

STAFF REPORT

DATE: May 8, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: ACCEPT PUBLIC COMMENT ON THE SACRAMENTO REGIONAL TRANSIT DISTRICT PRELIMINARY FY 2023-2024 OPERATING AND CAPITAL BUDGET AND CONTINUE THE PUBLIC HEARING TO JUNE 12, 2023.

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

Approval will continue the public hearing to the June 12, 2023 Board meeting where the final FY 2023-2024 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 draft budget for Fiscal Year 2024. SacRT's budget has modest growth to account for inflationary and general cost increases while maintaining the exceptional level of service the Sacramento region relies upon. 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 strong federal support for the 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 \$99M, which was fully expended through FY 2023. 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 was \$37.9M, of which the full amount was expended through FY 2023. On March 11, 2021, the American Recovery Plan Act (ARP) was signed into law and provided over \$26B to transit agencies apportioned through the Urbanized Area Formula Program (Section 5307). SacRT's portion of this funding was over \$103M, of which \$36.7M is allocated for the FY 2023-2024 Budget. These federal allocations will fully offset any projected revenue losses due to the residual impacts of

COVID-19 for FY 2023-2024. Additionally, SacRT is projected to have a remaining balance of approximately \$39.6M of ARP funding at the end of FY 2024. This funding will be available to cover operating expenditures in FY 2025 and FY 2026.

Assumptions Built into the FY 2024 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.
- ARP federal stimulus funding is being used to offset the loss of fares and other revenues due to the residual 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 2024 Operating Budget

Tables 1A and 1B provide summaries of the preceding three years' actual results, the current year budget, and the FY 2024 proposed budgeted amounts. Revenues and expenditures each increased in total by \$15.1M or 6.4% compared to the amended FY 2023 budget. State & Local (sales tax based) revenues are increasing \$8.2M or 5.1% as the local economy is projected to remain strong. Federal funds are projected to increase by \$6.5M or 12.1%. Salaries & Benefits are increasing \$10.7M or 6.6%, which is attributed to both annual salary and benefits increases across all Collective Bargaining Agreements, and the addition of new full-time positions that directly support operations and upcoming significant capital projects; however, net of increases for pension and other retirement benefits, total labor costs increased by only 4.9%. Each year staff submits a preliminary budget in April for public comment but continues to review and revise projections to ensure the document presented in May fully captures all forecast revenues and expenditures. Table 1C below summarizes the changes from the April preliminary FY 2024 Budget to the May draft.

Table 1A - Revenues (Thousands)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	FY 2023 to FY 2024	
						\$ Change	% Change
Fare Revenue	\$ 20,999	\$ 12,001	\$ 14,309	\$ 15,500	\$ 17,300	\$ 1,800	11.6%
Contract Services	7,125	6,634	826	650	800	150	23.1%
State & Local	114,880	113,657	144,508	158,802	166,958	8,156	5.1%
Federal	35,080	57,704	56,676	53,578	60,077	6,499	12.1%
Other	16,417	7,340	5,239	5,890	4,365	(1,525)	-25.9%
Total	\$ 194,501	\$ 197,336	\$ 221,558	\$ 234,420	\$ 249,500	\$ 15,080	6.4%
Operating Surplus/(Deficit)	\$ 12,793	5,943	6,785	-	-		
Operating Revenue	\$ 181,708	\$ 191,393	\$ 214,773	\$ 234,420	\$ 249,500	\$ 15,080	6.4%

Table 1B - Expenses (Thousands)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	FY 2023 to FY 2024	
						\$ Change	% Change
Salaries & Benefits	\$ 128,291	\$ 141,910	\$ 153,684	\$ 160,969	\$ 171,645	\$ 10,676	6.6%
Professional Services	22,137	14,162	16,497	22,033	24,620	2,587	11.7%
Materials & Supplies	11,490	13,504	14,748	18,188	15,839	(2,349)	-12.9%
Utilities	6,821	7,272	7,425	8,081	8,458	377	4.7%
Insurance & Liability	9,931	12,336	19,784	19,793	22,788	2,995	15.1%
Other	3,038	2,209	2,635	5,356	6,150	794	14.8%
Operating Expenses	\$ 181,708	\$ 191,393	\$ 214,773	\$ 234,420	\$ 249,500	\$ 15,080	6.4%

Table 1C – April to May Changes

Categories	FY 2024 April Public Review	FY 2024 May Revise	\$ Variance FY 2024 May to FY 2024 April	% Variance
Revenues				
Fare Revenue	16,500,000	17,300,000	800,000	4.8%
Contracted Services	799,730	799,730	-	0.0%
Other	4,365,000	4,365,000	-	0.0%
State and Local	166,957,922	166,957,922	-	0.0%
Federal	59,866,087	60,077,348	211,261	0.4%
Total Revenues	\$248,488,739	\$249,500,000	\$1,011,261	0.4%
Expenses				
Labor	\$171,295,254	\$171,645,254	\$350,000	0.2%
Non-labor	77,193,485	77,854,746	\$661,261	0.9%
Total Expenses	\$248,488,739	\$249,500,000	\$1,011,261	0.4%

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 expended on the project. These carry forward figures were not included in the FY 2024 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 2023 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 currently approved projects that require additional Capital Budget funding and now includes new projects for FY 2024. The Capital Budget addition for FY 2024 is \$318M, with the total Capital Budget for existing projects, including those not listed, estimated to exceed \$1.9 billion.

TABLE 2 - FY 2024 Capital Budget Additions							
Project	Project Budget					Project Funding	
	FY23 Amended Budget	FY24 Additions	FY24 Total Project Budget	Expended Through FY23	FY24 Remaining Budget	Total Funds Available	Funding TBD
Guideway							
<i>Light Rail Guideway</i>							
LR Modern. 15 Min. Service to Folsom (Side Track)	\$67,392,000	\$39,780,977	\$107,172,977	\$8,932,574	\$98,240,403	\$35,118,016	\$72,054,961
Y1 Substation Installation	\$2,760,000	\$4,126,000	\$6,886,000	\$0	\$6,886,000	\$0	\$6,886,000
Grand Avenue Bridge Repair	\$13,000,000	\$2,245,000	\$15,245,000	\$0	\$15,245,000	\$0	\$15,245,000
Light Rail Improvements / State of Good Repair	\$300,000	\$200,000	\$500,000	\$0	\$500,000	\$0	\$500,000
Light Rail Guideway Total	\$83,452,000	\$46,351,977	\$129,803,977	\$8,932,574	\$120,871,403	\$35,118,016	\$94,685,961
Passenger Stations							
<i>Light Rail Passenger Stations</i>							
Horn Light Rail Station	\$5,840,604	\$15,017,396	\$20,858,000	\$552,628	\$20,305,372	\$826,243	\$20,031,757
Dos Rios Light Rail Station Construction	\$28,416,642	\$14,388,411	\$42,805,053	\$94,606	\$42,710,447	\$21,749,797	\$21,055,256
Gold Line Light Rail Station Low Floor Conversion	\$47,193,396	\$55,421,604	\$102,615,000	\$3,323,263	\$99,291,737	\$31,587,930	\$71,027,070
Blue Line Light Rail Station Low Floor Conversion	\$39,056,604	\$51,143,396	\$90,200,000	\$9,153	\$90,190,847	\$5,404,518	\$84,795,482
Light Rail Passenger Stations Total	\$120,507,246	\$135,970,807	\$256,478,053	\$3,979,649	\$252,498,404	\$59,568,488	\$196,909,565
Revenue Vehicles							
<i>Light Rail Revenue Vehicles</i>							
Replacement New Low-Floor LRVs NTP 2 (8)	\$46,200,000	\$12,200,000	\$58,400,000	\$9,489,806	\$48,910,194	\$46,199,998	\$12,200,002
Replacement New Low-Floor LRVs NTP 3 (8)	\$48,000,000	\$10,400,000	\$58,400,000	\$0	\$58,400,000	\$36,271,300	\$22,128,700
Replacement New Low-Floor LRVs NTP 4 (8)	\$47,268,494	\$11,131,506	\$58,400,000	\$0	\$58,400,000	\$0	\$58,400,000
Replacement New Low-Floor LRVs NTP 5 (8)	\$0	\$58,400,000	\$58,400,000	\$0	\$58,400,000	\$0	\$58,400,000
Light Rail Revenue Vehicles Sub-Total	\$141,468,494	\$92,131,506	\$233,600,000	\$9,489,806	\$224,110,194	\$82,471,298	\$151,128,702
<i>Paratransit Vehicles</i>							
SacRT Go Paratransit Vehicle Replacement (up to 32)	\$5,498,038	\$3,301,962	\$8,800,000	\$0	\$8,800,000	\$5,361,519	\$3,438,481
Paratransit Vehicles Sub-Total	\$5,498,038	\$3,301,962	\$8,800,000	\$0	\$8,800,000	\$5,361,519	\$3,438,481
Revenue Vehicles Total	\$146,966,532	\$95,433,468	\$242,400,000	\$9,489,806	\$232,910,194	\$87,832,817	\$154,567,183
Maintenance Buildings							
<i>Light Rail Maintenance Buildings</i>							
LRV Maintenance Shop Upgrades	\$34,800	\$255,000	\$289,800	\$25,419	\$264,381	\$34,800	\$255,000
Light Rail Maintenance Buildings Sub-Total	\$34,800	\$255,000	\$289,800	\$25,419	\$264,381	\$34,800	\$255,000
<i>Bus Maintenance Buildings</i>							
Electric Bus Charging Infrastructure: 4,000 AMP	\$9,380,000	\$7,250,500	\$16,630,500	\$146,150	\$16,484,350	\$1,091,681	\$15,538,819
South Area Bus Maintenance Facility	\$70,725,000	\$29,275,000	\$100,000,000	\$0	\$100,000,000	\$0	\$100,000,000
Bus Maintenance Buildings Sub-Total	\$80,105,000	\$36,525,500	\$116,630,500	\$146,150	\$116,484,350	\$1,091,681	\$115,538,819
Maintenance Buildings Total	\$80,139,800	\$36,780,500	\$116,920,300	\$171,569	\$116,748,731	\$1,126,481	\$115,793,819
Other							
Operating Revenue Bond FY13 to FY42 Payments	\$23,914,704	\$1,491,967	\$25,406,671	\$23,478,046	\$1,928,625	\$23,914,704	\$1,491,967
SacRT Workforce Development	\$1,063,750	\$186,250	\$1,250,000	\$0	\$1,250,000	\$0	\$1,250,000
Transit Action (Long-Range) Plan Update	\$350,000	\$200,000	\$550,000	\$0	\$550,000	\$0	\$550,000
Other Projects Total	\$25,328,454	\$1,878,217	\$27,206,671	\$23,478,046	\$3,728,625	\$23,914,704	\$3,291,967
FY24 Capital Project Supplement Total	\$456,394,032	\$316,414,969	\$772,809,001	\$46,051,643	\$726,757,358	\$207,560,506	\$565,248,495
New FY 2024 Capital Projects							
Revenue Vehicles							
<i>Bus Revenue Vehicles Sub-Total</i>							
Elk Grove Zero Emission Bus (ZEB - One 40')	\$0	\$1,060,000	\$1,060,000	\$0	\$1,060,000	\$0	\$1,060,000
Bus Revenue Vehicles Sub-Total	\$0	\$1,060,000	\$1,060,000	\$0	\$1,060,000	\$0	\$1,060,000
Communication/IT Systems							
Multifactor Authentication	\$0	\$150,000	\$150,000	\$0	\$150,000	\$0	\$150,000
Communication/IT Systems Sub-Total	\$0	\$150,000	\$150,000	\$0	\$150,000	\$0	\$150,000
Other							
El Dorado Transit FFY23 FTA 5307/5339(a)	\$0	\$438,792	\$438,792	\$0	\$438,792	\$0	\$438,792
Other Sub-Total	\$0	\$438,792	\$438,792	\$0	\$438,792	\$0	\$438,792
FY24 New Capital Projects Total	\$0	\$1,648,792	\$1,648,792	\$0	\$1,648,792	\$0	\$1,648,792
FY24 Capital Program Additions	\$456,394,032	\$318,063,761	\$774,457,793	\$46,051,643	\$728,406,150	\$207,560,506	\$566,897,287

Outlook for FY 2024

The residual effects of the COVID-19 pandemic continue to negatively impact some of SacRT's revenue sources; however, the regional economy is forecast to remain stable for Fiscal Year 2023-2024. The revenues presented in the budget reflect these expectations. SacRT's fare-based revenues are forecast to gradually increase through Fiscal Year 2023-2024, and sales tax based (State & Local) revenues are forecast to increase significantly during that same period. Overall, SacRT's dependency on Federal stimulus funds continues to decrease, but an operational funding gap remains.

The General Manager/CEO is presenting a balanced budget for FY 2023-2024 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.



**Regional
Transit**

Sacramento Regional Transit District

**Abridged Budget
Fiscal Year 2023-2024**

May 8, 2023

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Board of Directors

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County of Sacramento

Rick Jennings II, Vice Chair
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Linda Budge
City of Rancho Cordova

Bret Daniels
City of Citrus Heights

Pat Hume
County of Sacramento

Mike Kozlowski
City of Folsom

Sean Loloee
City of Sacramento

Caity Maple
City of Sacramento

Bobbie Singh-Allen
City of Elk Grove

Phil Serna
County of Sacramento

Katie Valenzuela
City of Sacramento

Board of Directors Alternates

YK Chalamcherla
City of Folsom

David Sander
City of Rancho Cordova

Tim Schaefer
City of Citrus Heights

Darren Suen
City of Elk Grove

Executive Management Team

Henry Li

General Manager/CEO

Shelly Valenton

Deputy General Manager/CEO

Olga Sanchez-Ochoa

General Counsel

Carmen Alba

VP, Bus Operations

Ronald Forrest

VP, Light Rail Operations

Jason Johnson

VP, Finance/Chief Financial Officer

Laura Ham

VP, Planning and Engineering

Lisa Hinz

VP, Security, Safety, and Customer Satisfaction

David Topaz

VP, Employee Development and Engagement

Jamie Adelman

VP, Procurement, Real Estate and Special Projects

Devra Selenis

VP, Communications and Partnerships

Christopher Flores

Chief of Staff

Office of Management & Budget Team

Nadia Mokhov
Senior Financial Analyst

Judy Wong
Senior Financial Analyst

Grants & Capital Team

Casey Courtright
Director, Grants and Capital Programming

Shawna Bishop
Manager, Capital and Project Control

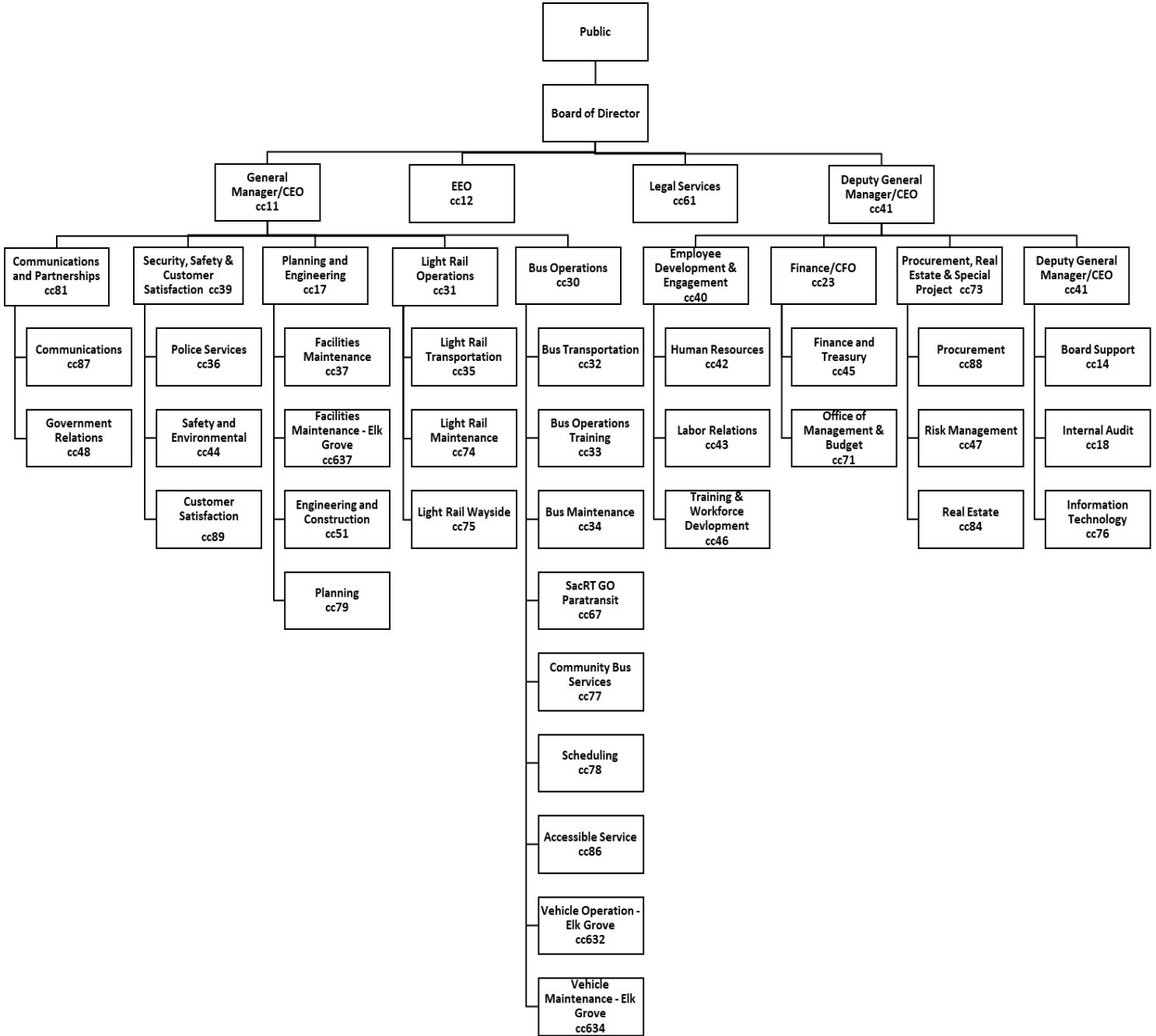
Joe Paglieroni
Senior Grants Analyst

Carol Lynn Cherry
Senior Grants Analyst

Sundiata Sunni Askia Bahati
Senior Grants Analyst

Organizational Structure

(Cost Center Based)



cc=Cost Center

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	82
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	7,844,812

Light Rail Service	
Power	Electrical
Miles	44.9
Schedule	3:49 am to 12:59 am daily
Stops	52
Vehicles	97
Annual Ridership	5,076,094

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 strategic success. SacRT strives to balance the delivery of high-quality customer experience with value to taxpayers.

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 established a comprehensive performance scorecard that SacRT management and division leaders monitor and report on quarterly to track projects and programs of strategic importance. The performance scorecard is comprised of metrics that support our efforts to provide 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 priorities 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.



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. Organizational success is aligned with the completion of tactics which directly impact 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:

- **Infrastructure Improvements and Expansion:** Strategically manage projects to modernize and expand our system to provide greater value to the community and better service to our region. Monitor schedule timelines, and track engineering labor costs. Recruit and develop staff to meet all technical capacity requirements for federal grants. Facilitate opportunities for staff development and engagement to improve morale, productivity, and employee retention.
- **Funding the Future at SacRT:** Strategically identify and secure outstanding grant applications to support critical projects throughout the agency. In coordination with project managers, develop clear project and program documentation that includes detailed planning and analysis, cost-benefit information, project prioritization, and defined timelines. Identify partnerships with member agencies on grant applications to expand opportunities. Recruit and develop staff to provide consistent project management support, engage in innovative program planning, and strategically approach the application process.
- **Innovative Planning and Funding Coordination:** Spearhead district planning initiatives to increase access to public transit and mobility options in our community. Collaboratively work with grants department to secure funds for innovative planning initiatives, maintenance of programs, sustainability efforts, and community outreach. Coordinate with local, state, and federal partners to enable SacRT to continue to move riders where they want to go when they want to go by improving service for riders while addressing the equity and climate needs of our community.
- **Light Rail System Modernization and Performance Improvements:** Work with internal and external stakeholders and personnel to prepare the light rail system and employees for 15-minute service to Folsom, and for the delivery, commissioning, acceptance, and introduction to service of new fleet of low floor vehicles. Provide SME input to SacRT's engineering team regarding the operation and mechanical details of wayside equipment associated with Glenn Passing track installation and station platform conversion construction. Manage the S700 vehicle procurement project to ensure the fleet is introduced to revenue service as scheduled and within budget by proactively working with the Siemens project management and commissioning and testing teams to ensure the vehicle production and delivery schedules are maintained in manners which do not exceed the contractual agreement. Ensure SacRT Operations and Maintenance personnel are identified and assigned to support the S700 projects to prevent delays in commissioning process. Capitalize on opportunities to reduce the time it takes to accomplish critical tasks such as, dynamic testing, vehicle burn-in, and maintenance training. Provide proactive maintenance and repair; increase system efficiency and improve performance through the maintenance of state of good repair.

SacRT Major Goals and Objectives (continued)

- **Light Rail Personnel and System Optimization:** Providing efficient service management and increasing system reliability to improve customer satisfaction and better provide light rail service to get people where they want to go, when they want to be there. Actively recruiting and developing staff to ensure we are effectively training and meeting performance targets, reducing overtime and being good financial stewards, and proactively managing workloads to improve employee morale and promote safety best practices.
- **Providing Reliable and Safe Bus Transportation:** Increasing system reliability to improve customer satisfaction and better provide bus service to get people where they want to go, when they want to go there. Improving staffing levels and workforce development training will positively impact employee morale, retention, promote safety best practices to eliminate and reduce accidents across our system, and keep passengers and operators safe.
- **Bus Maintenance Modernization:** Implement new Fleet Maintenance Management Software (FMMS) system to modernize and automate bus management and improve process efficiency. Successful implementation will result in decreased maintenance and parts costs, increases in vehicle equipment availability, allow for proactive fleet maintenance, and streamline reporting. These efforts will enable the maintenance department to deliver a fleet to customers that is clean, safe and reliable.
- **Community Bus Service System Optimization:** Provide innovative public transit projects to increase customer access to public transportation for essential travel, especially in our disadvantaged communities. Engage with community partners and riders to increase community awareness of our services, educate riders, build trust, address feedback, and boost ridership. Identify opportunities to engage with staff and internal stakeholders to timely respond to request, support our team, improve on time performance, and strategically identify and mitigate system needs before they become critical issues. Fully funding and staffing programs will increase system reliability, improve customer experience and provide convenient, efficient, and easy to use service to get people where they want to go, when they want to go.
- **GO for Excellence:** Increasing service reliability to improve customer satisfaction and better provide SacRT GO paratransit bus service to get people where they want to go, when they want to go. Increasing staffing levels and workforce development training will positively impact on-time performance, efficiently coordinate scheduling, and increase customer satisfaction. Developing experienced schedulers and dispatchers will enable us to efficiently and professionally resolve issues, take care of drivers, streamline coordination of trip connections, and improve customer service outcomes.
- **Procurement Procedure Efficiency and Staff Development:** Effectively guide internal customers through the procurement process to ensure that SacRT follows written procurement procedures, policies, and laws. Continue to develop technical skills that empower procurement staff to identify and resolve potential process challenges before they impact project timeline, budget, or delivery. Evaluate current procedure efficiency, identify opportunities for improvement, and implement changes to create more efficient procurement procedures, reduce project delays, and deliver excellent customer service. Continuously strengthen internal controls to improve project management, monitor project timelines and expiration dates, track invoice processing, streamline communications, and ensure internal customers receive the goods and services required to maintain SacRT's service levels.
- **Accounting Process Enhancements:** Leverage our technology systems to create system efficiencies and attain clean financial audit results by reviewing internal processes, evaluating current procedures, identifying opportunities for improving, creating a roadmap for changes, and implementing changes to modernize and create positive results agencywide. Providing collaborative support to stakeholders to complete projects on time, improve financial organization, ensure invoices are paid on time, improve cash flow, and instill confidence in our financial decisions.

SacRT Major Goals and Objectives (continued)

- **Budget Tool Refinement:** The Office of Management and Budget has transitioned data and reporting to modern budgeting tools (PowerBI) to increase the access key decision makers at the agency have to meaningful data. OMB will continue providing information in a timely manner, educating stakeholders on the budget process, and identifying opportunities to meet the budget needs of the agency. OMB will continue to refine and improve the information provided and the processes used to provide tools that best allow management to be successful in completing their business objectives.
- **Efficient Payroll Processing:** Create efficiencies by measuring payroll performance, reviewing internal processes, evaluating current procedure efficiency, identifying opportunities for improvement, and implementing changes to create more efficient procedures agency wide. Continue to update forms and procedural controls, collaborate with the Human Resources, Labor Relations, Information Technology, and Operations departments to develop new processes for increased efficiency. Complete quarterly federal and state tax reporting in a timely and efficient manner. Continuously promote diversity, equity, and inclusion in the workplace and create a workplace environment where employees feel connected and dedicated to SacRT's goals and values.
- **Modernize Risk Processes and Reduce Liability:** Promote a culture of employee engagement and risk awareness through ongoing strategic process improvement. Create efficiencies to reduce resource intensive processes in claims management through automation of compliance reporting and file maintenance. Implement risk management information system (RMIS) and update risk program processes to improve efficiency, consistency, and reliability of data, prevent adverse loss, and reduce liability for the agency.
- **Independent Operational Process Evaluation:** The Internal Audit Unit (IAU) seeks to provide an independent and objective assurance and consulting activity that assists leadership with improving SacRT operational efficiency, comply with applicable laws and regulations, and accurately report organizational activities to stakeholders. Engage with staff to build rapport, explain the role of the internal auditor, and get buy-in to the objective evaluation process. Results of engagements conducted will be delivered by way of audit reports that are supported by necessary documentation substantiating professional opinions given.
- **Information Technology (IT) Business Strategic Alignment:** IT Business Strategic Alignment is the process whereby agency leadership, actively and with forethought, leverages their information technology resources to achieve strategic business objectives such as expanding the reach of their services, enhancing the customer experience, creating staff and procedure efficiencies and/or improving financial performance. In IT Business Strategic Alignment, IT is not an afterthought, instead, IT is a core component of the Business Strategy. When IT strategy is aligned with business strategy, the agency can leverage IT effectively to achieve business objectives such as: Increased productivity, secured information systems, increased customer satisfaction, lowered costs of ownership, increased return on investment (ROI), greater flexibility in deploying technology, greater flexibility in accessing technology, greater employee engagement, ability to grow market share and higher profitability.
- **Safety Risk Identification & Assurance:** Perform ongoing proactive inspections to improve safety outcomes and system reliability. Support critical construction projects throughout the district to identifying hazards and risks in a timely manner to permit us to mitigate the risk while still in its latent state. Through ongoing monitoring and completion of corrective actions SacRT will be able to provide better, more reliable service to our customers.

SacRT Major Goals and Objectives (continued)

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:

- **Community Partnership Building and Advocacy:** Promote the agency's profile and reputation throughout the community to demonstrate the impact additional funding would have on our system and region. Engage with local and grassroots organizations to identify transit supportive policies, funding, and advocacy opportunities for the district. Work to transform our system infrastructure to expand service for riders, address climate challenges, and elevate social equity in our programming.
- **Government Contracting Civil Rights Programs:** Operating SacRT's Disadvantaged Business Enterprise (DBE) Program in good faith and in accordance with the requirements contained in the Code of Federal Regulations Title 49 Part 26 (49 CFR Part 26); the primary goal and objective of the DBE program is to level the playing field on federally assisted transit contracts and subcontracts relating to SacRT's construction, procurement, and professional services activities. Benchmarking against and collaborating with other agencies to ensure that SacRT is aligning with industry best practices for its DBE Program and Small and Local Business (SBE/LBE) Program. Ensuring on time reporting of DBE participation and overall DBE goal setting documentation to the Federal Transit Administration (FTA). Collaborating with staff and contractors to implement the requirements of SacRT's DBE and SBE/LBE Programs. Coordinating and improving vendor outreach and education so that applicants from the DBE and small and local business community have the opportunity to successfully compete for contracts with SacRT.
- **Proactively Managing SacRT Real Property:** Dispose of surplus property not needed for agency operations to reduce property maintenance costs, taxes and liability. Surplus property also create Transit Oriented Development (TOD) opportunities that can generate additional ridership, revenue, and revitalize neighborhoods. Monitor and track use of SacRT property to improve agency operational efficiencies, transit ridership generation, as well as economic, health, safety, quality of life, and environmental impacts of projects. Acquire additional property for system and agency needs. Identify ways to generate revenue from property that would contribute to transit improvements.
- **RTPS Operation Life Saver:** Focus on creating a safer environment for both SacRT passengers and SacRT employees by reducing vehicular violations and fouling of the right of way. Use safety data to identify the top 5 intersections to focus on for traffic enforcement to increasing safety and minimize collisions between motor vehicles and the train. Continue officer riding presence on rail and bus to enhance rail safety for passengers and operators. The overall goal is to deter fare evasion, crime prevention, reduce motor vehicle accidents, and provide an increased sense of security for SacRT employees and passengers.
- **Social Worker Engagement and Partnerships:** Collaborate with internal staff and external service providers and agencies to address safety hazards along light rail tracks, right-of-way (ROW), and bus stops. Partner with County staff and community stakeholders to hold resource fairs to provide information and resources to unhoused riders and community members. Support and empower employees through training to better understand our community and the resources available to reduce chronic issues and safety hazards across the system and improve outcomes for our unhoused population.

SacRT Major Goals and Objectives (continued)

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:

- **Cross-Departmental Strategic Initiatives:** Coordinate cross-departmental projects to improve process efficiency and expand business modernization. Remove information silos and amplify communication channels to ensure successful delivery of projects. Develop opportunities to share strategic goals and outcomes with workforce, Board, and community.
- **Employee Recruitment, Retention, and Wellbeing:** Innovatively promote internal and external recruitment opportunities to create a wider pool of diverse candidates in our process. Review current policies and procedures to identify opportunities to increase efficiency and reflect new laws/legislation. Promote opportunities to managers and employees to engage in holistic employee wellbeing and engagement. Facilitate opportunities for staff development, cross-training and succession planning to improve morale, productivity, and employee retention.
- **Labor Relations Compliance and Labor Partner Outreach:** Develop a best-in-class workforce by engaging with new employees and leaders to establish a deep understanding of workplace expectations and to improve retention. Continuously training management employees to improve labor management outcomes and compliance with local, state, and federal laws and regulations. Positively engage with our internal stakeholders and labor partners to further develop our relationships and focus on the overall success of the agency.
- **Expand Employee Engagement Opportunities and Professional Development:** Facilitate opportunities for employee engagement throughout the district by highlighting new programs, launching Diversity, Equity, and Inclusion (DEI) initiatives, and discovering additional training needs. Develop and procure training materials and resources to cultivate a highly skilled, effective, and motivated workforce. Work with stakeholders to fully implement the newly procured Learning Management System to roadmap learning pathways and roll out accessible training to all staff, including frontline employees.
- **Expanding Pension and Retirement Plan Communications:** Deliver retirement and health care benefits to members and their beneficiaries in an equitable, accurate, courteous, professional, and prompt manner. Proactively explore policy and product opportunities to better serve our customers. Strengthen administrative controls by improving data maintenance, increased collaboration with the Retirement Board, and enhanced communications with members. Committed to enhanced transparency and accountability to present information that instills confidence in our investment and business decisions. Maintain stakeholder trust through ethical, sensitive, effective, and cost-efficient organization in service to employer and employees alike.

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.

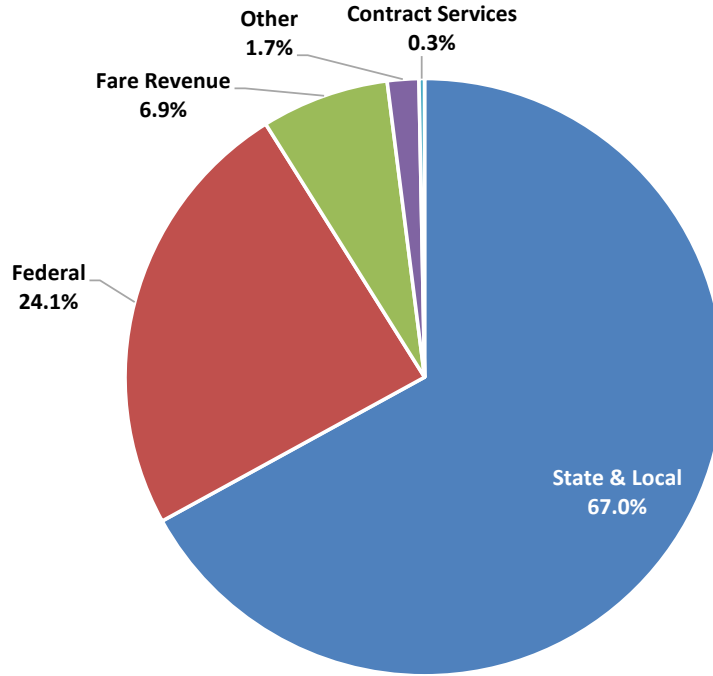
These team tactics illustrate how annual goals will be attained for assessing delivery of high-quality transportation services to customers:

- **Marketing Strategies for Retaining and Returning Ridership:** Engage with customers and members of the community to raise awareness of SacRT services, the benefits of public transit, and increase ridership. Recruit and develop new staff members to modernize processes and creatively communicate with riders in innovative and effective ways. Create multilingual promotional materials that enable staff and riders to feel more confident using our system and services with engaging print, social media, videos and hands-on workshops. Collaborate with community partners and local media to connect and engage with riders at a variety of community events, festivals, and promotions.
- **Fare Revenue Modernization:** Provide timely and accurate reporting data while adhering to all federal standards for reporting District fare revenues and ridership information. Implement new technologies in fare collection to consolidate and simplify fare collection technologies for our passengers, improve rider experiences and service provision, while minimizing risk through internal controls. Provide support for innovative fare projects and partnerships and take a creative approach to bulk and discount fare programs for SacRT and participating partner agencies.
- **Engaging and Optimizing Customer Service Business Processes:** Provide excellent customer service to SacRT employees, riders, and community members by putting the customer experience first in our processes and procedures. Engage with employees to better inform them of the department's core mission and business processes and what it means to customers. Train and empower customer satisfaction employees to engage with members of the public in a way that promotes our core values and improves customer outcomes Support all services by quickly and efficiently responding to customer inquiries in an effective and respectful manner so that customers have a positive experience and trust in the competency of staff and delivery of service.
- **Robust Customer Service and System Security:** Provide robust customer service and promote safety and security across our system to improve customer experience. Focused on recruiting and developing team members and empowering them to better serve the community, improve customer interactions, and reduce customer service reports. Staff provide continuous and consistent customer service to all passengers and are the first to respond to resolve security issues, support RTPS sworn officer investigations, and provide real-time notification to customers via the public address system and Alert SacRT mobile application.
- **Proactive Facilities Maintenance Management:** Facilities Management is responsible for keeping District buildings and facilities properly maintained, clean, and safe. To enable the department to make effective maintenance decisions, identify efficiencies in work assignments and budgeting, and improve outcomes with internal and external customers, Facilities Management will develop and implement proactive solutions and preventive maintenance plans to address potential facilities maintenance incidents before they become critical. Strengthen preventive maintenance and project management processes by fully implementing new computerized maintenance management system (CMMS) to improve data tracking and reporting. Train and empower our staff to evaluate and make effective decisions, allowing the department to respond to individual service requests quickly, while serving the larger needs of the District. Increase staffing levels and workforce development training to positively impact employee retention, technical expertise, and efficient resolution of service requests.

Operating Budget Summary

Revenues

FY 2024 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	FY 2023 to FY 2024 \$ Change	FY 2023 to FY 2024 % Change
Fare Revenue	\$ 20,999	\$ 12,001	\$ 14,309	\$ 15,500	\$ 17,300	\$ 1,800	11.6%
Contract Services	7,125	6,634	826	650	800	150	23.1%
State & Local	114,880	113,657	144,508	158,802	166,958	8,156	5.1%
Federal	35,080	57,704	56,676	53,578	60,077	6,499	12.1%
Other	16,417	7,340	5,239	5,890	4,365	(1,525)	-25.9%
Total	\$ 194,501	\$ 197,336	\$ 221,558	\$ 234,420	\$ 249,500	\$ 15,080	6.4%
Operating Surplus/(Deficit)	\$ 12,793	5,943	6,785	-	-		
Operating Revenue	\$ 181,708	\$ 191,393	\$ 214,773	\$ 234,420	\$ 249,500	\$ 15,080	6.4%

Revenues (continued)

Revenues Summary

Staff is forecasting an increase in fare revenues for FY 2023-2024 of approximately \$1M compared to FY 2022-2023. State & Local revenues continue to surge and are forecast to be \$8.2M above FY 2022-2023. 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 was allocated to FY 2021-2022. 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 was \$37.9M, of which the full amount was expended through FY 2022-2023. On March 11, 2021, the American Recovery Plan Act (ARP) was signed into law and provided over \$26B to transit agencies apportioned through the Urbanized Area Formula Program (Section 5307). SacRT's portion of this funding was over \$103M, of which \$36.7M is allocated for the FY 2023-2024 Budget. These federal allocations will fully offset any projected revenue losses due to the residual impacts of COVID-19 for FY 2023-2024.

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 2024 Preliminary Budget proposes \$17.3 million in Fare Revenue, an increase of \$1.8 million (11.6%) from the FY 2023 Amended Budget of \$15.5 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 2024 Preliminary Budget proposes \$0.8 million in Contracted Services revenue, an increase of \$0.15 million (23.1%) from the FY 2023 Amended Budget of \$0.65 million.

- This reflects \$0.5 million for the Rancho Cordova contract, an increase of \$0.05 million based on current trend.
- This reflects \$0.3 million for UC Davis Causeway Connection service, an increase of \$0.1 million due to service increase.

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 2024 Preliminary Budget proposes \$167.0 million in state and local funding revenue, an increase of \$8.2 million (5.1%) from the FY 2023 Amended Budget of \$158.8 million.

- This reflects a \$0.4 million or 0.7% increase in sales tax estimates for Measure A over the FY 2023 Amended Budget to reflect trends in sales tax collection.
- This budget includes \$5.7 million in Measure A for Paratransit SacRT Go service.
- This budget reflects a \$8.6 million or 9.7% increase in TDA-LTF over the FY 2023 Amended Budget.
- The budget includes \$2.5 million 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.
- This budget reflects a reduction of \$1.0 million in Neighborhood Shuttle Measure A for SmarT Ride service compared to the FY 2023 Amended Budget.

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 expenditures, subject to specific regulations.

The FY 2024 Preliminary Budget proposes \$60.0 million in federal funding, an increase of \$6.5 million (12.1%) from the FY 2023 Amended Budget of \$53.5 million.

- This budget includes \$1.1 million in Job Access/Reverse Commute (JARC) funding, which is the same level of funding as in FY 2023.
- This budget includes \$22.0 million in FY 2023 Section 5307 Urbanized Area funds. Federal Section 5337 State of Good Repair funds are budgeted in the capital budget.
- This budget includes \$36.7 million in the America Rescue Plan of 2021 (ARP) funding, which is an 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 budget includes \$0.25 million in Congestion Mitigation and Air Quality Improvement (CMAQ) funds 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.

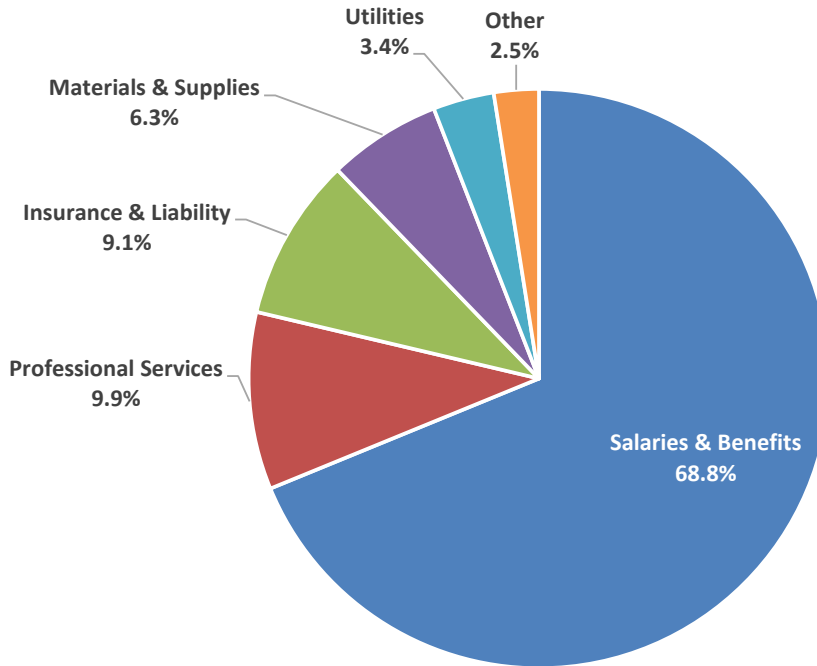
The FY 2024 Preliminary Budget includes \$4.4 million in other revenue, which is a reduction of \$1.5 million (25.9%) from the FY 2023 Amended Budget of \$5.9 million.

- This includes \$0.1 million in ECOS settlement revenue for Folsom late-night service, which is a reduction of \$0.5 million (80.8%) from the FY 2023 Amended Budget due to depletion of this funding source.
- This includes \$0.4 million for the sale of Low Carbon Credits through the State Cap and Trade program, a reduction of \$1.1 million from the FY 2023 Amended Budget due to a current trend.
- This includes \$0.5 million in Investment income.
- This reflects \$0.8 million in Advertising revenue.
- This reflects \$1.5 million in Miscellaneous Income.



Expenses

FY 2024 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	FY 2023 to FY 2024	
						\$ Change	% Change
Salaries & Benefits	\$ 128,291	\$ 141,910	\$ 153,684	\$ 160,969	\$ 171,645	\$ 10,676	6.6%
Professional Services	22,137	14,162	16,497	22,033	24,620	2,587	11.7%
Materials & Supplies	11,490	13,504	14,748	18,188	15,839	(2,349)	-12.9%
Utilities	6,821	7,272	7,425	8,081	8,458	377	4.7%
Insurance & Liability	9,931	12,336	19,784	19,793	22,788	2,995	15.1%
Other	3,038	2,209	2,635	5,356	6,150	794	14.8%
Operating Expenses	\$ 181,708	\$ 191,393	\$ 214,773	\$ 234,420	\$ 249,500	\$ 15,080	6.4%

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 2024 Preliminary Budget proposes \$171.6 million for salaries and benefits, an increase of \$10.6 million (6.6%) from the FY 2023 Amended Budget of \$161.0 million.

- The Fiscal Year 2024 Preliminary Budget includes 1,463 funded positions, which is a decrease of 8 funded positions from the Fiscal Year 2023 Amended Budget of 1,471 funded positions. See Positions section on page 24 for details.
- Straight time pay, overtime and personal service contract costs increased by \$5.6 million (6.1%) from the FY 2023 Amended Budget of \$90.7 million. This reflects various District position salary changes.
- Fringe Benefit costs increased by \$5.9 million (8.2%) from the FY 2023 Amended Budget of \$72.0 million. This reflects an increase of \$0.5 million in FICA costs, \$2.8 million in pension costs, \$1.8 million in medical, dental, life and vision costs, and \$0.8 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect savings increased by \$0.8 million (44.3%) from the FY 2023 Amended Budget of \$1.7 million. This represents labor charged to capital projects and other initiatives.

Professional Services

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

The FY 2024 Preliminary Budget proposes \$24.6 million for Professional Services, an increase of \$2.6 million (11.7%) from the FY 2023 Amended Budget of \$22.0 million.

- This budget includes \$8.5 million in security services cost.
- This budget includes \$4.6 million in outside services cost.
- This budget includes \$1.0 million in software/cloud services cost.
- This budget includes \$0.4 million in Paratransit maintenance cost.
- This budget includes \$1.2 million in Contract maintenance.
- This reflects a \$0.2 million increase in Purchased Transportation cost for supplemental ADA service.
- This reflects the FY 2024 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 2024 Preliminary Budget proposes \$15.8 million for materials and supplies, a reduction of \$2.4 million (-12.9%) from the FY 2023 Amended Budget of \$18.2 million.

Expenses (continued)

- This budget includes a \$4.3 million in CNG cost, a reduction of \$1.8 million from the FY 2023 Amended Budget of \$6.1 million. In January 2023, CNG prices skyrocketed due to an exceptionally cold winter and very high demand. CNG and other fuel-related costs are forecast to decrease and flatten in FY 2024.
- This budget includes a \$3.0 million in gasoline cost. This is a reduction of \$0.5 million in gasoline cost due to gas cost leveling.
- This budget includes a reduction of \$0.3 million in light rail parts due to the current spending pattern and the introduction of new light rail vehicles.
- This budget reflects a \$0.1 million reduction in COVID-19 supplies due to the diminished impacts of the pandemic.

Utilities

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

The FY 2024 Preliminary Budget proposes \$8.5 million for Utilities, an increase of \$0.4 million (4.7%) from the FY 2023 Amended Budget of \$8.1 million.

- This budget reflects an increase of \$0.2 million in electricity cost.
- This budget reflects a reduction of \$0.3 million in traction power cost due to current spending trends.
- This budget reflects an increase of \$0.4 million in telephone cost.

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 2024 Preliminary Budget proposes \$22.8 million for Insurance & Liability, an increase of approximately \$3.0 million (15.1%) from the FY 2023 Amended Budget of \$19.8 million.

- This budget reflects an increase of \$1.3 million in the projected claim reserves for Property and Liability for FY 2024.
- This also reflects an increase of \$0.1 million in the projected claim reserves for Workers' Compensation for FY 2024.
- The budget includes an increase of \$1.4 million in excess liability insurance cost due to challenging market conditions to get the required insurance limits.
- The budget includes an increase of \$0.5 million in property insurance premium due to the increased number of revenue vehicles in service.
- This budget reflects increases in FY 2024 estimated insurance premium costs due to a more restrictive and more competitive insurance market.

Other

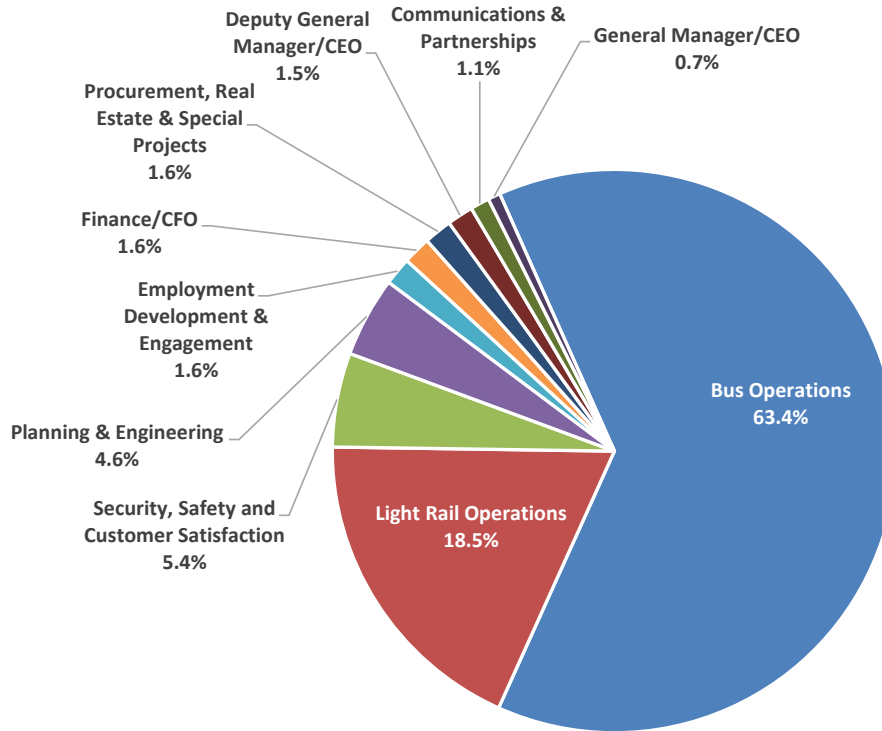
This category includes, but is not limited to, travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and banking fees.

The FY 2024 Preliminary Budget proposes \$6.2 million for other expenditures, an increase of \$0.8 million (14.9%) from the FY 2023 Amended Budget of \$5.4 million.

- This budget reflects an increase of \$0.4 million in property leases due to Q Street administrative building and R Street Facilities building lease costs.
- This budget reflects an increase of \$0.4 million in contingency account.

Positions

FY 2024 Positions by Division



Division	FY 2020 Funded	FY 2021 Funded	FY 2022 Funded	FY 2023 Funded	FY 2024 Funded	FY 2023 to FY 2024
General Manager/CEO	19	16	9	10	10	0
Planning & Engineering	22	57	58	59	67	8
Bus Operations	1063	1196	939	945	928	-17
Light Rail Operations	0	0	261	266	270	4
Deputy General Manager/CEO	55	33	41	22	23	1
Employment Development & Engagement	0	0	0	23	24	1
Finance/CFO	45	47	51	29	23	-6
Procurement, Real Estate & Special Projects	0	0	0	22	23	1
Communications & Partnerships	0	0	9	16	16	0
Security, Safety and Customer Satisfaction	53	74	82	79	79	0
Total	1,257	1,423	1,450	1,471	1,463	-8

Positions (continued)

From FY 2023 to FY 2024, SacRT has a net decrease of 8 funded positions. The changes reflected in the FY 2024 Preliminary Budget are as follows:

General Manager/CEO Division has net zero changes with the following reclassification:

- Promoted 1 Deputy Chief of Staff/Special Assistant/CEO to Chief of Staff.

Planning and Engineering Division has a net increase of 8 funded positions. The position changes are as follows:

- Transferred 6 grants and capital positions from Office of Management and Budget.
- Reclassed 1 Principal Planner to Senior Manager, Services Planning.
- Added 1 VP, Capital Programs.
- Transferred and reclassified 1 Elk Grove Bus Service Worker from Bus Operations to Facilities Service Worker.

Bus Operations Division has a net decrease of 17 funded positions. The position changes are as follows:

- Converted 15 Elk Grove part-time operators and 11 Elk Grove partially funded operators to 10 Bus Operators.
- Transferred 1 Elk Grove Bus Service Worker to Facilities.

Light Rail Operations Division has a net increase of 4 funded positions. The position changes are as follows:

- Added 4 Rail Laborers.
- Reclassed 1 Operations Training Specialist to Maintenance Trainer – Wayside.

In 2023, the Integrated Services and Strategic Initiatives Division was being re-organized and renamed to Deputy General Manager/CEO Division. It has a net increase of 1 funded position, with the following reclassifications:

- Promoted Senior Manager, Enterprise Business Solutions to Director, Information Technology.
- Promoted Network Operations Engineer to Senior Network Operations Engineer.
- Promoted Network Operations Technician to Senior Information Technology Technician.
- Eliminated and swapped funding from 2 Senior Managers of Data Center and Network Operations and Cybersecurity and IT project Management to add 1 IT Technician II, 1 Network Operations Technician and 1 Video Communications Systems Analyst.

As part of the GM Reorg, the Employment Development and Engagement was created and split from the Integrated Services and Strategic Initiatives Division. It has a net increase of 1 funded position. The position changes are as follows:

- Added 1 Human Resources Analyst I
- Promoted AVP, Human Resources and Labor Relations to VP, Employment Development and Engagement.
- Reclassed Labor Relations Analyst II to Senior Labor Relations Analyst.

Finance/Chief Financial Officer (CFO) Division has a net decrease of 6 funded positions. The position changes are as follows:

- Transferred 6 positions in the grants unit to the Planning and Engineering Division.
- Promoted Manager, Accounting to Director, Accounting and Treasury.
- Reclassed Senior Clerk to Payroll Technician.
- Promoted Accountant II to Senior Accountant.
- Reclassed Director, Office of Management and Budget to Senior Manager, Budget.
- Reclassed Manager, Pension and Retirement Services to Senior Manager, Pension and Retirement Services.

Positions (continued)

The Procurement, Real Estate and Special Project Division was created and split from the Finance/CFO Division. It has a net increase of 1 funded position. The position change is as follows:

- Added 1 Risk Analyst II.

Security, Safety and Customer Satisfaction Division has net zero changes with the following reclassifications:

- Reclassed 1 Transit Officer to Transit Ambassador.
- Reclassed 1 Customer Service Representative to Administrative Assistant II.

Capital Budget Summary

Project Overview

SacRT adopted the FY 2023 – FY 2027 Capital Improvement Plan (CIP) on August 22, 2022. The CIP represents the culmination of Sacramento Regional Transit District's (SacRT) efforts to strategically plan and prioritize capital expenditures and activities over five years. SacRT has a large backlog of capital asset rehabilitation and replacement needs and limited funding and resources with which to accomplish it. A multi-year view of capital needs is essential to maximize the use of capital funds. The CIP is intended to be a "living document" that is reviewed and updated on a regular basis. The preliminary FY 2024 Capital Budget includes only additions to previously approved projects. The following tables and chart represent the Capital Budget as it pertains to the FY 2024 Budget for the projects listed. The amounts contained in the FY 2024 Preliminary Capital Budget represent fully funded, partially funded, and unfunded projects along with anticipated and secured funding sources for FY 2024. Non-Awarded grant funding is shown as To-Be-Determined (TBD).

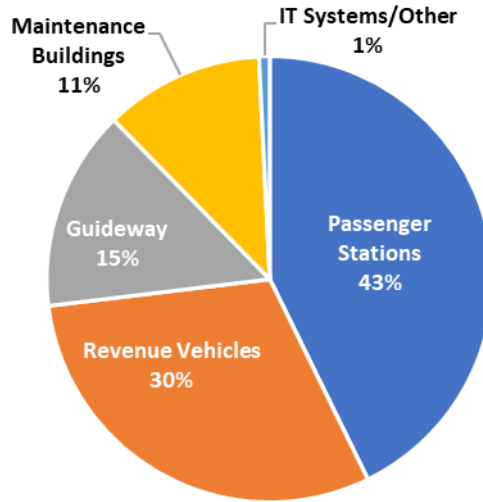
Major Capital Projects

Sacramento Regional Transit District's (SacRT's) capital budget allocates resources to improve infrastructure by acquiring, constructing, purchasing, rehabilitating, and replacing facilities and major equipment. Improvement projects generally occur in phases over multiple years.

The highlight of the Capital Improvement Program is the Light Rail Modernization project. Several individual projects are underway to deliver new modern low floor light rail vehicles, enhance light rail stations to accompany the new vehicles and implement new technologies both onboard vehicles and in the stations to enhance the customer experience.

Modernizing the rail fleet will reduce maintenance and repair costs associated with keeping the aging LRVs in service past their 25-year useful life. SacRT has executed a contract with Siemens to purchase up to 76 modern low floor light rail vehicles (LRVs). Currently 28 LRVs are in production. Station modifications have been broken into four phases. Construction for phase 1 is currently underway and takes place on the gold line. Phases 2-4 are currently in design, with phase 2 completing the Gold Line and phases 3 and 4 focused on the Blue Line.

Capital Budget by Category



<u>Project Categories</u>	<u># of Projects</u>	<u>FY24 Addition</u>	<u>% of FY24 Addition</u>
Passenger Stations	4	\$ 135,970,807	42.7%
Revenue Vehicles	6	96,493,468	30.3%
Guideway	4	46,351,977	14.6%
Maintenance Buildings	3	36,780,500	11.6%
IT Systems/Other	5	2,467,009	0.8%
Total	22	\$ 318,063,761	100%

Capital Revenues & Expenses

SacRT relies primarily on local, state, and federal grants to pay for capital projects. The FY 2024 budget proposes an increase in budget authority of \$318 million.

- In FY23 SacRT obtained over \$50 million in new grant funding towards our CIP.
- The FY 2024 capital budget additions include funding of \$207.6 million which is comprised of \$35.1 million for Guideway Projects, \$59.6 million for Passenger Station Projects, \$87.8 million for Revenue Vehicle Projects, and \$1.1 million for Maintenance Building Projects. These projects include \$566.9 million in to be determined (TBD) funding.
- Federal, State and Local funding opportunities for capital projects are comprised of funding sources that are applied for on a project-by-project basis. The availability of the funding is dependent upon individual funding programs. The total funding opportunities for a fiscal year is based on the amount of funding sources available from federal appropriations, program allocations made by the State, or other funding sources made available for application.
- The TBD budget amount gives SacRT staff the authority to apply for competitive grant opportunities and/or allocate formula grant funds for projects up to the TBD amount.



FY 2024 Capital Budget Additions

TABLE 2 - FY 2024 Capital Budget Additions							
Project	Project Budget					Project Funding	
	FY23 Amended Budget	FY24 Additions	FY24 Total Project Budget	Expended Through FY23	FY24 Remaining Budget	Total Funds Available	Funding TBD
Guideway							
<i>Light Rail Guideway</i>							
LR Modern. 15 Min. Service to Folsom (Side Track)	\$67,392,000	\$39,780,977	\$107,172,977	\$8,932,574	\$98,240,403	\$35,118,016	\$72,054,961
Y1 Substation Installation	\$2,760,000	\$4,126,000	\$6,886,000	\$0	\$6,886,000	\$0	\$6,886,000
Grand Avenue Bridge Repair	\$13,000,000	\$2,245,000	\$15,245,000	\$0	\$15,245,000	\$0	\$15,245,000
Light Rail Improvements / State of Good Repair	\$300,000	\$200,000	\$500,000	\$0	\$500,000	\$0	\$500,000
Light Rail Guideway Total	\$83,452,000	\$46,351,977	\$129,803,977	\$8,932,574	\$120,871,403	\$35,118,016	\$94,685,961
Passenger Stations							
<i>Light Rail Passenger Stations</i>							
Horn Light Rail Station	\$5,840,604	\$15,017,396	\$20,858,000	\$552,628	\$20,305,372	\$826,243	\$20,031,757
Dos Rios Light Rail Station Construction	\$28,416,642	\$14,388,411	\$42,805,053	\$94,606	\$42,710,447	\$21,749,797	\$21,055,256
Gold Line Light Rail Station Low Floor Conversion	\$47,193,396	\$55,421,604	\$102,615,000	\$3,323,263	\$99,291,737	\$31,587,930	\$71,027,070
Blue Line Light Rail Station Low Floor Conversion	\$39,056,604	\$51,143,396	\$90,200,000	\$9,153	\$90,190,847	\$5,404,518	\$84,795,482
Light Rail Passenger Stations Total	\$120,507,246	\$135,970,807	\$256,478,053	\$3,979,649	\$252,498,404	\$59,568,488	\$196,909,565
Revenue Vehicles							
<i>Light Rail Revenue Vehicles</i>							
Replacement New Low-Floor LRVs NTP 2 (8)	\$46,200,000	\$12,200,000	\$58,400,000	\$9,489,806	\$48,910,194	\$46,199,998	\$12,200,002
Replacement New Low-Floor LRVs NTP 3 (8)	\$48,000,000	\$10,400,000	\$58,400,000	\$0	\$58,400,000	\$36,271,300	\$22,128,700
Replacement New Low-Floor LRVs NTP 4 (8)	\$47,268,494	\$11,131,506	\$58,400,000	\$0	\$58,400,000	\$0	\$58,400,000
Replacement New Low-Floor LRVs NTP 5 (8)	\$0	\$58,400,000	\$58,400,000	\$0	\$58,400,000	\$0	\$58,400,000
Light Rail Revenue Vehicles Sub-Total	\$141,468,494	\$92,131,506	\$233,600,000	\$9,489,806	\$224,110,194	\$82,471,298	\$151,128,702
<i>Paratransit Vehicles</i>							
SacRT Go Paratransit Vehicle Replacement (up to 32)	\$5,498,038	\$3,301,962	\$8,800,000	\$0	\$8,800,000	\$5,361,519	\$3,438,481
Paratransit Vehicles Sub-Total	\$5,498,038	\$3,301,962	\$8,800,000	\$0	\$8,800,000	\$5,361,519	\$3,438,481
Revenue Vehicles Total	\$146,966,532	\$95,433,468	\$242,400,000	\$9,489,806	\$232,910,194	\$87,832,817	\$154,567,183
Maintenance Buildings							
<i>Light Rail Maintenance Buildings</i>							
LRV Maintenance Shop Upgrades	\$34,800	\$255,000	\$289,800	\$25,419	\$264,381	\$34,800	\$255,000
Light Rail Maintenance Buildings Sub-Total	\$34,800	\$255,000	\$289,800	\$25,419	\$264,381	\$34,800	\$255,000
<i>Bus Maintenance Buildings</i>							
Electric Bus Charging Infrastructure: 4,000 AMP	\$9,380,000	\$7,250,500	\$16,630,500	\$146,150	\$16,484,350	\$1,091,681	\$15,538,819
South Area Bus Maintenance Facility	\$70,725,000	\$29,275,000	\$100,000,000	\$0	\$100,000,000	\$0	\$100,000,000
Bus Maintenance Buildings Sub-Total	\$80,105,000	\$36,525,500	\$116,630,500	\$146,150	\$116,484,350	\$1,091,681	\$115,538,819
Maintenance Buildings Total	\$80,139,800	\$36,780,500	\$116,920,300	\$171,569	\$116,748,731	\$1,126,481	\$115,793,819

FY 2024 Capital Budget Additions Continued

Project	Project Budget					Project Funding	
	FY23 Amended Budget	FY24 Additions	FY24 Total Project Budget	Expended Through FY23	FY24 Remaining Budget	Total Funds Available	Funding TBD
Other							
Operating Revenue Bond FY13 to FY42 Payments	\$23,914,704	\$1,491,967	\$25,406,671	\$23,478,046	\$1,928,625	\$23,914,704	\$1,491,967
SacRT Workforce Development	\$1,063,750	\$186,250	\$1,250,000	\$0	\$1,250,000	\$0	\$1,250,000
Transit Action (Long-Range) Plan Update	\$350,000	\$200,000	\$550,000	\$0	\$550,000	\$0	\$550,000
Other Projects Total	\$25,328,454	\$1,878,217	\$27,206,671	\$23,478,046	\$3,728,625	\$23,914,704	\$3,291,967
FY24 Capital Project Supplement Total	\$456,394,032	\$316,414,969	\$772,809,001	\$46,051,643	\$726,757,358	\$207,560,506	\$565,248,495
New FY 2024 Capital Projects							
Revenue Vehicles							
<i>Bus Revenue Vehicles Sub-Total</i>							
Elk Grove Zero Emission Bus (ZEB - One 40')	\$0	\$1,060,000	\$1,060,000	\$0	\$1,060,000	\$0	\$1,060,000
Bus Revenue Vehicles Sub-Total	\$0	\$1,060,000	\$1,060,000	\$0	\$1,060,000	\$0	\$1,060,000
Communication/IT Systems							
Multifactor Authentication	\$0	\$150,000	\$150,000	\$0	\$150,000	\$0	\$150,000
Communication/IT Systems Sub-Total	\$0	\$150,000	\$150,000	\$0	\$150,000	\$0	\$150,000
Other							
El Dorado Transit FFY23 FTA 5307/5339(a)	\$0	\$438,792	\$438,792	\$0	\$438,792	\$0	\$438,792
Other Sub-Total	\$0	\$438,792	\$438,792	\$0	\$438,792	\$0	\$438,792
FY24 New Capital Projects Total	\$0	\$1,648,792	\$1,648,792	\$0	\$1,648,792	\$0	\$1,648,792
FY24 Capital Program Additions	\$456,394,032	\$318,063,761	\$774,457,793	\$46,051,643	\$728,406,150	\$207,560,506	\$566,897,287

Capital Project Funding Addition Descriptions

Guideway

- R359 LR Modern. 15 Min. Service to Folsom (Side Track)** – 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.
- R371 Y1 Substation Installation** – Install a new 2-Megawatt substation within the main storage yard to replace the existing Y1 1 Megawatt substation. Scope includes designing and constructing a new facility for the substation.
- R385 Grand Avenue Bridge Repair** – Repair Grand Avenue bridge after fire damage.
- R400 Light Rail Improvements / State of Good Repair** – Budget authority for light rail state of good repair needs.

Passenger Stations

- 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.
- R375 Dos Rios Light Rail Station Construction** - Construct a new light rail station in 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 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 to facilitate the use of low-floor light rail vehicles.

Revenue Vehicles

- P013 SacRT Go Paratransit Vehicle Replacement (up to 32)** – Purchase up to 32 zero emission paratransit vehicles with ride improvements.
- R376 NTP 2 Replacement New Low-Floor LRVs (8)** – Purchase 8 new replacement Low-Floor Light Rail Vehicles.
- R377 NTP 3 Replacement New Low-Floor LRVs (8)** – Purchase 8 new Siemens S700 Low-Floor Light Rail Vehicles to replace 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.
- R378 NTP 4 Replacement New Low-Floor LRVs (8)** – Purchase 8 new replacement Low-Floor Light Rail Vehicles.
- R379 NTP 5 Replacement New Low-Floor LRVs (8)** – Purchase 8 new replacement Low-Floor Light Rail Vehicles.

Maintenance Buildings

- B165 Electric Bus Charging Infrastructure** – Purchase construct and install charging infrastructure to charge up to 26 electric chargers, with a potential to charge up to 52 buses at BMF1.
- F035 South Area Bus Maintenance Facility** – Planning, environmental, engineering, purchase and construction of a new Bus Maintenance Facility in South Sacramento County.
- R384 LRV Maintenance Shop Upgrades** – Engineering and construction for Light Rail Maintenance Shop upgrades needed to maintain the new Siemens S700.

Other

- M004 Operating Revenue Bond FY13 to FY42 Payments** – Annual payment for Revenue Bond issuance from FY 2013 to FY 2042.
- M008 Transit Action (Long-Range) Plan Update** – The Long-Range Transit Plan (LRTP) will provide an opportunity to display existing conditions and future commitments of SacRT based on adopted plans, programs, practices, including the SacRT financial plan. The LRTP will be a guiding document for future project priorities and route planning and network design.
- M023 SacRT Workforce Development** – Workforce Development and training to develop staff and provide needed skills.

New Projects (Project Numbers TBD)

- TBD Elk Grove Zero Emission Bus** – Purchase one 40 ft. zero emission bus to replace one 40 ft. CNG bus in Elk Grove's bus fleet.
- TBD Multifactor Authentication** – The project is to implement multi-factor authentication using secure keys. A secure key will be issued to each member of the SacRT organization to better secure systems by adding roadblocks that will stop bad actors while securely providing access to authorized technology users.
- Q075 El Dorado Transit FFY23 FTA 5307/5339(a)** – El Dorado Transit has been allocated \$438,792 of FTA 5307/5339(a) funds for FFY23. El Dorado has not determined which projects will receive the funds. This request creates a placeholder budget for \$438,792 El Dorado TBD projects. As designated recipient for the Sacramento region, SacRT includes El Dorado Transit's projects on its FTA grants. For FTA grant purposes, El Dorado Transit is SacRT's subrecipient.