



STAFF REPORT

DATE: May 9, 2022

TO: Sacramento Regional Transit Board of Directors

FROM: Jamie Adelman, Acting VP, Finance/CFO

SUBJ: ACCEPT PUBLIC COMMENT ON THE SACRAMENTO REGIONAL TRANSIT DISTRICT PRELIMINARY FY 2022-2023 OPERATING AND CAPITAL BUDGET AND CONTINUE THE PUBLIC HEARING TO JUNE 13, 2022.

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

Approval will continue the public hearing to the June 13, 2022 Board meeting where the final FY 2022-2023 Operating and Capital Budget will be presented for adoption.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Staff is proud to submit a balanced preliminary budget for Fiscal Year 2022-2023 amid continued impacts of COVID-19 on revenues and expenditures. Despite these challenges, SacRT's budget has modest growth to account for minor service expansions in the ever-popular Smart Ride service and slight increases in key positions with no layoffs or furloughs. This is possible through a combination of strong fiscal discipline and management of expenditures, continued strength in the Sacramento region's sales tax collections, and the strong federal support for the transit industry.

The only changes between the preliminary budget submitted on April 11th and the document submitted for the May 9th meeting is the addition of three Engineering Assistants to the operating budget. These positions have been identified as critical to the success of several key capital projects in process or planned for the next 3 to 5 years. The FY 22-23 operating budget cost for these positions totals approximately \$174K and is included in the figures noted in this report.

On March 27, 2020, President Trump signed the 2020 Cares Act, which provided \$25B in relief funding for public transit agencies across the nation. SacRT's portion of this funding was \$95M which was expended in FY's 20-21 and 21-22. An additional \$3.9M

of CARES Act money made available through the Elk Grove annexation is allocated to FY 2022-2023. Additionally, on December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which included \$14B in supplemental appropriations for the transit industry, was signed into law. SacRT's portion of this funding is \$37.9M, of which \$29.4M is allocated to FY 2022-2023. On March 11, 2021, the American Recovery Plan Act (ARP) was signed into law by President Biden and provides over \$26B to transit agencies apportioned through the Urbanized Area Formula Program (Section 5307). SacRT's portion of this funding is over \$103M, of which \$27.3M is allocated for FY 2022-2023. These federal allocations will fully offset any projected revenue losses for FY 2022-2023, while allowing SacRT to continue to provide the highest level of service to the community. Budget highlights are provided within this staff report.

Assumptions Built into the FY 2023 Budget

The Operating Budgeting process is a significant undertaking that requires input from various operational staff members, consideration of economic conditions, goals and objectives by the Board, all balanced by the need to keep costs within estimated revenue projections. The assumptions used in this budget were built on a variety of sources.

These assumptions are as follows:

- Service levels have been budgeted without reductions, allowing for minor service modifications, such as improved headways on existing routes
- The budget will support SacRT strategic priorities such as our customers first approach to services and business optimization
- CARES Act, CRRSAA and ARP federal funding is being used to offset the loss of fares and other revenues due to continued impacts of COVID-19
- All merit increases will be received by employees per Collective Bargaining Agreements (CBA)
- There will be no fare rate adjustments

Summary of FY 2023 Operating Budget

Tables 1A and 1B provide summaries of the preceding three years actual results, the current year budget, and the FY 2023 proposed budgeted amounts. Revenues and expenditures each increased in total by \$12.8M or 5.8% compared to the amended FY 2022 budget. State & Local sales tax based revenues are increasing \$22.1M or 17.4% as the local economy is projected to remain strong, while SacRT's dependency on Federal funds is projected to decrease by \$10.3M or 14.2%. Salaries & Benefits are increasing \$8.5M or 5.5%, which is attributed to both salary and benefits increases of 5% across all Collective Bargaining Agreements, and the addition of 21 new positions that directly support operations and upcoming significant capital projects.

Table 1A - Revenues (Thousands)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2022 to FY 2023	
	Actual	Actual	Actual	Budget	Budget	\$ Change	% Change
Fare Revenue	\$ 25,428	\$ 20,999	\$ 12,001	\$ 12,547	\$ 13,147	\$ 600	4.8%
Contract Services	3,731	7,125	6,634	650	650	-	0.0%
State & Local	104,031	114,880	113,657	127,093	149,184	22,091	17.4%
Federal	35,750	35,080	57,704	72,332	62,048	(10,284)	-14.2%
Other	8,551	16,417	7,340	5,540	5,890	350	6.3%
Total	\$ 177,492	\$ 194,501	\$ 197,336	\$ 218,162	\$ 230,919	\$ 12,757	5.8%
Operating Surplus/(Deficit)	3,297	\$ 12,793	5,943	-	-		
Operating Revenue	\$ 174,195	\$ 181,708	\$ 191,393	\$ 218,162	\$ 230,919	\$ 12,757	5.8%

Table 1B - Expenses (Thousands)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2022 to FY 2023	
	Actual	Actual	Actual	Budget	Budget	\$ Change	% Change
Salaries & Benefits	\$ 116,540	\$ 128,291	\$ 141,910	\$ 152,505	\$ 160,968	\$ 8,463	5.5%
Professional Services	22,776	22,137	14,162	21,394	22,033	639	3.0%
Materials & Supplies	10,844	11,490	13,504	14,804	14,568	(236)	-1.6%
Utilities	6,761	6,821	7,272	8,018	8,081	63	0.8%
Insurance & Liability	14,011	9,931	12,336	17,036	19,793	2,757	16.2%
Other	3,262	3,038	2,209	4,405	5,476	1,071	24.3%
Operating Expenses	\$ 174,195	\$ 181,708	\$ 191,393	\$ 218,162	\$ 230,919	\$ 12,757	5.8%

Capital Budget

Unlike the Operating Budget, the Capital Budget consists of projects that often take multiple years to complete, and in some cases take multiple years to fully fund. Funds approved for a project that are not spent in the previous fiscal year are typically carried over to the following fiscal year. Similarly, when the Board approves the budget for a large multi-year project in one fiscal year's budget, the project continues to have Board-approved budget authority rolled over from year to year, less any funds that have been spent on the project. These carry forward figures were not included in the FY 2023 Preliminary Capital Budget due to the uncertainty of these amounts at this point in the fiscal year. The estimated amounts to be carried over from FY 2022 will be reported to the Board as part of the five-year Capital Improvement Plan later this year. Table 2 below provides a summary of the projects and/or funding being added to the Capital Budget for FY 2023. The total Capital Budget and program consists of 147 current projects for FY 2023 and is estimated to exceed \$1.6 billion.

Table 2 - Summary of FY 2023 Capital Budget

ID	Project Name	FY22 Capital Budget (Board Approved)	Previous Released (Funded)	Total Authorized Budget	Previous TBD	Funding Additions			TBD
						Federal	State	Local	
Guideway									
R359	LR Modern. 15 Mn. Service to Folsom (Side Track)	\$66,508,677	\$10,841,295	\$67,300,000	\$56,458,705		\$20,300,000	\$1,000,000	\$35,158,705
S030	Downtown/Riverfront Streetcar Project	\$188,668,127	\$13,096,286	\$200,000,000	\$186,903,714	\$50,000,000	\$30,000,000	\$25,000,000	\$81,903,714
		\$255,176,804	\$23,937,581	\$267,300,000	\$243,362,419	\$50,000,000	\$50,300,000	\$26,000,000	\$117,062,419
Passenger Stations									
B150	Watt I-80 Transit Center Improvements	\$10,703,328	\$572,905	\$10,915,071	\$9,837,875	\$1,644,000	\$7,936,459		\$257,416
R135	Horn Light Rail Station	\$5,299,547	\$588,472	\$5,840,604	\$5,252,132	\$500,000			\$4,752,132
R327	Sacramento Valley Station Loop Design/Construct.	\$134,092,368	\$246,000	\$134,120,000	\$133,846,368	\$3,755,000		\$808,000	\$129,283,368
R375	Dos Rios Light Rail Station Construction	\$23,416,642	\$2,500,000	\$23,416,642	\$15,078,243			\$1,323,400	\$13,754,843
R380	Gold Line Light Rail Station Low Floor Conversion	\$47,193,396	\$20,287,257	\$47,193,396	\$26,906,139	\$5,000,000		\$1,000,000	\$20,906,139
R381	Blue Line Light Rail Station Low Floor Conversion	\$38,047,132	\$0	\$39,056,604	\$39,056,604		\$4,003,278		\$35,053,326
		\$258,752,413	\$24,194,634	\$260,542,317	\$229,977,361	\$10,899,000	\$11,939,737	\$3,131,400	\$204,007,224
Maintenance Buildings									
B165	Electric Bus Charging Infrastructure	\$9,245,601	\$2,212,103	\$9,380,000	\$4,787,897				\$4,787,897
F035	South Area Bus Maintenance Facility	\$70,725,000	\$0	\$70,725,000	\$70,725,000				\$70,725,000
R362	Light Rail Wheel Truing Machine Procurement	\$3,583,557	\$1,177,762	\$4,415,438	\$3,054,119				\$3,054,119
R384	LRV Maintenance Shop Upgrades (Engineering)	\$34,800	\$34,800	\$34,800	\$0				\$0
		\$83,588,958	\$3,424,665	\$84,555,238	\$78,567,016	\$0	\$0	\$0	\$78,567,016

ID	Project Name	FY22 Capital Budget (Board Approved)	Previous Released (Funded)	Total Authorized Budget	Previous TBD	Funding Additions			TBD
						Federal	State	Local	
Revenue Vehicles									
B100	Replace 16 CNG Buses (FY22 - FY26)	\$21,629,000	\$0	\$21,629,000	\$21,629,000				\$21,629,000
B164	Airport Service Expansion ZEB Buses (10 40')	\$9,875,570	\$3,250,136	\$9,926,957	\$6,676,821				\$6,676,821
B173	40' CNG Bus Replacement (69) / Retank (30)	\$63,500,000	\$25,442,066	\$63,500,000	\$38,057,934	\$18,821,459		\$9,178,541	\$10,057,934
P014	SmaRT Ride Vehicle Replacement	\$1,525,000	\$0	\$1,525,000	\$1,525,000	\$1,265,000		\$260,000	\$0
P015	SmaRT Ride Expansion Vehicle (1)	\$171,000		\$171,000	\$171,000				\$171,000
R100	Replacement Light Rail Vehicles (35)	\$141,536,851		\$141,468,494	\$141,468,494				\$141,468,494
R125	CAF Fleet Mid-Life Component Overhaul	\$106,230,277	\$0	\$106,230,277	\$106,230,277	\$24,000,000		\$6,000,000	\$76,230,277
R376	Replacement New Low-Floor LRVs NTP 2 (8)	\$46,200,000	\$38,222,830	\$46,200,000	\$7,977,170	\$7,977,170			\$0
R377	Replacement New Low-Floor LRVs NTP 3 (8)	\$48,000,000	\$0	\$48,000,000	\$48,000,000	\$15,726,300	\$23,394,078	\$2,360,000	\$6,519,622
		\$438,667,698	\$66,915,032	\$438,650,728	\$371,735,696	\$67,789,929	\$23,394,078	\$17,798,541	\$262,753,148
Service Vehicles									
N001	Police Vehicle Replacement	\$2,420,000	\$940,000	\$2,420,000	\$0				\$1,480,000
		\$2,420,000	\$940,000	\$2,420,000	\$0	\$0	\$0	\$0	\$1,480,000
Communication/IT Systems									
T072	Train Station Signage Technology Refresh	\$4,633,713	\$0	\$4,633,713	\$4,633,713				\$4,633,713
T073	Train Technology Refresh	\$11,930,289	\$0	\$11,930,289	\$11,930,289				\$11,930,289
		\$16,564,002	\$0	\$16,564,002	\$16,564,002	\$0	\$0	\$0	\$16,564,002
Other									
M004	OPERATING Revenue Bond, Series 2021A Payment	\$3,068,944	\$22,935,089	\$24,230,350	\$1,295,261		\$1,295,261		\$0
		\$3,068,944	\$22,935,089	\$24,230,350	\$1,295,261	\$0	\$1,295,261	\$0	\$0
	Table Totals	\$1,058,238,819	\$142,347,001	\$1,094,262,635	\$941,501,755	\$128,688,929	\$86,929,076	\$46,929,941	\$680,433,809

Outlook for FY 2023

The COVID-19 pandemic continues to have some negative impacts on several of SacRT's revenue sources; however, with mandated restrictions lifted throughout the state, these impacts are forecast to lessen in the coming year. The revenues presented in the budget reflect these expectations. SacRT's fare-based revenues are forecast to remain low through Fiscal Year 2022-2023, however sales tax based (State & Local) revenues have rebounded and are forecast to increase significantly during that same period. Overall, SacRT's dependency on Federal funds is projected to decrease for the second consecutive year.

The General Manager/CEO is presenting a balanced budget for FY 2022-2023 that maintains service levels and includes new service expansions, while addressing the pressing need to fund SacRT's operating reserve and continue our reduced reliance on the line of credit. We will continue to relentlessly pursue efficiency improvements, business optimizations, and revenue opportunities in the upcoming year.



Sacramento Regional Transit District

**Abridged Budget
Fiscal Year 2022-2023**

May 9, 2022

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Board of Directors

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City of Citrus Heights

Patrick Kennedy, Vice Chair
County of Sacramento

Linda Budge
City of Rancho Cordova

Jeff Harris
City of Sacramento

Kerri Howell
City of Folsom

Pat Hume
City of Elk Grove

Rick Jennings II
City of Sacramento

Katie Valenzuela
City of Sacramento

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County of Sacramento

Jay Schenirer
City of Sacramento

Phil Serna
County of Sacramento

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City of Elk Grove

Mike Kozlowski
City of Folsom

David Sander
City of Rancho Cordova

Tim Schaefer
City of Citrus Heights

Executive Management Team

Henry Li
General Manager/CEO

Jamie Adelman
Acting VP, Finance/CFO

Carmen Alba
VP, Bus Operations

Laura Ham
VP, Planning and Engineering

Lisa Hinz
VP, Safety, Security and Customer Satisfaction

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

Devra Selenis
VP, Communications and Partnerships

Edna Stanley
VP, Light Rail Operations

Office of Management & Budget Team

Jason Johnson
Interim Director, Office of Management & Budget

Erik Reitz
Sr. Grants Manager

Nadia Mokhov
Senior Financial Analyst

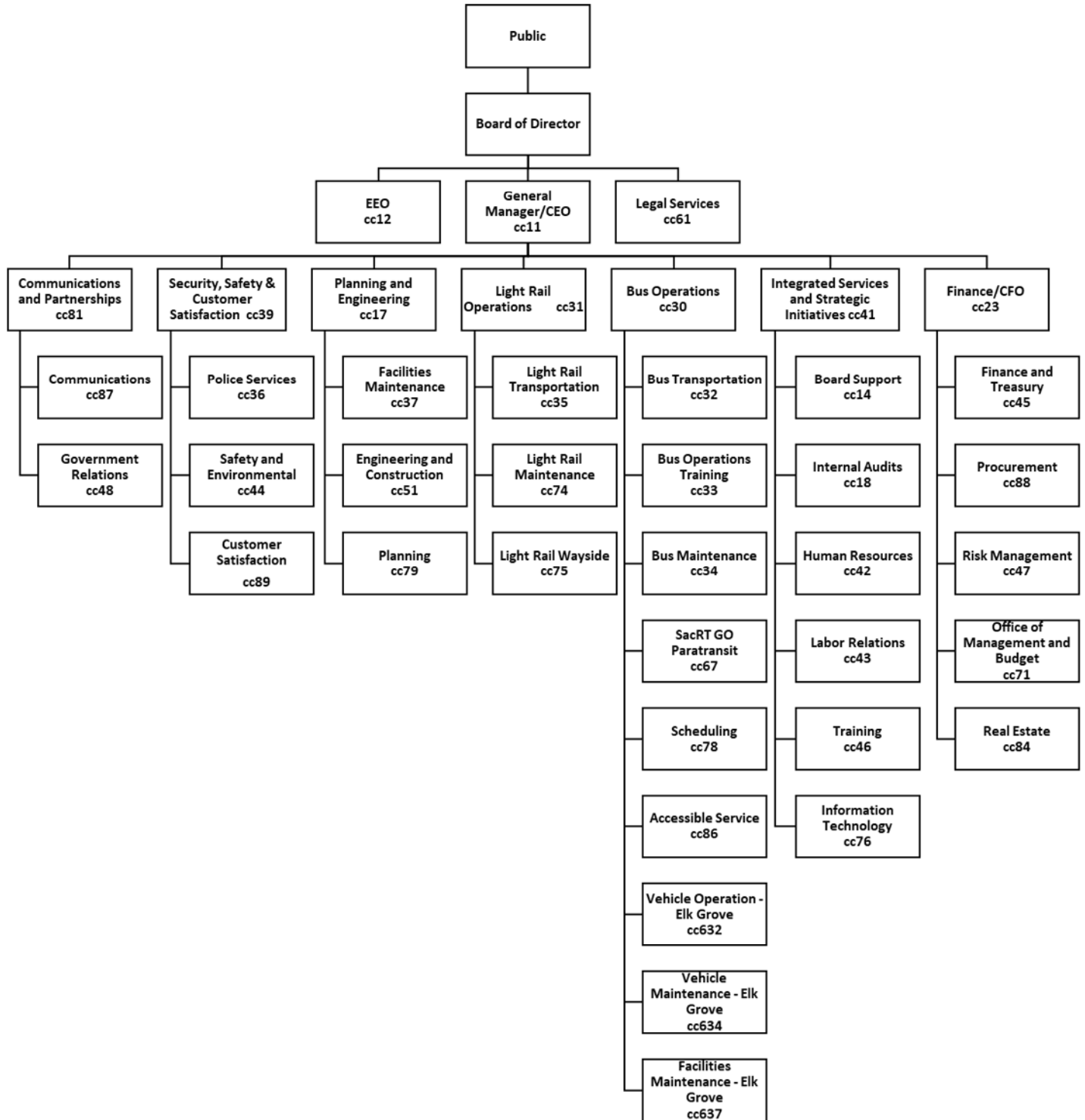
Carol Cherry
Senior Grants Analyst

Judy Wong
Senior Financial Analyst

Joe Paglieroni
Senior Grants Analyst

Organizational Structure

(Cost Center Based)



District Overview

District Profile

Facts

Sacramento Regional Transit District (SacRT)	Constructs, operates, and maintains a comprehensive mass transportation system that serves 367 square miles in Sacramento County
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Bus Service	
Power	CNG, Diesel, Gasoline, Electric
Routes	81
Schedule	4:59 am to 11:15 pm daily
Stops	3,100+
Vehicles	186 - 40' CNG Buses 180 – Electric, Gasoline shuttles and Diesel small buses, SacRT maintains 56 buses servicing Elk Grove
Annual Ridership	5,103,404

Light Rail Service	
Power	Electrical
Miles	44.9
Schedule	3:49 am to 12:59 am daily
Stops	52
Vehicles	97
Annual Ridership	4,547,001

Paratransit	
ADA Passenger Trips Provided	226,941
ADA Vehicle Revenue Miles	1,878,973
Vehicles	101

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

History	
Apr 1, 1973	Began operations by acquiring the assets of Sacramento Transit Authority
1973	Completed new maintenance facility and purchased 103 new buses
1987	Opened the 18.3-mile light rail system, linking the northeastern Interstate 80 and southeastern Highway 50 corridors with Downtown Sacramento
Sep 1998	Completed the first light rail extension to Mather Field/Mills Station along the Gold Line corridor
Sep 2003	Opened the South Line, extending light rail to South Sacramento
Jun 2004	Extended light rail from Mather Field/Mills to Sunrise Boulevard
Oct 2005	Extended light rail from Sunrise Boulevard to Folsom, including four new stations
Dec 2006	Extended light rail from downtown Sacramento to Sacramento Amtrak station
Jun 2012	Opened the Green Line, connecting downtown Sacramento to the River District
September 2015	Extended light rail from Meadowview to Cosumnes River College
February 2018	Started Microtransit/SmaRT Ride services
January 2019	Annexed Citrus Heights and Folsom services
July 2019	Started Elk Grove services under contract
June 2020	Started SacRT GO paratransit service
July 2021	Annexed Elk Grove services

Strategic Plan

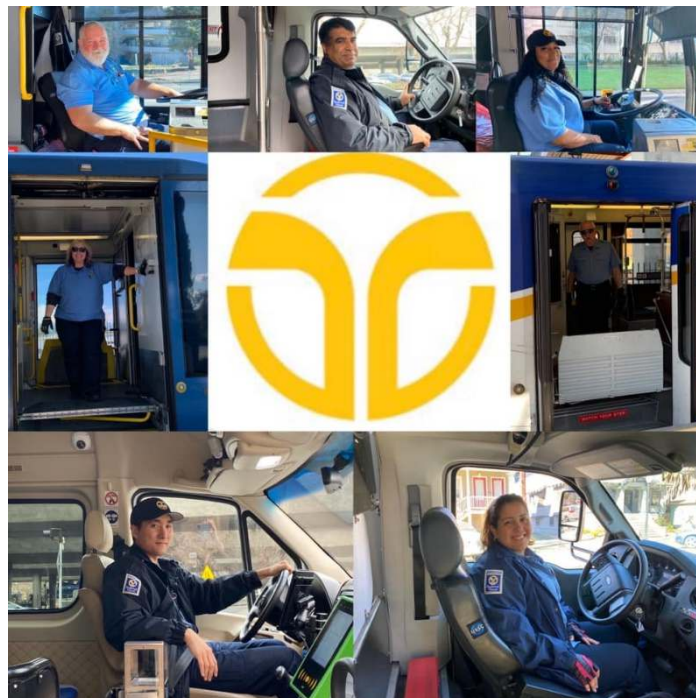
Adopted by the Board of Directors in October 2020, Sacramento Regional Transit's (SacRT) Strategic Plan details SacRT's strategic initiatives, key performance indicators, and identifies tactics that teams and individuals within the agency will work on to achieve strategic goals over the 2021-25 fiscal years.

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 high-level aspirations.

This strategic plan is crafted for personnel at all levels of the organization and its contents convey objectives for the fiscal year and how SacRT will work to achieve them. The plan enables SacRT to shape activities to support identified strategic priorities and to help narrow focus on areas of service and operations that most closely align with stated goals. Departments annually develop work plan tactics that encompass projects and programs SacRT teams will strive to complete over the coming year.

The strategic plan introduced a comprehensive performance scorecard that SacRT management and division leaders monitor and report on to track projects and programs of strategic importance. The performance scorecard is comprised of metrics that are significant to the quest for service excellence and value to taxpayers and which tie directly to the four strategic priority areas: Operational Excellence, Community Value, Employee Engagement, and Customer Satisfaction. With the scorecard all members of the workforce can see how their efforts support the success of the entire agency.

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



Strategic Plan (continued)

Mission Statement

Moving you where you want to go, when you want to go.

Vision Statement

A leader in providing mobility options for our community.

Organizational Values

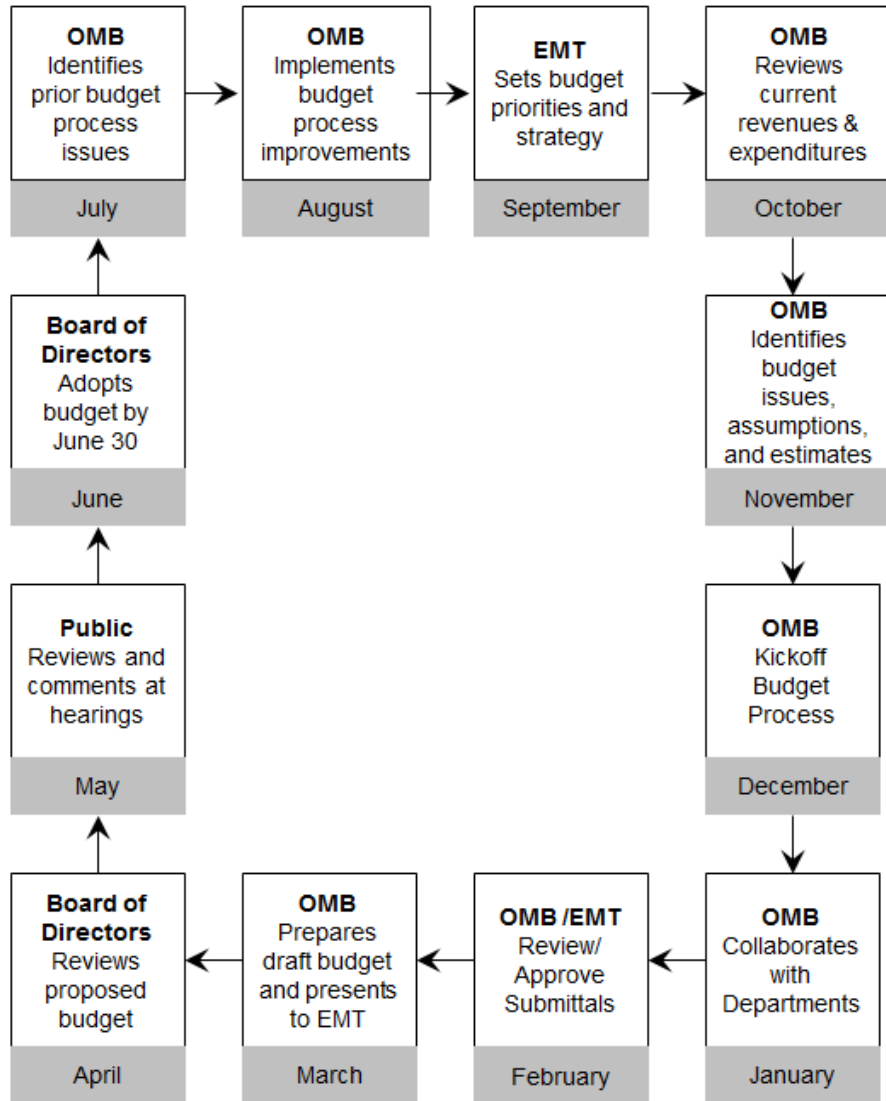
Six core principles guide individuals, teams, and the entire SacRT organization:

- **Collaboration** - I work with a collaborative spirit to help my colleagues and our customers to succeed.
- **Diversity** - I recognize and honor diversity and social justice, and seek out and listen for voices different than mine.
- **Innovation** - I challenge the easy and inspire myself and others to look for innovative solutions.
- **Respect** - I communicate clearly, respectfully, and honorably -- in a way that would make my family proud -- to my colleagues and our customers.
- **Trust** - I trust my teammates and empower them to make decisions that improve the quality of life for their colleagues, our customers, and the community that supports us.
- **Excellence** - I work to deliver excellence to our customers through clean, safe, reliable, and convenient service.



Budget Process

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



Voting System

SacRT is governed by an eleven-member Board of Directors. Six entities (5 cities and 1 county) make appointments to SacRT’s Board. Eleven directors are appointed by “member entities” and represent jurisdictions annexed into SacRT’s district.

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 took effect January 1, 2022, and changed the voting structure from a weighted voting structure to a one member one vote structure. Consequently, as of January 1, 2022, Sacramento County will have three total votes, the City of Sacramento will have four total votes, and the cities of Citrus Heights, Folsom, Rancho Cordova and Elk Grove will each have one vote on all matters before the Board as summarized in the table below.

Votes by Jurisdiction

Jurisdiction	Status	Votes – FY 2023 Budget
County of Sacramento	Annex	3
City of Sacramento	Annex	4
City of Rancho Cordova	Annex	1
City of Citrus Heights	Annex	1
City of Elk Grove	Annex	1
City of Folsom	Annex	1
Total		11

SacRT Major Goals and Objectives

Strategic Initiatives

The Strategic Plan provides the management team and stakeholders with strategic priorities, projects, and programs to be implemented in the short term to achieve longer-term outcomes. The march to organizational success rests in great part on the completion of tactics which align directly with at least one of the four strategic priorities:

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 services continue 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.

These team tactics illustrate how annual goals will be attained for aspects of operations that are most critical to the delivery of high-quality transportation service:

- **Budgeting Modernization** - Add value to the organization through process modernization and efficiency. Analyze and apply best practices in existing and future capital projects, equipment purchases, and major studies in conjunction with construction and completion schedules, and in consort with financing plans.
- **Accounting, Payroll, Retirement Services** - Create efficiencies between payroll, retirement services and human resources by reviewing internal processes, evaluating current procedure efficiency, identifying opportunities for improving, creating a roadmap for changes, and implementing changes to modernize and create more efficient procedures agencywide. Leverage our systems to deliver a better employee self-service experience for payroll related requests, access to information, updating personal information, and reducing or remove paper processes.
- **Procurement Procedure Efficiency** - Continuing to educate our internal customers by explaining the procurement process, continuing to require use of procurement support form for project managers to capture project information, provide training to system users, provide proactive support for procurements, and engage in internal discussions with departments to improve procedural efficiencies in active and future procurements.
- **Revenue and Analytics** - To provide timely and accurate reporting for District Fare Revenues and Ridership information to support other departments in making key decisions regarding fares and service levels. Provide support for innovative fare project and partnerships and provide oversight of the Connect Card Regional Service Center for SacRT and the participating partner agencies.
- **Risk Management Information System (RMIS)** - RMIS will improve operational excellence, customer satisfaction, and employee engagement by providing a more accurate and comprehensive database platform for reporting, identifying, managing, and preventing adverse loss.
- **Internal Audit** - Provide an independent evaluation and consultation activity to improve SacRT's operational efficiency, comply with laws and regulations, and accurately report financial operations.
- **IT Security Modernization** - Ensure a secure information technology infrastructure and the use of information technology resources that supports the mission of SacRT and promotes the following goals: To ensure the integrity, reliability availability, and performance of IT resources; and to ensure that IT resources are used for their intended purposes.
- **Bus Maintenance Modernization** - Pursue a variety of projects to improve our current bus maintenance systems including background information systems and physical equipment. These improvements will decrease labor demands, create procedural efficiencies, provide real-time data and analytics, and provide more oversight and controls of resources.

SacRT Major Goals and Objectives (continued)

- **Light Rail Efficiency** - Process will focus on workforce development and training to ensure safe trips and operator proficiency, reduction of light rail revenue trip cancelations and overtime labor costs by increasing regular daily operator availability in the following manner: Development of a more efficient process to ensure the following: reduction in customer complaints; reduction in preventable accidents; maintenance of maximum level light rail operator staffing; reduction in absenteeism; and optimal performance in management of extra-board assignments to include a reduction in the use of day off operators.
- **Increase Availability of Light Rail Vehicle Fleet** - To continue supplying operations and customers with clean, reliable light rail vehicles that are ready for service. Ensure that preventative maintenance targets and spare ratios are met to support required vehicle availability for consistent daily pullout.
- **Capital Improvements and State of Good Repair** - Ensuring efficient project delivery by working collaboratively with other departments in order to see projects successfully through environmental clearance, design and construction to completion. Coordinating schedule and budget compliance with partner departments on critical projects to upgrade, replace and implement new infrastructure across the district.
- **Proactive Maintenance Planning and Implementation of CMMS** - Develop a plan for preventative maintenance using a new computerized maintenance management system (CMMS) system to minimize equipment failure, extend the life of critical assets, create system efficiencies, and reduce unplanned costs and unscheduled downtime.
- **Integrated Risk Identification System Implementation and Training** - Implement integrated risk management (IRM) practices and processes supported by a risk-aware culture and Integrated Risk Identification System (IRIS), that improves decision making and performance through an integrated view of how well SacRT manages its unique set of risks.
- **Grant Application and Request** - Committed to identifying and securing additional funding to support critical strategic projects throughout the agency. Coordinate closely with project management teams to ensure successful funding and support completion of projects in a timely and efficient manner.

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.

These team tactics illustrate how annual goals will be attained for delivering value to the entire community:

1. **Communications Plan and Marketing Campaign** - Increase engagement with our customers and community through a variety of virtual and in person public outreach and informational events. Promote increasing ridership in a post pandemic setting and ensure that our riders feel safe and confident when they return to our system.
2. **Governmental and Community Relations** - To raise the profile and awareness of the agency throughout the community. To identify new funding opportunities or policies that will be supportive of public transit in our region. To look for partnerships that bring in more community and ridership benefit.
3. **Property Access, Management and Acquisitions** - Monitor and track use of SacRT property to evaluate economic, health, safety, quality of life, education, and environmental impacts of projects, in addition to transit ridership generation. Acquire additional property for system and agency expansion or find ways to better utilize existing property with the goal of increasing ridership. Show that we are leading toward better economic and community benefits through real estate projects that contribute toward improving community value and support in the region, but do not negatively impact transit ridership. Activate our property to increase transit ridership as well as be a valued part of the communities we serve. Identify ways to generate revenue from property that would contribute to transit improvements.

SacRT Major Goals and Objectives (continued)

4. **Community Bus Service Implementation** - Continue to provide an innovative public transit solution in the Sacramento region for essential travel, especially in our disadvantaged communities, to access food, healthcare and frontline jobs during the pandemic. Support continued growth in ridership by providing convenient, efficient, and easy to use service. SmarT Ride is a lifeline for residents to safely travel around their community to access essential services.
5. **Innovative Planning Projects** - To establish district wide planning initiatives with a clear vision of goals to guide future planning and investments in the system. Successfully lead the district's large planning initiatives for better access and mobility options and develop robust plans that will serve as blueprints for how SacRT will spend anticipated revenues in the coming decades.
6. **Police Services Engagement with Homeless Population** - Collaborate, coordinate, and partner with service providers in the region to break down silos, build strong relationships, and improve outcomes for our unhoused population. Provide improvements in the lives and mobility of unhoused riders and community members by increasing awareness of and access to resources including shelter, mental health and substance abuse support. Address community concerns and system safety risks by reducing chronic issues and safety hazards across the system, especially focused along light rail tracks and right of ways.

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. We recognize that the work our employees do every day, in every single position, has a potentially significant impact on the quality of life in the Sacramento region. Our employees are foundational to our success, and we are committed to hiring the best people and supporting them throughout their careers at SacRT.

These team tactics illustrate how annual goals will be attained for organizational performance as it pertains to engaging members of the workforce:

1. **Employee Retention** - Implement changes to Exit Interview Survey to increase employee participation to help identify ways to create and foster an environment that encourages current employees to remain with SacRT. Identify areas of recruitment process that cause delays in hiring new employees to fill vacancies and implement changes to process to eliminate the risk of losing good candidates to other employers. Metrics focus on improving process efficiency which ultimately impacts SacRT's overall success in line with the Strategic Plan.
2. **Labor Engagement and Education** - Provide employees a supportive and inclusive opportunity for engagement on performance management, best practices in responding to performance concerns, attendance problems, misconduct issues or workplace conflicts. Ensure requests and questions are handled quickly and consistently to support employees and maintain high a level of engagement. Provide employees with the resources and tools they need to stay engaged at work and focused on the overall success of the agency.
3. **Strategic Planning and Performance Projects** - Development of robust outcome-based strategic project management plan, reporting progress, and training resources. Projects will focus on improving process efficiency, supporting everyone in the agency to see how their work connects to SacRT's overall success, and maintain a focus on achieving results in line with the Strategic Plan.

SacRT Major Goals and Objectives (continued)

Customer Satisfaction - Ensuring that SacRT customers have access to high quality mobility options that they actively and increasingly use is a priority for SacRT. We want to ensure that our system provides customers with mobility options that get them where they want to go, when they want to go there.

These team tactics illustrate how annual goals will be attained for assessing delivery of high-quality transportation services to customers:

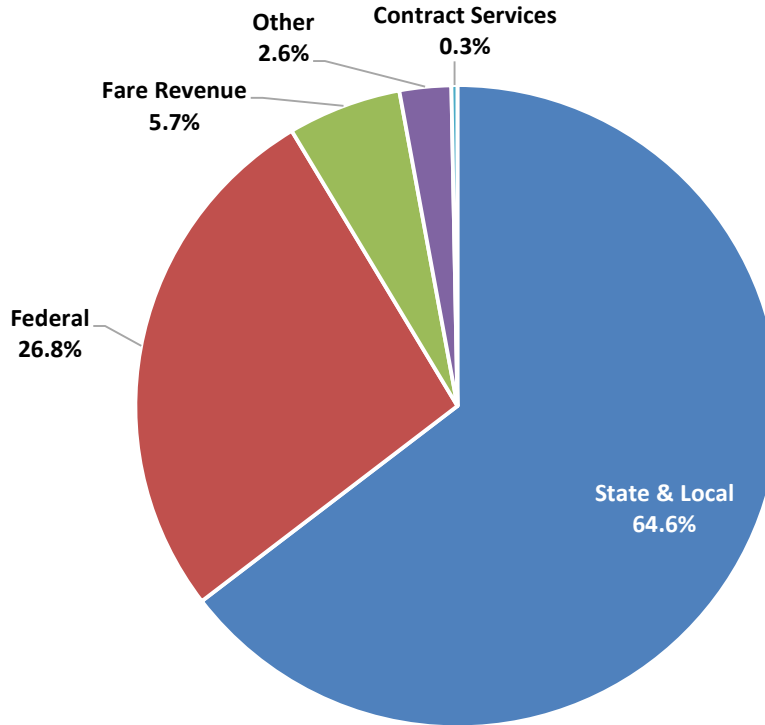
- **Customer Service Process Modernization** - To continue to provide excellent customer service to SacRT employees and customers. Provide training and empower customer satisfaction employees to understand new procedures and technologies that are being implemented across the system. Quickly and efficiently responding to customer inquiries in a effective and efficient manner.
- **Security Support and Fare Inspection** - To provide robust customer service and promote safety and security across our system. Focused on developing team members and empowering them to better serve the community and support strategic initiatives across the system. Staff provide continuous and consistent customer service to all passengers and are the first to respond to resolve security issues, support RTPS sworn officers' investigations, and provide real time notification to customers via the public address system and Alert SacRT mobile app.
- **Prioritizing Bus Safety and Customer Satisfaction** - Provide efficient and reliable service to ensure our customers feel safe and comfortable returning to our system. Create a workplace that provides the highest level of safety and strategically works to eliminate and reduce incidents across our system. Ensure the safety of passengers and operators is central to our long-term planning and goals.
- **SacRT GO Paratransit Service** - Actively engage with riders and employees as SacRT's paratransit service operation expands more broadly in the region. SacRT's focus is on working with our partners in the disability, elderly and transit communities to develop and operate an ADA paratransit service model that complements our accessible transit system and meets the mobility needs of all members of our community.



Operating Budget Summary

Revenues

FY 2023 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget	FY 2022 to FY 2023 \$ Change	FY 2022 to FY 2023 % Change
Fare Revenue	\$ 25,428	\$ 20,999	\$ 12,001	\$ 12,547	\$ 13,147	\$ 600	4.8%
Contract Services	3,731	7,125	6,634	650	650	-	0.0%
State & Local	104,031	114,880	113,657	127,093	149,184	22,091	17.4%
Federal	35,750	35,080	57,704	72,332	62,048	(10,284)	-14.2%
Other	8,551	16,417	7,340	5,540	5,890	350	6.3%
Total	\$ 177,492	\$ 194,501	\$ 197,336	\$ 218,162	\$ 230,919	\$ 12,757	5.8%
Operating Surplus/(Deficit)	3,297	\$ 12,793	5,943	-	-		
Operating Revenue	\$ 174,195	\$ 181,708	\$ 191,393	\$ 218,162	\$ 230,919	\$ 12,757	5.8%

Revenues (continued)

COVID-19 Impacts

The values in the Revenues table on page 15, and the summaries below, reflect the estimated continued impacts of COVID-19. Staff is forecasting an increase in fare revenues for FY 2022-2023 which will be increased approximately \$600K compared to FY 2021-2022. State & Local revenues continue to surge and are forecast to be \$22.1M above FY 2021-2022. To address the impacts of COVID-19 on the public transit industry, on March 27, 2020 the President signed the 2020 Cares Act which provided \$25B in relief funding for public transit agencies across the nation. SacRT's portion of this funding was \$95M, of which \$31.1M is allocated to FY 2021-2022. Additionally, on December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which included \$14B in supplemental appropriations for the transit industry, was signed into law. SacRT's portion of this funding is \$37.9M, of which the full amount is allocated to FY 2021-2022. On March 11, 2021, the American Recovery Plan Act (ARP) was signed into law and provides over \$26B to transit agencies apportioned through the Urbanized Area Formula Program (Section 5307). SacRT's portion of this funding is over \$103M, of which \$27.1M is allocated for FY 2022-2023. These federal allocations will fully offset any projected revenue losses for FY 2022-2023.

Fare Revenue

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

The FY 2023 Preliminary Budget proposes \$13.1 million in Fare Revenue, an increase of \$0.6 million (4.8%) from the FY 2022 Amended Budget of \$12.5 million.

- This reflects an increase in Fare Revenue based upon an anticipated increase in ridership.

Contracted Services

This category includes the City of Rancho Cordova contract for transit services, as well as UC Davis Causeway Connection shuttle services.

The FY 2023 Preliminary Budget proposes \$0.6 million in Contracted Services revenue, which is the same level as the FY 2022 Amended Budget of \$0.6 million.

- This reflects \$0.45 million for Rancho Cordova contract.
- This also reflects \$0.15 million for UC Davis Causeway Connection service.

Revenues (continued)**State & Local**

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

The FY 2023 Preliminary Budget proposes \$149.2 million in state and local funding revenue, an increase of \$22.1 million (17.4%) from the FY 2022 Amended Budget of \$127.1 million.

- This reflects a \$5.8 million or 10.8% increase in sales tax estimates for Measure A over the FY 2022 Amended Budget to reflect trends in sales tax collection.
- This budget includes \$5.6 million in Measure A for Paratransit SacRT Go service.
- This budget includes a reduction of \$3.9 million in Neighborhood Shuttle Measure A for SmarT Ride service.
- This budget reflects a \$18.9 million or 31.3% increase in TDA-LTF over the FY 2022 Amended Budget.
- This also includes a \$0.2 million reduction in the Low Carbon Transit Operations Program (LCTOP) revenue, which is a State Cap and Trade program established in 2014 that provides funds to public transportation agencies throughout California for operations that reduce greenhouse gas emissions.

Federal

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

The FY 2023 Preliminary Budget proposes \$62.0 million in federal funding, a reduction of \$10.3 million (14.2%) from the FY 2022 Amended Budget of \$72.3 million.

- This budget includes \$1.1 million in Job Access/Reverse Commute funding, which is the same level of funding as in FY 2022.
- SacRT Section 5307 Urbanized Area funds and Section 5337 State of Good Repair funds are budgeted on capital.
- This budget includes \$3.9 million in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds, which is a reduction of \$33.7 million from FY 2022. This amount includes Elk Grove's portion of available CARES Act funding.
- This budget includes \$29.4 million in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) funds, which is a reduction of \$3.4 million from FY 2022.
- This budget includes \$27.3 million in the America Rescue Plan of 2021 (ARP funding), which is economic stimulus package to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. This is a new revenue source in FY 2023.
- This budget includes \$0.2 million in Congestion Mitigation and Air Quality Improvement funds (CMAQ) for Causeway Connection new service to UC Davis.

Revenues (continued)**Other**

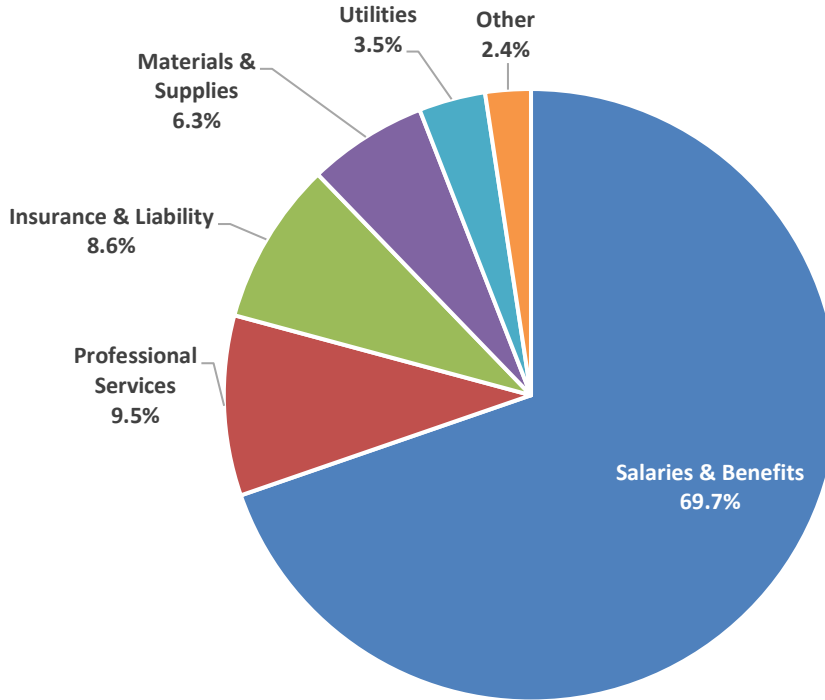
This category includes investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, photo identification activities, and parking revenue.

The FY 2023 Preliminary Budget includes \$5.9 million in other revenue, which is an increase of \$0.4 million (6.3%) from the FY 2022 Amended Budget of \$5.5 million.

- This includes \$0.6 million in ECOS settlement revenue for Folsom late-night service.
- This includes \$1.5 million for the sale of Low Carbon Credits through the State Cap and Trade program, which is the same level as the FY 2022 Amended Budget.
- This includes \$0.2 million in Investment income.
- This reflects \$0.8 million in Advertising revenue.
- This reflects \$1.8 million in Miscellaneous Income.

Expenses

FY 2023 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget	FY 2022 to FY 2023	
						\$ Change	% Change
Salaries & Benefits	\$ 116,540	\$ 128,291	\$ 141,910	\$ 152,505	\$ 160,968	\$ 8,463	5.5%
Professional Services	22,776	22,137	14,162	21,394	22,033	639	3.0%
Materials & Supplies	10,844	11,490	13,504	14,804	14,568	(236)	-1.6%
Utilities	6,761	6,821	7,272	8,018	8,081	63	0.8%
Insurance & Liability	14,011	9,931	12,336	17,036	19,793	2,757	16.2%
Other	3,262	3,038	2,209	4,405	5,476	1,071	24.3%
Operating Expenses	\$ 174,195	\$ 181,708	\$ 191,393	\$ 218,162	\$ 230,919	\$ 12,757	5.8%

Expenses (continued)

Salaries & Benefits

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

The FY 2023 Preliminary Budget proposes \$161.0 million for salaries and benefits, an increase of \$8.5 million (5.5%) from the FY 2022 Amended Budget of \$152.5 million.

- The Fiscal Year 2023 Preliminary Budget includes 1,468 funded positions, which is an increase of 18 funded positions from the Fiscal Year 2022 Amended Budget of 1,450 funded positions. See Positions section on page 23 for details.
- Straight time pay, overtime and personal service contract costs increased by \$5.1 million (6.0%) from the FY 2022 Amended Budget of \$85.2 million. This reflects various District position salary.
- Fringe Benefit costs increased by \$3.5 million (5.0%) from the FY 2022 Amended Budget of \$69.0 million. This reflects an increase of \$0.4 million in FICA costs, \$1.2 million in pension costs, \$0.9 million in medical, dental, life and vision costs, and \$0.6 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect savings increased by \$0.07 million (4.3%) from the FY 2022 Amended Budget of \$1.7 million. This represents labor charged to capital projects and other initiatives such as the Connect Card Consortium which results in a reduction in costs.

Professional Services

This category includes transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants.

The FY 2023 Preliminary Budget proposes \$22.0 million for Professional Services, an increase of \$0.6 million (3.0%) from the FY 2022 Amended Budget of \$21.4 million.

- This budget includes \$8.5 million in security services cost.
- This budget includes \$3.6 million in outside services cost.
- This also includes \$1.0 million in software/cloud services cost.
- This includes \$0.4 million in Paratransit maintenance cost.
- This budget includes \$0.7 million in Contract maintenance.
- This reflects a \$1.0 million increase in Purchased Transportation cost due to a new contract for supplemental ADA service.
- This reflects the FY 2023 portion of multi-year contracts for professional services.

Materials & Supplies

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

The FY 2023 Preliminary Budget proposes \$14.6 million for materials and supplies, a reduction of \$0.2 million (-1.6%) from the FY 2022 Amended Budget of \$14.8 million.

Expenses (continued)

- This budget includes an increase of \$0.2 million in gasoline cost to reflect higher cost of gasoline.
- This budget reflects a \$0.2 million increase in CNG cost to reflect higher cost of CNG fuel.
- This also includes a reduction of \$0.3 million in light rail parts due to the current spending trend and start of using new light rail vehicles.
- This budget reflects a \$0.2 million reduction in Equipment items due to a one-time cost incurred in FY 2022.

Utilities

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

The FY 2023 Preliminary Budget proposes \$8.1 million for Utilities, an increase of \$0.1 million (0.8%) from the FY 2022 Amended Budget of \$8.0 million.

- This budget reflects an increase of \$0.1 million in telephone cost due to higher cell phone usage.

Insurance & Liability

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

The FY 2023 Preliminary Budget proposes \$19.8 million for Insurance & Liability, an increase of approximately \$2.8 million (16.2%) from the FY 2022 Amended Budget of \$17.0 million.

- This budget reflects a reduction of \$0.9 million in the projected claim reserves for Property and Liability for FY 2023.
- This also reflects an increase of \$0.7 million in the projected claim reserves for Workers' Compensation for FY 2023.
- The budget includes an increase of \$1.9 million in excess liability insurance cost due to challenging market conditions to get the required insurance limits.
- The budget also includes an increase of \$0.7 million in property insurance premium due to increased number of revenue vehicles in service.
- This also reflects increases in FY 2023 estimated insurance premium costs due to a tighter and more competitive insurance market.

Other

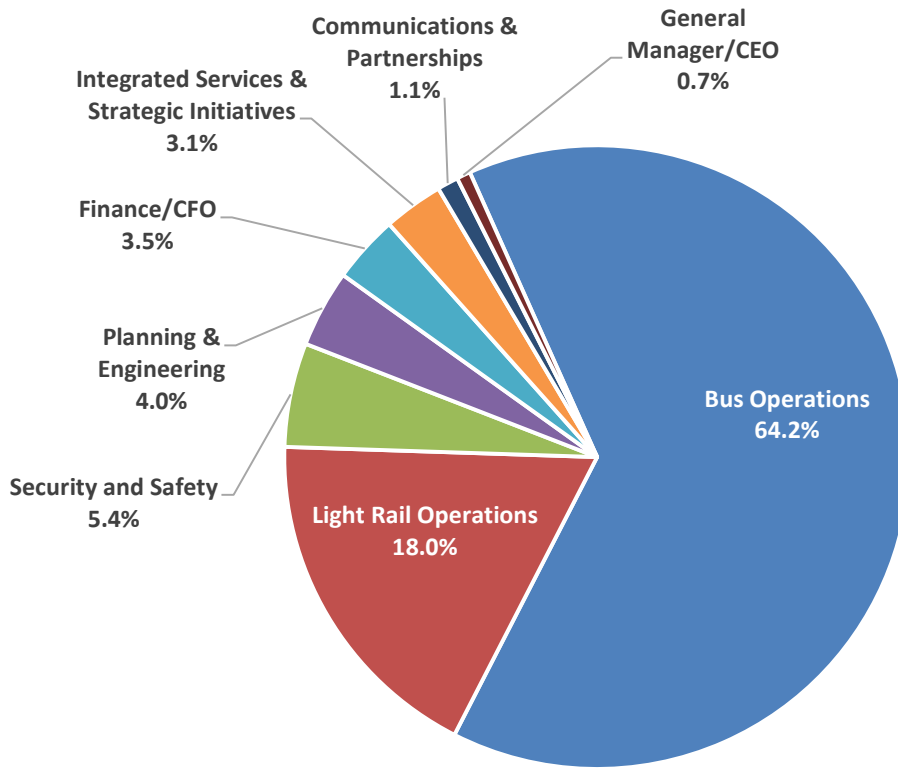
This category includes, but is not limited to, travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and banking fees.

The FY 2023 Preliminary Budget proposes \$5.5 million for other expenditures, an increase of \$1.1 million (24.3%) from the FY 2022 Amended Budget of \$4.4 million.

- This budget reflects a reduction of \$0.1 million in interest expense due to reduced line of credit usage.
- This budget reflects an increase of \$0.7 million in property leases due to Q Street administrative building and R Street Facilities building lease costs.
- This budget reflects an increase of \$0.2 million in Contingency account.

Positions

FY 2023 Positions by Division



Division	FY 2019 Funded	FY 2020 Funded	FY 2021 Funded	FY 2022 Funded	FY 2023 Funded	FY 2022 to FY 2023
General Manager/CEO	26	19	16	9	10	1
Planning & Engineering	28	22	57	58	59	1
Bus Operations	937	1063	1196	939	945	6
Light Rail Operations	0	0	0	261	266	5
Integrated Services & Strategic Initiatives	0	55	33	41	45	4
Engineering & Facilities	48	0	0	0	0	0
Finance/CFO	48	45	47	51	51	0
Communications & Partnerships	30	0	0	9	16	7
Security, Safety and Customer Satisfaction	73	53	74	82	79	-3
Total	1,190	1,257	1,423	1,450	1,471	21

Positions (continued)

From FY 2022 to FY 2023, SacRT had a net increase of 18 funded positions. The changes reflected in the FY 2023 Preliminary Budget are as follows:

General Manager/CEO Division had a net increase of 1 funded position. The position change is as follows:

- Transferred 1 Senior Administrative Assistant from Planning and Engineering Division.
- Reclass 1 Attorney I to Attorney II.
- Reclass 1 Administrative Assistant I to Program Analyst.

Planning and Engineering Division had a net increase of 1 funded position. The position change is as follows:

- Transferred 1 Senior Administrative Assistant to General Manager/CEO Division.
- Unfunded 1 Senior Administrative Assistant.
- Transferred 1 Manager, Quality Assurance & TAM to Finance/CFO Division.
- Added 1 Senior Civil Engineer.
- Added 3 Assistant Engineers.

Bus Operations Division had a net increase of 6 funded positions. The position changes are as follows:

- Added 5 Bus Operators.
- Added 1 Transportation Superintendent - Bus.
- Reclass 2 Maintenance Supervisor – Paratransit to 1 Maintenance Supervisor – Bus and 1 Materials Management Superintendent.
- Reclass 1 Paratransit Operator/Trainer to 1 Paratransit Dispatcher.
- Reclass 4 CBS-Folsom and Folsom Operators to 4 CBS Operators.

Light Rail Operations Division had a net increase of 5 funded positions. The position changes are as follows:

- Added 2 Operations Training Specialist in Light Rail Operations and Light Rail Wayside.
- Funded 1 Transportation Supervisor and 2 Lineworker Technician.
- Reclass 2 Rail Laborer to 2 Senior Rail Maintenance Worker.

Integrated Services and Strategic Initiatives Division had a net increase of 4 positions. The position changes are as follows:

- Added 1 HR Analyst I and 1 HR Analyst II.
- Reclass Senior Manager, Human Resources and Director, Human Resources.
- Reclass Administrative Assistant II to Administrative Technician.
- Funded 1 Labor Relations Analyst I.
- Added 1 IT Technician II.

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

- Added 1 Administrative Assistant II and 1 Senior Grants Analyst.
- Transferred 1 Manager, Quality Assurance & TAM from Planning and Engineering Division.
- Eliminated 3 Route Checkers.
- Reclass Real Estate Analyst II to Senior Real Estate Analyst.
- Reclass Route Checker Supervisor to Senior Administrative Assistant.
- Reclass Senior Administrative Assistant to Program Analyst.
- Reclass Payroll Supervisor to Manager, Payroll.
- Reclass Manager, Grants to Senior Manager, Grants.
- Reclass Senior Manager, Procurement to Director, Procurement.

Positions (continued)

Communications and Partnerships Division had a net increase of 7 positions. The position changes are as follows:

- Added 6 Community Outreach Specialist.
- Added 1 Digital Media Production Specialist.
- Reclass 1 Administrative Assistant II to Administrative Technician.

Security, Safety and Customer Satisfaction Division had a net decrease of 3 funded positions:

- Converted 3 SOC Security Leads back to PSCs.



Now Hiring

COME WORK WITH US AT SACRT

Sacramento  Regional Transit

The advertisement features a bright yellow background with the text 'Now Hiring' in a large, blue, cursive font. Below it, 'COME WORK WITH US AT SACRT' is written in a smaller, blue, sans-serif font. Four polaroid-style photographs are arranged in a row, showing various transit workers: a woman in a blue uniform and mask, a driver in a blue uniform and mask, a woman in a blue uniform working at a computer, and a worker in a blue uniform and mask handling equipment.

Capital Improvement Plan

Project Overview

The following tables and chart represent the Capital Budget as it pertains to the FY 2023 Budget for the projects listed. The full five-year Capital Improvement Program (CIP) will be adopted by a separate Board action and will cover capital funding priorities between fiscal years 2022 through 2026, and beyond to 2052.

The amounts contained in the FY 2023 Preliminary Capital Budget represent partially funded and unfunded projects and anticipated and secured funding sources for FY 2023. Awarded and programmed funding are shown as Federal, State and/or Local Funds. Non-Awarded competitive grant funding is shown as To-Be-Determined (TBD).

The FY 2023 Capital Budget includes projects focused on the following priority programs:

Guideway

R359 LR Modern. 15 Min. Service to Folsom (Sidetrack)
S030 Downtown/Riverfront Streetcar Project –

Passenger Stations

B150 Watt/I-80 On-Site Transit Center Improvements
R135 Horn Light Rail Station
R327 Sacramento Valley Station Loop Design and Construction
R375 Dos Rios Light Rail Station Construction
R380 Gold Line Light Rail Station Low Floor Vehicle Conversion
R381 Blue Line Light Rail Station Low Floor Vehicle Conversion –

Maintenance Building

B165 Electric Bus Charging Infrastructure
F035 South Area Bus Maintenance Facility
R362 Light Rail Wheel Truing Machine Procurement
R384 LRV Maintenance Shop Upgrades (Engineering)

Revenue Vehicles

B100 Replacement 16 CNG Buses (FY 22- FY 26)
B164 Airport Service Expansion ZEB Buses (10-40")
B173 40-ft CNG Bus Replacement (91 Orion Buses)
P014 SmaRT Ride Vehicle Replacement
P015 SmaRT Ride Expansion Vehicle
R100 Replacement New Low-Floor LRVs
R125 CAF Fleet Mid-Life Component Overhaul
R376 Replacement New Low-Floor LRVs NTP 2 (8)
R377 Replacement New Low-Floor LRV's NTP 3 (8)

Communications and IT Systems

T072 Train Station Signage Technology Refresh
T073 Train Technology Refresh

Project Overview continued

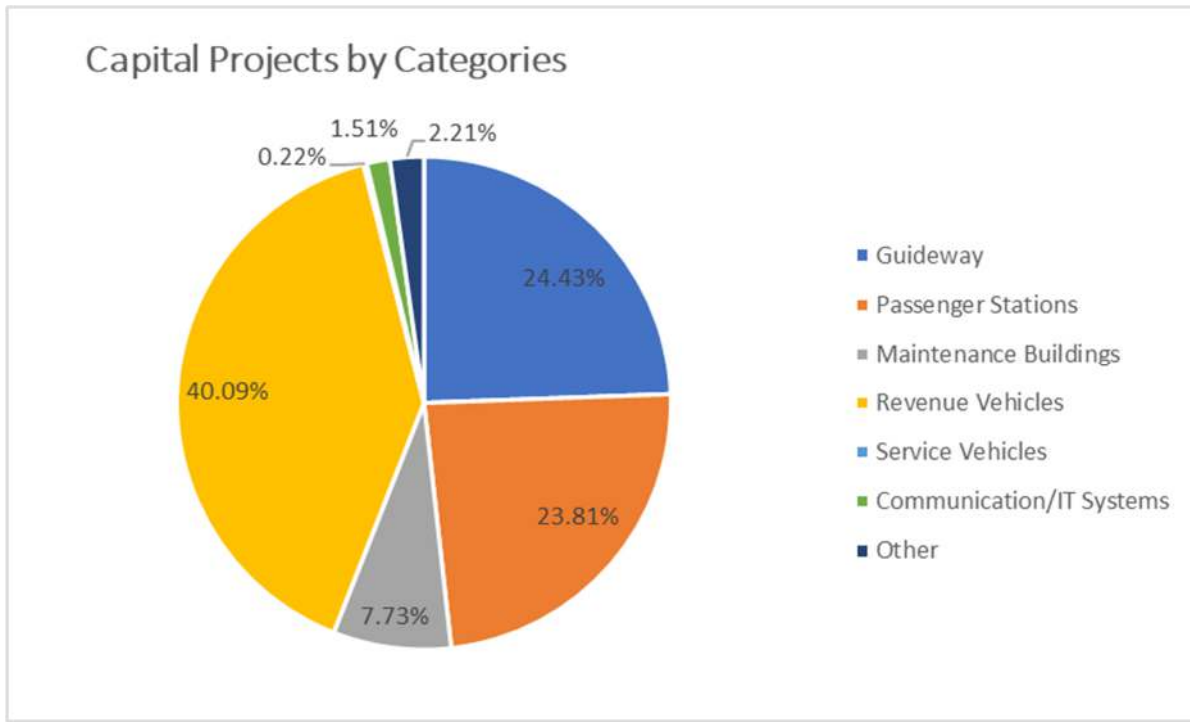
Service Vehicles

N001 Non-Revenue Police Vehicle Replacement

Other

M004 Operating Revenue Bond Series 2021A Payment

Capital Budget by Category



Project Category	# of Projects	Total Project Budgets	%
Guideway	2	\$267,300,000	24.43%
Passenger Stations	6	\$260,542,317	23.81%
Maintenance Buildings	4	\$84,555,238	7.73%
Revenue Vehicles	9	\$438,650,728	40.09%
Service Vehicles	1	\$2,420,000	0.22%
Communication/IT Systems	2	\$16,564,002	1.51%
Other	1	\$24,230,350	2.21%
	25	\$1,094,262,635	

FY 2023 Capital Budget Revenues and Expenditures

ID	Project Name	FY22 Capital Budget (Board Approved)	Previous Released (Funded)	Total Authorized Budget	Previous TBD	Funding Additions			TBD
						Federal	State	Local	
<u>Guideway</u>									
R359	LR Modern. 15 Min. Service to Folsom (Side Track)	\$66,508,677	\$10,841,295	\$67,300,000	\$56,458,705		\$20,300,000	\$1,000,000	\$35,158,705
S030	Downtown/Riverfront Streetcar Project	\$188,668,127	\$13,096,286	\$200,000,000	\$186,903,714	\$50,000,000	\$30,000,000	\$25,000,000	\$81,903,714
		\$255,176,804	\$23,937,581	\$267,300,000	\$243,362,419	\$50,000,000	\$50,300,000	\$26,000,000	\$117,062,419
<u>Passenger Stations</u>									
B150	Watt I-80 Transit Center Improvements	\$10,703,328	\$572,905	\$10,915,071	\$9,837,875	\$1,644,000	\$7,936,459		\$257,416
R135	Horn Light Rail Station	\$5,299,547	\$588,472	\$5,840,604	\$5,252,132	\$500,000			\$4,752,132
R327	Sacramento Valley Station Loop Design/Construct.	\$134,092,368	\$246,000	\$134,120,000	\$133,846,368	\$3,755,000		\$808,000	\$129,283,368
R375	Dos Rios Light Rail Station Construction	\$23,416,642	\$2,500,000	\$23,416,642	\$15,078,243			\$1,323,400	\$13,754,843
R380	Gold Line Light Rail Station Low Floor Conversion	\$47,193,396	\$20,287,257	\$47,193,396	\$26,906,139	\$5,000,000		\$1,000,000	\$20,906,139
R381	Blue Line Light Rail Station Low Floor Conversion	\$38,047,132	\$0	\$39,056,604	\$39,056,604		\$4,003,278		\$35,053,326
		\$258,752,413	\$24,194,634	\$260,542,317	\$229,977,361	\$10,899,000	\$11,939,737	\$3,131,400	\$204,007,224
<u>Maintenance Buildings</u>									
B165	Electric Bus Charging Infrastructure	\$9,245,601	\$2,212,103	\$9,380,000	\$4,787,897				\$4,787,897
F035	South Area Bus Maintenance Facility	\$70,725,000	\$0	\$70,725,000	\$70,725,000				\$70,725,000
R362	Light Rail Wheel Truing Machine Procurement	\$3,583,557	\$1,177,762	\$4,415,438	\$3,054,119				\$3,054,119
R384	LRV Maintenance Shop Upgrades (Engineering)	\$34,800	\$34,800	\$34,800	\$0				\$0
		\$83,588,958	\$3,424,665	\$84,555,238	\$78,567,016	\$0	\$0	\$0	\$78,567,016

FY 2023 Capital Budget Revenues and Expenditures (continued)

ID	Project Name	FY22 Capital Budget (Board Approved)	Previous Released (Funded)	Total Authorized Budget	Previous TBD	Funding Additions			TBD
						Federal	State	Local	
Revenue Vehicles									
B100	Replace 16 CNG Buses (FY22 - FY26)	\$21,629,000	\$0	\$21,629,000	\$21,629,000				\$21,629,000
B164	Airport Service Expansion ZEB Buses (10 40')	\$9,875,570	\$3,250,136	\$9,926,957	\$6,676,821				\$6,676,821
B173	40' CNG Bus Replacement (69) / Retank (30)	\$63,500,000	\$25,442,066	\$63,500,000	\$38,057,934	\$18,821,459		\$9,178,541	\$10,057,934
P014	SmaRT Ride Vehicle Replacement	\$1,525,000	\$0	\$1,525,000	\$1,525,000	\$1,265,000		\$260,000	\$0
P015	SmaRT Ride Expansion Vehicle (1)	\$171,000		\$171,000	\$171,000				\$171,000
R100	Replacement Light Rail Vehicles (35)	\$141,536,851		\$141,468,494	\$141,468,494				\$141,468,494
R125	CAF Fleet Mid-Life Component Overhaul	\$106,230,277	\$0	\$106,230,277	\$106,230,277	\$24,000,000		\$6,000,000	\$76,230,277
R376	Replacement New Low-Floor LRVs NTP 2 (8)	\$46,200,000	\$38,222,830	\$46,200,000	\$7,977,170	\$7,977,170			\$0
R377	Replacement New Low-Floor LRVs NTP 3 (8)	\$48,000,000	\$0	\$48,000,000	\$48,000,000	\$15,726,300	\$23,394,078	\$2,360,000	\$6,519,622
		\$438,667,698	\$66,915,032	\$438,650,728	\$371,735,696	\$67,789,929	\$23,394,078	\$17,798,541	\$262,753,148
Service Vehicles									
N001	Police Vehicle Replacement	\$2,420,000	\$940,000	\$2,420,000	\$0				\$1,480,000
		\$2,420,000	\$940,000	\$2,420,000	\$0	\$0	\$0	\$0	\$1,480,000
Communication/IT Systems									
T072	Train Station Signage Technology Refresh	\$4,633,713	\$0	\$4,633,713	\$4,633,713				\$4,633,713
T073	Train Technology Refresh	\$11,930,289	\$0	\$11,930,289	\$11,930,289				\$11,930,289
		\$16,564,002	\$0	\$16,564,002	\$16,564,002	\$0	\$0	\$0	\$16,564,002

ID	Project Name	FY22 Capital Budget (Board Approved)	Previous Released (Funded)	Total Authorized Budget	Previous TBD	Funding Additions			TBD
						Federal	State	Local	
Other									
M004	OPERATING Revenue Bond, Series 2021A Payment	\$3,068,944	\$22,935,089	\$24,230,350	\$1,295,261		\$1,295,261		
		\$3,068,944	\$22,935,089	\$24,230,350	\$1,295,261	\$0	\$1,295,261	\$0	\$0
	Table Totals	\$1,058,238,819	\$142,347,001	\$1,094,262,635	\$941,501,755	\$128,688,929	\$86,929,076	\$46,929,941	\$680,433,809

Capital Project Funding Addition Descriptions

Guideway

R359 LR Modern. 15 Min. Service to Folsom (Sidetrack) – Complete track and signal work on the segment of the Gold Line between Sunrise and Historic Folsom Light Rail Stations to enable 15-minute service from downtown Sacramento to Folsom.

S030 Downtown/Riverfront Streetcar Project – Planning, environmental, engineering and construction of a new streetcar line to connect the cities of West Sacramento and Sacramento and their shared riverfront.

Passenger Stations

B150 Watt/I-80 On-Site Transit Center Improvements – Construct and improve bicycle, pedestrian, and bus access from the Watt Ave Station Plaza to the Watt/I-80 Light Rail Station.

R135 Horn Light Rail Station – Engineering and construction of a new station in Rancho Cordova at Horn Road. New station includes passenger platforms and passenger amenities.

R327 Sacramento Valley Station Loop Design and Construction – Design and construct 1.55 mile of double tracking of the existing light service on H St. and 7th St and the realignment of the SacRT Sacramento Valley Light Rail Station.

R375 Dos Rios Light Rail Station Construction - Construct a new light rail station in the conjunction with the new Mirasole Village housing Development located in the Rivers District just North of downtown Sacramento and east of the Rail Yard Project.

R380 Gold Line Light Rail Station Low Floor Vehicle Conversion – Construct new raised platforms at light rail stations on the Gold Line in order to facilitate the use of low-floor light rail vehicles.

R381 Blue Line Light Rail Station Low Floor Vehicle Conversion – Construct new raised platforms at light rail stations on the Blue Line in order to facilitate the use of low-floor light rail vehicles.

Maintenance Building

B165 Electric Bus Charging Infrastructure – Purchase construct and install charging infrastructure to charge up to 22 battery electric vehicles at BMF1.

F035 South Area Bus Maintenance Facility – Planning, environmental, engineering, purchase and construction of a new Bus Maintenance Facility in South Sacramento County.

R362 Light Rail Wheel Truing Machine Procurement – Purchase two Light Rail Wheel Truing Machines one to install at Metro Light Rail Maintenance Facility and one portable machine.

R384 LRV Maintenance Shop Upgrades (Engineering) – Engineering for the Light Rail Maintenance Shop upgrades needed to maintain the new Siemens S700.

Capital Project Funding Addition Descriptions (continued)

Revenue Vehicles

B100 Replacement 16 CNG Buses (FY 22- FY 26) – Purchase sixteen (16) buses to replace sixteen (16) CNG buses that have reached the end of their useful life.

B164 Airport Service Expansion ZEB Buses (10-40') – Purchase ten (10) 40' Zero Emission Vehicles and 10 associated standard chargers for a new, frequent bus service between downtown Sacramento and Sacramento International Airport.

B173 40-ft CNG Bus Replacement (91 Orion Buses) – Purchase ninety-one (91) CNG 40' replacement transit buses, these new buses will replace vehicles that have exceeded their useful life.

P014 SmarT Ride Vehicle Replacement – Purchase ten (10) new SmarT ride vehicles to replace ten (10) vehicles that have reached the end of their useful life's.

P015 SmarT Ride Expansion Vehicle – Purchase one (1) new SmarT Ride vehicle to expand the SacRT SmarT Ride Service.

R100 Replacement New Low-Floor LRVs – Purchase eighteen (18) new replacement Low-Floor Light Rail Vehicles to replace vehicles that have exceeded their useful life.

R125 CAF Fleet Mid-Life Component Overhaul – Overhaul of major subsystems and components on the CAF light rail vehicles (40 Vehicles).

R376 Replacement New Low-Floor LRVs NTP 2 (8) – Purchase eight (8) new Siemens S700 Low-Floor Light Rail Vehicles to replace eight (8) High-Floor Light Rail Vehicles that have reached the end of their useful life's. New Vehicles will be operated on the Gold Line.

R377 Replacement New Low-Floor LRV's NTP 3 (8) - Purchase eight (8) new Siemens S700 Low-Floor Light Rail Vehicles to replace eight (8) High-Floor Light Rail Vehicles that have reached the end of their useful life's. New Vehicles will be operated on the Blue Line.

Communications and IT Systems

T072 Train Station Signage Technology Refresh - Replace the Digital Messaging Signs (DMS) equipment on throughout the SacRT rail system. It will replace the existing DMS with modern LCD style signage as well as implement digital content management systems making it easier to communicate with the new signs as well as integrate with the Public Address system at the stations.

T073 Train Technology Refresh – Upgrade equipment onboard trains (Siemens, UTDC, CAF) to create a unified communications infrastructure. This will help the agency achieve and maintain ADA compliant communications by announcing and displaying upcoming train types at stations (low/high floor) along with destination and provide a mechanism to direct passengers with disabilities to the correct boarding area.

Service Vehicles

N001 Non-Revenue Police Vehicle Replacement – Purchase twenty-three (23) new police vehicles including all needed electronics.

Other

M004 Operating Revenue Bond Series 2012 Payment – Provide funding for payments for 2021A Bonds.

SacRT FY 2023 Budget Briefing

FY 2023 Budget Assumptions

- 🚌 **Services are budgeted without reductions**
- 🚌 **The budget will support SacRT strategic priorities**
 - 🚌 **Customers first**
 - 🚌 **Business optimization**
- 🚌 **CARES Act, CRRSAA and ARP funding used to offset local revenue losses**
- 🚌 **No reductions to staffing levels**
 - 🚌 **Merit increases received per CBA's**
- 🚌 **No fare rate adjustments**

FY 2023 Operating and Capital Budgets

-  Operating Budget - \$230.9M
 - 77% Operations 23% Admin Support



- Capital Budget Additions – \$262.5M

Highlighted Projects – FY 2023

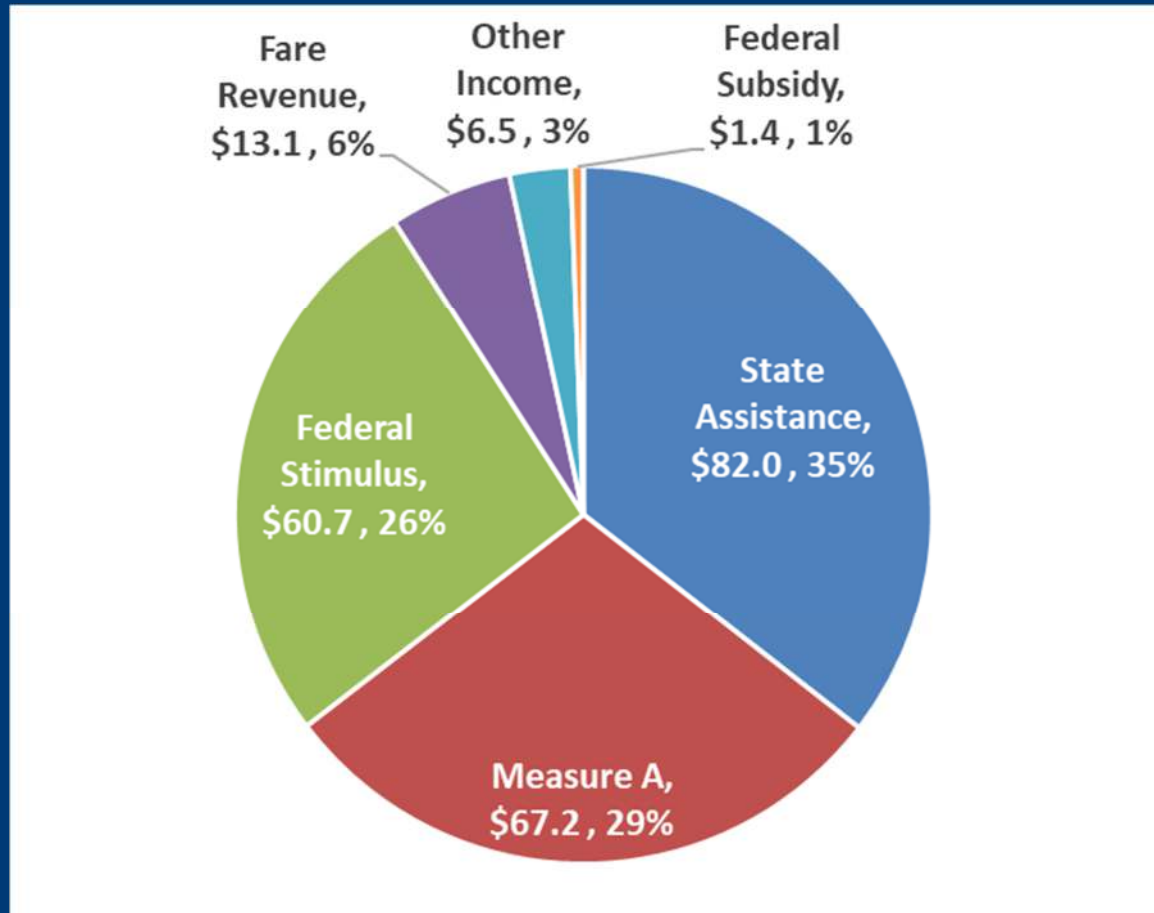


- Replacement New Low-Floor LRVs
- Downtown/Riverfront Streetcar Project
- 15 Minute Service to Folsom (Side Track)



Where the Dollars Come From (\$ Millions)

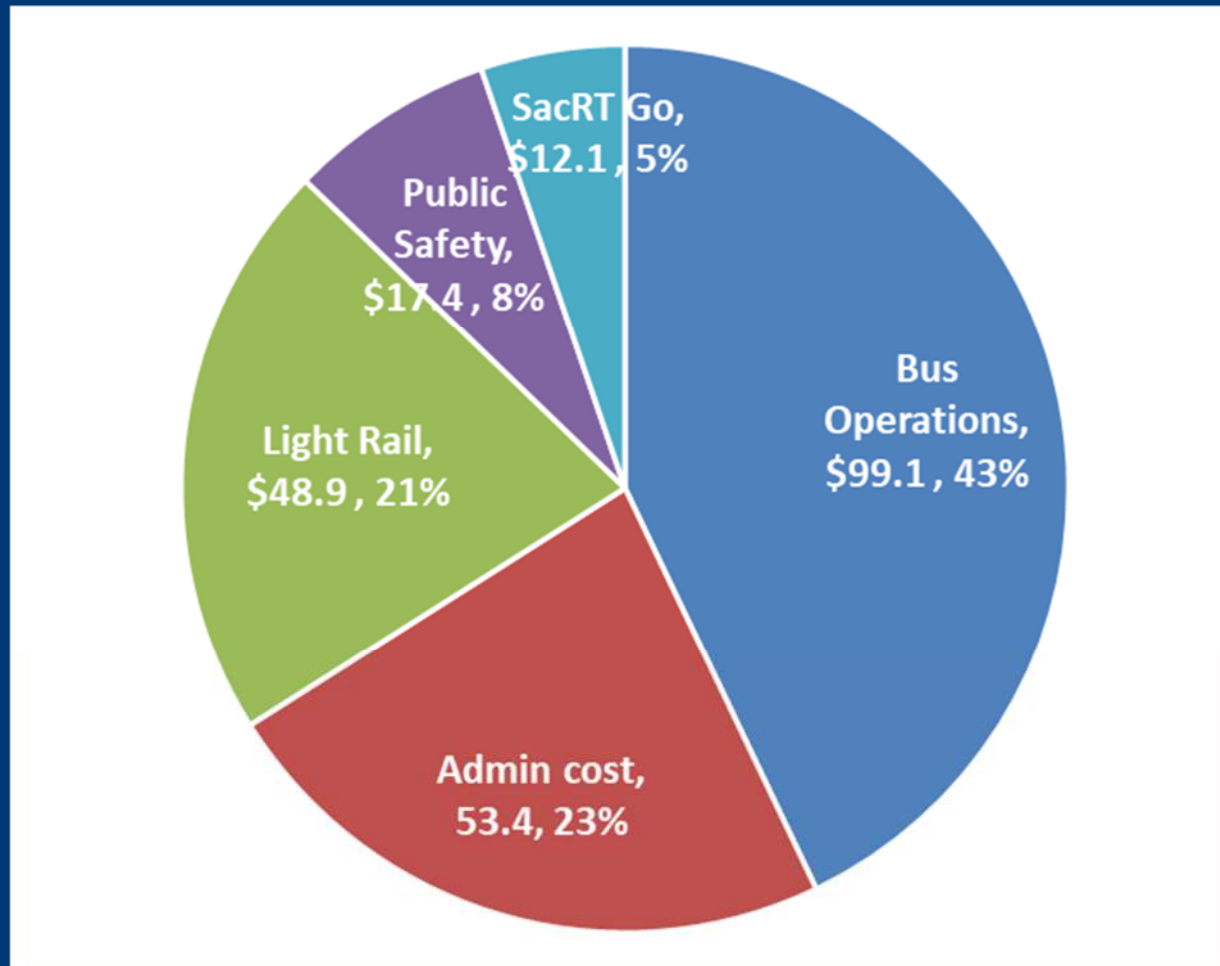
(Total FY 23 Operating Revenue is \$230.9M)



Federal Stimulus Funding includes \$3.9M CARES Act, \$29.4M CRRSAA, and \$27.3M ARP.

Service Delivery Breakdown (\$ Millions)

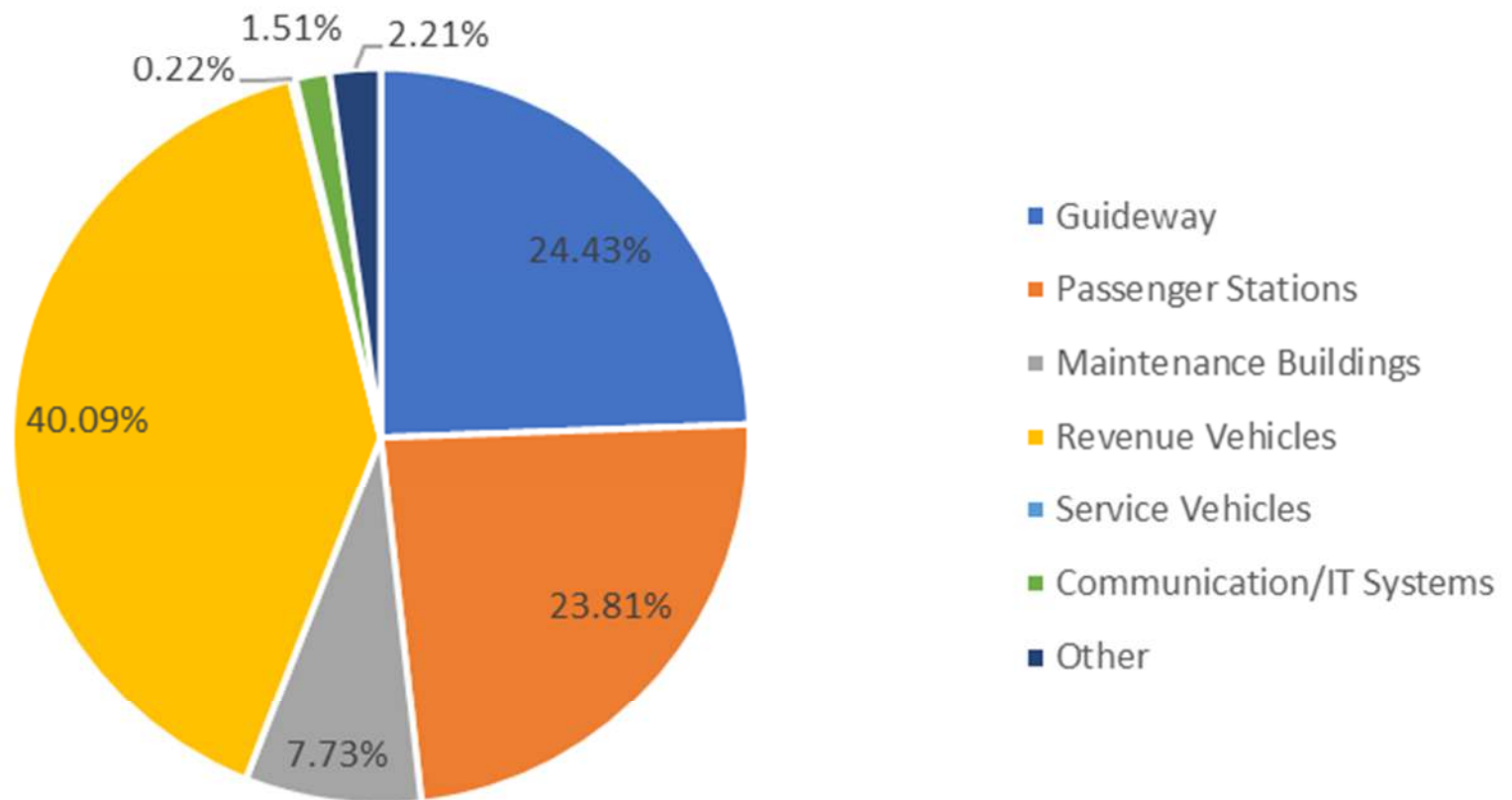
(Total FY 23 Operating Expenditure is \$230.9M)



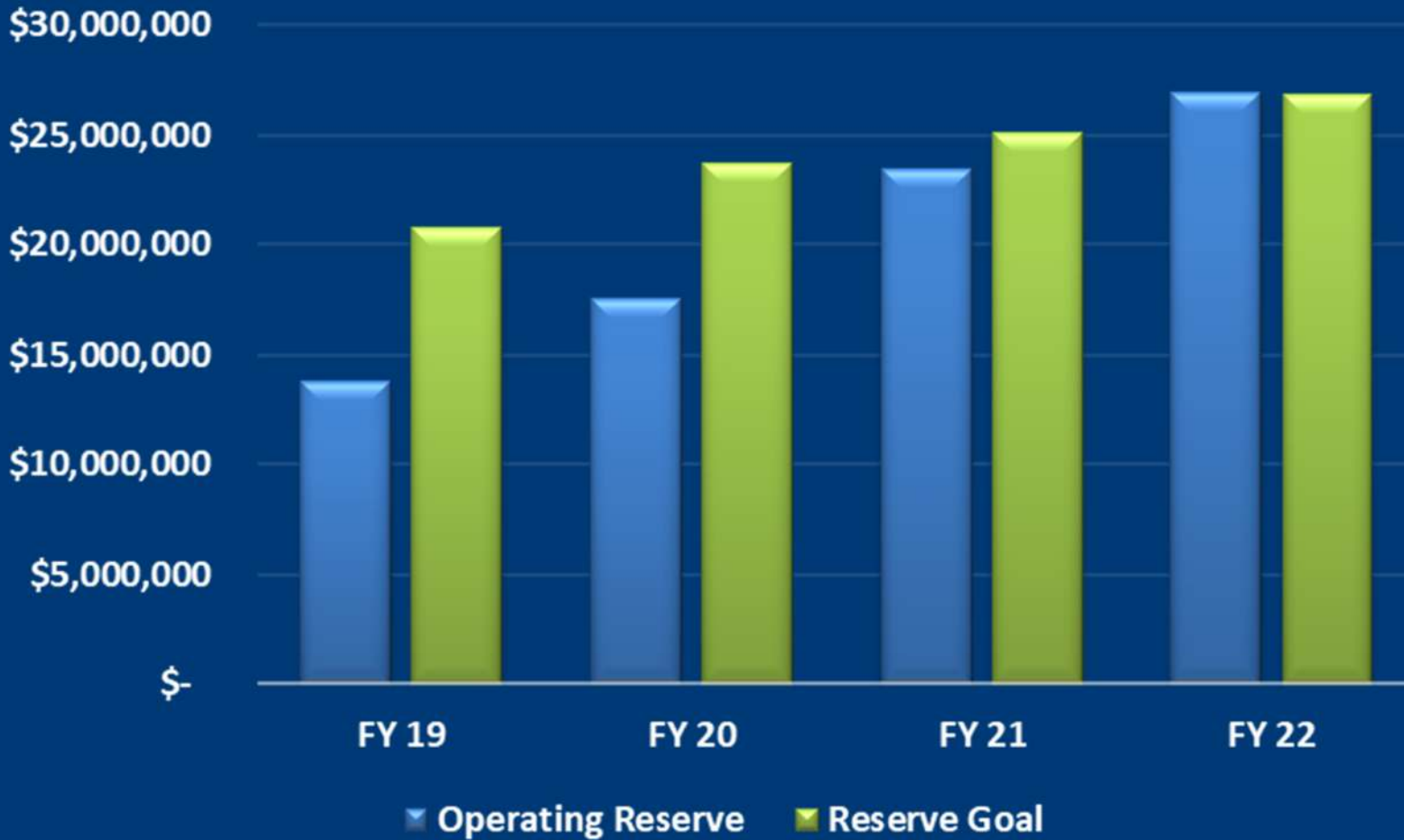
FY 2023 Capital Budget (\$ Millions)

(Total FY 23 Capital Budget Additions are \$262.5M)

Capital Projects by Categories



Cash Reserves



Note - reserve requirements do not reflect the impact of SacRT's current Line of Credit



Financial Outlook



 **Urgent funding need - State of Good Repair**

 **COVID-19 continues to impact ridership**

 **Line of Credit significantly reduced**

 **Last used in September 2020**

 **Grant Funding**

 **Increasing at the State/Local level**

 **Increasing at the Federal level**

 **(Not including stimulus funding)**

FY 2023 Budget Schedule

April 11, 2022

Release of the Preliminary FY 2023 Operating and Capital budgets, 60-day public review begins

May 9, 2022

Public Hearing receiving public comment

June 13, 2022

FY 2023 Operating and Capital Budget hearing for adoption by the Board of Directors