility Advisory Council Agenda
December 2, 2021**



**SACRAMENTO REGIONAL TRANSIT DISTRICT
MOBILITY ADVISORY COUNCIL
A G E N D A**

**THURSDAY, DECEMBER 2, 2021
2:30 P.M. – 4:30 P.M.
NOTICE TO THE PUBLIC**

In response to Governor's Executive Order N-25-20, the Sacramento Regional Transit District (SacRT) Mobility Advisory Council (MAC) and other public meetings are closed to the public to follow state and federal guidelines on social distancing until further notice.

There are options for public participation:

<https://us02web.zoom.us/j/88918579506>

Or:

One tap mobile
+1 (669) 900-6833
Meeting ID: 889 1857 9506

This agenda is available in accessible formats by request. Please direct any questions or requests to:

Priscilla Vargas, Acting ADA Compliance Officer, (279) 234-8391

Or

Christopher Hoang, Administrative Technician, (916) 556-0196

FAX (916) 455-3924, or 711 for the Hearing Impaired

Public Outreach Examples
Mobility Advisory Council Agenda
December 2, 2021

Chair, Pam Flohr

1. **Call to Order**
2. **Introduction of Council Members and Staff**
3. **Approval of Minutes**
 - A. November 4, 2021 (Attachment 1) *
4. **Public Comment**
5. **Chair Report**
6. **Old Business**
 - A. Title VI Fare Equity Analysis Update (James Drake, Principal Planner)
 - B. SRTP Update (Sarah Poe, Planner)
 - C. Zip Pass Testing Update (Dan Thao, Director of Community Bus Services)
 - D. SacRT GO Update (Dan Thao, Director of Community Bus Services)
 - E. ADA Compliance Officer Update (Carmen Alba, VP Bus Operations)
7. **New Business**
 - A. 2021 Accomplishments and 2022 Workplan Draft (Attachment 2) *
 - B. MAC Meeting Calendar for 2022 (Attachment 3) *
 - C. Standing Committee Selection
 - (1) The Access and Infrastructure (A&I) standing committee assists in maintaining the infrastructure of SacRT services and ensuring they meet the needs of all riders. The A&I standing committee membership consists of Gene Lozano (Chair), Alan Ruzich (Vice Chair), and Jeff Thom.
 - (2) The Training, Communication, and Policies (T, C, &P) standing committee works with SacRT on improving training and processes that pertain to ridership and rider needs. The T, C, & P standing committee membership consists of William Charles Johnson (Chair), April Dawson (Vice Chair), Helen O'Connell, Frank Trujillo, and Pam Flohr.
8. **Other Business**
9. **Announcements/Council Members Request for Information**
10. **Adjournment**

*Attachments are sent to committee members, key staff, and others as appropriate. Copies are available upon request.

**The next meeting of the Mobility Advisory Council is scheduled for
January 6, 2022, from 2:30 to 4:30 p.m.**

Public Outreach Examples
Public Comments

James Drake

From: James Drake
Sent: Thursday, November 11, 2021 1:21 PM
To: James Drake
Subject: FW: SacRT Accepting Comments on Title VI Fare Equity Analysis

From: Anne Hart <#####>
Sent: Thursday, November 11, 2021 11:01 AM
To: Katie Lichy <#####>
Subject: RE: SacRT Accepting Comments on Title VI Fare Equity Analysis

[EXTERNAL EMAIL] CAUTION: This email has originated from outside of SacRT. Please do not click on links, open attachments or respond to this email unless you are expecting the content.

Instead of credit-card only, many senior citizens who ride transit do not have credit cards. Instead they have debit cards. A person can't get a credit card unless they qualify, but anyone can have a debit card using their bank or credit union checking account. How about a debit-card and/or credit card single fare ride? For seniors like myself, over age 80, I have a connect card that I fill with my debit card when I want to ride, if I am able to walk to a bus stop. Also for people like myself, over age 80, I would like to see it not be required to have to find transportation to a doctor just to have the doctor sign a form saying I qualify for public transit for the disabled to come to the door if I'm too elderly to walk a mile to the bus stop I need to get to my medical appointments. It costs thirty dollars both ways to get to my medical office appointments with Uber. It would be great if it were easier just for us people over 80 to not have to have a doctor's signature just to get a ride to a doctor. Just commenting on needs of our generation, those over 80 who don't drive and can't walk to a bus stop to even get to a doctor in the first place without paying huge fees for taxis.

Public Outreach Examples
Public Comments

James Drake

From: James Drake
Sent: Friday, November 12, 2021 2:44 PM
To: James Drake
Subject: FW: SacRT Accepting Comments on Title VI Fare Equity Analysis:

From: Rick Hodgkins <#####>
Sent: Thursday, November 11, 2021 8:07 PM
To: Katie Lichty <#####>
Subject: Re: SacRT Accepting Comments on Title VI Fare Equity Analysis:

[EXTERNAL EMAIL] CAUTION: This email has originated from outside of SacRT. Please do not click on links, open attachments or respond to this email unless you are expecting the content.

To whom that this may concern.

I would suggest, rather than having separate fares for elk Grove and Folsom, that the same fares be applied across the entire district. And I say this just because, I went to the website, and given my cognitive impairment, I am not able to understand how we break down all of the different fares. So, that whatever they are, I just would apply them systemwide even in elk Grove and in Folsom.. The only exception, would be distance based on the light rail system, that which is what takes place on the BART System for people that who only use single tickets. For those that who use regional transit connect cards, and where they load money on their electronically, that this would not have to apply. But for people who pay their fare when they board a bus and or light rail train, that is where this would make absolute perfect sense. Or when they use a ticket machine at a light rail train station. I am sorry. But that this is the best input, that which I can give you. Thank you and happy Veterans Day.

Rick Hodgkins

Sent from my iPhone

Public Outreach Examples
Public Comments

James Drake

From: rftm rftm.info >
Sent: Saturday, November 20, 2021 12:51 PM
To: James Drake
Subject: Title VI Fare Equity Analysis

[EXTERNAL EMAIL] CAUTION: This email has originated from outside of SacRT. Please do not click on links, open attachments or respond to this email unless you are expecting the content.

Hi James

RiderShip for the Masses has no negative comments regarding the Title VI Equity Analysis.

I do have a question. The survey in the analysis was done in 2013. Are they good for 10 years with the next updated Title VI be performed in 2023?

Best to you

Have a GREAT Thanksgiving.

"B"

Barbara Stanton
Director
RiderShip for the Masses Group

RESOLUTION NO. 21-12-0131

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

December 13, 2021

APPROVING A TITLE VI FARE EQUITY ANALYSIS

WHEREAS, the Board of Directors desires to make permanent multiple fare changes, previously approved on a temporary basis of no more than six months, including an On-Board Single Ride Fare, On-Board Discount Single Ride Fare, and a number of Elk Grove only fares; and

WHEREAS, a Title VI fare equity analysis of the proposed fare changes has been prepared, was made available for public review on November 10, 2021 for a 30-day comment period, and was publicized in accordance with SacRT's Fare Change Policy (Resolution No. 15-11-0129); and

WHEREAS, the Title VI fare equity analysis found potential disparate impacts to minority populations from creating new fare types for Elk Grove transit service; and

WHEREAS, the Title VI fare equity analysis found no potential disparate impacts to minority populations from creating the On-Board Single Ride Fare or On-Board Discount Single Ride Fare and no potential disproportionate burdens to low-income populations from any of the proposed fare changes, but did find a potential disparate impact to minority populations from the creation of the several Elk Grove transit fares;

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

THAT, the Board of Directors is aware of, and has reviewed the Title VI equity analysis and has reviewed and taken into consideration public comments about the analysis; and

THAT, the Board of Directors has considered alternatives to the proposed fare change and found that none of the considered alternatives would have a less disparate impact on minority riders but still accomplish SacRT's legitimate program goals, as described in the Title VI equity analysis; and

THAT, the Board of Directors therefore finds that there is a substantial legitimate justification to implement the proposed fare changes as specified in the Title VI equity analysis; and

THAT the Board of Directors approves the Title VI equity analysis set forth in Exhibit A.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



Title VI Fare Equity Analysis
Elk Grove and Cal ITP Fares

Draft

November 10, 2021

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1. Purpose of Analysis

Pursuant to SacRT's fare 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 resulting from changes to SacRT's fare structure.

2. Project Description

This analysis covers two fare changes:

Elk Grove Fares - On July 1 2021, SacRT assumed ownership and management of transit service (eTran) formerly owned and managed by the City of Elk Grove (City), by way of the City's annexation into SacRT.

While the fares for the eTran service were left unchanged, an amendment to the SacRT fare structure was required to add new fare types and pricing not previously offered by SacRT, which was done by action of the Board of Directors on June 14, 2021, to be implemented on July 1, 2021. Under a transfer agreement in place between the City and SacRT prior to annexation, many of SacRT's fare types were already accepted for eTran service (single fare, daily pass, monthly pass, group passes). The fares that were temporarily adopted by the SacRT Board in June 2021 are generally fare types that were not duplicated by the SacRT fare structure (for instance, a pass valid for 31 days rather than SacRT "Monthly Pass" that is valid for a specified calendar month), as well as some fares that are nominally lower than the SacRT fares but are only valid on specified former eTran routes (commuter routes to downtown Sacramento and service operating primarily within the City of Elk Grove). For instance, an "Elk Grove Daily Pass" purchased for \$6.00 is valid only for eTran service, while a "Daily Pass" purchased for \$7.00 provides access to all SacRT services and modes, as well as access services provided by the Yolo County Transportation District. Since all SacRT fare types are also accepted, a patron using eTran service can choose the fare type that best meets their needs.

While not "new" for the service, the fare types were a "change" for SacRT. FTA Title VI Circular 4702.1B requires a fare equity analysis for all "fare changes" lasting longer than six months. SacRT intends to continue these fare types.

On-Board Light Rail Single Ride Fare – On June 29, 2021, SacRT introduced a new fare as part of a test of integrated statewide electronic ticketing, led by the California Integrated Travel Project (Cal-ITP). As a testing partner, SacRT installed contactless card reader devices in several of its light rail trains and began accepting payment of a transit fare through these devices, beginning with the Green Line, on June 29, 2021, and expanding to all light rail lines on September 1, 2021. Only one pricing option is currently available through this mechanism: a 90-minute light rail-only fare priced at \$2.50 and available to the general public; however, the Board also temporarily approved an On-Board Light Rail

Discount Single Ride Fare of \$1.25. Purchase is made via a contactless device placed on each light rail vehicle which can read credit cards and smart phones. SacRT intends to continue the \$2.50 fare at least beyond the 6-month period ending December 28, 2021 and therefore must prepare a Title VI analysis of that fare. SacRT has not yet determined if or when the \$1.25 On-Board Light Rail Discount Single Ride Fare will be implemented, but this analysis also examines that fare type.

3. Title VI Requirements

SacRT is required to conduct a Title VI fare equity analysis prior to implementing any fare change, with some exceptions, including promotional free-ride days and promotional fare reductions lasting up to six months.¹

Prior to any fare changes being approved permanently, the Board of Directors must approve the findings of a Title VI fare equity analysis. Prior to the Board of Directors approving a Title VI fare equity analysis, SacRT policy requires that: a draft analysis of the proposed changes (this report) be made available for a 30-day public review period; members of the public be invited to comment; and staff and the Board of Directors take public comments into consideration. In accordance with these requirements, SacRT is publishing this draft analysis and intends to present a final version, including the comments received, to the SacRT Board of Directors on December 13, 2021.

4. Definitions

Minority Definition - 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, or mixed race.

Low-Income Definition - 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. 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.²

5. Baseline Data

Census Data – Based on Census data, the SacRT service area is 55.3 percent minority and 14.6 percent low-income. This data is used for the sake of context, but transit riders make up a small, non-representative fraction of the overall population, so it is not directly relevant to most Title VI service or fare equity analyses.

¹ See FTA Circular 4702.1B, Chapter IV, Section 7 and RT Fare Change Policies (Resolution No. 15-11-0129).

² 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.

On-Board Survey – Without consideration of the new service area added by the Elk Grove annexation, SacRT customers are estimated to be 72.3 percent minority and 55.8 percent low-income. This data comes from a statistically valid passenger survey conducted in April 2013 covering all bus and light rail routes. Although this data is somewhat outdated, it is still the best available data on actual customers. SacRT was in the process of updating this survey in March 2020; however, surveying had to be suspended due to the outbreak of COVID-19, so 2013 survey data continues to be the most recent data. The eTran riders were included in the 2013 survey as a separate group and their composition is discussed in Section 6 below.

Fare Survey – On an annual basis, SacRT conducts a passenger fare survey, which provides ridership volumes for each fare type. Combined with the 2013 survey data, this allows SacRT to estimate the average fare for minority and low-income populations, which is the key statistic for Title VI analyses.

$$\text{Average Fare Per Boarding} = \frac{\text{Fare Revenue}}{\text{Passenger Boardings}}$$

Because of the COVID-19 pandemic, the most recent fare survey data is from early 2019. Those survey responses have been projected over pre-COVID ridership totals to estimate what the average fare would have been without the major changes to ridership from COVID. The actual impacts to customer demographics from COVID cannot be known until it is safe to resume surveying. Until that time, SacRT believes this is the most reasonable way to approximate the demographic composition of SacRT’s ridership by fare type paid.

**Figure 1
Existing SacRT Demographics**

	SacRT Service Area	SacRT Customers
Minority	55.3%	72.3%
Low-Income	14.6%	55.8%

SacRT Service Area demographics computed November 2021. SacRT Customer demographics based on 2013 on-board survey, excluding Folsom and Elk Grove.

Figure 2
Existing Minority Average Fare

	Fare Revenue	Passenger Boardings	Average Fare
Minority	\$19,593,175	15,768,345	\$1.24
Non-Minority	\$8,995,491	6,741,462	\$1.33
Total	\$28,588,666	22,509,807	\$1.27

Minority riders currently pay an average of \$1.24 per boarding, compared to \$1.33 for non-minority riders.

Figure 3
Existing Low-Income Average Fare

	Fare Revenue	Passenger Boardings	Average Fare
Low Income	\$13,854,614	11,295,467	\$1.23
Non-Low Income	\$14,734,052	11,214,340	\$1.31
Total	\$28,588,666	22,509,807	\$1.27

Low-income riders pay an average of \$1.23 per boarding compared to \$1.31 for non-low-income riders.

6. Demographics of New Fare Types

Elk Grove Fares – Although splits are not available by fare type, the 2013 on-board survey included eTran service and found that eTran riders were 81 percent minority and 25 percent low-income. This makes eTran riders slightly more likely than all SacRT customers to be minority, but about half as likely to be low-income, as shown in Figure 4.

**Figure 4
Elk Grove and SacRT Customer Demographics**

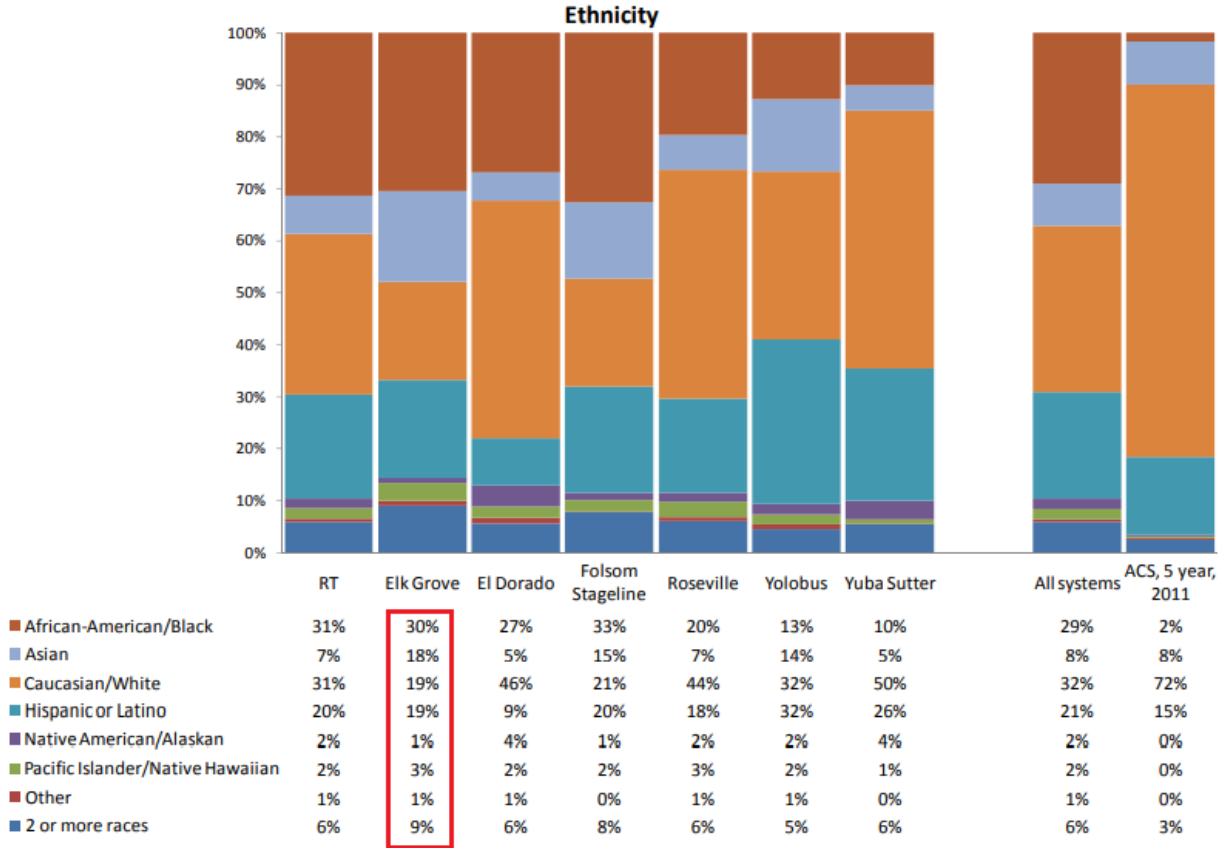
	Minority	Low-Income
Elk Grove Customers	81%	25%
SacRT Customers (2013 Survey)	69%	55%
SacRT Customers (2019 Survey)	72.3%	55.8%

On-Board Light Rail Single Ride Fare – Demographics are not known, however, staff has assumed that users of the On-Board Light Rail Single Ride Fare would be demographically similar to existing users of the single ride light rail ticket, which is identical in pricing and similar in use cases. Users of that ticket are 48.7 percent minority and 5.5 percent low-income. These are among the lowest minority and low-income splits for any fare type (since this fare type requires possession of a contactless credit card, it is logical to assume that, if anything, these users are even less likely to be minority or low-income, but that hasn't been validated). Demographics of the On-Board Light Rail Discount Single Ride Fare may likewise be comparable to users of the existing discount single ride ticket, who are 45.5 percent minority and 30.0 percent low-income, both below SacRT averages, although not as extreme for the low-income category.

**Figure 5
Light Rail Single Ride User Demographics**

	Minority	Low-Income
Single Ride Light Rail Ticket Assumed to be similar to On-Board Light Rail Single Ride Fare	48.7%	5.5%
Discount Single Ride Light Rail Ticket Assumed to be similar to On-Board Light Rail Discount Single Ride Fare	45.5%	30.0%

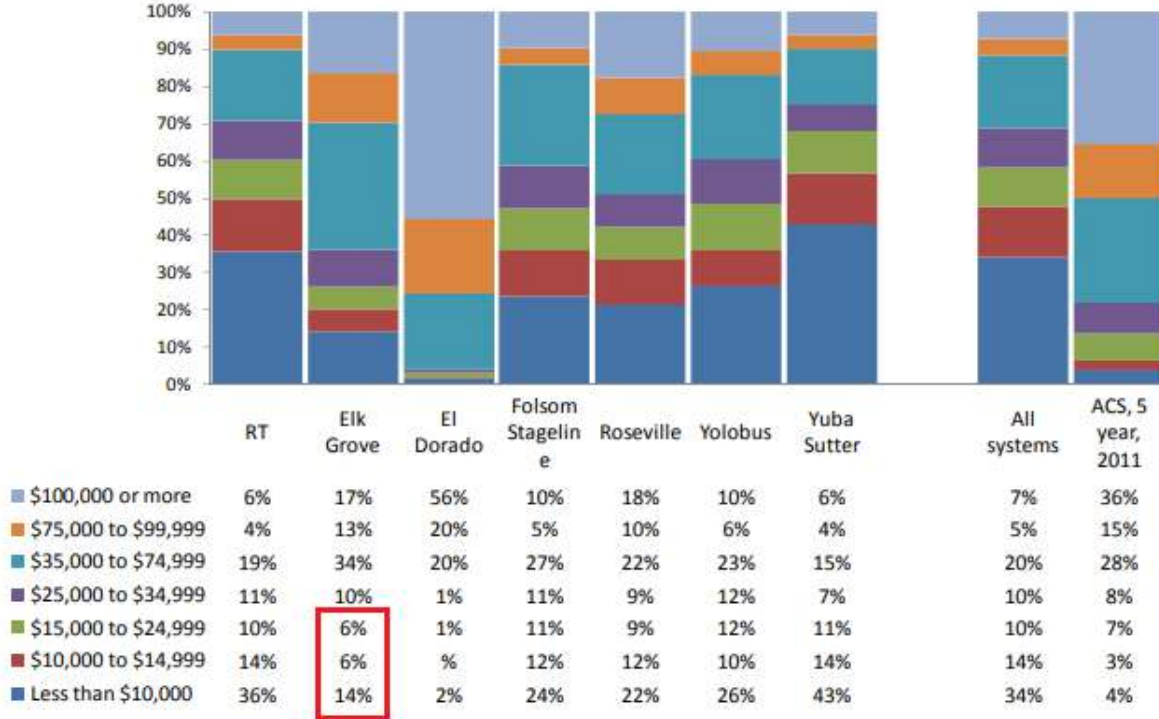
Figure 6



Source: On-Board Survey (2013)

Figure 7

Household Income



Source: On-Board Survey (2013)

Figure 8

Poverty Level Analysis for All Systems								
Poverty level income estimate - uses mid point in income ranges from Q20	Which system was respondent riding when surveyed?							Results for all seven systems combined
	RT	Elk Grove	El Dorado	Folsom Stageline	Roseville	Yolobus	Yuba Sutter	
Poverty: Less than \$10,000, any household size, one or more persons	37%	14%	2%	24%	22%	27%	44%	35%
Poverty: \$10 to \$14,999 (mid point \$12,500) & HH size 2 or more persons	11%	6%	0%	11%	7%	8%	10%	11%
Poverty: \$15 to \$24,999 (mid point \$20,000) & HH includes 4 or more persons	4%	3%	0%	5%	2%	5%	5%	4%
Poverty: \$25-\$34,999 (mid point \$30,000) & HH includes 6 or more persons	1%	2%	0%	2%	1%	1%	1%	1%
Poverty: \$35,000 to \$44,999 (mid point \$40,000) & HH includes 9 or more persons	0%	0%	0%	0%	0%	0%	0%	0%
Above poverty: \$10 to \$14,999 (midpoint \$12,500) & HH includes only one person	2%	0%	0%	1%	5%	2%	3%	2%
Above poverty: \$15-\$24,999 (mid point \$20,000) & HH includes 3 or fewer persons	6%	2%	1%	7%	6%	7%	6%	6%
Above poverty: \$25-\$34,999 (mid point \$30,000) & HH includes 5 or fewer persons	9%	8%	1%	9%	7%	10%	6%	9%
Above poverty: \$35-\$44,999 (mid point \$40,000), & HH includes fewer than 9 persons	7%	7%	6%	7%	5%	8%	4%	7%
Above poverty: \$45-\$54,999 (mid point \$50,000), no HH size criterion	6%	10%	5%	7%	5%	8%	4%	6%
Above poverty: \$55-\$74,999 (mid point \$65,000), no HH size criterion	7%	16%	10%	14%	12%	6%	7%	7%
Above poverty: \$75-\$99,999 (mid point \$87,500), no HH size criterion	4%	13%	20%	5%	10%	7%	4%	5%
Above poverty: \$100,000 or more, no HH size criterion	6%	17%	56%	10%	18%	11%	6%	7%
Total percent below poverty level income	53%	25%	2%	42%	32%	41%	60%	51%
Total percent above poverty level income	47%	73%	99%	60%	68%	59%	40%	49%

Source: On-Board Survey (2013)

7. Analysis and Findings

Elk Grove Fares – Splits are not available for the various Elk Grove fare types; however, it is known from the 2013 On-Board Survey that overall, eTran riders were 81 percent minority and 19 percent low-income. Total ridership and fare revenue is also known for eTran service, and has been used for the sake of analysis of the Elk Grove fares. Although the base fare for eTran and for SacRT’s Elk Grove service is \$2.25, lower than the basic SacRT fare of \$2.50, due to fewer discount programs, the aggregate average fare for eTran was \$1.57, higher than the systemwide SacRT average fare of \$1.27. Therefore, creation of the Elk Grove fare types will be expected to increase the SacRT average fare. Inferences can also be made about how SacRT’s minority and low-income splits will change.

**Figure 9
Minority Splits for Elk Grove Fares**

	Percent of Boardings	Fare Revenue	Passenger Boardings
Minority	81.0%	\$931,576	594,938
Non-Minority	19.0%	\$218,518	139,553
Total	100.0%	\$1,150,094	734,491

**Figure 10
Low-Income Splits for Elk Grove Fares**

	Percent of Boardings	Fare Revenue	Passenger Boardings
Low-Income	25.0%	\$287,524	183,623
Non-Low-Income	75.0%	\$862,571	550,868
Total	100.0%	\$1,150,094	734,491

**Figure 11
Change to Systemwide Statistics
From Elk Grove Fares**

Minority	Fare Revenue	Boardings	Average Fare
Before	\$19,593,175	15,768,345	\$1.243
New Boardings	\$931,576	594,938	\$1.566
After	\$20,524,751	16,363,283	\$1.254
Change in Avg Fare	n/a	n/a	\$0.011
% Change in Avg Fare	n/a	n/a	0.885%
Non-Minority	Fare Revenue	Boardings	Average Fare
Before	\$8,995,491	6,741,462	\$1.334
New Boardings	\$218,518	139,553	\$1.566
After	\$9,214,009	6,881,015	\$1.339
Change in Avg Fare	n/a	n/a	\$0.005
% Change in Avg Fare	n/a	n/a	0.375%
Low-Income	Fare Revenue	Boardings	Average Fare
Before	\$13,854,614	11,295,467	\$1.227
New Boardings	\$287,524	183,623	\$1.566
After	\$14,142,138	11,479,090	\$1.232
Change in Avg Fare	n/a	n/a	\$0.005
% Change in Avg Fare	n/a	n/a	0.407%
Non-Low-Income	Fare Revenue	Boardings	Average Fare
Before	\$14,734,052	11,214,340	\$1.314
New Boardings	\$862,571	550,868	\$1.566
After	\$15,596,623	11,765,208	\$1.326
Change in Avg Fare	n/a	n/a	\$0.012
% Change in Avg Fare	n/a	n/a	0.913%

As shown in Figures 9, 10, and 11, addition of the Elk Grove fares would likely increase SacRT’s average fare systemwide, and for all minority and low-income splits. However, because of the demographics of Elk Grove fare users, it will increase more for minority populations and for non-low-income populations, as summarized Figure 12.

Figure 12
Percent Change in Systemwide Average Fare
From Elk Grove Fares

Rider Type	Existing	Proposed	Change	% Change
Minority	\$1.243	\$1.254	\$0.011	0.885%
Non-Minority	\$1.334	\$1.339	\$0.005	0.375%
Low-Income	\$1.227	\$1.232	\$0.005	0.407%
Non-Low-Income	\$1.314	\$1.326	\$0.012	0.913%

SacRT uses a threshold of 20 percent to determine statistical significance for disparate impact analysis (e.g., does the minority fare increase by more than 20% more than the non-minority fare increase). As shown in Figure 13, the increase in the minority average fare would be statistically significant. Therefore, there is a potential disparate impact on minority populations from adding the Elk Grove fare types. Because the low-income fare would increase less than the non-low-income fare, there is no potential disproportionate burden on low-income populations.

Figure 13
Potential Disparate Impacts and/or Disproportionate Burdens
From Elk Grove Fares

a. Percent increase in non-minority avg fare	0.375%
b. Threshold of statistical significance (120% * a)	0.450%
c. Percent increase in minority avg fare	0.885%
d. Do fares increase more for minority populations? (c > a)	Yes
e. Is there evidence of a potential disparate impact (c > b)	Yes
f. Percent increase in non-low-income avg fare	0.913%
g. Threshold of statistical significance (120% * f)	1.096%
h. Percent increase in low-income avg fare	0.407%
i. Do fares increase more for low-income populations? (h > f)	No
j. Is there evidence of a potential disproportionate burden? (h > g)	No

On-Board Light Rail Single Ride Fare – Ridership on the On-Board Light Rail Single Ride Fare has averaged 10.5 boardings per day since September 1, 2021, on pace for 3,833 per year. Minority, non-minority, low-income, and non-low-income splits are presented in Figures 14 and 15.

Figure 14
Minority Splits for On-Board Light Rail Single Ride Fare

	Percent of Boardings	Fare Revenue	Passenger Boardings
Minority	48.7%	\$4,667	1,867
Non-Minority	51.3%	\$4,916	1,966
Total	100.0%	\$9,583	3,833

Figure 15
Low-Income Splits for On-Board Light Rail Single Ride Fare

	Percent of Boardings	Fare Revenue	Passenger Boardings
Low-Income	5.5%	\$527	211
Non-Low-Income	94.5%	\$9,055	3,622
Total	100.0%	\$9,583	3,833

Figure 16
Change to Systemwide Statistics
From On-Board Light Rail Single Ride Fare

Minority	Fare Revenue	Boardings	Average Fare
Before	\$19,593,175	15,768,345	\$1.243
New Boardings	\$4,667	1,867	\$2.500
After	\$19,597,842	15,770,212	\$1.243
Change in Avg Fare	n/a	n/a	\$0.000
% Change in Avg Fare	n/a	n/a	0.000%
Non-Minority	Fare Revenue	Boardings	Average Fare
Before	\$8,995,491	6,741,462	\$1.334
New Boardings	\$4,916	1,966	\$2.500
After	\$9,000,407	6,743,428	\$1.335
Change in Avg Fare	n/a	n/a	\$0.001
% Change in Avg Fare	n/a	n/a	0.075%
Low-Income	Fare Revenue	Boardings	Average Fare
Before	\$13,854,614	11,295,467	\$1.227
New Boardings	\$527	211	\$2.500
After	\$13,855,141	11,295,678	\$1.227
Change in Avg Fare	n/a	n/a	\$0.000
% Change in Avg Fare	n/a	n/a	0.000%
Non-Low-Income	Fare Revenue	Boardings	Average Fare
Before	\$14,734,052	11,214,340	\$1.314
New Boardings	\$9,055	3,622	\$2.500
After	\$14,743,107	11,217,962	\$1.314
Change in Avg Fare	n/a	n/a	\$0.000
% Change in Avg Fare	n/a	n/a	0.000%

Since the On-Board Light Rail Single Ride Fare of \$2.50 is greater than the systemwide average fare of \$1.27 and all the minority and low-income splits, disproportionate use of it by any group will tend to increase the average fare for that group. Assuming users of the On-Board Light Rail Single Ride Fare most closely resemble the users of the single ride light rail ticket, this will tend to disproportionately raise the average fare for non-minority and non-low-income riders and thus have no Title VI impacts.

As shown in Figure 16, using these assumptions, and after rounding to a tenth of a cent, the impacts of the On-Board Light Rail Single Ride Fare are too minor to have a measurable numerical impact on any systemwide average fare splits, except for raising the non-minority fare. Without rounding, the non-low-income fare would also increase more than the low-income fare. This supports the supposition that the effects of the new fare are both minor, and to the extent that they are relevant, that they would be more adverse to non-minority and non-low-income populations.

Note also that the On-Board Light Rail Single Ride Fare is not an increase nor a replacement of an existing fare type, so in practice, it is unlikely to be used by anyone other than experimentally (presumably by a customer who could afford to do so) or as a convenient substitute for the equally-priced single ride ticket.

No ridership data exists for the On-Board Light Rail Discount Single Ride Fare because it has not been enabled yet; however, similar logic applies: its introduction is not accompanied by elimination or increase of any fare types. It also does not confer any new favorable pricing for anyone who would not already be qualified for such a discount.

Altogether, this analysis finds that the On-Board Light Rail Single Ride Fare, as currently priced, and the On-Board Light Rail Discount Single Ride Fare, if priced the same as SacRT's discount fare (currently \$1.25), would result in *no disparate impacts on minority populations* and *no disproportionate burdens on low-income populations*.

8. Justification, Alternatives, and Mitigation

Facially, creation of the Elk Grove fare types would not appear to be discriminatory, because all pricing was kept unchanged in the transition of transit services from the City of Elk Grove to SacRT. The purpose of the quantitative Title VI analysis is to help avoid unintentional discrimination. In this case, the analysis yields a potentially unexpected result: although Elk Grove fares are *lower priced* than comparable SacRT fares, Elk Grove riders typically *pay more* out of pocket, apparently due to lower use of discount fare types. Because Elk Grove riders are disproportionately minority, the quantitative analysis suggests that there may be a *potential* disparate impact. This does 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 minority riders, where practicable.

Alternatives – SacRT’s negotiated annexation of City of Elk Grove transit services mandated that SacRT maintain the pre-existing fare structure for Elk Grove transit services until at least December 31, 2021, which is also the end of the six-month period where a fare change may be considered temporary and exempt from Title VI. This analysis is therefore concerned only with whether it would be discriminatory to continue the Elk Grove fares as-is beyond that date. The Elk Grove fares consist of several different fare types (e.g., single ride, daily pass, monthly pass) so countless alternatives are theoretically possible (although demographic data is not currently available for each specific type, limiting SacRT’s ability to compare Title VI impacts).

The simplest alternative would be to rescind the creation of all Elk Grove fares. Such a “no project” scenario would actually be *more* adverse to minority populations: If the Elk Grove fares did not exist, then Elk Grove riders who are not eligible for a discount would have to pay the ordinary SacRT fare of \$2.50 for a single ride or \$100 for a monthly pass. Since this is more than the \$2.25 single fare or \$80 Local monthly pass under the Elk Grove fare structure, this would *increase* any impact on minority populations. The “no project” alternative would therefore be *worse* from a Title VI standpoint than the proposed action, i.e., the creation/maintenance of special Elk Grove fares.

It is important to observe that the quantitative approach to this Title VI analysis is useful for detecting unintentional biases, but it may not comprehensively and definitively determine whether a proposed action is discriminatory because it looks at the issue from only one of several possible and reasonable standpoints. The formal quantitative analysis has been prepared from the standpoint of how *SacRT’s* average fare splits would change and has found that SacRT’s average fare would increase more for minority than non-minority populations. However, from the standpoint of *purchasing customers*, the proposed action would not seem discriminatory, because it would have *no effect*. Pricing has been left entirely unchanged from what it was under the City of Elk Grove. No customer has or would experience a change in pricing from continuing Elk Grove fares

as they are. The average fare paid by the *affected customers* would not change from the “before” to the “after” condition, because pricing is unchanged.

Justification – As discussed above, Elk Grove fares are *lower priced* than SacRT fares, but the average fare paid is *higher* due apparently to *less use of discount fare types*. This in turn is likely due to Elk Grove ridership being over half from commuter bus routes, which typically skew toward non-discount fare types (i.e., commuter routes typically have fewer student, senior, and disabled riders). Commuter bus routes, such as the Elk Grove commuter buses to Downtown Sacramento, are also typically considered higher-value or premium service, due to longer average trip length and replacement of a higher-cost automobile trip. This implies that Elk Grove riders, who are above-average minority, do indeed tend to pay an above-average fare, but it is to some extent justifiable, because a great proportion of them are paying that fare to ride higher-value commuter bus service.

It should also be kept in mind that Elk Grove transit fares are already *lower* than SacRT fares at only \$2.25 for a single ride (compared to \$2.50 for SacRT) with similarly lower pricing for comparable multi-ride passes. Elk Grove riders also have the option of a \$80 local-only monthly pass. While Elk Grove riders may in fact be paying more on average, it is not for lack of fair pricing. Essentially, every full-priced fare option is priced equal to or lower than its SacRT equivalent. Elk Grove riders just happen to be more likely to pay the full fare, rather than the discount fare (i.e., because overall, they have a lower percentage of senior, disabled, and student riders). Notably, this is not because of more restrictive eligibility rules. Eligibility rules for discount fare types are the same or more inclusive for Elk Grove fares (e.g., for both SacRT and Elk Grove service, the age for senior eligibility is age 62, disability certification follows the same rules, and TK-12 students ride for free).

Lastly, as discussed above, from the perspective of Elk Grove customers, the fare is *not changing*.

Overall, even though Elk Grove riders are paying a slightly higher average fare than SacRT riders and even though they tend to be more minority, the suggestion that this is discriminatory would appear to rest mostly on evidence that is somewhat or largely inapplicable. When alternatives and seemingly more applicable analytical standpoints are taken into consideration, the proposed action appears to have a substantial, legitimate justification.

RESOLUTION NO. 21-12-0132

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

December 13, 2021

**AMENDING THE FARE STRUCTURE TO ADD ON-BOARD
LIGHT RAIL AND ELK GROVE FARES**

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

THAT, effective as of January 1, 2022, the following definitions are hereby permanently added to Section II, "Fare Structure Definitions" set out in Resolution No. 09-10-0174, as previously amended:

"Elk Grove Service means fixed route bus service that was formerly operated by the City of Elk Grove and is designated by the following fixed route numbers: E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E110, E111, E112, E113, E114, E115, E116, E117, E118, and E119."

"SacRT E-Van Service means demand-response and paratransit service, complementary to the Elk Grove Service, provided to registered individuals (ADA certified), their companions, and personal attendants on a Transit Vehicle in revenue service within the city limits of Elk Grove and without a fixed origin and destination point that is booked by a customer in advance over the phone or through a ride booking application."

"Validated means, for purposes of Elk Grove Service only, either: (1) the insertion of a Pass into a Bus fare box to fix the date of first use of the Pass; or (2) the insertion of a Pass into a Bus fare box to confirm its continued validity and, as applicable, to deduct a Ride from a declining value Pass type."

THAT, effective as of January 1, 2022, in addition to the Discount Fare classifications set out in Section IV of the Fare Structure, the following Discount classification is added for Elk Grove Service:

"Military Discount – the bearer of a current and valid Armed Services Identification whose picture is on the ID Card will be entitled to purchase Discount fares eligible for use on Fixed-route Elk Grove Service only as set out in Exhibit B-6."

THAT, effective as of January 1, 2022, in addition to the other Fares and Prepaid Fare types identified in Section IV and Section V of the Fare Structure, the following Fares and Prepaid Fares are permanently added to the Fare Structure:

“Elk Grove Single Ride Fare -- the Applicable Fare for a single Ride on Elk Grove Service.”

“Elk Grove Transfer – An Elk Grove Transfer that is purchased on Elk Grove Service is valid for 120 minutes beginning on the date and at the local time that the Transfer is purchased. Only a person that pays the Basic Fare or Discount Fare (as applicable) with either U.S. currency, a Fare Equivalent, or a Fare Ticket that has not been validated will be issued a Transfer upon payment of the price therefor. Individuals presenting a Prepaid Fare on electronic fare media are not eligible to purchase a Transfer” for a period of 120 minutes after.”

“Elk Grove Daily Pass is valid for unlimited Rides on Elk Grove Service only during the validity period printed on the pass.”

“Elk Grove 10-Ride Pass is declining value Prepaid Fare that entitles the passenger to the equivalent of 10 Elk Grove Single Ride Fare tickets that is Validated for each use at the time of boarding.”

“Elk Grove 31-Day Local Pass holders are entitled to unlimited Rides for 31 days from the date the pass is first Validated on the following routes within Elk Grove Service: E110, E111, E112, E113, E114, E115, E116.”

“Elk Grove 31-Day Unlimited Pass Holders are entitled to unlimited Rides for 31 days from the date the pass is first Validated on all Elk Grove Service.”

“On-Board Light Rail Discount Single Ride Ticket – the Fare for an On-Board Light Rail Discount Single Ride Ticket is the same as a Discount Single Ride. The Ticket consists of the card or phone used to purchase the Ticket using a SacRT-approved contactless payment device on board a Light Rail Vehicle combined with records verifying the purchase, which must remain in the passenger’s possession for the duration of their Ride. The On-Board Light Rail Discount Single Ride Ticket will be deemed validated at the time of purchase, as documented by credit/debit card, or purchasing records, will be valid for a duration of 90 minutes, and may be used for multiple rides on light rail only until the expiration of the validity period. A passenger is only eligible for the On-Board Light Rail Discount Single Ride Ticket if they are age 65 or older and have completed the online discount application process for the contactless payment program. To establish Proof of Fare Payment as required by the Prohibited Acts Ordinance, a passenger purchasing an On-Board Light Rail Discount Single Ride Ticket must, upon request, provide (a) the purchasing credit

or debit card or other requested contactless payment information; and (b) identification documenting compliance with the Discount eligibility requirements to fare enforcement personnel to verify the validity of the On-Board Light Rail Discount Single Ride Ticket. If fare enforcement personnel are unable to determine (a) that an On-Board Light Rail Discount Single Ride Ticket has been purchased; (b) that the On-Board Light Rail Discount Single Ride Ticket is still valid; or (c) that the passenger is eligible for a Discount Single Ride Ticket purchase, a passenger may be cited for failure to possess valid fare.”

“On-Board Light Rail Single Ride Ticket – the Fare for an On-Board Light Rail Single Ride Ticket is the same as a Single Ride. The Ticket consists of the card or phone used to purchase the Ticket using a SacRT-approved contactless payment device on board a Light Rail Vehicle combined with records verifying the purchase, which must remain in the passenger’s possession for the duration of their Ride. The On-Board Light Rail Single Ride ticket will be deemed validated at the time of purchase, as documented by credit/debit card, or purchasing records, will be valid for a duration of 90 minutes, and may be used for multiple rides on light rail only until the expiration of the validity period. To establish Proof of Fare Payment as required by the Prohibited Acts Ordinance, a passenger purchasing an On-Board Light Rail Single Ride Ticket must, upon request, provide the purchasing credit or debit card or other requested contactless payment information to fare enforcement personnel to verify the validity of the On-Board Light Rail Single Ride Ticket. If fare enforcement personnel are unable to determine (a) that an On-Board Light Rail Single Ride Ticket has been purchased; or (b) that the On-Board Light Rail Single Ride Ticket is still valid, a passenger may be cited for failure to possess valid fare.”

“SacRT E-Van Single Ride Fare is the Applicable Fare for a single Ride on SacRT E-Van Service.”

“SacRT E-Van 10-Ride Pass - a declining value Prepaid Fare that entitles the passenger to the equivalent of 10 SacRT E-Van Single Ride Fare tickets that is Validated at the time of boarding.”

“SacRT E-Van 44-Ride Pass – a declining value Prepaid Fare that entitles the pass holder to the equivalent of 44 SacRT E-Van Single Ride Fare tickets that is Validated at the time of boarding.”

THAT, effective as of January 1, 2022, the attached Exhibit B-7 will replace Exhibit B-5 to the Fare Structure (as adopted by Resolution 19-03-0038) .

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

**Exhibit B-7
Effective January 1, 2022**

Regional Transit Fares

Fare Category	Fare
Single Ride	\$2.50
Single Ride - Electronic Fare Media (valid for unlimited rides for 90 minutes)	\$2.50
Discount Single Ride ¹	\$1.25
Discount Single Ride - Electronic Fare Media (valid for unlimited rides for 90 minutes)	\$1.25
Transfer (valid for one transfer on either the bus or light rail)	\$0.25
Daily Pass	\$7.00
Discount Daily Pass ¹	\$3.50
Monthly Pass	\$100.00
Semi-Monthly Pass	\$50.00
Student Semi-Monthly Sticker ²	\$10.00
Student Monthly Pass ² (on electronic fare media only)	\$20.00
Senior/Disabled Monthly Sticker	\$50.00
Senior/Disabled Semi-Monthly Sticker	\$25.00
Super Senior Monthly Sticker	\$40.00
Single ride tickets and daily passes may be sold in booklets.	
¹ Discount single rides and daily pass fares are available to qualifying students grades K-12, seniors age 62 and over, and eligible disabled persons.	
² Price applies to all Students including those who qualify for Free/Reduced Meal	
Folsom Only Fares	
Dial-A-Ride (DAR) Service³	
Folsom DAR Basic Fare (Single Ride)	\$4.00
Folsom DAR Monthly Pass	\$95.00
Folsom DAR Companion (Single Ride)	\$4.00
Folsom DAR Personal Attendant	Free
Fixed Route Fares	
Folsom Senior Monthly Pass ⁴	\$50.00
Folsom Senior Single Ride	\$1.25
Folsom Senior Daily Pass	\$3.50
³ DAR service is available only for persons with disabilities as defined in SacRT's fare structure, their companions and attendants, and seniors age 55+. The fares specified are for eligible riders.	
⁴ The Folsom Senior Monthly Pass will be sold only on Connect Card and valid only on fixed route bus service operated 100% within the city limits of Folsom	
Elk Grove Only Fares	
Elk Grove Service Fares⁵	
Elk Grove Single Ride	\$2.25

Elk Grove Single Ride - Electronic Fare Media (valid for 120 minutes on Elk Grove Service)	\$2.25
Elk Grove Discount Single Ride	\$1.10
Elk Grove Discount Single Ride - Electronic Fare Media (valid for 120 minutes on Elk Grove Service)	\$1.10
Elk Grove Transfer ⁶	\$0.50
Elk Grove 10-Ride Pass ⁷	\$22.50
Elk Grove Discount 10-Ride Pass ⁷	\$11.00
Elk Grove 31-Day Local Pass ⁸	\$80.00
Elk Grove 31-Day Discount Local Pass ⁸	\$40.00
Elk Grove 31-Day Unlimited Pass ⁹	\$100.00
Elk Grove 31-Day Unlimited Discount Pass ⁹	\$50.00
SacRT E-Van Fares¹⁰	
SacRT E-Van Single Ride	\$3.50
SacRT E-Van 10-Ride Pass	\$35.00
SacRT E-Van 44-Ride Pass	\$150.00

⁵ Elk Grove service fares are limited to Elk Grove service only (routes E10-E19 & E110-E116)

⁶ Noted Elk Grove fares include a 120-minute transfer window rather than the 90 minutes available on other SacRT services.

⁷ Elk Grove 10 ride and discount 10 ride passes are valid for the equivalent of 10 Elk Grove Single Ride fares

⁸ Elk Grove 31 day local passes are valid for 31 days from the date of activation and only valid on routes E110-E116.

⁹ Elk Grove 31 day unlimited passes are valid for 31 days from the date of activation and are valid on all Elk Grove Service routes only.

¹⁰ SacRT E-Van fares are valid on paratransit services offered entirely within the city limits of Elk Grove.



STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives

SUBJ: APPROVING A SOLE SOURCE CONTRACT FOR PRE-EMPLOYMENT AND DOT-DMV CERTIFICATION MEDICAL EXAMINATIONS, PRESCRIPTION DRUG SAFETY REVIEWS, AND EVALUATION OF JOB DESCRIPTION PHYSICAL REQUIREMENTS WITH DIGNITY HEALTH MEDICAL FOUNDATION DBA MERCY MEDICAL GROUP, A SERVICE OF DIGNITY HEALTH MEDICAL FOUNDATION

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The action would allow Dignity Health to continue providing critical long-term services for medical exams, prescription drug safety reviews, and evaluation of job description physical requirements.

FISCAL IMPACT

There is no fiscal impact, as the cost for these services was approved by Resolution in August 2021 and is included in the annual Operating Budget. The cost for these services in future years will be included in the annual Operating Budget presented to the Board for approval each year.

DISCUSSION

Sacramento Regional Transit District (SacRT) requires pre-employment medical examinations for applicants in designated job classifications. Pre-employment medical examinations are conducted to determine an applicant's ability to perform the physical demands of the job classification. In addition, employees required to have a commercial driver's license as a condition of employment must have a medical exam at least every two years to maintain the license in accordance with DMV requirements.

Furthermore, employees performing safety-sensitive work as defined by the Federal Transit Administration (FTA) (49 C.F.R Part 655) are subject to federally-regulated drug

and alcohol testing (pre-employment, random, and reasonable suspicion). As part of that process, in accordance with Department of Transportation (DOT) Drug Testing Regulation 49 C.F.R. Section 40.327, the Medical Review Officer (MRO) is required to report medical information learned as part of the drug testing result verification process regarding the use by an applicant/employee of medication(s) and/or condition(s) that may pose significant safety risk or make the individual medically unqualified for a safety-sensitive position as defined by the FTA. A Prescription Drug Safety Review Exam is necessary to determine whether an employee properly using medication(s) prescribed for them is likely to pose a significant safety risk in the continued performance of their safety-sensitive function.

At times, there is a need to have the physical/medical requirements for positions reviewed to determine if exam/testing protocols need to be updated and review job-related medical and physical standards for new and revised job descriptions on an ongoing basis to determine whether the exam/testing protocols are validated.

SacRT previously had a Contract in place for a 5-year term (June 2015 to June 2020) with Sutter Medical Foundation; however, the occupational medical exam services are no longer available through Sutter. After release of two Requests for Proposals (RFP) solicitations for the required services, no responsive proposals were received. As the contract with Sutter was expiring and SacRT had a pressing need for the services, SacRT entered into a short-term Contract with Dignity Health to administer its medical examinations, which has already been extended three times, and now expires on December 31, 2021.

The most recent (fourth) RFP was released on July 7, 2021, with responses due July 23, 2021. The RFP provided that SacRT could award multiple contracts for a five-year term to qualified proposers. The RFP provided proposers an opportunity to identify exceptions and proposed modifications to SacRT's standard contract form and terms and conditions and to certify that, if they failed to identify specific exceptions, they were prepared to accept the terms and conditions set out in the RFP. At the August 23, 2021 Board meeting, the Board delegated authority to the General Manager/CEO to award a contract or contracts for these services "upon conclusion of the formal solicitation process and determination of the most-qualified proposer or proposers in accordance with the specified evaluation criteria."

Both Dignity Health and the Sacramento Occupational Medical Center submitted proposals in response to the RFP, were deemed responsive and qualified to perform the services, and were issued a Notice of Intent to Award. Both had affirmatively certified that they accepted the terms and conditions of the solicitation documents without exception.

However, after issuance of the Notice of Intent to Award, when a contract was provided to Dignity Health for execution, Dignity belatedly identified proposed contract exceptions for negotiation with SacRT. As a result, it was deemed non-responsive to the competitive solicitation and could not be awarded a contract pursuant to the Board delegation of authority.

A contract was executed with Sacramento Occupational Medical Center; however, because its proposal identified only one location and one doctor available to perform all services set out in the scope, this firm was ranked lower in the evaluation process.

There is a definite need to award a second contract, as the need and demand for services for an estimated 1,000 medical examinations annually for SacRT cannot be supported in a timely manner by only one facility and one doctor. The current short-term Contract with Dignity Health has been valuable and critical to SacRT's service, and Staff has established and maintained a very good working relationship with the Dignity Health team. It has provided these occupational medical exam services for SacRT in a timely manner with the use of five doctors and multiple support staff in three different office locations. It is imperative to SacRT's service and would be detrimental if SacRT is not able to continue to contract with Dignity Health as an additional source.

SacRT requires these services for operators to maintain their medical clearance, for SacRT to have the ability to continue critical hiring without a lapse in service, and to remain in compliance with Federal regulations. Given the difficulty that SacRT has had in obtaining a long-term contractor for these services over the last year, flexibility to enter into a new contract is critical. Staff has evaluated the risks of accepting the modified terms and conditions and deemed them to be acceptable in order to obtain these needed services. The key risk relates to a request by Dignity for an acknowledgement by SacRT that it operates according to the Dignity Health Common Values for Community Sponsorship (required by and related to its ownership and relationship with the Catholic church) and that it will not perform any services that would be inconsistent with those values. Dignity has accepted that it will be deemed in breach of contract if it refuses to provide services due to its Common Value principles. Unfortunately, even in a breach of contract situation allowing SacRT to recover damages, SacRT would still have to find an alternative provider, which would likely prove difficult. However, at this point there are no other viable alternatives to accepting the language. The language is in the existing Contract with Dignity and there have been no issues with non-performance in the last year.

RESOLUTION NO. 21-12-0133

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

December 13, 2021

**APPROVING A SOLE SOURCE CONTRACT FOR
PRE-EMPLOYMENT AND DOT-DMV CERTIFICATION MEDICAL EXAMINATIONS,
PRESCRIPTION DRUG SAFETY REVIEWS, AND EVALUATION OF JOB
DESCRIPTION PHYSICAL REQUIREMENTS WITH DIGNITY HEALTH MEDICAL
FOUNDATION DBA MERCY MEDICAL GROUP, A SERVICE OF DIGNITY HEALTH
MEDICAL FOUNDATION**

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

THAT, pursuant to Section 1.405.B.2 of the Procurement Ordinance (21-10-01), the Board has determined that it is in the best interest of Sacramento Regional Transit District to approve a sole source and noncompetitive procurement directly with Dignity Health Medical Foundation dba Mercy Medical Group, a Service of Dignity Health Medical Foundation ("Dignity") without compliance with otherwise applicable solicitation requirements due to the critical need for pre-employment and DOT-DMV Certification medical examinations and related services, the past performance of these services by Dignity Health, and the difficulty of finding qualified service providers.

THAT, the Contract for Pre-Employment and DOT/DMV Certification Medical Examinations, Prescription Drug Safety Reviews, and Evaluation of Job Description Physical Requirements by and between the Sacramento Regional Transit District (therein "SacRT") and Dignity Health Medical Foundation dba Mercy Medical Group, a Service of Dignity Health Medical Foundation (therein "Contractor"), whereby Contractor agrees to perform specified services for a 5-year term for an amount not to exceed \$825,000, as further specified in the Contract, is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Carmen Alba, VP, Bus Operations
SUBJ: APPROVING THE FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH PRISCILLA VARGAS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the Resolution will amend the Personal Services Contract for Priscilla Vargas, extending the contract through June 30, 2022, and will increase the total consideration to \$156,842.40.

FISCAL IMPACT

There is a cost of \$80,762.40 associated with this amendment for Fiscal Year (FY) 2021-2022. This amount is included in the FY 2021-2022 Operating Budget.

DISCUSSION

On May 26, 2021, SacRT entered into a Personal Services Contract with Priscilla Vargas to temporarily fill a vacant position in SacRT's Accessible Services department. As authorized under the contract, throughout FY 2021-2022, Ms. Priscilla Vargas has been supervising the Accessible Services department within the Bus Operations division as Acting ADA Compliance Officer. In this role, Ms. Vargas manages, implements, and monitors accessible services programs for SacRT as well as serves as staff liaison to the Mobility Advisory Council (MAC). Ms. Vargas has over 32 years of relevant experience both in the public and private transportation sectors including working for SacRT as its Accessible Services Administrator from 1996-2001 and 2008-2013. As Acting ADA Compliance Officer, Ms. Vargas played a key role in ensuring SacRT is in compliance with Americans with Disabilities Act (ADA) and other applicable state and federal laws. SacRT has a continuing need for Ms. Vargas' services until the District can permanently fill the position. Staff recommends amending her contract by increasing the consideration by \$80,762.40, extending the term to June 20, 2022, and increasing Ms. Vargas' hourly rate from \$79.25 to \$84.13. This amendment will allow for continuity of compliance and department oversight efforts for Accessible Services while a recruitment to fill this function long-term is underway.

RESOLUTION NO. 21-12-0134

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

December 13, 2021

APPROVING THE FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH PRISCILLA VARGAS

WHEREAS, there is a need for ongoing ADA compliance and department oversight for SacRT's Accessible Services unit while recruitment efforts to fill the position long-term is underway.

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 Contract for Personal Services between Sacramento Regional Transit District and Priscilla Vargas wherein the total consideration is increased by \$80,762.40 from \$76,080 to \$156,842.40, the term is extended to June 30, 2022 and the hourly rate is increased from \$79.25 to \$84.13, is hereby approved.

THAT, the Board hereby authorizes and directs the General Manager/CEO to execute said First Amendment to the Contract for Personal Services.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: FOURTH AMENDMENT TO FY 2022 CAPITAL BUDGET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the Fourth Amendment would increase the FY 22 Capital Budget by \$24,721,357 for various capital projects as outlined below and allow staff to request federal, state, and local funding to complete the projects.

FISCAL IMPACT

Approval of the Fourth Amendment would increase the FY 22 Capital Budget by \$24,721,357 for various capital project as outlined below. This action does not imply funding is available for the projects; however, without approval, requesting funding for the projects is prohibited.

DISCUSSION

The original FY 22 Capital Budget was \$1,235,908,723. The First Amendment in the amount of \$43,520 was approved by the Board on July 26, 2021, which brought the FY 22 Capital Budget to \$1,235,952,243. The Second Amendment in the amount of \$557,270 was approved by the Board on August 23, 2021, which brought the FY 22 Capital Budget to \$1,236,509,513. The Third Amendment in the amount of \$2,493,000 was approved by the Board on October 25, 2021, which brought the FY 22 Capital Budget to \$1,239,002,513. This Fourth Amendment will increase the Capital Budget by an additional \$24,721,357 bringing the total of the new FY 22 Capital Budget to \$1,263,723,870.

Sacramento Regional Transit District's (SacRT) 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 SacRT's priorities require revisions to the budget. Staff has identified necessary revisions as described below.

- **LRV Maintenance Shop Upgrades (Engineering) (R384) - \$34,800:** As part of the delivery of the new Siemens S700 vehicles, there are maintenance shop modifications that must be implemented. They are as follows: 1) Modify shop power connections; raise stinger power from the ground to the catwalk to accommodate overhead power source for the S700 LRVs; 2) Maintenance pit door access platforms on each of the inspection pits need to be modified to align with the position of the doors on the new fleet. This increase in budget will only cover the cost associated with the design and engineering for this project. Additional Budget Authority for construction will be requested once project costs are better known.
- **Wheel Truing Machine (R362) - \$4,415,438:** Additional work is needed to complete the prior approved Capital project including engineering and design associated with the power and communication with the new wheel truing machine in MHRF. The project Authorized Budget is being **increased by \$183,557** by this amendment from \$4,231,881 to \$4,415,438.
- **Wayside Roof Replacement (F036) - \$503,000:** We have discovered water leaks and intrusion due to old, failed roofing materials. This request is to replace the aging and faulty roof materials at the Wayside building and the water damaged insulation.
- **ITS Install on Elk Grove Fleet (T070) - \$1,500,000:** SacRT is currently operating with an ITS system deployed on approximately 210 fixed-route buses. SacRT has annexed the Elk Grove fleet and desires an ITS system to fully integrate the onboard systems (stop announcement, automatic passenger counting, vehicle location, fare collection, and Connect Card payment). There are 46 fixed-route buses currently in the Elk Grove Fleet. Fleet: 8 - 2008 Orions, 8 - 2010 New Flyers, 6 - 2011 New Flyers, 3 - 2014 New Flyers, 8 - 2015 New Flyers, 5 - 2018 New Flyers, 8 - 2020 New Flyers + 8 future replacements for Orions.
- **Phase 1 Gold Line Light Rail Facility: Environmental Clearance/PE Obtain (R383) - \$22,500,000:** This request is for Phase 1 development of a new light rail maintenance campus close in proximity to the Hazel Light Rail station. Scope includes:
 - Obtain Environmental Clearance/Complete PE for full build-out footprint / facility layout for bus & LR (expect to need DEIS / DEIR).
 - Acquire approximately 27 acres for full build out (assumes 17 acres for LR, 6 for bus, 2 for Admin Building, and 2 for parking).
 - Plan to establish an agreement to proceed with ROW purchase after environmentally cleared.

Future Phase 2: Will need to be funded as soon as Phase 1 is completed. Preliminary Estimate: \$16,125,000 (to be firmed up with PE) - Complete Final Design/Construct track, OCS, and procure/install TPSS to connect to the LR

system to allow 37 LR vehicles to be stored at the site - Install a trailer to allow initial LR operations from the site including parking/fencing/access to trailer.

Future Phase 3: Preliminary Full Build-Out Estimate (LR & Bus): \$139,030,000
Full scope preliminary Estimate: \$177,655,000.

RESOLUTION NO. 21-12-0136

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

December 13, 2021

FOURTH AMENDMENT TO FY 2022 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 Fourth Amendment to the Fiscal Year 2022 Capital Budget as set out in Exhibit A.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

Exhibit A: Summary of Amendment #4 changes to FY22 Capital Budget

ID	Project Name	FY22 Budget	FY22 Budget - with Amend 1	FY22 Capital Budget Change				Fund Source	
				FY22 Capital Budget Change	Federal	State	Local		TBD
R384	LRV Maintenance Shop Upgrades	\$0	\$34,800	\$34,800			\$34,800	\$0	FY20 Congestion Mitigation (CMAQ)
R362	Wheel Truing Machine	\$4,231,881	\$4,415,438	\$183,557			\$183,557	\$0	
F036	Wayside Roof Replacement	\$0	\$503,000	\$503,000				\$1,327,000	
T070	ITS Install on Elk Grove Fleet	\$0	\$1,500,000	\$1,500,000				\$200,000	
R383	Phase 1 Gold Line Light Rail Facility: Environmental Clearance/PE. Obtain	\$0	\$22,500,000	\$22,500,000		\$280,000	\$70,000	\$200,000	
		\$ 4,231,881	\$28,953,238	\$24,721,357	\$ -	\$ -	\$ 218,357	\$ 1,727,000	\$1,263,723,870



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Olga Sanchez-Ochoa, General Counsel
SUBJ: AMENDING AND RESTATING TITLE XIII OF THE SACRT ADMINISTRATIVE CODE

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

If adopted by the Board, the amount authorized to spend on meals and refreshments provided by SacRT to SacRT employees, Board Directors, and SacRT Personal Service contractors will be increased to amounts consistent with the allowable federal per diem rate.

FISCAL IMPACT

None as a result of this action. However, if adopted, SacRT will be authorized to spend an increased amount on meals and refreshments provided to staff, Board Directors, and SacRT Personal Service contractors for authorized occasions as specified in Title XIII.

DISCUSSION

Title XIII specifies the amount SacRT is authorized to spend on meals and refreshments provided to employees for specified purposes while employees, Board Directors, and other enumerated individuals are engaged in SacRT work activities or work-related activities. Title XIII and its expenditure limitations have been unchanged since early 1998, though the costs of meals and refreshments have increased greatly in that time. By way of example, currently, Title XIII authorizes the expenditure of \$8.00 per person for lunch. However, staff recently solicited quotes to provide frontline workers with an appreciation lunch during the holiday season. The average price quoted by the solicited vendors was \$15.00 per person, before tax and gratuity, which is nearly double the authorized limit. The recommended changes to Title XIII would move the expenditure limitations for a standard full day of meals and refreshments to dollar amounts that would closely approximate the current fixed rate of the federal "Meals & Incidentals Per Diem" set by the General Services Administration of \$69.00 per day.

Specifically, the amended and restated Title XIII would increase the expenditure limitations imposed on SacRT when providing meals and refreshments for SacRT

employees and Board Directors, and would increase the scope of the policy to cover meals and refreshments provided to contracted employees of partner agencies who work in SacRT's Police Services department. The proposed language would also permit the VP of Finance/CFO to set future expenditure limitations when the specified Consumer Price Index increases. Additionally, the proposed language would restate and clarify SacRT's policy against purchasing alcohol and clarify the definition of a "recognition event" meal.

Changes to the expenditure limitations set out in Title XIII would shift the maximum permitted expenditures on meals and refreshments from \$4.00, \$8.00, \$8.00, \$12.00, and \$35.00 to \$11.00, \$15.00, \$20.00, \$25.00 and \$50.00, respectively for light refreshments, breakfast, lunch, dinner, and recognition events.

Additionally, current policy required Board approval to make any changes to the expenditure limitations under Title XIII. The proposed language would allow flexibility to maintain prudent expenditure limitations without Board intervention. Staff recommends that the Board approve the Amended and Restated Title XIII.

RESOLUTION NO. 21-12-0137

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

December 13, 2021

AMENDING AND RESTATING TITLE XIII OF THE SACRT ADMINISTRATIVE CODE

WHEREAS, on occasion, SacRT employees and officials are required to work through normal mealtime hours to attend staff meetings, participate in training or workshops, and/or to respond to emergencies; and

WHEREAS, SacRT may desire to provide meals and/or refreshments to SacRT employees who are required to work through normal mealtime hours while working overtime or working outside normal business hours; and

WHEREAS, SacRT contracts with partner agencies to provide employees to work within the Police Services department of SacRT on a daily basis, who may also require meals and/or refreshments for the same reasons articulated hereinabove; and

WHEREAS, SacRT may desire to provide meals and/or refreshments to Board Directors, employees, and other persons who attend SacRT meetings and other special events including SacRT recognition events; and

WHEREAS, in 1998, SacRT Resolution No. 98-01-3000 adopted Title XIII of the Administrative Code of SacRT to provide meals and refreshments for SacRT employees and directors; and

WHEREAS, the cost of meals and refreshments has increased considerably and may continue to increase over time, warranting modification to the expenditure limitations set forth in Title XIII.

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

THAT, Title XIII is hereby amended and restated in its entirety as follows:

**TITLE XIII - PROVIDING MEALS AND REFRESHMENTS FOR
SACRT EMPLOYEES AND DIRECTORS**

CHAPTER 1

INTRODUCTION

§13.111 **Purpose**

This Title sets out the circumstances under which meals and/or refreshments may be provided to SacRT employees and Board directors. By adopting this Title, SacRT intends to provide such benefits on an infrequent basis and/or for SacRT's convenience so that the benefit qualifies as a de minimis fringe benefit excludable from an employee's or Board director's gross income. (26 USCS §132(e)(1) & IRC §119).

§13.112 Scope

This Title is applicable to all Board directors, officers, and employees of SacRT, as well as employees of other government agencies who serve the interests of SacRT Police Services in a daily capacity. This Title applies to the allowable costs for meals provided by SacRT to employees and other eligible individuals. –Reimbursement for the cost of meals incurred while traveling is covered under Title VIII of SacRT's Administrative Code. -

§13.113 Management Prerogative

It is the prerogative of SacRT management to provide meals and/or refreshments to SacRT employees and Board directors in accordance with this Title.

CHAPTER 2

AUTHORITY TO PROVIDE MEALS AND REFRESHMENTS

§13.211 Providing Meals or Refreshments

A. The General Manager may authorize the provision of meals or refreshments to:

1. Board Directors and employees who attend a SacRT Board meeting that is held during a normal meal hour.
2. Board Directors, employees, and their families for SacRT events intended to promote esprit de corps or SacRT recognition events when the General Manager determines that such event would benefit SacRT and the expense would be justified.
3. Public officials, public employees, and consultants attending a SacRT meeting or event.
4. At the conclusion of a significant SacRT project, as recognition for a job well done by SacRT staff.

B. A Division Head or a Manager may authorize the provision of meals or refreshments for employees they supervise as follows:

1. When such employees are required to attend a SacRT staff meeting during a normal meal hour.
2. When such employees are required to attend a staff meeting with a duration of six (6) or more hours.
3. When such employees are required to work through a normal meal hour on overtime (or outside of normal work hours for those employees who are exempt from overtime).

4. When such employees are required to attend training classes, workshops, or seminars; however, only light refreshments may be provided unless a meal is permitted as provided above. In addition to the employee's supervisor, the Division Head, or Manager responsible for providing or arranging for employee training at SacRT facilities may authorize the provision of light refreshments or meals for employees who attend such training.

5. When such employees serve on a volunteer committee for events requiring a long lead time to plan and/or organize, including without limitation the employee awards banquet committee, as recognition for a job well done.

CHAPTER 3

LIMITATIONS AND PROCEDURES

§13.311 Expenditure Limitations

Expenditures for meals or refreshments permitted under Chapter 2 must not exceed the following average cost per person, including tax, beverage, and gratuity, if applicable:

A. Light refreshments	\$11.00
B. Breakfast	\$15.00
C. Lunch	\$20.00
D. Dinner	\$25.00
E. Meal at a SacRT Recognition Event	\$50.00

The average cost per person will be based upon the estimated number of attendees for an event. Management must use its best judgment in making such an estimate. Expenditures for alcoholic beverages are not authorized by this Title.

§13.312 Escalation of Expenditure Limitations

Expenditure limitations set under Section 13.311 will be amended by the VP, Finance/Chief Financial Officer, pursuant to an increase in the Consumer Price Index for All Urban Consumer for the San Francisco-Oakland-San Jose California Area, annually with the June index, for meals away from home.

§13.313 Prior Approval

A. If the average cost per person for a meal or refreshment will exceed the amount set out in Section 13.311, the expenditure must be pre-approved by the SacRT Board.

B. If the total cost for meals and/or refreshments for any single event described in Chapter 2 will exceed Two Hundred Dollars (\$200.00), the expenditure must be pre-approved by the General Manager.

C. If the total cost for meals and/or refreshments for any single event described in Chapter 2 will exceed the General Manager's expenditure authority, the expenditure must be pre-approved by the SacRT Board.
D.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Edna Stanley, VP, Light Rail Operations
SUBJ: APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR LOW FLOOR LIGHT RAIL VEHICLE PROCUREMENT WITH SIEMENS MOBILITY, INC. FOR PURCHASE OF EIGHT ADDITIONAL S700 LOW-FLOOR LIGHT RAIL VEHICLES

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the Fourth Amendment to the Contract will exercise an option to purchase eight additional low-floor light rail vehicles.

FISCAL IMPACT

The Fourth Amendment will increase the Contract Total Consideration with Siemens Mobility, Inc. (Siemens) by a minimum of \$ 35,147,428.54 plus contractual escalation factors to be applied in May 2025, and applicable state and local taxes. The price of \$35,147,428.54 includes the 2.5% minimum annual escalation of costs for the 39-month period between February 2022 and May 2025 in accordance with the Contract terms. There will be an additional cost escalation applied in May 2025 at the midpoint of delivery of the option order of eight vehicles, which will be calculated at that time using published labor and material indices agreed to in the Contract. It is not possible to estimate those escalation costs at this time. The base increase remains within the approved FY22 Capital Budget. The Fourth Amendment and associated costs are funded with a combination of Transit Intercity Rail Capital Program (TIRCP), Proposition 1A, and Federal and local funding.

DISCUSSION

Sacramento Regional Transit District (SacRT) and the San Diego Metropolitan Transit System (SDMTS) released a joint Request for Proposals (RFP) for Low-Floor Light Rail Vehicle (LRV) Procurement on December 14, 2018. On February 21, 2019, SDMTS received one proposal from Siemens. The RFP provided for a base order of 25 LRVs for SDMTS with an option for SDMTS to acquire an additional 22 LRVs, and a SacRT option to procure up to 76 LRVs during the 7-year contract term.

On March 23, 2020, the Board approved award of the Contract for 20 LRVs with Siemens for \$99,974,483.00, plus applicable California state and local sales and transaction taxes. Subsequently, the First Amendment to the Contract was executed on July 10, 2020, to revise the project schedule. On April 8, 2021, the Second Amendment was executed to add installation of railway worker protection equipment and increase the total consideration to \$100,280,347.48, plus applicable California state and local sales and transaction taxes. On October 25, 2021, the Board delegated authority to the General Manager/CEO to approve the Third Amendment to allow changes to the low-floor vehicles to improve maintainability and enhance features in the vehicle for passengers with disabilities. The Third Amendment increased the total consideration to \$100,688,819.68, plus applicable California state and local sales and transaction taxes.

The Fourth Amendment would modify the contract to include the purchase of eight additional LRVs, for a total of 28.

The Contract specifies a “base price” of \$4,046,524.00 per option LRV, which is then escalated based on the percentage increase in specified producer price and labor indexes measured for the period between delivery of the 12th LRV of the base order for SDMTS (currently scheduled for February 2022) and the midpoint of delivery of the option order (the currently-scheduled midpoint of delivery of the 8 LRV option order is May 2025), a period of 39 months. The contract specifies a minimum escalation rate of no less than two and one-half percent (2.5%) per annum (0.2084% per month). The total estimated price of \$35,147,428.54 is based on this minimum escalation, which will raise the Contract Total Consideration to a minimum total amount of \$135,836,248.12, plus applicable taxes and fees and any applicable future escalation in excess of the 2.5% per year.

RESOLUTION NO. 21-12-0138

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

December 13, 2021

APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR LOW FLOOR LIGHT RAIL VEHICLE PROCUREMENT WITH SIEMENS MOBILITY, INC. FOR PURCHASE OF EIGHT ADDITIONAL S700 LOW-FLOOR LIGHT RAIL VEHICLES

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 Low-Floor Light Rail Vehicle (LRV) Procurement by and between Sacramento Regional Transit District and Siemens Mobility, Inc. to provide eight additional LRVs, for a total order of 28, and increase the total Consideration by a minimum of \$35,147,428.54, from \$100,688,819.68 to \$135,836,248.12 plus applicable California state and local sales and transaction taxes and any differential amount required to be paid when the escalation formula is applied at the midpoint of delivery of the option order of eight LRVs if the cumulative increase is in excess of the previously-applied 2.5% annual escalation, is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A CONTRACT FOR THE DESIGN-BUILD EQUIPMENT REPLACEMENT & REHABILITATION OF BUS MAINTENANCE FACILITY 1 COMPRESSED NATURAL GAS (CNG) FUELING FACILITY WITH EFS WEST

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to approve this Contract will allow SacRT to replace outdated and unreliable CNG compressor equipment, the failure of which impacts SacRT's ability to provide revenue operations, as well as update electrical equipment at the fueling facility, the failure of which would disrupt both fueling and maintenance at the site.

FISCAL IMPACT

The total consideration for the Contract will be \$2,840,481.00 plus any applicable taxes and fees, which is fully funded with previously-acquired grant funding.

DISCUSSION

SacRT has been operating and fueling natural gas-powered transit buses for nearly 30 years at the BMF1 CNG Fueling Facility on 28th Street in Midtown. SacRT has a total of 274 CNG vehicles including buses and cutaways. The BMF1 CNG Fueling Facility is used as the primary fueling station for 205 CNG vehicles. Fifty-six (56) CNG vehicles are fueled in Elk Grove and 13 vehicles are fueled at BMF2. SacRT bus maintenance operations are currently centralized at the BMF1 Facility. When the BMF1 CNG Fueling Facility is not in operation due to repair issues, most of the bus fleet must be fueled at the BMF2 CNG Fueling Facility, which is located at McClellan Park. Although the redundant fueling is beneficial, Bus Operations is negatively impacted when fueling at the BMF2 CNG Fueling Facility due to the significant resources required to remobilize nightly fueling at the alternate location. The BMF1 CNG Fueling Facility was originally built in 1993 with three compressor package skids and associated equipment and then expanded in 1999

with the addition of two more compressor package skids and a gas dryer. Some of the BMF1 CNG Fueling Facility critical equipment is at the end of its useful life and requires replacement to maintain daily operations in a State of Good Repair. The critical equipment requiring replacement includes two compressor package skids, associated electrical main breaker, and the gas dryer (which is no longer functioning and is out of service).

Because the detailed design of the compressor package is specific to individual manufacturers, Staff determined that using a design-build process using a best value procurement methodology, rather than a design-bid-build process, would provide benefits to SacRT in the form of reduced project costs, expedited project completion, and design features that are not achievable through the traditional design-bid-build method. Use of the design-build process is authorized for public works projects over \$1 million under Public Contract Code section 22162 and following.

Consistent with the Public Contract Code requirements, SacRT advertised a Request for Qualification (RFQ) for qualified contractors that could perform a design-build of the required replacement equipment. There were three responses to the RFQ from industry leaders in the field of CNG – Trillium, Clean Energy, and EFS West. All 3 contractors were deemed qualified. Staff then developed detailed performance technical specifications and contract documents to release a Request for Proposals (RFP) to the three previously-qualified design-build contractors.

The evaluation factors specified in the RFP were: (a) project understanding; (b) acceptable safety record; (c) project work plan; and (d) price. Consistent with the statute, all proposers were required to confirm that they provide an enforceable commitment to SacRT to use a skilled and trained workforce to perform all work on the project that falls within an apprenticeable occupation in the building and construction trades, as set out in Public Contract Code section 2600 and following.

The pricing in the RFP was structured with a base bid for two replacement compressor package skids with motor control panels and programmable logic controller, with additional package skids and other ancillary items identified as options to acquire the best combination of pricing for replacement of multiple items that could be executed within the available grant funds. The RFP included language allowing SacRT to exercise these options for a period of two years after issuance of Notice to Proceed if additional grant funds became available in the future, with a PPI-based price escalator applied to any options exercised more than 120 days after Notice to Proceed.

Of the three pre-qualified contractors, only one proposal was received from EFS West. The proposal was reviewed for technical capacity and pricing. Procurement staff surveyed the other two pre-qualified proposers and confirmed that the competition was adequate and that the single bid received was not the result of unduly restrictive specifications for performance of the work.

The various options and pricing were reviewed and negotiated with EFS West. The base bid and final options selected will allow rehabilitating the BMF1 CNG Fueling Facility by replacing two of the three oldest compressor skid packages (\$2,347,435.00), the electrical main breaker (\$50,858.00), and the gas dryer (\$442,188.00). The total cost of these items is \$2,840,481.00. During negotiations, EFS West indicated that its suppliers, including ANGI, which will be supplying the compressor package skids, are unwilling to hold pricing in the current volatile market. Consequently, in order to make this award to EFS West, SacRT will have to waive the right to the fixed pricing for any of the optional items not being awarded at this time, most notably additional compressor package skids. While those items could still be added to the Contract at a future date through a Contract Change Order, they would be subject to the pricing offered by EFS West at that time. At this time, there are no near-term grant opportunities foreseen to fund that additional work, so Staff believes that waiving the right to exercise those options will have little practical effect and is justified in order to proceed with expeditious replacement of the most critical equipment needs.

At this time, Staff and EFS West are finalizing the negotiations of modifications to the technical criteria for the performance of the work. Due to supply chain issues and price fluctuations, EFS West has agreed to hold its pricing only through the end of this calendar year, so award cannot be delayed until the next Board meeting. Consequently, the Board is being asked to delegate authority to the General Manger/CEO to make an award upon the successful conclusion of negotiations.

RESOLUTION NO. 21-12-0139

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

December 13, 2021

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A CONTRACT FOR THE DESIGN-BUILD EQUIPMENT REPLACEMENT & REHABILITATION OF BUS MAINTENANCE FACILITY 1 COMPRESSED NATURAL GAS (CNG) FUELING FACILITY WITH EFS WEST

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 award a Contract for the Design-Build Equipment Replacement & Rehabilitation of Bus Maintenance Facility 1 (BMF1) CNG Fueling Facility between the Sacramento Regional Transit District, therein referred to as "SacRT," and EFS West, therein referred to as "Contractor," whereby Contractor agrees to complete the Design-Build Equipment Replacement & Rehabilitation of Bus Maintenance Facility 1 (BMF1) CNG Fueling Facility for an amount not to exceed \$2,840,481.00 plus any applicable taxes and fees upon successful conclusion of negotiations.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives
SUBJ: RATIFYING THE GENERAL MANAGER/CEO'S EXECUTION OF SOFTWARE MAINTENANCE AGREEMENTS WITH TRAPEZE SOFTWARE GROUP, INC. AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PAY ANNUAL SOFTWARE SUPPORT FEES FOR TRAPEZE SOFTWARE GROUP, INC. PRODUCTS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the recommended action will retroactively authorize payments previously made to Trapeze for software maintenance and authorize continued payment of support fees for critical software products used by SacRT Operations staff.

FISCAL IMPACT

The Fiscal Year 2022 cost for annual software support fees of \$201,006 is fully budgeted. The cost for future fiscal years will be included in respective Operating budgets. There are no retroactive payments to be made in connection with this action.

DISCUSSION

On February 11, 2002, the Board approved release of an RFP for the procurement of an integrated Transportation Efficiency and Accessibility Management System. The integrated software package consisted of the following modules: (1) fixed route scheduling system, (2) operator run-cutting system (breaking the service schedule into pieces of work for assignment to operators), (3) operator dispatch and timekeeping, (4) customer contact tracking system, (5) trip planning (for producing trip itineraries for transit passengers), and (6) route planning and performance reporting. The software replaced very antiquated scheduling software that was no longer supported by the vendor and provided new capabilities to produce more efficient transit schedules, work assignments, and provide automation of operator dispatch and time keeping functions.

On December 8, 2002, the Board approved awarding a contract to Trapeze Software Group for procurement of software, licenses, implementation services, training services, and annual maintenance for an amount not to exceed \$1,083,111, plus applicable sales tax under Resolution No. 02-12-0272. As part of that procurement, SacRT was required to sign a Software Maintenance Agreement that included the payment of annual support fees to maintain the functionality of the software. However, the terms of the Software Maintenance Agreement were not clearly described in the 2002 Issue Paper and Resolution. Some statements in the documents suggested that the maintenance services were optional when, in fact, SacRT was required to pay the annual support fee to maintain the functionality of the software. In 2013 (Resolution 13-08-0126), Staff obtained a delegation of authority to the General Manager/CEO to pay annual support fees under the 2002 Software Maintenance Agreement for so long as SacRT continued to require maintenance and upgrades for the licensed software.

In the course of processing annual fee payments this year and deciding to discontinue a number of Trapeze products, Staff realized that there were actually two subsequent Software Maintenance Agreements signed in 2004 and 2005 when additional products were obtained from Trapeze.

A new contract with Trapeze was approved in 2004 to include additional modules. The products included in the new agreement were not approved for perpetual yearly software maintenance and support. Currently, the maintenance cost for those modules is \$55,547.00 annually. SacRT continues to use these products for critical operations support and payment of the annual support fees will continue to be required.

In addition, in 2005, the Board approved the acquisition of two additional products (Flex and Flex Mons), which also were not approved for perpetual yearly software maintenance and support. SacRT recently discontinued use of the products covered by the 2005 purchase, and the 2005 Software Maintenance Agreement was recently terminated. However, Staff is seeking retroactive approval of the payments that have been made since 2005 under this Agreement. The Board is being asked to take three (3) actions:

- (1) Retroactively ratify the General Manager/CEO's execution of the 2004 and 2005 Software Maintenance Agreements, which will authorize the previous payments that have been made since 2004;
- (2) Retroactively approve a sole source procurement for these services, as they cannot be provided by a vendor other than Trapeze; and
- (3) Delegate authority to the General Manager/CEO to pay all Trapeze Annual Maintenance and Support Fees for so long as SacRT continues to use the Trapeze products.

RESOLUTION NO. 21-12-0140

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

December 13, 2021

RATIFYING THE GENERAL MANAGER/CEO'S EXECUTION OF SOFTWARE MAINTENANCE AGREEMENTS WITH TRAPEZE SOFTWARE GROUP, INC. AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PAY ANNUAL SOFTWARE SUPPORT FEES FOR TRAPEZE SOFTWARE GROUP, INC. PRODUCTS

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

THAT, pursuant to Section 1.105 of the Procurement Ordinance (Ordinance 21-10-01), the Board of Directors hereby ratifies the execution by the General Manager/CEO of the March 13, 2004 Software Maintenance Agreement by and between the Sacramento Regional Transit District (therein "Licensee") and Trapeze Software Group, Inc. (therein "Trapeze") to provide critical ongoing software support and maintenance of products purchased by SacRT on a sole source basis, as Trapeze has proprietary rights in the software and no other contractor can provide the required support.

THAT, pursuant to Section 1.105 of the Procurement Ordinance (Ordinance 21-10-01), the Board of Directors hereby ratifies the execution by the General Manager/CEO of the July 30, 2005 Software Maintenance Agreement by and between the Sacramento Regional Transit District (therein "Licensee") and Trapeze Software Group, Inc. (therein "Trapeze") to provide critical ongoing software support and maintenance of products purchased by SacRT on a sole source basis, as Trapeze has proprietary rights in the software and no other contractor can provide the required support.

THAT, the Board hereby delegates authority to the General Manager/CEO to enter into any required agreement and pay all required annual support fees to maintain the functionality of the Trapeze software for so long as SacRT continues to use Trapeze products.

STEVE MILLER, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives/Chief of Staff

SUBJ: APPROVING A SOLE SOURCE PROCUREMENT, RATIFYING THE GENERAL MANAGER/CEO'S 2015 EXECUTION OF TWO AUTHORIZATION TO ORDER CONTRACTS UNDER STATE OF CALIFORNIA CALNET 3 MASTER AGREEMENTS C3-A-12-10-TS-01 AND C3-B-12-10-TS-01, AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO BIND SACRT TO CONTRACTS FOR LEGACY TELECOMMUNICATIONS VOICE AND DATA NETWORKS AND COMMUNICATIONS SERVICES WITH AT&T UNDER STATE OF CALIFORNIA NEXTGEN MASTER AGREEMENT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the recommended action will allow SacRT to acquire AT&T products and services under competitive state pricing until December 31, 2023.

FISCAL IMPACT

AT&T services will be purchased for a period extending until December 31, 2023, which is a term of 24 months, under the AT&T NextGen contract.

The cost for Fiscal Year 2022 (12/31/2021 – 6/30/2022) is \$457,529.80 and is included in the currently-approved Operating budget; The cost for Fiscal Year 2023 is \$1,006,565.56, which includes 10% capacity for new products or services; and the cost for the first six months of Fiscal Year 2024 is \$503,282.78. Costs for Fiscal Years 2023 and 2024 will be included in future Operating Budgets.

DISCUSSION

Since 1996 (Resolution No. 96-06-2640), SacRT has taken advantage of State of California contracts to obtain discounted pricing on legacy “landline” telephone service. At that time, Pacific Bell was the monopoly provider of phone services. Use of a State of California contract (then with Pacific Bell, MCI Telecommunications Corporation) was authorized again in 2004 (Resolution 04-05-0104) for a 10-year period as a cost-effective means of obtaining telephone and data services.

In 2013, shortly before expiration of the 2004 authorization, the Board of Directors adopted a new Procurement Ordinance (13-11-01) specifying that “public utility charges based on an adopted rate and service structure” did not require either a solicitation or a contract (Section 1.02).

Historically, the telephone services were managed by SacRT Facilities Department. While the involved Staff are no longer with SacRT, it appears that a determination was made, outside of consultation with the Procurement or Legal Departments, that the AT&T services could be treated as a “utility” under the 2013 Procurement Ordinance revisions and, therefore, no longer required any Board approval to obtain the benefit of the favorable AT&T rates under the CALNET 3 Contracts.

By 2014, Pacific Bell had merged and become part of AT&T, which had two new competitively-solicited contracts in place (“CALNET 3”) with the State of California for a term extending until 2018, with two State options to extend to June 30, 2020. While some of the “legacy telecommunications” services under CALNET3 were only available from AT&T, other aspects of the covered services (network and data services, cell phones, etc.) were available from a variety of providers.

In 2015, the then-General Manager/CEO executed two “Authorization to Order” agreements between SacRT, AT&T, and the California Department of Technology to allow SacRT to obtain goods and services under the CALNET 3 agreements. The State has continued to extend the CALNET 3 contract beyond the option years, with the current expiration date set as December 31, 2021. AT&T has continued to provide services to SacRT on the assumption that the Authorization to Order documents were coterminous with the State CALNET 3 Contracts.

The SacRT Information Technology Department inherited management of these services several years ago and was not aware of the background regarding how the services were obtained until contacted by AT&T regarding transition of the services to the new competitively-solicited State contracts (“NextGen”).

In discussions with the Legal and Procurement Departments, staff determined that, because AT&T was not providing the services as a regulated “public utility,” it was inappropriate for the Facilities Department to rely on Section 1.02 of the Procurement

Ordinance to obtain the services without Board approval of a procurement contract. Consequently, the Board is now being asked to take three (3) actions:

(1) Retroactively ratify the General Manager/CEO's execution of the Authorization to Order documents, which constitute a "Contract" for purposes of the Procurement Ordinance but were not properly executed because they were more than the General Manager/CEO's procurement authority (then \$100,000). Because they were competitively-solicited, the State contracts were appropriate for SacRT to use for these services until June 30, 2020.

(2) Retroactively approve a sole source procurement of these services for the period of July 1, 2020 to December 31, 2021 as being in the "best interest" of SacRT under Section 1.405.B.2 of the Procurement Ordinance. Because the term of the CALNET 3 Contracts has been extended beyond the originally-specified term (including all exercised options), the extension of the services for this period requires a sole source justification. Because SacRT obtained these services at highly-competitive rates through the State CALNET 3 Contract, SacRT Staff believes a best interest finding is justified.

(3) Delegate authority to the General Manager/CEO to prospectively enter into Contracts with AT&T to continue to obtain services under the new NextGen Contracts, specifically NextGen Legacy Telecommunications Voice under Categories 15-18 and Data Networks and Communications Services under Categories 20-30 from the date of signing through December 31, 2023.

RESOLUTION NO. 21-12-0141

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

December 13, 2021

APPROVING A SOLE SOURCE PROCUREMENT, RATIFYING THE GENERAL MANAGER/CEO'S 2015 EXECUTION OF TWO AUTHORIZATION TO ORDER CONTRACTS UNDER STATE OF CALIFORNIA CALNET 3 MASTER AGREEMENTS C3-A-12-10-TS-01 AND C3-B-12-10-TS-01, AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO BIND SACRT TO CONTRACTS FOR LEGACY TELECOMMUNICATIONS VOICE AND DATA NETWORKS AND COMMUNICATIONS SERVICES WITH AT&T UNDER STATE OF CALIFORNIA NEXTGEN MASTER AGREEMENT

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

THAT, pursuant to Section 1.105 of the Procurement Ordinance (Ordinance 21-10-01), the Board of Directors hereby ratifies the execution by the General Manager/CEO of the July 7, 2015 Authorization to Order under State of California CalNET 3 Master Agreement C3-A-12-10-TS-01 by and between the Sacramento Regional Transit District (therein "Non-State Entity") and AT&T (therein "AT&T") to provide telecommunications voice services.

THAT, pursuant to Section 1.105 of the Procurement Ordinance, the Board of Directors hereby ratifies the execution by the General Manager/CEO of the July 7, 2015 Authorization to Order under State of California CalNET 3 Master Agreement C3-B-12-10-TS-01 by and between the Sacramento Regional Transit District (therein "Non-State Entity") and AT&T (therein "AT&T") to provide network and internet services.

THAT, pursuant to Section 1.405.B.2 of the Procurement Ordinance, the Board hereby finds that it was in the best interest of SacRT to continue the above contracts with AT&T on a sole source basis for the period of July 1, 2020 to December 31, 2021 (beyond the competitively-solicited term of the original State Master Agreements).

THAT, contingent upon satisfaction of the condition set forth below, the General Manager/CEO is hereby authorized to bind Sacramento Regional Transit District to a contract or contracts with AT&T in accordance with the terms and conditions, and for the prices, set forth in a master contract with the State of California

THAT, prior to entering into any contract with AT&T, the General Manager/CEO must determine that the master contract with the State of California through which the

products and services will be purchased was awarded through competitive bidding and that all applicable federal and state requirements are met.

THAT, this delegation of authority will expire December 31, 2023.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: AWARD CONTRACT FOR INSURANCE BROKER SERVICES TO ALLIANT INSURANCE SERVICES, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the Contract will provide Sacramento Regional Transit District (SacRT) with insurance broker services for a three-year term for an amount not to exceed \$463,000, with a SacRT option to renew for two additional one-year terms.

FISCAL IMPACT

The contract for broker services is for a 3-year term. The Fiscal Year (FY) 2022 amount is fully budgeted and future Fiscal Years will be included in the respective Operating budgets.

FY22 January through June	\$ 75,000
FY23 July through June	152,000
FY24 July through June	156,500
FY25 July through December	<u>79,500</u>
Total Contract Consideration	\$463,000

DISCUSSION

The current contract for Insurance Broker Services with Alliant Insurance Services, Inc. (Alliant) expires on December 30, 2021. SacRT requires the expertise of a broker that evaluates SacRT's coverage needs, markets, obtain quotes, and evaluates insurers' financial status using specifications approved by SacRT. Upon approval of costs and coverages by SacRT's Board of Directors, the broker places and services SacRT's policies for excess property, excess liability, excess workers' compensation, boiler and machinery, employment practices liability and employee dishonesty, cyber liability, as well as providing other customary brokerage support services.

Staff released the RFP on October 22, 2021, with a proposal evaluation conference conducted on November 19, 2021. Qualifying criteria included the Proposer's response

to understanding the contract scope and requirements, staffing and experience, contract work plan, and competitiveness of pricing. After review and evaluation of the written proposals, staff determined that oral interviews were not required. The Selection Committee determined Alliant to be the most-qualified proposer with scoring as follows:

Proposer	Alliant	A.J. Gallagher
Total Scoring Points:	98.45	58.98

While both Proposals demonstrated qualified and competitive staffing and experience, Alliant was selected as the most responsive and cost-efficient Broker proposal, demonstrating ability and knowledge with assessing, marketing, and structuring insurance products specific to transit and SacRT's business requirements.

The insurance broker contract payment structure is based on an annual retainer fee basis. Alliant's 3-year price of \$463,000 has been deemed fair and reasonable and falls within the established budget.

RESOLUTION NO. 21-12-0142

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

December 13, 2021

AWARD CONTRACT FOR INSURANCE BROKER SERVICES TO ALLIANT INSURANCE SERVICES, INC.

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

THAT, the Contract for Insurance Broker Services by and between the Sacramento Regional Transit District, therein "SacRT," and Alliant Insurance Services, Inc, therein "Contractor," whereby Contractor agrees to provide specified insurance broker services for an amount not to exceed \$463,000 for a 3-year term, with a SacRT option to extend for up to 2 additional years, is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR BUS SHELTER AND BENCH ACQUISITION, INSTALLATION AND MAINTENANCE, AND ADVERTISING SERVICES WITH CLEAR CHANNEL OUTDOOR TO INCLUDE SHELTERS AND BENCHES WITHIN THE CITY OF ELK GROVE AND EXERCISE THE OPTION YEARS 11-15

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The contract with Clear Channel Outdoor (Clear Channel) will be amended to expand current bus shelter and bench acquisition, installation and maintenance, and advertising services to transit stops within the City of Elk Grove in exchange for Sacramento Regional Transit District (SacRT) foregoing the annual guarantee/revenue share amounts. The option years will also be exercised to extend the Contract for an additional five years.

FISCAL IMPACT

Currently, Clear Channel provides bus stop shelter and bench acquisition, installation and maintenance services to SacRT. Clear Channel also pays SacRT a \$60,000 annual Administrative Fee and an advertising revenue share of the greater of: (a) 15% gross/total advertising dollars or (b) a specified annual guarantee amount.

As a condition of agreeing to provide services within the City of Elk Grove, Clear Channel has requested that the annual guarantee/revenue share payments be eliminated for the remaining term of the Contract including extension option years. The annual guarantee for this Contract for years six through 10 is \$100,000 per year; in years 11 through 15, the annual guarantee would increase from \$103,000 to \$115,927 per year over the 5-year period.

Clear Channel provided a cost analysis to SacRT documenting that its anticipated costs to service the City of Elk Grove will exceed the specified annual guarantee amounts. Staff does not anticipate that percentage advertising revenue guarantee would exceed the fixed annual guarantee amounts. Therefore, the anticipated lost revenue is based on the annual guarantee amounts. While this lost revenue will be approximately \$1 million for

the remaining term of the Contract, including the option years, the revised Contract terms place all risk of increased labor and materials costs on Clear Channel; in no event will SacRT have out of pocket costs for these services. The alternative would be for SacRT to solicit a new contract for these services in the City of Elk Grove. Since Clear Channel has efficiencies from the equipment and material already on hand to service SacRT's existing inventory, Staff anticipates that any other contractor would be more expensive. Because SacRT has contracted out bus shelter and bench maintenance services since the 1990s, SacRT does not have internal staff that could provide these services in lieu of a contractor.

DISCUSSION

SacRT and Clear Channel entered into a Contract in 2015 for Clear Channel to provide SacRT with bus shelter and bench acquisition, installation and maintenance, at no cost to SacRT. Clear Channel provides these services using the revenue obtained from shelter and bench advertising. The Contract includes an administrative fee of \$60,000 paid to SacRT, as well as a minimum annual guarantee or 15% of revenues, whichever is greater. The contract has provisions for the expansion of Contractor's service and advertising rights to new service areas but allows Clear Channel to request an equitable adjustment in the Contract terms to account for new costs incurred as a result of the expansion.

When SacRT annexed the City of Elk Grove effective July 1, 2021, SacRT assumed ownership of the bus shelter and bus inventory within the City of Elk Grove. In response to the request from SacRT to extend the existing Contract to the new service area, Clear Channel requested that the annual guarantee/revenue share be eliminated for the remaining Contract term and that SacRT agree to early exercise of the five option years (extending the Contract out to 2030; SacRT will continue to have the right to terminate early for convenience or breach).

Clear Channel provided SacRT with yearly cost details for servicing the additional Elk Grove inventory:

Clear Channel Costs:

- Additional Truck: \$40,000
- Gas/Vehicle maintenance: \$15,600
- Additional one head count: \$114,410
- Additional Capex costs:
 - Ad/Map/back glass, diffusers: \$15,000
- **Total additional cost year 1: \$185,010**
- **Total additional cost years 2+: \$145,010 (plus inflation)**

By agreeing to merely forego the annual guarantee/revenue share payments for the remaining Contract term, SacRT eliminates the cost risk associated with maintenance of the new inventory and will benefit from consistent service across the entire shelter and bus inventory from a single contractor.

RESOLUTION NO. 21-12-0143

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

December 13, 2021

APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR BUS SHELTER AND BENCH ACQUISITION, INSTALLATION AND MAINTENANCE, AND ADVERTISING SERVICES WITH CLEAR CHANNEL OUTDOOR TO INCLUDE SHELTERS AND BENCHES WITHIN THE CITY OF ELK GROVE AND EXERCISE THE OPTION YEARS 11-15

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

THAT, the Second Amendment to the Contract for Bus Shelter and Bench Acquisition, Installation and Maintenance, and Advertising Services by and between the Sacramento Regional Transit District (therein "SacRT") and Clear Channel Outdoor (therein "Contractor") whereby SacRT agrees to eliminate the revenue share/annual guarantee payments for the remaining Contract term in consideration for Contractor assuming responsibility for shelter and bench inventory within the City of Elk Grove and SacRT exercising the option to extend the Contract for an additional 5 years, to July 16, 2030, is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Tabetha Smith, Clerk to the Board / Shelly Valenton, VP,
Integrated Services and Strategic Initiatives

SUBJ: INTENT MOTION TO EXTEND THE TERM OF THE CURRENT
CHAIR (STEVE MILLER) AND VICE CHAIR (PATRICK
KENNEDY) FOR ONE MORE YEAR AS CHAIR AND VICE CHAIR
FOR THE SACRT BOARD OF DIRECTORS FOR 2022

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

This intent motion will extend the term of the Current Chair (Steve Miller) and Vice Chair (Patrick Kennedy) for One More Year as Chair and Vice Chair for the SacRT Board of Directors for 2022.

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, Steve Miller is serving as Chair, and Patrick Kennedy is serving as Vice Chair.

On August 13, 2018, by Resolution No. 18-08-0084, the Board amended and restated Title III of SacRT's Administrative Code, Section 3.1.2.5, to allow for the Chair to serve successive years using the same process as described in SacRT's Enabling Legislation. SacRT's Enabling Legislation states that the process be conducted at the Board's first regular meeting in January. Below is the amended paragraph from Title III.

§3.1.2.5 Elections

Election of any officer of the District will be by nomination, closing of nominations and balloting on nominees. Before the declaration of the result of the vote, a unanimous ballot may be cast for the successful

candidate. The Chair and Vice- Chair will be elected at the first regular meeting in January unless otherwise provided under Public Utilities Code Section 102104. A Chair may serve successive years with Board affirmation at the end of each year using the same process listed above by the Board of Directors at its first regular meeting in January.

In order to assist Staff with planning purposes for 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 2022.

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT AND DESIGNATE THE RESERVE FOR FISCAL YEAR JUNE 30, 2021.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Receive and File the Annual Comprehensive Financial Report (ACFR). Reports on Compliance and Internal Controls as Required by Uniform Guidance and the Transportation Development Act (TDA) Report to the Board of Directors for the Fiscal Year (FY) ended June 30, 2021, and designate \$5,943,570 to SacRT's Operating Reserve.

These actions will result in a net increase of \$5,943,570 to the July 1, 2020, beginning Operating Reserve balance of \$17,507,340 bringing the total Operating Reserve balance as of June 30, 2021 to \$23,450,910.

FISCAL IMPACT

As of June 30, 2021, Operating Revenues exceeded Operating Expenses, thereby creating an Operating Surplus of \$5,943,570 (as shown on page 11 of the ACFR).

Upon approval of the FY 2021 operating results and the recommended actions noted above, the final June 30, 2021, combined balances of \$23,450,910 of Operating Reserves and \$13,100,000 of previous years working capital contributions, total \$36,550,910.

DISCUSSION

Each fiscal year, SacRT prepares an ACFR 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 ACFR and Uniform Guidance from its auditors, Crowe LLP, for the fiscal year ended June 30, 2021. Moreover, no material weaknesses involving SacRT's financial reporting, internal control processes, or issues of non-compliance were identified.

Financial Results Summary

The ACFR presentation and classifications are intended to provide an overall picture of SacRT's year-end position, as well as the results of operations. Overall, and as reflected in the Financial Section to the ACFR (see Attachment 1 – Statement of Revenue and expenses), SacRT's net position increased by \$31.0 million as of June 30, 2021.

The increase in net position is primarily the result of federal Coronavirus Aid, Relief and Economic Security (CARES) Act funds received. For additional analysis, please refer to the Management Discussion and Analysis (MD&A) section found within the ACFR document starting on page 4.

Summary of Actual Results

The ACFR presentation differs from SacRT's Operating and Capital budgets in that the ACFR combines both Operating and Capital activities. To evaluate the FY 2021 operating results, Attachment 1 and page 11 of the ACFR shows SacRT's Operating and Capital funds separately. As of June 30, 2021, SacRT's operating results were as follows: \$12.0 million in fare revenues, \$191.3 million in operating expenses, and a combined \$185.3 million in non-operating revenues and expenses.

Summary of Budget to Actual Results

The amended Budget to actual highlights includes an unfavorable variance in fare revenues of \$0.2 million, net favorable variance in operating expenses of \$12.7 million and a net unfavorable variance in non-operating revenues of \$6.5 million (see Attachment 2).

Operating Revenues

SacRT's FY 2021 fare revenue totaled \$12.0 million. The net unfavorable variance of \$0.2 million can be attributed to the sustained reduction of ridership due to the COVID-19 pandemic.

Operating Expenses

Operating expenses totaled \$191.3 million, a net favorable variance of \$12.7 million from the budget of \$204.0 million. Salaries and fringe benefits were under budget by \$2.0 million, as a result of lower-than-expected medical cost increases and labor and fringe benefits savings from vacant positions which were partially offset by the cost of overtime. Professional and Other Services were under budget by \$5.2 million, as a result of budgeted information technology projects that were deferred to future years due to COVID and other priorities, purchased transportation project costs, and vacancy savings on the police services contract with the Sacramento Police Department.

Non-Operating Revenues and Expenses

Non-operating revenue and expenses totaled \$185.3 million, a net unfavorable variance of \$6.5 million from the budget of \$191.8 million. Due to a large projected surplus from tax-based revenues throughout the year and savings in the operating expenses, SacRT management assigned \$3.8 million of state and local operating assistance to capital projects and reduced the use of Federal CARES Act funds in FY 2021 by \$6.5 million resulting in an overall unfavorable variance of \$9.6 million in operating assistance. The unfavorable variance was partially mitigated by a favorable variance of \$2.3 million in alternative fuel and carbon tax credits due to increased carbon credit sales as a result of higher demand and higher than expected Federal Excise Tax Credits revenue for Compressed Natural Gas due to the extension of the credit program.

Operating Results

SacRT concluded FY 2021 with an operating surplus of \$5,943,570 which will be designated to SacRT's Operating Reserve.

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 target requirements of each, and the current balance held by SacRT. Note, the minimum Operating Reserve for FY 2021 is 8% of the annual operating budget, which is approximately \$16.3M. The actual reserve balance for FY 2021 is \$23.5M, which exceeds the minimum but is slightly short of the target.

Reserve Type	Policy Target	FY 2021 Policy Target Amount	Actual Reserve Balance	Target Reserve Shortfall
Operating Reserve	12.3% of the annual operating budget (Initial FY 2021 budget of \$204M)	\$25.1 million*	\$23.5 million**	\$1.6
Working Capital		N/A	<u>\$13.1 million**</u>	-
Total			\$36.6 million	
Self-Insurance	Current year actuarially determined claim expense at a minimum	\$5.2 million	\$3.4 million	\$1.8
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 final FY 21 operating budget

**Includes FY 21 increase in net position

In the past six fiscal years, SacRT has made a significant financial turn-around by building the operating reserve and working capital balance to \$36.6 million, as of June 30, 2021 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 invested operating reserve target presented above is the minimum requirement per the Comprehensive Reserve Policy; however, SacRT currently has a \$20 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 2021 Statement of Revenue and Expense per Funding Designations – Attachment 1
- Fiscal Year 2021 Statement of Revenue and Expenses, Operating Budget to Actual Expenses – Attachment 2
- The Annual Comprehensive Financial Report (ACFR) – 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 2021
Statement of Revenues and Expenses
Per Funding Designation

Statement of Revenues and Expenses	FY 2021 Funding Designation			
	Operations	GASB	Capital Improvement Program	Total
OPERATING REVENUES (Fares)	\$ 12,001,272	\$ -	\$ -	\$ 12,001,272
OPERATING EXPENSES				
Labor and Fringe Benefits	141,540,862	5,167,137	-	146,707,999
Professional and Other Services	14,729,042	-	1,725,751	16,454,793
Spare Parts and Supplies	13,503,911	-	1,331,864	14,835,775
Utilities	7,271,754	-	-	7,271,754
Casualty and Liability Costs	12,335,695	-	-	12,335,695
Depreciation and Amortization	-	-	44,060,094	44,060,094
Indirect Costs Allocated to Capital Programs	(198,855)	-	-	(198,855)
Other	2,144,364	-	-	2,144,364
Total Operating Expenses	\$ 191,326,773	\$ 5,167,137	\$ 47,117,709	\$ 243,611,619
Loss from Operations	(179,325,501)	(5,167,137)	(47,117,709)	(231,610,347)
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	113,657,412	-	-	113,657,412
Federal	57,703,601	33,973,749	4,308,786	95,986,136
Investment Income	2,621,372	-	29,197	2,650,569
Interest Expense	(2,494,366)	-	(2,386,142)	(4,880,508)
Pass Through to Subrecipients	-	-	(4,259,523)	(4,259,523)
Professional and Other Services Funded by Others	-	-	(123,612)	(123,612)
Contract Services	6,634,125	-	-	6,634,125
Alternative Fuel and Carbon Tax Credits	4,585,066	-	-	4,585,066
Other	2,561,861	-	(1,722,716)	839,145
Total Non-operating Revenues (Expense)	\$ 185,269,071	\$ 33,973,749	\$ (4,154,010)	\$ 215,088,810
Increase (Decrease) in Net Position Before Capital Contributions and Special Item	5,943,570	28,806,612	(51,271,719)	(16,521,537)
Capital Contributions				
State and Local	-	-	42,669,138	42,669,138
Federal	-	-	4,848,118	4,848,118
Increase (Decrease) in Net Position	\$ 5,943,570	\$ 28,806,612	\$ (3,754,463)	\$ 30,995,719
Reserve				
Operating and Capital Reserve Balance June 30, 2020	\$ 17,507,340			
FY2021 Designation to Operating Reserve	5,943,570			
Operating Reserve Balance June 30, 2021	\$ 23,450,910			
Working Capital Combined Balance	\$ 13,100,000			

Fiscal Year 2021
Statement of Revenues and Expenses
Operating Budget to Actual Expenses

Statement of Revenues and Expenses	FY 2021 Budget to Actual Expenses			
	Approved Budget	Adjusted Operating Results	Variance (Unfavorable)/ Favorable	Percent Variance
OPERATING REVENUES				
Fares	\$ 12,176,775	\$ 12,001,272	\$ (175,503)	-1.4%
OPERATING EXPENSES				
Labor and Fringe Benefits	143,515,353	141,540,862	1,974,491	1.4%
Professional and Other Services	19,901,374	14,729,042	5,172,332	26.0%
Spare Parts and Supplies	13,818,260	13,503,911	314,349	2.3%
Utilities	7,827,600	7,271,754	555,846	7.1%
Casualty and Liability Costs	14,916,501	12,335,695	2,580,806	17.3%
Depreciation and Amortization	-	-	-	
Indirect Costs Allocated to Capital Programs	(213,117)	(198,855)	(14,262)	6.7%
Other	4,211,647	2,144,364	2,067,283	49.1%
Impairment Loss	-	-	-	
Total Operating Expenses	\$ 203,977,618	\$ 191,326,773	\$ 12,650,845	6.2%
(Loss) Income from Operations	(191,800,843)	(179,325,501)	12,475,342	-6.5%
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	115,159,473	113,657,412	(1,502,061)	-1.3%
Federal	65,814,658	57,703,601	(8,111,057)	-12.3%
Investment Income	2,748,763	2,621,372	(127,391)	-4.6%
Interest Expense	(2,858,763)	(2,494,366)	364,397	-12.7%
Contracted Services	6,380,312	6,634,125	253,813	4.0%
Alternative Fuel and Carbon Tax Credits	2,329,400	4,585,066	2,255,666	96.8%
Advertising	1,040,000	766,702	(273,298)	-26.3%
Other	1,187,000	1,795,159	608,159	51.2%
Total Non-operating Revenues (Expense)	\$ 191,800,843	\$ 185,269,071	\$ (6,531,772)	-3.4%
Increase in Net Position	\$ -	\$ 5,943,570	\$ -	-



Sacramento Regional Transit District
**ANNUAL
 COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

Sacramento



**Regional
 Transit**

1400 29th Street
 P.O. Box 2110
 Sacramento, CA 95812-2110
 916-321-2800 • sact.com

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Sacramento  Regional Transit

Prepared by the Finance Division

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Introductory Section



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 13, 2021

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

The Sacramento Regional Transit District (SacRT) is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance as it pertains to audits of state and local governments. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity 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 6 months of the close of each fiscal year. Pursuant to that requirement, SacRT hereby issues the Annual Comprehensive Financial Report (ACFR) of SacRT for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of SacRT. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of SacRT annually commissions an independent audit of its account records, consistent with the Sacramento Regional Transit District Board of Directors' (Board) fiduciary duty to preserve and protect SacRT assets and to compile sufficient reliable information for the preparation of SacRT's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, SacRT'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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

SacRT's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that SacRT's financial statements for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there are no material weaknesses to report and that there was a reasonable basis for rendering an unmodified opinion that SacRT's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of SacRT was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in SacRT’s separately issued Uniform Guidance Single Audit, Subpart F reports.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. SacRT’s MD&A can be found immediately following the independent auditor’s report of Crowe LLP.

Profile of SacRT

SacRT began operation on April 1, 1973, with the acquisition of the Sacramento Transit Authority. SacRT is the largest public transportation provider in the Sacramento region, the capital of the fifth largest economy in the world, serving a metropolitan population of over 1.4 million with a service area of approximately 440 square miles. In 1971, California legislation allocated sales tax money for local and statewide transit service and created the organizational framework for SacRT pursuant to the Sacramento Regional Transit District Act.

An 11-member Board of Directors is responsible for governing the SacRT. The Board is comprised of four members of the Sacramento City Council, three members of the Sacramento County Board of Supervisors, one member of the Rancho Cordova City Council, one member of the Citrus Heights City Council, one member of the Folsom City Council and one member of the Elk Grove City Council. The Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring SacRT’s General Manager/Chief Executive Officer (GM/CEO). SacRT’s GM/CEO is responsible for carrying out the policies and ordinances of the Board for overseeing the day-to-day operations of SacRT, and for appointing the executive management of the various divisions.

SacRT provides bus and light rail service 365 days a year covering a 440 square-mile service area. Annual bus and light rail ridership have decreased from 14 million passengers in 1987, to approximately 8 million passengers in fiscal year ending June 30, 2021, as a direct effect of the COVID-19 pandemic. SacRT ridership was on the rise through the month of February 2020, seeing a 10% increase in ridership system-wide. In response to the COVID-19 pandemic, the Sacramento region closed schools, businesses and enacted a Shelter-in-Place orders that affected Sacramento residents throughout 2020 and 2021. Due to these measures, SacRT experienced sharp declines in ridership, not unlike transit agencies across the country. Daily ridership initially declined around 75 percent and then started to slowly increase with the fiscal year ending approximately 15 percent below Fiscal Year 2019’s system-wide ridership. In spring of 2021, SacRT began to see improvements in ridership as vaccines were rolled out, schools began to reopen, and restaurant and business restrictions began to lift.

SacRT’s entire bus and light rail system is accessible in accordance with the American Disabilities Act (ADA). Additionally, SacRT provides origin-to-destination transportation service (in accordance with the Americans with Disabilities Act of 1990) for people that are unable to use fixed-route service.

SacRT’s annual budget serves as the foundation for financial planning and control. The budget is a financial plan for one fiscal year of operating revenue and expenses, and capital investments. The

plan matches revenues with the service expenses and project cost expenses based on policies set by SacRT's Board. The budget process follows three basic steps that help provide continuity in decision making: 1) assess current conditions and needs, and develop goals, objectives, policies and plans; 2) prioritize projects and develop a work program, and 3) implement those plans and policies, and prepare to evaluate their effectiveness and shortcomings.

SacRT's General Manager/CEO presents a proposed budget to the Board for a 60-day public review period beginning in April. Following the review period, SacRT is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the fiscal year. The budget is prepared by fund (operating or capital), division and department (e.g., safety) or by capital project. The legal level of control is at the fund level, where budget amendments are authorized by the Board. The responsible division executive manager and the GM/CEO authorize interdivisional transfers. The respective division directors and department managers authorize intra-divisional transfers, and the responsible manager authorizes departmental transfers.

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 specific environment within which SacRT operates bus and light rail service.

COVID-19

As the Sacramento region and the rest of the nation responded to COVID-19, SacRT temporarily reduced service in March 2020 in response to the local shelter-in-place order and quickly shifted to rear door boarding among many other COVID related precautions. Staff continued to monitor ridership and make adjustments by adding extra buses to popular routes during peak commute hours, bringing back approximately 100 percent of service levels by September 2020 to help essential employees get to work, reduce transportation barriers, and ensure equitable transit for disadvantaged and underserved communities. The restored serviced levels ensured enough space for riders to social distance while traveling safely to their destinations while also protecting our operators.

SacRT has been an important partner in supporting the Sacramento region's recovery and providing over 10 million passenger trips since the pandemic began, underscoring the essential lifeline services that SacRT provides to the Sacramento community.

During Fiscal Year 2021, while the COVID-19 pandemic crippled many transit agencies, SacRT was able to generate \$7.4 million in operating surplus, staving off layoffs, furloughs, and salary cuts. Despite a 54 percent drop in ridership and a 43% decline in farebox revenue during the peak of the pandemic and shelter-from-home order. Additionally, Standard and Poor's Financial Services improved SacRT's outlook to positive and cited that, "SacRT is faring much better than most transit agencies due to its strong fiscal and governance policies and practices."

Additional information on COVID-19 and its impact on SacRT can be found in Footnote 1 to the financial statements.

Local Economy

SacRT operates service in the capitol city of the fifth largest economy in the world. The Sacramento region, which includes six counties (El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba), has varied state governmental services and a light industrial base. The annual unemployment rate for the Sacramento area in 2021 was 7.4 percent, an encouraging gain from the 2020 rate of 9.3 percent.

The Sacramento region continues to trend below the statewide annual unemployment averages, which demonstrates the need for transit in the Sacramento region.

A significant portion of SacRT's operating funds are derived from sales tax revenues. In Fiscal Year 2021, taxable sales in the Sacramento region rose resulting in an increase of 15.5 percent in Measure Revenue. It is estimated that the taxable sales in the region will increase in Fiscal Year 2022. SacRT adopted the Fiscal Year 2022 Operating Budget with an increase of approximately 2.8 percent in Measure A sales tax-based revenues compared to Fiscal Year 2021 actuals and a 18.3 percent increase in Local Transportation Funds due to the estimated taxable sales and the City of Elk Grove annexation.

District-Wide Improvement Initiatives

While the ongoing Covid-19 pandemic may have impacted some of SacRT's original Fiscal Year 2021 goals, it provided us an opportunity to live our mission, vision, and values. This was truly a year of providing community value in the Sacramento region and staff prides itself on not only maintaining service levels but delivering a variety of innovative solutions throughout the year. The result of staff successfully pivoting to address rapidly changing priorities is seen in our rider survey, which reported high levels of customer satisfaction. SacRT's transformation was recognized through a multitude of local and national awards, and SacRT was ranked #1 in customer satisfaction among cities, special districts, and county in a 2019 and 2021 regional poll. In 2020, SacRT received an overall customer satisfaction rating of 4.15 on a scale of 1 to 5.

SacRT continues to pursue opportunities for coordination and consolidation to provide a more cost-effective and coordinated transit service for the entire region. In recent years, SacRT successfully negotiated the annexation of the transit services of the cities of Folsom and Citrus Heights followed by Elk Grove beginning July 1, 2021. These consolidation efforts, made possible because of a renewed trust in SacRT by the jurisdictions, provided economies of scale, and a true integrated regional system and the opportunity to compete and win additional grant funding that may have been lost to larger transit agencies in other regions – bringing additional funding to the region.

SacRT will not be deterred from continuing to improve and implement innovative mobility solutions that will benefit the Sacramento region and push for additional funding at the federal, state, and local levels.

Major Initiatives Moving Forward

SacRT's FY 2021-2025 Strategic Plan

The disruptive impact of the COVID-19 pandemic precisely demonstrated the need for a strategic plan – especially for organizations that are publicly funded like SacRT. The pandemic is a major hurdle; however, it was also an opportunity for the transit industry to show the vital role public transit plays in keeping the Sacramento region moving. One thing that has been clear and consistent from the start of the crisis is that public transit is a lifeline for many – providing critical mobility options for millions of front-line healthcare, grocery, and service industry workers fulfilling essential roles during the pandemic. Adopted in October 2021, SacRT's Strategic Plan for FY2021-25, will serve as the guiding vision for post-pandemic strategic success. Following a months-long collaborative internal planning process with staff and board members, SacRT's five-year Strategic Plan will serve as the guiding vision for post-pandemic strategic success. SacRT strives to balance the delivery of high-quality customer experience with value to taxpayers, and this strategic plan offers a platform from which the agency will take aim at these two high level aspirations. Here are the guiding principles:

- **Customer Satisfaction:** Ensuring that SacRT customers have access to high quality mobility options that they actively and increasingly use is a priority for SacRT. SacRT wants to ensure that the system provides customers with mobility options that get them where they want to go, when they want to go there.
- **Operational Excellence:** SacRT is dedicated to providing innovative mobility solutions and developing and implementing programs that provide best in class service that puts customers first. As public transportation service continues to evolve, SacRT is committed to providing the highest standards in transportation by implementing industry best practices and ensuring clean, safe, reliable and convenient service for our customers.
- **Community Value:** SacRT is committed to expanding regional partnerships and providing excellent public transit service to promote SacRT as our region's premier public transit agency. SacRT will continue to promote programs and incentive options that will encourage more people to try transit, build our ridership, demonstrate our value and economic impact as a community partner, and educate the public about the benefits of transit and how local funding is important to create a world-class public transit system.
- **Employee Engagement:** SacRT is dedicated to providing a positive and collaborative workplace that enables us to build a strong workforce of highly satisfied and performing individuals. SacRT recognizes that the work employees do every day, in every single position, has a potentially significant impact on the quality of life in the Sacramento region. SacRT employees are foundational to the success and SacRT is committed to hiring the best people and supporting them throughout their careers at SacRT.

Restore and Maintain Service Levels to Pre-COVID-19 Levels

SacRT implemented a Service Recovery Plan in September 2020 to restore service to pre-COVID-19 levels. The additional service began in fall 2020, which increased service levels to approximately 100 percent for light rail Blue and Gold lines, and bus routes 1 through 93, and expanded its Smart Ride on-demand microtransit service to nine zones.

In September 2020, SacRT conducted a two-week online rider survey on transit ridership during the COVID-19 pandemic. As a result, 313 total responses were provided on how they have been affected and their current and future plans for transit use. The survey results show a strong correlation between commuters no longer going to their place of work and ridership declines with approximately 50.7 percent of respondents stating that they are teleworking full-time, were furloughed or lost their job as a result of the pandemic. Survey results demonstrated that the majority of respondents intended to return back to using the system once more people are vaccinated, and COVID-19 cases drop. Overall, SacRT received a 4.15 satisfaction score on a scale of 1 to 5 (5 being very satisfied) in nine best safety practices.

In August 2021, SacRT relaunched the Airport Express Bus service between downtown Sacramento and the Sacramento International Airport using 100 percent zero-emission electric vehicles, which is part of SacRT's Zero Emission Vehicle Plan.

Light Rail Modernization Project

As part of SacRT's \$610 million Light Rail Modernization Project that includes new vehicles, station enhancements and additional track to improve headways and reliability, SacRT has awarded a contract to Siemens Mobility in Sacramento to manufacture up to 76 new low-floor light rail vehicles. After securing \$185 million in state and federal funds, SacRT ordered 20 new modern low-floor light

rail vehicles in FY 2021 - the first in nearly 20 years - from Siemens Mobility, with the first ones ready for revenue service by spring 2023.

Over the past year, SacRT has been awarded more than \$73.4 million from state and local sources to progress the Light Rail Modernization Project and with leveraged federal funding available, SacRT plans to transition to an entirely new low-floor light rail fleet.

In December 2020, SacRT was awarded state grants by the California Transportation Commission (CTC), including over \$33.8 million to SacRT to assist with the Light Rail Modernization Project from the Solutions for Congested Corridors Program (SCCP), which will improve access, reliability, and capacity on SacRT's Blue Line.

In April 2021, SacRT was awarded over \$33.1 million in project funding from SACOG's 2021 Regional Funding Round to assist with the Light Rail Modernization Project, to support CNG tank and bus replacements, to further Sacramento Valley Station Loop Stations Project, and to complete the funding needed to reimagine the Watt/I-80 Transit Center Improvements. This funding includes \$22 million towards the purchase of 16 additional new low-floor light rail vehicles, bringing the total to 36 new vehicles by Fiscal Year 2022.

SacRT's Folsom double tracking project will occur between Sunrise Station and the Historic Folsom Station. The single tracking that is currently in place restricts light rail trains to 30-minute service frequencies; however, double tracking will allow for 15-minute service. Project will be completed in Fall 2023.

Electric Vehicles

In accordance with the California Air Resource Board's Innovative Clean Transit regulation (CARB ICT), SacRT adopted a Rollout Plan to transition its bus fleet to 100 percent zero-emission vehicles (ZEV) by 2040. The CARB's ICT regulation requires all public transit agencies in the State of California to transition from conventional buses (compressed natural gas, diesel, etc.) to zero-emission buses (battery-electric or fuel cell electric) by 2040. The regulation requires a progressive increase of an agency's new bus purchases to be zero-emission buses (ZEBs) based on their fleet size.

In March 2021, the Board approved a Zero-Emission Bus Rollout Plan, which will transition SacRT's fleet to 100 percent zero-emission by 2040. In their letter of support, SMUD reiterated its commitment to a true regional partnership to help SacRT fulfill this ambitious ZEB plan through close coordination and infrastructure that will be vital with this fleet transition.

In June 2021, SacRT along with the Sacramento Municipal Utility District (SMUD), and GiddyUp EV, Inc., held a "plug-in" ceremony to celebrate an innovative public-private partnership that will bring a new high-speed electric vehicle charging hub to the Power Inn light rail, which will include the installation of passenger electric vehicle chargers, a solar system (including electrical equipment) on top of canopies acting as covered carports, and an ATM. The new charging hub is anticipated to go live in spring of 2022 and be one of the largest charging hubs in the state when built out. This public-private partnership will deliver a state-of-the-art charging solution for Sacramento's growing electric vehicle market, meet the region and state's sustainability goals, and provide a revenue sharing model for SacRT.

SacRT GO

In June 2020, SacRT brought our complementary ADA paratransit and non-ADA paratransit service in house to improve customer satisfaction and increase operational effectiveness. SacRT GO Paratransit Services is door-to-door, shared-ride transportation for individuals who are unable to use SacRT's bus and light rail system (also referred to as Fixed-Route), either all of the time or some of the time, because of a disabling condition. In Fiscal Year 2021, SacRT GO provided approximately 170 thousand rides covering over 1.4 million revenue miles.

The transition allowed SacRT to apply and be eligible for Consolidated Transportation Service Agencies (CTSA) funding. At the December 2020 Sacramento Transportation Authority meeting, SacRT was awarded \$8.6 million for vehicle purchases, operating assistance, ride quality improvements and support infrastructure for the SacRT GO service.

In March 2021, SacRT received a high satisfaction rating of overall 96 percent on GO Paratransit Customer Satisfaction Baseline Survey. Customers ranked SacRT on 10 key performance measures.

SmaRT Ride

SacRT is among the first few transit agencies in the nation to implement microtransit on-demand service. With a total of nine active SmaRT Ride service zones, SacRT is the largest microtransit provider in the country, operating with 45 shuttles, nine of which are zero emission electric vehicles. SacRT's SmaRT Ride service is provided through Measure A funding. SacRT was awarded a \$12 million grant by the Sacramento Transportation Authority (STA) two years ago and in October 2020, was awarded an additional \$2 million to help expand microtransit on-demand service with a focus on disadvantaged communities throughout the Sacramento region. SmaRT Ride microtransit initially experienced a 15 percent decline in ridership at the start of the pandemic; however, in summer 2021, SacRT experienced the highest ridership ever on the service.

According to data provided by public mobility company Via, whose technology powers SacRT's SmaRT Ride app, the service has grown by an average of almost 4 percent per week in fall 2020. Over the same period, the next highest Via service grew by only an average of under 2 percent per week. During that time period SmaRT Ride completed 2,784 passenger trips, placing it among the strongest performing microtransit services in the United States in terms of both ridership and week-on-week growth.

Fare-Free for Youth

Entering its third year, the RydeFreeRT program provides fare free transit for students/youth on bus, light rail, and SmaRT Ride on-demand microtransit services across SacRT's service area, which includes the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, and parts of Sacramento County. Over 260,000 students in grades transitional Kindergarten through 12th, home-schooled students, and foster and homeless youth are all eligible.

The program began in October 2019, and SacRT experienced a 127 percent increase in student ridership pre-COVID-19. Even during the "Shelter-in-Place" order, young people continue to rely on SacRT to meet their essential transportation needs. RydeFreeRT is available all day, any day of the week during regular SacRT service hours. SacRT received funding from the City of Sacramento to extend the RydeFreeRT program for a second and third year. Fare-Free youth ridership was approximately 535,000 for Fiscal Year 2021. When schools re-opened in fall 2021, youth ridership rebounded to pre-pandemic levels at approximately 200,000 per month.

Real Estate

SacRT continues to develop our relationships with transit-oriented development partners and examine various surplus properties to determine if they qualify for projects that would encourage transit use and potentially increase our ridership. SacRT continued to progress TOD investments, property dispositions, revenue licenses and easements despite the challenges that COVID-19 is having on the real estate market.

SacRT collaborating with SMUD on their 59th Street Reuse project. The mixed-use development calls for relocation of the light rail station to the western side of the street to better accommodate the new residents. In March 2021, SacRT closed on 2200 Cemo Circle, bringing over \$1.6 million to the district and 162 much needed housing units. It is expected when all the underutilized properties are built-out they will include over 1,000 housing units with retail establishments that are walkable mixed-use communities centered near public transit. SacRT is in the process of transferring an old rail corridor, and currently in negotiations to sell the property located at Riverside Boulevard for a City Rail to Trail project, which is expected to generate an additional \$0.6 million in Fiscal Year 2022. Additionally, SacRT's property at Calvine-Auberry is expected to close in March 2022 for approximately \$1.5 million.

Secured Additional Funding

SacRT received a federal grant for approximately \$95 million in CARES Act stimulus funds, which will offset revenue decline and additional expenses related to the COVID-19 pandemic. SacRT used \$57.5 million of CARES Act funding in Fiscal Year 2021 and will be using the balance in Fiscal Year 2022.

SacRT received a federal grant for approximately \$37.8 million in funding from the Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA is a federal formula grant program in which SacRT will use approximately \$37.8 million for operations in Fiscal Year 2022.

Approximately \$100 million in American Relief Plan (ARP) funds was allocated to SacRT. It is estimated that a portion of the ARP funds will be budgeted for operations in Fiscal Year 2023.

Due to the uncertainty with COVID-19, the STA decided not to move forward with a transportation ballot measure in Fiscal Year 2021, referred to as Measure A. However, a possible citizen-led initiative in Fiscal Year 2022 is being explored, which would increase sustainable, continuous transportation funding providing additional opportunity for SacRT to meet all of the equity, environmental, and economic goals of the region.

Balanced Funding Concepts

While SacRT has extensive plans for future expansion and improvement of light rail and bus services, it faces significant capital replacement and infrastructure maintenance needs for its existing bus and light rail systems. As a result, it is increasingly important to ensure the availability of financial resources to maintain existing levels of service and to fund capital and operating expenditures related to proposed expansion and service improvements. The 25-year vision balances high-priority needs with potential funding. There are three major sources of funding:

- Locally controlled federal and state funding sources (funding given to local governments and agencies to spend on their priority projects)

- Federal discretionary funding sources (designated by the federal government for a specific project)
- Locally raised money (from county sales tax and development fees)

Most of the federal and state revenues that SacRT receives are generated by the Section 5307/5309/5337 federal transit funds and the state transportation account.

SacRT has specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2012 Series Revenue Bonds. The required continuing disclosure items and their locations within the ACFR are presented on page 95.

SacRT 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 AFSCME, AEA/OE3, and MCEG. Each year, an independent actuary engaged by the respective Retirement Boards calculates the amount of the annual contribution that SacRT 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.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SacRT for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. 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 21st consecutive year that SacRT has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Financial Report. 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 Annual Financial Report 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; Lynda Volk, Accountant II, Nadia Mokhov, Senior Financial Analyst, Elizabeth Her, Accountant I and 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, 2021**



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, 2020

Christopher P. Morill

Executive Director/CEO

**SACRAMENTO REGIONAL TRANSIT DISTRICT
LIST OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2021**

Board of Directors

Steve Miller, City of Citrus Heights, **Chair**
Patrick Kennedy, County of Sacramento, **Vice Chair**
Linda Budge, City of Rancho Cordova
Jeff Harris, City of Sacramento
Kerri Howell, City of Folsom
Pat Hume, City of Elk Grove
Rick Jennings, II, City of Sacramento
Don Nottoli, County of Sacramento
Jay Schenirer, City of Sacramento
Phil Serna, County of Sacramento
Katie Valenzuela, City of Sacramento

Board of Directors Alternates

Mike Kozlowski, City of Folsom
Stephanie Nguyen, City of Elk Grove
David Sander, City of Rancho Cordova
Tim Schaefer, City of Citrus Heights

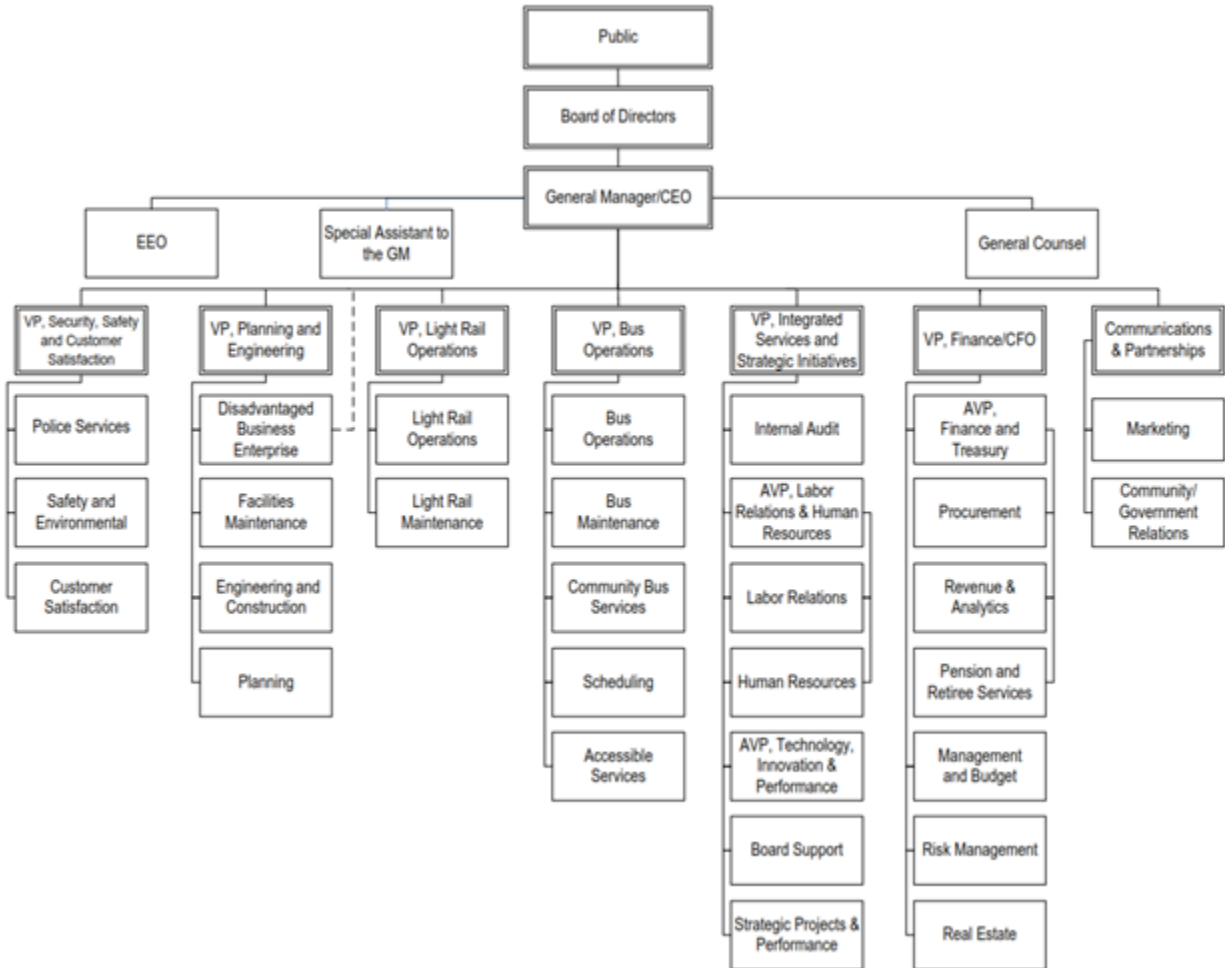
General Manager/CEO

Henry Li

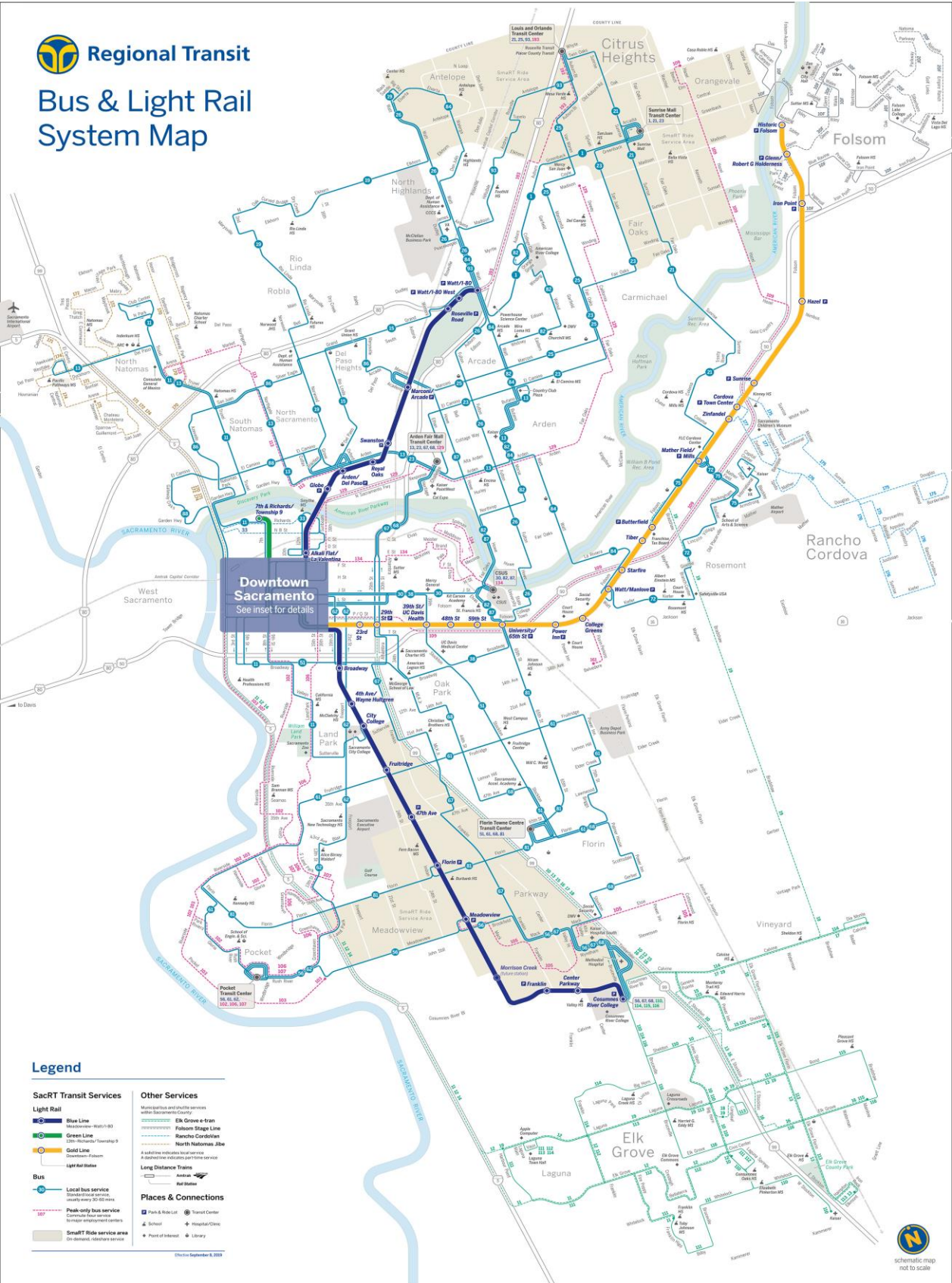
Executive Management Team

Carmen Alba, Vice President, Bus Operations
Brent Bernegger, Vice President, Finance/Chief Financial Officer
Laura Ham, Vice President, Planning and Engineering
Lisa Hinz, Vice President, Security, Safety and Customer Satisfaction
Devra Selenis, Vice President, Communications and Partnerships
Edna Stanley, Vice President, Light Rail Operations
Shelly Valenton, Vice President, Integrated Services and Strategic Initiatives

**SACRAMENTO REGIONAL TRANSIT DISTRICT
ORGANIZATIONAL CHART
FISCAL YEAR ENDED JUNE 30, 2021**



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



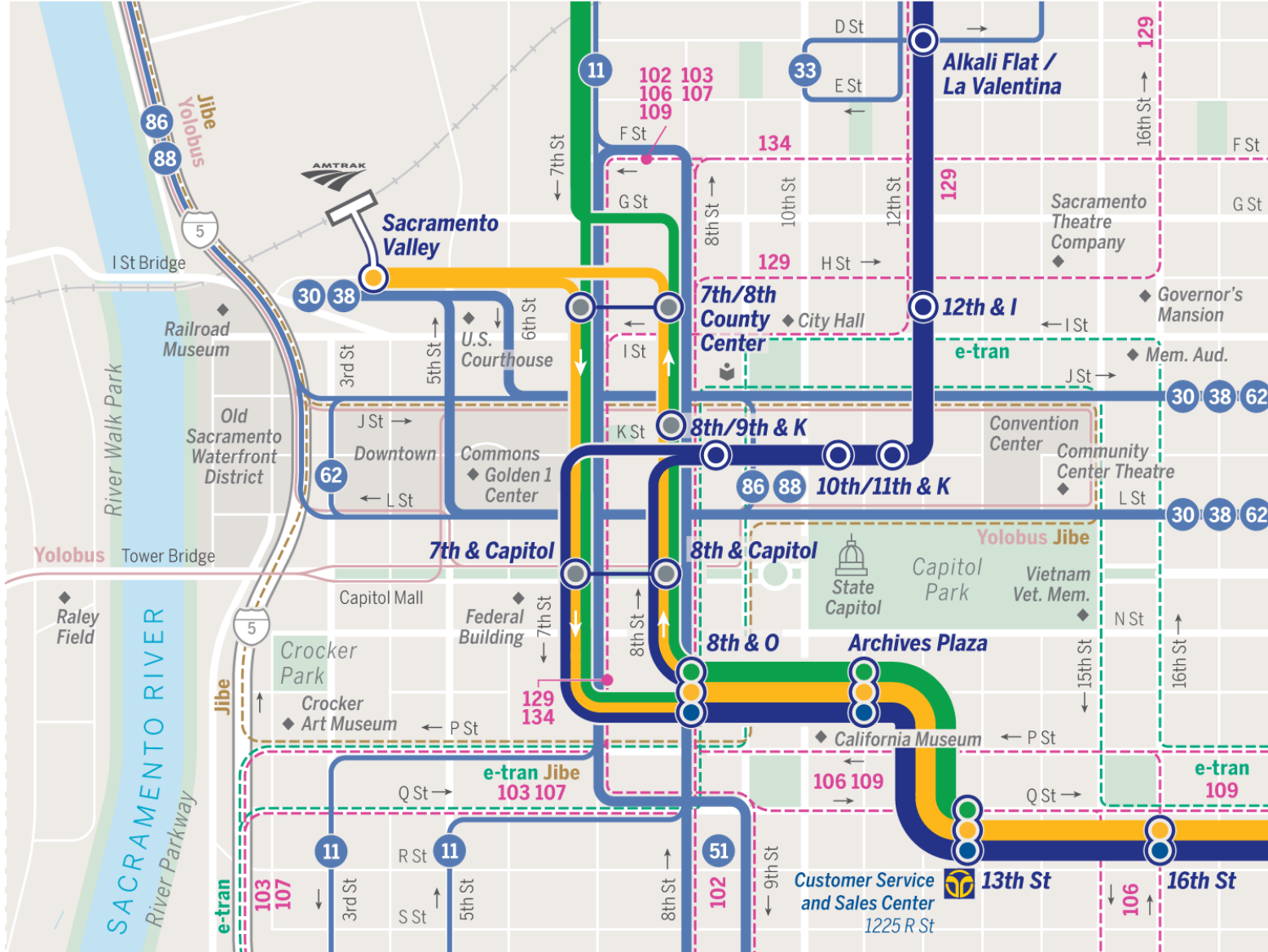
Regional Transit
Bus & Light Rail
System Map

Downtown Sacramento
See inset for details

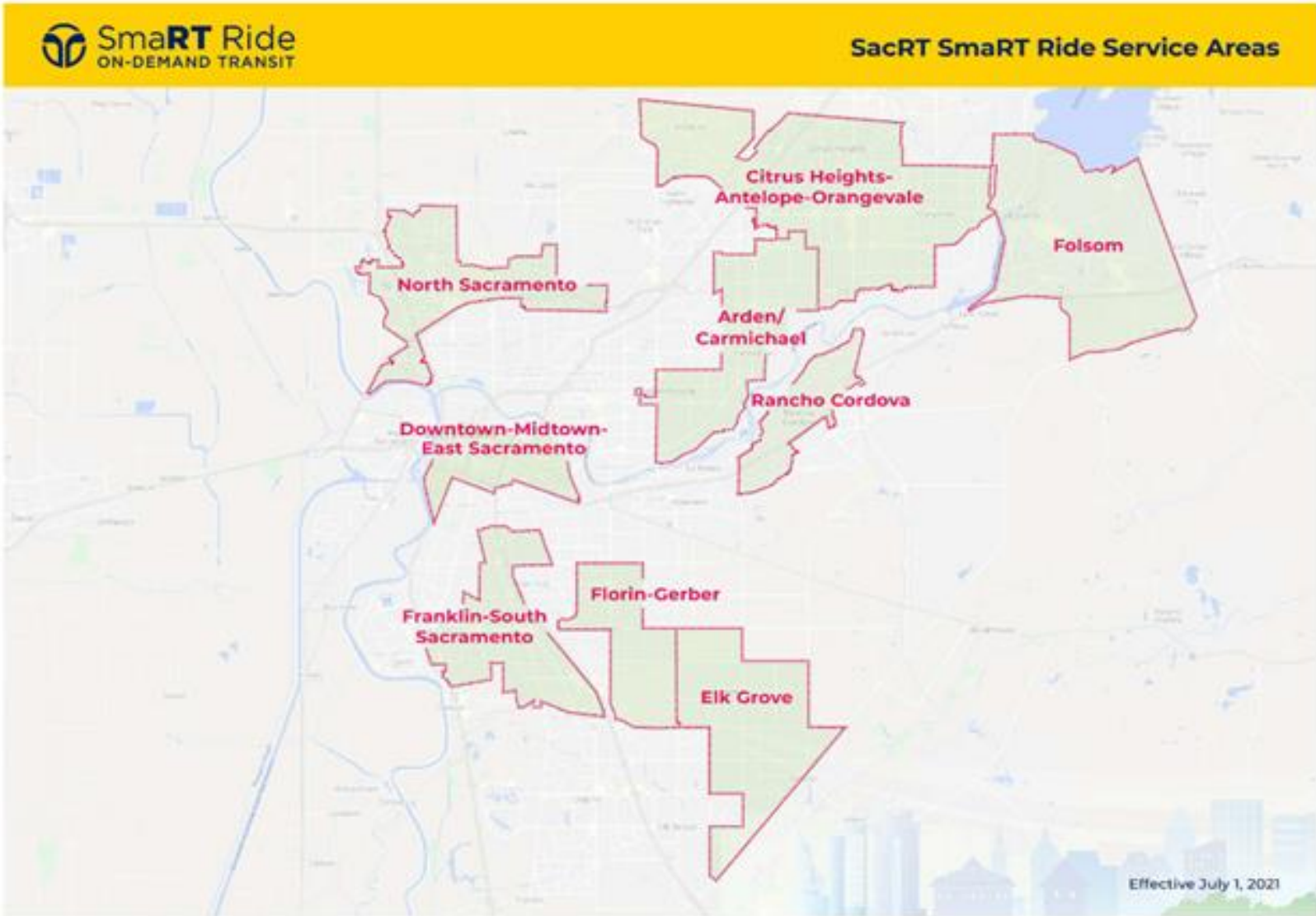
- Legend**
- | | |
|--|--|
| SacRT Transit Services | Other Services |
| Light Rail | Maplewood and other centers within Sacramento County |
| Blue Line
Sacramento-Folsom | Elk Grove e-Train |
| Green Line
Little Rock/Foresthill 9 | Folsom Stage Line |
| Gold Line
Sacramento-Folsom | Rancho Cordova |
| Light Rail | North Natomas Jibe |
| Bus | A satellite indicates local service & a destination icon indicates the service |
| Local bus service | Long Distance Trains |
| Standard service, usually every 30-60 mins | Amtrak |
| Peak-only bus service
Commuter bus service to major employment centers | Light Rail |
| Smart Ride service area (on demand, telephone service) | Places & Connections |
| | Park & Ride |
| | Transit Center |
| | School |
| | Hospital/Clinic |
| | Point of Interest |
| | Library |
- Effective September 8, 2019



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP





Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the Sacramento Regional Transit District (SacRT), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise SacRT'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; this includes the design, implementation, and maintenance of internal control 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 opinions 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. Those 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of SacRT, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of District pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of District OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing 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, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SacRT's basic financial statements. The accompanying introductory section, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling 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 combining statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021 on our consideration of SacRT's internal control over financial reporting and on our tests of its compliance with certain provisions of 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 the effectiveness of SacRT's 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 SacRT's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California
November 17, 2021



Management Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the Sacramento Regional Transit District (SacRT), we offer the readers of SacRT's financial statements this narrative overview and analysis of the financial activities for SacRT for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter and financial statements which are included in this report.

Financial Highlights

- The assets and deferred outflows of resources of SacRT exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$745,263,778 (net position). Of this amount \$788,415,069 is net investment in capital assets, \$3,438,602 is restricted for debt service, \$3,419,838 is restricted for Folsom from Annexation, \$5,522,252 is restricted for capital projects, and \$(55,531,983) is unrestricted. SacRT's negative unrestricted net position is the result of recording its net pension and net Other Post-Employment Benefits (OPEB) liabilities per GASB Statements No. 68. and No. 75, respectively.
- SacRT's total net position Increased for the year ended June 30, 2021 by \$30,995,719 or 4.3 percent compared to the year ended June 30, 2020. This Increase is due primarily to federal CARES Act stimulus funds. See Statement of Revenues and Expenses by Funding Designation for additional information.
- SacRT's total liabilities and deferred inflows of resources decreased by \$(12,133,021) or (3.5) percent for the fiscal year ended June 30, 2021. The net decrease is primarily attributed to the pay off of SacRT's Line of Credit and the Public Transportation account loan, the decrease of accrued liabilities related to progress payments for SacRT's light rail vehicle expansion in fiscal year 2020 and payments on SacRT's Revenue Bonds. This decrease is partially mitigated by the increase in SacRT's net Pension liability resulting from changes in actuarial assumptions.
- During the fiscal year ended June 30, 2021, fare revenue decreased by \$8,997,605 or 42.8 percent from the fiscal year ended June 30, 2020. This is attributed to a decline in ridership due to COVID-19. Non-operating revenue increased by \$45,744,106 or 25.6 percent in fiscal year 2021 due to federal CARES Act stimulus funds, which was partially mitigated by both insurance proceeds from accident damaged light rail vehicles and the retroactive reinstatement of Federal Excise Tax Credits for Compressed Natural Gas (CNG) in which multiple years of credits which were recorded in fiscal year 2020 and the donation of land to the City of Sacramento for the Del Rio Trail.
- Total operating costs decreased by \$(9,387,436) or (3.7) percent for the fiscal year ended June 30, 2021. This decrease is primarily due to the recording of capital asset impairments in fiscal year 2020. In fiscal year 2021, expenses moved from professional services to labor and fringe benefits as paratransit services were brought in-house. This decrease was partially mitigated by an increase in labor and fringe benefits due to a rise in labor costs resulting from contractual pay rate escalation, an increase in SacRT's actuarially determined pension contribution and an increase in Casualty and Liability insurance premiums.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to SacRT'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 SacRT's finances, in a manner similar to a private-sector business.

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

The statement of revenues, expenses and changes in net position presents information showing how SacRT's net position changed during the fiscal year ended June 30, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (such as the receipt of goods and services or submittal of claims for capital and operating revenue), regardless of the timing of related cash flows. In other words, SacRT reports expenses and revenues on an accrual basis rather than a cash basis. Since SacRT'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 business-type activities. SacRT serves in a fiduciary capacity for the pension trust funds and the Connect Card Custodial Fund. The fiduciary fund statements are presented on an accrual basis and are included in these financial statements. The resources of the fiduciary funds are not available to support SacRT 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 of selected financial information over a 10-year period when available.

Analysis of the Financial Statements

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

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of SacRT, assets and deferred outflows exceeded liabilities and deferred inflows by \$745,263,778.

The vast majority of SacRT's total net position reflects investment in capital assets, less any related debt and unused bond proceeds used to acquire those assets still outstanding. These capital assets are used to provide bus and light rail services to the greater Sacramento area. Consequently, these assets are not available for future spending. Although SacRT's net investment in its capital assets is reported net of related debt, resources are needed to repay this debt and must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NET POSITION**

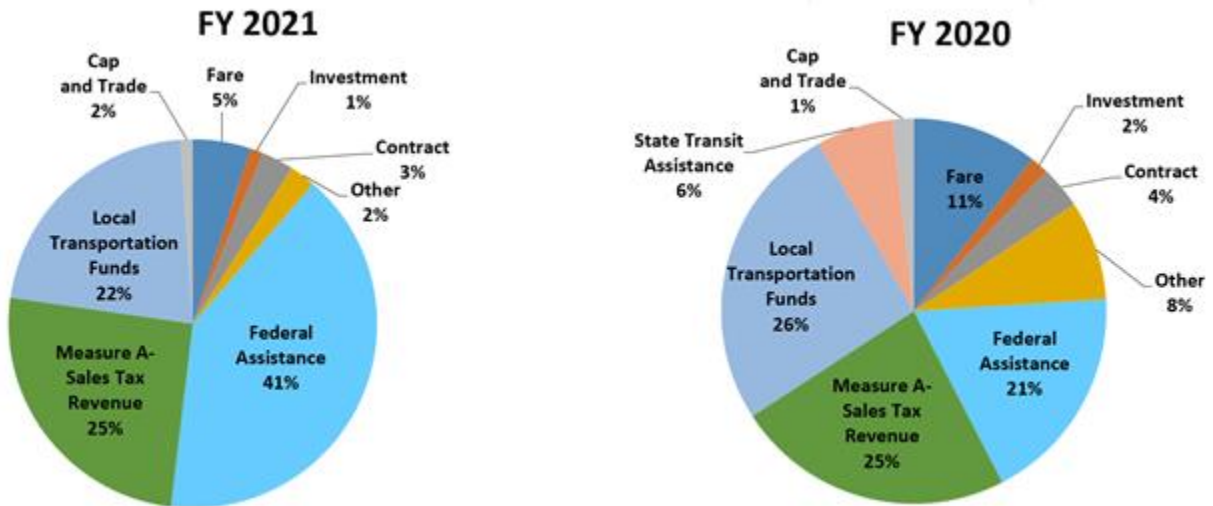
	June 30, 2021	June 30, 2020	Increase or (Decrease)	
			Dollar	Percent
Current and Other Assets	\$ 186,195,926	\$ 165,083,923	\$ 21,112,003	12.8%
Capital Assets	832,000,405	845,578,892	(13,578,487)	(1.6)%
Total Assets	1,018,196,331	1,010,662,815	7,533,516	0.7%
Deferred Outflows of Resources	57,283,557	47,954,375	9,329,182	19.5%
Current Liabilities	34,189,512	63,661,084	(29,471,572)	(46.3)%
Non-Current Liabilities	284,761,626	264,005,806	20,755,820	7.9%
Total Liabilities	318,951,138	327,666,890	(8,715,752)	(2.7)%
Deferred Inflows of Resources	11,264,972	14,682,241	(3,417,269)	(23.3)%
Net Position				
Net Investment in Capital Assets	788,415,069	779,273,180	9,141,889	1.2%
Restricted for:				
Debt Service	3,438,602	3,472,133	(33,531)	(1.0)%
Folsom from Annexation	3,419,838	3,694,205	(274,367)	
Capital Projects	5,522,252	2,279,516	3,242,736	
Unrestricted	(55,531,983)	(74,450,975)	18,918,992	(25.4)%
Total Net Position	\$ 745,263,778	\$ 714,268,059	\$ 30,995,719	4.3%

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

	June 30, 2021	June 30, 2020	Increase or (Decrease)	
			Dollar	Percent
Operating Revenue				
Fares	\$ 12,001,272	\$ 20,998,877	\$ (8,997,605)	(42.8)%
Non-Operating Revenues				
Operating Assistance	209,643,548	151,598,671	58,044,877	38.3%
	2,650,569	3,105,371	(454,802)	(14.6)%
Other Revenue	11,934,724	23,780,693	(11,845,969)	(49.8)%
Total Operating and Non-Operating Revenue	<u>236,230,113</u>	<u>199,483,612</u>	<u>36,746,501</u>	<u>18.4%</u>
Operating and Non-Operating Expenses				
Labor & Fringe Benefits	146,707,999	133,144,435	13,563,564	10.2%
Professional & Other Services	16,454,793	27,923,318	(11,468,525)	(41.1)%
Spare Parts & Supplies	14,835,775	14,550,318	285,457	2.0%
Utilities	7,271,754	6,820,547	451,207	6.6%
Casualty & Liability Costs	12,335,695	9,930,823	2,404,872	24.2%
Depreciation	44,060,094	42,739,264	1,320,830	3.1%
Other	2,144,364	2,745,171	(600,807)	(21.9)%
Impairment Loss	-	15,375,413	(15,375,413)	100.0%
Indirect Costs Allocated to Capital Programs	(198,855)	(230,234)	31,379	(13.6)%
Interest Expense	4,880,508	5,010,293	(129,785)	(2.6)%
Pass through to Subrecipients	4,259,523	301,315	3,958,208	1313.6%
Professional and Other Services				
Funded By Others	-	74,255	(74,255)	(100.0)%
Total Operating and Non-Operating Expenses	<u>252,751,650</u>	<u>258,384,918</u>	<u>(5,633,268)</u>	<u>(2.2)%</u>
Loss Before Capital Contributions	(16,521,537)	(58,901,306)	42,379,769	(72.0)%
Capital Contributions				
State and Local	42,669,140	\$ 27,812,124	14,857,016	53.4%
Federal	4,848,116	4,558,370	289,746	6.4%
Total Capital Contributions	<u>47,517,256</u>	<u>32,370,494</u>	<u>15,146,762</u>	<u>46.8%</u>
Increase (Decrease) in Net Position	30,995,719	(26,530,812)	57,526,531	216.8%
Net Position, beginning of year	<u>714,268,059</u>	<u>740,798,871</u>	<u>(26,530,812)</u>	<u>(3.6)%</u>
Net Position, end of year	<u>\$ 745,263,778</u>	<u>\$ 714,268,059</u>	<u>\$ 30,995,719</u>	<u>4.3%</u>

SACRAMENTO REGIONAL TRANSIT DISTRICT REVENUES BY SOURCE

Operating and Non-operating Revenue by Source



The significant changes in Operating and Non-operating Revenue by Source are described below:

Fares, investment income, contracted services, alternative fuel and carbon tax credits and other revenue decreased by a combined \$(21,298,376) for the fiscal year ended June 30, 2021 or (44.5) percent. The decline in fare revenue is attributed to a decline in ridership due to COVID-19. Other revenue decreased due to the recognition in the prior fiscal year of both insurance proceeds from accident damaged light rail vehicles and the retroactive reinstatement of Federal Excise Tax Credits for Compressed Natural Gas (CNG) in which multiple years of credits were recorded and the donation of land to the City of Sacramento in fiscal year 2021 for the Del Rio Trail.

Operating assistance increased by \$58,044,877 or 38.3 percent for the fiscal year ended June 30, 2021 due to federal CARES Act stimulus funds.

SACRAMENTO REGIONAL TRANSIT DISTRICT REVENUES BY SOURCE

Capital Contributions by Source

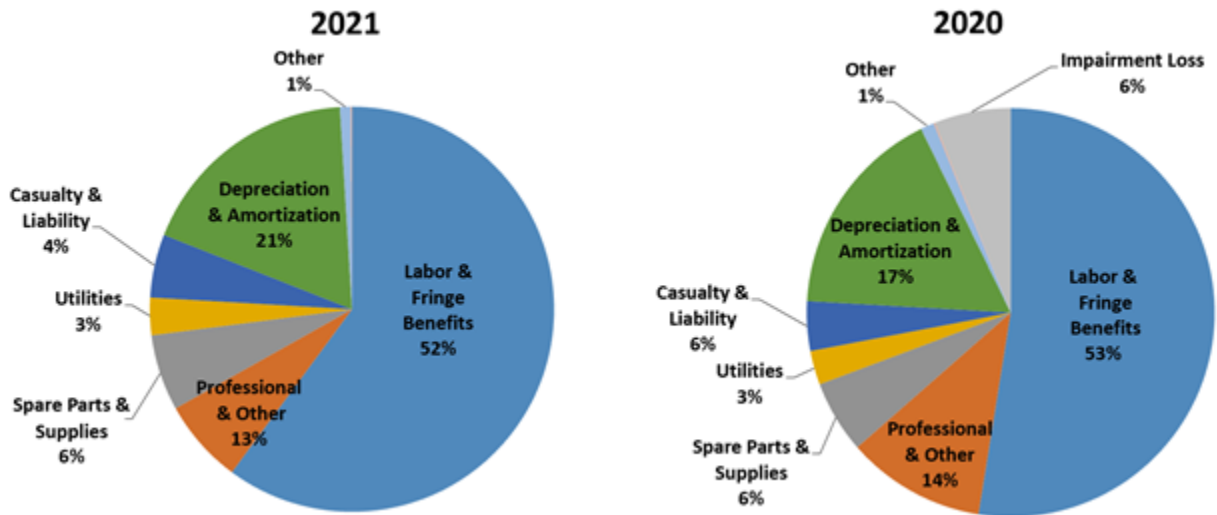


The significant changes in Capital Contributions by Source are described below:

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 \$15,146,762 million or 46.8 percent during the fiscal year ended June 30, 2021. The increase is primarily due to progress payments to acquire new light rail vehicles funded by the Transit and Intercity Rail Program.

SACRAMENTO REGIONAL TRANSIT DISTRICT OPERATING EXPENSES

Operating Expenses



The significant changes in Operating Expenses by Source are described below:

Total operating costs decreased by \$(9,387,436) or (3.9) percent for the fiscal year ended June 30, 2021. This decrease is primarily due to the recording of capital asset impairments in fiscal year 2020. In fiscal year 2021, expenses moved from professional services to labor and fringe benefits as paratransit services were brought in-house. This decrease was partially mitigated by an increase in labor and fringe benefits due to a rise in labor costs resulting from contractual pay rate escalation, an increase in SacRT's actuarially determined pension contribution and an increase in Casualty and Liability insurance premiums.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
FISCAL YEAR 2021
STATEMENT OF REVENUES AND EXPENSES BY FUNDING DESIGNATION**

Statement of Revenues and Expenses	FY 2021 Funding Designation		
	Operations	Capital Improvement Program, GASB 68 & 75, IG 2019-1	Total
OPERATING REVENUES (Fares)	\$ 12,001,272	\$ -	\$ 12,001,272
OPERATING EXPENSES			
Labor and Fringe Benefits	141,540,862	5,167,137	146,707,999
Professional and Other Services	14,729,042	1,725,751	16,454,793
Spare Parts and Supplies	13,503,911	1,331,864	14,835,775
Utilities	7,271,754	-	7,271,754
Casualty and Liability Costs	12,335,695	-	12,335,695
Depreciation	-	44,060,094	44,060,094
Indirect Costs Allocated to Capital Programs	(198,855)	-	(198,855)
Other	2,144,364	-	2,144,364
Total Operating Expenses	191,326,773	52,284,846	243,611,619
Loss from Operations	(179,325,501)	(52,284,846)	(231,610,347)
NON-OPERATING REVENUES (EXPENSES)			
Operating Assistance			
State and Local	113,657,412	-	113,657,412
Federal	57,703,601	38,282,535	95,986,136
Investment Income	2,621,372	29,197	2,650,569
Interest Expense	(2,494,366)	(2,386,142)	(4,880,508)
Pass Through to Subrecipients	-	(4,259,523)	(4,259,523)
Professional and Other Services Funded by Others	-	(123,612)	(123,612)
Contract Services	6,634,125	-	6,634,125
Alternative Fuel and Carbon Tax Credits	4,585,066	-	4,585,066
Other	2,561,861	(1,722,716)	839,145
Total Non-operating Revenues (Expense)	185,269,071	29,819,739	215,088,810
Gain (Loss) Before Capital Contributions	5,943,570	(22,465,107)	(16,521,537)
Capital Contributions			
State and Local	-	42,669,138	42,669,138
Federal	-	4,848,118	4,848,118
Total Capital Contributions	-	47,517,256	47,517,256
Change in Net Position	\$ 5,943,570	\$ 25,052,149	\$ 30,995,719

The Annual Comprehensive Financial Report (ACFR) presentation differs from SacRT's operating and capital budgets in that the ACFR combines both operating and capital activities. To assist SacRT's Board and readers in their review, a Statement of Revenues and Expenses By Funding Designation is provided to show SacRT's operating and capital funds separately. As of June 30, 2021, SacRT's operating results were as follows: \$12,001,272 in fare revenues, \$191,326,773 in operating expenses, and \$185,269,071 in non-operating revenues, resulting in a \$5,943,570 operating surplus. Additional

information regarding the Statement of Revenues by Funding Designation can be found in SacRT's 2021 ACFR Staff Report to the Board of Directors.

Analysis of SacRT's Financial Position

SacRT's net position provides information on near term inflows, outflows, and balances of spendable resources. SacRT is reporting net position as of June 30, 2021 of \$745,263,778, an operating and capital activity increase of \$30,995,719 or 4.3 percent.

Capital Asset and Long-Term Debt Activity

As of June 30, 2021, SacRT's investment in various capital assets, such as bus and light rail vehicles, facilities, land, buildings and equipment decreased to \$832,000,405 from \$845,578,892 representing a 1.6 percent decrease as depreciation and asset impairment loss exceeded capital acquisition. Additional information on capital assets can be found in Footnote 3 to the financial statements.

SacRT's Farebox Revenue Bonds decreased by \$1,385,533 due to annual bond payments for the fiscal year ended June 30, 2021 or 2.8 percent. As of June 30, 2021, the \$48,242,667 balance represents what remains of the \$86,865,000 of Farebox Revenue Bonds, Series 2012, issued in the fiscal year 2013 to primarily fund construction on the South Line Phase 2 light rail extension. SacRT recorded a liability and a corresponding asset of \$49,767,388 as of June 30, 2021, resulting from its participation in three Lease/Leaseback transactions. Additional information on debt activity can be found in Footnotes 4 and 6 to the financial statements.

Current Economic Factors and Conditions

In December 2019, a novel strain of coronavirus spread around the world resulting in business and social disruption. The coronavirus continues to impact the operations and business results of SacRT. Additional information on the COVID-19 pandemic's impact on SacRT can be found in Footnote 1 to the financial statements

SacRT received a federal grant for approximately \$95 million in CARES Act stimulus funds, which will offset revenue decline and additional expenses related to the COVID-19 pandemic. It was determined that SacRT did not require the use of CARES Act funding in fiscal year 2020 however, it used approximately \$57 million in fiscal year 2021, and the balance in fiscal year 2022.

SacRT received a federal grant for approximately \$37.8 million in funding from the Federal Transit Administration-Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA is a federal formula grant program in which SacRT will use approximately \$27 million for operations in fiscal year 2022 and the remainder in fiscal year 2023.

SacRT has plans for future expansion and improvement of light rail and bus services. As of June 30, 2021, SacRT has construction contracts and property acquisition commitments of approximately \$20,614,224.

Request for Information

Please address all questions or requests for additional information to the Finance and Treasury Department, Attention: Chief Financial Officer, Sacramento Regional Transit District, 1400 29th Street, P.O. Box 2001, Sacramento CA 95812-2110.



Financial Statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2021**

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 33,411,599
Restricted Cash and Cash Equivalents	2,732,050
Investments	17,427,056
Restricted Investments	75,000
Receivables:	
State and Local Government	8,903,384
Federal Government	9,450,769
Other	6,587,745
Spare Parts and Supplies Inventory	23,919,052
Other Current Assets	<u>1,029,909</u>
Total Current Assets	<u>103,536,564</u>
Non-Current Assets:	
Restricted Cash and Cash Equivalents	9,716,172
Investments	3,897,789
Restricted Investments	19,278,013
Deposits for Lease/Leaseback Payable	49,767,388
Non-Depreciated Capital Assets	136,036,470
Depreciated Capital Assets, Net	<u>695,963,935</u>
Total Non-Current Assets	<u>914,659,767</u>
Total Assets	<u>1,018,196,331</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pension	44,672,826
Deferred Outflows from Other Post Employment Benefits	6,257,172
Deferred Outflows: Loss on Refunding	<u>6,353,559</u>
Total Deferred Outflows of Resources	<u>57,283,557</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,075,479,888</u></u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2021**

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 10,430,208
Other Accrued Liabilities	6,124,957
Compensated Absences	8,594,532
Interest Payable	550,812
Unearned Revenue	597,712
Advances from Other Governments	1,442,300
Claims Payable	5,178,991
Revenue Bonds	1,270,000
Total Current Liabilities	<u>34,189,512</u>
Long-Term Liabilities:	
Compensated Absences	2,277,182
Advances from Other Governments	15,936,971
Claims Payable	14,910,987
Revenue Bonds	46,972,667
Lease/Leaseback Payable	49,767,388
Net Pension Liability	134,160,356
Net Other Post Employment Benefits Liability	20,736,075
Total Long-Term Liabilities	<u>284,761,626</u>
Total Liabilities	<u>318,951,138</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows from Other Post Employment Benefits	
Employment Benefits	3,434,091
Deferred Gain on Lease/Leaseback	5,666,798
Deferred Inflows from Pension	2,164,083
Total Deferred Inflows of Resources	<u>11,264,972</u>

NET POSITION

Net Investment in Capital Assets	788,415,069
Restricted for:	
Debt Service	3,438,602
Folsom from Annexation	3,419,838
Capital Projects	5,522,252
Unrestricted	<u>(55,531,983)</u>
Total Net Position	<u>745,263,778</u>

**TOTAL LIABILITIES, DEFERRED
INFLOWS OF RESOURCES, AND
NET POSITION**

\$ 1,075,479,888

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, 2021**

OPERATING REVENUES	
Fares	\$ 12,001,272
OPERATING EXPENSES	
Labor and Fringe Benefits	146,707,999
Professional and Other Services	16,454,793
Spare Parts and Supplies	14,835,775
Utilities	7,271,754
Casualty and Liability Costs	12,335,695
Depreciation	44,060,094
Indirect Costs Allocated to Capital Programs	(198,855)
Other	2,144,364
Total Operating Expenses	243,611,619
Operating Loss	(231,610,347)
NON-OPERATING REVENUES (EXPENSES)	
Operating Assistance:	
State and Local	113,657,412
Federal	95,986,136
Investment Income	2,650,569
Interest Expense	(4,880,508)
Pass-Through to Subrecipients	(4,259,523)
Contract Services	6,634,125
Alternative Fuel and Carbon Tax Credits	4,585,066
Other	715,533
Total Non-Operating Revenues	215,088,810
Loss Before Capital Contributions	(16,521,537)
Capital Contributions:	
State and Local	42,669,140
Federal	4,848,116
Total Capital Contributions	47,517,256
Increase in Net Position	30,995,719
Net Position, beginning of year	714,268,059
Net Position, end of year	\$ 745,263,778

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, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 11,861,958
Cash Received from Contract Sources	6,634,125
Cash Paid to Suppliers	(52,855,000)
Cash Paid to Employees and Employee Benefits	(139,431,090)
Cash Received from Other Sources	<u>5,424,211</u>
Net Cash Used in Operating Activities	<u>(168,365,796)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State and Local Receipts	125,682,337
Federal Receipts	87,706,737
Payments Pass-Through to Subrecipients	(4,259,523)
Advances on the Line of Credit	48,800,000
Payments on the Line of Credit	<u>(57,900,000)</u>
Net Cash Provided by Noncapital Financing Activities	<u>200,029,551</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(41,008,459)
Principal Payment on Revenue Bonds	(1,210,000)
Decrease in Loan Payable	(13,988,074)
Interest Paid	(2,900,941)
Proceeds from Sale of Capital Assets Receipts	1,608,761
State and Local Capital Grants Receipts	45,167,080
Federal Capital Grants	<u>19,440,714</u>
Net Cash Provided by Capital and Related Financing Activities	<u>7,109,081</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,185,360
Purchases of Investments	(8,999,774)
Investment Income	<u>58,519</u>
Net Cash Provided by Investing Activities	<u>(7,755,895)</u>
Net Increase in Cash and Cash Equivalents	31,016,941
Cash and Cash Equivalents, July 1	<u>14,842,880</u>
Cash and Cash Equivalents, June 30	<u>\$ 45,859,821</u>
RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and Cash Equivalents	\$ 33,411,599
Restricted Cash and Cash Equivalents, Current	2,732,050
Restricted Cash and Cash Equivalents, Non-Current	<u>9,716,172</u>
Total Cash and Cash Equivalents	<u>\$ 45,859,821</u>

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, 2021**

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

Operating Loss	\$ (231,610,347)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used in Operating Activities:	
Depreciation	44,060,094
Impairment Loss	-
Professional and Other Services- Nonoperating Expense	(123,612)
Contract Services- Nonoperating Income	6,634,125
Miscellaneous Nonoperating Income	5,424,211
Effect of Changes in:	
Other Receivables	477,618
Spare Parts and Supplies Inventory	680,939
Other Current Assets	(614,195)
Accounts Payable and Accrued Liabilities	1,298,954
Compensated Absences and Other	1,910,917
Unearned Revenue	(616,932)
Claims Payable	(1,036,284)
Deferred Outflows from Pension	(9,421,015)
Net Pension Liability	16,929,423
Deferred Inflows from Pension	(2,054,023)
Deferred Outflows from Other Post Employment Benefits	(215,367)
Net Other Post Employment Benefit	853,181
Deferred Inflows from Other Post Employment Benefits	(943,483)
Net Cash Used in Operating Activities	<u><u>\$ (168,365,796)</u></u>

NON-CASH INVESTING AND FINANCING ACTIVITIES

Interest Income from Investments Held to Pay Lease/Leaseback	\$ 2,428,763
Interest Expense on Capital Lease/Leaseback	(2,428,763)
Capital Assets Included in Accounts Payable	2,580,277
Capital Contributions Included in Receivables	9,850,410

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	Pension Trust Funds	Connect Card Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 8,822,600	\$ 2,221,575
Receivables:		
Securities sold	18,841,292	-
Invoiced Receivables	-	133,796
Interest and dividends	611,717	-
Other receivables and prepaids	47,990	77,347
Total Receivables	19,500,999	211,143
Investments:		
Equity securities	276,928,512	-
Fixed income securities	83,012,485	-
Real estate	23,094,146	-
Total Investments	383,035,143	-
Total Assets	411,358,742	2,432,718
LIABILITIES		
Securities purchased payable	32,081,703	-
Accounts payable	2,448,356	-
Customer prepaid balances	-	1,781,070
Due to Connect Card Consortium Members	-	651,648
Total Liabilities	34,530,059	2,432,718
NET POSITION		
Restricted for Pension Benefits	376,828,683	-
Restricted for Connect Card Consortium Members	-	-
Total Net Position	\$ 376,828,683	\$ -

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30,2021**

	Pension Trust Funds	Connect Card Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 22,965,429	\$ -
Member	1,850,444	-
Total Contributions	24,815,873	-
Investment Income:		
Net appreciation in fair value of investments	79,652,690	-
Interest, dividends, and other income	4,113,719	-
Investment expenses	(1,470,786)	-
Net Investment Income	82,295,623	-
Fares - SacRT	-	2,307,381
Fares - Others	-	836,822
Total Additions	107,111,496	3,144,203
DEDUCTIONS		
Benefits paid to participants	27,844,072	-
Distribution to Consortium Members	-	2,561,524
Administrative expenses	794,089	582,679
Total Deductions	28,638,161	3,144,203
Increase in Net Position	78,473,335	-
Net Position - Beginning of Year	298,355,348	-
Net Position - End of Year	\$ 376,828,683	\$ -

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

The Sacramento Regional Transit District (SacRT) was established in 1973 pursuant to the Sacramento Regional Transit District Act. SacRT has the responsibility to develop, maintain, and operate a public mass transit transportation system for the benefit of the residents of the Sacramento area. SacRT is governed by a Board of Directors appointed by the Sacramento City Council, the Sacramento County Board of Supervisors, the Elk Grove City Council, the Citrus Heights City Council, the Rancho Cordova City Council, and the Folsom City Council.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and its amendment GASB No. 61, SacRT has reviewed the criteria to determine whether other entities with activities that benefit SacRT should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity has a significant operational and financial relationship with SacRT.

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

BASIS OF PRESENTATION

The accounts of SacRT are organized and operated on the basis of funds, each of which is considered an independent fiscal and accounting entity. The activities of each fund are accounted for with a separate set of self-balancing statements that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses, as appropriate. These statements distinguish between the business-type and fiduciary activities of SacRT. 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 spending activities are controlled. SacRT's statements are organized into the following fund types:

Proprietary Fund Type

The **Enterprise Fund** distinguishes operating revenues and expenses from non-operating items. SacRT's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for the transit operations include all costs related to providing transit services. These costs include labor, fringe benefits, materials, supplies, services, utilities, leases, rentals, and depreciation on capital assets. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. 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, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types

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

The Amalgamated Transit Union (ATU) Local 256 Retirement Plan Fund (ATU Plan) accounts for the retirement funds of members of ATU Local 256.

The International Brotherhood of Electrical Workers (IBEW) Local 1245 Member Retirement Plan Fund (IBEW Plan) accounts for the retirement funds of members of IBEW Local 1245.

The Salaried Employees Retirement Plan Fund (Salaried Plan) accounts for the retirement funds of SacRT's salaried employees.

The **Connect Card Custodial Fund** is used to account for assets held by SacRT for the benefit of the transit agencies who are members of the Connect Card Consortium. Connect Card is the Sacramento region's electronic transit fare payment system and the Connect Card Consortium's participating agencies include Sacramento Regional Transit, El Dorado Transit, Etran, Placer County Transit, Roseville Transit, SCT/Link, YoloBus and Yuba-Sutter Transit.

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 fiduciary funds are accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of increased/decreased net position. The accrual basis of accounting is used for the enterprise fund and the fiduciary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. SacRT contributions to the pension trust funds are recognized in the period in which contributions are due, while benefits and refunds are recognized when due and payable in accordance with the pension trust funds plan agreements.

BUDGETARY INFORMATION

State law requires the adoption of an annual budget for the enterprise fund, which must be approved by the Board of Directors. The budget is prepared on an accrual basis. Budgetary control is maintained at several levels. The legal level of control is at the fund level. The Board of Directors authorizes budget amendments to the fund level. Line item reclassification amendments to the budget must be authorized by the responsible manager. Operating expenses are monitored by department managers who are assigned responsibility for controlling their budgets. Emphasis is placed on the total budget for the division. Capital expenses operate under the control of a project-to-date budget.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, SacRT considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

INVESTMENTS

Investments consist of securities or other assets that SacRT holds primarily for the purpose of income or profit and its present service capacity is based solely on its ability to generate cash or to be sold 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. As of June 30, 2021, 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 (consumption method). Inventory consists primarily of parts and supplies relating to transportation vehicles and facilities.

CAPITAL ASSETS

Capital assets are stated at historical cost. Donated 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 tracks, has been capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings and improvements	30 to 50 years
Buses and maintenance vehicles	4 to 12 years
Light-rail structures and light rail vehicles	25 to 45 years
Other operating equipment	5 to 15 years

No depreciation is provided on construction in progress until construction is completed and the asset is placed in service. It is SacRT's policy to capitalize all capital assets with an individual cost of more than \$5,000 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, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Capital Assets: In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, management evaluates events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, other changes in environmental factors, technology changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will continue to be used are written down to reflect the decline in service utility of the capital asset. Impaired capital asset that will no longer be used are reported at the lower of carrying value or fair value.

COMPENSATED ABSENCES

SacRT's policy allows employees to accumulate earned unused vacation and sick leave which can be paid to employees upon separation from SacRT. These compensated absences are reported and accrued as a liability in the period incurred.

The current portion of the compensated absences is estimated by applying a percentage to the end of the year compensated absences liability. The percentage is calculated by dividing the vacation and sick leave that was liquidated (used/cashed out) during the year by 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, 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 Development Act (TDA) 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, SacRT uses restricted resources first.

SELF-INSURANCE AND CLAIMS PAYABLE

SacRT is self-insured up to specified limits for workers' compensation claims, general liability claims, and major property damage. SacRT accrues the estimated costs of the self-insured portion of claims in the period in which the amount of the estimated loss is incurred.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 ATU Plan, IBEW Plan and Salaried Plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds to employee contributions) are recognized when due and payable in accordance with the benefit terms.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the California Employers' Retiree Benefit Trust Program (CERBT) and additions to/deductions from CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

USE OF ESTIMATES

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

RECENT EVENT

In December 2019, a novel strain of coronavirus spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The coronavirus pandemic continues to have a significant impact on the operations and business results of SacRT. The extent to which the coronavirus may impact business activity or investment results in fiscal year 2022 and beyond will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

SacRT received a federal grant for approximately \$95 million in CARES Act stimulus funds, which will offset revenue decline and additional expenses related to the COVID-19 pandemic. SacRT used \$57.5 million of CARES Act funding in fiscal year 2021 and will be using the balance in fiscal year 2022.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

SacRT received a federal grant for approximately \$37.8 million in funding from the Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA is a federal formula grant program in which SacRT will use approximately \$27 million for operations in fiscal year 2022 and the remainder in fiscal year 2023.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS

The total cash and investments as of June 30, 2021, are reported in the accompanying basic financial statements as follows:

	Enterprise Fund	Fiduciary Funds	Total
Unrestricted:			
Cash and cash equivalents	\$ 33,263,483	\$ -	\$ 33,263,483
Cash on hand	148,116	-	148,116
Investments	<u>21,324,845</u>	-	<u>21,324,845</u>
Total unrestricted	<u>54,736,444</u>	<u>-</u>	<u>54,736,444</u>
Restricted:			
Cash and cash equivalents	12,448,222	11,044,175	23,492,397
Investments	<u>19,353,013</u>	<u>383,035,143</u>	<u>402,388,156</u>
Total restricted	<u>31,801,235</u>	<u>394,079,318</u>	<u>425,880,553</u>
Total cash and investments	<u>\$ 86,537,679</u>	<u>\$ 394,079,318</u>	<u>\$ 480,616,997</u>

INVESTMENTS

SacRT pursues a program of safety, liquidity, and yield in its cash management and investment program in order to achieve maximum return on the Enterprise Fund's available funds. The Enterprise Fund's investment policy (pertaining to investment of surplus funds) is governed by an annual Board adopted policy, which is in compliance with the provisions of Articles 1 and 2 of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	None	None
Bankers' Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1/P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	None
Reverse Repurchase Agreements	92 days	N/A	20% of base value	None
Medium-Term Notes	5 years	A	30%	None
Mutual Funds Investing in Eligible Securities	N/A	AAA	20%	10%
Mortgage Pass-Through Securities	5 years	AA	20%	None
Local Agency Investment Fund	N/A	N/A	None	None
JPA Pools (other investment pools)	N/A	N/A	None	None

A Retirement Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Pension Plans" governs the Pension Trust Funds' investments. This policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies 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 provisions of the Investment Objectives and Policy that address interest risk, credit risk and concentration of credit risk.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%
Other Equity Securities (7)	N/A	N/A	25% (2)	5%
Real Estate	None	N/A	None	None

- (1) The fixed income portion of the ATU Plan, IBEW Plan and Salaried Plan shall be limited in duration to between 75 % and 125% of the Bloomberg Aggregate Index benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and EETCs.
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
- (7) Other Equity Securities include: rights and warrants.

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments such as: interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. These types of risks may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 prices of fixed income securities with a longer time to maturity, measured by 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 risks associated with applicable investments as of June 30, 2021:

<u>Enterprise Fund</u>	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ 26,426	\$ 195,139	\$ -	\$ -	\$ 221,565
Corporate Bonds	95,804	596,575	-	-	692,379
Municipals	-	42,202	-	-	42,202
U.S. Government Agency Obligations	125,827	1,247,163	-	-	1,372,990
U.S. Government Issued Obligations	-	795,550	-	-	795,550
Asset-Backed Securities	-	339,733	-	-	339,733
CalTRUST	37,213,439	-	-	-	37,213,439
Total Enterprise Fund	<u>\$ 37,461,496</u>	<u>\$ 3,216,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,677,858</u>

<u>Fiduciary Funds</u>	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ -	\$ 3,483	\$ 3,602,683	\$ 3,606,166
Corporate Bonds	1,396,059	8,247,614	4,112,818	6,136,643	19,893,134
Municipal Bonds	-	-	99,344	168,866	268,210
U.S. Government Agency Obligations	141	104,510	96,172	26,262,254	26,463,077
U.S. Government Issued Obligations	-	18,320,093	1,600,132	5,421,003	25,341,228
Asset-Backed Securities	172,719	352,996	1,028,699	5,886,256	7,440,670
Total Fiduciary Fund	<u>\$ 1,568,919</u>	<u>\$ 27,025,213</u>	<u>\$ 6,940,648</u>	<u>\$ 47,477,705</u>	<u>\$ 83,012,485</u>

MORTGAGE PASS-THROUGH SECURITIES

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services 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 Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the value of these securities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments makes the fair value 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. SacRT or the Pension Trust Funds must 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. As of June 30, 2021, SacRT held callable bonds in the amount of \$254,784. The Pension Trust Funds held callable bonds in the amount of \$15,601,829.

INVESTMENT IN STATE INVESTMENT POOL AND CALTRUST

SacRT is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Local Investment Advisory Board (LIAB). The LIAB consists of five members as designated by State statute. The value of SacRT's investment in this pool is reported in the accompanying financial statements at amounts based upon the SacRT's pro-rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. SacRT's total investment in the LAIF at June 30, 2021, was \$38,298,306.

SacRT is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. SacRT's investments in CalTRUST are measured at net asset value (NAV), as described on page 35. As of June 30, 2021, SacRT's investments in CalTRUST were \$37,213,439, all of which is invested in the Short Term fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

CREDIT RISK

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (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's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. SacRT's investments in LAIF and CalTRUST external investment pools are not rated.

For the fiscal year ending June 30, 2021, management has reported that the Pension Trust Funds are in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines.

The following tables provide information on the credit ratings associated with investments as of June 30, 2021:

Moody's Ratings	Enterprise Fund		Moody's Ratings	Fiduciary Funds	
	Amount	Percentage of Portfolio		Amount	Percentage of Portfolio
Not Applicable	\$ 37,213,439	91.48%	Not Applicable	\$ 300,022,658	78.33%
Not rated	258,794	0.64%	Not rated	29,563,489	7.72%
Aaa/Aaa-mf/P1	2,501,051	6.15%	Aaa	29,561,156	7.72%
Aa1	31,136	0.08%	Aa1	239,398	0.06%
Aa2	42,202	0.10%	Aa2	730,949	0.19%
A1	217,577	0.53%	Aa3	593,858	0.16%
A2	360,955	0.89%	A1	1,063,092	0.28%
A3	52,704	0.13%	A2	2,526,831	0.66%
	<u>\$ 40,677,858</u>	<u>100.00%</u>	A3	2,252,382	0.59%
			Baa1	3,257,756	0.85%
			Baa2	4,275,441	1.12%
			Baa3	3,082,529	0.80%
			Ba1	1,368,261	0.36%
			Ba2	1,389,353	0.36%
			Ba3	1,138,174	0.30%
			B1	101,270	0.03%
			B2	184,550	0.05%
			B3	728,725	0.19%
			Caa1	92,796	0.02%
			WR	862,475	0.21%
			Total	<u>\$ 383,035,143</u>	<u>100.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policy of SacRT contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021, SacRT did not hold more than 5% of total investments in a single issuer.

The investment policy of the Pension Trust Funds states that an investment in domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the company's total outstanding shares. As of June 30, 2021, the Plans did not hold more than 5% of Plan investments in a single issuer.

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 will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2021, \$3,538,842 of SacRT's deposits and \$2,214,038 of the Custodial Fund's deposits were in excess of federal depository insurance (FDIC) limits and were held in collateralized accounts with securities collateralized in the financial institutions' name.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not 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 SacRT's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, SacRT had no investment securities exposed to custodial credit risk. The Pension Trust Funds' investment securities are not exposed to custodial credit risk because all securities are held by the Pension Trust Funds' custodian bank in SacRT's name.

FOREIGN CURRENCY RISK

The current SacRT investment policy does not address foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of June 30, 2021, SacRT does not have any deposits or investments in a foreign currency.

The Pension Trust Funds' investment policy states that international equity shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents. As of June 30, 2021, the Pension Trust Funds do not have any deposits or investments in a foreign currency.

FAIR VALUE MEASUREMENTS

SacRT categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. SacRT had the following recurring fair value measurements as of June 30, 2021:

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

Investments measured at fair value

	<u>6/30/2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Enterprise fund				
Debt securities				
Collateralized mortgage obligations	\$ 221,565	\$ -	\$ 221,565	\$ -
Corporate bonds	692,379	-	692,379	-
Municipals	42,202	-	42,202	-
U.S. Government Agency obligations	1,372,990	-	1,372,990	-
U.S. Government issued obligations	795,550	795,550	-	-
Asset backed securities	339,733	-	339,733	-
Carbon credits (LCFS/RIN)*	1,676,000	1,676,000	-	-
Total enterprise fund	<u>5,140,419</u>	<u>2,471,550</u>	<u>2,668,869</u>	<u>-</u>
Fiduciary funds				
Debt securities				
Collateralized mortgage obligations	3,606,166	-	3,606,166	-
Corporate bonds	19,893,134	-	19,893,134	-
Municipals	268,210	-	268,210	-
U.S. Government Agency obligations	26,463,077	-	26,463,077	-
U.S. Government issued obligations	25,341,228	-	25,341,228	-
Asset backed obligations	7,440,670	-	7,440,670	-
Equity securities				
Common stock	102,283,470	102,283,470	-	-
Depository receipts	1,655,866	1,655,866	-	-
Real estate investment trust	206,623	206,623	-	-
Total fiduciary fund	<u>187,158,444</u>	<u>104,145,959</u>	<u>83,012,485</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 192,298,863</u>	<u>\$ 106,617,509</u>	<u>\$ 85,681,354</u>	<u>\$ -</u>

Investments measured at the net asset value (NAV)

Enterprise fund

CalTRUST \$ 37,213,439

Fiduciary funds

S&P 500 Index Fund	69,756,404
MSCI EAFE Index Fund	18,149,802
International Equity Fund	34,989,760
International Small Capital Equity Fund	21,847,100
International Emerging Markets Fund	28,039,487
Real Estate Funds	23,094,146
Total investments measured at NAV	<u>\$ 233,090,138</u>

*Balance included in Receivables Other on the Statement of Net Position

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.

	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>Enterprise fund</u>				
CalTRUST (1)	\$ 37,213,439	\$ -	Daily	1 day
<u>Fiduciary funds</u>				
S&P 500 Index Fund (2)	69,756,404	-	Daily	1 day
MSCI EAFE Index Fund (3)	18,149,802	-	Semi-monthly	6-8 days
International Equity Fund (4)	34,989,760	-	Monthly	7 days
International Small Capital Equity Fund (5)	21,847,100	-	Monthly	2 days
International Emerging Markets Fund (6)	28,039,487	-	Daily	1 day
Real Estate Funds (7)	<u>23,094,146</u>	-	Daily, Quarterly	90 days, 1 quarter
Total fiduciary fund	<u>195,876,699</u>			
Total investments measured at NAV	<u>\$ 233,090,138</u>			

1. CalTRUST. This type includes an investment in an external investment pool that is governed by the California Government Investment Code. CalTRUST is benchmarked against LAIF and the Barclays Short-Term Government/Corporate Index. The fair value of the investment in this type has been determined using the NAV. The NAV is calculated daily by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.
2. S&P 500 Index Fund. This type includes an investment in an S&P 500 index fund that invests to match the S&P 500 Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment are determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

3. MSCI EAFE Index Fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily International stocks. The per-unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.
4. International Equity Fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.
5. International Small Capital Equity Fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.
6. International Emerging Markets Fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage 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 Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investors may purchase or redeem shares of the fund on any business day.
7. Real estate funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments has been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Clarion Lion Properties Fund, LP is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since June 30, 2021. Prime Property Fund, LLC had no redemption queue on June 30, 2021.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. CASH AND INVESTMENTS (Continued)

RESTRICTED CASH AND INVESTMENTS

Enterprise Fund

On June 30, 2021, cash and investments include restricted amounts of \$31,801,235. Amounts represent monies restricted for debt reserve requirements and capital projects of \$4,322,651 developer fee projects of \$13,670,761, and grantor-approved projects of \$13,807,823.

Fiduciary Funds

On June 30, 2021, restricted cash and investments of the Fiduciary Funds totaled \$394,079,318. Amounts represent funds restricted for employees' retirement of \$391,857,743 and Connect Card consortium members of \$2,221,575.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Transfers	Deletions	Balance June 30, 2021
Non-Depreciated Capital Assets					
Land*	\$ 88,544,159	\$ -	\$ -	\$ (3,870,891)	\$ 84,673,268
Construction in Progress	29,074,667	35,386,340	(13,097,805)	-	51,363,202
Total Non-Depreciated Capital Assets	<u>117,618,826</u>	<u>35,386,340</u>	<u>(13,097,805)</u>	<u>(3,870,891)</u>	<u>136,036,470</u>
Depreciated Capital Assets					
Buildings and Improvements*	977,451,847	59,816	196,944	(20,094)	977,688,513
Buses and Other Equipment	361,419,924	1,326,105	12,900,861	(737,576)	374,909,314
Total Depreciated Capital Assets	<u>1,338,871,771</u>	<u>1,385,921</u>	<u>13,097,805</u>	<u>(757,670)</u>	<u>1,352,597,827</u>
Accumulated Depreciation:					
Buildings and Improvements	(393,302,590)	(24,489,391)	-	20,094	(417,771,887)
Buses and Other Equipment	(219,609,115)	(19,990,466)	-	737,576	(238,862,005)
Total Accumulated Depreciation	<u>(612,911,705)</u>	<u>(44,479,857)</u>	<u>-</u>	<u>757,670</u>	<u>(656,633,892)</u>
Capital Assets Being Depreciated, Net	<u>725,960,066</u>	<u>(43,093,936)</u>	<u>13,097,805</u>	<u>-</u>	<u>695,963,935</u>
Capital Assets, Net	<u>\$ 843,578,892</u>	<u>\$ (7,707,596)</u>	<u>\$ -</u>	<u>\$ (3,870,891)</u>	<u>\$ 832,000,405</u>

*Land and Building – the values of the land and buildings at McClellan Park, approximately \$3.7 million and \$6.7 million, respectively, are included in these figures in anticipation of SacRT receiving future Fee Simple title. On January 5, 2007, a net lease and purchase agreement was recorded, giving SacRT a 94-year land and building leasehold and providing for a future transfer of Fee Simple title upon completion of Hazardous Materials clean-up by the United States Air Force.

Pursuant to such transaction, SacRT acquired a leasehold interest in multiple buildings and some exterior parking and the right to use certain common areas at McClellan Park (formerly McClellan Air Force Base). Fee Simple title to the property is projected to be transferred to SacRT within the next two years to five years. Therefore, the current lease in furtherance of conveyance is being reported as a fee simple ownership of the property.

Building – the value of buildings and improvements includes \$30.8 million of progress payments made pursuant to a Lease and Joint Use Agreement with Los Rios Community College District (Los Rios) that provides for the construction of a parking structure at Cosumnes River College.

SacRT and Los Rios have agreed to make joint use of the parking structure and adjacent surface parking. SacRT's lease payments are the cost of construction, which have already been paid in full, and there are no future payments due. It is the responsibility of Los Rios to maintain, repair, and pay all taxes and utilities associated with the structures' operations. The term of the lease, which commenced in August 2015 with the opening of the South Sacramento Corridor Phase II light rail extension, is for a period of 51 years with the option to extend for two consecutive 5-year terms. The lease meets the conditions of a capital lease since the lease term exceeds the useful life of the asset. Los Rios commenced use of the parking garage in June 2013.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

4. LEASES

OPERATING LEASES

SacRT leases buildings, parking lots, and office facilities under non-cancelable operating leases. Total cost for such leases was \$308,320 for the fiscal year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2022	\$ 740,026
2023	615,972
2024	615,972
2025	615,972
2026	615,972
Thereafter	1,834,616
Total	\$ 5,038,530

CAPITAL LEASES

FINANCE OBLIGATIONS UNDER CAPITAL LEASE/LEASEBACK

In December 2005, January 2006, and September 2007, SacRT entered into separate leveraged lease/leaseback transactions over a total of 50 light rail vehicles (the "Equipment"). Each transaction was structured as a head lease of the Equipment (the "Head Lease") to a special purpose trust created by an equity investor and a simultaneous sublease of the Equipment back to SacRT (the "Sublease"). Under the Sublease agreements, SacRT retains the right to use the light rail vehicles and is also responsible for their continued maintenance and insurance. Each Sublease Agreement provides SacRT with an option to purchase the Equipment at the end of the applicable Sublease term on specified dates between June 2030 and September 2035 for an aggregate purchase price of \$97,932,090.

At the closing of the lease/leaseback transactions, the light rail vehicles had a fair value of approximately \$223,880,000 and a net book value of \$94,822,528. SacRT received an aggregate of \$223,880,000 from the equity investor in full prepayment of the Head Leases. SacRT deposited a portion of the prepaid Head Lease payments with debt payment undertakers whose repayment obligations were guaranteed by American International Group Inc. ("AIG"). SacRT also deposited a portion of the prepaid Head Lease payments with an equity payment undertaker whose obligations, which were collateralized with U.S. agency securities and guaranteed by AIG, matured at such times and in such amounts that correspond to the purchase option payment dates and amounts for the Equipment under each Sublease. Although these escrows do not represent a legal defeasance of SacRT's obligations under the Subleases, management believes that these transactions were structured in such a way that it was not probable that SacRT would need to access other monies to make Sublease payments.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

4. LEASES (Continued)

In addition, SacRT purchased surety bonds from Ambac Assurance Corporation (“Ambac”), a bond insurance company, to guarantee certain termination payments that are in the nature of stipulated damages, in the event the lease/leaseback transactions were terminated, in whole or in part, prior to each Sublease expiration payment date.

The lease/leaseback transactions resulted in a net cash gain to SacRT of \$11,820,731, which was deferred and is being amortized over the lives of the Subleases. In the fiscal year ending June 30, 2021, SacRT amortized \$419,763 of such deferred gain. At June 30, 2021, SacRT had a balance of \$5,666,798 as deferred gain on the lease/leaseback transactions. SacRT’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/Leaseback payable.

The original terms of the lease/leaseback transactions required SacRT replace (1) AIG as debt payment undertaker if its ratings were to fall below “A3” from Moody’s Investor Services (“Moody’s”) or “A-” from Standard & Poor’s Rating Group (“S&P”), (2) AIG as equity payment surety provider if its ratings were to fall below “Aa3” from Moody’s or “AA-” from S&P, in each case within a specified period of time following demand by the equity investor.

In July 2011, the lease/leaseback transactions were restructured to (1) eliminate any minimum rating requirements applicable to Ambac, (2) reduce the minimum rating requirement applicable to AIG as debt payment undertaker guarantor to “Baa3” from Moody’s and “BBB-” from S&P, (3) replace AIG as equity payment undertaker and guarantor with U.S. Treasury Obligations that matured by such dates and in such amounts that correspond to the purchase option dates and amounts for the Equipment under each Sublease and (4) extend the time periods for any of SacRT’s remaining replacement obligations to one year. No payments under the debt payment undertaking agreements remain.

Under the terms of the July 2011 restructuring, SacRT was required to replace the U.S. Treasury Obligations if the rating fell below “Aaa” from Moody’s or “AAA” from S&P. In August 2011, S&P downgraded the U.S. Treasury Obligation to “AA+”. On October 16, 2013, the equity investor, SacRT and Ambac agreed to amend the minimum rating requirements for the U.S. Treasury Obligations to “Aa2” from Moody’s and “AA” from S&P (the “October Amendment”).

As a result of the October Amendment, SacRT is in full compliance with the terms of the lease/leaseback transactions.

As U.S. Treasury Obligations, held in trust, will mature to satisfy the purchase option for the Equipment under each Sublease, SacRT has recorded the amounts held by the trustee, US Bank, as Deposits for Lease/Leaseback Payables on the Statements of Net Position. The obligation under the lease agreements and the investments held to pay the lease/leaseback obligation are adjusted annually to reflect the change in the net present value of the related sublease and buy-out options. On June 30, 2021, the balance of this deposit was \$49,767,388.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

4. LEASES (Continued)

The following table sets forth the aggregate amounts due under the sublease agreements:

Future minimum payments due in fiscal years ending June 30:	Amount
2022	\$ -
2023	-
2024	-
2025	-
2026	-
2027-2031	14,252,635
2032-2036	83,679,455
Total future minimum payments	97,932,090
Less: imputed interest	(48,164,702)
Present value of minimum lease payments	\$ 49,767,388

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

5. DIRECT BORROWINGS

LINE OF CREDIT

For the purpose of short-term borrowing needs, SacRT has an unsecured line of credit (LOC) agreement with U.S. Bank National Association. The purpose of the line of credit is to meet SacRT's liquidity needs stemming from the timing of cash receipts from Federal and State awards. The line is subject to a \$27,000,000 limit and matured on August 3, 2021. The interest rate for the LOC with U.S. Bank for the used portion of the LOC was at LIBOR plus 1.25% and the unused portion was a fixed 0.45% for the fiscal year ending June 30, 2021.

As of June 30, 2021, SacRT reported compliance with the short-term borrowing requirements stated under the California Government Code and with the financial covenants required by U.S. Bank.

The LOC direct borrowing contains (1) a provision that in event insolvency the LOC is automatically terminated and (2) a provision that in an event of default, the LOC can be immediately terminated or the timing of repayment of outstanding amounts become immediately due if SacRT is unable to make payment; SacRT's farebox recovery ratio falls below the California Transportation Development Act requirements; SacRT does not maintain a net operating ratio for the most recently ended four consecutive fiscal quarters equal to at least 0.95:1; SacRT does not maintain a fixed charge coverage ratio for the most recently ended fiscal year equal to at least 1.15:1; SacRT does not maintain unrestricted liquidity in an amount at least equal to \$9,000,000, consisting of at least \$4,500,000 in cash on hand and the balance of the \$9,000,000 in cash and/or LOC availability; or any senior Farebox Obligation rating is withdrawn or suspended or fall below "BBB" by S&P, "Baa2" by Moody's or "BBB" by Finch.

SacRT's LOC contains a subjective acceleration clause that allows the lender to immediately terminate the LOC or accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Short-term debt activity for the fiscal year ended June 30, 2021, was as follows:

	7/1/2020	Draws	Repayments	6/30/2021
Line of Credit \$	9,100,000	\$ 48,800,000	\$ (57,900,000)	\$ -

The unused LOC balance on June 30, 2021 was \$27,000,000.

LOANS PAYABLE

A loan payable in the amount of \$13,988,074 was received in November 2013 from the Public Transportation account (PTA) in the State Transportation Fund pursuant to Section 2 of Chapter 527, Statutes of 2013 (AB 1222). The loan was extended by the State to temporarily replace a Federal Transit Administration (FTA) grant that lapsed due to the application of the Federal Transit Act's "13(c)" provision to the California Public Employee Pension Reform Act of 2013 (PEPRA). The litigation has been concluded and the FTA approved an amendment to the grant to enable SacRT to draw down the grant funds needed to repay the loan. The loan was repaid in the fiscal year ended June 30, 2021.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

6. LONG-TERM DEBT

FAREBOX REVENUE BONDS (Revenue Bonds), SERIES 2012

In November 2012, SacRT issued Revenue Bonds totaling \$86,865,000 with interest rates ranging from 3% to 5%. The Revenue Bonds were issued to (i) finance a portion of the costs of an extension to the SacRT's light rail system and related improvements and acquisition of certain buses and other vehicles and other capital projects, and to (ii) refund all of the outstanding Farebox Revenue Certificates of Participation (COP), 2003 Series-C. The Revenue Bonds are a special obligation of SacRT and are secured solely by a pledge of farebox revenues through 2042. Annual principal and interest payments on the bonds are expected to require less than 20% of farebox revenue. The total principal and interest remaining to be paid on the bonds is \$72,065,600. Principal and interest paid for the current year and total farebox revenues were \$3,434,600 and \$12,001,272, respectively.

The Series 2012 Bonds maturing on and after March 1, 2021, shall be subject to redemption prior to their respective stated maturities, at the option of SacRT, from any source of available funds. The Bonds maturing on March 1, 2036, will be subject to redemption in part, by lot, from mandatory sinking account payments required by the Indenture on each March 1 on or after March 1, 2033, at the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest, if any. The Series 2012 Bonds maturing on March 1, 2042, will be subject to redemption in part, by lot, from mandatory sinking account payments required by the indenture on each March 1 on or after March 1, 2037, at the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest, if any.

As of June 30, 2021, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2022	\$ 1,270,000	\$ 2,164,100	\$ 3,434,100
2023	1,330,000	2,100,600	3,430,600
2024	1,400,000	2,034,100	3,434,100
2025	1,465,000	1,964,100	3,429,100
2026	1,540,000	1,890,850	3,430,850
2027-2031	8,950,000	8,218,000	17,168,000
2032-2036	11,245,000	5,907,100	17,152,100
2037-2041	14,145,000	3,008,250	17,153,250
2042	3,270,000	163,500	3,433,500
Total	<u>\$ 44,615,000</u>	<u>\$ 27,450,600</u>	<u>\$ 72,065,600</u>

As of June 30, 2021, the unamortized premium associated with the Revenue Bonds was \$3,627,667. The amortization of the premium for fiscal year ended June 30, 2021, was \$175,533 and was amortized to interest expense.

The debt indenture contains financial covenants including requirements for punctual payments to sinking funds, minimum amounts to be maintained in sinking funds, an annual balanced budget and submission of audited financial statements to the trustee within 210 days after the end of each fiscal year. As of June 30, 2021, SacRT was in compliance with all financial covenants of the Farebox Revenue Bonds.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

6. LONG-TERM DEBT (Continued)

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due within One Year
Other Debt					
2012 Revenue Bonds	\$ 45,825,000	\$ -	\$ (1,210,000)	\$ 44,615,000	\$ 1,270,000
Issuance Premium	3,803,200	-	(175,533)	3,627,667	-
Total 2012 Revenue Bonds	<u>49,628,200</u>	<u>-</u>	<u>(1,385,533)</u>	<u>48,242,667</u>	<u>1,270,000</u>
Direct Borrowings					
Loans Payable	<u>13,988,074</u>	<u>-</u>	<u>(13,988,074)</u>	<u>-</u>	<u>-</u>
Other Long-Term Liabilities					
Compensated Absences	10,125,107	7,962,010	(8,708,617)	10,871,714	8,594,532
Advances from Other Governments	16,327,535	7,427,702	(6,375,966)	17,379,271	1,442,300
Claims Payable	21,126,262	5,155,547	(6,191,831)	20,089,978	5,178,991
Lease/Leaseback Payable	47,338,625	2,428,763	-	49,767,388	-
Long-Term Liabilities	<u>\$ 158,533,803</u>	<u>\$ 22,974,022</u>	<u>\$ (36,650,021)</u>	<u>\$ 146,351,018</u>	<u>\$ 16,485,823</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

7. FUNDING SOURCES

SacRT is dependent upon funds from several sources to meet its operating, maintenance, and capital requirements. The receipt of such funds is controlled by statutes, the provisions of various grant contracts, regulatory approvals, and, in some instances, is dependent on the availability of grantor and local matching funds.

FEDERAL GRANTS

Federal grant funding is obtained from the Federal Transit Administration (FTA) and Department of Homeland Security. Federal funding for the fiscal year ended June 30, 2021, is comprised of the following:

Operating assistance grants:	
FTA Section 5307	\$ 82,360,152
FTA Section 5337	12,220,975
FTA Section 5339	1,355,747
Dept of Homeland Security	<u>49,262</u>
Total Federal operating assistance grants	<u>95,986,136</u>
Capital grants:	
FTA Section 5307	4,497,609
FTA Section 5304	246,645
FTA Section 5309	88,136
FTA Section 5337	<u>15,726</u>
Total Federal capital grants	<u>4,848,116</u>
Total Federal operating and capital grants	<u>\$ 100,834,252</u>

The FTA retains its interest in assets acquired with Federal funds should they be disposed of before the end of their economic lives or not used for public transit.

Under provisions of Section 5307 of the Urban Mass Transportation Act of 1964, as amended, Federal resources are made available for planning, capital, and operating assistance, subject to certain limitations. Funds are apportioned annually based on a statutory formula and are available for a period of five years following the close of the fiscal year for which they were apportioned. Any unobligated funds at the end of such period revert to the federal government. In general, funds received for operations must, at a minimum, be matched 50% with local contributions and funds for capital projects, including operating activities defined as capital projects, must be matched 20% with local contributions.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

7. FUNDING SOURCES (Continued)

STATE AND LOCAL GRANTS

SacRT qualifies for and receives distributions from Local Transportation Funds, State Transit Assistance and Senate Bill 1 State of Good Repair under claims approved by the Sacramento Area Council of Governments (SACOG) in accordance with provisions of the Transportation Development Act (TDA).

State and local grant funding for the fiscal year ended June 30, 2021, is comprised of the following:

Operating assistance grants:	
Measure A Sales Tax Revenue	\$ 59,903,826
Local Transportation Funds	51,158,504
Low Carbon Transit Operations Program	2,595,082
Total state and local operating assistance grants	<u>113,657,412</u>
Capital grants:	
Transit and Intercity Rail Program	20,631,940
State Transit Assistance	10,004,038
Traffic Congestion Relief Program	5,268,742
Proposition 1A	2,452,628
Senate Bill 1 - State of Good Repair	2,162,638
Proposition 1B	832,541
Insurance Proceeds	592,410
Sacramento Municipal Utility District	274,040
California Department of Transportation	136,320
City of West Sacramento	123,612
Developer Fees	114,711
Other	75,520
Total state and local capital grants	<u>42,669,140</u>
Total state and local grants	<u>\$ 156,326,552</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

7. FUNDING SOURCES (Continued)

ADVANCES FROM OTHER GOVERNMENTS

Advances from other governments at June 30, 2021, consisted of the following:

Developer Fees	\$ 13,779,300
Low Carbon Operations Transit Program	1,235,057
Sacramento County	1,208,113
Proposition 1B	1,004,088
Insurance Proceeds	100,000
Sacramento Emergency Clean Air & Transportation (SECAT)	51,273
Other	1,440
Total advances from other governments	<u>\$ 17,379,271</u>

The advances from other governments is restricted cash from grants, fees from area developers designated specifically for transit improvements, and insurance and lawsuit settlement proceeds received, but not yet spent; utilized principally for capital projects. Management makes an estimate of the amount that will be recognized in the next fiscal year and classifies this amount as current.

PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4.000 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA revenues are included as part of Proposition 1B state and local capital contributions on the Statement of Revenues, Expenses, and Changes in Net Position. PTMISEA activity for the fiscal year ended June 30, 2021, was as follows:

Revenues	\$ 563,215
Expenditures:	
Replace Non-Revenue Vehicles	(294,310)
Paratransit Vehicles	(259,328)
Bus Stop Improvements	(5,991)
Fulton Ave. Bus Shelter	(3,586)
Net Activity	<u>\$ -</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

8. FARE RECOVERY RATIO

SacRT is required to maintain a fare revenue-to-operating expense ratio of 23% in accordance with the Transportation Development Act. To demonstrate compliance with this Fare Recovery Ratio, SacRT has supplemented, per California Public Utilities Code Section 99268.19, a portion of its Local Measure A funds in order to meet the required ratio. The fare revenue-to-operating expense ratio for SacRT is calculated as follows for the fiscal year ended June 30, 2021:

Fare Revenues	\$	12,001,272
Local Fund Supplementation (Measure A)		33,895,579
Total Revenues	\$	<u>45,896,851</u>
Operating Expenses	\$	243,611,619
Less Allowable Exclusions:		
Depreciation		(44,060,094)
Net Operating Expenses	\$	<u>199,551,525</u>
Fare Revenue Ratio		<u>23.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS

DESCRIPTION OF PLANS

SacRT contributes to three single employer-defined benefit pension plans:

- The Sacramento Regional Transit District Retirement Plan for members of ATU, Local 256 (ATU Plan),
- The Sacramento Regional Transit District Retirement Plan for members of IBEW Local 1245 (IBEW Plan), and
- The Sacramento Regional Transit District Retirement Plan for Salaried Employees (Salaried Plan) who are members of the:
 - Operating Engineers Local 3 which remain under the Administrative Employees' Association (AEA),
 - Management and Confidential Employees Group (MCEG), and
 - American Federation of State, County and Municipal Employees (AFSCME), which is further broken down into the following groups for bargaining and contract purposes:
 - AFSCME-Technical
 - AFSCME-Supervisors

The plans are administered by SacRT under the direction of five separate Retirement Boards of Directors, each representing one of the aforementioned bargaining and employee groups of ATU, IBEW, AEA, AFSCME and MCEG. SacRT's administrative functions include: payments to retirees, accounting, financial management, Plan document management, correspondence with retirees, pension calculations, and other administrative tasks. The Retirement Boards of Directors are responsible for investment decisions, approving the annual actuarial valuation and annual contributions, approving the annual audited financial statements, approving retirements, and other tasks. All expenses incurred in the administration of the plans are paid by the plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Each Retirement Board is comprised of equal representation; SacRT Management by a member from SacRT's Board of Directors and General Manager, and two members from the represented group. Each Board member serves a four-year term, with no limit on the amount of terms that can be served. The ATU, IBEW and Salaried Plans issue a publicly available combined financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to Sacramento Regional Transit District, Attention: Chief Financial Officer, P.O. Box 2110, Sacramento, CA 95812, or online at www.sacrt.com.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tier effective date was directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of December 30, 2014, the ATU, IBEW, and AFSCME-Technical unions were bound by a current MOU. Whereas, the AEA, MCEG, and AFSCME-Supervisors had not settled negotiations and were not bound by a current MOU; therefore, PEPRA was required to be implemented for these groups.

- IBEW and AFSCME-Technical – Tier 1 consists of all employees hired on or before December 30, 2014, Tier 2 consists of all employees hired on or after December 31, 2014.
- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period January 1, 2015 to December 31, 2015.
- AEA, MCEG, and AFSCME-Supervisors – Tier 1 consists of all employees hired on or before December 30, 2014, Tier 2 consists of all employees hired on or after December 31, 2014.

Tier 1 and Tier 3 are closed to new entrants as all newly hired employees will be placed into the respective Tier 2 plans.

Plan Termination– If the ATU, IBEW or Salaried Plans are terminated, the Plan's net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

BENEFITS PROVIDED

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Boards based on an actuarial basis. The authority under which benefit provisions are established and amended rests with SacRT's Board of Directors as a result of labor negotiations.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors bargaining units.

The benefits for Tier 1, Tier 2, and Tier 3 members begin at retirement and continue for the participant's life with no cost-of-living adjustment. The participant can elect to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with SacRT, cannot be transferred to another job with SacRT, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested 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 ATU, IBEW or Salaried Plan, multiplied by 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's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. 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.

ATU, IBEW and Salaried Plan membership for Tier 1, Tier 2 and Tier 3 on June 30, 2021, consisted of:

Retirees and beneficiaries currently receiving benefits	999
Terminated members entitled to but not yet collecting benefits	94
Current active members	992
	<u>2,085</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Table 1 below presents a summary of the retirement benefits for Tier 1 and Tier 3 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans for fiscal year ending June 30, 2021.

Table 1

TIER 1 & TIER 3	ATU Plan	IBEW Plan	Salaries Plan			
Employee Union/ Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Ranges from 48 to 60 months depending on date of separation. See Plan documents for specific provisions.					
Vacation and sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans effective for fiscal year ending June 30, 2021.

Table 2

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Highest consecutive 48 months					
Vacation and sick leave sell back towards pension calculation	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Disability Retirement Multiplier	If allowable, equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required.					

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. The multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service for Tier 1 and Tier 3. Tier 2 retirement ages and multipliers are mandated by PEPRA as follows, 2% at age 62 and 2.5% at age 67. There were no changes to benefits during the year ended June 30, 2021.

Contributions

The ATU, IBEW and Salaried Plans' funding policies provide for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method and are approved by the Retirement Boards of Directors annually. During the fiscal year ended June 30, 2021, SacRT made contributions to the ATU, IBEW, and Salaried Plan of \$9,579,205, \$3,578,685, and \$9,807,539 respectively.

**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 for Tier 1 and Tier 3 employees as of June 30, 2021:

Table 3

<u>Employee Group</u>	Tier 1		Tier 3	
	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>
ATU	30.74%	-	30.74%	3.00%
IBEW	29.22%	-	-	-
AEA, MCEG and AFSCME	38.93%	-	-	-

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPRA. Table 4 presents the employer and employee contribution rates for Tier 2 employees as of June 30, 2021:

Table 4

<u>Employee Group</u>	Tier 2	
	<u>Employer</u>	<u>Employee</u>
ATU	21.35%	7.25%
IBEW	21.32%	6.00%
AEA, MCEG and AFSCME	28.89%	5.75%

The employee contributions to the ATU, IBEW, and Salaried Plan for the fiscal year ended June 30, 2021, were \$1,041,899, \$342,404, and \$466,141, respectively.

The employee contribution rates calculated in compliance with PEPRA, for June 30, 2021, were actuarially determined as part of the valuations dated July 1, 2019. Employer contribution rates are calculated and change annually for all tiers. The employee contribution rates for Tier 2 employees are also calculated annually but only changes if the total normal cost changes by more than 1 percent of payroll.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

NET PENSION LIABILITY

SacRT's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, and projected to June 30, 2020 for the ATU, IBEW and Salaried Plans. Update procedures were used to roll forward the total pension liability to the measurement date.

Actuarial Assumptions – The total pension liability measured as of June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement for the ATU, IBEW, and Salaried Plans.

Inflation	3.00%
Amortization growth rate	3.00%
Salary Increases	3.00%, plus merit component
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%

Mortality rates were based on the RP-2014 Combined Blue Collar Mortality, adjusted by 115% for males and 130% for females, with generational projection using Scale MP-2015 for the ATU and IBEW Plan, and the RP-2014 Retired Pensioners Mortality, adjusted by 130% for females, with generational projection using Scale MP-2015 for the Salaried Plan.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015, except for the economic assumptions, which were updated by the Retirement Boards for the July 1, 2017 valuation as a result of an analysis completed in 2017.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

For the ATU, IBEW, and Salaried Plans, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	32.00%	7.85%
Domestic Equity Small Cap	8.00%	8.75%
International Equity Developed	19.00%	8.25%
International Equity Emerging Markets	6.00%	9.80%
Domestic Fixed Income	25.00%	1.80%
Real Estate	10.00%	6.60%
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that SacRT contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

CHANGES IN THE NET PENSION LIABILITY

Table 5 below presents the changes in the net pension liability for the ATU Plan as of June 30, 2021:

Table 5

	ATU Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2020	\$ 183,053,830	\$ 138,049,710	\$ 45,004,120
Changes for the year:			
Service cost	5,197,253	-	5,197,253
Interest	13,012,883	-	13,012,883
Differences between expected and actual experience	(87,109)	-	(87,109)
Contributions - employer	-	8,783,426	(8,783,426)
Contributions - member	-	766,861	(766,861)
Net investment income	-	2,523,724	(2,523,724)
Benefit payments, including refunds of employee contributions	(12,455,822)	(12,455,822)	-
Administrative expense	-	(243,847)	243,847
Net Changes	5,667,205	(625,658)	6,292,863
Balances at 6/30/2021	\$ 188,721,035	\$ 137,424,052	\$ 51,296,983

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Table 6 below presents the changes in the net pension liability for the IBEW Plan as of June 30, 2021:

Table 6

	IBEW Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2020	\$ 80,003,157	\$ 60,149,108	\$ 19,854,049
Changes for the year:			
Service cost	1,806,472	-	1,806,472
Interest	5,716,051	-	5,716,051
Differences between expected and actual experience	845,009	-	845,009
Contributions - employer	-	3,230,879	(3,230,879)
Contributions - member	-	304,593	(304,593)
Net investment income	-	1,082,659	(1,082,659)
Benefit payments, including refunds of employee contributions	(4,169,979)	(4,169,979)	-
Administrative expense	-	(218,135)	218,135
Net Changes	<u>4,197,553</u>	<u>230,017</u>	<u>3,967,536</u>
Balances at 6/30/2021	<u>\$ 84,200,710</u>	<u>\$ 60,379,125</u>	<u>\$ 23,821,585</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Table 7 below presents the changes in net pension liability for the Salaried Plan as of June 30, 2021:

Table 7

	Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2020	\$ 151,558,856	\$ 99,186,092	\$ 52,372,764
Changes for the year:			
Service Cost	4,024,291	-	4,024,291
Interest	10,794,658	-	10,794,658
Differences between expected and actual experience	2,669,480	-	2,669,480
Contributions - employer	-	9,159,513	(9,159,513)
Contributions - member	-	360,051	(360,051)
Net investment income	-	1,526,151	(1,526,151)
Benefit payments, including refunds of employee contributions	(9,453,326)	(9,453,326)	-
Administrative expense	-	(226,310)	226,310
Net Changes	8,035,103	1,366,079	6,669,024
Balances at 6/30/2021	\$ 159,593,959	\$ 100,552,171	\$ 59,041,788

**SACRAMENTO REGIONAL TRANSIT DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Table 8 below presents the changes in net pension liability combined for the ATU, IBEW and Salaried Plans as of June 30, 2021:

Table 8

	ATU, IBEW and Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2020	\$ 414,615,843	\$ 297,384,910	117,230,933
Changes for the year:			
Service Cost	11,028,016	-	11,028,016
Interest	29,523,592	-	29,523,592
Differences between expected and actual experience	3,427,380	-	3,427,380
Contributions - employer	-	21,173,818	(21,173,818)
Contributions - member	-	1,431,505	(1,431,505)
Net investment income	-	5,132,534	(5,132,534)
Benefit payments, including refunds of employee contributions	(26,079,127)	(26,079,127)	-
Administrative expense	-	(688,292)	688,292
Net Changes	<u>17,899,861</u>	<u>970,438</u>	<u>16,929,423</u>
Balances at 6/30/2021	<u>\$ 432,515,704</u>	<u>\$ 298,355,348</u>	<u>\$ 134,160,356</u>

There are no special funding situations for the ATU, IBEW or Salaried Plans for the fiscal year ending June 30, 2021.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of SacRT, calculated using the discount rate of 7.25%, as well as what SacRT's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
SacRT's net pension liability:			
ATU Plan	\$ 70,240,648	\$ 51,296,983	\$ 35,073,822
IBEW Plan	32,884,065	23,821,585	16,112,794
Salaried Plan	77,343,451	59,041,788	43,519,503
Total	<u>\$ 180,468,164</u>	<u>\$ 134,160,356</u>	<u>\$ 94,706,119</u>

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Plans for the Sacramento Regional Transit District Employees financial report. The Plan assets, for investing purposes, have been comingled to reduce investment expenses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 SacRT for the ATU, IBEW and Salaried Plans for the fiscal year ended June 30, 2021, was \$11,175,955, \$5,477,704 and \$11,766,155 respectively, totaling \$28,419,814. On June 30, 2021, SacRT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
ATU Plan	\$ 6,155,208	\$ -
IBEW Plan	2,755,695	-
Salaried Plan	4,587,218	-
Differences between expected and actual experience:		
ATU Plan	-	1,601,495
IBEW Plan	1,782,560	391,344
Salaried Plan	3,486,277	-
Changes of assumptions:		
ATU Plan	1,465,416	103,768
IBEW Plan	652,041	58,829
Salaried Plan	822,982	8,647
Total of deferred outflows and inflows of resources before employer contributions	21,707,397	2,164,083
Employer contributions subsequent to the measurement date of the net pension liability:		
ATU Plan	9,579,205	-
IBEW Plan	3,578,685	-
Salaried Plan	9,807,539	-
Total employer contributions	22,965,429	-
Total deferred outflows and inflows of resources	\$ 44,672,826	\$ 2,164,083

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

9. PENSION PLANS (Continued)

Deferred outflows of resources resulting from contributions made subsequent to the measurement date in the amount of \$22,965,429 will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended June 30:	<u>ATU Plan</u>	<u>IBEW Plan</u>	<u>Salaried Plan</u>	<u>Total</u>
2021	\$ 327,069	\$ 1,251,096	\$ 3,343,502	\$ 4,921,667
2022	2,503,900	1,642,767	2,392,292	6,538,959
2023	1,627,270	1,027,703	2,020,208	4,675,181
2024	1,457,122	818,557	1,131,828	3,407,507
Total	<u>\$ 5,915,361</u>	<u>\$ 4,740,123</u>	<u>\$ 8,887,830</u>	<u>\$ 19,543,314</u>

PAYABLE TO THE PENSION PLAN

On June 30, 2021, there is no payable to the Plans as SacRT paid all contributions required for the fiscal year ended June 30, 2021.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

10. OTHER POST-EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description - SacRT's defined benefit OPEB plan provides OPEB under provisions of District Personnel Rules and Procedures, Collective Bargaining Agreements and certain California Public Employees' Retirement System (CalPERS) requirements for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT established an IRC Section 115 irrevocable trust under the California Employers' Retiree Benefit Trust Program (CERBT) for the purpose of (i) receiving employer contributions to prefund OPEB for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for OPEB in accordance with the terms of SacRT's plan. The funds in the CERBT are administered by CalPERS as an agent multiple-employer plan. Benefit provisions are established and may be amended by SacRT labor agreements which are approved by the Board of Directors.

Benefits Provided - SacRT provides medical care benefits for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT also provides dental care and life insurance benefits to active and retired members of the OE3, AFSCME, and MCEG. The benefits are mandated by contracted agreements between SacRT and the respective employee groups and may be amended at any time. Employees and their dependents may become eligible for such benefits if the employees reach normal retirement age while working for SacRT. Medical, dental, and life insurance benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year.

SacRT contributes 90% or 92% of the cost for retired members of OE3, AFSCME, and MCEG hired after 1993, and 100% for plan members hired prior to 1994. SacRT is required to contribute the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) for retired members of the ATU and IBEW.

Employees Covered by Benefit Terms - On June 30, 2020 the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	682
Terminated members entitles to bu not yet collecting benefits	97
Current active members	<u>1,243</u>
	<u><u>2,022</u></u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions - The obligation of SacRT to contribute to the plan is established by the Board of Directors. SacRT currently prefunds the OPEB plan at 100% of the actuarially determined contribution. For the year ended June 30, 2021, SacRT's contribution was \$3,207,854. Employees are not required to contribute to the plan.

NET OPEB LIABILITY

SacRT's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods in the measurement.

General Inflation Rate	2.5 percent
Salary increases	3.0 percent
Investment rate of return	6.75 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Medical: Getzen model Dental and required PEMHCA minimum employer contribution: 4.0% per year

Mortality rates were based on the MacLeod Watts Scale 2018 which was developed by SacRT's actuary from a blending of data and methodologies found in two published sources: (i) the Society of Actuaries Mortality Improvement Scale MP-2017 Report, published in October 2017 and (ii) the demographic assumptions used in the 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published July 2017.

Demographic actuarial assumptions used in the June 30, 2019 valuation were based on the July 1, 2015 valuations of the retirement plans covering SacRT employees and are based on the 2016 actuarial experience study of SacRT's retirement plans using data from 2011 to 2015, except for a different basis (MacLeod Watts Scale 2018) used to project future mortality improvements.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	59%	5.98%
Fixed Income	25%	2.62%
REITs	8%	5.00%
Treasury Inflation Protected Securities	5%	1.46%
Commodities	3%	2.87%
	100%	

* Based on 2018 Capital Market Assumptions per CalPERS CERBT Program

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that SacRT contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods 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)
Balances at 7/1/2020	\$ 51,058,894	\$ 31,176,000	\$ 19,882,894
Changes for the year:			
Service cost	1,632,712	-	1,632,712
Interest	3,469,020	-	3,469,020
Contributions - employer	-	3,134,146	(3,134,146)
Net investment income	-	1,129,669	(1,129,669)
Benefit payments	(2,597,450)	(2,597,450)	-
Administrative expense	-	(15,264)	15,264
Net Changes	<u>2,504,282</u>	<u>1,651,101</u>	<u>853,181</u>
Balances at 6/30/2021	<u>\$ 53,563,176</u>	<u>\$ 32,827,101</u>	<u>\$ 20,736,075</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net OPEB liability	\$ 27,342,542	\$ 20,736,075	\$ 15,197,915

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Current Trend	Current Trend Getzen Model Medical / 4.0% Dental	Current Trend
	-1.0%		+1.0%
Net OPEB liability	\$ 14,802,355	\$ 20,736,075	\$ 27,954,607

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial statements that will be included in the CalPERS ACFR. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2021, SacRT recognized OPEB expense of \$2,902,185. At June 30, 2021, SacRT 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
Changes of assumptions	\$ 2,347,416	\$ 789,892
Differences between expected and actual experience	-	2,644,199
Net difference between projected and actual earnings on OPEB Plan Investments	701,902	-
Contributions Made Subsequent to the measurement date	3,207,854	-
	\$ 6,257,172	\$ 3,434,091

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The \$3,207,854 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending on June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the future years as follows:

Year Ending June 30	Deferred Inflows of Resources
2022	\$ (92,837)
2023	58,384
2024	104,793
2025	54,094
2026	(406,111)
Thereafter	(103,096)
Total	\$ (384,773)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

11. SELF-INSURANCE

SacRT is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage provided by self-insured and excess coverage is generally as follows as of June 30, 2021:

Type of Coverage	Self-insurance (per occurrence)	Excess Commercial Insurance Coverage (per occurrence)
Workers' Compensation	Up to \$2,000,000	\$2,000,000 to \$25,000,000
Commercial General Liability		
Bus	Up to \$2,000,000	\$2,000,000 to \$100,000,000
Light Rail	Up to \$2,000,000	\$2,000,000 to \$292,000,000
*Property:		
Buildings/Perils	Up to \$100,000	\$100,000 to \$83,440,000
Collision Bus	Up to \$250,000	\$250,000 to \$100,000,000
Collision Rail	Up to \$500,000	\$500,000 to \$100,000,000
Flood	Up to \$250,000	\$250,000 to \$10,000,000
Cyber Security	Up to \$50,000	\$50,000 to \$5,000,000

* includes revenue and non-revenue vehicles

SacRT purchases commercial insurance for claims in excess of self-insured amounts and for all other risks of loss to a stated maximum amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the previous year.

The claims liability of \$20,089,978 reported at June 30, 2021, is based on estimates of the amounts needed to pay prior and current year claims and to allow accrual of estimated incurred but not reported claims. Non-incremental claims adjustment expenses have been included as part of the liability. As of June 30, 2021, the Public Liability and Property Damage (PLPD) liability is discounted using a discount factor of 1.0% as SacRT holds in a reserve fund of \$3,397,495 at June 30, 2021. The Workers' Compensation liability is not discounted.

These claim estimates are actuarially determined and based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in SacRT's claims liability amount during the fiscal years ended June 30, 2021 and 2020, were as follows:

Fiscal Year Ended	Beginning of the Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	End of the Year Liability
June 30, 2021	\$ 21,126,262	\$ 5,155,547	\$ (6,191,831)	\$ 20,089,978
June 30, 2020	\$ 25,113,359	\$ 6,003,245	\$ (9,990,342)	\$ 21,126,262

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

12. CONTINGENT LIABILITIES AND COMMITMENTS

SacRT is involved in various claims and litigation arising from its operations. SacRT management, after consultation with SacRT's general counsel, believes that the resolution of such matters will not have a material adverse effect on SacRT's financial position or results of operations.

SacRT receives funding for specific purposes that is subject to review and audit by the granting agencies or funding source. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

SacRT has construction contracts and property acquisition commitments of \$20,614,224 on June 30, 2021. Federal, state, and local grant funds have been approved for such construction.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

13. SUBSEQUENT EVENTS

REFUNDING BONDS

In August 2021, SacRT issued Revenue Refunding Bonds totaling \$35,475,000 with interest rates ranging from 4% to 5%. The Refunding Bonds were issued to (a) current refund and defease all of the outstanding Sacramento Regional Transit District Farebox Revenue Bonds, Series 2012, (b) fund the Bond Reserve Fund and (c) pay the costs of issuance of the Series 2021A Bonds. The Refunding Bonds are a special limited obligation of SacRT and are secured solely by a pledge of farebox revenues through 2042.

LINE OF CREDIT

On August 4, 2021 the credit agreement with U.S. Bank was amended and restated. Per the amended and restated agreement, the line is subject to a \$20,000,000 limit and matures on September 30, 2022. The interest rate for the LOC with U.S. Bank for the used portion of the LOC is at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion is a fixed 0.45%.



Required Supplementary Information (Other than MD&A)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability				
Service cost	\$ 5,197,253	\$ 5,084,840	\$ 4,765,696	\$ 4,835,944
Interest	13,012,883	12,664,533	12,761,359	12,885,195
Changes of benefit terms	-	-	-	(11,268)
Difference between expected and actual returns	(87,109)	(519,304)	(261,689)	(5,577,742)
Change of assumptions	-	(172,948)	3,663,543	-
Change in bargaining group	-	(314,880)	(5,129,398)	(2,713,007)
Benefit payments, including refunds of member contributions	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Net change in total pension liability	<u>5,667,205</u>	<u>5,196,869</u>	<u>4,495,399</u>	<u>(1,357,864)</u>
Total pension liability - beginning	<u>183,053,830</u>	<u>177,856,961</u>	<u>173,361,562</u>	<u>174,719,426</u>
Total pension liability - ending	<u>\$ 188,721,035</u>	<u>\$ 183,053,830</u>	<u>\$ 177,856,961</u>	<u>\$ 173,361,562</u>
Plan fiduciary net position				
Contributions - employer	\$ 8,783,426	\$ 8,533,307	\$ 7,863,420	\$ 7,987,367
Contributions - member	766,861	493,597	337,009	168,463
Change in bargaining group	-	(343,707)	(2,638,467)	(3,851,827)
Net investment income	2,523,724	8,012,792	8,591,810	14,419,708
Benefit payments, including refunds of member contributions	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Administrative expense	(243,847)	(279,016)	(260,006)	(306,539)
Net change in plan fiduciary net position	<u>(625,658)</u>	<u>4,871,601</u>	<u>2,589,654</u>	<u>7,640,186</u>
Plan fiduciary net position - beginning	<u>138,049,710</u>	<u>133,178,109</u>	<u>130,588,455</u>	<u>122,948,269</u>
Plan fiduciary net position - ending	<u>\$ 137,424,052</u>	<u>\$ 138,049,710</u>	<u>\$ 133,178,109</u>	<u>\$ 130,588,455</u>
Net pension liability - beginning	<u>\$ 45,004,120</u>	<u>\$ 44,678,852</u>	<u>\$ 42,773,107</u>	<u>\$ 51,771,157</u>
Net pension liability - ending	<u>\$ 51,296,983</u>	<u>\$ 45,004,120</u>	<u>\$ 44,678,852</u>	<u>\$ 42,773,107</u>
Plan fiduciary net position as a percentage of the total pension liability	72.82%	75.41%	74.88%	75.33%
Covered payroll	\$ 34,174,428	\$ 30,125,788	\$ 31,575,118	\$ 30,212,311
Net pension liability as a percentage of covered payroll	150.10%	149.39%	141.50%	141.58%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: the ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

IBEW Plan				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability				
Service cost	\$ 1,806,472	\$ 1,792,845	\$ 1,596,227	\$ 1,640,651
Interest	5,716,051	5,449,300	5,338,451	4,742,855
Changes of benefit terms	-	-	-	(105,378)
Difference between expected and actual returns	845,009	499,642	(978,363)	2,420,299
Change of assumptions	-	(98,047)	1,630,101	-
Change in bargaining group	-	-	-	2,713,007
Benefit payments, including refunds of member contributions	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Net change in total pension liability	<u>4,197,553</u>	<u>3,864,664</u>	<u>3,964,731</u>	<u>8,130,267</u>
Total pension liability - beginning	<u>80,003,157</u>	<u>76,138,493</u>	<u>72,173,762</u>	<u>64,043,495</u>
Total pension liability - ending	<u>\$ 84,200,710</u>	<u>\$ 80,003,157</u>	<u>\$ 76,138,493</u>	<u>\$ 72,173,762</u>
Plan fiduciary net position				
Contributions - employer	\$ 3,230,879	\$ 3,299,013	\$ 3,195,912	\$ 3,315,379
Contributions - member	304,593	209,531	103,415	39,287
Change in bargaining group	-	-	-	3,851,827
Net investment income	1,082,659	3,482,632	3,629,569	5,332,230
Benefit payments, including refunds of member contributions	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Administrative expense	(218,135)	(229,569)	(225,752)	(239,189)
Net change in plan fiduciary net position	<u>230,017</u>	<u>2,982,531</u>	<u>3,081,459</u>	<u>9,018,367</u>
Plan fiduciary net position - beginning	<u>60,149,108</u>	<u>57,166,577</u>	<u>54,085,118</u>	<u>45,066,751</u>
Plan fiduciary net position - ending	<u>\$ 60,379,125</u>	<u>\$ 60,149,108</u>	<u>\$ 57,166,577</u>	<u>\$ 54,085,118</u>
Net pension liability - beginning	<u>\$ 19,854,049</u>	<u>\$ 18,971,916</u>	<u>\$ 18,088,644</u>	<u>\$ 18,976,744</u>
Net pension liability - ending	<u>\$ 23,821,585</u>	<u>\$ 19,854,049</u>	<u>\$ 18,971,916</u>	<u>\$ 18,088,644</u>
Plan fiduciary net position as a percentage of the total pension liability	71.71%	75.18%	75.08%	74.94%
Covered payroll	\$ 14,166,689	\$ 13,300,633	\$ 13,137,945	\$ 12,473,480
Net pension liability as a percentage of covered payroll	168.15%	149.27%	144.41%	145.02%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: the ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

**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
Total pension liability			
Service cost	\$ 5,760,060	\$ 5,753,143	\$ 5,599,479
Interest	16,758,356	16,384,487	15,740,342
Difference between expected and actual returns	(1,456,639)	(2,941,777)	-
Changes of assumptions	8,176,501	1,621,574	-
Transfers out - Salaried Plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Net change in total pension liability	<u>16,057,404</u>	<u>7,659,442</u>	<u>8,288,478</u>
Total pension liability - beginning	<u>222,705,517</u>	<u>215,046,075</u>	<u>206,757,597</u>
Total pension liability - ending	<u><u>\$ 238,762,921</u></u>	<u><u>\$ 222,705,517</u></u>	<u><u>\$ 215,046,075</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 10,447,190	\$ 10,343,620	\$ 9,711,107
Contributions - member	54,714	3,682	22,425
Net investment income	(1,121,417)	4,609,506	22,631,819
Transfers out - salaried plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Administrative expense	(290,647)	(190,442)	(230,365)
Net change in plan fiduciary net position	<u>(4,091,034)</u>	<u>1,608,381</u>	<u>19,083,643</u>
Plan fiduciary net position - beginning	<u>172,106,054</u>	<u>170,497,673</u>	<u>151,414,030</u>
Plan fiduciary net position - ending	<u><u>\$ 168,015,020</u></u>	<u><u>\$ 172,106,054</u></u>	<u><u>\$ 170,497,673</u></u>
Net pension liability - beginning	<u><u>\$ 50,599,463</u></u>	<u><u>\$ 44,548,402</u></u>	<u><u>\$ 55,343,567</u></u>
Net pension liability - ending	<u><u>\$ 70,747,901</u></u>	<u><u>\$ 50,599,463</u></u>	<u><u>\$ 44,548,402</u></u>
Plan fiduciary net position as a percentage of the total pension liability	70.37%	77.28%	79.28%
Covered payroll	\$ 39,996,326	\$ 37,950,269	\$ 38,857,668
Net pension liability as a percentage of covered payroll	176.89%	133.33%	114.65%

Notes to Schedule:

Benefit changes – There were no substantial changes to the benefits in 2017.

Changes of assumptions – the investment rate of return and discount rate was reduced from 7.65% to 7.50%, during the fiscal year ended June 30, 2016, which is the measurement year for reporting. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. ATU and IBEW are reported as stand-alone plans beginning 7/1/16.

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability							
Service cost	\$ 4,024,291	\$ 3,831,831	\$ 3,647,115	\$ 3,873,148	\$ 3,594,919	\$ 3,476,103	\$ 3,321,337
Interest (includes interest on service cost)	10,794,658	10,288,390	9,485,966	8,960,042	8,807,953	8,434,365	7,978,675
Changes in benefit terms	-	-	-	(298,430)	-	-	-
Difference between expected and actual returns	2,669,480	1,215,057	1,856,563	2,062,482	(852,040)	(753,076)	-
Changes of assumptions	-	(17,295)	3,291,931	-	(680,161)	930,863	-
Change in bargaining group	-	474,438	5,129,398	-	-	-	174,166
Benefit payments, including refunds of member contributions	(9,453,326)	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Net change in total pension liability	<u>8,035,103</u>	<u>7,418,927</u>	<u>15,631,607</u>	<u>7,417,880</u>	<u>4,679,690</u>	<u>6,586,111</u>	<u>5,809,778</u>
Total pension liability - beginning	<u>151,558,856</u>	<u>144,139,929</u>	<u>128,508,322</u>	<u>121,090,442</u>	<u>116,410,752</u>	<u>109,824,641</u>	<u>104,014,863</u>
Total pension liability - ending	<u>\$ 159,593,959</u>	<u>\$ 151,558,856</u>	<u>\$ 144,139,929</u>	<u>\$ 128,508,322</u>	<u>\$ 121,090,442</u>	<u>\$ 116,410,752</u>	<u>\$ 109,824,641</u>
Plan fiduciary net position							
Contributions - employer	\$ 9,159,513	\$ 8,503,815	\$ 7,669,178	\$ 7,321,138	\$ 7,576,866	\$ 7,335,308	\$ 6,609,083
Contributions - member	360,051	193,293	143,094	53,706	21,014	261	1,678
Change in bargaining group	-	343,707	2,638,467	-	-	-	174,166
Net investment income	1,526,151	5,649,123	6,073,483	9,388,876	(396,556)	2,132,136	9,297,644
Benefit payments, including refunds of member contributions	(9,453,326)	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Administrative expense	(226,310)	(260,441)	(247,077)	(289,067)	(269,624)	(194,209)	(176,367)
Net change in plan fiduciary net position	<u>1,366,079</u>	<u>6,056,003</u>	<u>8,497,779</u>	<u>9,295,291</u>	<u>740,719</u>	<u>3,771,352</u>	<u>10,241,804</u>
Plan fiduciary net position - beginning	<u>99,186,092</u>	<u>93,130,089</u>	<u>84,632,310</u>	<u>75,337,019</u>	<u>74,596,300</u>	<u>70,824,948</u>	<u>60,583,144</u>
Plan fiduciary net position - ending	<u>\$ 100,552,171</u>	<u>\$ 99,186,092</u>	<u>\$ 93,130,089</u>	<u>\$ 84,632,310</u>	<u>\$ 75,337,019</u>	<u>\$ 74,596,300</u>	<u>\$ 70,824,948</u>
Net pension liability - beginning	<u>\$ 52,372,764</u>	<u>\$ 51,009,840</u>	<u>\$ 43,876,012</u>	<u>\$ 45,753,423</u>	<u>\$ 41,814,452</u>	<u>\$ -</u>	<u>\$ 43,431,719</u>
Net pension liability - ending	<u>\$ 59,041,788</u>	<u>\$ 52,372,764</u>	<u>\$ 51,009,840</u>	<u>\$ 43,876,012</u>	<u>\$ 45,753,423</u>	<u>\$ 41,814,452</u>	<u>\$ 38,999,693</u>
Plan fiduciary net position as a percentage of the total pension liability	63.00%	65.44%	64.61%	65.86%	62.22%	64.08%	64.49%
Covered payroll	\$ 26,295,215	\$ 22,220,418	\$ 24,283,580	\$ 23,435,642	\$ 24,341,878	\$ 23,022,281	\$ 22,008,809
Net pension liability as a percentage of covered payroll	224.53%	235.70%	210.06%	187.22%	187.96%	181.63%	177.20%

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

Notes to Schedule:

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Beginning in FYE 2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports, which can be updated with actual amounts by Plan for the final disclosure.

2017: The investment rate of return and discount rate was reduced from 7.75% to 7.65%.

2018: The investment rate of return and discount rate was reduced from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU Plan
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 9,579	\$ 8,783	\$ 8,533	\$ 7,863	\$ 7,987
Contributions in relation to the actuarially determined contribution	9,579	8,783	8,533	7,863	7,987
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 35,335	\$ 34,174	\$ 30,126	\$ 31,575	\$ 30,212
Contributions as a percentage of covered payroll	27.11%	25.70%	28.33%	24.90%	26.44%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2019 (to determine FY20-21 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 13-year period as of 7/1/2019
Asset valuation method	5-year smoothed market
Discount Rate	7.25%
Amortization growth rate	3.00%
Price inflation	3.00%
Salary Increases	3.00%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: RP 2014 Combined Healthy Blue Collar Mortality w/ Scale MP-2015, base tables adjusted 115% for males and 130% for females Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2015, base tables adjusted 120% for males

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021, can be found in the July 1, 2019 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the ATU Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
IBEW Plan
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 3,579	\$ 3,231	\$ 3,299	\$ 3,196	\$ 3,315
Contributions in relation to the actuarially determined contribution	3,579	3,231	3,299	3,196	3,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,778	\$ 14,167	\$ 13,301	\$ 13,138	\$ 12,474
Contributions as a percentage of covered payroll	25.98%	22.81%	24.80%	24.33%	26.58%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2019 (to determine FY20-21 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 13-year period as of 7/1/2019
Asset valuation method	5-year smoothed market
Discount Rate	7.25%
Amortization growth rate	3.00%
Price inflation	3.00%
Salary Increases	3.00%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: RP 2014 w/ Scale MP-2015, base tables adjusted 115% for males and 130% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2015, base tables adjusted 120% for males

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021, can be found in the July 1, 2019 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the IBEW Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU/IBEW Plan
(Dollar amounts in thousands)**

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 10,447	\$ 10,343	\$ 9,711	\$ 8,694	\$ 7,885
Contributions in relation to the actuarially determined contribution	10,447	10,343	9,711	8,694	7,885
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 39,996	\$ 37,950	\$ 38,858	\$ 37,110	\$ 38,558
Contributions as a percentage of covered payroll	26.12%	27.25%	24.99%	23.43%	20.45%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2014 (to determine FY15-16 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 17-year period as of 7/1/2015
Asset valuation method	5-year smoothed market
Discount Rate	7.65%
Amortization growth rate	3.15%
Price inflation	3.15%
Salary Increases	3.15%, plus merit component on employee classification and years of service
Mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3-year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. ATU and IBEW are reported as standalone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
SALARIED PLAN
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 9,808	\$ 9,160	\$ 8,504	\$ 7,669	\$ 7,321	\$ 7,577	\$ 7,335	\$ 6,609	\$ 5,800	\$ 4,580
Contributions in relation to the actuarially determined contribution	9,808	9,160	8,504	7,669	7,321	7,577	7,335	6,609	5,800	4,580
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 27,147	\$ 26,295	\$ 22,220	\$ 24,284	\$ 23,436	\$ 24,342	\$ 23,022	\$ 22,009	\$ 19,627	\$ 19,105
Contributions as a percentage of covered payroll	36.13%	34.84%	38.27%	31.58%	31.24%	31.13%	31.86%	30.03%	29.55%	23.97%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2019 (to determine FY20-21 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 13-year period as of 7/1/2019
Asset valuation method	5-year smoothed market
Discount Rate	7.25%
Amortization growth rate	3.00%
Price inflation	3.00%
Salary Increases	3.00%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: RP 2014 w/ Scale MP-2015, base tables adjusted 130% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2015, base tables adjusted 130% for males and 115% for females.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021, can be found in the July 1, 2019 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**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 1,632,712	\$ 1,556,281	\$ 1,507,294	\$ 1,459,848
Interest	3,469,020	3,514,022	3,345,560	3,196,439
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(3,752,353)	-	-
Changes in assumptions	-	2,376,944	-	-
Benefit payments	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Net change in total OPEB liability	<u>2,504,282</u>	<u>1,134,818</u>	<u>2,422,437</u>	<u>1,939,867</u>
Total OPEB liability - beginning	<u>51,058,894</u>	<u>49,924,076</u>	<u>47,501,639</u>	<u>45,561,772</u>
Total OPEB liability - ending	<u>\$ 53,563,176</u>	<u>\$ 51,058,894</u>	<u>\$ 49,924,076</u>	<u>\$ 47,501,639</u>
Plan fiduciary net position				
Contributions - employer	\$ 3,134,146	\$ 3,292,735	\$ 3,182,371	\$ 5,817,444
Net investment income	1,129,669	1,778,876	2,069,510	2,299,759
Benefit payments	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Other expense	-	-	(34,264)	-
Administrative expense	(15,264)	(6,158)	(13,849)	(11,457)
Net change in plan fiduciary net position	<u>1,651,101</u>	<u>2,505,377</u>	<u>2,773,351</u>	<u>5,389,326</u>
Plan fiduciary net position - beginning	<u>31,176,000</u>	<u>28,670,623</u>	<u>25,897,272</u>	<u>20,507,946</u>
Plan fiduciary net position - ending	<u>\$ 32,827,101</u>	<u>\$ 31,176,000</u>	<u>\$ 28,670,623</u>	<u>\$ 25,897,272</u>
Net OPEB liability - beginning	<u>\$ 19,882,894</u>	<u>\$ 21,253,453</u>	<u>\$ 21,604,367</u>	<u>\$ 25,053,826</u>
Net OPEB liability - ending	<u>\$ 20,736,075</u>	<u>\$ 19,882,894</u>	<u>\$ 21,253,453</u>	<u>\$ 21,604,367</u>
			1	
Plan fiduciary net position as a percentage of the total OPEB liability	61.29%	61.06%	57.43%	54.52%
Covered employee payroll	\$ 78,109,160	\$ 73,751,153	\$ 68,996,643	\$ 67,347,993
Net OPEB liability as a percentage of covered employee payroll	26.55%	26.96%	30.80%	32.08%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

Notes to Schedule (Continued):

FY2020: Amounts reported as changes in assumptions resulted from the lowering of the discount rate from 7.00% to 6.75%, the inflation rate from 2.75% to 2.50%, salary increases from 3.25% to 3.00%, PEMHCA minimum and dental premium from 4.50% to 4.00% as well as the change to the Getzen model for medical cost trend rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
LAST 10 FISCAL YEARS**

(Dollar amounts in thousands)

	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,189	\$ 3,112	\$ 3,278	\$ 3,179
Contributions in relation to the actuarially determined contribution	3,208	3,134	3,293	3,182
Contribution deficiency (excess)	\$ (19)	\$ (22)	\$ (15)	\$ (3)
 Covered employee payroll	 \$ 81,025	 \$ 78,109	 \$ 73,751	 \$ 68,997
Contributions as a percentage of covered employee payroll	3.96%	4.01%	4.46%	4.61%

Note: This schedule uses covered employee payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 6/30/2019 (to determine FY19-20 and FY20-21 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation no more than 30 months plus 1 day
prior to the close of the fiscal year end per GASB 75

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market value of assets
Discount Rate	6.75%
Amortization growth rate	2.50%
General inflation	2.50%
Salary Increases	3.00%
Mortality	2016 SacRT Experience Study; Improvement using MacLeod Watts Scale 2018

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2021**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,126,895	\$ 1,805,399	\$ 2,890,306	\$ 8,822,600
Receivables:				
Securities sold	9,016,161	3,888,942	5,936,189	18,841,292
Interest and dividends	283,388	121,560	206,769	611,717
Other receivables and prepaids	17,400	14,330	16,260	47,990
Total receivables	<u>9,316,949</u>	<u>4,024,832</u>	<u>6,159,218</u>	<u>19,500,999</u>
Investments:				
Equity securities	124,135,060	55,367,661	97,425,791	276,928,512
Fixed income securities	39,760,444	17,137,889	26,114,152	83,012,485
Real estate	11,061,391	4,767,777	7,264,978	23,094,146
Total investments	<u>174,956,895</u>	<u>77,273,327</u>	<u>130,804,921</u>	<u>383,035,143</u>
Total assets	<u>188,400,739</u>	<u>83,103,558</u>	<u>139,854,445</u>	<u>411,358,742</u>
LIABILITIES				
Securities purchased payable	15,358,350	6,622,441	10,100,912	32,081,703
Accounts payable	1,497,824	563,720	386,812	2,448,356
Total liabilities	<u>16,856,174</u>	<u>7,186,161</u>	<u>10,487,724</u>	<u>34,530,059</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 171,544,565</u>	<u>\$ 75,917,397</u>	<u>\$ 129,366,721</u>	<u>\$ 376,828,683</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 9,579,205	\$ 3,578,685	\$ 9,807,539	\$ 22,965,429
Member	1,041,899	342,404	466,141	1,850,444
Total contributions	<u>10,621,104</u>	<u>3,921,089</u>	<u>10,273,680</u>	<u>24,815,873</u>
Investment income/(expense)				
Net appreciation in fair value of investments	35,631,385	15,927,494	28,093,811	79,652,690
Interest, dividends, and other income	1,901,994	830,764	1,380,961	4,113,719
Investment expenses	<u>(675,648)</u>	<u>(297,010)</u>	<u>(498,128)</u>	<u>(1,470,786)</u>
Net investment income	<u>36,857,731</u>	<u>16,461,248</u>	<u>28,976,644</u>	<u>82,295,623</u>
Total additions	<u>47,478,835</u>	<u>20,382,337</u>	<u>39,250,324</u>	<u>107,111,496</u>
DEDUCTIONS				
Benefits paid to participants	13,074,333	4,587,268	10,182,471	27,844,072
Administrative expenses	<u>283,989</u>	<u>256,797</u>	<u>253,303</u>	<u>794,089</u>
Total deductions	<u>13,358,322</u>	<u>4,844,065</u>	<u>10,435,774</u>	<u>28,638,161</u>
Net increase/(decrease) in plan net position	34,120,513	15,538,272	28,814,550	78,473,335
Net position restricted for pension benefits - Beginning of fiscal year	<u>137,424,052</u>	<u>60,379,125</u>	<u>100,552,171</u>	<u>298,355,348</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 171,544,565</u>	<u>\$ 75,917,397</u>	<u>\$ 129,366,721</u>	<u>\$ 376,828,683</u>



Statistical Section (Unaudited)

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

This part of the Sacramento Regional Transit District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about SacRT's overall financial health.

CONTENTS	<u>Page</u>
Financial Trends	87
These schedules contain information to help the reader understand how SacRT's financial performance and well-being have changed over time.	
Revenue Capacity	89
These schedules contain information to help the reader assess the factors affecting SacRT's ability to generate its fares.	
Debt Capacity	91
These schedules present information to help the reader assess the affordability of SacRT's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	93
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 governments.	
Operating Information	96
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 SacRT provides and the activities it performs.	

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. SacRT 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Position										
Net Investment in Capital Assets	\$ 787,711	\$ 799,650	\$ 798,019	\$ 864,160	\$ 878,849	\$ 889,347	\$ 852,174	\$ 821,610	\$ 779,273	\$ 788,415
Restricted for:										
Capital Projects	4,474	2,845	1,211	1,751	-	-	-	-	2,280	5,522
Debt Service	-	2,278	2,279	1,829	1,831	-	3,484	3,435	3,472	3,439
Folsom Annexation									3,694	3,420
Unrestricted	(526)	1,689	31,723	(48,259) ¹	(50,474)	(48,012)	(61,136)	(49,001)	(74,451)	(55,532)
Total Net Position	<u>\$ 791,659</u>	<u>\$ 806,462</u>	<u>\$ 833,232</u>	<u>\$ 819,481</u>	<u>\$ 830,206</u>	<u>\$ 841,335</u>	<u>\$ 794,522</u>	<u>\$ 776,044</u>	<u>\$ 714,268</u>	<u>\$ 745,264</u>

¹ The fiscal year 2015 decrease is due to the implementation of GASB Statement No. 68 which reduced net position by \$82,455,095 offset by an increase in net position of \$68,704,438 that is primarily the result of capital contributions that funded the District South Line Phase 2 extension project and the delivery of 30 new Gillig 40' buses

²The fiscal year 2020 decrease is due the change in federal grant revenue recognition per GASB Implementation Guide 2019-1

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues										
Fares	\$ 28,964	\$ 29,759	\$ 29,157	\$ 28,396	\$ 28,056	\$ 30,487	\$ 27,276	\$ 25,428	\$ 20,999	\$ 12,001
Operating Expenses										
Labor and Fringe Benefits	82,209	88,064	94,755	93,182	99,692	108,886	110,545	116,997	133,144	146,708
Professional and Other Services	21,417	24,996	26,130	27,533	29,332	30,342	27,119	27,348	27,923	16,455
Spare Parts and Supplies	9,785	10,517	11,996	10,549	8,526	11,996	10,841	12,139	14,550	14,836
Utilities	5,587	5,639	5,646	5,816	6,288	6,619	6,995	6,761	6,821	7,272
Casualty and Liability Costs	6,353	7,910	8,343	7,906	7,160	9,317	9,300	14,011	9,931	12,336
Depreciation	31,392	31,380	33,982	34,128	39,925	43,959	43,126	43,359	42,739	44,060
Indirect Costs Allocated to Capital Programs	(824)	(763)	(887)	(1,204)	(1,038)	(538)	(459)	(309)	(230)	(199)
Other	1,492	1,396	1,460	1,541	1,434	1,702	2,355	2,847	2,745	2,144
Impairment Loss	-	-	-	-	-	-	-	15,375	15,375	-
Total Operating Expenses	<u>157,411</u>	<u>169,139</u>	<u>181,425</u>	<u>179,451</u>	<u>191,319</u>	<u>212,283</u>	<u>209,822</u>	<u>223,153</u>	<u>237,623</u>	<u>243,612</u>
Operating Loss	(128,447)	(139,380)	(152,268)	(151,055)	(163,263)	(181,796)	(182,546)	(197,725)	(216,624)	(231,610)
Non-Operating Revenues (Expenses)										
Operating Assistance:										
State and Local	69,132	72,723	78,318	80,350	81,518	86,911	93,339	104,031	114,880	113,657
Federal	28,670	31,007	32,620	32,764	36,156	35,611	41,746	38,668	36,719	95,986
Investment Income	2,456	1,755	1,941	1,996	2,129	2,124	2,223	2,753	3,105	2,651
Interest Expense	(2,722)	(2,522)	(3,223)	(2,982)	(3,675)	(2,353)	(2,707)	(2,745)	(5,010)	(4,881)
Pass Through to Subrecipients	(4,216)	(1,672)	(3,401)	(2,933)	(2,030)	(1,075)	(4,645)	(2,838)	(301)	(4,260)
Professional and Other Services-Funded	-	-	-	-	-	(6,162)	(7,325)	(4,448)	(74)	-
Contract Services	5,245	5,607	5,530	5,810	6,110	6,260	6,420	3,731	7,125	6,634
Other	2,485	3,414	2,863	4,193	5,325	4,353	4,981	8,027	9,601	716
Total Non-Operating Revenues	<u>101,050</u>	<u>110,312</u>	<u>114,648</u>	<u>119,198</u>	<u>125,533</u>	<u>125,669</u>	<u>134,032</u>	<u>147,179</u>	<u>166,045</u>	<u>215,089</u>
Loss Before Capital Contributions	(27,397)	(29,068)	(37,620)	(31,857)	(37,730)	(56,127)	(48,514)	(50,546)	(50,579)	(16,522)
Capital Contributions										
State and Local	33,474	34,389	15,878	25,635	18,376	18,376	16,804	24,307	27,812	42,669
Federal	10,016	9,331	48,512	74,926	30,078	30,078	4,133	2,371	4,558	4,848
Increase (Decrease) in Net Position before Special Item	16,092	14,650	26,769	68,704	10,724	10,724	(27,577)	(23,868)	(26,531)	30,996
Extraordinary (Loss) Gain on Early Extinguishment of Debt	-	155	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	5,390	-	-
Increase (Decrease) in Net Position after Special and Extraordinary Items	<u>\$ 16,092</u>	<u>\$ 14,805</u>	<u>\$ 26,769</u>	<u>\$ 68,704</u>	<u>\$ 10,724</u>	<u>\$ 10,724</u>	<u>\$ (27,577)</u>	<u>\$ (18,478)</u>	<u>\$ (26,531)</u>	<u>\$ 30,996</u>

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Farebox</u>	<u>Fare Prepayment/ Outlet Sales</u>	<u>Special/ Contracted</u>	<u>Other</u>	<u>Total</u>
2012	7,846,435	19,385,804	1,713,635	18,274	28,964,148
2013	7,971,366	19,311,009	2,462,865	13,439	29,758,679
2014	8,069,001	19,305,312	1,771,265	11,342	29,156,920
2015	8,047,861	18,514,485	1,822,565	11,191	28,396,102
2016	7,423,668	18,304,088	2,320,645	7,403	28,055,804
2017	8,028,861	18,729,711	3,719,407	9,119	30,487,098
2018	9,826,478	14,243,595	3,193,550	12,608	27,276,231
2019	11,948,401	10,102,175	3,367,622	10,234	25,428,432
2020	10,773,484	5,998,126	4,225,036	2,231	20,998,877
2021	5,394,475	3,815,707	2,791,090	-	12,001,272

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL FARE REVENUE PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Customers	Fiscal Year 2021 Sales		Fiscal Year 2012 Sales	
	Amount	%	Amount	%
Department of Human Assistance	\$ 2,075,000	17.29%	\$ 2,277,736	7.86%
Los Rios Community College District	1,613,779	13.45%	930,478	3.21%
RydeFree Program K-12 Student	590,019	4.92%	-	0.00%
California State University Sacramento	453,013		722,832	
Department of Child, Family and Adult Services	435,060	3.63%	-	0.00%
Alta Pass	105,930	0.88%	-	0.00%
Francis House Center	102,262	0.85%	-	0.00%
WageWorks	83,100	0.69%	-	0.00%
Alta California Regional Center	71,250	0.59%	784,200	2.71%
Sacramento Public Library Authority	62,500	0.52%	-	0.00%
Raleys Family of Fine Stores	-	0.00%	1,245,810	4.30%
Department of Transportation	-	0.00%	1,015,520	3.51%
Employment Development Department	-	0.00%	896,285	3.09%
California Environmental Protection Agency	-	0.00%	762,217	2.63%
Health and Human Services	-	0.00%	752,925	2.60%
Franchise Tax Board	-	0.00%	738,995	2.55%
Subtotal (10 Largest)	5,591,913	46.59%	10,126,998	34.96%
Health and Human Services				
Balance from other customers	6,409,359	53.41%	18,837,150	65.04%
Grand Total	\$ 12,001,272	100.00%	\$ 28,964,148	100.00%

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	Farebox Revenue Bonds Series 2012	Lease/Leaseback Payable	Certificates of Participation 2003	Loan Payable	Total Debt	Six-County Region Percentage of Personal Income	Six-County Region Per Capita
2012	-	35,482,912	5,942,622	8,230,039	49,655,573	0.01%	2.52
2013	95,000,484	33,351,437	-	8,642,509	136,994,430	0.09%	39.89
2014	92,006,633	35,062,503	-	13,988,074	141,057,210	0.08%	38.21
2015	88,927,782	36,861,364	-	13,988,074	139,777,220	0.07%	36.50
2016	87,113,931	38,752,526	-	13,988,074	139,854,531	0.07%	35.32
2017	51,017,296	40,740,724	-	13,988,074	105,746,094	0.04%	20.42
2018	50,841,764	42,830,939	-	13,988,074	107,660,777	0.04%	20.30
2019	50,666,232	45,028,404	-	13,988,074	109,682,710	0.03%	20.00
2020	49,628,200	47,338,625	-	13,988,074	110,954,899	Not available	19.49
2021	48,242,667	49,767,388	-	-	98,010,055	Not available	18.85

Lease/Leaseback is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting deposit on SacRT's Statement of Net Position

Loan Payable is not included in Percentage of Personal Income or Per Capital as the there is an equal and offsetting receivable accrual on SacRT's Statement of Net Position

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Fare Revenue	Non-Fare Revenues	Total Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2012	\$ 28,964,148	\$ 101,258,250	\$ 130,222,398	\$ 124,598,383	\$ 5,624,015	\$ 1,770,000	\$ 307,783	2.71
2013	29,758,679	109,004,025	138,762,704	136,103,794	2,658,910	5,740,000	2,347,098	0.33
2014	29,156,920	115,299,629	144,456,549	144,777,141	(320,592)	2,710,000	4,123,100	(0.05)
2015	28,396,102	119,886,619	148,282,721	146,515,212	1,767,509	2,795,000	4,041,800	0.26
2016	28,055,804	126,809,242	154,865,046	152,830,940	2,034,106	1,530,000	3,957,950	0.37
2017	30,487,098	131,596,154	162,083,252	157,379,743	4,703,509	33,142,500	-	0.14
2018	27,276,231	141,379,634	168,655,865	159,444,596	9,211,269	175,532	-	52.48
2019	25,428,432	151,586,987	177,015,419	173,778,795	3,236,624	175,532	-	18.44
2020	20,998,877	173,098,872	194,097,749	181,407,884	12,689,865	862,500	1,711,575	4.93
2021	12,001,272	186,722,857	198,724,129	191,326,773	7,397,356	1,210,000	2,224,600	2.15

Notes: Details regarding SacRT'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 2012 Revenue Bond interest is funded with Federal Capital Revenue

Capital revenue has been excluded from this schedule.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**

	Population ^{1,2}		Personal Income ^{1,2} (In Thousands)		Per Capital Personal ¹ Income		Unemployment Rate ³	
	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region
2012	1,444,852	2,357,229	60,247,321	103,552,756	41,698	43,930	10.7%	10.9%
2013	1,457,341	2,378,109	62,632,334	107,479,096	42,977	45,195	9.0%	9.1%
2014	1,474,917	2,403,951	66,721,398	114,230,064	45,237	47,518	7.4%	7.5%
2015	1,493,674	2,432,448	71,615,866	122,486,133	47,946	50,355	6.0%	6.2%
2016	1,510,987	2,462,227	74,321,409	127,640,049	49,187	51,839	5.4%	5.6%
2017	1,527,301	2,492,354	77,459,778	133,026,996	50,717	53,374	4.7%	4.8%
2018	1,538,746	2,515,845	81,589,289	139,916,938	53,023	55,614	3.9%	4.0%
2019	1,552,058	2,539,369	85,775,621	147,130,001	55,266	57,940	3.7%	3.9%
2020	1,553,157	2,546,816	Not available	Not available	Not available	Not available	9.3%	8.8%
2021	1,561,014	2,559,566	Not available	Not available	Not available	Not available	7.4%	7.0%

Source: Six-county region includes Sacramento, Placer, Yolo, El Dorado, Yuba and Sutter counties.

1. 2012-2019 U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal income population, per capital personal income*.
2. 2021 State of California, Department of Finance, E-1 City, County and State Population Estimates, 2020–2021.
3. State of California, Employment Development Department, Labor Force & Employment Data

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2021			Fiscal Year 2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of California	82,076	1	12.51%	69,763	1	11.46%
UC Davis Health	14,618	2	2.23%	7,725	3	1.27%
Sacramento County	12,585	3	1.92%	11,450	2	1.88%
Kaiser Permanente	12,078	4	1.84%	6,360	6	1.04%
U.S. Government	11,752	5	1.79%			
Dignity Health	10,888	6	1.66%	7,069	4	1.16%
Sutter Health	10,764	7	1.64%	5,765	7	0.95%
Intel Corporation	5,992	8	0.91%	6,633	5	1.09%
California State University Sacramento	5,283	9	0.81%			
San Juan Unified School District	4,962	10	0.76%	4,700	10	0.77%
Elk Grove Unified School District				5,021	8	0.82%
Sacramento City Unified School District				5,000	9	0.82%
Total	<u>170,998</u>		<u>26.07%</u>	<u>129,486</u>		<u>21.26%</u>

Source: Sacramento Business Journal

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

CONTINUING DISCLOSURE REQUIREMENTS

SEC Rule 15c2-12

The following summary provides SacRT's specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2012 Series Revenue Bonds. All Disclosure requirements can be found in SacRT's Comprehensive Annual Financial Report (CAFR) and SacRT's Adopted Budget.

	FY 2021 CAFR Page No.	FY 2021 Adopted Budget Page No.
Management Discussion and Analysis, Audited Financial Statements and Statistical Information	4-105	
Tabular or numerical information of the types contained in the Official Statement relating to the 2012 Series Revenue Bonds under the following subscriptions:		
Ridership and Farebox Revenues (i)	92,99,100	
Historical Operating Results	6,87,88	
Farebox Recovery Ratios (ii)	48,99	
Historical Nonoperating Revenues – 10 year funds (iii)	97,98	
Measure A Sales Tax Funding Trends (iv)	46,98	
LTF Revenues claimed and expended by the District (v)	46,98	
STA Funds Claimed and Utilized by the District (vi)	46,98	
Federal Grant Funds Utilized by the District (v)	45,97	
Adopted Operating Budget (vi)		84
Capital Project Expenditure Plan		136

Covenants of the Issuer

The following summary provides SacRT's specific and continuing covenants of the issuer in connection with the 2012 Series Revenue Bonds. All Disclosure requirements can be found in the Official Statement, SacRT's Comprehensive Annual Financial Report (CAFR).

	2012 Official Statement	FY 2021 CAFR Page No.
Punctual Payments	43	43
Application of Farebox Revenues	44	15

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**DISTRICT PROFILE
As of June 30, 2021**

Date the Authority began Operations	April 1, 1973
Form of Governance	Board of Directors, with General Manager
Metropolitan Population	1.4 million
Total Employees	1,450
Service Area	All of Sacramento County, with services to Citrus Heights, Carmichael, Fair Oaks, Elk Grove, Folsom and Rancho Cordova
Population of Service Area	Approximately 1.7 million
Local Financial Support	Local Transportation Funds Measure A Sales Tax Revenue
Number of Bus Routes	81
Number of Rail Lines	3
Miles of Rail	42.9
Weekday Bus Revenue Service Miles	26,855
Weekday Rail Revenue Service Miles	10,479
Average Weekday Bus and Rail Riders	25,733
Number of Vehicles in Service	238 CNG Buses 95 Rail Vehicles 65 Shuttle Vans 6 Electric Buses 9 Electric Shuttles
Paratransit	120 Paratransit Vehicles
Park and Ride Lots	22
Bus and Light Rail Transfer Stations	32
Bus Stops	3,100+
Rail Stations	52

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

TEN YEAR FUNDING HISTORY

The following table shows available funding that SacRT has been awarded over the last ten years from our major federal funding sources, followed by a brief description of each source.

		FEDERAL FUNDS							
		Federal Transit Funds							
	Section 5307	Section 5309 Fixed Guideway	Section 5309 Bus	Section 5316/5317 JARC/NF	Federal Highway Discretionary Funds	Section 5339	Section 5337	ARRA	Other
2012	\$ 19,787,623	\$ 6,003,331	\$ 5,000,000	\$ -	\$ 2,875,497	\$ -	\$ -	\$ 808,590	\$ -
2013	20,687,210	-	-	40,000,000	164,891	-	8,872,128	2,814,815	364,001
2014	20,420,103	-	-	45,660,000	663,603	-	9,764,225	3,034,209	241,696
2015	21,159,005	-	-	-	10,345,160	1,792,567	10,239,772	-	171,557
2016	34,542,554	-	-	-	3,060,284	1,858,949	11,499,470	-	35,193
2017	25,131,975	-	-	-	3,154,867	745,539	11,580,302	-	68,161
2018	24,458,274	-	-	-	1,479,789	2,544,715	13,804,359	-	101,912
2019	24,616,326	-	-	-	505,056	2,117,403	13,064,129	-	79,976
2020	27,616,695	-	-	-	211,902	2,073	13,098,402	-	348,132
2021	82,360,152	-	-	-	-	1,355,747	1,220,975	-	49,262

Federal Funds

Section 5307 Funds: Funds distributed by formula to large and small urban areas for a variety of transit planning, capital and preventive maintenance needs.

Section 5307 Funds: Coronavirus Aid, Relief, and Economic Security Act (CARES) stimulus funds to offset revenue decline and additional expenses related to COVID-19.

Section 5309 Fixed Guideway Funds: Funds distributed by formula to urban rail transit operators for repair and rehabilitation of commuter and light rail systems.

Section 5309 Bus Funds: Funds for bus purchases and bus support facility projects. These funds are specifically earmarked by Congress each year.

Section 5316 Jobs Access & Reverse Commute (JARC): Funds for operating new service that provides increased access to job opportunities, either through new service routes or expansions of existing routes into non-traditional service hours.

Section 5317 New Freedom (NF): Funds to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities Act (ADA) of 1990.

Federal Highway Discretionary Funds: Funds distributed for a variety of transportation planning, construction, and equipment acquisition needs. Projects are approved for funding by local agencies and forwarded to appropriate state and federal agencies for funding authorization.

Section 5339 Bus and Facilities Funds: A portion of the funds distributed by formula and a portion of the funds are distributed through a competitive process. Funds are used for bus renovations, purchases and bus support facility projects.

Section 5337 State of Good Repair Funds: Funds distributed for formula to repair and upgrade rail transit systems along with high-density motor bus systems that use high occupancy vehicle (HOV) lanes including bus rapid transit (BRT).

ARRA Funds: On February 17, 2009 the President signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). The Act provides direct funding from the federal government for infrastructure, fiscal stabilization and other programs over the next several years. ARRA is designed to create or save jobs, and invest in science, health care, transportation, education, and energy efficiency.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

TEN YEAR FUNDING HISTORY (Continued)

The following table shows available funding that SacRT has been awarded over the last ten years from our major state and local funding sources, followed by a brief description of each source.

	STATE FUNDS		LOCAL FUNDS		
	Transit Capital Improvement	Measure A	Local Transportation Fund	State Transit Assistance	Other
2012	\$ 14,304,061	\$ 43,336,777	\$ 33,554,746	\$ 9,596,963	\$ 1,813,196
2013	29,026,829	36,316,894	30,043,310	9,752,972	1,971,931
2014	15,649,388	34,063,375	34,608,256	9,787,039	87,174
2015	22,299,682	36,889,447	36,098,557	8,869,049	1,828,749
2016	16,609,064	37,244,297	36,950,479	7,049,646	2,040,730
2017	63,558,519	39,263,496	38,731,878	7,156,739	(3,556,168)
2018	5,001,678	41,460,448	40,966,707	12,603,839	10,110,006
2019	21,293,864	44,949,578	47,175,047	9,606,729	5,312,351
2020	30,362,695	46,714,046	51,729,305	12,778,564	1,107,351
2021	34,079,891	59,903,826	51,158,504	10,004,038	1,180,291

State Funds

State Transportation Improvement Program: Funds distributed by the State for projects, including transit construction projects that relieve traffic congestion on state and local roads and highways.

Transit Capital Improvement funds for projects include, Proposition 1B funds, and Cap-and-Trade Program funds.

Local Funds

Measure A is a ½ cent sales tax ordinance that supports road and public transportation improvements in Sacramento County. Passed by voters in 1998, it expired in April 2009. SacRT received approximately 1/3 of the tax (1/6 cent). In November 2004, voters approved an extension of the Measure A ordinance until 2039 with transit receiving 38.25% of the ½-cent tax.

Local Transportation Fund: Funds generated by the state sales tax, and used for transit operating support purposes. The Transportation Development Act (TDA) allocates a portion of the state sales tax for transportation purposes.

State Transit Assistance Funds: Funds generated by the sales tax on gasoline and diesel fuel sales. These funds are disbursed to transit agencies for a variety of transit capital and operating support needs. SB1 funds, the Road Repair and Accountability Act of 2017, are included in STA funds beginning FY2018.

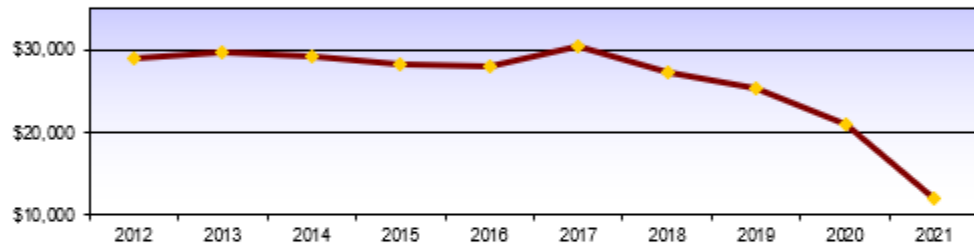
Other: This funding is from City of Sacramento, City of Rancho Cordova, County of Sacramento, City of Roseville, Sacramento Area Council of Governments (SACOG) and Sacramento Housing, Redevelopment Agency (SHRA), Bus Fire Insurance Proceeds, and cost reimbursement agreements with local agencies.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

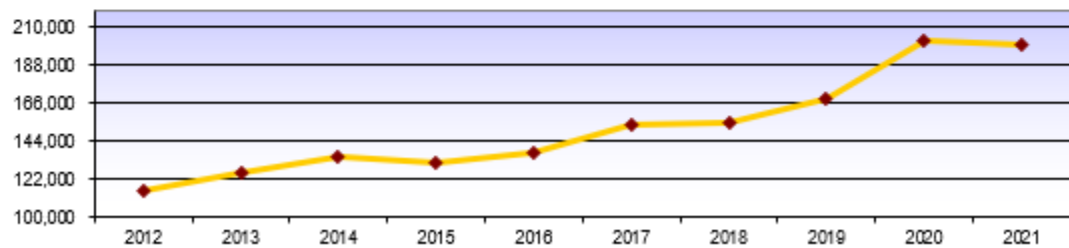
**FARE RECOVERY
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fare Revenue	\$28,964	\$29,759	\$29,156	\$28,396	\$28,056	\$30,487	\$27,276	\$25,428	\$20,999	\$12,001
Local Fund Supplementation	535	2,201	5,322	5,208	3,436	4,948	8,321	13,256	25,615	33,896
Total Operating Expenses	115,684	125,332	135,094	131,779	136,920	154,067	154,770	168,194	202,667	199,552
Fare Recovery Ratio	25.5%	25.5%	25.5%	25.5%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%

FARE REVENUE



TOTAL OPERATING EXPENSES



Notes: Operating expenses do not include depreciation and Paratransit operations.

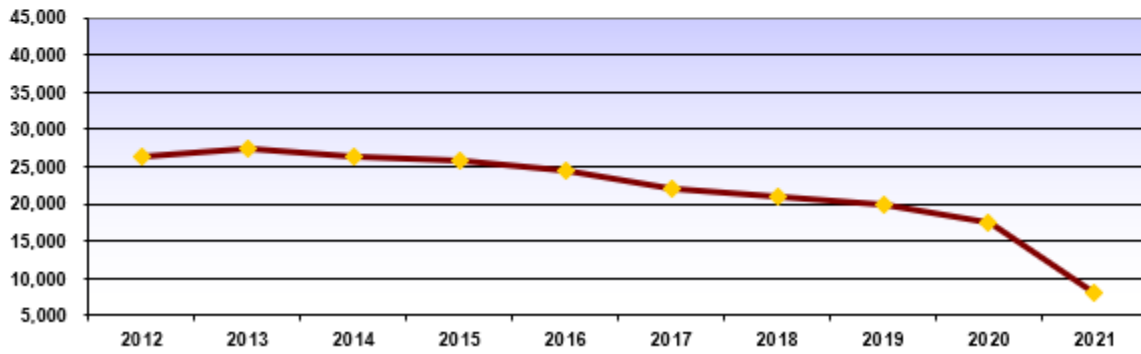
Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**RIDERSHIP
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ridership	26,338	27,298	26,368	25,768	24,330	22,050	20,890	19,989	17,564	8,108
% change	0.68%	3.64%	(3.41%)	(2.28%)	(5.58%)	(9.37%)	(5.26%)	(4.31%)	(12.13%)	(59.44%)

RIDERSHIP



Source: SacRT Planning Department
NTD Statistics

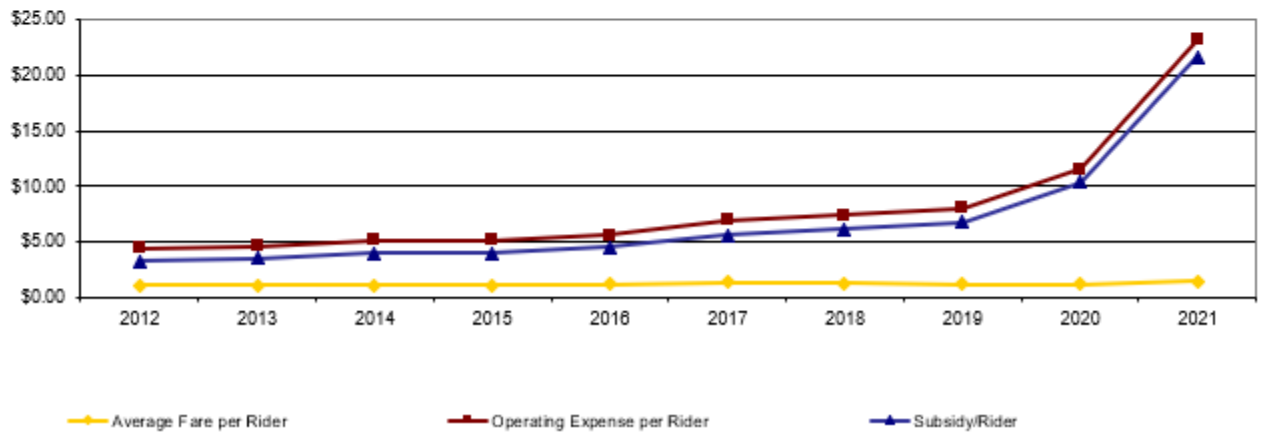
**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING SUBSIDY
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Fare per Rider	\$1.10	\$1.09	\$1.11	\$1.10	\$1.15	\$1.38	\$1.31	\$1.21	\$1.20	\$1.48
Operating Expense per Rider ¹	\$4.39	\$4.60	\$5.12	\$5.11	\$5.63	\$6.99	\$7.41	\$8.01	\$11.54	\$23.15
Subsidy/Rider	\$3.29	\$3.51	\$4.02	\$4.01	\$4.47	\$5.60	\$6.10	\$6.80	\$10.34	\$21.66

¹ Operating expense per rider excludes Paratransit and depreciation costs.

OPERATING EXPENSE & SUBSIDY PER RIDER



Source: Comprehensive Annual Financial Report
SacRT Planning Department
NTD Statistics

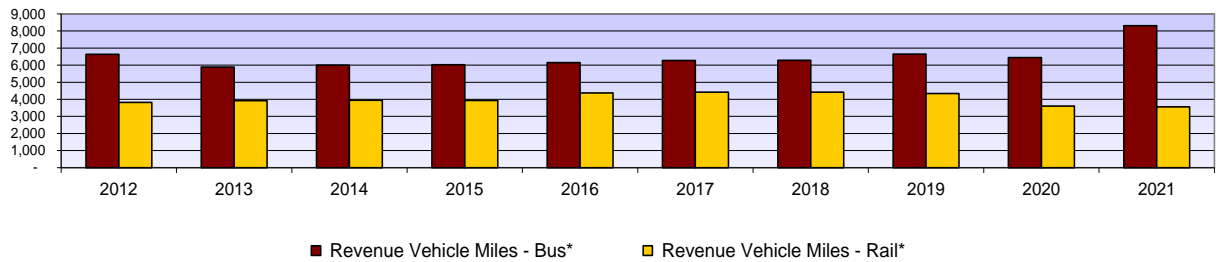
**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA
LAST TEN FISCAL YEARS
(* amounts expressed in thousands)**

SERVICE PROVIDED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
BUS										
Revenue Vehicle Miles - Bus*	6,632	5,893	6,002	6,023	6,152	6,269	6,288	6,646	6,439	8,307
Revenue Vehicle Hours*	506.0	532.0	548.0	549.8	558.0	558.5	559.2	580.9	564.1	689.7
# Vehicles	229	232	232	232	223	223	225	237	237	249
RAIL										
Revenue Vehicle Miles - Rail*	3,823	3,921	3,947	3,936	4,370	4,422	4,418	4,344	3,610	3,559
Revenue Vehicle Hours*	203.3	217.2	218.6	218.1	245.2	248.9	248.7	243.2	207.0	199.5
Train Revenue Hours*	70.0	82.0	83.2	83.2	93.0	94.9	94.7	99.9	98.1	100.9
# of Vehicles	76	76	76	76	87	96	97	97	95	95

SERVICE PROVIDED



SERVICE CONSUMED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
BUS										
Passengers*	13,146	13,784	13,658	13,706	12,114	10,608	10,517	10,008	8,575	4,241
Passenger Miles*	46,521	49,440	53,133	52,346	43,911	39,468	37,925	35,382	31,008	31,008
RAIL										
Passengers*	13,192	13,513	12,710	12,062	12,216	11,442	10,373	9,981	8,989	3,847
Passenger Miles*	74,706	75,797	74,580	68,717	69,171	68,760	65,531	63,074	53,131	22,217
TOTAL										
Passengers*	26,338	27,298	26,368	25,768	24,330	22,050	20,890	19,989	17,564	8,088
Passenger Miles*	121,227	125,237	127,713	121,063	113,082	108,228	103,456	98,456	84,139	53,225
FLEET										
Bus	229	232	232	232	223	223	225	237	237	249
Rail	76	76	76	76	87	96	97	97	95	95
TOTAL EMPLOYEES	901	940	933	937	982	974	997	1036	1228	1450

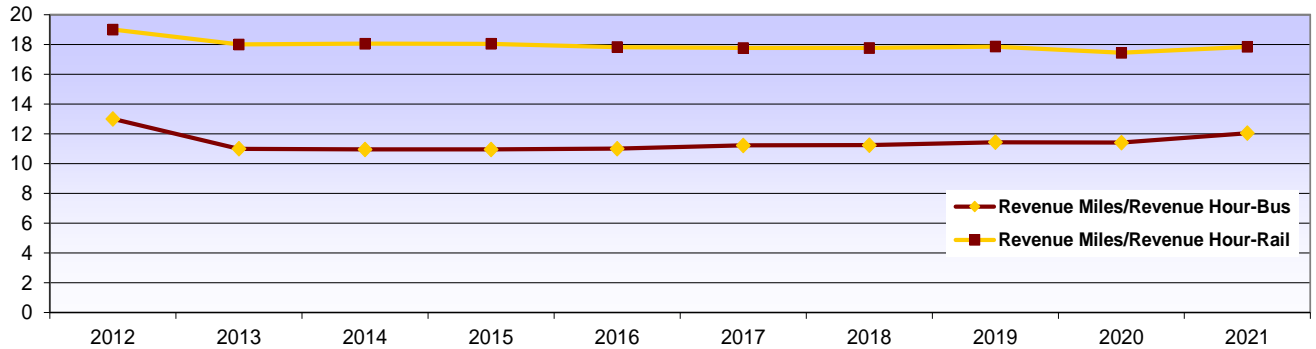
Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA (Continued)
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue Miles/Revenue Hour-Bus	13	11	11	11	11	11	11	11	11	12
Revenue Miles/Revenue Hour-Rail	19	18	18	18	18	18	18	18	17	18

SERVICE PERFORMANCE DATA



Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**FARES
As of June 30, 2021**

Single and Daily Pass Fares

<u>Rider Type</u>	<u>Fare Type</u>	<u>Single Ride</u>	<u>Daily Pass</u>
Age 19-61	Basic	\$ 2.50	\$ 7.00
Senior (62 & older)	Discount	\$ 1.25	\$ 3.50
Individuals with Disabilities	Discount	\$ 1.25	\$ 3.50
Medicare Cardholder	Discount	\$ 1.25	\$ 3.50
Student (grades K-12)*	Discount	\$ 1.25	\$ 3.50

Pre-Paid Ticket Books

<u>Fare Book Type</u>	<u>Fare Type</u>	<u># of Tickets</u>	<u>Book Price</u>
Single Fare	Basic	10	\$ 25.00
Single Fare	Discount	10	\$ 12.50
Daily Fare	Basic	10	\$ 70.00
Daily Fare	Discount	10	\$ 35.00

Monthly Passes and Stickers

<u>Fare/Rider Type</u>	<u>Price</u>
Basic Monthly Pass	\$ 100.00
Basic Semi-Monthly Pass	\$ 50.00
Senior/Disabled Monthly Sticker	\$ 50.00
Senior/Disabled Semi-Monthly Sticker	\$ 25.00
Super Senior Monthly Sticker (age 75+)	\$ 40.00
Student Monthly Sticker*	\$ 20.00
Student Semi-Monthly Sticker*	\$ 10.00

*Many students, in grades K through 12, are eligible for free transit passes. Students need to check with their school district for details or visit www.RydreFreeRT.com

Bus: Passengers are required to pay a basic or discount single fare for each trip or may purchase a daily pass valid for unlimited rides on that day.

Light Rail: Single ride tickets are valid for 90 minutes from time of validation on light rail only or pay the 25 cents transfer fee when boarding a bus.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

PERFORMANCE MEASURES

Performance Measures in Sacramento's Peer Transit Agencies							
City State	2010 Urban Area Population	2019 Statistics					
		Cost per passenger	Cost per Revenue Mile	Cost per Revenue Hour	Subsidy per Passenger	Farebox Recovery Ratio	
	(UZA Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	
BUS PEERS							
Sacramento, CA	1,723,634 (28)	\$ 8.76 (3)	\$ 13.92 (6)	\$ 157.29 (6)	\$ 7.42 (3)	15.3% (4)	
Los Angeles, CA	12,150,996 (2)	4.73 (5)	17.69 (4)	184.69 (5)	4.04 (5)	14.7% (5)	
Oakland, CA	3,281,212 (13)	7.85 (4)	20.13 (2)	206.10 (3)	6.60 (4)	15.9% (3)	
San Carlos, CA	3,281,212 (13)	12.39 (1)	19.45 (3)	202.86 (2)	11.06 (1)	10.8% (6)	
San Diego, CA	2,956,746 (15)	3.67 (6)	8.47 (7)	92.24 (7)	2.70 (6)	26.6% (1)	
San Francisco, CA	3,281,212 (13)	3.19 (7)	26.65 (1)	206.10 (1)	2.40 (7)	24.7% (2)	
San Jose, CA	1,664,496 (29)	9.72 (2)	16.74 (5)	194.04 (4)	8.74 (2)	10.1% (7)	
Average for Bus Peers	4,048,501	7.19	17.58	177.62	6.14	16.9%	
RAIL PEERS							
Sacramento, CA	1,723,634 (28)	7.65 (2)	17.58 (4)	313.93 (4)	6.44 (3)	15.8% (3)	
Los Angeles, CA	12,150,996 (2)	7.48 (3)	25.14 (3)	515.13 (2)	6.76 (2)	9.6% (4)	
San Diego, CA	2,956,746 (15)	2.32 (5)	9.80 (5)	177.41 (5)	1.19 (5)	48.6% (1)	
San Francisco, CA	3,281,212 (13)	4.23 (4)	37.82 (1)	358.09 (3)	3.44 (4)	18.6% (2)	
San Jose, CA	1,664,496 (29)	15.16 (1)	36.13 (2)	573.35 (1)	14.10 (1)	6.9% (5)	
Average for Rail Peers	4,355,417	7.37	26.29	387.58	6.39	19.9%	
<i>Source: National Transit Database, 2019 Transit Profiles - All Agencies</i>							

In 2010, the Sacramento urban area ranked 28th in the US based on population. Table 1 compares SacRT's 2019 performance to 6 other bus peer transit properties and 4 other rail peer transit properties. This table indicates the following:

Bus

SacRT ranks 3rd in Cost per Passenger and Subsidy per Passenger and ranks 4th in Farebox Recovery Ratio among its bus peer transit agencies.

SacRT ranks 6th in Cost per Revenue Mile and Cost per Revenue Hour among its bus peer transit agencies.

Rail

SacRT ranks 2nd in Cost per Passenger and ranks 3rd in Subsidy per Passenger and Farebox Recovery Ratio among its rail peer transit agencies.

SacRT ranks 4th in Cost per Revenue Mile and Cost per Revenue Hour among its rail peer transit agencies.

Sacramento  Regional Transit

Finance Division

1400 29th Street
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SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California

**REPORTS REQUIRED BY UNIFORM GUIDANCE
AND TRANSPORTATION DEVELOPMENT ACT**
Year ended June 30, 2021

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California

Year ended June 30, 2021

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**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**

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

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 business-type activities and the fiduciary activities of Sacramento Regional Transit District (SacRT) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements, and have issued our report thereon dated November 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SacRT's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control. Accordingly, we do not express an opinion on the effectiveness of SacRT'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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SacRT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California
November 17, 2021

**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**

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

Report on Compliance for Each Major Federal Program

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SacRT's major federal programs for the year ended June 30, 2021. SacRT's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of SacRT's major federal programs based on our audit of the types of 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 of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of 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 SacRT'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 for each major federal program. However, our audit does not provide a legal determination of SacRT's compliance.

Opinion on Each Major Federal Program

In our opinion, SacRT complied, in all material respects, with the types of 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, 2021.

(Continued)

Report on Internal Control over Compliance

Management of SacRT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SacRT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing 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 over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SacRT's internal control over 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, noncompliance with a type of 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 noncompliance with a type of 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 type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely 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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of SacRT as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements. We issued our report thereon dated November 17, 2021 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling 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 of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Sacramento, California
November 17, 2021

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through / Grant Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation:				
Highway Planning & Construction Cluster				
<i>Passed through Sacramento Area Council of Governments:</i>				
Highway Planning and Construction	20.205	SA1819115	\$ 76,617	\$ -
Federal Transit Cluster				
<i>Direct Programs:</i>				
Federal Transit Capital Investment Grants	20.500	N/A	88,136	-
Federal Transit Formula Grants	20.507	N/A	27,167,264	707,524
COVID-19 - Federal Transit Formula Grants	20.507	N/A	59,494,244	1,999,999
State of Good Repair Grants Program	20.525	N/A	12,236,701	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	N/A	<u>1,552,000</u>	<u>1,552,000</u>
Total Federal Transit Cluster			<u>100,538,345</u>	<u>4,259,523</u>
<i>Passed through State of California Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	74A1060	156,486	-
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	74A1127	<u>13,542</u>	<u>-</u>
Total Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research			<u>170,028</u>	<u>-</u>
Total U.S. Department of Transportation			100,784,990	4,259,523
U.S. Department of Homeland Security:				
<i>Direct Program</i>				
Rail and Transit Security Grant Program	97.075	N/A	<u>49,262</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 100,834,252</u>	<u>\$ 4,259,523</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of SacRT, for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. SacRT has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 – MATCHING COSTS

Matching costs, i.e., the nonfederal share of program costs, are not included in the accompanying Schedule.

NOTE 3 – PRIOR YEAR EXPENDITURES

Expenditure-driven grant provisions are determined to be a stipulation that is considered to be an eligibility requirement and as such, revenue cannot be recognized until the agreement has been executed. As a result, \$33,973,749 of expenditures reported on the Schedule were incurred in prior years.

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

_____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

Assistance Listing Numbers
20.500 / 20.507 / 20.525 / 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

 \$ 3,000,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION
DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance with Transportation Development Act

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Guidebook, the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively "Transportation Development Act") that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Development Act.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for SacRT's Transportation Development Act program based on our audit of the types of 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 Transportation Development Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of 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 SacRT'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 for the Transportation Development Act program. However, our audit does not provide a legal determination of SacRT's compliance.

(Continued)

Opinion on the Transportation Development Act Program

In our opinion, SacRT complied, in all material respects, with the types of 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, 2021.

Report on Internal Control over Compliance

Management of SacRT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SacRT's internal control over compliance with the types of requirements that could have a direct and material effect on the Transportation Development Act program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Transportation Development Act program and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SacRT's internal control over 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, noncompliance with a type of compliance requirement of the Transportation Development Act 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 noncompliance with a type of compliance requirement of the Transportation Development Act 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 type of compliance requirement of the Transportation Development Act program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Transportation Development Act. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Sacramento, California
November 17, 2021

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

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 Sacramento Regional Transit District (SacRT) 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 SacRT's financial statements are free of material misstatement, we performed tests of SacRT'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.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM SACRT

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to SacRT under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with SacRT that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

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 between the entity and 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.

Accounting Standard	Impact of Adoption
Significant Unusual Transactions	No such matters noted
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted

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 SacRT'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 SacRT'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>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes 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 a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared other information to accompany the audited financial statements.</p>
<p>Significant Difficulties Encountered During the Audit 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>Disagreements With Management 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 SacRT's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>

Communication Item	Results
<p>Consultations With Other Accountants If 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>
<p>Representations The Auditor Is Requesting From Management 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>Significant Issues Discussed, or Subject to Correspondence, With Management 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>Significant Related Party Findings and Issues We are to communicate to you significant findings and issues arising during the audit in connection with SacRT'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>Other Findings or Issues We Find Relevant or Significant 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 SacRT 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

Sacramento, California
 November 17, 2021

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 ("SacRT") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered SacRT'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 SacRT's internal control. Accordingly, we do not express an opinion on the effectiveness of SacRT'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 SacRT'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 SacRT's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.



Crowe LLP

Sacramento, California
November 17, 2021

RESOLUTION NO. 21-12-0135

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

December 13, 2021

RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, REPORTS ON COMPLIANCE AND INTERNAL CONTROLS AS REQUIRED BY UNIFORM GUIDANCE, AND THE TRANSPORTATION DEVELOPMENT ACT REPORT TO THE BOARD OF DIRECTORS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND DESIGNATE \$5,943,570 TO SACRT'S OPERATING RESERVE

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 Annual Financial Report (ACFR), Reports on Compliance and Internal Controls for the Fiscal Year Ended June 30, 2021, as required by the Uniform Guidance and the Transportation Development Act; and

THAT, the Board hereby directs the General Manager/CEO to designate \$5,943,570 to SacRT's Operating Reserve, which funds may only be used as governed by the Board adopted Comprehensive Reserve Policy of 2019.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



STAFF REPORT

DATE: December 13, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Olga Sanchez-Ochoa, General Counsel
Shelly Valenton, VP, Integrated Services and Strategic Initiatives /
Chief of Staff

SUBJ: BOARD COMPOSITION

RECOMMENDATION

No Recommendation - For Information Only.

RESULT OF RECOMMENDED ACTION

N/A – Information Only

FISCAL IMPACT

N/A

DISCUSSION

On September 23, 2021, Governor Gavin Newsom signed AB 1196 (Cooley), which changed the voting structure for SacRT's governing Board of Directors. AB 1196 will take effect January 1, 2022 and will change the current voting structure from a weighted voting structure to a one member, one vote structure. Consequently, beginning January 1st, Sacramento County will have three total votes, the City of Sacramento will have four total votes and the cities of Citrus Heights, Elk Grove, Folsom and Rancho Cordova will each have one vote on all matters before the Board. Some member entities have asked SacRT staff how their jurisdiction can increase their number of seats on the Board to increase their representation. Under the current weighted voting system, the County of Sacramento has a total of 32 votes and the City of Sacramento has 28 votes. However, after January 1, 2022, the County will have three votes, one vote per member, and the City of Sacramento will have four votes, one vote for each City representative appointed to the Board. The County has raised concerns about its decrease in voting power as a result of the implementation of AB 1196, while the City of Sacramento's voting power will increase in proportion to its current strength under weighted voting, creating an inequitable distribution of votes. Additionally, during annexation discussions with the City of Elk Grove, the City of Elk Grove requested that SacRT increase its seat allocation from one seat to two. SacRT's Enabling Act did not provide a methodology to make that increase happen and SacRT committed to examine the issue and present to the SacRT Board, for their consideration, taking legislation to the Legislature to provide Elk Grove

with more representation on the Board if that was found to be feasible. Elk Grove's population is almost double that of Folsom, Citrus Heights and Rancho Cordova's and Elk Grove believes it should have two seats on the Board.

Based on those considerations, staff brings this information item to the Board for discussion. The composition of SacRT's Board is set out in state law. Specifically, California Public Utilities Code Sections 102100.1 - 102107 sets out the Board's composition, the way Board seats are allocated and if and how representation can be increased or decreased.

SacRT's Enabling Act at Cal. PUC Sec. 102100.2 establishes that the initial SacRT Board would consist of four members appointed by the City Council of the City of Sacramento and three members appointed by the County Board of Supervisors for the County of Sacramento. Cal. PUC Sec. 102100.3 states that each additional member entity will be entitled to make one appointment to the Board. Thus, the cities of Citrus Heights, Elk Grove, Folsom and Rancho Cordova each have one seat on the Board. Cal. PUC Sec. 102100.5 states that after the initial Board, the City of Sacramento and County may voluntarily reduce the number of Board members it appoints to the Board, from their allotted four and three seats, so long as each entity appoints at least one member to the Board. Finally, no more frequently than every two years, the appointing entities may mutually agree to reapportion the seats on the Board, but the apportionment will be "determined by the gross cost of service without regard to income or revenues of the district, within their respective boundaries."

With weighted voting, Cal. PUC Sec. 102105.1 authorized an increase in the number of seats apportioned to member entities if their total entitlement to votes climbed to 16 votes. However, with the adoption of AB 1196, Cal. PUC Sec. 102105.1 was repealed. Consequently, as of January 1, 2022, there will be only two ways to modify the seat allocation: (1) the City of Sacramento and Sacramento County may voluntarily reduce the number of members they appoint to the Board, but their empty seats cannot be reallocated; or (2) the member entities can come together and reallocate seats based on the gross cost of service within their respective boundaries.

Back in 2005, the Board grappled with the issue of equity in Board representation and voting. Member entities on the Board were concerned about the contract entities on the Board and the apparent equal weight of their vote to the vote of contract entities. SacRT adopted a voting structure that only allowed contract entities to vote on issues of "regional concern". The result was a lack of full engagement by contract entities since they could only vote on some items before the Board. In an attempt to find a path forward that would provide equity in voting, the Board formed a subcommittee to review the Board structure and develop a voting structure that encouraged full engagement by all members of the Board but provided greater power to entities that were fully annexed into the District. Reapportionment under Cal PUC Sec. 102100.7, which would reallocate seats on the Board based on the gross cost of service within each jurisdiction, was considered but determined to not be a viable solution because it would likely exacerbate the inequity on the Board by giving more voting strength to jurisdictions receiving more service than they contributed, while providing less representation to jurisdictions that received less service than they contributed. The result of the Board's Ad Hoc subcommittee's efforts was the development of legislation that would change the District's voting structure from a one

member, one vote system, to the weighted voting system to which the Board has become accustomed. AB 2137 (Niello) was adopted in 2006 and took effect in 2007. Because every jurisdiction on the Board is currently a full member entity, a one member, one vote system is consistent with best practices followed by other Boards throughout California. However, because two entities on the Board have more than one representative on the Board, the issue of equitable representation has arisen once again among those jurisdictions with only one seat on the Board.

At this point, staff sees three options for the Board to change its composition to impact voting power:

1. The Board could opt to do nothing and maintain the current Board structure; or
2. Ask the City of Sacramento and/or County of Sacramento to reduce the number of appointments each entity makes to the Board pursuant to Cal. PUC Sec. 102100.5. This requires the voting entity to determine, effective July 1 of each year, how many members to appoint for the upcoming fiscal year, and submit a written notification to the secretary of the board not more than 60 days and not less than 15 days prior to July 1; or
3. Convene a Board Ad Hoc subcommittee, similar to what the Board did in 2005, to discuss possible changes to SacRT's Enabling Act to authorize a different Board composition and/or to discuss whether there should be a seat re-allocation based on the gross cost of service within each jurisdiction's boundaries as allowed under Cal. PUC Sec. 102100.7. The latter option will likely not address the issue of inequity raised by several Board members.

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Li, General Manager/CEO
SUBJ: GENERAL MANAGER'S REPORT

RECOMMENDATION

No Recommendation - For Information Only.

Major Project Updates

Oral Presentation

Capitol Corridor Joint Powers Authority – Meeting of November 17, 2021

Written Report

San Joaquin Joint Powers Authority – November 19, 2021 (Hume)

Written Report

SacRT Meeting Calendar

Regional Transit Board Meeting

January 10, 2021
SacRT Auditorium / Webconference
5:30 P.M

Quarterly Retirement Board Meeting

March 9, 2021
SacRT Auditorium / Webconference
9:00 A.M.

Mobility Advisory Council Meeting

January 6, 2021
SacRT Auditorium / Webconference
2:30 P.M



STAFF REPORT

DATE: November 17, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: CAPITOL CORRIDOR JOINT POWERS AUTHORITY MEETING
SUMMARY OF NOVEMBER 17, 2021

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Board members present: None

AGENDA

- I. Call to Order: 10:30
- II. Roll Call and Pledge of Allegiance
- III. Report of the Chair
- IV. Continuation of Virtual Meetings During the COVID-19 Pandemic *Action- Passed*

Director Saltzman was concerned with regards to the “every 30 day” requirement and if Special Meetings would be necessary to readopt every 30 days.

Counsel responded that this isn’t necessary for a legislative body that doesn’t meet every 30 days and it would be sufficient for the body to adopt the findings every time they meet.

Chair Saylor requested for Rob Padgette to share with the Board the findings as a result of emails regarding this issue.

- V. Consent Calendar *Action- Passed*
 1. Approval of Minutes of the September 15, 2021 Meeting
 2. Stege Crossover and Signal Upgrade Project: Budget Modification

VI. Action and Discussion Items

1. COVID-19 Vaccine Mandate and Schedule Adjustment *Information*

Comment from Director Saltzman

Staff Leo S responded that equipment will be available early spring to make adjustments. Rob Padgette spoke with regards to funding.

Comment from Director Raburn

Public Comment from Mike Barnbaum

2. CCJPA FY 2021-22 Budget Modification – Amtrak Operations and California Integrated
Travel Program (Cal-ITP) Contactless Payment Terminals *Action-Passed*
Comment from Director Raburn
Public Comment – Mike Barnbaum
3. CCJPA/Amtrak Operations FY 2021-22 Operating Agreement *Action-Passed*
4. California Integrated Travel Program (Cal-ITP) Extending with SC Soft for
Monterey-Salinas Transit (MST) Minimum Viable Product (MVP) *Action-Passed*
5. California Integrated Travel Program (Cal-ITP) - Amendment to Increase
Capacity of
Xentrans Contract *Action-Passed*
6. Capitol Corridor Annual Performance Report (FY 2020-21) *Action-Passed*
7. Legislation and Funding – State and Federal Update *Information*
Comments from Chair Saylor and Director Raburn
Public Comment – Mike Barnbaum
8. State Rail Plan Update *Information*
Comment from Director Raburn
Public Comment – Mike Barnbaum
9. Capitol Project Update – Link21
10. Managing Director's Report *Information*
11. CCJPA Project and Program Updates *Information*
 - a. Renewable Diesel

- b. Connecting Bus Service for Martinez
- c. South Bay Connect
- d. Sacramento to Roseville Third Track
- e. California Passenger Display System (CalPIDS)
- f. Davis Crossover and Signal Replacement
- g. 30% Discount and Flexible Fares
- h. Marketing and Communications Activities

Comments from Director Dufty and Director Saltzman

Public Comment – Mike Barnbaum

VII. Board Director Reports

Comment from Director Houdesheldt

VIII. Public Comment

IX. Adjournment. Next Meeting Date: 10:00 a.m., February 16, 2022 – Location TBD

The CCJPA Board reserves the right to take action on any agenda item. Consent calendar items are considered routine and will be enacted, approved, or adopted by one motion unless a request for discussion or explanation is received from a CCJPA Board Director or from a member of the audience.



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: James Drake, Principal Planner
SUBJ: SAN JOAQUIN JOINT POWERS AUTHORITY MEETING
SUMMARY OF NOVEMBER 19, 2021

RECOMMENDATION

No Recommendation - For Information Only.

The regular meeting of the San Joaquin Joint Powers Authority was called to order on November 19, 2021 at 9:02 am by Chair Pat Hume. The Consent Calendar was passed unanimously without comment.

Item 3 - Public Comments

Mike Barnbaum applauded passage of the Infrastructure Investment and Jobs Act and the formation of CIRCLE, the California Intercity Rail Corridors Linking Everyone group.

Item 4 - State Rail Plan Update (Kyle Grading, Caltrans)

The state rail plan had a major update that was completed in 2018. The 2022 update will be a smaller-scale revision, incorporating various Network Integration Plans completed throughout the state by local agencies (including SacRT). The draft plan should be available for review in December or early 2022.

Item 5, presented by Dan Leavitt, approving bus-only ticketing on Route 7 from Martinez to Arcata, under SB 742, was approved. The item allows ticket sales for most of the station pairs along the bus line. Trip pairs that are served by Greyhound will not be allowed on the SJJPA bus. One public comment in favor.

Item 6, presented by Rene Gutierrez, authorizing minor amendments to the JPA's contract with Caltrans for minor capital projects, was approved.

Item 7, presented by Dylan Caspar, was an informational update on funding for three projects, which will be pursued through the Interregional Transportation Improvement Program, for consideration at the December meeting of the California Transportation Committee.

Item 8, presented by David Lipari, was an informational item on San Joaquin ridership and performance. Ridership has been growing steadily over the past year and is now up

to 60 percent of normal. For the twelve months ended September 30, 2021, total ridership was approximately 0.5 million.

Item 9, presented by Carmen Setness, was an informational item on the JPA's college outreach program. College students make up approximately 18 percent of ridership.

Item 10, presented by Carmen Setness, was an informational item on promotional efforts to the re-dedication of Allensworth State Historic Park, which is named after Colonel Allen Allensworth, who founded the town in 1908 as an community for African Americans.

Item 11, presented by Staci Mortensen, was an informational item on the Martinez station, as part of the Station LOVE program.

After a brief Executive Director's report, the meeting was adjourned at 10:30 am.